

Market Feasibility Analysis

Woodlands at Montgomery
227 West Montgomery Cross Road
Savannah, Chatham County, Georgia 31406

Prepared For

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SECTION A – EXECUTIVE SUMMARY

This report evaluates the market feasibility of the Woodlands at Montgomery rental community to be constructed utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Savannah, Georgia. Based on the findings contained in this report, we believe a market will exist for the subject development, as long as it is constructed and operated as proposed in this report.

1. Project Description:

Woodlands at Montgomery involves the new construction of 246 apartments on an approximate 17.3-acre site (approximately 12.3 buildable) at 227 West Montgomery Cross Road in Savannah. The project will offer 50 one-, 96 two-, 92 three- and eight (8) four-bedroom garden-style units within 19 two- and three-story residential buildings and one 3,300 square-foot community building. Woodlands at Montgomery Crossing will be developed utilizing funding from the Tax-Exempt Bond program and target lower-income family households earning up to 60% of Area Median Household Income (AMHI). Monthly collected Tax Credit rents will range from \$607 to \$893, depending on unit type. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by July 2018. Additional details regarding the proposed project are included in Section B of this report.

2. Site Description/Evaluation:

The subject site is situated in an established area of Savannah that generally consists of residential and commercial structures in good condition. The proposed site will be generally consistent with the primarily residential nature of the immediate site neighborhood. Visibility of the subject site is considered good, pending the addition of permanent signage along West Montgomery Cross Road. Access to the subject site is considered good, as the subject site will have direct access from West Montgomery Cross Road. However, it is of note that there is a divider between the eastbound and westbound lanes along West Montgomery Cross Road, which can hinder ingress and egress. This is typical of the area and there are designated U-turn lanes along this roadway. Additionally, the subject site's location allows for most basic community services to be accessible via public transportation, with a designated bus stop located adjacent northwest of the site, which is considered beneficial to the targeted population. Overall, we expect the subject development to benefit from its location and accessibility, as well as its proximity to arterial roadways and community services within the Savannah market.

3. Market Area Definition:

The Savannah Site PMA includes southern portions of Savannah and the surrounding unincorporated areas of Chatham County. Specifically, the boundaries of the Site PMA include Mills Land and 52nd Street to the north; Harry S. Truman Parkway to the east; Harry S. Truman Parkway and Abercorn Street to the south; and railroad tracks, the Little Ogeechee River, Veteran's Parkway and Interstate 516 to the west. The farthest boundary from the site is 5.8 miles. A map illustrating these boundaries is included on page D-2 of this report.

4. Community Demographic Data:

Demographic trends within the Savannah Site PMA are projected to be positive between 2017 and 2019, as the total population will increase by 1,081 (1.9%) and the total number of households will increase by 372 (1.7%) during this time period. These trends demonstrate an expanding overall demographic base within the Site PMA. Additionally, it is projected that there will be 13,199 renter households in the market in 2019, an increase of 253 households, or 2.0%, from 2017. Notably, low-income renter households (earning below \$35,000) are projected to increase by 206, or 2.8%, during the same time period. Based on the preceding analysis and additional demographic data contained within this report, there appears to be a deep and increasing base of income-appropriate renter support for affordable rental housing in the market, such as that proposed at the subject site. Additional demographic data is included in Section E of this report.

5. Economic Data:

Based on information via our online research and data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Chatham County economy continues to experience growth. Notably, nearly 2,000 jobs are anticipated to be added within the county over the next several years. Additionally, aside from a downturn between 2007 and 2010, the employment base within the county has consistently increased over the preceding six-year period. In fact, the employment base has increased by 16,454 employees, or 14.3%, since 2010 and is currently above pre-recession levels. Further, the unemployment rate has decreased each of the past five years and is currently at its lowest level (5.1%) since 2007 (4.0%). Overall, these positive economic trends indicate that the Chatham County economy is strong and improving. Based on these recent trends, it is anticipated that Chatham County will continue to experience positive economic trends for the foreseeable future, which will continue to create a stable environment for housing. Additional economic data is included in Section F of this report.

6. Project-Specific Affordability and Demand Analysis:

Per GDCA guidelines, capture rates below 30% for projects in urban markets such as the Savannah Site PMA are considered acceptable. As such, the project's overall capture rate of 12.7% is considered low and easily achievable within the Savannah Site PMA and demonstrates that a deep base of potential income-eligible renter support exists for the subject project. This is especially true, given the high occupancy rates maintained among the existing LIHTC properties in the Site PMA.

7. Competitive Rental Analysis

We identified and surveyed three existing family (general-occupancy) non-subsidized rental communities that offer LIHTC units in the Site PMA. These three projects target households with incomes of up to 30%, 50% and 60% of AMHI and are considered competitive properties. These four competitive LIHTC projects and the subject development are summarized in the following table. Information regarding property address and phone number, contact name, date of contact and utility responsibility is included in Addendum A, Field Survey of Conventional Rentals.

| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|----------|--------------------------------|-----------------------|-------------|-----------|------------------|--------------|--------------------------------|
| Site | Woodlands at Montgomery | 2018 | 246 | - | - | - | Families; 60% AMHI |
| 3 | Montgomery Landing | 2005 | 115* | 100.0% | 4.1 Miles | 30 H.H. | Families; 30%, 50%, & 60% AMHI |
| 4 | Oaks at Brandlewood | 2003 | 287* | 100.0% | 7.1 Miles | None | Families; 60% AMHI |
| 13 | Live Oak Apt. Homes | 1979 / 2002 | 208 | 100.0% | 1.8 Miles | 20-30 H.H. | Families; 60% AMHI |

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

The three LIHTC projects have a combined occupancy rate of 100.0%, two of which maintain waiting lists. This illustrates that pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

The gross rents for the competing LIHTC projects and the proposed LIHTC rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the table on the following page.

**Gross Rent/Percent of AMHI
(Number of Units/Vacancies)**

| Map I.D. | Project Name | One-Br. | Two-Br. | Three-Br. | Four-Br. | Rent Special |
|----------|--------------------------------|-----------------------|-----------------------|-----------------------|------------------------|--------------|
| Site | Woodlands at Montgomery | \$714/60% (50) | \$858/60% (96) | \$990/60% (92) | \$1,105/60% (8) | - |
| | | \$376/30% (1/0) | \$444/30% (9/0) | \$509/30% (3/0) | \$573/30% (1/0) | |
| 3 | Montgomery Landing | \$626/50% (4/0) | \$745/50% (16/0) | \$856/50% (22/0) | \$960/50% (2/0) | None |
| 4 | Oaks at Brandlewood | \$751/60% (7/0) | \$895/60% (12/0) | \$1,030/60% (29/0) | \$1,154/60% (9/0) | None |
| | | \$697/60% (84/0) | \$846/60% (119/0) | \$980/60% (84/0) | - | None |
| 13 | Live Oak Apt. Homes | \$655/60% (39/0) | \$782/60% (92/0) | \$900/60% (53/0) | \$990/60% (24/0) | None |

The proposed subject gross LIHTC rents, ranging from \$714 to \$1,105, will be within the range of rents offered at the competitive LIHTC projects targeting similar income levels within the market. Given that all comparable LIHTC projects are 100.0% occupied and the fact that the subject's rents are competitively positioned, they are considered appropriate for the Savannah Site PMA.

Comparable/Competitive Tax Credit Summary

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, it is our opinion that the subject development will be very competitive. In fact, the subject project will be at least 13 years newer than the competitive affordable developments, offering larger unit sizes and a slightly superior amenities package. The aforementioned characteristics will provide the subject with a competitive advantage. This has been considered in our absorption projections.

An in-depth analysis of the Savannah rental housing market is included in Section H of this report.

8. Absorption/Stabilization Estimates

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA/GHFA guidelines that assume a 2019 completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2019.

Considering the facts contained in the market study and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the subject development. Our absorption projections take into consideration the high occupancy rates reported among existing non-subsidized LIHTC projects in the market, the required capture rates, achievable market rents and the competitiveness of the proposed subject

development within the Savannah Site PMA. Our absorption projections also take into consideration that the developer and/or management successfully markets the project throughout the Site PMA.

Based on our analysis, it is our opinion that the 246 proposed LIHTC units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately 14 months. This absorption period is based on an average monthly absorption rate of approximately 16 units per month.

These absorption projections assume a 2019 opening date. A later opening date may have a slowing impact on the absorption potential for the subject project. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

9. Overall Conclusion:

Based on the findings reported in our market study, it is our opinion that a market exists for the 246 LIHTC units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The Savannah rental housing market is performing well, as evidenced by the overall rental market occupancy rate of 97.4%. When compared to other affordable rental housing alternatives within the market, the subject project will be very competitive.

The overall required capture rate of 12.7% for the subject's LIHTC units is considered low and demonstrates that a significant base of potential income-appropriate renter support exists for the subject project within the Savannah Site PMA.

Based on the preceding analysis and facts contained within this report, we believe the proposed subject development is marketable within the Savannah Site PMA, as proposed. We do not have any recommendations or modifications to the subject development at this time.

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

| | | | |
|-------------------|---|----------------|------------|
| Development Name: | Woodlands at Montgomery | Total # Units: | 246 |
| Location: | 227 W. Montgomery Cross Rd., Savannah, GA 31406 | # LIHTC Units: | 246 |
| PMA Boundary: | Mills Land and 52 nd Street to the north; Harry S. Truman Parkway to the east; Harry S. Truman Parkway and Abercorn Street to the south; and railroad tracks, the Little Ogeechee River, Veteran's Parkway and Interstate 516 to the west. | | |
| | Farthest Boundary Distance to Subject: | | 5.8 miles |

RENTAL HOUSING STOCK (found on page H-1 to 3 & H-5)

| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
|--|--------------|-------------|--------------|-------------------|
| All Rental Housing | 21 | 3,236 | 84 | 97.4% |
| Market-Rate Housing | 18 | 2,388 | 84 | 96.5% |
| Assisted/Subsidized Housing not to include LIHTC | 1 | 100 | 0 | 100.0% |
| LIHTC | 4 | 748 | 0 | 100.0% |
| Stabilized Comps | 3 | 610 | 0 | 100.0% |
| Properties in Construction & Lease Up | 0 | - | - | - |

| 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 |
| 50 | One-Br. | 1.0 | 876 | \$607 | \$971 | \$1.11 | 37.5% | \$1,170 | \$1.15 |
| 96 | Two-Br. | 2.0 | 1,100 | \$720 | \$1,062 | \$0.97 | 32.2% | \$1,448 | \$1.33 |
| 92 | Three-Br. | 2.0 | 1,300 | \$818 | \$1,316 | \$1.01 | 37.8% | \$1,640 | \$1.21 |
| 8 | Four-Br. | 2.0 | 1,400 | \$893 | - | - | - | - | - |

DEMOGRAPHIC DATA (found on page E-2 & G-5)

| | 2012 | | 2017 | | 2019 | |
|-------------------------------------|--------|-------|--------|-------|--------|-------|
| Renter Households | 11,952 | 55.8% | 12,946 | 58.8% | 13,199 | 59.0% |
| Income-Qualified Renter HHs (LIHTC) | N/A | N/A | 3,594 | 27.8% | 3,565 | 27.0% |
| Income-Qualified Renter HHs (MR) | N/A | N/A | N/A | N/A | N/A | N/A |

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)

| Type of Demand | 30% | 50% | 60% | Market-rate | Other: __ | Overall |
|---|-----|-----|--------------|-------------|-----------|--------------|
| Renter Household Growth | | | -29 | | | -29 |
| Existing Households (Overburd + Substand) | | | 1,971 | | | 1,971 |
| Homeowner conversion (Seniors) | | | 0 | | | 0 |
| Total Primary Market Demand | | | 1,942 | | | 1,942 |
| Less Comparable/Competitive Supply | | | 0 | | | 0 |
| Adjusted Income-Qualified Renter HHs | | | 1,942 | | | 1,942 |

CAPTURE RATES (found on page G-5)

| Targeted Population | 30% | 50% | 60% | Market-rate | Other: | Overall |
|---------------------|-----|-----|-------|-------------|--------|---------|
| Capture Rate | | | 12.7% | | | 12.7% |

Section B - Project Description

The subject project involves the new construction of the 246-unit Woodlands at Montgomery rental community on an approximate 17.3-acre site (approximately 12.3 buildable) at 227 West Montgomery Cross Road in Savannah, Georgia. The project will offer 50 one-, 96 two-, 92 three- and eight (8) four-bedroom garden-style units within 19 two- and three-story residential buildings and one 3,989 square-foot community building. Woodlands at Montgomery Crossing will be developed utilizing funding from the Tax-Exempt Bond program and target lower-income family households earning up to 60% of Area Median Household Income (AMHI). Monthly collected Tax Credit rents will range from \$607 to \$893, depending on unit type. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by July 2018. Additional details of the subject project are as follows:

A. PROJECT DESCRIPTION

1. **Project Name:** Woodlands at Montgomery
2. **Property Location:** 227 West Montgomery Cross Road
Savannah, Georgia 31406
(Chatham County)
3. **Project Type:** Tax Credit
4. **Unit Configuration and Rents:**

| Total Units | Bedroom Type | Baths | Style | Square Feet | % AMHI | Proposed Rents | | | Max. Allowable LIHTC Gross Rent |
|-------------|--------------|-------|--------|-------------|--------|----------------|-------------------|------------|---------------------------------|
| | | | | | | Collected Rent | Utility Allowance | Gross Rent | |
| 50 | One-Br. | 1.0 | Garden | 876 | 60% | \$607 | \$107 | \$714 | \$714 |
| 96 | Two-Br. | 2.0 | Garden | 1,100 | 60% | \$720 | \$138 | \$858 | \$858 |
| 92 | Three-Br. | 2.0 | Garden | 1,300 | 60% | \$818 | \$172 | \$990 | \$990 |
| 8 | Four-Br. | 2.0 | Garden | 1,400 | 60% | \$893 | \$212 | \$1,105 | \$1,105 |
| 246 | Total | | | | | | | | |

Source: Herman & Kittle Properties, Inc.

AMHI – Area Median Household Income (Savannah, GA MSA; 2016)

5. **Target Market:** Family Households
6. **Project Design:** 19 two- and three-story residential buildings and an approximate 3,300 square-foot community room.
7. **Original Year Built:** Not Applicable; New Construction

8. Projected Opening Date: July 2018

9. Unit Amenities:

- Electric Range
- Refrigerator
- Garbage Disposal
- Dishwasher
- Microwave
- Central Air Conditioning
- Carpet
- Window Blinds
- Patio/Balcony
- Washer/Dryer Hookups
- Ceiling Fan

10. Community Amenities:

- On-Site Management
- Clubhouse/Community Room
- Swimming Pool
- Computer Center
- Storage (\$30-\$50/month)
- Laundry Facility
- Playground
- Fitness Center
- Picnic Area

11. Resident Services:

- Social programs to encourage interaction among tenants, held semi-monthly, to include movie nights, pot-luck dinners and game night.
- Enrichment classes provided for the tenants, held semi-monthly, to include classes such as crafting, household safety and basic computer skills.

12. Utility Responsibility:

The cost of trash collection will be included in the monthly rent. Tenants will be responsible for all other utility charges, including the cost of:

- General Electricity
- Electric Heat
- Electric Water Heat
- Electric Cooking
- Cold Water
- Sewer

13. Rental Assistance:

None of the proposed subject units will operate with project-based rental assistance.

14. Parking:

The subject site will offer 409 open lot parking spaces at no additional charge. In addition, 48 detached garages will be available for \$100/month.

15. Current Project Status:

Not Applicable; New Construction

16. Statistical Area:

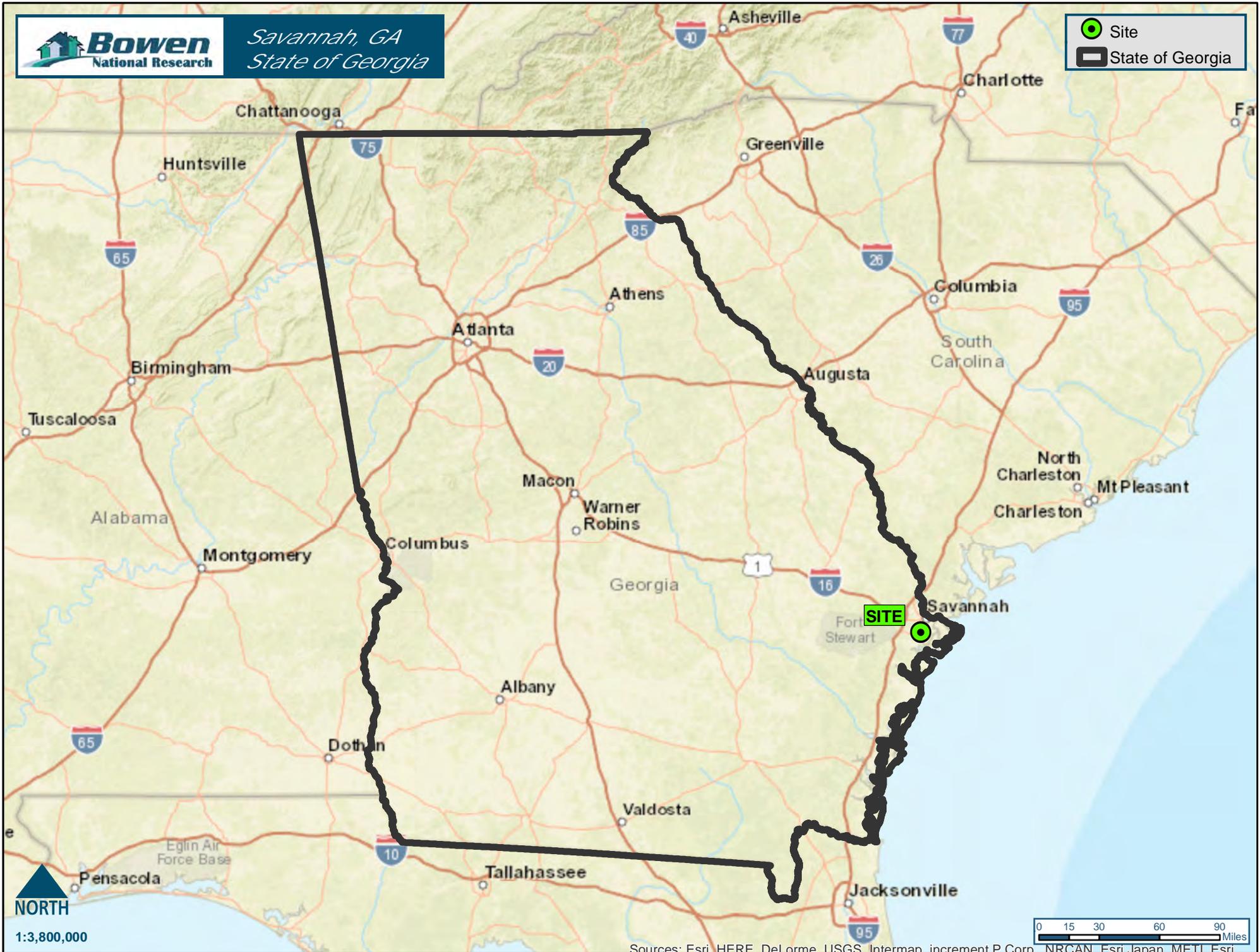
Savannah, Georgia MSA (2016)

A state map, area map and map illustrating the site neighborhood are on the following pages.



Savannah, GA
State of Georgia

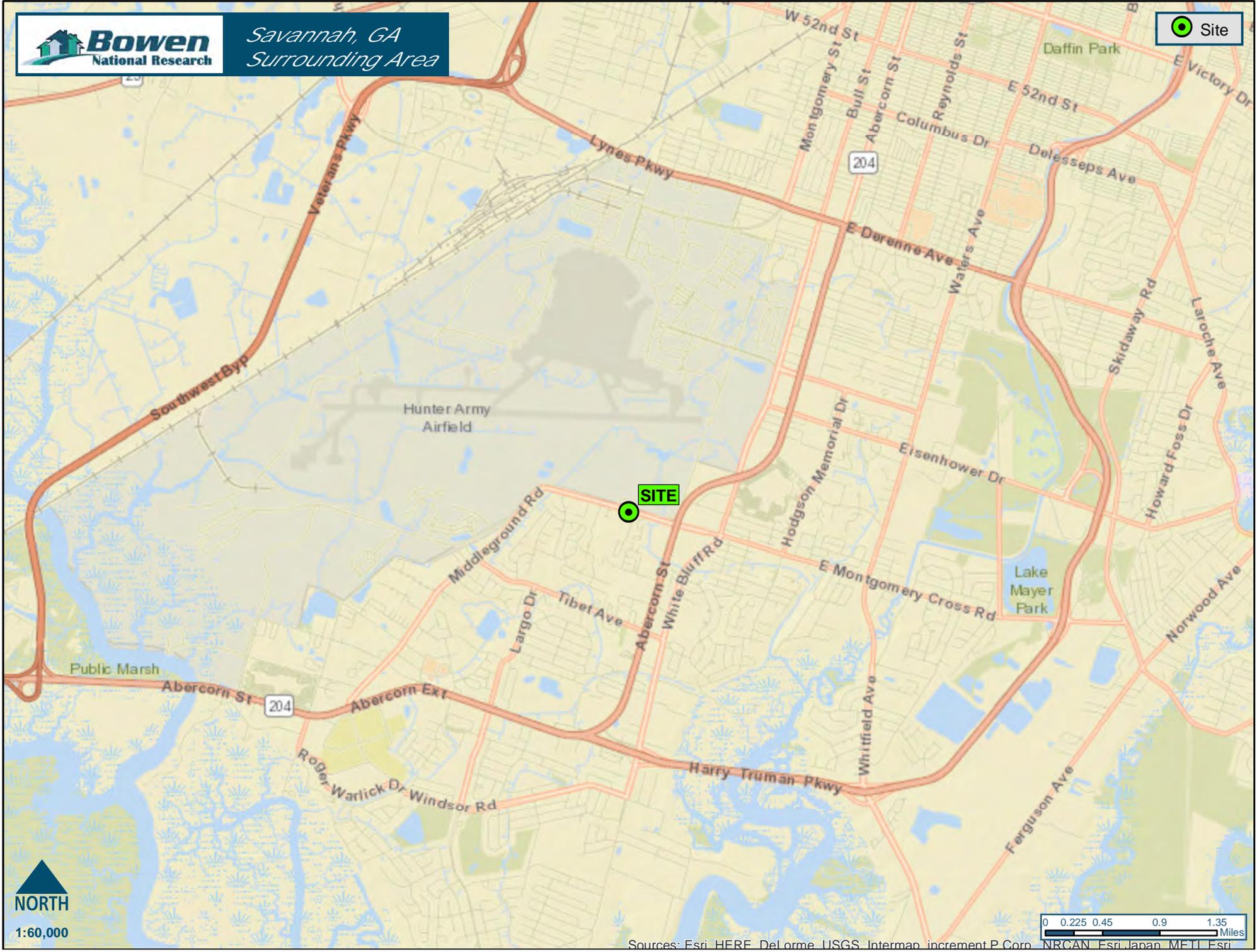
● Site
▭ State of Georgia



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp., NRCAN, Esri, Japan, METI, Esri



Savannah, GA
Surrounding Area



NORTH
1:60,000

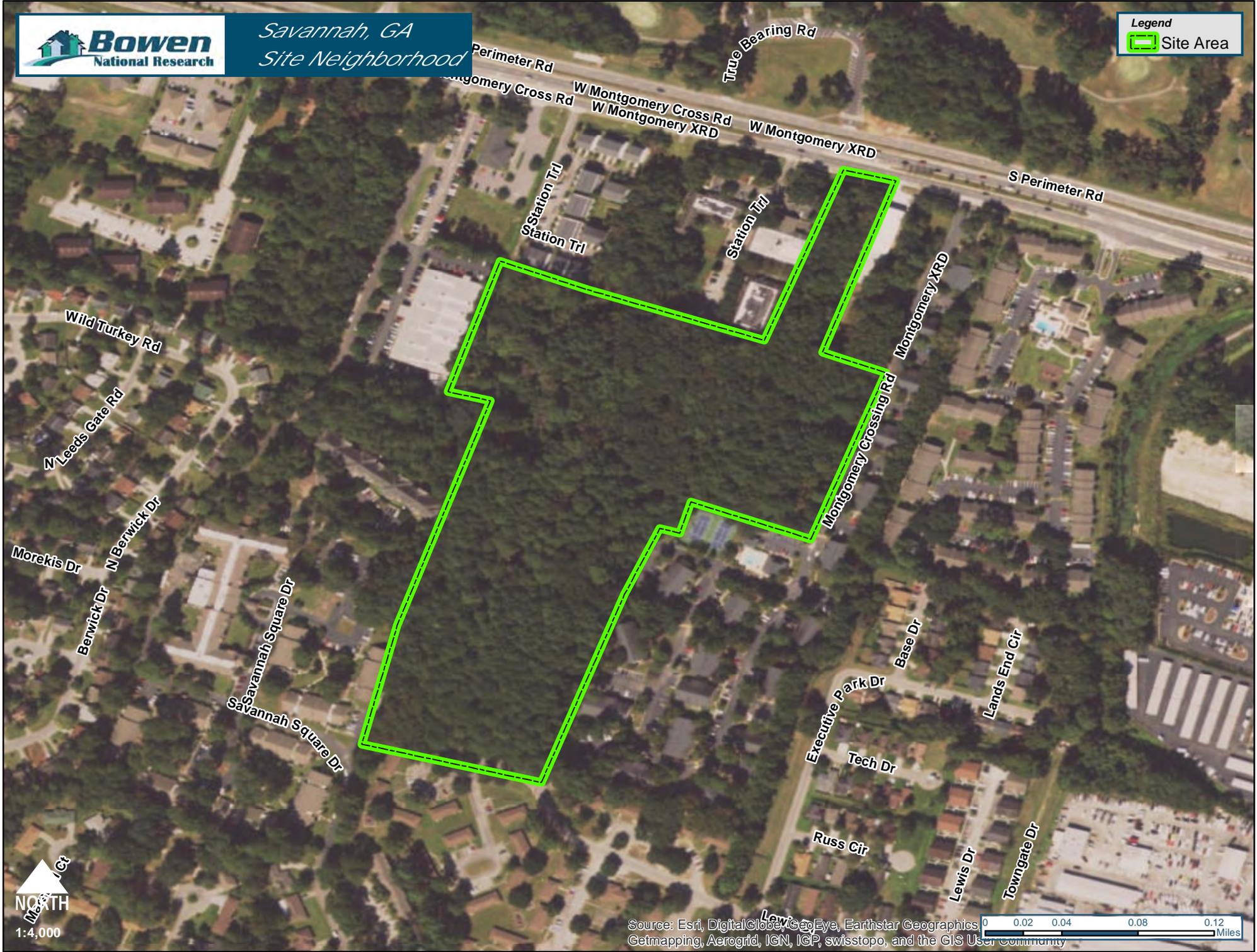


Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri



Savannah, GA
Site Neighborhood

Legend
 Site Area



NORTH
1:4,000

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community
0 0.02 0.04 0.08 0.12 Miles

Section C – Site Description And Evaluation

1. LOCATION

The subject site is located at 227 West Montgomery Cross Road in the southern portion of Savannah, Georgia. Located within Chatham County, the subject project is approximately 7.0 miles south of Savannah’s Central Business District (CBD). Jack Wiseman, an employee of Bowen National Research, inspected the site and conducted corresponding field work during the week of March 27, 2017.

2. SURROUNDING LAND USES

The subject site is within an established area of Savannah Georgia. Surrounding land uses include multi- and single-family homes, senior living communities and various small businesses. Adjacent land uses are detailed as follows:

| | |
|----------------|---|
| North - | The northern boundary is defined the by the John-Wesley Villas Retirement Community, Atlantic Car Custom and the Montgomery Station condominiums, all of which were observed to be in good condition. Continuing north is West Montgomery Cross Road, a four-lane thoroughfare with moderate vehicular traffic and Perimeter Road, a two-lane service road with light vehicular traffic. Farther north is the Hunter Golf Club, followed by the Hunter Army Airfield. |
| East - | The eastern border of the site is defined by the Magnolia Villas and Sterling Bluff rental communities, both generally consisting of two-story dwellings in good condition. Extending east are multiple car dealerships including, but not limited to, Autonation and Dan Vaden Chevrolet. All previously mentioned commercial structures were observed to be in good condition. |
| South - | The southern border of the site is defined by Patterson Terrace, a Public Housing community consisting of one-story multifamily dwelling considered to be in slightly below than average condition. Located southeast of the subject site are one-story single-family homes in poor condition. Extending farther south are residential neighborhoods generally consisting of one-story single-family homes in average condition. |

West -

The western border of the site is defined the Savannah Square Senior Living Community campus and a vacant commercial building that is currently for sale. All structures are considered to be in good condition. Continuing west are Crossroads Apartments, consisting of two-story multifamily dwellings in below than average condition. Extending farther west are multiple small businesses and residential neighborhoods generally consisting of one-story single-family homes all considered to be in average condition. Directly northwest of the site is Envision Eyecare Associates, which was also observed to be in good condition.

The overall site neighborhood is primarily comprised of residential structures in good condition. There are various residential structures in below than average condition within the immediate neighborhood. However, these structures can be buffered by the heavily wooded areas along the site border and are not expected to have an adverse impact on the subject's marketability. This is further evidenced by the generally strong occupancy levels maintained at the surrounding rental communities. Overall, the subject site fits in well with the surrounding land uses.

3. VISIBILITY AND ACCESS

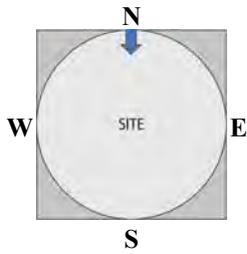
The proposed site is located along the south side of West Montgomery Cross Road, a four-lane thoroughfare with moderate vehicular traffic. The moderate traffic patterns along this roadway are expected to provide significant passerby traffic to the subject site, thereby increasing its visibility. However, the south side of West Montgomery Cross Road is visibly congested with signage for local businesses and residential dwellings. Based on site plans provided by the developer, the subject buildings will be positioned farther south from West Montgomery Cross Road, obstructing the subject's visibility. Permanent signage is recommended along West Montgomery Cross Road to increase its awareness.

The site will be accessed from West Montgomery Cross Road. As noted, vehicular traffic along West Montgomery Cross Road was observed to be moderate; however, traffic may increase during peak commuting hours due the residential neighborhoods in the immediate site area. West Montgomery Cross Road has a divider separating eastbound and westbound traffic in front of the site, which can hinder ingress and egress. However, this is typical of the immediate area and there are designated U-turn lanes to help improve access. It is also of note that the subject site is within 0.6 miles of State Route 204 (Abercorn Street). State Route 204 (Abercorn Street) is a major corridor throughout the southern portions of Savannah providing access to many community services, as well as Interstate 516, approximately 6.0 miles northeast of the site. The subject site is provided public transportation services via the Chatham Area Transit (CAT) system, which operates a public bus stop adjacent the site to the north. Based on the preceding analysis access to the subject site is considered good.

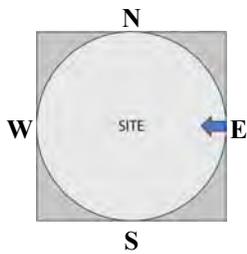
4. SITE PHOTOGRAPHS

Photographs of the subject site are on located on the following pages.

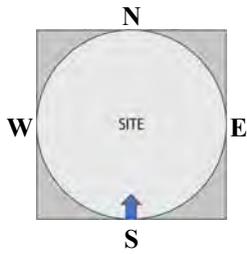
SITE PHOTOGRAPHS



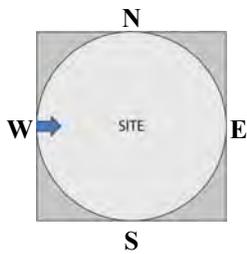
View of site from the north



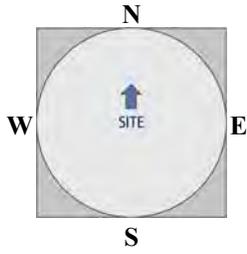
View of site from the east



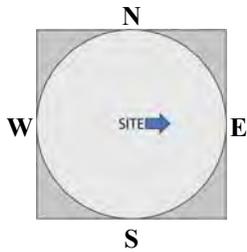
View of site from the south



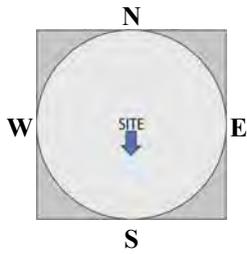
View of site from the west



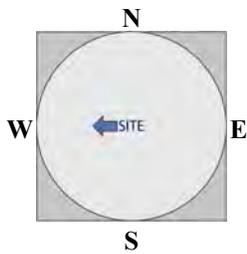
North view from site



East view from site



South view from site



West view from site



Traveling east on West Montgomery Cross Road



Traveling west on West Montgomery Cross Road

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

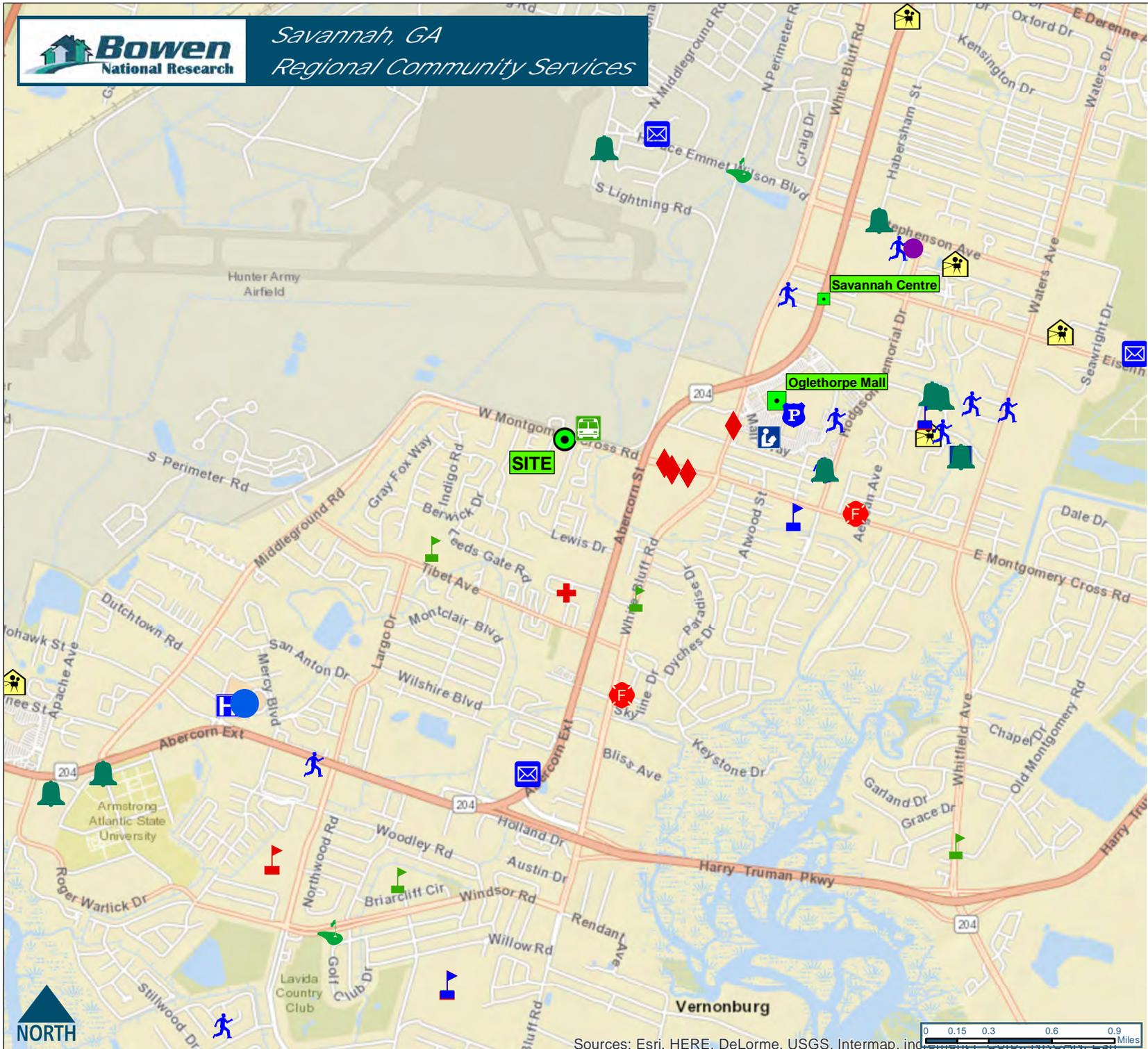
The site is served by the community services detailed in the following table:

| Community Services | Name | Driving Distance From Site (Miles) |
|--|-------------------------------------|------------------------------------|
| Major Highways | State Route 204 | 0.6 East |
| | Interstate 516 | 6.0 Northeast |
| Public Bus Stop | CAT | Adjacent North |
| Major Employers/ Employment Centers | Walmart Neighborhood Market | 1.5 Southeast |
| | Oglethorpe Mall | 1.7 Northeast |
| | St. Joseph's Hospital | 2.1 Southwest |
| Convenience Store | Lucky's Convenience Mart | 1.1 Southeast |
| | Chu's Convenience Mart | 1.3 Southeast |
| Grocery | Food Lion | 1.4 East |
| | Walmart Neighborhood Market | 1.5 Southeast |
| | Kroger | 1.6 Northeast |
| Discount Department Store | Dollar General | 0.6 East |
| | Kmart | 0.7 East |
| | Walmart Neighborhood Market | 1.5 Southeast |
| Shopping Center/Mall | Oglethorpe Mall | 1.7 Northeast |
| | Savannah Mall | 2.8 Southwest |
| Schools: | | |
| Elementary | White Bluff Elementary School | 1.2 Southeast |
| Middle/Junior High | Myers Middle School | 5.8 Northeast |
| High School | Windsor Forrest High School | 3.3 Southwest |
| Hospital | Immediate Med | 1.3 Southeast |
| | St. Joseph's Hospital | 2.4 Southwest |
| Police | Savannah Police Department | 1.4 East |
| Fire | Savannah Fire Station #2 | 1.6 Southeast |
| Post Office | U.S. Post Office | 1.9 Southeast |
| Bank | United Community Bank | 0.9 East |
| | Suntrust Bank | 1.3 Southeast |
| | Wells Fargo Bank | 1.5 Southeast |
| Recreational Facilities | Hunter Golf Club | 0.1 North |
| | YMCA of Coastal Georgia | 2.1 Northeast |
| | Lake Mayer Park | 2.8 East |
| Gas Station | BP | 1.3 Southeast |
| | Chevron | 1.3 Southeast |
| Pharmacy | CVS | 1.3 East |
| | Rite Aid | 1.3 Southeast |
| | Walmart Pharmacy | 1.5 Southeast |
| Restaurant | Red lobster | 0.8 East |
| | Panera Bread | 0.8 Northeast |
| | Godfather Pizza | 0.9 East |
| Day Care | Another Adventure Care | 1.0 East |
| Community Center | YMCA of Coastal Georgia | 2.1 Northeast |
| Church | Live Oak Community Church | 1.0 Northwest |
| | Crossroad Baptist Church | 1.1 Northwest |
| Library | Oglethorpe Mall Branch Library | 1.3 East |
| Fitness Center | 24 Seven Family Fitness | 1.6 East |
| | YMCA of Coastal Georgia | 2.1 Northeast |
| College/University | Armstrong Atlantic State University | 3.3 Southwest |

Both West Montgomery Cross Road and State Route 204 (Abercorn Street) provide significant corridors for local community services. Notably, multiple discount retailers, convenience stores, pharmacies, restaurants, gas stations, and grocery stores are all within 2.0 miles of the site along these roadways. Local services that are not within walking distance are made easily accessible via public transportation provided by CAT, which operates multiple public bus stops throughout the site neighborhood, including one stop adjacent the site to the north. In addition, Oglethorpe Mall, approximately 1.7 miles northeast of the site, provides extensive shopping and dining options with over 50 retailers.

Emergency response services such as the Savannah Police Department and Savannah Fire Station #2 are located within 1.6 miles of the site, while St. Joseph's Hospital is located just 2.1 miles southwest of the site. In addition, all attending public schools are located within 5.8 miles. Overall, the site's proximity to community, public safety and health services will contribute to its marketability.

Maps illustrating the location of community services are on the following pages.



Legend

- Site
- cinema
- elementary school
- fire
- fitness center
- golf
- high school
- hospital
- library
- medical center
- middle school
- police
- post office
- recreation center
- shopping
- transit
- university
- employers_1000_5000

Shopping Center
Gross Leasable Area

- < 500,000 sq. ft.
- < 1,000,000 sq. ft.
- < 3,200,000 sq. ft.



6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk (174) for the Site PMA is above the national average with an overall personal crime index of 160 and a property crime index of 166. Total crime risk (159) for Chatham County is above the national average with indexes for personal and property crime of 147 and 151, respectively.

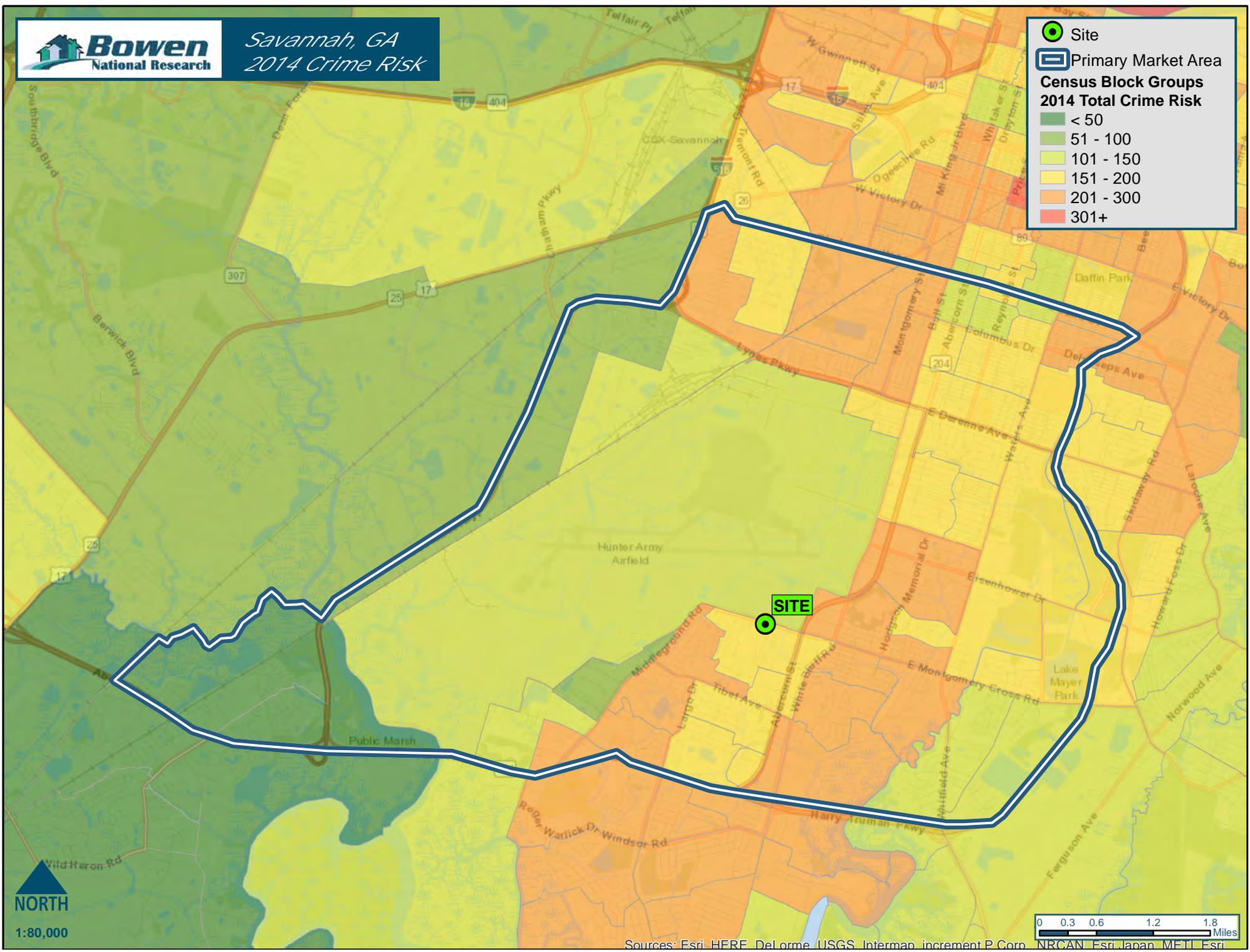
| | Crime Risk Index | |
|-----------------------|------------------|----------------|
| | Site PMA | Chatham County |
| Total Crime | 174 | 159 |
| Personal Crime | 160 | 147 |
| Murder | 214 | 214 |
| Rape | 119 | 106 |
| Robbery | 228 | 212 |
| Assault | 111 | 91 |
| Property Crime | 166 | 151 |
| Burglary | 193 | 170 |
| Larceny | 185 | 170 |
| Motor Vehicle Theft | 124 | 116 |

Source: Applied Geographic Solutions

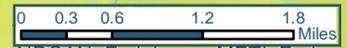
As the preceding table illustrates, the crime risk index reported for the Site PMA (174) is higher than that reported for Chatham County (159) as a whole, as well as the national average of 100. However, it is typical of urban areas such as the Savannah Site PMA to have higher than usual crime indexes due to the population density within these areas. Additionally, the majority of the subject tenants are expected to originate from within the boundaries of the Site PMA and, thus, will be familiar with and likely unaffected by crime trends within the area. This is further evident by the fact that most rental properties surveyed in the Site PMA are 95.1% occupied or higher. Based on the preceding factors, we do not expect crime to have any adverse impact on the marketability of the subject project.

A map illustrating crime risk is on the following page.

-  Site
-  Primary Market Area
- Census Block Groups**
- 2014 Total Crime Risk**
-  < 50
-  51 - 100
-  101 - 150
-  151 - 200
-  201 - 300
-  301+



NORTH
1:80,000



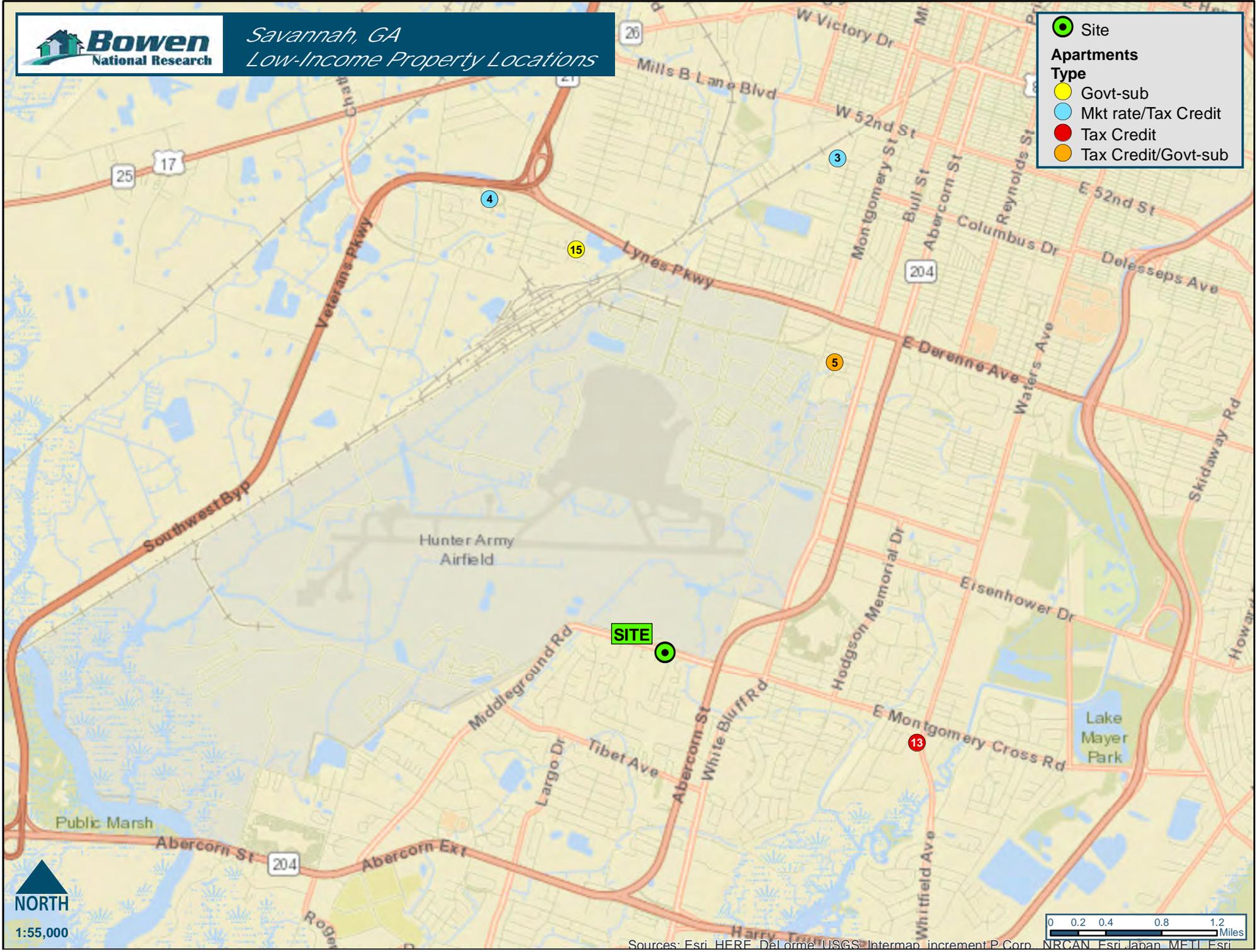
7. OVERALL SITE EVALUATION

The subject site is situated in an established area of Savannah that generally consists of residential and commercial structures in good condition. The proposed site will be generally consistent with the primarily residential nature of the immediate site neighborhood. Visibility of the subject site is considered good, pending the addition of permanent signage along West Montgomery Cross Road. Access to the subject site is considered good, as the subject site will have direct access from West Montgomery Cross Road. However, it is of note that there is a divider between the eastbound and westbound lanes along West Montgomery Cross Road, which can hinder ingress and egress. This is typical of the area and there are designated U-turn lanes along this roadway. Additionally, the subject site's location allows for most basic community services to be accessible via public transportation, with a designated bus stop located adjacent northwest of the site, which is considered beneficial to the targeted population. Overall, we expect the subject development to benefit from its location and accessibility, as well as its' proximity to arterial roadways and community services within the Savannah market.

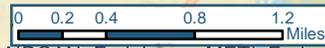
8. MAP OF LOW-INCOME RENTAL HOUSING

A map illustrating the location of low-income rental housing (4% and 9% Tax Credit Properties, Tax Exempt Bond Projects, Rural Development Properties, HUD Section 8 and Public Housing, etc.) identified in the Site PMA is included on the following page.

● Site
Apartments Type
● Govt-sub
● Mkt rate/Tax Credit
● Tax Credit
● Tax Credit/Govt-sub



NORTH
1:55,000



Section D – Primary Market Area Delineation

The Site Primary Market Area (PMA) is the geographical area expected to generate the most demographic support for the subject development. The Savannah Site PMA was determined through interviews with area leasing and real estate agents and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Savannah Site PMA includes southern portions of Savannah and the surrounding unincorporated areas of Chatham County. Specifically, the boundaries of the Site PMA include Mills Land and 52nd Street to the north; Harry S. Truman Parkway to the east; Harry S. Truman Parkway and Abercorn Street to the south; and railroad tracks, the Little Ogeechee River, Veteran's Parkway and Interstate 516 to the west.

Tameka Mutcherson, Community Manager of Montgomery Landing (Map ID 3), a general-occupancy Tax Credit and market-rate community located within the Site PMA, stated that an affordable project in the south side of Savannah will attract potential residents from all over Savannah, because the majority of the affordable housing stock is considered old. However, Ms. Mucherson explained that the majority of residents would come from areas south and southwest of downtown Savannah. She emphasized that residents typically will not move all the way from the north side of Savannah to the south side, and the areas farther east of the PMA are more affluent and will not likely generate much support for an affordable rental development. Ms. Mucherson confirmed the boundaries of the Site PMA.

Tamara Moore, Assistant Property Manager of Live Oak Apartment Homes (Map ID 13), a general-occupancy Tax Credit community located within the Site PMA, stated a new affordable housing project on the south side of Savannah would primarily attract residents from the south and southwest portions of Savannah. Ms. Moore continued to explain that the proposed development would likely attract people from all over Savannah, but areas such as downtown and farther east would not be the target population for an affordable project. Ms. Moore confirmed the boundaries of the Site PMA.

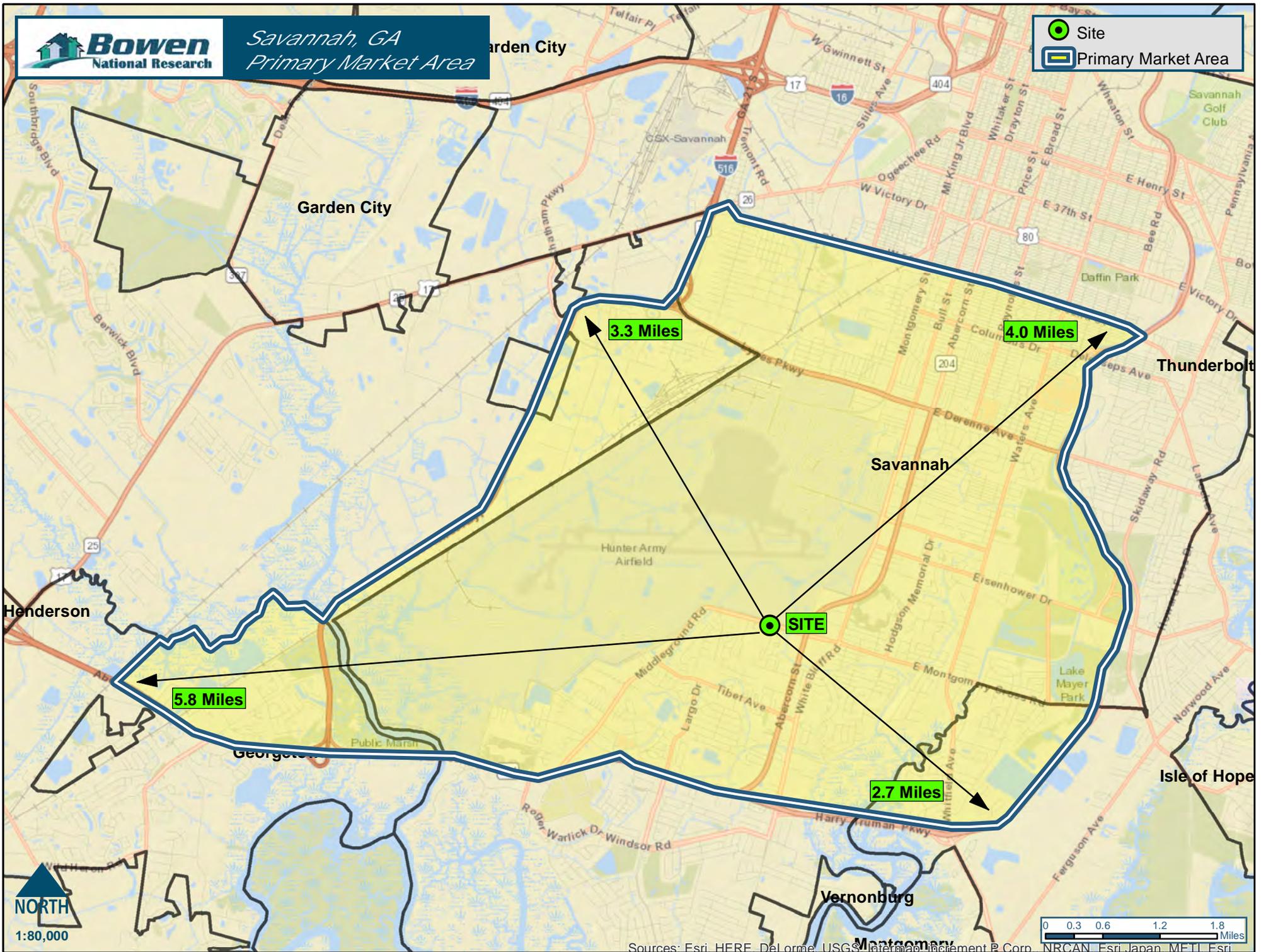
A modest portion of support may originate from some of the outlying areas of the Site PMA; we have not, however, considered a secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.

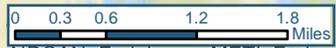


Savannah, GA
Primary Market Area

● Site
▭ Primary Market Area



NORTH
1:80,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

Section E – Community Demographic Data

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2017 (estimated) and 2019 (projected) are summarized as follows:

| | Year | | | |
|-------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2017 (Estimated) | 2019 (Projected) |
| Population | 53,652 | 52,681 | 55,721 | 56,802 |
| Population Change | - | -971 | 3,040 | 1,081 |
| Percent Change | - | -1.8% | 5.8% | 1.9% |

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Savannah Site PMA population base declined by 971 between 2000 and 2010. This represents a 1.8% decline from the 2000 population, or an annual rate of 0.2%. Between 2010 and 2017, the population increased by 3,040, or 5.8%. It is projected that the population will increase by 1,081, or 1.9%, between 2017 and 2019.

The Site PMA population bases by age are summarized as follows:

| Population by Age | 2010 (Census) | | 2017 (Estimated) | | 2019 (Projected) | | Change 2017-2019 | |
|----------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 19 & Under | 14,141 | 26.8% | 14,579 | 26.2% | 14,804 | 26.1% | 226 | 1.5% |
| 20 to 24 | 5,556 | 10.5% | 5,150 | 9.2% | 5,149 | 9.1% | -1 | 0.0% |
| 25 to 34 | 8,772 | 16.7% | 9,783 | 17.6% | 9,849 | 17.3% | 66 | 0.7% |
| 35 to 44 | 5,869 | 11.1% | 6,315 | 11.3% | 6,602 | 11.6% | 286 | 4.5% |
| 45 to 54 | 6,255 | 11.9% | 5,843 | 10.5% | 5,779 | 10.2% | -64 | -1.1% |
| 55 to 64 | 5,260 | 10.0% | 5,880 | 10.6% | 5,985 | 10.5% | 105 | 1.8% |
| 65 to 74 | 3,173 | 6.0% | 4,304 | 7.7% | 4,603 | 8.1% | 299 | 7.0% |
| 75 & Over | 3,656 | 6.9% | 3,867 | 6.9% | 4,031 | 7.1% | 164 | 4.2% |
| Total | 52,682 | 100.0% | 55,721 | 100.0% | 56,802 | 100.0% | 1,081 | 1.9% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, nearly 50% of the population is expected to be between 25 and 64 years old in 2017. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

Household trends within the Savannah Site PMA are summarized as follows:

| | Year | | | |
|------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2017 (Estimated) | 2019 (Projected) |
| Households | 21,489 | 21,169 | 22,012 | 22,385 |
| Household Change | - | -320 | 843 | 372 |
| Percent Change | - | -1.5% | 4.0% | 1.7% |
| Household Size | 2.50 | 2.49 | 2.43 | 2.44 |

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Savannah Site PMA, households declined by 320 (1.5%) between 2000 and 2010. Between 2010 and 2017, households increased by 843 or 4.0%. By 2019, there will be 22,385 households, an increase of 372 households, or 1.7%, from 2017. This is an increase of approximately 186 households annually over the next two years.

The Site PMA household bases by age are summarized as follows:

| Households by Age | 2010 (Census) | | 2017 (Estimated) | | 2019 (Projected) | | Change 2017-2019 | |
|----------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 25 | 1,792 | 8.5% | 1,624 | 7.4% | 1,635 | 7.3% | 11 | 0.7% |
| 25 to 34 | 4,329 | 20.4% | 4,791 | 21.8% | 4,794 | 21.4% | 2 | 0.1% |
| 35 to 44 | 3,327 | 15.7% | 3,459 | 15.7% | 3,588 | 16.0% | 129 | 3.7% |
| 45 to 54 | 3,656 | 17.3% | 3,251 | 14.8% | 3,190 | 14.3% | -61 | -1.9% |
| 55 to 64 | 3,376 | 15.9% | 3,552 | 16.1% | 3,585 | 16.0% | 33 | 0.9% |
| 65 to 74 | 2,129 | 10.1% | 2,759 | 12.5% | 2,926 | 13.1% | 167 | 6.0% |
| 75 to 84 | 1,621 | 7.7% | 1,622 | 7.4% | 1,708 | 7.6% | 86 | 5.3% |
| 85 & Over | 940 | 4.4% | 953 | 4.3% | 958 | 4.3% | 5 | 0.5% |
| Total | 21,170 | 100.0% | 22,013 | 100.0% | 22,384 | 100.0% | 372 | 1.7% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2017 and 2019, the greatest growth among household age groups is projected to be among those between the ages of 65 and 74. Household growth is also projected to occur at a moderate rate among those between the ages of 35 and 44. These trends illustrate that there will likely be an increasing need for housing for both families and seniors within the market.

Households by tenure are distributed as follows:

| Tenure | 2010 (Census) | | 2017 (Estimated) | | 2019 (Projected) | |
|-----------------|---------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 9,615 | 45.4% | 9,066 | 41.2% | 9,186 | 41.0% |
| Renter-Occupied | 11,554 | 54.6% | 12,946 | 58.8% | 13,199 | 59.0% |
| Total | 21,169 | 100.0% | 22,012 | 100.0% | 22,385 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, renter households are projected to increase by 253, or 2.0%, between 2017 and 2019. This projected growth illustrates that there will likely be an increasing need for rental housing within the Savannah Site PMA.

The household sizes by tenure within the Site PMA, based on the 2017 estimates and 2019 projections, were distributed as follows:

| Persons Per Renter Household | 2017 (Estimated) | | 2019 (Projected) | | Change 2017-2019 | |
|------------------------------|------------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 4,825 | 37.3% | 4,924 | 37.3% | 98 | 2.0% |
| 2 Persons | 3,640 | 28.1% | 3,709 | 28.1% | 69 | 1.9% |
| 3 Persons | 2,213 | 17.1% | 2,257 | 17.1% | 44 | 2.0% |
| 4 Persons | 1,270 | 9.8% | 1,293 | 9.8% | 23 | 1.8% |
| 5 Persons+ | 997 | 7.7% | 1,016 | 7.7% | 19 | 1.9% |
| Total | 12,946 | 100.0% | 13,199 | 100.0% | 253 | 2.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

| Persons Per Owner Household | 2017 (Estimated) | | 2019 (Projected) | | Change 2017-2019 | |
|-----------------------------|------------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 2,724 | 30.0% | 2,751 | 29.9% | 27 | 1.0% |
| 2 Persons | 3,391 | 37.4% | 3,439 | 37.4% | 48 | 1.4% |
| 3 Persons | 1,359 | 15.0% | 1,380 | 15.0% | 20 | 1.5% |
| 4 Persons | 995 | 11.0% | 1,010 | 11.0% | 15 | 1.5% |
| 5 Persons+ | 598 | 6.6% | 607 | 6.6% | 8 | 1.4% |
| Total | 9,067 | 100.0% | 9,186 | 100.0% | 119 | 1.3% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Considering that the subject project will offer one-, two-, three- and four-bedroom apartments, it will be able to accommodate nearly all renter household sizes within the market. This will have a positive impact on the demand for the subject units.

The distribution of households by income within the Savannah Site PMA is summarized as follows:

| Household Income | 2010 (Census) | | 2017 (Estimated) | | 2019 (Projected) | |
|------------------------|---------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| Less Than \$15,000 | 4,291 | 20.3% | 3,997 | 18.2% | 4,100 | 18.3% |
| \$15,000 to \$24,999 | 3,056 | 14.4% | 2,928 | 13.3% | 2,959 | 13.2% |
| \$25,000 to \$34,999 | 3,111 | 14.7% | 3,069 | 13.9% | 3,176 | 14.2% |
| \$35,000 to \$49,999 | 3,662 | 17.3% | 3,637 | 16.5% | 3,302 | 14.8% |
| \$50,000 to \$74,999 | 3,802 | 18.0% | 4,047 | 18.4% | 4,270 | 19.1% |
| \$75,000 to \$99,999 | 1,604 | 7.6% | 2,113 | 9.6% | 2,222 | 9.9% |
| \$100,000 to \$149,999 | 1,021 | 4.8% | 1,510 | 6.9% | 1,603 | 7.2% |
| \$150,000 to \$199,999 | 368 | 1.7% | 436 | 2.0% | 463 | 2.1% |
| \$200,000 & Over | 255 | 1.2% | 275 | 1.3% | 288 | 1.3% |
| Total | 21,170 | 100.0% | 22,012 | 100.0% | 22,385 | 100.0% |
| Median Income | \$35,520 | | \$39,173 | | \$39,347 | |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$35,520. This increased by 10.3% to \$39,173 in 2017. By 2019, it is projected that the median household income will be \$39,347, an increase of 0.4% from 2017.

The following tables illustrate renter household income by household size for 2010, 2017 and 2019 for the Savannah Site PMA:

| Renter Households | 2010 (Census) | | | | | |
|------------------------|---------------|----------|----------|----------|-----------|--------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 1,194 | 826 | 532 | 296 | 224 | 3,072 |
| \$15,000 to \$24,999 | 692 | 505 | 327 | 180 | 136 | 1,840 |
| \$25,000 to \$34,999 | 704 | 535 | 344 | 191 | 145 | 1,919 |
| \$35,000 to \$49,999 | 766 | 622 | 402 | 221 | 169 | 2,180 |
| \$50,000 to \$74,999 | 555 | 508 | 327 | 182 | 138 | 1,710 |
| \$75,000 to \$99,999 | 167 | 155 | 100 | 56 | 41 | 519 |
| \$100,000 to \$149,999 | 78 | 74 | 46 | 25 | 19 | 242 |
| \$150,000 to \$199,999 | 16 | 13 | 8 | 4 | 2 | 43 |
| \$200,000 & Over | 10 | 10 | 6 | 3 | 1 | 30 |
| Total | 4,182 | 3,248 | 2,092 | 1,158 | 875 | 11,555 |

Source: ESRI; Urban Decision Group

| Renter Households | 2017 (Estimated) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|--------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 1,337 | 892 | 542 | 311 | 247 | 3,329 |
| \$15,000 to \$24,999 | 783 | 515 | 313 | 180 | 143 | 1,935 |
| \$25,000 to \$34,999 | 754 | 571 | 348 | 199 | 157 | 2,029 |
| \$35,000 to \$49,999 | 855 | 684 | 416 | 238 | 189 | 2,383 |
| \$50,000 to \$74,999 | 653 | 574 | 350 | 201 | 157 | 1,936 |
| \$75,000 to \$99,999 | 267 | 238 | 144 | 83 | 63 | 795 |
| \$100,000 to \$149,999 | 128 | 121 | 74 | 42 | 33 | 397 |
| \$150,000 to \$199,999 | 29 | 28 | 17 | 10 | 5 | 89 |
| \$200,000 & Over | 18 | 17 | 9 | 5 | 3 | 53 |
| Total | 4,825 | 3,640 | 2,213 | 1,270 | 997 | 12,946 |

Source: ESRI; Urban Decision Group

| Renter Households | 2019 (Projected) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|--------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 1,388 | 930 | 565 | 324 | 256 | 3,463 |
| \$15,000 to \$24,999 | 770 | 516 | 314 | 181 | 142 | 1,922 |
| \$25,000 to \$34,999 | 783 | 596 | 363 | 208 | 164 | 2,114 |
| \$35,000 to \$49,999 | 798 | 627 | 382 | 219 | 173 | 2,198 |
| \$50,000 to \$74,999 | 696 | 601 | 366 | 210 | 166 | 2,039 |
| \$75,000 to \$99,999 | 292 | 255 | 155 | 88 | 68 | 858 |
| \$100,000 to \$149,999 | 145 | 136 | 83 | 47 | 38 | 448 |
| \$150,000 to \$199,999 | 32 | 31 | 18 | 11 | 6 | 98 |
| \$200,000 & Over | 21 | 18 | 10 | 6 | 3 | 59 |
| Total | 4,924 | 3,709 | 2,257 | 1,293 | 1,016 | 13,199 |

Source: ESRI; Urban Decision Group

Demographic Summary

Demographic trends within the Savannah Site PMA are projected to be positive between 2017 and 2019, as the total population will increase by 1,081 (1.9%) and the total number of households will increase by 372 (1.7%) during this time period. These trends demonstrate an expanding overall demographic base within the Site PMA. Additionally, it is projected that there will be 13,199 renter households in the market in 2019, an increase of 253 households, or 2.0%, from 2017. Notably, low-income renter households (earning below \$35,000) are projected to increase by 206, or 2.8%, during the same time period. Based on the preceding analysis and additional demographic data contained within this report, there appears to be a deep and increasing base of income-appropriate renter support for affordable rental housing in the market, such as that proposed at the subject site.

Section F – Economic Trends

1. LABOR FORCE PROFILE

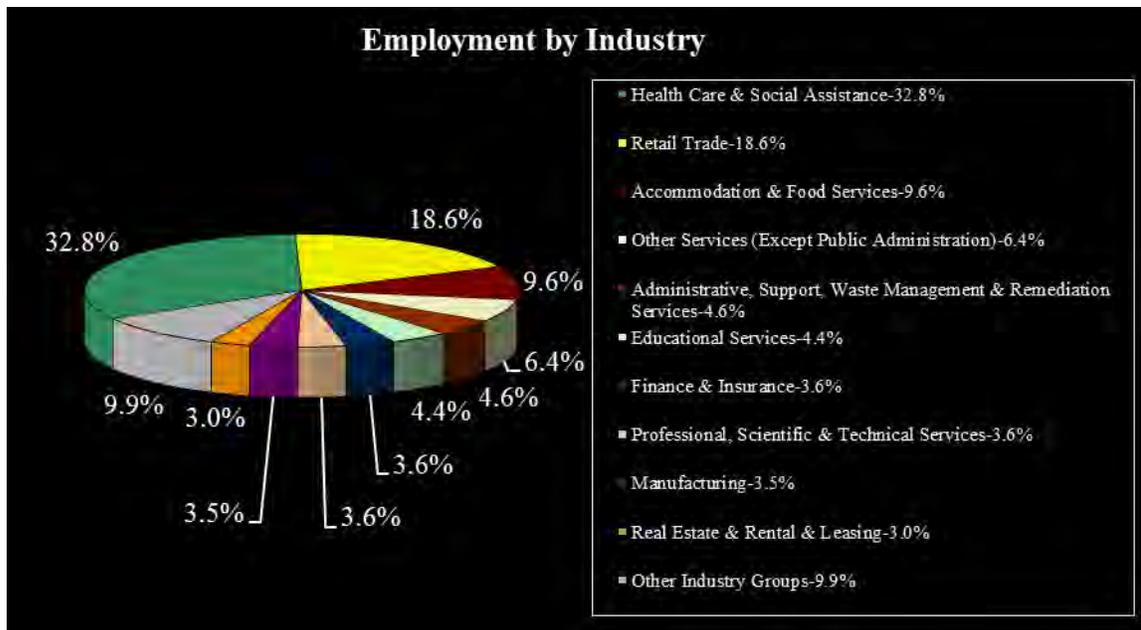
The labor force within the Savannah Site PMA is based primarily in two sectors. Health Care & Social Assistance (which comprises 32.8%) and Retail Trade comprise over 51% of the Site PMA labor force. Employment in the Savannah Site PMA, as of 2017, was distributed as follows:

| NAICS Group | Establishments | Percent | Employees | Percent | E.P.E. |
|--|----------------|---------|-----------|---------|--------|
| Agriculture, Forestry, Fishing & Hunting | 1 | 0.0% | 9 | 0.0% | 9.0 |
| Mining | 0 | 0.0% | 0 | 0.0% | 0.0 |
| Utilities | 5 | 0.1% | 39 | 0.1% | 7.8 |
| Construction | 182 | 4.7% | 1,121 | 2.3% | 6.2 |
| Manufacturing | 53 | 1.4% | 1,689 | 3.5% | 31.9 |
| Wholesale Trade | 88 | 2.3% | 654 | 1.4% | 7.4 |
| Retail Trade | 671 | 17.2% | 8,861 | 18.6% | 13.2 |
| Transportation & Warehousing | 60 | 1.5% | 800 | 1.7% | 13.3 |
| Information | 84 | 2.2% | 750 | 1.6% | 8.9 |
| Finance & Insurance | 384 | 9.9% | 1,737 | 3.6% | 4.5 |
| Real Estate & Rental & Leasing | 244 | 6.3% | 1,415 | 3.0% | 5.8 |
| Professional, Scientific & Technical Services | 311 | 8.0% | 1,708 | 3.6% | 5.5 |
| Management of Companies & Enterprises | 1 | 0.0% | 2 | 0.0% | 2.0 |
| Administrative, Support, Waste Management & Remediation Services | 155 | 4.0% | 2,207 | 4.6% | 14.2 |
| Educational Services | 92 | 2.4% | 2,086 | 4.4% | 22.7 |
| Health Care & Social Assistance | 574 | 14.7% | 15,684 | 32.8% | 27.3 |
| Arts, Entertainment & Recreation | 40 | 1.0% | 270 | 0.6% | 6.8 |
| Accommodation & Food Services | 254 | 6.5% | 4,580 | 9.6% | 18.0 |
| Other Services (Except Public Administration) | 513 | 13.2% | 3,075 | 6.4% | 6.0 |
| Public Administration | 63 | 1.6% | 1,023 | 2.1% | 16.2 |
| Nonclassifiable | 121 | 3.1% | 38 | 0.1% | 0.3 |
| Total | 3,896 | 100.0% | 47,748 | 100.0% | 12.3 |

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the Savannah Metropolitan Statistical Area (MSA) are compared with those of Georgia in the following table:

| Typical Wage by Occupation Type | | |
|--|--------------|-----------|
| Occupation Type | Savannah MSA | Georgia |
| Management Occupations | \$97,940 | \$114,210 |
| Business and Financial Occupations | \$64,120 | \$71,300 |
| Computer and Mathematical Occupations | \$78,130 | \$85,800 |
| Architecture and Engineering Occupations | \$92,120 | \$78,820 |
| Community and Social Service Occupations | \$43,030 | \$45,460 |
| Art, Design, Entertainment and Sports Medicine Occupations | \$48,070 | \$52,710 |
| Healthcare Practitioners and Technical Occupations | \$74,930 | \$74,310 |
| Healthcare Support Occupations | \$26,780 | \$28,330 |
| Protective Service Occupations | \$35,950 | \$36,610 |
| Food Preparation and Serving Related Occupations | \$20,550 | \$20,530 |
| Building and Grounds Cleaning and Maintenance Occupations | \$23,450 | \$25,010 |
| Personal Care and Service Occupations | \$23,140 | \$24,390 |
| Sales and Related Occupations | \$34,580 | \$38,060 |
| Office and Administrative Support Occupations | \$34,830 | \$35,470 |
| Construction and Extraction Occupations | \$41,050 | \$40,540 |
| Installation, Maintenance and Repair Occupations | \$47,990 | \$44,550 |
| Production Occupations | \$43,750 | \$33,500 |
| Transportation and Moving Occupations | \$35,840 | \$33,720 |

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$20,550 to \$48,070 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$81,448. It is important to note that most occupational types within the MSA have similar typical wages as the State of Georgia's typical wages. Nonetheless, the area employment base has a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

2. MAJOR EMPLOYERS

The ten largest employers within Savannah comprise a total of 37,400 employees and are summarized as follows:

| Employer Name | Business Type | Total Employed |
|---|-------------------------|----------------|
| Gulfstream Aerospace Corporation | Aerospace Equipment | 9,878 |
| Memorial Health University Medical Center | Hospital | 4,775 |
| St. Joseph's/Chandler Health system | Hospital | 3,400 |
| Savannah -Chatham County Board of Education | Public Schools | 5,654 |
| Ft. Stewart/Hunter Army Airfield | Civilian Personnel | 5,773 |
| City of Savannah | Local Government | 2,468 |
| Savannah College of Art & Design | Education | 1,886 |
| Chatham County | Government | 1,600 |
| Georgia Ports Authority | Ship Terminal Operation | 1,080 |
| Armstrong State University | Paper Products | 886 |
| Total | | 37,400 |

Source: Savannah Economic Development Authority (2016)

Despite numerous attempts to contact representatives regarding the local economy, a response was not received at the time this report was issued. The following information was obtained via our online research:

- Mitsubishi, manufacturers and services turbines used by power plants to generate electricity, is expanding its plant. The new \$325 million facility will create approximately 500 jobs and will continue to build Mitsubishi's large turbines as it moves toward full capacity by 2018.
- Bram Industries, a leading plastics manufacturer, opened their first manufacturing plant and distribution center in the Savannah Commerce Center. The new manufacturing plant opened in January 2016, and added 60 new jobs.
- OA Logistics/ JLA Home, an importer of home furnishings, announced they will be expanding their facility at the Northport Industrial Park in Savannah, adding a 1.1 million square-foot commerce fulfillment center. The company will be adding 200 to 300 jobs by the end of 2017.

- Blue Force Gear, a manufacturer of military gear, weapon slings, utility pouches and armor carriers, announced expansion plans in November 2015. The \$30 million expansion will add 27,000 square feet to their current facility. The company will add 50 new jobs and plans to triple their workforce over the next five years.
- Convergys Corporation opened a customer service center at 12052 Middleground Road in Savannah in 2016 and hired 450 customer service representatives and positions in Talent Acquisition, Human Resources, Training and Operations Management
- Safavieh, a rug and home furnishings seller, is currently adding a 300,000 square-foot facility, which will also have 100 loading docks. This is the company's second building, a \$28 million investment that will create 100 jobs.
- Walmart recently opened a 42,000 square-foot store in Savannah, creating up to 100 jobs.
- Haifa recently opened a Controlled Release Fertilizer Manufacturing facility in Savannah. This is an investment of more than \$10 million and has the potential to create 20 jobs. The new plant is made up of three buildings totaling 100,000 square feet.
- Nordic Logistics and Warehousing, opened phase II of their cold storage facility in April 2016, expanding by 200,000 square feet and creating 70 additional jobs.
- Floor & Décor announced a \$50 million expansion to their import distribution center in Savannah. The expansion will create 64 new jobs. Phase one of the expansion will include a 1.4 million square-foot facility to be completed in 2017. Phase two will include an additional 1.1 million square feet and will be completed in 2019.
- JCB, a manufacturer of construction equipment, selling products in more than 150 countries, added a new production line of backhoe loaders and added approximately 50 jobs to the 600 plus JCB workforce already in place.
- CAP Barbell, a global manufacturer, wholesaler and distributor of fitness equipment, announced in May 2016 that they will relocate their company to the Savannah area, investing \$12 million. This will include a 60,000 square-foot distribution center, initially creating 15 jobs.
- Sony Pictures Television announced in August 2016 that they will be filming the second season on the series "Underground" in Savannah. The film crew will be in the area for four months and will spend up to \$50 million.

As of spring 2017, there are at least seven hotel developments under construction in Savannah, and more still in the planning stages, which are summarized as follows:

- West Elm Inc. has a boutique hotel being constructed at 607 Drayton Street, and will have approximately 150 rooms. The hotel is planned to open by early 2019.
- HOS Management opened a Fairfield Inn & Suites in January 2017 and now have a Starwood Hotel under construction at Martin Luther King Jr. Boulevard and Oglethorpe Avenue. The hotel will have 135 rooms with many amenities. This hotel is expected to open in August 2018. The company is also constructing a Cambria Hotel with 103 rooms at 321 Montgomery Street.
- The Perry Lane Hotel is a high-end hotel under construction at 246 East Perry Street with 168 rooms, with an estimated opening date in early 2018.
- The Alida hotel is also under construction at 412 Williamson Street, with 173 rooms and multiple amenities and will be opening in July 2017.
- In a larger mixed-use development “Plant Riverside District” a 419-room, luxury, JW Marriott hotel is planned to anchor the \$270 million project. They are renovating an abandoned power plant and surrounding land into 20,000 square feet of retail, ballrooms, meeting space and a live entertainment venue. The expected opening is sometime in 2019.

There are also three more hotels in the planning stages; The Liberty Hotel, a unnamed hotel to be located at 1147 East President Street, and the Convention Hotel on Hutchinson Island.

Infrastructure

- The Port of Savannah plans to expand its reach beyond the southeast and into the Midwest with a \$128 million rail terminal designed for larger trains to carry cargo to U.S. cities as distant as Chicago. The Savannah harbor expansion will be completed in 2020.
- To help with current and future demand, the port authority added four new Panamax ship-to-shore cranes, 20 rubber-tired gantry cranes, a new 30-acre empty container yard, an eight-lane truck gate, and a six-acre extension of the port’s dockside container yard in 2016.
- The state opened the Jimmy DeLoach Connector in 2016, providing direct truck access between Garden City Terminal and Interstate 95.

- An ongoing rail expansion project at Garden City Terminal will double the Port of Savannah's annual rail lift capacity to one million containers. The expansion, expected to be completed in 2021, will be able to accommodate 10,000 foot-long unit trains for Norfolk Southern Railway and CSX Transportation.
- The short line railroad OmniTRAX, announced plans to develop a 2,700-acre parcel 12 miles from the Garden City Terminal, with rail access for CSX and NS. The first buildings will possibly be ready for occupancy by late 2017 or early 2018.

WARN (layoff notices):

According to the Georgia Department of Economic Development, there have been four WARN notices (large-scale layoffs/closures) reported for Savannah since January 2015. Below is a table summarizing these notices.

| Company | Jobs | Notice Date |
|--|------|-------------|
| L-3 Army Sustainment Division/RASM-E Program | 82 | 3/20/2015 |
| First Student | 564 | 6/30/2015 |
| Gulfstream | 349 | 12/15/2015 |
| Reliant Transportation, Incorporated | 720 | 5/27/2016 |

Other company layoffs not mentioned in the WARN notices are as follows:

The Kmart store at 33 West Montgomery Cross Road will be closing in 2017.

In March 2016, Mixed Oxide Fuel Fabrication Facility at the Savannah River Site laid off 60 employees.

In June 2016, Corizon Health announced layoff plans due to their contract with the Chatham county jail not being renewed. The company did not disclose the number of employees that will be laid off at this time.

These layoff notices combine to total approximately 1,775 jobs. However, the rate of job growth is anticipated to outpace the rate of job loss.

3. EMPLOYMENT TRENDS

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

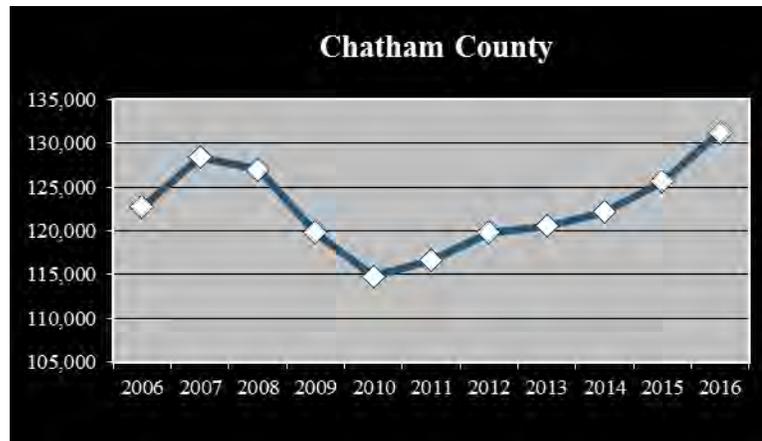
Excluding 2016, the employment base has increased by 7.7% over the past five years in Chatham County, more than the Georgia state increase of 5.6%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Chatham County, Georgia and the United States.

| Year | Total Employment | | | | | |
|-------|------------------|----------------|--------------|----------------|---------------|----------------|
| | Chatham County | | Georgia | | United States | |
| | Total Number | Percent Change | Total Number | Percent Change | Total Number | Percent Change |
| 2006 | 122,727 | - | 4,489,128 | - | 145,000,042 | - |
| 2007 | 128,394 | 4.6% | 4,597,640 | 2.4% | 146,388,400 | 1.0% |
| 2008 | 127,004 | -1.1% | 4,575,010 | -0.5% | 146,047,748 | -0.2% |
| 2009 | 119,831 | -5.6% | 4,311,854 | -5.8% | 140,696,560 | -3.7% |
| 2010 | 114,777 | -4.2% | 4,202,052 | -2.5% | 140,469,139 | -0.2% |
| 2011 | 116,650 | 1.6% | 4,263,305 | 1.5% | 141,791,255 | 0.9% |
| 2012 | 119,845 | 2.7% | 4,348,083 | 2.0% | 143,688,931 | 1.3% |
| 2013 | 120,581 | 0.6% | 4,367,147 | 0.4% | 145,126,067 | 1.0% |
| 2014 | 122,140 | 1.3% | 4,418,471 | 1.2% | 147,604,328 | 1.7% |
| 2015 | 125,625 | 2.9% | 4,502,021 | 1.9% | 149,950,804 | 1.6% |
| 2016* | 131,231 | 4.5% | 4,656,255 | 3.4% | 152,400,435 | 1.6% |

Source: Department of Labor; Bureau of Labor Statistics

*Through December



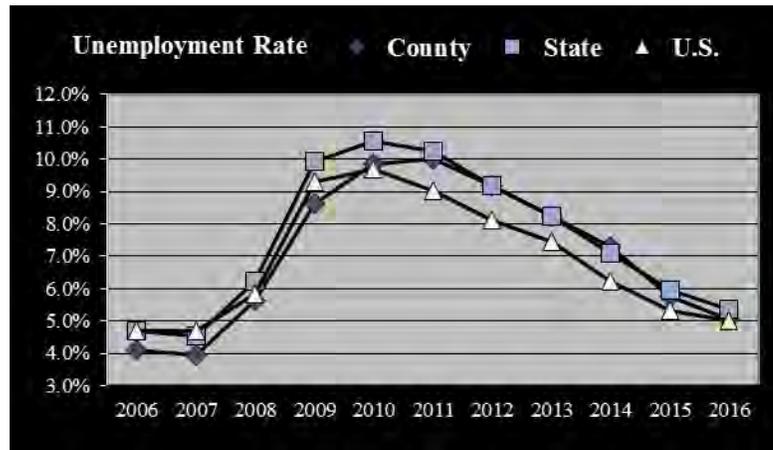
The employment base within Chatham County declined significantly between 2007 and 2010 as a result of the national recession. However, employment growth has rebounded sharply since and has generally outpaced both state and national averages. Total employment in 2016 (to date) is above prerecession levels.

Unemployment rates for Chatham County, Georgia and the United States are illustrated as follows:

| Year | Unemployment Rate | | |
|-------|-------------------|---------|---------------|
| | Chatham County | Georgia | United States |
| 2006 | 4.1% | 4.7% | 4.7% |
| 2007 | 4.0% | 4.5% | 4.7% |
| 2008 | 5.7% | 6.2% | 5.8% |
| 2009 | 8.6% | 9.9% | 9.3% |
| 2010 | 9.9% | 10.6% | 9.7% |
| 2011 | 10.0% | 10.2% | 9.0% |
| 2012 | 9.2% | 9.2% | 8.1% |
| 2013 | 8.2% | 8.2% | 7.4% |
| 2014 | 7.3% | 7.1% | 6.2% |
| 2015 | 5.7% | 6.0% | 5.3% |
| 2016* | 5.1% | 5.4% | 5.0% |

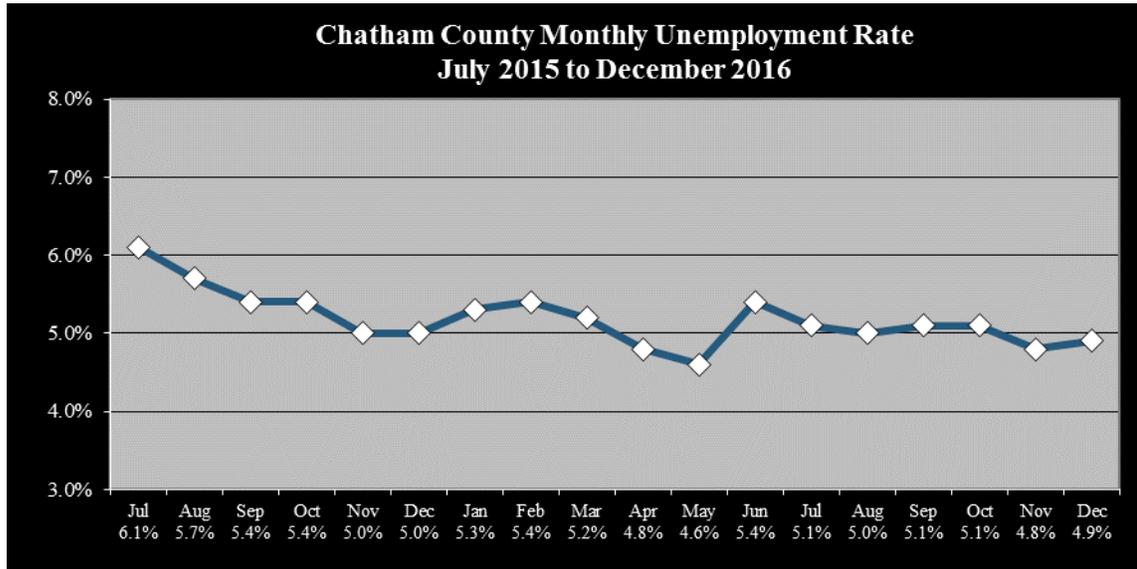
Source: Department of Labor, Bureau of Labor Statistics

*Through December



The unemployment rate in Chatham County has ranged between 4.0% and 10.0%, generally below the state average since 2006. As the preceding table illustrates, the county’s unemployment rate increased by six percentage points between 2007 and 2011, similar to trends experienced by most of the country during the national recession. On a positive note, the county’s unemployment rate has consistently decreased over the preceding five-year period and is at its lowest level (5.1%) since 2007 (4.0%).

The following table illustrates the monthly unemployment rate in Chatham County for the most recent 18-month period for which data is currently available.



The unemployment rate for the county has generally trended downward during the previous 18-month period. Notably, the unemployment rates reported during the last six months are lower than the corresponding unemployment rates reported one year ago.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Chatham County.

| In-Place Employment Chatham County | | | |
|------------------------------------|------------|--------|----------------|
| Year | Employment | Change | Percent Change |
| 2006 | 135,028 | - | - |
| 2007 | 137,617 | 2,589 | 1.9% |
| 2008 | 135,882 | -1,735 | -1.3% |
| 2009 | 128,953 | -6,929 | -5.1% |
| 2010 | 127,689 | -1,264 | -1.0% |
| 2011 | 129,844 | 2,155 | 1.7% |
| 2012 | 132,921 | 3,077 | 2.4% |
| 2013 | 136,018 | 3,097 | 2.3% |
| 2014 | 139,326 | 3,308 | 2.4% |
| 2015 | 145,463 | 6,137 | 4.4% |
| 2016* | 147,962 | 2,499 | 1.7% |

Source: Department of Labor, Bureau of Labor Statistics

*Through September

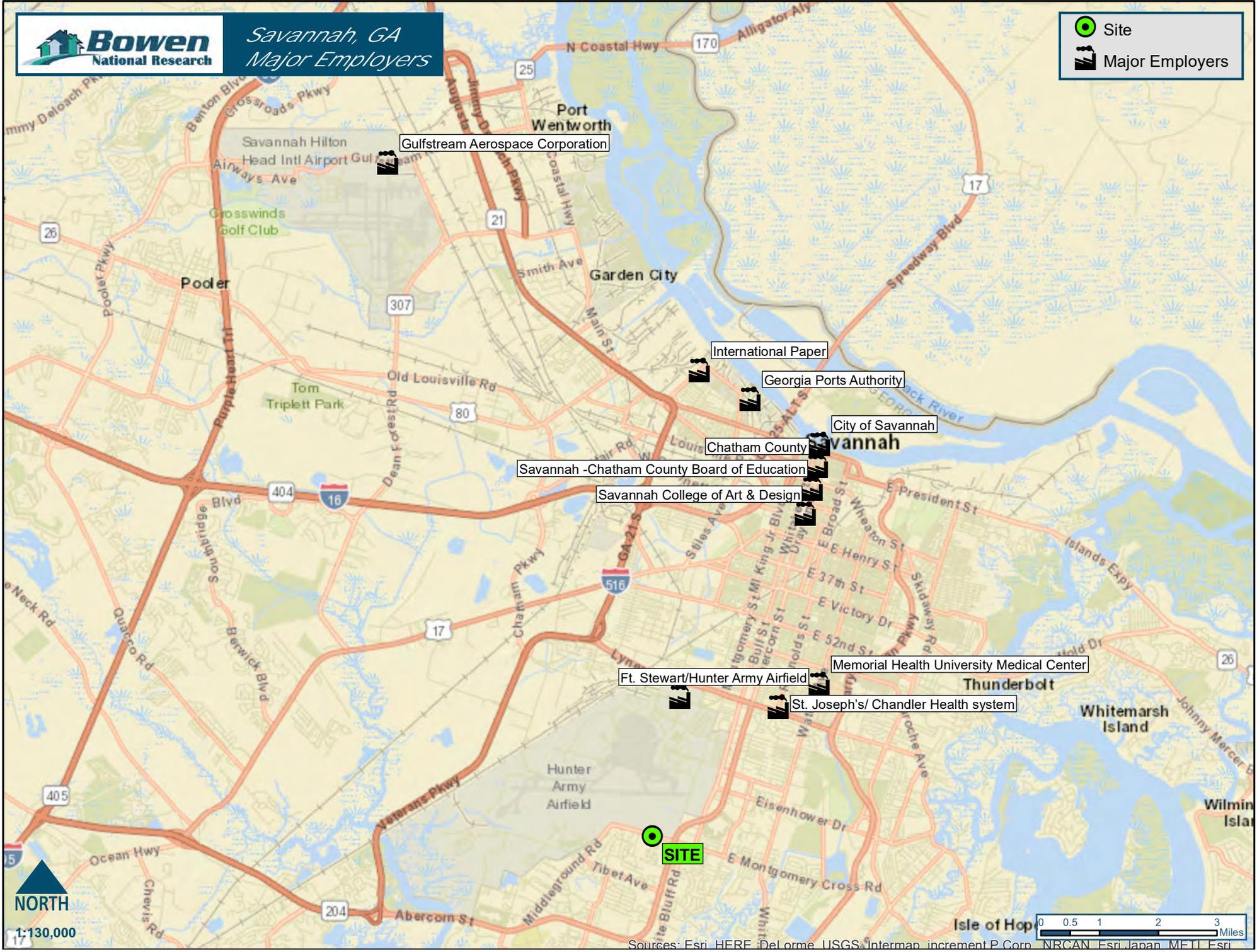
Data for 2015, the most recent year that year-end figures are available, indicates in-place employment in Chatham County to be 115.8% of the total Chatham County employment. This means that Chatham County has more employed persons coming to the county from other counties for work (daytime employment) than those who both live and work there. This will contribute to the subject development's marketability, as it is likely that many of its tenants will have minimal commute times to their place of employment.

4. ECONOMIC FORECAST

Based on information via our online research and data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Chatham County economy continues to experience growth. Notably, nearly 2,000 jobs are anticipated to be added within the county over the next several years. Additionally, aside from a downturn between 2007 and 2010, the employment base within the county has consistently increased over the preceding six-year period. In fact, the employment base has increased by 16,454 employees, or 14.3%, since 2010 and is currently above pre-recession levels. Further, the unemployment rate has decreased each of the past five years and is currently at its lowest level (5.1%) since 2007 (4.0%). Overall, these positive economic trends indicate that the Chatham County economy is strong and improving. Based on these recent trends, it is anticipated that Chatham County will continue to experience positive economic trends for the foreseeable future, which will continue to create a stable environment for housing.

A map illustrating notable employment centers is on the following page.

● Site
🏢 Major Employers



NORTH

1:130,000

Section G – Project-Specific Demand Analysis

1. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed subject project's potential.

Under the Low-Income Housing Tax Credit program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Savannah, Georgia MSA, which has a four-person median household income of \$63,500 for 2016. The LIHTC units offered at the subject property will be restricted to households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted income level:

| Household Size | Maximum Allowable Income |
|----------------|--------------------------|
| | 60% |
| One-Person | \$26,700 |
| Two-Person | \$30,480 |
| Three-Person | \$34,320 |
| Four-Person | \$38,100 |
| Five-Person | \$41,160 |
| Six-Person | \$44,220 |

a. Maximum Income Limits

The largest proposed units (four-bedroom) at the subject site are expected to house up to six-person households. As such, the maximum allowable income for the LIHTC units at the subject site is **\$44,220**.

b. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to GDCA/GHFA market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while older person (age 55 and older) and elderly (age 62 and older) projects should utilize a 40% rent-to-income ratio.

The proposed LIHTC units will have a lowest gross rent of \$714. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$8,568.

Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$24,480**.

c. Income-Appropriate Range

Based on the preceding analysis, the income-appropriate range required to live at the proposed project with units built to serve households at 60% of AMHI is between \$24,480 to \$44,220.

2. METHODOLOGY

Demand

The following are the demand components as outlined by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority:

a. Demand from New Household: New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined. *This should be determined using current renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis that does not account for this may overestimate demand. Note that our calculations have been reduced to only include **renter-qualified** households*

b. Demand from Existing Households: The second source of demand should be projected from:

- **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent. Based on Table B25074 of the American Community Survey (ACS) 2011-2015 5-year estimates, approximately 50.9% of the targeted renter households within the market were rent overburdened. These households have been included in our demand analysis.*

- **Households living in substandard housing (i.e. units that lack complete plumbing or that are overcrowded).** *Households in substandard housing should be determined based on the age, the income bands, and the tenure that apply. The analyst should use his/her own knowledge of the market area and project to determine whether households from substandard housing would be a realistic source of demand. The analyst is encouraged to be conservative in his/her estimate of demand from both rent overburdened households and from those living in substandard housing. Based on Table B25016 of the American Community Survey (ACS) 2011-2015 5-year estimates, 4.0% of all households in the market were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.*

 - **Elderly Homeowners likely to convert to renters:** *GDCA recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. This segment should not account for more than 2% of total demand. Due to the difficulty of extrapolating elderly (age 62 and older) owner households from elderly renter households, analyst may use the total figure for elderly households in the appropriate income band to derive this demand figure. Data from interviews with property managers of active projects regarding renters who have come from homeownership should be used to refine the analysis. A narrative of the steps taken to arrive at this demand figure must be included and any figure that accounts for more than 2% of total demand must be based on actual market conditions, as documented in the study.*
- c. **Other:** *DCA does not consider household turnover to be a source of market demand. However, if an analyst firmly believes that demand exists that is not captured by the above methods, he/she may use other indicators to estimate demand if they are fully justified (e.g. an analysis of an under built market in the base year). Any such additional indicators should be calculated separately from the demand analysis above. Such additions should be well documented by the analyst with documentation included in the Market Study.*

Net Demand

The overall demand components illustrated above are added together and the competitive supply of competitive vacant and/or units constructed in the past two years (2015/2016) is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2015 which have not reached stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of supply. **DCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from DCA, in the demand analysis, along with ALL conventional rental properties existing or planned in the market as outlined above. 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.**

To determine the Net Supply number for each bedroom and income category, the analyst will prepare a Competitive Analysis Chart that will provide a unit breakdown of the competitive properties and list each unit type. All properties determined to be competitive with the proposed development will be included in the Supply Analysis to be used in determining Net Supply in the Primary Market Area. In cases where the analyst believes the projects are not competitive with the subject units, the analyst will include a detailed description for each property and unit type explaining why the units were excluded from the market supply calculation. (e.g., the property is on the periphery of the market area, is a market-rate property; or otherwise only partially compares to the proposed subject).

Within the Site PMA, there were no rental properties identified within the development pipeline. Additionally, there are no existing rental properties operating below a stabilized occupancy of 90.0% within the Site PMA. As such, there were no rental units included as part of supply in our demand analysis.

The following is a summary of our demand calculations:

| Demand Component | Percent Of Median Household Income |
|---|---|
| | 60% AMHI/Overall (\$24,480-\$44,220) |
| Demand From New Households (Age- And Income-Appropriate) | 3,565 - 3,594 = -29 |
| + | |
| Demand From Existing Households (Rent Overburdened) | 3,594 X 50.9% = 1,829 |
| + | |
| Demand From Existing Households (Renters In Substandard Housing) | 3,594 X 4.0% = 142 |
| = | |
| Demand Subtotal | 1,942 |
| + | |
| Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2% | N/A |
| = | |
| Total Demand | 1,942 |
| - | |
| Supply (Directly Comparable Units Built And/Or Funded Since 2014) | 0 |
| = | |
| Net Demand | 1,942 |
| Proposed Units / Net Demand | 246 / 1,942 |
| Capture Rate | = 12.7% |

N/A – Not applicable

Per GDCA guidelines, capture rates below 30% for projects in urban markets such as the Savannah Site PMA are considered acceptable. As such, the project’s overall capture rate of 12.7% is considered low and easily achievable within the Savannah Site PMA and demonstrates that a deep base of potential income-eligible renter support exists for the subject project. This is especially true, given the high occupancy rates maintained among the existing LIHTC properties in the Site PMA.

Based on the distribution of households by household size, our survey of conventional apartments and the distribution of bedroom types in balanced markets, the estimated shares of demand by bedroom type for the Site PMA are distributed as follows.

| Estimated Demand By Bedroom | |
|-----------------------------|---------|
| Bedroom Type | Percent |
| One-Bedroom | 25% |
| Two-Bedroom | 45% |
| Three-Bedroom | 25% |
| Four-Bedroom | 5% |
| Total | 100.0% |

Applying these shares to the income-qualified renter households yields demand and capture rates for the proposed units by bedroom type and targeted income level as follows:

| Bedroom Size (Share Of Demand) | Target % of AMHI | Subject Units | Total Demand | Supply* | Net Demand | Capture Rate | Absorption | Average Market Rent | Subject Rents |
|-----------------------------------|------------------------|------------------|-----------------|---------|---------------|-----------------|------------|---------------------------|------------------|
| One-Bedroom (25%) | 60% | 50 | 486 | 0 | 486 | 10.3% | 3 Months | \$971 | \$607 |
| Two-Bedroom (45%) | 60% | 96 | 874 | 0 | 874 | 11.0% | 6 Months | \$1,062 | \$720 |
| Three-Bedroom (25%) | 60% | 92 | 486 | 0 | 486 | 18.9% | 7 Months | \$1,316 | \$818 |
| Four-Bedroom (5%) | 60% | 8 | 96 | 0 | 96 | 8.3% | < 1 Month | - | \$893 |

*Directly comparable units built and/or funded in the project market over the projection period.

Average Market Rent is the weighted average collected rent reported at comparable market-rate properties as identified in Section H.

The capture rates by bedroom type and targeted income level range from 8.3% to 18.9%. Utilizing this methodology, these capture rates are considered easily achievable and demonstrate that a deep base of income-eligible renter household support exists in the Savannah Site PMA for each of the unit types proposed at the subject development. This is especially true when considering the high occupancy rates maintained among most existing rental properties surveyed in the market, as evidenced by our Field Survey of Conventional Rentals (Addendum A).

Section H – Rental Housing Analysis (Supply)

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Savannah Site PMA in 2010 and 2017 (estimated) are summarized in the following table:

| Housing Status | 2010 (Census) | | 2017 (Estimated) | |
|-----------------|---------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Total-Occupied | 21,169 | 88.1% | 22,012 | 87.4% |
| Owner-Occupied | 9,615 | 45.4% | 9,066 | 41.2% |
| Renter-Occupied | 11,554 | 54.6% | 12,946 | 58.8% |
| Vacant | 2,865 | 11.9% | 3,163 | 12.6% |
| Total | 24,034 | 100.0% | 25,175 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2017 update of the 2010 Census, of the 25,175 total housing units in the market, 12.6% were vacant. In 2017, it was estimated that homeowners occupied 41.2% of all occupied housing units, while the remaining 58.8% were occupied by renters. The share of renters is considered typical for an urban market, such as the Savannah Site PMA, and the current 12,946 renter households represent a deep base of potential support in the Site PMA for the subject development.

We identified and personally surveyed 21 conventional housing projects containing a total of 3,236 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.4%, a strong rate for rental housing. Among these projects, 19 are non-subsidized (market-rate and Tax Credit) projects containing 2,998 units. These non-subsidized units are 97.2% occupied. The remaining two projects contain 238 government-subsidized units, which are 100.0% occupied.

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|----------------------------------|-------------------|-------------|--------------|----------------|
| Market-rate | 16 | 2,322 | 84 | 96.4% |
| Market-rate/Tax Credit | 2 | 468 | 0 | 100.0% |
| Tax Credit | 1 | 208 | 0 | 100.0% |
| Tax Credit/Government-Subsidized | 1 | 138 | 0 | 100.0% |
| Government-Subsidized | 1 | 100 | 0 | 100.0% |
| Total | 21 | 3,236 | 84 | 97.4% |

All rental housing segments surveyed in the market are operating at good occupancy levels, as none are lower than 96.4%. In fact, all affordable rental developments surveyed in the Site PMA are 100.0% occupied, most of which maintain waiting lists, illustrating that pent-up demand exists for additional low-income rental housing. The subject project will be able to accommodate a portion of this unmet demand.

The following table summarizes the breakdown of market-rate and Tax Credit units surveyed within the Site PMA.

| Market-rate | | | | | | |
|----------------------------|-------|--------------|---------------|-----------|-------------|-------------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| One-Bedroom | 1.0 | 685 | 28.7% | 27 | 3.9% | \$857 |
| Two-Bedroom | 1.0 | 355 | 14.9% | 11 | 3.1% | \$948 |
| Two-Bedroom | 1.5 | 444 | 18.6% | 17 | 3.8% | \$932 |
| Two-Bedroom | 2.0 | 473 | 19.8% | 18 | 3.8% | \$1,039 |
| Three-Bedroom | 1.0 | 15 | 0.6% | 0 | 0.0% | \$973 |
| Three-Bedroom | 1.5 | 22 | 0.9% | 0 | 0.0% | \$872 |
| Three-Bedroom | 2.0 | 336 | 14.1% | 9 | 2.7% | \$1,142 |
| Three-Bedroom | 2.5 | 46 | 1.9% | 2 | 4.3% | \$1,062 |
| Four-Bedroom | 2.0 | 12 | 0.5% | 0 | 0.0% | \$993 |
| Total Market-rate | | 2,388 | 100.0% | 84 | 3.5% | - |
| Tax Credit, Non-Subsidized | | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| One-Bedroom | 1.0 | 135 | 22.1% | 0 | 0.0% | \$697 |
| Two-Bedroom | 1.0 | 92 | 15.1% | 0 | 0.0% | \$782 |
| Two-Bedroom | 2.0 | 156 | 25.6% | 0 | 0.0% | \$846 |
| Three-Bedroom | 1.5 | 27 | 4.4% | 0 | 0.0% | \$900 |
| Three-Bedroom | 2.0 | 164 | 26.9% | 0 | 0.0% | \$980 |
| Four-Bedroom | 2.0 | 36 | 5.9% | 0 | 0.0% | \$990 |
| Total Tax Credit | | 610 | 100.0% | 0 | 0.0% | - |

As the preceding table illustrates, the median gross Tax Credit rents are generally well below their corresponding median gross market-rate rents. As such, Tax Credit properties likely represent excellent values to low-income renters within the market. This is further evidenced by the 100.0% occupancy rate of all non-subsidized Tax Credit units in the market.

2. SUMMARY OF ASSISTED PROJECTS

We were able to identify and survey five federally subsidized and/or Tax Credit apartment developments in the Savannah Site PMA. These projects were surveyed in February 2017 and are summarized in the table on the following page.

| Map I.D. | Project Name | Type | Year Built/ Renovated | Total Units | Occup. | Gross Rent (Unit Mix) | | | |
|--------------|-----------------------|-------------|-----------------------|-------------|---------------|-----------------------|-----------------------|------------------------|------------------------|
| | | | | | | One-Br. | Two-Br. | Three-Br. | Four-Br. |
| 3 | Montgomery Landing | TAX | 2005 | 115* | 100.0% | \$376 - \$751 (12) | \$444 - \$895 (37) | \$509 - \$1030 (54) | \$573 - \$1154 (12) |
| 4 | Oaks at Brandlewood | TAX | 2003 | 287* | 100.0% | \$697 (84) | \$846 (119) | \$980 (84) | - |
| 5 | Savannah Summit Apts. | TAX & SEC 8 | 1978 / 2003 | 138 | 100.0% | \$796 (136) | \$876 (2) | - | - |
| 13 | Live Oak Apt. Homes | TAX | 1979 / 2002 | 208 | 100.0% | \$655 (39) | \$782 (92) | \$900 (53) | \$990 (24) |
| 15 | Westlake Apts. | SEC 8 | 1974 / 2015 | 100 | 100.0% | \$719 (10) | \$831 (56) | \$928 (30) | \$1030 (4) |
| Total | | | | 848 | 100.0% | | | | |

Note : Contact names and method of contact, as well as amenities and other features are listed in the field survey

OCCUP. - Occupancy

TAX - Tax Credit

SEC - Section

*Market-rate units not included

The overall occupancy rate is 100.0% for these projects, nearly all of which maintain waiting lists. This illustrates that pent-up demand exists for additional affordable rental housing within the Site PMA.

HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Housing Authority of Savannah, there are approximately 2,824 Housing Choice Voucher holders within the housing authority's jurisdiction, and 10,085 households currently on the waiting list for additional Vouchers. The waiting list is closed and it is unknown when the waiting list will reopen. Annual turnover is estimated at 360 households. This reflects the continuing need for Housing Choice Voucher assistance.

The following table identifies the competitive Low-Income Housing Tax Credit (LIHTC) properties that accept Housing Choice Vouchers, as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers.

| Map I.D. | Project Name | Total Units | Number of Vouchers | Share of Vouchers |
|--------------|---------------------|-------------|--------------------|-------------------|
| 3 | Montgomery Landing | 115* | 54 | 47.0% |
| 4 | Oaks at Brandlewood | 287* | 90 | 31.4% |
| 13 | Live Oak Apt. Homes | 208^ | N/A | - |
| Total | | 402 | 144 | 35.8% |

*Tax Credit units only

^Units not included in total

N/A – Number not available

As the preceding table illustrates, there are a total of approximately 144 units that are occupied by Voucher holders among the two competitive LIHTC projects in the market that provided such information. The 144 units occupied by Voucher holders comprise 35.8% of these comparable units. This illustrates that over 64% of the comparable Tax Credit units in the market are occupied by tenants which are not currently receiving rental assistance. Therefore, the gross rents charged at the aforementioned LIHTC projects are achievable.

If the rents do not exceed Fair Market Rents, some households with Housing Choice Vouchers may be willing to reside at a LIHTC project. The following table outlines the HUD 2016 Fair Market Rents for the Savannah, Georgia MSA and the proposed subject gross rents at the subject project:

| Bedroom Type | Fair Market Rents | Proposed Tax Credit Gross Rents |
|---------------|-------------------|---------------------------------|
| One-Bedroom | \$775 | \$714 |
| Two-Bedroom | \$897 | \$858 |
| Three-Bedroom | \$1,208 | \$990 |
| Four-Bedroom | \$1,412 | \$1,105 |

As the preceding table illustrates, all of the subject's proposed gross rents are set below current Fair Market Rents. As such, the subject project will be able to rely on support from Housing Choice Voucher holders. This will increase the base of income-appropriate renter households within the Savannah Site PMA for the subject development and has been considered in our absorption estimates in Section I of this report.

3. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local building and planning representatives, it was determined that there are no multifamily projects planned or under construction within the Site PMA.

Building Permit Data

The following tables illustrate single-family and multifamily building permits issued within the city of Savannah and Chatham County for the past ten years:

| Housing Unit Building Permits for Savannah, GA: | | | | | | | | | | |
|---|-------|-------|------|------|------|------|------|------|------|------|
| Permits | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Multifamily Permits | 356 | 533 | 198 | 326 | 279 | 250 | 160 | 18 | 23 | 0 |
| Single-Family Permits | 787 | 624 | 420 | 330 | 241 | 197 | 223 | 265 | 341 | 328 |
| Total Units | 1,143 | 1,157 | 618 | 656 | 520 | 447 | 383 | 283 | 364 | 328 |

Source: SOCDS Building Permits Database at <http://socds.huduser.org/permits/index.html>

Housing Unit Building Permits for Chatham County:

| Permits | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------|-------|-------|-------|-------|------|-------|-------|-------|-------|------|
| Multifamily Permits | 648 | 885 | 523 | 342 | 281 | 402 | 204 | 149 | 269 | 26 |
| Single-Family Permits | 2,692 | 1,908 | 1,117 | 785 | 676 | 655 | 811 | 901 | 1,048 | 933 |
| Total Units | 3,340 | 2,793 | 1,640 | 1,127 | 957 | 1,057 | 1,015 | 1,050 | 1,317 | 959 |

Source: SOCDS Building Permits Database at <http://socds.huduser.org/permits/index.html>

As the preceding tables illustrate, multifamily building permit activity within Savannah began to decline significantly in 2008, and has generally declined since. In fact, multifamily building permit activity was virtually nonexistent between 2013 and 2015. Given the combined occupancy rate of all rental projects identified and surveyed in the market is 97.4%, as well as the fact that renter households are projected to experience growth between 2017 and 2019, as illustrated in our demographic analysis, it is likely that there is greater demand for additional rental housing units within the Savannah Site PMA.

4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

We identified and surveyed three existing family (general-occupancy) non-subsidized rental communities that offer LIHTC units in the Site PMA. These three projects target households with incomes of up to 30%, 50% and 60% of AMHI and are considered competitive properties. These four competitive LIHTC projects and the subject development are summarized in the following table. Information regarding property address and phone number, contact name, date of contact and utility responsibility is included in Addendum A, Field Survey of Conventional Rentals.

| Map I.D. | Project Name | Year Built/Renovated | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|--------------------------------|----------------------|-------------|-----------|------------------|--------------|--------------------------------|
| Site | Woodlands at Montgomery | 2018 | 246 | - | - | - | Families; 60% AMHI |
| 3 | Montgomery Landing | 2005 | 115* | 100.0% | 4.1 Miles | 30 H.H. | Families; 30%, 50%, & 60% AMHI |
| 4 | Oaks at Brandlewood | 2003 | 287* | 100.0% | 7.1 Miles | None | Families; 60% AMHI |
| 13 | Live Oak Apt. Homes | 1979 / 2002 | 208 | 100.0% | 1.8 Miles | 20-30 H.H. | Families; 60% AMHI |

OCC. – Occupancy
H.H. - Households
*Tax Credit units only

The three LIHTC projects have a combined occupancy rate of 100.0%, two of which maintain waiting lists. This illustrates that pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

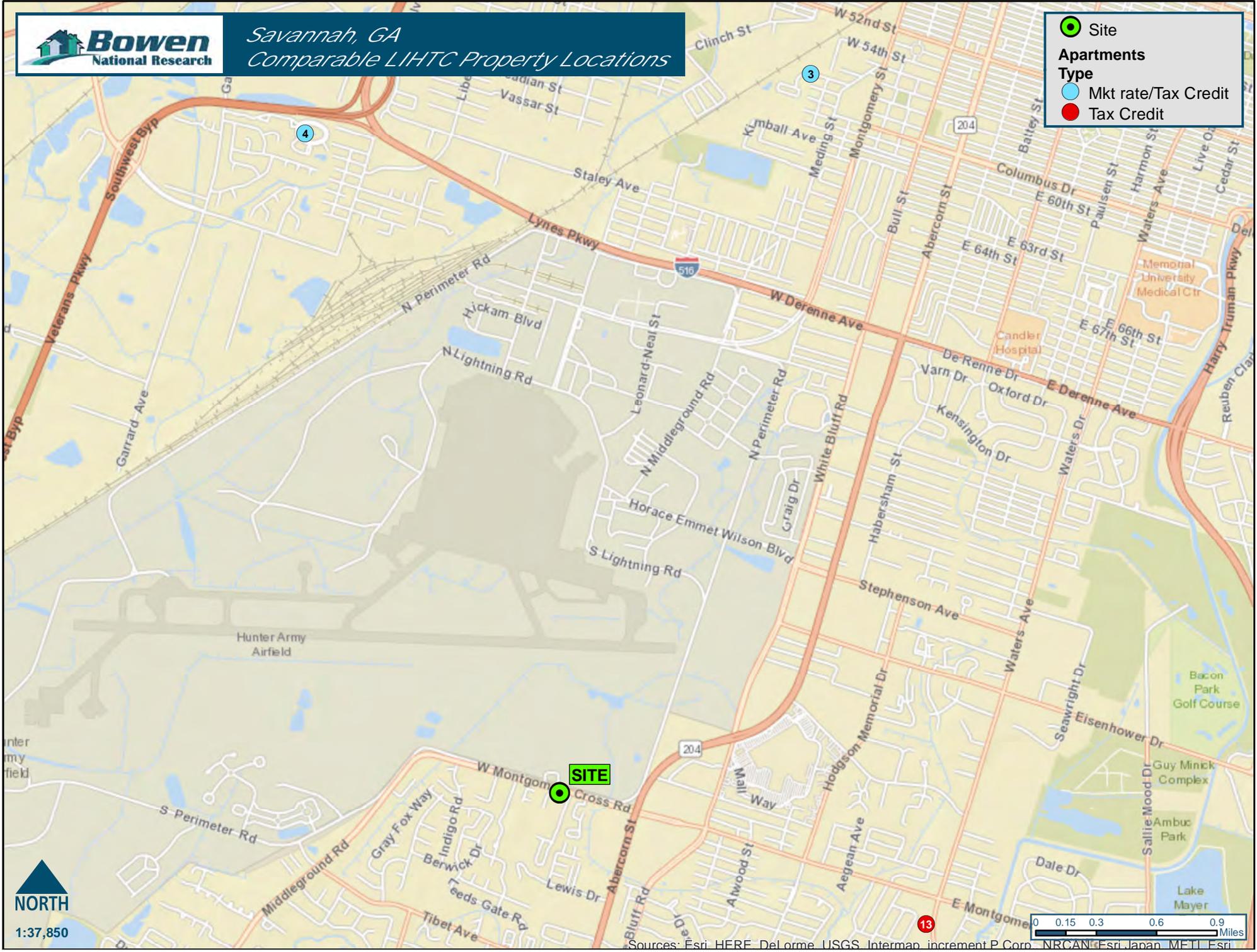
The map on the following page illustrates the location of the comparable Tax Credit properties relative to the proposed subject site location.



Savannah, GA

Comparable LIHTC Property Locations

- Site
- Apartments Type
- Mkt rate/Tax Credit
- Tax Credit



NORTH
1:37,850

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

The gross rents for the competing projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

| Map I.D. | Project Name | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | | Rent Special |
|----------|-------------------------|---|-------------------|--------------------|-------------------|--------------|
| | | One-Br. | Two-Br. | Three-Br. | Four-Br. | |
| Site | Woodlands at Montgomery | \$714/60% (50) | \$858/60% (96) | \$990/60% (92) | \$1,105/60% (8) | - |
| 3 | Montgomery Landing | \$376/30% (1/0) | \$444/30% (9/0) | \$509/30% (3/0) | \$573/30% (1/0) | None |
| | | \$626/50% (4/0) | \$745/50% (16/0) | \$856/50% (22/0) | \$960/50% (2/0) | |
| | | \$751/60% (7/0) | \$895/60% (12/0) | \$1,030/60% (29/0) | \$1,154/60% (9/0) | |
| 4 | Oaks at Brandewood | \$697/60% (84/0) | \$846/60% (119/0) | \$980/60% (84/0) | - | None |
| 13 | Live Oak Apt. Homes | \$655/60% (39/0) | \$782/60% (92/0) | \$900/60% (53/0) | \$990/60% (24/0) | None |

The proposed subject gross LIHTC rents, ranging from \$714 to \$1,105, will be within the range of rents offered at the competitive LIHTC projects targeting similar income levels within the market. Given that all comparable LIHTC projects are 100.0% occupied and the fact that the subject's rents are competitively positioned, they are considered appropriate for the Savannah Site PMA.

The following table illustrates the weighted average *collected* rents of the comparable LIHTC units by bedroom type targeting incomes up to 60% of AMHI:

| Weighted Average Collected Rent Of Comparable LIHTC Units | | | |
|---|---------|-----------|----------|
| One-Br. | Two-Br. | Three-Br. | Four-Br. |
| \$631 | \$754 | \$866 | \$925 |

The rent advantage for the proposed Tax Credit units is calculated as follows (average weighted collected LIHTC rent – weighted proposed LIHTC rent) / weighted proposed LIHTC rent:

| Bedrooms | Weighted Avg. LIHTC Rent | Weighted Avg. Proposed LIHTC Rent | Difference | Weighted Avg. Proposed LIHTC Rent | Rent Advantage |
|-----------|--------------------------|-----------------------------------|------------|-----------------------------------|----------------|
| One-Br. | \$631 | - \$607 | \$26 | / \$607 | 4.3% |
| Two-Br. | \$754 | - \$720 | \$34 | / \$720 | 4.7% |
| Three-Br. | \$866 | - \$818 | \$48 | / \$818 | 5.9% |
| Four-Br. | \$925 | - \$893 | \$32 | / \$893 | 3.6% |

As the preceding table illustrates, the proposed collected LIHTC rents at the subject project represent good rent advantages. Therefore, the proposed collected LIHTC rents at the subject project will likely represent excellent values to low-income renters within the market. However, please note that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include. Therefore, caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the subject project's collected rents are available in Addendum E of this report.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market are compared with the subject development in the following table:

| Map I.D. | Project Name | Square Footage | | | |
|-------------|--------------------------------|----------------|--------------|--------------|--------------|
| | | One-Br. | Two-Br. | Three-Br. | Four-Br. |
| Site | Woodlands at Montgomery | 876 | 1,100 | 1,300 | 1,400 |
| 3 | Montgomery Landing | 792 | 1,062 | 1,267 | 1,428 |
| 4 | Oaks at Brandlewood | 773 | 1,043 | 1,217 | - |
| 13 | Live Oak Apt. Homes | 705 | 822 | 1,033 | 1,222 |

| Map I.D. | Project Name | Number of Baths | | | |
|-------------|--------------------------------|-----------------|------------|------------|------------|
| | | One-Br. | Two-Br. | Three-Br. | Four-Br. |
| Site | Woodlands at Montgomery | 1.0 | 2.0 | 2.0 | 2.0 |
| 3 | Montgomery Landing | 1.0 | 2.0 | 2.0 | 2.0 |
| 4 | Oaks at Brandlewood | 1.0 | 2.0 | 2.0 | - |
| 13 | Live Oak Apt. Homes | 1.0 | 1.0 | 1.5 - 2.0 | 2.0 |

The subject project will offer some of the largest unit sizes, based on square feet and number of bathrooms offered, relative to those offered at the competitive LIHTC projects within the market. This will provide the subject with a competitive advantage.

The following tables compare the amenities of the subject development with the other LIHTC projects in the market.

COMPARABLE PROPERTIES AMENITIES - SAVANNAH, GEORGIA

| MAP ID | APPLIANCES | | | | | | UNIT AMENITIES | | | | | | | | | | | | | |
|-------------|------------|--------------|----------|------------|----------|-----------|----------------|-----------|----------------|------------------|------------|--------------------|-------------|----------|----------|----------|-------------------|----------------|---------|------------------|
| | RANGE | REFRIGERATOR | ICEMAKER | DISHWASHER | DISPOSAL | MICROWAVE | CENTRAL AC | WINDOW AC | FLOOR COVERING | WASHER AND DRYER | W/D HOOKUP | PATIO/DECK/BALCONY | CEILING FAN | BASEMENT | INTERCOM | SECURITY | WINDOW TREATMENTS | E-CALL BUTTONS | PARKING | OTHER |
| SITE | X | X | | X | X | X | X | | C | | X | X | X | | | | B | | D(o),S | |
| 3 | X | X | | X | X | | X | | C | | X | | X | | | | B | | S | |
| 4 | X | X | X | X | X | S | X | | C | | X | X | X | | | | B | | S | Exterior Storage |
| 13 | X | X | | X | X | | X | | C | | | X | | | | | B | | S | |

| MAP ID | PROJECT AMENITIES | | | | | | | | | | | | | | | | | | |
|-------------|-------------------|--------------|---------|------------|-----------------|----------------|-----------------|------------|--------------|--------------|---------|----------|---------------|--------------|---------|-------------|-----------------|-----------------|-------|
| | POOL | ON-SITE MGMT | LAUNDRY | CLUB HOUSE | COMMUNITY SPACE | FITNESS CENTER | JACUZZI / SAUNA | PLAYGROUND | TENNIS COURT | SPORTS COURT | STORAGE | ELEVATOR | SECURITY GATE | COMPUTER LAB | LIBRARY | PICNIC AREA | SOCIAL SERVICES | BUSINESS CENTER | OTHER |
| SITE | X | X | X | X | X | X | | X | | | O | | | X | | X | | | |
| 3 | X | X | X | X | | X | | X | | | | | | X | | X | | | |
| 4 | X | X | X | X | | X | | X | | | | | X | | | X | | | |
| 13 | | X | X | | | | | X | | V | | | | | | X | | | |

| |
|--|
| ◆ Senior Restricted |
| ■ Market-rate |
| ■ Market-rate/Tax Credit |
| ■ Market-rate/Government-subsidized |
| ■ Market-rate/Tax Credit/Government-subsidized |
| ■ Tax Credit |
| ■ Tax Credit/Government-subsidized |
| ■ Government-subsidized |

| |
|----------------|
| X - All Units |
| S - Some Units |
| O - Optional |

| |
|--------------------------|
| Window Treatments |
| B - Blinds |
| C - Curtains |
| D - Drapes |

| |
|--------------------|
| Parking |
| A - Attached |
| C - Carport |
| D - Detached |
| O - On Street |
| S - Surface |
| G - Parking Garage |
| (o) - Optional |
| (s) - Some |

| |
|-----------------------|
| Sports Courts |
| B - Basketball |
| D - Baseball Diamonds |
| P - Putting Green |
| T - Tennis |
| V - Volleyball |
| X - Multiple |

| |
|-----------------------|
| Floor Covering |
| C - Carpet |
| H - Hardwood |
| V - Vinyl |
| W - Wood |
| T - Tile |

| |
|---------------------------|
| Community Space |
| A - Activity Room |
| L - Lounge/Gathering Room |
| T - Training Room |

The amenity packages included at the proposed subject development will be slightly superior than those offered at the existing low-income projects in the market. In terms of unit amenities, the subject project will be the only LIHTC development to include microwaves in *each* unit. Regarding project amenities, the subject project will be one of two LIHTC developments to include a computer center. The inclusion of the aforementioned amenities will provide the subject with a market advantage.

Comparable/Competitive Tax Credit Summary

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, it is our opinion that the subject development will be very competitive. In fact, the subject project will be at least 13 years newer than the competitive affordable developments, offering larger unit sizes and a slightly superior amenities package. The aforementioned characteristics will provide the subject with a competitive advantage. This has been considered in our absorption projections.

The anticipated occupancy rates of the existing competitive general-occupancy Tax Credit developments in the market during the first year of occupancy at the subject project are illustrated below:

| Map I.D. | Project | Current Occupancy Rate | Anticipated Occupancy Rate Through 2018 |
|----------|---------------------|------------------------|---|
| 3 | Montgomery Landing | 100.0% | 95.0%+ |
| 4 | Oaks at Brandlewood | 100.0% | 95.0%+ |
| 13 | Live Oak Apt. Homes | 100.0% | 95.0%+ |

The subject project is not expected to have a negative impact on the three existing general-occupancy Tax Credit projects within the Site PMA, which are all 100.0% occupied. Given the lack of available affordable units in the market, we expect the three Tax Credit projects to operate at or above 95.0% once the proposed subject units are built. Overall, we believe there is significant demographic support for all existing and proposed Tax Credit units in the market and no long-term negative impact is expected on the Tax Credit projects within the market if the proposed subject project is developed.

One page profiles of the Comparable/Competitive Tax Credit properties are included in Addendum B of this report.

5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA was \$144,507. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$144,507 home is \$869, including estimated taxes and insurance.

| Buy Versus Rent Analysis | |
|--|-----------|
| Median Home Price - ESRI | \$144,507 |
| Mortgaged Value = 95% of Median Home Price | \$137,282 |
| Interest Rate - Bankrate.com | 4.5% |
| Term | 30 |
| Monthly Principal & Interest | \$696 |
| Estimated Taxes and Insurance* | \$174 |
| Estimated Monthly Mortgage Payment | \$869 |

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents at the subject property range from \$607 to \$893 per month, depending on unit size. Therefore, the cost of a monthly mortgage for a typical home in the area is no more than \$262 greater than renting at the subject site, where in some cases, it is \$24 less than renting at the subject project. While some tenants may choose to purchase a home, the number of tenants who would be able to afford the down payment is considered minimal. In addition, with a median home price of \$144,507, the majority of the housing stock consists of older single-family homes that would likely require greater maintenance and corresponding costs. Further, homes at the aforementioned price point are not likely to include a comprehensive amenities package such as that offered at the proposed development. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

Section I – Absorption & Stabilization Rates

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA/GHFA guidelines that assume a 2019 completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2019.

Considering the facts contained in the market study and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the subject development. Our absorption projections take into consideration the high occupancy rates reported among existing non-subsidized LIHTC projects in the market, the required capture rates, achievable market rents and the competitiveness of the proposed subject development within the Savannah Site PMA. Our absorption projections also take into consideration that the developer and/or management successfully markets the project throughout the Site PMA.

Based on our analysis, it is our opinion that the 246 proposed LIHTC units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately 14 months. This absorption period is based on an average monthly absorption rate of approximately 16 units per month.

These absorption projections assume a 2019 opening date. A later opening date may have a slowing impact on the absorption potential for the subject project. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

Section J – Interviews

The following are summaries of interviews conducted with various local sources regarding the need for rental housing within the Savannah Site PMA:

- Tameka Mutcherson, Community Manager of Montgomery Landing (Map ID 3), a general-occupancy Tax Credit and market-rate community located within the Site PMA, stated that there is a need for more affordable housing in the southern portion of Savannah. Ms. Mutcherson confirmed that her property maintains a waitlist that does not have much turn over. Ms. Mutcherson explained that her property is newer than most affordable properties and she sees the greatest need for two-bedroom units.
- Tamara Moore, Assistant Property Manager of Live Oak Apartment Homes (Map ID 13), a general-occupancy Tax Credit community located within the Site PMA, stated that there is a need for more affordable housing in southern Savannah. Ms. Moore explained that the current affordable housing inventory is very out dated and a new property would do very well. Ms. Moore stated that two-bedroom apartments appear to be in greater demand.
- Lynn Coleman, Director of the Assisted Housing Program with the Housing Authority of Savannah, feels there is a huge need for more affordable rental housing in Savannah. The housing authority has over 10,000 households on their waiting list and it has not been open since 2013. Ms. Coleman stated that they have issued all but 13 of their allotted Housing Choice Vouchers. Ms. Coleman further explained that, at last count, Savannah also had approximately 4,000 homeless people, and many of these individuals could have been prevented if there was enough affordable rental housing in the area.

Section K – Conclusions & Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 246 LIHTC units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

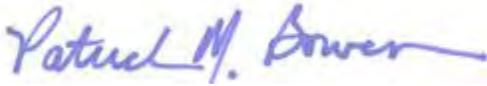
The Savannah rental housing market is performing well, as evidenced by the overall rental market occupancy rate of 97.4%. When compared to other affordable rental housing alternatives within the market, the subject project will be very competitive.

The overall required capture rate of 12.7% for the subject's LIHTC units is considered low and demonstrates that a significant base of potential income-appropriate renter support exists for the subject project within the Savannah Site PMA.

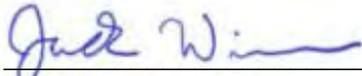
Based on the preceding analysis and facts contained within this report, we believe the proposed subject development is marketable within the Savannah Site PMA, as proposed. We do not have any recommendations or modifications to the subject development at this time.

Section L - Signed Statement

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study regarding the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs rental housing programs. I also affirm that I have no interest in the project or any relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written in accordance with my understanding of the GA-DCA market study manual and GA-DCA Qualified Action Plan.



Patrick M. Bowen
President/Market Analyst
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Date: April 11, 2017



Jack Wiseman
Market Analyst
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Date: April 11, 2017

Section M – Market Study Representation

The Georgia Department of Community Affairs (DCA) may rely on the representation made in the market study and that the market study is assignable to other lenders that are parties to the DCA loan transaction.

Section N - Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

Company Leadership

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Desireé Johnson is the Director of Operations at Bowen National Research. Ms. Johnson is involved in the day-to-day communication with clients. She has been involved in extensive market research in a variety of project types since 2006. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Luke Mortensen, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Mortensen received his Bachelor's Degree in Sports Leadership and Management from Miami University.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Garth Semple, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Elijah Wright, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Wright holds a Bachelor of Arts degree in Integrated Media from Ohio University.

Research Staff

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

SAVANNAH, GEORGIA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

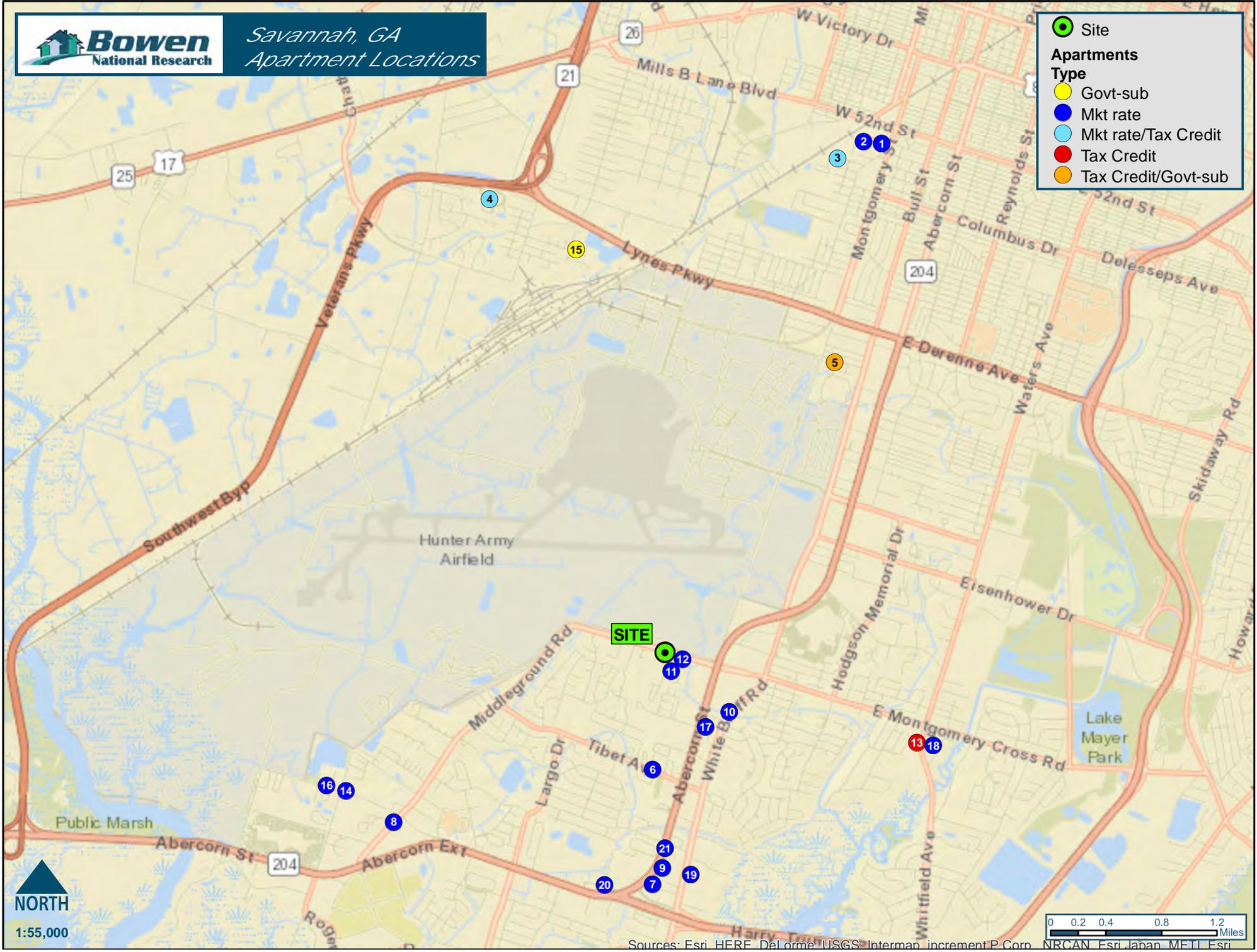
- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

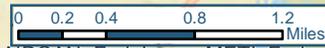


Savannah, GA
Apartment Locations

● Site
Apartments Type
● Govt-sub
● Mkt rate
● Mkt rate/Tax Credit
● Tax Credit
● Tax Credit/Govt-sub



NORTH
1:55,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

MAP IDENTIFICATION LIST - SAVANNAH, GEORGIA

| MAP ID | PROJECT NAME | PROJ. TYPE | QUALITY RATING | YEAR BUILT | TOTAL UNITS | VACANT | OCC. RATE | DISTANCE TO SITE* |
|--------|--------------------------------|------------|----------------|------------|-------------|--------|-----------|-------------------|
| 1 | Allen Apts. | MRR | C | 1975 | 98 | 15 | 84.7% | 4.2 |
| 2 | Madison Apts. | MRR | C- | 1976 | 92 | 0 | 100.0% | 4.2 |
| 3 | Montgomery Landing | MRT | B | 2005 | 144 | 0 | 100.0% | 4.1 |
| 4 | Oaks at Brandlewood | MRT | B | 2003 | 324 | 0 | 100.0% | 7.1 |
| 5 | Savannah Summit Apts. | TGS | B- | 1978 | 138 | 0 | 100.0% | 2.6 |
| 6 | Carriage House Apts. | MRR | B- | 1978 | 144 | 0 | 100.0% | 1.3 |
| 7 | Edgewater Trace | MRR | C+ | 1975 | 159 | 0 | 100.0% | 1.9 |
| 8 | Ridgewood Apts. | MRR | B- | 1978 | 144 | 1 | 99.3% | 2.5 |
| 9 | Timberland Apts. | MRR | C+ | 1977 | 176 | 8 | 95.5% | 2.0 |
| 10 | Heritage Square | MRR | B- | 1970 | 168 | 15 | 91.1% | 0.9 |
| 11 | Magnolia Villas Apt. Homes | MRR | B- | 1985 | 144 | 7 | 95.1% | 0.1 |
| 12 | Sterling Bluff Apts. | MRR | B | 1977 | 215 | 26 | 87.9% | 0.1 |
| 13 | Live Oak Apt. Homes | TAX | B | 1979 | 208 | 0 | 100.0% | 1.8 |
| 14 | Oaks at Savannah Mall | MRR | B- | 1999 | 15 | 0 | 100.0% | 2.8 |
| 15 | Westlake Apts. | GSS | D+ | 1974 | 100 | 0 | 100.0% | 5.7 |
| 16 | Lakeview Apts. | MRR | B | 2003 | 40 | 0 | 100.0% | 2.9 |
| 17 | Moss Pointe | MRR | B- | 1972 | 278 | 6 | 97.8% | 1.1 |
| 18 | Tabby Villas Apts. | MRR | B | 1979 | 82 | 3 | 96.3% | 1.9 |
| 19 | Colonial Village at Marsh Cove | MRR | B | 1983 | 188 | 3 | 98.4% | 1.7 |
| 20 | Plantation Oaks | MRR | B | 1988 | 147 | 0 | 100.0% | 2.0 |
| 21 | Spanish Villa Apts. | MRR | C+ | 1969 | 232 | 0 | 100.0% | 2.0 |

| PROJECT TYPE | PROJECTS SURVEYED | TOTAL UNITS | VACANT | OCCUPANCY RATE | U/C |
|--------------|-------------------|-------------|--------|----------------|-----|
| MRR | 16 | 2,322 | 84 | 96.4% | 0 |
| MRT | 2 | 468 | 0 | 100.0% | 0 |
| TAX | 1 | 208 | 0 | 100.0% | 0 |
| TGS | 1 | 138 | 0 | 100.0% | 0 |
| GSS | 1 | 100 | 0 | 100.0% | 0 |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

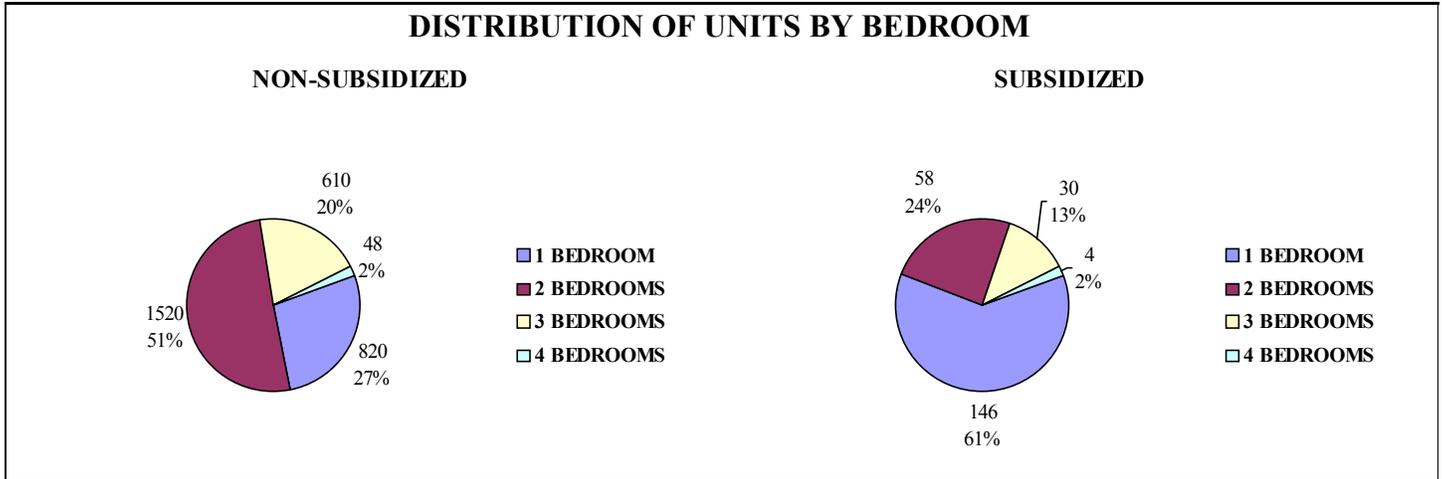
* - Drive Distance (Miles)

Survey Date: February 2017

DISTRIBUTION OF UNITS - SAVANNAH, GEORGIA

| MARKET-RATE | | | | | | |
|--|--------------|--------------|---------------------|---------------|----------------|--------------------------|
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 1 | 1 | 685 | 28.7% | 27 | 3.9% | \$857 |
| 2 | 1 | 355 | 14.9% | 11 | 3.1% | \$948 |
| 2 | 1.5 | 444 | 18.6% | 17 | 3.8% | \$932 |
| 2 | 2 | 473 | 19.8% | 18 | 3.8% | \$1,039 |
| 3 | 1 | 15 | 0.6% | 0 | 0.0% | \$973 |
| 3 | 1.5 | 22 | 0.9% | 0 | 0.0% | \$872 |
| 3 | 2 | 336 | 14.1% | 9 | 2.7% | \$1,142 |
| 3 | 2.5 | 46 | 1.9% | 2 | 4.3% | \$1,062 |
| 4 | 2 | 12 | 0.5% | 0 | 0.0% | \$993 |
| TOTAL | | 2,388 | 100.0% | 84 | 3.5% | |
| TAX CREDIT, NON-SUBSIDIZED | | | | | | |
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 1 | 1 | 135 | 22.1% | 0 | 0.0% | \$697 |
| 2 | 1 | 92 | 15.1% | 0 | 0.0% | \$782 |
| 2 | 2 | 156 | 25.6% | 0 | 0.0% | \$846 |
| 3 | 1.5 | 27 | 4.4% | 0 | 0.0% | \$900 |
| 3 | 2 | 164 | 26.9% | 0 | 0.0% | \$980 |
| 4 | 2 | 36 | 5.9% | 0 | 0.0% | \$990 |
| TOTAL | | 610 | 100.0% | 0 | 0.0% | |
| TAX CREDIT, GOVERNMENT-SUBSIDIZED | | | | | | |
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 1 | 1 | 136 | 98.6% | 0 | 0.0% | N.A. |
| 2 | 1 | 2 | 1.4% | 0 | 0.0% | N.A. |
| TOTAL | | 138 | 100.0% | 0 | 0.0% | |
| GOVERNMENT-SUBSIDIZED | | | | | | |
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | |
| 1 | 1 | 10 | 10.0% | 0 | 0.0% | N.A. |
| 2 | 1 | 56 | 56.0% | 0 | 0.0% | N.A. |
| 3 | 1 | 30 | 30.0% | 0 | 0.0% | N.A. |
| 4 | 1.5 | 4 | 4.0% | 0 | 0.0% | N.A. |
| TOTAL | | 100 | 100.0% | 0 | 0.0% | |
| GRAND TOTAL | | 3,236 | - | 84 | 2.6% | |

DISTRIBUTION OF UNITS - SAVANNAH, GEORGIA



SURVEY OF PROPERTIES - SAVANNAH, GEORGIA

| 1 Allen Apts. | | | |
|--|---|--|---|
|  | Address 595 W. 54th St. Savannah, GA 31405 | Phone (912) 232-7659 (Contact in person) | Total Units 98 |
| | Year Built 1975 Comments HCV (35 units); 2 & 3-br have washer/dryer hookups & patio/balcony; Random units have tenant installed ceiling fans; One 1-br manager unit not included in total; Vacancies due to tenants relocating or buying homes | Contact Roosevelt | Vacancies 15 Occupied 84.7% Floors 2 Quality Rating C Waiting List None |
| 2 Madison Apts. | | | |
|  | Address 601 W. 54th St. Savannah, GA 31405 | Phone (912) 844-5615 (Contact in person) | Total Units 92 |
| | Year Built 1976 Comments HCV (32 units); Random units have tenant installed ceiling fans | Contact Larry | Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C- Waiting List 7 households |
| 3 Montgomery Landing | | | |
|  | Address 714 W. 57th St. Savannah, GA 31405 | Phone (912) 495-0655 (Contact in person) | Total Units 144 |
| | Year Built 2005 Comments Market-rate (29 units); 30%, 50% & 60% AMHI (115 units); HCV (54 units) | Contact Julie | Vacancies 0 Occupied 100.0% Floors 2,3 Quality Rating B Waiting List 30 households |
| 4 Oaks at Brandlewood | | | |
|  | Address 5110 Garrard Ave. Savannah, GA 31405 | Phone (912) 232-9400 (Contact in person) | Total Units 324 |
| | Year Built 2003 Comments Market-rate (37 units); 60% AMHI (287 units); HCV (90 units); Units have intrusion only alarms; Select units have microwaves | Contact Robin | Vacancies 0 Occupied 100.0% Floors 2,3 Quality Rating B Waiting List None |
| 5 Savannah Summit Apts. | | | |
|  | Address 135 Hampstead Ave. Savannah, GA 31405 | Phone (912) 355-2566 (Contact in person) | Total Units 138 |
| | Year Built 1978 Renovated 2003 Comments 60% AMHI; HUD Section 8 | Contact Sharon | Vacancies 0 Occupied 100.0% Floors 12 Quality Rating B- Senior Restricted (62+) Waiting List 8-24 months |

Project Type

| |
|--|
| Market-rate |
| Market-rate/Tax Credit |
| Market-rate/Government-subsidized |
| Market-rate/Tax Credit/Government-subsidized |
| Tax Credit |
| Tax Credit/Government-subsidized |
| Government-subsidized |

Survey Date: February 2017

SURVEY OF PROPERTIES - SAVANNAH, GEORGIA

| 6 Carriage House Apts. | | | |
|--|---|--|--|
|  | Address 125 Tibet Ave. Savannah, GA 31406 | Phone (912) 925-9727 (Contact in person) | Total Units 144 |
| | Year Built 1978 Comments Does not accept HCV | Contact Vanessa | Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List None |
| 7 Edgewater Trace | | | |
|  | Address 10714 Abercorn St. Savannah, GA 31419 | Phone (912) 925-5519 (Contact in person) | Total Units 159 |
| | Year Built 1975 Comments HCV (12 units); Rent range based on unit upgrades; All 3-br & random 1-br, 2-br have washer/dryer hookups & exterior storage; Unit mix estimated | Contact Andrea | Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C+ Waiting List 3 households |
| 8 Ridgewood Apts. | | | |
|  | Address 12008 Middleground Rd. Savannah, GA 31419 | Phone (912) 925-9108 (Contact in person) | Total Units 144 |
| | Year Built 1978 Comments Does not accept HCV; Rents change daily | Contact Jennifer | Vacancies 1 Occupied 99.3% Floors 2 Quality Rating B- Waiting List None |
| 9 Timberland Apts. | | | |
|  | Address 10612 Abercorn St. Savannah, GA 31419 | Phone (912) 925-5475 (Contact in person) | Total Units 176 |
| | Year Built 1977 Comments Does not accept HCV; 2 & 3-br have washer/dryer hookups; Rent range based on renovated units | Contact Latasha | Vacancies 8 Occupied 95.5% Floors 2 Quality Rating C+ Waiting List None |
| 10 Heritage Square | | | |
|  | Address 9111 White Bluff Rd. Savannah, GA 31406 | Phone (912) 480-9026 (Contact in person) | Total Units 168 |
| | Year Built 1970 Comments Does not accept HCV; Select units have washer/dryer hookups; 2-br have patio/balcony; Rent range based on washer/dryer hookups, patio/balcony & updated units; Year built estimated | Contact Lynn | Vacancies 15 Occupied 91.1% Floors 2 Quality Rating B- Waiting List None |

Project Type

| | |
|---------------------------------------|--|
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: February 2017

SURVEY OF PROPERTIES - SAVANNAH, GEORGIA

| 11 Magnolia Villas Apt. Homes | | | |
|--|---|--|---|
|  | Address 205 W. Montgomery Cross Rd. Savannah, GA 31406 | Phone (855) 270-9566 (Contact in person) | Total Units 144 |
| | Year Built 1985 | Contact Kimberly | Vacancies 7 |
| | Comments Does not accept HCV; Rent range based on unit amenities & floor level | | Occupied 95.1% |
| | | | Floors 2 |
| | | | Quality Rating B- |
| | | | Waiting List None |
| 12 Sterling Bluff Apts. | | | |
|  | Address 201 W. Montgomery Cross Rd. Savannah, GA 31406 | Phone (912) 925-9686 (Contact in person) | Total Units 215 |
| | Year Built 1977 | Contact Micha | Vacancies 26 |
| | Comments Does not accept HCV; 108 units have washer/dryer hookups; Select units have ceiling fan; Rents change daily; Unit mix estimated | | Occupied 87.9% |
| | | | Floors 2 |
| | | | Quality Rating B |
| | | | Waiting List None |
| 13 Live Oak Apt. Homes | | | |
|  | Address 8505 Waters Ave. Savannah, GA 31406 | Phone (912) 927-1188 (Contact in person) | Total Units 208 |
| | Year Built 1979 Renovated 2002 | Contact Calvin | Vacancies 0 |
| | Comments 60% AMHI; Accepts HCV; Select units have ceiling fans; Unit mix estimated | | Occupied 100.0% |
| | | | Floors 2 |
| | | | Quality Rating B |
| | | | Waiting List 20-30 households |
| 14 Oaks at Savannah Mall | | | |
|  | Address 11845 Apache Ave. Savannah, GA 31419 | Phone (844) 236-4999 (Contact in person) | Total Units 15 |
| | Year Built 1999 | Contact Brooke | Vacancies 0 |
| | Comments Does not accept HCV | | Occupied 100.0% |
| | | | Floors 1,2 |
| | | | Quality Rating B- |
| | | | Waiting List 5 households |
| 15 Westlake Apts. | | | |
|  | Address 1900 Westlake Ave. Savannah, GA 31405 | Phone (912) 233-9709 (Contact in person) | Total Units 100 |
| | Year Built 1974 Renovated 2015 | Contact Patrica | Vacancies 0 |
| | Comments HUD Section 8; Townhomes have patio; Square footage estimated | | Occupied 100.0% |
| | | | Floors 1,2 |
| | | | Quality Rating D+ |
| | | | Waiting List 150 households |

Project Type

| | |
|---------------------------------------|--|
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: February 2017

SURVEY OF PROPERTIES - SAVANNAH, GEORGIA

| 16 Lakeview Apts. | | | |
|--|---|--|--|
|  | Address 1114 Mohawk St. Savannah, GA 31419 | Phone (844) 215-5912 (Contact in person) | Total Units 40 |
| | Year Built 2003 Comments Does not accept HCV | Contact Brooke | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B |
| | | | Waiting List 6 households |
| 17 Moss Pointe | | | |
|  | Address 9400 Abercorn St. Savannah, GA 31406 | Phone (912) 925-9000 (Contact in person) | Total Units 278 |
| | Year Built 1972 Renovated 2015 Comments Does not accept HCV; 2-br/2-ba, all 3-br have washer/dryer hookups; 2-br/2-ba & all townhomes have private patio/balcony; Townhomes have patio storage; 10 units have ceiling fan; Unit mix estimated | Contact Ashanti | Vacancies 6 Occupied 97.8% Floors 2,3 Quality Rating B- |
| | | | Waiting List None |
| 18 Tabby Villas Apts. | | | |
|  | Address 8506 Waters Ave. Savannah, GA 31406 | Phone (912) 927-3641 (Contact in person) | Total Units 82 |
| | Year Built 1979 Comments Does not accept HCV; 2-br & all townhomes have washer/dryer hookups; Unit mix estimated | Contact Christina | Vacancies 3 Occupied 96.3% Floors 2 Quality Rating B |
| | | | Waiting List None |
| 19 Colonial Village at Marsh Cove | | | |
|  | Address 11400 White Bluff Rd. Savannah, GA 31419 | Phone (912) 927-3717 (Contact in person) | Total Units 188 |
| | Year Built 1983 Comments Does not accept HCV; Rent range based on floor plan & unit upgrades; 1-br & large 3-bd have fireplace; Unit mix estimated | Contact Heather | Vacancies 3 Occupied 98.4% Floors 1 Quality Rating B |
| | | | Waiting List None |
| 20 Plantation Oaks | | | |
|  | Address 10875 Abercorn St. Savannah, GA 31406 | Phone (912) 925-1117 (Contact in person) | Total Units 147 |
| | Year Built 1988 Comments Does not accept HCV; Unit mix estimated | Contact Elizabeth | Vacancies 0 Occupied 100.0% Floors 2,3 Quality Rating B |
| | | | Waiting List 1 household |

Project Type

| |
|--|
| Market-rate |
| Market-rate/Tax Credit |
| Market-rate/Government-subsidized |
| Market-rate/Tax Credit/Government-subsidized |
| Tax Credit |
| Tax Credit/Government-subsidized |
| Government-subsidized |

Survey Date: February 2017

SURVEY OF PROPERTIES - SAVANNAH, GEORGIA

| 21 Spanish Villa Apts. | | | |
|--|--|--|--|
|  | <p>Address 10611 Abercorn St. Savannah, GA 31406</p> <p>Year Built 1969</p> <p>Comments Does not accept HCV; 2 & 3-br have washer/dryer hookups & patio; Unit mix estimated</p> | <p>Phone (912) 925-9442 (Contact in person)</p> <p>Contact Malicia</p> | <p>Total Units 232</p> <p>Vacancies 0</p> <p>Occupied 100.0%</p> <p>Floors 2</p> <p>Quality Rating C+</p> <p>Waiting List None</p> |

Project Type

| |
|--|
| Market-rate |
| Market-rate/Tax Credit |
| Market-rate/Government-subsidized |
| Market-rate/Tax Credit/Government-subsidized |
| Tax Credit |
| Tax Credit/Government-subsidized |
| Government-subsidized |

Survey Date: February 2017

COLLECTED RENTS - SAVANNAH, GEORGIA

| MAP ID | GARDEN UNITS | | | | | TOWNHOUSE UNITS | | | |
|--------|--------------|-----------------|-----------------|------------------|----------------|-----------------|-------|--------|-------|
| | STUDIO | 1-BR | 2-BR | 3-BR | 4+ BR | 1-BR | 2-BR | 3-BR | 4+ BR |
| 1 | | \$620 | | | | | \$720 | \$840 | |
| 2 | | | | | | \$620 | \$695 | \$795 | \$895 |
| 3 | | \$274 to \$675 | \$315 to \$775 | \$351 to \$900 | \$378 to \$975 | | | | |
| 4 | | \$633 to \$750 | \$764 to \$900 | \$879 to \$1100 | | | | | |
| 6 | | \$725 | \$810 | \$885 | | | \$865 | | |
| 7 | | \$755 | \$755 to \$840 | \$815 to \$910 | | | | | |
| 8 | | \$710 | \$735 | \$900 | | | | | |
| 9 | | \$715 | \$760 to \$785 | \$825 to \$915 | | | | | |
| 10 | | \$775 to \$925 | \$880 to \$1050 | | | | | | |
| 11 | | \$870 | \$895 | \$1035 | | | | | |
| 12 | | \$926 to \$1008 | \$923 to \$1121 | \$1259 to \$1358 | | | | | |
| 13 | | | | | | \$625 | \$739 | \$843 | \$912 |
| 14 | | | \$900 | \$995 | | | | | |
| 16 | | | | | | | | \$995 | |
| 17 | | \$711 to \$801 | \$819 to \$1038 | \$1049 | | | | \$1273 | |
| 18 | | \$620 | \$675 | | | | \$725 | \$795 | |
| 19 | | \$770 | \$810 to \$880 | \$880 to \$970 | | | | | |
| 20 | | | \$850 | | | | | \$980 | |
| 21 | | \$700 | | | | | \$800 | \$900 | |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: February 2017

PRICE PER SQUARE FOOT - SAVANNAH, GEORGIA

| ONE-BEDROOM UNITS | | | | | |
|-------------------|--------------------------------|--------|--------------|------------------|------------------|
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 1 | Allen Apts. | 1 | 700 | \$722 | \$1.03 |
| 2 | Madison Apts. | 1 | 636 | \$670 | \$1.05 |
| 6 | Carriage House Apts. | 1 | 775 | \$827 | \$1.07 |
| 7 | Edgewater Trace | 1 | 744 | \$857 | \$1.15 |
| 8 | Ridgewood Apts. | 1 | 820 | \$756 | \$0.92 |
| 9 | Timberland Apts. | 1 | 560 | \$817 | \$1.46 |
| 10 | Heritage Square | 1 | 800 | \$877 to \$1027 | \$1.10 to \$1.28 |
| 11 | Magnolia Villas Apt. Homes | 1 | 800 | \$987 | \$1.23 |
| 12 | Sterling Bluff Apts. | 1 | 777 to 863 | \$990 to \$1072 | \$1.24 to \$1.27 |
| 17 | Moss Pointe | 1 | 612 to 750 | \$813 to \$903 | \$1.20 to \$1.33 |
| 18 | Tabby Villas Apts. | 1 | 647 | \$709 | \$1.10 |
| 19 | Colonial Village at Marsh Cove | 1 | 750 | \$887 | \$1.18 |
| 21 | Spanish Villa Apts. | 1 | 634 | \$802 | \$1.26 |
| 3 | Montgomery Landing | 1 | 792 | \$376 to \$777 | \$0.47 to \$0.98 |
| 4 | Oaks at Brandlewood | 1 | 773 | \$697 to \$814 | \$0.90 to \$1.05 |
| 13 | Live Oak Apt. Homes | 1 | 705 | \$655 | \$0.93 |
| TWO-BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 1 | Allen Apts. | 1.5 | 800 | \$852 | \$1.07 |
| 2 | Madison Apts. | 1 | 918 | \$758 | \$0.83 |
| 6 | Carriage House Apts. | 1 to 2 | 960 | \$939 | \$0.98 |
| | | 1.5 | 1116 | \$997 | \$0.89 |
| 7 | Edgewater Trace | 1 | 833 | \$884 to \$969 | \$1.06 to \$1.16 |
| 8 | Ridgewood Apts. | 1.5 | 950 | \$794 | \$0.84 |
| 9 | Timberland Apts. | 1 to 2 | 780 | \$889 to \$914 | \$1.14 to \$1.17 |
| 10 | Heritage Square | 2 | 1000 | \$1009 to \$1179 | \$1.01 to \$1.18 |
| 11 | Magnolia Villas Apt. Homes | 2 | 1100 to 1150 | \$1039 | \$0.90 to \$0.94 |
| 12 | Sterling Bluff Apts. | 1 to 2 | 1035 to 1121 | \$1005 to \$1203 | \$0.97 to \$1.07 |
| 14 | Oaks at Savannah Mall | 2 | 1085 | \$1044 | \$0.96 |
| 17 | Moss Pointe | 1 to 2 | 840 to 1200 | \$948 to \$1167 | \$0.97 to \$1.13 |
| 18 | Tabby Villas Apts. | 1 | 813 | \$787 | \$0.97 |
| | | 1.5 | 1135 | \$840 | \$0.74 |
| 19 | Colonial Village at Marsh Cove | 1.5 | 950 to 1150 | \$954 to \$1024 | \$0.89 to \$1.00 |
| 20 | Plantation Oaks | 2 | 1029 to 1038 | \$979 | \$0.94 to \$0.95 |
| 21 | Spanish Villa Apts. | 1.5 | 1200 | \$932 | \$0.78 |

| |
|--|
| ◆ Senior Restricted |
| ■ Market-rate |
| ■ Market-rate/Tax Credit |
| ■ Market-rate/Government-subsidized |
| ■ Market-rate/Tax Credit/Government-subsidized |
| ■ Tax Credit |
| ■ Tax Credit/Government-subsidized |
| ■ Government-subsidized |

Survey Date: February 2017

PRICE PER SQUARE FOOT - SAVANNAH, GEORGIA

| TWO-BEDROOM UNITS | | | | | |
|---------------------|--------------------------------|----------|--------------|------------------|------------------|
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 3 | Montgomery Landing | 2 | 1062 | \$444 to \$904 | \$0.42 to \$0.85 |
| 4 | Oaks at Brandlewood | 2 | 1043 | \$846 to \$982 | \$0.81 to \$0.94 |
| 13 | Live Oak Apt. Homes | 1 | 822 | \$782 | \$0.95 |
| THREE-BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 1 | Allen Apts. | 2.5 | 900 | \$1002 | \$1.11 |
| 2 | Madison Apts. | 1.5 | 1033 | \$872 | \$0.84 |
| 6 | Carriage House Apts. | 2 | 1142 | \$1043 | \$0.91 |
| 7 | Edgewater Trace | 1 | 1050 | \$973 to \$1068 | \$0.93 to \$1.02 |
| 8 | Ridgewood Apts. | 2 | 1220 | \$972 | \$0.80 |
| 9 | Timberland Apts. | 2 | 915 | \$983 to \$1073 | \$1.07 to \$1.17 |
| 11 | Magnolia Villas Apt. Homes | 2 | 1350 | \$1208 | \$0.89 |
| 12 | Sterling Bluff Apts. | 2 | 1250 to 1336 | \$1360 to \$1459 | \$1.09 to \$1.09 |
| 14 | Oaks at Savannah Mall | 2 | 1080 | \$1168 | \$1.08 |
| 16 | Lakeview Apts. | 2 | 1266 | \$1172 | \$0.93 |
| 17 | Moss Pointe | 2 | 1284 | \$1207 | \$0.94 |
| | | 2.5 | 1806 | \$1435 | \$0.79 |
| 18 | Tabby Villas Apts. | 2.5 | 1222 | \$935 | \$0.77 |
| 19 | Colonial Village at Marsh Cove | 2 | 1150 to 1250 | \$1053 to \$1143 | \$0.91 to \$0.92 |
| 20 | Plantation Oaks | 2 | 1100 to 1410 | \$1142 | \$0.81 to \$1.04 |
| 21 | Spanish Villa Apts. | 2.5 | 1336 | \$1062 | \$0.79 |
| 3 | Montgomery Landing | 2 | 1267 | \$509 to \$1058 | \$0.40 to \$0.84 |
| 4 | Oaks at Brandlewood | 2 | 1217 | \$980 to \$1201 | \$0.81 to \$0.99 |
| 13 | Live Oak Apt. Homes | 1.5 to 2 | 1033 | \$900 | \$0.87 |
| FOUR+ BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 2 | Madison Apts. | 2 | 1068 | \$993 | \$0.93 |
| 3 | Montgomery Landing | 2 | 1428 | \$573 to \$1170 | \$0.40 to \$0.82 |
| 13 | Live Oak Apt. Homes | 2 | 1222 | \$990 | \$0.81 |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: February 2017

AVERAGE GROSS RENT PER SQUARE FOOT - SAVANNAH, GEORGIA

| MARKET-RATE | | | |
|--------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$1.21 | \$1.01 | \$0.95 |
| TOWNHOUSE | \$1.05 | \$0.86 | \$0.90 |

| TAX CREDIT (NON-SUBSIDIZED) | | | |
|------------------------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$0.90 | \$0.78 | \$0.78 |
| TOWNHOUSE | \$0.93 | \$0.95 | \$0.87 |

| COMBINED | | | |
|------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$1.17 | \$0.98 | \$0.89 |
| TOWNHOUSE | \$0.97 | \$0.88 | \$0.89 |

TAX CREDIT UNITS - SAVANNAH, GEORGIA

| ONE-BEDROOM UNITS | | | | | | |
|---------------------|-----------------------|-------|-------------|------------|--------|----------------|
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 3 | Montgomery Landing | 1 | 792 | 1 | 30% | \$274 |
| 3 | Montgomery Landing | 4 | 792 | 1 | 50% | \$524 |
| 13 | Live Oak Apt. Homes | 39 | 705 | 1 | 60% | \$625 |
| 4 | Oaks at Brandlewood | 84 | 773 | 1 | 60% | \$633 |
| 3 | Montgomery Landing | 7 | 792 | 1 | 60% | \$649 |
| ◆ 5 | Savannah Summit Apts. | 136 | 524 | 1 | 60% | \$796 |
| TWO-BEDROOM UNITS | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 3 | Montgomery Landing | 9 | 1062 | 2 | 30% | \$315 |
| 3 | Montgomery Landing | 16 | 1062 | 2 | 50% | \$616 |
| 13 | Live Oak Apt. Homes | 92 | 822 | 1 | 60% | \$739 |
| 4 | Oaks at Brandlewood | 119 | 1043 | 2 | 60% | \$764 |
| 3 | Montgomery Landing | 12 | 1062 | 2 | 60% | \$766 |
| ◆ 5 | Savannah Summit Apts. | 2 | 814 | 1 | 60% | \$876 |
| THREE-BEDROOM UNITS | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 3 | Montgomery Landing | 3 | 1267 | 2 | 30% | \$351 |
| 3 | Montgomery Landing | 22 | 1267 | 2 | 50% | \$698 |
| 13 | Live Oak Apt. Homes | 53 | 1033 | 1.5 - 2 | 60% | \$843 |
| 3 | Montgomery Landing | 29 | 1267 | 2 | 60% | \$872 |
| 4 | Oaks at Brandlewood | 84 | 1217 | 2 | 60% | \$879 |
| FOUR-BEDROOM UNITS | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 3 | Montgomery Landing | 1 | 1428 | 2 | 30% | \$378 |
| 3 | Montgomery Landing | 2 | 1428 | 2 | 50% | \$765 |
| 13 | Live Oak Apt. Homes | 24 | 1222 | 2 | 60% | \$912 |
| 3 | Montgomery Landing | 9 | 1428 | 2 | 60% | \$959 |

◆ - Senior Restricted

QUALITY RATING - SAVANNAH, GEORGIA

MARKET-RATE PROJECTS AND UNITS

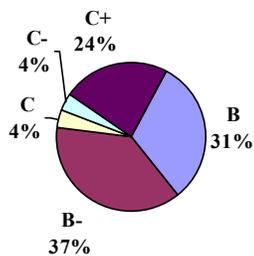
| QUALITY RATING | PROJECTS | TOTAL UNITS | VACANCY RATE | MEDIAN GROSS RENT | | | | |
|----------------|----------|-------------|--------------|-------------------|--------|---------|----------|---------|
| | | | | STUDIOS | ONE-BR | TWO-BR | THREE-BR | FOUR-BR |
| B | 7 | 738 | 4.3% | | \$887 | \$979 | \$1,142 | \$1,170 |
| B- | 6 | 893 | 3.2% | | \$877 | \$1,009 | \$1,043 | |
| C+ | 3 | 567 | 1.4% | | \$817 | \$932 | \$1,062 | |
| C | 1 | 98 | 15.3% | | \$722 | \$852 | \$1,002 | |
| C- | 1 | 92 | 0.0% | | \$670 | \$758 | \$872 | \$993 |

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

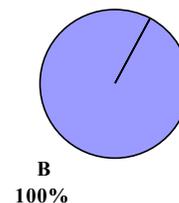
| QUALITY RATING | PROJECTS | TOTAL UNITS | VACANCY RATE | MEDIAN GROSS RENT | | | | |
|----------------|----------|-------------|--------------|-------------------|--------|--------|----------|---------|
| | | | | STUDIOS | ONE-BR | TWO-BR | THREE-BR | FOUR-BR |
| B | 3 | 610 | 0.0% | | \$697 | \$846 | \$980 | \$990 |

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - SAVANNAH, GEORGIA *

| YEAR RANGE | PROJECTS | UNITS | VACANT | % VACANT | TOTAL UNITS | DISTRIBUTION |
|--------------|-----------|-------------|-----------|-------------|-------------|----------------|
| Before 1970 | 1 | 232 | 0 | 0.0% | 232 | 7.7% |
| 1970 to 1979 | 11 | 1764 | 74 | 4.2% | 1996 | 58.8% |
| 1980 to 1989 | 3 | 479 | 10 | 2.1% | 2475 | 16.0% |
| 1990 to 1999 | 1 | 15 | 0 | 0.0% | 2490 | 0.5% |
| 2000 to 2005 | 3 | 508 | 0 | 0.0% | 2998 | 16.9% |
| 2006 | 0 | 0 | 0 | 0.0% | 2998 | 0.0% |
| 2007 | 0 | 0 | 0 | 0.0% | 2998 | 0.0% |
| 2008 | 0 | 0 | 0 | 0.0% | 2998 | 0.0% |
| 2009 | 0 | 0 | 0 | 0.0% | 2998 | 0.0% |
| 2010 | 0 | 0 | 0 | 0.0% | 2998 | 0.0% |
| 2011 | 0 | 0 | 0 | 0.0% | 2998 | 0.0% |
| 2012 | 0 | 0 | 0 | 0.0% | 2998 | 0.0% |
| 2013 | 0 | 0 | 0 | 0.0% | 2998 | 0.0% |
| 2014 | 0 | 0 | 0 | 0.0% | 2998 | 0.0% |
| 2015 | 0 | 0 | 0 | 0.0% | 2998 | 0.0% |
| 2016** | 0 | 0 | 0 | 0.0% | 2998 | 0.0% |
| TOTAL | 19 | 2998 | 84 | 2.8% | 2998 | 100.0 % |

YEAR RENOVATED - SAVANNAH, GEORGIA *

| YEAR RANGE | PROJECTS | UNITS | VACANT | % VACANT | TOTAL UNITS | DISTRIBUTION |
|--------------|----------|------------|----------|-------------|-------------|----------------|
| Before 1970 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 1970 to 1979 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 1980 to 1989 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 1990 to 1999 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 2000 to 2005 | 1 | 208 | 0 | 0.0% | 208 | 42.8% |
| 2006 | 0 | 0 | 0 | 0.0% | 208 | 0.0% |
| 2007 | 0 | 0 | 0 | 0.0% | 208 | 0.0% |
| 2008 | 0 | 0 | 0 | 0.0% | 208 | 0.0% |
| 2009 | 0 | 0 | 0 | 0.0% | 208 | 0.0% |
| 2010 | 0 | 0 | 0 | 0.0% | 208 | 0.0% |
| 2011 | 0 | 0 | 0 | 0.0% | 208 | 0.0% |
| 2012 | 0 | 0 | 0 | 0.0% | 208 | 0.0% |
| 2013 | 0 | 0 | 0 | 0.0% | 208 | 0.0% |
| 2014 | 0 | 0 | 0 | 0.0% | 208 | 0.0% |
| 2015 | 1 | 278 | 6 | 2.2% | 486 | 57.2% |
| 2016** | 0 | 0 | 0 | 0.0% | 486 | 0.0% |
| TOTAL | 2 | 486 | 6 | 1.2% | 486 | 100.0 % |

Note: The upper table (Year Built) includes all of the units included in the lower table.

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of February 2017

APPLIANCES AND UNIT AMENITIES - SAVANNAH, GEORGIA

| APPLIANCES | | | |
|-----------------------|-----------------|----------------|---------------|
| APPLIANCE | PROJECTS | PERCENT | UNITS* |
| RANGE | 19 | 100.0% | 2,998 |
| REFRIGERATOR | 19 | 100.0% | 2,998 |
| ICEMAKER | 3 | 15.8% | 659 |
| DISHWASHER | 17 | 89.5% | 2,891 |
| DISPOSAL | 13 | 68.4% | 2,112 |
| MICROWAVE | 2 | 10.5% | 471 |
| UNIT AMENITIES | | | |
| AMENITY | PROJECTS | PERCENT | UNITS* |
| AC - CENTRAL | 19 | 100.0% | 2,998 |
| AC - WINDOW | 0 | 0.0% | |
| FLOOR COVERING | 19 | 100.0% | 2,998 |
| WASHER/DRYER | 1 | 5.3% | 188 |
| WASHER/DRYER HOOK-UP | 16 | 84.2% | 2,683 |
| PATIO/DECK/BALCONY | 14 | 73.7% | 2,308 |
| CEILING FAN | 16 | 84.2% | 2,735 |
| FIREPLACE | 1 | 5.3% | 188 |
| BASEMENT | 0 | 0.0% | |
| INTERCOM SYSTEM | 0 | 0.0% | |
| SECURITY SYSTEM | 0 | 0.0% | |
| WINDOW TREATMENTS | 19 | 100.0% | 2,998 |
| FURNISHED UNITS | 0 | 0.0% | |
| E-CALL BUTTON | 0 | 0.0% | |

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - SAVANNAH, GEORGIA

| PROJECT AMENITIES | | | |
|------------------------|----------|---------|-------|
| AMENITY | PROJECTS | PERCENT | UNITS |
| POOL | 15 | 78.9% | 2,643 |
| ON-SITE MANAGEMENT | 17 | 89.5% | 2,943 |
| LAUNDRY | 13 | 68.4% | 2,262 |
| CLUB HOUSE | 7 | 36.8% | 1,415 |
| MEETING ROOM | 0 | 0.0% | |
| FITNESS CENTER | 7 | 36.8% | 1,464 |
| JACUZZI/SAUNA | 1 | 5.3% | 168 |
| PLAYGROUND | 13 | 68.4% | 2,211 |
| COMPUTER LAB | 2 | 10.5% | 288 |
| SPORTS COURT | 3 | 15.8% | 496 |
| STORAGE | 0 | 0.0% | |
| LAKE | 2 | 10.5% | 483 |
| ELEVATOR | 0 | 0.0% | |
| SECURITY GATE | 1 | 5.3% | 324 |
| BUSINESS CENTER | 0 | 0.0% | |
| CAR WASH AREA | 4 | 21.1% | 563 |
| PICNIC AREA | 10 | 52.6% | 1,992 |
| CONCIERGE SERVICE | 0 | 0.0% | |
| SOCIAL SERVICE PACKAGE | 0 | 0.0% | |

DISTRIBUTION OF UTILITIES - SAVANNAH, GEORGIA

| UTILITY (RESPONSIBILITY) | NUMBER OF PROJECTS | NUMBER OF UNITS | DISTRIBUTION OF UNITS |
|--------------------------|--------------------|-----------------|-----------------------|
| HEAT | | | |
| LANDLORD | | | |
| ELECTRIC | 1 | 138 | 4.3% |
| TENANT | | | |
| ELECTRIC | 15 | 2,472 | 76.4% |
| GAS | 5 | 626 | 19.3% |
| | | | 100.0% |
| COOKING FUEL | | | |
| LANDLORD | | | |
| ELECTRIC | 1 | 138 | 4.3% |
| TENANT | | | |
| ELECTRIC | 17 | 2,698 | 83.4% |
| GAS | 3 | 400 | 12.4% |
| | | | 100.0% |
| HOT WATER | | | |
| LANDLORD | | | |
| ELECTRIC | 1 | 138 | 4.3% |
| GAS | 1 | 144 | 4.4% |
| TENANT | | | |
| ELECTRIC | 15 | 2,472 | 76.4% |
| GAS | 4 | 482 | 14.9% |
| | | | 100.0% |
| ELECTRIC | | | |
| LANDLORD | 1 | 138 | 4.3% |
| TENANT | 20 | 3,098 | 95.7% |
| | | | 100.0% |
| WATER | | | |
| LANDLORD | 7 | 1,221 | 37.7% |
| TENANT | 14 | 2,015 | 62.3% |
| | | | 100.0% |
| SEWER | | | |
| LANDLORD | 7 | 1,221 | 37.7% |
| TENANT | 14 | 2,015 | 62.3% |
| TRASH PICK-UP | | | |
| LANDLORD | 17 | 2,849 | 88.0% |
| TENANT | 4 | 387 | 12.0% |
| | | | 100.0% |

UTILITY ALLOWANCE - SAVANNAH, GEORGIA

| BR | UNIT TYPE | HEATING | | | | HOT WATER | | COOKING | | ELEC | WATER | SEWER | TRASH | CABLE |
|----|-----------|---------|------|-------|-------|-----------|------|---------|------|------|-------|-------|-------|-------|
| | | GAS | ELEC | STEAM | OTHER | GAS | ELEC | GAS | ELEC | | | | | |
| 0 | GARDEN | \$6 | \$8 | | \$2 | \$3 | \$9 | \$2 | \$5 | \$23 | \$17 | \$19 | \$15 | \$20 |
| 1 | GARDEN | \$8 | \$12 | | \$2 | \$5 | \$14 | \$3 | \$7 | \$31 | \$18 | \$20 | \$15 | \$20 |
| 1 | TOWNHOUSE | \$9 | \$13 | | \$2 | \$5 | \$14 | \$3 | \$7 | \$33 | \$18 | \$20 | \$15 | \$20 |
| 2 | GARDEN | \$10 | \$15 | | \$3 | \$6 | \$18 | \$4 | \$9 | \$40 | \$22 | \$25 | \$15 | \$20 |
| 2 | TOWNHOUSE | \$11 | \$16 | | \$3 | \$6 | \$18 | \$4 | \$9 | \$42 | \$22 | \$25 | \$15 | \$20 |
| 3 | GARDEN | \$12 | \$18 | | \$4 | \$8 | \$23 | \$5 | \$11 | \$49 | \$27 | \$30 | \$15 | \$20 |
| 3 | TOWNHOUSE | \$13 | \$20 | | \$4 | \$8 | \$23 | \$5 | \$11 | \$51 | \$27 | \$30 | \$15 | \$20 |
| 4 | GARDEN | \$15 | \$24 | | \$5 | \$9 | \$28 | \$6 | \$15 | \$61 | \$32 | \$35 | \$15 | \$20 |
| 4 | TOWNHOUSE | \$17 | \$26 | | \$5 | \$9 | \$28 | \$6 | \$15 | \$66 | \$32 | \$35 | \$15 | \$20 |

GA-Southern Region (1/2017)

Survey Date: February 2017

ADDENDUM B

COMPARABLE PROPERTY PROFILES

11 Magnolia Villas Apt. Homes

0.1 miles to site



| | | | |
|-----------------------|---|----------------------------|----------|
| Address | 205 W. Montgomery Cross Rd. Savannah, GA 31406 | | |
| Phone | (855) 270-9566 | Contact | Kimberly |
| Total Units | 144 | Vacancies | 7 |
| | | Percent Occupied | 95.1% |
| Project Type | Market-Rate | | |
| Year Open | 1985 | Floors | 2 |
| Concessions | No Rent Specials | | |
| Parking | Surface Parking | | |
| Waiting List | NONE | | |
| Quality Rating | B- | Neighborhood Rating | B |
| Remarks | Does not accept HCV; Rent range based on unit amenities & floor level | | |

Features and Utilities

| | |
|--------------------------|--|
| Utilities | No landlord paid utilities |
| Unit Amenities | Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds |
| Project Amenities | Swimming Pool, On-site Management, Laundry Facility, Playground, Sports Court, Dog Park |

Unit Configuration

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT |
|-----|-----|------|-------|--------|--------------|-----------------|----------------|
| 1 | 1 | G | 44 | 4 | 800 | \$1.09 | \$870 |
| 2 | 2 | G | 86 | 3 | 1100 to 1150 | \$0.78 - \$0.81 | \$895 |
| 3 | 2 | G | 14 | 0 | 1350 | \$0.77 | \$1035 |

12 Sterling Bluff Apts.

0.1 miles to site



| | | | |
|-----------------------|---|----------------------------|-------|
| Address | 201 W Montgomery Cross Rd. Savannah, GA 31406 | | |
| Phone | (912) 925-9686 | Contact | Micha |
| Total Units | 215 | Vacancies | 26 |
| | | Percent Occupied | 87.9% |
| Project Type | Market-Rate | | |
| Year Open | 1977 | Floors | 2 |
| Concessions | No Rent Specials | | |
| Parking | Surface Parking | | |
| Waiting List | NONE | | |
| Quality Rating | B | Neighborhood Rating | B |
| Remarks | Does not accept HCV; 108 units have washer/dryer hookups; Select units have ceiling fan; Rents change daily; Unit mix estimated | | |

Features and Utilities

| | |
|--------------------------|---|
| Utilities | Landlord pays Water, Sewer, Trash |
| Unit Amenities | Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds |
| Project Amenities | Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Picnic Area, Dog Park; Firepit |

Unit Configuration

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT |
|-----|--------|------|-------|--------|--------------|-----------------|------------------|
| 1 | 1 | G | 84 | 10 | 777 to 863 | \$1.17 - \$1.19 | \$926 to \$1008 |
| 2 | 1 to 2 | G | 108 | 13 | 1035 to 1121 | \$0.89 - \$1.00 | \$923 to \$1121 |
| 3 | 2 | G | 23 | 3 | 1250 to 1336 | \$1.01 - \$1.02 | \$1259 to \$1358 |

17 Moss Pointe

1.1 miles to site



Address 9400 Abercorn St.
Savannah, GA 31406

Phone (912) 925-9000 **Contact** Ashanti

Total Units 278 **Vacancies** 6 **Percent Occupied** 97.8%

Project Type Market-Rate

Year Open 1972 **Renovated** 2015 **Floors** 2,3

Concessions No Rent Specials

Parking Surface Parking

Waiting List NONE

Quality Rating B- **Neighborhood Rating** B

Remarks Does not accept HCV; 2-br/2-ba, all 3-br have washer/dryer hookups; 2-br/2-ba & all townhomes have private patio/balcony; Townhomes have patio storage; 10 units have ceiling fan; Unit mix estimated



Features and Utilities

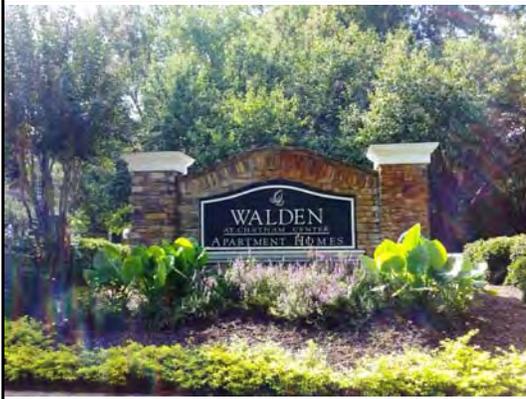
Utilities Landlord pays Trash
Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Picnic Area, Dog Park; Fire Pit

Unit Configuration

| BRs | BA | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT |
|-----|--------|------|-------|--------|-------------|-----------------|-----------------|
| 1 | 1 | G | 83 | 2 | 612 to 750 | \$1.07 - \$1.16 | \$711 to \$801 |
| 2 | 1 to 2 | G | 167 | 2 | 840 to 1200 | \$0.87 - \$0.98 | \$819 to \$1038 |
| 3 | 2 | G | 23 | 1 | 1284 | \$0.82 | \$1049 |
| 3 | 2.5 | T | 5 | 1 | 1806 | \$0.70 | \$1273 |

901 Walden at Chatham Center

8.9 miles to site



| | | | |
|-----------------------|--|----------------------------|--------|
| Address | 100 Walden Ln. Savannah, GA 31405 | | |
| Phone | (912) 238-8596 | Contact | Carlie |
| Total Units | 234 | Vacancies | 7 |
| | | Percent Occupied | 97.0% |
| Project Type | Market-Rate | | |
| Year Open | 2003 | Floors | 3 |
| Concessions | No Rent Specials | | |
| Parking | Detached Garages, Surface Parking | | |
| Waiting List | NONE | | |
| Quality Rating | A- | Neighborhood Rating | A |
| Remarks | Does not accept HCV; Rents change daily; 95% of units have ceiling fan; Higher rents based on unit upgrades; Two 2-br/2-ba model & guest suite not included in total | | |

Features and Utilities

| | |
|--------------------------|---|
| Utilities | Landlord pays Water |
| Unit Amenities | Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds |
| Project Amenities | Swimming Pool, On-site Management, Fitness Center, Playground, Storage, Lake, Security Gate, Car Wash Area, Picnic Area, Dog Park |

Unit Configuration

| BRs | BA | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT |
|-----|----|------|-------|--------|-------------|-----------------|------------------|
| 1 | 1 | G | 92 | 3 | 642 to 1013 | \$1.16 - \$1.48 | \$952 to \$1170 |
| 2 | 2 | G | 118 | 4 | 1131 | \$1.02 - \$1.19 | \$1159 to \$1349 |
| 3 | 2 | G | 24 | 0 | 1358 | \$1.07 - \$1.21 | \$1457 to \$1640 |

902 Fountains at Chatham Parkway

7.4 miles to site



| | | | |
|-----------------------|---|----------------------------|--------|
| Address | 1699 Chatham Pkwy Savannah, GA 34105 | | |
| Phone | (912) 480-9008 | Contact | Elisha |
| Total Units | 352 | Vacancies | 6 |
| | | Percent Occupied | 98.3% |
| Project Type | Market-Rate | | |
| Year Open | 2008 | Floors | 2 |
| Concessions | \$99 deposit | | |
| Parking | Attached & Detached Garages, Surface Parking | | |
| Waiting List | NONE | | |
| Quality Rating | B+ | Neighborhood Rating | B |
| Remarks | Does not accept HCV; Rent range based on unit location, updates, flooring & select units with attached garage | | |



Features and Utilities

| | |
|--------------------------|---|
| Utilities | No landlord paid utilities |
| Unit Amenities | Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage |
| Project Amenities | Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Security Gate, Computer Lab, Car Wash Area, Picnic Area, Dog Park |

Unit Configuration

| BRs | BAAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT |
|-----|------|------|-------|--------|--------------|-----------------|------------------|
| 0 | 1 | G | 44 | 0 | 575 | \$1.48 | \$850 |
| 1 | 1 | G | 135 | 1 | 741 to 888 | \$1.28 - \$1.39 | \$1028 to \$1136 |
| 2 | 2 | G | 110 | 3 | 957 to 1090 | \$1.12 - \$1.33 | \$1075 to \$1448 |
| 3 | 2 | G | 63 | 2 | 1361 to 1441 | \$0.95 - \$1.04 | \$1295 to \$1500 |

3 Montgomery Landing

4.1 miles to site



| | | | |
|-----------------------|---|----------------------------|--------|
| Address | 714 W. 57th St. Savannah, GA 31405 | | |
| Phone | (912) 495-0655 | Contact | Julie |
| Total Units | 144 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Market-Rate & Tax Credit | | |
| Year Open | 2005 | Floors | 2,3 |
| Concessions | No Rent Specials | | |
| Parking | Surface Parking | | |
| Waiting List | 30 households | | |
| Quality Rating | B | Neighborhood Rating | B- |
| Remarks | Market-rate (29 units); 30%, 50% & 60% AMHI (115 units); HCV (54 units) | | |

Features and Utilities

| | |
|--------------------------|--|
| Utilities | Landlord pays Trash |
| Unit Amenities | Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds |
| Project Amenities | Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Computer Lab, Picnic Area |

Unit Configuration

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|------------|----------------|------|
| 1 | 1 | G | 4 | 0 | 792 | \$0.66 | \$524 | 50% |
| 1 | 1 | G | 7 | 0 | 792 | \$0.82 | \$649 | 60% |
| 1 | 1 | G | 4 | 0 | 792 | \$0.85 | \$675 | |
| 1 | 1 | G | 1 | 0 | 792 | \$0.35 | \$274 | 30% |
| 2 | 2 | G | 11 | 0 | 1062 | \$0.73 | \$775 | |
| 2 | 2 | G | 9 | 0 | 1062 | \$0.30 | \$315 | 30% |
| 2 | 2 | G | 16 | 0 | 1062 | \$0.58 | \$616 | 50% |
| 2 | 2 | G | 12 | 0 | 1062 | \$0.72 | \$766 | 60% |
| 3 | 2 | G | 22 | 0 | 1267 | \$0.55 | \$698 | 50% |
| 3 | 2 | G | 29 | 0 | 1267 | \$0.69 | \$872 | 60% |
| 3 | 2 | G | 10 | 0 | 1267 | \$0.71 | \$900 | |
| 3 | 2 | G | 3 | 0 | 1267 | \$0.28 | \$351 | 30% |
| 4 | 2 | G | 4 | 0 | 1428 | \$0.68 | \$975 | |
| 4 | 2 | G | 1 | 0 | 1428 | \$0.26 | \$378 | 30% |
| 4 | 2 | G | 2 | 0 | 1428 | \$0.54 | \$765 | 50% |
| 4 | 2 | G | 9 | 0 | 1428 | \$0.67 | \$959 | 60% |

4 Oaks at Brandlewood

7.1 miles to site



| | | | |
|-----------------------|--|----------------------------|--------|
| Address | 5110 Garrard Ave. Savannah, GA 31405 | | |
| Phone | (912) 232-9400 | Contact | Robin |
| Total Units | 324 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Market-Rate & Tax Credit | | |
| Year Open | 2003 | Floors | 2,3 |
| Concessions | No Rent Specials | | |
| Parking | Surface Parking | | |
| Waiting List | NONE | | |
| Quality Rating | B | Neighborhood Rating | B- |
| Remarks | Market-rate (37 units); 60% AMHI (287 units); HCV (90 units); Units have intrusion only alarms; Select units have microwaves | | |

Features and Utilities

| | |
|--------------------------|---|
| Utilities | Landlord pays Water, Sewer, Trash |
| Unit Amenities | Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage |
| Project Amenities | Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Lake, Security Gate, Picnic Area |

Unit Configuration

| BRs | BA | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|----|------|-------|--------|-------------|------------|----------------|------|
| 1 | 1 | G | 12 | 0 | 773 | \$0.97 | \$750 | |
| 1 | 1 | G | 84 | 0 | 773 | \$0.82 | \$633 | 60% |
| 2 | 2 | G | 13 | 0 | 1043 | \$0.86 | \$900 | |
| 2 | 2 | G | 119 | 0 | 1043 | \$0.73 | \$764 | 60% |
| 3 | 2 | G | 12 | 0 | 1217 | \$0.90 | \$1100 | |
| 3 | 2 | G | 84 | 0 | 1217 | \$0.72 | \$879 | 60% |

13 Live Oak Apt. Homes

1.8 miles to site



| | | | |
|-----------------------|--|----------------------------|--------|
| Address | 8505 Waters Ave. Savannah, GA 31406 | | |
| Phone | (912) 927-1188 | Contact | Calvin |
| Total Units | 208 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Tax Credit | | |
| Year Open | 1979 | Renovated | 2002 |
| | | Floors | 2 |
| Concessions | No Rent Specials | | |
| Parking | Surface Parking | | |
| Waiting List | 20-30 households | | |
| Quality Rating | B | Neighborhood Rating | B- |
| Remarks | 60% AMHI; Accepts HCV; Select units have ceiling fans; Unit mix estimated | | |

Features and Utilities

Utilities Landlord pays Water, Sewer, Trash, Cable
Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Patio/Deck/Balcony, Blinds
Project Amenities On-site Management, Laundry Facility, Playground, Sports Court, Picnic Area

Unit Configuration

| BRs | BA's | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|----------|------|-------|--------|-------------|------------|----------------|------|
| 1 | 1 | T | 39 | 0 | 705 | \$0.89 | \$625 | 60% |
| 2 | 1 | T | 92 | 0 | 822 | \$0.90 | \$739 | 60% |
| 3 | 1.5 to 2 | T | 53 | 0 | 1033 | \$0.82 | \$843 | 60% |
| 4 | 2 | T | 24 | 0 | 1222 | \$0.75 | \$912 | 60% |

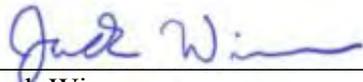
Addendum C – Member Certification & Checklist

This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Bowen National Research is duly qualified and experienced in providing market analysis for housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.



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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

| | | Section (s) |
|---------------------------------|---|-------------|
| Executive Summary | | |
| 1. | Executive Summary | A |
| Project Description | | |
| 2. | Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances | B |
| 3. | Utilities (and utility sources) included in rent | B |
| 4. | Project design description | B |
| 5. | Unit and project amenities; parking | B |
| 6. | Public programs included | B |
| 7. | Target population description | B |
| 8. | Date of construction/preliminary completion | B |
| 9. | If rehabilitation, existing unit breakdown and rents | B |
| 10. | Reference to review/status of project plans | N/A |
| Location and Market Area | | |
| 11. | Market area/secondary market area description | D |
| 12. | Concise description of the site and adjacent parcels | C |
| 13. | Description of site characteristics | C |
| 14. | Site photos/maps | C |
| 15. | Map of community services | C |
| 16. | Visibility and accessibility evaluation | C |
| 17. | Crime Information | C |

CHECKLIST (Continued)

| | | Section (s) |
|------------------------------------|---|----------------|
| Employment and Economy | | |
| 18. | Employment by industry | F |
| 19. | Historical unemployment rate | F |
| 20. | Area major employers | F |
| 21. | Five-year employment growth | F |
| 22. | Typical wages by occupation | F |
| 23. | Discussion of commuting patterns of area workers | F |
| Demographic Characteristics | | |
| 24. | Population and household estimates and projections | E |
| 25. | Area building permits | H |
| 26. | Distribution of income | E |
| 27. | Households by tenure | E |
| Competitive Environment | | |
| 28. | Comparable property profiles | Addendum B |
| 29. | Map of comparable properties | H |
| 30. | Comparable property photographs | H |
| 31. | Existing rental housing evaluation | H |
| 32. | Comparable property discussion | H |
| 33. | Area vacancy rates, including rates for Tax Credit and government-subsidized | H |
| 34. | Comparison of subject property to comparable properties | H |
| 35. | Availability of Housing Choice Vouchers | H |
| 36. | Identification of waiting lists | H |
| 37. | Description of overall rental market including share of market-rate and affordable properties | H |
| 38. | List of existing LIHTC properties | H |
| 39. | Discussion of future changes in housing stock | H |
| 40. | Discussion of availability and cost of other affordable housing options including homeownership | H |
| 41. | Tax Credit and other planned or under construction rental communities in market area | H |
| Analysis/Conclusions | | |
| 42. | Calculation and analysis of Capture Rate | G |
| 43. | Calculation and analysis of Penetration Rate | N/A |
| 44. | Evaluation of proposed rent levels | H & Addendum E |
| 45. | Derivation of Achievable Market Rent and Market Advantage | Addendum E |
| 46. | Derivation of Achievable Restricted Rent | N/A |
| 47. | Precise statement of key conclusions | A |
| 48. | Market strengths and weaknesses impacting project | A |
| 49. | Recommendations and/or modification to project discussion | K |
| 50. | Discussion of subject property's impact on existing housing | H |
| 51. | Absorption projection with issues impacting performance | I |
| 52. | Discussion of risks or other mitigating circumstances impacting project projection | A |
| 53. | Interviews with area housing stakeholders | J |

CHECKLIST (Continued)

| Other Requirements | | Section (s) |
|---------------------------|--|--------------------|
| 54. | Preparation date of report | Title Page |
| 55. | Date of Field Work | Addendum A |
| 56. | Certifications | L |
| 57. | Statement of qualifications | N |
| 58. | Sources of data not otherwise identified | Addendum D |
| 59. | Utility allowance schedule | Addendum A |

Addendum D – Methodologies, Disclaimers & Sources

1. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Savannah, Georgia by Herman & Kittle Properties, Inc. (developer).

This market feasibility analysis complies with the requirements established by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority (GDCA/GHFA) and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects, and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

2. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the subject project is identified. The PMA is generally described as the smallest geographic area from which most of the support for the subject project originates. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in the socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors, including, but not limited to:

- A detailed demographic and socioeconomic evaluation
- Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
- A drive-time analysis for the site
- Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the subject development. An in-depth evaluation of these two property types provides an indication of the potential of the subject development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information and projections that determine what the characteristics of the market will be when the subject project opens and achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of the properties that might be planned or proposed for the area that will have an impact on the marketability of the subject development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- An analysis of the subject project's market capture of income-appropriate renter households within the PMA is conducted. This analysis follows GDCA's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the subject development's capture rate is achievable.
- Achievable market rent for the subject development is determined. Using a Rent Comparability Grid, the features of the subject development are compared item by item to the most comparable properties in the market. Adjustments are made for each feature that differs from that of the subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the subject unit. This analysis is done for each bedroom type offered at the site.

Please note that non-numbered items in this report are not required by GDCA; they have been included, however, based on Bowen National Research's opinion that it is necessary to consider these details to effectively address the continued market feasibility of the subject project.

3. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, Bowen National Research makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions or conclusions in, or the use of, this study.

Any reproduction or duplication of this report without the expressed approval of Bowen National Research is strictly prohibited.

4. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- Urban Decision Group (UDG)
- ESRI
- Area Chamber of Commerce
- Georgia Department of Community Affairs
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives

Addendum E – Achievable Market Rent Analysis

A. INTRODUCTION

We identified five market-rate properties within the Savannah Site PMA and region that we consider comparable in terms of unit and project amenities to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, midrise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

The proposed subject development and the five selected properties include the following:

| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Unit Mix (Occupancy Rate) | | | | |
|-------------|--------------------------------|--------------------------|-------------|-----------|------------------------------|---------------|---------------|---------------|--------------|
| | | | | | Studio | One-Br. | Two-Br. | Three-Br. | Four-Br. |
| Site | Woodlands at Montgomery | 2018 | 246 | - | - | 50 (-) | 96 (-) | 92 (-) | 8 (-) |
| 11 | Magnolia Villas Apt. Homes | 1985 | 144 | 95.1% | - | 44 (90.9%) | 86 (96.5%) | 14 (100.0%) | - |
| 12 | Sterling Bluff Apts. | 1977 | 215 | 87.9% | - | 84 (88.1%) | 108 (88.0%) | 23 (87.0%) | - |
| 17 | Moss Pointe | 1972 / 2015 | 278 | 97.8% | - | 83 (97.6%) | 167 (98.8%) | 28 (92.9%) | - |
| 901 | Walden at Chatham Center | 2003 | 234 | 97.0% | - | 92 (96.7%) | 118 (96.6%) | 24 (100.0%) | - |
| 902 | Fountains at Chatham Parkway | 2008 | 352 | 98.3% | 44 (100.0%) | 135 (99.3%) | 110 (97.3%) | 63 (96.8%) | - |

Occ. – Occupancy

900 series Map IDs located outside of Site PMA

The five selected market-rate projects have a combined total of 1,223 units with an overall occupancy rate of 95.7%, a good rate for rental housing. This indicates that these projects have been generally well received within the market and region and will serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate adjustments made (as needed) for various features and locations or neighborhood characteristics, as well as for quality differences that exist between the selected properties and the subject development.

Rent Comparability Grid

Unit Type →

ONE BEDROOM

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|--------------------------------|------------------------------------|-----------------------------|---------------|----------------------------|---------------|---------------------------------|---------------|--------------------------|---------------|------------------------------|---------------|
| Woodlands at Montgomery | | Magnolia Villas Apt. Homes | | Sterling Bluff Apts. | | Moss Pointe | | Walden at Chatham Center | | Fountains at Chatham Parkway | |
| 227 West Montgomery Cross Road | | 205 W. Montgomery Cross Rd. | | 201 W Montgomery Cross Rd. | | 9400 Abercorn St. | | 100 Walden Ln. | | 1699 Chatham Pkwy | |
| Savannah, GA | | Savannah, GA | | Savannah, GA | | Savannah, GA | | Savannah, GA | | Savannah, GA | |
| A. | Rents Charged | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$870 | | \$1,008 | | \$801 | | \$1,170 | | \$1,136 | |
| 2 | Date Surveyed | Sep-16 | | Mar-17 | | Mar-17 | | Mar-17 | | Mar-17 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 91% | | 88% | | 98% | | 97% | | 99% | |
| 5 | Effective Rent & Rent/ sq. ft | \$870 | 1.09 | \$1,008 | 1.17 | \$801 | 1.07 | \$1,170 | 1.15 | \$1,136 | 1.28 |
| B. | Design, Location, Condition | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/2,3 | | WU/2 | | WU/2,3 | | WU/3 | | WU/2 | |
| 7 | Yr. Built/Yr. Renovated | 2018 | \$33 | 1985 | \$33 | 1977 | \$41 | 1972/2015 | \$24 | 2003 | \$15 |
| 8 | Condition /Street Appeal | E | \$15 | G | \$15 | G | \$15 | E | | G | \$15 |
| 9 | Neighborhood | G | | G | | G | | E | (\$10) | G | |
| 10 | Same Market? | Yes | | Yes | | Yes | | No | | No | |
| C. | Unit Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 1 | | 1 | | 1 | | 1 | | 1 | |
| 12 | # Baths | 1 | | 1 | | 1 | | 1 | | 1 | |
| 13 | Unit Interior Sq. Ft. | 876 | \$22 | 800 | \$22 | 863 | \$4 | 750 | \$36 | 1013 | (\$40) |
| 14 | Balcony/ Patio | Y | | Y | | N | \$5 | Y | | Y | |
| 15 | AC: Central/ Wall | C | | C | | C | | C | | C | |
| 16 | Range/ Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/ Dishwasher | Y/Y | \$5 | N/Y | \$5 | N/Y | \$5 | Y/Y | | Y/Y | |
| 18 | Washer/Dryer | HU/L | | HU/L | | HU/L | \$10 | L | \$5 | HU | \$5 |
| 19 | Floor Coverings | C | | C | | C | | C | | C | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Intercom/Security System | N/N | | N/N | | N/N | | N/N | | N/N | |
| 22 | Garbage Disposal | Y | \$5 | N | \$5 | Y | | Y | | Y | |
| 23 | Ceiling Fans | Y | | Y | | Y | \$5 | Y | | N | \$5 |
| D. | Site Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | |
| 25 | On-Site Management | Y | | Y | | Y | | Y | | Y | |
| 26 | Security Gate | N | | N | | N | | Y | (\$5) | Y | (\$5) |
| 27 | Clubhouse/ Meeting Rooms | Y | \$5 | N | \$5 | Y | | Y | | N | \$5 |
| 28 | Pool/ Recreation Areas | P/F | \$2 | P/S | \$2 | P/F | | P/F/L | (\$3) | P/F | |
| 29 | Computer Center | Y | \$3 | N | \$3 | N | \$3 | N | \$3 | Y | |
| 30 | Picnic Area | Y | \$3 | N | \$3 | Y | | N | \$3 | Y | |
| 31 | Playground | Y | | Y | | Y | \$3 | N | \$3 | Y | |
| 32 | Social Services | N | | N | | N | | N | | N | |
| E. | Utilities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/ Sewer | N/N | | N/N | | Y/Y | (\$38) | N/N | (\$18) | Y/N | (\$18) |
| 39 | Trash /Recycling | Y/N | \$15 | N/N | \$15 | Y/N | | N/N | \$15 | Y/N | |
| F. | Adjustments Recap | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 9 | | 6 | | 10 | | 4 | 4 | 4 | 2 |
| 41 | Sum Adjustments B to D | \$93 | | \$73 | | \$109 | | \$28 | (\$58) | \$33 | (\$8) |
| 42 | Sum Utility Adjustments | \$15 | | | (\$38) | | | \$15 | (\$18) | | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$108 | \$108 | \$35 | \$111 | \$109 | \$109 | (\$33) | \$119 | \$25 | \$41 |
| G. | Adjusted & Market Rents | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$978 | | \$1,043 | | \$910 | | \$1,137 | | \$1,161 | |
| 45 | Adj Rent/Last rent | | 112% | | 103% | | 114% | | 97% | | 102% |
| 46 | Estimated Market Rent | \$1,045 | | \$1.19 | | ← Estimated Market Rent/ Sq. Ft | | | | | |

Rent Comparability Grid

Unit Type →

TWO BEDROOM

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------------------------|-------------------------------|-----------------------------|---------------|----------------------------|---------------|-------------------------------|---------------|--------------------------|---------------|------------------------------|---------------|
| Woodlands at Montgomery | | Magnolia Villas Apt. Homes | | Sterling Bluff Apts. | | Moss Pointe | | Walden at Chatham Center | | Fountains at Chatham Parkway | |
| 227 West Montgomery Cross Road | | 205 W. Montgomery Cross Rd. | | 201 W Montgomery Cross Rd. | | 9400 Abercorn St. | | 100 Walden Ln. | | 1699 Chatham Pkwy | |
| Savannah, GA | | Savannah, GA | | Savannah, GA | | Savannah, GA | | Savannah, GA | | Savannah, GA | |
| A. Rents Charged | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$895 | | \$1,121 | | \$1,038 | | \$1,349 | | \$1,448 | |
| 2 | Date Surveyed | Sep-16 | | Mar-17 | | Mar-17 | | Mar-17 | | Mar-17 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 97% | | 88% | | 99% | | 97% | | 97% | |
| 5 | Effective Rent & Rent/ sq. ft | \$895 | 0.81 | \$1,121 | 1.00 | \$1,038 | 0.87 | \$1,349 | 1.19 | \$1,448 | 1.33 |
| B. Design, Location, Condition | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/2,3 | | WU/2 | | WU/2,3 | | WU/3 | | WU/2 | |
| 7 | Yr. Built/Yr. Renovated | 2018 | \$33 | 1985 | \$33 | 1977 | \$41 | 1972/2015 | \$24 | 2003 | \$15 |
| 8 | Condition /Street Appeal | E | \$15 | G | \$15 | G | \$15 | E | | G | \$15 |
| 9 | Neighborhood | G | | G | | G | | E | (\$10) | G | |
| 10 | Same Market? | Yes | | Yes | | Yes | | No | | No | |
| C. Unit Equipment/ Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 2 | | 2 | | 2 | | 2 | | 2 | |
| 12 | # Baths | 2 | | 2 | | 2 | | 2 | | 2 | |
| 13 | Unit Interior Sq. Ft. | 1100 | | 1121 | (\$5) | 1200 | (\$26) | 1131 | (\$8) | 1090 | \$3 |
| 14 | Balcony/ Patio | Y | | N | \$5 | Y | | Y | | Y | |
| 15 | AC: Central/ Wall | C | | C | | C | | C | | C | |
| 16 | Range/ Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/ Dishwasher | Y/Y | \$5 | N/Y | \$5 | N/Y | \$5 | Y/Y | | Y/Y | |
| 18 | Washer/Dryer | HU/L | | HU/L | | HU/L | | HU | \$5 | HU/L | |
| 19 | Floor Coverings | C | | C | | C | | C | | C | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Intercom/Security System | N/N | | N/N | | N/N | | N/N | | N/N | |
| 22 | Garbage Disposal | Y | \$5 | Y | | Y | | Y | | Y | |
| 23 | Ceiling Fans | Y | | Y | | N | \$5 | Y | | N | \$5 |
| D Site Equipment/ Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | |
| 25 | On-Site Management | Y | | Y | | Y | | Y | | Y | |
| 26 | Security Gate | N | | N | | N | | Y | (\$5) | Y | (\$5) |
| 27 | Clubhouse/ Meeting Rooms | Y | \$5 | Y | | Y | | N | \$5 | Y | |
| 28 | Pool/ Recreation Areas | P/F | \$2 | P/F | | P/F | | P/F/L | (\$3) | P/F | |
| 29 | Computer Center | Y | \$3 | N | \$3 | N | \$3 | N | \$3 | Y | |
| 30 | Picnic Area | Y | \$3 | Y | | N | \$3 | Y | | Y | |
| 31 | Playground | Y | | Y | | N | \$3 | Y | | N | \$3 |
| 32 | Social Services | N | | N | | N | | N | | N | |
| E. Utilities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/ Sewer | N/N | | N/N | (\$47) | N/N | | Y/N | (\$22) | N/N | |
| 39 | Trash /Recycling | Y/N | \$15 | Y/N | | Y/N | | N/N | \$15 | Y/N | |
| F. Adjustments Recap | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 8 | | 5 | 1 | 7 | 1 | 4 | 4 | 5 | 1 |
| 41 | Sum Adjustments B to D | \$71 | | \$69 | (\$5) | \$58 | (\$26) | \$28 | (\$26) | \$36 | (\$5) |
| 42 | Sum Utility Adjustments | \$15 | | | (\$47) | | | \$15 | (\$22) | | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$86 | \$86 | \$17 | \$121 | \$32 | \$84 | (\$5) | \$91 | \$31 | \$41 |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$981 | | \$1,138 | | \$1,070 | | \$1,344 | | \$1,479 | |
| 45 | Adj Rent/Last rent | | 110% | | 101% | | 103% | | 100% | | 102% |
| 46 | Estimated Market Rent | \$1,175 | | \$1.07 ← | | Estimated Market Rent/ Sq. Ft | | | | | |

Rent Comparability Grid

Unit Type →

THREE BEDROOM

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------------------------|-------------------------------|-----------------------------|---------------|-------------------------------|---------------|-------------------|---------------|--------------------------|---------------|------------------------------|---------------|
| Woodlands at Montgomery | | Magnolia Villas Apt. Homes | | Sterling Bluff Apts. | | Moss Pointe | | Walden at Chatham Center | | Fountains at Chatham Parkway | |
| 227 West Montgomery Cross Road | | 205 W. Montgomery Cross Rd. | | 201 W Montgomery Cross Rd. | | 9400 Abercorn St. | | 100 Walden Ln. | | 1699 Chatham Pkwy | |
| Savannah, GA | | Savannah, GA | | Savannah, GA | | Savannah, GA | | Savannah, GA | | Savannah, GA | |
| A. Rents Charged | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$1,035 | | \$1,358 | | \$1,049 | | \$1,640 | | \$1,295 | |
| 2 | Date Surveyed | Sep-16 | | Mar-17 | | Mar-17 | | Mar-17 | | Mar-17 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 100% | | 87% | | 96% | | 100% | | 97% | |
| 5 | Effective Rent & Rent/ sq. ft | \$1,035 | 0.77 | \$1,358 | 1.02 | \$1,049 | 0.82 | \$1,640 | 1.21 | \$1,295 | 0.95 |
| B. Design, Location, Condition | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/2,3 | | WU/2 | | WU/2,3 | | WU/3 | | WU/2 | |
| 7 | Yr. Built/Yr. Renovated | 2018 | \$33 | 1985 | \$33 | 1977 | \$41 | 1972/2015 | \$24 | 2003 | \$15 |
| 8 | Condition /Street Appeal | E | \$15 | G | \$15 | G | \$15 | E | | G | \$15 |
| 9 | Neighborhood | G | | G | | G | | E | (\$10) | G | |
| 10 | Same Market? | Yes | | Yes | | Yes | | No | | No | |
| C. Unit Equipment/ Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 3 | | 3 | | 3 | | 3 | | 3 | |
| 12 | # Baths | 2 | | 2 | | 2 | | 2 | | 2 | |
| 13 | Unit Interior Sq. Ft. | 1300 | (\$12) | 1350 | (\$12) | 1336 | (\$9) | 1284 | \$4 | 1358 | (\$14) |
| 14 | Balcony/ Patio | Y | | Y | | N | \$5 | N | \$5 | Y | |
| 15 | AC: Central/ Wall | C | | C | | C | | C | | C | |
| 16 | Range/ Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/ Dishwasher | Y/Y | \$5 | N/Y | \$5 | N/Y | \$5 | Y/Y | | Y/Y | |
| 18 | Washer/Dryer | HU/L | | HU/L | | HU/L | | HU | \$5 | HU/L | |
| 19 | Floor Coverings | C | | C | | C | | C | | C | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Intercom/Security System | N/N | | N/N | | N/N | | N/N | | N/N | |
| 22 | Garbage Disposal | Y | \$5 | N | \$5 | Y | | Y | | Y | |
| 23 | Ceiling Fans | Y | | Y | | Y | | N | \$5 | Y | |
| D. Site Equipment/ Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | |
| 25 | On-Site Management | Y | | Y | | Y | | Y | | Y | |
| 26 | Security Gate | N | | N | | N | | Y | (\$5) | Y | (\$5) |
| 27 | Clubhouse/ Meeting Rooms | Y | \$5 | N | \$5 | Y | | N | \$5 | Y | |
| 28 | Pool/ Recreation Areas | P/F | \$2 | P/S | \$2 | P/F | | P/F/L | (\$3) | P/F | |
| 29 | Computer Center | Y | \$3 | N | \$3 | N | \$3 | N | \$3 | Y | |
| 30 | Picnic Area | Y | \$3 | N | \$3 | Y | | N | \$3 | Y | |
| 31 | Playground | Y | | Y | | Y | | N | \$3 | Y | |
| 32 | Social Services | N | | N | | N | | N | | N | |
| E. Utilities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/ Sewer | N/N | | N/N | | Y/Y | (\$57) | N/N | | Y/N | (\$27) |
| 39 | Trash /Recycling | Y/N | \$15 | N/N | \$15 | Y/N | | N/N | \$15 | Y/N | |
| F. Adjustments Recap | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 8 | 1 | 5 | 1 | 9 | | 4 | 4 | 4 | 2 |
| 41 | Sum Adjustments B to D | \$71 | (\$12) | \$69 | (\$9) | \$67 | | \$28 | (\$32) | \$33 | (\$20) |
| 42 | Sum Utility Adjustments | \$15 | | | (\$57) | | | \$15 | (\$27) | | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$74 | \$98 | \$3 | \$135 | \$67 | \$67 | (\$16) | \$102 | \$13 | \$53 |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$1,109 | | \$1,361 | | \$1,116 | | \$1,624 | | \$1,308 | |
| 45 | Adj Rent/Last rent | | 107% | | 100% | | 106% | | 99% | | 101% |
| 46 | Estimated Market Rent | \$1,305 | \$1.00 ← | Estimated Market Rent/ Sq. Ft | | | | | | | |

Rent Comparability Grid

Unit Type →

FOUR BEDROOM

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------------------------|-------------------------------|-----------------------------|---------------|---------------------------------|---------------|-------------------|---------------|--------------------------|---------------|------------------------------|---------------|
| Woodlands at Montgomery | | Magnolia Villas Apt. Homes | | Sterling Bluff Apts. | | Moss Pointe | | Walden at Chatham Center | | Fountains at Chatham Parkway | |
| 227 West Montgomery Cross Road | | 205 W. Montgomery Cross Rd. | | 201 W Montgomery Cross Rd. | | 9400 Abercorn St. | | 100 Walden Ln. | | 1699 Chatham Pkwy | |
| Savannah, GA | | Savannah, GA | | Savannah, GA | | Savannah, GA | | Savannah, GA | | Savannah, GA | |
| A. Rents Charged | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$1,035 | | \$1,358 | | \$1,049 | | \$1,640 | | \$1,295 | |
| 2 | Date Surveyed | Sep-16 | | Mar-17 | | Mar-17 | | Mar-17 | | Mar-17 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 100% | | 87% | | 96% | | 100% | | 97% | |
| 5 | Effective Rent & Rent/ sq. ft | \$1,035 | 0.77 | \$1,358 | 1.02 | \$1,049 | 0.82 | \$1,640 | 1.21 | \$1,295 | 0.95 |
| B. Design, Location, Condition | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/2,3 | | WU/2 | | WU/2,3 | | WU/3 | | WU/2 | |
| 7 | Yr. Built/Yr. Renovated | 2018 | \$33 | 1985 | \$33 | 1977 | \$41 | 1972/2015 | \$24 | 2003 | \$15 |
| 8 | Condition /Street Appeal | E | \$15 | G | \$15 | G | \$15 | E | | G | \$15 |
| 9 | Neighborhood | G | | G | | G | | E | (\$10) | G | |
| 10 | Same Market? | Yes | | Yes | | Yes | | No | | No | |
| C. Unit Equipment/ Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 4 | \$50 | 3 | \$50 | 3 | \$50 | 3 | \$50 | 3 | \$50 |
| 12 | # Baths | 2 | | 2 | | 2 | | 2 | | 2 | |
| 13 | Unit Interior Sq. Ft. | 1400 | \$12 | 1350 | \$12 | 1336 | \$15 | 1284 | \$28 | 1358 | \$10 |
| 14 | Balcony/ Patio | Y | | Y | | N | \$5 | Y | | Y | |
| 15 | AC: Central/ Wall | C | | C | | C | | C | | C | |
| 16 | Range/ Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/ Dishwasher | Y/Y | \$5 | N/Y | \$5 | N/Y | \$5 | Y/Y | | Y/Y | |
| 18 | Washer/Dryer | HU/L | | HU/L | | HU/L | | HU | \$5 | HU/L | |
| 19 | Floor Coverings | C | | C | | C | | C | | C | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Intercom/Security System | N/N | | N/N | | N/N | | N/N | | N/N | |
| 22 | Garbage Disposal | Y | \$5 | N | \$5 | Y | | Y | | Y | |
| 23 | Ceiling Fans | Y | | Y | | Y | \$5 | Y | | N | \$5 |
| D. Site Equipment/ Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | |
| 25 | On-Site Management | Y | | Y | | Y | | Y | | Y | |
| 26 | Security Gate | N | | N | | N | | Y | (\$5) | Y | (\$5) |
| 27 | Clubhouse/ Meeting Rooms | Y | \$5 | N | \$5 | Y | | N | \$5 | Y | |
| 28 | Pool/ Recreation Areas | P/F | \$2 | P/S | \$2 | P/F | | P/F/L | (\$3) | P/F | |
| 29 | Computer Center | Y | \$3 | N | \$3 | N | \$3 | N | \$3 | Y | |
| 30 | Picnic Area | Y | \$3 | N | \$3 | Y | | N | \$3 | Y | |
| 31 | Playground | Y | | Y | | Y | \$3 | N | \$3 | Y | |
| 32 | Social Services | N | | N | | N | | N | | N | |
| E. Utilities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/ Sewer | N/N | | N/N | | Y/Y | (\$67) | N/N | (\$32) | N/N | |
| 39 | Trash /Recycling | Y/N | \$15 | N/N | \$15 | Y/N | | N/N | \$15 | Y/N | |
| F. Adjustments Recap | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 10 | | 7 | | 10 | | 6 | 3 | 6 | 1 |
| 41 | Sum Adjustments B to D | \$133 | | \$134 | | \$141 | | \$88 | (\$18) | \$92 | (\$5) |
| 42 | Sum Utility Adjustments | \$15 | | | (\$67) | | | \$15 | (\$32) | | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$148 | \$148 | \$67 | \$201 | \$141 | \$141 | \$53 | \$153 | \$87 | \$97 |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$1,183 | | \$1,425 | | \$1,190 | | \$1,693 | | \$1,382 | |
| 45 | Adj Rent/Last rent | | 114% | | 105% | | 113% | | 103% | | 107% |
| 46 | Estimated Market Rent | \$1,480 | \$1.06 | ← Estimated Market Rent/ Sq. Ft | | | | | | | |

Once all adjustments to collected rents were made, the adjusted rents for each comparable were considered to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site, and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that achievable market rents for units similar to the subject development are \$1,045 for a one-bedroom unit, \$1,175 for a two-bedroom unit, \$1,305 for a three-bedroom unit and \$1,480 for a four-bedroom unit, which are illustrated as follows:

| Bedroom Type | Proposed Collected Rent | Achievable Market Rent | Market Rent Advantage |
|---------------|-------------------------|------------------------|-----------------------|
| One-Bedroom | \$607 | \$1,045 | 41.9% |
| Two-Bedroom | \$720 | \$1,175 | 38.7% |
| Three-Bedroom | \$818 | \$1,305 | 37.3% |
| Four-Bedroom | \$893 | \$1,480 | 39.7% |

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will have a sufficient flow of tenants. Considering that the proposed subject Tax Credit rents represent market rent advantages ranging between 37.3% and 41.9%, they will likely be viewed as substantial values within the Site PMA.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.

7. The proposed subject project is anticipated to be completed in 2018. As such, we have adjusted the rents at the selected properties by \$1 per year of (effective) age difference to reflect the age of these properties.

8. It is anticipated that the proposed subject project will have a quality appearance and an attractive aesthetic appeal. We have made adjustments for those properties that we consider to have an inferior quality to the subject development.

9. One of the selected properties is located in a more desirable neighborhood than the subject project. As such, we have made an adjustment to account for differences in neighborhood desirability among this project and the subject project.

11. Each comparable market-rate development offers one-, two- and three-bedroom apartments. However, none offer four-bedroom units similar to the subject project. As such, we have utilized the three-bedroom units at the comparable projects and conservatively applied a positive \$50 adjustment to account for the inclusion of an additional bedroom relative to the comparable market-rate projects.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.- 23. The proposed subject project will offer a unit amenity package superior than those offered at the selected properties. We have made adjustments for features lacking at the selected properties.
- 24.-32. The proposed project offers a comprehensive project amenities package. We have made monetary adjustments to reflect the difference between the proposed subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.