



A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF

**THE EXCHANGE
DUE EAST OF 416 EXCHANGE BOULEVARD
Winder, Barrow County, Georgia 30620**

**Effective Date: September 11, 2016
Report Date: April 28, 2016**

Prepared For

**Mr. Marvin Wilmoth
KCG Development
11555 N Meridian Street, Suite 400
Carmel, IN 46032**

Assignment Code

KCG600V-011

Prepared By

**Novogradac & Company LLP
2325 Lakeview Parkway, Suite 450
Alpharetta, GA 30009
678-867-2333**

April 28, 2016

Mr. Marvin Wilmoth
KCG Development
11555 N Meridian Street, Suite 400
Carmel, IN 46032

Re: Market Study for The Exchange, located in Winder, Barrow County, Georgia 30620.

Dear Mr. Wilmoth:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Winder, Barrow County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the feasibility of the construction of The Exchange, a family targeted HOME/LIHTC and market-rate development consisting of 130 units. The proposed LIHTC units will be restricted to households earning 50 and 60 percent of the AMI, or less. 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 2016 requirements of the Georgia Department of Community Affairs (DCA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, 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 2016 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,



John Cole, MAI
Partner



Nick Doffing
Analyst
Nick.Doffing@Novoco.com
(512) 349-3254



Brian Neukam
Senior Analyst



Constantine Caloudas
Junior Analyst

ASSUMPTIONS AND LIMITING CONDITIONS

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

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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.

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

The Subject is a proposed HOME/LIHTC and market rate development targeting families located due east of 416 Exchange Boulevard in Winder, Barrow County, Georgia 30620. The Subject will consist of seven two- and three-story, garden- and townhome-style residential buildings and one one-story clubhouse. The design will feature wood frame construction with brick façade and hardi-plank siding. The following table illustrates the proposed unit mix including bedrooms/bathrooms, income targeting, rents, and utility allowance. As illustrated, the proposed HOME and LIHTC rents are set at the 2015 maximum allowable levels for all income-restricted units and set asides. It should be noted that we have utilized the 2015 maximum allowable rents based on Georgia DCA guidelines that require using LIHTC rents in effect as of January 1, 2016.

PROPOSED RENTS

Unit Type	Number of Units	Unit Size (SF)	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent	2015 HOME Maximum Allowable Gross Rent	2015 HUD Fair Market Rents
<i>50% AMI (Low HOME)</i>								
1BR/1BA	8	750	\$558	\$82	\$640	\$640	\$650	\$773
2BR/2BA	10	1,050	\$642	\$125	\$767	\$767	\$780	\$916
3BR/2BA	8	1,100	\$704	\$182	\$886	\$886	\$901	\$1,213
<i>60% AMI</i>								
1BR/1BA	27	750	\$686	\$82	\$768	\$768	N/A	\$773
2BR/2BA	30	1,050	\$796	\$125	\$921	\$921	N/A	\$916
3BR/2BA	34	1,100	\$882	\$182	\$1,064	\$1,064	N/A	\$1,213
<i>Market</i>								
1BR/1BA	1	750	\$860	N/A	N/A	N/A	N/A	\$773
2BR/2BA	2	1,050	\$980	N/A	N/A	N/A	N/A	\$916
3BR/2BA	<u>10</u>	1,100	\$1,100	N/A	N/A	N/A	N/A	\$1,213
Total	130							

Notes (1) Source of Utility Allowance provided Zeffert & Associate HUD Utility Schedule Model, 6/2016

The Subject will offer the following amenities: balcony/patio, blinds, cable/satellite/internet, carpeting, central air conditioning, coat closet, dishwasher, ceiling fan, garbage disposal, microwave, oven, refrigerator, walk-in closet, and washer/dryer connections. Property amenities will include: computer/business center, clubhouse/meeting room/community room, exercise facility, on-site laundry facility, off-street parking, on-site management, picnic area, playground, and swimming pool. Overall, the Subject's

amenities will be competitive or superior with those at the comparable properties.

2. Site Description/Evaluation:

The Subject site is located in Winder and is proximate to many area amenities that are desirable for affordable multifamily developments. The Subject is located in a mixed use neighborhood. Immediate uses consist primarily of commercial and retail uses, single-family homes in average to good condition, and vacant land. Adjacent to the north of the Subject site is vacant wooded land; beyond the vacant land, are single-family homes in average to good condition. Further north is the Fort Yargo State Park. Adjacent to the east and south of the Subject site is vacant land and newly constructed retail and commercial uses. It should be noted that additional retail and commercial uses are being developed adjacent to the east and south of the Subject site. Further east of the Subject, along US-29/GA-316, is single-family homes in average to good condition and vacant land. Southeast of the Subject is a commercial development in average condition. Further south, across US-29/GA-316 are single-family homes in average to good condition and vacant land. Southwest of the Subject is additional retail and commercial uses. Adjacent to the west of the Subject site is vacant wooded land and a single-family home in average condition. Further west are retail and commercial uses located along GA-81/Charles S Floyd Road and a cemetery. It should be noted that there are two LIHTC developments located within 1.8 miles of the Subject that were utilized as comparables. During the site inspection, it appeared that the commercial/retail uses are approximately 95 percent occupied. Overall, both the Subject site and the land uses in the Subject's neighborhood are considered compatible for multifamily use.

3. Market Area Definition:

The PMA is defined by the Mulberry River to the north, Highway 11, Highway 211, Barrow County line, and Gratis Road to the east, Highway 78 to the south, and Highway 20, Grayson-New Hope Road, Bramlett Shoals Road, Alcovy Road, Highway 8, and the Barrow County line to the west. This area includes the cities of Barrow, Gwinnett, and Walton Counties. The area was defined based on interviews with the local housing authority and property managers at comparable properties. The north boundary of the PMA is approximately eight miles from the Subject site; the eastern boundary of the PMA is approximately six miles from the Subject site; and the southern and western

boundaries of the PMA are approximately nine miles from the Subject site.

4. Community Demographic

Data:

The Subject is located in Winder in Barrow County, Georgia. Overall demographics are strong for the Subject's family units as the PMA has been an area of growth. Population in 2015 in the PMA was 118,245 and is projected to increase to 126,082 by 2020. There were 39,540 households in 2015, which is expected to increase to 41,981 by 2020. Population in the PMA is projected to increase at a 1.3 percent annual rate over the next five years, a rate higher than that of the MSA and the nation during the same period. This is a strong growth rate that suggests there is sufficient demand for the Subject.

In addition to the positive growth trends, the tenure growth patterns also demonstrate demand for the Subject. In 2015, approximately 22.7 percent of people in the PMA resided in renter-occupied housing units. Renter-occupied housing units are expected to increase by 398 housing units by the market entry date, and another 215 housing units by 2020.

Approximately 33.5 percent of renter households in the PMA earn between \$0 and \$39,999. Households in these income cohorts are expected to create demand for the Subject. The Subject's LIHTC units will target family households earning between \$20,057 and \$44,220.

According to RealtyTrac, one in every 1,524 housing units in Winder had received foreclosure filings in January 2016. This compares to one in every 1,119 housing units in Barrow County, one in every 1,619 housing units in the state of Georgia, and one in every 1,328 housing units in the nation at the same time. It appears that Winder is outperforming the county and nation in terms of foreclosure filings.

5. Economic Data:

The Atlanta-Sandy Springs-Roswell, GA MSA has experienced employment growth for seven of the last 10 years. From 2004 through 2007, total employment in the MSA increased significantly each year. However, from 2008 through 2010, the MSA experienced decreasing total employment and rising unemployment, due to the recent national recession and housing crisis. The job losses in the MSA during this period were generally greater than the nation. From December 2014 through December 2015,

total employment increased by 1.8 percent in the MSA, compared to a 1.7 percent increase in the nation. Further, the unemployment rate decreased 1.1 percentage points for the twelve-month period ending in December 2015. As of December 2015, the unemployment rate in the MSA was 4.9 percent, compared to the national unemployment rate of 4.8 percent. We contacted Guy Herring with Barrow County Economic & Community Development to inquire about business expansions/contraction in the county. Mr. Herring provided information on several recent expansions and indicated strong economic growth. It appears the regional economy has recovered from the impact of the recent national recession, as the current employment are above pre-recessionary levels. Additional positive anecdotal evidence includes new construction of retail and commercial development in the neighborhood.

The largest proportion of the workforce in the PMA is employed in the retail trade, construction, and manufacturing sectors. Sectors such as construction, wholesale trade, retail trade, and real estate/rental/leasing are overrepresented in the PMA compared to the nation. Conversely, sectors such as health care/social assistance, accommodation/food services, and prof/scientific/tech services are underrepresented in the PMA compared to the nation. The relatively high representation of cyclical industries, compared to the nation, such as manufacturing, construction, and retail trade may increase the cyclical nature of employment in the PMA.

6. Project-Specific Affordability And Demand Analysis:

Our demand analysis indicates that there are approximately 1,328 income qualified renter households in the PMA. The following table illustrates capture rates for the Subject’s units.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market	Market Rents Band Min-Max	Proposed Rents
1BR @ 50%	\$22,286-\$27,300	8	137	4	133	6.0%	10 months	\$795	\$468-\$1,040	\$558
2BR @ 50%	\$26,743-\$30,700	10	171	4	167	6.0%	10 months	\$888	\$548-\$1,220	\$642
3BR @ 50%	\$30,891-\$36,850	8	223	3	220	3.6%	10 months	\$988	\$615-\$1,768	\$704
1BR @ 60%	\$26,331-\$32,760	27	152	8	133	18.8%	10 months	\$853	\$478-\$1,040	\$686
2BR @ 60%	\$31,577-\$36,840	30	190	32	167	19.0%	10 months	\$945	\$594-\$1,220	\$796
3BR @ 60%	\$36,480-\$44,220	34	247	21	220	15.0%	10 months	\$1,084	\$637-\$1,768	\$882
1BR Market	\$29,486-\$54,600	1	288	0	288	0.3%	10 months	\$917	\$478-\$1,040	\$860
2BR Market	\$33,771-\$61,400	2	361	0	361	0.6%	10 months	\$1,015	\$594-\$1,220	\$980
3BR Market	\$37,714-\$73,700	10	470	0	470	2.1%	10 months	\$1,251	\$637-\$1,768	\$1,100
Overall 50% AMI	\$22,286-\$36,850	26	531	11	520	5.0%	10 months	-	-	-
Overall 60% AMI	\$26,331-\$44,220	91	589	61	528	17.2%	10 months	-	-	-
Overall LIHTC	\$22,286-\$44,220	117	753	72	681	17.2%	10 months	-	-	-
Overall Market	\$29,486-\$73,700	13	1,119	0	1,119	1.2%	10 months	-	-	-
Total Overall	\$22,286-\$73,700	130	1,400	72	1,328	9.8%	10 months	\$746	-	-

The overall LIHTC capture rate is 17.2 percent and the overall LIHTC and market rate capture rate is 9.8 percent. We believe that the capture rates are reasonable for the Subject based on its target population, and there is adequate demand based on our conclusions.

7. Competitive Rental Analysis:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. To evaluate the competitive position of the Subject, 2,154 units in 10 rental properties were surveyed in depth. The data in the PMA is considered adequate on which to base our conclusions. The comparable properties in our survey include a range of units targeting several different AMI levels and unrestricted units. The Subject will offer 50 and 60 percent AMI units and market rate units. The Subject's proposed rents are similar to the average rents at the comparable properties.

Vacancy rates in the market range from zero to 8.4 percent, averaging 4.0 percent. The average weighted vacancy rate among the LIHTC comparables is 0.7 percent, while the average weighted vacancy rate among the market rate comparables is 5.3 percent. Further, four of the LIHTC comparables maintain waiting lists for at least some of their affordable units. The Subject will be new construction and be superior to the majority of the comparables in terms of construction. The Subject's proposed rents at the maximum allowable levels are within the range of the LIHTC comparables and appear to be achievable.

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 constricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

Subject Comparison to "Market Rents"

@50%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$558	\$468	\$1,040	\$795	42%
2 BR	\$642	\$548	\$1,220	\$888	38%
3 BR	\$704	\$615	\$1,768	\$988	40%

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$686	\$478	\$1,040	\$853	24%
2 BR	\$796	\$594	\$1,220	\$945	19%
3 BR	\$882	\$637	\$1,768	\$1,084	23%

As illustrated, the Subject's proposed 50 and 60 percent rents in its one- and two-bedroom units are below the surveyed average when compared to the market comparables, which appears reasonable, based on the Subject's restricted rents.

Hillcrest Apartments is the most similar market rate property in terms of location, and this property reported rents at the low end of the range. However, this property was constructed in 1989 and will be slightly inferior to inferior to the Subject in terms of amenities, condition, and unit sizes. The remaining market rate comparables are located in Lawrenceville, which is a slightly superior location relative to the Subject. Durant at Sugarloaf offers slightly superior unit sizes and property amenities compared to the Subject, but offers slightly inferior condition and inferior in-unit amenities. Alterra Riverside offers similar amenities and unit sizes, and a slightly inferior condition, compared to the Subject. Overall, these are the most similar market rate comparables.

Overall, we believe that the Subject's proposed rents are achievable in the market and will offer a substantial market rent advantage.

8. Absorption/Stabilization Estimate:

We were able to obtain absorption information from three comparable properties.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Autry Pines Senior Village	LIHTC	Senior	2015	64	21.3
Farmington Hills Phase I	LIHTC	Family	2012	72	10.3
Farmington Hills Phase II	LIHTC	Family	2015	72	14.4
Hearthside Sugarloaf	LIHTC/Mkt	Senior	2015	110	12
Mainstreet Braselton	LIHTC/Mkt	Senior	2014	80	8.8
Mainstreet Winder	LIHTC	Senior	2013	64	7

As illustrated, absorption rates ranged from seven to 21.3 units per month. Based primarily on the absorption rates reported by the family properties, we anticipate that the Subject would absorb approximately 12 units per month, for an absorption period of 10 months. It should be noted that per DCA guidelines, absorption has been calculated to 93 percent occupancy.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. To evaluate the competitive position of the Subject, 2,154 units in 10 rental properties were surveyed in depth. The data in the PMA is considered adequate on which to base our conclusions. The comparable properties in our survey include a range of units targeting several different AMI levels and unrestricted units. The Subject will offer 50 and 60 percent AMI units, and market rate units. The Subject's proposed rents are similar to the average rents at the comparable properties.

Vacancy rates in the market range from zero to 14.1 percent, averaging 5.0 percent. All of the LIHTC comparables reported zero vacancies and are currently maintaining a waiting list. The average weighted vacancy rate among the market rate comparables is 6.4 percent. However, the market rate comparable Altera Riverside Apartments reported that the property is currently renovating units as they become vacant, and reported that they are 95 percent preleased. Excluding Altera Riverside Apartments, the average weighted vacancy rate of the market rate comparables is 3.6 percent. The Subject will be new construction and be superior to the majority of the comparables in terms of construction. The Subject's proposed rents at the maximum allowable levels are within the range of the LIHTC comparables and appear to be achievable.

Summary Table:

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

Development Name:	The Exchange	Total # Units: 130
Location:	416 Exchange Boulevard	# LIHTC Units: 117
	Bethlehem, Barrow County, GA 30620	
PMA Boundary:	North: Mulberry River; South: Highway 78; East: Highway 11, Highway 211, Barrow County line, Gratis Road; West: Highway 20, Grayson-New Hope Road, Bramlett Shoals Road, Alcovy Road, Highway 8, Barrow County line	
	Farthest Boundary Distance to Subject:	12.8 miles

Rental Housing Stock (found on pages 20)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	19	8,966	448	95.0%
Market-Rate Housing	10	8,710	557	93.6%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	5	N/Ap	N/Ap	N/Ap
LIHTC	4	256	0	100.0%
Stabilized Comps	19	8,966	448	95.0%
Properties in Construction & Lease Up	0	0	0	N/Ap

*Only includes properties in PMA

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
8	1BR at 50% AMI	1	750	\$558	\$795	\$0.94	30%	\$1,040	\$1.41
10	2BR at 50% AMI	2	1,050	\$642	\$888	\$0.75	28%	\$1,220	\$1.09
8	3BR at 50% AMI	2	1,100	\$704	\$988	\$0.72	29%	\$1,768	\$1.17
27	1BR at 60% AMI	1	750	\$686	\$853	\$1.01	20%	\$1,040	\$1.41
30	2BR at 60% AMI	2	1,050	\$796	\$945	\$0.79	16%	\$1,220	\$1.09
34	3BR at 60% AMI	2	1,100	\$882	\$1,084	\$0.76	19%	\$1,768	\$1.17
1	1BR at MR	1	750	\$860	\$917	\$1.08	6%	\$1,040	\$1.41
2	2BR at MR	2	1,050	\$980	\$1,015	\$0.84	3%	\$1,220	\$1.09
10	3BR at MR	2	1,100	\$1,100	\$1,251	\$0.86	12%	\$1,768	\$1.17

Demographic Data (found on page 29-31)

	2010		2015		2018	
Renter Households	7,347	19.60%	8,966	22.70%	9,364	22.80%
Income-Qualified Renter HHs (LIHTC)	1,910	26.00%	2,331	26.00%	2,435	26.00%
Income-Qualified Renter HHs (MR)	2,887	39.30%	3,524	39.30%	957	39.30%

Targeted Income-Qualified Renter Household Demand (found on pages 47-64)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	74	82	157	N/Ap	196
Existing Households (Overburdened + Substandard)	N/Ap	515	507	962	N/Ap	1,204
Homeowner conversion (Seniors)	N/Ap	0	0	N/Ap	N/Ap	0
Total Primary Market Demand	N/Ap	589	589	1,119	N/Ap	1,400
Less Comparable/Competitive Supply	N/Ap	11	61	0	N/Ap	72
Adjusted Income-qualified Renter HHs**	N/Ap	578	528	1,119	N/Ap	1,328

Capture Rates (found on page 64)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	5.00%	17.20%	1.20%	N/Ap	9.80%

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:	The Subject site is located due east of 416 Exchange Boulevard in Winder, Barrow County, Georgia 30620.
Construction Type:	The Subject will consist of seven two- and three-story, garden- and townhome-style residential buildings and one one-story clubhouse. The design will feature wood frame construction with brick façade and hardi-plank siding.
Occupancy Type:	The Subject will target families.
Special Population Target:	None.
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:	None of the units will operate with Project-Based Rental Assistance upon completion.
Proposed Development Amenities:	See following property profile.
Scope of Renovations:	The Subject will be new construction.
Current Rents:	The Subject will be new construction.
Current Occupancy:	The Subject will be new construction.
Current Tenant Income:	The Subject will be new construction.
Placed in Service Date:	The Subject's approximate market entry date is October 2018.
Conclusion:	Subject will consist of seven two- and three-story, garden- and townhome-style residential buildings and one one-story clubhouse. As new construction, the Subject will not suffer from deferred maintenance or functional obsolescence.

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	The Exchange East Of 416 Exchange Blvd Winder, GA 30620 Barrow County County	n/a	Garden (2 stories) 2018 / n/a	@50% (HOME), @60%, Market	1BR / 1BA	8	6.20%	@50% (HOME)	\$558	750	yes		N/A	N/A
					1BR / 1BA	27	20.80%	@60%	\$686	750	yes		N/A	N/A
					1BR / 1BA	1	0.80%	Market	\$860	750	n/a		N/A	N/A
					2BR / 2BA	10	7.70%	@50% (HOME)	\$642	1,050	yes		N/A	N/A
					2BR / 2BA	30	23.00%	@60%	\$796	1,050	yes		N/A	N/A
					2BR / 2BA	2	1.50%	Market	\$980	1,050	n/a		N/A	N/A
					3BR / 2BA	8	6.20%	@50% (HOME)	\$704	1,100	yes		N/A	N/A
					3BR / 2BA	34	26.10%	@60%	\$882	1,100	yes		N/A	N/A
					3BR / 2BA	10	7.70%	Market	\$1,100	1,100	n/a		N/A	N/A
										130	100%			
1	Alexander Crossing Apartments 100 Alexander Crossing Loganville, GA 30052 Walton County	11.8 miles	Townhouse (2 stories) 2003 / n/a	@60%, Market	2BR / 2.5BA	120	50.00%	@60%	\$790	1,256	yes	Yes	0	0.00%
					2BR / 2.5BA	48	20.00%	Market	\$1,000	1,256	n/a	No	0	0.00%
					3BR / 2BA	48	20.00%	@60%	\$895	1,506	yes	Yes	0	0.00%
					3BR / 2BA	24	10.00%	Market	\$1,175	1,506	n/a	No	0	0.00%
						240	100%						0	0.00%
2	Ashton Pointe 429 Plaza Drive Monroe, GA 30655 Walton County	10 miles	Garden (2 stories) 1999 / n/a	@50%, @60%	1BR / 1BA	4	7.10%	@50%	\$500	804	no	Yes	0	0.00%
					1BR / 1BA	4	7.10%	@60%	\$525	804	no	Yes	0	0.00%
					2BR / 2BA	10	17.90%	@50%	\$594	1,008	no	Yes	0	0.00%
					2BR / 2BA	14	25.00%	@60%	\$620	1,008	no	Yes	0	0.00%
					3BR / 2BA	10	17.90%	@50%	\$650	1,200	no	Yes	0	0.00%
					3BR / 2BA	14	25.00%	@60%	\$670	1,200	no	Yes	0	0.00%
						56	100%						0	0.00%
3	Farmington Hills Phase I 1506 Farmington Way Winder, GA 30680 Barrow County	1.8 miles	Garden (2 stories) 2012 / n/a	@50%, @60%	1BR / 1BA	3	4.20%	@50%	\$479	740	yes	Yes	0	0.00%
					1BR / 1BA	9	12.50%	@60%	\$609	740	yes	Yes	0	0.00%
					2BR / 2BA	4	5.60%	@50%	\$563	1,150	yes	Yes	0	0.00%
					2BR / 2BA	31	43.10%	@60%	\$719	1,150	yes	Yes	0	0.00%
					3BR / 2BA	4	5.60%	@50%	\$632	1,250	yes	Yes	0	0.00%
					3BR / 2BA	21	29.20%	@60%	\$812	1,250	yes	Yes	0	0.00%
						72	100%						0	0.00%
4	Farmington Hills Phase II 807 Haymon Morris Road Winder, GA 30680 Barrow County County	1.8 miles	Garden 2014 / n/a	@50%, @60%	1BR / 1BA	4	5.60%	@50%	\$468	878	yes	Yes	0	0.00%
					1BR / 1BA	8	11.10%	@60%	\$597	878	yes	Yes	0	0.00%
					2BR / 2BA	4	5.60%	@50%	\$548	1,143	yes	Yes	0	0.00%
					2BR / 2BA	32	44.40%	@60%	\$704	1,143	yes	Yes	0	0.00%
					3BR / 2BA	3	4.20%	@50%	\$615	1,328	yes	Yes	0	0.00%
					3BR / 2BA	21	29.20%	@60%	\$797	1,328	yes	Yes	0	0.00%
						72	100%						0	0.00%
5	Altera Riverside Apartments 1000 Duluth Highway Lawrenceville, GA 30043 Gwinnett County	16.2 miles	Garden (4 stories) 1998 / 2016	Market	1BR / 1BA	96	23.30%	Market	\$958	758	n/a	No	N/A	N/A
					1BR / 1BA	98	23.80%	Market	\$1,040	949	n/a	No	N/A	N/A
					2BR / 2BA	126	30.60%	Market	\$1,185	1,086	n/a	No	N/A	N/A
					2BR / 2BA	92	22.30%	Market	\$995	1,244	n/a	No	N/A	N/A
						412	100%						58	14.10%
6	Durant At Sugarloaf 50 Saint Marlowe Drive Lawrenceville, GA 30044 Gwinnett County	18.1 miles	Garden 2002 / n/a	Market	1BR / 1BA	60	20.00%	Market	\$810	715	n/a	No	0	0.00%
					1BR / 1BA	48	16.00%	Market	\$856	910	n/a	No	0	0.00%
					2BR / 1BA	62	20.70%	Market	\$980	1,110	n/a	No	2	3.20%
					2BR / 2BA	36	12.00%	Market	\$997	1,180	n/a	No	5	13.90%
					2BR / 2BA	62	20.70%	Market	\$1,009	1,300	n/a	No	0	0.00%
					2BR / 2BA	8	2.70%	Market	\$1,039	1,362	n/a	No	0	0.00%
					3BR / 2BA	24	8.00%	Market	\$1,187	1,435	n/a	No	0	0.00%
						300	100%						7	2.30%
7	Hillcrest Apartments 490 Gainesville Highway Winder, GA 30680 Barrow County	4.9 miles	Townhouse (2 stories) 1989 / n/a	Market	1BR / 1BA	25	24.50%	Market	\$478	625	n/a	No	1	4.00%
					2BR / 1.5BA	23	22.50%	Market	\$594	940	n/a	No	0	0.00%
					2BR / 1.5BA	44	43.10%	Market	\$644	1,225	n/a	No	0	0.00%
					3BR / 1.5BA	10	9.80%	Market	\$637	1,250	n/a	No	0	0.00%
						102	100%						1	1.00%
8	Preserve At Legacy Park 900 Legacy Park Drive Lawrenceville, GA 30043 Gwinnett County	16 miles	Garden (3 stories) 2001-2002	Market	1BR / 1BA	N/A	N/A	Market	\$969	771	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$969	906	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$969	927	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$975	950	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$990	953	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,099	1,144	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,099	1,154	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,144	1,237	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,200	1,355	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,306	1,462	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,768	1,507	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,306	1,458	n/a	No	N/A	N/A
						498	100%						20	4.00%
					9	Sugarloaf Crossing Apartments 1595 Old Norcross Road Lawrenceville, GA 30045 Gwinnett County	17.3 miles	Garden 2001 / n/a	Market	1BR / 1BA	16	6.10%	Market	\$930
1BR / 1BA	62	23.70%	Market	\$970						897	n/a	No	5	8.10%
1BR / 1BA	28	10.70%	Market	\$1,010						1,075	n/a	No	0	0.00%
2BR / 2BA	132	50.40%	Market	\$1,220						1,239	n/a	No	8	6.10%
3BR / 2BA	24	9.20%	Market	\$1,375						1,478	n/a	No	0	0.00%
	262	100%											14	5.30%

C. SITE EVALUATION

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

Brian Neukam, an employee of Novogradac & Company LLP, visited the site on September 11, 2016.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

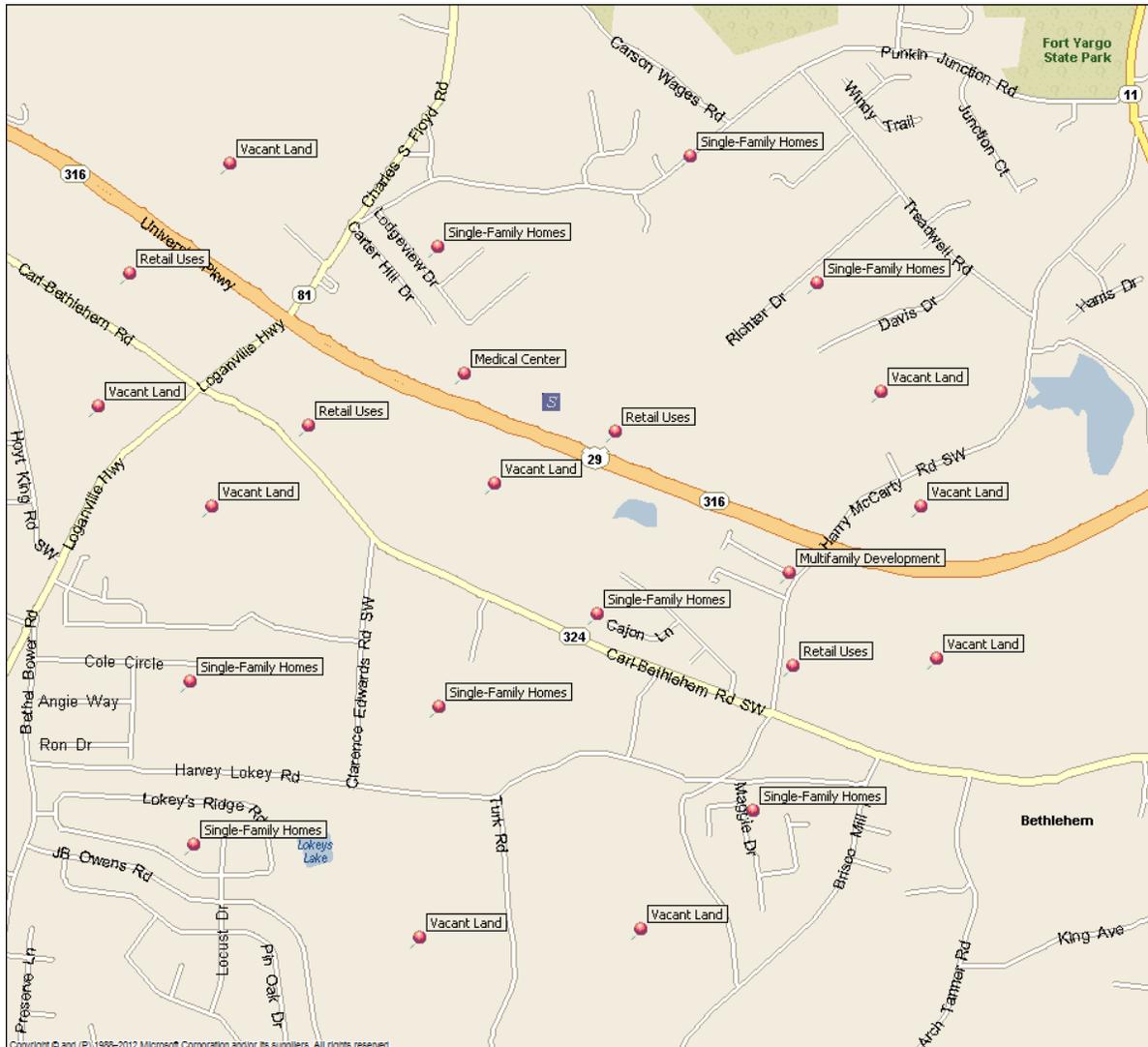
According to site plans from the developer, the Subject will have frontage on a public road called Business Circle which will be constructed as part of the development.

Visibility/Views:

The Subject site will have a public road constructed as part of the development and will have good visibility from this roadway. Views include vacant land to the north, east, and west, and retail uses to the south. Overall, views are considered good.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject site is located in a developing mixed use neighborhood with retail uses nearby. The residential uses to the north, south, east, and west primarily consist of single family homes typically in average to good condition. There is significant retail and commercial development south and southwest of the Subject site, located along US-2/GA-316 and appeared to be around 95 percent occupied at the time of inspection and in good to condition. Retail and commercial uses along US-2/GA-316 include convenience/grocery stores, restaurants, gas stations, medical clinic, pharmacies, and retail stores. The Subject site is located approximately two miles from the Fort Yargo State Park. The lake offers swimming during permitted times, camping, and other community events.

Positive/Negative Attributes of Site: There does not appear to be any negative attributes of the site. Positive attributes include walking distance to retail and commercial uses, Athens Regional Medical Center, and close proximity to the Fort Yargo State Park.

3. Physical Proximity to Locational Amenities:

The Subject site is located in Winder, Barrow County, Georgia. There are restaurants, convenience/grocery stores, and other retail located within walking distance of the Subject site. It should be noted that additional retail and commercial uses are being constructed adjacent to the east and south of the Subject site. There is also a state park that is situated approximately two miles from the Subject site. One property manager indicated that this is an attraction for residents of Winder. Other amenities such as a pharmacy, schools, a post office, banks, and a library are within four miles of the Subject. The proximity of these amenities is considered to be a very desirable attribute for family households.

4. Pictures of Site and Adjacent Uses:

The Exchange – Winder, Georgia

Source: Brian Neukam

Date: 9/11/2016



SUBJECT SIGNAGE



BUSINESS CIRCLE (EAST VIEW)



SUBJECT SITE LOOKING WEST



SUBJECT SITE LOOKING NORTH



SUBJECT SITE LOOKING SOUTH



SUBJECT SITE

The Exchange – Winder, Georgia

Source: Brian Neukam

Date: 9/11/2016



SUBJECT SITE



SUBJECT SITE



FUTURE DEVELOPMENT ON BUSINESS CIRCLE



FUTURE DEVELOPMENT ON BUSINESS CIRCLE



RETAIL USES IN SUBJECT'S NEIGHBORHOOD



RETAIL USES IN SUBJECT'S NEIGHBORHOOD

The Exchange – Winder, Georgia

Source: Brian Neukam

Date: 9/11/2016



RETAIL USES IN SUBJECT'S NEIGHBORHOOD



RETAIL USES IN SUBJECT'S NEIGHBORHOOD



RETAIL USES IN SUBJECT'S NEIGHBORHOOD



RETAIL USES IN SUBJECT'S NEIGHBORHOOD



GAS STATION IN SUBJECT'S NEIGHBORHOOD



RECENTLY CONSTRUCTED VACANT COMMERCIAL SPACE SUBJECT'S NEIGHBORHOOD

The Exchange – Winder, Georgia

Source: Brian Neukam

Date: 9/11/2016



SINGLE-FAMILY RESIDENCE IN SUBJECT'S NEIGHBORHOOD (1)



SINGLE-FAMILY RESIDENCE IN SUBJECT'S NEIGHBORHOOD (2)



SINGLE-FAMILY RESIDENCE IN SUBJECT'S NEIGHBORHOOD (3)



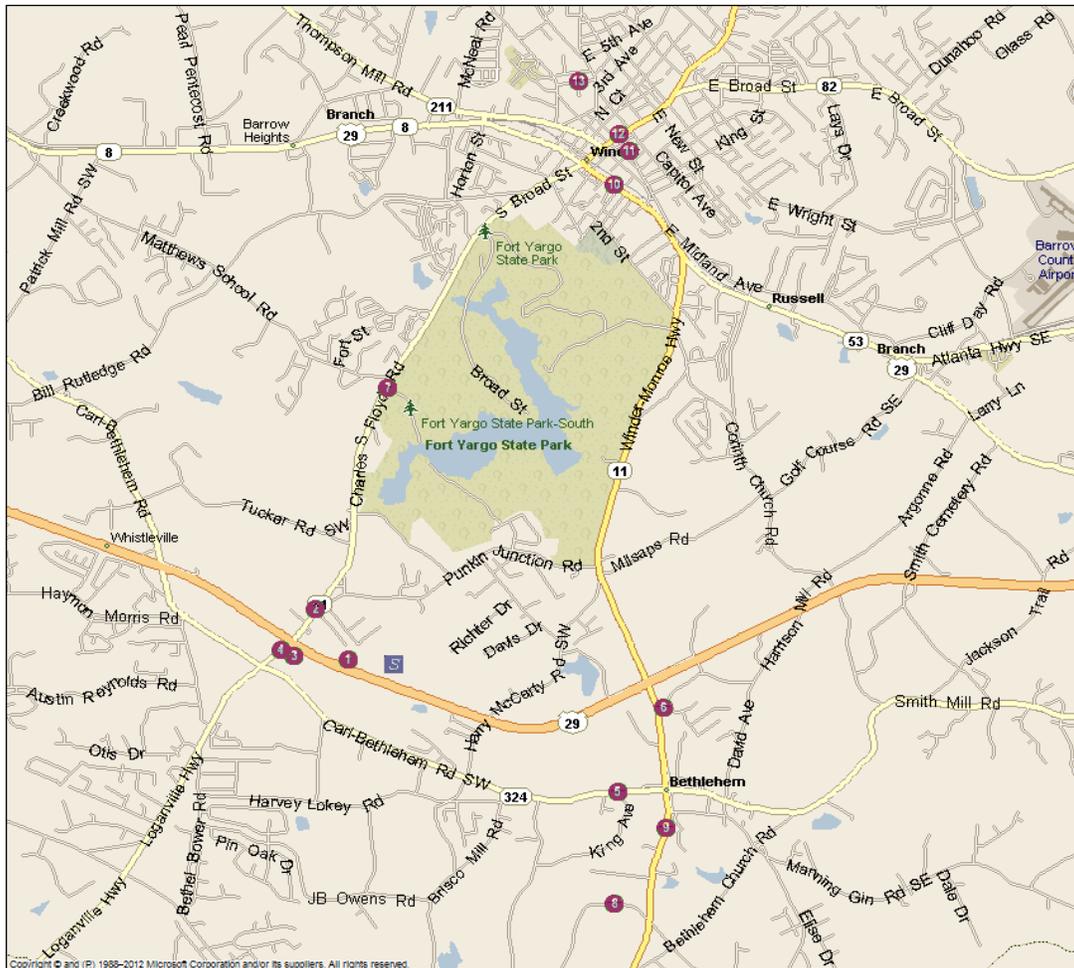
SINGLE-FAMILY RESIDENCE IN SUBJECT'S NEIGHBORHOOD (4)

5. Proximity to Locational Amenities:

The following table details the Subject’s distance from key locational amenities. It should be noted that there is no public transportation available in Winder, which is common in suburban markets.

LOCATIONAL AMENITIES

Map Number	Service or Amenity	Miles from Subject
1	Athens Regional Medical Center	<0.1 Mile
2	Shell Gas Station	0.6 Mile
3	Publix Super Market	0.7 Mile
4	Target Pharmacy	0.7 Mile
5	Snodo Preparatory High School	1.6 Miles
6	Dollar General	1.7 Miles
7	Fort Yargo State Park	1.9 Miles
8	Bethlehem Elementary School	2.0 Miles
9	US Post Office	2.0 Miles
10	First American Bank & Trust	3.4 Miles
11	Winder Police Department	3.7 Miles
12	Winder Fire Department	3.7 Miles
13	Piedmont Regional Library	4.0 Miles



6. Description of Land Uses:

The Subject site is located in a developing mixed use neighborhood with retail uses nearby. The residential uses to the north, south, east, and west primarily consist of single family homes typically in average to good condition. There is significant retail and commercial development south and southeast of the Subject site, located along US-2/GA-316 and appeared to be around 90 percent occupied at the time of inspection and in good condition. Retail/commercial uses along US-2/GA-316 include convenience/grocery stores, restaurants, gas stations, medical center, pharmacies, and retail stores. The Subject site is located approximately two miles from the Fort Yargo State Park. The lake offers swimming during permitted times, camping, and other community events. Overall, the Subject site is considered a desirable building site for multifamily housing and the Subject will be compatible with the surrounding uses.

7. Multifamily Residential within Two Miles:

The following table illustrates comparable multifamily properties located within two miles of the Subject site.

Property Name	Type	Tenancy	Distance
Farmington Hills*	LIHTC	Family	1.8 Miles
Farmington Hills Phase II*	LIHTC	Family	1.6 Miles

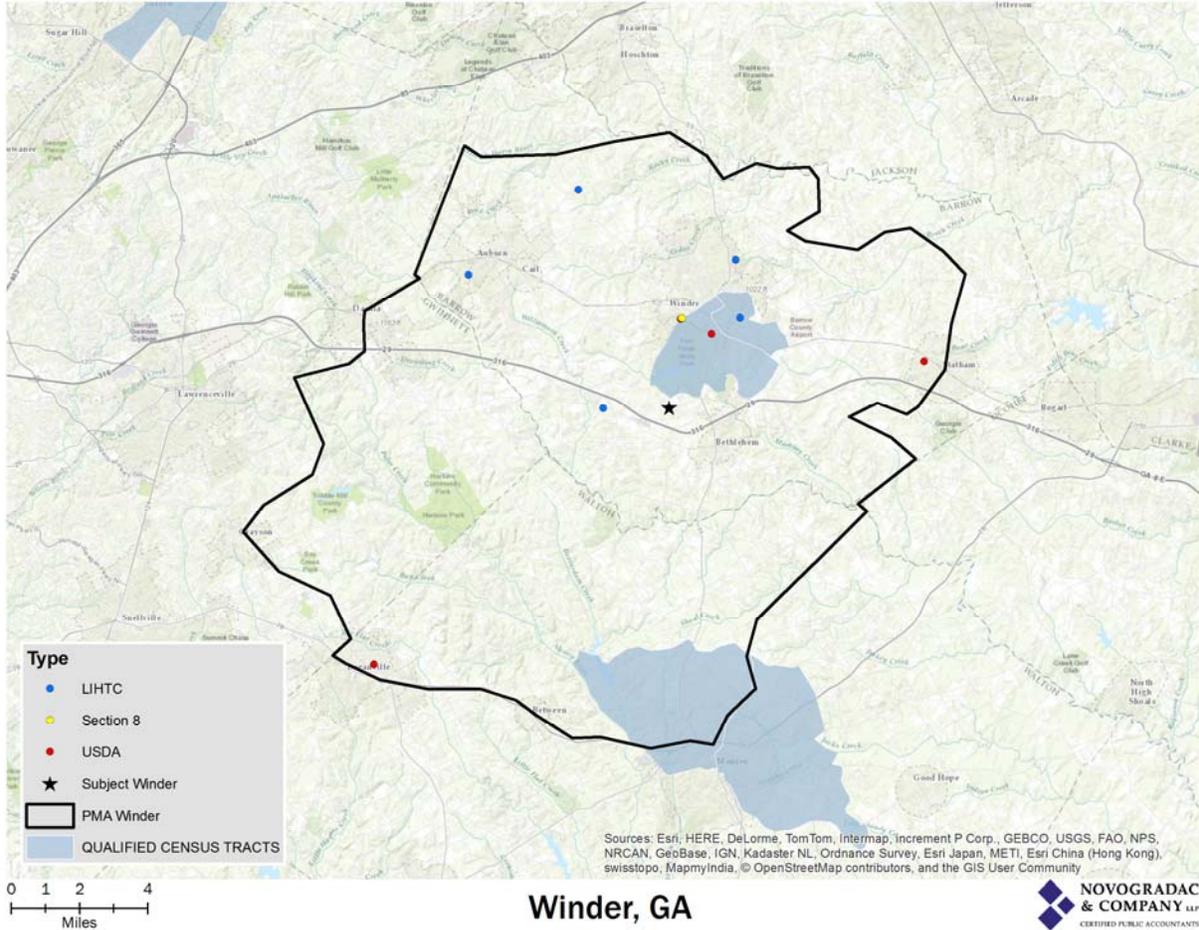
*Utilized as rent comparable

8. Existing Assisted Rental Housing Property Map:

The following map and list identifies all affordable rental housing properties in the PMA. Properties in bold have been utilized as comparables in our analysis.

GENERAL MARKET OVERVIEW

Name	Occupancy Rate	Address	City	County	State	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
Statham North Village	100%	379 Sunset Drive	Statham	Barrow	GA	USDA	Family	Excluded	Subsidized rents	5.8 miles
Rockspring Apts.	N/Av	187 S. Broad Street	Winder	Barrow	GA	USDA	Family	Excluded	Subsidized rents	1.2 miles
Winder Woods Apts	100%	206 2nd Street	Winder	Barrow	GA	USDA	Family	Excluded	Subsidized rents	0.5 miles
Mews Apartments	100%	249 Meadows Drive	Loganville	Walton	GA	USDA	Family	Excluded	Subsidized rents	14.5 miles
Winding Hollow	95%	174 S Broad Street	Winder	Barrow	GA	Section 8	Senior	Excluded	Subsidized rents	1.1 miles
Farmington Hills Phase II	100%	807 Haymon Morris Road	Winder	Barrow	GA	LIHTC	Family	Included	N/A	4.4 miles
Rock Springs Apartments	N/Av	604 Boss Hardy Road	Winder	Barrow	GA	LIHTC	Family	Excluded	Unable to contact	5.7 miles
Farmington Hills	100%	1506 Farmington Way	Winder	Barrow	GA	LIHTC	Family	Included	N/A	4.4 miles
Main Street Braselton	100%	450 Jefferson Highway	Winder	Barrow	GA	LIHTC	Senior	Included	N/A	1.8 miles
Autry Pines Senior Village	100%	155 Autry Road	Auburn	Barrow	GA	LIHTC	Senior	Included	N/A	7.4 miles
Main Street Winder	100%	454 Jeffers on Highway	Winder	Barrow	GA	Market	Senior	Included	N/A	1.8 miles
Hillcrest Apartments	99%	490 Gainesville Highway	Winder	Barrow	GA	Market	Family	Included	N/A	1.9 miles
Holly Hill Apartments/Winder Villas	N/Av	291 Apperson Drive	Winder	Barrow	GA	Market	Family	Excluded	Unable to contact	1.5 miles
Quail Valley Duplexes	100%	275 Carter Road	Auburn	Barrow	GA	Market	Family	Excluded	Incomparable design	5.8 miles
Auburn Park Apartments	N/Av	196 Parks Mill Road	Auburn	Barrow	GA	Market	Family	Excluded	Would not participate	6.7 miles
Garden Springs	93%	3855 Grady Smith Road	Loganville	Walton	GA	Market	Family	Excluded	Incomparable design	12.3 miles
Meadow Trace Apartments	92%	610 Bay Creek Road	Loganville	Walton	GA	Market	Family	Excluded	Would not report current rents	14.1 miles
Turtle Creek Villas	N/Av	114 Turtle Creek Drive	Winder	Barrow	GA	Market	Family	Excluded	Condominium community	14.0 miles
Brookwood Townhomes	N/Av	124 2nd Street	Winder	Barrow	GA	Market	Family	Excluded	Inferior condition/Unable to contact	0.5 miles
Pine Creek Apartments	99%	282 Apperson Drive	Winder	Barrow	GA	Market	Family	Excluded	Inferior condition	1.6 miles



9. Road/Infrastructure Proposed Improvements:

According to site plans from the developer, there will be a public road constructed called Business Circle, which will provide access to the Subject site along with other retail and commercial uses. It is assumed that this road will be constructed by the city.

10. Access, Ingress/Egress and Visibility of site:

The Subject will have access from the public road that will be constructed as part of the development. The public road will provide access to Exchange Boulevard, which will also be newly constructed, less than 0.1 mile south of the Subject site. Exchange Boulevard will provide access to GA-316 (US-29) less than one mile from the Subject site. The Subject site will have good visibility from the public road that will be constructed at part of the development. Overall visibility, access, and ingress/egress are considered average.

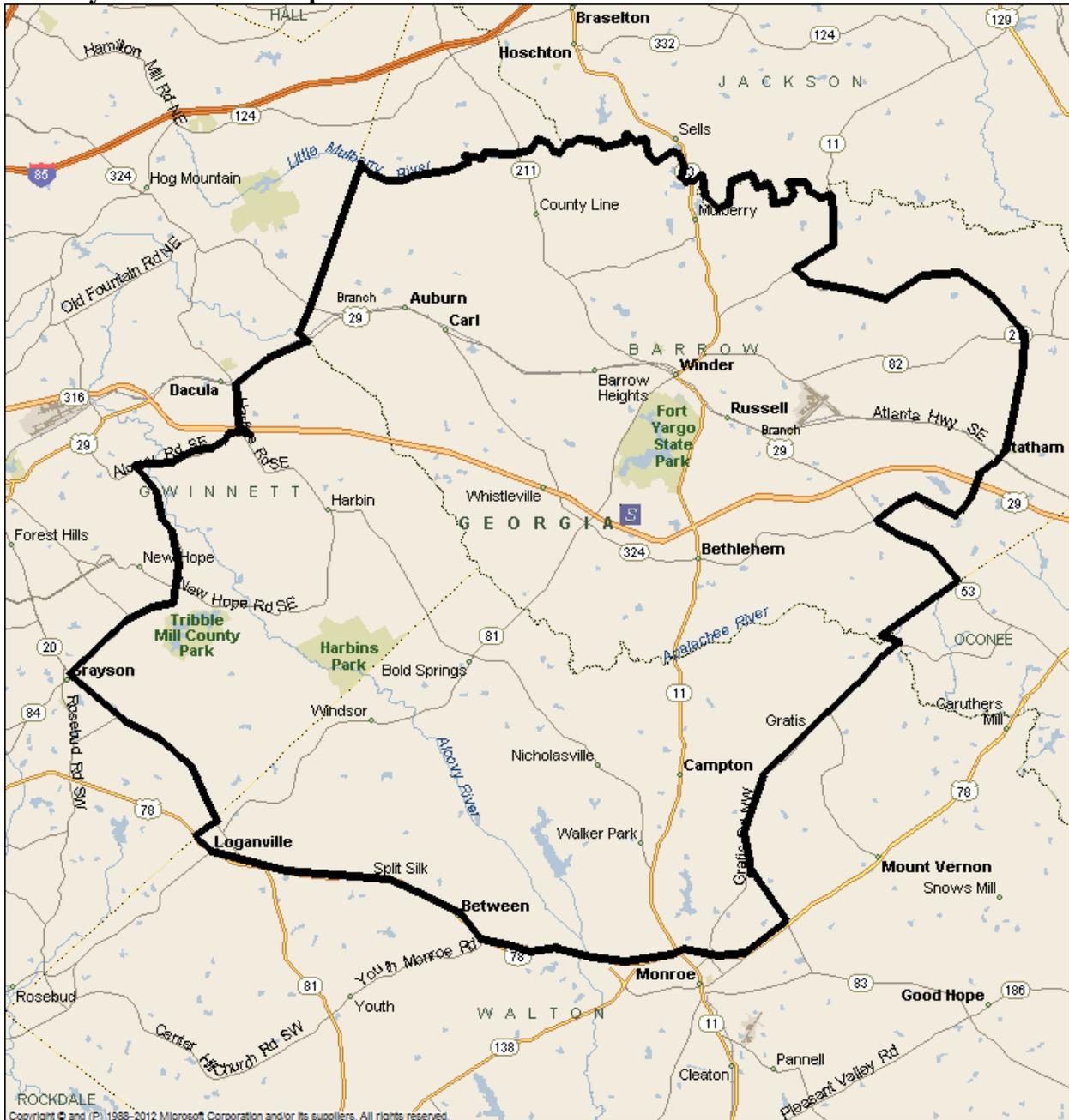
- 11. Environmental Concerns:** According to a Phase I Environmental Site Assessment produced by United Consulting and dated June 26, 2015, there are no recognized environmental conditions on the Subject site. No obvious environmental issues were observed during the site inspection. However, Novogradac & Company LLP does not have expertise in this field and cannot opine on this matter. It should be noted that any environmental conditions could potentially have a material impact on our value conclusions.
- 12. Detrimental Influences:** There were no significant detrimental off-site influences observed during the site inspection.
- 13. Conclusion:** The Subject is located less than 0.1 mile from US-29/GA-316, which contains a mixture of newly constructed retail and commercial and residential uses. Retail in the area is in good condition and occupancy appears to be approximately 95 percent. It should be noted that additional retail and commercial uses are planned immediately south of the Subject, along US-29/GA-316. Single family homes in the immediate area appear to be in average to good condition. The Subject site is within walking distance to retail and commercial uses. Overall, the community presents a desirable location for an affordable, multifamily development and we believe that the Subject will have a positive impact on the local neighborhood.

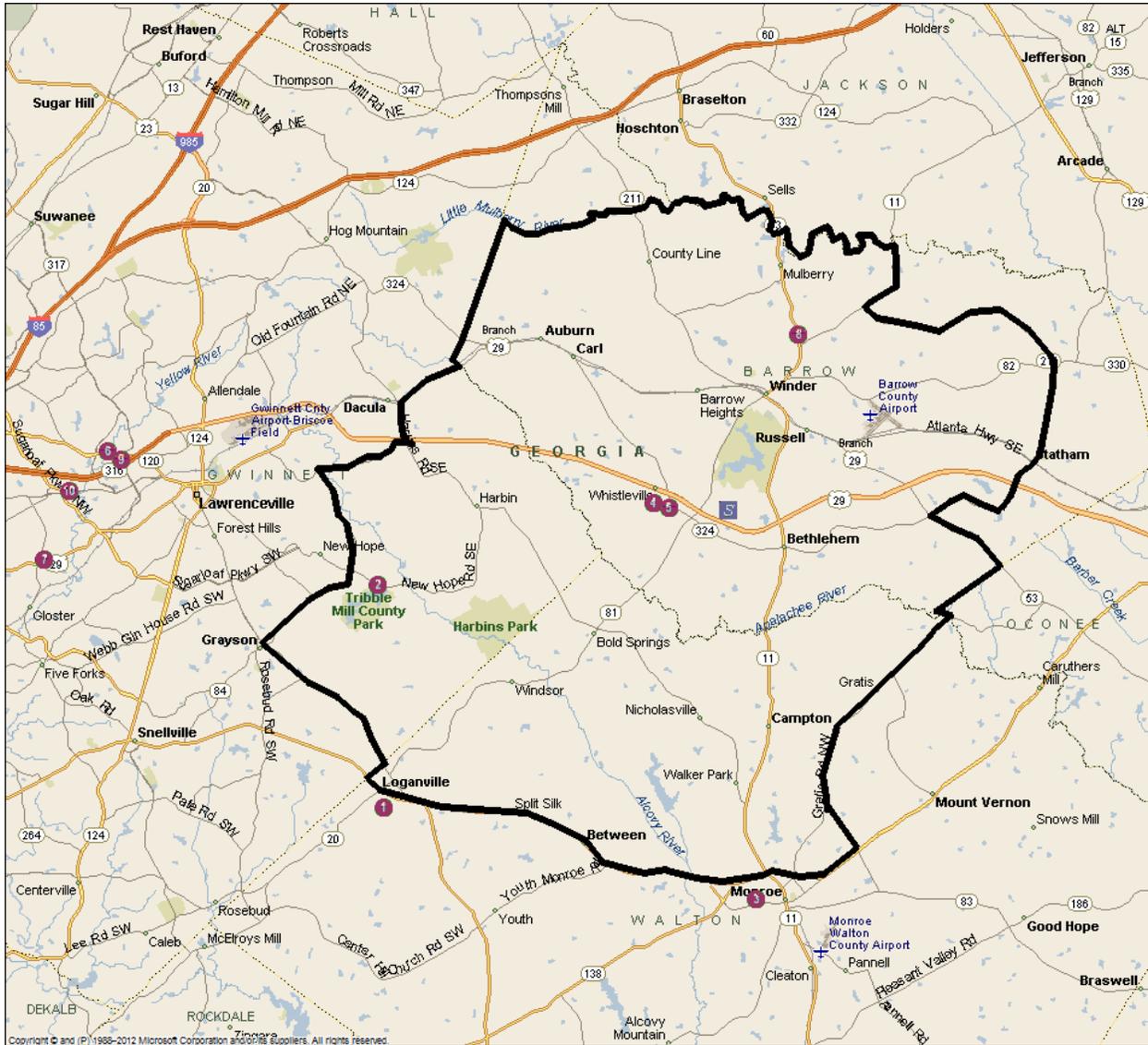
D. MARKET AREA

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.

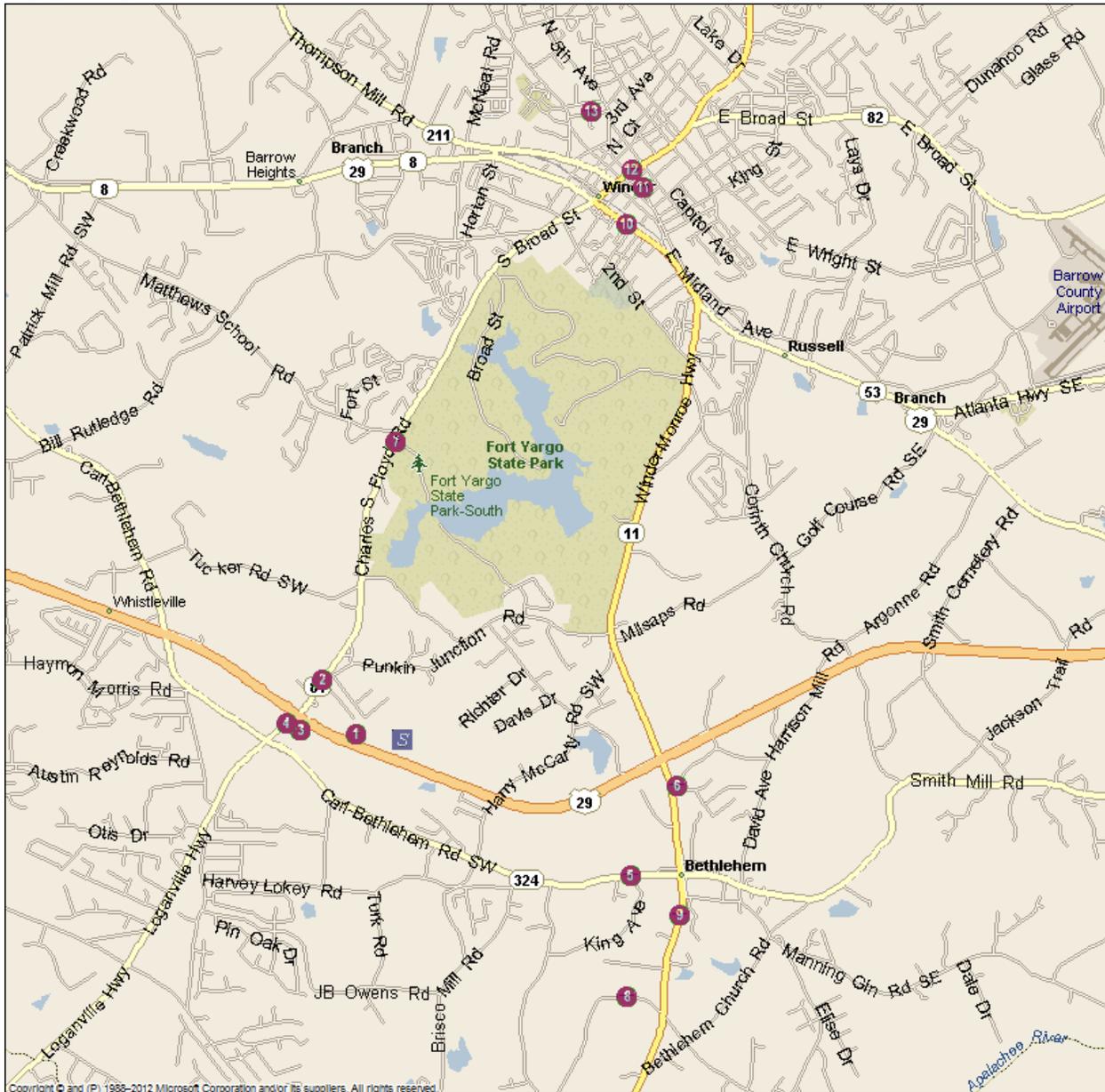
Primary Market Area Map





COMPARABLE PROPERTIES				
#	Property Name	City	Type	Distance
1	Alexander Crossing Apartments	Loganville	LIHTC/Mkt	11.8 miles
2	Ashton Creek Apartments	Lawrenceville	LIHTC	9.2 miles
3	Ashton Pointe	Monroe	LIHTC	10.0 miles
4	Farmington Hills Phase I	Winder	LIHTC	1.8 miles
5	Farmington Hills Phase II	Winder	LIHTC	1.8 miles
6	Altera Riverside Apartments	Lawrenceville	Market	16.2 miles
7	Durant At Sugarloaf	Lawrenceville	Market	18.1 miles
8	Hillcrest Apartments	Winder	Market	4.9 miles
9	Preserve At Legacy Park	Lawrenceville	Market	16.0 miles
10	Sugarloaf Crossing Apartments	Lawrenceville	Market	17.3 miles

LOCATIONAL AMENITY MAP



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LOCATIONAL AMENITIES

Map Number	Service or Amenity	Miles from Subject
1	Athens Regional Medical Center	<0.1 Mile
2	Shell Gas Station	0.6 Mile
3	Publix Super Market	0.7 Mile
4	Target Pharmacy	0.7 Mile
5	Snodo Preparatory High School	1.6 Miles
6	Dollar General	1.7 Miles
7	Fort Yargo State Park	1.9 Miles
8	Bethlehem Elementary School	2.0 Miles
9	US Post Office	2.0 Miles
10	First American Bank & Trust	3.4 Miles
11	Winder Police Department	3.7 Miles
12	Winder Fire Department	3.7 Miles
13	Piedmont Regional Library	4.0 Miles

It should be noted that there is no public transportation available in Winder, which is common in suburban markets.

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 Spring-Roswell, GA MSA are areas of growth or contraction.

The boundaries of the PMA are as follows:

- North: Mulberry River
- East: Highway 11, Highway 211, Barrow County line, Gratis Road,
- South: Highway 78
- West: Highway 20, Grayson-New Hope Road, Bramlett Shoals Road, Alcovy Road, Highway 8, Barrow County line

This area includes the cities of Auburn, Carl, Winder, Russell, Winder, Campton, Grayson, and Loganville as well as unincorporated parts of Barrow County. The area was defined based on interviews with the local housing authority and property managers at comparable properties. The north boundary of the PMA is approximately eight miles from the Subject site; the eastern boundary of the PMA is approximately six miles from the Subject site; and the southern and western boundaries of the PMA are approximately nine miles from the Subject site.

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 PMA and Atlanta-Sandy Springs-Roswell, GA 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 Total Population from 2000 through 2020 and Population by Age Group within population in MSA, the PMA and nationally.

TOTAL POPULATION

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	-
2000	69,964	-	4,263,438	-	281,421,906	-
2010	111,682	6.0%	5,286,728	2.4%	308,745,538	1.0%
2015	118,245	1.1%	5,527,230	0.9%	318,536,439	0.6%
Projected Mkt Entry October 2018	123,339	1.3%	5,738,797	1.2%	326,392,427	0.8%
2020	126,082	1.3%	5,852,718	1.2%	330,622,575	0.8%

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

POPULATION BY AGE IN 2015

Age Cohort	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	8,791	7.4%	371,886	6.7%	19,799,863	6.2%
5-9	9,086	7.7%	387,048	7.0%	20,344,510	6.4%
10-14	9,408	8.0%	399,704	7.2%	20,559,391	6.5%
15-19	8,045	6.8%	376,375	6.8%	20,881,858	6.6%
20-24	7,434	6.3%	385,828	7.0%	22,924,004	7.2%
25-29	7,553	6.4%	389,860	7.1%	21,816,790	6.8%
30-34	8,031	6.8%	387,615	7.0%	21,473,655	6.7%
35-39	8,394	7.1%	383,343	6.9%	19,766,064	6.2%
40-44	8,864	7.5%	414,369	7.5%	20,273,142	6.4%
45-49	8,592	7.3%	398,674	7.2%	20,491,186	6.4%
50-54	8,567	7.2%	397,500	7.2%	22,396,944	7.0%
55-59	7,257	6.1%	350,838	6.3%	21,895,695	6.9%
60-64	5,687	4.8%	285,360	5.2%	18,945,154	5.9%
65-69	4,955	4.2%	234,503	4.2%	15,996,061	5.0%
70-74	3,225	2.7%	151,299	2.7%	11,328,997	3.6%
75-79	1,984	1.7%	94,524	1.7%	7,884,187	2.5%
80-84	1,235	1.0%	61,073	1.1%	5,668,292	1.8%
85+	1,138	1.0%	57,431	1.0%	6,090,646	1.9%
Total	118,246	100.0%	5,527,230	100.0%	318,536,439	100.0%

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

The total population in the PMA in 2000 was 111,682 and is projected to be 118,245 in 2015. The total population in the PMA and MSA increased annually by 6.0 and 2.4 percent, respectively, from 2000 to 2010. The total population in the PMA is anticipated to increase 1.3 percent through market entry and 2020. The MSA and nation will grow at annual rates of 1.2 and 0.8 percent, respectively, annually through market entry and 2020. The growth in population in the PMA will increase demand for housing of all types of housing.

2. Household Trends

2a. Total Number of Households and Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual
2000	24,229	-	1,559,712	-	105,480,101	-
2010	37,554	5.5%	1,943,885	2.5%	116,716,292	1.1%
2015	39,540	1.0%	2,033,479	0.9%	120,746,349	0.7%
Projected Mkt Entry October 2018	41,127	1.2%	2,113,138	1.2%	123,821,637	0.8%
2020	41,981	1.2%	2,156,032	1.2%	125,477,562	0.8%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual
2000	2.86	-	2.68	-	2.59	-
2010	2.96	0.3%	2.68	0.0%	2.58	-0.1%
2015	2.98	0.1%	2.68	0.0%	2.57	0.0%
Projected Mkt Entry October 2018	2.99	0.1%	2.68	0.0%	2.57	0.0%
2020	2.99	0.1%	2.67	0.0%	2.57	0.0%

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

As illustrated above, the household growth in the PMA is anticipated to continue through market entry and 2020, at a similar annual rate relative to the MSA. However, both areas are anticipated to have faster growth compared to the nation. The average household size is 2.98 in the PMA, slightly larger than the MSA and the nation. The average household size in the PMA, MSA and the nation is anticipated to remain stable through market entry and 2020. It should be noted, the growth in households in the PMA will increase demand for housing of all types of affordable housing in Winder, especially for two- and three-bedroom units like those offered by the Subject.

2b. Households by Tenure

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

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	18,988	78.4%	5,241	21.6%
2010	30,207	80.4%	7,347	19.6%
2015	30,574	77.3%	8,966	22.7%
Projected Mkt Entry October 2018	31,762	77.23%	9,364	22.77%
2020	32,402	77.2%	9,579	22.8%

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

In 2015, approximately 77.3 percent of households in the PMA were owner-occupied, while the remaining 22.7 percent are renter-occupied. The percentage of renter-occupied households in the PMA is expected to increase slightly. Further, the total number of renter households will increase by 613 households by 2020. This indicates an ongoing need for quality affordable renter housing

in the PMA. The percentage of renter households in the PMA is lower than the national average of 36.4 percent (not shown).

2c. Households by Income

The following table depicts both the general population income in 2010, 2015, at market entry, and in 2020 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2015		Projected Mkt Entry October 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,024	5.4%	2,396	6.1%	2,456	6.0%	2,488	5.9%
\$10,000-19,999	3,187	8.5%	3,806	9.6%	3,867	9.4%	3,899	9.3%
\$20,000-29,999	3,146	8.4%	3,543	9.0%	3,571	8.7%	3,586	8.5%
\$30,000-39,999	3,397	9.0%	3,520	8.9%	3,686	9.0%	3,776	9.0%
\$40,000-49,999	4,030	10.7%	4,750	12.0%	4,446	10.8%	4,282	10.2%
\$50,000-59,999	3,656	9.7%	3,782	9.6%	4,150	10.1%	4,349	10.4%
\$60,000-74,999	4,965	13.2%	5,425	13.7%	5,482	13.3%	5,513	13.1%
\$75,000-99,999	6,206	16.5%	6,256	15.8%	6,576	16.0%	6,748	16.1%
\$100,000-124,999	3,237	8.6%	3,093	7.8%	3,579	8.7%	3,841	9.2%
\$125,000-149,999	1,636	4.4%	1,417	3.6%	1,541	3.7%	1,608	3.8%
\$150,000-199,999	1,352	3.6%	1,120	2.8%	1,238	3.0%	1,301	3.1%
\$200,000+	718	1.9%	432	1.1%	535	1.3%	590	1.4%
Total	37,554	100.0%	39,540	100.0%	41,127	100.0%	41,981	100.0%

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

According to the previous tables, 33.5 percent of the households in the PMA make less than \$40,000 per year, and 24.6 percent make less than \$30,000 per year. This data bodes well for affordable housing in the Subject’s area.

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

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

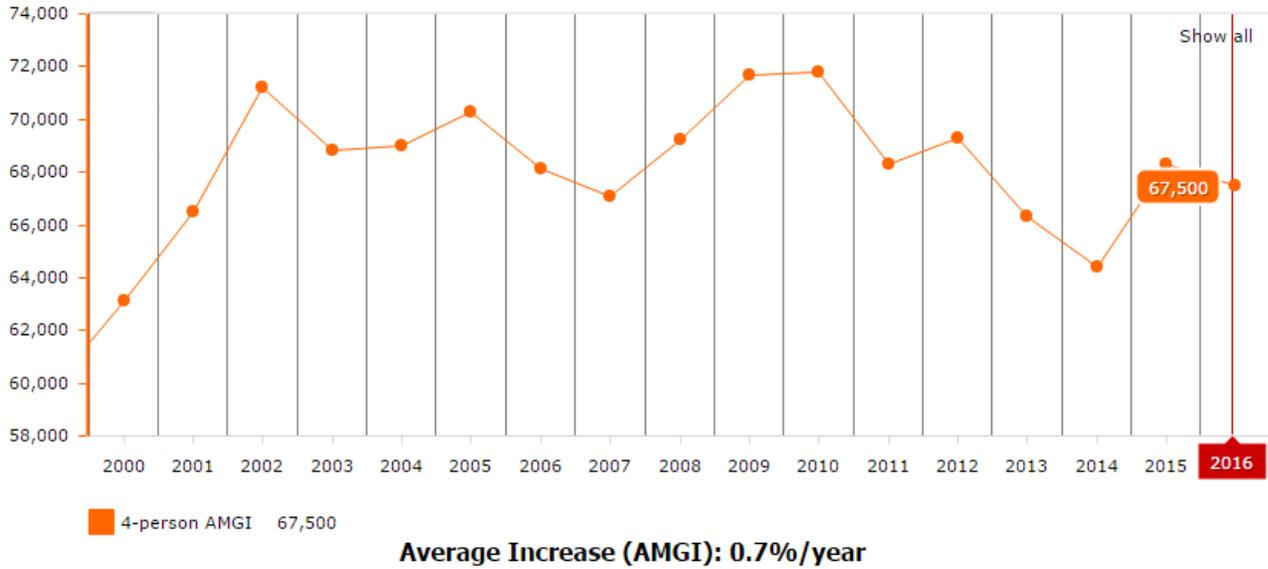
RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

	2010		2015		Projected Mkt Entry October 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,692	23.0%	2,080	23.2%	2,191	23.4%	2,250	23.5%
With 2 Persons	1,776	24.2%	2,133	23.8%	2,211	23.6%	2,253	23.5%
With 3 Persons	1,341	18.3%	1,648	18.4%	1,720	18.4%	1,758	18.4%
With 4 Persons	1,200	16.3%	1,442	16.1%	1,491	15.9%	1,518	15.8%
With 5+ Persons	1,337	18.2%	1,662	18.5%	1,752	18.7%	1,800	18.8%
Total Renter	7,347	100.0%	8,966	100.0%	9,364	100.0%	9,579	100.0%

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

Approximately 65.4 percent of the renter households in the PMA have three or fewer total persons, and the percentage is anticipated remain stable through both the market entry date and through 2020. This data bodes well for the Subject’s proposed unit mix.

For Section 42 LIHTC rent determination purposes, the AMI is used. The following chart illustrates the AMI level for a four-person household in Barrow County.



Overall, the AMI has increased by an average 0.7 percent annually between 2000 and 2016, but it is still well below the peak in 2010. It should be noted that the AMI in Barrow County decreased between 2012 and 2014, but increased in 2015 before declining again in 2016. Therefore, developments placed in service on or before 2015 will be held harmless at higher maximum allowable levels, while the Subject will be restricted to the lower 2016 maximum allowable rent and income levels. It should be noted that per DCA guidelines, we have utilized the rent and income limits in place as of January 1, 2016, which are the 2015 limits. The Subject’s proposed rents for its units at 50 and 60 percent of AMI are set at the 2015 maximum allowable levels, and future rental increases will be limited by market conditions as well as increases in AMI.

CONCLUSION

The Subject is located in Winder, Barrow County, GA. The population in the PMA is anticipated to increase at a similar rate to the MSA but significantly faster than the nation through market entry and 2020. Approximately 33.5 percent of households in the PMA have annual earnings below \$40,000. The Subject will target households earning between \$20,057 and \$44,220. Persons within these income cohorts are expected to create demand for the Subject.

F. EMPLOYMENT TRENDS

Employment Trends

The Atlanta-Sandy Springs-Roswell, GA MSA has a stable economy with increasing total employment for seven of the last 10 years. The only decreases in employment occurred from 2008 through 2010, which is the result of the recent national recession. From 2004 through 2007, the unemployment rate in the MSA was relatively similar to that of the national unemployment rate. However, from 2008 through December 2015, the unemployment rate in the MSA is expanding been consistently above the national average. Additionally, total employment in the area has exceeded pre-recessionary levels. The local economy appears to be diverse and consist of relatively low-paying jobs offered in the education, retail trade, manufacturing, construction, government, and accommodation/food services sectors, which are expected to generate demand for affordable housing in the PMA.

1. Total Jobs

The following table illustrates the total jobs (also known as “covered employment”) in Barrow County.

Total Jobs in Barrow County, Georgia

Year	Total Employment	% Change
2005	14,117	-
2006	15,441	9.38%
2007	16,721	8.29%
2008	15,607	-6.66%
2009	14,759	-5.43%
2010	14,708	-0.35%
2011	14,659	-0.33%
2012	14,820	1.10%
2013	16,787	13.27%
2014	17,139	2.10%
2015 YTD Average	17,850	4.15%
Sept-14	17,168	
Sept-15	17,850	3.97%

Source: US Bureau of Labor Statistics

*Through Sept 2015

Total employment decreased in Barrow County from 2009 through 2011, which can be attributed to the recent national recession. However, total employment in Barrow County has increased substantially from 2011 through September of 2015. The total employment, as of September 2015, is above the pre-recession levels and is expanding.

2. Total Jobs by Industry

The following table illustrates the annual total jobs by employment sectors within the PMA, MSA, and USA as of 2015.

2015 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	320	0.7%	1,941,156	1.3%
Mining	61	0.1%	997,794	0.7%
Construction	5,920	12.2%	9,392,204	6.4%
Manufacturing	4,855	10.0%	15,651,841	10.6%
Wholesale Trade	2,203	4.6%	3,742,526	2.5%
Retail Trade	6,482	13.4%	17,089,319	11.6%
Transportation/Warehousing	2,162	4.5%	6,200,837	4.2%
Utilities	475	1.0%	1,190,608	0.8%
Information	1,129	2.3%	2,965,498	2.0%
Finance/Insurance	2,102	4.3%	7,026,905	4.8%
Real Estate/Rental/Leasing	1,313	2.7%	2,759,067	1.9%
Prof/Scientific/Tech Services	2,662	5.5%	9,981,082	6.8%
Mgmt of Companies/Enterprises	88	0.2%	115,436	0.1%
Admin/Support/Waste Mgmt Svcs	1,803	3.7%	6,242,568	4.2%
Educational Services	4,452	9.2%	13,529,510	9.2%
Health Care/Social Assistance	4,331	8.9%	20,205,674	13.7%
Arts/Entertainment/Recreation	548	1.1%	3,193,724	2.2%
Accommodation/Food Services	2,662	5.5%	10,915,815	7.4%
Other Services (excl Publ Adm)	2,790	5.8%	7,548,482	5.1%
Public Administration	2,041	4.2%	7,099,307	4.8%
Total Employment	48,399	100.0%	147,789,353	100.0%

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

The largest sector in the PMA is the retail trade industry. Overall, the PMA’s employment base seems to be fairly diversified.

3. Major Employers

The following table details the major private employers within Barrow County.

MAJOR EMPLOYERS - Barrow County, GA

Company	Employed	Industry
Barrow County School System	2,100	Education
Chico’s FAS, Inc.	1,200	Distribution /Call Center
Harrison Poultry	1,100	Poultry
Republic Services	550	Environmental Services
Barrow County Commission	545	Government
Chateau Elan Resort & Winery	350	Tourism
Johns Manville	266	Fiberglass Insulation
Barrow Regional Medical Center	250	Healthcare
Walmart SuperCenter	217	Retail
Schuetz Container Systems	180	Plastic Manufacturing

Data provided by the Chattanooga Area Chamber of Commerce

*Through Sept 2015

As seen in the previous table, the top employers within Barrow County are concentrated in the retail, manufacturing, and distribution industries. The largest employer in Barrow County is Chicos, with approximately 1,200 employees. Lower skilled employees in industries such as retail are likely to have incomes inline with the Subject's income restrictions. The top 10 major employers account for less than one percent of the total employment within the MSA.

Expansions/Contractions

We contacted Guy Herring with Barrow County Economic & Community Development, and he provided us the following business expansion information.

- Chateau Elan Resort and Winery completed an \$8M expansion to their convention and corporate meeting space facilities in 2015. It is unknown how many jobs this expansion created.
- Republic Services completed an \$11M expansion to develop green energy from methane production and other improvements in 2015. It is unknown how many jobs this expansion will create.
- Ft. Yargo State Park, one of the top five most visited parks in the State, is developing the first Master Plan in the State park system that will be used as a model for future State park master plans. The Plan will include facilities for increased day use and overnight stays, improved access, conference space, recreational facilities and connection to Downtown Winder. It is unknown how many jobs this expansion will create.
- Mizuno USA has moved their manufacturing and distribution operations into the 520,000 square foot Duke building in Braselton, investing 16 million dollars in new equipment, three million dollars in building improvements, and 150 new jobs. This relocation and expansion was complete in 2015.
- Trinity Industries has added over 130 new jobs and over two million dollars in new equipment and infrastructure in November 2015.
- Barrow County is investing over one million in the new Park 53 Business Park along University Parkway and Highway 316 through the construction of a new entrance road and associated infrastructure to promote new industrial development and job creation. It is unknown how many jobs this expansion will create. Currently road infrastructure work is taking place, and the County is searching for a development partner.
- Lanier Technical College and the Barrow County Sims Academy for Innovation and Technology have created a Workforce Development Campus adjacent to Park 53 Business Park. Lanier Tech has completed the brand new state of the art 18.4 million dollar facility in concert with the 12 million dollar Barrow County Sims Academy for Innovation and Technology. Both of these institutions provide workforce development and training for new and existing industries. It is unknown how many jobs this expansion created.

- Schutz Container invested 52 million dollars in land, building, and equipment and created 180 jobs throughout 2014 and 2015.
- Olympic Steel completed a 30,000 square foot expansion in 2015. It is unknown how many jobs this expansion created.
- Progress Container recently completed a 60,000 square foot expansion and an additional 100,000 square foot expansion is pending.
- In 2015, major infrastructure improvements were completed at the interchange of Highway 316 and State Route 20. This interchange provides greater access to retail and entertainment opportunities in the county and will help promote additional commercial development.

According to the Worker Adjustment and Retraining Notification (WARN) filings provided by the Georgia Department of Economic Development, between 2014 to year-to-date 2016, there have been three layoffs listed for Barrow County during that time period. In this time, 57 jobs have been affected in the county. These job losses appear negligible relative to the employment base of over 17,000 in the county. No WARN notices have been filed for the year 2016.

WARN NOTICES 2014 to YTD 2016

Barrow County, GA

Employer	Layoff Date	Employees Affected
Huntman Corps Pigments	12/1/2015	9
Multi-Pack Solutions	4/30/2014	48
PUR Foods	1/14/2014	30
Total		57

Source: GA Department of Economic Development, 9/2016

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Atlanta-Sandy Springs-Roswell, GA MSA from 2002 through June 2016.

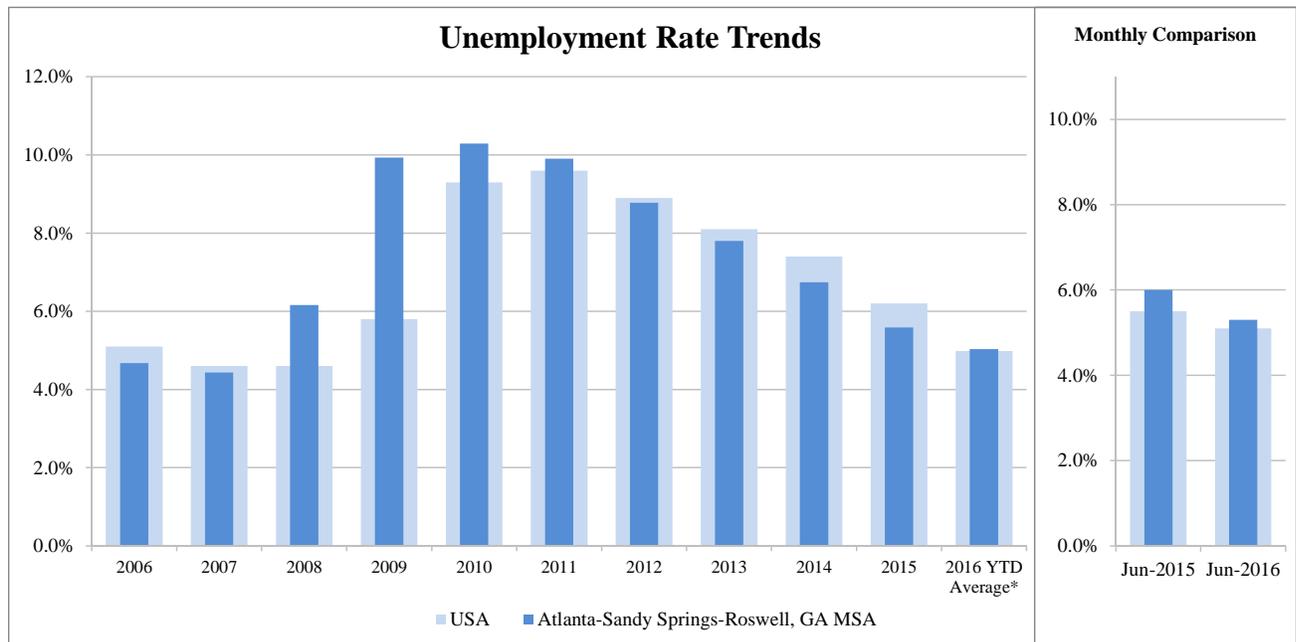
EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Atlanta-Sandy Springs-Roswell, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Unemployment Change	Total Employment	% Change	Unemployment Rate	Unemployment Change
2002	2,324,880	-	5.0%	-	136,933,000	-	4.7%	-
2003	2,347,173	1.0%	4.9%	-0.2%	136,485,000	-0.3%	5.8%	1.1%
2004	2,382,163	1.5%	4.8%	-0.1%	137,736,000	0.9%	6.0%	0.2%
2005	2,445,674	2.7%	5.4%	0.6%	139,252,000	1.1%	5.5%	-0.5%
2006	2,538,141	3.8%	4.7%	-0.7%	141,730,000	1.8%	5.1%	-0.4%
2007	2,618,825	3.2%	4.4%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2008	2,606,822	-0.5%	6.2%	1.7%	146,047,000	1.1%	4.6%	0.0%
2009	2,452,057	-5.9%	9.9%	3.8%	145,362,000	-0.5%	5.8%	1.2%
2010	2,440,037	-0.5%	10.3%	0.4%	139,877,000	-3.8%	9.3%	3.5%
2011	2,486,895	1.9%	9.9%	-0.4%	139,064,000	-0.6%	9.6%	0.3%
2012	2,546,478	2.4%	8.8%	-1.1%	139,869,000	0.6%	8.9%	-0.7%
2013	2,574,339	1.1%	7.8%	-1.0%	142,469,000	1.9%	8.1%	-0.8%
2014	2,619,867	1.8%	6.7%	-1.1%	143,929,000	1.0%	7.4%	-0.7%
2015	2,677,863	2.2%	5.6%	-1.2%	146,305,000	1.7%	6.2%	-1.2%
2016 YTD Average*	2,735,476	2.2%	5.0%	-0.5%	150,749,000	3.0%	5.0%	-1.2%
Jun-2015	2,669,299	-	6.0%	-	149,645,000	-	5.5%	-
Jun-2016	2,766,391	3.6%	5.3%	-0.7%	151,990,000	1.6%	5.1%	-0.4%

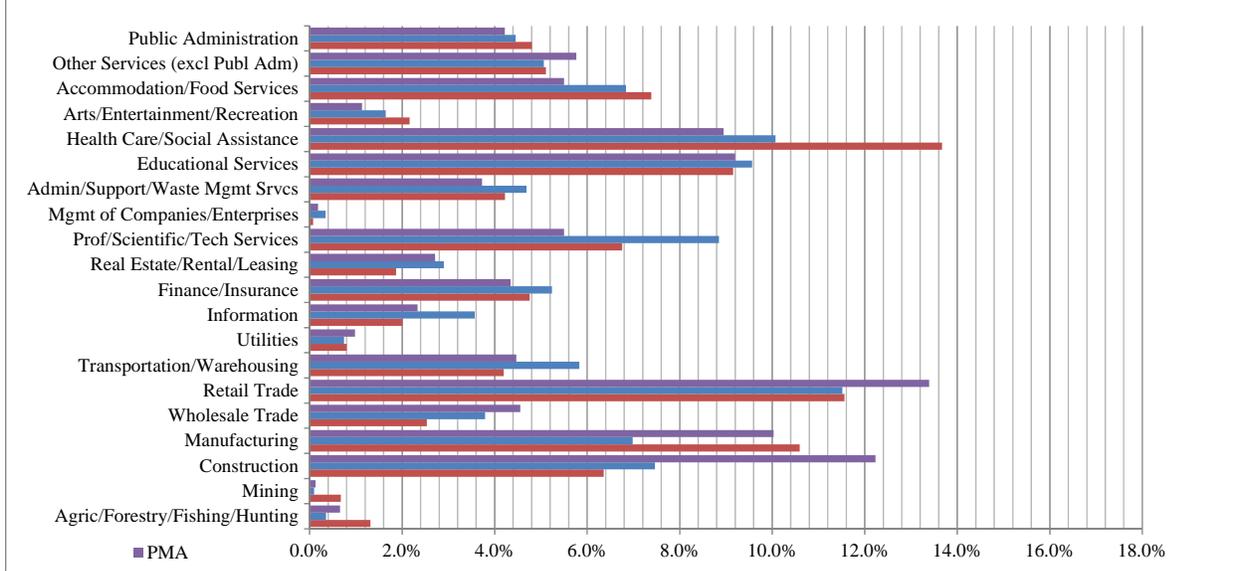
Source: U.S. Bureau of Labor Statistics September 2016

*2016 data is through Mar

Historically, total employment levels within the MSA have performed well relative to the nation. Prior to the latest recession, the MSA experienced significant total employment growth from 2002 to 2007. However, the recession of 2007 to 2009 severely impacted total employment levels in the MSA. In 2009, total employment within the MSA decreased 5.9 percent, which exceeded the nation’s decline. The MSA’s unemployment rate increased substantially over the same period of time. Its unemployment rate peaked in 2010 at 10.3 percent, and has declined in each year since. Since June 2015, total employment in the MSA has increased 3.6 percent compared to 1.6 percent compared to the nation in the same time period. Total employment currently exceeds pre-recessionary levels and is continuing to expand.

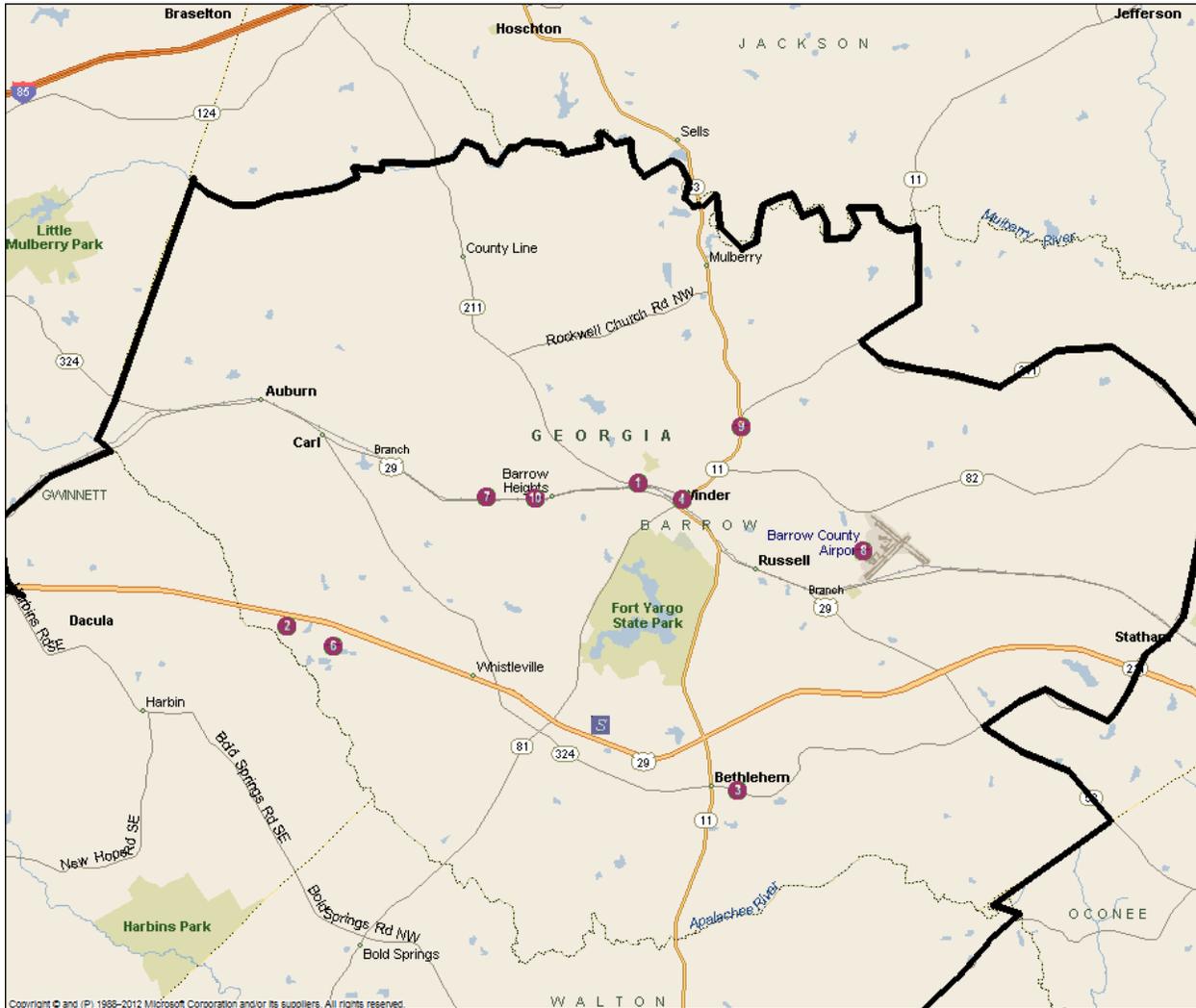


2015 EMPLOYMENT BY INDUSTRY



5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Barrow County, GA.



#	Name	Industry	# Employed
1	Barrow County School System	Education	2,100
2	Chico's FAS, Inc.	Distribution/Call Center	1,200
3	Harrison Poultry	Food Processing	1,100
4	Barrow County	Government	545
5	Chateau Elan Resort & Winery	Tourism	360
6	Price Industries	Manufacturing	301
7	Johns Manville International	Manufacturing	266
8	Northeast Sales	Distribution	250
9	Barrow Regional Medical Center	Healthcare	250
10	Wal-Mart	Retail	242
TOTAL			6,614

Conclusion

The Atlanta-Sandy Springs-Roswell, GA MSA has a stable economy with increasing total employment for seven of the last 10 years. The only decreases in employment occurred from 2008 through 2010, which is the result of the recent national recession. However, from 2008 through December 2015, the unemployment rate in the MSA has been consistently above the national average. It appears that the local economy has recovered, as total employment numbers exceeded pre-recessionary levels in 2015. The local economy appears to be diverse and consist of relatively low-paying jobs offered in the education, retail trade, manufacturing, construction, government, and accommodation/food services sectors, which are expected to generate demand for affordable housing in the PMA.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

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 senior household will pay is 35 percent of its household income at the appropriate AMI level.

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

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.

For the market rate units, we have calculated the minimum allowable income at 35 percent of the proposed rent and maximum allowable income at 100 percent of AMI.

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 seniors. 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 2018, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to 2018 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 2018. This number takes the overall growth from 2015 to 2017 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3B. DEMAND FROM EXISTING HOUSEHOLDS

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

The second source (**2b.**) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (**2c.**) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA.

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 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 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 to 2015.
- 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 in 2013 to 2015. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development.

Based on DCA’s allocation lists, there are currently no LIHTC multifamily properties proposed for the Subject’s PMA. Additionally, there are no market rate properties proposed, under construction, or that have entered the market in 2013 to 2015. The following properties received LIHTC allocation from 2012 through 2015.

2012-2015 LIHTC AWARDS IN PMA

Project Name	Project Address	City	County	Tenancy	Year Allocated	Proposed Activity	Unit Count
Autry Pines Sr	155 Autry Rd	Auburn	Barrow	Senior	2013	New Construction	64
Farmington Hills II	807 Haymon Morris Road	Winder	Barrow	Family	2012	New Construction	72
MainStreet Braselton	1911 GA 211	Braselton	Barrow	Senior	2012	New Construction	80

- Autry Pines Senior was allocated in 2013 for a proposed LIHTC senior development in Auburn. This development opened in November 2015, and offers 64 one- and two - bedroom units at 50 and 60 percent of AMI. Based on the tenancy of this property, we do not believe it will be directly competitive with the Subject.
- Farmington Hills II is a recently constructed LIHTC family development in Winder that opened in December 2014. This development offers 72 one-, two-, and three-bedroom units at 50 and 60 percent of AMI. This property will directly compete with the Subject, and we have included Farmington Hills II as a comparable property for the purpose of this report. Further, we have deducted these units from the demand analysis per DCA guidelines.
- Mainstreet Braselton was allocated in 2012 for a proposed LIHTC senior development in Winder. The development was completed in November 2014 and offers 79 one- and two-bedroom units at 50 and 60 percent of AMI. Based on the tenancy of this property, we do not believe it directly competes with the Subject.

Farmington Hills II is the only allocated property that will directly compete with the Subject. This property was placed in service in 2014; thus, per DCA guidelines, we have deducted the 72 units at this property from our analysis.

Additionally, we interviewed Yvonne Greenway with the City of Winder Planning and Zoning to determine if any other multifamily apartments were in the planning or construction phases in the city. According to Ms. Greenway, there are no multifamily developments in the planning or construction stages in Winder.

PMA OCCUPANCY

Per DCA’s guidelines, we have determined the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. We have provided a combined average occupancy level for the PMA based on the total competitive units in the PMA. The bold properties were included as comparables.

GENERAL MARKET OVERVIEW

Name	Occupancy Rate	Address	City	County	State	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
Statham North Village	100%	379 Sunset Drive	Statham	Barrow	GA	USDA	Family	Excluded	Subsidized rents	5.8 miles
Rockspring Apts.	N/Av	187 S. Broad Street	Winder	Barrow	GA	USDA	Family	Excluded	Subsidized rents	1.2 miles
Winder Woods Apts	100%	206 2nd Street	Winder	Barrow	GA	USDA	Family	Excluded	Subsidized rents	0.5 miles
Mews Apartments	100%	249 Meadows Drive	Loganville	Walton	GA	USDA	Family	Excluded	Subsidized rents	14.5 miles
Winding Hollow	95%	174 S Broad Street	Winder	Barrow	GA	Section 8	Senior	Excluded	Subsidized rents	1.1 miles
Farmington Hills Phase II	100%	807 Haymon Morris Road	Winder	Barrow	GA	LIHTC	Family	Included	N/A	4.4 miles
Rock Springs Apartments	N/Av	604 Boss Hardy Road	Winder	Barrow	GA	LIHTC	Family	Excluded	Unable to contact	5.7 miles
Farmington Hills	100%	1506 Farmington Way	Winder	Barrow	GA	LIHTC	Family	Included	N/A	4.4 miles
Main Street Braselton	100%	450 Jefferson Highway	Winder	Barrow	GA	LIHTC	Senior	Included	N/A	1.8 miles
Autry Pines Senior Village	100%	155 Autry Road	Auburn	Barrow	GA	LIHTC	Senior	Included	N/A	7.4 miles
Main Street Winder	100%	454 Jefferson Highway	Winder	Barrow	GA	Market	Senior	Included	N/A	1.8 miles
Hillcrest Apartments	99%	490 Gainesville Highway	Winder	Barrow	GA	Market	Family	Included	N/A	1.9 miles
Holly Hill Apartments/Winder Villas	N/Av	291 Apperson Drive	Winder	Barrow	GA	Market	Family	Excluded	Unable to contact	1.5 miles
Quail Valley Duplexes	100%	275 Carter Road	Auburn	Barrow	GA	Market	Family	Excluded	Incomparable design	5.8 miles
Auburn Park Apartments	N/Av	196 Parks Mill Road	Auburn	Barrow	GA	Market	Family	Excluded	Would not participate	6.7 miles
Garden Springs	93%	3855 Grady Smith Road	Loganville	Walton	GA	Market	Family	Excluded	Incomparable design	12.3 miles
Meadow Trace Apartments	92%	610 Bay Creek Road	Loganville	Walton	GA	Market	Family	Excluded	Would not report current rents	14.1 miles
Turtle Creek Villas	N/Av	114 Turtle Creek Drive	Winder	Barrow	GA	Market	Family	Excluded	Condominium community	14.0 miles
Brookwood Townhomes	N/Av	124 2nd Street	Winder	Barrow	GA	Market	Family	Excluded	Inferior condition/Unable to contact	0.5 miles
Pine Creek Apartments	99%	282 Apperson Drive	Winder	Barrow	GA	Market	Family	Excluded	Inferior condition	1.6 miles

As the previous table demonstrates, the overall occupancy rate in the PMA is stable at approximately 98 percent. As previously noted, Farmington Hills II was placed in service in 2014, and, per DCA guidelines, we deducted its units from our analysis. It should be noted that the market rate comparable Altera Riverside reported an occupancy rate below 90 percent. However, property management reported that units are currently being held offline as the property is currently undergoing renovations as tenants vacate. The historic occupancy of the property does not indicate persistent issues with high vacancy. Further, asking rents for this comparable have increased since our most recent survey of the property in the first quarter of 2016. Thus, we have not deducted the vacant units from demand, as they are intentionally being held offline for renovations and the high vacancy is not indicative of the overall market. None of the remaining comparables reported an occupancy rate of less than 90 percent. Thus, no units have been deducted from our net demand calculations as all comparable properties are stabilized.

Rehab Developments and PBRA

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

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In

addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.

As new construction, this methodology does not apply to the Subject.

Capture Rates

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

Renter Household Income Distribution 2015 to Projected Market Entry October 2018					
The Exchange					
PMA					
	2015		Projected Mkt Entry October 2018		Percent Growth
	#	%	#	%	
\$0-9,999	1,058	11.8%	1,100	11.7%	3.8%
\$10,000-19,999	1,855	20.7%	1,840	19.6%	-0.8%
\$20,000-29,999	1,197	13.4%	1,229	13.1%	2.6%
\$30,000-39,999	1,030	11.5%	1,103	11.8%	6.6%
\$40,000-49,999	972	10.8%	911	9.7%	-6.7%
\$50,000-59,999	732	8.2%	809	8.6%	9.6%
\$60,000-74,999	847	9.4%	869	9.3%	2.6%
\$75,000-99,999	687	7.7%	764	8.2%	10.1%
\$100,000-124,999	226	2.5%	297	3.2%	23.8%
\$125,000-149,999	182	2.0%	212	2.3%	14.4%
\$150,000-199,999	99	1.1%	132	1.4%	25.2%
\$200,000+	82	0.9%	98	1.0%	16.7%
Total	8,966	100.0%	9,364	100.0%	4.3%

Renter Household Income Distribution Projected Market Entry October 2018			
The Exchange			
PMA			
	Projected Mkt Entry October 2018		Change 2015 to Prj Mrkt Entry October 2018
	#	%	#
\$0-9,999	1,100	11.7%	47
\$10,000-19,999	1,840	19.6%	78
\$20,000-29,999	1,229	13.1%	52
\$30,000-39,999	1,103	11.8%	47
\$40,000-49,999	911	9.7%	39
\$50,000-59,999	809	8.6%	34
\$60,000-74,999	869	9.3%	37
\$75,000-99,999	764	8.2%	32
\$100,000-124,999	297	3.2%	13
\$125,000-149,999	212	2.3%	9
\$150,000-199,999	132	1.4%	6
\$200,000+	98	1.0%	4
Total	9,364	100.0%	398

Tenure Prj Mrkt Entry October 2018	
Renter	22.8%
Owner	77.2%
Total	100.0%

Renter Household Size for Prj Mrkt Entry October 2018		
Size	Number	Percentage
1 Person	2,191	23.4%
2 Person	2,211	23.6%
3 Person	1,720	18.4%
4 Person	1,491	15.9%
5+ Person	1,752	18.7%
Total	9,364	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,306	24.9%
2 Person	1,492	28.5%
3 Person	1,016	19.4%
4 Person	751	14.3%
5+ Person	676	12.9%
Total	5,241	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$21,943		
Maximum Income Limit			\$36,850 5 persons		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Count	Percentage			
\$0-9,999	46.81	11.7%		0.0%	0
\$10,000-19,999	78.29	19.6%		0.0%	0
\$20,000-29,999	52.28	13.1%	8,056	80.6%	42
\$30,000-39,999	46.95	11.8%	6,850	68.5%	32
\$40,000-49,999	38.75	9.7%		0.0%	0
\$50,000-59,999	34.43	8.6%		0.0%	0
\$60,000-74,999	36.98	9.3%		0.0%	0
\$75,000-99,999	32.50	8.2%		0.0%	0
\$100,000-124,999	12.64	3.2%		0.0%	0
\$125,000-149,999	9.02	2.3%		0.0%	0
\$150,000-199,999	5.62	1.4%		0.0%	0
\$200,000+	4.16	1.0%		0.0%	0
	398	100.0%			74
Percent of renter households within limits versus total number of renter households					18.64%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$21,943		
Maximum Income Limit			\$36,850 5 persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
\$0-9,999	1,100	11.7%		0.0%	0
\$10,000-19,999	1,840	19.6%		0.0%	0
\$20,000-29,999	1,229	13.1%	\$8,056	80.6%	990
\$30,000-39,999	1,103	11.8%	\$6,850	68.5%	756
\$40,000-49,999	911	9.7%		0.0%	0
\$50,000-59,999	809	8.6%		0.0%	0
\$60,000-74,999	869	9.3%		0.0%	0
\$75,000-99,999	764	8.2%		0.0%	0
\$100,000-124,999	297	3.2%		0.0%	0
\$125,000-149,999	212	2.3%		0.0%	0
\$150,000-199,999	132	1.4%		0.0%	0
\$200,000+	98	1.0%		0.0%	0
	9,364	100.0%			1,746
Percent of renter households within limits versus total number of renter households					18.64%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry October 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Urban		
35%		
\$49,542		
\$62,892		
\$13,350		
21.2%		
0.2%		
0.2%	Two year adjustment	1.0000
\$36,850		
\$36,850		
5 persons		
50%		
\$640		
\$640.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population	50%
New Renter Households PMA	398
Percent Income Qualified	18.6%
New Renter Income Qualified Households	74

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	9,364
Income Qualified	18.6%
Income Qualified Renter Households	1,746
Percent Rent Overburdened Prj Mrkt Entry October 2018	25.5%
Rent Overburdened Households	445

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,746
Percent Living in Substandard Housing	0.7%
Households Living in Substandard Housing	12

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		456
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		456
Total New Demand		74
Total Demand (New Plus Existing Households)		531

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

By Bedroom Demand

One Person	23.4%	124
Two Persons	23.6%	125
Three Persons	18.4%	98
Four Persons	15.9%	85
Five Persons	18.7%	99
Total	100.0%	531

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	112
Of two-person households in 1BR units	20%	25
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	12
Of two-person households in 2BR units	80%	100
Of three-person households in 2BR units	60%	59
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	39
Of four-person households in 3BR units	100%	85
Of five-person households in 3BR units	100%	99
Total Demand		531
Check		OK
Total Demand by Bedroom		50%
0 BR		0
1 BR		137
2 BR		171
3 BR		223
Total Demand		531
Additions To Supply 2015 to Prj Mrkt Entry October 2018		50%
1 BR		4
2 BR		4
3 BR		3
Total		11
Net Demand		50%
1 BR		133
2 BR		167
3 BR		220
Total		520
Net Demand		50%
1 BR		133
2 BR		167
3 BR		220
Total		520
Developer's Unit Mix		50%
1 BR		8
2 BR		10
3 BR		8
Total		26
Capture Rate Analysis		50%
1 BR		6.0%
2 BR		6.0%
3 BR		3.6%
Total		5.0%

60% AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$26,331		
Maximum Income Limit			\$44,220 5 persons		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	46.81	11.7%		0.0%	0
\$10,000-19,999	78.29	19.6%		0.0%	0
\$20,000-29,999	52.28	13.1%	3,668	36.7%	19
\$30,000-39,999	46.95	11.8%	9,999	100.0%	47
\$40,000-49,999	38.75	9.7%	4,220	42.2%	16
\$50,000-59,999	34.43	8.6%		0.0%	0
\$60,000-74,999	36.98	9.3%		0.0%	0
\$75,000-99,999	32.50	8.2%		0.0%	0
\$100,000-124,999	12.64	3.2%		0.0%	0
\$125,000-149,999	9.02	2.3%		0.0%	0
\$150,000-199,999	5.62	1.4%		0.0%	0
\$200,000+	4.16	1.0%		0.0%	0
	398	100.0%			82
Percent of renter households within limits versus total number of renter households					20.70%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$26,331		
Maximum Income Limit			\$44,220 5 persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,100	11.7%		0.0%	0
\$10,000-19,999	1,840	19.6%		0.0%	0
\$20,000-29,999	1,229	13.1%	\$3,668	36.7%	451
\$30,000-39,999	1,103	11.8%	\$9,999	100.0%	1,103
\$40,000-49,999	911	9.7%	\$4,220	42.2%	384
\$50,000-59,999	809	8.6%		0.0%	0
\$60,000-74,999	869	9.3%		0.0%	0
\$75,000-99,999	764	8.2%		0.0%	0
\$100,000-124,999	297	3.2%		0.0%	0
\$125,000-149,999	212	2.3%		0.0%	0
\$150,000-199,999	132	1.4%		0.0%	0
\$200,000+	98	1.0%		0.0%	0
	9,364	100.0%			1,939
Percent of renter households within limits versus total number of renter households					20.70%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry October 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Urban		
35%		
\$49,542		
\$62,892		
\$13,350		
21.2%		
0.2%		
0.2%	Two year adjustment	1.0000
\$44,220		
\$44,220		
5 persons		
60%		
\$768		
\$768.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population	60%
New Renter Households PMA	398
Percent Income Qualified	20.7%
New Renter Income Qualified Households	82

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	9,364
Income Qualified	20.7%
Income Qualified Renter Households	1,939
Percent Rent Overburdened Prj Mrkt Entry October 2018	25.5%
Rent Overburdened Households	494

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,939
Percent Living in Substandard Housing	0.7%
Households Living in Substandard Housing	13

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	507
Adjustment Factor - Leakage from SMA	100%
Adjusted Demand from Existing Households	507
Total New Demand	82
Total Demand (New Plus Existing Households)	589

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

By Bedroom Demand

One Person	23.4%	138
Two Persons	23.6%	139
Three Persons	18.4%	108
Four Persons	15.9%	94
Five Persons	18.7%	110
Total	100.0%	589

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	124
Of two-person households in 1BR units	20%	28
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	14
Of two-person households in 2BR units	80%	111
Of three-person households in 2BR units	60%	65
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	43
Of four-person households in 3BR units	100%	94
Of five-person households in 3BR units	100%	110
Total Demand		589
Check		OK

Total Demand by Bedroom	60%
1 BR	152
2 BR	190
3 BR	247
Total Demand	589

Additions To Supply 2015 to Prj Mrkt Entry October 2018	60%
1 BR	8
2 BR	32
3 BR	21
Total	61

Net Demand	60%
1 BR	144
2 BR	158
3 BR	226
Total	528

Net Demand	60%
1 BR	144
2 BR	158
3 BR	226
Total	528

Developer's Unit Mix	60%
1 BR	27
2 BR	30
3 BR	34
Total	91

Capture Rate Analysis	60%
1 BR	18.8%
2 BR	19.0%
3 BR	15.0%
Total	17.2%

Market Rate

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

Percent of AMI Level		Market Rate			
Minimum Income Limit		\$29,486			
Maximum Income Limit		\$73,700 5 persons			
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	46.81			
\$10,000-19,999	78.29	19.6%		0.0%	0
\$20,000-29,999	52.28	13.1%	513	5.1%	3
\$30,000-39,999	46.95	11.8%	9,999	100.0%	47
\$40,000-49,999	38.75	9.7%	9,999	100.0%	39
\$50,000-59,999	34.43	8.6%	9,999	100.0%	34
\$60,000-74,999	36.98	9.3%	13,700	91.3%	34
\$75,000-99,999	32.50	8.2%		0.0%	0
\$100,000-124,999	12.64	3.2%		0.0%	0
\$125,000-149,999	9.02	2.3%		0.0%	0
\$150,000-199,999	5.62	1.4%		0.0%	0
\$200,000+	4.16	1.0%		0.0%	0
		398		100.0%	157
Percent of renter households within limits versus total number of renter households					39.30%

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

Percent of AMI Level		Market Rate			
Minimum Income Limit		\$29,486			
Maximum Income Limit		\$73,700 5 persons			
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,100			
\$10,000-19,999	1,840	19.6%		0.0%	0
\$20,000-29,999	1,229	13.1%	\$513	5.1%	63
\$30,000-39,999	1,103	11.8%	\$9,999	100.0%	1,103
\$40,000-49,999	911	9.7%	\$9,999	100.0%	911
\$50,000-59,999	809	8.6%	\$9,999	100.0%	809
\$60,000-74,999	869	9.3%	\$13,700	91.3%	794
\$75,000-99,999	764	8.2%		0.0%	0
\$100,000-124,999	297	3.2%		0.0%	0
\$125,000-149,999	212	2.3%		0.0%	0
\$150,000-199,999	132	1.4%		0.0%	0
\$200,000+	98	1.0%		0.0%	0
		9,364		100.0%	3,680
Percent of renter households within limits versus total number of renter households					39.30%

Does the Project Benefit from Rent Subsidy? (Y/N)	No
Type of Housing (Family vs Senior)	Family
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	35%
2000 Median Income	\$49,542
2015 Median Income	\$62,892
Change from 2015 to Prj Mrkt Entry October 2018	\$13,350
Total Percent Change	21.2%
Average Annual Change	0.2%
Inflation Rate	0.2% Two year adjustment 1.0000
Maximum Allowable Income	\$73,700
Maximum Allowable Income Inflation Adjusted	\$73,700
Maximum Number of Occupants	5 persons
Rent Income Categories	Market Rate
Initial Gross Rent for Smallest Unit	\$860
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$860.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

	Market Rate
Income Target Population	
New Renter Households PMA	398
Percent Income Qualified	39.3%
New Renter Income Qualified Households	157

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

	Market Rate
Income Target Population	
Total Existing Demand	9,364
Income Qualified	39.3%
Income Qualified Renter Households	3,680
Percent Rent Overburdened Prj Mrkt Entry October 2018	25.5%
Rent Overburdened Households	937

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	3,680
Percent Living in Substandard Housing	0.7%
Households Living in Substandard Housing	25

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

Senior Households Converting from Homeownership

		Market Rate
Income Target Population		
Total Senior Homeowners		0
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		962
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		962
Total New Demand		157
Total Demand (New Plus Existing Households)		1,119

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

By Bedroom Demand

One Person	23.4%	262
Two Persons	23.6%	264
Three Persons	18.4%	205
Four Persons	15.9%	178
Five Persons	18.7%	209
Total	100.0%	1,119

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	236
Of two-person households in 1BR units	20%	53
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	26
Of two-person households in 2BR units	80%	211
Of three-person households in 2BR units	60%	123
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	82
Of four-person households in 3BR units	100%	178
Of five-person households in 3BR units	100%	209
Total Demand		1,119
Check		OK

Total Demand by Bedroom	Market Rate
1 BR	288
2 BR	361
3 BR	470
Total Demand	1,119

Additions To Supply 2015 to Proj Mrkt Entry October 2018	Market Rate
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand	Market Rate
1 BR	288
2 BR	361
3 BR	470
Total	1,119

Net Demand	Market Rate
1 BR	288
2 BR	361
3 BR	470
Total	1,119

Developer's Unit Mix	Market Rate
1 BR	1
2 BR	2
3 BR	10
Total	13

Capture Rate Analysis	Market Rate
1 BR	0.3%
2 BR	0.6%
3 BR	2.1%
Total	1.2%

Overall LIHTC Demand

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$21,943		
Maximum Income Limit			\$44,220 5 persons		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	46.81	11.7%		0.0%	0
\$10,000-19,999	78.29	19.6%		0.0%	0
\$20,000-29,999	52.28	13.1%	8,056	80.6%	42
\$30,000-39,999	46.95	11.8%	9,999	100.0%	47
\$40,000-49,999	38.75	9.7%	4,220	42.2%	16
\$50,000-59,999	34.43	8.6%		0.0%	0
\$60,000-74,999	36.98	9.3%		0.0%	0
\$75,000-99,999	32.50	8.2%		0.0%	0
\$100,000-124,999	12.64	3.2%		0.0%	0
\$125,000-149,999	9.02	2.3%		0.0%	0
\$150,000-199,999	5.62	1.4%		0.0%	0
\$200,000+	4.16	1.0%		0.0%	0
	398	100.0%			105
Percent of renter households within limits versus total number of renter households					26.46%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$21,943		
Maximum Income Limit			\$44,220 5 persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,100	11.7%		0.0%	0
\$10,000-19,999	1,840	19.6%		0.0%	0
\$20,000-29,999	1,229	13.1%	\$8,056	80.6%	990
\$30,000-39,999	1,103	11.8%	\$9,999	100.0%	1,103
\$40,000-49,999	911	9.7%	\$4,220	42.2%	384
\$50,000-59,999	809	8.6%		0.0%	0
\$60,000-74,999	869	9.3%		0.0%	0
\$75,000-99,999	764	8.2%		0.0%	0
\$100,000-124,999	297	3.2%		0.0%	0
\$125,000-149,999	212	2.3%		0.0%	0
\$150,000-199,999	132	1.4%		0.0%	0
\$200,000+	98	1.0%		0.0%	0
	9,364	100.0%			2,478
Percent of renter households within limits versus total number of renter households					26.46%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry October 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Urban		
35%		
\$49,542		
\$62,892		
\$13,350		
21.2%		
0.2%		
0.2%	Two year adjustment	1.0000
\$44,220		
\$44,220		
5 persons		
Overall		
\$640		
\$640.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		Overall
New Renter Households PMA		398
Percent Income Qualified		26.5%
New Renter Income Qualified Households		105

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		9,364
Income Qualified		26.5%
Income Qualified Renter Households		2,478
Percent Rent Overburdened Prj Mrkt Entry October 2018		25.5%
Rent Overburdened Households		631

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		2,478
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		17

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		648
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		648
Total New Demand		105
Total Demand (New Plus Existing Households)		753

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

By Bedroom Demand

One Person	23.4%	176
Two Persons	23.6%	178
Three Persons	18.4%	138
Four Persons	15.9%	120
Five Persons	18.7%	141
Total	100.0%	753

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	159
Of two-person households in 1BR units	20%	36
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	18
Of two-person households in 2BR units	80%	142
Of three-person households in 2BR units	60%	83
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	55
Of four-person households in 3BR units	100%	120
Of five-person households in 3BR units	100%	141
Total Demand		753
Check		OK

Total Demand by Bedroom	Overall
1 BR	194
2 BR	243
3 BR	316
Total Demand	753

Additions To Supply 2015 to Prj Mrkt Entry October 2018	Overall
1 BR	12
2 BR	36
3 BR	24
Total	72

Net Demand	Overall
1 BR	182
2 BR	207
3 BR	292
Total	681

Net Demand	Overall
1 BR	182
2 BR	207
3 BR	292
Total	681

Developer's Unit Mix	Overall
1 BR	35
2 BR	40
3 BR	42
Total	117

Capture Rate Analysis	Overall
1 BR	19.2%
2 BR	19.3%
3 BR	14.4%
Total	17.2%

Overall Demand

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$21,943		
Maximum Income Limit			\$73,700 5 persons		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Count	%			
\$0-9,999	46.81	11.7%		0.0%	0
\$10,000-19,999	78.29	19.6%		0.0%	0
\$20,000-29,999	52.28	13.1%	8,056	80.6%	42
\$30,000-39,999	46.95	11.8%	9,999	100.0%	47
\$40,000-49,999	38.75	9.7%	9,999	100.0%	39
\$50,000-59,999	34.43	8.6%	9,999	100.0%	34
\$60,000-74,999	36.98	9.3%	13,700	91.3%	34
\$75,000-99,999	32.50	8.2%		0.0%	0
\$100,000-124,999	12.64	3.2%		0.0%	0
\$125,000-149,999	9.02	2.3%		0.0%	0
\$150,000-199,999	5.62	1.4%		0.0%	0
\$200,000+	4.16	1.0%		0.0%	0
	398	100.0%			196
Percent of renter households within limits versus total number of renter households					49.20%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$21,943		
Maximum Income Limit			\$73,700 5 persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
	Count	%			
\$0-9,999	1,100	11.7%		0.0%	0
\$10,000-19,999	1,840	19.6%		0.0%	0
\$20,000-29,999	1,229	13.1%	\$8,056	80.6%	990
\$30,000-39,999	1,103	11.8%	\$9,999	100.0%	1,103
\$40,000-49,999	911	9.7%	\$9,999	100.0%	911
\$50,000-59,999	809	8.6%	\$9,999	100.0%	809
\$60,000-74,999	869	9.3%	\$13,700	91.3%	794
\$75,000-99,999	764	8.2%		0.0%	0
\$100,000-124,999	297	3.2%		0.0%	0
\$125,000-149,999	212	2.3%		0.0%	0
\$150,000-199,999	132	1.4%		0.0%	0
\$200,000+	98	1.0%		0.0%	0
	9,364	100.0%			4,607
Percent of renter households within limits versus total number of renter households					49.20%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry October 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Urban		
35%		
\$49,542		
\$62,892		
\$13,350		
21.2%		
0.2%		
0.2%	Two year adjustment	1.0000
\$73,700		
\$73,700		
5 persons		
Overall		
\$640		
\$640.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		Overall
New Renter Households PMA		398
Percent Income Qualified		49.2%
New Renter Income Qualified Households		196

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		9,364
Income Qualified		49.2%
Income Qualified Renter Households		4,607
Percent Rent Overburdened Prj Mrkt Entry October 2018		25.5%
Rent Overburdened Households		1173

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		4,607
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		31

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		1,204
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1204
Total New Demand		196
Total Demand (New Plus Existing Households)		1,400

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

By Bedroom Demand

One Person	23.4%	328
Two Persons	23.6%	331
Three Persons	18.4%	257
Four Persons	15.9%	223
Five Persons	18.7%	262
Total	100.0%	1,400

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	295
Of two-person households in 1BR units	20%	66
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	33
Of two-person households in 2BR units	80%	264
Of three-person households in 2BR units	60%	154
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	103
Of four-person households in 3BR units	100%	223
Of five-person households in 3BR units	100%	262
Total Demand		1,400
Check		OK

Total Demand by Bedroom	Overall
1 BR	361
2 BR	451
3 BR	588
Total Demand	1,400

Additions To Supply 2015 to Proj Mrkt Entry October 2018	Overall
1 BR	12
2 BR	36
3 BR	24
Total	72

Net Demand	Overall
1 BR	349
2 BR	415
3 BR	564
Total	1,328

Net Demand	Overall
1 BR	349
2 BR	415
3 BR	564
Total	1,328

Developer's Unit Mix	Overall
1 BR	36
2 BR	42
3 BR	52
Total	130

Capture Rate Analysis	Overall
1 BR	10.3%
2 BR	10.1%
3 BR	9.2%
Total	9.8%

Conclusions

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

- The percentage of renter households in the PMA is expected to increase 0.1 percentage points between 2015 and the market entry date, from 23.2 percent to 23.3 percent. Further, 398 renter households will be added to the PMA during this time period for a total of 9,364 renter households.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market	Market Rents Band Min-Max	Proposed Rents
1BR @ 50%	\$22,286-\$27,300	8	137	4	133	6.0%	10 months	\$795	\$468-\$1,040	\$558
2BR @ 50%	\$26,743-\$30,700	10	171	4	167	6.0%	10 months	\$888	\$548-\$1,220	\$642
3BR @ 50%	\$30,891-\$36,850	8	223	3	220	3.6%	10 months	\$988	\$615-\$1,768	\$704
1BR @ 60%	\$26,331-\$32,760	27	152	8	133	18.8%	10 months	\$853	\$478-\$1,040	\$686
2BR @ 60%	\$31,577-\$36,840	30	190	32	167	19.0%	10 months	\$945	\$594-\$1,220	\$796
3BR @ 60%	\$36,480-\$44,220	34	247	21	220	15.0%	10 months	\$1,084	\$637-1,768	\$882
1BR Market	\$29,486-\$54,600	1	288	0	288	0.3%	10 months	\$917	\$478-\$1,040	\$860
2BR Market	\$33,771-\$61,400	2	361	0	361	0.6%	10 months	\$1,015	\$594-\$1,220	\$980
3BR Market	\$37,714-\$73,700	10	470	0	470	2.1%	10 months	\$1,251	\$637-\$1,768	\$1,100
Overall 50% AMI	\$22,286-\$36,850	26	531	11	520	5.0%	10 months	-	-	-
Overall 60% AMI	\$26,331-\$44,220	91	589	61	528	17.2%	10 months	-	-	-
Overall LIHTC	\$22,286-\$44,220	117	753	72	681	17.2%	10 months	-	-	-
Overall Market	\$29,486-\$73,700	13	1,119	0	1,119	1.2%	10 months	-	-	-
Total Overall	\$22,286-\$73,700	130	1,400	72	1,328	9.8%	10 months	\$746	-	-

Demand and Net Demand

	HH at 50% AMI (\$20,057 to \$36,850 income)	HH at 60% AMI (\$24,000 to \$44,220 income)	HH > 60% AMI (\$28,800 to \$73,700)	All Tax Credit Households
Demand from New Households (age and income appropriate)	74	82	157	105
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	12	13	25	17
PLUS	+	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	445	494	937	631
PLUS	+	+	+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0	0	0
Sub Total	531	589	1,119	753
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0	0
Equals Total Demand	531	589	1,119	753
Less	-	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	11	61		72
Equals Net Demand	520	528	1,119	681

As the analysis illustrates, the Subject's capture rate for its 50 percent AMI units is 5.0 percent, while the 60 percent AMI units are 17.2 percent. Additionally, the Subject's capture rate for its market rate units is 1.2 percent. The Subject has an overall LIHTC capture rate of 17.2 percent and an overall LIHTC and market rate capture rate of 9.8 percent. This is also supported by the low vacancy rates at the stabilized comparables and the rapid absorption reported by Farmington Hills Phase II. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Project

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 10 “true” comparable properties containing 2,154 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided 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 is considered average. We have included five LIHTC properties, three of which are located in the PMA. We have included five market rate properties, but only one is within the PMA. Due to the lack of newly constructed market rate properties in the Subject’s immediate area, we extended our search to nearby Lawrenceville and included four newer market rate comparables, along with one older construction market rate comparable located in Winder. Overall, we consider the availability of market data to be average.

It should be noted that the selected mix of comparables may change slightly in a future complete market study based on the availability of data and any new comparables entering the market.

General Market Overview/Included/Excluded Properties

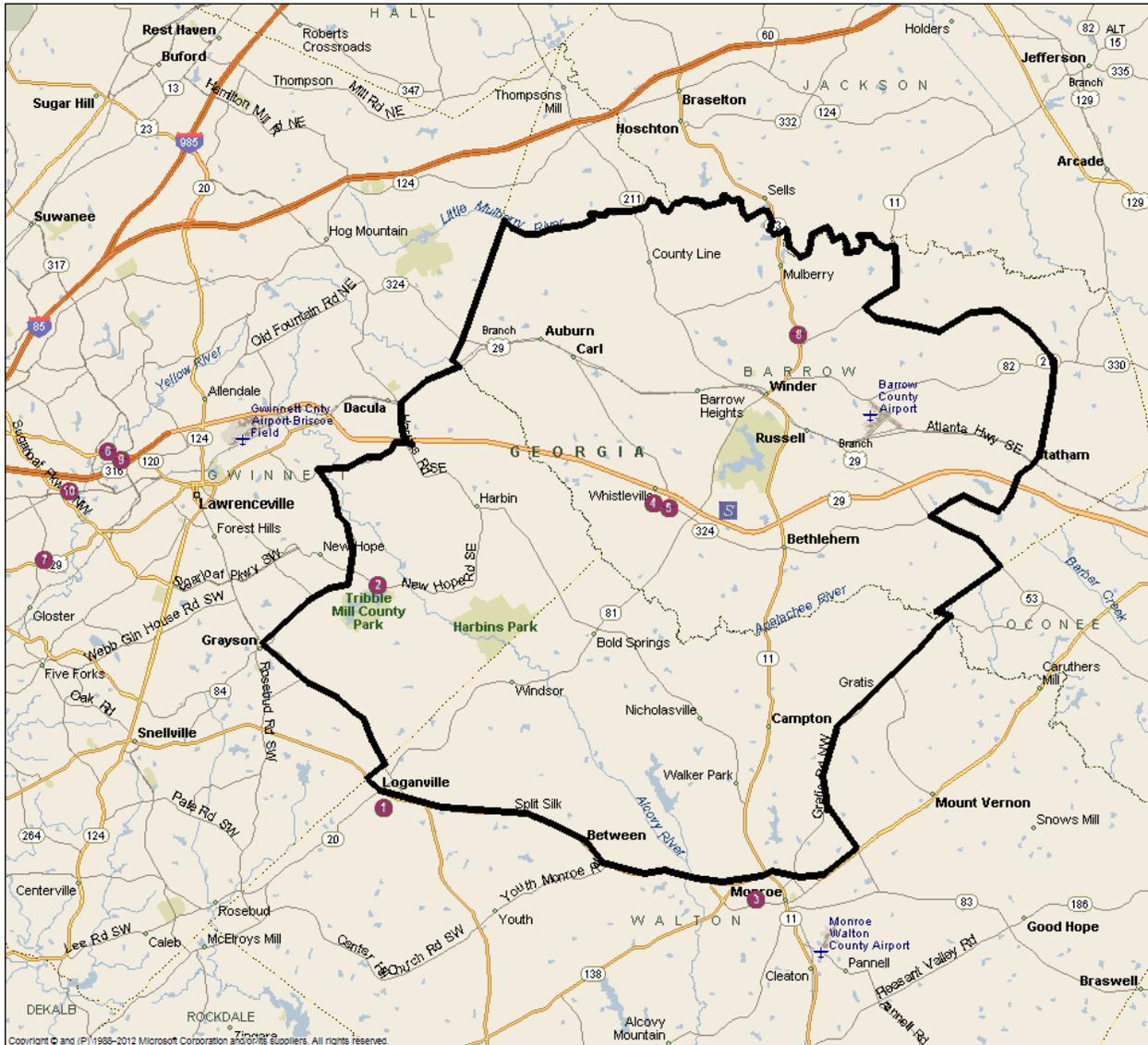
The following table illustrates properties that are within the PMA or a similar market area. The table highlights occupancy. Some of these properties have been included as “true comparables.” Additionally, we were able to obtain additional information online from two excluded properties. Pine Creek Apartments is proximate to the Subject, but in poor condition. This property reported rents slightly below the Subject’s proposed one-bedroom rents. Auburn Park Apartments refused to participate in our survey. However, rents obtained online indicate that the asking rents for the property’s one- and two-bedroom units are well below the proposed rents at the Subject property. However, it should be noted that some variance in rents may attributed to differences in condition, utility structure, and amenities packages. There is insufficient data available at this time to make market oriented adjustments for these differences.

GENERAL MARKET OVERVIEW

Name	Occupancy Rate	Address	City	County	State	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
Statham North Village	100%	379 Sunset Drive	Statham	Barrow	GA	USDA	Family	Excluded	Subsidized rents	7.5 miles
Rockspring Apts.	N/Av	187 S. Broad Street	Winder	Barrow	GA	USDA	Family	Excluded	Subsidized rents	3.0 miles
Winder Woods Apts	100%	206 2nd Street	Winder	Barrow	GA	USDA	Family	Excluded	Subsidized rents	3.0 miles
Mews Apartments	100%	249 Meadows Drive	Loganville	Walton	GA	USDA	Family	Excluded	Subsidized rents	10.9 miles
Winding Hollow	95%	174 S Broad Street	Winder	Barrow	GA	Section 8	Senior	Excluded	Subsidized rents	3.3 miles
Farmington Hills Phase II	100%	807 Haymon Morris Road	Winder	Barrow	GA	LIHTC	Family	Included	N/A	1.5 miles
Rock Springs Apartments	N/Av	604 Boss Hardy Road	Winder	Barrow	GA	LIHTC	Family	Excluded	Unable to contact	7.1 miles
Farmington Hills	100%	1506 Farmington Way	Winder	Barrow	GA	LIHTC	Family	Included	N/A	1.8 miles
Stratford Court	N/Av	450 Jefferson Highway	Winder	Barrow	GA	LIHTC	Senior	Excluded	Incomparable tenancy/Unable to contact	5.3 miles
Main Street Winder	N/Av	454 Jefferson Highway	Winder	Barrow	GA	Market	Senior	Excluded	Incomparable tenancy	5.2 miles
Hillcrest Apartments	100%	490 Gainesville Highway	Winder	Barrow	GA	Market	Family	Included	N/A	5.3 miles
Holly Hill Apartments/Winder Villas	N/Av	291 Apperson Drive	Winder	Barrow	GA	Market	Family	Excluded	Would not participate	3.8 miles
Quail Valley Duplexes	100%	275 Carter Road	Auburn	Barrow	GA	Market	Family	Excluded	Incomparable design	6.4 miles
Auburn Park Apartments	N/Av	196 Parks Mill Road	Auburn	Barrow	GA	Market	Family	Excluded	Would not participate	7.1 miles
Garden Springs	93%	3855 Grady Smith Road	Loganville	Walton	GA	Market	Family	Excluded	Incomparable design	8.8 miles
Meadow Trace Apartments	92%	610 Bay Creek Road	Loganville	Walton	GA	Market	Family	Excluded	Would not report current rents	10.5 miles
Turtle Creek Villas	N/Av	114 Turtle Creek Drive	Winder	Barrow	GA	Market	Family	Excluded	Condominium community	2.2 miles
Brookwood Townhomes	N/Av	124 2nd Street	Winder	Barrow	GA	Market	Family	Excluded	Inferior condition/Unable to contact	3.0 miles
Pine Creek Apartments	99%	282 Apperson Drive	Winder	Barrow	GA	Market	Family	Excluded	Inferior condition	3.8 miles

EXCLUDED MARKET RATE PROPERTIES				
Property Name	Bedroom Type	Size (SF)	Rent	Source/Date
Pine Creek Apartments	2BR/2.5BA	1,200	\$700	RentJungle.com, 2016
	1BR/1BA	600	\$390	
Auburn Park Apartments	2BR/2BA	850	\$490	Novogradac Rent Valuation Toolkit, 2014

Comparable Rental Property Map



COMPARABLE PROPERTIES				
#	Property Name	City	Type	Distance
1	Alexander Crossing Apartments	Loganville	LIHTC/Mkt	11.8 miles
2	Ashton Creek Apartments	Lawrenceville	LIHTC	9.2 miles
3	Ashton Pointe	Monroe	LIHTC	10.0 miles
4	Farmington Hills Phase I	Winder	LIHTC	1.8 miles
5	Farmington Hills Phase II	Winder	LIHTC	1.8 miles
6	Altera Riverside Apartments	Lawrenceville	Market	16.2 miles
7	Durant At Sugarloaf	Lawrenceville	Market	18.1 miles
8	Hillcrest Apartments	Winder	Market	4.9 miles
9	Preserve At Legacy Park	Lawrenceville	Market	16.0 miles
10	Sugarloaf Crossing Apartments	Lawrenceville	Market	17.3 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	The Exchange East Of 416 Exchange Blvd Winder, GA 30620 Barrow County County	n/a	Garden (2 stories) 2018 / n/a	@50% (HOME), @60%, Market	1BR / 1BA	8	6.20%	@50% (HOME)	\$558	750	yes		N/A	N/A
					1BR / 1BA	27	20.80%	@60%	\$686	750	yes		N/A	N/A
					1BR / 1BA	1	0.80%	Market	\$860	750	n/a		N/A	N/A
					2BR / 2BA	10	7.70%	@50% (HOME)	\$642	1,050	yes		N/A	N/A
					2BR / 2BA	30	23.00%	@60%	\$796	1,050	yes		N/A	N/A
					2BR / 2BA	2	1.50%	Market	\$980	1,050	n/a		N/A	N/A
					3BR / 2BA	8	6.20%	@50% (HOME)	\$704	1,100	yes		N/A	N/A
					3BR / 2BA	34	26.10%	@60%	\$882	1,100	yes		N/A	N/A
					3BR / 2BA	10	7.70%	Market	\$1,100	1,100	n/a		N/A	N/A
										130	100%			
1	Alexander Crossing Apartments 100 Alexander Crossing Loganville, GA 30052 Walton County	11.8 miles	Townhouse (2 stories) 2003 / n/a	@60%, Market	2BR / 2.5BA	120	50.00%	@60%	\$790	1,256	yes	Yes	0	0.00%
					2BR / 2.5BA	48	20.00%	Market	\$1,000	1,256	n/a	No	0	0.00%
					3BR / 2BA	48	20.00%	@60%	\$895	1,506	yes	Yes	0	0.00%
					3BR / 2BA	24	10.00%	Market	\$1,175	1,506	n/a	No	0	0.00%
						240	100%						0	0.00%
2	Ashton Pointe 429 Plaza Drive Monroe, GA 30655 Walton County	10 miles	Garden (2 stories) 1999 / n/a	@50%, @60%	1BR / 1BA	4	7.10%	@50%	\$500	804	no	Yes	0	0.00%
					1BR / 1BA	4	7.10%	@60%	\$525	804	no	Yes	0	0.00%
					2BR / 2BA	10	17.90%	@50%	\$594	1,008	no	Yes	0	0.00%
					2BR / 2BA	14	25.00%	@60%	\$620	1,008	no	Yes	0	0.00%
					3BR / 2BA	10	17.90%	@50%	\$650	1,200	no	Yes	0	0.00%
					3BR / 2BA	14	25.00%	@60%	\$670	1,200	no	Yes	0	0.00%
						56	100%						0	0.00%
3	Farmington Hills Phase I 1506 Farmington Way Winder, GA 30680 Barrow County	1.8 miles	Garden (2 stories) 2012 / n/a	@50%, @60%	1BR / 1BA	3	4.20%	@50%	\$479	740	yes	Yes	0	0.00%
					1BR / 1BA	9	12.50%	@60%	\$609	740	yes	Yes	0	0.00%
					2BR / 2BA	4	5.60%	@50%	\$563	1,150	yes	Yes	0	0.00%
					2BR / 2BA	31	43.10%	@60%	\$719	1,150	yes	Yes	0	0.00%
					3BR / 2BA	4	5.60%	@50%	\$632	1,250	yes	Yes	0	0.00%
					3BR / 2BA	21	29.20%	@60%	\$812	1,250	yes	Yes	0	0.00%
						72	100%						0	0.00%
4	Farmington Hills Phase II 807 Haymon Morris Road Winder, GA 30680 Barrow County County	1.8 miles	Garden 2014 / n/a	@50%, @60%	1BR / 1BA	4	5.60%	@50%	\$468	878	yes	Yes	0	0.00%
					1BR / 1BA	8	11.10%	@60%	\$597	878	yes	Yes	0	0.00%
					2BR / 2BA	4	5.60%	@50%	\$548	1,143	yes	Yes	0	0.00%
					2BR / 2BA	32	44.40%	@60%	\$704	1,143	yes	Yes	0	0.00%
					3BR / 2BA	3	4.20%	@50%	\$615	1,328	yes	Yes	0	0.00%
					3BR / 2BA	21	29.20%	@60%	\$797	1,328	yes	Yes	0	0.00%
						72	100%						0	0.00%
5	Altera Riverside Apartments 1000 Duluth Highway Lawrenceville, GA 30043 Gwinnett County	16.2 miles	Garden (4 stories) 1998 / 2016	Market	1BR / 1BA	96	23.30%	Market	\$958	758	n/a	No	N/A	N/A
					1BR / 1BA	98	23.80%	Market	\$1,040	949	n/a	No	N/A	N/A
					2BR / 2BA	126	30.60%	Market	\$1,185	1,086	n/a	No	N/A	N/A
					2BR / 2BA	92	22.30%	Market	\$995	1,244	n/a	No	N/A	N/A
						412	100%						58	14.10%
6	Durant At Sugarloaf 50 Saint Marlowe Drive Lawrenceville, GA 30044 Gwinnett County	18.1 miles	Garden 2002 / n/a	Market	1BR / 1BA	60	20.00%	Market	\$810	715	n/a	No	0	0.00%
					1BR / 1BA	48	16.00%	Market	\$856	910	n/a	No	0	0.00%
					2BR / 1BA	62	20.70%	Market	\$980	1,110	n/a	No	2	3.20%
					2BR / 2BA	36	12.00%	Market	\$997	1,180	n/a	No	5	13.90%
					2BR / 2BA	62	20.70%	Market	\$1,009	1,300	n/a	No	0	0.00%
					2BR / 2BA	8	2.70%	Market	\$1,039	1,362	n/a	No	0	0.00%
					3BR / 2BA	24	8.00%	Market	\$1,187	1,435	n/a	No	0	0.00%
						300	100%						7	2.30%
7	Hillcrest Apartments 490 Gainesville Highway Winder, GA 30680 Barrow County	4.9 miles	Townhouse (2 stories) 1989 / n/a	Market	1BR / 1BA	25	24.50%	Market	\$478	625	n/a	No	1	4.00%
					2BR / 1.5BA	23	22.50%	Market	\$594	940	n/a	No	0	0.00%
					2BR / 1.5BA	44	43.10%	Market	\$644	1,225	n/a	No	0	0.00%
					3BR / 1.5BA	10	9.80%	Market	\$637	1,250	n/a	No	0	0.00%
						102	100%						1	1.00%
8	Preserve At Legacy Park 900 Legacy Park Drive Lawrenceville, GA 30043 Gwinnett County	16 miles	Garden (3 stories) 2001-2002	Market	1BR / 1BA	N/A	N/A	Market	\$969	771	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$969	906	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$969	927	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$975	950	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$990	953	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,099	1,144	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,099	1,154	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,144	1,237	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,200	1,355	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,306	1,462	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,768	1,507	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,306	1,458	n/a	No	N/A	N/A
						498	100%						20	4.00%
					9	Sugarloaf Crossing Apartments 1595 Old Norcross Road Lawrenceville, GA 30045 Gwinnett County	17.3 miles	Garden 2001 / n/a	Market	1BR / 1BA	16	6.10%	Market	\$930
1BR / 1BA	62	23.70%	Market	\$970						897	n/a	No	5	8.10%
1BR / 1BA	28	10.70%	Market	\$1,010						1,075	n/a	No	0	0.00%
2BR / 2BA	132	50.40%	Market	\$1,220						1,239	n/a	No	8	6.10%
3BR / 2BA	24	9.20%	Market	\$1,375						1,478	n/a	No	0	0.00%
	262	100%											14	5.30%

PROPERTY PROFILE REPORT

Alexander Crossing Apartments

Effective Rent Date	8/31/2016
Location	100 Alexander Crossing Loganville, GA 30052 Walton County
Distance	11.8 miles
Units	240
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Cambridge, The Muses
Tenant Characteristics	Mixed tenancy
Contact Name	Erica
Phone	770-466-2281



Market Information

Program	@60%, Market
Annual Turnover Rate	32%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Within one week
Annual Chg. in Rent	Increase 2% on market rate units only
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
2	2.5	Townhouse (2 stories)	120	1,256	\$790	\$0	@60%	Yes	0	0.0%	yes	None
2	2.5	Townhouse (2 stories)	48	1,256	\$1,000	\$0	Market	No	0	0.0%	N/A	None
3	2	Townhouse (2 stories)	48	1,506	\$895	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Townhouse (2 stories)	24	1,506	\$1,175	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2.5BA	\$790	\$0	\$790	\$0	\$790	2BR / 2.5BA	\$1,000	\$0	\$1,000	\$0	\$1,000
3BR / 2BA	\$895	\$0	\$895	\$0	\$895	3BR / 2BA	\$1,175	\$0	\$1,175	\$0	\$1,175

Alexander Crossing Apartments, continued

Amenities

In-Unit

Balcony/Patio
Central A/C
Dishwasher
Ceiling Fan
Hand Rails
Oven
Refrigerator
Walk-In Closet

Blinds
Coat Closet
Exterior Storage
Garbage Disposal
Microwave
Pull Cords
Vaulted Ceilings
Washer/Dryer hookup

Security

In-Unit Alarm
Perimeter Fencing

Services

None

Property

Car Wash
Exercise Facility
On-Site Management
Swimming Pool

Clubhouse/Meeting
Off-Street Parking
Playground

Premium

None

Other

None

Comments

The contact reported that the property typically remains fully occupied. A waiting list of seven to ten households is currently maintained for the LIHTC units.

Alexander Crossing Apartments, continued

Trend Report

Vacancy Rates

2Q15	1Q16	2Q16	3Q16
0.0%	1.3%	0.0%	0.0%

Trend: @60%

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$790	\$0	\$790	\$790
2016	1	0.0%	\$790	\$0	\$790	\$790
2016	2	0.0%	\$790	\$0	\$790	\$790
2016	3	0.0%	\$790	\$0	\$790	\$790

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$895	\$0	\$895	\$895
2016	1	2.1%	\$895	\$0	\$895	\$895
2016	2	0.0%	\$895	\$0	\$895	\$895
2016	3	0.0%	\$895	\$0	\$895	\$895

Trend: Market

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$950 - \$955	\$0	\$950 - \$955	\$950 - \$955
2016	1	4.2%	\$965	\$0	\$965	\$965
2016	2	0.0%	\$998	\$0	\$998	\$998
2016	3	0.0%	\$1,000	\$0	\$1,000	\$1,000

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$1,100	\$0	\$1,100	\$1,100
2016	1	0.0%	\$1,115	\$0	\$1,115	\$1,115
2016	2	0.0%	\$1,175	\$0	\$1,175	\$1,175
2016	3	0.0%	\$1,175	\$0	\$1,175	\$1,175

Trend: Comments

2Q15 The contact reported that the property maintains a small waiting list for units renting at 60% of AMI, however the length of the waiting list was not disclosed. Management indicated that the waiting list was recently purged. The contact reported that the price discrepancy between two-bedroom units is due to few units offering bay windows. Since our last interview in March 2015, rents on three-bedroom units have increased less than one percent on units at 60% of AMI and have increased five percent on market rate units. Management was unable to comment on the number of parking spaces the property offers or on the parking utilization rate at the property. The contact indicated that there is a strong demand for affordable housing in the local area.

1Q16 The contact reported that the property maintains a waiting list for units the income restricted units with approximately 75 households.

2Q16 The contact reported that the property typically remains fully occupied.

3Q16 The contact reported that the property typically remains fully occupied. A waiting list of seven to ten households is currently maintained for the LIHTC units.

Alexander Crossing Apartments, continued

Photos



PROPERTY PROFILE REPORT

Ashton Pointe

Effective Rent Date	8/31/2016
Location	429 Plaza Drive Monroe, GA 30655 Walton County
Distance	10 miles
Units	56
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Tenants come from Monroe and neighboring towns.
Contact Name	Brandy
Phone	770-266-6717



Market Information

Program	@50%, @60%
Annual Turnover Rate	30%
Units/Month Absorbed	4
HCV Tenants	10%
Leasing Pace	Preleased
Annual Chg. in Rent	Increase 3%-7.1% Jan. 2016
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 (2 stories)	4	804	\$500	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	4	804	\$525	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	10	1,008	\$594	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	14	1,008	\$620	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	10	1,200	\$650	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	14	1,200	\$670	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$500	\$0	\$500	\$0	\$500	1BR / 1BA	\$525	\$0	\$525	\$0	\$525
2BR / 2BA	\$594	\$0	\$594	\$0	\$594	2BR / 2BA	\$620	\$0	\$620	\$0	\$620
3BR / 2BA	\$650	\$0	\$650	\$0	\$650	3BR / 2BA	\$670	\$0	\$670	\$0	\$670

Ashton Pointe, continued

Amenities

In-Unit

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

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Vaulted Ceilings

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground

Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

This property profile is for the second phase of a two phase development formerly known as Ashton Pointe I and II. The first phase of this development (Ashton Pointe I) was sold and is now known as Arnold Pointe. The contact reported a waiting list of 10 households and noted the current vacancy is preleased.

Ashton Pointe, continued

Trend Report

Vacancy Rates

1Q15	2Q15	1Q16	3Q16
1.8%	0.0%	1.8%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$474	\$0	\$474	\$474
2015	2	0.0%	\$490	\$0	\$490	\$490
2016	1	0.0%	\$500	\$0	\$500	\$500
2016	3	0.0%	\$500	\$0	\$500	\$500

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$580	\$0	\$580	\$580
2015	2	0.0%	\$595	\$0	\$595	\$595
2016	1	0.0%	\$594	\$0	\$594	\$594
2016	3	0.0%	\$594	\$0	\$594	\$594

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$634	\$0	\$634	\$634
2015	2	0.0%	\$650	\$0	\$650	\$650
2016	1	0.0%	\$650	\$0	\$650	\$650
2016	3	0.0%	\$650	\$0	\$650	\$650

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$474	\$0	\$474	\$474
2015	2	0.0%	\$490	\$0	\$490	\$490
2016	1	0.0%	\$525	\$0	\$525	\$525
2016	3	0.0%	\$525	\$0	\$525	\$525

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$580	\$0	\$580	\$580
2015	2	0.0%	\$595	\$0	\$595	\$595
2016	1	7.1%	\$620	\$0	\$620	\$620
2016	3	0.0%	\$620	\$0	\$620	\$620

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	7.1%	\$634	\$0	\$634	\$634
2015	2	0.0%	\$650	\$0	\$650	\$650
2016	1	0.0%	\$670	\$0	\$670	\$670
2016	3	0.0%	\$670	\$0	\$670	\$670

Trend: Comments

1Q15	This property profile is for the second phase of a two phase development formerly known as Ashton Pointe I and II. The first phase of this development (Ashton Pointe I) was sold and is now known as Arnold Pointe.
2Q15	N/A
1Q16	N/A
3Q16	This property profile is for the second phase of a two phase development formerly known as Ashton Pointe I and II. The first phase of this development (Ashton Pointe I) was sold and is now known as Arnold Pointe. The contact reported a waiting list of 10 households and noted the current vacancy is preleased.

Photos



PROPERTY PROFILE REPORT

Farmington Hills Phase I

Effective Rent Date	8/23/2016
Location	1506 Farmington Way Winder, GA 30680 Barrow County
Distance	1.8 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	6/01/2012
Leasing Began	9/26/2012
Last Unit Leased	4/30/2013
Major Competitors	None identified
Tenant Characteristics	Tenants from Athens in Clarke County, Gwinnett County and from Barrow County. 20% are seniors
Contact Name	Chrissy
Phone	770-307-0224



Market Information

Program	@50%, @60%
Annual Turnover Rate	27%
Units/Month Absorbed	10.3
HCV Tenants	3%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Approximatley 1% increase
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 (2 stories)	3	740	\$479	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	9	740	\$609	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	4	1,150	\$563	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	31	1,150	\$719	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	4	1,250	\$632	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	21	1,250	\$812	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$479	\$0	\$479	\$0	\$479	1BR / 1BA	\$609	\$0	\$609	\$0	\$609
2BR / 2BA	\$563	\$0	\$563	\$0	\$563	2BR / 2BA	\$719	\$0	\$719	\$0	\$719
3BR / 2BA	\$632	\$0	\$632	\$0	\$632	3BR / 2BA	\$812	\$0	\$812	\$0	\$812

Farmington Hills Phase I, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

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

Security

None

Services

None

Property

Business Center/Computer Lab
Central Laundry
On-Site Management
Playground
Swimming Pool

Clubhouse/Meeting
Off-Street Parking
Picnic Area
Service Coordination

Premium

None

Other

None

Comments

The contact reported that the property maintains a waiting list with at least 10 applicants on it between each phase. There is also a "call" list with interested potential tenants that has 119 households on it.

Farmington Hills Phase I, continued

Trend Report

Vacancy Rates

1Q15	2Q15	1Q16	3Q16
0.0%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$486	\$0	\$486	\$486
2015	2	0.0%	\$475	\$0	\$475	\$475
2016	1	0.0%	\$475	\$0	\$475	\$475
2016	3	0.0%	\$479	\$0	\$479	\$479

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$572	\$0	\$572	\$572
2015	2	0.0%	\$560	\$0	\$560	\$560
2016	1	0.0%	\$560	\$0	\$560	\$560
2016	3	0.0%	\$563	\$0	\$563	\$563

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$642	\$0	\$642	\$642
2015	2	0.0%	\$630	\$0	\$630	\$630
2016	1	0.0%	\$630	\$0	\$630	\$630
2016	3	0.0%	\$632	\$0	\$632	\$632

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$610	\$0	\$610	\$610
2015	2	0.0%	\$605	\$0	\$605	\$605
2016	1	0.0%	\$605	\$0	\$605	\$605
2016	3	0.0%	\$609	\$0	\$609	\$609

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$725	\$0	\$725	\$725
2015	2	0.0%	\$715	\$0	\$715	\$715
2016	1	0.0%	\$715	\$0	\$715	\$715
2016	3	0.0%	\$719	\$0	\$719	\$719

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$785	\$0	\$785	\$785
2015	2	0.0%	\$785	\$0	\$785	\$785
2016	1	0.0%	\$797	\$0	\$797	\$797
2016	3	0.0%	\$812	\$0	\$812	\$812

Trend: Comments

- 1Q15** The contact reported a small waiting list for the property but many were used to fill the units for the second phase which opened in December of 2014.
- 2Q15** The contact reported that the property maintains a waiting list with at least two dozen households on it between each phase.
- 1Q16** N/A
- 3Q16** The contact reported that the property maintains a waiting list with at least 10 applicants on it between each phase. There is also a "call" list with interested potential tenants that has 119 households on it.

Photos



PROPERTY PROFILE REPORT

Farmington Hills Phase II

Effective Rent Date	8/23/2016
Location	807 Haymon Morris Road Winder, GA 30680 Barrow County County
Distance	1.8 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden
Year Built/Renovated	Dec. 2014 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Tenants drawn locally and from other nearby counties such as Gwinnett and Clarke CO. 20% are seniors
Contact Name	Chrissy
Phone	770-307-0224



Market Information

Program	@50%, @60%
Annual Turnover Rate	20%
Units/Month Absorbed	14.4
HCV Tenants	2%
Leasing Pace	N/A
Annual Chg. in Rent	Increased 2% on 1x1 units @50% AMI
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	4	878	\$468	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden	8	878	\$597	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden	4	1,143	\$548	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden	32	1,143	\$704	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden	3	1,328	\$615	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden	21	1,328	\$797	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$468	\$0	\$468	\$0	\$468	1BR / 1BA	\$597	\$0	\$597	\$0	\$597
2BR / 2BA	\$548	\$0	\$548	\$0	\$548	2BR / 2BA	\$704	\$0	\$704	\$0	\$704
3BR / 2BA	\$615	\$0	\$615	\$0	\$615	3BR / 2BA	\$797	\$0	\$797	\$0	\$797

Farmington Hills Phase II, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

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

Security

None

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Exercise Facility
Off-Street Parking
Picnic Area

Premium

None

Other

None

Comments

The contact reported that the property maintains a waiting list with at least 10 applicants on it between each phase. There is also a "call" list with interested potential tenants that has 119 households on it.

Farmington Hills Phase II, continued

Trend Report

Vacancy Rates

1Q15	2Q15	1Q16	3Q16
30.6%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$440	\$0	\$440	\$440
2015	2	0.0%	\$440	\$0	\$440	\$440
2016	1	0.0%	\$458	\$0	\$458	\$458
2016	3	0.0%	\$468	\$0	\$468	\$468

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$562	\$0	\$562	\$562
2015	2	0.0%	\$562	\$0	\$562	\$562
2016	1	0.0%	\$597	\$0	\$597	\$597
2016	3	0.0%	\$597	\$0	\$597	\$597

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$515	\$0	\$515	\$515
2015	2	0.0%	\$515	\$0	\$515	\$515
2016	1	0.0%	\$548	\$0	\$548	\$548
2016	3	0.0%	\$548	\$0	\$548	\$548

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$664	\$0	\$664	\$664
2015	2	0.0%	\$664	\$0	\$664	\$664
2016	1	0.0%	\$704	\$0	\$704	\$704
2016	3	0.0%	\$704	\$0	\$704	\$704

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$518	\$0	\$518	\$518
2015	2	0.0%	\$578	\$0	\$578	\$578
2016	1	0.0%	\$616	\$0	\$616	\$616
2016	3	0.0%	\$615	\$0	\$615	\$615

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$748	\$0	\$748	\$748
2015	2	0.0%	\$748	\$0	\$748	\$748
2016	1	0.0%	\$797	\$0	\$797	\$797
2016	3	0.0%	\$797	\$0	\$797	\$797

Trend: Comments

- 1Q15** The contact reported the second phase opened in December of 2014 and is currently 70 percent occupied and still in lease up. She was unable to provide the number of those households utilizing Housing Choice Vouchers though she noted it was a limited number.
- 2Q15** The contact reported the second phase opened in December of 2014 and is currently 96 percent occupied and 100 percent pre-leased. Management was unable to provide the number of those households utilizing Housing Choice Vouchers, however the contact noted that it was a low number.
- 1Q16** The contact reported a total of 24 households on the waiting list between both phases.
- 3Q16** The contact reported that the property maintains a waiting list with at least 10 applicants on it between each phase. There is also a "call" list with interested potential tenants that has 119 households on it.

Photos



PROPERTY PROFILE REPORT

Altera Riverside Apartments

Effective Rent Date	8/03/2016
Location	1000 Duluth Highway Lawrenceville, GA 30043 Gwinnett County
Distance	16.2 miles
Units	412
Vacant Units	58
Vacancy Rate	14.1%
Type	Garden (4 stories)
Year Built/Renovated	1998 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Preserve at Legacy Park, Ten Oaks
Tenant Characteristics	Mixed tenancy mostly from Gwinnett County, 15% from out of state
Contact Name	Dorna
Phone	770-237-2828



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Two weeks
Annual Chg. in Rent	LRO pricing
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	96	758	\$958	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (4 stories)	98	949	\$1,040	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (4 stories)	126	1,086	\$1,185	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (4 stories)	92	1,244	\$995	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$958 - \$1,040	\$0	\$958 - \$1,040	\$0	\$958 - \$1,040
2BR / 2BA	\$995 - \$1,185	\$0	\$995 - \$1,185	\$0	\$995 - \$1,185

Altera Riverside Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Ceiling Fan
Oven
Vaulted Ceilings
Washer/Dryer

Blinds
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Walk-In Closet
Washer/Dryer hookup

Security

None

Services

None

Property

Business Center/Computer Lab
Courtyard
Garage
Off-Street Parking
Swimming Pool

Clubhouse/Meeting
Exercise Facility
Central Laundry
On-Site Management
Tennis Court

Premium

View

Other

None

Comments

The contact reported that overall occupancy is currently 86 percent but the property is preleased to 95 percent. The property is under new ownership since the Summer of 2016. Since new ownership, all vacant units have been renovated with new appliances, flooring, washer/dryer in-unit and paint. The contact estimated that 250 of the 412 units have been renovated. This profile reflects renovated unit asking rents.

Altera Riverside Apartments, continued

Trend Report

Vacancy Rates

4Q14	1Q15	1Q16	3Q16
1.5%	2.4%	3.9%	14.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$780 - \$810	\$0	\$780 - \$810	\$780 - \$810
2015	1	N/A	\$785 - \$815	\$0	\$785 - \$815	\$785 - \$815
2016	1	3.1%	\$840 - \$890	\$0	\$840 - \$890	\$840 - \$890
2016	3	N/A	\$958 - \$1,040	\$0	\$958 - \$1,040	\$958 - \$1,040

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$935 - \$960	\$0	\$935 - \$960	\$935 - \$960
2015	1	N/A	\$935 - \$960	\$0	\$935 - \$960	\$935 - \$960
2016	1	4.6%	\$985 - \$995	\$0	\$985 - \$995	\$985 - \$995
2016	3	N/A	\$995 - \$1,185	\$0	\$995 - \$1,185	\$995 - \$1,185

Trend: Comments

4Q14 N/A

1Q15 The contact reported overall occupancy has remained above 95 percent during the past year.

1Q16 The contact reported overall occupancy has remained above 95 percent during the past year. The property is under new ownership since the Summer of 2016.

3Q16 The contact reported that overall occupancy is currently 86 percent but the property is preleased to 95 percent. The property is under new ownership since the Summer of 2016. Since new ownership, all vacant units have been renovated with new appliances, flooring, washer/dryer in-unit and paint. The contact estimated that 250 of the 412 units have been renovated. This profile reflects renovated unit asking rents.

Photos



PROPERTY PROFILE REPORT

Durant At Sugarloaf

Effective Rent Date	8/03/2016
Location	50 Saint Marlowe Drive Lawrenceville, GA 30044 Gwinnett County
Distance	18.1 miles
Units	300
Vacant Units	7
Vacancy Rate	2.3%
Type	Garden
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Wellington Ridge
Tenant Characteristics	Approximately 50% families. Approximately 50% of tenants from the Lawrenceville/Snellville/Duluth area & 30% from out of state
Contact Name	Tina
Phone	770.237.9441



Market Information

Program	Market
Annual Turnover Rate	38%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Rents change daily - Yield Star
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	60	715	\$810	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden	48	910	\$856	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden	62	1,110	\$980	\$0	Market	No	2	3.2%	N/A	None
2	2	Garden	36	1,180	\$997	\$0	Market	No	5	13.9%	N/A	None
2	2	Garden	62	1,300	\$1,009	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden	8	1,362	\$1,039	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden	24	1,435	\$1,187	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$810 - \$856	\$0	\$810 - \$856	\$0	\$810 - \$856
2BR / 1BA	\$980	\$0	\$980	\$0	\$980
2BR / 2BA	\$997 - \$1,039	\$0	\$997 - \$1,039	\$0	\$997 - \$1,039
3BR / 2BA	\$1,187	\$0	\$1,187	\$0	\$1,187

Durant At Sugarloaf, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

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

Security

Limited Access
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Playground
Tennis Court

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

Premium

None

Other

None

Comments

Contact reported 96 percent historic occupancy and noted rents change daily. A premium of \$15 to \$40 exists for lower-level units and lakeview units. This profile reflects rents without the premium.

Durant At Sugarloaf, continued

Trend Report

Vacancy Rates

1Q15	1Q16	2Q16	3Q16
2.0%	5.0%	1.0%	2.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	1.9%	\$719 - \$823	\$0	\$719 - \$823	\$719 - \$823
2016	1	N/A	\$768 - \$794	\$0	\$768 - \$794	\$768 - \$794
2016	2	N/A	\$809 - \$876	\$0	\$809 - \$876	\$809 - \$876
2016	3	0.0%	\$810 - \$856	\$0	\$810 - \$856	\$810 - \$856

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$915	\$0	\$915	\$915
2016	1	N/A	\$925	\$0	\$925	\$925
2016	2	N/A	\$993	\$0	\$993	\$993
2016	3	3.2%	\$980	\$0	\$980	\$980

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	2.8%	\$888 - \$1,000	\$0	\$888 - \$1,000	\$888 - \$1,000
2016	1	N/A	\$927 - \$1,021	\$0	\$927 - \$1,021	\$927 - \$1,021
2016	2	N/A	\$974 - \$1,043	\$0	\$974 - \$1,043	\$974 - \$1,043
2016	3	4.7%	\$997 - \$1,039	\$0	\$997 - \$1,039	\$997 - \$1,039

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	4.2%	\$1,070	\$0	\$1,070	\$1,070
2016	1	N/A	\$1,087	\$0	\$1,087	\$1,087
2016	2	N/A	\$1,206	\$0	\$1,206	\$1,206
2016	3	0.0%	\$1,187	\$0	\$1,187	\$1,187

Trend: Comments

1Q15 N/A

1Q16 Starting rents were provided based on 12 month lease terms. Occupancy rates have ranged between 95 and 98 percent during the past year.

2Q16 Management indicated that the market rate rental market is strong in the local area.

3Q16 Contact reported 96 percent historic occupancy and noted rents change daily. A premium of \$15 to \$40 exists for lower-level units and lakeview units. This profile reflects rents without the premium.

Photos



PROPERTY PROFILE REPORT

Hillcrest Apartments

Effective Rent Date	8/23/2016
Location	490 Gainesville Highway Winder, GA 30680 Barrow County
Distance	4.9 miles
Units	102
Vacant Units	1
Vacancy Rate	1.0%
Type	Townhouse (2 stories)
Year Built/Renovated	1989 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Winder Woods and Winding Hollow
Tenant Characteristics	Large number of hospital employees
Contact Name	Cynthia
Phone	770-867-4007



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	1%
Leasing Pace	Within a week
Annual Chg. in Rent	Increased 7.7% on smaller 2BR unit
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	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	Townhouse (2 stories)	25	625	\$550	\$0	Market	No	1	4.0%	N/A	None
2	1.5	Townhouse (2 stories)	23	940	\$700	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	44	1,225	\$750	\$0	Market	No	0	0.0%	N/A	None
3	1.5	Townhouse (2 stories)	10	1,250	\$800	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$550	\$0	\$550	-\$72	\$478
2BR / 1.5BA	\$700 - \$750	\$0	\$700 - \$750	-\$106	\$594 - \$644
3BR / 1.5BA	\$800	\$0	\$800	-\$163	\$637

Hillcrest Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Exterior Storage
Refrigerator

Carpeting
Coat Closet
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking

Premium

None

Other

None

Comments

The contact reported strong occupancy so far in 2016, consistently staying at or near 100 percent.

Hillcrest Apartments, continued

Trend Report

Vacancy Rates

4Q14	1Q15	1Q16	3Q16
2.0%	2.0%	0.0%	1.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$535	\$0	\$535	\$463
2015	1	0.0%	\$535	\$0	\$535	\$463
2016	1	0.0%	\$550	\$0	\$550	\$478
2016	3	4.0%	\$550	\$0	\$550	\$478

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$650 - \$700	\$0	\$650 - \$700	\$544 - \$594
2015	1	3.0%	\$650 - \$700	\$0	\$650 - \$700	\$544 - \$594
2016	1	0.0%	\$650 - \$750	\$0	\$650 - \$750	\$544 - \$644
2016	3	0.0%	\$700 - \$750	\$0	\$700 - \$750	\$594 - \$644

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$800	\$0	\$800	\$637

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$825	\$0	\$825	\$662
2015	1	0.0%	\$825	\$0	\$825	\$662
2016	1	0.0%	\$800	\$0	\$800	\$637

Trend: Comments

4Q14 N/A

1Q15 N/A

1Q16 The rents for the one- and larger two-bedroom townhomes increased between 2.8 and 7.1 percent. Rents for the smaller two-bedroom townhomes remained stable while rents for the three-bedroom units decreased 3.1 percent.

3Q16 The contact reported strong occupancy so far in 2016, consistently staying at or near 100 percent.

Photos



PROPERTY PROFILE REPORT

Preserve At Legacy Park

Effective Rent Date	8/23/2016
Location	900 Legacy Park Drive Lawrenceville, GA 30043 Gwinnett County Intersection: Legacy Park Dr and Lawrenceville Suwanee Rd
Distance	16 miles
Units	498
Vacant Units	20
Vacancy Rate	4.0%
Type	Garden (3 stories)
Year Built/Renovated	2001-2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Diverse tenancy 25% from out of state
Contact Name	Lisa
Phone	678-985-8441



Market Information

Program	Market
Annual Turnover Rate	23%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Five to seven days
Annual Chg. in Rent	Daily Yieldstar system
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	771	\$969	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	906	\$969	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	927	\$969	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	950	\$975	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	953	\$990	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,144	\$1,099	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,154	\$1,099	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,237	\$1,144	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,355	\$1,200	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,462	\$1,306	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,507	\$1,768	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,458	\$1,306	\$0	Market	No	N/A	N/A	N/A	None

Preserve At Legacy Park, continued

Trend Report

Vacancy Rates

4Q14	1Q15	1Q16	3Q16
2.4%	2.8%	6.0%	4.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$765 - \$920	\$0	\$765 - \$920	\$765 - \$920
2015	1	N/A	\$811 - \$989	\$0	\$811 - \$989	\$811 - \$989
2016	1	N/A	\$850 - \$956	\$0	\$850 - \$956	\$850 - \$956
2016	3	N/A	\$969 - \$990	\$0	\$969 - \$990	\$969 - \$990

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$985 - \$1,237	\$0	\$985 - \$1,237	\$985 - \$1,237
2015	1	N/A	\$889 - \$1,103	\$0	\$889 - \$1,103	\$889 - \$1,103
2016	1	N/A	\$1,022 - \$1,055	\$0	\$1,022 - \$1,055	\$1,022 - \$1,055
2016	3	N/A	\$1,099 - \$1,200	\$0	\$1,099 - \$1,200	\$1,099 - \$1,200

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$1,171 - \$1,210	\$0	\$1,171 - \$1,210	\$1,171 - \$1,210
2015	1	N/A	\$1,189 - \$1,225	\$0	\$1,189 - \$1,225	\$1,189 - \$1,225
2016	1	N/A	\$1,306 - \$1,323	\$0	\$1,306 - \$1,323	\$1,306 - \$1,323
2016	3	N/A	\$1,306 - \$1,768	\$0	\$1,306 - \$1,768	\$1,306 - \$1,768

Trend: Comments

4Q14 N/A

1Q15 The contact reported occupancy rates at between 95 and 98 percent during the past 12 months.

1Q16 N/A

3Q16 The contact reported occupancy rates at between 95 and 98 percent during the past 12 months. Activity at the property tends to be highest during August and September.

Photos



PROPERTY PROFILE REPORT

Sugarloaf Crossing Apartments

Effective Rent Date	8/03/2016
Location	1595 Old Norcross Road Lawrenceville, GA 30045 Gwinnett County
Distance	17.3 miles
Units	262
Vacant Units	14
Vacancy Rate	5.3%
Type	Garden
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	5375 Sugarloaf Apartments
Tenant Characteristics	Mixed tenancy from Gwinnet CO and surrounding areas.
Contact Name	Dana
Phone	770-338-8677



Market Information

Program	Market
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	One week
Annual Chg. in Rent	Rents stable since Mar, 1% decrease on
Concession	1st month free on vacant units

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	16	660	\$930	\$0	Market	No	1	6.2%	N/A	None
1	1	Garden	62	897	\$970	\$0	Market	No	5	8.1%	N/A	None
1	1	Garden	28	1,075	\$1,010	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden	132	1,239	\$1,220	\$0	Market	No	8	6.1%	N/A	None
3	2	Garden	24	1,478	\$1,375	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$930 - \$1,010	\$0	\$930 - \$1,010	\$0	\$930 - \$1,010
2BR / 2BA	\$1,220	\$0	\$1,220	\$0	\$1,220
3BR / 2BA	\$1,375	\$0	\$1,375	\$0	\$1,375

Sugarloaf Crossing Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Ceiling Fan
Garbage Disposal
Refrigerator
Walk-In Closet

Blinds
Central A/C
Exterior Storage
Fireplace
Oven
Vaulted Ceilings
Washer/Dryer hookup

Security

In-Unit Alarm
Limited Access

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Central Laundry
On-Site Management
Swimming Pool
Wi-Fi

Clubhouse/Meeting
Garage
Off-Street Parking
Playground
Tennis Court

Premium

None

Other

None

Comments

The contact noted the local market is strong and thus rent concessions are not currently offered. Contact also noted that storage units rent for \$50 monthly.

Sugarloaf Crossing Apartments, continued

Trend Report

Vacancy Rates

4Q14	1Q15	1Q16	3Q16
3.8%	4.6%	8.4%	5.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	5.7%	\$815 - \$885	\$0 - \$17	\$815 - \$885	\$815 - \$885
2015	1	9.4%	\$755 - \$845	\$0	\$755 - \$845	\$755 - \$845
2016	1	N/A	\$930 - \$1,010	\$0 - \$81	\$853 - \$1,010	\$853 - \$1,010
2016	3	5.7%	\$930 - \$1,010	\$0	\$930 - \$1,010	\$930 - \$1,010

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	1.5%	\$945	\$0	\$945	\$945
2015	1	1.5%	\$1,100	\$0	\$1,100	\$1,100
2016	1	N/A	\$1,220	\$102	\$1,118	\$1,118
2016	3	6.1%	\$1,220	\$0	\$1,220	\$1,220

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	8.3%	\$1,205	\$0	\$1,205	\$1,205
2015	1	0.0%	\$1,425	\$0	\$1,425	\$1,425
2016	1	N/A	\$1,390	\$116	\$1,274	\$1,274
2016	3	0.0%	\$1,375	\$0	\$1,375	\$1,375

Trend: Comments

4Q14	Current occupancy has been typical during 2014.
1Q15	The contact noted occupancy rates have ranged between 95 and 98 percent for most of the past year.
1Q16	The contact noted occupancy rates have ranged between 94 and 98 percent for most of the past year. The property is currently offering a free month's rent special in April on current vacancies for leases signed through March.
3Q16	The contact noted the local market is strong and thus rent concessions are not currently offered. Contact also noted that storage units rent for \$50 monthly.

Sugarloaf Crossing Apartments, continued

Photos



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

Housing Choice Vouchers

TENANTS WITH VOUCHERS

Comparable Property	Type	HCV Tenants
Alexander Crossing Apartments	LIHTC	10%
Ashton Creek Apartments	LIHTC	20%
Ashton Pointe	LIHTC	10%
Farmington Hills Phase I	LIHTC	3%
Farmington Hills Phase II	LIHTC	2%
Altera Riverside Apartments	Market	0%
Durant At Sugarloaf	Market	0%
Hillcrest Apartments	Market	1%
Preserve At Legacy Park	Market	0%
Sugarloaf Crossing Apartments	Market	0%

As illustrated in the table, all of the LIHTC comparables reported having voucher tenants. The average number of voucher tenants at the LIHTC properties is nine percent. Only one of the market rate properties reported having tenants utilizing housing choice vouchers. Overall, the local market does not appear to be dependent on voucher tenants, and we anticipate the Subject would maintain less than 10 percent voucher tenants.

Lease Up History

We were able to obtain absorption information from three comparable properties.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Autry Pines Senior Village	LIHTC	Senior	2015	64	21.3
Farmington Hills Phase I	LIHTC	Family	2012	72	10.3
Farmington Hills Phase II	LIHTC	Family	2015	72	14.4
Hearthside Sugarloaf	LIHTC/Mkt	Senior	2015	110	12
Mainstreet Braselton	LIHTC/Mkt	Senior	2014	80	8.8
Mainstreet Winder	LIHTC	Senior	2013	64	7

As illustrated, absorption rates ranged from seven to 21.3 units per month. Based primarily on the absorption rates reported by the family properties, we anticipate that the Subject would absorb approximately 12 units per month, for an absorption period of 10 months. It should be noted that per DCA guidelines, absorption has been calculated to 93 percent occupancy.

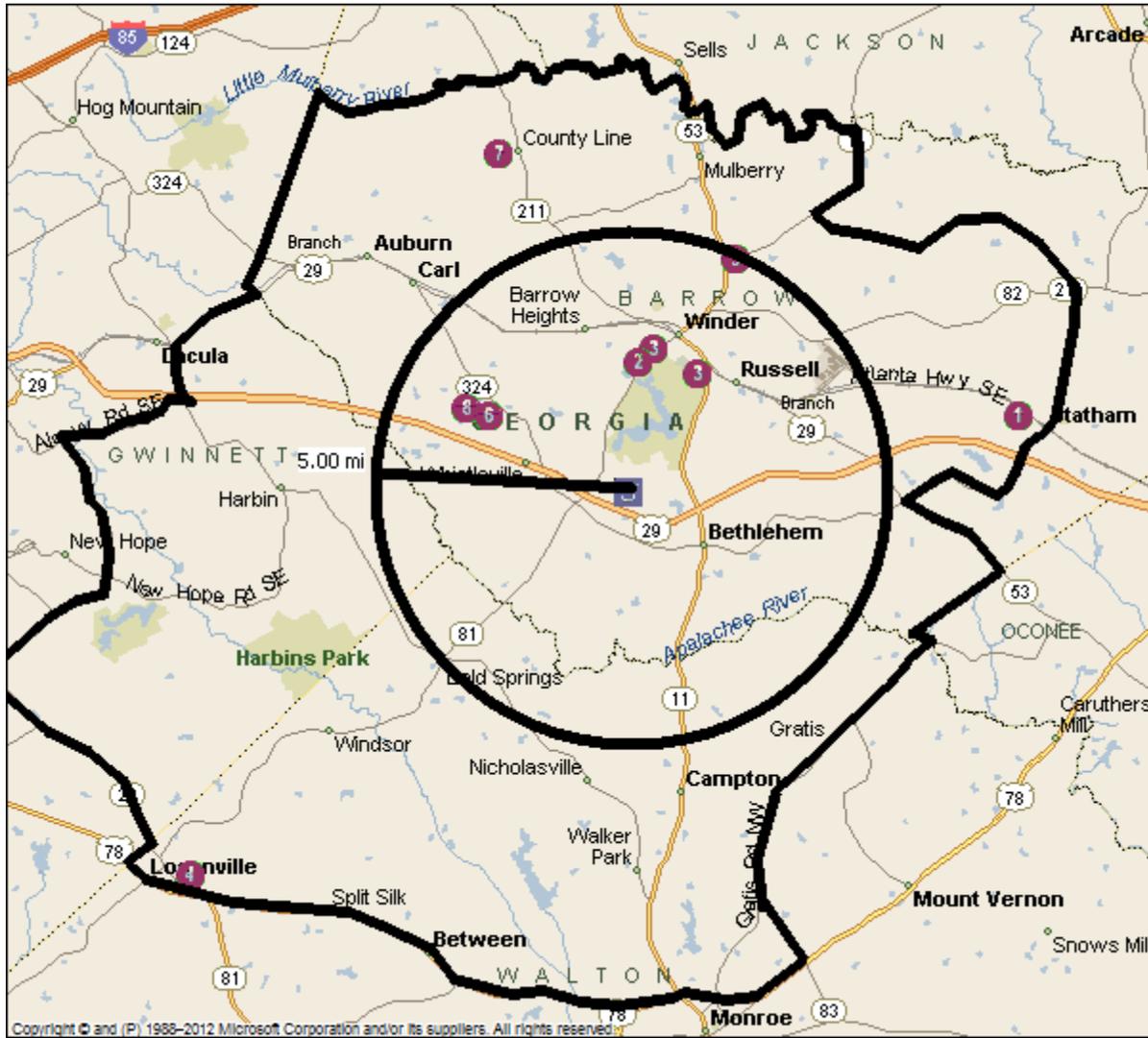
Phased Developments

The Subject is not part of a phased development.

Rural Areas

The Subject is not located in a rural area.

3. COMPETITIVE PROJECT MAP



Map Number	Name	Address	City	Type	Tenancy	Distance from Subject
5	The Exchange	Due East of 416 Exchange Blvd	Winder	Subject	Family	-
1	Statham North Village	379 Sunset Drive	Statham	USDA	Family	7.5 miles
2	Rockspring Apts.	187 S. Broad Street	Winder	USDA	Family	3.0 miles
3	Winder Woods Apts	206 2nd Street	Winder	USDA	Family	3.0 miles
4	Mews Apartments	249 Meadows Drive	Loganville	USDA	Family	10.9 miles
5	Winding Hollow	174 S Broad Street	Winder	Section 8	Senior	3.3 miles
6	Farmington Hills Phase II*	807 Haymon Morris Road	Winder	LIHTC	Family	1.5 miles
7	Rock Springs Apartments	604 Boss Hardy Road	Winder	LIHTC	Family	7.1 miles
8	Farmington Hills*	1506 Farmington Way	Winder	LIHTC	Family	1.8 miles
9	Stratford Court	450 Jefferson Highway	Winder	LIHTC	Senior	5.3 miles

*Properties that have been included as comparables

It should be noted that Rock Springs Apartments and Stratford Court were excluded as comparable properties because we were unable to contact the property management at both of

these properties. Further, Stratford Court targets a different tenancy and would not be competitive with the Subject.

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 pink, 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.

UNIT MATRIX REPORT

Comp #	The Exchange Subject	Alexander Crossing Apartments 1	Ashton Creek Apartments 2	Ashton Pointe 3	Farmington Hills Phase I 4	Farmington Hills Phase II 5	Altera Riverside Apartments 6	Durant At Sugarloaf 7	Hillcrest Apartments 1989 / n/a 8	Preserve At Legacy Park 2001-2002/ n/a 9	Sugarloaf Crossing Apartments 2001 / n/a 10
Property Information											
Property Type	Garden	Townhouse	Garden	Garden	Garden	Garden	Garden	Garden	Townhouse	Garden	Garden
Year Built / Renovated	2018 / n/a	2003 / n/a	2003 / n/a	1999 / n/a	2012 / n/a	2014	1998 / n/a	2002 / n/a	1989 / n/a	2001-2002/ n/a	2001 / n/a
Market (Conv./Subsidy Type)	LIHTC/Mkt	LIHTC/Mkt	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Utility Adjustments											
Cooking	no	yes	no	no	no	no	no	no	no	no	no
Water Heat	no	yes	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	no	no	no	no	no	yes	no	no
Sewer	no	no	no	no	no	no	no	no	yes	no	no
Trash Collection	yes	yes	yes	yes	yes	yes	no	no	yes	no	no
In-Unit Amenities											
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	yes	no	no	no	no	no	yes	no	no	no	no
Carpet/Hardwood	no	no	no	no	yes	no	no	no	no	no	no
Carpeting	yes	no	yes	yes	no	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	no	yes	yes	no	yes	no	yes	yes	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Exterior Storage	no	yes	no	yes	no	no	yes	yes	yes	no	yes
Ceiling Fan	yes	yes	yes	yes	yes	yes	yes	no	no	yes	yes
Fireplace	no	no	no	no	no	no	no	no	no	yes	yes
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Hand Rails	no	yes	no	no	no	no	no	no	no	no	no
Microwave	yes	yes	no	no	yes	no	no	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	no	yes	no	no	no	no	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	yes	no	yes	no	no	yes	no	no	no	yes
Walk-In Closet	yes	yes	yes	no	yes	no	yes	yes	no	yes	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities											
Business Center/Computer Lab	yes	no	no	no	yes	no	yes	yes	no	yes	yes
Car Wash	no	yes	yes	no	no	no	no	yes	no	yes	no
Clubhouse/Community Room	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Courtyard	no	no	no	no	no	no	yes	no	no	no	no
Exercise Facility	yes	yes	yes	no	no	yes	yes	yes	no	yes	yes
Garage	no	no	no	no	no	no	yes	yes	no	yes	yes
Central Laundry	yes	no	no	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	no	no	yes	yes	no	no	no	no	no
Playground	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes
Service Coordination	no	no	no	no	yes	no	no	no	no	no	no
Swimming Pool	yes	yes	yes	yes	yes	no	yes	yes	no	yes	yes
Tennis Court	no	no	no	no	no	no	yes	yes	no	yes	yes
Wi-Fi	no	no	no	no	no	no	no	no	no	no	yes
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	\$65.00	\$85.00	N/A	N/A	\$75.00
Services											
Security											
In-Unit Alarm	no	yes	no	no	no	no	no	no	no	no	yes
Limited Access	no	no	yes	no	no	no	no	yes	no	no	yes
Patrol	no	no	yes	no	no	no	no	no	no	no	no
Perimeter Fencing	no	yes	yes	no	no	no	no	yes	no	no	no

The Subject will offer similar amenities compared to the majority of the comparables.

5. The Subject will target family households. Therefore, per DCA’s guidelines, only family properties were included.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Alexander Crossing Apartments	LIHTCMkt	240	0	0.0%
Ashton Pointe	LIHTC	56	0	0.0%
Farmington Hills Phase I	LIHTC	72	0	0.0%
Farmington Hills Phase II	LIHTC	72	0	0.0%
Altera Riverside Apartments	Market	412	58	14.1%
Durant At Sugarloaf	Market	300	7	2.3%
Hillcrest Apartments	Market	102	1	1.0%
Preserve At Legacy Park	Market	498	20	4.0%
Sugarloaf Crossing Apartments	Market	<u>262</u>	<u>14</u>	<u>5.3%</u>
Total		2,014	100	5.0%

As illustrated, vacancy rates in the market range from zero to 14.1 percent, averaging 5.0 percent. All of the LIHTC comparables reported zero vacancies and are currently maintaining a waiting list. The average weighted vacancy rate among the market rate comparables is 6.4 percent. However, the market rate comparable Altera Riverside Apartments reported that the property is currently renovating units as they become vacant, and reported that they are 95 percent preleased. Excluding Altera Riverside Apartments, the average weighted vacancy rate of the market rate comparables is 3.6 percent.

The Subject will be similar to superior to the majority of the market rate and tax credit properties in terms of age and condition and amenities. Thus, we believe that the Subject will have a stabilized vacancy rate at three percent or less for the restricted scenario and five percent for the unrestricted scenario over a typical investment period.

7. Properties Under Construction and Proposed

Based on DCA’s allocation lists, there are currently no LIHTC multifamily properties proposed for the Subject’s PMA. The three most recently approved developments have all been completed and are stabilized. Additionally, there are no market rate properties proposed, under construction, or that have entered the market in 2013 to 2015. The following properties received LIHTC allocation from 2012 through 2015.

2012-2015 LIHTC AWARDS IN PMA							
Project Name	Project Address	City	County	Tenancy	Year Allocated	Proposed Activity	Unit Count
Autry Pines Sr	155 Autry Rd	Auburn	Barrow	Senior	2013	New Construction	64
Farmington Hills II	807 Haymon Morris Road	Winder	Barrow	Family	2012	New Construction	72
MainStreet Braselton	1911 GA 211	Braselton	Barrow	Senior	2012	New Construction	80

- Autry Pines Senior was allocated in 2013 for a proposed LIHTC senior development in Auburn. This development opened in November 2015, and offers 64 one- and two - bedroom units at 50 and 60 percent of AMI. Based on the tenancy of this property, we do not believe it will be directly competitive with the Subject.
- Farmington Hills II is a recently constructed LIHTC family development in Winder that opened in December 2014. This development offers 72 one-, two-, and three-bedroom units at 50 and 60 percent of AMI. This property will directly compete with the Subject, and we have included Farmington Hills II as a comparable property for the purpose of this report. Further, we have deducted these units from the demand analysis per DCA guidelines.
- Mainstreet Braselton was allocated in 2012 for a proposed LIHTC senior development in Winder. The development was completed in November 2014 and offers 79 one- and two-bedroom units at 50 and 60 percent of AMI. Based on the tenancy of this property, we do not believe it directly competes with the Subject.

8. Rental Advantage

The following table illustrates the Subject’s similarity to the comparable properties. Following the table is a LIHTC rental analysis. 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	Alexander Crossing Apartments	LIHTC/Mkt	Slightly Inferior	Slightly Superior	Slightly Superior	Slightly Inferior	Slightly Superior	5
2	Ashton Creek Apartments	LIHTC	Slightly Inferior	Inferior	Slightly Superior	Slightly Inferior	Slightly Inferior	-20
3	Ashton Pointe	LIHTC	Inferior	Similar	Slightly Inferior	Inferior	Slightly Inferior	-30
4	Farmington Hills Phase I	LIHTC	Similar	Similar	Similar	Similar	Slightly Inferior	-5
5	Farmington Hills Phase II	LIHTC	Slightly Inferior	Slightly Inferior	Similar	Similar	Similar	-10
6	Altera Riverside Apartments	Market	Similar	Similar	Slightly Superior	Slightly Inferior	Similar	0
7	Durant At Sugarloaf	Market	Slightly Superior	Inferior	Slightly Superior	Slightly Inferior	Slightly Superior	0
8	Hillcrest Apartments	Market	Inferior	Inferior	Similar	Inferior	Slightly Inferior	-35
9	Preserve At Legacy Park	Market	Slightly Superior	Slightly Inferior	Slightly Superior	Slightly Inferior	Slightly Superior	5
10	Sugarloaf Crossing Apartments	Market	Slightly Superior	Similar	Slightly Superior	Slightly Inferior	Similar	5

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

The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following tables.

LIHTC Rent Comparison - @50%			
Property Name	1BR	2BR	3BR
The Exchange (Subject)	\$558	\$642	\$704
2015 HOME Maximum (Net)	\$568	\$655	\$709
2015 LIHTC Maximum (Net)	\$558	\$642	\$704
2016 HERA Special LIHTC Maximum (Net)*	\$553	\$637	\$689
2012 Held Harmless LIHTC Maximum (Net)**	\$510	\$585	\$629
Ashton Pointe*	\$500	\$594	\$650
Farmington Hills Phase I**	\$479	\$563	\$632
Farmington Hills Phase II	\$468	\$548	\$615
Average (excluding Subject)	\$482	\$568	\$632

*2016 HERA Special rent limits

**2012 Held Harmless rent limits

LIHTC Rent Comparison - @60%			
Property Name	1BR	2BR	3BR
The Exchange (Subject)	\$686	\$796	\$882
2015 LIHTC Maximum (Net)	\$686	\$796	\$882
2016 HERA Special LIHTC Maximum (Net)*	\$692	\$804	\$881
Alexander Crossing Apartments*	-	\$790	\$895
Ashton Pointe*	\$525	\$620	\$670
Farmington Hills Phase I	\$609	\$719	\$812
Farmington Hills Phase II	\$597	\$704	\$797
Average (excluding Subject)	\$577	\$708	\$794

*2016 HERA Special rent limits

**2012 Held Harmless rent limits

The Subject will offer units at 50 percent of AMI, which are set at the 2015 maximum allowable level. Three of the LIHTC comparables offers units at this set aside. Further, all of these comparables reported achieving rents at the maximum allowable levels at this set aside. The Subject's rents at 60 percent of AMI are set at the 2015 maximum allowable levels, and are within the range of the rents reported at the comparable properties for the two- and three-bedroom units but above the range for the one-bedroom units. Alexander Crossing, Farmington Hills Phase I and Farmington Hills Phase II reported maximum allowable rents at this set aside. It should be noted that these properties appear to be achieving rents slightly below the maximum allowable levels. However, this is likely due to difference in utility allowances. The Subject will offer a similar to slightly superior condition relative to all of the LIHTC comparables, and a similar to slightly inferior location. The overall vacancy rate in the market for the LIHTC comparables is very low and all of the LIHTC properties reported maintaining waiting lists. The Subject will be most similar to Farmington Hills I and II overall, as these are the newest LIHTC properties, and both are located in Winder. Thus, we believe the Subject could achieve rents similar to those being achieved at Farmington Hills I and II at the maximum allowable levels. As such, we believe the proposed rents at the maximum allowable level are achievable for all units. Thus, the Subject's proposed rents will be used in the restricted valuation.

Analysis of “Market Rents”

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

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 constricted. Including rents at lower AMI levels does reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included 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 market properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

**Subject Comparison to "Market Rents"
@50%**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$558	\$468	\$1,040	\$795	42%
2 BR	\$642	\$548	\$1,220	\$888	38%
3 BR	\$704	\$615	\$1,768	\$988	40%

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$686	\$478	\$1,040	\$853	24%
2 BR	\$796	\$594	\$1,220	\$945	19%
3 BR	\$882	\$637	\$1,768	\$1,084	23%

As illustrated, the Subject’s proposed 50 and 60 percent rents in its one- and two-bedroom units are below the surveyed average when compared to the market comparables, which appears reasonable, based on the Subject’s restricted rents.

Hillcrest Apartments is the most similar market rate property in terms of location, and this property reported rents at the low end of the range. However, this property was constructed in 1989 and will be slightly inferior to inferior to the Subject in terms of amenities, condition, and unit sizes. The remaining market rate comparables are located in Lawrenceville, which is a slightly superior location relative to the Subject. Durant at Sugarloaf offers slightly superior unit sizes and property amenities compared to the Subject, but offers slightly inferior condition and

inferior in-unit amenities. Alterra Riverside offers similar amenities and unit sizes, and a slightly inferior condition, compared to the Subject. Overall, these are the most similar market rate comparables. A comparison to Durant at Sugarloaf and Alterra Riverside is detailed in the table below.

Subject Comparison with Durant at Sugarloaf					
Unit Type	Subject Rent	Square Feet	Durant at Sugarloaf Rent	Square Feet	Subject Rent Advantage
1BR @ 50%	\$558	900	\$856	910	35%
2BR @ 50%	\$642	1,100	\$980	1,110	34%
3BR @ 50%	\$704	1,300	\$1,187	1,435	41%
Unit Type	Subject Rent	Square Feet	Durant at Sugarloaf Rent	Square Feet	Subject Rent Advantage
1BR @ 60%	\$686	900	\$856	910	20%
2BR @ 60%	\$796	1,100	\$980	1,110	19%
3BR @ 60%	\$882	1,300	\$1,187	1,435	26%
Unit Type	Subject Rent	Square Feet	Durant at Sugarloaf Rent	Square Feet	Subject Rent Advantage
1BR Market	\$860	900	\$856	910	0%
2BR Market	\$985	1,100	\$980	1,110	-1%
3BR Market	\$1,100	1,300	\$1,187	1,435	7%

Subject Comparison with Alterra Riverside					
Unit Type	Subject Rent	Square Feet	Alterra Riverside Rent	Square Feet	Subject Rent Advantage
1BR @ 50%	\$558	900	\$958	949	42%
2BR @ 50%	\$642	1,100	\$995	1,086	35%
Unit Type	Subject Rent	Square Feet	Alterra Riverside Rent	Square Feet	Subject Rent Advantage
1BR @ 60%	\$686	900	\$958	949	28%
2BR @ 60%	\$796	1,100	\$995	1,110	20%
Unit Type	Subject Rent	Square Feet	Alterra Riverside Rent	Square Feet	Subject Rent Advantage
1BR Market	\$860	900	\$958	949	10%
2BR Market	\$985	1,100	\$995	1,086	1%

We believe the Subject can achieve market rents slightly above those of Durant at Sugarloaf based on the Subject's superior condition and competitive in-unit amenities package. Furthermore, we believe the Subject can achieve rents similar to slightly below those at Alterra Riverside due to the comparables' slightly superior location and slightly superior amenity offerings.

Additionally, we were able to obtain additional information online from two excluded properties. Pine Creek Apartments is proximate to the Subject, but in poor condition. This property reported rents slightly below the Subject's proposed one-bedroom rents. Auburn Park Apartments refused

to participate in our survey. However, rents obtained online indicate that the asking rents for the property’s one- and two-bedroom units are well below the proposed rents at the Subject property.

EXCLUDED MARKET RATE PROPERTIES				
Property Name	Bedroom Type	Size (SF)	Rent	Source/Date
Pine Creek Apartments	2BR/2.5BA	1,200	\$700	RentJungle.com, 2016
	1BR/1BA	600	\$390	
Auburn Park Apartments	2BR/2BA	850	\$490	Novogradac Rent Valuation Toolkit, 2014

However, it should be noted that some variance in rents may attributed to differences in condition, utility structure, and amenities packages. There is insufficient data available at this time to make market oriented adjustments for these differences.

We have relied on our “true comparables” and comparison with Durant at Sugarloaf to determine the Subject’s achievable market rents, and believe the Subject’s market rents are achievable as proposed.

Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer a substantial market rent advantage.

9. LIHTC Competition – Recent Allocations within Two Miles

Based on DCA’s allocation lists, there are currently no LIHTC multifamily properties proposed for the Subject’s PMA. Additionally, there are no market rate properties proposed, under construction, or that have entered the market in 2013 to 2015. The following properties received LIHTC allocation from 2012 through 2015.

2012-2015 LIHTC AWARDS IN PMA

Project Name	Project Address	City	County	Tenancy	Year Allocated	Proposed Activity	Unit Count
Autry Pines Sr	155 Autry Rd	Auburn	Barrow	Senior	2013	New Construction	64
Farmington Hills II	807 Haymon Morris Road	Winder	Barrow	Family	2012	New Construction	72
MainStreet Braselton	1911 GA 211	Braselton	Barrow	Senior	2012	New Construction	80

Only one of these allocated properties, Farmington Hills II, is within two miles of the Subject. Farmington Hills II was placed in service in 2014 and is located in Winder. This development offers 72 one-, two-, and three-bedroom units at 50 and 60 percent of AMI. We have included Farmington Hills II as a comparable property for the purpose of this report and deducted these units from the demand analysis per DCA guidelines.

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

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	18,988	78.4%	5,241	21.6%
2010	30,207	80.4%	7,347	19.6%
2015	30,574	77.3%	8,966	22.7%
Projected Mkt Entry				
October 2018	31,762	77.2%	9,364	22.8%
2020	32,402	77.2%	9,579	22.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

In 2015, approximately 77.3 percent of households in the PMA were owner-occupied, while the remaining 22.7 percent are renter-occupied. The percentage of renter-occupied households in the PMA is expected to increase marginally through both the market entry date and through 2020. Further, the number of renter-occupied households will increase by 613 households from 2015 to 2020, which supports demand for new rental housing.

Historical Vacancy

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

CHANGE IN VACANCY RATES

Comparable Property	Type	Total Units	1QTR 2014	2QTR 2014	3QTR 2014	4QTR 2014	1QTR 2015	2QTR 2015	1QTR 2016
The Exchange	Garden	130	N/A						
Alexander Crossing Apartments	Townhouse	240	N/A	N/A	N/A	0.40%	1.30%	0.00%	1.30%
Ashton Creek Apartments	Garden	140	N/A	N/A	N/A	3.60%	2.90%	N/A	0.00%
Ashton Pointe	Garden	56	N/A	N/A	N/A	3.60%	1.80%	0.00%	1.80%
Farmington Hills Phase I	Garden	72	1.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Farmington Hills Phase II	Garden	72	N/A	N/A	N/A	N/A	30.60%	0.00%	0.00%
Altera Riverside Apartments	Garden	412	N/A	N/A	N/A	1.50%	2.40%	N/A	3.90%
Durant At Sugarloaf	Garden	300	N/A	1.70%	N/A	2.30%	2.00%	N/A	5.00%
Hillcrest Apartments	Townhouse	102	N/A	1.00%	N/A	2.00%	2.00%	N/A	0.00%
Preserve At Legacy Park	Garden	498	N/A	N/A	N/A	2.40%	2.80%	N/A	6.00%
Sugarloaf Crossing Apartments	Garden	262	N/A	N/A	N/A	3.80%	4.60%	N/A	8.40%

As illustrated in the table, we have limited historical occupancy information for the comparables properties. However, it appears that the majority of the comparables have demonstrated stable or improved performance, suggesting the local market is stable despite recent additions to supply.

Change in Rental Rates

The following table illustrates changes in rent at the comparable properties over the past year.

RENT GROWTH

Comparable Property	Rent Structure	Rent Growth
Alexander Crossing Apartments	LIHTC/Mkt	Increase 1% on market rate units
Ashton Creek Apartments	LIHTC	Decrease <1% for UA adjustment
Ashton Pointe	LIHTC	Increase 3%-7.1%
Farmington Hills Phase I	LIHTC	None
Farmington Hills Phase II	LIHTC	Increase 4%-6.6%
Altera Riverside Apartments	Market	Fluctuate frequently
Durant At Sugarloaf	Market	Fluctuate frequently
Hillcrest Apartments	Market	None
Preserve At Legacy Park	Market	Fluctuate frequently
Sugarloaf Crossing Apartments	Market	Fluctuate frequently

Two of the LIHTC comparables reported rent increases over the past year, while four market rate comparables reported that rents fluctuate often. It should be noted that the lack of rental growth for the LIHTC comparables can be attributed to the overall decreases in AMI from the higher 2012 levels. The Subject's LIHTC rents are set at the 2015 maximum allowable levels. Therefore, we anticipate that the Subject will experience rent growth in the future that is in line with the market and AMGI growth.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac, one in every 2,057 housing units in Winder had received foreclosure filings in February 2016. This compares to one in every 1,216 housing units in Barrow County, one in every 1,414 housing units in the state of Georgia, and one in every 1,346 housing units in the nation at the same time. It appears that Winder has been less affected by the recent mortgage and foreclosure crisis and the local area is outperforming the county, state, and nation. Additionally, during our site inspection, there did not appear to be any vacant or abandoned homes in the Subject's neighborhood.

12. Primary Housing Void

Although the majority of the comparables reported relatively low vacancy rates, it should be noted that the majority of the housing stock in the immediate area is older construction. There is a void of new construction housing in the market, which the Subject will help fill. The Subject will be superior to the majority of the comparables in the area and thus, provide good quality affordable housing and improve the mix of housing stock.

13. Affect of Subject on Other Affordable Units in Market

The Subject will be superior to the majority of the LIHTC comparables. The stabilized LIHTC comparables maintain low vacancy levels, indicating demand for good quality affordable units. Additionally, three LIHTC properties area reported to currently maintain waiting list for at least some of their affordable units. Based on the low capture rates, which indicates strong demand for affordable housing, it is anticipated that the Subject will not have a negative long-term impact on affordable units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will be superior in terms of condition to the majority of the comparables. The Subject's proposed rents are slightly at the rents reported by the majority of the LIHTC comparables due to the comparables being held harmless at higher maximum allowable rent levels. Additionally, four of the LIHTC comparables maintain a waiting list for at least some of their affordable units, indicating demand for good quality units. Overall, we believe there is demand for the Subject given its excellent condition, low capture rates, competitive amenities and unit sizes.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

We were able to obtain absorption information from three comparable properties.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Autry Pines Senior Village	LIHTC	Senior	2015	64	21.3
Farmington Hills Phase I	LIHTC	Family	2012	72	10.3
Farmington Hills Phase II	LIHTC	Family	2015	72	14.4
Hearthside Sugarloaf	LIHTC/Mkt	Senior	2015	110	12
Mainstreet Braselton	LIHTC/Mkt	Senior	2014	80	8.8
Mainstreet Winder	LIHTC	Senior	2013	64	7

As illustrated, absorption rates ranged from seven to 21.3 units per month. Based primarily on the absorption rates reported by the family properties, we anticipate that the Subject would absorb approximately 12 units per month, for an absorption period of 10 months. It should be noted that per DCA guidelines, absorption has been calculated to 93 percent occupancy.

J. INTERVIEWS

Barrow County Housing Authority

We spoke with Nancy Dove, Section 8 Office Director for the Georgia Department of Community Affairs (DCA) Athens Section 8 Department, to gather information pertaining to the use of Housing Choice Vouchers. Ms. Dove reported that the DCA distributes 123 vouchers for Barrow County, and all are in use. In addition, there currently is a waiting list of 162 households. They will give preferences to those who either live or work in the county. The payment standards for the one-, two-, and three-bedroom units are \$861, \$996, and \$1,315 respectively. These are above the Subject's proposed LIHTC and market-rate rents.

Planning

We interviewed Yvonne Greenway with the City of Winder Planning and Zoning to determine if any other multifamily apartments were in the planning or construction phases in the city. According to Ms. Greenway, there are no multifamily developments in the planning or construction stages in Winder.

Chamber of Commerce

We contacted Guy Herring with Barrow County Economic & Community Development, and he provided us the following business expansion information.

- Chateau Elan Resort and Winery completed an \$8M expansion to their convention and corporate meeting space facilities in 2015. It is unknown how many jobs this expansion created.
- Republic Services completed an \$11M expansion to develop green energy from methane production and other improvements in 2015. It is unknown how many jobs this expansion will create.
- Ft. Yargo State Park, one of the top five most visited parks in the State, is developing the first Master Plan in the State park system that will be used as a model for future State park master plans. The Plan will include facilities for increased day use and overnight stays, improved access, conference space, recreational facilities and connection to Downtown Winder. It is unknown how many jobs this expansion will create.
- Mizuno USA has moved their manufacturing and distribution operations into the 520,000 square foot Duke building in Braselton, investing 16 million dollars in new equipment, three million dollars in building improvements, and 150 new jobs. This relocation and expansion was complete in 2015.
- Trinity Industries has added over 130 new jobs and over two million dollars in new equipment and infrastructure in November 2015.
- Barrow County is investing over one million in the new Park 53 Business Park along University Parkway and Highway 316 through the construction of a new entrance road and associated infrastructure to promote new industrial development and job creation. It is unknown how many jobs this expansion will create. Currently road infrastructure work is taking place, and the County is searching for a development partner.

- Lanier Technical College and the Barrow County Sims Academy for Innovation and Technology have created a Workforce Development Campus adjacent to Park 53 Business Park. Lanier Tech has completed the brand new state of the art 18.4 million dollar facility in concert with the 12 million dollar Barrow County Sims Academy for Innovation and Technology. Both of these institutions provide workforce development and training for new and existing industries. It is unknown how many jobs this expansion created.
- Schutz Container invested 52 million dollars in land, building, and equipment and created 180 jobs throughout 2014 and 2015.
- Olympic Steel completed a 30,000 square foot expansion in 2015. It is unknown how many jobs this expansion created.
- Progress Container recently completed a 60,000 square foot expansion and an additional 100,000 square foot expansion is pending.
- In 2015, major infrastructure improvements were completed at the interchange of Highway 316 and State Route 20. This interchange provides greater access to retail and entertainment opportunities in the county and will help promote additional commercial development.

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- The Subject is located in Winder in Barrow County, Georgia. Overall demographics are strong for the Subject’s family units as the PMA has been an area of growth. Population in 2015 in the PMA was 118,245 and is projected to increase to 126,082 by 2020. There were 39,540 households in 2015, which is expected to increase to 41,981 by 2020. In 2014, approximately 22.2 percent of people in the PMA resided in renter-occupied housing units. Renter-occupied housing units are expected to increase by 398 housing units by the market entry date, and another 215 housing units by 2020. Approximately 57.3 percent of renter households in the PMA earn between \$0 and \$39,999. Households in these income cohorts are expected to create demand for the Subject. The Subject’s LIHTC units will target family households earning between \$22,286 and \$44,220.
- The Atlanta-Sandy Springs-Roswell, GA MSA has an improving economy with increasing total employment for seven of the last 10 years. The only decreases in employment occurred from 2008 through 2010, which is the result of the recent national recession. The unemployment rate in the MSA has generally been below the national unemployment rate. However, it appears that the local economy is recovering, as total employment numbers are similar to pre-recessionary levels. The local economy appears to be diverse and consist of relatively low-paying jobs offered in the retail, distribution, and manufacturing, industries which are expected to generate demand for affordable housing in the PMA.
- The Subject’s capture rate for its 50 percent AMI units is 5.0 percent, while the 60 percent AMI units are 17.2 percent. The capture rate for the Subject’s market rate units is 1.2 percent. The Subject has an overall capture rate of 9.8 percent. This is also supported by the low vacancy rates at the stabilized comparables and the rapid absorption reported by Farmington Hills Phase II. Therefore, we believe there is adequate demand for the Subject.
- We were able to obtain absorption information from three comparable properties.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Autry Pines Senior Village	LIHTC	Senior	2015	64	21.3
Farmington Hills Phase I	LIHTC	Family	2012	72	10.3
Farmington Hills Phase II	LIHTC	Family	2015	72	14.4
Hearthside Sugarloaf	LIHTC/Mkt	Senior	2015	110	12
Mainstreet Braselton	LIHTC/Mkt	Senior	2014	80	8.8
Mainstreet Winder	LIHTC	Senior	2013	64	7

- As illustrated, absorption rates ranged from seven to 21.3 units per month. Based primarily on the absorption rates reported by the family properties, we anticipate that the Subject would absorb approximately 12 units per month, for an absorption period of 10 months. It should be noted that per DCA guidelines, absorption has been calculated to 93 percent occupancy.

- All of the LIHTC comparables reported zero vacancies and are currently maintaining a waiting list. The average weighted vacancy rate among the market rate comparables is 6.4 percent. However, the market rate comparable Altera Riverside Apartments reported that the property is currently renovating units as they become vacant, and reported that they are 95 percent preleased. Excluding Altera Riverside Apartments, the average weighted vacancy rate of the market rate comparables is 3.6 percent.

The Subject will be similar to superior to the majority of the market rate and tax credit properties in terms of age and condition and amenities. Thus, we believe that the Subject will have a stabilized vacancy rate at three percent or less for the restricted scenario and five percent for the unrestricted scenario over a typical investment period.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will be superior in terms of condition to the majority of the comparables. The Subject's proposed rents are slightly below the rents reported by the majority of the LIHTC comparables due to the comparables being held harmless at higher maximum allowable rent levels. Additionally, four of the LIHTC comparables maintain a waiting list for at least some of their affordable units, indicating demand for good quality units. Overall, we believe there is demand for the Subject given its excellent condition, low capture rates, competitive amenities and unit sizes.

Recommendations

We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



John Cole, MAI
Partner



Nick Doffing
Analyst
Nick.Doffing@Novoco.com
(512) 349-3254



Brian Neukam
Analyst



Constantine Caloudas
Junior Analyst

M. MARKET STUDY REPRESENTATION

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



John Cole, MAI
Partner



Nick Doffing
Analyst
Nick.Doffing@Novoco.com
(512) 349-3254



Brian Neukam
Analyst



Constantine Caloudas
Junior Analyst

N. QUALIFICATIONS

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
JOHN D. COLE**

I. EDUCATION

University of Texas – Austin, Texas (1999)
Master of Business Administration – Finance Concentration, Real Estate Specialization

California Polytechnic State University – San Luis Obispo, California (1992)
Bachelor of Science in Civil/Environmental Engineering

II. LICENSING AND PROFESSIONAL AFFILIATION

Designated Member of the Appraisal Institute (MAI)
Member of National Council of Housing Market Analysts (NCHMA)

Certified General Real Estate Appraiser – State of Texas (1335358-G)
Certified General Real Estate Appraiser – State of Arizona (31931)
Certified General Real Estate Appraiser – State of Louisiana (G2092)
Certified General Real Estate Appraiser – State of Mississippi (GA-857)
Certified General Real Estate Appraiser – State of Florida (RZ3595)
Certified General Real Estate Appraiser – State of California (3002119)
Certified General Real Estate Appraiser – State of Illinois (553.002415)

III. PROFESSIONAL TRAINING

MAI Comprehensive Four Part Exam
Demonstration Appraisal Report - Capstone
National USPAP and USPAP Updates
Advanced Concepts and Case Studies
Advanced Market Analysis and Highest & Best Use
Advanced Sales Comparison and Cost Approaches
Advanced Income Capitalization
General Appraiser Report Writing and Case Studies
Residential & Commercial Valuation of Solar

IV. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP, Partner (2002 to Present)
NAI/Commercial Industrial Properties Company, Director of Operations (1999 to 2001)
Asset Recovery Fund, Financial Analyst Internship (1998 to 1999)
Stratus Properties, Market Research Analyst Internship (1997 to 1998)
Dames & Moore (URS Corporation), Project Manager and Engineer (1992 to 1997)

V. REAL ESTATE ASSIGNMENTS

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

- Managed and conducted more than 400 market and feasibility studies for multifamily and student housing on a national basis. Special concentration in Section 42 Low Income Housing Tax Credit (LIHTC) Properties. Local housing authorities, developers, syndicators and lenders have utilized these studies to assist in the financial underwriting and design of these properties. Expertise in evaluating unit mix, estimating demand, analyzing rental rates, selecting competitive properties and assessing overall market feasibility.
- Managed and conducted appraisals of multifamily housing developments (primarily LIHTC properties). Appraisal assignments have typically involved determining the as is, as if complete, and as if complete and stabilized values. Additionally, encumbered 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.
- Managed and conducted appraisals on existing and proposed U.S. Department of Agriculture (USDA) Rural Development properties. These assignments were performed in compliance with USDA underwriting guidelines, in accordance with USDA Handbook 3560, Chapter 7 and attachments.
- Completed and managed numerous 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 were typically undergoing recertification under HUD's Mark to Market Program.
- 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 valuations of General and/or Limited Partnership Interests in a real estate transaction, as well as LIHTC Year 15 valuation analysis.
- Assisted in the preparation of the Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, the reports can be used in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009 and in the ITC funding process.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

NICHOLAS C. DOFFING

Education

The University of Texas at Austin

- Bachelor of Arts in Economics; Minor in Mathematics

Experience

Real Estate Analyst, Novogradac & Company, LLP (December 2015 – Present)

Researcher, Novogradac & Company, LLP (November 2014 – December 2015)

- Performs market studies for proposed new construction and existing Low Income Housing Tax Credit, USDA Rural Development, Section 8 and market rate multifamily and age-restricted developments. This includes property screenings, market and demographic analysis, comparable rent surveys, supply and demand analysis, determination of market rents, expenses comparability analysis, and other general market analysis. Property types include proposed multifamily, acquisition with rehabilitation, historic rehabilitation, adaptive reuse, and single-family development.
- Conducts physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Assists on appraisals using the cost approach, income capitalization, and sales comparison approach for Low Income Housing Tax Credit, USDA Rural Development and Section 8 properties. Additional assignments also include commercial land valuations.
- Prepare HUD Market-to Market rent comparability studies for Section 8 multifamily developments.

Development Associate, Generation Housing Development, LLC (February 2012 – October 2014)

- Assisted in the development of multifamily apartment communities under LIHTC, HOME, and USDA Rural Development affordable housing programs.

Real Estate Assignments: The researcher has conducted research and completed assignments in the following states and U.S. Territories:

Alabama
California

Arizona
Colorado

Arkansas
Connecticut

Florida
Indiana
Maryland
Missouri
Ohio
Pennsylvania
Texas
Washington

Georgia
Kansas
Minnesota
Nebraska
Oklahoma
Rhode Island
Virginia

Illinois
Louisiana
Mississippi
Nevada
Oregon
Tennessee
West Virginia

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

PROFESSIONAL TRAINING

National USPAP and USPAP Updates
General Appraiser Market Analysis and Highest & Best Use
General Appraiser Sales Comparison Approach
General Appraiser Site Valuation and Cost Approach
General Appraiser Income Capitalization Approach I and II
General Appraiser Report Writing and Case Studies

EXPERIENCE

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

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

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

REAL ESTATE ASSIGNMENTS

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

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Constantine Caloudas

Education

American University

- Bachelor of Communication, Journalism

Experience

Junior Analyst, Novogradac & Company, LLP (September 2015 – Present)

- Assists with market studies for proposed new construction and existing affordable, market rate, and age-restricted multifamily developments. This includes property screenings, market and demographic analyses, comparable rent surveys, supply and demand analyses, determination of market rents, and other general market analysis.
- Conducts physical inspections of subject properties and comparable properties to determine condition and evaluate independent physical condition assessments.

Real Estate Assignments: The researcher has conducted research and completed assignments in the following states and U.S. Territories:

California	Mississippi	Pennsylvania
Connecticut	New Mexico	Texas
Florida	New York	Virginia
Iowa	North Dakota	Washington
Louisiana	Ohio	
Michigan	Oklahoma	