



**A Market Feasibility Study Of
Abernathy Tower Apartments**

Located at

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

**Effective Date: October 30, 2015
Report Date: November 17, 2015**

Prepared For

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November 17, 2015

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Re: Market Study for Abernathy Tower Apartments in Atlanta, Georgia

Dear Ms. Mahmud:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Atlanta, Fulton County, Georgia area relative to the above-referenced proposed acquisition/rehabilitation Low Income Housing Tax Credit (LIHTC)/Section 8 project. The purpose of this market study is to assess the viability of the rehabilitation of Abernathy Tower Apartments (Subject), an existing 100-unit Section 8 community (Section 8 Contract No. GA06-T831-016) restricted to seniors age 62 and older or disabled persons. The Subject offers studio and one-bedroom units along with one two-bedroom non-revenue generating manager's unit. Following renovation, the property will be restricted to households earning 60 percent of the Area Median Income (AMI) or below. Furthermore, 99 units will continue to benefit from a HAP contract, which expires on November 10, 2031. It is assumed the developer will continue to renew the HAP contract for the foreseeable future. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

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

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

Respectfully submitted,
Novogradac & Company LLP



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ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

TABLE OF CONTENTS

A. EXECUTIVE SUMMARY AND CONCLUSIONS	1
B. PROJECT DESCRIPTION	12
C. SITE EVALUATION	17
D. MARKET AREA	34
E. COMMUNITY DEMOGRAPHIC DATA.....	38
F. EMPLOYMENT TRENDS	46
G. PROJECT-SPECIFIC DEMAND ANALYSIS	57
H. COMPETITIVE RENTAL ANALYSIS	72
I. ABSORPTION & STABILIZATION RATES	131
J. INTERVIEWS.....	133
K. CONCLUSIONS AND RECOMMENDATIONS	135
L. SIGNED STATEMENT REQUIREMENTS.....	140
M. MARKET STUDY REPRESENTATION	142
N. QUALIFICATIONS	144

A. EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Abernathy Tower Apartments (Subject) is an existing Section 8 property (Section 8 Contract No. GA06-T831-016) restricted to seniors 62 and older or disabled persons 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. The Subject consists of one five-story midrise-style building with a total of 99 studio and one-bedroom units along with one two-bedroom non-revenue generating manager's unit. The Subject is 94.0 percent occupied. The unit mix currently includes 24 studio units, 75 one-bedroom units, and one two-bedroom unit. The units currently vacant are five one-bedroom units along with the two-bedroom manager's unit. However, according to the property manager a lengthy waiting list is maintained, which will be utilized to fill vacant units.

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.

Renovations are expected to be completed by December 31, 2016. Hard costs of renovations will reportedly be \$40,000 per unit, or \$4,000,000 for the entire property. 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 countertops, 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.

The following table illustrates the post-renovation unit mix including bedrooms/bathrooms, square footage, income targeting, proposed rents, and utility allowances.

PROPOSED RENTS						
Unit Type	Number of Units	LIHTC Asking Rents	Utility Allowance (1)	Gross Asking Rents	2015 LIHTC Maximum Allowable Rent	Current Net Section 8 Contract Rents*
<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
Total	100					

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

*HAP contract effective 9/11/2014; tenants will pay 30 percent of income as rent not to exceed LIHTC rent levels

The Subject offers blinds, carpet/vinyl flooring, central heating and wall air conditioning, ovens, refrigerators, and coat closets in units, and following renovations will also include microwaves. The Subject's project amenities include off-street parking, central laundry, a courtyard, two elevators, on-site management, a picnic area, and a community room.

Post-renovation, the property amenities will remain the same. Overall, the Subject's amenities will be competitive with those offered at most of the comparable properties.

2. Site Description/Evaluation:

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 (a museum) 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 it does not offer studio or one-bedroom units. To the southeast are Oglethorpe Terrace Apartments which was not utilized as a comparable as it does 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 Ralph David 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.

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.

The Subject has excellent 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.

3. Market Area Definition:

The Primary Market Area (PMA) for the Subject consists of southern and western portions of the city of Atlanta and was defined based on interviews with the local housing authority, property 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.

4. Community Demographic Data:

Overall population growth in the PMA was lower than the MSA and the nation from 2000 to 2010. 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.

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.

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.

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.

5. Economic Data:

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 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.

6. Project-Specific Affordability And Demand Analysis:

The following table illustrates the Subject's 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. In the case of the Subject, all of the current residents except one would

income-qualify for their units under the LIHTC program limitations. Additionally, all current tenants would income-qualify with consideration of the Section 8 subsidies that will remain in place.

CAPTURE RATE ANALYSIS CHART- WITH SUBSIDIES						
Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
OBR- 60% AMI/Section 8	\$0-\$28,680	24	744	0	744	3.2%
1BR- 60% AMI/Section 8	\$0-\$32,760	75	1,076	78	998	7.5%
Overall- 60% AMI/ Section 8	\$0-\$32,760	99	1,820	78	1,742	5.7%

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 which indicates adequate demand for the Subject. Overall, we recommend the Subject as proposed.

7. Competitive Rental Analysis:

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 with senior tenancy and those that contain studio and one-bedroom units that have similar unit sizes as compared to the Subject’s unit sizes. We believe that even though some of the comparables are located outside the PMA that they are a good comparison to the Subject.

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 rate comparables 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 and 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.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with proposed LIHTC/Section 8 rents for the Subject, which will be subsidized, allowing tenants to pay just 30 percent of their income toward rent.

LIHTC RENT COMPARISON - @60%		
Property Name	0BR	1BR
Abernathy Tower Apartments (Subject)	\$717	\$768
LIHTC Maximum (Net)	\$717	\$768
Prior to 2009 Hold Harmless Limit (Net)	\$777	\$832
Baptist Gardens	-	\$700
Big Bethel Village*	\$650	\$795
		\$750
		\$699
Brentwood Village Apartments	\$549	\$601
Columbia Senior Residences At Mechanicsville	-	\$886
Average (excluding Subject)	\$600	\$747
NOVOCO'S Estimated Achievable Rent	\$600	\$768

Note: The Subject will operate with Section 8 subsidies allowing residents to pay 30 percent of their income as rent.

*Located outside the PMA

The comparable LIHTC properties are considered similar to slightly superior to the Subject, which will be a renovated LIHTC project with Section 8 subsidies for 99 of its 100 units. Based on our similarity matrix, Brentwood Village is the most similar LIHTC property and is 99.2 percent occupied. The Subject will offer slightly inferior property and in-unit amenities to Brentwood Village, as Brentwood Village offers central air conditioning, dishwashers, ceiling fans, garbage disposals, and washer/dryer hookups in each unit. Brentwood Village has a similar location, unit sizes, and condition. The Subject’s proposed LIHTC rents are above the current asking rents at Brentwood Village, but the one-bedroom rents are within the rental range of the other comparables. Overall, the Subject’s one-bedroom rents appear reasonable when compared to the rents at the comparables and particularly when taking into account the relatively strong demand for affordable units in the PMA. However, the studio rents appear to be above the comparable rents at other affordable properties.

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	\$709	-1%
1 BR	\$768	\$601	\$1,140	\$860	11%

Donnelly Gardens is the most similar market rate property and it is 100 percent occupied. The Subject will offer slightly inferior unit amenities 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. However, the proposed one-bedroom LIHTC rents are within the range of the comparables.

8. Absorption/Stabilization**Estimate:**

We were able to obtain absorption information from three senior properties, two of which were utilized as comparables.

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

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 is currently 94.0 percent occupied, with six vacancies in the 100 existing units one of which is the two-bedroom manager's unit. The Subject will continue to offer 100 units following renovations. 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 tenants. However, tenants at the Subject will continue to pay 30 percent of their income for rent. All current residents except one will continue to be income-qualified for the Subject under the Section 8 HAP contract. We anticipate that with renovations occurring on a rolling basis, the Subject will continue to operate at 94 percent occupancy during renovations.

9. Overall Conclusion:

Based upon our market research of comparables, our inspection of the Subject site and surrounding neighborhood, review of area economic trends, and demographic calculations and analysis, we believe there is more than adequate demand for the Subject property as proposed following renovations. The Subject, which currently operates as a Section 8 development with 100 units, will continue to operate with Section 8 subsidies for 99 of the units in addition to operating under the LIHTC program 60 percent AMI restrictions. The LIHTC comparables are performing adequately, with a weighted vacancy rate of 2.0 percent. Additionally, four comparable LIHTC properties maintain waiting lists. The Subject's proposed one-bedroom rents are within the range of rents at the LIHTC and market rate comparables. The Subject's proposed studio rents are above the rents at the LIHTC and within the range of the market rate comparables. This suggests that even if rents at the Subject were not subsidized through the Section 8 program, the proposed one-bedroom rents would be achievable in the open market. Considering the Section 8 subsidy that will be in place, tenants will pay just 30 percent of their income toward rents, making the Subject very affordable. The capture rates for the Subject are all considered achievable and are within the capture rate thresholds for GA DCA LIHTC application projects. We believe that the Subject will maintain a physical vacancy rate of five percent or less following stabilization, which is above the LIHTC average but in line with its historical performance. Our only recommendation is that the proposed studio LIHTC rents, absent subsidy, be reduced to \$600 per month more in line with the comparables. Again, this recommendation is hypothetical as it is assumed the developer will continue long term renewal of the Section 8 Contract.

Abernathy Tower Apartments, Atlanta, GA; Market Study

Summary Table: Abernathy Tower Apartments

Development Name:	Abernathy Tower Apartments	Total # Units: 100
Location:	1059 Oglethorpe Avenue SW	# LIHTC Units: 99
	Atlanta, Fulton County, GA	
PMA Boundary:	North – Interstate 20/ Highway 78 East – Highway 23/Highway 29 South – Interstate 20/Highway 78 West- Lakewood Freeway	
	Farthest Boundary Distance to Subject:	5.3miles

Rental Housing Stock (found on pages 74-107)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	2,235	19	99.1%
Market-Rate Housing**	7	1,629	14	99.1%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
LIHTC**	6	256	23	91.0%
Stabilized Comps	10	1,142	19	98.3%
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
24	0BR at 60% AMI	1	384	\$717	\$709	\$1.85	1.1%	\$1,092	\$2.84
75	1BR at 60% AMI	1	528	\$768	\$860	\$1.63	-12.0%	\$1,140	\$2.16
1	2BR	1	816	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av

Demographic Data (found on page 42 & 67)

	2010		2015		Dec-16	
Senior Renter Households	4,719	38.90%	5,890	44.10%	6,195	44.50%
Income-Qualified Renter HHs (w/ Subsidy)	-	-	-	-	4,976	80.32%

Targeted Income-Qualified Renter Household Demand (found on pages 67)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	N/Ap	305	N/Ap	N/Ap	305
Existing Households (Overburdened + Substandard)	N/Ap	N/Ap	2,052	N/Ap	N/Ap	2,052
Homeowner conversion (Seniors)	N/Ap	N/Ap	124	N/Ap	N/Ap	124
Total Primary Market Demand	N/Ap	N/Ap	2,297	N/Ap	N/Ap	2,297
Less Comparable/Competitive Supply	N/Ap	N/Ap	0	N/Ap	N/Ap	0
Adjusted Income-qualified Renter HHs*	N/Ap	N/Ap	2,297	N/Ap	N/Ap	2,297

Capture Rates (found on pages 68)

Targeted Population	50% w/Subsidy	50% w/out Subsidy	60% w/Subsidy	60% w/out Subsidy	Other: __	Overall
Capture Rate:	N/Ap	N/Ap	5.7%	N/Ap	N/Ap	20.50%

*With subsidy

**Includes Mixed Income Properties

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:	The Subject is located at 1059 Oglethorpe Avenue SW in Atlanta, Fulton County, Georgia 31030.
Construction Type:	The Subject consists of one five-story elevator-serviced midrise-style building. The building exterior is brick and masonry with a flat roof. The Subject was originally constructed in 1986.
Occupancy Type:	Senior or disabled persons
Special Population Target:	Seniors 62 or older or disabled persons.
Number of Units by Bedroom Type and AMI Level:	See following property profile.
Unit Size:	See following property profile.
Structure Type:	See following property profile.
Rents and Utility Allowances:	See following property profile.
Existing or Proposed Project Based Rental Assistance:	Currently, the Subject operates as a Section 8 development. Following renovations 99 units will continue to benefit from the HAP contract (Section 8 Contract No. GA06-T831-016), which expires November 10, 2031.
Proposed Development Amenities:	See following property profile.

Property Profile Report													
Abernathy Tower Apartments													
Comp #	Subject												
Effective Rent Date	10/30/2015												
Location	1059 Oglethorpe Avenue SW Atlanta, GA 30310 Fulton County												
Units	100												
Vacant Units	6												
Vacancy Rate	6.00%												
Type	Midrise (age-restricted) (5 stories)												
Year Built / Renovated	1986 / 2011 / 2016												
Major Competitors	None Identified												
Tenant Characteristics	Senior tenants 62+												
Contact Name	Cheryl												
Phone	404-659-1440												
Market													
Program	LIHTC/Section 8				Leasing Pace	30 days							
Annual Turnover Rate	20%				Change in Rent (Past	Remained stable							
Units/Month Absorbed	N/A				Concession	None							
Section 8 Tenants	N/A												
Utilities													
A/C	included -- wall				Other Electric	included							
Cooking	included -- electric				Water	included							
Water Heat	included -- gas				Sewer	included							
Heat	included -- electric				Trash Collection	included							
Unit Mix (face rent)													
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	Range	
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		
Amenities													
In-Unit	Blinds Carpeting Coat Closet Hand Rails Oven Refrigerator Wall A/C				Security	Patrol							
Property	Parking spaces: 50 Clubhouse/Meeting Room/Community Room Courtyard Elevators Central Laundry Off-Street Parking On-Site Management Picnic Area				Premium	none							
Services	none				Other	none							
Comments													
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.													



- Scope of Renovations:** Renovations are expected to be completed by December 31, 2016. 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 Rents:** Based on a rent roll received September 30, 2015, the current rents at the Subject are based on 30 percent of resident incomes, as the Subject operates as a Section 8 development. Current tenant-paid rents range from \$137 to \$1,016. Current contract rents are \$1,123 and \$1,208 for the studio and one-bedroom units, respectively.
- Current Occupancy:** The Subject is currently 94.0 percent occupied. The unit mix includes 24 studio units, 75 one-bedroom units, and one two-bedroom non-revenue generating manager's unit. There are currently five one-bedrooms vacant and the two-bedroom manager's unit. However, according to the property manager a waiting list of approximately 18 months is maintained which will be utilized to fill vacancies. The Subject has historically operated at more than 93 percent occupancy, indicating relatively high demand for the existing low-income housing.
- Current Tenant Income:** Most of the current tenants at the Subject have household incomes that are too low to income-qualify for the Subject without Section 8 subsidies. None of the current residents have incomes higher than \$40,640, and all but one fall beneath the 60 percent maximum income threshold.
- Placed in Service Date:** The renovation of the Subject is expected to be completed by December 31, 2016.

Conclusion:

Following renovations, the Subject will continue to offer 100 units in one five-story midrise-style residential building. The Subject will be of good quality following renovations and will be comparable to most of the inventory in the Atlanta area. The renovations will be moderate and are expected to total approximately \$40,000 per unit. Based on our inspection of the Subject grounds and units, the Subject does not suffer from significant deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

SITE EVALUATION

1. Date of Site Visit and Name of Site Inspector:

Rana Barnes visited the site on October 30, 2015.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

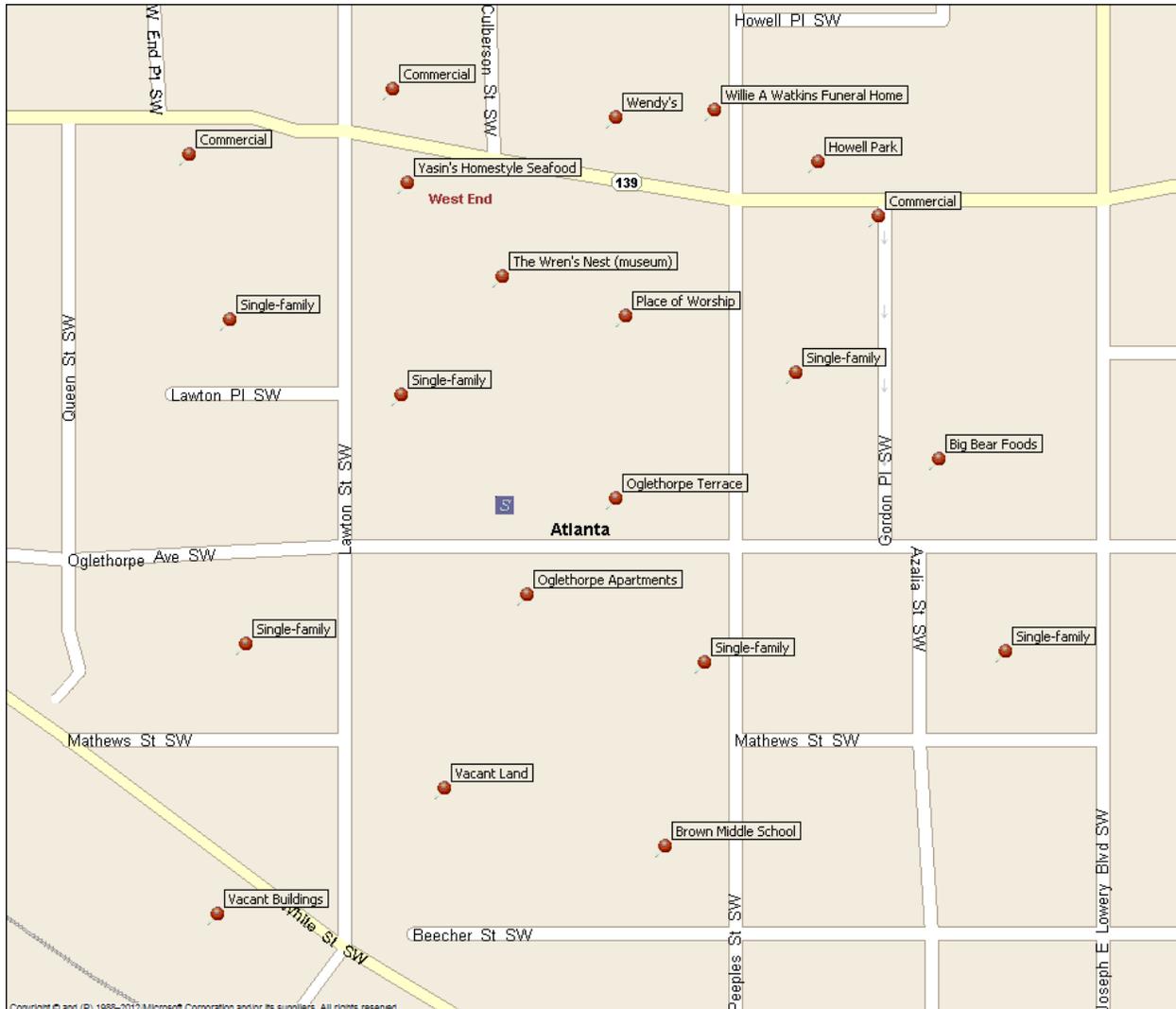
The Subject site has frontage along the south side of Foster Place SW and the north side of Oglethorpe Avenue SW.

Visibility/Views:

The Subject has excellent 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.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.

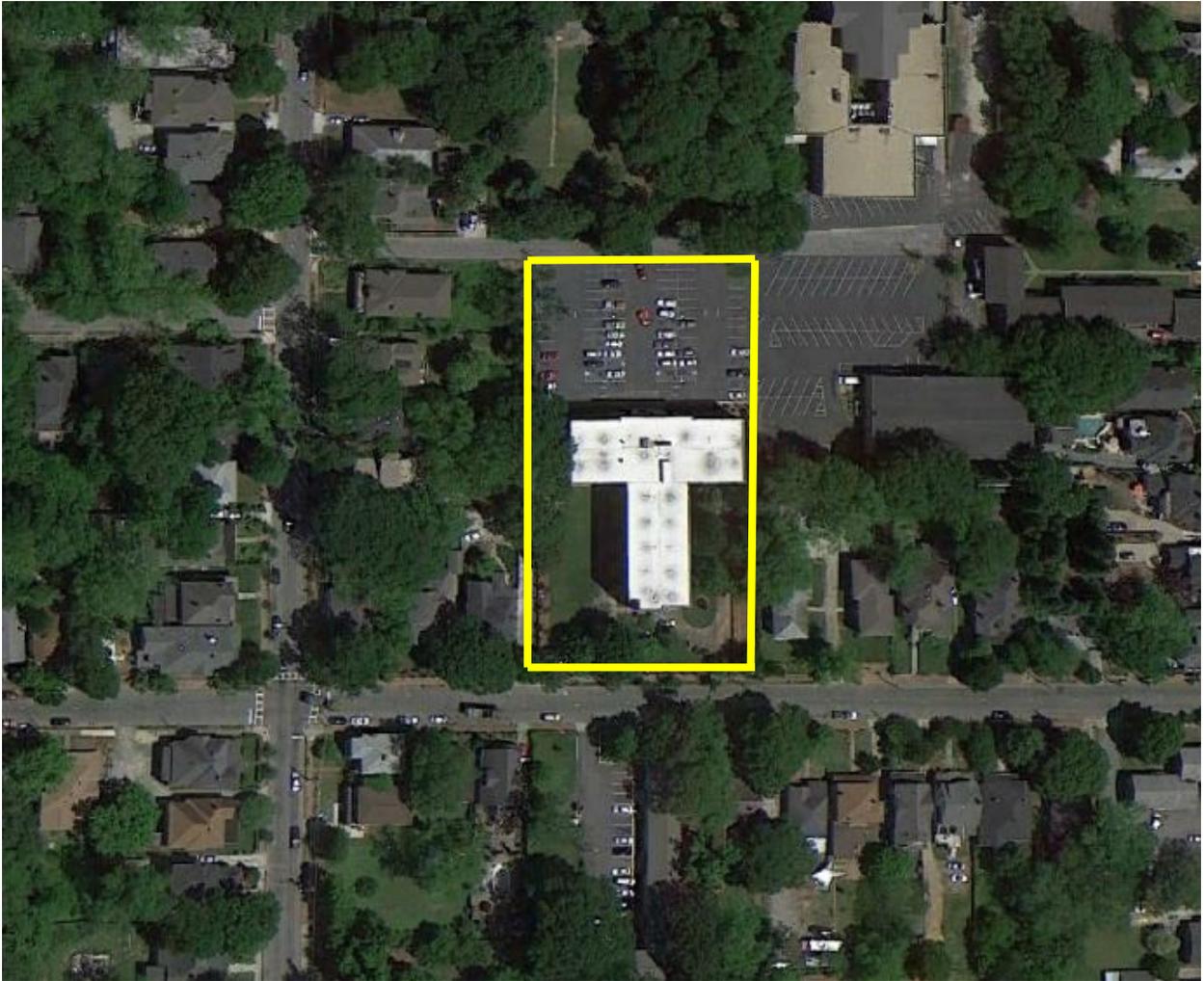


Surrounding uses consist of multifamily developments, single-family homes, places of worship, and scattered commercial/retail uses. The multifamily developments in the Subject neighborhood appear to be in average condition. The Subject site is located in southwestern Atlanta. There are numerous commercial/retail 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 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 had a historical vacancy of 5.6 and 4.3 percent for 2013 and 2014, respectively.

3. Physical Proximity to Locational Amenities:

The Subject is located within 2.8 miles of locational amenities. An aerial photograph of the Subject is on the following page.



4. Pictures of Site and Adjacent Uses:



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



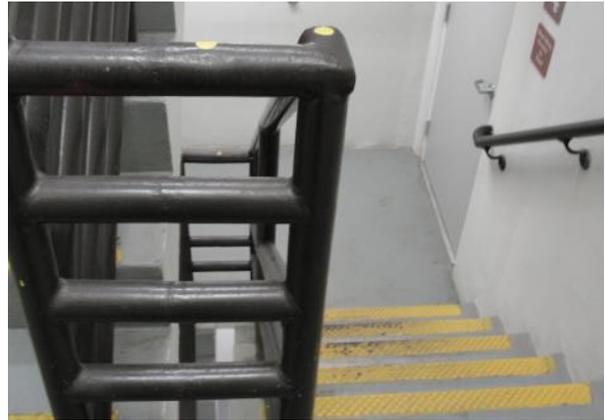
Central Laundry



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



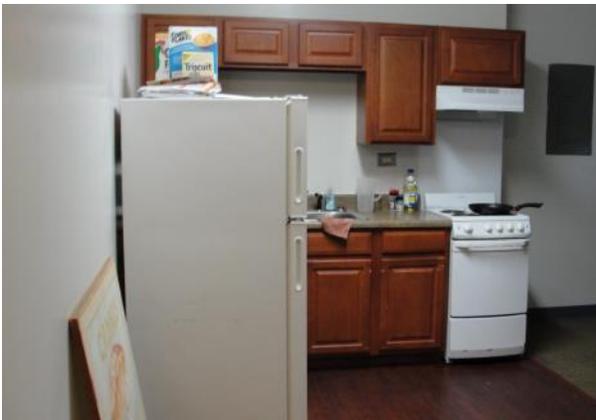
Bedroom



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



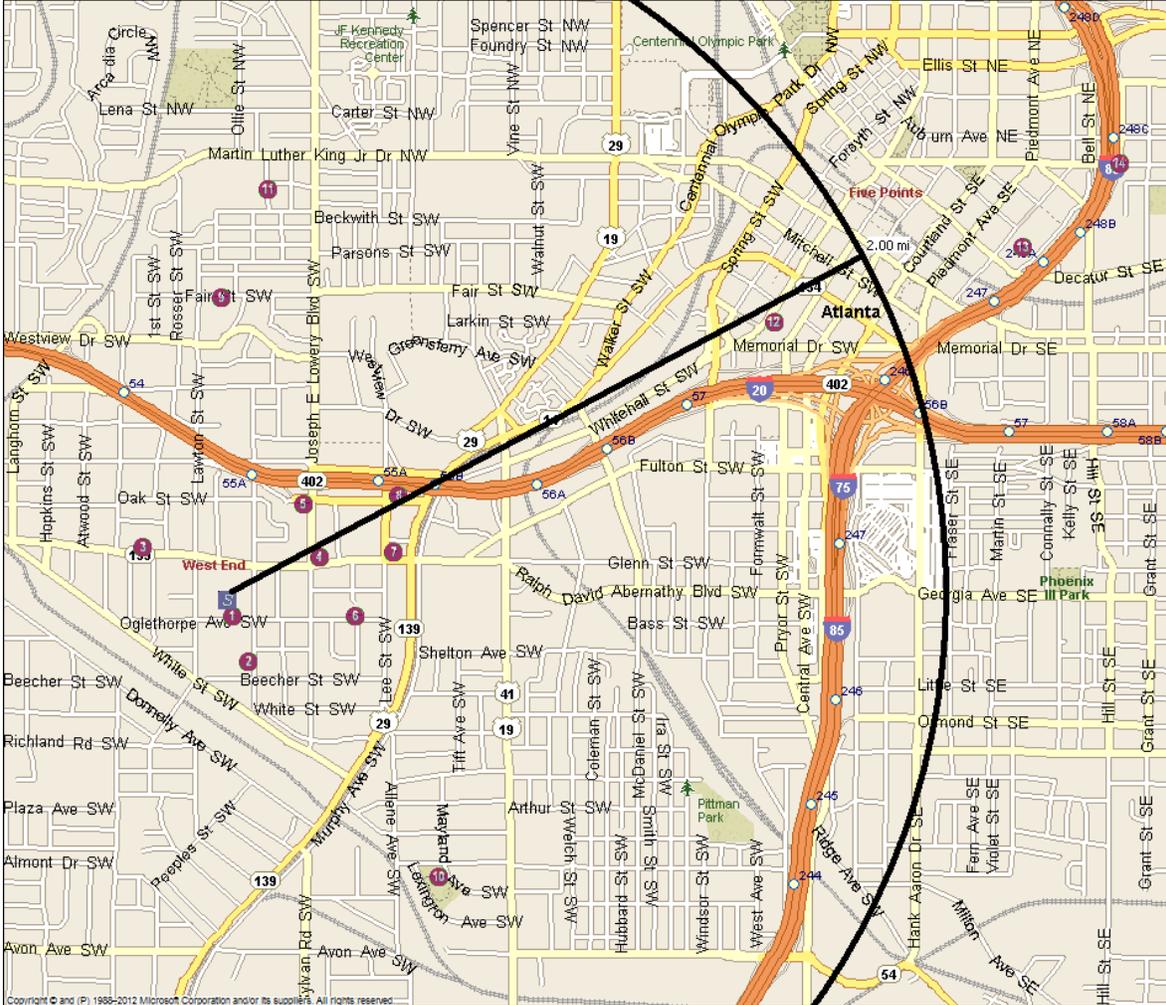
Post office on Oglethorpe Avenue east of Subject



Abernathy Community Center east of Subject

5. Proximity to Locational Amenities:

The following 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

6. 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 (a museum) 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 it does not offer studio or one-bedroom units. To the southeast are Oglethorpe Terrace Apartments which was not utilized as a comparable as it does 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 Ralph David 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.

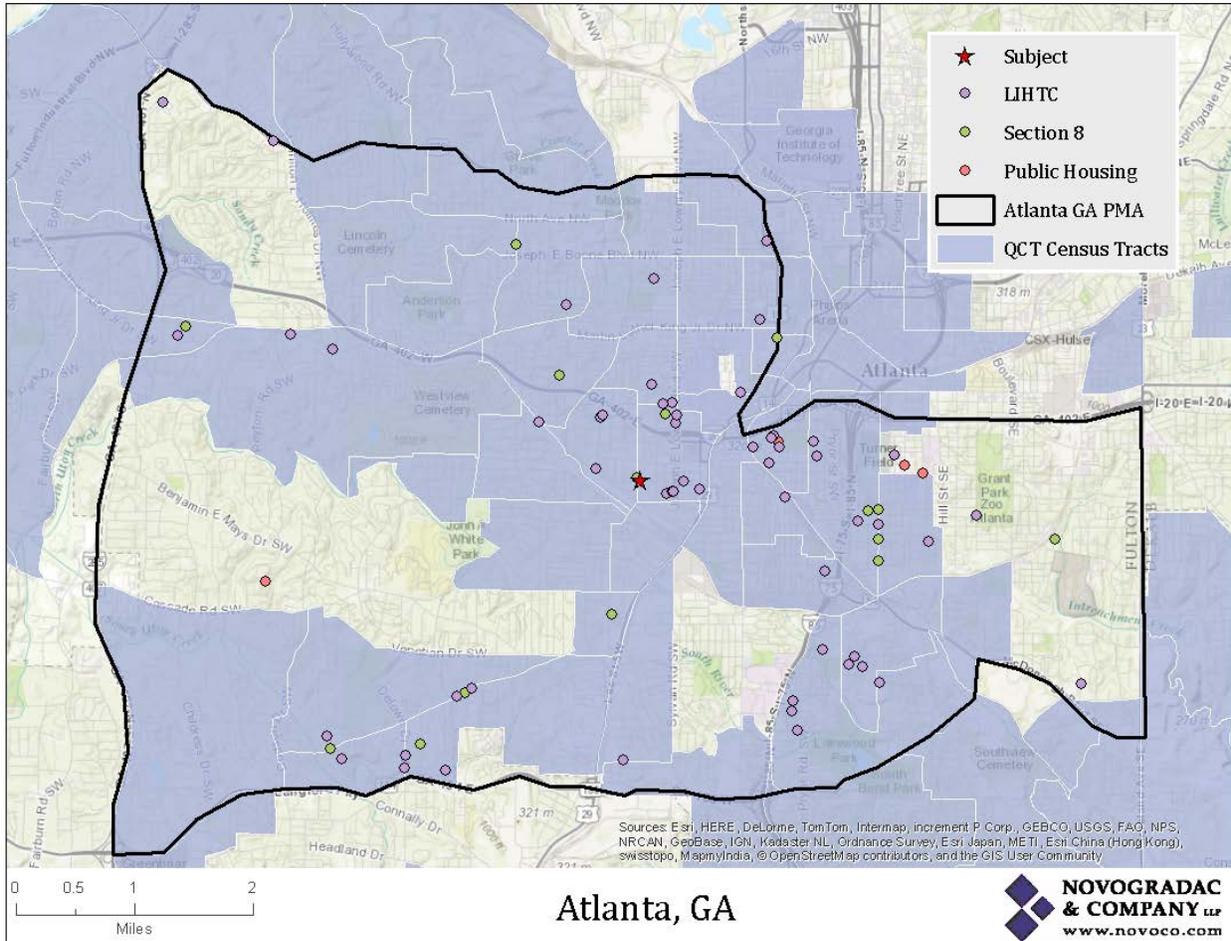
Overall, the Subject has a desirable location for multifamily housing. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average to good condition and the site has reasonable proximity to locational amenities.

7. Existing Assisted Rental Housing

Property Map:

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

Abernathy Tower Apartments, Atlanta, GA; Market Study



RENT ASSISTED PROPERTIES IN PMA							
Property Name	Address	Zip Code	Rent Structure	Tenancy	Map Color	Included/Excluded	Reason for Exclusion
Amal Townhome Community	535 Amal Dr SW	30315	LIHTC	Family		Excluded	Adaaquate comparables closer
Columbia Plaza Apts	220 Bowen Cir SW	30315	LIHTC	Senior		Excluded	Adaaquate comparables closer
Courtyard At Maple	1094 West Ave SW	30315	LIHTC	Family		Excluded	Adaaquate comparables closer
Gardens At Colletown	370 Northside Dr NW	30318	LIHTC	Family		Excluded	Adaaquate comparables closer
Lillie R Campbell House	60 Paschal St	30314	LIHTC	Family		Excluded	Adaaquate comparables closer
Columbia at Sylvan Hills	1017 Westview Drive SW	30310	LIHTC	Family		Excluded	Unable to contact
Gateway Apts At Northside Village	1870 Campbellton Rd SW	30311	LIHTC	Family		Excluded	Unable to contact
Seven Courts	922 Mathews St SW	30310	LIHTC	Family		Excluded	Unable to contact
Ashley West End	717 Lee Street SW	30314	LIHTC	Family		Excluded	Dissimilar rent structure
Reed Street Apts	582 Cooper Street	30312	LIHTC	Family		Excluded	Dissimilar rent structure
Amal Heights Townhomes	1700 Giben Rd.	30315	LIHTC	Family		Excluded	Dissimilar unit mix
Cranada Park	1940 Fisher Road SE	30315	LIHTC	Family		Excluded	Dissimilar unit mix
Provenance At Hollowell Family	565 Reed St SE	30312	LIHTC	Family		Excluded	Dissimilar unit mix
Washington Heights	1856 Wells Drive SW	30311	LIHTC	Family		Excluded	Dissimilar unit mix
Baptist Gardens	1928 Delowe Drive SW	30311	LIHTC	Family		Included	N/A
Brentwood Village Apartments	1935 Alison Court	30311	LIHTC	Family		Included	N/A
Columbia Senior at Mechanicsville Station	835 Oglethorpe Av. SW	30310	LIHTC/Market	Family		Included	N/A
Oglethorpe Place	835 Oglethorpe Avenue SW	30310	LIHTC/Market	Family		Included	N/A
920 Sells Ave Sw	921 Sells Ave SW	30310	LIHTC	Family		Excluded	No information available
The Villages at Castleberry Hill	490 Glenn St SW	30312	LIHTC	Family		Excluded	Not enough information available
Park At Lakewood	876 Washington St SW	30315	LIHTC	Family		Excluded	Only 10 units
Wells Court Commons	1528 Ralph David Abernathy Blvd SW	30310	LIHTC	Family		Excluded	Only 21 units
924 Mathews St Sw	924 Mathews St SW	30310	LIHTC	Family		Excluded	Only six units
416 Atwood St Sw	416 Atwood St SW	30310	LIHTC	Family		Excluded	Only two units
770 Azalia St Sw	770 Azalia St SW	30310	LIHTC	Family		Excluded	Only two units
Atwood Street Duplex	656 Atwood Street SW	30310	LIHTC	Family		Excluded	Only two units
Grant Park Commons	1241 Greenwich St SW	30310	LIHTC	Family		Excluded	Only two units
Veranda Carver	1013 Washington Heights Ter NW	30314	LIHTC	Family		Excluded	Single-family home

Abernathy Tower Apartments, Atlanta, GA; Market Study

QLS Haven	1840 Campbellton Road	30311	Section 8	Senior		Excluded	Subsidized
Atlanta Napfe Elderly Towers	359 W Lake Ave NW	30318	Section 8	Senior		Excluded	Subsidized
Baptist Towers	1881 Myrtle Dr SW	30311	Section 8	Family		Excluded	Subsidized
Capitol Avenue School	811 Hank Aaron Drive SE	30315	Section 8	Senior		Excluded	Subsidized
Capitol Towers	830 Crew Street SW	30315	Section 8	Senior		Excluded	Subsidized
City Views At Rosa Burney Park	259 Richardson Street SW	30312	LIHTC/PBRA	Family		Excluded	Subsidized
Enclave at Webster Park	35 Northside Dr SW	30313	Section 8	Family		Excluded	Subsidized
Mechanicsville Apts, Phase VI	520 Fulton Street	30312	Section 8	Family		Excluded	Subsidized
Square At Peopletown	372 Legacy Dr SW	30310	Section 8	Senior		Excluded	Subsidized
Toby Sexton Redevelopment	904 Confederate Ct SE	30312	Section 8	Senior		Excluded	Subsidized
Westview Lofts	684 Lawton St	30310	Section 8	Family		Excluded	Subsidized
Community Friendship	1191 Oakland Lane	30310	Section 8	Family		Excluded	Subsidized
Oakland City/West End Apartments	3155 Hickman Dr NW	30311	Section 8	Family		Excluded	Subsidized
Allen Hills Apartments	2447 Campbellton Rd	30311	Section 8	Family		Excluded	Subsidized
Providence Manor	230 Westview Place SW	30314	Section 8	Family		Excluded	Subsidized
Berean Village & Senior Service Center	1044 Capital Ave SE	30315	Section 8	Family		Excluded	Subsidized
Boynton Village (FKA Stanton Oaks)	942 Capitol Ave	30315	Section 8	Family		Excluded	Subsidized
Capitol Vanira	600 Martin Street SE	30312	PH	Family		Excluded	Subsidized
Martin Street Plaza	174 Georgia Ave., SE	30312	PH	Family		Excluded	Subsidized
Georgia Avenue Highrise	174 Georgia Ave., SE	30312	PH	Family		Excluded	Subsidized
Village of Cascade	3041 Ladrum Drive	30311	LIHTC/PH/PBRA/Market	Family		Excluded	Subsidized
Atrium At Collegetown	435 Joseph E. Lowery Blvd. SW	30310	LIHTC	Family		Excluded	Superior amenities included
142 Meldon Ave Se	143 Meldon Ave SE	30315	LIHTC	Senior		Excluded	Superior condition to Subject
Allen Temple	50 Allen Temple Ct NW	30311	LIHTC	Family		Excluded	Superior condition to Subject
Ashley Collegetown, Phase II	965 Sells Ave SW	30310	LIHTC	Family		Excluded	Superior condition to Subject
The Villages at Carver	174 Moury Ave SW	30315	LIHTC	Family		Excluded	Superior condition to Subject
Betmar Village	345 Ashwood Avenue SW	30315	LIHTC	Family		Excluded	Superior condition to Subject
Brentwood Creek	1935 Alison Ct SW	30311	LIHTC	Family		Excluded	Superior condition to Subject
Brentwood Heights	1935 Alison Ct SW	30311	LIHTC	Family		Excluded	Superior condition to Subject
Columbia At Peopletown	1151 Astor Ave SW	30310	LIHTC	Family		Excluded	Superior condition to Subject
Crogman School Lofts	1021 Harwell Rd NW	30318	LIHTC	Family		Excluded	Superior condition to Subject
Dogwood Apts /Preserve At Collier Ridge	2640 M.L.K. Jr Dr NW	30311	LIHTC	Family		Excluded	Superior condition to Subject
Friendship Towers	387 Joseph E Lowery Blvd SW	30310	LIHTC	Family		Excluded	Superior condition to Subject
Greenwich Street Apts	1830 Campbellton Rd SW	30311	LIHTC	Senior		Excluded	Superior condition to Subject
Mechanicsville Apartments	565 Wells St SW	30312	LIHTC	Family		Excluded	Superior condition to Subject
Mechanicsville Apts, Phase III	565 McDaniel St SW	30312	LIHTC	Family		Excluded	Superior condition to Subject
Patterson Heights	2423 M.L.K. Jr Dr NW	30311	LIHTC	Family		Excluded	Superior condition to Subject
Peaks At Martin Luther King	765 McDaniel St SW	30310	LIHTC	Senior		Excluded	Superior condition to Subject
Pittsburgh, Phase I Lp	1994 Bent Creek Way SW	30311	LIHTC	Family		Excluded	Superior condition to Subject
Rosa Burney Manor	2800 Martin Luther King Jr Blvd	30311	LIHTC	Family		Excluded	Superior condition to Subject
Showcase District	875 Hank Aaron Drive	30315	LIHTC	Family		Excluded	Superior condition to Subject
The Veranda At Collegetown	202 Moury Ave SW	30315	LIHTC	Family		Excluded	Superior condition to Subject
The Villages at Carver	179 Moury Ave SW	30315	LIHTC	Family		Excluded	Superior condition to Subject
The Villages at Carver	601 Greensfery Ave SW	30314	LIHTC	Family		Excluded	Superior condition to Subject
Trestletree Village Apts	217 SW Thirkield Ave	30315	LIHTC	Family		Excluded	Superior condition to Subject
Preserve At Bent Creek	2748 Donald Lee Hollowell Pkwy NW	30318	LIHTC	Family		Excluded	Adaaquate comparables closer

8. Road/Infrastructure

Proposed Improvements:

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

9. Access, Ingress/Egress and Visibility of Site:

The Subject 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 Ralph David Abernathy Boulevard to the north and Oglethorpe Avenue Southwest to the south. Ralph David 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. Visibility of the site is considered average from Oglethorpe Avenue Southwest and excellent from Foster Place Southwest. Overall access is considered good and traffic flow is considered light.

10. Environmental Concerns:

None visible upon site inspection. However, we are not experts within this field and cannot further opine. We assume that any environmental issues will be remediated as part of the rehabilitation process.

11. Conclusion:

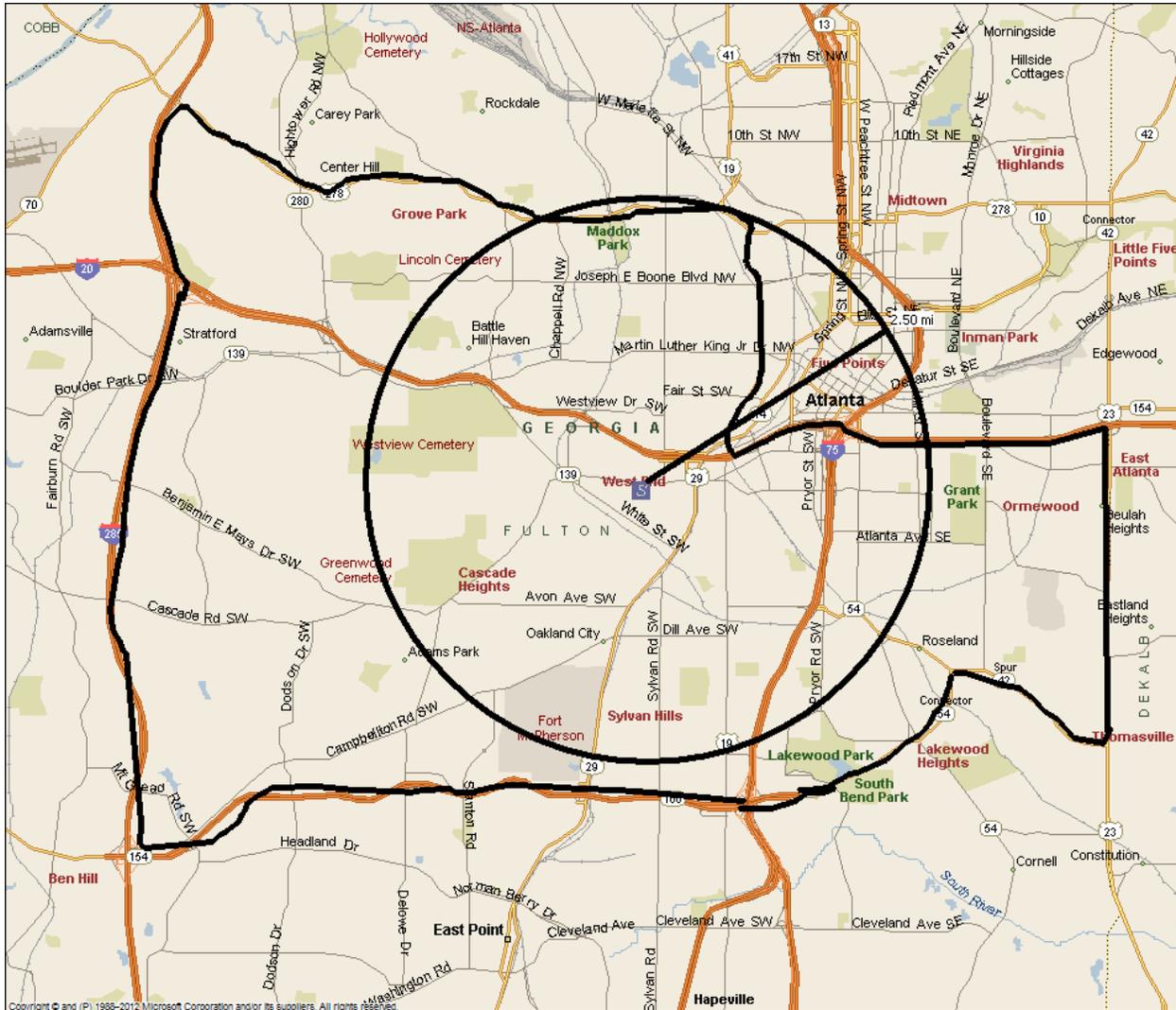
The Subject site is bounded by Foster Place Southwest to the north and Oglethorpe Avenue Southwest to the south. Surrounding uses predominantly consist of single-family and multifamily properties. To the immediate north is The Wren's Nest (a museum) and to the northwest is a place of worship. To the 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 it does not offer studio or one-bedroom units. To the southeast are Oglethorpe Terrace Apartments which was not utilized as a comparable as it does not offer studio or one-bedroom units. To the immediate west are single-family homes. Overall, the Subject's immediate neighborhood is dominated by residential uses. The Subject is located in the southwestern portion of Atlanta. There are numerous commercial/retail uses in the Subject's neighborhood with the majority located along major arterials such as Ralph David Abernathy Boulevard, 0.2 miles north of the Subject. Overall, the Subject has a desirable location for multifamily housing. The Subject site is considered "very walkable" by www.walkscore.com with a rating of 78. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average condition and the site has reasonable proximity to locational amenities.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



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

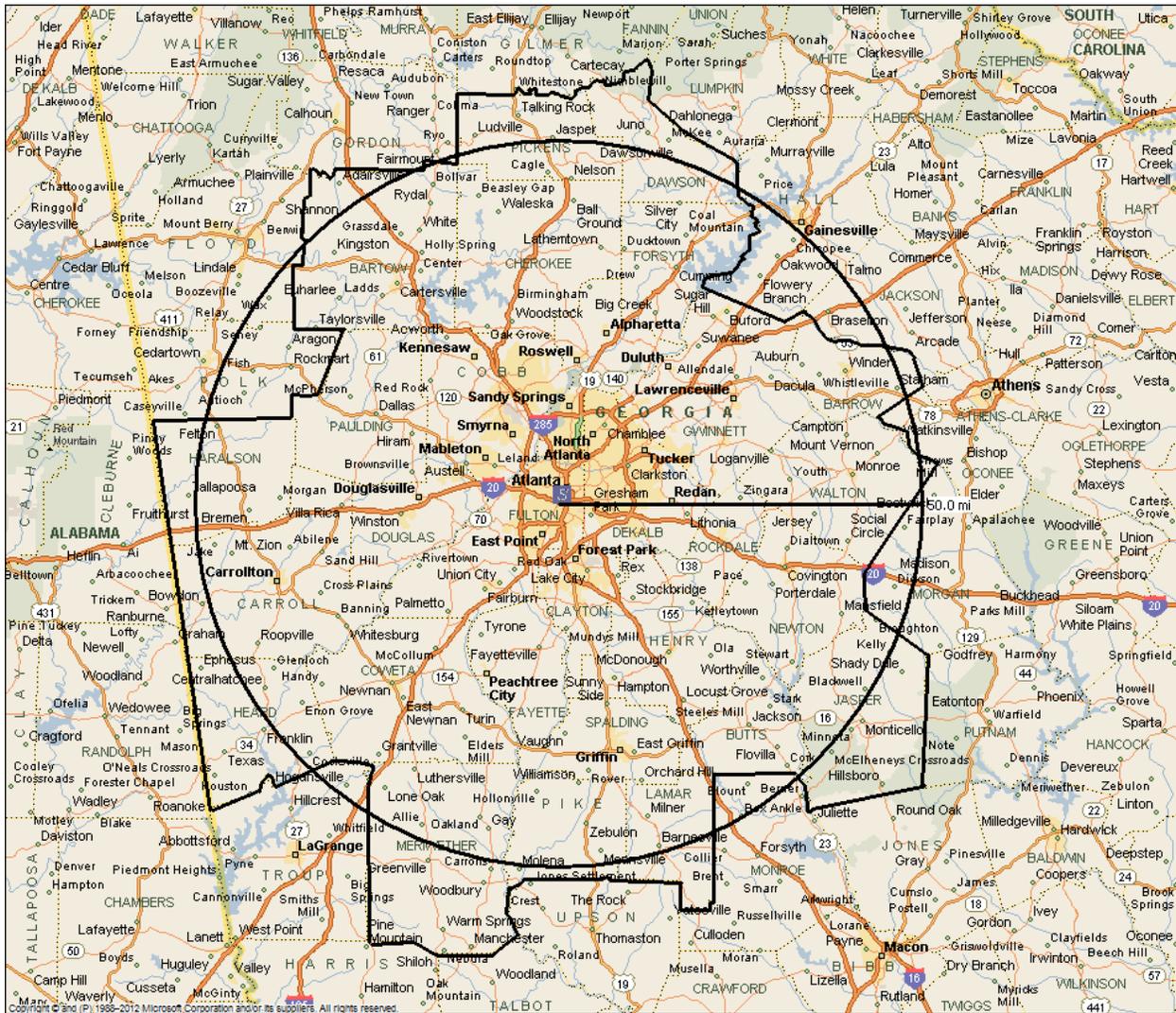
The boundaries of the PMA are as follows:

North – Interstate 20/Highway 78
East – Highway 23/Highway 29
South – Interstate 20/Highway 78
West- Lakewood Freeway

The Primary Market Area (PMA) for the Subject consists of southern and western portions of the city of Atlanta and was defined based on interviews with the local housing authority, property 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.

SMA Map



E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Metropolitan Statistical Area (MSA) are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

1. Population Trends

The following tables illustrate (a) Total Population and Total Senior Population 62+, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 2000 through 2020.

TOTAL POPULATION						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	<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

TOTAL SENIOR POPULATION (62+)						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	<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
Total	141,852	123,423	126,098	127,520	131,117

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

NUMBER OF ELDERLY AND NON-ELDERLY						
Year	PMA			Atlanta-Sandy Springs-Roswell, GA MSA		
	Total Population	Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
2000	141,852	126,458	15,394	4,263,438	3,934,848	328,590
2010	123,423	109,109	14,314	5,286,728	4,812,201	474,527
2015	126,098	109,909	16,189	5,527,230	4,928,400	598,830
Projected Mkt Entry December 2016	127,520	110,598	16,922	5,619,452	4,981,226	638,226
2020	131,117	112,340	18,777	5,852,718	5,114,844	737,874

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.

2. Household Trends

2a. Total Number of Households, Total Number of Senior Households 62+, and Average Household Size

TOTAL NUMBER OF HOUSEHOLDS						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
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 SENIOR HOUSEHOLDS (62+)				
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	13,263	-	253,346	-
2010	12,140	-0.8%	357,494	4.1%
2015	13,360	1.9%	430,781	3.9%
Projected Mkt Entry December 2016	13,917	2.9%	459,149	4.6%
2020	15,327	2.9%	530,901	4.6%

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

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
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 2010 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. 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.

2b. Households by Tenure

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

TENURE PATTERNS PMA – NON ELDERLY POPULATION				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	12,615	35.0%	23,450	65.0%
2015	11,049	30.4%	25,346	69.6%
Projected Mkt Entry December 2016	11,031	30.2%	25,528	69.8%
2020	10,985	29.7%	25,986	70.3%

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

TENURE PATTERNS MSA – NON ELDERLY POPULATION				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	1,007,857	63.5%	578,533	36.5%
2015	943,190	58.9%	659,508	41.1%
Projected Mkt Entry December 2016	942,285	58.6%	666,769	41.4%
2020	939,997	57.8%	685,134	42.2%

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

TENURE PATTERNS PMA – ELDERLY POPULATION 62+				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	7,421	61.1%	4,719	38.9%
2015	7,470	55.9%	5,890	44.1%
Projected Mkt Entry December 2016	7,723	55.5%	6,195	44.5%
2020	8,361	54.6%	6,966	45.4%

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

TENURE PATTERNS MSA – ELDERLY POPULATION 62+				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	277,209	77.5%	80,286	22.5%
2015	330,544	76.7%	100,237	23.3%
Projected Mkt Entry December 2016	352,474	76.8%	106,675	23.2%
2020	407,943	76.8%	122,958	23.2%

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.

2c. Households by Income

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

HOUSEHOLD INCOME DISTRIBUTION - PMA								
Income Cohort	2010		2015		Projected Mkt Entry		2020	
	#	%	#	%	#	%	#	%
\$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%
Total	48,205	100.0%	49,755	100.0%	50,476	100.0%	52,298	100.0%

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%
Total	13,360	100.0%	13,917	100.0%	15,327	100.0%	13,360	100.0%

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.

2d. Renter Households and Renter Households 62+ by Number of Persons in the Household

The following table illustrates the number of persons per household among renter households.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA										
	2000		2010		2015		Projected Mkt Entry		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	9,872	32.8%	10,753	38.2%	12,270	39.3%	12,554	39.6%	13,272	40.3%
With 2 Persons	7,226	24.0%	6,623	23.5%	7,347	23.5%	7,456	23.5%	7,730	23.5%
With 3 Persons	5,139	17.1%	4,272	15.2%	4,716	15.1%	4,779	15.1%	4,940	15.0%
With 4 Persons	3,546	11.8%	2,814	10.0%	3,048	9.8%	3,072	9.7%	3,134	9.5%
With 5+ Persons	4,279	14.2%	3,707	13.2%	3,855	12.3%	3,861	12.2%	3,877	11.8%
Total Renter	30,063	100.0%	28,169	100.0%	31,236	100.0%	31,722	100.0%	32,952	100.0%

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

The household size with the largest percentage of households is one-person households, followed by two-person households. The Subject will contain studio and one-bedroom floor plans, so the large percentage of one and two person households bodes well for the Subject.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS 62+ PMA								
	2010		2015		Projected Mkt Entry December 2016		2020	
	Number	%	Number	%	Number	%	Number	%
With 1 Person	2,887	53.9%	3,813	64.7%	4,015	64.8%	4,525	65.0%
With 2 Persons	906	16.9%	1,065	18.1%	1,116	18.0%	1,245	17.9%
With 3 Persons	358	6.7%	385	6.5%	408	6.6%	465	6.7%
With 4 Persons	906	16.9%	341	5.8%	352	5.7%	378	5.4%
With 5+ Persons	304	5.7%	285	4.8%	304	4.9%	352	5.1%
Total Renter Households	5,360	100.0%	5,890	100.0%	6,195	100.0%	6,966	100.0%

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

The senior household size with the largest percentage of households is one-person households, followed by two-person households. The Subject will contain studio and one-bedroom floor plans, so the large percentage of one and two-person households bodes well for the Subject.

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.

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

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.

1. Total Jobs

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

TOTAL JOBS - FULTON COUTNY, GA		
Year	Total Employment	% Change
2005	430,634	-
2006	448,380	4.12%
2007	465,409	3.80%
2008	465,380	-0.01%
2009	437,746	-5.94%
2010	434,315	-0.78%
2011	447,939	3.14%
2012	464,310	3.65%
2013	467,366	0.66%
2014	474,995	1.63%
2015 YTD Average	481,100	1.29%
Nov-14	475,981	-
Nov-15	482,167	1.3%

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

As illustrated in the table above, Fulton County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2008 and continued to see a decrease in total employment through 2010. Fulton County employment started rebounding in 2011 and through year-to-date 2015 has seen total employment increases. Between November 2014 and 2015, total covered employment increased 1.3 percent, indicating a growing economy.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Fulton County as of November 2015, the most recent data available.

COVERED EMPLOYMENT		
Fulton County, Georgia		
	Number	Percent
Total, all industries	685,405	-
Goods-producing	42,707	-
Natural resources and mining	371	0.05%
Construction	16,530	2.41%
Manufacturing	25,806	3.77%
Service-providing	642,698	-
Trade, transportation, and utilities	138,340	20.18%
Information	45,218	6.60%
Financial activities	68,729	10.03%
Professional and business services	181,453	26.47%
Education and health services	95,549	13.94%
Leisure and hospitality	88,045	12.85%
Other services	21,934	3.20%
Unclassified	3,430	0.50%

Source: Bureau of Labor Statistics, 2015

Professional and business services, and trade, transportation, and utilities represent the largest percentages of total employment in Fulton County. Trade, transportation, and utilities are somewhat stable in economic downturns whereas professional and business services are somewhat vulnerable and are historically volatile industries in economic downturns. Other significant employment sectors include education and health services, as well as leisure and hospitality.

2015 EMPLOYMENT BY INDUSTRY				
Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
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%
Total Employment	49,062	100.0%	147,789,353	100.0%

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 workforce that is somewhat susceptible to cyclical employment shifts.

3. Major Employers

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

MAJOR EMPLOYERS			
Atlanta-Sandy Springs-Roswell, GA MSA			
#	Employer	Industry	Number Employed
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.

Employment Expansion/Contractions

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

WARN NOTICES - ATLANTA, GA				
Company	Jobs Lost	County	Industry	Date
2015				
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	1078	Fulton	Retail	11/15/2015
2014				
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
Total	3,688			

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.

BUSINESS EXPANSIONS- FULTON COUNTY- 2015			
Company	Action	Industry	Projected # of New Jobs
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
Total			4,230

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.

4. 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

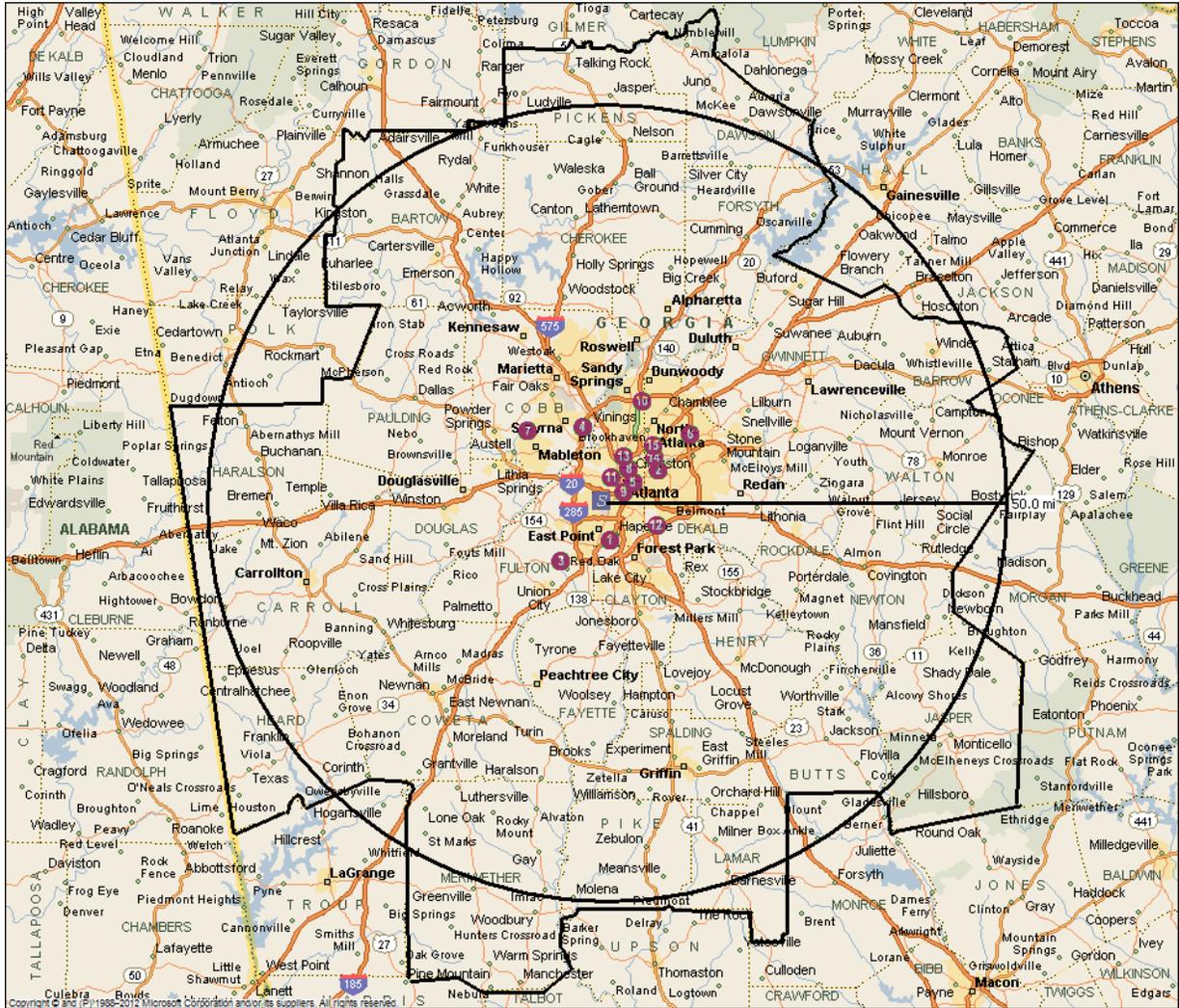
*2015 data through August

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-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.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Atlanta-Sandy Springs-Roswell, GA MSA.



MAJOR EMPLOYERS			
Map #	Employer	Industry	Location
1	Delta Airlines	Transportation	Atlanta
2	Emory University/ Emory Healthcare	Educational/Healthcare	Atlanta
3	Wal-Mart Stores, Inc.	Retail Trade	Atlanta
4	The Home Depot, Inc.	Retail Trade	Atlanta
5	AT&T Inc.	Communications	Atlanta
6	The Kroger Co.	Retail Trade	Atlanta
7	WellStar Health System	Healthcare	Austell
8	Publix Super Markets, Inc.	Retail Trade	Atlanta
9	United States Postal Service	Government	Atlanta
10	Northside Hospital	Healthcare	Atlanta
11	The Coca-Cola Company	Retail Trade	Atlanta
12	United Parcel Service, Inc	Postal Service	Atlanta
13	Piedmont Healthcare	Healthcare	Atlanta
14	Centers for Disease Control and Prevention	Healthcare	Atlanta
15	Children's Healthcare of Atlanta, Inc	Healthcare	Atlanta

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 2014. 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.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 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 senior households. We will use these guidelines to set the minimum income levels for the demand analysis.

3. Demand

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

3A. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized December 2016, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are trended to December 2016 by interpolation of the difference between 2015 estimates and 2020 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 December 2016. This number takes the overall

growth from 2015 to December 2016 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. On the following page, 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 Peoplestown	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

Abernathy Tower Apartments, Atlanta, GA; Market Study

Lillie R Campbell House	LIHTC	Seniors	N/A v	N/A v	N/A v
Magnolia Park Apts, Phase II	LIHTC	Families	N/A v	N/A v	N/A v
Mechanicsville Apartments	Section 8	Families	N/A v	N/A v	N/A v
Mechanicsville Apts, Phase III	LIHTC	Families	N/A v	N/A v	N/A v
Mechanicsville Apts, Phase VI	LIHTC	Families	N/A v	N/A v	N/A v
Mechanicsville Station	Section 8	Families	164	96%	Yes
Oglethorpe Apartments	Market	Families	N/A v	N/A v	N/A v
Oglethorpe Place*	Market/LIHTC	Families	144	94%	No
Park At Lakewood	LIHTC	Families	299	60%	No
Patterson Heights	LIHTC	Families	10	N/A v	N/A v
Peaks At Martin Luther King	LIHTC	Families	N/A v	N/A v	N/A v
Pittsburgh, Phase I Lp	LIHTC	Seniors	N/A v	N/A v	N/A v
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/A v	N/A v	N/A v
QLS Haven	Section 8	Seniors	120	98%	Yes-2 years
Reed Street Apts	LIHTC	Families	N/A v	N/A v	N/A v
Rosa Burney Manor	LIHTC	Families	54	98%	Yes-6 households
Seven Courts	LIHTC	Seniors	171	91%	Yes
Showcase District	LIHTC	Families	N/A v	N/A v	N/A v
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/A v	N/A v
Toby Sexton Redevelopment	LIHTC	Families	N/A v	N/A v	N/A v
Trestletree Village Apts	Section 8	Families	188	100%	Yes-500 households
Veranda Carver	LIHTC	Families	N/A v	N/A v	N/A v
Villages Of Cascade Apts	LIHTC	Families	N/A v	N/A v	N/A v
Washington Heights	LIHTC	Families	1	N/A v	N/A v
Wells Court Commons	LIHTC	Families	N/A v	N/A v	N/A v
Westview Lofts	LIHTC	Families	N/A v	N/A v	N/A v
Average			148	94%	-

*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

Demand calculations and the derived capture rates are illustrated in the following tables. According to Section 4 paragraph 3 of the DCA Market Study Guidelines, we have only included demand for the Subject with Subsidy.

Senior Renter Household Income Distribution 2015 to Projected Market Entry December 2016					
Abernathy Tower Apartments					
PMA					
	2015		Projected Mkt Entry December 2016		Percent
	#	%	#	%	Growth
\$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%
Total	5,890	100.0%	6,195	100.0%	4.9%

Senior Renter Household Income Distribution Projected Market Entry December 2016			
Abernathy Tower Apartments			
PMA			
	Projected Mkt Entry December 2016		Change 2015 to Prj Mrkt Entry December 2016
	#	%	#
\$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
Total	6,195	100.0%	305

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			41.4%	9,999
\$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			41.4%	\$9,999
\$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	OBR	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
Total Demand		2,297
Total Demand by Bedroom		60%
0 BR		744
1 BR		1,076
Total Demand		1,820
Additions To Supply 2015 to Prj Mrkt Entry December 2016		60%
0 BR		0
1 BR		78
Total		78
Net Demand		60%
0 BR		744
1 BR		998
Total		1,742
Developer's Unit Mix		60%
0 BR		24
1 BR		75
Total		99
Capture Rate Analysis		60%
0 BR		3.2%
1 BR		7.5%
Total		5.7%

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.

CAPTURE RATE ANALYSIS CHART- WITH SUBSIDIES										
Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Market Rents	Proposed Rents
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
Overall- 60% AMI/ Section 8	\$0-\$32,760	99	1,820	78	1,742	5.7%	-	-	-	-

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

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.

H. COMPETITIVE RENTAL ANALYSIS

COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 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. Selected LIHTC properties are included in the following list of properties.

SURVEYED LIHTC COMPARABLES			
Property Name	Address	Total Units (1)	Vacancy Rate
Baptist Gardens	1928 Delowe Drive SW	100	1.0%
Big Bethel Village*	500 Richard Allen Boulevard SW	120	1.7%
Brentwood Village Apartments	1935 Alison Court	506	0.8%
Columbia Senior Residences At Mechanicsville	555 McDaniel St	154	2.6%
Heritage Greene*	2891 Springdale Road	109	0.0%
Oglethorpe Place	835 Oglethorpe Av. SW	144	5.6%
Total		1,133	2.0%

(1)Includes market rate units

*Outside 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 have similar unit sizes as compared to the Subject’s unit sizes. We believe that even though some of the comparables are located outside the PMA that they are a good comparison to the Subject.

Excluded Properties

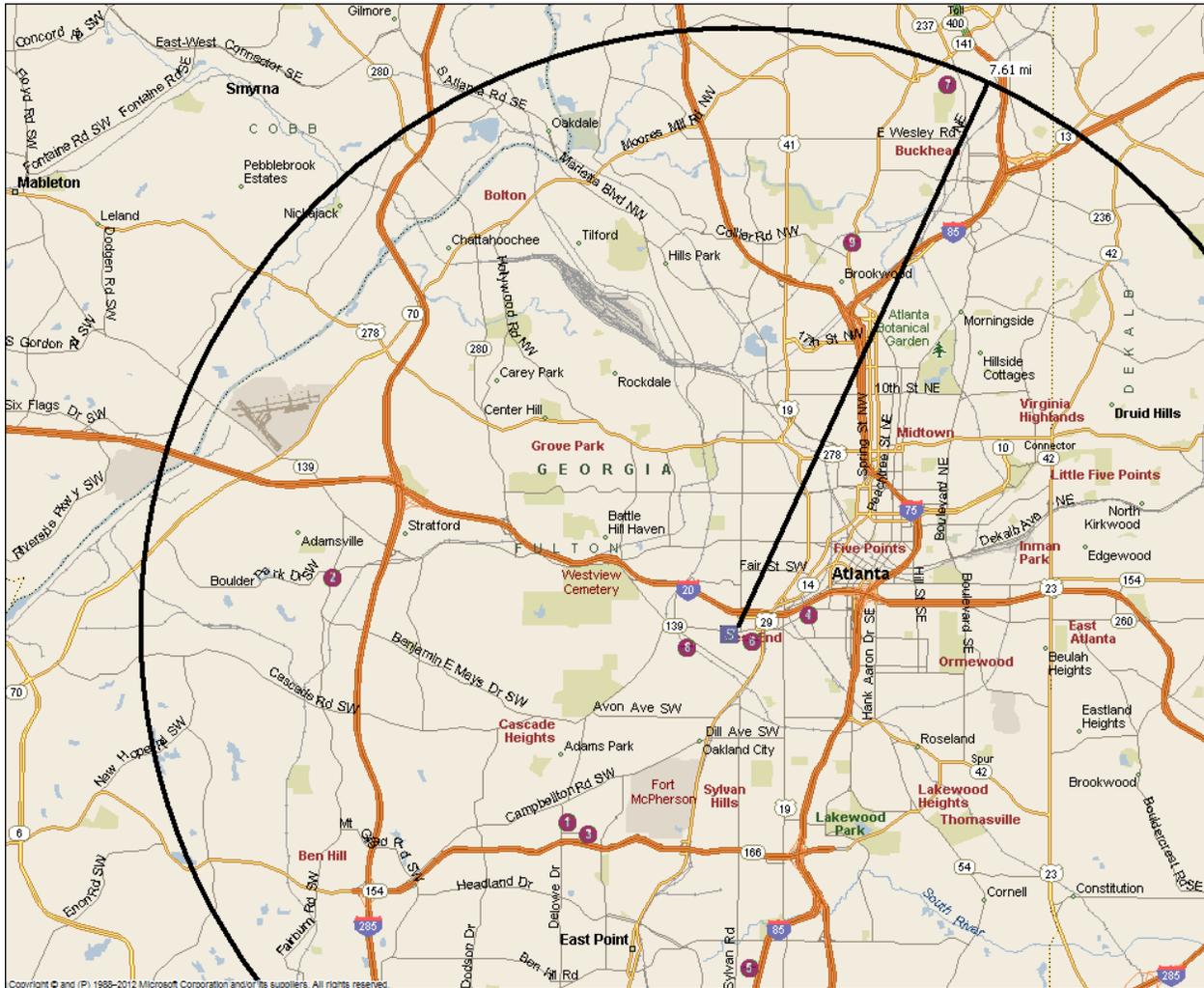
The following table illustrates properties within the PMA that have been excluded from our analysis along with their reason for exclusion.

EXCLUDED PROPERTIES IN THE PMA							
Property Name	Address	Zip Code	Rent Structure	Reason for Exclusion	Units	Occupancy	Waiting 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
Boynnton 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
Crogman 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

Abernathy Tower Apartments, Atlanta, GA; Market Study

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 1 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 Collegetown	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

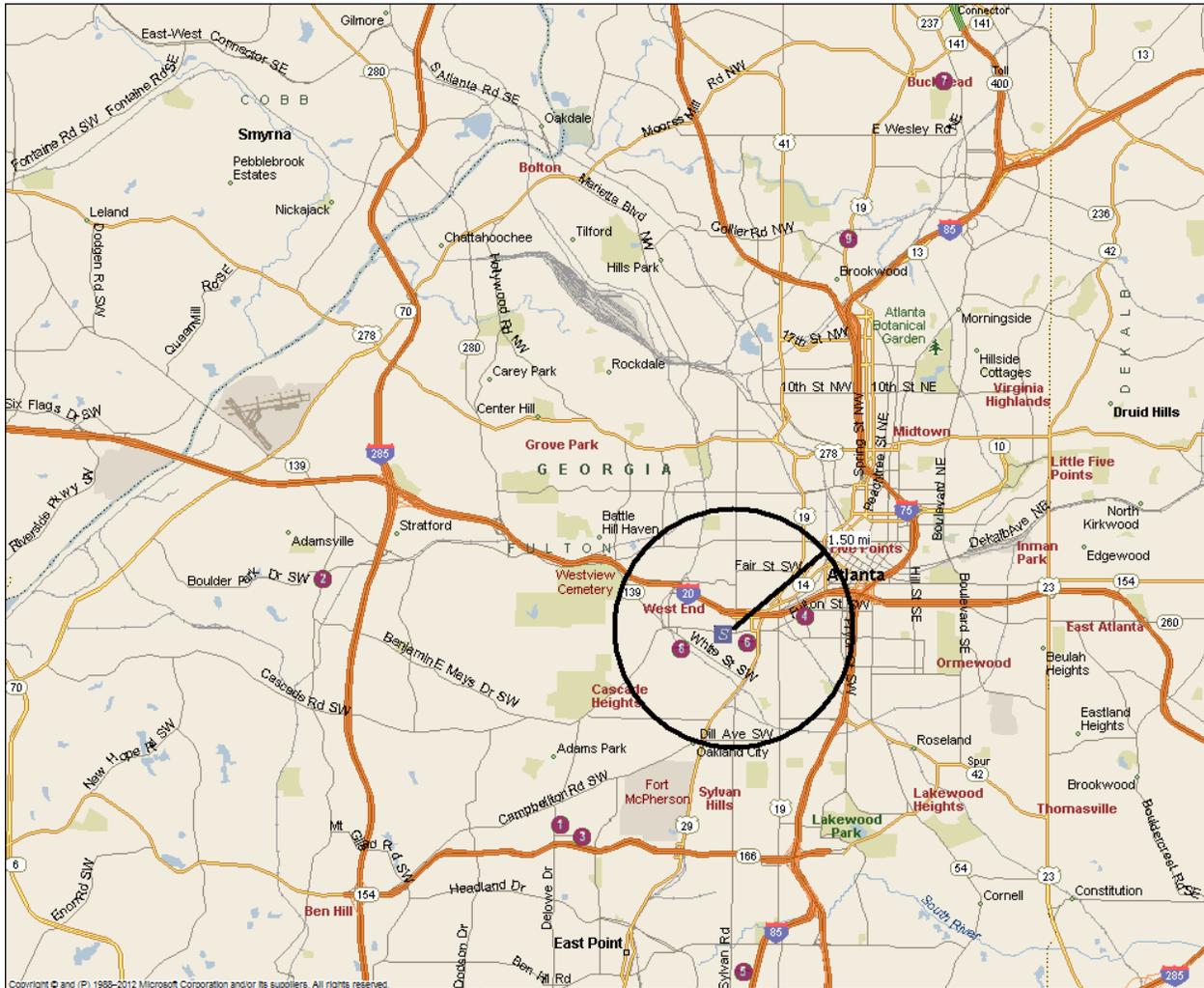
Comparable Rental Property Map I



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

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

SUMMARY MATRIX															
Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate	
Subject	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 / 1BA	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%				

Abernathy Tower Apartments, Atlanta, GA; Market Study

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; Market Study

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
	Abernathy Tower Apartments * (60%)	\$717	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		
			Abernathy Tower Apartments * (60%)	\$768		
			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
	Abernathy Tower Apartments * (60%)	384	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		
			Abernathy Tower Apartments * (60%)	528		
			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 SQUAREFOOT	Big Bethel Village * (M)	\$1.96	The Darlington	\$2.16	Big Bethel Village * (2BA M)	\$1.55
	Abernathy Tower Apartments * (60%)	\$1.87	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	Abernathy Tower Apartments * (60%)	\$1.45		
			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

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



Market Information

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

Utilities

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

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



Market Information

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

Utilities

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

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



Market Information

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
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
Studio / 1BA	\$450	\$0	\$450	\$99	\$549
1BR / 1BA	\$540 - \$600	\$0 - \$38	\$502 - \$600	\$99	\$601 - \$699
2BR / 1BA	\$655	\$55	\$600	\$132	\$732
2BR / 2BA	\$700	\$0	\$700	\$132	\$832
3BR / 2BA	\$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

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



Market Information

Program	@60%, Market, Public Housing, PBRA
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 9.5 to 16% since 3Q13
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	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

4Q10	2Q11	2Q12	4Q15
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

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



Market Information

Program	@50%, Market
Annual Turnover Rate	29%
Units/Month Absorbed	N/A
HCV Tenants	7%
Leasing Pace	2 to 3 weeks
Annual Chg. in Rent	Fluctuates daily
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

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.

Photos



PROPERTY PROFILE REPORT

Calvin Court

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



Market Information

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

Utilities

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

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



Market Information

Program	Market
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two to three weeks
Annual Chg. in Rent	2-4% increase since 2Q2015
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	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 / 1BA	\$499	\$0	\$499	\$99	\$598
1BR / 1BA	\$509 - \$519	\$0	\$509 - \$519	\$99	\$608 - \$618
2BR / 1BA	\$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

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



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	2-25% increase since 1Q2015
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
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.

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

Housing Choice Vouchers

TENANTS WITH VOUCHERS		
Comparable Property	Type	Housing Choice Voucher Tenants
Baptist Gardens	Senior LIHTC	3%
Big Bethel Village*	Senior LIHTC/Market	8%
Brentwood Village Apartments	LIHTC	10%
Columbia Senior Residences At Mechanicsville	Senior LIHTC/Market/Public Housing/PBRA	0%
Heritage Greene*	LIHTC/Market	0%
Oglethorpe Place	LIHTC/Market	7%
Calvin Court*	Senior Section 8/Market	30%
Donnelly Gardens	Market	0%
The Darlington*	Market	0%

*Located outside PMA

As illustrated in the table, five of the nine properties reported having a portion of Housing Choice Voucher tenants. The average number of voucher tenants at the properties is six percent. The voucher usage in the local market appears to be moderate. Since the Subject will operate under a HAP contract for 99 of the 100 units, the availability and acceptance of Housing Choice Vouchers will not be a concern for the Subject. The current Payment Standards for studio, one, two, three, and four-bedroom units are illustrated in the following table.

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

The proposed gross rents for the studio units at the Subject are well above the current Housing Choice Voucher payment standards for the local area, while the gross rents for the one-bedroom units is below. As such, if the project were to operate without the Section 8 contract, those with vouchers would be eligible to live at the Subject's one-bedroom units.

Lease Up History

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

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.

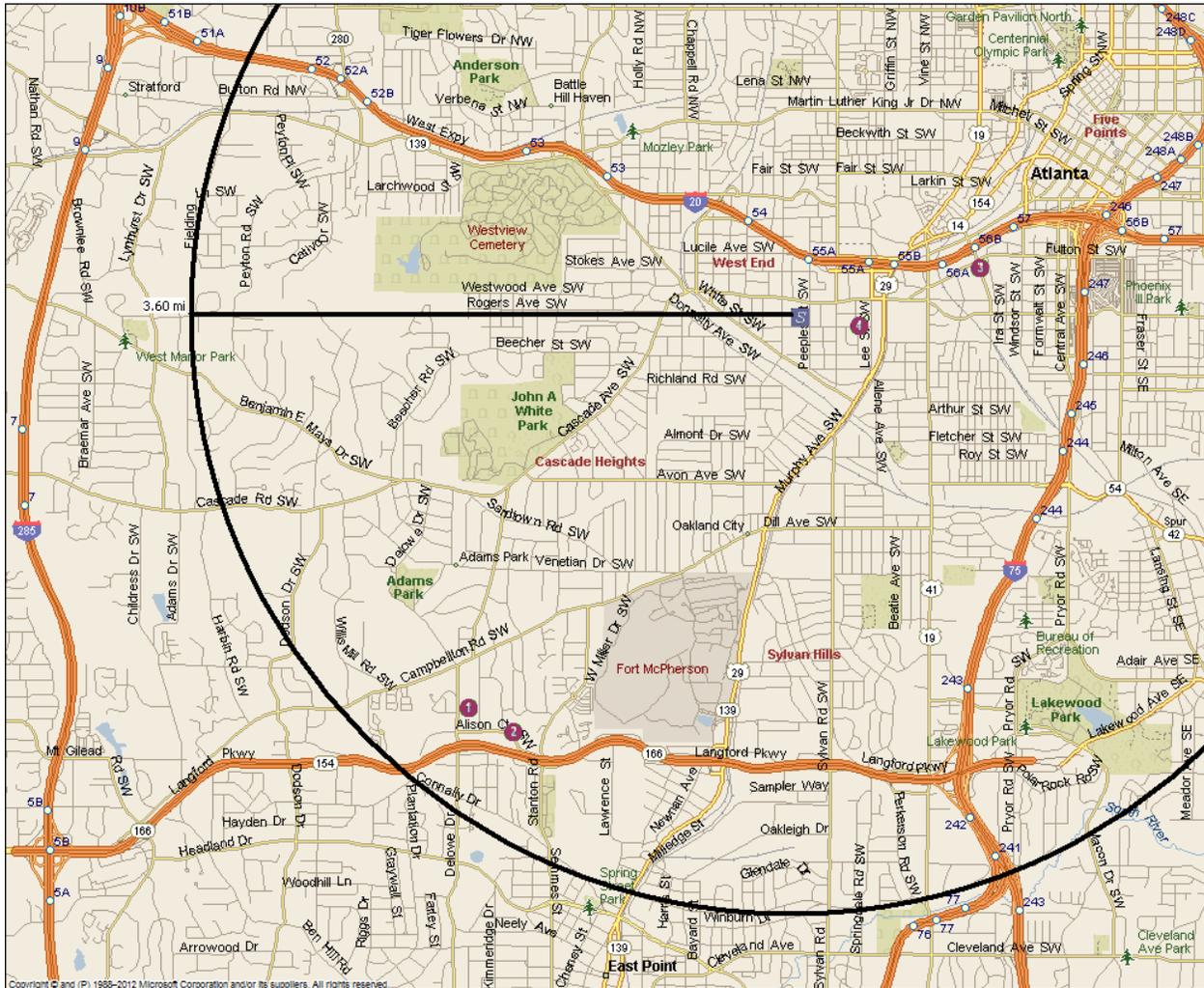
Phased Developments

The Subject is not part of a phased development. As such, this section is not applicable.

Rural Areas

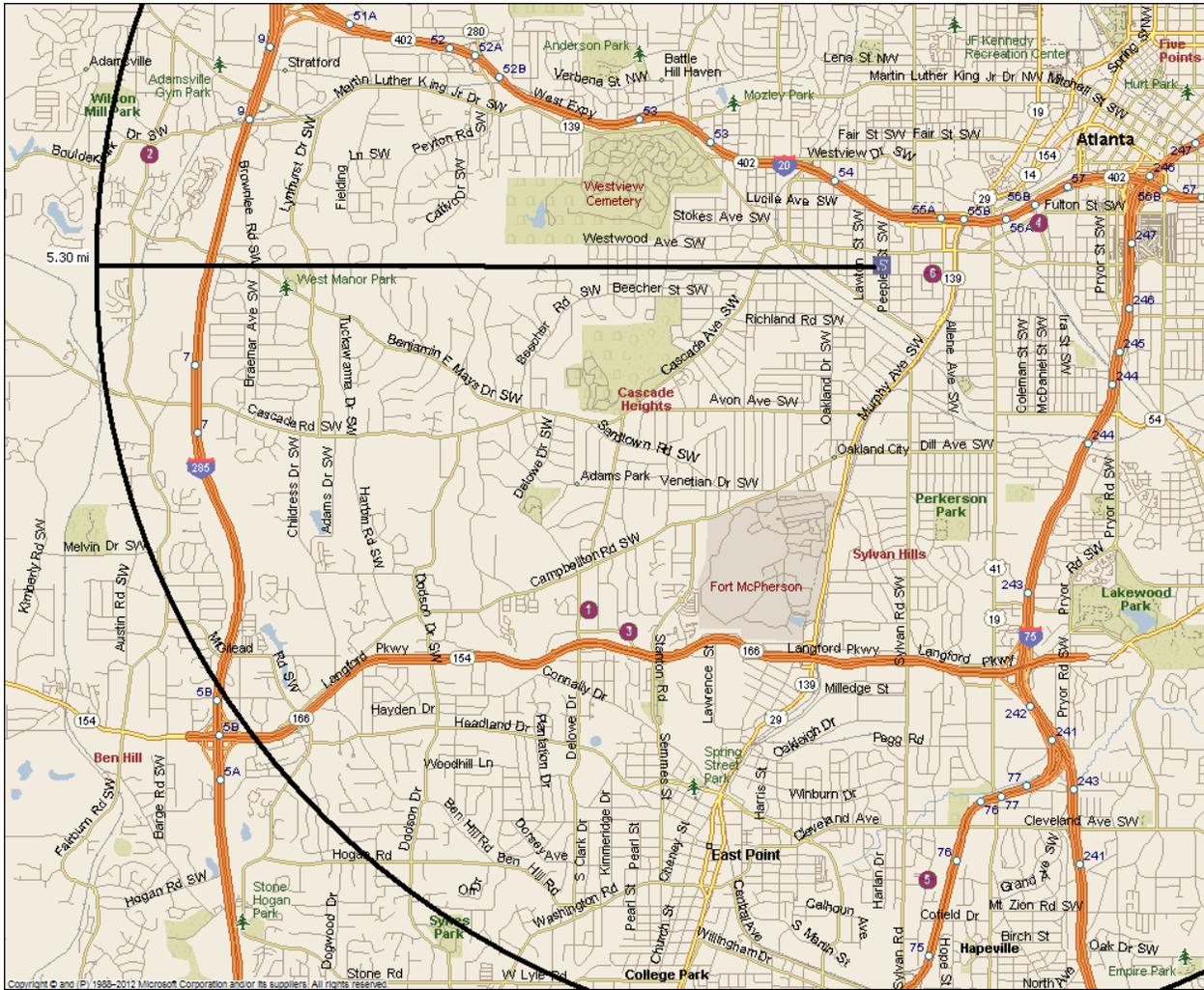
The Subject is located in a residential area of the city of Atlanta, and is not in a rural area. As such, this section is not applicable.

3. Competitive Project Map



COMPETITIVE LIHTC PROPERTIES IN THE PMA

#	Property Name	Type	Distance
1	Baptist Gardens	Senior LIHTC	3.1 miles
2	Brentwood Village Apartments	LIHTC	2.9 miles
3	Columbia Senior Residences At Mechanicsville	Senior LIHTC/Market/Public Housing/PBRA	1.2 miles
4	Oglethorpe Place	LIHTC/Market	0.4 miles



COMPETITIVE LIHTC 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

4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in red, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the red.

Abernathy Tower Apartments, Atlanta, GA; Market Study

UNIT MATRIX REPORT										
	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
Property Information										
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
Utility Adjustments										
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
In-Unit Amenities										
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
Property Amenities										
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
Services										
Shuttle Service	no	yes	yes	no	no	no	no	yes	no	no
Security										
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
Premium Amenities										
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

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.

5. The Subject will continue to target seniors 62 and older and persons with disabilities households.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property name*	Rent Structure	Total Units	Vacant Units	Vacancy Rate
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%
Total LIHTC		1,133	19	2.0%
Total Market		1,629	14	1.4%
Total Senior		614	7	1.3%
Total		2,235	19	0.9%

*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 rate comparables 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 and 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.

7. Properties Planned, Proposed, or Under Construction

There are two proposed LIHTC projects in the development pipeline for the PMA and one market rate project that is currently under construction, 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. Of the 94 units, 78 will be one-bedroom units and will 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 compete with the Subject after renovations.
- 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.

8. Rental Advantage

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

SIMILARITY MATRIX								
#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
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

The 60 percent AMI rents at the comparable LIHTC properties are compared to the Subject's proposed LIHTC/Section 8 rents in the following tables.

LIHTC RENT COMPARISON - @60%		
Property Name	OBR	1BR
Abernathy Tower Apartments (Subject)	\$717	\$768
LIHTC Maximum (Net)	\$717	\$768
Prior to 2009 Hold Harmless Limit (Net)	\$777	\$832
Baptist Gardens	-	\$700
Big Bethel Village*	\$650	\$795
		\$750
Brentwood Village Apartments	\$549	\$699
		\$601
Columbia Senior Residences At Mechanicsville	-	\$886
Average (excluding Subject)	\$600	\$747
NOVOCO'S Estimated Achievable Rent	\$600	\$768

Note: The Subject will operate with Section 8 subsidies allowing residents to pay 30 percent of their income as rent.

*Located outside the PMA

The Subject’s proposed rents are set at the maximum allowable levels for its studio and one-bedroom units. Big Bethel Village and Columbia Senior Residences at Mechanicville reported some rents that appear to be above the maximum allowable levels however, they were built prior to 2009 and are held harmless at those maximum allowable levels. As such, we have placed the maximum allowable hold harmless rents in the previous tables for illustrative purposes. Given the rents currently being achieved at the 60 percent AMI level among the comparables, we believe the Subject’s proposed rents absent subsidy are appropriately positioned at the maximum allowable level for the one-bedroom units. However, we have concluded below the maximum allowable levels for the studio units.

The one-bedroom proposed 60 percent AMI rents at the Subject are within the range of the rents being achieved at the comparables. This suggests that even if rents at the Subject were not subsidized through the Section 8 program, the proposed rents would be achievable in the open market. The studio proposed 60 percent AMI rents at the Subject are above the range of the rents being achieved at the comparables. We have concluded to achievable LIHTC rents for the Subject that are equivalent to the developer’s proposed LIHTC rents for one-bedrooms, but below the proposed rents for the studios. Considering the Section 8 subsidy that will be in place, tenants will pay just 30 percent of their income toward rents, making the Subject very affordable.

The comparable LIHTC properties are considered similar to slightly superior to the Subject, which will be a renovated LIHTC project with Section 8 subsidies for 99 of its 100 units. Based on our similarity matrix, Brentwood Village is the most similar LIHTC property and is 99.2 percent occupied. The Subject will offer slightly inferior property and in-unit amenities to Brentwood Village, as Brentwood Village offers central air conditioning, dishwashers, ceiling fans, garbage disposals, and washer/dryer hookups in each unit. Brentwood Village has a similar location, unit sizes, and condition. The Subject’s proposed LIHTC rents are above the current asking rents at Brentwood Village, but the one-bedroom rents are within the rental range of the other comparables. Overall, the Subject’s one-bedroom rents appear reasonable when compared to the rents at the comparables and particularly when taking into account the relatively strong demand for affordable units in the PMA. However, the studio rents appear to be above the

comparable rents at other affordable properties.

Analysis of “Market Rents”

Per 2015 DCA market study guidelines, “average market rent is to be a reflection of rents that are achieved in the market.” In other words, the rents the competitive properties are currently achieving. Average market rent is not “Achievable unrestricted market rent.” In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comparables, but many market rate comparables with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comparables. In a small rural market there may be neither tax credit comparables nor market rate comparables with similar positioning as the Subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market.”

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are restricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if a Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at those two AMI levels, we do not include the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table on the following page in comparison with proposed LIHTC/Section 8 rents for the Subject, which will be subsidized, allowing tenants to pay just 30 percent of their income toward rent.

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	\$709	-1%
1 BR	\$768	\$601	\$1,140	\$860	11%

The Subject’s proposed LIHTC studio rents are slightly above 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. However, the proposed one-bedroom LIHTC rents are within the range of the comparables.

Overall, we believe that the Subject’s one-bedroom proposed LIHTC rents are achievable in the market and will offer a slight advantage when compared to the average rents being achieved at comparable market rate and LIHTC properties. However, we believe that the Subject’s studio proposed LIHTC rents are unachievable in the market and will offer a disadvantage when compared to the average rents being achieved at the comparable market rate and LIHTC properties.

9. LIHTC Competition – DCA Funded Properties within the PMA

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 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 compete with the Subject after renovations.

10. Rental Trends in the PMA

The following table is a summary of the tenure patterns of the housing stock in the PMA.

TENURE PATTERNS PMA- TOTAL POPULATION				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	22,012	42.3%	30,063	57.7%
2010	20,036	41.6%	28,169	58.4%
2015	18,519	37.2%	31,236	62.8%
Projected Mkt Entry December 2016	18,753	37.2%	31,722	62.8%
2020	19,346	37.0%	32,952	63.0%

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

In the PMA, renter-occupied housing accounts for 62.8 percent of households, while approximately 37.2 percent of households in the PMA are owner-occupied. Similarly, nationally, approximately 66 percent of households are homeowners and only 34 percent of households are renters. Therefore, the renter percentage in the PMA far exceeds the national average. Through 2020, the number of renter households in the PMA is projected to increase by 1,230 households.

TENURE PATTERNS 62+ PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	8,608	64.9%	4,655	35.1%
2010	7,421	61.1%	4,719	38.9%
2015	7,470	55.9%	5,890	44.1%
Projected Mkt Entry December 2016	7,723	55.5%	6,195	44.5%
2020	8,361	54.6%	6,966	45.4%

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

In the PMA, senior renter-occupied housing accounts for 44.1 percent of households, while approximately 55.9 percent of senior households in the PMA are owner-occupied. Through 2020, the number of senior renter households in the PMA is projected to increase by 305 households.

Historical Vacancy

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

HISTORICAL VACANCY									
Comparable Property	Type	Total Units	1QTR 2013	3QTR 2013	4QTR 2013	1QTR 2015	2QTR 2015	3QTR 2015	4QTR 2015
Baptist Gardens	Lowrise	100	N/A	N/A	6.0%	N/A	0.0%	N/A	1.0%
Big Bethel Village	Lowrise	120	16.7%	N/A	13.3%	6.7%	1.7%	N/A	1.7%
Brentwood Village Apartments	Garden	506	N/A	9.9%	N/A	N/A	N/A	N/A	0.8%
Columbia Senior Residences At Mechanicsville	Midrise	154	N/A	3.9%	N/A	N/A	N/A	2.6%	2.6%
Heritage Greene	Garden	109	N/A	N/A	N/A	N/A	N/A	N/A	0.0%
Oglethorpe Place	Garden	144	N/A	5.6%	N/A	N/A	N/A	N/A	5.6%
Calvin Court	Highrise	240	0.0%	N/A	N/A	N/A	N/A	N/A	0.0%
Donnelly Gardens	Garden	250	N/A	8.0%	8.0%	0.8%	0.8%	N/A	0.0%
The Darlington	Highrise	612	N/A	N/A	N/A	1.6%	N/A	N/A	0.0%

N/A- Not available

As illustrated in the previous table, we were able to obtain the historical vacancy rate at several of the comparable properties over the last two years. However, we were not able to obtain all the historical vacancy rates for each individual year. As such, we have not provided average vacancy rates for each survey period. The comparable properties' vacancy rates are generally similar to previous years of analysis, with the exception of Big Bethel Village which reported an atypically high vacancy in 2013. According to the contact they typically achieve 93 to 95 percent occupancy.

Change in Rental Rates

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

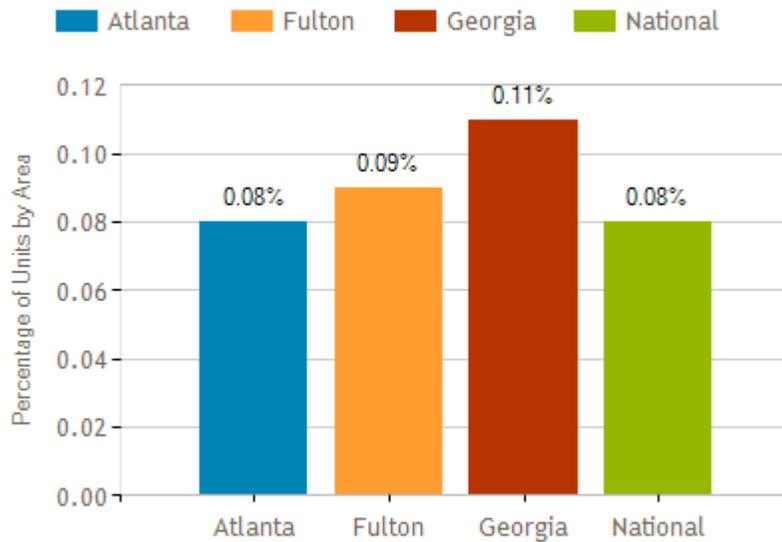
RENT GROWTH		
Comparable Property	Rent Structure	Rent Growth
Baptist Gardens	Senior LIHTC	Remained stable
Big Bethel Village*	Senior LIHTC/Market	1.5BR increased \$20 since 2Q15
Brentwood Village Apartments	LIHTC	14-43% increase since 3Q2013
Columbia Senior Residences At Mechanicsville	Senior LIHTC/Market/Public Housing/PBRA	Increased 9.5 to 16% since 3Q13
Heritage Greene*	LIHTC/Market	0-5% increase since 2Q12
Oglethorpe Place	LIHTC/Market	Fluctuates daily
Calvin Court*	Senior Section 8/Market	Market rate rents have increased 6%, Section 8 rents have remained stable
Donnelly Gardens	Market	2-4% increase since 2Q2015
The Darlington*	Market	2-25% increase since 1Q2015

*Located outside the PMA

Seven of the nine comparable properties reported rent increases over the past three years. 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. The senior comparable properties reported increases of zero to 16 percent. Given the fact the Subject will be a renovated senior LIHTC property with relatively small unit sizes we anticipate that rents may be able to increase slowly at the Subject, but will not be capable of achieving maximum allowable rents for its studio units, as none of the LIHTC projects with larger units are achieving maximum allowable rents. However, we believe that the Subject's one-bedroom units will be able to achieve maximum allowable rents and may be able to increase as maximum allowable rents increase. With the Section 8 contract in place at the Subject, rent increases at the property should not directly impact residents, as they will continue to pay just 30 percent of their income toward rent. Similarly, the property will continue to collect full contract rents for the Section 8 assisted units, which are currently well above the LIHTC limits.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to www.RealtyTrac.com, one in every 1,019 homes in Atlanta, GA was in foreclosure as of November 2015 and one in every 918 homes in Georgia was in foreclosure. As indicated in the table below, Atlanta has a similar foreclosure rate when compared to the nation and a lower foreclosure rate compared to Fulton County and Georgia. The median list price for a home in Atlanta is \$269,900 compared to \$279,000 in Fulton County, and \$184,900 in Georgia. Overall, it appears that the local market is faring better than the county and state and similar to the nation as a whole in terms of foreclosures. It should be noted that we did not witness any abandoned homes in the Subject's immediate neighborhood.



12. Primary Housing Void

The comparable LIHTC properties have a combined 2.0 percent vacancy rate, and waiting lists are maintained at four properties, indicating relatively strong support for affordable rental housing in the PMA. The other excluded low-income rental housing properties in the PMA that we contacted also are performing well. Based on the previous *Demand Analysis*, performance of the Subject and comparable properties, and conversations with local property managers, we believe there is ongoing demand for affordable rental housing in the local market. Post renovation, the Subject will continue to offer 100 total units. The Subject's renovations will not add new units, but rather improve the quality and marketability of existing low-income housing. The Subject will also continue to operate with Section 8 subsidies following renovations, making units affordable to a wide income band of renter households. As such, the Subject will continue to fill a void in the market for adequate low-income senior rental housing.

13. Affect of Subject on Other Affordable Units in Market

The LIHTC comparables in the PMA have low vacancy rates, and the overall vacancy rate for LIHTC units is less than ten percent. The Subject's renovation will not add new affordable units to the PMA, but will improve existing units. Therefore, we do not believe that the renovations to the Subject will have any significant negative impact on the existing LIHTC properties.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed following renovations. The LIHTC comparables are performing well, with a weighted vacancy rate of 2.0 percent. Additionally, four comparable properties with LIHTC units maintain waiting lists.

The Subject's proposed one-bedroom rents are within the range of rents at the LIHTC and market rate comparables. The Subject's proposed studio rents are below the rents at the LIHTC and within the range of the market rate comparables. This suggests that even if rents at the Subject were not subsidized through the Section 8 program, the proposed one-bedroom rents would be achievable in the open market. Considering the Section 8 subsidy that will be in place, tenants will pay just 30 percent of their income toward rents, making the Subject very affordable.

Overall, we believe that the Subject's one-bedroom rents are achievable and the studio rents are above the achievable rents at other LIHTC properties in the area. The Subject will offer a slight advantage over the market in its one-bedroom units, but will offer a disadvantage in its studio units. This is further illustrated by the significant rental disadvantage/advantage of -1 to 11 percent that the Subject's rents will have over the average market rents. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is slightly lower than the current LIHTC average but in line with the Subject's historical occupancy rates. We believe the Subject will be supportable following renovations and will not adversely impact other low-income housing options in the PMA.

I. ABSORPTION & STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES**Stabilization/Absorption Rate**

We were able to obtain absorption information from three senior properties, two of which were utilized as comparables.

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.

J. INTERVIEWS

INTERVIEWS

Atlanta Housing Authority

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.

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.

Additional interviews can be found in the comments section of the property profiles and in our Economic Analysis section of this report.

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- Overall population growth in the PMA was lower than the MSA and the nation from 2000 to 2010. 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.

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 number of senior owner-occupied housing in the PMA and MSA is higher than the number of senior renter-occupied housing. The percentage of senior renter-occupied units in the PMA is expected to increase slightly through 2020.

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.

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.

- 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.

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.

- We were able to obtain absorption information from three senior properties, two of which were utilized as comparables.

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.

- 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 rate comparables 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 and 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.
- Based upon our market research of comparables, our inspection of the Subject site and surrounding neighborhood, review of area economic trends, and demographic calculations and analysis, we believe there is more than adequate demand for the Subject property as proposed following renovations. The Subject, which currently operates as a Section 8 development with 100 units, will continue to operate with Section 8 subsidies for 99 of the units in addition to operating under the LIHTC program 60 percent AMI restrictions. The LIHTC comparables are performing adequately, with a weighted vacancy rate of 2.0 percent. Additionally, four comparable LIHTC properties maintain waiting lists. The Subject's proposed one-bedroom rents are within the range of rents at the LIHTC and market rate comparables. The Subject's proposed studio rents are above the rents at the LIHTC and within the range of the market rate comparables. This suggests that even if rents at the Subject were not subsidized through the Section 8 program, the proposed one-bedroom rents would be achievable in the open market. Considering the Section 8 subsidy that will be in place, tenants will pay just 30 percent of their income toward rents, making the Subject very affordable. The capture rates for the Subject are all considered achievable and are within the capture rate thresholds for GA DCA LIHTC application projects. We believe that the Subject will maintain a physical vacancy rate of five percent or less following stabilization, which is above the LIHTC average but in line with its historical performance. Our only recommendation is that the proposed studio LIHTC rents, absent subsidy, be reduced to \$600 per month more in line

with the comparables. Again, this recommendation is hypothetical as it is assumed the developer will continue long term renewal of the Section 8 Contract.

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. However, the proposed one-bedroom LIHTC rents are within the range of the comparables.

Recommendations

- Our only recommendation is that the proposed studio LIHTC rents, absent subsidy, be reduced to \$600 per month more in line with the comparables. Again, this recommendation is hypothetical as it is assumed the developer will continue long term renewal of the Section 8 Contract.

L. SIGNED STATEMENT REQUIREMENTS

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



Rebecca S. Arthur, MAI
Partner
Novogradac & Company LLP
11-17-2015
Date



Rachel B. Denton
Principal
Novogradac & Company LLP
11-17-2015
Date



Tami D. Cook
Researcher
11-17-2015
Date



Rana Barnes
Real Estate Analyst
11-17-2015
Date

M. MARKET STUDY REPRESENTATION

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



Rebecca S. Arthur, MAI
Partner
Novogradac & Company LLP
11-17-2015
Date



Rachel B. Denton
Principal
Novogradac & Company LLP
11-17-2015
Date



Tami D. Cook
Researcher
11-17-2015
Date



Rana Barnes
Real Estate Analyst
11-17-2015
Date

N. QUALIFICATIONS

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.