



**AN APPRAISAL REPORT OF  
Abernathy Tower Apartments**

*Located at*

**1059 Oglethorpe Avenue SW  
Atlanta, Fulton County, Georgia 30310**

**Effective Date: October 30, 2015  
Report Date: December 1, 2015**

*Prepared For*

**Aditi Mahmud  
Project Manager  
Vitus  
1700 Seventh Avenue, Suite 2000  
Seattle, WA 98101**

*Prepared By*

**Novogradac & Company LLP  
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913.677.4600**

December 1, 2015

Aditi Mahmud  
Project Manager  
Vitus  
1700 Seventh Avenue, Suite 2000  
Seattle, WA 98101

Re: Appraisal of Abernathy Tower Apartments  
1059 Oglethorpe Avenue SW, Atlanta, Fulton County, Georgia

Dear Ms. Mahmud:

We are pleased to present our findings with respect to the value of the above-referenced property, Abernathy Tower Apartments (“Subject”). The Subject is an existing 100-unit Section 8 community (Section 8 Contract No. GA06-T831-016) that is proposed for Low Income Housing Tax Credit (LIHTC) acquisition/rehabilitation. Post-renovation, the Subject will continue to offer 100 studio and one-bedroom units along with one two-bedroom non-revenue generating manager’s unit. The property will be restricted to households earning 60 percent of the Area Median Income (AMI), or less. The Subject’s 99 studio and one-bedroom units will continue to benefit from a HAP contract post renovation, which expires on November 10, 2031. It is assumed the developer will continue to renew the HAP contract for the foreseeable future. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA). We provided several value estimates of both tangible and intangible assets, described and defined below:

- Land Value.
- Market Value “As Is.”
- Hypothetical Market Value “As Complete and Stabilized” – Assuming Restricted Rents.
- Hypothetical Market Value “As Complete and Stabilized” – Assuming Unrestricted Rents.
- Prospective Market Value at Loan Maturity Assuming Restricted Rents.
- Prospective Market Value at Loan Maturity Assuming Unrestricted Rents.
- Valuation of Tax Credits.
- Favorable Financing.

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in an appraisal report, as defined by USPAP.

Market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

This report complies with FIRREA (1989) regulations and the 2015 Georgia DCA Appraisal Manual.

#### **Underlying Land Value**

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the value of the underlying land in fee simple, as of October 30, 2015, is:

**ONE MILLION NINETY THOUSAND DOLLARS**  
**(\$1,090,000)**

#### **“As Is” Value**

The Subject’s market value of the real estate “As Is”, subject to current Section 8 contract rents, as of October 30, 2015 is:

**EIGHT MILLION SEVEN HUNDRED THOUSAND DOLLARS**  
**(\$8,700,000)**

#### **“As Complete and Stabilized” Restricted**

The Subject’s hypothetical estimated market value “As Complete and Stabilized” assuming restricted operations, as of October 30, 2015, is:

**NINE MILLION SIX HUNDRED THOUSAND DOLLARS**  
**(\$9,600,000)**

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<sup>1</sup> 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990

**“As Complete and Stabilized” Unrestricted**

The Subject’s hypothetical estimated market value “As Complete and Stabilized” assuming unrestricted operations, as of October 30, 2015, is:

**FOUR MILLION SIX HUNDRED THOUSAND DOLLARS  
(\$4,600,000)**

**Prospective Market Value as Restricted 30 years (Loan Maturity),**

The hypothetical prospective market value at 30 years (loan maturity) of the Subject’s fee simple interest, subject to the rental restrictions in the year 2045, as of October 30, 2015, is:

**SIX MILLION SEVEN HUNDRED THOUSAND DOLLARS  
(\$6,700,000)**

**Prospective Market Value as Unrestricted at 30 years (Loan Maturity)**

The hypothetical prospective market value at 30 years (loan maturity) of the Subject’s fee simple interest, as an unrestricted property in the year 2045, as of October 30, 2015, is:

**TWO MILLION SIX HUNDRED THOUSAND DOLLARS  
(\$2,600,000)**

**Tax Credit Value**

The market value of the tax credits allocated to the Subject over a 10-year period, on a cash equivalent basis, as of October 30, 2015, is:

***Total LIHTC Value: Combined Federal and State***  
**SEVEN MILLION SIX HUNDRED THOUSAND DOLLARS  
(\$7,600,000)**

*Please refer to the assumptions and limiting conditions, in the Addenda.*

If appropriate, the scope of our work includes an analysis of current and historical operating information provided by management. This unaudited data was not reviewed or compiled in accordance with the American Institute of Certificate Public Accountants (AICPA), and we assume no responsibility for such unaudited statements.

We also used certain forecasted data in our valuation and applied generally accepted valuation procedures based upon economic and market factors to such data and assumptions. We did not examine the forecasted data or the assumptions underlying such data in accordance with the standards prescribed by the AICPA and, accordingly, do not express an opinion or any other form of assurance on the forecasted data and related assumptions. The financial analyses contained in this report are used in the sense contemplated by the Uniform Standards of Professional Appraisal Practice (USPAP).

Furthermore, there will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. We

Abernathy Tower Apartments Appraisal  
December 1, 2015

assume no responsibility for updating this report due to events and circumstances occurring after the date of inspection.

Our value conclusion was based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion were not considered. We are not responsible for updating or revising this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,  
Novogradac & Company LLP



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## **EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

### PROPERTY SUMMARY OF SUBJECT

**Property Appraised:**

Abernathy Tower Apartments (Subject) is an existing senior Section 8 property (Section 8 Contract No. GA06-T831-016) in Atlanta, Fulton County, Georgia that is proposed for renovation with Low Income Housing Tax Credit (LIHTC) equity. The Subject was originally constructed in 1986 with HUD Section 202 financing and was refinanced in 2009; the Subject is also encumbered by a HAP Contract. The Subject consists of 99 studio and one-bedroom units along with one two-bedroom non-revenue generating manager's unit in one five-story midrise-style residential building.

The Subject will continue to benefit from the HAP contract on 99 units post-renovation. The Section 8 contract expires November 10, 2031, and it is assumed the developer will continue to renew the contract for the foreseeable future. Tenants will continue to pay 30 percent of their incomes toward rent, not to exceed the LIHTC rents.

**Parcel ID Number:**

The Subject is identified by the following parcel ID number: 14-011800020495 and 14-011800020560.

**Land Area:**

The Subject site encompasses approximately 1.62 acres or approximately 70,567 square feet.

**Legal Interest Appraised:**

The property interest appraised is fee simple, subject to any and all encumbrances, if applicable for each value estimate.

**Current Unit Mix and Rents:** The following tables summarize the Subject’s current unit mix and rents.

<b>CURRENT RENTS</b>				
<b>Unit Type</b>	<b>Number of Units</b>	<b>Current Net Contract Rents</b>	<b>Utility Allowance (1)</b>	<b>Gross Contract Rents</b>
<i>Section 8</i>				
0BR/1BA	24	\$1,123	\$0	\$1,123
1BR/1BA	75	\$1,208	\$0	\$1,208
<i>Manager's Unit</i>				
2BR/1BA	1	\$0	\$0	N/Av
<b>Total</b>	<b>100</b>			

Notes (1) Utility Allowance provided by HUD

<b>UNIT MIX AND SQUARE FOOTAGE – AS IS</b>			
<b>Unit Type</b>	<b>Number of Units</b>	<b>Unit Size (SF)*</b>	<b>Gross Area</b>
0BR/1BA	24	384	9,216
1BR/1BA	75	528	39,600
2BR/1BA	1	816	816
<b>Total</b>	<b>100</b>		<b>49,632</b>

\*Measurements taken by appraiser on 10/30/2015

The Subject is 94.0 percent occupied. According to the Subject’s historical audited financials, the Subject has operated with a total vacancy rate (including collection loss) between 4.3 to 5.6 percent over the past two years with an average total vacancy rate of 5.0 percent.

**Proposed Unit Mix and Rents:** The following tables summarize the Subject’s proposed LIHTC unit mix and asking rents. However, the Subject will continue to collect the full contract rent amounts for all units, and tenants will contribute 30 percent of their income toward rent.

<b>PROPOSED RENTS</b>						
<b>Unit Type</b>	<b>Number of Units</b>	<b>LIHTC Asking Rents</b>	<b>Utility Allowance (1)</b>	<b>Gross Asking Rents</b>	<b>2015 LIHTC Maximum Allowable Rent</b>	<b>Current Net Section 8 Contract Rents*</b>
<i>Section 8/60% AMI</i>						
0BR/1BA	24	\$717	\$0	\$717	\$717	\$1,123
1BR/1BA	75	\$768	\$0	\$768	\$768	\$1,208
<i>Manager's Unit</i>						
2BR/1BA	1	\$0	\$0	\$0	N/Av	N/Av
<b>Total</b>	<b>100</b>					

Notes (1) All utilities will continue to be included in the rent post-renovation.

\*HAP contract effective September 2015; tenants will pay 30 percent of income as rent not to exceed LIHTC rent levels

<b>UNIT MIX AND SQUARE FOOTAGE – AS RENOVATED</b>			
<b>Unit Type</b>	<b>Number of Units</b>	<b>Unit Size (SF)</b>	<b>Gross Area</b>
0BR/1BA	24	384	9,216
1BR/1BA	75	528	39,600
2BR/1BA	1	816	816
<b>Total</b>	<b>100</b>		<b>49,632</b>

### **Ownership History of the Subject:**

Current ownership of the Subject is vested in The Ralph David Abernathy Tower, Inc. There have been no transfers of the Subject property over the past three years. A purchase agreement dated October 5, 2015 was provided by the client. The purchase agreement is between The Ralph David Abernathy Tower, Inc. (Seller) and Vitus Development III, LLC (Buyer) for \$8,250,000. The purchase is an arm's length transaction. Our concluded "as is" is \$8,700,000 which is 5.5 percent higher than the purchase price. We believe the purchase agreement was made with the September 2014 contract rents. However, the property will be underwritten with the September 2015 contract rents, which is reflected in our value conclusion.

**Highest and Best Use**

**As If Vacant:**

Based on the recent development patterns, the highest and best use “as if vacant” would be to construct a 75-unit multifamily development with subsidy or gap financing, such as LIHTC.

**Highest and Best Use**

**As Improved:**

The Subject property currently operates as an affordable multifamily property in average to good condition. The property currently generates positive income and it is not deemed feasible to tear it down for an alternative use. Therefore, the highest and best use of the site, as improved, would be to continue to operate as an affordable multifamily housing development.

**Exposure Time:**

Nine to 12 months.

**Marketing Period:**

Nine to 12 months.

## INDICATIONS OF VALUE

<b>VALUE OF UNDERLYING LAND</b>			
<b>Scenario</b>	<b>Units</b>	<b>Price Per Unit</b>	<b>Indicated Value (Rounded)</b>
Land Value	75	\$14,500	\$1,090,000
<b>DIRECT CAPITALIZATION ANALYSIS - "AS IS"</b>			
<b>Scenario</b>	<b>Cap Rate</b>	<b>Net Operating Income</b>	<b>Indicated Value (Rounded)</b>
As Is	5.50%	\$477,458	\$8,700,000
<b>DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"</b>			
<b>Scenario</b>	<b>Cap Rate</b>	<b>Net Operating Income</b>	<b>Indicated Value (Rounded)</b>
As Renovated Restricted	5.50%	\$529,141	\$9,600,000
As Renovated Unrestricted	5.50%	\$254,603	\$4,600,000
<b>EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"</b>			
<b>Scenario</b>	<b>EGIM</b>	<b>Effective Gross Income</b>	<b>Indicated Value (Rounded)</b>
As Is	6.5	\$1,342,943	\$8,700,000
As Renovated Restricted	7.0	\$1,342,943	\$9,400,000
As Renovated Unrestricted	5.0	\$962,522	\$4,800,000
<b>NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"</b>			
<b>Scenario</b>	<b>Number of Units</b>	<b>Price per unit</b>	<b>Indicated Value (Rounded)</b>
As Is	100	\$94,000	\$9,400,000
As Renovated Restricted	100	\$104,000	\$10,400,000
As Renovated Unrestricted	100	\$50,000	\$5,000,000
<b>VALUE AT LOAN MATURITY - RESTRICTED</b>			
	<b>Year</b>	<b>Indicated Value (Rounded)</b>	
Restricted	30 years	\$6,700,000	
<b>VALUE AT LOAN MATURITY - UNRESTRICTED</b>			
	<b>Year</b>	<b>Indicated Value (Rounded)</b>	
Unrestricted	30 years	\$2,600,000	
<b>TAX CREDIT VALUATION</b>			
	<b>Credit Amount</b>	<b>Price Per Credit</b>	<b>Indicated Value (Rounded)</b>
Combined Federal & State LIHTC	\$7,621,546	\$1.59	\$7,600,000

*Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.*

## **FACTUAL DESCRIPTION**

## **FACTUAL DESCRIPTION**

### **APPRAISAL ASSIGNMENT AND VALUATION APPROACH**

As requested, the appraisers provided several value estimates of both tangible and intangible assets, described and defined below:

- Land Value.
- Market Value “As Is.”
- Hypothetical Market Value “As Complete and Stabilized” – Assuming Restricted Rents.
- Hypothetical Market Value “As Complete and Stabilized” – Assuming Unrestricted Rents.
- Prospective Market Value at Loan Maturity Assuming Restricted Rents.
- Prospective Market Value at Loan Maturity Assuming Unrestricted Rents.
- Valuation of Tax Credits.
- Favorable Financing.

In determining the value estimates, the appraisers employed the sales comparison and income capitalization approaches to value.

In the cost approach to value, the value of the land is estimated. Next, the cost of the improvements as if new is estimated. Accrued depreciation is deducted from the estimated cost new to estimate the value of the Subject property in its current condition. The resultant figure indicates the value of the whole property based on cost. Generally, land value is obtained through comparable land sales. Replacement or reproduction costs, as appropriate, are taken from cost manuals, unless actual current cost figures are available. The cost approach is not developed since most investors and developers do not utilize this method. However, we have provided an estimate of underlying land value.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings potential of the property is carefully estimated and converted into an estimate of the property's market value. The Subject was valued using the Direct Capitalization Approach.

### **Property Identification**

The Subject site is located at 1059 Oglethorpe Avenue SW in Atlanta, Fulton County, Georgia. The Subject is identified by the following parcel ID number: 14-011800020495 and 14-011800020560.

### **Intended Use and Intended User**

Vitus is the client in this engagement. We understand that they will use this document for submittal to the Georgia Department of Community Affairs (DCA) for application to receive low income housing tax credits (LIHTCs). Intended users are those transaction participants who are interested

parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, Vitus, owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

### **Property Interest Appraised**

The property interest appraised is fee simple, subject to any and all encumbrances, if applicable for each value estimate.

### **Date of Inspection and Effective Date of Appraisal**

The site was inspected on October 30, 2015. In general, we have prepared this report based on our analysis of current market conditions relative to the Subject.

### **Scope of the Appraisal**

For the purposes of this appraisal, the appraiser visually inspected the Subject and comparable data. Individuals from a variety of city agencies as well as the Subject's development team were consulted (in person or by phone). Various publications, both governmental (i.e. zoning ordinances) and private (i.e. Multiple List Services publications) were consulted and considered in the course of completing this appraisal.

The scope of this appraisal is limited to the gathering, verification, analysis and reporting of the available pertinent market data. All opinions are unbiased and objective with regard to value. The appraiser made a reasonable effort to collect, screen and process the best available information relevant to the valuation assignment and has not knowingly and/or intentionally withheld pertinent data from comparative analysis. Due to data source limitations and legal constraints (disclosure laws), however, the appraiser does not certify that all data was taken into consideration. Additional scope of work items are discussed in various sections throughout this report.

### **Compliance and Competency Provision**

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations. Moreover, Advisory Opinion 14 acknowledges preparation of appraisals for affordable housing requires knowledge and experience that goes beyond typical residential appraisals competency including understanding the various programs, definitions, and pertinent tax considerations involved in the particular assignment applicable to the location and development. We believe our knowledge and experience in the affordable housing industry meets these supplemental standards.

### **Unavailability of Information**

In general, all information necessary to develop an estimate of value of the Subject property was available to the appraisers.

### **Furniture, Fixtures, and Equipment**

Removable fixtures such as kitchen appliances and hot water heaters are considered to be real estate fixtures that are essential to the use and operation of the complex. Supplemental income typically obtained in the operation of an apartment complex is included, which may include minor elements of personal and business property. As immaterial components, no attempt is made to segregate these items.

### **Ownership and History of Subject**

Current ownership of the Subject is vested in The Ralph David Abernathy Tower, Inc. There have been no transfers of the Subject property over the past three years. A purchase agreement dated October 5, 2015 was provided by the client. The purchase agreement is between The Ralph David Abernathy Tower, Inc. (Seller) and Vitus Development III, LLC (Buyer) for \$8,250,000. The purchase is an arm's length transaction. Our concluded "as is" is \$8,700,000 which is 5.5 percent higher than the purchase price. We believe the purchase agreement was made with the September 2014 contract rents. However, the property will be underwritten with the September 2015 contract rents, which is reflected in our value conclusion.

# **REGIONAL AND LOCAL AREA ANALYSIS**

## REGIONAL AND LOCAL AREA ANALYSIS

### ECONOMIC ANALYSIS

The Atlanta-Sandy Springs-Roswell, GA MSA is comprised of Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Morgan, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton. Atlanta is the county seat of Fulton County and is located approximately 267 miles inland from the Atlantic Ocean. Atlanta also has good access to major interstates, including Interstate 85, Interstate 75, and Interstate 20. Interstate 85 traverses northeast/southwest and provides access to Alabama to the west and South Carolina to the east and South Carolina. Interstate 75 traverses northwest/southeast and provides access to Tennessee to the north and Florida to the south. Interstate 20 traverses east/west through the central portion of Georgia and provides access to Alabama to the west and South Carolina to the east.

### Major Employers

The following table is a list of the top 15 employers in the Atlanta-Sandy Springs-Roswell, GA MSA.

<b>MAJOR EMPLOYERS</b>			
<b>Atlanta-Sandy Springs-Roswell, GA MSA</b>			
<b>#</b>	<b>Employer</b>	<b>Industry</b>	<b>Number Employed</b>
1	Delta Airlines	Transportation	31,237
2	Emory University/ Emory Healthcare	Educational/Healthcare	29,937
3	Wal-Mart Stores, Inc.	Retail Trade	20,532
4	The Home Depot, Inc.	Retail Trade	20,000
5	AT&T Inc.	Communications	17,882
6	The Kroger Co.	Retail Trade	14,753
7	WellStar Health System	Healthcare	13,500
8	Publix Super Markets, Inc.	Retail Trade	9,494
9	United States Postal Service	Government	9,385
10	Northside Hospital	Healthcare	9,016
11	The Coca-Cola Company	Retail Trade	8,761
12	United Parcel Service, Inc	Postal Service	8,727
13	Piedmont Healthcare	Healthcare	8,707
14	Centers for Disease Control and Prevention	Healthcare	8,539
15	Children's Healthcare of Atlanta, Inc	Healthcare	7,452

Source: The Metro Atlanta Chamber of Commerce, Novogradac & Company LLP, 10/2015

As indicated in the table above, the major employers in the MSA are varied and represent a wide range of industries. The three largest employers are in the transportation, education/healthcare, and retail trade industries.

**Expansions/Contractions**

The following table illustrates business closures and layoffs within Atlanta, GA from 2014 to October 2015, according to the Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) filings.

<b>WARN NOTICES - ATLANTA, GA</b>				
<b>Company</b>	<b>Jobs Lost</b>	<b>County</b>	<b>Industry</b>	<b>Date</b>
<b>2015</b>				
Generation Mortgage Company	64	Fulton	Finance	1/15/2015
Sony	100	Fulton	Electronics	2/27/2015
Quad Graphics	110	DeKalb	Printing	2/1/2015
Infosys McCamish Systems, LLC.	61	Fulton	Finance	3/6/2015
Generation Mortgage Company	25	Fulton	Finance	3/31/2015
Meda Pharmaceuticals	21	Cobb	Healthcare	4/30/2015
Affinity Specialty Apparel, Inc.	60	Fulton	Retail	4/15/2015
United Airlines	87	Clayton	Transportation	5/17/2015
New Breed Leasing of New Jersey, Inc.	89	Fulton	Logistics	5/26/2015
The Intown Academy	60	Fulton	Educational Services	5/29/2015
Generation Mortgage Company	76	Fulton	Finance	7/31/2015
Delta Global Services	N/Av	Clayton	Transportation	10/1/2015
Aramark	1,078	Fulton	Retail	11/15/2015
<b>2014</b>				
STS	328	Fulton	Non-profit	1/1/2014
WIPRO	93	Fulton	Technology	6/4/2014
New Continent Ventures	167	Fulton	Management Services	7/11/2014
FEI	1	DeKalb	Technology	7/14/2014
Nextitle	9	DeKalb	Finance	7/14/2014
RCO Legal, P.S.	133	DeKalb	Consulting	7/14/2014
Realty in Motion	13	DeKalb	Finance	7/14/2014
FEI	1	DeKalb	Technology	7/14/2014
Nextitle	9	DeKalb	Finance	7/14/2014
RCO Legal, P.S.	133	DeKalb	Finance	7/14/2014
Realty in Motion	13	DeKalb	Finance	7/14/2014
T&M Construction	1	Fulton	Construction	6/2/2014
Sodexo	86	Fulton	Healthcare	7/8/2014
Bags Inc.	145	Clayton	Retail	8/24/2014
Macy's	600	Fulton	Retail	2/1/2014
Anthem Education	47	Fulton	Educational Services	9/15/2014
Fulton County Housing and Human Services	27	Fulton	Government	8/29/2014
Bank of America	51	Fulton	Finance	11/18/2014
<b>Total</b>	<b>3,688</b>			

Source: Georgia Department of Economic Development, October 2015

As illustrated in the previous table, the PMA experienced several WARN filings from 2014 to 2015 for a total of 3,688 jobs affected.

### **Metro Atlanta Chamber of Commerce**

According to Ms. Kelly Sydney, Vice President of Research, with the Metro Atlanta Chamber of Commerce 2014 and 2015 have been generally stable years in terms of job growth and expansions in the Atlanta area. Below are the largest expansions in Fulton County for 2015.

<b>BUSINESS EXPANSIONS- FULTON COUNTY- 2015</b>			
<b>Company</b>	<b>Action</b>	<b>Industry</b>	<b>Projected # of New Jobs</b>
Mercedes-Benz USA	New Location/Expansion	Automotive	950
Kaiser Permanente	Expansion	Healthcare	900
Sage	New Location/Expansion	Management/Technology	400
Stefanini	Expansion	Consulting	400
Hexaware	New Location/Expansion	Technology	300
Amtrack	New Location/Expansion	Transportation	200
Backbase	New Location/Expansion	Technology	150
Applied Systems, Inc.	Expansion	Technology	150
N3	Expansion	Technology	150
BetterCloud	Expansion	Technology	120
Serta Simmons Bedding, Inc.	New Location/Expansion	Retail	110
Courion	New Location/Expansion	Technology	100
Varian Medical Systems, Inc.	New Location/Expansion	Technology	100
Ionic Security	Expansion	Technology	100
Prime Revenue, Inc.	Expansion	Management	100

Source: Metro Atlanta Chamber, 11/2015

**Atlanta Department of Planning and Community Development**

We contacted Lanii Thomas, Senior Public Relations Manager for the City of Atlanta Department of Planning and Community Development. Mrs. Thomas reported that there are a number of expansions planned in the Atlanta area. The Atlanta BeltLine Project is a City of Atlanta development that will include green space, trails, transit, and new housing along 22-mile historic rail lines that loop around the urban core. The BeltLine development is projected to cost approximately \$2.8 billion and take approximately 25 years to complete. There will also be a 33-mile network of multi-use trails and the BeltLine will increase Atlanta's green space by nearly 40 percent as the project will add 1,300 acres of new parks and green space. The Atlanta BeltLine is projected to generate more than \$20 billion of new economic development throughout 25 years of the Tax Allocation District and approximately 30,000 new jobs. The most recent BeltLine development in the Subject's larger neighborhood is the dedication of the Southwest Atlanta BeltLine Connector Trail system, which was completed in August 2013. The trail consists of 4.5 miles, connects various neighborhoods and provides pedestrian access to residents. Per the Atlanta BeltLine website, the first 1.2-mile portion of the Southwest Connector Trail system is complete and it provides easier access from Beecher Hills and Westwood Terrace neighborhoods to Beecher Hills Elementary and the existing Lionel Hampton BeltLine trail.

Fort McPherson is located 0.5 miles southwest of the Subject. As part of the 2005 Base Realignment and Closure (BRAC), Fort McPherson closed in 2011. This closure is estimated to have resulted in a net loss of 4,141 jobs, including 1,881 civilian jobs and 2,260 military jobs. However, the fort is proposed for redevelopment. Fort McPherson covers approximately 488 acres, 350 more than the Atlantic Steel redevelopment which resulted in Atlanta Station, a massive mixed-use community in the Midtown neighborhood in Atlanta. Fort McPherson already features a bowling alley, movie theater, gymnasium, library, baseball field, community center, and older residential space.

The Fort McPherson Reuse Plan includes the following: a 35-acre high-density, mixed-use retail area along Lee Street to create a "Main Street" district with approximately 400,000 square feet of retail space; a 115-acre Employment District adjacent to the Main Street district that includes 4 million square feet of office and bio-science research space; a Historic District with approximately 40-acres on the National Historic Register that will have residential, commercial, and public uses; Linear Park that will wrap around the property, connecting a Metropolitan Atlanta Rapid Transit Authority station on the north side to a MARTA station on the southern portion of the property; an Event Space with 30 acres; a Parade Ground for public use; and, approximately 4,600 new housing units in the remaining area.

The redevelopment of Fort McPherson is projected to bring in 7,000 jobs, with another 5,000 to 6,000 indirect jobs from the development. This would bring in new jobs and investment into an older section of the city that has suffered from vacant retail centers and deteriorating housing. Recent news articles have reported that Tyler Perry will not purchase 330 acres to build a new studio, as had been originally planned in the Fort McPherson redevelopment. The expansion was projected to bring 8,000 new jobs to the region. Plans remain for 158 acres to be redeveloped by the City of Atlanta into green space and housing for homeless veterans.

## Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and nation from 2005 to August 2015.

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

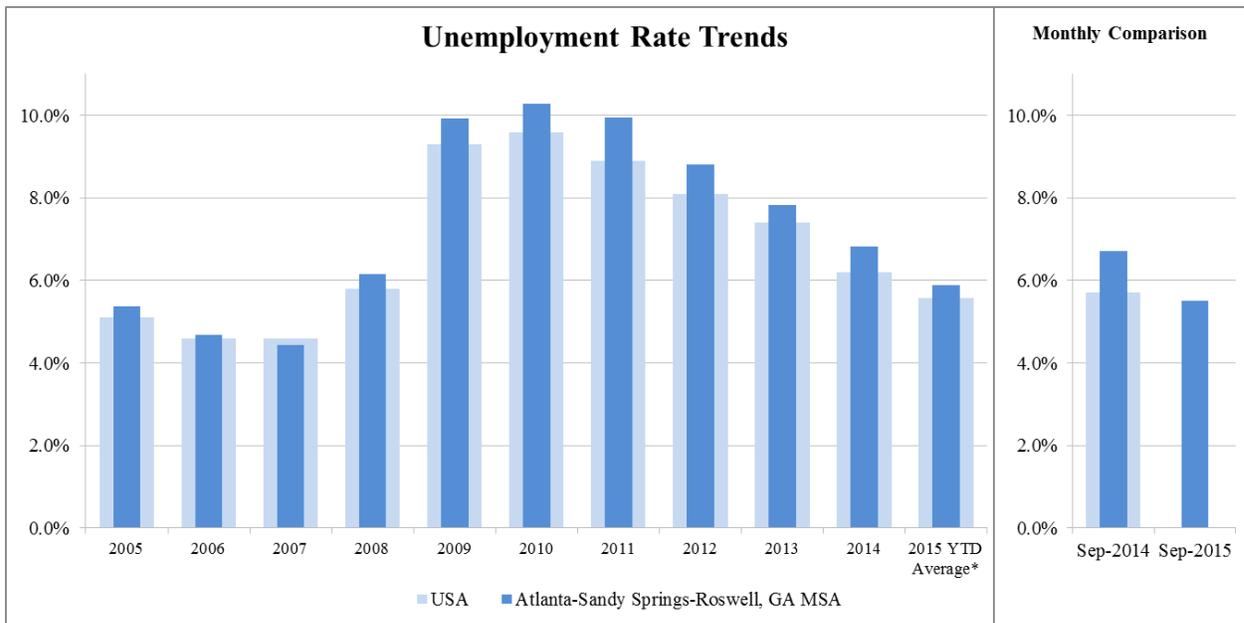
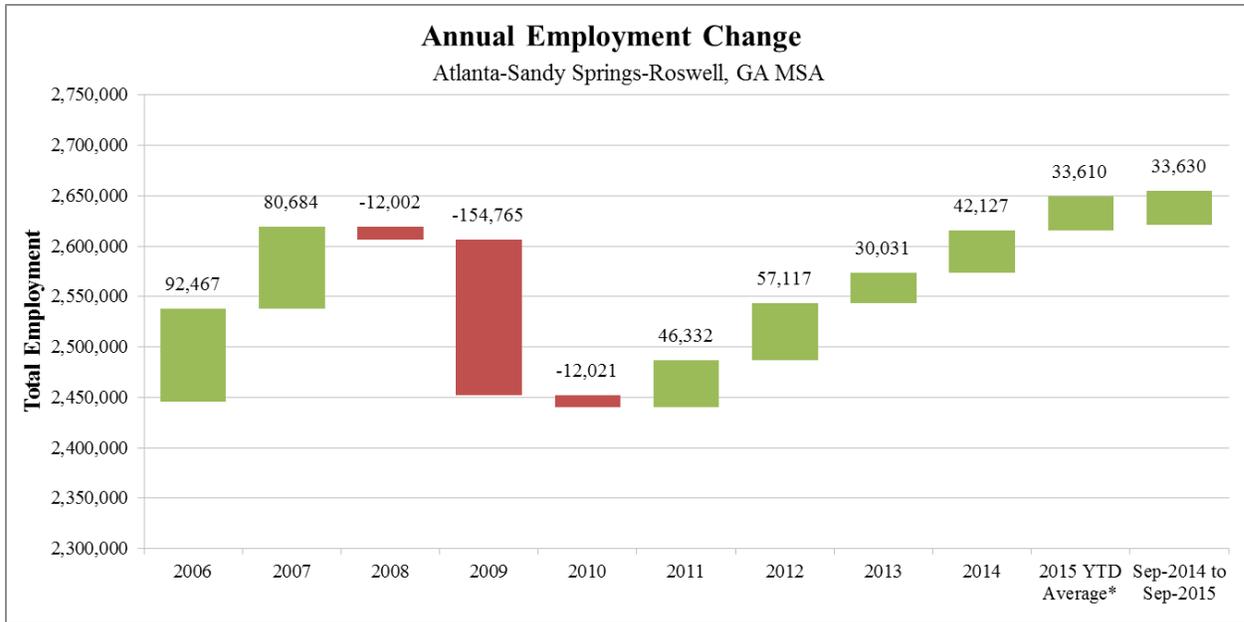
Year	Atlanta-Sandy Springs-Roswell, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2005	2,445,674	2.7%	5.4%	0.6%	141,730,000	1.8%	5.1%	-0.4%
2006	2,538,141	3.8%	4.7%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	2,618,825	3.2%	4.4%	-0.2%	146,047,000	1.1%	4.6%	0.0%
2008	2,606,822	-0.5%	6.2%	1.7%	145,362,000	-0.5%	5.8%	1.2%
2009	2,452,057	-5.9%	9.9%	3.8%	139,877,000	-3.8%	9.3%	3.5%
2010	2,440,037	-0.5%	10.3%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	2,486,369	1.9%	9.9%	-0.3%	139,869,000	0.6%	8.9%	-0.7%
2012	2,543,486	2.3%	8.8%	-1.1%	142,469,000	1.9%	8.1%	-0.8%
2013	2,573,517	1.2%	7.8%	-1.0%	143,929,000	1.0%	7.4%	-0.7%
2014	2,615,644	1.6%	6.8%	-1.0%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	2,648,587	1.3%	5.9%	-0.9%	148,479,500	1.5%	5.5%	-0.7%
Aug-2014	2,606,620	-	7.3%	-	146,647,000	-	6.3%	-
Aug-2015	2,652,187	1.7%	5.6%	-1.7%	149,228,000	1.8%	5.2%	-1.1%

Source: U.S. Bureau of Labor Statistics November 2015

\*2015 data through August

Total employment in the MSA has increased every year from 2005 through 2015 year-to-date, with the exception of 2008, 2009, and 2010. Through year-to-date 2015, the 1.3 percent increase in total employment in the MSA is 20 basis points lower than total employment growth on a national level, as the nation has experienced a 1.5 percent increase year-to-date. It is important to note that current employment exceeds pre-recessional levels. In addition, the August 2015 local employment level has increased 1.7 percent from the same period in 2015.

Total unemployment figures show that the MSA's year-to-date unemployment rate is 0.4 percentage points higher than the national unemployment rate. The unemployment rate as of August 2015 decreased 1.7 percentage points from August 2014. Overall, the economic outlook for the MSA is positive with total employment above pre-recessionary levels and unemployment rates decreasing since 2010.



## Employment by Industry

The following table illustrates employment by industry for the PMA as of 2015.

<b>2015 EMPLOYMENT BY INDUSTRY</b>				
<b>Industry</b>	<b>PMA</b>		<b>USA</b>	
	<b>Number Employed</b>	<b>Percent Employed</b>	<b>Number Employed</b>	<b>Percent Employed</b>
Health Care/Social Assistance	5,819	11.9%	20,205,674	13.7%
Accommodation/Food Services	5,513	11.2%	10,915,815	7.4%
Educational Services	5,394	11.0%	13,529,510	9.2%
Retail Trade	4,918	10.0%	17,089,319	11.6%
Transportation/Warehousing	3,471	7.1%	6,200,837	4.2%
Admin/Support/Waste Mgmt Svcs	3,346	6.8%	6,242,568	4.2%
Public Administration	3,318	6.8%	7,099,307	4.8%
Construction	2,951	6.0%	9,392,204	6.4%
Other Services (excl Publ Adm)	2,737	5.6%	7,548,482	5.1%
Manufacturing	2,461	5.0%	15,651,841	10.6%
Prof/Scientific/Tech Services	1,998	4.1%	9,981,082	6.8%
Finance/Insurance	1,604	3.3%	7,026,905	4.8%
Information	1,362	2.8%	2,965,498	2.0%
Real Estate/Rental/Leasing	1,347	2.7%	2,759,067	1.9%
Wholesale Trade	1,216	2.5%	3,742,526	2.5%
Arts/Entertainment/Recreation	1,105	2.3%	3,193,724	2.2%
Utilities	262	0.5%	1,190,608	0.8%
Agric/Forestry/Fishing/Hunting	230	0.5%	1,941,156	1.3%
Mgmt of Companies/Enterprises	9	0.0%	115,436	0.1%
Mining	1	0.0%	997,794	0.7%
<b>Total Employment</b>	<b>49,062</b>	<b>100.0%</b>	<b>147,789,353</b>	<b>100.0%</b>

Source: ESRI Demographics 2010, Novogradac & Company LLP, November 2015

The PMA's leading industries include health care/social assistance, accommodation/food services, educational services, and retail trade. Together, these four industries make up 44.1 percent of total employment in the PMA. The PMA is overly represented in sectors such as accommodation/food services, educational services, transportation/warehousing, administration/support/waste management services, and public administration compared to the nation as a whole. Comparatively, the healthcare/social assistance, manufacturing, professional/scientific/technical services employ a smaller proportion in the PMA than the nation. Healthcare/social assistance and educational services in the PMA are traditionally more stable employment sectors whereas accommodation/food services and retail trade are more volatile. Overall, the mix of industries in the local economy indicates a relatively diversified work force that is somewhat susceptible to cyclical employment shifts.

## Conclusion

Total employment in the MSA has increased every year from 2005 through 2015 year-to-date, with the exception of 2008, 2009, and 2010. Through year-to-date 2015, the 1.3 percent increase in total employment in the MSA is 20 basis points lower than total employment growth on a national level, as the nation has experienced a 1.5 percent increase year-to-date. It is important to note that current employment exceeds pre-recessionary levels. In addition, the August 2015 local employment level

has increased 1.7 percent from the same period in 2015. Total unemployment figures show that the MSA's year-to-date unemployment rate is 0.4 percentage points higher than the national unemployment rate. The unemployment rate as of August 2015 decreased 1.7 percentage points from August 2014. Overall, the economic outlook for the MSA is positive with total employment above pre-recessionary levels and unemployment rates decreasing since 2010.

The PMA's leading industries include health care/social assistance, accommodation/food services, educational services, and retail trade. Together, these four industries make up 44.1 percent of total employment in the PMA. Healthcare/social assistance and educational services in the PMA are traditionally more stable employment sectors whereas accommodation/food services and retail trade are more volatile. Overall, the mix of industries in the local economy indicates a relatively diversified work force that is somewhat susceptible to cyclical employment shifts.

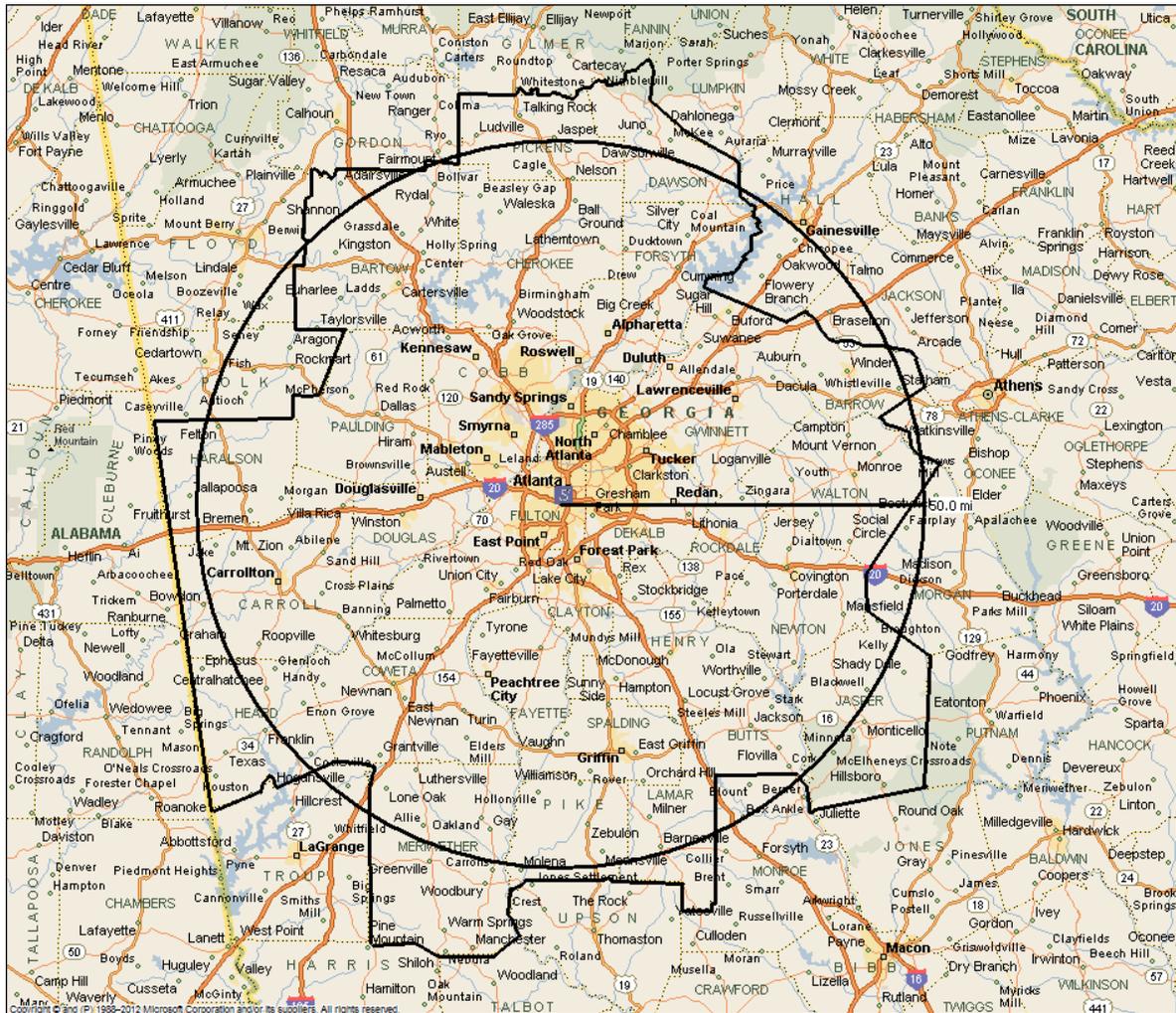
According to Ms. Lanii Thomas, Senior Public Relations Manager for the City of Atlanta Department of Planning and Community Development, the Atlanta area has seen a number of expansions including the Atlanta Beltline Project and Fort McPherson Reuse Plan. These expansions should help the unemployment rate in the market continue to gradually decline.

Furthermore, according to Ms. Kelly Sydney, Vice President of Research, with the Metro Atlanta Chamber of Commerce 2014 and 2015 have been generally stable years in terms of job growth and expansions in the Atlanta area.



managers at comparable properties, and the Subject’s property manager, as well as based on our knowledge of the area. The PMA includes all, or portions of, the following neighborhoods: West End, Westview, Westwood Terrace, Beecher Hills, Adair Park, Cascade Avenue, Adams Park, Pomona Park, Fort McPherson, Sylvan Hills, Venetial Hills, Hunter Hills, Vine City, English Avenue, Knight Park, Bankhead, West Lake, Dixie Hills, Atlanta University, Rockdale, Mozley Park, Center Hill, Grove Park, and Bush Mountains. We have estimated that approximately 15 percent of the Subject’s tenants originate from outside these boundaries. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2015 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 is 5.3 miles.

For comparison purposes, the secondary market area (SMA) for the Subject is considered to be the Atlanta-Sandy Springs-Roswell, GA MSA, which includes Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Morgan, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton. Following is a map of the SMA.



## Population Trends

The following tables illustrate population trends in the PMA from 2000 to the projected market entry date and through 2020. The MSA and nation are also presented for comparison purposes.

<b>TOTAL POPULATION</b>						
<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	141,852	-	4,263,438	-	281,421,906	-
2010	123,423	-1.3%	5,286,728	2.4%	308,745,538	1.0%
2015	126,099	0.4%	5,527,230	0.9%	318,536,439	0.6%
Projected Mkt Entry December 2016	127,521	0.8%	5,619,452	1.2%	321,960,844	0.8%
2020	131,117	0.8%	5,852,718	1.2%	330,622,575	0.8%

Source: ESRI Demographics 2014, Novogradac & Company LLP, November 2015

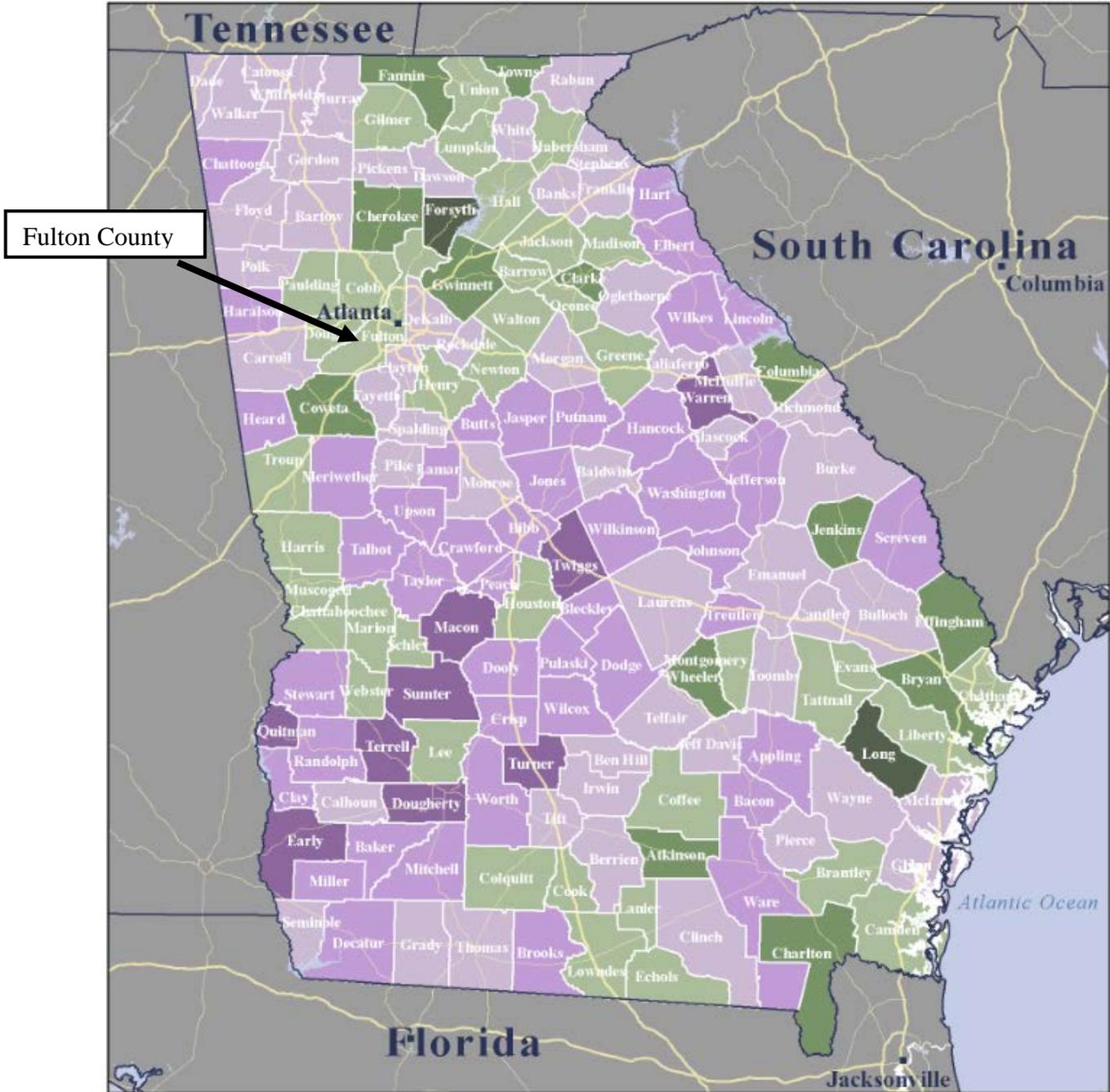
<b>TOTAL SENIOR POPULATION (62+)</b>						
<b>Year</b>	<b>PMA</b>		<b>Atlanta-Sandy Springs-Roswell, GA MSA</b>		<b>USA</b>	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	18,668	-	407,225	-	41,475,021	-
2010	17,786	-0.5%	625,999	5.4%	50,358,738	2.1%
2015	20,233	2.6%	770,046	4.4%	58,335,275	3.0%
Projected Mkt Entry December 2016	21,069	2.9%	816,963	4.3%	61,029,963	3.3%
2020	23,182	2.9%	935,635	4.3%	67,845,939	3.3%

Source: ESRI Demographics 2014, Novogradac & Company LLP, November 2015

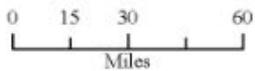
POPULATION BY AGE GROUP					
PMA					
Age Cohort	2000	2010	2015	Projected Mkt Entry December 2016	2020
0-4	10,266	9,143	8,868	8,949	9,155
5-9	11,309	7,891	8,418	8,372	8,256
10-14	10,751	7,277	7,441	7,593	7,979
15-19	12,815	10,724	10,033	10,118	10,334
20-24	12,019	11,558	11,460	11,303	10,906
25-29	10,380	9,407	9,549	9,637	9,860
30-34	9,733	8,917	9,270	9,352	9,560
35-39	10,424	8,049	8,127	8,298	8,730
40-44	10,130	7,373	7,484	7,547	7,705
45-49	9,317	7,935	7,229	7,322	7,556
50-54	7,854	7,898	7,704	7,591	7,306
55-59	6,004	7,151	7,586	7,604	7,651
60-64	5,456	5,786	6,740	6,911	7,342
65-69	4,507	4,396	5,347	5,594	6,219
70-74	3,886	3,649	3,985	4,242	4,893
75-79	2,853	2,703	2,993	3,099	3,367
80-84	2,160	1,867	1,998	2,072	2,260
85+	1,988	1,699	1,866	1,915	2,038
<b>Total</b>	<b>141,852</b>	<b>123,423</b>	<b>126,098</b>	<b>127,520</b>	<b>131,117</b>

Source: ESRI Demographics 2014, Novogradac & Company LLP, November 2015

Overall population growth in the PMA was lower than the MSA and the nation from 2000 to 2010. In fact, population within the PMA actually declined during this time frame. However, total population in the PMA is projected to increase at a 0.8 percent annual rate from 2015 to 2020, a growth rate similar to that of the nation but below the MSA as a whole during the same time period. Furthermore, total senior population is expected to grow 2.9 percent annually from 2015 to 2020. The largest age cohort in the PMA is between the ages of 20 and 24, at 9.1 percent of the population, which is expected to remain the largest age cohort through 2020. In 2015, 16.0 percent of the PMA's population is 62+ which is the age range of tenants at the Subject currently. The projected PMA senior population growth is expected to be below the MSA and nation through 2020, but above the general population growth over the same time period.



### 2010-2015 Population Growth Rate



2010-2015 Population Growth per County

Lucy Mullineaux January 2015



## Household Trends

The following tables illustrate household trends in the PMA from 2000 to the projected market entry and through 2020. The MSA and nation are also presented for comparison purposes.

TOTAL NUMBER OF HOUSEHOLDS						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	52,075	-	1,559,712	-	105,480,101	-
2010	48,205	-0.7%	1,943,885	2.5%	116,716,292	1.1%
2015	49,755	0.6%	2,033,479	0.9%	120,746,349	0.7%
Projected Mkt Entry December 2016	50,476	1.0%	2,068,202	1.2%	122,086,859	0.8%
2020	52,298	1.0%	2,156,032	1.2%	125,477,562	0.8%

Source: ESRI Demographics 2014, Novogradac & Company LLP, November 2015

TOTAL NUMBER OF HOUSEHOLDS 62+						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	13,263	-	253,346	-	13,263	-
2015	12,140	-0.8%	357,494	4.1%	12,140	-0.8%
Projected Mkt Entry December 2016	13,360	1.9%	430,781	3.9%	13,360	1.9%
2020	13,917	2.9%	459,149	4.6%	13,917	2.9%

Source: ESRI Demographics 2014, Novogradac & Company LLP, November 2015

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Percent	Number	Annual Change	Number	Annual Change
2000	2.61	-	2.68	-	2.59	-
2010	2.43	-0.7%	2.68	0.0%	2.58	-0.1%
2015	2.39	-0.3%	2.68	0.0%	2.57	0.0%
Projected Mkt Entry December 2016	2.39	-0.2%	2.68	0.0%	2.57	0.0%
2020	2.37	-0.2%	2.67	0.0%	2.57	0.0%

Source: ESRI Demographics 2014, Novogradac & Company LLP, November 2015

As the previous table illustrates, the PMA was an area with an increasing number of households from 2000 through 2015, a trend that is expected to continue through 2020. The number of households in the PMA is expected to grow at a slightly slower pace than the MSA and but slightly faster than the nation as a whole. Total senior households are expected to grow 2.9 percent annually through 2020 which is below that of the MSA and similar to the nation. The increasing number of senior households in the PMA bodes well for the Subject's potential as a senior project.

The average household size in the PMA, at 2.39, is smaller than the average household sizes in the MSA and nation. The Subject offers studio and one-bedroom units targeted to seniors age 62 and older. The average household size in the PMA is appropriate for the Subject’s unit mix.

**Households by Tenure**

The tables below depict household growth by tenure from 2000 through 2020.

<b>TENURE PATTERNS PMA – NON ELDERLY POPULATION</b>				
<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2010	13,818	36.1%	24,453	63.9%
2015	12,247	31.6%	26,476	68.4%
Projected Mkt Entry December 2016	12,248	31.5%	26,695	68.5%
2020	12,252	31.0%	27,248	69.0%

Source: ESRI Demographics 2014, Novogradac & Company LLP, November 2015

<b>TENURE PATTERNS MSA – NON ELDERLY POPULATION</b>				
<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2010	1,078,040	64.3%	597,820	35.7%
2015	1,014,930	59.9%	679,830	40.1%
Projected Mkt Entry December 2016	1,017,074	59.6%	688,198	40.4%
2020	1,022,496	59.0%	709,364	41.0%

Source: ESRI Demographics 2014, Novogradac & Company LLP, November 2015

The number of renter-occupied households in the PMA is above the number of owner-occupied households, however the MSA has a higher percentage of owner-occupied households than renter-occupied households. The percentage of renter-occupied housing is above the national average of approximately 32 percent in both the PMA and MSA. The percentage of renter-occupied units in the PMA is expected to increase slightly through 2020. Furthermore, the percentage of senior renter-occupied units in the PMA is expected to increase slightly through 2020.

<b>TENURE PATTERNS PMA –ELDERLY POPULATION</b>				
<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2010	6,218	62.6%	3,716	37.4%
2015	6,272	56.9%	4,760	43.1%
Projected Mkt Entry December 2016	6,505	56.4%	5,027	43.5%
2020	7,094	55.4%	5,704	44.6%

Source: ESRI Demographics 2014, Novogradac & Company LLP, November 2015

<b>TENURE PATTERNS MSA –ELDERLY POPULATION</b>				
<b>Year</b>	<b>Owner-</b>		<b>Renter-</b>	
	<b>Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2010	207,026	77.2%	60,999	22.8%
2015	258,804	76.4%	79,915	23.6%
Projected Mkt Entry December 2016	277,685	76.5%	85,245	23.5%
2020	325,444	76.7%	98,728	23.3%

Source: ESRI Demographics 2014, Novogradac & Company LLP, November 2015

The share of senior renter households in the PMA is below the share of owner households, similar to the MSA. The percentage of senior renter-occupied housing is above the national average of approximately 32 percent in both the PMA. The percentage of renter-occupied units in the PMA is expected to increase slightly through 2020.

### Households by Income

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

<b>HOUSEHOLD INCOME DISTRIBUTION - PMA</b>								
<b>Income Cohort</b>	<b>2010</b>		<b>2015</b>		<b>Projected Mkt Entry</b>		<b>2020</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
\$0-9,999	9,279	19.2%	11,985	24.1%	12,353	24.5%	13,284	25.4%
\$10,000-19,999	8,602	17.8%	10,070	20.2%	10,274	20.4%	10,789	20.6%
\$20,000-29,999	6,555	13.6%	7,461	15.0%	7,606	15.1%	7,972	15.2%
\$30,000-39,999	5,205	10.8%	4,878	9.8%	4,935	9.8%	5,079	9.7%
\$40,000-49,999	4,429	9.2%	3,790	7.6%	3,817	7.6%	3,885	7.4%
\$50,000-59,999	3,094	6.4%	2,584	5.2%	2,580	5.1%	2,570	4.9%
\$60,000-74,999	3,066	6.4%	2,601	5.2%	2,591	5.1%	2,567	4.9%
\$75,000-99,999	3,233	6.7%	2,772	5.6%	2,771	5.5%	2,766	5.3%
\$100,000-124,999	1,879	3.9%	1,459	2.9%	1,435	2.8%	1,374	2.6%
\$125,000-149,999	1,064	2.2%	749	1.5%	744	1.5%	731	1.4%
\$150,000-199,999	1,102	2.3%	896	1.8%	871	1.7%	809	1.5%
\$200,000+	697	1.4%	510	1.0%	499	1.0%	473	0.9%
<b>Total</b>	<b>48,205</b>	<b>100.0%</b>	<b>49,755</b>	<b>100.0%</b>	<b>50,476</b>	<b>100.0%</b>	<b>52,298</b>	<b>100.0%</b>

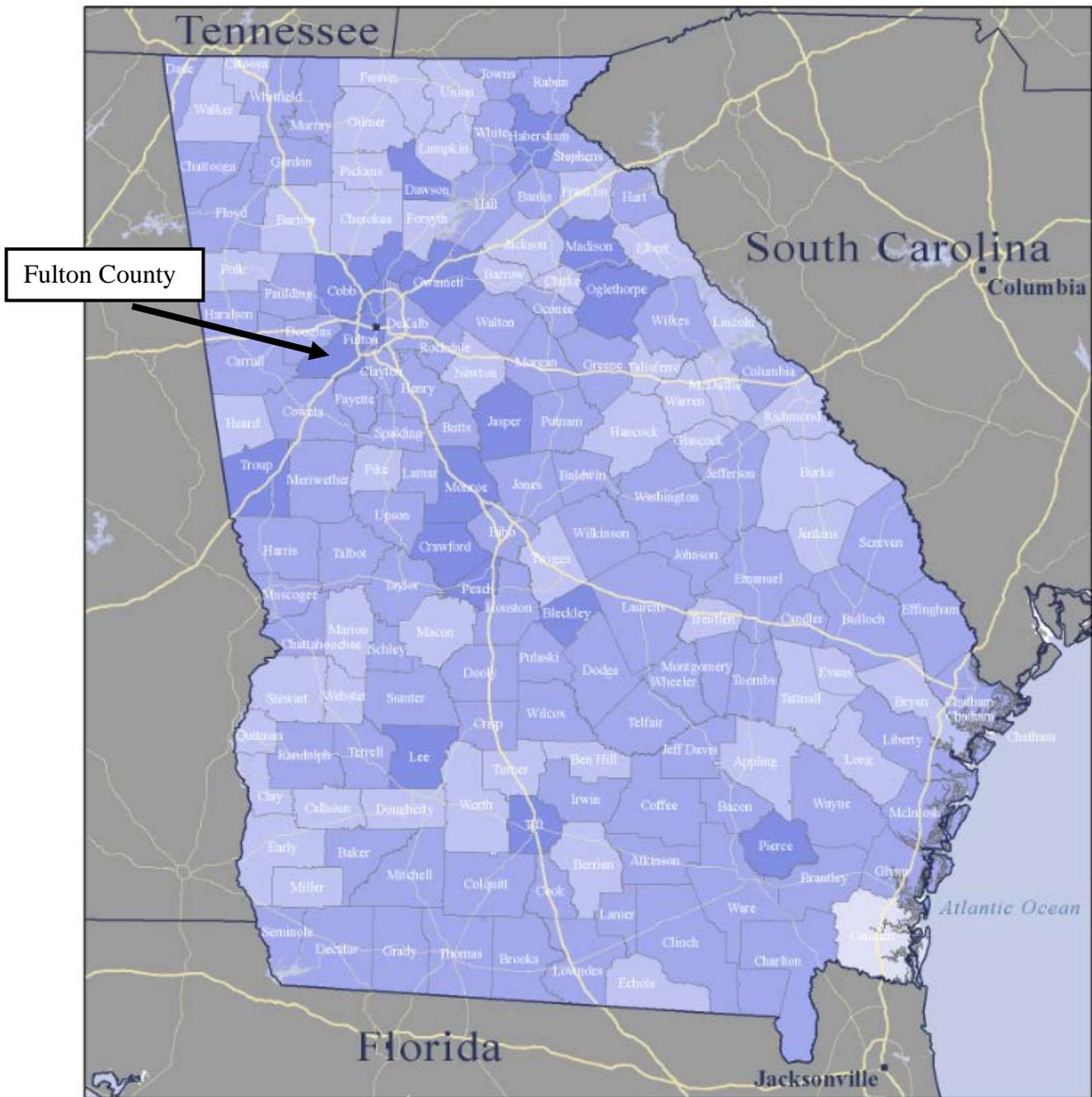
Source: Ribbon Demographics 2014, Novogradac & Company LLP, November 2015

Households earning under \$40,000 in the PMA comprise 69.1 percent of all income cohorts. The Subject will target senior households earning up to \$32,760 under the LIHTC program and households with incomes as low as \$0 with Section 8 subsidies; therefore, the Subject is well positioned to continue to service this market. It should be noted that the area four-person median income (AMI) in Fulton County, GA has declined from \$71,800 in 2010 to \$68,300 in 2015. The decline of approximately 4.9 percent is due to AMI being based on five years of historical ACS survey data, which currently includes the final year of the recent national recession.

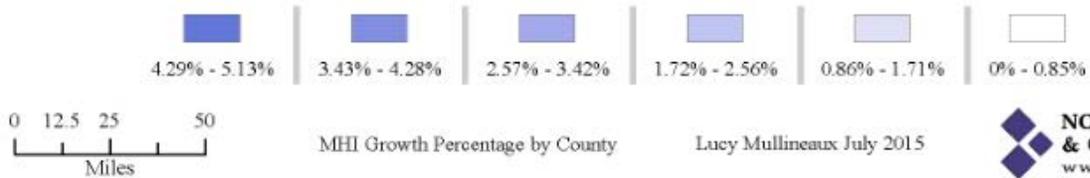
HOUSEHOLD INCOME DISTRIBUTION 62+ - PMA								
Income Cohort	2010		2015		Projected Mkt Entry		2020	
	#	%	#	%	#	%	#	%
\$0-9,999	3,744	28.0%	3,979	28.6%	4,574	29.8%	3,744	28.0%
\$10,000-19,999	3,419	25.6%	3,546	25.5%	3,866	25.2%	3,419	25.6%
\$20,000-29,999	1,804	13.5%	1,881	13.5%	2,075	13.5%	1,804	13.5%
\$30,000-39,999	1,344	10.1%	1,396	10.0%	1,528	10.0%	1,344	10.1%
\$40,000-49,999	894	6.7%	922	6.6%	990	6.5%	894	6.7%
\$50,000-59,999	629	4.7%	642	4.6%	675	4.4%	629	4.7%
\$60,000-74,999	521	3.9%	531	3.8%	558	3.6%	521	3.9%
\$75,000-99,999	526	3.9%	540	3.9%	574	3.7%	526	3.9%
\$100,000-124,999	246	1.8%	245	1.8%	242	1.6%	246	1.8%
\$125,000-149,999	83	0.6%	84	0.6%	87	0.6%	83	0.6%
\$150,000-199,999	81	0.6%	82	0.6%	83	0.5%	81	0.6%
\$200,000+	70	0.5%	71	0.5%	74	0.5%	70	0.5%
<b>Total</b>	<b>13,360</b>	<b>100.0%</b>	<b>13,917</b>	<b>100.0%</b>	<b>15,327</b>	<b>100.0%</b>	<b>13,360</b>	<b>100.0%</b>

Source: Ribbon Demographics 2014, Novogradac & Company LLP, November 2015

Senior households earning under \$30,000 in the PMA comprise 67.1 percent of all income cohorts. The Subject will target senior households earning up to \$32,760 under the LIHTC program and households with incomes as low as \$0 with Section 8 subsidies; therefore, the Subject is well positioned to continue to service this market.



## 2015 Median Household Income Growth



**Conclusion**

Overall population growth in the PMA was lower than the MSA and the nation from 2000 to 2010. In fact, population within the PMA actually declined during this time frame. However, total population in the PMA is projected to increase at a 0.8 percent annual rate from 2015 to 2020, a growth rate similar to that of the nation but below the MSA as a whole during the same time period. Furthermore, total senior population is expected to grow 2.9 percent annually from 2015 to 2020. The largest age cohort in the PMA is between the ages of 20 and 24, at 9.1 percent of the population, which is expected to remain the largest age cohort through 2020. In 2015, 16.0 percent of the PMA's population is 62+ which is the age range of tenants at the Subject currently. The projected PMA senior population growth is expected to be below the MSA and nation through 2020, but above the general population growth over the same time period.

Senior households earning under \$30,000 in the PMA comprise 67.1 percent of all income cohorts. The Subject will target households earning up to \$32,760 under the LIHTC program and households with incomes as low as \$0 with Section 8 subsidies; therefore, the Subject is well positioned to continue to service this market. Overall, the demographic data points to a growing population with several households within the income band that the Subject would target under the LIHTC program, without consideration of the project-based Section 8 subsidy.

**NEIGHBORHOOD ANALYSIS**

**Date of Site Visit and**

**Name of Site Inspector:**

Rana Barnes visited the site on October 30, 2015.

**Physical Features of the Site:**

The following illustrates the physical features of the site.

*Frontage:*

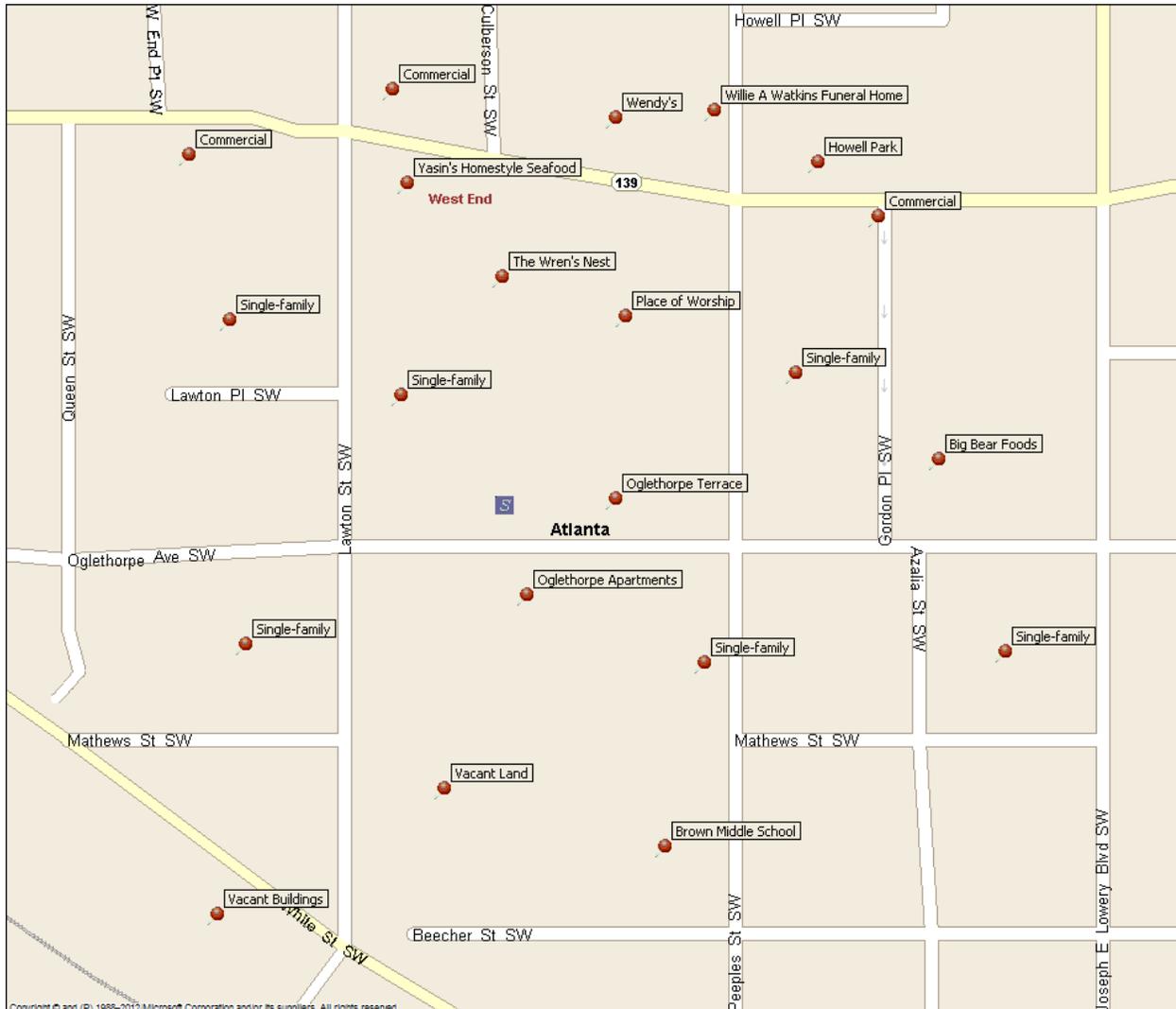
The Subject site has frontage along the south side of Foster Place SW and the north side of Oglethorpe Avenue SW.

*Visibility/Views:*

The Subject has good visibility from Foster Place SW and average visibility from Oglethorpe Avenue SW. Views from the Subject site are of multifamily developments, single-family homes, vacant treed land, and a place of worship. Overall, views are considered average.

*Surrounding Uses:*

The following map illustrates the surrounding land uses.

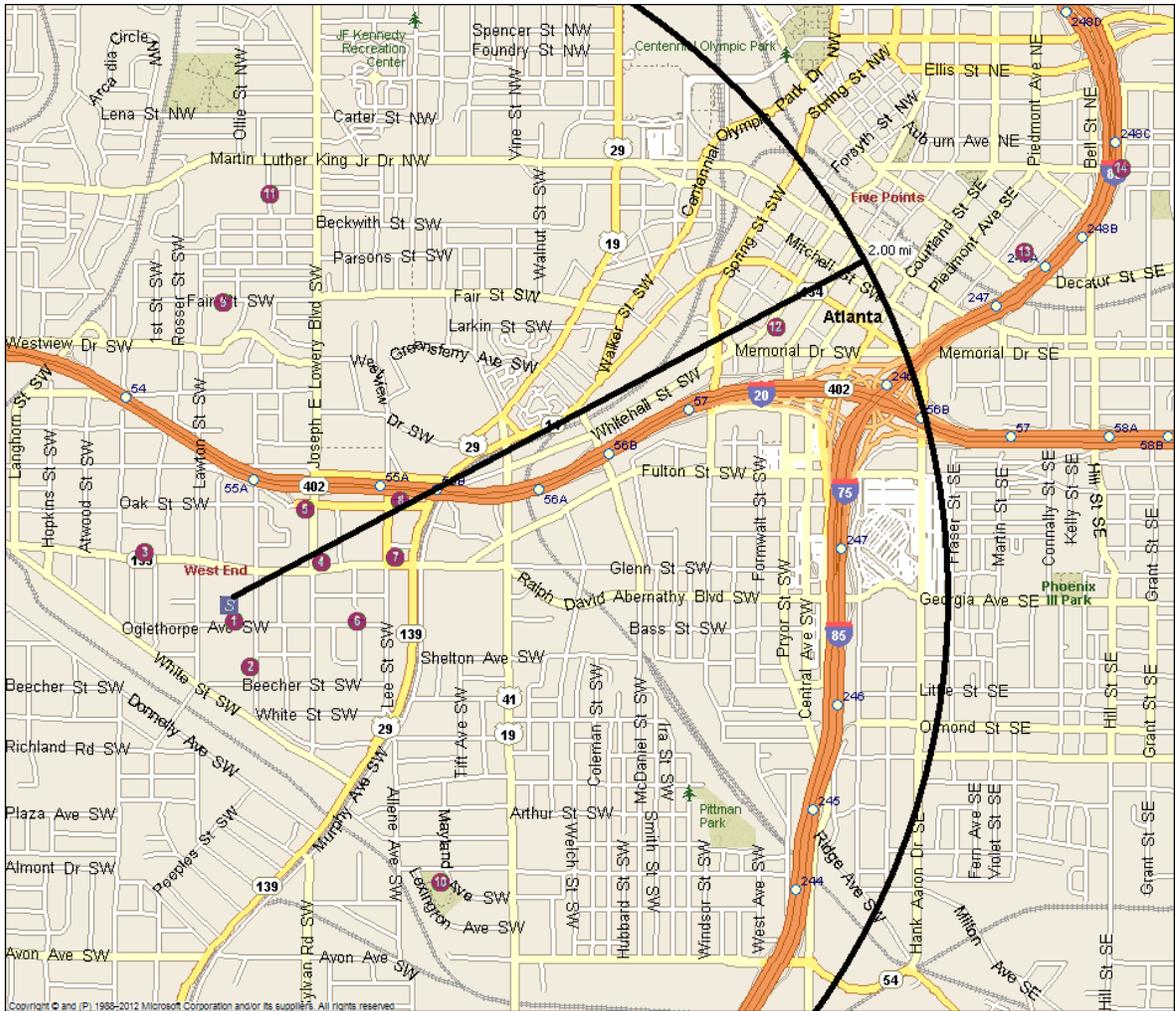


Surrounding uses consist of multifamily developments, single-family homes, places of worship, and scattered commercial/retail uses. The multifamily developments in the Subject neighborhood appear to be in average condition. The Subject site is located in southwestern Atlanta. There are numerous commercial/retail uses in the Subject's neighborhood with the majority located along major arterials such as Abernathy Boulevard, 0.2 miles north of the Subject. The Subject site is considered "very walkable" by Walkscore.com with a rating of 78. The Subject site is considered a desirable location for senior rental housing. The site has reasonable proximity to locational amenities.

*Positive/Negative Attributes of Site:* The Subject's proximity to retail and other locational amenities as well as its surrounding uses, which are in average to good condition, are considered positive attributes. We did not notice any negative attributes of the site during our site inspection. The Subject has a historical vacancy of 3.9 to 6.4 percent from 2012 through 2014.

**Proximity to Locational Amenities:**

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



LOCAL AMENITIES		
Map #	Amenity or Service	Distance
1	Bus Stop	Adjacent
2	Brown Middle School	0.2 miles
3	Family Dollar	0.3 miles
4	CVS Pharmacy	0.3 miles
5	Shell Gas	0.4 miles
6	Post Office	0.4 miles
7	Wells Fargo Bank	0.5 miles
8	Hardy's Super Market	0.6 miles
9	M Agnes Jones Elementary School	0.9 miles
10	Adair Park	0.9 miles
11	Booker T. Washington High School	1.2 miles
12	Atlanta Police Department	1.8 miles
13	Grady Memorial Hospital	2.5 miles
14	Auburn Neighborhood Senior Center	2.8 miles

**Description of Land Uses:**

The Subject site is bounded by Foster Place Southwest to the north and Oglethorpe Avenue Southwest to the south. Surrounding uses predominantly consist of single-family and multifamily properties. To the immediate north is The Wren's Nest and to the northwest is a place of worship. To the immediate east is Abernathy Activity Center. To the immediate south is Oglethorpe Avenue followed by Oglethorpe Apartments which was not utilized as a comparable as they do not offer studio or one-bedroom units. To the southeast are Oglethorpe Terrace Apartments which were not utilized as a comparable as they do not offer studio or one-bedroom units. To the immediate west are single-family homes.

Approximately 0.2 miles north of the Subject is commercial/retail uses along Abernathy Boulevard. Overall, the Subject's immediate neighborhood is dominated by residential uses. The Subject is located in the southwestern portion of Atlanta. Commercial occupancy in the Subject's neighborhood appeared to be 90 percent. The Subject site is considered "very walkable" by Walkscore.com with a rating of 78.

Overall, the Subject has a desirable location for multifamily housing. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average to good condition and the site has reasonable proximity to locational amenities.

**Conclusion:**

The neighborhood surrounding the Subject site consists of multifamily developments, single-family homes, places of worship, and scattered commercial/retail uses. Overall, the Subject is expected to continue to be compatible with the surrounding uses and is a desirable location for multifamily housing.

**DESCRIPTION OF THE SITE**

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues and traffic flow.



**Size:** The Subject site encompasses approximately 1.62 acres or approximately 70,567 square feet.

**Shape:** The site is generally rectangular in shape.

**Existing Improvement:** The site is currently improved with one five-story elevator-serviced midrise-style building.

**Frontage:** The Subject site has frontage along the south side of Foster Place SW and the north side of Oglethorpe Avenue SW.

**Topography:** The site is generally level.

- Visibility/Views:** The Subject has good visibility from Foster Place SW and average visibility from Oglethorpe Avenue SW. Views from the Subject site are of multifamily developments, single-family homes, a museum, and a place of worship. Overall, views are considered average.
- Access and Traffic Flow:** The Subject is accessible via the south side of Foster Place Southwest, an east/west neighborhood street that connects to Lawton Street Southwest approximately 250 yards west of the Subject. Lawton Street Southwest is a lightly trafficked north/south neighborhood road that intersects Abernathy Boulevard to the north and Oglethorpe Avenue Southwest to the south. Abernathy Boulevard is a main east/west arterial with many commercial/retail uses. Oglethorpe Avenue Southwest is an east/west neighborhood street that connects to Joseph E. Lowery Boulevard Southwest approximately 0.3 miles east of the Subject. Joseph E. Lowery Boulevard Southwest is a major north/south arterial that connects to Interstate 20 approximately 0.7 miles northeast of the Subject. Overall access is considered good and traffic flow is considered light.
- Drainage:** Appears adequate; however, no specific tests were performed.
- Soil and Subsoil Conditions:** We were not provided with soil surveys, but the existing improvements suggest that the soils are adequate.
- Flood Plain:** According to [www.floodinsights.com](http://www.floodinsights.com), the Subject is located in Zone X (community map number 135157 panel number 0356F dated September 18, 2013) and is located outside the 100 and 500-year flood plains. Further analysis is beyond the scope of this report. Novogradac and Company LLP does not have expertise in this field and cannot opine on this matter.
- Environmental:** We were provided with a Phase I Environmental Assessment dated November 12, 2015 from EMG. According to the assessment no additional action is required. Novogradac and Company LLP are not experts in this field and cannot opine.
- Detrimental Influences:** No detrimental influences were identified.
- Conclusion:** The Subject will continue to be compatible with the existing surroundings. No detrimental influences were identified in the immediate neighborhood. The Subject is physically capable of

supporting a variety of legally permissible uses, and is considered an adequate building site.

Description of Improvements

Property Profile Report												
Abernathy Tower Apartments												
<b>Comp #</b>	Subject											
<b>Effective Rent Date</b>	10/30/2015											
<b>Location</b>	1059 Oglethorpe Avenue SW Atlanta, GA 30310 Fulton County											
<b>Units</b>	100											
<b>Vacant Units</b>	6											
<b>Vacancy Rate</b>	6.00%											
<b>Type</b>	Midrise (age-restricted) (5 stories)											
<b>Year Built / Renovated</b>	1986 / 2011 / 2016											
<b>Major Competitors</b>	None Identified											
<b>Tenant Characteristics</b>	Senior tenants 62+											
<b>Contact Name</b>	Cheryl											
<b>Phone</b>	404-659-1440											
<b>Market</b>												
<b>Program</b>	LIHTC/Section 8					<b>Leasing Pace</b>	30 days					
<b>Annual Turnover Rate</b>	20%					<b>Change in Rent (Past</b>	Remained stable					
<b>Units/Month Absorbed</b>	N/A					<b>Concession</b>	None					
<b>Section 8 Tenants</b>	N/A											
<b>Utilities</b>												
<b>A/C</b>	included -- wall					<b>Other Electric</b>	included					
<b>Cooking</b>	included -- electric					<b>Water</b>	included					
<b>Water Heat</b>	included -- gas					<b>Sewer</b>	included					
<b>Heat</b>	included -- electric					<b>Trash Collection</b>	included					
<b>Unit Mix (face rent)</b>												
<b>Beds</b>	<b>Baths</b>	<b>Type</b>	<b>Units</b>	<b>Size (SF)</b>	<b>Rent</b>	<b>Concession (monthly)</b>	<b>Restriction</b>	<b>Waiting List</b>	<b>Vacant</b>	<b>Vacancy Rate</b>	<b>Max rent?</b>	<b>Range</b>
0	1	Midrise (5 stories)	24	384	\$717	\$0	@60% (Section 8)	Yes	0	0.00%	yes	
1	1	Midrise (5 stories)	75	528	\$768	\$0	@60% (Section 8)	Yes	5	6.70%	yes	
2	1	Midrise (5 stories)	1	816	\$0	\$0	Non-Rental	n/a	1	100.00%	N/A	
<b>Amenities</b>												
<b>In-Unit</b>	Blinds Carpeting Coat Closet Hand Rails Oven Refrigerator Wall A/C					<b>Security</b>	Patrol					
<b>Property</b>	Parking spaces: 50 Clubhouse/Meeting Room/Community Room Courtyard Elevators Central Laundry Off-Street Parking On-Site Management Picnic Area					<b>Premium</b>	none					
<b>Services</b>	none					<b>Other</b>	none					
<b>Comments</b>												
The Subject is an existing Section 8 senior property that offers studio and one-bedroom units along with one two-bedroom manager's unit. The property is being proposed for acquisition and rehabilitation with LIHTCs. Current contract rents effective September 11, 2014 are \$1,123 and \$1,208 for studio and one-bedroom units, respectively. The contact stated that the property maintains a waiting list that is 18 months in length.												



**Unit Layout:** We have inspected the floor plans at the Subject and they appear market-oriented and functional.

**NLA (residential space):** The Subject currently has 49,632 square feet of net leasable residential space, which will remain the same post-renovation.

**Americans With Disabilities Act of 1990:** We assume the property does not have any violations of the Americans With Disabilities Act of 1990.

**Quality of Construction Condition and Deferred Maintenance:** At the time of the inspection, the Subject was in average to good condition and there were no signs of deferred maintenance. It is assumed that the Subject will be renovated in a timely manner consistent with the information provided, using average-quality materials in a professional manner. Post-renovation, the Subject will exhibit good condition.

**Scope of Renovations:** The Subject is a proposed renovation of an existing Section 8 development utilizing LIHTC equity. The Subject was originally constructed in 1986, and currently exhibits average condition. Total construction hard cost including builder profit, overhead, and contingency is estimated to be \$4,000,000, or \$40,000 per unit.

The renovations will be moderate and will include the installation of new high performance energy efficient sliding windows and doors, new kitchen appliances (which will include four burner electric self-cleaning range/ovens, Energy Star side by side refrigerator/freezer, and microwaves), new kitchen cabinets, sinks and counter tops, low flow shower heads, bathroom sinks, grab bars in handicap accessible shower/tubs, new vinyl tile flooring on ground floor lobby and community rooms, new interior and exterior Energy Star lighting fixtures, elevator upgrades, remove and replace existing roofing system, repair and replace existing boilers, upgrade the community gardens and indoor/outdoor activity space.

**Current Unit Mix and Rents:** The following tables summarize the Subject's current unit mix and rents.

<b>CURRENT RENTS</b>				
<b>Unit Type</b>	<b>Number of Units</b>	<b>Current Net Contract Rents</b>	<b>Utility Allowance (1)</b>	<b>Gross Contract Rents</b>
<i>Section 8</i>				
0BR/1BA	24	\$1,123	\$0	\$1,123
1BR/1BA	75	\$1,208	\$0	\$1,208
Manager's Unit				
2BR/1BA	1	\$0	\$0	N/Av
<b>Total</b>	<b>100</b>			

Notes (1) Source of Utility Allowance provided by HUD

<b>UNIT MIX AND SQUARE FOOTAGE – AS IS</b>			
<b>Unit Type</b>	<b>Number of Units</b>	<b>Unit Size (SF)*</b>	<b>Gross Area</b>
0BR/1BA	24	384	9,216
1BR/1BA	75	528	39,600
2BR/1BA	1	816	816
<b>Total</b>	<b>100</b>		<b>49,632</b>

\*Measurements taken by appraiser 10/30/2015

The Subject is currently 94.0 percent occupied. According to the Subject's historical audited financials, the Subject has operated with a total vacancy rate (including collection loss) between 4.3 to 5.6 percent over the past two years with an average total vacancy rate of 4.9 percent.

**Proposed Unit Mix and Rents:**

The following tables summarize the Subject's proposed unit mix and asking rents. Tenants will pay 30 percent of income towards rent.

<b>PROPOSED RENTS</b>						
<b>Unit Type</b>	<b>Number of Units</b>	<b>LIHTC Asking Rents</b>	<b>Utility Allowance (1)</b>	<b>Gross Asking Rents</b>	<b>2015 LIHTC Maximum Allowable Rent</b>	<b>Current Net Section 8 Contract Rents*</b>
<i>Section 8/60% AMI</i>						
0BR/1BA	24	\$717	\$0	\$717	\$717	\$1,123
1BR/1BA	75	\$768	\$0	\$768	\$768	\$1,208
<i>Manager's Unit</i>						
2BR/1BA	1	\$0	\$0	\$0	N/Av	N/Av
<b>Total</b>	<b>100</b>					

Notes (1) All utilities will continue to be included in the rent post-renovation.  
 \*HAP contract effective September 2015; tenants pay 30 percent of income as rent

<b>UNIT MIX AND SQUARE FOOTAGE – AS RENOVATED</b>			
<b>Unit Type</b>	<b>Number of Units</b>	<b>Unit Size (SF)</b>	<b>Gross Area</b>
0BR/1BA	24	384	9,216
1BR/1BA	75	528	39,600
2BR/1BA	1	816	816
<b>Total</b>	<b>100</b>		<b>49,632</b>

**Current Occupancy:** The Subject is currently 94.0 percent occupied. According to the Subject’s historical audited financials, the Subject has operated with a total vacancy rate (including collection loss) between 4.3 to 5.6 percent over the past two years with an average total vacancy rate of 5.0 percent.

**Current Tenant Income:** Most of the current tenants at the Subject have incomes that would be too low to income-qualify for the Subject without its current Section 8 contract. According to the rent roll dated September 30, 2015 it appears that one tenant will have an income higher than the maximum allowable income threshold post rehabilitation.

**Functional Obsolescence:** Site plans and floor plans were not provided as of the effective date of the report. However, during our site inspection it appears that the development is market-oriented and functional. The Subject will be newly renovated. We assume the Subject will not suffer from functional obsolescence.

**Conclusion:** The Subject currently exhibits average condition. Upon rehabilitation, the Subject will be a good-quality apartment complex, comparable or superior to most of the inventory in

the area. The Subject appears to be market-oriented and functional.

**REAL ESTATE ASSESSMENT AND TAXES**

The following real estate tax estimate is based upon our interviews with local assessment officials, either in person or via telephone. We do not warrant its accuracy. It is our best understanding of the current system as reported by local authorities. Currently, the assessment of affordable housing properties is a matter of intense debate and in many jurisdictions pending legal action. The issue often surrounds how the intangible value or restricted rents are represented. We cannot issue a legal opinion as to how the taxing authority will assess the Subject. We advise the client to obtain legal counsel to provide advice as to the most likely outcome of a possible reassessment.

Real estate taxes for a property located in Fulton County are based upon a property's assessed valuation for each tax year. Real estate taxes in this county represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes to an individual property may be determined by multiplying the assessed value for the property by a composite rate. We spoke to Gaetjens Croeus, a Fulton County assessor, who informed us that multifamily properties in the county are primarily valued with a combination of all three approaches and are assessed at 40 percent of full market value. According to our contact, all properties in the county are reassessed every year on January 1st. Additionally, a recent sale of a property is considered in the reassessment. According to the Fulton County Tax Commissioner, the millage rate for the Subject for 2015 is \$43.41 per \$1,000 for the combined county and city taxes. The following illustrates the Subject's current market value; the Subject's current assessed value is zero as the property is currently tax exempt.

<b>SUBJECT'S CURRENT ASSESSMENT- 2015 (TAX EXEMPT)</b>				
<b>Parcel ID</b>	<b>Market Value of Land</b>	<b>Market Value of Improvements</b>	<b>Total Market Value</b>	<b>Market Value Per Unit</b>
14 011800020495	\$338,000	\$6,351,600	\$6,689,600	\$66,896
14 011800020560	\$272,300	\$35,400	\$307,700	\$3,077
<b>Total</b>	<b>\$306,100</b>	<b>\$6,387,000</b>	<b>\$6,997,300</b>	<b>\$69,973</b>

The Subject currently benefits from a full tax exemption. According to the developer, the exemption will not remain in effect upon transfer, due to the change in ownership to a for profit corporation. As such, a typical buyer would need to contemplate an appropriate tax burden for both the "as is" and "as renovated" valuation scenarios.

For illustrative purposes, we have presented the Subject's various restricted and unrestricted tax estimates using the recapitulation technique as the county will take the purchase price of the Subject into account for the next assessment. The tables on the following page illustrate our tax analysis for each valuation scenario, utilizing the recapitulation technique.

<b>TAX CALCULATION AND RECAPITULATION</b>		
<b>As Is</b>		
	<b>Per Unit</b>	<b>Total</b>
<b>NOI without Taxes</b>	<b>\$9,903</b>	<b>\$628,196</b>
<b>Cap Rate</b>	<b>5.50%</b>	<b>5.50%</b>
Assessment Ratio	40.00%	40.00%
<b>Total Tax Calculation</b>	<b>4.341000%</b>	<b>4.341000%</b>
<b>Indicated Tax Burden</b>	<b>\$1,507</b>	<b>\$150,738</b>
<b>Indicated Value Rounded</b>	<b>\$90,000</b>	<b>\$8,700,000</b>
<b>Recapitulation</b>		
NOI Including Taxes	\$4,775	\$477,458
Cap Rate	5.50%	5.50%
<b>Capitalized Value</b>	<b>\$86,810.52</b>	<b>\$8,681,052</b>
<b>Rounded</b>	<b>\$87,000</b>	<b>\$8,700,000</b>
Indicated Tax Burden	\$1,507	\$150,738
Special Assessments	\$0	\$0
Total Taxes & Special Assessments	\$1,507	\$150,738
NOI Including Taxes & Spec. Assess.	\$4,774.58	\$477,458

<b>TAX CALCULATION AND RECAPITULATION</b>		
<b>As Renovated Restricted</b>		
	<b>Per Unit</b>	<b>Total</b>
<b>NOI without Taxes</b>	<b>\$5,409</b>	<b>\$696,196</b>
<b>Cap Rate</b>	<b>5.50%</b>	<b>5.50%</b>
Assessment Ratio	40.00%	40.00%
<b>Total Tax Calculation</b>	<b>4.341000%</b>	<b>4.341000%</b>
<b>Indicated Tax Burden</b>	<b>\$1,671</b>	<b>\$167,055</b>
<b>Indicated Value Rounded</b>	<b>\$100,000</b>	<b>\$9,600,000</b>
<b>Recapitulation</b>		
NOI Including Taxes	\$5,291	\$529,141
Cap Rate	5.50%	5.50%
<b>Capitalized Value</b>	<b>\$96,207</b>	<b>\$9,620,746</b>
<b>Rounded</b>	<b>\$96,000</b>	<b>\$9,600,000</b>
Indicated Tax Burden	\$1,671	\$167,055
Special Assessments	\$0.00	\$0
Total Taxes & Special Assessments	\$1,671	\$167,055
NOI Including Taxes & Spec. Assess.	\$5,291	\$529,141

<b>TAX CALCULATION AND RECAPITULATION</b>		
<b>As Renovated Unrestricted</b>		
	<b>Per Unit</b>	<b>Total</b>
<b>NOI without Taxes</b>	<b>\$9,903</b>	<b>\$334,984</b>
<b>Cap Rate</b>	<b>5.50%</b>	<b>5.50%</b>
Assessment Ratio	40.00%	40.00%
<b>Total Tax Calculation</b>	<b>4.341000%</b>	<b>4.341000%</b>
<b>Indicated Tax Burden</b>	<b>\$804</b>	<b>\$80,381</b>
<b>Indicated Value Rounded</b>	<b>\$50,000</b>	<b>\$4,600,000</b>
<b>Recapitulation</b>		
NOI Including Taxes	\$2,546	\$254,603
Cap Rate	5.50%	5.50%
<b>Capitalized Value</b>	<b>\$46,291</b>	<b>\$4,629,148</b>
<b>Rounded</b>	<b>\$46,000</b>	<b>\$4,600,000</b>
Indicated Tax Burden	\$804	\$80,381
Special Assessments	\$0	\$0
Total Taxes & Special Assessments	\$804	\$80,381
NOI Including Taxes & Spec. Assess.	\$2,546	\$254,603

The previous tables indicate an as is, as renovated restricted, and as renovated unrestricted tax expense of \$1,507, \$1,671, and \$804 per unit, respectively. The developer's restricted tax budget is \$1,400 per unit for 2015, which is just slightly below our restricted tax estimates. Therefore, we have deferred to our estimates, based on our recapitulation calculations.

## ZONING

### **Current Zoning**

According to the City of Atlanta Zoning Map the Subject site is zoned RG-4-C, Residential General District Sector 4. The principal residential uses permitted under this zoning code are single-family and multifamily developments. The Subject site is 1.62 acres, or 70,567 square feet. This zoning district allows for a maximum floor-to-area ratio of 1.49. The Subject is currently developed to a floor-to-area ratio of 1.81, above the requirement for Sector 4 of the General Residential District. Furthermore, RG-4-C requires 0.73 parking spaces per dwelling unit, which would require the Subject to provide a minimum of 73 parking spaces. The Subject currently offers approximately 50 off-street parking spaces. The site is currently above the maximum floor-to-area ratio and below the required parking spaces. The Subject appears to be a legal, non-conforming use.

### **Prospective Zoning Changes**

We are not aware of any proposed zoning changes at this time.

# **COMPETITIVE RENTAL/DEMAND ANALYSIS**

## COMPETITIVE RENTAL/DEMAND ANALYSIS

### SUPPLY ANALYSIS

### INTERVIEWS/DISCUSSION

#### Fort Valley's Assisted Housing Programs Department

According to Ken with the Atlanta Housing Authority, there are seven regions under the Atlanta Housing Authority's jurisdiction and currently 10,000 applications for Housing Choice Vouchers. The waiting list was last opened in January 2015. Ken could not provide the number of vouchers currently in use within the city. The following table illustrates the current gross rent payment standards for the Southwest Region.

ATLANTA, GA- SOUTHWEST REGION PAYMENT STANDARDS	
Bedroom Type	Payment Standard Rent
0BR	\$500
1BR	\$780
2BR	\$900
3BR	\$1,095
4BR	\$1,195

The Subject's proposed gross studio LIHTC rents are above the current payment standards and the proposed one-bedroom rents are below. Nonetheless, the Subject's units will continue to benefit from project-based Section 8 subsidies post-renovation. As such, tenants will pay 30 percent of income as rent, not to exceed the LIHTC rents, and an analysis of tenant based vouchers is moot.

#### LIHTC Competition/Recent and Proposed Construction

According to the Georgia Department of Community Affairs, there are two proposed LIHTC projects in the development pipeline for the PMA, which are detailed as follows:

- Gateway Capital View will be located at 1374 Murphy Avenue approximately 1.2 miles south of the Subject if it is allocated LIHTCs in the 2015 funding period. The property will offer for 94 one and two-bedroom family units to tenants earning 60 percent of the AMI or less. The one-bedroom units would compete with the Subject upon competition.
- Phoenix House is located at 1296 Murphy Avenue SW approximately 1.1 miles south of the Subject. Phoenix House has applied for LIHTCs in the 2015 funding period to rehabilitate its 69 studio units. Phoenix House targets mentally disabled and formerly homeless tenants and operates with Shelter Plus Care subsidy. This property does not currently compete with the Subject due to the target tenancy and will not after renovations.

#### Planning

We spoke with Theresa Hill with the City of Atlanta Multifamily Housing Department in regards to planned, proposed, or recently completed residential development in the Subject's area. Ms. Hill

informed us of two senior multifamily projects in Atlanta. City Lights, is an 80-unit senior development that is currently under construction and is expected to be completed in September 2016. City Lights will consist of 80 one-bedroom units, 38 of which will be restricted to seniors earning 80 percent of the AMI or below. City Lights will be located 3.6 miles northeast of the Subject outside of the PMA. Reynoldstown Senior Apartments will be a 70-unit senior LIHTC development and will offer one and two-bedroom units along with a manager's unit. Reynoldstown Senior Apartments will be located 3.7 miles east of the Subject outside the PMA. Ms. Hill was unaware of any proposed or recently completed market rate multifamily developments in the Subject's area.

Additionally, according to Reis.com, Glenwood Place Apartments will be located at Glenwood Avenue and Bill Kennedy Way approximately 2.9 miles east of the Subject. Glenwood Place Apartments will offer 216 apartments, senior housing, 24,000 square feet of restaurants and shops, along with an 118,000 Kroger Grocery Store. Glenwood Place Apartments broke ground in April 2015 and will be completed sometime in the fall of 2016. We were unable to obtain information regarding unit mix and rents.

### **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 nine "true" comparable properties containing 2,235 units that are 99.1 percent occupied. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided later in this section. A map illustrating the location of the Subject in relation to comparable properties is also provided in this section. 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 good. There are numerous LIHTC properties in the PMA, four of which we selected as "true" comparables. Additionally, we included two LIHTC properties that are located outside the PMA. The availability of market rate data is also considered good as there are a sufficient number of market rate properties that are located within the PMA. We have included two market rate properties and five mixed income properties in the rental analysis. Four of the seven market rate/mixed income properties are located outside the PMA. These comparable market rate properties were built between 1952 and 2007. These projects offer a mix of studio, one, two, and three-bedroom units.

It should be noted that four of the nine comparables are located outside the PMA. We expanded our search outside the PMA to incorporate comparables that offered senior tenancy and contained studio and one-bedroom units that are similar sizes as compared to the Subject. We believe that even though some of the comparables are further than generally warranted that they are a good comparison to the Subject.

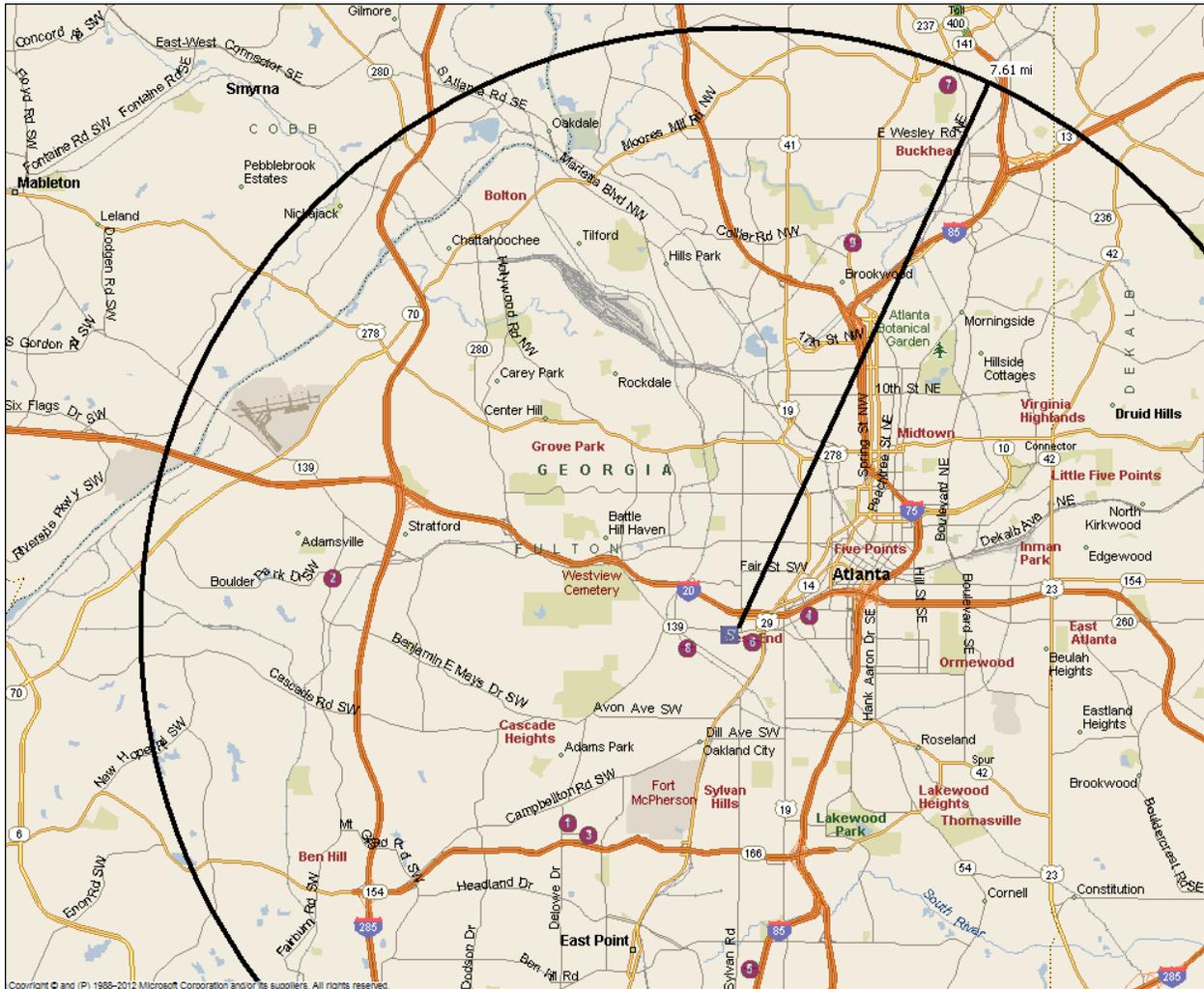
**Excluded Properties**

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

EXCLUDED PROPERTIES IN THE PMA							
Property Name	Address	Zip Code	Rent Structure	Reason for Exclusion	Units	Occupancy	Waiving list
Baptist Towers	1881 Myrtle Dr SW	30311	Senior/Section 8	Subsidized	N/Av	N/Av	N/Av
142 Meldon Ave Se	142 Meldon Ave Se	30315	Senior LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
416 Atwood St Sw	416 Atwood St SW	30310	LIHTC	Only two units	2	100%	No
426 Atwood St Sw	427 Atwood St Sw	30310	LIHTC	Only two units	2	100%	No
432 Atwood St Sw	432 Atwood St SW	30310	LIHTC	Only two units	2	100%	No
494 Atwood St Sw	495 Atwood St Sw	30310	LIHTC	Only two units	2	100%	No
766 Azalia St Sw	767 Azalia St Sw	30310	LIHTC	Only two units	2	100%	No
770 Azalia St Sw	770 Azalia St SW	30310	LIHTC	Only two units	N/Av	N/Av	N/Av
774 Azalia St Sw	774 Azalia St Sw	30310	LIHTC	Only two units	N/Av	N/Av	N/Av
920 Sells Ave Sw	921 Sells Ave Sw	30310	LIHTC	No information available	N/Av	N/Av	N/Av
924 Mathews St Sw	924 Mathews St SW	30310	LIHTC	Only six units	N/Av	N/Av	N/Av
932 Mathews St Sw	933 Mathews St Sw	30310	LIHTC	Only two units	2	100%	No
936 Mathews St Sw	936 Mathews St Sw	30310	LIHTC	Only two units	N/Av	N/Av	N/Av
Allen Hills Apartments	3155 Hickman Dr NW	30311	Section 8	Subsidized	N/Av	N/Av	N/Av
Allen Temple	50 Allen Temple Ct NW	30311	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Amal Townhome Community	535 Amal Dr SW	30315	LIHTC	Adaquate comparable closer	100	N/Av	N/Av
Ashley Collegetown, Phase II	965 Sells Ave SW	30310	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Ashley West End	717 Lee Street SW	30314	LIHTC	Dissimilar rent structure	112	99%	Yes
The Villages at Carver	174 Moury Ave Sw	30315	LIHTC	Superior condition to Subject	667	97%	Yes-7,000 households
Atlanta Napfe Elderly Towers	359 W Lake Ave NW	30318	Senior/Section 8	Subsidized	97	96%	Yes
Atrium At Collegetown	435 Joseph E. Lowery Blvd. SW	30310	LIHTC	Superior amenities included	190	100%	Yes-187 households
Atwood Street Duplex	656 Atwood Street SW	30310	LIHTC	Only two units	2	100%	No
Berean Village & Senior Service Center	230 Westview Place SW	30314	Section 8	Subsidized	N/Av	N/Av	N/Av
Betmar Village	345 Ashwood Avenue	30315	LIHTC	Superior condition to Subject	47	100%	Yes
Boynton Village (FKA Stanton Oaks)	1044 Capital Ave SE	30315	Section 8	Subsidized	N/Av	N/Av	N/Av
Brentwood Creek	1935 Alison Ct SW	30311	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Brentwood Heights	1935 Alison Ct SW	30311	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Capitol Avenue School	811 Hank Aaron Drive Se	30315	Senior/Section 8	Subsidized	48	N/Av	N/Av
Capitol Towers	830 Crew Street SW	30315	Senior/Section 8	Subsidized	39	100%	Yes-1.5 years
Capitol Vanira	942 Capitol Ave	30315	Section 8	Subsidized	N/Av	N/Av	N/Av
Caribu Apartments	2001 Sylvan Road	30310	Market	Adaquate comparable closer	166	0.98	No
City Views At Rosa Burney Park	259 Richardson Street	30312	LIHTC/PBRA	Subsidized	180	99%	Yes
Columbia At Peopletown	222 Tuskegee St SE	30315	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Columbia at Sylvan Hills	1151 Astor Ave Sw	30310	LIHTC	Superior condition to Subject	191	94%	Yes
Columbia Blackshear Senior Residences	14 Meldon Avenue SW	30315	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Columbia Plaza Apts	1017 Westview Drive SW	30310	LIHTC	Unable to contact	N/Av	N/Av	N/Av
Community Friendship	684 Lawton St	30310	Section 8	Subsidized	N/Av	N/Av	N/Av
Coulmbia High Pt Estates Sr	220 Bowen Cir SW	30315	Senior LIHTC	Adaquate comparable closer	N/Av	N/Av	N/Av
Courtyard At Maple	55 Maple Street Nw	30314	LIHTC	Superior condition to Subject	182	100%	No
Croggman School Lofts	1094 West Ave Sw	30315	LIHTC	Adaquate comparable closer	N/Av	N/Av	N/Av
Enclave at Webster Park	2640 M.L.K. Jr Dr NW	30311	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Fairlie Poplar Lofts	8789 Fairlie Street	30303	Market	Inferior condition to Subject	15	0.99	No
Friendship Towers	35 Northside Dr SW	30313	Senior/Section 8	Subsidized	102	100%	Yes-6 months
Gardens At Collegetown	387 Joseph E Lowery Blvd SW	30310	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Gates Park Crossing Hfs Apts	5555 Glenridge Con	30342	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Gateway Apts At Northside Village	370 Northside Dr NW	30318	LIHTC	Adaquate comparable closer	261	N/Av	N/Av
Georgia Avenue Highrise	174 Georgia Ave., SE	30312	PH	Subsidized	N/Av	N/Av	N/Av
Grant Park Commons	1940 Fisher Road SE	30315	LIHTC	Dissimilar unit mix	344	70%	No
Greenwich Street Apts	1241 Greenwich St SW	30310	LIHTC	Only two units	2	N/Av	N/Av
Lillie R Campbell House	1830 Campbellton Rd SW	30311	Senior LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Magnolia Park Apts, Phase II	60 Paschal St	30314	LIHTC	Adaquate comparable closer	N/Av	N/Av	N/Av
Martin Street Plaza	600 Martin Street SE	30312	PH	Subsidized	N/Av	N/Av	N/Av
Mechanicsville Apts, Phase III	565 Wells St SW	30312	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Mechanicsville Apts, Phase VI	565 McDaniel St SW	30312	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Mechanicsville Station	520 Fulton Street	30312	Section 8	Subsidized	164	96%	Yes
Oakland City/West End Apartments	1191 Oakland Lane	30310	Section 8	Subsidized	N/Av	N/Av	N/Av
Oglethorpe Apartments	1058 Oglethorpe Ave. SW	30310	Market	Dissimilar unit mix	N/Av	N/Av	N/Av
Park At Lakewood	1991 Delowe Drive	30311	LIHTC	Dissimilar unit mix	299	60%	No

Patterson Heights	876 Washington St Sw	30315	LIHTC	Only 10 units	10	N/Av	N/Av
Peaks At Martin Luther King	2423 M.L.K. Jr Dr NW	30311	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Pittsburgh, Phase I L220	765 McDaniel St SW	30310	Senior LIHTC	Superior condition to Subject	220	N/Av	N/Av
Preserve At Bent Creek	1994 Bent Creek Way SW	30311	LIHTC	Superior condition to Subject	324	94%	No
Preserve At Collier Ridge	1021 Harwell Rd NW	30318	LIHTC	Superior condition to Subject	416	70%	No
Provenance At Hollowell Family	2748 Donald Lee Hollowell Pkwy Nw	30318	LIHTC	Adaquate comparable closer	N/Av	N/Av	N/Av
Providence Manor	2447 Campbellton Rd	30311	Section 8	Subsidized	N/Av	N/Av	N/Av
QLS Haven	1840 Campbellton Road	30311	Senior/Section 8	Subsidized	120	98%	Yes-2 years
Reed Street Apts	565 Reed St SE	30312	LIHTC	Dissimilar unit mix	N/Av	N/Av	N/Av
Rosa Burney Manor	582 Cooper Street	30312	LIHTC	Dissimilar unit mix	54	98%	Yes-6 households
Seven Courts	2800 Martin Luther King Jr Blvd	30311	LIHTC	Superior condition to Subject	171	91%	Yes
Showcase District	922 Mathews St Sw	30310	LIHTC	Could not reach	N/Av	N/Av	N/Av
Square At Peopletown	875 Hank Aaron Drive	30315	LIHTC	Superior condition to Subject	94	96%	No
Sylvan Circle	1950 Sylvan Road SW	30310	Market	Inferior condition to Subject	296	0.5	No
The Veranda At Colleetown	372 Legacy Dr	30310	Senior/Section 8	Subsidized	100	100%	Yes
The Villages at Castleberry Hill	601 Greensferry Ave Sw	30314	LIHTC	Superior condition to Subject	450	97%	Yes-100 households
Thornton Place	3056 Pomona Way	30344	LIHTC	Only 12 units	12	N/Av	N/Av
Toby Sexton Redevelopment	490 Glenn St SW	30312	LIHTC	Not enough information available	N/Av	N/Av	N/Av
Trestletree Village Apts	904 Confederate Ct SE	30312	Section 8	Subsidized	188	100%	Yes-500 households
Veranda Carver	217 SW Thirkield Ave	30315	LIHTC	Superior condition to Subject	N/Av	N/Av	N/Av
Villages Of Cascade Apts	821 Celeste Ln SW	30331	LIHTC	Dissimilar unit mix	N/Av	N/Av	N/Av
Washington Heights	1013 Washington Heights Ter NW	30314	LIHTC	Single-family home	1	N/Av	N/Av
Wells Court Commons	1856 Wells Drive SW	30311	LIHTC	Dissimilar unit mix	N/Av	N/Av	N/Av
Westview Lofts	202 11th St NE	30309	LIHTC	Only 21 units	21	N/Av	N/Av

Comparable Rental Property Map I

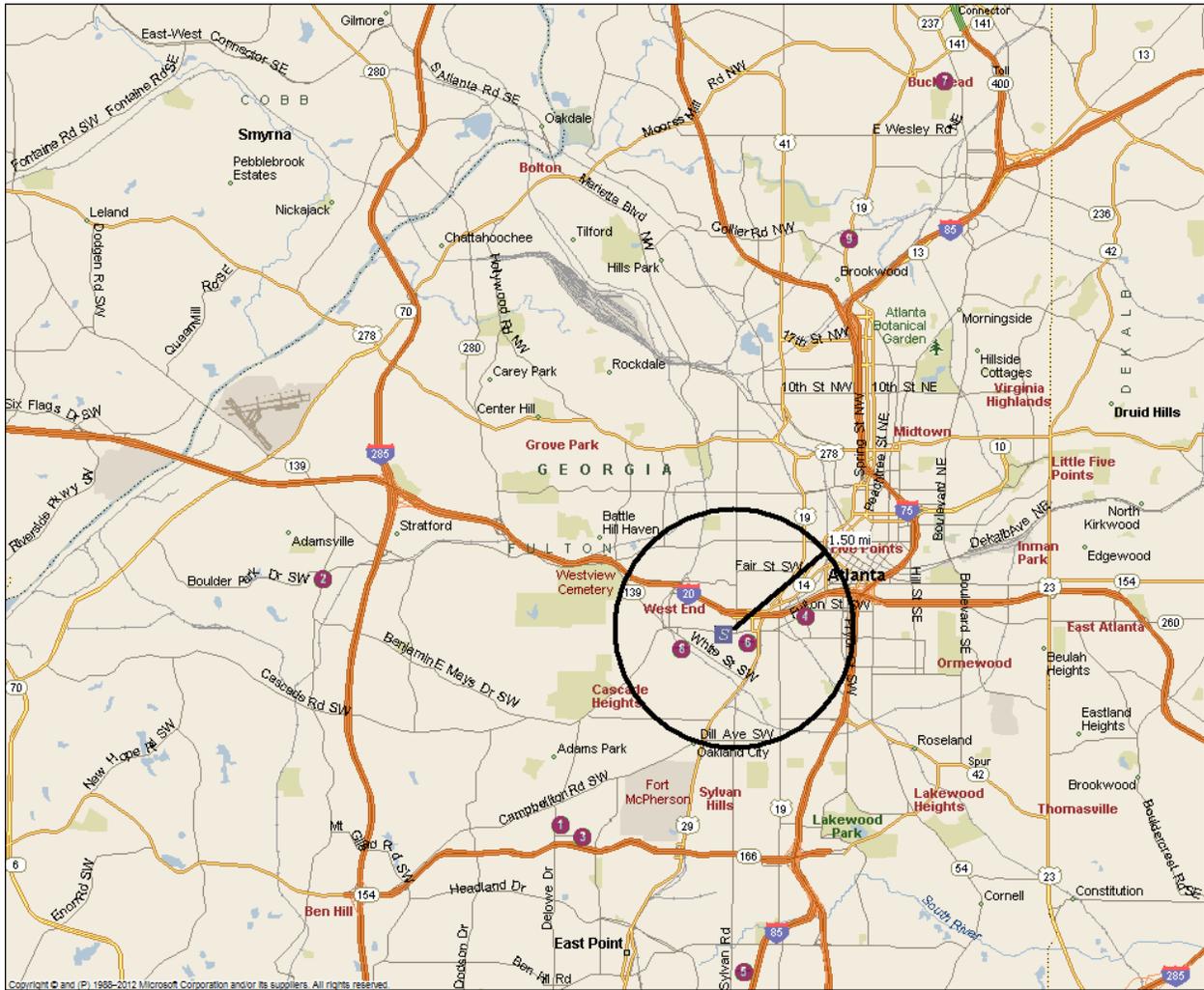


COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Baptist Gardens	Atlanta	Senior LIHTC	3.1 miles
2	Big Bethel Village*	Atlanta	Senior LIHTC/Market	4.9 miles
3	Brentwood Village Apartments	Atlanta	LIHTC	2.9 miles
4	Columbia Senior Residences At Mechanicsville	Atlanta	Senior LIHTC/Market/Public Housing/PBRA	1.2 miles
5	Heritage Greene*	Atlanta	LIHTC/Market	4.2 miles
6	Oglethorpe Place	Atlanta	LIHTC/Market	0.4 miles
7	Calvin Court*	Atlanta	Senior Section 8/Market	7.6 miles
8	Donnelly Gardens	Atlanta	Market	0.4 miles
9	The Darlington*	Atlanta	Market	5.4 miles

\*Located outside the PMA

Comparable Rental Property Map II



COMPARABLE PROPERTIES				
#	Property Name	City	Type	Distance
1	Baptist Gardens	Atlanta	Senior LIHTC	3.1 miles
2	Big Bethel Village*	Atlanta	Senior LIHTC/Market	4.9 miles
3	Brentwood Village Apartments	Atlanta	LIHTC	2.9 miles
4	Columbia Senior Residences At Mechanicsville	Atlanta	Senior LIHTC/Market/Public Housing/PBRA	1.2 miles
5	Heritage Greene*	Atlanta	LIHTC/Market	4.2 miles
6	Oglethorpe Place	Atlanta	LIHTC/Market	0.4 miles
7	Calvin Court*	Atlanta	Senior Section 8/Market	7.6 miles
8	Donnelly Gardens	Atlanta	Market	0.4 miles
9	The Darlington*	Atlanta	Market	5.4 miles

\*Located outside the PMA

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	Abernathy Tower Apartments 1059 Oglethorpe Avenue SW Atlanta, GA 30310 Fulton County	n/a	Midrise (age-restricted) (5 stories) 1986 / 2011	LIHTC/Section 8	Studio / 1BA	24	24.0%	@60%	\$717	384	yes	Yes	0	0.0%	
					1BR / 1BA	75	75.0%	@60%	\$768	528	yes	Yes	5	6.7%	
					2BR / 1BA	1	1.0%	Non-Rental	\$0	816	n/a		1	100.0%	
						100	100.0%						6	6.0%	
1	Baptist Gardens 1928 Delowe Drive SW Atlanta, GA 30311 Fulton County	3.1 miles	Lowrise (age-restricted) (4 stories) 2013 / n/a	LIHTC	1BR / 1BA	25	25.0%	@50%	\$673	750	yes	Yes	0	0.0%	
					1BR / 1BA	75	75.0%	@60%	\$700	750	no	Yes	1	1.3%	
						100	100.0%						1	1.0%	
2	Big Bethel Village 500 Richard Allen Boulevard SW Atlanta, GA 30331 Fulton County	4.9 miles	Lowrise (age-restricted) (3 stories) 2003 / n/a	LIHTC, Market	Studio / 1BA	14	11.7%	@60%	\$650	358	no	Yes	0	0.0%	
					Studio / 1BA	4	3.3%	Market	\$700	358	n/a	No	0	0.0%	
					1BR / 1BA	19	15.8%	@60%	\$750	433	no	Yes	0	0.0%	
					1BR / 1BA	6	5.0%	@60%	\$795	500	n/a	Yes	0	0.0%	
					1BR / 1BA	6	5.0%	@60%	\$795	538	no	Yes	0	0.0%	
					1BR / 1BA	5	4.2%	Market	\$805	433	no	No	0	0.0%	
					1BR / 1BA	3	2.5%	Market	\$930	500	n/a	No	0	0.0%	
					1BR / 1BA	3	2.5%	Market	\$940	538	n/a	No	0	0.0%	
					1.5BR / 1BA	10	8.3%	@60%	\$820	630	no	Yes	0	0.0%	
					1.5BR / 1BA	1	0.8%	Market	\$1,050	630	n/a	No	0	0.0%	
					1.5BR / 1BA	4	3.3%	Market	\$1,075	639	n/a	No	0	0.0%	
					2BR / 2BA	9	7.5%	@60%	\$995	700	no	Yes	0	0.0%	
					2BR / 2BA	26	21.7%	@60%	\$995	759	no	Yes	1	3.8%	
					2BR / 2BA	10	8.3%	Market	\$1,175	759	n/a	No	1	10.0%	
	120	100.0%							2	1.7%					
3	Brentwood Village Apartments 1935 Alison Court Atlanta, GA 30311 Fulton County	2.9 miles	Garden (3 stories) 2001 / n/a	LIHTC	Studio / 1BA	N/A	N/A	@60%	\$549	487	no	None	0	N/A	
					1BR / 1BA	N/A	N/A	@60%	\$601	584	no	None	1	N/A	
					1BR / 1BA	N/A	N/A	@60%	\$699	648	no	None	0	N/A	
					2BR / 2BA	N/A	N/A	@60%	\$732	648	no	None	1	N/A	
					2BR / 2BA	N/A	N/A	@60%	\$832	975	no	None	0	N/A	
					3BR / 2BA	N/A	N/A	@60%	\$857	1,028	no	None	2	N/A	
						506	100.0%							4	0.8%
4	Columbia Senior Residences At Mechanicsville 555 McDaniel St Atlanta, GA 30312 Fulton County	1.2 miles	Midrise (age-restricted) (4 stories) 2007 / n/a	LIHTC, Market, Public Housing, PBRA	1BR / 1BA	16	10.4%	@60%	\$886	750	yes	Yes	N/A	N/A	
					1BR / 1BA	3	1.9%	Market	\$1,039	750	n/a	Yes	N/A	N/A	
					1BR / 1BA	81	52.6%	PBRA	N/A	750	n/a	Yes	N/A	N/A	
					1BR / 1BA	54	35.1%	Public Housing	N/A	750	n/a	Yes	N/A	N/A	
						154	100.0%							4	2.6%
5	Heritage Greene 2891 Springdale Road Atlanta, GA 30315 Fulton County	4.2 miles	Garden (2 stories) 1980s / 2004	LIHTC, Market	Studio / 1BA	1	0.9%	@30%	\$375	555	no	Yes	0	0.0%	
					Studio / 1BA	2	1.8%	@50%	\$634	555	no	Yes	0	0.0%	
					Studio / 1BA	1	0.9%	Market	\$669	555	n/a	Yes	0	0.0%	
					1BR / 1BA	8	7.3%	@30%	\$413	745	no	Yes	0	0.0%	
					1BR / 1BA	25	22.9%	@50%	\$690	745	no	Yes	0	0.0%	
					1BR / 1BA	12	11.0%	@54%	\$749	745	no	Yes	0	0.0%	
					1BR / 1BA	11	10.1%	Market	\$803	745	n/a	Yes	0	0.0%	
					2BR / 1BA	6	5.5%	@30%	\$508	947	no	Yes	0	0.0%	
					2BR / 1BA	20	18.3%	@50%	\$838	947	no	Yes	0	0.0%	
					2BR / 1BA	7	6.4%	@54%	\$904	947	no	No	0	0.0%	
					2BR / 1BA	8	7.3%	Market	\$944	947	n/a	No	0	0.0%	
					3BR / 2BA	1	0.9%	@30%	\$598	1,057	n/a	Yes	0	0.0%	
					3BR / 2BA	4	3.7%	@50%	\$984	1,057	n/a	Yes	0	0.0%	
					3BR / 2BA	1	0.9%	@54%	\$1,054	1,057	no	Yes	0	0.0%	
3BR / 2BA	2	1.8%	Market	\$1,129	1,057	n/a	No	0	0.0%						
	109	100.0%								0	0.0%				

6	Oglethorpe Place 835 Oglethorpe Av. SW Atlanta, GA 30310 Fulton County	0.4 miles	Garden (3 stories) 1996 / n/a	LIHTC, Market	1BR / 1BA	7	4.9%	@ 50%	\$705	670	no	No	0	0.0%			
					1BR / 1BA	29	20.1%	Market	\$992	670	n/a	No	0	0.0%			
					2BR / 1BA	10	6.9%	@ 50%	\$820	903	no	No	0	0.0%			
					2BR / 1BA	38	26.4%	Market	\$1,195	903	n/a	No	0	0.0%			
					2BR / 2BA	10	6.9%	@ 50%	\$865	1,080	no	No	0	0.0%			
					2BR / 2BA	50	34.7%	Market	\$1,195	1,080	n/a	No	N/A	N/A			
					144	100.0%						8	5.6%				
7	Calvin Court 479 E. Paces Ferry Road, NE Atlanta, GA 30305 Fulton County	7.6 miles	Highrise (age-restricted) (11 stories) 1969 / As needed	Market, Section 8	Studio / 1BA	38	15.8%	Market	\$622	378	n/a	Yes	0	0.0%			
					Studio / 1BA	53	22.1%	Section 8	\$586	378	n/a	Yes	0	0.0%			
					Studio / 2BA	39	16.2%	Market	\$1,092	756	n/a	Yes	0	0.0%			
					1BR / 1BA	36	15.0%	Market	\$820	539	n/a	Yes	0	0.0%			
					1BR / 1BA	35	14.6%	Market	\$931	600	n/a	Yes	0	0.0%			
					1BR / 1BA	39	16.2%	Section 8	\$773	539	n/a	Yes	0	0.0%			
					240	100.0%						0	0.0%				
8	Donnelly Gardens 1295 Donnelly Avenue SW Atlanta, GA 30310 Fulton County	0.4 miles	Garden (2 stories) 1965 / As needed	Market	Studio / 1BA	8	3.2%	Market	\$598	550	n/a	No	0	0.0%			
					1BR / 1BA	176	70.4%	Market	\$608	675	n/a	No	0	0.0%			
					1BR / 1BA	N/A	N/A	Market	\$618	740	n/a	No	0	N/A			
					2BR / 1BA	14	5.6%	Market	\$741	850	n/a	No	0	0.0%			
					2BR / 1.5BA	52	20.8%	Market	\$761	950	n/a	No	0	0.0%			
										250	100.0%					0	0.0%
9	The Darlington 2025 Peachtree Road Atlanta, GA 30309 Fulton County	5.4 miles	Highrise (13 stories) 1952 / 1980s	Market	Studio / 1BA	250	40.8%	Market	\$716	430	n/a	No	0	0.0%			
					Studio / 1BA	250	40.8%	Market	\$786	470	n/a	No	0	0.0%			
					1BR / 1BA	56	9.2%	Market	\$1,080	500	n/a	No	0	0.0%			
					1BR / 1BA	56	9.2%	Market	\$1,140	600	n/a	No	0	0.0%			
										612	100.0%					0	0.0%

# Abernathy Tower Apartments, Atlanta, GA; Appraisal

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date:		Oct-15	Units Surveyed:	2,235	Weighted Occupancy:	99.1%
			Market Rate	1,102	Market Rate	100.0%
			Tax Credit	1,133	Tax Credit	98.3%
Studio One Bath		One Bedroom One Bath		Two Bedrooms One Bath		
RENT	Property	Average	Property	Average	Property	Average
	The Darlington	\$786	The Darlington	\$1,140	Oglethorpe Place * (M)	\$1,195
	<b>Abernathy Tower Apartments * (60%)</b>	<b>\$717</b>	The Darlington	\$1,080	Big Bethel Village * (2BA M)	\$1,175
	The Darlington	\$716	Columbia Senior Residences At Mechanicsville * (M)	\$1,039	Big Bethel Village * (2BA 60%)	\$995
	Big Bethel Village * (M)	\$700	Oglethorpe Place * (M)	\$992	Big Bethel Village * (2BA 60%)	\$995
	Heritage Greene * (M)	\$669	Big Bethel Village * (M)	\$940	Heritage Greene * (M)	\$944
	Big Bethel Village * (60%)	\$650	Calvin Court	\$931	Heritage Greene * (54%)	\$904
	Heritage Greene * (50%)	\$634	Big Bethel Village * (M)	\$930	Heritage Greene * (50%)	\$838
	Calvin Court	\$622	Columbia Senior Residences At Mechanicsville * (60%)	\$886	Oglethorpe Place * (50%)	\$820
	Donnelly Gardens	\$598	Calvin Court	\$820	Donnelly Gardens	\$741
	Calvin Court	\$586	Big Bethel Village * (M)	\$805	Brentwood Village Apartments * (60%)	\$732
	Brentwood Village Apartments * (60%)	\$549	Heritage Greene * (M)	\$803	Heritage Greene * (30%)	\$508
	Heritage Greene * (30%)	\$375	Big Bethel Village * (60%)	\$795		
			Big Bethel Village * (60%)	\$795		
			Calvin Court	\$773		
			<b>Abernathy Tower Apartments * (60%)</b>	<b>\$768</b>		
			Big Bethel Village * (60%)	\$750		
			Heritage Greene * (54%)	\$749		
			Oglethorpe Place * (50%)	\$705		
			Baptist Gardens * (60%)	\$700		
			Brentwood Village Apartments * (60%)	\$699		
			Heritage Greene * (50%)	\$690		
			Baptist Gardens * (50%)	\$673		
			Donnelly Gardens	\$618		
			Donnelly Gardens	\$608		
			Brentwood Village Apartments * (60%)	\$601		
			Heritage Greene * (30%)	\$413		
SQUARE FOOTAGE	Heritage Greene * (30%)	555	Baptist Gardens * (50%)	750	Heritage Greene * (30%)	947
	Heritage Greene * (50%)	555	Baptist Gardens * (60%)	750	Heritage Greene * (50%)	947
	Heritage Greene * (M)	555	Columbia Senior Residences At Mechanicsville * (60%)	750	Heritage Greene * (54%)	947
	Donnelly Gardens	550	Columbia Senior Residences At Mechanicsville * (M)	750	Heritage Greene * (M)	947
	Brentwood Village Apartments * (60%)	487	Heritage Greene * (30%)	745	Oglethorpe Place * (50%)	903
	The Darlington	470	Heritage Greene * (50%)	745	Oglethorpe Place * (M)	903
	The Darlington	430	Heritage Greene * (54%)	745	Donnelly Gardens	850
	<b>Abernathy Tower Apartments * (60%)</b>	<b>384</b>	Heritage Greene * (M)	745	Big Bethel Village * (2BA 60%)	759
	Calvin Court	378	Donnelly Gardens	740	Big Bethel Village * (2BA M)	759
	Calvin Court	378	Donnelly Gardens	675	Big Bethel Village * (2BA 60%)	700
	Big Bethel Village * (60%)	358	Oglethorpe Place * (50%)	670	Brentwood Village Apartments * (60%)	648
	Big Bethel Village * (M)	358	Oglethorpe Place * (M)	670		
			Brentwood Village Apartments * (60%)	648		
			Calvin Court	600		
			The Darlington	600		
			Brentwood Village Apartments * (60%)	584		
			Calvin Court	539		
			Calvin Court	539		
			Big Bethel Village * (60%)	538		
			Big Bethel Village * (M)	538		
			<b>Abernathy Tower Apartments * (60%)</b>	<b>528</b>		
			Big Bethel Village * (60%)	500		
			Big Bethel Village * (M)	500		
			The Darlington	500		
			Big Bethel Village * (60%)	433		
			Big Bethel Village * (M)	433		
RENT PER SQUARE FOOT	Big Bethel Village * (M)	\$1.96	The Darlington	\$2.16	Big Bethel Village * (2BA M)	\$1.55
	<b>Abernathy Tower Apartments * (60%)</b>	<b>\$1.87</b>	The Darlington	\$1.90	Big Bethel Village * (2BA 60%)	\$1.42
	Big Bethel Village * (60%)	\$1.82	Big Bethel Village * (M)	\$1.86	Oglethorpe Place * (M)	\$1.32
	The Darlington	\$1.67	Big Bethel Village * (M)	\$1.86	Big Bethel Village * (2BA 60%)	\$1.31
	The Darlington	\$1.67	Big Bethel Village * (M)	\$1.75	Brentwood Village Apartments * (60%)	\$1.13
	Calvin Court	\$1.65	Big Bethel Village * (60%)	\$1.73	Heritage Greene * (M)	\$1.00
	Calvin Court	\$1.55	Big Bethel Village * (60%)	\$1.59	Heritage Greene * (54%)	\$0.95
	Heritage Greene * (M)	\$1.21	Calvin Court	\$1.55	Oglethorpe Place * (50%)	\$0.91
	Heritage Greene * (50%)	\$1.14	Calvin Court	\$1.52	Heritage Greene * (50%)	\$0.88
	Brentwood Village Apartments * (60%)	\$1.13	Oglethorpe Place * (M)	\$1.48	Donnelly Gardens	\$0.87
	Donnelly Gardens	\$1.09	Big Bethel Village * (60%)	\$1.48	Heritage Greene * (30%)	\$0.54
	Heritage Greene * (30%)	\$0.68	<b>Abernathy Tower Apartments * (60%)</b>	<b>\$1.45</b>		
			Calvin Court	\$1.43		
			Columbia Senior Residences At Mechanicsville * (M)	\$1.39		
			Columbia Senior Residences At Mechanicsville * (60%)	\$1.18		
			Brentwood Village Apartments * (60%)	\$1.08		
			Heritage Greene * (M)	\$1.08		
			Oglethorpe Place * (50%)	\$1.05		
			Brentwood Village Apartments * (60%)	\$1.03		
			Heritage Greene * (54%)	\$1.01		
			Baptist Gardens * (60%)	\$0.93		
			Heritage Greene * (50%)	\$0.93		
			Donnelly Gardens	\$0.90		
			Baptist Gardens * (50%)	\$0.90		
			Donnelly Gardens	\$0.84		
			Heritage Greene * (30%)	\$0.55		

# PROPERTY PROFILE REPORT

## Baptist Gardens

<b>Effective Rent Date</b>	10/27/2015
<b>Location</b>	1928 Delowe Drive SW Atlanta, GA 30311 Fulton County
<b>Distance</b>	3.1 miles
<b>Units</b>	100
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	1.0%
<b>Type</b>	Lowrise (age-restricted) (4 stories)
<b>Year Built/Renovated</b>	2013 / N/A
<b>Marketing Began</b>	9/01/2012
<b>Leasing Began</b>	1/01/2013
<b>Last Unit Leased</b>	6/01/2013
<b>Major Competitors</b>	None Identified
<b>Tenant Characteristics</b>	Senior tenants 55+ (Av. Age 65-70)
<b>Contact Name</b>	Kirsha Jones
<b>Phone</b>	404-753-2500



### Market Information

<b>Program</b>	@50%, @60%
<b>Annual Turnover Rate</b>	10%
<b>Units/Month Absorbed</b>	15
<b>HCV Tenants</b>	3%
<b>Leasing Pace</b>	30 days
<b>Annual Chg. in Rent</b>	Remained stable
<b>Concession</b>	None

### Utilities

<b>A/C</b>	included -- central
<b>Cooking</b>	included -- electric
<b>Water Heat</b>	included -- electric
<b>Heat</b>	included -- electric
<b>Other Electric</b>	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	Lowrise (4 stories)	25	750	\$673	\$0	@50%	15 HH	0	0.0%	yes	None
1	1	Lowrise (4 stories)	75	750	\$700	\$0	@60%	15 HH	1	1.3%	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$673	\$0	\$673	\$0	\$673	1BR / 1BA	\$700	\$0	\$700	\$0	\$700

### Amenities

#### In-Unit

Carpet/Hardwood  
Dishwasher  
Microwave  
Refrigerator

Central A/C  
Ceiling Fan  
Oven

#### Security

Limited Access

#### Services

Shuttle Service

#### Property

Business Center/Computer Lab  
Elevators  
Central Laundry  
On-Site Management

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Service Coordination

#### Premium

Delivered Hot Lunches  
Hairdresser / Barber  
Medical Professional

#### Other

None

## **Baptist Gardens, continued**

### **Comments**

According to the contact, the property maintains a waiting list of of 15 households that is shared between all units.

## Baptist Gardens, continued

### Trend Report

#### Vacancy Rates

4Q13	2Q15	4Q15
6.0%	0.0%	1.0%

#### Trend: @50%

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$673	\$0	\$673	\$673
2015	4	0.0%	\$673	\$0	\$673	\$673

#### Trend: @60%

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	6.0%	\$625	\$0	\$625	\$625
2015	2	0.0%	\$700	\$0	\$700	\$700
2015	4	1.3%	\$700	\$0	\$700	\$700

### Trend: Comments

- 4Q13** There are 80 units reserved for seniors 55 years of age or older and 20 units are reserved for disabled individuals. The contact stated that units rented for \$550 when they first opened (January 2013). The turnover and change in rent was based on when they first opened. The contact stated that the shuttle provided takes tenants to the grocery store and other local amenities, three days a week. Although all utilities are included in the rent, cable/internet are not. The contact was unsure of how many tenants utilized vouchers but indicated that they were accepted. The property achieved 92 percent occupancy within six months, absorbing approximately 15 units per month.
- 2Q15** The waiting list was reported to have 20 applicants at this time. The contact noted rents are well below the maximum allowable for the units at 60 percent AMI since max rents would be burdensome for the majority of households at the property.
- 4Q15** According to the contact, the property maintains a waiting list of 15 households that is shared between all units.

# PROPERTY PROFILE REPORT

## Big Bethel Village

<b>Effective Rent Date</b>	10/28/2015
<b>Location</b>	500 Richard Allen Boulevard SW Atlanta, GA 30331 Fulton County
<b>Distance</b>	4.9 miles
<b>Units</b>	120
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	1.7%
<b>Type</b>	Lowrise (age-restricted) (3 stories)
<b>Year Built/Renovated</b>	2003 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	1/01/2003
<b>Last Unit Leased</b>	1/01/2004
<b>Major Competitors</b>	Adamsville Place, Lilli R. Campbell.
<b>Tenant Characteristics</b>	Seniors that are 55 years of age or older and some disabled individuals.
<b>Contact Name</b>	Audrey
<b>Phone</b>	404-699-5665



## Market Information

<b>Program</b>	@60%, Market
<b>Annual Turnover Rate</b>	10%
<b>Units/Month Absorbed</b>	10
<b>HCV Tenants</b>	8%
<b>Leasing Pace</b>	Within one month
<b>Annual Chg. in Rent</b>	1.5BR increased \$20 since 2Q15
<b>Concession</b>	None

## Utilities

<b>A/C</b>	included -- wall
<b>Cooking</b>	included -- electric
<b>Water Heat</b>	included -- electric
<b>Heat</b>	included -- electric
<b>Other Electric</b>	included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

## Big Bethel Village, continued

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Lowrise (3 stories)	14	358	\$650	\$0	@60%	Yes	0	0.0%	no	None
0	1	Lowrise (3 stories)	4	358	\$700	\$0	Market	No	0	0.0%	N/A	None
1	1	Lowrise (3 stories)	19	433	\$750	\$0	@60%	Yes	0	0.0%	no	None
1	1	Lowrise (3 stories)	6	500	\$795	\$0	@60%	Yes	0	0.0%	N/A	None
1	1	Lowrise (3 stories)	6	538	\$795	\$0	@60%	Yes	0	0.0%	no	None
1	1	Lowrise (3 stories)	5	433	\$805	\$0	Market	No	0	0.0%	no	None
1	1	Lowrise (3 stories)	3	500	\$930	\$0	Market	No	0	0.0%	N/A	None
1	1	Lowrise (3 stories)	3	538	\$940	\$0	Market	No	0	0.0%	N/A	None
1.5	1	Lowrise (3 stories)	10	630	\$820	\$0	@60%	Yes	0	0.0%	no	None
1.5	1	Lowrise (3 stories)	1	630	\$1,050	\$0	Market	No	0	0.0%	N/A	None
1.5	1	Lowrise (3 stories)	4	639	\$1,075	\$0	Market	No	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	9	700	\$995	\$0	@60%	Yes	0	0.0%	no	None
2	2	Lowrise (3 stories)	26	759	\$995	\$0	@60%	Yes	1	3.8%	no	None
2	2	Lowrise (3 stories)	10	759	\$1,175	\$0	Market	No	1	10.0%	N/A	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$650	\$0	\$650	\$0	\$650	Studio / 1BA	\$700	\$0	\$700	\$0	\$700
1BR / 1BA	\$750 - \$795	\$0	\$750 - \$795	\$0	\$750 - \$795	1BR / 1BA	\$805 - \$940	\$0	\$805 - \$940	\$0	\$805 - \$940
1.5BR / 1BA	\$820	\$0	\$820	\$0	\$820	1.5BR / 1BA	\$1,050 - \$1,075	\$0	\$1,050 - \$1,075	\$0	\$1,050 - \$1,075
2BR / 2BA	\$995	\$0	\$995	\$0	\$995	2BR / 2BA	\$1,175	\$0	\$1,175	\$0	\$1,175

### Amenities

#### In-Unit

Balcony/Patio  
Carpet/Hardwood  
Dishwasher  
Garbage Disposal  
Oven  
Refrigerator  
Wall A/C

Blinds  
Coat Closet  
Ceiling Fan  
Hand Rails  
Pull Cords  
Walk-In Closet  
Washer/Dryer hookup

#### Security

Limited Access  
Patrol  
Perimeter Fencing

#### Services

Shuttle Service

#### Property

Business Center/Computer Lab  
Elevators  
Central Laundry  
On-Site Management

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Theatre

#### Premium

Hairdresser / Barber

#### Other

None

### Comments

According to the contact, the 1.5 bedroom units at the 60% AMI level experienced an increase of \$20 since our last interview in April of 2015. A waiting list is maintained for all LIHTC units, however the contact was unable to provide the length of the waiting list.

# Big Bethel Village, continued

## Trend Report

### Vacancy Rates

4Q13	1Q15	2Q15	4Q15
13.3%	6.7%	1.7%	1.7%

### Trend: @60%

#### 1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$800	\$0	\$800	\$800
2015	1	N/A	\$800	\$0	\$800	\$800
2015	2	0.0%	\$800	\$0	\$800	\$800
2015	4	0.0%	\$820	\$0	\$820	\$820

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	19.4%	\$750 - \$795	\$0	\$750 - \$795	\$750 - \$795
2015	1	N/A	\$750 - \$805	\$0	\$750 - \$805	\$750 - \$805
2015	2	0.0%	\$750 - \$795	\$0	\$750 - \$795	\$750 - \$795
2015	4	0.0%	\$750 - \$795	\$0	\$750 - \$795	\$750 - \$795

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	14.3%	\$955	\$0	\$955	\$955
2015	1	N/A	\$995	\$0	\$995	\$995
2015	2	0.0%	\$995	\$0	\$995	\$995
2015	4	2.9%	\$995	\$0	\$995	\$995

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	21.4%	\$710	\$0	\$710	\$710
2015	1	N/A	\$650	\$0	\$650	\$650
2015	2	0.0%	\$650	\$0	\$650	\$650
2015	4	0.0%	\$650	\$0	\$650	\$650

### Trend: Market

#### 1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$1,300	\$0	\$1,300	\$1,300
2015	1	N/A	\$1,050 - \$1,075	\$0	\$1,050 - \$1,075	\$1,050 - \$1,075
2015	2	0.0%	\$1,050 - \$1,075	\$0	\$1,050 - \$1,075	\$1,050 - \$1,075
2015	4	0.0%	\$1,050 - \$1,075	\$0	\$1,050 - \$1,075	\$1,050 - \$1,075

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	18.2%	\$960 - \$1,070	\$0	\$960 - \$1,070	\$960 - \$1,070
2015	1	N/A	\$750 - \$930	\$0	\$750 - \$930	\$750 - \$930
2015	2	18.2%	\$805 - \$940	\$0	\$805 - \$940	\$805 - \$940
2015	4	0.0%	\$805 - \$940	\$0	\$805 - \$940	\$805 - \$940

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$1,500	\$0	\$1,500	\$1,500
2015	1	N/A	\$1,175	\$0	\$1,175	\$1,175
2015	2	0.0%	\$1,175	\$0	\$1,175	\$1,175
2015	4	10.0%	\$1,175	\$0	\$1,175	\$1,175

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$930	\$0	\$930	\$930
2015	1	N/A	\$710	\$0	\$710	\$710
2015	2	0.0%	\$700	\$0	\$700	\$700
2015	4	0.0%	\$700	\$0	\$700	\$700

## Trend: Comments

**4Q13** No comments.

**1Q15** The contact reported that the property does not maintain a waiting list on any of its units. The contact was unable to comment on parking utilization at the property, but reported that there is one space for every unit as well as visitor parking. The property is currently 93 percent occupied, which was reported as being typical for only for the winter season. The property usually operates between 95 to 96 percent. Since our last interview in 2013, rents on market rate one-bedroom units have decreased between 13 and 21 percent and rents on two-bedroom units have increased approximately four percent. The contact was unable to comment on recent rent changes.

**2Q15** The contact reported a five to seven household waiting list for the income restricted units at this time.

**4Q15** According to the contact, the 1.5 bedroom units at the 60% AMI level experienced an increase of \$20 since our last interview in April of 2015. A waiting list is maintained for all LIHTC units, however the contact was unable to provide the length of the waiting list.

Photos



# PROPERTY PROFILE REPORT

## Brentwood Village Apartments

<b>Effective Rent Date</b>	10/27/2015
<b>Location</b>	1935 Alison Court Atlanta, GA 30311 Fulton County
<b>Distance</b>	2.9 miles
<b>Units</b>	506
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	0.8%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2001 / 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>	Shamrock, Harmony Point
<b>Tenant Characteristics</b>	Average age is 27, most are single parents
<b>Contact Name</b>	Arvell
<b>Phone</b>	404-768-6344



### Market Information

<b>Program</b>	60%
<b>Annual Turnover Rate</b>	17%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	10%
<b>Leasing Pace</b>	1 week to a month
<b>Annual Chg. in Rent</b>	14-43% increase since 3Q2013
<b>Concession</b>	Third month rent free

### 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>	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	487	\$450	\$0	@60%	No	0	N/A	no	None
1	1	Garden (3 stories)	N/A	584	\$540	\$38	@60%	No	1	N/A	no	None
1	1	Garden (3 stories)	N/A	648	\$600	\$0	@60%	No	0	N/A	no	None
2	1	Garden (3 stories)	N/A	648	\$655	\$55	@60%	No	1	N/A	no	None
2	2	Garden (3 stories)	N/A	975	\$700	\$0	@60%	No	0	N/A	no	None
3	2	Garden (3 stories)	N/A	1,028	\$755	\$63	@60%	No	2	N/A	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>Studio / 1BA</b>	\$450	\$0	\$450	\$99	\$549
<b>1BR / 1BA</b>	\$540 - \$600	\$0 - \$38	\$502 - \$600	\$99	\$601 - \$699
<b>2BR / 1BA</b>	\$655	\$55	\$600	\$132	\$732
<b>2BR / 2BA</b>	\$700	\$0	\$700	\$132	\$832
<b>3BR / 2BA</b>	\$755	\$63	\$692	\$165	\$857

## Brentwood Village Apartments, continued

### Amenities

**In-Unit**

Blinds  
Central A/C  
Ceiling Fan  
Oven  
Washer/Dryer hookup

Carpeting  
Dishwasher  
Garbage Disposal  
Refrigerator

**Security**

Patrol

**Services**

None

**Property**

Clubhouse/Meeting  
Off-Street Parking  
Picnic Area  
Swimming Pool

Central Laundry  
On-Site Management  
Playground

**Premium**

None

**Other**

None

### Comments

According to the contact, the property does not currently maintain a waiting list. The property is currently offering a concession; the third month of rent is free with a 12 month lease.

# Brentwood Village Apartments, continued

## Trend Report

### Vacancy Rates

3Q07	2Q10	3Q13	4Q15
27.1%	11.5%	9.9%	0.8%

## Trend: @60%

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$399 - \$550	\$0	\$399 - \$550	\$498 - \$649
2010	2	N/A	\$413 - \$435	\$0	N/A	N/A
2013	3	N/A	\$440 - \$500	\$12 - \$17	\$428 - \$483	\$527 - \$582
2015	4	N/A	\$540 - \$600	\$0 - \$38	\$502 - \$600	\$601 - \$699

### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$550	\$0	\$550	\$682
2010	2	N/A	\$518	\$0	N/A	N/A
2013	3	N/A	\$518	\$0	\$518	\$650

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$475	\$0	\$475	\$607
2010	2	N/A	\$475	\$0	N/A	N/A
2013	3	N/A	\$475	\$0	\$475	\$607
2015	4	N/A	\$655	\$55	\$600	\$732

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$650	\$0	\$650	\$782
2010	2	N/A	\$614	\$0	N/A	N/A
2013	3	N/A	\$614	\$0	\$614	\$746
2015	4	N/A	\$700	\$0	\$700	\$832

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$825	\$0	\$825	\$990
2010	2	N/A	\$650	\$0	N/A	N/A
2013	3	N/A	\$650	\$0	\$650	\$815
2015	4	N/A	\$755	\$63	\$692	\$857

### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$299	\$0	\$299	\$398
2010	2	N/A	\$315	\$0	N/A	N/A
2013	3	N/A	\$315	\$1	\$314	\$413
2015	4	N/A	\$450	\$0	\$450	\$549

## Brentwood Village Apartments, continued

### Trend: Comments

- 3Q07** The contact stated that the need for affordable housing is being met in the area.
- 2Q10** The contact indicated that the property has experienced good traffic due to the low prices and close proximity to the mall. The contact reported that the current prices are appropriate for the neighborhood. The contact conveyed that there are between five and seven moveouts each month; we used seven per month to conservatively estimate turnover.
- 3Q13** The property is located by the freeway but management indicated that it is not difficult to lease those units. The property manager reported that demand is high for two and three-bedroom units as there is stronger demand from families and larger households.
- The property is located near a retail center that is 80 to 90 percent occupied and offers a check cashing office, a liquor store, and a salon, among other uses.
- The concession has been offered for the past two to three months.
- 4Q15** According to the contact, the property does not currently maintain a waiting list. The property is currently offering a concession; the third month of rent is free with a 12 month lease.

# Brentwood Village Apartments, continued

## Photos



# PROPERTY PROFILE REPORT

## Columbia Senior Residences At Mechanicsville

<b>Effective Rent Date</b>	9/17/2015
<b>Location</b>	555 McDaniel St Atlanta, GA 30312 Fulton County
<b>Distance</b>	1.2 miles
<b>Units</b>	154
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	2.6%
<b>Type</b>	Midrise (age-restricted) (4 stories)
<b>Year Built/Renovated</b>	2007 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	3/01/2008
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None identified
<b>Tenant Characteristics</b>	Seniors 62+, primarily from local area, few out of state moving closer to be near families
<b>Contact Name</b>	Sandra
<b>Phone</b>	(404) 577-3553



### Market Information

<b>Program</b>	@60%, Market, Public Housing, PBRA
<b>Annual Turnover Rate</b>	5%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	Increased 9.5 to 16% since 3Q13
<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
1	1	Midrise (4 stories)	16	750	\$712	\$0	@60%	Yes	N/A	N/A	yes	None
1	1	Midrise (4 stories)	3	750	\$865	\$0	Market	Yes	N/A	N/A	N/A	None
1	1	Midrise (4 stories)	81	750	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None
1	1	Midrise (4 stories)	54	750	N/A	\$0	Public Housing	Yes	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	\$712	\$0	\$712	\$174	\$886	1BR / 1BA	\$865	\$0	\$865	\$174	\$1,039
PBRA	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Public	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	N/A	\$0	N/A	\$174	N/A	1BR / 1BA	N/A	\$0	N/A	\$174	N/A

## Columbia Senior Residences At Mechanicsville, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Garbage Disposal  
Oven  
Refrigerator

Blinds  
Central A/C  
Dishwasher  
Hand Rails  
Pull Cords  
Washer/Dryer hookup

#### Security

Intercom (Buzzer)  
Patrol  
Video Surveillance

#### Services

None

#### Property

Business Center/Computer Lab  
Elevators  
Central Laundry  
On-Site Management  
Service Coordination

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Picnic Area  
Theatre

#### Premium

Medical Professional

#### Other

Game room, garden, library,

### Comments

The property maintains a waiting list that is currently five years in length and is not currently running any concessions. Since our last interview in 2013, rents have increased between 9.5 and 16 percent.

# Columbia Senior Residences At Mechanicsville, continued

## Trend Report

### Vacancy Rates

4Q11	3Q12	3Q13	3Q15
1.3%	4.5%	3.9%	2.6%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	6.2%	\$506	\$0	\$506	\$680
2012	3	N/A	\$612	\$0	\$612	\$786
2013	3	N/A	\$612	\$0	\$612	\$786
2015	3	N/A	\$712	\$0	\$712	\$886

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	33.3%	\$790	\$0	\$790	\$964
2012	3	N/A	\$790	\$0	\$790	\$964
2013	3	N/A	\$790	\$0	\$790	\$964
2015	3	N/A	\$865	\$0	\$865	\$1,039

### Trend: PBRA

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	N/A	\$0	N/A	N/A
2012	3	N/A	N/A	\$0	N/A	N/A
2013	3	N/A	N/A	\$0	N/A	N/A
2015	3	N/A	N/A	\$0	N/A	N/A

### Trend: Public Housing

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	N/A	\$0	N/A	N/A
2012	3	N/A	N/A	\$0	N/A	N/A
2013	3	N/A	N/A	\$0	N/A	N/A
2015	3	N/A	N/A	\$0	N/A	N/A

## Trend: Comments

- 4Q11** Management indicated demand is strong for affordable senior housing in the rental market but does not see a need for additional housing because a new senior affordable housing building recently opened near by. The majority of their tenants are locals 95 percent and five percent come from out of state. The unit type with the highest demand would be one-bedroom. Management estimated 75 percent of their tenants utilize services from outside sources mostly transportation and health care. The current occupancy rate is 98 percent at Columbia Senior Residences. Their tenants income levels range from \$8,000 to \$16,000 and management finds it difficult to get \$650 for rent from the seniors.
- 3Q12** Management indicated they currently have seven vacancies but also have a waiting list that should fill these vacancies soon. Management commented that the demand is strong from affordable senior housing in the rental market, and that the majority of their tenants either formerly lived in the area and chose to reside there, or relocated from out of state, generally to be closer to their families here in Atlanta. They do not offer any additional features/services/amenities on site that the tenants would have to pay additional money for.
- Representative estimated the annual turnover to be less than five percent. Management also stated the primary source of income for these tenants is social security and estimated an average income of \$10,000 for the residents.
- 3Q13** The property manager stated that occupancy is currently at 96 percent with six vacancies. However, the property manager stated that four of these vacancies are preleased and will be filled within the month, and that it usually takes no more than one month to fill vacant units.
- Representative estimated the annual turnover to be five to ten percent. Rents are unchanged in the past year.
- 3Q15** The property maintains a waiting list that is currently five years in length and is not currently running any concessions. Since our last interview in 2013, rents have increased between 9.5 and 16 percent.

# PROPERTY PROFILE REPORT

## Heritage Greene

**Effective Rent Date** 10/27/2015

**Location** 2891 Springdale Road  
Atlanta, GA 30315  
Fulton County

**Distance** 4.2 miles

**Units** 109

**Vacant Units** 0

**Vacancy Rate** 0.0%

**Type** Garden (2 stories)

**Year Built/Renovated** 1980s / 2004

**Marketing Began** N/A

**Leasing Began** N/A

**Last Unit Leased** N/A

**Major Competitors** Pavillion Place, Hidden Oak, Jackson Landing

**Tenant Characteristics** Varied tenancy.

**Contact Name** Bernice

**Phone** 404.768.1158



### Market Information

**Program** @30%, @50%, @54%, Market

**Annual Turnover Rate** 44%

**Units/Month Absorbed** N/A

**HCV Tenants** 0%

**Leasing Pace** One week

**Annual Chg. in Rent** 0-5% increase since 2Q12

**Concession** None

### Utilities

**A/C** not included -- central

**Cooking** not included -- electric

**Water Heat** not included -- electric

**Heat** not included -- electric

**Other Electric** not included

**Water** not included

**Sewer** not included

**Trash Collection** included

## Heritage Greene, continued

### 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 (2 stories)	1	555	\$201	\$0	@30%	Yes	0	0.0%	no	None
0	1	Garden (2 stories)	2	555	\$460	\$0	@50%	Yes	0	0.0%	no	None
0	1	Garden (2 stories)	1	555	\$495	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	8	745	\$239	\$0	@30%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	25	745	\$516	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	12	745	\$575	\$0	@54%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	11	745	\$629	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	6	947	\$259	\$0	@30%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	20	947	\$589	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	7	947	\$655	\$0	@54%	No	0	0.0%	no	None
2	1	Garden (2 stories)	8	947	\$695	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	1	1,057	\$269	\$0	@30%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	4	1,057	\$655	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	1	1,057	\$725	\$0	@54%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	2	1,057	\$800	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$201	\$0	\$201	\$174	\$375	Studio / 1BA	\$460	\$0	\$460	\$174	\$634
1BR / 1BA	\$239	\$0	\$239	\$174	\$413	1BR / 1BA	\$516	\$0	\$516	\$174	\$690
2BR / 1BA	\$259	\$0	\$259	\$249	\$508	2BR / 1BA	\$589	\$0	\$589	\$249	\$838
3BR / 2BA	\$269	\$0	\$269	\$329	\$598	3BR / 2BA	\$655	\$0	\$655	\$329	\$984
@54%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$575	\$0	\$575	\$174	\$749	Studio / 1BA	\$495	\$0	\$495	\$174	\$669
2BR / 1BA	\$655	\$0	\$655	\$249	\$904	1BR / 1BA	\$629	\$0	\$629	\$174	\$803
3BR / 2BA	\$725	\$0	\$725	\$329	\$1,054	2BR / 1BA	\$695	\$0	\$695	\$249	\$944
						3BR / 2BA	\$800	\$0	\$800	\$329	\$1,129

### Amenities

#### In-Unit

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

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

#### Security

Limited Access  
Patrol  
Perimeter Fencing  
Video Surveillance

#### Services

None

#### Property

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Playground

Exercise Facility  
Off-Street Parking  
Picnic Area

#### Premium

None

#### Other

Gazebo

## **Heritage Greene, continued**

### **Comments**

According to the contact, the property does not currently maintain a waiting list and does not accept Housing Choice Vouchers.

**Trend Report**

Vacancy Rates

<b>4Q10</b>	<b>2Q11</b>	<b>2Q12</b>	<b>4Q15</b>
5.5%	1.8%	5.5%	0.0%

**Trend: @30%**

**1BR / 1BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$248	\$0	\$248	\$422
2011	2	0.0%	\$229	\$0	\$229	\$403
2012	2	0.0%	\$229	\$0	\$229	\$403
2015	4	0.0%	\$239	\$0	\$239	\$413

**2BR / 1BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$274	\$0	\$274	\$523
2011	2	0.0%	\$246	\$0	\$246	\$495
2012	2	0.0%	\$246	\$0	\$246	\$495
2015	4	0.0%	\$259	\$0	\$259	\$508

**3BR / 2BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$293	\$0	\$293	\$622
2011	2	0.0%	\$256	\$0	\$256	\$585
2012	2	0.0%	\$256	\$0	\$256	\$585
2015	4	0.0%	\$269	\$0	\$269	\$598

**Studio / 1BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$220	\$0	\$220	\$394
2011	2	0.0%	\$201	\$0	\$201	\$375
2012	2	0.0%	\$201	\$0	\$201	\$375
2015	4	0.0%	\$201	\$0	\$201	\$375

**Trend: @50%**

**1BR / 1BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	8.0%	\$524	\$0	\$524	\$698
2011	2	0.0%	\$506	\$0	\$506	\$680
2012	2	0.0%	\$506	\$0	\$506	\$680
2015	4	0.0%	\$516	\$0	\$516	\$690

**2BR / 1BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	10.0%	\$606	\$0	\$606	\$855
2011	2	0.0%	\$579	\$0	\$579	\$828
2012	2	5.0%	\$579	\$0	\$579	\$828
2015	4	0.0%	\$589	\$0	\$589	\$838

**3BR / 2BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$677	\$0	\$677	\$1,006
2011	2	0.0%	\$640	\$0	\$640	\$969
2012	2	0.0%	\$640	\$0	\$640	\$969
2015	4	0.0%	\$655	\$0	\$655	\$984

**Studio / 1BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$479	\$0	\$479	\$653
2011	2	0.0%	\$460	\$0	\$460	\$634
2012	2	50.0%	\$460	\$0	\$460	\$634
2015	4	0.0%	\$460	\$0	\$460	\$634

## Heritage Greene, continued

### Trend: @54%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	8.3%	\$580	\$0	\$580	\$754
2011	2	0.0%	\$561	\$0	\$561	\$735
2012	2	0.0%	\$561	\$0	\$561	\$735
2015	4	0.0%	\$575	\$0	\$575	\$749

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	14.3%	\$672	\$0	\$672	\$921
2011	2	0.0%	\$645	\$0	\$645	\$894
2012	2	14.3%	\$645	\$0	\$645	\$894
2015	4	0.0%	\$655	\$0	\$655	\$904

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$754	\$0	\$754	\$1,083
2011	2	0.0%	\$717	\$0	\$717	\$1,046
2012	2	0.0%	\$717	\$0	\$717	\$1,046
2015	4	0.0%	\$725	\$0	\$725	\$1,054

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$600	\$0	\$600	\$774
2011	2	0.0%	\$600	\$0	\$600	\$774
2012	2	0.0%	\$600	\$0	\$600	\$774
2015	4	0.0%	\$629	\$0	\$629	\$803

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$695	\$0	\$695	\$944
2011	2	0.0%	\$695	\$0	\$695	\$944
2012	2	0.0%	\$695	\$0	\$695	\$944
2015	4	0.0%	\$695	\$0	\$695	\$944

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$780	\$0	\$780	\$1,109
2011	2	100.0%	\$780	\$0	\$780	\$1,109
2012	2	100.0%	\$780	\$0	\$780	\$1,109
2015	4	0.0%	\$800	\$0	\$800	\$1,129

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$495	\$0	\$495	\$669
2011	2	0.0%	\$495	\$0	\$495	\$669
2012	2	100.0%	\$495	\$0	\$495	\$669
2015	4	0.0%	\$495	\$0	\$495	\$669

### Trend: Comments

- 4Q10** The contact reported economic conditions in the area are improving and overall occupancy is up from the same time last year. The occupancy rate is trending upward with a high number of potential renters inquiring about the property daily. The contact indicated that 40 units have PBRA, but could not report which units.
- 2Q11** The contact reported economic conditions in the area are improving and overall occupancy is up from the same time last year. 44 of the units have a PBRA contract, 26 one-bedroom units, 15 two-bedroom units, and three three-bedroom units.
- 2Q12** The contact indicated that there is still an extensive waiting list for most units, however, she was unable to indicate the number of households on the waiting list.
- 4Q15** According to the contact, the property does not currently maintain a waiting list and does not accept Housing Choice Vouchers.

Photos



# PROPERTY PROFILE REPORT

## Oglethorpe Place

<b>Effective Rent Date</b>	10/27/2015
<b>Location</b>	835 Oglethorpe Av. SW Atlanta, GA 30310 Fulton County
<b>Distance</b>	0.4 miles
<b>Units</b>	144
<b>Vacant Units</b>	8
<b>Vacancy Rate</b>	5.6%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	1996 / 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>	Ashley West End, Villages at Castleberry Hill
<b>Tenant Characteristics</b>	Families, Students, Seniors, Stated the tenant profile is mixed, with an average household size of 2-3.
<b>Contact Name</b>	Crystal
<b>Phone</b>	404.755.3100



### Market Information

<b>Program</b>	@50%, Market
<b>Annual Turnover Rate</b>	29%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	7%
<b>Leasing Pace</b>	2 to 3 weeks
<b>Annual Chg. in Rent</b>	Fluctuates 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>	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	670	\$531	\$0	@50%	No	0	0.0%	no	None
1	1	Garden (3 stories)	29	670	\$818	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	10	903	\$571	\$0	@50%	No	0	0.0%	no	None
2	1	Garden (3 stories)	38	903	\$946	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	10	1,080	\$616	\$0	@50%	No	0	0.0%	no	None
2	2	Garden (3 stories)	50	1,080	\$946	\$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
1BR / 1BA	\$531	\$0	\$531	\$174	\$705	1BR / 1BA	\$818	\$0	\$818	\$174	\$992
2BR / 1BA	\$571	\$0	\$571	\$249	\$820	2BR / 1BA	\$946	\$0	\$946	\$249	\$1,195
2BR / 2BA	\$616	\$0	\$616	\$249	\$865	2BR / 2BA	\$946	\$0	\$946	\$249	\$1,195

## Oglethorpe Place, continued

### Amenities

#### In-Unit

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

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

#### Security

Limited Access  
Perimeter Fencing

#### Services

None

#### Property

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Swimming Pool

Exercise Facility  
Off-Street Parking  
Playground

#### Premium

None

#### Other

None

### Comments

According to the contact, the property utilized the Yieldstar program for their market rents. As such, rents change daily. LIHTC rents have increased zero to 8 percent since 3Q2013. This property occasionally maintains a waiting list; however, it is not maintaining one currently.

# Oglethorpe Place, continued

## Trend Report

### Vacancy Rates

2Q12	3Q12	3Q13	4Q15
4.9%	2.1%	5.6%	5.6%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$501	\$0	\$501	\$675
2012	3	0.0%	\$501	\$0	\$501	\$675
2013	3	N/A	\$530	\$0	\$530	\$704
2015	4	0.0%	\$531	\$0	\$531	\$705

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$698	\$0	\$698	\$947
2012	3	0.0%	\$598	\$0	\$598	\$847
2013	3	N/A	\$571	\$0	\$571	\$820
2015	4	0.0%	\$571	\$0	\$571	\$820

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$698	\$0	\$698	\$947
2012	3	0.0%	\$598	\$0	\$598	\$847
2013	3	N/A	\$571	\$0	\$571	\$820
2015	4	0.0%	\$616	\$0	\$616	\$865

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$781	\$0	\$781	\$955
2012	3	3.4%	\$820	\$0	\$820	\$994
2013	3	N/A	\$731	\$0	\$731	\$905
2015	4	0.0%	\$818	\$0	\$818	\$992

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$850	\$0	\$850	\$1,099
2012	3	2.6%	\$980	\$0	\$980	\$1,229
2013	3	N/A	\$800	\$0	\$800	\$1,049
2015	4	0.0%	\$946	\$0	\$946	\$1,195

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$919	\$0	\$919	\$1,168
2012	3	2.0%	\$997	\$0	\$997	\$1,246
2013	3	N/A	\$857	\$0	\$857	\$1,106
2015	4	N/A	\$946	\$0	\$946	\$1,195

## Trend: Comments

- 2Q12** The contact stated that they currently have seven vacancies, but could not verify exactly which unit types were vacant. The contact said that seven vacancies is above average for them and she cited their location next to the train station as the reason.
- 3Q12** Management provided updated rental rates, but their pricing software is Yieldstar, which is a pricing software that changes daily (for their market units) based upon availability, 60-day availability forecasts, and numerous other factors. Due to this, market rates are much higher than they were when we spoke with them a few months ago. Management reported three vacancies currently, all in the market units. The three vacancies are one in each market floor plan.
- the 50% lihtc figures for the 2x2 were previously entered incorrectly, and we have confirmed that the \$598 price point is correct.
- Management reported that the 50% and market units are also using tenant-based housing choice vouchers and estimated the percentage to be between 20 and 25 percent.
- 3Q13** Management provided updated rental rates, but their pricing software is Yieldstar, which is a pricing software that changes daily (for their market units) based upon availability, 60-day availability forecasts, and numerous other factors. Due to this, the rents for market rate units are much lower than they were when we spoke with them last year. The property manager stated that rents fluctuate widely over large periods of time due to their usage of Yieldstar; the current rents are 10 to 20 percent lower than a year ago, but the property manager reported that there was an increase of about the same amount prior to that.
- Management reported nine vacancies currently, all in the market units. Rents for LIHTC units are not currently at their maximum allowable level.
- 4Q15** According to the contact, the property utilized the Yieldstar program for their market rents. As such, rents change daily. LIHTC rents have increased zero to 8 percent since 3Q2013. This property occasionally maintains a waiting list; however, it is not maintaining one currently.

# Oglethorpe Place, continued

## Photos



# PROPERTY PROFILE REPORT

## Calvin Court

<b>Effective Rent Date</b>	10/27/2015
<b>Location</b>	479 E. Paces Ferry Road, NE Atlanta, GA 30305 Fulton County
<b>Distance</b>	7.6 miles
<b>Units</b>	240
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Highrise (age-restricted) (11 stories)
<b>Year Built/Renovated</b>	1969 / As needed
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Campbell Stone, Phillip Towers, Clairemont Oaks
<b>Tenant Characteristics</b>	Seniors age 62 and older; Avg. age 75
<b>Contact Name</b>	Patrice
<b>Phone</b>	404.261.1223



### Market Information

<b>Program</b>	Market, Section 8
<b>Annual Turnover Rate</b>	15%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	30%
<b>Leasing Pace</b>	Prelease-1 week
<b>Annual Chg. in Rent</b>	See comments
<b>Concession</b>	None

### Utilities

<b>A/C</b>	included -- wall
<b>Cooking</b>	included -- electric
<b>Water Heat</b>	included -- electric
<b>Heat</b>	included -- electric
<b>Other Electric</b>	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
0	1	Highrise (11 stories)	38	378	\$622	\$0	Market	Yes	0	0.0%	N/A	None
0	1	Highrise (11 stories)	53	378	\$586	\$0	Section 8	Yes	0	0.0%	N/A	None
0	2	Highrise (11 stories)	39	756	\$1,092	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Highrise (11 stories)	36	539	\$820	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Highrise (11 stories)	35	600	\$931	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Highrise (11 stories)	39	539	\$773	\$0	Section 8	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Section 8	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$622	\$0	\$622	\$0	\$622	Studio / 1BA	\$586	\$0	\$586	\$0	\$586
Studio / 2BA	\$1,092	\$0	\$1,092	\$0	\$1,092	1BR / 1BA	\$773	\$0	\$773	\$0	\$773
1BR / 1BA	\$820 - \$931	\$0	\$820 - \$931	\$0	\$820 - \$931						

## Calvin Court, continued

### Amenities

#### In-Unit

Blinds  
Coat Closet  
Oven  
Refrigerator  
Wall A/C

Carpeting  
Hand Rails  
Pull Cords  
Walk-In Closet

#### Security

Limited Access  
Patrol  
Perimeter Fencing

#### Services

Shuttle Service

#### Property

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

Carport  
Elevators  
Central Laundry  
On-Site Management  
Recreation Areas

#### Premium

Hairdresser / Barber

#### Other

Wellness center, Library,

### Comments

According to the contact, the property includes "Double-Studios", which are large studio units with two bathrooms. Market rents have increased six percent since 1Q2013, and the Section 8 rents have remained stable. This property currently maintains a waiting list; however, the contact was unsure of the exact length.

# Calvin Court, continued

## Trend Report

### Vacancy Rates

2Q10	3Q12	1Q13	4Q15
0.0%	0.0%	0.0%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$736	\$0	\$736	\$736
2012	3	0.0%	\$736	\$0	\$736	\$736
2013	1	0.0%	\$773	\$0	\$773	\$773
2015	4	0.0%	\$820 - \$931	\$0	\$820 - \$931	\$820 - \$931

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$558	\$0	\$558	\$558
2012	3	0.0%	\$558	\$0	\$558	\$558
2013	1	0.0%	\$586	\$0	\$586	\$586
2015	4	0.0%	\$622	\$0	\$622	\$622

#### Studio / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$1,092	\$0	\$1,092	\$1,092

### Trend: Section 8

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$736	\$0	\$736	\$736
2012	3	0.0%	\$736	\$0	\$736	\$736
2013	1	0.0%	\$773	\$0	\$773	\$773
2015	4	0.0%	\$773	\$0	\$773	\$773

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$558	\$0	\$558	\$558
2012	3	0.0%	\$558	\$0	\$558	\$558
2013	1	0.0%	\$586	\$0	\$586	\$586
2015	4	0.0%	\$586	\$0	\$586	\$586

## Trend: Comments

2Q10	The contact reported 92 units are subsidized and tenants in those units pay 30 percent of income towards the rent. The remaining units are not subsidized. The property is operated by Presbyterian Homes of Georgia. The property offers a dining program for an additional monthly fee.
3Q12	N/A
1Q13	No additional comments.
4Q15	According to the contact, the property includes "Double-Studios", which are large studio units with two bathrooms. Market rents have increased six percent since 1Q2013, and the Section 8 rents have remained stable. This property currently maintains a waiting list; however, the contact was unsure of the exact length.

# PROPERTY PROFILE REPORT

## Donnelly Gardens

<b>Effective Rent Date</b>	10/22/2015
<b>Location</b>	1295 Donnelly Avenue SW Atlanta, GA 30310 Fulton County
<b>Distance</b>	0.4 miles
<b>Units</b>	250
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1965 / As needed
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Shamrock Gardens and Cascade Glen
<b>Tenant Characteristics</b>	Mixed tenancy
<b>Contact Name</b>	Sylvia
<b>Phone</b>	404-755-6142



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	15%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within two to three weeks
<b>Annual Chg. in Rent</b>	2-4% increase since 2Q2015
<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>	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
0	1	Garden (2 stories)	8	550	\$499	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	176	675	\$509	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	N/A	740	\$519	\$0	Market	No	0	N/A	N/A	None
2	1	Garden (2 stories)	14	850	\$609	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Garden (2 stories)	52	950	\$629	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / IBA	\$499	\$0	\$499	\$99	\$598
1BR / IBA	\$509 - \$519	\$0	\$509 - \$519	\$99	\$608 - \$618
2BR / IBA	\$609	\$0	\$609	\$132	\$741
2BR / 1.5BA	\$629	\$0	\$629	\$132	\$761

## Donnelly Gardens, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpet/Hardwood  
Oven  
Vaulted Ceilings

Blinds  
Central A/C  
Refrigerator  
Walk-In Closet

**Security**

Patrol

**Services**

None

**Property**

Courtyard  
Off-Street Parking

Central Laundry  
On-Site Management

**Premium**

None

**Other**

None

### Comments

According to the contact, the rents have increased two to four percent since our last survey in 2Q2015. This property does not accept Housing Choice Vouchers and does not maintain a waiting list.

# Donnelly Gardens, continued

## Trend Report

### Vacancy Rates

4Q13	1Q15	2Q15	4Q15
8.0%	0.8%	0.8%	0.0%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$469 - \$489	\$40 - \$60	\$409 - \$449	\$508 - \$548
2015	1	N/A	\$488 - \$499	\$0	\$488 - \$499	\$587 - \$598
2015	2	N/A	\$488 - \$499	\$0	\$488 - \$499	\$587 - \$598
2015	4	N/A	\$509 - \$519	\$0	\$509 - \$519	\$608 - \$618

### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$599	\$33	\$566	\$698
2015	1	0.0%	\$619	\$0	\$619	\$751
2015	2	0.0%	\$619	\$0	\$619	\$751
2015	4	0.0%	\$629	\$0	\$629	\$761

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$550	\$30	\$520	\$652
2015	1	0.0%	\$589	\$0	\$589	\$721
2015	2	0.0%	\$589	\$0	\$589	\$721
2015	4	0.0%	\$609	\$0	\$609	\$741

### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$469	\$60	\$409	\$508
2015	1	0.0%	\$489	\$0	\$489	\$588
2015	2	0.0%	\$489	\$0	\$489	\$588
2015	4	0.0%	\$499	\$0	\$499	\$598

## Trend: Comments

- 4Q13** The property manager reported that a new management company took over the property in October 2012 and has been attempting to increase the occupancy at the property since. The lowest occupancy rate the property has reached since the change in management is 74 percent. The contact was unable to comment on turnover rate. The property does not currently accept housing choice vouchers.
- 1Q15** The property does not currently accept housing choice vouchers. There is a waiting list for the larger two-bedroom units, consisting of about ten to fifteen people. Our contact could not provide an exact annual turnover but reported it being relatively low at below 15 percent.
- 2Q15** The property does not currently accept Housing Choice Vouchers. There is a waiting list for the larger two-bedroom units, consisting of about 10 to 15 households. Our contact could not provide an exact annual turnover but reported it being relatively low at below 15 percent.
- 4Q15** According to the contact, the rents have increased two to four percent since our last survey in 2Q2015. This property does not accept Housing Choice Vouchers and does not maintain a waiting list.

Photos



# PROPERTY PROFILE REPORT

## The Darlington

<b>Effective Rent Date</b>	10/22/2015
<b>Location</b>	2025 Peachtree Road Atlanta, GA 30309 Fulton County
<b>Distance</b>	5.4 miles
<b>Units</b>	612
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Highrise (13 stories)
<b>Year Built/Renovated</b>	1952 / 1980s
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	710 Peachtree
<b>Tenant Characteristics</b>	Mixed tenancy, average HH size is 1 person, average income is \$26,000, Piedmont Hospital is a major employer
<b>Contact Name</b>	Whitney
<b>Phone</b>	404.351.5474



### 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>	Within one week
<b>Annual Chg. in Rent</b>	2-25% increase since 1Q2015
<b>Concession</b>	None

### Utilities

<b>A/C</b>	included -- central
<b>Cooking</b>	included -- gas
<b>Water Heat</b>	included -- electric
<b>Heat</b>	included -- electric
<b>Other Electric</b>	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	Highrise (13 stories)	250	430	\$641	\$0	Market	No	0	0.0%	N/A	None
0	1	Highrise (13 stories)	250	470	\$711	\$0	Market	No	0	0.0%	N/A	None
1	1	Highrise (13 stories)	56	500	\$1,005	\$0	Market	No	0	0.0%	N/A	None
1	1	Highrise (13 stories)	56	600	\$1,065	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$641 - \$711	\$0	\$641 - \$711	\$75	\$716 - \$786
1BR / 1BA	\$1,005 - \$1,065	\$0	\$1,005 - \$1,065	\$75	\$1,080 - \$1,140

## The Darlington, continued

### Amenities

#### In-Unit

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

Carpeting  
Dishwasher  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

#### Security

Limited Access

#### Services

None

#### Property

Clubhouse/Meeting  
Elevators  
Central Laundry  
On-Site Management  
Swimming Pool

Concierge  
Exercise Facility  
Off-Street Parking  
Picnic Area

#### Premium

View

#### Other

Library

### Comments

According to the contact, the property does not maintain a waiting list and does not accept Housing Choice Vouchers. There is a \$50 premium for units that are on the top floor.

## The Darlington, continued

### Trend Report

#### Vacancy Rates

3Q11	4Q11	1Q15	4Q15
3.4%	3.4%	1.6%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	0.0%	\$789 - \$849	\$0	\$789 - \$849	\$864 - \$924
2011	4	0.0%	\$789 - \$849	\$0	\$789 - \$849	\$864 - \$924
2015	1	0.0%	\$789 - \$849	\$0	\$789 - \$849	\$864 - \$924
2015	4	0.0%	\$1,005 - \$1,065	\$0	\$1,005 - \$1,065	\$1,080 - \$1,140

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	4.2%	\$629 - \$699	\$0	\$629 - \$699	\$704 - \$774
2011	4	4.2%	\$629 - \$699	\$0	\$629 - \$699	\$704 - \$774
2015	1	2.0%	\$629 - \$699	\$0	\$629 - \$699	\$704 - \$774
2015	4	0.0%	\$641 - \$711	\$0	\$641 - \$711	\$716 - \$786

### Trend: Comments

3Q11	All the vacancies are among the studio units. Management reported that less than half of the tenants turnover over the course of a year; therefore, we have stated 50 percent to be conservative. Occupancy has improved since 2009 from 92 to 94 percent. The property is no longer offering concessions and increased rents in third quarter 2011.
4Q11	N/A
1Q15	All the vacancies are among the studio units. Management reported that less than half of the tenants turnover over the course of a year; therefore, we have stated 50 percent to be conservative. The property is currently running a concession on studio units only. The concession is reduced first month's rent and it is will continue to run based on market activity. The property does not maintain a waiting list on any of its units
4Q15	According to the contact, the property does not maintain a waiting list and does not accept Housing Choice Vouchers. There is a \$50 premium for units that are on the top floor.

**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										
Comp #	Abernathy Tower Apartments	Baptist Gardens	Big Bethel Village	Brentwood Village Apartments	Columbia Senior Residences At Mechanicsville	Heritage Greene	Oglethorpe Place	Calvin Court	Donnelly Gardens	The Darlington
Comp #	Subject	1	2	3	4	5	6	7	8	9
<b>Property Information</b>										
Property Type	Midrise (age-restricted) (5 stories)	Lowrise (age-restricted) (4 stories)	Lowrise (age-restricted) (3 stories)	Garden (3 stories)	Midrise (age-restricted) (4 stories)	Garden (2 stories)	Garden (3 stories)	Highrise (age-restricted) (11 stories)	Garden (2 stories)	Highrise (13 stories)
Year Built / Renovated	1986 / 2011	2013 / n/a	2003 / n/a	2001 / n/a	2007 / n/a	1980s / 2004	1996 / n/a	1969 / As needed	1965 / As needed	1952 / 1980s
Market (Conv./Subsidy Type)	LIHTC/Section 8	LIHTC	LIHTC, Market	LIHTC	LIHTC, Market, Public Housing, PBRA	LIHTC, Market	LIHTC, Market	Market, Section 8	Market	Market
<b>Utility Adjustments</b>										
Cooking	yes	yes	yes	no	no	no	no	yes	no	yes
Water Heat	yes	yes	yes	no	no	no	no	yes	no	yes
Heat	yes	yes	yes	no	no	no	no	yes	no	yes
Other Electric	yes	yes	yes	no	no	no	no	yes	no	yes
Water	yes	yes	yes	yes	no	no	no	yes	yes	no
Sewer	yes	yes	yes	yes	no	no	no	yes	yes	no
Trash Collection	yes	yes	yes	no	no	yes	yes	yes	yes	no
<b>In-Unit Amenities</b>										
Balcony/Patio	no	no	yes	no	yes	yes	yes	no	yes	no
Blinds	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Carpet/Hardwood	yes	yes	no	no	no	no	no	no	yes	no
Carpeting	yes	no	no	yes	yes	yes	yes	yes	no	yes
Central A/C	no	yes	no	yes	yes	yes	yes	no	yes	yes
Coat Closet	yes	no	yes	no	yes	yes	yes	yes	no	no
Dishwasher	no	yes	yes	yes	yes	yes	yes	no	no	yes
Exterior Storage	no	no	no	no	no	no	yes	no	no	yes
Ceiling Fan	no	yes	yes	yes	no	yes	no	no	no	no
Garbage Disposal	no	no	yes	yes	yes	yes	yes	no	no	yes
Hand Rails	yes	no	yes	no	yes	no	no	yes	no	no
Microwave	no	yes	no	no	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	no	no	yes	no	yes	no	no	yes	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	no	yes	no
Walk-In Closet	no	no	yes	no	no	yes	yes	yes	yes	yes
Wall A/C	yes	no	yes	no	no	no	no	yes	no	no
Washer/Dryer hookup	no	no	yes	yes	yes	yes	yes	no	no	yes
<b>Property Amenities</b>										
Business Center/Computer Lab	no	yes	yes	no	yes	no	no	yes	no	no
Carport	no	no	no	no	no	no	no	yes	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Concierge	no	no	no	no	no	no	no	no	no	yes
Courtyard	yes	no	no	no	no	no	no	no	yes	no
Elevators	yes	yes	yes	no	yes	no	no	yes	no	yes
Exercise Facility	no	yes	yes	no	yes	yes	yes	yes	no	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	no	yes	yes	yes	no	yes	no	yes
Playground	no	no	no	yes	no	yes	yes	no	no	no
Recreation Areas	no	no	no	no	no	no	no	yes	no	no
Service Coordination	no	yes	no	no	yes	no	no	no	no	no
Swimming Pool	no	no	no	yes	no	no	yes	yes	no	yes
Theatre	no	no	yes	no	yes	no	no	no	no	no
<b>Services</b>										
Shuttle Service	no	yes	yes	no	no	no	no	yes	no	no
<b>Security</b>										
Intercom (Buzzer)	no	no	no	no	yes	no	no	no	no	no
Limited Access	no	yes	yes	no	no	yes	yes	yes	no	yes
Patrol	yes	no	yes	yes	yes	yes	no	yes	yes	no
Perimeter Fencing	no	no	yes	no	no	yes	yes	yes	no	no
Video Surveillance	no	no	no	no	yes	yes	no	no	no	no
<b>Premium Amenities</b>										
Delivered Hot Lunches	no	yes	no	no	no	no	no	no	no	no
Hairdresser / Barber	no	yes	yes	no	no	no	no	yes	no	no
Medical Professional	no	yes	no	no	yes	no	no	no	no	no

**In-Unit Amenities and Common Area Amenities**

The Subject's unit amenities will be slightly inferior to a majority of the LIHTC and market rate comparables, which typically include a balcony or patio, central air conditioning, dishwashers, garbage disposals, walk-in closets, and washer/dryer hookups. However, the units at the Subject will include wood plank flooring and handrails, which most comparables do not include. In terms of project amenities, the Subject is similar to slightly inferior to the LIHTC and market rate comparable properties. The Subject does not offer an exercise facility which many of the comparables offer. However, the Subject offers a courtyard and elevators which many of the comparables do not offer. Additionally, the Subject will offer patrol as a security feature. All of the comparables offer some form of security. A few of the senior comparables also offer delivered hot lunches, a hairdresser/barber, and medical professional, which are not offered at the Subject. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the market.

**Utility Structure**

The utility conventions differ at the comparable properties; therefore, we have adjusted "base" or "asking" rents of the comparable properties to "net" rents, reflecting the Subject's utility convention.

**MARKET CHARACTERISTICS**

Following are relevant market characteristics for the comparable properties surveyed.

**Vacancy Levels**

The following table illustrates the current vacancy levels reported by the comparable properties in the market.

<b>OVERALL VACANCY</b>				
<b>Property name</b>	<b>Rent Structure*</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Vacancy Rate</b>
Baptist Gardens	Senior LIHTC	100	1	1.0%
Big Bethel Village	Senior LIHTC/Market	120	2	1.7%
Brentwood Village Apartments	LIHTC	506	4	0.8%
Columbia Senior Residences At Mechanicsville	Senior LIHTC/Market/Public Housing/PBRA	154	4	2.6%
Heritage Greene	LIHTC/Market	109	0	0.0%
Oglethorpe Place	LIHTC/Market	144	8	5.6%
Calvin Court	Senior Section 8/Market	240	0	0.0%
Donnelly Gardens	Market	250	0	0.0%
The Darlington	Market	612	0	0.0%
<b>Total LIHTC</b>		<b>1,133</b>	<b>19</b>	<b>2.0%</b>
<b>Total Market</b>		<b>1,629</b>	<b>14</b>	<b>1.4%</b>
<b>Total Senior</b>		<b>614</b>	<b>7</b>	<b>1.3%</b>
<b>Total</b>		<b>2,235</b>	<b>19</b>	<b>0.9%</b>

\*Located outside PMA

(1)The LIHTC and market rate units at the mixed-income comparables have been included with the appropriate project types in aggregate

As illustrated, vacancy rates in the market range from zero to 5.6 percent, averaging 0.9 percent. The LIHTC comparable properties have vacancy rates ranging from zero to 5.6 percent, with an average vacancy rate of 2.0 percent. The market rates comparable are experiencing vacancy rates ranging from zero to 5.6 percent, with an average vacancy rate of 1.4 percent. The senior comparables are experiencing vacancy rates ranging from zero to 2.6 percent, with an average of 1.3 percent. The average vacancy rates among the comparables are considered excellent. We anticipate that the Subject will perform similarly to the LIHTC and senior comparables and will maintain a vacancy rate of five percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as the renovation of the Subject will not create new low-income units, but rather will serve to improve and preserve existing low-income housing stock. The Subject is currently 94.0 percent occupied with a waiting list 18 months in length. According to the Subject's historical audited financials, the Subject has operated with a total vacancy rate (including collection loss) between 4.3 to 5.6 percent over the past two years with an average total vacancy rate of 5.0 percent. As such, we believe the Subject will continue to operate with a physical vacancy rate of 5.0 percent or less, in line with its historical performance. For the unrestricted scenario, we assume 6.0 percent, inclusive of collection loss.

## Absorption

We were able to obtain absorption information from three senior properties, two of which were utilized as comparables, illustrated in the following table. Many comparables could not provide absorption data as they consist of older vintage.

ABSORPTION					
Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Big Bethel Village*	Senior LIHTC/Market	Senior	2003	120	10
Adamsville Green**	Senior LIHTC/Market	Senior	2010	90	23
Baptist Gardens*	Senior LIHTC	Senior	2013	100	15

\*Utilized as a comparable

\*\*Outside PMA

As illustrated in the previous table, the properties constructed between 2003 and 2013 reported absorption rates of 10 to 23 units per month, with an average of 16 units per month. Baptist Gardens is the newest senior LIHTC comparable to enter the PMA. This property experienced an absorption rate of 15 units per month. The Subject will target a similar tenancy as the absorption comparables, as such we would expect the Subject to experience an absorption rate similar to the comparables.

Per DCA guidelines, we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations with Section 8 subsidies in place for all the units, which is very unlikely given the Subject's relocation plan, we would expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately five months for the Subject to reach 93 percent occupancy. In the unlikely event the Section 8 subsidies were not in place following renovations, we still believe the Subject could achieve 93 percent occupancy at the proposed rent levels within less than one year. In this scenario, we would anticipate an average absorption rate of 10 units per month, with stabilization occurring within approximately nine months.

The Subject's proximity to retail and other locational amenities as well as its surrounding uses, which are in average to good condition, are considered positive attributes. We did not notice any negative attributes of the site during our site inspection. The Subject has a historical vacancy of 5.6 and 4.3 percent for 2013 and 2014, respectively.

**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				Unit Size	Overall Comparison
			Amenities	Unit Features	Location	Age / Condition		
1	Baptist Gardens	Senior LIHTC	Slightly Superior	Slightly Superior	Similar	Superior	Superior	30
2	Big Bethel Village*	Senior LIHTC/Market	Slightly Superior	Superior	Similar	Slightly Superior	Similar	20
3	Brentwood Village Apartments	LIHTC	Slightly Superior	Slightly Superior	Similar	Slightly Superior	Similar	15
4	Columbia Senior Residences At Mechanicsville	Senior LIHTC/Market/Public Housing/PBRA	Slightly Superior	Superior	Similar	Superior	Superior	35
5	Heritage Greene*	LIHTC/Market	Similar	Superior	Similar	Similar	Slightly Superior	15
6	Oglethorpe Place	LIHTC/Market	Slightly Superior	Superior	Similar	Slightly Superior	Slightly Superior	25
7	Calvin Court*	Senior Section 8/Market	Superior	Similar	Superior	Similar	Similar	20
8	Donnelly Gardens	Market	Similar	Slightly Superior	Similar	Similar	Slightly Superior	10
9	The Darlington*	Market	Slightly Superior	Superior	Superior	Similar	Similar	25

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

\*Located outside PMA

**Rents ‘As Is’ and “As Renovated” Restricted**

The Subject’s potential rental income as is and as renovated restricted assumes the Section 8 program HAP contract rents.

**Achievable Rents ‘As Renovated’ Unrestricted**

The as renovated unrestricted income assumes the achievable as renovated unrestricted rents. Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the studio LIHTC rents are above the achievable market rates for the Subject’s area and that the one-bedroom rents are within the achievable rates for the Subject’s area. The following tables show the similarity of the market rate comparables to the Subject property.

SUBJECT COMPARISON TO MARKET RENTS					
Unit Type	Subject’s Proposed LIHTC Rents	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
Studio	\$717	\$549	\$1,092	\$740	3%
1 BR	\$768	\$601	\$1,140	\$917	16%

<b>MARKET RENT COMPARISON</b>		
<b>Property Name</b>	<b>0BR</b>	<b>1BR</b>
<b>Subject @60%</b>	<b>\$717</b>	<b>\$768</b>
		\$1,075
		\$1,050
		\$940
		\$930
Big Bethel Village	\$700	\$805
	\$1,092	\$931
Calvin Court	\$622	\$820
Columbia Senior Residences At Mechanicsville	-	\$1,039
		\$618
Donnelly Gardens	\$598	\$608
Heritage Greene	\$669	\$803
		\$992
Oglethorpe Place	-	\$992
	\$786	\$1,140
The Darlington	\$716	\$1,080
<b>Average (excluding Subject)</b>	<b>\$740</b>	<b>\$917</b>
<b>Novoco Achievable Post - Rehabilitation Market Rent</b>	<b>\$670</b>	<b>\$920</b>

The Subject's proposed LIHTC studio rents are slightly below the surveyed average, but within the range of the comparables. The Subject's one-bedroom LIHTC rents are below the surveyed average, but within the range of the comparables.

Donnelly Gardens is the most similar market rate property and it is 100 percent occupied. The Subject will offer slightly inferior unit and similar property amenities to Donnelly Gardens. The Subject will be in superior condition upon completion of renovations, as Donnelly Gardens was built in 1965 and is in average condition. Donnelly Gardens does offer slightly superior unit sizes. The Subject's proposed rents (\$717 and \$768, respectively for the one and two-bedrooms) are above Donnelly Gardens, which are \$598 and \$608 to \$618 for studios and one-bedroom units, respectively. This is a disadvantage for the Subject because without the Section 8 subsidies the proposed LIHTC studio and one-bedroom rents are above the most comparable market rate property.

Overall, we have estimated the Subject's achievable post-renovation studio and one-bedroom market rents to be \$670 and \$920, respectively. We believe these rents are reasonable as they are within the range of the comparables. We were also engaged to do an RCS, "as renovated" unrestricted rent grids can be found in *Addendum J*.

## **Indications of Demand**

Based upon our market research, demographic calculations and analysis, we believe there is demand for the Subject property as conceived. Strengths of the Subject will include its age/condition, in-unit amenities, and community amenities. Overall, the comparable properties surveyed exhibited an average vacancy rate of 0.9 percent. There is adequate demand for the Subject based on our calculations. We also believe the proposed rents offer value in the market.

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 30 percent of its household income at the appropriate AMI level.

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

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

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

### **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 general 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 January 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are trended to January 2017 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 January 2017. This number takes the overall growth from 2015 to January 2017 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 2015 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 2013 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 2013 and 2014.
- Vacancies in projects placed in service prior to 2013 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 2013 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.

According to the Georgia Department of Community Affairs, the only property that has been awarded tax credits since 2013 in the Subject's Primary Market Area is Stanton Oaks (fka Boynton Village Apartments). Additionally, Gateway Capital View and Phoenix House have applied for 2015 LIHTC's and would be located in the Subject's PMA if they get awarded funding.

Stanton Oaks formerly known as Boynton Village Apartments is located at 1044 SE Hank Aaron Drive approximately 2.1 miles east of the Subject and was allocated LIHTC funding in 2013. Stanton Oaks is a family Section 8 property that was rehabilitated with LIHTCs. According to the property manager the property was completely gutted and just finished renovations the first week in November 2015. The property still offers one, two, three, and four-bedroom units which are all encumbered by the Section 8 contract. The property is currently 100 percent occupied.

Gateway Capital View will be located at 1374 Murphy Avenue approximately 1.2 miles south of the Subject if it is allocated LIHTCs in the 2015 funding period. The property is proposed for 94 one and two-bedroom family units. Of the 94 units, 78 will be one-bedroom units and will compete directly with the Subject.

Phoenix House is located at 1296 Murphy Avenue SW approximately 1.1 miles south of the Subject. Phoenix House has applied for LIHTCs in the 2015 funding period to rehabilitate its 69 studio units. Phoenix House targets mentally disabled and formerly homeless tenants and operates with Shelter Plus Care subsidy. Phoenix House will not compete directly with the Subject.

**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 average occupancy rates reported.

OVERALL OCCUPANCY - PMA					
Property Name	Rent Structure	Tenancy	Units	Occupancy	Waiting list
Baptist Gardens*	LIHTC	Seniors	100	99%	Yes-15 Households
142 Meldon Ave Se	LIHTC	Seniors	N/Av	N/Av	N/Av
416 Atwood St Sw	LIHTC	Families	2	100%	No
426 Atwood St Sw	LIHTC	Families	2	100%	No
432 Atwood St Sw	LIHTC	Families	2	100%	No
494 Atwood St Sw	LIHTC	Families	2	100%	No
766 Azalia St Sw	LIHTC	Families	2	100%	No
770 Azalia St Sw	LIHTC	Families	N/Av	N/Av	N/Av
774 Azalia St Sw	LIHTC	Families	N/Av	N/Av	N/Av
920 Sells Ave Sw	LIHTC	Families	N/Av	N/Av	N/Av
924 Mathews St Sw	LIHTC	Families	N/Av	N/Av	N/Av
932 Mathews St Sw	LIHTC	Families	2	100%	No
936 Mathews St Sw	LIHTC	Families	N/Av	N/Av	N/Av
Allen Temple	LIHTC	Families	N/Av	N/Av	N/Av
Amal Townhome Community	LIHTC	Families	100	N/Av	N/Av
Ashley Collegetown, Phase II	LIHTC	Families	N/Av	N/Av	N/Av
Ashley West End	LIHTC	Families	112	99%	Yes
The Villages at Carver	LIHTC	Families	667	97%	Yes-7,000 households
Atlanta Napfe Elderly Towers	Section 8	Seniors	97	96%	Yes
Atrium At Collegetown	LIHTC	Seniors	190	100%	Yes-187 households
Atwood Street Duplex	LIHTC	Families	2	100%	No
Baptist Towers	Section 8	Seniors	N/Av	N/Av	N/Av
Betmar Village	LIHTC	Families	47	100%	Yes
Brentwood Creek	LIHTC	Families	N/Av	N/Av	N/Av
Brentwood Heights	LIHTC	Families	N/Av	N/Av	N/Av
Brentwood Village Apartments*	LIHTC	Families	506	99%	No
Capitol Avenue School	Section 8	Seniors	48	N/Av	N/Av
Capitol Towers	Section 8	Seniors	39	100%	Yes-1.5 years
Caribu Apartments	Market	Families	166	98%	No
City Views At Rosa Burney Park	LIHTC	Families	180	99%	Yes
Columbia Senior Residences At Mechanicsville	LIHTC	Families	154	96%	Yes
Columbia At Peopletown	LIHTC	Families	N/Av	N/Av	N/Av
Columbia at Sylvan Hills	LIHTC	Families	191	94%	Yes
Columbia Blackshear Senior Residences	LIHTC	Seniors	N/Av	N/Av	N/Av
Columbia Plaza Apts	LIHTC	Families	N/Av	N/Av	N/Av
Columbia High Pt Estates Sr	LIHTC	Seniors	N/Av	N/Av	N/Av
Courtyard At Maple	LIHTC	Families	182	100%	No
Croggman School Lofts	LIHTC	Families	N/Av	N/Av	N/Av
Donnelly Gardens*	Market	Families	250	100%	No
Enclave at Webster Park	LIHTC	Families	N/Av	N/Av	N/Av
Fairlie Poplar Lofts	Market	Families	15	99%	No
Friendship Towers	Section 8	Seniors	102	100%	Yes-6 months
Gardens At Collegetown	LIHTC	Families	N/Av	N/Av	N/Av
Gates Park Crossing Hfs Apts	LIHTC	Families	N/Av	N/Av	N/Av
Gateway Apts At Northside Village	LIHTC	Families	N/Av	N/Av	N/Av
Grant Park Apts	LIHTC	Families	N/Av	N/Av	N/Av
Grant Park Commons	LIHTC	Families	344	70%	No
Greenwich Street Apts	LIHTC	Families	N/Av	N/Av	N/Av

Lillie R Campbell House	LIHTC	Seniors	N/Av	N/Av	N/Av
Magnolia Park Apts, Phase II	LIHTC	Families	N/Av	N/Av	N/Av
Mechanicsville Apartments	Section 8	Families	N/Av	N/Av	N/Av
Mechanicsville Apts, Phase III	LIHTC	Families	N/Av	N/Av	N/Av
Mechanicsville Apts, Phase VI	LIHTC	Families	N/Av	N/Av	N/Av
Mechanicsville Station	Section 8	Families	164	96%	Yes
Oglethorpe Apartments	Market	Families	N/Av	N/Av	N/Av
Oglethorpe Place*	Market/LIHTC	Families	144	94%	No
Park At Lakewood	LIHTC	Families	299	60%	No
Patterson Heights	LIHTC	Families	10	N/Av	N/Av
Peaks At Martin Luther King	LIHTC	Families	N/Av	N/Av	N/Av
Pittsburgh, Phase I Lp	LIHTC	Seniors	N/Av	N/Av	N/Av
Preserve At Bent Creek	LIHTC	Families	324	94%	No
Preserve At Collier Ridge	LIHTC	Families	416	70%	No
Provenance At Hollowell Family	LIHTC	Families	N/Av	N/Av	N/Av
QLS Haven	Section 8	Seniors	120	98%	Yes-2 years
Reed Street Apts	LIHTC	Families	N/Av	N/Av	N/Av
Rosa Burney Manor	LIHTC	Families	54	98%	Yes-6 households
Seven Courts	LIHTC	Seniors	171	91%	Yes
Showcase District	LIHTC	Families	N/Av	N/Av	N/Av
Square At Peopletown	LIHTC	Families	94	96%	No
Sylvan Circle	Market	Families	296	50%	No
The Veranda At Collegetown	Section 8	Seniors	100	100%	Yes
The Villages at Castleberry Hill	LIHTC	Families	450	97%	Yes-100 households
Thornton Place	LIHTC	Families	12	N/Av	N/Av
Toby Sexton Redevelopment	LIHTC	Families	N/Av	N/Av	N/Av
Trestletree Village Apts	Section 8	Families	188	100%	Yes-500 households
Veranda Carver	LIHTC	Families	N/Av	N/Av	N/Av
Villages Of Cascade Apts	LIHTC	Families	N/Av	N/Av	N/Av
Washington Heights	LIHTC	Families	1	N/Av	N/Av
Wells Court Commons	LIHTC	Families	N/Av	N/Av	N/Av
Westview Lofts	LIHTC	Families	N/Av	N/Av	N/Av
<b>Average</b>			<b>148</b>	<b>94%</b>	-

\*Utilized as a comparable

**Rehab Developments and Section 8**

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 Section 8 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.

*According to the Georgia DCA market study guidelines, capture rate calculations for proposed renovation developments 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 provided by the*

*applicant. Tenants who are income qualified to remain in the property at the proposed stabilized renovated rents will be deducted from the property unit count prior to determining the applicable capture rates. The Subject has five vacant units, one over income tenant, and no tenants who are income-qualified for their specific unit type without the Section 8 subsidy. Thus, post renovation the Subject will only have six vacancies to fill. However, we have determined the Subject's capture rates based on the 99 total units with no income-eligible resident households deducted.*

*The Subject will offer studio and one-bedroom units restricted at the 60 percent of AMI. It should be noted that DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. Rent increases will be made gradually, maintaining rents that are affordable to the existing tenant base. However, the tenants at the Subject will continue to pay 30 percent of their income towards rent. We do not expect that the Subject will need to re-lease 99 units following renovation. Therefore, our demand analysis is considered conservative.*

**Capture Rates**

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

<b>Senior Renter Household Income Distribution 2015 to Projected Market Entry December 2016</b>					
<b>Abernathy Tower Apartments</b>					
<b>PMA</b>					
	<b>2015</b>		<b>Projected Mkt Entry December 2016</b>		<b>Percent</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>Growth</b>
\$0-9,999	2,400	40.8%	2,563	41.4%	6.4%
\$10,000-19,999	1,482	25.2%	1,551	25.0%	4.4%
\$20,000-29,999	712	12.1%	740	12.0%	3.9%
\$30,000-39,999	426	7.2%	441	7.1%	3.6%
\$40,000-49,999	217	3.7%	228	3.7%	4.9%
\$50,000-59,999	234	4.0%	239	3.9%	2.2%
\$60,000-74,999	169	2.9%	172	2.8%	1.9%
\$75,000-99,999	103	1.8%	108	1.8%	4.8%
\$100,000-124,999	56	1.0%	57	0.9%	0.9%
\$125,000-149,999	33	0.6%	33	0.5%	-0.6%
\$150,000-199,999	23	0.4%	26	0.4%	10.7%
\$200,000+	34	0.6%	35	0.6%	1.1%
<b>Total</b>	<b>5,890</b>	<b>100.0%</b>	<b>6,195</b>	<b>100.0%</b>	<b>4.9%</b>

<b>Senior Renter Household Income Distribution Projected Market Entry December 2016</b>			
<b>Abernathy Tower Apartments</b>			
	<b>PMA</b>		
	<b>Projected Mkt Entry December 2016</b>		<b>Change 2015 to Prj Mrkt Entry December 2016</b>
	<b>#</b>	<b>%</b>	<b>#</b>
\$0-9,999	2,563	41.4%	126
\$10,000-19,999	1,551	25.0%	76
\$20,000-29,999	740	12.0%	36
\$30,000-39,999	441	7.1%	22
\$40,000-49,999	228	3.7%	11
\$50,000-59,999	239	3.9%	12
\$60,000-74,999	172	2.8%	8
\$75,000-99,999	108	1.8%	5
\$100,000-124,999	57	0.9%	3
\$125,000-149,999	33	0.5%	2
\$150,000-199,999	26	0.4%	1
\$200,000+	35	0.6%	2
<b>Total</b>	<b>6,195</b>	<b>100.0%</b>	<b>305</b>

60 Percent AMI Demand with Section 8 Subsidies

Calculation of New Senior Renter Household Demand by Income Cohort by % of AMI					
Percent of AMI Level			60%		
Minimum Income Limit			\$0		
Maximum Income Limit			\$32,760		
Income Category	New Senior Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry December 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	126.16			
\$10,000-19,999	76.31	25.0%	9,999	100.0%	76
\$20,000-29,999	36.44	12.0%	9,999	100.0%	36
\$30,000-39,999	21.73	7.1%	2,760	27.6%	6
\$40,000-49,999	11.23	3.7%		0.0%	0
\$50,000-59,999	11.76	3.9%		0.0%	0
\$60,000-74,999	8.48	2.8%		0.0%	0
\$75,000-99,999	5.34	1.8%		0.0%	0
\$100,000-124,999	2.80	0.9%		0.0%	0
\$125,000-149,999	1.63	0.5%		0.0%	0
\$150,000-199,999	1.27	0.4%		0.0%	0
\$200,000+	1.71	0.6%		0.0%	0
	305	100.0%			245
Percent of senior renter households within limits versus total number of renter households					80.3%

Calculation of Potential Senior Household Demand by Income Cohort by % of AMI					
Percent of AMI Level			60%		
Minimum Income Limit			\$0		
Maximum Income Limit			\$32,760		
Income Category	Total Senior Renter Households PMA Prj Mrkt Entry December 2016		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	2,563			
\$10,000-19,999	1,551	25.0%	\$9,999	100.0%	1,551
\$20,000-29,999	740	12.0%	\$9,999	100.0%	740
\$30,000-39,999	441	7.1%	\$2,760	27.6%	122
\$40,000-49,999	228	3.7%		0.0%	0
\$50,000-59,999	239	3.9%		0.0%	0
\$60,000-74,999	172	2.8%		0.0%	0
\$75,000-99,999	108	1.8%		0.0%	0
\$100,000-124,999	57	0.9%		0.0%	0
\$125,000-149,999	33	0.5%		0.0%	0
\$150,000-199,999	26	0.4%		0.0%	0
\$200,000+	35	0.6%		0.0%	0
	6,195	100.0%			4,976
Percent of renter households within limits versus total number of renter households					80.3%

Does the Project Benefit from Rent Subsidy? (Y/N)	Yes		
Type of Housing (Family vs Senior)	Senior		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	40%		
2000 Median Income	\$23,947		
2015 Median Income	\$26,233		
Change from 2015 to Prj Mrkt Entry December 2016	\$2,286		
Total Percent Change	9.5%		
Average Annual Change	1.6%		
Inflation Rate	1.6%	Two year adjustment	1.0000
Maximum Allowable Income	\$32,760		
Maximum Allowable Income Inflation Adjusted	\$32,760		
Maximum Number of Occupants	2		
Rent Income Categories	60%		
Initial Gross Rent for Smallest Unit	\$717		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$717.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	50%	50%	0%	0%	0%	0%	100%
2	0%	80%	20%	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 Senior Renter Households 2015 to Prj Mrkt Entry December 2016

Income Target Population		60%
New Renter Households PMA		305
Percent Income Qualified		80.3%
New Renter Income Qualified Households		245

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

Demand from Existing Households 2015

<u>Demand form Rent Overburdened Households</u>		
Income Target Population		60%
Total Existing Demand		6,195
Income Qualified		80.3%
Income Qualified Renter Households		4,976
Percent Rent Overburdened Prj Mrkt Entry December 2016		37.6%
Rent Overburdened Households		1,870

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		4,976
Percent Living in Substandard Housing		1.2%
Households Living in Substandard Housing		58

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		6,195
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		124

Total Demand

Total Demand from Existing Households		2,052
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		2,052
Total New Demand		245
Total Demand (New Plus Existing Households)		2,297

Demand from Seniors Who Convert from Homeownership		124
Percent of Total Demand From Homeownership Conversion		5.4%
Is this Demand Over 2 percent of Total Demand?		Yes

By Bedroom Demand

One Person	64.8%	1,489
Two Persons	18.0%	414
Three Persons	6.6%	151
Four Persons	5.7%	130
Five Persons	4.9%	113
Total	100.0%	2,297

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	50%	744
Of one-person households in 1BR units	50%	744
Of two-person households in 1BR units	80%	331
Of two-person households in 2BR units	20%	83
Of three-person households in 2BR units	60%	91
Of three-person households in 3BR units	40%	60
Of four-person households in 3BR units	80%	104
Of five-person households in 3BR units	70%	79
Of four-person households in 4BR units	20%	26
Of five-person households in 4BR units	30%	34
<b>Total Demand</b>		<b>2,297</b>
<b>Total Demand by Bedroom</b>		<b>60%</b>
0 BR		744
1 BR		1,076
<b>Total Demand</b>		<b>1,820</b>
<b>Additions To Supply 2015 to Prj Mrkt Entry December 2016</b>		<b>60%</b>
0 BR		0
1 BR		78
<b>Total</b>		<b>78</b>
<b>Net Demand</b>		<b>60%</b>
0 BR		744
1 BR		998
<b>Total</b>		<b>1,742</b>
<b>Developer's Unit Mix</b>		<b>60%</b>
0 BR		24
1 BR		75
<b>Total</b>		<b>99</b>
<b>Capture Rate Analysis</b>		<b>60%</b>
0 BR		3.2%
1 BR		7.5%
<b>Total</b>		<b>5.7%</b>

## **Conclusions**

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

- The number of senior renter households in the PMA is expected to increase by 305 households between 2015 and the date of market entry.
- The Subject will continue to attract one and two-person household sizes in offering studio and one-bedroom units.
- Per 2015 DCA guidelines, our demand analysis does not account for leakage outside the PMA. In actuality, we expect that the Subject will experience a moderate leakage rate of 15 percent. As such, the demand analysis is conservative as this leakage factor is not included.

<b>CAPTURE RATE ANALYSIS CHART- WITH SUBSIDIES</b>										
<b>Unit Size</b>	<b>Income limits</b>	<b>Units Proposed</b>	<b>Total Demand</b>	<b>Supply</b>	<b>Net Demand</b>	<b>Capture Rate</b>	<b>Absorption</b>	<b>Average Market Rents</b>	<b>Market Rents</b>	<b>Proposed Rents</b>
OBR- 60% AM/Section 8	\$0-\$28,680	24	744	0	744	3.2%	9 months	\$709	\$549-\$1,092	\$717
1BR- 60% AMI/Section 8	\$0-\$32,760	75	1,076	78	998	7.5%	9 months	\$860	\$601-\$1,104	\$768
<b>Overall- 60% AMI/ Section 8</b>	<b>\$0-\$32,760</b>	<b>99</b>	<b>1,820</b>	<b>78</b>	<b>1,742</b>	<b>5.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Demand and Net Demand</b>	
	<b>HH at 60% AMI w/Section 8 (min to max income)</b>
Demand from New Households (age and income appropriate)	245
<b>PLUS</b>	+
Demand from Existing Renter Households - Substandard Housing	58
<b>PLUS</b>	+
Demand from Existing Renter Households - Rent Overburdened Households	1,870
<b>PLUS</b>	+
<b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>	<b>0</b>
<b>Sub Total</b>	<b>2,173</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	124
<b>Equals Total Demand</b>	<b>2,297</b>
<b>Less</b>	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	78
<b>Equals Net Demand</b>	<b>2,219</b>

As the analysis illustrates, the Subject's capture rates at the 60 percent AMI level with Section 8 subsidies will range from 3.2 to 7.5 percent, with an overall capture rate of 5.7 percent. Including the Section 8 subsidy the overall capture rate is 5.7 percent which is well below the DCA threshold of 30 percent for urban communities.

**HIGHEST AND BEST USE**

## HIGHEST AND BEST USE

Highest and Best Use may be defined as that legal use which will yield the highest net present value to the land, or that land use which may reasonably be expected to produce the greatest net return over a given period of time.

Investors continually attempt to maximize profits on invested capital. The observations of investor activities in the area are an indication of that use which can be expected to produce the greatest net return to the land. The principle of conformity holds, in part, that conformity in use is usually a highly desirable adjunct of real property, since it creates and/or maintains maximum value, and it is maximum value which affords the owner maximum returns.

The Dictionary of Real Estate Appraisal (Fifth Edition, 2010), published by the Appraisal Institute, defines Highest and Best Use as:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of the land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value."

It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its Highest and Best Use exceeds the total value of the property in its existing use. Implied in this definition is that the determination of Highest and Best Use takes into account the contribution of a specific use to the community and the community's development goals, as well as the benefits of that use to individual property owners. The principle of Highest and Best Use may be applied to the site if vacant, and to the site as it is improved.

The Highest and Best Use determination is a function of neighborhood land use trends, property size, shape, zoning, and other physical factors, as well as the market environment in which the property must compete. In arriving at the estimate of Highest and Best Use, the Subject site is analyzed "as if vacant", meaning vacant and available for development, and also "as is".

Four tests are typically used to determine the Highest and Best Use of a particular property. Thus, the following areas are addressed.

1. **Physically Possible:** The uses which it is physically possible to put on the site in question.
2. **Legally Permissible:** The uses that are permitted by zoning and deed restrictions on the site in question.
3. **Feasible Use:** The possible and permissible uses that will produce any net return to the owner of the site.

4. **Maximally Productive:** Among the feasible uses, the use that will produce the highest net return or the highest present worth.

#### **HIGHEST AND BEST USE AS VACANT**

##### **Physically Possible**

The Subject site contains approximately 1.62 acres. The Subject site has generally level topography and is generally rectangular in shape. The site has good accessibility and is considered adequate for a variety of legally permissible uses.

##### **Legally Permissible**

According to the City of Atlanta Zoning Map the Subject site is zoned RG-4-C, Residential General District Sector 4. The principal residential uses permitted under this zoning code are single-family and multifamily developments. The Subject site is 1.62 acres, or 70,567 square feet. This zoning district allows for a maximum floor-to-area ratio of 1.49. The maximum floor-to-area ratio for the land is 1.49 which would allow a building size of 105,145 square feet. Based on unit sizes in the market, we believe it would be reasonable to construct a lowrise multifamily development with 75 units.

##### **Financially Feasible**

The cost of the land limits those uses that are financially feasible for the site. Any uses of the Subject site that provide a financial return to the land in excess of the cost of the land are those uses that are financially feasible.

The Subject's feasible uses are restricted to those that are allowed by zoning classifications, and are physically possible. As noted in the zoning section, the site can be used for varying densities of residential uses. Given the site attributes, allowable uses and surrounding uses, we believe multifamily residential development is most likely. Based upon our analysis, new construction of an affordable apartment community with some source of gap funding, such as Low Income Housing Tax Credits or favorable financing is most likely as market rate developments are occurring in Atlanta, but not in the Subject's submarket.

##### **Maximally Productive**

Based upon our analysis, new construction of an affordable apartment community with some source of gap funding, such as Low Income Housing Tax Credits or favorable financing is most likely. Therefore, the maximally productive use of this site as if vacant would be to construct a multifamily rental property with financial subsidies.

**Highest and Best Use As If Vacant:**

Based on the recent development patterns, the highest and best use “as if vacant” would be to construct a lowrise multifamily development with 75-unit multifamily development with subsidy or gap financing, such as LIHTC. The maximum floor-to-area ratio for the land is 1.49 which would allow a building size of 105,145 square feet. Based on unit sizes in the market, we believe a 75-unit development could be developed in a 105,145 square foot building.

**Highest and Best Use As Improved:**

The Subject property currently operates as 100 unit affordable multifamily property in average to good condition. The property currently generates positive income and it is not deemed feasible to tear it down for an alternative use. Therefore, the highest and best use of the site, as improved, would be to continue to operate as an affordable multifamily housing development.

# **APPRAISAL METHODOLOGY**

## **APPRAISAL METHODOLOGY**

Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility.

In the sales comparison approach, we estimate the value of a property by comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use the sales comparison approach and both the EGIM analysis and NOI/Unit analyses in valuing the Subject property.

The income capitalization approach requires estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk and alternative investment possibilities. The Subject is an income producing property and this is considered to be the best method of valuation.

## **APPLICABILITY TO THE SUBJECT PROPERTY**

The employment of the Cost Approach in the valuation process is based on the principle of substitution. Investors in the marketplace do not typically rely upon the cost approach. As a result, the cost approach is considered to have only limited use in the valuation of the Subject property. However, we have provided an estimate of land value.

The income capitalization approach requires estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk, and alternative investment possibilities. Because the Subject will be an income producing property, this is considered to be the best method of valuation. A direct capitalization technique is utilized.

In the sales comparison approach, we estimate the value of a property by comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use both the EGIM and NOI/Unit analyses in valuing the Subject property.

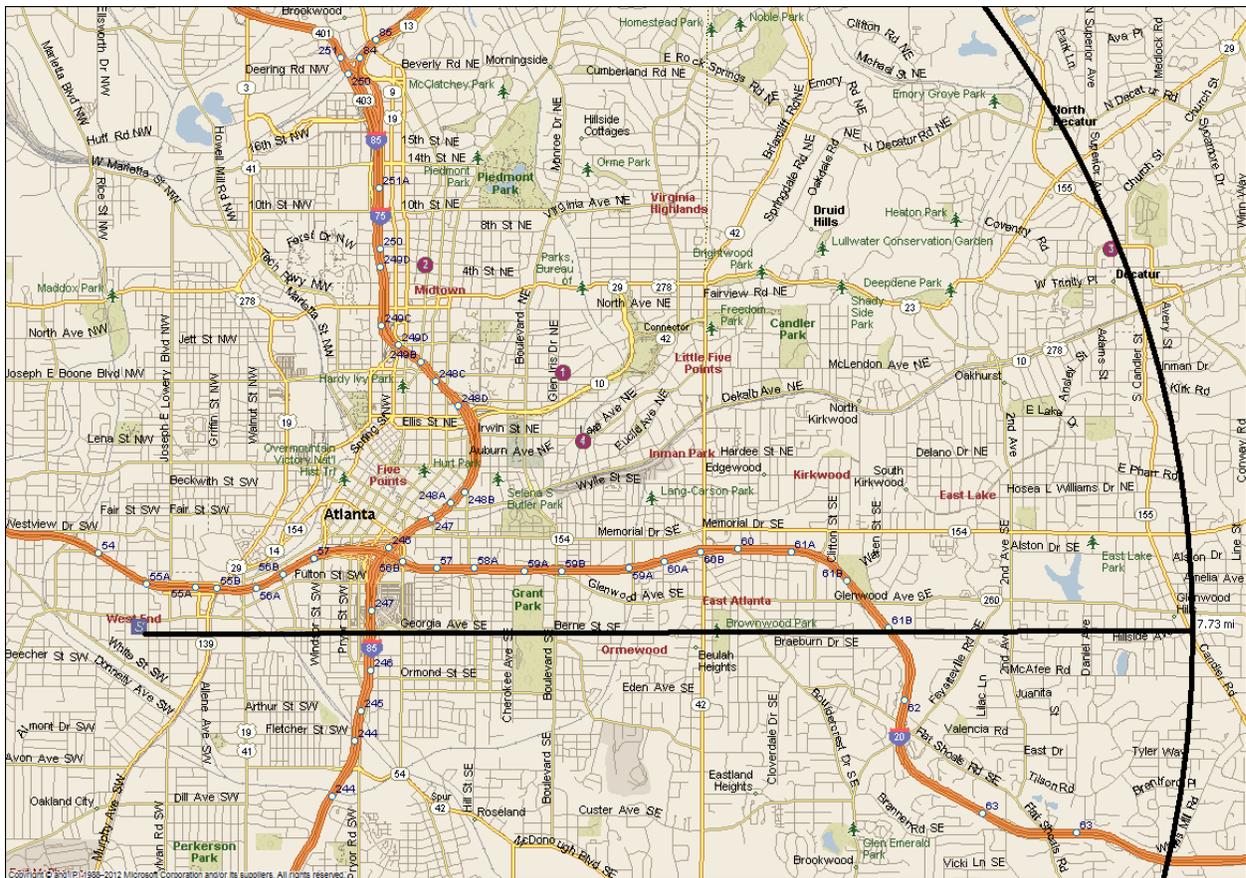
**LAND VALUE**

## LAND VALUATION

To arrive at an opinion of land value for the Subject site, we have analyzed actual sales of comparable sites in the competitive area. In performing the market valuation, an extensive search for recent transfers of land zoned for multifamily development within the region was made. We were able to locate four land sales occurring between January 2014 and October 2014.

No two parcels of land are alike; therefore, these sales have been adjusted for various factors including location, size, shape, topography, utility, and marketability. The adjustments are the result of a careful analysis of market data, as well as interviews with various informed buyers, sellers, real estate brokers, builders, and lending institutions. A map of the comparable land sales is included following. Individual descriptions of these land sale transactions are included on the following pages.

### Land Sales Maps

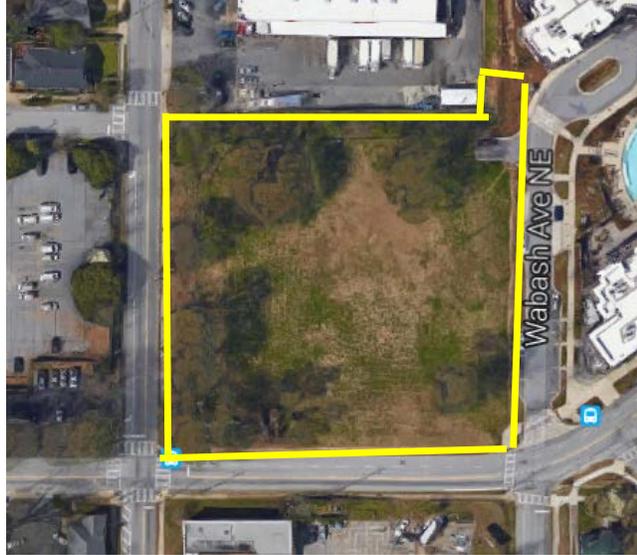


The following table summarizes the land sale transactions. A profile of each sale is located on the following pages.

<b>COMPARABLE LAND SALES</b>							
<b>Number</b>	<b>Location</b>	<b>City</b>	<b>Sale Date</b>	<b>Price</b>	<b>Acres</b>	<b>Units</b>	<b>Price/Unit</b>
1	608 Ralph McGill Blvd	Atlanta, GA	Oct-14	\$5,500,000	2.44	268	\$20,522
2	782 Peachtree Street	Atlanta, GA	Jun-14	\$8,020,000	1.89	294	\$27,279
3	160 Clairemont Avenue	Decatur, GA	Apr-14	\$3,050,000	1.10	167	\$18,263
4	112 Krog Street	Atlanta, GA	Jan-14	\$4,613,300	2.92	222	\$20,781

**Land Sale 1**

**Location:** 608 Ralph McGill Blvd  
Atlanta, GA



**Buyer:** JLB Partners, LP  
**Seller:** Inland Real Estate Corporation  
**Sale Date:** October-14  
**Sale Price:** \$5,500,000  
**Financing:** Cash

**Number of Units:** 268  
**Site:** Acre(s) 2.440  
 Square Footage 106,286  
**Zoning** Multifamily  
**Corner** Yes  
**Topography** Level  
**Shape** Rectangular

**Sale Price:** Per Unit \$20,522  
 Per Acre \$2,254,098  
 Per SF \$51.75

**Comments:**  
 The site is currently vacant, but the developer has filed permits with the city for a new 268-unit upscale apartment complex. The development as planned will be a mix of studio, one, two, and three-bedroom units.

**Verification:** CoStar, Public Records

**Land Sale 2**

**Location:** 112 Krog Street  
Atlanta, GA



**Buyer:** Development Authority of Fulton County  
**Seller:** JLB Peachtree LLC  
**Sale Date:** June-14  
**Sale Price:** \$8,020,000  
**Financing:** Cash

**Number of Units:** 294  
**Site:** Acre(s) 1.89  
 Square Footage 82,328  
**Zoning** Multifamily  
**Corner** Yes  
**Topography** Level  
**Shape** Rectangular

**Sale Price:** Per Unit \$27,279  
 Per Acre \$4,243,386  
 Per SF \$97.41

**Comments:**  
 The site is currently under construction for 294-unit project with an estimated completion of late 2015 or early 2016. The project will include 294 apartments along with 6,300 square feet of retail space in a 10-story highrise building.

**Verification:** Public Records, CoStar

**Land Sale 3**

**Location:** 160 Clairemont Avenue  
Decatur, GA



**Buyer:** Trammell Crow Residential Company  
**Seller:** Parmenter Realty Partners  
**Sale Date:** April-14  
**Sale Price:** \$3,050,000  
**Financing:** Cash

**Number of Units:** 167  
**Site:** Acre(s) 1.100  
 Square Footage 47,916  
**Zoning** Multifamily  
**Corner** Yes  
**Topography** Level  
**Shape** Irregular

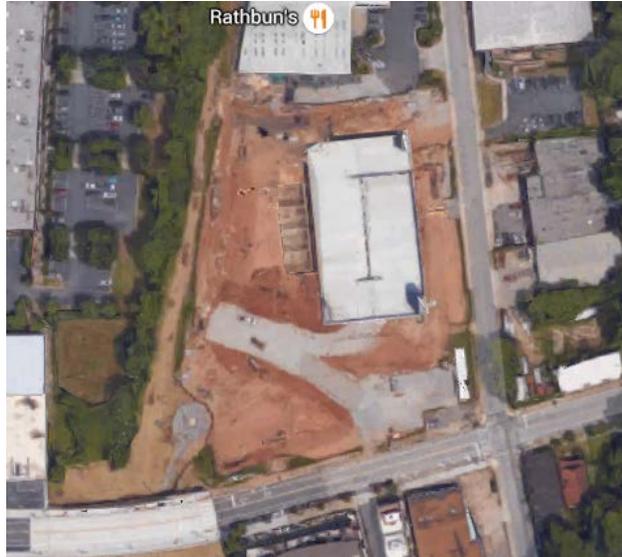
**Sale Price:** Per Unit \$18,263  
 Per Acre \$2,772,727  
 Per SF \$63.65

**Comments:**  
 The site is currently under construction of the Alexan 1133 Apartments which will contain 167 units in a five-story midrise-style building. The apartment complex is set to be complete in late 2015 or early 2016. The rents will range from \$1,600 to \$1,800 per month and the average unit size will be 875 square feet.

**Verification:** CoStar, Public Records

**Land Sale 4**

**Location:** 112 Krog Street  
Atlanta, GA



**Buyer:** Trammell Crow Residential Company  
**Seller:** Paces Properties, Inc.  
**Sale Date:** January-14  
**Sale Price:** \$4,613,300  
**Financing:** Cash

**Number of Units:** 222  
**Site:** Acre(s) 2.920  
 Square Footage 127,195  
**Zoning** Multifamily  
**Corner** Yes  
**Topography** Level  
**Shape** Rectangular

**Sale Price:** Per Unit \$20,781  
 Per Acre \$1,579,897  
 Per SF \$36.27

**Comments:**  
 The site was improved with the Alexan on Krog Apartments which contain 222 studio, one, and two-bedroo units. The property began leasing in June 2015 and the project will be completed in November/December 2015.

**Verification:** CoStar, Public Records

**ADJUSTMENTS**

The following table illustrates adjustments applied to the sale comparables.

<b>Comparable Land Data Adjustment Grid</b>					
	Subject	1	2	3	4
Location	1059 Oglethorpe Avenue SW	608 Ralph McGill Blvd	782 Peachtree Street	160 Clairmont Avenue	112 Krog Street
City, State	Atlanta, GA	Atlanta, GA	Atlanta, GA	Decatur, GA	Atlanta, GA
Parcel Data					
Zoning	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily
Topography	Level	Level	Level	Level	Level
Shape	Rectangular	Rectangular	Irregular	Rectangular	Rectangular
Corner	No	Yes	Yes	Yes	Yes
Size (SF)	70,567	106,286	82,328	47,916	127,195
Size (Acres)	1.6	2.44	1.89	1.10	2.92
Units	75	268	294	167	222
Units Per Acre	46.3	109.8	155.6	151.8	76.0
Sales Data					
Date		Oct-14	Jun-14	Apr-14	Jan-14
Interest		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Price		\$5,500,000	\$8,020,000	\$3,050,000	\$4,613,300
Price per Unit		\$20,522	\$27,279	\$18,263	\$20,781
Adjustments					
Property Rights		0	0	0	0
		\$5,500,000	\$8,020,000	\$3,050,000	\$4,613,300
Financing		0	0	0	0
		\$5,500,000	\$8,020,000	\$3,050,000	\$4,613,300
Conditions of Sale		0	0	0	0
		\$5,500,000	\$8,020,000	\$3,050,000	\$4,613,300
Market Conditions		0%	0%	0%	0%
Adjusted Sale Price		\$5,500,000	\$8,020,000	\$3,050,000	\$4,613,300
Adjusted Price Per Unit		\$20,522	\$27,279	\$18,263	\$20,781
Adjustments					
Location		-25%	-35%	-15%	-25%
Zoning/Density		0%	0%	0%	0%
Topography		0%	0%	0%	0%
Shape/Access/Visibility		-10%	-10%	-10%	-10%
Size/Number of Units		5%	5%	5%	5%
Overall Adjustment		-30%	-40%	-20%	-30%
Adjusted Price Per Unit		\$14,366	\$16,367	\$14,611	\$14,546
Low		\$14,366			
High		\$16,367			
Mean		\$14,973			
Median		\$14,579			
Conclusion		\$14,500	x	75	\$1,087,500
Rounded					\$1,090,000

As illustrated, adjustments have been made based on price differences created by the following factors:

- **Property Rights**
- **Financing**
- **Conditions of Sale**
- **Market Conditions**
- **Location**
- **Zoning/Density**
- **Topography**
- **Shape**
- **Size/Number of Units**

### **Property Rights**

All of the sales used in this analysis represent the conveyance of the fee simple interest in the respective properties. No adjustments are warranted.

### **Financing**

If applicable, the comparable sales must be adjusted for financing terms. The adjustment renders the sale price to cash equivalent terms. All of the sales are considered to be cash equivalent and no adjustment is necessary.

### **Conditions of Sale**

This adjustment is used if there are any unusual circumstances surrounding the transactions such as foreclosures, bulk sales, related parties, assemblages, etc. All of the comparable sales are considered to be market-oriented, arms-length transactions. As a result, no additional adjustments are needed.

### **Market Conditions**

Real estate values change over time. The rate of this change fluctuates due to investors' perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of comparables, when values have appreciated or depreciated.

The comparable sales occurred between January 2014 and October 2014. Overall, capitalization rate trends in the region appear to have generally followed the national capitalization rate trends over the past several years, and are a good indication of changes in market conditions and resulting land value over time. Historical capitalization rate trends are illustrated in the table on the following page.

PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate - Institutional Grade Investments		
Quarter	Cap Rate	Change (bps)
1Q14	5.79	-0.01
2Q14	5.59	-0.20
3Q14	5.51	-0.08
4Q14	5.36	-0.15
1Q15	5.36	0.00
2Q15	5.30	-0.06
3Q15	5.39	0.09

Source: PwC Real Estate Investor Survey, Q4 2014

The comparables were all sold between January 2014 and October 2014, as such no market condition adjustments were necessary.

### Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate.

MEDIAN RENT			
Subject	Zip Code	Median Rent	Differential
	<b>31030</b>	<b>\$615</b>	-
1	30312	\$929	-51.1%
2	30308	\$1,014	-64.9%
3	30030	\$895	-45.5%
4	30307	\$1,077	-75.1%

Source: City Data, 11/2015

The comparables are located in superior areas in regards to median rent. Therefore, all were adjusted downward between 15 and 35 percent.

### Zoning/Density

All of the land sales' zoning permits multifamily development; therefore no adjustments are necessary.

### Shape/Access/Visibility

Site characteristics such as access, frontage, visibility, and shape can affect the marketability of sites, making them more or less attractive to investors. The Subject has a generally similar shape but slightly inferior access and visibility as the comparable sales. As such a ten percent downward adjustment was applied to the comparable sales.

### Size/Number of Units

With respect to size, the pool of potential purchasers decreases as property size (and purchase price) increases. The pricing relationship is not linear and certain property sizes, while different, may not

receive differing prices based on the grouping within levels. All of the comparable have more units. Therefore, we have adjusted each sale upward by five percent.

**CONCLUSION OF VALUE**

The sales indicate a range of adjusted price per unit from \$14,366 to \$16,367 per unit, with a mean of \$14,973 per unit. Comparable two is an outlier and the other three sales suggest a very similar price per unit. We have given the most weight to Sale 3 as it is considered to be in the most similar location and has the most similar size when compared to the Subject. As such, we have concluded to a sale price of \$14,500 per unit.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the value of the underlying land in fee simple, as of October 30, 2015, is:

**ONE MILLION NINETY THOUSAND DOLLARS  
(\$1,090,000)**

# **INCOME CAPITALIZATION APPROACH**

## INCOME CAPITALIZATION APPROACH

### INTRODUCTION

We were asked to provide several value estimates, including:

- Market Value “As Is.”
- Hypothetical Market Value “As Complete and Stabilized” – Assuming Restricted Rents.
- Hypothetical Market Value “As Complete and Stabilized” – Assuming Unrestricted Rents.
- Prospective Market Value At Loan Maturity Assuming Restricted Rents.
- Prospective Market Value At Loan Maturity Assuming Unrestricted Rents.

The market values “as complete and stabilized” are hypothetical value estimates based upon the anticipated benefits and timing of encumbrances and the development plan as proposed by the developer, as described in the “Description of Improvements” section of this report. *Please see attached assumptions and limiting conditions for additional remarks concerning hypothetical value estimates.*

The Income Capitalization Approach to value is based upon the premise that the value of an income-producing property is largely determined by the ability of the property to produce future economic benefits. The value of such a property to the prudent investor lies in anticipated annual cash flows and an eventual sale of the property. An estimate of the property’s market value is derived via the capitalization of these future income streams.

The Subject’s market value for all scenarios is determined using Direct Capitalization with the exception of its prospective market value at loan maturity, which is determined utilizing a discounted cash flow analysis in both scenarios.

**POTENTIAL GROSS INCOME**

In our search for properties comparable to the Subject, we concentrated on obtaining information on those projects considered similar to the Subject improvements on the basis of location, size, age, condition, design, quality of construction and overall appeal. In our market analysis we provided the results of our research regarding properties considered generally comparable or similar to the Subject.

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject's potential rental income as is restricted is assumes the achievable as is unrestricted rents derived in the *Supply Section* of this report, while the potential rental income as proposed restricted assumes the current Section 8 contract rents. The as proposed unrestricted income assumes the achievable as renovated unrestricted rents.

<b>POTENTIAL GROSS RENTAL INCOME - AS IS RESTRICTED</b>				
<b>Unit Type</b>	<b>Number of Units</b>	<b>Current Net Contract Rents</b>	<b>Monthly Gross Rent</b>	<b>Annual Gross Rent</b>
<i>Section 8</i>				
0BR/1BA	24	\$1,123	\$26,952	\$323,424
1BR/1BA	75	\$1,208	\$90,600	\$1,087,200
<i>Manager's Unit</i>				
2BR/1BA	1	\$0	\$0	\$0
<b>Total</b>	<b>100</b>			<b>\$1,410,624</b>

<b>POTENTIAL GROSS RENTAL INCOME - AS RENOVATED RESTRICTED</b>				
<b>Unit Type</b>	<b>Number of Units</b>	<b>Section 8 Contract Rents</b>	<b>Monthly Gross Rent</b>	<b>Annual Gross Rent</b>
<i>Section 8/60% AMI</i>				
0BR/1BA	24	\$1,123	\$26,952	\$323,424
1BR/1BA	75	\$1,208	\$90,600	\$1,087,200
<i>Manager's Unit</i>				
2BR/1BA	1	\$0	\$0	\$0
<b>Total</b>	<b>100</b>			<b>\$1,410,624</b>

<b>POTENTIAL GROSS RENTAL INCOME - AS RENOVATED UNRESTRICTED</b>				
<b>Unit Type</b>	<b>Number of Units</b>	<b>Achievable Market Rents</b>	<b>Monthly Gross Rent</b>	<b>Annual Gross Rent</b>
0BR/1BA	24	\$670	\$16,080	\$192,960
1BR/1BA	75	\$920	\$69,000	\$828,000
<i>Manager's Unit</i>				
2BR/1BA	1	\$0	\$0	\$0
<b>Total</b>	<b>100</b>			<b>\$1,020,960</b>

**Other Income**

The other income category is primarily revenue generated from late charges, special service fees, vending machines, etc. Other income reported among the comparables ranges from \$38 to \$416 per unit. The Subject's historical other income ranges from \$19 to \$29 per unit. The developer's budget estimates other income to be \$192, which appears elevated based on historical data. We will conclude to other income of \$30 per unit, which is at the top of the historical data and within the range of the comparables, but lower than developer's budget.

**Vacancy and Collection Loss**

The vacancy rates in the market are generally stable. As indicated in the supply analysis, we have concluded to a vacancy and collections loss rate of 5.0 percent in both restricted scenarios and 6.0 percent unrestricted.

**EXPLANATION OF EXPENSES**

Typical deductions from the calculated Effective Gross Income fall into three categories on real property: fixed, variable, and non-operating expenses. Historical operating expenses of comparable properties were relied upon in estimating the Subject's operating expenses. The comparable data can be found on the following pages.

It is important to note that the projections of income and expenses 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. The Subject offers 100 units that target senior households 62 and older or disabled persons. Upon completion of renovations, the Subject will continue to offer 100 units. The Subject's historical fiscal year 2013 and 2014 audited expenses as well as comparable operating expense data from 2013 to 2014 from properties located in Atlanta serve as the basis of comparison.

**Abernathy Tower Apartments, Atlanta, GA; Appraisal**

EXPENSE CATEGORY	Novogradac Estimates As Is Atlanta, GA		Novogradac Estimates As Renovated Restricted Atlanta, GA		Novogradac Estimates As Renovated Unrestricted Atlanta, GA		SUBJECT BUDGETED POST REHAB EXPENSES Atlanta, GA		2014 SUBJECT ACTUAL EXPENSES Atlanta, GA		2013 SUBJECT ACTUAL EXPENSES Atlanta, GA	
	100		100		100		100		100		100	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
<b>OTHER INCOME</b>	\$3,000	\$30	\$3,000	\$30	\$3,000	\$30	\$19,200	\$192	\$1,854	\$19	\$2,855	\$29
<b>MARKETING</b>												
Advertising / Screening / Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	\$15	\$0	\$0	\$0	\$0
<b>SUBTOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500</b>	<b>\$15</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ADMINISTRATION</b>												
Legal	\$100	\$1	\$100	\$1	\$100	\$1	\$0	\$0	\$141	\$1	\$90	\$1
Audit	\$10,000	\$100	\$10,000	\$100	\$10,000	\$100	\$0	\$0	\$9,000	\$90	\$10,864	\$109
Office & Other	\$45,000	\$450	\$45,000	\$450	\$40,000	\$500	\$40,000	\$400	\$49,254	\$493	\$39,398	\$394
<b>SUBTOTAL</b>	<b>\$55,100</b>	<b>\$551</b>	<b>\$55,100</b>	<b>\$551</b>	<b>\$50,100</b>	<b>\$501</b>	<b>\$40,000</b>	<b>\$400</b>	<b>\$58,395</b>	<b>\$584</b>	<b>\$50,352</b>	<b>\$504</b>
<b>TOTAL ADMINISTRATION</b>	<b>\$55,100</b>	<b>\$551</b>	<b>\$55,100</b>	<b>\$551</b>	<b>\$50,100</b>	<b>\$501</b>	<b>\$41,500</b>	<b>\$415</b>	<b>\$58,395</b>	<b>\$584</b>	<b>\$50,352</b>	<b>\$504</b>
<b>MAINTENANCE</b>												
Painting / Turnover / Cleaning	\$15,000	\$150	\$10,000	\$100	\$10,000	\$100	\$10,000	\$100	\$0	\$0	\$0	\$0
Repairs	\$100,000	\$1,000	\$80,000	\$800	\$80,000	\$800	\$90,000	\$900	\$473	\$5	\$9,010	\$90
Elevator	\$10,000	\$100	\$10,000	\$100	\$10,000	\$100	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$15,000	\$150	\$15,000	\$150	\$15,000	\$150	\$15,000	\$150	\$0	\$0	\$0	\$0
Pool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies/Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,829	\$648	\$12,846	\$128
<b>SUBTOTAL</b>	<b>\$140,000</b>	<b>\$1,400</b>	<b>\$115,000</b>	<b>\$1,150</b>	<b>\$115,000</b>	<b>\$1,150</b>	<b>\$115,000</b>	<b>\$1,150</b>	<b>\$65,302</b>	<b>\$653</b>	<b>\$21,856</b>	<b>\$219</b>
<b>OPERATING</b>												
Contracts	\$5,000	\$50	\$5,000	\$50	\$5,000	\$50	\$0	\$0	\$68,243	\$682	\$81,357	\$814
Exterminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security	\$55,000	\$550	\$30,000	\$300	\$30,000	\$300	\$35,000	\$350	\$113,785	\$1,138	\$103,995	\$1,040
<b>SUBTOTAL</b>	<b>\$60,000</b>	<b>\$600</b>	<b>\$35,000</b>	<b>\$350</b>	<b>\$35,000</b>	<b>\$350</b>	<b>\$35,000</b>	<b>\$350</b>	<b>\$182,028</b>	<b>\$1,820</b>	<b>\$185,352</b>	<b>\$1,854</b>
<b>TOTAL MAINTENANCE AND OPERATING</b>	<b>\$200,000</b>	<b>\$2,000</b>	<b>\$150,000</b>	<b>\$1,500</b>	<b>\$150,000</b>	<b>\$1,500</b>	<b>\$150,000</b>	<b>\$1,500</b>	<b>\$247,330</b>	<b>\$2,473</b>	<b>\$207,208</b>	<b>\$2,072</b>
<b>PAYROLL</b>												
On-site manager	\$75,000	\$750	\$75,000	\$750	\$75,000	\$750	\$180,000	\$1,800	\$137,080	\$1,371	\$151,102	\$1,511
Other management staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$63,741	\$637	\$67,263	\$673
Maintenance staff	\$50,000	\$500	\$50,000	\$500	\$50,000	\$500	\$0	\$0	\$0	\$0	\$0	\$0
Janitorial staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$10,000	\$100	\$10,000	\$100	\$10,000	\$100	\$0	\$0	\$29,402	\$294	\$26,897	\$269
Payroll taxes	\$15,000	\$150	\$15,000	\$150	\$15,000	\$150	\$0	\$0	\$19,909	\$199	\$18,022	\$180
<b>SUBTOTAL</b>	<b>\$150,000</b>	<b>\$1,500</b>	<b>\$150,000</b>	<b>\$1,500</b>	<b>\$150,000</b>	<b>\$1,500</b>	<b>\$180,000</b>	<b>\$1,800</b>	<b>\$250,132</b>	<b>\$2,501</b>	<b>\$263,284</b>	<b>\$2,633</b>
<b>UTILITIES</b>												
Water & Sewer	\$50,000	\$500	\$45,000	\$450	\$45,000	\$450	\$50,000	\$500	\$49,333	\$493	\$0	\$0
Electricity	\$90,000	\$900	\$80,000	\$800	\$80,000	\$800	\$88,000	\$880	\$87,250	\$873	\$145,663	\$1,457
Gas	\$15,500	\$155	\$12,500	\$125	\$12,500	\$125	\$15,000	\$150	\$14,203	\$142	\$0	\$0
Cable Television	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash	\$22,000	\$220	\$22,000	\$220	\$22,000	\$220	\$22,000	\$220	\$20,908	\$209	\$0	\$0
<b>SUBTOTAL</b>	<b>\$177,500</b>	<b>\$1,775</b>	<b>\$159,500</b>	<b>\$1,595</b>	<b>\$159,500</b>	<b>\$1,595</b>	<b>\$175,000</b>	<b>\$1,750</b>	<b>\$171,694</b>	<b>\$1,717</b>	<b>\$145,663</b>	<b>\$1,457</b>
<b>MISCELLANEOUS</b>												
Insurance	\$35,000	\$350	\$35,000	\$350	\$35,000	\$350	\$35,000	\$350	\$39,308	\$393	\$42,312	\$423
Real Estate Taxes / PILOT	\$150,738	\$1,507	\$167,055	\$1,671	\$80,381	\$804	\$140,000	\$1,400	\$318	\$3	\$19,784	\$198
Reserves	\$30,000	\$300	\$30,000	\$300	\$30,000	\$300	\$30,000	\$300	\$0	\$300	\$0	\$300
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>SUBTOTAL</b>	<b>\$215,738</b>	<b>\$2,157</b>	<b>\$232,055</b>	<b>\$2,321</b>	<b>\$145,381</b>	<b>\$1,454</b>	<b>\$205,000</b>	<b>\$2,050</b>	<b>\$39,626</b>	<b>\$396</b>	<b>\$62,096</b>	<b>\$621</b>
<b>MANAGEMENT</b>												
<b>SUBTOTAL</b>	<b>\$67,147</b>	<b>\$671</b>	<b>\$67,147</b>	<b>\$671</b>	<b>\$52,939</b>	<b>\$529</b>	<b>\$55,122</b>	<b>\$551</b>	<b>\$65,985</b>	<b>\$660</b>	<b>\$59,128</b>	<b>\$591</b>
<b>TOTAL EXPENSES</b>	<b>\$865,485</b>	<b>\$8,655</b>	<b>\$813,802</b>	<b>\$8,138</b>	<b>\$707,919</b>	<b>\$7,079</b>	<b>\$806,622</b>	<b>\$8,066</b>	<b>\$833,162</b>	<b>\$8,332</b>	<b>\$787,731</b>	<b>\$7,877</b>

**Abernathy Tower Apartments, Atlanta, GA; Appraisal**

EXPENSE CATEGORY	2014		2013		2013		2013	
	CONFIDENTIAL		CONFIDENTIAL		CONFIDENTIAL		CONFIDENTIAL	
	ACTUAL EXPENSES Atlanta, GA		ACTUAL EXPENSES Atlanta, GA		ACTUAL EXPENSES Atlanta, GA		ACTUAL EXPENSES Atlanta, GA	
	209		250		171		305	
	Total	Per Unit						
<b>OTHER INCOME</b>	\$64,521	\$309	\$9,588	\$38	\$25,398	\$149	\$126,944	\$416
<b>MARKETING</b>								
Advertising / Screening / Credit	\$446	\$2	\$18,223	\$73	\$13,638	\$80	\$33,642	\$110
<b>SUBTOTAL</b>	<b>\$446</b>	<b>\$2</b>	<b>\$18,223</b>	<b>\$73</b>	<b>\$13,638</b>	<b>\$80</b>	<b>\$33,642</b>	<b>\$110</b>
<b>ADMINISTRATION</b>								
Legal	\$3,022	\$14	\$47,850	\$191	\$5,089	\$30	\$11,141	\$37
Audit	\$0	\$0	\$12,204	\$49	\$7,000	\$41	\$0	\$0
Office & Other	\$107,489	\$514	\$200,089	\$800	\$164,459	\$962	\$126,382	\$414
<b>SUBTOTAL</b>	<b>\$110,511</b>	<b>\$529</b>	<b>\$260,143</b>	<b>\$1,041</b>	<b>\$176,548</b>	<b>\$1,032</b>	<b>\$137,523</b>	<b>\$451</b>
<b>TOTAL ADMINISTRATION</b>	<b>\$110,957</b>	<b>\$531</b>	<b>\$278,366</b>	<b>\$1,113</b>	<b>\$190,186</b>	<b>\$1,112</b>	<b>\$171,165</b>	<b>\$561</b>
<b>MAINTENANCE</b>								
Painting / Turnover / Cleaning	\$14,873	\$71	\$25,626	\$103	\$46,432	\$272	\$5,597	\$18
Repairs	\$213,605	\$1,022	\$289,680	\$1,159	\$80,552	\$471	\$4,444	\$15
Elevator	\$9,841	\$47	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$13,541	\$65	\$13,439	\$54	\$4,371	\$26	\$24,417	\$80
Pool	\$0	\$0	\$6,176	\$25	\$2,896	\$17	\$3,228	\$11
Supplies/Other	\$53,073	\$254	\$95,759	\$383	\$16,844	\$99	\$95,210	\$312
<b>SUBTOTAL</b>	<b>\$304,933</b>	<b>\$1,459</b>	<b>\$430,680</b>	<b>\$1,723</b>	<b>\$151,095</b>	<b>\$884</b>	<b>\$132,896</b>	<b>\$436</b>
<b>OPERATING</b>								
Contracts	\$0	\$0	\$34,794	\$139	\$13,700	\$80	\$113,686	\$373
Exterminating	\$6,971	\$33	\$8,565	\$34	\$6,173	\$36	\$5,983	\$20
Security	\$136,223	\$652	\$80,635	\$323	\$18,273	\$107	\$0	\$0
<b>SUBTOTAL</b>	<b>\$143,194</b>	<b>\$685</b>	<b>\$123,994</b>	<b>\$496</b>	<b>\$38,146</b>	<b>\$223</b>	<b>\$119,669</b>	<b>\$392</b>
<b>TOTAL MAINTENANCE AND OPERATING</b>	<b>\$448,127</b>	<b>\$2,144</b>	<b>\$554,674</b>	<b>\$2,219</b>	<b>\$189,241</b>	<b>\$1,107</b>	<b>\$252,565</b>	<b>\$828</b>
<b>PAYROLL</b>								
On-site manager	\$138,442	\$662	\$137,326	\$549	\$148,727	\$870	\$0	\$0
Other management staff	\$0	\$0	\$0	\$0	\$0	\$0	\$243,272	\$798
Maintenance staff	\$155,688	\$745	\$130,045	\$520	\$73,003	\$427	\$66,986	\$220
Janitorial staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$54,428	\$260	\$94,815	\$379	\$0	\$0	\$28,437	\$93
Payroll taxes	\$22,848	\$109	\$49,734	\$199	\$0	\$0	\$29,271	\$96
<b>SUBTOTAL</b>	<b>\$371,406</b>	<b>\$1,777</b>	<b>\$411,920</b>	<b>\$1,648</b>	<b>\$221,730</b>	<b>\$1,297</b>	<b>\$367,966</b>	<b>\$1,206</b>
<b>UTILITIES</b>								
Water & Sewer	\$98,657	\$472	\$138,416	\$554	\$231,629	\$1,355	\$6,604	\$22
Electricity	\$186,021	\$890	\$40,501	\$162	\$61,512	\$360	\$88,470	\$290
Gas	\$48,095	\$230	\$0	\$0	\$28,191	\$165	\$0	\$0
Cable Television	\$7,858	\$38	\$0	\$0	\$0	\$0	\$0	\$0
Trash	\$0	\$0	\$44,465	\$178	\$0	\$0	\$9,308	\$31
<b>SUBTOTAL</b>	<b>\$340,631</b>	<b>\$1,630</b>	<b>\$223,382</b>	<b>\$894</b>	<b>\$321,332</b>	<b>\$1,879</b>	<b>\$104,382</b>	<b>\$342</b>
<b>MISCELLANEOUS</b>								
Insurance	\$26,116	\$125	\$189,388	\$758	\$42,548	\$249	\$70,931	\$233
Real Estate Taxes / PILOT	\$11,057	\$53	\$179,273	\$717	\$67,164	\$393	\$516,013	\$1,692
Reserves	\$62,700	\$300	\$75,000	\$300	\$51,300	\$300	\$91,500	\$300
Miscellaneous	\$106,367	\$509	\$0	\$0	\$0	\$0	\$3,505	\$11
<b>SUBTOTAL</b>	<b>\$206,240</b>	<b>\$987</b>	<b>\$443,661</b>	<b>\$1,775</b>	<b>\$161,012</b>	<b>\$942</b>	<b>\$681,949</b>	<b>\$2,236</b>
<b>MANAGEMENT</b>								
<b>SUBTOTAL</b>	<b>\$126,779</b>	<b>\$607</b>	<b>\$166,059</b>	<b>\$664</b>	<b>\$0</b>	<b>\$0</b>	<b>\$115,383</b>	<b>\$378</b>
<b>TOTAL EXPENSES</b>	<b>\$1,604,140</b>	<b>\$7,675</b>	<b>\$2,078,062</b>	<b>\$8,312</b>	<b>\$1,083,501</b>	<b>\$6,336</b>	<b>\$1,693,410</b>	<b>\$5,552</b>

### General Administrative

This category includes all professional fees for items such as legal, accounting, and marketing expenses, as well as office supplies and general and administrative costs. Historically, the Subject's administrative expense has ranged from \$504 to \$584 per unit. The developer's budget indicates a general administrative expense of \$415 per unit. The comparable expense data ranges from \$531 to \$1,113 per unit. Based on the historic and comparable data, the developer's budget appears low. We have concluded to \$551 per unit in the as is and as renovated restricted scenarios and \$501 per unit in the as renovated unrestricted scenario. According to a Novogradac & Company LLP comprehensive analysis of national 2012 operating expense data (Multifamily Rental Housing Operating Expense Report, 2014), it costs on average approximately \$80 more per unit for administrative costs for low income housing tax credit property nationally than it does for a market-rate property.

### Repairs, Maintenance, and Operating

Included in this expense are normal items of repair including roof, painting, decorating, maintenance of public areas, cleaning, etc. Historically, the Subject's maintenance and operating expenses per unit were reported to be \$2,072 in 2013 and \$2,473 in 2014. The developer's budgeted expense post renovation is \$1,500 per unit. The comparable expense data ranges from \$828 to \$2,219 per unit. The Subject will be newly renovated. We have concluded to an expense of \$1,200 per unit for the as is scenario and \$1,500 per unit for both proposed scenarios, which are within the range of the comparables and in line with the developer's post renovation estimate.

### Payroll

Payroll expenses are directly connected to the administration of the complex, including office, maintenance and management salaries. In addition, employee benefits and employment related taxes are included in the category. The Subject has historically had a payroll expenses ranging from \$2,501 to \$2,633 per unit. The developer has estimated a payroll expense of \$1,800 per unit. The comparable expense data ranges from \$1,206 to \$1,777 per unit. We estimate one full-time management staff and one full-time maintenance staff for the Subject as is and as proposed. The following table illustrates Novoco's staffing plan for the Subject for the as is scenario and the as proposed (restricted/unrestricted) scenarios.

<b>PAYROLL EXPENSE CALCULATION</b>				
	<b>As Is</b>		<b>As Proposed</b>	
	<b>Expenses</b>	<b>Per Unit</b>	<b>Expense</b>	<b>Per Unit</b>
Manager's Salary (Full Time)	\$75,000	\$750	\$75,000	\$750
Maintenance Salary (Full Time)	\$50,000	\$500	\$50,000	\$500
Benefits (\$5,000 per FTE)	\$10,000	\$100	\$10,000	\$100
Payroll Taxes (estimated at 12%)	\$15,000	\$150	\$15,000	\$150
<b>Total Annual Payroll</b>	<b>\$150,000</b>	<b>\$1,500</b>	<b>\$150,000</b>	<b>\$1,500</b>

### Utilities

The landlord will continue to be responsible for all utilities. Historically, the Subject's utility expenses have ranged from \$1,457 to \$1,717 per unit. The Subject's budgeted expense is \$1,750 per unit. As a newly renovated development, we believe that the proposed renovations will improve

utility efficiency. According to a June 2014 Stewards of Affordable Housing for the Future (SAHF) article detailing the energy savings of 236 multifamily properties nationally that benefited from the US Department of Housing and Urban Development's Green Retrofit Program (<http://www.sahfnet.org/mfretrofitreport.html>), energy efficiency upgrades averaged an 18 percent reduction in energy [electric] consumption. Also, water consumption in the portfolio was reduced by 26 percent on average. We will conclude to utility expense of \$1,760 per unit for the as is scenario and \$1,595 per unit for both proposed scenarios, which is below the developer's budget but considered reasonable based on the pending renovations.

### **Insurance**

Comparable data illustrates a range from \$125 to \$758 per unit. The comparable with \$758 per unit in insurance appears to be a high outlier and the range excluding that comparable is \$125 to \$249. The historical expenses have ranged from \$393 to \$423 per unit and the budgeted expense is \$350 per unit. The budgeted amount is within the comparable range, and slightly below historic data. We have estimated insurance to be at the developer's estimate and within the range of the historical data and concluded to \$350 per unit for all scenarios.

### **Taxes**

Real estate taxes have been previously discussed in the real estate tax analysis.

### **Replacement Reserves**

The reserve for replacement allowance is often considered a hidden expense of ownership not normally seen on an expense statement. Reserves must be set aside for future replacement of items such as the roof, HVAC systems, parking area, appliances and other capital items. It is difficult to ascertain market information for replacement reserves, as it is not a common practice in the marketplace for properties of the Subject's size and investment status. Underwriting requirements for replacement reserve for existing properties typically range from \$250 to \$350 per unit per year, with senior properties trending below family properties. We have used an expense of \$300 per unit for all scenarios.

### **Management Fees**

The typical range for professionally managing an apartment property such as the Subject is 4.0 to 7.0 percent of effective gross rental income, depending upon the size and age of the apartment complex with the latter percentage being charged to smaller or older complexes. This amount will also vary dependent upon what is included in the management task which some would also classify as administration. Historically, the Subject has operated with management fee of 4.6 percent. The developer's budget accounts for a management fee of 4.0 percent of EGI, which is slightly below the historical data. We have concluded to a management fee of 5.5 percent for the as renovated unrestricted scenario and a management fee of 5.0 percent for the as is and as renovated restricted scenarios, due to higher costs associated with affordable properties.

### **SUMMARY**

Operating expenses were estimated based upon the comparable expenses. In the following table, we compared the total operating expenses per unit proposed by the Subject with the Subject's historical expenses, and the total expenses reported by comparable expense properties.

<b>COMPARABLE EXPENSE SUMMARY</b>		
<b>Total Expense per Unit</b>	<b>With Taxes</b>	<b>Without Taxes</b>
Developer's Post Rehab Budget	\$8,066	\$6,666
Subject FY 2014	\$8,332	\$8,328
Subject FY 2013	\$7,877	\$7,679
Expense Comparable 1	\$7,675	\$7,622
Expense Comparable 2	\$8,312	\$7,595
Expense Comparable 3	\$6,336	\$5,943
Expense Comparable 4	\$5,552	\$3,860
<b>Subject (As Is)</b>	<b>\$8,655</b>	<b>\$7,147</b>
<b>Subject (As Proposed Restricted)</b>	<b>\$8,138</b>	<b>\$6,467</b>
<b>Subject (As Proposed Unrestricted)</b>	<b>\$7,079</b>	<b>\$6,275</b>

Total estimated expenses as is are above the developer's post rehabilitation budget, and above the Subject's historical expenses and the range of comparables. However, the historical expenses do not account for taxes, which is included in our analysis as the Subject will no longer be tax exempt. As proposed, the estimated expenses are within the historical range and within the range of comparable expenses. Overall, we have placed reliance on the estimated, historic and comparable operations.

### Prospective Market Value at Loan Maturity

To quantify the income potential of the Subject, a future cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate terminal capitalization and discount rates. As examined earlier, we believe there is ample demand in the income ranges targeted by the management of the Subject to support a stable cash flow. The stability associated with the HAP contract also reduces risk. Therefore, the restrictions do not affect the risk of the Subject investment. We based our valuation on market-derived reversion and discount rates. It should be noted that we have only utilized the future cash flow analysis to identify the prospective market value at loan maturity.

### Income and Expense Growth Projections

The AMI in Fulton County increased 0.8 percent annually on average between 1999 and 2015. Since 2012, the AMI in the county has decreased 1.4 percent annually. The two market rate properties reported increases ranging from two to 25 percent, while the LIHTC/mixed income comparable properties reported rent increases ranging from zero to 43 percent. Baptist Gardens a senior LIHTC property did not report any rent increases over the last 12 months. The senior comparable properties reported increases of zero to 16 percent. We have increased the income by 1.0 per annum and the expense line items by 1.5 percent per annum over the holding period. This is based upon the AMI growth and the market-oriented rent increases of the comparable properties.

### Terminal Capitalization Rate

In order to estimate the appropriate capitalization rate, we used the *PwC Real Estate Investor Survey*. The following summarizes this survey:

<b>PwC REAL ESTATE INVESTOR SURVEY</b>	
<b>National Apartment Market</b>	
<b>Overall Capitalization Rate - Institutional Grade Investments</b>	
Range:	3.50% - 8.00%
Average:	5.39%
<b>Non-Institutional Grade Investments</b>	
Range:	3.75% - 12.00%
Average:	6.98%

Source: PwC Real Estate Investor Survey, Q3 2015

Additionally, we have considered the market extracted capitalization rates in the Atlanta market. As discussed in detail later in this report, we have estimated a going in capitalization rate of 5.50 percent for all scenarios.

The following issues impact the determination of a residual capitalization rate for the Subject:

- Anticipated annual capture of the Subject.
- The anticipated demand growth in the market associated with both local residential and corporate growth.
- The Subject's construction and market position.
- Local market overall rates.

In view of the preceding data, observed rate trends, and careful consideration of the Subject's physical appeal and economic characteristics, a terminal rate of 8.0 percent has been used in the restricted and unrestricted scenarios which is within the range and is considered reasonable for a non-institutional grade property such as the Subject following renovation

This is calculated using estimated 2045 NOI, assuming linear income and expense growth. The terminal capitalization rates were derived from the reconciled rates discussed later in this appraisal; however, we have added 250 basis points to the reconciled capitalization rates to reach our terminal rate. The higher rate is due to the length of the holding period prior to disposition after 2045.

#### **VALUATION ANALYSIS**

Based upon the indicated operating statements and the discount rate discussion above, we developed a cash flow for the Subject. The following pages illustrate the cash flow and present value analysis.

As Renovated Restricted Scenario (Years 1 through 15)

Restricted Cash Flow Value Derivation of "as complete"

Fiscal Year	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019	Year 6 2020	Year 7 2021	Year 8 2022	Year 9 2023	Year 10 2024	Year 11 2025	Year 12 2026	Year 13 2027	Year 14 2028	Year 15 2029
<b>Income</b>															
Low Income Units	\$1,410,624	\$1,424,730	\$1,438,978	\$1,453,367	\$1,467,901	\$1,482,580	\$1,497,406	\$1,512,380	\$1,527,504	\$1,542,779	\$1,558,206	\$1,573,789	\$1,589,526	\$1,605,422	\$1,621,476
Nonresidential	\$3,000	\$3,030	\$3,060	\$3,091	\$3,122	\$3,153	\$3,185	\$3,216	\$3,249	\$3,281	\$3,314	\$3,347	\$3,380	\$3,414	\$3,448
Gross Project Income	\$1,413,624	\$1,427,760	\$1,442,038	\$1,456,458	\$1,471,023	\$1,485,733	\$1,500,590	\$1,515,596	\$1,530,752	\$1,546,060	\$1,561,520	\$1,577,136	\$1,592,907	\$1,608,836	\$1,624,924
Vacancy Allowance	\$70,681	\$71,388	\$72,102	\$72,823	\$73,551	\$74,287	\$75,030	\$75,780	\$76,538	\$77,303	\$78,076	\$78,857	\$79,645	\$80,442	\$81,246
Effective Gross Income	\$1,342,943	\$1,356,372	\$1,369,936	\$1,383,635	\$1,397,472	\$1,411,446	\$1,425,561	\$1,439,816	\$1,454,215	\$1,468,757	\$1,483,444	\$1,498,279	\$1,513,262	\$1,528,394	\$1,543,678
<b>Expenses</b>															
Administrative and Marketing	\$55,100	\$55,927	\$56,765	\$57,617	\$58,481	\$59,358	\$60,249	\$61,152	\$62,070	\$63,001	\$63,946	\$64,905	\$65,879	\$66,867	\$67,870
Maintenance and Operating	\$150,000	\$152,250	\$154,534	\$156,852	\$159,205	\$161,593	\$164,016	\$166,477	\$168,974	\$171,508	\$174,081	\$176,692	\$179,343	\$182,033	\$184,763
Payroll	\$150,000	\$152,250	\$154,534	\$156,852	\$159,205	\$161,593	\$164,016	\$166,477	\$168,974	\$171,508	\$174,081	\$176,692	\$179,343	\$182,033	\$184,763
Utilities	\$159,500	\$161,893	\$164,321	\$166,786	\$169,287	\$171,827	\$174,404	\$177,020	\$179,676	\$182,371	\$185,106	\$187,883	\$190,701	\$193,562	\$196,465
Insurance	\$35,000	\$35,525	\$36,058	\$36,599	\$37,148	\$37,705	\$38,271	\$38,845	\$39,427	\$40,019	\$40,619	\$41,228	\$41,847	\$42,474	\$43,111
Real Estate Taxes	\$167,055	\$169,560	\$172,104	\$174,685	\$177,306	\$179,965	\$182,665	\$185,405	\$188,186	\$191,009	\$193,874	\$196,782	\$199,734	\$202,730	\$205,771
Replacement Reserve	\$30,000	\$30,450	\$30,907	\$31,370	\$31,841	\$32,319	\$32,803	\$33,295	\$33,795	\$34,302	\$34,816	\$35,338	\$35,869	\$36,407	\$36,953
Management Fee	\$67,147	\$67,819	\$68,497	\$69,182	\$69,874	\$70,572	\$71,278	\$71,991	\$72,711	\$73,438	\$74,172	\$74,914	\$75,663	\$76,420	\$77,184
Total Expenses	\$813,802	\$825,673	\$837,719	\$849,942	\$862,346	\$874,931	\$887,703	\$900,662	\$913,812	\$927,155	\$940,695	\$954,435	\$968,377	\$982,524	\$996,880
<b>Net Operating Income</b>	<b>\$529,141</b>	<b>\$530,699</b>	<b>\$532,217</b>	<b>\$533,693</b>	<b>\$535,126</b>	<b>\$536,515</b>	<b>\$537,858</b>	<b>\$539,155</b>	<b>\$540,403</b>	<b>\$541,602</b>	<b>\$542,749</b>	<b>\$543,844</b>	<b>\$544,885</b>	<b>\$545,870</b>	<b>\$546,798</b>
<b>Reversion Calculation</b>															
Terminal Capitalization Rate	8.00%														8.0%
Sales Costs	3.0%														3.0%
Net Sales Proceeds															\$6,600,000

As Renovated Restricted Scenario (Years 16 through 30)

Restricted Cash Flow Value Derivation of "as complete"																
Fiscal Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	
	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	
<b>Income</b>																
Low Income Units	\$1,637,691	\$1,654,068	\$1,670,608	\$1,687,314	\$1,704,187	\$1,721,229	\$1,738,442	\$1,755,826	\$1,773,384	\$1,791,118	\$1,809,029	\$1,827,120	\$1,845,391	\$1,863,845	\$1,882,483	
Nonresidential	\$3,483	\$3,518	\$3,553	\$3,588	\$3,624	\$3,661	\$3,697	\$3,734	\$3,771	\$3,809	\$3,847	\$3,886	\$3,925	\$3,964	\$4,004	
Gross Project Income	\$1,641,174	\$1,657,585	\$1,674,161	\$1,690,903	\$1,707,812	\$1,724,890	\$1,742,139	\$1,759,560	\$1,777,156	\$1,794,927	\$1,812,877	\$1,831,005	\$1,849,315	\$1,867,809	\$1,886,487	
Vacancy Allowance	\$82,059	\$82,879	\$83,708	\$84,545	\$85,391	\$86,244	\$87,107	\$87,978	\$88,858	\$89,746	\$90,644	\$91,550	\$92,466	\$93,390	\$94,324	
Effective Gross Income	\$1,559,115	\$1,574,706	\$1,590,453	\$1,606,358	\$1,622,421	\$1,638,645	\$1,655,032	\$1,671,582	\$1,688,298	\$1,705,181	\$1,722,233	\$1,739,455	\$1,756,850	\$1,774,418	\$1,792,162	
<b>Expenses</b>																
Administrative and Marketing	\$68,888	\$69,921	\$70,970	\$72,034	\$73,115	\$74,212	\$75,325	\$76,455	\$77,602	\$78,766	\$79,947	\$81,146	\$82,363	\$83,599	\$84,853	
Maintenance and Operating	\$187,535	\$190,348	\$193,203	\$196,101	\$199,043	\$202,028	\$205,059	\$208,135	\$211,257	\$214,425	\$217,642	\$220,906	\$224,220	\$227,583	\$230,997	
Payroll	\$187,535	\$190,348	\$193,203	\$196,101	\$199,043	\$202,028	\$205,059	\$208,135	\$211,257	\$214,425	\$217,642	\$220,906	\$224,220	\$227,583	\$230,997	
Utilities	\$199,412	\$202,403	\$205,439	\$208,521	\$211,649	\$214,823	\$218,046	\$221,316	\$224,636	\$228,006	\$231,426	\$234,897	\$238,421	\$241,997	\$245,627	
Insurance	\$43,758	\$44,414	\$45,081	\$45,757	\$46,443	\$47,140	\$47,847	\$48,565	\$49,293	\$50,033	\$50,783	\$51,545	\$52,318	\$53,103	\$53,899	
Real Estate Taxes	\$208,857	\$211,990	\$215,170	\$218,397	\$221,673	\$224,998	\$228,373	\$231,799	\$235,276	\$238,805	\$242,387	\$246,023	\$249,713	\$253,459	\$257,261	
Replacement Reserve	\$37,507	\$38,070	\$38,641	\$39,220	\$39,809	\$40,406	\$41,012	\$41,627	\$42,251	\$42,885	\$43,528	\$44,181	\$44,844	\$45,517	\$46,199	
Management Fee	\$77,956	\$78,735	\$79,523	\$80,318	\$81,121	\$81,932	\$82,752	\$83,579	\$84,415	\$85,259	\$86,112	\$86,973	\$87,842	\$88,721	\$89,608	
Total Expenses	\$1,011,447	\$1,026,229	\$1,041,229	\$1,056,450	\$1,071,895	\$1,087,568	\$1,103,472	\$1,119,610	\$1,135,986	\$1,152,604	\$1,169,467	\$1,186,578	\$1,203,942	\$1,221,562	\$1,239,442	
<b>Net Operating Income</b>	<b>\$547,668</b>	<b>\$548,477</b>	<b>\$549,224</b>	<b>\$549,908</b>	<b>\$550,526</b>	<b>\$551,078</b>	<b>\$551,560</b>	<b>\$551,972</b>	<b>\$552,312</b>	<b>\$552,577</b>	<b>\$552,766</b>	<b>\$552,877</b>	<b>\$552,908</b>	<b>\$552,856</b>	<b>\$552,721</b>	
<b>Reversion Calculation</b>																
Terminal Capitalization Rate						8.0%					8.0%					8.0%
Sales Costs						3.0%					3.0%					3.0%
Net Sales Proceeds						\$6,700,000					\$6,700,000					\$6,700,000

As Renovated Unrestricted Scenario (Years 1 through 15)

Market Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Income</b>															
Low Income Units	\$1,020,960	\$1,031,170	\$1,041,481	\$1,051,896	\$1,062,415	\$1,073,039	\$1,083,770	\$1,094,607	\$1,105,553	\$1,116,609	\$1,127,775	\$1,139,053	\$1,150,443	\$1,161,948	\$1,173,567
Nonresidential	\$3,000	\$3,030	\$3,060	\$3,091	\$3,122	\$3,153	\$3,185	\$3,216	\$3,249	\$3,281	\$3,314	\$3,347	\$3,380	\$3,414	\$3,448
Gross Project Income	\$1,023,960	\$1,034,200	\$1,044,542	\$1,054,987	\$1,065,537	\$1,076,192	\$1,086,954	\$1,097,824	\$1,108,802	\$1,119,890	\$1,131,089	\$1,142,400	\$1,153,824	\$1,165,362	\$1,177,016
Vacancy Allowance	\$61,438	\$62,052	\$62,672	\$63,299	\$63,932	\$64,572	\$65,217	\$65,869	\$66,528	\$67,193	\$67,865	\$68,544	\$69,229	\$69,922	\$70,621
Effective Gross Income	\$962,522	\$972,148	\$981,869	\$991,688	\$1,001,605	\$1,011,621	\$1,021,737	\$1,031,954	\$1,042,274	\$1,052,697	\$1,063,224	\$1,073,856	\$1,084,594	\$1,095,440	\$1,106,395
<b>Expenses</b>															
Administrative and Marketing	\$50,100	\$50,852	\$51,614	\$52,388	\$53,174	\$53,972	\$54,782	\$55,603	\$56,437	\$57,284	\$58,143	\$59,015	\$59,900	\$60,799	\$61,711
Maintenance and Operating	\$150,000	\$152,250	\$154,534	\$156,852	\$159,205	\$161,593	\$164,016	\$166,477	\$168,974	\$171,508	\$174,081	\$176,692	\$179,343	\$182,033	\$184,763
Payroll	\$150,000	\$152,250	\$154,534	\$156,852	\$159,205	\$161,593	\$164,016	\$166,477	\$168,974	\$171,508	\$174,081	\$176,692	\$179,343	\$182,033	\$184,763
Utilities	\$159,500	\$161,893	\$164,321	\$166,786	\$169,287	\$171,827	\$174,404	\$177,020	\$179,676	\$182,371	\$185,106	\$187,883	\$190,701	\$193,562	\$196,465
Insurance	\$35,000	\$35,525	\$36,058	\$36,599	\$37,148	\$37,705	\$38,271	\$38,845	\$39,427	\$40,019	\$40,619	\$41,228	\$41,847	\$42,474	\$43,111
Real Estate Taxes	\$80,381	\$81,586	\$82,810	\$84,052	\$85,313	\$86,593	\$87,892	\$89,210	\$90,548	\$91,906	\$93,285	\$94,684	\$96,104	\$97,546	\$99,009
Replacement Reserve	\$30,000	\$30,450	\$30,907	\$31,370	\$31,841	\$32,319	\$32,803	\$33,295	\$33,795	\$34,302	\$34,816	\$35,338	\$35,869	\$36,407	\$36,953
Management Fee	\$52,939	\$48,607	\$49,093	\$49,584	\$50,080	\$50,581	\$51,087	\$51,598	\$52,114	\$52,635	\$53,161	\$53,693	\$54,230	\$54,772	\$55,320
Total Expenses	\$707,919	\$713,413	\$723,871	\$734,483	\$745,253	\$756,181	\$767,271	\$778,525	\$789,944	\$801,533	\$813,293	\$825,226	\$837,336	\$849,625	\$862,096
<b>Net Operating Income</b>	<b>\$254,603</b>	<b>\$258,735</b>	<b>\$257,998</b>	<b>\$257,204</b>	<b>\$256,352</b>	<b>\$255,440</b>	<b>\$254,466</b>	<b>\$253,430</b>	<b>\$252,329</b>	<b>\$251,164</b>	<b>\$249,931</b>	<b>\$248,629</b>	<b>\$247,258</b>	<b>\$245,815</b>	<b>\$244,299</b>
<b>Reversion Calculation</b>															
Terminal Capitalization Rate	8.00%														8.0%
Sales Costs	3.0%														3.0%
Net Sales Proceeds															\$3,000,000

As Renovated Unrestricted Scenario (Years 16 through 30)

Market Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
<b>Income</b>															
Low Income Units	\$1,185,303	\$1,197,156	\$1,209,127	\$1,221,219	\$1,233,431	\$1,245,765	\$1,258,223	\$1,270,805	\$1,283,513	\$1,296,348	\$1,309,312	\$1,322,405	\$1,335,629	\$1,348,985	\$1,362,475
Nonresidential	\$3,483	\$3,518	\$3,553	\$3,588	\$3,624	\$3,661	\$3,697	\$3,734	\$3,771	\$3,809	\$3,847	\$3,886	\$3,925	\$3,964	\$4,004
Gross Project Income	\$1,188,786	\$1,200,674	\$1,212,680	\$1,224,807	\$1,237,055	\$1,249,426	\$1,261,920	\$1,274,539	\$1,287,285	\$1,300,157	\$1,313,159	\$1,326,291	\$1,339,554	\$1,352,949	\$1,366,479
Vacancy Allowance	\$71,327	\$72,040	\$72,761	\$73,488	\$74,223	\$74,966	\$75,715	\$76,472	\$77,237	\$78,009	\$78,790	\$79,577	\$80,373	\$81,177	\$81,989
Effective Gross Income	\$1,117,459	\$1,128,633	\$1,139,920	\$1,151,319	\$1,162,832	\$1,174,460	\$1,186,205	\$1,198,067	\$1,210,048	\$1,222,148	\$1,234,370	\$1,246,713	\$1,259,180	\$1,271,772	\$1,284,490
<b>Expenses</b>															
Administrative and Marketing	\$62,637	\$63,576	\$64,530	\$65,498	\$66,480	\$67,477	\$68,490	\$69,517	\$70,560	\$71,618	\$72,692	\$73,783	\$74,889	\$76,013	\$77,153
Maintenance and Operating	\$187,535	\$190,348	\$193,203	\$196,101	\$199,043	\$202,028	\$205,059	\$208,135	\$211,257	\$214,425	\$217,642	\$220,906	\$224,220	\$227,583	\$230,997
Payroll	\$187,535	\$190,348	\$193,203	\$196,101	\$199,043	\$202,028	\$205,059	\$208,135	\$211,257	\$214,425	\$217,642	\$220,906	\$224,220	\$227,583	\$230,997
Utilities	\$199,412	\$202,403	\$205,439	\$208,521	\$211,649	\$214,823	\$218,046	\$221,316	\$224,636	\$228,006	\$231,426	\$234,897	\$238,421	\$241,997	\$245,627
Insurance	\$43,758	\$44,414	\$45,081	\$45,757	\$46,443	\$47,140	\$47,847	\$48,565	\$49,293	\$50,033	\$50,783	\$51,545	\$52,318	\$53,103	\$53,899
Real Estate Taxes	\$100,494	\$102,002	\$103,532	\$105,085	\$106,661	\$108,261	\$109,885	\$111,533	\$113,206	\$114,904	\$116,628	\$118,377	\$120,153	\$121,955	\$123,784
Replacement Reserve	\$37,507	\$38,070	\$38,641	\$39,220	\$39,809	\$40,406	\$41,012	\$41,627	\$42,251	\$42,885	\$43,528	\$44,181	\$44,844	\$45,517	\$46,199
Management Fee	\$55,873	\$56,432	\$56,996	\$57,566	\$58,142	\$58,723	\$59,310	\$59,903	\$60,502	\$61,107	\$61,718	\$62,336	\$62,959	\$63,589	\$64,224
Total Expenses	\$874,751	\$887,592	\$900,624	\$913,849	\$927,268	\$940,887	\$954,707	\$968,731	\$982,962	\$997,404	\$1,012,059	\$1,026,932	\$1,042,024	\$1,057,340	\$1,072,882
<b>Net Operating Income</b>	<b>\$242,708</b>	<b>\$241,041</b>	<b>\$239,295</b>	<b>\$237,470</b>	<b>\$235,563</b>	<b>\$233,573</b>	<b>\$231,498</b>	<b>\$229,336</b>	<b>\$227,086</b>	<b>\$224,744</b>	<b>\$222,310</b>	<b>\$219,781</b>	<b>\$217,156</b>	<b>\$214,433</b>	<b>\$211,608</b>
<b>Reversion Calculation</b>															
Terminal Capitalization Rate					8.0%					8.0%					8.0%
Sales Costs					3.0%					3.0%					3.0%
Net Sales Proceeds					\$2,900,000					\$2,700,000					\$2,600,000

**Conclusion**

**Prospective Market Value as Restricted 30 years (Loan Maturity),**

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2045, as of October 30, 2015, is:

**SIX MILLION SEVEN HUNDRED THOUSAND DOLLARS  
(\$6,700,000)**

**Prospective Market Value as Renovated Unrestricted at 30 years (Loan Maturity)**

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2045, as of October 30, 2015, is:

**TWO MILLION SIX HUNDRED THOUSAND DOLLARS  
(\$2,600,000)**

**DIRECT CAPITALIZATION**

We have provided an estimate of the Subject's prospective value assuming completion and stabilization as of the date of value for the restricted rate scenario. *Please see the assumptions and limiting conditions regarding hypothetical conditions.* To quantify the income potential of the Subject, a direct capitalization of a stabilized cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate overall capitalization rate to the forecast net operating income.

**Market Extraction**

The table below summarizes the recent improved sales of the most comparable properties that were used in our market extraction analysis:

SALES COMPARISON									
	Property	City, State	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	Effective	Overall
								Gross Income	Rate
1	Uptown Buckhead	Atlanta, GA	1989	Mar-15	\$32,500,000	216	\$150,463	10.6	5.1%
2	Paces Park 250	Decatur, GA	2000	Dec-14	\$31,500,000	250	\$126,000	10.4	5.7%
3	Bell at Peachtree	Atlanta, GA	1984/2009	Nov-14	\$45,600,000	234	\$194,872	12.2	5.1%
4	Defoors Crossing	Atlanta, GA	1991	Sep-14	\$4,610,000	60	\$76,833	7.7	5.1%
5	The Ivy at Buckhead	Atlanta, GA	1991	May-14	\$36,500,100	296	\$123,311	10.1	5.0%
	<b>Average</b>				<b>\$30,142,020</b>	<b>211</b>	<b>\$134,296</b>	<b>10.2</b>	<b>5.2%</b>

The sales illustrate a range of overall rates from 5.0 to 5.7 percent, and the average is 5.2 percent. The properties are all stabilized and represent typical market transactions for multifamily market rate properties in the market area. The Subject is most comparable to Sales 1, 3, and 4 in terms of condition while Sales 1 and 2 represent the most recent sales.

Following the most recent national recession, properties operating with project-based rental assistance located in larger markets began to more closely track overall capitalization rates. However, rent-assisted properties located in smaller, tertiary markets continued to offer an advantage relative to the overall market with regard to capitalization rates. This is due to the stability offered by rent-assisted properties in areas with lower overall rental demand. As a result of the Subject's location in a large market and size, we believe that the reconciled capitalization rate for the restricted and unrestricted value would be approximately 30 basis points higher than an unrestricted capitalization rate based upon the conventional sales comparables of 5.2 percent.

Therefore, we have estimated the capitalization rate of 5.50 percent. This capitalization rate is supported by the range of the comparables and the PwC published findings, which are illustrated following:

### The PwC Real Estate Investor Survey

The PwC Real Estate Investor Survey tracks capitalization rates utilized by national investors in commercial and multifamily real estate. The following summarizes the information for the national multifamily housing market:

#### PwC REAL ESTATE INVESTOR SURVEY

##### National Apartment Market

##### Overall Capitalization Rate - Institutional Grade Investments

Range:	3.50% - 8.00%
Average:	5.39%

##### Non-Institutional Grade Investments

Range:	3.75% - 12.00%
Average:	6.98%

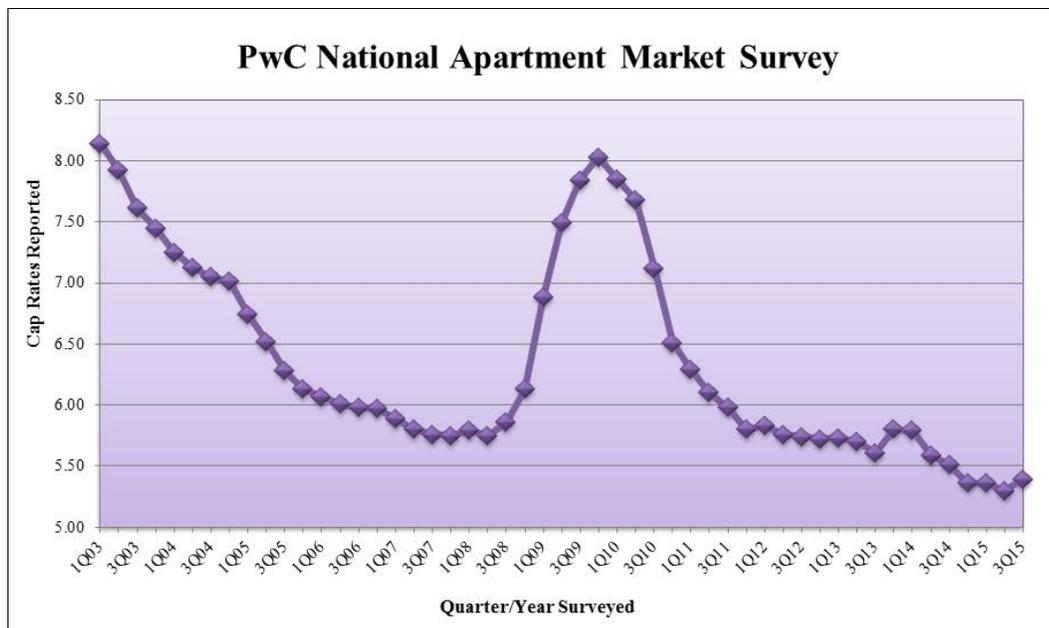
Source: PwC Real Estate Investor Survey, Q3 2015

The PwC Real Estate Investor Survey defines “Institutional – Grade” real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria<sup>2</sup>. Typical “Institutional – Grade” apartment properties are newly constructed, well amenitized, market rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 159 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

<sup>2</sup> PwC Real Estate Investor Survey

PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate - Institutional Grade Investments					
Quarter	Cap Rate	Change (bps)	Quarter	Cap Rate	Change (bps)
1Q03	8.14	-	3Q09	7.84	0.35
2Q03	7.92	-0.22	4Q09	8.03	0.19
3Q03	7.61	-0.31	1Q10	7.85	-0.18
4Q03	7.45	-0.16	2Q10	7.68	-0.17
1Q04	7.25	-0.20	3Q10	7.12	-0.56
2Q04	7.13	-0.12	4Q10	6.51	-0.61
3Q04	7.05	-0.08	1Q11	6.29	-0.22
4Q04	7.01	-0.04	2Q11	6.10	-0.19
1Q05	6.74	-0.27	3Q11	5.98	-0.12
2Q05	6.52	-0.22	4Q11	5.80	-0.18
3Q05	6.28	-0.24	1Q12	5.83	0.03
4Q05	6.13	-0.15	2Q12	5.76	-0.07
1Q06	6.07	-0.06	3Q12	5.74	-0.02
2Q06	6.01	-0.06	4Q12	5.72	-0.02
3Q06	5.98	-0.03	1Q13	5.73	0.01
4Q06	5.97	-0.01	2Q13	5.70	-0.03
1Q07	5.89	-0.08	3Q13	5.61	-0.09
2Q07	5.80	-0.09	4Q13	5.80	0.19
3Q07	5.76	-0.04	1Q14	5.79	-0.01
4Q07	5.75	-0.01	2Q14	5.59	-0.20
1Q08	5.79	0.04	3Q14	5.51	-0.08
2Q08	5.75	-0.04	4Q14	5.36	-0.15
3Q08	5.86	0.11	1Q15	5.36	0.00
4Q08	6.13	0.27	2Q15	5.30	-0.06
1Q09	6.88	0.75	3Q15	5.39	0.09
2Q09	7.49	0.61			

Source: PwC Real Estate Investor Survey, Q3 2015



As the graph indicates, the downward trend through early 2007 is clear. The average capitalization rate decreased 225 basis points over a four-year period from 2003 to 2007. However, capitalization rates stabilized in 2007 and began a steep increase in late 2008. They appear to have peaked in the fourth quarter of 2009 and have generally decreased through the first quarter of 2015 with the exception of an increase from the third quarter of 2013 through the fourth quarter of 2013. Capitalization rates as of the third quarter of 2015 have exhibited a decrease over capitalization rates from the third quarter of 2014. Overall, we have estimated a capitalization rate of 5.5 percent, which is within the range of the Non-Institutional Grade capitalization rates.

## REIS

Capitalization rate data from REIS.

	3Q 2015 Metro Statistics			Metro Statistics - 12 Month Rolling		
	Mean	Median	25th Percentile	Mean	Median	75th Percentile
Cap Rate	6.0%	5.7%	5.2%	6.6%	6.5%	7.8%
Sale Price	\$29,693,245	\$26,337,404	\$7,256,250	\$25,338,674	\$21,200,000	\$35,289,375
Sale Price Per Unit	\$100,417	\$93,639	\$51,705	\$101,146	\$80,917	\$120,960
Number of Units	296	282	152	251	240	336
Number of Floors	3	3	2	3	3	3
Year Built	1987	1986	1972	1989	1986	2000

Source: Reis.com

## Debt Coverage Ratio

The debt coverage ratio (DCR) is frequently used as a measure of risk by lenders wishing to measure the margin of safety and by purchasers analyzing leveraged property. It can be applied to test the reasonableness of a project in relation to lender loan specifications. Lenders typically use the debt coverage ratio as a quick test to determine project feasibility. The debt coverage ratio has two basic components: the properties net operating income and its annual debt service (represented by the mortgage constant).

The ratio used is:

$$\text{Net Operating Income} / \text{Annual Debt Service} = \text{Debt Coverage Ratio}$$

One procedure by which the debt coverage ratio can be used to estimate the overall capitalization rate is by multiplying the debt coverage ratio by the mortgage constant and the lender required loan-to-value ratio. The indicated formula is:

$$R_O = D.C.R \times R_M \times M$$

Where:

$R_O$  = Overall Capitalization Rate  
 D.C.R = Debt Coverage Ratio  
 $R_M$  = Mortgage Constant  
 M = Loan-to-Value Ratio

### **Band of Investment**

This method involves deriving the property's equity dividend rate from the improved comparable sales and applying it, at current mortgage rate and terms, to estimate the value of the income stream.

The formula is:

$$R_O = M \times R_M + (1-M) \times R_E$$

Where:

$R_O$  = Overall Capitalization Rate  
 M = Loan-to-Value Ratio  
 $R_M$  = Mortgage Constant  
 $R_E$  = Equity Dividend

The Mortgage Constant ( $R_M$ ) is based upon the calculated interest rate from the ten year treasury. The equity dividend rate  $R_E$ , also known as the cash on cash return rate, is the rate of return that an equity investor expects on an annual basis. It is a component of the overall return requirement. The equity dividend rate is impacted by the returns on other similar investments as well as the risk profile of the investment market and finally the expectation for future value growth. The equity dividend rate is lower in cases where the market is strong and there is a perception of lower risk related to the return of the investment. Further, the dividend rate is lower in markets that have greater expectation for capital appreciation. In some cases we have seen dividend rates that are zero or even negative, suggesting that buyers are willing to forego an annual return because of a larger expectation of capital appreciation. Of course the converse is also true. Generally we see equity dividend rates ranging from 5.0 to 12.0 percent. In this case, given the Subject's location and current market conditions, an equity dividend estimate of 5.0 percent is considered reasonable in this analysis.

The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 5.0 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 70 to 80 percent with interest rates between 4.00 and 6.00 percent. Therefore, we believe a 4.52 percent interest rate with a 30-year amortization period and a loan to value of 80 percent is reasonable. The following table illustrates the band of investment for the Subject property.

CAPITALIZATION RATE DERIVATION			
Inputs and Assumptions		Interest Rate Calculations	
DCR	1.15	Treasury Bond Basis*	
Rm	0.06	10 Year T Bond Rate (11/2015)	2.27%
Interest (per annum)	4.52%	Interest rate spread	225
Amortization (years)	30	Interest Rate (per annum, rounded)	4.52%
M	80%		
Re	5.0%		
<b>Debt Coverage Ratio</b>			
	<b>Ro</b>	= DCR X Rm X M	
	<b>5.61%</b>	= 1.15 X 0.06 X 80%	
<b>Band of Investment</b>			
	<b>Ro</b>	= (M X Rm) + ((1-M) X Re)	
	<b>5.88%</b>	= (80% X 0.06) + (20% X 5%)	

\* Source: Bloomberg.com, 11/2015

### Conclusion of Overall Rate Selection

After reviewing the appropriate methods for developing an overall rate, the following ranges of overall capitalization rates are indicated:

CAPITALIZATION RATE SELECTION SUMMARY	
Method	Indicated Rate
Market Extraction	5.50%
PwC Survey	5.50%
Debt Coverage Ratio	5.61%
Band of Investment	5.88%
Reis	6.00%

The following issues impact the determination of a capitalization rate for the Subject:

- Current market health
- Existing competition
- Subject’s construction type and tenancy and physical appeal
- The anticipated demand growth in the Subject sub-market
- The demand growth expected over the next three years
- Local market overall rates

The four approaches indicate a range from 5.50 to 6.00 percent. We have reconciled to a 5.50 percent capitalization rate for the restricted and unrestricted scenarios, based primarily upon the market-extracted rates. A summary of the direct capitalization analysis for these scenarios can be found on the following pages.

DIRECT CAPITALIZATION TECHNIQUE - YEAR ONE OPERATING STATEMENT									
EXPENSE ANALYSIS									
Operating Revenues									
			As Is Restricted		As Renovated Restricted		As Renovated Unrestricted		
	As Is Unit Mix	As Proposed Unit Mix	Rent	Total Revenue	Rent	Total Revenue	Rent	Total Revenue	
Apartment Rentals									
OBR/IBA	24	24	\$1,123	\$323,424	\$1,123	\$323,424	\$670	\$192,960	
IBR/IBA	75	75	\$1,208	\$1,087,200	\$1,208	\$1,087,200	\$920	\$828,000	
Manager's Unit	1	1	-	-	-	-	-	-	
<b>Total Potential Rental Income</b>	<b>100</b>	<b>100</b>	<b>\$1,176</b>	<b>\$1,410,624</b>	<b>\$1,176</b>	<b>\$1,410,624</b>	<b>\$851</b>	<b>\$1,020,960</b>	
Other Income									
Miscellaneous			\$30	\$3,000	\$30	\$3,000	\$30	\$3,000	
<b>Residential Potential Revenues</b>			<b>\$14,136</b>	<b>\$1,413,624</b>	<b>\$14,136</b>	<b>\$1,413,624</b>	<b>\$10,240</b>	<b>\$1,023,960</b>	
Vacancy			\$707	\$70,681	\$707	\$70,681	\$614	\$61,438	
Vacancy and Collections Loss Percentage				5%		5%		6%	
<b>Effective Gross Income</b>			<b>\$13,429</b>	<b>\$1,342,943</b>	<b>\$13,429</b>	<b>\$1,342,943</b>	<b>\$9,625</b>	<b>\$962,522</b>	
Operating Expenses									
			As Is Restricted		As Renovated Restricted		As Renovated Unrestricted		
Administration and Marketing			\$551	\$55,100	\$551	\$55,100	\$501	\$50,100	
Maintenance and Operating			\$2,000	\$200,000	\$1,500	\$150,000	\$1,500	\$150,000	
Payroll			\$1,500	\$150,000	\$1,500	\$150,000	\$1,500	\$150,000	
Utilities			\$1,775	\$177,500	\$1,595	\$159,500	\$1,595	\$159,500	
Property & Liability Insurance			\$350	\$35,000	\$350	\$35,000	\$350	\$35,000	
Real Estate and Other Taxes			\$1,507	\$150,738	\$1,671	\$167,055	\$804	\$80,381	
Replacement Reserves			\$300	\$30,000	\$300	\$30,000	\$300	\$30,000	
Management Fee	5.0%	5.0%	\$671	\$67,147	\$671	\$67,147	\$529	\$52,939	5.5%
<b>Total Operating Expenses</b>			<b>\$8,655</b>	<b>\$865,485</b>	<b>\$8,138</b>	<b>\$813,802</b>	<b>\$7,079</b>	<b>\$707,919</b>	
<b>Expenses as a ratio of EGI</b>				<b>64.4%</b>		<b>60.6%</b>		<b>73.5%</b>	
Valuation									
			As Is Restricted		As Renovated Restricted		As Renovated Unrestricted		
Net Operating Income			\$4,775	\$477,458	\$5,291	\$529,141	\$2,546	\$254,603	
Capitalization Rate				5.50%		5.50%		5.50%	
<b>Indicated Value "rounded"</b>				<b>\$8,700,000</b>		<b>\$9,600,000</b>		<b>\$4,600,000</b>	

**Conclusion**

The following table summarizes the findings of the previously conducted direct capitalization analysis.

<b>DIRECT CAPITALIZATION ANALYSIS - "AS IS"</b>			
<b>Scenario</b>	<b>Cap Rate</b>	<b>Net Operating Income</b>	<b>Indicated Value (Rounded)</b>
As Is	5.50%	\$477,458	\$8,700,000
<b>DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"</b>			
<b>Scenario</b>	<b>Cap Rate</b>	<b>Net Operating Income</b>	<b>Indicated Value (Rounded)</b>
As Renovated Restricted	5.50%	\$529,141	\$9,600,000
As Renovated Unrestricted	5.50%	\$254,603	\$4,600,000

The Subject's market value of the real estate "As Is", via the Income Capitalization Approach, as of October 30, 2015 is:

**EIGHT MILLION SEVEN HUNDRED THOUSAND DOLLARS**  
**(\$8,700,000)**

The Subject's hypothetical market value of the real estate assuming Section 8 contract rents "As Complete and Stabilized", via the Income Capitalization Approach, as of October 30, 2015 is:

**NINE MILLION SIX HUNDRED THOUSAND DOLLARS**  
**(\$9,600,000)**

The Subject's hypothetical market value of the real estate assuming the achievable unrestricted rents "As Complete and Stabilized", via the Income Capitalization Approach, as of October 30, 2015 is:

**FOUR MILLION SIX HUNDRED THOUSAND DOLLARS**  
**(\$4,600,000)**

*Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.*

**Below Market Debt**

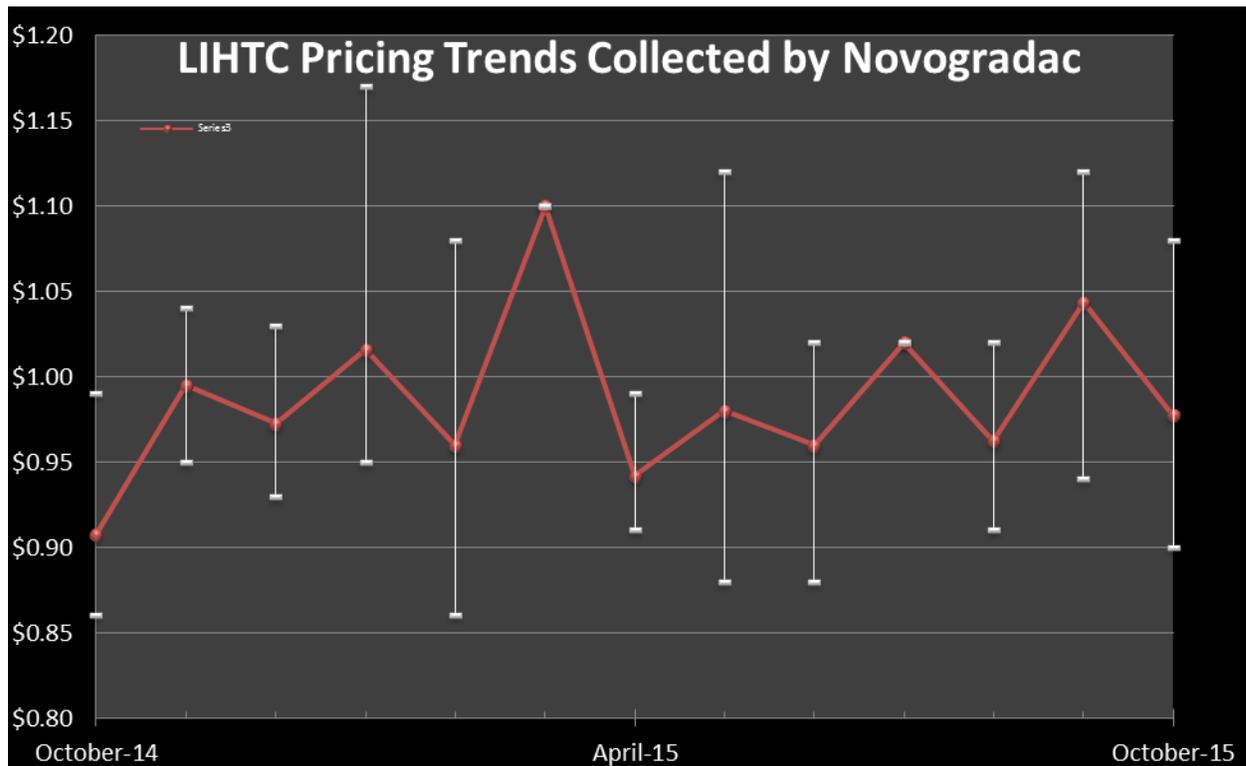
The developer has indicated that the only source of debt will be a first mortgage with an interest rate of 4.95 percent and 35-year term. Generally, the shorter the term, the lower the interest rate. As such, the rate and terms are market-oriented; therefore, there is no favorable financing value.

**VALUATION - TAX CREDIT EQUITY**

We were asked to value the federal tax credits. A 10-year federal tax credit incentive program encumbers the Subject. The Subject is a proposed multifamily LIHTC and market rate property. We were asked to value the tax credits.

As an incentive to participate in the low-income housing program the developer is awarded “tax credits” which provide the incentive to construct and rehabilitate affordable housing in otherwise financially infeasible markets. The tax credit program was created by the Internal Revenue Code Section 42, and is a Federal tax program administered by the states. The developer expects to receive a total federal LIHTC allocation of \$4,970,997 with a limited partner share of 99.99 percent, which totals an annual LIHTC allocation of \$497,049. A Letter of Intent (LOI) has not yet been finalized; however, the developer has received verbal pricing estimate of \$1.065 per federal credit.

Valuation of LIHTC is typically done by a sales approach. The industry typically values and analyzes the LIHTC transaction on a dollar per credit basis. Novogradac & Company LLP conducts monthly surveys in which we contact developers, syndicators and consultants involved in LIHTC transactions to obtain information on recent LIHTC pricing. The following graph illustrates LIHTC pricing trends. The graph illustrates the average price achieved on a monthly basis for the projects included in our survey.



As the previous table illustrates, tax credit raise rates in recent months have ranged from \$0.90 to \$1.10 per credit with an average of \$0.99 per credit. The pricing above reflects transactions similar to the Subject. As part of the yield analysis and pricing determination investors consider, among other factors, construction risk, lease-up risk and timing of the credits. The Subject will be located in Atlanta, GA, which is a major market, offer Section 8 subsidy, and will be substantially renovated with LIHTC equity. Tax credit pricing has trended upward over the past several months and has settled in the upper \$0.90s to lower \$1.00 range. The developer’s budget is \$1.065 per federal credit. We believe that the developer’s estimate range is reasonable and have concluded to \$1.065 per federal credit.

The developer has also indicated that the project will receive a total state credit allocation of \$4,477,299. The following table illustrates Georgia state tax credit pricing from 2012 to 2015.

<b>GEORGIA STATE TAX CREDIT PRICING</b>			
Closing Date	Price Per Credit	Location	Type
2015	0.52	Fort Valley	Acquisition/Rehabilitation
2013	\$0.30	Griffin	New Construction
2013	\$0.25	Auburn	New Construction
2012	\$0.25	Ellijay	New Construction
2012	\$0.25	Cairo	Acquisition/Rehabilitation
2012	\$0.26	Locust Grove	New Construction
2012	\$0.34	Atlanta	Acquisition/Rehabilitation
2012	\$0.34	Union City	Acquisition/Rehabilitation

According to recent data, the Georgia state credit pricing ranged from \$0.25 to \$0.52 between 2012 and 2015. However, we also contacted two Georgia state LIHTC investors. Our conversations indicated a typical range of \$0.45 to \$0.50 for 2015. The developer’s budget indicates \$0.52 per credit. The developer’s estimate is high, but in line with both our interviews and the two quotes the client reportedly has received. Therefore, we conclude to \$0.52 per Georgia state credit, consistent with the most recent data.

<b>FEDERAL AND STATE TAX CREDIT VALUE</b>			
	Federal	State	Total
Total credits	4,970,997	4,477,299	-
Partner Share	99.99%	99.99%	-
Price	\$1.065	\$0.52	\$1.59
<b>Total Value</b>	<b>\$5,293,583</b>	<b>\$2,327,963</b>	<b>\$7,621,546</b>

We believe a price of approximately \$1.065 per credit for federal tax credits and \$0.52 for state tax credits is reasonable. This rate results in a total tax credit value of approximately \$7,600,000 (rounded). This value is effective as of October 30, 2015.

***Total LIHTC Value: Combined Federal and State***  
**SEVEN MILLION SIX HUNDRED THOUSAND DOLLARS**  
**(\$7,600,000)**

*Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.*

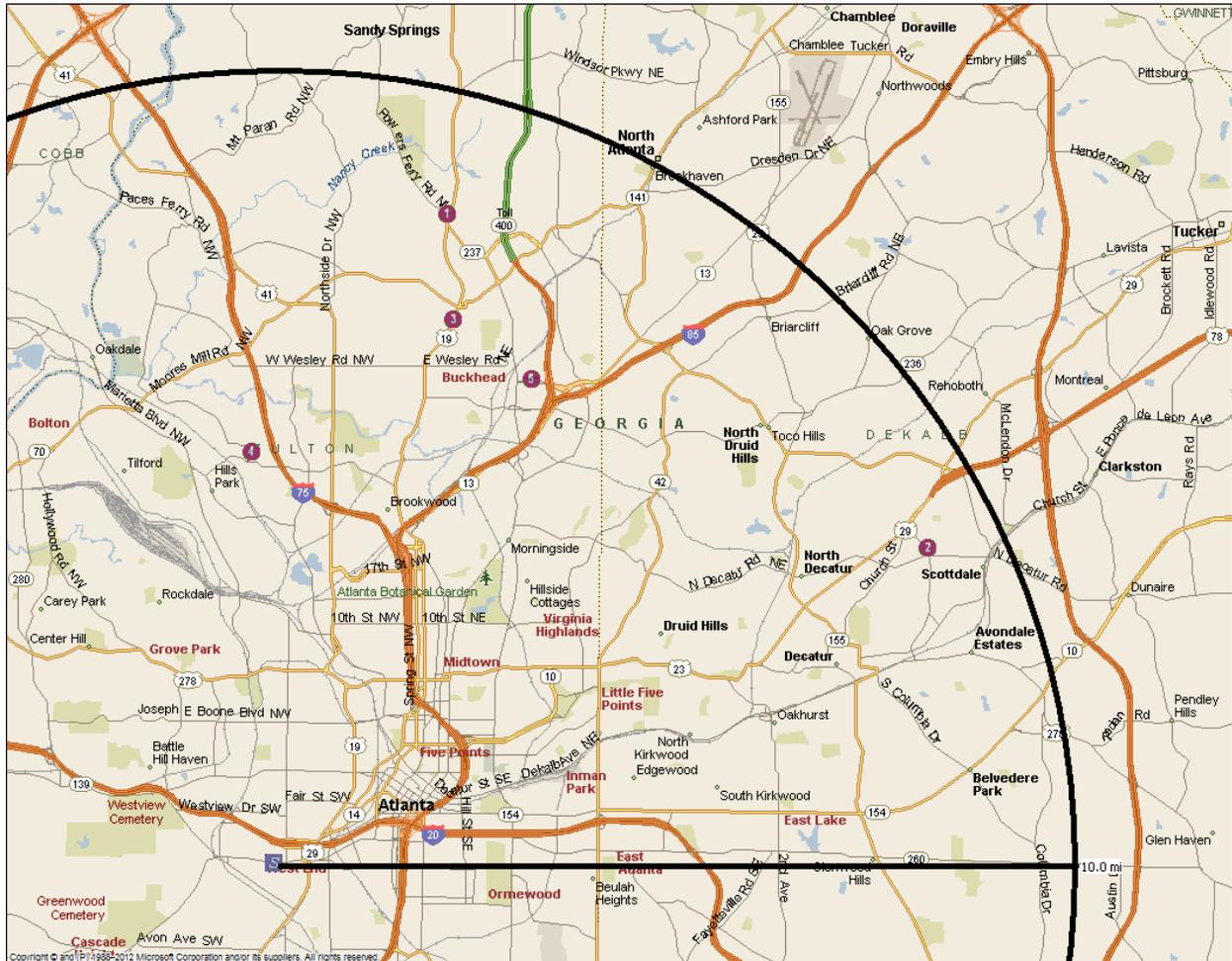
# **SALES COMPARISON APPROACH**

## **SALES COMPARISON APPROACH**

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by prospective purchasers willing to buy or lease. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost them to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties that constitute the market for a given type and class.

The following pages supply the analyzed sale data and will conclude with a value estimate.

### Comparable Sales Map



**Comparable Sale 1**

**Name:** **Uptown Buckhead**  
**Location:** 3707 Roswell Road NE  
 Atlanta, GA



**Buyer:** Resource Real Estate Opportunity REIT II  
**Seller:** The Shoptaw Group  
**Sale Date:** Mar-15  
**Sale Price:** \$32,500,000

**Financing:** Conventional  
**Number of Units:** 216  
**Year Built:** 1989  
**Site:** 5.35 Acres

**Units of Comparison:**

Effective Gross Income:	\$3,056,400
EGIM	10.6
Total Expenses:	\$1,296,000
Net Operating Income:	\$1,657,500
Net Operating Income per Unit:	\$7,674
Overall Rate with Reserves:	5.10%
Sale Price per Unit:	\$150,463

**Comments:**

This property offers one and two-bedroom units, which range in size from 550 to 950 square feet. The property offers 214 surface parking spaces, air conditioning, balconies, business center, ceiling fans, dishwashers, laundry facility, swimming pool, on-site manager, oven, and refrigerators. At the time of sale the property was 92 percent occupied. The listing broker confirmed the sales date, sales price, and proforma cap rate. Expenses were estimated by Novogradac at \$6,000 per unit.

**Verification:**

Costar, Fulton County Assessor, JLL Broker (David Gutting)

**Comparable Sale 2**

**Name:** **Paces Park 250**  
**Location:** 100 Paces Park Drive  
 Decatur, GA



**Buyer:** Inwood Holdings, LLC  
**Seller:** General Electric Capital Corporation  
**Sale Date:** Dec-14  
**Sale Price:** \$31,500,000

**Financing:** Conventional  
**Number of Units:** 250  
**Year Built:** 2000  
**Site:** 10.49 Acres

**Units of Comparison:**

Effective Gross Income:	\$3,029,750
EGIM	10.4
Total Expenses:	\$1,500,000
Net Operating Income:	\$1,779,750
Net Operating Income per Unit:	\$7,119
Overall Rate with Reserves:	5.7%
Sale Price per Unit:	\$126,000

**Comments:**

This property offers one, two, and three-bedroom units and was reported 97 percent occupied and in good condition at the time of the sale. The broker confirmed the sale price, date, and capitalization rate. Expenses were estimated by Novogradac at \$6,000 per unit.

**Verification:** Costar, Broker- Chris Spain of Cushman & Wakefield (404-853-5234)

**Comparable Sale 3**

**Name:** Bell at Peachtree  
**Location:** 2460 Peachtree Rd NW  
 Atlanta, GA



**Buyer:** WRPV XII Peachtree Battle Atlanta, LLC  
**Seller:** Bennington Properties, LLC  
**Sale Date:** Nov-14  
**Sale Price:** \$45,600,000

**Financing:** Conventional  
**Number of Units:** 234  
**Year Built:** 1984/2009  
**Site:** 2.98 Acres

**Units of Comparison:**

Effective Gross Income:	\$3,729,600
EGIM	12.2
Total Expenses:	\$1,404,000
Net Operating Income:	\$2,325,600
Net Operating Income per Unit:	\$9,938
Overall Rate with Reserves:	5.1%
Sale Price per Unit:	\$194,871.79

**Comments:**

This high-rise property includes one and two-bedroom units ranging in size from 815 to 1,260 square feet. The property was 98 percent occupied at the time of sale. The broker confirmed the sale price, sales date, and capitalization rate. We estimated expenses at \$6,000 per unit.

**Verification:** Costar, Fulton County Assessor, JLL Broker (David Gutting)

**Comparable Sale 4**

**Name:** Defoors Crossing  
**Location:** 2100 Defoors Ferry Road  
 Atlanta, GA



**Buyer:** Global Asset Alternatives  
**Seller:** Habersham Properties  
**Sale Date:** Sep-14  
**Sale Price:** \$4,610,000

**Financing:** Conventional  
**Number of Units:** 60  
**Year Built:** 1991  
**Site:** 1.49 Acres

**Units of Comparison:**

Effective Gross Income:	\$595,100
EGIM	7.7
Total Expenses:	\$360,000
Net Operating Income:	\$235,110
Net Operating Income per Unit:	\$3,919
Overall Rate with Reserves:	5.1%
Sale Price per Unit:	\$76,833

**Comments:**

DeFoors Crossing offers one and two-bedroom units that range in square footage from 525 to 1,000. The property was 100 percent occupied at the time of the sale. The property offers air conditioning, balconies, a pool, on-site management, walk-in closets, and washers/dryers. Novogradac estimated expenses at \$6,000 per unit. The listing agent confirmed the sales date, price, and cap rate.

**Verification:** Costar, Multi Housing Advisors, LLC- Taylor Averitt

**Comparable Sale 5**

**Name:** **The Ivy at Buckhead**  
**Location:** 740 Sidney Marcus Blvd  
 Atlanta, GA



**Buyer:** Arenda Capital Management LLC  
**Seller:** The Carlyle Group  
**Sale Date:** May-14  
**Sale Price:** \$36,500,100

**Financing:** Conventional  
**Number of Units:** 296  
**Year Built:** 1991  
**Site:** 8.48 Acres

**Units of Comparison:**

Effective Gross Income:	\$3,601,005
EGIM	10.1
Total Expenses:	\$1,776,000
Net Operating Income:	\$1,825,005
Net Operating Income per Unit:	\$6,166
Overall Rate with Reserves:	5.0%
Sale Price per Unit:	\$123,311

**Comments:**

The property offers one and two-bedroom units and was 98 percent occupied at the time of the sale. The units range in size from 635 to 1,130 square feet. The property offers patios, on-site management, a swimming pool, bocce ball court, fitness center, grilling area, and a clubhouse. The listing broker confirmed the sales date, sales price, and proforma cap rate. Expenses were estimated by Novogradac at \$6,000 per unit.

**Verification:** Costar, Fulton County Assessor, JLL Broker (David Gutting)

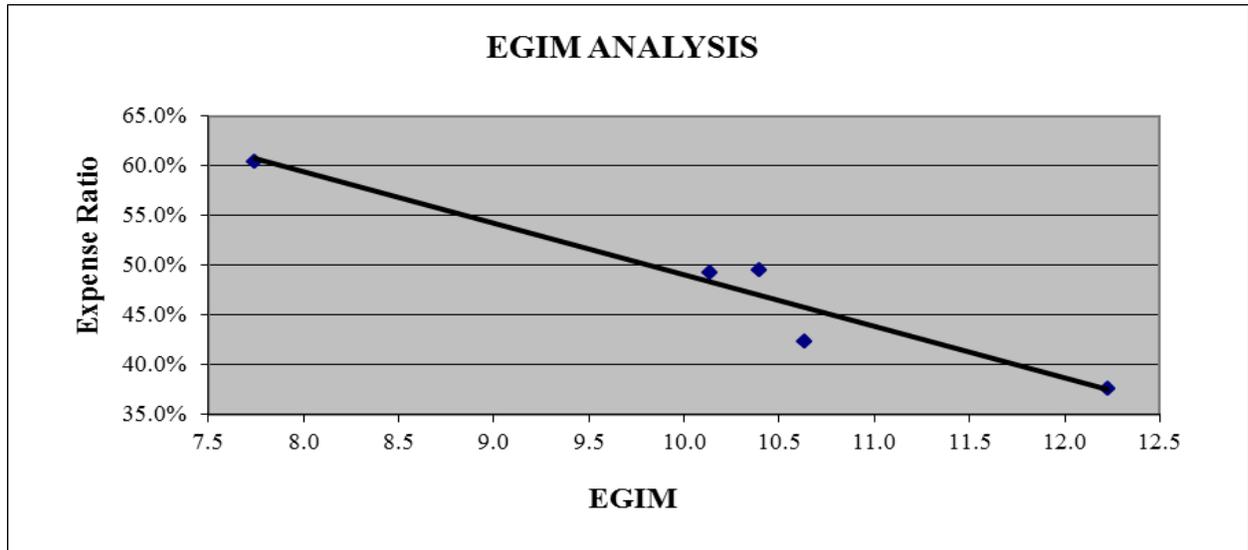
**VALUATION ANALYSIS**

The sales selected for this analysis are summarized in the following table.

<b>SALES COMPARISON</b>							
	<b>Property</b>	<b>Sale Date</b>	<b>Sale Price</b>	<b># of Units</b>	<b>Price / Unit</b>	<b>Effective Gross Income Multiplier</b>	<b>Overall Rate</b>
1	Uptown Buckhead	Mar-15	\$32,500,000	216	\$150,463	10.6	5.1%
2	Paces Park 250	Dec-14	\$31,500,000	250	\$126,000	10.4	5.7%
3	Bell at Peachtree	Nov-14	\$45,600,000	234	\$194,872	12.2	5.1%
4	Defoors Crossing	Sep-14	\$4,610,000	60	\$76,833	7.7	5.1%
5	The Ivy at Buckhead	May-14	\$36,500,100	296	\$123,311	10.1	5.0%
	<b>Average</b>		<b>\$30,142,020</b>	<b>211</b>	<b>\$134,296</b>	<b>10.2</b>	<b>5.2%</b>

**EGIM Analysis**

We first estimate the Subject’s value using the EGIM analysis. The EGIM compares the ratios of sales price to the annual gross income for the property, less a deduction for vacancy and collection loss. A reconciled multiplier for the Subject is then used to convert the Subject’s anticipated effective gross income into an estimate of value. The following chart highlights the correlation between the EGIM and the expense ratios reported by the comparable sales utilized in our analysis.



<b>EGIM ANALYSIS</b>					
	<b>Sale Price</b>	<b>EGI</b>	<b>Expenses</b>	<b>Expense Ratio</b>	<b>EGIM</b>
<b>As Is Restricted</b>	<b>\$8,600,000</b>	<b>\$1,328,807</b>	<b>\$860,416</b>	<b>65%</b>	<b>6.5</b>
<b>As Renovated Restricted</b>	<b>\$9,300,000</b>	<b>\$1,328,807</b>	<b>\$813,673</b>	<b>61%</b>	<b>7.0</b>
<b>As Renovated Unrestricted</b>	<b>\$4,800,000</b>	<b>\$952,283</b>	<b>\$698,954</b>	<b>73%</b>	<b>5.0</b>
Comparable #1	\$32,500,000	\$3,056,400	\$1,296,000	42%	10.6
Comparable #2	\$31,500,000	\$3,029,750	\$1,500,000	50%	10.4
Comparable #3	\$45,600,000	\$3,729,600	\$1,404,000	38%	12.2
Comparable #4	\$4,610,000	\$595,100	\$360,000	60%	7.7
Comparable #5	\$36,500,100	\$3,601,005	\$1,776,000	49%	10.1

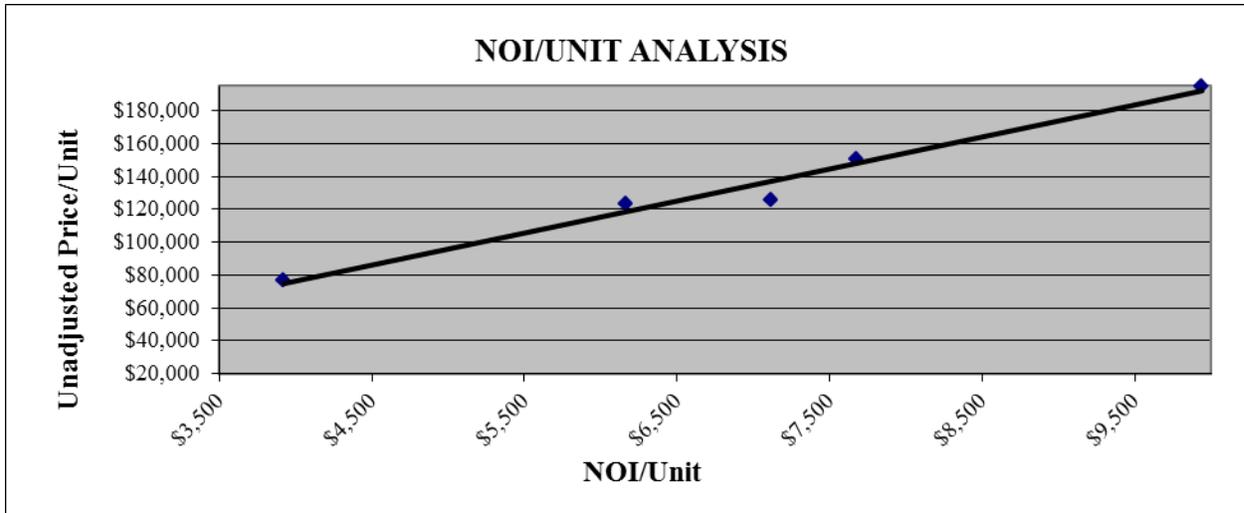
We have estimated EGIMs of 6.5 in the as is scenario and 7.0 and 5.0 in the as renovated scenarios. The Subject's indicated value using the EGIM method is presented in the following table.

<b>EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"</b>			
<b>Scenario</b>	<b>EGIM</b>	<b>Effective Gross Income</b>	<b>Indicated Value (Rounded)</b>
As Is	6.5	\$1,328,807	\$8,600,000
As Renovated Restricted	7.0	\$1,328,807	\$9,300,000
As Renovated Unrestricted	5.0	\$952,283	\$4,800,000

**NOI/UNIT ANALYSIS**

The available sales data also permits the use of the NOI/Unit analysis. This NOI/Unit analysis examines the income potential of a property relative to the price paid per unit. The sales indicate that, in general, investors are willing to pay more for properties with greater income potential. Based on this premise, we are able to gauge the Subject's standing in our market survey group, thereby estimating a value on a price per unit applicable to the Subject. This analysis allows us to provide a quantitative adjustment process and avoids qualitative, speculative adjustments.

To estimate an appropriate price/unit for the Subject, we examined the change in NOI/Unit and how it affects the price/unit. By determining the percent variance of the comparable properties NOI/Unit to the Subject, we determine an adjusted price/unit for the Subject. As the graph illustrates there is a direct relationship between the NOI and the sale price of the comparable properties.



The tables below summarize the calculated adjustment factors and the indicated adjusted prices.

NOI/UNIT ANALYSIS									
As Is									
No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$4,775	/	\$7,674	=	0.62	X	\$150,463	=	\$93,619
2	\$4,775	/	\$7,119	=	0.67	X	\$126,000	=	\$84,506
3	\$4,775	/	\$9,938	=	0.48	X	\$194,872	=	\$93,619
4	\$4,775	/	\$3,919	=	1.22	X	\$76,833	=	\$93,619
5	\$4,775	/	\$6,166	=	0.77	X	\$123,311	=	\$95,492
			<b>\$6,963</b>		<b>0.75</b>		<b>\$134,296</b>		<b>\$92,171</b>

NOI/UNIT ANALYSIS									
As Renovated Restricted									
No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$5,291	/	\$7,674	=	0.69	X	\$150,463	=	\$103,753
2	\$5,291	/	\$7,119	=	0.74	X	\$126,000	=	\$93,653
3	\$5,291	/	\$9,938	=	0.53	X	\$194,872	=	\$103,753
4	\$5,291	/	\$3,919	=	1.35	X	\$76,833	=	\$103,753
5	\$5,291	/	\$6,166	=	0.86	X	\$123,311	=	\$105,828
			<b>\$6,963</b>		<b>0.83</b>		<b>\$134,296</b>		<b>\$102,148</b>

NOI/UNIT ANALYSIS									
As Renovated Unrestricted									
No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$2,546	/	\$7,674	=	0.33	X	\$150,463	=	\$49,922
2	\$2,546	/	\$7,119	=	0.36	X	\$126,000	=	\$45,063
3	\$2,546	/	\$9,938	=	0.26	X	\$194,872	=	\$49,922
4	\$2,546	/	\$3,919	=	0.65	X	\$76,833	=	\$49,922
5	\$2,546	/	\$6,166	=	0.41	X	\$123,311	=	\$50,921
			<b>\$6,963</b>		<b>0.40</b>		<b>\$134,296</b>		<b>\$49,150</b>

The Subject is most similar to Sales 4 and 5 in terms of income stream in both restricted scenarios and the unrestricted scenario. Value indications via the NOI per unit analysis are summarized below.

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Is	100	\$94,000	\$9,400,000
As Renovated Restricted	100	\$104,000	\$10,400,000
As Renovated Unrestricted	100	\$50,000	\$5,000,000

**Conclusion**

We utilized the EGIM, the NOI/Unit, and the per unit adjustment analyses to estimate the Subject's value using the sales comparison approach. These two methods must be reconciled into a single value estimate. Both techniques provide a reasonable indication of the Subject's value. While the EGIM analysis is considered to be a reasonable method of valuation, the NOI/unit analysis is typically considered to be the better approach due to its concentration on NOI or a point more reflective of investor returns, and its use with relation to the sales prices.

The Subject's market value of the real estate "As Is", via the Sale Comparison Approach, as of October 30, 2015 is:

**NINE MILLION FOUR HUNDRED THOUSAND DOLLARS**  
**(\$9,400,000)**

The Subject's prospective market value of the real estate As Restricted "As Complete and Stabilized", via the Sales Comparison Approach, as of October 30, 2015 is:

**TEN MILLION FOUR HUNDRED THOUSAND DOLLARS**  
**(\$10,400,000)**

The Subject's hypothetical market value of the real estate assuming achievable market rents "As Complete and Stabilized," via the Sales Comparison Approach, as of October 30, 2015 is:

**FIVE MILLION DOLLARS**  
**(\$5,000,000)**

*Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.*

## **RECONCILIATION**

**RECONCILIATION**

We were asked to provide an estimate of the Subject's value with restrictions and without restricted operations. We considered the traditional approaches in the estimation of the Subject's value. The resulting value estimates are presented following:

<b>VALUE OF UNDERLYING LAND</b>			
<b>Scenario</b>	<b>Units</b>	<b>Price Per Unit</b>	<b>Indicated Value (Rounded)</b>
Land Value	75	\$14,500	\$1,090,000
<b>DIRECT CAPITALIZATION ANALYSIS - "AS IS"</b>			
<b>Scenario</b>	<b>Cap Rate</b>	<b>Net Operating Income</b>	<b>Indicated Value (Rounded)</b>
As Is	5.50%	\$477,458	\$8,700,000
<b>DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"</b>			
<b>Scenario</b>	<b>Cap Rate</b>	<b>Net Operating Income</b>	<b>Indicated Value (Rounded)</b>
As Renovated Restricted	5.50%	\$529,141	\$9,600,000
As Renovated Unrestricted	5.50%	\$254,603	\$4,600,000
<b>EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"</b>			
<b>Scenario</b>	<b>EGM</b>	<b>Effective Gross Income</b>	<b>Indicated Value (Rounded)</b>
As Is	6.5	\$1,342,943	\$8,700,000
As Renovated Restricted	7.0	\$1,342,943	\$9,400,000
As Renovated Unrestricted	5.0	\$962,522	\$4,800,000
<b>NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"</b>			
<b>Scenario</b>	<b>Number of Units</b>	<b>Price per unit</b>	<b>Indicated Value (Rounded)</b>
As Is	100	\$94,000	\$9,400,000
As Renovated Restricted	100	\$104,000	\$10,400,000
As Renovated Unrestricted	100	\$50,000	\$5,000,000
<b>VALUE AT LOAN MATURITY - RESTRICTED</b>			
	<b>Year</b>	<b>Indicated Value (Rounded)</b>	
Restricted	30 years	\$6,700,000	
<b>VALUE AT LOAN MATURITY - UNRESTRICTED</b>			
	<b>Year</b>	<b>Indicated Value (Rounded)</b>	
Unrestricted	30 years	\$2,600,000	
<b>TAX CREDIT VALUATION</b>			
	<b>Credit Amount</b>	<b>Price Per Credit</b>	<b>Indicated Value (Rounded)</b>
Combined Federal & State LIHTC	\$7,621,546	\$1.59	\$7,600,000

The value indicated by the income capitalization approach is a reflection of a prudent investor's analysis of an income producing property. In this approach, income is analyzed in terms of quantity, quality, and durability. Due to the fact that the Subject will be an income producing in nature, this approach is the most applicable method of valuing the Subject property. Furthermore, when valuing the intangible items it is the only method of valuation considered.

The sales comparison approach reflects an estimate of value as indicated by the sales market. In this

approach, we searched the local market for transfers of similar type properties. These transfers were analyzed for comparative units of value based upon the most appropriate indices (i.e. \$/Unit, OAR, etc.). Our search revealed several sales over the past three years. While there was substantial information available on each sale, the sales varied in terms of location, quality of income stream, condition, etc. As a result, the appraisers used both an EGIM and a NOI/unit analysis. These analyses provide a good indication of the Subject's market value.

In the final analysis, we considered the influence of the two approaches in relation to one another and in relation to the Subject. In the case of the Subject several components of value can only be valued using either the income or sales comparison approach.

**Underlying Land Value**

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the value of the underlying land in fee simple, as of October 30, 2015, is:

**ONE MILLION NINETY THOUSAND DOLLARS  
(\$1,090,000)**

**“As Is” Value**

The Subject's market value of the real estate “As Is”, subject to current Section 8 contract rents, as of October 30, 2015 is:

**EIGHT MILLION SEVEN HUNDRED THOUSAND DOLLARS  
(\$8,700,000)**

**“As Complete and Stabilized” Restricted**

The Subject's hypothetical estimated market value “As Complete and Stabilized” assuming proposed restricted rental rates, as of October 30, 2015, is:

**NINE MILLION SIX HUNDRED THOUSAND DOLLARS  
(\$9,600,000)**

**“As Complete and Stabilized” Unrestricted**

The Subject's hypothetical estimated market value “As Complete and Stabilized” assuming unrestricted market rental rates, as of October 30, 2015, is:

**FOUR MILLION SIX HUNDRED THOUSAND DOLLARS  
(\$4,600,000)**

**Prospective Market Value as Restricted 30 years (Loan Maturity),**

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2045, as of October 30, 2015, is:

**SIX MILLION SEVEN HUNDRED THOUSAND DOLLARS  
(\$6,700,000)**

**Prospective Market Value as Unrestricted at 30 years (Loan Maturity)**

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2045, as of October 30, 2015, is:

**TWO MILLION SIX HUNDRED THOUSAND DOLLARS  
(\$2,600,000)**

**Tax Credit Value**

The market value of the tax credits allocated to the Subject over a 10-year period, on a cash equivalent basis, as of October 30, 2015, is:

***Total LIHTC Value: Combined Federal and State*  
SEVEN MILLION SIX HUNDRED THOUSAND DOLLARS  
(\$7,600,000)**

*Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.*

**MARKETING TIME PROJECTION:**

**Marketing Time** is defined as the period from the date of initial listing to the settlement date. The projected marketing time for the Subject property "as is" will vary greatly, depending upon the aggressiveness of the marketing agent, the method of marketing, the market that is targeted, interest rates and the availability of credit at the time the property is marketed, the supply and demand of similar properties for sale or having been recently purchased, and the perceived risks at the time it is marketed.

Discussions with area Realtors indicate that a marketing period of nine to 12 months is reasonable for properties such as the Subject. This is supported by data obtained on several of the comparable sales and consistent with information obtained from the PwC survey. This estimate assumes a strong advertising and marketing program during the marketing period.

**Reasonable Exposure Time:**

Statement 6, Appraisal Standards to USPAP notes that reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to proceed the effective date of the appraisal.

It is defined as the "estimated length of time the property interests appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market." Based on our read of the market, historical information provided by the *PwC Investor Survey* and recent sales of apartment product, an exposure time of nine to 12 months appears adequate.

*Addendum A*

*Assumptions and Limiting Conditions, Certification*

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser 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 author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. 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.
5. The report was made assuming responsible ownership and capable management of the property.
6. 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.
7. 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.
8. 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.
9. 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 appraiser 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.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.

11. A valuation estimate 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
17. 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.
18. 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 the value estimate contained in this report is based.
19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.
20. 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 appraiser and contained in this report.
21. The party for whom this report is prepared has reported to the appraiser 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.

22. 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.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
24. 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.
25. 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.

## **SPECIFIC ASSUMPTIONS**

The terms of the subsidy programs are preliminary as of the appraisal's effective date, October 30, 2015; therefore, any description of such terms is intended to reflect the current expectations and perceptions of market participants along with available factual data. The terms should be judged on the information available when the forecasts are made, not whether specific items in the forecasts or programs are realized. The program terms outlined in this report, as of October 30, 2015, form the basis upon which the value estimates are made. Novogradac & Co. LLP cannot be held responsible for unforeseen events that alter the stated terms subsequent to the date of this report.

The prospective value estimates reported herein are prepared using assumptions stated in this report which are based on the owner's/developer's plan to complete the Subject. As of October 30, 2015, the Subject's completion date is December 31, 2016.

Prospective value estimates, which are by the nature hypothetical estimates, are intended to reflect the current expectations and perceptions of market participants along with available factual data. They should be judged on the market support for the forecasts when made, not whether specific items in the forecasts are realized. The market conditions outlined in the report will be as of the last inspection date of the Subject, and these conditions will form the basis upon which the prospective value estimates are made. Novogradac & Co. LLP cannot be held responsible for unforeseen events that alter market conditions and/or the proposed property improvements subsequent to the date of the report.

At the clients' request we appraised the Subject property under a hypothetical condition. The hypothesis is that the developer proposes to use private financing and assistance from Low Income Housing Tax Credits to construct the Subject.

At the clients' request we utilized contract rents from the property rent roll dated September 30, 2015. The client (buyer) was unable to provide a current approved rent schedule from HUD, as it was not furnished by the seller. However, the rents were reportedly increased in September 2015, by 1.5 percent, which is consistent with a typical OCAF adjustment. It is an extraordinary assumption of this report that the rents listed in the furnished rent roll are accurate. A copy of the rent roll is included in Addendum I.

## CERTIFICATION

The undersigned hereby certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- We are concurrently preparing an application market study and HUD RCS for the Subject. Other than the aforementioned reports, we have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*;
- Rana Barnes has made a personal inspection of the Subject property and comparable market data. Rebecca Arthur and Rachel Denton have not made a personal inspection of the Subject property, but are familiar with the market area. Tami Cook provided significant professional assistance to the appraisers in the form of data collection and analysis;
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Rebecca S. Arthur, MAI has completed the continuing education program for Designated members of the Appraisal Institute.
- As of the date of this report, Rachel B. Denton has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.



Rebecca S. Arthur, MAI  
Partner  
Certified General Real Estate  
Appraiser



Rana Barnes  
Georgia Certified General Real  
Estate Appraiser No. 325547



Rachel B. Denton  
Principal  
Certified General Real Estate Appraiser

*Addendum B*

*Qualifications of Consultants*

**STATEMENT OF PROFESSIONAL QUALIFICATIONS**  
**REBECCA S. ARTHUR, MAI**

**I. Education**

University of Nebraska, Lincoln, Nebraska  
Bachelor of Science in Business Administration – Finance

Appraisal Institute  
Designated Member (MAI)

**II. Licensing and Professional Affiliation**

Designated Member of the Appraisal Institute (MAI)  
    Kansas City Chapter of the Appraisal Institute Board of Directors – 2013 & 2014  
Member of Commercial Real Estate Women (CREW) Network  
Member of National Council of Housing Market Analysts (NCHMA)

State of Arizona Certified General Real Estate Appraisal No. 31992  
State of California Certified General Real Estate Appraiser No. AG041010  
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047  
State of Iowa Certified General Real Estate Appraiser No. CG03200  
State of Indiana Certified General Real Estate Appraiser No. CG41300037  
State of Kansas Certified General Real Estate Appraiser No. G-2153  
State of Michigan Certified General Real Estate Appraiser No. 1201074011  
State of Minnesota Certified General Real Estate Appraiser No. 40219655  
State of Missouri Certified General Real Estate Appraiser No. 2004035401  
State of Louisiana Certified General Real Estate Appraiser No. 4018  
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

**III. Professional Experience**

Partner, Novogradac & Company LLP  
Principal, Novogradac & Company LLP  
Manager, Novogradac & Company LLP  
Real Estate Analyst, Novogradac & Company LLP  
Corporate Financial Analyst, Deloitte & Touche LLP

**IV. Professional Training**

Forecasting Revenue, June 2015  
Discounted Cash Flow Model, June 2015  
Business Practices and Ethics, April 2015  
USPAP Update, May 2014  
HUD MAP Training – June 2013  
The Appraiser as an Expert Witness: Preparation & Testimony, April 2013  
How to Analyze and Value Income Properties, May 2011

Appraising Apartments – The Basics, May 2011  
HUD MAP Third Party Tune-Up Workshop, September 2010  
HUD MAP Third Party Valuation Training, June 2010  
HUD LEAN Third Party Training, January 2010  
National Uniform Standards of Professional Appraisal Practice, April 2010  
MAI Comprehensive Four Part Exam, July 2008  
Report Writing & Valuation Analysis, December 2006  
Advanced Applications, October 2006  
Highest and Best Use and Market Analysis, July 2005  
HUD MAP – Valuation Advance MAP Training, April 2005  
Advanced Sales Comparison and Cost Approaches, April 2005  
Advanced Income Capitalization, October 2004  
Basic Income Capitalization, September 2003  
Appraisal Procedures, October 2002  
Appraisal Principals, September 2001

## **V. Real Estate Assignments**

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

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are

used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.

- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

## **VI. Speaking Engagements**

A representative sample of industry speaking engagements follows:

- Institute for Professional Education and Development (IPED): Tax Credit Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- Midwest FHA Lenders Conference: Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- Nebraska's County Assessors: Annual Meeting
- Novogradac & Company LLP: LIHTC, Developer and Bond Conferences
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Kansas Housing Conference
- California Council for Affordable Housing Meetings

**STATEMENT OF PROFESSIONAL QUALIFICATIONS  
RACHEL BARNES DENTON**

**I. EDUCATION**

Cornell University, Ithaca, NY  
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

**II. LICENSING AND PROFESSIONAL AFFILIATION**

Appraisal Institute Candidate for Designation  
Member of National Council of Housing Market Analysts (NCHMA)  
Member of Commercial Real Estate Women (CREW) Network  
    2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter  
    2013 Director of Communications for Kansas City CREW  
    2014 Secretary for Kansas City CREW  
    2015 Treasurer for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG 3527  
State of California Certified General Real Estate Appraiser No. AG044228  
State of Colorado Certified General Real Estate Appraiser No. 100031319  
State of Hawaii Certified General Real Estate Appraiser No. CGA1048  
State of Illinois Certified General Real Estate Appraiser No. 553.002012  
State of Kansas Certified General Real Estate Appraiser No. G-2501  
State of Minnesota Certified General Real Estate Appraiser No. 40420897  
State of Missouri Certified General Real Estate Appraiser No. 2007035992  
State of New Mexico Certified General Real Estate Appraiser No. 03424-G  
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA  
State of Oregon Certified General Real Estate Appraiser No. C000951  
State of Texas Certified General Real Estate Appraiser No. 1380396

**III. PROFESSIONAL EXPERIENCE**

Novogradac & Company LLP, Principal  
Novogradac & Company LLP, Manager  
Novogradac & Company LLP, Senior Real Estate Analyst

**IV. PROFESSIONAL TRAINING**

Educational requirements successfully completed for the Appraisal Institute:  
    Appraisal Principals, September 2004  
    Basic Income Capitalization, April 2005  
    Uniform Standards of Professional Appraisal Practice, November 2005  
    Advanced Income Capitalization, August 2006  
    General Market Analysis and Highest & Best Use, July 2008  
    Advanced Sales Comparison and Cost Approaches, June 2009  
    Advanced Applications, June 2010  
    General Appraiser Report Writing and Case Studies, July 2014  
    Standards and Ethics (USPAP and Business Practices and Ethics) – Current for 2010 to 2015 Cycle

Completed HUD MAP Training, Columbus, Ohio, May 2010

Have presented and spoken at both Novogradac conferences and other industry events, including the National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia, Institute for Professional and Executive Development (IPED) conferences, and state housing conferences, such as Housing Colorado.

## **V. REAL ESTATE ASSIGNMENTS**

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

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes 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. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Conducted a Highest and Best Use Analysis for a proposed two-phase senior residential development for a local Housing Authority in the western United States. Completed an analysis of existing and proposed senior supply of all types, including both renter and owner-occupied options, and conducted various demand analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating

expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS  
RANA BARNES**

**EDUCATION**

Western Kentucky University, Bachelor of Arts in Print Journalism  
Western Kentucky University, Associate of Arts in Paralegal Studies

**State of Georgia Certified General Real Property Appraiser No. 325547**

**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, July 2015- Present**  
Quentin Ball Appraisal Co., LLC, Senior Appraiser, October 2007- July 2015

**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.
- Complete Section 8 rent comparability studies (RCS) in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. These properties are typically undergoing recertification under HUD's Mark to Market Program.
- 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.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **Tami D. Cook**

### **I. EDUCATION**

**Avila University – Kansas City, Missouri**  
Master of Business Administration – Finance

**University of Missouri – Columbia, Missouri**  
Bachelor of Science – Finance and Real Estate

### **II. LICENSING AND PROFESSIONAL AFFILIATION**

State of Missouri Certified General Real Estate Appraiser Trainee No. 2015023292

### **III. PROFESSIONAL EXPERIENCE**

*Real Estate Researcher*- Novogradac & Company LLP  
*Appraisal Analyst*- North American Savings Bank

### **IV. PROFESSIONAL TRAINING**

Educational requirements successfully completed for the Appraisal Institute  
Basic Appraisal Principles- September 2013  
Basic Appraisal Procedures- November 2013  
National Uniform Standards of Professional Appraisal Practice- December 2013  
Real Estate Finance Statistics and Valuation Modeling- February 2014  
General Appraiser Sales Comparison Approach- April 2014  
Supervisor-Trainee Course for Kansas- July 2014

### **V. REAL ESTATE ASSIGNMENTS**

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

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including

adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.

*Addendum C*  
*Subject Photos*



View of Subject



View of Subject



View of Subject



View of Subject



View of Subject



View of Subject



View of Subject



View of Subject's signage



Community room



Community room



Second Community Room



Mailboxes



Elevator



Subject Entry Way



Typical Hallway



Subject Courtyard



Maintenance Area



Maintenance Room



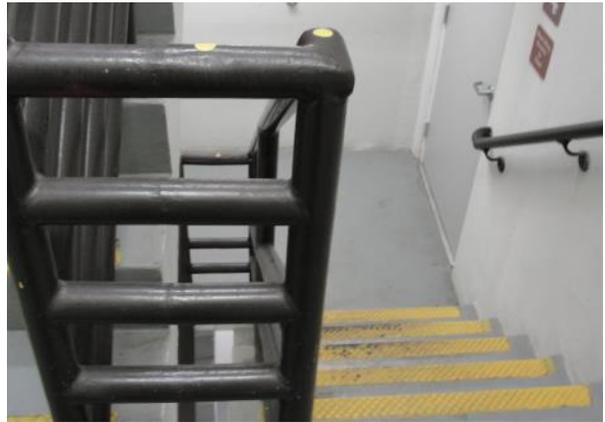
Central Laundry



Central Laundry



Trash Compactor Maintenance Area



Typical Stairwell



Courtyard Space with Grill



Parking



Parking



One-bedroom Living Room



Occupied One-bedroom Living Room



Wall Air Conditioning Unit



Kitchen



Door-knocker



Bathroom



Bedroom



Bedroom Closet



Studio Unit Closet



Studi Unit Kitchen



Studio Unit Bedroom/Living Room



Foster Street Facing East



Foster Street Facing West



Oglethorpe Avenue Facing East



Oglethorpe Avenue Facing West



Typical single-family home near Subject



Typical single-family home near Subject



West Hunter Baptist Church northeast of Subject



Back side of West Hunter Baptist Church



Commercial north of Subject



Typical storefront northeast of Subject



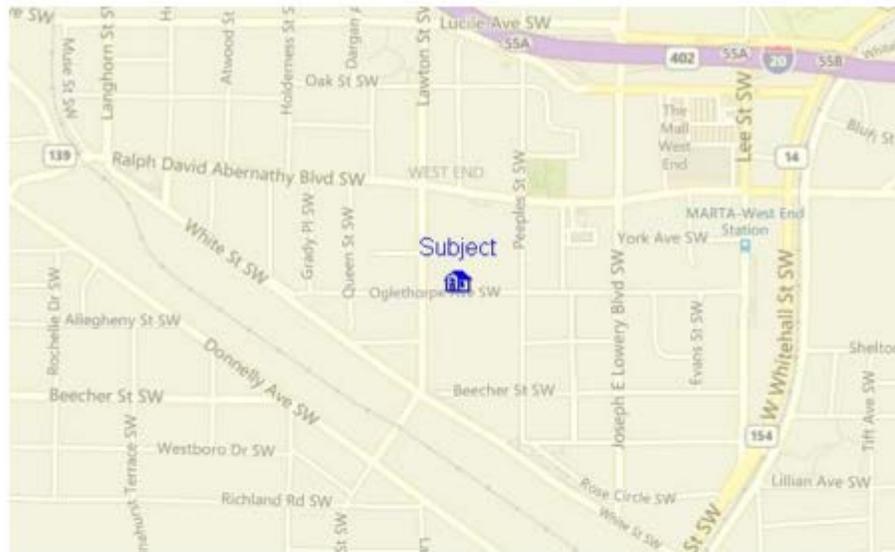
Post office on Oglethorpe Avenue east of Subject



Abernathy Community Center east of Subject

*Addendum D*

*Flood Plain Map*



## Location Report

[New Address](#)
[Print](#)
[Download PDF](#)
[Email PDF](#)

### Flood Zone Determinations (Non-Guaranteed)

SFHA (Flood Zone)	Out
Within 250 feet of multiple flood zones?	No
Zone	X
Community	135157
Community Name	ATLANTA, CITY OF
Panel	0358F
Panel Date	September 18, 2013
Cobra	OUT
Map Number	13121C0358F
FIPS Code	13121
Census Tract	0042.00

*Addendum E*

*Developer's Budget and Proforma*

**Budget Worksheet**  
Income and Expense Projections

**U.S. Department of Housing  
and Urban Development**  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0324  
(exp. 12/31/2014)

Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. This information is collected in accordance with Title II of the National Housing Act which requires that HUD regulate rents for certain cooperative and subsidized rental projects. The Department formulated the processes by which owners could request increases. The requirement for tenant participation in the rent increase process, which is included in Section 202(b) of the HCD Amendments of 1978, necessitated that the Department design procedures to give consideration to tenant comments. The information gathered is not of a confidential nature. The information is required in order to obtain benefits.

Project Number		Name of Project			
<b>016-EH105</b>		<b>Abernathy Tower</b>			
Description of Account	Acct. No.	Statement of Profit/Loss FY 14	Current FY (no. of mos. 12)	Budget from ( 4/16) to (3/17 )	
<b>Rental Income 5100</b>	Rent Revenue - Gross Potential	5120	325,676	272,449	384,575
	Tenant Assistance Payments	5121	1,043,044	1,042,601	1,231,681
	Rent Revenue - Stores and Commercial	5140			
	Garage and Parking Spaces	5170			
	Flexible Subsidy Revenue	5180			
	Miscellaneous Rent Revenue	5190			
	Excess Rent	5191			
	Rent Revenue/ Insurance	5192			
	Special Claims Revenue	5193			
	Retained Excess Income	5194			
	<b>Total Rent Revenue Potential at 100% Occupancy</b>	<b>5100T</b>	<b>1,368,720</b>	<b>1,315,050</b>	<b>1,616,256</b>
<b>Vacancies 5200</b>	Apartments	5220	(59,211)		(80,813)
	Stores and Commercial	5240			
	Rental Concessions	5250			
	Garage and Parking Spaces	5270			
	Miscellaneous	5290			
	<b>Total Vacancies</b>	<b>5200T</b>	<b>(59,211)</b>	<b>0</b>	<b>(80,813)</b>
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152N</b>	<b>1,309,509</b>	<b>1,315,050</b>	<b>1,535,443</b>
<b>Income 5300</b>	Nursing Home/Assisted Living/Board & Care/Other Elderly Care/Coop/Other Revenues	5300	0	0	0
<b>Financial Revenue 5400</b>	Financial Revenue -Project Operations	5410			
	Revenue from Investments-Residual Receipts	5430			
	Revenue from Investments-Replacement Reserve	5440	354		
	Revenue from Investments-Miscellaneous	5490			
	<b>Total Financial Revenue</b>	<b>5400T</b>	<b>354</b>	<b>0</b>	<b>0</b>
<b>Other Revenue 5900</b>	Laundry and Vending Revenue	5910	816	319	1,800
	Tenant Charges	5920	921		
	Interest Reduction Payments Revenue	5945	117		
	Gifts (nonprofits)	5970			
	Miscellaneous Revenue	5990		623	
	<b>Total Other Revenue</b>	<b>5900T</b>	<b>1,854</b>	<b>942</b>	<b>1,800</b>
	<b>Total Revenue</b>	<b>5000T</b>	<b>1,311,717</b>	<b>1,315,992</b>	<b>1,537,243</b>
<b>Admin. Expenses 6200/6300</b>	Conventions and Meetings	6203			
	Management Consultants	6204			
	Advertising and Marketing	6210			
	Other Renting Expense	6250			
	Office Salaries	6310	63,741	41,152	43,387
	Office Expenses	6311	49,254	25,542	45,656
	Office or Model Apartment Rent	6312			
	Management Fee	6320	65,985	56,054	65,985
	Manager or Superintendent Salaries	6330	57,941	50,053	58,922
	Administrative Rent Free Unit	6331			
	Legal Expenses - Project	6340	141	90	119
	Audit Expenses	6350	9,000	8,488	9,270
	Bookkeeping Fees/Accounting Services	6351		6,202	
	Miscellaneous Administrative Expenses	6390		36,690	
	<b>Total Administrative Expenses</b>	<b>6263T</b>	<b>246,062</b>	<b>224,271</b>	<b>223,338</b>

Description of Account	Acct. No.	Statement of Profit/Loss FY 14	Current FY (no. of mos. 12)	Budget from ( 4/16) to (3/17 )
<b>Utilities</b>				
<b>6400</b>	Fuel Oil/Coal	6420		
	Electricity	6450	87,250	100,135
	Water	6451	49,333	49,876
	Gas	6452	14,203	13,046
	Sewer	6453		2,948
	Total Utilities Expense	6400T	150,786	166,005
<b>Operating &amp; Mainten. Expenses</b>				
<b>6500</b>	Payroll	6510	79,139	65,994
	Supplies	6515	64,829	38,305
	Contracts	6520	68,243	145,942
	Operating and Maintenance Rent Free Unit	6521		
	Garbage and Trash Removal	6525	20,908	16,407
	Security Payroll/Contract	6530	113,785	32,096
	Security Rent Free Unit	6531		
	Heating/Cooling Repairs and Maintenance	6546	473	487
	Snow Removal	6548		
	Vehicle & Maint. Equip. Oper. and Repair	6570		
	Misc. Operating & Maintenance Expenses	6590		1,665
	Total Operating & Maintenance Expenses	6500T	347,377	300,409
<b>Taxes and Insurance</b>				
<b>6700</b>	Real Estate Taxes	6710	318	22,603
	Payroll Taxes (Project's share)	6711	19,909	16,402
	Property and Liability Insurance (Hazard)	6720	39,308	4,818
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance & Other Employee Benefits	6723	29,402	42,164
	Misc. Taxes, Licen., Permits, & Insurance	6790		
	Total Taxes & Insurance	6700T	88,937	69,585
<b>Financial Expenses</b>				
<b>6800</b>	Interest on Mortgage Payable	6820	272,601	266,935
	Interest on Notes Payable (Long-Term) *	6830		
	Interest on Notes Payable (Short-Term) *	6840		
	Mortgage Insurance Premium/Service Charge	6850	22,449	22,459
	Miscellaneous Financial Expenses	6890		43,648
	Total Financial Expenses	6800T	295,050	333,042
<b>Expenses</b>	<b>Nursing Home/Assisted Living/Board &amp; Care/Other Elderly Care/Coop/Other Revenues</b>	6900	0	0
	Total Cost of Operations	6000T	1,128,212	1,093,312
	Reserve for Replacements Dep. Required		65,268	65,268
	Principal Payments Required		54,058	59,724
	Debt Service for other approved loans			
	Debt Service Reserve (if required)			95,071
	General Operating Reserve (Coops)			
	Total Cash Requirements		1,247,538	1,218,304
	Less Total Revenue		1,311,717	1,315,992
	Net Cash Surplus (Deficiency)		64,179	97,688
				(308)

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

(Signature)



Socorro Vasquez, Executive Director

Date (mm/dd/yyyy)

11/04/2015

*Addendum F*

*Site Plans (Not Applicable)*

*Addendum G*

*Letters of Intent (Not Applicable)*

*Addendum H*

*License*

STATE OF GEORGIA  
REAL ESTATE APPRAISERS BOARD

**RANA J BARNES**

**325547**

IS AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF GEORGIA IN THE CAPACITY AS

**CERTIFIED GENERAL REAL PROPERTY  
APPRAISER**

THE PRIVILEGE AND RESPONSIBILITIES HEREWITH ARE CONTINGENT UPON THE REQUISITE FEES AND ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY  
Chairperson

JEFF A. LAWSON  
Vice Chairperson

RONALD M. HECKMAN  
JEANMARIE HOLMES  
KEITH STONE

*Addendum I*

*Rent Roll*

Harold A Dawson Company Inc - Abernathy Tower  
RENT ROLL DETAIL

As of 09/30/2015

Parameters: Property - ALL; Subjournal - ALL; Formers excluded - Yes; Unit Designation - ALL;  
Details

Unit	Floorplan	Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Date	Lease Start	Lease End	Market + Adtl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
101	1A	N/A	0	Occupied	Dudley, Dimeiris Calvin	01/01/2015	01/01/2015	12/31/2015	1,208.00	RESIDENT RENT		140.00	0.00	140.00	139.75	0.00
102	1A	N/A	0	Occupied	Chambers, Evelyn	02/01/2015	02/01/2015	01/31/2016	1,208.00	RESIDENT RENT		214.00	0.00	214.00	214.00	0.00
103	1A	N/A	0	Occupied	HOLMES, BARBARA	05/12/1995	09/01/2005	05/31/2007	1,208.00	RESIDENT RENT		216.00	0.00	216.00	134.00	0.00
104	1A	N/A	0	Occupied	BENSON, RENVA	07/05/2005	07/05/2005	06/30/2006	1,208.00	RESIDENT RENT		276.00	0.00	276.00	177.00	0.00
105	1A	N/A	0	Occupied	Baugh, Renice	12/07/2008	12/07/2008	12/07/2009	1,208.00	RESIDENT RENT		228.00	0.00	228.00	178.00	0.00
106	1A	N/A	0	Occupied	Hall, Roy	11/01/2009	11/01/2009	11/01/2010	1,208.00	RESIDENT RENT		212.00	0.00	212.00	182.00	3.00
107	1A	N/A	0	Occupied	Vrdan, Clifford	03/02/2014	03/02/2014	03/01/2015	1,208.00	RESIDENT RENT		216.00	0.00	216.00	212.00	0.00
108	1A	N/A	0	Occupied	CARTER, BRENDA	04/01/2004	04/01/2006	03/31/2007	1,208.00	RESIDENT RENT		213.00	0.00	213.00	172.00	0.00
109	0A	N/A	0	Occupied	Lambert, Cynthia	04/01/2015	04/01/2015	03/31/2016	1,123.00	RESIDENT RENT		216.00	0.00	216.00	216.00	0.00
110	1A	N/A	0	Occupied	CLOUD, FANNIE	12/01/1995	05/01/2005	11/30/2006	1,208.00	RESIDENT RENT		225.00	0.00	225.00	98.00	0.00
111	0A	N/A	0	Occupied	Glaze, Samuel	12/04/2008	12/04/2008	12/04/2009	1,123.00	RESIDENT RENT		212.00	0.00	212.00	164.00	0.00
112	0A	N/A	0	Occupied	Barksdale, Willie	06/03/2013	06/03/2013	06/02/2014	1,123.00	RESIDENT RENT		210.00	0.00	210.00	203.00	(1.00)
113	2A	N/A	0	Vacant	VACANT				1,200.00	SUBSIDY SUBRENT		0.00	0.00	0.00	0.00	24,855.00
201	1A	N/A	0	Occupied	Kemp, Jeanne	01/10/2013	01/10/2013	01/09/2014	1,206.00	RESIDENT RENT		206.00	0.00	206.00	200.00	(7.00)
202	1A	N/A	0	Occupied	Halles, Maxlene	02/01/2015	02/01/2015	01/31/2016	1,208.00	RESIDENT RENT		210.00	0.00	210.00	210.00	0.00
203	1A	N/A	0	Occupied	Blount-Alcantara, Terrika	04/01/2014	04/01/2014	03/31/2015	1,208.00	RESIDENT RENT		210.00	0.00	210.00	206.00	0.00

\* Indicates amounts not included in detail totals

Harold A Dawson Company Inc - Abernathy Tower  
**RENT ROLL DETAIL**

As of 09/30/2015

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (1.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal Code	Trans	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
204	1A	N/A	0	Occupied	HOWARD, FLETCHER	04/01/2005	05/01/2006	03/31/2007	1,208.00	RESIDENT RENT	SUBSIDY SUBRENT	998.00	0.00	998.00	0.00	17,604.00
205	1A	N/A	0	Occupied	Glaze, DeAngelo	03/02/2014	03/02/2014	03/01/2015	1,208.00	RESIDENT RENT	SUBSIDY SUBRENT	192.00	0.00	192.00	0.00	30,902.00
206	1A	N/A	0	Occupied	NOTTINGHAM, PEGGY	01/11/1993	05/01/2006	12/31/2006	1,208.00	RESIDENT RENT	SUBSIDY SUBRENT	1,023.00	0.00	1,023.00	0.00	18,868.00
207	1A	N/A	0	Occupied	Davis, Mary	11/01/2006	11/01/2006	10/31/2007	1,208.00	RESIDENT RENT	SUBSIDY SUBRENT	1,002.00	0.00	1,002.00	0.00	104,856.00
208	1A	N/A	0	Occupied	HARDEMAN, DOROTHY	02/14/2003	05/01/2006	01/31/2007	1,208.00	RESIDENT RENT	SUBSIDY SUBRENT	210.00	0.00	210.00	156.00	0.00
209	0A	N/A	0	Occupied	Glover, Ronald	08/02/2013	09/02/2013	09/01/2014	1,123.00	RESIDENT RENT	SUBSIDY SUBRENT	996.00	0.00	996.00	0.00	104,779.00
210	1A	N/A	0	Occupied	Baugh, Renice R	11/11/2011	11/11/2011	11/10/2012	1,208.00	RESIDENT RENT	SUBSIDY SUBRENT	281.00	0.00	281.00	271.00	0.00
211	0A	N/A	0	Occupied	Thomas, Randy	05/05/2015	05/05/2015	05/04/2016	1,123.00	RESIDENT RENT	SUBSIDY SUBRENT	842.00	0.00	842.00	0.00	20,572.00
212	1A	N/A	0	Occupied	Bray, Lizzie	11/01/2012	11/01/2012	10/31/2013	1,208.00	RESIDENT RENT	SUBSIDY SUBRENT	233.00	0.00	233.00	227.00	0.00
213	0A	N/A	0	Occupied	Harris, Tommy	02/01/2014	02/01/2014	01/31/2015	1,123.00	RESIDENT RENT	SUBSIDY SUBRENT	975.00	0.00	975.00	0.00	43,790.00
214	1A	N/A	0	Occupied	MURPHY, CLINTON	09/08/1992	05/01/2006	08/31/2006	1,208.00	RESIDENT RENT	SUBSIDY SUBRENT	242.00	0.00	242.00	242.00	529.00
215	1A	N/A	0	Occupied	Dawud, Farouq	02/08/2012	02/08/2012	02/07/2013	1,208.00	RESIDENT RENT	SUBSIDY SUBRENT	881.00	0.00	881.00	0.00	4,219.00
216	0A	N/A	0	Occupied	HENDERSON, WILLIE	11/01/1998	05/01/2006	10/31/2006	1,123.00	RESIDENT RENT	SUBSIDY SUBRENT	215.00	0.00	215.00	208.00	0.00
218	0A	N/A	0	Occupied	Buchanan, Alexander	07/11/2014	07/11/2014	07/10/2015	1,123.00	RESIDENT RENT	SUBSIDY SUBRENT	993.00	0.00	993.00	0.00	34,069.00
219	1A	N/A	0	Occupied	DRAKE, MILDRED	07/01/2012	07/01/2012	06/30/2013	1,208.00	RESIDENT RENT	SUBSIDY SUBRENT	232.00	0.00	232.00	228.00	4.00

\* Indicates amounts not included in detail totals

Harold A Dawson Company Inc - Abernathy Tower  
**RENT ROLL DETAIL**

As of 09/30/2015

Parameters: Property - ALL; Subjournal - ALL; Formers excluded - Yes; Unit Designation - ALL;  
Details

Unit	Floorplan	Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In	Lease Start	Lease End	Market	Sub	Trans	Lease	Other	Total	Dep	Balance
												Journal Code	Rent	Charges/ Credits	Billing	On Hand
220	1A	N/A	0	Occupied	Cosby, Daris	09/03/2013	09/03/2013	09/02/2014	1,208.00	SUBSIDY	SUBRENT	956.00	0.00	956.00	0.00	100,513.00
												238.00	0.00	238.00	0.00	0.00
												970.00	0.00	970.00	0.00	23,294.00
301	1A	N/A	0	Occupied	Gueye, Lorraine	05/01/2013	05/01/2013	04/30/2014	1,208.00	SUBSIDY	SUBRENT	194.00	0.00	194.00	188.00	(6.00)
												1,014.00	0.00	1,014.00	0.00	28,618.00
302	1A	N/A	0	Occupied	Mathony, Tandra	02/29/2008	02/29/2008	03/01/2009	1,208.00	SUBSIDY	SUBRENT	210.00	0.00	210.00	162.00	(3.00)
												998.00	0.00	998.00	0.00	86,244.00
303	1A	N/A	0	Occupied	LEDFORD, LOUISTINE	05/01/2002	05/01/2006	04/30/2007	1,208.00	SUBSIDY	SUBRENT	210.00	0.00	210.00	154.00	0.00
												998.00	0.00	998.00	0.00	104,716.00
304	1A	N/A	0	Occupied	BURRELL, ALAN	03/16/2005	05/01/2006	04/30/2007	1,208.00	SUBSIDY	SUBRENT	216.00	0.00	216.00	155.00	0.00
												992.00	0.00	992.00	0.00	105,728.00
305	1A	N/A	0	Occupied	Leslie, Rodrick	04/01/2012	04/01/2012	03/31/2013	1,208.00	SUBSIDY	SUBRENT	210.00	0.00	210.00	124.00	0.00
												998.00	0.00	998.00	0.00	40,782.00
306	1A	N/A	0	Occupied	Alexander, Odessa	08/01/2005	08/01/2006	07/31/2007	1,208.00	SUBSIDY	SUBRENT	388.00	0.00	388.00	273.00	0.00
												820.00	0.00	820.00	0.00	87,017.00
307	1A	N/A	0	Occupied	Allen, Dorothy	09/01/2007	09/01/2007	08/31/2009	1,208.00	SUBSIDY	SUBRENT	274.00	0.00	274.00	182.00	5.00
												994.00	0.00	994.00	0.00	87,654.00
308	1A	N/A	0	Occupied	Cokley, Alfred	11/01/2011	11/01/2011	10/31/2012	1,208.00	SUBSIDY	SUBRENT	266.00	0.00	266.00	384.00	0.00
												942.00	0.00	942.00	0.00	42,761.00
309	0A	N/A	0	Occupied	Grisson, Odessa	02/01/2015	02/01/2015	01/31/2016	1,123.00	SUBSIDY	SUBRENT	211.00	0.00	211.00	211.00	0.00
												912.00	0.00	912.00	0.00	7,171.00
310	1A	N/A	0	Occupied	FRENCH, LARRY	01/12/2004	05/01/2006	12/31/2006	1,208.00	SUBSIDY	SUBRENT	286.00	0.00	286.00	219.00	16.00
												922.00	0.00	922.00	0.00	96,778.00
311	1A	N/A	0	Occupied	Wills, Reather	05/01/2013	05/01/2013	04/30/2014	1,208.00	SUBSIDY	SUBRENT	432.00	0.00	432.00	244.00	884.00
												778.00	0.00	778.00	0.00	26,084.00
312	0A	N/A	0	Occupied	Hassan Theophilus	06/07/2015	06/07/2015	06/06/2016	1,123.00	SUBSIDY	SUBRENT	210.00	0.00	210.00	210.00	0.00
												913.00	0.00	913.00	0.00	3,417.00
313	1A	N/A	0	Occupied	Stepp, Annie	07/01/2012	07/01/2012	06/30/2013	1,208.00	SUBSIDY	SUBRENT	210.00	0.00	210.00	199.00	0.00
												998.00	0.00	998.00	0.00	37,641.00
314	0A	N/A	0	Occupied	Major, Gregory	11/01/2012	11/01/2012	10/31/2013	1,123.00	SUBSIDY	SUBRENT	239.00	0.00	239.00	231.00	0.00
												884.00	0.00	884.00	0.00	29,916.00
315	1A	N/A	0	Occupied	ACOSTA, LILLIE	02/01/1992	05/01/2006	01/31/2007	1,208.00	SUBSIDY	SUBRENT	204.00	0.00	204.00	185.00	0.00

\* Indicates amounts not included in detail totals

Harold A Dawson Company Inc - Abernathy Tower  
**RENT ROLL DETAIL**

Parameters: Property - ALL; Subjournal - ALL; Formers excluded - Yes; Unit Designation - ALL;  
Details

As of 09/30/2015

Unit	Floorplan	Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Adtl.	Sub Journal Code	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
316	1A	N/A	0	Occupied	ZANDERS, JOHNNIE	02/01/2006	02/01/2006	01/31/2007	1,208.00	RESIDENT RENT		791.00	0.00	791.00	504.00	0.00
										SUBSIDY SUBRENT		1,004.00	0.00	1,004.00	0.00	105,574.00
317	1A	N/A	0	Vacant	VACANT				1,208.00	SUBSIDY SUBRENT		417.00	0.00	417.00	0.00	51,968.00
318	0A	N/A	0	Occupied	AUSTELL, BARBARA	10/04/1999	05/01/2006	09/30/2006	1,123.00	RESIDENT RENT		328.00	0.00	328.00	227.00	0.00
319	1A	N/A	0	Occupied	Alexander, Eugenia	03/02/2014	03/02/2014	03/01/2015	1,208.00	RESIDENT RENT		216.00	0.00	216.00	212.00	0.00
										SUBSIDY SUBRENT		795.00	0.00	795.00	0.00	83,405.00
320	0A	N/A	0	Occupied	TRAILER, HUBBARD	10/17/1988	05/01/2006	09/30/2006	1,123.00	RESIDENT RENT		206.00	0.00	206.00	140.00	5.00
										SUBSIDY SUBRENT		992.00	0.00	992.00	0.00	18,421.00
321	1A	N/A	0	Occupied	Werner, Juanita	03/06/2009	03/06/2009	03/06/2010	1,208.00	RESIDENT RENT		237.00	0.00	237.00	193.00	0.00
										SUBSIDY SUBRENT		917.00	0.00	917.00	0.00	96,367.00
322	1A	N/A	0	Occupied	Willis, Millicent	09/01/2012	09/01/2012	09/01/2013	1,208.00	RESIDENT RENT		206.00	0.00	206.00	192.00	0.00
										SUBSIDY SUBRENT		1,002.00	0.00	1,002.00	0.00	45,255.00
401	1A	N/A	0	Vacant	VACANT				1,208.00	RESIDENT RENT		0.00	0.00	0.00	0.00	0.00
402	1A	N/A	0	Occupied	Carer, Alma	06/01/2012	06/01/2012	05/31/2013	1,208.00	RESIDENT RENT		210.00	0.00	210.00	199.00	0.00
										SUBSIDY SUBRENT		998.00	0.00	998.00	0.00	36,553.00
403	1A	N/A	0	Occupied	Gilbert, Earline	09/11/2012	09/11/2012	09/10/2013	1,208.00	RESIDENT RENT		298.00	0.00	298.00	290.00	0.00
										SUBSIDY SUBRENT		910.00	0.00	910.00	0.00	32,527.00
404	1A	N/A	0	Occupied	Bryant, Willie	11/15/2007	11/15/2007	11/30/2008	1,208.00	RESIDENT RENT		279.00	0.00	279.00	234.00	0.00
										SUBSIDY SUBRENT		929.00	0.00	929.00	0.00	84,189.00
405	1A	N/A	0	Occupied	Green, Robin	10/01/2014	10/01/2014	09/30/2015	1,208.00	RESIDENT RENT		526.00	0.00	526.00	526.00	0.00
										SUBSIDY SUBRENT		682.00	0.00	682.00	0.00	7,950.00
406	1A	N/A	0	Occupied	Robinson, Betty	06/01/2014	06/01/2014	05/31/2015	1,208.00	RESIDENT RENT		216.00	0.00	216.00	212.00	0.00
										SUBSIDY SUBRENT		992.00	0.00	992.00	0.00	15,584.00
407	1A	N/A	0	Occupied	BETHEA, ELOISE	05/07/2005	05/01/2006	04/30/2007	1,208.00	RESIDENT RENT		507.00	0.00	507.00	134.00	0.00
										SUBSIDY SUBRENT		701.00	0.00	701.00	0.00	88,310.00
408	1A	N/A	0	Occupied	Mitchell, Priscilla	11/01/2011	11/01/2011	10/31/2012	1,208.00	RESIDENT RENT		206.00	0.00	206.00	192.00	0.00
										SUBSIDY SUBRENT		1,002.00	0.00	1,002.00	0.00	45,228.00
409	0A	N/A	0	Occupied	Strickland, Kistie	11/01/2012	11/01/2012	10/31/2013	1,123.00	RESIDENT RENT		212.00	0.00	212.00	205.00	0.00
										SUBSIDY SUBRENT		911.00	0.00	911.00	0.00	30,837.00

\* Indicates amounts not included in detail totals

Harold A Dawson Company Inc - Abernathy Tower  
**RENT ROLL DETAIL**

As of 09/30/2015

Parameters: Property - ALL; Subjournal - ALL; Formers excluded - Yes; Unit Designation - ALL;  
Details

Unit	Floorplan	Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Adfl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
410	1A	N/A	0	Vacant	VACANT				1,208.00			0.00 -	0.00 +	160.00	149.00	0.00
411	1A	N/A	0	Occupied	Colson, Flora	11/01/2011	11/01/2011	10/31/2012	1,208.00	RESIDENT RENT		160.00	0.00	1,048.00	0.00	47,313.00
										SUBSIDY SUBRENT		1,048.00	0.00	338.00	334.00	0.00
412	0A	N/A	0	Occupied	Uptain, Larry	11/01/2011	11/01/2011	10/31/2012	1,123.00	RESIDENT RENT		338.00	0.00	785.00	0.00	34,871.00
										SUBSIDY SUBRENT		785.00	0.00	210.00	199.00	0.00
413	1A	N/A	0	Occupied	Scott, Vickie	04/05/2012	04/05/2012	04/04/2013	1,208.00	RESIDENT RENT		998.00	0.00	998.00	0.00	40,283.00
										SUBSIDY SUBRENT		216.00	0.00	216.00	213.00	0.00
414	0A	N/A	0	Occupied	Childes, Vanessa	04/01/2014	04/01/2014	03/31/2015	1,123.00	RESIDENT RENT		907.00	0.00	503.00	494.00	0.00
										SUBSIDY SUBRENT		705.00	0.00	217.00	130.00	0.00
415	1A	N/A	0	Occupied	Walker, Brenda	02/22/2012	02/22/2012	02/21/2013	1,208.00	RESIDENT RENT		991.00	0.00	991.00	0.00	40,213.00
										SUBSIDY SUBRENT		137.00	0.00	137.00	137.00	0.00
416	1A	N/A	0	Occupied	Wilder, Nera	05/03/2012	05/03/2012	05/02/2013	1,208.00	RESIDENT RENT		986.00	0.00	986.00	0.00	7,783.00
										SUBSIDY SUBRENT		159.00	0.00	159.00	159.00	0.00
417	0A	N/A	0	Occupied	Jackson, Osie	02/01/2015	02/01/2015	01/31/2016	1,123.00	RESIDENT RENT		964.00	0.00	964.00	0.00	11,376.00
										SUBSIDY SUBRENT		290.00	0.00	290.00	274.00	40.00
418	0A	N/A	0	Occupied	Gibson, Thomas	10/14/2008	10/14/2008	10/31/2009	1,208.00	RESIDENT RENT		918.00	0.00	918.00	0.00	72,350.00
										SUBSIDY SUBRENT		210.00	0.00	210.00	204.00	0.00
419	1A	N/A	0	Occupied	Kirpatrick, Jamie	05/01/2013	05/01/2013	04/30/2014	1,123.00	RESIDENT RENT		913.00	0.00	913.00	0.00	25,771.00
										SUBSIDY SUBRENT		216.00	0.00	216.00	209.00	0.00
420	0A	N/A	0	Occupied	KENNTA, GLAZE	04/01/2013	04/01/2013	03/31/2014	1,208.00	RESIDENT RENT		992.00	0.00	992.00	0.00	28,924.00
										SUBSIDY SUBRENT		0.00 -	0.00 -	210.00	125.00	0.00
421	1A	N/A	0	Occupied	Perryman, Tommie	09/01/2011	09/01/2011	08/31/2012	1,208.00	RESIDENT RENT		210.00	0.00	210.00	125.00	0.00
										SUBSIDY SUBRENT		0.00 -	0.00 -	210.00	125.00	0.00
422	1A	N/A	0	Vacant	VACANT				1,208.00			0.00 -	0.00 -	998.00	0.00	47,327.00
423	1A	N/A	0	Occupied	Fleming, Alphonso	01/01/2014	01/01/2014	12/31/2014	1,208.00	RESIDENT RENT		212.00	0.00	212.00	213.00	0.00
										SUBSIDY SUBRENT		996.00	0.00	996.00	0.00	20,388.00
501	1A	N/A	0	Occupied	Parker, Walter	04/01/2013	04/01/2013	03/31/2014	1,208.00	RESIDENT RENT		992.00	0.00	992.00	0.00	28,924.00
										SUBSIDY SUBRENT		741.00	0.00	741.00	125.40	0.00
502	1A	N/A	0	Occupied	Glass, Pamela	03/07/2005	03/07/2005	02/28/2007	1,208.00	RESIDENT RENT		467.00	0.00	467.00	0.00	81,300.00
										SUBSIDY SUBRENT		0.00	0.00	0.00	0.00	0.00
503	1A	N/A	0	Occupied	COLLINS, ROZELL	05/01/2006	05/01/2006	02/28/2007	1,208.00	RESIDENT RENT		992.00	0.00	992.00	0.00	28,924.00
										SUBSIDY SUBRENT		741.00	0.00	741.00	125.40	0.00

\* Indicates amounts not included in detail totals

Harold A Dawson Company Inc - Abernathy Tower  
**RENT ROLL DETAIL**

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;  
Details

As of 09/30/2015

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In	Lease Start	Lease End	Market + Adft.	Sub Journal Code	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
504	1A	N/A	0	Occupied	INGRAM, EVELYN	09/06/2015	08/06/2015	08/09/2016	1,208.00	RESIDENT RENT		320.00	0.00	320.00	237.00	20.00
505	1A	N/A	0	Occupied	Adams, Margaret Jackson	11/01/2012	11/01/2012	10/31/2013	1,208.00	RESIDENT RENT		888.00	0.00	888.00	0.00	93,286.00
505	1A	N/A	0	Occupied	Johnson, Michael	01/01/2012	01/01/2012	12/31/2012	1,208.00	RESIDENT RENT		212.00	0.00	212.00	206.00	0.00
507	1A	N/A	0	Occupied	Cost, Shirley	10/14/2008	10/14/2008	10/31/2009	1,208.00	RESIDENT RENT		996.00	0.00	996.00	0.00	33,700.00
508	1A	N/A	0	Occupied	MILLER, VIRGINIA	05/16/2001	05/01/2006	04/30/2007	1,208.00	RESIDENT RENT		572.00	0.00	572.00	308.00	0.00
509	1A	N/A	0	Vacant	VACANT				1,208.00	SUBSIDY SUBRENT		636.00	0.00	636.00	0.00	73,368.00
510	1A	N/A	0	Occupied	MUHAMMAD, LABEBAH	09/01/1995	05/01/2006	08/31/2006	1,208.00	RESIDENT RENT		216.00	0.00	216.00	50.00	4.00
511	1A	N/A	0	Occupied	LEWIS, JOANN	03/11/2002	05/01/2006	07/31/2006	1,208.00	RESIDENT RENT		992.00	0.00	992.00	0.00	104,797.00
512	0A	N/A	0	Occupied	Brown, Freddie	09/01/2008	09/01/2008	09/01/2009	1,123.00	RESIDENT RENT		818.00	0.00	818.00	0.00	88,166.00
513	1A	N/A	0	Occupied	Culler, Teresa	02/01/2014	02/01/2014	01/31/2015	1,208.00	SUBSIDY SUBRENT		825.00	0.00	825.00	0.00	73,297.00
514	0A	N/A	0	Occupied	Griffith, Andre	08/01/2012	09/01/2012	07/31/2013	1,123.00	RESIDENT RENT		981.00	0.00	981.00	0.00	19,140.00
515	1A	N/A	0	Occupied	Highlower, Timothy	09/01/2012	09/01/2012	08/31/2013	1,208.00	RESIDENT RENT		907.00	0.00	907.00	0.00	33,377.00
516	1A	N/A	0	Occupied	Lee, Reginald	09/01/2012	09/01/2012	08/31/2013	1,208.00	RESIDENT RENT		998.00	0.00	998.00	0.00	63,630.00
517	0A	N/A	0	Occupied	TILLER, DWIGHT	01/01/1993	05/01/2006	12/31/2006	1,123.00	RESIDENT RENT		998.00	0.00	998.00	0.00	36,665.00
518	0A	N/A	0	Occupied	Sparkman, Donald	02/01/2015	02/01/2015	01/31/2016	1,123.00	RESIDENT RENT		210.00	0.00	210.00	210.00	0.00
519	1A	N/A	0	Occupied	Aiston, Fred	04/01/2010	04/01/2010	04/01/2011	1,208.00	RESIDENT RENT		913.00	0.00	913.00	0.00	7,180.00

\* Indicates amounts not included in detail totals

Harold A Dawson Company Inc - Abernathy Tower  
**RENT ROLL DETAIL**

As of 09/30/2015

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;  
Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance	
520	0A	N/A	0	Occupied	Brooks, Ethel	02/01/2010	02/01/2010	02/01/2011	1,123.00	RESIDENT RENT		996.00	0.00	996.00	0.00	67,444.00	
										SUBSIDY SUBRENT		216.00	0.00	216.00	96.00	2.00	
										SUBSIDY SUBRENT		907.00	0.00	907.00	0.00	61,051.00	
521	1A	Affordable	0	Occupied	Redding, Willadean	02/01/2014	02/01/2014	01/31/2015	1,208.00	RESIDENT RENT		432.00	0.00	432.00	458.00	0.00	
										SUBSIDY SUBRENT		776.00	0.00	776.00	0.00	14,728.00	
										RESIDENT RENT		241.00	0.00	241.00	236.00	0.00	
523	1A	N/A	0	Occupied	Rahman, Haroun A	12/01/2007	12/01/2007	12/01/2008	1,208.00	RESIDENT RENT		967.00	0.00	967.00	0.00	15,195.00	
										SUBSIDY SUBRENT		243.00	0.00	243.00	205.00	(5.00)	
										SUBSIDY SUBRENT		965.00	0.00	965.00	0.00	84,065.00	
<b>Totals:</b>										118,752.00			114,512.00	0.00	114,512.00	19,637.15	

-- Historically generated Rent Roll Detail data may differ due to the following product functions (including but not limited to) --  
 Back-charge move-ins/cuts or apply dates  
 Applicant's transfer to another unit will appear in the new unit not the old  
 Canceling notices to vacate or transfer  
 Undoing move-ins/cuts or transfers

\* Indicates amounts not included in detail totals

Harold A Dawson Company Inc - Abernathy Tower  
**RENT ROLL DETAIL**

As of 09/30/2015

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Amt / SQFT: Market = 0 SQFT; Leased = 0 SQFT;

Floorplan	#Units	Average SQFT	Market + Addl.	Market Amt./SQFT	Average Leased	Leased Amt./SQFT	Units Occupied	Occupancy %	Units Available
0A	24	0	1,123.00	0.00	1,123.00	0.00	24	100.00	0
1A	75	0	1,208.00	0.00	1,208.00	0.00	70	93.33	5
2A	1	0	1,200.00	0.00	0.00	0.00		0.00	1
<b>Totals / Averages:</b>	<b>100</b>	<b>0</b>	<b>1,187.52</b>	<b>0.00</b>	<b>1,186.30</b>	<b>0.00</b>	<b>94</b>	<b>94.00</b>	<b>6</b>

**Occupancy and Rents Summary for Current Date**

Unit Status	Market + Addl.	# Units	Potential Rent
Occupied, no NTV	111,512.00	94	111,512.00
Occupied, NTV	-	0	-
Occupied NTV Leased	-	0	-
Vacant Leased	-	0	-
Admin/Down	-	0	-
Vacant Not Leased	7,240.00	6	7,240.00
<b>Totals:</b>	<b>118,752.00</b>	<b>100</b>	<b>118,752.00</b>

**Summary Billing by Sub Journal for Current Date**

Sub Journal	Amount
RESIDENT	25,332.00
SUBSIDY	86,180.00
<b>Total:</b>	<b>111,512.00</b>

**Summary Billing by Transaction Code for Current Date**

Code	Amount
RENT	25,332.00
SUBRENT	86,180.00
<b>Total:</b>	<b>111,512.00</b>

*Addendum J*

*Grids*

Subject		Comp #1		Comp #2		Comp #4		Comp #5		Comp #6	
Abernathy Tower Apartments 1059 Oglethorpe Avenue SW Atlanta, GA		Big Bethel Village 500 Richard Allen Boulevard Atlanta, GA		Heritage Greene 2891 Springdale Road Atlanta, GA		Calvin Court 479 E. Paces Ferry Road, NE Atlanta, GA		Donnelly Gardens 1295 Donnelly Avenue SW Atlanta, GA		The Darlington 2025 Peachtree Road Atlanta, GA	
Data		Data		Data		Data		Data		Data	
Subject		Subject		Subject		Subject		Subject		Subject	
<b>A. Rents Charged</b>											
1	\$ Last Rent / Restricted?	\$700	N	\$495	N	\$622	N	\$499	N	\$641	N
2	Date Last Leased (mo/yr)	Oct-15		Oct-15		Oct-15		Oct-15		Oct-15	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent / sq. ft	\$700	\$1.96	\$495	\$0.89	\$622	\$1.65	\$499	\$0.91	\$641	\$1.49
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
<b>B. Design, Location, Condition</b>											
6	Structure / Stories	E/5		E/3		G/2	\$10	E/11		G/2	\$10
7	Yr. Built / Yr. Renovated	1986		2003		1980s/Ongoing		1969/Ongoing		1965/Ongoing	
8	Condition / Street Appeal	Good		Good		Fair to Good	\$75	Fair to Good	\$75	Fair to Good	\$75
9	Neighborhood	Good		Good		Good		Excellent	(\$25)	Good	
10	Same Market? Miles to Subj.			Yes/4.9		Yes/4.2		Yes/7.6		Yes/0.4	
<b>C. Unit Equipment / Amenities</b>											
11	# Bedrooms	0		0		0		0		0	
12	# Bathrooms	1		1		1		1		1	
13	Unit Interior Sq. Ft.	384	\$13	358	(\$38)	555	(\$38)	378		550	(\$38)
14	Balcony / Patio	N	(\$5)	Y	(\$5)	Y	(\$5)	N		Y	(\$5)
15	AC: Central / Wall	WA		WA		C		WA		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	M	(\$10)	D	(\$10)	D	(\$10)	N		D	(\$10)
18	Washer / Dryer	L	(\$10)	L/HU	(\$10)	L/HU	(\$10)	L		L	(\$10)
19	Floor Coverings	C		C		C		C		W	
20	Window Coverings	B		B		B		B		B	
21	Cable / Satellite / Internet	N		N		N		N		N	
22	Special Features	N		N		N		N		N	
23											
<b>D. Site Equipment / Amenities</b>											
24	Parking (\$ Fee)	L		L		L		L CP/\$0	(\$10)	L	
25	Extra Storage	N		N		N		N		Y	(\$5)
26	Security	Y		Y		Y		Y		Y	
27	Clubhouse / Meeting Rooms	C/		C/		C/		C/		N	\$10
28	Pool / Recreation Areas	R		E	(\$5)	E/R	(\$5)	P/E/R	(\$10)	N	\$5
29	Business Ctr / Nbhd Network	N	(\$5)	BC	(\$5)	N		BC	(\$5)	N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Networks	N		N		N		N		N	
<b>E. Utilities</b>											
33	Heat (in rent? / type)	Y/E		Y/E		N/E	\$24	Y/E		N/G	\$24
34	Cooling (in rent? / type)	Y/E		Y/E		N/E	\$18	Y/E		N/E	\$18
35	Cooking (in rent? / type)	Y/E		Y/E		N/E	\$9	Y/E		N/E	\$9
36	Hot water (in rent? / type)	Y/G		Y/E		N/E	\$9	Y/E		N/G	\$9
37	Other Electric	Y		Y		N	\$39	Y		N	\$39
38	Cold Water / Sewer	Y/Y		Y/Y		N/N	\$75	Y/Y		Y/Y	
39	Trash / Recycling	Y		Y		Y		Y		Y	
<b>F. Adjustments Recap</b>											
40	# Adjustments B to D	1	(4)	2	(5)	1	(4)	4	(2)	1	(6)
41	Sum Adjustments B to D	\$13	(\$30)	\$85	(\$68)	\$75	(\$50)	\$100	(\$43)	\$75	(\$72)
42	Sum Utility Adjustments			\$174				\$99		\$75	
43	Net / Gross Adjustments B to E	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
		(\$17)	\$43	\$191	\$327	\$25	\$125	\$156	\$242	\$3	\$147
<b>G. Adjusted &amp; Market Rents</b>											
44	Adjusted Rent (5 + 43)	\$683		\$686		\$647		\$655		\$644	
45	Adj Rent / Last rent		98%		139%		104%		131%		100%
46	Estimated Market Rent	\$670		\$1.74 Estimated Market Rent / Sq. Ft.							

Appraiser's Signature

*Rana Barnes*

10/30/2015

Date

Attached are  
explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared: [ ] Manually [ X ] Using HUD's Excel form

form HUD-92273-S8 (04/2002)

Subject		Comp #1		Comp #3		Comp #4		Comp #5		Comp #6	
Abernathy Tower Apartments		Big Bethel Village		Oglethorpe Place		Calvin Court		Heritage Greene		The Darlington	
1059 Oglethorpe Avenue SW		500 Richard Allen Boulevard		835 Oglethorpe Av. SW		479 E. Paces Ferry Road, NE		2891 Springdale Road		2025 Peachtree Road	
Atlanta, Fulton		Atlanta, GA		Atlanta, GA		Atlanta, GA		Atlanta, GA		Atlanta, GA	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$805	N	\$818	N	\$820	N	\$629	N	\$1,005	N
2	Date Last Leased (mo/yr)	Oct-15		Oct-15		Oct-15		Oct-15		Oct-15	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent / sq. ft	\$805	\$1.86	\$818	\$1.22	\$820	\$1.52	\$629	\$0.84	\$1,005	\$2.01
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	E/5		E/3	\$10	E/11		G/2	\$10	E/13	
7	Yr. Built / Yr. Renovated	1986		2003		1996		1969/Ongoing		1980s/Ongoing	1952/2010
8	Condition / Street Appeal	Good		Good		Good	\$150	Fair to Good	\$150	Good	
9	Neighborhood	Good		Good		Excellent	(\$25)	Good		Excellent	(\$25)
10	Same Market? Miles to Subj.	Yes/4.9		Yes/0.4		Yes/7.6		Yes/4.2		Yes/5.4	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Bathrooms	1		1		1		1		1	
13	Unit Interior Sq. Ft.	528		433	\$44	670	(\$43)	539		745	\$14
14	Balcony / Patio	N	(\$5)	Y	(\$5)	Y	(\$5)	N	(\$5)	Y	(\$5)
15	AC: Central / Wall	WA		WA		C		WA		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	M	(\$10)	D	(\$10)	D	(\$10)	N	(\$10)	D	(\$10)
18	Washer / Dryer	L	(\$10)	L/HU	(\$10)	L/HU	(\$10)	L	(\$10)	L/HU	(\$10)
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Cable / Satellite / Internet	N		N		N		N		N	
22	Special Features	N		N		N		N		N	
23											
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L	(\$10)	L	(\$10)	L	
25	Extra Storage	N		N	(\$5)	Y	(\$5)	N		Y	(\$5)
26	Security	Y		Y		Y		Y		Y	
27	Clubhouse / Meeting Rooms	C/		C/		C/		C/		C/	
28	Pool / Recreation Areas	R		E	(\$10)	P/E/R	(\$10)	E/R	(\$5)	P/E	(\$5)
29	Business Ctr / Nbhd Network	N	(\$5)	BC	(\$5)	N		BC	(\$5)	N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Networks										
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	Y/E		Y/E	\$24	Y/E		N/E	\$24	Y/E	
34	Cooling (in rent? / type)	Y/E		Y/E	\$18	Y/E		N/E	\$18	Y/E	
35	Cooking (in rent? / type)	Y/E		Y/E	\$9	Y/E		N/E	\$9	Y/G	
36	Hot water (in rent? / type)	Y/G		Y/E	\$9	Y/E		N/E	\$9	Y/E	
37	Other Electric	Y		Y	\$39	Y		N	\$39	Y	
38	Cold Water / Sewer	Y/Y		Y/Y	\$75	N/N	\$75	Y/Y		N/N	\$75
39	Trash / Recycling	Y		Y		Y		Y		N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	1	(4)	1	(6)	1	(4)	2	(5)	1	(5)
41	Sum Adjustments B to D	\$44	(\$30)	\$10	(\$83)	\$150	(\$50)	\$160	(\$75)	\$14	(\$55)
42	Sum Utility Adjustments			\$174				\$174		\$75	
43	Net / Gross Adjustments B to E	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
		\$14	\$74	\$101	\$267	\$100	\$200	\$259	\$409	\$34	\$144
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$819		\$919		\$920		\$888		\$1,039	
45	Adj Rent / Last rent		102%		112%		112%		141%		103%
46	Estimated Market Rent	\$920		\$1.74 Estimated Market Rent / Sq. Ft.							

Appraiser's Signature *Rana Barnes*

10/30/2015  
Date **Attached are explanations of:**

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared: [ ] Manually [ X ] Using HUD's Excel form

form HUD-92273-S8 (04/2002)