



**NOVOGRADAC
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CERTIFIED PUBLIC ACCOUNTANTS

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

**QUEST
COMMONS WEST**

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

QUEST COMMONS WEST

Northeast quadrant of Joseph E Lowery Boulevard and Rock Street
Atlanta, Fulton County, Georgia 30314

Effective Date: April 22, 2017

Report Date: May 23, 2017

Prepared for:

Mr. Jim Grauley
Columbia Residential
1718 Peachtree Street NW
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Assignment Code: COL606V.013

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May 23, 2017

Mr. Jim Grauley
Columbia Residential
1718 Peachtree Street NW
Atlanta, Georgia 30309

Re: Market Study - Application for Quest Commons West, located in Atlanta, Fulton County, Georgia

Dear Mr. Grauley:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Atlanta, Fulton County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project.

The purpose of this market study is to assess the viability of the proposed 53-unit family LIHTC project. It will be a newly constructed project, with 47 revenue generating units restricted to households earning 50 and 60 percent of the Area Median Income (AMI) or less. The remaining six units will be unrestricted market-rate units. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

The scope of this report meets the requirements of Georgia Department of Community Affairs (DCA), including the following:

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

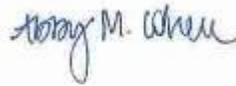
This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and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

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners. Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac & Company LLP



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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Quest Commons West will be a newly constructed family property located in Atlanta, Fulton County, Georgia, which will consist of one, three-story, residential building.

The following table illustrates the proposed unit mix.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Asking Rent (1)	Utility Allowance (2)	Gross Rent	2016 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>							
1BR	700	3	\$516	\$117	\$633	\$633	\$820
2BR	950	6	\$592	\$168	\$760	\$760	\$949
3BR	1,100	2	\$655	\$222	\$877	\$877	\$1,253
<i>60% AMI</i>							
1BR	700	8	\$642	\$117	\$759	\$759	\$820
2BR	950	21	\$744	\$168	\$912	\$912	\$949
3BR	1,100	7	\$831	\$222	\$1,053	\$1,053	\$1,253
<i>Market Rate</i>							
1BR	700	2	\$800	\$0	\$800	N/A	\$820
2BR	950	2	\$950	\$0	\$950	N/A	\$949
3BR	1,100	2	\$1,100	\$0	\$1,100	N/A	\$1,253
Total		53					

Notes (1) The proposed rents for units with SCP and PBRA are contract rents; (2) Source of Utility Allowance provided by the Developer.

The Subject's proposed LIHTC rents are at the 2016 LIHTC maximum allowable levels. The Subject's proposed unrestricted rents are below HUD Fair Market Rents. The Subject's amenity package is considered comparable to the existing housing supply in the market. The Subject's biggest deficiency is the lack of a swimming pool. However, the Subject will offer microwaves, elevators, recreation areas, and supportive services, which many of the comparables lack.

2. Site Description/Evaluation

The Subject site is located along Rock Street in Atlanta, Fulton County, Georgia. The Subject has good access and visibility and views include surrounding residential uses. The Subject site is currently comprised of an existing small multifamily use, a portion of a multi-tenant retail center in fair condition, and vacant land. The neighborhood surrounding the Subject consists mostly of single-family and multi-family residential use. While the single family homes are in generally fair to average condition, there are several new properties located on Rock Street. The Subject has a Walk Score rating of 68 out of 100, which is considered "Somewhat Walkable." The Subject has convenient access to public transportation as MARTA runs along Joseph E. Lowery Boulevard and Martin Luther King Jr. Drive. There is also a light rail station (Ashby Street Station) located at 65 Joseph E. Lowery Boulevard, which is approximately 0.4 miles south of the Subject.

3. Market Area Definition

The PMA is defined by Perry Boulevard, West Marietta Street and 17th Street to the north, Interstate 285 to the west, Arthur B. Langford Jr. Parkway to the south and Interstate 75/85 to the east. This area includes

the City of Atlanta. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 4.0 miles
East: 2.3 miles
South: 6.6 miles
West: 6.8 miles

The PMA was defined based on interviews with the local housing authority and property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from outside the City of Atlanta. Property managers indicated that tenants are likely to come from within a wide area on the west side of Atlanta, supporting our selection of the PMA's boundaries. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2017 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 6.8 miles.

4. Community Demographic Data

The population in the PMA and the MSA increased from 2010 to 2017, outpacing population growth in the nation over the same period. The rate of population growth in the PMA and the MSA is projected to increase significantly between 2017 and market entry 2019. The current population of the PMA is 148,890 and is expected to be 153,205 in 2019. Renter households are concentrated in the lowest income cohorts, with 72.7 percent of renters in the PMA earning less than \$40,000 annually. The Subject will target households earning up to \$43,740 for its LIHTC units and up to \$72,900 for its market-rate units. Therefore, the Subject should be well-positioned to service this market. Overall, while recent and projected population growth has been modest, the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

According to *RealtyTrac* statistics, one in every 1,588 housing units nationwide was in some stage of foreclosure as of April 2017. The city of Atlanta is experiencing a foreclosure rate of one in every 1,828 homes, while Fulton County is experiencing foreclosure rate of one in every 1,982 homes and Georgia experienced one foreclosure in every 1,898 housing units. Overall, Atlanta is experiencing a lower foreclosure rate than the nation but a higher foreclosure rate than Fulton County and the state of Georgia. While some abandoned and vacant structures exist in the Subject neighborhood, occupancy levels at the LIHTC comparables indicate that they will not impact the marketability at the Subject.

5. Economic Data

Employment in the PMA is concentrated in four industries which represent approximately 49 percent of total local employment. Two of these industries, educational services and healthcare/social assistance, are resilient during periods of economic downturn. New business openings and expansions have brought more than 8,000 jobs to the Atlanta area in recent years.

As of 2015, total employment in the MSA exceeded pre-recessionary levels. Furthermore, the total employment growth in the MSA from December 2015 to December 2016 increased by 4.4 percent in the MSA compared to an increase of 1.4 percent nationally during the same time period. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels. Overall, the increasing total employment and decreasing unemployment rate are positive signs for the local economy, which bodes well for affordable housing demand in the area. The growing local economy is a positive indicator of demand for rental housing and the Subject's proposed units.

6. Project-Specific Affordability and Demand Analysis

The following table illustrates the demand and capture rates for the Subject’s proposed units.

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents*
1BR at 50% AMI	\$21,703	\$27,000	3	1,607	0	1,607	0.2%	\$633
1BR at 60% AMI	\$26,023	\$32,400	8	1,631	0	1,631	0.5%	\$759
1BR Unrestricted	\$27,429	\$54,000	2	2,661	0	2,661	0.1%	\$800
1BR Overall Affordable	\$21,703	\$32,400	11	2,153	0	2,153	0.5%	-
1BR Overall Project	\$21,703	\$54,000	13	3,353	0	3,353	0.4%	-
2BR at 50% AMI	\$26,057	\$30,400	6	1,244	0	1,244	0.5%	\$760
2BR at 60% AMI	\$31,269	\$36,480	21	1,263	0	1,263	1.7%	\$912
2BR Unrestricted	\$32,571	\$60,800	2	2,060	0	2,060	0.1%	\$950
2BR Overall Affordable	\$26,057	\$36,480	27	1,666	0	1,666	1.6%	-
2BR Overall Project	\$26,057	\$60,800	29	2,596	0	2,596	1.1%	-
3BR at 50% AMI	\$30,069	\$36,450	2	523	0	523	0.4%	\$877
3BR at 60% AMI	\$36,103	\$43,740	7	530	0	530	1.3%	\$1,053
3BR Unrestricted	\$37,714	\$72,900	2	866	0	866	0.2%	\$1,100
3BR Overall Affordable	\$30,069	\$43,740	9	700	0	700	1.3%	-
3BR Overall Project	\$30,069	\$72,900	11	1,091	0	1,091	1.0%	-
50% AMI Overall	\$21,703	\$36,450	11	3,375	0	3,375	0.3%	-
60% AMI Overall	\$26,023	\$43,740	36	3,424	0	3,424	1.1%	-
Unrestricted Overall	\$27,429	\$72,900	6	5,587	0	5,587	0.1%	-
Overall Affordable	\$21,703	\$43,740	47	4,519	0	4,519	1.0%	-
Overall Project	\$21,703	\$72,900	53	7,039	0	7,039	0.8%	-

*In this scenario, proposed LIHTC rents are LIHTC maximum allowable rents at each AMI level.

We believe these calculated capture rates are reasonable in both scenarios, particularly as these calculations do not consider demand from outside the PMA or standard rental household turnover. All capture rates are within Georgia DCA thresholds.

7. Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 10 “true” comparable properties containing 2,223 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good. We have included seven LIHTC comparables in our analysis. All of the LIHTC comparables are located within the PMA within 3.7 miles of the Subject site. All of the LIHTC properties target families. These comparables were built or renovated between 1993 and 2014.

The availability of market-rate data is considered good. The Subject is located in Atlanta and there are several market-rate properties in the area. We have included three conventional properties in our analysis of the competitive market. All of the market-rate properties are located in the PMA, between 1.2 and 1.5 miles from the Subject site. These comparables were built or renovated between 2001 and 2004. There are a limited number of new construction market-rate properties in the area. Overall, we believe the market-rate properties we have used in our analysis are the most comparable.

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

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject Proposed Rents	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$516	\$536	\$1,736	\$1,030	100%
2 BR @ 50%	\$592	\$606	\$1,877	\$1,110	88%
3 BR @ 50%	\$655	\$661	\$2,215	\$1,097	67%
1 BR @ 60%	\$642	\$596	\$1,736	\$1,030	60%
2 BR @ 60%	\$744	\$643	\$1,877	\$1,116	50%
3 BR @ 60%	\$831	\$709	\$2,215	\$1,097	32%
1 BR Unrestricted	\$800	\$727	\$1,736	\$1,205	51%
2 BR Unrestricted	\$950	\$718	\$1,877	\$1,324	39%
3 BR Unrestricted	\$1,100	\$937	\$2,215	\$1,430	30%

As illustrated the Subject’s proposed 50 and 60 percent rents as well as the Subject’s unrestricted rents are well below the surveyed average when compared to the comparables, both LIHTC and market-rate. The Subject’s proposed 50 percent rents are below the range of comparable LIHTC and market rents, while the Subject’s proposed 60 percent AMI and unrestricted rents are within the range of the surveyed comparable properties.

1016 Lofts is achieving the highest one and two-bedroom unrestricted rents in the market, while M Street Apartments is achieving the highest three-bedroom unrestricted rents in the market. The proposed Subject is considered inferior to 1016 Lofts and slightly superior to M Street Apartments as a market-rate property. The Subject will be considered most similar to Stonewall Lofts as a market-rate property.

1016 Lofts is located 1.5 miles from the Subject. This property was constructed in 2003 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. 1016 Lofts offers similar property amenities but superior in-unit amenities in comparison to the proposed Subject. 1016 Lofts offers washer/dryer units, which the Subject will not offer. This property offers slightly superior unit sizes in comparison to those of the proposed Subject. The lowest one and two-bedroom rents at 1016 Lofts are approximately 45 and 58 percent higher than the Subject’s proposed unrestricted rents for one and two-bedroom units, respectively.

M Street Apartments is located 1.2 miles from the Subject. This property was constructed in 2004 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. M Street Apartments offers similar property and in-unit amenities to those of the proposed Subject. M Street Apartments also offers similar unit sizes to those of the proposed Subject. The three-bedroom unrestricted rents at M Street Apartments are approximately 101 percent higher than the Subject’s proposed unrestricted rents for three-bedroom units.

Stonewall Lofts is located 1.2 miles from the Subject. This property was constructed in 2004 and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon

completion. Stonewall Lofts offers similar property amenities but superior in-unit amenities in comparison to the proposed Subject. Stonewall Lofts offers washer/dryer units, which the Subject will not offer. Stonewall Lofts also offers similar unit sizes to those of the proposed Subject. Stonewall Lofts’ one and two-bedroom rents are approximately 92 and 71 percent higher than the Subject’s proposed unrestricted one and two-bedroom rents, respectively.

Ashby Park Apartments, a market-rate family property, is located adjacent to the Subject on Rock Street. This property was not included as a comparable in our analysis because of its poor condition. This property was constructed in 1964 and offers inferior age and condition in comparison to that of the proposed Subject. Ashby Park Apartments offers one, two, and three-bedroom units for \$526, \$546, and \$682, respectively. This property reports a vacancy rate of 4.6 percent. Given the poor condition of the property and its inferiority to the proposed Subject, it offers a poor comparison. We do not believe the current rents at Ashby Park Apartments are indicative of the market.

Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

8. Absorption/Stabilization Estimate

We were not able to obtain absorption information from LIHTC properties in our comparable set; thus, we have expanded our search to include family LIHTC properties in the Metropolitan Atlanta area in Fulton and DeKalb County. This absorption data is illustrated in the following table.

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Station R Apartments	Market	Family	2016	285	14
The Meridian at Redwine	Market	Family	2016	258	17
Mills Creek Crossing	LIHTC	Family	2015	200	17
Columbia Mill	LIHTC	Family	2014	100	20
Parkside at Mechanicsville	LIHTC	Family	2012	196	60
Retreat at Edgewood Phase II	LIHTC	Family	2012	40	12
Retreat at Edgewood	LIHTC	Family	2011	100	20
Average					23

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is proposed new construction. The absorption rate at the comparables presented range from 12 units to 60 units per month. The most recent family LIHTC properties constructed, Mills Creek Crossing and Columbia Mill, reported absorption rates of 17 and 20 units per month, respectively. As new construction, the Subject is likely to experience an absorption pace similar to this most recently constructed properties. We believe the Subject would likely experience an absorption pace of 20 units per month for an absorption period of approximately two to three months.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Capture rates for the Subject are considered low for all units at all levels. If allocated, the Subject will be similar to superior to the existing LIHTC housing stock. The LIHTC comparables are currently fully-occupied and four report maintaining waiting lists. These factors indicate demand for affordable housing in the market. The Subject will offer microwaves, business center/computer lab, clubhouse/meeting room, elevators, community garden, and recreation areas, which many of the comparables do not offer. However, the Subject will not offer exterior storage, washer/dryer units, garage

parking, a picnic area, or a swimming pool, which many of the comparables offer. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered superior in terms of condition to all of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be similar to superior to the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and low vacancy at the LIHTC comparable properties, we believe that the Subject is feasible as proposed and will perform well.

QUEST COMMONS WEST – ATLANTA, GEORGIA – MARKET STUDY

Summary Table

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

Development Name:	Quest Commons West	Total # Units:	53
Location:	291 Joseph E Lowery Boulevard	# LIHTC Units:	47
	Atlanta, GA 30314		
PMA Boundary:	North: Perry Boulevard, West Marietta Street, 17th Street; South: Arthur B. Langford Jr. Parkway; East: Interstate 75/85; West: Interstate 285		
	Farthest Boundary Distance to Subject:		6.8 miles

Rental Housing Stock (found on page 84)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	107	15,977	479	97.0%
Market-Rate Housing	15	2,060	107	94.8%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	36	5,075	96	98.1%
LIHTC	56	8,842	248	97.2%
Stabilized Comps	104	15,493	479	96.9%
Properties in Construction & Lease Up	3	484	N/Ap	N/Ap

*Only includes properties in PMA

Subject Development					Average Market Rent*			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
3	1BR at 50% AMI	1	700	\$516	\$1,030	\$1.47	100%	\$1,736	\$2.48
6	2BR at 50% AMI	1	950	\$592	\$1,110	\$1.17	88%	\$1,877	\$1.98
2	3BR at 50% AMI	2	1,100	\$655	\$1,097	\$1.00	67%	\$2,215	\$2.01
8	1BR at 60% AMI	1	700	\$642	\$1,030	\$1.47	60%	\$1,736	\$2.48
21	2BR at 60% AMI	1	950	\$744	\$1,116	\$1.17	50%	\$1,877	\$1.98
7	3BR at 60% AMI	2	1,100	\$831	\$1,097	\$1.00	32%	\$2,215	\$2.01
2	1BR Unrestricted	1	700	\$800	\$1,205	\$1.72	51%	\$1,736	\$2.48
2	2BR Unrestricted	1	950	\$950	\$1,324	\$1.39	39%	\$1,877	\$1.98
2	3BR Unrestricted	2	1,100	\$1,100	\$1,430	\$1.30	30%	\$2,215	\$2.01

Demographic Data (found on page 30)

	2010		2017		September 2019	
Renter Households	32,042	100.0%	36,624	69.2%	38,012	69.5%
Income-Qualified Renter HHs (LIHTC)	19,672	61.4%	22,485	61.4%	23,337	61.4%

Targeted Income-Qualified Renter Household Demand (found on pages 47 to 82)

Type of Demand	30%	50%	60%	Market-rate	Overall Affordable	Overall Project*
Renter Household Growth	-	193	177	400	249	496
Existing Households (Overburdened + Substandard)	-	3,699	3,772	6,443	4,962	7,622
Homeowner conversion (Seniors)	-	0	0	0	0	0
Total Primary Market Demand	-	3,892	3,948	6,443	5,212	8,118
Less Comparable/Competitive Supply	-	0	0	0	0	0
Adjusted Income-qualified Renter HHs**	-	3,892	3,948	6,443	5,212	8,118

Capture Rates (found on page 81)

Targeted Population	30%	50%	60%	Market-rate	Overall Affordable	Overall Project*
Capture Rate:	-	0.3%	1.1%	0.1%	1.0%	0.8%

*Includes LIHTC and unrestricted (when applicable)

**Not adjusted for demand by bedroom-type.

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- | | |
|---|--|
| 1. Project Address and Development Location: | The Subject site is located in the Northeast quadrant of Joseph E Lowery Boulevard and Rock Street in Atlanta, Fulton County, Georgia 30314. A portion of the Subject site is currently occupied by a two-story garden-style multifamily housing development known as Quest Village. |
| 2. Construction Type: | The Subject will consist one, three-story, elevator-serviced residential building. The Subject will be new construction. |
| 3. Occupancy Type: | Families. |
| 4. Special Population Target: | None. |
| 5. Number of Units by Bedroom Type and AMI Level: | See following property profile. |
| 6. Unit Size, Number of Bedrooms and Structure Type: | See following property profile. |
| 7. Rents and Utility Allowances: | See following property profile. |
| 8. Existing or Proposed Project-Based Rental Assistance: | See following property profile. |
| 9. Proposed Development Amenities: | See following property profile. |

QUEST COMMONS WEST – ATLANTA, GEORGIA – MARKET STUDY

Quest Commons West	
Location	Joseph E Lowery And Rock Street Atlanta, GA 30314 Fulton County
Units	53
Type	Garden
Year Built / Renovated	Proposed



Market			
Program	@50%, @60%, Market	Leasing Pace	n/a
Annual Turnover Rate	N/A	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	n/a
Section 8 Tenants	N/A		

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

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Garden (3 stories)	3	700	\$516	\$0	@50%	n/a	N/A	N/A	yes	
1	1	Garden (3 stories)	8	700	\$642	\$0	@60%	n/a	N/A	N/A	yes	
1	1	Garden (3 stories)	2	700	\$800	\$0	Market	n/a	N/A	N/A	N/A	
2	1	Garden (3 stories)	6	950	\$592	\$0	@50%	n/a	N/A	N/A	yes	
2	1	Garden (3 stories)	21	950	\$744	\$0	@60%	n/a	N/A	N/A	yes	
2	1	Garden (3 stories)	2	950	\$950	\$0	Market	n/a	N/A	N/A	N/A	
3	2	Garden (3 stories)	2	1,100	\$655	\$0	@50%	n/a	N/A	N/A	yes	
3	2	Garden (3 stories)	7	1,100	\$831	\$0	@60%	n/a	N/A	N/A	yes	
3	2	Garden (3 stories)	2	1,100	\$1,100	\$0	Market	n/a	N/A	N/A	N/A	

Amenities			
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management Recreation Areas Community Garden
Premium	none	Security	Limited Access Video Surveillance
Services	none		
Other	none		

Comments

The Subject property will consist of one, three-story residential building. The property will offer limited access and video surveillance as security features. Utility allowance for one-bedroom units is \$117, two-bedroom units is \$168, and three-bedroom units is \$222.

- 10. Scope of Renovations:** The Subject will be new construction.
- 11. Placed in Service Date:** Construction on the Subject is expected to begin in September 2018 and be completed in September 2019.
- Conclusion:** The Subject will be an excellent-quality brick and cement fiber siding three-story elevator-serviced apartment complex, comparable to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

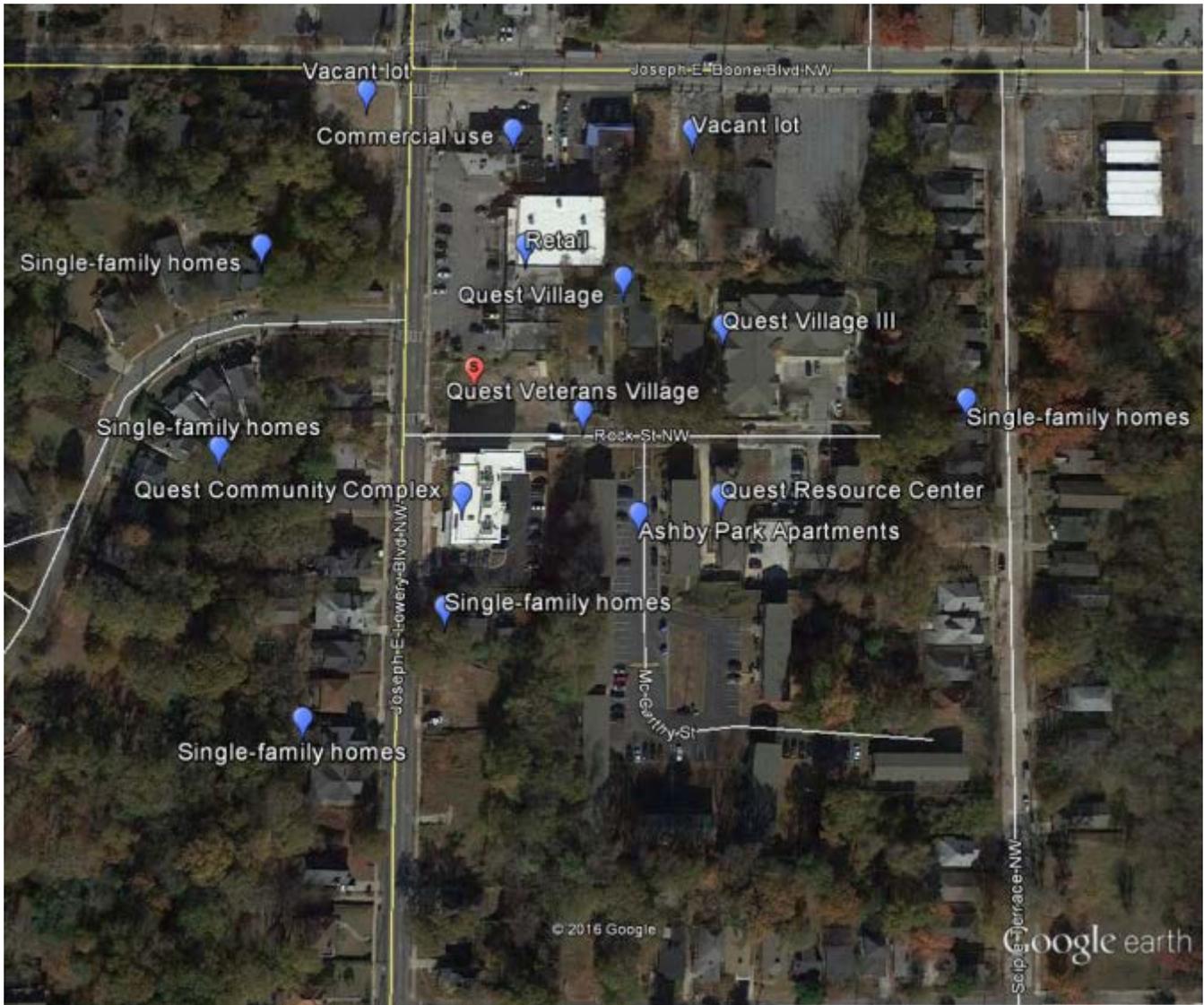
C. SITE EVALUATION

1. **Date of Site Visit and Name of Inspector:** Brian Neukam visited the site on April 22, 2017.
2. **Physical Features of the Site:** The following illustrates the physical features of the site.

Frontage: The Subject site will have frontage along Rock Street.

Visibility/Views: The Subject will be located on the northern side of Rock Street. Visibility and views from the site will be good and initially will include several phases of the Quest Village development, and additional multifamily developments.

Surrounding Uses: The following map illustrates the surrounding land uses.



Source: Google Earth, April 2017.

The Subject site is located on the north side of Rock Street. Uses

along Rock Street consist primarily of multifamily residential development. To the north of the Subject site are smaller retail and commercial uses such as a Family Dollar. Ashby Park Apartments, a market-rate multifamily property, is located immediately south of the Subject site. This property was not used as a comparable because of its inferior age and condition. Quest Village III, a multifamily development, is located immediately east of the Subject. This property was not used as a comparable because it is subsidized. Uses to the west of the Subject site is consists of single-family homes. The Subject has a *Walk Score* rating of 68 out of 100, which is considered “Somewhat Walkable.”

Positive/Negative Attributes of Site:

Positive attributes affecting the Subject include the presence of the recently developed Quest Communities multifamily properties on Rock Street, which have improved the character of Rock Street substantially. Also, the Subject has good access to supporting retail and excellent access to public transportation (both buses and light rail). Negative attributes include the presence of dilapidated homes and commercial properties throughout the neighborhood. The total crime indices in the PMA are elevated and well above that of the MSA and the nation. The Subject will offer limited access and video surveillance as security features. Comparable properties offer similar security features as well. The comparable properties have not reported a problem with marketability.

3. Physical Proximity to Locational Amenities:

The Subject is located within 2.3 miles of all locational amenities. Additionally, it is located within 2.1 miles of the Emory University Hospital Midtown, which is one area’s largest employers.

4. Pictures of Site and Adjacent Uses:

The following are pictures of the Subject site and adjacent uses.



Current improvements to be razed



Current improvements to be razed



View east on Rock Street



View west on Rock Street



Quest Resource Center adjacent to Subject site



Quest Village III adjacent to Subject site



Subject site from Rock Street



Quest Veterans Village across Rock Street



View south on Joseph E Lowery Boulevard



View north on Joseph E Lowery Boulevard



Commercial use in the Subject's neighborhood



Vacant commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Restaurant in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



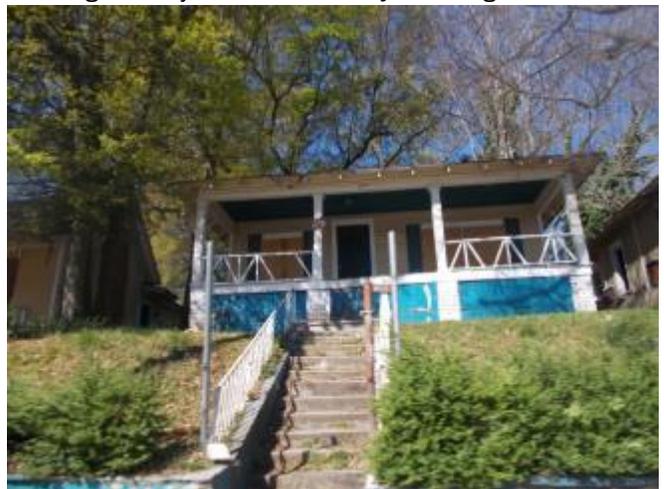
Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family homes in the Subject's neighborhood



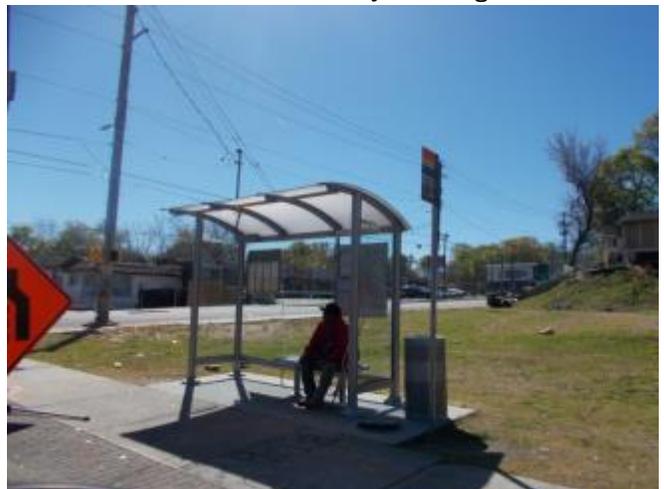
Commercial uses in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Fire station in the Subject's neighborhood



Bus stop north of the Subject site



Single-family home in the Subject's neighborhood



Commercial use in the Subject's neighborhood



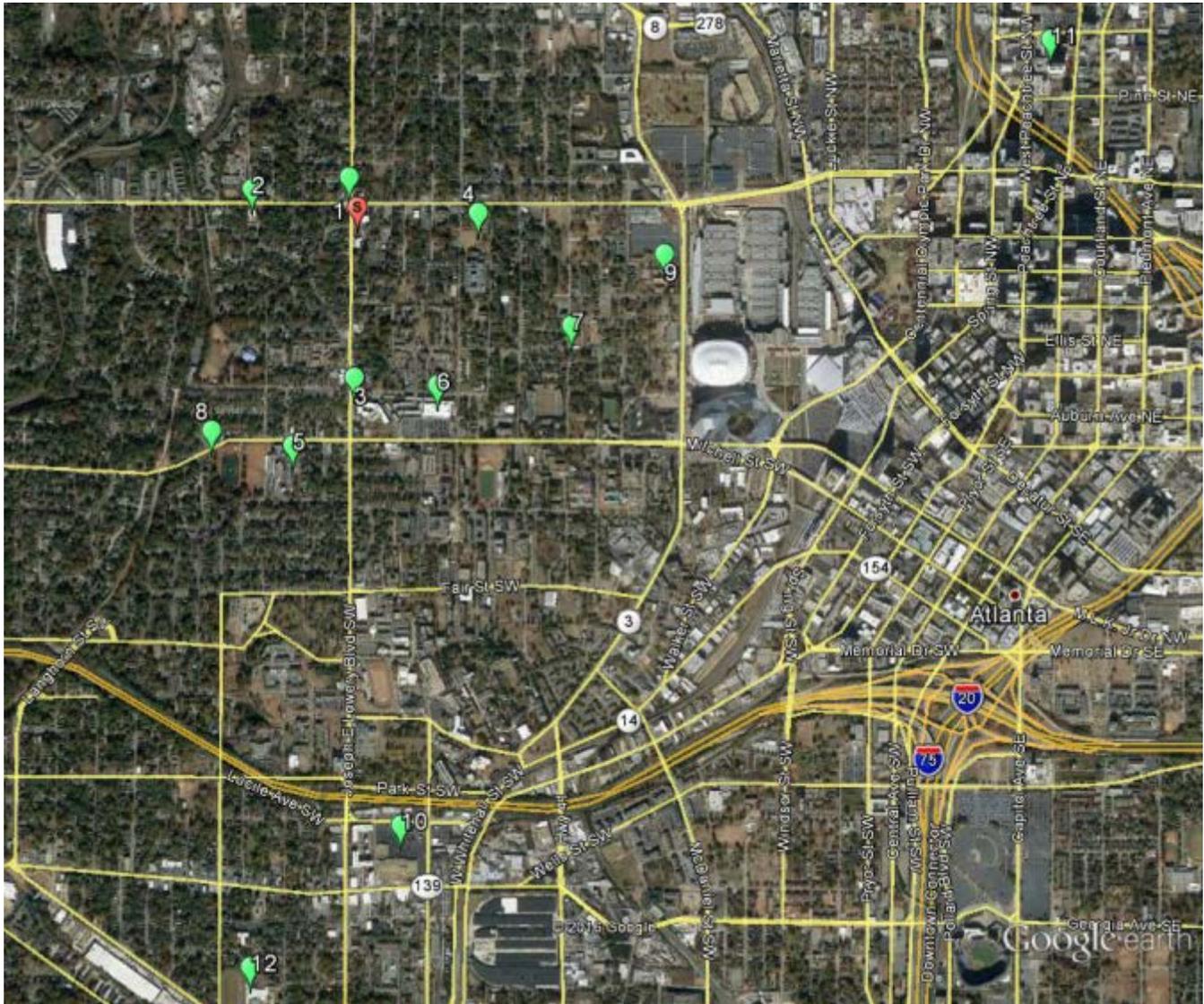
Quest Communities office building on Rock Street



Single-family home in the Subject's neighborhood

5. Proximity to Locational Amenities:

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



Source: Google Earth, April 2017.

LOCATIONAL AMENITIES

Number	Service or Amenity	Distance from Subject
1	Joseph E Lowery MARTA Bus Stop	0.1 miles
2	Atlanta Fire Station 16	0.4 miles
3	Ashby MARTA Rail Station	0.4 miles
4	J F Kennedy Park	0.5 miles
5	Booker T. Washington High School	0.7 miles
6	Walmart Supercenter/ Pharmacy	0.8 miles
7	Atlanta Police Department Magnolia Street Precinct	0.9 miles
8	Washington Park Branch Library	1.0 miles
9	Bethune Elementary School	1.1 miles
10	The Mall West End	1.8 miles
11	Emory University Hospital Midtown	2.1 miles
12	Brown Middle School	2.3 miles

6. Description of Land Uses

The Subject site is located on the north side of Rock Street. Uses along Rock Street consist primarily of multifamily residential development. To the north of the Subject site are smaller retail and commercial uses such as a Family Dollar. Retail and commercial developments in the Subject’s neighborhood are in generally fair to average condition and appeared to be approximately 85 percent occupied. Ashby Park Apartments is located immediately south of the Subject site. This property is not used as a comparable because of its inferior age and condition. Quest Village III, a multifamily development, is located immediately east of the Subject. This property was not utilized as a comparable because it is subsidized. Uses to the west of the Subject site consist of older single-family homes in generally fair to average condition. The areas south and west of the site are characterized by single-family homes in generally fair to average condition. Some of these homes are vacant and boarded up. Although many of the surrounding uses are in fair to average condition with some vacant and boarded-up homes, the surrounding uses have not had an impact on the performance of the adjacent Quest Communities development.

7. Crime:

The following table illustrates crime statistics in the Subject’s PMA compared to the MSA.

2017 CRIME INDICES

	PMA	Atlanta-Sandy Springs-Roswell, GA MSA
Total Crime*	339	139
Personal Crime*	522	130
Murder	697	155
Rape	193	88
Robbery	687	163
Assault	474	118
Property Crime*	314	140
Burglary	338	147
Larceny	279	134
Motor Vehicle Theft	536	178

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

*Unweighted aggregations

The total crime indices in the PMA are elevated and well above that of the MSA and the nation. The Subject will offer limited access and video surveillance as security features. The comparable properties, which are located within the PMA and have the same crime risk indices, offer similar security features. The comparable properties have not reported a problem with marketability.

8. Existing Assisted Rental Housing Property Map:

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

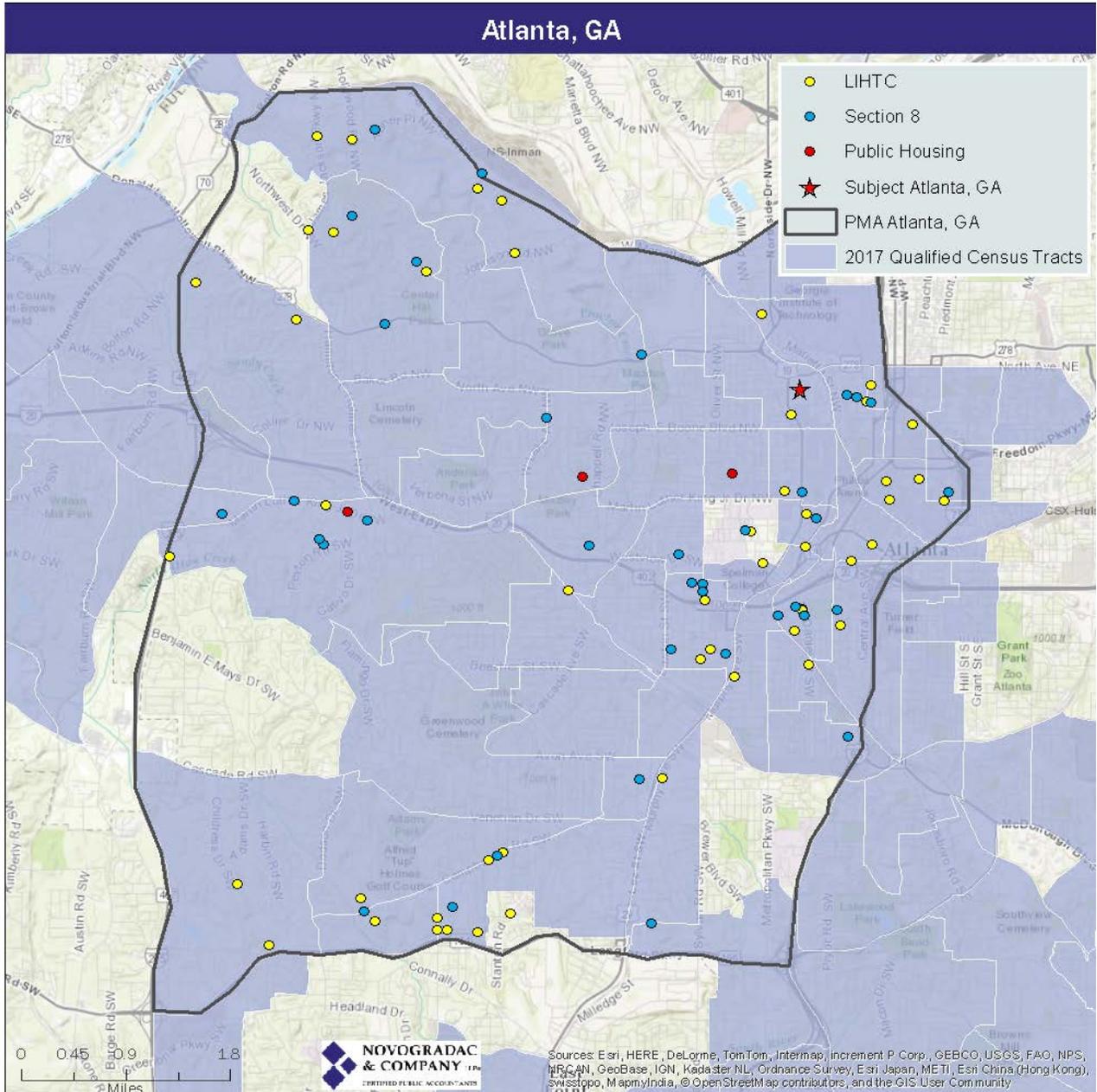
QUEST COMMONS WEST – ATLANTA, GEORGIA – MARKET STUDY

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Map Color
Quest Commons West	LIHTC	Atlanta	Family	53	Star
Adair Court	LIHTC	Atlanta	Elderly	91	
Alta Pointe Apartments	LIHTC	Atlanta	Family	202	
Ashley College Town I	LIHTC	Atlanta	Family	196	
Ashley Scholars Landing	LIHTC	Atlanta	Family	135	
Atlantic Station Mixed Income	LIHTC	Atlanta	Family	130	
Avalon Park Family	LIHTC	Atlanta	Family	175	
Baptist Gardens	LIHTC	Atlanta	Elderly	100	
Brentwood Creek	LIHTC	Atlanta	Family	238	
Brentwood Heights	LIHTC	Atlanta	Family	198	
Brentwood Meadows Apartments	LIHTC	Atlanta	Family	72	
Brookside Park	LIHTC	Atlanta	Family	200	
Centennial Place	LIHTC	Atlanta	Family	738	
City Plaza Apartments	LIHTC	Atlanta	Family	164	
Columbia at Mechanicsville	LIHTC	Atlanta	Family	172	
Columbia Crest Apartments	LIHTC	Atlanta	Family	152	
Columbia Estate	LIHTC	Atlanta	Family	124	
Columbia Grove	LIHTC	Atlanta	Family	138	
Columbia Plaza Apartments	LIHTC	Atlanta	Family	94	
Courtyard at Maple	LIHTC	Atlanta	Family	182	
Edgewood Center	LIHTC	Atlanta	Family	46	
Etheridge Court Apartments Phase II	LIHTC	Atlanta	Family	190	
Etheridge Court Development I	LIHTC	Atlanta	Family	164	
Fairlie Poplar Apartments	LIHTC	Atlanta	Family	15	
Freeman Ford Lofts	LIHTC	Atlanta	Family	27	
Gardens at Collegetown	LIHTC	Atlanta	Family	N/A	
Gateway Apartments at Northside Village	LIHTC	Atlanta	Family	261	
Granada Park	LIHTC	Atlanta	Family	202	
Heritage Station Family	LIHTC	Atlanta	Family	45	
Heritage Station II	LIHTC	Atlanta	Family	150	
Hollywood West Phase II	LIHTC	Atlanta	Family	96	
Huntingwood Pointe - Cascade Pines Apartments	LIHTC	Atlanta	Family	376	
Imperial Hotel 2012	LIHTC	Atlanta	Family	90	
Legacy Phase I	LIHTC	Atlanta	Family	180	
Legacy Phase II	LIHTC	Atlanta	Family	179	
Lillie R Campbell House	LIHTC	Atlanta	Elderly	96	
M Street Apartments	LIHTC	Atlanta	Family	308	
Manor at Scott's Crossing	LIHTC	Atlanta	Family	101	
Northside Plaza Apartments	LIHTC	Atlanta	Family	127	
Oasis at Scholars Landing	LIHTC	Atlanta	Elderly	60	
Oglethorpe Place Apartments	LIHTC	Atlanta	Family	144	
Park at Lakewood	LIHTC	Atlanta	Family	120	
Park at Scott's Crossing	LIHTC	Atlanta	Family	216	
Peaks of West Atlanta	LIHTC	Atlanta	Family	214	
Phoenix House	LIHTC	Atlanta	Other	69	
Preserve at Bent Creek	LIHTC	Atlanta	Family	323	
Rosa Burney Manor	LIHTC	Atlanta	Family	54	
Showcase District	LIHTC	Atlanta	Family	N/A	
Toby Sexton Redevelopment	LIHTC	Atlanta	Family	201	
Towne West Manor	LIHTC	Atlanta	Family	108	
Village Highlands	LIHTC	East Point	Family	258	
Villages at Castleberry Hill	LIHTC	Atlanta	Family	165	
Villages at Castleberry Hill Phase II	LIHTC	Atlanta	Family	284	
Villages of Cascade Apartments	LIHTC	Atlanta	Family	180	
Welcome House SRO	LIHTC	Atlanta	Family	209	
Wells Court Commons	LIHTC	Atlanta	Family	62	
Westview Lofts	LIHTC	Atlanta	Family	21	
William Oliver Building	LIHTC	Atlanta	Family	114	

AFFORDABLE PROPERTIES IN THE PMA (CONTINUED)

Property Name	Program	Location	Tenancy	# of Units	Map Color
Columbia Commons	LIHTC/Public Housing	Atlanta	Family	158	Red
Magnolia Park Apartments	LIHTC/Public Housing	Atlanta	Family	220	
Magnolia Park Apartments Phase II	LIHTC/Public Housing	Atlanta	Family	180	
Allen Temple	LIHTC/Section 8	Atlanta	Family	457	Blue
Ashely College Town Phase II	LIHTC/Section 8	Atlanta	Family	100	
Ashley West End	LIHTC/Section 8	Atlanta	Family	100	
Atrium at Collegetown - FKA John O. Chiles	LIHTC/Section 8	Atlanta	Elderly	190	
Avalon Park Senior	LIHTC/Section 8	Atlanta	Elderly	136	
Baptist Towers	LIHTC/Section 8	Atlanta	Elderly	300	
City Views at Rosa Burney Park	LIHTC/Section 8	Atlanta	Family	180	
Columbia at Sylvan Hills	LIHTC/Section 8	Atlanta	Family	191	
Columbia Heritage Senior Residences	LIHTC/Section 8	Atlanta	Elderly	132	
Columbia Mechanicsville IV	LIHTC/Section 8	Atlanta	Family	164	
Columbia Senior Residences at Mechanicsville	LIHTC/Section 8	Atlanta	Elderly	155	
Crogman School	LIHTC/Section 8	Atlanta	Family	105	
Flipper Temple	LIHTC/Section 8	Atlanta	Family	163	
Mechanicsville Apartments Phase III	LIHTC/Section 8	Atlanta	Family	164	
Mechanicsville Apartments Phase VI	LIHTC/Section 8	Atlanta	Family	156	
Park Commons	LIHTC/Section 8	Atlanta	Elderly	179	
Park Commons	LIHTC/Section 8	Atlanta	Elderly	153	
Peaks at Martin Luther King	LIHTC/Section 8	Atlanta	Family	183	
QLS Haven	LIHTC/Section 8	Atlanta	Elderly	120	
Seven Courts	LIHTC/Section 8	Atlanta	Family	171	
Veranda At Collegetown	LIHTC/Section 8	Atlanta	Elderly	100	
Veranda At Scholars Landing	LIHTC/Section 8	Atlanta	Elderly	100	
Artist Square Apartments	Market	Atlanta	Family	76	
Ashby Park Apartments	Market	Atlanta	Family	66	
Aspen Courts (FKA Spanish Villa)	Market	Atlanta	Family	157	
Chappell Forest	Market	Atlanta	Family	219	
Chateau Chennault	Market	Atlanta	Family	71	
City Plaza	Market	Atlanta	Family	167	
Collier Heights	Market	Atlanta	Family	336	
Dogwood Apartments	Market	Atlanta	Family	80	
Donnelly Gardens	Market	Atlanta	Family	250	
Dwell At The View	Market	Atlanta	Family	216	
Freeman Ford/ Fairlie Poplar Lofts	Market	Atlanta	Family	42	
Hotel Roxy Lofts	Market	Atlanta	Family	18	
Marquis Townhomes	Market	Atlanta	Family	34	
Muse Lofts	Market	Atlanta	Family	65	
Point At Westside	Market	Atlanta	Family	263	
Abernathy Tower	Section 8	Atlanta	Elderly	100	
Berean Village	Section 8	Atlanta	Elderly	N/A	
Big Bethel Towers Apartments	Section 8	Atlanta	Family	N/A	
Friendship Towers	Section 8	Atlanta	Elderly	19	
Hollywood /Shawnee Apartments	Section 8	Atlanta	Family	112	
Johnnie B. Moore Towers	Section 8	Atlanta	Elderly	55	
Oakland City/West End Apartments	Section 8	Atlanta	Family	111	
Providence Manor	Section 8	Atlanta	Elderly	45	
Rolling Bends	Section 8	Atlanta	Family	164	
Silvertree Senior Atlanta Apartments	Section 8	Atlanta	Elderly	98	



- 9. Road, Infrastructure or Proposed Improvements:** We did not witness any road, infrastructure or proposed improvements during our field work.
- 10. Access, Ingress-Egress and Visibility of Site:** The Subject site can be accessed from Rock Street SW, which is a two-lane neighborhood street. Overall, access and visibility are considered good.
- 11. Conclusion:** The Subject site is located along Rock Street in Atlanta, Fulton County, Georgia. The Subject has good access and visibility and views include surrounding residential uses. The Subject site is currently comprised of an existing small multifamily use, a portion of a multi-tenant retail center in fair condition, and vacant land. The

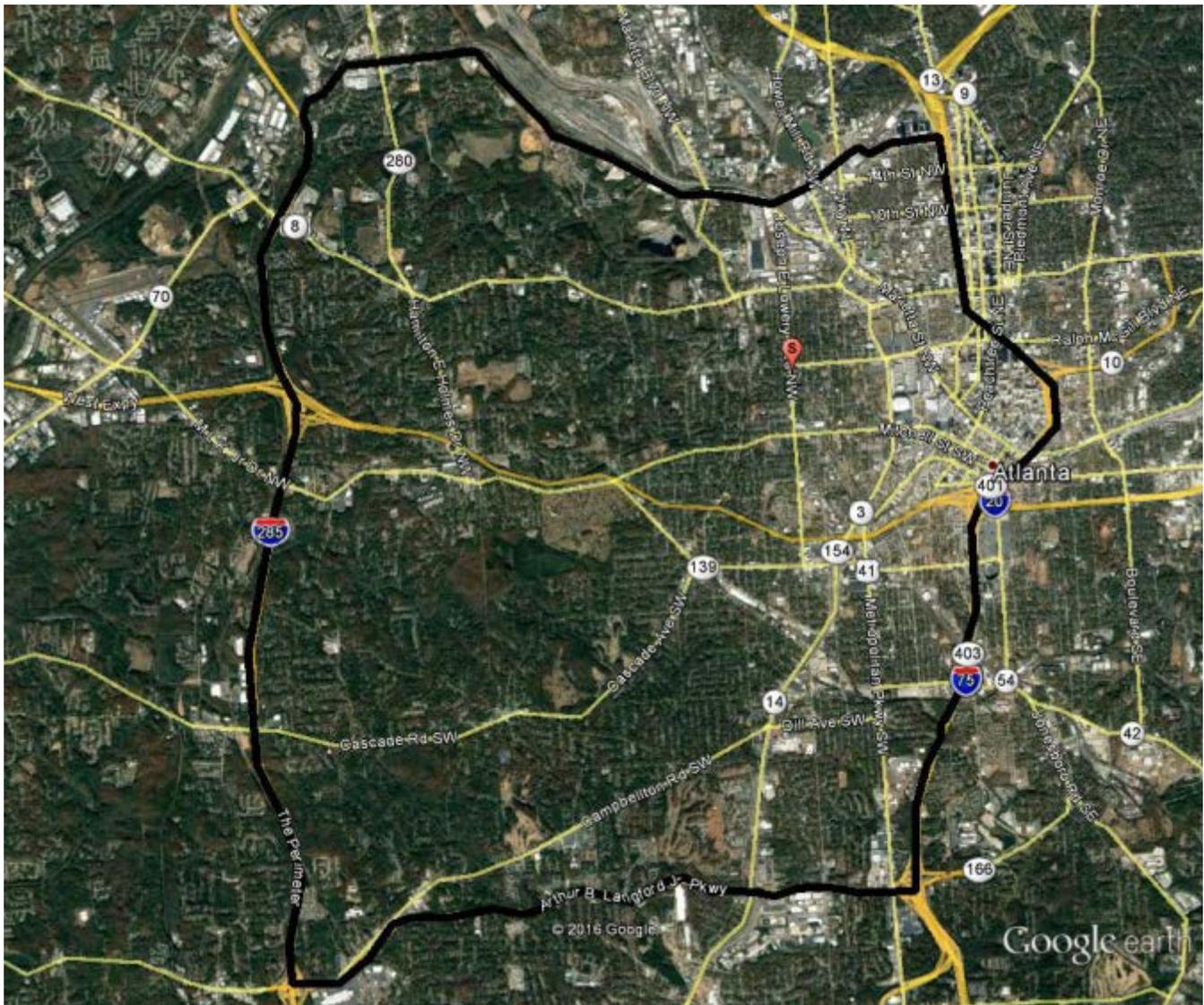
neighborhood surrounding the Subject consists mostly of single-family and multi-family residential use. While the single family homes are in generally fair to average condition, there are several new properties located on Rock Street. The Subject has a *Walk Score* rating of 68 out of 100, which is considered “Somewhat Walkable.” The Subject has convenient access to public transportation as MARTA runs along Joseph E. Lowery Boulevard and Martin Luther King Jr. Drive. There is also a light rail station (Ashby Street Station) located at 65 Joseph E. Lowery Boulevard, which is approximately 0.4 miles south of the Subject. The total crime indices in the PMA are elevated and well above that of the MSA and the nation. The Subject will offer limited access and video surveillance as security features. The comparable properties, which are located within the PMA and have the same crime risk indices, offer similar security features. The comparable properties have not reported a problem with marketability. The uses surrounding the site are in fair to average condition, and it has good proximity to locational amenities, which are within 2.3 miles of the Subject site.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



Source: Google Earth, April 2017.

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

The PMA is defined by Perry Boulevard, West Marietta Street and 17th Street to the north, Interstate 285 to the west, Arthur B. Langford Jr. Parkway to the south and Interstate 75/85 to the east. This area includes

the City of Atlanta. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 4.0 miles

East: 2.3 miles

South: 6.6 miles

West: 6.8 miles

The PMA was defined based on interviews with the local housing authority and property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from outside the City of Atlanta. Property managers indicated that tenants are likely to come from within a wide area on the west side of Atlanta, supporting our selection of the PMA's boundaries. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2017 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 6.8 miles.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group within the population in the MSA, the PMA and nationally from 2000 through 2021.

1a. Total Population

The following table illustrates the total population within the PMA, MSA and nation from 2000 through 2021.

Year	POPULATION					
	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	154,066	-	4,263,438	-	281,421,906	-
2010	139,726	-0.9%	5,286,728	2.4%	308,745,538	1.0%
2017	148,890	0.4%	5,665,958	0.4%	323,580,626	0.3%
Projected Mkt Entry September 2019	153,205	1.1%	5,881,189	1.4%	331,026,101	0.8%
2021	156,856	1.1%	6,063,308	1.4%	337,326,118	0.8%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

The population of the PMA declined between 2000 and 2010, while the population of the MSA and the nation grew. However, total population in the PMA is projected to increase at a 1.1 percent annual rate from 2017 to 2019 and 2019 to 2021, a growth rate faster than that of the nation but below the MSA as a whole during the same time period. Overall, we believe that population growth in the PMA and MSA is a positive indication of demand for the Subject's proposed units.

1b. Total Population by Age Group

The following table illustrates the total population within the PMA and MSA and nation from 2000 to 2021.

POPULATION BY AGE GROUP

Age Cohort	PMA				2021
	2000	2010	2017	Projected Mkt Entry September 2019	
0-4	10,337	8,766	8,813	9,057	9,263
5-9	11,292	7,566	8,233	8,288	8,335
10-14	10,336	7,085	7,574	7,825	8,037
15-19	16,687	16,217	15,939	16,117	16,267
20-24	18,041	20,827	21,196	20,532	19,970
25-29	11,837	11,115	12,504	13,430	14,213
30-34	10,282	8,994	10,348	10,913	11,391
35-39	10,778	7,678	8,219	8,754	9,206
40-44	10,381	7,336	7,692	7,936	8,142
45-49	9,448	8,312	7,811	7,899	7,974
50-54	7,758	8,359	8,265	8,126	8,009
55-59	5,907	7,352	8,134	8,190	8,238
60-64	5,501	5,829	7,063	7,473	7,820
65-69	4,607	4,348	5,724	6,233	6,663
70-74	3,884	3,649	4,247	4,821	5,306
75-79	2,829	2,757	3,156	3,415	3,634
80-84	2,156	1,883	2,045	2,189	2,310
85+	2,005	1,653	1,928	2,009	2,078
Total	154,066	139,726	148,891	153,205	156,856

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

POPULATION BY AGE GROUP

Age Cohort	Atlanta-Sandy Springs-Roswell, GA MSA				2021
	2000	2010	2017	Projected Mkt Entry September 2019	
0-4	318,972	380,735	380,008	389,890	398,252
5-9	326,062	394,306	392,983	397,425	401,183
10-14	314,313	390,992	406,441	413,380	419,251
15-19	290,180	378,372	385,702	397,851	408,131
20-24	289,654	341,650	389,646	387,030	384,816
25-29	364,046	377,057	408,658	428,062	444,480
30-34	382,158	386,120	403,640	431,552	455,170
35-39	396,792	417,987	399,148	419,155	436,084
40-44	360,050	415,233	415,330	413,918	412,724
45-49	307,308	411,635	404,741	403,453	402,364
50-54	267,500	364,330	397,839	397,729	397,635
55-59	186,754	301,331	359,211	370,805	380,616
60-64	131,059	252,453	296,741	321,236	341,963
65-69	101,856	170,690	241,279	261,170	278,000
70-74	82,809	114,130	160,967	192,734	219,614
75-79	65,303	81,144	100,456	119,960	136,464
80-84	42,357	57,082	63,423	71,464	78,267
85+	36,265	51,481	59,745	64,376	68,294
Total	4,263,438	5,286,728	5,665,958	5,881,189	6,063,308

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

The largest age cohorts in the PMA are between 15 and 19 and 20 and 24, which indicates the presence of families.

2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, (d) Renter Households by Size within the population in the MSA, the PMA and nationally from 2000 through 2017.

2a. Total Number of Households and Average Household Size

The following tables illustrate the total number of households and average household size within the PMA, MSA and nation from 2000 through 2021.

HOUSEHOLDS

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	51,860	-	1,559,712	-	105,480,101	-
2010	49,841	-0.4%	1,943,885	2.5%	116,716,292	1.1%
2017	52,921	0.4%	2,065,785	0.4%	121,786,233	0.3%
Projected Mkt Entry September 2019	54,703	1.2%	2,139,295	1.3%	124,444,752	0.8%
2021	56,211	1.2%	2,201,496	1.3%	126,694,268	0.8%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

AVERAGE HOUSEHOLD SIZE

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.56	-	2.68	-	2.59	-
2010	2.35	-0.9%	2.68	0.0%	2.58	-0.1%
2017	2.36	0.0%	2.70	0.1%	2.59	0.0%
Projected Mkt Entry September 2019	2.36	0.0%	2.71	0.1%	2.60	0.1%
2021	2.36	0.0%	2.72	0.1%	2.60	0.1%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

The number of households in the PMA decreased by 0.4 percent between 2000 and 2010, while the number of households in the MSA and the nation grew. The PMA experienced a period of household growth between 2010 and 2017, keeping pace with the MSA and outpacing the nation. Over the next five years, the household growth in the PMA is expected to increase 1.2 percent, which is similar to the MSA and greater than national household growth. The average household size in the PMA is smaller than the MSA and the national average at 2.36 persons in 2017. Over the next five years, the average household size is projected to remain relatively similar.

2b. Households by Tenure

The table below depicts household growth by tenure from 2000 through 2021.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	20,009	38.6%	31,851	61.4%
2017	16,297	30.8%	36,624	69.2%
Projected Mkt Entry September 2019	16,691	30.5%	38,012	69.5%
2021	17,024	30.3%	39,187	69.7%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

As the table illustrates, households within the PMA reside in predominately renter-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a larger percentage of renters in the PMA than the nation. This percentage is projected to increase moderately over the next five years.

2c. Household Income

The following table depicts renter household income in the PMA in 2017, market entry, and 2021.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry September 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	9,495	25.9%	9,595	25.2%	9,680	24.7%
\$10,000-19,999	7,719	21.1%	7,804	20.5%	7,875	20.1%
\$20,000-29,999	5,238	14.3%	5,407	14.2%	5,549	14.2%
\$30,000-39,999	4,160	11.4%	4,243	11.2%	4,314	11.0%
\$40,000-49,999	2,474	6.8%	2,546	6.7%	2,606	6.7%
\$50,000-59,999	1,718	4.7%	1,827	4.8%	1,918	4.9%
\$60,000-74,999	2,080	5.7%	2,188	5.8%	2,280	5.8%
\$75,000-99,999	1,464	4.0%	1,665	4.4%	1,835	4.7%
\$100,000-124,999	902	2.5%	1,056	2.8%	1,186	3.0%
\$125,000-149,999	494	1.3%	604	1.6%	698	1.8%
\$150,000-199,999	444	1.2%	512	1.3%	570	1.5%
\$200,000+	436	1.2%	566	1.5%	676	1.7%
Total	36,624	100.0%	38,012	100.0%	39,187	100.0%

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, April 2017

RENTER HOUSEHOLD INCOME DISTRIBUTION - Atlanta-Sandy Springs-Roswell, GA MSA

Income Cohort	2017		Projected Mkt Entry September 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	88,882	11.4%	92,157	11.4%	94,927	11.4%
\$10,000-19,999	102,602	13.1%	106,382	13.1%	109,580	13.1%
\$20,000-29,999	102,524	13.1%	106,301	13.1%	109,497	13.1%
\$30,000-39,999	94,763	12.1%	98,254	12.1%	101,208	12.1%
\$40,000-49,999	79,647	10.2%	82,581	10.2%	85,063	10.2%
\$50,000-59,999	64,242	8.2%	66,608	8.2%	68,611	8.2%
\$60,000-74,999	72,241	9.2%	74,902	9.2%	77,154	9.2%
\$75,000-99,999	70,175	9.0%	72,760	9.0%	74,947	9.0%
\$100,000-124,999	40,205	5.1%	41,686	5.1%	42,939	5.1%
\$125,000-149,999	22,975	2.9%	23,821	2.9%	24,537	2.9%
\$150,000-199,999	22,045	2.8%	22,857	2.8%	23,545	2.8%
\$200,000+	22,796	2.9%	23,636	2.9%	24,347	2.9%
Total	783,097	100.0%	811,946	100.0%	836,356	100.0%

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, April 2017

The Subject’s LIHTC units will target tenants earning up to \$43,740. As the table above depicts, approximately 72.7 percent of renter households in the PMA are earning incomes of up to \$40,000, which is greater than the 49.7 percent of renter households in the MSA earning incomes up to \$40,000 in 2017. For the projected market entry date of September 2019, the percentage of renter households in the PMA earning up to \$40,000 is projected to slightly decrease to 71.1 percent, while the percentage of renter households earning incomes in the same range in the MSA is projected to remain relatively stable.

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

The following table illustrates household size for all households in 2017, 2019 and 2021. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2017		Projected Mkt Entry September 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	16,458	45%	17,317	46%	18,044	46%
2 Persons	8,960	24%	9,229	24%	9,456	24%
3 Persons	4,928	13%	5,066	13%	5,183	13%
4 Persons	2,839	8%	2,901	8%	2,954	8%
5+ Persons	3,439	9%	3,499	9%	3,549	9%
Total Households	36,624	100%	38,012	100%	39,187	100%

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, April 2017

The majority of renter households in the PMA are one- to two-person households.

Conclusion

The population in the PMA and the MSA increased from 2010 to 2017, outpacing population growth in the nation over the same period. The rate of population growth in the PMA and the MSA is projected to increase significantly between 2017 and market entry 2019. The current population of the PMA is 148,890 and is expected to be 153,205 in 2019. Renter households are concentrated in the lowest income cohorts, with 72.7 percent of renters in the PMA earning less than \$40,000 annually. The Subject will target households earning up to \$43,740 for its LIHTC units and up to \$72,900 for its market-rate units. Therefore, the Subject should be well-positioned to service this market. Overall, while recent and projected population growth has been modest, the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

F. EMPLOYMENT TRENDS

Employment Trends

The PMA and Fulton County are economically reliant on the educational services, retail trade, and accommodation/food services sectors. Employment is concentrated in industries related to professional and business services, trade, transportation, and utilities, and education and health services. Employment levels decreased during the national recession but have surpassed pre-recession highs and are in an expansionary phase.

1. Total Jobs

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

Year	Total Employment	% Change
2006	448,380	-
2007	465,409	3.7%
2008	465,380	0.0%
2009	437,746	-6.3%
2010	434,315	-0.8%
2011	448,034	3.1%
2012	464,856	3.6%
2013	467,515	0.6%
2014	473,655	1.3%
2015	484,146	2.2%
2016 YTD Average	546,444	11.4%
Dec-15	491,087	-
Dec-16	512,456	4.2%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2016

As illustrated in the table above, Fulton County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2008. Employment growth rebounded and Fulton County exhibited employment growth from 2010 through 2016 and eclipsed its pre-recessionary levels in 2013. Overall, total employment in Fulton County increased 4.2 percent from December 2015 to December 2016.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Fulton County as of January 2017.

**January 2017 Covered Employment
Fulton County, Georgia**

	Number	Percent
Total, all industries	732,561	-
Goods-producing	-	-
Natural resources and mining	529	0.07%
Construction	19,286	2.63%
Manufacturing	29,337	4.00%
Service-providing	-	-
Trade, transportation, and utilities	143,315	19.56%
Information	49,260	6.72%
Financial activities	72,008	9.83%
Professional and business services	192,811	26.32%
Education and health services	102,278	13.96%
Leisure and hospitality	97,367	13.29%
Other services	23,170	3.16%
Unclassified	3,200	0.44%

Source: Bureau of Labor Statistics, 2017

Professional and business services is the largest industry in Fulton County, followed by trade, transportation, and utilities and leisure and hospitality. These industries are particularly vulnerable in economic downturns and are historically volatile industries, with the exception of utilities. The following table illustrates employment by industry for the PMA as of 2017 (most recent year available).

2017 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Educational Services	8,433	15.5%	14,359,370	9.5%
Retail Trade	7,088	13.0%	17,169,304	11.3%
Accommodation/Food Services	6,385	11.7%	11,574,403	7.6%
Healthcare/Social Assistance	4,926	9.0%	21,304,508	14.1%
Prof/Scientific/Tech Services	3,982	7.3%	10,269,978	6.8%
Transportation/Warehousing	3,959	7.3%	6,128,217	4.0%
Other Services (excl Publ Adm)	3,333	6.1%	7,463,834	4.9%
Admin/Support/Waste Mgmt Svcs	3,143	5.8%	6,511,707	4.3%
Manufacturing	2,282	4.2%	15,499,826	10.2%
Public Administration	2,265	4.2%	7,093,689	4.7%
Construction	1,888	3.5%	9,342,539	6.2%
Finance/Insurance	1,474	2.7%	6,942,986	4.6%
Information	1,456	2.7%	2,862,063	1.9%
Arts/Entertainment/Recreation	1,383	2.5%	3,416,474	2.3%
Wholesale Trade	1,134	2.1%	4,066,471	2.7%
Real Estate/Rental/Leasing	1,074	2.0%	2,946,196	1.9%
Utilities	224	0.4%	1,344,219	0.9%
Agric/Forestry/Fishing/Hunting	98	0.2%	2,253,044	1.5%
Mgmt of Companies/Enterprises	31	0.1%	89,612	0.1%
Mining	11	0.0%	749,242	0.5%
Total Employment	54,569	100.0%	151,387,682	100.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

The largest industries in the PMA are educational services, retail trade, accommodation/food services, and healthcare/social assistance, which account for approximately 49 percent of total employment in the PMA. The percentage of educational services jobs in the PMA is significantly larger than that of the nation. The retail trade, accommodation/food services and transportation/warehousing industry are also over represented in the PMA. Industries under-represented in the PMA include healthcare/social assistance, manufacturing, construction, and finance/insurance. Two of the PMA's top four industries, educational services and healthcare/social assistance, are typically resilient in times of economic downturn. Conversely, industries underrepresented in the PMA, such as manufacturing, are economically volatile.

3. Major Employers

The table below shows the largest employers in the Atlanta metropolitan area.

MAJOR EMPLOYERS-Atlanta Metropolitan Area

Company	Industry	Number of Employees
Delta Airlines	Transportation	31,237
Emory University/ Emory Healthcare	Educational/Healthcare	29,937
Wal-Mart Stores, Inc.	Retail Trade	20,532
The Home Depot, Inc.	Retail Trade	20,000
AT&T Inc.	Communications	17,882
The Kroger Co.	Retail Trade	14,753
WellStar Health System	Healthcare	13,500
Publix Super Markets, Inc.	Retail Trade	9,494
United States Postal Service	Government	9,385
Northside Hospital	Healthcare	9,016
The Coca-Cola Company	Retail Trade	8,761
United Parcel Service, Inc	Postal Service	8,727
Piedmont Healthcare	Healthcare	8,707
Centers for Disease Control	Healthcare	8,539
Children's Healthcare of Atlanta	Healthcare	7,452

Source: The Metro Atlanta Chamber of Commerce, Novogradac & Company LLP, April 2017

The Atlanta Metropolitan Area's largest employers are concentrated in the transportation, education and health services, and retail trade sectors. Delta Airlines is headquartered in Atlanta and has its international hub at Hartsfield-Jackson International Airport on the southwest side of the city, approximately seven miles south of the Subject site. Other major employers include Emory University and Emory Healthcare which together provide education and healthcare services. Emory University is located approximately seven miles east of the Subject, while Emory Healthcare operates several healthcare facilities throughout the Atlanta area. Emory's closest location to the Subject is Emory University Hospital Midtown, approximately two miles east of the Subject. Healthcare and education are historically stable industries.

Expansions/Contractions

The following table illustrates the layoffs and closures of significance that have occurred or been announced since January 1, 2014 in Fulton County according to the Georgia Department of Economic Development.

WARN NOTICES- FULTON COUNTY, GA 2014-2017

Company Name	Industry	Number of Employees Affected
DAL Global Services	Aviation Services	52
West Rock	Manufacturing	66
Kenco	Logistics	71
Whole Foods Market	Retail Trade	149
Burris Logistics	Logistics	167
Newell Brands	Wholesale Trade	258
Windstream Communications	Information	55
Walmart	Retail Trade	68
Masterack, Division of Leggett & Platt	Manufacturing	121
Delta Global Services, LLC.	Aviation Services	275
Corizon Health	Healthcare/ Social Assistance	208
Athena Healthcare	Healthcare Technology	49
Generation Mortgage Company	Finance/Insurance	64
Sony	Information	100
AIG	Finance/Insurance	420
Infosys McCamish Systems, LLC.	Finance/Insurance	61
Generation Mortgage Company	Finance/Insurance	25
Affinity Specialty Apparel, Inc.	Retail Trade	60
New Breed Leasing of New Jersey, Inc.	Real Estate	89
The Intown Academy	Educational services	60
Hancock-Able Services LLC	Construction	135
Generation Mortgage Company	Finance/Insurance	76
Kaplan	Educational services	77
Aramark	Retail Trade	1,078
Gannett Publishing Service	Manufacturing	34
STS Engineers & Contractors	Construction	328
YP	Professional Services	54
Verizon Wireless	Information	231
WIPRO	Wholesale Trade	93
Hanjin Shipping America, LLC	Transportation/Warehousing	131
New Continent Ventures	Retail Trade	167
Sanmina Corporation	Wholesale Trade	113
Sodexo	Retail Trade	86
Macy's	Retail Trade	600
Anthem Education	Educational services	47
Cox Digital Exchange, LLC	Information	143
Fulton County Housing and Human Services	Public Administration	27
Bank of America	Finance/Insurance	51
ISTA North America	Construction	<u>78</u>
Total		6,616

As illustrated in the above table, there have been more than 6,000 employees in the area impacted by layoffs or closures since 2014. Despite these job losses that have been reported, there has been some growth occurring in the area.

BUSINESS EXPANSIONS - FULTON COUNTY, GA 2014 - 2017

Company	Industry	Jobs
Mercedes Benz USA	Automotive Manufacturing	950
Honeywell International	Software Development	800
Sonoco Packaging and Display	Packaging	595
Cricket Wireless	Telecommunications	500
Athenahealth	Healthcare Applications	500
Hexaware	Information Technology	300
Global Ministries of the United Methodist Church	Religion	250
Amtrak	Transportation	200
Star2Star	Cloud Communications	200
Marketo	Marketing Software	200
Magic.Jack	Communication Services	150
Backbase	Banking Software	150
Primetals Technologies	Electronics	140
Lead Forensics	Software Development	125
CSM Bakery Solutions	Food Services	120
Serta Simmons Bedding	Bedding Products	110
Aptos	Retail Technology	108
Courion	Cyber Security	100
Varian Medical Systems, Inc.	Healthcare	100
mBlox	Software Development	100
BMC	Construction Services	80
Total Quality Logistics	Transportation	75
Deliv	Delivery Services	60
Veritiv Corp.	Distribution	55
CapTech	IT Consulting	50
OnPay/Payroll Center	FinTech/Payroll Services	50
Sifted	Food Services	50
Skignz	Software Development	50
GeoDigital International	Analytics Software	50
DRAX Biomass	Manufacturing	50

Source: The Metro Atlanta Chamber of Commerce, Novogradac & Company LLP, April 2017

As illustrated, there were several additions in a variety of industries including manufacturing, information technology/software development, and construction. Between 2015 and 2017 year-to-date, there were a total of 6,268 additional jobs created, which helps to offset the 6,774 layoffs in the county during the same period.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2001 to December 2016.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Atlanta-Sandy Springs-Roswell, GA MSA			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2001	2,329,891	-	-13.0%	136,933,000	-	-8.0%
2002	2,324,880	-0.2%	-13.2%	136,485,000	-0.3%	-8.3%
2003	2,347,173	1.0%	-12.3%	137,736,000	0.9%	-7.5%
2004	2,382,163	1.5%	-11.0%	139,252,000	1.1%	-6.4%
2005	2,445,674	2.7%	-8.7%	141,730,000	1.8%	-4.8%
2006	2,538,141	3.8%	-5.2%	144,427,000	1.9%	-3.0%
2007	2,618,825	3.2%	-2.2%	146,047,000	1.1%	-1.9%
2008	2,606,822	-0.5%	-2.7%	145,363,000	-0.5%	-2.3%
2009	2,452,057	-5.9%	-8.4%	139,878,000	-3.8%	-6.0%
2010	2,440,037	-0.5%	-8.9%	139,064,000	-0.6%	-6.6%
2011	2,486,895	1.9%	-7.1%	139,869,000	0.6%	-6.0%
2012	2,546,478	2.4%	-4.9%	142,469,000	1.9%	-4.3%
2013	2,574,339	1.1%	-3.9%	143,929,000	1.0%	-3.3%
2014	2,619,867	1.8%	-2.2%	146,305,000	1.7%	-1.7%
2015	2,677,863	2.2%	0.0%	148,833,000	1.7%	0.0%
2016 YTD Average*	2,770,683	3.5%	-	151,435,833	1.7%	-
Dec-2015	2,716,023	-	-	149,703,000	-	-
Dec-2016	2,834,631	4.4%	-	151,798,000	1.4%	-

Source: U.S. Bureau of Labor Statistics April 2017

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Atlanta-Sandy Springs-Roswell, GA MSA			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2001	3.7%	-	0.0%	4.7%	-	0.1%
2002	5.0%	1.4%	1.4%	5.8%	1.0%	1.2%
2003	4.9%	-0.2%	1.2%	6.0%	0.2%	1.4%
2004	4.8%	-0.1%	1.1%	5.5%	-0.5%	0.9%
2005	5.4%	0.6%	1.7%	5.1%	-0.5%	0.5%
2006	4.7%	-0.7%	1.0%	4.6%	-0.5%	0.0%
2007	4.4%	-0.2%	0.7%	4.6%	0.0%	0.0%
2008	6.2%	1.7%	2.5%	5.8%	1.2%	1.2%
2009	9.9%	3.8%	6.2%	9.3%	3.5%	4.7%
2010	10.3%	0.4%	6.6%	9.6%	0.3%	5.0%
2011	9.9%	-0.4%	6.2%	9.0%	-0.7%	4.3%
2012	8.8%	-1.1%	5.1%	8.1%	-0.9%	3.5%
2013	7.8%	-1.0%	4.1%	7.4%	-0.7%	2.8%
2014	6.7%	-1.1%	3.1%	6.2%	-1.2%	1.6%
2015	5.6%	-1.2%	1.9%	5.3%	-0.9%	0.7%
2016 YTD Average*	5.0%	-0.6%	-	4.9%	-0.4%	-
Dec-2015	4.8%	-	-	4.8%	-	-
Dec-2016	5.0%	0.2%	-	4.5%	-0.3%	-

Source: U.S. Bureau of Labor Statistics April 2017

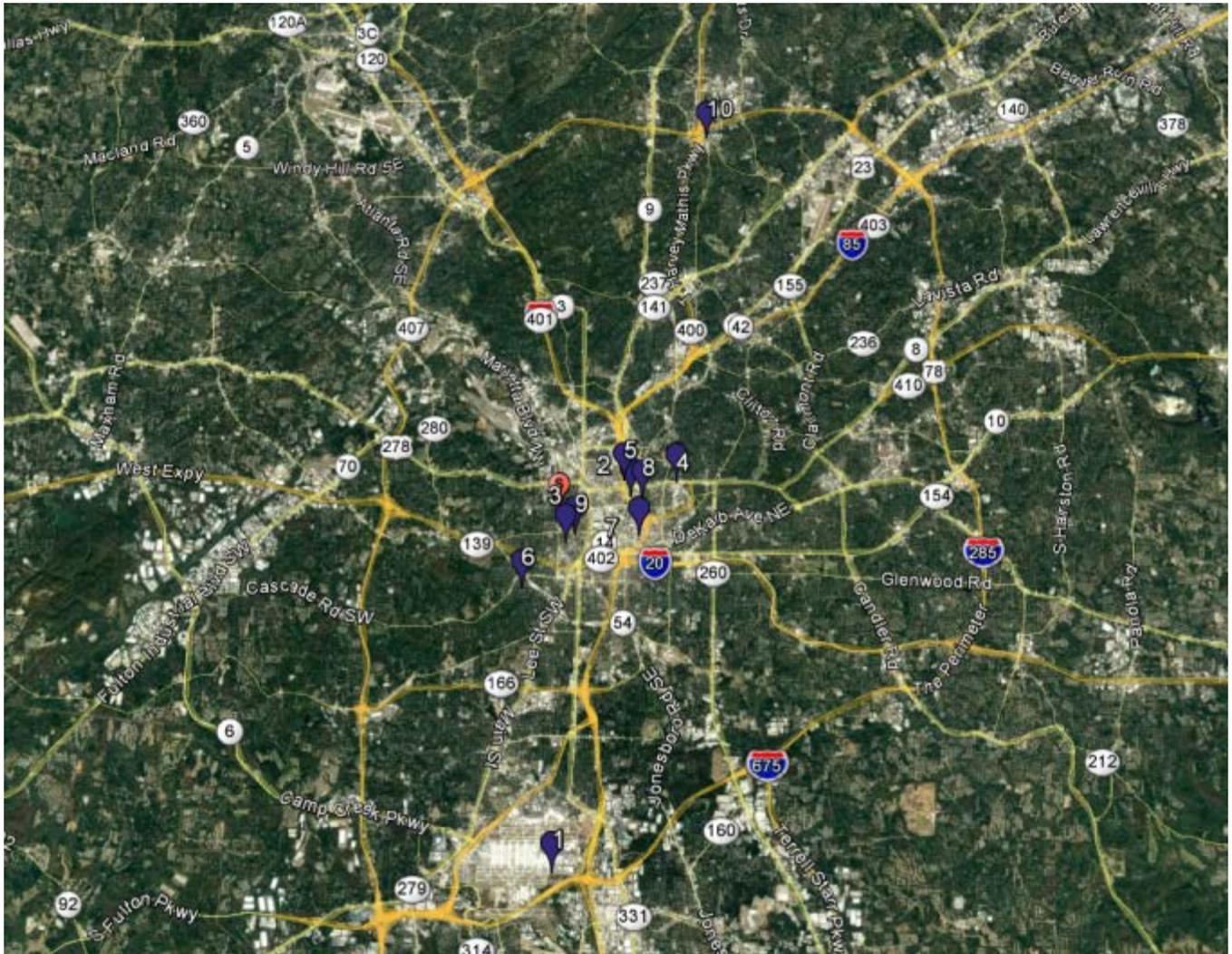
Between 2003 and 2007, total employment in the MSA exhibited positive growth, with a pre-recession peak occurring in 2007. These increases were significant but were followed by employment decreases from 2008 to 2010 as a result of the most recent economic recession. The MSA appears relatively healthy as total employment increased each year from 2011 through December 2016. As of 2014, total employment in the

MSA exceeded pre-recessionary levels. Furthermore, the total employment growth in the MSA from December 2015 to December 2016 increased by 4.4 percent in the MSA compared to an increase of 1.4 percent nationally during the same time period.

Prior to the most recent economic recession, the unemployment rate in the MSA was generally similar to or below that of the nation. However, the unemployment rate in the MSA experienced a slightly more significant increase during the most recent national recession and has been generally higher than the nation since 2008. From December 2015 to December 2016, the unemployment rate in the MSA increased 0.2 percentage points, compared to a decrease of 0.3 percentage points nationally. The unemployment rate in the MSA as of December 2016 was 5.0 percent, which was 0.5 percentage points above the national rate of 4.5 percent. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels. Overall, the increasing total employment and decreasing unemployment rate are positive signs for the local economy, which bodes well for affordable housing demand in the area.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Fulton County, Georgia.



Source: Google Earth, May 2017.

MAJOR EMPLOYERS-Atlanta Metropolitan Area

#	Company	Industry	Number of Employees
1	Delta Airlines	Transportation	31,237
2	Emory University/ Emory Healthcare	Educational/Healthcare	29,937
3	Wal-Mart Stores, Inc.	Retail Trade	20,532
4	The Home Depot, Inc.	Retail Trade	20,000
5	AT&T Inc.	Communications	17,882
6	The Kroger Co.	Retail Trade	14,753
7	WellStar Health System	Healthcare	13,500
8	Publix Super Markets, Inc.	Retail Trade	9,494
9	United States Postal Service	Government	9,385
10	Northside Hospital	Healthcare	9,016

Source: The Metro Atlanta Chamber of Commerce, Novogradac & Company LLP, April 2017.

6. Conclusion

Employment in the PMA is concentrated in four industries which represent approximately 49 percent of total local employment. Two of these industries, educational services and healthcare/social assistance, are resilient during periods of economic downturn. New business openings and expansions have brought more than 8,000 jobs to the Atlanta area in recent years.

As of 2015, total employment in the MSA exceeded pre-recessionary levels. Furthermore, the total employment growth in the MSA from December 2015 to December 2016 increased by 4.4 percent in the MSA compared to an increase of 1.4 percent nationally during the same time period. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels. Overall, the increasing total employment and decreasing unemployment rate are positive signs for the local economy, which bodes well for affordable housing demand in the area. The growing local economy is a positive indicator of demand for rental housing and the Subject's proposed units.

G. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

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

1. Income Restrictions

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

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). For income determination purposes, the maximum income is assumed to be 1.5 persons per bedroom rounded up to the nearest whole number. For example, maximum income for a one-bedroom unit is based on an assumed household size of two persons (1.5 persons per bedroom, rounded up). However, very few senior households have more than two persons. Therefore, we have used a maximum household size of two persons in our analysis.

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

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

2. Affordability

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for seniors. We will use these guidelines to set the minimum income levels for the demand analysis.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income								
	50% AMI		60% AMI		Market Rate		Overall Affordable		Overall Project	
1BR	\$21,703	\$27,000	\$26,023	\$32,400	\$27,429	\$54,000	\$21,703	\$32,400	\$21,703	\$54,000
2BR	\$26,057	\$30,400	\$31,269	\$36,480	\$32,571	\$60,800	\$26,057	\$36,480	\$26,057	\$60,800
3BR	\$30,069	\$36,450	\$36,103	\$43,740	\$37,714	\$72,900	\$30,069	\$43,740	\$36,103	\$72,900

3. Demand

The demand for the Subject will be derived from three sources: new households, existing households and elderly homeowners likely to convert to rentership. These calculations are illustrated in the following tables.

3a. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized 2019, the anticipated date of market entry, as the base year for the analysis. Therefore, 2017 household population estimates are inflated to 2019 by interpolation of the difference between 2017 estimates and

2019 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2019. This number takes the overall growth from 2017 to 2019 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3b. Demand from Existing Households

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

The second source is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. In general, we will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject.

3c. Demand from Elderly Homeowners likely to Convert to Rentership

An additional source of demand is also seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

3d. Other

Per the 2017 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

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

We have adjusted all of our capture rates based on household size. DCA guidelines indicate that properties with over 20 percent of their proposed units in three and four-bedroom units need to be adjusted to considered larger household sizes. We have incorporated household size adjustments in our capture rates for all of the Subject's units.

4. New Demand, Capture Rates and Stabilization Conclusions

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2014 to the present.

Additions to Supply

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2014 through the present.
- Vacancies in projects placed in service prior to 2014 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).

- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2014 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

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

COMPETITIVE SUPPLY 2014 - PRESENT

Property Name	Location	Program	# Competitive Units	Status
Centennial Place II	Atlanta	LIHTC	170	Completed
Centennial Place III	Atlanta	LIHTC	185	Completed

Centennial Place II and III are part of a multi-phase property that includes Centennial Phase I, which is included as a comparable in this study. According to Georgia DCA allocation lists, Centennial Place II was allocated LIHTC funding in 2014 and is the acquisition and rehabilitation of an existing property at 201 Pine Street NW in Atlanta. This property offers 170 units to families earning 60 percent AMI or less. Centennial Place III was awarded LIHTC funding in 2015 and is the acquisition and rehabilitation of an existing property at 248 Merritts Avenue in Atlanta. This property offers 185 units to families earning 60 percent AMI or less. Because both properties have been completed and are fully stabilized, we have not deducted any of their units from our demand analysis.

PMA Occupancy

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

QUEST COMMONS WEST – ATLANTA, GEORGIA – MARKET STUDY

PMA OCCUPANCY

Property Name	Program	Location	Tenancy	# of Units	Occupancy
Quest Commons West	LIHTC	Atlanta	Family	53	-
Alta Pointe Apartments	LIHTC	Atlanta	Family	202	100.0%
Ashley College Town I	LIHTC	Atlanta	Family	196	N/A
Ashley Scholars Landing	LIHTC	Atlanta	Family	135	N/A
Atlantic Station Mixed Income	LIHTC	Atlanta	Family	130	N/A
Avalon Park Family	LIHTC	Atlanta	Family	175	97.7%
Brentwood Creek	LIHTC	Atlanta	Family	238	N/A
Brentwood Heights	LIHTC	Atlanta	Family	198	99.2%
Brentwood Meadows Apartments	LIHTC	Atlanta	Family	72	N/A
Brookside Park	LIHTC	Atlanta	Family	200	N/A
Centennial Place	LIHTC	Atlanta	Family	738	98.0%
City Plaza Apartments	LIHTC	Atlanta	Family	164	N/A
Columbia at Mechanicsville	LIHTC	Atlanta	Family	172	100.0%
Columbia Crest Apartments	LIHTC	Atlanta	Family	152	100.0%
Columbia Estate	LIHTC	Atlanta	Family	124	97.2%
Columbia Grove	LIHTC	Atlanta	Family	138	100.0%
Columbia Plaza Apartments	LIHTC	Atlanta	Family	94	89.6%
Courtyard at Maple	LIHTC	Atlanta	Family	182	N/A
Edgewood Center	LIHTC	Atlanta	Family	46	N/A
Etheridge Court Apartments Phase II	LIHTC	Atlanta	Family	190	N/A
Etheridge Court Development I	LIHTC	Atlanta	Family	164	N/A
Fairlie Poplar Apartments	LIHTC	Atlanta	Family	15	93.3%
Freeman Ford Lofts	LIHTC	Atlanta	Family	27	N/A
Gardens at Collegetown	LIHTC	Atlanta	Family	N/A	N/A
Gateway Apartments at Northside Village	LIHTC	Atlanta	Family	261	N/A
Granada Park	LIHTC	Atlanta	Family	202	N/A
Heritage Station Family	LIHTC	Atlanta	Family	45	100.0%
Heritage Station II	LIHTC	Atlanta	Family	150	100.0%
Hollywood West Phase II	LIHTC	Atlanta	Family	96	N/A
Huntingwood Pointe - Cascade Pines Apartments	LIHTC	Atlanta	Family	376	N/A
Imperial Hotel 2012	LIHTC	Atlanta	Family	90	N/A
Legacy Phase I	LIHTC	Atlanta	Family	180	N/A
Legacy Phase II	LIHTC	Atlanta	Family	179	N/A
M Street Apartments	LIHTC	Atlanta	Family	308	94.5%
Manor at Scott's Crossing	LIHTC	Atlanta	Family	101	N/A
Northside Plaza Apartments	LIHTC	Atlanta	Family	127	89.8%
Oglethorpe Place Apartments	LIHTC	Atlanta	Family	144	92.7%
Park at Lakewood	LIHTC	Atlanta	Family	120	N/A
Park at Scott's Crossing	LIHTC	Atlanta	Family	216	95.0%
Peaks of West Atlanta	LIHTC	Atlanta	Family	214	100.0%
Preserve at Bent Creek	LIHTC	Atlanta	Family	323	98.1%
Rosa Burney Manor	LIHTC	Atlanta	Family	54	N/A
Showcase District	LIHTC	Atlanta	Family	N/A	N/A
Toby Sexton Redevelopment	LIHTC	Atlanta	Family	201	N/A
Towne West Manor	LIHTC	Atlanta	Family	108	95.5%
Village Highlands	LIHTC	East Point	Family	258	91.1%
Villages at Castleberry Hill	LIHTC	Atlanta	Family	165	99.1%
Villages at Castleberry Hill Phase II	LIHTC	Atlanta	Family	284	99.1%
Villages of Cascade Apartments	LIHTC	Atlanta	Family	180	N/A
Welcome House SRO	LIHTC	Atlanta	Family	209	N/A
Wells Court Commons	LIHTC	Atlanta	Family	62	N/A
Westview Lofts	LIHTC	Atlanta	Family	21	N/A
William Oliver Building	LIHTC	Atlanta	Family	114	N/A

PMA OCCUPANCY (CONTINUED)

Property Name	Program	Location	Tenancy	# of Units	Occupancy
Columbia Commons	LIHTC/Public Housing	Atlanta	Family	158	94.0%
Magnolia Park Apartments	LIHTC/Public Housing	Atlanta	Family	220	100.0%
Magnolia Park Apartments Phase II	LIHTC/Public Housing	Atlanta	Family	180	100.0%
Allen Temple	LIHTC/Section 8	Atlanta	Family	457	N/A
Ashely College Town Phase II	LIHTC/Section 8	Atlanta	Family	100	N/A
Ashley West End	LIHTC/Section 8	Atlanta	Family	100	91.0%
City Views at Rosa Burney Park	LIHTC/Section 8	Atlanta	Family	180	95.0%
Columbia at Sylvan Hills	LIHTC/Section 8	Atlanta	Family	191	95.2%
Columbia Mechanicsville IV	LIHTC/Section 8	Atlanta	Family	164	96.0%
Crogman School	LIHTC/Section 8	Atlanta	Family	105	98.1%
Flipper Temple	LIHTC/Section 8	Atlanta	Family	163	98.8%
Mechanicsville Apartments Phase III	LIHTC/Section 8	Atlanta	Family	164	N/A
Mechanicsville Apartments Phase VI	LIHTC/Section 8	Atlanta	Family	156	N/A
Peaks at Martin Luther King	LIHTC/Section 8	Atlanta	Family	183	100.0%
Seven Courts	LIHTC/Section 8	Atlanta	Family	171	98.2%
Artist Square Apartments	Market	Atlanta	Family	76	96.1%
Ashby Park Apartments	Market	Atlanta	Family	66	N/Av
Aspen Courts (FKA Spanish Villa)	Market	Atlanta	Family	157	94.3%
Chappell Forest	Market	Atlanta	Family	219	95.4%
Chateau Chennault	Market	Atlanta	Family	71	99.9%
City Plaza	Market	Atlanta	Family	167	100.0%
Collier Heights	Market	Atlanta	Family	336	76.2%
Dogwood Apartments	Market	Atlanta	Family	80	96.2%
Donnelly Gardens	Market	Atlanta	Family	250	96.0%
Dwell At The View	Market	Atlanta	Family	216	98.1%
Freeman Ford/ Fairlie Poplar Lofts	Market	Atlanta	Family	42	100.0%
Hotel Roxy Lofts	Market	Atlanta	Family	18	100.0%
Marquis Townhomes	Market	Atlanta	Family	34	85.3%
Muse Lofts	Market	Atlanta	Family	65	100.0%
Point At Westside	Market	Atlanta	Family	263	89.4%
Big Bethel Towers Apartments	Section 8	Atlanta	Family	N/A	N/A
Hollywood /Shawnee Apartments	Section 8	Atlanta	Family	112	100.0%
Oakland City/West End Apartments	Section 8	Atlanta	Family	111	N/A
Rolling Bends	Section 8	Atlanta	Family	164	100.0%
Average					97.0%

The average occupancy rate of competitive developments in the PMA is 97.0 percent.

Rehab Developments and PBRA

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

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.

5. Capture Rates

The above calculations and derived capture rates are illustrated in the following tables. Note that the demographic data used in the following tables, including tenure patterns, household size and income distribution through the projected market entry date of 2019 were illustrated in the previous section of this report.

Income Cohort	RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA					
	2017		Projected Mkt Entry September 2019		2021	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0-9,999	9,495	25.9%	9,595	25.2%	9,680	24.7%
\$10,000-19,999	7,719	21.1%	7,804	20.5%	7,875	20.1%
\$20,000-29,999	5,238	14.3%	5,407	14.2%	5,549	14.2%
\$30,000-39,999	4,160	11.4%	4,243	11.2%	4,314	11.0%
\$40,000-49,999	2,474	6.8%	2,546	6.7%	2,606	6.7%
\$50,000-59,999	1,718	4.7%	1,827	4.8%	1,918	4.9%
\$60,000-74,999	2,080	5.7%	2,188	5.8%	2,280	5.8%
\$75,000-99,999	1,464	4.0%	1,665	4.4%	1,835	4.7%
\$100,000-124,999	902	2.5%	1,056	2.8%	1,186	3.0%
\$125,000-149,999	494	1.3%	604	1.6%	698	1.8%
\$150,000-199,999	444	1.2%	512	1.3%	570	1.5%
\$200,000+	436	1.2%	566	1.5%	676	1.7%
Total	36,624	100.0%	38,012	100.0%	39,187	100.0%

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, April 2017

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 50% AMI

Minimum Income Limit		\$21,703		Maximum Income Limit		\$36,450	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Change in Households PMA 2017 to Prj Mrkt Entry September 2019						
\$0-9,999	101	7.2%		0.0%		0	
\$10,000-19,999	85	6.1%		0.0%		0	
\$20,000-29,999	168	12.1%	8,296	83.0%		139	
\$30,000-39,999	83	6.0%	6,450	64.5%		54	
\$40,000-49,999	71	5.1%		0.0%		0	
\$50,000-59,999	109	7.8%		0.0%		0	
\$60,000-74,999	108	7.8%		0.0%		0	
\$75,000-99,999	200	14.4%		0.0%		0	
\$100,000-124,999	154	11.1%		0.0%		0	
\$125,000-149,999	111	8.0%		0.0%		0	
\$150,000-199,999	68	4.9%		0.0%		0	
\$200,000+	130	9.4%		0.0%		0	
Total	1,388	100.0%		13.9%		193	

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 50% AMI

Minimum Income Limit		\$21,703		Maximum Income Limit		\$36,450	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	9,495	25.9%		0.0%		0	
\$10,000-19,999	7,719	21.1%		0.0%		0	
\$20,000-29,999	5,238	14.3%	8,296	83.0%		4,346	
\$30,000-39,999	4,160	11.4%	6,450	64.5%		2,684	
\$40,000-49,999	2,474	6.8%		0.0%		0	
\$50,000-59,999	1,718	4.7%		0.0%		0	
\$60,000-74,999	2,080	5.7%		0.0%		0	
\$75,000-99,999	1,464	4.0%		0.0%		0	
\$100,000-124,999	902	2.5%		0.0%		0	
\$125,000-149,999	494	1.3%		0.0%		0	
\$150,000-199,999	444	1.2%		0.0%		0	
\$200,000+	436	1.2%		0.0%		0	
Total	36,624	100.0%		19.2%		7,030	

ASSUMPTIONS - 50% AMI

ASSUMPTIONS - 50% AMI						
Tenancy		Family	% of Income towards Housing			35%
Rural/Urban		Urban	Maximum # of Occupants			5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	10%	80%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	30%	70%	

Demand from New Renter Households 2017 to September 2019

Income Target Population	50% AMI
New Renter Households PMA	1,388
Percent Income Qualified	13.9%
New Renter Income Qualified Households	193

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	50% AMI
Total Existing Demand	36,624
Income Qualified	19.2%
Income Qualified Renter Households	7,030
Percent Rent Overburdened Prj Mrkt Entry September 2019	51.3%
Rent Overburdened Households	3605

Demand from Living in Substandard Housing

Income Qualified Renter Households	7,030
Percent Living in Substandard Housing	1.3%
Households Living in Substandard Housing	94

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	3,699
Total New Demand	193
Total Demand (New Plus Existing Households)	3,892

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

By Bedroom Demand

One Person	45.6%	1,773
Two Persons	24.3%	945
Three Persons	13.3%	519
Four Persons	7.6%	297
Five Persons	9.2%	358
Total	100.0%	3,892

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	177
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	1,418
Of two-person households in 1BR units	20%	189
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	177
Of two-person households in 2BR units	80%	756
Of three-person households in 2BR units	60%	311
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	207
Of four-person households in 3BR units	70%	208
Of five-person households in 3BR units	30%	107
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	89
Of five-person households in 4BR units	35%	125
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	35%	125
Total Demand		3,892

Total Demand (Subject Unit Types)			Additions to Supply			Net Demand		
1 BR	1,607	-	0	=	1,607			
2 BR	1,244	-	0	=	1,244			
3 BR	523	-	0	=	523			
Total	3,375		0		3,375			

Developer's Unit Mix			Net Demand			Capture Rate		
1 BR	3	/	1,607	=	0.2%			
2 BR	6	/	1,244	=	0.5%			
3 BR	2	/	523	=	0.4%			
Total	11		3,375		0.3%			

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% AMI

Minimum Income Limit		\$26,023		Maximum Income Limit		\$43,740	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Change in Households PMA 2017 to Prj Mrkt Entry September 2019						
\$0-9,999	101	7.2%		0.0%	0		
\$10,000-19,999	85	6.1%		0.0%	0		
\$20,000-29,999	168	12.1%	3,976	39.8%	67		
\$30,000-39,999	83	6.0%	9,999	100.0%	83		
\$40,000-49,999	71	5.1%	3,740	37.4%	27		
\$50,000-59,999	109	7.8%		0.0%	0		
\$60,000-74,999	108	7.8%		0.0%	0		
\$75,000-99,999	200	14.4%		0.0%	0		
\$100,000-124,999	154	11.1%		0.0%	0		
\$125,000-149,999	111	8.0%		0.0%	0		
\$150,000-199,999	68	4.9%		0.0%	0		
\$200,000+	130	9.4%		0.0%	0		
Total	1,388	100.0%		12.7%	177		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 60% AMI

Minimum Income Limit		\$26,023		Maximum Income Limit		\$43,740	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	9,495	25.9%		0.0%	0		
\$10,000-19,999	7,719	21.1%		0.0%	0		
\$20,000-29,999	5,238	14.3%	3,976	39.8%	2,083		
\$30,000-39,999	4,160	11.4%	9,999	100.0%	4,160		
\$40,000-49,999	2,474	6.8%	3,740	37.4%	925		
\$50,000-59,999	1,718	4.7%		0.0%	0		
\$60,000-74,999	2,080	5.7%		0.0%	0		
\$75,000-99,999	1,464	4.0%		0.0%	0		
\$100,000-124,999	902	2.5%		0.0%	0		
\$125,000-149,999	494	1.3%		0.0%	0		
\$150,000-199,999	444	1.2%		0.0%	0		
\$200,000+	436	1.2%		0.0%	0		
Total	36,624	100.0%		19.6%	7,169		

ASSUMPTIONS - 60% AMI

ASSUMPTIONS - 60% AMI						
Tenancy	Family		% of Income towards Housing			35%
Rural/Urban	Urban		Maximum # of Occupants			5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	10%	80%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	30%	70%	

Demand from New Renter Households 2017 to September 2019

Income Target Population	60% AMI
New Renter Households PMA	1,388
Percent Income Qualified	12.7%
New Renter Income Qualified Households	177

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	60% AMI
Total Existing Demand	36,624
Income Qualified	19.6%
Income Qualified Renter Households	7,169
Percent Rent Overburdened Prj Mrkt Entry September 2019	51.3%
Rent Overburdened Households	3676

Demand from Living in Substandard Housing

Income Qualified Renter Households	7,169
Percent Living in Substandard Housing	1.3%
Households Living in Substandard Housing	96

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	3,772
Total New Demand	177
Total Demand (New Plus Existing Households)	3,948

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

By Bedroom Demand

One Person	45.6%	1,799
Two Persons	24.3%	959
Three Persons	13.3%	526
Four Persons	7.6%	301
Five Persons	9.2%	363
Total	100.0%	3,948

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	180
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	1,439
Of two-person households in 1BR units	20%	192
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	180
Of two-person households in 2BR units	80%	767
Of three-person households in 2BR units	60%	316
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	210
Of four-person households in 3BR units	70%	211
Of five-person households in 3BR units	30%	109
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	90
Of five-person households in 4BR units	35%	127
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	35%	127
Total Demand		3,948

Total Demand (Subject Unit Types)		Additions to Supply			Net Demand
1 BR	1,631	-	0	=	1,631
2 BR	1,263	-	0	=	1,263
3 BR	530	-	0	=	530
Total	3,424		0		3,424

Developer's Unit Mix		Net Demand			Capture Rate
1 BR	8	/	1,631	=	0.5%
2 BR	21	/	1,263	=	1.7%
3 BR	7	/	530	=	1.3%
Total	36		3,424		1.1%

Market

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Market

Minimum Income Limit		\$27,429		Maximum Income Limit		\$72,900	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Change in Households PMA 2017 to Prj Mrkt Entry September 2019						
\$0-9,999	101	7.2%		0.0%	0		
\$10,000-19,999	85	6.1%		0.0%	0		
\$20,000-29,999	168	12.1%	2,570	25.7%	43		
\$30,000-39,999	83	6.0%	9,999	100.0%	83		
\$40,000-49,999	71	5.1%	9,999	100.0%	71		
\$50,000-59,999	109	7.8%	9,999	100.0%	109		
\$60,000-74,999	108	7.8%	12,900	86.0%	93		
\$75,000-99,999	200	14.4%		0.0%	0		
\$100,000-124,999	154	11.1%		0.0%	0		
\$125,000-149,999	111	8.0%		0.0%	0		
\$150,000-199,999	68	4.9%		0.0%	0		
\$200,000+	130	9.4%		0.0%	0		
Total	1,388	100.0%		28.8%	400		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Market

Minimum Income Limit		\$27,429		Maximum Income Limit		\$72,900	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	9,495	25.9%		0.0%	0		
\$10,000-19,999	7,719	21.1%		0.0%	0		
\$20,000-29,999	5,238	14.3%	2,570	25.7%	1,346		
\$30,000-39,999	4,160	11.4%	9,999	100.0%	4,160		
\$40,000-49,999	2,474	6.8%	9,999	100.0%	2,474		
\$50,000-59,999	1,718	4.7%	9,999	100.0%	1,718		
\$60,000-74,999	2,080	5.7%	12,900	86.0%	1,789		
\$75,000-99,999	1,464	4.0%		0.0%	0		
\$100,000-124,999	902	2.5%		0.0%	0		
\$125,000-149,999	494	1.3%		0.0%	0		
\$150,000-199,999	444	1.2%		0.0%	0		
\$200,000+	436	1.2%		0.0%	0		
Total	36,624	100.0%		31.4%	11,487		

ASSUMPTIONS - Market

Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Urban		Maximum # of Occupants		0
Persons in Household	0BR	1BR	2BR	3BR	4BR+	
1	10%	80%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	30%	70%	

Demand from New Renter Households 2017 to September 2019

Income Target Population	Market
New Renter Households PMA	1,388
Percent Income Qualified	28.8%
New Renter Income Qualified Households	400

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	Market
Total Existing Demand	36,624
Income Qualified	31.4%
Income Qualified Renter Households	11,487
Percent Rent Overburdened Prj Mrkt Entry September 2019	51.3%
Rent Overburdened Households	5890

Demand from Living in Substandard Housing

Income Qualified Renter Households	11,487
Percent Living in Substandard Housing	1.3%
Households Living in Substandard Housing	153

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	6,044
Total New Demand	400
Total Demand (New Plus Existing Households)	6,443

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

By Bedroom Demand

One Person	45.6%	2,935
Two Persons	24.3%	1,564
Three Persons	13.3%	859
Four Persons	7.6%	492
Five Persons	9.2%	593
Total	100.0%	6,443

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	294
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	2348
Of two-person households in 1BR units	20%	313
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	294
Of two-person households in 2BR units	80%	1252
Of three-person households in 2BR units	60%	515
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	344
Of four-person households in 3BR units	70%	344
Of five-person households in 3BR units	30%	178
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	148
Of five-person households in 4BR units	35%	208
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	35%	208
Total Demand		6,443

Total Demand (Subject Unit Types)			Additions to Supply			Net Demand
1 BR	2,661	-	0	=	2,661	
2 BR	2,060	-	0	=	2,060	
3 BR	866	-	0	=	866	
Total	5,587		0		5,587	

Developer's Unit Mix			Net Demand	Capture Rate	
1 BR	2	/	2,661	=	0.1%
2 BR	2	/	2,060	=	0.1%
3 BR	2	/	866	=	0.2%
Total	6		5,587		0.1%

Overall Affordable

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$21,703		Maximum Income Limit		\$43,740	
Income Category	New Renter Households - Total Change in Households PMA 2017 to Prj Mrkt Entry September 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	101	7.2%		0.0%	0		
\$10,000-19,999	85	6.1%		0.0%	0		
\$20,000-29,999	168	12.1%	8,296	83.0%	139		
\$30,000-39,999	83	6.0%	9,999	100.0%	83		
\$40,000-49,999	71	5.1%	3,740	37.4%	27		
\$50,000-59,999	109	7.8%		0.0%	0		
\$60,000-74,999	108	7.8%		0.0%	0		
\$75,000-99,999	200	14.4%		0.0%	0		
\$100,000-124,999	154	11.1%		0.0%	0		
\$125,000-149,999	111	8.0%		0.0%	0		
\$150,000-199,999	68	4.9%		0.0%	0		
\$200,000+	130	9.4%		0.0%	0		
Total	1,388	100.0%		18.0%	249		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$21,703		Maximum Income Limit		\$43,740	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	9,495	25.9%		0.0%	0		
\$10,000-19,999	7,719	21.1%		0.0%	0		
\$20,000-29,999	5,238	14.3%	8,296	83.0%	4,346		
\$30,000-39,999	4,160	11.4%	9,999	100.0%	4,160		
\$40,000-49,999	2,474	6.8%	3,740	37.4%	925		
\$50,000-59,999	1,718	4.7%		0.0%	0		
\$60,000-74,999	2,080	5.7%		0.0%	0		
\$75,000-99,999	1,464	4.0%		0.0%	0		
\$100,000-124,999	902	2.5%		0.0%	0		
\$125,000-149,999	494	1.3%		0.0%	0		
\$150,000-199,999	444	1.2%		0.0%	0		
\$200,000+	436	1.2%		0.0%	0		
Total	36,624	100.0%		25.8%	9,432		

ASSUMPTIONS - Overall

ASSUMPTIONS - Overall						
Tenancy	Family		% of Income towards Housing			35%
Rural/Urban	Urban		Maximum # of Occupants			5
Persons in Household	0BR	1BR	2BR	3BR	4BR+	
1	10%	80%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	30%	70%	

Demand from New Renter Households 2017 to September 2019

Income Target Population	Overall
New Renter Households PMA	1,388
Percent Income Qualified	18.0%
New Renter Income Qualified Households	249

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	36,624
Income Qualified	25.8%
Income Qualified Renter Households	9,432
Percent Rent Overburdened Prj Mrkt Entry September 2019	51.3%
Rent Overburdened Households	4,836

Demand from Living in Substandard Housing

Income Qualified Renter Households	9,432
Percent Living in Substandard Housing	1.3%
Households Living in Substandard Housing	126

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	4,962
Total New Demand	249
Total Demand (New Plus Existing Households)	5,212

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

By Bedroom Demand

One Person	45.6%	2,374
Two Persons	24.3%	1,265
Three Persons	13.3%	695
Four Persons	7.6%	398
Five Persons	9.2%	480
Total	100.0%	5,212

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	237
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	1,899
Of two-person households in 1BR units	20%	253
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	237
Of two-person households in 2BR units	80%	1,012
Of three-person households in 2BR units	60%	417
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	278
Of four-person households in 3BR units	70%	278
Of five-person households in 3BR units	30%	144
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	119
Of five-person households in 4BR units	35%	168
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	35%	168
Total Demand		5,212

Total Demand (Subject Unit Types)			Additions to Supply			Net Demand		
1 BR	2,153	-	0	=	2,153			
2 BR	1,666	-	0	=	1,666			
3 BR	700	-	0	=	700			
Total	4,519		0		4,519			

Developer's Unit Mix			Net Demand			Capture Rate		
1 BR	11	/	2,153	=	0.5%			
2 BR	27	/	1,666	=	1.6%			
3 BR	9	/	700	=	1.3%			
Total	47		4,519		1.0%			

Overall Project

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall Project

Minimum Income Limit		\$21,703		Maximum Income Limit		\$72,900	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Change in Households PMA 2017 to Prj Mrkt Entry September 2019						
\$0-9,999	101	7.2%		0.0%	0		
\$10,000-19,999	85	6.1%		0.0%	0		
\$20,000-29,999	168	12.1%	8,296	83.0%	139		
\$30,000-39,999	83	6.0%	9,999	100.0%	83		
\$40,000-49,999	71	5.1%	9,999	100.0%	71		
\$50,000-59,999	109	7.8%	9,999	100.0%	109		
\$60,000-74,999	108	7.8%	12,900	86.0%	93		
\$75,000-99,999	200	14.4%		0.0%	0		
\$100,000-124,999	154	11.1%		0.0%	0		
\$125,000-149,999	111	8.0%		0.0%	0		
\$150,000-199,999	68	4.9%		0.0%	0		
\$200,000+	130	9.4%		0.0%	0		
Total	1,388	100.0%		35.7%	496		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall Project

Minimum Income Limit		\$21,703		Maximum Income Limit		\$72,900	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	9,495	25.9%		0.0%	0		
\$10,000-19,999	7,719	21.1%		0.0%	0		
\$20,000-29,999	5,238	14.3%	8,296	83.0%	4,346		
\$30,000-39,999	4,160	11.4%	9,999	100.0%	4,160		
\$40,000-49,999	2,474	6.8%	9,999	100.0%	2,474		
\$50,000-59,999	1,718	4.7%	9,999	100.0%	1,718		
\$60,000-74,999	2,080	5.7%	12,900	86.0%	1,789		
\$75,000-99,999	1,464	4.0%		0.0%	0		
\$100,000-124,999	902	2.5%		0.0%	0		
\$125,000-149,999	494	1.3%		0.0%	0		
\$150,000-199,999	444	1.2%		0.0%	0		
\$200,000+	436	1.2%		0.0%	0		
Total	36,624	100.0%		39.6%	14,487		

ASSUMPTIONS - Overall Project

ASSUMPTIONS - Overall Project						
Tenancy	Family		% of Income towards Housing		35%	
Rural/Urban	Urban		Maximum # of Occupants		0	
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	10%	80%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	30%	70%	

Demand from New Renter Households 2017 to September 2019

Income Target Population	Overall Project
New Renter Households PMA	1,388
Percent Income Qualified	35.7%
New Renter Income Qualified Households	496

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	Overall Project
Total Existing Demand	36,624
Income Qualified	39.6%
Income Qualified Renter Households	14,487
Percent Rent Overburdened Prj Mrkt Entry September 2019	51.3%
Rent Overburdened Households	7429

Demand from Living in Substandard Housing

Income Qualified Renter Households	14,487
Percent Living in Substandard Housing	1.3%
Households Living in Substandard Housing	193

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	7,622
Total New Demand	496
Total Demand (New Plus Existing Households)	8,118

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

By Bedroom Demand

One Person	45.6%	3,698
Two Persons	24.3%	1,971
Three Persons	13.3%	1,082
Four Persons	7.6%	620
Five Persons	9.2%	747
Total	100.0%	8,118

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	370
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	2959
Of two-person households in 1BR units	20%	394
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	370
Of two-person households in 2BR units	80%	1577
Of three-person households in 2BR units	60%	649
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	433
Of four-person households in 3BR units	70%	434
Of five-person households in 3BR units	30%	224
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	186
Of five-person households in 4BR units	35%	262
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	35%	262
Total Demand		8,118

Total Demand (Subject Unit Types)			Additions to Supply			Net Demand		
1 BR	3,353	-	0	=	3,353			
2 BR	2,596	-	0	=	2,596			
3 BR	1,091	-	0	=	1,091			
Total	7,039		0		7,039			

Developer's Unit Mix			Net Demand			Capture Rate		
1 BR	13	/	3,353	=	0.4%			
2 BR	29	/	2,596	=	1.1%			
3 BR	11	/	1,091	=	1.0%			
Total	53		7,039		0.8%			

Conclusions

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

- The number of households in the PMA is expected to increase 1.1 percent between 2017 and market entry 2019.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The following table illustrates demand and net demand for the Subject's units. Note that these capture rates are not based on appropriate bedroom types, as calculated previously.

DEMAND AND NET DEMAND

DCA Conclusion Tables (Family)	HH at 50% AMI (\$21,703 to \$36,450)	HH at 60% AMI (\$26,023 to \$43,740)	HH > 60% AMI (\$25,714 to \$72,900)	Overall Affordable	Overall Project
Demand from New Households (age and income appropriate)	193	177	400	249	496
PLUS	+	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	94	96	153	126	193
PLUS	+	+	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	3,605	3,676	5,890	4,836	7,429
Sub Total	3,892	3,948	6,443	5,212	8,118
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0	0	0	0
Equals Total Demand	3,892	3,948	6,443	5,212	8,118
Less	-	-	-	-	-
Competitive New Supply	0	0	0	0	0
Equals Net Demand	3,892	3,948	6,443	5,212	8,118

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents*
1BR at 50% AMI	\$21,703	\$27,000	3	1,607	0	1,607	0.2%	Two to three months	\$1,030	\$536	\$1,736	\$633
1BR at 60% AMI	\$26,023	\$32,400	8	1,631	0	1,631	0.5%	Two to three months	\$1,030	\$596	\$1,736	\$759
1BR Unrestricted	\$27,429	\$54,000	2	2,661	0	2,661	0.1%	Two to three months	\$1,205	\$727	\$1,736	\$800
1BR Overall Affordable	\$21,703	\$32,400	11	2,153	0	2,153	0.5%	Two to three months	-	-	-	-
1BR Overall Project	\$21,703	\$54,000	13	3,353	0	3,353	0.4%	Two to three months	-	-	-	-
2BR at 50% AMI	\$26,057	\$30,400	6	1,244	0	1,244	0.5%	Two to three months	\$1,110	\$606	\$1,877	\$760
2BR at 60% AMI	\$31,269	\$36,480	21	1,263	0	1,263	1.7%	Two to three months	\$1,116	\$643	\$1,877	\$912
2BR Unrestricted	\$32,571	\$60,800	2	2,060	0	2,060	0.1%	Two to three months	\$1,324	\$718	\$1,877	\$950
2BR Overall Affordable	\$26,057	\$36,480	27	1,666	0	1,666	1.6%	Two to three months	-	-	-	-
2BR Overall Project	\$26,057	\$60,800	29	2,596	0	2,596	1.1%	Two to three months	-	-	-	-
3BR at 50% AMI	\$30,069	\$36,450	2	523	0	523	0.4%	Two to three months	\$1,097	\$661	\$2,215	\$877
3BR at 60% AMI	\$36,103	\$43,740	7	530	0	530	1.3%	Two to three months	\$1,097	\$709	\$2,215	\$1,053
3BR Unrestricted	\$37,714	\$72,900	2	866	0	866	0.2%	Two to three months	\$1,430	\$937	\$2,215	\$1,100
3BR Overall Affordable	\$30,069	\$43,740	9	700	0	700	1.3%	Two to three months	-	-	-	-
3BR Overall Project	\$30,069	\$72,900	11	1,091	0	1,091	1.0%	Two to three months	-	-	-	-
50% AMI Overall	\$21,703	\$36,450	11	3,375	0	3,375	0.3%	Two to three months	-	-	-	-
60% AMI Overall	\$26,023	\$43,740	36	3,424	0	3,424	1.1%	Two to three months	-	-	-	-
Unrestricted Overall	\$27,429	\$72,900	6	5,587	0	5,587	0.1%	Two to three months	-	-	-	-
Overall Affordable	\$21,703	\$43,740	47	4,519	0	4,519	1.0%	Two to three months	-	-	-	-
Overall Project	\$21,703	\$72,900	53	7,039	0	7,039	0.8%	Two to three months	-	-	-	-

*In this scenario, proposed LIHTC rents are LIHTC maximum allowable rents at each AMI level.

As the analysis above illustrates, the Subject’s capture rates at the 50 percent AMI level range from 0.2 to 0.5 percent, with an overall capture rate of 0.3 percent. The Subject’s capture rates at the 60 percent AMI level range from 0.5 to 1.7 percent, with an overall capture rate of 1.1 percent. Capture rates for the unrestricted units range from 0.1 to 0.2 percent, with an overall capture rate of 0.1 percent. The overall capture rate for the project’s affordable units is 1.0 percent. The overall capture rate for the project is 0.8 percent. These capture rates are very low. Our PMA was well-researched with local property managers, who indicated that the local population is very dense. Therefore, the low capture rates reflect the dense population of the PMA and are reasonable for an urban setting. All capture rates are within Georgia DCA thresholds.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 10 “true” comparable properties containing 2,223 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good. We have included seven LIHTC comparables in our analysis. All of the LIHTC comparables are located within the PMA within 3.7 miles of the Subject site. All of the LIHTC properties target families. These comparables were built or renovated between 1993 and 2014.

The availability of market-rate data is considered good. The Subject is located in Atlanta and there are several market-rate properties in the area. We have included three conventional properties in our analysis of the competitive market. All of the market-rate properties are located in the PMA, between 1.2 and 1.5 miles from the Subject site. These comparables were built or renovated between 2001 and 2004. There are a limited number of new construction market-rate properties in the area. Overall, we believe the market-rate properties we have used in our analysis are the most comparable.

Excluded Properties

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

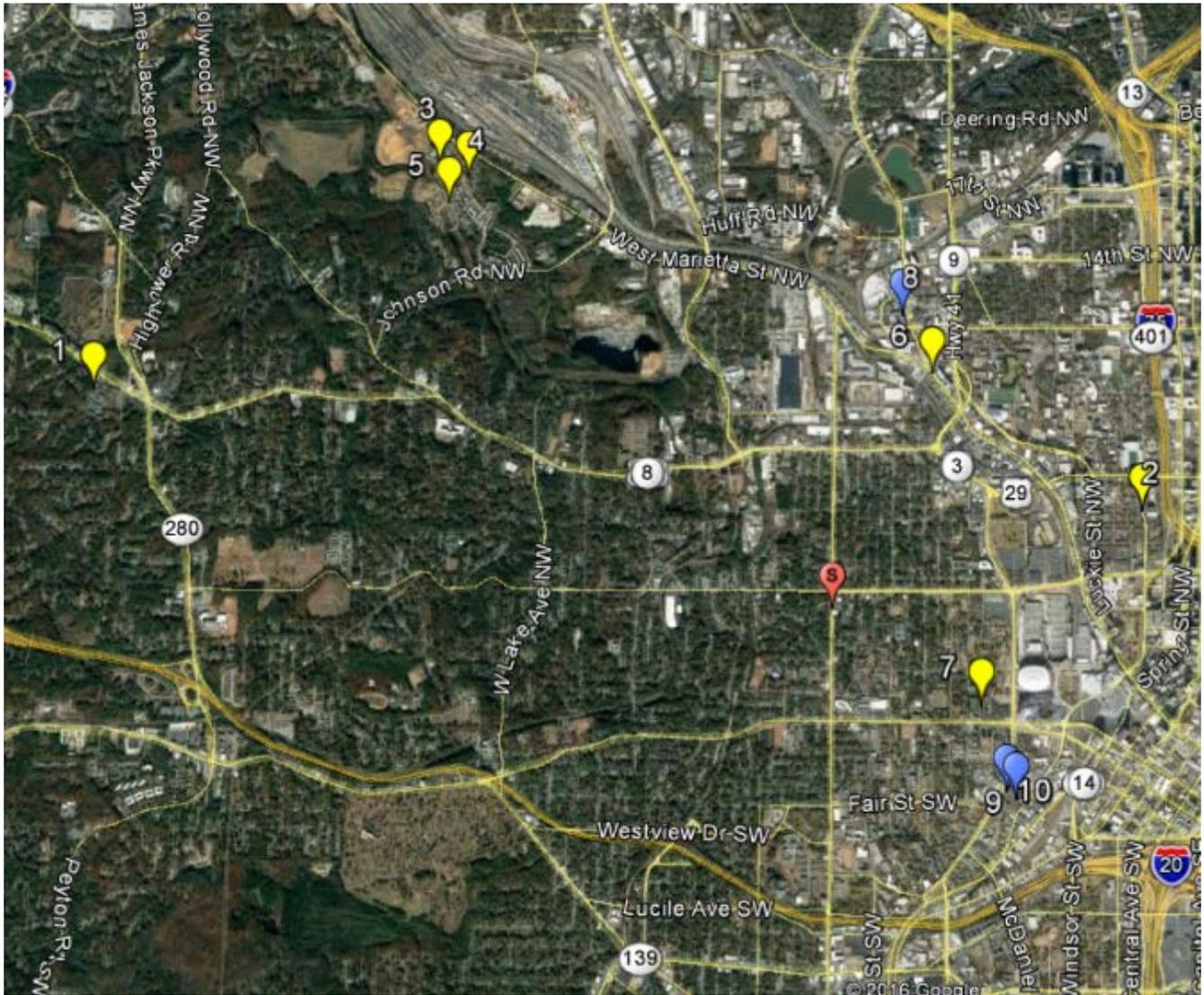
EXCLUDED PROPERTIES							
Property Name	Program	Location	Tenancy	# of Units	Occupancy	Reason for Exclusion	
Quest Commons West	LIHTC	Atlanta	Family	53	-	-	
Adair Court	LIHTC	Atlanta	Elderly	91	N/A	Dissimilar tenancy	
Alta Pointe Apartments	LIHTC	Atlanta	Family	202	100.0%	Closer comparables	
Ashley College Town I	LIHTC	Atlanta	Family	196	N/A	Closer comparables	
Ashley Scholars Landing	LIHTC	Atlanta	Family	135	N/A	Closer comparables	
Atlantic Station Mixed Income	LIHTC	Atlanta	Family	130	N/A	Closer comparables	
Avalon Park Family	LIHTC	Atlanta	Family	175	97.7%	Closer comparables	
Baptist Gardens	LIHTC	Atlanta	Elderly	100	100.0%	Dissimilar tenancy	
Brentwood Creek	LIHTC	Atlanta	Family	238	N/A	Closer comparables	
Brentwood Heights	LIHTC	Atlanta	Family	198	99.2%	Closer comparables	
Brentwood Meadows Apartments	LIHTC	Atlanta	Family	72	N/A	Closer comparables	
Brookside Park	LIHTC	Atlanta	Family	200	N/A	Closer comparables	
City Plaza Apartments	LIHTC	Atlanta	Family	164	N/A	Closer comparables	
Columbia at Mechanicsville	LIHTC	Atlanta	Family	172	100.0%	Closer comparables	
Columbia Grove	LIHTC	Atlanta	Family	138	100.0%	Closer comparables	
Columbia Plaza Apartments	LIHTC	Atlanta	Family	94	89.6%	Closer comparables	
Courtyard at Maple	LIHTC	Atlanta	Family	182	N/A	Closer comparables	
Edgewood Center	LIHTC	Atlanta	Family	46	N/A	Closer comparables	
Etheridge Court Apartments Phase II	LIHTC	Atlanta	Family	190	N/A	Closer comparables	
Etheridge Court Development I	LIHTC	Atlanta	Family	164	N/A	Closer comparables	
Fairlie Poplar Apartments	LIHTC	Atlanta	Family	15	93.3%	Closer comparables	
Freeman Ford Lofts	LIHTC	Atlanta	Family	27	N/A	Closer comparables	
Gardens at Collegetown	LIHTC	Atlanta	Family	N/A	N/A	Closer comparables	
Gateway Apartments at Northside Village	LIHTC	Atlanta	Family	261	N/A	Closer comparables	
Granada Park	LIHTC	Atlanta	Family	202	N/A	Closer comparables	
Heritage Station Family	LIHTC	Atlanta	Family	45	100.0%	Closer comparables	
Heritage Station II	LIHTC	Atlanta	Family	150	100.0%	Closer comparables	
Hollywood West Phase II	LIHTC	Atlanta	Family	96	N/A	Closer comparables	
Huntingwood Pointe - Cascade Pines Apartments	LIHTC	Atlanta	Family	376	N/A	Closer comparables	
Imperial Hotel 2012	LIHTC	Atlanta	Family	90	N/A	Closer comparables	
Legacy Phase I	LIHTC	Atlanta	Family	180	N/A	Closer comparables	
Legacy Phase II	LIHTC	Atlanta	Family	179	N/A	Closer comparables	
Lillie R Campbell House	LIHTC	Atlanta	Elderly	96	100.0%	Dissimilar tenancy	
Manor at Scott's Crossing	LIHTC	Atlanta	Family	101	N/A	Closer comparables	
Northside Plaza Apartments	LIHTC	Atlanta	Family	127	89.8%	Closer comparables	
Oasis at Scholars Landing	LIHTC	Atlanta	Elderly	60	100.0%	Dissimilar tenancy	
Oglethorpe Place Apartments	LIHTC	Atlanta	Family	144	92.7%	Closer comparables	
Park at Lakewood	LIHTC	Atlanta	Family	120	N/A	Closer comparables	
Park at Scott's Crossing	LIHTC	Atlanta	Family	216	95.0%	Closer comparables	
Peaks of West Atlanta	LIHTC	Atlanta	Family	214	100.0%	Closer comparables	
Phoenix House	LIHTC	Atlanta	Other	69	96.9%	Homeless Tenancy	
Preserve at Bent Creek	LIHTC	Atlanta	Family	323	98.1%	Closer comparables	
Rosa Burney Manor	LIHTC	Atlanta	Family	54	N/A	Closer comparables	
Showcase District	LIHTC	Atlanta	Family	N/A	N/A	Closer comparables	
Toby Sexton Redevelopment	LIHTC	Atlanta	Family	201	N/A	Closer comparables	
Towne West Manor	LIHTC	Atlanta	Family	108	95.5%	Closer comparables	
Village Highlands	LIHTC	East Point	Family	258	91.1%	Closer comparables	
Villages at Castleberry Hill	LIHTC	Atlanta	Family	165	99.1%	Closer comparables	
Villages at Castleberry Hill Phase II	LIHTC	Atlanta	Family	284	99.1%	Closer comparables	
Villages of Cascade Apartments	LIHTC	Atlanta	Family	180	N/A	Closer comparables	
Welcome House SRO	LIHTC	Atlanta	Family	209	N/A	Closer comparables	
Wells Court Commons	LIHTC	Atlanta	Family	62	N/A	Closer comparables	
Westview Lofts	LIHTC	Atlanta	Family	21	N/A	Closer comparables	
William Oliver Building	LIHTC	Atlanta	Family	114	N/A	Closer comparables	

QUEST COMMONS WEST – ATLANTA, GEORGIA – MARKET STUDY

EXCLUDED PROPERTIES (CONTINUED)

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Reason for Exclusion
Columbia Commons	LIHTC/Public Housing	Atlanta	Family	158	94.0%	Closer comparables
Magnolia Park Apartments	LIHTC/Public Housing	Atlanta	Family	220	100.0%	Closer comparables
Magnolia Park Apartments Phase II	LIHTC/Public Housing	Atlanta	Family	180	100.0%	Closer comparables
Allen Temple	LIHTC/Section 8	Atlanta	Family	457	N/A	Closer comparables
Ashely College Town Phase II	LIHTC/Section 8	Atlanta	Family	100	N/A	Closer comparables
Ashley West End	LIHTC/Section 8	Atlanta	Family	100	91.0%	Closer comparables
Atrium at Collegetown - FKA John O. Chiles	LIHTC/Section 8	Atlanta	Elderly	190	95.0%	Dissimilar tenancy
Avalon Park Senior	LIHTC/Section 8	Atlanta	Elderly	136	97.8%	Dissimilar tenancy
Baptist Towers	LIHTC/Section 8	Atlanta	Elderly	300	N/A	Dissimilar tenancy
City Views at Rosa Burney Park	LIHTC/Section 8	Atlanta	Family	180	95.0%	Closer comparables
Columbia at Sylvan Hills	LIHTC/Section 8	Atlanta	Family	191	95.2%	Closer comparables
Columbia Heritage Senior Residences	LIHTC/Section 8	Atlanta	Elderly	132	100.0%	Dissimilar tenancy
Columbia Mechanicsville IV	LIHTC/Section 8	Atlanta	Family	164	96.0%	Closer comparables
Columbia Senior Residences at Mechanicsville	LIHTC/Section 8	Atlanta	Elderly	155	100.0%	Dissimilar tenancy
Crogman School	LIHTC/Section 8	Atlanta	Family	105	98.1%	Closer comparables
Flipper Temple	LIHTC/Section 8	Atlanta	Family	163	98.8%	Closer comparables
Mechanicsville Apartments Phase III	LIHTC/Section 8	Atlanta	Family	164	N/A	Closer comparables
Mechanicsville Apartments Phase VI	LIHTC/Section 8	Atlanta	Family	156	N/A	Closer comparables
Park Commons	LIHTC/Section 8	Atlanta	Elderly	179	100.0%	Dissimilar tenancy
Park Commons	LIHTC/Section 8	Atlanta	Elderly	153	100.0%	Dissimilar tenancy
Peaks at Martin Luther King	LIHTC/Section 8	Atlanta	Family	183	100.0%	Closer comparables
QLS Haven	LIHTC/Section 8	Atlanta	Elderly	120	100.0%	Dissimilar tenancy
Seven Courts	LIHTC/Section 8	Atlanta	Family	171	98.2%	Closer comparables
Veranda At Collegetown	LIHTC/Section 8	Atlanta	Elderly	100	100.0%	Dissimilar tenancy
Veranda At Scholars Landing	LIHTC/Section 8	Atlanta	Elderly	100	N/A	Dissimilar tenancy
Artist Square Apartments	Market	Atlanta	Family	76	96.1%	Better comparables
Ashby Park Apartments	Market	Atlanta	Family	66	N/Av	Inferior age/condition
Aspen Courts (FKA Spanish Villa)	Market	Atlanta	Family	157	94.3%	Better comparables
Chappell Forest	Market	Atlanta	Family	219	95.4%	Better comparables
Chateau Chennault	Market	Atlanta	Family	71	99.9%	Inferior age/condition
City Plaza	Market	Atlanta	Family	167	100.0%	Better comparables
Collier Heights	Market	Atlanta	Family	336	76.2%	Inferior age/condition
Dogwood Apartments	Market	Atlanta	Family	80	96.2%	Inferior age/condition
Donnelly Gardens	Market	Atlanta	Family	250	96.0%	Inferior age/condition
Dwell At The View	Market	Atlanta	Family	216	98.1%	Better comparables
Freeman Ford/ Fairlie Poplar Lofts	Market	Atlanta	Family	42	100.0%	Inferior age/condition
Hotel Roxy Lofts	Market	Atlanta	Family	18	100.0%	Dissimilar unit mix
Marquis Townhomes	Market	Atlanta	Family	34	85.3%	Inferior age/condition
Muse Lofts	Market	Atlanta	Family	65	100.0%	Better comparables
Point At Westside	Market	Atlanta	Family	263	89.4%	Closer comparables
Abernathy Tower	Section 8	Atlanta	Elderly	100	N/A	Subsidized
Berean Village	Section 8	Atlanta	Elderly	N/A	N/A	Subsidized
Big Bethel Towers Apartments	Section 8	Atlanta	Family	N/A	N/A	Subsidized
Friendship Towers	Section 8	Atlanta	Elderly	19	100.0%	Subsidized
Hollywood /Shawnee Apartments	Section 8	Atlanta	Family	112	100.0%	Subsidized
Johnnie B. Moore Towers	Section 8	Atlanta	Elderly	55	N/A	Subsidized
Oakland City/West End Apartments	Section 8	Atlanta	Family	111	N/A	Subsidized
Providence Manor	Section 8	Atlanta	Elderly	45	N/A	Subsidized
Rolling Bends	Section 8	Atlanta	Family	164	100.0%	Subsidized
Silvertree Senior Atlanta Apartments	Section 8	Atlanta	Elderly	98	N/A	Subsidized

Comparable Rental Property Map



Source: Google Earth, January 2017.

COMPARABLE PROPERTIES

#	Property Name	Type	Distance from Subject (miles)
S	Quest Commons	LIHTC, SCP, PBRA, Market	-
1	Avalon Park - Family	LIHTC, Market	3.7
2	Centennial Place Apartments	LIHTC, Market	1.5
3	Columbia Crest	LIHTC, PHA, Market	2.6
4	Columbia Estates	LIHTC, PHA, Market	3.0
5	Columbia Park Citi	LIHTC, PHA, Market, Non-Rental	2.7
6	M Street Apartments	LIHTC, Market	1.2
7	The Residences At Citycenter	LIHTC, Market	0.7
8	1016 Lofts	Market	1.5
9	Intown Lofts	Market	1.2
10	Stonewall Lofts	Market	1.2

QUEST COMMONS WEST – ATLANTA, GEORGIA – MARKET STUDY

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

SUMMARY MATRIX														
Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Quest Commons West 291 Joseph E Lowery Atlanta, GA 30314 Fulton County	n/a	Garden (3 stories) Proposed	LHTC, Market	1BR / 1BA	3	5.7%	@50%	\$516	700	yes		N/A	N/A
					1BR / 1BA	8	15.1%	@60%	\$642	700	yes	N/A	N/A	
					1BR / 1BA	2	3.8%	Market	\$800	700	n/a	N/A	N/A	
					2BR / 2BA	6	11.3%	@50%	\$592	950	yes	N/A	N/A	
					2BR / 2BA	21	39.6%	@60%	\$744	950	yes	N/A	N/A	
					2BR / 2BA	2	3.8%	Market	\$950	950	n/a	N/A	N/A	
					3BR / 2BA	2	3.8%	@50%	\$655	1,100	yes	N/A	N/A	
					3BR / 2BA	7	13.2%	@60%	\$831	1,100	yes	N/A	N/A	
					3BR / 2BA	2	3.8%	Market	\$1,100	1,100	n/a	N/A	N/A	
										53	100.0%			
1	Avalon Park - Family 2798 Peek Rd Atlanta, GA 30318 Fulton County	3.7 miles	Garden (3 stories) 2008	LHTC, Market	1BR / 1BA	7	4.0%	@30%	\$259	700	yes	Yes	0	0.0%
					1BR / 1BA	11	6.3%	@50%	\$536	700	yes	Yes	0	0.0%
					1BR / 1BA	11	6.3%	@60%	\$675	700	yes	Yes	0	0.0%
					1BR / 1BA	11	6.3%	Market	\$839	700	n/a	No	0	0.0%
					2BR / 1BA	15	8.6%	@30%	\$273	1,044	yes	Yes	0	0.0%
					2BR / 1BA	25	14.3%	@50%	\$606	1,044	yes	Yes	0	0.0%
					2BR / 1BA	31	17.7%	@60%	\$773	1,044	yes	Yes	0	0.0%
					2BR / 1BA	29	16.6%	Market	\$999	1,044	n/a	No	2	6.9%
					3BR / 2BA	5	2.9%	@30%	\$276	1,218	yes	Yes	0	0.0%
					3BR / 2BA	8	4.6%	@50%	\$661	1,218	yes	Yes	0	0.0%
					3BR / 2BA	11	6.3%	@60%	\$853	1,218	yes	Yes	0	0.0%
					3BR / 2BA	11	6.3%	Market	\$1,179	1,218	n/a	No	2	18.2%
										175	100.0%			
2	Centennial Place Apartments 526 Centennial Olympic Park Drive Atlanta, GA 30313 Fulton County	1.5 miles	Various (3 stories) 1996/2001/2014	LHTC, Market	1BR / 1BA (Garden)	N/A	N/A	@60%	\$611	688	yes	No	N/A	N/A
					1BR / 1BA (Garden)	N/A	N/A	Market	\$975	688	n/a	No	N/A	N/A
					2BR / 1BA (Garden)	N/A	N/A	@60%	\$695	875	yes	No	N/A	N/A
					2BR / 1BA (Garden)	N/A	N/A	Market	\$1,083	875	n/a	No	N/A	N/A
					2BR / 1.5BA (Townhouse)	N/A	N/A	@60%	\$695	1,075	yes	No	N/A	N/A
					2BR / 1.5BA (Townhouse)	N/A	N/A	Market	\$1,483	1,075	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$755	1,050	yes	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$755	1,231	yes	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	\$1,153	1,050	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	\$1,211	1,231	n/a	No	N/A	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	@60%	\$764	1,441	yes	No	N/A	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	@60%	\$764	1,340	yes	No	N/A	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	Market	\$1,536	1,441	n/a	No	N/A	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	Market	\$1,711	1,340	n/a	No	N/A	N/A
					738	100.0%						15	2.0%	
3	Columbia Crest 1903 Drew Dr NW Atlanta, GA 30318 Fulton County	2.6 miles	Midrise (4 stories) 2005	LHTC, Market	1BR / 1BA	10	6.6%	@50% (PHA)	N/A	770	n/a	Yes	0	0.0%
					1BR / 1BA	8	5.3%	@60%	\$596	770	yes	No	0	0.0%
					1BR / 1BA	18	11.8%	Market	\$899	770	n/a	No	0	0.0%
					2BR / 2BA	24	15.8%	@50% (PHA)	N/A	1,066	n/a	Yes	0	0.0%
					2BR / 2BA	16	10.5%	@60%	\$678	1,066	yes	No	0	0.0%
					2BR / 2BA	32	21.1%	Market	\$1,049	1,066	n/a	No	0	0.0%
					3BR / 2BA	16	10.5%	@50% (PHA)	N/A	1,318	n/a	Yes	0	0.0%
					3BR / 2BA	12	7.9%	@60%	\$744	1,318	yes	No	0	0.0%
					3BR / 2BA	16	10.5%	Market	\$1,099	1,318	n/a	No	0	0.0%
										152	100.0%			
4	Columbia Estates 1710 Noel Street NW Atlanta, GA 30318 Fulton County	3 miles	Various 2004	LHTC, Market	2BR / 2.5BA (Townhouse)	36	29.0%	@50% (PHA)	N/A	1,274	n/a	Yes	0	0.0%
					2BR / 2.5BA (Townhouse)	7	5.6%	@60%	\$678	1,274	yes	No	0	0.0%
					2BR / 2.5BA (Townhouse)	43	34.7%	Market	\$1,049	1,274	n/a	No	0	0.0%
					3BR / 2BA (Garden)	14	11.3%	@50% (PHA)	N/A	1,444	n/a	Yes	0	0.0%
					3BR / 2BA (Garden)	5	4.0%	@60%	\$744	1,444	yes	No	0	0.0%
					3BR / 2BA (Garden)	19	15.3%	Market	\$1,099	1,444	n/a	No	0	0.0%
					124	100.0%						0	0.0%	
5	Columbia Park Citi 921 Westmoreland Circle Atlanta, GA 30318 Fulton County	2.7 miles	Midrise (4 stories) 2005	LHTC, Market, Non-Rental	2BR / 2BA	46	29.9%	@50% (PHA)	N/A	1,069	n/a	Yes	0	0.0%
					2BR / 2BA	14	9.1%	@60%	\$643	1,069	yes	Yes	0	0.0%
					2BR / 2BA	54	35.1%	Market	\$1,183	1,069	n/a	No	2	3.7%
					2BR / 2BA	1	0.6%	Non-Rental	N/A	1,069	n/a	No	0	0.0%
					3BR / 2BA	15	9.7%	@50% (PHA)	N/A	1,308	n/a	Yes	0	0.0%
					3BR / 2BA	5	3.2%	@60%	\$709	1,308	yes	Yes	0	0.0%
					3BR / 2BA	18	11.7%	Market	\$1,441	1,308	n/a	No	1	5.6%
					3BR / 2BA	1	0.6%	Non-Rental	N/A	1,308	n/a	No	0	0.0%
										154	100.0%			

QUEST COMMONS WEST – ATLANTA, GEORGIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate				
Subject	Quest Commons West 291 Joseph E Lowery Atlanta, GA 30314 Fulton County	n/a	Garden (3 stories) Proposed	LHTC, Market	1BR / 1BA	3	5.7%	@50%	\$516	700	yes		N/A	N/A				
					1BR / 1BA	8	15.1%	@60%	\$642	700	yes	N/A	N/A					
					1BR / 1BA	2	3.8%	Market	\$800	700	n/a	N/A	N/A					
					2BR / 2BA	6	11.3%	@50%	\$592	950	yes	N/A	N/A					
					2BR / 2BA	21	39.6%	@60%	\$744	950	yes	N/A	N/A					
					2BR / 2BA	2	3.8%	Market	\$950	950	n/a	N/A	N/A					
					3BR / 2BA	2	3.8%	@50%	\$655	1,100	yes	N/A	N/A					
					3BR / 2BA	7	13.2%	@60%	\$831	1,100	yes	N/A	N/A					
					3BR / 2BA	2	3.8%	Market	\$1,100	1,100	n/a	N/A	N/A					
										53	100.0%						N/A	N/A
6	M Street Apartments 950 Marietta Street Atlanta, GA 30318 Fulton County	1.2 miles	Garden (3 stories) 2004	LHTC, Market	Studio / 1BA	N/A	N/A	@50%	\$790	561	yes	Yes	0	N/A				
					Studio / 1BA	N/A	N/A	Market	\$1,058	561	n/a	No	0	N/A				
					1BR / 1BA	N/A	N/A	@50%	\$825	886	yes	Yes	0	N/A				
					1BR / 1BA	N/A	N/A	Market	\$1,322	886	n/a	No	8	N/A				
					2BR / 2BA	N/A	N/A	@50%	\$920	955	yes	Yes	0	N/A				
					2BR / 2BA	N/A	N/A	Market	\$1,503	955	n/a	No	4	N/A				
					3BR / 3BA	N/A	N/A	@50%	\$1,112	1,275	yes	Yes	0	N/A				
					3BR / 3BA	N/A	N/A	Market	\$2,215	1,275	n/a	No	5	N/A				
										308	100.0%						17	5.5%
					7	The Residences At Citycenter 55 Maple Street Nw Atlanta, GA 30314 Fulton County	0.7 miles	Garden (3 stories) 1993	LHTC, Market	1BR / 1BA	24	13.2%	Market	\$727	575	n/a	None	0
1BR / 1BA	24	13.2%	Market	\$827						722	n/a	None	1	4.2%				
2BR / 1BA	24	13.2%	@60%	\$721						848	no	Yes	0	0.0%				
2BR / 1BA	12	6.6%	Market	\$718						848	n/a	None	0	0.0%				
2BR / 2BA	24	13.2%	@60%	\$721						950	no	Yes	0	0.0%				
2BR / 2BA	24	13.2%	@60%	\$721						968	no	Yes	0	0.0%				
2BR / 2BA	12	6.6%	Market	\$726						950	n/a	None	0	0.0%				
2BR / 2BA	14	7.7%	Market	\$783						968	n/a	None	0	0.0%				
3BR / 2BA	24	13.2%	Market	\$937						1,150	n/a	None	0	0.0%				
										182	100.0%						1	0.5%
8	1016 Lofts 1016 Howell Mill Rd Atlanta, GA 30318 Fulton County	1.5 miles	Midrise (6 stories) 2003	Market	Studio / 1BA	N/A	N/A	Market	\$1,114	630	n/a	No	2	N/A				
					Studio / 1BA	N/A	N/A	Market	\$1,440	630	n/a	No	1	N/A				
					Studio / 1BA	N/A	N/A	Market	\$1,295	649	n/a	No	1	N/A				
					1BR / 1BA	N/A	N/A	Market	\$1,162	720	n/a	No	0	N/A				
					1BR / 1BA	N/A	N/A	Market	\$1,536	972	n/a	No	2	N/A				
					1BR / 1BA	N/A	N/A	Market	\$1,736	1,278	n/a	No	0	N/A				
					2BR / 1BA	N/A	N/A	Market	\$1,505	972	n/a	No	0	N/A				
					2BR / 2BA	N/A	N/A	Market	\$1,794	1,218	n/a	No	2	N/A				
					2BR / 2BA	N/A	N/A	Market	\$1,877	1,367	n/a	No	4	N/A				
										265	100.0%						12	4.5%
9	Intown Lofts 170 Northside Drive SW Atlanta, GA 30313 Fulton County	1.2 miles	Midrise (5 stories) 2001	Market	1BR / 1BA	5	5.7%	Market	\$913	730	n/a	No	1	20.0%				
					1BR / 1BA	12	13.8%	Market	\$1,041	828	n/a	No	0	0.0%				
					1BR / 1BA	8	9.2%	Market	\$1,191	976	n/a	No	0	0.0%				
					1BR / 1BA	6	6.9%	Market	\$1,402	1,000	n/a	No	0	0.0%				
					2BR / 2BA	6	6.9%	Market	\$1,169	985	n/a	No	0	0.0%				
					2BR / 2BA	11	12.6%	Market	\$1,306	1,110	n/a	No	2	18.2%				
					2BR / 2BA	6	6.9%	Market	\$1,266	1,120	n/a	No	0	0.0%				
					2BR / 2BA	7	8.0%	Market	\$1,401	1,170	n/a	No	0	0.0%				
					2BR / 2BA	6	6.9%	Market	\$1,413	1,180	n/a	No	0	0.0%				
					2BR / 2BA	7	8.0%	Market	\$1,445	1,230	n/a	No	0	0.0%				
2BR / 2BA	6	6.9%	Market	\$1,513	1,260	n/a	No	0	0.0%									
2BR / 2BA	7	8.0%	Market	\$1,687	1,440	n/a	No	0	0.0%									
					87	100.0%						3	3.4%					
10	Stonewall Lofts 450 Stonewall Street SW Atlanta, GA 30313 Fulton County	1.2 miles	Midrise (5 stories) 2004	Market	Studio / 1BA	2	5.3%	Market	\$838	631	n/a	No	0	0.0%				
					Studio / 1BA	3	7.9%	Market	\$1,006	729	n/a	No	0	0.0%				
					1BR / 1BA	7	18.4%	Market	\$990	792	n/a	No	0	0.0%				
					1BR / 1BA	7	18.4%	Market	\$1,182	1,008	n/a	No	0	0.0%				
					1BR / 1BA	5	13.2%	Market	\$1,220	1,095	n/a	No	0	0.0%				
					1BR / 1BA	1	2.6%	Market	\$1,537	1,435	n/a	No	0	0.0%				
					2BR / 2BA	5	13.2%	Market	\$1,228	1,030	n/a	No	0	0.0%				
					2BR / 2BA	3	7.9%	Market	\$964	1,092	n/a	No	1	33.3%				
					2BR / 2BA	3	7.9%	Market	\$1,162	1,132	n/a	No	1	33.3%				
					2BR / 2BA	2	5.3%	Market	\$1,627	1,296	n/a	No	0	0.0%				
					38	100.0%						2	5.3%					

QUEST COMMONS WEST - ATLANTA, GEORGIA - MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING - All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date:		Apr-17	Units Surveyed:	2,223	Weighted Occupancy:	97.4%
			Market Rate	390	Market Rate	95.6%
			Tax Credit:	1,833	Tax Credit:	97.8%
One Bedroom One Bath		Two Bedrooms Two Bath		Three Bedrooms Two Bath		
RENT	Property	Average	Property	Average	Property	Average
	1016 Lofts	\$1,736	1016 Lofts	\$1,877	M Street Apartments * (3BA M)	\$2,215
	Stonewall Lofts	\$1,537	1016 Lofts	\$1,794	Centennial Place Apartments * (2.5BA M)	\$1,711
	1016 Lofts	\$1,536	Intown Lofts	\$1,687	Centennial Place Apartments * (2.5BA M)	\$1,536
	Intown Lofts	\$1,402	Stonewall Lofts	\$1,627	Columbia Park Citi * (M)	\$1,441
	M Street Apartments * (M)	\$1,322	Intown Lofts	\$1,513	Avalon Park - Family * (M)	\$1,179
	Stonewall Lofts	\$1,220	M Street Apartments * (M)	\$1,503	M Street Apartments * (3BA 50%)	\$1,112
	Intown Lofts	\$1,191	Intown Lofts	\$1,445	Quest Commons West * (M)	\$1,100
	Stonewall Lofts	\$1,182	Intown Lofts	\$1,413	Columbia Crest * (M)	\$1,099
	1016 Lofts	\$1,162	Intown Lofts	\$1,401	Columbia Estates * (M)	\$1,099
	Intown Lofts	\$1,041	Intown Lofts	\$1,306	The Residences At Citycenter * (M)	\$937
	Stonewall Lofts	\$990	Intown Lofts	\$1,266	Avalon Park - Family * (60%)	\$853
	Centennial Place Apartments * (M)	\$975	Stonewall Lofts	\$1,228	Quest Commons West * (60%)	\$831
	Intown Lofts	\$913	Centennial Place Apartments * (M)	\$1,211	Centennial Place Apartments * (2.5BA	\$764
	Columbia Crest * (M)	\$899	Columbia Park Citi * (M)	\$1,183	Centennial Place Apartments * (2.5BA	\$764
	Avalon Park - Family * (M)	\$839	Intown Lofts	\$1,169	Columbia Crest * (60%)	\$744
	The Residences At Citycenter * (M)	\$827	Stonewall Lofts	\$1,162	Columbia Estates * (60%)	\$744
	M Street Apartments * (50%)	\$825	Centennial Place Apartments * (M)	\$1,153	Columbia Park Citi * (60%)	\$709
	Quest Commons West * (M)	\$800	Columbia Crest * (M)	\$1,049	Avalon Park - Family * (50%)	\$661
	The Residences At Citycenter * (M)	\$727	Columbia Estates * (2.5BA M)	\$1,049	Quest Commons West * (50%)	\$655
	Avalon Park - Family * (60%)	\$675	Avalon Park - Family * (1BA M)	\$999	Avalon Park - Family * (30%)	\$276
	Quest Commons West * (60%)	\$642	Stonewall Lofts	\$964		
	Centennial Place Apartments * (60%)	\$614	Quest Commons West * (M)	\$950		
	Columbia Crest * (60%)	\$596	M Street Apartments * (50%)	\$920		
	Avalon Park - Family * (50%)	\$536	The Residences At Citycenter * (M)	\$783		
	Quest Commons West * (50%)	\$516	Avalon Park - Family * (1BA 60%)	\$773		
	Avalon Park - Family * (30%)	\$259	Centennial Place Apartments * (60%)	\$755		
			Centennial Place Apartments * (60%)	\$755		
			Quest Commons West * (60%)	\$744		
			The Residences At Citycenter * (M)	\$726		
			The Residences At Citycenter * (60%)	\$721		
			The Residences At Citycenter * (60%)	\$721		
			Columbia Crest * (60%)	\$678		
			Columbia Estates * (2.5BA 60%)	\$678		
			Columbia Park Citi * (60%)	\$643		
			Avalon Park - Family * (1BA 50%)	\$606		
			Quest Commons West * (50%)	\$592		
			Avalon Park - Family * (1BA 30%)	\$273		
SQUARE FOOTAGE						
	Stonewall Lofts	1,435	Intown Lofts	1,440	Columbia Estates * (60%)	1,444
	1016 Lofts	1,278	1016 Lofts	1,367	Columbia Estates * (M)	1,444
	Stonewall Lofts	1,095	Stonewall Lofts	1,296	Centennial Place Apartments * (2.5BA	1,441
	Stonewall Lofts	1,008	Columbia Estates * (2.5BA 60%)	1,274	Centennial Place Apartments * (2.5BA M)	1,441
	Intown Lofts	1,000	Columbia Estates * (2.5BA M)	1,274	Centennial Place Apartments * (2.5BA	1,340
	Intown Lofts	976	Intown Lofts	1,260	Centennial Place Apartments * (2.5BA M)	1,340
	1016 Lofts	972	Centennial Place Apartments * (60%)	1,231	Columbia Crest * (60%)	1,318
	M Street Apartments * (50%)	886	Centennial Place Apartments * (M)	1,231	Columbia Crest * (M)	1,318
	M Street Apartments * (M)	886	Intown Lofts	1,230	Columbia Park Citi * (60%)	1,308
	Intown Lofts	828	1016 Lofts	1,218	Columbia Park Citi * (M)	1,308
	Stonewall Lofts	792	Intown Lofts	1,180	M Street Apartments * (3BA 50%)	1,275
	Columbia Crest * (60%)	770	Intown Lofts	1,170	M Street Apartments * (3BA M)	1,275
	Columbia Crest * (M)	770	Stonewall Lofts	1,132	Avalon Park - Family * (30%)	1,218
	Intown Lofts	730	Intown Lofts	1,120	Avalon Park - Family * (50%)	1,218
	The Residences At Citycenter * (M)	722	Intown Lofts	1,110	Avalon Park - Family * (60%)	1,218
	1016 Lofts	720	Stonewall Lofts	1,092	Avalon Park - Family * (M)	1,218
	Avalon Park - Family * (30%)	700	Columbia Park Citi * (60%)	1,069	The Residences At Citycenter * (M)	1,150
	Avalon Park - Family * (50%)	700	Columbia Park Citi * (M)	1,069	Quest Commons West * (50%)	1,100
	Avalon Park - Family * (60%)	700	Columbia Crest * (60%)	1,066	Quest Commons West * (60%)	1,100
	Avalon Park - Family * (M)	700	Columbia Crest * (M)	1,066	Quest Commons West * (M)	1,100
	Quest Commons West * (50%)	700	Centennial Place Apartments * (60%)	1,050		
	Quest Commons West * (60%)	700	Centennial Place Apartments * (M)	1,050		
	Quest Commons West * (M)	700	Avalon Park - Family * (1BA 30%)	1,044		
	Centennial Place Apartments * (60%)	688	Avalon Park - Family * (1BA 50%)	1,044		
	Centennial Place Apartments * (M)	688	Avalon Park - Family * (1BA 60%)	1,044		
	The Residences At Citycenter * (M)	575	Avalon Park - Family * (1BA M)	1,044		
			Stonewall Lofts	1,030		
			Intown Lofts	985		
			The Residences At Citycenter * (60%)	968		
			The Residences At Citycenter * (M)	968		
			M Street Apartments * (50%)	955		
			M Street Apartments * (M)	955		
			Quest Commons West * (50%)	950		
			Quest Commons West * (60%)	950		
			Quest Commons West * (M)	950		
			The Residences At Citycenter * (60%)	950		
			The Residences At Citycenter * (M)	950		
RENT PER SQUARE FOOT						
	1016 Lofts	\$1.61	M Street Apartments * (M)	\$1.57	M Street Apartments * (3BA M)	\$1.74
	1016 Lofts	\$1.58	1016 Lofts	\$1.47	Centennial Place Apartments * (2.5BA M)	\$1.28
	M Street Apartments * (M)	\$1.49	1016 Lofts	\$1.37	Columbia Park Citi * (M)	\$1.10
	Centennial Place Apartments * (M)	\$1.42	Stonewall Lofts	\$1.26	Centennial Place Apartments * (2.5BA M)	\$1.07
	Intown Lofts	\$1.40	Intown Lofts	\$1.20	Quest Commons West * (M)	\$1.00
	1016 Lofts	\$1.36	Intown Lofts	\$1.20	Avalon Park - Family * (M)	\$0.97
	The Residences At Citycenter * (M)	\$1.26	Intown Lofts	\$1.19	M Street Apartments * (3BA 50%)	\$0.87
	Intown Lofts	\$1.26	Stonewall Lofts	\$1.19	Columbia Crest * (M)	\$0.83
	Intown Lofts	\$1.25	Intown Lofts	\$1.19	The Residences At Citycenter * (M)	\$0.81
	Stonewall Lofts	\$1.25	Intown Lofts	\$1.18	Columbia Estates * (M)	\$0.76
	Intown Lofts	\$1.22	Intown Lofts	\$1.17	Quest Commons West * (60%)	\$0.76
	Avalon Park - Family * (M)	\$1.20	Intown Lofts	\$1.17	Avalon Park - Family * (60%)	\$0.70
	Stonewall Lofts	\$1.17	Intown Lofts	\$1.13	Quest Commons West * (50%)	\$0.60
	Columbia Crest * (M)	\$1.17	Columbia Park Citi * (M)	\$1.11	Centennial Place Apartments * (2.5BA	\$0.57
	The Residences At Citycenter * (M)	\$1.15	Centennial Place Apartments * (M)	\$1.10	Columbia Crest * (60%)	\$0.56
	Quest Commons West * (M)	\$1.14	Stonewall Lofts	\$1.03	Avalon Park - Family * (50%)	\$0.54
	Stonewall Lofts	\$1.11	Quest Commons West * (M)	\$1.00	Columbia Park Citi * (60%)	\$0.54
	Stonewall Lofts	\$1.07	Columbia Crest * (M)	\$0.98	Centennial Place Apartments * (2.5BA	\$0.53
	Avalon Park - Family * (60%)	\$0.96	Centennial Place Apartments * (M)	\$0.98	Columbia Estates * (60%)	\$0.52
	M Street Apartments * (50%)	\$0.93	M Street Apartments * (50%)	\$0.96	Avalon Park - Family * (30%)	\$0.23
	Quest Commons West * (60%)	\$0.92	Avalon Park - Family * (1BA M)	\$0.96		
	Centennial Place Apartments * (60%)	\$0.89	Stonewall Lofts	\$0.88		
	Columbia Crest * (60%)	\$0.77	Columbia Estates * (2.5BA M)	\$0.82		
	Avalon Park - Family * (50%)	\$0.77	The Residences At Citycenter * (M)	\$0.81		
	Quest Commons West * (50%)	\$0.74	Quest Commons West * (60%)	\$0.78		
	Avalon Park - Family * (30%)	\$0.37	The Residences At Citycenter * (M)	\$0.76		
			The Residences At Citycenter * (60%)	\$0.76		
			The Residences At Citycenter * (60%)	\$0.74		
			The Residences At Citycenter * (60%)	\$0.74		
			Avalon Park - Family * (1BA 60%)	\$0.74		
			Centennial Place Apartments * (60%)	\$0.72		
			Columbia Crest * (60%)	\$0.64		
			Quest Commons West * (50%)	\$0.62		
			Centennial Place Apartments * (60%)	\$0.61		
			Columbia Park Citi * (60%)	\$0.60		
			Avalon Park - Family * (1BA 50%)	\$0.58		
			Columbia Estates * (2.5BA 60%)	\$0.53		
			Avalon Park - Family * (1BA 30%)	\$0.26		

PROPERTY PROFILE REPORT

Avalon Park - Family

Effective Rent Date	4/11/2017
Location	2798 Peek Rd Atlanta, GA 30318 Fulton County
Distance	3.7 miles
Units	175
Vacant Units	4
Vacancy Rate	2.3%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	10/01/2007
Last Unit Leased	N/A
Major Competitors	Peaks at MLK, Columbia Commons
Tenant Characteristics	Mixed tenancy, mostly young families.
Contact Name	Corey
Phone	404-799-3131



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	31%
Units/Month Absorbed	17
HCV Tenants	0%
Leasing Pace	Pre-leased to two weeks.
Annual Chg. in Rent	Market rate increased 6 to 9 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	7	700	\$259	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	11	700	\$536	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	11	700	\$675	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	11	700	\$839	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	15	1,044	\$273	\$0	@30%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	25	1,044	\$606	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	31	1,044	\$773	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	29	1,044	\$999	\$0	Market	No	2	6.9%	N/A	None
3	2	Garden (3 stories)	5	1,218	\$276	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	8	1,218	\$661	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	11	1,218	\$853	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	11	1,218	\$1,179	\$0	Market	No	2	18.2%	N/A	None

Avalon Park - Family, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$259	\$0	\$259	\$0	\$259	1BR / 1BA	\$536	\$0	\$536	\$0	\$536
2BR / 1BA	\$273	\$0	\$273	\$0	\$273	2BR / 1BA	\$606	\$0	\$606	\$0	\$606
3BR / 2BA	\$276	\$0	\$276	\$0	\$276	3BR / 2BA	\$661	\$0	\$661	\$0	\$661
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$675	\$0	\$675	\$0	\$675	1BR / 1BA	\$839	\$0	\$839	\$0	\$839
2BR / 1BA	\$773	\$0	\$773	\$0	\$773	2BR / 1BA	\$999	\$0	\$999	\$0	\$999
3BR / 2BA	\$853	\$0	\$853	\$0	\$853	3BR / 2BA	\$1,179	\$0	\$1,179	\$0	\$1,179

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

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

Security

Limited Access
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Non-shelter Services
On-Site Management
Playground

Clubhouse/Meeting
Central Laundry
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

After School Support

Comments

The property manager stated that the waiting list is a few month in length for LIHTC units. The contact stated that demand for affordable housing in the Atlanta area is very high. The property manager indicated that higher rents would be achievable if the LIHTC maximum allowable levels were to increase slightly. The property does not accept vouchers for any units.

PROPERTY PROFILE REPORT

Centennial Place Apartments

Effective Rent Date	4/10/2017
Location	526 Centennial Olympic Park Drive Atlanta, GA 30313 Fulton County
Distance	1.5 miles
Units	738
Vacant Units	15
Vacancy Rate	2.0%
Type	Various (3 stories)
Year Built/Renovated	1996/2001 / 2014/Ongoing
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	M Street, 710 Peachtree
Tenant Characteristics	None identified
Contact Name	Tasha
Phone	404-892-0772



Market Information

Program	@60%, Market
Annual Turnover Rate	20%
Units/Month Absorbed	n/a
HCV Tenants	0%
Leasing Pace	7 to 10 days
Annual Chg. in Rent	Increased up to 2 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	N/A	688	\$686	\$0	@60%	No	N/A	N/A	yes	None
1	1	Garden	N/A	688	\$1,050	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden	N/A	875	\$812	\$0	@60%	No	N/A	N/A	yes	None
2	1	Garden	N/A	875	\$1,200	\$0	Market	No	N/A	N/A	N/A	None
2	1.5	Townhouse	N/A	1,075	\$812	\$0	@60%	No	N/A	N/A	yes	None
2	1.5	Townhouse	N/A	1,075	\$1,600	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden	N/A	1,050	\$872	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden	N/A	1,231	\$872	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden	N/A	1,050	\$1,270	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden	N/A	1,231	\$1,328	\$0	Market	No	N/A	N/A	N/A	None
3	2.5	Townhouse	N/A	1,441	\$928	\$0	@60%	No	N/A	N/A	yes	None
3	2.5	Townhouse	N/A	1,340	\$928	\$0	@60%	No	N/A	N/A	yes	None
3	2.5	Townhouse	N/A	1,441	\$1,700	\$0	Market	No	N/A	N/A	N/A	None
3	2.5	Townhouse	N/A	1,340	\$1,875	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$686	\$0	\$686	-\$75	\$611	1BR / 1BA	\$1,050	\$0	\$1,050	-\$75	\$975
2BR / 1BA	\$812	\$0	\$812	-\$117	\$695	2BR / 1BA	\$1,200	\$0	\$1,200	-\$117	\$1,083
2BR / 1.5BA	\$812	\$0	\$812	-\$117	\$695	2BR / 1.5BA	\$1,600	\$0	\$1,600	-\$117	\$1,483
2BR / 2BA	\$872	\$0	\$872	-\$117	\$755	2BR / 2BA	\$1,270 - \$1,328	\$0	\$1,270 - \$1,328	-\$117	\$1,153 - \$1,211
3BR / 2.5BA	\$928	\$0	\$928	-\$164	\$764	3BR / 2.5BA	\$1,700 - \$1,875	\$0	\$1,700 - \$1,875	-\$164	\$1,536 - \$1,711

Centennial Place Apartments, continued

Amenities

In-Unit

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

Blinds
Central A/C
Exterior Storage
Oven
Washer/Dryer

Security

Patrol
Perimeter Fencing

Services

None

Property

Clubhouse/Meeting
Garage
Off-Street Parking
Swimming Pool

Exercise Facility
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The contact stated the property is currently undergoing renovations with LIHTC equity, which accounts for vacant units. Details regarding the scope of renovation were unavailable. The market rate units operate on the LRO system and change based on demand.

PROPERTY PROFILE REPORT

Columbia Crest

Effective Rent Date	4/26/2017
Location	1903 Drew Dr NW Atlanta, GA 30318 Fulton County
Distance	2.6 miles
Units	152
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (4 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Columbia Estates, Columbia Park Citi
Tenant Characteristics	Mixed tenancy mostly from Atlanta
Contact Name	Jasmine
Phone	404-792-3321



Market Information

Program	@50% (PHA), @60%, Market
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to two weeks.
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	10	770	N/A	\$0	@50% (PHA)	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	8	770	\$596	\$0	@60%	No	0	0.0%	yes	None
1	1	Midrise (4 stories)	18	770	\$899	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (4 stories)	24	1,066	N/A	\$0	@50% (PHA)	Yes	0	0.0%	N/A	None
2	2	Midrise (4 stories)	16	1,066	\$678	\$0	@60%	No	0	0.0%	yes	None
2	2	Midrise (4 stories)	32	1,066	\$1,049	\$0	Market	No	0	0.0%	N/A	None
3	2	Midrise (4 stories)	16	1,318	N/A	\$0	@50% (PHA)	Yes	0	0.0%	N/A	None
3	2	Midrise (4 stories)	12	1,318	\$744	\$0	@60%	No	0	0.0%	yes	None
3	2	Midrise (4 stories)	16	1,318	\$1,099	\$0	Market	No	0	0.0%	N/A	None

Columbia Crest, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	N/A	\$0	N/A	\$0	N/A	1BR / 1BA	\$596	\$0	\$596	\$0	\$596
2BR / 2BA	N/A	\$0	N/A	\$0	N/A	2BR / 2BA	\$678	\$0	\$678	\$0	\$678
3BR / 2BA	N/A	\$0	N/A	\$0	N/A	3BR / 2BA	\$744	\$0	\$744	\$0	\$744

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$899	\$0	\$899	\$0	\$899
2BR / 2BA	\$1,049	\$0	\$1,049	\$0	\$1,049
3BR / 2BA	\$1,099	\$0	\$1,099	\$0	\$1,099

Amenities

In-Unit

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

Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

Limited Access
Video Surveillance

Services

None

Property

Business Center/Computer Lab
Elevators
Garage
Off-Street Parking
Playground

Clubhouse/Meeting
Exercise Facility
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

Gazebo, community garden

Comments

The property maintains a long waiting list of approximately two years for public housing units. The contact indicated they do not maintain a waiting list for LIHTC units; however, there is not a problem filling the units once they become vacant. Open parking garage parking is included in rent.

PROPERTY PROFILE REPORT

Columbia Estates

Effective Rent Date	4/26/2017
Location	1710 Noel Street NW Atlanta, GA 30318 Fulton County
Distance	3 miles
Units	124
Vacant Units	0
Vacancy Rate	0.0%
Type	Various
Year Built/Renovated	2004 / N/A
Marketing Began	6/01/2003
Leasing Began	12/01/2003
Last Unit Leased	2/01/2004
Major Competitors	Columbia Crest, Columbia Park Citi
Tenant Characteristics	Couples and families from Atlanta
Contact Name	Sandra
Phone	404.799.7942



Market Information

Program	@50% (PHA), @60%, Market
Annual Turnover Rate	14%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to one week.
Annual Chg. in Rent	Market rents increased 10%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2.5	Townhouse (2 stories)	36	1,274	N/A	\$0	@50% (PHA)	Yes	0	0.0%	N/A	None
2	2.5	Townhouse (2 stories)	7	1,274	\$678	\$0	@60%	No	0	0.0%	yes	None
2	2.5	Townhouse (2 stories)	43	1,274	\$1,049	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	14	1,444	N/A	\$0	@50% (PHA)	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	5	1,444	\$744	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	19	1,444	\$1,099	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2.5BA	N/A	\$0	N/A	\$0	N/A	2BR / 2.5BA	\$678	\$0	\$678	\$0	\$678
3BR / 2BA	N/A	\$0	N/A	\$0	N/A	3BR / 2BA	\$744	\$0	\$744	\$0	\$744
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
2BR / 2.5BA	\$1,049	\$0	\$1,049	\$0	\$1,049						
3BR / 2BA	\$1,099	\$0	\$1,099	\$0	\$1,099						

Columbia Estates, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Oven
Vaulted Ceilings
Washer/Dryer hookup

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

Security

Intercom (Buzzer)
Patrol
Video Surveillance

Services

None

Property

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

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

This property is fully occupied, which is typical for the development. Management stated the property maintains an waiting list for their project-based units. The property manager stated that demand for affordable housing in the area is extremely high. The development offers one parking space per unit, with some spaces in an uncovered parking lot and the others on the street in front of the property.

PROPERTY PROFILE REPORT

Columbia Park Citi

Effective Rent Date	4/11/2017
Location	921 Westmoreland Circle Atlanta, GA 30318 Fulton County
Distance	2.7 miles
Units	154
Vacant Units	3
Vacancy Rate	1.9%
Type	Midrise (4 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mostly families
Contact Name	Ashley
Phone	404-792-7771



Market Information

Program	@50% (PHA), @60%, Market, Non-Rental
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Pre-leased to a few weeks
Annual Chg. in Rent	Market rents increased 11%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Midrise (4 stories)	46	1,069	N/A	\$0	@50% (PHA)	Yes	0	0.0%	N/A	None
2	2	Midrise (4 stories)	14	1,069	\$643	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	54	1,069	\$1,183	\$0	Market	No	2	3.7%	N/A	None
2	2	Midrise (4 stories)	1	1,069	N/A	\$0	Non-Rental	No	0	0.0%	N/A	None
3	2	Midrise (4 stories)	15	1,308	N/A	\$0	@50% (PHA)	Yes	0	0.0%	N/A	None
3	2	Midrise (4 stories)	5	1,308	\$709	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Midrise (4 stories)	18	1,308	\$1,441	\$0	Market	No	1	5.6%	N/A	None
3	2	Midrise (4 stories)	1	1,308	N/A	\$0	Non-Rental	No	0	0.0%	N/A	None

PROPERTY PROFILE REPORT

M Street Apartments

Effective Rent Date	4/11/2017
Location	950 Marietta Street Atlanta, GA 30318 Fulton County
Distance	1.2 miles
Units	308
Vacant Units	17
Vacancy Rate	5.5%
Type	Garden (3 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	3/27/2004
Leasing Began	6/15/2004
Last Unit Leased	N/A
Major Competitors	1016 Lofts, Park District Lofts
Tenant Characteristics	Most tenants are locals from Atlanta.
Contact Name	Steve
Phone	678-904-9140



Market Information

Program	@50%, Market
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Changes frequently
Concession	\$99 off application fee

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	N/A	561	\$790	\$0	@50%	Yes	0	N/A	yes	None
0	1	Garden (3 stories)	N/A	561	\$1,058	\$0	Market	No	0	N/A	N/A	None
1	1	Garden (3 stories)	N/A	886	\$825	\$0	@50%	Yes	0	N/A	yes	None
1	1	Garden (3 stories)	N/A	886	\$1,322	\$0	Market	No	8	N/A	N/A	None
2	2	Garden (3 stories)	N/A	955	\$920	\$0	@50%	Yes	0	N/A	yes	None
2	2	Garden (3 stories)	N/A	955	\$1,503	\$0	Market	No	4	N/A	N/A	None
3	3	Garden (3 stories)	N/A	1,275	\$1,112	\$0	@50%	Yes	0	N/A	yes	None
3	3	Garden (3 stories)	N/A	1,275	\$2,215	\$0	Market	No	5	N/A	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$790	\$0	\$790	\$0	\$790	Studio / 1BA	\$1,058	\$0	\$1,058	\$0	\$1,058
1BR / 1BA	\$825	\$0	\$825	\$0	\$825	1BR / 1BA	\$1,322	\$0	\$1,322	\$0	\$1,322
2BR / 2BA	\$920	\$0	\$920	\$0	\$920	2BR / 2BA	\$1,503	\$0	\$1,503	\$0	\$1,503
3BR / 3BA	\$1,112	\$0	\$1,112	\$0	\$1,112	3BR / 3BA	\$2,215	\$0	\$2,215	\$0	\$2,215

M Street Apartments, continued

Amenities

In-Unit

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

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

Security

In-Unit Alarm
Intercom (Buzzer)
Limited Access
Perimeter Fencing

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management

Exercise Facility
Off-Street Parking
Swimming Pool

Premium

None

Other

None

Comments

The contact reported that there is high demand for rental housing in the area. He stated that approximately 20 percent of the phone calls he receives are inquiries about the low income housing program. The contact reported that the property utilizes LRO pricing for the market rate units, and all vacancies are in market rate units. The contact did not provide the number of households on the waiting list, which is only for the low income units. Housing Choice Vouchers are no longer accepted at the property.

M Street Apartments, continued

Photos



PROPERTY PROFILE REPORT

The Residences At Citycenter

Effective Rent Date	4/12/2017
Location	55 Maple Street Nw Atlanta, GA 30314 Fulton County
Distance	0.7 miles
Units	182
Vacant Units	1
Vacancy Rate	0.5%
Type	Garden (3 stories)
Year Built/Renovated	1993 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Village at Castleberry and Northside Plaza
Tenant Characteristics	Mixed tenancy
Contact Name	BH Management
Phone	404-577-8850



Market Information

Program	@60%, Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	23%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased up to 15 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	24	575	\$802	\$0	Market	None	0	0.0%	N/A	None
1	1	Garden (3 stories)	24	722	\$902	\$0	Market	None	1	4.2%	N/A	None
2	1	Garden (3 stories)	24	848	\$838	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	12	848	\$835	\$0	Market	None	0	0.0%	N/A	None
2	2	Garden (3 stories)	24	950	\$838	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	24	968	\$838	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	12	950	\$843	\$0	Market	None	0	0.0%	N/A	None
2	2	Garden (3 stories)	14	968	\$900	\$0	Market	None	0	0.0%	N/A	None
3	2	Garden (3 stories)	24	1,150	\$1,101	\$0	Market	None	0	0.0%	N/A	None

The Residences At Citycenter, continued

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$838	\$0	\$838	-\$117	\$721	1BR / 1BA	\$802 - \$902	\$0	\$802 - \$902	-\$75	\$727 - \$827
2BR / 2BA	\$838	\$0	\$838	-\$117	\$721	2BR / 1BA	\$835	\$0	\$835	-\$117	\$718
						2BR / 2BA	\$843 - \$900	\$0	\$843 - \$900	-\$117	\$726 - \$783
						3BR / 2BA	\$1,101	\$0	\$1,101	-\$164	\$937

Amenities

In-Unit

Balcony/Patio
 Carpeting
 Dishwasher
 Oven
 Washer/Dryer hookup

Blinds
 Central A/C
 Garbage Disposal
 Refrigerator

Security

In-Unit Alarm
 Limited Access
 Patrol
 Perimeter Fencing

Services

None

Property

Clubhouse/Meeting
 Central Laundry
 On-Site Management
 Swimming Pool

Exercise Facility
 Off-Street Parking
 Playground

Premium

None

Other

None

Comments

The property only accepts housing choice vouchers for two-bedroom units. The property was formerly known as The Courtyard at Maple. It was recently purchased by a new owner in November 2015. A waiting list is maintained for tax credit units. The contact could not estimate the length of the waiting list.

PROPERTY PROFILE REPORT

1016 Lofts

Effective Rent Date	4/12/2017
Location	1016 Howell Mill Rd Atlanta, GA 30318 Fulton County
Distance	1.5 miles
Units	265
Vacant Units	12
Vacancy Rate	4.5%
Type	Midrise (6 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Unable to disclose
Tenant Characteristics	Majority Georgia Tech faculty and staff
Contact Name	Sara
Phone	404-815-8877



Market Information

Program	Market
Annual Turnover Rate	31%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Two to three weeks
Annual Chg. in Rent	Increased up to five percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (6 stories)	N/A	630	\$1,114	\$0	Market	No	2	N/A	N/A	None
0	1	Midrise (6 stories)	N/A	630	\$1,440	\$0	Market	No	1	N/A	N/A	None
0	1	Midrise (6 stories)	N/A	649	\$1,295	\$0	Market	No	1	N/A	N/A	None
1	1	Midrise (6 stories)	N/A	720	\$1,162	\$0	Market	No	0	N/A	N/A	None
1	1	Midrise (6 stories)	N/A	972	\$1,536	\$0	Market	No	2	N/A	N/A	None
1	1	Midrise (6 stories)	N/A	1,278	\$1,736	\$0	Market	No	0	N/A	N/A	None
2	1	Midrise (6 stories)	N/A	972	\$1,505	\$0	Market	No	0	N/A	N/A	None
2	2	Midrise (6 stories)	N/A	1,218	\$1,794	\$0	Market	No	2	N/A	N/A	None
2	2	Midrise (6 stories)	N/A	1,367	\$1,877	\$0	Market	No	4	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$1,114 - \$1,440	\$0	\$1,114 - \$1,440	\$0	\$1,114 - \$1,440
1BR / 1BA	\$1,162 - \$1,736	\$0	\$1,162 - \$1,736	\$0	\$1,162 - \$1,736
2BR / 1BA	\$1,505	\$0	\$1,505	\$0	\$1,505
2BR / 2BA	\$1,794 - \$1,877	\$0	\$1,794 - \$1,877	\$0	\$1,794 - \$1,877

1016 Lofts, continued

Amenities

In-Unit

Balcony/Patio
Central A/C
Dishwasher
Garbage Disposal
Oven
Walk-In Closet
Washer/Dryer hookup

Blinds
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer

Security

Intercom (Phone)
Limited Access
Video Surveillance

Services

None

Property

Clubhouse/Meeting
Courtyard
Exercise Facility
Off-Street Parking
Picnic Area
Wi-Fi

Commercial/Retail
Elevators
Garage
On-Site Management
Swimming Pool

Premium

None

Other

Cafe, Lounge

Comments

Housing Choice Vouchers are not accepted at this property. Units have a mix of polished concrete flooring, wood plank, and carpet. Garage parking is open to all residents. Listed vacancies are based on online availability.

PROPERTY PROFILE REPORT

Intown Lofts

Effective Rent Date	4/12/2017
Location	170 Northside Drive SW Atlanta, GA 30313 Fulton County
Distance	1.2 miles
Units	87
Vacant Units	3
Vacancy Rate	3.4%
Type	Midrise (5 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Young professionals, students
Contact Name	Nikki
Phone	404.522.7598



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased up to 8 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (5 stories)	5	730	\$988	\$0	Market	No	1	20.0%	N/A	None
1	1	Midrise (5 stories)	12	828	\$1,116	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (5 stories)	8	976	\$1,266	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (5 stories)	6	1,000	\$1,477	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (5 stories)	6	985	\$1,286	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (5 stories)	11	1,110	\$1,423	\$0	Market	No	2	18.2%	N/A	None
2	2	Midrise (5 stories)	6	1,120	\$1,383	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (5 stories)	7	1,170	\$1,518	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (5 stories)	6	1,180	\$1,530	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (5 stories)	7	1,230	\$1,562	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (5 stories)	6	1,260	\$1,630	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (5 stories)	7	1,440	\$1,804	\$0	Market	No	0	0.0%	N/A	None

PROPERTY PROFILE REPORT

Stonewall Lofts

Effective Rent Date	4/12/2017
Location	450 Stonewall Street SW Atlanta, GA 30313 Fulton County
Distance	1.2 miles
Units	38
Vacant Units	2
Vacancy Rate	5.3%
Type	Midrise (5 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Young professionals, students
Contact Name	Nikki
Phone	404.522.7598



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased up to 17 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (5 stories)	2	631	\$838	\$0	Market	No	0	0.0%	N/A	None
0	1	Midrise (5 stories)	3	729	\$1,006	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (5 stories)	7	792	\$1,065	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (5 stories)	7	1,008	\$1,257	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (5 stories)	5	1,095	\$1,295	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (5 stories)	1	1,435	\$1,612	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (5 stories)	5	1,030	\$1,345	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (5 stories)	3	1,092	\$1,081	\$0	Market	No	1	33.3%	N/A	None
2	2	Midrise (5 stories)	3	1,132	\$1,279	\$0	Market	No	1	33.3%	N/A	None
2	2	Midrise (5 stories)	2	1,296	\$1,744	\$0	Market	No	0	0.0%	N/A	None

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

Housing Choice Vouchers

We made several attempts to contact the Atlanta Housing Authority, but were unable to speak to a representative. Currently, the city’s Housing Choice Voucher Waiting list is closed. According to the authority’s website, the list was most recently open from March 15 to March 21, 2017. As of 2016, the housing authority issued 10,013 tenant-based vouchers and 5,051 project-based vouchers. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS

Comparable Property	Type	Housing Choice Voucher Tenants
Avalon Park - Family	LIHTC, Market	0%
Centennial Place Apartments	LIHTC, Market	0%
Columbia Crest	LIHTC, PHA, Market	0%
Columbia Estates	LIHTC, PHA, Market	0%
Columbia Park Citi	LIHTC, PHA, Market, Non-Rental	5%
M Street Apartments	LIHTC, Market	0%
The Residences At Citycenter	LIHTC, Market	23%
1016 Lofts	Market	0%
Intown Lofts	Market	0%
Stonewall Lofts	Market	0%

Housing Choice Voucher usage in this market ranges from zero to 23 percent. The majority of LIHTC properties have a low reliance on tenants with vouchers. However, one property, The Residences at Citycenter, has reported 23 percent of their tenants utilize vouchers. It appears that the Subject will not need to rely on voucher residents in order to maintain a high occupancy level. We believe the Subject would maintain a voucher usage of 20 percent or less upon completion.

Lease Up History

We were not able to obtain absorption information from LIHTC properties in our comparable set; thus, we have expanded our search to include family LIHTC properties in the Metropolitan Atlanta area in Fulton and DeKalb County. This absorption data is illustrated in the following table.

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Station R Apartments	Market	Family	2016	285	14
The Meridian at Redwine	Market	Family	2016	258	17
Mills Creek Crossing	LIHTC	Family	2015	200	17
Columbia Mill	LIHTC	Family	2014	100	20
Parkside at Mechanicsville	LIHTC	Family	2012	196	60
Retreat at Edgewood Phase II	LIHTC	Family	2012	40	12
Retreat at Edgewood	LIHTC	Family	2011	100	20
Average					23

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is proposed new construction. The absorption rate at the comparables presented range from 12 units to 60 units per month. The most recent family LIHTC properties constructed, Mills Creek Crossing and Columbia Mill, reported absorption rates of 17 and 20 units per month, respectively. As new construction, the Subject is

likely to experience an absorption pace similar to this most recently constructed properties. We believe the Subject would likely experience an absorption pace of 20 units per month for an absorption period of approximately two to three months.

Phased Developments

The Subject is not part of a multi-phase development.

Rural Areas

The Subject is not located in a rural area.

3. Competitive Project Map

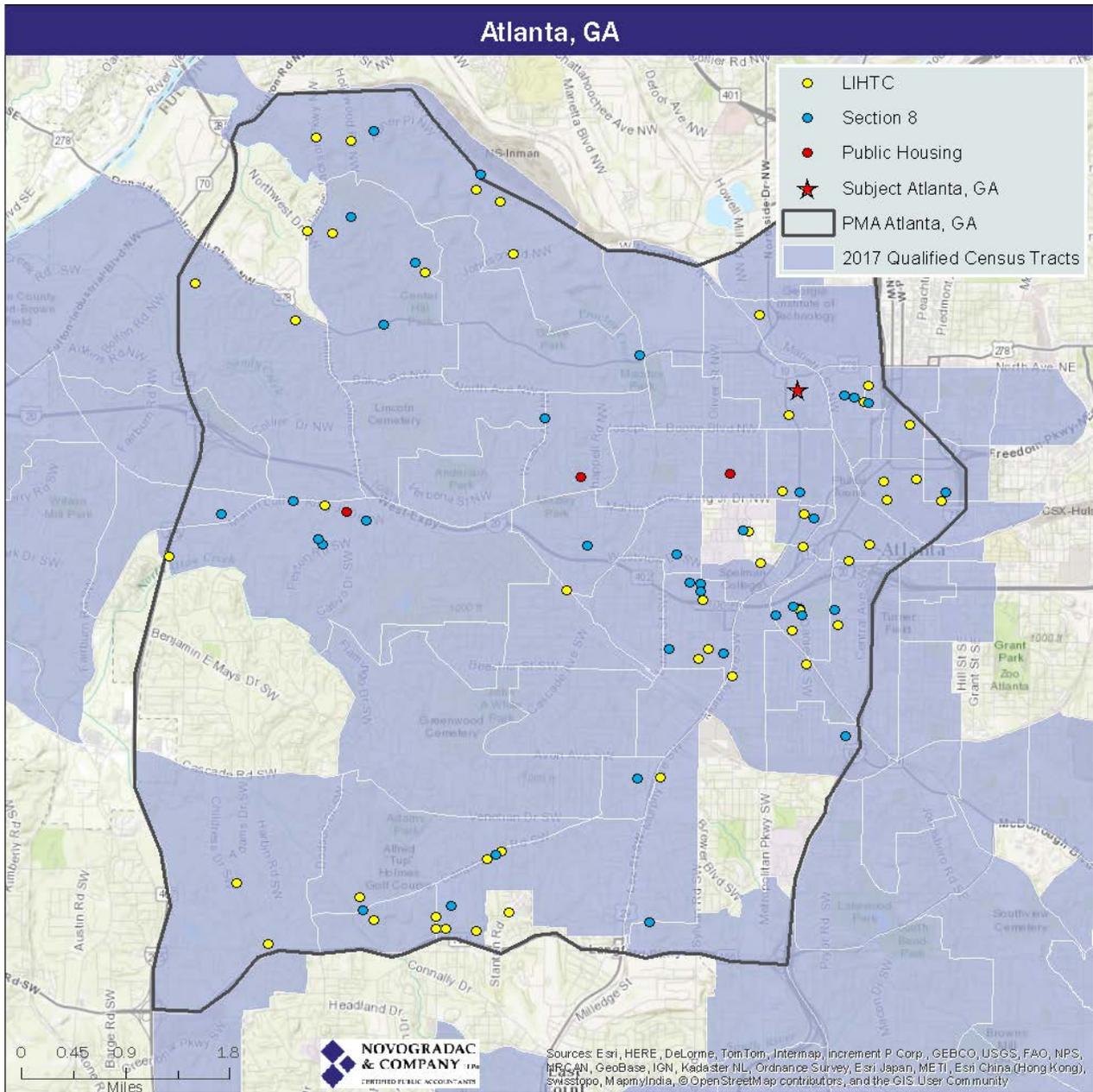
QUEST COMMONS WEST – ATLANTA, GEORGIA – MARKET STUDY

COMPETITIVE PROPERTIES

Property Name	Program	Location	Tenancy	# of Units	Map Color
Quest Commons West	LIHTC	Atlanta	Family	53	Star
Adair Court	LIHTC	Atlanta	Elderly	91	Yellow
Alta Pointe Apartments	LIHTC	Atlanta	Family	202	
Ashley College Town I	LIHTC	Atlanta	Family	196	
Ashley Scholars Landing	LIHTC	Atlanta	Family	135	
Atlantic Station Mixed Income	LIHTC	Atlanta	Family	130	
Avalon Park Family	LIHTC	Atlanta	Family	175	
Baptist Gardens	LIHTC	Atlanta	Elderly	100	
Brentwood Creek	LIHTC	Atlanta	Family	238	
Brentwood Heights	LIHTC	Atlanta	Family	198	
Brentwood Meadows Apartments	LIHTC	Atlanta	Family	72	
Brookside Park	LIHTC	Atlanta	Family	200	
Centennial Place	LIHTC	Atlanta	Family	738	
City Plaza Apartments	LIHTC	Atlanta	Family	164	
Columbia at Mechanicsville	LIHTC	Atlanta	Family	172	
Columbia Crest Apartments	LIHTC	Atlanta	Family	152	
Columbia Estate	LIHTC	Atlanta	Family	124	
Columbia Grove	LIHTC	Atlanta	Family	138	
Columbia Plaza Apartments	LIHTC	Atlanta	Family	94	
Courtyard at Maple	LIHTC	Atlanta	Family	182	
Edgewood Center	LIHTC	Atlanta	Family	46	
Etheridge Court Apartments Phase II	LIHTC	Atlanta	Family	190	
Etheridge Court Development I	LIHTC	Atlanta	Family	164	
Fairlie Poplar Apartments	LIHTC	Atlanta	Family	15	
Freeman Ford Lofts	LIHTC	Atlanta	Family	27	
Gardens at Collegetown	LIHTC	Atlanta	Family	N/A	
Gateway Apartments at Northside Village	LIHTC	Atlanta	Family	261	
Granada Park	LIHTC	Atlanta	Family	202	
Heritage Station Family	LIHTC	Atlanta	Family	45	
Heritage Station II	LIHTC	Atlanta	Family	150	
Hollywood West Phase II	LIHTC	Atlanta	Family	96	
Huntingwood Pointe - Cascade Pines Apartments	LIHTC	Atlanta	Family	376	
Imperial Hotel 2012	LIHTC	Atlanta	Family	90	
Legacy Phase I	LIHTC	Atlanta	Family	180	
Legacy Phase II	LIHTC	Atlanta	Family	179	
Lillie R Campbell House	LIHTC	Atlanta	Elderly	96	
M Street Apartments	LIHTC	Atlanta	Family	308	
Manor at Scott's Crossing	LIHTC	Atlanta	Family	101	
Northside Plaza Apartments	LIHTC	Atlanta	Family	127	
Oasis at Scholars Landing	LIHTC	Atlanta	Elderly	60	
Oglethorpe Place Apartments	LIHTC	Atlanta	Family	144	
Park at Lakewood	LIHTC	Atlanta	Family	120	
Park at Scott's Crossing	LIHTC	Atlanta	Family	216	
Peaks of West Atlanta	LIHTC	Atlanta	Family	214	
Phoenix House	LIHTC	Atlanta	Other	69	
Preserve at Bent Creek	LIHTC	Atlanta	Family	323	
Rosa Burney Manor	LIHTC	Atlanta	Family	54	
Showcase District	LIHTC	Atlanta	Family	N/A	
Toby Sexton Redevelopment	LIHTC	Atlanta	Family	201	
Towne West Manor	LIHTC	Atlanta	Family	108	
Village Highlands	LIHTC	East Point	Family	258	
Villages at Castleberry Hill	LIHTC	Atlanta	Family	165	
Villages at Castleberry Hill Phase II	LIHTC	Atlanta	Family	284	
Villages of Cascade Apartments	LIHTC	Atlanta	Family	180	
Welcome House SRO	LIHTC	Atlanta	Family	209	
Wells Court Commons	LIHTC	Atlanta	Family	62	
Westview Lofts	LIHTC	Atlanta	Family	21	
William Oliver Building	LIHTC	Atlanta	Family	114	

COMPETITIVE PROPERTIES

Property Name	Program	Location	Tenancy	# of Units	Map Color
Quest Commons West	LIHTC	Atlanta	Family	53	Star
Columbia Commons	LIHTC/Public Housing	Atlanta	Family	158	Red
Magnolia Park Apartments	LIHTC/Public Housing	Atlanta	Family	220	
Magnolia Park Apartments Phase II	LIHTC/Public Housing	Atlanta	Family	180	Blue
Allen Temple	LIHTC/Section 8	Atlanta	Family	457	
Ashely College Town Phase II	LIHTC/Section 8	Atlanta	Family	100	
Ashley West End	LIHTC/Section 8	Atlanta	Family	100	
Atrium at Collegetown - FKA John O. Chiles	LIHTC/Section 8	Atlanta	Elderly	190	
Avalon Park Senior	LIHTC/Section 8	Atlanta	Elderly	136	
Baptist Towers	LIHTC/Section 8	Atlanta	Elderly	300	
City Views at Rosa Burney Park	LIHTC/Section 8	Atlanta	Family	180	
Columbia at Sylvan Hills	LIHTC/Section 8	Atlanta	Family	191	
Columbia Heritage Senior Residences	LIHTC/Section 8	Atlanta	Elderly	132	
Columbia Mechanicsville IV	LIHTC/Section 8	Atlanta	Family	164	
Columbia Senior Residences at Mechanicsville	LIHTC/Section 8	Atlanta	Elderly	155	
Crogman School	LIHTC/Section 8	Atlanta	Family	105	
Flipper Temple	LIHTC/Section 8	Atlanta	Family	163	
Mechanicsville Apartments Phase III	LIHTC/Section 8	Atlanta	Family	164	
Mechanicsville Apartments Phase VI	LIHTC/Section 8	Atlanta	Family	156	
Park Commons	LIHTC/Section 8	Atlanta	Elderly	179	
Park Commons	LIHTC/Section 8	Atlanta	Elderly	153	
Peaks at Martin Luther King	LIHTC/Section 8	Atlanta	Family	183	
QLS Haven	LIHTC/Section 8	Atlanta	Elderly	120	
Seven Courts	LIHTC/Section 8	Atlanta	Family	171	
Veranda At Collegetown	LIHTC/Section 8	Atlanta	Elderly	100	
Veranda At Scholars Landing	LIHTC/Section 8	Atlanta	Elderly	100	
Abernathy Tower	Section 8	Atlanta	Elderly	100	
Berean Village	Section 8	Atlanta	Elderly	N/A	
Big Bethel Towers Apartments	Section 8	Atlanta	Family	N/A	
Friendship Towers	Section 8	Atlanta	Elderly	19	
Hollywood/Shawnee Apartments	Section 8	Atlanta	Family	112	
Johnnie B. Moore Towers	Section 8	Atlanta	Elderly	55	
Oakland City/West End Apartments	Section 8	Atlanta	Family	111	
Providence Manor	Section 8	Atlanta	Elderly	45	
Rolling Bends	Section 8	Atlanta	Family	164	
Silvertree Senior Atlanta Apartments	Section 8	Atlanta	Elderly	98	



4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below.

AMENITY MATRIX											
	Quest Commons	Avalon Park - Family	Centennial Place Apartments	Columbia Crest	Columbia Estates	Columbia Park Citi	M Street Apartments	The Residences At Citycenter	1016 Lofts	Intown Lofts	Stonewall Lofts
Property Type	Garden (3 stories)	Garden (3 stories)	Various (3 stories)	Midrise (4 stories)	Various	Midrise (4 stories)	Garden (3 stories)	Garden (3 stories)	Midrise (6 stories)	Midrise (5 stories)	Midrise (5 stories)
Year Built / Renovated	Proposed	2008	1996/2001 2014/Ongoing	2005	2004	2005	2004	1993	2003	2001	2004
Market (Conv.)/Subsidy Type	LIHTC, SCP, PBRA, Market	LIHTC, Market	LIHTC, Market	PHA, LIHTC, Market	PHA, LIHTC, Market	PHA, LIHTC, Market, Non-Rental	LIHTC, Market	LIHTC, Market	Market	Market	Market
Utility Adjustments											
Cooking	no	no	no	no	yes	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	yes	no	no	no	no	yes	no	yes	yes
Sewer	no	no	yes	no	no	no	no	yes	no	yes	yes
Trash Collection	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes
In-Unit Amenities											
Balcony/Patio	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	no	no	no	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	yes	no	no	no	yes	no	no	no	no
Ceiling Fan	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes
Fireplace	no	no	no	no	no	yes	no	no	no	no	no
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	yes	no	no	no	no	no	no	no	yes	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	yes	no	no	no	no	no	no
Walk-In Closet	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes
Washer/Dryer	no	no	yes	no	no	no	no	no	yes	yes	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities											
Business	yes	yes	no	yes	yes	yes	no	no	no	no	no
Clubhouse/Meeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no
Commercial/Retail	no	no	no	no	no	no	no	no	yes	no	no
Courtyard	no	no	no	no	no	no	no	no	yes	no	no
Elevators	yes	no	no	yes	yes	yes	no	no	yes	yes	yes
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Garage	no	no	yes	yes	no	no	no	no	yes	yes	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	no	no	no
Non-shelter Services	no	yes	no	no	no	no	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no
Picnic Area	no	yes	no	no	yes	yes	no	no	yes	yes	yes
Playground	no	yes	no	yes	yes	yes	no	yes	no	no	no
Recreation Areas	yes	no	no	no	no	yes	no	no	no	no	no
Swimming Pool	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Wi-Fi	no	no	no	no	no	no	no	no	yes	no	no
Security											
In-Unit Alarm	no	no	no	no	no	no	yes	yes	no	no	no
Intercom (Buzzer)	no	no	no	no	yes	no	yes	no	no	no	no
Intercom (Phone)	no	no	no	no	no	no	no	no	yes	no	no
Limited Access	yes	yes	no	yes	no	yes	yes	yes	yes	no	yes
Patrol	no	no	yes	yes	yes	yes	no	yes	no	no	yes
Perimeter Fencing	no	yes	yes	no	no	no	yes	yes	no	no	no
Video Surveillance	yes	no	no	yes	yes	yes	no	no	yes	no	no
Other Amenities											
Other	Community garden	After school support	n/a	Gazebo, community garden	n/a	5,000 sf play field	n/a	n/a	Cafe, lounge, live work spaces among select units	n/a	n/a

The Subject will offer generally similar to slightly superior property amenities and inferior to generally similar in-unit amenities in comparison to the LIHTC and market-rate comparable properties. The Subject will offer microwaves, business center/computer lab, clubhouse/meeting room, elevators, community garden, and recreation areas, which many of the comparables do not offer. However, the Subject will not offer exterior storage, washer/dryer units, garage parking, a picnic area, or a swimming pool, which many of the comparables offer. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

5. Comparable Tenancy

The Subject will target families. All of the comparable properties also target families.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Avalon Park - Family	LIHTC, Market	175	4	2.3%
Centennial Place Apartments	LIHTC, Market	738	15	2.0%
Columbia Crest	LIHTC, PHA, Market	152	0	0.0%
Columbia Estates	LIHTC, PHA, Market	124	0	0.0%
Columbia Park Citi	LIHTC, PHA, Market, Non-Rental	154	3	1.9%
M Street Apartments	LIHTC, Market	308	17	5.5%
The Residences At Citycenter	LIHTC, Market	182	1	0.5%
1016 Lofts	Market	265	12	4.5%
Intown Lofts	Market	87	3	3.4%
Stonewall Lofts	Market	<u>38</u>	<u>2</u>	<u>5.3%</u>
Total LIHTC		283	0	0.0%
Total Market		727	61	8.4%
Total		2,223	57	2.6%

Overall vacancy in the market is moderate at 2.6 percent. Total LIHTC vacancy is lower, as all LIHTC units are fully-occupied. Vacant units at the mixed-income properties are in the market-rate units. Of note, total units presented in the table above include subsidized units at the mixed-income properties. Market-rate vacancy is higher at 8.4 percent, which is considered moderate. The market-rate only properties in the comparable set exhibit a vacancy level of 4.4 percent, which is considered moderate. Total market rate vacancy accounts for vacant units at the mixed-income properties as well. Several of the mixed-income properties report maintaining waiting lists. The contact at Centennial Place Apartments reported that ongoing renovations keep a significant number of units vacant at the property. Ashby Park Apartments, a market-rate family property adjacent to the Subject but excluded as a comparable because of its inferior age and condition, currently has availability in one unit of each of its three bedroom types. This equates to a vacancy rate of 4.6 percent, which is considered moderate. The full occupancy in LIHTC units at the mixed-income properties and the waiting lists maintained at the mixed-income properties indicate demand for additional for rental housing in the Subject’s PMA. As a newly constructed property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less.

7. Properties Under Construction and Proposed

The following section details properties currently planned, proposed or under construction.

Fulton Supply Lofts

- a. Location: 342 Nelson Street NW
- b. Owner: Provence Real Estate
- c. Total number of units: 74 units
- d. Unit configuration: One and two-bedroom units
- e. Rent structure: Market-rate
- f. Estimated market entry: May 2017
- g. Relevant information: Pre-leasing began September 2016. Units at this property have not been deducted from our demand analysis because rents are well above the average of the surveyed comparables, and the Subject's proposed rents and are not considered competitive with the Subject.

Post Centennial Park Apartments

- a. Location: Centennial Olympic Park at Baker Street NW
- b. Owner: Post Properties
- c. Total number of units: 285 units
- d. Unit configuration: Studio, one, two and three-bedroom units
- e. Rent structure: Market-rate
- f. Estimated market entry: November 2017
- g. Relevant information: Construction of this property began in February 2016 but it has not yet begun pre-leasing units. Units at this property have not been deducted from our demand analysis because rents are well above the average of the surveyed comparables, and the Subject's proposed rents and are not considered competitive with the Subject.

Castleberry Park

- a. Location: Magnum Street At Mitchell Street
- b. Owner: Gallman Development Group LLC/Bolton Atlanta LP
- c. Total number of units: 125 units
- d. Unit configuration: Unknown
- e. Rent structure: Market-rate
- f. Estimated market entry: July 2019
- h. Relevant information: Construction of this property began in February 2017. Units at this property have not been deducted from our demand analysis because rents are well above the average of the surveyed comparables, and the Subject's proposed rents and are not considered competitive with the Subject.

8. Rental Advantage

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

SIMILARITY MATRIX

#	Property Name	Program	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Avalon Park - Family	LIHTC, Market	Similar	Slightly Superior	Similar	Slightly Inferior	Similar	0
2	Centennial Place Apartments	LIHTC, Market	Similar	Slightly Superior	Slightly Superior	Slightly Inferior	Similar	0
3	Columbia Crest	LIHTC, Market	Similar	Slightly Superior	Similar	Slightly Inferior	Similar	0
4	Columbia Estates	LIHTC, Market	Similar	Slightly Superior	Similar	Slightly Inferior	Slightly Superior	5
5	Columbia Park Citi	LIHTC, Market	Similar	Slightly Superior	Similar	Slightly Inferior	Similar	0
6	M Street Apartments	LIHTC, Market	Similar	Similar	Similar	Slightly Inferior	Similar	-5
7	The Residences At Citycenter	LIHTC, Market	Slightly Inferior	Similar	Similar	Inferior	Similar	-15
8	1016 Lofts	Market	Similar	Superior	Similar	Slightly Inferior	Slightly Superior	10
9	Intown Lofts	Market	Similar	Superior	Slightly Superior	Inferior	Slightly Superior	5
10	Stonewall Lofts	Market	Similar	Superior	Slightly Superior	Inferior	Similar	0

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

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

LIHTC RENT COMPARISON - @50%

Property Name	1BR	2BR	3BR
Quest Commons (Subject)	\$516	\$592	\$655
2016 Fulton County LIHTC Maximum (Net)	\$516	\$592	\$655
2016 HERA Special Income Limits	\$588	\$672	\$741
Avalon Park - Family	\$536	\$606	\$661
Columbia Crest	-	-	-
Columbia Estates	-	-	-
Columbia Park Citi	-	-	-
M Street Apartments	\$825	\$920	\$1,112
Average (excluding Subject)	\$681	\$763	\$887

*These rents are contract rents.

LIHTC RENT COMPARISON - @60%

Property Name	1BR	2BR	3BR
Quest Commons (Subject)	\$642	\$744	\$831
2016 Fulton County LIHTC Maximum (Net)	\$642	\$744	\$831
2016 HERA Special Income Limits	\$727	\$839	\$933
Avalon Park - Family	\$675	\$773	\$853
Centennial Place Apartments	\$611	\$695 - \$755	\$764
Columbia Crest	\$596	\$678	\$744
Columbia Estates	-	\$678	\$744
Columbia Park Citi	-	\$643	\$709
The Residences At Citycenter	-	\$721	-
Average (excluding Subject)	\$627	\$708	\$763

*These rents are contract rents.

All of the comparables report rents at the maximum allowable levels. Avalon Park – Family was constructed in 2009 and is held harmless at the 2016 HERA Special Income Limits levels, which are considerably higher than the 2016 Fulton County LIHTC maximum levels at both 50 and 60 percent of AMI. Avalon Park reports achieving the maximum allowable rents at the 2016 HERA Special Income levels. Difference between the maximum levels and the comparables rents presented in the tables above is likely due to a differing utility allowance. Per the Georgia DCA 2017 guidelines, the market study analyst must use the maximum rent and income limits effective as of January 1, 2017. Therefore, we have utilized the 2016 maximum income and rent limits.

The Subject will be considered most similar to the LIHTC comparables Avalon Park-Family and Centennial Place Apartments. Avalon Park-Family is located 3.7 miles from the Subject and offers a similar location. This property was constructed in 2008 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the proposed Subject. Avalon Park-Family offers similar property amenities but slightly inferior in-unit amenities in comparison to those of the proposed Subject. Avalon Park-Family offers exterior storage spaces, which the proposed Subject will not offer. Avalon Park-Family offers similar unit sizes in comparison to the Subject’s proposed unit sizes. This property reports a vacancy rate of 2.3 percent, and all vacant units are market-rate units. This property also reports a waiting list of a few months in length for its LIHTC units. Avalon Park-Family is currently achieving rents at the maximum allowable levels at 50 and 60 percent of AMI. Given the proposed Subject’s anticipated similarity to Avalon Park – Family upon completion, we believe it would be able to achieve rents at the maximum allowable levels.

Centennial Place Apartments is located 1.5 miles from the Subject and offers a similar location. It was constructed in 1996 and substantially renovated in 2001 and 2014. The property is currently undergoing renovations. Centennial Place Apartments exhibits good condition, which is considered slightly inferior to the anticipated condition of the Subject upon completion. Centennial Place Apartments offers similar property amenities but slightly superior in-unit amenities in comparison to those of the proposed Subject. Centennial Place Apartments offers exterior storage and washer/dryer units, which the proposed Subject will not offer. Centennial Place Apartments also offers similar unit sizes to those of the proposed Subject. The contact at this property reported a vacancy rate of 2.0 percent. Centennial Place Apartments reports achieving rents at the 2016 maximum allowable levels, though it appears to be achieving rents below the maximum allowable levels in the tables presented above. This is most likely due to difference in this property’s utility structure and allowance. Given the proposed Subject’s anticipated similarity to Centennial Place Apartments, we believe it would be able to achieve rents at the maximum allowable levels.

The two most similar comparable properties to the Subject report achieving the 2016 maximum allowable LIHTC net rents for their units restricted to 50 and 60 percent of the AMI. Both properties exhibit low vacancy rates of 2.3 percent or less, and one maintains a waiting list a few months in length. We believe that the strong performance of the LIHTC comparables, and the presence of waiting lists at several comparable properties, is indicative of demand for affordable housing in the marketplace. As such, we believe the Subject is feasible as proposed.

Analysis of “Market Rents”

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

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

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject Proposed Rents	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$516	\$536	\$1,736	\$1,030	100%
2 BR @ 50%	\$592	\$606	\$1,877	\$1,110	88%
3 BR @ 50%	\$655	\$661	\$2,215	\$1,097	67%
1 BR @ 60%	\$642	\$596	\$1,736	\$1,030	60%
2 BR @ 60%	\$744	\$643	\$1,877	\$1,116	50%
3 BR @ 60%	\$831	\$709	\$2,215	\$1,097	32%
1 BR Unrestricted	\$800	\$727	\$1,736	\$1,205	51%
2 BR Unrestricted	\$950	\$718	\$1,877	\$1,324	39%
3 BR Unrestricted	\$1,100	\$937	\$2,215	\$1,430	30%

As illustrated the Subject’s proposed 50 and 60 percent rents as well as the Subject’s unrestricted rents are well below the surveyed average when compared to the comparables, both LIHTC and market-rate. The Subject’s proposed 50 percent rents are below the range of comparable LIHTC and market rents, while the Subject’s proposed 60 percent AMI and unrestricted rents are within the range of the surveyed comparable properties.

1016 Lofts is achieving the highest one and two-bedroom unrestricted rents in the market, while M Street Apartments is achieving the highest three-bedroom unrestricted rents in the market. The proposed Subject is

considered inferior to 1016 Lofts and slightly superior to M Street Apartments as a market-rate property. The Subject will be considered most similar to Stonewall Lofts as a market-rate property.

1016 Lofts is located 1.5 miles from the Subject. This property was constructed in 2003 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. 1016 Lofts offers similar property amenities but superior in-unit amenities in comparison to the proposed Subject. 1016 Lofts offers washer/dryer units, which the Subject will not offer. This property offers slightly superior unit sizes in comparison to those of the proposed Subject. The lowest one and two-bedroom rents at 1016 Lofts are approximately 45 and 58 percent higher than the Subject's proposed unrestricted rents for one and two-bedroom units, respectively.

M Street Apartments is located 1.2 miles from the Subject. This property was constructed in 2004 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. M Street Apartments offers similar property and in-unit amenities to those of the proposed Subject. M Street Apartments also offers similar unit sizes to those of the proposed Subject. The three-bedroom unrestricted rents at M Street Apartments are approximately 101 percent higher than the Subject's proposed unrestricted rents for three-bedroom units.

Stonewall Lofts is located 1.2 miles from the Subject. This property was constructed in 2004 and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Stonewall Lofts offers similar property amenities but superior in-unit amenities in comparison to the proposed Subject. Stonewall Lofts offers washer/dryer units, which the Subject will not offer. Stonewall Lofts also offers similar unit sizes to those of the proposed Subject. Stonewall Lofts' one and two-bedroom rents are approximately 92 and 71 percent higher than the Subject's proposed unrestricted one and two-bedroom rents, respectively.

Ashby Park Apartments, a market-rate family property, is located adjacent to the Subject on Rock Street. This property was not included as a comparable in our analysis because of its poor condition. This property was constructed in 1964 and offers inferior age and condition in comparison to that of the proposed Subject. Ashby Park Apartments offers one, two, and three-bedroom units for \$526, \$546, and \$682, respectively. This property reports a vacancy rate of 4.6 percent. Given the poor condition of the property and its inferiority to the proposed Subject, it offers a poor comparison. We do not believe the current rents at Ashby Park Apartments are indicative of the market.

Overall, we believe that the Subject's proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

9. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject are considered low for all bedroom types and AMI levels. If allocated, the Subject will be similar to superior to the existing LIHTC housing stock. The average LIHTC vacancy rate is healthy as all LIHTC units are currently fully-occupied. Vacancies at mixed-income properties are in market-rate units. Four of the mixed-income properties maintain waiting lists for LIHTC units.

Two properties were allocated in 2014 and 2015 and both have been completed. Centennial Place II and III are located on Pine Street and Merritts Avenue and offer 170 and 185 units, respectively. These properties are the second and third phase of the property known as Centennial Place Apartments, which is used as a comparable in our analysis. Therefore, because they have been completed and reached lease-up, the units at Centennial Place II and III have not been deducted from our demand analysis. Given the current full occupancy and waiting lists at the LIHTC properties, it appears there is demand for additional LIHTC housing in the market. We do not believe that the addition of the Subject to the market will impact the existing LIHTC properties that are in overall good condition and currently performing well.

10. Rental Trends in the PMA

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

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	20,009	38.6%	31,851	61.4%
2017	16,297	30.8%	36,624	69.2%
Projected Mkt Entry September 2019	16,691	30.5%	38,012	69.5%
2021	17,024	30.3%	39,187	69.7%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

As the table illustrates, households within the PMA reside in predominately renter-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a larger percentage of renters in the PMA than the nation. This percentage is projected to increase moderately over the next five years.

Historical Vacancy

The following table details historical vacancy levels for the properties included as comparables.

HISTORICAL VACANCY

Comparable Property	Type	Total Units	1QTR 2015	2QTR 2015	3QTR 2015	2QTR 2016	3QTR 2016	2QTR 2017
Avalon Park - Family	Garden	175	2.9%	N/A	0.0%	1.1%	N/A	2.3%
Centennial Place Apartments	Various	738	8.0%	N/A	2.0%	N/A	N/A	2.0%
Columbia Crest	Midrise	152	4.6%	N/A	3.3%	1.3%	N/A	0.0%
Columbia Estates	Various	124	4.0%	N/A	0.0%	N/A	N/A	0.0%
Columbia Park Citi	Midrise	154	N/A	N/A	1.3%	0.6%	N/A	1.9%
M Street Apartments	Garden	308	4.9%	7.5%	0.6%	8.1%	N/A	5.5%
The Residences At Citycenter	Garden	182	N/A	N/A	0.0%	N/A	N/A	0.5%
1016 Lofts	Midrise	265	N/A	N/A	3.8%	1.9%	N/A	4.5%
Intown Lofts	Midrise	87	N/A	N/A	0.0%	2.3%	N/A	3.4%
Stonewall Lofts	Midrise	38	N/A	N/A	0.0%	0.0%	0.0%	5.3%

As illustrated in the table, we were able to obtain historical vacancy rates at all of the comparable properties in the past two years. In general, the comparable properties experienced stable to decreasing vacancy from 2015 through the second quarter of 2017. The property reporting the highest current vacancy, M Street Apartments, reported a higher vacancy of 8.1 in the second quarter of 2016. Vacancy at this property has decreased since the time of our last interview. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low to moderate vacancy rates, indicate demand for affordable rental housing in the Subject's market.

Change in Rental Rates

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

RENT GROWTH

Comparable Property	Rent Structure	Rent Growth
Avalon Park - Family	LIHTC, Market	Market rate increased 6 to 9 percent
Centennial Place Apartments	LIHTC, Market	Increased up to 2 percent
Columbia Crest	LIHTC, PHA, Market	None
Columbia Estates	LIHTC, PHA, Market	Market rents increased 10 percent
Columbia Park Citi	LIHTC, PHA, Market, Non-Rental	Market rents increased 11 percent
M Street Apartments	LIHTC, Market	Changes frequently
The Residences At Citycenter	LIHTC, Market	Increased up to 15 percent
1016 Lofts	Market	Increased up to 5 percent
Intown Lofts	Market	Increased up to 8 percent
Stonewall Lofts	Market	Increased up to 17 percent

The LIHTC properties have reported growth of up to two percent in their LIHTC units in the past year. The market rate properties reported rent growth of up to 17 percent. Given the low vacancy rates and waiting lists at the mixed-income properties, we anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 1,588 housing units nationwide was in some stage of foreclosure as of April 2017. The city of Atlanta is experiencing a foreclosure rate of one in every 1,828 homes, while Fulton County is experiencing foreclosure rate of one in every 1,982 homes and Georgia experienced one foreclosure in every 1,898 housing units. Overall, Atlanta is experiencing a lower foreclosure rate than the nation but a higher foreclosure rate than Fulton County and the state of Georgia. While some abandoned and vacant structures exist in the Subject neighborhood, occupancy levels at the LIHTC comparables indicate that they will not impact the marketability at the Subject.

12. Primary Housing Void

Avalon Park – Family, a family, mixed-income property in Atlanta, maintains a waiting list for LIHTC units estimated to be a few months in length. Additionally, the contact at Columbia Crest indicated that the property maintains a waiting list for subsidized units approximately two years in length. The property manager at Columbia Estates similarly reported a lengthy waiting list for the property’s subsidized units, and stated that demand for affordable housing in the area is extremely high. The contact at Columbia Park Citi also reported a lengthy waiting list for subsidized units and a shorter waiting list for LIHTC units. M Street Apartments also maintains a waiting list for its LIHTC units, and the contact there reported high demand for low-income rental housing in the area. These waiting lists indicate unmet demand for affordable housing in the market.

13. Effect of Subject on Other Affordable Units in Market

Capture rates for the Subject are considered low for all bedroom types and AMI levels. If allocated, the Subject will be similar to superior to the existing LIHTC housing stock. The average LIHTC vacancy rate is healthy as all LIHTC units are currently fully-occupied. Vacancies at mixed-income properties are in market-rate units. Four of the mixed-income properties maintain waiting lists for LIHTC units. Two properties were allocated in 2014 and 2015 and both have been completed. Centennial Place II and III are located on Pine Street and Merritts Avenue and offer 170 and 185 units, respectively. These properties are the second and third phase of the property known as Centennial Place Apartments, which is used as a comparable in our analysis. Therefore, because they have been completed and reached lease-up, the units at Centennial Place II and III have not been deducted from our demand analysis. Given the current full occupancy and waiting lists at the LIHTC properties, it appears there is demand for additional LIHTC housing in the market. We do not believe that the addition of the Subject to the market will impact the existing LIHTC properties that are in

overall good condition and currently performing well. We do not believe the Subject will have any adverse impact on any assisted rental housing properties in the market area.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Capture rates for the Subject are considered low for all units at all levels. If allocated, the Subject will be similar to superior to the existing LIHTC housing stock. The LIHTC comparables are currently fully-occupied and four report maintaining waiting lists. These factors indicate demand for affordable housing in the market. The Subject will offer microwaves, business center/computer lab, clubhouse/meeting room, elevators, community garden, and recreation areas, which many of the comparables do not offer. However, the Subject will not offer exterior storage, washer/dryer units, garage parking, a picnic area, or a swimming pool, which many of the comparables offer. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered superior in terms of condition to all of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be similar to superior to the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and low vacancy at the LIHTC comparable properties, we believe that the Subject is feasible as proposed and will perform well.

I. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

We were not able to obtain absorption information from LIHTC properties in our comparable set; thus, we have expanded our search to include family LIHTC properties in the Metropolitan Atlanta area in Fulton and DeKalb County. This absorption data is illustrated in the following table.

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Station R Apartments	Market	Family	2016	285	14
The Meridian at Redwine	Market	Family	2016	258	17
Mills Creek Crossing	LIHTC	Family	2015	200	17
Columbia Mill	LIHTC	Family	2014	100	20
Parkside at Mechanicsville	LIHTC	Family	2012	196	60
Retreat at Edgewood Phase II	LIHTC	Family	2012	40	12
Retreat at Edgewood	LIHTC	Family	2011	100	20
Average					23

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is proposed new construction. The absorption rate at the comparables presented range from 12 units to 60 units per month. The most recent family LIHTC properties constructed, Mills Creek Crossing and Columbia Mill, reported absorption rates of 17 and 20 units per month, respectively. As new construction, the Subject is likely to experience an absorption pace similar to this most recently constructed properties. We believe the Subject would likely experience an absorption pace of 20 units per month for an absorption period of approximately two to three months.

J. INTERVIEWS

Atlanta Housing Authority

We made several attempts to contact the Atlanta Housing Authority, but were unable to speak to a representative. Currently, the city’s Housing Choice Voucher Waiting list is closed. According to the authority’s website, the list was most recently open from March 15 to March 21, 2017. As of 2016, the housing authority issued 10,013 tenant-based vouchers and 5,051 project-based vouchers. The payment standards for the Atlanta Metro area are listed below.

PAYMENT STANDARDS	
Unit Type	Standard
One-bedroom	\$1,550
Two-bedroom	\$1,800
Three-bedroom	\$2,350

Source: Atlanta Housing Authority, effective July 2016

The Subject’s proposed LIHTC rents are set below the current payment standards. Therefore, tenants with Housing Choice Vouchers will not pay out of pocket for rent.

Planning

We contacted both the Office of Buildings and the Office of Zoning and Development for the City of Atlanta to determine any multifamily developments that are currently planned, proposed, or under construction in the greater Atlanta area. Neither the Office of Zoning and Development nor the Office of Buildings were able to provide information regarding planned, under construction, or recently completed multifamily developments in the area. As such, we have consulted REIS reports for the area. Our findings are summarized below.

Fulton Supply Lofts is currently under construction at 324 Nelson Street NW in Atlanta. This property is the rehabilitation of an existing historic building and will offer 74 one and two-bedroom market-rate units upon completion. Some units will have a multi-level townhome style. Post Centennial Park Apartment is currently under construction at the corner of Centennial Olympic Park and Baker Street NW and will offer 285 units upon completion. All studio, one, two, and three-bedroom units will be offered at market rates. Castleberry Park is currently under construction on the corner of Magnum Street and Mitchell Street, and will offer 125 units upon completion. Though the unit configuration is currently unknown, the project will offer all units at market rates. This is a mixed-use development that will include a 200-room Hard Rock brand hotel and ground level commercial space for restaurants and other retail.

Invest Atlanta Development Authority

We spoke with Randi Mason, Manager with the Invest Atlanta Development Authority, about business expansions and openings in the Atlanta Metro area. Ms. Mason was able to provide a list of more than 100 business expansions and openings in the past several years. We have supplemented this list with more recent announcements about business expansions in the metro area. Our findings are detailed in the table below.

EXPANSIONS/NEW ADDITIONS - FULTON COUNTY, GA 2015-2017

Company Name	Industry	Jobs Added
Comodo	Information Technology Services	Unknown
Apollo Tyres Ltd	Manufacturing	Unknown
Athenahealth, Inc.	Healthcare	1,000
Mercedes-Benz	Automotive	950
Kaiser Permanente	Healthcare	900
Equifax	Information Technology Services	650
Lincoln Financial Group	Financial Services	600
Sonoco Products Company	Packaging	500
Sage	Information Technology Services	400
Stefanini	Information Technology Services	400
InComm	Information Technology Services	275
Flexport	Transportation/Warehousing	200
N3	Communications	200
Amtrak	Transportation	200
NIIT Technologies	Information Technology Services	200
Backbase	Financial Services	150
Comcast	Communications	150
Merhchang e-Solutions	Information Technology Services	140
Primetals Technologies	Integrated Electrics	140
Riskalyze	Information Technology Services	120
CSM Bakery Solutions	Food Processing	120
Serta Simmons Bedding, Inc.	Manufacturing	110
Aptos	Retail Trade	108
Courion	Information Technology Services	100
Varian Medical Systems, Inc.	Healthcare	100
Digital Intelligence Systems	Information Technology Services	100
Hi-Rez Studios	Recreation and entertainment	100
Intelligrated	Manufacturing	100
Ionic Security	Information Technology Services	100
Patientco	Healthcare	100
Prime Revenue, Inc.	Financial Services	100

Source: Invest Atlanta Development Authority, May 2017.

Additional interviews can be found in the comments section of the property profiles.

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

The population in the PMA and the MSA increased from 2010 to 2017, outpacing population growth in the nation over the same period. The rate of population growth in the PMA and the MSA is projected to increase significantly between 2017 and market entry 2019. The current population of the PMA is 148,890 and is expected to be 153,205 in 2019. Renter households are concentrated in the lowest income cohorts, with 72.7 percent of renters in the PMA earning less than \$40,000 annually. The Subject will target households earning up to \$43,740 for its LIHTC units and up to \$72,900 for its market-rate units. Therefore, the Subject should be well-positioned to service this market. Overall, while recent and projected population growth has been modest, the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

Employment Trends

Employment in the PMA is concentrated in four industries which represent approximately 49 percent of total local employment. Two of these industries, educational services and healthcare/social assistance, are resilient during periods of economic downturn. New business openings and expansions have brought more than 8,000 jobs to the Atlanta area in recent years.

As of 2015, total employment in the MSA exceeded pre-recessionary levels. Furthermore, the total employment growth in the MSA from December 2015 to December 2016 increased by 4.4 percent in the MSA compared to an increase of 1.4 percent nationally during the same time period. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels. Overall, the increasing total employment and decreasing unemployment rate are positive signs for the local economy, which bodes well for affordable housing demand in the area. The growing local economy is a positive indicator of demand for rental housing and the Subject's proposed units.

Capture Rates

The following table illustrates the demand and capture rates for the Subject's proposed units.

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents*
1BR at 50% AMI	\$21,703	\$27,000	3	1,607	0	1,607	0.2%	\$633
1BR at 60% AMI	\$26,023	\$32,400	8	1,631	0	1,631	0.5%	\$759
1BR Unrestricted	\$27,429	\$54,000	2	2,661	0	2,661	0.1%	\$800
1BR Overall Affordable	\$21,703	\$32,400	11	2,153	0	2,153	0.5%	-
1BR Overall Project	\$21,703	\$54,000	13	3,353	0	3,353	0.4%	-
2BR at 50% AMI	\$26,057	\$30,400	6	1,244	0	1,244	0.5%	\$760
2BR at 60% AMI	\$31,269	\$36,480	21	1,263	0	1,263	1.7%	\$912
2BR Unrestricted	\$32,571	\$60,800	2	2,060	0	2,060	0.1%	\$950
2BR Overall Affordable	\$26,057	\$36,480	27	1,666	0	1,666	1.6%	-
2BR Overall Project	\$26,057	\$60,800	29	2,596	0	2,596	1.1%	-
3BR at 50% AMI	\$30,069	\$36,450	2	523	0	523	0.4%	\$877
3BR at 60% AMI	\$36,103	\$43,740	7	530	0	530	1.3%	\$1,053
3BR Unrestricted	\$37,714	\$72,900	2	866	0	866	0.2%	\$1,100
3BR Overall Affordable	\$30,069	\$43,740	9	700	0	700	1.3%	-
3BR Overall Project	\$30,069	\$72,900	11	1,091	0	1,091	1.0%	-
50% AMI Overall	\$21,703	\$36,450	11	3,375	0	3,375	0.3%	-
60% AMI Overall	\$26,023	\$43,740	36	3,424	0	3,424	1.1%	-
Unrestricted Overall	\$27,429	\$72,900	6	5,587	0	5,587	0.1%	-
Overall Affordable	\$21,703	\$43,740	47	4,519	0	4,519	1.0%	-
Overall Project	\$21,703	\$72,900	53	7,039	0	7,039	0.8%	-

*In this scenario, proposed LIHTC rents are LIHTC maximum allowable rents at each AMI level.

We believe these calculated capture rates are reasonable in both scenarios, particularly as these calculations do not consider demand from outside the PMA or standard rental household turnover.

Absorption

We were not able to obtain absorption information from LIHTC properties in our comparable set; thus, we have expanded our search to include family LIHTC properties in the Metropolitan Atlanta area in Fulton and DeKalb County. This absorption data is illustrated in the following table.

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
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Retreat at Edgewood Phase II	LIHTC	Family	2012	40	12
Retreat at Edgewood	LIHTC	Family	2011	100	<u>20</u>
Average					23

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is proposed new construction. The absorption rate at the comparables presented range from 12 units to 60 units per month. The most recent family LIHTC properties constructed, Mills Creek Crossing and Columbia Mill, reported absorption rates of 17 and 20 units per month, respectively. As new construction, the Subject is likely to experience an absorption pace similar to this most recently constructed properties. We believe the Subject would likely experience an absorption pace of 20 units per month for an absorption period of approximately two to three months.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Avalon Park - Family	LIHTC, Market	175	4	2.3%
Centennial Place Apartments	LIHTC, Market	738	15	2.0%
Columbia Crest	LIHTC, PHA, Market	152	0	0.0%
Columbia Estates	LIHTC, PHA, Market	124	0	0.0%
Columbia Park Citi	LIHTC, PHA, Market, Non-Rental	154	3	1.9%
M Street Apartments	LIHTC, Market	308	17	5.5%
The Residences At Citycenter	LIHTC, Market	182	1	0.5%
1016 Lofts	Market	265	12	4.5%
Intown Lofts	Market	87	3	3.4%
Stonewall Lofts	Market	<u>38</u>	<u>2</u>	<u>5.3%</u>
Total LIHTC		283	0	0.0%
Total Market		727	61	8.4%
Total		2,223	57	2.6%

Overall vacancy in the market is moderate at 2.6 percent. Total LIHTC vacancy is lower, as all LIHTC units are fully-occupied. Vacant units at the mixed-income properties are in the market-rate units. Of note, total units

presented in the table above include subsidized units at the mixed-income properties. Market-rate vacancy is higher at 8.4 percent, which is considered moderate. The market-rate only properties in the comparable set exhibit a vacancy level of 4.4 percent, which is considered moderate. Total market rate vacancy accounts for vacant units at the mixed-income properties as well. Several of the mixed-income properties report maintaining waiting lists. The contact at Centennial Place Apartments reported that ongoing renovations keep a significant number of units vacant at the property. Ashby Park Apartments, a market-rate family property adjacent to the Subject but excluded as a comparable because of its inferior age and condition, currently has availability in one unit of each of its three bedroom types. This equates to a vacancy rate of 4.6 percent, which is considered moderate. The full occupancy in LIHTC units at the mixed-income properties and the waiting lists maintained at the mixed-income properties indicate demand for additional for rental housing in the Subject's PMA. As a newly constructed property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less.

Strengths of the Subject

Strengths of the Subject will include its location in close proximity to neighborhood retail and schools, which are located within 2.3 miles of the Subject. Single family homes in the general vicinity appear to have been built prior to 1970 and are in fair to good condition. Upon completion, the Subject will offer generally similar to slightly superior property amenities and inferior to generally similar in-unit amenities in comparison to the LIHTC and market-rate comparable properties. As the demand analysis in this report indicates, there is adequate demand for the Subject based on our calculations for all units at all levels.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Capture rates for the Subject are considered low for all units at all levels. If allocated, the Subject will be similar to superior to the existing LIHTC housing stock. The LIHTC comparables are currently fully-occupied and four report maintaining waiting lists. These factors indicate demand for affordable housing in the market. The Subject will offer microwaves, business center/computer lab, clubhouse/meeting room, elevators, community garden, and recreation areas, which many of the comparables do not offer. However, the Subject will not offer exterior storage, washer/dryer units, garage parking, a picnic area, or a swimming pool, which many of the comparables offer. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered superior in terms of condition to all of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be similar to superior to the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and low vacancy at the LIHTC comparable properties, we believe that the Subject is feasible as proposed and will perform well.

Recommendations

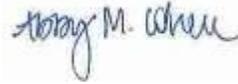
We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the Subject property and that information has been used in the full study of the need and demand for the proposed units. The report was written according to DCA's market study requirements, the information included is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



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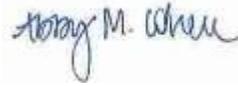
Michael Jones
Junior Analyst
Michael.Jones@novoco.com

M. MARKET STUDY REPRESENTATION

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



H. Blair Kincer, MAI
Partner
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Abby Cohen
Principal
Abby.Cohen@novoco.com



Brian Neukam
Manager
Brian.Neukam@novoco.com



Meg Southern
Junior Analyst
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Michael Jones
Junior Analyst
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ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the market analyst has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the market analyst did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or market study and are invalid if so used.
11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the market analyst. Nor shall the market analyst,

firm, or professional organizations of which the market analyst is a member be identified without written consent of the market analyst.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the market analyst is affiliated.
13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
15. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the market study report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all studies, Subject to satisfactory completion, repairs, or alterations, the report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the market analyst and contained in this report.
20. The party for whom this report is prepared has reported to the market analyst there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the market study, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The market analyst does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the property. The market analyst reserves the right to review and/or modify this market study if said insulation exists on the Subject property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

ADDENDUM B
Subject and Neighborhood Photographs

Photographs of Subject Site and Surrounding Uses



Current improvements to be razed



Current improvements to be razed



View east on Rock Street



View west on Rock Street



Quest Resource Center adjacent to Subject site



Quest Village III adjacent to Subject site



Subject site from Rock Street



Quest Veterans Village across Rock Street



View south on Joseph E Lowery Boulevard



View north on Joseph E Lowery Boulevard



Commercial use in the Subject's neighborhood



Vacant commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Restaurant in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family homes in the Subject's neighborhood



Commercial uses in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Fire station in the Subject's neighborhood



Bus stop north of the Subject site



Single-family home in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Quest Communities office building on Rock Street



Single-family home in the Subject's neighborhood

ADDENDUM C
Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No. CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. CGA.0020047 – State of Rhode Island
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as

if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA
Bachelor of Arts

II. Licensing and Professional Affiliation

Certified General Appraiser, MD License #40032823
Certified General Appraiser, NC License #A8127
Certified General Appraiser, NJ License #42RG00255000
Certified General Appraiser, SC License #7487

Candidate for Designation in the Appraisal Institute
Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

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

IV. Professional Training

7-Hour National USPAP Update, January 2017
Business Practices and Ethics, January 2017
General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
IRS Valuation Summit, October 2014
15-Hour National USPAP Equivalent, April 2013
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Publications

Co-authored "Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions," Novogradac Journal of Tax Credits, March 2016

VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, September 2015- Present

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

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

REAL ESTATE ASSIGNMENTS

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

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Meg Southern

I. Education

University of South Carolina – Columbia, SC Master of Arts,
Public History

College of William and Mary – Williamsburg, VA
Bachelor of Arts, Anthropology and History

II. Professional Experience

Junior Analyst, Novogradac & Company LLP, September 2016 – Present Contract
Researcher, Historic Columbia, May 2014 - September 2016

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing market studies and appraisals of proposed and existing Low-Income Housing Tax credit (LIHTC) properties
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and housing choice voucher information
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

MICHAEL JONES

I. Education

Louisiana State University- Baton Rouge, LA
Bachelor of Interdisciplinary Studies, Leadership & Society

II. Professional Experience

Junior Analyst, Novogradac & Company LLP, September 2016-Present
Lending & Disbursement Specialist I, Federal Home Loan Bank of Atlanta, May 2015-September 2015

III. Research Assignments

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

- Assist in performing and writing market studies and appraisals of proposed and existing Low-Income Housing Tax credit (LIHTC) properties
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and housing choice voucher information
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

ADDENDUM D
Summary Matrix

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Quest Commons West 291 Joseph E Lowery Atlanta, GA 30314 Fulton County	n/a	Garden (3 stories) Proposed	LHTC, Market	1BR / 1BA	3	5.7%	@50%	\$516	700	yes		N/A	N/A
					1BR / 1BA	8	15.1%	@60%	\$642	700	yes	N/A	N/A	
					1BR / 1BA	2	3.8%	Market	\$800	700	n/a	N/A	N/A	
					2BR / 2BA	6	11.3%	@50%	\$592	950	yes	N/A	N/A	
					2BR / 2BA	21	39.6%	@60%	\$744	950	yes	N/A	N/A	
					2BR / 2BA	2	3.8%	Market	\$950	950	n/a	N/A	N/A	
					3BR / 2BA	2	3.8%	@50%	\$655	1,100	yes	N/A	N/A	
					3BR / 2BA	7	13.2%	@60%	\$831	1,100	yes	N/A	N/A	
					3BR / 2BA	2	3.8%	Market	\$1,100	1,100	n/a	N/A	N/A	
										53	100.0%			
1	Avalon Park - Family 2798 Peek Rd Atlanta, GA 30318 Fulton County	3.7 miles	Garden (3 stories) 2008	LHTC, Market	1BR / 1BA	7	4.0%	@30%	\$259	700	yes	Yes	0	0.0%
					1BR / 1BA	11	6.3%	@50%	\$536	700	yes	Yes	0	0.0%
					1BR / 1BA	11	6.3%	@60%	\$675	700	yes	Yes	0	0.0%
					1BR / 1BA	11	6.3%	Market	\$839	700	n/a	No	0	0.0%
					2BR / 1BA	15	8.6%	@30%	\$273	1,044	yes	Yes	0	0.0%
					2BR / 1BA	25	14.3%	@50%	\$606	1,044	yes	Yes	0	0.0%
					2BR / 1BA	31	17.7%	@60%	\$773	1,044	yes	Yes	0	0.0%
					2BR / 1BA	29	16.6%	Market	\$999	1,044	n/a	No	2	6.9%
					3BR / 2BA	5	2.9%	@30%	\$276	1,218	yes	Yes	0	0.0%
					3BR / 2BA	8	4.6%	@50%	\$661	1,218	yes	Yes	0	0.0%
					3BR / 2BA	11	6.3%	@60%	\$853	1,218	yes	Yes	0	0.0%
					3BR / 2BA	11	6.3%	Market	\$1,179	1,218	n/a	No	2	18.2%
										175	100.0%			
2	Centennial Place Apartments 526 Centennial Olympic Park Drive Atlanta, GA 30313 Fulton County	1.5 miles	Various (3 stories) 1996/2001/2014	LHTC, Market	1BR / 1BA (Garden)	N/A	N/A	@60%	\$611	688	yes	No	N/A	N/A
					1BR / 1BA (Garden)	N/A	N/A	Market	\$975	688	n/a	No	N/A	N/A
					2BR / 1BA (Garden)	N/A	N/A	@60%	\$695	875	yes	No	N/A	N/A
					2BR / 1BA (Garden)	N/A	N/A	Market	\$1,083	875	n/a	No	N/A	N/A
					2BR / 1.5BA (Townhouse)	N/A	N/A	@60%	\$695	1,075	yes	No	N/A	N/A
					2BR / 1.5BA (Townhouse)	N/A	N/A	Market	\$1,483	1,075	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$755	1,050	yes	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$755	1,231	yes	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	\$1,153	1,050	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	\$1,211	1,231	n/a	No	N/A	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	@60%	\$764	1,441	yes	No	N/A	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	@60%	\$764	1,340	yes	No	N/A	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	Market	\$1,536	1,441	n/a	No	N/A	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	Market	\$1,711	1,340	n/a	No	N/A	N/A
					738	100.0%						15	2.0%	
3	Columbia Crest 1903 Drew Dr NW Atlanta, GA 30318 Fulton County	2.6 miles	Midrise (4 stories) 2005	LHTC, Market	1BR / 1BA	10	6.6%	@50% (PHA)	N/A	770	n/a	Yes	0	0.0%
					1BR / 1BA	8	5.3%	@60%	\$596	770	yes	No	0	0.0%
					1BR / 1BA	18	11.8%	Market	\$899	770	n/a	No	0	0.0%
					2BR / 2BA	24	15.8%	@50% (PHA)	N/A	1,066	n/a	Yes	0	0.0%
					2BR / 2BA	16	10.5%	@60%	\$678	1,066	yes	No	0	0.0%
					2BR / 2BA	32	21.1%	Market	\$1,049	1,066	n/a	No	0	0.0%
					3BR / 2BA	16	10.5%	@50% (PHA)	N/A	1,318	n/a	Yes	0	0.0%
					3BR / 2BA	12	7.9%	@60%	\$744	1,318	yes	No	0	0.0%
					3BR / 2BA	16	10.5%	Market	\$1,099	1,318	n/a	No	0	0.0%
										152	100.0%			
4	Columbia Estates 1710 Noel Street NW Atlanta, GA 30318 Fulton County	3 miles	Various 2004	LHTC, Market	2BR / 2.5BA (Townhouse)	36	29.0%	@50% (PHA)	N/A	1,274	n/a	Yes	0	0.0%
					2BR / 2.5BA (Townhouse)	7	5.6%	@60%	\$678	1,274	yes	No	0	0.0%
					2BR / 2.5BA (Townhouse)	43	34.7%	Market	\$1,049	1,274	n/a	No	0	0.0%
					3BR / 2BA (Garden)	14	11.3%	@50% (PHA)	N/A	1,444	n/a	Yes	0	0.0%
					3BR / 2BA (Garden)	5	4.0%	@60%	\$744	1,444	yes	No	0	0.0%
					3BR / 2BA (Garden)	19	15.3%	Market	\$1,099	1,444	n/a	No	0	0.0%
					124	100.0%						0	0.0%	
5	Columbia Park Citi 921 Westmoreland Circle Atlanta, GA 30318 Fulton County	2.7 miles	Midrise (4 stories) 2005	LHTC, Market, Non-Rental	2BR / 2BA	46	29.9%	@50% (PHA)	N/A	1,069	n/a	Yes	0	0.0%
					2BR / 2BA	14	9.1%	@60%	\$643	1,069	yes	Yes	0	0.0%
					2BR / 2BA	54	35.1%	Market	\$1,183	1,069	n/a	No	2	3.7%
					2BR / 2BA	1	0.6%	Non-Rental	N/A	1,069	n/a	No	0	0.0%
					3BR / 2BA	15	9.7%	@50% (PHA)	N/A	1,308	n/a	Yes	0	0.0%
					3BR / 2BA	5	3.2%	@60%	\$709	1,308	yes	Yes	0	0.0%
					3BR / 2BA	18	11.7%	Market	\$1,441	1,308	n/a	No	1	5.6%
					3BR / 2BA	1	0.6%	Non-Rental	N/A	1,308	n/a	No	0	0.0%
					154	100.0%						3	1.9%	

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate					
Subject	Quest Commons West 291 Joseph E Lowery Atlanta, GA 30314 Fulton County	n/a	Garden (3 stories) Proposed	LIHTC, Market	1BR / 1BA	3	5.7%	@50%	\$516	700	yes		N/A	N/A					
					1BR / 1BA	8	15.1%	@60%	\$642	700	yes		N/A	N/A					
					1BR / 1BA	2	3.8%	Market	\$800	700	n/a		N/A	N/A					
					2BR / 2BA	6	11.3%	@50%	\$592	950	yes		N/A	N/A					
					2BR / 2BA	21	39.6%	@60%	\$744	950	yes		N/A	N/A					
					2BR / 2BA	2	3.8%	Market	\$950	950	n/a		N/A	N/A					
					3BR / 2BA	2	3.8%	@50%	\$655	1,100	yes		N/A	N/A					
					3BR / 2BA	7	13.2%	@60%	\$831	1,100	yes		N/A	N/A					
					3BR / 2BA	2	3.8%	Market	\$1,100	1,100	n/a		N/A	N/A					
										53	100.0%							N/A	N/A
6	M Street Apartments 950 Marietta Street Atlanta, GA 30318 Fulton County	1.2 miles	Garden (3 stories) 2004	LIHTC, Market	Studio / 1BA	N/A	N/A	@50%	\$790	561	yes	Yes	0	N/A					
					Studio / 1BA	N/A	N/A	Market	\$1,058	561	n/a	No	0	N/A					
					1BR / 1BA	N/A	N/A	@50%	\$825	886	yes	Yes	0	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,322	886	n/a	No	8	N/A					
					2BR / 2BA	N/A	N/A	@50%	\$920	955	yes	Yes	0	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,503	955	n/a	No	4	N/A					
					3BR / 3BA	N/A	N/A	@50%	\$1,112	1,275	yes	Yes	0	N/A					
					3BR / 3BA	N/A	N/A	Market	\$2,215	1,275	n/a	No	5	N/A					
										308	100.0%							17	5.5%
					7	The Residences At Citycenter 55 Maple Street Nw Atlanta, GA 30314 Fulton County	0.7 miles	Garden (3 stories) 1993	LIHTC, Market	1BR / 1BA	24	13.2%	Market	\$727	575	n/a	None	0	0.0%
1BR / 1BA	24	13.2%	Market	\$827						722	n/a	None	1	4.2%					
2BR / 1BA	24	13.2%	@60%	\$721						848	no	Yes	0	0.0%					
2BR / 1BA	12	6.6%	Market	\$718						848	n/a	None	0	0.0%					
2BR / 2BA	24	13.2%	@60%	\$721						950	no	Yes	0	0.0%					
2BR / 2BA	24	13.2%	@60%	\$721						968	no	Yes	0	0.0%					
2BR / 2BA	12	6.6%	Market	\$726						950	n/a	None	0	0.0%					
2BR / 2BA	14	7.7%	Market	\$783						968	n/a	None	0	0.0%					
3BR / 2BA	24	13.2%	Market	\$937						1,150	n/a	None	0	0.0%					
										182	100.0%							1	0.5%
8	1016 Lofts 1016 Howell Mill Rd Atlanta, GA 30318 Fulton County	1.5 miles	Midrise (6 stories) 2003	Market	Studio / 1BA	N/A	N/A	Market	\$1,114	630	n/a	No	2	N/A					
					Studio / 1BA	N/A	N/A	Market	\$1,440	630	n/a	No	1	N/A					
					Studio / 1BA	N/A	N/A	Market	\$1,295	649	n/a	No	1	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,162	720	n/a	No	0	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,536	972	n/a	No	2	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,736	1,278	n/a	No	0	N/A					
					2BR / 1BA	N/A	N/A	Market	\$1,505	972	n/a	No	0	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,794	1,218	n/a	No	2	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,877	1,367	n/a	No	4	N/A					
										265	100.0%							12	4.5%
9	Intown Lofts 170 Northside Drive SW Atlanta, GA 30313 Fulton County	1.2 miles	Midrise (5 stories) 2001	Market	1BR / 1BA	5	5.7%	Market	\$913	730	n/a	No	1	20.0%					
					1BR / 1BA	12	13.8%	Market	\$1,041	828	n/a	No	0	0.0%					
					1BR / 1BA	8	9.2%	Market	\$1,191	976	n/a	No	0	0.0%					
					1BR / 1BA	6	6.9%	Market	\$1,402	1,000	n/a	No	0	0.0%					
					2BR / 2BA	6	6.9%	Market	\$1,169	985	n/a	No	0	0.0%					
					2BR / 2BA	11	12.6%	Market	\$1,306	1,110	n/a	No	2	18.2%					
					2BR / 2BA	6	6.9%	Market	\$1,266	1,120	n/a	No	0	0.0%					
					2BR / 2BA	7	8.0%	Market	\$1,401	1,170	n/a	No	0	0.0%					
					2BR / 2BA	6	6.9%	Market	\$1,413	1,180	n/a	No	0	0.0%					
					2BR / 2BA	7	8.0%	Market	\$1,445	1,230	n/a	No	0	0.0%					
					87	100.0%							3	3.4%					
10	Stonewall Lofts 450 Stonewall Street SW Atlanta, GA 30313 Fulton County	1.2 miles	Midrise (5 stories) 2004	Market	Studio / 1BA	2	5.3%	Market	\$838	631	n/a	No	0	0.0%					
					Studio / 1BA	3	7.9%	Market	\$1,006	729	n/a	No	0	0.0%					
					1BR / 1BA	7	18.4%	Market	\$990	792	n/a	No	0	0.0%					
					1BR / 1BA	7	18.4%	Market	\$1,182	1,008	n/a	No	0	0.0%					
					1BR / 1BA	5	13.2%	Market	\$1,220	1,095	n/a	No	0	0.0%					
					1BR / 1BA	1	2.6%	Market	\$1,537	1,435	n/a	No	0	0.0%					
					2BR / 2BA	5	13.2%	Market	\$1,228	1,030	n/a	No	0	0.0%					
					2BR / 2BA	3	7.9%	Market	\$964	1,092	n/a	No	1	33.3%					
					2BR / 2BA	3	7.9%	Market	\$1,162	1,132	n/a	No	1	33.3%					
					2BR / 2BA	2	5.3%	Market	\$1,627	1,296	n/a	No	0	0.0%					
					38	100.0%							2	5.3%					



May 23, 2017

Mr. Jim Grauley
Quest Commons at Historic Vine City, LP
1718 Peachtree Street NW, Suite 684
Atlanta, Georgia 30309

Via Email: jgrauley@columbiare.com

RE: HUD and HOME Site and Neighborhood Standards Letter for Quest Commons West Apartments in Atlanta, GA.

Dear Mr. Grauley:

Pursuant to your request, Novogradac & Company LLP has performed a letter in compliance with the 2017 HUD and HOME Site and Neighborhood Standards Certification Form. The scope of work for this letter is detailed below.

- Provide a HUD and HOME Site and Neighborhood Standards letter.
- This letter will include detailed documentation to show that there is an overriding housing need in the area of the proposed project or that there are sufficient and comparable housing opportunities for minorities outside of the area.

HUD's Site and Neighborhood Standards of 24 CFR 941.202, 24 CFR 983.57 and 24 CFR 92.202 apply to the new construction and acquisition with rehabilitation of rental housing that will utilize HOME and/or HUD funds. Applicants for HOME and/or HUD funding will be required to meet Georgia Department of Community Affairs (GA DCA) site selection and approval process requirements before being approved for HOME and/or HUD funding. If the Subject site is within an area of minority concentration (an area that has 50 percent or more minorities), the applicant must submit convincing documentation to show that there is an overriding housing need in the area of the proposed project or that there are sufficient and comparable housing opportunities for minorities outside of the area. The Subject site is within an area of minority concentration, and it falls within an area of overriding housing need. For the purpose of this letter, we will show that there is an overriding need for low-income housing in the proposed area.

Conclusion

The Subject’s census tract and the surrounding census tracts illustrate a significant minority concentration. As of 2017, 84.5 percent of the housing stock in the Subject’s census tract was constructed before 1980, and approximately 80 percent of renter households in the census tract earn less than \$40,000 annually. The percentage of renter-occupied housing units in the Subject’s census tract is projected to increase between 2017 and 2021. This indicates that there is a lack of newly constructed developments in the Subject’s census tract for low-income renter households.

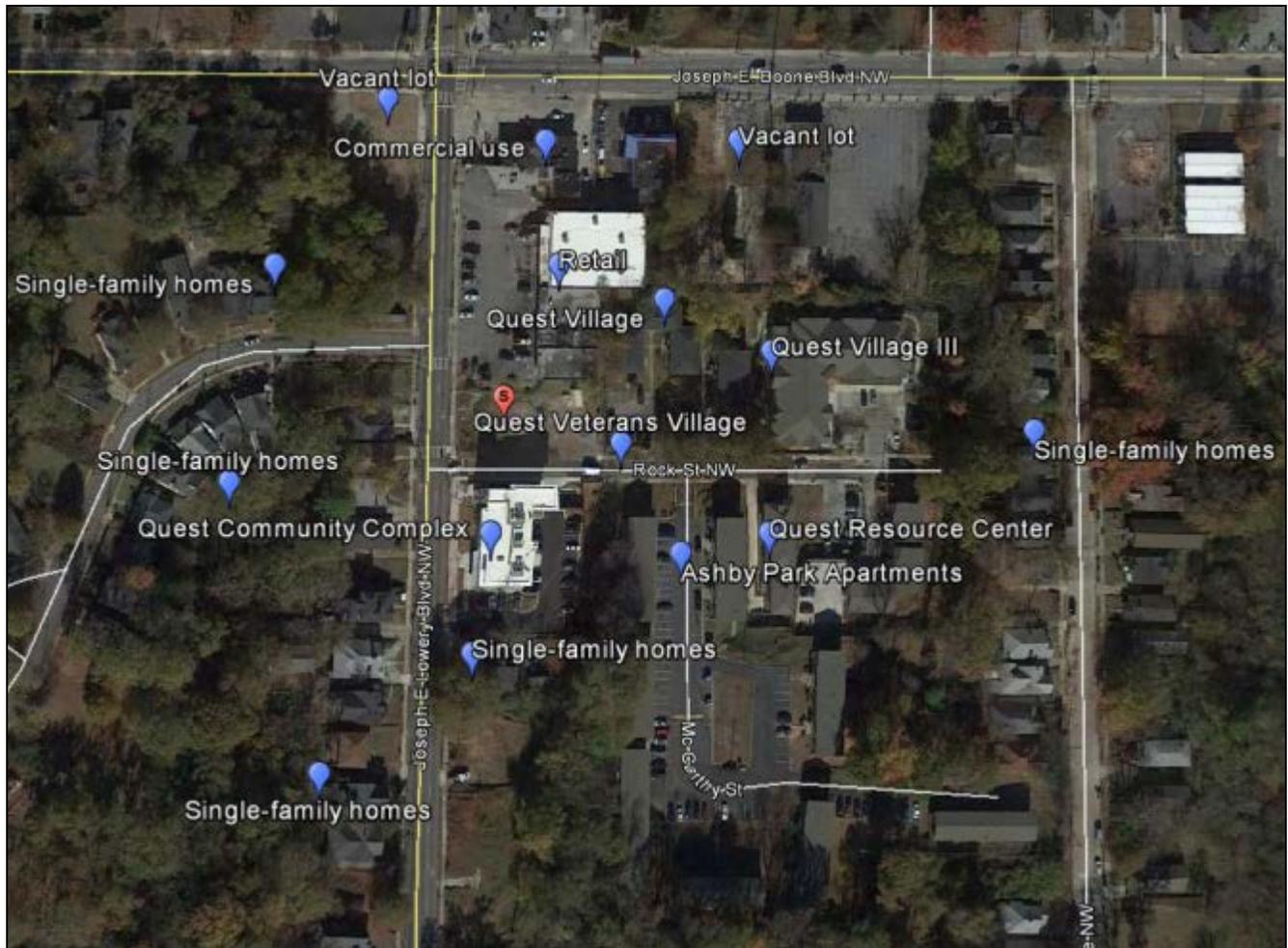
All of the comparable LIHTC properties located in census tracts with moderate to high minority concentrations have vacancy rates ranging from 0.5 to 5.5 percent, with an average vacancy rate of 2.6 percent. Overall, we believe that there is a demonstrated housing need for newly developed affordable housing properties in the area, such as the Subject.

Neighborhood Overview

The following maps illustrate the Subject site and immediate surrounding uses in the Subject’s neighborhood.



QUEST COMMONS WEST APARTMENTS – ATLANTA, GEORGIA – HUD NEIGHBORHOOD LETTER



The Subject site is located along the north side of Rock Street in Atlanta, Fulton County, Georgia. The Subject has good access and visibility and views include surrounding residential uses. The Subject site is currently comprised of an existing small multifamily use, a portion of a multi-tenant retail center in fair condition, and vacant land. The neighborhood surrounding the Subject consists mostly of single-family and multi-family residential uses. While the single family homes are in generally fair to average condition, there are several new properties located on Rock Street. The Subject's neighborhood appears to be a good location for new multifamily development. Most desirable locational amenities are located within 2.3 miles of the Subject site including a grocery store, public transportation, a public library, public schools, and a hospital.

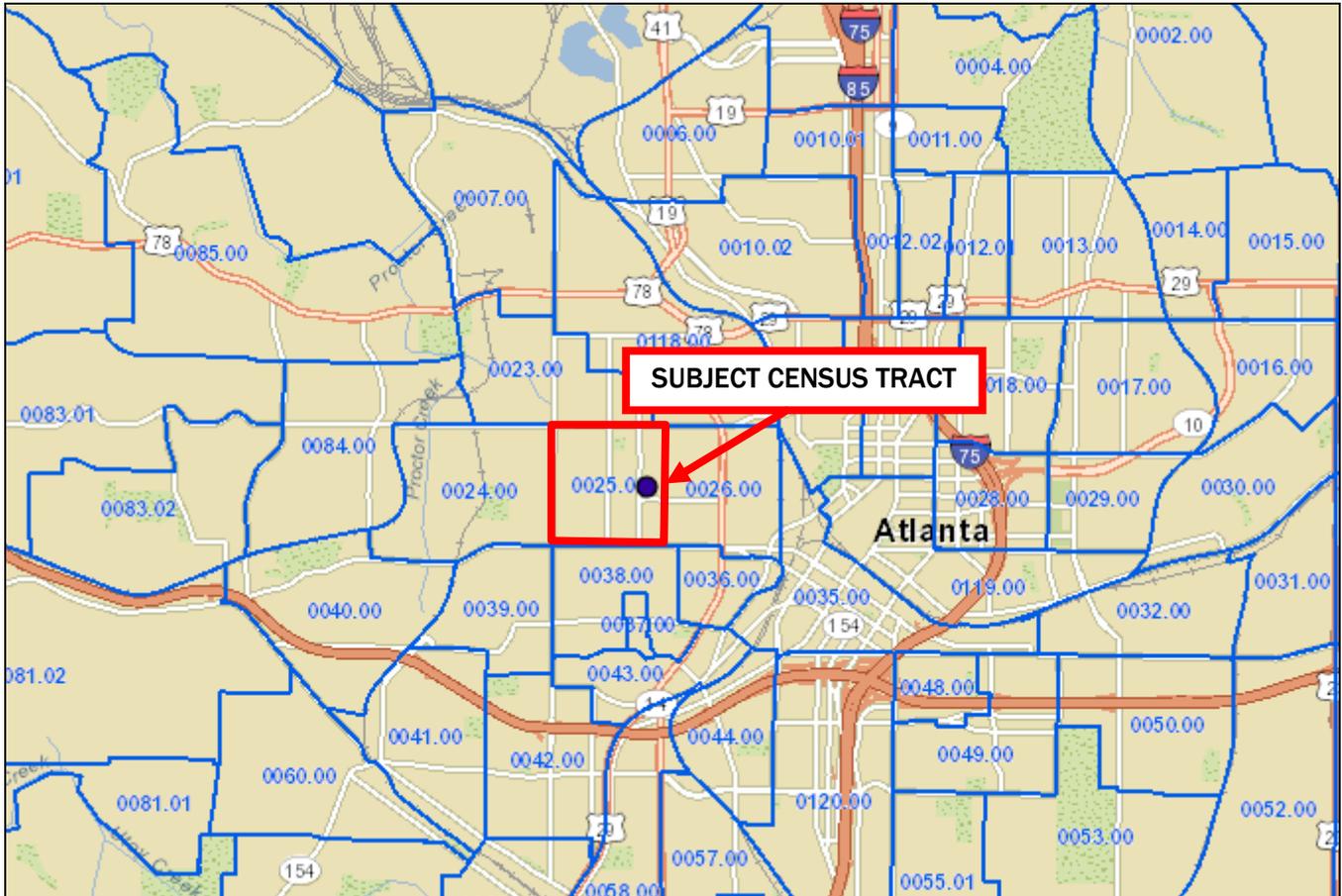
The Subject site is in a mixed-use neighborhood with surrounding land uses consisting of single-family homes in fair to average condition and commercial and retail uses in fair to average condition. Based on our inspection of the neighborhood, retail and commercial uses appeared to be approximately 85 percent occupied. The Subject has a *Walk Score* rating of 68 out of 100, which is considered "Somewhat Walkable." The total crime indices in the PMA are elevated and well above that of the MSA and the nation. The Subject will offer limited access and video surveillance as security features. We believe the proposed security features will be sufficient to deter crime at the property. The Subject site is considered a desirable building site for rental housing.

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

QUEST COMMONS WEST APARTMENTS – ATLANTA, GEORGIA – HUD NEIGHBORHOOD LETTER

Overview/Areas of Minority Concentration

Quest Commons West Apartments (Subject) is a proposed new construction multifamily development that will be restricted to families earning 50 and 60 percent of AMI or less and will be located in Atlanta, Fulton County, Georgia. The Subject site is currently occupied by an existing small multifamily use, a portion of a multi-tenant retail center in fair condition, and vacant land. The following map and table detail the Subject’s census tract, as well as the surrounding tracts.



Tract Code	Tract Income Level	Distressed or Under Served Tract	2015 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	2015 Est. Tract Median Family Income	2010 Tract Median Family Income	Tract Median Family Income %	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1-to-4 Family Units
0025.00	Low	No	\$67,200	\$27,250	\$27,321	40.55%	1,904	97.85%	1,863	114	553
0038.00	Low	No	\$67,200	\$30,132	\$30,214	44.84%	3,967	99.50%	3,947	60	248
0039.00	Low	No	\$67,200	\$22,761	\$22,824	33.87%	1,331	98.12%	1,306	199	648
0024.00	Moderate	No	\$67,200	\$35,414	\$35,508	52.70%	2,273	96.92%	2,203	426	1,245
0023.00	Low	No	\$67,200	\$20,100	\$20,156	29.91%	1,476	97.63%	1,441	195	1,100
0118.00	Low	No	\$67,200	\$21,585	\$21,641	32.12%	2,655	89.68%	2,381	98	499
0026.00	Low	No	\$67,200	\$18,789	\$18,841	27.96%	914	97.81%	894	64	223
0036.00	Low	No	\$67,200	\$20,778	\$20,833	30.92%	1,207	92.71%	1,119	67	111

Source: FFIEC.gov, April 2017

The Subject site is located along the north side of Rock Street in Atlanta, Fulton County, Georgia and within Census Tract 0025.00. The minority concentration in the Subject’s Census Tract is 97.85 percent. The

QUEST COMMONS WEST APARTMENTS – ATLANTA, GEORGIA – HUD NEIGHBORHOOD LETTER

following tables illustrate the census tract data required by GA DCA for the Subject’s census tract. This includes total households, tenure type, income group, housing condition (age of housing stock) and race of residents.

POPULATION

Year		Census Tract 0025.00	
		<i>Number</i>	<i>Annual Change</i>
2000		1,981	-
2010		1,904	-0.4%
2017		2,226	2.3%
2021		2,488	2.4%

Source: Esri Demographics 2017, Novogradac & Company LLP, May 2017

HOUSEHOLDS

Year		Census Tract 0025.00	
		<i>Number</i>	<i>Annual Change</i>
2000		764	-
2010		779	0.2%
2017		902	2.2%
2021		1,005	2.3%

Source: Esri Demographics 2017, Novogradac & Company LLP, May 2017

TENURE PATTERNS CENSUS TRACT 0025.00

Year	Owner-Occupied	Percentage Owner-	Renter-Occupied	Percentage Renter-
	Units	Occupied	Units	Occupied
2000	172	22.5%	592	77.5%
2017	153	17.0%	749	83.0%
2021	167	16.6%	838	83.4%

Source: Esri Demographics 2017, Novogradac & Company LLP, May 2017

The total population within the Subject’s census tract increased approximately 2.3 percent annually between 2010 and 2017. Additionally, the total number of households within the Subject’s census tract increased approximately 2.2 percent annually over the same time period. The vast majority of the population within the Subject’s census tract resides in renter-occupied units. The percentage of renter-occupied households is expected to increase by approximately 0.4 percent between 2017 and 2021. The large percentage of renter-occupied housing units, in addition to the increasing number of households within the Subject’s census tract bode well for the Subject.

The following table illustrates the age of the housing stock in the census tract.

AGE OF HOUSING STOCK IN CENSUS TRACT 0025.00

Years	Number of Units	Percent of Housing Stock
1999-3/2000	12	1.2%
1995-1998	20	2.0%
1990-1994	39	3.9%
1980-1989	85	8.5%
1970-1979	68	6.8%
1960-1969	154	15.3%
1950-1959	280	27.9%
1940-1949	139	13.8%
1939 and Before	207	20.6%
Total	1,004	100.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, May 2017

The majority of the housing stock in the Subject’s census tract was built pre-1980 (84.5 percent). Additionally, few housing units have been constructed within the Subject’s census tract since 1999. This indicates that there is a significant lack of newly constructed developments in the Subject’s immediate area.

The table following illustrates the income distribution by tenure for renter households in the census tract.

RENTER HOUSEHOLD INCOME

Income Cohort	2017		2021		Annual Change 2017 to 2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	115	15.3%	111	13.3%	-1	-0.6%
\$10,000-19,999	227	30.3%	225	26.8%	0	-0.2%
\$20,000-29,999	161	21.5%	180	21.5%	4	2.4%
\$30,000-39,999	95	12.6%	110	13.1%	3	3.1%
\$40,000-49,999	61	8.2%	86	10.2%	5	8.0%
\$50,000-59,999	33	4.5%	41	4.9%	1	4.5%
\$60,000-74,999	35	4.7%	41	4.9%	1	3.1%
\$75,000-99,999	17	2.3%	23	2.7%	1	6.5%
\$100,000-124,999	3	0.4%	11	1.4%	2	59.6%
\$125,000-149,999	2	0.3%	4	0.5%	0	19.8%
\$150,000-199,999	0	0.0%	7	0.8%	1	0.0%
\$200,000+	0	0.0%	0	0.0%	0	0.0%
Total	749	100.0%	838	100.0%		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, May 2017

The table above illustrates that the majority of renters, approximately 80 percent, earn less than \$40,000 annually. This bodes well for the Subject, as its affordable units target renters earning between \$21,703 and \$43,740.

The following table illustrates the population by race in the Subject’s census tract, secondary market area (SMA), and nation. The Subject’s SMA is the Atlanta-Sandy Springs-Roswell, GA metropolitan statistical area (MSA). Hispanic is not a race as classified by the US Census. Therefore, we have included this information separately.

QUEST COMMONS WEST APARTMENTS – ATLANTA, GEORGIA – HUD NEIGHBORHOOD LETTER

2010 POPULATION BY RACE

	CENSUS TRACT 0025.00		SMA		USA	
Total	1,904	-	5,286,728	-	308,745,538	-
White	50	2.6%	2,933,464	55.5%	223,553,265	72.4%
Black	1,787	93.9%	1,712,121	32.4%	38,929,319	12.6%
American Indian	6	0.3%	18,017	0.3%	2,932,248	0.9%
Asian	7	0.4%	254,413	4.8%	14,674,252	4.8%
Pacific	0	0.0%	2,649	0.1%	540,013	0.2%
Other	9	0.5%	239,742	4.5%	19,107,368	6.2%
Two or More Races	45	2.4%	126,322	2.4%	9,009,073	2.9%
Total Hispanic	50	-	547,894	-	50,477,594	-
Hispanic: White	9	18.0%	248,893	45.4%	26,735,713	53.0%
Hispanic: Black	23	46.0%	27,943	5.1%	1,243,471	2.5%
Hispanic: American Indian	1	2.0%	7,238	1.3%	685,150	1.4%
Hispanic: Asian	1	2.0%	1,797	0.3%	209,128	0.4%
Hispanic: Pacific	0	0.0%	574	0.1%	58,437	0.1%
Hispanic: Other	7	14.0%	225,993	41.2%	18,503,103	36.7%
Hispanic: Two or More Races	9	18.0%	35,456	6.5%	3,042,592	6.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, May 2017

As illustrated in the previous table, 2.6 percent of the population in the Subject's census tract is white, while 93.9 percent is black. The Subject's census tract is projected to retain a significant minority population through 2021. Overall, the demographic trends indicate that the Subject's census tract will continue to consist of a predominantly minority population.

Comparable Properties

All of the census tracts within the Subject's submarket have a significant concentration of minority populations. The Subject will target low-income households earning between \$21,703 and \$43,740 annually. We have interviewed LIHTC properties in the immediate area. The comparable properties surveyed and their vacancy rates are located in the following table.

OVERALL VACANCY

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate	Census Tract	% Minority
Centennial Place Apartments	LIHTC, Market	738	15	2.0%	21.00	78.9%
M Street Apartments	LIHTC, Market	308	17	5.5%	10.02	38.6%
The Residences At Citycenter	LIHTC, Market	<u>182</u>	<u>1</u>	<u>0.5%</u>	26.00	97.8%
Total		1,403	37	2.6%		

Source: FFIEC.gov, May 2017

As illustrated, vacancy rates in the market range from 0.5 to 5.5 percent, with an average vacancy rate of 2.6 percent. Centennial Place Apartments reported that all of the affordable units are currently achieving maximum allowable rents and reported a vacancy rate of 2.0 percent. M Street Apartments reported the highest vacancy rate of 5.5 percent; however, the contact for the property reported that the property maintains a waiting list on the affordable units and that all of the affordable units at the property are achieving maximum allowable rents. The Residences at CityCenter reported the lowest vacancy rate of 0.5 percent. The property maintains a waiting list of undetermined length for the affordable units. Given the low vacancy rates in the submarket, in addition to extensive waiting lists at the comparable properties, we anticipate that the Subject will operate at five percent vacancy or less.

Conclusion

The Subject's census tract and the surrounding census tracts illustrate a significant minority concentration. As of 2017, 84.5 percent of the housing stock in the Subject's census tract was constructed before 1980, and approximately 80 percent of renter households in the census tract earn less than \$40,000 annually. The percentage of renter-occupied housing units in the Subject's census tract is projected to increase between 2017 and 2021. Additionally, the population is expected to continue to grow over this period as well. This indicates that there is a lack of newly constructed developments in the Subject's census tract for low-income renter households.

All of the comparable LIHTC properties located in census tracts with moderate to high minority concentrations have vacancy rates ranging from 0.5 to 5.5 percent, with an average vacancy rate of 2.6 percent. Overall, we believe that there is a demonstrated housing need for newly developed affordable housing properties in the area, such as the Subject.

Respectfully submitted,
Novogradac & Company LLP



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