



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

**BROOKFIELD MEWS
99 Tifton Eldorado Road
Tifton, Tift County, Georgia**

**Effective Date: September 10, 2015
Report Date: December 17, 2015**

Prepared For

**Mr. Michael Sherard
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SFS600V- 032

Prepared By

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December 17, 2015

Mr. Michael Sherard
Southport Financial Services, Inc.
2430 Estancia Boulevard, Suite 101
Clearwater, FL 33761

Re: Market Study for Brookfield Mews in Tifton, Georgia

Dear Mr. Sherard:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Tifton, Georgia area relative to the above-referenced Low-income Housing Tax Credit (LIHTC) project. The purpose of this market study is to assess the feasibility of the LIHTC rehabilitation of Brookfield Mews (Subject), an existing Section 8 multifamily development. The Subject offers 32 one-, 64 two-, 18 three-, and six four-bedroom units. Following renovation using the LIHTC program, the property will be restricted to households earning 60 percent of the Area Median Income (AMI), or less. The Subject will continue to operate with Section 8 offer rental assistance on all of the units. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

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

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

Respectfully submitted,



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ASSUMPTIONS AND LIMITING CONDITIONS

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

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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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A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Brookfield Mews (Subject) is an existing Section 8 property in Tifton, Tift County, Georgia that will be renovated using the Low-income Housing Tax Credit program. The Subject currently benefits from a five year Section 8 contract (#GA060010045), which expires December 2016. The most recent HAP contract rent increase was January 1, 2015. All 120-units at the Subject currently operate with Project-Based Section 8 rent subsidies. Based on a rent roll dated July 14, 2015, the Subject is currently 100 percent occupied. The Subject was originally constructed in 1980. The Subject currently consists of 16 two-story garden-style residential buildings containing a total of 120 units, and one single-story leasing office.

The Subject will be extensively renovated with tax credit funding. Renovations will include the following:

General Renovations

- Repair exterior staircases
- Repair walkways
- Repair railings
- Tuck point and repair any damaged brick
- Paint trim
- Replace signage
- Spot repairs for landscaping
- Reseal/restripe parking lot
- Patch sidewalks as needed, and eliminate trip hazards
- Repaint and repair damage to existing trash enclosures
- Install System to divert water away from building foundations
- Install New Mail boxes
- Install gated access

Units - Kitchens

- Replace refrigerators with full size Energy Star refrigerators
- Replace stoves and hood fans
- Replace sinks and install new double compartment kitchen sink and faucets
- Replace 100% of switches, plates, plugs, receptacles and lights
- Replace 100% of kitchen cabinets and countertops.

- Add Pantries to all Units.
- Install new Energy Star rated dishwashers in 100% of units
- Install in-unit microwaves

Units - Bathrooms

- Install new bathroom cabinets/vanities and medicine cabinets in all units
- Replace all showerheads
- Replace all toilets with low flow toilets
- Replace all bathroom sinks/faucets
- Replace all tubs
- Replace all switches, plates, plugs, receptacles and lights
- Add exhaust fan that vents to exterior
- Replace bathroom entry doors and trim, solid core, six panel, as needed

Units - Bedrooms

- Replace bedroom entry doors, solid core 6 panel, as needed
- Replace light fixtures in all bedrooms
- Add ES light fixture to ceiling fans. If no fan present add new fan with ES light fixture.

Units – General Interior

- Replace entry door with insulated 6 panel door.
- Install new wood vinyl in all living areas, bedrooms and sheet vinyl in bathrooms (prevents water seepage)
- Replace all windows with Energy Star rated, insulated, low-e, windows.
- Replace door on utility closets in all units as needed
- Add insulation to attic
- Repaint interiors with semi-gloss paint
- Install new receptacle plates/switches, new fluorescent lights, disconnect/reconnect AHU and CU, new smoke detectors per code.
- Ensure Exterior lights have day light sensors
- Replace electric water heaters with energy star compliant water heaters.

Renovations will occur on a rolling basis with tenants in place, and are expected to be completed by November 2016. Hard costs of renovations will reportedly be \$25,000 per unit, or \$3,000,000 for the entire property.

The table on the following page illustrates the proposed LIHTC rents post renovation. The Subject will maintain the Section 8 overlay on all units. Further, the current Section 8 contract rents are \$507, \$568, \$665, and \$774 for the one-, two-, three-, and four-bedroom units, respectively.

PROPOSED RENTS

| Unit Type | Number of Units | Asking Rent | Utility Allowance (1) | Gross Rent | 2015 LIHTC Maximum Allowable Gross Rent | HUD Fair Market Rents |
|--------------|-----------------|-------------|-----------------------|------------|---|-----------------------|
| | | | <i>60% AMI</i> | | | |
| 1BR | 32 | \$507 | \$92 | \$599 | \$609 | \$474 |
| 2BR | 64 | \$568 | \$128 | \$696 | \$730 | \$609 |
| 3BR | 18 | \$665 | \$178 | \$843 | \$843 | \$771 |
| 4BR | 6 | \$774 | \$168 | \$942 | \$942 | \$999 |
| Total | 120 | | | | | |

Notes (1) Source of Utility Allowance provided by the HUD approved rent schedule, effective 1/2015.

The subject currently offers blinds, carpeting, ceiling fans, central air conditioning, coat closets, dishwashers, hand rails, ovens, pull cords, and refrigerators. The Subject’s unit amenities will be upgraded during the renovation, and in-unit microwaves will be added. The Subject’s project amenities include a clubhouse, computer lab, central laundry, uncovered off-street parking, on-site management, a picnic area, and a playground. Post renovation, the Subject will offer the same community amenities. The Subject does not offer security features, which is similar to the comparables. Post renovation, the Subject will offer gated access. Overall, the Subject’s amenities will be competitive with those offered at most of the comparable properties.

2. Site Description/Evaluation:

The Subject site is bounded by wooded vacant land and Charles Spencer Elementary School. Surrounding land uses consist of wooded vacant land, residential uses, educational uses, and other uses. To the immediate northwest is Charles Spencer Elementary School, followed by single-family homes and a school bus maintenance/warehouse facility. Wooded vacant land is located immediately north and east of the Subject. Further north is a religious use and additional vacant land. Further east is a neighborhood of single-family homes. To the southeast, along Tifton Eldorado Road, is a gas station and mini mart. Across Tifton Eldorado Road to the south of the Subject is vacant land, followed by Magnolia Place Apartments and Azalea Trace Apartments. Magnolia Place Apartments was used as

a comparable property in this report, and Azalea Trace Apartments is a Section 8 property and was excluded due to subsidized rents. The Subject site is located in the southeastern portion of Tifton. The nearest concentration of retail is located along Main Street, roughly 0.7 mile west of the Subject. Retail/commercial occupancy appeared to be roughly 80 percent. The Subject site is considered “car dependent” by Walkscore with a rating of 23. The Subject site is considered a desirable location for multifamily rental housing. The site has good proximity to locational amenities.

The Subject has good visibility from Tifton Eldorado Road. Views from the Subject site are of wooded land and an elementary school. Overall, views are considered average.

3. Market Area Definition:

The Primary Market Area (PMA) is defined by Early Hutchinson Road, Zion Hope Road, and Brighton Road to the north, Paulk Road, Moore Road, and Vanceville County Line Road to the east, Lower Brookfield Road, Oakridge Church Road, and Kell Road to the south, and Hall Road, Little River, and Early Hutchinson Road to the west. The area was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject’s property manager, as well as based on our knowledge of the area. We have estimated that approximately 10 percent of the Subject’s tenants originate from outside these boundaries. While we do believe the Subject will experience leakage from outside the PMA boundaries; per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject is six miles.

4. Community Demographic Data:

Overall population growth in the PMA was declined from 2010 to 2015 by 0.4 percent annually, while the population in the MSA remained roughly the same over the same time period. From 2015 through the market entry date and through 2020, the population in the PMA is expected to decrease by 0.3 percent annually, while the MSA is expected to remain roughly the same. During this time, the nation is expected to grow by 0.8 percent annually. In 2015, roughly 17 percent of the PMA’s population is between the ages of 15 and 24.

The share of renter households in the PMA is 51.4 percent, which is slightly above the share of owner households. Conversely, the share of renter households in the MSA is 42.3 percent. The percentage of renter-occupied housing in the PMA is well above the national average of approximately 36.4 percent, which bodes well for multifamily demand. The percentage of renter-occupied units in the PMA is expected to increase slightly through 2020.

Households earning under \$40,000 in the PMA comprise 55.6 percent of all income cohorts. The Subject will target households earning between \$24,411 and \$34,200 under the LIHTC program and households with incomes as low as \$0 with the Section 8 program rental assistance; therefore, the Subject should be well-positioned to service this market. It should be noted that the area four-person median income (AMI) in the Tifton MSA has increased from \$48,200 in 2013 to \$48,800 in 2014, and increased again to \$49,700 in 2015.

5. Economic Data:

Total employment in the MSA has fluctuated since 2001, increasing in seven out of the past 15 years. Total employment decreased significantly during the recession, and reached a low point in 2010. The decrease in total employment from 2007 to 2010 was significantly greater in the MSA than in the nation as a whole. The MSA's economy added jobs in 2011 and 2012 immediately following the recession, but lost jobs again in 2013 and 2014. From July 2014 to July 2015, total employment in the MSA increased by 0.8 percent, compared to the reported 1.7 percent increase in the nation over the same time period. Current employment remains well below pre-recession levels. From July 2014 to July 2015, unemployment in the MSA decreased by 1.6 percentage points. As of July 2015, the unemployment rate in the MSA was 1.1 percentage points above that of the nation during the same time period. Overall, it appears that the MSA was heavily impacted by the recent national recession, and its recovery has been unsteady. Trends over the past year have been positive, with increasing total employment and a decreasing unemployment rate. However, total employment remains well below prerecession levels.

The PMA's leading industries include health care/social assistance, retail trade, accommodation/food services, and educational services. Together, these four industries make

up 52.5 percent of total employment in the PMA. The PMA is overly represented in sectors such as health care/social assistance, retail trade, educational services, accommodation/food services, public administration, and other services compared to the nation as a whole. Conversely, the PMA is underrepresented in the sectors such as construction, manufacturing, prof/scientific/tech services, and finance/insurance compared to the nation as a whole. A large portion of people in the PMA are employed by the health care/social assistance and educational services sectors, which are traditionally stable employment sectors. However, the PMA's second and fourth largest sectors, retail trade and accommodation/food services, have historically proven susceptible to job losses in times of economic recession, which could negatively affect the local market's economic base. Overall, the mix of industries in the local economy indicates a relatively diversified work force that is somewhat susceptible to cyclical employment shifts.

We spoke with Chris Beckham, Communications Director for Tifton-Tift County Chamber of Commerce, who provided information regarding business expansion and contraction in the local area. According to Mr. Beckham, the following expansions are underway in the county:

- American Textile Company; a manufacturer of mattress/pillow protectors, bed pillows, and mattress pads; broke ground in January 2014 on its second manufacturing facility in Tifton. The company is expected to increase total employment by 200 positions over the next 18 months.
- Heatcraft Refrigeration Products, a manufacturer of commercial refrigeration products, hired 50 new employees in 2013 and is expected to hire another 50 employees by the end of 2014.

Mr. Beckham reported that there have not been any major layoffs over the past several years. The most recent large layoffs occurred in 2007 and 2008. According to the Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) filings, no business closures or layoffs were reported between 2012 and YTD 2015.

These expansions should help the market continue to resume employment growth.

6. Project-Specific Affordability And Demand Analysis:

The following table illustrates the Subject’s capture rates. It should be noted that these capture rates assume LIHTC-only operation. However, the Subject is currently 100 percent occupied, and the renovation will occur on a rolling basis with tenants in place. Thus, little to no turnover is anticipated, and this analysis is hypothetical. Moreover, the Subject will maintain a Section 8 overlay on all units.

CAPTURE RATE ANALYSIS CHART

| Unit Type | Units Proposed | Total Demand | Supply | Net Demand | Capture Rate | Absorption | Average Market Rent | Market Rents Band Min-Max | Proposed Rents |
|----------------|----------------|--------------|----------|--------------|--------------|------------|---------------------|---------------------------|----------------|
| 1BR at 60% AMI | 32 | 372 | 0 | 372 | 8.6% | 12 months | \$540 | \$425-\$754 | \$507 |
| 2BR at 60% AMI | 64 | 330 | 0 | 330 | 19.4% | 12 months | \$666 | \$535-\$915 | \$568 |
| 3BR at 60% AMI | 18 | 256 | 0 | 256 | 7.0% | 12 months | \$795 | \$630-\$980 | \$665 |
| 4BR at 60% AMI | 6 | 61 | 0 | 61 | 9.8% | 12 months | N/A | N/A | \$774 |
| Total | 120 | 1,019 | 0 | 1,019 | 11.8% | | | | |

All capture rates indicate adequate demand for the Subject. Overall, we recommend no changes to the Subject as proposed.

7. Competitive Rental Analysis:

The availability of LIHTC data is considered good, as all of the comparables are located within the PMA. The availability of market rate data is considered good as well. We have included seven market rate properties in the rental analysis, and five of the seven market comparables are located within the PMA boundaries.

The vacancy rates in the market range from zero to 29.2 percent, with a weighted average of 4.0 percent. The LIHTC comparable properties have vacancy rates ranging from zero to 2.9 percent, with a low weighted average vacancy rate of 0.9 percent. The weighted average market rate vacancy rate is 6.0 percent. One of the market rate properties, Teresan Apartments, reported the highest vacancy rate of 29.2 percent. However, management at Teresan Apartments was unable to provide insight on the elevated vacancy rate. Thus, we believe this property represents an outlier. Excluding Teresan Apartments, the overall weighted average vacancy rate is lower at 2.7 percent.

We anticipate that the Subject will perform similarly to the LIHTC comparables and will maintain a vacancy rate of three percent or less. If allocated, we do not believe that

the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable housing in the local market, and the majority maintain waiting lists. In addition, the renovation of the Subject will not create new low-income units, but rather will serve to improve and preserve existing low-income housing stock.

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

| Subject Comparison To Market Rents @60% | | | | | | |
|--|---------|--------------|--------------|------------------|-------------------------|------------------------|
| Unit Type | Subject | Surveyed Min | Surveyed Max | Surveyed Average | Achievable Market Rents | Subject Rent Advantage |
| 1BR- 569 SF | \$507 | \$425 | \$754 | \$540 | \$550 | 8% |
| 1BR- 624 SF | \$507 | \$425 | \$754 | \$540 | \$555 | 9% |
| 2BR- 734 SF | \$568 | \$535 | \$915 | \$666 | \$645 | 12% |
| 2BR- 767 SF | \$568 | \$535 | \$915 | \$666 | \$650 | 13% |
| 3BR- 1,014 SF | \$665 | \$630 | \$980 | \$784 | \$790 | 16% |
| 4BR- 1,252 SF | \$774 | \$735 | \$735 | \$735 | \$925 | 16% |

As illustrated, the Subject’s proposed LIHTC rents are within the range of the comparable properties but below the surveyed average. Post renovation, the Subject will be similar to superior to all of the market rate comparables in terms of condition. As previously noted, the Subject offers a relatively similar location relative to the majority of the comparables and competitive amenities. However, the Subject offers inferior unit sizes relative to the market rate comparables.

Overall, the Subject’s proposed LIHTC rents appear high. Thus, we believe the Subject could achieve rents of **\$375, \$425, \$500, and \$600**, for the one-, two-, three-, and four-bedroom units at 60 percent of AMI.

8. Absorption/Stabilization Estimate:

We were able to obtain absorption information from three LIHTC comparable properties and one market rate property, illustrated in the following table.

ABSORPTION

| Property name | Type | Tenancy | Year Built | Number of Units | Units Absorbed / Month |
|----------------|--------|---------|------------|-----------------|------------------------|
| Magnolia Place | LIHTC | Family | 1995 | 37 | 2 |
| The Groves | LIHTC | Family | 2006 | 96 | 3 |
| Tifton Estates | LIHTC | Family | 2010 | 34 | 8 |
| Cypress Suites | Market | Family | 2008 | 40 | 7 |
| Average | | | | | 5 |

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Tifton Estates is the most recently completed apartment property we surveyed. This project opened in 2010 and averaged eight units per month. The remaining older LIHTC properties we surveyed stated historical absorption rates ranged from two to three units per month, and the overall average absorption rate is five units per month. Given the wide range of absorption rates, we have considered the most recent absorption rates at Tifton Estates, as well as the average absorption rate of these projects in our estimation of absorption for the Subject following completion of renovations. Anecdotal evidence indicates current demand for LIHTC units is strong. Note that if the Section 8 program rental assistance were not available following renovations, it is our opinion the Subject could still achieve 93 percent stabilized occupancy within 12 months, for an absorption rate of 10 units per month.

9. Overall Conclusion: Based upon our market research of comparables, our inspection of the Subject site and surrounding neighborhood, review of area economic trends, and demographic calculations and analysis, we believe there is more than adequate demand for the Subject property as proposed following renovations. The Subject, which currently operates as a Section 8 property, will renovated with LIHTC and will offer all units at a 60 percent of AMI restriction. The LIHTC comparables are performing well, with a weighted vacancy rate of 0.9 percent. Additionally, several of the comparable LIHTC properties maintain waiting lists. Overall, the Subject’s proposed LIHTC rents appear slightly high. Thus, we believe the Subject could achieve rents of **\$375, \$425, \$500, and \$600**, for the one-, two-, three-, and four-bedroom units at 60 percent of AMI.

The capture rates for the Subject are all considered achievable. We believe that the Subject will maintain a vacancy rate of three percent or less following stabilization, which is consistent with the LIHTC comparables and the Subject's historical performance.

Summary Table:

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

| | | |
|-------------------|---|---------------------------|
| Development Name: | Brookfield Mews | Total # Units: 120 |
| Location: | 99 Tifton Eldorado Road | # LIHTC Units: 120 |
| | Tifton, GA | |
| PMA Boundary: | North: Early Hutchinson Road, Zion Hope Road and Brighton Road; East: Paulk Road, Moore Road, and Vanceville County Line Road; South: Lower Brookfield Road, Oakridge Church Road, and Kell Road; West: Hall Road, Little River and Early Hutchinson Road | |
| | Farthest Boundary Distance to Subject: | 6.4 miles |

Rental Housing Stock (found on pages 5,6, and 85)

| Type | # Properties* | Total Units | Vacant Units | Average Occupancy |
|--|---------------|-------------|--------------|-------------------|
| All Rental Housing | 14 | 919 | 21 | 97.7% |
| Market-Rate Housing | 7 | 316 | 19 | 94.0% |
| <i>Assisted/Subsidized Family Housing not to include LIHTC</i> | N/Ap | N/Ap | N/Ap | N/Ap |
| Family LIHTC | 4 | 213 | 2 | 99.1% |
| Stabilized Comps | 11 | 529 | 21 | 96.0% |
| Properties in Construction & Lease Up | 0 | 0 | N/Ap | 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 |
| 32 | 1BR at 60% AMI | 1 | 597 | \$507 | \$540 | \$0.90 | 6% | \$754 | \$1.01 |
| 64 | 2BR at 60% AMI | 1 | 751 | \$568 | \$666 | \$0.89 | 15% | \$915 | \$0.80 |
| 18 | 3BR at 60% AMI | 1.5 | 1,014 | \$665 | \$784 | \$0.77 | 15% | \$980 | \$0.85 |
| 6 | 4BR at 60% AMI | 1.5 | 1,252 | \$774 | \$735 | \$0.59 | -5% | \$735 | \$0.46 |

Demographic Data (found on page 31)

| | 2000 | | 2015 | | 2020 | |
|-------------------------------------|-------|--------|-------|--------|-------|--------|
| Renter Households | 3,825 | 41.50% | 5,025 | 51.40% | 4,999 | 51.70% |
| Income-Qualified Renter HHs (LIHTC) | 2,587 | 67.63% | 3,398 | 67.63% | 3,453 | 67.63% |

Targeted Income-Qualified Renter Household Demand (found on pages 47-59)

| Type of Demand | 30% | 50% | 60% | Market-rate | Other: __ | Overall* |
|--|------|------|-------|-------------|-----------|--------------|
| Renter Household Growth | N/Ap | N/Ap | -5 | N/Ap | N/Ap | -5 |
| Existing Households (Overburdened + Substandard) | N/Ap | N/Ap | 1,023 | N/Ap | N/Ap | 1023 |
| Homeowner conversion (Seniors) | N/Ap | N/Ap | 0 | N/Ap | N/Ap | 0 |
| Total Primary Market Demand | N/Ap | N/Ap | 1,019 | N/Ap | N/Ap | 1019 |
| Less Comparable/Competitive Supply | N/Ap | N/Ap | 0 | N/Ap | N/Ap | 0 |
| Adjusted Income-qualified Renter HHs** | N/Ap | N/Ap | 1,019 | N/Ap | N/Ap | 1,019 |

Capture Rates (found on page 62)

| Targeted Population | 30% | 50% | 60% | Market-rate | Other: __ | Overall |
|---------------------|------|------|--------|-------------|-----------|---------|
| Capture Rate: | N/Ap | N/Ap | 11.80% | N/Ap | N/Ap | 11.80% |

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

| | |
|--|---|
| Project Address and Development Location: | The Subject site is located at 99 Tifton Eldorado Road in Tifton, Tift County, Georgia 33761. |
| Construction Type: | The Subject consists of 16 two-story garden-style buildings and one single-story leasing office. The buildings are wood frame with brick and wood siding and shingle roofs. The Subject was originally constructed in 1980. |
| Occupancy Type: | Family |
| 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: | Currently, the Subject operates as a Section 8 property. Following renovations, all of the units will operate with LIHTC while maintaining Section 8 rent subsidies on all units. |
| Proposed Development Amenities: | See following property profile |

PROPERTY PROFILE REPORT

Brookfield Mews Apartments

| | |
|-------------------------------|--|
| Effective Rent Date | 9/21/2015 |
| Location | 99 Tifton Eldorado Rd Tifton, GA 31794 Tift County |
| Distance | N/A |
| Units | 120 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Garden (2 stories) |
| Year Built/Renovated | 1980 / 2016 |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | N/A |
| Tenant Characteristics | N/A |
| Contact Name | N/A |
| Phone | N/A |



Market Information

| | |
|-----------------------------|------------------|
| Program | @60% (Section 8) |
| Annual Turnover Rate | 20% |
| Units/Month Absorbed | N/A |
| HCV Tenants | N/A |
| Leasing Pace | N/A |
| Annual Chg. in Rent | 3.2 |
| Concession | N/A |

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 | Garden (2 stories) | 32 | 597 | \$507 | \$0 | @60% (Section 8) | Yes | 0 | 0.0% | no | None |
| 2 | 1 | Garden (2 stories) | 64 | 751 | \$568 | \$0 | @60% (Section 8) | Yes | 0 | 0.0% | no | None |
| 3 | 1.5 | Garden (2 stories) | 18 | 1,014 | \$665 | \$0 | @60% (Section 8) | Yes | 0 | 0.0% | yes | None |
| 4 | 1.5 | Garden (2 stories) | 6 | 1,252 | \$774 | \$0 | @60% (Section 8) | Yes | 0 | 0.0% | yes | None |

Unit Mix

| @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$507 | \$0 | \$507 | \$0 | \$507 |
| 2BR / 1BA | \$568 | \$0 | \$568 | \$0 | \$568 |
| 3BR / 1.5BA | \$665 | \$0 | \$665 | \$0 | \$665 |
| 4BR / 1.5BA | \$774 | \$0 | \$774 | \$0 | \$774 |

Brookfield Mews Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Hand Rails
Oven
Refrigerator

Carpeting
Coat Closet
Ceiling Fan
Microwave
Pull Cords

Security

Limited Access

Services

None

Property

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

Clubhouse/Meeting
Off-Street Parking
Picnic Area

Premium

None

Other

None

Comments

The property will be renovated using the Low-income Housing Tax Credit program. The property currently benefits from a five year Section 8 contract (#GA060010045), which expires December 2016. The most recent HAP contract rent increase was January 1, 2015. All 120-units currently operate with Project-Based Section 8 rent subsidies. The current waiting list contains 40 households.

Scope of Renovations: The Subject will be extensively renovated with tax credit funding. Renovations will include the following:

General Renovations

- Repair exterior staircases
- Repair walkways
- Repair railings
- Tuck point and repair any damaged brick
- Paint trim
- Replace signage
- Spot repairs for landscaping
- Reseal/restripe parking lot
- Patch sidewalks as needed, and eliminate trip hazards
- Repaint and repair damage to existing trash enclosures
- Install System to divert water away from building foundations
- Install New Mail boxes
- Install gated access

Units - Kitchens

- Replace refrigerators with full size Energy Star refrigerators
- Replace stoves and hood fans
- Replace sinks and install new double compartment kitchen sink and faucets
- Replace 100% of switches, plates, plugs, receptacles and lights
- Replace 100% of kitchen cabinets and countertops.
- Add Pantries to all Units.
- Install new Energy Star rated dishwashers in 100% of units
- Install in-unit microwaves

Units - Bathrooms

- Install new bathroom cabinets/vanities and medicine cabinets in all units
- Replace all showerheads
- Replace all toilets with low flow toilets
- Replace all bathroom sinks/faucets
- Replace all tubs
- Replace all switches, plates, plugs, receptacles and lights
- Add exhaust fan that vents to exterior
- Replace bathroom entry doors and trim, solid core, six panel, as needed

Units - Bedrooms

- Replace bedroom entry doors, solid core 6 panel, as needed
- Replace light fixtures in all bedrooms
- Add ES light fixture to ceiling fans. If no fan present add new fan with ES light fixture.

Units – General Interior

- Replace entry door with insulated 6 panel door.
- Install new wood vinyl in all living areas, bedrooms and sheet vinyl in bathrooms (prevents water seepage)
- Replace all windows with Energy Star rated, insulated, low-e, windows.
- Replace door on utility closets in all units as needed
- Add insulation to attic
- Repaint interiors with semi-gloss paint
- Install new receptacle plates/switches, new fluorescent lights, disconnect/reconnect AHU and CU, new smoke detectors per code.
- Ensure Exterior lights have day light sensors
- Replace electric water heaters with energy star compliant water heaters.

Renovations will occur on a rolling basis with tenants in place, and are expected to be completed by November 2016. Hard costs of renovations will reportedly be \$25,000 per unit, or \$3,000,000 for the entire property.

Current Rents:

The current rents at the Subject are based on 30 percent of resident incomes, as the Subject operates as Section 8. The following table represents the current HUD approved contract rents, which are effective as of January 1, 2015.

CURRENT RENTS

| Unit Type | Unit Size | Number of Units | Asking Rent | Utility Allowance (1) | Gross Rent | HUD Fair Market Rents |
|------------------|-----------|-----------------|-------------|-----------------------|------------|-----------------------|
| <i>Section 8</i> | | | | | | |
| 1BR | 597* | 32 | \$507 | \$92 | \$599 | \$474 |
| 2BR | 751** | 64 | \$568 | \$128 | \$696 | \$609 |
| 3BR | 1,014 | 18 | \$709 | \$178 | \$887 | \$771 |
| 4BR | 1,252 | 6 | \$812 | \$168 | \$980 | \$999 |

Notes (1) Source of Utility Allowance provided by the HUD approved rent schedule, effective 1/2015

*Average unit size - Ranges from 569 to 624 square feet

**Average unit size - Ranges from 734 to 767 square feet

| | |
|--------------------------------|---|
| Current Occupancy: | The Subject is currently 100 percent occupied. The unit mix currently includes 32 one-, 64 two-, 18 three-, and six four-bedroom units. The Subject has historically operated at a high occupancy rate, indicating relatively high demand for the existing Section 8 units. |
| Current Tenant Income: | The Subject currently operates as a Section 8 development, and tenants pay 30 percent of their income to rent. |
| Placed in Service Date: | The renovation of the Subject is expected to be completed by November 2016. |
| Conclusion: | The Subject will be of good quality following renovations and will be comparable to most of the inventory in the Tifton area. The renovations will be substantial and are expected to total \$25,000 per unit in hard construction costs. Based on our inspection of the Subject units, the Subject does not suffer from functional obsolescence. |

C. SITE EVALUATION

SITE EVALUATION

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

Ed Mitchell visited the site on September 10, 2015.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

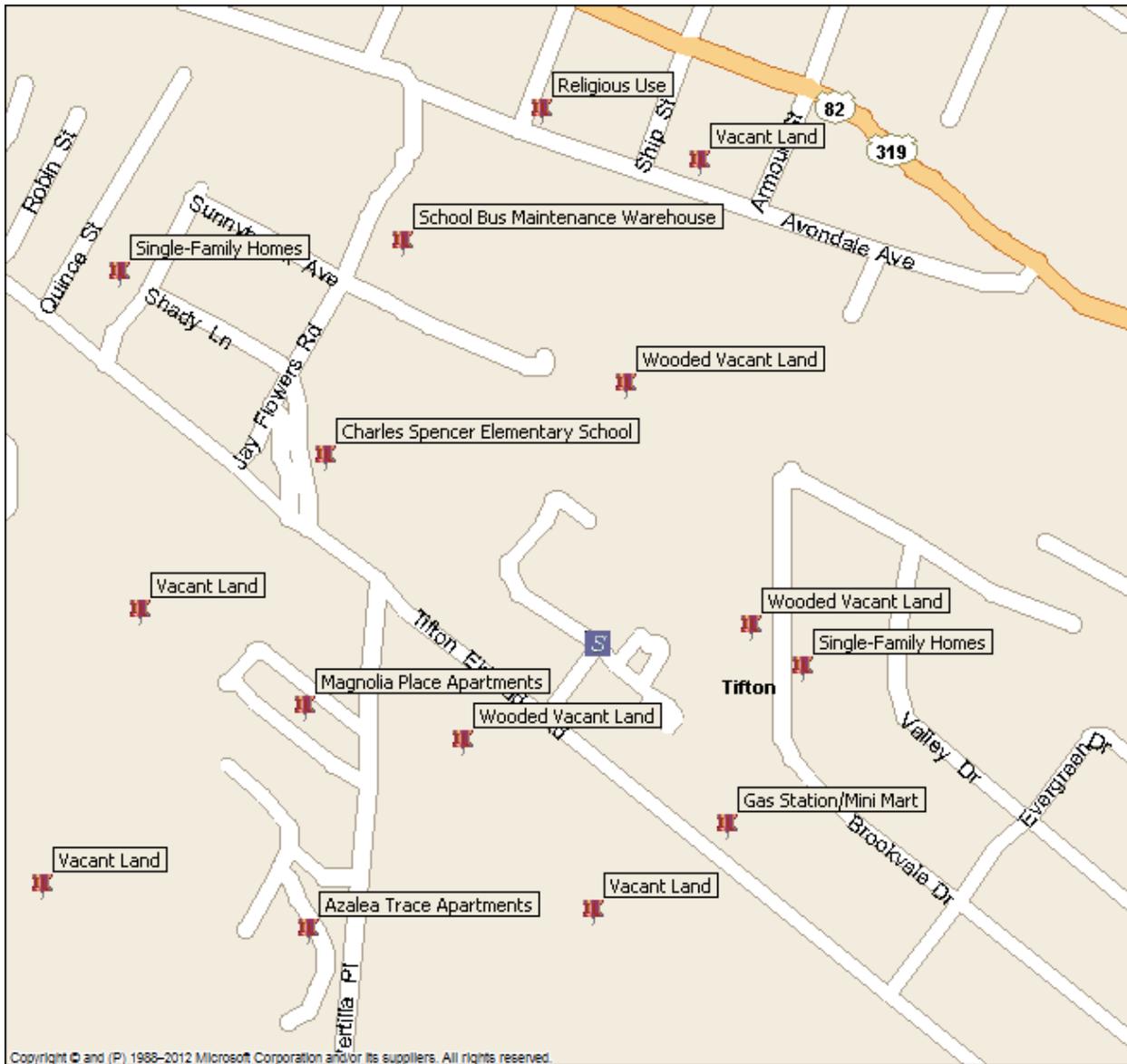
The Subject site has frontage along Tifton Eldorado Road.

Visibility/Views:

The Subject has good visibility from Tifton Eldorado Road. Views from the Subject site are of Charles Spencer Elementary School to the northwest, vacant wooded land to the north and northeast, single-family homes to the east and southeast, and vacant land to the south across Tifton Eldorado Road. Overall, views are considered average.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



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Surrounding land uses consist of wooded vacant land, residential uses, educational uses, and other uses. To the immediate northwest is Charles Spencer Elementary School, followed by single-family homes and a school bus maintenance/warehouse facility. Wooded vacant land is located immediately north and east of the Subject. Further north is a religious use and additional vacant land. Further east is a neighborhood of single-family homes. To the southeast, along Tifton Eldorado Road, is a gas station and mini mart. Across Tifton Eldorado Road to the south of the Subject is vacant land, followed by Magnolia Place Apartments and Azalea Trace Apartments. Magnolia Place Apartments was used as a comparable property in this report, and Azalea Trace Apartments is a Section 8

property and was excluded due to subsidized rents. The Subject site is located in the southeastern portion of Tifton. The nearest concentration of retail is located along Main Street, roughly 0.7 mile west of the Subject. Retail/commercial occupancy appeared to be roughly 80 percent. The Subject site is considered “car dependent” by Walkscore with a rating of 23. The Subject site is considered a desirable location for multifamily rental housing. The site has good proximity to locational amenities.

Positive/Negative Attributes of Site: The Subject’s proximity to locational amenities such as a gas station/mini mart, educational and religious uses, as well as its surrounding uses, which are in average to good condition, are considered positive attributes.

3. Physical Proximity to Locational Amenities:

The Subject is located within 2.1 miles or less of most locational amenities. Below is an aerial photograph of the Subject.



4. Pictures of Site and Adjacent Uses:



Subject Signage



Subject Exterior



Subject Exterior



Subject Exterior/Parking



Subject Grounds



Maintenance Room



Central Laundry



Central Laundry



Subject Entrance



Facing Northwest Along Tifton Eldorado Road



Facing Southeast Along Tifton Eldorado Road



Typical Kitchen



Typical Kitchen



Typical Kitchen (Under Renovation)



Typical Living Room



Typical Living Room



Typical Bathroom



Typical Bathroom



Typical Bathroom



Typical Bedroom



Typical Bedroom



Typical Bedroom



Nearby Gas Station



Nearby School



Nearby Dollar Store



Nearby Restaurant



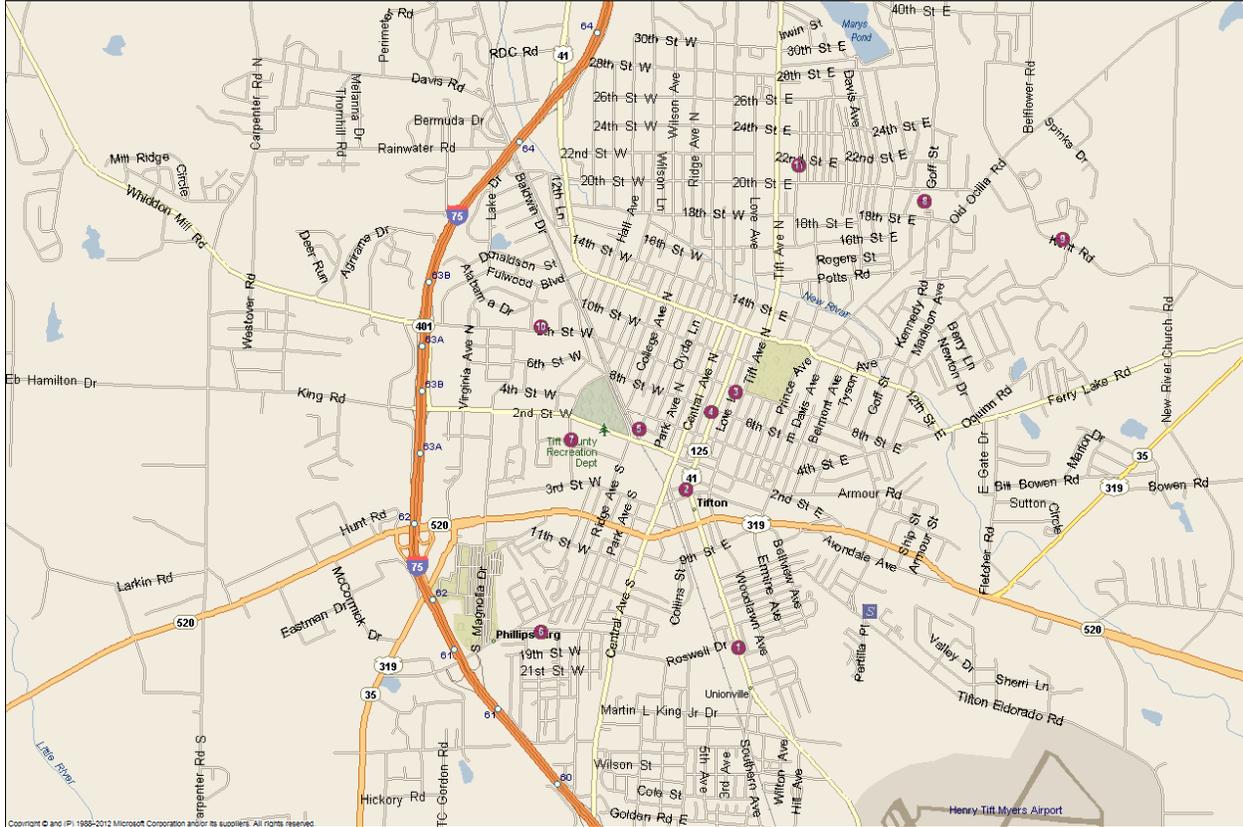
Typical Single-Family Home



Typical Single-Family Home

5. Proximity to Locational Amenities:

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



LOCATIONAL AMENITIES

| Map Number | Amenity | Miles from Subject |
|------------|--------------------------------|--------------------|
| 1 | Dixie Gas Station | 0.6 mile |
| 2 | Bank of America | 1.0 mile |
| 3 | Save-A-Lot | 1.2 miles |
| 4 | Walgreens | 1.2 miles |
| 5 | Post Office | 1.3 miles |
| 6 | Matt Wilson Elementary School | 1.4 miles |
| 7 | Tift County Sheriff | 1.6 miles |
| 8 | Tift Regional Medical Center | 1.9 miles |
| 9 | Tift County High School | 1.9 miles |
| 10 | Eighth Street Middle School | 2.0 miles |
| 11 | Coastal Plain Regional Library | 2.1 miles |

6. Description of Land Uses:

The Subject site is bounded by Charles Spencer Elementary School and wooded vacant land. Surrounding land uses consist of wooded vacant land, residential uses, educational uses, and other uses. To the immediate northwest is Charles Spencer Elementary School, followed by single-family homes and a school bus maintenance/warehouse facility.

Wooded vacant land is located immediately north and east of the Subject. Further north is a religious use and additional vacant land. Further east is a neighborhood of single-family homes. To the southeast, along Tifton Eldorado Road, is a gas station and mini mart. Across Tifton Eldorado Road to the south of the Subject is vacant land, followed by Magnolia Place Apartments and Azalea Trace Apartments. Magnolia Place Apartments was used as a comparable property in this report, and Azalea Trace Apartments is a Section 8 property and was excluded due to subsidized rents. The Subject site is located in the southeastern portion of Tifton. The nearest concentration of retail is located along Main Street, roughly 0.7 mile west of the Subject. Retail/commercial occupancy appeared to be roughly 80 percent. The Subject site is considered “car dependent” by Walkscore with a rating of 23. The Subject site is considered a desirable location for multifamily rental housing. The site has good proximity to locational amenities.

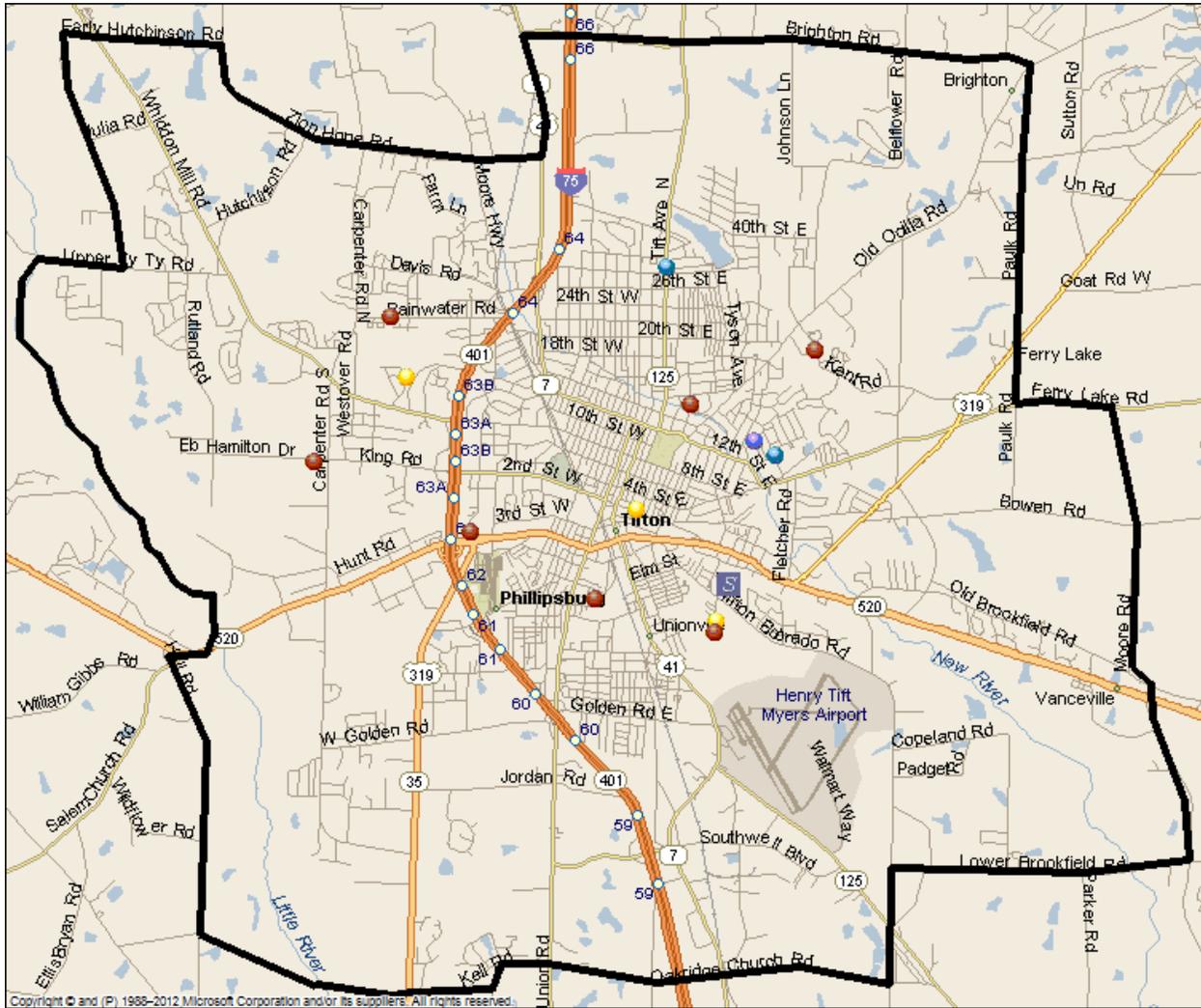
7. Existing Assisted Rental Housing

Property Map:

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

ASSISTED RENTAL HOUSING PROPERTIES

| Property Name | Address | Zip Code | Type | Tenancy | Map Color | Included/ Excluded | Reason for Exclusion | |
|--------------------------------|------------------------|----------|------------|----------|-----------|--------------------|----------------------|------------------|
| The Groves | 2826 Rainwater Road | 31793 | LIHTC | Family | Red | Included | N/A | |
| Harbor Pointe | 88 Richards Drive | 31794 | LIHTC | Senior | | Excluded | Unable to Contact | |
| Tiffany Square | 1430 Prince Avenue | 31794 | LIHTC | Family | | Included | N/A | |
| Magnolia Place | 4 Pertilla Place | 31794 | LIHTC | Family | | Included | N/A | |
| Westbury Place | 311 S. Virginia Avenue | 31794 | LIHTC | Family | | Excluded | Unable to Contact | |
| West Haven Senior Village | 2760 EB Hamilton Drive | 31793 | LIHTC | Senior | | Excluded | Incomparable Tenancy | |
| Tifton Estates | 1510 Coley Street | 31794 | LIHTC | Family | | Included | N/A | |
| Wildwood Apartments | 1220 Sussex Drive | 31794 | LIHTC/USDA | Family | | Purple | Excluded | Subsidized Rents |
| Meadowwood Apartments | 2800 Tift Avenue | 31794 | USDA | Family | | Blue | Excluded | Subsidized Rents |
| Village Square | 1401 Newton Drive | 31794 | USDA | Family | | Blue | Excluded | Subsidized Rents |
| Options for Living East One | 1606 Red Fox Trail | 31793 | Section 8 | Disabled | Yellow | Excluded | Subsidized Rents | |
| Tift Tower Apartments | 311 2nd St East | 31794 | Section 8 | Senior | | Excluded | Subsidized Rents | |
| Azalea Trace Apartments I & II | 38 Pertilla Place | 31794 | Section 8 | Senior | | Excluded | Subsidized Rents | |



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

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

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

The Subject site can be accessed from Tifton Eldorado Road, a moderately trafficked two-lane roadway that connects to the town of Eldorado and Interstate 75 to the south and central Tifton to the northwest. Interstate 75 primarily traverses north/south and provides access to Macon and Atlanta to the north/northwest and the Georgia/Florida state line to the south. The Subject has good visibility from Tifton Eldorado Road. Views from the Subject site are of Charles Spencer Elementary School to the northwest, vacant wooded land to the north and northeast, single-family homes to the east and southeast, and vacant land to the south across Tifton Eldorado Road.

Overall, access to and from the Subject are considered good and views are considered average.

10. Environmental Concerns:

We have requested, but not received a copy of a Phase I Environmental Sites Assessment report for the Subject. During our site inspection, we walked the Subject site, and did not observe any obvious indicators of environmental contamination or adverse property condition issues. However, Novogradac & Company LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions. Further analysis is beyond the scope of this report. It should be noted that we have made an extraordinary assumption that there are no adverse environmental conditions that would impact the Subject site.

11. Conclusion:

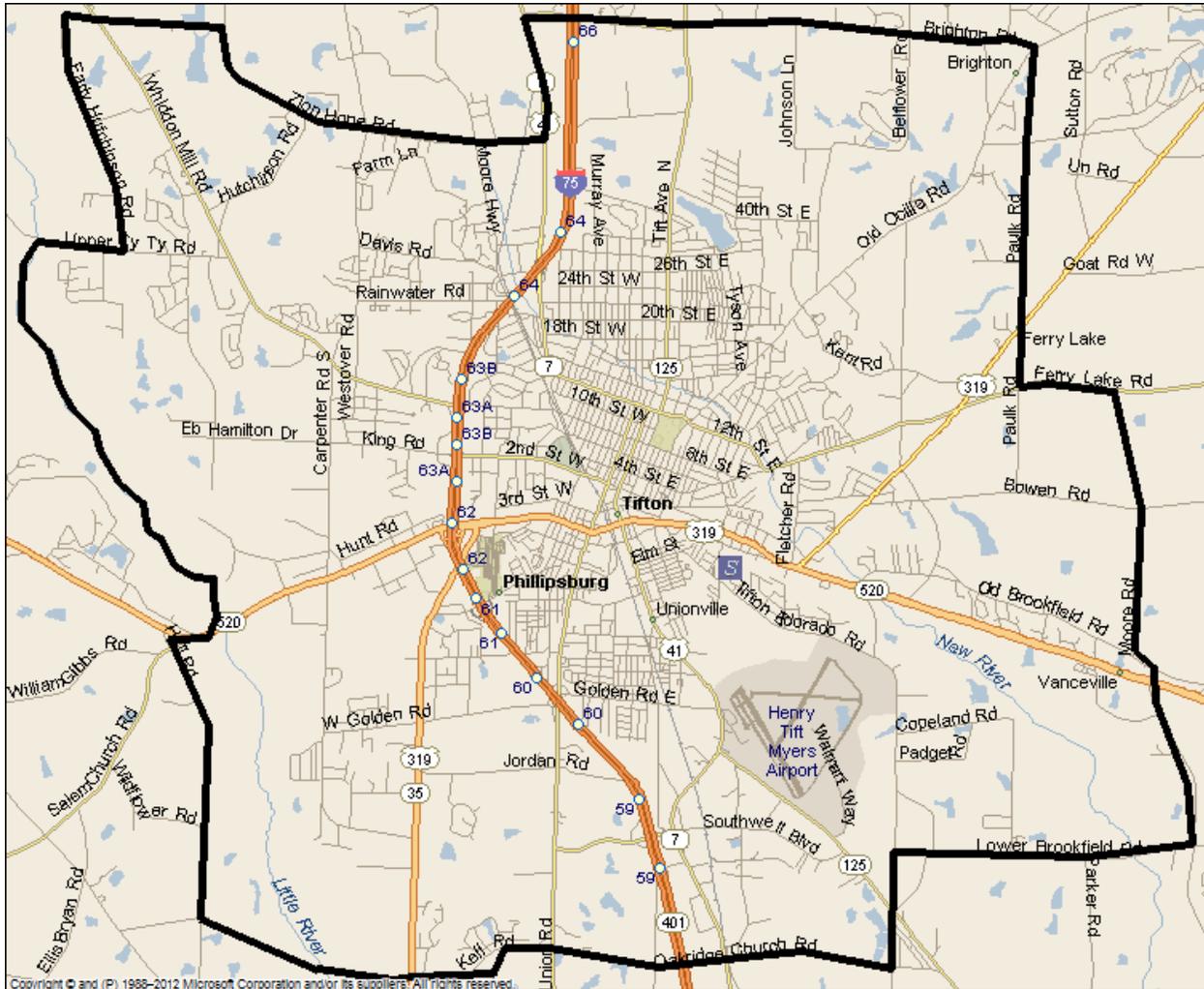
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D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



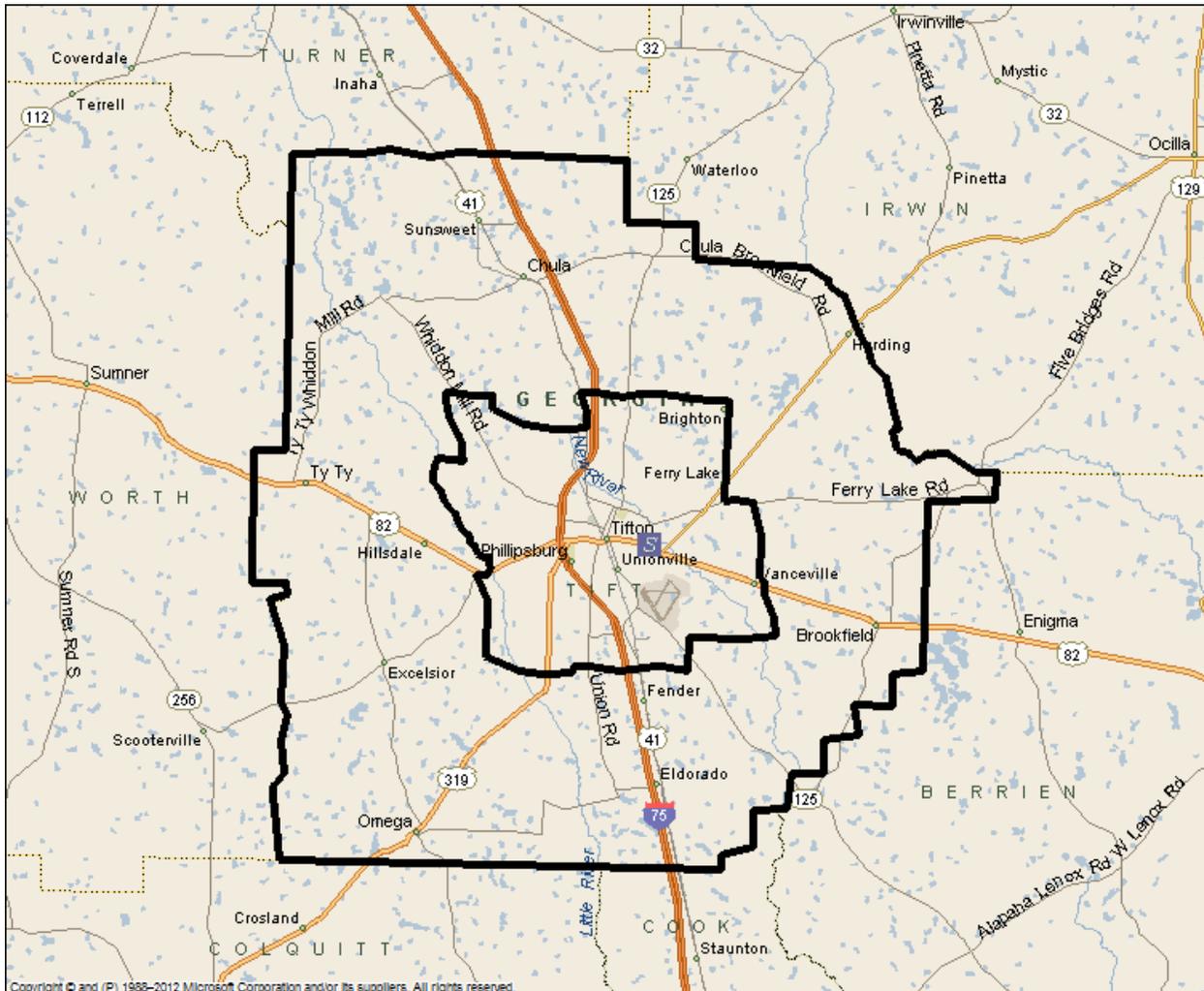
The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Tifton, Georgia MSA are areas of growth or contraction.

The boundaries of the PMA are as follows:

- North – Early Hutchinson Road, Zion Hope Road, and Brighton Road
- East – Paulk Road, Moore Road, and Vanceville County Line Road
- South – Lower Brookfield Road, Oakridge Church Road, and Kell Road
- West- Hall Road, Little River, and Early Hutchinson Road

The area consists of most of the city of Tifton as well as other areas of Tift County, and was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject’s property manager, as well as based on our knowledge of the area. We have estimated that approximately 10 percent of the Subject’s tenants originate from outside these boundaries. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject is six miles.

For comparison purposes, the secondary market area (SMA) for the Subject is considered to be the Tifton Micropolitan Statistical Area, which consists of Tift County. Following is a map of the SMA.



E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

1. Population Trends

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

TOTAL POPULATION

| Year | PMA | | Tifton, GA Micropolitan Statistical Area | | USA | |
|--------------------------------------|--------|---------------|--|---------------|-------------|---------------|
| | Number | Annual Change | Number | Annual Change | Number | Annual Change |
| 2000 | 24,922 | - | 38,406 | - | 281,421,906 | - |
| 2010 | 26,589 | 0.7% | 40,118 | 0.4% | 308,745,538 | 1.0% |
| 2015 | 26,035 | -0.4% | 40,211 | 0.0% | 318,536,439 | 0.6% |
| Projected Mkt Entry November 2016 | 25,935 | -0.3% | 40,206 | 0.0% | 321,759,409 | 0.8% |
| 2020 | 25,660 | -0.3% | 40,192 | 0.0% | 330,622,575 | 0.8% |

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

POPULATION BY AGE GROUP

| Age Cohort | PMA | | | | |
|--------------|---------------|---------------|---------------|---------------|---------------|
| | 2000 | 2010 | 2015 | Projected Mkt | 2020 |
| 0-4 | 1,987 | 2,085 | 1,952 | 1,932 | 1,878 |
| 5-9 | 1,885 | 1,879 | 1,840 | 1,812 | 1,735 |
| 10-14 | 1,908 | 1,817 | 1,721 | 1,722 | 1,723 |
| 15-19 | 2,194 | 2,483 | 2,211 | 2,198 | 2,162 |
| 20-24 | 2,060 | 2,367 | 2,195 | 2,151 | 2,031 |
| 25-29 | 1,777 | 1,773 | 1,915 | 1,880 | 1,782 |
| 30-34 | 1,698 | 1,786 | 1,722 | 1,735 | 1,769 |
| 35-39 | 1,664 | 1,645 | 1,606 | 1,588 | 1,537 |
| 40-44 | 1,744 | 1,514 | 1,493 | 1,484 | 1,459 |
| 45-49 | 1,544 | 1,600 | 1,419 | 1,419 | 1,420 |
| 50-54 | 1,316 | 1,657 | 1,526 | 1,487 | 1,381 |
| 55-59 | 1,121 | 1,458 | 1,532 | 1,506 | 1,433 |
| 60-64 | 881 | 1,193 | 1,330 | 1,350 | 1,404 |
| 65-69 | 813 | 942 | 1,102 | 1,134 | 1,221 |
| 70-74 | 799 | 795 | 869 | 906 | 1,008 |
| 75-79 | 672 | 614 | 657 | 679 | 738 |
| 80-84 | 453 | 496 | 465 | 478 | 515 |
| 85+ | 406 | 485 | 479 | 475 | 465 |
| Total | 24,922 | 26,589 | 26,034 | 25,935 | 25,661 |

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

Overall population growth in the PMA was declined from 2010 to 2015 by 0.4 percent annually, while the population in the MSA remained roughly the same over the same time period. From 2015 through the market entry date and through 2020, the population in the PMA is expected to decrease by 0.3 percent annually, while the MSA is expected to remain roughly the same. During this time, the nation is expected to grow by 0.8 percent annually. In 2015, roughly 17 percent of the PMA’s population is between the ages of 15 and 24.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

| Year | PMA | | Tifton, GA Micropolitan Statistical Area | | USA | |
|--------------------------------------|--------|---------------|--|---------------|-------------|---------------|
| | Number | Annual Change | Number | Annual Change | Number | Annual Change |
| 2000 | 9,223 | - | 14,062 | - | 105,991,193 | - |
| 2010 | 9,839 | 0.7% | 14,836 | 0.6% | 116,716,292 | 1.0% |
| 2015 | 9,768 | -0.1% | 15,030 | 0.2% | 120,746,349 | 0.7% |
| Projected Mkt Entry November 2016 | 9,739 | -0.2% | 15,037 | 0.0% | 122,008,006 | 0.8% |
| 2020 | 9,661 | -0.2% | 15,057 | 0.0% | 125,477,562 | 0.8% |

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

AVERAGE HOUSEHOLD SIZE

| Year | PMA | | Tifton, GA Micropolitan Statistical Area | | USA | |
|--------------------------------------|--------|---------------|--|---------------|--------|---------------|
| | Number | Annual Change | Number | Annual Change | Number | Annual Change |
| 2000 | 2.57 | - | 2.62 | - | 2.58 | - |
| 2010 | 2.54 | -0.1% | 2.60 | -0.1% | 2.58 | 0.0% |
| 2015 | 2.52 | -0.2% | 2.58 | -0.1% | 2.57 | 0.0% |
| Projected Mkt Entry November 2016 | 2.52 | -0.1% | 2.58 | 0.0% | 2.57 | 0.0% |
| 2020 | 2.51 | -0.1% | 2.57 | 0.0% | 2.57 | 0.0% |

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

Similar to total population, the PMA was an area with a slightly declining base of households from 2010 through 2015. The number of households in the PMA is projected to decrease by 0.2 percent annually through the projected market entry date and through 2020. The number of households in the MSA is expected to remain steady over the same time frame.

The average household size in the PMA, at 2.52, is slightly smaller than the average household sizes in the MSA and that of the nation. The Subject offers one-, two-, three-, and four-bedroom units targeted to singles, couples, and families. The Subject’s proposed unit mix is appropriate for the average household size in the PMA.

2b. Households by Tenure

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

TENURE PATTERNS - TOTAL POPULATION

| Year | PMA | | | | Tifton, GA Micropolitan Statistical Area | | | |
|--------------------------------------|----------------------|------------|-----------------------|------------|--|------------|-----------------------|------------|
| | Owner-Occupied Units | | Renter-Occupied Units | | Owner-Occupied Units | | Renter-Occupied Units | |
| | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| 2000 | 5,398 | 58.5% | 3,825 | 41.5% | 9,370 | 66.6% | 4,692 | 33.4% |
| 2010 | 5,166 | 52.5% | 4,673 | 47.5% | 9,083 | 61.2% | 5,753 | 38.8% |
| 2015 | 4,743 | 48.6% | 5,025 | 51.4% | 8,676 | 57.7% | 6,354 | 42.3% |
| Projected Mkt Entry November 2016 | 4,721 | 48.5% | 5,018 | 51.5% | 8,676 | 57.7% | 6,361 | 42.3% |
| 2020 | 4,662 | 48.3% | 4,999 | 51.7% | 8,675 | 57.6% | 6,382 | 42.4% |

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

The share of renter households in the PMA is 51.4 percent, which is slightly above the share of owner households. Conversely, the share of renter households in the MSA is 42.3 percent. The percentage of renter-occupied housing in the PMA is well above the national average of approximately 36.4 percent, which bodes well for multifamily demand. The percentage of renter-occupied units in the PMA is expected to increase slightly through 2020.

2c. Households by Income

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

HOUSEHOLD INCOME DISTRIBUTION - PMA

| Income Cohort | 2010 | | 2015 | | Projected Mkt Entry November 2016 | | 2020 | |
|-------------------|--------------|---------------|--------------|---------------|--------------------------------------|---------------|--------------|---------------|
| | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| \$0-9,999 | 1,512 | 15.4% | 1,782 | 18.2% | 1,782 | 18.3% | 1,782 | 18.4% |
| \$10,000-19,999 | 1,521 | 15.5% | 1,644 | 16.8% | 1,642 | 16.9% | 1,634 | 16.9% |
| \$20,000-29,999 | 1,537 | 15.6% | 1,365 | 14.0% | 1,361 | 14.0% | 1,350 | 14.0% |
| \$30,000-39,999 | 900 | 9.1% | 950 | 9.7% | 952 | 9.8% | 955 | 9.9% |
| \$40,000-49,999 | 809 | 8.2% | 772 | 7.9% | 769 | 7.9% | 761 | 7.9% |
| \$50,000-59,999 | 636 | 6.5% | 647 | 6.6% | 644 | 6.6% | 638 | 6.6% |
| \$60,000-74,999 | 1,039 | 10.6% | 924 | 9.5% | 919 | 9.4% | 906 | 9.4% |
| \$75,000-99,999 | 932 | 9.5% | 870 | 8.9% | 864 | 8.9% | 849 | 8.8% |
| \$100,000-124,999 | 462 | 4.7% | 424 | 4.3% | 420 | 4.3% | 410 | 4.2% |
| \$125,000-149,999 | 280 | 2.8% | 200 | 2.0% | 198 | 2.0% | 191 | 2.0% |
| \$150,000-199,999 | 120 | 1.2% | 124 | 1.3% | 123 | 1.3% | 120 | 1.2% |
| \$200,000+ | 93 | 0.9% | 66 | 0.7% | 66 | 0.7% | 64 | 0.7% |
| Total | 9,839 | 100.0% | 9,768 | 100.0% | 9,739 | 100.0% | 9,661 | 100.0% |

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

Households earning under \$40,000 in the PMA comprise 55.6 percent of all income cohorts. The Subject will target households earning between \$20,537 and \$37,680 under the LIHTC program and households with incomes as low as \$0 with the Section 8 program rental assistance; therefore, the Subject should be well-positioned to service this market. It should be noted that the area four-person median income (AMI) in the Tifton MSA has increased from \$48,200 in 2013 to \$48,800 in 2014, and increased again to \$49,700 in 2015.

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

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

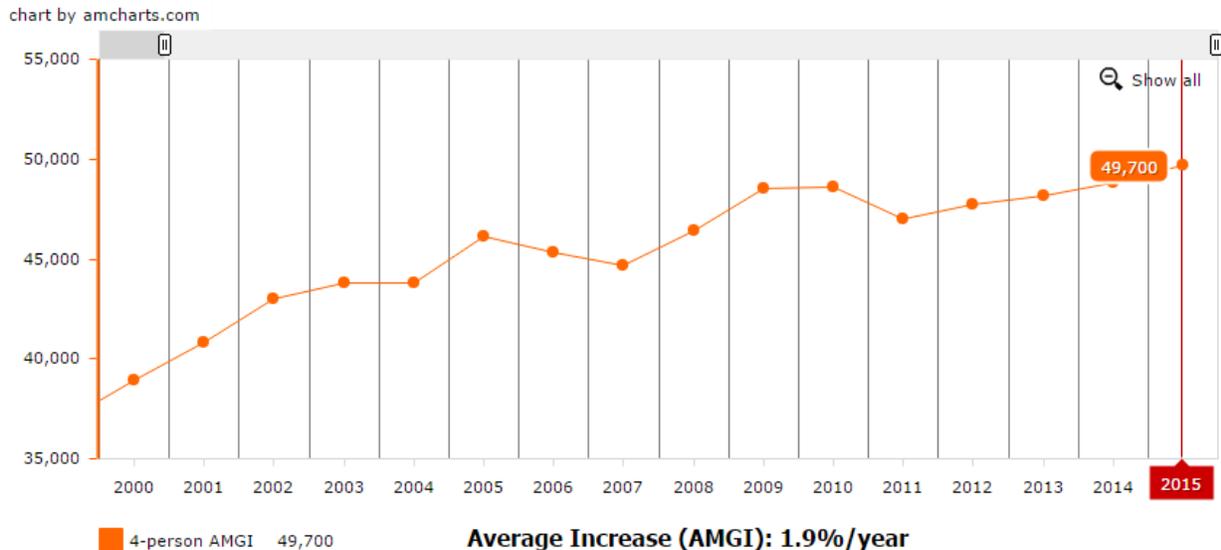
RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

| | 2000 | | 2010 | | 2015 | | Projected Mkt Entry November 2016 | | 2020 | |
|-------------------------|--------|------------|--------|------------|--------|------------|--------------------------------------|------------|--------|------------|
| | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| With 1 Person | 1,179 | 30.8% | 1,638 | 35.0% | 1,775 | 35.3% | 1,777 | 35.4% | 1,782 | 35.6% |
| With 2 Persons | 1,042 | 27.2% | 1,091 | 23.4% | 1,171 | 23.3% | 1,169 | 23.3% | 1,162 | 23.3% |
| With 3 Persons | 653 | 17.1% | 788 | 16.9% | 852 | 17.0% | 851 | 17.0% | 847 | 16.9% |
| With 4 Persons | 554 | 14.5% | 616 | 13.2% | 654 | 13.0% | 651 | 13.0% | 643 | 12.9% |
| With 5+ Persons | 397 | 10.4% | 539 | 11.5% | 573 | 11.4% | 570 | 11.4% | 565 | 11.3% |
| Total Renter Households | 3,825 | 100.0% | 4,673 | 100.0% | 5,025 | 100.0% | 5,018 | 100.0% | 4,999 | 100.0% |

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

The household size with the largest percentage of households is one person households, followed by two person households. In general, households with one to three people are expected to remain stable. The Subject will contain one-, two-, three-, and four-bedroom floor plans, so this large percentage bodes well for the Subject.

It should be noted that for Section 42 LIHTC rent determination purposes, the area median income issued. The following chart illustrates the AMI level for a four-person household in Tift County, GA:



Source: Novogradac & Company LLP, 9/2015

Overall, the AMI has increased by an average 1.9 percent annually between 2000 and 2015. The overall rise in AMI levels indicates a healthy market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. Nationally, 84 percent of counties experienced a decrease in the 2013 AMI level due to decreased income limits in approximately 50 percent of counties nationwide. However, between 2012 and 2013, the AMI increased in Tift County. Since 2011, the AMI in Tift County has steadily increased in each consecutive year. The 2015 AMI of \$49,700 is the highest of the past 15 years. Thus, all LIHTC properties are permitted to use the current rent and income limits, which represent a peak over the period. The Subject’s proposed LIHTC rents restricted at 60 percent of AMI are set at the 2015 maximum allowable level. Thus, rent growth will be dependent on market conditions, as well as AMI growth, if we assume no Section 8 contract.

Conclusion

Total population in the PMA is projected to decrease at a 0.3 percent annual rate from 2015 to 2020, a growth rate below that of the MSA and the nation as a whole during the same time period, which is common in rural areas like the Subject. The share of renter-occupied units in the PMA is significantly higher than in the MSA and nation. Households earning under \$40,000 in the PMA comprise 55.6 percent of all income cohorts. The Subject will target households earning between \$20,537 and \$37,680, assuming LIHTC operation, and therefore, the Subject should be well-positioned to service this market. Low incomes and mostly renter-occupied households in the PMA, affordable housing will continue to be in demand. This bodes well for the Subject's proposed LIHTC rents.

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

The employment base in the Tifton area is heavily reliant on the health care/social assistance, retail trade, educational services, and manufacturing sectors. Together, these four industries comprise almost half percent of total employment in the PMA. Additionally, the agriculture sector employs a more significant percentage of the population relative to the nation as a whole. According to the Department of Community Affairs, Tift County is known as the "Plant Capital of the World," with many plants and vegetables grown here being shipped worldwide for replanting. As a result, Tift County has become a center for farm experimentation and agricultural education.

1. Total Jobs

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

Total Jobs in Tift County

| Year | Total Employment | % Change |
|------------------|-------------------------|-----------------|
| 2005 | 18,660 | - |
| 2006 | 18,946 | 1.5% |
| 2007 | 18,121 | -4.4% |
| 2008 | 17,720 | -2.2% |
| 2009 | 16,808 | -5.1% |
| 2010 | 16,537 | -1.6% |
| 2011 | 16,648 | 0.7% |
| 2012 | 17,212 | 3.4% |
| 2013 | 17,112 | -0.6% |
| 2014 | 16,783 | -1.9% |
| 2015 YTD Average | 16,962 | 1.1% |
| Jul-14 | 16,670 | - |
| Jul-15 | 16,804 | 0.8% |

Sources: U.S. Bureau of Labor Statistics
 2015 YTD as of March 2015

As illustrated in the table above, Tift County experienced a weakening economy during the national recession. Total employment in the county began feeling the effects of the downturn in 2007 with a 4.4 percent decrease, and total employment continued to decrease through 2010. Tift County experienced increase in total employment in 2011 and 2012, but decreased again in 2013 and 2014. The 2015 YTD average is above 2014 levels, and between July 2014 and July 2015, total employment increased 0.8 percent. However, total employment remains well below prerecession levels.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Tift County as of June 2015, the most recent information available.

**June 2015 Covered Employment
Tift County, Georgia**

| | Number | Percent |
|--------------------------------------|--------|---------|
| Total, all industries | 13,416 | - |
| Goods-producing | 2,273 | - |
| Natural resources and mining | 620 | 4.62% |
| Construction | 500 | 3.73% |
| Manufacturing | 1,153 | 8.59% |
| Service-providing | 11,143 | - |
| Trade, transportation, and utilities | 4,812 | 35.87% |
| Information | 171 | 1.27% |
| Financial activities | 529 | 3.94% |
| Professional and business services | 1,397 | 10.41% |
| Education and health services | 1,508 | 11.24% |
| Leisure and hospitality | 2,369 | 17.66% |
| Other services | 333 | 2.48% |
| Unclassified | 23 | 0.17% |

Source: Bureau of Labor Statistics, 2015

Education and health services, trade transportation and utilities, leisure and hospitality, and professional and business services represent the largest percentage of total employment in Tift County. There is also a fairly significant percentage of manufacturing jobs in the area. Trade transportation and leisure and hospitality services and manufacturing are somewhat vulnerable in economic downturns and are historically volatile industries. However, education and health services is typically considered a stable industry.

2015 EMPLOYMENT BY INDUSTRY

| Industry | PMA | | USA | |
|--------------------------------|-----------------|------------------|--------------------|------------------|
| | Number Employed | Percent Employed | Number Employed | Percent Employed |
| Agric/Forestry/Fishing/Hunting | 366 | 3.7% | 1,941,156 | 1.3% |
| Mining | 0 | 0.0% | 997,794 | 0.7% |
| Construction | 589 | 5.9% | 9,392,204 | 6.4% |
| Manufacturing | 905 | 9.1% | 15,651,841 | 10.6% |
| Wholesale Trade | 245 | 2.5% | 3,742,526 | 2.5% |
| Retail Trade | 1,459 | 14.7% | 17,089,319 | 11.6% |
| Transportation/Warehousing | 307 | 3.1% | 6,200,837 | 4.2% |
| Utilities | 54 | 0.5% | 1,190,608 | 0.8% |
| Information | 84 | 0.8% | 2,965,498 | 2.0% |
| Finance/Insurance | 212 | 2.1% | 7,026,905 | 4.8% |
| Real Estate/Rental/Leasing | 128 | 1.3% | 2,759,067 | 1.9% |
| Prof/Scientific/Tech Services | 262 | 2.6% | 9,981,082 | 6.8% |
| Mgmt of Companies/Enterprises | 0 | 0.0% | 115,436 | 0.1% |
| Admin/Support/Waste Mgmt Svcs | 294 | 3.0% | 6,242,568 | 4.2% |
| Educational Services | 1,092 | 11.0% | 13,529,510 | 9.2% |
| Health Care/Social Assistance | 1,626 | 16.4% | 20,205,674 | 13.7% |
| Arts/Entertainment/Recreation | 107 | 1.1% | 3,193,724 | 2.2% |
| Accommodation/Food Services | 1,033 | 10.4% | 10,915,815 | 7.4% |
| Other Services (excl Publ Adm) | 595 | 6.0% | 7,548,482 | 5.1% |
| Public Administration | 567 | 5.7% | 7,099,307 | 4.8% |
| Total Employment | 9,925 | 100.0% | 147,789,353 | 100.0% |

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

The PMA’s leading industries include health care/social assistance, retail trade, accommodation/food services, and educational services. Together, these four industries make up 52.5 percent of total employment in the PMA. The PMA is overly represented in sectors such as health care/social assistance, retail trade, educational services, accommodation/food services, public administration, and other services compared to the nation as a whole. Conversely, the PMA is underrepresented in the sectors such as construction, manufacturing, prof/scientific/tech services, and finance/insurance compared to the nation as a whole. A large portion of people in the PMA are employed by the health care/social assistance and educational services sectors, which are traditionally stable employment sectors. However, the PMA’s second and fourth largest sectors, retail trade and accommodation/food services, have historically proven susceptible to job losses in times of economic recession, which could negatively affect the local market’s economic base. Overall, the mix of industries in the local economy indicates a relatively diversified work force that is somewhat susceptible to cyclical employment shifts.

3. Major Employers

The following table is a list of the top employers in Tift County, Georgia.

MAJOR EMPLOYERS

Tift County, GA

| # | Company | Industry | Number of Employees |
|----|--|---------------|---------------------|
| 1 | Tift Regional Medical Center | Healthcare | 1,700 |
| 2 | Tift County Board of Education | Education | 1,061 |
| 3 | Lewis Taylor Farms | Agriculture | 600 |
| 4 | Target Distribution Center | Retail Trade | 579 |
| 5 | Heatcraft | Manufacturing | 501 |
| 6 | UGA Tifton Campus | Education | 450 |
| 7 | Walmart Pharmacy Distribution Center | Retail Trade | 419 |
| 8 | Abraham Baldwin Agricultural College | Education | 350 |
| 9 | Tift County | Government | 349 |
| 10 | Tifton Campus - Moultrie Technical College | Education | 291 |

Source: Tifton-Tift County Chamber of Commerce, May 2014

As illustrated in the table above, the local economy is diverse with major employers in the healthcare, education, agriculture, retail trade, manufacturing, and government services sectors. Six of the ten largest employers are in relatively stable industries. Although Tift Regional Medical Center is the largest employer and the healthcare sector represents a slightly higher proportion of total employment when compared to the nation as a whole.

Employment Expansion/Contractions

We spoke with Chris Beckham, Communications Director for Tifton-Tift County Chamber of Commerce, who provided information regarding business expansion and contraction in the local area. According to Mr. Beckham, the following expansions are underway in the county:

- American Textile Company; a manufacturer of mattress/pillow protectors, bed pillows, and mattress pads; broke ground in January 2014 on its second manufacturing facility in Tifton. The company is expected to increase total employment by 200 positions over the next 18 months.
- Heatcraft Refrigeration Products, a manufacturer of commercial refrigeration products, hired 50 new employees in 2013 and is expected to hire another 50 employees by the end of 2014.

Mr. Beckham reported that there have not been any major layoffs over the past several years. The most recent large layoffs occurred in 2007 and 2008. According to the Georgia Department of Labor’s Worker Adjustment and Retraining Notification (WARN) filings, no business closures or layoffs were reported between 2012 and YTD 2015.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and nation from 2001 to March 2015.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

| Year | Tifton, GA Micropolitan Statistical Area | | | | USA | | | |
|-------------------|--|----------|-------------------|--------|------------------|----------|-------------------|--------|
| | Total Employment | % Change | Unemployment Rate | Change | Total Employment | % Change | Unemployment Rate | Change |
| 2001 | 17,798 | - | 4.6% | - | 136,933,000 | - | 4.7% | - |
| 2002 | 17,901 | 0.6% | 4.5% | -0.1% | 136,485,000 | -0.3% | 5.8% | 1.1% |
| 2003 | 18,223 | 1.8% | 4.4% | -0.1% | 137,736,000 | 0.9% | 6.0% | 0.2% |
| 2004 | 18,174 | -0.3% | 4.5% | 0.1% | 139,252,000 | 1.1% | 5.5% | -0.5% |
| 2005 | 18,660 | 2.7% | 5.2% | 0.7% | 141,730,000 | 1.8% | 5.1% | -0.4% |
| 2006 | 18,946 | 1.5% | 5.1% | -0.1% | 144,427,000 | 1.9% | 4.6% | -0.5% |
| 2007 | 18,121 | -4.4% | 5.3% | 0.2% | 146,047,000 | 1.1% | 4.6% | 0.0% |
| 2008 | 17,720 | -2.2% | 7.1% | 1.9% | 145,362,000 | -0.5% | 5.8% | 1.2% |
| 2009 | 16,808 | -5.1% | 10.9% | 3.8% | 139,877,000 | -3.8% | 9.3% | 3.5% |
| 2010 | 16,537 | -1.6% | 12.0% | 1.0% | 139,064,000 | -0.6% | 9.6% | 0.3% |
| 2011 | 16,648 | 0.7% | 12.1% | 0.1% | 139,869,000 | 0.6% | 8.9% | -0.7% |
| 2012 | 17,212 | 3.4% | 10.1% | -2.0% | 142,469,000 | 1.9% | 8.1% | -0.8% |
| 2013 | 17,112 | -0.6% | 8.5% | -1.6% | 143,929,000 | 1.0% | 7.4% | -0.7% |
| 2014 | 16,783 | -1.9% | 7.4% | -1.1% | 146,305,000 | 1.7% | 6.2% | -1.2% |
| 2015 YTD Average* | 16,962 | 1.1% | 6.5% | -0.9% | 148,464,143 | 1.5% | 5.5% | -0.7% |
| Jul-2014 | 16,670 | - | 8.3% | - | 147,265,000 | - | 6.5% | - |
| Jul-2015 | 16,804 | 0.8% | 6.7% | -1.6% | 149,722,000 | 1.7% | 5.6% | -0.9% |

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

*2015 data is through Mar

Total employment in the MSA has fluctuated since 2001, increasing in seven out of the past 15 years. Total employment decreased significantly during the recession, and reached a low point in 2010. The decrease in total employment from 2007 to 2010 was significantly greater in the MSA than in the nation as a whole. The MSA’s economy added jobs in 2011 and 2012 immediately following the recession, but lost jobs again in 2013 and 2014. From July 2014 to July 2015, total employment in the MSA increased by 0.8 percent, compared to the reported 1.7 percent increase in the nation over the same time period. Current employment remains well below pre-recession levels. From July 2014 to July 2015, unemployment in the MSA decreased by 1.6 percentage points. As of July 2015, the unemployment rate in the MSA was 1.1 percentage points above that of the nation during the same time period. Overall, it appears that the MSA was heavily impacted by the recent national recession, and its recovery has been unsteady. Trends over the past year have been positive, with increasing total employment and a decreasing unemployment rate. However, total employment remains well below prerecession levels.

5. Map of Site and Major Employment Concentrations

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

Conclusion

Total employment in the MSA has fluctuated since 2001, increasing in seven out of the past 15 years. From July 2014 to July 2015, unemployment in the MSA decreased by 1.6 percentage points. As of July 2015, the unemployment rate in the MSA was 1.1 percentage points above that of the nation during the same time period. Overall, it appears that the MSA was heavily impacted by the recent national recession, and its recovery has been unsteady. Trends over the past year have been positive, with increasing total employment and a decreasing unemployment rate. However, total employment remains well below prerecession levels.

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Mr. Beckham reported that there have not been any major layoffs over the past several years. The most recent large layoffs occurred in 2007 and 2008. According to the Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) filings, no business closures or layoffs were reported between 2012 and YTD 2015.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

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

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

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

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

2. Affordability

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for 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 November 2016, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to 2016 by interpolation of the difference between 2015 estimates and 2020 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2016. This number takes the overall growth from 2015 to 2016 and applies it

to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3B. Demand from Existing Households

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

The second source **(2b.)** is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source **(2c.)** is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. Thus, the third source of demand is not applicable for the Subject, which will target families.

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, DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

3D. Other

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

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2012 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 from 2012 to the present.
- Vacancies in projects placed in service prior to 2012 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).

- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2012 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

According to the DCA, the only property that has been awarded tax credits since 2012 in the Subject’s Primary Market Area is Groves Place. Groves Place will be the new construction of a 56-unit age-restricted development restricted to households earning 50 percent and 60 percent of AMI or less. Groves Place was awarded tax credits in 2012, and upon completion will not directly compete with the Subject due to its age-restricted tenancy. Thus, we have not deducted any units from our demand analysis.

PMA Occupancy

Per DCA’s guidelines, we have determined the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. We have provided a combined average occupancy level for the PMA based on the average occupancy rates reported.

OVERALL PMA OCCUPANCY

| Property Name | Type | Tenancy | Units | Occupancy |
|--------------------------------|------------|----------|-------|------------|
| The Groves | LIHTC | Family | 96 | 99% |
| Harbor Pointe | LIHTC | Senior | 56 | 98% |
| Tiffany Square | LIHTC | Family | 46 | 100% |
| Magnolia Place | LIHTC | Family | 37 | 100% |
| Westbury Place | LIHTC | Family | 84 | 100% |
| West Haven Senior Village | LIHTC | Senior | 40 | 100% |
| Tifton Estates | LIHTC | Family | 34 | 97% |
| Wildwood Apartments | LIHTC/USDA | Family | 88 | N/A |
| Meadowwood Apartments | USDA | Family | 80 | N/A |
| Village Square | USDA | Family | 40 | N/A |
| Options for Living East One | Section 8 | Disabled | 4 | 75% |
| Tift Tower Apartments | Section 8 | Senior | 85 | 100% |
| Azalea Trace Apartments I & II | Section 8 | Senior | 19 | N/A |
| Amelia Apartments | Market | Family | 40 | 90% |
| Creekside Villas | Market | Family | 32 | 100% |
| Cypress Suites | Market | Family | 40 | 98% |
| Huntington Apartments | Market | Family | 56 | 100% |
| Park Place Apartments | Market | Family | 60 | 100% |
| Regency Apartments | Market | Family | 48 | N/A |
| Sunnyside Apartments | Market | Family | 72 | N/A |
| The Oaks At Carpenter | Market | Family | 36 | 92% |
| Turtle Cove | Market | Family | 23 | 100% |
| Virginia Place Apartments | Market | Family | 22 | N/A |
| Wilton Arms Apartments | Market | Family | 12 | 100% |
| AVERAGE | | | | 97% |

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.

According to the Georgia DCA market study guidelines, capture rate calculations for proposed renovation developments will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet provided by the applicant. Tenants who are income qualified to remain in the property at the proposed stabilized renovated rents will be deducted from the property unit count prior to determining the applicable capture rates. The Subject has zero vacant units, no over income tenants, and all of the tenants are income-qualified for their specific unit type. However, we have determined the Subject's capture rates based on 120 total units.

The Subject will offer one-, two-, three-, and four-bedroom units restricted at 60 percent of AMI. It should be noted that DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. Rent increases will be made gradually, maintaining rents which are affordable to the existing tenant base. We do not expect that the Subject will need to re-lease any of the 120 units following renovation/construction. Therefore, our demand analysis is considered hypothetical and very conservative.

Capture Rates

The above calculations and derived capture rates are illustrated in the following tables. *It should be noted that the Subject will continue to benefit from a long-term Section 8 subsidy. Therefore, the effective minimum is \$0 as all tenants will pay 30 percent of income towards rent. As such, we have utilized \$0 as the minimum income limit for the Subject's unit.*

| Renter Household Income Distribution 2015 to Projected Market Entry November 2016 | | | | | | |
|---|-------|--------|-----------------------------------|--------|----------------|--|
| 0 | | | | | | |
| PMA | | | | | | |
| | 2015 | | Projected Mkt Entry November 2016 | | Percent Growth | |
| | # | % | # | % | | |
| \$0-9,999 | 1,335 | 26.6% | 1,334 | 26.6% | -0.1% | |
| \$10,000-19,999 | 997 | 19.8% | 998 | 19.9% | 0.1% | |
| \$20,000-29,999 | 603 | 12.0% | 602 | 12.0% | -0.2% | |
| \$30,000-39,999 | 596 | 11.9% | 598 | 11.9% | 0.3% | |
| \$40,000-49,999 | 402 | 8.0% | 399 | 8.0% | -0.7% | |
| \$50,000-59,999 | 267 | 5.3% | 268 | 5.3% | 0.6% | |
| \$60,000-74,999 | 333 | 6.6% | 329 | 6.6% | -1.4% | |
| \$75,000-99,999 | 306 | 6.1% | 302 | 6.0% | -1.1% | |
| \$100,000-124,999 | 57 | 1.1% | 57 | 1.1% | 1.4% | |
| \$125,000-149,999 | 48 | 0.9% | 50 | 1.0% | 4.0% | |
| \$150,000-199,999 | 48 | 0.9% | 47 | 0.9% | -0.8% | |
| \$200,000+ | 34 | 0.7% | 33 | 0.7% | -2.1% | |
| Total | 5,025 | 100.0% | 5,018 | 100.0% | -0.1% | |

| Renter Household Income Distribution Projected Market Entry November 2016 | | | |
|---|-----------------------------------|--------|---|
| 0 | | | |
| PMA | | | |
| | Projected Mkt Entry November 2016 | | Change 2015 to Prj Mrkt Entry November 2016 |
| | # | % | # |
| \$0-9,999 | 1,334 | 26.6% | -2 |
| \$10,000-19,999 | 998 | 19.9% | -1 |
| \$20,000-29,999 | 602 | 12.0% | -1 |
| \$30,000-39,999 | 598 | 11.9% | -1 |
| \$40,000-49,999 | 399 | 8.0% | -1 |
| \$50,000-59,999 | 268 | 5.3% | 0 |
| \$60,000-74,999 | 329 | 6.6% | 0 |
| \$75,000-99,999 | 302 | 6.0% | 0 |
| \$100,000-124,999 | 57 | 1.1% | 0 |
| \$125,000-149,999 | 50 | 1.0% | 0 |
| \$150,000-199,999 | 47 | 0.9% | 0 |
| \$200,000+ | 33 | 0.7% | 0 |
| Total | 5,018 | 100.0% | -7 |

| Tenure Prj Mrkt Entry November 2016 | |
|-------------------------------------|--------|
| Renter | 51.5% |
| Owner | 48.5% |
| Total | 100.0% |

| Renter Household Size for Prj Mrkt Entry November 2016 | | |
|--|--------|------------|
| Size | Number | Percentage |
| 1 Person | 1,777 | 35.4% |
| 2 Person | 1,169 | 23.3% |
| 3 Person | 851 | 17.0% |
| 4 Person | 651 | 13.0% |
| 5+ Person | 570 | 11.4% |
| Total | 5,018 | 100.0% |

| Renter Household Size for 2000 | | |
|--------------------------------|--------|------------|
| Size | Number | Percentage |
| 1 Person | 1,179 | 30.8% |
| 2 Person | 1,042 | 27.2% |
| 3 Person | 653 | 17.1% |
| 4 Person | 554 | 14.5% |
| 5+ Person | 397 | 10.4% |
| Total | 3,825 | 100.0% |

60% AMI

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

| Percent of AMI Level | | | 60% | | |
|---|---|--------|--------------------|-----------------------|----------------------------------|
| Minimum Income Limit | | | \$0 | | |
| Maximum Income Limit | | | \$37,680 6 Persons | | |
| Income Category | New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry November 2016 | | Income Brackets | Percent within Cohort | Renter Households within Bracket |
| | \$0-9,999 | -1.84 | | | |
| \$10,000-19,999 | -1.38 | 19.9% | 9,999 | 100.0% | -1 |
| \$20,000-29,999 | -0.83 | 12.0% | 9,999 | 100.0% | -1 |
| \$30,000-39,999 | -0.83 | 11.9% | 7,680 | 76.8% | -1 |
| \$40,000-49,999 | -0.55 | 8.0% | | 0.0% | 0 |
| \$50,000-59,999 | -0.37 | 5.3% | | 0.0% | 0 |
| \$60,000-74,999 | -0.45 | 6.6% | | 0.0% | 0 |
| \$75,000-99,999 | -0.42 | 6.0% | | 0.0% | 0 |
| \$100,000-124,999 | -0.08 | 1.1% | | 0.0% | 0 |
| \$125,000-149,999 | -0.07 | 1.0% | | 0.0% | 0 |
| \$150,000-199,999 | -0.07 | 0.9% | | 0.0% | 0 |
| \$200,000+ | -0.05 | 0.7% | | 0.0% | 0 |
| | -7 | 100.0% | | | -5 |
| Percent of renter households within limits versus total number of renter households | | | | | 67.63% |

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

| Percent of AMI Level | | | 60% | | |
|---|--|--------|--------------------|-----------------------|---------------------------|
| Minimum Income Limit | | | \$0 | | |
| Maximum Income Limit | | | \$37,680 6 Persons | | |
| Income Category | Total Renter Households PMA Prj Mrkt Entry November 2016 | | Income Brackets | Percent within Cohort | Households within Bracket |
| | \$0-9,999 | 1,334 | | | |
| \$10,000-19,999 | 998 | 19.9% | \$9,999 | 100.0% | 998 |
| \$20,000-29,999 | 602 | 12.0% | \$9,999 | 100.0% | 602 |
| \$30,000-39,999 | 598 | 11.9% | \$7,680 | 76.8% | 459 |
| \$40,000-49,999 | 399 | 8.0% | | 0.0% | 0 |
| \$50,000-59,999 | 268 | 5.3% | | 0.0% | 0 |
| \$60,000-74,999 | 329 | 6.6% | | 0.0% | 0 |
| \$75,000-99,999 | 302 | 6.0% | | 0.0% | 0 |
| \$100,000-124,999 | 57 | 1.1% | | 0.0% | 0 |
| \$125,000-149,999 | 50 | 1.0% | | 0.0% | 0 |
| \$150,000-199,999 | 47 | 0.9% | | 0.0% | 0 |
| \$200,000+ | 33 | 0.7% | | 0.0% | 0 |
| | 5,018 | 100.0% | | | 3,393 |
| Percent of renter households within limits versus total number of renter households | | | | | 67.63% |

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 November 2016

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

| |
|---------------------|
| Yes |
| Family |
| Rural |
| 35% |
| \$30,650 |
| \$30,534 |
| (\$116) |
| -0.4% |
| 0.0% |
| 0.0% |
| Two year adjustment |
| 1,000 |
| \$37,680 |
| \$37,680 |
| 6 Persons |
| 60% |
| \$599 |
| \$599.00 |

| 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% | 80% | 20% | 0% | 100% |
| 5+ | 0% | 0% | 0% | 70% | 30% | 0% | 100% |

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry November 2016

| | | |
|--|--|-------|
| Income Target Population | | 60% |
| New Renter Households PMA | | -7 |
| Percent Income Qualified | | 67.6% |
| New Renter Income Qualified Households | | -5 |

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 | | 5,018 |
| Income Qualified | | 67.6% |
| Income Qualified Renter Households | | 3,393 |
| Percent Rent Overburdened Prj Mrkt Entry November 2016 | | 29.5% |
| Rent Overburdened Households | | 1002 |

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

Demand from Living in Substandard Housing

| | | |
|--|--|-------|
| Income Qualified Renter Households | | 3,393 |
| Percent Living in Substandard Housing | | 0.6% |
| Households Living in Substandard Housing | | 21 |

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 | 5.0% | |
| Senior Demand Converting from Homeownership | | 0 |

Total Demand

| | | |
|---|------|-------|
| Total Demand from Existing Households | | 1,023 |
| Adjustment Factor - Leakage from SMA | 100% | 0 |
| Adjusted Demand from Existing Households | | 1023 |
| Total New Demand | | -5 |
| Total Demand (New Plus Existing Households) | | 1,019 |

| | | |
|---|--|------|
| 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 | 35.4% | 361 |
| Two Persons | 23.3% | 237 |
| Three Persons | 17.0% | 173 |
| Four Persons | 13.0% | 132 |
| Five Persons | 11.4% | 116 |
| Total | 100.0% | 1,019 |

To place Person Demand into Bedroom Type Units

| | | |
|---|-----|-------|
| Of one-person households in 1BR units | 90% | 325 |
| Of two-person households in 1BR units | 20% | 47 |
| 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% | 36 |
| Of two-person households in 2BR units | 80% | 190 |
| Of three-person households in 2BR units | 60% | 104 |
| 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% | 69 |
| Of four-person households in 3BR units | 80% | 106 |
| Of five-person households in 3BR units | 70% | 81 |
| Of one-person households in 4BR units | 0% | 0 |
| Of two-person households in 4BR units | 0% | 0 |
| Of three-person households in 4BR units | 0% | 0 |
| Of four-person households in 4BR units | 20% | 26 |
| Of five-person households in 4BR units | 30% | 35 |
| Total Demand | | 1,019 |
| Check | | OK |

| | |
|-------------------------|-------|
| Total Demand by Bedroom | 60% |
| 1 BR | 372 |
| 2 BR | 330 |
| 3 BR | 256 |
| 4 BR | 61 |
| Total Demand | 1,019 |

| | |
|---|-----|
| Additions To Supply 2015 to Proj Mrkt Entry November 2016 | 60% |
| 1 BR | 0 |
| 2 BR | 0 |
| 3 BR | 0 |
| 4 BR | 0 |
| Total | 0 |

| | |
|------------|-------|
| Net Demand | 60% |
| 0 BR | 0 |
| 1 BR | 372 |
| 2 BR | 330 |
| 3 BR | 256 |
| 4 BR | 61 |
| 5 BR | 0 |
| Total | 1,019 |

| | |
|----------------------|-----|
| Developer's Unit Mix | 60% |
| 1 BR | 32 |
| 2 BR | 64 |
| 3 BR | 18 |
| 4 BR | 6 |
| Total | 120 |

| | |
|-----------------------|-------|
| Capture Rate Analysis | 60% |
| 1 BR | 8.6% |
| 2 BR | 19.4% |
| 3 BR | 7.0% |
| 4 BR | 9.8% |
| Total | 11.8% |

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 number of renter households in the PMA is expected to decrease slightly between 2015 and 2020.
- We considered all 120 units at the Subject under the LIHTC program in our 60 percent of AMI capture rate calculations for the Subject, despite the fact the Subject is already stabilized and all tenants will remain income qualified post renovation.
- 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 Type | Units Proposed | Total Demand | Supply | Net Demand | Capture Rate | Absorption | Average Market Rent | Market Rents Band Min-Max | Proposed Rents |
|----------------|----------------|--------------|----------|--------------|--------------|------------|---------------------|---------------------------|----------------|
| 1BR at 60% AMI | 32 | 372 | 0 | 372 | 8.6% | 12 months | \$540 | \$425-\$754 | \$507 |
| 2BR at 60% AMI | 64 | 330 | 0 | 330 | 19.4% | 12 months | \$666 | \$535-\$915 | \$568 |
| 3BR at 60% AMI | 18 | 256 | 0 | 256 | 7.0% | 12 months | \$795 | \$630-\$980 | \$665 |
| 4BR at 60% AMI | 6 | 61 | 0 | 61 | 9.8% | 12 months | N/A | N/A | \$774 |
| Total | 120 | 1,019 | 0 | 1,019 | 11.8% | | | | |

| Demand and Net Demand | | |
|--|--|----------------------------------|
| | HH at 60% AMI (\$0 to \$37,680) | All Tax Credit Households |
| Demand from New Households (age and income appropriate) | -5 | -5 |
| PLUS | + | + |
| Demand from Existing Renter Households - Substandard Housing | 21 | 21 |
| PLUS | + | + |
| Demand from Existing Renter Households - Rent Overburdened Households | 1,002 | 1,002 |
| = | | |
| Sub Total | 1,019 | 1,019 |
| Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable) | 0 | 0 |
| Equals Total Demand | 1019 | 1019 |
| Less | - | - |
| New Supply | 0 | 0 |
| Equals Net Demand | 1019 | 1019 |

As the analysis illustrates, the Subject's capture rates at the 60 percent AMI level will range from 7.0 to 19.4 percent, with an overall capture rate of 11.8 percent. Therefore, we believe there is more than adequate demand for the Subject. Further, as previously noted, the Subject is currently 100 percent occupied, and renovations will occur on a rolling basis with little to no turnover anticipated. Thus, this analysis is hypothetical. Moreover, anecdotal evidence indicates strong demand for LIHTC units in the PMA based on low vacancy rates and waiting lists.

H. COMPETITIVE RENTAL ANALYSIS

COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 11 “true” comparable properties containing 529 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided later in this section. A map illustrating the location of the Subject in relation to comparable properties is also provided in this section. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good, as all of the comparables are located within the PMA. The selected LIHTC properties are included in the following list of properties.

SURVEYED LIHTC COMPARABLES IN PMA

| Name | Address | Total Units | Occupancy Rate |
|----------------|------------------------|-------------|----------------|
| The Groves | 2826 Rainwater Road | 96 | 100% |
| Tiffany Square | 1430 Prince Avenue | 46 | 100% |
| Magnolia Place | 4 Pertilla Place | 37 | 100% |
| Westbury Place | 311 S. Virginia Avenue | 84 | 100% |
| Tifton Estates | 1510 Coley Street | 34 | 100% |

The availability of market rate data is considered good as well. We have included seven market rate properties in the rental analysis, and five of the seven market comparables are located within the PMA boundaries.

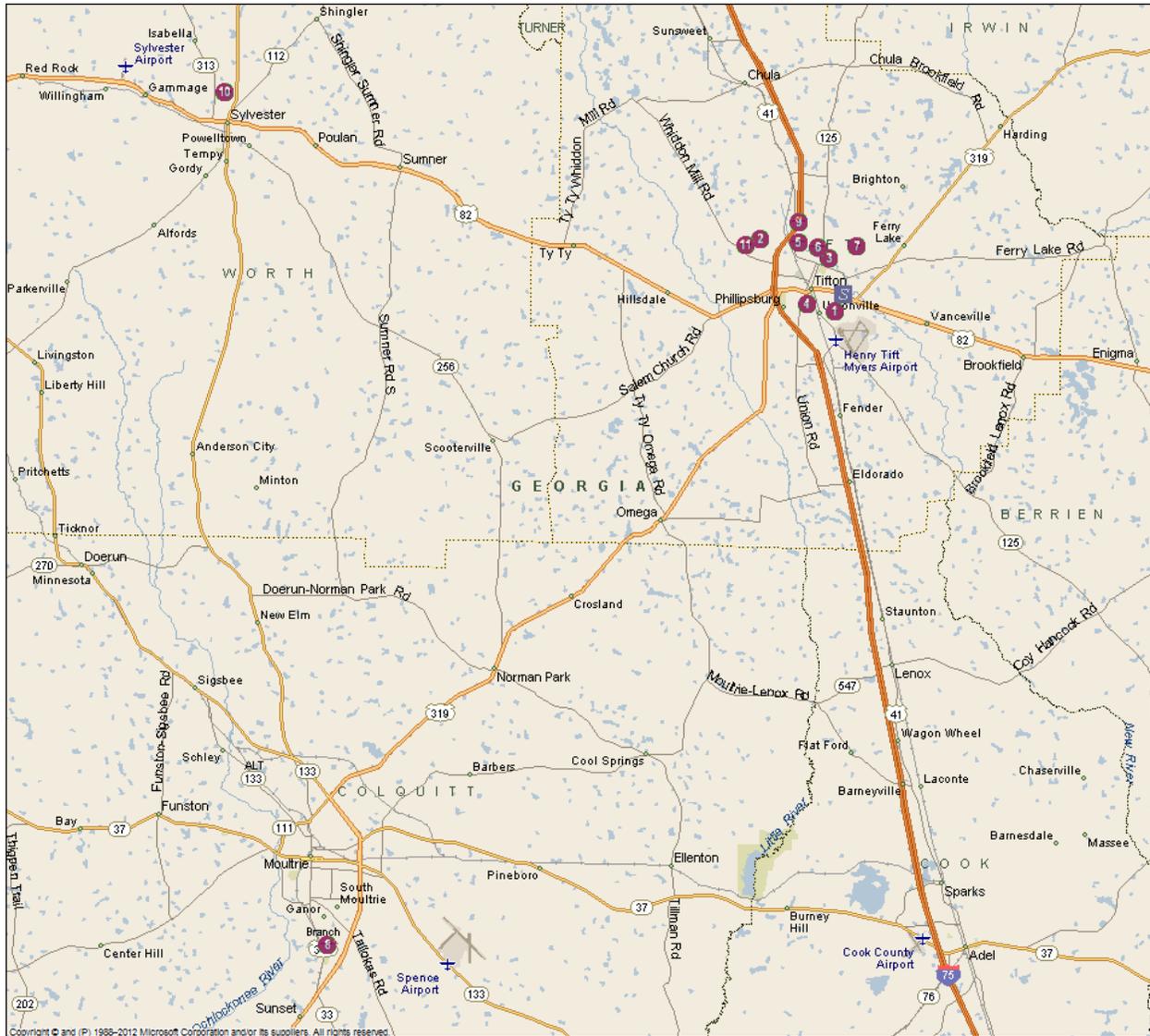
Excluded Properties

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

EXCLUDED PROPERTIES

| Property Name | Program | Tenancy | Units | Occupancy | Waiting List | Reason Excluded |
|-----------------------------|------------|----------|-------|-----------|--------------|---------------------------------------|
| Harbor Pointe | LIHTC | Senior | 56 | 98% | No | Incomparable Tenancy |
| West Haven Senior Village | LIHTC | Senior | 40 | 100% | Yes | Incomparable Tenancy |
| Westbury Place | LIHTC | Family | 84 | 100% | | Subsidized Rents |
| Wildwood Apartments | USDA/LIHTC | Family | 88 | N/A | N/A | Subsidized Rents |
| Meadowwood Apartments | USDA | Family | 80 | N/A | N/A | Subsidized Rents |
| Village Square | USDA | Family | 40 | N/A | N/A | Subsidized Rents |
| Options for Living East One | Section 8 | Disabled | 4 | 75% | N/A | Subsidized Rents/Incomparable Tenancy |
| Azalea Trace Apartments | Section 8 | Senior | 19 | N/A | N/A | Subsidized Rents/Incomparable Tenancy |
| Tift Tower Apartments | Section 8 | Senior | 85 | 100% | Yes | Subsidized Rents/Incomparable Tenancy |
| Regency Apartments | Market | Family | 48 | N/A | N/A | Unable to Contact |
| Sunnyside Apartments | Market | Family | 72 | N/A | N/A | Unable to Contact |
| Wilton Arms Apartments | Market | Family | 12 | 100% | Yes | Differing Unit Types |

Comparable Rental Property Map



| COMPARABLE PROPERTIES | | | | |
|-----------------------|-----------------------|-----------|--------------|------------|
| # | Property Name | City | Type | Distance |
| 1 | Magnolia Place | Tifton | LIHTC | 0.3 miles |
| 2 | The Groves | Tifton | LIHTC/Market | 3.3 miles |
| 3 | Tiffany Square | Tifton | LIHTC | 1.5 miles |
| 4 | Tifton Estates | Tifton | LIHTC/Market | 1.0 miles |
| 5 | Amelia Apartments | Tifton | Market | 2.3 miles |
| 6 | Creeside Villas | Tifton | Market | 1.9 miles |
| 7 | Cypress Suites | Tifton | Market | 2.0 miles |
| 8 | Jac-lyn Apartments | Moultrie | Market | 26.0 miles |
| 9 | Park Place Apartments | Tifton | Market | 2.6 miles |
| 10 | Teresan Apartments | Sylvester | Market | 21.6 miles |
| 11 | The Oaks At Carpenter | Tifton | Market | 3.5 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 | Wait | Units Vacant | Vacancy Rate | | |
|-----------|--|------------|--|--------------------------|-------------------------|---|-----------|--------------------------------------|-------------|-----------|-------|--------|--------------|--------------|--------|-------|
| Subject | Brookfield Mews Apartments 99 Tifton Eldorado Rd Tifton, GA 31794 Tift County | n/a | Garden (2 stories) 1980 / 2016 | @60% (Section 8) | 1BR / 1BA | 32 | 26.70% | @60% | \$507 | 597 | no | Yes | 0 | 0.00% | | |
| | | | | | 2BR / 1BA | 64 | 53.30% | @60% | \$568 | 751 | no | Yes | 0 | 0.00% | | |
| | | | | | 3BR / 1.5BA | 18 | 15.00% | @60% | \$665 | 1,014 | yes | Yes | 0 | 0.00% | | |
| | | | | | 4BR / 1.5BA | 6 | 5.00% | @60% | \$774 | 1,252 | yes | Yes | 0 | 0.00% | | |
| | | | | | | 120 | 100% | | | | | | | | 0 | 0.00% |
| 1 | Magnolia Place 4 Pertilla Place Tifton, GA 31794 Tift County | 0.3 mile | One-story 1995 / n/a | @50% | 2BR / 1BA | 19 | 51.40% | @50% | \$373 | 900 | yes | Yes | 0 | 0.00% | | |
| | | | | | 3BR / 1.5BA | 18 | 48.60% | @50% | \$413 | 1,100 | yes | Yes | 0 | 0.00% | | |
| | | | | | | 37 | 100% | | | | | | | 0 | 0.00% | |
| 2 | The Groves 2826 Rainwater Road Tifton, GA 31793 Tift County | 3.3 miles | Garden (2 stories) 2006 / n/a | @30%, @50%, @60%, Market | 1BR / 1BA | 3 | 3.10% | @30% | \$186 | 857 | yes | Yes | 0 | 0.00% | | |
| | | | | | 1BR / 1BA | 15 | 15.60% | @50% | \$365 | 857 | yes | Yes | 0 | 0.00% | | |
| | | | | | 1BR / 1BA | 1 | 1.00% | @60% | \$409 | 857 | yes | Yes | 0 | 0.00% | | |
| | | | | | 1BR / 1BA | 5 | 5.20% | Market | \$514 | 475 | n/a | Yes | 0 | 0.00% | | |
| | | | | | 2BR / 2BA | 5 | 5.20% | @30% | \$222 | 1,137 | yes | Yes | 0 | 0.00% | | |
| | | | | | 2BR / 2BA | 30 | 31.20% | @50% | \$432 | 1,137 | yes | Yes | 0 | 0.00% | | |
| | | | | | 2BR / 2BA | 3 | 3.10% | @60% | \$432 | 1,137 | yes | Yes | 0 | 0.00% | | |
| | | | | | 2BR / 2BA | 10 | 10.40% | Market | \$600 | 1,137 | n/a | Yes | 1 | 10.00% | | |
| | | | | | 3BR / 2BA | 2 | 2.10% | @30% | \$275 | 1,270 | yes | Yes | 0 | 0.00% | | |
| | | | | | 3BR / 2BA | 15 | 15.60% | @50% | \$524 | 1,270 | yes | Yes | 0 | 0.00% | | |
| | | | | | 3BR / 2BA | 2 | 2.10% | @60% | \$544 | 1,270 | yes | Yes | 0 | 0.00% | | |
| | | | | | 3BR / 2BA | 5 | 5.20% | Market | \$690 | 1,270 | n/a | Yes | 0 | 0.00% | | |
| | | | | | | 96 | 100% | | | | | | | | 1 | 1.00% |
| | | | | | 3 | Tiffany Square 1430 Prince Avenue Tifton, GA 31794 Tift County | 1.5 miles | Garden (2 stories) 1973 / 1997 | @60% | 1BR / 1BA | 2 | 4.30% | @60% | \$300 | 600 | no |
| 2BR / 1BA | 44 | 95.70% | @60% | \$350 | | | | | | 700 | no | Yes | 0 | 0.00% | | |
| | 46 | 100% | | | | | | | | | | | | 0 | 0.00% | |
| 4 | Tifton Estates 1510 Coley St Tifton, GA 31794 Tift County | 1 miles | Single Family (2 stories) 2010 / n/a | @50%, @60%, Market | 3BR / 2BA | 4 | 11.80% | @50% | \$503 | 1,492 | yes | Yes | 0 | 0.00% | | |
| | | | | | 3BR / 2BA | 6 | 17.60% | @60% | \$623 | 1,492 | yes | Yes | 0 | 0.00% | | |
| | | | | | 3BR / 2BA | 1 | 2.90% | Market | \$708 | 1,492 | n/a | No | 0 | 0.00% | | |
| | | | | | 3BR / 2.5BA | 4 | 11.80% | @50% | \$503 | 1,230 | yes | Yes | 0 | 0.00% | | |
| | | | | | 3BR / 2.5BA | 7 | 20.60% | @60% | \$623 | 1,230 | yes | Yes | 0 | 0.00% | | |
| | | | | | 3BR / 2.5BA | 2 | 5.90% | Market | \$708 | 1,230 | n/a | No | 0 | 0.00% | | |
| | | | | | 4BR / 2BA | 2 | 5.90% | @50% | \$520 | 1,542 | yes | Yes | 0 | 0.00% | | |
| | | | | | 4BR / 2BA | 1 | 2.90% | @50% | \$520 | 1,564 | yes | Yes | 0 | 0.00% | | |
| | | | | | 4BR / 2BA | 3 | 8.80% | @60% | \$670 | 1,542 | yes | Yes | 0 | 0.00% | | |
| | | | | | 4BR / 2BA | 3 | 8.80% | @60% | \$670 | 1,564 | yes | Yes | 0 | 0.00% | | |
| | | | | | 4BR / 2BA | 1 | 2.90% | Market | \$735 | 1,542 | n/a | No | 1 | 100.00% | | |
| | | | | | | 34 | 100% | | | | | | | | 1 | 2.90% |
| | | | | | 5 | Amelia Apartments 2010 Emmett Drive Tifton, GA 31794 Tift County | 2.3 miles | Garden (2 stories) 1973 / 1997 | Market | 1BR / 1BA | 16 | 40.00% | Market | \$510 | 900 | n/a |
| 2BR / 1BA | 24 | 60.00% | Market | \$613 | | | | | | 1,200 | n/a | No | 4 | 16.70% | | |
| | 40 | 100% | | | | | | | | | | | | 4 | 10.00% | |
| | | | | | | | | | | | | | | | | |
| 6 | Creekside Villas 1685 Central Avenue N. Tifton, GA 31794 Tift County | 1.9 miles | Various (2 stories) 2014 / n/a | Market | 1BR / 1BA (Garden) | N/A | N/A | Market | \$555 | 645 | n/a | No | 0 | N/A | | |
| | | | | | 2BR / 1BA (Garden) | N/A | N/A | Market | \$655 | 971 | n/a | No | 0 | N/A | | |
| | | | | | 2BR / 1.5BA (Townhouse) | N/A | N/A | Market | \$710 | 1,154 | n/a | No | 0 | N/A | | |
| | | | | | 2BR / 2.5BA (Townhouse) | N/A | N/A | Market | \$750 | 1,228 | n/a | No | 0 | N/A | | |
| | | | | | 3BR / 2BA (Townhouse) | N/A | N/A | Market | \$850 | 1,393 | n/a | No | 0 | N/A | | |
| | | | | | | 32 | 100% | | | | | | | | 0 | 0.00% |
| 7 | Cypress Suites 68 Richards Drive Tifton, GA 31794 Tift County | 2 miles | Townhouse (2 stories) 2008 / n/a | Market | 1BR / 1BA | 8 | 20.00% | Market | \$754 | 768 | n/a | No | 0 | 0.00% | | |
| | | | | | 2BR / 2BA | 16 | 40.00% | Market | \$915 | 1,331 | n/a | No | 0 | 0.00% | | |
| | | | | | 3BR / 2BA | 16 | 40.00% | Market | \$980 | 1,534 | n/a | No | 1 | 6.20% | | |
| | | | | | | 40 | 100% | | | | | | | | 1 | 2.50% |
| 8 | Jac-lyn Apartments 517 26th Avenue SE Moultrie, GA 31768 Colquitt County | 26 miles | Garden (2 stories) 1986/2007 / n/a | Market | 1BR / 1BA | N/A | N/A | Market | \$455 | 665 | n/a | No | 1 | N/A | | |
| | | | | | 1BR / 1BA | N/A | N/A | Market | \$570 | 798 | n/a | No | 0 | N/A | | |
| | | | | | 2BR / 1BA | N/A | N/A | Market | \$596 | 782 | n/a | No | 2 | N/A | | |
| | | | | | 2BR / 1BA | N/A | N/A | Market | \$611 | 927 | n/a | No | 0 | N/A | | |
| | | | | | 3BR / 2BA | N/A | N/A | Market | \$828 | 1,186 | n/a | No | 1 | N/A | | |
| | 84 | 100% | | | | | | | | 4 | 4.80% | | | | | |
| 9 | Park Place Apartments 2610 Emmett Drive Tifton, GA 31794 Tift County | 2.6 miles | Garden (2 stories) 1983 / n/a | Market | 1BR / 1BA | 28 | 46.70% | Market | \$425 | 725 | n/a | No | 0 | 0.00% | | |
| | | | | | 2BR / 1.5BA | 32 | 53.30% | Market | \$575 | 1,000 | n/a | No | 0 | 0.00% | | |
| | | | | | | 60 | 100% | | | | | | | 0 | 0.00% | |
| 10 | Teresan Apartments 1202 N Washington St Sylvester, GA 31791 Worth County | 21.6 miles | Garden 1985 / n/a | Market | 2BR / 1BA | 22 | 91.70% | Market | \$535 | 975 | n/a | No | 6 | 27.30% | | |
| | | | | | 3BR / 1.5BA | 2 | 8.30% | Market | \$630 | 1,200 | n/a | No | 1 | 50.00% | | |
| | | | | | | 24 | 100% | | | | | | | 7 | 29.20% | |
| 11 | The Oaks At Carpenter 101 Oak Forest Lane Tifton, GA 31793 Tift County | 3.5 miles | Garden (2 stories) 2008 / n/a | Market | 2BR / 2BA | 20 | 55.60% | Market | \$765 | 1,050 | n/a | No | 1 | 5.00% | | |
| | | | | | 3BR / 2BA | 16 | 44.40% | Market | \$880 | 1,350 | n/a | No | 2 | 12.50% | | |
| | | | | | | 36 | 100% | | | | | | | 3 | 8.30% | |

UNIT MATRIX REPORT

| | Brookfield Mews Apartments Subject | Magnolia Place | The Groves | Tiffany Square | Tifton Estates | Amelia Apartments | Creekside Villas | Cypress Suites | Jac-Lyn Apartments | Park Place Apartments | Teresan Apartments | The Oaks At Carpenter |
|------------------------------|---|-------------------|--------------|-------------------|----------------|----------------------|---------------------|-------------------|-----------------------|--------------------------|-----------------------|--------------------------|
| Comp # | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | |
| Property Information | | | | | | | | | | | | |
| Property Type | Garden | One-story | Garden | Garden | Single Family | Garden | Various | Townhouse | Garden | Garden | Garden | Garden |
| Year Built / Renovated | 1980 / 2016 | 1995 / n/a | 2006 / n/a | 1973 / 1997 | 2010 / n/a | 1973 / 1997 | 2014 / n/a | 2008 / n/a | 1986/2007 / n/a | 1983 / n/a | 1985 / n/a | 2008 / n/a |
| Market (Conv.)/Subsidy Type | LIHTC (Section 8) | LIHTC | LIHTC/Market | LIHTC | LIHTC/Market | Market | Market | Market | Market | Market | Market | Market |
| Utility Adjustments | | | | | | | | | | | | |
| Cooking | no | no | no | no | no | no | no | no | no | no | no | no |
| Water Heat | no | no | no | no | no | no | no | no | no | no | no | no |
| Heat | no | no | no | no | no | no | no | no | no | no | no | no |
| Other Electric | no | no | no | no | no | no | no | no | no | no | no | no |
| Water | yes | yes | no | yes | no | yes | yes | no | no | yes | no | no |
| Sewer | yes | yes | no | yes | no | yes | yes | no | no | yes | no | no |
| Trash Collection | yes | yes | yes | yes | no | yes | yes | yes | no | yes | yes | yes |
| In-Unit Amenities | | | | | | | | | | | | |
| Balcony/Patio | no | yes | yes | no | no | yes | yes | yes | yes | yes | yes | yes |
| Blinds | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Cable/Satellite/Internet | no | no | no | no | no | no | no | no | no | no | no | yes |
| Carpet/Hardwood | no | no | no | no | no | yes | no | yes | no | no | no | no |
| Carpeting | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Central A/C | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Coat Closet | yes | no | yes | no | yes | yes | no | yes | no | no | no | no |
| Dishwasher | yes | no | yes | no | yes | yes | yes | yes | yes | yes | no | yes |
| Exterior Storage | no | no | yes | no | yes | yes | no | no | no | no | no | no |
| Ceiling Fan | yes | no | yes | no | yes | yes | yes | yes | no | no | no | yes |
| Garbage Disposal | no | no | no | no | yes | yes | no | no | yes | no | no | no |
| Hand Rails | yes | no | no | no | yes | no | no | no | no | no | no | no |
| Microwave | yes | no | no | no | yes | no | no | no | no | no | no | yes |
| Oven | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Pull Cords | yes | no | no | no | no | no | no | no | no | no | no | no |
| Refrigerator | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Walk-In Closet | no | no | yes | no | yes | no | no | no | no | no | no | no |
| Washer/Dryer | no | no | yes | no | no | no | no | no | no | no | no | no |
| Washer/Dryer hookup | no | yes | yes | no | yes | no | yes | yes | no | yes | yes | yes |
| Property Amenities | | | | | | | | | | | | |
| Basketball Court | no | no | yes | no | no | no | no | no | no | no | no | no |
| Business Center/Computer Lab | yes | no | yes | no | yes | no | no | no | no | no | no | no |
| Clubhouse/Community Room | yes | yes | yes | no | yes | no | no | no | no | yes | no | no |
| Exercise Facility | no | no | yes | no | yes | no | no | no | no | no | no | no |
| Central Laundry | yes | yes | yes | yes | yes | yes | no | no | yes | yes | no | no |
| Off-Street Parking | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| On-Site Management | yes | yes | yes | no | yes | yes | no | no | yes | yes | yes | no |
| Picnic Area | yes | yes | yes | no | yes | no | no | yes | no | no | no | no |
| Playground | yes | yes | yes | yes | yes | yes | no | yes | no | no | no | no |
| Swimming Pool | no | no | yes | no | no | no | no | no | yes | yes | no | no |
| Tennis Court | no | no | no | no | no | no | no | no | yes | yes | no | no |
| Services | | | | | | | | | | | | |
| Security | | | | | | | | | | | | |
| Limited Access | yes | no | no | no | no | no | no | no | no | no | no | no |
| Perimeter Fencing | no | no | yes | no | no | no | no | no | no | no | no | no |
| Premium Amenities | | | | | | | | | | | | |
| Other Amenities | | | | | | | | | | | | |
| Other | n/a | n/a | n/a | n/a | Library | n/a | n/a | Gazebo | n/a | n/a | n/a | n/a |

| RENT AND SQUARE FOOTAGE RANKING-- All rents adjusted for utilities and concessions extracted from the market. | | | | | | | | |
|---|------------------------------------|-----------------------|------------------------------------|---------|------------------------------------|---------------------|------------------------------------|---------|
| Effective Rent Date: | | Sep-15 | Units Surveyed: | | 529 | Weighted Occupancy: | | 96.00% |
| | | | Market Rate | | 316 | Market Rate | | 94.00% |
| | | | Tax Credit | | 213 | Tax Credit | | 99.10% |
| One Bedroom One Bath | | Two Bedrooms One Bath | | | Three Bedrooms One and a half Bath | | Four Bedrooms One and a half Bath | |
| RENT | Property | Average | Property | Average | Property | Average | Property | Average |
| | Cypress Suites | \$754 | Cypress Suites (2BA) | \$915 | Cypress Suites (2BA) | \$980 | Brookfield Mews Apartments * (60%) | \$774 |
| | Jac-Iyn Apartments | \$570 | The Oaks At Carpenter (2BA) | \$765 | The Oaks At Carpenter (2BA) | \$880 | Tifton Estates * (2BA M) | \$735 |
| | Creekside Villas | \$555 | Creekside Villas | \$655 | Creekside Villas (2BA) | \$850 | Tifton Estates * (2BA 60%) | \$670 |
| | The Groves * (M) | \$514 | Amelia Apartments | \$613 | Jac-Iyn Apartments (2BA) | \$828 | Tifton Estates * (2BA 60%) | \$670 |
| | Amelia Apartments | \$510 | Jac-Iyn Apartments | \$611 | Tifton Estates * (2BA M) | \$708 | Tifton Estates * (2BA 50%) | \$520 |
| | Brookfield Mews Apartments * (60%) | \$507 | The Groves * (2BA M) | \$600 | The Groves * (2BA M) | \$690 | Tifton Estates * (2BA 50%) | \$520 |
| | Jac-Iyn Apartments | \$455 | Jac-Iyn Apartments | \$596 | Brookfield Mews Apartments * (60%) | \$665 | | |
| | Park Place Apartments | \$425 | Park Place Apartments (1.5BA) | \$575 | Teresan Apartments | \$630 | | |
| | The Groves * (60%) | \$409 | Brookfield Mews Apartments * (60%) | \$568 | Tifton Estates * (2BA 60%) | \$623 | | |
| | The Groves * (50%) | \$365 | Teresan Apartments | \$535 | The Groves * (2BA 60%) | \$544 | | |
| | Tiffany Square * (60%) | \$300 | The Groves * (2BA 50%) | \$432 | The Groves * (2BA 50%) | \$524 | | |
| | The Groves * (30%) | \$186 | The Groves * (2BA 60%) | \$432 | Tifton Estates * (2BA 50%) | \$503 | | |
| | | | Magnolia Place * (50%) | \$373 | Magnolia Place * (50%) | \$413 | | |
| | | | Tiffany Square * (60%) | \$350 | The Groves * (2BA 30%) | \$275 | | |
| | | | The Groves * (2BA 30%) | \$222 | | | | |
| SQUARE FOOTAGE | Amelia Apartments | 900 | Cypress Suites (2BA) | 1,331 | Cypress Suites (2BA) | 1,534 | Tifton Estates * (2BA 50%) | 1,564 |
| | The Groves * (30%) | 857 | Amelia Apartments | 1,200 | Tifton Estates * (2BA 50%) | 1,492 | Tifton Estates * (2BA 60%) | 1,564 |
| | The Groves * (50%) | 857 | The Groves * (2BA 30%) | 1,137 | Tifton Estates * (2BA 60%) | 1,492 | Tifton Estates * (2BA 50%) | 1,542 |
| | The Groves * (60%) | 857 | The Groves * (2BA 50%) | 1,137 | Tifton Estates * (2BA M) | 1,492 | Tifton Estates * (2BA 60%) | 1,542 |
| | Jac-Iyn Apartments | 798 | The Groves * (2BA 60%) | 1,137 | Creekside Villas (2BA) | 1,393 | Tifton Estates * (2BA M) | 1,542 |
| | Cypress Suites | 768 | The Groves * (2BA M) | 1,137 | The Oaks At Carpenter (2BA) | 1,350 | Brookfield Mews Apartments * (60%) | 1,252 |
| | Park Place Apartments | 725 | The Oaks At Carpenter (2BA) | 1,050 | The Groves * (2BA 30%) | 1,270 | | |
| | Jac-Iyn Apartments | 665 | Park Place Apartments (1.5BA) | 1,000 | The Groves * (2BA 50%) | 1,270 | | |
| | Creekside Villas | 645 | Teresan Apartments | 975 | The Groves * (2BA 60%) | 1,270 | | |
| | Tiffany Square * (60%) | 600 | Creekside Villas | 971 | The Groves * (2BA M) | 1,270 | | |
| | Brookfield Mews Apartments * (60%) | \$97 | Jac-Iyn Apartments | 927 | Teresan Apartments | 1,200 | | |
| | The Groves * (M) | 475 | Magnolia Place * (50%) | 900 | Jac-Iyn Apartments (2BA) | 1,186 | | |
| | | | Jac-Iyn Apartments | 782 | Magnolia Place * (50%) | 1,100 | | |
| | | | Brookfield Mews Apartments * (60%) | 751 | Brookfield Mews Apartments * (60%) | 1,014 | | |
| | | | Tiffany Square * (60%) | 700 | | | | |
| RENT PER SQUARE FOOT | The Groves * (M) | \$1.08 | Jac-Iyn Apartments | \$0.76 | Jac-Iyn Apartments (2BA) | \$0.70 | Brookfield Mews Apartments * (60%) | \$0.62 |
| | Cypress Suites | \$0.98 | Brookfield Mews Apartments * (60%) | \$0.76 | Brookfield Mews Apartments * (60%) | \$0.66 | Tifton Estates * (2BA M) | \$0.48 |
| | Creekside Villas | \$0.86 | The Oaks At Carpenter (2BA) | \$0.73 | The Oaks At Carpenter (2BA) | \$0.65 | Tifton Estates * (2BA 60%) | \$0.43 |
| | Brookfield Mews Apartments * (60%) | \$0.85 | Cypress Suites (2BA) | \$0.69 | Cypress Suites (2BA) | \$0.64 | Tifton Estates * (2BA 60%) | \$0.43 |
| | Jac-Iyn Apartments | \$0.71 | Creekside Villas | \$0.67 | Creekside Villas (2BA) | \$0.61 | Tifton Estates * (2BA 50%) | \$0.34 |
| | Jac-Iyn Apartments | \$0.68 | Jac-Iyn Apartments | \$0.66 | The Groves * (2BA M) | \$0.54 | Tifton Estates * (2BA 50%) | \$0.33 |
| | Park Place Apartments | \$0.59 | Park Place Apartments (1.5BA) | \$0.58 | Teresan Apartments | \$0.52 | | |
| | Amelia Apartments | \$0.57 | Teresan Apartments | \$0.55 | Tifton Estates * (2BA M) | \$0.47 | | |
| | Tiffany Square * (60%) | \$0.50 | The Groves * (2BA M) | \$0.53 | The Groves * (2BA 60%) | \$0.45 | | |
| | The Groves * (60%) | \$0.48 | Amelia Apartments | \$0.51 | Tifton Estates * (2BA 60%) | \$0.42 | | |
| | The Groves * (50%) | \$0.43 | Tiffany Square * (60%) | \$0.50 | The Groves * (2BA 50%) | \$0.41 | | |
| | The Groves * (30%) | \$0.22 | Magnolia Place * (50%) | \$0.41 | Magnolia Place * (50%) | \$0.38 | | |
| | | | The Groves * (2BA 50%) | \$0.38 | Tifton Estates * (2BA 50%) | \$0.34 | | |
| | | | The Groves * (2BA 60%) | \$0.38 | The Groves * (2BA 30%) | \$0.22 | | |
| | | | The Groves * (2BA 30%) | \$0.20 | | | | |

Magnolia Place, continued

Trend Report

Vacancy Rates

| 2Q14 | 1Q15 | 2Q15 | 3Q15 |
|------|------|------|------|
| 5.4% | 0.0% | 0.0% | 0.0% |

Trend: @50%

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | 0.0% | \$373 | \$0 | \$373 | \$373 |
| 2015 | 1 | 0.0% | \$373 | \$0 | \$373 | \$373 |
| 2015 | 2 | 0.0% | \$373 | \$0 | \$373 | \$373 |
| 2015 | 3 | 0.0% | \$373 | \$0 | \$373 | \$373 |

3BR / 1.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2014 | 2 | 11.1% | \$413 | \$0 | \$413 | \$413 |
| 2015 | 1 | 0.0% | \$413 | \$0 | \$413 | \$413 |
| 2015 | 2 | 0.0% | \$413 | \$0 | \$413 | \$413 |
| 2015 | 3 | 0.0% | \$413 | \$0 | \$413 | \$413 |

Trend: Comments

2Q14 There are pending applications for both vacancies.

1Q15 The contact reported that the property maintains a waiting list of four households for two-bedroom units and three households for three-bedroom units. The property manager reported that the property offers two parking spaces per unit. According to the contact, demand for affordable housing is high; however, this property has not increased rents since 2013.

2Q15 The property maintains a waiting list of eight households.

3Q15 The property maintains a short waiting list.

PROPERTY PROFILE REPORT

The Groves

| | |
|-------------------------------|--|
| Effective Rent Date | 9/18/2015 |
| Location | 2826 Rainwater Road Tifton, GA 31793 Tift County |
| Distance | 3.3 miles |
| Units | 96 |
| Vacant Units | 1 |
| Vacancy Rate | 1.0% |
| Type | Garden (2 stories) |
| Year Built/Renovated | 2006 / N/A |
| Marketing Began | N/A |
| Leasing Began | 12/19/2006 |
| Last Unit Leased | N/A |
| Major Competitors | None identified |
| Tenant Characteristics | Majority are from the Tifton area with 10% seniors. |
| Contact Name | Candace |
| Phone | 229-388-1283 |



Market Information

| | |
|-----------------------------|--------------------------|
| Program | @30%, @50%, @60%, Market |
| Annual Turnover Rate | 19% |
| Units/Month Absorbed | 3 |
| HCV Tenants | 0% |
| Leasing Pace | Within one week |
| Annual Chg. in Rent | None |
| Concession | None |

Utilities

| | |
|-------------------------|--------------------------|
| A/C | not included -- central |
| Cooking | not included -- electric |
| Water Heat | not included -- gas |
| Heat | not included -- gas |
| Other Electric | not included |
| Water | 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 | 857 | \$157 | \$0 | @30% | Yes | 0 | 0.0% | yes | None |
| 1 | 1 | Garden (2 stories) | 15 | 857 | \$336 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 1 | 1 | Garden (2 stories) | 1 | 857 | \$380 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |
| 1 | 1 | Garden (2 stories) | 5 | 475 | \$485 | \$0 | Market | Yes | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (2 stories) | 5 | 1,137 | \$182 | \$0 | @30% | Yes | 0 | 0.0% | yes | None |
| 2 | 2 | Garden (2 stories) | 30 | 1,137 | \$392 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 2 | 2 | Garden (2 stories) | 3 | 1,137 | \$392 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |
| 2 | 2 | Garden (2 stories) | 10 | 1,137 | \$560 | \$0 | Market | Yes | 1 | 10.0% | N/A | None |
| 3 | 2 | Garden (2 stories) | 2 | 1,270 | \$220 | \$0 | @30% | Yes | 0 | 0.0% | yes | None |
| 3 | 2 | Garden (2 stories) | 15 | 1,270 | \$469 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 3 | 2 | Garden (2 stories) | 2 | 1,270 | \$489 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |
| 3 | 2 | Garden (2 stories) | 5 | 1,270 | \$635 | \$0 | Market | Yes | 0 | 0.0% | N/A | None |

The Groves, continued

Unit Mix

| @30% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$157 | \$0 | \$157 | \$29 | \$186 | 1BR / 1BA | \$336 | \$0 | \$336 | \$29 | \$365 |
| 2BR / 2BA | \$182 | \$0 | \$182 | \$40 | \$222 | 2BR / 2BA | \$392 | \$0 | \$392 | \$40 | \$432 |
| 3BR / 2BA | \$220 | \$0 | \$220 | \$55 | \$275 | 3BR / 2BA | \$469 | \$0 | \$469 | \$55 | \$524 |
| @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
| 1BR / 1BA | \$380 | \$0 | \$380 | \$29 | \$409 | 1BR / 1BA | \$485 | \$0 | \$485 | \$29 | \$514 |
| 2BR / 2BA | \$392 | \$0 | \$392 | \$40 | \$432 | 2BR / 2BA | \$560 | \$0 | \$560 | \$40 | \$600 |
| 3BR / 2BA | \$489 | \$0 | \$489 | \$55 | \$544 | 3BR / 2BA | \$635 | \$0 | \$635 | \$55 | \$690 |

Amenities

In-Unit

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

Blinds
 Central A/C
 Dishwasher
 Ceiling Fan
 Refrigerator
 Washer/Dryer

Security

Perimeter Fencing

Services

None

Property

Basketball Court
 Clubhouse/Meeting
 Central Laundry
 On-Site Management
 Playground

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

Premium

None

Other

None

Comments

The management reported that the property currently maintains a waiting list that is 50-60 households long. The contact reported that the property offers approximately two parking spaces per unit

The Groves, continued

Trend Report

Vacancy Rates

| 2Q14 | 1Q15 | 2Q15 | 3Q15 |
|------|------|------|------|
| 5.2% | 2.1% | 0.0% | 1.0% |

Trend: @30%

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$157 | \$0 | \$157 | \$186 |
| 2015 | 1 | 0.0% | \$157 | \$0 | \$157 | \$186 |
| 2015 | 2 | 0.0% | \$157 | \$0 | \$157 | \$186 |
| 2015 | 3 | 0.0% | \$157 | \$0 | \$157 | \$186 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$182 | \$0 | \$182 | \$222 |
| 2015 | 1 | 0.0% | \$182 | \$0 | \$182 | \$222 |
| 2015 | 2 | 0.0% | \$182 | \$0 | \$182 | \$222 |
| 2015 | 3 | 0.0% | \$182 | \$0 | \$182 | \$222 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$220 | \$0 | \$220 | \$275 |
| 2015 | 1 | 0.0% | \$220 | \$0 | \$220 | \$275 |
| 2015 | 2 | 0.0% | \$220 | \$0 | \$220 | \$275 |
| 2015 | 3 | 0.0% | \$220 | \$0 | \$220 | \$275 |

Trend: @60%

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$380 | \$0 | \$380 | \$409 |
| 2015 | 1 | 0.0% | \$380 | \$0 | \$380 | \$409 |
| 2015 | 2 | 0.0% | \$380 | \$0 | \$380 | \$409 |
| 2015 | 3 | 0.0% | \$380 | \$0 | \$380 | \$409 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$392 | \$0 | \$392 | \$432 |
| 2015 | 1 | 0.0% | \$392 | \$0 | \$392 | \$432 |
| 2015 | 2 | 0.0% | \$392 | \$0 | \$392 | \$432 |
| 2015 | 3 | 0.0% | \$392 | \$0 | \$392 | \$432 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$489 | \$0 | \$489 | \$544 |
| 2015 | 1 | 0.0% | \$489 | \$0 | \$489 | \$544 |
| 2015 | 2 | 0.0% | \$489 | \$0 | \$489 | \$544 |
| 2015 | 3 | 0.0% | \$489 | \$0 | \$489 | \$544 |

Trend: @50%

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$336 | \$0 | \$336 | \$365 |
| 2015 | 1 | 0.0% | \$336 | \$0 | \$336 | \$365 |
| 2015 | 2 | 0.0% | \$336 | \$0 | \$336 | \$365 |
| 2015 | 3 | 0.0% | \$336 | \$0 | \$336 | \$365 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$392 | \$0 | \$392 | \$432 |
| 2015 | 1 | 0.0% | \$392 | \$0 | \$392 | \$432 |
| 2015 | 2 | 0.0% | \$392 | \$0 | \$392 | \$432 |
| 2015 | 3 | 0.0% | \$392 | \$0 | \$392 | \$432 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$469 | \$0 | \$469 | \$524 |
| 2015 | 1 | 6.7% | \$469 | \$0 | \$469 | \$524 |
| 2015 | 2 | 0.0% | \$469 | \$0 | \$469 | \$524 |
| 2015 | 3 | 0.0% | \$469 | \$0 | \$469 | \$524 |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$485 | \$0 | \$485 | \$514 |
| 2015 | 1 | 0.0% | \$485 | \$0 | \$485 | \$514 |
| 2015 | 2 | 0.0% | \$485 | \$0 | \$485 | \$514 |
| 2015 | 3 | 0.0% | \$485 | \$0 | \$485 | \$514 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$560 | \$0 | \$560 | \$600 |
| 2015 | 1 | 0.0% | \$560 | \$0 | \$560 | \$600 |
| 2015 | 2 | 0.0% | \$560 | \$0 | \$560 | \$600 |
| 2015 | 3 | 10.0% | \$560 | \$0 | \$560 | \$600 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$635 | \$0 | \$635 | \$690 |
| 2015 | 1 | 20.0% | \$635 | \$0 | \$635 | \$690 |
| 2015 | 2 | 0.0% | \$635 | \$0 | \$635 | \$690 |
| 2015 | 3 | 0.0% | \$635 | \$0 | \$635 | \$690 |

Trend: Comments

- 2Q14** There are pending applications for the five vacant units. The waiting list consists of approximately 30 households. The percentage of voucher holders was not available.
- 1Q15** The contact reported that the property currently maintains a waiting list that is 52 households long. The contact reported that the vacancy on the LIHTC three-bedroom unit currently has an application pending on it. The contact reported that the property offers approximately two parking spaces per unit. When asked about the demand for affordable housing in the area, the contact reported that it remains strong. The contact added that the property usually maintains a lengthy waiting list. The contact reported that the property accepts Housing Choice Vouchers, none of which reside in the market rate units.
- 2Q15** The management reported that the property currently maintains a waiting list that is 50-60 households long. The contact reported that the property offers approximately two parking spaces per unit. When asked about the demand for affordable housing in the area, the management reported that it remains strong. The contact added that the property usually maintains a lengthy waiting list which often "scares potential tenants away." Demand for 50 and 60 percent LIHTC units is very high. The manager stated there is not enough housing in Tifton. The contact reported that the property accepts Housing Choice Vouchers, none of which reside in the market rate units.
- 3Q15** The management reported that the property currently maintains a waiting list that is 50-60 households long. The contact reported that the property offers approximately two parking spaces per unit

PROPERTY PROFILE REPORT

Tiffany Square

Effective Rent Date 9/24/2015
Location 1430 Prince Avenue
 Tifton, GA 31794
 Tift County
Distance 1.5 miles
Units 46
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (2 stories)
Year Built/Renovated 1973 / 1997
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors The Groves
Tenant Characteristics Mixture of families and seniors
Contact Name Linda
Phone (229) 382-2142



Market Information

Program @60%
Annual Turnover Rate 5%
Units/Month Absorbed N/A
HCV Tenants 8%
Leasing Pace N/A
Annual Chg. in Rent None
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 | Garden (2 stories) | 2 | 600 | \$300 | \$0 | @60% | Yes | 0 | 0.0% | no | None |
| 2 | 1 | Garden (2 stories) | 44 | 700 | \$350 | \$0 | @60% | Yes | 0 | 0.0% | no | None |

Unit Mix

| @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$300 | \$0 | \$300 | \$0 | \$300 |
| 2BR / 1BA | \$350 | \$0 | \$350 | \$0 | \$350 |

Amenities

| In-Unit | Security | Services |
|---|-----------------|---------------|
| Blinds Central A/C Refrigerator | None | None |
| Property Central Laundry Playground | Premium None | Other None |

Tiffany Square, continued

Comments

The property is managed by a nonprofit, Tift County Residential Housing Corporation. The contact noted that the property is a FDIC-RTC property and not LIHTC. All utilities are included with rents. The contact stated there are five households on the wait list. The property was a former LIHTC property but is no longer under that program although there are still income limits and rent restrictions under the FDIC-RTC program.

Tiffany Square, continued

Trend Report

Vacancy Rates

| 2Q08 | 2Q09 | 2Q15 | 3Q15 |
|------|------|------|------|
| 2.2% | 0.0% | 0.0% | 0.0% |

Trend: @60%

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2009 | 2 | 0.0% | \$300 | \$0 | \$300 | \$300 |
| 2015 | 2 | 0.0% | \$300 | \$0 | \$300 | \$300 |
| 2015 | 3 | 0.0% | \$300 | \$0 | \$300 | \$300 |

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2008 | 2 | 2.2% | \$325 | \$0 | \$325 | \$325 |
| 2009 | 2 | 0.0% | \$350 | \$0 | \$350 | \$350 |
| 2015 | 2 | 0.0% | \$350 | \$0 | \$350 | \$350 |
| 2015 | 3 | 0.0% | \$350 | \$0 | \$350 | \$350 |

Trend: Comments

| | |
|------|--|
| 2Q08 | The contact reported that management accepts Housing Choice Vouchers but the contact could not estimate the number of households using them. The property is managed by a nonprofit, Tift County Residential Housing Corporation. |
| 2Q09 | Management reported a three household wait list for two-bedroom units and an estimated six households have Housing Choice Vouchers. The property is managed by a nonprofit, Tift County Residential Housing Corporation. |
| 2Q15 | The current wait list is approximately 12 households. The property is managed by a nonprofit, Tift County Residential Housing Corporation. Confirmed that rents have not increased at property in several years. |
| 3Q15 | The property is managed by a nonprofit, Tift County Residential Housing Corporation. The contact noted that the property is a FDIC-RTC property and not LIHTC. All utilities are included with rents. The contact stated there are five households on the wait list. The property was a former LIHTC property but is no longer under that program although there are still income limits and rent restrictions under the FDIC-RTC program. |

PROPERTY PROFILE REPORT

Tifton Estates

Effective Rent Date 9/15/2015
Location 1510 Coley St
 Tifton, GA 31794
 Tift County
Distance 1 mile
Units 34
Vacant Units 1
Vacancy Rate 2.9%
Type Single Family (2 stories)
Year Built/Renovated 2010 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors The Grove
Tenant Characteristics Majority families. Most of the tenants are from Tifton.
Contact Name April Turner
Phone 229.388.8255



Market Information

Program @50%, @60%, Market
Annual Turnover Rate 10%
Units/Month Absorbed 8
HCV Tenants 3%
Leasing Pace Pre-leased
Annual Chg. in Rent Increased three to four percent
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 |
|------|-------|---------------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 3 | 2 | Single Family (2 stories) | 4 | 1,492 | \$435 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 3 | 2 | Single Family (2 stories) | 6 | 1,492 | \$555 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |
| 3 | 2 | Single Family (2 stories) | 1 | 1,492 | \$640 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 3 | 2.5 | Single Family (2 stories) | 4 | 1,230 | \$435 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 3 | 2.5 | Single Family (2 stories) | 7 | 1,230 | \$555 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |
| 3 | 2.5 | Single Family (2 stories) | 2 | 1,230 | \$640 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 4 | 2 | Single Family (2 stories) | 2 | 1,542 | \$460 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 4 | 2 | Single Family (2 stories) | 1 | 1,564 | \$460 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 4 | 2 | Single Family (2 stories) | 3 | 1,542 | \$610 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |
| 4 | 2 | Single Family (2 stories) | 3 | 1,564 | \$610 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |
| 4 | 2 | Single Family (2 stories) | 1 | 1,542 | \$675 | \$0 | Market | No | 1 | 100.0% | N/A | None |

Tifton Estates, continued

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-----------|-------|-------------|-------|-----------|-------------|-----------|-------|-------------|-------|-----------|
| 3BR / 2BA | \$435 | \$0 | \$435 | \$68 | \$503 | 3BR / 2BA | \$555 | \$0 | \$555 | \$68 | \$623 |
| 3BR / 2.5BA | \$435 | \$0 | \$435 | \$68 | \$503 | 3BR / 2.5BA | \$555 | \$0 | \$555 | \$68 | \$623 |
| 4BR / 2BA | \$460 | \$0 | \$460 | \$60 | \$520 | 4BR / 2BA | \$610 | \$0 | \$610 | \$60 | \$670 |

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-----------|-------|-------------|-------|-----------|
| 3BR / 2BA | \$640 | \$0 | \$640 | \$68 | \$708 |
| 3BR / 2.5BA | \$640 | \$0 | \$640 | \$68 | \$708 |
| 4BR / 2BA | \$675 | \$0 | \$675 | \$60 | \$735 |

Amenities

In-Unit

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

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

Security

None

Services

None

Property

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

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

Library

Comments

The property currently maintains a waiting list of 20 households for its LIHTC units.

Tifton Estates, continued

Trend Report

Vacancy Rates

| 2Q13 | 2Q14 | 2Q15 | 3Q15 |
|------|------|------|------|
| 2.9% | 2.9% | 0.0% | 2.9% |

Trend: @50%

3BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 2 | N/A | \$410 | \$0 | \$410 | \$478 |
| 2014 | 2 | N/A | \$425 | \$0 | \$425 | \$493 |
| 2015 | 2 | 0.0% | \$435 | \$0 | \$435 | \$503 |
| 2015 | 3 | 0.0% | \$435 | \$0 | \$435 | \$503 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 2 | N/A | \$410 | \$0 | \$410 | \$478 |
| 2014 | 2 | N/A | \$425 | \$0 | \$425 | \$493 |
| 2015 | 2 | 0.0% | \$435 | \$0 | \$435 | \$503 |
| 2015 | 3 | 0.0% | \$435 | \$0 | \$435 | \$503 |

4BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|---------------|-------|---------------|---------------|
| 2013 | 2 | N/A | \$420 - \$435 | \$0 | \$420 - \$435 | \$480 - \$495 |
| 2014 | 2 | N/A | \$450 | \$0 | \$450 | \$510 |
| 2015 | 2 | 0.0% | \$460 | \$0 | \$460 | \$520 |
| 2015 | 3 | 0.0% | \$460 | \$0 | \$460 | \$520 |

Trend: @60%

3BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 2 | N/A | \$530 | \$0 | \$530 | \$598 |
| 2014 | 2 | N/A | \$545 | \$0 | \$545 | \$613 |
| 2015 | 2 | 0.0% | \$555 | \$0 | \$555 | \$623 |
| 2015 | 3 | 0.0% | \$555 | \$0 | \$555 | \$623 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 2 | N/A | \$530 | \$0 | \$530 | \$598 |
| 2014 | 2 | N/A | \$545 | \$0 | \$545 | \$613 |
| 2015 | 2 | 0.0% | \$555 | \$0 | \$555 | \$623 |
| 2015 | 3 | 0.0% | \$555 | \$0 | \$555 | \$623 |

4BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|---------------|-------|---------------|---------------|
| 2013 | 2 | N/A | \$555 - \$570 | \$0 | \$555 - \$570 | \$615 - \$630 |
| 2014 | 2 | N/A | \$595 | \$0 | \$595 | \$655 |
| 2015 | 2 | 0.0% | \$610 | \$0 | \$610 | \$670 |
| 2015 | 3 | 0.0% | \$610 | \$0 | \$610 | \$670 |

Trend: Market

3BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 2 | N/A | \$600 | \$0 | \$600 | \$668 |
| 2014 | 2 | N/A | \$625 | \$0 | \$625 | \$693 |
| 2015 | 2 | 0.0% | \$650 | \$0 | \$650 | \$718 |
| 2015 | 3 | 0.0% | \$640 | \$0 | \$640 | \$708 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 2 | N/A | \$575 | \$0 | \$575 | \$643 |
| 2014 | 2 | N/A | \$625 | \$0 | \$625 | \$693 |
| 2015 | 2 | 0.0% | \$650 | \$0 | \$650 | \$718 |
| 2015 | 3 | 0.0% | \$640 | \$0 | \$640 | \$708 |

4BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|--------|-----------|-------|-------------|-----------|
| 2013 | 2 | N/A | \$635 | \$0 | \$635 | \$695 |
| 2014 | 2 | N/A | \$660 | \$0 | \$660 | \$720 |
| 2015 | 2 | 0.0% | \$675 | \$0 | \$675 | \$735 |
| 2015 | 3 | 100.0% | \$675 | \$0 | \$675 | \$735 |

Tifton Estates, continued

Trend: Comments

| | |
|------|---|
| 2Q13 | N/A |
| 2Q14 | The property currently maintains a waiting list of 20 households. |
| 2Q15 | The property currently maintains a waiting list of 15 households. |
| 3Q15 | The property currently maintains a waiting list of 20 households for its LIHTC units. |

Amelia Apartments, continued

Comments

The property contact indicated that there is a \$20 premium for one-bedroom units and a \$25 premium for two-bedroom units with upgraded flooring. Additionally, two of the currently vacant units are receiving new flooring. The profile rents indicate the average unit rents.

Amelia Apartments, continued

Trend Report

Vacancy Rates

| 2Q13 | 2Q14 | 2Q15 | 3Q15 |
|------|------|------|-------|
| 0.0% | 0.0% | 2.5% | 10.0% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 2 | N/A | \$475 | \$0 | \$475 | \$475 |
| 2014 | 2 | N/A | \$495 | \$0 | \$495 | \$495 |
| 2015 | 2 | N/A | \$510 | \$0 | \$510 | \$510 |
| 2015 | 3 | 0.0% | \$510 | \$0 | \$510 | \$510 |

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2013 | 2 | N/A | \$555 | \$0 | \$555 | \$555 |
| 2014 | 2 | N/A | \$575 | \$0 | \$575 | \$575 |
| 2015 | 2 | N/A | \$610 | \$0 | \$610 | \$610 |
| 2015 | 3 | 16.7% | \$613 | \$0 | \$613 | \$613 |

Trend: Comments

- 2Q13** Management would not comment on major competitors or market conditions, but she did say that approximately one-third of her tenants were college students and the remainder comprised mostly of young working adults. Turnover spikes in the summer due to student relocations.
- 2Q14** The waiting list consists of five households.
- 2Q15** The property does not accept Housing Choice Vouchers.
- 3Q15** The property contact indicated that there is a \$20 premium for one-bedroom units and a \$25 premium for two-bedroom units with upgraded flooring. Additionally, two of the currently vacant units are receiving new flooring. The profile rents indicate the average unit rents.

PROPERTY PROFILE REPORT

Creekside Villas

| | |
|-------------------------------|---|
| Effective Rent Date | 9/15/2015 |
| Location | 1685 Central Avenue N. Tifton, GA 31794 Tift County |
| Distance | 1.9 miles |
| Units | 32 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Various (2 stories) |
| Year Built/Renovated | 2014 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | None identified |
| Tenant Characteristics | Singles, families, and seniors from Tifton. 13% seniors. |
| Contact Name | Alyssa |
| Phone | 229-386-9931 |



Market Information

| | |
|-----------------------------|------------|
| Program | Market |
| Annual Turnover Rate | N/A |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | Pre-leased |
| Annual Chg. in Rent | None |
| 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 | Garden | N/A | 645 | \$555 | \$0 | Market | No | 0 | N/A | N/A | None |
| 2 | 1 | Garden | N/A | 971 | \$655 | \$0 | Market | No | 0 | N/A | N/A | None |
| 2 | 1.5 | Townhouse | N/A | 1,154 | \$710 | \$0 | Market | No | 0 | N/A | N/A | None |
| 2 | 2.5 | Townhouse | N/A | 1,228 | \$750 | \$0 | Market | No | 0 | N/A | N/A | None |
| 3 | 2 | Townhouse | N/A | 1,393 | \$850 | \$0 | Market | No | 0 | N/A | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$555 | \$0 | \$555 | \$0 | \$555 |
| 2BR / 1BA | \$655 | \$0 | \$655 | \$0 | \$655 |
| 2BR / 1.5BA | \$710 | \$0 | \$710 | \$0 | \$710 |
| 2BR / 2.5BA | \$750 | \$0 | \$750 | \$0 | \$750 |
| 3BR / 2BA | \$850 | \$0 | \$850 | \$0 | \$850 |

Creekside Villas, continued

Amenities

| In-Unit | | Security | Services |
|---------------------|--------------|-----------------|-----------------|
| Balcony/Patio | Blinds | None | None |
| Carpeting | Central A/C | | |
| Dishwasher | Ceiling Fan | | |
| Oven | Refrigerator | | |
| Washer/Dryer hookup | | | |
| Property | | Premium | Other |
| Off-Street Parking | | None | None |

Comments

The contact did not know annual turnover. The property does not need to keep a waiting list and rents units on a first come, first serve basis.

Creekside Villas, continued

Trend Report

Vacancy Rates

| 2Q14 | 2Q15 | 3Q15 |
|------|------|------|
| 0.0% | 0.0% | 0.0% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$525 | \$0 | \$525 | \$525 |
| 2015 | 2 | N/A | \$545 | \$0 | \$545 | \$545 |
| 2015 | 3 | N/A | \$555 | \$0 | \$555 | \$555 |

2BR / 1.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$700 | \$0 | \$700 | \$700 |
| 2015 | 2 | N/A | \$700 | \$0 | \$700 | \$700 |
| 2015 | 3 | N/A | \$710 | \$0 | \$710 | \$710 |

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$625 | \$0 | \$625 | \$625 |
| 2015 | 2 | N/A | \$645 | \$0 | \$645 | \$645 |
| 2015 | 3 | N/A | \$655 | \$0 | \$655 | \$655 |

2BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$750 | \$0 | \$750 | \$750 |
| 2015 | 2 | N/A | \$750 | \$0 | \$750 | \$750 |
| 2015 | 3 | N/A | \$750 | \$0 | \$750 | \$750 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | N/A | \$850 | \$0 | \$850 | \$850 |
| 2015 | 2 | N/A | \$850 | \$0 | \$850 | \$850 |
| 2015 | 3 | N/A | \$850 | \$0 | \$850 | \$850 |

Trend: Comments

2Q14 The property currently consists of 24 units. All of the existing units are leased. The remaining eight units are under construction and are expected to be completed by July 2014. Management reported that units were leased upon each building receiving a certificate of occupancy. Therefore, the absorption pace was not available. However, management stated that the units have been leasing quickly once they are available. Vouchers are not accepted.

2Q15 The contact did not know annual turnover. The property does not need to keep a waiting list and rents units on a first come, first serve basis.

3Q15 N/A

PROPERTY PROFILE REPORT

Cypress Suites

| | |
|-------------------------------|---|
| Effective Rent Date | 9/16/2015 |
| Location | 68 Richards Drive Tifton, GA 31794 Tift County |
| Distance | 2 miles |
| Units | 40 |
| Vacant Units | 1 |
| Vacancy Rate | 2.5% |
| Type | Townhouse (2 stories) |
| Year Built/Renovated | 2008 / N/A |
| Marketing Began | N/A |
| Leasing Began | 1/14/2008 |
| Last Unit Leased | N/A |
| Major Competitors | Virginia Place, Cottage Creek |
| Tenant Characteristics | Mixed tenancy, predominately working professionals, with 10% seniors. |
| Contact Name | Laura |
| Phone | 229-386-2727 |



Market Information

| | |
|-----------------------------|------------------|
| Program | Market |
| Annual Turnover Rate | 10% |
| Units/Month Absorbed | 7 |
| HCV Tenants | 0% |
| Leasing Pace | Within one month |
| Annual Chg. in Rent | None |
| 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 | Townhouse (2 stories) | 8 | 768 | \$725 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 2 | Townhouse (2 stories) | 16 | 1,331 | \$875 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 3 | 2 | Townhouse (2 stories) | 16 | 1,534 | \$925 | \$0 | Market | No | 1 | 6.2% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$725 | \$0 | \$725 | \$29 | \$754 |
| 2BR / 2BA | \$875 | \$0 | \$875 | \$40 | \$915 |
| 3BR / 2BA | \$925 | \$0 | \$925 | \$55 | \$980 |

Cypress Suites, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Central A/C
Dishwasher
Oven
Washer/Dryer hookup

Blinds
Carpeting
Coat Closet
Ceiling Fan
Refrigerator

Security

None

Services

None

Property

Off-Street Parking
Playground

Picnic Area

Premium

None

Other

Gazebo

Comments

The site contact indicated that there's much more demand for one- and two-bedroom units than for three-bedroom units. One- and two-bedroom units are generally pre-leased, but three-bedroom units typically stay vacant for less than one month.

Trend Report

Vacancy Rates

| 2Q14 | 1Q15 | 2Q15 | 3Q15 |
|------|------|------|------|
| 2.5% | 2.5% | 5.0% | 2.5% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | 0.0% | \$725 | \$0 | \$725 | \$754 |
| 2015 | 1 | 0.0% | \$725 | \$0 | \$725 | \$754 |
| 2015 | 2 | 0.0% | \$725 | \$0 | \$725 | \$754 |
| 2015 | 3 | 0.0% | \$725 | \$0 | \$725 | \$754 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | 6.2% | \$875 | \$0 | \$875 | \$915 |
| 2015 | 1 | 6.2% | \$875 | \$0 | \$875 | \$915 |
| 2015 | 2 | 6.2% | \$875 | \$0 | \$875 | \$915 |
| 2015 | 3 | 0.0% | \$875 | \$0 | \$875 | \$915 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | 0.0% | \$925 | \$0 | \$925 | \$980 |
| 2015 | 1 | 0.0% | \$925 | \$0 | \$925 | \$980 |
| 2015 | 2 | 6.2% | \$925 | \$0 | \$925 | \$980 |
| 2015 | 3 | 6.2% | \$925 | \$0 | \$925 | \$980 |

Trend: Comments

- 2Q14** Management believes the local rental market is stable but could not comment on the level of demand for affordable housing.
- 1Q15** The contact reported that the property does not typically maintain a waiting list. Occupancy at the property is reported as typical for the winter season. The contact reported that garbage is included in the rent, as well as pest control. The contact reported that the property offers approximately two parking spaces per unit for two and three-bedroom units, and one parking space per unit for one-bedroom units. The contact was unable to comment on the demand for affordable housing in the area.
- 2Q15** Management reported that the property does not currently have a waiting list. The manager reported that garbage is included in the rent, as well as pest control. The property offers approximately two parking spaces per unit for two and three-bedroom units, and one parking space per unit for one-bedroom units. The manager was unable to comment on the demand for affordable housing in the area. Units typically stay vacant for less than one month.
- 3Q15** The site contact indicated that there's much more demand for one- and two-bedroom units than for three-bedroom units. One- and two-bedroom units are generally pre-leased, but three-bedroom units typically stay vacant for less than one month.

PROPERTY PROFILE REPORT

Jac-lyn Apartments

| | |
|-------------------------------|---|
| Effective Rent Date | 9/22/2015 |
| Location | 517 26th Avenue SE Moultrie, GA 31768 Colquitt County |
| Distance | 26 miles |
| Units | 84 |
| Vacant Units | 4 |
| Vacancy Rate | 4.8% |
| Type | Garden (2 stories) |
| Year Built/Renovated | 1986/2007 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | None Identified |
| Tenant Characteristics | Mostly from Moultrie and Colquitt County. |
| Contact Name | Regina |
| Phone | 229-985-7113 |



Market Information

| | |
|-----------------------------|---------------------------|
| Program | Market |
| Annual Turnover Rate | 30% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | Up to 1 month |
| Annual Chg. in Rent | Increased 2%-5% Jan 2014. |
| 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 (2 stories) | N/A | 665 | \$415 | \$0 | Market | No | 1 | N/A | N/A | None |
| 1 | 1 | Garden (2 stories) | N/A | 798 | \$530 | \$0 | Market | No | 0 | N/A | N/A | None |
| 2 | 1 | Garden (2 stories) | N/A | 782 | \$545 | \$0 | Market | No | 2 | N/A | N/A | None |
| 2 | 1 | Garden (2 stories) | N/A | 927 | \$560 | \$0 | Market | No | 0 | N/A | N/A | None |
| 3 | 2 | Garden (2 stories) | N/A | 1,186 | \$760 | \$0 | Market | No | 1 | N/A | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|---------------|-------|---------------|-------|---------------|
| 1BR / 1BA | \$415 - \$530 | \$0 | \$415 - \$530 | \$40 | \$455 - \$570 |
| 2BR / 1BA | \$545 - \$560 | \$0 | \$545 - \$560 | \$51 | \$596 - \$611 |
| 3BR / 2BA | \$760 | \$0 | \$760 | \$68 | \$828 |

Jac-lyn Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven

Blinds
Central A/C
Garbage Disposal
Refrigerator

Security

None

Services

None

Property

Central Laundry
On-Site Management
Tennis Court

Off-Street Parking
Swimming Pool

Premium

None

Other

None

Comments

Four new buildings containing 28 additional units were constructed in 2007. The newer one, two, and three-bedroom units are 798 square feet, 927 square feet, and 1,186 square feet, respectively.

Jac-lyn Apartments, continued

Trend Report

Vacancy Rates

| 1Q13 | 2Q13 | 1Q15 | 3Q15 |
|-------|------|------|------|
| 11.9% | 9.5% | 0.0% | 4.8% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|---------------|-------|---------------|---------------|
| 2013 | 1 | N/A | \$395 | \$0 | \$395 | \$435 |
| 2013 | 2 | N/A | \$405 - \$520 | \$0 | \$405 - \$520 | \$445 - \$560 |
| 2015 | 1 | N/A | \$415 - \$530 | \$0 | \$415 - \$530 | \$455 - \$570 |
| 2015 | 3 | N/A | \$415 - \$530 | \$0 | \$415 - \$530 | \$455 - \$570 |

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|---------------|-------|---------------|---------------|
| 2013 | 1 | N/A | \$425 - \$525 | \$0 | \$425 - \$525 | \$476 - \$576 |
| 2013 | 2 | N/A | \$435 - \$550 | \$0 | \$435 - \$550 | \$486 - \$601 |
| 2015 | 1 | N/A | \$545 - \$560 | \$0 | \$545 - \$560 | \$596 - \$611 |
| 2015 | 3 | N/A | \$545 - \$560 | \$0 | \$545 - \$560 | \$596 - \$611 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 1 | 0.0% | \$750 | \$0 | \$750 | \$818 |
| 2013 | 2 | N/A | \$750 | \$0 | \$750 | \$818 |
| 2015 | 1 | N/A | \$760 | \$0 | \$760 | \$828 |
| 2015 | 3 | N/A | \$760 | \$0 | \$760 | \$828 |

Trend: Comments

1Q13 Four new buildings containing 28 additional units were constructed in 2007. The contact could not provide a breakdown of vacancies by unit type, but indicated that the majority of the property's vacant units are in two-bedrooms. Management reported that the property's occupancy rate has been fairly typical for this time of year for the last few years. The contact reported that the vacancy rate usually declines later in the Spring into Summer. Additionally, the contact stated that there is demand in the area, but that a lot of potential tenants have not been qualified to live at the property due to inadequate income or credit.

The property is maintaining a waiting list for three-bedroom units, but the contact could not specify the length of the list.

2Q13 Four new buildings containing 28 additional units were constructed in 2007. The newer one, two, and three-bedroom units are 798 square feet, 927 square feet, and 1,186 square feet, respectively.

There is a five households waiting list for the three-bedroom units.

1Q15 Four new buildings containing 28 additional units were constructed in 2007. The newer one, two, and three-bedroom units are 798 square feet, 927 square feet, and 1,186 square feet, respectively. Management estimated there is a waitlist of ten households on all unit types.

3Q15 Four new buildings containing 28 additional units were constructed in 2007. The newer one, two, and three-bedroom units are 798 square feet, 927 square feet, and 1,186 square feet, respectively.

PROPERTY PROFILE REPORT

Park Place Apartments

| | |
|-------------------------------|---|
| Effective Rent Date | 9/21/2015 |
| Location | 2610 Emmett Drive Tifton, GA 31794 Tift County |
| Distance | 2.6 miles |
| Units | 60 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Garden (2 stories) |
| Year Built/Renovated | 1983 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | None |
| Tenant Characteristics | 10% seniors; Majority are from Tift County; Some from Ashburn, Omega, Ocilla, Lenox, Albany, small surrounding towns; Some teach at local colleges |
| Contact Name | Casey |
| Phone | 229.386.0205 |



Market Information

| | |
|-----------------------------|-----------------|
| Program | Market |
| Annual Turnover Rate | 10% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | Within one week |
| Annual Chg. in Rent | None |
| 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 | Garden (2 stories) | 28 | 725 | \$425 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 1.5 | Garden (2 stories) | 32 | 1,000 | \$575 | \$0 | Market | No | 0 | 0.0% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$425 | \$0 | \$425 | \$0 | \$425 |
| 2BR / 1.5BA | \$575 | \$0 | \$575 | \$0 | \$575 |

Amenities

| In-Unit | Security | Services |
|--------------------|---------------------|----------|
| Balcony/Patio | None | None |
| Carpeting | | |
| Dishwasher | | |
| Refrigerator | | |
| | Blinds | |
| | Central A/C | |
| | Oven | |
| | Washer/Dryer hookup | |
| Property | Premium | Other |
| Clubhouse/Meeting | None | None |
| Off-Street Parking | | |
| Swimming Pool | | |
| | Central Laundry | |
| | On-Site Management | |
| | Tennis Court | |

Park Place Apartments, continued

Comments

None

Park Place Apartments, continued

Trend Report

Vacancy Rates

| 2Q13 | 2Q14 | 1Q15 | 3Q15 |
|------|------|------|------|
| 3.3% | 0.0% | 3.3% | 0.0% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 2 | 0.0% | \$425 | \$0 | \$425 | \$425 |
| 2014 | 2 | 0.0% | \$425 | \$0 | \$425 | \$425 |
| 2015 | 1 | 7.1% | \$425 | \$0 | \$425 | \$425 |
| 2015 | 3 | 0.0% | \$425 | \$0 | \$425 | \$425 |

2BR / 1.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 2 | 6.2% | \$525 | \$0 | \$525 | \$525 |
| 2014 | 2 | 0.0% | \$575 | \$0 | \$575 | \$575 |
| 2015 | 1 | 0.0% | \$575 | \$0 | \$575 | \$575 |
| 2015 | 3 | 0.0% | \$575 | \$0 | \$575 | \$575 |

Trend: Comments

| | |
|------|--|
| 2Q13 | Contact stated that there is generally only four/five apartments that turnover per year. Housing vouchers are not accepted |
| 2Q14 | N/A |
| 1Q15 | The contact reported that the property currently maintains a waiting list that is approximately eight households long. The contact reported that the current vacancies do not have applications pending. The contact reported that the property offers two parking spaces for two bed-room units, and one parking space for one-bedroom units. |
| 3Q15 | N/A |

Teresan Apartments, continued

Trend Report

Vacancy Rates

| 1Q07 | 2Q08 | 2Q09 | 3Q15 |
|-------|-------|-------|-------|
| 12.5% | 16.7% | 16.7% | 29.2% |

Trend: Market

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|---------------|-------|---------------|---------------|
| 2007 | 1 | 13.6% | \$450 | \$0 | \$450 | \$490 |
| 2008 | 2 | 18.2% | \$450 - \$475 | \$0 | \$450 - \$475 | \$490 - \$515 |
| 2009 | 2 | 18.2% | \$450 - \$475 | \$0 | \$450 - \$475 | \$490 - \$515 |
| 2015 | 3 | 27.3% | \$495 | \$0 | \$495 | \$535 |

3BR / 1.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|---------------|-------|---------------|---------------|
| 2007 | 1 | 0.0% | \$475 | \$0 | \$475 | \$530 |
| 2008 | 2 | 0.0% | \$475 - \$500 | \$0 | \$475 - \$500 | \$530 - \$555 |
| 2009 | 2 | 0.0% | \$475 - \$500 | \$0 | \$475 - \$500 | \$530 - \$555 |
| 2015 | 3 | 50.0% | \$575 | \$0 | \$575 | \$630 |

Trend: Comments

- 1Q07** Management noted that the property is usually full but traffic has been slow recently. However, management expects traffic to increase with the spring season.
- 2Q08** Rents increased five to six percent in June 2007. There is no concession but rent is discounted by \$25 if tenants pay on the first of each month. The contact estimated that half of the tenants take advantage of this offer; therefore, we have listed both rents in the rent table. The contact reported that there is demand for both affordable and unrestricted units because there is not enough housing supply in the area in general, according to the contact. The contact estimated that private rentals for three-bedroom single-family homes average to \$650 while duplexes would range from \$400 to \$475 and townhouses would average \$600 per month.
- 2Q09** Rents have been stable over the most recent year. There is no concession but rent is discounted by \$25 if tenants pay on the first of each month. The contact estimated that half of the tenants take advantage of this offer; therefore, we have listed both rents in the rent table. The contact reported that there is demand for both affordable and unrestricted units because there is not enough housing supply in the area in general. The contact estimated that private rentals for three-bedroom single-family homes average \$650, duplexes range from \$400 to \$475 and townhouses average \$600 per month.
- 3Q15** The contact did not provide insight into the elevated vacancy rate. She did note competition from private rental homes in the area that are affordably priced.

The Oaks At Carpenter, continued

Comments

The contact added that demand for the units at the property remains strong. Two-bedroom units are in the highest demand in the area, according to the contact.

The Oaks At Carpenter, continued

Trend Report

Vacancy Rates

| 2Q14 | 1Q15 | 2Q15 | 3Q15 |
|------|------|------|------|
| 0.0% | 0.0% | 5.6% | 8.3% |

Trend: Market

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 2 | 0.0% | \$725 | \$0 | \$725 | \$765 |
| 2015 | 1 | 0.0% | \$725 | \$0 | \$725 | \$765 |
| 2015 | 2 | 5.0% | \$725 | \$0 | \$725 | \$765 |
| 2015 | 3 | 5.0% | \$725 | \$0 | \$725 | \$765 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2014 | 2 | 0.0% | \$825 | \$0 | \$825 | \$880 |
| 2015 | 1 | 0.0% | \$825 | \$0 | \$825 | \$880 |
| 2015 | 2 | 6.2% | \$825 | \$0 | \$825 | \$880 |
| 2015 | 3 | 12.5% | \$825 | \$0 | \$825 | \$880 |

Trend: Comments

| | |
|------|---|
| 2Q14 | According to management, there are currently two additional buildings under construction at the property. In total, the new buildings will offer eight, two-bedroom units and eight, three-bedroom units. Construction is expected to be complete by year end 2014. |
| 1Q15 | Management confirmed that the two additional buildings being constructed on the property have completed construction in 2014. Management confirmed that the two new buildings offer eight, two-bedroom units and eight, three-bedroom units. The contact reported that the property does not typically maintain a waiting list. The contact reported that the property offers two parking spaces per unit. The contact added that demand for the units at the property remains strong. Two-bedroom units are in the highest demand in the area, according to the contact. |
| 2Q15 | The contact added that demand for the units at the property remains strong. Two-bedroom units are in the highest demand in the area, according to the contact. |
| 3Q15 | N/A |

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

Housing Choice Vouchers

TENANTS WITH VOUCHERS

| Comparable Property | Type | HCV Tenants |
|-----------------------|--------|-------------|
| Magnolia Place | LIHTC | 22% |
| The Groves | LIHTC | 0% |
| Tiffany Square | LIHTC | 8% |
| Tifton Estates | LIHTC | 3% |
| Amelia Apartments | Market | 0% |
| Creekside Villas | Market | 0% |
| Cypress Suites | Market | 0% |
| Jac-lyn Apartments | Market | 0% |
| Park Place Apartments | Market | 0% |
| Teresan Apartments | Market | 0% |
| The Oaks At Carpenter | Market | 0% |

As illustrated in the table, three of the four LIHTC properties reported having Housing Choice Voucher tenants, while none of the market rate properties reported Housing Choice Voucher usage. The average number of voucher tenants at the LIHTC properties is 11 percent. Since the Subject will operate under the Section 8 program with rental assistance for all the units, the availability and acceptance of Housing Choice Vouchers will not be a significant concern for the Subject.

The gross rents proposed at the Subject are below the current Housing Choice Voucher payment standards for the local area. As such, if the project were to operate without the additional rental assistance, those with Vouchers would be eligible to live at the Subject and pay 30 percent of their income toward rent.

Lease Up History

We were able to obtain absorption information from three LIHTC comparable properties and one market rate property, illustrated in the following table.

ABSORPTION

| Property name | Type | Tenancy | Year Built | Number of Units | Units Absorbed / Month |
|----------------|--------|---------|------------|-----------------|------------------------|
| Magnolia Place | LIHTC | Family | 1995 | 37 | 2 |
| The Groves | LIHTC | Family | 2006 | 96 | 3 |
| Tifton Estates | LIHTC | Family | 2010 | 34 | 8 |
| Cypress Suites | Market | Family | 2008 | 40 | 7 |
| Average | | | | | 5 |

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Tifton Estates is the most recently completed apartment property we surveyed. This project opened in 2010 and

averaged eight units per month. The remaining older LIHTC properties we surveyed stated historical absorption rates ranged from two to three units per month, and the overall average absorption rate is five units per month. Given the wide range of absorption rates, we have considered the most recent absorption rates at Tifton Estates, as well as the average absorption rate of these projects in our estimation of absorption for the Subject following completion of renovations. Anecdotal evidence indicates current demand for LIHTC units is strong. Note that if the Section 8 program rental assistance were not available following renovations, it is our opinion the Subject could still achieve 93 percent stabilized occupancy within 12 months, for an absorption rate of 10 units per month.

Phased Developments

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

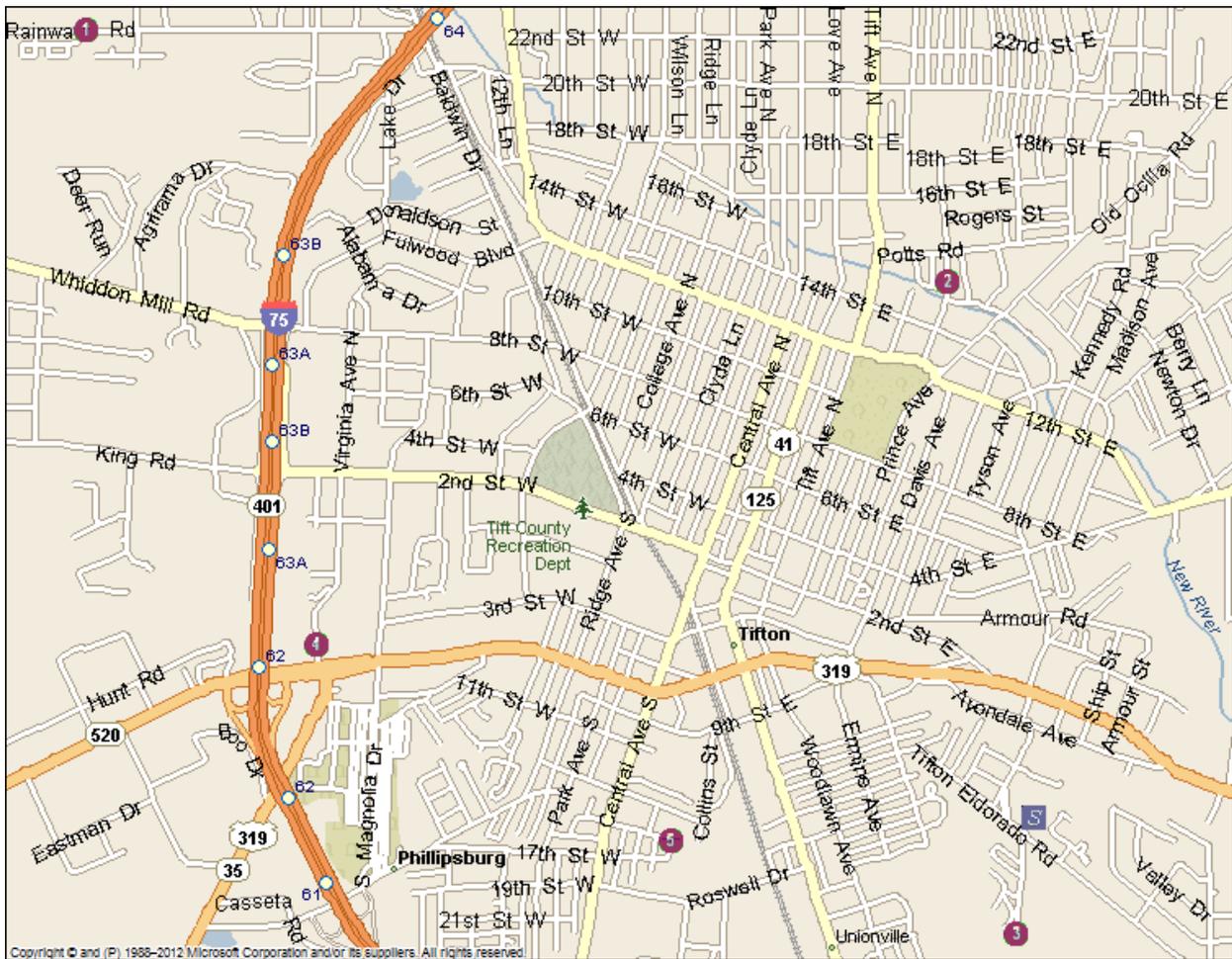
Rural Areas

The Subject is located in a rural area.

3. Competitive Project Map

COMPETITIVE LIHTC PROJECTS

| # | Property Name | Type | Tenancy | Distance |
|---|-----------------|-----------------|---------|----------|
| S | Brookfield Mews | Section 8/LIHTC | Family | - |
| 1 | The Groves | LIHTC | Family | 3.2 |
| 2 | Tiffany Square | LIHTC | Family | 1.4 |
| 3 | Magnolia Place | LIHTC | Family | 0.3 |
| 4 | Westbury Place | LIHTC | Family | 2.0 |
| 5 | Tifton Estates | LIHTC | Family | 1.0 |



4. Amenities

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

As illustrated, the Subject offers generally similar to superior in-unit amenities when compared to the majority of the comparables. The Subject’s common area amenities are slightly superior to the LIHTC properties. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the market.

5. The Subject will target general population households.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

| Property name | Rent Structure | Total Units | Vacant Units | Vacancy Rate |
|-----------------------|----------------|-------------|--------------|--------------|
| Magnolia Place | LIHTC | 37 | 0 | 0.0% |
| The Groves | LIHTC/Market | 96 | 1 | 1.0% |
| Tiffany Square | LIHTC | 46 | 0 | 0.0% |
| Tifton Estates | LIHTC/Market | 34 | 1 | 2.9% |
| Amelia Apartments | Market | 40 | 4 | 10.0% |
| Creekside Villas | Market | 32 | 0 | 0.0% |
| Cypress Suites | Market | 40 | 1 | 2.5% |
| Jac-lyn Apartments | Market | 84 | 4 | 4.8% |
| Park Place Apartments | Market | 60 | 0 | 0.0% |
| Teresan Apartments | Market | 24 | 7 | 29.2% |
| The Oaks At Carpenter | Market | <u>36</u> | <u>3</u> | <u>8.3%</u> |
| Total | | 529 | 21 | 4.0% |

As illustrated, vacancy rates in the market range from zero to 29.2 percent, with a weighted average of 4.0 percent. The LIHTC comparable properties have vacancy rates ranging from zero to 2.9 percent, with a low weighted average vacancy rate of 0.9 percent. The weighted average market rate vacancy rate is 6.0 percent. One of the market rate properties, Teresan Apartments, reported the highest vacancy rate of 29.2 percent. However, management at Teresan Apartments was unable to provide insight on the elevated vacancy rate. Thus, we believe this property represents an outlier. Excluding Teresan Apartments, the overall weighted average vacancy rate is lower at 2.7 percent.

We anticipate that the Subject will perform similarly to the LIHTC comparables and will maintain a vacancy rate of three percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable housing in the local market, and the majority maintain waiting lists. In addition, the renovation of the Subject will not create new low-income units, but rather will serve to improve and preserve existing low-income housing stock.

7. Properties Planned, Proposed, or Under Construction

We spoke with Carl Fortson, the Director of Development Services Department with the City of Tifton, who noted there is currently one project planned to start construction in 2015. According to Mr. Fortson, the project, Groves Place at 2282 Rainwater Road, will consist of 56 LIHTC senior units for those age 55 and older. Mr. Fortson was unaware of the unit breakdown at the property. This property will be adjacent to an existing family property used as a comparable in

this report – The Groves. Since this new property will target seniors, it is not considered competitive with the Subject. As such, it is not included as competitive supply in our demand calculations. There have been no additional projects planned or proposed thus far in 2015.

8. Rental Advantage

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

Similarity Matrix

| # | Property Name | Type | Property Amenities | Unit Features | Location | Age / Condition | Unit Size | Overall Comparison |
|----|-----------------------|--------------|--------------------|-------------------|----------|-------------------|-----------|--------------------|
| 1 | Magnolia Place | LIHTC | Similar | Inferior | Similar | Slightly Superior | Superior | 5 |
| 2 | The Groves | LIHTC/Market | Slightly Superior | Slightly Superior | Similar | Superior | supp | 20 |
| 3 | Tiffany Square | LIHTC | Inferior | Inferior | Similar | Slightly Inferior | Similar | -25 |
| 4 | Tifton Estates | LIHTC/Market | Similar | Superior | Similar | Superior | Similar | 20 |
| 5 | Amelia Apartments | Market | Inferior | Slightly Superior | Similar | Slightly Inferior | Superior | 0 |
| 6 | Creekside Villas | Market | Inferior | Slightly Inferior | Similar | Superior | Superior | 5 |
| 7 | Cypress Suites | Market | Inferior | Similar | Similar | Superior | Superior | 10 |
| 8 | Jac-lyn Apartments | Market | Inferior | Slightly Inferior | Similar | Slightly Inferior | Similar | -20 |
| 9 | Park Place Apartments | Market | Inferior | Inferior | Similar | Inferior | Superior | -20 |
| 10 | Teresan Apartments | Market | Inferior | Inferior | Similar | Inferior | Superior | -20 |
| 11 | The Oaks At Carpenter | Market | Inferior | Similar | Similar | Superior | Superior | 10 |

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

The 60 percent AMI rents at the comparable LIHTC properties are compared to the Subject’s proposed LIHTC rents in the following table. It should be noted that the Subject and all of the LIHTC comparables are restricted to the 2015 rent limits.

| LIHTC Rent Comparison - @60% | | | | |
|--------------------------------------|--------------|--------------|--------------|--------------|
| Property Name | 1BR | 2BR | 3BR | 4BR |
| Brookfield Mews Apartments (Subject) | \$507 | \$568 | \$665 | \$774 |
| 2015 LIHTC Maximum (Net) | \$517 | \$602 | \$665 | \$774 |
| The Groves | \$409 | \$432 | \$544 | - |
| Tiffany Square | \$300 | \$350 | - | - |
| Tifton Estates | - | - | \$623 | \$670 |
| Average (excluding Subject) | \$355 | \$391 | \$597 | \$670 |

As illustrated, the Subject’s proposed LIHTC rents are set at the 2015 maximum allowable levels for the three- and four-bedroom units and slightly below the maximum for the one- and two-bedroom units. The Subject’s proposed rents are above the average reported rents at the comparables. Two of the comparables, The Groves and Tifton Estates, reported achieving maximum allowable rents. These two properties reported low vacancy rates and waiting lists as well, indicating that their rents are well accepted within the market. However, it appears that these two properties are not testing the market. Both The Groves and Tifton Estates are superior to the Subject overall, as illustrated in the previous similarity matrix. Thus, we believe that the Subject could achieve rents slightly below these two comparables. It should be noted that Tiffany Square is operated by a non-profit and no incentive to achieve higher rents. Overall, the Subject’s proposed LIHTC rents appear slightly high. Thus, we believe the Subject could achieve rents of **\$375, \$425, \$500, and \$600**, for the one-, two-, three-, and four-bedroom units at 60 percent of AMI, assuming no Section 8 overlay.

Analysis of “Market Rents”

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

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with the Subject’s proposed LIHTC rents.

| Subject Comparison To Market Rents @60% | | | | | | |
|--|---------|--------------|--------------|------------------|-------------------------|------------------------|
| Unit Type | Subject | Surveyed Min | Surveyed Max | Surveyed Average | Achievable Market Rents | Subject Rent Advantage |
| 1BR- 569 SF | \$507 | \$425 | \$754 | \$540 | \$550 | 8% |
| 1BR- 624 SF | \$507 | \$425 | \$754 | \$540 | \$555 | 9% |
| 2BR- 734 SF | \$568 | \$535 | \$915 | \$666 | \$645 | 12% |
| 2BR- 767 SF | \$568 | \$535 | \$915 | \$666 | \$650 | 13% |
| 3BR- 1,014 SF | \$665 | \$630 | \$980 | \$784 | \$790 | 16% |
| 4BR- 1,252 SF | \$774 | \$735 | \$735 | \$735 | \$925 | 16% |

As illustrated, the Subject’s proposed LIHTC rents are within the range of the comparable properties but below the surveyed average. Post renovation, the Subject will be slightly superior to slightly inferior to all of the market rate comparables in terms of condition. As previously noted, the Subject offers a relatively similar location relative to the majority of the comparables and competitive amenities. However, the Subject offers inferior unit sizes relative to the market rate comparables.

9. LIHTC Competition – DCA Funded Properties within the PMA

According to the DCA, the only property that has been awarded tax credits since 2012 in the Subject’s Primary Market Area is Groves Place. Groves Place will be the new construction of a 56-unit age-restricted development restricted to households earning 50 percent and 60 percent of AMI or less. Groves Place was awarded tax credits in 2012, and upon completion will not directly compete with the Subject due to its age-restricted tenancy.

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 | 5,398 | 58.5% | 3,825 | 41.5% |
| 2010 | 5,166 | 52.5% | 4,673 | 47.5% |
| 2015 | 4,743 | 48.6% | 5,025 | 51.4% |
| Projected Mkt Entry November 2016 | 4,721 | 48.48% | 5,018 | 51.52% |
| 2020 | 4,662 | 48.3% | 4,999 | 51.7% |

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

Renter-occupied housing units comprise the majority of housing units in the PMA with a 51.4 percent current share of renter households. Nationally, approximately 36.4 percent of households are renters. The PMA has a significantly higher percentage of renter households than the nation as a whole.

Historical Vacancy

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

As illustrated in the table, we were able to obtain the historical vacancy rate at several of the comparable properties over the last few years. However, we were not able to obtain all the historical vacancy rates for each individual year. As such, we have not provided average vacancy rates for each survey period. Overall, the comparables have reported improving vacancy rates over the past year.

Change in Rental Rates

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

RENT GROWTH

| Comparable Property | Rent Structure | Rent Growth |
|-----------------------|----------------|---------------------|
| Magnolia Place | LHITC | None |
| The Groves | LIHTC/Market | None |
| Tiffany Square | LIHTC/Market | None |
| Tifton Estates | LIHTC/Market | Increased 3% to 4% |
| Amelia Apartments | Market | Increased 10% |
| Creekside Villas | Market | None |
| Cypress Suites | Market | None |
| Jac-lyn Apartments | Market | Increased 2% -5% |
| Park Place Apartments | Market | None |
| Teresan Apartments | Market | Increase 4.2% -4.5% |
| The Oaks At Carpenter | Market | None |

One of the LIHTC comparables reported a rental increase of three to four percent over the past year. Three of the market comparables reported rental increases of two to ten percent. The remaining comparables did not report any rental changes over the past 12 months. Thus, we anticipate limited rent growth at the Subject, as a LIHTC property.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to www.RealtyTrac.com, one in every 3,654 homes in Tifton, GA was in foreclosure, as of November 2015. Nationally, one in every 1,269 homes was in foreclosure and one in every 1,083 homes in Georgia was in foreclosure. As indicated, Tifton has a lower foreclosure rate than Georgia and the nation, as a whole. The median list price for a home in Tifton is \$179,900 compared to \$214,900 in the nation. Overall, it appears that the local market is faring better than the nation as a whole in terms of foreclosure rates.

12. Primary Housing Void

The comparable LIHTC properties have a combined 0.9 percent vacancy rate and waiting lists at several properties, indicating relatively strong support for affordable rental housing in the PMA. The other excluded low-income rental housing in the PMA that we contacted also is performing well. Based on the previous demand analysis, performance of the Subject and comparable properties, and conversations with local property managers, we believe there is continuing, pent-up demand for affordable rental housing in the local market. The renovations to the Subject will not add new units, but rather improve the quality and marketability of existing low-income housing. The Subject will also continue to operate with rental assistance through Section 8 subsidies following renovations, making units affordable to a wide income band of renter households. As such, the Subject will continue to help fill a void in the market for adequate low-income rental housing.

13. Affect of Subject on Other Affordable Units in Market

The LIHTC comparables in the PMA have low vacancy rates, and the overall vacancy rate for LIHTC units is 0.9 percent. The Subject's renovation will not add new affordable units to the PMA, but will improve existing units. Therefore, we do not believe that the renovations to the Subject will have any significant negative impact on the existing LIHTC properties.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed following renovations. The LIHTC comparables are generally performing well, with a weighted vacancy rate of 0.9 percent. Additionally, several of the comparable properties with LIHTC units maintain waiting lists.

The Subject's proposed LIHTC rents offer a significant rent advantage over the achievable market rate rents. This suggests that even if rents at the Subject were not subsidized through the Section 8 program, the proposed rents would be achievable in the open market. Considering the Section 8 subsidy that will be in place, tenants will pay just 30 percent of their income toward rents, making the Subject very affordable.

The comparable LIHTC properties will be considered similar to the Subject in terms of age/condition. Overall, the Subject's proposed LIHTC rents appear high. Thus, we believe the Subject could achieve rents of **\$375, \$425, \$500, and \$600**, for the one-, two-, three-, and four-bedroom units at 60 percent of AMI. We believe that the Subject will maintain a vacancy rate of three percent or less following stabilization, which is higher than the current LIHTC average. We believe the Subject will be supportable following renovations and will not adversely impact other low-income housing options in the PMA.

I. ABSORPTION & STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

Stabilization/Absorption Rate

We were able to obtain absorption information from three LIHTC comparable properties and one market rate property, illustrated in the following table.

ABSORPTION

| Property name | Type | Tenancy | Year Built | Number of Units | Units Absorbed / Month |
|----------------|--------|---------|------------|-----------------|------------------------|
| Magnolia Place | LIHTC | Family | 1995 | 37 | 2 |
| The Groves | LIHTC | Family | 2006 | 96 | 3 |
| Tifton Estates | LIHTC | Family | 2010 | 34 | 8 |
| Cypress Suites | Market | Family | 2008 | 40 | 7 |
| Average | | | | | 5 |

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Tifton Estates is the most recently completed and established apartment property we surveyed. This project opened in 2010 and averaged eight units per month. The remaining older LIHTC properties we surveyed stated historical absorption rates ranged from two to three units per month, and the overall average absorption rate is five units per month. Given the wide range of absorption rates, we have considered the most recent absorption rates at Tifton Estates, as well as the average absorption rate of these projects in our estimation of absorption for the Subject following completion of renovations. Note that if the Section 8 program rental assistance were not available following renovations, it is our opinion the Subject could still achieve 93 percent stabilized occupancy within 12 months, for an absorption rate of 10 units per month.

The Subject is currently 100 percent occupied. DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. Rent increases will be made gradually, maintaining rents that are affordable to the existing tenants. All current residents will be income-qualified for the Subject under the Section 8 subsidy. We anticipate that with renovations occurring on a rolling basis, the Subject will likely achieve 93 percent occupancy within less than one month of completing renovations.

J. INTERVIEWS

INTERVIEWS

Georgia Department of Community Affairs, Waycross Office

We spoke with Patrick McNally, Section 8 Office Director for the Georgia Department of Community Affairs (DCA) Waycross Section 8 Department, to gather information pertaining to the use of Housing Choice Vouchers in Tift County. Mr. McNally reported that the DCA distributes approximately 120 vouchers that are utilized in Tift County, and all are in use. In addition, there is currently a waiting list for voucher assistance. The payment standards for the one-, two-, three-, and four-bedroom units are \$518, \$609, \$771, and \$999 respectively.

Planning

We spoke with Carl Fortson, the Director of Development Services Department with the City of Tifton, who noted there is currently one project planned to start construction in 2015. According to Mr. Fortson, the project, Groves Place at 2282 Rainwater Road, will consist of 56 LIHTC senior units for those age 55 and older. Mr. Fortson was unaware of the unit breakdown at the property. This property will be adjacent to an existing family property used as a comparable in this report – The Groves. Since this new property will target seniors, it is not considered competitive with the Subject. As such, it is not included as competitive supply in our demand calculations. There have been no additional projects planned or proposed thus far in 2015.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- Overall population growth in the PMA was declined from 2010 to 2015 by 0.4 percent annually, while the population in the MSA remained roughly the same over the same time period. From 2015 through the market entry date and through 2020, the population in the PMA is expected to decrease by 0.3 percent annually, while the MSA is expected to remain roughly the same. During this time, the nation is expected to grow by 0.8 percent annually. In 2015, roughly 17 percent of the PMA's population is between the ages of 15 and 24.

The share of renter households in the PMA is 51.4 percent, which is slightly above the share of owner households. Conversely, the share of renter households in the MSA is 42.3 percent. The percentage of renter-occupied housing in the PMA is well above the national average of approximately 36.4 percent, which bodes well for multifamily demand. The percentage of renter-occupied units in the PMA is expected to increase slightly through 2020.

Households earning under \$40,000 in the PMA comprise 55.6 percent of all income cohorts. The Subject will target households earning between \$24,411 and \$34,200 under the LIHTC program and households with incomes as low as \$0 with the Section 8 program rental assistance; therefore, the Subject should be well-positioned to service this market. It should be noted that the area four-person median income (AMI) in the Tifton MSA has increased from \$48,200 in 2013 to \$48,800 in 2014, and increased again to \$49,700 in 2015.

- Total employment in the MSA has fluctuated since 2001, increasing in seven out of the past 15 years. Total employment decreased significantly during the recession, and reached a low point in 2010. The decrease in total employment from 2007 to 2010 was significantly greater in the MSA than in the nation as a whole. The MSA's economy added jobs in 2011 and 2012 immediately following the recession, but lost jobs again in 2013 and 2014. From July 2014 to July 2015, total employment in the MSA increased by 0.8 percent, compared to the reported 1.7 percent increase in the nation over the same time period. Current employment remains well below pre-recession levels. From July 2014 to July 2015, unemployment in the MSA decreased by 1.6 percentage points. As of July 2015, the unemployment rate in the MSA was 1.1 percentage points above that of the nation during the same time period. Overall, it appears that the MSA was heavily impacted by the recent national recession, and its recovery has been unsteady. Trends over the past year have been positive, with increasing total employment and a decreasing unemployment rate. However, total employment remains well below prerecession levels.

The PMA's leading industries include health care/social assistance, retail trade, accommodation/food services, and educational services. Together, these four industries make up 52.5 percent of total employment in the PMA. The PMA is overly represented in sectors such as health care/social assistance, retail trade, educational services, accommodation/food services, public administration, and other services compared to the nation as a whole. Conversely, the PMA is underrepresented in the sectors such as

construction, manufacturing, prof/scientific/tech services, and finance/insurance compared to the nation as a whole. A large portion of people in the PMA are employed by the health care/social assistance and educational services sectors, which are traditionally stable employment sectors. However, the PMA’s second and fourth largest sectors, retail trade and accommodation/food services, have historically proven susceptible to job losses in times of economic recession, which could negatively affect the local market’s economic base. Overall, the mix of industries in the local economy indicates a relatively diversified work force that is somewhat susceptible to cyclical employment shifts.

- As the analysis illustrates, the Subject’s capture rates at the 60 percent AMI level will range from 7.0 to 19.4 percent, with an overall capture rate of 11.8 percent. Therefore, we believe there is more than adequate demand for the Subject. Further, as previously noted, the Subject is currently 100 percent occupied, and renovations will occur on a rolling basis with little to no turnover anticipated. Thus, this analysis is hypothetical. Moreover, anecdotal evidence indicates strong demand for LIHTC units in the PMA based on low vacancy rates and waiting lists.
- We were able to obtain absorption information from three LIHTC comparable properties and one market rate property, illustrated in the following table.

ABSORPTION

| Property name | Type | Tenancy | Year Built | Number of Units | Units Absorbed / Month |
|----------------|--------|---------|------------|-----------------|------------------------|
| Magnolia Place | LIHTC | Family | 1995 | 37 | 2 |
| The Groves | LIHTC | Family | 2006 | 96 | 3 |
| Tifton Estates | LIHTC | Family | 2010 | 34 | 8 |
| Cypress Suites | Market | Family | 2008 | 40 | 7 |
| Average | | | | | 5 |

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Tifton Estates is the most recently completed apartment property we surveyed. This project opened in 2010 and averaged eight units per month. The remaining older LIHTC properties we surveyed stated historical absorption rates ranged from two to three units per month, and the overall average absorption rate is five units per month. Given the wide range of absorption rates, we have considered the most recent absorption rates at Tifton Estates, as well as the average absorption rate of these projects in our estimation of absorption for the Subject following completion of renovations. Anecdotal evidence indicates current demand for LIHTC units is strong. Note that if the Section 8 program rental assistance were not available following renovations, it is our opinion the Subject could still achieve 93 percent stabilized occupancy within 12 months, for an absorption rate of 10 units per month.

- As illustrated in our competitive supply section of this report, vacancy rates in the market range from zero to 29.2 percent, with a weighted average of 4.0 percent. The LIHTC comparable properties have vacancy rates ranging from zero to 2.9 percent, with a low

weighted average vacancy rate of 0.9 percent. The weighted average market rate vacancy rate is 6.0 percent. One of the market rate properties, Teresan Apartments, reported the highest vacancy rate of 29.2 percent. However, management at Teresan Apartments was unable to provide insight on the elevated vacancy rate. Thus, we believe this property represents an outlier. Excluding Teresan Apartments, the overall weighted average vacancy rate is lower at 2.7 percent.

We anticipate that the Subject will perform similarly to the LIHTC comparables and will maintain a vacancy rate of three percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable housing in the local market, and the majority maintain waiting lists. In addition, the renovation of the Subject will not create new low-income units, but rather will serve to improve and preserve existing low-income housing stock.

- Based upon our market research of comparables, our inspection of the Subject site and surrounding neighborhood, review of area economic trends, and demographic calculations and analysis, we believe there is more than adequate demand for the Subject property as proposed following renovations. The Subject, which currently operates as a Section 8 property, will be renovated with LIHTC and will offer all units at a 60 percent of AMI restriction. The LIHTC comparables are performing well, with a weighted vacancy rate of 0.9 percent. Additionally, several of the comparable LIHTC properties maintain waiting lists. Overall, the Subject's proposed LIHTC rents appear slightly high. Thus, we believe the Subject could achieve rents of **\$375**, **\$425**, **\$500**, and **\$600**, for the one-, two-, three-, and four-bedroom units at 60 percent of AMI.

The capture rates for the Subject are all considered achievable. We believe that the Subject will maintain a vacancy rate of three percent or less following stabilization, which is consistent with the LIHTC comparables and the Subject's historical performance.

Recommendations

- We have no recommended changes to the Subject that would alter marketability, with the exception of the lowering of the Subject's proposed LIHTC rents.

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.



Ed Mitchell
Manager



Kayla Carter
Real Estate Analyst
kayla.carter@novoco.com



Erik Johnson
Real Estate Researcher

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.



Ed Mitchell
Manager



Kayla Carter
Real Estate Analyst
kayla.carter@novoco.com



Erik Johnson
Real Estate Researcher

N. QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL

I. Education

University of Alabama, Tuscaloosa, Alabama
Master of Science – Financial Planning (05/2014)

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

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

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

II. Professional Experience

Analyst; Novogradac & Company LLP (September 2013 – Present)
Senior Appraiser; Valbridge Property Advisors
Managing Partner; Consolidated Equity, Inc.
Appraiser; Schultz, Carr, Bissette
Disposition Manager; Resolution Trust Corporation (RTC)

III. Assignments

- Currently conducts market feasibility studies and appraisals of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way corridors, and recycling plants.

IV. Licensure

- State Certified General Real Property Appraiser (Georgia)
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation

STATEMENT OF PROFESSIONAL QUALIFICATIONS

KAYLA A. CARTER

Education

Texas A&M University

- Bachelor of Science: Agricultural Economics; Finance and Real Estate Option

State of Texas Appraiser Trainee No. TX 1340928

Experience

Real Estate Analyst, Novogradac & Company, LLP (January 2014 – Present)

Researcher, Novogradac & Company, LLP (February 2012 – December 2013)

- 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.

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

California
New Mexico
Texas
Pennsylvania
Oregon
Florida
Alabama
Connecticut
Hawaii

Michigan
Louisiana
North Carolina
Mississippi
Arizona
New York
Missouri
Washington, D.C
Indiana

Minnesota
New Jersey
New Hampshire
Washington
Virginia
Arkansas
U.S. Virgin Islands
Puerto Rico
Georgia