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CERTIFIED PUBLIC ACCOUNTANTS

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

**THE OVERLOOK
AT WALKERS
BEND**

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

THE OVERLOOK AT WALKERS BEND

Intersection of Walkers Bend Parkway and Avery Street SW
Covington, Newton County, Georgia 30014

Effective Date: April 15, 2017
Report Date: May 1, 2017

Prepared for:
Mr. Jason Maddox
The Overlook at Walkers Bend, LP (c/o) MACO Development
111 North Main
Clarkton, MO 63837

Assignment Code: AEP600V.063

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May 1, 2017

Mr. Jason Maddox
The Overlook at Walkers Bend, LP (c/o) MACO Development
111 North Main
Clarkton, MO 63837

Re: Application Market Study for The Overlook At Walkers Bend, located in Covington, Newton County, Georgia

Dear Mr. Maddox:

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

The purpose of this market study is to assess the viability of the proposed 60-unit mixed-income multifamily development. It will be a newly constructed affordable development with 60 revenue-generating units restricted to seniors 62 and older. The development will contain six market rate units and 54 affordable units that will be restricted to senior households earning 50 and 60 percent of the Area Median Income (AMI) or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

The scope of this report meets the 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.

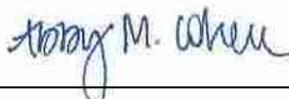
MR. JASON MADDOX
THE OVERLOOK AT WALKERS BEND, LP (C/O) MACO DEVELOPMENT
MAY 1, 2017
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The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any 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 Overlook At Walkers Bend will be a newly-constructed senior property located in Covington, Newton County, Georgia, which will consist of two, three-story lowrise building.

The following table illustrates the proposed unit mix.

PROPOSED RENTS							
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	7	\$450	\$94	\$544	\$633	\$820
2BR/1BA	900	15	\$525	\$118	\$643	\$760	\$949
				<i>60% AMI</i>			
1BR/1BA	700	11	\$560	\$94	\$654	\$759	\$820
2BR/1BA	900	21	\$660	\$118	\$778	\$912	\$949
				<i>Market Rate</i>			
1BR/1BA	700	2	\$625	N/A	\$625	N/A	\$820
2BR/1BA	900	4	\$736	N/A	\$736	N/A	\$949
Total		60					

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

All of the Subject’s LIHTC units at the 50 and 60 percent of AMI level are below the maximum allowable rents. The Subject’s amenity packages are considered to be comparable to the existing housing supply in the market.

2. Site Description/Evaluation

The Subject site is located at the intersection of Walkers Bend Parkway and Avery Street SW, which is approximately 1.2 miles southwest of the downtown Covington. The Subject site has excellent visibility from the northern and southern sides of Walkers Bend Parkway and the western side of Avery Street. It is important to note that Walkers Bend Parkway is a lightly-trafficked road, which could impact the proposed Subject’s marketability. There will be signage for the proposed Subject on Washington Street, which is a highly-trafficked road that contains a number of commercial and retail uses, which will improve the Subject’s marketability. The Subject site is surrounded by residential and commercial uses, as well as wooded land. The residential uses are generally in excellent condition and the commercial uses generally appear 80 percent occupied and in average condition. The Subject site is considered “Car-Dependent” by Walk Score with a rating of 22 out of 100, which indicates that most errands will require a car. The Subject site is considered a desirable building site for senior rental housing. The uses surrounding the Subject site are in average to excellent condition and the site has good proximity to locational amenities, which are within 3.4 miles of the Subject site.

3. Market Area Definition

The PMA area includes Newton County and a portion of Rockdale County to the east. The PMA boundary lines are generally defined as Walnut Grove Road and the Newton/Walton County line to the north, the Newton/Jasper County line and State Route 212 to the south, the Newton/Morgan County line to the east, and McDonough Highway to the west. The PMA encompasses an area of 267 square miles. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 9 miles
East: 11 miles
South: 10 miles
West: 8 miles

The PMA was defined based on interviews with the local housing authority and property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from out of state. 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 miles.

4. Community Demographic Data

The population and households in the PMA experienced moderate growth between 2000 and 2017. Through market entry, population and households in the PMA are projected to grow at a rate slower than the MSA, but a rate faster than the nation. The elderly population in the PMA has grown significantly between 2000 and 2017 and is projected to continue growing through market-entry. The strong projected population and household growth in the PMA and MSA are positive indicators of the demand for rental units in the area. The senior tenure patterns in the PMA indicate that there is a significantly greater share of senior homeowners than senior renter-households in the local area. The majority of senior renter households in the PMA are earning an income in the four lowest income cohorts, which ranges from \$0 to \$39,999. The income for the Subject's affordable units will range from \$16,170 to \$32,400. Overall, the projected senior population growth and the concentration of senior renter households in the lowest income cohorts indicate a significant demand for senior affordable rental housing in the market.

According to *RealtyTrac* statistics, one in every 1,588 housing units nationwide was in some stage of foreclosure as of March 2017. The town of Covington is experiencing a foreclosure rate of one in every 613 homes, while Newton County is experiencing foreclosure rate of one in every 626 homes and Georgia experienced one foreclosure in every 1,898 housing units. Newton County reported the highest foreclosure rate in the state of Georgia, which suggests a weaker single-family home market. However, the Subject's neighborhood does not have a significant amount of abandoned or vacancy structures that would impact the marketability of the Subject.

5. Economic Data

The PMA employs a significant share of individuals within the healthcare/social assistance, manufacturing, educational services, retail trade, and construction sectors. It is important to note that the PMA employs a significant share of individuals within the manufacturing industry, which has been suffering decades long trend of job contraction. The largest manufacturing employers in Covington include C.R. Bard Inc., Pactiv Corporation, General Mills Inc., Guardian Automotive Corporation, and Clarion Metals, which are located within close proximity of the Subject site. Between 2014 and year-to-date 2017, there have been no significant layoffs or closures in Newton County. Baxter Pharmaceuticals announced plans for a plant in the area, which begun construction in 2014 and the anticipated manufacturing date is in 2018. This manufacturing plant is expected to create 1,500 new full-time positions and 500 additional support positions.

Between 2001 and 2016, the MSA exhibited strong employment growth. During the national recession, the MSA experienced employment declines from 2008 to 2010 and by 2011 the MSA was exhibiting employment growth that was faster than that of the nation. Further the employment growth rate in the MSA has been significantly growing every year since 2013, which is indicative of a growing economy. From December 2015 to December 2016, employment in the MSA increased 4.4 percent, while employment in the nation increased 1.4 percent. Since the national recession, the MSA has reported a slightly higher unemployment rate than the nation every year; however, it is important to note that the unemployment rate

has been declining since 2010. Total employment in the MSA exceeded the pre-recession peak total employment in 2014 and has recently exhibited strong growth, outpacing the nation, which suggests a healthy local economy. The growing employment and declining unemployment rate in the MSA economy is a positive indicator of demand for rental housing and the Subject’s proposed units.

6. Project-Specific Affordability and Demand Analysis

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
1BR at 50% AMI	\$16,320	\$23,650	7	70	0	70	10.0%	\$450
1BR at 60% AMI	\$19,620	\$28,380	11	59	0	59	18.6%	\$560
1BR All LIHTC	\$16,320	\$28,380	18	93	0	93	19.3%	-
1BR Unrestricted	\$18,750	\$47,300	2	127	0	127	1.6%	\$625
1BR Overall	\$16,320	\$47,300	20	152	0	152	13.2%	-
2BR at 50% AMI	\$19,290	\$27,000	15	136	0	136	11.0%	\$525
2BR at 60% AMI	\$23,340	\$32,400	21	115	0	115	18.3%	\$660
2BR All LIHTC	\$19,290	\$32,400	36	181	0	181	19.9%	-
2BR Unrestricted	\$22,080	\$54,000	4	247	0	247	1.6%	\$736
2BR Overall	\$19,290	\$54,000	40	294	0	294	13.6%	-
50% AMI Overall	\$16,320	\$27,000	22	207	0	207	10.6%	-
60% AMI Overall	\$19,620	\$32,400	32	174	0	174	18.4%	-
All LIHTC Overall	\$16,320	\$32,400	54	274	0	274	19.7%	-
Unrestricted Overall	\$18,750	\$54,000	6	374	0	374	1.6%	-
Overall	\$16,320	\$54,000	60	446	0	446	13.5%	-

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

7. Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 10 “true” comparable properties containing 1,738 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good; however, there is only one age-restricted property in the PMA. Harristown Park was allocated tax credits in 2009 and is located 1.2 miles from the Subject. This property targets senior tenants 55 and older and will directly compete with the Subject. Therefore, we have used it as a comparable in our analysis. The availability of age-restricted data is considered limited. We have used two family LIHTC properties from inside the PMA and two age-restricted LIHTC properties from outside the PMA as comparables in our analysis. These age-restricted comparables are located in Decatur and Stone Mountain, Georgia, approximately 25 to 28 miles from the Subject site.

The availability of market rate data is considered adequate, as seven of the comparable properties offer market rate data. These comparables were built or renovated between 1999 and 2011. Of the seven properties with market rate units, three are mixed income properties and four are conventional properties. We believe that the Subject will be more comparable to the mixed income properties in the area, and we have therefore used them as comparables in our analysis. The mixed income properties are newer and exhibit slightly superior condition than the conventional market rate comparable properties.

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

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$450	\$486	\$950	\$719	60%
2 BR @ 50%	\$525	\$562	\$1,450	\$900	71%
1 BR @ 60%	\$560	\$513	\$950	\$741	32%
2 BR @ 60%	\$660	\$562	\$1,450	\$928	41%
1 BR Unrestricted	\$625	\$599	\$950	\$789	26%
2 BR Unrestricted	\$736	\$647	\$1,450	\$1,004	36%

As illustrated the Subject’s proposed LIHTC rents are well below the surveyed average of the comparables. The Subject’s proposed 50 percent LIHTC rents are lower than the surveyed minimum market rent. The 60 percent AMI rents at Antioch Manor Estates, Wellington Ridge, Retreat At Madison Place, and Arbor Lake Apartments are actually higher than Park View Apartments, a market rate property.

The Subject will be most similar to Summerset Apartments and Porterdale Mill Lofts as a market rate property. Porterdale Mill Lofts is achieving the highest rents in the local market. Summerset Apartments will offer slightly superior property amenities, slightly superior in-unit features, slightly inferior location, inferior condition, and slightly superior unit sizes, in comparison to the proposed Subject. Summerset Apartments is achieving market rents 47 to 58 percent higher than the proposed 60 percent LIHTC rents at the Subject. Portdale Mill Lofts will offer slightly superior property amenities, similar in-unit features, slightly inferior location, slightly inferior condition, and slightly superior unit sizes, in comparison to the proposed Subject. Overall, the Subject will be similar to Summerset Apartments and Porterdale Mill Lofts. Portdale Mill Lofts is achieving market rents 70 to 120 percent higher than the proposed 60 percent LIHTC rents at the Subject. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

8. Absorption/Stabilization Estimate

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

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Harristown Park	LIHTC	Senior	2011	60	11
Retreat At Madison Place	LIHTC	Senior	2007	160	14
Antioch Manor Estates	LIHTC	Senior	2005	122	24

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Harristown Park represents the most recent construction and is considered most similar to the Subject in terms of size. Like the Subject, this property targets seniors, and it began leasing units in the winter of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 11 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Harristown Park is 100 percent occupied and maintains an extensive waiting list, which indicates significant demand for senior housing in the PMA. Based on the absorption pace reported by this property, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Covington, we anticipate that the Subject will experience an absorption pace of 10 units per month, for an absorption period of six months.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior LIHTC comparables are performing well, with a vacancy rate of zero percent. Additionally, the one senior LIHTC comparable in the PMA, Harristown Park, is located 1.2 miles from the Subject site. This property is 100 percent occupied and maintains an extensive waiting list of 500 households. This property's current rents are slightly below the Subject's proposed rents at the 60 percent of AMI level. However, given the zero percent vacancy rate and significant waiting list, we believe this property is not testing achievable LIHTC rents. Management at Harristown Park confirmed that the property could achieve higher rents and indicated that the Subject's proposed rents would be achievable to senior renters in the PMA. Additionally, the Subject will offer slightly superior unit sizes in comparison to Harristown Park. The Subject's proposed rents are below the current rents at all of the comparables with the exception of Harristown Park and Magnolia Heights. Overall, we believe that the Subject's rents are achievable and that the Subject will offer value in the market. This is further illustrated by the significant rental advantage of 32 to 71 percent that the Subject's units will have over the average market rents. The Subject's overall capture rate is 13.5 percent and the LIHTC only capture rate is 19.7 percent, which are moderate, within the DCA thresholds, and suggests demand for the Subject as proposed. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is consistent with the senior LIHTC average and we recommend the Subject as proposed.

THE OVERLOOK AT WALKERS BEND – COVINGTON, GEORGIA – MARKET STUDY

Summary Table:

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

Development Name:	The Overlook At Walkers Bend	Total # Units:	60
Location:	Walkers Bend Parkway	# LIHTC Units:	54
	Covington, GA		
PMA Boundary:	North: Walnut Grove Road and the Newton/Walton County line; South: The Newton/Jasper County line and State Route 212; East: The Newton/Morgan County line; West: McDonough Highway		
	Farthest Boundary Distance to Subject:		<u>11 miles</u>

Rental Housing Stock (found on page 47)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	14	2,336	53	97.7%
Market-Rate Housing	6	1,017	22	97.8%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	1	113	N/A	N/A
LIHTC	7	1,206	29	97.6%
Stabilized Comps	14	2,336	53	97.7%
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap

*Only includes properties in PMA

Subject Development					Average Market Rent*			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
7	1BR at 50% AMI	1	700	\$450	\$719	\$1.03	60%	\$975	\$1.62
15	2BR at 50% AMI	2	900	\$525	\$900	\$1.00	71%	\$1,450	\$1.64
11	1BR at 60% AMI	1	700	\$560	\$741	\$1.06	32%	\$975	\$1.62
21	2BR at 60% AMI	2	900	\$660	\$928	\$1.03	41%	\$1,450	\$1.64
2	1BR Market	1	700	\$625	\$789	\$1.13	26%	\$975	\$1.62
4	2BR Market	2	900	\$736	\$1,004	\$1.12	36%	\$1,450	\$1.64

Demographic Data (found on page 30)

	2010		2017		July 2019	
Renter Households	1,394	17.63%	2,034	18.50%	2,174	18.28%
Income-Qualified Renter HHs (LIHTC)	613	43.97%	894	43.97%	956	43.97%

Targeted Income-Qualified Renter Household Demand (found on pages 45 to 64)

Type of Demand	50%	60%	All LIHTC	Market-rate	Other: __	Overall*
Renter Household Growth	29	32	41	59	-	66
Existing Households (Overburdened + Substandard)	196	157	259	347	-	423
Homeowner conversion (Seniors)	4	4	4	8	-	6
Total Primary Market Demand	229	193	304	415	-	495
Less Comparable/Competitive Supply	0	0	0	0	-	0
Adjusted Income-qualified Renter HHs**	229	193	304	415	-	495

Capture Rates (found on page 65)

Targeted Population	50%	60%	All LIHTC	Market-rate	Other: __	Overall
Capture Rate:	10.65%	18.37%	19.73%	1.61%	-	13.45%

*Includes LIHTC and unrestricted (when applicable)

**Not adjusted for demand by bedroom-type.

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- 1. Project Address and Development Location:** The Subject site is located at the intersection of Walkers Bend Parkway and Avery Street SW in Covington, Newton County, Georgia 30014. The Subject site is vacant wooded land.
- 2. Construction Type:** The Subject will consist of two, three-story lowrise building. The Subject will be new construction.
- 3. Occupancy Type:** The Subject will target seniors age 62 and older.
- 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 Overlook At Walkers Bend												
Location		Walkers Bend Parkway Covington, GA 30014 Newton County										
Units		60										
Type		Lowrise (age-restricted)										
Year Built / Renovated		2019 / n/a										
Tenant Characteristics		Seniors 62+										
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)	7	700	\$450	\$0	@50%	n/a	N/A	N/A	no	
1	1	Lowrise (3 stories)	11	700	\$560	\$0	@60%	n/a	N/A	N/A	no	
1	1	Lowrise (3 stories)	2	700	\$625	\$0	Market	n/a	N/A	N/A	N/A	
2	1	Lowrise (3 stories)	15	900	\$525	\$0	@50%	n/a	N/A	N/A	no	
2	1	Lowrise (3 stories)	21	900	\$660	\$0	@60%	n/a	N/A	N/A	no	
2	1	Lowrise (3 stories)	4	900	\$736	\$0	Market	n/a	N/A	N/A	N/A	
Amenities												
In-Unit		Blinds		Property		Business		Security		Limited Access		
		Carpeting				Center/Computer Lab		Premium		none		
		Central A/C				Central Laundry		Other		none		
		Dishwasher				Clubhouse/Meeting Room/Community		Services		none		
		Ceiling Fan				Room						
		Garbage Disposal				Room						
		Hand Rails				Courtyard						
		Microwave				Elevators						
		Oven				Exercise Facility						
		Pull Cords				Off-Street Parking						
		Refrigerator				On-Site Management						
		Walk-In Closet				Picnic Area						
		Washer/Dryer Hookup										

- 10. Scope of Renovations:** The Subject will be new construction.
- 11. Placed in Service Date:** Construction on the Subject is expected to begin in July 2018 and be completed in July 2019.
- Conclusion:** The Subject will consist of two, excellent-quality, three-story lowrise building. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

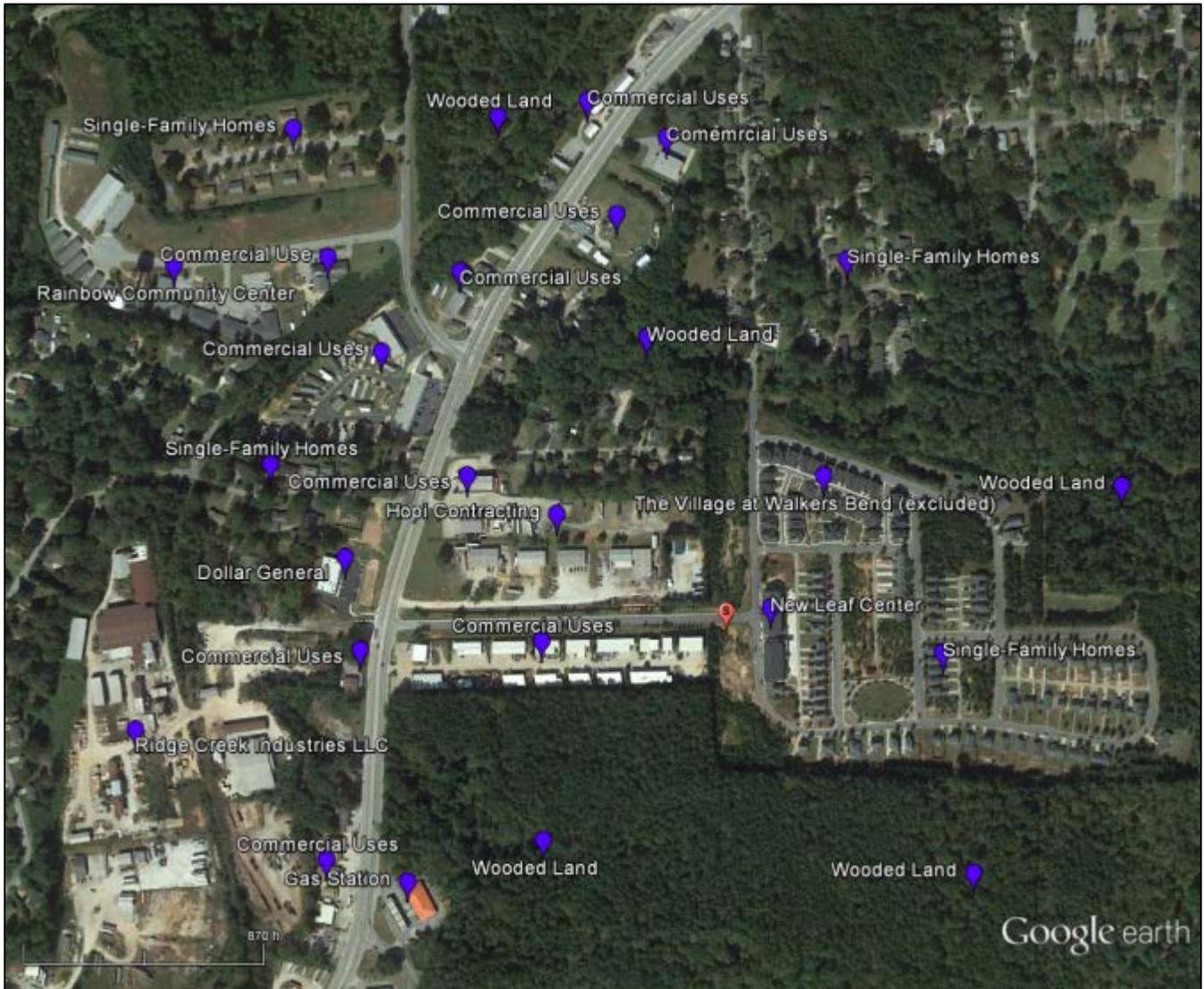
1. **Date of Site Visit and Name of Inspector:** Brian Neukam visited the site on April 15, 2017.

2. **Physical Features of the Site:** The following illustrates the physical features of the site.
 - Frontage:** The Subject site has frontage along the northern and southern sides of Walkers Bend Parkway SW and the western side of Avery Street SW.

 - Visibility/Views:** The Subject site has excellent visibility along northern and southern sides of Walkers Bend Parkway SW and along the western side of Avery Street SW; however, both of these roads are lightly trafficked, which could impact the Subject's marketability. To the north, views consist of wooded land. To the east, views consist of the New Leaf Center, which is a 30-unit transitional housing development that is operated by the local Housing Authority, and the Village at Walkers Bend, which is a 32-unit multifamily LIHTC development that exhibits excellent condition. As a single-family home community targeting general households, we do not believe that Village at Walkers Bend will directly compete with Subject, and it was not used as a comparable property. To the west, views consist of commercial uses in average condition as well as Hopi Contracting site. To the south views consist of wooded land. Overall, visibility is considered excellent, and views are considered good.

Surrounding Uses:

The following map illustrates the surrounding land uses.



Source: Google Earth, March 2017.

The Subject site is located at the intersection of Walkers Bend Parkway and Avery Street SW and currently consists of vacant wooded land. The Subject site is in a mixed-use neighborhood consisting of residential and commercial uses and wooded land. Immediately north of the Subject site, there is vacant wooded land followed by single-family homes and commercial uses in average to good condition. Immediately west of the Subject site, there are commercial uses in average condition located along Walkers Bend Parkway. Farther west is a lumber store, Ridge Creek Industries. Immediately east of the Subject is the New Leaf Center, which consists of a classroom and office space for the Housing and Financial Counseling Program, which provides job training and life skills counseling to residents of Covington. Following the New Leaf

Center, there are residential uses, which consist of single-family homes in excellent condition and the Village at Walkers Bend, which is a 32-unit multifamily LIHTC development that exhibits excellent condition. The Village at Walkers Bend was not used as a comparable property in this report as it is a single-family home development that targets general households. Immediately south of the Subject site there is wooded land. The Subject site is considered “Car-Dependent” by *Walk Score* with a rating of 22 out of 100, which indicates that almost all errands will require a car. It is important to note that there is no public transportation system in the Subject site’s neighborhood. The surrounding residential uses are in excellent condition, and the commercial uses are in average condition. Downtown Covington is located approximately 1.2 miles northeast of the Subject site, and commercial uses in downtown appear to be in average to good condition and approximately 90 percent occupied. Overall, the Subject site is considered a desirable building site for senior rental housing. The Subject site has good proximity to locational amenities, which are within 3.4 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 good condition, are considered positive attributes. We did not witness any negative attributes in the Subject site’s immediate neighborhood.

3. Physical Proximity to Locational Amenities:

The Subject is located within 3.4 miles of all locational amenities and within 1.2 miles of downtown Covington. Additionally, the Subject site is located within 35 miles of Atlanta, which offers several major employment opportunities.

4. Pictures of Site and Adjacent Uses:

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



Subject site



Subject site



View south along Avery Street SW



View north along Avery Street SW



View west along Walkers Bend Parkway



New Leaf Center east of Subject site



The Village at Walkers Bend east of Subject site (excluded LIHTC property)



Single-family home east of Subject site



Commercial uses west of Subject site



Dollar General west of Subject site



Convenience store northwest of Subject site



Commercial use northwest of Subject site



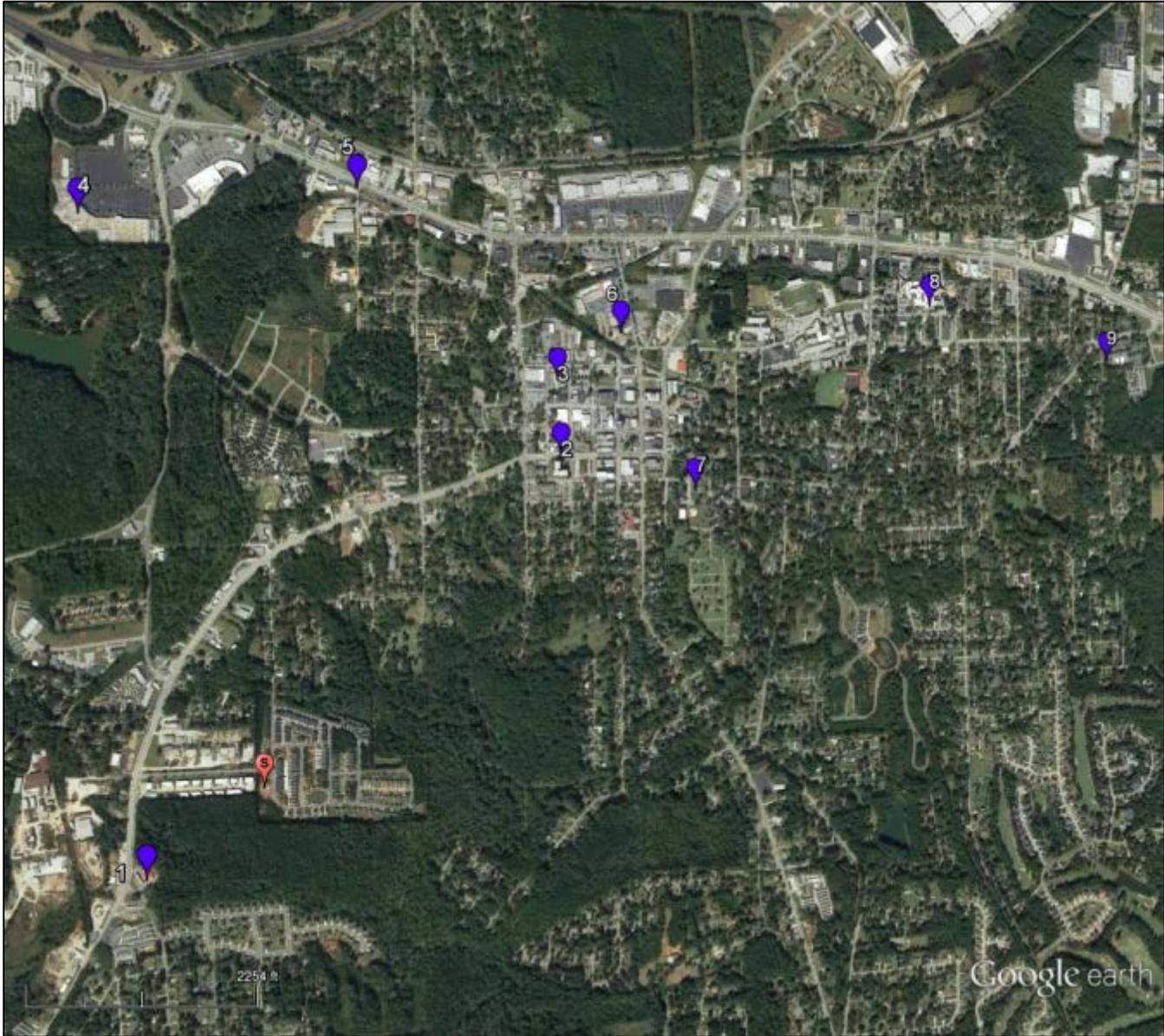
Ingles Market north of Subject site



Kmart north of Subject site

5. Proximity to Locational Amenities:

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



Source: Google Earth, March 2017.

LOCATIONAL AMENITIES

Number	Service or Amenity	Distance from Subject
1	Shell Gas Station	0.8 miles
2	United Bank	1.4 miles
3	U.S. Post Office	1.6 miles
4	Ingles Market	1.6 miles
5	Rite Aid Pharmacy	1.8 miles
6	Covington Police Department	1.8 miles
7	Covington Fire Department	1.8 miles
8	Kroger	2.0 miles
9	Newton Medical Center	2.8 miles
10	Covington Branch Library	3.4 miles

6. Description of Land Uses

The Subject site is located at the intersection of Walkers Bend Parkway and Avery Street SW. The Subject site is located approximately 1.2 miles southwest of downtown Covington in a mixed-use neighborhood consisting of residential and commercial uses and wooded land. The Subject site is located beside the New Leaf Center, which provides office and classroom space for the Housing and Financial Counseling Program, which provides job training and life skills counseling to residents of Covington. The residential uses to the east of the Subject site are in excellent condition and consist of single-family homes and the Village at Walkers Bend multifamily development. The Village at Walkers Bend is a 32-unit multifamily LIHTC development that exhibits excellent condition. The commercial uses located west of the Subject site, along Walkers Bend Parkway, are generally in average condition and appear to be approximately 80 percent occupied. The Subject site is considered “Car-Dependent” by *Walk Score* with a rating of 22 out of 100, which indicates that almost all errands will require a car. The Subject site is considered a desirable building site for senior rental housing. The uses surrounding the Subject are in average to excellent condition and the site has good proximity to locational amenities, which are within 3.4 miles of the Subject site.

7. Crime:

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

2016 CRIME INDICES

	PMA	Atlanta-Sandy Springs-Roswell, GA MSA
Total Crime*	100	139
Personal Crime*	71	130
Murder	107	155
Rape	76	88
Robbery	68	163
Assault	71	118
Property Crime*	104	140
Burglary	120	147
Larceny	100	134
Motor Vehicle Theft	92	178

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

*Unweighted aggregations

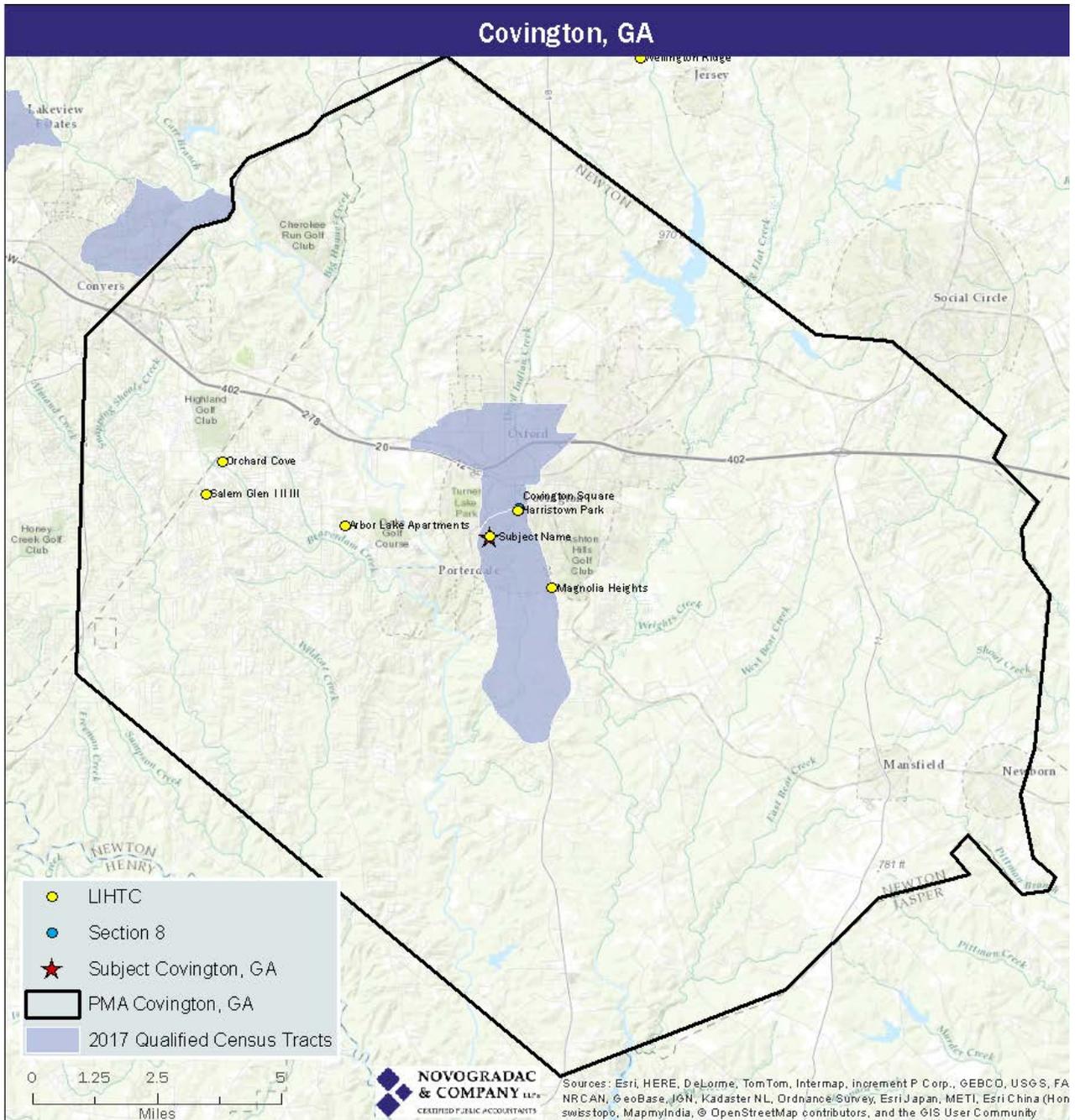
The total crime indices in the PMA are equal to the crime indices of the nation and lower than the crime indices in the MSA. It is important to note that personal and property crime indices are significantly lower in the PMA than in the MSA. The Subject will offer limited access. With the exception of one of the market-rate properties, all of the comparable properties offer additional security features, which include in-unit alarms, intercoms, limited access, perimeter fencing, or video surveillance. Overall, the Subject will offer similar to slightly inferior security features relative to the comparable properties.

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	Distance from	Map
The Overlook At Walkers Bend	LIHTC/Market	Covington	Senior	60	-	Star
Covington Square	Section 8	Covington	Senior	113	1.3 miles	
Arbor Lake Apartments	LIHTC	Covington	Family	250	3.7 miles	
Harristown Park	LIHTC	Covington	Senior	60	1.2 miles	
Magnolia Heights	LIHTC	Covington	Family	200	3.2 miles	
Orchard Cove	LIHTC	Covington	Family	188	10.3 miles	
Salem Glen I, II, III	LIHTC	Conyers	Family	256	10.5 miles	
Village at Walkers Bend	LIHTC	Covington	Family	32	0.1 miles	
Wellington Ridge	LIHTC	Covington	Family	220	3.8 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 Walkers Bend Parkway, which is a lightly-trafficked road that contains commercial uses and intersects with Washington Street. It is important to note that signage will be placed along Washington Street, which is a highly-trafficked road that contains commercial, retail, and residential uses. The signage on Washington Street will give the proposed

Subject good visibility and enhance its marketability. Overall, access, ingress/egress, and visibility are considered good.

11. Conclusion:

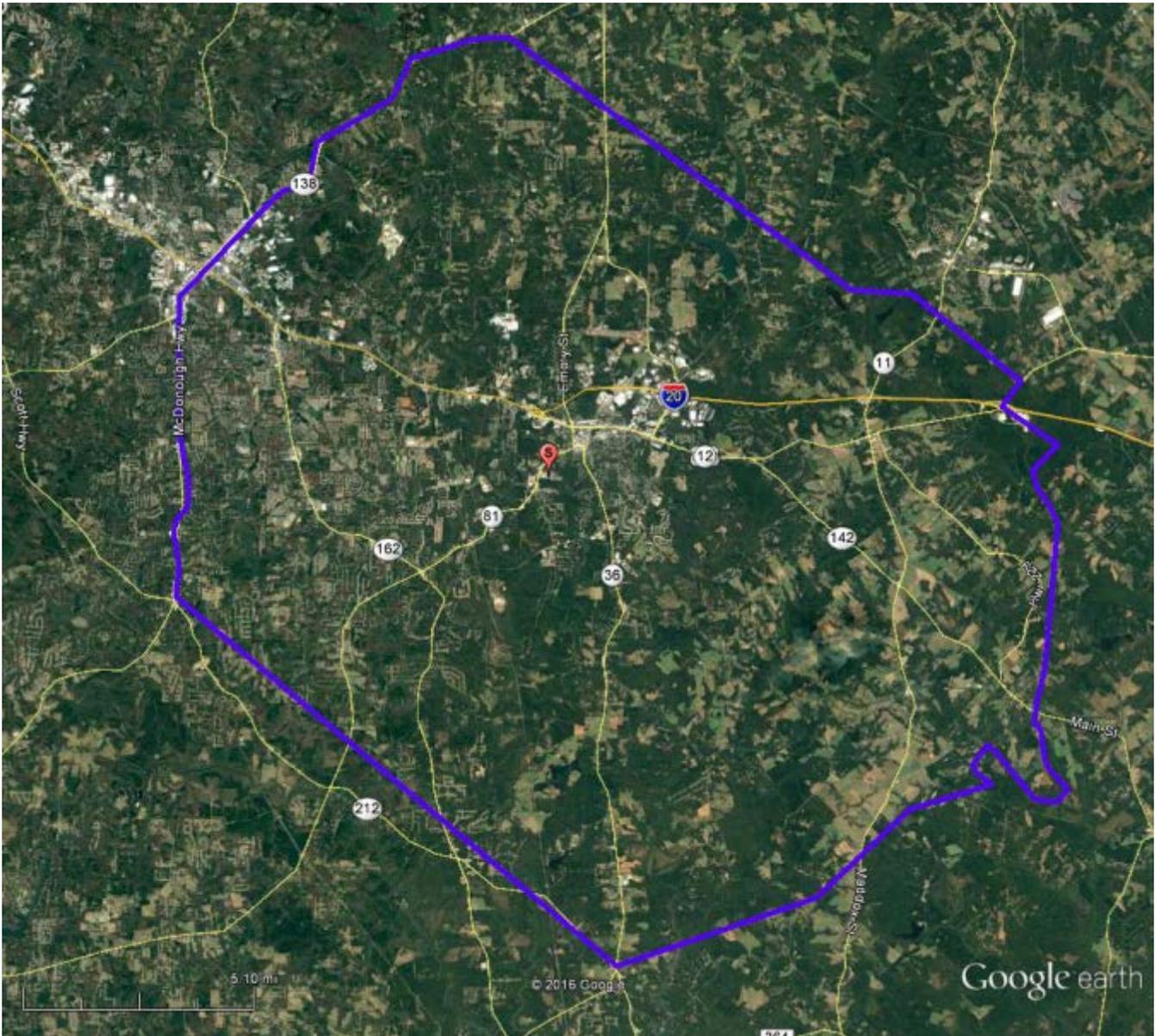
The Subject site is located at the intersection of Walkers Bend Parkway and Avery Street SW, which is approximately 1.2 miles southwest of the downtown Covington. The Subject site has excellent visibility from the northern and southern sides of Walkers Bend Parkway and the western side of Avery Street. It is important to note that Walkers Bend Parkway is a lightly-trafficked road, which could impact the proposed Subject's marketability. There will be signage for the proposed Subject on Washington Street, which is a highly-trafficked road that contains a number of commercial and retail uses, which will improve the Subject's marketability. The Subject site is surrounded by residential and commercial uses, as well as wooded land. The residential uses are generally in excellent condition and the commercial uses generally appear 80 percent occupied and in average condition. The Subject site is considered "Car-Dependent" by *Walk Score* with a rating of 22 out of 100, which indicates that most errands will require a car. The Subject site is considered a desirable building site for senior rental housing. The uses surrounding the Subject site are in average to excellent condition and the site has good proximity to locational amenities, which are within 3.4 miles of the Subject site.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



Source: Google Earth, April 2017.

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

The PMA area includes Newton County and a portion of Rockdale County to the east. The PMA boundary lines are generally defined as Walnut Grove Road and the Newton/Walton County line to the north, the Newton/Jasper County line and State Route 212 to the south, the Newton/Morgan County line to the east, and McDonough Highway to the west. The PMA encompasses an area of 267 square miles. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 9 miles
East: 11 miles
South: 10 miles
West: 8 miles

The PMA was defined based on interviews with the local housing authority and property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from out of state. 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 miles. The SMA is defined as the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area (MSA), which consists of 30 counties in northwest Georgia and encompasses 8,726 square miles.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Newton 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 Newton County.

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly (only show this for HFOP/elderly) within the population in the MSA, the PMA and nationally from 2000 through 2021.

1a. Total Population

The following table illustrates the total population within the PMA, MSA and nation from 2000 through 2017 as well as the projections for the projected market entry date and 2021.

Year	POPULATION					
	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	73,831	-	4,263,438	-	281,421,906	-
2010	113,264	5.3%	5,286,728	2.4%	308,745,538	1.0%
2017	118,717	0.3%	5,665,958	0.4%	323,580,626	0.3%
Projected Mkt Entry July 2019	121,676	1.0%	5,864,633	1.4%	330,453,372	0.8%
2021	124,634	1.0%	6,063,308	1.4%	337,326,118	0.8%

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

From 2000 through 2017, the PMA and MSA have exhibited a growth in population. It is important to note that population growth slowed down significantly over the last seven years when compared to the prior period. Through the year 2021, all three areas of analysis are projected to experience population growth, with the population in the PMA and MSA growing at faster rates than the nation.

1b. Total Population by Age Group

The following table illustrates the total population by age group within the PMA and MSA and nation from 2000 to 2017 as well as the projections for the projected market entry date and 2021.

POPULATION BY AGE GROUP					
Age Cohort	PMA				
	2000	2010	2017	Projected Mkt Entry July 2019	2021
0-4	5,568	8,377	8,332	8,425	8,517
5-9	5,823	9,000	8,455	8,606	8,757
10-14	5,871	9,294	8,898	8,990	9,082
15-19	5,380	9,318	8,813	8,889	8,965
20-24	4,411	6,611	8,303	7,953	7,603
25-29	5,364	6,550	7,939	8,558	9,177
30-34	5,947	7,470	7,289	8,139	8,988
35-39	6,252	8,674	7,554	7,741	7,927
40-44	5,792	8,865	8,417	8,076	7,735
45-49	5,050	8,501	8,563	8,313	8,062
50-54	4,841	7,417	8,237	8,227	8,216
55-59	3,668	6,364	7,334	7,544	7,753
60-64	2,800	5,722	6,351	6,660	6,968
65-69	2,299	3,959	5,429	5,621	5,813
70-74	1,819	2,826	3,691	4,231	4,770
75-79	1,364	1,960	2,431	2,752	3,073
80-84	870	1,303	1,450	1,629	1,807
85+	710	1,053	1,232	1,328	1,423
Total	73,829	113,264	118,718	121,677	124,636

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

POPULATION BY AGE GROUP					
Atlanta-Sandy Springs-Roswell, GA MSA					
Age Cohort	Atlanta-Sandy Springs-Roswell, GA MSA				
	2000	2010	2017	Projected Mkt Entry July 2019	2021
0-4	318,972	380,735	380,008	389,130	398,252
5-9	326,062	394,306	392,983	397,083	401,183
10-14	314,313	390,992	406,441	412,846	419,251
15-19	290,180	378,372	385,702	396,917	408,131
20-24	289,654	341,650	389,646	387,231	384,816
25-29	364,046	377,057	408,658	426,569	444,480
30-34	382,158	386,120	403,640	429,405	455,170
35-39	396,792	417,987	399,148	417,616	436,084
40-44	360,050	415,233	415,330	414,027	412,724
45-49	307,308	411,635	404,741	403,553	402,364
50-54	267,500	364,330	397,839	397,737	397,635
55-59	186,754	301,331	359,211	369,914	380,616
60-64	131,059	252,453	296,741	319,352	341,963
65-69	101,856	170,690	241,279	259,640	278,000
70-74	82,809	114,130	160,967	190,291	219,614
75-79	65,303	81,144	100,456	118,460	136,464
80-84	42,357	57,082	63,423	70,845	78,267
85+	36,265	51,481	59,745	64,020	68,294
Total	4,263,438	5,286,728	5,665,958	5,864,633	6,063,308

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

The largest age cohorts in the PMA are between 0 and 19 and 40 and 54, which indicate the presence of families.

1c. Number of Elderly and Non-Elderly

The following table illustrates the elderly and non-elderly population within the PMA and MSA from 2000 through 2017 as well as the projections for the projected market entry date and 2021.

NUMBER OF ELDERLY AND NON-ELDERLY						
Year	Total	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		
		Non-Elderly	Elderly (55+)	Total	Non-Elderly	Elderly (55+)
2000	73,831	60,301	13,530	4,263,438	3,617,035	646,403
2010	113,264	90,077	23,187	5,286,728	4,258,417	1,028,311
2017	118,717	90,799	27,918	5,665,958	4,384,136	1,281,822
Projected Mkt Entry July 2019	121,676	91,913	29,763	5,864,633	4,472,113	1,392,520
2021	124,634	93,027	31,607	6,063,308	4,560,090	1,503,218

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

The elderly population in the PMA and MSA is expected to increase significantly through market entry and 2021. The growth in elderly population in the PMA and MSA is a positive indicator of the demand for affordable senior rental units in the Subject site's area.

2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, (d) Renter Households by Size, (e) and Elderly Households 62+ within the population in the PMA, MSA, and nationally from 2000 through 2017 as well as the projections through the projected market entry date and 2021.

2a. Total Number of Households and Average Household Size

The following tables illustrate the total number of senior households and average household size within the PMA, MSA, and nation from 2000 through 2017 as well as the projections for the projected market entry date and 2021.

Year	HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 62+					
	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	5,385	-	253,346	-	26,202,060	-
2010	7,906	4.7%	362,824	4.3%	30,451,108	1.6%
2017	10,993	5.4%	567,275	7.8%	37,341,086	3.1%
2021	12,791	3.3%	604,278	1.3%	42,398,240	2.7%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.77	-	2.68	-	2.59	-
2010	2.84	0.2%	2.68	0.0%	2.58	-0.1%
2017	2.87	0.1%	2.70	0.1%	2.59	0.0%
Projected Mkt Entry						
July 2019	2.87	0.1%	2.71	0.1%	2.59	0.1%
2021	2.88	0.1%	2.72	0.1%	2.60	0.1%

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

Between 2000 and 2017, the total number of senior households in the PMA and MSA experienced strong growth. Through 2021, senior households in the PMA and MSA are projected to experience a significantly faster growth rate than the households in the nation. The average household size is larger in the PMA than in the MSA and nation. Through 2021, average household size in all three areas of analysis is projected to grow 10 basis points. The positive senior household growth and average household size are positive indicators for the demand for rental units in the Subject site's area.

2b. Households by Tenure

The following table below illustrates senior tenure patterns within the PMA and MSA from 2000 through 2017 as well as the projections for the projected market entry date and 2021.

PMA TENURE PATTERNS OF SENIORS 62+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	4,534	84.2%	852	15.8%
2017	8,959	81.5%	2,034	18.5%
Projected Mkt Entry				
July 2019	9,717	81.7%	2,174	18.3%
2021	10,476	81.9%	2,315	18.1%

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

MSA TENURE PATTERNS OF SENIORS 62+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	203,034	80.1%	50,312	19.9%
2017	423,072	74.6%	144,203	25.4%
Projected Mkt Entry				
July 2019	436,670	74.5%	149,107	25.5%
2021	450,267	74.5%	154,011	25.5%

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

Approximately 82 percent of senior households in the PMA are homeowners and 18 percent are renter households. The PMA has a slightly higher share of senior households that are homeowners than the MSA. Through 2021, the senior tenure patterns in the PMA and MSA are projected to experience minimal change.

2c. Household Income

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA, 62+

Income Cohort	2017		Projected Mkt Entry July 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	292	14.4%	300	13.8%	308	13.3%
\$10,000-19,999	658	32.3%	683	31.4%	709	30.6%
\$20,000-29,999	247	12.1%	275	12.6%	302	13.1%
\$30,000-39,999	247	12.1%	263	12.1%	278	12.0%
\$40,000-49,999	105	5.2%	114	5.2%	122	5.3%
\$50,000-59,999	133	6.5%	145	6.7%	158	6.8%
\$60,000-74,999	63	3.1%	70	3.2%	77	3.3%
\$75,000-99,999	71	3.5%	76	3.5%	80	3.5%
\$100,000-124,999	109	5.3%	124	5.7%	140	6.1%
\$125,000-149,999	41	2.0%	44	2.0%	47	2.0%
\$150,000-199,999	45	2.2%	51	2.4%	58	2.5%
\$200,000+	24	1.2%	31	1.4%	37	1.6%
Total	2,034	100.0%	2,174	100.0%	2,315	100.0%

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - Atlanta-Sandy Springs-Roswell, GA MSA, 62+

Income Cohort	2017		Projected Mkt Entry July 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	17,494	12.1%	18,089	12.1%	18,683	12.1%
\$10,000-19,999	26,977	18.7%	27,895	18.7%	28,812	18.7%
\$20,000-29,999	19,546	13.6%	20,211	13.6%	20,875	13.6%
\$30,000-39,999	14,950	10.4%	15,458	10.4%	15,967	10.4%
\$40,000-49,999	12,158	8.4%	12,572	8.4%	12,985	8.4%
\$50,000-59,999	9,565	6.6%	9,890	6.6%	10,215	6.6%
\$60,000-74,999	9,401	6.5%	9,721	6.5%	10,041	6.5%
\$75,000-99,999	10,459	7.3%	10,814	7.3%	11,170	7.3%
\$100,000-124,999	7,879	5.5%	8,147	5.5%	8,415	5.5%
\$125,000-149,999	5,544	3.8%	5,732	3.8%	5,921	3.8%
\$150,000-199,999	4,635	3.2%	4,792	3.2%	4,950	3.2%
\$200,000+	5,596	3.9%	5,786	3.9%	5,977	3.9%
Total	144,203	100.0%	149,107	100.0%	154,011	100.0%

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

The Subject will target senior tenants earning between \$16,170 and \$32,400 for the affordable units and \$18,750 to \$54,000 for the market-rate units. The upper income limit for the market rate units is defined as 100 percent AMI. As the table above depicts, 56.5 percent of senior renter households in the PMA are earning an income between \$10,000 and \$39,999, which is comparable to the 42.7 percent of senior renter households in the MSA. For the projected market entry date of July 2019, these percentages are projected to be 56.1 percent and 42.7 percent for the PMA and MSA, respectively.

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

The following table illustrates senior renter household size in 2017, projected market entry date, 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, 62+

Household Size	2017		Projected Mkt Entry July 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	1,224	60%	1,303	62%	1,381	63%
2 Persons	522	26%	562	27%	601	27%
3 Persons	106	5%	111	5%	116	5%
4 Persons	74	4%	86	4%	98	4%
5+ Persons	108	5%	57	3%	5	0%
Total Households	2,034	100%	2,118	100%	2,202	100%

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

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

Conclusion

The population and households in the PMA experienced moderate growth between 2000 and 2017. Through market entry, population and households in the PMA are projected to grow at a rate slower than the MSA, but a rate faster than the nation. The elderly population in the PMA has grown significantly between 2000 and 2017 and is projected to continue growing through market-entry. The strong projected population and household growth in the PMA and MSA are positive indicators of the demand for rental units in the area. The senior tenure patterns in the PMA indicate that there is a significantly greater share of senior homeowners than senior renter-households in the local area. The majority of senior renter households in the PMA are earning an income in the four lowest income cohorts, which ranges from \$0 to \$39,999. The income for the Subject's affordable units will range from \$16,170 to \$32,400. Overall, the projected senior population growth and the concentration of senior renter households in the lowest income cohorts indicate a significant demand for senior affordable rental housing in the market.

F. EMPLOYMENT TRENDS

Employment Trends

The Subject site is located in Covington, Newton County, GA, which is located approximately 35 miles east of Atlanta, GA. Newton County is a part of the Atlanta-Sandy Springs-Roswell, GA MSA.

The manufacturing industry plays a significant role in the local Covington and Newton County economies. For the last three years, manufacturing in the United States has been growing at a faster rate than overall GDP, which is the first time this has occurred in 50 years. This marks a new era in the industry. Labor economists have pointed to the relatively balanced costs of labor across the world as a leading factor. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. As global markets have become more integrated over time, the foreign labor cost advantage has eroded significantly.

Furthermore, the United States enjoys relatively low costs of capital, raw materials, and transportation. Of note, in late 2014, the U.S. became the world's largest producer of oil after surpassing Russia and Saudi Arabia, giving domestic manufacturers privileged access to this fundamental driver of growth.

While U.S. manufacturing is currently experiencing a period of growth, the industry suffered significant employment losses every consecutive year from 2000 to 2010. In addition, total employment growth in manufacturing only outperformed national total employment growth in 2011. Finally, the rate of manufacturing employment growth has slowed since 2014, and manufacturing employment has declined in the first two quarters of 2016. It is important to note, however, that changes in technological capabilities over the past decade have made the industry much more efficient than years past. This has transformed manufacturing from a relatively labor-intensive industry to a much more capital-intensive industry.

The following table details total employment trends in both manufacturing and all industries in the nation since 2001.

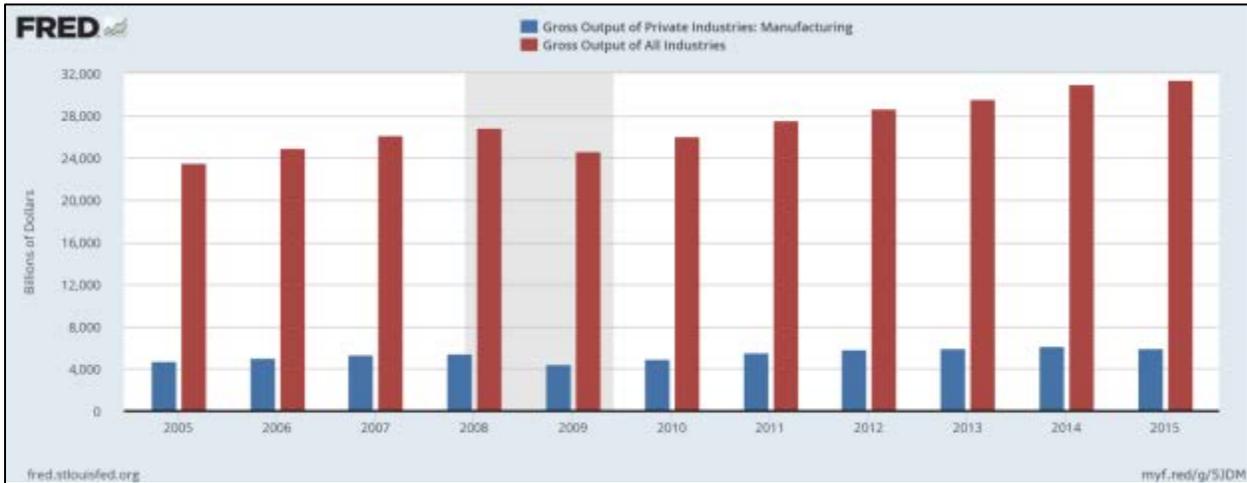
NATIONAL MANUFACTURING EMPLOYMENT TRENDS			NATIONAL EMPLOYMENT TRENDS (ALL INDUSTRIES)		
Year	Total Employment	Change	Year	Total Employment	Change
2001	16,440,000	-	2001	136,939,000	-
2002	15,256,000	-7.2%	2002	136,480,000	-0.3%
2003	14,508,000	-4.9%	2003	137,729,000	0.9%
2004	14,314,000	-1.3%	2004	139,239,000	1.1%
2005	14,225,000	-0.6%	2005	141,730,000	1.8%
2006	14,156,500	-0.5%	2006	144,427,000	1.9%
2007	13,877,833	-2.0%	2007	146,047,000	1.1%
2008	13,403,417	-3.4%	2008	145,363,000	-0.5%
2009	11,847,833	-11.6%	2009	139,878,000	-3.8%
2010	11,528,667	-2.7%	2010	139,064,000	-0.6%
2011	11,727,083	1.7%	2011	139,869,000	0.6%
2012	11,927,250	1.7%	2012	142,469,000	1.9%
2013	12,019,167	0.8%	2013	143,929,000	1.0%
2014	12,184,167	1.4%	2014	146,305,000	1.7%
2015	12,318,083	1.1%	2015	148,833,000	1.7%
2016 YTD Average*	12,304,833	-0.1%	2016 YTD Average	150,500,800	1.1%

*Includes through June 2016

Source: U.S. Bureau of Labor Statistics, July 2016

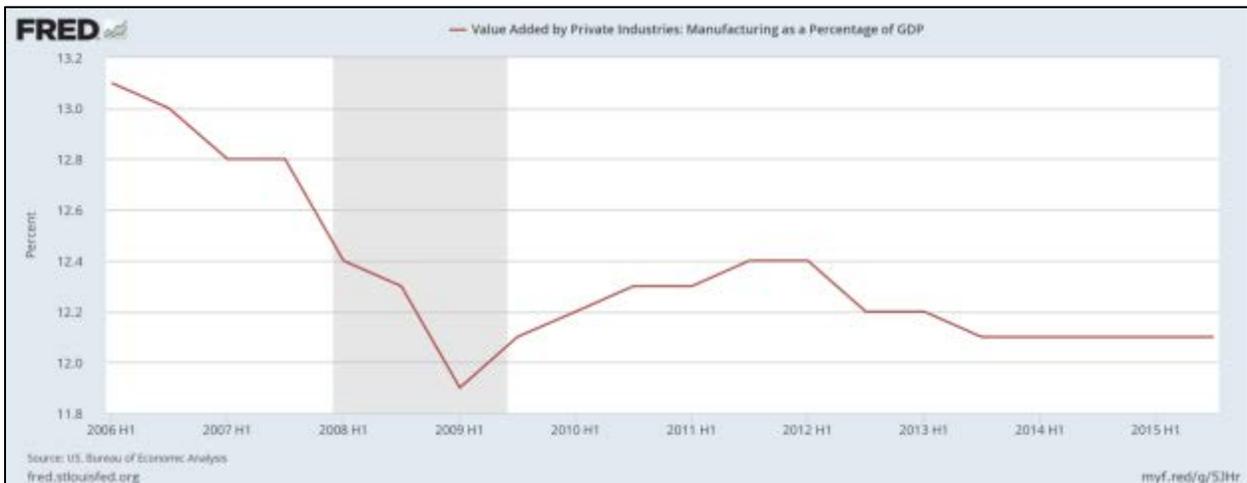
Total employment in manufacturing experienced a decline every year from 2001 to 2010, reaching its lowest level in 2009 in the aftermath of the most recent national recession. However, total employment in manufacturing has begun to steadily increase, experiencing positive growth every year since 2010. Furthermore, gross manufacturing output surpassed pre-recessionary output levels in 2011, evidencing the industry’s shift toward more capital-intensive production methods.

The following chart illustrates U.S. manufacturing gross output compared to the gross output of all industries from 2005 through 2015.



Source: St. Louis Fed, U.S. Bureau of Economic Analysis, July 2016

Manufacturing output increased every year from 2009 through 2014, and surpassed pre-recessionary levels in 2011. However, manufacturing output declined from 2014 to 2015, while overall output continued to increase. The chart below illustrates manufacturing as a percentage of GDP from 2005 through 2015.



Source: St. Louis Fed, U.S. Bureau of Economic Analysis, July 2016

As of 2015, manufacturing constituted approximately 12.1 percent of total GDP. The percentage of overall GDP attributable to the manufacturing industry was declining steadily even before the most recent national recession. Furthermore, after an increase from 2009 to 2012, manufacturing as a percentage of GDP has been stagnant or declining ever since. This serves as further evidence that growth in the manufacturing industry is not keeping pace with growth in other sectors of the economy.

For the purposes of analyzing impact upon multifamily housing, we focus on job creation. Unfortunately, increased manufacturing output relative to pre-recessionary levels has not translated to job creation. Even while manufacturing output was expanding from 2010 to 2014, job creation in this sector lagged overall employment growth every year during that period except in 2011. Furthermore, recent data show contractions in the manufacturing industry, illustrating that it is unlikely that manufacturing can become the economic driver that it once was in the United States.

Manufacturing was the largest industry in Covington in 2000, but the industry has declined 0.2 percent annually since. Currently, manufacturing is second largest industry in the PMA. Despite the decline in prominence of the manufacturing sector, growth in other industries has outweighed the job losses, and total employment in the PMA has increased 3.0 percent annually since 2000. Overall, the local economy appears strong based on the total employment growth in the region.

1. Total Jobs

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

Year	Total Employment	% Change
2007	43,991	-
2008	44,131	0.3%
2009	41,333	-6.3%
2010	41,899	1.4%
2011	42,424	1.3%
2012	43,010	1.4%
2013	43,432	1.0%
2014	44,025	1.4%
2015	46,625	5.9%
2016	47,595	2.1%
2017 YTD Average	47,816	0.5%
Jan-16	47,743	-
Jan-17	47,595	-0.3%

Source: U.S. Bureau of Labor Statistics
 YTD as of January 2017

Newton County has experienced strong total job growth in the past decade. During the national recession, Newton County experienced only one year of employment decline, which indicates that the economy was less impacted than the nation overall during this time. Total jobs in Newton County are currently 7.8 percent above the pre-recession high level of 2008, which is indicative of a strong economy that has successfully recovered from the national recession.

2. Total Jobs by Industry

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

January 2017 Covered Employment
Newton County, Georgia

	Number	Percent
Total, all industries	31,273	-
Goods-producing	-	-
Natural resources and mining	63	0.20%
Construction	1,251	4.00%
Manufacturing	1,977	6.32%
Service-providing	-	-
Trade, transportation, and utilities	7,721	24.69%
Information	373	1.19%
Financial activities	1,115	3.57%
Professional and business services	3,159	10.10%
Education and health services	5,190	16.60%
Leisure and hospitality	9,115	29.15%
Other services	1,169	3.74%
Unclassified	140	0.45%

Source: Bureau of Labor Statistics, 2017.

Newton County employs a significant share of individuals within the leisure/hospitality and trade/transportation/utilities sectors. The leisure/hospitality sector is considered a volatile sector that is more vulnerable to declines during times of economic downturns.

2017 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	7,363	13.9%	21,304,508	14.0%
Manufacturing	6,469	12.2%	15,499,826	10.2%
Educational Services	5,992	11.3%	14,359,370	9.4%
Retail Trade	5,867	11.1%	17,169,304	11.3%
Construction	3,749	7.1%	9,342,539	6.1%
Accommodation/Food Services	3,528	6.7%	11,574,403	7.6%
Transportation/Warehousing	3,425	6.5%	6,128,217	4.0%
Public Administration	2,993	5.7%	7,093,689	4.7%
Prof/Scientific/Tech Services	2,934	5.5%	10,269,978	6.8%
Admin/Support/Waste Mgmt Svcs	2,781	5.3%	6,511,707	4.3%
Other Services (excl Publ Adm)	2,180	4.1%	7,463,834	4.9%
Finance/Insurance	1,543	2.9%	6,942,986	4.6%
Information	1,103	2.1%	2,862,063	1.9%
Wholesale Trade	1,053	2.0%	4,066,471	2.7%
Utilities	645	1.2%	1,344,219	0.9%
Real Estate/Rental/Leasing	618	1.2%	2,946,196	1.9%
Arts/Entertainment/Recreation	471	0.9%	3,416,474	2.2%
Agric/Forestry/Fishing/Hunting	177	0.3%	2,253,044	1.5%
Mining	9	0.0%	749,242	0.5%
Mining	9	0.0%	749,242	0.5%
Total Employment	52,909	100.0%	152,047,312	100.0%

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

The MSA employs the greatest share of individuals within the healthcare/social assistance, manufacturing, educational services, retail trade, and construction sectors. The PMA employs a larger share of individuals than the nation within the manufacturing, educational services, construction, transportation/warehousing, and public administration. Conversely, the PMA employs a smaller share of individuals within the healthcare/social assistance, retail trade, accommodation/food services, and the professional/scientific/technology services sectors.

3. Major Employers

The table below illustrates the largest employers in Covington, GA.

MAJOR EMPLOYERS - COVINGTON, GA		
Company	Industry	Number of Employees
C.R. Bard, Inc.	Manufacturing	565
Pactiv Corp	Manufacturing	492
General Mills, Inc.	Manufacturing	363
Guardian Automotive Corp	Manufacturing	320
Clarion Metals	Manufacturing	270

Source: Covington Newton County Chamber of Commerce, Novogradac & Company LLP, April 2017.

All of the top employers in Covington are concentrated within the manufacturing industry. This indicates that Covington is a favorable area for manufacturing industries.

Expansions/Contractions

An important factor underlying the depth of demand for rental units in an area is the rate of employment expansions and contractions. According to the Georgia Department of Economic Development’s Worker Adjustment and Retraining Notification (WARN) Act notices, there have been no major layoffs or closures in Newton County from 2014 to year-to-date 2017.

According to Serra Hall, Director of Commercial Development at the Newton County Economic Development, Baxter Pharmaceutical began construction on a manufacturing plant in 2014 and production at the plant is anticipated to begin in 2018. The manufacturing plant represents a \$1 billion investment and is expected to create 1,500 new full-time jobs to the area and an additional 500 more in support roles.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and the nation from 2001 to 2017.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

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

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

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

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

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

The MSA has exhibited strong employment growth between 2001 and 2016. In the years prior to the national recession, the MSA experienced employment growth faster than that of the nation. During the national recession, the employment levels in the MSA experienced declines from 2008 to 2010. The MSA began exhibiting employment growth levels again in 2011 that were faster than those of the nation, indicating that the MSA economy was quick to recover from the national recession. Since the national recession, the MSA has exhibited faster employment growth than the nation every year. From December 2015 to December 2016, employment within the MSA increased 4.4 percent, while employment in the nation increased 1.4 percent. As of December 2016, employment in the MSA is approximately 8.2 percent above the pre-recession high level, while employment in the nation is 3.9 percent above the pre-recession high level.

In the years prior to the national recession, the MSA consistently reported a lower unemployment rate than the nation; however, during the national recession the unemployment rate increased significantly, reaching an all-time high of 10.3 percent in 2010. Since the national recession, the MSA has reported a higher unemployment rate than the nation every year. It is important to note that the unemployment rate in the MSA has been declining by greater rates than the nation in recent years, with the exception of 2014. As of December 2016, the unemployment rate in the MSA is five percent, which is approximately 50 basis points over the national unemployment rate. Based on the employment and unemployment trends in the MSA, it is clear that the local economy is capable of recovering quickly from economic downturns and is on the path towards growth. Overall, the local economy appears stronger than the national economy.

5. Map of Site and Major Employment Concentrations

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



Source: Google Earth, April 2017.

MAJOR EMPLOYERS - COVINGTON, GA

Rank	Company	Industry	Number of Employees
1	C.R. Bard, Inc.	Manufacturing	565
2	Pactiv Corp	Manufacturing	492
3	General Mills, Inc.	Manufacturing	363
4	Guardian Automotive Corp	Manufacturing	320
5	Clarion Metals	Manufacturing	270

Source: Covington Newton County Chamber of Commerce, Novogradac & Company LLP, April 2017.

6. Conclusion

The PMA employs a significant share of individuals within the healthcare/social assistance, manufacturing, educational services, retail trade, and construction sectors. It is important to note that the PMA employs a significant share of individuals within the manufacturing industry, which has been suffering decades long trend of job contraction. The largest manufacturing employers in Covington include C.R. Bard Inc., Pactiv Corporation, General Mills Inc., Guardian Automotive Corporation, and Clarion Metals, which are located within close proximity of the Subject site. Between 2014 and year-to-date 2017, there have been no significant layoffs or closures in Newton County. Baxter Pharmaceuticals announced plans for a plant in the area, which begun construction in 2014 and the anticipated manufacturing date is in 2018. This manufacturing plant is expected to create 1,500 new full-time positions and 500 additional support positions.

Between 2001 and 2016, the MSA exhibited strong employment growth. During the national recession, the MSA experienced employment declines from 2008 to 2010 and by 2011 the MSA was exhibiting employment growth that was faster than that of the nation. Further the employment growth rate in the MSA has been significantly growing every year since 2013, which is indicative of a growing economy. From December 2015 to December 2016, employment in the MSA increased 4.4 percent, while employment in the nation increased 1.4 percent. Since the national recession, the MSA has reported a slightly higher unemployment rate than the nation every year; however, it is important to note that the unemployment rate has been declining since 2010. Total employment in the MSA exceeded the pre-recession peak total employment in 2014 and has recently exhibited strong growth, outpacing the nation, which suggests a healthy local economy. The growing employment and declining unemployment rate in the MSA economy is a positive indicator of demand for rental housing and the Subject's proposed units.

G. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a senior household will pay is 40 percent of its household income at the appropriate AMI level.

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

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

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website. We have utilized 100 percent of the AMI as the maximum allowable income for the Subject’s unrestricted market rate units.

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 40 percent for senior households. 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.

SENIOR 62+ 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	\$16,320	\$23,650	\$19,620	\$28,380	\$18,750	\$47,300
2BR/1BA	\$19,290	\$27,000	\$23,340	\$32,400	\$22,080	\$54,000

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.

According to GA DCA list of allocations, there have been no properties allocated within the PMA since 2014.

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	Occupancy	
The Overlook At Walkers Bend	LIHTC/Market	Covington	Senior	60	N/A	
Covington Square	Section 8	Covington	Senior	113	N/A	
Arbor Lake Apartments	LIHTC	Covington	Family	250	94.4%	
Harristown Park	LIHTC	Covington	Senior	60	100.0%	
Magnolia Heights	LIHTC	Covington	Family	200	97.0%	
Orchard Cove	LIHTC	Covington	Family	188	100.0%	
Salem Glen I, II, III	LIHTC	Conyers	Family	256	99.0%	
Village at Walkers Bend	LIHTC	Covington	Family	32	93.0%	
Wellington Ridge	LIHTC	Covington	Family	220	100.0%	
Leaf Stone Apartments	Market	Covington	Family	232	97.8%	
Park View Apartments	Market	Covington	Family	100	96.0%	
Porterdale Mill Lofts	Market	Covington	Family	154	100.0%	
Summerset Apartments	Market	Covington	Family	240	98.8%	
Willow Creek Apartments	Market	Covington	Family	41	94.9%	
Field Crest Walk	Market	Covington	Family	250	99.5%	
Average PMA Occupancy					97.7%	

The average occupancy rate of competitive developments in the PMA is 97.7 percent.

Rehab Developments and PBRA

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

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

5. Capture Rates

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA, 62+

Income Cohort	2017		Projected Mkt Entry July 2019		2021	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0-9,999	292	14.4%	300	13.8%	308	13.3%
\$10,000-19,999	658	32.3%	683	31.4%	709	30.6%
\$20,000-29,999	247	12.1%	275	12.6%	302	13.1%
\$30,000-39,999	247	12.1%	263	12.1%	278	12.0%
\$40,000-49,999	105	5.2%	114	5.2%	122	5.3%
\$50,000-59,999	133	6.5%	145	6.7%	158	6.8%
\$60,000-74,999	63	3.1%	70	3.2%	77	3.3%
\$75,000-99,999	71	3.5%	76	3.5%	80	3.5%
\$100,000-124,999	109	5.3%	124	5.7%	140	6.1%
\$125,000-149,999	41	2.0%	44	2.0%	47	2.0%
\$150,000-199,999	45	2.2%	51	2.4%	58	2.5%
\$200,000+	24	1.2%	31	1.4%	37	1.6%
Total	2,034	100.0%	2,174	100.0%	2,315	100.0%

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

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 50%

Minimum Income Limit		\$16,320		Maximum Income Limit		\$27,000	
New Renter Households - Total							
Income Category	Change in Households PMA 2017 to Prj Mrkt Entry July 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	8	5.5%		0.0%	0		
\$10,000-19,999	26	18.2%	3,679	36.8%	9		
\$20,000-29,999	28	19.6%	7,000	70.0%	19		
\$30,000-39,999	16	11.1%		0.0%	0		
\$40,000-49,999	8	5.8%		0.0%	0		
\$50,000-59,999	12	8.8%		0.0%	0		
\$60,000-74,999	7	5.2%		0.0%	0		
\$75,000-99,999	5	3.2%		0.0%	0		
\$100,000-124,999	16	11.2%		0.0%	0		
\$125,000-149,999	3	2.2%		0.0%	0		
\$150,000-199,999	6	4.5%		0.0%	0		
\$200,000+	6	4.6%		0.0%	0		
Total	140	100.0%		20.4%	29		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 50%

Minimum Income Limit		\$16,320		Maximum Income Limit		\$27,000	
Income Category	Total Renter Households PMA 2017	Income Brackets	Percent within Cohort	Households within Bracket			
\$0-9,999	292	14.4%		0.0%	0		
\$10,000-19,999	658	32.3%	3,679	36.8%	242		
\$20,000-29,999	247	12.1%	7,000	70.0%	173		
\$30,000-39,999	247	12.1%		0.0%	0		
\$40,000-49,999	105	5.2%		0.0%	0		
\$50,000-59,999	133	6.5%		0.0%	0		
\$60,000-74,999	63	3.1%		0.0%	0		
\$75,000-99,999	71	3.5%		0.0%	0		
\$100,000-124,999	109	5.3%		0.0%	0		
\$125,000-149,999	41	2.0%		0.0%	0		
\$150,000-199,999	45	2.2%		0.0%	0		
\$200,000+	24	1.2%		0.0%	0		
Total	2,034	100.0%		20.4%	415		

ASSUMPTIONS - 50%

ASSUMPTIONS - 50%						
Tenancy		Senior	% of Income towards Housing			40%
Rural/Urban		Urban	Maximum # of Occupants			2
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	40%	60%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	0%	90%	10%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	30%	70%	

Demand from New Renter Households 2017 to July 2019

Income Target Population	50%
New Renter Households PMA	140
Percent Income Qualified	20.4%
New Renter Income Qualified Households	29

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	2,034
Income Qualified	20.4%
Income Qualified Renter Households	415
Percent Rent Overburdened Prj Mrkt Entry July 2019	47.1%
Rent Overburdened Households	195

Demand from Living in Substandard Housing

Income Qualified Renter Households	415
Percent Living in Substandard Housing	0.2%
Households Living in Substandard Housing	1

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	9,717
Rural Versus Urban	0.05%
Senior Demand Converting from Homeownership	4

Total Demand

Total Demand from Existing Households	200
Total New Demand	29
Total Demand (New Plus Existing Households)	229

Demand from Seniors Who Convert from Homeownership	4
Percent of Total Demand From Homeownership Conversion	1.9%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	63.2%	145
Two Persons	26.9%	62
Three Persons	2.3%	5
Four Persons	2.3%	5
Five Persons	5.2%	12
Total	100.0%	229

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	40%	58
Of two-person households in 1BR units	20%	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	60%	87
Of two-person households in 2BR units	80%	49
Of three-person households in 2BR units	0%	0
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	90%	5
Of four-person households in 3BR units	70%	4
Of five-person households in 3BR units	30%	4
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	10%	1
Of four-person households in 4BR units	30%	2
Of five-person households in 4BR units	35%	4
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%	4

Total Demand

229

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	70	-	0	=	70
2 BR	136	-	0	=	136
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	207		0		207

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR	7	/	70	=	10.0%
2 BR	15	/	136	=	11.0%
3 BR		/	-	=	-
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	22		207		10.6%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60%

Minimum Income Limit		\$19,620		Maximum Income Limit		\$32,400	
New Renter Households - Total							
Income Category	Change in Households PMA 2017 to Prj Mrkt Entry July 2019		Income Brackets	Percent within Cohort		Renter Households within Bracket	
\$0-9,999	8	5.5%		0.0%		0	
\$10,000-19,999	26	18.2%	379	3.8%		1	
\$20,000-29,999	28	19.6%	9,999	100.0%		28	
\$30,000-39,999	16	11.1%	2,400	24.0%		4	
\$40,000-49,999	8	5.8%		0.0%		0	
\$50,000-59,999	12	8.8%		0.0%		0	
\$60,000-74,999	7	5.2%		0.0%		0	
\$75,000-99,999	5	3.2%		0.0%		0	
\$100,000-124,999	16	11.2%		0.0%		0	
\$125,000-149,999	3	2.2%		0.0%		0	
\$150,000-199,999	6	4.5%		0.0%		0	
\$200,000+	6	4.6%		0.0%		0	
Total	140	100.0%		23.0%		32	

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 60%

Minimum Income Limit		\$19,620		Maximum Income Limit		\$32,400	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort		Households within Bracket	
\$0-9,999	292	14.4%		0.0%		0	
\$10,000-19,999	658	32.3%	379	3.8%		25	
\$20,000-29,999	247	12.1%	9,999	100.0%		247	
\$30,000-39,999	247	12.1%	2,400	24.0%		59	
\$40,000-49,999	105	5.2%		0.0%		0	
\$50,000-59,999	133	6.5%		0.0%		0	
\$60,000-74,999	63	3.1%		0.0%		0	
\$75,000-99,999	71	3.5%		0.0%		0	
\$100,000-124,999	109	5.3%		0.0%		0	
\$125,000-149,999	41	2.0%		0.0%		0	
\$150,000-199,999	45	2.2%		0.0%		0	
\$200,000+	24	1.2%		0.0%		0	
Total	2,034	100.0%		16.3%		331	

ASSUMPTIONS - 60%

Tenancy	Senior	% of Income towards Housing				40%
Rural/Urban	Urban	Maximum # of Occupants				2
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	40%	60%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	0%	90%	10%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	30%	70%	

Demand from New Renter Households 2017 to July 2019

Income Target Population	60%
New Renter Households PMA	140
Percent Income Qualified	23.0%
New Renter Income Qualified Households	32

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	2,034
Income Qualified	16.3%
Income Qualified Renter Households	331
Percent Rent Overburdened Prj Mrkt Entry July 2019	47.1%
Rent Overburdened Households	156

Demand from Living in Substandard Housing

Income Qualified Renter Households	331
Percent Living in Substandard Housing	0.2%
Households Living in Substandard Housing	1

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	9,717
Rural Versus Urban	0.04%
Senior Demand Converting from Homeownership	4

Total Demand

Total Demand from Existing Households	160
Total New Demand	32
Total Demand (New Plus Existing Households)	193

Demand from Seniors Who Convert from Homeownership	4
Percent of Total Demand From Homeownership Conversion	1.9%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	63.2%	122
Two Persons	26.9%	52
Three Persons	2.3%	4
Four Persons	2.3%	4
Five Persons	5.2%	10
Total	100.0%	193

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	40%	49
Of two-person households in 1BR units	20%	10
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	60%	73
Of two-person households in 2BR units	80%	41
Of three-person households in 2BR units	0%	0
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	90%	4
Of four-person households in 3BR units	70%	3
Of five-person households in 3BR units	30%	3
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	10%	0
Of four-person households in 4BR units	30%	1
Of five-person households in 4BR units	35%	3
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%	3

Total Demand

193

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	59	-	0	=	59
2 BR	115	-	0	=	115
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	174		0		174

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR	11	/	59	=	18.6%
2 BR	21	/	115	=	18.3%
3 BR		/	-	=	-
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	32		174		18.4%

All LIHTC

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - All LIHTC

Minimum Income Limit		\$16,320		Maximum Income Limit		\$32,400	
New Renter Households - Total							
Income Category	Change in Households PMA 2017 to Prj Mrkt Entry July 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	8	5.5%		0.0%	0		
\$10,000-19,999	26	18.2%	3,679	36.8%	9		
\$20,000-29,999	28	19.6%	9,999	100.0%	28		
\$30,000-39,999	16	11.1%	2,400	24.0%	4		
\$40,000-49,999	8	5.8%		0.0%	0		
\$50,000-59,999	12	8.8%		0.0%	0		
\$60,000-74,999	7	5.2%		0.0%	0		
\$75,000-99,999	5	3.2%		0.0%	0		
\$100,000-124,999	16	11.2%		0.0%	0		
\$125,000-149,999	3	2.2%		0.0%	0		
\$150,000-199,999	6	4.5%		0.0%	0		
\$200,000+	6	4.6%		0.0%	0		
Total	140	100.0%		29.0%	41		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - All LIHTC

Minimum Income Limit		\$16,320		Maximum Income Limit		\$32,400	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	292	14.4%		0.0%	0		
\$10,000-19,999	658	32.3%	3,679	36.8%	242		
\$20,000-29,999	247	12.1%	9,999	100.0%	247		
\$30,000-39,999	247	12.1%	2,400	24.0%	59		
\$40,000-49,999	105	5.2%		0.0%	0		
\$50,000-59,999	133	6.5%		0.0%	0		
\$60,000-74,999	63	3.1%		0.0%	0		
\$75,000-99,999	71	3.5%		0.0%	0		
\$100,000-124,999	109	5.3%		0.0%	0		
\$125,000-149,999	41	2.0%		0.0%	0		
\$150,000-199,999	45	2.2%		0.0%	0		
\$200,000+	24	1.2%		0.0%	0		
Total	2,034	100.0%		27.0%	548		

ASSUMPTIONS - All LIHTC

Tenancy	Senior	% of Income towards Housing				40%
Rural/Urban	Urban	Maximum # of Occupants				2
Persons in Household	0BR	1BR	2BR	3BR	4BR+	
1	0%	40%	60%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	0%	90%	10%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	30%	70%	

Demand from New Renter Households 2017 to July 2019

Income Target Population	All LIHTC
New Renter Households PMA	140
Percent Income Qualified	29.0%
New Renter Income Qualified Households	41

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	All LIHTC
Total Existing Demand	2,034
Income Qualified	27.0%
Income Qualified Renter Households	548
Percent Rent Overburdened Prj Mrkt Entry July 2019	47.1%
Rent Overburdened Households	258

Demand from Living in Substandard Housing

Income Qualified Renter Households	548
Percent Living in Substandard Housing	0.2%
Households Living in Substandard Housing	1

Senior Households Converting from Homeownership

Income Target Population	All LIHTC
Total Senior Homeowners	9,717
Rural Versus Urban	0.04%
Senior Demand Converting from Homeownership	4

Total Demand

Total Demand from Existing Households	263
Total New Demand	41
Total Demand (New Plus Existing Households)	304

Demand from Seniors Who Convert from Homeownership	4
Percent of Total Demand From Homeownership Conversion	1.2%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	63.2%	192
Two Persons	26.9%	82
Three Persons	2.3%	7
Four Persons	2.3%	7
Five Persons	5.2%	16
Total	100.0%	304

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	40%	77
Of two-person households in 1BR units	20%	16
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	60%	115
Of two-person households in 2BR units	80%	65
Of three-person households in 2BR units	0%	0
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	90%	6
Of four-person households in 3BR units	70%	5
Of five-person households in 3BR units	30%	5
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	10%	1
Of four-person households in 4BR units	30%	2
Of five-person households in 4BR units	35%	6
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%	6

Total Demand 304

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	93	-	0	=	93
2 BR	181	-	0	=	181
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	274		0		274

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	/	/	-	=	-
1 BR	18	/	93	=	19.3%
2 BR	36	/	181	=	19.9%
3 BR	/	/	-	=	-
4 BR	/	/	-	=	-
5 BR	/	/	-	=	-
Total	54		274		19.7%

Market Rate

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Market

Minimum Income Limit		\$18,750	Maximum Income Limit		\$54,000
New Renter Households - Total					
Income Category	Change in Households PMA 2017 to Prj Mrkt Entry July 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	8	5.5%		0.0%	0
\$10,000-19,999	26	18.2%	1,249	12.5%	3
\$20,000-29,999	28	19.6%	9,999	100.0%	28
\$30,000-39,999	16	11.1%	9,999	100.0%	16
\$40,000-49,999	8	5.8%	9,999	100.0%	8
\$50,000-59,999	12	8.8%	4,000	40.0%	5
\$60,000-74,999	7	5.2%		0.0%	0
\$75,000-99,999	5	3.2%		0.0%	0
\$100,000-124,999	16	11.2%		0.0%	0
\$125,000-149,999	3	2.2%		0.0%	0
\$150,000-199,999	6	4.5%		0.0%	0
\$200,000+	6	4.6%		0.0%	0
Total	140	100.0%		42.4%	59

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Market

Minimum Income Limit		\$18,750	Maximum Income Limit		\$54,000
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	292	14.4%		0.0%	0
\$10,000-19,999	658	32.3%	1,249	12.5%	82
\$20,000-29,999	247	12.1%	9,999	100.0%	247
\$30,000-39,999	247	12.1%	9,999	100.0%	247
\$40,000-49,999	105	5.2%	9,999	100.0%	105
\$50,000-59,999	133	6.5%	4,000	40.0%	53
\$60,000-74,999	63	3.1%		0.0%	0
\$75,000-99,999	71	3.5%		0.0%	0
\$100,000-124,999	109	5.3%		0.0%	0
\$125,000-149,999	41	2.0%		0.0%	0
\$150,000-199,999	45	2.2%		0.0%	0
\$200,000+	24	1.2%		0.0%	0
Total	2,034	100.0%		36.1%	735

ASSUMPTIONS - Market

Tenancy	Senior	% of Income towards Housing			40%
Rural/Urban	Urban	Maximum # of Occupants			2
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	40%	60%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	0%	90%	10%
4	0%	0%	0%	70%	30%
5+	0%	0%	0%	30%	70%

Demand from New Renter Households 2017 to July 2019

Income Target Population	Market
New Renter Households PMA	140
Percent Income Qualified	42.4%
New Renter Income Qualified Households	59

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	Market
Total Existing Demand	2,034
Income Qualified	36.1%
Income Qualified Renter Households	735
Percent Rent Overburdened Prj Mrkt Entry July 2019	47.1%
Rent Overburdened Households	346

Demand from Living in Substandard Housing

Income Qualified Renter Households	735
Percent Living in Substandard Housing	0.2%
Households Living in Substandard Housing	2

Senior Households Converting from Homeownership

Income Target Population	Market
Total Senior Homeowners	9,717
Rural Versus Urban	0.1%
Senior Demand Converting from Homeownership	8

Total Demand

Total Demand from Existing Households	355
Total New Demand	59
Total Demand (New Plus Existing Households)	415

Demand from Seniors Who Convert from Homeownership	8
Percent of Total Demand From Homeownership Conversion	1.9%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	63.2%	262
Two Persons	26.9%	112
Three Persons	2.3%	10
Four Persons	2.3%	10
Five Persons	5.2%	21
Total	100.0%	415

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	40%	105
Of two-person households in 1BR units	20%	22
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	60%	157
Of two-person households in 2BR units	80%	89
Of three-person households in 2BR units	0%	0
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	90%	9
Of four-person households in 3BR units	70%	7
Of five-person households in 3BR units	30%	6
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	10%	1
Of four-person households in 4BR units	30%	3
Of five-person households in 4BR units	35%	8
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%	8

Total Demand 415

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	127	-	0	=	127
2 BR	247	-	0	=	247
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	374		0		374

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR	2	/	127	=	1.6%
2 BR	4	/	247	=	1.6%
3 BR		/	-	=	-
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	6		374		1.6%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$16,320		Maximum Income Limit		\$54,000	
New Renter Households - Total							
Income Category	Change in Households PMA 2017 to Prj Mrkt Entry July 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	8	5.5%		0.0%	0		
\$10,000-19,999	26	18.2%	3,679	36.8%	9		
\$20,000-29,999	28	19.6%	9,999	100.0%	28		
\$30,000-39,999	16	11.1%	9,999	100.0%	16		
\$40,000-49,999	8	5.8%	9,999	100.0%	8		
\$50,000-59,999	12	8.8%	4,000	40.0%	5		
\$60,000-74,999	7	5.2%		0.0%	0		
\$75,000-99,999	5	3.2%		0.0%	0		
\$100,000-124,999	16	11.2%		0.0%	0		
\$125,000-149,999	3	2.2%		0.0%	0		
\$150,000-199,999	6	4.5%		0.0%	0		
\$200,000+	6	4.6%		0.0%	0		
Total	140	100.0%		46.8%	66		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$16,320		Maximum Income Limit		\$54,000	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	292	14.4%		0.0%	0		
\$10,000-19,999	658	32.3%	3,679	36.8%	242		
\$20,000-29,999	247	12.1%	9,999	100.0%	247		
\$30,000-39,999	247	12.1%	9,999	100.0%	247		
\$40,000-49,999	105	5.2%	9,999	100.0%	105		
\$50,000-59,999	133	6.5%	4,000	40.0%	53		
\$60,000-74,999	63	3.1%		0.0%	0		
\$75,000-99,999	71	3.5%		0.0%	0		
\$100,000-124,999	109	5.3%		0.0%	0		
\$125,000-149,999	41	2.0%		0.0%	0		
\$150,000-199,999	45	2.2%		0.0%	0		
\$200,000+	24	1.2%		0.0%	0		
Total	2,034	100.0%		44.0%	894		

ASSUMPTIONS - Overall

Tenancy	Senior	% of Income towards Housing				40%
Rural/Urban	Urban	Maximum # of Occupants				2
Persons in Household	0BR	1BR	2BR	3BR	4BR+	
1	0%	40%	60%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	0%	90%	10%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	30%	70%	

Demand from New Renter Households 2017 to July 2019

Income Target Population	Overall
New Renter Households PMA	140
Percent Income Qualified	46.8%
New Renter Income Qualified Households	66

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	2,034
Income Qualified	44.0%
Income Qualified Renter Households	894
Percent Rent Overburdened Prj Mrkt Entry July 2019	47.1%
Rent Overburdened Households	421

Demand from Living in Substandard Housing

Income Qualified Renter Households	894
Percent Living in Substandard Housing	0.2%
Households Living in Substandard Housing	2

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	9,717
Rural Versus Urban	0.06%
Senior Demand Converting from Homeownership	6

Total Demand

Total Demand from Existing Households	429
Total New Demand	66
Total Demand (New Plus Existing Households)	495

Demand from Seniors Who Convert from Homeownership	6
Percent of Total Demand From Homeownership Conversion	1.24%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	63.2%	313
Two Persons	26.9%	133
Three Persons	2.3%	11
Four Persons	2.3%	11
Five Persons	5.2%	26
Total	100.0%	495

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	40%	125
Of two-person households in 1BR units	20%	27
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	60%	188
Of two-person households in 2BR units	80%	107
Of three-person households in 2BR units	0%	0
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	90%	10
Of four-person households in 3BR units	70%	8
Of five-person households in 3BR units	30%	8
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	10%	1
Of four-person households in 4BR units	30%	3
Of five-person households in 4BR units	35%	9
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%	9

Total Demand 495

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	152	-	0	=	152
2 BR	294	-	0	=	294
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	446		0		446

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR	20	/	152	=	13.2%
2 BR	40	/	294	=	13.6%
3 BR		/	-	=	-
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	60		446		13.5%

Conclusions

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

- The number of senior households in the PMA is expected to increase 3.4 percent between 2017 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 (\$16,320 to \$27,000)	HH at 60% AMI (\$22,770 to \$32,400)	HH at All LIHTC AMI (\$16,320 to \$32,400)	HH > 60% AMI (\$18,750 to \$54,000)	All Households
Demand from New Households (age and income appropriate)	29	32	41	59	66
PLUS	+	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	1	1	1	2	2
PLUS	+	+	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	195	156	258	346	421
Sub Total	225	189	300	407	489
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	4	4	4	8	6
Equals Total Demand	229	193	304	415	495
Less	-	-	-	-	-
Competitive New Supply	0	0	0	0	0
Equals Net Demand	229	193	304	415	495

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Market capture rates 30 percent or less for all efficiency, one (1) and two (2) bedroom units, 40 percent or less for all three (3) bedroom units, and less 50 percent or less for all four (4) bedroom units in the project. In Rural areas, (as defined in the QAP) market feasibility will be based on market capture rates of 35 percent or less for all efficiency one (1) bedroom units, and two (2) bedroom units, 40 percent or less for all three (3) bedroom units and 50 percent or less for all four (4) or more bedroom units in the project.

The overall capture rate for all Tax Credit and Market Rate Units shall not exceed 30 percent for Applications in the Flexible Pool and 35 percent for Applications in the Rural Pool.

Market capture rates for each bedroom type within each AMI market segment type (i.e. 30%, 50%, 60% & market) shall not exceed 70 percent. For example, the capture rate for 1 bedroom units at 50% AMI should not exceed 70 percent.

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR at 50% AMI	\$16,320	\$23,650	7	70	0	70	10.0%	6 months	\$719	\$486	\$950	\$450
1BR at 60% AMI	\$19,620	\$28,380	11	59	0	59	18.6%	6 months	\$741	\$513	\$950	\$560
1BR All LIHTC	\$16,320	\$28,380	18	93	0	93	19.3%	6 months	-	-	-	-
1BR Unrestricted	\$18,750	\$47,300	2	127	0	127	1.6%	6 months	\$789	\$599	\$950	\$625
1BR Overall	\$16,320	\$47,300	20	152	0	152	13.2%	6 months	-	-	-	-
2BR at 50% AMI	\$19,290	\$27,000	15	136	0	136	11.0%	6 months	\$900	\$562	\$1,450	\$525
2BR at 60% AMI	\$23,340	\$32,400	21	115	0	115	18.3%	6 months	\$928	\$562	\$1,450	\$660
2BR All LIHTC	\$19,290	\$32,400	36	181	0	181	19.9%	6 months	-	-	-	-
2BR Unrestricted	\$22,080	\$54,000	4	247	0	247	1.6%	6 months	\$1,004	\$647	\$1,450	\$736
2BR Overall	\$19,290	\$54,000	40	294	0	294	13.6%	6 months	-	-	-	-
50% AMI Overall	\$16,320	\$27,000	22	207	0	207	10.6%	6 months	-	-	-	-
60% AMI Overall	\$19,620	\$32,400	32	174	0	174	18.4%	6 months	-	-	-	-
All LIHTC Overall	\$16,320	\$32,400	54	274	0	274	19.7%	6 months	-	-	-	-
Unrestricted Overall	\$18,750	\$54,000	6	374	0	374	1.6%	6 months	-	-	-	-
Overall	\$16,320	\$54,000	60	446	0	446	13.5%	6 months	-	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level is at 10.6, at the 60 percent AMI level is at 18.4 percent, all LIHTC is 19.7 percent, the unrestricted capture rate is 1.6 percent, and its overall capture rate is 13.5 percent, all of which are within GA DCA’s capture rate thresholds.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 10 “true” comparable properties containing 1,738 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good; however, there is only one age-restricted property in the PMA. Harristown Park was allocated tax credits in 2009 and is located 1.2 miles from the Subject. This property targets senior tenants 55 and older and will directly compete with the Subject. Therefore, we have used it as a comparable in our analysis. The availability of age-restricted data is considered limited. We have used two family LIHTC properties from inside the PMA and two age-restricted LIHTC properties from outside the PMA as comparables in our analysis. These age-restricted comparables are located in Decatur and Stone Mountain, Georgia, approximately 25 to 28 miles from the Subject site.

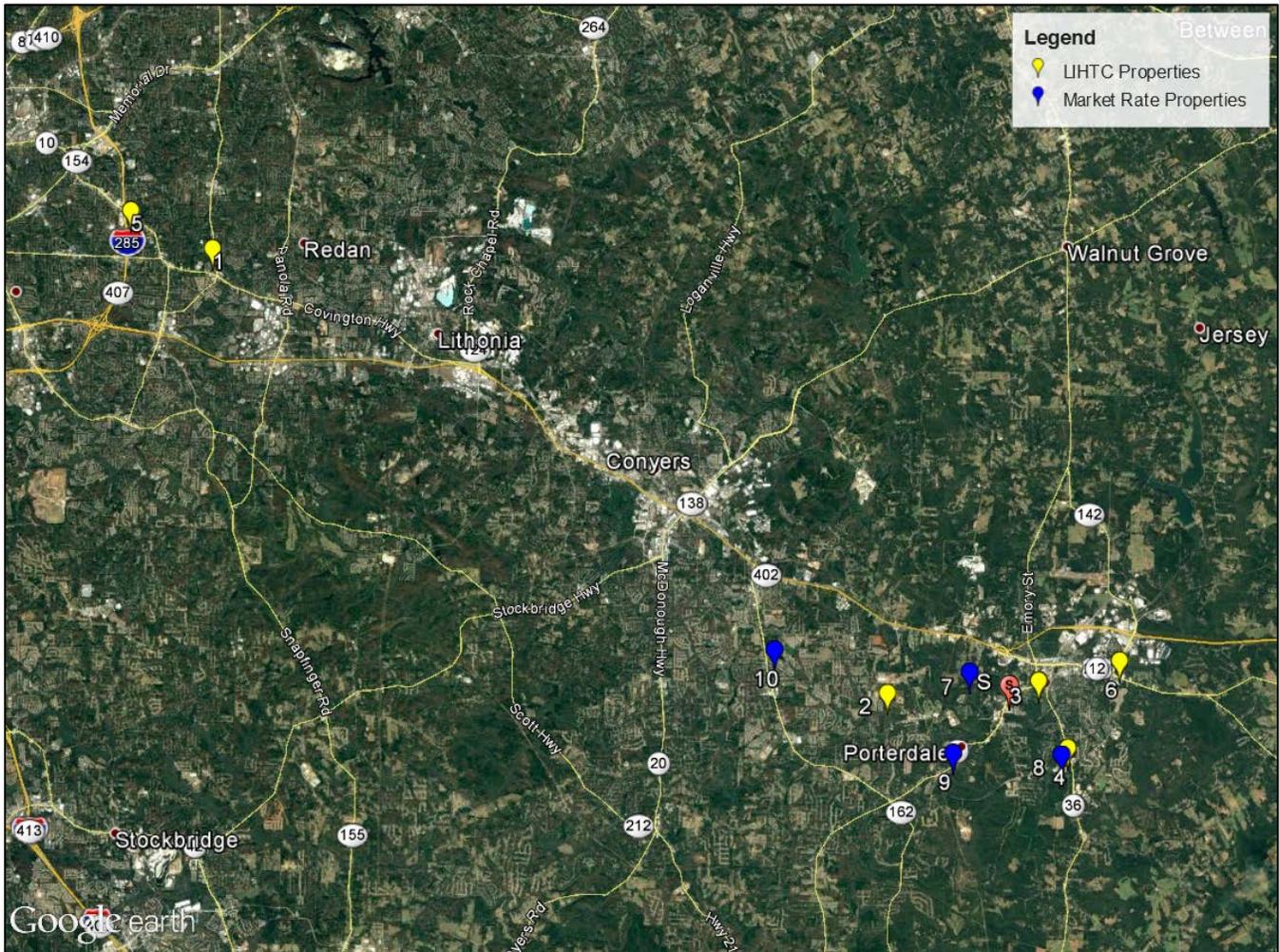
The availability of market rate data is considered adequate, as seven of the comparable properties offer market rate data. These comparables were built or renovated between 1999 and 2011. Of the seven properties with market rate units, three are mixed income properties and four are conventional properties. We believe that the Subject will be more comparable to the mixed income properties in the area, and we have therefore used them as comparables in our analysis. The mixed income properties are newer and exhibit slightly superior condition than the conventional market rate comparable properties.

Excluded Properties

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

EXCLUDED PROPERTIES					
Property Name	Program	Location	Tenancy	# of	Reason for Exclusion
Covington Square	Section 8	Covington	Senior	113	Subsidized
Orchard Cove	LIHTC	Covington	Family	188	More comparable LIHTC properties available
Salem Glen I, II, III	LIHTC	Conyers	Family	256	More comparable LIHTC properties available
Village at Walkers Bend	LIHTC	Covington	Family	32	Dissimilar unit types
Willow Creek Apartments	Market	Covington	Family	41	Inferior condition
Field Crest Walk	Market	Covington	Family	250	Unable to contact

Comparable Rental Property Map



Source: Google Earth, April 2017.

COMPARABLE PROPERTIES

#	Property Name	Tenancy	Type	Distance
1	Antioch Manor Estates	Senior	@30%, @50%, @60%, Market	25.2 miles
2	Arbor Lake Apartments	Family	@60%, Market	3.7 miles
3	Harristown Park	Senior	@50%, @60%	1.2 miles
4	Magnolia Heights	Family	@60%, Market	3.2 miles
5	Retreat At Madison Place	Senior	@60%	28.4 miles
6	Wellington Ridge	Family	@60%	3.9 miles
7	Leaf Stone Apartments	Family	Market	1.6 miles
8	Park View Apartments	Family	Market	2.7 miles
9	Porterdale Mill Lofts	Family	Market	3.7 miles
10	Summerset Apartments	Family	Market	3.9 miles

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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 Overlook At Walkers Bend 4711 Bishop Ming Boulevard Covington, GA 30014 Newton County	n/a	Lowrise (age-3 stories) 2019 / n/a	@50%, @60%, Market	1BR / 1BA	7	11.70%	@50%	\$450	700	no		N/A	N/A					
					1BR / 1BA	11	18.30%	@60%	\$560	700	no	N/A	N/A						
					1BR / 1BA	2	3.30%	Market	\$625	700	n/a	N/A	N/A						
					2BR / 1BA	15	25.00%	@50%	\$525	900	no	N/A	N/A						
					2BR / 1BA	21	35.00%	@60%	\$660	900	no	N/A	N/A						
					2BR / 1BA	4	6.70%	Market	\$736	900	n/a	N/A	N/A						
					60	100%						N/A	N/A						
1	Antioch Manor Estates 4711 Bishop Ming Boulevard Stone Mountain, GA 30088 DeKalb County	25.2 miles	Lowrise (age-3 stories) 2005 / n/a	@30%, @50%, @60%, Market	Studio / 1BA	2	1.60%	@30%	\$315	450	yes	Yes	0	0.00%					
					Studio / 1BA	2	1.60%	@50%	\$574	450	yes	Yes	0	0.00%					
					Studio / 1BA	2	1.60%	@60%	\$664	450	yes	Yes	0	0.00%					
					Studio / 1BA	2	1.60%	Market	\$702	450	n/a	Yes	0	0.00%					
					1BR / 1BA	5	4.10%	@30%	\$322	600	yes	Yes	0	0.00%					
					1BR / 1BA	20	16.40%	@50%	\$599	600	yes	Yes	0	0.00%					
					1BR / 1BA	15	12.30%	@60%	\$738	600	yes	Yes	0	0.00%					
					1BR / 1BA	8	6.60%	Market	\$881	600	n/a	Yes	0	0.00%					
					2BR / 1BA	6	4.90%	@30%	\$381	800	yes	Yes	0	0.00%					
					2BR / 1BA	26	21.30%	@50%	\$714	800	yes	Yes	0	0.00%					
					2BR / 1BA	13	10.70%	@60%	\$881	800	yes	Yes	0	0.00%					
					2BR / 1BA	3	2.50%	Market	\$1,227	800	n/a	Yes	0	0.00%					
					2BR / 2BA	1	0.80%	@30%	\$381	850	yes	Yes	0	0.00%					
					2BR / 2BA	3	2.50%	@50%	\$714	850	yes	Yes	0	0.00%					
					2BR / 2BA	3	2.50%	@60%	\$881	850	yes	Yes	0	0.00%					
					2BR / 2BA	11	9.00%	Market	\$1,277	850	n/a	Yes	0	0.00%					
					122	100%							0	0.00%					
2	Arbor Lake Apartments 431 Kirkland Road Covington, GA 30016 Newton County	3.7 miles	Garden (3 stories) 2001 / n/a	@60%, Market	1BR / 1BA	36	14.40%	@60%	\$729	975	yes	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$853	975	n/a	No	N/A	N/A					
					2BR / 2BA	166	66.40%	@60%	\$887	1,150	yes	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,039	1,150	n/a	No	N/A	N/A					
					3BR / 2BA	48	19.20%	@60%	\$1,027	1,350	yes	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,088	1,350	n/a	No	N/A	N/A					
					250	100%						14	5.60%						
					3	Harristown Park 2135 Reynolds Street SW Covington, GA 30014 Newton County	1.2 miles	Midrise (age-4 stories) 2011 / n/a	@50%, @60%	1BR / 1BA	2	3.30%	@50%	\$486	671	no	Yes	0	0.00%
										1BR / 1BA	10	16.70%	@60%	\$513	671	no	Yes	0	0.00%
										2BR / 1BA	12	20.00%	@50%	\$577	841	no	Yes	0	0.00%
2BR / 1BA	36	60.00%	@60%	\$588						841	no	Yes	0	0.00%					
60	100%											0	0.00%						
4	Magnolia Heights 10156 Magnolia Heights Covington, GA 30014 Newton County	3.2 miles	Garden (2 stories) 2001 / n/a	@60%, Market						1BR / 1BA	10	5.00%	Market	\$599	975	n/a	Yes	1	10.00%
					1BR / 1BA	22	11.00%	@60%	\$534	975	no	Yes	0	0.00%					
					2BR / 2BA	41	20.50%	Market	\$647	1,150	n/a	Yes	2	4.90%					
					2BR / 2BA	103	51.50%	@60%	\$562	1,150	no	Yes	1	1.00%					
					3BR / 2BA	8	4.00%	Market	\$796	1,350	n/a	Yes	0	0.00%					
					3BR / 2BA	16	8.00%	@60%	\$726	1,350	no	Yes	2	12.50%					
					200	100%						6	3.00%						
					5	Retreat At Madison Place 3907 Redwing Circle Decatur, GA 30032 DeKalb County	28.4 miles	Midrise (age-4 stories) 2007 / n/a	@60%	1BR / 1BA	60	37.50%	@60%	\$715	701	yes	Yes	0	0.00%
2BR / 2BA	100	62.50%	@60%	\$857						971	yes	No	0	0.00%					
160	100%											0	0.00%						
6	Wellington Ridge 9145 Wellington Drive Covington, GA 30014 Newton County	3.9 miles	Garden (3 stories) 2003 / n/a	@60%	1BR / 1BA	70	31.80%	@60%	\$727	777	yes	Yes	1	1.40%					
					1BR / 1BA	N/A	N/A	@60%	\$738	902	yes	Yes	N/A	N/A					
					1BR / 1BA	N/A	N/A	@60%	\$715	651	yes	Yes	N/A	N/A					
					2BR / 2BA	122	55.50%	@60%	\$867	1,182	yes	Yes	2	1.60%					
					2BR / 2BA	N/A	N/A	@60%	\$881	1,316	yes	Yes	N/A	N/A					
					2BR / 2BA	N/A	N/A	@60%	\$852	1,050	yes	Yes	N/A	N/A					
					3BR / 2BA	14	6.40%	@60%	\$960	1,353	yes	Yes	0	0.00%					
					3BR / 2BA	14	6.40%	@60%	\$1,004	1,424	yes	Yes	1	7.10%					
					220	100%						3	1.40%						
7	Leaf Stone Apartments 10100 Brown Bridge Road Covington, GA 30014 Newton County	1.6 miles	Garden (3 stories) 2000 / n/a	Market	1BR / 1BA	63	27.20%	Market	\$775	816	n/a	No	0	0.00%					
					2BR / 2BA	136	58.60%	Market	\$849	1,072	n/a	No	3	2.20%					
					3BR / 2BA	33	14.20%	Market	\$965	1,292	n/a	No	2	6.10%					
					232	100%						5	2.20%						
8	Park View Apartments 10920 Covington Bypass Covington, GA 30014 Newton County	2.7 miles	Garden (3 stories) 1993 / 2011	Market	1BR / 1BA	10	10.00%	Market	\$620	735	n/a	No	1	10.00%					
					2BR / 1BA	9	9.00%	Market	\$700	880	n/a	No	1	11.10%					
					2BR / 2BA	46	46.00%	Market	\$720	880	n/a	No	0	0.00%					
					3BR / 2BA	35	35.00%	Market	\$820	1,152	n/a	No	2	5.70%					
					100	100%						4	4.00%						
9	Porterdale Mill Lofts 1109 Main Street Porterdale, GA 30014 Newton County	3.7 miles	Midrise 1899 / 2006	Market	1BR / 1BA	80	51.90%	Market	\$850	796	n/a	Yes	0	0.00%					
					1BR / 1BA	N/A	N/A	Market	\$950	855	n/a	Yes	0	N/A					
					1BR / 1BA	N/A	N/A	Market	\$750	738	n/a	Yes	0	N/A					
					2BR / 2BA	72	46.80%	Market	\$1,250	1,205	n/a	Yes	0	0.00%					
					2BR / 2BA	N/A	N/A	Market	\$1,450	1,280	n/a	Yes	0	N/A					
					2BR / 2BA	N/A	N/A	Market	\$950	1,130	n/a	Yes	0	N/A					
					3BR / 2BA	2	1.30%	Market	\$1,295	1,694	n/a	Yes	0	0.00%					
					154	100%						0	0.00%						
10	Summerset Apartments 50 Greenleaf Road Conyers, GA 30013 Newton County	3.9 miles	Garden (3 stories) 1999 / n/a	Market	1BR / 1BA	18	7.50%	Market	\$786	636	n/a	No	0	0.00%					
					1BR / 1BA	42	17.50%	Market	\$821	722	n/a	No	1	2.40%					
					2BR / 1BA	48	20.00%	Market	\$901	894	n/a	No	2	4.20%					
					2BR / 2BA	114	47.50%	Market	\$1,041	1,051	n/a	No	0	0.00%					
					3BR / 2BA	18	7.50%	Market	\$1,201	1,304	n/a	No	0	0.00%					
					240	100%						3	1.30%						

THE OVERLOOK AT WALKERS BEND – COVINGTON, GEORGIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date:		Apr-17	Units Surveyed:	1738	Weighted Occupancy:	98.00%
			Market Rate	726	Market Rate	98.30%
			Tax Credit	1012	Tax Credit	97.70%
One Bedroom One Bath			Two Bedrooms One Bath			
RENT	Property	Average	Property	Average	Property	Average
	Porterdale Mill Lofts	\$950	Porterdale Mill Lofts (2BA)	\$1,450		
	Antioch Manor Estates * (M)	\$881	Porterdale Mill Lofts (2BA)	\$1,250		
	Arbor Lake Apartments * (M)	\$853	Antioch Manor Estates * (M)	\$1,227		
	Porterdale Mill Lofts	\$850	Arbor Lake Apartments * (2BA M)	\$1,039		
	Summerset Apartments	\$821	Porterdale Mill Lofts (2BA)	\$950		
	Summerset Apartments	\$786	Summerset Apartments	\$901		
	Leaf Stone Apartments	\$775	Arbor Lake Apartments * (2BA 60%)	\$887		
	Porterdale Mill Lofts	\$750	Antioch Manor Estates * (60%)	\$881		
	Antioch Manor Estates * (60%)	\$738	Wellington Ridge * (2BA 60%)	\$881		
	Wellington Ridge * (60%)	\$738	Wellington Ridge * (2BA 60%)	\$867		
	Arbor Lake Apartments * (60%)	\$729	Retreat At Madison Place * (2BA 60%)	\$857		
	Wellington Ridge * (60%)	\$727	Wellington Ridge * (2BA 60%)	\$852		
	Retreat At Madison Place * (60%)	\$715	Leaf Stone Apartments (2BA)	\$849		
	Wellington Ridge * (60%)	\$715	The Overlook At Walkers Bend * (M)	\$736		
	The Overlook At Walkers Bend * (M)	\$625	Antioch Manor Estates * (50%)	\$714		
	Park View Apartments	\$620	Park View Apartments	\$700		
	Antioch Manor Estates * (50%)	\$599	The Overlook At Walkers Bend * (60%)	\$660		
	Magnolia Heights * (M)	\$599	Magnolia Heights * (2BA M)	\$647		
	The Overlook At Walkers Bend * (60%)	\$560	Harristown Park * (60%)	\$588		
	Magnolia Heights * (60%)	\$534	Harristown Park * (50%)	\$577		
	Harristown Park * (60%)	\$513	Magnolia Heights * (2BA 60%)	\$562		
	Harristown Park * (50%)	\$486	The Overlook At Walkers Bend * (50%)	\$525		
	The Overlook At Walkers Bend * (50%)	\$450	Antioch Manor Estates * (30%)	\$381		
	Antioch Manor Estates * (30%)	\$322				
SQUARE FOOTAGE	Arbor Lake Apartments * (60%)	975	Wellington Ridge * (2BA 60%)	1,316		
	Arbor Lake Apartments * (M)	975	Porterdale Mill Lofts (2BA)	1,280		
	Magnolia Heights * (M)	975	Porterdale Mill Lofts (2BA)	1,205		
	Magnolia Heights * (60%)	975	Wellington Ridge * (2BA 60%)	1,182		
	Wellington Ridge * (60%)	902	Arbor Lake Apartments * (2BA 60%)	1,150		
	Porterdale Mill Lofts	855	Arbor Lake Apartments * (2BA M)	1,150		
	Leaf Stone Apartments	816	Magnolia Heights * (2BA M)	1,150		
	Porterdale Mill Lofts	796	Magnolia Heights * (2BA 60%)	1,150		
	Wellington Ridge * (60%)	777	Porterdale Mill Lofts (2BA)	1,130		
	Porterdale Mill Lofts	738	Leaf Stone Apartments (2BA)	1,072		
	Park View Apartments	735	Wellington Ridge * (2BA 60%)	1,050		
	Summerset Apartments	722	Retreat At Madison Place * (2BA 60%)	971		
	Retreat At Madison Place * (60%)	701	The Overlook At Walkers Bend * (50%)	900		
	The Overlook At Walkers Bend * (50%)	700	The Overlook At Walkers Bend * (60%)	900		
	The Overlook At Walkers Bend * (60%)	700	The Overlook At Walkers Bend * (M)	900		
	The Overlook At Walkers Bend * (M)	700	Summerset Apartments	894		
	Harristown Park * (50%)	671	Park View Apartments	880		
	Harristown Park * (60%)	671	Harristown Park * (50%)	841		
	Wellington Ridge * (60%)	651	Harristown Park * (60%)	841		
	Summerset Apartments	636	Antioch Manor Estates * (30%)	800		
	Antioch Manor Estates * (30%)	600	Antioch Manor Estates * (50%)	800		
	Antioch Manor Estates * (50%)	600	Antioch Manor Estates * (60%)	800		
	Antioch Manor Estates * (60%)	600	Antioch Manor Estates * (M)	800		
	Antioch Manor Estates * (M)	600				
RENT PER SQUARE FOOT	Antioch Manor Estates * (M)	\$1.47	Antioch Manor Estates * (M)	\$1.53		
	Summerset Apartments	\$1.24	Porterdale Mill Lofts (2BA)	\$1.13		
	Antioch Manor Estates * (60%)	\$1.23	Antioch Manor Estates * (60%)	\$1.10		
	Summerset Apartments	\$1.14	Porterdale Mill Lofts (2BA)	\$1.04		
	Porterdale Mill Lofts	\$1.11	Summerset Apartments	\$1.01		
	Wellington Ridge * (60%)	\$1.10	Arbor Lake Apartments * (2BA M)	\$0.90		
	Porterdale Mill Lofts	\$1.07	Antioch Manor Estates * (50%)	\$0.89		
	Retreat At Madison Place * (60%)	\$1.02	Retreat At Madison Place * (2BA 60%)	\$0.88		
	Porterdale Mill Lofts	\$1.02	Porterdale Mill Lofts (2BA)	\$0.84		
	Antioch Manor Estates * (50%)	\$1.00	The Overlook At Walkers Bend * (M)	\$0.82		
	Leaf Stone Apartments	\$0.95	Wellington Ridge * (2BA 60%)	\$0.81		
	Wellington Ridge * (60%)	\$0.94	Park View Apartments	\$0.80		
	The Overlook At Walkers Bend * (M)	\$0.89	Leaf Stone Apartments (2BA)	\$0.79		
	Arbor Lake Apartments * (M)	\$0.87	Arbor Lake Apartments * (2BA 60%)	\$0.77		
	Park View Apartments	\$0.84	Wellington Ridge * (2BA 60%)	\$0.73		
	Wellington Ridge * (60%)	\$0.82	The Overlook At Walkers Bend * (60%)	\$0.73		
	The Overlook At Walkers Bend * (60%)	\$0.80	Harristown Park * (60%)	\$0.70		
	Harristown Park * (60%)	\$0.76	Harristown Park * (50%)	\$0.69		
	Arbor Lake Apartments * (60%)	\$0.75	Wellington Ridge * (2BA 60%)	\$0.67		
	Harristown Park * (50%)	\$0.72	The Overlook At Walkers Bend * (50%)	\$0.58		
	The Overlook At Walkers Bend * (50%)	\$0.64	Magnolia Heights * (2BA M)	\$0.56		
	Magnolia Heights * (M)	\$0.61	Magnolia Heights * (2BA 60%)	\$0.49		
	Magnolia Heights * (60%)	\$0.55	Antioch Manor Estates * (30%)	\$0.48		
	Antioch Manor Estates * (30%)	\$0.54				

PROPERTY PROFILE REPORT

Antioch Manor Estates

Effective Rent Date 3/31/2017

Location 4711 Bishop Ming Boulevard
Stone Mountain, GA 30088
DeKalb County

Distance 25.2 miles

Units 122

Vacant Units 0

Vacancy Rate 0.0%

Type Lowrise (age-restricted) (3 stories)

Year Built/Renovated 2005 / N/A

Marketing Began 10/01/2004

Leasing Began 8/01/2005

Last Unit Leased 1/01/2006

Major Competitors Retreat at Madison, Spring Chase II

Tenant Characteristics Seniors 55+; average age is 80 years old;
majority of tenants are from DeKalb County

Contact Name Anette

Phone (770) 322-8839



Market Information

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

Annual Turnover Rate 10%

Units/Month Absorbed 24

HCV Tenants 0%

Leasing Pace Pre-leased

Annual Chg. in Rent None

Concession None

Utilities

A/C included -- central

Cooking included -- electric

Water Heat included -- gas

Heat included -- electric

Other Electric included

Water included

Sewer included

Trash Collection included

Antioch Manor Estates, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Lowrise (3 stories)	2	450	\$388	\$0	@30%	Yes	0	0.0%	yes	None
0	1	Lowrise (3 stories)	2	450	\$647	\$0	@50%	Yes	0	0.0%	yes	None
0	1	Lowrise (3 stories)	2	450	\$737	\$0	@60%	Yes	0	0.0%	yes	None
0	1	Lowrise (3 stories)	2	450	\$775	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Lowrise (3 stories)	5	600	\$416	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	20	600	\$693	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	15	600	\$832	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	8	600	\$975	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Lowrise (3 stories)	6	800	\$499	\$0	@30%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	26	800	\$832	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	13	800	\$999	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	3	800	\$1,345	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	1	850	\$499	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	3	850	\$832	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	3	850	\$999	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	11	850	\$1,395	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$388	\$0	\$388	-\$73	\$315	Studio / 1BA	\$647	\$0	\$647	-\$73	\$574
1BR / 1BA	\$416	\$0	\$416	-\$94	\$322	1BR / 1BA	\$693	\$0	\$693	-\$94	\$599
2BR / 1BA	\$499	\$0	\$499	-\$118	\$381	2BR / 1BA	\$832	\$0	\$832	-\$118	\$714
2BR / 2BA	\$499	\$0	\$499	-\$118	\$381	2BR / 2BA	\$832	\$0	\$832	-\$118	\$714
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$737	\$0	\$737	-\$73	\$664	Studio / 1BA	\$775	\$0	\$775	-\$73	\$702
1BR / 1BA	\$832	\$0	\$832	-\$94	\$738	1BR / 1BA	\$975	\$0	\$975	-\$94	\$881
2BR / 1BA	\$999	\$0	\$999	-\$118	\$881	2BR / 1BA	\$1,345	\$0	\$1,345	-\$118	\$1,227
2BR / 2BA	\$999	\$0	\$999	-\$118	\$881	2BR / 2BA	\$1,395	\$0	\$1,395	-\$118	\$1,277

Antioch Manor Estates, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Hand Rails
Oven
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Microwave
Pull Cords
Walk-In Closet

Security

In-Unit Alarm
Limited Access
Perimeter Fencing
Video Surveillance

Services

Computer Tutoring
Shuttle Service

Property

Business Center/Computer Lab
Courtyard
Exercise Facility
Non-shelter Services
On-Site Management
Service Coordination

Clubhouse/Meeting
Elevators
Central Laundry
Off-Street Parking
Picnic Area

Premium

Hairdresser / Barber

Other

None

Comments

The property manager stated that there is a one to four year-long waiting list.

Antioch Manor Estates, continued

Photos



PROPERTY PROFILE REPORT

Arbor Lake Apartments

Effective Rent Date	4/07/2017
Location	431 Kirkland Road Covington, GA 30016 Newton County
Distance	3.7 miles
Units	250
Vacant Units	14
Vacancy Rate	5.6%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Orchard Cove, Wellington Ridge, Leafstone
Tenant Characteristics	Majority families from Newton County
Contact Name	Destiny
Phone	(770) 385-6166



Market Information

Program	@60%, Market
Annual Turnover Rate	20%
Units/Month Absorbed	21
HCV Tenants	4%
Leasing Pace	Within one week
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	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	36	975	\$714	\$0	@60%	No	N/A	N/A	yes	None
1	1	Garden (3 stories)	N/A	975	\$838	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	166	1,150	\$872	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden (3 stories)	N/A	1,150	\$1,024	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	48	1,350	\$1,012	\$0	@60%	No	N/A	N/A	yes	None
3	2	Garden (3 stories)	N/A	1,350	\$1,073	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$714	\$0	\$714	\$15	\$729	1BR / 1BA	\$838	\$0	\$838	\$15	\$853
2BR / 2BA	\$872	\$0	\$872	\$15	\$887	2BR / 2BA	\$1,024	\$0	\$1,024	\$15	\$1,039
3BR / 2BA	\$1,012	\$0	\$1,012	\$15	\$1,027	3BR / 2BA	\$1,073	\$0	\$1,073	\$15	\$1,088

Arbor Lake Apartments, continued

Amenities

In-Unit

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

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

Security

Limited Access

Services

Afterschool Program

Property

Business Center/Computer Lab
Clubhouse/Meeting
Central Laundry
On-Site Management
Playground
Tennis Court

Car Wash
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

This property does not maintain a waiting list. The contact could not report the unit breakdown of the vacancies. Of the 14 vacant units, 10 are pre-leased and will be occupied by residents soon. There is no additional charge for parking.

Arbor Lake Apartments, continued

Photos



PROPERTY PROFILE REPORT

Harristown Park

Effective Rent Date	3/30/2017
Location	2135 Reynolds Street SW Covington, GA 30014 Newton County
Distance	1.2 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	11/01/2011
Leasing Began	12/01/2011
Last Unit Leased	4/30/2012
Major Competitors	Covington Square
Tenant Characteristics	Seniors 55+
Contact Name	Melissa
Phone	678-625-3235



Market Information

Program	@50%, @60%
Annual Turnover Rate	25%
Units/Month Absorbed	11
HCV Tenants	5%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased one to seven percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	2	671	\$486	\$0	@50%	Yes	0	0.0%	no	None
1	1	Midrise (4 stories)	10	671	\$513	\$0	@60%	Yes	0	0.0%	no	None
2	1	Midrise (4 stories)	12	841	\$577	\$0	@50%	Yes	0	0.0%	no	None
2	1	Midrise (4 stories)	36	841	\$588	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$486	\$0	\$486	\$0	\$486	1BR / 1BA	\$513	\$0	\$513	\$0	\$513
2BR / 1BA	\$577	\$0	\$577	\$0	\$577	2BR / 1BA	\$588	\$0	\$588	\$0	\$588

Harristown Park, continued

Amenities

In-Unit

Blinds
Central A/C
Ceiling Fan
Hand Rails
Pull Cords
Washer/Dryer

Carpeting
Dishwasher
Garbage Disposal
Oven
Refrigerator

Security

Intercom (Buzzer)
Limited Access

Services

None

Property

Business Center/Computer Lab
Elevators
Off-Street Parking
Picnic Area

Clubhouse/Meeting
Exercise Facility
On-Site Management

Premium

None

Other

Walking path; community

Comments

The property maintains an extensive waiting list and the contact estimated that there are over 500 households on the waiting list. The contact was unable to give a reason why rents are below the maximum allowable rents. In-unit washer/dryer is included with rent.

Harristown Park, continued

Trend Report

Vacancy Rates

2Q15	2Q16	1Q17	2Q17
0.0%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$455	\$0	\$455	\$455
2016	2	0.0%	\$480	\$0	\$480	\$480
2017	1	0.0%	\$486	\$0	\$486	\$486
2017	2	0.0%	\$486	\$0	\$486	\$486

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$515	\$0	\$515	\$515
2016	2	0.0%	\$550	\$0	\$550	\$550
2017	1	0.0%	\$577	\$0	\$577	\$577
2017	2	0.0%	\$577	\$0	\$577	\$577

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$455	\$0	\$455	\$455
2016	2	0.0%	\$480	\$0	\$480	\$480
2017	1	0.0%	\$513	\$0	\$513	\$513
2017	2	0.0%	\$513	\$0	\$513	\$513

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$525	\$0	\$525	\$525
2016	2	0.0%	\$550	\$0	\$550	\$550
2017	1	0.0%	\$588	\$0	\$588	\$588
2017	2	0.0%	\$588	\$0	\$588	\$588

Trend: Comments

- 2Q15** The property maintains an extensive waiting list, but the contact was unable to give the exact length. The contact was unable to estimate the average age of tenants.
- 2Q16** The property maintains an extensive waiting list, and the contact estimated that there are over 1,000 households on the waiting list. The contact was unable to estimate the average age of tenants. The contact was unable to give a reason why rents are below the maximum. The contact confirmed that there are no fees associated with parking.
- 1Q17** The property maintains an extensive waiting list and the contact estimated that there are over 500 households on the waiting list. The contact was unable to give a reason why rents are below the maximum. In-unit washer/dryer is included with rent.
- 2Q17** The property maintains an extensive waiting list and the contact estimated that there are over 500 households on the waiting list. The contact was unable to give a reason why rents are below the maximum allowable rents. In-unit washer/dryer is included with rent.

Harristown Park, continued

Photos



PROPERTY PROFILE REPORT

Magnolia Heights

Effective Rent Date 3/31/2017
Location 10156 Magnolia Heights Circle
 Covington, GA 30014
 Newton County
Distance 3.2 miles
Units 200
Vacant Units 6
Vacancy Rate 3.0%
Type Garden (2 stories)
Year Built/Renovated 2001 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Wellington Ridge; Parkview
Tenant Characteristics None identified
Contact Name Tasha
Phone (770) 786-0458



Market Information

Program @60%, Market
Annual Turnover Rate 30%
Units/Month Absorbed N/A
HCV Tenants 10%
Leasing Pace Pre-leased
Annual Chg. in Rent No change to increased two percent
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- gas
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)	10	975	\$640	\$0	Market	Yes	1	10.0%	N/A	None
1	1	Garden (2 stories)	22	975	\$575	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	41	1,150	\$695	\$0	Market	Yes	2	4.9%	N/A	None
2	2	Garden (2 stories)	103	1,150	\$610	\$0	@60%	Yes	1	1.0%	no	None
3	2	Garden (2 stories)	8	1,350	\$855	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	16	1,350	\$785	\$0	@60%	Yes	2	12.5%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$575	\$0	\$575	-\$41	\$534	1BR / 1BA	\$640	\$0	\$640	-\$41	\$599
2BR / 2BA	\$610	\$0	\$610	-\$48	\$562	2BR / 2BA	\$695	\$0	\$695	-\$48	\$647
3BR / 2BA	\$785	\$0	\$785	-\$59	\$726	3BR / 2BA	\$855	\$0	\$855	-\$59	\$796

Magnolia Heights, continued

Amenities

In-Unit

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

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

Security

Limited Access
Patrol
Perimeter Fencing

Services

None

Property

Basketball Court
Courtyard
Central Laundry
On-Site Management
Swimming Pool

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Playground

Premium

None

Other

Ice-maker in units

Comments

The contact stated that the four of the six vacant units are pre-leased and will be occupied by tenants soon. There is a \$15 premium for affordable units that have been remodeled and a \$25 premium for market rate units that have been remodeled. The property maintains a waiting list that is approximately 20 to 30 households in length. The property has unassigned surface parking spaces and there is no additional charge for parking. The contact noted that rents are maintained below the maximum allowable level in an effort to remain affordable and there is strong demand for affordable housing in the area.

Magnolia Heights, continued

Photos



PROPERTY PROFILE REPORT

Retreat At Madison Place

Effective Rent Date 4/06/2017
Location 3907 Redwing Circle
 Decatur, GA 30032
 Dekalb County
Distance 28.4 miles
Units 160
Vacant Units 0
Vacancy Rate 0.0%
Type Midrise (age-restricted) (4 stories)
Year Built/Renovated 2007 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None identified
Tenant Characteristics Seniors 55+; average age is 55 to 62; 60%+ previous homeowners; 5% employed
Contact Name Paula
Phone (404) 289-8393



Market Information

Program @60%
Annual Turnover Rate 30%
Units/Month Absorbed 14
HCV Tenants 10%
Leasing Pace Within one week
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	60	701	\$756	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	100	971	\$905	\$0	@60%	No	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$756	\$0	\$756	-\$41	\$715
2BR / 2BA	\$905	\$0	\$905	-\$48	\$857

Retreat At Madison Place, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Refrigerator

Carpeting
Coat Closet
Ceiling Fan
Hand Rails
Pull Cords
Washer/Dryer hookup

Security

Limited Access
Perimeter Fencing

Services

Adult Education
Shuttle Service

Property

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

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area

Premium

None

Other

Walking trails, game room,

Comments

The contact stated that management maintains a waiting list for the one-bedroom units that is approximately nine households in length. There is no waiting list for the two-bedroom units. The property offers 160 surface level parking spaces and there is no additional charge. The contact stated that there is strong demand in the area for affordable senior housing.

Retreat At Madison Place, continued

Trend Report

Vacancy Rates

2Q16	4Q16	1Q17	2Q17
1.3%	0.6%	0.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$756	\$0	\$756	\$715
2016	4	0.0%	\$756	\$0	\$756	\$715
2017	1	0.0%	\$756	\$0	\$756	\$715
2017	2	0.0%	\$756	\$0	\$756	\$715

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	1.7%	\$899	\$0	\$899	\$851
2016	4	0.8%	\$905	\$0	\$905	\$857
2017	1	0.0%	\$905	\$0	\$905	\$857
2017	2	0.0%	\$905	\$0	\$905	\$857

Trend: Comments

2Q16	The contact indicated that maximum rents are not achievable for the two-bedroom units because these units are less desirable to senior tenants.
4Q16	N/A
1Q17	The property is not currently maintaining a waiting list despite achieving maximum rents and being fully occupied. Earlier interviews with this property suggest it chooses not to maintain a waiting list.
2Q17	The contact stated that management maintains a waiting list for the one-bedroom units that is approximately nine households in length. There is no waiting list for the two-bedroom units. The property offers 160 surface level parking spaces and there is no additional charge. The contact stated that there is strong demand in the area for affordable senior housing.

Photos



PROPERTY PROFILE REPORT

Wellington Ridge

Effective Rent Date 4/06/2017
Location 9145 Wellington Drive
 Covington, GA 30014
 Newton County
Distance 3.9 miles
Units 220
Vacant Units 3
Vacancy Rate 1.4%
Type Garden (3 stories)
Year Built/Renovated 2003 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Magnolia Heights
Tenant Characteristics Majority local families; 15 percent senior
Contact Name Caroline
Phone (678) 625-2777



Market Information

Program @60%
Annual Turnover Rate 15%
Units/Month Absorbed 14
HCV Tenants 20%
Leasing Pace Pre-leased
Annual Chg. in Rent Increased three to four percent
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	70	777	\$712	\$0	@60%	Yes	1	1.4%	yes	AVG
1	1	Garden (3 stories)	N/A	902	\$723	\$0	@60%	Yes	N/A	N/A	yes	HIGH
1	1	Garden (3 stories)	N/A	651	\$700	\$0	@60%	Yes	N/A	N/A	yes	LOW
2	2	Garden (3 stories)	122	1,182	\$852	\$0	@60%	Yes	2	1.6%	yes	AVG
2	2	Garden (3 stories)	N/A	1,316	\$866	\$0	@60%	Yes	N/A	N/A	yes	HIGH
2	2	Garden (3 stories)	N/A	1,050	\$837	\$0	@60%	Yes	N/A	N/A	yes	LOW
3	2	Garden (3 stories)	14	1,353	\$945	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	14	1,424	\$989	\$0	@60%	Yes	1	7.1%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$700 - \$723	\$0	\$700 - \$723	\$15	\$715 - \$738
2BR / 2BA	\$837 - \$866	\$0	\$837 - \$866	\$15	\$852 - \$881
3BR / 2BA	\$945 - \$989	\$0	\$945 - \$989	\$15	\$960 - \$1,004

Wellington Ridge, continued

Amenities

In-Unit

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

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

Security

In-Unit Alarm
Limited Access

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Picnic Area
Sport Court

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

Premium

None

Other

Library

Comments

The contact reported that the property operates on a first-come first-serve basis and maintains an interest list, but there is no formal waiting list. All three vacant units are pre-leased and will be occupied by residents soon. The property offers 15 garages that management rents for \$55 to \$65 per month and the contact reported that all garages are being rented. The contact stated that demand for affordable housing in the local area is strong.

Wellington Ridge, continued

Photos



PROPERTY PROFILE REPORT

Leaf Stone Apartments

Effective Rent Date	3/31/2017
Location	10100 Brown Bridge Road Covington, GA 30014 Newton County
Distance	1.6 miles
Units	232
Vacant Units	5
Vacancy Rate	2.2%
Type	Garden (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Fieldcrest Walk; Wellington Ridge; Summerset
Tenant Characteristics	None identified
Contact Name	Jeanette
Phone	(770) 784-8044



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	No change to decreased five percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	63	816	\$760	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	136	1,072	\$834	\$0	Market	No	3	2.2%	N/A	None
3	2	Garden (3 stories)	33	1,292	\$950	\$0	Market	No	2	6.1%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$760	\$0	\$760	\$15	\$775
2BR / 2BA	\$834	\$0	\$834	\$15	\$849
3BR / 2BA	\$950	\$0	\$950	\$15	\$965

Leaf Stone Apartments, continued

Amenities

In-Unit

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

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

Security

Patrol

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Picnic Area
Swimming Pool

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

Since April 2016, rent for the one-bedroom units experienced no change, while rents for the two and three-bedroom units decreased one to five percent. None of the five vacant units are pre-leased. The property offers uncovered surface-level parking spaces, as well as garages. Management rents the detached garages for \$75; the contact was unable to state the number of garages on the property or the utilization. This property does not accept Housing Choice Vouchers.

Leaf Stone Apartments, continued

Photos



PROPERTY PROFILE REPORT

Park View Apartments

Effective Rent Date	3/31/2017
Location	10920 Covington Bypass Road Covington, GA 30014 Newton County
Distance	2.7 miles
Units	100
Vacant Units	4
Vacancy Rate	4.0%
Type	Garden (3 stories)
Year Built/Renovated	1993 / 2011
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Orchard Cove, Wellington Ridge
Tenant Characteristics	Majority families from local area; approximately 10 to 15 percent senior tenants
Contact Name	Ritchie
Phone	(770) 786-8500



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased three to six percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	10	735	\$620	\$0	Market	No	1	10.0%	N/A	None
2	1	Garden (3 stories)	9	880	\$700	\$0	Market	No	1	11.1%	N/A	None
2	2	Garden (3 stories)	46	880	\$720	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	35	1,152	\$820	\$0	Market	No	2	5.7%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$620	\$0	\$620	\$0	\$620
2BR / 1BA	\$700	\$0	\$700	\$0	\$700
2BR / 2BA	\$720	\$0	\$720	\$0	\$720
3BR / 2BA	\$820	\$0	\$820	\$0	\$820

Park View Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Carpeting
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

Patrol

Services

Daycare

Property

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The contact stated that the three of the four vacant units are pre-leased and will be occupied by tenants soon. There is a \$30 premium for units with upgraded appliances. The property offers uncovered surface-level parking spaces for no additional charge. The contact noted that parking at the property is sufficient and there are as many as three parking spaces per unit.

Park View Apartments, continued

Photos



PROPERTY PROFILE REPORT

Porterdale Mill Lofts

Effective Rent Date	4/06/2017
Location	1109 Main Street Porterdale, GA 30014 Newton County
Distance	3.7 miles
Units	154
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise
Year Built/Renovated	1899 / 2006
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Young professionals
Contact Name	Kelsey
Phone	(770) 786-8283



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise	80	796	\$850	\$0	Market	Yes	0	0.0%	N/A	AVG
1	1	Midrise	N/A	855	\$950	\$0	Market	Yes	0	N/A	N/A	HIGH
1	1	Midrise	N/A	738	\$750	\$0	Market	Yes	0	N/A	N/A	LOW
2	2	Midrise	72	1,205	\$1,250	\$0	Market	Yes	0	0.0%	N/A	AVG
2	2	Midrise	N/A	1,280	\$1,450	\$0	Market	Yes	0	N/A	N/A	HIGH
2	2	Midrise	N/A	1,130	\$950	\$0	Market	Yes	0	N/A	N/A	LOW
3	2	Midrise	2	1,694	\$1,295	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$750 - \$950	\$0	\$750 - \$950	\$0	\$750 - \$950
2BR / 2BA	\$950 - \$1,450	\$0	\$950 - \$1,450	\$0	\$950 - \$1,450
3BR / 2BA	\$1,295	\$0	\$1,295	\$0	\$1,295

Porterdale Mill Lofts, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Oven
Washer/Dryer

Carpet/Hardwood
Coat Closet
Microwave
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Exercise Facility
Off-Street Parking
Recreation Areas

Garage
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The property maintains a waiting list; however, the contact was unable to provide the number of households on it. The reason for the rent ranges is due to differences in square footage and floor level. The property includes one surface level parking space in rent. The contact was unable to state the number of parking spaces available on the property.

Porterdale Mill Lofts, continued

Photos



PROPERTY PROFILE REPORT

Summerset Apartments

Effective Rent Date	3/31/2017
Location	50 Greenleaf Road Conyers, GA 30013 Newton County
Distance	3.9 miles
Units	240
Vacant Units	3
Vacancy Rate	1.3%
Type	Garden (3 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Terraces at Fieldstone, Orchard Cove, Arbor Lake
Tenant Characteristics	Majority families from the county
Contact Name	Lori
Phone	(770) 788-1165



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased one to 19 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
1	1	Garden (3 stories)	18	636	\$771	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	42	722	\$806	\$0	Market	No	1	2.4%	N/A	None
2	1	Garden (3 stories)	48	894	\$886	\$0	Market	No	2	4.2%	N/A	None
2	2	Garden (3 stories)	114	1,051	\$1,026	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	18	1,304	\$1,186	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$771 - \$806	\$0	\$771 - \$806	\$15	\$786 - \$821
2BR / 1BA	\$886	\$0	\$886	\$15	\$901
2BR / 2BA	\$1,026	\$0	\$1,026	\$15	\$1,041
3BR / 2BA	\$1,186	\$0	\$1,186	\$15	\$1,201

Summerset Apartments, continued

Amenities

In-Unit

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

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

Security

Limited Access
Patrol

Services

None

Property

Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Central Laundry
On-Site Management
Playground
Tennis Court

Premium

None

Other

None

Comments

Since the property was last surveyed in April 2016, the rent for the one-bedroom units increased one percent and the rent for the two and three-bedroom units increased eight to 19 percent. The contact did not stay a reason for the high rent change. The property includes two parking spaces per unit in rent. The contact approximated that there are 20 detached garages that management rents for \$100 per month and noted that there are a few vacant garages.

Summerset Apartments, continued

Photos



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

Housing Choice Vouchers

We were unable to reach a representative of the Georgia Department of Community Affairs, but in April 2016, we spoke to Nancy Dove from the Athens Regional Office of the Georgia DCA. According to Ms. Dove, there are currently 758 Housing Choice Vouchers in Newton County. The DCA closed the waiting list a month ago, and Ms. Dove reported that there are 913 households on the waiting list. Ms. Dove also indicated that there are no plans to open the waiting list back up in the foreseeable future. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS			
Comparable Property	Type	Tenancy	Housing Choice Voucher Tenants
Antioch Manor Estates	LIHTC/Market	Senior	0%
Arbor Lake Apartments	LIHTC/Market	Family	4%
Harristown Park	LIHTC	Senior	5%
Magnolia Heights	LIHTC/Market	Family	10%
Retreat At Madison Place	LIHTC	Senior	10%
Wellington Ridge	LIHTC	Family	20%
Leaf Stone Apartments	Market	Family	0%
Park View Apartments	Market	Family	0%
Porterdale Mill Lofts	Market	Family	0%
Summerset Apartments	Market	Family	0%

Housing Choice Voucher usage in this market ranges from zero to 20 percent. The majority of LIHTC properties have a low reliance on tenants with vouchers. Thus, it appears that the Subject will not need to rely on voucher residents in order to maintain a high occupancy level. We believe the Subject would maintain a voucher usage of approximately 10 percent.

Lease Up History

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

ABSORPTION					
Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Harristown Park	LIHTC	Senior	2011	60	11
Retreat At Madison Place	LIHTC	Senior	2007	160	14
Antioch Manor Estates	LIHTC	Senior	2005	122	24

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Harristown Park represents the most recent construction and is considered most similar to the Subject in terms of size. Like the Subject, this property targets seniors, and it began leasing units in the winter of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 11 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Harristown Park is 100 percent occupied and maintains an extensive waiting list, which indicates significant demand for senior housing in the PMA. Based on the absorption pace reported by this property, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Covington, we anticipate that the Subject will experience an absorption pace of 10 units per month, for an absorption period of six months.

Phased Developments

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

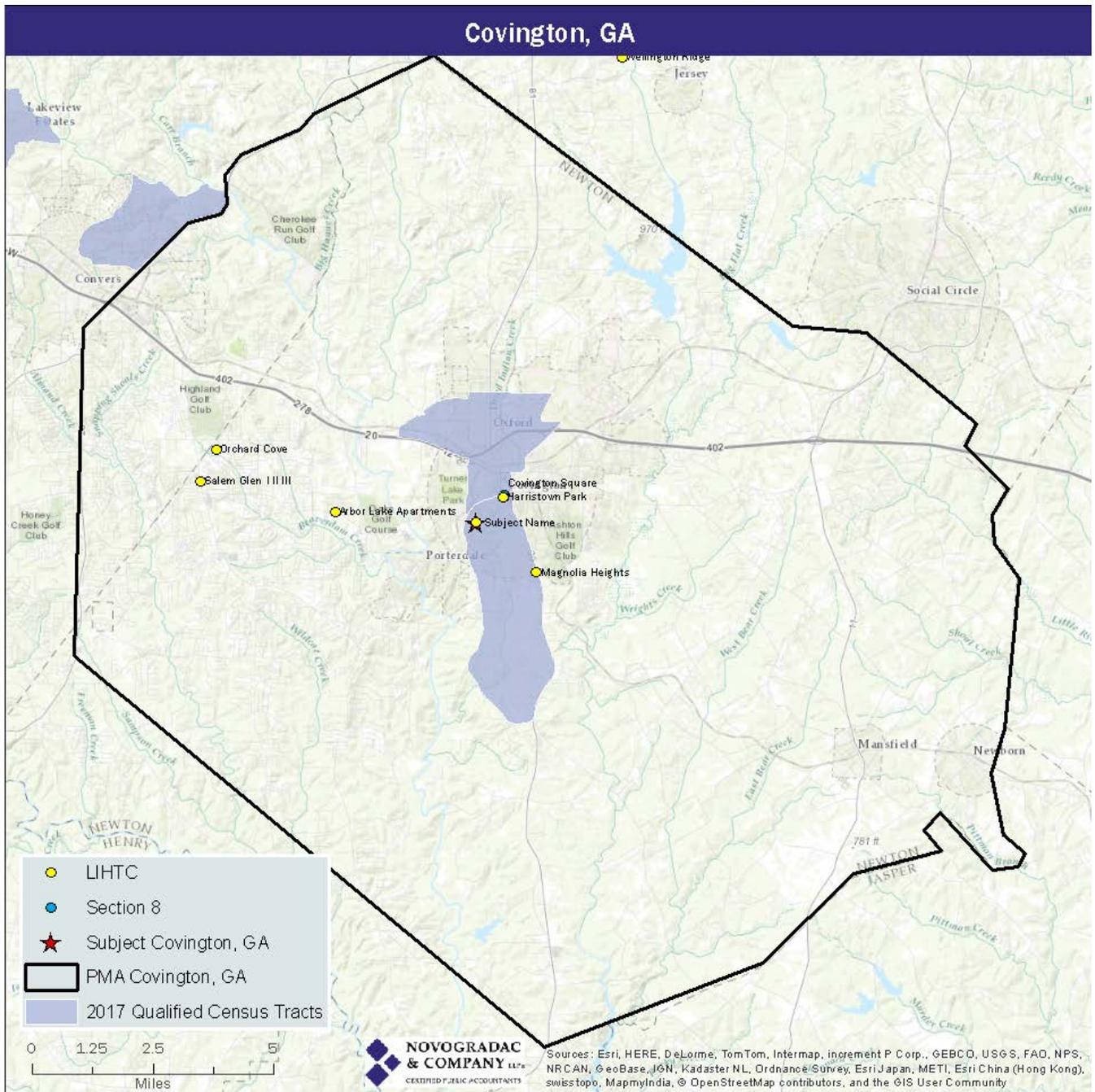
Rural Areas

The Subject is not located in a rural area.

Competitive Project Map

COMPETITIVE PROJECTS

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Map Color
Subject Name	LIHTC	Covington	Family	60	N/A	Star
Covington Square	Section 8	Covington	Senior	113	N/A	
Arbor Lake Apartments	LIHTC	Covington	Family	250	94.4%	
Harristown Park	LIHTC	Covington	Senior	60	100.0%	
Magnolia Heights	LIHTC	Covington	Family	200	97.0%	
Orchard Cove	LIHTC	Covington	Family	188	100.0%	
Salem Glen I, II, III	LIHTC	Conyers	Family	256	99.0%	
Village at Walkers Bend	LIHTC	Covington	Family	32	93.0%	
Wellington Ridge	LIHTC	Covington	Family	220	100.0%	



3. Amenities

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

THE OVERLOOK AT WALKERS BEND – COVINGTON, GEORGIA – MARKET STUDY

AMENITY MATRIX

	The Overlook At Walkers Bend	Antioch Manor Estates	Arbor Lake Apartments	Harristown Park	Magnolia Heights	Retreat At Madison Place	Wellington Ridge	Leaf Stone Apartments	Park View Apartments	Porterdale Mill Lofts	Summerset Apartments
Comp #	Subject	1	2	3	4	5	6	7	8	9	10
Property Information											
Property Type	Lowrise (age-restricted) (3 stories)	Lowrise (age-restricted) (3 stories)	Garden (3 stories)	Midrise (age-restricted) (4 stories)	Garden (2 stories)	Midrise (age-restricted) (4 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Midrise	Garden (3 stories)
Year Built / Renovated	2019 / n/a	2005 / n/a	2001 / n/a	2011 / n/a	2001 / n/a	2007 / n/a	2003 / n/a	2000 / n/a	1993 / 2011	1899 / 2006	1999 / n/a
Renovated	no	no	no	no	no	no	no	no	yes	yes	no
Elevators	yes	yes	no	yes	no	yes	no	no	no	no	no
Market (Conv.)/Subsidy Type	LIHTC/Market	LIHTC/Market	LIHTC/Market	LIHTC	LIHTC/Market	LIHTC	LIHTC	Market	Market	Market	Market
Utility Adjustments											
Cooking	no	yes	no	no	no	no	no	no	no	no	no
Water Heat	no	yes	no	no	no	no	no	no	no	no	no
Heat	no	yes	no	no	no	no	no	no	no	no	no
Other Electric	no	yes	no	no	no	no	no	no	no	no	no
Water	no	yes	no	no	yes	yes	no	no	no	no	no
Sewer	no	yes	no	no	yes	yes	no	no	no	no	no
Trash Collection	yes	yes	no	yes	yes	yes	no	no	yes	yes	no
In-Unit Amenities											
Balcony/Patio	no	yes	yes	no	yes	no	yes	yes	no	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	yes	no	no	no	no	no	no	no	no
Carpet/Hardwood	no	no	no	no	no	no	no	no	no	yes	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	no	yes	yes	yes	no	no	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	yes	no	yes	yes	no	no	yes
Ceiling Fan	yes	yes	yes	yes	no	yes	no	yes	yes	no	yes
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Hand Rails	yes	yes	no	yes	no	yes	no	no	no	no	no
Microwave	yes	yes	no	no	no	no	no	no	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	no	yes	no	yes	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	yes	no	no	no
Walk-In Closet	yes	yes	yes	no	yes	no	yes	yes	yes	no	yes
Washer/Dryer	no	no	no	yes	no	no	no	no	no	yes	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities											
Basketball Court	no	no	no	no	yes	no	no	no	no	no	no
Business Center/Computer Lab	yes	yes	yes	yes	no	yes	yes	yes	no	no	no
Car Wash	no	no	yes	no	no	no	yes	yes	no	no	no
Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no
Courtyard	yes	yes	no	no	yes	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Garage	no	no	no	no	no	no	yes	yes	no	yes	no
Central Laundry	yes	yes	yes	no	yes	yes	yes	yes	yes	no	yes
Non-shelter Services	no	yes	no	no	no	no	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	yes	no	yes	yes	yes	yes	no	yes
Playground	no	no	yes	no	yes	no	yes	yes	yes	no	yes
Recreation Areas	no	no	no	no	no	no	no	no	no	yes	no
Service Coordination	no	yes	no	no	no	no	no	no	no	no	no
Sport Court	no	no	no	no	no	no	yes	no	no	no	no
Swimming Pool	no	no	yes	no	yes	no	yes	yes	yes	yes	yes
Tennis Court	no	no	yes	no	no	no	no	no	no	no	yes
Theatre	no	no	no	no	no	yes	no	no	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	\$55.00	\$75.00	N/A	N/A	N/A
Security											
In-Unit Alarm	no	yes	no	no	no	no	yes	no	no	no	no
Intercom (Buzzer)	no	no	no	yes	no	no	no	no	no	no	no
Limited Access	yes	yes	yes	yes	yes	yes	yes	no	no	no	yes
Patrol	no	no	no	no	yes	no	no	yes	yes	no	yes
Perimeter Fencing	no	yes	no	no	yes	yes	no	no	no	no	no
Video Surveillance	no	yes	no	no	no	no	no	no	no	no	no

Several of the comparable properties offer balcony/patios, coat closets, and exterior storage, which the Subject will not offer. However, the proposed Subject will offer microwaves, pull cords, and walk-in closets, which several of the comparable properties lack. The Subject will offer generally similar to slightly inferior in-unit amenities in comparison to the LIHTC and market-rate comparable properties. In general, the proposed Subject will offer similar to slightly inferior property amenities. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

4. Comparable Tenancy

The Subject will target seniors age 62 and older. Three of the comparable LIHTC properties also target senior households. The remaining seven comparable properties target family households.

5. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Antioch Manor Estates	LIHTC/Market	Senior	122	0	0.0%
Arbor Lake Apartments	LIHTC/Market	Family	250	14	5.6%
Harristown Park	LIHTC	Senior	60	0	0.0%
Magnolia Heights	LIHTC/Market	Family	200	6	3.0%
Retreat At Madison Place	LIHTC	Senior	160	0	0.0%
Wellington Ridge	LIHTC	Family	220	3	1.4%
Leaf Stone Apartments	Market	Family	232	5	2.2%
Park View Apartments	Market	Family	100	4	4.0%
Porterdale Mill Lofts	Market	Family	154	0	0.0%
Summerset Apartments	Market	Family	240	3	1.3%
LIHTC Total			1,012	23	2.3%
Market Total			726	12	1.7%
Total			1,738	35	2.0%

As illustrated, vacancy rates in the market range from zero to 5.6 percent, averaging 2.0 percent. All of the LIHTC vacancies are concentrated in the family LIHTC properties. The senior LIHTC properties have a vacancy rate of zero percent, which indicates a supply constrained market. Additionally, the senior LIHTC properties reported extensive waiting lists. The senior LIHTC properties have historically maintained low vacancy rates, which bodes well for the proposed Subject. Historically Arbor Lake Apartments and Magnolia Heights have experienced vacancy rates greater than five percent; however, Magnolia Heights is exhibiting a vacancy rate of 3.0 percent currently, while Arbor Lake Apartments maintains a vacancy rate of 5.6 percent. However, four of the seven vacancies at Magnolia Heights are currently pre-leased while 10 of the 14 vacancies at Arbor Lake Apartments are currently pre-leased. Magnolia Heights also maintains a waiting list, indicating demand for affordable housing has likely increased in the past year.

The market rate properties generally reported low vacancy rates of four percent or less. As an age-restricted property, we anticipate that the Subject will perform similarly to the age-restricted comparables and will maintain a vacancy rate of five percent or less.

6. Properties Under Construction and Proposed

There are no properties under construction or proposed within the PMA.

7. Rental Advantage

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

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Antioch Manor Estates	LIHTC/Market	Similar	Slightly Superior	Superior	Slightly Inferior	Inferior	0
2	Arbor Lake Apartments	LIHTC/Market	Slightly Superior	Slightly Superior	Slightly Inferior	Inferior	Superior	5
3	Harristown Park	LIHTC	Similar	Similar	Similar	Slightly Inferior	Similar	-5
4	Magnolia Heights	LIHTC/Market	Slightly Superior	Slightly Superior	Slightly Inferior	Inferior	Superior	5
5	Retreat At Madison Place	LIHTC	Similar	Similar	Superior	Slightly Inferior	Slightly Superior	10
6	Wellington Ridge	LIHTC	Slightly Superior	Slightly Superior	Slightly Inferior	Inferior	Slightly Superior	0
7	Leaf Stone Apartments	Market	Slightly Superior	Slightly Superior	Slightly Inferior	Inferior	Superior	5
8	Park View Apartments	Market	Slightly Superior	Slightly Inferior	Slightly Inferior	Inferior	Similar	-15
9	Porterdale Mill Lofts	Market	Slightly Superior	Similar	Slightly Inferior	Slightly Inferior	Slightly Superior	0
10	Summerset Apartments	Market	Slightly Superior	Slightly Superior	Slightly Inferior	Inferior	Slightly Superior	0

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

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

LIHTC RENT COMPARISON - @50%

Property Name	Tenancy	1BR	2BR
The Overlook At Walkers Bend (Subject)	Senior	\$450	\$525
LIHTC Maximum (Net)		\$539	\$642
Held Harmless LIHTC Maximum (Net)		\$599	\$714
Antioch Manor Estates	Senior	\$599	\$714
Harristown Park	Senior	\$486	\$577
Average (excluding Subject)		\$543	\$646

LIHTC RENT COMPARISON - @60%

Property Name	Tenancy	1BR	2BR
The Overlook At Walkers Bend (Subject)	Senior	\$560	\$660
LIHTC Maximum (Net)		\$665	\$794
Held Harmless LIHTC Maximum (Net)		\$738	\$861
Antioch Manor Estates	Senior	\$738	\$881
Arbor Lake Apartments	Family	\$729	\$887
Harristown Park	Senior	\$513	\$588
Magnolia Heights	Family	\$534	\$562
Retreat At Madison Place	Senior	\$715	\$857
Wellington Ridge	Family	\$738	\$881
Average (excluding Subject)		\$661	\$776

The Subject’s proposed rents are below all of the rents at the comparables, with the exception of Harristown Park and Magnolia Heights 60 percent units. Harristown Park, a senior LIHTC property, is the newest property in the market, and it is also the only senior LIHTC property in the PMA. Harristown Park is 100 percent occupied and has reported a waiting list of 500 households. Harristown Park is not achieving maximum achievable LIHTC rents, but it appears that management is not testing the highest achievable rents in the market, as indicated by the property’s extensive waiting list. The Subject will be slightly superior to this property and management at Harristown Park indicated that higher rents are achievable for senior tenants in the market. The Subject’s proposed rents at the 50 percent of AMI level are \$36 and \$52 below the rents at this property for its one and two-bedroom units, respectively. However, the proposed rents for the Subject’s units at the 60 percent of AMI level are \$47 and \$72 above the rents at Harristown Park’s one and two-bedroom units, respectively. The Subject will offer a similar in-unit amenity package to this property. Additionally, the Subject will exhibit slightly superior condition to Harristown Park, upon completion. However, this property’s location and community amenities are considered similar to the Subject. The Subject’s proposed one and two-bedroom units will be larger than the units offered by Harristown Park. The Subject’s proposed 60 percent rents on a rent per square foot basis are \$0.01 above the rents at Harristown Park. Therefore, we believe the Subject’s rents at the 60 percent of AMI level, which are slightly above the rents at Harristown Park, are reasonable given the Subject’s superior unit sizes. Additionally, Harristown Park does not appear to be testing the maximum achievable rents at the 60 percent of AMI based on its extensive waiting list.

The Subject’s proposed rents are below all of the remaining senior comparables, which is reasonable given the Subject’s new condition and the comparables’ superior locations closer to Atlanta. Overall, the Subject’s proposed rents appear reasonable when compared to the rents at the comparables and particularly when taking into account the strong demand for senior LIHTC units in the PMA. This strong demand is illustrated by the zero percent senior LIHTC weighted average vacancy rate and the extensive waiting list at the one senior LIHTC comparable within the PMA. Therefore, we believe that the Subject’s proposed rents are reasonable based on the anticipated excellent condition and competitive amenities that will be offered.

Analysis of “Market Rents”

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

case like that the average market rent would be a weighted average of whatever rents were present in the market.”

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

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$450	\$486	\$950	\$719	60%
2 BR @ 50%	\$525	\$562	\$1,450	\$900	71%
1 BR @ 60%	\$560	\$513	\$950	\$741	32%
2 BR @ 60%	\$660	\$562	\$1,450	\$928	41%
1 BR Unrestricted	\$625	\$599	\$950	\$789	26%
2 BR Unrestricted	\$736	\$647	\$1,450	\$1,004	36%

As illustrated the Subject’s proposed LIHTC rents are well below the surveyed average of the comparables. The Subject’s proposed 50 percent LIHTC rents are lower than the surveyed minimum market rent. The 60 percent AMI rents at Antioch Manor Estates, Wellington Ridge, Retreat At Madison Place, and Arbor Lake Apartments are actually higher than Park View Apartments, a market rate property.

The Subject will be most similar to Summerset Apartments and Porterdale Mill Lofts as a market rate property. Porterdale Mill Lofts is achieving the highest rents in the local market. Summerset Apartments will offer slightly superior property amenities, slightly superior in-unit features, slightly inferior location, inferior condition, and slightly superior unit sizes, in comparison to the proposed Subject. Summerset Apartments is achieving market rents 47 to 58 percent higher than the proposed 60 percent LIHTC rents at the Subject. Portdale Mill Lofts will offer slightly superior property amenities, similar in-unit features, slightly inferior location, slightly inferior condition, and slightly superior unit sizes, in comparison to the proposed Subject. Overall, the Subject will be similar to Summerset Apartments and Porterdale Mill Lofts. Portdale Mill Lofts is achieving market rents 70 to 120 percent higher than the proposed 60 percent LIHTC rents at the Subject. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

8. LIHTC Competition – DCA Funded Properties within the PMA

There have been no new LIHTC allocations within the PMA in several years. The most recent allocation in the PMA was Harristown Park, which was allocated tax credits in 2009. This property is complete and is 100 percent occupied. It has been used as a comparable in our analysis. Given the extensive waiting list at Harristown Park, we believe there is sufficient demand for the Subject and all existing properties within the PMA.

9. Rental Trends in the PMA

The following table below illustrates senior tenure patterns within the PMA and MSA from 2000 through 2017 as well as the projections for the projected market entry date and 2021.

PMA TENURE PATTERNS OF SENIORS 62+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	4,534	84.2%	852	15.8%
2017	8,959	81.5%	2,034	18.5%
Projected Mkt Entry July 2019	9,717	81.7%	2,174	18.3%
2021	10,476	81.9%	2,315	18.1%

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

MSA TENURE PATTERNS OF SENIORS 62+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	203,034	80.1%	50,312	19.9%
2017	423,072	74.6%	144,203	25.4%
Projected Mkt Entry July 2019	436,670	74.5%	149,107	25.5%
2021	450,267	74.5%	154,011	25.5%

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

Approximately 82 percent of senior households in the PMA are homeowners and 18 percent are renter households. The PMA has a slightly higher share of senior households that are homeowners than the MSA. Through 2021, the senior tenure patterns in the PMA and MSA are projected to experience minimal change.

Historical Vacancy

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

HISTORICAL VACANCY

Comparable Property	Type	Tenancy	Historical Vacancy Rates									
			2QTR 2009	2QTR 2010	2QTR 2012	4QTR 2013	2QTR 2014	1QTR 2015	2QTR 2016	1QTR 2017	2QTR 2017	
Antioch Manor Estates	LIHTC/Market	Senior	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Arbor Lake Apartments	LIHTC/Market	Family	10.0%	5.6%	10.4%	1.2%	5.2%	7.2%	5.2%	5.2%	5.6%	5.6%
Harristown Park	LIHTC	Senior	N/A	N/A	0.0%	N/A	0.0%	N/A	0.0%	0.0%	0.0%	0.0%
Magnolia Heights	LIHTC/Market	Family	5.7%	9.5%	16.0%	6.0%	10.0%	9.5%	0.5%	1.0%	3.0%	3.0%
Retreat At Madison Place	LIHTC	Senior	10.0%	7.5%	2.5%	N/A	N/A	0.0%	1.3%	0.0%	0.0%	0.0%
Wellington Ridge	LIHTC	Family	2.7%	9.1%	N/A	N/A	5.0%	5.0%	0.9%	N/A	1.4%	1.4%
Leaf Stone Apartments	Market	Family	16.1%	9.8%	13.9%	9.9%	0.9%	3.9%	3.4%	2.2%	2.2%	2.2%
Park View Apartments	Market	Family	37.0%	40.0%	N/A	4.0%	1.0%	6.0%	0.0%	4.0%	4.0%	4.0%
Porterdale Mill Lofts	Market	Family	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	N/A	0.0%	0.0%
Summerset Apartments	Market	Family	N/A	7.9%	7.1%	N/A	0.4%	2.1%	2.1%	1.3%	1.3%	1.3%

As illustrated in the table, we were able to obtain historical vacancy rates at all of the comparable properties for several quarters in the past several years. In general, the comparable properties experienced decreasing vacancy from 2012 through the second quarter of 2017. Vacancy rates have generally been stable in the past year, with some properties reporting slight increases and other properties reporting slight decreases in vacancy rates. Arbor Lake Apartments, a family LIHTC property, has reported a slightly elevated vacancy rate since the second quarter of 2014. The remaining comparable properties all reported vacancy rates below four percent and the weighted average vacancy rate among the LIHTC comparable properties is low. 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	Type	Tenancy	Rent Growth
Antioch Manor Estates	LIHTC/Market	Senior	None
Arbor Lake Apartments	LIHTC/Market	Family	No change to increased 25 percent
Harristown Park	LIHTC	Senior	Increased one to seven percent
Magnolia Heights	LIHTC/Market	Family	No change to increased two percent
Retreat At Madison Place	LIHTC	Senior	None
Wellington Ridge	LIHTC	Family	Increased three to four percent
Leaf Stone Apartments	Market	Family	No change to decreased five percent
Park View Apartments	Market	Family	Increased three to six percent
Porterdale Mill Lofts	Market	Family	None
Summerset Apartments	Market	Family	Increased one to 19 percent

The LIHTC properties have reported growth of up to 25 percent in the past year. The three-bedroom rents at Arbor Lake Apartments reported strong rent growth in the past year. Additionally, the market rents at this property increased nine to 24 percent. The market rate properties reported in some instances rent growth. Leaf Stone Apartments reported rent decreases in certain units of up to five percent. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

10. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 1,588 housing units nationwide was in some stage of foreclosure as of March 2017. The town of Covington is experiencing a foreclosure rate of one in every 613 homes, while Newton County is experiencing foreclosure rate of one in every 626 homes and Georgia experienced one foreclosure in every 1,898 housing units. Newton County reported the highest foreclosure rate in the state of Georgia, which suggests a weaker single-family home market. However, the Subject’s neighborhood does not have a significant amount of abandoned or vacancy structures that would impact the marketability of the Subject.

11. Primary Housing Void

Four of the comparable LIHTC properties maintain waiting lists. Harristown Park, the newest senior LIHTC property in the PMA, maintains a waiting list of 500 households, which suggests strong demand for affordable senior housing. The average LIHTC vacancy rate is 2.3 percent, which is considered low. As such, we believe that the Subject will fill a void in the market by providing affordable senior units restricted to households earning 50 or 60 percent of the AMI or less.

12. Effect of Subject on Other Affordable Units in Market

There are no proposed LIHTC developments in the PMA. The most similar senior LIHTC property reported an extensive waiting list of 500 households. We believe there is strong demand for the addition of the Subject within the market. The vacancy rate among the existing LIHTC comparables is low at 2.3 percent. In summary, the performance of the comparable LIHTC properties and the existence of waiting lists for affordable units 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 Subject property as proposed. The senior LIHTC comparables are performing well, with a vacancy rate of zero percent. Additionally, the one senior LIHTC comparable in the PMA, Harristown Park, is located 1.2 miles from the Subject site. This property is 100 percent occupied and maintains an extensive waiting list of 500 households. This property's current rents are slightly below the Subject's proposed rents at the 60 percent of AMI level. However, given the zero percent vacancy rate and significant waiting list, we believe this property is not testing achievable LIHTC rents. Management at Harristown Park confirmed that the property could achieve higher rents and indicated that the Subject's proposed rents would be achievable to senior renters in the PMA. Additionally, the Subject will offer slightly superior unit sizes in comparison to Harristown Park. The Subject's proposed rents are below the current rents at all of the comparables with the exception of Harristown Park and Magnolia Heights. Overall, we believe that the Subject's rents are achievable and that the Subject will offer value in the market. This is further illustrated by the significant rental advantage of 32 to 71 percent that the Subject's units will have over the average market rents. The Subject's overall capture rate is 13.5 percent and the LIHTC only capture rate is 19.7 percent, which are moderate, within the DCA thresholds, and suggests demand for the Subject as proposed. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is consistent with the senior LIHTC average and we recommend the Subject as proposed.

I. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

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

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Harristown Park	LIHTC	Senior	2011	60	11
Retreat At Madison Place	LIHTC	Senior	2007	160	14
Antioch Manor Estates	LIHTC	Senior	2005	122	24

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Harristown Park represents the most recent construction and is considered most similar to the Subject in terms of size. Like the Subject, this property targets seniors, and it began leasing units in the winter of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 11 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Harristown Park is 100 percent occupied and maintains an extensive waiting list, which indicates significant demand for senior housing in the PMA. Based on the absorption pace reported by this property, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Covington, we anticipate that the Subject will experience an absorption pace of 10 units per month, for an absorption period of six months.

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 2016, we spoke to Nancy Dove from the Athens Regional Office of the Georgia DCA. According to Ms. Dove, there are currently 758 Housing Choice Vouchers in Newton County. The DCA closed the waiting list a month ago, and Ms. Dove reported that there are 913 households on the waiting list. Ms. Dove also indicated that there are no plans to open the waiting list back up in the foreseeable future. The payment standards for Camden County are listed below.

PAYMENT STANDARDS	
Unit Type	Payment Standard
One-bedroom	\$861
Two-bedroom	\$996

Source: Georgia DCA, April 2017

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

We were unable to reach a representative of the Georgia Department of Community Affairs. Based on online research and our site inspection, we are not aware of any proposed or under construction properties within the PMA.

Newton Count Economic Development

According to Serra Hall, Director of Commercial Development at the Newton County Economic Development, Baxter Pharmaceutical began construction on a manufacturing plant in 2014 and production at the plant is anticipated to begin in 2018. The manufacturing plant represents a \$1 billion investment and is expected to create 1,500 new full-time jobs to the area and an additional 500 more in support roles.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

The population and households in the PMA experienced moderate growth between 2000 and 2017. Through market entry, population and households in the PMA are projected to grow at a rate slower than the MSA, but a rate faster than the nation. The elderly population in the PMA has grown significantly between 2000 and 2017 and is projected to continue growing through market-entry. The strong projected population and household growth in the PMA and MSA are positive indicators of the demand for rental units in the area. The senior tenure patterns in the PMA indicate that there is a significantly greater share of senior homeowners than senior renter-households in the local area. The majority of senior renter households in the PMA are earning an income in the four lowest income cohorts, which ranges from \$0 to \$39,999. The income for the Subject's affordable units will range from \$16,170 to \$32,400. Overall, the projected senior population growth and the concentration of senior renter households in the lowest income cohorts indicate a significant demand for senior affordable rental housing in the market.

Employment Trends

The PMA employs a significant share of individuals within the healthcare/social assistance, manufacturing, educational services, retail trade, and construction sectors. It is important to note that the PMA employs a significant share of individuals within the manufacturing industry, which has been suffering decades long trend of job contraction. The largest manufacturing employers in Covington include C.R. Bard Inc., Pactiv Corporation, General Mills Inc., Guardian Automotive Corporation, and Clarion Metals, which are located within close proximity of the Subject site. Between 2014 and year-to-date 2017, there have been no significant layoffs or closures in Newton County. Baxter Pharmaceuticals announced plans for a plant in the area, which begun construction in 2014 and the anticipated manufacturing date is in 2018. This manufacturing plant is expected to create 1,500 new full-time positions and 500 additional support positions.

Between 2001 and 2016, the MSA exhibited strong employment growth. During the national recession, the MSA experienced employment declines from 2008 to 2010 and by 2011 the MSA was exhibiting employment growth that was faster than that of the nation. Further the employment growth rate in the MSA has been significantly growing every year since 2013, which is indicative of a growing economy. From December 2015 to December 2016, employment in the MSA increased 4.4 percent, while employment in the nation increased 1.4 percent. Since the national recession, the MSA has reported a slightly higher unemployment rate than the nation every year; however, it is important to note that the unemployment rate has been declining since 2010. Total employment in the MSA exceeded the pre-recession peak total employment in 2014 and has recently exhibited strong growth, outpacing the nation, which suggests a healthy local economy. The growing employment and declining unemployment rate in the MSA economy is a positive indicator of demand for rental housing and the Subject's proposed units.

Capture Rates

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
1BR at 50% AMI	\$16,320	\$23,650	7	70	0	70	10.0%	\$450
1BR at 60% AMI	\$19,620	\$28,380	11	59	0	59	18.6%	\$560
1BR All LIHTC	\$16,320	\$28,380	18	93	0	93	19.3%	-
1BR Unrestricted	\$18,750	\$47,300	2	127	0	127	1.6%	\$625
1BR Overall	\$16,320	\$47,300	20	152	0	152	13.2%	-
2BR at 50% AMI	\$19,290	\$27,000	15	136	0	136	11.0%	\$525
2BR at 60% AMI	\$23,340	\$32,400	21	115	0	115	18.3%	\$660
2BR All LIHTC	\$19,290	\$32,400	36	181	0	181	19.9%	-
2BR Unrestricted	\$22,080	\$54,000	4	247	0	247	1.6%	\$736
2BR Overall	\$19,290	\$54,000	40	294	0	294	13.6%	-
50% AMI Overall	\$16,320	\$27,000	22	207	0	207	10.6%	-
60% AMI Overall	\$19,620	\$32,400	32	174	0	174	18.4%	-
All LIHTC Overall	\$16,320	\$32,400	54	274	0	274	19.7%	-
Unrestricted Overall	\$18,750	\$54,000	6	374	0	374	1.6%	-
Overall	\$16,320	\$54,000	60	446	0	446	13.5%	-

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

Absorption

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

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Harristown Park	LIHTC	Senior	2011	60	11
Retreat At Madison Place	LIHTC	Senior	2007	160	14
Antioch Manor Estates	LIHTC	Senior	2005	122	24

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Harristown Park represents the most recent construction and is considered most similar to the Subject in terms of size. Like the Subject, this property targets seniors, and it began leasing units in the winter of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 11 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Harristown Park is 100 percent occupied and maintains an extensive waiting list, which indicates significant demand for senior housing in the PMA. Based on the absorption pace reported by this property, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Covington, we anticipate that the Subject will experience an absorption pace of 10 units per month, for an absorption period of six months.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Antioch Manor Estates	LIHTC/Market	Senior	122	0	0.0%
Arbor Lake Apartments	LIHTC/Market	Family	250	14	5.6%
Harristown Park	LIHTC	Senior	60	0	0.0%
Magnolia Heights	LIHTC/Market	Family	200	6	3.0%
Retreat At Madison Place	LIHTC	Senior	160	0	0.0%
Wellington Ridge	LIHTC	Family	220	3	1.4%
Leaf Stone Apartments	Market	Family	232	5	2.2%
Park View Apartments	Market	Family	100	4	4.0%
Porterdale Mill Lofts	Market	Family	154	0	0.0%
Summerset Apartments	Market	Family	240	3	1.3%
LIHTC Total			1,012	23	2.3%
Market Total			726	12	1.7%
Total			1,738	35	2.0%

As illustrated, vacancy rates in the market range from zero to 5.6 percent, averaging 2.0 percent. All of the LIHTC vacancies are concentrated in the family LIHTC properties. The senior LIHTC properties have a vacancy rate of zero percent, which indicates a supply constrained market. Additionally, the senior LIHTC properties reported extensive waiting lists. The senior LIHTC properties have historically maintained low vacancy rates, which bodes well for the proposed Subject. Historically Arbor Lake Apartments and Magnolia Heights have experienced vacancy rates greater than five percent; however, Magnolia Heights is exhibiting a vacancy rate of 3.0 percent currently, while Arbor Lake Apartments maintains a vacancy rate of 5.6 percent. However, four of the seven vacancies at Magnolia Heights are currently pre-leased while 10 of the 14 vacancies at Arbor Lake Apartments are currently pre-leased. Magnolia Heights also maintains a waiting list, indicating demand for affordable housing has likely increased in the past year.

The market rate properties generally reported low vacancy rates of four percent or less. As an age-restricted property, we anticipate that the Subject will perform similarly to the age-restricted comparables and will maintain a vacancy rate of five percent or less.

Strengths of the Subject

Strengths of the Subject will include its location and condition. Based on our site inspection, the proposed Subject will offer a slightly superior to superior location relative to the majority of the comparable properties. The newest senior LIHTC property in the market that is most comparable to the proposed Subject maintains a waiting list of 500 households and is exhibiting a vacancy rate of zero percent. This indicates strong demand for additional affordable senior housing within the PMA. As the demand analysis in this report indicates, there is adequate demand for the Subject based on our calculations for the 50 and 60 percent AMI units.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior LIHTC comparables are performing well, with a vacancy rate of zero percent. Additionally, the one senior LIHTC comparable in the PMA, Harristown Park, is located 1.2 miles from the Subject site. This property is 100 percent occupied and maintains an extensive waiting list of 500 households. This property's current rents are slightly below the Subject's proposed rents at the 60 percent of AMI level. However, given the zero percent vacancy rate and significant waiting list, we believe this property is not testing achievable LIHTC rents. Management at Harristown Park confirmed that the property could achieve higher rents and indicated that the Subject's proposed rents would be achievable to senior renters in the PMA. Additionally, the Subject will offer slightly superior unit sizes in comparison to Harristown Park. The Subject's proposed rents are below the current rents at all of the comparables with the exception of Harristown Park and Magnolia Heights. Overall, we believe that the Subject's rents are achievable and that the Subject will offer value in the market. This is further illustrated by the significant rental advantage of 32 to 71 percent that the Subject's units will have over the average market rents. The Subject's overall capture rate is 13.5 percent and the LIHTC only capture rate is 19.7 percent, which are moderate, within the DCA thresholds, and suggests demand for the Subject as proposed. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is consistent with the senior LIHTC average and we recommend the Subject as proposed.

Recommendations

We recommend the Subject as proposed.

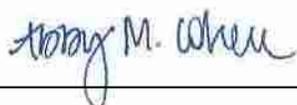
L. SIGNED STATEMENT REQUIREMENTS

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



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

May 1, 2017
Date



Abby M. Cohen
Principal
Novogradac & Company LLP

May 1, 2017
Date



Brian Neukam
Manager
Novogradac & Company LLP

May 1, 2017
Date



Daniel W. Mabry
Analyst
Novogradac & Company LLP

May 1, 2017
Date

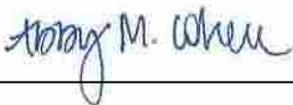
M. MARKET STUDY REPRESENTATION

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

May 1, 2017
Date



Abby M. Cohen
Principal
Novogradac & Company LLP

May 1, 2017
Date



Brian Neukam
Manager
Novogradac & Company LLP

May 1, 2017
Date



Daniel W. Mabry
Analyst
Novogradac & Company LLP

May 1, 2017
Date

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



Subject site



Subject site



View south along Avery Street SW



View north along Avery Street SW



View west along Walkers Bend Parkway



New Leaf Center east of Subject site



The Village at Walkers Bend east of Subject site (excluded LIHTC property)



Single-family home east of Subject site



Commercial uses west of Subject site



Dollar General west of Subject site



Convenience store northwest of Subject site



Commercial use northwest of Subject site



Ingles Market north of Subject site



Kmart north of Subject site

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
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

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

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

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

REAL ESTATE ASSIGNMENTS

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

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
DANIEL W. MABRY**

I. Education

Marist College – Poughkeepsie, NY
Bachelor of Arts, Economics
Bachelor of Science, Business Administration

II. Professional Experience

Novogradac & Company LLP – July 2013 - Present
Real Estate Analyst

III. Real Estate Assignments

A representative sample of work on various types of projects:

- Prepared market studies for proposed new construction and existing Low Income Housing Tax Credit, Section 8, and market rate developments for use by real estate developers, governmental entities, and financial institutions. Property types included special needs and age restricted developments. Studies included property screenings, market and demographic analysis, comparable rent surveys, and supply and demand analysis.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, and market rate multifamily developments. Analysis includes property screenings, expense comparability analysis, demographic and economic analysis.
- Performed all aspects of data collection and data mining for use in market studies, feasibility studies, and appraisals.

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 Overlook At Walkers Bend Walkers Bend Parkway Covington, GA 30014 Newton County	n/a	Lowrise (age- 3 stories) 2019 / n/a	@50%, @60%, Market	1BR / 1BA	7	11.70%	@50%	\$450	700	no		N/A	N/A
					1BR / 1BA	11	18.30%	@60%	\$560	700	no		N/A	N/A
					1BR / 1BA	2	3.30%	Market	\$625	700	n/a		N/A	N/A
					2BR / 1BA	15	25.00%	@50%	\$525	900	no		N/A	N/A
					2BR / 1BA	21	35.00%	@60%	\$660	900	no		N/A	N/A
					2BR / 1BA	4	6.70%	Market	\$736	900	n/a		N/A	N/A
						60	100%							
1	Antioch Manor Estates 4711 Bishop Ming Boulevard Stone Mountain, GA 30088 DeKalb County	25.2 miles	Lowrise (age- 3 stories) 2005 / n/a	@30%, @50%, @60%, Market	Studio / 1BA	2	1.60%	@30%	\$315	450	yes	Yes	0	0.00%
					Studio / 1BA	2	1.60%	@50%	\$574	450	yes	Yes	0	0.00%
					Studio / 1BA	2	1.60%	@60%	\$664	450	yes	Yes	0	0.00%
					Studio / 1BA	2	1.60%	Market	\$702	450	n/a	Yes	0	0.00%
					1BR / 1BA	5	4.10%	@30%	\$322	600	yes	Yes	0	0.00%
					1BR / 1BA	20	16.40%	@50%	\$599	600	yes	Yes	0	0.00%
					1BR / 1BA	15	12.30%	@60%	\$738	600	yes	Yes	0	0.00%
					1BR / 1BA	8	6.60%	Market	\$881	600	n/a	Yes	0	0.00%
					2BR / 1BA	6	4.90%	@30%	\$381	800	yes	Yes	0	0.00%
					2BR / 1BA	26	21.30%	@50%	\$714	800	yes	Yes	0	0.00%
					2BR / 1BA	13	10.70%	@60%	\$881	800	yes	Yes	0	0.00%
					2BR / 1BA	3	2.50%	Market	\$1,227	800	n/a	Yes	0	0.00%
					2BR / 2BA	1	0.80%	@30%	\$381	850	yes	Yes	0	0.00%
					2BR / 2BA	3	2.50%	@50%	\$714	850	yes	Yes	0	0.00%
					2BR / 2BA	3	2.50%	@60%	\$881	850	yes	Yes	0	0.00%
					2BR / 2BA	11	9.00%	Market	\$1,277	850	n/a	Yes	0	0.00%
						122	100%							
2	Arbor Lake Apartments 431 Kirkland Road Covington, GA 30016 Newton County	3.7 miles	Garden (3 stories) 2001 / n/a	@60%, Market	1BR / 1BA	36	14.40%	@60%	\$729	975	yes	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$853	975	n/a	No	N/A	N/A
					2BR / 2BA	166	66.40%	@60%	\$887	1,150	yes	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,039	1,150	n/a	No	N/A	N/A
					3BR / 2BA	48	19.20%	@60%	\$1,027	1,350	yes	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,088	1,350	n/a	No	N/A	N/A
						250	100%							
3	Harristown Park 2135 Reynolds Street SW Covington, GA 30014 Newton County	1.2 miles	Midrise (age- 4 stories) 2011 / n/a	@50%, @60%	1BR / 1BA	2	3.30%	@50%	\$486	671	no	Yes	0	0.00%
					1BR / 1BA	10	16.70%	@60%	\$513	671	no	Yes	0	0.00%
					2BR / 1BA	12	20.00%	@50%	\$577	841	no	Yes	0	0.00%
					2BR / 1BA	36	60.00%	@60%	\$588	841	no	Yes	0	0.00%
						60	100%							
4	Magnolia Heights 10156 Magnolia Heights Circle Covington, GA 30014 Newton County	3.2 miles	Garden (2 stories) 2001 / n/a	@60%, Market	1BR / 1BA	10	5.00%	Market	\$599	975	n/a	Yes	1	10.00%
					1BR / 1BA	22	11.00%	@60%	\$534	975	no	Yes	0	0.00%
					2BR / 2BA	41	20.50%	Market	\$647	1,150	n/a	Yes	2	4.90%
					2BR / 2BA	103	51.50%	@60%	\$562	1,150	no	Yes	1	1.00%
					3BR / 2BA	8	4.00%	Market	\$796	1,350	n/a	Yes	0	0.00%
					3BR / 2BA	16	8.00%	@60%	\$726	1,350	no	Yes	2	12.50%
						200	100%							
5	Retreat At Madison Place 3907 Redwing Circle Decatur, GA 30032 DeKalb County	28.4 miles	Midrise (age- 4 stories) 2007 / n/a	@60%	1BR / 1BA	60	37.50%	@60%	\$715	701	yes	Yes	0	0.00%
					2BR / 2BA	100	62.50%	@60%	\$857	971	yes	No	0	0.00%
						160	100%							
6	Wellington Ridge 9145 Wellington Drive Covington, GA 30014 Newton County	3.9 miles	Garden (3 stories) 2003 / n/a	@60%	1BR / 1BA	70	31.80%	@60%	\$727	777	yes	Yes	1	1.40%
					1BR / 1BA	N/A	N/A	@60%	\$738	902	yes	Yes	N/A	N/A
					1BR / 1BA	N/A	N/A	@60%	\$715	651	yes	Yes	N/A	N/A
					2BR / 2BA	122	55.50%	@60%	\$867	1,182	yes	Yes	2	1.60%
					2BR / 2BA	N/A	N/A	@60%	\$881	1,316	yes	Yes	N/A	N/A
					2BR / 2BA	N/A	N/A	@60%	\$852	1,050	yes	Yes	N/A	N/A
					3BR / 2BA	14	6.40%	@60%	\$960	1,353	yes	Yes	0	0.00%
					3BR / 2BA	14	6.40%	@60%	\$1,004	1,424	yes	Yes	1	7.10%
	220	100%										3	1.40%	
7	Leaf Stone Apartments 10100 Brown Bridge Road Covington, GA 30014 Newton County	1.6 miles	Garden (3 stories) 2000 / n/a	Market	1BR / 1BA	63	27.20%	Market	\$775	816	n/a	No	0	0.00%
					2BR / 2BA	136	58.60%	Market	\$849	1,072	n/a	No	3	2.20%
					3BR / 2BA	33	14.20%	Market	\$965	1,292	n/a	No	2	6.10%
						232	100%							
8	Park View Apartments 10920 Covington Bypass Road Covington, GA 30014 Newton County	2.7 miles	Garden (3 stories) 1993 / 2011	Market	1BR / 1BA	10	10.00%	Market	\$620	735	n/a	No	1	10.00%
					2BR / 1BA	9	9.00%	Market	\$700	880	n/a	No	1	11.10%
					2BR / 2BA	46	46.00%	Market	\$720	880	n/a	No	0	0.00%
					3BR / 2BA	35	35.00%	Market	\$820	1,152	n/a	No	2	5.70%
						100	100%							
9	Porterdale Mill Lofts 1109 Main Street Porterdale, GA 30014 Newton County	3.7 miles	Midrise 1899 / 2006	Market	1BR / 1BA	80	51.90%	Market	\$850	796	n/a	Yes	0	0.00%
					1BR / 1BA	N/A	N/A	Market	\$950	855	n/a	Yes	0	N/A
					1BR / 1BA	N/A	N/A	Market	\$750	738	n/a	Yes	0	N/A
					2BR / 2BA	72	46.80%	Market	\$1,250	1,205	n/a	Yes	0	0.00%
					2BR / 2BA	N/A	N/A	Market	\$1,450	1,280	n/a	Yes	0	N/A
					2BR / 2BA	N/A	N/A	Market	\$950	1,130	n/a	Yes	0	N/A
					3BR / 2BA	2	1.30%	Market	\$1,295	1,694	n/a	Yes	0	0.00%
	154	100%										0	0.00%	
10	Summerset Apartments 50 Greenleaf Road Conyers, GA 30013 Newton County	3.9 miles	Garden (3 stories) 1999 / n/a	Market	1BR / 1BA	18	7.50%	Market	\$786	636	n/a	No	0	0.00%
					1BR / 1BA	42	17.50%	Market	\$821	722	n/a	No	1	2.40%
					2BR / 1BA	48	20.00%	Market	\$901	894	n/a	No	2	4.20%
					2BR / 2BA	114	47.50%	Market	\$1,041	1,051	n/a	No	0	0.00%
					3BR / 2BA	18	7.50%	Market	\$1,201	1,304	n/a	No	0	0.00%
						240	100%							

ADDENDUM E
Subject Floor Plans

The Overlook at Walkers Bend, Covington Site Aerial

PARCEL INFORMATION TABLE	
Selected Parcel	C063D-00000-004-000 (Click for Complete Card)
Selected Parcel	C063D-00000-005-000 (Click for Complete Card)
Class Code (NOTE: Not Zoning Info)	1
Taxing District	Covington
Acres	0.83
OWNERSHIP INFORMATION	
Name	COVINGTON REDEVELOPMENT AUTHORITY
Mailing Address	2116 STALLINGS ST COVINGTON, GA 30014
Situs/Physical Address	AVERY ST



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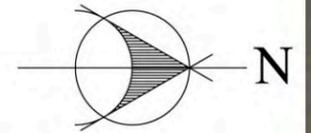
VICINITY MAP

SITE INFO

LAND LOTS = 250 & 237
 CURRENT ZONING = NM
 SITE IS CURRENTLY 1.78+/- ACRES
 (32.43 UNITS/PER ACRE)

UNIT MIX

1-BR (A UNITS) = 20
 2-BR (B UNITS) = 40
 TOTAL = 60 UNITS



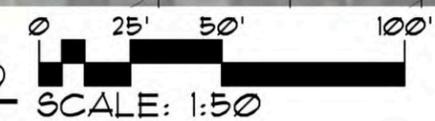
1 SPACE PER UNITS REQUIRED
 66 PARKING SPACES PROVIDED
 @ 1 SPACES PER UNIT
 (INCLUDING 6 COMMUNITY SPACES)

SEE SHEETS "CSP.2" & "CSP.3" FOR
 ADDITIONAL PROJECT DATA

DCA AMENITIES KEY SYMBOL - ●



CSP.1



THE OVERLOOK AT WALKERS BEND
 COVINGTON, GEORGIA

1 CONCEPTUAL SITE DEVELOPMENT PLAN - THE OVERLOOK AT WALKERS BEND
 1" = 50'