

**Appraisal Report\***

**For**

**A Proposed Housing for Older Persons Apartment Complex**

**Called**

**Brightstone  
2654 DeKalb Medical Parkway  
Lithonia, Georgia 30058**

**Prepared For**

**Ms. Willa Turner**

**Georgia Department of Community Affairs**

**60 Executive Park Northeast, 2nd Floor**

**Atlanta, GA 30329**

**Intended Users**

**Georgia Department of Community Affairs**

**Date of Appraisal**

**June 22, 2017**

**Effective Date of Appraisal**

**June 6, 2017**

**Appraised By**

**Samuel T. Gill**

**Gill  
Group**

*P.O. Box 784*

*512 N. One Mile Road*

*Dexter, MO 63841*



June 22, 2017

Ms. Willa Turner  
Georgia Department of Community Affairs  
60 Executive Park Northeast, 2nd Floor  
Atlanta, GA 30329

RE: Brightstone  
2654 DeKalb Medical Parkway  
Lithonia, Georgia 30058  
"As Is" and "As Stabilized" Appraisal Report  
As of June 6, 2017

Dear Ms. Turner:

In accordance with your request, I have personally appraised the proposed Low Income Housing Tax Credit property targeted towards housing for older persons to be known as Brightstone. The site contains approximately 6.86 acres. The subject will be improved with two four-story buildings containing 175 units, meeting room, exercise room, library, arts/crafts room, business center, laundry facility, leasing office and maintenance area.

The purpose of the Appraisal Report is to estimate the "As Is" Market Value; the Prospective Market Value upon Stabilization - Restricted Rents; the Prospective Market Value upon Stabilization - Market Rents; and the Prospective Market Value at Loan Maturity - Market Rents. The property interest being appraised is the fee simple interest. The function of this appraisal is to aid the client, Georgia Department of Community Affairs, in the decision-making process involved in evaluating the value of the subject property. The intended users of the appraisal are Georgia Department of Community Affairs. The appraisal is assignable to other lenders or participants in the transaction.

A description of the property, together with information providing a basis for estimates, is presented in the accompanying report. This appraisal is subject to the definitions, assumptions, conditions and certification contained in the attached report. During the fieldwork, it has been determined the appraised property has no natural, cultural, scientific or recreational value. Samuel T. Gill, State Certified General Real Estate Appraiser, is the signing appraiser on this report. He completed valuation and analysis as indicated in the Scope of Work of this report. Samuel T. Gill inspected the subject property.

*\*Prior to the 2014-2015 USPAP, this report would have been considered a complete self-contained appraisal report.*

*The prospective market value upon stabilization - market rents and the prospective market value at loan maturity - market rents were determined under the hypothetical condition that the subject was a conventional property and not subject to any rent restrictions.*

*The "prospective" value was determined under the extraordinary assumption that the construction is completed as detailed in the scope of work and that the proposed rents indicated in the report are approved.*

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the "As Is" Market Value, as of June 6, 2017, is as follows.

**ONE MILLION THREE HUNDRED FORTY THOUSAND DOLLARS**  
**\$1,340,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the "Prospective" Market Value Upon Stabilization - Market Rents of the subject property, as of December 31, 2019, is as follows.

**EIGHTEEN MILLION ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS**  
**\$18,125,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the "Prospective" Market Value Upon Stabilization - Restricted Rents, as of December 31, 2019, is as follows.

**TEN MILLION THREE HUNDRED TWENTY THOUSAND DOLLARS**  
**\$10,320,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the "Prospective" unrestricted market value at loan maturity of the subject property, as of December 31, 2036, is as follows.

**TWENTY FIVE MILLION NINE HUNDRED SEVENTY ONE THOUSAND DOLLARS**  
**\$25,971,000**

This report and its contents are intended solely for your information and assistance for the function stated previously, and should not be relied upon for any other purpose. Otherwise, neither the whole nor any part of this appraisal or any reference thereto may be included in any document, statement, appraisal or circular without my explicit, prior written approval of the form and context in which it appears.

The accompanying prospective financial analysis is based on estimates and assumptions developed in connection with the appraisal. However, some assumptions inevitably will not materialize and unanticipated events and circumstances will occur. The actual results achieved during the holding period will vary from my estimates and these variations may be material. I have not been engaged to evaluate the effectiveness of management, and I am not responsible for management's actions such as marketing efforts.

The estimated marketing period is one to nine months. This appraisal report sets forth only the appraiser's conclusions. Supporting documentation is retained in the appraiser's file. A copy of this report, together with the field data from which it was prepared, is retained in my files. This data is available for your inspection upon request.

Respectfully submitted,

A handwritten signature in cursive script that reads "Samuel T. Gill".

Samuel T. Gill  
State Certified General Real Estate  
Appraiser  
GA# 258907



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**EXECUTIVE SUMMARY**

**Name of the Property** Brightstone

**Location** 2654 DeKalb Medical Parkway, Lithonia, DeKalb County, Georgia 30058

**Current Owner** Richards Investments LP

**Type of Report** "As Is" and "As Stabilized" Appraisal Report

**Total Land Area** 6.86 acres, or 298,822+/- square feet

**Floodplain Hazard** According to RiskMeter, Flood Map Number 13089C0159J, dated May 16, 2013, the subject is zoned X, an area determined to be outside the 100- and 500-year floodplains. Federal flood insurance is available but is not required.

**Zoning** According to the City of Lithonia, the subject is zoned M, Light Industrial District with Stonecrest Mall Tier 2 Overlay. The proposed subject will be a legal, conforming use..

**Property Description** The subject will be improved with two four-story buildings containing 175 units, meeting room, exercise room, library, arts/crafts room, business center, laundry facility, leasing office and maintenance area. The net rentable area will be approximately 122,130 square feet. The gross building area, according to the tax credit application, will be 167,130 square feet.

Unit Type	# of Units	Square Footage	Total Square Footage
1/1	152	667	101,384
2/1	16	902	14,432
2/2	7	902	6,314
	<b>175</b>		<b>122,130</b>

**Real Estate Taxes** \$15,824.04 for 2016      **Parcel Number** 16 088 01 001

**Property Type** Apartment Complex      **Highest and Best Use** Apartment Complex

**Date of Inspection** June 6, 2017      **Date of Report** June 22, 2017

**Sales History of Subject** According to the DeKalb County Assessor's Office, the property is owned by Richards Investments LP. The property has not transferred ownership within the past five years. The property is currently under contract to be sold. The property is under contract for sale between Richards Investments LP (buyer) and Manor Dekalb Medical I, LP (buyer). The contract is for \$1,200,000 and will close on or before April 30, 2018. The sale is an arms-length transaction.

**EXECUTIVE SUMMARY VALUES**

<b>Cost Approach</b>	<b>\$10,870,000 (As Stabilized Restricted)</b> <b>\$18,075,000 (As Stabilized Market)</b>
<b>Income Approach</b>	<b>\$10,320,000 (As Stabilized Restricted)</b> <b>\$18,125,000 (As Stabilized Market)</b>
<b>Sales Comparison Approach</b>	<b>Not Developed (As Stabilized Restricted)</b> <b>\$17,500,000 (As Stabilized Market)</b>
<b>Value of Land</b>	<b>\$1,340,000</b>
<b>“As Is” Market Value</b>	<b>\$1,340,000</b>

## CERTIFICATION

I certify that to the best of my knowledge and belief:

- ◆ The statements of fact contained in this report are true and correct.
- ◆ The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial and unbiased professional analyses, opinions and conclusions.
- ◆ I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- ◆ I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- ◆ I have no bias with respect to the property that is the subject of the report or to the parties involved with this assignment.
- ◆ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ◆ My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ◆ My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- ◆ Samuel T. Gill inspected the subject property and inspected the exteriors of the properties used as comparables in this report.
- ◆ No one provided significant professional assistance to the person signing this report.
- ◆ The appraiser retained by the lender inspected the subject property.



Samuel T. Gill  
State Certified General Real Estate Appraiser  
GA# 258907

## **SCOPE OF WORK**

The appraisal development and reporting process required gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work of this appraisal assignment is outlined below:

- ◆ Samuel T. Gill analyzed the regional and local area economic profiles including employment, population, household income and real estate trends. The local area was further studied to assess the general quality and condition and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- ◆ Samuel T. Gill confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, floodplain data, zoning, easements and encumbrances, access and exposure of the site and construction materials and condition of the improvements. This process also includes estimating the remaining economic life of the improvements, analysis of the subject's site coverage compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- ◆ Samuel T. Gill completed an apartment market analysis that included market and sub-market overviews. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- ◆ Samuel T. Gill conducted a Highest and Best Use analysis, if required, determining the highest and best use of the subject property As-Vacant and As-Proposed. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion and continued use "as-is".
- ◆ Samuel T. Gill confirmed and analyzed financial features of the subject property including budgeted income/expense data, if available and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- ◆ The appraisal report is intended to satisfy the scope of work and requirements agreed upon by Georgia Department of Community Affairs and the engaged appraiser. The client requested a full narrative appraisal in the engagement letter.
- ◆ I understand the Competency Rule of USPAP and the author of this report meets the standards.
- ◆ No one provided significant real property appraisal assistance to the appraiser signing this certification, except as noted on the following page.

- ◆ Samuel T. Gill, a State Certified General Real Estate Appraiser, oversaw and supervised all data collection and analysis and performed the research. The following actions were taken to complete this appraisal.
  - On June 6, 2017, Samuel T. Gill, a State Certified General Real Estate Appraiser, conducted a site inspection of the subject property to determine the property's physical and functional characteristics. Samuel T. Gill inspected all common areas and at least one unit of each varying type.
  - Samuel T. Gill researched comparable apartment rental activity in the subject market and competing locations. The research retrieve data from several of the following: internet sites, local newspapers and rental publications, town records, owners and managers of local apartment properties, local real estate brokers, fellow appraisers and the appraiser's office files.
  - During the week of June 6, 2017, Samuel T. Gill inspected the exterior of each comparable property used in the analysis.
  - During the verification process, Samuel T. Gill talked with the managers or leasing agents of the comparable properties, to confirm all data and to collect additional information about each comparable, including size, age, amenities, occupancy rates and general market information. Whenever possible, floor plans and brochures were obtained, which describe the comparable properties unit size, feature and amenities.
  - Samuel T. Gill completed all data and adjustments on the analysis and determined all value conclusions determined in the appraisal.

## INTRODUCTION



### **Identification of the Subject Property**

The property appraised is the land and improvements known as Brightstone. The site is located at 2654 DeKalb Medical Parkway, Lithonia, DeKalb County, Georgia.

### **Legal Description**

See Addendum A.

### **Past Five Years Sales History of the Subject**

According to the DeKalb County Assessor's Office, the property is owned by Richards Investments LP. The property has not transferred ownership within the past five years. The property is currently under contract to be sold. The property is under contract for sale between Richards Investments LP (buyer) and Manor Dekalb Medical I, LP (buyer). The contract is for \$1,200,000 and will close on or before April 30, 2018.

### **Property Rights Appraised**

For this appraisal, I have valued the property rights inherent in the **Fee Simple Estate** which is defined in the definitions section of this report.

### **Purpose of the Appraisal**

The purpose of the Appraisal Report is to estimate the "As Is" Market Value; the Prospective Market Value upon Stabilization - Restricted Rents; the Prospective Market Value upon Stabilization - Market Rents; and the Prospective Market Value at Loan Maturity - Market Rents. The date of the inspection and the effective date of the as is value are both June 6, 2017. The effective date of the as complete value is December 31, 2019.

### **Function of the Appraisal**

The function of this appraisal is to aid the client, Georgia Department of Community Affairs, in the decision-making process involved in evaluating the value of the subject property.

### **Intended Use of Report**

This appraisal report is intended for the sole purpose of assisting the client in the decision-making process involving financing.

### **Intended Users of Report**

The intended user of the appraisal is Georgia Department of Community Affairs.

### **Extent of the Investigation (Scope)**

As part of this appraisal, the appraiser made a number of independent investigations and analyses. The investigations undertaken and the major data sources used are as follows: City of Lithonia, the DeKalb County Recorder; the DeKalb County Assessor; United States Bureau of Labor Statistics; United States Census Bureau; Walkscore; ESRI Business Information Solutions; and Nielsen Claritas and Ribbon Demographics.

### **Area and Neighborhood Analyses**

Primary data was gathered pertaining to the subject neighborhood and the area during the week of June 5, 2017, to June 9, 2017. This information was analyzed and summarized in this report. Area data was obtained from the City of Lithonia; the DeKalb County Recorder; the DeKalb County Assessor; United States Bureau of Labor Statistics; United States Census Bureau; ESRI Business Information Solutions; Walkscore; and Nielsen Claritas and Ribbon Demographics. The neighborhood analysis was based on the observations made by the appraiser as well as the sales in the neighborhood.

### **Improvement and Description Analyses**

Detailed descriptions of the site are included in this report. Interior and exterior photographs of the buildings at the subject are included in this report. Exterior photos of the rent comparables are also included in this report.

### **Statement of Competency**

We have the knowledge and experience to complete the assignment competently based upon having completed appraisals of properties of a similar type throughout the United States for the past several years.

### **Market Data**

Market data on land sales were obtained from the subject neighborhood in Lithonia and the surrounding area. Market data on improved sales and leased properties were obtained from Lithonia and the surrounding area. The improved sales were obtained from parties involved with the sales. Summaries of the sales and leases are included in this report.

Attention of the reader is also directed to the assumptions and limiting conditions contained within the report.

### **Reasonable Exposure Time**

In the definition of market value, one of the conditions of a “market value sale” is as follows: a reasonable time is allowed for exposure in the open market. Marketing time has a definite influence on the potential selling price of a property. To obtain a maximum selling price, a property must be exposed to a given market for a time long enough to enable most market participants to gain full knowledge of the sale and the attributes of the property.

To produce a reliable estimate of the expected normal marketing period for the subject property, the following factors were considered and findings analyzed:

1. Historical evidence.
2. Supply and demand relationships including vacancy and occupancy rates.
3. Revenue and expense changes.
4. Future market conditions.

### **Historical Evidence**

Generally, the sales in the Sales Comparison Approach were on the market for one to two years. Since current supply and demand relationships are similar to historical relationships, there is justification for some reliance on historical evidence.

### **Supply and Demand Relationships**

A survey of apartment complexes in Lithonia, Georgia, and the surrounding area indicate that they are not owner-occupied. The Income Approach discusses similar apartment complexes in Lithonia, DeKalb County, Georgia, which were leased.

### **Revenue and Expense Changes and Future Market Conditions**

The revenue from apartment complexes has increased corresponding to increases in expenses at generally the same rate. A survey completed by PwC indicated that the change rate of apartment complexes ranges from -1.00 to 5.00 percent, with an average of 2.64 percent for the second quarter of 2017. During the same period a year ago, the market rent change rate ranged from 0.00 to 7.00 percent, with an average of 3.08 percent.

The changes in expenses range from 2.00 to 3.00 percent, with an average of 2.69 percent (second quarter of 2017). The survey for a year ago indicated a range of expenses from 2.00 to 4.00 percent, with an average of 2.81 percent.

## **Summary**

For the purpose of this report the reasonable exposure time is estimated at one to nine months based on the previous discussion and the length of time the comparables were on the market. The 2017 Second Quarter National Apartment Market Survey conducted by PwC Real Estate Investor Survey indicated a range of one to nine months for marketing time. In accordance with the Uniform Standards of Professional Appraisal Practice, special financial arrangements and related special situations were not used in estimating the value of the property. In accordance with the Uniform Standards of Professional Appraisal Practice; the appraisal was completed using the current or anticipated use of the property as an apartment complex without regard to the highest and best use.

## **Estimated Marketing Time**

Marketing time is similar to exposure time in that it refers to a time during which a property is marketed prior to its sale. Marketing time differs from exposure time in that it is estimated to occur after the date of value as opposed to before that date of value. This time would be measured from the date of value and would be a measure of time necessary to secure a willing buyer for the property, at a market price. Since this refers to prospective events, it is typically necessary to analyze neighborhood trends. In theory, in a market which is near equilibrium, the estimated marketing time should be equal to past trends or the reasonable exposure time. In a market, which is experiencing down turning conditions, the estimated marketing time should be greater than the reasonable exposure time. In the case of the subject property, the market for this type of facility should be similar to previous market conditions. Therefore, the estimated marketing time is estimated at one to nine months.

## **Definition of Terms**

### **Market Value**

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

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

### **Market Value, Subject to Restricted Rents**

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

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

It considers any rent limits, rent subsidies, expense abatements or restrictive-use conditions imposed by any government or non-government financing sources but does not consider any favorable financing involved in the development of the property.<sup>2</sup>

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<sup>1</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015. and Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560.

<sup>2</sup> Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560

### **“As-Is” Value**

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.<sup>3</sup>

### **Prospective Value**

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.<sup>4</sup>

### **Investment Value**

The specific value of an investment to a particular investor or class of investors based on individual requirements; as distinguished from market value, which is impersonal and detached.<sup>5</sup> Investment value of the leased fee estate is determined utilizing the subject’s contract rents, historical and projected subject expenses and an overall capitalization rate based on the subject’s mortgage terms.

### **Fee Simple Estate**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

### **Leased Fee Estate**

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

### **Leasehold Estate**

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

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<sup>3</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015. and Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560.

<sup>4</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015. and Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560.

<sup>5</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015.

**Replacement Cost**

The estimated cost to construct, at current prices as of the effective appraisal date, a building with utility equivalent to the building being appraised, using modern materials and current standards, design, and layout.

**Reproduction Cost**

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout and quality of workmanship and embodying all the deficiencies, superadequacies and obsolescence of the subject building.

**Contract Rent**

The actual rental income specified in a lease.

**Market Rent**

The rental income that a property would most probably command in the open market; indicated by the current rents paid and asked for comparable space as of the date of the appraisal.

**Excess Rent**

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect a locational advantage, unusual management, unknowledgeable parties or a lease execution in an earlier, stronger rental market.

**Percentage Rent**

Rental income received in accordance with the terms of a percentage lease; typically derived from retail store tenants on the basis of a certain percentage of their retail sales.

**Overage Rent**

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified break-even sales volume.

**Special Purpose Property**

A limited market property with a unique physical design, special construction materials or layout that restricts its utility to the use for which it was built; also called special-design property.

## **Special Limited Conditions and Assumptions**

### **1. Limit of Liability**

The liability of Gill Group, employees and subcontractors is limited to the client. There is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies present in the property. Possession of this or any copy thereof does not carry with it the right of publication nor may it be used for other than its intended use; the physical report(s) remain the property of the appraiser for the use of the client, the fee being for the analytical services only. This appraisal report is prepared for the sole and exclusive use of the client to assist with the mortgage lending decision. It is not to be relied upon by any third parties for any purpose whatsoever.

### **2. Copies, Publications, Distribution, Use of Report**

The client may distribute copies of the appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public for the use of advertising media, public relations, news, sales or other media for public communication without prior written consent of the appraiser.

### **3. Confidentiality**

This appraisal is to be used only in its entirety. All conclusions and opinions of the analyses set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser and/or officer of the firm. The Appraiser and the firm shall have no responsibility if any such unauthorized change is made.

The Appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusions or give a copy of the report to anyone other than the client or his designee as specified in writing except by a court of law or body with the power of subpoena.

### **4. Information Used**

No responsibility is assumed for accuracy of information furnished by or from others, the client, his designee or public records. I am not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with the consultant and possibly signing the report are independent contractors. The comparable data relied upon in this report have been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable; all are considered appropriate for inclusion to the best of my factual judgment and knowledge. An impractical



and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification within these categories as a prerequisite to any transaction involving sale, lease or other significant commitment of subject property and that such verification be performed by the appropriate specialists.

#### **5. Testimony, Consultation, Completion of Contract for Appraisal Services**

The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report. The appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post-appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena issued on the behalf of the client, then the client shall be responsible for any additional time fees and changes.

#### **6. Exhibits**

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown as being prepared by a professional surveyor. As noted in the Scope of Work section of the report, the appraiser inspected the exterior of the comparable properties. Our comparable database automatically includes pictures we have recently taken. The only time a comparable picture is replaced is when the inspection shows a material change. Otherwise, the pictures shown in the report are representative of how the comparables looked during the inspection.

#### **7. Legal, Engineering, Financial, Structural or Mechanical Nature Hidden Components, Soil**

No responsibility is assumed for matters legal in character or nature or matters of survey or of any architectural, structural, mechanical or engineering nature. The title to the property is good and marketable. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. The use of the land and improvements is confined within the boundaries or property lines of the property described.

The property is appraised as if free and clear unless otherwise stated in particular parts of the report. The legal description is assumed to be correct as used in this report as furnished by the client, his designee or as derived by the appraiser.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy or soils and potential for settlement, drainage, etc., (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status and legal marketability (seek legal assistance). The

lender and owner should inspect the property before any disbursement of funds; further, it is likely that the lender or owner may wish to require mechanical or structural inspections by qualified and licensed contractor, civil or structural engineer, architect or other expert.

The appraiser has inspected, as far as possible by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural or other components. I have not critically inspected mechanical components within the improvements, and no representations are made therein as to these matters unless specifically stated conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm; however, subsidence in the area is unknown. The appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden unapparent or apparent conditions of the property site subsoil or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them.

All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling ventilation, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made as to adequacy of insulation, type of insulation or energy efficiency of the improvements or equipment.

If the Appraiser has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above-mentioned items.

The Appraiser assumes no responsibility for any costs or consequences arising due to the need or the lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

## **8. Legality of Use**

The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report and that all applicable zoning, building and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits or other

legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

### **9. Component Values**

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

### **10. Auxiliary and Related Studies**

No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraiser reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimations or conclusions upon any subsequent such study or analysis or previous study or factual information as to market or subject or analysis subsequently becoming known to him.

### **11. Dollar Values, Purchasing Power**

The market value estimated and the costs used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the value estimate.

### **12. Inclusions**

Furnishings and equipment or personal property or business operations except as specifically indicated and typically considered as part of real estate have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types business and real estate interests and values are combined.

### **13. Proposed Improvements, Conditioned Value**

Improvements proposed, if any, on or off-site as well as any repairs required are considered, for purposes of this appraisal, to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected.

### **14. Value Change, Dynamic Market, Influences**

The estimated market value is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation and conditions surrounding the offering. The value

estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and appraiser's interpretation of income, yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value are naturally dynamic.

The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The Appraiser reserves the right to alter the opinion of value on the basis of any information withheld or not discovered in the original normal course of a diligent investigation.

#### **15. Management of the Property**

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management neither inefficient nor super-efficient.

#### **16. Fee**

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report.

#### **17. Authentic Copies**

The authentic copies of this report are signed originals. Any copy that does not have the above is unauthorized and may have been altered.

#### **18. Insulation and Toxic Materials**

Unless otherwise stated in this report, the appraiser(s) signing this report have no knowledge concerning the presence or absence of toxic materials, asbestos and/or urea-formaldehyde foam insulation in existing improvements; if such is present, the value of the property may be adversely affected and reappraisal an additional cost necessary to estimate the effects of such.

### **19. Hypothetical Conditions\***

The prospective market value upon stabilization - market rents and the prospective market value at loan maturity - market rents were determined under the hypothetical condition that the subject was a conventional property and not subject to any rent restrictions. The use of a hypothetical condition might have affected the assignment results.

### **20. Extraordinary Assumptions\***

The "prospective" value was determined under the extraordinary assumption that the construction is completed as detailed in the scope of work and that the proposed rents indicated in the report are approved. The use of an extraordinary assumption might have affected the assignment results.

### **21. Americans with Disabilities Act (ADA)**

The Americans with Disabilities Act (ADA) became effective January 26, 1992, as to the removal of barriers in existing public accommodations. The ADA applies to alterations of existing public accommodations or commercial facilities or places of public accommodation designed for first occupancy after January 26, 1993. A compliance survey of the subject property has not been conducted to determine if it conforms to the various requirements of the ADA. A compliance survey of the property, in conjunction with a detailed study of the ADA requirements, could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this could have a negative effect on the value of the property. Since I am not qualified to determine if the subject property complies with the various ADA regulations, I did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

### **22. Review**

Unless otherwise noted herein, the review appraiser has reviewed the report only as to general appropriateness of technique and format and has not necessarily inspected the subject or market comparable properties.

The appraiser(s) and/or associates of Gill Group reserve the right to alter statements, analyses, conclusions or any value estimate in the appraisal if there becomes known to them facts pertinent to the appraisal process which were unknown to Gill Group when the report was finished.

**Acceptance Of And/Or Use Of This Appraisal Report  
Constitutes Acceptance of the Above Conditions**

**DESCRIPTIVE SECTION**

## **Regional and Area Data and Area Maps**

The following data on the City of Lithonia and DeKalb County are included to give the reader an insight into the social, economic, governmental and environmental factors which provide the setting and ultimate stability for the subject neighborhood and the property which is the subject of this appraisal. The various social, economic, governmental and environmental factors within any locality are the underlying forces which create, modify or destroy real property values.

### **Location**

The City of Lithonia is located in DeKalb County which is located in the northern portion of Georgia. The nearest cities are Belmont, Atlanta, Porterdale, Loganville and Conyers. DeKalb County has the following Fulton County; East – Gwinnett and Rockdale Counties; South – Rockdale, Henry and Clayton Counties; and West – Fulton County.

### **Utilities**

DeKalb County Water and Sewer provides water and sewer services to the residents of the city. Electricity services are provided by Georgia Power. Natural gas services are provided by Atlanta Gas & Light Company. Basic telephone service is provided by AT&T.

### **Health Care**

DeKalb Medical Hillandale is the primary health care facility in Lithonia that serves the residents of the city and the surrounding area. Additional health care and medical facilities nearby include Atlanta Medical Center, Crawford Long Hospital, Emory Dunwoody Medical Center, Emory University Hospital, Grady Memorial Hospital, Kindred Hospital-Atlanta, Northside Hospital, Piedmont Hospital, Southwest Hospital and Medical Center and St. Joseph's Hospital of Atlanta

### **Transportation**

Major highways in the City of Lithonia and DeKalb County include Interstates 20, 75, 85, 285 and 675; U.S. Highways 19, 23, 29, 41 and 278; and State Highways 85, 140, 403 and 407. Public bus transportation is available through MARTA. Air travel is available through Hartsfield-Jackson Atlanta International Airport in Atlanta., approximately 22 miles from Lithonia.

### **Population and Employment Statistics**

CENSUS - 2015

	<b>City</b>	<b>County</b>	<b>State</b>
<b>Population</b>	1,961	716,331	10,006,693
<b>Households</b>	775	267,396	3,574,362
<b>Renter Occupied</b>	514	119,657	1,310,665

LABOR STATISTICS

COUNTY				
	Labor Force	Employment	Unemployment	Unemployment Rate
<b>2010</b>	363,001	323,687	39,314	10.8
<b>2015</b>	373,032	350,532	22,500	6.0
<b>April 2017</b>	393,600	374,951	18,649	4.7

STATE				
	Labor Force	Employment	Unemployment	Unemployment Rate
<b>2010</b>	4,696,676	4,202,052	494,624	10.5
<b>2015</b>	4,787,364	4,502,021	285,343	6.0
<b>May 2017</b>	5,033,406	4,795,985	237,421	4.7

**Major Employers**

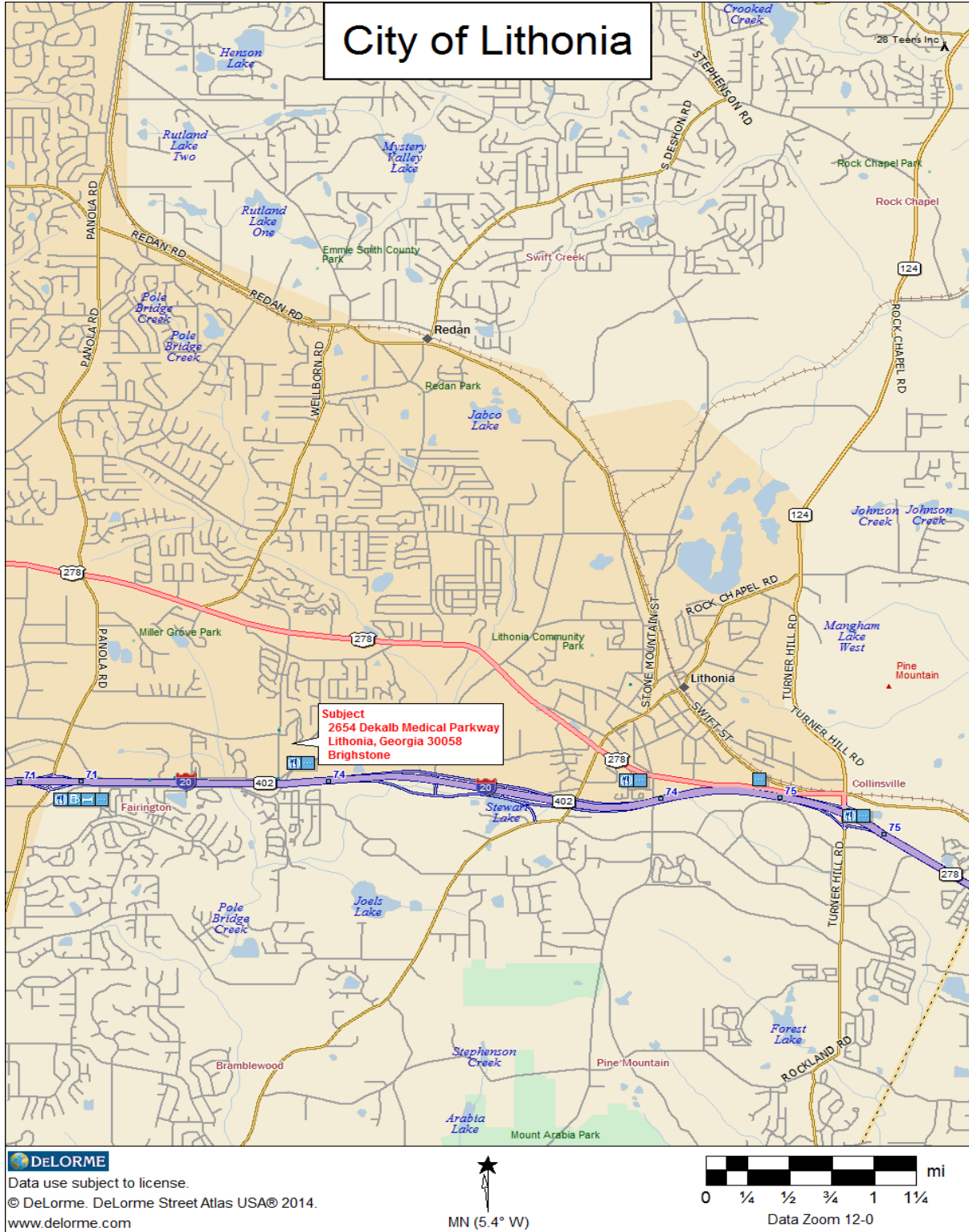
Major employers for the area with 5,000 or more employees are listed as follows:

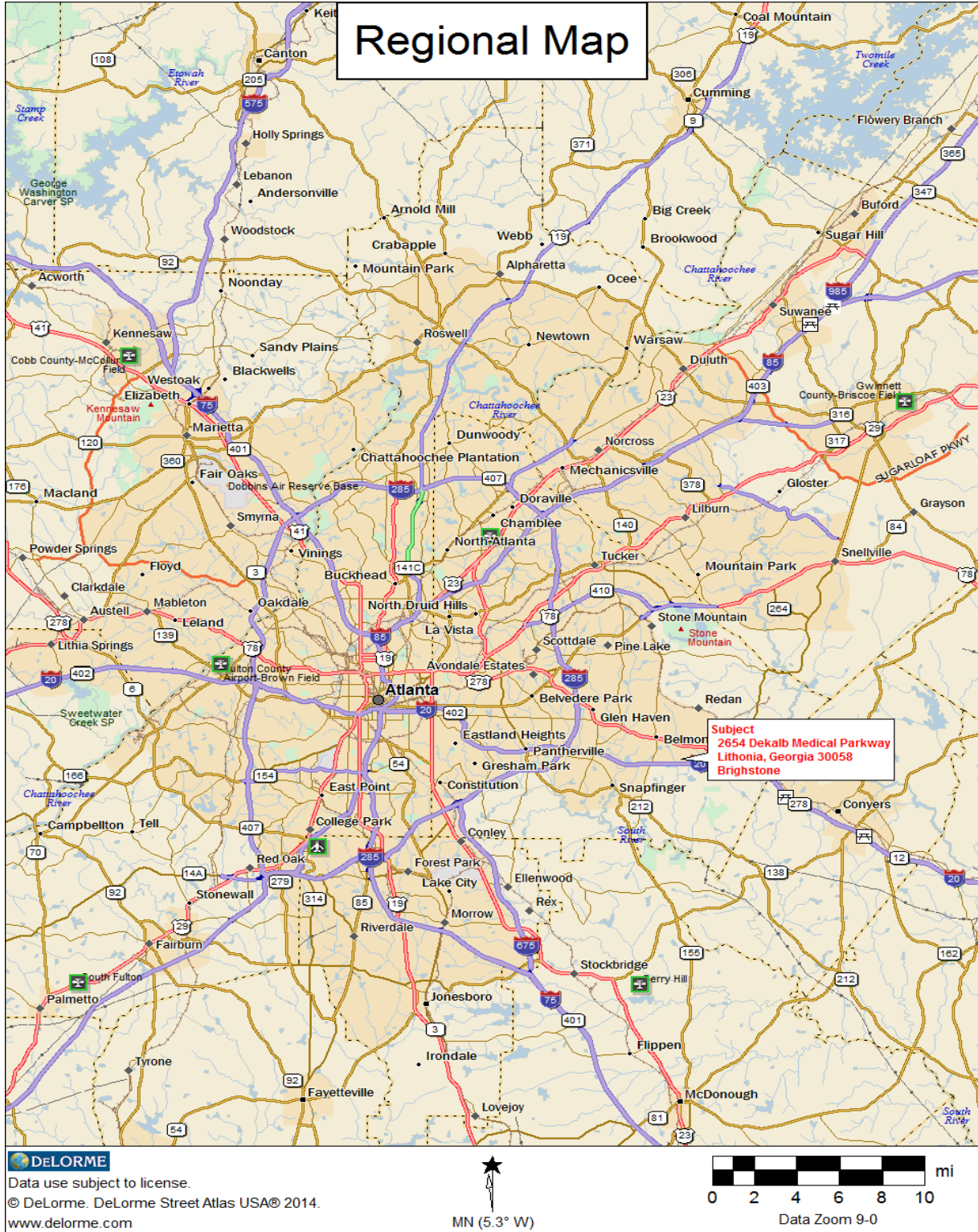
Employer	Product/Industry	# Employees
Delta Air Lines	Transportation	27,000
Wal-Mart Store, Inc.	Retail	26,000
Emory University/Emory Healthcare	Education/Health Care	23,872
DeKalb County Government & Schools	Government/Education	20,405
AT&T Corporation	Communications	18,000
Publix Supermarkets	Grocery	17,765
Cobb County School District	Education	14,027
Atlanta Government & Schools	Government/Education	13,628
United States Post Office	Postal Service	10,364
The Coca Cola Co.	Bottling Plant	9,000
The Home Depot	Retail	9,000
Southern Company	Utilities	8,777
Wellstar Health Systems	Health Care	8,583
UPS	Shipping	8,369
U.S. Centers for Disease Control	Government	8,300
Clayton County Public Schools	Education	7,500
Lockheed Martin Aeronautics	Manufacturing	7,420
Bank of America	Finance	7,000
SunTrust Banks Inc.	Finance	6,906
Cox Enterprises	Media	6,864
Turner Broadcasting System, Inc.	Media	6,700
Northside Hospital	Health Care	6,670
Piedmont Hospital	Health Care	6,113
Children's Healthcare of Atlanta	Health Care	6,033
Georgia Institute of Technology	Education	6,005
Southwest Airlines/AirTran Airways	Transportation	6,000
Wells Fargo	Finance	5,000

**Summary and Conclusions**

Lithonia is a city located in the northern portion of Georgia. The unemployment rate has decreased significantly since 2010. The economic outlook for future growth and development appears to be stable.







**Neighborhood Data**

**Location**

The subject property is located in the southwestern portion of the City of Lithonia, Georgia. The neighborhood has average attractiveness and appeal. The neighborhood has the following boundaries: North – U.S. Highway 278; South – Interstate 20; East - Lithonia Industrial Boulevard; and West – Dekalb Medical Parkway

**Access**

The neighborhood is accessed by Interstate 20, U.S. Highway 278, Lithonia Industrial Boulevard and Dekalb Medical Parkway. There are additional roads running north to south and west to east that provide access to the neighborhood as well. Street widths and patterns appear to be adequate for the surrounding uses.

**Proximity to Services**

<b>Restaurants</b>	
0.1 mi	Wings & Seafood
0.2 mi	Marliel's Restaurant
0.3 mi	Number One China
0.3 mi	Silk 2 Bar & Grill
0.8 mi	Hong Kong Garden chinese restaurant
0.8 mi	Bayou Seafood
0.8 mi	Jamican Kitchen
0.8 mi	Atlanta's Best Wings
0.8 mi	Tiffany's Restaurant & Bar
0.9 mi	Sonic Drive-In
0.9 mi	Papa John's Pizza
0.9 mi	Ameri Bistro
0.9 mi	China Panda
0.9 mi	Little Caesars Pizza

<b>Groceries</b>	
0.2 mi	Marathon Food Mart
0.9 mi	Kroger
0.9 mi	ALDI
1 mi	Lithonia West Indian Market
1.1 mi	Walmart Supermarket
1.6 mi	Roys Gourmeting
1.7 mi	Publix Super Market
1.8 mi	Walmart Neighborhood Market
2.2 mi	Wayfield Foods Inc
2.4 mi	M & K Produce Inc
2.5 mi	Food Depot
2.5 mi	Neighbors Market
2.9 mi	Three Brothers Food Mart

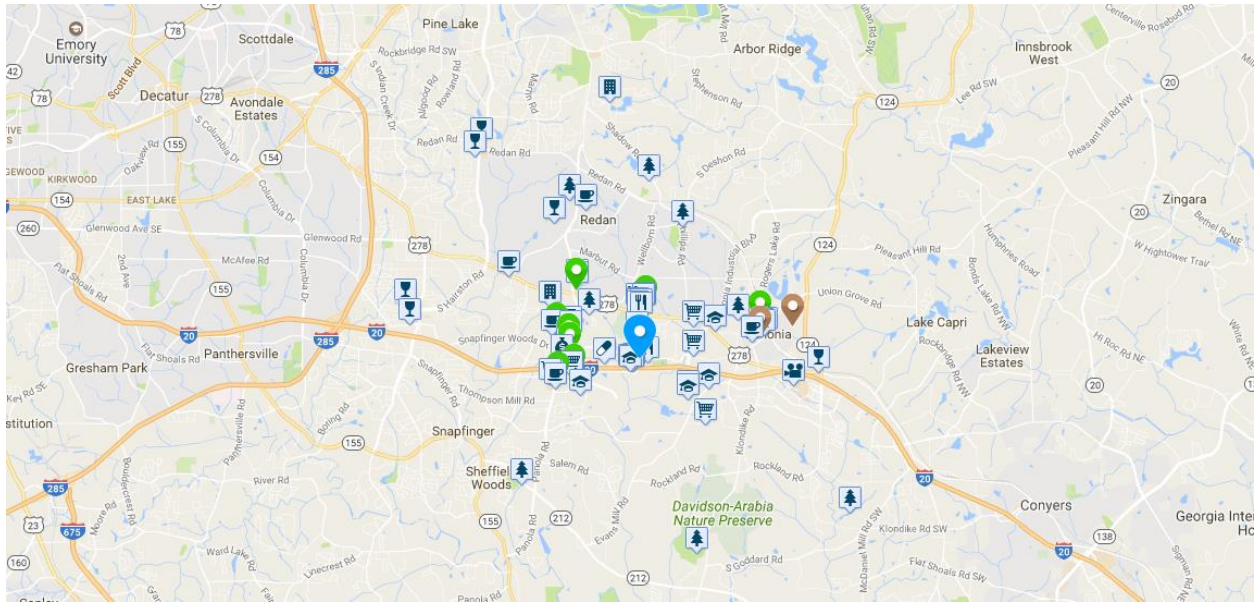
<b>Schools</b>	
0.3 mi	Sparks Christian Academy #2
0.4 mi	Miller Grove High School
1.1 mi	New Birth Christian Academy
1.3 mi	Fairington Elementary School
1.4 mi	Children For Christ Academy
1.5 mi	A Unique Learning Academy
1.5 mi	Stoneview Elementary School
1.5 mi	Oak Hill Elementary School
1.6 mi	Lithonia High School
1.8 mi	Marbut Elementary School

<b>Shopping</b>	
0.3 mi	Catherine's Blessings Boutique
0.3 mi	Shai Boutique Inc
0.4 mi	Prom Dream Made True
0.6 mi	Sugar & Spice Forever
0.7 mi	CMA Designs
0.8 mi	In Session Uniforms
0.8 mi	Family Dollar
0.9 mi	A Royal Affair Inc
1.1 mi	PrintCo Printing & Embroidery
1.2 mi	Rainbow
1.2 mi	Off the Rack
1.3 mi	Up Point Fashion

<b>Banks</b>	
1 mi	BestBank
1.3 mi	Guaranty Bank
1.4 mi	Citizens Trust Bank
1.6 mi	Bank of America Financial Center
3.4 mi	Chase Bank
3.4 mi	SunTrust Bank
4.2 mi	PNC Bank
4.9 mi	Wells Fargo Bank

<b>Police</b>	
2.2 mi	Lithonia Police Department
2.8 mi	Dekalb Police East Precinct

<b>Medical Facilities</b>	
0.3 mi	Capstone Medical Group
2.9 mi	Kaiser Permanente Stonecrest Medical Center
4.4 mi	RST Medical Group Inc
7.1 mi	The Walk In Clinic
7.1 mi	Emory Healthcare
7.2 mi	Stone Mountain Immediate Medical Center
7.5 mi	Oakhurst Medical Centers



### **Land Use Pattern**

The subject neighborhood is comprised primarily of commercial and residential properties and is 80 percent built up. Approximately 40 percent of the land use is made up of commercial properties. About 40 percent is comprised of multifamily developments. The remaining 20 percent is vacant land. The area is mostly suburban.

### **Neighborhood Characteristics**

The subject is located in the Covington Highway/Chupp Road neighborhood, according to Neighborhood Scout. The median real estate price of the neighborhood is \$144,575, which is more expensive than 51.5 percent of the neighborhoods in Georgia and 36.6 percent of the neighborhoods in the United States. The average rental price in the neighborhood is \$1,200, according to Neighborhood Scout, which is higher than 64.0 percent of all Georgia neighborhoods.

The neighborhood has 29.6 percent of the working population employed in executive, management and professional occupations. Another 26.5 percent of the residents are employed in sales and service jobs. Manufacturing and laborer occupations make up 16.9 percent, and 27.0 percent are employed in clerical, assistant and technical support occupations.

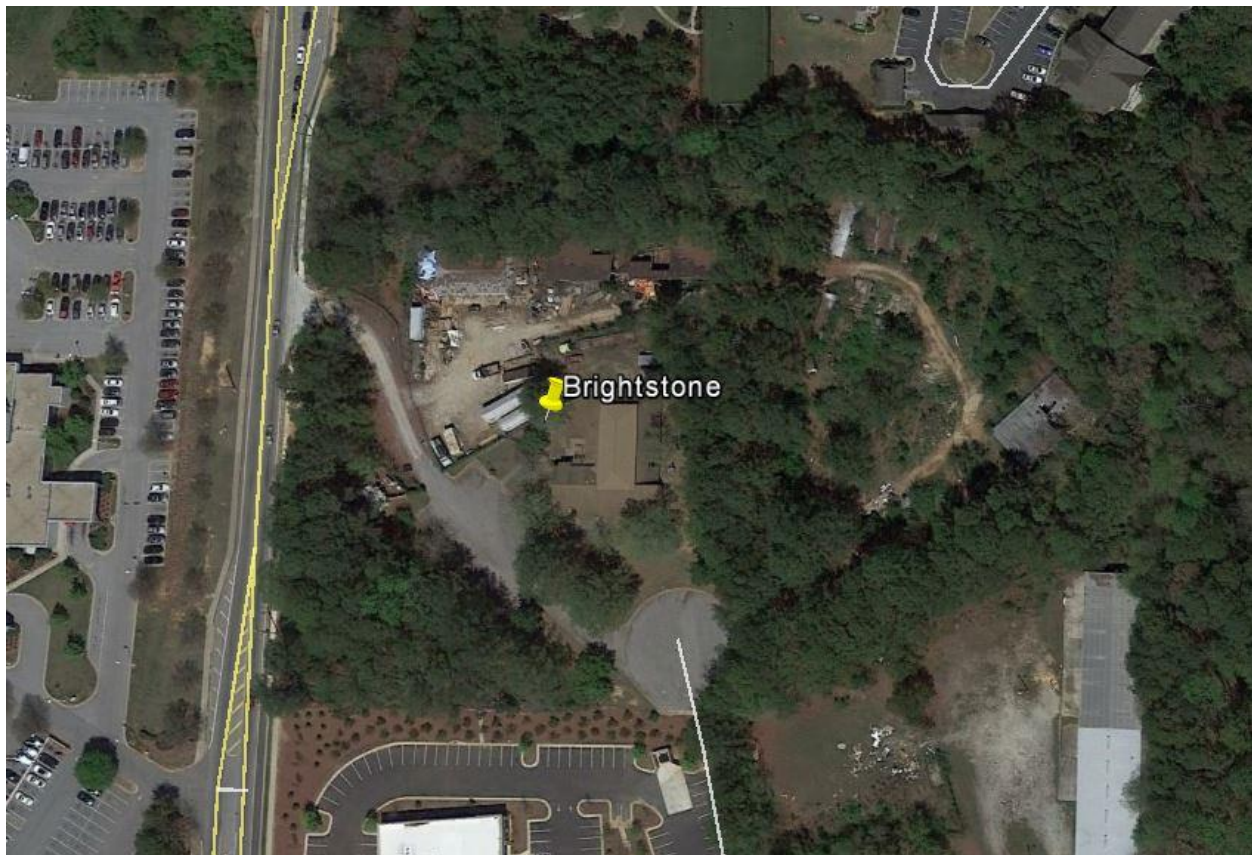
According to Neighborhood Scout, the school quality rating is 7 (100 is the best). The neighborhood is served by the DeKalb County School District which contains 132 schools and approximately 101,103 students. The school district quality is considered better than 5 percent of Georgia school districts.



Most of the properties in the neighborhood maintain an acceptable level of property maintenance and condition. The ages of buildings in the area generally range from new to 100 years. The subject neighborhood is in average condition with average appeal. There are no rent controls affecting the marketability of the subject.

### **Neighboring Property Use**

The neighborhood is comprised primarily of commercial and residential properties. Vacant land and multifamily developments are located north of the site. Commercial properties are located south of the site. Vacant land and multifamily developments are located east of the subject. Commercial properties are located west of the subject.



### **Crime**

According to [www.neighborhoodscout.com](http://www.neighborhoodscout.com), the crime index for the subject neighborhood is 5. There are 760 total crimes annually in the neighborhood, 122 of which are violent crimes and 638 of which are property crimes. The annual violent crime rate is 12.94 per 1,000 residents, while the property crime rate is 67.69 per 1,000 residents. The total annual crime rate is 80.64 per 1,000 residents. The chances of becoming a victim of a violent crime are 1 in 44 which is lower than for the state which is 1 in 273. The chances of becoming a victim of a property crime are 1 in 15 which is lower than the rate for the state which is 1 in 30.

### **Adverse Influences**

There are no major adverse influences or hazards observed or known by the appraiser in the immediate surrounding area.

### **Utilities**

Utilities generally available in the neighborhood include water, electricity, sewer and telephone.

### **Demographics**

The population for the subject's neighborhood for 2016, according to ESRI, is 10,298, an increase of 873 people from the 2010 population of 9,425. The population is expected to increase at an annual rate of 7.3 percent between 2016 and 2021. Therefore, the 2021 population is projected at 11,047. The median age for the neighborhood is 30.8.

The total number of households increased from 3,967 in 2010 to 4,318 in 2016. Household totals are expected to increase, with a projected 4,619 households in 2021.

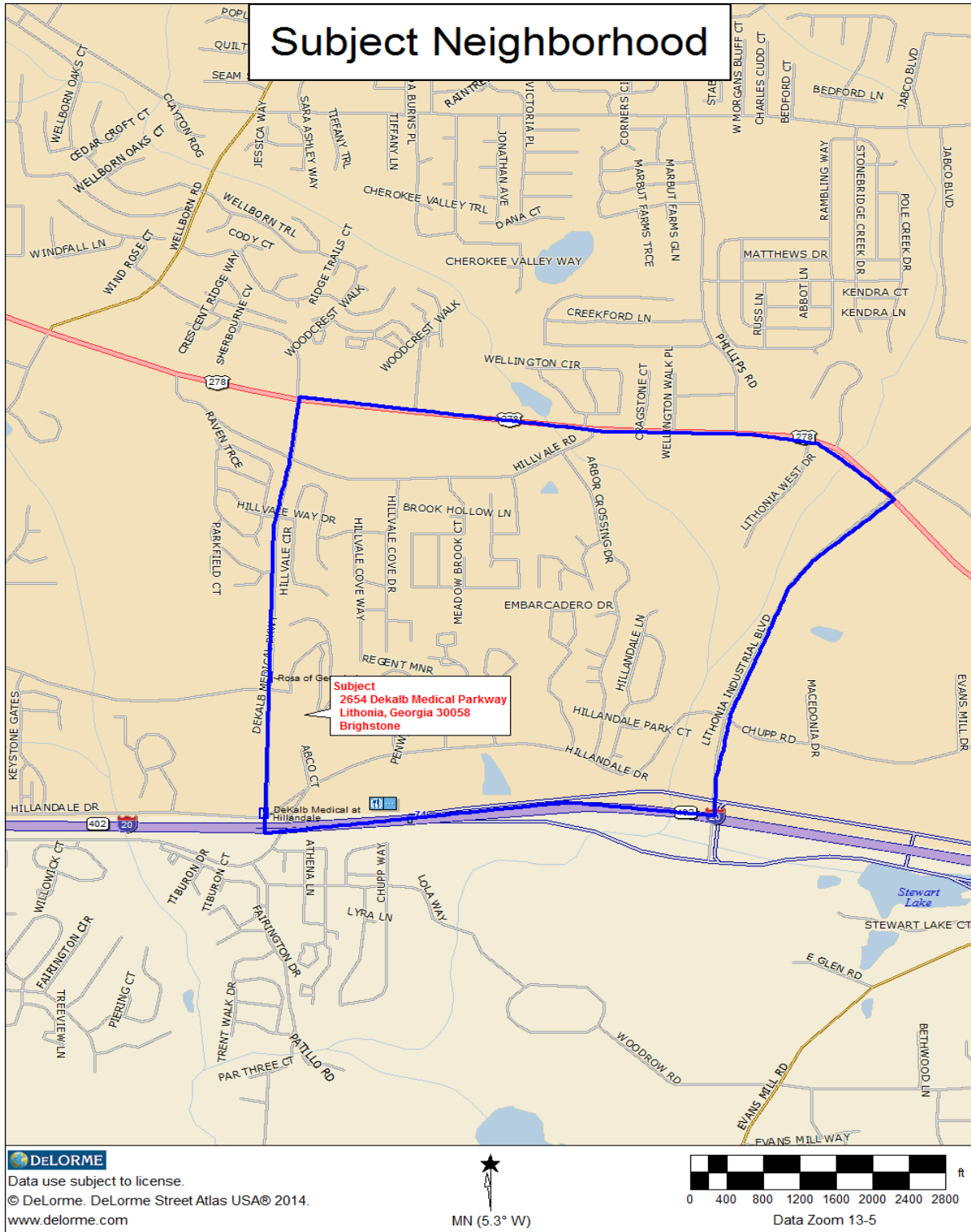
The median household income for the neighborhood in 2016 is \$30,201. It is expected to decrease to \$29,658 by 2021. The per capita income is \$16,439.

The median home value for the neighborhood in 2016, according to ESRI, is \$124,181. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$15,024.00, or \$1,252 per month. The average amount spent for renter-occupied households is \$11,268.00, or \$939 per month.

### **Analysis/Comments**

In conclusion, the subject is located in the southwestern portion of Lithonia, Georgia. The subject is considered to be compatible with the adjacent properties. Based on the current and projected population and household data, the neighborhood appears to be stable. There have been no significant changes in the make-up of the neighborhood over the past few years. Properties in the neighborhood are generally well maintained. Therefore, it is anticipated that the neighborhood will remain stable and in acceptable condition.

Neighborhood Map



### Defining the Market Area

The market area for the subject consists of Census Tracts 0231.08, 0231.11, 0231.12, 0232.06, 0232.10, 0232.11, 0232.12, 0232.13, 0232.14, 0233.03, 0233.06, 0233.09, 0233.10, 0233.13, 0233.14, 0234.12, 0234.13, 0234.14, 0234.16, 0234.18, 0234.19, 0234.26, 0234.27, 0234.28, 235.06 and 0235.07. The market area has the following boundaries: North – Kensington Road, Durham Park Road, Snapfinger Creek, Redan Road, Forest East Lane, CSXT Railroad, Shadow Rock Drive, Nell Yates Drive, Mystery Valley Lake, Crooked Creek, Alford Road, South Deshon Road, Rogers Lake Road, Maddox Road, Rock Chapel Road and Pleasant Hill Road; South – Rockdale and Henry Counties; East – Rockdale County; and West – Clevefont Road, River Road, Conley Creek, Cobbs Creek, Dogwood Farm Road, Flat Shoals Parkway, Shoal Creek, Interstate 20, Columbia Drive, Glenwood Road, Tulip Drive, Janmar Drive, Cornwall Road, Weston Drive and U.S. Highway 278.

Surveying existing apartment complexes helps to show what the competition is offering. Vacancy rates are an indicator of current market strength. In a field survey an attempt is made to survey 100 percent of all units in the market area. This is not always possible. There are several apartments in the market area. Information was gathered through interviews with owners and managers and through field inspection. These sources appear to be reliable, but it is impossible to authenticate all data. The appraiser does not guarantee this data and assumes no liability for any errors in fact, analysis or judgment.

The field/phone survey was conducted in June 2017. Six market-rate properties responded to the survey and five restricted properties, including the subject, responded to the survey. Of the apartments surveyed an overall vacancy rate of five percent was determined for the market-rate vacancy and zero percent was determined for the restricted vacancy. After considering the vacancy rate of the subject and the comparables, a vacancy rate of five percent was deemed appropriate for “as complete” conventional housing; and five percent was deemed appropriate for “as complete” affordable housing.

<b>Market Area Vacancy by Development - Conventional</b>			
<b>Property Name</b>	<b># of Units</b>	<b># of Vacant Units</b>	<b>Vacancy Percentage</b>
Arbor Crossing	240	10	4.2%
The Park at Edinburg	415	33	8.0%
The Retreat at Stonecrest	276	8	2.9%
Belle Vista Apartments	312	12	3.8%
Woodcrest Village	344	14	4.1%
Lexington on the Green	216	6	2.8%
<b>TOTALS</b>	<b>1,803</b>	<b>83</b>	<b>4.6%</b>



<b>Market Area Vacancy by Development - Affordable</b>			
<b>Property Name</b>	<b># of Units</b>	<b># of Vacant Units</b>	<b>Vacancy Percentage</b>
Terrace at Parkview	90	0	0.0%
Alexander at Stonecrest	262	0	0.0%
Cambridge Heights Apartments	132	0	0.0%
Alice Williams Towers I and II	99	0	0.0%
Groewood Park Apartments	120	0	0.0%
<b>TOTALS</b>	<b>703</b>	<b>0</b>	<b>0.0%</b>

**Absorption Period**

The subject is a proposed 175-unit complex that is currently Occupancy percent occupied. After researching the vacancy rates of the existing units in the area, it is firmly believed that the subject property satisfies a portion of the demand for the units within the market. Based on information concerning the vacancy rates and amount of time it takes to fill vacancies, it is estimated that a 95 percent occupancy level can be achieved in 11 to 12 months. Interviews with apartment managers substantiate the absorption rate. It is believed that the proposed development will absorb 14 to 15 units per month; therefore, it would reach a stable occupancy level within 11 to 12 months.



**Subject Description**

The area of the site and the site dimensions are based on the building plans provided by the DeKalb County Assessor's Office.

**Total Land Area** 6.86 acres or 298,822+/- square feet

**Shape/Dimensions** Irregular

**Access & Exposure** The subject property is located on Dekalb Medical Parkway. The site is at or near pavement grade with Dekalb Medical Parkway. The site has ingress and egress on Dekalb Medical Parkway.

**Topography/Drainage** The site is nearly level. A water detention area is not located on the site. No adverse soil conditions are known in the area which would prevent development.

**Flood Plain** According to RiskMeter, Flood Map Number 13089C0159J, dated May 16, 2013, the subject is zoned X, an area determined to be outside the 100- and 500-year floodplains. Federal flood insurance is available but is not required.

**Environmental Issues** The appraisers are not qualified to determine whether or not hazards exist. A copy of a Phase I Environmental Site Assessment was not provided to the appraisers with this assignment. No environmental hazards were observed on the site on the date of the inspection.

**Encroachments** No encroachments were observed. A survey was not provided with this assignment. The appraisers are not qualified to determine whether or not the adjacent properties encroach on the subject site.

**Easements** Typical utility easements that are not adverse to the site's development run on the property. A title insurance report was not provided to the appraisers with this assignment. No significant easements are known.

**Site Ratios**

Building to Land Ratio: 1 to 7.15;

Site Coverage Ratio - 13.98 percent

There is limited room for expansion of the existing facility as the current buildings do not occupy 100 percent of the site. The size of the buildings when compared to the total lot size does not preclude expansion of the facility and, therefore, does not negatively affect the estimated market value of the subject. The site coverage ratio indicates the available land around the buildings has been utilized at the subject to preclude a “cramped” feel to the property.

**Utilities**

Water, sewer and electricity are provided by city utilities along the site boundaries. These services appear to be adequate for commercial use.

**Zoning**

According to the City of Lithonia, the subject is zoned M, Light Industrial District with Stonecrest Mall Tier 2 Overlay. The proposed subject will be a legal, conforming use. Therefore, it is unlikely that a zoning change will occur. The proposed subject appears to meet site and setback requirements and appears to conform to the current zoning restrictions. The current zoning is consistent with the Highest and Best Use of the subject. Since there are no obvious conflicts between the subject property and the zoning of the property, there is no negative impact on the market value by the zoning classification.



**Improvement Description**

<b>Number of Buildings</b>	The subject will contain two four-story buildings containing 175 units, meeting room, exercise room, library, arts/crafts room, business center, laundry facility, leasing office and maintenance area.
<b>Net Rentable Building Area</b>	122,130 square feet
<b>Gross Building Area</b>	167,130 square feet
<b>Year Built/Year Renovated</b>	Proposed
<b>Economic Life</b>	55 Years
<b>Effective Age</b>	0 Years (As Complete)

The subject will contain two four-story buildings containing 175 units, meeting room, exercise room, library, arts/crafts room, business center, laundry facility, leasing office and maintenance area. According to the tax credit application, the gross building area of the property will be 167,130 square feet. A copy of the plans, dated May 4, 2017, and completed by Geheber Lewis Associates of Atlanta, Georgia, is included in the addenda.

The following table shows the proposed unit mix for the subject property. The unit sizes shown in the table are based on the tax credit application.

<b>Unit Type</b>	<b># of Units</b>	<b>Square Footage</b>	<b>Total Square Footage</b>
1/1	152	667	101,384
2/1	16	902	14,432
2/2	7	902	6,314
	<b>175</b>		<b>122,130</b>

The property will include the following amenities:

Unit Amenities	Included	Fee	Project Amenities	Included	Fee
Refrigerator	X		Clubhouse		
Range/Oven	X		Meeting Room	X	
Garbage Disposal			Dining Room		
Dishwasher	X		Swimming Pool		
Microwave	X		Spa/Hot Tub		
Washer/Dryer			Exercise Room	X	
Washer/Dryer Hook-Ups			Picnic Area	X	
Carpet	X		Playground		
Vinyl	X		Tot Lot		
Wood			Volleyball Court		
Wood Composite			Basketball Court		
Ceramic Tile			Tennis Court		
Blinds	X		Exterior Storage		
Drapes/Shades			Housekeeping		
Ceiling Fans			Business Center	X	
Vaulted Ceilings			Educational Classes	X	
Fireplace			Transportation		
Walk-In Closet			Service Coordinator/HUD Paid		
Coat Closet			Concierge Services		
Balcony			Computer Room		
Patio			Car Wash Area		
Pull Cords			Laundry Facility	X	
Emergency Call			On-Site Management	X	
Safety Bars			On-Site Maintenance	X	
<b>Parking</b>	<b>Included</b>	<b>Fee</b>	Intercom/Electronic Entry		
Parking Lot/# of Spaces	X/132	\$0	Limited Access Gate		
Covered Parking/# of Spaces			Perimeter Fencing		
Garage/# of Spaces			Security Patrol		
Parking Garage/Underground/# of Spaces			Video Surveillance		

According to the tax credit application, the subject will also contain social and recreational programs such as birthday parties, holiday theme parties and resident forums. In addition, the property will have computer classes, health education classes and money management classes.

The subject will be Low Income Housing Tax Credit with Project-Based Rental Assistance through the local housing authority. The unit types, proposed rents after completion of the rehabilitation, utility allowances and square footages for the units are shown in the table below:

Unit Type	# of Units	Square Footage	Proposed Rent	Utility Allowance
1/1 @ 50%	28	667	\$703	\$56
1/1 @ 60%	124	667	\$703	\$56
2/1 @ 50%	3	902	\$838	\$74
2/1 @ 60%	13	902	\$838	\$74
2/2 @ 50%	2	902	\$838	\$74
2/2 @ 60%	5	902	\$838	\$74

**CONSTRUCTION SUMMARY**

Foundation                      Concrete Slab on Grade  
Construction                    Frame  
Exterior Walls                  Brick/Stone  
Floors                              Carpet/Vinyl  
Roof                                Asphalt Shingle

**UTILITIES**

UTILITY SCHEDULE		
Utility	Type	Who Pays
Heat	Central Electric	Tenant
Air Conditioning	Central Electric	Tenant
Hot Water	Electric	Tenant
Cooking	Electric	Tenant
Other Electric	N/A	Tenant
Cold Water/Sewer	N/A	Landlord
Trash Collection	N/A	Landlord

**APPEAL**

Landscaping                      Grass, Trees, Shrubs

**Age, Life and Condition**

The subject will be constructed using both residential and commercial industry standard workmanship and materials. After construction, the facility will be in good physical condition. The remaining estimated useful life is calculated by subtracting the effective age of a property as determined by the appraiser from the total economic life as determined by *Marshall and Swift Cost Valuation Services*. The effective age of a property is its age as compared with other properties performing like functions. It is the actual age less the age which has been taken off by face-lifting, structural reconstruction, removal of functional inadequacies, modernization of equipment, etc. It is an age which reflects the true remaining life for the property, taking into account the typical life expectancy of buildings or equipment of its class and its usage. It is a matter of judgment, taking all factors, current and those anticipated in the immediate future, into consideration.

In evaluating the remaining economic life, consideration of the following points was included:

- a. *The economic make-up of the community or region and the on-going demand for accommodations of the type represented.*



As noted in the Neighborhood Data section of this report, the subject is considered to be compatible with the adjacent properties in its neighborhood. The median home value for the neighborhood in 2016, according to ESRI, is \$124,181. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$15,024.00, or \$1,252 per month. The average amount spent for renter-occupied households is \$11,268.00, or \$939 per month. This data indicates that the cost to rent is significantly lower than the cost to own, thereby increasing the demand for rental housing. Therefore, the demand for rental units continues to be strong.

*b. The relationship between the property and the immediate environment. Older properties may have legally non-conforming use if they pre-dated real property zoning for the neighborhood. Observations within the neighborhood in which the subject is situated may reveal a conflicting relationship. This should be fully explored to determine any potential external obsolescence.*

In selecting an appropriate effective age for the subject, the property's compatibility within the neighborhood was considered. The property is a compatible use in the neighborhood and remains in demand by residents as exhibited by the stable occupancy rate of the property. The existing multifamily use of the subject does not conflict with adjacent property uses. Therefore, the property's compatibility does not have a detrimental impact on the property's remaining economic life. Surrounding and nearby land uses are not detrimental to the subject property. There is no evidence of external obsolescence arising from undesirable or non-conforming properties within the subject district.

*c. To the extent possible, the appraiser should analyze architectural design, style and utility from a functional point of view and the likelihood of obsolescence attributable to new inventions, new materials, changes in building codes, and changes in tastes.*

The property's architectural design is typical for the local rental market and is generally similar to rental projects in the area. In addition, the functional utility of the subject is similar to rental projects in the area, and the property does not suffer from functional obsolescence.

*d. The trend and rate of change in the characteristics of the neighborhood that affect property values and their effect on those values.*

Essential goods and services are readily accessible. Access to primary transportation routes is average to good, with ready linkage to both north-south and east-west highways. These neighborhood characteristics have resulted in a stable environment where occupancy rates are strong. No significant changes to the market area characteristics are anticipated.

*e. Workmanship and durability of construction and the rapidity with which natural and man-made forces may cause physical deterioration.*

The physical aspects reflect Class D construction which is viewed as having good durability.

*f. Physical condition and the practice of owners and occupants with respect to maintenance, the use or abuse to which the improvements are subjected, the physical deterioration and functional obsolescence within the subject property.*

The property is well-maintained, exhibits no evidence of deferred maintenance and is functionally adequate. The subject property is not anticipated to experience physical deterioration at a higher rate than projected for similar properties in the area.

The buildings will be classified as Average Class D Multiple Residences, according to the Marshall & Swift Cost Manual. Based on the life expectancy tables found in the Marshall & Swift Cost Manual, the economic life of the improvements will be approximately 55 years. Therefore, the effective age will be zero years.

**Subject Photos**



View of Site



View of Site



View of Site



View of Site





View of Site



View of Site



View of Site



View of Street

**Assessments and Current Real Estate Taxes**

The combined tax rate for DeKalb County and the City of Lithonia is 47.54000 per \$1,000 of assessed value. The property has a total appraised value of \$804,800, with \$478,100 allocated to land and \$326,700 allocated to improvements. The assessor uses 40 percent of the appraised value to determine the assessed value. As a result, the assessed value was \$321,920. The 2016 real estate taxes for the subject were \$15,824.04. The taxes have been paid.

In order to estimate the real estate taxes for the prospective market value upon stabilization – market rents, real estate tax comparables were verified. These comparables are shown in the following table:

Property	No. of Units	Year Built	Parcel #	Appraised Land Value - 2017	Appraised Improvements Value - 2017	Total Appraised Value - 2017	Real Estate Taxes - 2016	Taxes Per Unit
Bella Vista Apartments 100 Camellia Lane Lithonia, DeKalb County, Georgia	312	2001	16 088 01 003	\$1,953,000	\$23,713,037	\$25,666,037	\$405,570.19	\$1,299.90
Woodcrest Village 2325 Woodcrest Walk Lithonia, DeKalb County, Georgia	344	1989	16 089 03 009	\$2,014,000	\$13,215,939	\$15,229,939	\$214,994.50	\$624.98
Lexington on the Green 5850 Hillandale Drive Lithonia, DeKalb County, Georgia	216	2001	16 073 01 005	\$1,494,910	\$18,755,000	\$20,249,910	\$299,666.16	\$1,387.34
The Retreat at Stonecrest Apartments 40 Amanda Drive Lithonia, DeKalb County, Georgia	273	2003	16 137 05 002	\$1,833,100	\$19,574,932	\$21,408,032	\$301,781.12	\$1,105.43
Wesley Providence Apartment Homes 100 Wesley Providence Parkway Lithonia, DeKalb County, Georgia	579	2004	16 150 02 004 16 150 02 005 16 151 02 015	\$5,376,580	\$48,736,865	\$54,113,445	\$716,412.44	\$1,237.33

These comparables are all market-rate facilities in DeKalb County. The comparables indicated a range of \$624.98 per unit to \$1,387.34 per unit. Based on the tax comparables shown above, the subject's market real estate taxes would be more similar to the more recently constructed comparables. Bella Vista Apartments, Lexington on the Green, The Retreat at Stonecrest Apartments and Wesley Providence Apartment Homes were considered the best indicators of the market real estate taxes. These comparables range from \$1,105.43 to \$1,387.34 per unit. Real estate taxes were projected within this range of \$1,200 per unit, or \$210,000, for the market scenario.

## **Highest and Best Use Analysis**

Highest and Best Use is defined in *The Dictionary of Real Estate Appraisal*, sponsored by the Appraisal Institute (Sixth Edition 2015), as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that result in the highest value.

Implied in this definition is that the determination of highest and best use takes into account the contribution of specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations, the highest and best use of land may be for parks, greenbelt, preservation, conservation, wildlife habitat, etc.

In determining the highest and best use of the subject property, careful consideration was given to the economic, legal, and social factors which motivate investors to develop, own, buy, sell and lease real estate.

There are four criteria that are used in evaluating the highest and best use of a property. The highest and best must be:

1. **Physically Possible**
2. **Legally Permissible**
3. **Financially Feasible**
4. **Maximally Productive**

The four criteria are applied in sequential order. The selection of uses is narrowed through the consideration of each criteria, so that by the time the last criteria is applied, only a single use is indicated. Hence, a property often will have numerous uses which are physically possible, a lesser number which are both physically possible and legally permissible; fewer still which are physically possible, legally permissible and financially feasible; and only a single use which meets all four criteria.

In addition to the preceding four criteria, the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation further indicate that the following items must be considered as they relate to the use and value of the property:

1. Existing land use regulations
2. Reasonably probable modifications of such regulations
3. Economic demand
4. The physical adaptability of the property
5. Neighborhood trends



The previous sections of this report were used to render a judgment as to the highest and best use of the site as though vacant and as though improved.

### **Highest and Best Use as though Vacant**

Highest and best use of land or a site as though vacant assumes that a parcel of land is vacant or can be made vacant by demolishing any improvements. With this assumption, uses that create value can be identified, and the appraiser can begin to select comparable properties and estimate land value. The questions to be answered in this analysis are as follows:

If the land is, or were, vacant, what use should be made of it?

What type of building or improvement, if any, should be constructed on the land and when?<sup>6</sup>

### **Physically Possible Use as Vacant**

The first constraint imposed on the possible use of the property is dictated by the physical aspects of the site itself. The size and location within a given block are the most important determinants of value. In general, the larger the site, the greater its potential to achieve economies of scale and flexibility in development. The size of the parcel, considered within the provisions of the zoning, has considerable influence on its ultimate development.

The key determinant in developing a site is the permitted size of the project. More land permits higher density development, higher floor to area ratios (FAR), etc. the total number of square feet allowed for a building structure tends to rise in proportion to the size of the lot. Location is important when considering a site's proximity to open plazas, office trade areas, work force areas, public transportation, major highways (access/visibility), etc.

As noted in the Site Data section of this report, the subject site has a land area of 6.86 acres. Topographically, the site is nearly level. The subject is not located in a flood hazard area. No subsoil or drainage conditions are known that would adversely affect the development of the site. Public utilities available to the subject include electricity, water, sewer and telephone. The size of the subject and the adjacent properties suggest a number of possible uses for the subject site.

### **Legally Permissible Use As Vacant**

Legal restrictions, as they apply to the subject property, are of two types, private restrictions (deed restriction easements) and public restrictions, namely zoning. No information regarding private restrictions affecting title was provided with this assignment other than those mentioned below. It is assumed that only common restrictions (i.e. utility easements, etc.) are applicable and are not of any consequence to the development of this site.

<sup>6</sup> The Appraisal Institute. *The Appraisal of Real Estate*. 14<sup>th</sup> ed. (Chicago, 2013), 337

### **FINANCIALLY FEASIBLE USE AS VACANT**

After the discussion of the physically possible and legally permissible uses for the site as vacant, the adjacent property uses suggest that the possibilities for the subject have been narrowed to multifamily development.

### **MAXIMALLY PRODUCTIVE AS VACANT**

Based on the analysis of the previous elements, it is reasonable to assume, if the site were vacant and available for development on the date of valuation, the highest and best use would be for multifamily development, most likely a multifamily use which could produce a higher return.

### **HIGHEST AND BEST USE AS IMPROVED**

Highest and best use of a property as improved pertains to the use that should be made of an improved property in light of its improvements. The use that maximizes an investment property's value, consistent with the long-term rate of return and associated risk, is its highest and best use as improved.<sup>7</sup>

This part of highest and best use analysis is structured to answer the following problems:

1. Should the building be maintained as is?
2. Should the building be renovated, expanded, or demolished?
3. Should the building be replaced with a different type or intensity of use?

### **PHYSICALLY POSSIBLE AS IMPROVED**

The subject site will support a multifamily development with a gross building area of approximately 167,130 square feet. The subject does not appear to suffer from functional obsolescence. The subject will be in good condition.

### **LEGALLY PERMISSIBLE AS IMPROVED**

Based on the adjacent property uses and the zoning restrictions for the subject, the highest and best use of the subject site is considered to be a multifamily facility. The configuration of the improvements is not in violation of any known regulations and is considered to be a compatible use with the adjacent commercial and residential properties.

<sup>7</sup> The Appraisal Institute. *The Appraisal of Real Estate*. 14<sup>th</sup> ed. (Chicago, 2013), 345

**FINANCIALLY FEASIBLE AS IMPROVED**

The third factor that must be considered is the economical feasibility of the types of uses that are physically and legally permissible. Based on the data presented in the Income Approach section of this report, the existing improvements appear to be capable to produce an adequate return to be financially feasible as they exist.

**MAXIMALLY PRODUCTIVE AS IMPROVED**

Considering the previous discussions, the existing improvements are physically possible, legally permissible and financially feasible. There currently is no alternative legal use that could economically justify razing the existing improvement or significantly changing their use. Based on the foregoing analysis, it is my opinion that the maximally productive use of the property is as a multifamily development.

## **Appraisal Procedures**

### **The Cost Approach**

The Cost Approach considers the current cost of replacing a property, less depreciation from three sources: physical deterioration, functional obsolescence and external obsolescence. A summation of the market value of the land, assumed vacant and the depreciated replacement cost of the improvements provides an indication of the total value of the property.

### **The Income Approach**

The Income Approach is based on an estimate of the subject property's possible net income. The net income is capitalized to arrive at an indication of value from the standpoint of an investment. This method measures the present worth and anticipated future benefits (net income) derived from the property.

### **The Sales Comparison Approach**

The Sales Comparison Approach produces an estimate of value by comparing the subject property to sales and/or listings of similar properties in the same or competing areas. This technique is used to indicate the value established by informed buyers and sellers in the market.

In preparing this appraisal, the appraiser inspected the subject property and analyzed historic operating data for the subject. A Cost Approach was used to determine the effective age and economic life of the proposed development. Furthermore, information was gathered on competitive properties in the region for comparable improved rentals and operating expenses. Lastly, comparable sales were gathered primarily for their use as overall rate indicators. This information was applied in the Income Capitalization Approach. The application of each measure of value is discussed further in appropriate sections of this report.

**VALUATION SECTION**

### **Cost Approach**

The Cost Approach is a method in which the value of a property is derived by estimating the replacement cost of the improvements, deducting the estimated depreciation, and adding the market value of the land. The first Step in the Cost Approach is to estimate the value of the subject site.

### **Site Value**

The comparison method is the most common way of developing a market value estimate for land. In the comparison method, sales of vacant land comparable to the subject property are gathered and analyzed. Ideally, such vacant sales are close in time and proximity to the subject property.

The sales prices are adjusted for time, location, physical characteristics, and other relevant variations. The adjusted prices are reduced to some common unit of comparison and conclude a unit value applicable to the subject property. This unit value, when applied to the appropriate unit measure, results in an estimate of market value for land.

An investigation revealed several sales of similar sites in the subject's neighborhood. The comparables found are summarized on the following pages.

**Land Sale No. 1**



**Property Identification**

<b>Record ID</b>	4587
<b>Property Name</b>	Mall Parkway
<b>Address</b>	Mall Parkway, Lithonia, De Kalb County, Georgia 30038
<b>Tax ID</b>	16-151-02-016
<b>Market Type</b>	Land

**Sale Data**

<b>Grantor</b>	Ontario Teachers Pension Plan Board
<b>Grantee</b>	Asbury Automotive Group
<b>Sale Date</b>	April 13, 2016
<b>Deed Book/Page</b>	25501-0126
<b>Property Rights</b>	Free Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; June 06, 2017

<b>Sale Price</b>	\$2,335,200
<b>Cash Equivalent</b>	\$2,335,200
<b>Adjusted Price</b>	\$2,335,200

**Land Data**

<b>Zoning</b>	C-1, Local Commercial District
<b>Topography</b>	Nearly Level
<b>Utilities</b>	E, G, W, S
<b>Shape</b>	Irregular

**Land Sale No. 1 (Cont.)**

**Land Size Information**

**Gross Land Size**

9.710 Acres or 422,968 SF

**Front Footage**

Mall Parkway

**Indicators**

**Sale Price/Gross Acre**

\$240,494

**Sale Price/Gross SF**

\$5.52



**Land Sale No. 2**



**Property Identification**

<b>Record ID</b>	4588
<b>Property Type</b>	Commercial
<b>Property Name</b>	2576 Panola Road
<b>Address</b>	2576 Panola Road, Lithonia, De Kalb County, Georgia 30058
<b>Tax ID</b>	16-057-02-279
<b>Market Type</b>	Land

**Sale Data**

<b>Grantor</b>	Osinuga Oladayo
<b>Grantee</b>	Saral Kothari
<b>Sale Date</b>	October 13, 2016
<b>Deed Book/Page</b>	25853-0005
<b>Property Rights</b>	Free Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; June 06, 2017

<b>Sale Price</b>	\$660,384
<b>Cash Equivalent</b>	\$660,384
<b>Adjusted Price</b>	\$660,384

**Land Sale No. 2 (Cont.)**

**Land Data**

<b>Zoning</b>	C-1, Local Commercial District
<b>Topography</b>	Nearly Level
<b>Utilities</b>	E, G, W, S
<b>Shape</b>	Irregular

**Land Size Information**

<b>Gross Land Size</b>	3.200 Acres or 139,392 SF
<b>Front Footage</b>	Panola Road

**Indicators**

<b>Sale Price/Gross Acre</b>	\$206,370
<b>Sale Price/Gross SF</b>	\$4.74

Land Sale No. 3



**Property Identification**

<b>Record ID</b>	4589
<b>Property Type</b>	Commercial
<b>Property Name</b>	3635 Panola Road
<b>Address</b>	3635 Panola Road, Lithonia, De Kalb County, Georgia 30038
<b>Tax ID</b>	16-021-01-153
<b>Market Type</b>	Land

**Sale Data**

<b>Grantor</b>	Garrard Group
<b>Grantee</b>	Susal Kolotilin
<b>Sale Date</b>	August 05, 2016
<b>Deed Book/Page</b>	25717-0379
<b>Property Rights</b>	Free Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; June 06, 2017

<b>Sale Price</b>	\$420,000
<b>Cash Equivalent</b>	\$420,000
<b>Adjusted Price</b>	\$420,000

**Land Data**

<b>Zoning</b>	C1, Local Commercial District
<b>Topography</b>	Nearly Level
<b>Utilities</b>	E, G, W, S
<b>Shape</b>	Irregular

**Land Sale No. 3 (Cont.)**

**Land Size Information**

**Gross Land Size**

2.000 Acres or 87,120 SF

**Front Footage**

Panola Road

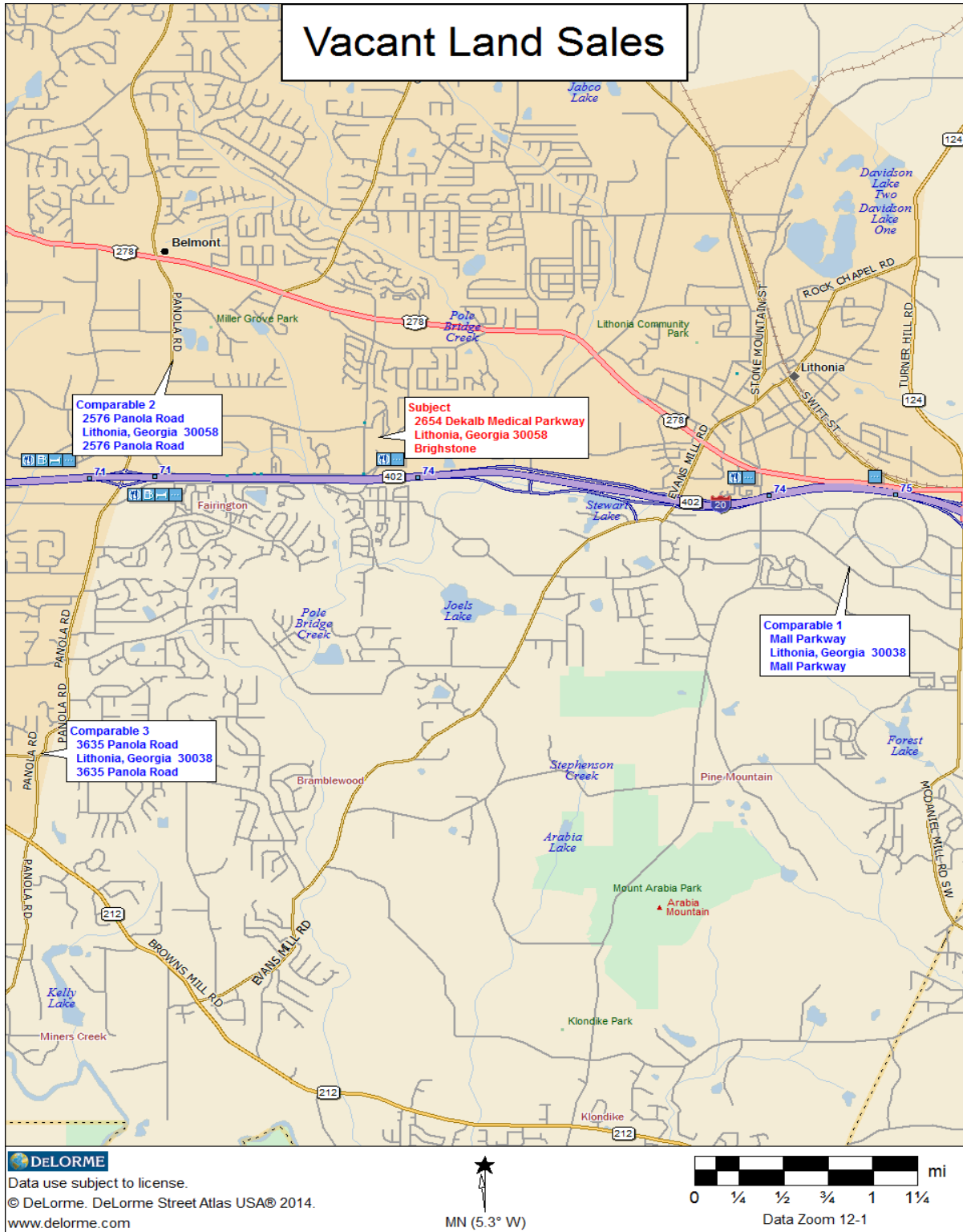
**Indicators**

**Sale Price/Gross Acre**

\$210,000

**Sale Price/Gross SF**

\$4.82



Land Analysis Grid		Comp 1	Comp 2	Comp 3			
Address	2654 DeKalb Medical	Mall Parkway	2576 Panola Road	3635 Panola Road			
City	Lithonia	Lithonia	Lithonia	Lithonia			
State	GA	GA	GA	GA			
Date	6/6/2017	4/13/2016	10/13/2016	8/5/2016			
Price		\$2,335,200	\$660,384	\$420,000			
Acres	6.86	9.71	3.20	2.00			
Acre Unit Price		\$240,494	\$206,370	\$210,000			
<b>Transaction Adjustments</b>							
Property Rights	Fee Simple	Free Simple	0.0%	Free Simple	0.0%	Free Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Normal	Normal	0.0%	Normal	0.0%	Normal	0.0%
<b>Adjusted Acre Unit Price</b>		<b>\$240,494</b>		<b>\$206,370</b>		<b>\$210,000</b>	
Market Trends Through	06/06/17	0%		0%		0%	
<b>Adjusted GBA Unit Price</b>		<b>\$240,494</b>		<b>\$206,370</b>		<b>\$210,000</b>	
Location	Average	Similar		Similar		Similar	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Acres	6.86	9.71		3.20		2.00	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Visibility/Access	Average	Similar		Similar		Similar	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Topography	Nearly Level	Nearly Level		Nearly Level		Nearly Level	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Zoning	M	C-1		C-1		C-1	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Utilities	E, G, W, S	E, G, W, S		E, G, W, S		E, G, W, S	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Demolition	Yes	No		No		No	
\$ Adjustment		-\$15,000		-\$15,000		-\$15,000	
<b>Adjusted Acre Unit Price</b>		<b>\$225,494</b>		<b>\$191,370</b>		<b>\$195,000</b>	
Net adjustments		0.0%		0.0%		0.0%	
Gross adjustments		0.0%		0.0%		0.0%	

After analyzing the land sales and adjusting each sale accordingly, it is our opinion that the estimated Market Value of the subject site as of June 6, 2017, is as follows:

**6.86 acres x \$195,000 per acre = \$1,337,700**

**Rounded \$1,340,000**

## Summary of Vacant Land Sales

Comp	Address	Sale Date	Sale Price	Acre Unit Price	Acres	Land SF	Zoning
1	Mall Parkway	4/13/2016	\$2,335,200	\$240,494	9.71	422,968	C-1
2	2576 Panola Road	10/13/2016	\$660,384	\$206,370	3.20	139,392	C-1
3	3635 Panola Road	8/5/2016	\$420,000	\$210,000	2.00	87,120	C-1

### Adjustments

The prices of the comparable land sales range from \$206,370 to \$240,494 per acre before adjustments. Each of the comparables was adjusted for differences from the subject site. The adjustments are based on the following characteristics.

### Location

The location of the subject property and the comparables relative to residential population, population wealth, traffic patterns, centers of employment, economic levels and other locational attributes was analyzed. Location comparisons were made based on the appraiser's judgment as to the relative desirability of the property to a potential commercial or multifamily investor. These factors also include degree and quality of surrounding development and view. The subject is located in Lithonia. All comparables are similar. No adjustments were needed.

### Size

Consideration was given to the size of the subject as compared to the comparables. Size can have an impact on site value based on the premise that smaller parcels often sell for a higher price per unit than larger parcels with equal utility. The subject site consists of a total area of 6.86 acres. The comparables range in size from 2.00 acres to 9.71 acres. The market did not indicate a need for adjustment due to size. Therefore, no adjustments were made.

### Visibility/Access

Consideration was given to the subject's visibility/access. The subject has average visibility/access. The comparables are similar. No adjustment was needed.

### Topography

Consideration was given to the subject's topography. The subject is nearly level. All comparables are similar. No adjustment was needed.

### Zoning

The adjustment for zoning reflects not only the zoning of the comparables relative to the subject property but also the potential utility of the sites. The subject is zoned M. Comparable 1 is zoned C-1. Comparable 2 is zoned C-1. Comparable 3 is zoned C-1. The market did not indicate an adjustment was needed for zoning differences. No adjustments were made.

**Utilities**

Consideration was given to the subject's utilities. The subject has access to electricity, gas, water and sewer. All comparables are similar. No adjustment was needed.

**Summary Conclusions**

The land sales analysis indicates the quantitative or qualitative adjustments. The comparable land sales range from \$191,370 to \$225,494 per acre after adjustments. All comparables were given consideration. The comparables indicated a reconciled value of \$195,000 per acre. These were considered to be the best comparables available after researching sales with local realtors and the county assessor's office.

**6.86 acres x \$195,000 per Acre = \$1,337,700**

**Rounded \$1,340,000**



## **Improvement Valuation**

The next step in the Cost Approach is to estimate the replacement cost new of the improvements.

Replacement cost new (RCN) is defined as follows:

The estimated cost to construct, at current prices as of the effective date of the appraisal, a building with utility equivalent to the building being appraised, using modern materials and current standards, design and layout.<sup>8</sup>

A description of the improvements was presented in the Improvement Data section. The costs estimated were made based on the developer's plans. Cost estimates were made based on the replacement cost new of the improvements using the **Marshall Valuation Service Cost Manual**. Soft costs are included in the base cost determined by the **Marshall Valuation Service Cost Manual**.

## **Depreciation Analysis**

Depreciation may be defined as any loss of value from any cause. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence. Depreciation may be curable or incurable, the test being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

## **Physical Deterioration**

This results from deterioration from aging and use. This type of depreciation may be curable or incurable.

## **Depreciation Accrued To The Subject**

After construction, the improvements will have an effective age of zero years. Properties of this type are anticipated to have a total economic life of 55 years. Based upon the concept of age/life depreciation, the overall depreciation applicable to the subject will be 0/55, or 0 percent.

## **External Obsolescence**

External obsolescence is due to circumstances outside the property itself, such as industry, demographic and economic conditions or an undesirable proximate use. This type of depreciation is rarely curable. The subject does seem to suffer from external obsolescence.

## **Deferred Maintenance**

There were no visible signs of deferred maintenance at the subject.

<sup>8</sup>Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015

The following formula shows the external obsolescence for the "as stabilized" restricted value.

**External Obsolescence - As Complete Restricted**

<b>Total Construction Cost of Structures</b>				\$16,155,123
<b>Plus: Entrepreneur's Profit</b>				\$1,615,512
<b>Depreciation</b>				\$0
<b>Cost of Structures before External Obsolescence</b>				<u>\$17,770,636</u>
<b>Value of Land</b>				\$1,340,000
<b>Plus: Entrepreneur's Profit</b>				<u>\$134,000</u>
<b>Cost before External Obsolescence</b>				\$19,244,636
<b>Current Capitalization Rate</b>				5.85%
<b>Economic Net Operating Income (RCN x CR)</b>				\$1,125,811
<b>Net Operating Income from the Subject</b>				<u>\$603,813</u>
<b>Net Loss Due to Economic Obsolescence</b>				(\$521,998)
<b>Ratio of Improvements Total Property Value</b>				0.9234
<b>Year</b>		<b>Actual NOI Loss</b>	<b>Overall Cap Rate</b>	<b>Capitalized NOI Loss</b>
1		(\$521,998)	5.85%	(\$8,923,048)
<b>Times ratio of Improvements to Total Property</b>				0.9234
<b>Total External Obsolescence</b>				(\$8,239,607)

**Cost Analysis - Restricted As Complete - Section 1 of 1**

**Marshall & Swift**

<b>Cost Source:</b> Marshall & Swift	# 12: Dwellings, Duplexes & Motels
<b>No. of Stories Multiplier:</b> 1.0000	<b>Local Multiplier:</b> 0.9200
<b>Height/Story Multiplier:</b> 1.0000	<b>Current Cost Multiplier:</b> 1.0400
<b>Perimeter Multiplier:</b> 1.0000	<b>Combined Multipliers:</b> 0.9568

**Building Improvements**

Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Sq. Ft.	\$97.54	167,130	0.957	\$15,597,620
Built-Ins	Per Unit	\$2,825.00	175	0.957	\$473,018
<b>Total Building Improvement Costs</b>					<b>\$16,070,638</b>
Price per SF Gross Building Area					\$96.16

**Site Improvements**

Item	Unit Type	Cost	Quantity	Multiplier	Total
Asphalt Parking	Per Unit	\$650.00	132	0.957	\$82,093
Recreation Area	Lump Sum	\$2,500.00	1	0.957	\$2,392
<b>Total Site Improvement Costs</b>					<b>\$84,485</b>
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$16,155,123</b>
Price per SF Gross Building Area					\$96.66

**Total Costs**

Subtotal: Building, Site & Soft Costs	\$16,155,123
Developer's Profit 10.0%	\$1,615,512
<b>Total Cost</b>	<b>\$17,770,636</b>
Price per SF Gross Building Area	\$106.33

**Depreciation: Section 1 of 1**

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	0	55	0%	\$0
Physical Depreciation: Site	0	20	0%	\$0
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$8,239,607
<b>Total Depreciation</b>				<b>\$8,239,607</b>
<b>Depreciated Value of Improvements</b>				<b>\$9,531,029</b>
Cost Per Square Foot Gross Building Area				\$57.03

**Additional Cost Sections**

Cost Section 2	\$0
Cost Section 3	\$0

**Land Value**

Land Value	\$1,340,000
Other	\$0
<b>Cost Approach Value Indication</b>	<b>\$10,871,029</b>
<b>Rounded</b>	<b>\$10,870,000</b>
<b>Price per SF Gross Building Area</b>	<b>\$65.04</b>

The costs in the preceding charts were derived by using the "Marshall Swift Valuation Service" and by conversations with local builders and comparable sales data. The total Estimated Value indicated by the Cost Approach for the subject "as stabilized":

**Restricted Value As Stabilized = \$10,870,000**

The following formula shows the external obsolescence for the "as stabilized" market value.

**External Obsolescence - As Complete Market**

<b>Total Construction Cost of Structures</b>				\$16,152,731
<b>Plus: Entrepreneur's Profit</b>				\$1,615,273
<b>Depreciation</b>				\$0
<b>Cost of Structures before External Obsolescence</b>				<u>\$17,768,004</u>
<b>Value of Land</b>				\$1,340,000
<b>Plus: Entrepreneur's Profit</b>				<u>\$134,000</u>
<b>Cost before External Obsolescence</b>				\$19,242,004
<b>Current Capitalization Rate</b>				5.85%
<b>Economic Net Operating Income (RCN x CR)</b>				\$1,125,657
<b>Net Operating Income from the Subject</b>				<u>\$1,060,244</u>
<b>Net Loss Due to Economic Obsolescence</b>				(\$65,413)
<b>Ratio of Improvements Total Property Value</b>				0.9234
<b>Year</b>		<b>Actual NOI Loss</b>	<b>Overall Cap Rate</b>	<b>Capitalized NOI Loss</b>
1		(\$65,413)	5.85%	(\$1,118,179)
<b>Times ratio of Improvements to Total Property</b>				0.9234
<b>Total External Obsolescence</b>				(\$1,032,523)

**Cost Analysis - Market As Complete - Section 1 of 1**

**Marshall & Swift**

<b>Cost Source:</b> Marshall & Swift	Select Value
<b>No. of Stories Multiplier:</b> 1.000	<b>Local Multiplier:</b> 0.920
<b>Height/Story Multiplier:</b> 1.000	<b>Current Cost Multiplier:</b> 1.040
<b>Perimeter Multiplier:</b> 1.000	<b>Combined Multipliers:</b> 0.957

**Building Improvements**

Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Select Value	\$97.54	167,130	0.957	\$15,597,620
Built-Ins	Select Value	\$2,825.00	175	0.957	\$473,018
<b>Total Building Improvement Costs</b>					<b>\$16,070,638</b>
Price per SF Gross Building Area					\$96.16

**Site Improvements**

Item	Unit Type	Cost	Quantity	Multiplier	Total
Asphalt Parking	Per Unit	\$650.00	132	0.957	\$82,093
Recreation Area	Lump Sum	\$2,500.00	0	0.957	\$0
<b>Total Site Improvement Costs</b>					<b>\$82,093</b>
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$16,152,731</b>
Price per SF Gross Building Area					\$96.65

**Total Costs**

Subtotal: Building, Site & Soft Costs	\$16,152,731
Developer's Profit 10.0%	\$1,615,273
<b>Total Cost</b>	<b>\$17,768,004</b>
Price per SF Gross Building Area	\$106.31

**Depreciation: Section 1 of 1**

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	0	55	0%	\$0
Physical Depreciation: Site	0	20	0%	\$0
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$1,032,523
<b>Total Depreciation</b>				<b>\$1,032,523</b>
<b>Depreciated Value of Improvements</b>				<b>\$16,735,481</b>
Cost Per Square Foot Gross Building Area				\$100.13

**Additional Cost Sections**

Cost Section 2	\$0
Cost Section 3	\$0

**Land Value**

Land Value	\$1,340,000
Other	\$0
<b>Cost Approach Value Indication</b>	<b>\$18,075,481</b>
<b>Rounded</b>	<b>\$18,075,000</b>
<b>Price per SF Gross Building Area</b>	<b>\$108.15</b>

The costs in the preceding charts were derived by using the "Marshall Swift Valuation Service" and by conversations with local builders and comparable sales data. The total Estimated Value indicated by the Cost Approach for the subject "as stabilized":

**Market Value As Stabilized = \$18,075,000**

### **Income Approach**

The Income Approach is a procedure in which the value of a property is estimated by means of capitalization of a net income stream, either imputed or actual. The steps in the procedure are as follows:

1. Analyze the income the property is capable of generating.
2. Estimate the rental loss from vacancy and uncollected rents.
3. Estimate the amount of expense that will be incurred in operating the property.
4. Subtract 2 and 3 above from 1 to arrive at a net income estimate before capital charges.
5. Using an appropriate rate, capitalize the net income estimate into an indication of value.

### **Income Analysis**

The first step in forming an opinion of reasonable net income expectancy is the estimation of market rent. Market rent is defined as the rental warranted by a property in the open real estate market based upon current rentals being paid for comparable space.

HUD-Forms 92273 – As Complete

One-Bedroom Units (676 SF) – As Complete

Estimates of Market Rent  
by Comparison - As Complete

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

OMB Approval No. 2502-0029  
(exp. 09/30/2016)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required by the Housing Appropriation Act of 9/28/1994. The information is needed to analyze the reasonableness of the Annual Adjustment Factor or formula, and will be used where rent levels for a specific unit type, in a Substantial Rehabilitation or New Construction Contract, exceed the existing FMR rent. The information is considered non-sensitive and does not require special protection. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
One-Bedroom	Brightstone 2654 DeKalb Medical Parkway Lithonia, DeKalb, GA	Arbor Crossing Apartments 10 Arbor Crossing Drive Lithonia, DeKalb, GA			The Retreat at Stonecrest 40 Amanda Drive Lithonia, DeKalb, GA			Belle Vista Apartments 100 Camellia Lane Lithonia, DeKalb, GA			Woodcrest Village 2325 Woodcrest Walk Lithonia, DeKalb, GA			Lexington on the Green 5850 Hillandale Drive Lithonia, DeKalb, GA		
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	06/2017	06/2017		06/2017		06/2017		06/2017		06/2017		06/2017		06/2017		
4. Type of Project/Stories	E/4	WU/2,3	\$ 10	WU/3	\$ 10	WU/3	\$ 10	WU/2	\$ 10	WU/3	\$ 10	WU/3	\$ 10	WU/3	\$ 10	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies		Varies		Varies		
6. Project Occupancy %	Proposed	96%		97%		96%		96%		96%		97%		97%		
7. Concessions	N	N		N		N		N		N		N		N		
8. Year Built	Proposed	1989	\$ 145	2003	\$ 75	2001	\$ 85	1989	\$ 145	2001	\$ 85	2001	\$ 85	2001	\$ 85	
9. Sq. Ft. Area	676	740	(\$ 15)	890	(\$ 55)	657		652		884	(\$ 55)					
10. Number of Bedrooms	1	1		1		1		1		1		1		1		
11. Number of Baths	1.0	1.0		1.0		1.0		1.0		1.0		1.0		1.0		
12. Number of Rooms	3	3		3		3		3		3		3		3		
13. Balc./Terrace/Patio	N	Y	(\$ 5)	Y	(\$ 5)	Y	(\$ 5)	Y	(\$ 5)	Y	(\$ 5)	Y	(\$ 5)	Y	(\$ 5)	
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		L/0		L/0, G/75		L/0, G/75		
15. Equipment a. A/C	C	C		C		C		C		C		C		C		
b. Range/Refrigerator	RF	RF		RF		RF		RF		RF		RF		RF		
c. Disposal	D	Y		Y		Y		Y		Y		Y		Y		
d. Microwave/Dishwasher	MD	D	\$ 5	MD		D	\$ 5	MD		D	\$ 5	MD		D	\$ 5	
e. Washer/Dryer	L	L		HU	(\$ 5)	HU	(\$ 5)	HU	(\$ 5)	HU	(\$ 5)	L		L		
f. Carpet	C	C		C		C		C		C		C		C		
g. Drapes	B	B		B		B		B		B		B		B		
h. Pool/Rec. Area	ER	PER	(\$ 10)	PER	(\$ 10)	PER	(\$ 10)	PER	(\$ 10)	PER	(\$ 10)	PER	(\$ 10)	PER	(\$ 10)	
16. Services a. Heat/Type	N/E	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
b. Cooling	N/E	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
c. Cook/Type	N/E	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
d. Electricity	N	N		N		N		N		N		N		N		
e. Hot Water	N/E	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
f. Cold Water/Sewer	Y	Y		Y		N	\$ 41	Y		N	\$ 41	Y		N	\$ 41	
g. Trash	Y	Y		Y		N	\$ 15	Y		N	\$ 15	Y		N	\$ 15	
17. Storage	N	N		Y/0	(\$ 5)	Y/0	(\$ 5)	N		Y/0	(\$ 5)	N		Y/0	(\$ 5)	
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar		Similar		Similar		
19. Security	N	Y	(\$ 10)	Y	(\$ 10)	Y	(\$ 10)	N		Y	(\$ 10)	N		Y	(\$ 10)	
20. Clubhouse/Meeting Room	MR	C		C		C		C		C		C		C		
21. Special Features	N	N		N		N		N		N		N		N		
22. Business Center / Nbd Netwk	BC	N	\$ 5	BC		BC		BC		BC		BC		BC		
23. Unit Rent Per Month		\$ 806		\$ 865		\$ 886		\$ 645		\$ 895		\$ 886		\$ 895		
24. Total Adjustment			\$ 125		(\$ 5)		\$ 121		\$ 135		\$ 71		\$ 135		\$ 71	
25. Indicated Rent		\$ 931		\$ 860		\$ 1,007		\$ 780		\$ 966		\$ 931		\$ 966		
26. Correlated Subject Rent	\$ 950	If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$ 1,007	low rent	\$ 780	60% range	\$ 825	to	\$ 962								
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.				Appraiser's Signature <i>Samuel J. Hill</i>			Date (mm/dd/yy) 06/06/17			Reviewer's Signature			Date (mm/dd/yyyy)			

Previous editions are obsolete

form HUD-92273 (07/2003)

Two-Bedroom Units (902 SF) – As Complete

Estimates of Market Rent  
by Comparison - As Complete

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

OMB Approval No. 2502-0029  
(exp. 09/30/2016)

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1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
Two-Bedroom	Brightstone 2654 DeKalb Medical Parkway Lithonia, DeKalb, GA	Arbor Crossing Apartments 10 Arbor Crossing Drive Lithonia, DeKalb, GA			The Retreat at Stonecrest 40 Amanda Drive Lithonia, DeKalb, GA			Belle Vista Apartments 100 Camellia Lane Lithonia, DeKalb, GA			Woodcrest Village 2325 Woodcrest Walk Lithonia, DeKalb, GA			Lexington on the Green 5850 Hillandale Drive Lithonia, DeKalb, GA		
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	06/2017	06/2017		06/2017		06/2017		06/2017		06/2017		06/2017		06/2017		
4. Type of Project/Stories	E/4	WU/2.3	\$ 10	WU/3	\$ 10	WU/3	\$ 10	WU/2	\$ 10	WU/3	\$ 10	WU/3	\$ 10	WU/3	\$ 10	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies		Varies		Varies		
6. Project Occupancy %	Proposed	96%		97%		96%		96%		96%		97%		97%		
7. Concessions	N	N		N		N		N		N		N		N		
8. Year Built	Proposed	1989	\$ 145	2003	\$ 75	2001	\$ 85	1989	\$ 145	2001	\$ 85	1989	\$ 145	2001	\$ 85	
9. Sq. Ft. Area	902	1005	(\$ 25)	120	(\$ 50)	1031	(\$ 30)	1003	(\$ 20)	1161	(\$ 55)	1003	(\$ 20)	1161	(\$ 55)	
10. Number of Bedrooms	2	2		2		2		2		2		2		2		
11. Number of Baths	10	10		2.0	(\$ 30)	2.0	(\$ 30)	2.0	(\$ 30)	2.0	(\$ 30)	2.0	(\$ 30)	2.0	(\$ 30)	
12. Number of Rooms	4	4		4		4		4		4		4		4		
13. Balc./Terrace/Patio	N	Y	(\$ 5)	Y	(\$ 5)	Y	(\$ 5)	Y	(\$ 5)	Y	(\$ 5)	Y	(\$ 5)	Y	(\$ 5)	
14. Garage or Carport	L/O	L/O		L/O		L/O		L/O		L/O		L/O		L/O, G/75		
15. Equipment	a. A/C	C		C		C		C		C		C		C		
	b. Range/Refrigerator	RF		RF		RF		RF		RF		RF		RF		
	c. Disposal	D		Y		Y		Y		Y		Y		Y		
	d. Microwave/Dishwasher	MD	\$ 5	D	\$ 5	D	\$ 5	D	\$ 5	D	\$ 5	D	\$ 5	D	\$ 5	
	e. Washer/Dryer	L		L		HU	(\$ 5)	HU	(\$ 5)	HU	(\$ 5)	HU	(\$ 5)	L		
	f. Carpet	C		C		C		C		C		C		C		
	g. Drapes	B		B		B		B		B		B		B		
	h. Pool/Rec. Area	ER	(\$ 10)	PER	(\$ 10)	PER	(\$ 10)	PER	(\$ 10)	PER	(\$ 10)	PER	(\$ 10)	PER	(\$ 10)	
16. Services	a. Heat/Type	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
	b. Cooling	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
	c. Cook/Type	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
	d. Electricity	N		N		N		N		N		N		N		
	e. Hot Water	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
	f. Cold Water/Sewer	Y		Y		Y		N	\$ 48	Y		N	\$ 48	N	\$ 48	
	g. Trash	Y		Y		Y		N	\$ 15	Y		N	\$ 15	N	\$ 15	
17. Storage	N	N		Y/O	(\$ 5)	Y/O	(\$ 5)	N		Y/O	(\$ 5)	N		Y/O	(\$ 5)	
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar		Similar		Similar		
19. Security	N	Y	(\$ 10)	Y	(\$ 10)	Y	(\$ 10)	N		N		N		Y	(\$ 10)	
20. Clubhouse/Meeting Room	MR	C		C		C		C		C		C		C		
21. Special Features	N	N		N		N		N		N		N		N		
22. Business Center / Nbdh Netwk	BC	N	\$ 5	BC		BC		BC		BC		BC		BC		
23. Unit Rent Per Month		\$ 916		\$ 938		\$ 1059		\$ 877		\$ 989		\$ 877		\$ 989		
24. Total Adjustment			\$ 15		(\$ 30)		\$ 68		\$ 85		\$ 48		\$ 85		\$ 48	
25. Indicated Rent		\$ 1031		\$ 908		\$ 1127		\$ 962		\$ 1037		\$ 962		\$ 1037		
26. Correlated Subject Rent	\$ 1,035	If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$ 1,127	low rent	\$ 908	60% range	\$ 952	to	\$ 1,083								

Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.

Appraiser's Signature: *Samuel J. Self* Date (mm/dd/yy): 06/06/17 Reviewer's Signature: \_\_\_\_\_ Date (mm/dd/yyyy): \_\_\_\_\_



Two-Bedroom Units (902 SF) – As Complete

Estimates of Market Rent  
by Comparison - As Complete

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

OMB Approval No. 2502-0029  
(exp. 09/30/2016)

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1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)	
Two-Bedroom	Brightstone 2654 DeKalb Medical Parkway City, County, State	Arbor Crossing Apartments 10 Arbor Crossing Drive Lithonia, DeKalb, GA		The Retreat at Stonecrest 40 Amanda Drive Lithonia, DeKalb, GA		Belle Vista Apartments 100 Camellia Lane Lithonia, DeKalb, GA		Woodcrest Village 2325 Woodcrest Walk Lithonia, DeKalb, GA		Lexington on the Green 5850 Hillandale Drive Lithonia, DeKalb, GA	
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	06/2017	06/2017		06/2017		06/2017		06/2017		06/2017	
4. Type of Project/Stories	E/4	WU/2,3	\$10	WU/3	\$10	WU/3	\$10	WU/2	\$10	WU/3	\$10
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	Proposed	96%		97%		96%		96%		97%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	Proposed	1989	\$145	2003	\$75	2001	\$85	1989	\$145	2001	\$85
9. Sq. Ft. Area	902	1005	(\$25)	1120	(\$50)	1031	(\$30)	1003	(\$20)	1161	(\$55)
10. Number of Bedrooms	2	2		2		2		2		2	
11. Number of Baths	2.0	1.0	\$30	2.0		2.0		2.0		2.0	
12. Number of Rooms	4	4		4		4		4		4	
13. Balc./Terrace/Patio	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
14. Garage or Carport	L/O	L/O		L/O		L/O		L/O		L/O, G/75	
15. Equipment	a. A/C	C		C		C		C		C	
	b. Range/Refrigerator	RF		RF		RF		RF		RF	
	c. Disposal	D		Y		Y		Y		Y	
	d. Microwave/Dishwasher	MD	\$5	MD		D	\$5	MD		D	\$5
	e. Washer/Dryer	L		L		HU	(\$5)	HU	(\$5)	HU	(\$5)
	f. Carpet	C		C		C		C		C	
	g. Drapes	B		B		B		B		B	
	h. Pool/Rec. Area	ER	(\$10)	PER	(\$10)	PER	(\$10)	PER	(\$10)	PER	(\$10)
16. Services	a. Heat/Type	N/E		N/E		N/E		N/E		N/E	
	b. Cooling	N/E		N/E		N/E		N/E		N/E	
	c. Cook/Type	N/E		N/E		N/E		N/E		N/E	
	d. Electricity	N		N		N		N		N	
	e. Hot Water	N/E		N/E		N/E		N/E		N/E	
	f. Cold Water/Sewer	Y		Y		N	\$48	Y		N	\$48
	g. Trash	Y		Y		N	\$15	Y		N	\$15
17. Storage	N	N		Y/O	(\$5)	Y/O	(\$5)	N		Y/O	(\$5)
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar	
19. Security	N	Y	(\$10)	Y	(\$10)	Y	(\$10)	N		Y	(\$10)
20. Clubhouse/Meeting Room	MR	C		C		C		C		C	
21. Special Features	N	N		N		N		N		N	
22. Business Center / Nhd Netwk	BC	N	\$5	BC		BC		BC		BC	
23. Unit Rent Per Month		\$916		\$938		\$1059		\$877		\$989	
24. Total Adjustment			\$145				\$98		\$115		\$78
25. Indicated Rent		\$1061		\$938		\$1157		\$992		\$1067	
26. Correlated Subject Rent	\$1,065	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$1,157	low rent	\$938	60% range	\$982	to	\$1,113			
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.		Appraiser's Signature		Date (mm/dd/yy)		Reviewer's Signature		Date (mm/dd/yyyy)			
		<i>Samuel J. Steel</i>		06/06/17							

Previous editions are obsolete

form HUD-92273 (07/2003)

## ***Explanation of Adjustments and Market Rent Conclusions – As Complete***

### **Brightstone**

#### **Primary Unit Types – One-Bedroom Units (676 SF), Two-Bedroom/One-Bath Units (902 SF) and Two-Bedroom/Two-Bath Units (902 SF)**

**Please note:** Minor adjustments in the \$5 to \$10 range are based on the appraiser's evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (B) (2b) which states: "For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent."

Rent comparability grids were prepared for the primary unit types with 676, 902 and 902 square feet. Comparable apartments used include the following: Arbor Crossing Apartments (Comparable 1), The Retreat at Stonecrest (Comparable 2), Belle Vista Apartments (Comparable 3), Woodcrest Village (Comparable 4) and Lexington on the Green (Comparable 5).

**Structure/Stories** – The subject will be located in elevator four-story buildings. The comparables have walk-up two- and three-story buildings. In elevator buildings, the units on all floors are easily accessible without having to utilize stairs. Therefore, it is the appraiser's opinion that all units in elevator buildings would rent for a premium when compared to units not on the first floor in walk-up buildings. Although there is little market data available concerning walk-up developments versus elevator buildings, an adjustment is warranted. Due to insufficient market support, a nominal adjustment of \$10 per month was selected for the comparables.

**Project Occupancy** – The subject is proposed. The occupancy rates of the comparables range from 96 to 97 percent. No adjustment was needed.

**Concessions** – None of the comparables are currently offering concessions. No adjustment was needed.

**Year Built/Year Renovated** – The subject is proposed. It will be in good condition. Comparable 1 was built in 1989, and Comparable 2 was constructed in 2003. Comparable 3 was built in 2001, and Comparable 4 was built in 1989. Comparable 5 was constructed in 2001. All comparables will be inferior to varying degrees. It is difficult to determine adjustment amounts for condition/street appeal as it is difficult to determine rent level fluctuations based on these items. Therefore, it was necessary to rely in large part on opinions of area apartment managers and tenants. In addition, adjusted rents of the comparables were considered as the difference in rents of the comparables after everything else is

factored out is assumed to be attributable to condition/street appeal. After considering all factors, the comparables were adjusted \$5 per year for each year different from the subject's proposed completion date.

**SF Area** – For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable's dollar per square foot rental rate was determined. This number was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The median dollar per square foot rental rate is determined. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the for the one-bedroom comparison is \$0.25 and for the two-bedroom comparison is \$0.22. No adjustments were made to comparables within 25 square feet of the subject. The adjustments were rounded to the nearest \$5. These adjustments are reflected on the HUD-Forms 92273, which are attached.

**# of Bedrooms** – The subject will contain one- and two-bedroom units. The comparables are similar. No adjustments were needed.

**# of Baths** – The subject will contain one bath in the one-bedroom units and one or two baths in the two-bedroom units. Each complex with a differing number of baths than the subject was adjusted \$\$15 per half-bath or \$30 per full bath per month. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. The amount selected was chosen after a paired rental analysis was used to determine a range of \$5 to \$39 per bath, as can be seen in the table below. The first three results are half-bath differences, while the fourth result is a full bath difference.

	Arbor Crossing	The Park at Edinburg	Oaks at Stonecrest	Oaks at Stonecrest
<b>Small 2 BR Rent</b>	\$916	\$650	\$645	\$645
<b>Small 2 BR Size</b>	1,005	1,072	960	960
<b>Large 2 BR Rent</b>	\$941	\$715	\$650	\$695
<b>Large 2 BR Size</b>	1,060	1,144	960	1,008
<b>Size Adj Factor</b>	\$0.22	\$0.22	\$0.22	\$0.22
<b>Size Difference</b>	55	72	0	48
<b>Indicated Size Adj.</b>	\$12	\$16	\$0	\$11
<b>Adjusted 2 BR Rent</b>	\$929	\$699	\$650	\$684
<b>Indicated Bath Adj.</b>	<b>\$13</b>	<b>\$49</b>	<b>\$5</b>	<b>\$39</b>

The paired rental analysis range is determined by comparing units with differing numbers of baths and factoring out any other differences (amenities, utilities provided, etc.) if necessary. The resulting difference is assumed to be attributable to the differing number of baths. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected. As there was no majority for this paired analysis, a \$15 per half-bath or \$30 per full bath adjustment was selected for the comparables.

**Balcony/Patio** – The subject will not contain either amenity. All comparables contain balconies or patios. Although the comparables do not indicate a rent differential for units with these features versus units without these features, the added amenity is an enhancement. Therefore, a nominal \$5 adjustment was selected for these features.

**Parking** – The subject will contain open parking spaces. The comparables are similar. Comparable 5 also contains garage parking for \$75 per month. However, as ample parking similar to the subject is available for no additional fee, no adjustment was needed.

**AC: Central/Wall** – The subject will contain central air conditioning. All comparables are similar. No adjustments were needed.

**Range/Refrigerator** – The subject will contain both features in all units. All comparables contain these features in the units. No adjustment was needed.

**Garbage Disposal** – The subject will not contain a garbage disposal in the units. All comparables contain garbage disposals. Since there is no market data concerning units with this feature, no adjustment was given.

**Microwave/Dishwasher** – The subject will contain microwaves and dishwashers. All comparables contain dishwashers. Comparables 2 and 4 also contain microwaves. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, all comparables without microwaves were adjusted upward \$5 per month.

**Washer/Dryer** – The subject will contain a laundry facility. Comparables 1 and 5 contain laundry facilities. The remaining comparables contain washer/dryer hook-ups. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, Comparables 2, 3 and 4 were adjusted downward \$5 per month.

**Carpet** – The subject will contain carpet floor coverings in the units. All comparables contain carpet floor coverings in the units. No adjustments were needed.

**Drapes** – The subject will contain window coverings. All comparables contain window coverings. No adjustment was needed.

**Pool/Exercise Room/Recreation Areas** – The subject will contain an exercise room, picnic area, community garden, arts/crafts room, library and gazebo. Comparable 1 contains swimming pool, exercise room, picnic area, playground and tennis court. Comparable 2 contains swimming pool, exercise room, picnic area and playground. Comparable 3 contains swimming pool, exercise room, picnic area, playground, tennis court and soccer field. Comparable 4 contains swimming pool, exercise room, picnic area, playground and tennis court. Comparable 5 contains swimming pool, exercise room, picnic area, playground, tennis court and media center/movie theatre. No complex in the market area shows a rent differential based on this particular item; however, the added amenities are an enhancement. Therefore, each category was given a \$10 value. The subject will contain recreation in two categories, and the comparables contain all three categories of recreation. Therefore, the comparables were adjusted downward \$10 per month.

**Heat** – The subject will not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Cooling** – The subject will not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Cooking** – The subject will not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Electricity** – The subject will not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Hot Water** – The subject will not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Cold Water/Sewer** – The subject will provide both utilities. Comparables 1, 2 and 4 also provide cold water and sewer. The remaining comparables do not provide these utilities. These comparables were adjusted upward \$41 per month for one-bedroom units and \$48 per month for two-bedroom units as indicated by the Utility Allowance Schedule provided by the Georgia Department of Community Affairs.

**Trash** – The subject will provide both utilities. Comparables 1, 2 and 4 also provide cold water and sewer. The remaining comparables do not provide these utilities. These comparables were adjusted upward \$15 per month for both unit types as indicated by the Utility Allowance Schedule provided by the Georgia Department of Community Affairs.

**Extra Storage** – The subject will not contain this feature. Comparables 1 and 4 do not have extra storage. The remaining comparables do have extra storage. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement to the unit. Therefore, the comparables with extra storage were adjusted downward \$5 per month.

**Location** – The subject's location is average. All comparables are similar. No adjustment was needed.

**Security** – The subject will not contain any form of security. Comparable 1 contains a limited access gate and video surveillance. Comparable 2 contains limited access gate. Comparable 3 contains limited access gate. Comparable 5 contains intercom/electronic entry and limited access gate. Comparable 4 does not contain security. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement to the unit, particularly security that limits access to the property. Therefore, Comparables 1, 2, 3 and 5 were adjusted downward \$10 per month.

**Clubhouse/Meeting Room** – The subject will contain a meeting room. All comparables contain clubhouses. No adjustments were needed subject.

**Special Features** – The subject will not contain special features in the units. All comparables are similar to the subject. No adjustment was needed.

**Business Center/Neighborhood Network** – The subject will contain a business center. Comparables 2, 3, 4 and 5 contains business centers. Comparable 1 does not contain either amenity. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement to the property. Therefore, the comparables without business centers were adjusted downward \$5 per month.

**Conclusion of Market Rents – As Complete**

The adjusted rents range from \$780 to \$1,007 for the one-bedroom comparison; from \$908 to \$1,127 for the two-bedroom/one-bath comparison; and from \$938 to \$1,157 for the two-bedroom/two-bath comparison. All comparables were given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **676 SF One-Bedroom Units** - **\$950**
- **902 SF Two-Bedroom Units** - **\$1,035**
- **902 SF Two-Bedroom Units** - **\$1,065**

The following table shows the proposed rents at the subject. The estimated “as complete” market rents are above the proposed rents. Additionally, a restricted analysis was completed to determine the achievable rents for the subject. This analysis is shown in the addendum. The proposed rents are either below the adjusted restricted range or within the adjusted restricted range. Therefore, the proposed rents were considered achievable.

Unit Type	# of Units	Square Footage	Maximum Net LIHTC Rent	Proposed Rent	Utility Allowance
1/1	28	667	\$577	\$703	\$56
1/1	124	667	\$703	\$703	\$56
2/1	3	902	\$686	\$838	\$74
2/1	13	902	\$838	\$838	\$74
2/2	2	902	\$686	\$838	\$74
2/2	5	902	\$838	\$838	\$74

**Rent Comparables**

**Multi-Family Lease No. 1**



**Property Identification**

**Record ID** 17069  
**Property Type** Walk-Up  
**Property Name** Arbor Crossing Apartments  
**Address** 10 Arbor Crossing Drive, Lithonia, DeKalb County, Georgia 30058  
**Market Type** Market

**Verification** Tamera; 770-981-5471, June 06, 2017

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1	60	690	\$740	\$1.07
1/1		790	\$841	\$1.06
2/1	124	1,005	\$916	\$0.91
2/1		1,060	\$941	\$0.89
3/2	56	1,250	\$1,041	\$0.83
3/2		1,300	\$1,066	\$0.82

**Occupancy** 96%  
**Rent Premiums** N



**Multi-Family Lease No. 1 (Cont.)**

<b>Total Units</b>	240
<b>Unit Size Range</b>	690 - 1300
<b>Avg. Unit Size</b>	983
<b>Avg. Rent/Unit</b>	\$901
<b>Avg. Rent/SF</b>	\$0.92

<b>SF</b>	236,020
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**Physical Data**

<b>No. of Buildings</b>	13
<b>Construction Type</b>	Siding
<b>HVAC</b>	Central Elec/Central Elec
<b>Stories</b>	2, 3
<b>Utilities with Rent</b>	Water, Sewer, Trash Collection
<b>Parking</b>	L/O
<b>Year Built</b>	1989
<b>Condition</b>	Average
<b>Gas Utilities</b>	None
<b>Electric Utilities</b>	All

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Ceiling Fans, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court, Car Wash Area, On-Site Management, On-Site Maintenance, Limited Access Gate, Video Surveillance

**Remarks**

The property does not maintain a waiting list.

**Multi-Family Lease No. 2**



**Property Identification**

**Record ID** 17114  
**Property Type** Walk-Up  
**Property Name** The Retreat at Stonecrest Apartments  
**Address** 40 Amanda Drive, Lithonia, DeKalb County, Georgia 30058  
**Market Type** Market

**Verification** Leasing Agent; 770-482-3887, June 06, 2017

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	114	890	\$865	\$0.97
2/2	120	1,120	\$938	\$0.84
2/2	24	1,170	\$1,023	\$0.87
3/2	18	1,350	\$1,090	\$0.81

**Occupancy** 97%  
**Rent Premiums** N  
**Total Units** 276  
**Unit Size Range** 890 - 1350

**Multi-Family Lease No. 2 (Cont.)**

<b>Avg. Unit Size</b>	1,044
<b>Avg. Rent/Unit</b>	\$925
<b>Avg. Rent/SF</b>	\$0.89
<b>SF</b>	288,240

**Physical Data**

<b>No. of Buildings</b>	5
<b>Construction Type</b>	Brick
<b>HVAC</b>	Central Elec/Central Elec
<b>Stories</b>	3
<b>Utilities with Rent</b>	Water, Sewer, Trash Collection
<b>Parking</b>	L/0
<b>Year Built</b>	2003
<b>Condition</b>	Average
<b>Gas Utilities</b>	None
<b>Electric Utilities</b>	All

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Vinyl, Wood, Blinds, Ceiling Fans, Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Laundry Facility, On-Site Management, On-Site Maintenance

**Remarks**

The property does not maintain a waiting list.

**Multi-Family Lease No. 3**



**Property Identification**

**Record ID** 17115  
**Property Type** Walk-Up  
**Property Name** Belle Vista Apartments  
**Address** 100 Camellia Lane, Lithonia, DeKalb County, Georgia 30058  
**Market Type** Market

**Verification** Jeremy; 770-744-4672, June 06, 2017

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	54	657	\$886	\$1.35
1/1	54	750	\$932	\$1.24
2/2	72	1,031	\$1,059	\$1.03
2/2	72	1,247	\$1,146	\$0.92
3/2	60	1,247	\$1,285	\$1.03

**Occupancy** 96%  
**Rent Premiums** N  
**Total Units** 312

**Multi-Family Lease No. 3 (Cont.)**

<b>Unit Size Range</b>	657 - 1247
<b>Avg. Unit Size</b>	1,009
<b>Avg. Rent/Unit</b>	\$1,071
<b>Avg. Rent/SF</b>	\$1.06

<b>SF</b>	314,814
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**Physical Data**

<b>No. of Buildings</b>	14
<b>Construction Type</b>	Siding
<b>HVAC</b>	Central Elec
<b>Stories</b>	3
<b>Utilities with Rent</b>	None
<b>Parking</b>	L/O
<b>Year Built</b>	2001
<b>Condition</b>	Average
<b>Gas Utilities</b>	None
<b>Electric Utilities</b>	All

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Wood Composite, Blinds, Ceiling Fans, Walk-In Closet, Balcony, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court, Extra Storage, Business Center, Soccer Field, Laundry Facility, Limited Access Gate

**Remarks**

The property does not maintain a waiting list.



**Multi-Family Lease No. 4**



**Property Identification**

**Record ID** 17116  
**Property Type** Walk-Up  
**Property Name** Woodcrest Village  
**Address** 2325 Woodcrest Walk, Lithonia, DeKalb County, Georgia 30058  
**Market Type** Market

**Verification** Management; 844-661-6977, June 06, 2017

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	64	573	\$644	\$1.12
1/1	104	652	\$645	\$0.99
2/2	176	1,003	\$877	\$0.87

**Occupancy** 96%  
**Rent Premiums** N  
**Total Units** 344  
**Unit Size Range** 573 - 1003  
**Avg. Unit Size** 817  
**Avg. Rent/Unit** \$764  
**Avg. Rent/SF** \$0.93

**Multi-Family Lease No. 4 (Cont.)**

**SF** 281,008

**Physical Data**

<b>No. of Buildings</b>	19
<b>Construction Type</b>	Siding
<b>HVAC</b>	Central Elec/Central Elec
<b>Stories</b>	2
<b>Utilities with Rent</b>	Water, Sewer, Trash Collection
<b>Parking</b>	L/O
<b>Year Built</b>	1989
<b>Condition</b>	Average
<b>Gas Utilities</b>	None
<b>Electric Utilities</b>	All

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Wood Composite, Blinds, Ceiling Fans, Vaulted Ceilings, Fireplace, Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court, Business Center, Car Wash Area, Laundry Facility, On-Site Management

**Remarks**

The property does not maintain a waiting list.

**Multi-Family Lease No. 5**



**Property Identification**

**Record ID** 17117  
**Property Type** Walk-Up  
**Property Name** Lexington on the Green  
**Address** 5850 Hillandale Drive, Lithonia, DeKalb County, Georgia 30058  
**Market Type** Market

**Verification** Paula; 770-416-8066, June 06, 2017

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	72	884	\$895	\$1.01
2/2	114	1,161	\$989	\$0.85
3/2	30	1,354	\$1,110	\$0.82

**Occupancy** 97%  
**Rent Premiums** N  
**Total Units** 216  
**Unit Size Range** 884 - 1354  
**Avg. Unit Size** 1,095  
**Avg. Rent/Unit** \$974  
**Avg. Rent/SF** \$0.89  
  
**SF** 236,622



**Multi-Family Lease No. 5 (Cont.)**

**Physical Data**

<b>No. of Buildings</b>	15
<b>Construction Type</b>	Brick/Siding
<b>HVAC</b>	Central Elec/Central Elec
<b>Stories</b>	3
<b>Utilities with Rent</b>	None
<b>Parking</b>	L/0, G/75
<b>Year Built</b>	2001
<b>Condition</b>	Average
<b>Gas Utilities</b>	None
<b>Electric Utilities</b>	All

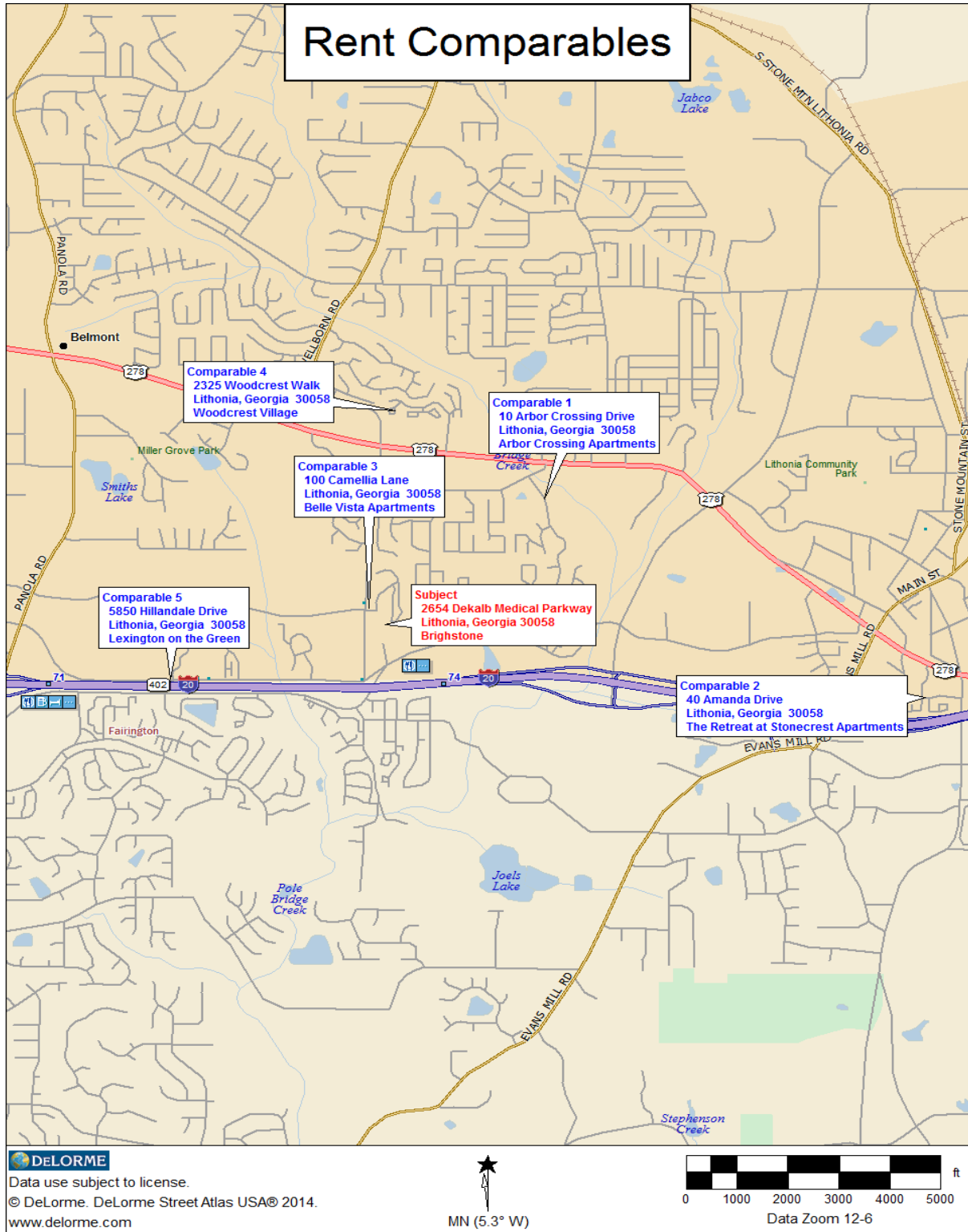
**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Vaulted Ceilings (Select), Fireplace, Walk-In Closet (Select), Balcony (Select), Patio (Select), Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court, Extra Storage, Business Center, Media Center/Movie Theatre, Car Wash Area, Laundry Facility, On-Site Management, On-Site Maintenance, Intercom Entry, Limited Access Gate

**Remarks**

The property does not maintain a waiting list.

Rent Comparable Map



## Summary and Conclusion

Comparable apartment complexes were analyzed as shown on the attached HUD-Forms 92273. Adjustments were based on market rates for individual items as discussed on the previous pages. After analyzing the aforementioned data, market rates were established with special emphasis placed on the best comparables for each unit type to arrive at the estimated market rents as shown in the chart below. After all adjustments, the comparables with the least amount of adjustments for each bedroom type were considered to determine market rates. These rates were used throughout the report as the “Market Rates” for all subject apartment types.

## Potential Gross Rental Income

### Total Potential Gross Rental Income (Restricted Rent As Complete)

# of Units	Unit Type	Unit SF	Proposed Rent	Potential Gross Income
152	1/1	667	\$703	\$106,856
16	2/1	902	\$838	\$13,408
7	2/2	902	\$838	\$5,866
Total Potential Monthly Rental Income				\$126,130
				x 12
Total Potential Gross Rental Income				\$1,513,560
Miscellaneous Income				\$30,000
<b>Total Potential Gross Income</b>				<b>\$1,543,560</b>

### Total Potential Gross Rental Income (Market Rent As Complete)

# of Units	Unit Type	Unit SF	Market Rent	Potential Gross Income
152	1/1	667	\$950	\$144,400
16	2/1	902	\$1,035	\$16,560
7	2/2	902	\$1,065	\$7,455
Total Potential Monthly Rental Income				\$168,415
				x 12
Total Potential Gross Rental Income				\$2,020,980
Miscellaneous Income				\$30,000
<b>Total Potential Gross Income</b>				<b>\$2,050,980</b>

## Vacancy and Expense Explanations

### Vacancy and Collection Loss

*Vacancy and collection loss is an allowance for reductions in potential rental income because space is not leased or rents that are due cannot be collected.*

Annual rent collections are typically less than the potential annual gross income; therefore, an allowance for vacancy and collection loss is typically included in an appraisal of income-producing property. The allowance is usually estimated as a percentage of potential gross income. The percentage varies according to the type and characteristics of the physical property, the quality of tenancy, current and projected supply and demand relationships, and general and local economic conditions.

The field/phone survey was conducted in June 2017. Six market-rate properties responded to the survey and five restricted properties, including the subject, responded to the survey. Of the apartments surveyed an overall vacancy rate of five percent was determined for the market-rate vacancy and zero percent was determined for the restricted vacancy. After considering the vacancy rate of the subject and the comparables, a vacancy rate of five percent was deemed appropriate for “as complete” conventional housing; and five percent was deemed appropriate for “as complete” affordable housing.

### **Expenses**

To develop an estimate of the net operating income, the appraiser analyzes data for the property. Net operating income (NOI), the income remaining after total expenses have been deducted from the effective gross income, may be calculated before or after deducting replacement reserves. The actual expenses a landlord is required to defray include two specific categories: those incurred by the property itself, such as taxes and insurance, and those resulting from the operation of the property, such as utilities and maintenance. Generally, expenses incurred by the property per se are called fixed expenses. Expenses tied to the operation of the property, which rise or fall with occupancy, are called variable expenses.

### **Management**

Building size determines the type of management. Generally, buildings of more than 25 units are of sufficient size to bear the additional burden of professional property management; larger high-rise or garden apartment projects of over 40 units often require the additional services of a site or resident manager. Lenders generally prefer that properties be professionally managed.

A property manager reports to the property owners, sets rent levels, establishes marketing procedures and does the fiscal planning for the project. The property manager also supervises on-site employees, among whom the resident manager is responsible for looking after the day-to-day dealings with the tenants, leasing of units, collection of rents, and coordination of routine and long-term building maintenance. The resident manager may oversee janitorial staff, an on-site maintenance crew, or various outside contractors. Large-scale apartment projects and newly built developments also employ leasing agents to fill vacancies or negotiate lease renewals and to assist with marketing programs, promotion, and advertising.

### **Tax and Assessment Information**

Real property taxes are based on ad valorem assessments. The records of the county assessor or tax collector can provide the details of a property's assessed value and annual tax burden. From the present assessment data and recent history of tax rates, the appraiser can formulate conclusions about future taxes. Property taxes directly increase the cost of ownership and therefore reduce the net income derived from the rental of apartment units. The fairness of the assessment and anticipated future taxes must be thoroughly analyzed and their impact on value considered in the property appraisal. Property taxes are generally imposed to pay for local government services such as firefighting, police protection and schools. Apartment properties in well-run communities, however, will attract potential tenants willing to pay higher rents for the superior services provided.

Special assessments are levied to pay for infrastructure development (roads or utilities) and extraordinary services (fire or police protection). Ideally, the value of the properties' subject to special assessment is not penalized. The enhancement resulting from the new infrastructure or the provision of additional services should offset the tax increase. However, when a property is subject to a special assessment that exceeds the benefit derived, the value of the property is diminished.

### **Insurance**

The insurance expense is the responsibility of the landlord.

### **Maintenance**

The property manager is responsible for the janitorial staff and on-site maintenance crew and various outside contractors.

### **Utilities and Service**

Water, electricity, natural or liquid petroleum (propane) gas, sewage, trash collection, street maintenance, telephone and cable television are essential utilities and services in most residential markets. If the utilities on the site are inadequate, the cost of improving utility service must be considered. Utilities may be publicly provided or privately owned as part of a community system. In some cases, utilities are individual to the site. The availability and reliability of utilities have a direct bearing on the amount of rent a tenant will pay. At the same time, the cost of utility services is an operating expense that affects the potential net income of the project. The effect of this expenditure is investigated by comparing the costs of utilities and services at competing buildings in relation to rents with the costs incurred by the subject.

### **Reserves for Replacement**

For large properties, the cost of replacing items such as heating/cooling equipment or hallway carpeting may occur regularly. Thus, an allowance for replacements is treated as a separate expense. Even for smaller apartment properties, however, mortgage lenders and property managers may require that part of net operating income be withheld as a reserve to fund the replacement of building components. Consequently, appraisers often estimate an allowance for replacements when projecting cash flow to be capitalized into market value. Other allowances are sometimes made for unusual circumstances—e.g., reserves to cover periodic non-annual repairs, eventual compliance with environmental regulations (asbestos removal), or bringing the building up to code for handicapped persons. Estimates of such reserves should be included in the income forecast if the appraiser believes the situation warrants it.

Because possible differences in the way accountants and property managers enter line-item expenses, the appraiser should ensure the subject property's operating statement is reconstructed to provide that the expense items recorded correspond to proper appraisal practice. In the reconstruction of the operating statement 1) nonrecurring past items are not repeated, 2) any deductions taken for non-operating expenses (personal expenses) are eliminated, 3) ambiguous, repetitive or atypical expense items are recategorized and 4) line items are appropriately grouped to facilitate analysis.

An expense comparison should be made on a uniform or standardized basis. If most of the expense comparables include a replacement reserve, an estimate of this item should be included in the reconstructed operating statement for the subject property. Recategorizing expense items allows the appraiser to compare the operation of the subject with the operating expenses of other properties and the expense averages from benchmark data.

For example, apartment managers often record air conditioning as an expense category. In some cases, this may simply cover the cost of maintaining the equipment, while in others it includes allocations for water, electricity, supplies (filters) and maintenance. Similarly, the category for management may reflect different items because of different ways of operating a property. Some apartment managers will contract for landscaping, snow removal, boiler maintenance and redecoration, while others have these functions performed by on-site managers. By grouping all expense items that are management-controllable, the appraiser will be able to compare the operations of building maintained on contract accounts with those of buildings that employ a permanent workforce to look after maintenance.

Utility expense often differ among properties because some managers operate apartments on a "self-contained" basis, whereby tenants pay directly for meterable natural gas and electricity, while other managers pay the costs of fuel for heating and cooking but not for electricity. Typically, the landlord

absorbs all utility charges incurred by vacant units and public spaces (corridors, lobbies, office, basement storage rooms, laundry, parking and exterior lighting) as well as water and sewer charges.

In analyzing operating expenses, the appraiser may also consult benchmark data. For example, the Institute of Real Estate Management's annual reports include the following groupings:

- \* Administration and management
- \* Utilities
- \* Repairs and maintenance
- \* Real estate taxes and insurance
- \* Payroll (salaries for maintenance and administrative staff)

These data are quoted per square foot of rentable area, as dollars per unit, and as percentage of effective gross income. Such data may be compared against the historic expense data for the subject and cited in the appraisal report. In this instance, the benchmark data was merely used to reflect the validity of my report.

### **Market Rent and Contract Rent**

In the income capitalization approach, the appraiser arrives at an estimate of market rent, or rental income the subject property would likely command in the open market, by analyzing current rents paid and asked for space in comparable buildings. Estimated market rent is important for both proposed and operating properties. In the case of the former, market rent allows the forecast of gross income, and with the latter it is used to calculate the income for vacant rental space or space occupied by the ownership or property management. Contract rent is the actual rental income specified in a lease. It is calculated for operating properties from existing leases, including month-to-month extensions of former leases. It is essential to specify whether the cited rent is 1) the former or existing contract rent, 2) the asking amount sought by the landlord or property manager or 3) the market rent estimated by the appraiser.

### **Other Miscellaneous Income**

In addition to income from apartment rents, income to the building may be generated from a variety of sources. License fees are paid for temporary, nonexclusive use of special facilities, such as party room or swimming pool fees. Service fees are charged for elective maid service. An apartment project may earn concession income from coin telephones, vending machines and laundry room equipment.

Rental income can also be generated from non-apartment space such as an on-site retail store, restaurant, beauty parlor or physician's office. A parking garage may be leased to an operator or, alternatively, the building may directly license the parking spaces to tenants or non-tenants (on-site parking, however, is often available to tenants at no additional charge). Finally, interest income may

accrue on the balance between rents collected in advance and expenses paid in arrears. Interest can also be earned on security deposits, although in some jurisdictions such interest must ultimately be paid back to the tenants. Thus, other income includes rent for non-apartment space and miscellaneous income from various tenant charges.

In many instances, a significant degree of the apartment project's income stream is imputable to intangible as well as tangible personality. Apartment properties may earn business income from profits on the rental of in-suite furniture to tenants, marking up the cost of electricity privately metered to tenants, as well as for opening tenants' doors when the key is left inside, licensing the concierge function and the coin machines, profit centers such as storage rooms (including the sale of abandoned tenant goods), and the interest on company bank accounts.



**Operating Expenses & Restricted Projections**

**Property: Brightstone**  
 # of Rental Units: 175  
**Revenue and Expense Analysis**  
**Historical and Proforma**  
 % change compared to preceding year.

<b>REVENUE - Annual</b>		
	<b>Budget</b>	<b>PUPA</b>
<b>Residential &amp; Ancillary Income</b>		
Annual Gross Potential Rental Income	1,513,560	8,649
Annual Ancillary Income	30,271	173
Annual Gross Potential Income	1,543,831	8,822
Occupancy	93.00%	618
Effective Gross Income (EGI)	1,435,763	8,204

<b>ITEMIZED EXPENSES - Annual</b>		
<b>Estimate of Annual Expense</b>		
	<b>Budget</b>	<b>PUPA</b>
<b>Administrative</b>		
Advertising	5,000	29
Management Fee	71,788	410
Other (Specify)	45,100	258
<b>Total Administrative</b>	<b>121,888</b>	<b>697</b>
<b>Operating</b>		
Elevator Maintenance Exp.	21,000	120
Fuel	0	0
Lighting and Misc. Power	67,500	386
Water	132,500	757
Gas	0	0
Garbage and Trash Removal	25,000	143
Payroll	140,000	800
Other (Specify)	8,000	46
<b>Total Operating</b>	<b>394,000</b>	<b>2,251</b>
<b>Maintenance</b>		
Decorating	6,727	38
Repairs	32,500	186
Exterminating	6,800	39
Insurance	49,193	281
Ground Expense	10,000	57
Other (specify)	0	0
<b>Total Maintenance</b>	<b>105,220</b>	<b>601</b>
<b>Taxes</b>		
Real Estate Tax	143,000	817
Personal Property Tax	0	0
Employee Payroll Tax	0	0
Employee Benefits	27,000	154
Other	0	0
<b>Total Taxes</b>	<b>170,000</b>	<b>971</b>
Operating Exp. before RFR	<b>791,108</b>	<b>4,521</b>
Reserve For Replacement	43,750	250
<b>Operating Exp. Incl. RFR</b>	<b>834,858</b>	<b>4,771</b>
<b>NOI</b>	<b>600,905</b>	<b>3,434</b>

**Property: Brightstone**  
 # of Rental Units: 175  
**Revenue and Expense Analysis**  
**Historical and Proforma**  
 % change compared to preceding year.

REVENUE - Annual	As Complete			REVENUE - Annual
	Restricted Projections	PUPA	%	
<b>Residential &amp; Ancillary Income</b>				Residential & Ancillary Income
Annual Gross Potential Rental Income	1,513,560	8,649	0%	Annual Gross Potential Rental Income
Annual Ancillary Income	30,000	171	-1%	Annual Ancillary Income
Annual Gross Potential Income	1,543,560	8,820	0%	Annual Gross Potential Income
Occupancy	95.00%	441	2%	Occupancy
Effective Gross Income (EGI)	1,466,382	8,379	2%	Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual Estimate of Annual Expense	As Complete			ITEMIZED EXPENSES - Annual Estimate of Annual Expense
	Restricted Projections	PUPA	%	
<b>Administrative</b>				Administrative
Advertising	5,250	30	5%	Advertising
Management Fee	73,319	419	2%	5.000% Management Fee
Other (Specify)	74,375	425	65%	Other (Specify)
<b>Total Administrative</b>	<b>152,944</b>	<b>874</b>	<b>25%</b>	<b>Total Administrative</b>
<b>Operating</b>				Operating
Elevator Maintenance Exp.	21,000	120	0%	Elevator Maintenance Exp.
Fuel	0	0	0	Fuel
Lighting and Misc. Power	67,375	385	0%	Lighting and Misc. Power
Water	133,875	765	1%	Water
Gas	0	0	0	Gas
Garbage and Trash Removal	26,250	150	5%	Garbage and Trash Removal
Payroll	131,250	750	-6%	Payroll
Other (Specify)	8,750	50	9%	Other (Specify)
<b>Total Operating</b>	<b>388,500</b>	<b>2,220</b>	<b>-1%</b>	<b>Total Operating</b>
<b>Maintenance</b>				Maintenance
Decorating	7,000	40	4%	Decorating
Repairs	32,375	185	0%	Repairs
Exterminating	7,000	40	3%	Exterminating
Insurance	49,875	285	1%	Insurance
Ground Expense	10,500	60	5%	Ground Expense
Other (specify)	0	0	0	Other (specify)
<b>Total Maintenance</b>	<b>106,750</b>	<b>610</b>	<b>1%</b>	<b>Total Maintenance</b>
<b>Taxes</b>				Taxes
Real Estate Tax	143,500	820	0%	Real Estate Tax
Personal Property Tax	0	0	0	Personal Property Tax
Employee Payroll Tax	0	0	0	Employee Payroll Tax
Employee Benefits	27,125	155	0%	Employee Benefits
Other	0	0	0	Other
<b>Total Taxes</b>	<b>170,625</b>	<b>975</b>	<b>0%</b>	<b>Total Taxes</b>
Operating Exp. before RFR	<b>818,819</b>	<b>4,679</b>	<b>4%</b>	Operating Exp. before RFR
Reserve For Replacement	43,750	250	0%	Reserve For Replacement
<b>Operating Exp. Incl. RFR</b>	<b>862,569</b>	<b>4,929</b>	<b>3%</b>	<b>Operating Exp. Incl. RFR</b>
<b>NOI</b>	<b>603,813</b>	<b>3,450</b>	<b>0%</b>	<b>NOI</b>

## Estimating Restricted Expenses Per Unit

Estimating Restricted Expenses Per Unit						
Subject As Complete	Expenses	Comparable One	Comparable Two	Comparable Three	Comparable Four	IREM Region IV
\$30	Advertising	\$60	\$0	\$4	\$4	\$0
\$419	Management	\$305	\$538	\$489	\$178	\$440
\$425	Other Administrative Expenses	\$579	\$0	\$405	\$908	\$524
\$120	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$39
\$385	Lighting & Misc. Power	\$118	\$127	\$179	\$138	\$169
\$765	Water/Sewer	\$818	\$601	\$129	\$18	\$517
\$0	Gas	\$4	\$0	\$0	\$17	\$25
\$150	Garbage/Trash Removal	\$116	\$155	\$53	\$155	\$0
\$750	Payroll	\$352	\$981	\$690	\$484	\$750
\$50	Other Operating Expenses	\$14	\$260	\$0	\$67	\$523
\$40	Decorating	\$251	\$0	\$0	\$237	\$107
\$185	Repairs	\$177	\$533	\$326	\$563	\$311
\$40	Exterminating	\$35	\$46	\$57	\$30	\$0
\$285	Insurance	\$195	\$191	\$186	\$284	\$267
\$60	Ground Expenses	\$139	\$250	\$241	\$191	\$199
\$0	Other Maintenance	\$0	\$0	\$0	\$0	\$0
\$820	Real Estate Taxes	\$507	\$212	\$239	\$393	\$402
\$0	Payroll Taxes	\$60	\$0	\$0	\$84	\$0
\$155	Employee Benefits	\$145	\$20	\$69	\$80	\$0
\$0	Other Taxes	\$0	\$10	\$8	\$0	\$8
\$250	Replacement Reserves	\$0	\$277	\$0	\$0	\$0
\$4,929	<b>Total Per Unit</b>	\$3,875	\$4,201	\$3,075	\$3,831	\$4,281

**Comments:**

Subject expenses were estimated based on comparable apartments and industry norms. Comparable apartment expenses were estimated after discussions with area apartment managers. The comparable estimates were substantiated by the *2016 Income/Expense Analysis: Conventional Apartments* printed by the Institute of Real Estate Management. No major fluctuations from the total expenses per unit are anticipated from the expenses provided above, although itemized expenses may deviate on the specific factors affecting the individual properties.

The expenses for the comparable apartments vary per unit but are consistently between 51 and 81 percent of the gross rent potential. The subject's expenses were estimated at 57 percent of the gross rent potential which is within the comparable range. Market expenses for the subject were categorized similar to the actual expenses as different properties categorize expenses in different ways. Explanations of specific itemized expenses are indicated on the following pages.

**Itemized Expense Explanations - Restricted  
Expense Numbers per Unit**

<b>Expense</b>	<b>As Stabilized</b>	<b>Comp Range</b>
1. Advertising	\$30	\$0- \$60
<p>An advertising expense of \$30 per unit was projected for the subject. A comparable range of \$0 to \$60 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> expense for Section 42 properties printed by Institute of Real Estate Management.</p>		
2. Management	\$419	\$178-\$538
<p>A management expense of \$419 per unit was projected. A comparable range of \$178 to \$538 was determined. The expense was projected based on five percent of the effective gross income.</p>		
3. Other Administrative	\$425	\$0- \$908
<p>An other administrative expense of \$425 per unit was projected. A comparable range of \$0 to \$908 was determined. The expense was projected considering the subject's budget, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> expense for Section 42 properties printed by Institute of Real Estate Management.</p>		
4. Elevator	\$120	\$0- \$0
<p>The budget indicated \$120 per unit. The comparables were all walk-up facilities and did not contain elevator expenses. The <i>2016 Income/Expense Analysis: Conventional Apartments</i> expense for Section 42 properties printed by Institute of Real Estate Management does not indicate a specific expense for elevators. Therefore, the budget was utilized to determine the projection.</p>		
5. Fuel	\$0	\$0- \$0
<p>The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.</p>		
6. Lighting & Misc. Power	\$385	\$118-\$179
<p>A lighting and miscellaneous power expense of \$385 was projected for the subject. A comparable range of \$118 to \$179 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> expense for Section 42 properties printed by Institute of Real Estate Management.</p>		

- |    |             |       |             |
|----|-------------|-------|-------------|
| 7. | Water/Sewer | \$765 | \$18- \$818 |
|----|-------------|-------|-------------|
- A water/sewer expense of \$765 per unit was projected for the subject. A comparable range of \$18 to \$818 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* expense for Section 42 properties printed by Institute of Real Estate Management.
- |    |     |     |          |
|----|-----|-----|----------|
| 8. | Gas | \$0 | \$0-\$17 |
|----|-----|-----|----------|
- A gas expense of \$0 per unit was projected for the subject. A comparable range of \$0 to \$17 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* expense for Section 42 properties printed by Institute of Real Estate Management.
- |    |                       |       |             |
|----|-----------------------|-------|-------------|
| 9. | Garbage/Trash Removal | \$150 | \$53- \$155 |
|----|-----------------------|-------|-------------|
- A garbage/trash removal expense of \$150 per unit was projected for the subject. A comparable range of \$53 to \$155 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* expense for Section 42 properties printed by Institute of Real Estate Management.
- |     |         |       |             |
|-----|---------|-------|-------------|
| 10. | Payroll | \$750 | \$352-\$981 |
|-----|---------|-------|-------------|
- The payroll expense of \$750 per unit was projected. A comparable range of \$352 to \$981 was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* expense for Section 42 properties printed by Institute of Real Estate Management.
- |     |                          |      |           |
|-----|--------------------------|------|-----------|
| 11. | Other Operating Expenses | \$50 | \$0-\$260 |
|-----|--------------------------|------|-----------|
- An other operating expense of \$50 per unit was projected. A comparable range of \$0 to \$260 was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* expense for Section 42 properties printed by Institute of Real Estate Management.
- |     |            |      |            |
|-----|------------|------|------------|
| 12. | Decorating | \$40 | \$0- \$251 |
|-----|------------|------|------------|
- A decorating expense of \$40 was projected. A comparable range of \$0 to \$251 was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* expense for Section 42 properties printed by Institute of Real Estate Management.

13. Repairs \$185 \$177- \$563  
A repairs expense of \$185 was projected for the as is scenario. A comparable range of \$177 to \$563 was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* expense for Section 42 properties printed by Institute of Real Estate Management.
14. Exterminating \$40 \$30- \$57  
An exterminating expense of \$40 per unit was projected. A comparable range of \$30 to \$57 was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* expense for Section 42 properties printed by Institute of Real Estate Management.
15. Insurance \$285 \$186- \$284  
An insurance expense of \$285 per unit was projected. A comparable range of \$186 to \$284 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* expense for Section 42 properties printed by Institute of Real Estate Management.
16. Ground Expenses \$60 \$139-\$250  
A ground expense of \$60 per unit was projected. A comparable range of \$139 to \$250 was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* expense for Section 42 properties printed by Institute of Real Estate Management.
17. Other Maintenance \$0 \$0- \$0  
Other maintenance expenses of \$0 per unit were projected for the subject. A comparable range of \$0 to \$0 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* expense for Section 42 properties printed by Institute of Real Estate Management.
18. Real Estate Taxes \$820 \$212- \$507  
A real estate tax expense of \$820 per unit was projected for the subject based on the information obtained by the DeKalb County Assessor's Office and the budget.



Operating Expenses & Market Projections

**Property: Brightstone**  
 # of Rental Units: 175  
**Revenue and Expense Analysis**  
**Historical and Proforma**  
 % change compared to preceding year.

<b>REVENUE - Annual</b>		
	<b>Budget</b>	<b>PUPA</b>
<b>Residential &amp; Ancillary Income</b>		
Annual Gross Potential Rental Income	1,513,560	8,649
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Annual Gross Potential Income	1,543,831	8,822
Occupancy	93.00%	618
Effective Gross Income (EGI)	1,435,763	8,204

<b>ITEMIZED EXPENSES - Annual</b>		
<b>Estimate of Annual Expense</b>		
	<b>Budget</b>	<b>PUPA</b>
<b>Administrative</b>		
Advertising	5,000	29
Management Fee	71,788	410
Other (Specify)	45,100	258
<b>Total Administrative</b>	<b>121,888</b>	<b>697</b>
<b>Operating</b>		
Elevator Maintenance Exp.	21,000	120
Fuel	0	0
Lighting and Misc. Power	67,500	386
Water	132,500	757
Gas	0	0
Garbage and Trash Removal	25,000	143
Payroll	140,000	800
Other (Specify)	8,000	46
<b>Total Operating</b>	<b>394,000</b>	<b>2,251</b>
<b>Maintenance</b>		
Decorating	6,727	38
Repairs	32,500	186
Exterminating	6,800	39
Insurance	49,193	281
Ground Expense	10,000	57
Other (specify)	0	0
<b>Total Maintenance</b>	<b>105,220</b>	<b>601</b>
<b>Taxes</b>		
Real Estate Tax	143,000	817
Personal Property Tax	0	0
Employee Payroll Tax	0	0
Employee Benefits	27,000	154
Other	0	0
<b>Total Taxes</b>	<b>170,000</b>	<b>971</b>
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<b>NOI</b>	<b>600,905</b>	<b>3,434</b>



**Property: Brightstone**  
 # of Rental Units: 175  
**Revenue and Expense Analysis**  
**Historical and Proforma**  
 % change compared to preceding year.

REVENUE - Annual	As Complete			REVENUE - Annual
	Market			
	Projections	PUPA	%	
<b>Residential &amp; Ancillary Income</b>				Residential & Ancillary Income
Annual Gross Potential Rental Income	2,020,980	11,548	34%	Annual Gross Potential Rental Income
Annual Ancillary Income	30,000	171	-1%	Annual Ancillary Income
Annual Gross Potential Income	2,050,980	11,720	33%	Annual Gross Potential Income
Occupancy	95.00%	586	2%	Occupancy
Effective Gross Income (EGI)	1,948,431	11,134	36%	Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual	As Complete			ITEMIZED EXPENSES - Annual
Estimate of Annual Expense	Market			Estimate of Annual Expense
	Projections	PUPA	%	
<b>Administrative</b>				Administrative
Advertising	5,250	30	5%	Advertising
Management Fee	77,937	445	9%	4.000% Management Fee
Other (Specify)	52,500	300	16%	Other (Specify)
<b>Total Administrative</b>	<b>135,687</b>	<b>775</b>	<b>11%</b>	<b>Total Administrative</b>
<b>Operating</b>				Operating
Elevator Maintenance Exp.	21,000	120	0%	Elevator Maintenance Exp.
Fuel	0	0	0	Fuel
Lighting and Misc. Pow er	67,375	385	0%	Lighting and Misc. Pow er
Water	133,875	765	1%	Water
Gas	0	0	0	Gas
Garbage and Trash Removal	26,250	150	5%	Garbage and Trash Removal
Payroll	108,500	620	-23%	Payroll
Other (Specify)	8,750	50	9%	Other (Specify)
<b>Total Operating</b>	<b>365,750</b>	<b>2,090</b>	<b>-7%</b>	<b>Total Operating</b>
<b>Maintenance</b>				Maintenance
Decorating	7,000	40	4%	Decorating
Repairs	32,375	185	0%	Repairs
Exterminating	7,000	40	3%	Exterminating
Insurance	49,875	285	1%	Insurance
Ground Expense	10,500	60	5%	Ground Expense
Other (specify)	0	0	0	Other (specify)
<b>Total Maintenance</b>	<b>106,750</b>	<b>610</b>	<b>1%</b>	<b>Total Maintenance</b>
<b>Taxes</b>				Taxes
Real Estate Tax	210,000	1,200	47%	Real Estate Tax
Personal Property Tax	0	0	0	Personal Property Tax
Employee Payroll Tax	0	0	0	Employee Payroll Tax
Employee Benefits	26,250	150	-3%	Employee Benefits
Other	0	0	0	Other
<b>Total Taxes</b>	<b>236,250</b>	<b>1,350</b>	<b>39%</b>	<b>Total Taxes</b>
Operating Exp. before RFR	<b>844,437</b>	<b>4,825</b>	<b>7%</b>	Operating Exp. before RFR
Reserve For Replacement	43,750	250	0%	Reserve For Replacement
<b>Operating Exp. Incl. RFR</b>	<b>888,187</b>	<b>5,075</b>	<b>6%</b>	<b>Operating Exp. Incl. RFR</b>
<b>NOI</b>	<b>1,060,244</b>	<b>6,059</b>	<b>76%</b>	<b>NOI</b>

**Estimating Market Expenses Per Unit**

<b>Estimating Market Expenses Per Unit</b>						
Subject As Complete	Expenses	Comparable One	Comparable Two	Comparable Three	Comparable Four	IREM Region IV
\$30	Advertising	\$0	\$128	\$100	\$25	\$0
\$445	Management	\$290	\$417	\$300	\$487	\$441
\$300	Other Administrative Expenses	\$150	\$341	\$250	\$184	\$876
\$120	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$0
\$385	Lighting & Misc. Power	\$735	\$300	\$195	\$158	\$392
\$765	Water/Sewer	\$1,025	\$463	\$764	\$529	\$361
\$0	Gas	\$0	\$0	\$0	\$3	\$8
\$150	Garbage/Trash Removal	\$0	\$0	\$0	\$111	\$0
\$620	Payroll	\$75	\$974	\$900	\$1,575	\$619
\$50	Other Operating Expenses	\$0	\$200	\$300	\$0	\$372
\$40	Decorating	\$0	\$0	\$0	\$221	\$152
\$185	Repairs	\$500	\$0	\$500	\$0	\$363
\$40	Exterminating	\$150	\$244	\$300	\$0	\$0
\$285	Insurance	\$225	\$378	\$250	\$396	\$242
\$60	Ground Expenses	\$0	\$116	\$0	\$113	\$122
\$0	Other Maintenance	\$0	\$0	\$0	\$344	\$0
\$1,200	Real Estate Taxes	\$671	\$638	\$1,013	\$0	\$2,184
\$0	Payroll Taxes	\$0	\$0	\$0	\$0	\$0
\$150	Employee Benefits	\$0	\$0	\$0	\$0	\$0
\$0	Other Taxes	\$0	\$0	\$0	\$0	\$25
\$250	Replacement Reserves	\$300	\$250	\$300	\$275	\$0
\$5,075	<b>Total Per Unit</b>	\$4,121	\$4,449	\$5,172	\$4,421	\$6,157

**Comments:**

Subject expenses were estimated based on comparable apartments and industry norms. Comparable apartment expenses were estimated after discussions with area apartment managers. The comparable estimates were substantiated by the *2016 Income/Expense Analysis: Conventional Apartments printed by the Institute of Real Estate Management*. No major fluctuations from the total expenses per unit are anticipated from the expenses provided above, although itemized expenses may deviate on the specific factors affecting the individual properties.

The expenses for the comparable apartments vary per unit but are consistently between 42 and 52 percent of the gross rent potential. The subject's expenses were estimated at 44 percent of the gross rent potential which is within the comparable range. Market expenses for the subject were categorized similar to the actual expenses as different properties categorize expenses in different ways. Explanations of specific itemized expenses are indicated on the following pages.

**Itemized Expense Explanations - Market  
Expense Numbers per Unit**

<b>Expense</b>	<b>As Stabilized</b>	<b>Comp Range</b>
1. Advertising	\$30	\$0- \$128
<p>An advertising expense of \$30 per unit was projected for the subject. A comparable range of \$0 to \$128 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.</p>		
2. Management	\$445	\$290-\$487
<p>A management expense of \$445 per unit was projected. A comparable range of \$290to \$487 was determined. The expense was projected using approximately four percent of the effective gross income as indicated by the comparables.</p>		
3. Other Administrative	\$300	\$150-\$341
<p>An other administrative expense of \$300 per unit was projected. A comparable range of \$150 to \$341 was determined. The expense was projected considering the subject's budget, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.</p>		
4. Elevator	\$120	\$0-\$0
<p>The budget indicated \$120 per unit. The comparables were all walk-up facilities and did not contain elevator expenses. The <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management does not indicate a specific expense for elevators. Therefore, the budget was utilized to determine the projection.</p>		
5. Fuel	\$0	\$0-\$0
<p>The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.</p>		
6. Lighting & Misc. Power	\$385	\$158-\$735
<p>A lighting and miscellaneous power expense of \$385 was projected for the subject. A comparable range of \$158 to \$735 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.</p>		

- |    |             |       |               |
|----|-------------|-------|---------------|
| 7. | Water/Sewer | \$765 | \$463-\$1,025 |
|----|-------------|-------|---------------|
- A water/sewer expense of \$765 per unit was projected for the subject. A comparable range of \$463 to \$1,025 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |    |     |     |         |
|----|-----|-----|---------|
| 8. | Gas | \$0 | \$0-\$3 |
|----|-----|-----|---------|
- A gas expense of \$0 per unit was projected for the subject. A comparable range of \$0 to \$3 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |    |                       |       |           |
|----|-----------------------|-------|-----------|
| 9. | Garbage/Trash Removal | \$150 | \$0-\$111 |
|----|-----------------------|-------|-----------|
- A garbage/trash removal expense of \$150 per unit was projected for the subject. A comparable range of \$0 to \$111 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |         |       |              |
|-----|---------|-------|--------------|
| 10. | Payroll | \$620 | \$75-\$1,575 |
|-----|---------|-------|--------------|
- The payroll expense of \$620 per unit was projected. A comparable range of \$75 to \$1,575 was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |                          |      |           |
|-----|--------------------------|------|-----------|
| 11. | Other Operating Expenses | \$50 | \$0-\$300 |
|-----|--------------------------|------|-----------|
- An other operating expense of \$50 per unit was projected. A comparable range of \$0 to \$300 was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |            |      |           |
|-----|------------|------|-----------|
| 12. | Decorating | \$40 | \$0-\$221 |
|-----|------------|------|-----------|
- A decorating expense of \$40 was projected. A comparable range of \$0 to \$221 was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.

- |   |                   |         |             |
|---|-------------------|---------|-------------|
| 13.   | Repairs           | \$185   | \$0-\$500   |
| <p>A repairs expense of \$185 was projected. The expense was projected considering the subject's budget, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.</p>  |                   |         |             |
| 14.   | Exterminating     | \$40    | \$0-\$300   |
| <p>An exterminating expense of \$40 per unit was projected. A comparable range of \$0 to \$300 was determined. The expense was projected considering the subject's budget, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.</p>                            |                   |         |             |
| 15.   | Insurance         | \$285   | \$225-\$396 |
| <p>An insurance expense of \$285 per unit was projected. A comparable range of \$225 to \$396 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.</p>                    |                   |         |             |
| 16.   | Ground Expenses   | \$60    | \$0-\$116   |
| <p>A ground expense of \$60 per unit was projected. A comparable range of \$0 to \$116 was determined. The expense was projected considering the subject's budget, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.</p>                                    |                   |         |             |
| 17.   | Other Maintenance | \$0     | \$0-\$344   |
| <p>Other maintenance expenses of \$0 per unit were projected for the subject. A comparable range of \$0 to \$344 per unit was determined. The expense was projected considering the subject's budget, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.</p> |                   |         |             |
| 18.   | Real Estate Taxes | \$1,200 | \$0-\$1,013 |
| <p>A real estate tax expense of \$1,200 per unit was projected for the subject based on the real estate tax comparable information obtained by the DeKalb County Assessor's Office.</p>   |                   |         |             |

- |     |               |     |         |
|-----|---------------|-----|---------|
| 19. | Payroll Taxes | \$0 | \$0-\$0 |
|-----|---------------|-----|---------|
- Payroll taxes were projected at \$0 per unit. A comparable range of \$0 to \$0 was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |                   |       |         |
|-----|-------------------|-------|---------|
| 20. | Employee Benefits | \$150 | \$0-\$0 |
|-----|-------------------|-------|---------|
- Employee benefits were projected at \$150 per unit. A comparable range of \$0 to \$0 was determined. The expense was projected considering the subject's budget, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |                      |       |             |
|-----|----------------------|-------|-------------|
| 21. | Replacement Reserves | \$250 | \$250-\$300 |
|-----|----------------------|-------|-------------|
- A replacement reserves expense of \$250 per unit was projected. This reserves expense is typical for market-rate apartment complexes.

**Expenses before Reserves for Replacement**

The subject's projected expenses per unit are \$4,825 before reserves for replacement. This is seven percent higher than the budget. The comparables range from \$3,821 to \$4,872 per unit before reserves for replacement. All comparables are market-rate properties located in the State of Georgia. The subject is within than the comparable range. The *2016 Income/Expense Analysis: Federally Conventional Apartments* published by the Institute of Real Estate Management indicates an overall expense per unit of \$6,157. Therefore, the subject's expenses were deemed reasonable.

## **Net Operating Income Conclusions**

### **Expenses after Reserves for Replacement**

The subject's expenses were projected considering the subject's operating history, the expense data of the comparables and the information contained in the *2016 Income/Expense Analysis: Conventional Apartments* printed by the Institute of Real Estate Management.

### **Direct Capitalization**

Most apartment appraisers as well as buyers, sellers and lenders prefer value estimates derived from direct capitalization rather than discounted cash flow analysis. Other than in cases where the client and appraiser believe that the achievable income from an apartment property has not approximated its stabilized income, the net operating income to the property can be directly capitalized as of the effective date of the appraisal, based on the current yield to the property. In this situation, the discounting of forecast cash flows on a yield-to-maturity basis is considered superfluous. The use of overall cash flow analysis under other circumstances is discussed in the following section.

An overall capitalization rate ( $R_o$ ) is the usual expression of the relationship between the net operating income and the value of the property (the  $R_o$  is the reciprocal of a net income multiplier). Overall capitalization rates are derived from the simple formula

$$\text{Rate} = \text{Income}/\text{Value of } R_o = I/V$$

A capitalization rate is typically expressed as a percentage. For example, if the net operating income to a comparable property was \$1.8 million and its value/price was \$20 million, the overall capitalization rate would be 9.0% (the reciprocal, 11.1, is the property's net income multiplier).

An overall capitalization rate incorporates many considerations, including the likelihood that property income will increase, the momentum and duration of such an increase, and the risk and timing of a possible decrease. It reflects judgments regarding the recapture of investment and property depreciation. An overall capitalization rate can be developed on the basis of the relative allocation between, or weighting of, property components (e.g., mortgage and equity), and the respective capitalization rates of both components. This procedure is known as the band of investment technique. The specific allocation between financial components is supported by their relative risk rating based on which component has the prior claim to payment; for example, mortgages are paid before equity investors.

Other ways to apportion NOI are among the physical and ownership components of the property. When the property's NOI, the value of one property component, and the capitalization rates of both property components are known, a residual technique is applied to estimate the value of the property component of unknown value. The income to the property component of known value is deducted from the property's

NOI, and the residual income attributable to the property component of unknown value is capitalized. In many cases, however, it is not necessary to apportion an overall rate or net operating income to property components.

### **Market Derived Capitalization Rates**

Income and expense data from comparable properties were analyzed to derive the capitalization rate. To derive the capitalization rate, the appraiser used the direct capitalization method, which consists of dividing the net income by the value.

The direct capitalization method will both reflect the value of income at yields attractive to a prospective investor and provide for the recapture of wasting purchase capital. The capitalization rate shows the rate of return for land, as well as the rate of return for the buildings. It also reflects the relationship between the income from the entire property and the value of the entire property.

### **Comparable Capitalization Rates**

Comparable #	Comparable Address	Number of Units	Date of Sale	NOI /	Sales Price =	Indicated Capitalization
1	40 Amanda Drive Lithonia, Georgia	276	4/11/2017	\$1,322,500	\$23,000,000	5.75%
2	100 Camellia Lane Lithonia, Georgia	312	3/17/2017	\$1,816,824	\$31,110,000	5.84%
3	10 Friendly Hills Drive Decatur, Georgia	168	9/27/2016	\$684,000	\$11,400,000	6.00%
4	5850 Hillandale Drive Lithonia, Georgia	216	7/7/2016	\$1,200,825	\$20,250,000	5.93%
5	1200 Peaks Landing Conyers, Georgia	260	4/26/2017	\$1,379,825	\$24,250,000	5.69%
6	1190 Mill Creek Walk NW Conyers, Georgia	182	2/15/2017	\$503,250	\$9,150,000	5.50%
7	1200 Rockmont Circle SW Conyers, Georgia	94	10/21/2016	\$339,170	\$5,218,000	6.50%

The comparables indicate a range of 5.50 to 6.50 percent for indicated capitalization rates, with a mean of 5.89 percent. The appraiser selected a weighted capitalization rate of 5.85 percent.

### **Realty Rates Survey**

The Realty Rates Market Survey was considered in this analysis. The RealtyRates.com Market Survey Second Quarter 2017 found that investors in apartments in the South Atlantic Region which includes the State of Georgia indicated an overall capitalization rate of 8.10 percent. The Realty Rates Investor Survey was also considered in this analysis. The RealtyRates.com Investor Survey Second Quarter 2017 indicates a range of 4.57 to 12.42 percent for capitalization rates, with a median capitalization rate of 7.64 percent.



**PwC Real Estate Investor Survey**

The PwC Real Estate Investor Survey was considered in this analysis. The National Apartment Market survey for the second quarter of 2017 found that investors in apartments indicate overall capitalization rates ranging from 3.50 percent to 8.00 percent, with an average of 5.40 percent.

**Band of Investment – Conventional Terms**

Another method of arriving at a capitalization rate is the Band of Investment Method. This method is based on typical mortgage terms currently available and expected investment return. For the mortgage component of the band of investment, mortgage brokers, current periodicals and rate sheets were consulted relative to mortgage terms, interest rates and investor yield rates. Based on the subject's physical and economic characteristics, the following components were used in this analysis.

<b>Capitalization Rate Analysis</b>					
Mortgage Interest Rate	5.00%	Loan To Value Ratio	80%		
Loan Term (Years)	30	Debt Coverage Ratio	1.20		
		Equity Dividend Rate	10.00%		
<b>Band of Investment</b>					
Mortgage Constant	0.06442	x	Loan Ratio	80%	= 0.0515 Mortgage Component
Equity Dividend Rate	10%	x	Equity Ratio	0.20	= 0.02 Equity Component
			<b>Capitalization Rate</b>		<b>7.15%</b>
<b>Debt Coverage Ratio Analysis</b>					
Debt Coverage Ratio	1.20	x	LTV	80%	x Mortgage Constant = 0.061842
			<b>Capitalization Rate</b>		<b>6.18%</b>

Mortgage financing from local lenders indicated that a typical interest rate is 5.00 percent. The typical loan term is 30 years and the loan-to-value ratio is 80 percent. Therefore, a capitalization rate of 7.15 percent was determined.

**Determination of the Market Capitalization Rate**

The PwC Real Estate Investor Survey indicated an average capitalization rate of 5.40 percent. From the sales available in the area a capitalization rate of 5.85 percent was determined. The RealtyRates.com Market Survey indicated an average capitalization rate of 8.10 percent. The RealtyRates.com Investor Survey indicated a median capitalization rate of 7.64 percent. The band of investment indicated a capitalization rate of 7.15 percent. The comparable sales were determined to be the most accurate reflection of the market capitalization rate. Therefore, a capitalization rate of 5.85 percent was determined to be appropriate for the market values.

**Income Values**

<b>Market</b>	<b>As Stabilized</b>	<b>\$1,060,244 /5.85%</b>	<b>= \$18,123,825</b>
		<b>Market Rate As Stabilized Value</b>	<b>= \$18,125,000</b>
<b>Restricted</b>	<b>As Stabilized</b>	<b>\$603,813 /5.85%</b>	<b>= \$10,321,588</b>
		<b>Restricted Rate As Complete Value</b>	<b>= \$10,320,000</b>

<b>Prospective Market Value Upon Loan Maturity</b>	
<b>\$18,125,000 Prospective Market Value (As Complete and Stabilized)</b> 18 Term of Loan (years) 2.00% Growth Rate	
<b>Market Value</b>	
\$18,125,000 PV	
18 [g] [n]	
2.00 [g] [i]	
Solve for FV	<b>\$25,971,311.73</b>
Using these factors, a prospective market value upon loan maturity of <b>\$25,971,311.73</b> was determined. <b style="color: red;">Prospective Market Value Upon Loan Maturity</b> <b style="color: red;">\$25,971,000.00</b>	

\*The growth rate is based on the market trends. This includes data from population, unemployment factors, median household income, median home values and capitalization rates. In addition, comparables within the State of Georgia were analyzed to determine a growth rate.

### Population

The population for the subject’s neighborhood for 2016, according to ESRI, is 10,298, an increase of 873 people from the 2010 population of 9,425. The population is expected to increase at an annual rate of 7.3 percent between 2016 and 2021. Therefore, the 2021 population is projected at 11,047. The median age for the neighborhood is 30.8.

### Unemployment Trends

The unemployment rate has fluctuated from 4.9 percent to 13.0 percent over the past 12 years. These fluctuations are in line with the unemployment rates for the State of Georgia.

LABOR FORCE AND EMPLOYMENT TRENDS FOR DEKALB COUNTY					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2005	9,104	8,576	94.2%	528	5.8%
2006	9,550	9,079	95.1%	471	4.9%
2007	9,524	9,051	95.0%	473	5.0%
2008	9,419	8,788	93.3%	631	6.7%
2009	9,079	8,104	89.3%	975	10.7%
2010	8,361	7,271	87.0%	1,090	13.0%
2011	8,292	7,274	87.7%	1,018	12.3%
2012	8,152	7,212	88.5%	940	11.5%
2013	7,786	6,898	88.6%	888	11.4%
2014	7,439	6,712	90.2%	727	9.8%
2015	6,955	6,373	91.6%	582	8.4%
2016	6,967	6,450	92.6%	517	7.4%
2017**	7,013	6,603	94.2%	410	5.8%

\* Data based on place of residence.

\*\*Preliminary - based on monthly data through April 2017

Source: U.S. Bureau of Labor Statistics Data

**Median Household Income**

The median household income for the neighborhood in 2016 is \$30,201. It is expected to decrease to \$29,658 by 2021. The per capita income is \$16,439.

**Median Home Value**

The median home value for the neighborhood in 2016, according to ESRI, is \$124,181. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$15,024.00, or \$1,252 per month. The average amount spent for renter-occupied households is \$11,268.00, or \$939 per month.

**Realty Rates Market Survey**

The Realty Rates Market Survey was considered in this analysis. The following table indicates the fluctuation of capitalization rates within the South Atlantic Region. Capitalization rates ranged from 7.90 to 8.20 percent in 2016, with an average of 8.03 percent.

<b>REALTY RATES MARKET SURVEY – AREA CAPITALIZATION RATES</b>				
<b>QUARTER</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
1 <sup>ST</sup> Quarter	8.30%	8.10%	8.20%	8.20%
2 <sup>nd</sup> Quarter	8.30%	8.10%	8.00%	8.10%
3 <sup>rd</sup> Quarter	8.20%	8.20%	8.00%	---
4 <sup>th</sup> Quarter	8.10%	8.10%	7.90%	---

Source: RealtyRates.com: South Atlantic Region

### Comparable Sales Analysis

Comparable market sales that sold within the State of Georgia were analyzed to determine any trend in the area. The following table lists the comparables used in this analysis. Capitalization rates ranged from 5.00 to 9.00 percent between 2005 and 2017, with an average of 7.39 percent.

Property Name	Number of Units	Sale Date	NOI	Sale Price	Capitalization Rate
Jasmine Gardens	40	1/5/2005	\$114,750	\$1,350,000	8.50%
Knox Landing Apartments	40	1/31/2005	\$83,928	\$1,475,000	5.69%
Lauren Heights Apartments	48	3/25/2005	\$188,100	\$2,200,000	8.55%
Highland Springs Apartments	66	8/19/2005	\$203,235	\$2,550,000	7.97%
Auburn Place Apartments	28	9/30/2005	\$89,565	\$1,050,000	8.53%
Highland Glen Apartments	31	11/23/2005	\$90,520	\$1,550,000	5.84%
North Avenue Apartments	34	11/23/2005	\$107,300	\$1,850,000	5.80%
Washington Arms Apartments	40	1/13/2006	\$115,130	\$1,588,000	7.25%
Forest Grove Apartments	20	1/27/2006	\$82,560	\$960,000	8.60%
Somerset Apartments	40	6/30/2006	\$148,800	\$2,000,000	7.44%
Brighton Manor Apartments	40	8/9/2006	\$131,840	\$1,600,000	8.24%
Kirkwood Apartments	53	10/28/2007	\$201,760	\$2,600,000	7.76%
Waters Edge Apartments	48	1/25/2008	\$149,850	\$1,850,000	8.10%
Northside Apartments	22	2/22/2008	\$81,035	\$950,000	8.53%
Waldan Chase Apartments	60	4/7/2008	\$273,192	\$3,414,900	8.00%
Twin Keys Apartments	68	3/30/2009	\$201,000	\$3,350,000	6.00%
Praine Villas	22	1/1/2010	\$57,600	\$720,000	8.00%
Main Street Apartments	32	7/28/2010	\$38,211	\$470,000	8.13%
Park Gate Apartments	23	11/18/2010	\$72,500	\$1,000,000	7.25%
Clisby Towers	52	4/14/2011	\$117,000	\$1,300,000	9.00%
Inman Way Apartments	28	2/9/2012	\$139,344	\$1,592,500	8.75%
Rumson Court Apartments	20	11/5/2012	\$56,375	\$1,025,000	5.50%
Gardens on Gaston	20	4/10/2013	\$131,070	\$1,700,000	7.71%
Cedar Bluffs Apartments	31	4/16/2013	\$132,600	\$1,560,000	8.50%
Proctor Square Apartments	72	6/18/2013	\$137,283	\$2,225,000	6.17%
Oakwood Village Apartments	70	7/1/2013	\$98,616	\$1,680,000	5.87%
1045 on the Park Apartment Homes	30	7/9/2013	\$592,515	\$9,450,000	6.27%
Creekstone Apartments II	72	7/16/2013	\$150,900	\$3,000,000	5.03%
Erwin North Apartments	32	7/22/2013	\$72,450	\$805,000	9.00%
Student Quarters Bay Tree	32	10/10/2013	\$265,200	\$3,900,000	6.80%
Brooks Trace Apartments	49	10/10/2013	\$363,937	\$4,363,750	8.34%
Sherwood Arms Apartments	44	10/30/2013	\$31,980	\$390,000	8.20%
Townhomes at Hapeville	34	1/23/2014	\$77,900	\$950,000	8.20%
Brick Pointe Apartments	56	2/1/2014	\$1,569,500	\$18,250,000	8.60%
Pine Ridge Apartments	29	2/18/2014	\$71,775	\$825,000	8.70%
Jefferson Ridge Townhomes	22	4/14/2014	\$81,900	\$975,000	8.40%
Waterbury Apartments	53	6/30/2014	\$145,440	\$1,818,000	8.00%
Woodbridge Apartments	28	4/2/2014	\$123,750	\$1,650,000	7.50%
Pecan Terrace	36	8/28/2014	\$114,026	\$1,420,000	8.03%
DeFoor's Crossing	60	9/23/2014	\$235,571	\$4,610,000	5.11%
Pine Hill Places	73	10/27/2014	\$169,200	\$2,115,000	8.00%
West Gate Manor	48	12/4/2014	\$93,500	\$1,100,000	8.50%
Courtyard on Kirwood	32	12/18/2014	\$146,813	\$2,175,000	6.75%
Azalea Place	42	1/5/2015	\$100,300	\$1,180,000	8.50%
Forest Ridge Apartments	75	1/20/2015	\$168,560	\$2,107,000	8.00%
University Crossing	48	1/23/2015	\$284,925	\$4,350,000	6.55%
Crown Mill Village Lofts	66	1/31/2015	\$370,760	\$5,200,000	7.13%
Pines at Lawrenceville Highway	66	3/31/2015	\$254,200	\$3,100,000	8.20%
Salem Chase	64	4/1/2015	\$292,250	\$4,175,000	7.00%
Willow Trace Apartments	54	4/30/2015	\$294,800	\$4,000,000	7.37%
Madison Townhomes	24	5/8/2015	\$88,200	\$980,000	9.00%
Maple Place Townhomes	20	5/15/2015	\$34,867	\$685,000	5.09%
Seventy Spruce Apartments	28	7/29/2015	\$202,980	\$2,985,000	6.80%
Parkway North Apartments	21	8/10/2015	\$72,010	\$950,000	7.58%
Magnolia Hall Apartments	48	8/14/2015	\$274,992	\$4,080,000	6.74%
Peachtree Battle Apartments	20	8/20/2015	\$170,804	\$2,000,050	8.54%
Stonebrook Apartments	21	12/1/2015	\$74,880	\$900,000	8.32%
Kelege Village	28	12/16/2015	\$44,890	\$757,000	5.93%
Woodland View Apartments	54	1/7/2016	\$226,440	\$3,400,000	6.66%
Chelsea Court	56	1/22/2016	\$205,200	\$2,700,000	7.60%
Meadowlark Apartments	56	3/15/2016	\$236,758	\$2,905,000	8.15%
Ridgewood Apartments	52	3/30/2016	\$14,490	\$230,000	6.30%
Dwell and Hollywood Apartments	64	3/31/2016	\$68,153	\$975,000	6.99%

Property Name	Number of Units	Sale Date	NOI	Sale Price	Capitalization Rate
Lanier Townhomes	40	4/5/2016	\$159,120	\$2,080,000	7.65%
Baldwin Village	56	6/1/2016	\$281,517	\$4,385,000	6.42%
Park Village Apartments	68	7/6/2016	\$310,300	\$5,350,000	5.80%
Northern Pines Apartments	48	9/30/2016	\$203,808	\$2,640,000	7.72%
Douglas Pines Apartments	48	10/21/2016	\$135,142	\$1,925,100	7.02%
Linkwood Manor Apartments	56	11/4/2016	\$98,000	\$1,400,000	7.00%
Pinewood Village Apartments	64	11/21/2016	\$86,932	\$1,496,250	5.81%
The Valley Apartments	32	1/31/2017	\$112,000	\$1,600,000	7.00%
Belwood Apartments	48	2/16/2017	\$149,400	\$1,800,000	8.30%
Briarcliff Apartments	32	2/22/2017	\$162,500	\$3,250,000	5.00%
Twelve Oaks Apartments	20	3/15/2017	\$78,000	\$975,000	8.00%
Beverly Forest Apartments	42	5/17/2017	\$130,500	\$1,800,000	7.25%

The population is expected to increase at an annual rate of 7.3 percent between 2016 and 2021. The median household income for the neighborhood in 2016 is \$30,201. It is expected to decrease to \$29,658 by 2021. The per capita income is \$16,439.

The unemployment rate has fluctuated from 4.9 percent to 13.0 percent, and due to the recent economic trends, DeKalb County, as well as the rest of the nation, increased in unemployment. However, the unemployment rate has stabilized and is anticipated to decrease to at least the high end of the historical range by the loan's maturity date.

A growth rate of 2.00 percent is typically used in projections and Lithonia's market represents this percentage. Therefore, a 2.00 percent growth rate was used in determining the subject's prospective market value upon loan maturity.

**Prospective Market Value Upon Loan Maturity = \$25,971,000**

## **Sales Comparison Approach**

The Sales Comparison Approach is based on the assumption that an informed purchaser will pay no more for a property than the cost of acquiring an existing property of similar utility. Typically, one would estimate the value of the subject property by comparing the sales prices of recent transactions involving property similar to the subject. Adjustments are made to each sale for dissimilarities as compared to the subject property. These adjustments may include the date of sale, location, age, floor plan, condition, quality, size or external factors that may influence rents or occupancy levels. Typically, the reliability of the sales comparison approach is based on a number of factors such as:

- Availability of comparable sales data
- Verification of sales data
- Degree of comparability to the extent that large or numerous adjustments are not necessary to compensate for the differences between the subject property and the comparable sales used

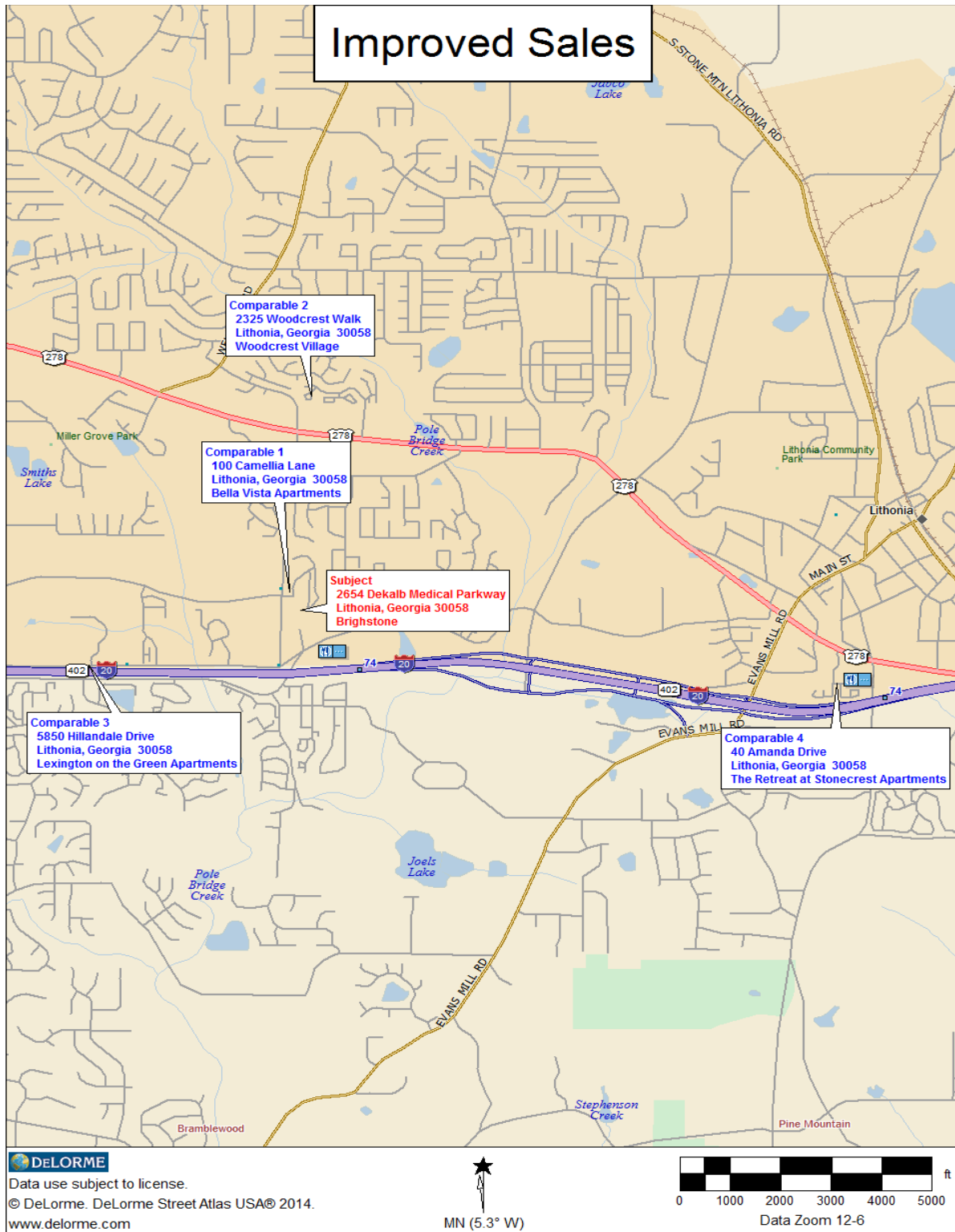
I have found that the reliability of the sales comparison approach for traditional real estate is excellent when valuing vacant land, single family homes or small commercial type properties where there is more activity, a larger data base, and greater degree of comparability. For more complex and larger investment grade properties such as shopping centers, nursing homes, and apartment complexes, the required adjustments are often numerous and the degree to which they can be performed without a considerable amount of subjectivity is difficult. As mentioned previously, a number of factors must be verifiable and documented in order to make appropriate adjustments. Items necessary for verification might include the following:

- Location
- Condition
- Appeal
- Date of Sale
- Amenities
- Income and Expense Data
- Personal Property Included
- Financing Terms and Conditions
- Management Contracts Involved

There are obviously other differences that must be adjusted in the marketplace. For the purposes of this report, the appraiser has analyzed a number of sales; however, only those believed to be most similar to the subject were included. The information from the sales analyzed will be included. The information from the sales analyzed will be used to determine a value estimate for the subject property by the sales comparison approach. The unit of comparison considered will be the price paid per unit. The following sales are offered as an indication of value of the subject property as of the date of this assignment.



Comparable Sales Map



**Comparable Sales**

**Multi-Family Sale No. 1**



**Property Identification**

<b>Record ID</b>	3507
<b>Property Type</b>	Walk-Up
<b>Property Name</b>	Bella Vista Apartments
<b>Address</b>	100 Camellia Lane, Lithonia, DeKalb County, Georgia 30058
<b>Tax ID</b>	16 088 01 003
<b>Market Type</b>	Market

**Sale Data**

<b>Grantor</b>	Bridge Investments Group Partners, LLC.
<b>Grantee</b>	Robbins Electra
<b>Sale Date</b>	March 17, 2017
<b>Deed Book/Page</b>	26148/0307
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; June 06, 2017

<b>Sale Price</b>	\$31,110,000
<b>Cash Equivalent</b>	\$31,110,000
<b>Adjusted Price</b>	\$31,110,000

**Multi-Family Sale No. 1 (Cont.)**

**Land Data**

**Land Size** 26.560 Acres or 1,156,954 SF  
**Front Footage** Camellia Lane  
**Topography** Nearly Level  
**Utilities** E, G, W, S  
**Shape** Irregular

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	54	657	\$886	\$1.35
1/1	54	750	\$932	\$1.24
2/2	72	1,031	\$1,059	\$1.03
2/2	72	1,247	\$1,146	\$0.92
3/2	60	1,247	\$1,285	\$1.03
<b>Total Units</b>	<b>312</b>			
<b>Avg. Unit Size</b>	<b>1,009</b>			
<b>Avg. Rent/Unit</b>	<b>\$1,071</b>			
<b>Avg. Rent/SF</b>	<b>\$1.06</b>			

**Net SF** 314,814

**General Physical Data**

**No. of Buildings** 14  
**Construction Type** Siding  
**HVAC** Central Elec/Central Elec  
**Parking** L/0  
**Stories** 3  
**Utilities with Rent** None  
**Year Built** 2001  
**Condition** Average

**Indicators**

**Sale Price/Net SF** \$98.82  
**Sale Price/Unit** \$99,712

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Wood Composite, Blinds, Ceiling Fans, Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court, Extra Storage, Business Center, Soccer Field, Laundry Facility and Limited Access Gate

**Multi-Family Sale No. 2**



**Property Identification**

<b>Record ID</b>	3508
<b>Property Type</b>	Walk-Up
<b>Property Name</b>	Woodcrest Village Apartments
<b>Address</b>	2325 Woodcrest Walk, Lithonia, DeKalb County, Georgia 30058
<b>Tax ID</b>	16 089 03 009
<b>Market Type</b>	Market

**Sale Data**

<b>Grantor</b>	BH Management Services, LLC
<b>Grantee</b>	Pensam Capital
<b>Sale Date</b>	March 17, 2017
<b>Deed Book/Page</b>	26144/0026
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; June 06, 2017

<b>Sale Price</b>	\$21,150,000
<b>Cash Equivalent</b>	\$21,150,000
<b>Adjusted Price</b>	\$21,150,000

**Multi-Family Sale No. 2 (Cont.)**

**Land Data**

**Land Size** 30.500 Acres or 1,328,580 SF  
**Front Footage** Woodcrest Walk  
**Topography** Nearly Level  
**Utilities** E, G, W, S  
**Shape** Irregular

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	64	573	\$672	\$1.17
1/1	104	652	\$712	\$1.09
2/2	176	1,003	\$878	\$0.88

**Total Units** 344  
**Avg. Unit Size** 817  
**Avg. Rent/Unit** \$789  
**Avg. Rent/SF** \$0.97

**Net SF** 281,008

**General Physical Data**

**No. of Buildings** 19  
**Construction Type** Siding  
**HVAC** Central Elec/Central Elec  
**Parking** L/0  
**Stories** 2  
**Utilities with Rent** Water, Sewer, Trash Collection  
**Year Built** 1989  
**Condition** Average

**Indicators**

**Sale Price/Net SF** \$75.26  
**Sale Price/Unit** \$61,483

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Wood Composite, Blinds, Ceiling Fans, Vaulted Ceilings, Fireplace, Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Playground, Tennis Court, Business Center, Dog Park, Car Wash Area and Laundry Facility



**Multi-Family Sale No. 3**



**Property Identification**

<b>Record ID</b>	3509
<b>Property Type</b>	Walk-Up
<b>Property Name</b>	Lexington on the Green Apartments
<b>Address</b>	5850 Hillandale Drive, Lithonia, DeKalb County, Georgia 30058
<b>Tax ID</b>	16 073 01 005
<b>Market Type</b>	Market

**Sale Data**

<b>Grantor</b>	B & M Management Company
<b>Grantee</b>	Maxus Realty Trust, Inc.
<b>Sale Date</b>	July 07, 2016
<b>Deed Book/Page</b>	25660/0109
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; June 06, 2017

<b>Sale Price</b>	\$20,250,000
<b>Cash Equivalent</b>	\$20,250,000
<b>Adjusted Price</b>	\$20,250,000

**Multi-Family Sale No. 3 (Cont.)**

**Land Data**

**Land Size** 30.900 Acres or 1,346,004 SF  
**Front Footage** Hillandale Drive  
**Topography** Nearly Level  
**Utilities** E, G, W, S  
**Shape** Irregular

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	72	884	\$895	\$1.01
2/2	114	1,161	\$980	\$0.84
3/2	30	1,354	\$1,170	\$0.86

**Total Units** 216  
**Avg. Unit Size** 1,095  
**Avg. Rent/Unit** \$978  
**Avg. Rent/SF** \$0.89

**Net SF** 236,622

**General Physical Data**

**No. of Buildings** 15  
**Construction Type** Brick/Siding  
**HVAC** Central Gas/Central Elec  
**Parking** L.O, G/75  
**Stories** 3  
**Utilities with Rent** Water, Gas, Sewer, Trash Collection  
**Year Built** 2001  
**Condition** Average

**Indicators**

**Sale Price/Net SF** \$85.58  
**Sale Price/Unit** \$93,750

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Fireplace, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court, Extra Storage, Business Center, Media Center/Movie Theater, Car Wash Area, Laundry Facility, Intercom/Electronic Entry and Limited Access Gate

**Multi-Family Sale No. 4**



**Property Identification**

<b>Record ID</b>	3510
<b>Property Type</b>	Walk-Up
<b>Property Name</b>	The Retreat at Stonecrest Apartments
<b>Address</b>	40 Amanda Drive, Lithonia, DeKalb County, Georgia 30058
<b>Tax ID</b>	16 137 05 002
<b>Market Type</b>	Market

**Sale Data**

<b>Grantor</b>	Stratford Capital Group
<b>Grantee</b>	Hamilton Point Investments
<b>Sale Date</b>	April 11, 2017
<b>Deed Book/Page</b>	26209/0207
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; June 06, 2017

<b>Sale Price</b>	\$23,000,000
<b>Cash Equivalent</b>	\$23,000,000
<b>Adjusted Price</b>	\$23,000,000



**Multi-Family Sale No. 4 (Cont.)**

**Land Data**

**Land Size** 15.100 Acres or 657,756 SF  
**Front Footage** Amanda Drive  
**Topography** Nearly Level  
**Utilities** E, G, W, S  
**Shape** Irregular

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	114	890	\$865	\$0.97
2/2	120	1,120	\$938	\$0.84
2/2	24	1,170	\$1,023	\$0.87
3/2	18	1,350	\$1,090	\$0.81

**Total Units** 276  
**Avg. Unit Size** 1,044  
**Avg. Rent/Unit** \$925  
**Avg. Rent/SF** \$0.89

**Net SF** 288,240

**General Physical Data**

**No. of Buildings** 5  
**Construction Type** Brick  
**HVAC** Central Elec/Central Elec  
**Parking** L/0  
**Stories** 3  
**Utilities with Rent** Water, Sewer, Trash Collection  
**Year Built** 2003  
**Condition** Good

**Indicators**

**Sale Price/Net SF** \$79.79  
**Sale Price/Unit** \$83,333

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Vinyl, Hardwood, Blinds Ceiling Fans, Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Extra Storage, Business Center, Laundry Facility and Limited Access Gate

Comparable Sales Chart – As Stabilized

Sales Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	2654 DeKalb Medical Parkway	100 Carnellia Lane	2325 Woodcrest Walk	5850 Hillandale Drive	40 Amanda Drive
City	Lithonia	Lithonia	Lithonia	Lithonia	Lithonia
State	GA	GA	GA	GA	GA
Date	6/6/2017	3/17/2017	3/17/2017	7/7/2016	4/11/2017
Price		\$31,110,000	\$21,150,000	\$20,250,000	\$23,000,000
Total No. of Units	175	312	344	216	276
Price per Unit		\$99,712	\$61,483	\$93,750	\$83,333
<b>Transaction Adjustments</b>					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Normal	Normal	Normal	Normal	Normal
		0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%
<b>Adjusted Price per Unit</b>		<b>\$99,712</b>	<b>\$61,483</b>	<b>\$93,750</b>	<b>\$83,333</b>
Market Trends Through 06/06/17		0%	0%	0%	0%
<b>Adjusted Price per Unit</b>		<b>\$99,712</b>	<b>\$61,483</b>	<b>\$93,750</b>	<b>\$83,333</b>
Location	Average	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Total No. of Units	175	312	344	216	276
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
YearBuilt/Renovated	Proposed	2001	1989	2001	2003
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Condition/Street Appeal	Good	Inferior	Inferior	Inferior	Inferior
% Adjustment		15%	30%	15%	15%
\$ Adjustment		\$14,957	\$18,445	\$14,063	\$12,500
HVAC	Central Electric/Central Electric	Central Elec/Central Elec	Central Elec/Central Elec	Central Gas/Central Elec	Central Elec/Central Elec
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Parking	L/0	L/0	L/0	L.0, G/75	L/0
% Adjustment		0%	0%	-2%	0%
\$ Adjustment		\$0	\$0	-\$1,875	\$0
Amenities	Refrigerator, Range/Oven, Dishwasher, Microwave, Carpet, Vinyl, Blinds, Meeting Room, Exercise Room, Picnic Area, Business Center, Community Garden, Arts/Crafts Room, Laundry Facility, Library and Gazebo	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Wood Composite, Blinds, Ceiling Fans, Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court, Extra Storage, Business Center, Soccer Field, Laundry Facility and Limited Access Gate	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Wood Composite, Blinds, Ceiling Fans, Vaulted Ceilings, Fireplace, Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Playground, Tennis Court, Business Center, Car Wash Area, Dog Park and Laundry Facility	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Fireplace, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court, Extra Storage, Business Center, Media Center/Movie Theater, Car Wash Area, Laundry Facility, Intercom/Electronic Entry and Limited Access Gate	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Vinyl, Hardwood, Blinds Ceiling Fans, Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Extra Storage, Business Center, Laundry Facility and Limited Access Gate
% Adjustment		-5%	-5%	-5%	-5%
\$ Adjustment		-\$4,986	-\$3,074	-\$4,688	-\$4,167
<b>Adjusted Price per Unit</b>		<b>\$109,683</b>	<b>\$76,853</b>	<b>\$101,250</b>	<b>\$91,667</b>
Net adjustments		10.0%	25.0%	8.0%	10.0%
Gross adjustments		10.0%	25.0%	8.0%	10.0%

Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of June 6, 2017, via the Sales Comparable Approach is as follows:

$$175 \text{ units} \times \$100,000 \text{ per unit} = \$17,500,000$$

**Indicated Value = \$17,500,000**

### Comparable Sales Explanations & Value – As Complete

Comp	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	100 Camellia Lane	3/17/2017	\$31,110,000	\$99,712	312	2001
2	2325 Woodcrest Walk	3/17/2017	\$21,150,000	\$61,483	344	1989
3	5850 Hillandale Drive	7/7/2016	\$20,250,000	\$93,750	216	2001
4	40 Amanda Drive	4/11/2017	\$23,000,000	\$83,333	276	2003

#### Improved Sales Analysis

The sale prices of the comparables range from \$61,483 to \$99,712 per unit before adjustments. The sales were analyzed in order to estimate their comparability to the subject based on the following characteristics of value.

#### Location

The subject is located in Lithonia, Georgia. All comparables are similar. No adjustment was needed.

#### Total No. of Units

Size can have an impact on value based on the premise that smaller facilities tend to sell for a higher price per unit than larger facilities. The subject contains 175 units. The number of units of the comparables range from 216 to 344 . No adjustments were needed.

#### Year Built/Renovated

The subject is proposed and will be in good condition. Comparable 1 was built in 2001. Comparable 2 was constructed in 1989. Comparable 3 was built in 2001. Any necessary adjustment was utilized in the condition/street appeal adjustment.

#### Condition/Street Appeal

The subject will be in good condition. All comparables will be inferior to varying degrees and were adjusted upward accordingly.

#### HVAC

The subject will contain central electric heating and cooling. All comparables are similar. No adjustment was needed.

#### Parking

The subject will contain open lot parking. All comparables contain open lot parking. Comparable3 also contains garage parking. Therefore, Comparable 3 was adjusted downward two percent.

### **Amenities**

The subject will contain a refrigerator, range/oven, dishwasher, microwave, carpet, vinyl, blinds, meeting room, exercise room, picnic area, business center, community garden, arts/crafts room, laundry facility, library and gazebo. Comparable 1 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, wood composite, blinds, ceiling fans, walk-in closet, balcony, patio, clubhouse, swimming pool, exercise room, picnic area, playground, tennis court, extra storage, business center, soccer field, laundry facility and limited access gate. Comparable 2 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, wood composite, blinds, ceiling fans, vaulted ceilings, fireplace, walk-in closet, balcony, patio, clubhouse, swimming pool, exercise room, playground, tennis court, business center, car wash area, dog park and laundry facility. Comparable 3 contains a refrigerator, range/oven, garbage disposal, dishwasher, carpet, vinyl, blinds, fireplace, balcony, patio, clubhouse, swimming pool, exercise room, picnic area, playground, tennis court, extra storage, business center, media center/movie theater, car wash area, laundry facility, intercom/electronic entry and limited access gate. Comparable 4 contains a refrigerator, range/oven, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, carpet, vinyl, hardwood, blinds ceiling fans, walk-in closet, balcony, patio, clubhouse, swimming pool, exercise room, extra storage, business center, laundry facility and limited access gate. The comparables are all superior and were adjusted downward five percent.

### **Summary and Conclusion**

The comparables range from \$76,853 to \$109,683 per unit after adjustments. Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of December 31, 2019, via the Sales Comparable Approach is as follows:

175 Units x \$100,000 per unit = \$17,500,000

**Indicated As Stabilized Market Value = \$17,500,000**

**Restricted Value Determination**

The sales comparison approach is applicable but not necessary for a credible appraisal and has not been developed for the restricted value determination. The subject is a Rural Development property with restricted rents. As a result, there are very few similar operating properties in the market area and none that could be confirmed as having sold within the past five years. Research for sales comparables similar to the subject was conducted with local realtors, MLS and CoStar, and none could be confirmed. As per the scope of work for this assignment, the sales comparison approach is not required and was not developed.

## **RECONCILIATION AND CONCLUSIONS**

## **Conclusion of Value**

Reconciliation involves the weighing of the three approaches in relation to their importance or their probable influence on the reactions of typical uses and investors in the market. Consideration is given to the quality and quantity of the data available for examination in each approach, to the inherent advantages and disadvantages of each approach, and to the relevancy of each to the subject property.

The Cost Approach considers the current cost of replacing a property, less depreciation from three sources: physical deterioration, functional obsolescence and external obsolescence. A summation of the market value of the land, assumed vacant and the depreciated replacement cost of the improvements provides an indication of the total value of the property. This approach is given less consideration as the validity of this approach decreases as the property's age increases.

The Income Approach is typically used when the real estate is commonly developed, or bought and sold for the anticipated income stream. Income and expense data of similar properties in Lithonia and the surrounding area were used in this analysis. The most weight is accorded to the indication via the Income Comparison Approach in the final value conclusion.

The Sales Comparison Approach is a reflection of the buying and selling public based on physical and/or financial units of comparison. The market for properties similar to the subject has been active in the subject's market area. As was noted in the improved sales analysis, the range of unit values after adjustments was relatively narrow. Quantitative (percentage) adjustments for the differences between the comparables and the subject were made to the comparables.

The indicated value of the subject would best be represented by a value within this range. The data utilized and the value indicated by the three approaches is considered appropriate in estimating the value of the subject property. Weight is given to the Income Comparison Approaches and this value is considered to provide the best indication of value for the subject.

*The prospective market value upon stabilization - market rents and the prospective market value at loan maturity - market rents were determined under the hypothetical condition that the subject was a conventional property and not subject to any rent restrictions.*

*The "prospective" value was determined under the extraordinary assumption that the construction is completed as detailed in the scope of work and that the proposed rents indicated in the report are approved.*

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the "As Is" Market Value, as of June 6, 2017, is as follows.

**ONE MILLION THREE HUNDRED FORTY THOUSAND DOLLARS**

**\$1,340,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the "Prospective" Market Value Upon Stabilization - Market Rents of the subject property, as of December 31, 2019, is as follows.

**EIGHTEEN MILLION ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS**

**\$18,125,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the "Prospective" Market Value Upon Stabilization - Restricted Rents, as of December 31, 2019, is as follows.

**TEN MILLION THREE HUNDRED TWENTY THOUSAND DOLLARS**

**\$10,320,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the "Prospective" unrestricted market value at loan maturity of the subject property, as of December 31, 2016, is as follows.

**TWENTY FIVE MILLION NINE HUNDRED SEVENTY ONE THOUSAND DOLLARS**

**\$25,971,000**

**Sources Used**

Information used in the appraisal was obtained from various sources including; the U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics, U.S. Bureau of Labor Statistics, interviews with local city and government officials and interviews with local property owners or managers.



## **ADDENDUM A**



## **ADDENDUM B**

HUD-Forms 92273 – Restricted

One-Bedroom Units (667 SF)

Estimates of Restricted Rent by Comparison - As Complete

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

OMB Approval No. 2502-0029  
(exp. 09/30/2016)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required by the Housing Appropriation Act of 9/28/1994. The information is needed to analyze the reasonableness of the Annual Adjustment Factor formula, and will be used where rent levels for a specific unit type, in a Substantial Rehabilitation or New Construction Contract, exceed the existing FMR rent. The information is considered non-sensitive and does not require special protection. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)	B. Comparable Property No. 2 (address)	C. Comparable Property No. 3 (address)	D. Comparable Property No. 4 (address)	E. Comparable Property No. 5 (address)	
One-Bedroom	Brightstone 2654 DeKalb Medical Parkway Lithonia, DeKalb, GA	Terrace at Parkview 6800 Parkview Trail Lithonia, De Kalb, GA	Alexander at Stoncrest 100 Leslie Oaks Drive Lithonia, South Dekalb, GA	Cambridge Heights 6136 Hillandale Drive Lithonia, GA	The Hills at Farrington 5959 Farrington Lithonia, South Dekalb, GA		
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	06/2017	06/2017		06/2017		06/2017	
4. Type of Project/Stories	E/4	WU/3	\$ 10	WU/3	\$ 10	WU/2	\$ 10
5. Floor of Unit in Building	Varies	Varies		Varies		Varies	
6. Project Occupancy %	Proposed	100%		100%		WND	
7. Concessions	N	N		N		N	
8. Year Built	Proposed	2009	\$45	2003	\$75	1989	\$145
9. Sq. Ft. Area	667	900	(\$45)	974	(\$60)	1000	(\$65)
10. Number of Bedrooms	1	1		2	(\$50)	1314	(\$125)
11. Number of Baths	10	10		2.0		10	
12. Number of Rooms	3	3		3		3	
13. Balc./Terrace/Patio	N	Y	(\$5)	Y	(\$5)	Y	(\$5)
14. Garage or Carport	L/0	L/0		L/0		L/0	
15. Equipment a. A/C	C	C		C		C	
b. Range/Refrigerator	RF	RF		RF		RF	
c. Disposal	D	Y		Y		Y	
d. Microwave/Dishwasher	MD	D	\$5	D	\$5	N	\$15
e. Washer/Dryer	L	L		L		HU	(\$5)
f. Carpet	C	C		C		C	
g. Drapes	B	B		B		B	
h. Pool/Rec. Area	ER	ER		PER	(\$10)	PER	(\$10)
16. Services a. Heat/Type	N/E	N/E		N/E		N/E	
b. Cooling	N/E	N/E		N/E		N/E	
c. Cook/Type	N/E	N/E		N/E		N/E	
d. Electricity	N	N		N		N	
e. Hot Water	N/E	N/E		N/E		N/E	
f. Cold Water/Sewer	Y	Y		Y		Y	
g. Trash	Y	Y		Y		Y	
17. Storage	N	N		N		Y/0	(\$5)
18. Project Location	Average	Similar		Similar		Similar	
19. Security	N	N		N		N	
20. Clubhouse/Meeting Room	MR	N	\$5	C		C	
21. Special Features	N	N		CT		CT	
22. Business Center / Nbrhd Netwk	BC	BC		N	\$5	N	\$5
23. Unit Rent Per Month		\$595		\$903		\$865	
24. Total Adjustment			\$15		\$20		\$35
25. Indicated Rent		\$610		\$923		\$900	
26. Correlated Subject Rent	\$ 703						
<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.							
	high rent	\$923	low rent	\$610	60% range	\$673	to \$860
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.				Appraiser's Signature	Date (mm/dd/yy)	Reviewer's Signature	Date (mm/dd/yyyy)
				<i>Samuel J. Hill</i>	06/06/17		

# Two-Bedroom Units (902 SF)

## Estimates of Restricted Rent by Comparison - As Complete

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

OMB Approval No. 2502-0029  
(exp. 09/30/2016)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required by the Housing Appropriation Act of 9/28/1994. The information is needed to analyze the reasonableness of the Annual Adjustment Factor formula, and will be used where rent levels for a specific unit type, in a Substantial Rehabilitation or New Construction Contract, exceed the existing FMR rent. The information is considered non-sensitive and does not require special protection. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)	
Two-Bedroom	Brightstone 2654 DeKalb Medical Parkway Lithonia, DeKalb, GA	Terrace at Parkview 6800 Parkview Trail Lithonia, De Kalb, GA		Alexander at Stonecrest 100 Leslie Oaks Drive Lithonia, South Dekalb, GA		Cambridge Heights 6136 Hillandale Drive Lithonia, , GA		The Hills at Farrington 5959 Fairington Lithonia, South Dekalb, GA			
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	06/2017	06/2017		06/2017		06/2017		06/2017		06/2017	
4. Type of Project/Stories	E/4	WU/3	\$ 10	WU/3	\$ 10	WU/2	\$ 10	WU/2	\$ 10	WU/2	\$ 10
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	Proposed	100%		100%		100%		100%		WND	
7. Concessions	N	N		N		N		N		N	
8. Year Built	Proposed	2009	\$ 45	2003	\$ 75	1989	\$ 145	1971	\$ 235		
9. Sq. Ft. Area	902	1100	(\$35)	1209	(\$55)	1000	(\$20)	1314	(\$75)		
10. Number of Bedrooms		2		2		2		2			
11. Number of Baths	10	2.0	(\$30)	2.0	(\$30)	2.0	(\$30)	2.0	(\$30)		
12. Number of Rooms	4	4		4		4		4			
13. Balc./Terrace/Patio	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	N			
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0			
15. Equipment a. A/C	C	C		C		C		C			
b. Range/Refrigerator	RF	RF		RF		RF		RF			
c. Disposal	D	Y		Y		Y		Y			
d. Microwave/Dishwasher	MD	D	\$5	D	\$5	N	\$5	D	\$5		
e. Washer/Dryer	L	L		L		HU	(\$5)	HU	(\$5)		
f. Carpet	C	C		C		C		C			
g. Drapes	B	B		B		B		B			
h. Pool/Rec. Area	ER	ER		PER	(\$ 10)	PER	(\$ 10)	PER	(\$ 10)		
16. Services a. Heat/Type	N/E	N/E		N/E		N/E		N/E			
b. Cooling	N/E	N/E		N/E		N/E		N/E			
c. Cook/Type	N/E	N/E		N/E		N/E		N/E			
d. Electricity	N	N		N		N		N			
e. Hot Water	N/E	N/E		N/E		N/E		N/E			
f. Cold Water/Sewer	Y	Y		Y		Y		Y			
g. Trash	Y	Y		Y		Y		Y			
17. Storage	N	N		N		Y/0	(\$5)	N			
18. Project Location	Average	Similar		Similar		Similar		Similar			
19. Security	N	N		N		N		N			
20. Clubhouse/Meeting Room	MR	N	\$5	C		C		C			
21. Special Features	N	N		CT		N		CT			
22. Business Center / Nbrd Netwk	BC	BC		N	\$5	N	\$5	BC			
23. Unit Rent Per Month		\$710		\$1025		\$865		\$840			
24. Total Adjustment			(\$5)		(\$5)		\$100		\$130		
25. Indicated Rent		\$705		\$1020		\$965		\$970			
26. Correlated Subject Rent	\$ 838	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$ 1020	low rent	\$ 705	60% range	\$ 768	to	\$ 957			
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.				Appraiser's Signature <i>Samuel J. Hill</i>		Date (mm/dd/yy) 06/06/17		Reviewer's Signature		Date (mm/dd/yyyy)	

Previous editions are obsolete

form HUD-92273 (07/2003)

# Two-Bedroom Units (902 SF)

## Estimates of Restricted Rent by Comparison - As Complete

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

OMB Approval No. 2502-0029  
(exp. 09/30/2016)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required by the Housing Appropriation Act of 9/28/1994. The information is needed to analyze the reasonableness of the Annual Adjustment Factor formula, and will be used where rent levels for a specific unit type, in a Substantial Rehabilitation or New Construction Contract, exceed the existing FMR rent. The information is considered non-sensitive and does not require special protection. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)	
Two-Bedroom	Brightstone 2654 DeKalb Medical Parkway Lithonia, DeKalb, GA	Terrace at Parkview 6800 Parkview Trail Lithonia, De Kalb, GA		Alexander at Stonecrest 100 Leslie Oaks Drive Lithonia, South Dekalb, GA		Cambridge Heights 6136 Hillandale Drive Lithonia, , GA		The Hills at Farrington 5959 Fairington Lithonia, South Dekalb, GA			
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	06/2017	06/2017		06/2017		06/2017		06/2017		06/2017	
4. Type of Project/Stories	E/4	WU/3	\$ 10	WU/3	\$ 10	WU/2	\$ 10	WU/2	\$ 10	WU/2	\$ 10
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	Proposed	100%		100%		100%		100%		WND	
7. Concessions	N	N		N		N		N		N	
8. Year Built	Proposed	2009	\$ 45	2003	\$ 75	1989	\$ 145	1971	\$ 235		
9. Sq. Ft. Area	902	1100	(\$ 40)	1209	(\$ 65)	1000	(\$ 20)	1314	(\$ 85)		
10. Number of Bedrooms	2	2		2		2		2		2	
11. Number of Baths	2.0	2.0		2.0		2.0		2.0		2.0	
12. Number of Rooms	4	4		4		4		4		4	
13. Balc./Terrace/Patio	N	Y	(\$ 5)	Y	(\$ 5)	Y	(\$ 5)	N		N	
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		L/0	
15. Equipment a. A/C	C	C		C		C		C		C	
b. Range/Refrigerator	RF	RF		RF		RF		RF		RF	
c. Disposal	D	Y		Y		Y		Y		Y	
d. Microwave/Dishwasher	MD	D	\$ 5	D	\$ 5	N	\$ 5	D	\$ 5	D	\$ 5
e. Washer/Dryer	L	L		L		HU	(\$ 5)	HU	(\$ 5)		
f. Carpet	C	C		C		C		C		C	
g. Drapes	B	B		B		B		B		B	
h. Pool/Rec. Area	ER	ER		PER	(\$ 10)	PER	(\$ 10)	PER	(\$ 10)		
16. Services a. Heat/Type	N/E	N/E		N/E		N/E		N/E		N/E	
b. Cooling	N/E	N/E		N/E		N/E		N/E		N/E	
c. Cook/Type	N/E	N/E		N/E		N/E		N/E		N/E	
d. Electricity	N	N		N		N		N		N	
e. Hot Water	N/E	N/E		N/E		N/E		N/E		N/E	
f. Cold Water/Sewer	Y	Y		Y		Y		Y		Y	
g. Trash	Y	Y		Y		Y		Y		Y	
17. Storage	N	N		N		Y/0	(\$ 5)	N		N	
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar	
19. Security	N	N		N		N		N		N	
20. Clubhouse/Meeting Room	MR	N	\$ 5	C		C		C		C	
21. Special Features	N	N		CT		N		CT		CT	
22. Business Center / Nbrd Netwk	BC	BC		N	\$ 5	N	\$ 5	BC		BC	
23. Unit Rent Per Month		\$ 900		\$ 1,025		\$ 865		\$ 840			
24. Total Adjustment			\$ 20		\$ 15		\$ 130		\$ 150		
25. Indicated Rent		\$ 920		\$ 1,040		\$ 995		\$ 990			
26. Correlated Subject Rent	\$ 838	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$ 1,040	low rent	\$ 920	60% range	\$ 944	to	\$ 1,016	BELOW 60% RANGE		
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.		Appraiser's Signature		Date (mm/dd/yy)		Reviewer's Signature		Date (mm/dd/yyyy)			
		Samuel J. Zell		06/06/17							

Previous editions are obsolete

form HUD-92273 (07/2003)

Brightstone  
Lithonia, Georgia  
0

Expense Year

Budget

<b>Row Labels</b>	<b>Sum of Amount</b>
<b>Advertising</b>	<b>\$5,000</b>
Advertising and Marketing	\$5,000
<b>Annual Ancillary Income</b>	<b>\$30,271</b>
Laundry and Vending Revenue	\$0
Tenant Charges	\$0
Ancillary Income	\$30,271
<b>Annual Gross Potential Rental Income</b>	<b>\$1,513,560</b>
Rent Revenue - Gross Potential	\$1,513,560
Tenant Assistance Payments	\$0
<b>Annual Income (Commercial)</b>	<b>\$0</b>
Rent Revenue - Stores and Commercial	\$0
<b>Decorating</b>	<b>\$6,727</b>
Redecorating	\$6,727
<b>Elevator Maintenance Expense</b>	<b>\$21,000</b>
Elevator Maintenance Expense	\$21,000
<b>Employee Benefits</b>	<b>\$27,000</b>
Health Insurance and Other Employee Benefits	\$0
Benefits, Payroll Taxes, WC	\$27,000
<b>Employee Payroll Tax</b>	<b>\$0</b>
Payroll Taxes (Project's Share)	\$0
<b>Excluded Income</b>	<b>\$0</b>
Financial Revenue	\$0
Interest Reduction Payments Revenue	\$0
Retained Excess Income	\$0
Special Claims Revenue	\$0
<b>Exterminating</b>	<b>\$6,800</b>
Extermination	\$6,800
<b>Fuel</b>	<b>\$0</b>
Fuel	\$0
<b>Garbage and Trash Removal</b>	<b>\$25,000</b>
Trash Collection	\$25,000
<b>Gas</b>	<b>\$0</b>
Gas	\$0
<b>Ground Expense</b>	<b>\$10,000</b>
Grounds Maintenance	\$10,000
<b>Insurance</b>	<b>\$49,193</b>
Fidelity Bond Insurance	\$0
Insurance	\$49,193
<b>Lighting and Miscellaneous Power</b>	<b>\$67,500</b>
Electricity	\$67,500
<b>Management Fee</b>	<b>\$71,788</b>

Management Fee	\$71,788
<b>Misc. Taxes/Licenses</b>	<b>\$0</b>
Miscellaneous Taxes, Licenses, Permits and Insurance	\$0
<b>Other Administrative</b>	<b>\$45,100</b>
Administrative Rent Free Unit	\$0
Audit Expense	\$0
Bad Debts	\$0
Office Supplies and Postage	\$4,800
Telephone	\$9,600
Legal	\$5,000
Accounting	\$11,500
Credit Reports	\$2,500
Other Admin, Software, Compliance Fee	\$11,700
<b>Other Maintenance</b>	<b>\$0</b>
Miscellaneous Operating and Maintenance Expense	\$0
<b>Other Operating</b>	<b>\$8,000</b>
Security Payroll/Contract	\$0
Other Utilities	\$0
Maintenance Supplies	\$8,000
<b>Payroll</b>	<b>\$140,000</b>
Support Services Salaries and Benefits	\$0
Management Salaries and Benefits	\$90,000
Maintenance Salaries and Benefits	\$50,000
<b>Personal Property Tax</b>	<b>\$0</b>
Personal Property Taxes	\$0
<b>Real Estate Tax</b>	<b>\$143,000</b>
Real Estate Taxes	\$143,000
<b>Repairs</b>	<b>\$32,500</b>
Replacement Reserves Releases Included as Expense	\$0
Vehicle and Maintenance Equipment Operation and Repairs	\$0
Contracted Repairs	\$17,500
General Repairs	\$15,000
<b>Reserves for Replacement</b>	<b>\$43,750</b>
Replacement Reserve Deposits	\$43,750
<b>Service Coordinator</b>	<b>\$0</b>
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
<b>Vacancy (Apartments)</b>	<b>-\$108,068</b>
Vacancies - Apartments	-\$108,068
Vacancies - Concessions	\$0
<b>Vacancy (Commercial)</b>	<b>\$0</b>
Vacancies - Stores and Commercial	\$0
<b>Water/Sewer</b>	<b>\$132,500</b>
Water and Sewer	\$132,500
<b>(blank)</b>	<b>\$5,859,234</b>
Net Rental Revenue	\$1,405,492
Operating Expenses	



Total Administrative Expenses	\$211,888
Total Operating and Maintenance Expenses	\$160,027
Total Operating Expenses	\$791,108
Total Other Revenue	\$30,271
Total Rent Revenue	\$1,513,560
Total Revenue	\$1,435,763
Total Taxes and Insurance	\$219,193
Total Utilities Expense	\$200,000
Total Vacancies	-\$108,068
(blank)	
<b>Excluded Expense</b>	<b>\$0</b>
Loss on Disposal of Assets	\$0
<b>Grand Total</b>	<b>\$8,129,855</b>



## ADDENDUM C

## **27-2.31 DIVISION 31. M (LIGHT INDUSTRIAL) DISTRICT**

### **2.31.1 Statement of purpose and intent.**

The purpose and intent of the board of commissioners in establishing the M (Light Industrial) District is as follows:

- A. To provide areas for the establishment of businesses engaged in the manufacturing, processing, creating, repairing, renovating, painting, cleaning, or assembling of goods, merchandise, or equipment and the sale and distribution of such goods, merchandise or equipment in locations so designated in the comprehensive plan;
- B. To provide an environment for light industrial uses that produces no appreciable impact on adjacent properties and preserve the appeal and appearance of residential and commercial areas;
- C. To assure that all establishments located within the M (Light Industrial) District operate in compliance with the noise standards contained in this chapter and that any negative noise impact resulting from the  
  
use of land within the M (Light Industrial) District is contained within the boundaries of said district and does not create noise problems for adjoining residential, office or commercial districts;
- D. To provide an area within DeKalb County for recycling and green businesses to locate;
- E. To generate employment opportunities and economic development;
  - F. To assure that M (Light Industrial) districts are so located that transportation access to thoroughfares and freeways is available;
  - G. To allow for the conversion of industrial buildings which are 50 years of age or older to multi-family dwellings so as to promote living and working space as well as historic preservation;
- H. To implement the Future Development Map of the County's most current Comprehensive Plan.

### **2.31.2 Permitted and special land uses.**

Permitted uses and uses requiring special land use permits shall be as provided in Table 4.1. In cases where a use is permitted but there are supplemental use regulations for that use specified in Article 4, such regulations shall also apply and must be complied with.

### **2.31.3 Dimensional requirements.**

Dimensional requirements for the M (Light Industrial) District shall be as provided in Table 2.24, "Non-Residential Zoning Districts Dimensional Requirements."

### **2.31.4 Site and building design standards.**

Site and building design standards and regulations to be applied in this zoning district shall be as provided in Article 5, Site Design and Building Form Standards.

### **2.31.5 Multi-family use provisions for industrial conversion.**

- A. The conversion of industrial buildings to residential use shall be permitted by a special land use permit. The following shall be considered:
  - 1. Whether the building is located on the interior or periphery of an established industrial park or area;
  - 2. Whether the building or area should no longer be used for industrial uses;
  - 3. Adequate parking is provided in accordance with Article 6, for multi-family or live-work.



Table 4.1 Use Table

Use	KEY: P – Permitted use Pa – Permitted as an accessory use														SA – Special administrative permit from director of planning SP – Special land use permit from BOC (BLUP)										See Section 4.2			
	RRE	RE-1	RE-1B	RE-2	RE-2.5	RE-3	RE-4	RE-5	RE-6	RE-7, 7.5	RE-8	RE-9	OT	OT	MB	CA	CS	CB	EA	RE-10	RE-11	RE-12	RE-13	RE-14				
<b>AGRICULTURAL</b>																												
<b>Agriculture &amp; Forestry</b>																												
Commercial greenhouses or plant nurseries	P														P	P	P										✓	
Temporary or portable sawmill	P																										✓	
Urban community garden, up to 5 ac.	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	✓	
Urban community garden, over 5 ac.	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	✓	
<b>Animal Oriented Agriculture</b>																												
Dairy	P																										✓	
Keeping of livestock	P	P	P	P	P																						✓	
Keeping of poultry/geese	P	P	P	P	P																						✓	
Livestock sales pavilion	P																										✓	
Riding academies or stables	P	P	P	P	P																						✓	
<b>RESIDENTIAL</b>																												
<b>Dwellings</b>																												
Dwelling, cottage home						P	P	P	P	P	P	P															✓	
Dwelling, mobile home																									Pa	Pa	✓	
Dwelling, multi-family																									SP	SP	✓	
Dwelling, multi-family (supportive living)																											✓	
Dwelling, townhouses																											✓	
Dwelling, urban single-family																											✓	
High-rise apartment																											✓	
Dwelling, single-family (attached)																											✓	
Dwelling, single-family (detached)	P	P	P	P	P	P	P	P	P	P	P	P															✓	
Dwelling, three-family																											✓	
Dwelling, two-family																											✓	
Dwelling, single-family, accessory (greenhouse, in-law suite)	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa															✓	
Home occupation, no customer contact	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA															✓	
Home occupation, with customer contact	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP															✓	
Livestock unit																											✓	
Mobile home park																											✓	
Accessory uses or structures	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	✓
<b>Housing and Lodging</b>																												
Bed & breakfast	SP	SP	SP																								✓	
Bed & breakfast, home stay	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP														✓	
Boarding/rooming house																											✓	
Converts or monasteries	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP																✓	
Dormitory																											✓	
Extended stay hotel/motel																											✓	
Fraternity houses or sorority houses																											✓	
Hotel/Motel																											✓	
Nursing care facility or hospice																											✓	
Personal care home, community, 7 or more																											✓	
Personal care home, group, 4-6	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	✓	
Child caring institution, group, 4-6	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	✓	
Child caring institution, community, 7 or more																											✓	
Senior housing	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	✓	
Shelter for homeless persons, 7-20																											✓	
Shelter for homeless persons for no more than six (6) persons																											✓	
Transitional housing facility, 7-20																											✓	

Table 4.1 Use Table, Cont'd

Use	KEY: P – Permitted use Pa – Permitted as an accessory use														SA – Special administrative permit from director of planning SP – Special land use permit from DUC (SLUP)										Site Section 4.2		
	BB	RE-3	RE-1MC	RE-2S	RE-7/S	RE-40	RS33	MR-1	MR-2	HR-1,2,3	MS-2	RS-2	DI	OUT	RS	C-1	C-2	CP	IA	BI-2	MI-1	MU-2	MU-3	MU-4,5			
<b>INSTITUTIONAL / PUBLIC</b>																											
<b>Community Facilities</b>																											
Cemetery, columbarium, mausoleum	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP																✓
Club, order or lodge, fraternal, non-commercial													P	P													
Coliseum or stadium or associated with church or school																										SP	P
Funeral home, mortuary													P	P													
Golf course or clubhouse, public or private	P	P	P	P	P	P	P					P	P	P													✓
Government facilities	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Hospital or accessory ambulance service													P	P												P	P
Library or museum										P	P	P		P	P	P	P	P							P	P	P
Cultural facilities										SP	SP	SP		SP	SP		SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP
Recreation club	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP															SP
Neighborhood or subdivision clubhouse or amenities	P	P	P	P	P	P	P	P	P	P	P	P	P	P											P	P	P
Places of worship	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	P	P	P	P	P	P	P	P	P	P	P	P	P	✓
Recreation, outdoor																											
Swimming pools, commercial	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	P	P											Pa	Pa	Pa
Tennis courts, swimming pools, play or recreation areas, community	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	P	P											Pa	Pa	Pa
<b>Education</b>																											
Colleges, universities, research & training facilities														P	P	P	P	P	P	P	P	P	P	P	P	P	P
Private educational services, home occupation	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa	Pa													Pa	Pa	
Private kindergarten, elementary, middle or high schools	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	P	P											SP	SP	SP
Vocational schools														P	P	P	P	P	P	P	P	P	P	P	P	P	P
Specialized schools										SP	SP	SP		P	P	P	P	P	P	P	P	P	P	P	P	P	✓
<b>COMMERCIAL</b>																											
<b>Automobile, boat and trailer sales and services</b>																											
Automobile or truck rental or leasing facilities																											
Automobile brokerage													P	P												P	P
Auto recovery, storage																											
Automobile repair or maintenance, minor																											
Automobile repair, major																											
Automobile sales or truck sales																											
Automobile service stations																											
Automobile upholstery shop																											
Automobile wash/wax service																											
Boat sales																											
Retail automobile parts or tire stores																											
Service area, outdoor																											
Trailer or RV salesroom & lot																											
<b>Office</b>																											
Accounting office																											
Building or construction office																											
Building, landscape, heavy construction contractor office (material, equipment, storage)																											
Engineering or architecture office																											
Finance office or banking																											

Table 4.1 Use Table, Cont'd

Use	KEY: P – Permitted use Pa – Permitted as an accessory use													SA – Special administrative permit from director of planning SP – Special land use permit from BoC (SLUP)					See Section 4.2								
	RE	RLC	R-100	R-61	R-73	R-88	RS1a	RM-1	RM-2	RM-1,2,3	RMF	RMC	CI	OH	MB	C-1	C-2	CO		II	IM-2	OU-1	OU-3	OU-1	MB-3		
<b>COMMERCIAL (cont'd)</b>																											
<b>Office (cont'd)</b>																											
General business office																											
Insurance office																											
Legal office																											
Medical office																											
Real estate office																											
<b>Recreation and Entertainment</b>																											
Adult entertainment establishments																											
Adult service facility																											
Drive-in theater																											
Fairground or amusement park																											
Indoor recreation (bowling alleys, movie theaters & other activities conducted wholly indoors)																											
Nightclub or late night establishment																											
Outdoor recreation (miniature golf, bathing cages, tennis, Go-cart & other outdoor activities)	SP																										
Social events facility	SP																										
Theaters with live performance assembly or concert halls, or similar entertainment within enclosed building																											
<b>Retail</b>																											
Alcohol outlet, retail sales, primary or accessory																											
Apparel or accessories store																											
Art gallery																											
Book, greeting card, or stationery store																											
Camera or photography																											
Commercial greenhouse or plant nursery																											
Computer or computer software store																											
Convenience store (see alcohol outlet or fuel pumps accessory)																											
Drive-through facilities (other than restaurants) in Activity Center character areas																											
Drive-through facilities (other than restaurants) in all other character areas																											
Farm or garden supply store	P																										
Farmer's market, permanent	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA
Farmer's market, temporary/seasonal	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA
Florist																											
Specialty food stores (e.g., coffee, ice cream) (see alcohol outlet)																											
Fuel dealers, manufacturers or wholesalers																											
Fuel pumps, accessory																											
Gift, novelty, or souvenir store																											
Gold buying, precious metals																											
Grocery stores (see alcohol outlet)																											
Hardware store or other building materials store																											
Hobby, toy or game store																											
Jewelry store																											
Music or music equipment store (retail)																											
Liquor stores (see alcohol outlet)																											
House dealer or new store																											
Office supplies & equipment store																											
Pawn shop, title loan																											



Use Regulations

Table 4.1 Use Table, Cont'd

Use	KEY: P - Permitted use Pa - Permitted as an accessory use														SA - Special administrative permit from director or planning SP - Special land use permit from BoC (SLUP)											BoC Section 4.2					
	RF	BLG	R-100	R-45	R-70	R-49	RSB	MB-1	MB-2	MP-1,2,3	MHP	MWC	CH	DTT	NS	C-1	C-2	OD	B	NS2	WU-1	WU-2	WU-3	WU-4,5							
<b>COMMERCIAL (cont'd)</b>																															
<b>Retail (cont'd)</b>																															
Pet supply store																															
Pharmacy or drug store (see alcohol outlet)										Pa	Pa	Pa			Pa	Pa	P	P	P	P							P	P	P		
Radio, television or consumer electronics store																												P	P	P	
Retail, 5,000 sf or less										Pa	Pa	Pa			Pa	Pa	P	P	P	P	P	P	P	P	P	P	P	P	P		
Retail, over 5,000 sf (see also shopping center)																	P	P	P	P							P	P	P		
Retail warehouses/wholesales providing sales of merchandise with no outdoor storage																		P	P	P	P						P	P	P		
Shopping center																	F	P	P	P							P	P	P		
Specialty store																	F	P	P	P							P	P	P		
Sporting goods or bicycle sale																	F	P	P	P							P	P	P		
Thrift, secondhand, antique store																		P	P		P										
Trade shops: electrical, plumbing, heating/cooling, roofing/siding, with no outside storage																		P	P		P	P	P	P	P						
Variety store																		Pa	P	P	P							P	P	P	
<b>Temporary Commercial Uses</b>																															
Temporary outdoor sales, seasonal	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA		
Temporary produce stand	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA		
Temporary outdoor retail sales	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA		
Temporary outdoor events	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA		
Temporary trailer, as home sales office or construction trailer	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA	SA		
<b>Restaurant/Food establishments</b>																															
Brewpub																															
Catering establishments																		P	P	P	P							P	P	P	
Restaurants (acc. to hotel/motel)																													P	P	P
Restaurants (non-drive-thru)										Pa	Pa	Pa			Pa	Pa	Pa	P	P	P								P	P	P	
Restaurants with a drive-thru configuration in Activity Center character area																												SP	SP		
Restaurants with a drive-thru configuration (all other character areas)																													P		
<b>Transportation and Storage</b>																															
Bus or rail stations or terminals for passengers																															
Helper																															
Parking, commercial lot																															
Parking, commercial garage																															
Taxi, ambulance or limousine service dispatching or storage																															
Taxi, ambulance, limousine dispatch offices only (no vehicle parking)																															
Taxi stand																															
<b>Services</b>																															
Adult day care center - 7 or more																															
Adult day care facility - up to 6	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP																			
Animal hospitals, veterinary clinics																															
Animal shelter / rescue center	SP																														
Banks, credit unions or other similar financial institutions																															
Barber shop/ beauty salon or similar establishments																															
Check cashing establishment, primary																															
Check cashing establishment, accessory																															





Table 4.1 Use Table, Cont'd

Use	KEY: P – Permitted use Pa – Permitted as an accessory use															SA – Special administrative permit from director of planning SP – Special land use permit from BoC (SLUP)											
	RE	RLG	R-100	R-35	R-75	R-10	RS4	HR-1	HR-2	HR-1,2,3	MHP	RMC	GI	OT	NS	C-1	C-2	OD	W	M2	MU-1	MU-2	MU-3	MU-4,0	See Section 4.2		
Dry cleaning plant																					P	P					
Dye works																							P				
Explosive manufacture or storage																							SP				
Fabricated metal manufacture																							P				
Fat rendering or fertilizer manufacture																							SP				
Fuel dealers, manufactures or wholesalers																						P	P				
General aviation airport																						SP	SP				✓
Heavy equipment repair service or trade																	P					P	P				
Ice manufacturing plant																						P	P				
Incidental retail sales of goods produced or processed on the premises																						Pa	Pa				
Incineration of garbage or refuse when conducted within an enclosed plant																							SP				
Industrial, heavy																							SP				
Industrial, light																						P	P				
Intermodal freight terminal, bus or rail freight or passenger terminal, or truck terminal																							SP				
Leather manufacturing or processing																							P				
Light mal beverage manufacturer (See also Brewpub)															Pa	Pa	Pa					P	P	Pa	Pa	Pa	Pa
Light manufacturing																						D	P				
Manufacturing, heavy																							SP				✓
Manufacturing operations not housed within a building																							SP				✓
Mines or mining operations, quarries, asphalt plants, gravel pits or soil pits																							SP	SP			✓
Outdoor storage, industrial																							P	P			✓
Paper or pulp manufacture																							SP				✓
Petroleum or inflammable liquids production, refining																							SP				✓
Radioactive materials: fabrication, manufacture, processing or emission																							SP				✓
Railroad car classification yards or team truck yards																							SP	SP			✓
Recovered materials facility wholly within a building																							P	P			✓
Recovered materials processing wholly within a building																							P	P			✓
Recycling collection														Pa	Pa	Pa	Pa						SP	SP			
Recycling plant																							SP	SP			
Repair/manufacture of electric watches, toys, electrical appliances, electronic, light sheet metal products, equipment, machine tools, or machinery not requiring the use of press punch over 100 tons rated capacity or drop hammer																							P	P			
Research, experimental or testing laboratories																							P	P			
Rubber or plastics manufacture																							P	P			
Salvage yard (junkyard)																							SP	SP			✓
Solid waste: general disposal, landfill, private industry disposal, handling facility, thermal treatment technology or hazardous/toxic materials including radioactive materials																							SP				✓
Smelting: copper, iron, zinc, or ore																							SP				
Storage yard, except vehicle																							SP	P			✓





effort to protect and preserve the tree canopy which is essential to the maintenance of the character of the district.

(Ord. No. 99-11, Pt. I, 4-13-99)

**3.4.17 Approval of plats where density bonus permitted.**

The director of planning is authorized to record plats in which a density bonus has been approved pursuant to section 3.4.16 above. The approval of any such plat shall be noted on the official zoning map by the director of planning.

(Ord. No. 99-11, Pt. I, 4-13-99)

**3.4.18 Billboards prohibited.**

No outdoor general advertising sign shall be permitted within the district.

(Ord. No. 99-11, Pt. I, 4-13-99)

**3.4.19 Reserved.**

**27-3.5 DIVISION 5. STONECREST AREA OVERLAY DISTRICT**

**3.5.1 Scope of regulations.**

This division establishes standards and procedures that apply to any development, use, alteration, height, density, parking, open space, and building on any lot or portion thereof which is in whole or in part contained within the boundaries of the Stonecrest Area Overlay District.

(Ord. No. 24-02, Pt. I, 5-26-02)

**3.5.2 Applicability of regulations.**

This division applies to each application for a permit for the development, use, alteration, or modification of any structure where the subject property is in whole or in part contained within the boundaries of the Stonecrest Area Compatible Use Zone Overlay District. The procedures, standards, and criteria herein apply only to that portion of the subject property within the boundaries of the Stonecrest Area Overlay District.

(Ord. No. 24-02, Pt. I, 5-26-02)

**3.5.3 Statement of purpose and intent.**

The purpose and intent of the board of commissioners in establishing the Stonecrest Area Compatible Use Zone Overlay District is as follows:

- A. To preserve, protect and enhance existing and proposed open space networks that are adjacent to or within the Stonecrest Area;
- B. To enhance the long term economic viability of this portion of DeKalb County by encouraging new commercial and residential developments that increase the tax base and provide jobs to the citizens of DeKalb County;
- C. To implement the policies and objectives of the DeKalb County Comprehensive Plan 1985—2015 and the policies and objectives of the design guidelines for the Stonecrest Overlay District;
- D. To establish and maintain a balanced relationship between industrial, commercial, and residential growth to ensure a stable and healthy tax base in DeKalb County;
- E. To provide a balanced distribution of regional and community commercial and mixed-use office centers;
- F. To support high density housing in office and mixed-use centers which have the appropriate location, access, and infrastructure to accommodate it;



- G. To encourage mixed-use developments that meet the goals and objectives of the Atlanta regional commission's smart growth and livable centers initiatives;
- H. To allow flexibility in development standards in order to encourage the design of innovative development projects that set high standards for landscaping, greenspace, urban design, and public amenities;
- I. To encourage an efficient land use and development plan by forming a live-work-play environment that offers employees and residents the opportunity to fulfill their daily activities with minimal use of single-occupant automobiles;
- J. To allow and encourage development densities and land use intensities that are capable of making productive use of alternative transportation modes such as bus transit, rail transit, ridesharing, bicycling and walking;
- K. To focus and encourage formation of a well-designed, pedestrian-friendly activity center with high-density commercial and residential development that increases vitality and choices in living environments for the citizens of DeKalb County;
- L. To protect established residential areas from encroachment of uses which are either incompatible or unduly cause adverse impacts on such communities, and to protect the health, safety and welfare of the citizens of DeKalb County;
- M. To promote uniform and visually aesthetic architectural features which serve to unify the distinctive visual quality of the Stonecrest Area.

(Ord. No. 24-02 Pt. I 5-28-02)

#### **3.5.4 District boundaries.**

- A. The boundaries of the Stonecrest Area Overlay District shall be divided into five (5) development tiers as follows:
  - 1. Tier I: High-rise mixed use zone;
  - 2. Tier II: Mid-rise mixed use zone;
  - 3. Tier III: Low-rise mixed use zone;
  - 4. Tier IV: Transitional mixed use zone; and
  - 5. Tier V: Cluster/village mixed use zone.
- B. The boundaries of the Stonecrest Area Overlay District composed of tiers I, II, III, IV and V shall be established by a zoning map amendment dated November 1, 2012, which is incorporated by reference as if fully set forth herein and made a part of this chapter, a copy of which is attached hereto as Exhibit A and adopted as a map amendment to the Official Zoning Map of DeKalb County. The adopted Stonecrest Overlay District Map and all its amendments will be maintained by the planning director. Any changes to the Overlay District Map dated November 1, 2012 will require a map amendment and a text amendment revising this section to reflect the revised map for the district.

(Ord. No. 24-02 Pt. I 5-28-02 Ord. No. 08-14 Pt. I 7-22-03 Ord. No. 12-18 Pt. I 11-13-12)

#### **3.5.5 Public space.**

- B. *Public space:* Each lot may provide a minimum of twenty (20) percent public space. To the extent possible, lands containing streams, lakes, one hundred-year floodplains, wetlands, slopes over fifteen (15) percent shall remain undisturbed and included in public space. Natural public space areas shall form an interconnected and continuous network of paths, greenways, and trails throughout the development within the Stonecrest Area Overlay District. Credit for public space areas may be



transferred from one parcel to another within overall developments that remain under unified control of a single property owner or group of owners, but must demonstrate interconnectedness of public areas.

1. *Maintenance and protection of public space.* Each applicant that chooses to provide for public space shall present as a part of the application for a building permit within the Stonecrest Area Overlay District a legal mechanism under which all land to be used for public space purposes shall be protected. Such legal mechanism may include deed restrictions, property owner associations, common areas held in common ownership or control, maintenance easements, or other legal mechanisms, provided that said legal mechanism shall be approved by the county attorney as assuring each of the following mandatory requirements:
  - a. That all subsequent property owners within said Stonecrest Area Overlay District be placed on notice of this development restriction through the deed records of DeKalb County Superior Court;
  - b. That all public space held in common will be properly maintained and insured with no liability or maintenance responsibilities accruing to the county;
  - c. That a legal mechanism exists for notice of deficiencies in maintenance of the public space held in common, correction of these deficiencies, and assessment and liens against the properties for the cost of the correction of these deficiencies by a third-party or the county;
  - d. When an applicant for a Stonecrest Area Overlay District chooses to utilize a property owners association in order to comply with the requirements of subsection (a) above, the applicant, in addition to meeting all of said requirements, shall provide for all of the following:
    - i. Mandatory and automatic membership in the property owners association as a requirement of property ownership;
    - ii. A fair and uniform method of assessment for dues, maintenance and related costs;
    - iii. Where appropriate, party wall maintenance and restoration in the event of damage or destruction; and
    - iv. Continued maintenance of public space held in common and liability through the use of liens or other means in the case of default.

(Ord. No. 24-02 Pt. I 5-28-02)

### 3.5.6 Landscaping requirements.

- A. *Landscape strips.* Landscape strips not less than five (5) feet in width shall be provided along all side and rear property lines and on both sides of all public streets. The landscape strip in the front yard shall be a minimum of ten (10) feet in width and shall be planted with a row of street trees of at least three and one-half (3½) inches in caliper selected from the list of street trees species identified in the design guidelines for the Stonecrest Area Overlay District and planted not less than seventy five (75) feet on center. Continuous landscaped strips shall be constructed along public rights-of-way where surface parking lots are adjacent to such sidewalks or public right-of-way except at points of ingress or egress into the facility.
- B. *Ground cover.* Ground cover shall also be provided in accordance with the design guidelines for the Stonecrest Area Overlay District in order to protect tree roots and to prevent erosion. Ground cover shall consist of evergreen shrubs or groundcover plant material mulched with pine bark mulch, or other similar landscaping material.
- C. Newly planted trees shall conform to the design guidelines for the Stonecrest Area Overlay District.
- D. No tree shall be planted closer than two (2) feet from the street or sidewalk, and no closer than five (5) feet from a fire hydrant, sign post, streetlight standard, utility pole, or similar structure.



- E. Parking lots shall be landscaped as follows:
1. Each such parking lot shall have a minimum of five (5) percent of the total lot area of the interior of the parking lot in landscaped space.
  2. A minimum of one (1) tree per twelve (12) parking spaces shall be included in the required landscaped areas. For the purpose of satisfying this requirement, existing trees that are three (3) inches or more in caliper as measured at a height of thirty-six (36) inches above the ground level shall be considered to be equivalent to one (1) or more newly planted trees on the basis of one (1) tree for each three (3) inches of caliper.
  3. Where the landscaped area is in the interior of a parking lot, the landscaped area shall be a minimum of six (6) feet in width and six (6) feet in length, with a minimum area of thirty-six (36) square feet.
  4. All landscaped areas shall be properly maintained in accordance with approved landscape plans. In the event that a tree or any plant material dies, it shall be replaced within ninety (90) days of such occurrence, so as to meet all requirements of this section and to allow for planting in the appropriate planting season.
  5. All trees planted pursuant to the requirements of section 5.4.4 shall be counted for the purpose of meeting the tree planting and tree replacement requirements imposed by section 14-39.

(Ord. No. 24-02 Pt. I, 5-28-02)

**3.5.7 Transitional buffer zone requirements.**

Where a lot on the external boundary of the Stonecrest Area Overlay District adjoins the boundary of any property outside the overlay district that is zoned for any R classification, RM classification, MHP classification, or TND classification, a transitional buffer zone not less than fifty (50) feet in width shall be provided and maintained in a natural state or so as to maintain an effective visual screen. Said transitional buffer zone shall not be paved and shall not be used for parking, loading, storage, or any other use, except where necessary to grade or modify a portion of the transitional buffer zone for the installation of utilities necessitated by the development. Water detention ponds shall not be located within transitional buffer zones. No trees, other than dead or diseased trees, shall be removed from said transitional buffer zone, but additional trees and plant material may be added to the transitional buffer zone.

(Ord. No. 24-02 Pt. I, 5-28-02)

**3.5.8 Streets standards.**

Streets within the Stonecrest Area Overlay District may be either public or private streets. Private streets shall comply with requirements of public streets found in Chapter 14 and all other applicable sections of the DeKalb County Code, with the following exceptions:

- A. Streets in the Stonecrest Area Overlay District may be constructed with travel lanes at eleven (11) feet in width, measured inside curb and gutter.
- B. Private or public alleys shall be permitted, providing secondary or service access within developments consisting of at least four (4) occupied structures. An alley shall provide a continuous connection between two (2) streets. Alleys shall be paved and constructed to the same standards as the connecting streets except that:
  1. No alley shall be longer than four hundred (400) feet;
  2. No alley shall have a slope greater than seven (7) percent;
  3. The paved width of an alley shall be not less than twelve (12) feet;
  4. Alleys shall be constructed with flush curbs;

5. Alleys shall be bordered on both sides by unobstructed seven (7) foot wide shoulders constructed of grass sod or gravel; and
6. Buildings shall be set back at least ten (10) feet from the back of curb of an alley.

(Ord. No. 24-02 Pt. I 5-28-02)

**3.5.9 Underground utilities.**

All utilities except for major electric transmission lines and substations are required to be placed underground except where the director of development determines that underground utilities are not feasible due to pre-existing physical conditions, such as conflicting underground structures or utilities, shallow rock, high water table, or other similar geologic or hydrologic conditions.

(Ord. No. 24-02 Pt. I 5-28-02)

**3.5.10 Streetlights.**

Streetlights are required for all public streets and shall conform to the design guidelines for the Stonecrest Area Overlay District.

(Ord. No. 24-02 Pt. I 5-28-02)

**3.5.11 Interparcel access.**

To the maximum extent possible, sidewalks and parking lots serving adjacent lots shall be interconnected to provide continuous driveway connections and pedestrian connections between adjoining lots and streets, except that this requirement shall not apply to lots zoned for single family or duplex residential units. Where necessary, DeKalb County may require access easements be provided to ensure continuous access and egress routes connecting commercial, office, and multifamily lots.

(Ord. No. 24-02 Pt. I 5-28-02)

**3.5.12 Multi-modal access plans required.**

Each new application for a development permit within the Stonecrest Area Overlay District shall be accompanied by a multi-modal access plan prepared at a scale not greater than 1"=100'. The multi-modal access plan shall cover the full extent of the proposed development along with public rights of way of adjoining streets and any other property lying between the subject property and the nearest public streets on all sides. The purpose of the multi-modal access plan is to demonstrate a unified plan of continuous access to and between all buildings in the proposed development and adjacent properties. Connections to available transportation modes, such as driveways, sidewalks, and bike paths shall be shown along adjacent streets and those entering adjoining properties. Safe and convenient pedestrian ways shall be provided from sidewalks along streets to each building entrance, including pedestrian access routes across parking lots and between adjacent buildings within the same development. Where an existing or planned public transportation station or stop is within one thousand two hundred fifty (1,250) feet (straight line distance) from any boundary of the subject property, the access plan shall show how pedestrians may safely travel from such station or stop to the subject property. Where an existing or planned bike path is located within one thousand five hundred (1,500) feet of the subject property, the access plan shall show how safe, continuous and convenient bicycle access shall be provided to the subject property.

(Ord. No. 24-02 Pt. I 5-28-02)

**3.5.13 High-rise mixed-use zone (Tier I Zone).**

A. *Principal uses and structures.* The following principal uses of land and structures shall be authorized within Tier I, High-Rise Mixed-Use Zone of the Stonecrest Area Overlay District:

1. All uses authorized in the C-1 and C-2 (General Commercial) District, except those listed in (B), below.
2. All uses authorized in the O-1 (Office Institutional) District, except those listed in (B), below.



3. All uses authorized in the O-D (Office-Distribution) District, except those listed in (B), below.
  4. All uses authorized in the RM-HD (Multifamily Residential) District.
  5. Buildings that contain a mixture of two (2) or more uses selected from those authorized in this district.
- B. *Prohibited uses.* The following principal uses of land and structures shall be prohibited within Tier I: High-rise mixed use zone of the Stonecrest Area Overlay District:
1. Kennels.
  2. Storage yards.
  3. Tire dealers and tire repair.
  4. Adult entertainment establishments.
  5. Adult service facilities.
  6. Outdoor amusement and recreation services facilities.
  7. Outdoor storage.
  8. Appliance and equipment repair shops.
  9. Motels.
  10. Used motor vehicles dealers.
  11. Temporary and seasonal outdoor sales.
  12. Automobile title loan establishments.
  13. Pawn shops.
  14. Liquor stores.
  15. Salvage yards and junk yards.
  16. Self-storage facilities.
  17. Gasoline service stations.
  18. Major and minor automobile repair and maintenance shops.
  19. Automotive rental and leasing.
  20. Commercial parking lots.
  21. Carwashes and detail shops.
  22. Check cashing establishments.
  23. Automobile emission testing facilities.
- C. *Accessory uses and structures.* The following accessory uses of land and structures shall be authorized in the Tier I: High-Rise Mixed-Use Zone of the Stonecrest Area Compatible Use Overlay District:
1. Accessory uses and structures incidental to any authorized use.
  2. Parking lots and parking garages.
  3. Club house, including meeting room or recreation room.
  4. Swimming pools, tennis courts, and other recreation areas and similar amenities.
  5. Signs, in accordance with the provisions of chapter 21 and this chapter.

- D. **Building setbacks.** The following requirements shall apply to all structures in the Tier I: High-Rise Mixed-Use Zone of the Stonecrest Area Overlay District:
1. **Minimum front yard setback:** fifteen (15) feet from right of way of public street except that garages of residential units shall be set back a minimum of twenty-five (25) feet from right of way.
  2. **Minimum interior side yard:** ten (10) feet. There shall be a minimum of fifteen (15) feet between buildings and structures less than two (2) stories in height and a minimum of twenty (20) feet between any two (2) buildings and structures when one of them is greater than two (2) stories in height, and a minimum of twenty-five (25) feet between any two (2) buildings when one of them is greater than five (5) stories in height.
  3. **Minimum rear yard:** ten (10) feet.
- E. **Height of buildings and structures.** A building in the High-Rise Mixed-Use Zone may exceed the five-story height limit without the necessity of obtaining a special land use permit. A parking deck may exceed five (5) stories in height; however, a parking deck shall not exceed ten (10) stories either as a separate deck structure or as part of an office building.
- F. **Density.** No development in a Tier I zone shall exceed a FAR of three and one-half (3.5), unless it also provides additional public space or other amenities singly, or in combination as provided in paragraph (g) below.
- G. **Bonus density:** The maximum allowable FAR of a building or development in a Tier I zone shall be increased to a FAR not to exceed a total of six (6.00) in exchange for one (1) or more of the additional amenities provided in the table below:

Table 3.1 Maximum Bonus FAR: Tier I

<b>Maximum Bonus Floor Area Ratio in Stonecrest Area, Tier I Zone</b>	
<b>Additional Amenity</b>	<b>Increased FAR</b>
Increase public space to 25 percent while providing connectivity	0.75
Increase public space to 30 percent while providing connectivity	1.50
Mixed-use building that combines office-institutional with commercial retail uses. Each mixed-use building shall include one principal use and at least one secondary use. No primary or secondary use shall constitute less than ten percent of the gross floor area of the building.	0.25
Mixed-use building that includes multifamily residential units constituting at least 8 units per acre of land, and constructed in the same building with office, institutional, commercial or retail uses.	0.5

- H. **Required parking.** Required parking may be provided through a combination of off-street, on-street, or shared parking provided that all required parking is located within seven hundred (700) feet of the principal entrance of buildings which it is intended to serve. The minimum number of required parking spaces shall be as provided in Article 6, except as follows:
1. Retail uses, personal service uses, and other commercial and general business uses, including food stores—Minimum of four (4.0) spaces per one-thousand (1,000) square feet of gross floor area.
  2. Office and clinic uses—Minimum of three (3.0) spaces per one thousand (1,000) square feet of gross floor area.
  3. Hotel and motel uses—Minimum of one (1.00) space per unit.

4. Multifamily residential uses—Minimum of one and one-quarter (1.25) spaces per dwelling unit.
- I. *Sidewalks.* Sidewalks at least five (5) feet in width shall be provided on both sides of all public streets. Sidewalks along streets and in front of proposed high-rise buildings shall be a minimum of ten (10) feet in width.

(Ord. No. 24-02, Pt. I, 5-28-02; Ord. No. 10-05, Pt. I, 3-23-10)

**3.5.14 Mid-rise mixed-use zone (Tier II Zone).**

- A. *Principal uses and structures.* The following principal uses of land and structures shall be authorized within Tier II: mid-rise mixed-use zone of the Stonecrest Area Overlay District:
  1. All uses authorized in the C-1 and C-2 (General Commercial) District, except as excluded in (B), below.
  2. All uses authorized in the O-I (Office Institutional) District, except as excluded in (B), below.
  3. All uses authorized in the O-D (Office Distribution) District, except as excluded in (B), below.
  4. All uses authorized in the RM-HD (Multifamily Residential) District.
  5. Buildings that contain a mixture of two (2) or more uses selected from those authorized in this district.
- B. *Prohibited uses.* The following principal uses of land and structures shall be prohibited within Tier II: Mid-rise mixed use zone of the Stonecrest Area Overlay District:
  1. Kennels.
  2. Storage yards.
  3. Tire dealers and tire repair.
  4. Adult entertainment establishments.
  5. Adult service facilities.
  6. Outdoor amusement and recreation services facilities.
  7. Outdoor storage.
  8. Appliance and equipment repair shops.
  9. Motels.
  10. Used motor vehicles dealers.
  11. Temporary and seasonal outdoor sales.
  12. Automobile title loan establishments.
  13. Pawn shops.
  14. Liquor stores.
  15. Salvage yards and junk yards.
  16. Self-storage facilities.
  17. Gasoline service stations.
  18. Major and minor automobile repair and maintenance shops.
  19. Automotive rental and leasing.
  20. Commercial parking lots.

21. Carwashes and detail shops.
  22. Night clubs and late-night establishments.
  23. Check cashing establishments.
  24. Automobile emission testing facilities.
- C. *Accessory uses and structures.* The following accessory uses of land and structures shall be authorized in the Tier II: Mid-Rise Mixed-Use Zone of the Stonecrest Area Overlay District.
1. Accessory uses and structures incidental to any authorized use.
  2. Parking lots and parking garages.
  3. Club house, including meeting room or recreation room.
  4. Swimming pools, tennis courts, and other recreation areas and similar amenities.
  5. Signs, in accordance with the provisions of Chapter 21 and this chapter.
- D. *Building setbacks.* The following requirements shall apply to all structures in the Tier II: Mid-Rise Mixed-Use Zone of the Stonecrest Area Overlay District:
1. Minimum front yard setback: Fifteen (15) feet from right of way of public street, except that garages of residential uses shall be setback a minimum of twenty-five (25) feet from right of way.
  2. Minimum interior side yard: Ten (10) feet. There shall be a minimum of fifteen (15) feet between buildings and structures less than two (2) stories in height and a minimum of twenty (20) feet between any two (2) buildings and structures when one (1) of them is greater than two (2) stories in height, and a minimum of twenty-five (25) feet between any two (2) buildings when one (1) of them is greater than five (5) stories in height.
  3. Minimum rear yard: Ten (10) feet.
- E. *Height of buildings and structures.* Maximum height, ten (10) stories. A building in the Mid-Rise Mixed-Use Zone may exceed the five (5) stories without the necessity of obtaining a special land use permit. A parking deck may exceed five (5) stories in height; however, a parking deck shall not exceed ten (10) stories either as a separate deck structure or as part of an office building.
- F. *Density:* No development in the Tier II Zone shall exceed a FAR of two and one half (2.5), unless it also provides additional public space or other amenities singly, or in combination as provided in paragraph (g), below.
- G. *Bonus density:* The maximum allowable FAR of a building or development in a Tier II Zone shall be increased to a FAR not to exceed a total of four (4.0) in exchange for one (1) or more of the additional amenities provided in the table below:

Table 3.2 Maximum Bonus FAR: Tier II

Maximum Bonus Floor Area Ratio in Stonecrest Area, Tier II Zone	
Additional Amenity	Increased FAR
Increase public space to 25 percent while providing connectivity	0.75
Increase public space to 30 percent while providing connectivity	1.50
Mixed-use building that combines office-institutional with commercial retail uses. Each mixed-use building shall include one principal use and at least one secondary use. No primary or secondary use shall constitute less than ten percent of the gross floor area of the building.	0.25



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Mixed-use building that includes multifamily residential units constituting at least 8 units per acre of land, and constructed in the same building with office, institutional, commercial or retail uses.	0.5
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- H. *Required parking.* Required parking may be provided through a combination of off-street, on-street, or shared parking provided that all required parking is located within seven hundred (700) feet of the principal entrance of buildings which it is intended to serve. The minimum number of required parking spaces shall be as provided in Article 6, except as follows:
  - 1. Retail uses, personal service uses, and other commercial and general business uses, including food stores—Minimum of four (4.0) spaces per one thousand (1,000) square feet of gross floor area.
  - 2. Office and clinic uses—Minimum of three (3.0) spaces per one thousand (1,000) square feet of gross floor area.
  - 3. Hotel and motel uses—Minimum of one (1.00) space per unit.
  - 4. Multifamily residential uses—Minimum of one and one and one quarter (1.25) spaces per dwelling unit.
- I. Parking space area requirements shall comply with the provisions of section 6.1.3.
- J. *Sidewalks.* Sidewalks at least five (5) feet in width shall be provided on both sides along the right of way of all streets.

Ord No 24-02 Pt I 5-28-02 Ord No 08-14 Pt I 7-22-08 Ord No 10-05 Pt I 3-23-10

**3.5.15 Low-rise mixed-use zone (Tier III).**

- A. *Principal uses and structures.* The following principal uses of land and structures shall be authorized within Tier III: Low-Rise Mixed-Use Zone of the Stonecrest Area Compatible Use Overlay District:
  - 1. All uses authorized in the C-1 and C-2 (General Commercial) District, except those listed in (B), below.
  - 2. All uses authorized in the O-I (Office Institutional) District, except those listed in (B), below.
  - 3. All uses authorized in the O-D (Office Distribution) District, except those listed in (B), below.
  - 4. All uses authorized in the RM-75 (Multifamily Residential) District.
  - 5. Buildings that contain a mixture of two (2) or more uses selected from those authorized in this district.
- B. *Prohibited uses.* The following principal uses of land and structures shall be prohibited within Tier III: Low-rise mixed use zone of the Stonecrest Area Overlay District:
  - 1. Kennels.
  - 2. Storage yards.
  - 3. Tire dealers and tire repair.
  - 4. Adult entertainment establishments.
  - 5. Adult service facilities.
  - 6. Outdoor amusement and recreation services facilities.
  - 7. Outdoor storage.
  - 8. Appliance and equipment repair shops.

9. Motels.
  10. Used motor vehicles dealers, except those used motor vehicle dealers satisfying the requirements of section 3.5.15(K).
  11. Temporary and seasonal outdoor sales.
  12. Automobile title loan establishments.
  13. Pawn shops.
  14. Liquor stores.
  15. Salvage yards and junk yards.
  16. Self-storage facilities.
  17. Gasoline service stations.
  18. Major and minor automobile repair and maintenance shops.
  19. Automotive rental and leasing.
  20. Commercial parking lots.
  21. Carwashes and detail shops.
  22. Night clubs and late-night establishments.
  23. Check cashing establishments.
  24. Automobile emission testing facilities.
- C. *Accessory uses and structures.* The following accessory uses of land and structures shall be authorized in the Tier III: Low-Rise Mixed-Use Zone of the Stonecrest Area Overlay District:
1. Accessory uses and structures incidental to any authorized use.
  2. Parking lots and parking garages.
  3. Clubhouse, including meeting room or recreation room.
  4. Swimming pools, tennis courts, and other recreation areas and similar amenities.
  5. Signs, in accordance with the provisions of Chapter 21 and this chapter.
  6. Accessory uses and structures incidental to any authorized new or used motor vehicle dealer; including automobile rental/leasing, major and minor automobile repair, new tire sales, emissions testing, non-public fuel pumps and carwashes, and outdoor storage and automobile display.
- D. *Building setbacks.* The following requirements shall apply to all structures in the Tier III: Low-Rise Mixed-Use Zone of the Stonecrest Area Overlay District:
1. Minimum front yard setback: Fifteen (15) feet from right of way of public street, except that front-facing garages of residential units shall be setback a minimum of twenty-five (25) feet from rights of way.
  2. Minimum interior side yard: Ten (10) feet. There shall be a minimum of fifteen (15) feet between buildings and structures less than two (2) stories in height and a minimum of twenty (20) feet between any two (2) buildings and structures when one (1) of them is greater than two (2) stories in height.
  3. Minimum rear yard: Ten (10) feet.
- E. *Height of buildings and structures.* Maximum height, three (3) stories.

- F. *Density*: No development in the Tier III Zone shall exceed a FAR of one (1.0), unless it also provides additional public space or other amenities singly, or in combination as provided in (G), below.
- G. *Bonus density*: The maximum allowable FAR of a building or development in a Tier III Zone shall be increased to a FAR not to exceed a total of two (2.0) in exchange for one (1) or more of the additional amenities provided in the table below:

Table 3.3 Maximum Bonus FAR: Tier III

Maximum Bonus Floor Area Ratio in Stonecrest Area, Tier III Zone	
Additional Amenity	Increased FAR
Increase public space to 25 percent while providing connectivity	0.5
Increase public space to 30 percent while providing connectivity	1.0
<b>Mixed-use building that combines office-institutional with commercial or retail uses. Each mixed-use building shall include one principal use and at least one secondary use. No primary or secondary use shall constitute less than ten percent of the gross floor area of the building.</b>	<b>0.25</b>
Mixed-use building that includes multifamily residential units constituting at least 8 units per acre of land, and constructed in the same building with office, institutional, commercial or retail uses.	0.5

- H. *Required parking*. Required parking may be provided through a combination of off-street, on-street, or shared parking provided that all required parking is located within seven hundred (700) feet of the principal entrance of buildings which it is intended to serve. The minimum number of required parking spaces shall be as provided in Article 6, except as follows:
  1. Retail uses, personal service uses, and other commercial and general business uses, including food stores—Minimum of four (4.0) spaces per one thousand (1,000) square feet of gross floor area.
  2. Office and clinic uses—Minimum of three (3.0) spaces per one thousand (1,000) square feet of gross floor area.
  3. Hotel and motel uses—Minimum of one (1.00) space per unit.
  4. Multifamily residential uses—Minimum of one and one-half (1.5) spaces per dwelling unit.
- I. *Parking space area requirements*. Parking space area requirements shall comply with the provisions of section 6.1.3.
- J. *Sidewalks*. Sidewalks at least five (5) feet in width shall be provided on both sides along the right of way of all public streets.
- K. *New or used motor vehicle dealers*. New or used motor vehicle dealers are authorized in Tier III of the Stonecrest Overlay District only if they comply with the following requirements:
  1. New or used motor vehicle dealers must be located on a parcel with a lot area of no less than three (3) acres, and must contain at least six thousand (6,000) square feet of building floor space.
  2. New or used motor vehicle dealers must provide vegetative screening along any automobile display areas that abut a public right-of-way. Said vegetative screening shall be located outside any guard rails or security fencing abutting such public right-of-way. Within three (3) years of planting, the vegetative screening must be of sufficient height to screen all guard rails or security fencing abutting the public right-of-way. Planting materials shall be subject to the approval of the DeKalb County Arborist.



3. New or used motor vehicle dealers must provide screening of all maintenance areas and storage yards for automobiles stored for service. Such screening shall be sufficient to shield the maintenance areas and storage yards from visibility from any adjacent properties or public rights-of-way. Should vegetative screening be used, planting material shall be subject to the approval of the DeKalb County Arborist.
4. No overhead bay doors opening into vehicle service areas shall be visible from a public right-of-way.

(Ord. No. 24-02 Pt. I 5-28-02; Ord. No. 08-14 Pt. I 7-22-08; Ord. No. 10-05 Pt. I 3-23-10)

#### **3.5.15.1 Transitional mixed use zone (tier IV).**

- A. *Statement of purpose and intent.* The intent of this tier is to encourage mixed use development in a well-planned community and encourage principally office, residential and commercial uses to serve the convenience needs of the local community. This tier provides an economic balance to the other Stonecrest Area Compatible Use Overlay District development categories which focus more on retail uses.
- B. *Mixed use requirements.* All properties in tier IV which are proposed for new development shall comply with the minimum requirements of this mixed use development category. Permits for repairs, interior alterations or tenant buildout improvements that do not alter the exterior appearance or the building footprint of the structure shall be exempt from the requirements of this division. Properties in tier IV shall contain a minimum of two (2) principal uses and any residential use shall not exceed seventy (70) percent of the total floor area. The mixed use development may be combined vertically or horizontally in one or more buildings or may be provided in separate buildings or areas within a mixed-use development.
- C. *Principal uses of land and structures.* The following principal uses of land and structures shall be authorized in mixed-use developments within tier IV:
  1. All uses authorized in the OCR (Office-Commercial-Residential) district except those uses prohibited in this section.
  2. All uses authorized in the C-1 and C-2 (General Commercial) districts except those uses prohibited in this section.
  3. All uses authorized in the RM-HD (High Density Residential) district except those uses prohibited in this section.
  4. All uses authorized in the O-I (Office-Institutional) district except those uses prohibited in this section.
  5. Single-family detached units that are part of a master planned community so long as such single-family detached units are part of a mixed-use development and so long as the development provides opportunities for lifelong and aging-in-place communities as defined by the Atlanta Regional Commission.
- D. *Prohibited uses.* The following principal uses of land and structures shall be prohibited in tier IV:
  1. Boarding and breeding kennels.
  2. Storage yard for damaged automobiles or confiscated automobiles.
  3. Tire retreading and recapping.
  4. Adult entertainment establishments.
  5. Adult service facility.
  6. Go-cart concession.



7. Outdoor equipment and materials storage.
  8. Heavy repair shop and trade shop.
  9. Extended-stay motels.
  10. Used cars sales as a primary use.
  11. Temporary and/or seasonal outdoor sales.
  12. Title and pawn shops.
  13. Liquor stores.
  14. Nightclubs and late-night establishments.
  15. Salvage yards/junk yards.
  16. Self service car wash and detailing.
  17. Self storage.
  18. Funeral home.
  19. Mortuary.
  20. Crematorium.
  21. Farm equipment sales, rental or service.
  22. Extended-stay hotel or motel.
- E. *Accessory uses and structures.* The following accessory uses of land and structures shall be authorized in the tier IV:
1. Any uses and structures incidental to any authorized use.
  2. Clubhouse, including meeting rooms and recreation rooms accessory to residential uses.
  3. Parking lots and decks.
  4. Swimming pools, tennis courts, and other recreation areas and similar amenities.
- F. *Mixed-use developments: lot width, lot area and setbacks.*
1. *Lot width and area.* All lots shall have at least one hundred (100) feet of frontage as measured along the public street frontage.
    - a. *Minimum lot area:* One (1) acre.
  2. *Setback requirements.*
    - a. *Front yard.* Minimum of zero (0) feet and a maximum of twenty (20) feet to allow for architectural features, outdoor seating, and other project site amenities.
    - b. *Side yard.* Minimum of zero (0) feet and a maximum of twenty (20) feet to allow for architectural features, outdoor seating, plazas and other project site amenities.
    - c. *Rear yard.* Minimum of twenty (20) feet.
    - d. *Interior side yard.* Minimum of zero (0) feet. However, where an interior side yard is facing a structure with windows on an adjoining lot the distance between the existing structure and the proposed structure shall be a minimum of twenty (20) feet.
- G. *Single-family detached units: lot width, lot area and setbacks.*

1. *Lot width and area.* All lots shall have at least fifty (50) feet of frontage as measured along the public street frontage.
    - a. *Minimum lot area.* Five thousand (5,000) square feet.
  2. *Setback requirements.*
    - a. *Front yard.* Minimum of ten (10) feet and a maximum of twenty (20) feet.
    - b. *Side yard.* Minimum of ten (10) feet.
    - c. *Interior side yard.* Minimum of five (5) feet.
    - d. *Rear yard.* Minimum of thirty (30) feet.
- H. *Single-family attached units: lot width, lot area and setbacks.*
1. *Lot width and area.* All lots shall have at least thirty (30) feet of frontage as measured along the public street frontage.
    - a. *Minimum lot area.* Three thousand (3,000) square feet. Maximum of eight (8) units or two hundred forty (240) feet.
  2. *Setback Requirements:*
    - a. *Front yard.* Minimum of five (5) feet and a maximum of twenty (20) feet.
    - b. *Side yard.* Minimum of fifteen (15) feet between buildings.
    - c. *Rear yard.* Minimum of thirty (30) feet.
    - d. *Structures which are front face to front face, back face to back face, or front face to back face shall be not less than sixty (60) feet apart. Structures which are side face to side face shall not be less than twenty (20) feet apart. Structures which are side face to front face or back face shall be not less than forty (40) feet apart.*
  - i. *Height of buildings and structures.* The maximum height of any mixed-use building or structure shall not exceed five (5) stories or seventy-five (75) feet. Buildings in excess of three (3) stories must be approved by the department of fire and rescue services to assure adequacy of fire protection facilities and services. The maximum height of any residential single-family detached building or structure shall not exceed a height of thirty-five (35) feet and shall not exceed two stories.
  - J. *Density and floor area ratios.* Multifamily dwellings may be developed at a density not exceeding thirty (30) dwelling units per acre and the combined floor area ratio for any development shall not exceed one and one-half (1.50).
    1. *Density bonus.* The maximum allowable FAR of a building or development in tier IV shall be increased to a FAR not to exceed a total of three (3.0) if one (1) or more of the additional amenities is provided as described in the table below:

Table 3.4 Maximum Bonus FAR: Tier IV

Maximum Bonus Floor Area Ratio in Stonecrest Area, Tier IV Zone	
Additional Amenity	Increased FAR
Increase public space to twenty five (25) percent while providing interparcel access for pedestrians and vehicles.	0.5
Increase public space to thirty (30) percent while providing interparcel access for pedestrians and vehicles.	1.0

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Mixed-use building that combines office-institutional with commercial or retail uses. Each mixed-use building shall include one principal use and at least one secondary use. No primary or secondary use shall constitute less than ten (10) percent of the gross floor area of the building.	0.25
Mixed-use building that includes multifamily residential units constituting at least eight (8) units per acre of land, and constructed in the same building with office, institutional, commercial or retail uses.	0.5

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- K. *Required parking.* Required parking may be provided through a combination of off-street, on-street, or shared parking provided that all required parking is located within seven hundred (700) feet of the principal entrance of buildings which it is intended to serve. The minimum number of required parking spaces shall be as provided in the underlying zoning district regulations for the lot except as follows:
1. Retail uses, personal service uses, and other commercial and general business uses, including food stores—Minimum of four (4.0) spaces per one thousand (1,000) square feet of gross floor area.
  2. Office and clinic uses—Minimum of three (3.0) spaces per one thousand (1,000) square feet of gross floor area.
  3. Hotel and motel uses—Minimum of one (1.00) space per unit.
  4. Multifamily residential uses—Minimum of one and one-half (1.5) spaces per dwelling unit.
  5. Parking space area requirements shall comply with the provisions of section 6.1.3.
  6. Single-family detached residential dwelling units shall have two (2) spaces per unit. Garages and any surface parking areas are to be accessed by shared driveways located at the rear of the residential structure. Garages that face the public right of way shall be setback a minimum of twenty (20) feet.
- L. *Sidewalks.* Sidewalks at least five (5) feet in width shall be provided on both sides along the right of way of all public streets.

(Ord. No. 08-14 pt. I, 7-22-08)

**3.5.15.2 Cluster village mixed-use zone (tier V).**

- A. *Statement of purpose and intent.* The primary intent of tier V is to encourage single-family detached residential developments with associated neighborhood commercial and office uses to serve the convenience needs of the local community in a village or cluster concept. This tier provides for the preservation of open space while allowing compatible development that complements the other Stonecrest Overlay District development categories. Tier V also seeks to preserve the rural and scenic beauty of Arabia Mountain Preserve while providing flexibility to allow for creativity in site design and development. The goal of tier V is to minimize the environmental and visual impacts of new development on natural resources and historically and culturally significant sites and structures while encouraging residential and neighborhood commercial development in a well planned community.
- B. *Principal uses and structures.* All properties in tier V shall be governed by all of the underlying zoning district regulations and the requirements of this section. In addition, all properties in tier V may be used for the following principal uses of land and structures:
1. Adult day care facility.
  2. Bed and breakfast inn.
  3. Child day care facility.
  4. Community facility limited to the location, size and use provisions of this section.

5. Cultural facility.
  6. Detached single-family dwelling.
  7. Office uses.
  8. Personal care home, group.
  9. Place of worship.
  10. Retail, excluding drive-through facilities, gas and service stations, commercial amusements, liquor stores, video arcades, pool halls, and discount retail shops.
  11. Services, medical and health.
  12. Services, personal.
- C. *Accessory uses and structures.* The following accessory uses of land and structures shall be authorized in tier V:
1. Accessory uses and structures incidental to any authorized use.
  2. Club house, including meeting rooms and recreation rooms.
  3. Swimming pools, tennis courts, and other recreation areas and similar amenities.
- D. *Prohibited uses.* The following principal uses of land and structures shall be prohibited in tier V:
1. Boarding and breeding kennels.
  2. Storage yard for damaged automobiles or confiscated automobiles.
  3. Tire retreading and recapping.
  4. Adult entertainment establishments.
  5. Adult service facility.
  6. Go-cart concession.
  7. Outdoor equipment and materials storage.
  8. Heavy repair shop and trade shop.
  9. Extended-stay motels.
  10. Used cars sales as a primary use.
  11. Temporary and/or seasonal outdoor sales.
  12. Title and pawn shops.
  13. Liquor stores.
  14. Nightclubs and late-night establishments.
  15. Salvage yards/junk yards.
  16. Self-service car wash and detailing.
  17. Self-storage.
  18. Funeral home.
  19. Mortuary.
  20. Crematorium.
  21. Farm equipment sales, rental or service.

22. Extended-stay hotel or motel.
23. Multifamily dwelling unit.
- E. *Lot width, lot area and setbacks.*
  1. All single-family detached residential lots which are located on Klondike Road, Plunkett Road or Rockland Road shall have a minimum of one hundred (100) feet of frontage as measured along the public street frontage.
    - a. Minimum lot area. Fifteen thousand (15,000) square feet.
    - b. Minimum setback requirements.
      - i. Front yard. Thirty-five (35) feet.
      - ii. Side yard. Thirty-five (35) feet.
      - iii. Rear yard. Forty (40) feet.
      - iv. Interior side yard. Ten (10) feet.
  2. All single-family detached residential lots which are located on new roadways shall have a minimum of fifty (50) feet of frontage as measured along the public street frontage.
    - a. Minimum lot area. Five thousand (5,000) square feet.
    - b. Minimum setback requirements.
      - i. From public street:
        - (a) Front yard. Minimum of ten (10) feet and a maximum of twenty-five (25) feet.
        - (b) Side yard. Fifteen (15) feet.
        - (c) Rear yard. Twenty (20) feet.
        - (d) Interior side yard. Five (5) feet.
  3. Reserved.
  4. Office and commercial uses shall not be located along Klondike or Rockland Road. Any uses otherwise authorized in tier V shall be clustered together in a "village" or "hamlet" setting and shall include convenient access to neighboring residential communities in a manner that preserves the open space on the lot. Such uses shall be developed in a manner that also preserves the rural and scenic nature of tier V and is compatible with the natural design and forestation of the Arabia Mountain Preserve. Such uses shall be developed in a manner that minimizes the environmental and visual impact of new development on the existing natural landscape and the historically and culturally significant sites and structures. To the extent possible, developments shall be constructed in a manner that preserves the bucolic nature and farming community appearance of tier V.
    - a. Office and commercial uses shall be a maximum of two thousand five hundred (2,500) square feet per tenant space.
    - b. Single-use structures shall be a maximum of ten thousand (10,000) square feet.
    - c. Lot width and lot area. Office and commercial lots shall be a minimum of twenty thousand (20,000) square feet.
- F. *Height of buildings and structures.* No building or structure shall exceed thirty-five (35) feet in height. All buildings and structures are limited to a two-story height limitation.
- G. *Required parking.* The minimum number of required parking spaces shall be as provided in the underlying zoning district regulations except as follows:

1. Residential, single-family detached—Two (2) spaces.
  2. Retail uses, personal service uses, and other commercial and general business uses, including food stores—Minimum of four (4.0) spaces per one thousand (1,000) square feet of gross floor area.
  3. Office and clinic uses—Minimum of three (3.0) spaces per one thousand (1,000) square feet of gross floor area.
  4. Parking space area requirements shall comply with the provisions of section 6.1.3.
- H. *Sidewalks.* A planting strip shall be provided between the curb and the pedestrian travel lane in compliance with land development standards. Sidewalks shall be provided on both sides along the right of way of all public streets.

(Ord. No. 08-14 Pt. I 7-22-08)

### 3.5.16 Shared parking.

Shared parking is encouraged and may be authorized by the director of planning. Applicants may make application to the director of planning for authorization for a special exception for shared parking. Said applications shall be considered and decided by the director of planning pursuant to the standards and procedures set forth in section 7.6.5.

(Ord. No. 24-02 Pt. I 5-28-02)

### 3.5.17 Permits for uses.

Any use authorized by this division shall require that a development permit be issued before property improvements can be made in accordance with section 7.7.2 and a building permit required in accordance with the provisions of section 7.7.3.

(Ord. No. 24-02 Pt. I 5-25-02)

### 3.5.18 Design guidelines.

The Stonecrest Overlay District Design Guidelines dated May 2008, shall apply to all uses and structures within the Stonecrest Overlay District and shall be maintained by the planning director and available for public inspection. The design guidelines provide acceptable minimum standards to guide design and development within this overlay district. The planning director or designee is authorized to create, administer, and amend design guidelines for the Stonecrest Area Overlay District. These guidelines provide acceptable architectural design controls, landscaping, detail drawings, signage, fencing, lighting, street and site furniture, and grating criteria. These guidelines shall be used to promote proper design criteria and shall guide the planning director or designee in deciding whether a proposed design complies with the requirements of the Stonecrest Area Overlay District.

(Ord. No. 24-02 Pt. I 5-28-02; Ord. No. 08-14 Pt. I 7-22-08)

### 3.5.19 Plans required; certificates of compliance.

- A. *Plans required.* Prior to the issuance of any land disturbance permit, building permit, or sign permit, the applicant shall submit to the director of planning an application which shall include a conceptual plan package as defined by this chapter which shall demonstrate that the proposed design is in compliance with all of the requirements of this Stonecrest Overlay District and the underlying zoning classification.
- B. *Fees.* Plans shall be accompanied by an application and payment of a fee in an amount determined by the DeKalb County Board of Commissioners.
- C. *Review.* The director of planning shall review each application for compliance with all requirements of the Stonecrest Overlay District and the underlying zoning classification. Where the director determines that said plans comply with the requirements of the Stonecrest Overlay District a certificate of compliance shall be issued in the form of the director or the director's designee signing the plans and

drawings after which the applicant shall then apply for land disturbance, building or signs permits. Where the director determines that said plans do not comply with the requirements of this chapter, then the director shall notify the applicant in writing stating the manner in which said applicant fails to comply with such requirements. All applications shall be considered and decided by the director of planning within thirty (30) days of receipt of a complete application. Any appeal of the director of planning's decision in this regard shall be to the zoning board of appeals pursuant to section 7.5.2.

(Ord. No. 24-02, Pt. I, 5-28-02)

### 3.5.20 Conceptual plan package review.

- A. The conceptual plan package shall be composed of the following:
1. A narrative addressing the proposed development explaining how it meets the purpose, intent, and standards of this chapter. The narrative shall include a tabulation of the approximate number of acres in each land use, the approximate number of dwelling units by type, the approximate gross residential density, the approximate commercial density, the approximate public space acreage, the anticipated number, type and size of recreational facilities and other public amenities; the legal mechanism for protecting and maintaining public space, as required in section 3.5.5(a)(1);
  2. A site location map showing the proposed development, abutting property, the relationship of the proposed development to surrounding natural features and existing development, and transitional buffer zones, if required; and
  3. A multi-modal access plan meeting the requirements of section 3.5.12
- B. The plan to be submitted in the conceptual plan package shall contain the following information:
1. Six (6) copies of a plan drawn to a designated scale of not less than one inch equals one-hundred feet (1" = 100'), certified by a professional engineer or land surveyor licensed by the State of Georgia, presented on a sheet having a maximum size of 24" x 36", and one 8½" x 11" reduction of the plan. If presented on more than one (1) sheet, match lines shall clearly indicate where the several sheets join. Such plan shall contain the following information:
    - a. Boundaries of the entire property proposed to be included in the development, with bearings and distances of the perimeter property lines.
    - b. Scale and north arrow, with north, to the extent feasible, oriented to the top of the plat and on all supporting graphics.
    - c. Location and approximate dimensions in length and width, for landscape strips and required transitional buffers, if any.
    - d. Existing topography with a maximum contour interval of five (5) feet and a statement indicating whether it is an air survey or field run.
    - e. Approximate delineation of any floodplain designated by the Federal Emergency Management Agency, United States Geological Survey, or DeKalb County.
    - f. The delineation of any jurisdictional wetlands as defined by Section 404 of the Federal Clean Water Act.
    - g. Approximate delineation of any significant historic or archaeological feature, grave, object or structure marking a place of burial if known, and a statement indicating how the proposed development will impact it.
    - h. A delineation of all existing structures and whether they will be retained or demolished.
    - i. General location, in conceptual form, of proposed uses, lots, buildings, building types and building entrances.



- j. Height and setback of all buildings and structures.
- k. Approximate areas and development density for each type of proposed use.
- l. Location, size, and number of all on-street and off-street parking spaces, including a shared parking analysis, if shared parking is proposed.
- m. Identification of site access points and layout, width of right-of-way and paved sections of all internal streets.
- n. Conceptual plans for drainage with approximate location and estimated size of all proposed stormwater management facilities and a statement as to the type of facility proposed.
- o. Development density and lot sizes for each type of use.
- p. Areas to be held in joint ownership, common ownership or control.
- q. Identification of site access points and layout, width of right-of-way and paved sections of all internal streets.
- r. Location of proposed sidewalks and bicycle facilities trails, recreation areas, parks, and other public or community uses, facilities, or structures on the site.
- s. Conceptual layout of utilities and location of all existing or proposed utility easements having a width of twenty-five (25) feet or more.
- t. Standard details of signs, sidewalks, streetlights, driveways, medians, curbs and gutters, landscaped areas, fencing, grating, street furniture, bicycle lanes, streets, alleys, and other public improvements demonstrating compliance with the design guidelines for the Stonecrest Area Overlay District.
- u. Seal and signature of professional preparing the plan.

(Ord. No. 24-02 Pt. I 5-28-02)

**3.5.21 Reserved.**

**27-3.6 DIVISION 6. RESIDENTIAL INFILL OVERLAY DISTRICT(S) <sup>24</sup>**

**3.6.1 Statement of purpose and intent.**

The purpose and intent of the board of commissioners is to provide for the establishment of Residential Infill Overlay Districts by petition for the following reasons:

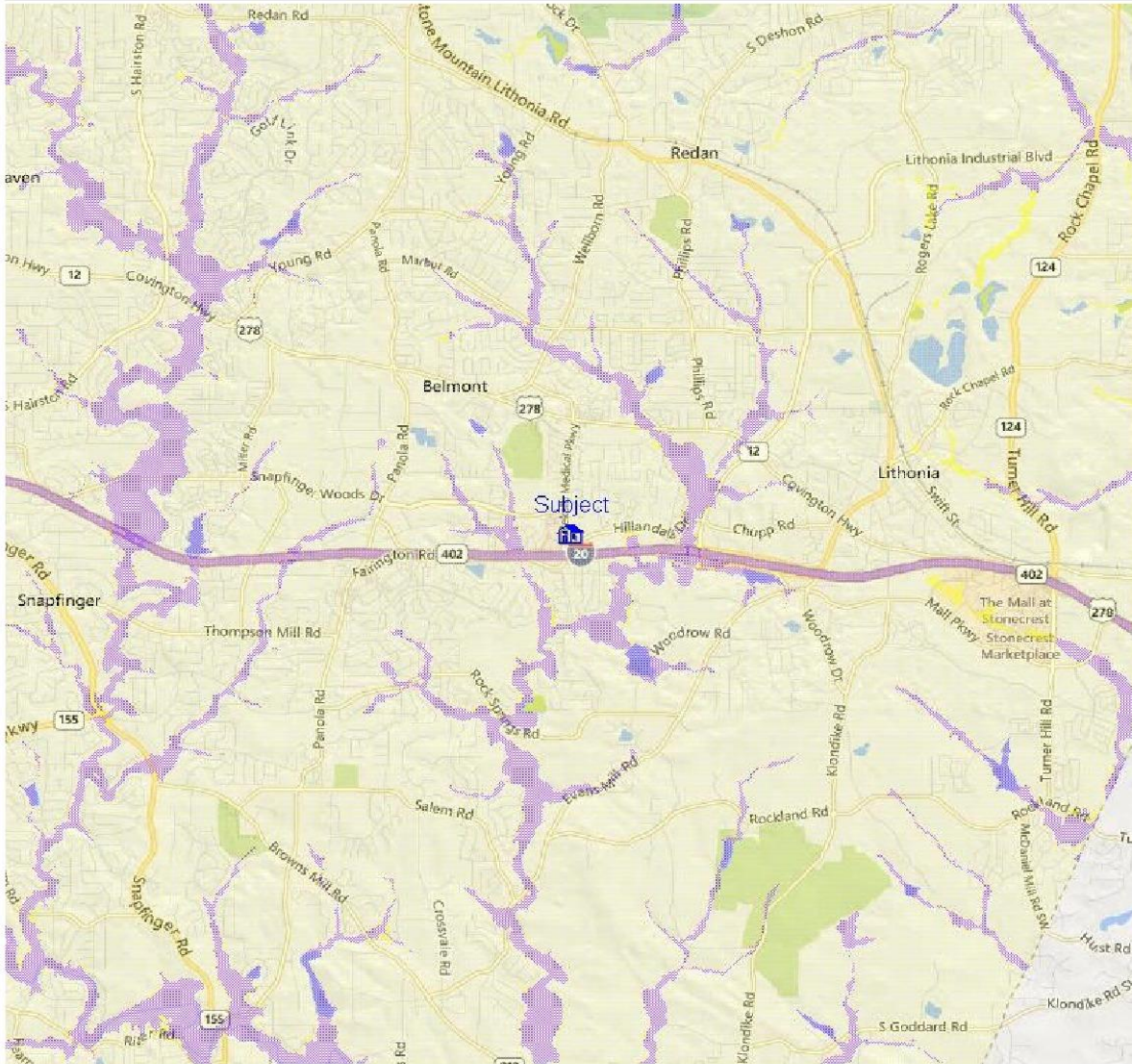
- A. To allow for the implementation of policies and objectives of the county's comprehensive plan and the zoning ordinance; and
- B. To avail neighborhoods an opportunity to ensure that new and remodeled single-family dwellings and related accessory uses and structures are compatible with the height, size, and level of forestation of the existing dwellings and lots; and
- C. To encourage property owners to improve and renovate existing housing stock rather than demolish the same; and
- D. To establish and maintain a balance between preserving the character of mature neighborhoods while accommodating compatible new residential development; and
- E. To allow neighborhoods an opportunity to establish architectural standards that will preserve the character of their existing neighborhoods.



## **ADDENDUM D**

# STDB

Jun 22, 2017  
 2654 Dekalb Medical Parkway, Lithonia, GA, 30058  
 Lat 33.712589 Long -84.146455



## MAP DATA

Panel Date	May 16, 2013	FIPS Code	13089
Map Number	13089C0159J	Census Tract	0233.10
Geocoding Accuracy	S5 (Most Accurate) - single close match, point located at the street address position		

Flood	
	X or C Zone
	X500 or B Zone
	A Zone
	V Zone
	D Zone
	Area Not Mapped

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## **ADDENDUM E**

**STATE OF GEORGIA  
REAL ESTATE APPRAISERS BOARD**

**SAMUEL TODD GILL**

**258907**

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A  
**CERTIFIED GENERAL REAL PROPERTY APPRAISER**

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY  
Chairperson

JEFF A. LAWSON  
Vice Chairperson

RONALD M. HECKMAN  
JEANMARIE HOLMES  
KEITH STONE

46665602

**SAMUEL TODD GILL**

# 258907  
Status ACTIVE

**ORIGINALLY LICENSED**

02/06/2003

**END OF RENEWAL**  
09/30/2017

**CERTIFIED GENERAL REAL PROPERTY  
APPRAISER**

THIS LICENSE EXPIRES IF YOU FAIL TO PAY  
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY  
REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia  
Real Estate Commission  
Suite 1000 - International Tower  
229 Peachtree Street, N.E.  
Atlanta, GA 30303-1605



WILLIAM L. ROGERS, JR.  
Real Estate Commissioner

46665602

**SAMUEL TODD GILL**

# 258907  
Status ACTIVE

**ORIGINALLY LICENSED**

02/06/2003

**END OF RENEWAL**  
09/30/2017

**CERTIFIED GENERAL REAL PROPERTY  
APPRAISER**

THIS LICENSE EXPIRES IF YOU FAIL TO PAY  
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY  
REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia  
Real Estate Commission  
Suite 1000 - International Tower  
229 Peachtree Street, N.E.  
Atlanta, GA 30303-1605



WILLIAM L. ROGERS, JR.  
Real Estate Commissioner

46665602

## **ADDENDUM F**

Samuel T. Gill  
512 North One Mile Road  
P.O. Box 784  
Dexter, Missouri 63841  
573-624-6614 (phone)  
573-624-2942 (fax)  
todd.gill@gillgroup.com

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**OVERVIEW**

Extensive multifamily experience over the past 25 years specializing in work for the Department of Housing and Urban Development (HUD), United States Department of Agriculture/Rural Development (USDA/RD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program including but not limited to, Section 8, Section 202, Section 236, Section 515 and Section 538 Programs. Additionally, extensive experience since inception of the Multifamily Accelerated Processing (MAP) Program of Sections 202/223(f), 232/223(f), 221(d)3, 221(d)4 and 223(f). Also, more than 20 years of experience with nursing homes, hotels and complicated commercial appraisal assignments.

**ACCREDITATIONS**

**State Certified General Real Estate Appraiser**

Alabama State License Number: G00548  
Arizona State License Number: 31453  
Colorado State License Number: CG40024048  
Connecticut State License Number: RCG.0001276  
District of Columbia License Number: GA11630  
Georgia State License Number: 258907  
Hawaii State License Number: CGA1096  
Idaho State License Number: CGA-3101  
Illinois State License Number: 153.0001384  
Indiana State License Number: CG40200270  
Iowa State License Number: CG02426  
Kansas State License Number: G-1783  
Louisiana State License Number: G1126  
Maine State License Number: CG3635  
Maryland State License Number: 32017  
Michigan State License Number: 1201068069  
Minnesota State License Number: 40186198  
Mississippi State License Number: GA-624  
Missouri State License Number: RA002563  
Montana State License Number: REA-RAG-LIC-8530  
Nebraska State License Number: CG2000046R  
New York State License Number: 46000039864  
North Carolina State License Number: A5519  
North Dakota State License Number: CG-2601  
Ohio State License Number: 448306  
Oklahoma State License Number: 12524CGA  
Oregon State License Number: C000793  
Pennsylvania State License Number: GA001813R  
South Carolina State License Number: 3976  
Tennessee State License Number: 00003478  
Texas State License Number: 1329698-G  
Utah State License Number: 5510040-CG00  
Virginia State License Number: 4001 015446  
Washington State License Number: 1101018  
West Virginia State License Number: CG358  
Wisconsin State License Number: 1078-10  
Wyoming State License Number: 479

Also received temporary licenses in the following states: Arkansas, California, Delaware, Florida, Kentucky, Massachusetts, Nevada, New Hampshire, New Jersey, New Mexico, Puerto Rico, Rhode Island, South Dakota, the U.S. Virgin Islands and Vermont.



**EXPERIENCE  
(1991 TO PRESENT)**

Primary provider of HUD Mark-to-Market Full Appraisals for mortgage restructuring and Mark-to-Market Lites for rent restructuring and has worked with HUD in this capacity since inception. Completed approximately 350 appraisals assignments under this program.

Provider of HUD MAP and TAP appraisals and market studies for multiple lenders since its inception. Completed approximately 350 appraisal assignments under this program.

Contract MAP quality control reviewer and field inspector for CohnReznick and HUD. Have completed approximately 350 reviews under this program. Have completed approximately 100 field inspections under this program.

Currently approved state reviewer for HUD Rent Comparability Studies for Section 8 Renewals in Alabama, California, Connecticut, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, North Carolina, Oregon, Utah, Virgin Islands, Virginia, Washington, West Virginia and Wisconsin. Completed approximately 500 reviews under this program.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide. Completed approximately 400 rent comparability studies.

Provider of tax credit financing analysis and value of financing analysis. Completed approximately 300 appraisal assignments and market studies under this program.

Provider of multifamily appraisals under the RD 515 and 538 programs. Completed approximately 200 appraisal assignments under these programs.

Partial list of clients include: Colorado Housing Finance Agency, CreditVest, Inc., Foley & Judell, LLP, Kentucky Housing Corporation, Kitsap County Consolidated Housing Authority, Louisiana Housing Finance Agency, Missouri Housing Development Agency, New Mexico Mortgage Finance Authority, Ontra, Inc., Quadel Consulting Corporation, CohnReznick, L.L.P., Group, Siegel Group, Signet Partners and Wachovia Securities.

**DEVELOPMENT/OWNERSHIP/  
MANAGEMENT EXPERIENCE  
(2006 TO PRESENT)**

For the past 10 years, he has owned three separate companies that develop, own and manage commercial, multifamily, residential, agricultural and vacant land properties.

In his portfolio are over 100,000 square feet of commercial space, over 1,000 units of multifamily, 200 acres of farmland, and 10 parcels of developable commercial and multifamily lots, all in the Midwest.

**EDUCATION**

**Bachelor of Arts Degree**

*Southeast Missouri State University*

**Associate of Arts Degree**

*Three Rivers Community College*

**HUD/FHA Appraiser Training**

*Arkansas State Office*

**Multifamily Accelerated Processing Valuation (MAP)**

*U.S. Department of Housing and Urban Development*

**2<sup>nd</sup> Annual Multifamily Accelerated Processing Basic and Advanced Valuation (MAP)**

*U.S. Department of Housing and Urban Development*

**FHA Appraising Today**

*McKissock, Inc.*

**Texas USDA Rural Development Multifamily Housing Appraiser Training**

*Texas Rural Development*

**Kentucky USDA Rural Development Multifamily Housing Appraiser Training**

*Kentucky Rural Development*

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*National Association of Independent Fee Appraisers*

**Income Capitalization**

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*National Association of Independent Fee Appraisers*

**Concepts, Terminology & Techniques**

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**Uniform Standards of Professional Appraisal Practice**

*Central Missouri State University*

**Appraisal of Scenic, Recreational and Forest Properties**

*University of Missouri-Columbia*

**Appraiser Liability**

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**Appraisal Trends**

*McKissock, Inc.*

**Sales Comparison Approach**

*Hondros College*

**Even Odder: More Oddball Appraisals**

*McKissock, Inc.*

**Mortgage Fraud: A Dangerous Business**

*Hondros College*

**Private Appraisal Assignments**

*McKissock, Inc.*

**Construction Details & Trends**

*McKissock, Inc.*

**Condemnation Appraising: Principles & Applications**

*Appraisal Institute*

**Michigan Law**

*McKissock, Inc.*

**Pennsylvania State Mandated Law**

*McKissock, Inc.*



**Valuing Real Estate in a Changing Market**

*National Association of Independent Fee Appraisers*

**Principles of Residential Real Estate Appraising**

*National Association of Independent Fee Appraisers*

**Real Estate Appraisal Methods**

*Southeast Missouri State University*

**Lead Inspector Training**

*The University of Kansas*

**Lead Inspector Refresher**

*Safety Support Services, Incorporated*

**Home Inspections: Common Defects in Homes**

*National Association of Independent Fee Appraisers*

**Heating and Air Conditioning Review**

*National Association of Independent Fee Appraisers*

**Professional Standards of Practice**

*National Association of Independent Fee Appraisers*

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**The Appraiser as Expert Witness**

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**2011 ValExpo: Keynote-Valuation Visionaries**

*Van Education Center/Real Estate*

**Residential Report Writing**

*McKissock, Inc.*

**The Dirty Dozen**

*McKissock, Inc.*

**Risky Business: Ways to Minimize Your Liability**

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**Introduction to Legal Descriptions**

*McKissock, Inc.*

**Introduction to the Uniform Appraisal Dataset**

*McKissock, Inc.*

**Mold Pollution and the Appraiser**

*McKissock, Inc.*

**Appraising Apartments: The Basics**

*McKissock, Inc.*

**Foundations in Sustainability: Greening the Real Estate and Appraisal Industries**

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**Mortgage Fraud**

*McKissock, Inc.*

**The Nuts and Bolts of Green Building for Appraisers**

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**The Cost Approach**

*McKissock, Inc.*

**Pennsylvania State Mandated Law for Appraisers**

*McKissock, Inc.*

**Michigan Appraisal Law**

*McKissock, Inc.*

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**Residential Appraisal Review**

*McKissock, Inc.*

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**Online Comparative Analysis**

*Appraisal Institute*

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**Appraisal of Fast Food Facilities**

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