



**NOVOGRADAC
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CERTIFIED PUBLIC ACCOUNTANTS

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

THE ONION PATCH

A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF: THE ONION PATCH

105 Melvin Page Drive
Vidalia, Toombs County, GA 30474

Effective Date: May 12, 2017
Report Date: May 22, 2017

Prepared for:
Mr. David S. Searles, Jr.
BJS Vidalia Transformation, LP
Beverly J. Searles Foundation, Inc.
5030 Nesbit Ferry Lane
Sandy Springs, GA 30350

Assignment Code: AEP600V.073

Prepared by:
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May 23, 2017

Mr. David S. Searles, Jr.
BJS Vidalia Transformation, LP
Beverly J. Searles Foundation, Inc.
5030 Nesbit Ferry Lane
Sandy Springs, GA 30350

Re: Market Conditions and Project Evaluations Summary for The Onion Patch, located in Vidalia, Toombs County, Georgia

Dear Mr. Searles:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Vidalia, 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 72-unit LIHTC and market-rate project. It will be a newly constructed affordable LIHTC and market-rate project with 72 revenue generating units. Of these, 15 units will be restricted to households earning 50 percent of the area median income (AMI), 35 will be restricted to households earning 60 percent of the AMI, and 22 will be market-rate units with no income restrictions. All 72 units will target the general population. 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.

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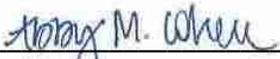
The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners. Please 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

The Onion Patch will be a newly constructed family property located at 105 Melvin Page Drive in Vidalia, Toombs County, Georgia. The Subject will consist of one three-story elevator served building and three single-story villas with four units each.

The following table illustrates the proposed unit mix and rents.

SUBJECT AS PROPOSED							
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2016 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>							
1BR/1BA	700	9	\$383	\$92	\$475	\$499	\$517
1BR/1BA Villa	750	1	\$383	\$92	\$475	\$499	\$517
2BR/2BA	1,000	5	\$459	\$117	\$576	\$600	\$596
<i>60% AMI</i>							
1BR/1BA	700	18	\$483	\$92	\$575	\$599	\$517
1BR/1BA Villa	750	1	\$483	\$92	\$575	\$599	\$517
2BR/2BA	1,000	13	\$579	\$117	\$696	\$720	\$596
2BR/2BA Villa	1,068	3	\$579	\$117	\$696	\$720	\$596
<i>Market Rate</i>							
1BR/1BA	700	7	\$525	N/A	N/A	N/A	\$517
1BR/1BA Villa	750	2	\$525	N/A	N/A	N/A	\$517
2BR/2BA	1,000	8	\$600	N/A	N/A	N/A	\$596
2BR/2BA Villa	1,068	5	\$675	N/A	N/A	N/A	\$596
Total		72					

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject will not operate with any project-based subsidies. The proposed rents for the Subject's units at the 50 and 60 percent of AMI levels are below the maximum allowable rents. The Subject's amenity packages are considered generally comparable to or superior to the existing housing supply in the market.

2. Site Description/Evaluation

The Subject site is located on the northern side of Melvin Page Drive and has average access and visibility from Maple Drive. The Subject site is currently undeveloped, vacant land. Surrounding uses consist of multifamily, commercial, and single-family uses, as well as undeveloped land. Based on our inspection of the neighborhood, retail appeared to be 80 percent occupied. The Subject site is considered "Car-Dependent" by Walk Score with a rating of 13 out of 100. Crime risk indices in the Subject's neighborhood are slightly above those of the nation and the MSA, in general. The Subject site is considered a desirable building site for rental housing. The Subject is located in a mixed-use neighborhood, and surrounding uses are in average to good condition. The Subject site has good proximity to locational amenities.

3. Market Area Definition

The PMA is defined by Blaxton Road, State Route 1, Five Point Road, and Bill Branch Road to the north, Thompson Pond Road, County Road 15, Allmond Station Road, State Route 29, State Route 15, Clifton Road, Georgia Highway 135, and County Road 165 to the east, Lyons-Center Road, State Route 15, State Route 1 South, Tomlin Road, S A Harden Road, Hammonds Chapel Road, and US Highway 280 East to the

south, and Georgia Highway 86 to the west. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 7.2 miles

East: 11.6 miles

South: 8.1 miles

West: 7.7 miles

The PMA was defined based on interviews with the local housing authority and property managers at comparable properties. 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 11.6 miles.

4. Community Demographic Data

Population growth has remained relatively flat in the PMA since 2000 and has been consistently outpaced by the SMA and the nation. Annual household growth in the PMA and SMA increased slightly from 2010 to 2017 and is projected to remain continue in the PMA and SMA through the market entry date and 2021. Household growth rates in both the PMA and SMA have lagged slightly behind that of the nation since 2000, and this trend is projected to continue through 2021. Approximately 43.6 percent of housing units in the PMA are renter-occupied – up from 36.9 percent in 2000. Moreover, more than two-thirds of renters in the PMA earn less than \$30,000 annually, which is an indicator of likely strong demand for affordable units.

According to *RealtyTrac* statistics, one in every 1,706 housing units nationwide was in some stage of foreclosure as of April 2017. *RealtyTrac* statistical data for the Vidalia area is not available. However, according to Zillow, there are 29 homes in Vidalia that are currently listed in some state of foreclosure. This is among a total of 4,691 housing units in Vidalia according to the 2010 Census data. This suggests a foreclosure rate of one in every 162 housing units in the Vidalia area, which is a significantly higher figure than the national average. With a somewhat stagnant economy experiencing limited improvement since the most recent recession, it is not surprising local foreclosure instances are higher than the national average. According to the 2010 US Census, there were 1,295 vacant housing units in the PMA and 2,403 vacant housing units in the Vidalia Micropolitan Statistical Area. However, in the Subject's immediate neighborhood, approximately 6.46 percent of all housing units are vacant as of 2017, compared to 12.86 percent in the PMA. This bodes well for the Subject and indicates that it is located in a desirable neighborhood of Vidalia.

5. Economic Data

Employment in the PMA is concentrated in the healthcare/social assistance, manufacturing, retail trade, and educational services sectors. While the healthcare/social assistance and educational services industries are typically stable during times of recession, the manufacturing and retail trade industries are more volatile and often experience employment losses during economic downturn.

Employment in the SMA made slight gains in the years immediately following the recession but has since decreased consistently beginning in 2014. Unemployment in the SMA also remains higher than that of the nation. Overall, the local economy appears to be somewhat unstable, and it is unlikely that the SMA will recover several of the manufacturing and retail jobs that were lost during the last recession. As a result, demand for rental housing, notably affordable rental housing, should remain significant in this area.

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

Bedrooms/AMI Level	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption
1BR at 50% AMI	\$16,286	\$21,300	10	93	0	93	10.8%	5-6 Months
1BR at 60% AMI	\$19,714	\$25,560	19	98	0	98	19.5%	5-6 Months
1BR Unrestricted	\$18,000	\$38,200	9	193	0	193	4.7%	5-6 Months
1BR Overall	\$16,286	\$38,200	38	216	0	216	17.6%	5-6 Months
2BR at 50% AMI	\$19,749	\$24,000	5	85	0	85	5.9%	5-6 Months
2BR at 60% AMI	\$23,863	\$28,800	16	89	0	89	18.0%	5-6 Months
2BR Unrestricted	\$20,571	\$42,900	13	176	0	176	7.4%	5-6 Months
2BR Overall	\$19,749	\$42,900	34	197	0	197	17.2%	5-6 Months
50% AMI Overall	\$16,286	\$24,000	15	178	0	178	8.4%	5-6 Months
60% AMI Overall	\$19,749	\$28,800	35	187	0	187	18.8%	5-6 Months
Unrestricted Overall	\$18,000	\$42,900	22	369	0	369	6.0%	5-6 Months
All Affordable	\$16,286	\$28,800	50	364	0	364	18.2%	5-6 Months
Overall	\$16,286	\$42,900	72	413	0	413	17.4%	5-6 Months

We believe these calculated capture rates are reasonable, particularly as these calculations do not considered demand from outside the PMA or standard rental household turnover. All the capture rates are within the 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 nine “true” comparable properties containing 753 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 average. There are three LIHTC properties with no subsidy in the PMA, two of which are used as comparables. One property is Faith Crossing, a senior LIHTC property, which is fully-occupied, but is excluded from our analysis since it has a differing tenancy targeting seniors. Two other family LIHTC comparables utilized in our report are located outside of the PMA. The comparable LIHTC properties are located between 1.3 and 40 miles from the Subject site.

The availability of market-rate data is considered average, as the Vidalia area has a limited number of market-rate properties. We included three conventional market rate properties from Vidalia in our analysis of the competitive market. In addition, to better illustrate rents in the region that are attainable for modern, high quality apartments, we also included two comparables from Hinesville, which is a market with some similarities to Vidalia, although we acknowledge this is a slightly larger market than Vidalia. The properties from Hinesville are indicative of the rents that modern units can achieve in markets with a limited supply of such units. The market rate comparables are located between 0.5 and 61 miles from the Subject site. Overall, we believe the market-rate properties we have used in our analysis are the most comparable, although all the comparables in the PMA are inferior to the condition the Subject will offer as new construction. Note that we searched in numerous other small market communities near Vidalia, but modern market rate communities similar to the size of or larger than the proposed Subject were not readily

identifiable in many closer proximity areas. The two properties in Hinesville represent modern alternatives for rural southern Georgia, where the Subject is located.

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.

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1BR @ 50%	\$383	\$403	\$1,072	\$601	57%
2BR @ 50%	\$459	\$362	\$1,057	\$599	30%
1BR @ 60%	\$483	\$435	\$1,072	\$617	28%
2BR @ 60%	\$579	\$470	\$1,057	\$661	14%
1BR Market	\$525	\$465	\$1,072	\$692	32%
2BR Market	\$600 - \$675	\$565	\$1,057	\$717	6% to 20%

As illustrated, the Subject’s proposed 50 and 60 percent AMI rents exhibit rent advantages greater than 10 percent. The Subject’s proposed market rate rents exhibit rent advantages of six to 32 percent to the surveyed “average” market rents, and in our opinion are attainable in this market with no modern market rate apartment units. The most modern rental units in the PMA are at LIHTC properties.

Wilkes Townhouses is achieving the highest one and two-bedroom unrestricted rents in the Subject’s PMA. The Subject will be superior to Wilkes Townhouses, which was built in 1980 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. This Wilkes Townhouses townhome-style design is also considered slightly inferior to the Subject’s lowrise, elevator-served and single-story villa designs. The Wilkes Townhouses is located 1.7 miles from the Subject site and offers a similar location. Wilkes Townhouses offers generally similar unit amenities compared to the Subject’s proposed unit amenities. However, Wilkes Townhouses’ community amenities are considered inferior to the Subject. The one-bedroom rent at Wilkes Townhouses is \$15 above the current proposed one-bedroom market rate rent, while the two-bedroom rent at Wilkes Townhouses is at least \$35 below the proposed market rate two-bedroom rent.

Overall, we believe that the Subject’s proposed 50 and 60 percent AMI rents, as well as the market rate rents, are achievable in the market and will offer rent advantage.

8. Absorption/Stabilization Estimate

We were not able to obtain absorption information from any of the comparable properties. As such, we searched the surrounding region for absorption history data and found details for LIHTC and market rate properties, which are illustrated following table.

ABSORPTION

Property Name	Location	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Grace Crossing	Statesboro	LIHTC	Senior	2012	64	9
Potemkin Senior of Warner Robins	Warner Robins	LIHTC	Senior	2011	68	11
Chatham Parke	Warner Robins	Market	Family	2016	40	13
Asbury Parke	Warner Robins	Market	Family	2014	224	15

Absorption rates at regional LIHTC properties ranged from nine to 11 units per month, while recently completed market rate properties experienced reported absorption rates of 13 to 15 units per month.

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed LIHTC and market rate property. As a proposed family LIHTC and market rate property, we would anticipate the Subject will experience an absorption rate greater than the senior LIHTC properties, but slightly less than what the market rate apartments experienced. As such, we have concluded to an absorption pace of 12 units per month, indicating an absorption period of five to six months to stabilize at 93 percent occupancy.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the proposed Subject development. The LIHTC comparables are experiencing a weighted average vacancy rate of 3.4 percent, which is considered low. The two LIHTC properties in the PMA have a few vacancies each, but each also has a short waiting list, and management at both properties said vacancies usually fill in a within a few weeks. These factors indicate demand for affordable housing. The Subject will offer generally similar or superior unit amenities in comparison to the LIHTC and market-rate comparable properties and superior to slightly inferior property amenities. Some features the Subject will lack that are offered at some of the comparables include garbage disposals, exercise facilities, and swimming pools. The Subject’s inclusion of washer/dryer hookups for all units will benefit the Subject’s long-term marketability. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the market. Note that compared to market rate properties in the Vidalia area, the Subject will be of better condition, as well as offering better amenities, and will be capable of achieving higher market rents than the inferior market rate comparables we identified and surveyed from Vidalia. The Subject’s proposed unit sizes will be competitive with the comparable properties and offer an advantage in the market compared to some of the comparables, and are all considered of adequate size to compete well. In general, the Subject will be generally similar to superior to the comparable LIHTC properties, and generally similar to superior to the comparable market rate properties. Given the Subject’s anticipated condition relative to the competition and the demand for affordable housing, we believe that the Subject is feasible as proposed. We believe the proposed units will help satisfy some of the area’s demand for low and moderate-income modern rental units.

Summary Table:										
(must be completed by the analyst and included in the executive summary)										
Development Name:		The Onion Patch					Total # Units:			72
Location:		105 Melvin Page Drive, Vidalia, Toombs County, GA 30474					# LIHTC Units:			50
PMA Boundary:		North: Blaxton Road, State Route 1; East: State Routes 29 & 15; South: State Route 15 and US Highway 280; West: State Route 86								
								Farthest Boundary Distance to Subject:		11.6 miles
Rental Housing Stock (found on page 45)										
Type	# Properties (1)	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	15	701	22	96.9%						
Market-Rate Housing	3	103	8	92.2%						
<i>Assisted/Subsidized Housing not to include LIHTC</i>	9	406	5	98.8%						
LIHTC	3	192	9	95.3%						
Stabilized Comps	15	701	22	96.9%						
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap						
(1) 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	
9	1BR at 50% AMI	1	700	\$383	\$601	\$0.86	57%	\$1,072	\$1.53	
1	1BR Villa at 50% AMI	1	750	\$383	\$601	\$0.80	57%	\$1,072	\$1.13	
5	2BR at 50% AMI	2	1,000	\$459	\$599	\$0.60	31%	\$1,057	\$0.96	
18	1BR at 60% AMI	1	700	\$483	\$617	\$0.88	28%	\$1,072	\$1.53	
1	1BR Villa at 60% AMI	1	750	\$483	\$617	\$0.82	28%	\$1,072	\$1.13	
13	2BR at 60% AMI	2	1,000	\$579	\$661	\$0.66	14%	\$1,057	\$0.96	
3	2BR Villa at 60% AMI	2	1,068	\$579	\$661	\$0.62	14%	\$1,057	\$1.53	
7	1BR Market	1	700	\$525	\$692	\$0.99	32%	\$1,072	\$1.13	
2	1BR Villa Market	1	750	\$525	\$692	\$0.92	32%	\$1,072	\$0.96	
8	2BR Market	2	1,000	\$600	\$717	\$0.72	20%	\$1,057	\$1.53	
5	2BR Villa Market	2	1,068	\$675	\$717	\$0.67	6%	\$1,057	\$0.96	
Demographic Data (found on page 30)										
	2010		2017		September 2019					
Renter Households	3,547	100.00%	4,003	43.59%	4,036	43.67%				
Income-Qualified Renter HHs (LIHTC)	888	25.04%	1,002	25.04%	1,011	25.04%				
Targeted Income-Qualified Renter Household Demand (found on pages 46 to 60)										
Type of Demand	30%	50%	60%	Market-rate	All Affordable	Overall*				
Renter Household Growth	N/A	1	3	10	3	9				
Existing Households (Overburdened + Substandard)	N/A	255	266	522	394	587				
Homeowner conversion (Seniors)	N/A	N/A	N/A	N/A	N/A	N/A				
Total Primary Market Demand	N/A	256	269	532	397	596				
Less Comparable/Competitive Supply	N/A	0	0	0	0	0				
Adjusted Income-qualified Renter HHs***	N/A	256	269	532	397	596				
Capture Rates (found on page 62)										
Targeted Population	30%	50%	60%	Market-rate	All Affordable	Overall				
Capture Rate:	-	8.4%	18.8%	6.0%	18.2%	17.4%				

*Includes LIHTC and unrestricted (when applicable)

**Highest unadjusted comparable rent is the average of low and high rents at Tattersall Village Apartments

***Not adjusted for demand by bedroom-type.

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- 1. Project Address and Development Location:** The Subject site is located at 105 Melvin Page Drive in Vidalia, Toombs County, Georgia 30474. The Subject site is currently vacant.
- 2. Construction Type:** The Subject will consist of three buildings, including a three-story, 60-unit building and three single level villa buildings with four units each. 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.

The Onion Patch	
Location	105 Melvin Page Drive Vidalia, GA 30474 Toombs County
Units	72
Type	Various (1 & 3 stories)
Year Built / Renovated	Proposed 2019



Market

Program	@50%, @60%, Market		
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	Lowrise (3 stories)	9	700	\$383	\$0	@50%	n/a	N/A	N/A	no	
1	1	Lowrise (3 stories)	18	700	\$483	\$0	@60%	n/a	N/A	N/A	no	
1	1	Lowrise (3 stories)	7	700	\$525	\$0	Market	n/a	N/A	N/A	N/A	
1	1	One-story	2	750	\$525	\$0	Market	n/a	N/A	N/A	N/A	
1	1	One-story	1	750	\$383	\$0	@50%	n/a	N/A	N/A	no	
1	1	One-story	1	750	\$483	\$0	@60%	n/a	N/A	N/A	no	
2	2	Lowrise (3 stories)	5	1,000	\$459	\$0	@50%	n/a	N/A	N/A	no	
2	2	Lowrise (3 stories)	13	1,000	\$579	\$0	@60%	n/a	N/A	N/A	no	
2	2	Lowrise (3 stories)	8	1,000	\$600	\$0	Market	n/a	N/A	N/A	N/A	
2	2	One-story	5	1,068	\$675	\$0	Market	n/a	N/A	N/A	N/A	
2	2	One-story	3	1,068	\$579	\$0	@60%	n/a	N/A	N/A	no	

Amenities			
Unit	Balcony/Patio	Property	Parking spaces: 80
	Blinds		Business Center/Computer
	Carpeting		Lab
	Central A/C		Clubhouse/Meeting
	Dishwasher		Room/Community Room
	Exterior Storage		Elevators
	Ceiling Fan		Central Laundry
	Microwave		Off-Street Parking
	Oven		On-Site Management
	Refrigerator		Picnic Area
	Washer/Dryer hookup		Playground
		Security	Limited Access
			Video Surveillance

Comments
The utility allowances are \$92 for a one-bedroom and \$117 for a two-bedroom.

- 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 vinyl siding three-story lowrise and single-story villa style apartments, superior to most of the inventory in the area. As new construction, and based on our review of the floor plans, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

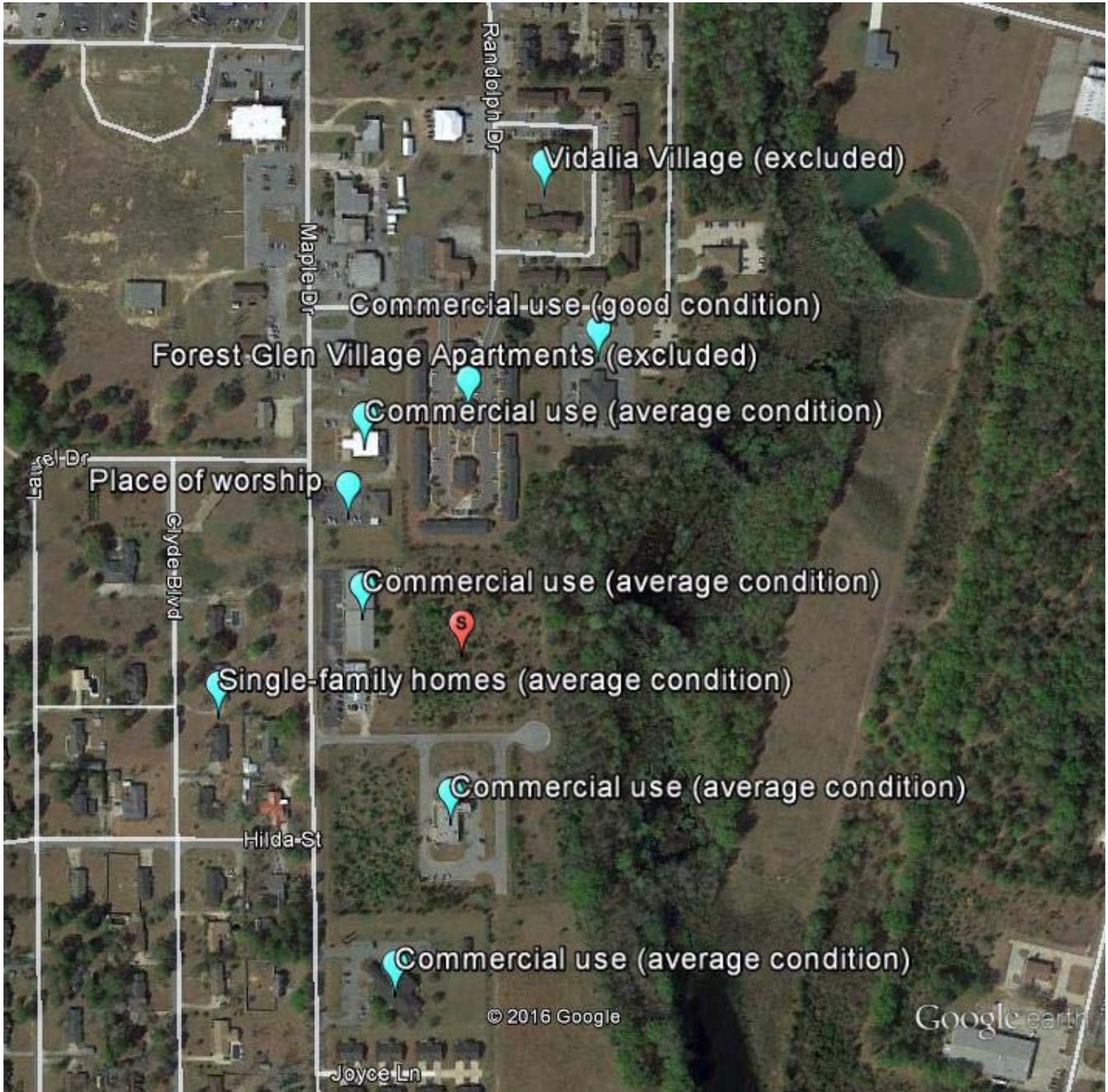
C. SITE EVALUATION

- 1. Date of Site Visit and Name of Inspector:** Abby Cohen visited the site on May 12, 2017.

- 2. Physical Features of the Site:** The following illustrates the physical features of the site.
 - Frontage:** The Subject site has frontage on Melvin Page Drive and Edwina Drive.

 - Visibility/Views:** The Subject will be located on Melvin Page Drive. Visibility and views from the site will be good and initially will include forested land, adjacent multifamily uses, commercial uses, and a place of worship.

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



Source: Google Earth, May 2017.

The Subject site is located on the northern side of Melvin Page Drive. The Subject site is currently undeveloped, vacant land. Adjacent north of the Subject site is a Section 515 Rural Development complex called Forest Glen Village, which we excluded from our analysis due to the subsidized rents. Farther north is Vidalia Village, a Rural Development and LIHTC property with 50 units that was excluded as management could not be contacted. Directly west of the Subject site are a house of worship and commercial uses in average condition, including the Sassy Sisters

dance studio and the New Image Salon and Spa. South of the Subject site is vacant, undeveloped land and the Fresenius Kidney Care Toombs County health clinic. Adjacent east of the Subject site is forested land. Based on our inspection of the neighborhood, retail appeared to be 80 percent occupied. However, there are a limited number of retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by *Walk Score* with a rating of 13 out of 100. The Subject site is considered a desirable building site for rental housing and is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition, and the site has good proximity to locational amenities – most of which are located within five miles of the Subject site.

Positive/Negative Attributes of Site:

The Subject's proximity to retail and other locational amenities as well as its surrounding uses, which are in average to good condition, are considered positive attributes. Additionally, the Subject is near Maple Drive, which provides access to the primary commercial corridor in Vidalia located along East First Street. However, the Subject will be located in close proximity to several commercial and multifamily buildings, which may obstruct views from the Subject – particularly the villa units.

3. Physical Proximity to Locational Amenities:

The Subject is located within 5.5 miles of all locational amenities. Additionally, it is within three miles of the Walmart Supercenter, which is one of the city's largest employers.

4. Pictures of Site and Adjacent Uses:

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



Commercial use west of Subject site



View of Melvin Page Drive from Subject site



View of Subject site from Melvin Page Drive



View of Subject site from Melvin Page Drive



View of Subject site from Melvin Page Drive



View of Subject site from Melvin Page Drive



Forest Glen Village Apartments (excluded RD property) north of Subject



Vidalia Village Apartments (excluded RD property) north of Subject



Commercial use in Subject's neighborhood



Hospital in Subject's neighborhood



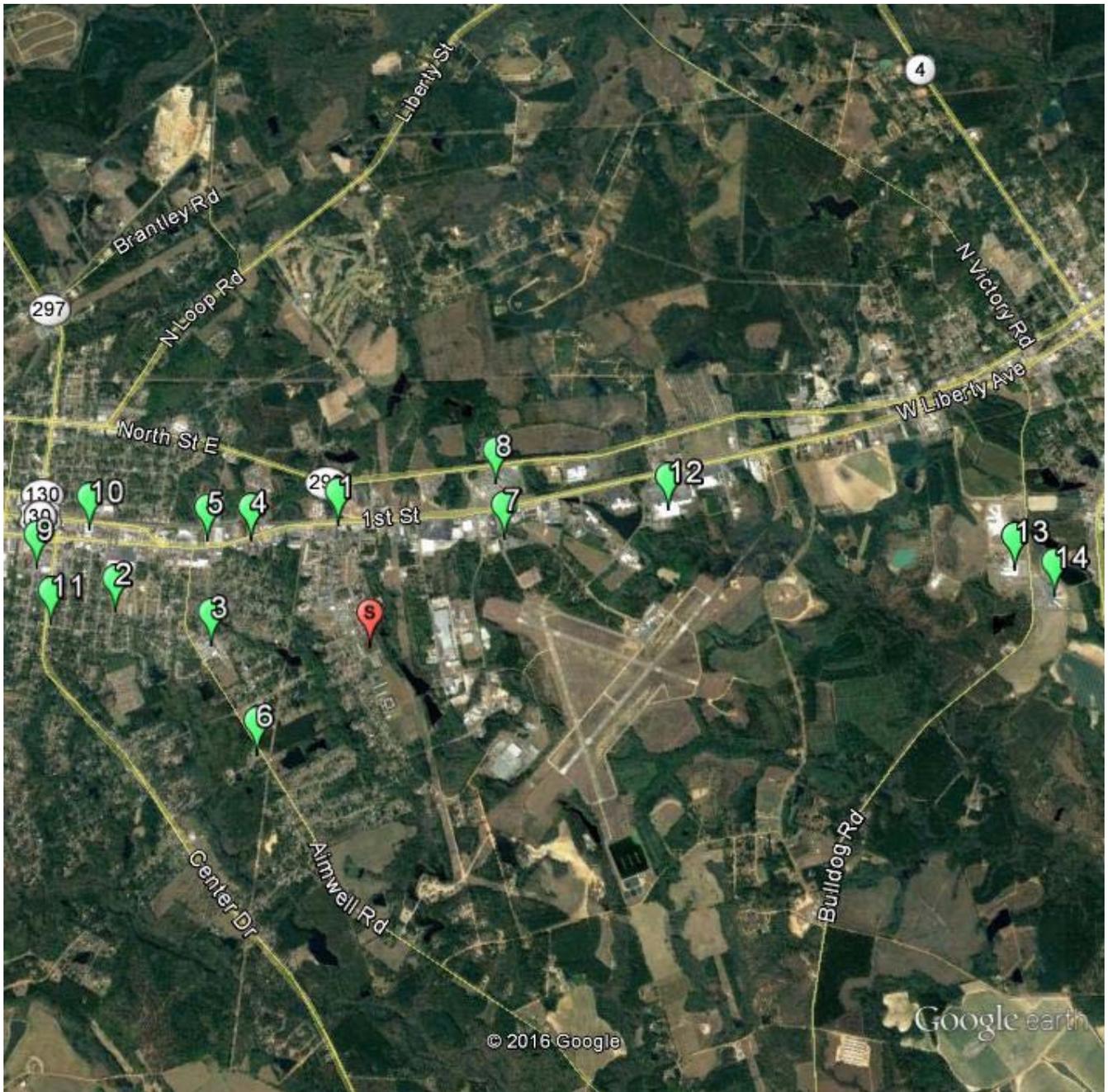
Retail use in Subject's neighborhood



Retail use in Subject's neighborhood

5. Proximity to Locational Amenities:

The following map and table detail the Subject's distance from key locational amenities.



Source: Google Earth, May 2017

LOCATIONAL AMENITIES

Map #	Service	Amenity	Miles from Subject
1	Bank	Peoples Bank	0.8
2	Park	Vidalia Recreation Department	1.0
3	Elementary School	Sally Dailey Meadows Elementary	1.1
4	Convenience Store/Gas Station	Enmarket	1.2
5	Pharmacy	Rite Aid	1.2
6	Fire Station	Vidalia Fire Department	1.5
7	Community Center	Vidalia Community Center	1.7
8	Hospital	Meadows Regional Medical Center	1.8
9	Post Office	US Post Office	2.0
10	Police Station	Vidalia Police Department	2.0
11	Library	Toombs County Library	2.1
12	Grocery Store	Walmart	2.7
13	High School	Toombs County High School	5.4
14	Middle School	Toombs County Middle School	5.5

6. Description of Land Uses

The Subject site is located on the northern side of Melvin Page Drive in a mixed-use neighborhood. The Subject site is currently undeveloped, vacant land. Land uses in the neighborhood consist of single-family homes in average condition, multifamily uses in average condition, and commercial uses in generally average condition. Commercial uses appear to be 80 percent occupied.

7. Crime:

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

2016 CRIME INDICES

	PMA	Vidalia, GA Micropolitan Statistical Area
Total Crime*	110	77
Personal Crime*	102	73
Murder	133	113
Rape	66	56
Robbery	92	59
Assault	111	82
Property Crime*	110	77
Burglary	118	91
Larceny	113	77
Motor Vehicle Theft	68	43

Source: Esri Demographics 2016, Novogradac & Company LLP, May 2017

*Unweighted aggregations

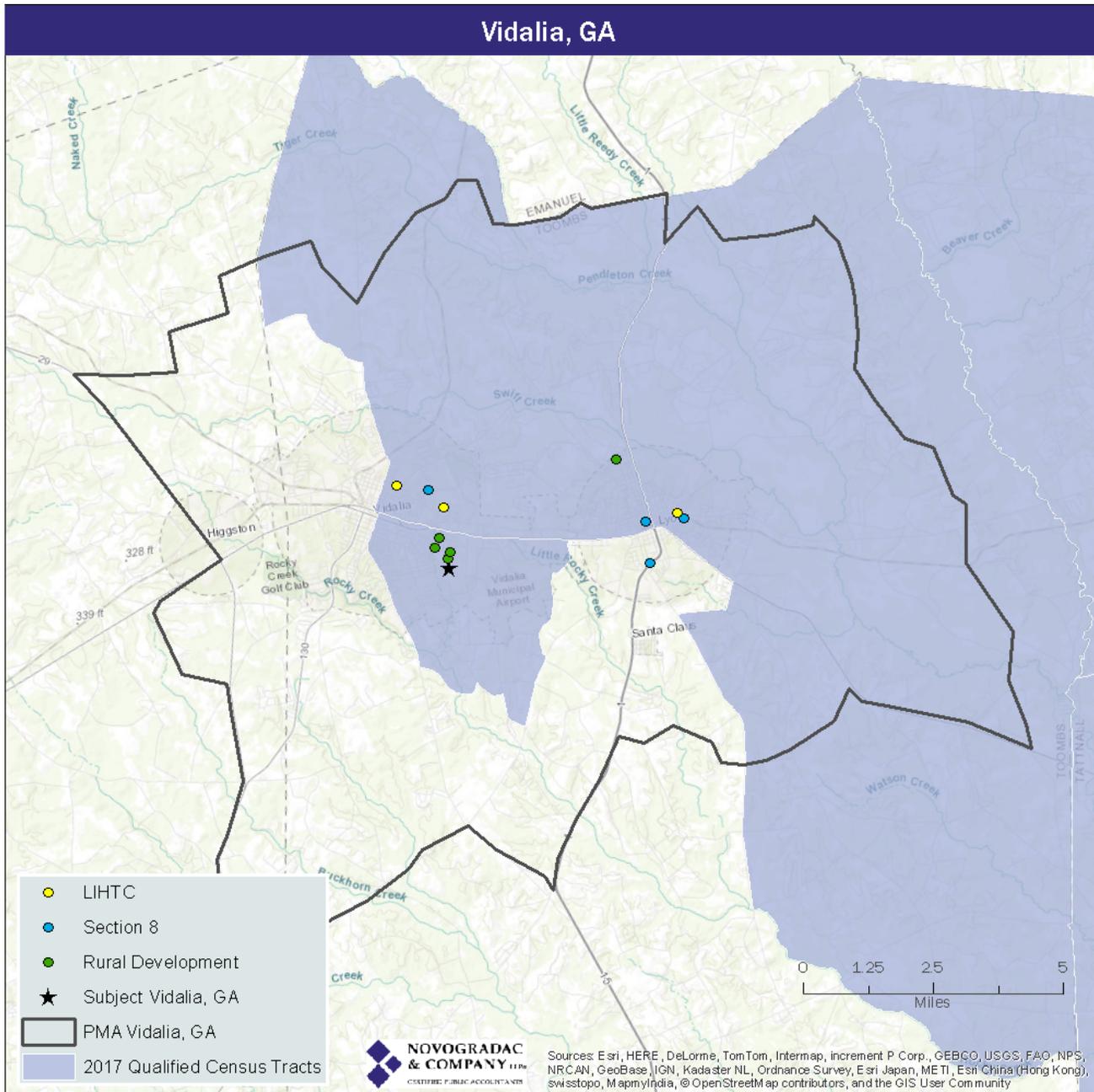
Both the personal and property crime indices in the PMA are slightly above those of the MSA and the nation. The Subject will offer limited access and video surveillance. One of the comparables offers limited access, two of the comparable properties offer courtesy patrol, and three offer perimeter fencing. However, none of the comparables offer video surveillance, and the majority of the comparable properties do not offer any form of security features. Furthermore, the lack of security features has not impacted the marketability of these comparables. The lack of these security features has not impacted the marketability of these comparables. Given the relatively low crime indices in the Subject’s neighborhood and the lack of features in the market, we believe these security features are market-oriented.

8. Existing Assisted Rental Housing Property Map:

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

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Distance from Subject	Map Color
Raymonia Apartments	Section 8	Vidalia	Family	80	1.5 Miles	Blue
Toombs-Lyons Housing, Inc	Section 8	Lyons	Family	11	4.0 Miles	
West Columbia Apartments	Section 8	Lyons	Family	10	3.7 Miles	
JT Lyons Properties	LIHTC/Section 8	Lyons	Family	74	4.0 Miles	Purple
Forest Glen Village	Rural Development	Vidalia	Senior	46	0.1 Miles	Green
Chateau Apartments	LIHTC	Vidalia	Family	56	1.8 Miles	Yellow
Lakeview Apartments	LIHTC	Lyons	Family	72	4.5 Miles	Green
Lyons Apartments	Rural Development	Lyons	Family	32	3.8 Miles	Green
Faith Crossing	LIHTC	Vidalia	Senior	64	1.3 Miles	Yellow
Doe Run Apartments	Rural Development	Vidalia	Family	48	0.5 Miles	Green
The Grove Apartments	Rural Development	Vidalia	Senior	55	0.8 Miles	
Vidalia Village	Rural Development	Vidalia	Family	50	0.3 Miles	



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 Melvin Page off of Maple Drive. Both are lightly trafficked, two-lane neighborhood streets. Maple Drive provides access to the primary commercial corridor along East First Street approximately one mile north of the Subject. Overall, access and visibility are considered average.

11. Conclusion:

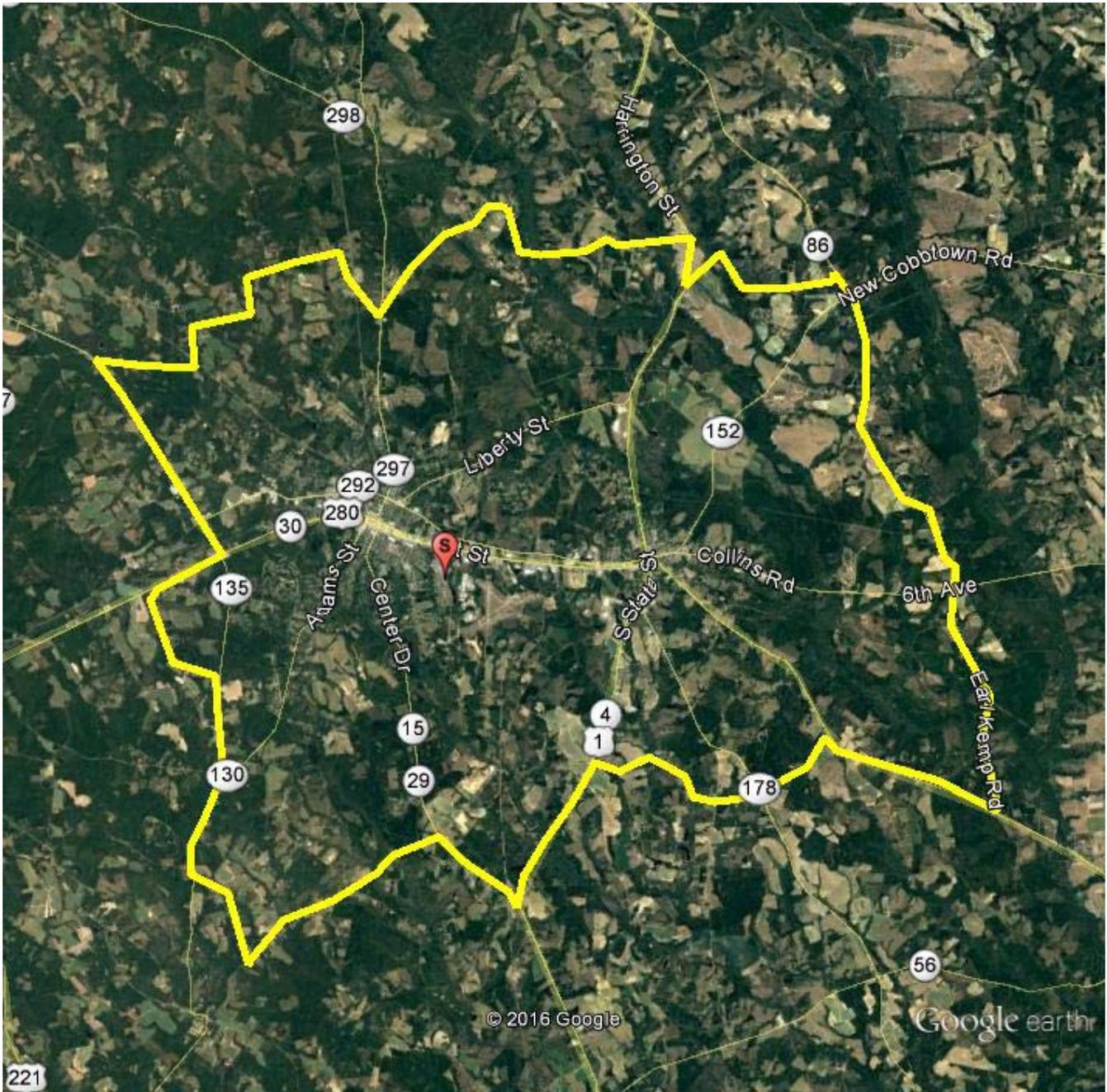
The Subject site is located on the northern side of Melvin Page Drive and has average access and visibility from Maple Drive. The Subject site is currently undeveloped, vacant land. Surrounding uses consist of multifamily, commercial, and single-family uses, as well as undeveloped land. Based on our inspection of the neighborhood, retail appeared to be 80 percent occupied. The Subject site is considered “Car-Dependent” by *Walk Score* with a rating of 13 out of 100. Crime risk indices in the Subject’s neighborhood are slightly above those of the nation and the MSA, in general. The Subject site is considered a desirable building site for rental housing. The Subject is located in a mixed-use neighborhood, and surrounding uses are in average to good condition. The Subject site has good proximity to locational amenities – all of which are located within 5.5 miles of the 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, May 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 PMA and the SMA are areas of growth or contraction.

The PMA is defined by Blaxton Road, State Route 1, Five Point Road, and Bill Branch Road to the north, Thompson Pond Road, County Road 15, Allmond Station Road, State Route 29, State Route 15, Clifton Road, Georgia Highway 135, and County Road 165 to the east, Lyons-Center Road, State Route 15, State Route 1 South, Tomlin Road, S A Harden Road, Hammonds Chapel Road, and US Highway 280 East to the south, and Georgia Highway 86 to the west. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 7.2 miles
East: 11.6 miles
South: 8.1 miles
West: 7.7 miles

The PMA was defined based on interviews with the local housing authority and property managers at comparable properties. 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 11.6 miles. The SMA is defined as the Vidalia, GA Micropolitan Statistical Area, which consists of Montgomery and Toombs Counties.

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 Toombs County 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 Toombs County.

1. Population Trends

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

1a. Total Population

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

Year	POPULATION					
	PMA		Vidalia, GA Micropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	22,137	-	34,336	-	281,421,906	-
2010	23,342	0.5%	36,346	0.6%	308,745,538	1.0%
2017	23,931	0.1%	37,375	0.2%	323,580,626	0.3%
Projected Mkt Entry September 2019	24,045	0.2%	37,662	0.3%	331,026,101	0.8%
2021	24,142	0.2%	37,905	0.3%	337,326,118	0.8%

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

As the previous table illustrates, total population in the PMA increased by 0.5 percent annually from 2000 to 2010 and 0.1 percent annually from 2010 to 2017. Since 2000, both the SMA and the nation have outpaced the PMA in population growth, and this trend is projected to continue through the projected market entry date in September 2019 and through 2021. This positive population growth in the PMA is a favorable indicator for the market.

1b. Total Population by Age Group

The following tables illustrate the total population within the PMA and SMA from 2000 to 2021.

POPULATION BY AGE GROUP

Age Cohort	PMA			Projected Mkt Entry September 2019	2021
	2000	2010	2017		
0-4	1,705	1,926	1,854	1,832	1,813
5-9	1,721	1,804	1,789	1,773	1,759
10-14	1,821	1,762	1,736	1,767	1,794
15-19	1,733	1,638	1,588	1,615	1,637
20-24	1,389	1,374	1,434	1,390	1,352
25-29	1,434	1,407	1,488	1,435	1,390
30-34	1,471	1,456	1,466	1,458	1,451
35-39	1,638	1,450	1,485	1,463	1,444
40-44	1,598	1,455	1,417	1,441	1,462
45-49	1,414	1,557	1,416	1,403	1,392
50-54	1,391	1,574	1,531	1,465	1,409
55-59	1,099	1,413	1,529	1,529	1,529
60-64	951	1,281	1,416	1,444	1,468
65-69	783	1,043	1,292	1,327	1,357
70-74	665	796	931	1,044	1,139
75-79	518	596	662	723	774
80-84	399	397	427	463	494
85+	406	413	469	474	478
Total	22,136	23,342	23,930	24,045	24,142

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

POPULATION BY AGE GROUP

Vidalia, GA Micropolitan Statistical Area					
Age Cohort	2000	2010	2017	Projected Mkt Entry September 2019	2021
0-4	2,573	2,771	2,686	2,648	2,616
5-9	2,580	2,642	2,696	2,672	2,652
10-14	2,712	2,682	2,606	2,691	2,762
15-19	2,723	2,680	2,522	2,562	2,595
20-24	2,389	2,401	2,480	2,384	2,302
25-29	2,319	2,226	2,375	2,276	2,192
30-34	2,317	2,197	2,300	2,283	2,269
35-39	2,582	2,300	2,328	2,343	2,355
40-44	2,515	2,292	2,221	2,246	2,268
45-49	2,193	2,485	2,253	2,223	2,198
50-54	2,144	2,453	2,449	2,355	2,276
55-59	1,709	2,243	2,403	2,426	2,446
60-64	1,526	2,059	2,254	2,307	2,351
65-69	1,206	1,601	2,051	2,113	2,165
70-74	985	1,291	1,462	1,667	1,840
75-79	773	903	1,033	1,120	1,194
80-84	559	577	634	703	762
85+	532	543	622	644	662
Total	34,337	36,346	37,375	37,662	37,905

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

The largest age cohorts are from 0 to 14 indicating 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, and (d) Renter Households by Size within the population in the SMA, the PMA and nationally from 2000 through 2021.

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, SMA and nation from 2000 through 2021.

HOUSEHOLDS

Year	PMA		Vidalia, GA Micropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	8,445	-	12,796	-	105,480,101	-
2010	8,918	0.6%	13,662	0.7%	116,716,292	1.1%
2017	9,184	0.2%	14,138	0.2%	121,786,233	0.3%
Projected Mkt Entry September 2019	9,241	0.2%	14,267	0.3%	124,444,752	0.8%
2021	9,290	0.2%	14,376	0.3%	126,694,268	0.8%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Vidalia, GA Micropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.57	-	2.59	-	2.59	-
2010	2.58	0.0%	2.58	0.0%	2.58	-0.1%
2017	2.57	0.0%	2.57	0.0%	2.59	0.0%
Projected Mkt Entry September 2019	2.56	-0.1%	2.56	0.0%	2.60	0.1%
2021	2.56	-0.1%	2.56	0.0%	2.60	0.1%

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

Annual household growth in the PMA and SMA increased slightly from 2010 to 2017 and is projected to remain continue in the PMA and SMA through the market entry date and 2021. Household growth rates in both the PMA and SMA have lagged slightly behind that of the nation since 2000, and this trend is projected to continue through 2021. Similarly, average household size remained constant in the PMA and SMA from 2000 to 2017 and is projected to remain stable through 2021, similar to the nation.

2b. Households by Tenure

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

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner- Occupied	Renter-Occupied Units	Percentage Renter- Occupied
2000	5,332	63.1%	3,113	36.9%
2017	5,181	56.4%	4,003	43.6%
2021	5,226	56.3%	4,064	43.7%

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

As this table illustrates, the share of owner-occupied housing units in the PMA decreased between 2000 and 2017, relative to the share of renter-occupied units. This trend bodes well for the Subject and is a positive indicator of demand for its LIHTC and market rate rental units.

2c. Household Income

The following tables depict renter household income in the PMA and SMA 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	1,017	25.4%	1,027	25.4%	1,035	25.5%
\$10,000-19,999	951	23.8%	951	23.6%	950	23.4%
\$20,000-29,999	738	18.4%	741	18.4%	744	18.3%
\$30,000-39,999	333	8.3%	338	8.4%	343	8.4%
\$40,000-49,999	239	6.0%	240	5.9%	241	5.9%
\$50,000-59,999	271	6.8%	279	6.9%	285	7.0%
\$60,000-74,999	165	4.1%	171	4.2%	175	4.3%
\$75,000-99,999	92	2.3%	91	2.3%	91	2.2%
\$100,000-124,999	94	2.4%	94	2.3%	94	2.3%
\$125,000-149,999	33	0.8%	37	0.9%	41	1.0%
\$150,000-199,999	30	0.7%	30	0.7%	30	0.7%
\$200,000+	41	1.0%	37	0.9%	34	0.8%
Total	4,003	100.0%	4,036	100.0%	4,064	100.0%

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - Vidalia, GA Micropolitan Statistical Area

Income Cohort	2017		Projected Mkt Entry September 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,350	24.7%	1,364	24.7%	1,376	24.7%
\$10,000-19,999	1,287	23.5%	1,300	23.5%	1,311	23.5%
\$20,000-29,999	921	16.8%	930	16.8%	938	16.8%
\$30,000-39,999	494	9.0%	499	9.0%	503	9.0%
\$40,000-49,999	331	6.0%	334	6.0%	337	6.0%
\$50,000-59,999	383	7.0%	387	7.0%	391	7.0%
\$60,000-74,999	246	4.5%	248	4.5%	251	4.5%
\$75,000-99,999	141	2.6%	142	2.6%	143	2.6%
\$100,000-124,999	155	2.8%	157	2.8%	158	2.8%
\$125,000-149,999	60	1.1%	61	1.1%	61	1.1%
\$150,000-199,999	41	0.8%	42	0.8%	42	0.8%
\$200,000+	59	1.1%	60	1.1%	60	1.1%
Total	5,470	100.0%	5,525	100.0%	5,572	100.0%

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

As the tables above depict, the largest share of renters in the PMA earns \$0 to \$9,999 per year. Moreover, more than 67 percent of renters in the PMA earn less than \$30,000 annually. The Subject's affordable units will target residents earning \$16,286 to \$28,800, which captures two of the lowest income cohorts of renters in the PMA.

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

The following table illustrates household size for all households in 2017, market entry in 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	Projected Mkt Entry September					
	2017		2019		2021	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
1 Person	1,475	37%	1,493	37%	1,508	37%
2 Persons	786	20%	780	19%	775	19%
3 Persons	654	16%	659	16%	663	16%
4 Persons	482	12%	486	12%	490	12%
5+ Persons	606	15%	618	15%	628	15%
Total Households	4,003	100%	4,036	100%	4,064	100%

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

As this table illustrates, the majority of renter households have one person per household. Approximately 56 percent of renter households have two people per household or less.

Conclusion

Population growth has remained relatively flat in the PMA since 2000 and has been consistently outpaced by the SMA and the nation. Annual household growth in the PMA and SMA increased slightly from 2010 to 2017 and is projected to remain continue in the PMA and SMA through the market entry date and 2021. Household growth rates in both the PMA and SMA have lagged slightly behind that of the nation since 2000, and this trend is projected to continue through 2021. Approximately 43.6 percent of housing units in the PMA are renter-occupied – up from 36.9 percent in 2000. Moreover, more than two-thirds of renters in the PMA earn less than \$30,000 annually, which is an indicator of likely strong demand for affordable units.

F. EMPLOYMENT TRENDS

Employment Trends

The PMA and Toombs County are reliant of health care, manufacturing, retail trade, and education as the largest workforce sectors. Employment levels remain below pre-recession levels, suggesting somewhat soft economic conditions in the area.

1. Total Jobs

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

Year	Total Employment	% Change
2007	13,209	-
2008	13,043	-1.27%
2009	12,535	-4.05%
2010	10,792	-16.15%
2011	10,766	-0.24%
2012	11,045	2.53%
2013	11,385	2.99%
2014	11,037	-3.15%
2015	10,817	-2.03%
2016	10,817	0.00%
2017 YTD Average	10,843	0.24%
Mar-16	10,834	-
Mar-17	10,836	0.02%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2015

As illustrated in the table above, the employment in Toombs County declined significantly during the national recession, most notably in 2010. While employment exhibited modest growth in 2012 and 2013, total employment again declined in 2014 and 2015 and has remained relatively stable since. The data indicates that Toombs County has not made up for previous losses in total employment in the years following the recession, and the economy is relatively stagnant.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Toombs County.

March 2017 Covered Employment
Toombs County, Georgia

	Number	Percent
Total, all industries	9,814	-
Goods-producing	-	-
Natural resources and mining	518	5.28%
Construction	495	5.04%
Manufacturing	1,253	12.77%
Service-providing	-	-
Trade, transportation, and utilities	2,713	27.64%
Information	73	0.74%
Financial activities	281	2.86%
Professional and business services	878	8.95%
Education and health services	2,327	23.71%
Leisure and hospitality	988	10.07%
Other services	260	2.65%
Unclassified	28	0.29%

Source: Bureau of Labor Statistics, 2015

Trade, transportation, and utilities is the largest industry in Toombs County, followed by education and health services. While utilities, trade and transportation are somewhat volatile industries, education and health services are more stable during times of economic downturn and help bring balance to the Toombs County labor force.

The following table illustrates employment by industry for the PMA as of 2016, which is the most recent year available.

2016 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	1,314	14.1%	21,304,508	14.1%
Manufacturing	1,285	13.8%	15,499,826	10.2%
Retail Trade	1,278	13.7%	17,169,304	11.3%
Educational Services	833	8.9%	14,359,370	9.5%
Construction	784	8.4%	9,342,539	6.2%
Other Services (excl Publ Adm)	649	7.0%	7,463,834	4.9%
Accommodation/Food Services	560	6.0%	11,574,403	7.6%
Utilities	515	5.5%	1,344,219	0.9%
Public Administration	445	4.8%	7,093,689	4.7%
Admin/Support/Waste Mgmt Svcs	321	3.4%	6,511,707	4.3%
Agric/Forestry/Fishing/Hunting	301	3.2%	2,253,044	1.5%
Wholesale Trade	298	3.2%	4,066,471	2.7%
Transportation/Warehousing	235	2.5%	6,128,217	4.0%
Prof/Scientific/Tech Services	207	2.2%	10,269,978	6.8%
Finance/Insurance	144	1.5%	6,942,986	4.6%
Real Estate/Rental/Leasing	76	0.8%	2,946,196	1.9%
Arts/Entertainment/Recreation	30	0.3%	3,416,474	2.3%
Information	26	0.3%	2,862,063	1.9%
Mining	19	0.2%	749,242	0.5%
Mgmt of Companies/Enterprises	5	0.1%	89,612	0.1%
Total Employment	9,325	100.0%	151,387,682	100.0%

Source: Esri Demographics 2016, Novogradac & Company LLP, May 2017

The largest industries in the PMA are healthcare/social assistance, manufacturing, retail trade, and educational services. Combined, these industries account for approximately half of total employment in the PMA. Compared to the nation, the manufacturing, retail trade, and construction industries are overrepresented in the PMA. Conversely, the educational services sector is underrepresented in the PMA compared to the nation. The high concentration of healthcare/social assistance jobs in the PMA bodes well for the Subject, as this industry is typically stable during times of economic downturn. However, the manufacturing and retail trade sectors are typically more volatile, which indicates that a significant portion of the employment base in the PMA is susceptible to contraction in the potential event of a recession.

3. Major Employers

The table below shows the largest employers in the Toombs County area, GA.

MAJOR EMPLOYERS: TOOMBS COUNTY AREA, GA

Employer	Industry	County
Southern Nuclear Operating Co.	Energy	Appling
Baxley-Appling County Hospital	Healthcare	Appling
Crider Inc.	Poultry Processing	Emanuel
Propex Operating Company LLC	Manufacturing	Jeff Davis
Georgia State Prison	Corrections	Tattnall
Meadows Regional Medical Center	Healthcare	Toombs
Trane US Inc.	Manufacturing	Toombs
Total Renal Care Inc.	Healthcare	Toombs
Wal Mart	Retail	Toombs
Runners Diversified Inc.	Retail	Toombs

Source: Toombs Montgomery Chamber of Commerce, Retrieved 5/2017

According to Ms. Michele Johnson, vice president of the Toombs County Chamber of Commerce, the above list is the most recent list of major employers available. Ms. Johnson was not able to indicate the number of employees at any of the above companies. As the table illustrates, the largest employers in the Toombs County area are concentrated in the healthcare and retail sectors. Vidalia is the health services, government, and retail center of Toombs County, which provides a historically stable economic base for the MSA. However, employment in the PMA and SMA is also concentrated in the manufacturing sector, which has likely contributed to employment losses in the area.

Expansions/Contractions

We have reviewed publications by the Georgia Department of Economic Development listing WARN (Worker Adjustment and Retraining Notification Act) filings since 2014. Our research revealed that there have been no layoffs in Toombs County since prior to 2014.

According to Ms. Michele Johnson with the Toombs County Chamber of Commerce, the only employment expansion of note in recent years has been the opening of the Meadows Regional Medical Center in Vidalia. Construction began on the 194,000 square foot facility in 2011. Ms. Johnson was unsure when construction on the facility was completed or how many employees they hired initially but reported that the medical center has hired new employees every year since its opening and is now one of the largest employers in Vidalia and the Toombs County area.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the SMA from 2002 to December 2016, which is the most recent data available.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Vidalia, GA Micropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	14,234	-	7.2%	-	136,485,000	-0.3%	5.8%	1.0%
2003	15,405	8.2%	6.0%	-1.2%	137,736,000	0.9%	6.0%	0.2%
2004	15,651	1.6%	5.8%	-0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	16,037	2.5%	6.2%	0.4%	141,730,000	1.8%	5.1%	-0.5%
2006	17,049	6.3%	5.2%	-1.0%	144,427,000	1.9%	4.6%	-0.5%
2007	17,594	3.2%	4.7%	-0.5%	146,047,000	1.1%	4.6%	0.0%
2008	17,269	-1.9%	7.2%	2.5%	145,363,000	-0.5%	5.8%	1.2%
2009	16,617	-3.8%	9.7%	2.5%	139,878,000	-3.8%	9.3%	3.5%
2010	14,203	-14.5%	12.2%	2.5%	139,064,000	-0.6%	9.6%	0.3%
2011	14,163	-0.3%	13.3%	1.1%	139,869,000	0.6%	9.0%	-0.7%
2012	14,493	2.3%	11.7%	-1.6%	142,469,000	1.9%	8.1%	-0.9%
2013	14,973	3.3%	11.1%	-0.6%	143,929,000	1.0%	7.4%	-0.7%
2014	14,500	-3.2%	10.0%	-1.1%	146,305,000	1.7%	6.2%	-1.2%
2015	14,215	-2.0%	8.7%	-1.3%	148,833,000	1.7%	5.3%	-0.9%
2016 YTD Average*	14,201	-0.1%	7.8%	-0.9%	151,435,833	1.7%	4.9%	-0.4%
Dec-2015	14,215	-	7.9%	-	149,703,000	-	4.8%	-
Dec-2016	14,199	-0.1%	7.6%	-0.3%	151,798,000	1.4%	4.5%	-0.3%

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

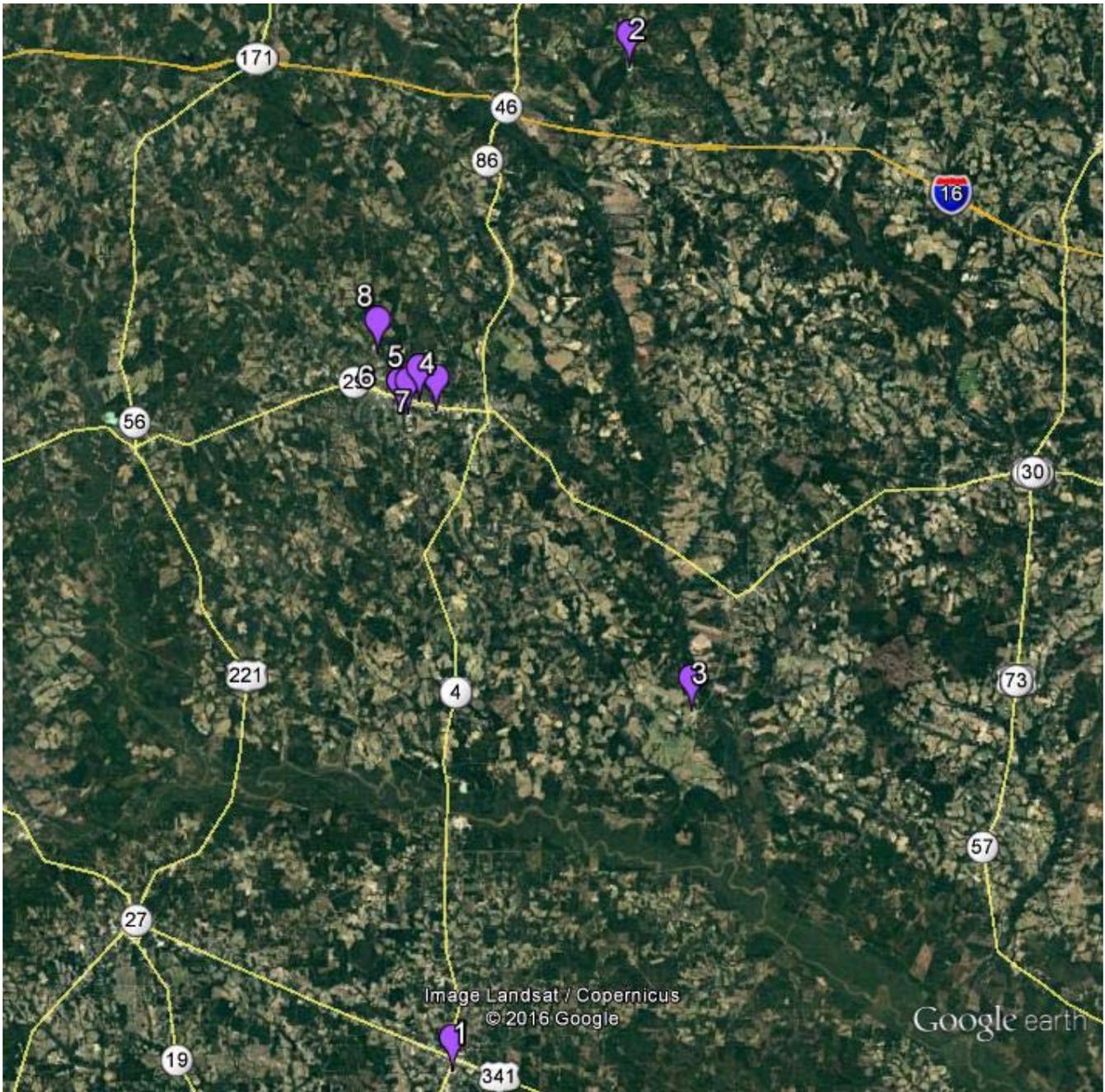
*2016 data is through Nov

From 2002 to 2007, the SMA experienced consistent increases in total employment, reaching its pre-recession peak in 2007. However, as with many rural markets across the country, the SMA was significantly impacted by the national recession and experienced declines in total employment from 2008 to 2011. By 2012, the local economy had begun to recover some of the jobs that were lost in the recession, but unemployment remained higher than the national unemployment rate at 11.7 percent. Employment increased in 2012 and 2013 but decreased again in 2014, 2015, and 2016 year-to-date. These figures indicate that the SMA has not recovered from the effects of the recession. Total employment remains far below its pre-recession peak, and the data indicates that the SMA is not poised to make up for these losses at any point in the near future. Overall, the economy in the SMA is in decline, and this trend is likely to continue due to the rural nature of the market and the high concentration of manufacturing jobs in the area.

Prior to the national recession, unemployment in the SMA was consistently higher than the national unemployment rate. This trend continued through the national recession, during which the unemployment rate peaked at 13.3 percent in the SMA – more than four percentage points higher than the unemployment rate for the nation in that same year. Since 2011, unemployment has declined each year, but still remains significantly higher than the unemployment rate for the nation as a whole.

5. Map of Site and Major Employment Concentrations

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



Source: Google Earth, May 2017

MAJOR EMPLOYERS: TOOMBS COUNTY AREA, GA

#	Employer	Industry	County
1	Baxley-Appling County Hospital	Healthcare	Appling
2	Crider Inc.	Poultry Processing	Emanuel
3	Georgia State Prison	Corrections	Tattnall
4	Meadows Regional Medical Center	Healthcare	Toombs
5	Trane US Inc.	Manufacturing	Toombs
6	Fresenius Kidney Care Toombs County	Healthcare	Toombs
7	Wal Mart	Retail	Toombs
8	Runners Diversified Inc.	Retail	Toombs

Source: Toombs Montgomery Chamber of Commerce, Retrieved 5/2017

Note the above list does not include employee counts, as this data could not be provided or estimated by local economic development sources.

6. Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, manufacturing, retail trade, and educational services sectors. While the healthcare/social assistance and educational services industries are typically stable during times of recession, the manufacturing and retail trade industries are more volatile and often experience employment losses during economic downturn.

Employment in the SMA made slight gains in the years immediately following the recession but has since decreased consistently beginning in 2014. Unemployment in the SMA also remains higher than that of the nation. Overall, the local economy appears to be somewhat unstable, and it is unlikely that the SMA will recover several of the manufacturing and retail jobs that were lost during the last recession. As a result, demand for rental housing, notably affordable rental housing, should remain significant in this area.

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).

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

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website. For the market rate units, we have used 100 percent of the AMI, which is considered reasonable for a mixed-income development.

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. We have used the gross LIHTC rents in calculating minimum required incomes for the Subject and we have utilized the net rents for the market rate units, as these units do not operate with Utility Allowances.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	50% AMI		60% AMI		Market Rate	
1BR/1BA	\$16,286	\$21,300	\$19,714	\$25,560	\$18,000	\$38,200
2BR/2BA	\$19,749	\$24,000	\$23,863	\$28,800	\$20,571	\$42,900

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. As no LIHTC properties have been built in the PMA since 2014, and there are no unstable LIHTC properties, we have not removed any LIHTC or market rate 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.

PMA OCCUPANCY

Property Name	Program	Location	Tenancy	# of Units	Occupancy
Chateau Apartments	LIHTC	Vidalia	Family	56	92.9%
Lakeview Apartments	LIHTC	Lyons	Family	72	94.4%
Faith Crossing	LIHTC	Vidalia	Senior	64	100.0%
Brookington Apartments	Market	Vidalia	Family	28	89.3%
Colony Square Apartments	Market	Vidalia	Family	24	91.7%
Wilkes Townhomes	Market	Vidalia	Family	51	94.1%
Average PMA Occupancy					94.2%

The average occupancy rate of competitive developments in the PMA is 96.5 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. The Subject is new construction, so this section is not applicable.

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.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry September 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,017	25.4%	1,027	25.4%	1,035	25.5%
\$10,000-19,999	951	23.8%	951	23.6%	950	23.4%
\$20,000-29,999	738	18.4%	741	18.4%	744	18.3%
\$30,000-39,999	333	8.3%	338	8.4%	343	8.4%
\$40,000-49,999	239	6.0%	240	5.9%	241	5.9%
\$50,000-59,999	271	6.8%	279	6.9%	285	7.0%
\$60,000-74,999	165	4.1%	171	4.2%	175	4.3%
\$75,000-99,999	92	2.3%	91	2.3%	91	2.2%
\$100,000-124,999	94	2.4%	94	2.3%	94	2.3%
\$125,000-149,999	33	0.8%	37	0.9%	41	1.0%
\$150,000-199,999	30	0.7%	30	0.7%	30	0.7%
\$200,000+	41	1.0%	37	0.9%	34	0.8%
Total	4,003	100.0%	4,036	100.0%	4,064	100.0%

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

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 50%

Minimum Income Limit		\$16,286		Maximum Income Limit		\$24,000	
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	10	30.8%		0.0%	0		
\$10,000-19,999	-1	-1.7%	3,713	37.1%	0		
\$20,000-29,999	4	10.9%	4,000	40.0%	1		
\$30,000-39,999	6	17.2%		0.0%	0		
\$40,000-49,999	1	3.8%		0.0%	0		
\$50,000-59,999	8	23.7%		0.0%	0		
\$60,000-74,999	5	16.1%		0.0%	0		
\$75,000-99,999	0	-1.4%		0.0%	0		
\$100,000-124,999	0	0.4%		0.0%	0		
\$125,000-149,999	4	12.5%		0.0%	0		
\$150,000-199,999	0	-0.5%		0.0%	0		
\$200,000+	-4	-11.8%		0.0%	0		
Total	33	100.0%		3.7%	1		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 50%

Minimum Income Limit		\$16,286		Maximum Income Limit		\$24,000	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,017	25.4%		0.0%	0		
\$10,000-19,999	951	23.8%	3,713	37.1%	353		
\$20,000-29,999	738	18.4%	4,000	40.0%	295		
\$30,000-39,999	333	8.3%		0.0%	0		
\$40,000-49,999	239	6.0%		0.0%	0		
\$50,000-59,999	271	6.8%		0.0%	0		
\$60,000-74,999	165	4.1%		0.0%	0		
\$75,000-99,999	92	2.3%		0.0%	0		
\$100,000-124,999	94	2.4%		0.0%	0		
\$125,000-149,999	33	0.8%		0.0%	0		
\$150,000-199,999	30	0.7%		0.0%	0		
\$200,000+	41	1.0%		0.0%	0		
Total	4,003	100.0%		16.2%	648		

ASSUMPTIONS - 50%

Tenancy		Family		% of Income towards Housing		35%	
Rural/Urban		Rural		Maximum # of Occupants		3	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	85%	15%	0%	0%		
2	0%	25%	75%	0%	0%		
3	0%	0%	80%	20%	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%
New Renter Households PMA	33
Percent Income Qualified	3.7%
New Renter Income Qualified Households	1

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	4,003
Income Qualified	16.2%
Income Qualified Renter Households	648
Percent Rent Overburdened Prj Mrkt Entry September 2019	39.2%
Rent Overburdened Households	254

Demand from Living in Substandard Housing

Income Qualified Renter Households	648
Percent Living in Substandard Housing	0.1%
Households Living in Substandard Housing	1

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	255
Total New Demand	1
Total Demand (New Plus Existing Households)	256

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	37.0%	95
Two Persons	19.3%	49
Three Persons	16.3%	42
Four Persons	12.0%	31
Five Persons	15.3%	39
Total	100.0%	256

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
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	85%	80
Of two-person households in 1BR units	25%	12
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	15%	14
Of two-person households in 2BR units	75%	37
Of three-person households in 2BR units	80%	33
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	20%	8
Of four-person households in 3BR units	70%	22
Of five-person households in 3BR units	30%	12
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%	9
Of five-person households in 4BR units	35%	14
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%	14

Total Demand **256**

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	93	-	0	=	93
2 BR	85	-	0	=	85
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	178		0		178

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR	10	/	93	=	10.8%
2 BR	5	/	85	=	5.9%
3 BR		/	-	=	-
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	15		178		8.4%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60%

Minimum Income Limit		\$19,714		Maximum Income Limit		\$28,800	
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	10	30.8%		0.0%	0		
\$10,000-19,999	-1	-1.7%	285	2.8%	0		
\$20,000-29,999	4	10.9%	8,800	88.0%	3		
\$30,000-39,999	6	17.2%		0.0%	0		
\$40,000-49,999	1	3.8%		0.0%	0		
\$50,000-59,999	8	23.7%		0.0%	0		
\$60,000-74,999	5	16.1%		0.0%	0		
\$75,000-99,999	0	-1.4%		0.0%	0		
\$100,000-124,999	0	0.4%		0.0%	0		
\$125,000-149,999	4	12.5%		0.0%	0		
\$150,000-199,999	0	-0.5%		0.0%	0		
\$200,000+	-4	-11.8%		0.0%	0		
Total	33	100.0%		9.6%	3		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 60%

Minimum Income Limit		\$19,714		Maximum Income Limit		\$28,800	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,017	25.4%		0.0%	0		
\$10,000-19,999	951	23.8%	285	2.8%	27		
\$20,000-29,999	738	18.4%	8,800	88.0%	649		
\$30,000-39,999	333	8.3%		0.0%	0		
\$40,000-49,999	239	6.0%		0.0%	0		
\$50,000-59,999	271	6.8%		0.0%	0		
\$60,000-74,999	165	4.1%		0.0%	0		
\$75,000-99,999	92	2.3%		0.0%	0		
\$100,000-124,999	94	2.4%		0.0%	0		
\$125,000-149,999	33	0.8%		0.0%	0		
\$150,000-199,999	30	0.7%		0.0%	0		
\$200,000+	41	1.0%		0.0%	0		
Total	4,003	100.0%		16.9%	676		

ASSUMPTIONS - 60%

Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Rural		Maximum # of Occupants		3
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	85%	15%	0%	0%	
2	0%	25%	75%	0%	0%	
3	0%	0%	80%	20%	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%
New Renter Households PMA	33
Percent Income Qualified	9.6%
New Renter Income Qualified Households	3

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	4,003
Income Qualified	16.9%
Income Qualified Renter Households	676
Percent Rent Overburdened Prj Mrkt Entry September 2019	39.2%
Rent Overburdened Households	265

Demand from Living in Substandard Housing

Income Qualified Renter Households	676
Percent Living in Substandard Housing	0.1%
Households Living in Substandard Housing	1

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	266
Total New Demand	3
Total Demand (New Plus Existing Households)	269

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	37.0%	99
Two Persons	19.3%	52
Three Persons	16.3%	44
Four Persons	12.0%	32
Five Persons	15.3%	41
Total	100.0%	269

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
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	85%	85
Of two-person households in 1BR units	25%	13
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	15%	15
Of two-person households in 2BR units	75%	39
Of three-person households in 2BR units	80%	35
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	20%	9
Of four-person households in 3BR units	70%	23
Of five-person households in 3BR units	30%	12
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%	10
Of five-person households in 4BR units	35%	14
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%	14

Total Demand **269**

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand	
0 BR	-	-	-	=	-	-
1 BR	98	-	0	=	98	98
2 BR	89	-	0	=	89	89
3 BR	-	-	-	=	-	-
4 BR	-	-	-	=	-	-
5 BR	-	-	-	=	-	-
Total	187		0		187	

	Developer's Unit Mix		Net Demand		Capture Rate	
0 BR		/	-	=	-	-
1 BR	19	/	98	=	19.5%	19.5%
2 BR	16	/	89	=	18.0%	18.0%
3 BR		/	-	=	-	-
4 BR		/	-	=	-	-
5 BR		/	-	=	-	-
Total	35		187		18.8%	

Market Rate

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Market

Minimum Income Limit		\$18,000	Maximum Income Limit		\$42,900
New Renter Households - Total					
Income Category	Change in Households PMA 2017 to Prj Mrkt Entry September 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	10	30.8%		0.0%	0
\$10,000-19,999	-1	-1.7%	1,999	20.0%	0
\$20,000-29,999	4	10.9%	9,999	100.0%	4
\$30,000-39,999	6	17.2%	9,999	100.0%	6
\$40,000-49,999	1	3.8%	2,900	29.0%	0
\$50,000-59,999	8	23.7%		0.0%	0
\$60,000-74,999	5	16.1%		0.0%	0
\$75,000-99,999	0	-1.4%		0.0%	0
\$100,000-124,999	0	0.4%		0.0%	0
\$125,000-149,999	4	12.5%		0.0%	0
\$150,000-199,999	0	-0.5%		0.0%	0
\$200,000+	-4	-11.8%		0.0%	0
Total	33	100.0%		28.9%	10

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Market

Minimum Income Limit		\$18,000	Maximum Income Limit		\$42,900
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,017	25.4%		0.0%	0
\$10,000-19,999	951	23.8%	1,999	20.0%	190
\$20,000-29,999	738	18.4%	9,999	100.0%	738
\$30,000-39,999	333	8.3%	9,999	100.0%	333
\$40,000-49,999	239	6.0%	2,900	29.0%	69
\$50,000-59,999	271	6.8%		0.0%	0
\$60,000-74,999	165	4.1%		0.0%	0
\$75,000-99,999	92	2.3%		0.0%	0
\$100,000-124,999	94	2.4%		0.0%	0
\$125,000-149,999	33	0.8%		0.0%	0
\$150,000-199,999	30	0.7%		0.0%	0
\$200,000+	41	1.0%		0.0%	0
Total	4,003	100.0%		33.2%	1,330

ASSUMPTIONS - Market

ASSUMPTIONS - Market					
Tenancy		Family	% of Income towards Housing		35%
Rural/Urban		Rural	Maximum # of Occupants		3
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	85%	15%	0%	0%
2	0%	25%	75%	0%	0%
3	0%	0%	80%	20%	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	33
Percent Income Qualified	28.9%
New Renter Income Qualified Households	10

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	Market
Total Existing Demand	4,003
Income Qualified	33.2%
Income Qualified Renter Households	1,330
Percent Rent Overburdened Prj Mrkt Entry September 2019	39.2%
Rent Overburdened Households	521

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,330
Percent Living in Substandard Housing	0.1%
Households Living in Substandard Housing	2

Senior Households Converting from Homeownership

Income Target Population	Market
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	522
Total New Demand	10
Total Demand (New Plus Existing Households)	532

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	37.0%	197
Two Persons	19.3%	103
Three Persons	16.3%	87
Four Persons	12.0%	64
Five Persons	15.3%	81
Total	100.0%	532

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
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	85%	167
Of two-person households in 1BR units	25%	26
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	15%	30
Of two-person households in 2BR units	75%	77
Of three-person households in 2BR units	80%	69
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	20%	17
Of four-person households in 3BR units	70%	45
Of five-person households in 3BR units	30%	24
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%	19
Of five-person households in 4BR units	35%	29
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%	29

Total Demand **532**

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	193	-	0	=	193
2 BR	176	-	0	=	176
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	369		0		369

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR	9	/	193	=	4.7%
2 BR	13	/	176	=	7.4%
3 BR		/	-	=	-
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	22		369		6.0%

All Affordable

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - All Affordable

Minimum Income Limit		\$16,286		Maximum Income Limit		\$28,800	
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	10	30.8%		0.0%	0		
\$10,000-19,999	-1	-1.7%	3,713	37.1%	0		
\$20,000-29,999	4	10.9%	8,800	88.0%	3		
\$30,000-39,999	6	17.2%		0.0%	0		
\$40,000-49,999	1	3.8%		0.0%	0		
\$50,000-59,999	8	23.7%		0.0%	0		
\$60,000-74,999	5	16.1%		0.0%	0		
\$75,000-99,999	0	-1.4%		0.0%	0		
\$100,000-124,999	0	0.4%		0.0%	0		
\$125,000-149,999	4	12.5%		0.0%	0		
\$150,000-199,999	0	-0.5%		0.0%	0		
\$200,000+	-4	-11.8%		0.0%	0		
Total	33	100.0%		9.0%	3		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - All Affordable

Minimum Income Limit		\$16,286		Maximum Income Limit		\$28,800	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,017	25.4%		0.0%	0		
\$10,000-19,999	951	23.8%	3,713	37.1%	353		
\$20,000-29,999	738	18.4%	8,800	88.0%	649		
\$30,000-39,999	333	8.3%		0.0%	0		
\$40,000-49,999	239	6.0%		0.0%	0		
\$50,000-59,999	271	6.8%		0.0%	0		
\$60,000-74,999	165	4.1%		0.0%	0		
\$75,000-99,999	92	2.3%		0.0%	0		
\$100,000-124,999	94	2.4%		0.0%	0		
\$125,000-149,999	33	0.8%		0.0%	0		
\$150,000-199,999	30	0.7%		0.0%	0		
\$200,000+	41	1.0%		0.0%	0		
Total	4,003	100.0%		25.0%	1,002		

ASSUMPTIONS - All Affordable

ASSUMPTIONS - All Affordable						
Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Rural		Maximum # of Occupants		3
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	85%	15%	0%	0%	
2	0%	25%	75%	0%	0%	
3	0%	0%	80%	20%	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	All Affordable
New Renter Households PMA	33
Percent Income Qualified	9.0%
New Renter Income Qualified Households	3

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	All Affordable
Total Existing Demand	4,003
Income Qualified	25.0%
Income Qualified Renter Households	1,002
Percent Rent Overburdened Prj Mrkt Entry September 2019	39.2%
Rent Overburdened Households	393

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,002
Percent Living in Substandard Housing	0.1%
Households Living in Substandard Housing	1

Senior Households Converting from Homeownership

Income Target Population	All Affordable
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	394
Total New Demand	3
Total Demand (New Plus Existing Households)	397

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	37.0%	147
Two Persons	19.3%	77
Three Persons	16.3%	65
Four Persons	12.0%	48
Five Persons	15.3%	61
Total	100.0%	397

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
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	85%	125
Of two-person households in 1BR units	25%	19
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	15%	22
Of two-person households in 2BR units	75%	58
Of three-person households in 2BR units	80%	52
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	20%	13
Of four-person households in 3BR units	70%	33
Of five-person households in 3BR units	30%	18
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%	14
Of five-person households in 4BR units	35%	21
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%	21
Total Demand		397

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	144	-	0	=	144
2 BR	131	-	0	=	131
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	275		0		275

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR	29	/	144	=	20.1%
2 BR	21	/	131	=	16.0%
3 BR		/	-	=	-
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	50		275		18.2%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$16,286		Maximum Income Limit		\$42,900	
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	10	30.8%		0.0%	0		
\$10,000-19,999	-1	-1.7%	3,713	37.1%	0		
\$20,000-29,999	4	10.9%	9,999	100.0%	4		
\$30,000-39,999	6	17.2%	9,999	100.0%	6		
\$40,000-49,999	1	3.8%	2,900	29.0%	0		
\$50,000-59,999	8	23.7%		0.0%	0		
\$60,000-74,999	5	16.1%		0.0%	0		
\$75,000-99,999	0	-1.4%		0.0%	0		
\$100,000-124,999	0	0.4%		0.0%	0		
\$125,000-149,999	4	12.5%		0.0%	0		
\$150,000-199,999	0	-0.5%		0.0%	0		
\$200,000+	-4	-11.8%		0.0%	0		
Total	33	100.0%		28.6%	9		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$16,286		Maximum Income Limit		\$42,900	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,017	25.4%		0.0%	0		
\$10,000-19,999	951	23.8%	3,713	37.1%	353		
\$20,000-29,999	738	18.4%	9,999	100.0%	738		
\$30,000-39,999	333	8.3%	9,999	100.0%	333		
\$40,000-49,999	239	6.0%	2,900	29.0%	69		
\$50,000-59,999	271	6.8%		0.0%	0		
\$60,000-74,999	165	4.1%		0.0%	0		
\$75,000-99,999	92	2.3%		0.0%	0		
\$100,000-124,999	94	2.4%		0.0%	0		
\$125,000-149,999	33	0.8%		0.0%	0		
\$150,000-199,999	30	0.7%		0.0%	0		
\$200,000+	41	1.0%		0.0%	0		
Total	4,003	100.0%		37.3%	1,493		

ASSUMPTIONS - Overall

ASSUMPTIONS - Overall						
Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Rural		Maximum # of Occupants		3
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	85%	15%	0%	0%	
2	0%	25%	75%	0%	0%	
3	0%	0%	80%	20%	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	33
Percent Income Qualified	28.6%
New Renter Income Qualified Households	9

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	4,003
Income Qualified	37.3%
Income Qualified Renter Households	1,493
Percent Rent Overburdened Prj Mrkt Entry September 2019	39.2%
Rent Overburdened Households	585

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,493
Percent Living in Substandard Housing	0.1%
Households Living in Substandard Housing	2

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	586
Total New Demand	9
Total Demand (New Plus Existing Households)	596

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	37.0%	220
Two Persons	19.3%	115
Three Persons	16.3%	97
Four Persons	12.0%	72
Five Persons	15.3%	91
Total	100.0%	596

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
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	85%	187
Of two-person households in 1BR units	25%	29
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	15%	33
Of two-person households in 2BR units	75%	86
Of three-person households in 2BR units	80%	78
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	20%	19
Of four-person households in 3BR units	70%	50
Of five-person households in 3BR units	30%	27
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%	22
Of five-person households in 4BR units	35%	32
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%	32

Total Demand **596**

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	216	-	0	=	216
2 BR	197	-	0	=	197
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	413		0		413

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR	38	/	216	=	17.6%
2 BR	34	/	197	=	17.2%
3 BR		/	-	=	-
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	72		413		17.4%

Conclusions

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

- The number of renter households in the PMA is expected to gradually increase between 2016 and 2021.
- 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

	HH at 50% AMI	HH at 60% AMI	HH at Market Rate	All Affordable	Overall Demand
Demand from New Households (age and income appropriate)	1	3	10	3	9
PLUS	+	+	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	254	265	521	393	585
PLUS	+	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	1	1	2	1	2
=	=	=	=	=	=
Sub Total	256	269	532	397	596
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0	0	0	0
Equals Total Demand	256	269	532	397	596
Less	-	-	-	-	-
Competitive New Supply	0	0	0	0	0
Equals Net Demand	256	269	532	397	596

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent
1BR at 50% AMI	\$16,286	\$21,300	10	93	0	93	10.8%	5-6 Months	\$601	\$403	\$1,072
1BR at 60% AMI	\$19,714	\$25,560	19	98	0	98	19.5%	5-6 Months	\$617	\$435	\$1,072
1BR Unrestricted	\$18,000	\$38,200	9	193	0	193	4.7%	5-6 Months	\$692	\$465	\$1,072
1BR Overall	\$16,286	\$38,200	38	216	0	216	17.6%	5-6 Months	\$637	\$403	\$1,072
2BR at 50% AMI	\$19,749	\$24,000	5	85	0	85	5.9%	5-6 Months	\$599	\$362	\$1,057
2BR at 60% AMI	\$23,863	\$28,800	16	89	0	89	18.0%	5-6 Months	\$661	\$470	\$1,057
2BR Unrestricted	\$20,571	\$42,900	13	176	0	176	7.4%	5-6 Months	\$717	\$565	\$1,057
2BR Overall	\$19,749	\$42,900	34	197	0	197	17.2%	5-6 Months	\$659	\$362	\$1,057
50% AMI Overall	\$16,286	\$24,000	15	178	0	178	8.4%	5-6 Months	\$600	\$362	\$1,072
60% AMI Overall	\$19,749	\$28,800	35	187	0	187	18.8%	5-6 Months	\$639	\$435	\$1,072
Unrestricted Overall	\$18,000	\$42,900	22	369	0	369	6.0%	5-6 Months	\$705	\$465	\$1,072
All Affordable	\$16,286	\$28,800	50	364	0	364	18.2%	5-6 Months	\$620	\$362	\$1,072
Overall	\$16,286	\$42,900	72	413	0	413	17.4%	5-6 Months	\$648	\$362	\$1,072

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 5.9 to 10.8 percent, with an overall capture rate of 8.4 percent. The Subject’s 60 percent AMI capture rates range from 18.0 to 19.5 percent, with an overall capture rate of 18.8 percent. The market rate units have a capture rate range of 4.7 to 7.4 percent, with an overall capture rate of 6.0 percent. The overall capture rate for the project’s affordable 50 and 60 percent units is 18.2 percent. Overall, the entire proposed project has a 17.4 percent capture rate. All the capture rates are within the Georgia DCA thresholds. Therefore, we believe there is adequate demand for the Subject.

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 nine “true” comparable properties containing 753 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 average. There are three LIHTC properties with no subsidy in the PMA, two of which are used as comparables. One property is Faith Crossing, a senior LIHTC property, which is fully-occupied, but is excluded from our analysis since it has a differing tenancy. Two other family LIHTC comparables are located outside of the PMA. The comparable LIHTC properties are located between 1.3 and 40 miles from the Subject site.

The availability of market-rate data is considered average, as the Vidalia area has a limited number of market-rate properties. We included three conventional market rate properties from Vidalia in our analysis of the competitive market. In addition, to better illustrate rents in the region that are attainable for modern, high quality apartments, we also included two comparables from Hinesville, which is a market with some similarities to Vidalia, although we acknowledge this is a slightly larger market than Vidalia. The properties from Hinesville are indicative of the rents that modern units can achieve in markets with a limited supply of such units. The market rate comparables are located between 0.5 and 61 miles from the Subject site. Overall, we believe the market-rate properties we have used in our analysis are the most comparable, although all the comparables in the PMA are inferior to the condition the Subject will offer as new construction. Note that we searched in numerous other small market communities near Vidalia, but modern market rate communities similar to the size of or larger than the proposed Subject were not readily identifiable in many closer proximity areas. The two properties in Hinesville represent modern alternatives for rural southern Georgia, where the Subject is located.

Excluded Properties

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

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
Raymonia Apartments	Section 8	Vidalia	Family	80	Subsidized
Toombs-Lyons Housing, Inc	Section 8	Lyons	Family	11	Subsidized
West Columbia Apartments	Section 8	Lyons	Family	10	Subsidized
JT Lyons Properties	LIHTC/Section 8	Lyons	Family	74	Subsidized
Forest Glen Village	Rural Development	Vidalia	Senior	46	Subsidized
Lyons Apartments	Rural Development	Lyons	Family	32	Subsidized
Faith Crossing	LIHTC	Vidalia	Senior	64	Differing tenancy
Doe Run Apartments	Rural Development	Vidalia	Family	48	Subsidized
The Grove Apartments	Rural Development	Vidalia	Senior	55	Subsidized
Vidalia Village	Rural Development	Vidalia	Family	50	Unable to contact

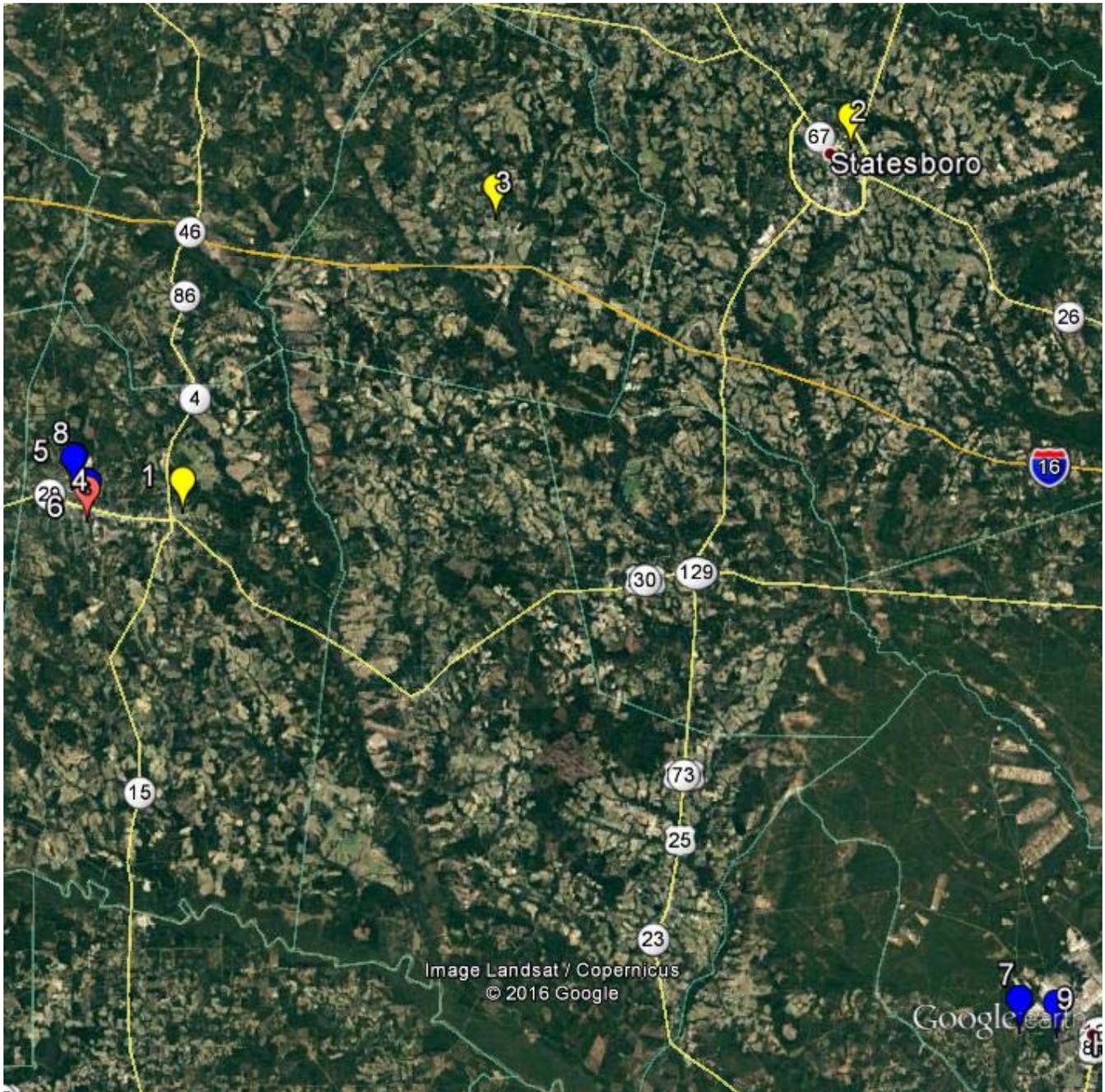


Forest Glen Village Apartments - excluded RD property

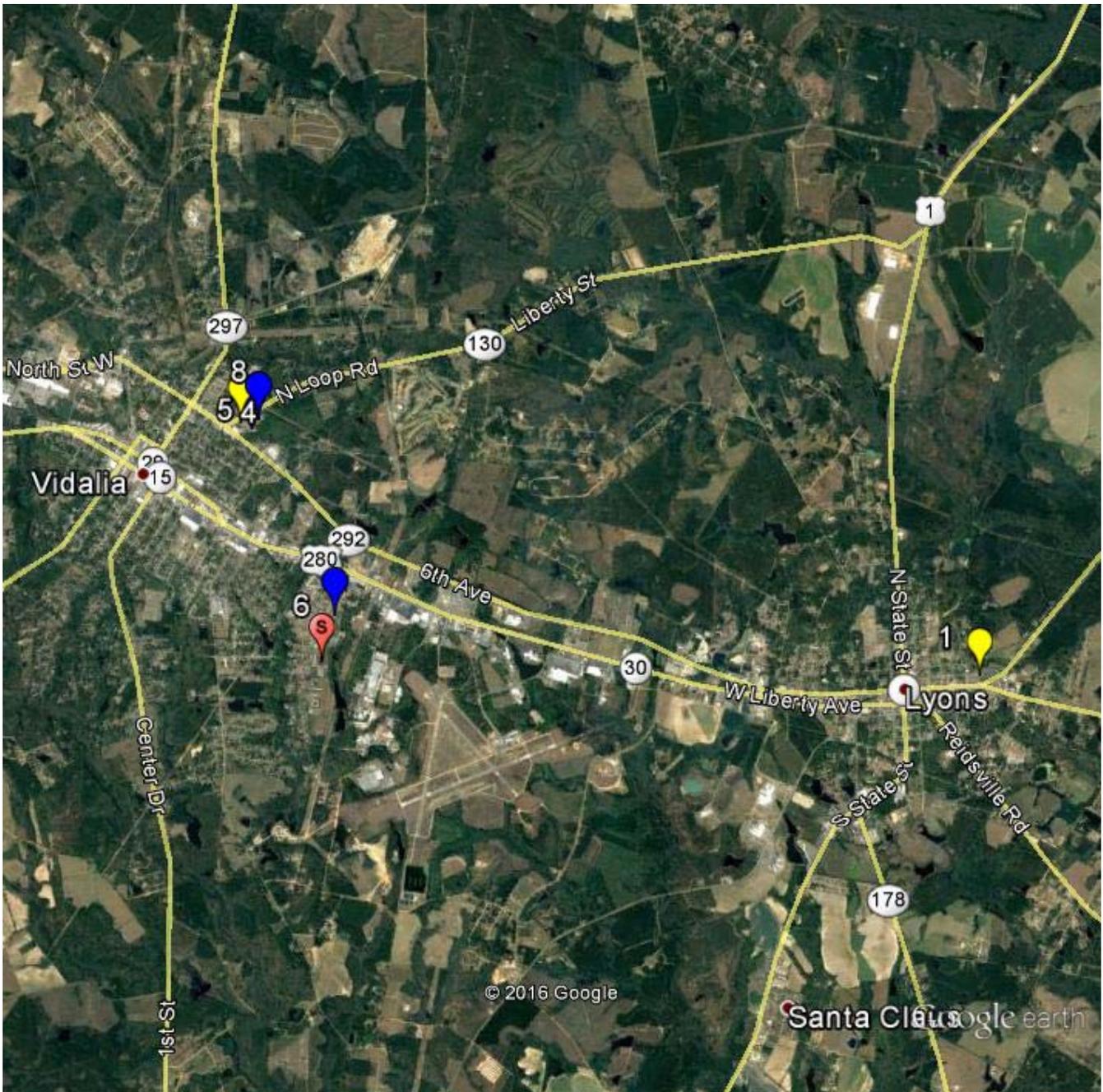


Vidalia Village Apartments - excluded RD property

Comparable Rental Property Map



Source: Google Earth, May 2017



Source: Google Earth, May 2017

COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance to Subject
1	Lakeview Apartments	Lyons	LIHTC	4.5 miles
2	Madison Meadows*	Statesboro	LIHTC/Market	40.0 miles
3	Summer Trace Apartments*	Metter	LIHTC	24.0 miles
4	The Chateau Apartments	Vidalia	LIHTC	1.8 miles
5	Brookington Apartments	Vidalia	Market	1.9 miles
6	Colony Square Apartments	Vidalia	Market	0.5 miles
7	Tattersall Village Apartments*	Hinesville	Market	60.1 miles
8	Wilkes Townhouses	Vidalia	Market	1.7 miles
9	Wyngrove Apartments*	Hinesville	Market	61.0 miles

*Denotes properties outside the PMA

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate					
Subject	The Onion Patch 105 Melvin Page Drive Vidalia, GA 30474 Toombs County	n/a	Various (1& 3 stories) Proposed 2019	@50%, @60%, Market	1BR / 1BA (Lowrise)	9	12.50%	@50%	\$383	700	no		N/A	N/A					
					1BR / 1BA (Lowrise)	18	25.00%	@60%	\$483	700	no	N/A	N/A						
					1BR / 1BA (Lowrise)	7	9.70%	Market	\$525	700	n/a	N/A	N/A						
					1BR / 1BA (One-story)	2	2.80%	Market	\$525	750	n/a	N/A	N/A						
					1BR / 1BA (One-story)	1	1.40%	@50%	\$383	750	no	N/A	N/A						
					1BR / 1BA (One-story)	1	1.40%	@60%	\$483	750	no	N/A	N/A						
					2BR / 2BA (Lowrise)	5	6.90%	@50%	\$459	1,000	no	N/A	N/A						
					2BR / 2BA (Lowrise)	13	18.10%	@60%	\$579	1,000	no	N/A	N/A						
					2BR / 2BA (Lowrise)	8	11.10%	Market	\$600	1,000	n/a	N/A	N/A						
					2BR / 2BA (One-story)	5	6.90%	Market	\$675	1,068	n/a	N/A	N/A						
					2BR / 2BA (One-story)	3	4.20%	@60%	\$579	1,068	no	N/A	N/A						
										72	100%						N/A	N/A	
					1	Lakeview Apartments 136 N 10th Street Lyons, GA 30436 Toombs County	4.5 miles	Various (2 stories) 2006 / n/a	@30%, @50%, @60%	1BR / 1BA (Garden)	1	1.40%	@30%	\$190	906	yes	No	0	0.00%
										1BR / 1BA (Garden)	6	8.30%	@50%	\$403	906	yes	No	0	0.00%
1BR / 1BA (Garden)	3	4.20%	@60%	\$480						906	no	No	0	0.00%					
2BR / 2BA (Garden)	1	1.40%	@30%	\$250						1,190	yes	No	0	0.00%					
2BR / 2BA (Garden)	1	1.40%	@50%	\$480						1,190	no	No	0	0.00%					
2BR / 2BA (Garden)	4	5.60%	@60%	\$590						1,190	no	No	1	25.00%					
2BR / 2BA (Townhouse)	3	4.20%	@30%	\$250						1,217	yes	No	0	0.00%					
2BR / 2BA (Townhouse)	13	18.10%	@50%	\$480						1,217	no	No	1	7.70%					
2BR / 2BA (Townhouse)	12	16.70%	@60%	\$600						1,217	no	No	1	8.30%					
3BR / 2BA (Garden)	2	2.80%	@30%	\$302						1,342	yes	No	0	0.00%					
3BR / 2BA (Garden)	3	4.20%	@50%	\$575						1,415	no	No	0	0.00%					
3BR / 2BA (Garden)	7	9.70%	@60%	\$700						1,415	no	No	0	0.00%					
3BR / 2BA (Townhouse)	1	1.40%	@30%	\$302						1,415	yes	No	0	0.00%					
3BR / 2BA (Townhouse)	9	12.50%	@50%	\$575						1,415	no	No	0	0.00%					
3BR / 2BA (Townhouse)	6	8.30%	@60%	\$700	1,415	no	No	1	16.70%										
					72	100%						4	5.60%						
2	Madison Meadows 10 Packinghouse Road Statesboro, GA 30458 Bulloch County	40 miles	Garden (2 stories) 2002 / n/a	@50%, @60%, Market	2BR / 2BA	27	22.50%	@50%	\$523	1,000	yes	No	0	0.00%					
					2BR / 2BA	24	20.00%	@60%	\$642	1,000	yes	No	0	0.00%					
					2BR / 2BA	13	10.80%	Market	\$690	1,000	n/a	No	0	0.00%					
					3BR / 2BA	23	19.20%	@50%	\$593	1,150	yes	No	0	0.00%					
					3BR / 2BA	22	18.30%	@60%	\$741	1,150	yes	No	1	4.50%					
					3BR / 2BA	11	9.20%	Market	\$790	1,150	n/a	No	0	0.00%					
										120	100%						1	0.80%	
					3	Summer Trace Apartments 100 W Turner Street Metter, GA 30439 Candler County	24 miles	Townhouse (2 stories) 2008 / n/a	@50%	2BR / 2.5BA	28	70.00%	@50%	\$362	1,029	no	Yes	0	0.00%
3BR / 2.5BA	12	30.00%	@50%	\$430						1,297	no	Yes	0	0.00%					
																0	0.00%		
																0	0.00%		
4	The Chateau Apartments 706 Loop Rd Vidalia, GA 30474 Toombs County	1.8 miles	Garden (2 stories) 2004 / n/a	@30%, @50%, @60%	1BR / 1BA	3	5.40%	@30%	\$225	780	yes	Yes	0	0.00%					
					1BR / 1BA	10	17.90%	@50%	\$415	780	no	No	2	20.00%					
					1BR / 1BA	3	5.40%	@60%	\$435	780	no	Yes	0	0.00%					
					2BR / 2BA	3	5.40%	@30%	\$263	1,025	yes	Yes	0	0.00%					
					2BR / 2BA	5	8.90%	@50%	\$440	1,025	no	Yes	0	0.00%					
					2BR / 2BA	16	28.60%	@60%	\$470	1,025	no	Yes	0	0.00%					
					3BR / 2BA	4	7.10%	@50%	\$485	1,180	no	Yes	2	50.00%					
					3BR / 2BA	12	21.40%	@60%	\$510	1,180	no	Yes	0	0.00%					
										56	100%						4	7.10%	

THE ONION PATCH – VIDALIA, GA – 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	The Onion Patch 105 Melvin Page Drive Vidalia, GA 30474 Toombs County	n/a	Various (1& 3 stories) Proposed 2019	@50%, @60%, Market	1BR / 1BA (Lowrise)	9	12.50%	@50%	\$383	700	no		N/A	N/A		
					1BR / 1BA (Lowrise)	18	25.00%	@60%	\$483	700	no		N/A	N/A		
					1BR / 1BA (Lowrise)	7	9.70%	Market	\$525	700	n/a		N/A	N/A		
					1BR / 1BA (One-story)	2	2.80%	Market	\$525	750	n/a		N/A	N/A		
					1BR / 1BA (One-story)	1	1.40%	@50%	\$383	750	no		N/A	N/A		
					1BR / 1BA (One-story)	1	1.40%	@60%	\$483	750	no		N/A	N/A		
					2BR / 2BA (Lowrise)	5	6.90%	@50%	\$459	1,000	no		N/A	N/A		
					2BR / 2BA (Lowrise)	13	18.10%	@60%	\$579	1,000	no		N/A	N/A		
					2BR / 2BA (Lowrise)	8	11.10%	Market	\$600	1,000	n/a		N/A	N/A		
					2BR / 2BA (One-story)	5	6.90%	Market	\$675	1,068	n/a		N/A	N/A		
					2BR / 2BA (One-story)	3	4.20%	@60%	\$579	1,068	no		N/A	N/A		
						72	100%								N/A	N/A
					5	Brookington Apartments 807 Loop Road Vidalia, GA 30474 Toombs County	1.9 miles	Garden (2 stories) 1970/1983 / n/a	Market	2BR / 1.5BA	28	100.00%	Market	\$598	980	n/a
						28	100%						3	10.70%		
6	Colony Square Apartments 1907 Teston Lane Vidalia, GA 30474 Toombs County	0.5 miles	Townhouse (2 stories) 1987 / n/a	Market	1BR / 1BA	6	25.00%	Market	\$465	1,000	n/a	No	1	16.70%		
					2BR / 1BA	12	50.00%	Market	\$565	1,200	n/a	No	1	8.30%		
					3BR / 2BA	6	25.00%	Market	\$665	1,500	n/a	No	0	0.00%		
						24	100%						2	8.30%		
7	Tattersall Village Apartments 501 Burke Drive Hinesville, GA 31313 Liberty County	60.1 miles	Garden (3 stories) 2010 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$1,088	803	n/a	No	N/A	N/A		
					1BR / 1BA	N/A	N/A	Market	\$1,105	892	n/a	No	N/A	N/A		
					1BR / 1BA	N/A	N/A	Market	\$1,126	944	n/a	No	N/A	N/A		
					1BR / 1BA	N/A	N/A	Market	\$1,025	803	n/a	No	N/A	N/A		
					1BR / 1BA	N/A	N/A	Market	\$1,035	892	n/a	No	N/A	N/A		
					1BR / 1BA	N/A	N/A	Market	\$1,055	944	n/a	No	N/A	N/A		
					2BR / 2BA	N/A	N/A	Market	\$1,076	1,134	n/a	No	N/A	N/A		
					2BR / 2BA	N/A	N/A	Market	\$1,063	1,180	n/a	No	N/A	N/A		
					2BR / 2BA	N/A	N/A	Market	\$1,158	1,227	n/a	No	N/A	N/A		
					2BR / 2BA	N/A	N/A	Market	\$976	1,134	n/a	No	N/A	N/A		
					2BR / 2BA	N/A	N/A	Market	\$1,024	1,180	n/a	No	N/A	N/A		
					2BR / 2BA	N/A	N/A	Market	\$1,047	1,227	n/a	No	N/A	N/A		
					3BR / 2BA	N/A	N/A	Market	\$1,650	1,461	n/a	No	N/A	N/A		
					3BR / 2BA	N/A	N/A	Market	\$1,541	1,461	n/a	No	N/A	N/A		
						222	100%						16	7.20%		
8	Wilkes Townhouses 504 E North St Vidalia, GA 30474 Toombs County	1.7 miles	Townhouse (2 stories) 1980 / n/a	Market	1BR / 1.5BA	11	21.60%	Market	\$540	550	n/a	No	0	0.00%		
					2BR / 1.5BA	29	56.90%	Market	\$565	1,100	n/a	No	3	10.30%		
					3BR / 1.5BA	11	21.60%	Market	\$590	1,100	n/a	No	0	0.00%		
						51	100%						3	5.90%		
9	Wyngrove Apartments 942 Grove Point Drive Hinesville, GA 31313 Liberty County	61 miles	Garden (2 stories) 2004 / n/a	Market	1BR / 1BA	60	42.90%	Market	\$712	779	n/a	None	1	1.70%		
					2BR / 2BA	66	47.10%	Market	\$828	1,106	n/a	None	2	3.00%		
					3BR / 2BA	14	10.00%	Market	\$918	1,318	n/a	None	1	7.10%		
						140	100%						4	2.90%		

THE ONION PATCH – VIDALIA, GA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.					
Effective Rent Date:		Units Surveyed:	753	Weighted Occupancy:	95.10%
May-17		Market Rate	465	Market Rate	94.00%
		Tax Credit	288	Tax Credit	96.90%
One Bedroom One Bath			Two Bedrooms Two Bath		
RENT	Property	Average	Property	Average	
	Tattersall Village Apartments	\$1,126	Tattersall Village Apartments	\$1,158	
	Tattersall Village Apartments	\$1,105	Tattersall Village Apartments	\$1,076	
	Tattersall Village Apartments	\$1,088	Tattersall Village Apartments	\$1,063	
	Tattersall Village Apartments	\$1,055	Tattersall Village Apartments	\$1,047	
	Tattersall Village Apartments	\$1,035	Tattersall Village Apartments	\$1,024	
	Tattersall Village Apartments	\$1,025	Tattersall Village Apartments	\$976	
	Wyngrove Apartments	\$712	Wyngrove Apartments	\$828	
	Wilkes Townhouses (1.5BA)	\$540	Madison Meadows * (M)	\$690	
	The Onion Patch * (M)	\$525	The Onion Patch * (M)	\$675	
	The Onion Patch * (M)	\$525	Madison Meadows * (60%)	\$642	
	The Onion Patch * (60%)	\$483	Lakeview Apartments * (60%)	\$600	
	The Onion Patch * (60%)	\$483	The Onion Patch * (M)	\$600	
	Lakeview Apartments * (60%)	\$480	Brookington Apartments (1.5BA)	\$598	
	Colony Square Apartments	\$465	Lakeview Apartments * (60%)	\$590	
	The Chateau Apartments * (60%)	\$435	The Onion Patch * (60%)	\$579	
	The Chateau Apartments * (50%)	\$415	The Onion Patch * (60%)	\$579	
	Lakeview Apartments * (50%)	\$403	Colony Square Apartments (1BA)	\$565	
	The Onion Patch * (50%)	\$383	Wilkes Townhouses (1.5BA)	\$565	
	The Onion Patch * (50%)	\$383	Madison Meadows * (50%)	\$523	
	The Chateau Apartments * (30%)	\$225	Lakeview Apartments * (50%)	\$480	
	Lakeview Apartments * (30%)	\$190	Lakeview Apartments * (50%)	\$480	
			The Chateau Apartments * (60%)	\$470	
			The Onion Patch * (50%)	\$459	
			The Chateau Apartments * (50%)	\$440	
			Summer Trace Apartments * (2.5BA 50%)	\$362	
			The Chateau Apartments * (30%)	\$263	
			Lakeview Apartments * (30%)	\$250	
			Lakeview Apartments * (30%)	\$250	
SQUARE FOOTAGE	Colony Square Apartments	1,000	Tattersall Village Apartments	1,227	
	Tattersall Village Apartments	944	Tattersall Village Apartments	1,227	
	Tattersall Village Apartments	944	Lakeview Apartments * (30%)	1,217	
	Lakeview Apartments * (30%)	906	Lakeview Apartments * (50%)	1,217	
	Lakeview Apartments * (50%)	906	Lakeview Apartments * (60%)	1,217	
	Lakeview Apartments * (60%)	906	Colony Square Apartments (1BA)	1,200	
	Tattersall Village Apartments	892	Lakeview Apartments * (30%)	1,190	
	Tattersall Village Apartments	892	Lakeview Apartments * (50%)	1,190	
	Tattersall Village Apartments	803	Lakeview Apartments * (60%)	1,190	
	Tattersall Village Apartments	803	Tattersall Village Apartments	1,180	
	The Chateau Apartments * (30%)	780	Tattersall Village Apartments	1,180	
	The Chateau Apartments * (50%)	780	Tattersall Village Apartments	1,134	
	The Chateau Apartments * (60%)	780	Tattersall Village Apartments	1,134	
	Wyngrove Apartments	779	Wyngrove Apartments	1,106	
	The Onion Patch * (M)	750	Wilkes Townhouses (1.5BA)	1,100	
	The Onion Patch * (50%)	750	The Onion Patch * (M)	1,068	
	The Onion Patch * (60%)	750	The Onion Patch * (60%)	1,068	
	The Onion Patch * (50%)	700	Summer Trace Apartments * (2.5BA 50%)	1,029	
	The Onion Patch * (60%)	700	The Chateau Apartments * (30%)	1,025	
	The Onion Patch * (M)	700	The Chateau Apartments * (50%)	1,025	
	Wilkes Townhouses (1.5BA)	550	The Chateau Apartments * (60%)	1,025	
			Madison Meadows * (50%)	1,000	
			Madison Meadows * (60%)	1,000	
			Madison Meadows * (M)	1,000	
			The Onion Patch * (50%)	1,000	
			The Onion Patch * (60%)	1,000	
			The Onion Patch * (M)	1,000	
			Brookington Apartments (1.5BA)	980	
RENT PER SQUARE FOOT	Tattersall Village Apartments	\$1.35	Tattersall Village Apartments	\$0.95	
	Tattersall Village Apartments	\$1.28	Tattersall Village Apartments	\$0.94	
	Tattersall Village Apartments	\$1.24	Tattersall Village Apartments	\$0.90	
	Tattersall Village Apartments	\$1.19	Tattersall Village Apartments	\$0.87	
	Tattersall Village Apartments	\$1.16	Tattersall Village Apartments	\$0.86	
	Tattersall Village Apartments	\$1.12	Tattersall Village Apartments	\$0.85	
	Wilkes Townhouses (1.5BA)	\$0.98	Wyngrove Apartments	\$0.75	
	Wyngrove Apartments	\$0.91	Madison Meadows * (M)	\$0.69	
	The Onion Patch * (M)	\$0.75	Madison Meadows * (60%)	\$0.64	
	The Onion Patch * (M)	\$0.70	The Onion Patch * (M)	\$0.63	
	The Onion Patch * (60%)	\$0.69	Brookington Apartments (1.5BA)	\$0.61	
	The Onion Patch * (60%)	\$0.64	The Onion Patch * (M)	\$0.60	
	The Chateau Apartments * (60%)	\$0.56	The Onion Patch * (60%)	\$0.58	
	The Onion Patch * (50%)	\$0.55	The Onion Patch * (60%)	\$0.54	
	The Chateau Apartments * (50%)	\$0.53	Madison Meadows * (50%)	\$0.52	
	Lakeview Apartments * (60%)	\$0.53	Wilkes Townhouses (1.5BA)	\$0.51	
	The Onion Patch * (50%)	\$0.51	Lakeview Apartments * (60%)	\$0.50	
	Colony Square Apartments	\$0.46	Lakeview Apartments * (60%)	\$0.49	
	Lakeview Apartments * (50%)	\$0.44	Colony Square Apartments (1BA)	\$0.47	
	The Chateau Apartments * (30%)	\$0.29	The Onion Patch * (50%)	\$0.46	
	Lakeview Apartments * (30%)	\$0.21	The Chateau Apartments * (60%)	\$0.46	
			The Chateau Apartments * (50%)	\$0.43	
			Lakeview Apartments * (50%)	\$0.40	
			Lakeview Apartments * (50%)	\$0.39	
			Summer Trace Apartments * (2.5BA 50%)	\$0.35	
			The Chateau Apartments * (30%)	\$0.26	
			Lakeview Apartments * (30%)	\$0.21	
			Lakeview Apartments * (30%)	\$0.21	

PROPERTY PROFILE REPORT

Lakeview Apartments

Effective Rent Date 4/19/2017

Location 136 N 10th Street
Lyons, GA 30436
Toombs County

Distance 4.5 miles

Units 72

Vacant Units 4

Vacancy Rate 5.6%

Type Various (2 stories)

Year Built/Renovated 2006 / N/A

Marketing Began 3/30/2006

Leasing Began 9/15/2006

Last Unit Leased N/A

Major Competitors The Chateau Apartments

Tenant Characteristics Primarily families with 2 children, 10% senior

Contact Name Sandy

Phone 912-526-5988



Market Information

Program @30%, @50%, @60%

Annual Turnover Rate 35%

Units/Month Absorbed 10 per month

HCV Tenants 10%

Leasing Pace 1 to 4 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

Lakeview Apartments, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	1	906	\$190	\$0	@30%	No	0	0.0%	yes	None
1	1	Garden (2 stories)	6	906	\$403	\$0	@50%	No	0	0.0%	yes	None
1	1	Garden (2 stories)	3	906	\$480	\$0	@60%	No	0	0.0%	no	None
2	2	Garden (2 stories)	1	1,190	\$250	\$0	@30%	No	0	0.0%	yes	None
2	2	Garden (2 stories)	1	1,190	\$480	\$0	@50%	No	0	0.0%	no	None
2	2	Garden (2 stories)	4	1,190	\$590	\$0	@60%	No	1	25.0%	no	None
2	2	Townhouse (2 stories)	3	1,217	\$250	\$0	@30%	No	0	0.0%	yes	None
2	2	Townhouse (2 stories)	13	1,217	\$480	\$0	@50%	No	1	7.7%	no	None
2	2	Townhouse (2 stories)	12	1,217	\$600	\$0	@60%	No	1	8.3%	no	None
3	2	Garden (2 stories)	2	1,342	\$302	\$0	@30%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	3	1,415	\$575	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (2 stories)	7	1,415	\$700	\$0	@60%	No	0	0.0%	no	None
3	2	Townhouse (2 stories)	1	1,415	\$302	\$0	@30%	No	0	0.0%	yes	None
3	2	Townhouse (2 stories)	9	1,415	\$575	\$0	@50%	No	0	0.0%	no	None
3	2	Townhouse (2 stories)	6	1,415	\$700	\$0	@60%	No	1	16.7%	no	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$190	\$0	\$190	\$0	\$190	1BR / 1BA	\$403	\$0	\$403	\$0	\$403
2BR / 2BA	\$250	\$0	\$250	\$0	\$250	2BR / 2BA	\$480	\$0	\$480	\$0	\$480
3BR / 2BA	\$302	\$0	\$302	\$0	\$302	3BR / 2BA	\$575	\$0	\$575	\$0	\$575
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$480	\$0	\$480	\$0	\$480						
2BR / 2BA	\$590 - \$600	\$0	\$590 - \$600	\$0	\$590 - \$600						
3BR / 2BA	\$700	\$0	\$700	\$0	\$700						

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

Patrol
 Perimeter Fencing

Services

None

Property

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

Clubhouse/Meeting
 Central Laundry
 On-Site Management
 Playground

Premium

None

Other

None

Lakeview Apartments, continued

Comments

The contact stated that most tenants are from the Lyons/Vidalia area, and they do not see many people relocate from out of state. They keep a wait list on the units, but there are currently no households on it.

PROPERTY PROFILE REPORT

Madison Meadows

Effective Rent Date	5/03/2017
Location	10 Packinghouse Road Statesboro, GA 30458 Bulloch County
Distance	40 miles
Units	120
Vacant Units	1
Vacancy Rate	0.8%
Type	Garden (2 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Little Lots Creek
Tenant Characteristics	Diverse mix of locals, 30% senior citizens
Contact Name	Sherry (Leasing agent)
Phone	912-489-1001



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	8%
Leasing Pace	Within 30 days
Annual Chg. in Rent	Increased four percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	27	1,000	\$508	\$0	@50%	No	0	0.0%	yes	None
2	2	Garden (2 stories)	24	1,000	\$627	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (2 stories)	13	1,000	\$675	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	23	1,150	\$578	\$0	@50%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	22	1,150	\$726	\$0	@60%	No	1	4.5%	yes	None
3	2	Garden (2 stories)	11	1,150	\$775	\$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 / 2BA	\$508	\$0	\$508	\$15	\$523	2BR / 2BA	\$627	\$0	\$627	\$15	\$642
3BR / 2BA	\$578	\$0	\$578	\$15	\$593	3BR / 2BA	\$726	\$0	\$726	\$15	\$741
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
2BR / 2BA	\$675	\$0	\$675	\$15	\$690						
3BR / 2BA	\$775	\$0	\$775	\$15	\$790						

Madison Meadows, continued

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
Patrol

Services

None

Property

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

Clubhouse/Meeting
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

Our contact could not estimate the annual turnover rate or number of parking spaces available.

PROPERTY PROFILE REPORT

Summer Trace Apartments

Effective Rent Date 4/25/2017
Location 100 W Turner Street
 Metter, GA 30439
 Candler County
Distance 24 miles
Units 40
Vacant Units 0
Vacancy Rate 0.0%
Type Townhouse (2 stories)
Year Built/Renovated 2008 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics N/A
Contact Name Brandy
Phone (256) 417-4921



Market Information

Program @50%
Annual Turnover Rate 5%
Units/Month Absorbed N/A
HCV Tenants 1%
Leasing Pace N/A
Annual Chg. in Rent Increased three 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
2	2.5	Townhouse (2 stories)	28	1,029	\$409	\$0	@50%	Yes	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	12	1,297	\$487	\$0	@50%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2.5BA	\$409	\$0	\$409	-\$47	\$362
3BR / 2.5BA	\$487	\$0	\$487	-\$57	\$430

Amenities

In-Unit
 Balcony/Patio
 Central A/C
 Ceiling Fan
 Microwave
 Refrigerator

Blinds
 Dishwasher
 Garbage Disposal
 Oven

Security
 None

Services
 None

Property
 Clubhouse/Meeting
 Central Laundry
 On-Site Management

Exercise Facility
 Off-Street Parking
 Playground

Premium
 None

Other
 None

Summer Trace Apartments, continued

Comments

The property maintains a waiting list of 11 households for the two-bedroom units and eight households for the three-bedroom units.

PROPERTY PROFILE REPORT

The Chateau Apartments

Effective Rent Date	5/17/2017
Location	706 Loop Rd Vidalia, GA 30474 Toombs County
Distance	1.8 miles
Units	56
Vacant Units	4
Vacancy Rate	7.1%
Type	Garden (2 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	1/15/2004
Last Unit Leased	10/31/2004
Major Competitors	None disclosed.
Tenant Characteristics	Families from Vidalia area; 20% senior tenants
Contact Name	Waconda
Phone	912-537-1973



Market Information

Program	@30%, @50%, @60%
Annual Turnover Rate	22%
Units/Month Absorbed	2-3
HCV Tenants	9%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Increased 2.4 to 5.0% in 50% and 60%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	3	780	\$210	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	10	780	\$400	\$0	@50%	No	2	20.0%	no	None
1	1	Garden (2 stories)	3	780	\$420	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	3	1,025	\$248	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	5	1,025	\$425	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	16	1,025	\$455	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	4	1,180	\$470	\$0	@50%	Yes	2	50.0%	no	None
3	2	Garden (2 stories)	12	1,180	\$495	\$0	@60%	Yes	0	0.0%	no	None

The Chateau Apartments, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$210	\$0	\$210	\$15	\$225	1BR / 1BA	\$400	\$0	\$400	\$15	\$415
2BR / 2BA	\$248	\$0	\$248	\$15	\$263	2BR / 2BA	\$425	\$0	\$425	\$15	\$440
						3BR / 2BA	\$470	\$0	\$470	\$15	\$485

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$420	\$0	\$420	\$15	\$435
2BR / 2BA	\$455	\$0	\$455	\$15	\$470
3BR / 2BA	\$495	\$0	\$495	\$15	\$510

Amenities

In-Unit

Balcony/Patio
 Carpeting
 Dishwasher
 Garbage Disposal
 Refrigerator

Blinds
 Central A/C
 Exterior Storage
 Oven
 Washer/Dryer hookup

Security

Perimeter Fencing

Services

None

Property

Clubhouse/Meeting
 Off-Street Parking
 Picnic Area
 Recreation Areas

Central Laundry
 On-Site Management
 Playground

Premium

None

Other

None

Comments

Management indicated that the property maintains a short waiting list for most bedroom types and AMI levels that was started in April. Management noted that typically, one-bedroom units at 50 percent and 60 percent AMI are the most challenging to lease.

Colony Square Apartments, continued

Comments

The contact stated that the tenancy at this property is varied, and 30% or more are not from the area.

PROPERTY PROFILE REPORT

Tattersall Village Apartments

Effective Rent Date 5/19/2017
Location 501 Burke Drive
Hinesville, GA 31313
Liberty County
Distance 60.1 miles
Units 222
Vacant Units 16
Vacancy Rate 7.2%
Type Garden (3 stories)
Year Built/Renovated 2010 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics N/A
Contact Name Leasing Agent
Phone (912) 417-3559



Market Information

Program Market
Annual Turnover Rate 30%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace N/A
Annual Chg. in Rent N/A
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

Tattersall Village Apartments, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	803	\$1,088	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	892	\$1,105	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	944	\$1,126	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	803	\$1,025	\$0	Market	No	N/A	N/A	N/A	LOW
1	1	Garden (3 stories)	N/A	892	\$1,035	\$0	Market	No	N/A	N/A	N/A	LOW
1	1	Garden (3 stories)	N/A	944	\$1,055	\$0	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,134	\$1,076	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,180	\$1,063	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,227	\$1,158	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,134	\$976	\$0	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,180	\$1,024	\$0	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,227	\$1,047	\$0	Market	No	N/A	N/A	N/A	LOW
3	2	Garden (3 stories)	N/A	1,461	\$1,650	\$0	Market	No	N/A	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,461	\$1,541	\$0	Market	No	N/A	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,025 - \$1,126	\$0	\$1,025 - \$1,126	\$0	\$1,025 - \$1,126
2BR / 2BA	\$976 - \$1,158	\$0	\$976 - \$1,158	\$0	\$976 - \$1,158
3BR / 2BA	\$1,541 - \$1,650	\$0	\$1,541 - \$1,650	\$0	\$1,541 - \$1,650

Amenities

In-Unit

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

Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
On-Site Management

Clubhouse/Meeting
Off-Street Parking
Sport Court

Premium

None

Other

None

Comments

The contact reported that the elevated vacancy rate is due to the time of the year, and she expects move ins to pick up in the fall.

PROPERTY PROFILE REPORT

Wilkes Townhouses

Effective Rent Date	4/19/2017
Location	504 E North St Vidalia, GA 30474 Toombs County
Distance	1.7 miles
Units	51
Vacant Units	3
Vacancy Rate	5.9%
Type	Townhouse (2 stories)
Year Built/Renovated	1980 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Chateau, Knick Knack
Tenant Characteristics	Mixed tenancy
Contact Name	Chip
Phone	912-537-3141



Market Information

Program	Market
Annual Turnover Rate	24%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	2-4 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	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1.5	Townhouse (2 stories)	11	550	\$525	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	29	1,100	\$550	\$0	Market	No	3	10.3%	N/A	None
3	1.5	Townhouse (2 stories)	11	1,100	\$575	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1.5BA	\$525	\$0	\$525	\$15	\$540
2BR / 1.5BA	\$550	\$0	\$550	\$15	\$565
3BR / 1.5BA	\$575	\$0	\$575	\$15	\$590

Amenities

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

Wilkes Townhouses, continued

Comments

The contact was not able to provide a current rent for the three-bedroom units since they very rarely turn over. As such, the rent listed in the grid is an estimate. The contact reported that most tenants come from the Vidalia area, but approximately 20% have relocated from elsewhere.

PROPERTY PROFILE REPORT

Wyngrove Apartments

Effective Rent Date	5/21/2017
Location	942 Grove Point Drive Hinesville, GA 31313 Liberty County
Distance	61 miles
Units	140
Vacant Units	4
Vacancy Rate	2.9%
Type	Garden (2 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Liberty Court, Liberty Place (sister properties)
Tenant Characteristics	Majority military
Contact Name	Becky
Phone	(912) 368-6105



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Varies with deployment
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	60	779	\$750	\$0	Market	None	1	1.7%	N/A	None
2	2	Garden (2 stories)	66	1,106	\$875	\$0	Market	None	2	3.0%	N/A	None
3	2	Garden (2 stories)	14	1,318	\$975	\$0	Market	None	1	7.1%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$750	\$0	\$750	-\$38	\$712
2BR / 2BA	\$875	\$0	\$875	-\$47	\$828
3BR / 2BA	\$975	\$0	\$975	-\$57	\$918

Wyngrove Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator

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

Security

Limited Access
Perimeter Fencing

Services

None

Property

Off-Street Parking

Playground

Premium

None

Other

Screened-in Patio/Balcony

Comments

Management stated that they see relatively high turnover due to the tenancy being including military and there are often deployments that effect occupancy tremendously.

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

Housing Choice Vouchers

We were unable to reach a representative from the Georgia Department of Community Affairs to obtain information on payment standards and the Section 8 waiting list. According to the Georgia DCA website, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. All households on the waiting list earn below 50 percent of the AMI and are expected to be income-qualified for the Subject’s 50 and 60 percent of AMI units. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS

Comparable Property	Type	Housing Choice Voucher Tenants
Lakeview Apartments	LIHTC	10%
Madison Meadows*	LIHTC/Market	8%
Summer Trace Apartments*	LIHTC	1%
The Chateau Apartments	LIHTC	9%
Brookington Apartments	Market	0%
Colony Square Apartments	Market	0%
Tattersall Village Apartments*	Market	0%
Wilkes Townhouses	Market	0%
Wyngrove Apartments*	Market	0%
Total LIHTC Average		7%
Total Market Rate Average		0%

*Denotes properties outside the PMA

Housing Choice Voucher usage in this market ranges from zero to 10 percent. All the LIHTC properties have a relatively low reliance on tenants with vouchers. It is our opinion the Subject will not require significant support from Voucher holders at the affordable proposed LIHTC rents. We believe the Subject would maintain a voucher usage of 10 percent or less.

Lease Up History

We were not able to obtain absorption information from any of the comparable properties, all of which were built in 2008 or prior. As such, we searched the surrounding region for absorption history data and found details for LIHTC and market rate properties, which are illustrated following table.

ABSORPTION

Property Name	Location	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Grace Crossing	Statesboro	LIHTC	Senior	2012	64	9
Potemkin Senior of Warner Robins	Warner Robins	LIHTC	Senior	2011	68	11
Chatham Parke	Warner Robins	Market	Family	2016	40	13
Asbury Parke	Warner Robins	Market	Family	2014	224	15

Absorption rates at regional LIHTC properties ranged from nine to 11 units per month, while recently completed market rate properties experienced reported absorption rates of 13 to 15 units per month.

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed LIHTC and market rate property. As a proposed family LIHTC and market rate property, we would anticipate the Subject will experience an absorption rate greater than the senior LIHTC properties, but slightly less than what the market rate apartments experienced. As such, we have concluded to an absorption pace of 12 units per month, indicating an absorption period of five to six months to stabilize at 93 percent occupancy.

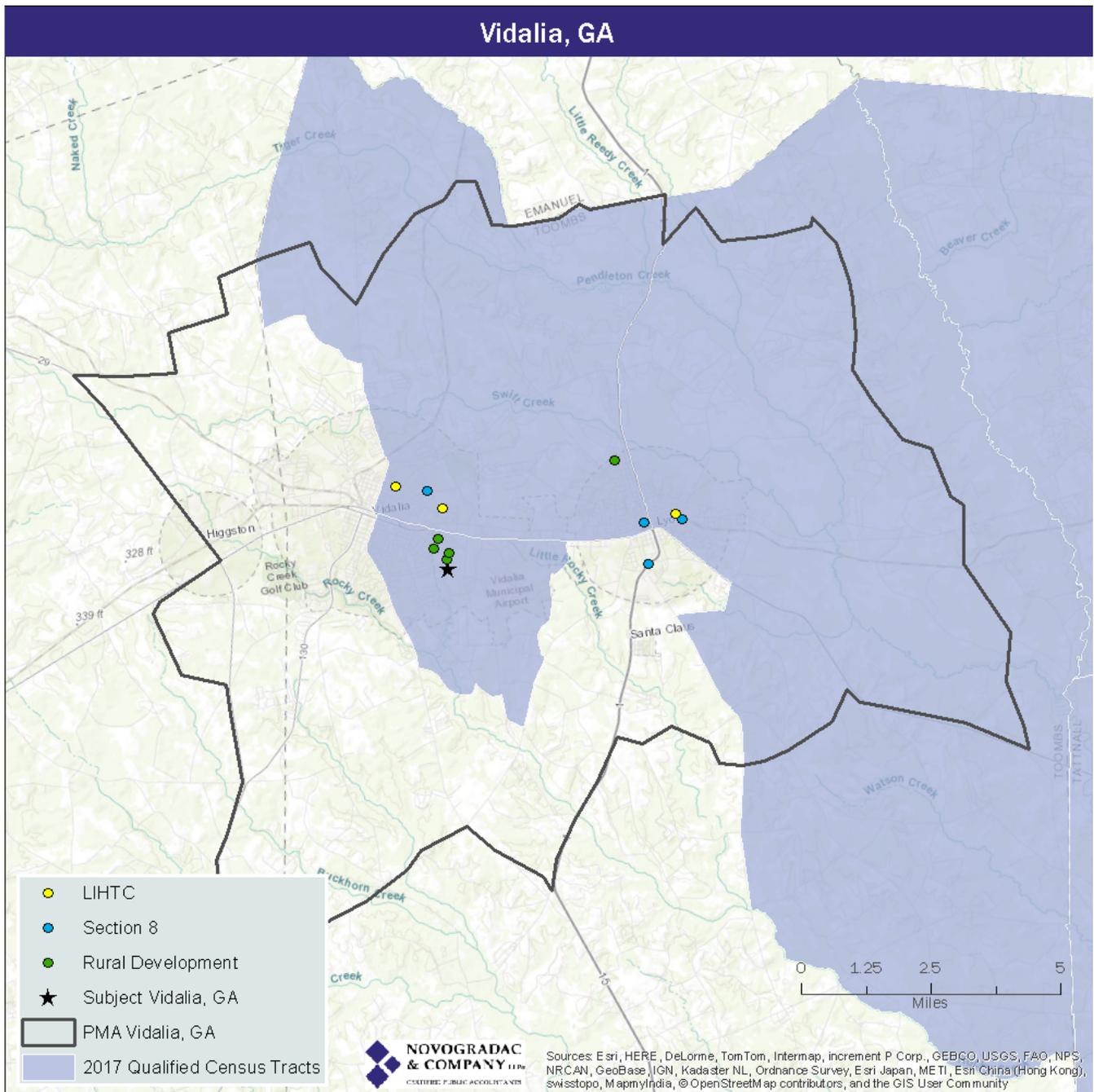
Phased Developments

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

Rural Areas

The Subject is located in a rural area; however, existing competitive rental supply is sufficient from which to draw conclusions.

3. Competitive Project Map



AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Distance from Subject	Map Color
Raymonia Apartments	Section 8	Vidalia	Family	80	1.5 Miles	Blue
Toombs-Lyons Housing, Inc	Section 8	Lyons	Family	11	4.0 Miles	
West Columbia Apartments	Section 8	Lyons	Family	10	3.7 Miles	
JT Lyons Properties	LIHTC/Section 8	Lyons	Family	74	4.0 Miles	Purple
Forest Glen Village	Rural Development	Vidalia	Senior	46	0.1 Miles	Green
Chateau Apartments	LIHTC	Vidalia	Family	56	1.8 Miles	Yellow
Lakeview Apartments	LIHTC	Lyons	Family	72	4.5 Miles	
Lyons Apartments	Rural Development	Lyons	Family	32	3.8 Miles	Green
Faith Crossing	LIHTC	Vidalia	Senior	64	1.3 Miles	Yellow
Doe Run Apartments	Rural Development	Vidalia	Family	48	0.5 Miles	Green
The Grove Apartments	Rural Development	Vidalia	Senior	55	0.8 Miles	
Vidalia Village	Rural Development	Vidalia	Family	50	0.3 Miles	

4. Amenities

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

AMENITY MATRIX REPORT

	The Onion Patch	Lakeview Apartments	Madison Meadows	Summer Trace Apartments	The Chateau Apartments	Brookington Apartments	Colony Square Apartments	Tattersall Village Apartments	Wilkes Townhouses	Wyngrove Apartments
Comp #	Subject	1	2	3	4	5	6	7	8	9
Property Information										
Property Type	Various (3 stories)	Various (2 stories)	Garden (2 stories)	Townhouse (2 stories)	Garden (2 stories)	Garden (2 stories)	Townhouse (2 stories)	Garden (3 stories)	Townhouse (2 stories)	Garden (2 stories)
Year Built / Renovated	Proposed 2019	2006 / n/a	2002 / n/a	2008 / n/a	2004 / n/a	1970/1983 / n/a	1987 / n/a	2010 / n/a	1980 / n/a	2004 / n/a
Market (Conv.)/Subsidy Type	LIHTC/Market	LIHTC	LIHTC/Market	LIHTC	LIHTC	Market	Market	Market	Market	Market
Utility Adjustments										
Cooking	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	yes	no	yes	no	no	no	yes
Sewer	no	no	no	yes	no	yes	no	no	no	yes
Trash Collection	yes	yes	no	yes	no	yes	no	yes	no	yes
In-Unit Amenities										
Balcony/Patio	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	no	no	no	no	no	no	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	yes	no	no	yes	no	no	no	no	yes
Ceiling Fan	yes	yes	yes	yes	no	yes	no	yes	yes	yes
Garbage Disposal	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	yes	no	no	yes	no	no	no	yes	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	yes	yes	no	no	no	no	no	no	no
Washer/Dryer	no	no	no	no	no	no	no	no	yes	no
Washer/Dryer hookup	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Property Amenities										
Business										
Center/Computer Lab	yes	yes	yes	no	no	no	no	yes	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	no	no	yes	no	no
Elevators	yes	no	no	no	no	no	no	no	no	no
Exercise Facility	no	yes	yes	yes	no	no	no	yes	no	no
Central Laundry	yes	yes	no	yes	yes	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	no	yes	no	no
Picnic Area	yes	yes	yes	no	yes	no	no	no	no	no
Playground	yes	yes	yes	yes	yes	no	no	no	no	yes
Recreation Areas	no	yes	no	no	yes	no	no	no	no	no
Sport Court	no	no	no	no	no	no	no	yes	no	no
Swimming Pool	no	no	yes	no	no	no	no	no	yes	no
Security										
Limited Access	yes	no	yes	no	no	no	no	no	no	yes
Patrol	no	yes	yes	no	no	no	no	no	no	no
Perimeter Fencing	no	yes	no	no	yes	no	no	no	no	yes
Video Surveillance	yes	no	no	no	no	no	no	no	no	no
Other Amenities										
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Screened-in Patio/Balcony

The Subject will offer generally similar or superior unit amenities in comparison to the LIHTC and market-rate comparable properties and superior to slightly inferior property amenities. Some features the Subject lacks offered at some of the comparables include garbage disposals, exercise facilities, and swimming pools. The Subject's inclusion of washer/dryer hookups for all units will benefit the Subject's long-term marketability. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the market. Note that compared to market rate properties in the area, the Subject will be of better condition, as well as offering better amenities, and will be capable of achieving higher market rents than the inferior market rate comparables we identified and surveyed.

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	Total Units	Vacant Units	Vacancy Rate
Lakeview Apartments	LIHTC	72	4	5.6%
Madison Meadows*	LIHTC/Market	120	1	0.8%
Summer Trace Apartments*	LIHTC	40	0	0.0%
The Chateau Apartments	LIHTC	56	4	7.1%
Brookington Apartments	Market	28	3	10.7%
Colony Square Apartments	Market	24	2	8.3%
Tattersall Village Apartments*	Market	222	16	7.2%
Wilkes Townhouses	Market	51	3	5.9%
Wyngrove Apartments*	Market	140	4	2.9%
Total LIHTC Average		264	9	3.4%
Total Market Rate Average		489	28	5.7%
Total		753	37	4.9%

*Denotes properties outside the PMA

Overall vacancy in the market is moderate at 4.9 percent. The total LIHTC vacancy rate is lower at 3.4 percent. The Chateau Apartments reported a vacancy rate of 7.1 percent, the highest among the LIHTC properties, but management also said most current vacancies are being filled from the property's short waiting list, which was started in April. Management at Lakeview Apartments in Lyons also suggested that some of the current vacancies will soon be filled by pending applications. The two LIHTC properties from outside the PMA, Madison Meadows and Summer Trace Apartments, each reported very low vacancy rates.

The vacancy rates among the market-rate comparable properties range from 2.9 to 10.7 percent, averaging 5.7 percent, which is considered moderate. Management at Brookington Apartments stated that as an older, small market rate property, two to three vacancies at a time are not unusual for the specific property, which is among the worst condition of the comparables surveyed. Management at Colony Square reported two vacancies and said that this is an anomaly, and the property is usually at least 95 percent occupied. Wilkes Townhouses, which is managed by the same company as Brookington Apartments, reported that two to three vacancies at a time are not unusual at this property. The Tattersall Village Apartments and Wyngrove Apartments in Hinesville had vacancy rates of 2.9 and 7.2 percent, respectively, with management at

Tattersall Village Apartments citing that she believes the elevated vacancy rate is due to the time of the year, and she expects move-ins to pick up in the fall.

As a newly constructed property with a superior amenity package compared to the market rate properties and a generally similar amenities package compared to LIHTC properties, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Based on these factors, we believe that there is sufficient demand for additional affordable housing in the market. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

7. Properties Under Construction and Proposed

According to Mr. Shaun Oliver with the City of Vidalia, other than the proposed Subject, there have been no multifamily properties proposed, planned, or constructed within Vidalia in several years. Faith Crossing, the newest property in the area, opened in 2012 and typically is fully occupied according to management.

8. Rental Advantage

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

SIMILARITY MATRIX

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Sizes	Overall Comparison
1	Lakeview Apartments	LIHTC	Slightly Superior	Slightly Superior	Slightly Inferior	Slightly Inferior	Superior	10
2	Madison Meadows	LIHTC/Market	Slightly Superior	Similar	Superior	Slightly Inferior	Similar	10
3	Summer Trace Apartments	LIHTC	Inferior	Slightly Inferior	Inferior	Slightly Inferior	Similar	-30
4	The Chateau Apartments	LIHTC	Similar	Similar	Similar	Slightly Inferior	Similar	-5
5	Brookington Apartments	Market	Inferior	inferior	Similar	Inferior	Slightly Inferior	-35
6	Colony Square Apartments	Market	Inferior	Slightly Inferior	Similar	Inferior	Superior	-15
7	Tattersall Village Apartments	Market	Similar	Similar	Slightly Superior	Similar	Superior	15
8	Wilkes Townhouses	Market	Inferior	Similar	Similar	Inferior	Slightly Inferior	-25
9	Wyngrove Apartments	Market	Inferior	Similar	Slightly Superior	Slightly Inferior	Slightly Superior	-5

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

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

LIHTC RENT COMPARISON - @50%

Property Name	1BR	2BR
The Onion Patch (Subject)	\$383	\$459
LIHTC Maximum (Net) - Toombs County 2016	\$407	\$483
LIHTC Maximum (Net) - Bulloch County 2016	\$407	\$483
LIHTC Maximum (Net) - Candler County 2016	\$407	\$483
Lakeview Apartments - Toombs County	\$403	\$480
Madison Meadows* - Bulloch County	-	\$523
Summer Trace Apartments* - Candler County	-	\$362
The Chateau Apartments - Toombs County	\$415	\$440
Average (excluding Subject)	\$409	\$457

*Denotes properties outside the PMA

LIHTC RENT COMPARISON - @60%

Property Name	1BR	2BR
The Onion Patch (Subject)	\$483	\$579
LIHTC Maximum (Net) - Toombs County 2016	\$507	\$603
LIHTC Maximum (Net) - Bulloch County 2016	\$507	\$603
LIHTC Maximum (Net) - Candler County 2016	\$507	\$603
		\$590 - \$600
Madison Meadows* - Bulloch County	-	\$642
The Chateau Apartments - Toombs County	\$435	\$470
Average (excluding Subject)	\$435	\$556

*Denotes properties outside the PMA

All of the comparable properties were built in 2008 or earlier. The national non-metropolitan area AMI peaked in 2016. Therefore, none of the comparable properties have been “held harmless.” Note that all four comparables are designated to be located in “rural designated locations” as defined by USDA and are eligible for the national non-metropolitan area rent and income limits, similar to the Subject. Per the Georgia DCA 2016 guidelines, the market study analyst must use the maximum rent and income limits effective as of January 1, 2016. Therefore, we have utilized the 2016 maximum income and rent limits.

Only one LIHTC comparable, Madison Meadows in Statesboro, reported achieving maximum allowable 50 percent AMI rents for all unit types, while Lakeview Apartments in Lyons, within the PMA, reported achieving maximum allowable 50 percent AMI rent for the one-bedroom units, but not for the two and three-bedroom units it offers. Summer Trace Apartments and The Chateau Apartments reported their 50 percent and 60 percent AMI rents are below the maximum allowable levels. Given that the comparables in the PMA have a few vacant units at 50 percent AMI, it is our opinion that maximum allowable 50 percent AMI rents would be potentially challenging to attain. The proposed 50 percent AMI rents of \$383 and \$459 appear reasonable compared to the rents of the properties in the PMA, Lakeview Apartments and The Chateau Apartments. It is our opinion the proposed 50 percent AMI rents are appropriate for this market and can be achieved.

The Subject’s proposed 60 percent AMI rents are below the area’s maximum allowable rents. The proposed rents are similar to rents at Lakeview Apartments in Lyons, but are above the current 60 percent AMI rents at The Chateau Apartments. Upon completion, the Subject will be superior to The Chateau Apartments and similar to slightly inferior to Lakeview Apartments based on the slightly superior unit amenities and property amenities at Lakeview Apartments. Given the vacancy rates at these properties within the PMA, it is our opinion that rents for the Subject are attainable as proposed. Note that while excluded, the rents for 60 percent AMI units at Faith Crossing, a senior tenancy property, are \$365 for a one-bedroom and \$405 for a two-bedroom at 60 percent of AMI.

Lakeview Apartments and The Chateau Apartments are considered the most comparable LIHTC properties to the Subject. Lakeview Apartments, which is located 4.5 miles from the Subject, is considered slightly superior to the proposed Subject. While the Subject will offer a superior location, as well as a superior age and condition upon completion, Lakeview Apartments offer superior unit sizes, slightly superior unit amenities, and slightly superior property amenities. Regarding unit amenities, Lakeview Apartments offers coat closets, garbage disposals, and walk-in closets, which the Subject will lack. The Subject will also lack an exercise facility and recreation areas, which Lakeview Apartments does offer. Lastly, both the one and two-bedroom unit types at Lakeview Apartments are larger than the Subject’s proposed unit sizes. However, since the Subject will be new construction, it will be superior to Lakeview Apartments in age and condition. The Subject will exhibit excellent condition upon completion, while Lakeview Apartments were built in 2006 and exhibits slightly inferior condition compared to the Subject as proposed. This comparable property exhibits a vacancy rate of 5.6 percent, and does maintain a waiting list, but there are currently no

households on the list. Three of the vacant units are restricted to 60 percent of the AMI, and one is restricted to 50 percent of the AMI. Overall, the performance of this comparable property, Lakeview Apartments, indicates that the maximum allowable LIHTC rents at 50 and 60 percent of the AMI are achievable in the market.

Chateau Apartments is located 1.8 miles from the Subject site and is considered similar to the proposed Subject. This property offers similar unit sizes, location, unit features, and property amenities and slightly inferior age/condition. Regarding unit amenities, Chateau Apartments lacks ceiling fans and microwaves but includes garbage disposals, which the proposed Subject does not. Chateau Apartments also offers recreation areas but lacks elevators and a business center. The one-bedroom units at Chateau Apartments are slightly larger than the Subject's proposed unit sizes for the one-bedroom units, but the two-bedroom units at Chateau Apartments are smaller than the two-bedroom villa units at the proposed Subject and slightly larger than the two-bedroom units in the lowrise building. This comparable property was built in 2004, and will be in slightly inferior age/condition to the proposed Subject. This property exhibits 7.1 percent vacancy and maintains a short waiting list with the one and two-bedroom units at 30 percent of the AMI set to the maximum allowable levels. As the Subject will be newly constructed and offer a competitive amenity package, we believe that the Subject should be able to achieve similar or higher LIHTC rents than Chateau Apartments.

Both of the comparables in the PMA have vacancy rates above five percent, but do maintain waiting lists. Management at Lakeview Apartments and The Chateau Apartments each suggested that maximum allowable rents are not considered reasonably attainable in this rural market. The manager at Lakeview Apartments stated that while she has been able to raise rents by as much as five percent in the last several months, she did not believe an increase up to maximum allowable rents would be possible without a significant increase in vacancies and in turnover upon lease renewals. While the LIHTC comparable properties in the PMA have moderate vacancy rates, we believe that the presence of waiting lists and rent growth at Lakeview Apartments are 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 COMPARABLE RENTS

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1BR @ 50%	\$383	\$403	\$1,072	\$601	57%
2BR @ 50%	\$459	\$362	\$1,057	\$599	30%
1BR @ 60%	\$483	\$435	\$1,072	\$617	28%
2BR @ 60%	\$579	\$470	\$1,057	\$661	14%
1BR Market	\$525	\$465	\$1,072	\$692	32%
2BR Market	\$600 - \$675	\$565	\$1,057	\$717	6% to 20%

As illustrated, the Subject’s proposed 50 and 60 percent AMI rents exhibit rent advantages greater than 10 percent. The Subject’s proposed market rate rents exhibit rent advantages of six to 32 percent to the surveyed “average” market rents, and in our opinion are attainable in this market with no modern market rate apartment units. The most modern rental units in the PMA are at LIHTC properties.

Wilkes Townhouses is achieving the highest one and two-bedroom unrestricted rents in the Subject’s PMA. The Subject will be superior to Wilkes Townhouses, which was built in 1980 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. This Wilkes Townhouses townhome-style design is also considered slightly inferior to the Subject’s lowrise, elevator-served and single-story villa designs. The Wilkes Townhouses is located 1.7 miles from the Subject site and offers a similar location. Wilkes Townhouses offers generally similar unit amenities compared to the Subject’s proposed unit amenities. However, Wilkes Townhouses’ community amenities are considered inferior to the Subject. The one-bedroom rent at Wilkes Townhouses is \$15 above the current proposed one-bedroom market rate rent, while the two-bedroom rent at Wilkes Townhouses is at least \$35 below the proposed market rate two-bedroom rent.

Overall, we believe that the Subject’s proposed 50 and 60 percent AMI rents, as well as the market rate rents, are achievable in the market and will offer rent advantages.

9. LIHTC Competition – DCA Funded Properties within the PMA

Since 2014, there have been no LIHTC allocations or projects funded within the Subject’s PMA, or within a 10-mile radius of the Subject. As such, there is no recent LIHTC completion that would be impacted by the Subject’s allocation. It is our opinion that based on the capture rates for the Subject’s various targeted income levels, and the vacancy rates of existing properties we surveyed, that the Subject could be developed as a mixed-income property without negatively impacting the existing LIHTC and market rate properties we surveyed.

Capture rates for the Subject are considered low to moderate 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 at 3.4 percent. The two LIHTC properties in the PMA have some vacancies, but also occasionally maintain waiting lists and do not believe vacancies are an issue. Additionally, Lakeview Apartments was able to increase rents by as much as five percent in recent months, but the 60 percent AMI rents, and also some of this properties 50 percent AMI rents, are below maximum allowable levels. The Subject’s proposed rents are below maximum allowable levels.

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	5,332	63.1%	3,113	36.9%
2017	5,181	56.4%	4,003	43.6%
2021	5,226	56.3%	4,064	43.7%

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

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. However, the percentage of renter-occupied housing units has risen since 2000. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, the PMA has a larger percentage of renters than the nation as a whole. This percentage is projected to remain relatively stable over the next four years.

Historical Vacancy

The following table details historical vacancy levels for the properties included as comparables. Note that we have surveyed this market infrequently due to its rural nature.

HISTORICAL VACANCY

Comparable Property	Type	Total Units	1QTR 2011	2QTR 2017
Lakeview Apartments	LIHTC	72	4.2%	5.6%
Madison Meadows	LIHTC/Market	120	5.8%	0.8%
Summer Trace Apartments	LIHTC	40	N/A	0.0%
The Chateau Apartments	LIHTC	56	12.5%	7.1%
Brookington Apartments	Market	28	7.1%	10.7%
Colony Square Apartments	Market	24	0.0%	8.3%
Tattersall Village Apartments	Market	222	N/A	7.2%
Wilkes Townhouses	Market	51	0.0%	5.9%
Wyngrove Apartments	Market	140	N/A	2.9%
		753	4.9%	5.4%

As illustrated in the table, the vacancy rate in the area among comparables surveyed has overall remained relatively stable since 2011 based on the preceding data, while vacancy rates at some specific properties have increased. 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	Rent Growth
Lakeview Apartments	LIHTC	None
Madison Meadows*	LIHTC/Market	Increased 4%
Summer Trace Apartments*	LIHTC	Increased 3%
The Chateau Apartments	LIHTC	Increased 2.4 to 5.0% in 50% and 60% AMI
Brookington Apartments	Market	None
Colony Square Apartments	Market	None
Tattersall Village Apartments*	Market	N/A
Wilkes Townhouses	Market	None
Wyngrove Apartments*	Market	None

*Denotes properties outside the PMA

Three of the four surveyed LIHTC properties have reported growth of 2.4 to five percent in the past year. The market rate properties reported no rent growth or were unwilling to provide the information. No comparables are offering any concessions. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC and market rate property, and this growth will be dependent on rents in the market area, as well as growth in the AMI.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 1,706 housing units nationwide was in some stage of foreclosure as of April 2017. *RealtyTrac* statistical data for the Vidalia area is not available. However, according to Zillow, there are 29 homes in Vidalia that are currently listed in some state of foreclosure. This is among a total of 4,691 housing units in Vidalia according to the 2010 Census data. This suggests a foreclosure rate of one in every 162 housing units in the Vidalia area, which is a significantly higher figure than the national average. With a somewhat stagnant economy experiencing limited improvement since the most recent recession, it is not surprising local foreclosure instances are higher than the national average. According to the 2010 US Census, there were 1,295 vacant housing units in the PMA and 2,403 vacant housing units in the Vidalia Micropolitan Statistical Area. However, in the Subject’s immediate neighborhood, approximately 6.46 percent of all housing units are vacant as of 2017, compared to 12.86 percent in the PMA. This bodes well for the Subject and indicates that it is located in a desirable neighborhood of Vidalia.

12. Primary Housing Void

The Subject’s PMA has two existing family LIHTC properties, Lakeview Apartments and The Chateau Apartments, which are each in slightly inferior condition compared to the Subject’s anticipated condition once completed. Neither property is fully-occupied, but both maintain short waiting lists. These waiting lists indicate that while there are a few vacancies at each of these LIHTC comparables, there is demand for affordable housing in the market.

The one and two-bedroom unit types to be offered will be attractive to the majority of the renter households in the PMA based on renter household size distributions. We believe the proposed mixture of market rate and 50 and 60 percent AMI LIHTC units will be well-suited for this market, where modern market rate units are lacking.

13. Effect of Subject on Other Affordable Units in Market

There are no proposed LIHTC developments in the PMA. While there are some vacancies at the existing LIHTC properties in the PMA, we believe there is adequate demand for the addition of the Subject within the market. The vacancy rate among the four existing LIHTC comparables is considered low at 3.4 percent. Historical vacancy rates also suggest generally stable demand for rental housing in the area. The area's non-comparable subsidized properties are performing well, suggesting high demand among the lowest-income renters. In summary, the performance of the comparable LIHTC properties, the historical vacancy trends, the recent LIHTC rent increases indicate that the Subject will not negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the proposed Subject development. The LIHTC comparables are experiencing a weighted average vacancy rate of 3.4 percent, which is considered low. The two LIHTC properties in the PMA have a few vacancies each, but each also has a short waiting list, and management at both properties said vacancies usually fill in a within a few weeks. These factors indicate demand for affordable housing. The Subject will offer generally similar or superior unit amenities in comparison to the LIHTC and market-rate comparable properties and superior to slightly inferior property amenities. Some features the Subject will lack that are offered at some of the comparables include garbage disposals, exercise facilities, and swimming pools. The Subject's inclusion of washer/dryer hookups for all units will benefit the Subject's long-term marketability. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the market. Note that compared to market rate properties in the Vidalia area, the Subject will be of better condition, as well as offering better amenities, and will be capable of achieving higher market rents than the inferior market rate comparables we identified and surveyed from Vidalia. The Subject's proposed unit sizes will be competitive with the comparable properties and offer an advantage in the market compared to some of the comparables, and are all considered of adequate size to compete well. In general, the Subject will be generally similar to superior to the comparable LIHTC properties, and generally similar to superior to the comparable market rate properties. Given the Subject's anticipated condition relative to the competition and the demand for affordable housing, we believe that the Subject is feasible as proposed. We believe the proposed units will help satisfy some of the area's demand for low and moderate-income modern rental units.

I. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

We were not able to obtain absorption information from any of the comparable properties. As such, we searched the surrounding region for absorption history data and found details for LIHTC and market rate properties, which are illustrated following table.

ABSORPTION

Property Name	Location	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Grace Crossing	Statesboro	LIHTC	Senior	2012	64	9
Potemkin Senior of Warner Robins	Warner Robins	LIHTC	Senior	2011	68	11
Chatham Parke	Warner Robins	Market	Family	2016	40	13
Asbury Parke	Warner Robins	Market	Family	2014	224	15

Absorption rates at regional LIHTC properties ranged from nine to 11 units per month, while recently completed market rate properties experienced reported absorption rates of 13 to 15 units per month.

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed LIHTC and market rate property. As a proposed family LIHTC and market rate property, we would anticipate the Subject will experience an absorption rate greater than the senior LIHTC properties, but slightly less than what the market rate apartments experienced. As such, we have concluded to an absorption pace of 12 units per month, indicating an absorption period of five to six months to stabilize at 93 percent occupancy.

J. INTERVIEWS

Georgia Department of Community Affairs, Waycross Regional Office

We were unable to reach a representative of the Georgia Department of Community Affairs, but in April 2015, we spoke with Mr. Pat McNally, Section 8 Office Manager for the Georgia Department of Community Affairs (DCA) Section 8 Department. Mr. McNally was unable to report how many Housing Choice Vouchers are in use in Toombs County. According to the Georgia DCA website, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. All households on the waiting list earn below 50 percent of the AMI and are expected to be income-qualified for the Subject’s 50 and 60 percent of AMI units. The payment standards for the DCA Southern Region are listed below.

PAYMENT STANDARDS

Unit Type	Standard
One-bedroom	\$818
Two-bedroom	\$973

Source: Georgia DCA Housing Authority, December 2016

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

Planning

According to Mr. Shaun Oliver with the City of Vidalia, there have been no multifamily properties proposed or constructed within the PMA since 2014.

Vidalia Economic Development Department

According to Ms. Michele Johnson with the Toombs County Chamber of Commerce, the only employment expansion of note in recent years has been the opening of the Meadows Regional Medical Center in Vidalia. Construction began on the 194,000 square foot facility in 2011. Ms. Johnson was unsure when construction on the facility was completed or how many employees they planned to take on initially, but reported that the medical center has hired new employees every year since its opening and is now one of the largest employers in Vidalia and the Toombs County area. She also reported that economic growth in the area has been stagnant in the area since the recession and does not show signs of picking up in the near future.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

Population growth has remained relatively flat in the PMA since 2000 and has been consistently outpaced by the SMA and the nation. Annual household growth in the PMA and SMA increased slightly from 2010 to 2017 and is projected to remain continue in the PMA and SMA through the market entry date and 2021. Household growth rates in both the PMA and SMA have lagged slightly behind that of the nation since 2000, and this trend is projected to continue through 2021. Approximately 43.6 percent of housing units in the PMA are renter-occupied – up from 36.9 percent in 2000. Moreover, more than two-thirds of renters in the PMA earn less than \$30,000 annually, which is an indicator of likely strong demand for affordable units.

Employment Trends

Employment in the PMA is concentrated in the healthcare/social assistance, manufacturing, retail trade, and educational services sectors. While the healthcare/social assistance and educational services industries are typically stable during times of recession, the manufacturing and retail trade industries are more volatile and often experience employment losses during economic downturn.

Employment in the SMA made slight gains in the years immediately following the recession but has since decreased consistently beginning in 2014. Unemployment in the SMA also remains higher than that of the nation. Overall, the local economy appears to be somewhat unstable, and it is unlikely that the SMA will recover several of the manufacturing and retail jobs that were lost during the last recession. As a result, demand for rental housing, notably affordable rental housing, should remain significant in this area.

Capture Rates

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

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption
1BR at 50% AMI	\$16,286	\$21,300	10	93	0	93	10.8%	5-6 Months
1BR at 60% AMI	\$19,714	\$25,560	19	98	0	98	19.5%	5-6 Months
1BR Unrestricted	\$18,000	\$38,200	9	193	0	193	4.7%	5-6 Months
1BR Overall	\$16,286	\$38,200	38	216	0	216	17.6%	5-6 Months
2BR at 50% AMI	\$19,749	\$24,000	5	85	0	85	5.9%	5-6 Months
2BR at 60% AMI	\$23,863	\$28,800	16	89	0	89	18.0%	5-6 Months
2BR Unrestricted	\$20,571	\$42,900	13	176	0	176	7.4%	5-6 Months
2BR Overall	\$19,749	\$42,900	34	197	0	197	17.2%	5-6 Months
50% AMI Overall	\$16,286	\$24,000	15	178	0	178	8.4%	5-6 Months
60% AMI Overall	\$19,749	\$28,800	35	187	0	187	18.8%	5-6 Months
Unrestricted Overall	\$18,000	\$42,900	22	369	0	369	6.0%	5-6 Months
All Affordable	\$16,286	\$28,800	50	364	0	364	18.2%	5-6 Months
Overall	\$16,286	\$42,900	72	413	0	413	17.4%	5-6 Months

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

Absorption

We were not able to obtain absorption information from any of the comparable properties. As such, we searched the surrounding region for absorption history data and found details for LIHTC and market rate properties, which are illustrated following table.

ABSORPTION							
Property Name	Location	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month	
Grace Crossing	Statesboro	LIHTC	Senior	2012	64	9	
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Asbury Parke	Warner Robins	Market	Family	2014	224	15	

Absorption rates at regional LIHTC properties ranged from nine to 11 units per month, while recently completed market rate properties experienced reported absorption rates of 13 to 15 units per month.

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed LIHTC and market rate property. As a proposed family LIHTC and market rate property, we would anticipate the Subject will experience an absorption rate greater than the senior LIHTC properties, but slightly less than what the market rate apartments experienced. As such, we have concluded to an absorption pace of 12 units per month, indicating an absorption period of five to six months to stabilize at 93 percent occupancy.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property Name	Rent	Total Units	Vacant Units	Vacancy Rate
Lakeview Apartments	LIHTC	72	4	5.6%
Madison Meadows*	LIHTC/Market	120	1	0.8%
Summer Trace Apartments*	LIHTC	40	0	0.0%
The Chateau Apartments	LIHTC	56	4	7.1%
Brookington Apartments	Market	28	3	10.7%
Colony Square Apartments	Market	24	2	8.3%
Tattersall Village Apartments*	Market	222	16	7.2%
Wilkes Townhouses	Market	51	3	5.9%
Wyngrove Apartments*	Market	140	4	2.9%
Total LIHTC Average		264	9	3.4%
Total Market Rate Average		489	28	5.7%
Total		753	37	4.9%

*Denotes properties outside the PMA

Overall vacancy in the market is moderate at 4.9 percent. The total LIHTC vacancy rate is lower at 3.4 percent. The Chateau Apartments reported a vacancy rate of 7.1 percent, the highest among the LIHTC properties, but management also said most current vacancies are being filled from the property's short waiting list, which was started in April. Management at Lakeview Apartments in Lyons also suggested that

some of the current vacancies will soon be filled by pending applications. The two LIHTC properties from outside the PMA, Madison Meadows and Summer Trace Apartments, each reported very low vacancy rates.

The vacancy rates among the market-rate comparable properties range from 2.9 to 10.7 percent, averaging 5.7 percent, which is considered moderate. Management at Brookington Apartments stated that as an older, small market rate property, two to three vacancies at a time are not unusual for the specific property, which is among the worst condition of the comparables surveyed. Management at Colony Square reported two vacancies and said that this is an anomaly and the property is usually at least 95 percent occupied. Wilkes Townhouses, which is managed by the same company as Brookington Apartments, reported that two to three vacancies at a time are not unusual at this property. The Tattersall Village Apartments and Wynngrove Apartments in Hinesville had vacancy rates of 2.9 and 7.2 percent, respectively, with management at Tattersall Village Apartments citing the time of year for the slightly elevated vacancy rate.

As a newly constructed property with a superior amenity package compared to the market rate properties, and a generally similar amenities package compared to LIHTC properties, we anticipate that the Subject would perform with a vacancy rate of six percent or less. Based on these factors, we believe that there is sufficient demand for additional affordable housing in the market. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

Strengths of the Subject

Strengths of the Subject will include its desirable location in Vidalia, as well as its condition, which will generally be superior to any of the apartments we identified in the PMA, where no new market rate units have been built for several years. The Subject is also located within a short distance of most locational amenities and services. As the demand analysis found in this report suggests, there is adequate demand for the Subject based on our calculations for the 50 and 60 percent AMI units, as well as the market rate units and the Subject overall.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the proposed Subject development. The LIHTC comparables are experiencing a weighted average vacancy rate of 3.4 percent, which is considered low. The two LIHTC properties in the PMA have a few vacancies each, but each also has a short waiting list, and management at both properties said vacancies usually fill in a within a few weeks. These factors indicate demand for affordable housing. The Subject will offer generally similar or superior unit amenities in comparison to the LIHTC and market-rate comparable properties and superior to slightly inferior property amenities. Some features the Subject will lack that are offered at some of the comparables include garbage disposals, exercise facilities, and swimming pools. The Subject's inclusion of washer/dryer hookups for all units will benefit the Subject's long-term marketability. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the market. Note that compared to market rate properties in the Vidalia area, the Subject will be of better condition, as well as offering better amenities, and will be capable of achieving higher market rents than the inferior market rate comparables we identified and surveyed from Vidalia. The Subject's proposed unit sizes will be competitive with the comparable properties and offer an advantage in the market compared to some of the comparables, and are all considered of adequate size to compete well. In general, the Subject will be generally similar to superior to the comparable LIHTC properties, and generally similar to superior to the comparable market rate properties. Given the Subject's anticipated condition relative to the competition and the demand for affordable housing, we believe that the Subject is feasible as proposed. We believe the proposed units will help satisfy some of the area's demand for low and moderate-income modern rental units.

Recommendations

We have no recommended changes to the Subject's concept.

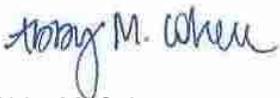
L. SIGNED STATEMENT REQUIREMENTS

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.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP
Blair.Kincer@novoco.com

Date: May 23, 2017



Abby M. Cohen
Principal
Abby.Cohen@novoco.com

Date: May 23, 2017



Brian Neukam
Manager
Brian.Neukam@novoco.com

Date May 23, 2017



Brian Gault
Senior Real Estate Analyst
Brian.Gault@novoco.com
740-618-6272

Date: May 23, 2017

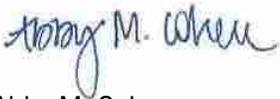
M. MARKET STUDY REPRESENTATION

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
Novogradac & Company LLP
Blair.Kincer@novoco.com

Date: May 23, 2017



Abby M. Cohen
Principal
Abby.Cohen@novoco.com

Date: May 23, 2017



Brian Neukam
Manager
Brian.Neukam@novoco.com

Date May 23, 2017



Brian Gault
Senior Real Estate Analyst
Brian.Gault@novoco.com
740-618-6272

Date: May 23, 2017

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



View of Subject site from Melvin Page Drive



View of Melvin Page Drive from Subject site



View of Subject site from Melvin Page Drive



View of Subject site from Melvin Page Drive



View of Subject site from Melvin Page Drive



View of Subject site from Melvin Page Drive



Adjacent medical use



Adjacent medical use



Commercial uses in neighborhood



House of worship in neighborhood



Medical use in neighborhood



Medical use in neighborhood



Medical use in neighborhood



Hospice in neighborhood



Neighborhood commercial uses



Neighborhood commercial uses



Neighborhood commercial uses



Neighborhood commercial uses



Neighborhood commercial uses



Neighborhood commercial uses



Bank in neighborhood



Neighborhood commercial uses



Retail uses



Retail uses



Retail uses



Retail uses



Commercial uses



Railroad tracks – Highway 280 and Stockyard Road



Area hospital



Rehabilitation facility



Duplex units in neighborhood



New construction residential uses on Maple Drive



Residential uses in neighborhood



Residential uses in neighborhood



Forest Glen Village Apartments (excluded RD property) in neighborhood



Forest Glen Village Apartments (excluded RD property) in 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, December 2016-present

Novogradac & Company LLP, Senior Real Estate Analyst, September 2015- December 2016

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
BRIAN GAULT**

I. Education

Ohio University, Athens, Ohio
Bachelor of Science in Journalism, Certification in Environmental Studies

II. Professional Experience

Real Estate Analyst, Novogradac & Company LLP, August 2014 – Present
Vice President/Project Director, Vogt Santer Insights, July 2010 – June 2014
Project Director/Director of Southeast Operations, VWB Research, October 2002 – June 2010
Field Analyst/Project Director, Danter Company, February 2000 – October 2002

III. Research Assignments

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

- Authored more than 1,600 market feasibility studies or letters for affordable, market rate and student rental housing. These reports have been utilized by developers, syndicators, state housing finance agencies, and lenders to assist in the financial underwriting, planning and design of rental properties. Analysis typically includes: unit mix determination, demand estimation, rental rate analysis, competitive property evaluation and overall market feasibility analysis.
- Completed field research for more than 250 projects in more than 40 states while employed in the industry.
- Interviewed, trained, and coordinated staff of seven to nine field analysts working nationwide while with previous employers.
- Experienced in data collection for commercial space used in retail, office or overall commercial space analyses.

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	The Onion Patch 105 Melvin Page Drive Vidalia, GA 30474 Toombs County	n/a	Various (1& 3 stories) Proposed 2019	@50%, @60%, Market	1BR / 1BA (Lowrise)	9	12.50%	@50%	\$383	700	no		N/A	N/A					
					1BR / 1BA (Lowrise)	18	25.00%	@60%	\$483	700	no	N/A	N/A						
					1BR / 1BA (Lowrise)	7	9.70%	Market	\$525	700	n/a	N/A	N/A						
					1BR / 1BA (One-story)	2	2.80%	Market	\$525	750	n/a	N/A	N/A						
					1BR / 1BA (One-story)	1	1.40%	@50%	\$383	750	no	N/A	N/A						
					1BR / 1BA (One-story)	1	1.40%	@60%	\$483	750	no	N/A	N/A						
					2BR / 2BA (Lowrise)	5	6.90%	@50%	\$459	1,000	no	N/A	N/A						
					2BR / 2BA (Lowrise)	13	18.10%	@60%	\$579	1,000	no	N/A	N/A						
					2BR / 2BA (Lowrise)	8	11.10%	Market	\$600	1,000	n/a	N/A	N/A						
					2BR / 2BA (One-story)	5	6.90%	Market	\$675	1,068	n/a	N/A	N/A						
					2BR / 2BA (One-story)	3	4.20%	@60%	\$579	1,068	no	N/A	N/A						
						72	100%							N/A	N/A				
					1	Lakeview Apartments 136 N 10th Street Lyons, GA 30436 Toombs County	4.5 miles	Various (2 stories) 2006 / n/a	@30%, @50%, @60%	1BR / 1BA (Garden)	1	1.40%	@30%	\$190	906	yes	No	0	0.00%
										1BR / 1BA (Garden)	6	8.30%	@50%	\$403	906	yes	No	0	0.00%
1BR / 1BA (Garden)	3	4.20%	@60%	\$480						906	no	No	0	0.00%					
2BR / 2BA (Garden)	1	1.40%	@30%	\$250						1,190	yes	No	0	0.00%					
2BR / 2BA (Garden)	1	1.40%	@50%	\$480						1,190	no	No	0	0.00%					
2BR / 2BA (Garden)	4	5.60%	@60%	\$590						1,190	no	No	1	25.00%					
2BR / 2BA (Townhouse)	3	4.20%	@30%	\$250						1,217	yes	No	0	0.00%					
2BR / 2BA (Townhouse)	13	18.10%	@50%	\$480						1,217	no	No	1	7.70%					
2BR / 2BA (Townhouse)	12	16.70%	@60%	\$600						1,217	no	No	1	8.30%					
3BR / 2BA (Garden)	2	2.80%	@30%	\$302						1,342	yes	No	0	0.00%					
3BR / 2BA (Garden)	3	4.20%	@50%	\$575						1,415	no	No	0	0.00%					
3BR / 2BA (Garden)	7	9.70%	@60%	\$700						1,415	no	No	0	0.00%					
3BR / 2BA (Townhouse)	1	1.40%	@30%	\$302						1,415	yes	No	0	0.00%					
3BR / 2BA (Townhouse)	9	12.50%	@50%	\$575						1,415	no	No	0	0.00%					
	6	8.30%	@60%	\$700	1,415	no	No	1	16.70%										
	72	100%							4	5.60%									
2	Madison Meadows 10 Packinghouse Road Statesboro, GA 30458 Bulloch County	40 miles	Garden (2 stories) 2002 / n/a	@50%, @60%, Market	2BR / 2BA	27	22.50%	@50%	\$523	1,000	yes	No	0	0.00%					
					2BR / 2BA	24	20.00%	@60%	\$642	1,000	yes	No	0	0.00%					
					2BR / 2BA	13	10.80%	Market	\$690	1,000	n/a	No	0	0.00%					
					3BR / 2BA	23	19.20%	@50%	\$593	1,150	yes	No	0	0.00%					
					3BR / 2BA	22	18.30%	@60%	\$741	1,150	yes	No	1	4.50%					
					3BR / 2BA	11	9.20%	Market	\$790	1,150	n/a	No	0	0.00%					
						120	100%							1	0.80%				
3	Summer Trace Apartments 100 W Turner Street Metter, GA 30439 Candler County	24 miles	Townhouse (2 stories) 2008 / n/a	@50%	2BR / 2.5BA	28	70.00%	@50%	\$362	1,029	no	Yes	0	0.00%					
					3BR / 2.5BA	12	30.00%	@50%	\$430	1,297	no	Yes	0	0.00%					
						40	100%							0	0.00%				
4	The Chateau Apartments 706 Loop Rd Vidalia, GA 30474 Toombs County	1.8 miles	Garden (2 stories) 2004 / n/a	@30%, @50%, @60%	1BR / 1BA	3	5.40%	@30%	\$225	780	yes	Yes	0	0.00%					
					1BR / 1BA	10	17.90%	@50%	\$415	780	no	No	2	20.00%					
					1BR / 1BA	3	5.40%	@60%	\$435	780	no	Yes	0	0.00%					
					2BR / 2BA	3	5.40%	@30%	\$263	1,025	yes	Yes	0	0.00%					
					2BR / 2BA	5	8.90%	@50%	\$440	1,025	no	Yes	0	0.00%					
					2BR / 2BA	16	28.60%	@60%	\$470	1,025	no	Yes	0	0.00%					
					3BR / 2BA	4	7.10%	@50%	\$485	1,180	no	Yes	2	50.00%					
					3BR / 2BA	12	21.40%	@60%	\$510	1,180	no	Yes	0	0.00%					
						56	100%							4	7.10%				
						28	100%							3	10.70%				
5	Brookington Apartments 807 Loop Road Vidalia, GA 30474 Toombs County	1.9 miles	Garden (2 stories) 1970/1983 / n/a	Market	2BR / 1.5BA	28	100.00%	Market	\$598	980	n/a	No	3	10.70%					
						28	100%						3	10.70%					
6	Colony Square Apartments 1907 Teston Lane Vidalia, GA 30474 Toombs County	0.5 miles	Townhouse (2 stories) 1987 / n/a	Market	1BR / 1BA	6	25.00%	Market	\$465	1,000	n/a	No	1	16.70%					
					2BR / 1BA	12	50.00%	Market	\$565	1,200	n/a	No	1	8.30%					
					3BR / 2BA	6	25.00%	Market	\$665	1,500	n/a	No	0	0.00%					
	24	100%							2	8.30%									
7	Tattersall Village Apartments 501 Burke Drive Hinesville, GA 31313 Liberty County	60.1 miles	Garden (3 stories) 2010 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$1,088	803	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,105	892	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,126	944	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,025	803	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,035	892	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,055	944	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,076	1,134	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,063	1,180	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,158	1,227	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$976	1,134	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,024	1,180	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,047	1,227	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,650	1,461	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,541	1,461	n/a	No	N/A	N/A					
	222	100%							16	7.20%									
8	Wilkes Townhouses 504 E North St Vidalia, GA 30474 Toombs County	1.7 miles	Townhouse (2 stories) 1980 / n/a	Market	1BR / 1.5BA	11	21.60%	Market	\$540	550	n/a	No	0	0.00%					
					2BR / 1.5BA	29	56.90%	Market	\$565	1,100	n/a	No	3	10.30%					
					3BR / 1.5BA	11	21.60%	Market	\$590	1,100	n/a	No	0	0.00%					
						51	100%							3	5.90%				
9	Wyngrave Apartments 942 Grove Point Drive Hinesville, GA 31313 Liberty County	61 miles	Garden (2 stories) 2004 / n/a	Market	1BR / 1BA	60	42.90%	Market	\$712	779	n/a	None	1	1.70%					
					2BR / 2BA	66	47.10%	Market	\$828	1,106	n/a	None	2	3.00%					
					3BR / 2BA	14	10.00%	Market	\$918	1,318	n/a	None	1	7.10%					
						140	100%							4	2.90%				

ADDENDUM E
Subject Floor Plans (Not Provided)