



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

**Villages at Dresden  
2186 and 2198 Dresden Drive  
Chamblee, DeKalb County, Georgia**

**Effective Date: April 1, 2016**

**Report Date: June 9, 2016**

*Prepared For*

**Mr. E.P. Walker, Jr.  
President and CEO  
Housing Development Corporation of DeKalb  
750 Commerce Drive, Suite 200  
Decatur, GA 30030**

*Prepared By*

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June 9, 2016

Mr. E.P. Walker, Jr.  
Housing Development Corporation of DeKalb  
750 Commerce Drive, Suite 200  
Decatur, GA 30030

**Re: Market Study for Villages at Dresden located in Chamblee, Georgia**

Dear Mr. Walker, Jr.:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Chamblee, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project (the Subject). The purpose of this market study is to assess the viability of the proposed 94-unit redevelopment and new construction Low Income Housing Tax Credit (LIHTC) project. The Subject will consist of 38 units within one newly-constructed building known as Dresden Gardens and six substantially rehabilitated multifamily buildings known as Rosalyn Apartments located on adjacent parcels in Chamblee, DeKalb County, Georgia. All units will receive project-based subsidies. Dresden Gardens is intended to offer long-term, quality affordable housing for homeless veterans and will contain Veterans Affairs Supportive Housing (VASH) vouchers. Rosalyn Apartments targets formerly homeless single adults living with disabilities, primarily chronic mental illness and will contain 21 Project-Based Vouchers (PBV) and 35 Shelter Plus Care (S+C) Program vouchers. The Subject will offer studio, one, and two-bedroom units restricted to households earning 50 and 60 percent of the Area Median Income (AMI). The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

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

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

Respectfully submitted,



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Brad Weinberg, MAI, CVA, CCIM  
Partner



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Edward R. Mitchell, MAI  
Manager



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Brian Neukam  
Real Estate Analyst

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the

author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

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

TABLE OF CONTENTS

A. EXECUTIVE SUMMARY AND CONCLUSION ..... 1  
B. PROJECT DESCRIPTION ..... 9  
C. SITE EVALUATION ..... 13  
D. MARKET AREA ..... 23  
E. COMMUNITY DEMOGRAPHIC DATA..... 26  
F. EMPLOYMENT TRENDS ..... 31  
G. PROJECT-SPECIFIC DEMAND ANALYSIS ..... 41  
H. COMPETITIVE RENTAL ANALYSIS ..... 58  
I. ABSORPTION & STABILIZATION RATES ..... 115  
J. INTERVIEWS..... 117  
K. CONCLUSIONS AND RECOMMENDATIONS ..... 119  
L. SIGNED STATEMENT REQUIREMENTS..... 123  
M. MARKET STUDY REPRESENTATION ..... 125  
N. QUALIFICATIONS ..... 127

Addendum

## **A. EXECUTIVE SUMMARY AND CONCLUSIONS**

**EXECUTIVE SUMMARY AND CONCLUSIONS**

**1. Project Description:**

The Subject (Villages at Dresden) is a proposed and substantially rehabilitated LIHTC development that will offer 94 studio, one and two-bedroom units. The Subject will consist of six two-story walkup buildings and one three-story elevator-serviced lowrise building.

The following table illustrates the unit mix for the Subject including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowances.

**PROPOSED RENTS**

| Unit Type             | Number of Units | Unit Size (SF) | Asking Rents | Utility Allowance (1) | Gross Asking Rents | 2015 LIHTC             |                       |
|-----------------------|-----------------|----------------|--------------|-----------------------|--------------------|------------------------|-----------------------|
|                       |                 |                |              |                       |                    | Maximum Allowable Rent | HUD Fair Market Rents |
| <i>PBRA (50% AMI)</i> |                 |                |              |                       |                    |                        |                       |
| 0BR/1BA               | 12              | 275            | \$757        | \$0                   | \$757              | \$597                  | \$708                 |
| 1BR/1BA               | 6               | 689            | \$820        | \$0                   | \$820              | \$640                  | \$773                 |
| <u>2BR/1BA</u>        | <u>1</u>        | 927            | \$949        | \$0                   | \$949              | \$767                  | \$916                 |
| <i>PBRA (60% AMI)</i> |                 |                |              |                       |                    |                        |                       |
| 0BR/1BA               | 14              | 275            | \$757        | \$0                   | \$757              | \$717                  | \$708                 |
| 0BR/1BA               | 30              | 275            | \$764        | \$0                   | \$764              | \$717                  | \$708                 |
| 1BR/1BA               | 26              | 689            | \$820        | \$0                   | \$820              | \$768                  | \$773                 |
| <u>2BR/1BA</u>        | <u>5</u>        | 927            | \$949        | \$0                   | \$949              | \$921                  | \$916                 |
| <b>Total</b>          | <b>94</b>       |                |              |                       |                    |                        |                       |

The Subject will offer the following amenities: patio/balcony, blinds, carpeting, central heating and air conditioning, coat closets, hand rails, ovens, and refrigerators, a business center/computer lab, clubhouse/meeting room, a courtyard, elevators, central laundry, non-shelter services, off-street parking, on-site management, and service coordination. Overall, the Subject’s amenities will be competitive with those offered at the comparable properties.

**2. Site Description/Evaluation:**

The Subject site is located at 2186 and 2198 Dresden Drive near the northeast corner of Dresden Drive and Buford Highway. The Subject will be known as Villages of Dresden, which will include Rosalyn Apartments and the proposed Dresden Gardens. Surrounding land uses include: single-family homes, multi-family developments, various commercial buildings, a park, and the DeKalb-Peachtree Airport. Commercial uses in the Subject’s neighborhood appeared to be approximately 90 percent occupied at the time of inspection. The Subject’s neighborhood is

considered “Somewhat Walkable” by *Walkscore.com* with a rating of 61. The Subject site is considered a desirable building site for rental housing.

### **3. Market Area Definition:**

The PMA is defined as a portion of the northeast Atlanta area including the communities of Chamblee and Doraville. This area bounded by Interstate 285 to the north, US Highway 19 (AKA GA Highway 9) to the west, Lindbergh Drive NE GA-410, North Druid Hills Road, and Lavista Road to the south, and Interstate 285 to the east. This area was defined based on interviews with a member of the Chamblee Planning Department, and the local housing authority. Furthermore, the determination of this market area was influenced by conversations with surveyed property managers, who reported that the majority of rental traffic originates from throughout DeKalb County as well as portions of Fulton County. The Secondary Market Area (SMA) is determined to be the Atlanta-Sandy Springs-Roswell, Georgia Metropolitan Statistical Area (MSA), which consists of Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton Counties.

### **4. Community Demographic Data:**

The population in the PMA increased from 2010 to 2015, while the population in the MSA and nation also experienced growth over this same time period. This trend is expected to continue over the next four years and the population in the PMA is expected to increase at a similar rate compared to that of the MSA and a greater rate compared to the nation through 2020. We believe the sustained growth of the population in the PMA is a positive indication of demand for the Subject’s proposed units. The total number of households in the PMA increased one percent from 2010 to 2015. Over the same period of time, the total number of households in the MSA increased by 0.9 percent. The total number of households in the PMA is expected to increase at a faster annual rate of 1.3 percent, while the total number of households in the MSA is projected to increase at an annual rate of 1.2 percent over the next four years.

Renter households earning under \$40,000 in the PMA comprise 50.8 percent of all income cohorts. The Subject

will target households earning between zero and \$36,480; therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in DeKalb County declined in 2013 and 2014 but increased in 2015.

Overall, the demographic data points to a growing population with a significant number of household incomes in line with the Subject's target. We believe the expected population and household growth in the PMA bodes well for the Subject's proposed units.

## **5. Economic Data:**

Professional/scientific/technical/services, accommodation/food services, and retail trade are the largest industries within the PMA. Combined they represent approximately 33.3 percent of total employment within the PMA. These industries have all experienced growth over the past decade. The MSA appears to be in expansion mode well as total employment has increased each year from 2011 to 2016 year-to-date and has surpassed pre-recessionary levels as of 2015. Total employment in the nation exceeded pre-recessionary levels as of 2014. From January 2015 to January 2016, total employment has increased by 2.8 percent in the MSA compared to an increase of 1.7 percent nationally. From January 2015 to January 2016, the unemployment rate in the MSA decreased one percentage point, compared to a decrease of 0.8 percentage points nationally. The unemployment rate in the MSA as of January 2016 was 5.2 percent, which was 0.3 percentage points above the national rate of 5.3 percent. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels.

## **6. Project-Specific Affordability And Demand Analysis:**

Our demand analysis indicates that there are 5,962 income qualified renter households in the PMA for the Subject's affordable units. The following table indicates the capture rates for the Subject's units.

**CAPTURE RATE ANALYSIS CHART**

| Unit Size              | Units Proposed | Total Demand | Supply   | Net Demand   | Capture Rate |
|------------------------|----------------|--------------|----------|--------------|--------------|
| 0BR at 50% AMI         | 12             | 908          | 0        | 908          | 1.3%         |
| 1BR at 50% AMI         | 6              | 2,140        | 0        | 2,140        | 0.3%         |
| 2BR at 50% AMI         | 1              | 1,994        | 0        | 1,994        | 0.1%         |
| <b>50% AMI Overall</b> | <b>19</b>      | <b>5,042</b> | <b>0</b> | <b>5,042</b> | <b>0.4%</b>  |
| 0BR at 60% AMI         | 44             | 1,074        | 0        | 1,074        | 4.1%         |
| 1BR at 60% AMI         | 26             | 2,530        | 0        | 2,530        | 1.0%         |
| 2BR at 60% AMI         | 5              | 2,358        | 0        | 2,358        | 0.2%         |
| <b>60% AMI Overall</b> | <b>75</b>      | <b>5,962</b> | <b>0</b> | <b>5,962</b> | <b>1.3%</b>  |
| 0BR Overall            | 56             | 1,074        | 0        | 1,074        | 5.2%         |
| 1BR Overall            | 32             | 2,530        | 0        | 2,530        | 1.3%         |
| 2BR Overall            | 6              | 2,358        | 0        | 2,358        | 0.3%         |
| <b>Overall</b>         | <b>94</b>      | <b>5,962</b> | <b>0</b> | <b>5,962</b> | <b>1.6%</b>  |

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

**7. Competitive Rental Analysis:**

The availability of LIHTC data is considered adequate; there are five existing LIHTC properties in the PMA. However, all of these properties were excluded due to differing tenancy or inability to contact. The Subject will target families and we have included five, family, LIHTC properties as comparables.

The availability of market rate data is considered good. We have included five family market-rate properties as comparables, four of which are in the PMA. Overall, we believe the market rate properties we have used in our analysis are the most comparable. Other market rate properties were excluded based on proximity, condition, unit types, and tenancy.

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

| @50% AMI  |         |              |              |                  |                        |
|-----------|---------|--------------|--------------|------------------|------------------------|
| Unit Type | Subject | Surveyed Min | Surveyed Max | Surveyed Average | Subject Rent Advantage |
| Studio    | \$757   | \$1,100      | \$1,562      | \$1,312          | 42%                    |
| 1 BR      | \$820   | \$673        | \$1,768      | \$1,208          | 32%                    |
| 2 BR      | \$949   | \$808        | \$2,374      | \$1,642          | 42%                    |

| @60% AMI  |             |              |              |                  |                        |
|-----------|-------------|--------------|--------------|------------------|------------------------|
| Unit Type | Subject     | Surveyed Min | Surveyed Max | Surveyed Average | Subject Rent Advantage |
| Studio    | \$757-\$764 | \$1,100      | \$1,562      | \$1,312          | 42%                    |
| 1 BR      | \$820       | \$673        | \$1,768      | \$1,208          | 32%                    |
| 2 BR      | \$949       | \$808        | \$2,374      | \$1,642          | 42%                    |

The Subject’s proposed studio, one and two-bedroom rents will offer a 32 to 42 percent advantage over the average market rents.

Vacancy rates in the market range from 0.7 to 17.6 percent, averaging 6.4 percent. The affordable comparables reported vacancy rates ranging from zero to 0.7 to 17.6 percent, averaging 8.6 percent. The actual LIHTC vacancy is much lower, as four of the five properties offer both affordable and market rate units. The property managers report most and in some cases all vacancy are in the market units, though specific breakdowns were not shared. Additionally, two of the affordable properties, M Street Apartments and Tuscany Village, report waiting lists.

The market rate vacancy rate ranges from 2.3 to 5.9 percent, averaging 3.9 percent, which is considered low. The majority of the market rate properties reported strong demand for rental housing in the market. Overall, we believe the conventional market is strong based on the low average vacancy rate.

We anticipate that the Subject will perform similarly to superior to the stabilized affordable and similarly to the more proximate market comparables and will maintain a vacancy rate of three percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable housing in the local market with limited supply.

**8. Absorption/Stabilization Estimate:**

We were able to obtain absorption information from one affordable property included as a comparable. Tuscany Village had a lease up period of six months for an absorption rate of 24 units per month. We included two

additional properties in DeKalb that are not included in our comparables.

**ABSORPTION**

| Property name                | Type  | Tenancy | Year Built | Number of Units | Units Absorbed / Month |
|------------------------------|-------|---------|------------|-----------------|------------------------|
| Tuscany Village              | LIHTC | Family  | 1970/2009  | 144             | 24                     |
| Columbia Mill                | LIHTC | Family  | 2014       | 100             | 20                     |
| Retreat At Edgewood Phase II | LIHTC | Family  | 2012       | 40              | 12                     |

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The absorption rates reported by the comparables range from 12 to 24 units per month, with an average of 15 units per month. The Subject’s location is similar to all of these comparables. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Chamblee, we anticipate that the Subject will absorb at 15 units per month, for an absorption period of five to six months.

**9. Overall Conclusion:**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The affordable and the market rate comparables are performing well, with a weighted vacancy rate of 6.4 percent. The affordable comparables reported vacancy rates ranging from zero to 0.7 to 17.6 percent, averaging 8.6 percent. The actual LIHTC vacancy is much lower, as four of the five properties offer both affordable and market rate units. The property managers report most and in some cases all vacancy are in the market units, though specific breakdowns were not shared. Additionally, two of the affordable properties, M Street Apartments and Tuscany Village, report waiting lists. The market rate only property vacancy rate ranges from 2.3 to 5.9 percent, averaging 3.9 percent, which is considered low. However, it is noted that the market units in the mixed affordable and market developments exhibited higher vacancy rates. The majority of the market rate only properties reported strong demand for rental housing in the market. Overall, we believe the conventional market is strong based on the low average vacancy rate.

The Subject will offer similar to slightly inferior in-unit amenities in comparison to the affordable and market rate comparable properties that offer in-unit washer/dryers, washer/dryer hookups, dishwashers, microwaves, exterior

storage, and garbage disposals. The Subject's common area amenities will be similar to the affordable and market rate comparables. The Subject will offer courtyards, elevators, and non-shelter services, which are not offered at the majority of the comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the rental market.

Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the rental market. As new construction and rehabilitation, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly superior to superior to the LIHTC comparable properties and slightly inferior to inferior to the market rate properties. Due to the relatively low vacancy rates at the comparables, the waiting lists present in the market, the rent growth in the market, and the reported demand for additional affordable housing in the Subject's market area, we believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

**Summary Table:**

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

|                   |   |                  |           |
|-------------------|---|------------------|-----------|
| Development Name: | <b>Villages at Dresden</b>  | Total # Units:   | <b>94</b> |
| Location:         | North side of Dresden Drive, East of Buford Highway<br>Chamblee, DeKalb County, GA 30341  | # LIHTC Units:   | <b>94</b> |
| PMA Boundary:     | North: Interstate 285; East: Interstate 285; South: Lindberg Drive NE GA-410, North Druid Hills Road, and Lavista Road; West: US Highway 19 (AKA GA Highway 9). |                  |           |
|                   | Farthest Boundary Distance to Subject:  | <b>5.8 miles</b> |           |

**Rental Housing Stock (found on pages \_\_ and \_\_)**

| Type   | # Properties | Total Units | Vacant Units | Average Occupancy |
|--|--------------|-------------|--------------|-------------------|
| All Rental Housing                               | 27           | 5,771       | 185          | 96.8%             |
| Market-Rate Housing                              | 18           | 4,460       | 205          | 95.4%             |
| Assisted/Subsidized Housing not to include LIHTC | 4            | 729         | 0            | 100.0%            |
| LIHTC  | 5            | 582         | 0            | 100.0%            |
| Stabilized Comps                                 | 27           | 5,771       | 185          | 96.8%             |
| Properties in Construction & Lease Up            | 1            | 597         | N/Ap         | N/Ap              |

| 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 |
| 12                  | OBR at 50% AMI | 1       | 275       | \$757                | \$1,312             | \$4.77 | 42%       | \$1,575                      | \$5.73 |
| 6                   | 1BR at 50% AMI | 1       | 689       | \$820                | \$1,208             | \$1.75 | 32%       | \$1,782                      | \$2.59 |
| 1                   | 2BR at 50% AMI | 1       | 927       | \$949                | \$1,642             | \$1.77 | 42%       | \$2,387                      | \$2.57 |
| 44                  | OBR at 60% AMI | 1       | 275       | \$757-\$764          | \$1,312             | \$4.77 | 42%       | \$1,575                      | \$5.73 |
| 26                  | 1BR at 60% AMI | 1       | 689       | \$820                | \$1,208             | \$1.75 | 32%       | \$1,782                      | \$2.59 |
| 5                   | 2BR at 60% AMI | 1       | 927       | \$949                | \$1,642             | \$1.77 | 42%       | \$2,387                      | \$2.57 |

**Demographic Data (found on page \_\_)**

|                                     | 2010   |        | 2015   |        | 2018   |        |
|-------------------------------------|--------|--------|--------|--------|--------|--------|
| Renter Households                   | 41,664 | 51.80% | 47,358 | 55.90% | 49,045 | 56.00% |
| Income-Qualified Renter HHs (LIHTC) | 15,827 | 38.00% | 22,589 | 47.70% | 24,235 | 49.40% |

| Type of Demand                                   | 30%  | 50%   | 60%   | Market-rate | Other: __ | Overall* |
|--|------|-------|-------|-------------|-----------|----------|
| Renter Household Growth                          | N/Ap | 705   | 834   | N/Ap        | N/Ap      | 834      |
| Existing Households (Overburdened + Substandard) | N/Ap | 5,718 | 6,761 | N/Ap        | N/Ap      | 6761     |
| Homeowner conversion (Seniors)                   | N/Ap | 0     | 0     | N/Ap        | N/Ap      | 0        |
| <b>Total Primary Market Demand</b>               | N/Ap | 6,423 | 7,595 | N/Ap        | N/Ap      | 7595     |
| Less Comparable/Competitive Supply               | N/Ap | 0     | 0     | N/Ap        | N/Ap      | 0        |
| <b>Adjusted Income-qualified Renter HHs</b>      | N/Ap | 6,423 | 7,595 | N/Ap        | N/Ap      | 7,595    |

| Targeted Population | 30%  | 50%   | 60%   | Market-rate | Other: __ | Overall |
|---------------------|------|-------|-------|-------------|-----------|---------|
| Capture Rate:       | N/Ap | 0.40% | 1.30% | N/Ap        | N/Ap      | 1.60%   |

\*Includes LIHTC and unrestricted (when applicable)

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

|  |   |
|--|---|
| <b>Project Address and Development Location:</b>             | The Subject site is located at 2186 and 2198 Dresden Drive, one parcel east of Buford Highway, in Chamblee, DeKalb County, Georgia 30341. |
| <b>Construction Type:</b>                                    | The Subject will consist of six two-story walkup buildings and one three-story elevator-serviced lowrise building.                        |
| <b>Occupancy Type:</b>                                       | Family.   |
| <b>Special Population Target:</b>                            | See following property profile.   |
| <b>Number of Units by Bedroom Type and AMI Level:</b>        | See following property profile.   |
| <b>Unit Size:</b>  | See following property profile.   |
| <b>Structure Type:</b>                                       | See following property profile.   |
| <b>Rents and Utility Allowances:</b>                         | See following property profile.   |
| <b>Existing or Proposed Project Based Rental Assistance:</b> | All of the Subject's units will benefit from rental assistance.   |
| <b>Proposed Development Amenities:</b>                       | See following property profile.   |

**Property Profile Report**

**Villages At Dresden**

**Comp #** Subject  
**Effective Rent Date** 6/6/2016

**Location** 2186-2198 Dresden Drive  
 Chamblee, GA 30341  
 Dekalb County  
**Distance** n/a  
**Units** 94  
**Vacant Units** 0  
**Vacancy Rate** 0.00%  
**Type** Various  
**Year Built / Renovated** 2000 / 2018



**Market**

**Program** @50% (PBRA), @60% (PBRA) **Leasing Pace** n/a  
**Annual Turnover Rate** N/A **Change in Rent (Past Year)** n/a  
**Units/Month Absorbed** n/a **Concession**  
**Section 8 Tenants** N/A

**Utilities**

**A/C** included -- central **Other Electric** included  
**Cooking** included -- electric **Water** included  
**Water Heat** included -- electric **Sewer** included  
**Heat** included -- electric **Trash Collection** included

**Unit Mix (face rent)**

| Beds | Baths | Type                | Units | Size (SF) | Rent  | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max rent? |
|------|-------|---------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|
| 0    | 1     | Lowrise (2 stories) | 12    | 275       | \$757 | \$0                  | @50% (PBRA) | n/a          | N/A    | N/A          | N/A       |
| 0    | 1     | Lowrise (2 stories) | 14    | 275       | \$757 | \$0                  | @60% (PBRA) | n/a          | N/A    | N/A          | N/A       |
| 0    | 1     | Lowrise (2 stories) | 30    | 275       | \$757 | \$0                  | @60% (PBRA) | N/A          | N/A    | N/A          | N/A       |
| 1    | 1     | Midrise (3 stories) | 6     | 689       | \$820 | \$0                  | @50% (PBRA) | n/a          | N/A    | N/A          | N/A       |
| 1    | 1     | Midrise (3 stories) | 26    | 689       | \$820 | \$0                  | @60% (PBRA) | N/A          | N/A    | N/A          | N/A       |
| 2    | 1     | Midrise (3 stories) | 1     | 927       | \$949 | \$0                  | @50% (PBRA) | n/a          | N/A    | N/A          | N/A       |
| 2    | 1     | Midrise (3 stories) | 5     | 927       | \$949 | \$0                  | @60% (PBRA) | N/A          | N/A    | N/A          | N/A       |

**Amenities**

**In-Unit** Balcony/Patio **Security** none  
 Blinds  
 Carpeting  
 Central A/C  
 Coat Closet  
 Hand Rails  
 Oven  
 Refrigerator

**Property** Business Center/Computer Lab **Premium** none  
 Clubhouse/Meeting Room/Community Room  
 Courtyard  
 Elevators  
 Central Laundry  
 Non-shelter Services  
 Off-Street Parking  
 On-Site Management  
 Service Coordination

**Services** none **Other** none

**Comments**

The Villages at Dresden is comprised of two multi-family components. One is the Rosalyn Apartments, a 56-unit independent living community dedicated to housing formerly homeless adults with resident services for chronic mental illness. The units in Rosalyn Apartments are all studio units. All units will contain a combination of 21 Project-Based Vouchers and 35 Shelter Plus Care Program vouchers reserved for households earning at or below 50 and 60 percent AMI. Twelve of the units are reserved for households earning at or below 50 percent AMI and 44 units are reserved for households earning at or below 60 percent AMI. This component was constructed in 2000 and is proposed for rehabilitation. The second component is Dresden Gardens, which is a 38-unit new construction apartment community offering long-term, affordable housing for homeless veterans. This component is comprised of 32 one-bedroom units and 6 two-bedroom units. All units contain project-based Veterans Affairs Supportive Housing vouchers with 7 units reserved for households earning at or below 50 percent AMI and 31 units reserved for households earning at or below 60 percent AMI.

**Scope of Renovations:** The Subject will be new construction and renovation. According to information provided by the developer, the Subject’s scope of renovation will include, but will not be limited to:

- Sitework
  - Replace sidewalk, damage curb and gutter as needed
  - Repave and stripe asphalt areas
  - Build a Gazebo
  - Remove and reinstall chain link fencing
  - Regrading and landscape updates
- Building Exterior
  - Replace and repair breezeway stairs and guard rails as needed
  - Replace and repair windows and covered entry doors as needed
  - New siding and shingle roofing – all buildings
  - Install fiberglass blown insulation
- Unit finishes
  - Repaint
  - Replace flooring, cabinets, and plumbing fixtures
  - Replace P Tac units
  - New light fixtures
  - Replace doors and hardware
  - Replace all kitchen appliances
  - Replace toilets, sinks, and vanities

According to the client, the total renovation hard costs are estimated to be approximately \$1,400,000, or \$25,000 per existing unit.

**Current Rents:** The existing portion of the Subject is currently fully-subsidized with tenants paying 30% of their income towards rent. According to a rent roll provided by the property manager dated March 30, 2016, current rents range from \$0 to \$543.

**Current Occupancy:** 100%

**Current Tenant Income:** The Subject will be new construction and rehabilitation.

**Placed in Service Date:** The Subject is expected to be completed by March 2018.

**Conclusion:** The Subject will be an excellent-quality apartment complex, comparable or superior to most of the inventory in the area. As new construction and rehabilitation, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

## **C. SITE EVALUATION**

**SITE EVALUATION**

**1. Date of Site Visit and**

**Name of Site Inspector:**

Brian Neukam visited the site on April 1, 2016.

**2. Physical Features of the Site:**

The following illustrates the physical features of the site.

*Frontage:*

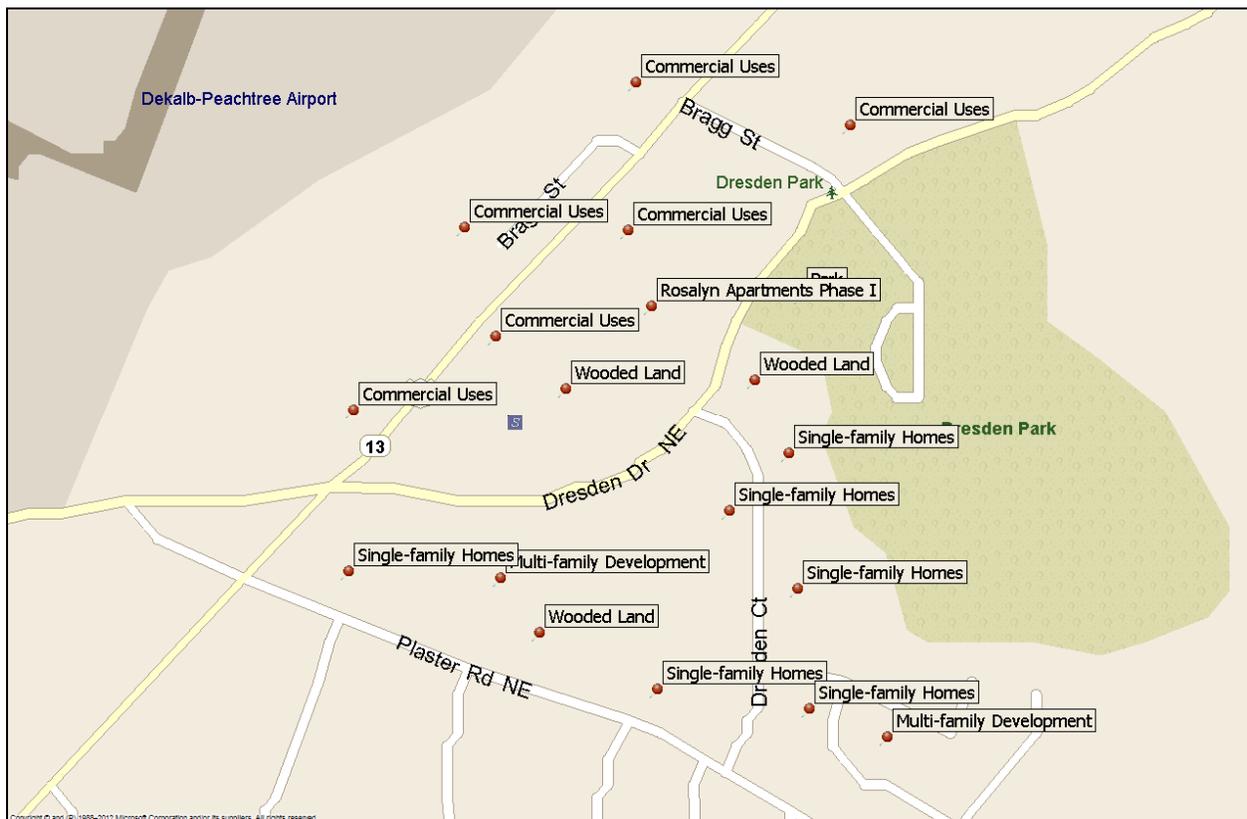
The Subject has frontage along Dresden Drive.

*Visibility/Views:*

The Subject site is located in a mixed-use neighborhood that consists of multifamily developments, single-family homes, and commercial uses, which range in condition from average to good. Views to the north consist of commercial uses in good condition, while views to the east consist of wooded land. Views to the west are of wooded land followed by a single-family residence, and views to the south consist of a multifamily development and single-family residences in average condition. The Subject site has average views and good visibility.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



The Subject is located in a mixed-use neighborhood. Surrounding land uses include: single-family homes, multi-

family developments, various commercial buildings, a park, and the DeKalb-Peachtree Airport. Commercial uses in the Subject's neighborhood appeared to be approximately 90 percent occupied at the time of inspection.

*Positive/Negative Attributes of Site:* The Subject will be part of a larger planned unit development known as Villages at Dresden, which will include Rosalyn Apartments and the proposed Dresden Gardens. The Subject's proximity to a bus stop and other locational amenities and retail uses are considered positive attributes. The Subject's neighborhood is considered "Somewhat Walkable" by *Walkscore.com* with a rating of 61. The Subject is located just south of the DeKalb-Peachtree Airport, which is a potential negative attribute considering the noise produced by this land use. However, the presence of the airport has not historically had a negative impact on marketability or property values in the immediate area. It should also be noted that this is a community airport with no large jet engines.

### **3. Physical Proximity to Locational Amenities:**

The Subject is located within 2.0 miles of all locational amenities with the exception of a hospital and police department.

4. Pictures of Site and Adjacent Uses:



Proposed Subject site



Proposed Subject site



Subject site



Subject site



Subject Site



Subject Site



Typical Bathroom



Typical Kitchen



Typical Living Area



Typical Bedroom



View north on Dresden Drive



View south on Dresden Drive



Single-family Residence in Subject Neighborhood



Single-family Residence in Subject Neighborhood



Gas Station in Subject Neighborhood



Grocery Store in Subject Neighborhood



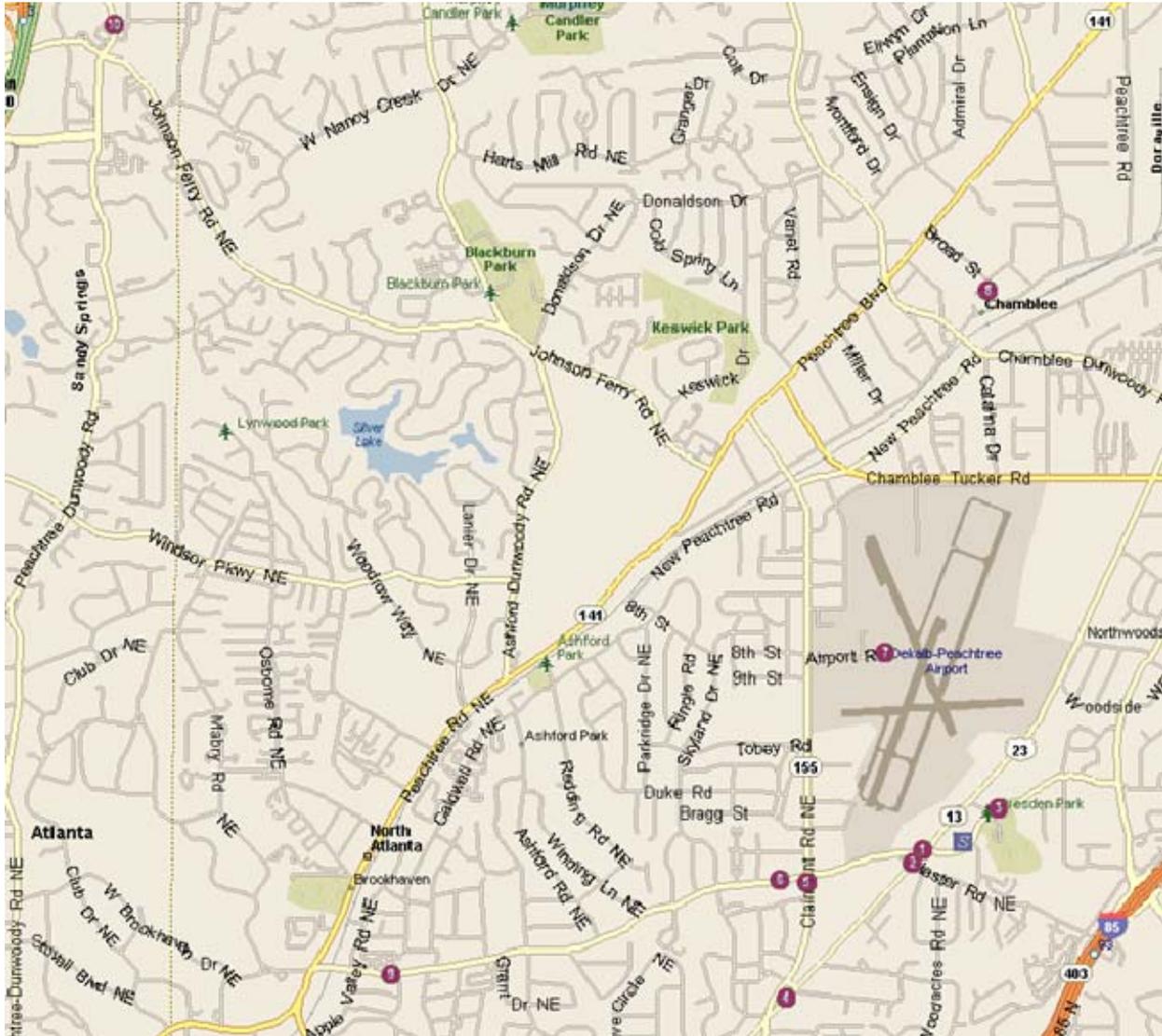
Fast Food in Subject Neighborhood



Shopping Center in Subject Neighborhood

**5. Proximity to Locational Amenities:**

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



**LOCATIONAL AMENITIES**

| Map # | Amenity or Service                 | Distance  |
|-------|------------------------------------|-----------|
| 1     | Bus Stop                           | 0.3 miles |
| 2     | Shell Gas Station                  | 0.2 miles |
| 3     | Dresden Park                       | 0.2 miles |
| 4     | Aldi Grocery Store                 | 0.9 miles |
| 5     | CVS Pharmacy                       | 0.6 miles |
| 6     | US Post Office                     | 0.7 miles |
| 7     | DeKalb Peachtree Airport           | 1.6 miles |
| 8     | Chamblee Police Department         | 3.1 miles |
| 9     | DeKalb County Fire Station No. 2   | 2.0 miles |
| 10    | Saint Joseph's Hospital of Atlanta | 5.4 miles |

**6. Description of Land Uses:**

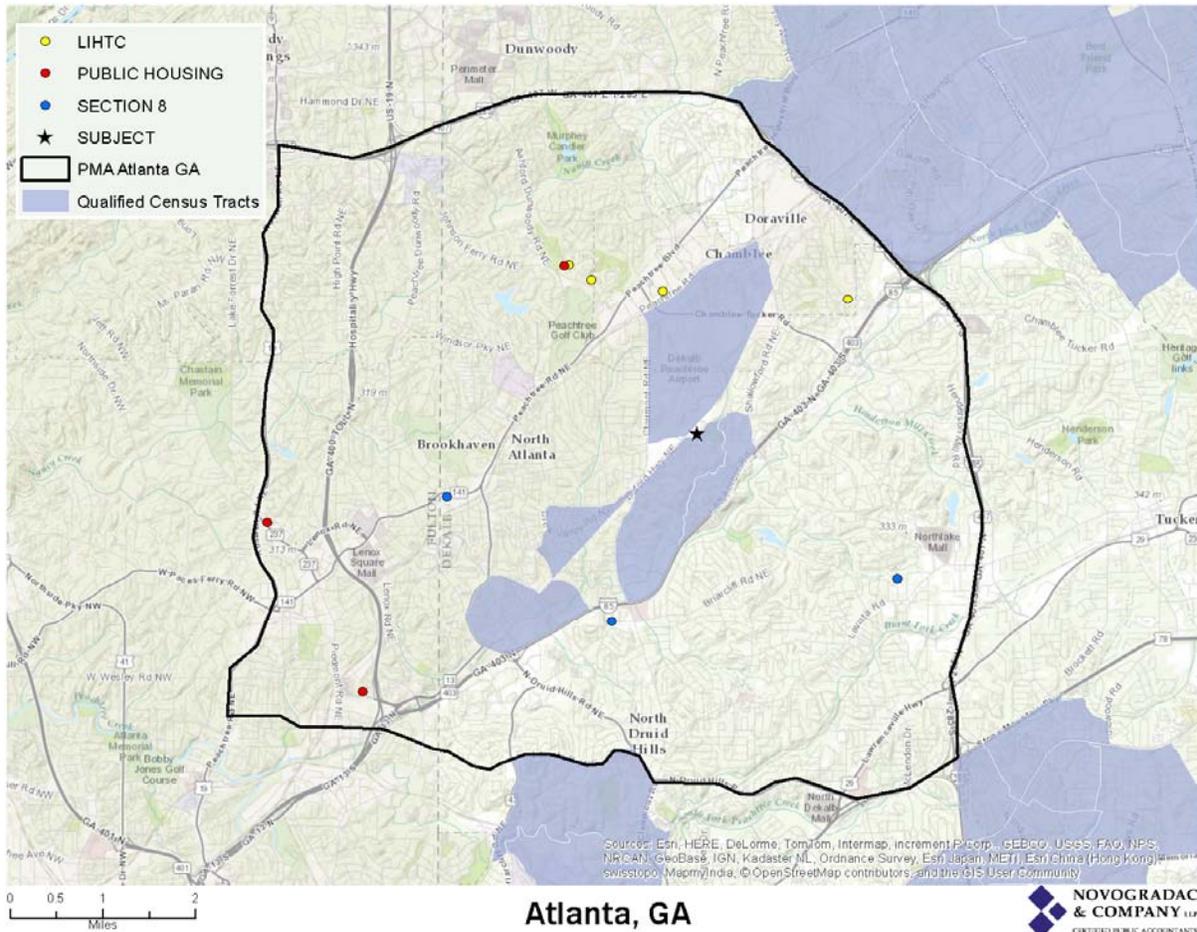
The Subject is located in a mixed-use neighborhood. Surrounding land uses include: single-family homes, multi-family developments, various commercial buildings, a park, and the DeKalb-Peachtree Airport. Commercial uses in the Subject’s neighborhood appeared to be approximately 90 percent occupied at the time of inspection.

**7. Existing Assisted Rental Housing Property Map:**

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

EXISTING AND PROPOSED ASSISTED RENTAL HOUSING IN PMA

| Property Name                      | Address                   | City       | State | Zip Code | Type           | Map Color | Included/Excluded | Reason for Exclusion |
|------------------------------------|---------------------------|------------|-------|----------|----------------|-----------|-------------------|----------------------|
| Ashford Parkside Senior Residences | 3522 Blair Circle NE      | Brookhaven | GA    | 30319    | LIHTC          | Yellow    | Excluded          | Senior Tenancy       |
| Chamblee Senior Residences         | 3381 Malone Drive         | Chamblee   | GA    | 30341    | LIHTC          |           | Excluded          | Senior Tenancy       |
| Ashford Landing Senior Residences  | 3511 Donaldson Dr. NE     | Brookhaven | GA    | 30319    | LIHTC          |           | Excluded          | Senior Tenancy       |
| Hearthside Brookleigh              | 2282 Johnson Ferry RD NE  | Brookhaven | GA    | 30319    | LIHTC          |           | Excluded          | Senior Tenancy       |
| Chestnut Creek Apartments          | 3374 Aztec Road           | Doraville  | GA    | 30340    | LIHTC          |           | Excluded          | Unable to Contact    |
| Marion Road Highrise               | 760 Sidney Marcus Blvd Ne | Atlanta    | GA    | 30324    | Public Housing | Red       | Excluded          | Subsidized Rents     |
| Piedmont Road Highrise             | 3601 Piedmont Road NE     | Atlanta    | GA    | 30305    | Public Housing |           | Excluded          | Subsidized Rents     |
| Ahepa One Apartments               | 2025 Ladovie Ln NE        | Atlanta    | GA    | 30345    | Section 8      | Blue      | Excluded          | Subsidized Rents     |
| Lenox Summit                       | 2449 E Club Dr NE         | Atlanta    | GA    | 30319    | Section 8      |           | Excluded          | Subsidized Rents     |



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

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

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

The Subject site is accessible from Dresden Drive. Dresden Drive provides direct access to Buford Highway, a major commercial corridor in the area. Buford Highway provides direct access to GA-400 to the southwest and to Interstate 285 to the northeast. Traffic flow in the immediate area is good. Overall, access and visibility are considered good.

**10. Environmental Concerns:**

We were not provided with an environmental assessment. The status of this report is still pending. During our site inspection, we did not notice any obvious environmental concerns. It should be noted that any significant environmental issues could have a material impact on our value conclusions. Novogradac and Company LLP are not experts in this field and cannot further opine.

**11. Conclusion:** The Subject site is located at 2186 and 2198 Dresden Drive near the northeast corner of Dresden Drive and Buford Highway. The Subject will be known as Villages of Dresden, which will include Rosalyn Apartments and the proposed Dresden Gardens. Surrounding land uses include: single-family homes, multi-family developments, various commercial buildings, a park, and the DeKalb-Peachtree Airport. Commercial uses in the Subject's neighborhood appeared to be approximately 90 percent occupied at the time of inspection. The Subject's neighborhood is considered "Somewhat Walkable" by *Walkscore.com* with a rating of 61. The Subject site is considered a desirable building site for rental housing. The Subject is located within 2.0 miles of all locational amenities with the exception of a hospital and police department. Overall, the existing Subject improvements appear well-suited for renovation and the vacant parcel appears well-suited for additional multi-family development.

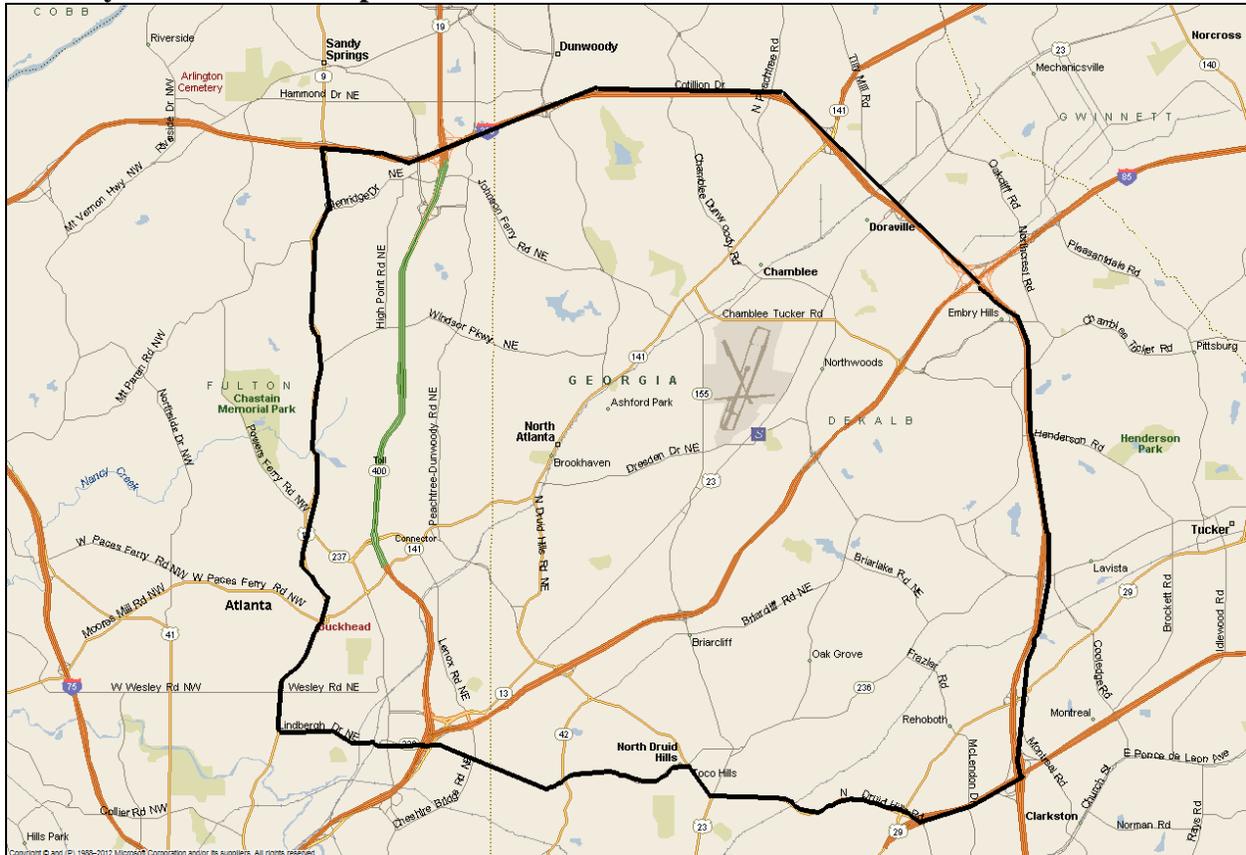
## **D. MARKET AREA**

## MARKET AREA

### Primary Market Area

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

### Primary Market Area Map



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

The PMA is defined as a portion of the northeast Atlanta area including the communities of Chamblee and Doraville. This area bounded by Interstate 285 to the north, US Highway 19 (AKA GA Highway 9) to the west, Lindbergh Drive NE GA-410, North Druid Hills Road, and Lavista Road to the south, and Interstate 285 to the east. This area was defined based on interviews with a member of the Chamblee Planning Department, and the local housing authority. Furthermore, the determination of this market area was influenced by conversations

with surveyed property managers, who reported that the majority of rental traffic originates from throughout DeKalb County as well as portions of Fulton County. The Secondary Market Area (SMA) is determined to be the Atlanta-Sandy Springs-Roswell, Georgia Metropolitan Statistical Area (MSA), which consists of Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton Counties.

We do believe the Subject will experience leakage from outside the PMA boundaries; however, per the 2016 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject site is approximately 5.8 miles.

## **E. COMMUNITY DEMOGRAPHIC DATA**

**COMMUNITY DEMOGRAPHIC DATA**

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Metropolitan Statistical Area (MSA) are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. It should be noted that per DCA market study guidelines, source data must be Claritas, State Data Center or US Census/American Fact Finder. However, the demographic data presented in this report originates from the Census and is compiled by a third party analyst. Novogradac & Company uses data provided by the ESRI Business Analyst. Business Analyst brings in data as produced by ESRI’s team of demographers. Sources include the US Census, American Community Survey, and other reputable sources. Housing characteristics are derived from several data sources, including construction data from Hanley Wood Market Intelligence, building permits from counties, the USPS, HUD, BLS, and the Census bureau. Owner and renter occupied units come from the Current Population Survey (BLS) and the Housing Vacancy Survey (Census). Data has been ground-truthed by ESRI staff and proven effective.

ESRI’s products have been used by almost all US federal agencies (including HUD and USDA) , top state level agencies, over 24,000 state and local governments worldwide, as well as many industry leading technology users—AT&T, Citrix, SAP, Oracle, Microsoft. ESRI produces timely updates based on new releases of data. The following demographic tables are specific to the populations of the PMA and MSA.

**1. Population Trends**

The following tables illustrate (a) Total Population, (b) Population by Age Group within population in MSA, from 2000 through 2020.

| <b>TOTAL POPULATION</b>           |               |                      |  |                      |               |                      |
|-----------------------------------|---------------|----------------------|--|----------------------|---------------|----------------------|
| <b>Year</b>                       | <b>PMA</b>    |                      | <b>Atlanta-Sandy Springs-Roswell, GA M</b> |                      | <b>USA</b>    |                      |
|                                   | <i>Number</i> | <i>Annual Change</i> | <i>Number</i>                              | <i>Annual Change</i> | <i>Number</i> | <i>Annual Change</i> |
| 2000                              | 165,720       | -                    | 4,263,438                                  | -                    | 281,421,906   | -                    |
| 2010                              | 181,223       | 0.9%                 | 5,286,728                                  | 2.4%                 | 308,745,538   | 1.0%                 |
| 2015                              | 190,095       | 0.9%                 | 5,527,230                                  | 0.9%                 | 318,536,439   | 0.6%                 |
| Projected Mkt Entry<br>March 2018 | 195,808       | 1.1%                 | 5,700,824                                  | 1.2%                 | 324,982,378   | 0.8%                 |
| 2020                              | 200,806       | 1.1%                 | 5,852,718                                  | 1.2%                 | 330,622,575   | 0.8%                 |

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

**POPULATION BY AGE GROUP****Atlanta-Sandy Springs-Roswell, GA MSA**

| <b>Age Cohort</b> | <b>2000</b>      | <b>2010</b>      | <b>2015</b>      | <b>Projected Mkt<br/>Entry March<br/>2018</b> | <b>2020</b>      |
|-------------------|------------------|------------------|------------------|---|------------------|
| 0-4               | 318,972          | 380,735          | 371,886          | 378,792                                       | 384,835          |
| 5-9               | 326,062          | 394,306          | 387,048          | 388,322                                       | 389,437          |
| 10-14             | 314,313          | 390,992          | 399,704          | 406,008                                       | 411,524          |
| 15-19             | 290,180          | 378,372          | 376,375          | 387,741                                       | 397,686          |
| 20-24             | 289,654          | 341,650          | 385,828          | 378,168                                       | 371,466          |
| 25-29             | 364,046          | 377,057          | 389,860          | 413,015                                       | 433,276          |
| 30-34             | 382,158          | 386,120          | 387,615          | 407,945                                       | 425,733          |
| 35-39             | 396,792          | 417,987          | 383,343          | 399,509                                       | 413,654          |
| 40-44             | 360,050          | 415,233          | 414,369          | 402,647                                       | 392,391          |
| 45-49             | 307,308          | 411,635          | 398,674          | 401,231                                       | 403,469          |
| 50-54             | 267,500          | 364,330          | 397,500          | 391,502                                       | 386,254          |
| 55-59             | 186,754          | 301,331          | 350,838          | 364,001                                       | 375,518          |
| 60-64             | 131,059          | 252,453          | 285,360          | 308,955                                       | 329,601          |
| 65-69             | 101,856          | 170,690          | 234,503          | 250,050                                       | 263,653          |
| 70-74             | 82,809           | 114,130          | 151,299          | 181,432                                       | 207,799          |
| 75-79             | 65,303           | 81,144           | 94,524           | 112,478                                       | 128,188          |
| 80-84             | 42,357           | 57,082           | 61,073           | 67,611  | 73,331           |
| 85+               | 36,265           | 51,481           | 57,431           | 61,416  | 64,903           |
| <b>Total</b>      | <b>4,263,438</b> | <b>5,286,728</b> | <b>5,527,230</b> | <b>5,700,824</b>                              | <b>5,852,718</b> |

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

The population in the PMA experienced a population increase from 2010 to 2015 and is projected to continue to increase at a slightly faster rate through 2020. Similarly, the population in the MSA also increased and is projected to continue to increase through 2020. The general population in the nation increased at a slightly slower rate than the PMA and MSA from 2010 to 2015 and is projected to continue to increase at a slightly slower rate through 2020.

**2. Household Trends****2a. Total Number of Households, Average Household Size****TOTAL NUMBER OF HOUSEHOLDS**

| <b>Year</b>                       | <b>PMA</b>    |                      | <b>Atlanta-Sandy Springs-Roswell, GA MSA</b> |                      | <b>USA</b>    |                      |
|-----------------------------------|---------------|----------------------|--|----------------------|---------------|----------------------|
|                                   | <i>Number</i> | <i>Annual Change</i> | <i>Number</i>                                | <i>Annual Change</i> | <i>Number</i> | <i>Annual Change</i> |
| 2000                              | 71,111        | -                    | 1,559,712                                    | -                    | 105,480,101   | -                    |
| 2010                              | 80,401        | 1.3%                 | 1,943,885                                    | 2.5%                 | 116,716,292   | 1.1%                 |
| 2015                              | 84,766        | 1.0%                 | 2,033,479                                    | 0.9%                 | 120,746,349   | 0.7%                 |
| Projected Mkt Entry<br>March 2018 | 87,610        | 1.3%                 | 2,098,841                                    | 1.2%                 | 123,269,663   | 0.8%                 |
| 2020                              | 90,099        | 1.3%                 | 2,156,032                                    | 1.2%                 | 125,477,562   | 0.8%                 |

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

**AVERAGE HOUSEHOLD SIZE**

| Year                              | PMA    |               | Atlanta-Sandy Springs-Roswell, GA MS |               | USA    |               |
|-----------------------------------|--------|---------------|--------------------------------------|---------------|--------|---------------|
|                                   | Number | Annual Change | Number                               | Annual Change | Number | Annual Change |
| 2000                              | 2.29   | -             | 2.68                                 | -             | 2.59   | -             |
| 2010                              | 2.23   | -0.2%         | 2.68                                 | 0.0%          | 2.58   | -0.1%         |
| 2015                              | 2.23   | -0.1%         | 2.68                                 | 0.0%          | 2.57   | 0.0%          |
| Projected Mkt Entry<br>March 2018 | 2.22   | -0.1%         | 2.68                                 | 0.0%          | 2.57   | 0.0%          |
| 2020                              | 2.21   | -0.1%         | 2.67                                 | 0.0%          | 2.57   | 0.0%          |

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

The total number of households in the PMA increased one percent from 2010 to 2015. Over the same period of time, the total number of households in the MSA increased 0.9 percent. The total number of households in the PMA is expected to increase at a faster annual rate of 1.3 percent, while the total number of households in the MSA is projected to increase at an annual rate of 1.2 percent over the next four years. Average household size in the PMA is currently 2.23 persons, which is projected to decrease slightly through 2020.

**2b. Households by Tenure**

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

**TENURE PATTERNS PMA**

| Year                              | Owner-Occupied | Percentage     | Renter-Occupied | Percentage      |
|-----------------------------------|----------------|----------------|-----------------|-----------------|
|                                   | Units          | Owner-Occupied | Units           | Renter-Occupied |
| 2000                              | 34,486         | 48.5%          | 36,625          | 51.5%           |
| 2010                              | 38,737         | 48.2%          | 41,664          | 51.8%           |
| 2015                              | 37,408         | 44.1%          | 47,358          | 55.9%           |
| Projected Mkt Entry<br>March 2018 | 38,565         | 44.02%         | 49,045          | 55.98%          |
| 2020                              | 39,577         | 43.9%          | 50,522          | 56.1%           |

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

Renter-occupied housing units comprise the majority of housing in the PMA. The percentage of renter-occupied housing units, in the PMA, is expected to increase through 2020. The percentage of renter-occupied housing in the PMA is significantly higher than the national average.

**2c. Households by Income**

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

**RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA**

| Income Cohort     | 2010          |               | 2015          |               | Projected Mkt Entry March 2018 |               | 2020          |               |
|-------------------|---------------|---------------|---------------|---------------|--------------------------------|---------------|---------------|---------------|
|                   | Number        | Percentage    | Number        | Percentage    | Number                         | Percentage    | Number        | Percentage    |
| \$0-9,999         | 3,608         | 8.7%          | 5,332         | 11.3%         | 5,769                          | 11.8%         | 6,150         | 12.2%         |
| \$10,000-19,999   | 4,725         | 11.3%         | 6,847         | 14.5%         | 7,436                          | 15.2%         | 7,951         | 15.7%         |
| \$20,000-29,999   | 4,398         | 10.6%         | 6,384         | 13.5%         | 6,835                          | 13.9%         | 7,229         | 14.3%         |
| \$30,000-39,999   | 4,774         | 11.5%         | 6,213         | 13.1%         | 6,473                          | 13.2%         | 6,701         | 13.3%         |
| \$40,000-49,999   | 5,289         | 12.7%         | 5,244         | 11.1%         | 5,426                          | 11.1%         | 5,585         | 11.1%         |
| \$50,000-59,999   | 3,795         | 9.1%          | 4,159         | 8.8%          | 4,110                          | 8.4%          | 4,067         | 8.0%          |
| \$60,000-74,999   | 4,012         | 9.6%          | 3,872         | 8.2%          | 3,839                          | 7.8%          | 3,809         | 7.5%          |
| \$75,000-99,999   | 4,460         | 10.7%         | 4,217         | 8.9%          | 4,189                          | 8.5%          | 4,165         | 8.2%          |
| \$100,000-124,999 | 2,511         | 6.0%          | 2,205         | 4.7%          | 2,138                          | 4.4%          | 2,080         | 4.1%          |
| \$125,000-149,999 | 1,540         | 3.7%          | 1,190         | 2.5%          | 1,178                          | 2.4%          | 1,167         | 2.3%          |
| \$150,000-199,999 | 1,190         | 2.9%          | 974           | 2.1%          | 936                            | 1.9%          | 903           | 1.8%          |
| \$200,000+        | 1,362         | 3.3%          | 719           | 1.5%          | 716                            | 1.5%          | 714           | 1.4%          |
| <b>Total</b>      | <b>41,664</b> | <b>100.0%</b> | <b>47,358</b> | <b>100.0%</b> | <b>49,045</b>                  | <b>100.0%</b> | <b>50,522</b> | <b>100.0%</b> |

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

Renter households earning under \$40,000 in the PMA comprised 50.8 percent of all income cohorts in 2015. The Subject’s income limits will range from zero to \$36,480. As such, a large portion of renter households will income qualify to reside at the Subject’s units, and the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in DeKalb County declined in 2013 and 2014 but increased 6.1 percent in 2015.

**Conclusion**

The population in the PMA increased from 2010 to 2015, while the population in the MSA and nation also experienced growth over this same time period. This trend is expected to continue over the next four years and the population in the PMA is expected to increase at a similar rate compared to that of the MSA and a greater rate compared to the nation through 2020. We believe the sustained growth of the population in the PMA is a positive indication of demand for the Subject’s proposed units. The total number of households in the PMA increased one percent from 2010 to 2015. Over the same period of time, the total number of households in the MSA increased by 0.9 percent. The total number of households in the PMA is expected to increase at a faster annual rate of 1.3 percent, while the total number of households in the MSA is projected to increase at an annual rate of 1.2 percent over the next four years.

Renter households earning under \$40,000 in the PMA comprise 50.8 percent of all income cohorts. The Subject will target households earning between zero and \$36,480; therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in DeKalb County declined in 2013 and 2014 but increased in 2015.

Overall, the demographic data points to a growing population with a significant number of household incomes in line with the Subject’s target. We believe the expected population and household growth in the PMA bodes well for the Subject’s proposed units.

## **F. EMPLOYMENT TRENDS**

## EMPLOYMENT TRENDS

The Subject is located in Chamblee, DeKalb County, Georgia. The following illustrates recent job growth and employment trends in the region.

### 1. Total Jobs

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

| Total Jobs in Dekalb County, Georgia |                  |          |
|--------------------------------------|------------------|----------|
| Year                                 | Total Employment | % Change |
| 2006                                 | 366,471          | -        |
| 2007                                 | 374,934          | 2.26%    |
| 2008                                 | 367,914          | -1.91%   |
| 2009                                 | 343,126          | -7.22%   |
| 2010                                 | 323,687          | -6.01%   |
| 2011                                 | 327,867          | 1.27%    |
| 2012                                 | 335,056          | 2.15%    |
| 2013                                 | 337,716          | 0.79%    |
| 2014                                 | 343,108          | 1.57%    |
| 2015                                 | 343,108          | 0.00%    |
| 2015 YTD Average                     | 348,575          | 1.57%    |
| Feb-15                               | 346,153          | -        |
| Feb-16                               | 354,615          | 2.39%    |

Source: U.S. Bureau of Labor Statistics

YTD as of December 2015

As illustrated in the table above, DeKalb County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2009 with a 7.2 percent decrease in total jobs over that year. Total jobs continued to decrease in 2010, albeit at a slightly slower rate. However, covered employment has increased from 2011 to 2015. From February 2015 to February 2016, covered employment increased by 2.4 percent. As such, the DeKalb County economy appears to be recovering well from the economic recession, though it has some way to go before reaching pre-recessionary employment levels. However, the larger area (Metro Atlanta), has recovered from the recession and is in an expansion mode. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within DeKalb County as of February 2016.

### February 2016 Covered Employment DeKalb County, Georgia

|                                      | Number         | Percent |
|--------------------------------------|----------------|---------|
| <b>Total, all industries</b>         | <b>250,498</b> | -       |
| <b>Goods-producing</b>               | <b>23,192</b>  | -       |
| Natural resources and mining         | <b>90</b>      | 0.04%   |
| Construction                         | <b>9,882</b>   | 3.94%   |
| Manufacturing                        | <b>13,220</b>  | 5.28%   |
| <b>Service-providing</b>             | <b>227,306</b> | -       |
| Trade, transportation, and utilities | <b>61,013</b>  | 24.36%  |
| Information                          | <b>10,137</b>  | 4.05%   |
| Financial activities                 | <b>15,665</b>  | 6.25%   |
| Professional and business services   | <b>46,161</b>  | 18.43%  |
| Education and health services        | <b>59,545</b>  | 23.77%  |
| Leisure and hospitality              | <b>25,686</b>  | 10.25%  |
| Other services                       | <b>7,874</b>   | 3.14%   |
| Unclassified                         | <b>1,225</b>   | 0.49%   |

Source: Bureau of Labor Statistics, 2015

The largest sector in DeKalb County, according to the Bureau of Labor Statistics, is the trade/transportation/utilities industry, followed by the educational and health services, and professional and business industries. Educational and health services are historically considered to be stable employers and could provide some additional stability to the local economy during a recession. The trade/transportation/utilities industry is historically an unstable sector. However, due to the close proximity to Atlanta, a major tourism and business spot in Georgia, these industries (specifically trade and transportation) continue to prosper. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

## 2015 EMPLOYMENT BY INDUSTRY

| Industry                       | PMA             |                  | USA                |                  |
|--------------------------------|-----------------|------------------|--------------------|------------------|
|                                | Number Employed | Percent Employed | Number Employed    | Percent Employed |
| Agric/Forestry/Fishing/Hunting | 196             | 0.2%             | 1,941,156          | 1.3%             |
| Mining                         | 61              | 0.1%             | 997,794            | 0.7%             |
| Construction                   | 8,131           | 8.5%             | 9,392,204          | 6.4%             |
| Manufacturing                  | 3,958           | 4.1%             | 15,651,841         | 10.6%            |
| Wholesale Trade                | 2,593           | 2.7%             | 3,742,526          | 2.5%             |
| Retail Trade                   | 8,501           | 8.8%             | 17,089,319         | 11.6%            |
| Transportation/Warehousing     | 2,351           | 2.4%             | 6,200,837          | 4.2%             |
| Utilities                      | 237             | 0.2%             | 1,190,608          | 0.8%             |
| Information                    | 4,325           | 4.5%             | 2,965,498          | 2.0%             |
| Finance/Insurance              | 6,025           | 6.3%             | 7,026,905          | 4.8%             |
| Real Estate/Rental/Leasing     | 3,540           | 3.7%             | 2,759,067          | 1.9%             |
| Prof/Scientific/Tech Services  | 14,052          | 14.6%            | 9,981,082          | 6.8%             |
| Mgmt of Companies/Enterprises  | 288             | 0.3%             | 115,436            | 0.1%             |
| Admin/Support/Waste Mgmt Svcs  | 5,645           | 5.9%             | 6,242,568          | 4.2%             |
| Educational Services           | 8,271           | 8.6%             | 13,529,510         | 9.2%             |
| Health Care/Social Assistance  | 8,287           | 8.6%             | 20,205,674         | 13.7%            |
| Arts/Entertainment/Recreation  | 2,137           | 2.2%             | 3,193,724          | 2.2%             |
| Accommodation/Food Services    | 9,515           | 9.9%             | 10,915,815         | 7.4%             |
| Other Services (excl Publ Adm) | 4,613           | 4.8%             | 7,548,482          | 5.1%             |
| Public Administration          | 3,462           | 3.6%             | 7,099,307          | 4.8%             |
| <b>Total Employment</b>        | <b>96,188</b>   | <b>100.0%</b>    | <b>147,789,353</b> | <b>100.0%</b>    |

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

Professional/scientific/technical services, accommodation/food services, and retail trade are the largest industries within the PMA. Combined they represent approximately 33.3 percent of total employment within the PMA. These industries have all experienced growth over the past decade. The PMA is overrepresented in the professional/scientific/technical services, accommodation/food services, construction, information, and real estate/rental/leasing industries, relative to the nation. Comparatively, the health care/social assistance, educational services, and manufacturing sectors are underrepresented in the PMA.

### 3. Major Employers

The following tables detail the top employers in the Atlanta metropolitan area and the city of Chamblee.

**MAJOR EMPLOYERS**  
**Atlanta Metropolitan Area**

| <b>Employer</b>                                  | <b>Industry</b>                | <b>Number Employed</b> |
|--|--------------------------------|------------------------|
| Delta Airlines Inc.                              | Transportation                 | 31,237                 |
| Emory University                                 | Educational Services           | 29,937                 |
| Wal-Mart Stores, Inc.                            | Retail Trade                   | 20,532                 |
| The Home Depot, Inc.                             | Retail Trade                   | 20,000                 |
| AT&T Inc.  | Telecommunications             | 17,882                 |
| The Kroger Co.                                   | Retail Trade                   | 14,753                 |
| WellStar Health System                           | Healthcare                     | 13,500                 |
| Publix Super Markets Inc.                        | Retail Trade                   | 9,494                  |
| United States Postal Service - Atl District      | Postal Services                | 9,385                  |
| Northside Hospital                               | Healthcare                     | 9,016                  |
| The Coca-Cola Company                            | Food Manufacturing             | 8,761                  |
| United Parcel Service, Inc.                      | Transportation and Warehousing | 8,727                  |
| Piedmont Healthcare                              | Healthcare                     | 8,707                  |
| Centers for Disease Control and Prevention (CDC) | Government                     | 8,539                  |
| Children's Healthcare of Atlanta, Inc.           | Healthcare                     | 7,452                  |
| Cox Enterprises Inc.                             | Entertainment                  | 7,255                  |
| Bank of America                                  | Finance                        | 6,800                  |
| SunTrust Banks Inc.                              | Finance                        | 6,800                  |
| Georgia Institute of Technology                  | Educational Services           | 6,386                  |
| Southern Company                                 | Utilities                      | 6,247                  |
| Georgia State University                         | Educational Services           | 5,875                  |
| Lockheed Martin Corp.                            | Prof/Scientific/Tech           | 5,823                  |
| Turner Broadcasting System, Inc.                 | Entertainment                  | 5,500                  |
| GradyHealth System                               | Healthcare                     | 5,450                  |
| State Farm                                       | Insurance                      | 5,000                  |
| Wells Fargo & Company                            | Finance                        | 5,000                  |

Source: Metro Atlanta Chamber, December 2014, Novogradac & Company LLP, 4/2016

## MAJOR EMPLOYERS

## Chamblee, GA

| Employer                  | Industry      | Number Employed |
|---------------------------|---------------|-----------------|
| Wal-Mart Supercenter      | Retail        | 374             |
| Jim Ellis Volkswagen Inc  | Retail        | 249             |
| RR Donnelley              | Manufacturing | 197             |
| UniHealth Post-Acute Care | Healthcare    | 193             |
| Rollins Inc               | Manufacturing | 189             |
| Curry Cars LLC            | Retail        | 178             |
| Sam's Club                | Retail        | 174             |
| Jim Ellis Atlanta Inc     | Retail        | 162             |
| World Toyota              | Retail        | 135             |
| Epps Air Service          | Aviation      | 135             |

Source: City of Chamblee Economic Development Department, Novogradac & Company, 4/2016

As seen in the previous tables, the top employers within the Atlanta metropolitan area are concentrated in the transportation, educational services, retail trade, telecommunications and health care industries. The largest employer in Atlanta, Delta Air Lines, maintains its world headquarters in the city, in addition to operating its largest hub at Hartsfield-Jackson Atlanta International Airport (ATL).

The largest employers within the City of Chamblee are primarily in the retail, manufacturing, and healthcare sectors. The largest employer in the city is Wal-Mart, which is located 2.9 miles north of the Subject site.

#### *Expansions/Contractions*

We attempted to reach the Director of Economic Development for the City of Chamblee, to ascertain information regarding to the business expansions and contractions in the Chamblee area. However, our calls and messages have not been returned. In lieu of an interview, we conducted an internet search for this information.

#### **New Business/Development**

- Whole Foods will anchor Peachtree Crossing, an 11-acre mixed-use redevelopment project at Johnson Ferry Road and Peachtree Boulevard in Chamblee. Whole Foods plans to develop a 90,000-square foot retail building at the site. The project is set to be completed by the first quarter of 2017.
- Parkview on Peachtree, a 597-unit luxury mixed-use development with 54,000 square feet of office and retail space, began construction in 2015. The project will be developed in two phases. This development will feature one, two, and three bedroom apartments and will target the general population. In addition the site will feature ground floor office and retail space with the possibility of a hotel. This development will be located at Peachtree Boulevard and Clairmont Road and is set to open in 2017.

The following table illustrates closures and layoffs in DeKalb County since 2013 (actual and announced).

**WARN NOTICES  
DeKalb County, 2013-2016 YTD**

| <b>Effective Date</b> | <b>Company</b>                                     | <b>City</b> | <b>Employees Affected</b> |
|-----------------------|--|-------------|---------------------------|
| 2/1/2015              | Quad Graphics                                      | Atlanta     | 110                       |
| 4/30/2015             | GA Student Finance Commission                      | Tucker      | N/Av                      |
| N/Av                  | DeKalb County Government                           | Decatur     | 88                        |
| 2/2/2016              | GA State University                                | Atlanta     | 25                        |
| 1/31/2014             | Hood Packing Corporation                           | Decatur     | 59                        |
| 4/22/2014             | Georgia-Pacific Corrugated LLC                     | Doraville   | 80                        |
| 6/9/2014              | CCP North America Inc.                             | Decatur     | 57                        |
| 7/14/2014             | FEI  | Atlanta     | 1                         |
| 7/14/2014             | Nextitle   | Atlanta     | 9                         |
| 7/14/2014             | RCO Legal, P.S.                                    | Atlanta     | 133                       |
| 7/14/2014             | Realty in Motion                                   | Atlanta     | 13                        |
| 7/14/2014             | FEI  | Atlanta     | 1                         |
| 7/14/2014             | Nextitle   | Atlanta     | 9                         |
| 7/14/2014             | RCO Legal, P.S.                                    | Atlanta     | 133                       |
| 7/14/2014             | Realty in Motion                                   | Atlanta     | 13                        |
| 9/24/2014             | DeKalb County Government (Contract and Purchasing) | Decatur     | 9                         |
| 1/7/2013              | Bway Corporation                                   | Lithonia    | 65                        |
| 2/21/2013             | The Atlanta Journal Constitution                   | Clarkston   | 85                        |
| 2/28/2013             | YP Southeast Advertising                           | Tucker      | 32                        |
| 3/21/2013             | CENVEO   | Chamblee    | 44                        |
| 11/15/2013            | Emory Healthcare                                   | Atlanta     | 101                       |
| 12/12/2013            | Department of Physical Health                      | Atlanta     | 75                        |
| 12/15/2013            | Allied Systems Holdings                            | Atlanta     | 90                        |

Source: Georgia Department of Economic Development, Workforce Division, April 2016

As illustrated in the above table, DeKalb County lost 1232 jobs since 2013.

#### 4. Employment and Unemployment Trends

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

**EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

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

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

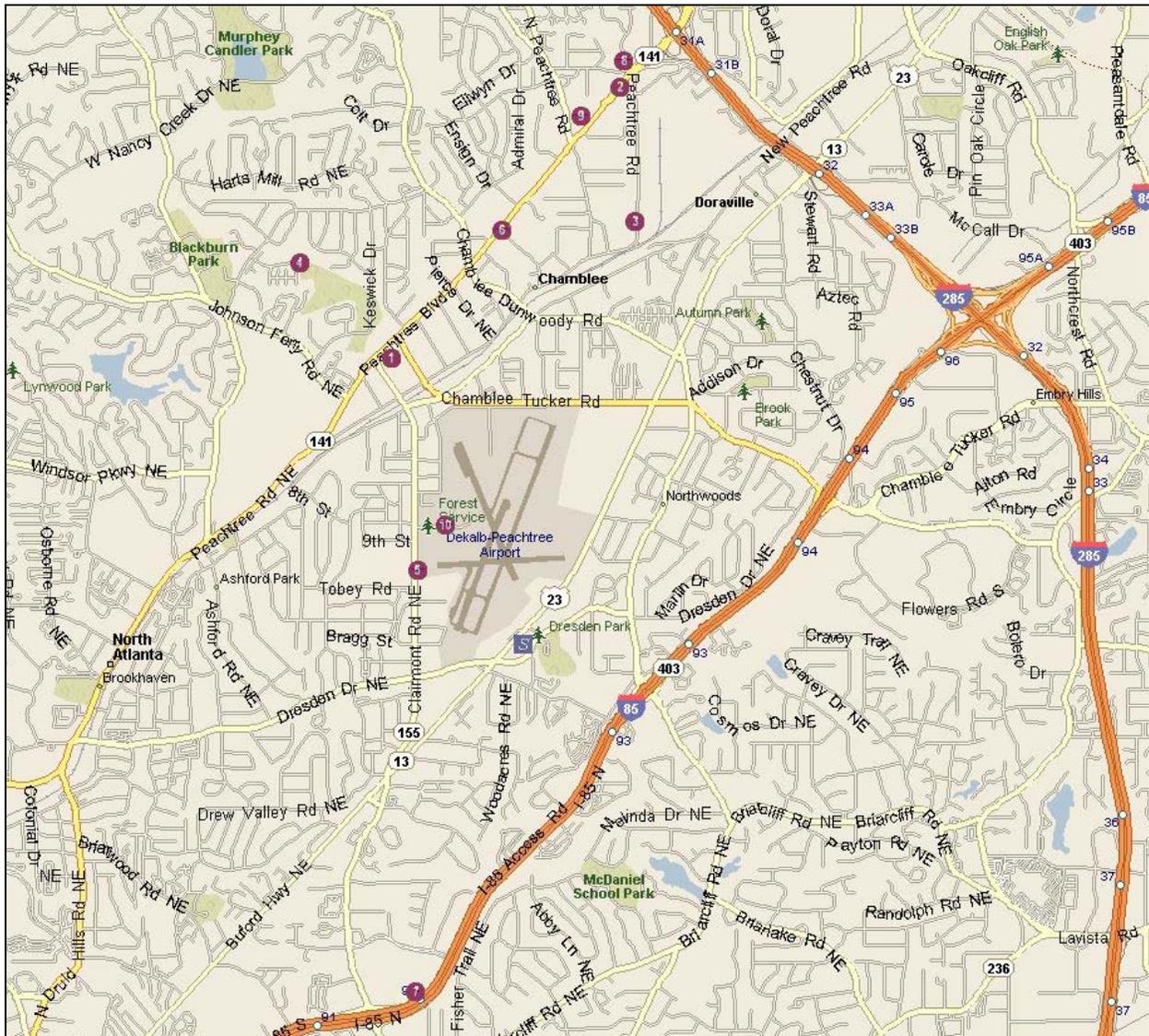
\*2016 data is through Dec

Total employment increased each year from 2002 to 2007. These increases were significant; however, they were followed by decreases from 2008 to 2010 as a result of the economic recession. The MSA appears to be recovering well as total employment has increased each year from 2011 to 2016 year-to-date and has surpassed pre-recessionary levels as of 2015. Total employment in the nation exceeded pre-recessionary levels as of 2014. From January 2015 to January 2016, total employment has increased by 2.8 percent in the MSA compared to an increase of 1.7 percent nationally.

Prior to the economic recession, the unemployment rate in the MSA was generally in line with or slightly below that of the nation. However, the unemployment rate in the MSA experienced a slightly more significant increase during the national recession and has remained above the nation since. From January 2015 to January 2016, the unemployment rate in the MSA decreased one percentage point, compared to a decrease of 0.8 percentage points nationally. The unemployment rate in the MSA as of January 2016 was 5.2 percent, which was 0.3 percentage points above the national rate of 5.3 percent. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels.

### 5. Map of Site and Major Employment Concentrations

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



| MAJOR EMPLOYERS |                           |               |                 |                       |
|-----------------|---------------------------|---------------|-----------------|-----------------------|
| Chamblee        |                           |               |                 |                       |
| #               | Employer                  | Industry      | Number Employed | Distance from Subject |
| 1               | Wal-Mart Supercenter      | Retail        | 374             | 2.9 miles             |
| 2               | Jim Ellis Volkswagen Inc  | Retail        | 249             | 4.2 miles             |
| 3               | RR Donnelley              | Manufacturing | 197             | 3.7 miles             |
| 4               | UniHealth Post-Acute Care | Healthcare    | 193             | 3.3 miles             |
| 5               | Rollins Inc               | Manufacturing | 189             | 2.9 miles             |
| 6               | Curry Cars LLC            | Retail        | 178             | 3.2 miles             |
| 7               | Sam's Club                | Retail        | 174             | 2.3 miles             |
| 8               | Jim Ellis Atlanta Inc     | Retail        | 162             | 4.3 miles             |
| 9               | World Toyota              | Retail        | 135             | 3.9 miles             |
| 10              | Epps Air Service          | Aviation      | 135             | 1.6 miles             |

Source: City of Chamblee Economic Development Department, Novogradac & Company LLP, 4/2016

**Conclusion**

Professional/scientific/technical services, accommodation/food services, and retail trade are the largest industries within the PMA. Combined they represent approximately 33.3 percent of total employment within the PMA. These industries have all experienced growth over the past decade. The MSA appears to be in expansion mode as total employment has increased each year from 2011 to 2016 year-to-date and has surpassed pre-recessionary levels as of 2015. Total employment in the nation exceeded pre-recessionary levels as of 2014. From January 2015 to January 2016, total employment has increased by 2.8 percent in the MSA compared to an increase of 1.7 percent nationally. From January 2015 to January 2016, the unemployment rate in the MSA decreased one percentage point, compared to a decrease of 0.8 percentage points nationally. The unemployment rate in the MSA as of January 2016 was 5.2 percent, which was 0.3 percentage points above the national rate of 5.3 percent. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels. Overall, the local economy has recovered from the recession and is in an expansion mode. The outlook for the near term is one of optimism and the local real estate market is active and healthy. All of these signs bode well for the Subject's existing and proposed units.

## **G. PROJECT-SPECIFIC DEMAND ANALYSIS**

## PROJECT-SPECIFIC DEMAND ANALYSIS

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

### 1. Income Restrictions

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

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

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

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

### 2. Affordability

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

### 3. Demand

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

#### 3A. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized March 2018, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to March 2018 by interpolation of the difference between 2015 estimates and 2019 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated

new households in March 2018. This number takes the overall growth from 2015 to March 2018 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

### **3B. Demand from Existing Households**

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

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

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

### **3C. Secondary Market Area**

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

### **3D. Other**

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

## **4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS**

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2014 to the present.

### **ADDITIONS TO SUPPLY**

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

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

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

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development. According to the Georgia Department of Community Affairs, there has been one property allocated tax credits in the Subject’s PMA since 2013. Senior Residences at Mercy Park received an allocation in 2015 and is located approximately 1.6 miles north of the Subject. We do not believe that the development will compete with the Subject due to its senior tenancy.

We are aware of one multifamily development under construction in the PMA. Parkview on Peachtree, a 597-unit luxury mixed-use development with 54,000 square feet of office and retail space, began construction in 2015. The project will be developed in two phases and is projected to be completed in 2017. This development will feature one, two, and three bedroom apartments and will target the general population. In addition the site will feature ground floor office and retail space with the possibility of a hotel. This development will be located at Peachtree Boulevard and Clairmont Road, approximately 2.3 miles north of the Subject. This development will not compete with the Subject directly given its targeted tenancy

**PMA Occupancy**

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

PMA OCCUPANCY

| Property Name               | Occupancy | Type   | Tenancy | Included/Excluded | Reason for Exclusion       | Distance from Subject |
|-----------------------------|-----------|--------|---------|-------------------|----------------------------|-----------------------|
| 3833 Peachtree Apartments   | 98.1%     | Market | Family  | Excluded          | More Comparable Properties | 2.3 miles             |
| Ashford Gardens             | 97.6%     | Market | Family  | Included          | N/A                        | 0.7 miles             |
| Berkshires at Lenox Park    | 93.3%     | Market | Family  | Excluded          | More Comparable Properties | 3.2 miles             |
| Encore at Clairmont         | 95.5%     | Market | Family  | Included          | N/A                        | 1.8 miles             |
| Esquire Apartments          | 96.2%     | Market | Family  | Excluded          | More Comparable Properties | 2.5 miles             |
| Exchange at Northaven       | 91.9%     | Market | Family  | Excluded          | More Comparable Properties | 2.1 miles             |
| Metropolitan at Buckhead    | 50.1%     | Market | Family  | Excluded          | More Comparable Properties | 3.9 miles             |
| Miller Station at Peachtree | 97.9%     | Market | Family  | Excluded          | More Comparable Properties | 2.2 miles             |
| Rock Creek at Ashford       | 97.7%     | Market | Family  | Included          | N/A                        | 3.5 miles             |
| The Allure Apartments       | 94.8%     | Market | Family  | Excluded          | More Comparable Properties | 4.9 miles             |
| The Ashford                 | 96.0%     | Market | Family  | Excluded          | More Comparable Properties | 3.5 miles             |
| The Stratford               | 95.9%     | Market | Family  | Excluded          | More Comparable Properties | 6.0 miles             |
| Windsor at Brookhaven       | 94.1%     | Market | Family  | Included          | N/A                        | 2.7 miles             |
| Atlas Lavista Hills         | 90.0%     | Market | Family  | Excluded          | More Comparable Properties | 4.5 miles             |
| Bell Lenox Park             | 96.1%     | Market | Family  | Excluded          | More Comparable Properties | 3.9 miles             |
| Briarcliff Apartments       | 96.0%     | Market | Family  | Excluded          | More Comparable Properties | 3.1 miles             |
| Post Gardens                | 95.0%     | Market | Family  | Excluded          | More Comparable Properties | 3.7 miles             |
| Post Oglethorpe             | 96.0%     | Market | Family  | Excluded          | More Comparable Properties | 2.1 miles             |

The high occupancy levels in the PMA indicate there is demand for multifamily housing in the PMA.

**Rehab Developments and PBRA**

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

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

**All of the Subject's units will benefit from project-based rental assistance.**

### Capture Rates

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

| Renter Household Income Distribution 2015 to Projected Market Entry March 2018 |        |        |                                |        |         |
|--|--------|--------|--------------------------------|--------|---------|
| Villages at Dresden  |        |        |                                |        |         |
| PMA  |        |        |                                |        |         |
|  | 2015   |        | Projected Mkt Entry March 2018 |        | Percent |
|  | #      | %      | #                              | %      | Growth  |
| \$0-9,999  | 5,332  | 11.3%  | 5,769                          | 11.8%  | 7.6%    |
| \$10,000-19,999  | 6,847  | 14.5%  | 7,436                          | 15.2%  | 7.9%    |
| \$20,000-29,999  | 6,384  | 13.5%  | 6,835                          | 13.9%  | 6.6%    |
| \$30,000-39,999  | 6,213  | 13.1%  | 6,473                          | 13.2%  | 4.0%    |
| \$40,000-49,999  | 5,244  | 11.1%  | 5,426                          | 11.1%  | 3.3%    |
| \$50,000-59,999  | 4,159  | 8.8%   | 4,110                          | 8.4%   | -1.2%   |
| \$60,000-74,999  | 3,872  | 8.2%   | 3,839                          | 7.8%   | -0.9%   |
| \$75,000-99,999  | 4,217  | 8.9%   | 4,189                          | 8.5%   | -0.7%   |
| \$100,000-124,999  | 2,205  | 4.7%   | 2,138                          | 4.4%   | -3.1%   |
| \$125,000-149,999  | 1,190  | 2.5%   | 1,178                          | 2.4%   | -1.0%   |
| \$150,000-199,999  | 974    | 2.1%   | 936                            | 1.9%   | -4.0%   |
| \$200,000+   | 719    | 1.5%   | 716                            | 1.5%   | -0.4%   |
| Total  | 47,358 | 100.0% | 49,045                         | 100.0% | 3.4%    |

| Renter Household Income Distribution Projected Market Entry March 2018 |                                |        |   |
|--|--------------------------------|--------|---|
| Villages at Dresden  |                                |        |   |
|  | PMA                            |        |   |
|  | Projected Mkt Entry March 2018 |        | Change 2015 to Prj Mkt Entry March 2018 |
|  | #                              | %      | #                                       |
| \$0-9,999  | 5,769                          | 11.8%  | 198                                     |
| \$10,000-19,999  | 7,436                          | 15.2%  | 256                                     |
| \$20,000-29,999  | 6,835                          | 13.9%  | 235                                     |
| \$30,000-39,999  | 6,473                          | 13.2%  | 223                                     |
| \$40,000-49,999  | 5,426                          | 11.1%  | 187                                     |
| \$50,000-59,999  | 4,110                          | 8.4%   | 141                                     |
| \$60,000-74,999  | 3,839                          | 7.8%   | 132                                     |
| \$75,000-99,999  | 4,189                          | 8.5%   | 144                                     |
| \$100,000-124,999  | 2,138                          | 4.4%   | 74                                      |
| \$125,000-149,999  | 1,178                          | 2.4%   | 41                                      |
| \$150,000-199,999  | 936                            | 1.9%   | 32                                      |
| \$200,000+   | 716                            | 1.5%   | 25                                      |
| Total  | 49,045                         | 100.0% | 1,687                                   |

| Tenure Prj Mrkt Entry March 2018 |        |
|----------------------------------|--------|
| Renter                           | 56.0%  |
| Owner                            | 44.0%  |
| Total                            | 100.0% |

| Renter Household Size for Prj Mrkt Entry March 2018 |        |            |
|---|--------|------------|
| Size  | Number | Percentage |
| 1 Person  | 23,117 | 47.1%      |
| 2 Person  | 12,353 | 25.2%      |
| 3 Person  | 5,052  | 10.3%      |
| 4 Person  | 3,515  | 7.2%       |
| 5+ Person   | 5,008  | 10.2%      |
| Total   | 49,045 | 100.0%     |

| Renter Household Size for 2000 |        |            |
|--------------------------------|--------|------------|
| Size                           | Number | Percentage |
| 1 Person                       | 15,108 | 41.2%      |
| 2 Person                       | 10,600 | 28.9%      |
| 3 Person                       | 4,206  | 11.5%      |
| 4 Person                       | 2,612  | 7.1%       |
| 5+ Person                      | 4,099  | 11.2%      |
| Total                          | 36,625 | 100.0%     |

**PBRA (50% AMI)**

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

| Percent of AMI Level  |  |        | 50%             |                       |                                  |
|---|--|--------|-----------------|-----------------------|----------------------------------|
| Minimum Income Limit  |  |        | \$30,700        |                       |                                  |
| Maximum Income Limit  |  |        | \$0             |                       |                                  |
| Income Category   | New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry March 2018 |        | Income Brackets | Percent within Cohort | Renter Households within Bracket |
|   | \$0-9,999  | 198.47 |                 |                       |                                  |
| \$10,000-19,999   | 255.84   | 15.2%  | 9,999           | 100.0%                | 256                              |
| \$20,000-29,999   | 235.16   | 13.9%  | 9,999           | 100.0%                | 235                              |
| \$30,000-39,999   | 222.72   | 13.2%  | 700             | 7.0%                  | 16                               |
| \$40,000-49,999   | 186.69   | 11.1%  |                 | 0.0%                  | 0                                |
| \$50,000-59,999   | 141.40   | 8.4%   |                 | 0.0%                  | 0                                |
| \$60,000-74,999   | 132.08   | 7.8%   |                 | 0.0%                  | 0                                |
| \$75,000-99,999   | 144.14   | 8.5%   |                 | 0.0%                  | 0                                |
| \$100,000-124,999   | 73.58  | 4.4%   |                 | 0.0%                  | 0                                |
| \$125,000-149,999   | 40.53  | 2.4%   |                 | 0.0%                  | 0                                |
| \$150,000-199,999   | 32.20  | 1.9%   |                 | 0.0%                  | 0                                |
| \$200,000+  | 24.64  | 1.5%   |                 | 0.0%                  | 0                                |
|   | 1,687  | 100.0% |                 |                       | 705                              |
| Percent of renter households within limits versus total number of renter households |  |        |                 |                       | 41.78%                           |

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

| Percent of AMI Level  |   |        | 50%             |                       |                           |
|---|---|--------|-----------------|-----------------------|---------------------------|
| Minimum Income Limit  |   |        | \$30,700        |                       |                           |
| Maximum Income Limit  |   |        | \$0             |                       |                           |
| Income Category   | Total Renter Households PMA Prj Mrkt Entry March 2018 |        | Income Brackets | Percent within Cohort | Households within Bracket |
|   | \$0-9,999   | 5,769  |                 |                       |                           |
| \$10,000-19,999   | 7,436   | 15.2%  | \$9,999         | 100.0%                | 7,436                     |
| \$20,000-29,999   | 6,835   | 13.9%  | \$9,999         | 100.0%                | 6,835                     |
| \$30,000-39,999   | 6,473   | 13.2%  | \$700           | 7.0%                  | 453                       |
| \$40,000-49,999   | 5,426   | 11.1%  |                 | 0.0%                  | 0                         |
| \$50,000-59,999   | 4,110   | 8.4%   |                 | 0.0%                  | 0                         |
| \$60,000-74,999   | 3,839   | 7.8%   |                 | 0.0%                  | 0                         |
| \$75,000-99,999   | 4,189   | 8.5%   |                 | 0.0%                  | 0                         |
| \$100,000-124,999   | 2,138   | 4.4%   |                 | 0.0%                  | 0                         |
| \$125,000-149,999   | 1,178   | 2.4%   |                 | 0.0%                  | 0                         |
| \$150,000-199,999   | 936   | 1.9%   |                 | 0.0%                  | 0                         |
| \$200,000+  | 716   | 1.5%   |                 | 0.0%                  | 0                         |
|   | 49,045  | 100.0% |                 |                       | 20,493                    |
| Percent of renter households within limits versus total number of renter households |   |        |                 |                       | 41.78%                    |

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry March 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

|                     |
|---------------------|
| Yes                 |
| Family              |
| Urban               |
| 35%                 |
| \$56,576            |
| \$66,416            |
| \$9,840             |
| 14.8%               |
| 0.1%                |
| 0.1%                |
| Two year adjustment |
| 1.0000              |
| \$0                 |
| \$0                 |
| 0                   |
| 50%                 |
| \$0                 |
| \$0.00              |

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

STEP 1 Please refer to text for complete explanation.

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

|  |  |       |
|--|--|-------|
| Income Target Population               |  | 50%   |
| New Renter Households PMA              |  | 1,687 |
| Percent Income Qualified               |  | 41.8% |
| New Renter Income Qualified Households |  | 705   |

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

|   |  |        |
|---|--|--------|
| Income Target Population                            |  | 50%    |
| Total Existing Demand                               |  | 49,045 |
| Income Qualified                                    |  | 41.8%  |
| Income Qualified Renter Households                  |  | 20,493 |
| Percent Rent Overburdened Prj Mrkt Entry March 2018 |  | 27.4%  |
| Rent Overburdened Households                        |  | 5614   |

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

Demand from Living in Substandard Housing

|  |  |        |
|--|--|--------|
| Income Qualified Renter Households       |  | 20,493 |
| Percent Living in Substandard Housing    |  | 0.5%   |
| Households Living in Substandard Housing |  | 104    |

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

Senior Households Converting from Homeownership

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

Total Demand

|   |      |       |
|---|------|-------|
| Total Demand from Existing Households       |      | 5,718 |
| Adjustment Factor - Leakage from SMA        | 100% | 0     |
| Adjusted Demand from Existing Households    |      | 5718  |
| Total New Demand                            |      | 705   |
| Total Demand (New Plus Existing Households) |      | 6,423 |

|   |  |      |
|---|--|------|
| Demand from Seniors Who Convert from Homeownership    |  | 0    |
| Percent of Total Demand From Homeownership Conversion |  | 0.0% |
| Is this Demand Over 2 percent of Total Demand?        |  | No   |

By Bedroom Demand

|               |        |       |
|---------------|--------|-------|
| One Person    | 47.1%  | 3,027 |
| Two Persons   | 25.2%  | 1,618 |
| Three Persons | 10.3%  | 662   |
| Four Persons  | 7.2%   | 460   |
| Five Persons  | 10.2%  | 656   |
| Total         | 100.0% | 6,423 |

|   |     |       |
|---|-----|-------|
| To place Person Demand into Bedroom Type Units        |     |       |
| Of one-person households in studio units              | 30% | 908   |
| Of one-person households in 1BR units                 | 60% | 1,816 |
| Of two-person households in 1BR units                 | 20% | 324   |
| Of one-person households in 2BR units                 | 10% | 303   |
| Of two-person households in 2BR units                 | 80% | 1,294 |
| Total Demand  |     | 6,423 |
| Check   |     | OK    |
|   |     |       |
| Total Demand by Bedroom                               |     | 50%   |
| 0 BR  |     | 908   |
| 1 BR  |     | 2,140 |
| 2 BR  |     | 1,994 |
| Total Demand  |     | 5,042 |
|   |     |       |
| Additions To Supply 2015 to Prj Mrkt Entry March 2018 |     | 50%   |
| 0 BR  |     | 0     |
| 1 BR  |     | 0     |
| 2 BR  |     | 0     |
| Total   |     | 0     |
|   |     |       |
| Net Demand  |     | 50%   |
| 0 BR  |     | 908   |
| 1 BR  |     | 2,140 |
| 2 BR  |     | 1,994 |
| Total   |     | 5,042 |
|   |     |       |
| Net Demand  |     | 50%   |
| 0 BR  |     | 908   |
| 1 BR  |     | 2,140 |
| 2 BR  |     | 1,994 |
| Total   |     | 5,042 |
|   |     |       |
| Developer's Unit Mix                                  |     | 50%   |
| 0 BR  |     | 12    |
| 1 BR  |     | 6     |
| 2 BR  |     | 1     |
| Total   |     | 19    |
|   |     |       |
| Capture Rate Analysis                                 |     | 50%   |
| 0 BR  |     | 1.3%  |
| 1 BR  |     | 0.3%  |
| 2 BR  |     | 0.1%  |
| Total   |     | 0.4%  |

**PBRA (60% AMI)**

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

| Percent of AMI Level  |        |       | 60%                              |                       |     |
|---|--------|-------|----------------------------------|-----------------------|-----|
| Minimum Income Limit  |        |       | \$0                              |                       |     |
| Maximum Income Limit  |        |       | \$36,480                         |                       |     |
| New Renter Households - Total   |        |       | 3                                |                       |     |
| Change in Households PMA 2015 to Prj Mrkt Entry March 2018                          |        |       | Renter Households within Bracket |                       |     |
| Income Category   |        |       | Income Brackets                  | Percent within Cohort |     |
| \$0-9,999   | 198.47 | 11.8% | 9,999                            | 100.0%                | 198 |
| \$10,000-19,999   | 255.84 | 15.2% | 9,999                            | 100.0%                | 256 |
| \$20,000-29,999   | 235.16 | 13.9% | 9,999                            | 100.0%                | 235 |
| \$30,000-39,999   | 222.72 | 13.2% | 6,480                            | 64.8%                 | 144 |
| \$40,000-49,999   | 186.69 | 11.1% |                                  | 0.0%                  | 0   |
| \$50,000-59,999   | 141.40 | 8.4%  |                                  | 0.0%                  | 0   |
| \$60,000-74,999   | 132.08 | 7.8%  |                                  | 0.0%                  | 0   |
| \$75,000-99,999   | 144.14 | 8.5%  |                                  | 0.0%                  | 0   |
| \$100,000-124,999   | 73.58  | 4.4%  |                                  | 0.0%                  | 0   |
| \$125,000-149,999   | 40.53  | 2.4%  |                                  | 0.0%                  | 0   |
| \$150,000-199,999   | 32.20  | 1.9%  |                                  | 0.0%                  | 0   |
| \$200,000+  | 24.64  | 1.5%  |                                  | 0.0%                  | 0   |
| 1,687   |        |       | 100.0%                           |                       |     |
| Percent of renter households within limits versus total number of renter households |        |       | 834                              |                       |     |
|   |        |       | 49.41%                           |                       |     |

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

| Percent of AMI Level  |       |       | 60%                       |                       |       |
|---|-------|-------|---------------------------|-----------------------|-------|
| Minimum Income Limit  |       |       | \$0                       |                       |       |
| Maximum Income Limit  |       |       | \$36,480                  |                       |       |
| Total Renter Households PMA Prj Mrkt Entry March 2018                               |       |       | 3                         |                       |       |
| Households PMA Prj Mrkt Entry March 2018  |       |       | Households within Bracket |                       |       |
| Income Category   |       |       | Income Brackets           | Percent within Cohort |       |
| \$0-9,999   | 5,769 | 11.8% | \$9,999                   | 100.0%                | 5,769 |
| \$10,000-19,999   | 7,436 | 15.2% | \$9,999                   | 100.0%                | 7,436 |
| \$20,000-29,999   | 6,835 | 13.9% | \$9,999                   | 100.0%                | 6,835 |
| \$30,000-39,999   | 6,473 | 13.2% | \$6,480                   | 64.8%                 | 4,195 |
| \$40,000-49,999   | 5,426 | 11.1% |                           | 0.0%                  | 0     |
| \$50,000-59,999   | 4,110 | 8.4%  |                           | 0.0%                  | 0     |
| \$60,000-74,999   | 3,839 | 7.8%  |                           | 0.0%                  | 0     |
| \$75,000-99,999   | 4,189 | 8.5%  |                           | 0.0%                  | 0     |
| \$100,000-124,999   | 2,138 | 4.4%  |                           | 0.0%                  | 0     |
| \$125,000-149,999   | 1,178 | 2.4%  |                           | 0.0%                  | 0     |
| \$150,000-199,999   | 936   | 1.9%  |                           | 0.0%                  | 0     |
| \$200,000+  | 716   | 1.5%  |                           | 0.0%                  | 0     |
| 49,045  |       |       | 100.0%                    |                       |       |
| Percent of renter households within limits versus total number of renter households |       |       | 24,235                    |                       |       |
|   |       |       | 49.41%                    |                       |       |

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry March 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

|                     |
|---------------------|
| Yes                 |
| Family              |
| Urban               |
| 35%                 |
| \$56,576            |
| \$66,416            |
| \$9,840             |
| 14.8%               |
| 0.1%                |
| 0.1%                |
| Two year adjustment |
| 1.0000              |
| \$36,480            |
| \$36,480            |
| 3                   |
| 60%                 |
| \$0                 |
| \$0.00              |

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

STEP 1 Please refer to text for complete explanation.

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

|  |       |
|--|-------|
| Income Target Population               | 60%   |
| New Renter Households PMA              | 1,687 |
| Percent Income Qualified               | 49.4% |
| New Renter Income Qualified Households | 834   |

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

|   |        |
|---|--------|
| Income Target Population                            | 60%    |
| Total Existing Demand                               | 49,045 |
| Income Qualified                                    | 49.4%  |
| Income Qualified Renter Households                  | 24,235 |
| Percent Rent Overburdened Prj Mrkt Entry March 2018 | 27.4%  |
| Rent Overburdened Households                        | 6639   |

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

Demand from Living in Substandard Housing

|  |        |
|--|--------|
| Income Qualified Renter Households       | 24,235 |
| Percent Living in Substandard Housing    | 0.5%   |
| Households Living in Substandard Housing | 123    |

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

Senior Households Converting from Homeownership

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

Total Demand

|   |       |
|---|-------|
| Total Demand from Existing Households       | 6,762 |
| Total New Demand                            | 834   |
| Total Demand (New Plus Existing Households) | 7,595 |

|   |      |
|---|------|
| Demand from Seniors Who Convert from Homeownership    | 0    |
| Percent of Total Demand From Homeownership Conversion | 0.0% |
| Is this Demand Over 2 percent of Total Demand?        | No   |

By Bedroom Demand

|               |        |       |
|---------------|--------|-------|
| One Person    | 47.1%  | 3,580 |
| Two Persons   | 25.2%  | 1,913 |
| Three Persons | 10.3%  | 782   |
| Four Persons  | 7.2%   | 544   |
| Five Persons  | 10.2%  | 776   |
| Total         | 100.0% | 7,595 |

To place Person Demand into Bedroom Type Units

|  |     |       |
|--|-----|-------|
| Of one-person households in studio units | 30% | 1,074 |
| Of one-person households in 1BR units    | 60% | 2,148 |
| Of two-person households in 1BR units    | 20% | 383   |
| Of one-person households in 2BR units    | 10% | 358   |
| Of two-person households in 2BR units    | 80% | 1,530 |
| Of three-person households in 2BR units  | 60% | 469   |
| Total Demand                             |     | 7,595 |
| Check                                    |     | OK    |

|                         |  |       |
|-------------------------|--|-------|
| Total Demand by Bedroom |  | 60%   |
| 0 BR                    |  | 1,074 |
| 1 BR                    |  | 2,530 |
| 2 BR                    |  | 2,358 |
| Total Demand            |  | 5,962 |

|   |  |     |
|---|--|-----|
| Additions To Supply 2015 to Prj Mrkt Entry March 2018 |  | 60% |
| 0 BR  |  | 0   |
| 1 BR  |  | 0   |
| 2 BR  |  | 0   |
| Total   |  | 0   |

|            |  |       |
|------------|--|-------|
| Net Demand |  | 60%   |
| 0 BR       |  | 1,074 |
| 1 BR       |  | 2,530 |
| 2 BR       |  | 2,358 |
| Total      |  | 5,962 |

|            |  |       |
|------------|--|-------|
| Net Demand |  | 60%   |
| 0 BR       |  | 1,074 |
| 1 BR       |  | 2,530 |
| 2 BR       |  | 2,358 |
| Total      |  | 5,962 |

|                      |  |     |
|----------------------|--|-----|
| Developer's Unit Mix |  | 60% |
| 0 BR                 |  | 44  |
| 1 BR                 |  | 26  |
| 2 BR                 |  | 5   |
| Total                |  | 75  |

|                       |  |      |
|-----------------------|--|------|
| Capture Rate Analysis |  | 60%  |
| 0 BR                  |  | 4.1% |
| 1 BR                  |  | 1.0% |
| 2 BR                  |  | 0.2% |
| Total                 |  | 1.3% |

### All Affordable

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

| Percent of AMI Level  |        |       | Overall                          |                       |     |
|---|--------|-------|----------------------------------|-----------------------|-----|
| Minimum Income Limit  |        |       | \$0                              |                       |     |
| Maximum Income Limit  |        |       | \$36,480                         |                       |     |
| New Renter Households - Total   |        |       | 3                                |                       |     |
| Change in Households PMA 2015 to Prj Mrkt Entry March 2018                          |        |       | Renter Households within Bracket |                       |     |
| Income Category   |        |       | Income Brackets                  | Percent within Cohort |     |
| \$0-9,999   | 198.47 | 11.8% | 9,999                            | 100.0%                | 198 |
| \$10,000-19,999   | 255.84 | 15.2% | 9,999                            | 100.0%                | 256 |
| \$20,000-29,999   | 235.16 | 13.9% | 9,999                            | 100.0%                | 235 |
| \$30,000-39,999   | 222.72 | 13.2% | 6,480                            | 64.8%                 | 144 |
| \$40,000-49,999   | 186.69 | 11.1% |                                  | 0.0%                  | 0   |
| \$50,000-59,999   | 141.40 | 8.4%  |                                  | 0.0%                  | 0   |
| \$60,000-74,999   | 132.08 | 7.8%  |                                  | 0.0%                  | 0   |
| \$75,000-99,999   | 144.14 | 8.5%  |                                  | 0.0%                  | 0   |
| \$100,000-124,999   | 73.58  | 4.4%  |                                  | 0.0%                  | 0   |
| \$125,000-149,999   | 40.53  | 2.4%  |                                  | 0.0%                  | 0   |
| \$150,000-199,999   | 32.20  | 1.9%  |                                  | 0.0%                  | 0   |
| \$200,000+  | 24.64  | 1.5%  |                                  | 0.0%                  | 0   |
| 1,687   |        |       | 100.0%                           |                       |     |
| Percent of renter households within limits versus total number of renter households |        |       | 834                              |                       |     |
|   |        |       | 49.41%                           |                       |     |

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

| Percent of AMI Level  |       |       | Overall                   |                       |       |
|---|-------|-------|---------------------------|-----------------------|-------|
| Minimum Income Limit  |       |       | \$0                       |                       |       |
| Maximum Income Limit  |       |       | \$36,480                  |                       |       |
| Total Renter Households PMA Prj Mrkt Entry March 2018                               |       |       | 3                         |                       |       |
| Households PMA Prj Mrkt Entry March 2018  |       |       | Households within Bracket |                       |       |
| Income Category   |       |       | Income Brackets           | Percent within Cohort |       |
| \$0-9,999   | 5,769 | 11.8% | \$9,999                   | 100.0%                | 5,769 |
| \$10,000-19,999   | 7,436 | 15.2% | \$9,999                   | 100.0%                | 7,436 |
| \$20,000-29,999   | 6,835 | 13.9% | \$9,999                   | 100.0%                | 6,835 |
| \$30,000-39,999   | 6,473 | 13.2% | \$6,480                   | 64.8%                 | 4,195 |
| \$40,000-49,999   | 5,426 | 11.1% |                           | 0.0%                  | 0     |
| \$50,000-59,999   | 4,110 | 8.4%  |                           | 0.0%                  | 0     |
| \$60,000-74,999   | 3,839 | 7.8%  |                           | 0.0%                  | 0     |
| \$75,000-99,999   | 4,189 | 8.5%  |                           | 0.0%                  | 0     |
| \$100,000-124,999   | 2,138 | 4.4%  |                           | 0.0%                  | 0     |
| \$125,000-149,999   | 1,178 | 2.4%  |                           | 0.0%                  | 0     |
| \$150,000-199,999   | 936   | 1.9%  |                           | 0.0%                  | 0     |
| \$200,000+  | 716   | 1.5%  |                           | 0.0%                  | 0     |
| 49,045  |       |       | 100.0%                    |                       |       |
| Percent of renter households within limits versus total number of renter households |       |       | 24,235                    |                       |       |
|   |       |       | 49.41%                    |                       |       |

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry March 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

|                     |
|---------------------|
| Yes                 |
| Family              |
| Urban               |
| 35%                 |
| \$56,576            |
| \$66,416            |
| \$9,840             |
| 14.8%               |
| 0.1%                |
| 0.1%                |
| Two year adjustment |
| 1.0000              |
| \$36,480            |
| \$36,480            |
| \$3                 |
| Overall             |
| \$0                 |
| \$0.00              |

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

STEP 1 Please refer to text for complete explanation.

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

|  |  |         |
|--|--|---------|
| Income Target Population               |  | Overall |
| New Renter Households PMA              |  | 1,687   |
| Percent Income Qualified               |  | 49.4%   |
| New Renter Income Qualified Households |  | 834     |

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

|   |  |         |
|---|--|---------|
| Income Target Population                            |  | Overall |
| Total Existing Demand                               |  | 49,045  |
| Income Qualified                                    |  | 49.4%   |
| Income Qualified Renter Households                  |  | 24,235  |
| Percent Rent Overburdened Prj Mrkt Entry March 2018 |  | 27.4%   |
| Rent Overburdened Households                        |  | 6639    |

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

Demand from Living in Substandard Housing

|  |  |        |
|--|--|--------|
| Income Qualified Renter Households       |  | 24,235 |
| Percent Living in Substandard Housing    |  | 0.5%   |
| Households Living in Substandard Housing |  | 123    |

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

Senior Households Converting from Homeownership

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

Total Demand

|   |      |       |
|---|------|-------|
| Total Demand from Existing Households       |      | 6,762 |
| Adjustment Factor - Leakage from SMA        | 100% | 0     |
| Adjusted Demand from Existing Households    |      | 6762  |
| Total New Demand                            |      | 834   |
| Total Demand (New Plus Existing Households) |      | 7,595 |

|   |  |      |
|---|--|------|
| Demand from Seniors Who Convert from Homeownership    |  | 0    |
| Percent of Total Demand From Homeownership Conversion |  | 0.0% |
| Is this Demand Over 2 percent of Total Demand?        |  | No   |

By Bedroom Demand

|               |        |       |
|---------------|--------|-------|
| One Person    | 47.1%  | 3,580 |
| Two Persons   | 25.2%  | 1,913 |
| Three Persons | 10.3%  | 782   |
| Four Persons  | 7.2%   | 544   |
| Five Persons  | 10.2%  | 776   |
| Total         | 100.0% | 7,595 |

| To place Person Demand into Bedroom Type Units |     |       |
|--|-----|-------|
| Of one-person households in studio units       | 30% | 1,074 |
| Of one-person households in 1BR units          | 60% | 2,148 |
| Of two-person households in 1BR units          | 20% | 383   |
| Of one-person households in 2BR units          | 10% | 358   |
| Of two-person households in 2BR units          | 80% | 1,530 |
| Of three-person households in 2BR units        | 60% | 469   |
| Total Demand                                   |     | 7,595 |
| Check  |     | OK    |

| Total Demand by Bedroom | Overall |
|-------------------------|---------|
| 0 BR                    | 1,074   |
| 1 BR                    | 2,530   |
| 2 BR                    | 2,358   |
| Total Demand            | 5,962   |

| Additions To Supply 2015 to Prj Mrkt Entry March 2018 | Overall |
|---|---------|
| 0 BR  | 0       |
| 1 BR  | 0       |
| 2 BR  | 0       |
| Total   | 0       |

| Net Demand | Overall |
|------------|---------|
| 0 BR       | 1,074   |
| 1 BR       | 2,530   |
| 2 BR       | 2,358   |
| Total      | 5,962   |

| Net Demand | Overall |
|------------|---------|
| 0 BR       | 1,074   |
| 1 BR       | 2,530   |
| 2 BR       | 2,358   |
| Total      | 5,962   |

| Developer's Unit Mix | Overall |
|----------------------|---------|
| 0 BR                 | 56      |
| 1 BR                 | 32      |
| 2 BR                 | 6       |
| Total                | 94      |

| Capture Rate Analysis | Overall |
|-----------------------|---------|
| 0 BR                  | 5.2%    |
| 1 BR                  | 1.3%    |
| 2 BR                  | 0.3%    |
| Total                 | 1.6%    |

**Conclusions**

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

- The number of households in the PMA is expected to increase 6.3 percent between 2015 and 2020.
- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

**CAPTURE RATE ANALYSIS CHART**

| Unit Size              | Units Proposed | Total Demand | Supply   | Net Demand   | Capture Rate |
|------------------------|----------------|--------------|----------|--------------|--------------|
| 0BR at 50% AMI         | 12             | 908          | 0        | 908          | 1.3%         |
| 1BR at 50% AMI         | 6              | 2,140        | 0        | 2,140        | 0.3%         |
| 2BR at 50% AMI         | 1              | 1,994        | 0        | 1,994        | 0.1%         |
| <b>50% AMI Overall</b> | <b>19</b>      | <b>5,042</b> | <b>0</b> | <b>5,042</b> | <b>0.4%</b>  |
| 0BR at 60% AMI         | 44             | 1,074        | 0        | 1,074        | 4.1%         |
| 1BR at 60% AMI         | 26             | 2,530        | 0        | 2,530        | 1.0%         |
| 2BR at 60% AMI         | 5              | 2,358        | 0        | 2,358        | 0.2%         |
| <b>60% AMI Overall</b> | <b>75</b>      | <b>5,962</b> | <b>0</b> | <b>5,962</b> | <b>1.3%</b>  |
| 0BR Overall            | 56             | 1,074        | 0        | 1,074        | 5.2%         |
| 1BR Overall            | 32             | 2,530        | 0        | 2,530        | 1.3%         |
| 2BR Overall            | 6              | 2,358        | 0        | 2,358        | 0.3%         |
| <b>Overall</b>         | <b>94</b>      | <b>5,962</b> | <b>0</b> | <b>5,962</b> | <b>1.6%</b>  |

**Demand and Net Demand**

|  | <b>HH at 50%<br/>AMI (min to<br/>max income)</b> | <b>HH at 60%<br/>AMI (min to<br/>max income)</b> | <b>All Tax Credit<br/>Households</b> |
|--|--|--|--------------------------------------|
| Demand from New Households (age and income appropriate)  | 705  | 834  | 834                                  |
| <b>PLUS</b>  | +  | +  | +                                    |
| Demand from Existing Renter Households - Substandard Housing   | 104  | 123  | 123                                  |
| <b>PLUS</b>  | +  | +  | +                                    |
| Demand from Existing Renter Households - Rent Overburdened Households                                | 5614   | 6639   | 6639                                 |
| <b>PLUS</b>  | +  | +  | +                                    |
| <b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>                           | <b>0</b>   | <b>0</b>   | <b>0</b>                             |
| <b>Sub Total</b>   | <b>6,423</b>                                     | <b>7595</b>                                      | <b>7595</b>                          |
| Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)       | 0  | 0  | 0                                    |
| <b>Equals Total Demand</b>   | 6423   | 7595   | 7595                                 |
| <b>Less</b>  | -  | -  | -                                    |
| Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market | 0  | 0  | 0                                    |
| <b>Equals Net Demand</b>   | 6423   | 7595   | 7595                                 |

As the analysis illustrates, the Subject’s 50 percent capture rates range from 0.1 percent to 1.3 percent, with an overall capture rate of 0.4 percent. The Subject’s 60 percent capture rates range from 0.2 percent to 4.1 percent, with an overall capture rate of 1.3 percent. The Subject’s overall LIHTC capture rates range from 0.3 percent to 5.2 percent, with an overall capture rate of 1.6 percent. Therefore, we believe there is adequate demand for the Subject based on tax credit rents. As a subsidized property, all units are presumed leasable.

## **H. COMPETITIVE RENTAL ANALYSIS**

**Survey of Comparable Projects**

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 10 “true” comparable properties containing 2,517 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered adequate; there are five existing LIHTC properties in the PMA. However, all of these properties were excluded due to differing tenancy or inability to contact. The Subject will target families and we have included five, family, LIHTC properties as comparables.

The availability of market rate data is considered good. We have included five family market-rate properties as comparables, four of which are in the PMA. Overall, we believe the market rate properties we have used in our analysis are the most comparable. Other market rate properties were excluded based on proximity, condition, unit types, and tenancy.

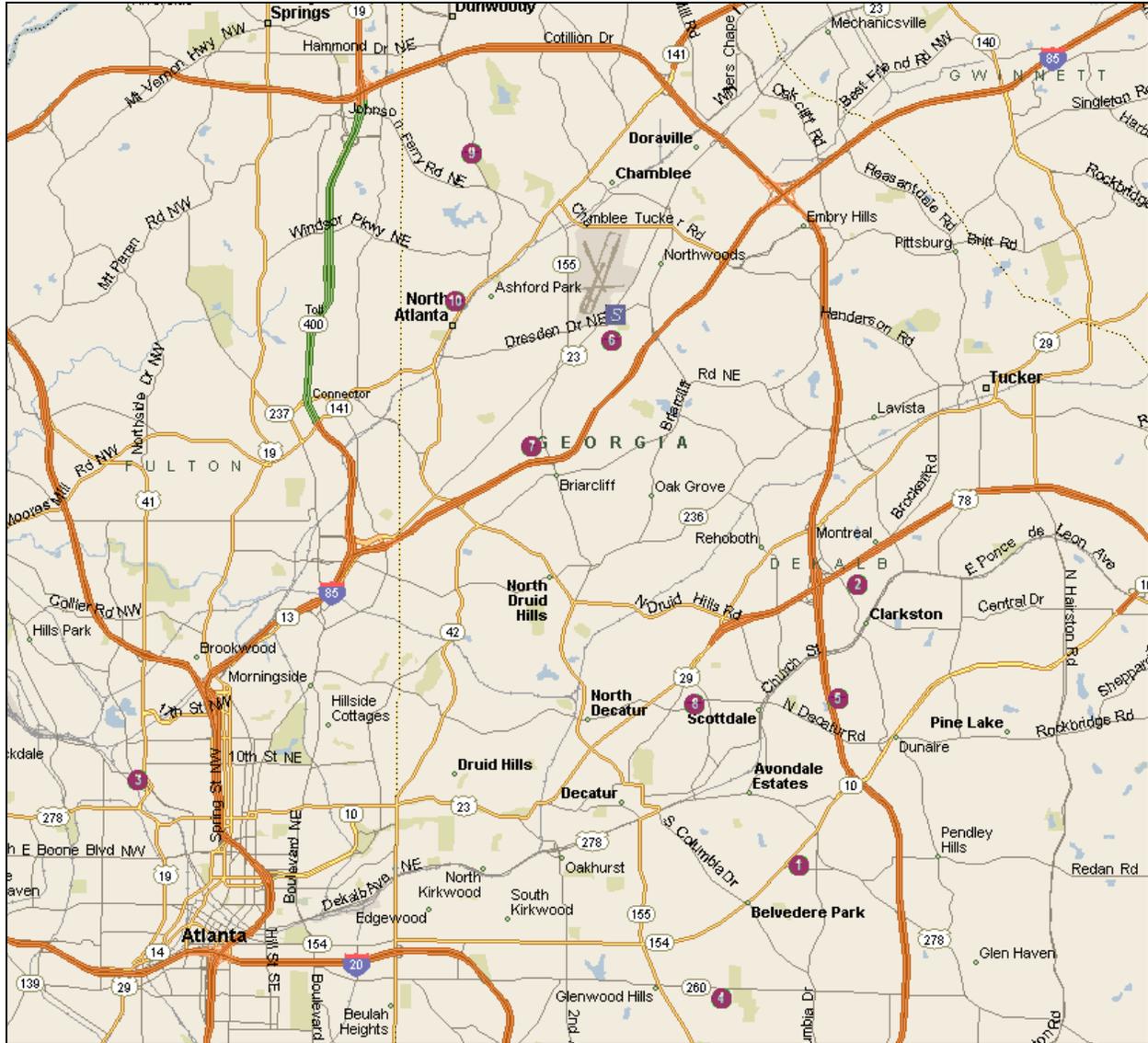
**Excluded Properties**

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

EXCLUDED PROPERTIES

| Name                               | Occupancy | Type             | Tenancy | Reason for Exclusion               |
|------------------------------------|-----------|------------------|---------|------------------------------------|
| Chestnut Creek                     | N/Av      | LIHTC            | Family  | Unable to contact                  |
| Ashford Parkside Senior Residences | 100%      | LIHTC            | Senior  | Disimilar Tenancy                  |
| Chamblee Senior Residences         | 100%      | LIHTC            | Senior  | Disimilar Tenancy                  |
| Ashford Landing Senior Residences  | 100%      | LIHTC            | Senior  | Disimilar Tenancy                  |
| Hearthside Brookleigh              | 100%      | LIHTC            | Senior  | Disimilar Tenancy                  |
| Marion Road Highrise               | 100%      | Public Housing   | Family  | Subsidized Rents                   |
| Piedmont Road Highrise             | 100%      | Public Housing   | Family  | Subsidized Rents                   |
| Ahepa One Apartments               | 100%      | Section 8        | Family  | Subsidized Rents                   |
| Calvin Court                       | N/Av      | Market/Section 8 | Senior  | Dismiliar Tenancy                  |
| Lenox Summit                       | N/Av      | Section 8        | Senior  | Subsidized Rents/Disimilar Tenancy |
| 3833 Peachtree Apartments          | 98.1%     | Market           | Family  | More Comparable Properties         |
| Berkshires at Lenox Park           | 93.3%     | Market           | Family  | More Comparable Properties         |
| Esquire Apartments                 | 96.2%     | Market           | Family  | More Comparable Properties         |
| Exchange at Northaven              | 91.9%     | Market           | Family  | More Comparable Properties         |
| Metropolitan at Buckhead           | 50.1%     | Market           | Family  | More Comparable Properties         |
| Miller Station at Peachtree        | 97.9%     | Market           | Family  | More Comparable Properties         |
| The Allure Apartments              | 94.8%     | Market           | Family  | More Comparable Properties         |
| The Ashford                        | 96.0%     | Market           | Family  | More Comparable Properties         |
| The Stratford                      | 95.9%     | Market           | Family  | More Comparable Properties         |
| Atlas Lavista Hills                | 90.0%     | Market           | Family  | More Comparable Properties         |
| Bell Lenox Park                    | 96.1%     | Market           | Family  | More Comparable Properties         |
| Briarcliff Apartments              | 96.0%     | Market           | Family  | More Comparable Properties         |
| Post Gardens                       | 95.0%     | Market           | Family  | More Comparable Properties         |
| Post Oglethorpe                    | 96.0%     | Market           | Family  | More Comparable Properties         |

Comparable Rental Property Map



COMPARABLE PROPERTIES

| Map # | Name                      | City      | Type                     | Distance from Subject |
|-------|---------------------------|-----------|--------------------------|-----------------------|
| 1     | Brittany Place Apartments | Decatur   | @60%, Market             | 7.7 miles             |
| 2     | Clarkston Station         | Clarkston | @60%, Market             | 5.0 miles             |
| 3     | M Street Apartments       | Atlanta   | @50%, Market             | 8.9 miles             |
| 4     | Robins Landing Apartments | Decatur   | @60%                     | 9.2 miles             |
| 5     | Tuscany Village           | Clarkston | @30%, @50%, @60%, Market | 5.9 miles             |
| 6     | Ashford Gardens           | Atlanta   | Market                   | 0.3 miles             |
| 7     | Encore At Clairmont       | Atlanta   | Market                   | 2.1 miles             |
| 8     | Park Summit               | Decatur   | Market                   | 6.3 miles             |
| 9     | Rock Creek At Ashford     | Atlanta   | Market                   | 2.9 miles             |
| 10    | Windsor At Brookhaven     | Atlanta   | Market                   | 2.2 miles             |

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

SUMMARY MATRIX

| Comp #  | Project   | Distance  | Type / Built / Renovated              | Market / Subsidy         | Units                  | #   | %      | Restriction | Rent (Adj.) | Size (SF) | Max Rent? | Wait List? | Units Vacant | Vacancy Rate |    |       |
|---------|---|-----------|---------------------------------------|--------------------------|------------------------|-----|--------|-------------|-------------|-----------|-----------|------------|--------------|--------------|----|-------|
| Subject | Villages At Dresden<br>2186-2198 Dresden Drive<br>Chamblee, GA 30341<br>DeKalb County   | n/a       | Various<br>2000 / 2018                | @50% (PBRA), @60% (PBRA) | Studio / 1BA (Lowrise) | 12  | 12.80% | @50% (PBRA) | \$757       | 275       | n/a       |            | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | Studio / 1BA (Lowrise) | 14  | 14.90% | @60% (PBRA) | \$757       | 275       | n/a       |            | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | Studio / 1BA (Lowrise) | 30  | 31.90% | @60% (PBRA) | \$757       | 275       | n/a       | N/A        | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 1BR / 1BA (Midrise)    | 6   | 6.40%  | @50% (PBRA) | \$820       | 689       | n/a       | N/A        | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 1BR / 1BA (Midrise)    | 26  | 27.70% | @60% (PBRA) | \$820       | 689       | n/a       | N/A        | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 2BR / 1BA (Midrise)    | 1   | 1.10%  | @50% (PBRA) | \$949       | 927       | n/a       | N/A        | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 2BR / 1BA (Midrise)    | 5   | 5.30%  | @60% (PBRA) | \$949       | 927       | n/a       | N/A        | N/A          | N/A          |    |       |
|         |   |           |                                       |                          |                        | 94  | 100%   |             |             |           |           |            |              |              | 0  | 0.00% |
|         |   |           |                                       |                          |                        | 77  | 35.60% | @60%        | \$673       | 850       | no        | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          |                        | 31  | 14.40% | Market      | \$673       | 1,000     | no        | No         | N/A          | N/A          |    |       |
|         | 95  | 44.00%    | @60%                                  | \$808                    | 1,140                  | no  | No     | N/A         | N/A         |           |           |            |              |              |    |       |
|         | 13  | 6.00%     | Market                                | \$808                    | 1,140                  | n/a | No     | N/A         | N/A         |           |           |            |              |              |    |       |
|         | 216   | 100%      |                                       |                          |                        |     |        |             |             | 38        | 17.60%    |            |              |              |    |       |
| 2       | Clarkston Station<br>3629 Montreal Creek Circle<br>Clarkston, GA 30021<br>DeKalb County | 5 miles   | Various<br>(2 stories)<br>1980 / 2005 | LIHTC, Market            | 1BR / 1BA (Garden)     | N/A | N/A    | @60%        | \$702       | 665       | no        | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 1BR / 1BA (Garden)     | N/A | N/A    | Market      | \$728       | 665       | n/a       | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 2BR / 2BA (Garden)     | N/A | N/A    | @60%        | \$838       | 968       | no        | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 2BR / 2BA (Garden)     | N/A | N/A    | Market      | \$863       | 968       | n/a       | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 2BR / 2BA (Townhouse)  | N/A | N/A    | @60%        | \$807       | 1,053     | no        | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 2BR / 2BA (Townhouse)  | N/A | N/A    | Market      | \$832       | 1,053     | n/a       | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 3BR / 2BA (Garden)     | N/A | N/A    | @60%        | \$800       | 1,116     | no        | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 3BR / 2BA (Garden)     | N/A | N/A    | Market      | \$851       | 1,116     | n/a       | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 3BR / 2BA (Townhouse)  | N/A | N/A    | @60%        | \$862       | 1,265     | no        | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 3BR / 2BA (Townhouse)  | N/A | N/A    | Market      | \$876       | 1,265     | n/a       | No         | N/A          | N/A          |    |       |
|         | 365   | 100%      |                                       |                          |                        |     |        |             |             | 33        | 9.00%     |            |              |              |    |       |
| 3       | M Street Apartments<br>950 Marietta Street<br>Atlanta, GA 30318<br>Fulton County        | 8.9 miles | Garden<br>(3 stories)<br>2004 / n/a   | LIHTC, Market            | Studio / 1BA           | N/A | N/A    | @50%        | \$940       | 561       | yes       | Yes        | 0            | N/A          |    |       |
|         |   |           |                                       |                          | Studio / 1BA           | N/A | N/A    | Market      | \$1,345     | 561       | n/a       | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 1BR / 1BA              | N/A | N/A    | @50%        | \$990       | 886       | yes       | Yes        | 0            | N/A          |    |       |
|         |   |           |                                       |                          | 1BR / 1BA              | N/A | N/A    | Market      | \$1,679     | 886       | n/a       | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 2BR / 2BA              | N/A | N/A    | @50%        | \$1,141     | 955       | yes       | Yes        | 0            | N/A          |    |       |
|         |   |           |                                       |                          | 2BR / 2BA              | N/A | N/A    | Market      | \$1,741     | 955       | n/a       | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          | 3BR / 3BA              | N/A | N/A    | @50%        | \$1,112     | 1,275     | yes       | Yes        | 0            | N/A          |    |       |
|         |   |           |                                       |                          | 3BR / 3BA              | N/A | N/A    | Market      | \$2,220     | 1,275     | n/a       | No         | N/A          | N/A          |    |       |
|         |   |           |                                       |                          |                        | 308 | 100%   |             |             |           |           |            |              |              | 25 | 8.10% |
|         |   |           |                                       |                          |                        | 40  | 13.20% | @60%        | \$678       | 705       | no        | No         | N/A          | N/A          |    |       |
|         | 144   | 47.40%    | @60%                                  | \$737                    | 828                    | no  | No     | N/A         | N/A         |           |           |            |              |              |    |       |
|         | 40  | 13.20%    | @60%                                  | \$757                    | 858                    | no  | No     | N/A         | N/A         |           |           |            |              |              |    |       |
|         | 40  | 13.20%    | @60%                                  | \$777                    | 878                    | no  | No     | N/A         | N/A         |           |           |            |              |              |    |       |
|         | 32  | 10.50%    | @60%                                  | \$749                    | 1,260                  | no  | No     | N/A         | N/A         |           |           |            |              |              |    |       |
|         | 8   | 2.60%     | @60%                                  | \$829                    | 1,380                  | no  | No     | N/A         | N/A         |           |           |            |              |              |    |       |
|         | 304   | 100%      |                                       |                          |                        |     |        |             |             | 18        | 5.90%     |            |              |              |    |       |
| 5       | Tuscany Village<br>600 Northern Ave<br>Clarkston, GA 30021<br>DeKalb County             | 5.9 miles | Garden<br>(3 stories)<br>1970 / 2009  | LIHTC, Market            | 1BR / 1BA              | 7   | 4.90%  | @30%        | \$440       | 770       | yes       | Yes        | 0            | 0.00%        |    |       |
|         |   |           |                                       |                          | 1BR / 1BA              | 19  | 13.20% | @50%        | \$709       | 770       | yes       | Yes        | 0            | 0.00%        |    |       |
|         |   |           |                                       |                          | 1BR / 1BA              | 24  | 16.70% | @60%        | \$844       | 770       | yes       | Yes        | 1            | 4.20%        |    |       |
|         |   |           |                                       |                          | 1BR / 1BA              | 22  | 15.30% | Market      | \$860       | 800       | n/a       | No         | 0            | 0.00%        |    |       |
|         |   |           |                                       |                          | 2BR / 2BA              | 8   | 5.60%  | @30%        | \$541       | 1,016     | yes       | Yes        | 0            | 0.00%        |    |       |
|         |   |           |                                       |                          | 2BR / 2BA              | 18  | 12.50% | @50%        | \$863       | 1,016     | yes       | Yes        | 0            | 0.00%        |    |       |
|         |   |           |                                       |                          | 2BR / 2BA              | 24  | 16.70% | @60%        | \$1,026     | 1,016     | yes       | Yes        | 0            | 0.00%        |    |       |
|         |   |           |                                       |                          | 2BR / 2BA              | 22  | 15.30% | Market      | \$1,116     | 1,016     | n/a       | No         | 0            | 0.00%        |    |       |
|         |   |           |                                       |                          |                        | 144 | 100%   |             |             |           |           |            |              |              | 1  | 0.70% |

Villages at Dresden, Chamblee, GA; Market Study

|    |   |           |  |        |                                     |     |        |                            |         |       |     |      |     |        |       |
|----|---|-----------|--|--------|-------------------------------------|-----|--------|----------------------------|---------|-------|-----|------|-----|--------|-------|
| 6  | Ashford Gardens<br>2203 Plaster Road<br>Atlanta, GA 30345<br>DeKalb County County       | 0.3 miles | n/a<br>1978 / 2012                       | Market | 1BR / 1BA<br>2BR / 2BA<br>3BR / 2BA | N/A | N/A    | Market<br>Market<br>Market | \$1,011 | 900   | n/a | No   | 0   | N/A    |       |
|    |   |           |  |        |                                     | N/A | N/A    |                            | \$1,256 | 1,175 | n/a | No   | 0   | N/A    |       |
|    |   |           |  |        |                                     | N/A | N/A    |                            | \$1,401 | 1,375 | n/a | No   | 4   | N/A    |       |
|    |   |           |  |        |                                     | 164 | 100%   |                            |         |       |     |      |     | 4      | 2.40% |
| 7  | Encore At Clairmont<br>1000 Barone Ave<br>Atlanta, GA 30329<br>DeKalb County            | 2.1 miles | Garden<br>(4 stories)<br>2014 / n/a      | Market | Studio / 1BA                        | N/A | N/A    | Market                     | \$1,410 | 608   | n/a | No   | 1   | N/A    |       |
|    |   |           |  |        | Studio / 1BA                        | N/A | N/A    | Market                     | \$1,292 | 537   | n/a | No   | 1   | N/A    |       |
|    |   |           |  |        | 1BR / 1BA                           | N/A | N/A    | Market                     | \$1,313 | 687   | n/a | No   | 4   | N/A    |       |
|    |   |           |  |        | 1BR / 1BA                           | N/A | N/A    | Market                     | \$1,363 | 716   | n/a | No   | 4   | N/A    |       |
|    |   |           |  |        | 2BR / 2BA                           | N/A | N/A    | Market                     | \$1,979 | 1,131 | n/a | No   | 1   | N/A    |       |
|    |   |           |  |        | 2BR / 2BA                           | N/A | N/A    | Market                     | \$2,374 | 1,446 | n/a | No   | 1   | N/A    |       |
|    |   |           |  |        | 2BR / 2BA                           | N/A | N/A    | Market                     | \$2,286 | 1,453 | n/a | No   | 0   | N/A    |       |
|    |   |           |  |        | 2BR / 2BA                           | N/A | N/A    | Market                     | \$1,876 | 1,077 | n/a | No   | 4   | N/A    |       |
|    |   |           |  |        | 2BR / 2BA                           | N/A | N/A    | Market                     | \$1,994 | 1,208 | n/a | No   | 0   | N/A    |       |
|    |   |           |  |        | 2BR / 2BA                           | N/A | N/A    | Market                     | \$2,067 | 1,277 | n/a | No   | 0   | N/A    |       |
|    |   |           |  |        | 3BR / 2BA                           | N/A | N/A    | Market                     | \$2,115 | 1,322 | n/a | No   | 0   | N/A    |       |
|    |   |           |  |        |                                     | 359 | 100%   |                            |         |       |     |      |     | 16     | 4.50% |
| 8  | Park Summit<br>2778 North Decatur Road<br>Decatur, GA 30033<br>DeKalb County            | 6.3 miles | Garden<br>(3 stories)<br>1991 / On-going | Market | Studio / 1BA                        | 24  | 16.20% | Market                     | \$1,100 | 522   | n/a | No   | 0   | 0.00%  |       |
|    |   |           |  |        | 1BR / 1BA                           | 28  | 18.90% | Market                     | \$1,195 | 710   | n/a | No   | 0   | 0.00%  |       |
|    |   |           |  |        | 1BR / 1BA                           | 28  | 18.90% | Market                     | \$1,285 | 827   | n/a | No   | 0   | 0.00%  |       |
|    |   |           |  |        | 2BR / 1BA                           | 14  | 9.50%  | Market                     | \$1,471 | 927   | n/a | No   | 0   | 0.00%  |       |
|    |   |           |  |        | 2BR / 2BA                           | 20  | 13.50% | Market                     | \$1,551 | 1,160 | n/a | No   | 2   | 10.00% |       |
|    |   |           |  |        | 2BR / 2BA                           | 20  | 13.50% | Market                     | \$1,621 | 1,243 | n/a | No   | 2   | 10.00% |       |
|    |   |           |  |        | 3BR / 2BA                           | 8   | 5.40%  | Market                     | \$1,620 | 1,291 | n/a | No   | 0   | 0.00%  |       |
|    |   |           |  |        | 3BR / 2BA                           | 6   | 4.10%  | Market                     | \$1,670 | 1,379 | n/a | No   | 0   | 0.00%  |       |
|    |   |           |  |        |                                     |     |        |                            |         |       | 148 | 100% |     |        |       |
| 9  | Rock Creek At Ashford<br>3716 Ashford Dunwoody Rd<br>Atlanta, GA 30319<br>DeKalb County | 2.9 miles | Garden<br>(3 stories)<br>1987 / 2014     | Market | Studio / 1BA                        | 20  | 9.00%  | Market                     | \$1,161 | 457   | n/a | None | N/A | N/A    |       |
|    |   |           |  |        | 1BR / 1BA                           | N/A | N/A    | Market                     | \$1,460 | 830   | n/a | None | N/A | N/A    |       |
|    |   |           |  |        | 1BR / 1BA                           | N/A | N/A    | Market                     | \$1,163 | 557   | n/a | None | N/A | N/A    |       |
|    |   |           |  |        | 2BR / 1BA                           | 34  | 15.30% | Market                     | \$1,716 | 1,130 | n/a | None | N/A | N/A    |       |
|    |   |           |  |        | 2BR / 2BA                           | 54  | 24.30% | Market                     | \$1,693 | 1,112 | n/a | None | N/A | N/A    |       |
|    |   |           |  |        |                                     | 222 | 100%   |                            |         |       |     |      |     | 5      | 2.30% |
| 10 | Windsor At Brookhaven<br>305 Brookhaven Avenue<br>Atlanta, GA 30319<br>DeKalb County    | 2.2 miles | Midrise<br>(8 stories)<br>2009 / n/a     | Market | Studio / 1BA                        | N/A | N/A    | Market                     | \$1,562 | 655   | n/a | No   | N/A | N/A    |       |
|    |   |           |  |        | 1BR / 1BA                           | N/A | N/A    | Market                     | \$1,768 | 876   | n/a | No   | N/A | N/A    |       |
|    |   |           |  |        | 2BR / 2BA                           | N/A | N/A    | Market                     | \$2,314 | 1,181 | n/a | No   | N/A | N/A    |       |
|    |   |           |  |        |                                     | 287 | 100%   |                            |         |       |     |      |     | 17     | 5.90% |

## Villages at Dresden, Chamblee, GA; Market Study

| RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market. |                                    |                      |                                    |                       |                                    |               |
|--|------------------------------------|----------------------|------------------------------------|-----------------------|------------------------------------|---------------|
| Effective Rent Date:   |                                    | Jun-16               | Units Surveyed:                    | 2517                  | Weighted Occupancy:                | 93.60%        |
|  |                                    |                      | Market Rate                        | 1180                  | Market Rate                        | 96.10%        |
|  |                                    |                      | Tax Credit                         | 1337                  | Tax Credit                         | 91.40%        |
| Studio One Bath  |                                    | One Bedroom One Bath |                                    | Two Bedrooms One Bath |                                    |               |
| RENT   | Property                           | Average              | Property                           | Average               | Property                           | Average       |
|  | Windsor At Brookhaven              | \$1,562              | Windsor At Brookhaven              | \$1,768               | Encore At Clairmont (2BA)          | \$2,374       |
|  | Encore At Clairmont                | \$1,410              | M Street Apartments * (M)          | \$1,679               | Windsor At Brookhaven (2BA)        | \$2,314       |
|  | M Street Apartments * (M)          | \$1,345              | Rock Creek At Ashford              | \$1,460               | Encore At Clairmont (2BA)          | \$2,286       |
|  | Encore At Clairmont                | \$1,292              | Encore At Clairmont                | \$1,363               | Encore At Clairmont (2BA)          | \$2,067       |
|  | Rock Creek At Ashford              | \$1,161              | Encore At Clairmont                | \$1,313               | Encore At Clairmont (2BA)          | \$1,994       |
|  | Park Summit                        | \$1,100              | Park Summit                        | \$1,285               | Encore At Clairmont (2BA)          | \$1,979       |
|  | M Street Apartments * (50%)        | \$940                | Park Summit                        | \$1,195               | Encore At Clairmont (2BA)          | \$1,876       |
|  | <b>Villages At Dresden * (50%)</b> | <b>\$757</b>         | Rock Creek At Ashford              | \$1,163               | M Street Apartments * (2BA M)      | \$1,741       |
|  | <b>Villages At Dresden * (60%)</b> | <b>\$757</b>         | Ashford Gardens                    | \$1,011               | Rock Creek At Ashford              | \$1,716       |
|  | <b>Villages At Dresden * (60%)</b> | <b>\$757</b>         | M Street Apartments * (50%)        | \$990                 | Park Summit                        | \$1,471       |
|  |                                    |                      | Tuscany Village * (M)              | \$860                 | Ashford Gardens (2BA)              | \$1,256       |
|  |                                    |                      | Tuscany Village * (60%)            | \$844                 | M Street Apartments * (2BA 50%)    | \$1,141       |
|  |                                    |                      | <b>Villages At Dresden * (50%)</b> | <b>\$820</b>          | Tuscany Village * (2BA M)          | \$1,116       |
|  |                                    |                      | <b>Villages At Dresden * (60%)</b> | <b>\$820</b>          | Tuscany Village * (2BA 60%)        | \$1,026       |
|  |                                    |                      | Clarkston Station * (M)            | \$728                 | <b>Villages At Dresden * (50%)</b> | <b>\$949</b>  |
|  |                                    |                      | Tuscany Village * (50%)            | \$709                 | <b>Villages At Dresden * (60%)</b> | <b>\$949</b>  |
|  |                                    |                      | Clarkston Station * (60%)          | \$702                 | Clarkston Station * (2BA M)        | \$863         |
|  |                                    |                      | Robins Landing Apartments * (60%)  | \$678                 | Tuscany Village * (2BA 50%)        | \$863         |
|  |                                    |                      | Brittany Place Apartments * (60%)  | \$673                 | Clarkston Station * (2BA 60%)      | \$838         |
|  |                                    |                      | Brittany Place Apartments * (M)    | \$673                 | Clarkston Station * (2BA M)        | \$832         |
|  |                                    |                      | Tuscany Village * (30%)            | \$440                 | Brittany Place Apartments * (60%)  | \$808         |
|  |                                    |                      |                                    |                       | Brittany Place Apartments * (M)    | \$808         |
|  |                                    |                      |                                    |                       | Clarkston Station * (2BA 60%)      | \$807         |
|  |                                    |                      |                                    |                       | Robins Landing Apartments * (60%)  | \$777         |
|  |                                    |                      |                                    |                       | Robins Landing Apartments * (60%)  | \$757         |
|  |                                    |                      |                                    |                       | Robins Landing Apartments * (60%)  | \$737         |
|  |                                    |                      |                                    |                       | Tuscany Village * (2BA 30%)        | \$541         |
| SQUARE FOOTAGE   |                                    |                      |                                    |                       |                                    |               |
|  | Windsor At Brookhaven              | 655                  | Brittany Place Apartments * (M)    | 1,000                 | Encore At Clairmont (2BA)          | 1,453         |
|  | Encore At Clairmont                | 608                  | Ashford Gardens                    | 900                   | Encore At Clairmont (2BA)          | 1,446         |
|  | M Street Apartments * (50%)        | 561                  | M Street Apartments * (50%)        | 886                   | Encore At Clairmont (2BA)          | 1,277         |
|  | M Street Apartments * (M)          | 561                  | M Street Apartments * (M)          | 886                   | Encore At Clairmont (2BA)          | 1,208         |
|  | Encore At Clairmont                | 537                  | Windsor At Brookhaven              | 876                   | Windsor At Brookhaven (2BA)        | 1,181         |
|  | Park Summit                        | 522                  | Brittany Place Apartments * (60%)  | 850                   | Ashford Gardens (2BA)              | 1,175         |
|  | Rock Creek At Ashford              | 457                  | Rock Creek At Ashford              | 830                   | Brittany Place Apartments * (60%)  | 1,140         |
|  | <b>Villages At Dresden * (50%)</b> | <b>275</b>           | Park Summit                        | 827                   | Brittany Place Apartments * (M)    | 1,140         |
|  | <b>Villages At Dresden * (60%)</b> | <b>275</b>           | Tuscany Village * (M)              | 800                   | Encore At Clairmont (2BA)          | 1,131         |
|  | <b>Villages At Dresden * (60%)</b> | <b>275</b>           | Tuscany Village * (30%)            | 770                   | Rock Creek At Ashford              | 1,130         |
|  |                                    |                      | Tuscany Village * (50%)            | 770                   | Encore At Clairmont (2BA)          | 1,077         |
|  |                                    |                      | Tuscany Village * (60%)            | 770                   | Clarkston Station * (2BA 60%)      | 1,053         |
|  |                                    |                      | Encore At Clairmont                | 716                   | Clarkston Station * (2BA M)        | 1,053         |
|  |                                    |                      | Park Summit                        | 710                   | Tuscany Village * (2BA 30%)        | 1,016         |
|  |                                    |                      | Robins Landing Apartments * (60%)  | 705                   | Tuscany Village * (2BA 50%)        | 1,016         |
|  |                                    |                      | <b>Villages At Dresden * (50%)</b> | <b>689</b>            | Tuscany Village * (2BA 60%)        | 1,016         |
|  |                                    |                      | <b>Villages At Dresden * (60%)</b> | <b>689</b>            | Tuscany Village * (2BA M)          | 1,016         |
|  |                                    |                      | Encore At Clairmont                | 687                   | Clarkston Station * (2BA 60%)      | 968           |
|  |                                    |                      | Clarkston Station * (60%)          | 665                   | Clarkston Station * (2BA M)        | 968           |
|  |                                    |                      | Clarkston Station * (M)            | 665                   | M Street Apartments * (2BA 50%)    | 955           |
|  |                                    |                      | Rock Creek At Ashford              | 557                   | M Street Apartments * (2BA M)      | 955           |
|  |                                    |                      |                                    |                       | <b>Villages At Dresden * (50%)</b> | <b>927</b>    |
|  |                                    |                      |                                    |                       | <b>Villages At Dresden * (60%)</b> | <b>927</b>    |
|  |                                    |                      |                                    |                       | Park Summit                        | 927           |
|  |                                    |                      |                                    |                       | Robins Landing Apartments * (60%)  | 878           |
|  |                                    |                      |                                    |                       | Robins Landing Apartments * (60%)  | 858           |
|  |                                    |                      |                                    |                       | Robins Landing Apartments * (60%)  | 828           |
| RENT PER SQUARE FOOT   |                                    |                      |                                    |                       |                                    |               |
|  | <b>Villages At Dresden * (50%)</b> | <b>\$2.75</b>        | Rock Creek At Ashford              | \$2.09                | Windsor At Brookhaven (2BA)        | \$1.96        |
|  | <b>Villages At Dresden * (60%)</b> | <b>\$2.75</b>        | Windsor At Brookhaven              | \$2.02                | M Street Apartments * (2BA M)      | \$1.82        |
|  | <b>Villages At Dresden * (60%)</b> | <b>\$2.75</b>        | Encore At Clairmont                | \$1.91                | Encore At Clairmont (2BA)          | \$1.75        |
|  | Rock Creek At Ashford              | \$2.54               | Encore At Clairmont                | \$1.90                | Encore At Clairmont (2BA)          | \$1.74        |
|  | Encore At Clairmont                | \$2.41               | M Street Apartments * (M)          | \$1.90                | Encore At Clairmont (2BA)          | \$1.65        |
|  | M Street Apartments * (M)          | \$2.40               | Rock Creek At Ashford              | \$1.76                | Encore At Clairmont (2BA)          | \$1.64        |
|  | Windsor At Brookhaven              | \$2.38               | Park Summit                        | \$1.68                | Encore At Clairmont (2BA)          | \$1.62        |
|  | Encore At Clairmont                | \$2.32               | Park Summit                        | \$1.55                | Park Summit                        | \$1.59        |
|  | Park Summit                        | \$2.11               | <b>Villages At Dresden * (50%)</b> | <b>\$1.19</b>         | Encore At Clairmont (2BA)          | \$1.57        |
|  | M Street Apartments * (50%)        | \$1.68               | <b>Villages At Dresden * (60%)</b> | <b>\$1.19</b>         | Rock Creek At Ashford              | \$1.52        |
|  |                                    |                      | Ashford Gardens                    | \$1.12                | M Street Apartments * (2BA 50%)    | \$1.19        |
|  |                                    |                      | M Street Apartments * (50%)        | \$1.12                | Tuscany Village * (2BA M)          | \$1.10        |
|  |                                    |                      | Tuscany Village * (60%)            | \$1.10                | Ashford Gardens (2BA)              | \$1.07        |
|  |                                    |                      | Clarkston Station * (M)            | \$1.09                | <b>Villages At Dresden * (50%)</b> | <b>\$1.02</b> |
|  |                                    |                      | Tuscany Village * (M)              | \$1.08                | <b>Villages At Dresden * (60%)</b> | <b>\$1.02</b> |
|  |                                    |                      | Clarkston Station * (60%)          | \$1.06                | Tuscany Village * (2BA 60%)        | \$1.01        |
|  |                                    |                      | Robins Landing Apartments * (60%)  | \$0.96                | Clarkston Station * (2BA M)        | \$0.89        |
|  |                                    |                      | Tuscany Village * (50%)            | \$0.92                | Robins Landing Apartments * (60%)  | \$0.89        |
|  |                                    |                      | Brittany Place Apartments * (60%)  | \$0.79                | Robins Landing Apartments * (60%)  | \$0.88        |
|  |                                    |                      | Brittany Place Apartments * (M)    | \$0.67                | Robins Landing Apartments * (60%)  | \$0.88        |
|  |                                    |                      | Tuscany Village * (30%)            | \$0.57                | Clarkston Station * (2BA 60%)      | \$0.87        |
|  |                                    |                      |                                    |                       | Tuscany Village * (2BA 50%)        | \$0.85        |
|  |                                    |                      |                                    |                       | Clarkston Station * (2BA M)        | \$0.79        |
|  |                                    |                      |                                    |                       | Clarkston Station * (2BA 60%)      | \$0.77        |
|  |                                    |                      |                                    |                       | Brittany Place Apartments * (60%)  | \$0.71        |
|  |                                    |                      |                                    |                       | Brittany Place Apartments * (M)    | \$0.71        |
|  |                                    |                      |                                    |                       | Tuscany Village * (2BA 30%)        | \$0.53        |

# PROPERTY PROFILE REPORT

## Brittany Place Apartments

|                               |   |
|-------------------------------|---|
| <b>Effective Rent Date</b>    | 4/05/2016   |
| <b>Location</b>               | 3246 Covington Drive<br>Decatur, GA 30032<br>DeKalb County    |
| <b>Distance</b>               | 7.7 miles   |
| <b>Units</b>                  | 216   |
| <b>Vacant Units</b>           | 38  |
| <b>Vacancy Rate</b>           | 17.6%   |
| <b>Type</b>                   | Garden (3 stories)  |
| <b>Year Built/Renovated</b>   | 1969 / 2000   |
| <b>Marketing Began</b>        | N/A   |
| <b>Leasing Began</b>          | N/A   |
| <b>Last Unit Leased</b>       | N/A   |
| <b>Major Competitors</b>      | Properties along Memorial Dr., Kensington Station             |
| <b>Tenant Characteristics</b> | Average household size: 4, with an average income of \$20,000 |
| <b>Contact Name</b>           | Sharon  |
| <b>Phone</b>                  | 404.288.4646  |



### Market Information

|                             |                  |
|-----------------------------|------------------|
| <b>Program</b>              | @60%, Market     |
| <b>Annual Turnover Rate</b> | 60%              |
| <b>Units/Month Absorbed</b> | N/A              |
| <b>HCV Tenants</b>          | 13%              |
| <b>Leasing Pace</b>         | Within one month |
| <b>Annual Chg. in Rent</b>  | None             |
| <b>Concession</b>           | None             |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type               | Units | Size (SF) | Rent  | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1    | 1     | Garden (3 stories) | 77    | 850       | \$570 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |
| 1    | 1     | Garden (3 stories) | 31    | 1,000     | \$570 | \$0                  | Market      | No           | N/A    | N/A          | no        | None  |
| 2    | 1     | Garden (3 stories) | 95    | 1,140     | \$670 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |
| 2    | 1     | Garden (3 stories) | 13    | 1,140     | \$670 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |

### Unit Mix

| @60%      | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | Market    | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$570     | \$0   | \$570       | \$103 | \$673     | 1BR / 1BA | \$570     | \$0   | \$570       | \$103 | \$673     |
| 2BR / 1BA | \$670     | \$0   | \$670       | \$138 | \$808     | 2BR / 1BA | \$670     | \$0   | \$670       | \$138 | \$808     |

## Brittany Place Apartments, continued

### Amenities

#### In-Unit

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

Blinds  
Central A/C  
Dishwasher  
Ceiling Fan  
Refrigerator

#### Security

Limited Access  
Patrol  
Perimeter Fencing  
Video Surveillance

#### Services

None

#### Property

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

Car Wash  
Central Laundry  
On-Site Management  
Swimming Pool

#### Premium

None

#### Other

None

### Comments

The contact was unable to comment on the reason for high vacancy. However, it appears that vacancy has been high since 2014.

# Brittany Place Apartments, continued

## Trend Report

### Vacancy Rates

| 1Q09  | 2Q14  | 2Q15  | 2Q16  |
|-------|-------|-------|-------|
| 26.4% | 19.0% | 18.5% | 17.6% |

### Trend: @60%

#### 1BR / 1BA

| Year | QT | Vac.  | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2009 | 1  | N/A   | \$505     | \$8   | \$497       | \$600     |
| 2014 | 2  | N/A   | \$465     | \$0   | \$465       | \$568     |
| 2015 | 2  | 13.0% | \$500     | \$0   | \$500       | \$603     |
| 2016 | 2  | N/A   | \$570     | \$0   | \$570       | \$673     |

#### 2BR / 1BA

| Year | QT | Vac.  | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2015 | 2  | 10.5% | \$599     | \$0   | \$599       | \$737     |
| 2016 | 2  | N/A   | \$670     | \$0   | \$670       | \$808     |

#### 2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2009 | 1  | N/A  | \$585     | \$8   | \$577       | \$715     |
| 2014 | 2  | N/A  | \$555     | \$0   | \$555       | \$693     |

### Trend: Market

#### 1BR / 1BA

| Year | QT | Vac.  | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2009 | 1  | N/A   | \$570     | \$8   | \$562       | \$665     |
| 2014 | 2  | N/A   | \$515     | \$0   | \$515       | \$618     |
| 2015 | 2  | 32.3% | \$580     | \$0   | \$580       | \$683     |
| 2016 | 2  | N/A   | \$570     | \$0   | \$570       | \$673     |

#### 2BR / 1BA

| Year | QT | Vac.  | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2015 | 2  | 76.9% | \$670     | \$0   | \$670       | \$808     |
| 2016 | 2  | N/A   | \$670     | \$0   | \$670       | \$808     |

#### 2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2009 | 1  | N/A  | \$670     | \$8   | \$662       | \$800     |
| 2014 | 2  | N/A  | \$670     | \$0   | \$670       | \$808     |

## Trend: Comments

- 1Q09** The manager reported occupancy had been stable until the end of summer 2008 and has since steadily declined. She attributed the high vacancy rate to the slow economy as many of her tenants have either been laid off or have had hours cut back at their jobs. Many of the vacancies include evictions as some households have not been able to pay rent because of loss of income.
- 2Q14** The manager attributed the high vacancy rate to the slow economy as many of her tenants have either been laid off or have had hours cut back at their jobs. Many of the vacancies include evictions as some households have not been able to pay rent because of loss of income.
- 2Q15** The manager attributed the high vacancy rate to the slow economy as many of her tenants have either been laid off or have had hours cut back at their jobs. Many of the vacancies include evictions as some households have not been able to pay rent because of loss of income. The contact stated the vacancy rate has been high since early 2014.
- 2Q16** The contact was unable to comment on the reason for high vacancy. However, it appears that vacancy has been high since 2014.

# PROPERTY PROFILE REPORT

## Clarkston Station

|                               |  |
|-------------------------------|--|
| <b>Effective Rent Date</b>    | 4/05/2016  |
| <b>Location</b>               | 3629 Montreal Creek Circle<br>Clarkston, GA 30021<br>DeKalb County |
| <b>Distance</b>               | 5 miles  |
| <b>Units</b>                  | 365  |
| <b>Vacant Units</b>           | 33   |
| <b>Vacancy Rate</b>           | 9.0%   |
| <b>Type</b>                   | Various (2 stories)  |
| <b>Year Built/Renovated</b>   | 1980 / 2005  |
| <b>Marketing Began</b>        | N/A  |
| <b>Leasing Began</b>          | N/A  |
| <b>Last Unit Leased</b>       | N/A  |
| <b>Major Competitors</b>      | Avalon on Montreal   |
| <b>Tenant Characteristics</b> | Majority families  |
| <b>Contact Name</b>           | Lou  |
| <b>Phone</b>                  | (404) 508-3118   |



### Market Information

|                             |              |
|-----------------------------|--------------|
| <b>Program</b>              | @60%, Market |
| <b>Annual Turnover Rate</b> | 33%          |
| <b>Units/Month Absorbed</b> | N/A          |
| <b>HCV Tenants</b>          | 16%          |
| <b>Leasing Pace</b>         | Pre-leased   |
| <b>Annual Chg. in Rent</b>  | None         |
| <b>Concession</b>           | None         |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type      | Units | Size (SF) | Rent  | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1    | 1     | Garden    | N/A   | 665       | \$599 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |
| 1    | 1     | Garden    | N/A   | 665       | \$625 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 2    | 2     | Garden    | N/A   | 968       | \$700 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |
| 2    | 2     | Garden    | N/A   | 968       | \$725 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 2    | 2     | Townhouse | N/A   | 1,053     | \$669 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |
| 2    | 2     | Townhouse | N/A   | 1,053     | \$694 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 3    | 2     | Garden    | N/A   | 1,116     | \$800 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |
| 3    | 2     | Garden    | N/A   | 1,116     | \$851 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 3    | 2     | Townhouse | N/A   | 1,265     | \$862 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |
| 3    | 2     | Townhouse | N/A   | 1,265     | \$876 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |

### Unit Mix

| @60%             | Face Rent     | Conc. | Concd. Rent   | Util. | Adj. Rent     | Market           | Face Rent     | Conc. | Concd. Rent   | Util. | Adj. Rent     |
|------------------|---------------|-------|---------------|-------|---------------|------------------|---------------|-------|---------------|-------|---------------|
| <b>1BR / 1BA</b> | \$599         | \$0   | \$599         | \$103 | \$702         | <b>1BR / 1BA</b> | \$625         | \$0   | \$625         | \$103 | \$728         |
| <b>2BR / 2BA</b> | \$669 - \$700 | \$0   | \$669 - \$700 | \$138 | \$807 - \$838 | <b>2BR / 2BA</b> | \$694 - \$725 | \$0   | \$694 - \$725 | \$138 | \$832 - \$863 |
| <b>3BR / 2BA</b> | \$800 - \$862 | \$0   | \$800 - \$862 | \$0   | \$800 - \$862 | <b>3BR / 2BA</b> | \$851 - \$876 | \$0   | \$851 - \$876 | \$0   | \$851 - \$876 |

## Clarkston Station, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Oven  
Washer/Dryer hookup

Blinds  
Central A/C  
Garbage Disposal  
Refrigerator

**Security**

In-Unit Alarm  
Limited Access

**Services**

None

**Property**

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

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

**Premium**

None

**Other**

Gazebo

### Comments

The contact reported that occupancy is typical at approximately 91 percent. Also, the rent amounts have not changed since the time of our last survey in mid-2014.

# Clarkston Station, continued

## Trend Report

### Vacancy Rates

| 1Q13 | 1Q14 | 2Q14 | 2Q16 |
|------|------|------|------|
| 5.9% | 4.9% | 7.1% | 9.0% |

### Trend: @60%

#### 1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 1  | N/A  | \$599     | \$0   | \$599       | \$702     |
| 2014 | 1  | N/A  | \$599     | \$0   | \$599       | \$702     |
| 2014 | 2  | N/A  | \$599     | \$0   | \$599       | \$702     |
| 2016 | 2  | N/A  | \$599     | \$0   | \$599       | \$702     |

#### 2BR / 2BA

| Year | QT | Vac. | Face Rent     | Conc. | Concd. Rent   | Adj. Rent     |
|------|----|------|---------------|-------|---------------|---------------|
| 2013 | 1  | N/A  | \$760 - \$795 | \$0   | \$760 - \$795 | \$898 - \$933 |
| 2014 | 1  | N/A  | \$700 - \$795 | \$0   | \$700 - \$795 | \$838 - \$933 |
| 2014 | 2  | N/A  | \$669 - \$700 | \$0   | \$669 - \$700 | \$807 - \$838 |
| 2016 | 2  | N/A  | \$669 - \$700 | \$0   | \$669 - \$700 | \$807 - \$838 |

#### 3BR / 2BA

| Year | QT | Vac. | Face Rent     | Conc. | Concd. Rent   | Adj. Rent     |
|------|----|------|---------------|-------|---------------|---------------|
| 2013 | 1  | N/A  | \$800 - \$862 | \$0   | \$800 - \$862 | \$800 - \$862 |
| 2014 | 1  | N/A  | \$800 - \$862 | \$0   | \$800 - \$862 | \$800 - \$862 |
| 2014 | 2  | N/A  | \$800 - \$862 | \$0   | \$800 - \$862 | \$800 - \$862 |
| 2016 | 2  | N/A  | \$800 - \$862 | \$0   | \$800 - \$862 | \$800 - \$862 |

### Trend: Market

#### 1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 1  | N/A  | \$625     | \$0   | \$625       | \$728     |
| 2014 | 1  | N/A  | \$625     | \$0   | \$625       | \$728     |
| 2014 | 2  | N/A  | \$625     | \$0   | \$625       | \$728     |
| 2016 | 2  | N/A  | \$625     | \$0   | \$625       | \$728     |

#### 2BR / 2BA

| Year | QT | Vac. | Face Rent     | Conc. | Concd. Rent   | Adj. Rent     |
|------|----|------|---------------|-------|---------------|---------------|
| 2013 | 1  | N/A  | \$770 - \$835 | \$0   | \$770 - \$835 | \$908 - \$973 |
| 2014 | 1  | N/A  | \$725 - \$825 | \$0   | \$725 - \$825 | \$863 - \$963 |
| 2014 | 2  | N/A  | \$694 - \$725 | \$0   | \$694 - \$725 | \$832 - \$863 |
| 2016 | 2  | N/A  | \$694 - \$725 | \$0   | \$694 - \$725 | \$832 - \$863 |

#### 3BR / 2BA

| Year | QT | Vac. | Face Rent     | Conc. | Concd. Rent   | Adj. Rent     |
|------|----|------|---------------|-------|---------------|---------------|
| 2013 | 1  | N/A  | \$851 - \$876 | \$0   | \$851 - \$876 | \$851 - \$876 |
| 2014 | 1  | N/A  | \$851 - \$876 | \$0   | \$851 - \$876 | \$851 - \$876 |
| 2014 | 2  | N/A  | \$851 - \$876 | \$0   | \$851 - \$876 | \$851 - \$876 |
| 2016 | 2  | N/A  | \$851 - \$876 | \$0   | \$851 - \$876 | \$851 - \$876 |

## Trend: Comments

|      |  |
|------|--|
| 1Q13 | The contact indicated that the property's current occupancy rate is typical.   |
| 1Q14 | No additional comments.  |
| 2Q14 | The contact could not provide vacancy by unit type. The contact stated that the property is pre-leased at 97 percent. Rents have decreased approximately 15 percent in the two-bedroom townhouse units over the last 12 months. Rents for all other unit types have remained the same over the last 12 months. |
| 2Q16 | The contact reported that occupancy is typical at approximately 91 percent. Also, the rent amounts have not changed since the time of our last survey in mid-2014.   |

# PROPERTY PROFILE REPORT

## M Street Apartments

|                               |   |
|-------------------------------|---|
| <b>Effective Rent Date</b>    | 4/08/2016   |
| <b>Location</b>               | 950 Marietta Street<br>Atlanta, GA 30318<br>Fulton County |
| <b>Distance</b>               | 8.9 miles   |
| <b>Units</b>                  | 308   |
| <b>Vacant Units</b>           | 25  |
| <b>Vacancy Rate</b>           | 8.1%  |
| <b>Type</b>                   | Garden (3 stories)  |
| <b>Year Built/Renovated</b>   | 2004 / N/A  |
| <b>Marketing Began</b>        | 3/27/2004   |
| <b>Leasing Began</b>          | 6/15/2004   |
| <b>Last Unit Leased</b>       | N/A   |
| <b>Major Competitors</b>      | 1016 Lofts, Park District Lofts                           |
| <b>Tenant Characteristics</b> | Most tenants are locals from Atlanta.                     |
| <b>Contact Name</b>           | Anthony, Assistant Property Manager                       |
| <b>Phone</b>                  | 678-904-9140  |



### Market Information

|                             |                          |
|-----------------------------|--------------------------|
| <b>Program</b>              | @50%, Market             |
| <b>Annual Turnover Rate</b> | 40%                      |
| <b>Units/Month Absorbed</b> | N/A                      |
| <b>HCV Tenants</b>          | 0%                       |
| <b>Leasing Pace</b>         | Pre-leased               |
| <b>Annual Chg. in Rent</b>  | Changes Frequently       |
| <b>Concession</b>           | \$99 off application fee |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type               | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 0    | 1     | Garden (3 stories) | N/A   | 561       | \$790   | \$0                  | @50%        | Yes          | 0      | N/A          | yes       | None  |
| 0    | 1     | Garden (3 stories) | N/A   | 561       | \$1,195 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 1    | 1     | Garden (3 stories) | N/A   | 886       | \$825   | \$0                  | @50%        | Yes          | 0      | N/A          | yes       | None  |
| 1    | 1     | Garden (3 stories) | N/A   | 886       | \$1,514 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 2    | 2     | Garden (3 stories) | N/A   | 955       | \$920   | \$0                  | @50%        | Yes          | 0      | N/A          | yes       | None  |
| 2    | 2     | Garden (3 stories) | N/A   | 955       | \$1,520 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 3    | 3     | Garden (3 stories) | N/A   | 1,275     | \$1,112 | \$0                  | @50%        | Yes          | 0      | N/A          | yes       | None  |
| 3    | 3     | Garden (3 stories) | N/A   | 1,275     | \$2,220 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |

### Unit Mix

| @50%         | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | Market       | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|--------------|-----------|-------|-------------|-------|-----------|--------------|-----------|-------|-------------|-------|-----------|
| Studio / 1BA | \$790     | \$0   | \$790       | \$150 | \$940     | Studio / 1BA | \$1,195   | \$0   | \$1,195     | \$150 | \$1,345   |
| 1BR / 1BA    | \$825     | \$0   | \$825       | \$165 | \$990     | 1BR / 1BA    | \$1,514   | \$0   | \$1,514     | \$165 | \$1,679   |
| 2BR / 2BA    | \$920     | \$0   | \$920       | \$221 | \$1,141   | 2BR / 2BA    | \$1,520   | \$0   | \$1,520     | \$221 | \$1,741   |
| 3BR / 3BA    | \$1,112   | \$0   | \$1,112     | \$0   | \$1,112   | 3BR / 3BA    | \$2,220   | \$0   | \$2,220     | \$0   | \$2,220   |

## M Street Apartments, continued

### Amenities

#### In-Unit

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

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

#### Security

In-Unit Alarm  
Intercom (Buzzer)  
Limited Access  
Perimeter Fencing

#### Services

None

#### Property

Clubhouse/Meeting  
Central Laundry  
On-Site Management

Exercise Facility  
Off-Street Parking  
Swimming Pool

#### Premium

None

#### Other

None

### Comments

The contact reported that there is a high demand for rental housing in the area. He stated that approximately 20% of the phone calls he receives are inquires about the low income housing program. The contact reported that the property utilizes LRO pricing for the market-rate units, and all vacancies are in market-rate units. The contact did not provide the number of households on the waiting list, however, there is not a waiting list for market-rate units. Also, the contact did not provide a breakdown of vacancies per unit type. The property is currently at approximately 92 percent occupancy, which is typical for the property. They recently discontinued the acceptance of Housing Choice Vouchers.

# M Street Apartments, continued

## Trend Report

### Vacancy Rates

| 1Q15 | 2Q15 | 3Q15 | 2Q16 |
|------|------|------|------|
| 4.9% | 7.5% | 0.6% | 8.1% |

### Trend: @50%

#### 1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 1  | N/A  | \$772     | \$0   | \$772       | \$937     |
| 2015 | 2  | N/A  | \$772     | \$0   | \$772       | \$937     |
| 2015 | 3  | N/A  | \$825     | \$0   | \$825       | \$990     |
| 2016 | 2  | N/A  | \$825     | \$0   | \$825       | \$990     |

#### 2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 1  | N/A  | \$942     | \$0   | \$942       | \$1,163   |
| 2015 | 2  | N/A  | \$942     | \$0   | \$942       | \$1,163   |
| 2015 | 3  | N/A  | \$925     | \$0   | \$925       | \$1,146   |
| 2016 | 2  | N/A  | \$920     | \$0   | \$920       | \$1,141   |

#### 3BR / 3BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 3  | N/A  | \$1,095   | \$0   | \$1,095     | \$1,095   |
| 2016 | 2  | N/A  | \$1,112   | \$0   | \$1,112     | \$1,112   |

#### Studio / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 1  | N/A  | \$702     | \$0   | \$702       | \$852     |
| 2015 | 2  | N/A  | \$702     | \$0   | \$702       | \$852     |
| 2015 | 3  | N/A  | \$790     | \$0   | \$790       | \$940     |
| 2016 | 2  | N/A  | \$790     | \$0   | \$790       | \$940     |

### Trend: Market

#### 1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 1  | N/A  | \$1,042   | \$0   | \$1,042     | \$1,207   |
| 2015 | 2  | N/A  | \$1,088   | \$0   | \$1,088     | \$1,253   |
| 2015 | 3  | N/A  | \$1,088   | \$0   | \$1,088     | \$1,253   |
| 2016 | 2  | N/A  | \$1,514   | \$0   | \$1,514     | \$1,679   |

#### 2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 1  | N/A  | \$1,083   | \$0   | \$1,083     | \$1,304   |
| 2015 | 2  | N/A  | \$1,442   | \$0   | \$1,442     | \$1,663   |
| 2015 | 3  | N/A  | \$1,442   | \$0   | \$1,442     | \$1,663   |
| 2016 | 2  | N/A  | \$1,520   | \$0   | \$1,520     | \$1,741   |

#### 3BR / 3BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 1  | N/A  | \$1,909   | \$0   | \$1,909     | \$1,909   |
| 2015 | 2  | N/A  | \$1,866   | \$0   | \$1,866     | \$1,866   |
| 2015 | 3  | N/A  | \$1,866   | \$0   | \$1,866     | \$1,866   |
| 2016 | 2  | N/A  | \$2,220   | \$0   | \$2,220     | \$2,220   |

#### Studio / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 1  | N/A  | \$995     | \$0   | \$995       | \$1,145   |
| 2015 | 2  | N/A  | \$895     | \$0   | \$895       | \$1,045   |
| 2015 | 3  | N/A  | \$950     | \$0   | \$950       | \$1,100   |
| 2016 | 2  | N/A  | \$1,195   | \$0   | \$1,195     | \$1,345   |

## Trend: Comments

- 1Q15** Our contact could not report the specific units that were vacant. This property implements LRO pricing and was unable to provide rental rates for studios, as none are currently vacant. Therefore we have left the rental rates from our previous interview on 1/13/2015. Additionally, the contact estimated that if a studio were available today it would rent around \$800-\$1,000.
- We believe that the property's affordable units have a Section 8 subsidy, given that the rents are significantly higher than the maximum allowable levels and similar to fair market rents. However, no one at the property was able to confirm this.
- 2Q15** Our contact could not report the specific units that were vacant, but stated that they are currently operating at 92% occupancy, and are 97% pre-leased. This property implements LRO pricing.
- We believe that the property's affordable units have a Section 8 subsidy, given that the rents are significantly higher than the maximum allowable levels and similar to fair market rents. However, no one at the property was able to confirm this.
- 3Q15** The property maintains a waiting list for all unit types which is closed at this time. The contact was unable to disclose the current number of households on the waiting list.
- 2Q16** The contact reported that there is a high demand for rental housing in the area. He stated that approximately 20% of the phone calls he receives are inquires about the low income housing program. The contact reported that the property utilizes LRO pricing for the market-rate units, and all vacancies are in market-rate units. The contact did not provide the number of households on the waiting list, however, there is not a waiting list for market-rate units. Also, the contact did not provide a breakdown of vacancies per unit type. The property is currently at approximately 92 percent occupancy, which is typical for the property. They recently discontinued the acceptance of Housing Choice Vouchers.

# M Street Apartments, continued

## Photos



# PROPERTY PROFILE REPORT

## Robins Landing Apartments

|                               |  |
|-------------------------------|--|
| <b>Effective Rent Date</b>    | 4/01/2016  |
| <b>Location</b>               | 3529 Robins Landing Way<br>Decatur, GA 30032<br>DeKalb County                                    |
| <b>Distance</b>               | 9.2 miles  |
| <b>Units</b>                  | 304  |
| <b>Vacant Units</b>           | 18   |
| <b>Vacancy Rate</b>           | 5.9%   |
| <b>Type</b>                   | Garden (3 stories)   |
| <b>Year Built/Renovated</b>   | 1973 / 2001  |
| <b>Marketing Began</b>        | N/A  |
| <b>Leasing Began</b>          | N/A  |
| <b>Last Unit Leased</b>       | 1/24/2005  |
| <b>Major Competitors</b>      | East Lake Apartments   |
| <b>Tenant Characteristics</b> | Majority are local but 20 to 30% come from out of state. Many work in the food service industry. |
| <b>Contact Name</b>           | Courtney   |
| <b>Phone</b>                  | 404-289-7797   |



### Market Information

|                             |                                     |
|-----------------------------|-------------------------------------|
| <b>Program</b>              | @60%                                |
| <b>Annual Turnover Rate</b> | 50%                                 |
| <b>Units/Month Absorbed</b> | N/A                                 |
| <b>HCV Tenants</b>          | 20%                                 |
| <b>Leasing Pace</b>         | Within one month                    |
| <b>Annual Chg. in Rent</b>  | None                                |
| <b>Concession</b>           | \$299 move in for two bedroom units |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type               | Units | Size (SF) | Rent  | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1    | 1     | Garden (3 stories) | 40    | 705       | \$575 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |
| 2    | 1     | Garden (3 stories) | 144   | 828       | \$599 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |
| 2    | 1     | Garden (3 stories) | 40    | 858       | \$619 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |
| 2    | 1     | Garden (3 stories) | 40    | 878       | \$639 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |
| 3    | 2     | Garden (3 stories) | 32    | 1,260     | \$749 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |
| 4    | 2     | Garden (3 stories) | 8     | 1,380     | \$829 | \$0                  | @60%        | No           | N/A    | N/A          | no        | None  |

### Unit Mix

| @60%      | Face Rent     | Conc. | Concd. Rent   | Util. | Adj. Rent     |
|-----------|---------------|-------|---------------|-------|---------------|
| 1BR / 1BA | \$575         | \$0   | \$575         | \$103 | \$678         |
| 2BR / 1BA | \$599 - \$639 | \$0   | \$599 - \$639 | \$138 | \$737 - \$777 |
| 3BR / 2BA | \$749         | \$0   | \$749         | \$0   | \$749         |
| 4BR / 2BA | \$829         | \$0   | \$829         | \$0   | \$829         |

## Robins Landing Apartments, continued

### Amenities

#### In-Unit

Balcony/Patio  
Cable/Satellite/Internet  
Central A/C  
Dishwasher  
Garbage Disposal  
Refrigerator

Blinds  
Carpeting  
Coat Closet  
Ceiling Fan  
Oven  
Washer/Dryer hookup

#### Security

Limited Access  
Patrol  
Perimeter Fencing

#### Services

Afterschool Program

#### Property

Basketball Court  
Central Laundry  
On-Site Management  
Swimming Pool

Clubhouse/Meeting  
Off-Street Parking  
Playground

#### Premium

None

#### Other

None

### Comments

Management could not provide an explanation for the decrease in rents since March 2015. Management would not provide the current vacancy rate. We illustrated the vacancy rate from March 2015.

# Robins Landing Apartments, continued

## Trend Report

### Vacancy Rates

| 1Q14 | 1Q15 | 4Q15 | 2Q16 |
|------|------|------|------|
| 5.9% | 5.9% | 5.9% | 5.9% |

### Trend: @60%

#### 1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 1  | N/A  | \$650     | \$0   | \$650       | \$753     |
| 2015 | 1  | N/A  | \$650     | \$0   | \$650       | \$753     |
| 2015 | 4  | N/A  | \$575     | \$0   | \$575       | \$678     |
| 2016 | 2  | N/A  | \$575     | \$0   | \$575       | \$678     |

#### 2BR / 1BA

| Year | QT | Vac. | Face Rent     | Conc.       | Concd. Rent   | Adj. Rent     |
|------|----|------|---------------|-------------|---------------|---------------|
| 2014 | 1  | N/A  | \$729 - \$759 | \$129       | \$600 - \$630 | \$738 - \$768 |
| 2015 | 1  | N/A  | \$729 - \$759 | \$0         | \$729 - \$759 | \$867 - \$897 |
| 2015 | 4  | N/A  | \$599 - \$639 | \$25 - \$28 | \$574 - \$611 | \$712 - \$749 |
| 2016 | 2  | N/A  | \$599 - \$639 | \$0         | \$599 - \$639 | \$737 - \$777 |

#### 3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 1  | 0.0% | \$955     | \$0   | \$955       | \$955     |
| 2015 | 1  | N/A  | \$955     | \$0   | \$955       | \$955     |
| 2015 | 4  | N/A  | \$749     | \$0   | \$749       | \$749     |
| 2016 | 2  | N/A  | \$749     | \$0   | \$749       | \$749     |

#### 4BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 1  | 0.0% | \$1,055   | \$0   | \$1,055     | \$1,055   |
| 2015 | 1  | N/A  | \$1,055   | \$0   | \$1,055     | \$1,055   |
| 2015 | 4  | N/A  | \$829     | \$0   | \$829       | \$829     |
| 2016 | 2  | N/A  | \$829     | \$0   | \$829       | \$829     |

## Trend: Comments

|      |   |
|------|---|
| 1Q14 | The property does accept housing choice vouchers; however, management was unable to estimate the percentage of tenants currently using them.  |
| 1Q15 | Management reported that the property is currently 99 percent pre-leased. The waiting list is approximately 20 households long. Management estimated that the property offers approximately three parking spaces per unit. The property has not experienced any rent increases since our last interview in 2014. Management reported that the demand for affordable housing in the area remains strong. |
| 4Q15 | Management could not provide an explanation for the decrease in rents since March 2015. Management would not provide the current vacancy rate. We illustrated the vacancy rate from March 2015.   |
| 2Q16 | N/A   |

# Robins Landing Apartments, continued

## Photos



# PROPERTY PROFILE REPORT

## Tuscany Village

**Effective Rent Date** 4/05/2016  
**Location** 600 Northern Ave  
 Clarkston, GA 30021  
 Dekalb County  
**Distance** 5.9 miles  
**Units** 144  
**Vacant Units** 1  
**Vacancy Rate** 0.7%  
**Type** Garden (3 stories)  
**Year Built/Renovated** 1970 / 2009  
**Marketing Began** N/A  
**Leasing Began** 11/01/2009  
**Last Unit Leased** 4/01/2010  
**Major Competitors** Avalon, Montreal  
**Tenant Characteristics** Family  
**Contact Name** Lindsey  
**Phone** 404-585-4424



### Market Information

**Program** @30%, @50%, @60%, Market  
**Annual Turnover Rate** 21%  
**Units/Month Absorbed** 24  
**HCV Tenants** 15%  
**Leasing Pace** Within two weeks  
**Annual Chg. in Rent** Kept at Max  
**Concession** None

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type               | Units | Size (SF) | Rent  | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1    | 1     | Garden (3 stories) | 7     | 770       | \$275 | \$0                  | @30%        | Yes          | 0      | 0.0%         | yes       | None  |
| 1    | 1     | Garden (3 stories) | 19    | 770       | \$544 | \$0                  | @50%        | Yes          | 0      | 0.0%         | yes       | None  |
| 1    | 1     | Garden (3 stories) | 24    | 770       | \$679 | \$0                  | @60%        | Yes          | 1      | 4.2%         | yes       | None  |
| 1    | 1     | Garden (3 stories) | 22    | 800       | \$695 | \$0                  | Market      | No           | 0      | 0.0%         | N/A       | None  |
| 2    | 2     | Garden (3 stories) | 8     | 1,016     | \$320 | \$0                  | @30%        | Yes          | 0      | 0.0%         | yes       | None  |
| 2    | 2     | Garden (3 stories) | 18    | 1,016     | \$642 | \$0                  | @50%        | Yes          | 0      | 0.0%         | yes       | None  |
| 2    | 2     | Garden (3 stories) | 24    | 1,016     | \$805 | \$0                  | @60%        | Yes          | 0      | 0.0%         | yes       | None  |
| 2    | 2     | Garden (3 stories) | 22    | 1,016     | \$895 | \$0                  | Market      | No           | 0      | 0.0%         | N/A       | None  |

## Tuscany Village, continued

### Unit Mix

| @30%      | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @50%      | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$275     | \$0   | \$275       | \$165 | \$440     | 1BR / 1BA | \$544     | \$0   | \$544       | \$165 | \$709     |
| 2BR / 2BA | \$320     | \$0   | \$320       | \$221 | \$541     | 2BR / 2BA | \$642     | \$0   | \$642       | \$221 | \$863     |
| @60%      | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | Market    | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
| 1BR / 1BA | \$679     | \$0   | \$679       | \$165 | \$844     | 1BR / 1BA | \$695     | \$0   | \$695       | \$165 | \$860     |
| 2BR / 2BA | \$805     | \$0   | \$805       | \$221 | \$1,026   | 2BR / 2BA | \$895     | \$0   | \$895       | \$221 | \$1,116   |

### Amenities

#### In-Unit

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

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

#### Security

Intercom (Buzzer)  
Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

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

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Playground

#### Premium

None

#### Other

None

### Comments

The contact reported that occupancy is typically between 99 and 100 percent and all of the property's rents are at maximum allowable. The contact reported that the waiting list for all tax credit units has approximately 27 households on it.

# Tuscany Village, continued

## Trend Report

### Vacancy Rates

| 2Q14 | 3Q14 | 2Q15 | 2Q16 |
|------|------|------|------|
| 5.6% | 4.9% | 5.6% | 0.7% |

### Trend: @30%

#### 1BR / 1BA

| Year | QT | Vac.  | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2014 | 2  | 0.0%  | \$275     | \$0   | \$275       | \$440     |
| 2014 | 3  | 0.0%  | \$275     | \$0   | \$275       | \$440     |
| 2015 | 2  | 14.3% | \$275     | \$0   | \$275       | \$440     |
| 2016 | 2  | 0.0%  | \$275     | \$0   | \$275       | \$440     |

#### 2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2  | 0.0% | \$320     | \$0   | \$320       | \$541     |
| 2014 | 3  | 0.0% | \$320     | \$0   | \$320       | \$541     |
| 2015 | 2  | 0.0% | \$320     | \$0   | \$320       | \$541     |
| 2016 | 2  | 0.0% | \$320     | \$0   | \$320       | \$541     |

### Trend: @60%

#### 1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2  | 8.3% | \$635     | \$0   | \$635       | \$800     |
| 2014 | 3  | 4.2% | \$635     | \$0   | \$635       | \$800     |
| 2015 | 2  | 0.0% | \$635     | \$0   | \$635       | \$800     |
| 2016 | 2  | 4.2% | \$679     | \$0   | \$679       | \$844     |

#### 2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2  | 0.0% | \$765     | \$0   | \$765       | \$986     |
| 2014 | 3  | 0.0% | \$765     | \$0   | \$765       | \$986     |
| 2015 | 2  | 8.3% | \$765     | \$0   | \$765       | \$986     |
| 2016 | 2  | 0.0% | \$805     | \$0   | \$805       | \$1,026   |

### Trend: @50%

#### 1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2  | 0.0% | \$544     | \$0   | \$544       | \$709     |
| 2014 | 3  | 0.0% | \$544     | \$0   | \$544       | \$709     |
| 2015 | 2  | 0.0% | \$544     | \$0   | \$544       | \$709     |
| 2016 | 2  | 0.0% | \$544     | \$0   | \$544       | \$709     |

#### 2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2  | 0.0% | \$643     | \$0   | \$643       | \$864     |
| 2014 | 3  | 0.0% | \$643     | \$0   | \$643       | \$864     |
| 2015 | 2  | 0.0% | \$643     | \$0   | \$643       | \$864     |
| 2016 | 2  | 0.0% | \$642     | \$0   | \$642       | \$863     |

### Trend: Market

#### 1BR / 1BA

| Year | QT | Vac.  | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2014 | 2  | 9.1%  | \$675     | \$0   | \$675       | \$840     |
| 2014 | 3  | 13.6% | \$675     | \$0   | \$675       | \$840     |
| 2015 | 2  | 4.5%  | \$675     | \$0   | \$675       | \$840     |
| 2016 | 2  | 0.0%  | \$695     | \$0   | \$695       | \$860     |

#### 2BR / 2BA

| Year | QT | Vac.  | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2014 | 2  | 18.2% | \$850     | \$0   | \$850       | \$1,071   |
| 2014 | 3  | 13.6% | \$850     | \$0   | \$850       | \$1,071   |
| 2015 | 2  | 18.2% | \$850     | \$0   | \$850       | \$1,071   |
| 2016 | 2  | 0.0%  | \$895     | \$0   | \$895       | \$1,116   |

### Trend: Comments

- 2Q14** The contact was unable to provide the number of tenants currently using Housing Choice Vouchers. The percentage reported above is current as of our previous interview in July 2013. There are currently five households on the waiting list for LIHTC units, and two households waiting for market rate units.
- 3Q14** The contact was unable to provide the number of tenants currently using Housing Choice Vouchers. The percentage reported above is current as of our previous interview in July 2013. There are currently seven households on the waiting list for LIHTC units, and four households waiting for market rate units.
- 2Q15** The contact had no additional comments.
- 2Q16** The contact reported that occupancy is typically between 99 and 100 percent and all of the property's rents are at maximum allowable. The contact reported that the waiting list for all tax credit units has approximately 27 households on it.

## Tuscany Village, continued

### Photos



# PROPERTY PROFILE REPORT

## Ashford Gardens

|                               |  |
|-------------------------------|--|
| <b>Effective Rent Date</b>    | 4/08/2016  |
| <b>Location</b>               | 2203 Plaster Road<br>Atlanta, GA 30345<br>DeKalb County County |
| <b>Distance</b>               | 0.3 miles  |
| <b>Units</b>                  | 164  |
| <b>Vacant Units</b>           | 4  |
| <b>Vacancy Rate</b>           | 2.4%   |
| <b>Type</b>                   |  |
| <b>Year Built/Renovated</b>   | 1978 / 2012  |
| <b>Marketing Began</b>        | N/A  |
| <b>Leasing Began</b>          | N/A  |
| <b>Last Unit Leased</b>       | N/A  |
| <b>Major Competitors</b>      | N/A  |
| <b>Tenant Characteristics</b> | Singles, Seniors, and some families                            |
| <b>Contact Name</b>           | Ada  |
| <b>Phone</b>                  | 404-320-6306   |



### Market Information

|                             |              |
|-----------------------------|--------------|
| <b>Program</b>              | Market       |
| <b>Annual Turnover Rate</b> | N/A          |
| <b>Units/Month Absorbed</b> | N/A          |
| <b>HCV Tenants</b>          | 0%           |
| <b>Leasing Pace</b>         | N/A          |
| <b>Annual Chg. in Rent</b>  | N/A          |
| <b>Concession</b>           | See comments |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1    | 1     |      | N/A   | 900       | \$863   | \$17                 | Market      | No           | 0      | N/A          | N/A       | None  |
| 2    | 2     |      | N/A   | 1,175     | \$1,052 | \$17                 | Market      | No           | 0      | N/A          | N/A       | AVG   |
| 3    | 2     |      | N/A   | 1,375     | \$1,418 | \$17                 | Market      | No           | 4      | N/A          | N/A       | AVG   |

### Unit Mix

| Market    | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$863     | \$17  | \$846       | \$165 | \$1,011   |
| 2BR / 2BA | \$1,052   | \$17  | \$1,035     | \$221 | \$1,256   |
| 3BR / 2BA | \$1,418   | \$17  | \$1,401     | \$0   | \$1,401   |

### Amenities

| In-Unit             | Security | Services |
|---------------------|----------|----------|
| Balcony/Patio       | None     | None     |
| Carpeting           |          |          |
| Dishwasher          |          |          |
| Microwave           |          |          |
| Refrigerator        |          |          |
| Washer/Dryer hookup |          |          |
| Blinds              |          |          |
| Central A/C         |          |          |
| Garbage Disposal    |          |          |
| Oven                |          |          |
| Walk-In Closet      |          |          |
| Property            | Premium  | Other    |
| Exercise Facility   | None     | None     |
| On-Site Management  |          |          |
| Playground          |          |          |
| Central Laundry     |          |          |
| Picnic Area         |          |          |
| Swimming Pool       |          |          |

## Ashford Gardens, continued

### Comments

The contact reported that the property typically remains between 98 and 99 percent occupancy. When asked about the status of the housing market the contact reported a high demand for rental housing. The contact was unable to provide the number of units per bedroom type. The property is offering \$200 off on all units.

Photos



# PROPERTY PROFILE REPORT

## Encore At Clairmont

|                               |   |
|-------------------------------|---|
| <b>Effective Rent Date</b>    | 4/05/2016   |
| <b>Location</b>               | 1000 Barone Ave<br>Atlanta, GA 30329<br>DeKalb County |
| <b>Distance</b>               | 2.1 miles   |
| <b>Units</b>                  | 359   |
| <b>Vacant Units</b>           | 16  |
| <b>Vacancy Rate</b>           | 4.5%  |
| <b>Type</b>                   | Garden (4 stories)                                    |
| <b>Year Built/Renovated</b>   | 2014 / N/A  |
| <b>Marketing Began</b>        | N/A   |
| <b>Leasing Began</b>          | N/A   |
| <b>Last Unit Leased</b>       | N/A   |
| <b>Major Competitors</b>      | Avon at Midtown                                       |
| <b>Tenant Characteristics</b> | College Students, Families, Singles                   |
| <b>Contact Name</b>           | Gerald  |
| <b>Phone</b>                  | 404-445-1462  |



### Market Information

|                             |              |
|-----------------------------|--------------|
| <b>Program</b>              | Market       |
| <b>Annual Turnover Rate</b> | N/A          |
| <b>Units/Month Absorbed</b> | N/A          |
| <b>HCV Tenants</b>          | 0%           |
| <b>Leasing Pace</b>         | N/A          |
| <b>Annual Chg. in Rent</b>  | N/A          |
| <b>Concession</b>           | See Comments |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type               | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 0    | 1     | Garden (4 stories) | N/A   | 608       | \$1,260 | \$0                  | Market      | No           | 1      | N/A          | N/A       | None  |
| 0    | 1     | Garden (4 stories) | N/A   | 537       | \$1,142 | \$0                  | Market      | No           | 1      | N/A          | N/A       | AVG   |
| 1    | 1     | Garden (4 stories) | N/A   | 687       | \$1,252 | \$104                | Market      | No           | 4      | N/A          | N/A       | AVG   |
| 1    | 1     | Garden (4 stories) | N/A   | 716       | \$1,307 | \$109                | Market      | No           | 4      | N/A          | N/A       | AVG   |
| 2    | 2     | Garden (4 stories) | N/A   | 1,131     | \$1,800 | \$42                 | Market      | No           | 1      | N/A          | N/A       | None  |
| 2    | 2     | Garden (4 stories) | N/A   | 1,446     | \$2,195 | \$42                 | Market      | No           | 1      | N/A          | N/A       | None  |
| 2    | 2     | Garden (4 stories) | N/A   | 1,453     | \$2,107 | \$42                 | Market      | No           | 0      | N/A          | N/A       | None  |
| 2    | 2     | Garden (4 stories) | N/A   | 1,077     | \$1,697 | \$42                 | Market      | No           | 4      | N/A          | N/A       | AVG   |
| 2    | 2     | Garden (4 stories) | N/A   | 1,208     | \$1,815 | \$42                 | Market      | No           | 0      | N/A          | N/A       | AVG   |
| 2    | 2     | Garden (4 stories) | N/A   | 1,277     | \$1,888 | \$42                 | Market      | No           | 0      | N/A          | N/A       | AVG   |
| 3    | 2     | Garden (4 stories) | N/A   | 1,322     | \$2,115 | \$0                  | Market      | No           | 0      | N/A          | N/A       | None  |



# PROPERTY PROFILE REPORT

## Park Summit

|                               |   |
|-------------------------------|---|
| <b>Effective Rent Date</b>    | 2/11/2016   |
| <b>Location</b>               | 2778 North Decatur Road<br>Decatur, GA 30033<br>DeKalb County |
| <b>Distance</b>               | 6.3 miles   |
| <b>Units</b>                  | 148   |
| <b>Vacant Units</b>           | 4   |
| <b>Vacancy Rate</b>           | 2.7%  |
| <b>Type</b>                   | Garden (3 stories)  |
| <b>Year Built/Renovated</b>   | 1991 / On-going   |
| <b>Marketing Began</b>        | N/A   |
| <b>Leasing Began</b>          | N/A   |
| <b>Last Unit Leased</b>       | N/A   |
| <b>Major Competitors</b>      | Jackson Square and Paces Park                                 |
| <b>Tenant Characteristics</b> | Young professionals, small families, 3% seniors               |
| <b>Contact Name</b>           | Tommy   |
| <b>Phone</b>                  | 404.508.1117  |



### Market Information

|                             |                 |
|-----------------------------|-----------------|
| <b>Program</b>              | Market          |
| <b>Annual Turnover Rate</b> | 30%             |
| <b>Units/Month Absorbed</b> | N/A             |
| <b>HCV Tenants</b>          | 0%              |
| <b>Leasing Pace</b>         | Pre-leased      |
| <b>Annual Chg. in Rent</b>  | Fluctuate often |
| <b>Concession</b>           | None            |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type               | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 0    | 1     | Garden (3 stories) | 24    | 522       | \$950   | \$0                  | Market      | No           | 0      | 0.0%         | N/A       | None  |
| 1    | 1     | Garden (3 stories) | 28    | 710       | \$1,030 | \$0                  | Market      | No           | 0      | 0.0%         | N/A       | None  |
| 1    | 1     | Garden (3 stories) | 28    | 827       | \$1,120 | \$0                  | Market      | No           | 0      | 0.0%         | N/A       | None  |
| 2    | 1     | Garden (3 stories) | 14    | 927       | \$1,250 | \$0                  | Market      | No           | 0      | 0.0%         | N/A       | None  |
| 2    | 2     | Garden (3 stories) | 20    | 1,160     | \$1,330 | \$0                  | Market      | No           | 2      | 10.0%        | N/A       | None  |
| 2    | 2     | Garden (3 stories) | 20    | 1,243     | \$1,400 | \$0                  | Market      | No           | 2      | 10.0%        | N/A       | None  |
| 3    | 2     | Garden (3 stories) | 8     | 1,291     | \$1,620 | \$0                  | Market      | No           | 0      | 0.0%         | N/A       | None  |
| 3    | 2     | Garden (3 stories) | 6     | 1,379     | \$1,670 | \$0                  | Market      | No           | 0      | 0.0%         | N/A       | None  |

### Unit Mix

| Market       | Face Rent         | Conc. | Concd. Rent       | Util. | Adj. Rent         |
|--------------|-------------------|-------|-------------------|-------|-------------------|
| Studio / 1BA | \$950             | \$0   | \$950             | \$150 | \$1,100           |
| 1BR / 1BA    | \$1,030 - \$1,120 | \$0   | \$1,030 - \$1,120 | \$165 | \$1,195 - \$1,285 |
| 2BR / 1BA    | \$1,250           | \$0   | \$1,250           | \$221 | \$1,471           |
| 2BR / 2BA    | \$1,330 - \$1,400 | \$0   | \$1,330 - \$1,400 | \$221 | \$1,551 - \$1,621 |
| 3BR / 2BA    | \$1,620 - \$1,670 | \$0   | \$1,620 - \$1,670 | \$0   | \$1,620 - \$1,670 |

## Park Summit, continued

### Amenities

#### In-Unit

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

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

#### Security

In-Unit Alarm  
Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

Car Wash  
Exercise Facility  
Central Laundry  
On-Site Management  
Tennis Court

Clubhouse/Meeting  
Garage  
Off-Street Parking  
Swimming Pool

#### Premium

None

#### Other

None

### Comments

The contact reported rental rates fluctuate throughout the year and are currently significantly higher than last year based on improved demand. A waiting list is periodically maintained but was recently purged. All vacant units are pre-leased at this time.

## Park Summit, continued

### Trend Report

#### Vacancy Rates

| 4Q13 | 1Q14 | 1Q15 | 1Q16 |
|------|------|------|------|
| 3.4% | 2.0% | 2.7% | 2.7% |

### Trend: Market

#### 1BR / 1BA

| Year | QT | Vac. | Face Rent         | Conc.       | Concd. Rent       | Adj. Rent         |
|------|----|------|-------------------|-------------|-------------------|-------------------|
| 2013 | 4  | 3.6% | \$840 - \$950     | \$70 - \$79 | \$770 - \$871     | \$935 - \$1,036   |
| 2014 | 1  | 0.0% | \$840 - \$950     | \$0         | \$840 - \$950     | \$1,005 - \$1,115 |
| 2015 | 1  | 0.0% | \$840 - \$950     | \$0         | \$840 - \$950     | \$1,005 - \$1,115 |
| 2016 | 1  | 0.0% | \$1,030 - \$1,120 | \$0         | \$1,030 - \$1,120 | \$1,195 - \$1,285 |

#### 2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 4  | 0.0% | \$1,010   | \$0   | \$1,010     | \$1,231   |
| 2014 | 1  | 0.0% | \$1,010   | \$0   | \$1,010     | \$1,231   |
| 2015 | 1  | 0.0% | \$1,010   | \$0   | \$1,010     | \$1,231   |
| 2016 | 1  | 0.0% | \$1,250   | \$0   | \$1,250     | \$1,471   |

#### 2BR / 2BA

| Year | QT | Vac.  | Face Rent         | Conc.      | Concd. Rent       | Adj. Rent         |
|------|----|-------|-------------------|------------|-------------------|-------------------|
| 2013 | 4  | 2.5%  | \$1,100 - \$1,150 | \$0 - \$92 | \$1,008 - \$1,150 | \$1,229 - \$1,371 |
| 2014 | 1  | 7.5%  | \$1,100 - \$1,150 | \$0 - \$92 | \$1,008 - \$1,150 | \$1,229 - \$1,371 |
| 2015 | 1  | 7.5%  | \$1,100 - \$1,150 | \$0        | \$1,100 - \$1,150 | \$1,321 - \$1,371 |
| 2016 | 1  | 10.0% | \$1,330 - \$1,400 | \$0        | \$1,330 - \$1,400 | \$1,551 - \$1,621 |

#### 3BR / 2BA

| Year | QT | Vac.  | Face Rent         | Conc.       | Concd. Rent       | Adj. Rent         |
|------|----|-------|-------------------|-------------|-------------------|-------------------|
| 2013 | 4  | 14.3% | \$1,450 - \$1,499 | \$0 - \$121 | \$1,329 - \$1,499 | \$1,329 - \$1,499 |
| 2014 | 1  | 0.0%  | \$1,450 - \$1,499 | \$0 - \$121 | \$1,329 - \$1,499 | \$1,329 - \$1,499 |
| 2015 | 1  | 7.1%  | \$1,399 - \$1,450 | \$0         | \$1,399 - \$1,450 | \$1,399 - \$1,450 |
| 2016 | 1  | 0.0%  | \$1,620 - \$1,670 | \$0         | \$1,620 - \$1,670 | \$1,620 - \$1,670 |

#### Studio / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 4  | 0.0% | \$730     | \$0   | \$730       | \$880     |
| 2014 | 1  | 0.0% | \$750     | \$0   | \$750       | \$900     |
| 2015 | 1  | 0.0% | \$750     | \$0   | \$750       | \$900     |
| 2016 | 1  | 0.0% | \$950     | \$0   | \$950       | \$1,100   |

### Trend: Comments

**4Q13** The contact reported a rent increase in June of 2013 across the board with the highest increases for the three bedroom units at 7.4 and 11.0 percent. There are a limited number of three bedroom units offered and they typically have high demand. The contact noted concessions are offered periodically to hasten the lease up of units.

**1Q14** Management stated that leasing pace varies depending on the season. Renovations are ongoing. As tenants move out, the carpet is replaced, appliances are updated, and the unit is repainted.

**1Q15** Management reported that the property maintains a waiting list that operates on a first come, first serve basis. The length of the waiting list is reported to be three to four households in length. The current occupancy rate at the property is reportedly typical. Management expects the next rental increase to occur in the spring of 2015. The property offers ten detached garage parking spaces for \$125 per month. Currently two garage parking spaces are available. Management reported that the property offers two off-street parking spaces per unit. The contact was unable to comment on the off-street parking utilization rate at the property.

**1Q16** The contact reported rental rates fluctuate throughout the year and are currently significantly higher than last year based on improved demand. A waiting list is periodically maintained but was recently purged. All vacant units are pre-leased at this time.

# PROPERTY PROFILE REPORT

## Rock Creek At Ashford

|                               |  |
|-------------------------------|--|
| <b>Effective Rent Date</b>    | 4/05/2016  |
| <b>Location</b>               | 3716 Ashford Dunwoody Road<br>Atlanta, GA 30319<br>DeKalb County |
| <b>Distance</b>               | 2.9 miles  |
| <b>Units</b>                  | 222  |
| <b>Vacant Units</b>           | 5  |
| <b>Vacancy Rate</b>           | 2.3%   |
| <b>Type</b>                   | Garden (3 stories)   |
| <b>Year Built/Renovated</b>   | 1987 / 2014  |
| <b>Marketing Began</b>        | N/A  |
| <b>Leasing Began</b>          | N/A  |
| <b>Last Unit Leased</b>       | N/A  |
| <b>Major Competitors</b>      | The Pointe @ Perimeter and Promenade @ Peachtree                 |
| <b>Tenant Characteristics</b> | Mixed families and singles, less than 10% are seniors            |
| <b>Contact Name</b>           | Maria  |
| <b>Phone</b>                  | 770-452-7040   |



### Market Information

|                             |                 |
|-----------------------------|-----------------|
| <b>Program</b>              | Market          |
| <b>Annual Turnover Rate</b> | 21%             |
| <b>Units/Month Absorbed</b> | N/A             |
| <b>HCV Tenants</b>          | 0%              |
| <b>Leasing Pace</b>         | Up to two weeks |
| <b>Annual Chg. in Rent</b>  | Change daily    |
| <b>Concession</b>           | None            |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type               | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 0    | 1     | Garden (3 stories) | 20    | 457       | \$1,011 | \$0                  | Market      | None         | N/A    | N/A          | N/A       | None  |
| 1    | 1     | Garden (3 stories) | N/A   | 830       | \$1,295 | \$0                  | Market      | None         | N/A    | N/A          | N/A       | None  |
| 1    | 1     | Garden (3 stories) | N/A   | 557       | \$998   | \$0                  | Market      | None         | N/A    | N/A          | N/A       | AVG   |
| 2    | 1     | Garden (3 stories) | 34    | 1,130     | \$1,495 | \$0                  | Market      | None         | N/A    | N/A          | N/A       | None  |
| 2    | 2     | Garden (3 stories) | 54    | 1,112     | \$1,472 | \$0                  | Market      | None         | N/A    | N/A          | N/A       | None  |

### Unit Mix

| Market       | Face Rent       | Conc. | Concd. Rent     | Util. | Adj. Rent         |
|--------------|-----------------|-------|-----------------|-------|-------------------|
| Studio / 1BA | \$1,011         | \$0   | \$1,011         | \$150 | \$1,161           |
| 1BR / 1BA    | \$998 - \$1,295 | \$0   | \$998 - \$1,295 | \$165 | \$1,163 - \$1,460 |
| 2BR / 1BA    | \$1,495         | \$0   | \$1,495         | \$221 | \$1,716           |
| 2BR / 2BA    | \$1,472         | \$0   | \$1,472         | \$221 | \$1,693           |

## Rock Creek At Ashford, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Oven  
Walk-In Closet  
Washer/Dryer hookup

Blinds  
Central A/C  
Dishwasher  
Fireplace  
Hand Rails  
Refrigerator  
Washer/Dryer

**Security**

Limited Access

**Services**

None

**Property**

Car Wash  
Central Laundry  
On-Site Management  
Tennis Court

Garage  
Off-Street Parking  
Swimming Pool

**Premium**

None

**Other**

None

### Comments

Rents change daily due to the YieldStar rent system in use, which adjusts rents daily based upon availability and move-in date. The contact reported that occupancy is currently typical.

# Rock Creek At Ashford, continued

## Trend Report

### Vacancy Rates

| 2Q10 | 4Q10 | 2Q15 | 2Q16 |
|------|------|------|------|
| 3.6% | 5.4% | 5.4% | 2.3% |

## Trend: Market

### 1BR / 1BA

| Year | QT | Vac. | Face Rent       | Conc. | Concd. Rent     | Adj. Rent         |
|------|----|------|-----------------|-------|-----------------|-------------------|
| 2010 | 2  | 2.6% | \$720           | \$0   | \$720           | \$885             |
| 2010 | 4  | N/A  | \$698           | \$0   | \$698           | \$863             |
| 2015 | 2  | N/A  | \$935 - \$1,260 | \$0   | \$935 - \$1,260 | \$1,100 - \$1,425 |
| 2016 | 2  | N/A  | \$998 - \$1,295 | \$0   | \$998 - \$1,295 | \$1,163 - \$1,460 |

### 2BR / 1BA

| Year | QT | Vac. | Face Rent         | Conc. | Concd. Rent       | Adj. Rent         |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2010 | 2  | 2.9% | \$840             | \$0   | \$840             | \$1,061           |
| 2010 | 4  | N/A  | \$823             | \$0   | \$823             | \$1,044           |
| 2015 | 2  | N/A  | \$1,350 - \$1,400 | \$0   | \$1,350 - \$1,400 | \$1,571 - \$1,621 |
| 2016 | 2  | N/A  | \$1,495           | \$0   | \$1,495           | \$1,716           |

### 2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2010 | 2  | 5.6% | \$902     | \$0   | \$902       | \$1,123   |
| 2010 | 4  | N/A  | \$869     | \$0   | \$869       | \$1,090   |
| 2015 | 2  | N/A  | \$869     | \$0   | \$869       | \$1,090   |
| 2016 | 2  | N/A  | \$1,472   | \$0   | \$1,472     | \$1,693   |

### Studio / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2010 | 2  | 5.0% | \$650     | \$0   | \$650       | \$800     |
| 2010 | 4  | N/A  | \$626     | \$0   | \$626       | \$776     |
| 2015 | 2  | N/A  | \$955     | \$0   | \$955       | \$1,105   |
| 2016 | 2  | N/A  | \$1,011   | \$0   | \$1,011     | \$1,161   |

## Trend: Comments

- 2Q10** Rents range due to the Yieldstar rent system management uses, which adjusts rents daily based upon availability. Generally, rents have decreased. Water, sewer, and trash services are \$29 for the studio, \$37 for the one-bedroom, and \$43 for the two-bedroom units.
- 4Q10** Rents change daily due to the YieldStar rent system in use, which adjusts rents daily based upon availability and move-in date. Generally, rents have decreased over 2009 rents. Vacancy has also increased since 2009 due to job losses and families consolidating under one roof to pool strained incomes. Water, sewer, and trash services are \$29 for the studio, \$37 for the one-bedroom, and \$43 for the two-bedroom units. Management stated that most seniors at the property are retired and living on SS.
- 2Q15** Rents change daily due to the YieldStar rent system in use, which adjusts rents daily based upon availability and move-in date. Contact stated the property does not accept Housing Choice Vouchers. The property offers a total of 114 one bedroom units across three floorplans. The price range associated with the two bedroom one bathroom floorplan is attributed to in-unit renovations such as new appliances, flooring, and general cosmetic upgrades. Exterior storage and garage units are available for an additional \$100 per month. Washer and dryer units are included in the 830 SF one bedroom floorplan and in all two bedroom floorplans. The property was recently renovated in 2014 with upgrades to interiors, parking lot, gate system, and other general renovations.
- 2Q16** Rents change daily due to the YieldStar rent system in use, which adjusts rents daily based upon availability and move-in date. The contact reported that occupancy is currently typical.

# PROPERTY PROFILE REPORT

## Windsor At Brookhaven

|                               |   |
|-------------------------------|---|
| <b>Effective Rent Date</b>    | 4/05/2016   |
| <b>Location</b>               | 305 Brookhaven Avenue<br>Atlanta, GA 30319<br>DeKalb County |
| <b>Distance</b>               | 2.2 miles   |
| <b>Units</b>                  | 287   |
| <b>Vacant Units</b>           | 17  |
| <b>Vacancy Rate</b>           | 5.9%  |
| <b>Type</b>                   | Midrise (8 stories)   |
| <b>Year Built/Renovated</b>   | 2009 / N/A  |
| <b>Marketing Began</b>        | N/A   |
| <b>Leasing Began</b>          | N/A   |
| <b>Last Unit Leased</b>       | N/A   |
| <b>Major Competitors</b>      | The Goodwynn at Town Brookhaven, 1105<br>Brookhaven         |
| <b>Tenant Characteristics</b> | Professionals, students, families                           |
| <b>Contact Name</b>           | Maylee  |
| <b>Phone</b>                  | 404-841-4200  |



### Market Information

|                             |              |
|-----------------------------|--------------|
| <b>Program</b>              | Market       |
| <b>Annual Turnover Rate</b> | N/A          |
| <b>Units/Month Absorbed</b> | N/A          |
| <b>HCV Tenants</b>          | 0%           |
| <b>Leasing Pace</b>         | N/A          |
| <b>Annual Chg. in Rent</b>  | Change Daily |
| <b>Concession</b>           | None         |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type                | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|---------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 0    | 1     | Midrise (8 stories) | N/A   | 655       | \$1,412 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | AVG   |
| 1    | 1     | Midrise (8 stories) | N/A   | 876       | \$1,603 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | AVG   |
| 2    | 2     | Midrise (8 stories) | N/A   | 1,181     | \$2,093 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | AVG   |

### Unit Mix

| Market       | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|--------------|-----------|-------|-------------|-------|-----------|
| Studio / 1BA | \$1,412   | \$0   | \$1,412     | \$150 | \$1,562   |
| 1BR / 1BA    | \$1,603   | \$0   | \$1,603     | \$165 | \$1,768   |
| 2BR / 2BA    | \$2,093   | \$0   | \$2,093     | \$221 | \$2,314   |

## Windsor At Brookhaven, continued

### Amenities

**In-Unit**

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

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

**Security**

Perimeter Fencing

**Services**

None

**Property**

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

Elevators  
Garage  
On-Site Management  
Service Coordination

**Premium**

None

**Other**

None

### Comments

The contact could not disclose the number of vacancies per unit type, but did provide an overall occupancy rate. The property is slightly below the typical occupancy which usually falls in between 95 and 96 percent. The building is eight stories, with five stories of apartments homes. The remaining stories house retail stores. The property utilizes the LRO pricing system, as such, concessions are never offered. A portion of the vacant units are preleased, however, the contact could not disclose an exact figure.

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

**Housing Choice Vouchers**

The following table illustrates the percentage of Housing Choice Voucher tenants at the comparable properties.

**TENANTS WITH VOUCHERS**

| Comparable Property       | Type   | Housing Choice |
|---------------------------|--------|----------------|
| Villages At Dresden       | LIHTC  | N/A            |
| Brittany Place Apartments | LIHTC  | 13%            |
| Clarkston Station         | LIHTC  | 16%            |
| M Street Apartments       | LIHTC  | 0%             |
| Robins Landing Apartments | LIHTC  | 20%            |
| Tuscany Village           | LIHTC  | 15%            |
| Ashford Gardens           | Market | 0%             |
| Encore At Clairmont       | Market | 0%             |
| Park Summit               | Market | 0%             |
| Rock Creek At Ashford     | Market | 0%             |
| Windsor At Brookhaven     | Market | 0%             |

The voucher usage at the comparable properties ranges from zero to 25 percent and six of the 10 comparables reported no voucher usage. Usage among the affordable properties ranges from zero to 25 percent. It should be noted that several of the affordable comparables offer some subsidized units and vouchers are not necessary for these units. The voucher usage in the local market appears to be low. We believe the Subject will have a relatively low voucher usage between 15 and 20 percent.

**Lease Up History**

We were able to obtain absorption information from one affordable property included as a comparable. Tuscany Village has a lease up period of six months for an absorption rate of 24 units per month. We included two additional properties in DeKalb that are not included in our comparables.

**ABSORPTION**

| Property name                | Type  | Tenancy | Year Built | Number of Units | Units Absorbed / Month |
|------------------------------|-------|---------|------------|-----------------|------------------------|
| Tuscany Village              | LIHTC | Family  | 1970/2009  | 144             | 24                     |
| Columbia Mill                | LIHTC | Family  | 2014       | 100             | 20                     |
| Retreat At Edgewood Phase II | LIHTC | Family  | 2012       | 40              | 12                     |

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The absorption rates reported by the comparables range from 12 to 24 units per month, with an average of 15 units per month. The Subject’s location is similar to all of these comparables. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC

comparables, and the strong demand for affordable housing in Chamblee, we anticipate that the Subject will absorb at 15 units per month, for an absorption period of five to six months.

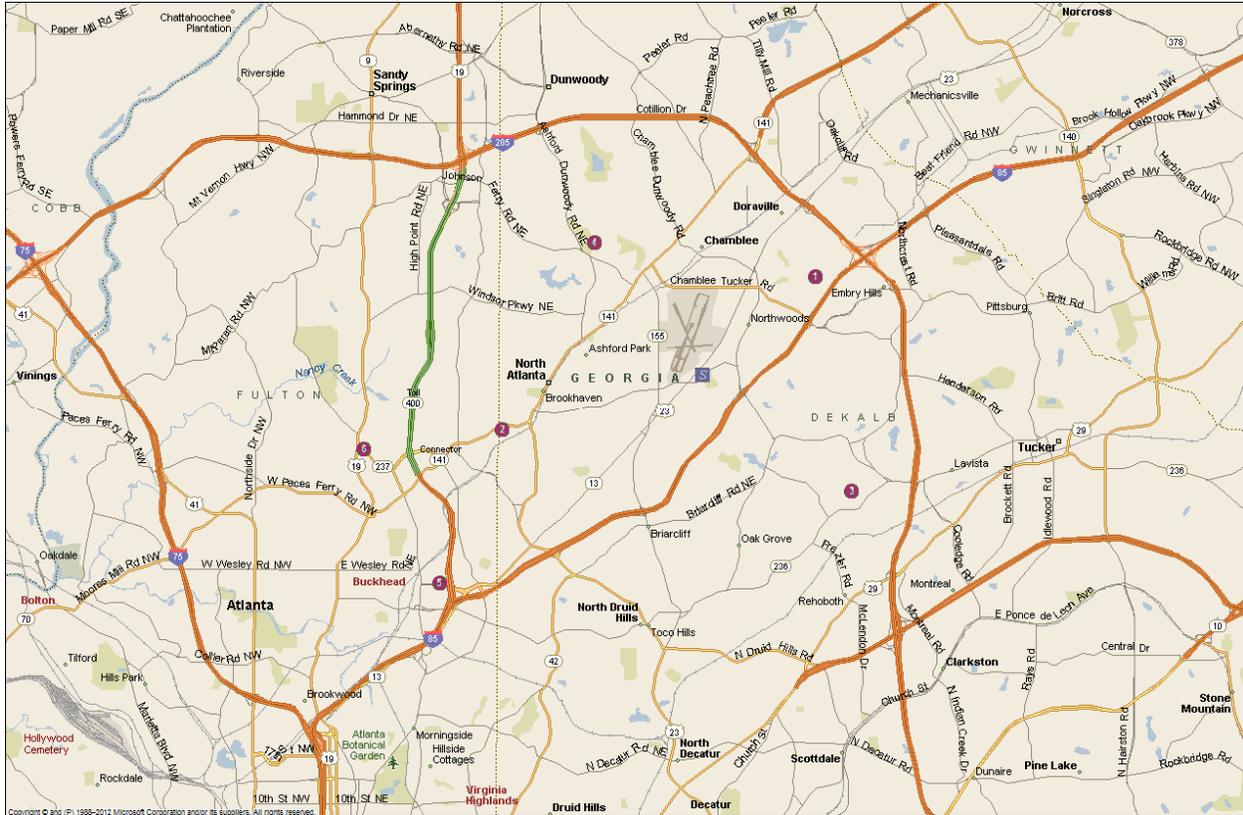
**Phased Developments**

No additional analysis is necessary as there will be no additional phases of the Subject.

**Rural Areas**

The Subject is not located in a rural area.

### 3. Competitive Project Map



COMPETITIVE PROJECTS IN PMA

| # | Property Name                      | Type           | Tenancy | Included/Excluded | Reason for Exclusion | Distance   |
|---|------------------------------------|----------------|---------|-------------------|----------------------|------------|
| 1 | Chestnut Creek Apartments          | LIHTC          | Family  | Excluded          | Unable to Contact    | 2.9 miles  |
| 2 | Lenox Summit                       | Section 8      | Family  | Excluded          | Subsidized Rents     | 3.0 miles  |
| 3 | Aphepa One Apartments              | Section 8      | Family  | Excluded          | Subsidized Rents     | 3.8 miles  |
| 4 | Housing Authority of DeKalb County | Public Housing | Family  | Excluded          | Subsidized Rents     | 11.3 miles |
| 5 | Marion Road Highrise               | Public Housing | Family  | Excluded          | Subsidized Rents     | 6.8 miles  |
| 6 | Piedmont Road Highrise             | Public Housing | Family  | Excluded          | Subsidized Rents     | 9.3 miles  |

#### 4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below.

| UNIT MATRIX REPORT                    |                     |                           |                     |                     |                           |                    |                 |                     |                    |                       |                       |
|---------------------------------------|---------------------|---------------------------|---------------------|---------------------|---------------------------|--------------------|-----------------|---------------------|--------------------|-----------------------|-----------------------|
|                                       | Villages At Dresden | Brittany Place Apartments | Clarkston Station   | M Street Apartments | Robins Landing Apartments | Tuscany Village    | Ashford Gardens | Encore At Clairmont | Park Summit        | Rock Creek At Ashford | Windsor At Brookhaven |
| Comp #                                | Subject             | 1                         | 2                   | 3                   | 4                         | 5                  | 6               | 7                   | 8                  | 9                     | 10                    |
| <b>Property Information</b>           |                     |                           |                     |                     |                           |                    |                 |                     |                    |                       |                       |
| Property Type                         | Various             | Garden (3 stories)        | Various (2 stories) | Garden (3 stories)  | Garden (3 stories)        | Garden (3 stories) |                 | Garden (4 stories)  | Garden (3 stories) | Garden (3 stories)    | Midrise (8 stories)   |
| Year Built / Renovated                | 2000 / 2018         | 1969 / 2000               | 1980 / 2005         | 2004 / n/a          | 1973 / 2001               | 1970 / 2009        | 1978 / 2012     | 2014 / n/a          | 1991               | 1987 / 2014           | 2009 / n/a            |
| Market (Conv.)/Subsidy Type           | LIHTC (PBRA)        | LIHTC, Market             | LIHTC, Market       | LIHTC, Market       | @60%                      | LIHTC, Market      | Market          | Market              | Market             | Market                | Market                |
| <b>In-Unit Amenities</b>              |                     |                           |                     |                     |                           |                    |                 |                     |                    |                       |                       |
| Balcony/Patio                         | yes                 | yes                       | yes                 | yes                 | yes                       | yes                | yes             | yes                 | yes                | yes                   | yes                   |
| Blinds                                | yes                 | yes                       | yes                 | yes                 | yes                       | yes                | yes             | yes                 | yes                | yes                   | yes                   |
| Cable/Satellite/Internet              | no                  | no                        | no                  | no                  | yes                       | no                 | no              | no                  | no                 | no                    | no                    |
| Carpeting                             | yes                 | yes                       | yes                 | yes                 | yes                       | yes                | yes             | yes                 | yes                | yes                   | yes                   |
| Central A/C                           | yes                 | yes                       | yes                 | yes                 | yes                       | yes                | yes             | yes                 | yes                | yes                   | yes                   |
| Coat Closet                           | yes                 | yes                       | no                  | yes                 | yes                       | yes                | no              | no                  | yes                | yes                   | no                    |
| Dishwasher                            | no                  | yes                       | yes                 | yes                 | yes                       | yes                | yes             | yes                 | yes                | yes                   | yes                   |
| Exterior Storage                      | no                  | yes                       | no                  | yes                 | no                        | no                 | no              | yes                 | yes                | yes                   | no                    |
| Ceiling Fan                           | no                  | no                        | no                  | yes                 | yes                       | yes                | no              | yes                 | yes                | no                    | yes                   |
| Fireplace                             | no                  | no                        | no                  | no                  | no                        | no                 | no              | no                  | yes                | yes                   | no                    |
| Garbage Disposal                      | no                  | no                        | yes                 | yes                 | yes                       | yes                | yes             | yes                 | yes                | yes                   | yes                   |
| Hand Rails                            | yes                 | no                        | no                  | no                  | no                        | no                 | no              | no                  | no                 | yes                   | no                    |
| Microwave                             | no                  | yes                       | no                  | no                  | no                        | yes                | yes             | yes                 | no                 | no                    | yes                   |
| Oven                                  | yes                 | no                        | yes                 | yes                 | yes                       | yes                | yes             | yes                 | yes                | yes                   | yes                   |
| Refrigerator                          | yes                 | yes                       | yes                 | yes                 | yes                       | yes                | yes             | yes                 | yes                | yes                   | yes                   |
| Vaulted Ceilings                      | no                  | no                        | no                  | no                  | no                        | no                 | no              | yes                 | yes                | no                    | no                    |
| Walk-In Closet                        | no                  | yes                       | no                  | yes                 | no                        | yes                | yes             | yes                 | yes                | yes                   | yes                   |
| Washer/Dryer                          | no                  | no                        | no                  | no                  | no                        | yes                | no              | yes                 | no                 | yes                   | no                    |
| Washer/Dryer hookup                   | no                  | no                        | yes                 | yes                 | yes                       | yes                | yes             | no                  | yes                | yes                   | yes                   |
| <b>Property Amenities</b>             |                     |                           |                     |                     |                           |                    |                 |                     |                    |                       |                       |
| Basketball Court                      | no                  | no                        | no                  | no                  | yes                       | no                 | no              | no                  | no                 | no                    | no                    |
| Business Center/Computer Lab          | yes                 | yes                       | yes                 | no                  | no                        | yes                | no              | yes                 | no                 | no                    | yes                   |
| Car Wash                              | no                  | yes                       | yes                 | no                  | no                        | no                 | no              | no                  | yes                | yes                   | no                    |
| Clubhouse/Meeting Room/Community Room | yes                 | yes                       | yes                 | yes                 | yes                       | yes                | no              | yes                 | yes                | no                    | no                    |
| Courtyard                             | yes                 | no                        | no                  | no                  | no                        | no                 | no              | yes                 | no                 | no                    | no                    |
| Elevators                             | yes                 | no                        | no                  | no                  | no                        | no                 | no              | yes                 | no                 | no                    | yes                   |
| Exercise Facility                     | no                  | no                        | yes                 | yes                 | no                        | yes                | yes             | yes                 | yes                | no                    | yes                   |
| Garage                                | no                  | no                        | yes                 | no                  | no                        | no                 | no              | yes                 | yes                | yes                   | yes                   |
| Central Laundry                       | yes                 | yes                       | yes                 | yes                 | yes                       | yes                | yes             | no                  | yes                | yes                   | no                    |
| Non-shelter Services                  | yes                 | no                        | no                  | no                  | no                        | no                 | no              | no                  | no                 | no                    | no                    |
| Off-Street Parking                    | yes                 | yes                       | yes                 | yes                 | yes                       | yes                | no              | yes                 | yes                | no                    | no                    |
| On-Site Management                    | yes                 | yes                       | yes                 | yes                 | yes                       | yes                | yes             | yes                 | yes                | yes                   | yes                   |
| Picnic Area                           | no                  | yes                       | yes                 | no                  | no                        | yes                | yes             | yes                 | no                 | no                    | yes                   |
| Playground                            | no                  | no                        | yes                 | no                  | yes                       | yes                | yes             | no                  | no                 | no                    | no                    |
| Service Coordination                  | yes                 | no                        | no                  | no                  | no                        | no                 | no              | no                  | no                 | no                    | yes                   |
| Sport Court                           | no                  | no                        | yes                 | no                  | no                        | no                 | no              | no                  | no                 | no                    | no                    |
| Swimming Pool                         | no                  | yes                       | yes                 | yes                 | yes                       | yes                | yes             | yes                 | yes                | yes                   | yes                   |
| Tennis Court                          | no                  | no                        | no                  | no                  | no                        | no                 | no              | no                  | yes                | yes                   | no                    |
| Garage Fee                            | N/A                 | N/A                       | \$50.00             | N/A                 | N/A                       | N/A                | N/A             | N/A                 | \$125.00           | \$125.00              | N/A                   |
| <b>Services</b>                       |                     |                           |                     |                     |                           |                    |                 |                     |                    |                       |                       |
| Afterschool Program                   | no                  | no                        | no                  | no                  | yes                       | no                 | no              | no                  | no                 | no                    | no                    |
| <b>Security</b>                       |                     |                           |                     |                     |                           |                    |                 |                     |                    |                       |                       |
| In-Unit Alarm                         | no                  | no                        | yes                 | yes                 | no                        | no                 | no              | yes                 | yes                | no                    | no                    |
| Intercom (Buzzer)                     | no                  | no                        | no                  | yes                 | no                        | yes                | no              | no                  | no                 | no                    | no                    |
| Limited Access                        | no                  | yes                       | yes                 | yes                 | yes                       | yes                | no              | yes                 | yes                | yes                   | no                    |
| Patrol                                | no                  | yes                       | no                  | no                  | yes                       | yes                | no              | no                  | yes                | no                    | no                    |
| Perimeter Fencing                     | no                  | yes                       | no                  | yes                 | yes                       | yes                | no              | yes                 | yes                | no                    | yes                   |
| Video Surveillance                    | no                  | yes                       | no                  | no                  | no                        | no                 | no              | no                  | no                 | no                    | no                    |

The Subject will offer similar to slightly inferior in-unit amenities in comparison to the affordable and market rate comparable properties that offer in-unit washer/dryers, washer/dryer hookups, dishwashers, microwaves, exterior storage, and garbage disposals. The Subject's common area amenities will be similar to the affordable and market rate comparables. The Subject will offer courtyards, elevators, and non-shelter services, which are not offered at the majority of the comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the rental market.

5. The Subject will target family households. Therefore, per DCA guidelines, senior properties were not included. There are no unsubsidized family properties in the PMA.

## 6. Vacancy

The following table illustrates the vacancy rates in the market.

### OVERALL VACANCY

| Property name             | Rent Structure | Total Units | Vacant Units | Vacancy Rate |
|---------------------------|----------------|-------------|--------------|--------------|
| Brittany Place Apartments | LIHTC, Market  | 216         | 38           | 17.6%        |
| Clarkston Station         | LIHTC, Market  | 365         | 33           | 9.0%         |
| M Street Apartments       | LIHTC, Market  | 308         | 25           | 8.1%         |
| Robins Landing Apartments | LIHTC          | 304         | 18           | 5.9%         |
| Tuscany Village           | LIHTC, Market  | 144         | 1            | 0.7%         |
| Ashford Gardens           | Market         | 164         | 4            | 2.4%         |
| Encore At Clairmont       | Market         | 359         | 16           | 4.5%         |
| Park Summit               | Market         | 148         | 4            | 2.7%         |
| Rock Creek At Ashford     | Market         | 222         | 5            | 2.3%         |
| Windsor At Brookhaven     | Market         | 287         | 17           | 5.9%         |
| <b>Total</b>              |                | <b>2517</b> | <b>161</b>   | <b>6.4%</b>  |

As illustrated, vacancy rates in the market range from 0.7 to 17.6 percent, averaging 6.4 percent.

The affordable comparables reported vacancy rates ranging from zero to 0.7 to 17.6 percent, averaging 8.6 percent. The actual LIHTC vacancy is much lower than this number as four of the five properties offer both mixed affordable and market rate units. The property managers report most and in some cases all vacancy are in the market units, though specific breakdowns were not shared. Additionally, two of the affordable properties, M Street Apartments and Tuscany Village, report waiting lists.

The market rate only property vacancy rate ranges from 2.3 to 5.9 percent, averaging 3.9 percent, which is considered low. However, it is noted that the market units in the mixed affordable and market developments exhibited higher vacancy rates. The majority of the market rate only properties reported strong demand for rental housing in the market. Overall, we believe the conventional market is strong based on the low average vacancy rate.

We anticipate that the Subject will perform similarly to superior to the stabilized affordable and similarly to the more proximate market comparables and will maintain a vacancy rate of four percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable housing in the local market with limited supply.

## 7. Properties Under Construction and Proposed

According to the Georgia Department of Community Affairs, there has been one property allocated tax credits in the Subject's PMA since 2013. Senior Residences at Mercy Park received an allocation in 2015 and is located approximately 1.6 miles north of the Subject. We do not believe that the development will compete with the Subject due to its senior tenancy.

We are aware of one multifamily development under construction in the PMA. Parkview on Peachtree, a 597-unit luxury mixed-use development with 54,000 square feet of office and retail space, began construction in 2015. The project will be developed in two phases and is projected to be completed in 2017. This development will feature one, two, and three bedroom apartments

and will target the general population. In addition the site will feature ground floor office and retail space with the possibility of a hotel. This development will be located at Peachtree Boulevard and Clairmont Road, approximately 2.3 miles north of the Subject. This development will not compete with the Subject directly given its targeted tenancy.

**8. Rental Advantage**

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

Similarity Matrix

| #  | Property Name             | Type          | Property          |                   |                   |                   | Age / Condition   | Unit Size | Overall Comparison |
|----|---------------------------|---------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------|--------------------|
|    |                           |               | Amenities         | Unit Features     | Location          | Unit Features     |                   |           |                    |
| 1  | Brittany Place Apartments | LIHTC, Market | Similar           | Slightly Inferior | Superior          | Slightly Superior | Slightly Inferior | 5         |                    |
| 2  | Clarkston Station         | LIHTC, Market | Slightly Inferior | Slightly Inferior | Superior          | Slightly Superior | Similar           | 5         |                    |
| 3  | M Street Apartments       | LIHTC, Market | Similar           | Slightly Inferior | Similar           | Slightly Superior | Slightly Inferior | -5        |                    |
| 4  | Robins Landing Apartments | LIHTC         | Similar           | Slightly Inferior | Superior          | Slightly Superior | Similar           | 10        |                    |
| 5  | Tuscany Village           | LIHTC, Market | Similar           | Slightly Inferior | Superior          | Slightly Superior | Slightly Inferior | 5         |                    |
| 6  | Ashford Gardens           | Market        | Similar           | Slightly Inferior | Slightly Inferior | Similar           | Inferior          | -20       |                    |
| 7  | Encore At Clairmont       | Market        | Slightly Inferior | Slightly Inferior | Similar           | Similar           | Slightly Inferior | -15       |                    |
| 8  | Park Summit               | Market        | Slightly Inferior | Slightly Inferior | Slightly Inferior | Slightly Superior | Slightly Inferior | -15       |                    |
| 9  | Rock Creek At Ashford     | Market        | Similar           | Slightly Inferior | Slightly Inferior | Similar           | Slightly Inferior | -15       |                    |
| 10 | Windsor At Brookhaven     | Market        | Slightly Inferior | Slightly Inferior | Slightly Inferior | Slightly Superior | Slightly Inferior | -15       |                    |

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

The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent rents in the following tables. Note that each of the Subject rents are proposed contract rents.

| LIHTC Rent Comparison - @50%       |              |              |                |
|------------------------------------|--------------|--------------|----------------|
| Property Name                      | 0BR          | 1BR          | 2BR            |
| Villages At Dresden (Subject)      | \$757        | \$820        | \$949          |
| <b>LIHTC Maximum (Net)</b>         | <b>\$597</b> | <b>\$640</b> | <b>\$767</b>   |
| M Street Apartments                | \$940        | \$990        | \$1,141        |
| Tuscany Village                    | -            | \$709        | \$863          |
| <b>Average (excluding Subject)</b> | <b>\$940</b> | <b>\$850</b> | <b>\$1,002</b> |

| LIHTC Rent Comparison - @60%       |              |              |              |
|------------------------------------|--------------|--------------|--------------|
| Property Name                      | 0BR          | 1BR          | 2BR          |
| Villages At Dresden (Subject)      | \$757-\$764  | \$820        | \$949        |
| <b>LIHTC Maximum (Net)</b>         | <b>\$717</b> | <b>\$768</b> | <b>\$921</b> |
| Brittany Place Apartments          | -            | \$673        | \$808        |
| Clarkston Station                  | -            | \$702        | \$807-\$838  |
| Robins Landing Apartments          | -            | \$678        | \$737-\$777  |
| Tuscany Village                    | -            | \$844        | \$1,026      |
| <b>Average (excluding Subject)</b> | <b>-</b>     | <b>\$724</b> | <b>\$917</b> |

The Subject’s proposed contract rents are set above the LIHTC maximum allowable levels. Since most of the comparable properties were built prior to 2010, they have been “held harmless” to the recent decrease in AMI and have a higher maximum allowable gross rent level than the Subject, which will be completed in 2018. When rents are “held harmless” a property owner is not required to decrease rents in light of a decrease in the AMI. Instead, the property may continue operating with rent restrictions based upon the higher AMI level prior to the decrease. Note that the 2015 AMI in DeKalb County increased 6.1 percent, but remains below the 2010 AMI level. Per the Georgia DCA 2015 guidelines, the market study analyst must use

the maximum rent and income limits from the same year as the utility allowance. The HUD Utility Modeling provided by the client is effective June 1, 2015; therefore, we have utilized the 2015 maximum income and rent limits.

Tuscany Village and M Street Apartments report achieving maximum allowable rents. As presented in the similarity matrix, the Subject is similar to superior to all of the LIHTC comparables presented with the exception of M Street Apartments, which the Subject is slightly inferior. As the Subject will be new construction and rehabilitation, the Subject should command rents at the high end of the comparable range. Overall, the Subject will be similar to slightly superior in comparison to the comparables based largely on the newly constructed and renovated condition of the proposed Subject. Thus, we believe the Subject would command 50 and 60 percent rents at the maximum allowable levels for all bedroom types.

**Analysis of “Market Rents”**

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

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

| <b>@50% AMI</b>  |                |                     |                     |                         |                               |
|------------------|----------------|---------------------|---------------------|-------------------------|-------------------------------|
| <b>Unit Type</b> | <b>Subject</b> | <b>Surveyed Min</b> | <b>Surveyed Max</b> | <b>Surveyed Average</b> | <b>Subject Rent Advantage</b> |
| Studio           | \$757          | \$1,100             | \$1,562             | \$1,312                 | 42%                           |
| 1 BR             | \$820          | \$673               | \$1,768             | \$1,208                 | 32%                           |
| 2 BR             | \$949          | \$808               | \$2,374             | \$1,642                 | 42%                           |

| <b>@60% AMI</b>  |                |                     |                     |                         |                               |
|------------------|----------------|---------------------|---------------------|-------------------------|-------------------------------|
| <b>Unit Type</b> | <b>Subject</b> | <b>Surveyed Min</b> | <b>Surveyed Max</b> | <b>Surveyed Average</b> | <b>Subject Rent Advantage</b> |
| Studio           | \$757-\$764    | \$1,100             | \$1,562             | \$1,312                 | 42%                           |
| 1 BR             | \$820          | \$673               | \$1,768             | \$1,208                 | 32%                           |
| 2 BR             | \$949          | \$808               | \$2,374             | \$1,642                 | 42%                           |

The Subject’s proposed studio, one and two-bedroom rents will offer a 32 to 42 percent advantage over the average market rents.

**9. LIHTC Competition – DCA Funded Properties within the PMA**

According to the Georgia Department of Community Affairs, there has been one property allocated tax credits in the Subject’s PMA since 2013. Senior Residences at Mercy Park received an allocation in 2015 and is located approximately 1.6 miles north of the Subject. We do not believe that the development will compete with the Subject due to its senior tenancy.

### 10. Rental Trends in the PMA

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

#### TENURE PATTERNS PMA

| Year                | Owner-Occupied | Percentage     | Renter-Occupied | Percentage      |
|---------------------|----------------|----------------|-----------------|-----------------|
|                     | Units          | Owner-Occupied | Units           | Renter-Occupied |
| 2000                | 34,486         | 48.5%          | 36,625          | 51.5%           |
| 2010                | 38,737         | 48.2%          | 41,664          | 51.8%           |
| 2015                | 37,408         | 44.1%          | 47,358          | 55.9%           |
| Projected Mkt Entry |                |                |                 |                 |
| March 2018          | 38,565         | 44.02%         | 49,045          | 55.98%          |
| 2020                | 39,577         | 43.9%          | 50,522          | 56.1%           |

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

Renter-occupied housing units comprise the majority of housing in the PMA. The percentage of renter-occupied housing units, in the PMA, is expected to increase through 2020. The percentage of renter-occupied housing in the PMA is significantly higher than the national average

#### Historical Vacancy

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

| Comparable Property       | Type          | Total Units | 1QTR         | 2QTR          | 3QTR         | 1QTR         | 2QTR         | 3QTR         | 4QTR         | 1QTR         | 2QTR         |
|---------------------------|---------------|-------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                           |               |             | 2014         | 2014          | 2014         | 2015         | 2015         | 2015         | 2015         | 2016         | 2016         |
| Villages At Dresden       | LIHTC, Market | 94          | N/A          | N/A           | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | 0.00%        |
| Brittany Place Apartments | LIHTC, Market | 216         | N/A          | 19.00%        | N/A          | N/A          | 18.50%       | N/A          | N/A          | N/A          | 17.60%       |
| Clarkston Station         | LIHTC, Market | 365         | 4.90%        | 7.10%         | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | 9.00%        |
| M Street Apartments       | LIHTC, Market | 308         | N/A          | N/A           | N/A          | 4.90%        | 7.50%        | 0.60%        | N/A          | N/A          | 8.10%        |
| Robins Landing Apartments | LIHTC         | 304         | 5.90%        | N/A           | N/A          | 5.90%        | N/A          | N/A          | 5.90%        | N/A          | 5.90%        |
| Tuscany Village           | LIHTC, Market | 144         | 2.10%        | 5.60%         | 4.90%        | N/A          | 5.60%        | N/A          | N/A          | N/A          | 0.70%        |
| Ashford Gardens           | Market        | 164         | N/A          | N/A           | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | 2.40%        |
| Encore At Clairmont       | Market        | 359         | N/A          | N/A           | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | 4.50%        |
| Park Summit               | Market        | 148         | 2.00%        | N/A           | N/A          | 2.70%        | N/A          | N/A          | N/A          | 2.70%        | N/A          |
| Rock Creek At Ashford     | Market        | 222         | N/A          | N/A           | N/A          | N/A          | 5.40%        | N/A          | N/A          | N/A          | 2.30%        |
| Windsor At Brookhaven     | Market        | 287         | N/A          | N/A           | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | 5.90%        |
| <b>Total</b>              |               | <b>2611</b> | <b>3.70%</b> | <b>10.60%</b> | <b>4.90%</b> | <b>4.50%</b> | <b>9.20%</b> | <b>0.60%</b> | <b>5.90%</b> | <b>2.70%</b> | <b>5.60%</b> |

As illustrated in the table, we were able to obtain the historical vacancy rates at several of the comparable properties over the last two years. However, we were not able to obtain all the historical vacancy rates for each individual year. In general, the comparable properties have maintained consistent and relatively low vacancy rates. The comparable properties are generally similar to previous years of analysis.

#### Change in Rental Rates

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

**RENT GROWTH**

| <b>Comparable Property</b> | <b>Rent Structure</b> | <b>Rent Growth</b>          |
|----------------------------|-----------------------|-----------------------------|
| Brittany Place Apartments  | LIHTC, Market         | LIHTC only since 2015       |
| Clarkston Station          | LIHTC, Market         | None                        |
| M Street Apartments        | LIHTC, Market         | Increased 5-20% since 2015  |
| Robins Landing Apartments  | LIHTC                 | None                        |
| Tuscany Village            | LIHTC, Market         | Increased 3-5% since 2015   |
| Ashford Gardens            | Market                | None                        |
| Encore At Clairmont        | Market                | N/A                         |
| Park Summit                | Market                | Increased 16-22% since 2015 |
| Rock Creek At Ashford      | Market                | Increased 6-10% since 2015  |
| Windsor At Brookhaven      | Market                | Change Daily                |

Five of the comparable properties reported rent increases, while three reported no change, one reported that rents have fluctuated, and one is completing its initial lease-up phase.

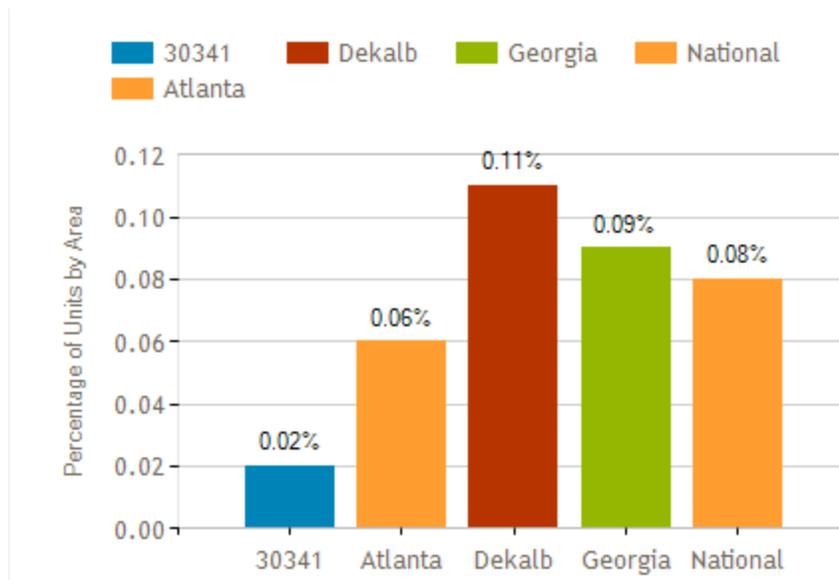
**11. Impact of Foreclosed, Abandoned and Vacant Structures**

According to www.RealtyTrac.com, “there are currently 49 properties in the Subject’s zip code (30341) that are in some stage of foreclosure (default, auction or bank owned) while the number of homes listed for sale on RealtyTrac is 63.

In March 2016, the number of properties that received a foreclosure filing in the Subject’s zip code was 50 percent higher than the previous month and 50 percent higher than the same time last year.

Home sales for February 2016 were down 16 percent compared with the previous month, and up 86 percent compared with a year ago. The median sales price of a non-distressed home was \$300,000.”

The following chart compares the foreclosure rate in the Subject’s zip code with that of the city, county, state, and nation as a whole.



Source: Realtytrac.com, 4/2016

As indicated above, the foreclosure rate in the Subject’s zip code is well below that of the city, county, state, and nation as a whole, which indicates that the Subject’s neighborhood is outperforming other parts of the country in terms of the housing market.

**12. Primary Housing Void**

According to Natasha Brown with the Housing Authority of DeKalb County, the authority currently maintains an extensive waiting list for Section 8 applicants, and the waiting list is currently closed. Further, the property manager at the comparables both within and just outside the PMA reported strong demand for affordable housing in this area.

**13. Effect of Subject on Other Affordable Units in Market**

We are not aware of any proposed multifamily developments within the PMA, competitive or otherwise. Given the strong demand for affordable developments within the PMA, the low vacancy rates and waiting lists reported at the comparables, and the indications of the *Project Specified Demand Analysis*, we do not believe the construction of the Subject will hinder the other existing affordable units in the market.

**Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The affordable and the market rate comparables are performing well, with a weighted vacancy rate of 6.4 percent. The affordable comparables reported vacancy rates ranging from zero to 0.7 to 17.6 percent, averaging 8.6 percent. The actual LIHTC vacancy is much lower, as four of the five properties offer both affordable and market rate units. The property managers report most and in some cases all vacancy are in the market units, though specific breakdowns were not shared. Additionally, two of the affordable properties, M Street Apartments and Tuscany Village, report waiting lists. The market rate only property vacancy rate ranges from 2.3 to 5.9 percent, averaging 3.9 percent, which is considered low. However, it is noted that the market units in the mixed affordable and market developments exhibited higher vacancy rates. The majority of the market rate only

properties reported strong demand for rental housing in the market. Overall, we believe the conventional market is strong based on the low average vacancy rate.

The Subject will offer similar to slightly inferior in-unit amenities in comparison to the affordable and market rate comparable properties that offer in-unit washer/dryers, washer/dryer hookups, dishwashers, microwaves, exterior storage, and garbage disposals. The Subject's common area amenities will be similar to the affordable and market rate comparables. The Subject will offer courtyards, elevators, and non-shelter services, which are not offered at the majority of the comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the rental market.

Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the rental market. As new construction and rehabilitation, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly superior to superior to the LIHTC comparable properties and slightly inferior to inferior to the market rate properties. Due to the relatively low vacancy rates at the comparables, the waiting lists present in the market, the rent growth in the market, and the reported demand for additional affordable housing in the Subject's market area, we believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

# **I. ABSORPTION & STABILIZATION RATES**

**Stabilization/Absorption Rate**

We were able to obtain absorption information from one affordable property included as a comparable. Tuscany Village has a lease up period of six months for an absorption rate of 24 units per month. We included two additional properties in DeKalb that are not included in our comparables.

**ABSORPTION**

| Property name                | Type  | Tenancy | Year Built | Number of Units | Units Absorbed / Month |
|------------------------------|-------|---------|------------|-----------------|------------------------|
| Tuscany Village              | LIHTC | Family  | 1970/2009  | 144             | 24                     |
| Columbia Mill                | LIHTC | Family  | 2014       | 100             | 20                     |
| Retreat At Edgewood Phase II | LIHTC | Family  | 2012       | 40              | 12                     |

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The absorption rates reported by the comparables range from 12 to 24 units per month, with an average of 15 units per month. The Subject’s location is similar to all of these comparables. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Chamblee, we anticipate that the Subject will absorb at 15 units per month, for an absorption period of five to six months

## **J. INTERVIEWS**

**Housing Authority of DeKalb County**

We spoke to Natasha Brown, Housing Choice Voucher Call Center Representative for the DeKalb County Housing Authority, to get details on the county’s Section 8 program. Ms. Brown was unable to provide information about the number of housing choice vouchers issued in the area, or the number of vouchers that were currently in use. According to Ms. Brown, the housing authority currently maintains an extensive waiting list for Section 8 applicants, and the waiting list is currently closed. There are no preferences for applicants on the waiting list. The current payment standard for DeKalb County can be found in the following table.

| <b>PAYMENT STANDARDS</b> |       |
|--------------------------|-------|
| Efficiency               | \$764 |
| 1 BR                     | \$820 |
| 2 BR                     | \$949 |

Source: Housing Authority of DeKalb County, 4/2016

The Subject’s rents are subsidized. The subsidized rents are in-line with the current payment standards, indicating that voucher tenants would be eligible to reside at the Subject.

**Planning and Economic Development**

We attempted to contact the City of Chamblee Planning Department for information regarding proposed or planned multifamily developments in the Subject’s PMA, however, at this time our calls and messages have not been returned.

We are aware of one multifamily development under construction in the PMA. Parkview on Peachtree, a 597-unit luxury mixed-use development with 54,000 square feet of office and retail space, began construction in 2015. The project will be developed in two phases and is projected to be completed in 2017. This development will feature one, two, and three bedroom apartments and will target the general population. In addition the site will feature ground floor office and retail space with the possibility of a hotel. This development will be located at Peachtree Boulevard and Clairmont Road, approximately 2.3 miles north of the Subject. This development will not compete with the Subject directly given its targeted tenancy.

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

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## Conclusions

- The population in the PMA increased from 2010 to 2015, while the population in the MSA and nation also experienced growth over this same time period. This trend is expected to continue over the next four years and the population in the PMA is expected to increase at a similar rate compared to that of the MSA and a greater rate compared to the nation through 2020. We believe the sustained growth of the population in the PMA is a positive indication of demand for the Subject's proposed units. The total number of households in the PMA increased one percent from 2010 to 2015. Over the same period of time, the total number of households in the MSA increased by 0.9 percent. The total number of households in the PMA is expected to increase at a faster annual rate of 1.3 percent, while the total number of households in the MSA is projected to increase at an annual rate of 1.2 percent over the next four years.

Renter households earning under \$40,000 in the PMA comprise 50.8 percent of all income cohorts. The Subject will target households earning between zero and \$36,480; therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in DeKalb County declined in 2013 and 2014 but increased in 2015.

Overall, the demographic data points to a growing population with a significant number of household incomes in line with the Subject's target. We believe the expected population and household growth in the PMA bodes well for the Subject's proposed units.

- Professional/scientific/technical services, accommodation/food services, and retail trade are the largest industries within the PMA. Combined they represent approximately 33.3 percent of total employment within the PMA. These industries have all experienced growth over the past decade. The MSA appears to be recovering well as total employment has increased each year from 2011 to 2016 year-to-date and has surpassed pre-recessionary levels as of 2015. Total employment in the nation exceeded pre-recessionary levels as of 2014. From January 2015 to January 2016, total employment has increased by 2.8 percent in the MSA compared to an increase of 1.7 percent nationally. From January 2015 to January 2016, the unemployment rate in the MSA decreased one percentage point, compared to a decrease of 0.8 percentage points nationally. The unemployment rate in the MSA as of January 2016 was 5.2 percent, which was 0.3 percentage points above the national rate of 5.3 percent. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels.
- The Subject's 50 percent capture rates range from 0.1 percent to 1.3 percent, with an overall capture rate of 0.4 percent. The Subject's 60 percent capture rates range from 0.2 percent to 4.1 percent, with an overall capture rate of 1.3 percent. The Subject's overall LIHTC capture rates range from 0.3 percent to 5.2 percent, with an overall capture rate of 1.6 percent. Therefore, we believe there is adequate demand for the Subject based on tax credit rents. As a subsidized property, all units are presumed leasable.

- We were able to obtain absorption information from one affordable property included as a comparable. Tuscany Village has a lease up period of six months for an absorption rate of 24 units per month. We included two additional properties in DeKalb that are not included in our comparables.

**ABSORPTION**

| Property name                | Type  | Tenancy | Year Built | Number of Units | Units Absorbed / Month |
|------------------------------|-------|---------|------------|-----------------|------------------------|
| Tuscany Village              | LIHTC | Family  | 1970/2009  | 144             | 24                     |
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Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The absorption rates reported by the comparables range from 12 to 24 units per month, with an average of 15 units per month. The Subject’s location is similar to all of these comparables. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Chamblee, we anticipate that the Subject will absorb at 15 units per month, for an absorption period of five to six months.

- Vacancy rates in the market range from 0.7 to 17.6 percent, averaging 6.4 percent. The affordable comparables reported vacancy rates ranging from zero to 0.7 to 17.6 percent, averaging 8.6 percent. The actual LIHTC vacancy is much lower, as four of the five properties offer both mixed affordable and market rate units. The property managers report most and in some cases all vacancy are in the market units, though specific breakdowns were not shared. Additionally, two of the affordable properties, M Street Apartments and Tuscany Village, report waiting lists.

The market rate only property vacancy rate ranges from 2.3 to 5.9 percent, averaging 3.9 percent, which is considered low. However, it is noted that the market units in the mixed affordable and market developments exhibited higher vacancy rates. The majority of the market rate only properties reported strong demand for rental housing in the market. Overall, we believe the conventional market is strong based on the low average vacancy rate.

We anticipate that the Subject will perform similarly to superior to the stabilized affordable and similarly to the more proximate market comparables and will maintain a vacancy rate of three percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable housing in the local market with limited supply.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The affordable and the market rate comparables are performing well, with a weighted vacancy rate of 6.4 percent. The affordable comparables reported vacancy rates ranging from zero to 0.7 to 17.6 percent, averaging 8.6 percent. The actual LIHTC vacancy is much lower, as four of the five properties offer both mixed affordable and market rate units. The property managers report most and in some cases all vacancy are in the market units, though specific breakdowns were not shared. Additionally, two of the affordable properties, M Street

Apartments and Tuscan Village, report waiting lists. The market rate vacancy rate ranges from 2.3 to 5.9 percent, averaging 3.9 percent, which is considered low. The majority of the market rate properties reported strong demand for rental housing in the market. Overall, we believe the conventional market is strong based on the low average vacancy rate.

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## **Recommendations**

- We recommend the Subject as proposed.

## **L. SIGNED STATEMENT REQUIREMENTS**

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



Brad Weinberg, MAI, CVA, CCIM  
Partner



Edward R. Mitchell, MAI  
Manager



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Brian Neukam  
Real Estate Analyst

## **M. MARKET STUDY REPRESENTATION**

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



Brad Weinberg, MAI, CVA, CCIM  
Partner



Edward R. Mitchell, MAI  
Manager



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Brian Neukam  
Real Estate Analyst

## N. QUALIFICATIONS

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

**I. Education**

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

**II. Licensing and Professional Affiliations**

MAI Member, Appraisal Institute, No. 10790  
Certified Investment Member (CCIM), Commercial Investment Real Estate Institute  
Certified Valuation Analyst (CVA), National Association of Certified Valuators and Analysts (NACVA)

Member, Urban Land Institute

Member, National Council of Housing Market Analysts (NCHMA)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**III. Professional Experience**

Partner, Novogradac & Company LLP

President, Capital Realty Advisors, Inc.

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

President, Weinberg Group, Real Estate Valuation & Consulting

Manager, Ernst & Young LLP, Real Estate Valuation Services

Senior Appraiser, Joseph J. Blake and Associates

Senior Analyst, Chevy Chase F.S.B.

Fee Appraiser, Campanella & Company

**IV. Professional Training**

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

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

## **V. Speaking Engagements and Authorship**

Numerous speaking engagements at Affordable Housing Conferences throughout the Country  
Participated in several industry forums regarding the Military Housing Privatization Initiative

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

## **VI. Real Estate Assignments**

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

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

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

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **EDWARD R. MITCHELL, MAI**

### **I. Education**

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

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

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

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

### **II. Work History**

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

### **III. Relevant Experience**

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

### **IV. Certifications & Licenses**

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS  
BRIAN NEUKAM**

**EDUCATION**

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

**State of Georgia Certified General Real Property Appraiser No. 329471**

**PROFESSIONAL TRAINING**

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

**EXPERIENCE**

**Novogradac & Company LLP, Real Estate Analyst, September 2015- Present**

J Lawson & Associates, Associate Appraiser, October 2013- September 2015

Carr, Lawson, Cantrell, & Associates, Associate Appraiser, July 2007-October 2013

**REAL ESTATE ASSIGNMENTS**

A representative sample of due diligence, consulting or valuation assignments includes:

- Prepare market studies and appraisals throughout the U.S. for proposed and existing family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties. Appraisal assignments involve determining the as is, as if complete, and as if complete and stabilized values.
- Conduct physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Performed valuations of a variety of commercial properties throughout the Southeast which included hotels, gas stations and convenience stores, churches, funeral homes, full service and fast-food restaurants, stand-alone retail, strip shopping centers, distribution warehouse and manufacturing facilities, cold storage facilities, residential and commercial zoned land, and residential subdivision lots. Intended uses included first mortgage, refinance, foreclosure/repossession (REO), and divorce.
- Employed discounted cash flow analysis (utilizing Argus or Excel) to value income-producing properties and prepare or analyze cash flow forecasts.
- Reviewed and analyzed real estate leases, including identifying critical lease data such as commencement/expiration dates, various lease option types, rent and other income, repair and maintenance obligations, Common Area Maintenance (CAM), taxes, insurance, and other important lease clauses.