



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET CONDITIONS AND
PROJECT EVALUATION SUMMARY
OF:
HERNDON
HOMES
SENIOR**

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

HERNDON HOMES

SENIOR

Located along the south side of Cameron Madison Alexander Boulevard NW
Atlanta, Fulton County, Georgia 30318

Effective Date: May 15, 2017

Report Date: May 16, 2017

Prepared for:

Mr. Ronald L. Roberts

Senior Vice President

Hunt Development Group, LLC

980 North Michigan Avenue, Suite 1150

Chicago, IL 60611

Prepared by:

Novogradac & Company LLP

6700 Antioch Road, Suite 450

Merriam, KS 66204

(913) 677-4600



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS



**NOVOGRADAC
& COMPANY** LLP®
CERTIFIED PUBLIC ACCOUNTANTS

May 16, 2017

Mr. Ronald L. Roberts
Senior Vice President
Hunt Development Group, LLC
980 North Michigan Avenue, Suite 1150
Chicago, IL 60611

Re: Market study of Herndon Homes Senior, located in Atlanta, Fulton County, Georgia

Dear Mr. Roberts:

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

The purpose of this market study is to assess the viability of the proposed 105-unit senior LIHTC project. Herndon Home Senior ("Subject") will be a newly constructed senior LIHTC project, with 105 revenue generating units, restricted to senior households age 62 and older earning 60 percent of the Area Median Income (AMI) or less. Additionally, all units will operate with project-based rental subsidy, where tenants will pay 30 percent of their income towards rent. 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.

Novogradac & Company LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). The NCHMA certification and checklist can be found in the Addenda of this report. Please refer to the checklist to find the sections in which content is located.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true

assessment of the low-income housing rental market. This report was completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

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

Respectfully submitted,
Novogradac & Company LLP



Rebecca S. Arthur, MAI
Partner
Rebecca.Arthur@novoco.com
931.262.3500 ext. 1515



Lawson Short
Senior Analyst
Lawson.Short@novoco.com
214.236.0750



Brian Neukam
Manager
Brian.Neukam@novoco.com
678.339.3669

TABLE OF CONTENTS

A. Executive Summary	1
Executive Summary.....	2
B. Project Description.....	8
Project Description.....	9
C. Site Evaluation.....	12
D. Market Area	25
Primary Market Area	26
E. Community Demographic Data	28
Community Demographic Data	29
F. Employment Trends.....	37
G. Project-Specific Affordability and Demand Analysis	48
H. Competitive Rental Analysis.....	62
I. Absorption and Stabilization Rates.....	84
Absorption and Stabilization Rates.....	85
J. Interviews	86
K. Conclusions and Recommendations	90
Conclusions	91
L. Signed Statement Requirements.....	94
M. Market Study Representation	96

Addendum

A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Herndon Homes Senior (Subject) will be a newly constructed 105-unit senior property located in Atlanta, Fulton County, Georgia, which will consist of one four-story residential building.

The following table illustrates the proposed unit mix.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Asking LIHTC Rent*	Utility Allowance (1)	Gross Rent	2017 LIHTC Maximum Allowable Gross Rent	Proposed Gross Contract Rents
60% AMI/PBRA							
1BR/1BA	692	92	\$686	\$98	\$784	\$784	\$858
2BR/2BA	957	<u>13</u>	\$817	\$125	\$942	\$942	\$990
Total		105					

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

*Tenants will pay 30 percent of their income towards rent

All of the Subject’s units will benefit from Project-based Section 8 Vouchers, where tenants will pay 30 percent of their income towards rent. The proposed LIHTC rents for the Subject’s units are set at the maximum allowable level. The Subject’s amenity package is considered to be comparable to the existing housing supply in the market.

2. Site Description/Evaluation

The Subject site is located along the south side of Cameron Madison Alexander Boulevard NW, just west of its intersection with Gray Street NW, and is part of a larger master planned community, which will also include general population rental units, commercial and retail uses, and townhouses. The Subject site has average visibility and good accessibility from Cameron Madison Alexander Boulevard NW. The Subject site is currently undeveloped sparsely wooded vacant land. The Subject’s neighborhood appears to be a good location for a new senior multifamily development. Most desirable locational amenities are *located* less than two miles from the Subject site including a grocery store, retail, a senior center, public transportation, and a public library. The Subject site is in a mixed-use neighborhood with surrounding land uses consisting of vacant land that is part of the Subject’s larger master planned community, single-family homes in average condition, commercial and retail uses in average to good condition, and office buildings in average to good condition. Based on our inspection of the neighborhood, retail appeared to be 95 percent occupied. The Subject site is considered “Somewhat Walkable” by Walkscore with a rating of 51 out of 100. Crime risk indices in the Subject’s area are considered high; however, the Subject will offer an intercom system, limited access, and video surveillance as security features. We believe the proposed security features will be sufficient to deter crime at the property. The Subject site is considered a desirable building site for rental housing.

3. Market Area Definition

The PMA boundaries consist of Perry Boulevard, West Marietta Street, and 17th Street to the north, Interstate 285 to the west, Arthur B. Langford Jr. Parkway to the south, and Interstate 75/85 to the east. This area includes the central and southwestern portion of the city of Atlanta. The distances from the Subject to the farthest boundaries of the PMA in each direction area listed as follows:

North:	4.3 miles	
East:	1.6 miles	
South:	7.4 miles	
	West:	7.7 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 all over the Atlanta metropolitan area. 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 7.7 miles.

4. Community Demographic Data

Between 2000 and 2010 the total population within the PMA declined approximately 0.9 percent annually, while the total population increased approximately 2.4 and 1.0 percent annually in the MSA and the nation as a whole, respectively. However, the total population within the PMA and MSA increased approximately 0.4 percent annually between 2010 and 2017, which is a slightly greater rate than that of the nation (0.3 percent). Between 2017 and 2021, the total population within the PMA is expected to increase at an annual rate of approximately 1.1 percent, which is slightly lower than the MSA at 1.4 percent annually, but slightly greater than the nation as a whole at 0.8 percent annually. Approximately 81.7 percent of senior renter households in the PMA are earning incomes less than \$40,000. These percentages are projected to remain relatively stable through the projected market entry date and 2021. This indicates that the majority of senior renter households will income-qualify to reside at the Subject. Overall, while population growth has been modest, the concentration of renter households at the lowest income cohorts indicates strong demand for affordable senior 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 Subject's zip code (30318) is experiencing a foreclosure rate of one in every 1,503 homes, while the city of Atlanta is experiencing a foreclosure rate of one in every 1,828 homes, Fulton County is experiencing foreclosure rate of one in every 1,982 homes, and Georgia experienced one foreclosure in every 1,898 housing units. Overall, the Subject's zip code (30318) is experiencing a similar foreclosure rate to the nation, and higher than Fulton County, the city of Atlanta, and Georgia as a whole.

5. Economic Data

The major employers in the Atlanta metropolitan area are largely concentrated in the logistics/transportation, healthcare, and communication industries. These industries tend to be less volatile than others, and indicate that the economy in Atlanta is stable and diverse. Between 2015 and 2017 year-to-date, there were a total of 6,268 additional jobs created, which helps to offset the 6,774 layoffs in the county during the same period.

Total employment within the MSA increased each year from 2002 to 2007, similar to the nation as a whole. Both the MSA and the nation experienced declines in total employment from 2008 to 2010 due to the national recession. However, total employment within the MSA has increased each year from 2011 to 2017

year-to-date, while the nation as a whole reported an increase in total employment each year from 2011 to 2016.

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 - WITH SUBSIDY

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 60% AMI	\$0	\$33,480	92	2,081	58	2,023	4.5%	Three months	\$1,419	\$658	\$2,186	\$686
1BR Overall	\$0	\$33,480	92	2,081	58	2,023	4.5%	Three months	\$1,419	\$658	\$2,186	\$686
2BR at 60% AMI	\$0	\$33,480	13	599	19	580	2.2%	Three months	\$1,480	\$721	\$3,133	\$817
2BR Overall	\$0	\$33,480	13	599	58	580	2.2%	Three months	\$1,480	\$721	\$3,133	\$817
60% AMI Overall	\$0	\$33,480	105	2,680	77	2,603	4.0%	Three months	-	-	-	-
Overall	\$0	\$33,480	105	2,680	77	2,603	4.0%	Three months	-	-	-	-

CAPTURE RATE ANALYSIS CHART - WITHOUT SUBSIDY

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 60% AMI	\$23,520	\$33,480	92	370	58	312	29.5%	Three months	\$1,419	\$658	\$2,186	\$686
1BR Overall	\$23,520	\$33,480	92	370	58	312	29.5%	Three months	\$1,419	\$658	\$2,186	\$686
2BR at 60% AMI	\$28,260	\$33,480	13	106	19	87	14.9%	Three months	\$1,480	\$721	\$3,133	\$817
2BR Overall	\$28,260	\$33,480	13	106	58	87	14.9%	Three months	\$1,480	\$721	\$3,133	\$817
60% AMI Overall	\$23,520	\$33,480	105	476	77	399	26.3%	Three months	-	-	-	-
Overall	\$23,520	\$33,480	105	476	77	399	26.3%	Three months	-	-	-	-

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

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 ten “true” comparable properties containing 2,674 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good; we have utilized six affordable LIHTC properties within the PMA, three of which are affordable/market rate properties, and two of which are LIHTC projects that benefit from Project-based Section 8 Vouchers. Four of the LIHTC properties are age restricted developments that offer similar unit types in comparison to the proposed Subject. The comparable LIHTC properties are all located in the PMA, between 0.6 and 5.4 miles of the proposed Subject.

The availability of market rate data is considered good. The Subject is located in the western portion of Atlanta and there are numerous market rate properties in the area. We have included four conventional properties in our analysis of the competitive market. All of the market rate properties are located within the PMA, between 0.2 and 1.1 miles from the Subject site. These comparables were built or renovated between 2003 and 2017. Overall, we believe the market rate properties we have used in our analysis are the most comparable. Other market rate properties were excluded based on proximity, condition, and unit types.

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 following table in comparison with net rents for the Subject.

SUBJECT COMPARISON TO COMPARABLE RENTS

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1BR @ 60%	\$686	\$658	\$2,186	\$1,419	51.7%
2BR @ 60%	\$817	\$721	\$3,133	\$1,480	44.8%

As illustrated in the previous table, the Subject’s proposed rents for the one and two-bedroom units are well below the surveyed average when compared to the comparables. The Subject’s proposed one and two-bedroom rents are 51.7 and 44.8 percent below the surveyed averages, respectively. All of the Subject’s proposed LIHTC rents are below the surveyed range of comparable LIHTC and market rents, with the exception of one-bedroom units at Baptist Gardens, and two-bedroom units at Lillie R. Campbell House.

935M is achieving the highest one and two-bedroom unrestricted rents among the comparables. The Subject will be slightly inferior to 935M upon completion. 935M was built in 2010 and exhibits excellent condition, which is similar to the Subject’s condition upon completion. This development is located approximately 0.8 miles north of the Subject site and offers a superior location. 935M offers slightly superior property amenities, as it offers a clubhouse, garage, hot tub, and swimming pool, none of which will be offered at the Subject. However, 935M offers slightly inferior in-unit amenities when compared to the Subject as it does not offer a balcony/patio, carpeting, walk-in closets, or in-unit washer/dryers, all of which will be offered at the Subject. The one and two-bedroom rents at the 60 percent AMI level are approximately 68.6 and 73.9 percent below the highest rents being achieved at 935M, respectively. Overall, we believe that the Subject’s proposed rents are achievable in the market, absent subsidy, and will offer a significant advantage when compared to the average rents being achieved at comparable properties. However, as a fully subsidized property, all tenants will contribute 30 percent of their income towards rent.

8. Absorption/Stabilization Estimate

We were able to obtain absorption information from one of the comparables in addition to two additional recently completed developments within the PMA, which is illustrated in the following table.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Steelworks	Market	Family	2014	317	21
Baptist Gardens*	LIHTC	Senior	2013	100	15
Veranda At Scholars Landing	Section 8/PBRA	Senior	2013	<u>100</u>	<u>66</u>
Average				172	34

*Utilized as a comparable

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed new construction age-restricted LIHTC/PBRA development that will target seniors age 62 and older. The most recently completed multifamily development able to report absorption information, Steelworks, is a

market rate comparable that was completed in 2014, and was absorbed at a rate of 21 units per month. The overall average absorption rate is 34 units per month. However, it should be noted that Baptist Gardens and Veranda At Scholars Landing are the most comparable as both properties are affordable age-restricted developments. Given the above information, the low vacancy rates and extensive waiting lists at the affordable senior comparables, subsidy in place on all units, and generally low capture rates, we believe that the Subject will reach 93 percent occupancy within three months of completion. This equates to an absorption rate of approximately 32 to 33 units per month.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed.

Overall vacancy in the market is relatively low at 3.8 percent. Total LIHTC vacancy is slightly lower, at 2.6 percent. Additionally, the overall vacancy rate among the senior comparables is 1.5 percent. It should be noted that three of the senior LIHTC properties reported no vacancies, and that all LIHTC comparables reported vacancy rates of 5.5 percent or less. Additionally, all of the senior comparables and one of the general population LIHTC comparables reported extensive waiting lists. Based on these factors, we believe that there is sufficient demand for additional affordable senior rental housing in the market. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

The Subject will offer generally superior in-unit amenities in comparison to the LIHTC and market rate comparable properties and similar property amenities. According to the developer, the Subject will offer a computer lab, courtyard, elevators, an exercise facility, central laundry facilities, on-site management, a picnic area, and a recreation area, which many of the comparables lack. However, the Subject will not offer a swimming pool, which is offered at several of the comparable developments. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As a new construction development, the Subject will be in excellent condition upon completion, will offer competitive in-unit amenities, and will be slightly superior to the multifamily LIHTC developments in the area. The Subject's proposed unit sizes will be competitive with the comparable properties. Additionally, the Subject will offer two-bedroom units, which are generally much less prevalent among the age-restricted LIHTC comparable properties and are demonstrated to be in demand in the market. In general, the Subject will be slightly inferior to similar when compared to the market rate comparables, and similar to slightly superior when compared to the affordable comparables. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing of all types as evidenced by extensive waiting lists and low vacancy rates at the majority of the LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

HERNDON HOMES SENIOR – ATLANTA, GEORGIA – MARKET STUDY

Summary Table: With Subsidy										
(must be completed by the analyst and included in the executive summary)										
Development Name:		Herndon Homes Senior						Total # Units:		105
Location:		South side of Cameron Madison Alexander Boulevard NW						# LIHTC Units:		105
		Fulton County, Atlanta, GA 30318								
PMA Boundary:		North: Perry Boulevard, West Marietta Street; East: Interstate 75/85; South: Arthur B. Langford Jr. Parkway; West: Interstate 285								
		Farthest Boundary Distance to Subject:								7.7 miles
Rental Housing Stock (found on page 63-64)										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	107	15,977	498	96.9%						
Market-Rate Housing	15	2,060	107	94.8%						
Assisted/Subsidized Housing not to include LIHTC	36	5,699	106	98.1%						
LIHTC	56	8,218	254	96.9%						
Stabilized Comps	107	15,977	498	96.9%						
Properties in Construction & Lease Up	N/A	N/A	N/A	N/A						
*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	
92	1BR at 60% AMI	1	692	\$686	\$1,419	\$2.05	51.7%	\$2,186	\$3.12	
13	2BR at 60% AMI	2	957	\$817	\$1,480	\$1.55	44.8%	\$3,133	\$3.30	
Demographic Data (found on page 33)										
	2010		2017		June 2019					
Renter Households	5,237	41.61%	6,813	47.93%	7,395	48.95%				
Income-Qualified Renter HHs (LIHTC)	3,971	75.83%	5,166	75.83%	5,607	75.83%				
Targeted Income-Qualified Renter Household Demand (found on pages 48 to 59)										
Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*				
Renter Household Growth			381			381				
Existing Households (Overburdened + Substandard)			2,718			2,718				
Homeowner conversion (Seniors)			15			15				
Total Primary Market Demand			3,114			3,114				
Less Comparable/Competitive Supply			2,649			2,649				
Adjusted Income-qualified Renter HHs**			465			465				
Capture Rates (found on page 60)										
Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall				
Capture Rate:	-	-	4.0%	-	-	4.0%				

*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 along the south side of Cameron Madison Alexander Boulevard NW in Atlanta, Fulton County, Georgia 30318. The Subject site is currently vacant. It should be noted that the Subject is part of a larger master planned community that will also include general population rental units, commercial and retail uses, and townhouses. |
| 2. Construction Type: | The Subject will consist of one four-story residential elevator-serviced midrise building. The Subject will be new construction. |
| 3. Occupancy Type: | Seniors ages 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. |

HERNDON HOMES SENIOR – ATLANTA, GEORGIA – MARKET STUDY

Herndon Homes Senior												
Location	South Side of Cameron Madison Alexander Boulevard NW											
Units	105											
Type	Midrise (age-restricted)											
Year	Proposed / n/a											
Tenant Characteristics	Seniors age 62 and older											
Market												
Program	@60%/PBRA				Leasing Pace				N/A			
Annual Turnover Rate	N/A				Change in Rent (Past				N/A			
Units/Month Absorbed	N/A				Concession				N/A			
Section 8 Tenants	N/A											
Utilities												
A/C	not included – central				Other Electric				not included			
Cooking	not included – electric				Water				included			
Water Heat	not included – electric				Sewer				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	Midrise	92	692	\$686	\$0	@60%/PBRA	n/a	N/A	N/A	yes	
2	2	Midrise	13	957	\$817	\$0	@60%/PBRA	n/a	N/A	N/A	yes	
Amenities												
In-Unit	Balcony/Patio				Security				Intercom (Buzzer)			
	Blinds								Limited Access			
	Carpeting								Video Surveillance			
	Central A/C											
	Coat Closet											
	Dishwasher											
	Ceiling Fan											
	Garbage Disposal											
	Hand Rails											
	Microwave											
	Oven											
	Pull Cords											
	Refrigerator											
	Walk-In Closet											
	Washer/Dryer											
Property	Business Center/Computer Lab				Premium				Hairdresser / Barber			
	Courtyard											
	Elevators											
	Exercise Facility											
	Central Laundry											
	Off-Street Parking											
	On-Site Management											
	Picnic Area											
	Recreation Areas											
Services	none				Other				none			
Comments												
The Subject is a proposed age-restricted LIHTC development. Additionally, all rental units will benefit from Project-Based Section 8 Vouchers, where tenants will contribute 30 percent of their income towards rent.												

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

C. SITE EVALUATION

SITE EVALUATION

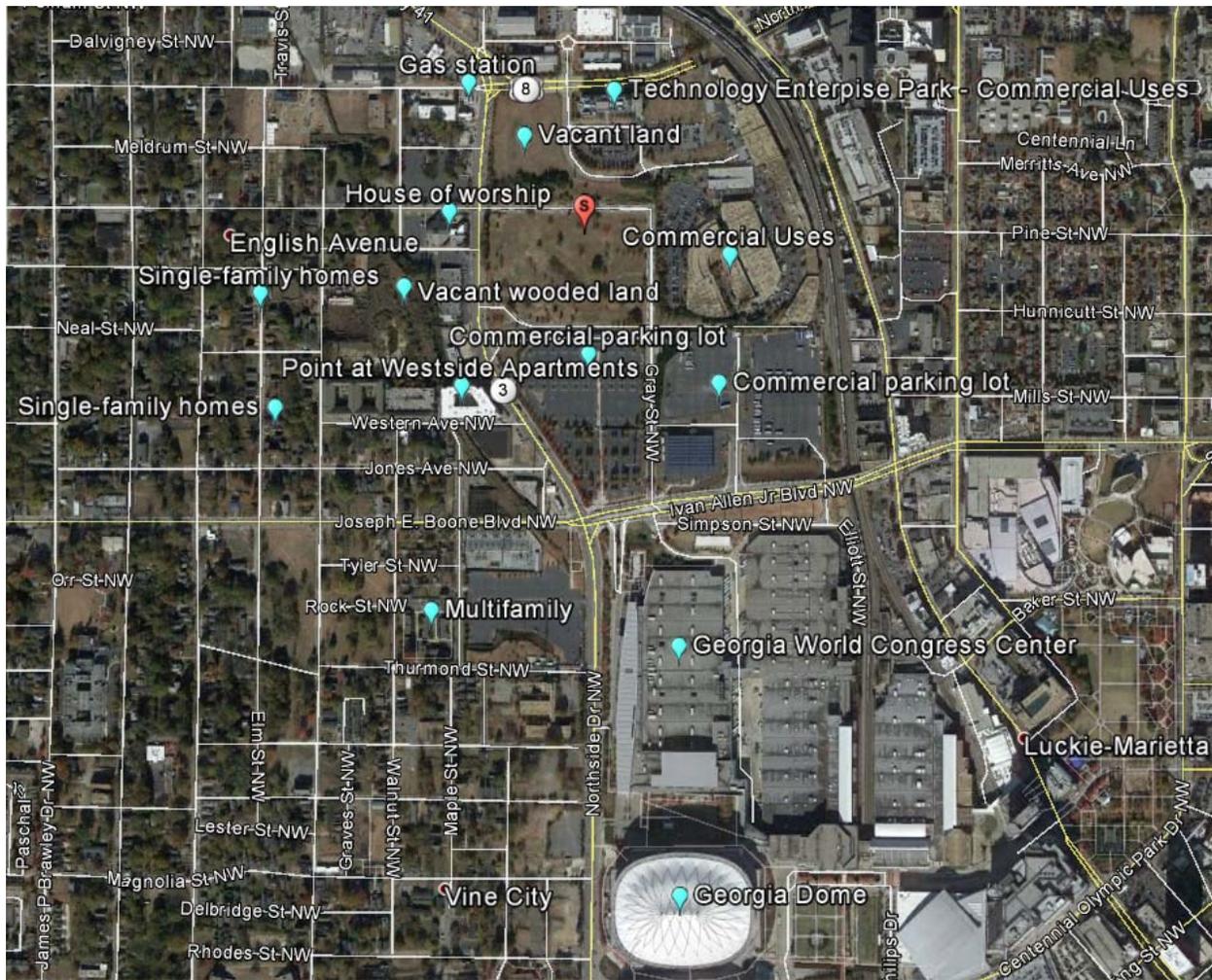
1. Date of Site Visit and Name of Inspector: Brian Neukam visited the site on May 15, 2017.

2. Physical Features of the Site: The following illustrates the physical features of the site.

Frontage: The Subject site has frontage along the south side of Cameron Madison Alexander Boulevard NW.

Visibility/Views: The Subject site has good visibility from the south side of Cameron Madison Alexander Boulevard NW. Visibility and views from the site will be good and initially will include vacant land and commercial uses. Views will eventually consist of Blocks one, two, and four of the Subject’s larger master planned community, which will consist of general population rental units, commercial and retail uses, and townhouses.

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



Source: Google Earth, April 2017.

The Subject site is located along the south side of Cameron Madison Alexander Boulevard NW. The Subject is a portion of the larger Herndon Homes development, which will consist of four separate blocks. The Subject will consist of a portion of Block 3. Immediately north of the Subject site is vacant undeveloped land and the Technology Enterprise Park in good condition. Immediately east of the Subject site, land use consists of undeveloped vacant land that is part of Block 3 and is proposed to be developed with 32 market rate townhomes. Land use further east consists of a large office complex in average condition. Immediately south of the Subject site is undeveloped vacant land that is proposed to be developed with Block 4 of Herndon Homes development, which will consist of 169 one, two, and three-bedroom units. Further south of the Subject site, land use consists of a commercial parking lot. Southwest of the Subject site is undeveloped vacant land that is proposed to be developed with Block 2 of the Herndon Homes development, which will consist of 200 one, two, and three-bedroom units and retail space. Further southwest of the Subject site, land use consists of the Point at Westside Apartments, a 263-unit multifamily development in good condition that has been utilized as a comparable in this report. Immediately west of the Subject site is also undeveloped vacant land that is part of the Subject site. This site will eventually be improved with Block 1 of the Herndon Homes development, which will offer 194 one, two, and three-bedroom units, in addition to retail and commercial space. Further west of the Subject site consists of a house of worship in average condition, vacant commercial buildings in fair condition, and vacant wooded land. Based on our inspection of the neighborhood, retail appeared to be 95 percent occupied. However, there are a limited number of retail uses in the Subject's immediate neighborhood. It should be noted that some commercial space will be developed as part of the Subject's larger master planned community. The Subject site is considered "Somewhat Walkable" by Walkscore with a rating of 51 out of 100. The Subject site is considered a desirable building site for rental housing. The uses surrounding the Subject are generally in good condition and the site has good proximity to locational amenities, which are within 1.6 miles of the Subject site,

Positive/Negative Attributes of Site:

The Subject's proximity to retail and other locational amenities as well as its surrounding uses, which are in average to good condition, are considered positive attributes. Additionally, the Subject site is within close proximity to Interstate 75/85, which provides convenient access to other employment centers. Further, retail uses will be constructed in Blocks I and II and will be walkable from the Subject.

3. Physical Proximity to Locational Amenities:

The Subject site is located within 1.6 miles of all locational amenities.

4. Pictures of Site and Adjacent Uses:

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



View of Subject site facing south



View of Subject site



View of Subject site facing west



View of Subject site facing east



Vacant land west of Subject site (Block 2)



House of worship further west



Point at Westside southwest of Subject site



View facing east towards office buildings



Technology Enterprise Park north of Subject site



Office building north of Subject site



Typical commercial uses in Subject's neighborhood



Mercedes Benz Stadium under construction south of Subject site



Typical single-family home in Subject's neighborhood



Unnamed multifamily development in Subject's neighborhood



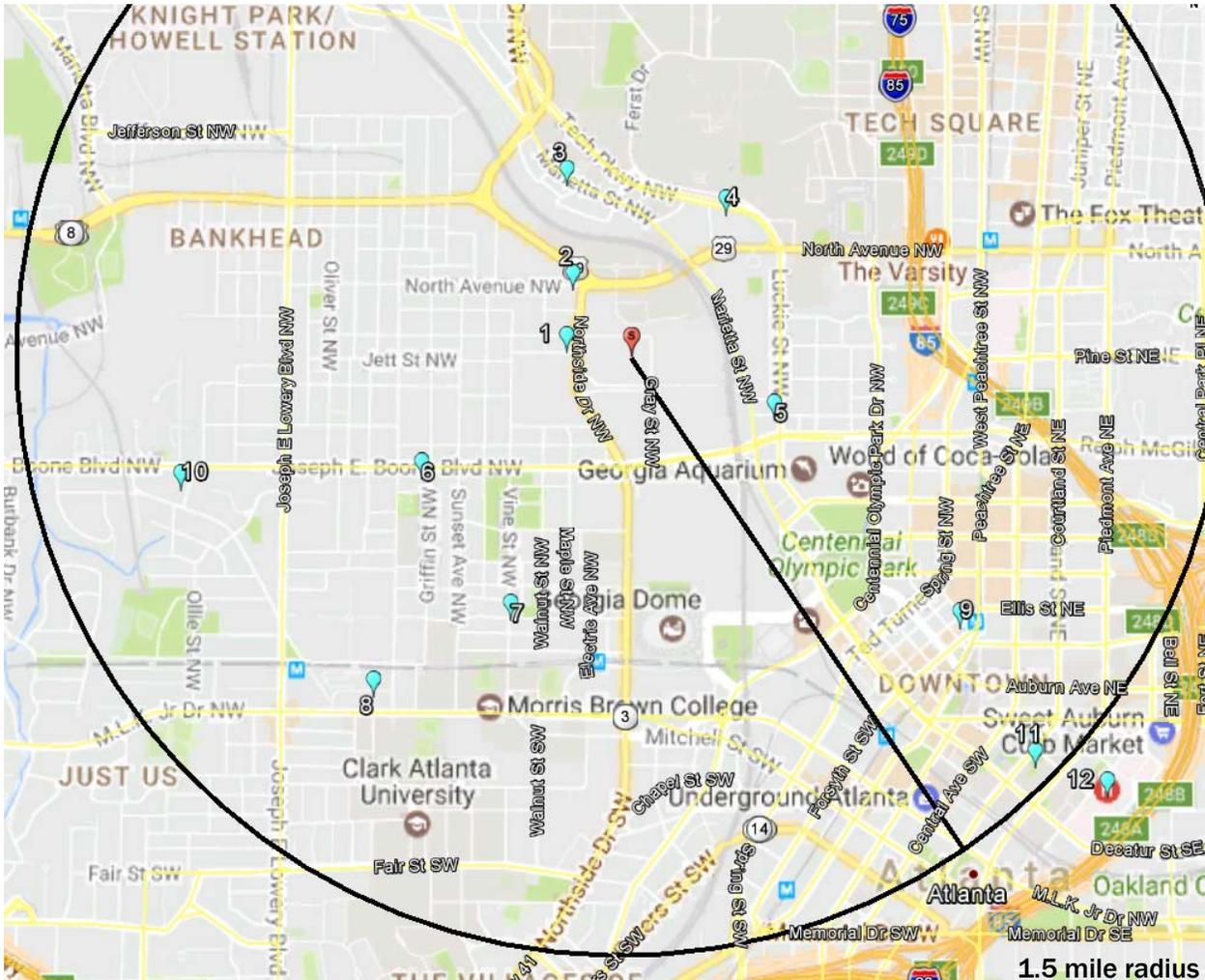
Street view facing west along Cameron Madison Alexander Boulevard NW



Street view facing east along Cameron Madison Alexander Boulevard NW

5. Proximity to Locational Amenities:

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



Source: Google Earth, April 2017.

LOCAL AMENITIES

Map #	Amenity or Service	Distance
1	Bus Stop	0.1 miles
2	Gas Station	0.2 miles
3	U.S. Post Office	0.4 miles
4	Wells Fargo	0.4 miles
5	Luckie Street Grocery Store	0.4 miles
6	New Horizons Senior Center	0.6 miles
7	Police Department	0.7 miles
8	Walmart Supercenter	1.0 mile
9	Atlanta Central Library	1.1 miles
10	Fire Department	1.2 miles
11	Georgia State University	1.4 miles
12	Grady Memorial Hospital	1.6 miles

6. Description of Land Uses:

The Subject site is located along the south side of Cameron Madison Alexander Boulevard NW. The Subject is a portion of the larger Herndon Homes development, which will consist of four separate blocks. The Subject will consist of a portion of Block 3. Immediately north of the Subject site is vacant undeveloped land and the Technology Enterprise Park in good condition. Immediately east of the Subject site, land use consists of undeveloped vacant land that is part of Block 3 and is proposed to be developed with 32 market rate townhomes. Land use further east consists of a large office complex in average condition. Immediately south of the Subject site is undeveloped vacant land that is proposed to be developed with Block 4 of Herndon Homes development, which will consist of 169 one, two, and three-bedroom units. Further south of the Subject site, land use consists of a commercial parking lot. Southwest of the Subject site is undeveloped vacant land that is proposed to be developed with Block 2 of the Herndon Homes development, which will consist of 200 one, two, and three-bedroom units and retail space. Further southwest of the Subject site, land use consists of the Point at Westside Apartments, a 263-unit multifamily development in good condition that has been utilized as a comparable in this report. Immediately west of the Subject site is also undeveloped vacant land that is part of the Subject site. This site will eventually be improved with Block 1 of the Herndon Homes development, which will offer 194 one, two, and three-bedroom units, in addition to retail and commercial space. Further west of the Subject site consists of a house of worship in average condition, vacant commercial buildings in fair condition, and vacant wooded land. Based on our inspection of the neighborhood, retail appeared to be 95 percent occupied. However, there are a limited number of retail uses in the Subject's immediate neighborhood. It should be noted that some commercial space will be developed as part of the Subject's larger master planned community. The Subject site is considered "Somewhat Walkable" by Walkscore with a rating of 51 out of 100. The Subject site is considered a desirable building site for rental housing. The uses surrounding the Subject are generally in good condition and the site has good proximity to locational amenities, which are within 1.6 miles of the Subject site.

7. Crime:

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

2017 CRIME INDICES

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

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

*Unweighted aggregations

The total crime indices in the PMA are significantly above that of the MSA and the nation. The Subject will offer an intercom system, limited access, and video surveillance. Nine of the comparables offer at least two security features. As such, we believe the Subject’s proposed security features are necessary and appropriate.

8. Existing Assisted Rental Housing Property Map:

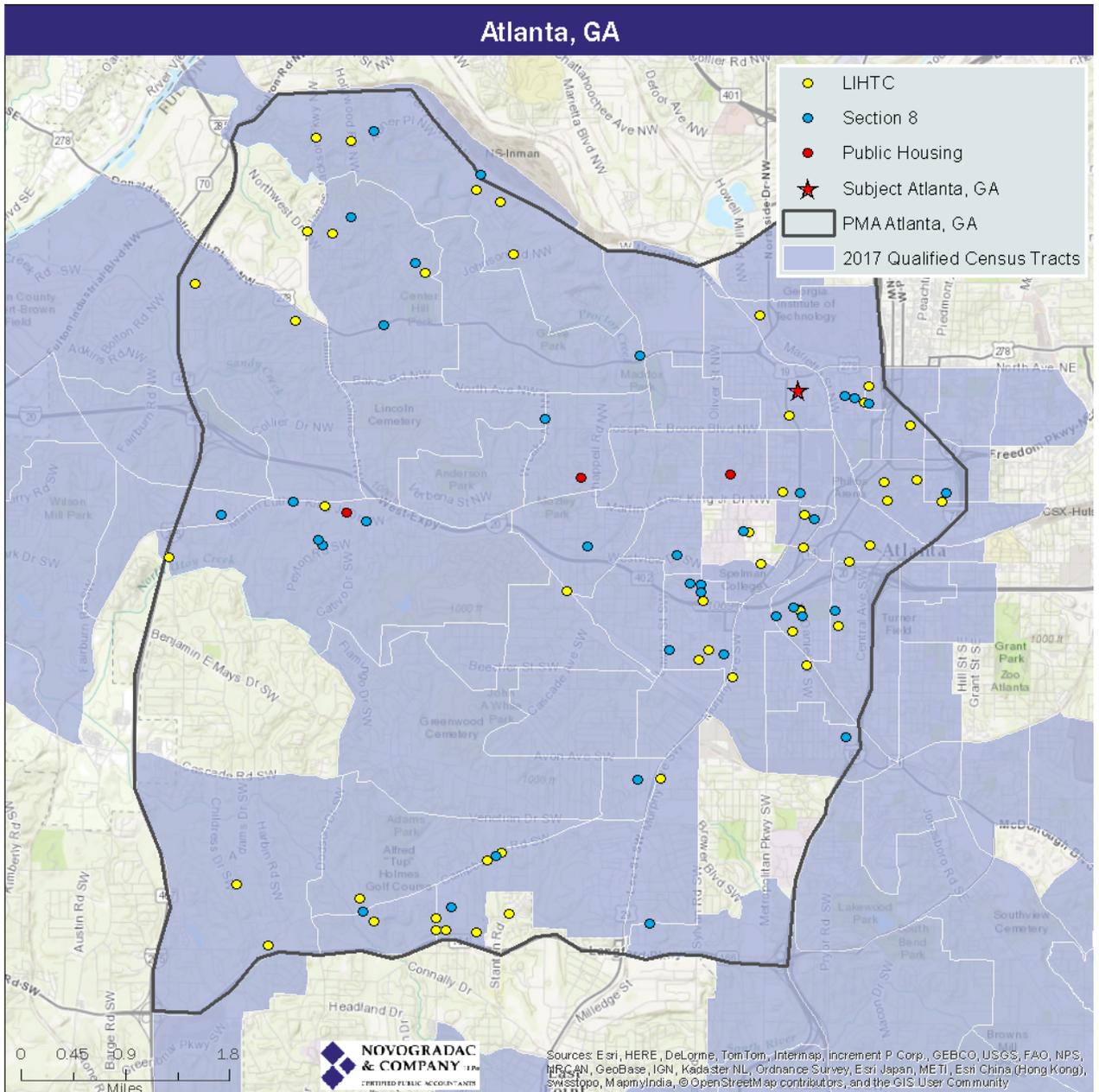
The following map and list identifies all assisted rental housing properties in the PMA.

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Distance from	Map Color
Adair Court	LIHTC	Atlanta	Elderly	91	2.5 miles	
Alta Pointe Apartments	LIHTC	Atlanta	Family	202	4.4 miles	
Ashley College Town I	LIHTC	Atlanta	Family	196	1.8 miles	
Ashley Scholars Landing	LIHTC	Atlanta	Family	135	1.3 miles	
Atlantic Station Mixed Income	LIHTC	Atlanta	Family	130	1.5 miles	
Avalon Park Family	LIHTC	Atlanta	Family	175	4.4 miles	
Baptist Gardens	LIHTC	Atlanta	Elderly	100	5.4 miles	
Brentwood Creek	LIHTC	Atlanta	Family	238	5.3 miles	
Brentwood Heights	LIHTC	Atlanta	Family	198	5.3 miles	
Brentwood Meadows Apartments	LIHTC	Atlanta	Family	72	5.3 miles	
Brookside Park	LIHTC	Atlanta	Family	200	4.7 miles	
Centennial Place	LIHTC	Atlanta	Family	738	0.6 miles	
City Plaza Apartments	LIHTC	Atlanta	Family	164	1.7 miles	
Columbia at Mechanicsville	LIHTC	Atlanta	Family	172	1.9 miles	
Columbia Crest Apartments	LIHTC	Atlanta	Family	152	3.3 miles	
Columbia Estate	LIHTC	Atlanta	Family	124	3.1 miles	
Columbia Grove	LIHTC	Atlanta	Family	138	2.7 miles	
Columbia Plaza Apartments	LIHTC	Atlanta	Family	94	1.7 miles	
Courtyard at Maple	LIHTC	Atlanta	Family	182	0.8 miles	
Edgewood Center	LIHTC	Atlanta	Family	46	1.5 miles	
Etheridge Court Apartments Phase II	LIHTC	Atlanta	Family	190	4.3 miles	
Etheridge Court Development I	LIHTC	Atlanta	Family	164	4.3 miles	
Fairlie Poplar Apartments	LIHTC	Atlanta	Family	15	1.1 miles	
Freeman Ford Lofts	LIHTC	Atlanta	Family	27	1.2 miles	
Gardens at Collegetown	LIHTC	Atlanta	Family	N/A	2.0 miles	
Gateway Apartments at Northside Village	LIHTC	Atlanta	Family	261	0.2 miles	
Granada Park	LIHTC	Atlanta	Family	202	5.0 miles	
Heritage Station Family	LIHTC	Atlanta	Family	45	2.3 miles	
Heritage Station II	LIHTC	Atlanta	Family	150	2.3 miles	
Hollywood West Phase II	LIHTC	Atlanta	Family	96	3.5 miles	
Huntingwood Pointe - Cascade Pines Apartments	LIHTC	Atlanta	Family	376	6.7 miles	
Imperial Hotel 2012	LIHTC	Atlanta	Family	90	1.0 mile	
Legacy Phase I	LIHTC	Atlanta	Family	180	0.6 miles	
Legacy Phase II	LIHTC	Atlanta	Family	179	0.6 miles	
Lillie R Campbell House	LIHTC	Atlanta	Elderly	96	4.7 miles	
M Street Apartments	LIHTC	Atlanta	Family	308	0.7 miles	
Manor at Scott's Crossing	LIHTC	Atlanta	Family	101	4.7 miles	
Northside Plaza Apartments	LIHTC	Atlanta	Family	127	1.1 miles	
Oasis at Scholars Landing	LIHTC	Atlanta	Elderly	60	1.2 miles	
Oglethorpe Place Apartments	LIHTC	Atlanta	Family	144	2.2 miles	
Park at Lakewood	LIHTC	Atlanta	Family	120	5.6 miles	
Park at Scott's Crossing	LIHTC	Atlanta	Family	216	4.5 miles	
Peaks of West Atlanta	LIHTC	Atlanta	Family	214	4.6 miles	
Phoenix House	LIHTC	Atlanta	Other	69	3.4 miles	
Preserve at Bent Creek	LIHTC	Atlanta	Family	323	5.8 miles	
Rosa Burney Manor	LIHTC	Atlanta	Family	54	2.1 miles	
Showcase District	LIHTC	Atlanta	Family	N/A	2.5 miles	

AFFORDABLE PROPERTIES IN THE PMA (CONTINUED)

Property Name	Program	Location	Tenancy	# of Units	Distance from	Map Color	
Toby Sexton Redevelopment	LIHTC	Atlanta	Family	201	2.2 miles	Yellow	
Towne West Manor	LIHTC	Atlanta	Family	108	5.6 miles		
Village Highlands	LIHTC	East Point	Family	258	5.2 miles		
Villages at Castleberry Hill	LIHTC	Atlanta	Family	165	0.6 miles		
Villages at Castleberry Hill Phase II	LIHTC	Atlanta	Family	284	1.7 miles		
Villages of Cascade Apartments	LIHTC	Atlanta	Family	180	6.4 miles		
Welcome House SRO	LIHTC	Atlanta	Family	209	1.6 miles		
Wells Court Commons	LIHTC	Atlanta	Family	62	5.9 miles		
Westview Lofts	LIHTC	Atlanta	Family	21	2.7 miles		
William Oliver Building	LIHTC	Atlanta	Family	114	1.2 miles		
Columbia Commons	LIHTC/Public Housing	Atlanta	Family	158	4.1 miles		Red
Magnolia Park Apartments	LIHTC/Public Housing	Atlanta	Family	220	1.0 mile		
Magnolia Park Apartments Phase II	LIHTC/Public Housing	Atlanta	Family	180	1.0 mile		Blue
Allen Temple	LIHTC/Section 8	Atlanta	Family	457	5.1 miles		
Ashely College Town Phase II	LIHTC/Section 8	Atlanta	Family	100	1.8 miles		
Ashley West End	LIHTC/Section 8	Atlanta	Family	100	2.4 miles		
Atrium at Collegetown - FKA John O. Chiles	LIHTC/Section 8	Atlanta	Elderly	190	2.0 miles		
Avalon Park Senior	LIHTC/Section 8	Atlanta	Elderly	136	4.4 miles		
Baptist Towers	LIHTC/Section 8	Atlanta	Elderly	300	5.4 miles		
City Views at Rosa Burney Park	LIHTC/Section 8	Atlanta	Family	180	1.9 miles		
Columbia at Sylvan Hills	LIHTC/Section 8	Atlanta	Family	191	4.8 miles		
Columbia Heritage Senior Residences	LIHTC/Section 8	Atlanta	Elderly	132	3.3 miles		
Columbia Mechanicsville IV	LIHTC/Section 8	Atlanta	Family	164	1.9 miles		
Columbia Senior Residences at Mechanicsville	LIHTC/Section 8	Atlanta	Elderly	155	1.9 miles		
Crogman School	LIHTC/Section 8	Atlanta	Family	105	3.0 miles		
Flipper Temple	LIHTC/Section 8	Atlanta	Family	163	4.3 miles		
Mechanicsville Apartments Phase III	LIHTC/Section 8	Atlanta	Family	164	2.0 miles		
Mechanicsville Apartments Phase VI	LIHTC/Section 8	Atlanta	Family	156	2.0 miles		
Park Commons	LIHTC/Section 8	Atlanta	Elderly	179	4.3 miles		
Park Commons	LIHTC/Section 8	Atlanta	Elderly	153	4.3 miles		
Peaks at Martin Luther King	LIHTC/Section 8	Atlanta	Family	183	3.9 miles		
QLS Haven	LIHTC/Section 8	Atlanta	Elderly	120	5.0 miles		
Seven Courts	LIHTC/Section 8	Atlanta	Family	171	4.5 miles		
Veranda At Collegetown	LIHTC/Section 8	Atlanta	Elderly	100	1.9 miles		
Veranda At Scholars Landing	LIHTC/Section 8	Atlanta	Elderly	100	1.4 miles		
Abernathy Tower	Section 8	Atlanta	Elderly	100	2.5 miles		
Berean Village	Section 8	Atlanta	Elderly	N/A	2.2 miles		
Big Bethel Towers Apartments	Section 8	Atlanta	Family	N/A	1.5 miles		
Friendship Towers	Section 8	Atlanta	Elderly	19	1.0 mile		
Hollywood /Shawnee Apartments	Section 8	Atlanta	Family	112	3.5 miles		
Johnnie B. Moore Towers	Section 8	Atlanta	Elderly	55	3.7 miles		
Oakland City/West End Apartments	Section 8	Atlanta	Family	111	3.6 miles		
Providence Manor	Section 8	Atlanta	Elderly	45	6.0 miles		
Rolling Bends	Section 8	Atlanta	Family	164	4.3 miles		
Silvertree Senior Atlanta Apartments	Section 8	Atlanta	Elderly	98	2.2 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 Cameron Madison Alexander Boulevard NW, which is a two-lane, neighborhood street that provides access to Gray Street NW just east of the Subject site. Ivan Allen Jr. Boulevard NW is a four-lane road that can be accessed via Gray Street NW. Ivan Allen Jr. Boulevard NW provides access to Interstate 75/85 approximately 0.8 miles to the east. Interstate 75/85 provides access to Chattanooga, TN to the north, and Macon to the south. Overall, access is considered good and visibility is considered average.

11. Conclusion:

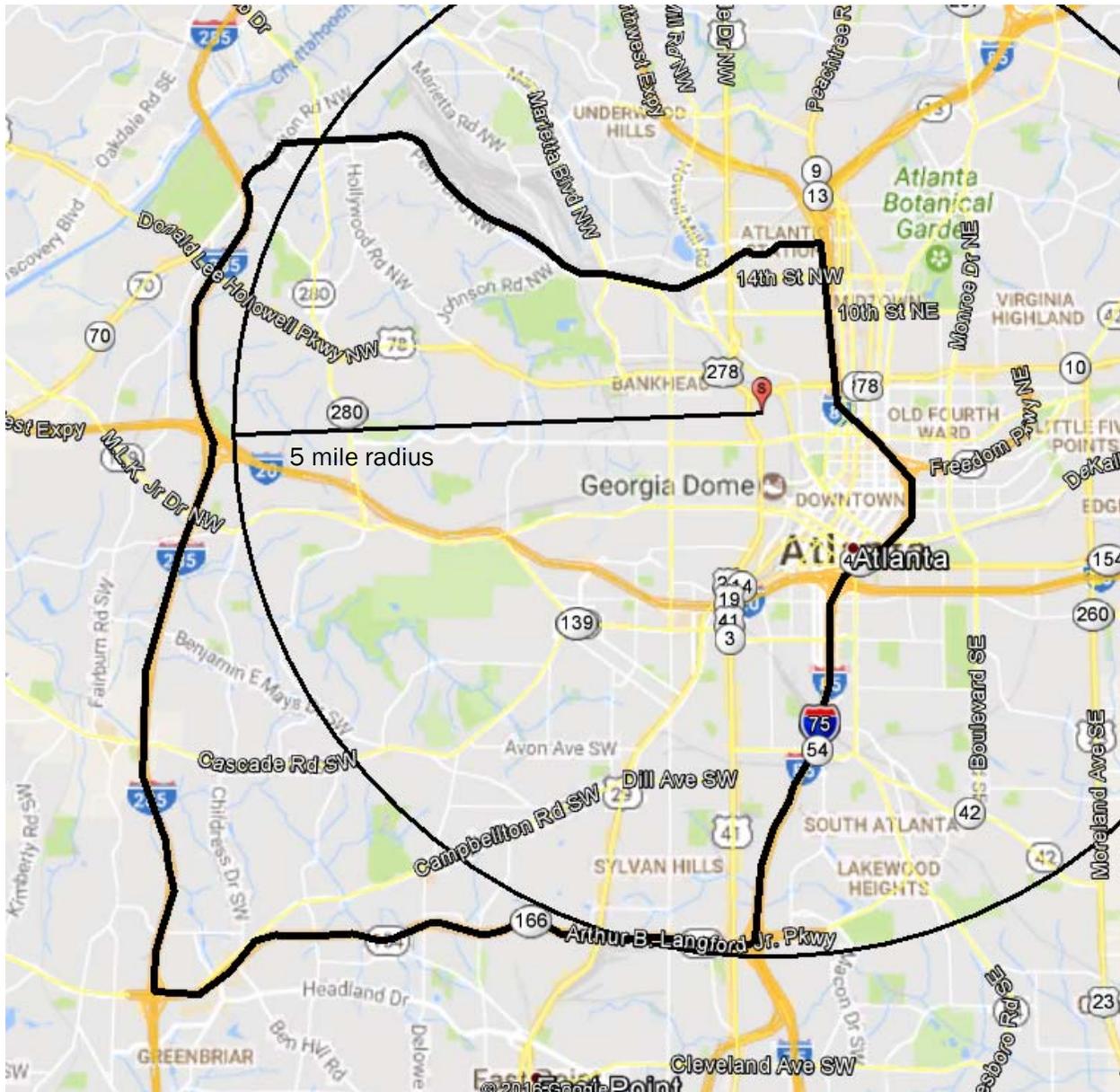
The Subject site is located along the south side of Cameron Madison Alexander Boulevard NW, just west of its intersection with Gray Street NW, and is part of a larger master planned community, which will also include general population rental units, commercial and retail uses, and townhouses. The Subject site has average visibility and good accessibility from Cameron Madison Alexander Boulevard NW. The Subject site is currently undeveloped sparsely wooded vacant land. The Subject's neighborhood appears to be a good location for a new senior multifamily development. Most desirable locational amenities are located less than two miles from the Subject site including a grocery store, retail, a senior center, public transportation, and a public library. The Subject site is in a mixed-use neighborhood with surrounding land uses consisting of vacant land that is part of the Subject's larger master planned community, single-family homes in average condition, commercial and retail uses in average to good condition, and office buildings in average to good condition. Based on our inspection of the neighborhood, retail appeared to be 95 percent occupied. The Subject site is considered "Somewhat Walkable" by *Walkscore* with a rating of 51 out of 100. Crime risk indices in the Subject's area are considered high; however, the Subject will offer an intercom system, limited access, and video surveillance as security features. We believe the proposed security features will be sufficient to deter crime at the property. The Subject site is considered a desirable building site for rental housing.

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 boundaries consist of Perry Boulevard, West Marietta Street, and 17th Street to the north, Interstate 285 to the west, Arthur B. Langford Jr. Parkway to the south, and Interstate 75/85 to the east. This area includes the central and southwestern portion of the city of Atlanta. The distances from the Subject to the farthest boundaries of the PMA in each direction area listed as follows:

North: 4.3 miles
East: 1.6 miles
South: 7.4 miles
West: 7.7 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 all over the Atlanta metropolitan area. 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 7.7 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 Fulton 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 the Atlanta-Sandy Springs-Roswell, GA MSA.

1. Population Trends

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

1a. Total Population

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

Year	POPULATION					
	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	154,066	-	4,263,438	-	281,421,906	-
2010	139,726	-0.9%	5,286,728	2.4%	308,745,538	1.0%
2017	148,890	0.4%	5,665,958	0.4%	323,580,626	0.3%
Projected Mkt Entry June 2019	152,707	1.1%	5,856,355	1.4%	330,167,008	0.8%
2021	156,856	1.1%	6,063,308	1.4%	337,326,118	0.8%

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

Between 2000 and 2010 the total population within the PMA declined approximately 0.9 percent annually, while the total population increased approximately 2.4 and 1.0 percent annually in the MSA and the nation as a whole, respectively. However, the total population within the PMA and MSA increased approximately 0.4 percent annually between 2010 and 2017, which is a slightly greater rate than that of the nation (0.3 percent). Between 2017 and 2021, the total population within the PMA is expected to increase at an annual rate of approximately 1.1 percent, which is slightly slower than the MSA at 1.4 percent annually, but slightly greater than the nation as a whole at 0.8 percent annually. Overall, we believe that population growth in the PMA and MSA is a positive indication of demand for the Subject's proposed units.

1b. Senior Population, 62+

The following table illustrates the total senior population, age 62 and older, within the PMA, MSA and nation from 2000 through 2021.

Year	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	18,782	-	407,225	-	41,475,021	-
2010	17,787	-0.5%	625,999	5.4%	50,358,738	2.1%
2017	21,338	1.2%	803,915	1.6%	60,304,482	1.1%
Projected Mkt Entry June 2019	22,941	3.1%	891,076	4.5%	65,104,334	3.3%
2021	24,683	3.1%	985,817	4.5%	70,321,565	3.3%

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

Between 2000 and 2010 the senior population within the PMA declined approximately 0.5 percent annually, while the senior population increased approximately 5.4 and 2.1 percent annually in the MSA and the nation as a whole, respectively. However, the senior population within the PMA and MSA increased approximately 1.2 and 1.6 percent annually, respectively, between 2010 and 2017, which is a slightly greater rate than that of the nation (1.1 percent). Between 2017 and 2021, the senior population within the PMA is expected to increase at an annual rate of approximately 3.1 percent, which is slightly slower than the MSA and the nation as a whole at 4.5 and 3.3 percent annually, respectively. Overall, we believe that senior population growth in the PMA and MSA is a positive indication of demand for the Subject’s proposed units.

1c. Total Population by Age Group

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

Age Cohort	PMA				
	2000	2010	2017	Projected Mkt Entry June 2019	2021
0-4	10,337	8,766	8,813	9,029	9,263
5-9	11,292	7,566	8,233	8,282	8,335
10-14	10,336	7,085	7,574	7,796	8,037
15-19	16,687	16,217	15,939	16,096	16,267
20-24	18,041	20,827	21,196	20,609	19,970
25-29	11,837	11,115	12,504	13,323	14,213
30-34	10,282	8,994	10,348	10,848	11,391
35-39	10,778	7,678	8,219	8,692	9,206
40-44	10,381	7,336	7,692	7,908	8,142
45-49	9,448	8,312	7,811	7,889	7,974
50-54	7,758	8,359	8,265	8,142	8,009
55-59	5,907	7,352	8,134	8,184	8,238
60-64	5,501	5,829	7,063	7,426	7,820
65-69	4,607	4,348	5,724	6,174	6,663
70-74	3,884	3,649	4,247	4,754	5,306
75-79	2,829	2,757	3,156	3,385	3,634
80-84	2,156	1,883	2,045	2,172	2,310
85+	2,005	1,653	1,928	2,000	2,078
Total	154,066	139,726	148,891	152,708	156,856

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

POPULATION BY AGE GROUP

Atlanta-Sandy Springs-Roswell, GA MSA

Age Cohort	2000	2010	2017	Projected Mkt Entry June 2019	2021
0-4	318,972	380,735	380,008	388,750	398,252
5-9	326,062	394,306	392,983	396,912	401,183
10-14	314,313	390,992	406,441	412,579	419,251
15-19	290,180	378,372	385,702	396,449	408,131
20-24	289,654	341,650	389,646	387,332	384,816
25-29	364,046	377,057	408,658	425,823	444,480
30-34	382,158	386,120	403,640	428,331	455,170
35-39	396,792	417,987	399,148	416,847	436,084
40-44	360,050	415,233	415,330	414,081	412,724
45-49	307,308	411,635	404,741	403,602	402,364
50-54	267,500	364,330	397,839	397,741	397,635
55-59	186,754	301,331	359,211	369,468	380,616
60-64	131,059	252,453	296,741	318,410	341,963
65-69	101,856	170,690	241,279	258,874	278,000
70-74	82,809	114,130	160,967	189,069	219,614
75-79	65,303	81,144	100,456	117,710	136,464
80-84	42,357	57,082	63,423	70,536	78,267
85+	36,265	51,481	59,745	63,841	68,294
Total	4,263,438	5,286,728	5,665,958	5,856,355	6,063,308

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

The largest age cohorts in the PMA are between 20 and 24 and 15 and 19, which indicate the presence of families. Additionally, 11.5 percent of the total population within the PMA is 65 or over.

1d. Number of Elderly and Non-Elderly

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

NUMBER OF ELDERLY AND NON-ELDERLY

Year	Total	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		
		Non-Elderly	Elderly (62+)	Total	Non-Elderly	Elderly (62+)
2000	154,066	127,177	18,782	4,263,438	3,617,035	407,225
2010	139,726	112,255	17,787	5,286,728	4,258,417	625,999
2017	148,890	116,593	21,338	5,665,958	4,384,136	803,915
Projected Mkt Entry June 2019	152,707	118,612	22,941	5,856,355	4,468,447	891,076
2021	156,856	120,807	24,683	6,063,308	4,560,090	985,817

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

The elderly population in the PMA increased dramatically from 2010 to 2017, and is expected to continue to increase through the date of market entry and 2021.

1e. Special Needs

The Subject will not target tenants with special needs; as such, this section is not applicable.

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, and (e) Elderly Households 62+ within the population in the PMA, the MSA, and nationally from 2000 through 2021.

2a. Total Number of Households and Average Household Size

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

HOUSEHOLDS

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	51,860	-	1,559,712	-	105,480,101	-
2010	49,841	-0.4%	1,943,885	2.5%	116,716,292	1.1%
2017	52,921	0.4%	2,065,785	0.4%	121,786,233	0.3%
Projected Mkt Entry June 2019	54,497	1.2%	2,130,813	1.3%	124,138,000	0.8%
2021	56,211	1.2%	2,201,496	1.3%	126,694,268	0.8%

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

SENIOR HOUSEHOLDS, 62+

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	13,568	-	253,346	-	26,202,060	-
2010	12,584	-0.7%	362,824	4.3%	30,451,108	1.6%
2017	14,216	0.8%	567,275	3.3%	37,341,086	1.3%
Projected Mkt Entry June 2019	15,106	2.6%	585,006	1.3%	39,764,305	2.7%
2021	16,072	2.6%	604,278	1.3%	42,398,240	2.7%

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

AVERAGE HOUSEHOLD SIZE

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

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

The total number of senior households decreased slightly from 2000 to 2010. However, the total number of senior households increased 0.8 percent annually from 2010 to 2017, which is a slower rate than both the MSA and the nation as a whole. The total number of senior households within the PMA is projected to increase approximately 2.6 percent annually from 2017 through the projected market entry date and 2021.

Average household size within the PMA decreased from 2000 to 2010, while the MSA remained stable and the nation as a whole decreased slightly. The average household size increased slightly from 2010 to 2017, and is projected to remain stable through the projected market entry date and 2021. Average household size for both the MSA and the nation as a whole are projected to increase at annual rates of 0.1 percent through the projected market entry date and 2021.

2b. Households by Tenure

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

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	20,009	38.6%	31,851	61.4%
2017	16,297	30.8%	36,624	69.2%
Projected Mkt Entry June 2019	16,645	30.5%	37,852	69.5%
2021	17,024	30.3%	39,187	69.7%

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

PMA TENURE PATTERNS OF SENIORS 62+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	8,518	62.8%	5,050	37.2%
2017	7,403	52.1%	6,813	47.9%
Projected Mkt Entry June 2019	7,711	51.0%	7,395	49.0%
2021	8,045	50.1%	8,027	49.9%

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

As the table illustrates, senior households within the PMA are generally evenly distributed between owner and renter-occupied units. Additionally, both the number and percentage of senior renter-occupied units are projected to increase slightly through the projected market entry date and 2021.

2c. Household Income

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA, 62+

Income Cohort	2017		Projected Mkt Entry June 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,833	26.9%	1,955	26.4%	2,086	26.0%
\$10,000-19,999	2,078	30.5%	2,215	29.9%	2,364	29.4%
\$20,000-29,999	1,041	15.3%	1,148	15.5%	1,264	15.7%
\$30,000-39,999	615	9.0%	661	8.9%	711	8.9%
\$40,000-49,999	283	4.2%	330	4.5%	381	4.7%
\$50,000-59,999	254	3.7%	273	3.7%	293	3.6%
\$60,000-74,999	196	2.9%	206	2.8%	217	2.7%
\$75,000-99,999	186	2.7%	221	3.0%	259	3.2%
\$100,000-124,999	99	1.5%	121	1.6%	145	1.8%
\$125,000-149,999	106	1.6%	122	1.6%	138	1.7%
\$150,000-199,999	62	0.9%	70	0.9%	79	1.0%
\$200,000+	58	0.9%	74	1.0%	91	1.1%
Total	6,813	100.0%	7,395	100.0%	8,027	100.0%

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

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

Income Cohort	2017		Projected Mkt Entry June 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	17,494	12.1%	18,064	12.1%	18,683	12.1%
\$10,000-19,999	26,977	18.7%	27,856	18.7%	28,812	18.7%
\$20,000-29,999	19,546	13.6%	20,183	13.6%	20,875	13.6%
\$30,000-39,999	14,950	10.4%	15,437	10.4%	15,967	10.4%
\$40,000-49,999	12,158	8.4%	12,554	8.4%	12,985	8.4%
\$50,000-59,999	9,565	6.6%	9,877	6.6%	10,215	6.6%
\$60,000-74,999	9,401	6.5%	9,708	6.5%	10,041	6.5%
\$75,000-99,999	10,459	7.3%	10,800	7.3%	11,170	7.3%
\$100,000-124,999	7,879	5.5%	8,136	5.5%	8,415	5.5%
\$125,000-149,999	5,544	3.8%	5,724	3.8%	5,921	3.8%
\$150,000-199,999	4,635	3.2%	4,786	3.2%	4,950	3.2%
\$200,000+	5,596	3.9%	5,778	3.9%	5,977	3.9%
Total	144,203	100.0%	148,903	100.0%	154,011	100.0%

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

The Subject will target tenants earning between \$0 and \$32,400. As shown in the previous table, approximately 81.7 percent of senior renter households in the PMA are earning incomes less than \$40,000. These percentages are projected to remain relatively stable through the projected market entry date and 2021. This indicates that the majority of senior renter households will income-qualify to reside at the Subject.

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

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2017		Projected Mkt Entry June 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	16,458	44.9%	17,218	45.5%	18,044	46.0%
2 Persons	8,960	24.5%	9,198	24.3%	9,456	24.1%
3 Persons	4,928	13.5%	5,050	13.3%	5,183	13.2%
4 Persons	2,839	7.8%	2,894	7.6%	2,954	7.5%
5+ Persons	3,439	9.4%	3,492	9.2%	3,549	9.1%
Total	36,624	100.0%	37,852	100.0%	39,187	100.0%

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA, 62+

Household Size	2017		Projected Mkt Entry June 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	4,308	63.2%	4,691	64.8%	5,108	66.3%
2 Persons	1,414	20.8%	1,538	21.2%	1,672	21.7%
3 Persons	446	6.5%	496	6.9%	551	7.2%
4 Persons	320	4.7%	340	4.7%	362	4.7%
5+ Persons	325	4.8%	172	2.4%	6	0.1%
Total Households	6,813	100.0%	7,238	100.0%	7,699	100.0%

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

As illustrated in the previous tables, the majority of renter households in the PMA are one to three-person households. Additionally, 84.0 percent of senior renter households are made up of two or fewer individuals. This bodes well for the demand for the Subject's one and two-bedroom units.

Conclusion

Between 2000 and 2010 the total population within the PMA declined approximately 0.9 percent annually, while the total population increased approximately 2.4 and 1.0 percent annually in the MSA and the nation as a whole, respectively. However, the total population within the PMA and MSA increased approximately 0.4 percent annually between 2010 and 2017, which is a slightly greater rate than that of the nation (0.3 percent). Between 2017 and 2021, the total population within the PMA is expected to increase at an annual rate of approximately 1.1 percent, which is slightly lower than the MSA at 1.4 percent annually, but slightly greater than the nation as a whole at 0.8 percent annually. Approximately 81.7 percent of senior renter households in the PMA are earning incomes less than \$40,000. These percentages are projected to remain relatively stable through the projected market entry date and 2021. This indicates that the majority of senior renter households will income-qualify to reside at the Subject. Overall, while population growth has been modest, the concentration of renter households at the lowest income cohorts indicates strong demand for affordable senior rental housing in the market.

F. EMPLOYMENT TRENDS

Employment Trends

The PMA and Fulton County are economically reliant on professional and business services, trade, transportation, and utilities, and educational services. Delta Airlines is headquartered in Atlanta and is the largest employer in the region. Employment levels decreased during the national recession but surpassed pre-recessionary levels in 2014.

1. Total Jobs

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

Total Jobs in Fulton County, Georgia

Year	Total Employment	% Change
2007	465,409	-
2008	465,380	0.0%
2009	437,746	-6.3%
2010	434,315	-0.8%
2011	448,034	3.1%
2012	464,673	3.6%
2013	467,279	0.6%
2014	473,843	1.4%
2015	502,655	5.7%
2016	502,655	0.0%
2017 YTD Average	505,909	0.6%
Feb-16	496,594	-
Feb-17	509,162	2.5%

Source: U.S. Bureau of Labor Statistics

As illustrated in the table above, Fulton County experienced a weakening economy during the national recession. Employment levels declined substantially in 2009 by 6.3 percent. Employment growth quickly rebounded and Fulton County exhibited employment growth from 2010 through 2017 year-to-date. While employment growth was stagnant from 2015 to 2016, total employment in Fulton county has increased approximately 2.5 percent from February 2016 to February 2017.

2. Total Jobs by Industry

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

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

	Number	Percent
Total, all industries	732,561	-
Goods-producing	-	-
Natural resources and mining	529	0.1%
Construction	19,286	2.6%
Manufacturing	29,337	4.0%
Service-providing	-	-
Trade, transportation, and utilities	143,315	19.6%
Information	49,260	6.7%
Financial activities	72,008	9.8%
Professional and business services	192,811	26.3%
Education and health services	102,278	14.0%
Leisure and hospitality	97,367	13.3%
Other services	23,170	3.2%
Unclassified	3,200	0.4%

Source: Bureau of Labor Statistics, 2016

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

2017 EMPLOYMENT BY INDUSTRY

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

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

The largest industries in the PMA are educational services, retail trade, and accommodation/food services. These industries employ approximately 40.2 percent of the workforce within the PMA. The PMA employs a greater percentage of workers in the educational services, accommodation/food services, and transportation/warehousing when compared to the nation as a whole. However, the nation employs a greater percentage of workers in the healthcare/social assistance, manufacturing, and construction industries. The PMA provides access to many diverse employment opportunities that are generally stable industries; however, this analysis is somewhat moot as the Subject will target seniors, many of whom will not be seeking employment opportunities.

3. Major Employers

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

MAJOR EMPLOYERS-Atlanta Metropolitan Area		
Company	Industry	Number of Employees
Delta Airlines	Transportation	31,699
Emory University/ Emory Healthcare	Educational/Healthcare	26,026
The Home Depot, Inc.	Retail Trade	25,000
WellStar Health System	Healthcare	20,000
AT&T	Communications	17,000
UPS	Logistics	16,231
Northside Hospital	Healthcare	14,577
Piedmont Healthcare	Healthcare	12,906
Marriott International	Hospitality	12,000
Publix Super Markets	Retail Trade	9,755
Georgia State University	Education	9,422
Center for Disease Control and Prevention	Healthcare	9,151
Cox Enterprises	Communications	8,269
Southern Company	Utilities	7,800
Children's Healthcare of Atlanta	Healthcare	7,208

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

The major employers in the Atlanta metropolitan area are largely concentrated in the logistics/transportation, healthcare, and communication industries. These industries tend to be less volatile than others, and indicate that the economy in Atlanta is stable and diverse.

Expansions/Contractions

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

WARN NOTICES- FULTON COUNTY, GA 2014-2017

Company Name	Industry	Number of Employees Affected
Aramark	Retail Trade	1,078
Macy's	Retail Trade	600
AIG	Finance/Insurance	420
MARTA	Transportation/Warehousing	371
STS Engineers & Contractors	Construction	328
Delta Global Services, LLC.	Aviation Services	275
Newell Brands	Wholesale Trade	258
Verizon Wireless	Information	231
Corizon Health	Healthcare/ Social Assistance	208
Burris Logistics	Logistics	167
New Continent Ventures	Retail Trade	167
ZEP Inc.	Manufacturing	158
Benchmark Brands, Inc.	Retail Trade	156
Whole Foods Market	Retail Trade	149
Cox Digital Exchange, LLC	Information	143
Hancock-Able Services LLC	Construction	135
Hanjin Shipping America, LLC	Transportation/Warehousing	131
Masterack, Division of Leggett & Platt	Manufacturing	121
Sanmina Corporation	Wholesale Trade	113
Sony	Information	100
WIPRO	Wholesale Trade	93
New Breed Leasing of New Jersey, Inc.	Real Estate	89
Sodexo	Retail Trade	86
ISTA North America	Construction	78
Kaplan	Educational services	77
Generation Mortgage Company	Finance/Insurance	76
Kenco	Logistics	71
Walmart	Retail Trade	68
West Rock	Manufacturing	66
Generation Mortgage Company	Finance/Insurance	64
Infosys McCamish Systems, LLC.	Finance/Insurance	61
Affinity Specialty Apparel, Inc.	Retail Trade	60
The Intown Academy	Educational services	60
Windstream Communications	Information	55
YP	Professional Services	54
DAL Global Services	Aviation Services	52
Bank of America	Finance/Insurance	51
American Hospice/Embracing Hospice	Healthcare/ Social Assistance	49
Athena Healthcare	Healthcare Technology	49
Anthem Education	Educational services	47
INPAX Shipping Solutions	Transportation/Warehousing	37
Core Logic	Professional Services	36
Gannett Publishing Service	Manufacturing	34
Fulton County Housing and Human Services	Public Administration	27
Generation Mortgage Company	Finance/Insurance	25

Source: Georgia Department of Economic Development, Novogradac & Company LLP, May 2017

As illustrated in the previous table, there have been 6,774 employees in the area impacted by layoffs or closures since 2014. Despite these job losses that have been reported, there has been some growth occurring in the area.

BUSINESS EXPANSIONS - FULTON COUNTY, GA 2014 - 2017

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

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

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

4. Employment and Unemployment Trends

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

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Atlanta-Sandy Springs-Roswell, GA MSA			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2002	2,324,880	-	-16.6%	136,485,000	-	-9.9%
2003	2,347,173	1.0%	-15.8%	137,736,000	0.9%	-9.0%
2004	2,382,163	1.5%	-14.6%	139,252,000	1.1%	-8.0%
2005	2,445,674	2.7%	-12.3%	141,730,000	1.8%	-6.4%
2006	2,538,141	3.8%	-9.0%	144,427,000	1.9%	-4.6%
2007	2,618,825	3.2%	-6.1%	146,047,000	1.1%	-3.6%
2008	2,606,822	-0.5%	-6.5%	145,363,000	-0.5%	-4.0%
2009	2,452,057	-5.9%	-12.1%	139,878,000	-3.8%	-7.6%
2010	2,440,037	-0.5%	-12.5%	139,064,000	-0.6%	-8.2%
2011	2,486,895	1.9%	-10.8%	139,869,000	0.6%	-7.6%
2012	2,545,474	2.4%	-8.7%	142,469,000	1.9%	-5.9%
2013	2,573,040	1.1%	-7.7%	143,929,000	1.0%	-5.0%
2014	2,620,911	1.9%	-6.0%	146,305,000	1.7%	-3.4%
2015	2,684,068	2.4%	-3.7%	148,833,000	1.7%	-1.7%
2016	2,788,476	3.9%	0.0%	151,436,000	1.7%	0.0%
2017 YTD Average*	2,839,862	1.8%	-	151,060,500	-0.2%	-
Feb-2016	2,754,575	-	-	150,060,000	-	-
Feb-2017	2,855,099	3.6%	-	151,594,000	1.0%	-

Source: U.S. Bureau of Labor Statistics May 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
2002	5.0%	-	0.6%	5.8%	-	1.2%
2003	4.9%	-0.2%	0.5%	6.0%	0.2%	1.4%
2004	4.8%	-0.1%	0.4%	5.5%	-0.5%	0.9%
2005	5.4%	0.6%	0.9%	5.1%	-0.5%	0.5%
2006	4.7%	-0.7%	0.2%	4.6%	-0.5%	0.0%
2007	4.4%	-0.2%	0.0%	4.6%	0.0%	0.0%
2008	6.2%	1.7%	1.7%	5.8%	1.2%	1.2%
2009	9.9%	3.8%	5.5%	9.3%	3.5%	4.7%
2010	10.3%	0.4%	5.9%	9.6%	0.3%	5.0%
2011	9.9%	-0.4%	5.5%	9.0%	-0.7%	4.3%
2012	8.8%	-1.1%	4.4%	8.1%	-0.9%	3.5%
2013	7.8%	-1.0%	3.4%	7.4%	-0.7%	2.8%
2014	6.8%	-1.0%	2.3%	6.2%	-1.2%	1.6%
2015	5.7%	-1.1%	1.3%	5.3%	-0.9%	0.7%
2016	5.1%	-0.6%	0.7%	4.9%	-0.4%	0.3%
2017 YTD Average*	5.1%	0.0%	-	5.0%	0.1%	-
Feb-2016	5.2%	-	-	5.2%	-	-
Feb-2017	4.9%	-0.3%	-	4.9%	-0.3%	-

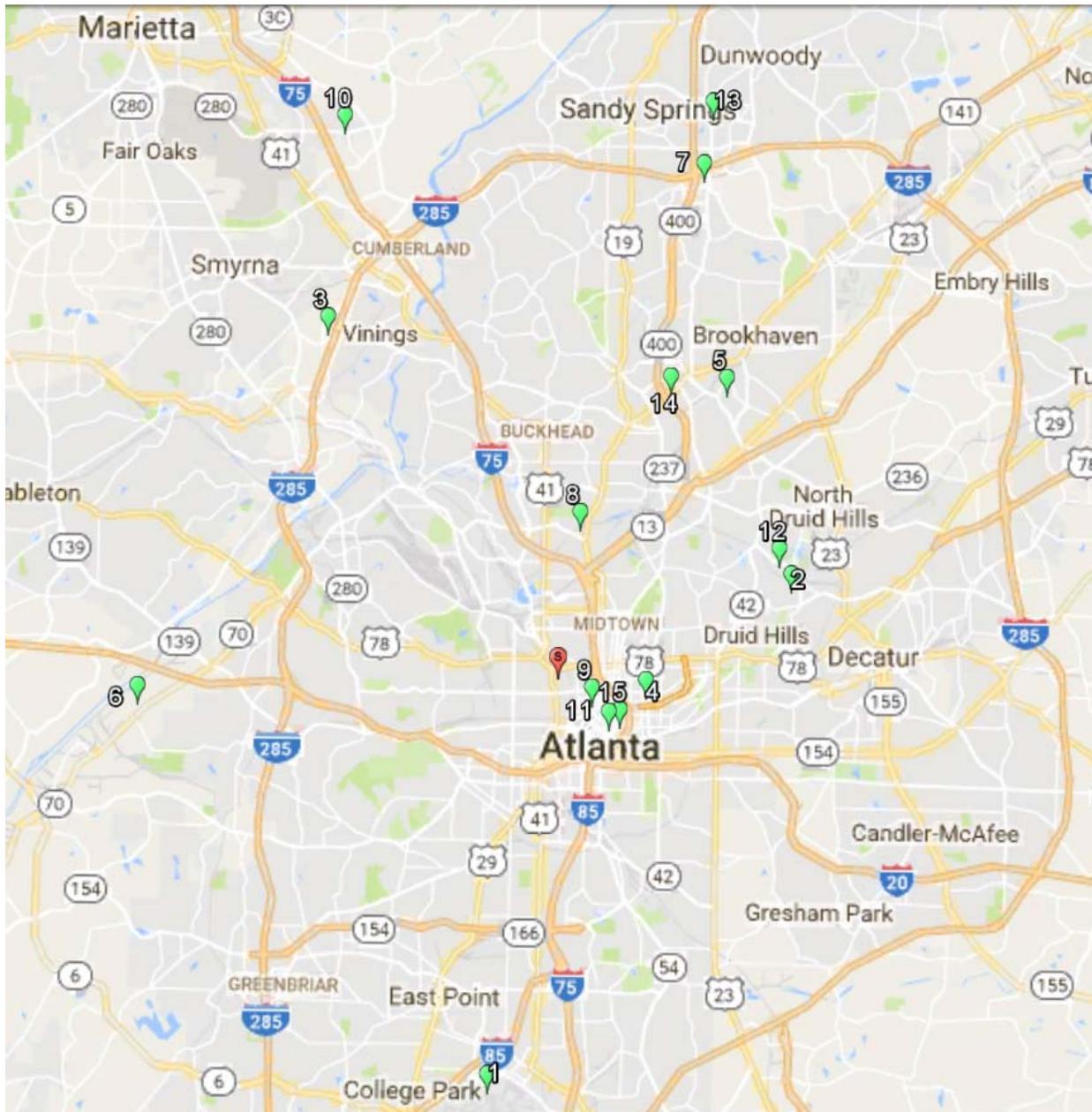
Source: U.S. Bureau of Labor Statistics May 2017

Total employment within the MSA increased each year from 2002 to 2007, similar to the nation as a whole. Both the MSA and the nation experienced declines in total employment from 2008 to 2010 due to the national recession. However, total employment within the MSA has increased each year from 2011 to 2017 year-to-date, while the nation as a whole reported an increase in total employment each year from 2011 to 2016. Both the MSA and the nation as a whole surpassed pre-recession employment levels in 2014. Additionally, the employment growth within the MSA has outpaced that of the nation each year since 2011. Further, the MSA has seen an increase in total employment of 3.6 percent from February 2016 to February 2017, which is more than three times the growth rate of the national employment levels over the same time period.

Prior to the national recession, the unemployment rate in the MSA was generally similar to or below that of the nation. However, the unemployment rate in the MSA experienced a slightly more significant increase during the recession when compared to the nation, and has been generally above the national unemployment rate since 2008. From February 2016 to February 2017, the unemployment rate in the MSA decreased 0.3 percent, similar to the national trend. As of February 2017, neither the MSA nor the nation have reached pre-recession unemployment rates of 4.4 and 4.6 percent, respectively. Overall, the increasing total employment and decreasing unemployment rate are positive signs for the local economy.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in the Atlanta metropolitan area.



Source: Google Earth, April 2017.

MAJOR EMPLOYERS-Atlanta Metropolitan Area

#	Company	Industry	Number of Employees
1	Delta Airlines	Transportation	31,699
2	Emory University/ Emory Healthcare	Educational/Healthcare	26,026
3	The Home Depot, Inc.	Retail Trade	25,000
4	WellStar Health System	Healthcare	20,000
5	AT&T	Communications	17,000
6	UPS	Logistics	16,231
7	Northside Hospital	Healthcare	14,577
8	Piedmont Healthcare	Healthcare	12,906
9	Marriott International	Hospitality	12,000
10	Publix Super Markets	Retail Trade	9,755
11	Georgia State University	Education	9,422
12	Center for Disease Control and Prevention	Healthcare	9,151
13	Cox Enterprises	Communications	8,269
14	Southern Company	Utilities	7,800
15	Children's Healthcare of Atlanta	Healthcare	7,208

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

6. Conclusion

The major employers in the Atlanta metropolitan area are largely concentrated in the logistics/transportation, healthcare, and communication industries. These industries tend to be less volatile than others, and indicate that the economy in Atlanta is stable and diverse. Between 2015 and 2017 year-to-date, there were a total of 6,268 additional jobs created, which helps to offset the 6,774 layoffs in the county during the same period.

Total employment within the MSA increased each year from 2002 to 2007, similar to the nation as a whole. Both the MSA and the nation experienced declines in total employment from 2008 to 2010 due to the national recession. However, total employment within the MSA has increased each year from 2011 to 2017 year-to-date, while the nation as a whole reported an increase in total employment each year from 2011 to 2016. From February 2016 to February 2017, the unemployment rate in the MSA decreased 0.3 percent, similar to the national trend. As of February 2017, neither the MSA nor the nation have reached pre-recession unemployment rates of 4.4 and 4.6 percent, respectively. Overall, the increasing total employment and decreasing unemployment rate are positive signs for the local economy.

G. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

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

1. Income Restrictions

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

2. Affordability

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

SENIOR 62+ INCOME LIMITS - WITH SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	<i>60% AMI/PBRA</i>	
1BR/1BA	\$0	\$33,480
2BR/2BA	\$0	\$33,480

SENIOR 62+ INCOME LIMITS - WITHOUT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	<i>60% AMI</i>	
1BR/1BA	\$23,520	\$33,480
2BR/2BA	\$28,260	\$33,480

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 2015 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 2015 through the present.
- Vacancies in projects placed in service prior to 2015 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 2015 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

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

COMPETITIVE SUPPLY 2015 - PRESENT

Property Name	Program	Location	Tenancy	Status	# of Competitive Units
Adair Court	LIHTC	Atlanta	Senior	Proposed	77

We have only deducted the 77 one and two-bedroom affordable units at Adair Court, as 14 additional units will be unrestricted market rate units that will not compete directly with the Subject.

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated, placed in service, or stabilizing between 2015 and present.

ADDITIONS TO SUPPLY 2016

Unit Type	60% AMI
1BR	58
2BR	19
Total	77

PMA Occupancy

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

PMA OCCUPANCY

Property Name	Program	Location	Tenancy	# of Units	Occupancy
Avalon Park Senior	LIHTC/PBRA/Market	Atlanta	Senior	136	97.8%
Baptist Gardens	LIHTC	Atlanta	Senior	100	100.0%
Columbia Heritage Senior Residences	LIHTC/PBRA/Market	Atlanta	Senior	132	100.0%
Columbia Senior Residences At Mechanicsville	LIHTC/PBRA/Market	Atlanta	Senior	154	95.5%
Heritage Station	LIHTC/PBRA/Market	Atlanta	Senior	150	100.0%
Atrium at Collegetown - FKA John O Chiles	LIHTC/PBRA	Atlanta	Senior	190	100.0%
Lillie R. Campbell House	LIHTC/Market	Atlanta	Senior	96	100.0%
Park Commons	LIHTC/PBRA/Market	Atlanta	Senior	332	100.0%
The Veranda At Collegetown	LIHTC/PBRA	Atlanta	Senior	100	N/A
Veranda At Scholars Landing	Section 8/PBRA	Atlanta	Senior	100	100.0%
Average PMA Occupancy					99.3%

The average occupancy rate of competitive developments in the PMA is 99.3 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

Income Cohort	2017		Projected Mkt Entry June 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	9,495	25.9%	9,584	25.3%	9,680	24.7%
\$10,000-	7,719	21.1%	7,794	20.6%	7,875	20.1%
\$20,000-	5,238	14.3%	5,387	14.2%	5,549	14.2%
\$30,000-	4,160	11.4%	4,234	11.2%	4,314	11.0%
\$40,000-	2,474	6.8%	2,537	6.7%	2,606	6.7%
\$50,000-	1,718	4.7%	1,814	4.8%	1,918	4.9%
\$60,000-	2,080	5.7%	2,175	5.7%	2,280	5.8%
\$75,000-	1,464	4.0%	1,642	4.3%	1,835	4.7%
\$100,000-	902	2.5%	1,038	2.7%	1,186	3.0%
\$125,000-	494	1.3%	591	1.6%	698	1.8%
\$150,000-	444	1.2%	504	1.3%	570	1.5%
\$200,000+	436	1.2%	551	1.5%	676	1.7%
Total	36,624	100.0%	37,852	100.0%	39,187	100.0%

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA, 62+

Income Cohort	2017		Projected Mkt Entry June 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,833	26.9%	1,955	26.4%	2,086	26.0%
\$10,000-19,999	2,078	30.5%	2,215	29.9%	2,364	29.4%
\$20,000-29,999	1,041	15.3%	1,148	15.5%	1,264	15.7%
\$30,000-39,999	615	9.0%	661	8.9%	711	8.9%
\$40,000-49,999	283	4.2%	330	4.5%	381	4.7%
\$50,000-59,999	254	3.7%	273	3.7%	293	3.6%
\$60,000-74,999	196	2.9%	206	2.8%	217	2.7%
\$75,000-99,999	186	2.7%	221	3.0%	259	3.2%
\$100,000-124,999	99	1.5%	121	1.6%	145	1.8%
\$125,000-149,999	106	1.6%	122	1.6%	138	1.7%
\$150,000-199,999	62	0.9%	70	0.9%	79	1.0%
\$200,000+	58	0.9%	74	1.0%	91	1.1%
Total	6,813	100.0%	7,395	100.0%	8,027	100.0%

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

60% AMI – With Subsidy

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60%

Minimum Income Limit		\$0		Maximum Income Limit		\$33,480	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Change in Households PMA 2017 to Prj Mrkt Entry June 2019						
\$0-9,999	121	20.8%	\$9,999	100.0%	121		
\$10,000-19,999	137	23.6%	\$9,999	100.0%	137		
\$20,000-29,999	107	18.3%	\$9,999	100.0%	107		
\$30,000-39,999	46	7.9%	\$3,480	34.8%	16		
\$40,000-49,999	47	8.0%		0.0%	0		
\$50,000-59,999	18	3.1%		0.0%	0		
\$60,000-74,999	10	1.7%		0.0%	0		
\$75,000-99,999	35	6.0%		0.0%	0		
\$100,000-124,999	22	3.8%		0.0%	0		
\$125,000-149,999	15	2.6%		0.0%	0		
\$150,000-199,999	8	1.4%		0.0%	0		
\$200,000+	16	2.7%		0.0%	0		
Total	582	100.0%		65.5%	381		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 60%

Minimum Income Limit		\$0		Maximum Income Limit		\$33,480	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,833	26.9%	\$9,999	100.0%	1,833		
\$10,000-19,999	2,078	30.5%	\$9,999	100.0%	2,078		
\$20,000-29,999	1,041	15.3%	\$9,999	100.0%	1,041		
\$30,000-39,999	615	9.0%	\$3,480	34.8%	214		
\$40,000-49,999	283	4.2%		0.0%	0		
\$50,000-59,999	254	3.7%		0.0%	0		
\$60,000-74,999	196	2.9%		0.0%	0		
\$75,000-99,999	186	2.7%		0.0%	0		
\$100,000-124,999	99	1.5%		0.0%	0		
\$125,000-149,999	106	1.6%		0.0%	0		
\$150,000-199,999	62	0.9%		0.0%	0		
\$200,000+	58	0.9%		0.0%	0		
Total	6,813	100.0%		75.8%	5,166		

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%	90%	10%	0%	0%
2	0%	40%	60%	0%	0%

Demand from New Renter Households 2017 to June 2019

Income Target Population	60%
New Renter Households PMA	582
Percent Income Qualified	65.5%
New Renter Income Qualified Households	381

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	6,813
Income Qualified	75.8%
Income Qualified Renter Households	5,166
Percent Rent Overburdened Prj Mrkt Entry June 2019	51.3%
Rent Overburdened Households	2,649

Demand from Living in Substandard Housing

Income Qualified Renter Households	5,166
Percent Living in Substandard Housing	1.3%
Households Living in Substandard Housing	69

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	7,711
Rural Versus Urban	0.2%
Senior Demand Converting from Homeownership	15

Total Demand

Total Demand from Existing Households	2,734
Total New Demand	381
Total Demand (New Plus Existing Households)	3,114

Demand from Seniors Who Convert from Homeownership	15
Percent of Total Demand From Homeownership Conversion	0.5%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	64.8%	2,019
Two Persons	21.2%	662
Total	100.0%	2,680

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	1,817
Of two-person households in 1BR units	40%	265
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	202
Of two-person households in 2BR units	60%	397
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
Total Demand		2,680

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
1 BR	2,081	-	58	=	2,023
2 BR	599	-	19	=	580
Total	2,680		77		2,603

	Developer's Unit Mix		Net Demand		Capture Rate
1 BR	92	/	2,023	=	4.5%
2 BR	13	/	580	=	2.2%
Total	105		2,603		4.0%

60% AMI – Without Subsidy

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60%

Minimum Income Limit		\$23,520		Maximum Income Limit		\$33,480	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Change in Households PMA 2017 to Prj Mrkt Entry June 2019						
\$0-9,999	121	20.8%		0.0%	0		
\$10,000-19,999	137	23.6%		0.0%	0		
\$20,000-29,999	107	18.3%	\$6,470	64.7%	69		
\$30,000-39,999	46	7.9%	\$3,480	34.8%	16		
\$40,000-49,999	47	8.0%		0.0%	0		
\$50,000-59,999	18	3.1%		0.0%	0		
\$60,000-74,999	10	1.7%		0.0%	0		
\$75,000-99,999	35	6.0%		0.0%	0		
\$100,000-124,999	22	3.8%		0.0%	0		
\$125,000-149,999	15	2.6%		0.0%	0		
\$150,000-199,999	8	1.4%		0.0%	0		
\$200,000+	16	2.7%		0.0%	0		
Total	582	100.0%		14.6%	85		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 60%

Minimum Income Limit		\$23,520		Maximum Income Limit		\$33,480	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,833	26.9%		0.0%	0		
\$10,000-19,999	2,078	30.5%		0.0%	0		
\$20,000-29,999	1,041	15.3%	\$6,470	64.7%	674		
\$30,000-39,999	615	9.0%	\$3,480	34.8%	214		
\$40,000-49,999	283	4.2%		0.0%	0		
\$50,000-59,999	254	3.7%		0.0%	0		
\$60,000-74,999	196	2.9%		0.0%	0		
\$75,000-99,999	186	2.7%		0.0%	0		
\$100,000-124,999	99	1.5%		0.0%	0		
\$125,000-149,999	106	1.6%		0.0%	0		
\$150,000-199,999	62	0.9%		0.0%	0		
\$200,000+	58	0.9%		0.0%	0		
Total	6,813	100.0%		13.0%	888		

ASSUMPTIONS - 60%

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

Demand from New Renter Households 2017 to June 2019

Income Target Population	60%
New Renter Households PMA	582
Percent Income Qualified	14.6%
New Renter Income Qualified Households	85

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	6,813
Income Qualified	13.0%
Income Qualified Renter Households	888
Percent Rent Overburdened Prj Mrkt Entry June 2019	51.3%
Rent Overburdened Households	455

Demand from Living in Substandard Housing

Income Qualified Renter Households	888
Percent Living in Substandard Housing	1.3%
Households Living in Substandard Housing	12

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	7,711
Rural Versus Urban	0.0%
Senior Demand Converting from Homeownership	2

Total Demand

Total Demand from Existing Households	469
Total New Demand	85
Total Demand (New Plus Existing Households)	554

Demand from Seniors Who Convert from Homeownership	2
Percent of Total Demand From Homeownership Conversion	0.3%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	64.8%	359
Two Persons	21.2%	118
Total	100.0%	476

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	323
Of two-person households in 1BR units	40%	47
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	36
Of two-person households in 2BR units	60%	71
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
Total Demand		476

Total Demand (Subject Unit Types)			Additions to Supply		Net Demand
1 BR	370	-	58	=	312
2 BR	106	-	19	=	87
Total	476		77		399

Developer's Unit Mix			Net Demand		Capture Rate
1 BR	92	/	312	=	29.5%
2 BR	13	/	87	=	14.9%
Total	105		399		26.3%

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 total number of senior households in the PMA is expected to increase 6.3 percent between 2017 and the time of market entry.
- 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 - WITH SUBSIDY

HH at 60% AMI (\$0 to \$33,480 income)	
Demand from New Households (age and income appropriate)	381
PLUS	+
Demand from Existing Renter Households - Substandard Housing	69
PLUS	+
Demand from Existing Renter Housholds - Rent Overburdened Households	2,649
Sub Total	3,099
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	15
Equals Total Demand	3,114
Less	-
Competitive New Supply	77
Equals Net Demand	3,037

DEMAND AND NET DEMAND - WITHOUT SUBSIDY

HH at 60% AMI (\$23,520 to \$33,480 income)	
Demand from New Households (age and income appropriate)	85
PLUS	+
Demand from Existing Renter Households - Substandard Housing	12
PLUS	+
Demand from Existing Renter Housholds - Rent Overburdened Households	455
Sub Total	552
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0
Equals Total Demand	552
Less	-
Competitive New Supply	77
Equals Net Demand	475

CAPTURE RATE ANALYSIS CHART - WITH SUBSIDY

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 60% AMI	\$0	\$33,480	92	2,081	58	2,023	4.5%	Three months	\$1,377	\$658	\$2,186	\$686
1BR Overall	\$0	\$33,480	92	2,081	58	2,023	4.5%	Three months	\$1,377	\$658	\$2,186	\$686
2BR at 60% AMI	\$0	\$33,480	13	599	19	580	2.2%	Three months	\$1,438	\$721	\$3,133	\$817
2BR Overall	\$0	\$33,480	13	599	58	580	2.2%	Three months	\$1,438	\$721	\$3,133	\$817
60% AMI Overall	\$0	\$33,480	105	2,680	77	2,603	4.0%	Three months	-	-	-	-
Overall	\$0	\$33,480	105	2,680	77	2,603	4.0%	Three months	-	-	-	-

CAPTURE RATE ANALYSIS CHART - WITHOUT SUBSIDY

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 60% AMI	\$23,520	\$33,480	92	370	58	312	29.5%	Three months	\$1,377	\$658	\$2,186	\$686
1BR Overall	\$23,520	\$33,480	92	370	58	312	29.5%	Three months	\$1,377	\$658	\$2,186	\$686
2BR at 60% AMI	\$28,260	\$33,480	13	106	19	87	14.9%	Three months	\$1,438	\$721	\$3,133	\$817
2BR Overall	\$28,260	\$33,480	13	106	58	87	14.9%	Three months	\$1,438	\$721	\$3,133	\$817
60% AMI Overall	\$23,520	\$33,480	105	476	77	399	26.3%	Three months	-	-	-	-
Overall	\$23,520	\$33,480	105	476	77	399	26.3%	Three months	-	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 60 percent AMI level will range from 2.2 to 4.5 percent with subsidy, with an overall capture rate of 4.0 percent, and from 14.9 to 29.5 percent without subsidy with an overall capture rate of 26.3 percent, without subsidy. The capture rates without subsidy are hypothetical, as all units are expected to benefit from Project-based Section 8 Vouchers. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes ten “true” comparable properties containing 2,674 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good; we have utilized six affordable LIHTC properties within the PMA, three of which are affordable/market rate properties, and two of which are LIHTC projects that benefit from Project-based Section 8 Vouchers. Four of the LIHTC properties are age restricted developments that offer similar unit types in comparison to the proposed Subject. The comparable LIHTC properties are all located in the PMA, between 0.6 and 5.4 miles of the proposed Subject.

The availability of market rate data is considered good. The Subject is located in the western portion of Atlanta and there are numerous market rate properties in the area. We have included four conventional properties in our analysis of the competitive market. All of the market rate properties are located within the PMA, between 0.2 and 1.1 miles from the Subject site. These comparables were built or renovated between 2003 and 2017. Overall, we believe the market rate properties we have used in our analysis are the most comparable. Other market rate properties were excluded based on proximity, condition, and unit types.

Excluded Properties

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

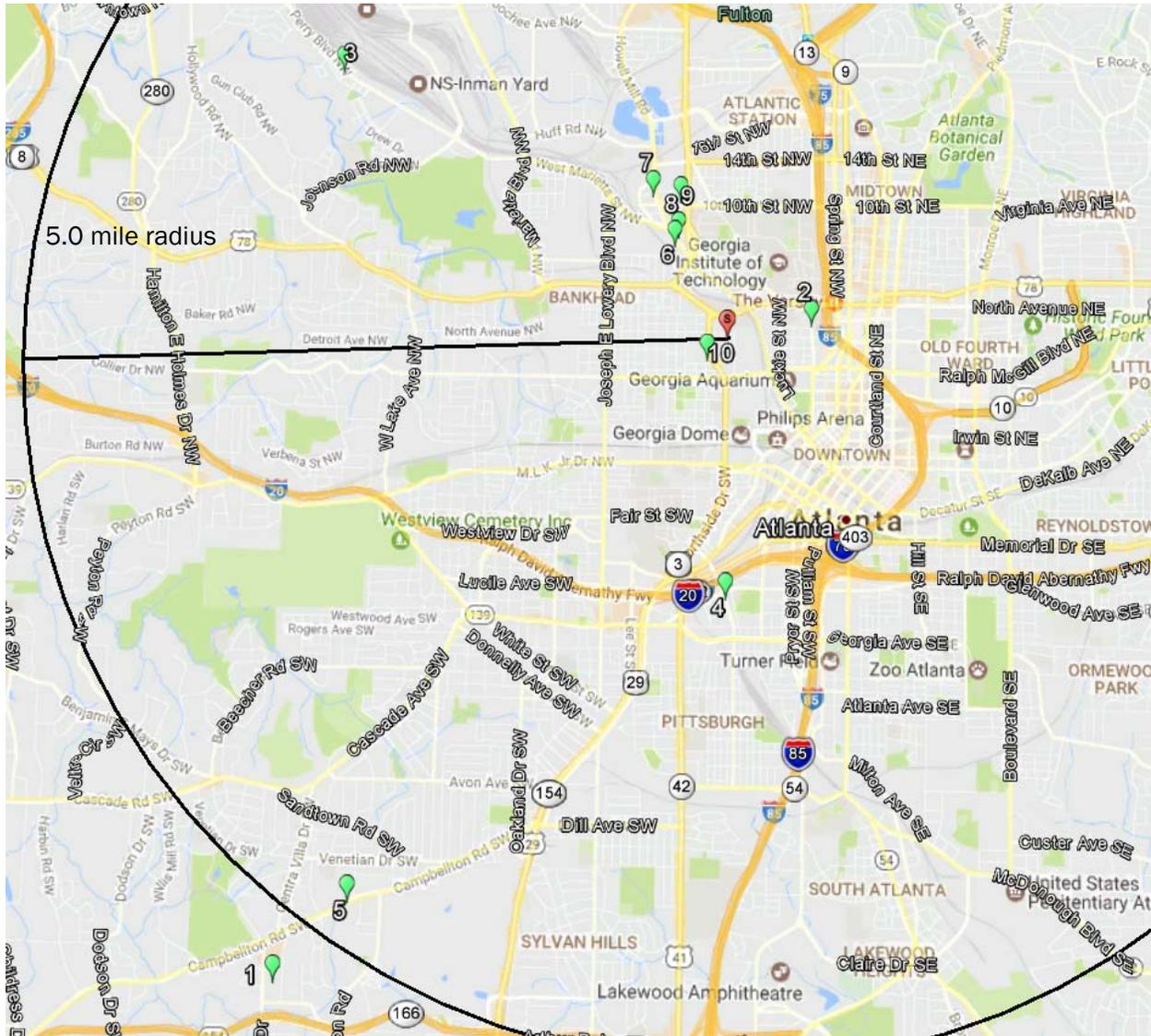
EXCLUDED PROPERTIES							
Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion	Map Color	
Adair Court	LIHTC	Atlanta	Elderly	91	Under Construction	Yellow	
Alta Pointe Apartments	LIHTC	Atlanta	Family	202	Tenancy		
Ashley College Town I	LIHTC	Atlanta	Family	196	Tenancy		
Ashley Scholars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

HERNDON HOMES SENIOR – ATLANTA, GEORGIA – MARKET STUDY

EXCLUDED PROPERTIES

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

Comparable Rental Property Map



Source: Google Earth, May 2017.

AFFORDABLE PROPERTIES IN THE PMA

#	Property Name	Tenancy	Type	Distance from Subject
1	Baptist Gardens	Senior	LIHTC/Market	5.4 miles
2	Centennial Place Apartments	Family	LIHTC/Market	0.6 miles
3	Columbia Heritage Senior Residences	Senior	LIHTC/PBRA/Market	3.3 miles
4	Columbia Senior Residences At Mechanicsville	Senior	LIHTC/PBRA/Market	1.9 miles
5	Lillie R. Campbell House	Senior	LIHTC/Market	4.7 miles
6	M Street Apartments	Family	LIHTC/Market	0.7 miles
7	1016 Lofts	Family	Market	1.1 miles
8	935M	Family	Market	0.8 miles
9	Arium Westside	Family	Market	1.1 miles
10	Point At Westside	Family	Market	0.2 miles

HERNDON HOMES SENIOR – ATLANTA, GEORGIA – MARKET STUDY

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	Herndon Homes Senior Cameron Madison Alexander Boulevard NW @ Gray Street NW Atlanta, GA 30318 Fulton County	n/a	Midrise (age-restricted) Proposed / n/a	LIHTC/PBRA	1BR / 1BA	92	87.6%	@60%/PBRA	\$686	692	yes		N/A	N/A
					2BR / 2BA	13	12.4%	@60%/PBRA	\$817	957	yes		N/A	N/A
						105	100.0%						N/A	N/A
1	Baptist Gardens 1928 Delowe Drive SW Atlanta, GA 30311 Fulton County	5.4 miles	Lowrise (age-restricted) (4 stories) 2013 / n/a	LIHTC	1BR / 1BA	25	25.0%	@50%	\$591	750	yes	Yes	0	0.0%
					1BR / 1BA	75	75.0%	@60%	\$658	750	yes	Yes	0	0.0%
						100	100.0%						0	0.0%
2	Centennial Place Apartments 526 Centennial Olympic Park Drive Atlanta, GA 30313 Fulton County	0.6 miles	Various (3 stories) 1996/2001/ 2014	LIHTC/Market	1BR / 1BA (Garden)	N/A	N/A	@60%	\$686	688	yes	No	N/A	N/A
					1BR / 1BA (Garden)	N/A	N/A	Market	\$1,050	688	n/a	No	N/A	N/A
					2BR / 1BA (Garden)	N/A	N/A	@60%	\$812	875	yes	No	N/A	N/A
					2BR / 1BA (Garden)	N/A	N/A	Market	\$1,200	875	n/a	No	N/A	N/A
					2BR / 1.5BA (Townhouse)	N/A	N/A	@60%	\$812	1,075	yes	No	N/A	N/A
					2BR / 1.5BA (Townhouse)	N/A	N/A	Market	\$1,600	1,075	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$872	1,050	yes	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$872	1,231	yes	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	\$1,270	1,050	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	\$1,328	1,231	n/a	No	N/A	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	@60%	\$928	1,441	yes	No	N/A	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	@60%	\$928	1,340	yes	No	N/A	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	Market	\$1,700	1,441	n/a	No	N/A	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	Market	\$1,875	1,340	n/a	No	N/A	N/A
										738	100.0%			
3	Columbia Heritage Senior Residences 1900 Perry Blvd NW Atlanta, GA 30318 Fulton County	3.3 miles	Midrise (age-restricted) (5 stories) 2004 / n/a	LIHTC/PBRA/ Market	2BR / 1BA	62	47.0%	@50%/PBRA	\$770	970	n/a	Yes	0	0.0%
					2BR / 1BA	62	47.0%	@60%/PBRA	\$770	970	n/a	Yes	0	0.0%
					2BR / 1BA	6	4.5%	Market	\$1,049	970	n/a	Yes	0	0.0%
					2BR / 1BA	2	1.5%	Non-Rental	\$0	970	n/a	No	0	0.0%
						132	100.0%						0	0.0%
4	Columbia Senior Residences At Mechanicsville 555 Mcdaniel St Atlanta, GA 30312 Fulton County	1.9 miles	Midrise (age-restricted) (4 stories) 2007 / n/a	LIHTC/PBRA/ Market	1BR / 1BA	18	11.7%	@60%	\$865	750	yes	Yes	0	0.0%
					1BR / 1BA	1	0.6%	Market	\$955	750	n/a	Yes	0	0.0%
					1BR / 1BA	135	87.7%	PBRA	\$865	750	n/a	Yes	7	5.2%
													7	4.5%
						154	100.0%							

HERNDON HOMES SENIOR – ATLANTA, GEORGIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate					
5	Lillie R. Campbell House 1830 Campbellton Rd SW Atlanta, GA 30311 Fulton County	4.7 miles	Midrise (age-restricted) (4 stories) 2008 / n/a	LIHTC/Market	1BR / 1BA	19	19.8%	@60%	\$688	626	yes	Yes	0	0.0%					
					1BR / 1BA	5	5.2%	Market	\$813	626	n/a	Yes	0	0.0%					
					2BR / 1BA	48	50.0%	@60%	\$721	831	yes	Yes	0	0.0%					
					2BR / 1BA	12	12.5%	Market	\$1,016	831	n/a	Yes	0	0.0%					
					2BR / 2BA	6	6.2%	@60%	\$814	882	yes	Yes	0	0.0%					
					2BR / 2BA	2	2.1%	Market	\$1,076	882	n/a	Yes	0	0.0%					
					3BR / 2BA	3	3.1%	@60%	\$957	1,108	yes	Yes	0	0.0%					
					3BR / 2BA	1	1.0%	Market	\$1,139	1,108	n/a	Yes	0	0.0%					
										96	100.0%							0	0.0%
					6	M Street Apartments 950 Marietta Street Atlanta, GA 30318 Fulton County	0.7 miles	Garden (3 stories) 2004 / n/a	LIHTC/Market	Studio / 1BA	N/A	N/A	@50%	\$865	561	yes	Yes	0	N/A
Studio / 1BA	N/A	N/A	Market	\$1,133						561	n/a	No	0	N/A					
1BR / 1BA	N/A	N/A	@50%	\$900						886	yes	Yes	0	N/A					
1BR / 1BA	N/A	N/A	Market	\$1,397						886	n/a	No	8	N/A					
2BR / 2BA	N/A	N/A	@50%	\$1,037						955	yes	Yes	0	N/A					
2BR / 2BA	N/A	N/A	Market	\$1,620						955	n/a	No	4	N/A					
3BR / 3BA	N/A	N/A	@50%	\$1,276						1,275	yes	Yes	0	N/A					
3BR / 3BA	N/A	N/A	Market	\$2,379						1,275	n/a	No	5	N/A					
										308	100.0%							17	5.5%
7	1016 Lofts 1016 Howell Mill Rd Atlanta, GA 30318 Fulton County	1.1 miles	Midrise (6 stories) 2003 / n/a	Market						Studio / 1BA	N/A	N/A	Market	\$1,189	630	n/a	No	2	N/A
					Studio / 1BA	N/A	N/A	Market	\$1,515	630	n/a	No	1	N/A					
					Studio / 1BA	N/A	N/A	Market	\$1,370	649	n/a	No	1	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,237	720	n/a	No	0	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,611	972	n/a	No	2	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,811	1,278	n/a	No	0	N/A					
					2BR / 1BA	N/A	N/A	Market	\$1,622	972	n/a	No	0	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,911	1,218	n/a	No	2	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,994	1,367	n/a	No	4	N/A					
										265	100.0%							12	4.5%
8	935M 935 Marietta St NW Atlanta, GA 30318 Fulton County	0.8 miles	Various (7 stories) 2010 / n/a	Market	Studio / 1BA (Highrise)	94	33.3%	Market	\$1,265	560	n/a	No	6	6.4%					
					Studio / 1BA (Highrise)	N/A	N/A	Market	\$1,460	600	n/a	N/A	N/A						
					Studio / 1BA (Highrise)	N/A	N/A	Market	\$1,071	520	n/a	N/A	N/A						
					1BR / 1BA (Highrise)	47	16.7%	Market	\$1,463	768	n/a	3	6.4%						
					1BR / 1BA (Highrise)	N/A	N/A	Market	\$1,675	850	n/a	N/A	N/A						
					1BR / 1BA (Highrise)	N/A	N/A	Market	\$1,250	685	n/a	N/A	N/A						
					1BR / 2BA (Highrise)	47	16.7%	Market	\$2,086	1,125	n/a	3	6.4%						
					1BR / 2BA (Highrise)	N/A	N/A	Market	\$2,186	1,260	n/a	N/A	N/A						
					1BR / 2BA (Highrise)	N/A	N/A	Market	\$1,986	990	n/a	N/A	N/A						
					2BR / 2BA (Highrise)	94	33.3%	Market	\$1,758	1,140	n/a	7	7.4%						
2BR / 2BA (Highrise)	N/A	N/A	Market	\$2,602	1,300	n/a	No	10	N/A										
2BR / 2BA (Highrise)	N/A	N/A	Market	\$1,758	980	n/a	No	10	N/A										
2BR / 3BA (Highrise)	N/A	N/A	Market	\$3,133	2,415	n/a	N/A	N/A											
					282	100.0%							19	6.7%					
9	Arium Westside 1000 Northside Dr NW Atlanta, GA 30318 Fulton County	1.1 miles	Midrise (6 stories) 2006 / 2017	Market	1BR / 1BA	N/A	N/A	Market	\$1,430	771	n/a	No	0	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,458	845	n/a	No	1	N/A					
					1BR / 1BA	N/A	N/A	Market	\$2,060	1,359	n/a	No	0	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,877	1,068	n/a	No	0	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,982	1,100	n/a	No	1	N/A					
					3BR / 2BA	N/A	N/A	Market	\$2,669	1,368	n/a	No	0	N/A					
										336	100.0%							2	0.6%
10	Point At Westside 370 Northside Drive NW Atlanta, GA 30318 Fulton County	0.2 miles	Midrise (4 stories) 2004/2015/ 2016	Market	Studio / 1BA	3	1.1%	Market	\$940	595	n/a	No	0	0.0%					
					Studio / 1BA	3	1.1%	Market	\$1,010	674	n/a	No	0	0.0%					
					1BR / 1BA	19	7.2%	Market	\$1,062	729	n/a	No	1	5.3%					
					1BR / 1BA	20	7.6%	Market	\$1,220	751	n/a	No	1	5.0%					
					1BR / 1BA	2	0.8%	Market	\$1,635	1,142	n/a	No	1	50.0%					
					1BR / 1BA	2	0.8%	Market	\$1,761	1,190	n/a	No	1	50.0%					
					2BR / 2BA	54	20.5%	Market	\$1,277	1,001	n/a	No	4	7.4%					
					2BR / 2BA	55	20.9%	Market	\$1,326	1,056	n/a	No	4	7.3%					
					2BR / 2BA	55	20.9%	Market	\$1,756	1,300	n/a	No	4	7.3%					
					3BR / 2BA	25	9.5%	Market	\$1,689	1,211	n/a	No	6	24.0%					
3BR / 2BA	25	9.5%	Market	\$1,717	1,234	n/a	No	6	24.0%										
					263	100.0%							28	10.6%					

HERNDON HOMES SENIOR – ATLANTA, GEORGIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date:		May-17	Units Surveyed:		2,674	Weighted Occupancy: 96.3%
			Market Rate:		1,146	Market Rate 94.7%
			Tax Credit:		1,528	Tax Credit 97.4%
One Bedroom One Bath			Two Bedrooms Two Bath			
RENT	Property	Average	Property	Average	Property	Average
	Arium Westside	\$2,060	935M	\$2,602		
	1016 Lofts	\$1,811	1016 Lofts	\$1,994		
	Point At Westside	\$1,761	Arium Westside	\$1,982		
	935M	\$1,675	1016 Lofts	\$1,911		
	Point At Westside	\$1,635	Arium Westside	\$1,877		
	1016 Lofts	\$1,611	935M	\$1,758		
	935M	\$1,463	935M	\$1,758		
	Arium Westside	\$1,458	Point At Westside	\$1,756		
	Arium Westside	\$1,430	M Street Apartments * (M)	\$1,620		
	M Street Apartments * (M)	\$1,397	Centennial Place Apartments * (M)	\$1,328		
	935M	\$1,250	Point At Westside	\$1,326		
	1016 Lofts	\$1,237	Point At Westside	\$1,277		
	Point At Westside	\$1,220	Centennial Place Apartments * (M)	\$1,270		
	Point At Westside	\$1,062	Lillie R. Campbell House * (M)	\$1,076		
	Centennial Place Apartments * (M)	\$1,050	Columbia Heritage Senior Residences * (1BA M)	\$1,049		
	Columbia Senior Residences At Mechanicsville * (M)	\$955	M Street Apartments * (50%)	\$1,037		
	M Street Apartments * (50%)	\$900	Centennial Place Apartments * (60%)	\$872		
	Columbia Senior Residences At Mechanicsville * (60%)	\$865	Centennial Place Apartments * (60%)	\$872		
	Columbia Senior Residences At Mechanicsville * (PBRA)	\$865	Herndon Homes Senior * (60%)	\$817		
	Lillie R. Campbell House * (M)	\$813	Lillie R. Campbell House * (60%)	\$814		
	Lillie R. Campbell House * (60%)	\$688	Columbia Heritage Senior Residences * (1BA 50%)	\$770		
	Centennial Place Apartments * (60%)	\$686	Columbia Heritage Senior Residences * (1BA 60%)	\$770		
	Herndon Homes Senior * (60%)	\$686				
	Baptist Gardens * (60%)	\$658				
	Baptist Gardens * (50%)	\$591				
SQUARE FOOTAGE						
	Arium Westside	1,359	1016 Lofts	1,367		
	1016 Lofts	1,278	935M	1,300		
	Point At Westside	1,190	Point At Westside	1,300		
	Point At Westside	1,142	Centennial Place Apartments * (60%)	1,231		
	1016 Lofts	972	Centennial Place Apartments * (M)	1,231		
	M Street Apartments * (50%)	886	1016 Lofts	1,218		
	M Street Apartments * (M)	886	935M	1,140		
	935M	850	Arium Westside	1,100		
	Arium Westside	845	Arium Westside	1,068		
	Arium Westside	771	Point At Westside	1,056		
	935M	768	Centennial Place Apartments * (60%)	1,050		
	Point At Westside	751	Centennial Place Apartments * (M)	1,050		
	Baptist Gardens * (50%)	750	Point At Westside	1,001		
	Baptist Gardens * (60%)	750	935M	980		
	Columbia Senior Residences At Mechanicsville * (60%)	750	Columbia Heritage Senior Residences * (1BA 50%)	970		
	Columbia Senior Residences At Mechanicsville * (M)	750	Columbia Heritage Senior Residences * (1BA 60%)	970		
	Columbia Senior Residences At Mechanicsville * (PBRA)	750	Columbia Heritage Senior Residences * (1BA M)	970		
	Point At Westside	729	Herndon Homes Senior * (60%)	957		
	1016 Lofts	720	M Street Apartments * (50%)	955		
	Herndon Homes Senior * (60%)	692	M Street Apartments * (M)	955		
	Centennial Place Apartments * (60%)	688	Lillie R. Campbell House * (60%)	882		
	Centennial Place Apartments * (M)	688	Lillie R. Campbell House * (M)	882		
	935M	685				
	Lillie R. Campbell House * (60%)	626				
	Lillie R. Campbell House * (M)	626				
RENT PER SQUARE FOOT						
	935M	\$1.97	935M	\$2.00		
	935M	\$1.90	Arium Westside	\$1.80		
	Arium Westside	\$1.85	935M	\$1.79		
	935M	\$1.82	Arium Westside	\$1.76		
	Arium Westside	\$1.73	M Street Apartments * (M)	\$1.70		
	1016 Lofts	\$1.72	1016 Lofts	\$1.57		
	1016 Lofts	\$1.66	935M	\$1.54		
	Point At Westside	\$1.62	1016 Lofts	\$1.46		
	M Street Apartments * (M)	\$1.58	Point At Westside	\$1.35		
	Centennial Place Apartments * (M)	\$1.53	Point At Westside	\$1.28		
	Arium Westside	\$1.52	Point At Westside	\$1.26		
	Point At Westside	\$1.48	Lillie R. Campbell House * (M)	\$1.22		
	Point At Westside	\$1.46	Centennial Place Apartments * (M)	\$1.21		
	Point At Westside	\$1.43	M Street Apartments * (50%)	\$1.09		
	1016 Lofts	\$1.42	Columbia Heritage Senior Residences * (1BA M)	\$1.08		
	Lillie R. Campbell House * (M)	\$1.30	Centennial Place Apartments * (M)	\$1.08		
	Columbia Senior Residences At Mechanicsville * (M)	\$1.27	Lillie R. Campbell House * (60%)	\$0.92		
	Columbia Senior Residences At Mechanicsville * (60%)	\$1.15	Herndon Homes Senior * (60%)	\$0.85		
	Columbia Senior Residences At Mechanicsville * (PBRA)	\$1.15	Centennial Place Apartments * (60%)	\$0.83		
	Lillie R. Campbell House * (60%)	\$1.10	Columbia Heritage Senior Residences * (1BA 50%)	\$0.79		
	M Street Apartments * (50%)	\$1.02	Columbia Heritage Senior Residences * (1BA 60%)	\$0.79		
	Centennial Place Apartments * (60%)	\$1.00	Centennial Place Apartments * (60%)	\$0.71		
	Herndon Homes Senior * (60%)	\$0.99				
	Baptist Gardens * (60%)	\$0.88				
	Baptist Gardens * (50%)	\$0.79				

PROPERTY PROFILE REPORT

Baptist Gardens

Effective Rent Date	4/18/2017
Location	1928 Delowe Drive SW Atlanta, GA 30311 Fulton County
Distance	5.4 miles
Units	100
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	9/01/2012
Leasing Began	1/01/2013
Last Unit Leased	6/01/2013
Major Competitors	None Identified
Tenant Characteristics	Senior tenants 55+ (Av. Age 65-70), mostly drawn from greater ATL
Contact Name	Ebony
Phone	404-753-2500



Market Information

Program	@50%, @60%
Annual Turnover Rate	10%
Units/Month Absorbed	15
HCV Tenants	3%
Leasing Pace	30 days
Annual Chg. in Rent	Increased 5.7% on units set aside at 60%
Concession	None

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	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	Lowrise (3 stories)	25	750	\$673	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	75	750	\$740	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$673	\$0	\$673	-\$82	\$591	1BR / 1BA	\$740	\$0	\$740	-\$82	\$658

Amenities

In-Unit

Carpet/Hardwood
Dishwasher
Microwave
Refrigerator

Central A/C
Ceiling Fan
Oven

Security

Limited Access

Services

Shuttle Service

Property

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

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Service Coordination

Premium

Delivered Hot Lunches
Hairdresser / Barber
Medical Professional

Other

None

Baptist Gardens, continued

Comments

The contact reported strong demand for affordable senior housing in the area. A waiting list was reported but the length was not provided.

Baptist Gardens, continued

Trend Report

Vacancy Rates

2Q15	4Q15	1Q16	2Q17
0.0%	1.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$673	\$0	\$673	\$591
2015	4	0.0%	\$673	\$0	\$673	\$591
2016	1	0.0%	\$673	\$0	\$673	\$591
2017	2	0.0%	\$673	\$0	\$673	\$591

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$700	\$0	\$700	\$618
2015	4	1.3%	\$700	\$0	\$700	\$618
2016	1	0.0%	\$700	\$0	\$700	\$618
2017	2	0.0%	\$740	\$0	\$740	\$658

Trend: Comments

2Q15	The waiting list was reported to have 20 applicants at this time. The contact noted rents are well below the maximum allowable for the units at 60 percent AMI since max rents would be burdensome for the majority of households at the property.
4Q15	According to the contact, the property maintains a waiting list of 15 households that is shared between all units.
1Q16	N/A
2Q17	The contact reported strong demand for affordable senior housing in the area. A waiting list was reported but the length was not provided.

Photos



PROPERTY PROFILE REPORT

Centennial Place Apartments

Effective Rent Date	4/10/2017
Location	526 Centennial Olympic Park Drive Atlanta, GA 30313 Fulton County
Distance	0.6 miles
Units	738
Vacant Units	15
Vacancy Rate	2.0%
Type	Various (3 stories)
Year Built/Renovated	1996/2001 / 2014/Ongoing
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	M Street, 710 Peachtree
Tenant Characteristics	None identified
Contact Name	Tasha
Phone	404-892-0772



Market Information

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

Utilities

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

Unit Mix (face rent)

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

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$686	\$0	\$686	\$0	\$686	1BR / 1BA	\$1,050	\$0	\$1,050	\$0	\$1,050
2BR / 1BA	\$812	\$0	\$812	\$0	\$812	2BR / 1BA	\$1,200	\$0	\$1,200	\$0	\$1,200
2BR / 1.5BA	\$812	\$0	\$812	\$0	\$812	2BR / 1.5BA	\$1,600	\$0	\$1,600	\$0	\$1,600
2BR / 2BA	\$872	\$0	\$872	\$0	\$872	2BR / 2BA	\$1,270 - \$1,328	\$0	\$1,270 - \$1,328	\$0	\$1,270 - \$1,328
3BR / 2.5BA	\$928	\$0	\$928	\$0	\$928	3BR / 2.5BA	\$1,700 - \$1,875	\$0	\$1,700 - \$1,875	\$0	\$1,700 - \$1,875

Centennial Place Apartments, continued

Amenities

In-Unit

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

Blinds
Central A/C
Exterior Storage
Oven
Washer/Dryer

Security

Patrol
Perimeter Fencing

Services

None

Property

Clubhouse/Meeting
Garage
Off-Street Parking
Swimming Pool

Exercise Facility
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

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

Centennial Place Apartments, continued

Trend Report

Vacancy Rates

3Q11	1Q15	3Q15	2Q17
6.0%	8.0%	2.0%	2.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$599	\$0	\$599	\$599
2015	1	N/A	\$728	\$0	\$728	\$728
2015	3	N/A	\$728	\$0	\$728	\$728
2017	2	N/A	\$686	\$0	\$686	\$686

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$799	\$0	\$799	\$799
2015	1	N/A	\$872	\$0	\$872	\$872
2015	3	N/A	\$872	\$0	\$872	\$872
2017	2	N/A	\$812	\$0	\$812	\$812

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$749	\$0	\$749	\$749
2015	1	N/A	\$872	\$0	\$872	\$872
2015	3	N/A	\$872	\$0	\$872	\$872
2017	2	N/A	\$812	\$0	\$812	\$812

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$833	\$0	\$833	\$833
2015	1	N/A	\$872	\$0	\$872	\$872
2015	3	N/A	\$872	\$0	\$872	\$872
2017	2	N/A	\$872	\$0	\$872	\$872

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$960	\$0	\$960	\$960
2015	1	N/A	\$1,004	\$0	\$1,004	\$1,004
2015	3	N/A	\$1,004	\$0	\$1,004	\$1,004
2017	2	N/A	\$928	\$0	\$928	\$928

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$750	\$0	\$750	\$750
2015	1	N/A	\$970	\$0	\$970	\$970
2015	3	N/A	\$980	\$0	\$980	\$980
2017	2	N/A	\$1,050	\$0	\$1,050	\$1,050

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$1,175	\$0	\$1,175	\$1,175
2015	1	N/A	\$1,531	\$0	\$1,531	\$1,531
2015	3	N/A	\$1,420	\$0	\$1,420	\$1,420
2017	2	N/A	\$1,600	\$0	\$1,600	\$1,600

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$875	\$0	\$875	\$875
2015	1	N/A	\$1,300	\$0	\$1,300	\$1,300
2015	3	N/A	\$1,385	\$0	\$1,385	\$1,385
2017	2	N/A	\$1,200	\$0	\$1,200	\$1,200

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$999 - \$1,340	\$0	\$999 - \$1,340	\$999 - \$1,340
2015	1	N/A	\$1,390 - \$2,059	\$0	\$1,390 - \$2,059	\$1,390 - \$2,059
2015	3	N/A	\$1,270 - \$1,328	\$0	\$1,270 - \$1,328	\$1,270 - \$1,328
2017	2	N/A	\$1,270 - \$1,328	\$0	\$1,270 - \$1,328	\$1,270 - \$1,328

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$1,490 - \$1,600	\$0	\$1,490 - \$1,600	\$1,490 - \$1,600
2015	1	N/A	\$2,320 - \$2,555	\$0	\$2,320 - \$2,555	\$2,320 - \$2,555
2015	3	N/A	\$1,819 - \$1,840	\$0	\$1,819 - \$1,840	\$1,819 - \$1,840
2017	2	N/A	\$1,700 - \$1,875	\$0	\$1,700 - \$1,875	\$1,700 - \$1,875

4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$1,820	\$0	\$1,820	\$1,820

Centennial Place Apartments, continued

Trend: Comments

- 3Q11** Management reported that rents have not changed over the past year. The two and three-bedroom townhouse units include garages. As stated in prior interviews, 175 of the LIHTC units operate with Project-Based Rental Assistance (PBRA). The property typically remains 94 to 95 percent occupied.
- 1Q15** Management reported that rents have increased approximately 10 percent in the last year. The two and three-bedroom townhouse units include garages. As stated in prior interviews, 175 of the LIHTC units operate with Project-Based Rental Assistance (PBRA). The property typically remains 95 to 96 percent occupied across all four phases. Currently the property is 91 percent occupied and 92 percent pre-leased. Management reported a higher number of move outs recently, accounting for the increase in vacancy. The property does not maintain a waiting list on any of its units. The market rate units operate on the LRO system and change based on demand.
- 3Q15** The contact stated the property is currently LIHTC undergoing renovations, which accounts for vacant units.. The contact stated the property is 98 percent occupied. The market rate units operate on the LRO system and change based on demand. LIHTC rents have remained stable since the first quarter 2015.
- 2Q17** The contact stated the property is currently undergoing renovations with LIHTC equity, which accounts for vacant units. Details regarding the scope of renovation were unavailable. The market rate units operate on the LRO system and change based on demand.

PROPERTY PROFILE REPORT

Columbia Heritage Senior Residences

Effective Rent Date	4/26/2017
Location	1900 Perry Blvd NW Atlanta, GA 30318 Fulton County Intersection: Perry Blvd and Sanford Dr
Distance	3.3 miles
Units	132
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (age-restricted) (5 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified.
Tenant Characteristics	Seniors age 62 and older from Atlanta region and surrounding area.
Contact Name	Loretta Jones
Phone	404-792-7511



Market Information

Program	@50% (PBRA), @60% (PBRA), Market,
Annual Turnover Rate	3%
Units/Month Absorbed	9
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Midrise (5 stories)	62	970	\$770	\$0	@50% (PBRA)	Yes	0	0.0%	N/A	None
2	1	Midrise (5 stories)	62	970	\$770	\$0	@60% (PBRA)	Yes	0	0.0%	N/A	None
2	1	Midrise (5 stories)	6	970	\$1,049	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Midrise (5 stories)	2	970	N/A	\$0	Non-Rental	N/A	0	0.0%	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$770	\$0	\$770	\$0	\$770	2BR / 1BA	\$770	\$0	\$770	\$0	\$770
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$1,049	\$0	\$1,049	\$0	\$1,049	2BR / 1BA	N/A	\$0	N/A	\$0	N/A

Columbia Heritage Senior Residences, continued

Amenities

In-Unit

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

Carpeting
Coat Closet
Ceiling Fan
Hand Rails
Pull Cords
Walk-In Closet

Security

Limited Access
Patrol

Services

None

Property

Business Center/Computer Lab
Courtyard
Exercise Facility
Off-Street Parking
Theatre

Clubhouse/Meeting
Elevators
Central Laundry
On-Site Management

Premium

None

Other

Dining room, arts & crafts,

Comments

The contact reported that the property maintains a waiting list approximately two years in length.

Columbia Heritage Senior Residences, continued

Trend Report

Vacancy Rates

1Q13	4Q13	2Q15	2Q17
0.0%	0.0%	0.0%	0.0%

Trend: @50%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$770	\$0	\$770	\$770
2013	4	0.0%	\$770	\$0	\$770	\$770
2015	2	0.0%	\$770	\$0	\$770	\$770
2017	2	0.0%	\$770	\$0	\$770	\$770

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$770	\$0	\$770	\$770
2013	4	0.0%	\$770	\$0	\$770	\$770
2015	2	0.0%	\$770	\$0	\$770	\$770
2017	2	0.0%	\$770	\$0	\$770	\$770

Trend: Market

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$795	\$0	\$795	\$795
2013	4	0.0%	\$795	\$0	\$795	\$795
2015	2	0.0%	\$1,049	\$0	\$1,049	\$1,049
2017	2	0.0%	\$1,049	\$0	\$1,049	\$1,049

Trend: Non-Rental

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	N/A	\$0	N/A	N/A
2013	4	0.0%	N/A	\$0	N/A	N/A
2015	2	0.0%	N/A	\$0	N/A	N/A
2017	2	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

- 1Q13** The contact noted that the property maintains a waiting list of seven households for its PBRA units. The contract rents for the PBRA units are reflected in the profile.
- 4Q13** The contact noted that the property maintains a waiting list of approximately five households for its PBRA units. The contract rents for the PBRA units are reflected in the profile.
- 2Q15** The contact noted that the property maintains a waiting list of approximately one year for both the affordable and the market rate units. Rents increased substantially, by 36 percent. The manager indicated that there has been a significant amount of development occurring within the area, include multifamily housing, which resulted in the large rent increase. The manager stated that they have not had any difficulty finding seniors that could afford the higher rents as the units are fully occupied with a waiting list.
- 2Q17** The contact reported that the property maintains a waiting list approximately two years in length.

Photos



PROPERTY PROFILE REPORT

Columbia Senior Residences At Mechanicsville

Effective Rent Date	4/26/2017
Location	555 McDaniel St Atlanta, GA 30312 Fulton County
Distance	1.9 miles
Units	154
Vacant Units	7
Vacancy Rate	4.5%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	3/01/2008
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Seniors 62+, primarily from local area, few out of state moving closer to be near families
Contact Name	Paulina Benjamin
Phone	(404) 577-3553



Market Information

Program	@60%, Market, PBRA
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased two to 10 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	Midrise (4 stories)	18	750	\$790	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	1	750	\$880	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	135	750	\$790	\$0	PBRA	Yes	7	5.2%	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	\$790	\$0	\$790	\$75	\$865	1BR / 1BA	\$880	\$0	\$880	\$75	\$955
PBRA	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$790	\$0	\$790	\$75	\$865						

Columbia Senior Residences At Mechanicsville, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Garbage Disposal
Oven
Refrigerator

Blinds
Central A/C
Dishwasher
Hand Rails
Pull Cords
Washer/Dryer hookup

Security

Intercom (Buzzer)
Patrol
Video Surveillance

Services

None

Property

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

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area
Theatre

Premium

Medical Professional

Other

Game room, garden, library,

Comments

The property maintains a waiting list of approximately 150 households. The contact reported that all vacancies are pre-leased. The rents listed for the PBRA units are contract rents.

Columbia Senior Residences At Mechanicsville, continued

Trend Report

Vacancy Rates

3Q12	3Q13	3Q15	2Q17
4.5%	3.9%	2.6%	4.5%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$612	\$0	\$612	\$687
2013	3	N/A	\$612	\$0	\$612	\$687
2015	3	N/A	\$712	\$0	\$712	\$787
2017	2	0.0%	\$790	\$0	\$790	\$865

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$790	\$0	\$790	\$865
2013	3	N/A	\$790	\$0	\$790	\$865
2015	3	N/A	\$865	\$0	\$865	\$940
2017	2	0.0%	\$880	\$0	\$880	\$955

Trend: PBRA

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	N/A	\$0	N/A	N/A
2013	3	N/A	N/A	\$0	N/A	N/A
2015	3	N/A	N/A	\$0	N/A	N/A
2017	2	5.2%	\$790	\$0	\$790	\$865

Trend: Comments

- 3Q12** Management indicated they currently have seven vacancies but also have a waiting list that should fill these vacancies soon. Management commented that the demand is strong from affordable senior housing in the rental market, and that the majority of their tenants either formerly lived in the area and chose to reside there, or relocated from out of state, generally to be closer to their families here in Atlanta. They do not offer any additional features/services/amenities on site that the tenants would have to pay additional money for.
- Representative estimated the annual turnover to be less than five percent. Management also stated the primary source of income for these tenants is social security and estimated an average income of \$10,000 for the residents.
- 3Q13** The property manager stated that occupancy is currently at 96 percent with six vacancies. However, the property manager stated that four of these vacancies are preleased and will be filled within the month, and that it usually takes no more than one month to fill vacant units.
- Representative estimated the annual turnover to be five to ten percent. Rents are unchanged in the past year.
- 3Q15** The property maintains a waiting list that is currently five years in length and is not currently running any concessions. Since our last interview in 2013, rents have increased between 9.5 and 16 percent.
- 2Q17** The property maintains a waiting list of approximately 150 households. The contact reported that all vacancies are pre-leased. The rents listed for the PBRA units are contract rents.

Photos



PROPERTY PROFILE REPORT

Lillie R. Campbell House

Effective Rent Date 5/09/2017

Location 1830 Campbellton Rd SW
Atlanta, GA 30311
Fulton County
Intersection: Campbellton Rd SW and Willowbrook Dr SW

Distance 4.7 miles

Units 96

Vacant Units 0

Vacancy Rate 0.0%

Type Midrise (age-restricted) (4 stories)

Year Built/Renovated 2008 / N/A

Marketing Began N/A

Leasing Began 8/01/2008

Last Unit Leased 5/01/2009

Major Competitors None Identified.

Tenant Characteristics Seniors 55+. Mostly former home owners and retirees from the Atlanta area

Contact Name Denise

Phone 404-766-2929



Market Information

Program @60%, Market

Annual Turnover Rate 25%

Units/Month Absorbed 10

HCV Tenants 10%

Leasing Pace Within one week

Annual Chg. in Rent Kept at max

Concession None

Utilities

A/C included -- central

Cooking included -- electric

Water Heat included -- electric

Heat included -- electric

Other Electric 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)	19	626	\$770	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	5	626	\$895	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Midrise (4 stories)	48	831	\$830	\$0	@60%	Yes	0	0.0%	no	None
2	1	Midrise (4 stories)	12	831	\$1,125	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Midrise (4 stories)	6	882	\$923	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	2	882	\$1,185	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Midrise (4 stories)	3	1,108	\$1,093	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Midrise (4 stories)	1	1,108	\$1,275	\$0	Market	Yes	0	0.0%	N/A	None

Lillie R. Campbell House, continued

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$770	\$0	\$770	-\$82	\$688	1BR / 1BA	\$895	\$0	\$895	-\$82	\$813
2BR / 1BA	\$830	\$0	\$830	-\$109	\$721	2BR / 1BA	\$1,125	\$0	\$1,125	-\$109	\$1,016
2BR / 2BA	\$923	\$0	\$923	-\$109	\$814	2BR / 2BA	\$1,185	\$0	\$1,185	-\$109	\$1,076
3BR / 2BA	\$1,093	\$0	\$1,093	-\$136	\$957	3BR / 2BA	\$1,275	\$0	\$1,275	-\$136	\$1,139

Amenities

In-Unit

Balcony/Patio
 Carpeting
 Coat Closet
 Garbage Disposal
 Microwave
 Pull Cords
 Walk-In Closet

Blinds
 Central A/C
 Dishwasher
 Hand Rails
 Oven
 Refrigerator
 Washer/Dryer hookup

Security

Intercom (Phone)
 Limited Access

Services

Shuttle Service

Property

Business Center/Computer Lab
 Concierge
 Elevators
 Central Laundry
 Off-Street Parking
 Picnic Area
 Service Coordination

Clubhouse/Meeting
 Courtyard
 Exercise Facility
 Non-shelter Services
 On-Site Management
 Recreation Areas
 Theatre

Premium

None

Other

None

Comments

The property maintains a waiting list of approximately 159 households.

Lillie R. Campbell House, continued

Trend Report

Vacancy Rates

1Q14	1Q15	3Q15	2Q17
3.1%	4.2%	1.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$725	\$0	\$725	\$643
2015	1	0.0%	\$725	\$0	\$725	\$643
2015	3	5.3%	\$725	\$0	\$725	\$643
2017	2	0.0%	\$770	\$0	\$770	\$688

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	6.2%	\$930	\$0	\$930	\$821
2015	1	4.2%	\$830	\$0	\$830	\$721
2015	3	0.0%	\$830	\$0	\$830	\$721
2017	2	0.0%	\$830	\$0	\$830	\$721

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$955	\$0	\$955	\$846
2015	1	33.3%	\$955	\$0	\$955	\$846
2015	3	0.0%	\$955	\$0	\$955	\$846
2017	2	0.0%	\$923	\$0	\$923	\$814

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$1,095	\$0	\$1,095	\$959
2015	1	0.0%	\$1,095	\$0	\$1,095	\$959
2015	3	0.0%	\$1,095	\$0	\$1,095	\$959
2017	2	0.0%	\$1,093	\$0	\$1,093	\$957

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$895	\$100	\$795	\$713
2015	1	0.0%	\$895	\$37	\$858	\$776
2015	3	0.0%	\$895	\$0	\$895	\$813
2017	2	0.0%	\$895	\$0	\$895	\$813

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$1,125	\$100	\$1,025	\$916
2015	1	0.0%	\$1,125	\$47	\$1,078	\$969
2015	3	0.0%	\$1,125	\$0	\$1,125	\$1,016
2017	2	0.0%	\$1,125	\$0	\$1,125	\$1,016

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$1,185	\$100	\$1,085	\$976
2015	1	0.0%	\$1,185	\$49	\$1,136	\$1,027
2015	3	0.0%	\$1,185	\$0	\$1,185	\$1,076
2017	2	0.0%	\$1,185	\$0	\$1,185	\$1,076

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$1,275	\$100	\$1,175	\$1,039
2015	1	0.0%	\$1,275	\$53	\$1,222	\$1,086
2015	3	0.0%	\$1,275	\$0	\$1,275	\$1,139
2017	2	0.0%	\$1,275	\$0	\$1,275	\$1,139

Trend: Comments

1Q14 No additional comments.

1Q15 The contact reported that the reason for the rent decrease on market rate two bedroom, one bathroom units is because they are having a harder time leasing them, which is not typical at the property. The property maintains a waiting list that is 45 households long for one bedroom units and 12 households long for three bedroom units. The contact added that most tenants are former homeowners and retirees from the Atlanta area. The contact reported that the current concession is half off of the first month's rent on market rate units. Vacancies are pre-leased.

3Q15 The property maintains a waiting list of 55 households all unit types.

2Q17 The property maintains a waiting list of approximately 159 households.

Lillie R. Campbell House, continued

Photos



PROPERTY PROFILE REPORT

M Street Apartments

Effective Rent Date	4/11/2017
Location	950 Marietta Street Atlanta, GA 30318 Fulton County
Distance	0.7 miles
Units	308
Vacant Units	17
Vacancy Rate	5.5%
Type	Garden (3 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	3/27/2004
Leasing Began	6/15/2004
Last Unit Leased	N/A
Major Competitors	1016 Lofts, Park District Lofts
Tenant Characteristics	Most tenants are locals from Atlanta.
Contact Name	Steve
Phone	678-904-9140



Market Information

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

Utilities

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

Unit Mix (face rent)

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

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$790	\$0	\$790	\$75	\$865	Studio / 1BA	\$1,058	\$0	\$1,058	\$75	\$1,133
1BR / 1BA	\$825	\$0	\$825	\$75	\$900	1BR / 1BA	\$1,322	\$0	\$1,322	\$75	\$1,397
2BR / 2BA	\$920	\$0	\$920	\$117	\$1,037	2BR / 2BA	\$1,503	\$0	\$1,503	\$117	\$1,620
3BR / 3BA	\$1,112	\$0	\$1,112	\$164	\$1,276	3BR / 3BA	\$2,215	\$0	\$2,215	\$164	\$2,379

M Street Apartments, continued

Amenities

In-Unit

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

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

Security

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

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management

Exercise Facility
Off-Street Parking
Swimming Pool

Premium

None

Other

None

Comments

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

M Street Apartments, continued

Trend Report

Vacancy Rates

2Q15	3Q15	2Q16	2Q17
7.5%	0.6%	8.1%	5.5%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$772	\$0	\$772	\$847
2015	3	N/A	\$825	\$0	\$825	\$900
2016	2	N/A	\$825	\$0	\$825	\$900
2017	2	N/A	\$825	\$0	\$825	\$900

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$942	\$0	\$942	\$1,059
2015	3	N/A	\$925	\$0	\$925	\$1,042
2016	2	N/A	\$920	\$0	\$920	\$1,037
2017	2	N/A	\$920	\$0	\$920	\$1,037

3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,095	\$0	\$1,095	\$1,259
2016	2	N/A	\$1,112	\$0	\$1,112	\$1,276
2017	2	N/A	\$1,112	\$0	\$1,112	\$1,276

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$702	\$0	\$702	\$777
2015	3	N/A	\$790	\$0	\$790	\$865
2016	2	N/A	\$790	\$0	\$790	\$865
2017	2	N/A	\$790	\$0	\$790	\$865

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$1,088	\$0	\$1,088	\$1,163
2015	3	N/A	\$1,088	\$0	\$1,088	\$1,163
2016	2	N/A	\$1,514	\$0	\$1,514	\$1,589
2017	2	N/A	\$1,322	\$0	\$1,322	\$1,397

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$1,442	\$0	\$1,442	\$1,559
2015	3	N/A	\$1,442	\$0	\$1,442	\$1,559
2016	2	N/A	\$1,520	\$0	\$1,520	\$1,637
2017	2	N/A	\$1,503	\$0	\$1,503	\$1,620

3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$1,866	\$0	\$1,866	\$2,030
2015	3	N/A	\$1,866	\$0	\$1,866	\$2,030
2016	2	N/A	\$2,220	\$0	\$2,220	\$2,384
2017	2	N/A	\$2,215	\$0	\$2,215	\$2,379

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$895	\$0	\$895	\$970
2015	3	N/A	\$950	\$0	\$950	\$1,025
2016	2	N/A	\$1,195	\$0	\$1,195	\$1,270
2017	2	N/A	\$1,058	\$0	\$1,058	\$1,133

Trend: Comments

2Q15 Our contact could not report the specific units that were vacant, but stated that they are currently operating at 92% occupancy, and are 97% pre-leased. This property implements LRO pricing.

We believe that the property's affordable units have a Section 8 subsidy, given that the rents are significantly higher than the maximum allowable levels and similar to fair market rents. However, no one at the property was able to confirm this.

3Q15 The property maintains a waiting list for all unit types which is closed at this time. The contact was unable to disclose the current number of households on the waiting list.

2Q16 The contact reported that there is a high demand for rental housing in the area. He stated that approximately 20% of the phone calls he receives are inquiries about the low income housing program. The contact reported that the property utilizes LRO pricing for the market-rate units, and all vacancies are in market-rate units. The contact did not provide the number of households on the waiting list, however, there is not a waiting list for market-rate units. Also, the contact did not provide a breakdown of vacancies per unit type. The property is currently at approximately 92 percent occupancy, which is typical for the property. They recently discontinued the acceptance of Housing Choice Vouchers.

2Q17 The contact reported that there is high demand for rental housing in the area. He stated that approximately 20% of the phone calls he receives are inquiries about the low income housing program. The contact reported that the property utilizes LRO pricing for the market rate units, and all vacancies are in market rate units. The contact did not provide the number of households on the waiting list, which is only for the low income units. Housing Choice Vouchers are no longer accepted at the property.

M Street Apartments, continued

Photos



PROPERTY PROFILE REPORT

1016 Lofts

Effective Rent Date	4/12/2017
Location	1016 Howell Mill Rd Atlanta, GA 30318 Fulton County
Distance	1.1 miles
Units	265
Vacant Units	12
Vacancy Rate	4.5%
Type	Midrise (6 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Unable to disclose
Tenant Characteristics	Majority Georgia Tech faculty and staff
Contact Name	Sara
Phone	404-815-8877



Market Information

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

Utilities

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

Unit Mix (face rent)

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

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$1,114 - \$1,440	\$0	\$1,114 - \$1,440	\$75	\$1,189 - \$1,515
1BR / 1BA	\$1,162 - \$1,736	\$0	\$1,162 - \$1,736	\$75	\$1,237 - \$1,811
2BR / 1BA	\$1,505	\$0	\$1,505	\$117	\$1,622
2BR / 2BA	\$1,794 - \$1,877	\$0	\$1,794 - \$1,877	\$117	\$1,911 - \$1,994

1016 Lofts, continued

Amenities

In-Unit

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

Blinds
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer

Security

Intercom (Phone)
Limited Access
Video Surveillance

Services

None

Property

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

Commercial/Retail
Elevators
Garage
On-Site Management
Swimming Pool

Premium

None

Other

Cafe, Lounge

Comments

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

1016 Lofts, continued

Trend Report

Vacancy Rates

3Q15	2Q16	2Q17
3.8%	1.9%	4.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,328 - \$1,645	\$0	\$1,328 - \$1,645	\$1,403 - \$1,720
2016	2	N/A	\$1,328 - \$1,645	\$0	\$1,328 - \$1,645	\$1,403 - \$1,720
2017	2	N/A	\$1,162 - \$1,736	\$0	\$1,162 - \$1,736	\$1,237 - \$1,811

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,505	\$0	\$1,505	\$1,622
2016	2	N/A	\$1,505	\$0	\$1,505	\$1,622
2017	2	N/A	\$1,505	\$0	\$1,505	\$1,622

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,619 - \$1,887	\$0	\$1,619 - \$1,887	\$1,736 - \$2,004
2016	2	N/A	\$1,619 - \$1,877	\$0	\$1,619 - \$1,877	\$1,736 - \$1,994
2017	2	N/A	\$1,794 - \$1,877	\$0	\$1,794 - \$1,877	\$1,911 - \$1,994

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,176 - \$1,230	\$0	\$1,176 - \$1,230	\$1,251 - \$1,305
2016	2	N/A	\$1,176 - \$1,230	\$0	\$1,176 - \$1,230	\$1,251 - \$1,305
2017	2	N/A	\$1,114 - \$1,440	\$0	\$1,114 - \$1,440	\$1,189 - \$1,515

Trend: Comments

- 3Q15** Largest one and two-bedroom units are live/work space. Polished concrete flooring with some carpet. The contact noted there are very few students living at the property. There is no fee to utilize the parking garage.
- 2Q16** Largest one and two-bedroom units are live/work space. Units have a mix of polished concrete flooring, wood plank, and carpet. Garage parking is open to all residents. Listed vacancies are based on online availability.
- 2Q17** Housing Choice Vouchers are not accepted at this property. Units have a mix of polished concrete flooring, wood plank, and carpet. Garage parking is open to all residents. Listed vacancies are based on online availability.

PROPERTY PROFILE REPORT

935M

Effective Rent Date	4/18/2017
Location	935 Marietta St NW Atlanta, GA 30318 Fulton County
Distance	0.8 miles
Units	282
Vacant Units	19
Vacancy Rate	6.7%
Type	Various (7 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Other apartments at Atlantic Station
Tenant Characteristics	Mostly young professionals and students
Contact Name	Marvin
Phone	866-991-5178



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Less than one month
Annual Chg. in Rent	Increased approximately 2-5%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Highrise (7 stories)	94	560	\$1,190	\$0	Market	No	6	6.4%	N/A	AVG
0	1	Highrise (7 stories)	N/A	600	\$1,385	\$0	Market	N/A	N/A	N/A	N/A	HIGH
0	1	Highrise (7 stories)	N/A	520	\$996	\$0	Market	N/A	N/A	N/A	N/A	LOW
1	1	Highrise (7 stories)	47	768	\$1,388	\$0	Market	N/A	3	6.4%	N/A	AVG
1	1	Highrise (7 stories)	N/A	850	\$1,600	\$0	Market	N/A	N/A	N/A	N/A	HIGH
1	1	Highrise (7 stories)	N/A	685	\$1,175	\$0	Market	N/A	N/A	N/A	N/A	LOW
1	2	Highrise (7 stories)	47	1,125	\$2,011	\$0	Market	N/A	3	6.4%	N/A	AVG
1	2	Highrise (7 stories)	N/A	1,260	\$2,111	\$0	Market	N/A	N/A	N/A	N/A	HIGH
1	2	Highrise (7 stories)	N/A	990	\$1,911	\$0	Market	N/A	N/A	N/A	N/A	LOW
2	2	Highrise (7 stories)	94	1,140	\$1,641	\$0	Market	N/A	7	7.4%	N/A	AVG
2	2	Highrise (7 stories)	N/A	1,300	\$2,485	\$0	Market	No	10	N/A	N/A	HIGH
2	2	Highrise (7 stories)	N/A	980	\$1,641	\$0	Market	No	10	N/A	N/A	LOW
2	3	Highrise (7 stories)	N/A	2,415	\$3,016	\$0	Market	N/A	N/A	N/A	N/A	None

Trend Report

Vacancy Rates

3Q15	2Q17
5.7%	6.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$910 - \$1,760	\$0	\$910 - \$1,760	\$985 - \$1,835
2017	2	N/A	\$1,175 - \$1,600	\$0	\$1,175 - \$1,600	\$1,250 - \$1,675

1BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,900 - \$2,100	\$0	\$1,900 - \$2,100	\$1,975 - \$2,175
2017	2	N/A	\$1,911 - \$2,111	\$0	\$1,911 - \$2,111	\$1,986 - \$2,186

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,545 - \$2,485	\$0	\$1,545 - \$2,485	\$1,662 - \$2,602
2017	2	N/A	\$1,641 - \$2,485	\$0	\$1,641 - \$2,485	\$1,758 - \$2,602

2BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$3,000	\$0	\$3,000	\$3,117
2017	2	N/A	\$3,016	\$0	\$3,016	\$3,133

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	N/A	\$996 - \$1,385	\$0	\$996 - \$1,385	\$1,071 - \$1,460

Trend: Comments

- 3Q15** The property has a game room in addition to the listed premium amenities. Polished concrete flooring with carpeting in bedrooms. The contact could not provide detailed insight into tenant characteristics. Unit mix is estimated based on the contacts information given of 142 one-bedrooms and 140 two-bedrooms. The property is currently 96 percent occupied. Garage parking is included in the rent. Townhouse units are not necessarily on the first two floors of the building.
- 2Q17** The property has a game room in addition to the listed premium amenities. The property changed management in December 2016. Garage parking is included in the rent. The contact was unable to provide a unit breakdown; as such, the number of units for each bedroom type are estimates. The contact reported that the vacancy rate is typically under five percent, and is slightly elevated due to some students moving out after the fall semester. The property also offers a kitchen and lounge area.

Photos



PROPERTY PROFILE REPORT

Arium Westside

Effective Rent Date	4/18/2017
Location	1000 Northside Dr NW Atlanta, GA 30318 Fulton County
Distance	1.1 miles
Units	336
Vacant Units	2
Vacancy Rate	0.6%
Type	Midrise (6 stories)
Year Built/Renovated	2006 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Other Midtown Apartments
Tenant Characteristics	Diverse mix, including students, university staff, young and old individuals
Contact Name	Saudia
Phone	404-892-3861



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Two weeks
Annual Chg. in Rent	Increased 10%
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	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	Midrise (6 stories)	N/A	771	\$1,355	\$0	Market	No	0	N/A	N/A	None
1	1	Midrise (6 stories)	N/A	845	\$1,383	\$0	Market	No	1	N/A	N/A	None
1	1	Midrise (6 stories)	N/A	1,359	\$1,985	\$0	Market	No	0	N/A	N/A	None
2	2	Midrise (6 stories)	N/A	1,068	\$1,760	\$0	Market	No	0	N/A	N/A	None
2	2	Midrise (6 stories)	N/A	1,100	\$1,865	\$0	Market	No	1	N/A	N/A	None
3	2	Midrise (6 stories)	N/A	1,368	\$2,505	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,355 - \$1,985	\$0	\$1,355 - \$1,985	\$75	\$1,430 - \$2,060
2BR / 2BA	\$1,760 - \$1,865	\$0	\$1,760 - \$1,865	\$117	\$1,877 - \$1,982
3BR / 2BA	\$2,505	\$0	\$2,505	\$164	\$2,669

Arium Westside, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Washer/Dryer

Security

In-Unit Alarm
Intercom (Phone)
Limited Access

Services

None

Property

Business Center/Computer Lab
Commercial/Retail
Elevators
Garage
Swimming Pool

Clubhouse/Meeting
Courtyard
Exercise Facility
On-Site Management
Wi-Fi

Premium

None

Other

Tile, Stainless, Cafe, Game

Comments

The contact reported that the property changed management in July 2016. The property is currently undergoing renovations to community amenities, and adding in-unit washer/dryers to units as they become available. The contact was unable to provide the exact unit mix, but estimated that there are 167, 166, and 5 one, two, and three-bedroom units, respectively. There is no additional charge for garage parking.

Arium Westside, continued

Trend Report

Vacancy Rates

3Q15	2Q17
4.2%	0.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,305 - \$1,985	\$0	\$1,305 - \$1,985	\$1,380 - \$2,060
2017	2	N/A	\$1,355 - \$1,985	\$0	\$1,355 - \$1,985	\$1,430 - \$2,060

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,780 - \$1,925	\$0	\$1,780 - \$1,925	\$1,897 - \$2,042
2017	2	N/A	\$1,760 - \$1,865	\$0	\$1,760 - \$1,865	\$1,877 - \$1,982

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	3.1%	\$2,530	\$0	\$2,530	\$2,694
2017	2	N/A	\$2,505	\$0	\$2,505	\$2,669

Trend: Comments

- 3Q15** The contact noted that the property is not marketed specifically to students, but the property does house a moderate percentage of students. Most apartments in Midtown Atlanta have a diverse tenant makeup according to the leasing manager. The contact was unaware of the exact unit mix. Listed unit mix is estimated. There is no additional charge for the six floor parking garage at the property. A \$25 fee for trash is included in the listed rents.
- 2Q17** The contact reported that the property changed management in July 2016. The property is currently undergoing renovations to community amenities, and adding in-unit washer/dryers to units as they become available. The contact was unable to provide the exact unit mix, but estimated that there are 167, 166, and 5 one, two, and three-bedroom units, respectively. There is no additional charge for garage parking.

Photos



PROPERTY PROFILE REPORT

Point At Westside

Effective Rent Date	4/21/2017
Location	370 Northside Drive NW Atlanta, GA 30318 Fulton County
Distance	0.2 miles
Units	263
Vacant Units	28
Vacancy Rate	10.6%
Type	Midrise (4 stories)
Year Built/Renovated	2004 / 2015/2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Other Midtown apartments
Tenant Characteristics	Young professionals
Contact Name	Sheldon
Phone	404.880.0110



Market Information

Program	Market
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	A few weeks
Annual Chg. in Rent	Decreased 5% since 2Q2016
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (4 stories)	3	595	\$865	\$0	Market	No	0	0.0%	N/A	None
0	1	Midrise (4 stories)	3	674	\$935	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (4 stories)	19	729	\$987	\$0	Market	No	1	5.3%	N/A	None
1	1	Midrise (4 stories)	20	751	\$1,145	\$0	Market	No	1	5.0%	N/A	None
1	1	Midrise (4 stories)	2	1,142	\$1,560	\$0	Market	No	1	50.0%	N/A	None
1	1	Midrise (4 stories)	2	1,190	\$1,686	\$0	Market	No	1	50.0%	N/A	None
2	2	Midrise (4 stories)	54	1,001	\$1,160	\$0	Market	No	4	7.4%	N/A	None
2	2	Midrise (4 stories)	55	1,056	\$1,209	\$0	Market	No	4	7.3%	N/A	None
2	2	Midrise (4 stories)	55	1,300	\$1,639	\$0	Market	No	4	7.3%	N/A	None
3	2	Midrise (4 stories)	25	1,211	\$1,525	\$0	Market	No	6	24.0%	N/A	None
3	2	Midrise (4 stories)	25	1,234	\$1,553	\$0	Market	No	6	24.0%	N/A	None

Point At Westside, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$865 - \$935	\$0	\$865 - \$935	\$75	\$940 - \$1,010
1BR / 1BA	\$987 - \$1,686	\$0	\$987 - \$1,686	\$75	\$1,062 - \$1,761
2BR / 2BA	\$1,160 - \$1,639	\$0	\$1,160 - \$1,639	\$117	\$1,277 - \$1,756
3BR / 2BA	\$1,525 - \$1,553	\$0	\$1,525 - \$1,553	\$164	\$1,689 - \$1,717

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Coat Closet
Exterior Storage
Garbage Disposal
Washer/Dryer

Blinds
Central A/C
Dishwasher
Ceiling Fan
Walk-In Closet
Washer/Dryer hookup

Security

In-Unit Alarm
Limited Access
Perimeter Fencing

Services

None

Property

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

Elevators
Garage
On-Site Management

Premium

Floor
View

Other

Molding, Whirlpool

Comments

The property was formerly known as Envoy On Northside, as the name changed at the beginning of 2016. The property utilizes a LRO system, and rents change daily. The contact was unable to provide current rents for the studio units; as such, the listed rents for the studio units are from the most recent survey in the second quarter of 2016. The property was renovated in 2016. Renovations included upgraded finishes, wood flooring, new fixtures, paint, and design features. Garage parking is available for a one time fee of \$30. Management recently converted an undisclosed number of units into four large loft-style one-bedroom units. The contact was unable to provide an updated unit mix, and the unit mix listed is an estimate. The contact reported that the elevated vacancy rate is due to added supply in the market.

Point At Westside, continued

Trend Report

Vacancy Rates

3Q15	4Q15	2Q16	2Q17
1.5%	1.5%	2.7%	10.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$860 - \$890	\$0	\$860 - \$890	\$935 - \$965
2015	4	0.0%	\$841 - \$843	\$0	\$841 - \$843	\$916 - \$918
2016	2	0.0%	\$1,068 - \$1,098	\$0	\$1,068 - \$1,098	\$1,143 - \$1,173
2017	2	9.3%	\$987 - \$1,686	\$0	\$987 - \$1,686	\$1,062 - \$1,761

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.6%	\$1,025 - \$1,550	\$0	\$1,025 - \$1,550	\$1,142 - \$1,667
2015	4	0.0%	\$916 - \$1,700	\$0	\$916 - \$1,700	\$1,033 - \$1,817
2016	2	1.8%	\$1,255 - \$1,700	\$0	\$1,255 - \$1,700	\$1,372 - \$1,817
2017	2	7.3%	\$1,160 - \$1,639	\$0	\$1,160 - \$1,639	\$1,277 - \$1,756

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	4.0%	\$1,325 - \$1,350	\$0	\$1,325 - \$1,350	\$1,489 - \$1,514
2015	4	N/A	\$1,284 - \$1,312	\$0	\$1,284 - \$1,312	\$1,448 - \$1,476
2016	2	8.0%	\$1,559 - \$1,587	\$0	\$1,559 - \$1,587	\$1,723 - \$1,751
2017	2	24.0%	\$1,525 - \$1,553	\$0	\$1,525 - \$1,553	\$1,689 - \$1,717

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	16.7%	\$790 - \$825	\$0	\$790 - \$825	\$865 - \$900
2015	4	16.7%	\$765 - \$825	\$0	\$765 - \$825	\$840 - \$900
2016	2	0.0%	\$865 - \$935	\$0	\$865 - \$935	\$940 - \$1,010
2017	2	0.0%	\$865 - \$935	\$0	\$865 - \$935	\$940 - \$1,010

Trend: Comments

- 3Q15** Management at the property stated that they are centrally-located with a lot of traffic passing through the area. A parking garage is available for tenants and is included in rent. Each tenant receives one assigned garage parking space.
- 4Q15** Management at the property stated that they are centrally-located with a lot of traffic passing through the area. Rents range in price due to upgraded finishes, wood flooring, new fixtures, floor level, and view. The property is currently renovating units one by one, as they become vacant. Management could not confirm the number of vacant units currently undergoing renovations. A parking garage is available for tenants and is included in rent.
- 2Q16** The property was formerly known as Envoy On Northside, as the name changed at the beginning of 2016. Management at the property stated that they are centrally-located with a lot of traffic passing through the area. Listed rents are for renovated units, as approximately 90 percent of the property has been renovated as of April 2016. Rents increased 10 to 18 percent after renovations. Renovations included the rebranding, upgraded finishes, wood flooring, new fixtures, paint, and design features. A parking garage is available for tenants for a one time fee of \$30.
- 2Q17** The property was formerly known as Envoy On Northside, as the name changed at the beginning of 2016. The property utilizes a LRO system, and rents change daily. The contact was unable to provide current rents for the studio units; as such, the listed rents for the studio units are from the most recent survey in the second quarter of 2016. The property was renovated in 2016. Renovations included upgraded finishes, wood flooring, new fixtures, paint, and design features. Garage parking is available for a one time fee of \$30. Management recently converted an undisclosed number of units into four large loft-style one-bedroom units. The contact was unable to provide an updated unit mix, and the unit mix listed is an estimate. The contact reported that the elevated vacancy rate is due to added supply in the market.

Photos



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

Housing Choice Vouchers

We made multiple attempts to contact Tiffany Henton with the Atlanta Housing Authority in order to determine the number Housing Choice Vouchers currently in use; however, as of the date of this report, our calls have not been returned. According to the Atlanta Housing Authority website, the Housing Choice Voucher waiting list is closed. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS		
Comparable Property	Type	Housing Choice Voucher Tenants
Baptist Gardens	Senior LIHTC	3%
Centennial Place Apartments	LIHTC/Market	0%
Columbia Heritage Senior Residences	Senior LIHTC/PBRA/Market	0%
Columbia Senior Residences At Mechanicsville	Senior LIHTC/PBRA/Market	0%
Lillie R. Campbell House	Senior LIHTC/Market	10%
M Street Apartments	LIHTC/Market	0%
1016 Lofts	Market	0%
935M	Market	0%
Arium Westside	Market	0%
Point At Westside	Market	<u>0%</u>
Average		1%

Housing Choice Voucher usage in this market ranges from zero to 10 percent. It should be noted that as many of the comparables benefit from Project-based Section 8 Vouchers, Housing Choice Vouchers are not necessary. As a development that will benefit from Project-based Section 8 Vouchers, Housing Choice Vouchers will not be necessary at the Subject.

Lease Up History

We were able to obtain absorption information from one of the comparables in addition to two additional recently completed developments within the PMA, which is illustrated in the following table.

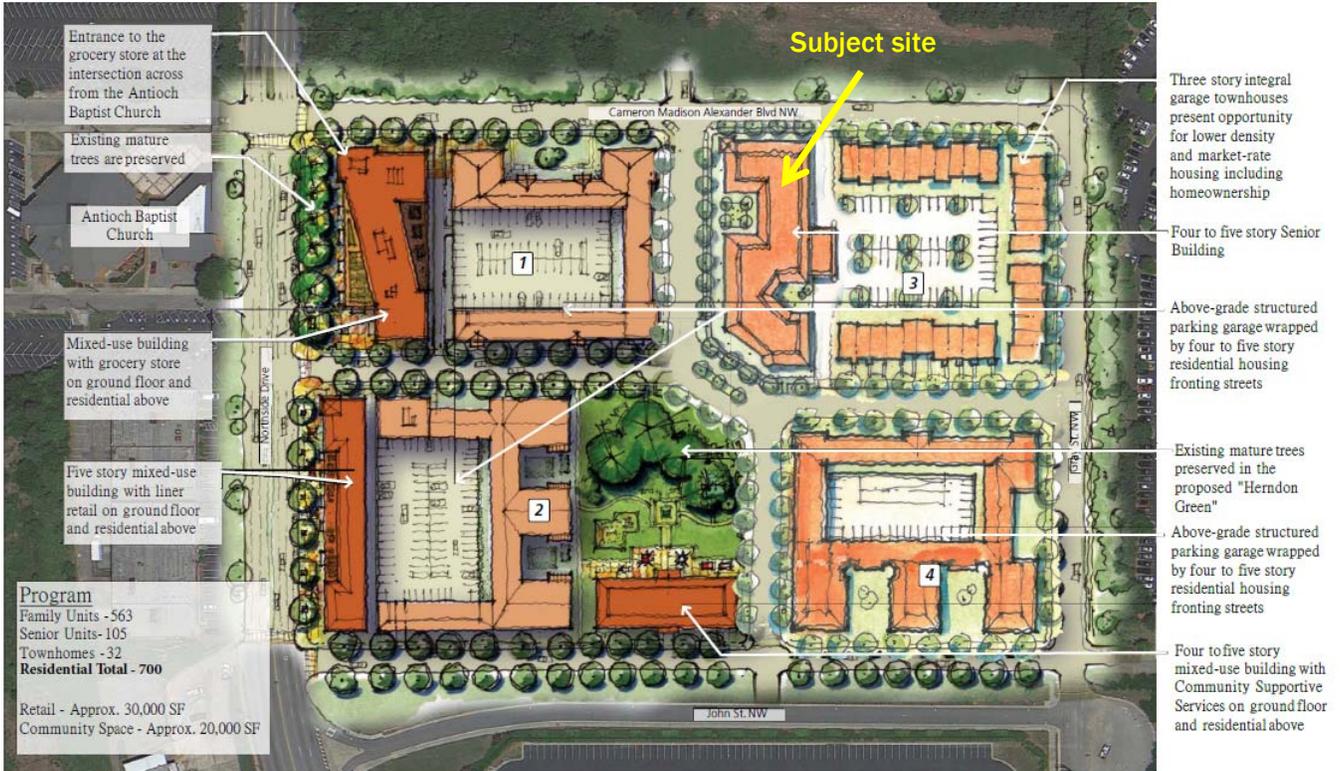
ABSORPTION					
Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Steelworks	Market	Family	2014	317	21
Baptist Gardens*	LIHTC	Senior	2013	100	15
Veranda At Scholars Landing	Section 8/PBRA	Senior	2013	<u>100</u>	<u>66</u>
Average				172	34

*Utilized as a comparable

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed new construction age-restricted LIHTC/PBRA development that will target seniors age 62 and older. The most recently completed multifamily development able to report absorption information, Steelworks, is a market rate comparable that was completed in 2014, and was absorbed at a rate of 21 units per month. The overall average absorption rate is 34 units per month. However, it should be noted that Baptist Gardens and Veranda At Scholars Landing are the most comparable as both properties are affordable age-restricted developments. Given the above information, the low vacancy rates and extensive waiting lists at the affordable senior comparables, subsidy in place on all units, and generally low capture rates, we believe that the Subject will reach 93 percent occupancy within three months of completion. This equates to an absorption rate of approximately 32 to 33 units per month.

Phased Developments

The Subject will consist of a portion of Block III of the multi-phase development to be known as Herndon Homes. The remaining portion of Block III has not been analyzed in this report. The following map illustrates the various phases of the larger development.



Rural Areas

The Subject is not located in a rural area.

2. Competitive Project Map

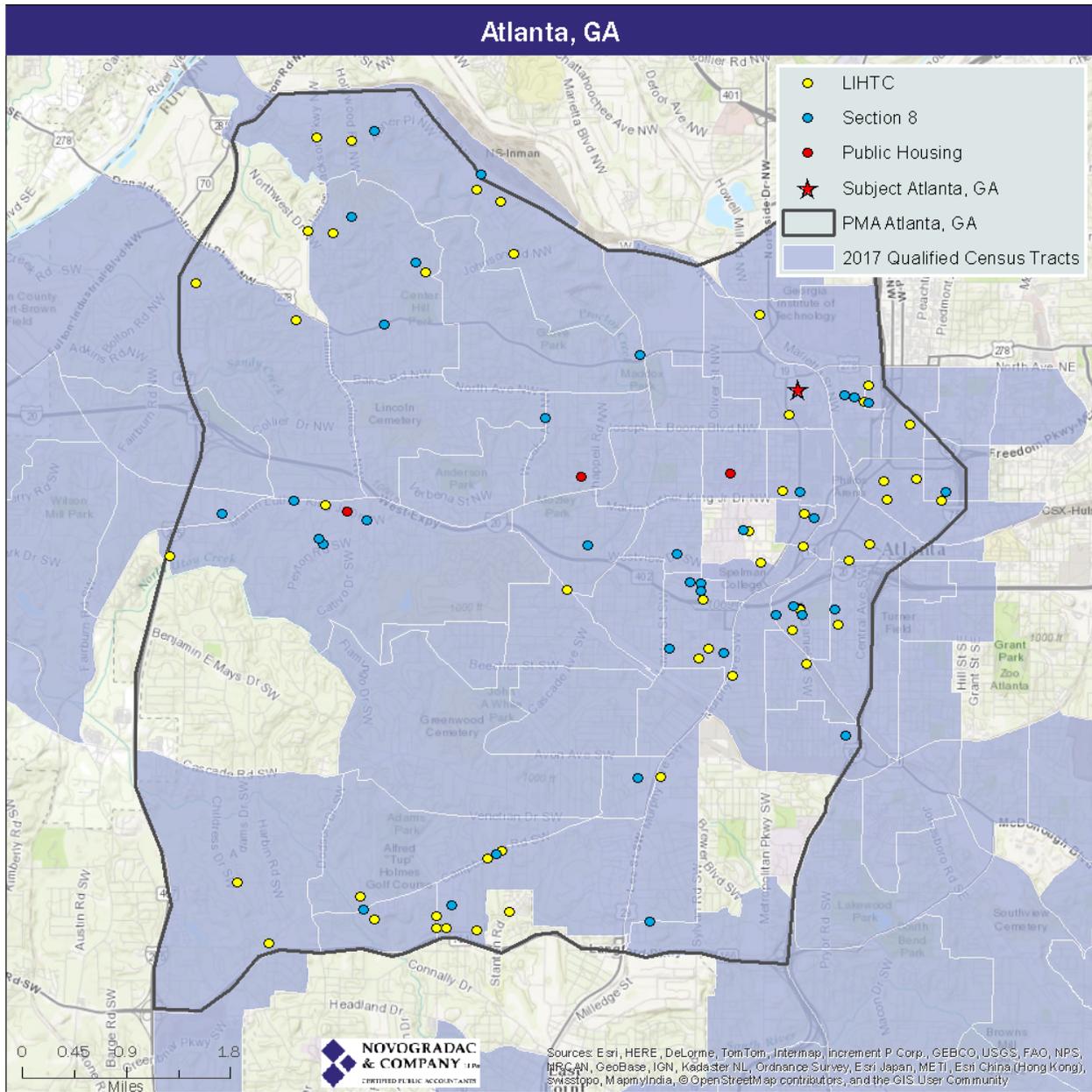
The following table and map detail the competitive projects in the PMA. It should be noted that we attempted to obtain occupancy data from all of these properties; however, we were unable to contact all of the properties.

COMPETITIVE PROJECTS

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Map Color
Adair Court	LIHTC	Atlanta	Elderly	91	N/A	
Alta Pointe Apartments	LIHTC	Atlanta	Family	202	100.0%	
Ashley College Town I	LIHTC	Atlanta	Family	196	N/A	
Ashley Scholars Landing	LIHTC	Atlanta	Family	135	N/A	
Atlantic Station Mixed Income	LIHTC	Atlanta	Family	130	N/A	
Avalon Park Family	LIHTC	Atlanta	Family	175	97.7%	
Baptist Gardens	LIHTC	Atlanta	Elderly	100	100.0%	
Brentwood Creek	LIHTC	Atlanta	Family	238	N/A	
Brentwood Heights	LIHTC	Atlanta	Family	198	99.2%	
Brentwood Meadows Apartments	LIHTC	Atlanta	Family	72	N/A	
Brookside Park	LIHTC	Atlanta	Family	200	N/A	
Centennial Place	LIHTC	Atlanta	Family	738	98.0%	
City Plaza Apartments	LIHTC	Atlanta	Family	164	N/A	
Columbia at Mechanicsville	LIHTC	Atlanta	Family	172	100.0%	
Columbia Crest Apartments	LIHTC	Atlanta	Family	152	100.0%	
Columbia Estate	LIHTC	Atlanta	Family	124	97.2%	
Columbia Grove	LIHTC	Atlanta	Family	138	100.0%	
Columbia Plaza Apartments	LIHTC	Atlanta	Family	94	89.6%	
Courtyard at Maple	LIHTC	Atlanta	Family	182	N/A	
Edgewood Center	LIHTC	Atlanta	Family	46	N/A	
Etheridge Court Apartments Phase II	LIHTC	Atlanta	Family	190	N/A	
Etheridge Court Development I	LIHTC	Atlanta	Family	164	N/A	
Fairlie Poplar Apartments	LIHTC	Atlanta	Family	15	93.3%	
Freeman Ford Lofts	LIHTC	Atlanta	Family	27	N/A	
Gardens at Collegetown	LIHTC	Atlanta	Family	N/A	N/A	
Gateway Apartments at Northside Village	LIHTC	Atlanta	Family	261	N/A	
Granada Park	LIHTC	Atlanta	Family	202	N/A	
Heritage Station Family	LIHTC	Atlanta	Family	45	100.0%	
Heritage Station II	LIHTC	Atlanta	Family	150	100.0%	
Hollywood West Phase II	LIHTC	Atlanta	Family	96	N/A	
Huntingwood Pointe - Cascade Pines Apartments	LIHTC	Atlanta	Family	376	N/A	
Imperial Hotel 2012	LIHTC	Atlanta	Family	90	N/A	
Legacy Phase I	LIHTC	Atlanta	Family	180	N/A	
Legacy Phase II	LIHTC	Atlanta	Family	179	N/A	
Lillie R Campbell House	LIHTC	Atlanta	Elderly	96	100.0%	
M Street Apartments	LIHTC	Atlanta	Family	308	94.5%	
Manor at Scott's Crossing	LIHTC	Atlanta	Family	101	N/A	
Northside Plaza Apartments	LIHTC	Atlanta	Family	127	89.8%	
Oasis at Scholars Landing	LIHTC	Atlanta	Elderly	60	100.0%	
Oglethorpe Place Apartments	LIHTC	Atlanta	Family	144	92.7%	
Park at Lakewood	LIHTC	Atlanta	Family	120	N/A	
Park at Scott's Crossing	LIHTC	Atlanta	Family	216	95.0%	
Peaks of West Atlanta	LIHTC	Atlanta	Family	214	100.0%	
Phoenix House	LIHTC	Atlanta	Other	69	96.9%	
Preserve at Bent Creek	LIHTC	Atlanta	Family	323	98.1%	
Rosa Burney Manor	LIHTC	Atlanta	Family	54	N/A	
Showcase District	LIHTC	Atlanta	Family	N/A	N/A	

COMPETITIVE PROJECTS

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Map Color
Toby Sexton Redevelopment	LIHTC	Atlanta	Family	201	N/A	Yellow
Towne West Manor	LIHTC	Atlanta	Family	108	95.5%	
Village Highlands	LIHTC	East Point	Family	258	91.1%	
Villages at Castleberry Hill	LIHTC	Atlanta	Family	165	99.1%	
Villages at Castleberry Hill Phase II	LIHTC	Atlanta	Family	284	99.1%	
Villages of Cascade Apartments	LIHTC	Atlanta	Family	180	N/A	
Welcome House SRO	LIHTC	Atlanta	Family	209	N/A	
Wells Court Commons	LIHTC	Atlanta	Family	62	N/A	
Westview Lofts	LIHTC	Atlanta	Family	21	N/A	
William Oliver Building	LIHTC	Atlanta	Family	114	N/A	
Columbia Commons	LIHTC/Public Housing	Atlanta	Family	158	94.0%	Red
Magnolia Park Apartments	LIHTC/Public Housing	Atlanta	Family	220	100.0%	
Magnolia Park Apartments Phase II	LIHTC/Public Housing	Atlanta	Family	180	100.0%	Blue
Allen Temple	LIHTC/Section 8	Atlanta	Family	457	N/A	
Ashely College Town Phase II	LIHTC/Section 8	Atlanta	Family	100	N/A	
Ashley West End	LIHTC/Section 8	Atlanta	Family	100	91.0%	
Atrium at Collegetown - FKA John O. Chiles	LIHTC/Section 8	Atlanta	Elderly	190	95.0%	
Avalon Park Senior	LIHTC/Section 8	Atlanta	Elderly	136	97.8%	
Baptist Towers	LIHTC/Section 8	Atlanta	Elderly	300	N/A	
City Views at Rosa Burney Park	LIHTC/Section 8	Atlanta	Family	180	95.0%	
Columbia at Sylvan Hills	LIHTC/Section 8	Atlanta	Family	191	95.2%	
Columbia Heritage Senior Residences	LIHTC/Section 8	Atlanta	Elderly	132	100.0%	
Columbia Mechanicsville IV	LIHTC/Section 8	Atlanta	Family	164	96.0%	
Columbia Senior Residences at Mechanicsville	LIHTC/Section 8	Atlanta	Elderly	155	100.0%	
Crogman School	LIHTC/Section 8	Atlanta	Family	105	98.1%	
Flipper Temple	LIHTC/Section 8	Atlanta	Family	163	98.8%	
Mechanicsville Apartments Phase III	LIHTC/Section 8	Atlanta	Family	164	N/A	
Mechanicsville Apartments Phase VI	LIHTC/Section 8	Atlanta	Family	156	N/A	
Park Commons	LIHTC/Section 8	Atlanta	Elderly	179	100.0%	
Park Commons	LIHTC/Section 8	Atlanta	Elderly	153	100.0%	
Peaks at Martin Luther King	LIHTC/Section 8	Atlanta	Family	183	100.0%	
QLS Haven	LIHTC/Section 8	Atlanta	Elderly	120	100.0%	
Seven Courts	LIHTC/Section 8	Atlanta	Family	171	98.2%	
Veranda At Collegetown	LIHTC/Section 8	Atlanta	Elderly	100	100.0%	
Veranda At Scholars Landing	LIHTC/Section 8	Atlanta	Elderly	100	N/A	
Abernathy Tower	Section 8	Atlanta	Elderly	100	N/A	
Berean Village	Section 8	Atlanta	Elderly	N/A	N/A	
Big Bethel Towers Apartments	Section 8	Atlanta	Family	N/A	N/A	
Friendship Towers	Section 8	Atlanta	Elderly	19	100.0%	
Hollywood /Shawnee Apartments	Section 8	Atlanta	Family	112	100.0%	
Johnnie B. Moore Towers	Section 8	Atlanta	Elderly	55	N/A	
Oakland City/West End Apartments	Section 8	Atlanta	Family	111	N/A	
Providence Manor	Section 8	Atlanta	Elderly	45	N/A	
Rolling Bends	Section 8	Atlanta	Family	164	100.0%	
Silvertree Senior Atlanta Apartments	Section 8	Atlanta	Elderly	98	N/A	



3. Amenities

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

HERNDON HOMES SENIOR – ATLANTA, GEORGIA – MARKET STUDY

UNIT MATRIX REPORT

	Herdon Homes Senior	Baptist Gardens	Centennial Place Apartments	Columbia Heritage Senior Residences	Columbia Senior Residences At	Lillie R. Campbell House	M Street Apartments	1016 Lofts	935M	Arium Westside	Point At Westside
Comp #	Subject	1	2	3	4	5	6	7	8	9	10
Property Information											
Property Type	Midrise (age-restricted) (4 stories)	Lowrise (age-restricted) (4 stories)	Various (3 stories) 1996/2001/2014/Ongoing	Midrise (age-restricted) (5 stories) 2004 / n/a	Midrise (age-restricted) (4 stories) 2007 / n/a	Midrise (age-restricted) (4 stories) 2008 / n/a	Garden (3 stories) 2004 / n/a	Midrise (6 stories) 2003 / n/a	Various (7 stories) 2010 / n/a	Midrise (6 stories) 2006 / 2017	Midrise (4 stories) 2004 / 2015/2016
Year Built / Renovated	Proposed / n/a	2013 / n/a		2004 / n/a	2007 / n/a	2008 / n/a	2004 / n/a	2003 / n/a	2010 / n/a	2006 / 2017	2004 / 2015/2016
Market (Conv./Subsidiary Type)	LIHTC/PBRA	LIHTC	LIHTC/Market	LIHTC/PBRA /Market	LIHTC/PBRA/Market	LIHTC/Market	LIHTC/Market	Market	Market	Market	Market
Utility Adjustments											
Cooking	no	yes	no	no	no	yes	no	no	no	no	no
Water Heat	no	yes	no	no	no	yes	no	no	no	no	no
Heat	no	yes	no	no	no	yes	no	no	no	no	no
Other Electric	no	yes	no	no	no	yes	no	no	no	no	no
Water	yes	yes	yes	yes	no	yes	no	no	no	no	no
Sewer	yes	yes	yes	yes	no	yes	no	no	no	no	no
Trash Collection	yes	yes	yes	yes	no	yes	no	no	no	no	no
In-Unit Amenities											
Balcony/Patio	yes	no	yes	no	yes	yes	yes	yes	no	yes	yes
Blinds	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpet/Hardwood	no	yes	no	no	no	no	no	no	no	yes	yes
Carpeting	yes	no	yes	yes	yes	yes	yes	no	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	no	no	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	no	no	yes	no	no	no	yes
Ceiling Fan	yes	yes	no	yes	no	no	yes	yes	yes	yes	yes
Garbage Disposal	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hand Rails	yes	no	no	yes	yes	yes	no	no	no	no	no
Microwave	yes	yes	no	no	no	yes	no	yes	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Pull Cords	yes	no	no	yes	yes	yes	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Walk-In Closet	yes	no	no	yes	no	yes	yes	yes	no	no	yes
Washer/Dryer	yes	no	yes	no	no	no	no	yes	no	yes	yes
Washer/Dryer hookup	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities											
Business Center/Computer Lab	yes	yes	no	yes	yes	yes	no	no	yes	yes	yes
Clubhouse/Meeting Room/Community	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Commercial/Retail	no	no	no	no	no	no	no	yes	yes	yes	no
Concierge	no	no	no	no	no	yes	no	no	no	no	no
Courtyard	yes	no	no	yes	no	yes	no	yes	no	yes	no
Elevators	yes	yes	no	yes	yes	yes	no	yes	yes	yes	yes
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Garage	no	no	yes	no	no	no	no	yes	yes	yes	yes
Hot Tub	no	no	no	no	no	no	no	no	yes	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	no	no	no	no
Non-shelter Services	no	no	no	no	no	yes	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	no	no	yes	yes	no	yes	no	no	no
Recreation Areas	yes	no	no	no	no	yes	no	no	no	no	no
Service Coordination	no	yes	no	no	yes	yes	no	no	no	no	no
Swimming Pool	no	no	yes	no	no	no	yes	yes	yes	yes	yes
Theatre	no	no	no	yes	yes	yes	no	no	no	no	no
Wi-Fi	yes	no	no	no	no	no	no	yes	yes	yes	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$30.00
Services											
Shuttle Service	no	yes	no	no	no	yes	no	no	no	no	no
Security											
In-Unit Alarm	no	no	no	no	no	no	yes	no	no	yes	yes
Intercom (Buzzer)	yes	no	no	no	yes	no	yes	no	no	no	no
Intercom (Phone)	no	no	no	no	no	yes	no	yes	yes	yes	no
Intercom (Video)	no	no	no	no	no	no	no	no	yes	no	no
Limited Access	yes	yes	no	yes	no	yes	yes	yes	no	yes	yes
Patrol	no	no	yes	yes	yes	no	no	no	no	no	no
Perimeter Fencing	no	no	yes	no	no	no	yes	no	no	no	yes
Video Surveillance	yes	no	no	no	yes	no	no	yes	yes	no	no
Premium Amenities											
Delivered Hot Lunches	no	yes	no	no	no	no	no	no	no	no	no
Floor	no	no	no	no	no	no	no	no	no	no	yes
Hairdresser / Barber	yes	yes	no	no	no	no	no	no	no	no	no
Medical Professional	no	yes	no	no	yes	no	no	no	no	no	no
View	no	no	no	no	no	no	no	no	no	no	yes

The Subject will offer generally superior in-unit amenities in comparison to the LIHTC and market rate comparable properties and similar property amenities. According to the developer, the Subject will offer a computer lab, courtyard, elevators, an exercise facility, central laundry facilities, on-site management, a picnic area, and a recreation area, which many of the comparables lack. However, the Subject will lack a swimming pool, which is offered at several of the comparable developments. 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 above. Four of the comparable properties also target seniors, while the remaining properties target the general population. It should be noted that we were unable to identify any strictly-market rate properties that target seniors, as most are assisted living developments or include various additional services such as meal service and linen service.

5. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property name	Rent Structure	Total Units	Vacant	Vacancy Rate
Baptist Gardens	Senior LIHTC	100	0	0.0%
Centennial Place Apartments	LIHTC/Market	738	15	2.0%
Columbia Heritage Senior Residences	Senior LIHTC/PBRA/Market	132	0	0.0%
Columbia Senior Residences At Mechanicsville	Senior LIHTC/PBRA/Market	154	7	4.5%
Lillie R. Campbell House	Senior LIHTC/Market	96	0	0.0%
M Street Apartments	LIHTC/Market	308	17	5.5%
1016 Lofts	Market	265	12	4.5%
935M	Market	282	19	6.7%
Arium Westside	Market	336	2	0.6%
Point At Westside	Market	<u>263</u>	<u>28</u>	<u>10.6%</u>
Total LIHTC		1,528	39	2.6%
Total Senior		482	7	1.5%
Total Market		1,146	61	5.3%
Total		2,674	101	3.8%

Overall vacancy in the market is relatively low at 3.8 percent. Total LIHTC vacancy is slightly lower, at 2.6 percent. Additionally, the overall vacancy rate among the senior comparables is 1.5 percent. Vacancy rates among the comparables range from zero to 10.6 percent. Point at Westside and 935M reported elevated vacancy rates. Management at Point at Westside reported that the vacancy rate is atypically high, and is due to an increase of rental units coming available in the area. Management at 935M reported that the vacancy rate is typically under five percent, and is slightly elevated due to a greater number of students moving out after the fall semester than is typical. It should be noted that three of the senior LIHTC properties reported no vacancies, and that all LIHTC comparables reported vacancies of 5.5 percent or less. Additionally, all of the senior comparables and one of the general population LIHTC comparables reported extensive waiting lists. As a newly constructed property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of three percent or less. Based on these factors, we believe that there is sufficient demand for additional affordable housing in the market. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

6. Properties Under Construction and Proposed

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

Fulton Supply Lofts, a conversion of a 1920's warehouse into a 74-unit market rate development located approximately 1.2 miles south of the Subject site, is currently under construction with an anticipated completion date at the end of May 2017. The development is located at 342 Nelson Street Southwest. Fulton Supply Lofts will offer one and two-bedroom market rate apartment units, in addition to two-bedroom townhome-style units. Pricing for these units will range from the mid \$800's to the low \$2,000's. As a market rate development that targets families, this project will not compete directly with the Subject.

Centennial Park Apartments, a new construction 438-unit market rate/workforce development located approximately 0.7 miles southeast of the Subject site, is currently under construction with an anticipated completion date of early 2018. The project is located at the intersection of Simpson Street NW and Centennial Olympic Park Drive NW. Centennial Park Apartments will offer studio, one, two, and three-bedroom units. Additionally, approximately ten percent of the units will be set aside as workforce housing with artificially low rents. Pricing for the development has not been finalized, but initial plans estimate that the average rent across all unit types will be approximately \$1,620 per month. As a market rate/workforce development that targets the general population, this project will not compete directly with the Subject.

Ashley Scholars Landing, a proposed new construction 135-unit multifamily LIHTC development, was allocated tax credits in 2016. The project will be located at 669 Atlanta Student Movement Boulevard, approximately 1.3 miles southwest of the Subject site. The property will offer studio, one, two, and three-bedroom units restricted at the 60 percent AMI level, in addition to market rate units. Fifty-four of the units will be restricted at the 60 percent AMI level and will benefit from Project-based Vouchers through the Atlanta Housing Authority where tenants will pay 30 percent of their income towards rent, while the remaining 81 units will be unrestricted market rate units. The rents for the market rate units are anticipated to be \$717, \$768, and \$921 for the studio, one, and two-bedroom units, respectively. The project is expected to be completed in mid-2018. As an affordable development that targets the general population, this project will not compete directly with the Subject.

Adair Court, a proposed new construction 91-unit age-restricted multifamily development, was allocated tax credits in 2016. The project will be located at 806 Murphy Avenue SW, approximately 2.5 miles south of the Subject site. The development has an expected completion date of June 2018. The property will be restricted to individuals age 55 and older, and will offer 69 one-bedroom units and 22 two-bedroom units restricted at the 50 and 60 percent AMI levels, in addition to 14 unrestricted market rate units. The anticipated rents for the affordable units will range from \$475 to \$597, while the rents for the unrestricted market rate units will range from \$850 to \$1,000. As an age-restricted affordable development, this project's affordable units will directly compete with the Subject.

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	Program	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Baptist Gardens	Senior LIHTC	Similar	Inferior	Slightly superior	Similar	Slightly superior	0
2	Centennial Place	LIHTC/Market	Slightly Inferior	Inferior	Slightly superior	Slightly Inferior	Slightly inferior	-20
3	Columbia Heritage Senior	Senior LIHTC/PBRA/Market	Slightly Inferior	Slightly Inferior	Inferior	Slightly Inferior	Similar	-25
4	Columbia Senior	Senior LIHTC/PBRA/Market	Similar	Slightly Inferior	Slightly Superior	Slightly Inferior	Slightly superior	0
5	Lillie R. Campbell House	Senior LIHTC/Market	Slightly Superior	Similar	Slightly inferior	Slightly Inferior	Slightly inferior	-10
6	M Street Apartments	LIHTC/Market	Slightly Inferior	Slightly Inferior	Superior	Slightly Inferior	Slightly superior	0
7	1016 Lofts	Market	Slightly Superior	Similar	Superior	Slightly Inferior	Superior	20
8	935M	Market	Slightly Superior	Slightly Inferior	Superior	Similar	Superior	20
9	Arium Westside	Market	Similar	Similar	Superior	Slightly Inferior	Superior	15
10	Point At Westside	Market	Similar	Slightly Inferior	Similar	Slightly Inferior	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 60 percent AMI rents in the following table. The rents have been adjusted for variance in utilities, as well as concessions if applicable. Some of the comparable rents appear to be slightly above or below the maximum allowable levels, which is due to a differing utility allowance schedule.

LIHTC RENT COMPARISON - @60%

Property Name	1BR	2BR
Herndon Homes Senior (Subject)	\$686	\$817
LIHTC Maximum (Net)	\$686	\$817
Baptist Gardens	\$658	-
Centennial Place Apartments	\$686	\$872 \$812
Lillie R. Campbell House	\$688	\$814 \$721
Average (excluding Subject)	\$677	\$805

The Subject will offer one and two-bedroom units restricted at the 60 percent AMI level, all of which will benefit from Project-based Section 8 Vouchers where tenants will pay 30 percent of their income towards rent. All of the comparables reported rents to be at the maximum allowable levels. The Subject will be in excellent condition upon completion, will offer competitive in-unit amenities, and will be slightly superior to the multifamily LIHTC developments in the area in terms of condition. Baptist Gardens and Lillie R. Campbell House are the most similar comparables to the Subject. Baptist Gardens, an age-restricted LIHTC multifamily development located approximately 5.4 miles southwest of the Subject site, offers similar in-unit features, similar condition, and slightly superior location and unit size. Baptist Gardens reported rents at the maximum allowable level and maintains a waiting list of undetermined length.

Lillie R. Campbell House, an age-restricted LIHTC/market rate development located approximately 4.7 miles southwest of the Subject site, reported that the property is achieving maximum allowable rents for their two-bedroom two-bath units, in addition to a waiting list. Management at the property was unable to provide a breakdown of the waiting list by unit type, but reported that the property maintains a waiting list of approximately 159 households. Lillie R. Campbell House offer slightly superior property amenities, similar in-unit amenities, a slightly inferior condition and location, and slightly inferior unit sizes. The property is currently fully occupied. As such, we believe the Subject’s proposed rents at the maximum allowable levels are achievable, absent subsidy.

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 following table in comparison with net rents for the Subject.

SUBJECT COMPARISON TO COMPARABLE RENTS

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1BR @ 60%	\$686	\$658	\$2,186	\$1,419	51.7%
2BR @ 60%	\$817	\$721	\$3,133	\$1,480	44.8%

As illustrated in the previous table, the Subject’s proposed rents for the one and two-bedroom units are well below the surveyed average when compared to the comparables. The Subject’s proposed one and two-bedroom rents are 51.7 and 44.8 percent below the surveyed averages, respectively. All of the Subject’s proposed LIHTC rents are below the surveyed range of comparable LIHTC and market rents, with the exception of one-bedroom units at Baptist Gardens, and two-bedroom units at Lillie R. Campbell House.

935M is achieving the highest one and two-bedroom unrestricted rents among the comparables. The Subject will be slightly inferior to 935M upon completion. 935M was built in 2010 and exhibits excellent condition, which is similar to the Subject’s condition upon completion. This development is located approximately 0.8 miles north of the Subject site and offers a superior location. 935M offers slightly superior property amenities, as it offers a clubhouse, garage, hot tub, and swimming pool, none of which will be offered at the Subject. However, 935M offers slightly inferior in-unit amenities when compared to the Subject as it does not offer a balcony/patio, carpeting, walk-in closets, or in-unit washer/dryers, all of which will be offered at the Subject. The one and two-bedroom rents at the 60 percent AMI level are approximately 68.6 and 73.9 percent below the highest rents being achieved at 935M, respectively. Overall, we believe that the Subject’s proposed rents are achievable in the market, absent subsidy, and will offer a significant advantage when compared to the average rents being achieved at comparable properties. However, as a fully subsidized property, all tenants will contribute 30 percent of their income towards rent.

8. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject are considered low to moderate for all bedroom types at the 60 percent AMI level. If allocated, the Subject will be slightly superior to superior to the existing LIHTC housing stock. The average LIHTC vacancy rate is 2.6 percent, and the senior LIHTC vacancy rate is 1.5 percent. Of the six LIHTC properties, three are 100 percent occupied, and M Street Apartments is the only affordable property that reported a vacancy rate of over five percent. However, M Street Apartments reported that none of the affordable units are vacant, and all vacancies are in market rate units.

Centennial Place Apartments has received multiple allocations over the last three years for the rehabilitation of the various phases of the property. Centennial place is located approximately 0.6 miles east of the Subject site, and will not introduce any new units to the housing supply as a rehabilitation project. Additionally, Ashely Scholars Landing was allocated tax credits in 2016 and is a new construction 135-unit LIHTC project that will target the general population. Ashely Scholars Landing will be located approximately 1.3 miles south of the Subject site and will not compete directly with the Subject given the difference in target tenancy. Adair Court is an age-restricted 91-unit LIHTC/market project that was allocated in 2016. The development will be located approximately 2.4 miles south of the Subject site. As an age-restricted property, we believe that the affordable units Adair Court will compete directly with the Subject for tenancy. However, it should be noted that the LIHTC vacancy rate within the PMA 2.6 percent, with many properties maintaining extensive waiting lists. We believe that there will be sufficient demand for the Subject as proposed, despite the additional age-restricted units coming online. Additionally, all of the Subject’s units will benefit from Project-based Section 8 Vouchers, where tenants will contribute 30 percent of their income towards rent, which will be a significant advantage over the non-subsidized product in this market.

9. Rental Trends in the PMA

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

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	20,009	38.6%	31,851	61.4%
2017	16,297	30.8%	36,624	69.2%
Projected Mkt Entry June 2019	16,645	30.5%	37,852	69.5%
2021	17,024	30.3%	39,187	69.7%

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

PMA TENURE PATTERNS OF SENIORS 62+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	8,518	62.8%	5,050	37.2%
2017	7,403	52.1%	6,813	47.9%
Projected Mkt Entry June 2019	7,711	51.0%	7,395	49.0%
2021	8,045	50.1%	8,027	49.9%

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

As the table illustrates, senior households within the PMA are evenly split between owner and renter-occupied units. However, both the number and percentage of renter-occupied households are projected to increase through the date of market entry and 2021. This projected increase in senior renter-occupied units indicates that there should be increased demand for senior targeted rental units.

Historical Vacancy

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

HISTORICAL VACANCY

Comparable Property	Type	Total Units	4QTR 2013	1QTR 2015	2QTR 2015	3QTR 2015	2QTR 2016	2QTR 2017
Baptist Gardens	Senior LIHTC	100	6.0%	N/A	0.0%	N/A	N/A	0.0%
Centennial Place Apartments	LIHTC/Market	738	N/A	8.0%	N/A	2.0%	N/A	2.0%
Columbia Heritage Senior Residences	Senior LIHTC/PBRA/Market	132	0.0%	N/A	0.0%	N/A	N/A	0.0%
Columbia Senior Residences At Mechanicsville	Senior LIHTC/PBRA/Market	154	N/A	N/A	N/A	2.6%	N/A	4.5%
Lillie R. Campbell House	Senior LIHTC/Market	96	2.1%	4.2%	N/A	1.0%	N/A	0.0%
M Street Apartments	LIHTC/Market	308	N/A	4.9%	7.5%	0.6%	8.1%	5.5%
1016 Lofts	Market	265	N/A	N/A	N/A	3.8%	1.9%	4.5%
935M	Market	282	N/A	N/A	N/A	5.7%	N/A	6.7%
Arium Westside	Market	336	N/A	N/A	N/A	4.2%	N/A	0.6%
Point At Westside	Market	263	N/A	N/A	N/A	1.5%	2.7%	10.6%

As illustrated in the table, we were able to obtain limited historical vacancy rates at all of the comparable properties over the past four years. In general, the comparable properties experienced fluctuating vacancy rates from 2013 through the second quarter of 2017. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low to moderate vacancy rates, indicate strong demand for affordable rental housing in the Subject's market.

Change in Rental Rates

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

RENT GROWTH

Comparable Property	Rent Structure	Rent Growth
Baptist Gardens	Senior LIHTC	Increased 5.7% on 60% AMI units
Centennial Place Apartments	LIHTC/Market	Increased up to two percent
Columbia Heritage Senior Residences	Senior LIHTC/PBRA/Market	None
Columbia Senior Residences At Mechanicsville	Senior LIHTC/PBRA/Market	Increased two to 10 percent
Lillie R. Campbell House	Senior LIHTC/Market	Kept at max
M Street Apartments	LIHTC/Market	Market rate units change frequently
1016 Lofts	Market	Increased up to 5 percent
935M	Market	Increased approximately 2-5%
Arium Westside	Market	Increased 10%
Point At Westside	Market	Decreased 5% since 2Q2016

The LIHTC properties have reported growth of up to ten percent in the past year and four of the six LIHTC comparables reported rent growth in the last year. Three of the four market rate properties also reported rent growth over the past 12 months. Additionally, none of the comparables are offering concessions. Only one property reported rent decreases. We anticipate that the Subject will be able to achieve maximum allowable LIHTC rents; as such rent growth in the future will be dictated by an increase in the AMI levels.

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 Subject's zip code (30318) is experiencing a foreclosure rate of one in every 1,503 homes, while the city of Atlanta is experiencing a foreclosure rate of one in every 1,828 homes,

Fulton County is experiencing foreclosure rate of one in every 1,982 homes, and Georgia experienced one foreclosure in every 1,898 housing units. Overall, the Subject's zip code (30318) is experiencing a similar foreclosure rate to the nation, and higher than Fulton County, the city of Atlanta, and Georgia as a whole.

11. Primary Housing Void

Columbia Heritage Senior Residences is an age-restricted LIHTC property that benefits from Project-based Section 8 Vouchers and maintains a waiting list that is approximately two years in length. Lillie R. Campbell House, an age-restricted LIHTC/market rate property, maintains a waiting list that is approximately 159 households in length. Columbia Senior Residences at Mechanicsville, an age-restricted LIHTC property that benefits from Project-based Section 8 Vouchers, maintains a waiting list that is approximately 150 households in length, and has reported turnover of five percent annually. These extensive waiting lists indicate significant pent up demand for affordable senior housing in the market.

12. Effect of Subject on Other Affordable Units in Market

There is one proposed competitive LIHTC development in the PMA. However, many of the comparable properties report extensive waiting lists, indicating pent up demand for affordable senior housing in the PMA, especially subsidized senior housing. We believe there is adequate demand for the addition of the Subject within the market. The vacancy rate among the existing LIHTC comparables is low at 3.8 percent. The vacancy rates among the LIHTC comparables and the senior comparables are only 2.6 and 1.5 percent, respectively.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed.

Overall vacancy in the market is relatively low at 3.8 percent. Total LIHTC vacancy is slightly lower, at 2.6 percent. Additionally, the overall vacancy rate among the senior comparables is 1.5 percent. It should be noted that three of the senior LIHTC properties reported no vacancies, and that all LIHTC comparables reported vacancy rates of 5.5 percent or less. Additionally, all of the senior comparables and one of the general population LIHTC comparables reported extensive waiting lists. Based on these factors, we believe that there is sufficient demand for additional affordable senior rental housing in the market. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

The Subject will offer generally superior in-unit amenities in comparison to the LIHTC and market rate comparable properties and similar property amenities. According to the developer, the Subject will offer a computer lab, courtyard, elevators, an exercise facility, central laundry facilities, on-site management, a picnic area, and a recreation area, which many of the comparables lack. However, the Subject will not offer a swimming pool, which is offered at several of the comparable developments. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As a new construction development, the Subject will be in excellent condition upon completion, will offer competitive in-unit amenities, and will be slightly superior to the multifamily LIHTC developments in the area. The Subject's proposed unit sizes will be competitive with the comparable properties. Additionally, the Subject will offer two-bedroom units, which are generally much less prevalent among the age-restricted LIHTC comparable properties and are demonstrated to be in demand in the market. In general, the Subject will be slightly inferior to similar when compared to the market rate comparables, and similar to slightly superior when compared to the affordable comparables. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing of all types as evidenced by extensive waiting lists and low vacancy rates at the majority of the LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

I. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

We were able to obtain absorption information from one of the comparables in addition to two additional recently completed developments within the PMA, which is illustrated in the following table.

ABSORPTION					
Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Steelworks	Market	Family	2014	317	21
Baptist Gardens*	LIHTC	Senior	2013	100	15
Veranda At Scholars Landing	Section 8/PBRA	Senior	2013	<u>100</u>	<u>66</u>
Average				172	34

*Utilized as a comparable

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed new construction age-restricted LIHTC/PBRA development that will target seniors age 62 and older. The most recently completed multifamily development able to report absorption information, Steelworks, is a market rate comparable that was completed in 2014, and was absorbed at a rate of 21 units per month. The overall average absorption rate is 34 units per month. However, it should be noted that Baptist Gardens and Veranda At Scholars Landing are the most comparable as both properties are affordable age-restricted developments. Given the above information, the low vacancy rates and extensive waiting lists at the affordable senior comparables, subsidy in place on all units, and generally low capture rates, we believe that the Subject will reach 93 percent occupancy within three months of completion. This equates to an absorption rate of approximately 32 to 33 units per month.

J. INTERVIEWS

Atlanta Housing Authority

We made multiple attempts to contact Tiffany Henton with the Atlanta Housing Authority in order to determine the number Housing Choice Vouchers currently in use; however, as of the date of this report our calls have not been returned. According to the Atlanta Housing Authority website, the Housing Choice Voucher waiting list is closed. The payment standards for Atlanta are listed below.

City of Atlanta Payment Standards	
Unit Type	Payment Standards
Studio	\$1,150
One-bedroom	\$1,550
Two-bedroom	\$1,800
Three-bedroom	\$2,350
Four-bedroom	\$2,850
Five-bedroom	\$3,300
Six-bedroom	\$3,700

Source: Atlanta Housing Authority, 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 contacted both the Office of Buildings and the Office of Zoning and Development for the City of Atlanta to determine any multifamily developments that are currently planned, proposed, or under construction in the greater Atlanta area. Neither the Office of Zoning and Development nor the Office of Buildings were able to provide information regarding planned, under construction, or recently completed multifamily developments in the area. As such, we have consulted REIS reports for the area. Additionally, we have reviewed the DCA list of LIHTC allocations in order to determine properties recently allocated tax credits within the PMA from 2014 to 2017 year-to-date.

Steelworks Apartments, a new construction 318-unit market rate development located approximately 1.4 miles north of the Subject site, was completed in late 2015 at 1220 Mecaslin Street NW. Steelworks Apartments offers one, two, and three-bedroom units starting at \$1,282, \$1,840, and \$3,050, respectively. As a market rate development that targets families, this development will not compete directly with the Subject.

The Office Apartments, a conversion of office space into a 327-unit market rate development located approximately 1.2 miles southeast of the Subject site, was completed in 2016 at 250 Piedmont Avenue. The Office Apartments offers one and two-bedroom units starting at \$1,893 and \$2,294, respectively. As a luxury market rate development that targets families, this development will not compete directly with the Subject.

The Local on 14th, a new construction 360-unit market rate development located approximately 1.4 miles north of the Subject site, was completed in late 2016 at 455 14th Street. The Local on 14th offers one and two-bedroom units starting at \$1,360 and \$2,050, respectively. As a market rate development that targets families, this development will not compete directly with the Subject.

Fulton Supply Lofts, a conversion of a 1920’s warehouse into a 74-unit market rate development located approximately 1.2 miles south of the Subject site, is currently under construction with an anticipated completion date at the end of May 2017. The development is located at 342 Nelson Street Southwest. Fulton Supply Lofts will offer one and two-bedroom apartment units, in addition to two-bedroom townhome-

style units. Pricing for these units will range from the mid \$800's to the low \$2,000's. As a market rate development that targets families, this project will not compete directly with the Subject.

Centennial Park Apartments, a new construction 438-unit market rate/workforce development located approximately 0.7 miles southeast of the Subject site, is currently under construction with an anticipated completion date of early 2018. The project is located at the intersection of Simpson Street NW and Centennial Olympic Park Drive NW. Centennial Park Apartments will offer studio, one, two, and three-bedroom units. Additionally, approximately ten percent of the units will be set aside as workforce housing with artificially low rents. Pricing for the development has not been finalized, but initial plans estimate that the average rent across all unit types will be approximately \$1,620 per month. As a market rate/workforce development that targets the general population, this project will not compete directly with the Subject.

Centennial Place Apartments, an existing 738-unit multifamily LIHTC development, has been allocated tax credits over the last four years for the acquisition and rehabilitation of its existing units with LIHTC equity. The development is located at 526 Centennial Olympic Park Drive approximately 0.6 miles east of the Subject site. The property currently offers one, two, and three-bedroom units restricted at the 60 percent AMI level, in addition to market rate units. Rents at the property range from \$686 to \$928 for the affordable units and \$1,050 to \$1,875 for the market rate units. Given that the development targets the general population, this project will not compete directly with the Subject.

Ashley Scholars Landing, a proposed new construction 135-unit multifamily LIHTC development, was allocated tax credits in 2016. The project will be located at 669 Atlanta Student Movement Boulevard, approximately 1.3 miles southwest of the Subject site. The property will offer studio, one, two, and three-bedroom units restricted at the 60 percent AMI level, in addition to market rate units. 54 of the units will be restricted at the 60 percent AMI level and will benefit from Project-based Vouchers through the Atlanta Housing Authority where tenants will pay 30 percent of their income towards rent, while the remaining 81 units will be unrestricted market rate units. The rents for the market rate units are anticipated to be \$717, \$768, and \$921 for the studio, one, and two-bedroom units, respectively. The project is expected to be completed in mid-2018. As a development that targets the general population, this project will not compete directly with the Subject.

Villages at Castleberry Hill, an existing 450-unit affordable multifamily development, received an allocation in 2016 for the renovation of 166 units. The property is located at 600 Greensferry Avenue SW, approximately 1.5 miles south of the Subject site. The property offers one, two, and three-bedroom units restricted at the 60 percent AMI level, in addition to market rate units. Rents for the affordable units at the property start at \$690, \$715, and \$850 for the one, two, and three-bedroom units, while the market rate units at the property start at \$830 for one-bedroom units, \$860 for two-bedroom units, and \$1,095 for three-bedroom units. As a development that targets the general population, this project will not compete directly with the Subject.

Adair Court, a proposed new construction 91-unit age-restricted multifamily development, was allocated tax credits in 2016. The project will be located at 806 Murphy Avenue SW, approximately 2.5 miles south of the Subject site. The development has an expected completion date of June 2018. The property will be restricted to individuals age 55 and older, and will offer 69 one-bedroom units and 22 two-bedroom units restricted at the 50 and 60 percent AMI levels, in addition to 14 unrestricted market rate units. The anticipated rents for the affordable units will range from \$475 to \$597, while the rents for the unrestricted market rate units will range from \$850 to \$1,000. As an age-restricted affordable development, this project will directly compete with the Subject.

Phoenix House, an existing 44-unit development that targets the chronically homeless in addition to individuals with mental illness, received an allocation in 2015 for the substantial renovation of the property

with LIHTC equity. The project is located at 1296 Murphy Avenue SW, approximately 3.6 miles southwest of the Subject site. Further information regarding the income restrictions was unavailable. However, as a development that targets chronically homeless and individuals with mental illness, this project will not compete directly with the Subject.

Castleberry Park is currently under construction on the corner of Magnum Street and Mitchell Street, and will offer 125 units upon completion. A unit mix was unavailable; however, the project will offer market rate units and target the general population. Additionally, the mixed-use development will include a 200-room Hard Rock Hotel and ground-level commercial space. A construction timeline for the development was unavailable. As a market rate development that targets the general population, this development will not compete directly with the Subject.

Invest Atlanta Development Authority

We spoke with Randi Mason, Manager with the Invest Atlanta Development Authority, about business expansions and openings in the Atlanta Metro area. Ms. Mason was able to provide a list of more than 100 business expansions and openings in the past several years similar to the table that details business expansions included earlier in the report.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

Between 2000 and 2010 the total population within the PMA declined approximately 0.9 percent annually, while the total population increased approximately 2.4 and 1.0 percent annually in the MSA and the nation as a whole, respectively. However, the total population within the PMA and MSA increased approximately 0.4 percent annually between 2010 and 2017, which is a slightly greater rate than that of the nation (0.3 percent). Between 2017 and 2021, the total population within the PMA is expected to increase at an annual rate of approximately 1.1 percent, which is slightly lower than the MSA at 1.4 percent annually, but slightly greater than the nation as a whole at 0.8 percent annually. Approximately 81.7 percent of senior renter households in the PMA are earning incomes less than \$40,000. These percentages are projected to remain relatively stable through the projected market entry date and 2021. This indicates that the majority of senior renter households will income-qualify to reside at the Subject. Overall, while population growth has been modest, the concentration of renter households at the lowest income cohorts indicates strong demand for affordable senior rental housing in the market.

Employment Trends

The major employers in the Atlanta metropolitan area are largely concentrated in the logistics/transportation, healthcare, and communication industries. These industries tend to be less volatile than others, and indicate that the economy in Atlanta is stable and diverse. Between 2015 and 2017 year-to-date, there were a total of 6,268 additional jobs created, which helps to offset the 6,774 layoffs in the county during the same period.

Total employment within the MSA increased each year from 2002 to 2007, similar to the nation as a whole. Both the MSA and the nation experienced declines in total employment from 2008 to 2010 due to the national recession. However, total employment within the MSA has increased each year from 2011 to 2017 year-to-date, while the nation as a whole reported an increase in total employment each year from 2011 to 2016.

Capture Rates

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

CAPTURE RATE ANALYSIS CHART - WITH SUBSIDY

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 60% AMI	\$0	\$33,480	92	2,081	58	2,023	4.5%	Three months	\$1,419	\$658	\$2,186	\$686
1BR Overall	\$0	\$33,480	92	2,081	58	2,023	4.5%	Three months	\$1,419	\$658	\$2,186	\$686
2BR at 60% AMI	\$0	\$33,480	13	599	19	580	2.2%	Three months	\$1,480	\$721	\$3,133	\$817
2BR Overall	\$0	\$33,480	13	599	58	580	2.2%	Three months	\$1,480	\$721	\$3,133	\$817
60% AMI Overall	\$0	\$33,480	105	2,680	77	2,603	4.0%	Three months	-	-	-	-
Overall	\$0	\$33,480	105	2,680	77	2,603	4.0%	Three months	-	-	-	-

CAPTURE RATE ANALYSIS CHART - WITHOUT SUBSIDY

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 60% AMI	\$23,520	\$33,480	92	370	58	312	29.5%	Three months	\$1,419	\$658	\$2,186	\$686
1BR Overall	\$23,520	\$33,480	92	370	58	312	29.5%	Three months	\$1,419	\$658	\$2,186	\$686
2BR at 60% AMI	\$28,260	\$33,480	13	106	19	87	14.9%	Three months	\$1,480	\$721	\$3,133	\$817
2BR Overall	\$28,260	\$33,480	13	106	58	87	14.9%	Three months	\$1,480	\$721	\$3,133	\$817
60% AMI Overall	\$23,520	\$33,480	105	476	77	399	26.3%	Three months	-	-	-	-
Overall	\$23,520	\$33,480	105	476	77	399	26.3%	Three months	-	-	-	-

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

Absorption

We were able to obtain absorption information from one of the comparables in addition to two additional recently completed developments within the PMA, which is illustrated in the following table.

ABSORPTION					
Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Steelworks	Market	Family	2014	317	21
Baptist Gardens*	LIHTC	Senior	2013	100	15
Veranda At Scholars Landing	Section 8/PBRA	Senior	2013	<u>100</u>	<u>66</u>
Average				172	34

*Utilized as a comparable

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed new construction age-restricted LIHTC/PBRA development that will target seniors age 62 and older. The most recently completed multifamily development able to report absorption information, Steelworks, is a market rate comparable that was completed in 2014, and was absorbed at a rate of 21 units per month. The overall average absorption rate is 34 units per month. However, it should be noted that Baptist Gardens and Veranda At Scholars Landing are the most comparable as both properties are affordable age-restricted developments. Given the above information, the low vacancy rates and extensive waiting lists at the affordable senior comparables, subsidy in place on all units, and generally low capture rates, we believe that the Subject will reach 93 percent occupancy within three months of completion. This equates to an absorption rate of approximately 32 to 33 units per month.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property name	Rent Structure	Total Units	Vacant	Vacancy Rate	
Baptist Gardens	Senior LIHTC	100	0	0.0%	
Centennial Place Apartments	LIHTC/Market	738	15	2.0%	
Columbia Heritage Senior Residences	Senior LIHTC/PBRA/Market	132	0	0.0%	
Columbia Senior Residences At Mechanicsville	Senior LIHTC/PBRA/Market	154	7	4.5%	
Lillie R. Campbell House	Senior LIHTC/Market	96	0	0.0%	
M Street Apartments	LIHTC/Market	308	17	5.5%	
1016 Lofts	Market	265	12	4.5%	
935M	Market	282	19	6.7%	
Arium Westside	Market	336	2	0.6%	
Point At Westside	Market	<u>263</u>	<u>28</u>	<u>10.6%</u>	
Total LIHTC		1,528	39	2.6%	
Total Senior		482	7	1.5%	
Total Market		1,146	61	5.3%	
Total		2,674	101	3.8%	

Overall vacancy in the market is relatively low at 3.8 percent. Total LIHTC vacancy is slightly lower, at 2.6 percent. Additionally, the overall vacancy rate among the senior comparables is 1.5 percent. Vacancy rates among the comparables range from zero to 10.6 percent. Point at Westside and 935M reported elevated

vacancy rates. Management at Point at Westside reported that the vacancy rate is atypically high, and is due to an increase of rental units coming available in the area. Management at 935M reported that the vacancy rate is typically under five percent, and is slightly elevated due to a greater number of students moving out after the fall semester than is typical. It should be noted that three of the senior LIHTC properties reported no vacancies, and that all LIHTC comparables reported vacancies of 5.5 percent or less. Additionally, all of the senior comparables and one of the general population LIHTC comparables reported extensive waiting lists. As a newly constructed property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of three percent or less. Based on these factors, we believe that there is sufficient demand for additional affordable housing in the market. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

Strengths of the Subject

Strengths of the Subject will include its location as the Subject is approximately one mile from downtown Atlanta. Additionally, the low capture rates, high occupancy rates, low instances of vacancies and extensive waiting lists among the age-restricted senior comparables, all indicate strong demand for affordable senior housing in the area. Further, the Subject will offer competitive in-unit amenities including in-unit washer/dryers, walk-in closet, and microwaves, which are not offered at many of the comparables. Overall, we believe the Subject, as proposed, will be competitive within the market.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed.

Overall vacancy in the market is relatively low at 3.8 percent. Total LIHTC vacancy is slightly lower, at 2.6 percent. Additionally, the overall vacancy rate among the senior comparables is 1.5 percent. It should be noted that three of the senior LIHTC properties reported no vacancies, and that all LIHTC comparables reported vacancy rates of 5.5 percent or less. Additionally, all of the senior comparables and one of the general population LIHTC comparables reported extensive waiting lists. Based on these factors, we believe that there is sufficient demand for additional affordable senior rental housing in the market. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

The Subject will offer generally superior in-unit amenities in comparison to the LIHTC and market rate comparable properties and similar property amenities. According to the developer, the Subject will offer a computer lab, courtyard, elevators, an exercise facility, central laundry facilities, on-site management, a picnic area, and a recreation area, which many of the comparables lack. However, the Subject will not offer a swimming pool, which is offered at several of the comparable developments. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As a new construction development, the Subject will be in excellent condition upon completion, will offer competitive in-unit amenities, and will be slightly superior to the multifamily LIHTC developments in the area. The Subject's proposed unit sizes will be competitive with the comparable properties. Additionally, the Subject will offer two-bedroom units, which are generally much less prevalent among the age-restricted LIHTC comparable properties and are demonstrated to be in demand in the market. In general, the Subject will be slightly inferior to similar when compared to the market rate comparables, and similar to slightly superior when compared to the affordable comparables. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing of all types as evidenced by extensive waiting lists and low vacancy rates at the majority of the LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

Recommendations

We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



Rebecca S. Arthur, MAI
Rebecca.Arthur@novoco.com



Brian Neukam
Novogradac & Company LLP



Lawson Short
Lawson.Short@novoco.com

M. MARKET STUDY REPRESENTATION

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



Rebecca S. Arthur, MAI
Rebecca.Arthur@novoco.com



Brian Neukam
Novogradac & Company LLP



Lawson Short
Lawson.Short@novoco.com

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

ADDENDUM B
Subject and Neighborhood Photographs

Photographs of Subject Site and Surrounding Uses



View of Subject site facing south



View of Subject site



View of Subject site facing west



View of Subject site facing east



Vacant land west of Subject site (Block 2)



House of worship further west



Point at Westside southwest of Subject site



View facing east towards office buildings



Technology Enterprise Park north of Subject site



Office building north of Subject site



Typical commercial uses in Subject's neighborhood



Mercedes Benz Stadium under construction south of Subject site



Typical single-family home in Subject's neighborhood



Unnamed multifamily development in Subject's neighborhood



Street view facing west along Cameron Madison Alexander Boulevard NW



Street view facing east along Cameron Madison Alexander Boulevard NW

ADDENDUM C
Qualifications



Background Information

Novogradac & Company LLP is an accounting and valuation-consulting firm that maintains its headquarters in San Francisco, California. NOVOCO has additional offices in Washington, DC; Atlanta, GA; Overland Park, KS; Austin, TX; Dover, OH; Long Beach, CA; and Boston, MA. The headquarters of the valuation and market analysis department is in Washington, DC, with additional valuation staff located in the Austin, Atlanta, Long Beach, and Kansas City offices. The firm works extensively in the affordable housing arena. NOVOCO provides a range of specialized services designed to meet the needs of government agencies, lenders, investors, asset managers, military services, advisors, and developers. These services include an array of valuation consulting services; investment analysis/due diligence support; and litigation support; consulting services include market supply and demand surveys; demographic and income profiles; alternative use and adaptive re-use scenarios, and market share and absorption studies. In addition, NOVOCO provides consulting and valuation services regarding government-owned or government-subsidized real estate, including Military Family Housing, Section 8, Public Housing, and Low-Income Housing Tax Credit (“LIHTC”) projects. At NOVOCO, we are experienced in dealing with the myriad of rules, regulations, and procedures that may impact the valuation of real estate assets affected by various government regulations and the vagaries of federal and local bureaucracies. Our national presence and our wealth of experience allow us to be familiar with a variety of senior housing markets, in many different project types. Our wealth of experience encompasses the intricacies of rural, urban, and suburban markets.

Qualifications

The NOVOCO Valuation Group has provided market research and appraisals for over 200,000 housing units, preparing over 1,000 feasibility/market studies and appraisals across the United States. This ability and experience is a tremendous asset to our clients. Brad Weinberg, the Managing Partner of the Valuation Group, holds both MAI and CCIM designations. H. Blair Kincer is a member of the Appraisal Institute with the MAI designation. In addition, the partners and managers hold current appraiser licenses in over 15 states, and have prepared market studies or appraisals for developments in more than 25 states. NOVOCO has additional staff on hand to provide support and assistance, as needed.

Furthermore, NOVOCO furnishes consulting services for a diverse range of projects, including new construction, acquisition rehabilitation, adaptive re-use of commercial properties, garden-style family projects, single-family rental housing, and housing for the elderly, handicapped, and households affected by HIV. We recognize that the needs of a rental property’s specific clientele, as well as the project’s ability to meet those needs, are as vital to the success of the project as the current health of any particular rental market.

Novogradac & Co. LLP was recently designated a “Best of the Best” firm by Bowman’s Accounting Report for 2004. Bowman’s Accounting Report analyzed 327 firms, and only the top 25 achieve the “Best of the Best” status. This honor means that NOVOCO has outperformed other firms in its category, with respect to fiscal measurement and wise management. This is the second time that NOVOCO has been recognized with this designation by Bowman’s.

Partners with Novogradac & Company LLP have published numerous affordable housing industry-related articles in national newspapers, as well as in highly regarded trade journals. In addition, the Partners are the authors of the Low-Income Housing Tax Credit Handbook, the nation's leading authoritative guide to affordable housing development. The Partners also write and publish *The Low-Income Housing Tax-Exempt Bond Handbook*; *The Building Owners Income Tax Manual*; *The On-Site Tax Credit Property Management Guidebook*; *The LIHTC Monthly Report*, a monthly journal offering news, features and commentary on the Low-Income Housing Tax Credit industry; the *Housing Bond Report*, a monthly publication on the Low-Income Housing Tax-Exempt bond industry; and the *Property Compliance Report*, a monthly publication on Low-Income Housing Tax Credit compliance.

Novogradac & Company LLP sponsors affordable housing and real-estate-related workshops at locations all over the country. The conferences attract hundreds of the industry's leading experts and participants nationwide. The firm also conducts workshops and seminars throughout the year on a variety of affordable housing-related subjects. Many of the professionals at Novogradac & Company LLP were formerly associated with international accounting and appraisal firms. This association provides an excellent training and educational opportunity.

Our state-of-the-art website (www.taxcredithousing.com) is a widely used resource for the affordable housing community. In fact, several state housing agencies refer audience members to it, when these agencies conduct industry seminars. The website provides rent and income levels for every community in the United States, as well as links to State Housing Agencies. Visitors can view monthly bond factors and applicable federal rates, as well as learn about recent legislation and industry events.

Many of NOVOCO’s projects include public and private partnerships, mixed-use components, demolition and reductions in density, combinations of funding sources, (such as LIHTC with Hope VI), ownership components, new construction, and set-asides for the elderly. We believe that all forms of funding that result in innovative approaches to providing an improved quality of life are important. Additional information and/or sample reports can be provided upon request. NOVOCO’s experience includes recent projects that study populations in broad geographic areas and assess the market feasibility of properties.

Capacity and Turnaround Time

Novogradac & Company offers a team of 40 consultants with the experience, capacity, and availability to provide market-consulting services at an economical price. The entire firm, including both the Accounting and the Valuation teams, boasts a staff of more than 185. Our team of analysts has experience ranging from three to twenty-five years, in both market research and appraisals on rental housing. Our firm specializes in affordable housing, and our Principals

each have an average of 15 years' worth of experience. This team is assisted by junior-level analysts and support staff, who possess significant experience and training in affordable rental-housing market study research. We have additional support staff on hand to assist in the general data collection and production of the required deliverables.

Additional Capabilities

As discussed earlier, the firm provides both Accounting and Valuation Services. Not only do we have extensive experience in the affordable housing industry, but we specialize in this market niche.

Another service provided by NOVOCO, which sets us apart from our competitors, is our GIS capability. Novogradac & Company, LLP is a licensed user of the ArcView Business Analyst GIS system. The software allows us to do in-house GIS and data analysis of locations nationwide. By creating custom study areas, NOVOCO can analyze locations by state, metropolitan area, county, zip code, Census tract, and block group, as well as by a specified radius from an identified point or custom-drawn polygon.

Data included in GIS analysis encompasses Census data for 2000, as well as estimated numbers for 2004 and forecasted projections for 2009. The GIS software allows us to find pockets of demand for housing and consumer needs by mapping Census tracts or block groups with low incomes, high renter tenure, large households, or other key demand elements, such as elderly rental population. In addition to the Census data and updates, we can import data about existing housing options to the system, in order to add additional layers of information to our analysis. Moreover, our Microsoft Streets & Trips program affords us significant mapping capabilities.

Our access and experience with this data allows us to perform detailed demographic and economic analyses on any custom-specified area. This is an invaluable asset to our clients, as it helps them understand the market segments they serve.

STATEMENT OF PROFESSIONAL QUALIFICATIONS
REBECCA S. ARTHUR, MAI

I. Education

University of Nebraska, Lincoln, Nebraska
Bachelor of Science in Business Administration – Finance

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Designated Member of the Appraisal Institute (MAI)
Kansas City Chapter of the Appraisal Institute Board of Directors – 2013 & 2014
Member of Commercial Real Estate Women (CREW) Network
Member of National Council of Housing Market Analysts (NCHMA)

State of Arkansas Certified General Real Estate Appraisal No. CG2682
State of Arizona Certified General Real Estate Appraisal No. 31992
State of California Certified General Real Estate Appraiser No. AG041010
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047
State of Iowa Certified General Real Estate Appraiser No. CG03200
State of Indiana Certified General Real Estate Appraiser No. CG41300037
State of Kansas Certified General Real Estate Appraiser No. G-2153
State of Minnesota Certified General Real Estate Appraiser No. 40219655
State of Missouri Certified General Real Estate Appraiser No. 2004035401
State of Louisiana Certified General Real Estate Appraiser No. 4018
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

III. Professional Experience

Partner, Novogradac & Company LLP
Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Corporate Financial Analyst, Deloitte & Touche LLP

IV. Professional Training

USPAP Update, January 2016
Forecasting Revenue, June 2015
Discounted Cash Flow Model, June 2015
Business Practices and Ethics, April 2015
HUD MAP Training – June 2013
The Appraiser as an Expert Witness: Preparation & Testimony, April 2013
How to Analyze and Value Income Properties, May 2011

Appraising Apartments – The Basics, May 2011
HUD MAP Third Party Tune-Up Workshop, September 2010
HUD MAP Third Party Valuation Training, June 2010
HUD LEAN Third Party Training, January 2010
National Uniform Standards of Professional Appraisal Practice, April 2010
MAI Comprehensive Four Part Exam, July 2008
Report Writing & Valuation Analysis, December 2006
Advanced Applications, October 2006
Highest and Best Use and Market Analysis, July 2005
HUD MAP – Valuation Advance MAP Training, April 2005
Advanced Sales Comparison and Cost Approaches, April 2005
Advanced Income Capitalization, October 2004
Basic Income Capitalization, September 2003
Appraisal Procedures, October 2002
Appraisal Principals, September 2001

V. Real Estate Assignments

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. 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 market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- 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 and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

VI. Speaking Engagements

A representative sample of industry speaking engagements follows:

- Institute for Professional Education and Development (IPED): Tax Credit Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- Midwest FHA Lenders Conference: Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- National Council of State Housing Agencies: Housing Credit Connect Conferences
- National Leased Housing Association: Annual Meeting
- Nebraska's County Assessors: Annual Meeting
- Novogradac & Company LLP: LIHTC, Developer and Bond Conferences
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Kansas Housing Conference
- California Council for Affordable Housing Meetings

STATEMENT OF PROFESSIONAL QUALIFICATIONS

LAWSON SHORT

I. EDUCATION

St. Edward's University, Austin, Texas

Bachelor of Arts, English Writing and Rhetoric, *2010*

II. PROFESSIONAL EXPERIENCE

Real Estate Analyst – Novogradac & Company LLP, *March 2012 to Present*

Researcher – Novogradac & Company LLP, *March 2011 to March 2012*

III. PROFESSIONAL TRAINING

Basic Appraisal Principles *June 2013 to January 2014*

Basic Appraisal Procedures *June 2013 to January 2014*

National USPAP Course *June 2013 to January 2014*

Texas Appraiser Trainee License *February 2014*

IV. REAL ESTATE ASSIGNMENTS

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

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted in various types of appraisals of proposed new construction, rehabilitation, and existing properties. Analysis includes property screenings, valuation analysis, capitalization rate analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis. Appraisals assisted on have

included Freddie Mac, Fannie Mae, HUD Multifamily Accelerated Processing (MAP), among others.

- Conducted over 150 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation projects.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects through the United States.

**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

State of South Carolina Certified General Appraiser No. 7493

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, December 2016-present

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

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

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

REAL ESTATE ASSIGNMENTS

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

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

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	Herndon Homes Senior Cameron Madison Alexander Boulevard NW @ Gray Street NW Atlanta, GA 30318 Fulton County	n/a	Midrise (age-restricted) Proposed / n/a	LIHTC/PBRA	1BR / 1BA	92	87.6%	@60%/PBRA	\$686	692	yes		N/A	N/A					
					2BR / 2BA	13	12.4%	@60%/PBRA	\$817	957	yes		N/A	N/A					
						105	100.0%						N/A	N/A					
1	Baptist Gardens 1928 Delowe Drive SW Atlanta, GA 30311 Fulton County	5.4 miles	Lowrise (age-restricted) (4 stories) 2013 / n/a	LIHTC	1BR / 1BA	25	25.0%	@50%	\$591	750	yes	Yes	0	0.0%					
					1BR / 1BA	75	75.0%	@60%	\$658	750	yes	Yes	0	0.0%					
						100	100.0%						0	0.0%					
2	Centennial Place Apartments 526 Centennial Olympic Park Drive Atlanta, GA 30313 Fulton County	0.6 miles	Various (3 stories) 1996/2001/ 2014	LIHTC/Market	1BR / 1BA (Garden)	N/A	N/A	@60%	\$686	688	yes	No	N/A	N/A					
					1BR / 1BA (Garden)	N/A	N/A	Market	\$1,050	688	n/a	No	N/A	N/A					
					2BR / 1BA (Garden)	N/A	N/A	@60%	\$812	875	yes	No	N/A	N/A					
					2BR / 1BA (Garden)	N/A	N/A	Market	\$1,200	875	n/a	No	N/A	N/A					
					2BR / 1.5BA (Townhouse)	N/A	N/A	@60%	\$812	1,075	yes	No	N/A	N/A					
					2BR / 1.5BA (Townhouse)	N/A	N/A	Market	\$1,600	1,075	n/a	No	N/A	N/A					
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$872	1,050	yes	No	N/A	N/A					
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$872	1,231	yes	No	N/A	N/A					
					2BR / 2BA (Garden)	N/A	N/A	Market	\$1,270	1,050	n/a	No	N/A	N/A					
					2BR / 2BA (Garden)	N/A	N/A	Market	\$1,328	1,231	n/a	No	N/A	N/A					
					3BR / 2.5BA (Townhouse)	N/A	N/A	@60%	\$928	1,441	yes	No	N/A	N/A					
					3BR / 2.5BA (Townhouse)	N/A	N/A	@60%	\$928	1,340	yes	No	N/A	N/A					
					3BR / 2.5BA (Townhouse)	N/A	N/A	Market	\$1,700	1,441	n/a	No	N/A	N/A					
					3BR / 2.5BA (Townhouse)	N/A	N/A	Market	\$1,875	1,340	n/a	No	N/A	N/A					
					738	100.0%							15	2.0%					
3	Columbia Heritage Senior Residences 1900 Perry Blvd NW Atlanta, GA 30318 Fulton County	3.3 miles	Midrise (age-restricted) (5 stories) 2004 / n/a	LIHTC/PBRA/ Market	2BR / 1BA	62	47.0%	@50%/PBRA	\$770	970	n/a	Yes	0	0.0%					
					2BR / 1BA	62	47.0%	@60%/PBRA	\$770	970	n/a	Yes	0	0.0%					
					2BR / 1BA	6	4.5%	Market	\$1,049	970	n/a	Yes	0	0.0%					
					2BR / 1BA	2	1.5%	Non-Rental	\$0	970	n/a	No	0	0.0%					
					132	100.0%							0	0.0%					
4	Columbia Senior Residences At Mechanicsville 555 McDaniel St Atlanta, GA 30312 Fulton County	1.9 miles	Midrise (age-restricted) (4 stories) 2007 / n/a	LIHTC/PBRA/ Market	1BR / 1BA	18	11.7%	@60%	\$865	750	yes	Yes	0	0.0%					
					1BR / 1BA	1	0.6%	Market	\$955	750	n/a	Yes	0	0.0%					
					1BR / 1BA	135	87.7%	PBRA	\$865	750	n/a	Yes	7	5.2%					
										154	100.0%						7	4.5%	
5	Lillie R. Campbell House 1830 Campbellton Rd SW Atlanta, GA 30311 Fulton County	4.7 miles	Midrise (age-restricted) (4 stories) 2008 / n/a	LIHTC/Market	1BR / 1BA	19	19.8%	@60%	\$688	626	yes	Yes	0	0.0%					
					1BR / 1BA	5	5.2%	Market	\$813	626	n/a	Yes	0	0.0%					
					2BR / 1BA	48	50.0%	@60%	\$721	831	yes	Yes	0	0.0%					
					2BR / 1BA	12	12.5%	Market	\$1,016	831	n/a	Yes	0	0.0%					
					2BR / 2BA	6	6.2%	@60%	\$814	882	yes	Yes	0	0.0%					
					2BR / 2BA	2	2.1%	Market	\$1,076	882	n/a	Yes	0	0.0%					
					3BR / 2BA	3	3.1%	@60%	\$957	1,108	yes	Yes	0	0.0%					
					3BR / 2BA	1	1.0%	Market	\$1,139	1,108	n/a	Yes	0	0.0%					
										96	100.0%							0	0.0%
					6	M Street Apartments 950 Marietta Street Atlanta, GA 30318 Fulton County	0.7 miles	Garden (3 stories) 2004 / n/a	LIHTC/Market	Studio / 1BA	N/A	N/A	@50%	\$865	561	yes	Yes	0	N/A
Studio / 1BA	N/A	N/A	Market	\$1,133						561	n/a	No	0	N/A					
1BR / 1BA	N/A	N/A	@50%	\$900						886	yes	Yes	0	N/A					
1BR / 1BA	N/A	N/A	Market	\$1,397						886	n/a	No	8	N/A					
2BR / 2BA	N/A	N/A	@50%	\$1,037						955	yes	Yes	0	N/A					
2BR / 2BA	N/A	N/A	Market	\$1,620						955	n/a	No	4	N/A					
3BR / 3BA	N/A	N/A	@50%	\$1,276						1,275	yes	Yes	0	N/A					
3BR / 3BA	N/A	N/A	Market	\$2,379						1,275	n/a	No	5	N/A					
										308	100.0%							17	5.5%
7	1016 Lofts 1016 Howell Mill Rd Atlanta, GA 30318 Fulton County	1.1 miles	Midrise (6 stories) 2003 / n/a	Market						Studio / 1BA	N/A	N/A	Market	\$1,189	630	n/a	No	2	N/A
					Studio / 1BA	N/A	N/A	Market	\$1,515	630	n/a	No	1	N/A					
					Studio / 1BA	N/A	N/A	Market	\$1,370	649	n/a	No	1	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,237	720	n/a	No	0	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,611	972	n/a	No	2	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,811	1,278	n/a	No	0	N/A					
					2BR / 1BA	N/A	N/A	Market	\$1,622	972	n/a	No	0	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,911	1,218	n/a	No	2	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,994	1,367	n/a	No	4	N/A					
										265	100.0%							12	4.5%
8	935M 935 Marietta St NW Atlanta, GA 30318 Fulton County	0.8 miles	Various (7 stories) 2010 / n/a	Market	Studio / 1BA (Highrise)	94	33.3%	Market	\$1,265	560	n/a	No	6	6.4%					
					Studio / 1BA (Highrise)	N/A	N/A	Market	\$1,460	600	n/a	N/A	N/A	N/A					
					Studio / 1BA (Highrise)	N/A	N/A	Market	\$1,071	520	n/a	N/A	N/A	N/A					
					1BR / 1BA (Highrise)	47	16.7%	Market	\$1,463	768	n/a	3	6.4%						
					1BR / 1BA (Highrise)	N/A	N/A	Market	\$1,675	850	n/a	N/A	N/A						
					1BR / 1BA (Highrise)	N/A	N/A	Market	\$1,250	685	n/a	N/A	N/A						
					1BR / 2BA (Highrise)	47	16.7%	Market	\$2,086	1,125	n/a	3	6.4%						
					1BR / 2BA (Highrise)	N/A	N/A	Market	\$2,186	1,260	n/a	N/A	N/A						
					1BR / 2BA (Highrise)	N/A	N/A	Market	\$1,986	990	n/a	N/A	N/A						
					2BR / 2BA (Highrise)	94	33.3%	Market	\$1,758	1,140	n/a	7	7.4%						
					2BR / 2BA (Highrise)	N/A	N/A	Market	\$2,602	1,300	n/a	No	10	N/A					
					2BR / 2BA (Highrise)	N/A	N/A	Market	\$1,758	980	n/a	No	10	N/A					
					2BR / 3BA (Highrise)	N/A	N/A	Market	\$3,133	2,415	n/a	No	N/A	N/A					
										282	100.0%							19	6.7%
9	Arium Westside 1000 Northside Dr NW Atlanta, GA 30318 Fulton County	1.1 miles	Midrise (6 stories) 2006 / 2017	Market	1BR / 1BA	N/A	N/A	Market	\$1,430	771	n/a	No	0	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,458	845	n/a	No	1	N/A					
					1BR / 1BA	N/A	N/A	Market	\$2,060	1,359	n/a	No	0	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,877	1,068	n/a	No	0	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,982	1,100	n/a	No	1	N/A					
					3BR / 2BA	N/A	N/A	Market	\$2,669	1,368	n/a	No	0	N/A					
										336	100.0%							2	0.6%
10	Point At Westside 370 Northside Drive NW Atlanta, GA 30318 Fulton County	0.2 miles	Midrise (4 stories) 2004/2015/ 2016	Market	Studio / 1BA	3	1.1%	Market	\$940	595	n/a	No	0	0.0%					
					Studio / 1BA	3	1.1%	Market	\$1,010	674	n/a	No	0	0.0%					
					1BR / 1BA	19	7.2%	Market	\$1,062	729	n/a	No	1	5.3%					
					1BR / 1BA	20	7.6%	Market	\$1,220	751	n/a	No	1	5.0%					
					1BR / 1BA	2	0.8%	Market	\$1,635	1,142	n/a	No	1	50.0%					
					1BR / 1BA	2	0.8%	Market	\$1,761	1,190	n/a	No	1	50.0%					
					2BR / 2BA	54	20.5%	Market	\$1,277	1,001	n/a	No	4	7.4%					
					2BR / 2BA	55	20.9%	Market	\$1,326	1,056	n/a	No	4	7.3%					
					2BR / 2BA	55	20.9%	Market	\$1,756	1,300	n/a	No	4	7.3%					
					3BR / 2BA	25	9.5%	Market	\$1,689	1,211	n/a	No	6	24.0%					
					3BR / 2BA	25	9.5%	Market	\$1,717	1,234	n/a	No	6	24.0%					
					263	100.0%							28	10.6%					

ADDENDUM E
Subject Floor Plans