



## **A Market Feasibility Study Of**

### **Riverstock Apartments**

*Located at*

**50 Sandy Circle  
Woodstock, Cherokee County, Georgia 30188**

**Effective Date: April 7, 2017**

**Report Date: April 12, 2017**

*Prepared For*

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April 12, 2017

Nick Andersen  
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**Re: Market Study for Riverstock Apartments in Woodstock, Georgia**

Dear Mr. Andersen:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Woodstock, Cherokee County, Georgia area relative to the above-referenced proposed acquisition/rehabilitation Low Income Housing Tax Credit (LIHTC) project. The purpose of this market study is to assess the viability of the rehabilitation of Riverstock Apartments (Subject), an existing 172-unit LIHTC and market rate community. The Subject currently offers two and three-bedroom units. Following renovation, the property will be 100 percent restricted to households earning 50 and 60 percent of the Area Median Income (AMI). The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

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

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,  
Novogradac & Company LLP



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## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the

author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

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## **A. EXECUTIVE SUMMARY AND CONCLUSIONS**

## EXECUTIVE SUMMARY AND CONCLUSIONS

### 1. Project Description:

Riverstock Apartments (Subject) is an existing LIHTC/market rate property in Woodstock, Cherokee County, Georgia that is proposed for renovation with Low Income Housing Tax Credit (LIHTC) equity. The Subject was originally constructed in 2000 and consists of 172 two and three-bedroom units contained in eight three-story garden-style residential buildings, in addition to one single-story auxiliary building that serves as a leasing office. According to the rent roll dated April 11, 2017, the Subject was 95.3 percent occupied with eight vacant units, one of which is pre-leased. The unit mix currently includes 118 two-bedroom units and 52 three-bedroom units.

The Subject currently offers units restricted at 50 percent of the AMI and 60 percent of the AMI, as well as market rate units. Post-renovation, the Subject will be 100 percent affordable and offer units at 50 percent and 60 percent of the AMI and will no longer offer market rate units.

The Subject is a proposed renovation of an existing LIHTC/market rate development utilizing LIHTC equity. The Subject was originally constructed in 2000, and currently exhibits average to good condition. Total construction hard cost including builder profit, overhead, and contingency is estimated to be \$6,020,000, or \$35,000 per unit.

Renovations will include substantial site, interior, and exterior renovations. Renovations planned include, but are not limited to, carpet and vinyl flooring replacement, cabinet front and hardware replacement, countertop replacement (plastic laminate or granite), light fixture replacement, replacing all appliances more than one year old, replacing all water heaters more than three years old, replacing all HVAC equipment more than five years old, full plumbing fixture replacement, as well as upgrades to the community amenities and grounds.

The following table illustrates the post-renovation unit mix including bedrooms/bathrooms, square footage, income targeting, proposed rents, and utility allowances. The Subject currently offers units restricted at 50 percent of the AMI and 60 percent of the AMI, as well as market rate units. Post-renovation, the Subject will be 100 percent affordable and offer units at 50 percent and 60 percent of the AMI and will no longer offer market rate units.

<b>PROPOSED RENTS</b>							
<b>Unit Type</b>	<b>Number of Units</b>	<b>Unit Size (SF)</b>	<b>Gross LIHTC Rent</b>	<b>Utility Allowance (1)</b>	<b>Net LIHTC Rent</b>	<b>LIHTC Maximum Allowable Gross Rent</b>	<b>Market Average LIHTC Rent</b>
<i>50% AMI</i>							
2BR/1BA	6	1,167	\$760	\$118	\$642	\$760	\$710
3BR/2BA	3	1,367	\$877	\$149	\$728	\$877	\$810
<i>60% AMI</i>							
2BR/1BA	114	1,167	\$912	\$118	\$794	\$812	\$876
3BR/2BA	49	1,367	\$1,053	\$149	\$904	\$1,053	\$975
<b>Total</b>	<b>172</b>						

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

The Subject currently offers blinds, carpet and tile flooring, central heating and air conditioning, coat closets, ceiling fans, ovens, refrigerators, dishwashers, garbage disposals, washer/dryer connections, and walk-in closets; following renovations, the Subject’s in-unit amenities will remain the same.

The Subject’s project amenities include a basketball court, business center/computer lab, clubhouse/community room, exercise facility, central laundry facilities, off-street parking, on-site management, picnic area, swimming pool, and playground. The Subject also offers courtesy patrol, perimeter fencing, and limited access as security features. Following renovations, the Subject’s community amenities will remain the same. Overall, the Subject’s amenities will generally be slightly inferior to the comparable properties.

**2. Site Description/Evaluation:**

The Subject is accessed by Sandy Circle via Arnold Mill Road to the north. Surrounding uses predominantly consist of single-family homes, a townhouse-style LIHTC development, undeveloped vacant land, houses of worship, and scattered commercial/retail uses. Land use to the east consists of Whispering Trace Apartments, a townhouse-

style LIHTC development in average condition. This development was not used as a comparable in this report as it offers only three-bedroom townhouse-style units and is in inferior condition. Land use to the north consists of the William G. Long Senior Center, the Woodstock Fire Department, and single-family homes. Land use to the west consists of the Woodstock Waste Water Treatment Center and the Allen Temple AME Church. Land use to the south consists of vacant wooded land followed by single-family homes. The Subject is located in the central portion of Woodstock. There are a number of commercial/retail uses in the Subject's neighborhood with the majority located along major arterials such as Arnold Mill Road, located adjacent to the north of the Subject, and Main Street, located 0.5 miles west of the Subject. The Subject is considered "somewhat walkable" by Walkscore.com with a rating of 53. Overall, the Subject has a desirable location for multifamily housing. The Subject site is considered a desirable location for family rental housing. The uses surrounding the Subject are in average to good condition and the site has reasonable proximity to locational amenities.

### **3. Market Area Definition:**

The Primary Market Area (PMA) is defined as generally encompassing a portion of the cities of Woodstock, Canton, Marietta, Kennesaw, and Acworth, in the northern portion of the Atlanta metropolitan area, and was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager, as well as based on our knowledge of the area. We have estimated that approximately 15 percent of the Subject's tenants originate from outside these boundaries. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2017 market study guidelines, we have not accounted for leakage in our *Demand Analysis* found later in this report. The furthest PMA boundary from the Subject is 6.8 miles.

### **4. Community Demographic Data:**

Total population in the PMA and MSA are projected to increase at a 1.7 and 1.4 percent annual rate, respectively, from 2016 to 2021. The PMA and MSA are expected to outpace the national population growth during the same time period. The share of renter-occupied units in the PMA is lower than in the MSA. It should be noted that the

percentage of renter-occupied units in the PMA is expected to increase by 1.0 percent through 2021.

Households earning under \$40,000 in the PMA comprise 21.5 percent of all income cohorts. The Subject will target households earning \$26,057 to \$43,740 under the LIHTC program; therefore, the Subject is well positioned to continue to service this market. Overall, the demographic data points to a growing population with several households within the income band that the Subject would target under the LIHTC program.

### **5. Economic Data:**

Total employment in the MSA increased from 2003 to 2007; however, decreased from 2008 to 2010 as a result of the national economic recession. Total employment in the MSA exceeded pre-recessionary levels in 2014 and has continued to increase through 2016 year-to-date. From December 2015 to December 2016, total employment in the MSA increased 4.4 percent compared to an increase of 1.4 percent nationally. The unemployment rate in the MSA peaked at 10.3 percent in 2010, and has been declining each subsequent year. From December 2015 to December 2016, the unemployment rate in the MSA increased by 20 basis points to 5.0 percent, while the national unemployment rate decreased by 30 basis points to 4.5 percent. Overall, it appears that the MSA was impacted by the recent national recession; however, has fully recovered and is currently in a state of growth.

The PMA's leading industries include retail trade, health care/social assistance, and professional/scientific/technical services. Together, these three industries make up 34.2 percent of total employment in the PMA. Compared to the nation, the PMA is overly represented in sectors such as professional/scientific/technical services, retail trade, and wholesale trade, and underrepresented in the manufacturing, health care/social assistance, and accommodation/food services sectors. Overall, the mix of industries in the local economy indicates a relatively diversified work force.

### **6. Project-Specific Affordability And Demand Analysis:**

According to the Georgia DCA market study guidelines, capture rate calculations for proposed renovation developments will be based on those units that are vacant, or whose tenants will be rent burdened or over income as

listed on the Tenant Relocation Spreadsheet provided by the applicant. Tenants who are income qualified to remain in the property at the proposed stabilized renovated rents will be deducted from the property unit count prior to determining the applicable capture rates. The Subject is an existing LIHTC/Market rate development and we have provided one capture rate assuming all market rate units will be need to be reabsorbed. At the time of this report an income audit was not available and it is likely that some of the tenants in the market rate units will income-qualify; however, for the purpose of the this report we have assumed all market rate units and the vacant LIHTC units will be need to reabsorbed. The Subject currently has eight LIHTC vacant units and 32 market rate units; as such, our capture rate assuming the 40 units.

We have determined the Subject’s capture rates based on 40 total units.

CAPTURE RATE ANALYSIS CHART										
Unit Size	Income limits	Units Proposed*	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market	Market Rents Band Min-Max	Proposed Rents
2BR at 50% AMI	\$26,057 - \$30,400	30	223	0	223	13.5%	2 months	\$1,165	\$927 - \$1,392	\$642
2BR at 60% AMI	\$31,269 - \$36,480	30	252	0	252	11.9%	2 months	\$1,165	\$927 - \$1,392	\$794
3BR at 50% AMI	\$30,069 - \$36,450	10	120	0	120	8.3%	2 months	\$1,278	\$1,041 - \$1,542	\$728
3BR at 60% AMI	\$36,103 - \$43,740	10	135	0	135	7.4%	2 months	\$1,278	\$1,041 - \$1,542	\$904
<b>Overall - 50% AMI</b>	<b>\$26,057 - \$36,450</b>	<b>40</b>	<b>343</b>	<b>0</b>	<b>343</b>	<b>11.7%</b>	<b>2 months</b>	-	-	-
<b>Overall - 60% AMI</b>	<b>\$31,269 - \$43,740</b>	<b>40</b>	<b>387</b>	<b>0</b>	<b>387</b>	<b>10.3%</b>	<b>2 months</b>	-	-	-
<b>Total Overall</b>	<b>\$26,057 - \$43,740</b>	<b>40</b>	<b>730</b>	<b>0</b>	<b>730</b>	<b>7.1%</b>	<b>2 months</b>	-	-	-

\*Excludes existing tenants who are income-qualified

All capture rates are within DCA threshold requirements and indicate adequate demand for the Subject. Overall, we recommend the Subject as proposed.

**7. Competitive Rental Analysis:**

The availability of LIHTC data is considered somewhat limited as there are five LIHTC properties in the PMA, three of which we selected as “true” comparables. We have also supplemented this data with two LIHTC comparables located just outside of the PMA. The availability of market rate data is considered good as there are a sufficient number of market rate properties that are located within the PMA. We have included five market rate properties in the rental analysis, and all are located in the PMA, within 2.3 miles of the Subject. These comparable market rate properties were built between 1998 and 2015.

Vacancy rates in the market range from zero to 5.0 percent, averaging 2.5 percent. The LIHTC comparable properties have vacancy rates ranging from zero to 4.0 percent, with

an average vacancy rate of 1.5 percent. The market rate comparables are experiencing vacancy rates ranging from 1.8 percent to 5.0 percent with an average vacancy rate of 3.2 percent.

According to the rent roll dated April 11, 2017, the Subject was 95.3 percent occupied with eight vacant units, one of which is pre-leased. According to the Subject’s developer, the Subject has operated with a total vacancy rate (including collection loss) between three and six percent over the past three years. As such, we believe the Subject will continue to operate with a physical vacancy rate of 5.0 percent or less, in line with its historical performance.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table on the following page in comparison with proposed LIHTC rents for the Subject.

<b>SUBJECT COMPARISON TO MARKET RENTS</b>					
<b>Unit Type</b>	<b>Subject’s Proposed LIHTC Rents</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>	<b>Subject Rent Advantage</b>
2 BR @50%	\$642	\$927	\$1,392	\$1,165	-45%
3 BR @50%	\$728	\$1,041	\$1,542	\$1,278	-43%
2 BR @60%	\$794	\$927	\$1,392	\$1,165	-32%
3 BR @60%	\$904	\$1,041	\$1,542	\$1,278	-29%

The Subject’s proposed net LIHTC rents are substantially below comparable average adjusted market rents, providing a significant tenant rent advantage.

Avonlea At Town Lake and The Heights At Towne Lake are the most similar market rate comparables and these properties reported occupancy rates of 97.2 and 95.4 percent, respectively. The Subject will offer a slightly inferior in-unit and property amenities relative to both of these comparables but offers a similar location, similar to slightly superior condition and larger unit sizes. The Subject’s proposed LIHTC rents below the range of rents at these comparables.

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

**8. Absorption/Stabilization**

**Estimate:**

Only one of the comparables utilized in this report was able to provide absorption information. Therefore, we have extended our search for absorption data to the greater Atlanta metropolitan area. The properties are located within a 30 mile radius of the Subject site. The following table illustrates four LIHTC and five market rate properties that were built since 2011 and were able to provide absorption information.

<b>ABSORPTION</b>					
<b>Property name</b>	<b>Type</b>	<b>Tenancy</b>	<b>Year Built</b>	<b>Number of Units</b>	<b>Units Absorbed / Month</b>
Retreat At Edgewood	LIHTC	Family	2011	100	20
Parkside At Mechanicsville	LIHTC	Family	2012	196	60
Retreat At Edgewood Phase II	LIHTC	Family	2012	40	12
Columbia Mill	LIHTC	Family	2014	100	20
Steelworks	Market	Family	2014	317	21
Station 92 At Woodstock *	Market	Family	2015	272	15
Square On Fifth	Market	Family	2015	270	45
The Haynes House	Market	Family	2015	186	12
University House	Market	Family	2015	268	30
<b>Average</b>					<b>26</b>

\*Utilized as a comparable

As illustrated, absorption rates range from 12 to 60 units per month, with an overall average of 26 units per month. Per DCA guidelines; we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations, we would expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately eight months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 95.3 percent occupied and all existing LIHTC tenants are anticipated to remain income qualified. At the time of this report an income audit was not available and it is likely that some of the tenants in the market rate units will income-qualify; however, for the purpose of the this report we have assumed all market rate units and the vacant LIHTC units will be need to reabsorbed; as such, we have assumed all of 32 market rate units and the eight vacant LIHTC units will be need to be reabsorbed, which should take approximately two months at 20 units per month.

**9. Overall Conclusion:**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed following renovations. The LIHTC comparables are performing well, with a weighted vacancy rate of 1.5 percent. Additionally, three comparable LIHTC properties maintain waiting lists.

The Subject's proposed rents are within the range of rents at the LIHTC comparables and within the range of the market rate comparables' rents and suggests that the proposed rents would be achievable in the open market.

Overall, we believe that the Subject's rents are achievable and that the Subject will offer a significant value in the market. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is higher than the current LIHTC average. We believe the Subject will be supportable following renovations and will not adversely impact other low-income housing options in the PMA.

**Summary Table:**

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

Development Name:	<b>Riverstock Apartments</b>	Total # Units:	<b>172</b>
Location:	50 Sandy Circle	# LIHTC Units:	<b>172</b>
	Woodstock, Cherokee County, GA 30188		
PMA Boundary:	North: Hickory Road, Bells Ferry Road; South: Sandy Plains Road, Shallowford Road, Blackwell Road, New Chastain Road; East: Hickory Flats Highway, Cherokee County Border; West: Bells Ferry Road		
	Farthest Boundary Distance to Subject:		<b>6.8 miles</b>

**Rental Housing Stock (found on page 49)**

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	18	3,737	86	97.7%
Market-Rate Housing	10	2,609	86	96.7%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	3	128	0	100.0%
<b>LIHTC</b>	5	1,000	13	98.7%
Stabilized Comps	18	3,737	86	97.7%
Properties in Construction & Lease Up	0	0	0	N/Ap

\*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
6	2BR at 50% AMI	1	1,167	\$642	\$1,165	\$1.00	45%	\$1,392	\$1.19
3	3BR at 50% AMI	2	1,367	\$728	\$1,278	\$0.93	43%	\$1,542	\$1.13
114	2BR at 60% AMI	1	1,167	\$794	\$1,165	\$1.00	32%	\$1,392	\$1.19
49	3BR at 60% AMI	2	1,367	\$904	\$1,278	\$0.93	29%	\$1,542	\$1.13

**Demographic Data (found on page 36)**

	2010		2016		2017	
Renter Households	8,251	17.90%	10,594	21.30%	10,885	21.40%
Income-Qualified Renter HHs (LIHTC)	1,576	19.10%	2,023	19.10%	2,079	19.10%

**Targeted Income-Qualified Renter Household Demand (found on pages 52 - 64)**

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	34	38	N/Ap	N/Ap	56
Existing Households (Overburdened + Substandard)	N/Ap	309	349	N/Ap	N/Ap	511
Homeowner conversion (Seniors)	N/Ap	0	0	N/Ap	N/Ap	0
<b>Total Primary Market Demand</b>	N/Ap	343	387	N/Ap	N/Ap	567
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
<b>Adjusted Income-qualified Renter HHs**</b>	N/Ap	343	387	N/Ap	N/Ap	<b>567</b>

**Capture Rates (found on page 64)**

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	11.70%	10.30%	N/Ap	N/Ap	7.10%

\*Includes LIHTC and unrestricted (when applicable)

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

- Project Address and Development Location:** The Subject is located at 50 Sandy Circle in Woodstock, Cherokee County, Georgia 30188.
- Construction Type:** The Subject consists of eight three-story garden-style buildings, one single-story auxiliary building that serves as a leasing office. The buildings are wood frame with brick and vinyl siding exteriors and pitched roofs. The Subject was originally constructed in 2000.
- Occupancy Type:** Family.
- Special Population Target:** None.
- Number of Units by Bedroom Type and AMI Level:** See following property profile.
- Unit Size:** See following property profile.
- Structure Type:** See following property profile.
- Rents and Utility Allowances:** See following property profile.
- Existing or Proposed Project Based Rental Assistance:** Currently, the Subject operates as a LIHTC/market rate development. Following renovations, all of the units will as LIHTC units.
- Proposed Development Amenities:** See following property profile.

Property Profile Report												
Riverstock Apartments - As Renovated												
Comp #	Subject											
Effective Rent Date	4/7/2017											
Location	50 Sandy Circle Woodstock, GA 30188 Cherokee County											
Units	172											
Vacant Units	8											
Vacancy Rate	4.7%											
Type	Garden (2 stories)											
Year Built / Renovated	2000 / Proposed											
Major Competitors	Alta Ridgewalk											
Tenant Characteristics	Mixed tenancy from Atlanta Metro area											
Contact Name	Pat/Shirly											
Phone	770.516.6919											
<b>Market</b>												
Program	LIHTC				Leasing Pace	One month						
Annual Turnover Rate	20%				Change in Rent (Past Year)	N/A						
Units/Month Absorbed	11				Concession	None						
Section 8 Tenants	2%											
<b>Utilities</b>												
A/C	not included -- central				Other Electric	not included						
Cooking	not included -- electric				Water	not included						
Water Heat	not included -- electric				Sewer	not included						
Heat	not included -- electric				Trash Collection	included						
<b>Unit Mix (face rent)</b>												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
2	1	Garden (2 stories)	6	1,167	\$642	\$0	@50%	No	0	0.0%	yes	
2	1	Garden (2 stories)	114	1,167	\$794	\$0	@60%	No	8	7.0%	yes	
3	2	Garden (2 stories)	3	1,367	\$728	\$0	@50%	Yes	0	0.0%	yes	
3	2	Garden (2 stories)	49	1,367	\$904	\$0	@60%	Yes	0	0.0%	yes	
<b>Amenities</b>												
In-Unit	Blinds Cable/Satellite/Internet Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Oven Refrigerator Walk-In Closet Washer/Dryer hookup				Security	Limited Access Patrol Perimeter Fencing						
Property	Basketball Court Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Swimming Pool				Premium	none						
Services	none				Other	none						
<b>Comments</b>												
This is a LIHTC/Market rate property proposed for LIHTC renovation.												



**Scope of Renovations:**

The Subject is a proposed renovation of an existing LIHTC/market rate development utilizing LIHTC equity. The Subject was originally constructed in 2000, and currently exhibits average to good condition. Total construction hard cost including builder profit, overhead, and contingency is estimated to be \$6,020,000, or \$35,000 per unit.

Renovations will include substantial site, interior, and exterior renovations. Renovations planned include, but are not limited to, carpet and vinyl flooring replacement, cabinet front and hardware replacement, countertop replacement (plastic laminate or granite), light fixture replacement, replacing all appliances more than one year old, replacing all water heaters more than three years old, replacing all HVAC equipment more than five years old, full plumbing fixture replacement, as well as upgrades to the community amenities and grounds.

**Current Rents:**

Based on a rent roll dated April 11, 2017, the Subject is 95.3 percent occupied. The following table details the current asking rents according to the rent roll. In addition, there are six tenants utilizing housing choice vouchers, which have been excluded from the table below.

<b>RENT ROLL ANALYSIS*</b>				
<b>Unit Type</b>	<b>Number of Units</b>	<b>Occupied Units</b>	<b>Occupancy Rate</b>	<b>Current Asking Rent</b>
<i>50% AMI</i>				
2BR/1BA	6	6	100.0%	\$663
3BR/2BA	3	3	100.0%	\$745
<i>60% AMI</i>				
2BR/1BA	90	82	91.1%	\$881
3BR/2BA	39	39	100.0%	\$1,004
<i>Market Rate</i>				
2BR/1BA	22	22	100.0%	\$850
3BR/2BA	10	10	100.0%	\$950
<i>Employee Unit</i>				
2BR/1BA	2	2	100.0%	N/A
<b>Total</b>	<b>172</b>	<b>164</b>	<b>95.3%</b>	

\*Effective 4/11/2017

**Current Occupancy:**

According to the rent roll dated April 11, 2017, the Subject was 95.3 percent occupied with eight vacant units, one of which is pre-leased. According to the Subject’s developer,

the Subject has operated with a total vacancy rate (including collection loss) between three and six percent over the past three years.

**Current Tenant Income:**

A tenant income audit was not available as of the date of this report. The Subject's income limits will range from \$26,057 to \$43,740 annually. According to the developer, all existing LIHTC tenants are expected to income-qualify to reside at the Subject post-renovation. In addition, according the developer, most of the market rate tenants will likely income qualify to continue to reside at the Subject; however, for demand purposes, we have assumed all market rate units will need to be reabsorbed.

**Placed in Service Date:**

The renovation of the Subject is expected to be completed by December 2017.

**Conclusion:**

Following renovations, the Subject will continue to offer 172 garden-style units in eight residential buildings. The Subject will be of good quality following renovations and will be comparable to most of the inventory in the Woodstock area. The renovations will be substantial and are expected to total approximately \$35,000 per unit. Based on our inspection of the Subject ground and units, the Subject does not suffer from significant deferred maintenance, functional obsolescence, or physical obsolescence.

## **C. SITE EVALUATION**

## SITE EVALUATION

**1. Date of Site Visit and  
Name of Site Inspector:**

Talia Gbolahan last visited the site on August 9, 2016.

**2. Physical Features of the Site:**

The following illustrates the physical features of the site.

*Frontage:*

The Subject site has frontage along the east and west sides of Sandy Circle.

*Visibility/Views:*

The Subject has good visibility from the east and west sides of Sandy Circle. Views east of the subject consist of Whispering Trace Apartments, a townhouse-style LIHTC property in average condition. Views to the south are of undeveloped wooded land. Views to the west are of the Woodstock Waste Water Treatment Center in good condition and Allen Temple AME Church in good condition. Views to the north consist of the William G. Long Senior Center in good condition and the Woodstock Fire Department in good condition. Views to the northwest consist of single-family homes in average condition.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



Surrounding uses consist of single-family homes, a townhouse-style LIHTC development, wooded areas, undeveloped land, houses of worship, and scattered commercial/retail uses. The Subject site is located in central Woodstock. There are a number of commercial/retail uses in the Subject’s neighborhood with the majority located along major arterials such as Arnold Mill Road, located adjacent to the north of the Subject, and Main Street, located 0.5 miles west of the Subject. The Subject is considered “somewhat walkable” by Walkscore.com with a rating of 53. The Subject site is considered a desirable location for family rental housing. The site has reasonable proximity to locational amenities.

*Positive/Negative Attributes of Site:* The Subject’s proximity to retail and other locational amenities as well as its surrounding uses, which are in

average to good condition, are considered positive attributes. The Subject is located adjacent to the Woodstock Waste Water Treatment Center, which is considered a negative attribute. However, given the wooded area, there are limited views of the Water Treatment Center from the Subject site in addition to the Subject's strong historical performance, there should not be a significant impact on the Subject.

**3. Physical Proximity to Locational Amenities:**

The Subject is located within 2.0 miles of most locational amenities, with the exception of a hospital, which is located within 9.4 miles of the Subject. An aerial photograph of the Subject is below.



4. Pictures of Site and Adjacent Uses:



View of the Subject



View of the Subject



View of the Subject



View of the Subject



Community building



Manager's office



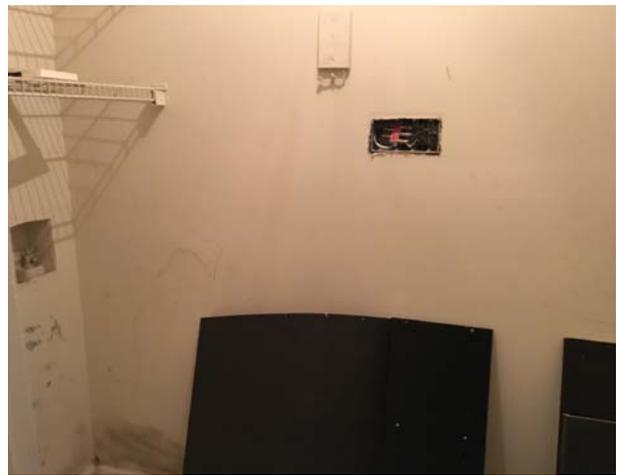
Exterior stairway



Typical bedroom



Typical bathroom



Washer/dryer connections



Typical bedroom



Typical kitchen



Typical living room



Typical kitchen



Typical bathroom



Typical bedroom



Water treatment facility east of Subject



Retail uses in Subject's neighborhood



Senior center north of Subject



Gas station northwest of Subject



Fire station northeast of Subject



House of worship in the Subject's neighborhood



View along Arnold Mill Road to the east

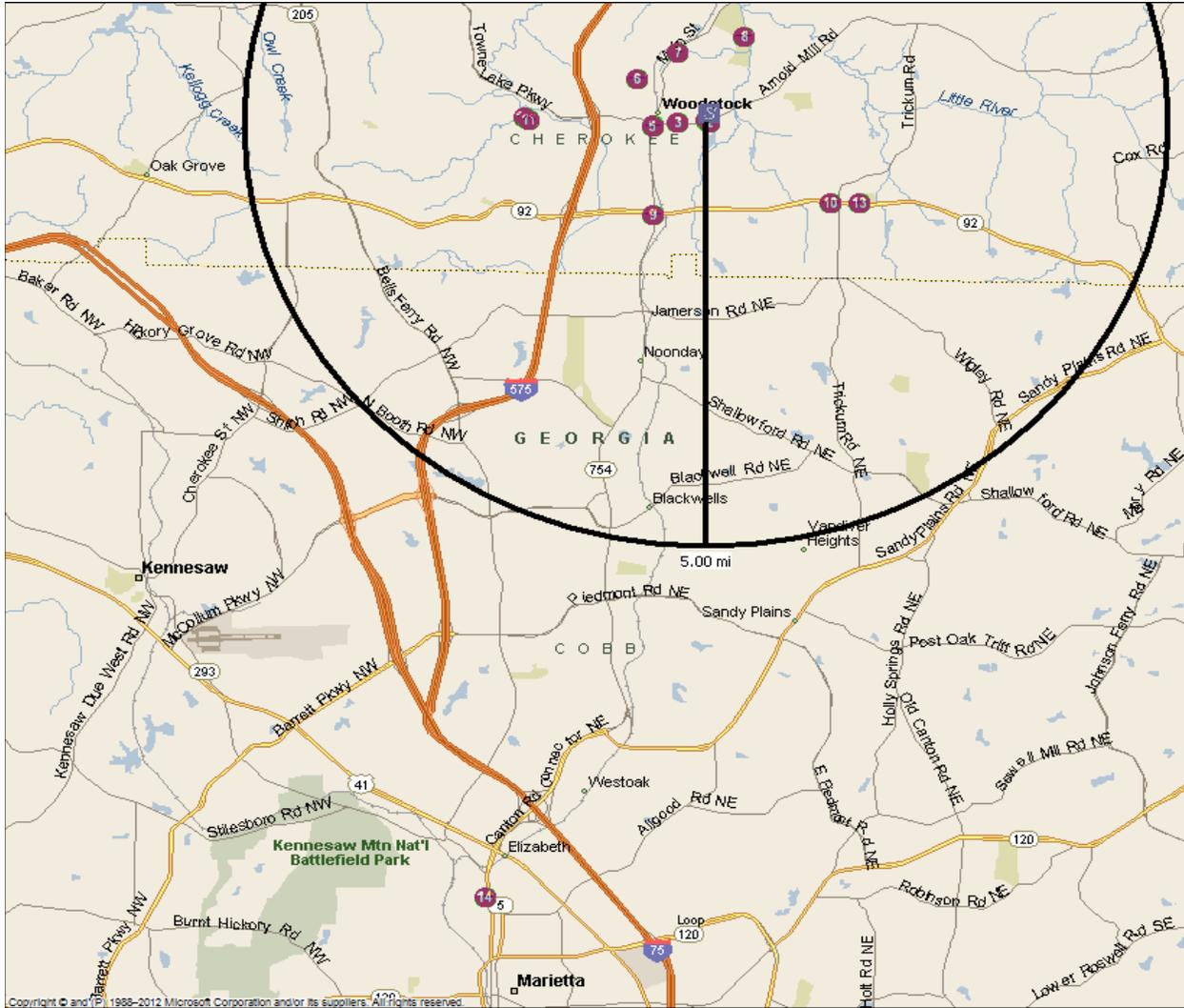


View along Arnold Mill Road to the west

**5. Proximity to Locational Amenities:**

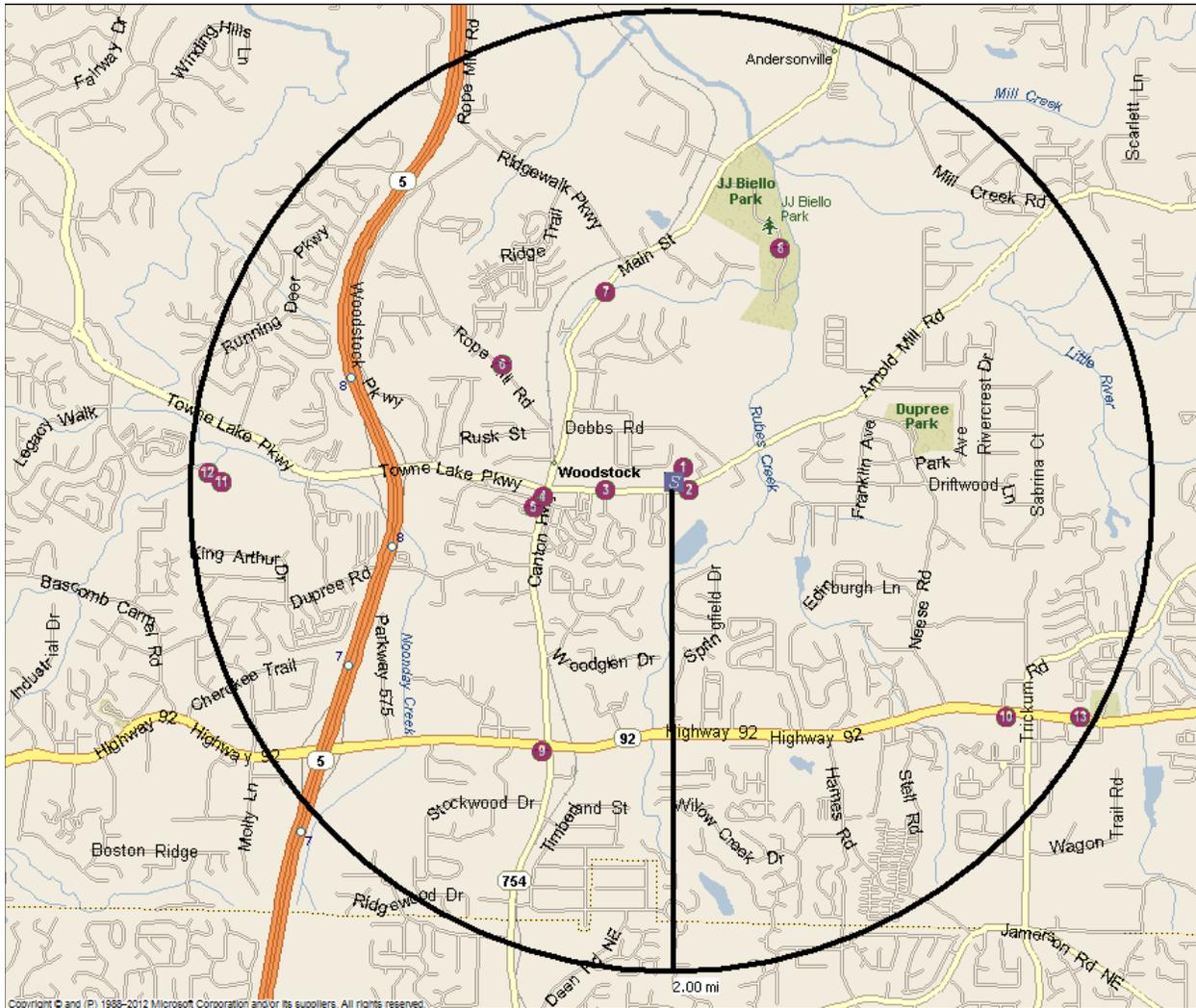
The following maps and tables detail the Subject’s distance from key locational amenities.

**Locational Amenities Map I**



LOCAL AMENITIES					
Map #	Amenity or Service	Distance	Map #	Amenity or Service	Distance
1	Woodstock Fire Department	0.1 miles	8	JJ Biello Park	1.1 miles
2	Chevron Gas Station	0.1 miles	9	Regions Bank	1.2 miles
3	Woodstock Community Center	0.2 miles	10	Kroger Grocery Store	1.7 miles
4	U.S. Post Office	0.5 miles	11	Woodstock High School	1.8 miles
5	Woodstock Pharmacy	0.5 miles	12	Woodstock Middle School	1.9 miles
6	Woodstock Elementary School	0.8 miles	13	Woodstock Police Department	2.0 miles
7	Woodstock Public Library	0.9 miles	14	Wellstar Kennestone Regional Medical Center	9.4 miles

Locational Amenities Map II



LOCAL AMENITIES					
Map #	Amenity or Service	Distance	Map #	Amenity or Service	Distance
1	Woodstock Fire Department	0.1 miles	8	JJ Biello Park	1.1 miles
2	Chevron Gas Station	0.1 miles	9	Regions Bank	1.2 miles
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6	Woodstock Elementary School	0.8 miles	13	Woodstock Police Department	2.0 miles
7	Woodstock Public Library	0.9 miles	14	Wellstar Kennestone Regional Medical Center	9.4 miles

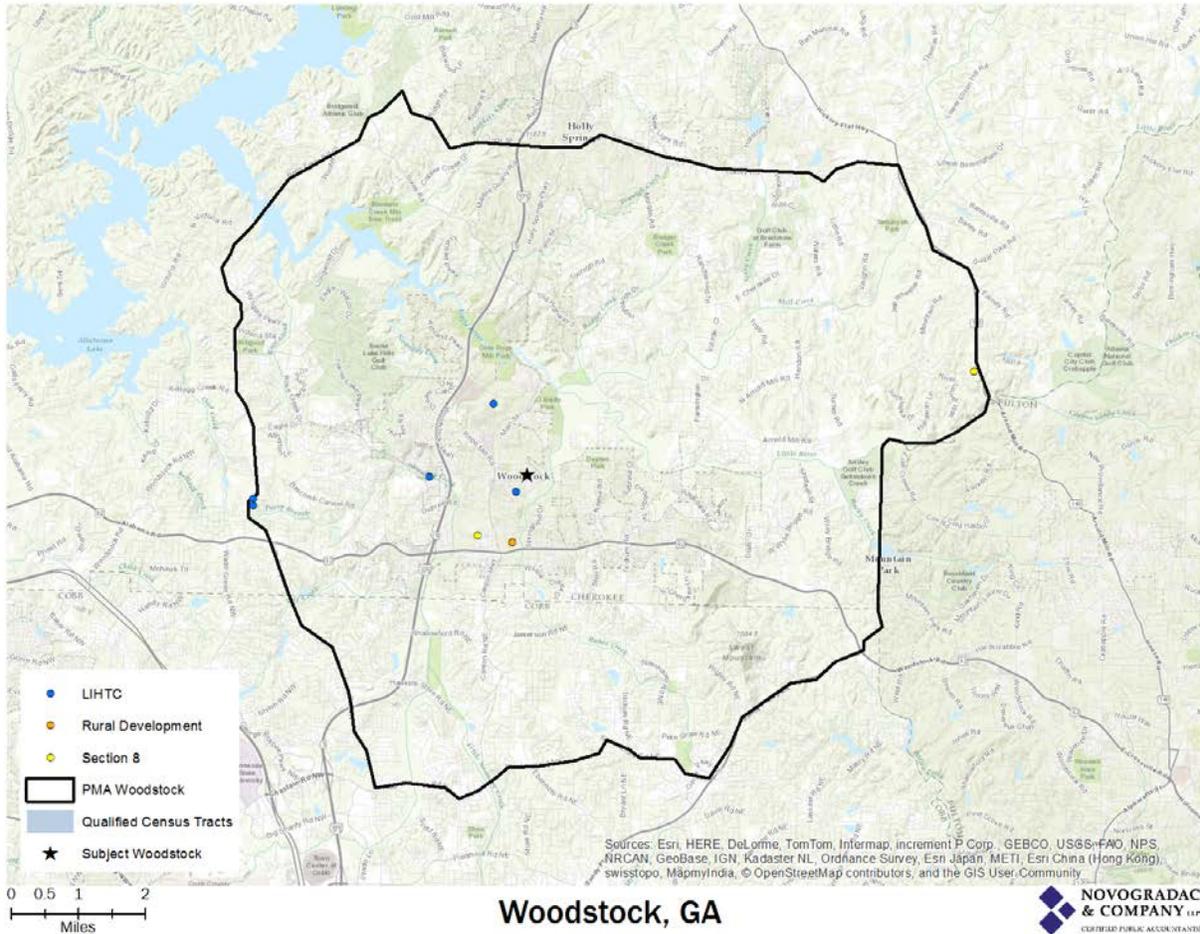
**6. Description of Land Uses:**

The Subject is accessed by Sandy Circle via Arnold Mill Road to the north. Surrounding uses predominantly consist of single-family homes, a townhouse-style LIHTC development, undeveloped vacant land, houses of worship, and scattered commercial/retail uses. Land use to the east consists of Whispering Trace Apartments, a townhouse-style LIHTC development in average condition. This development was not used as a comparable in this report as it offers only three-bedroom townhouse-style units and is in inferior condition. Land use to the north consists of the William G. Long Senior Center, the Woodstock Fire Department, and single-family homes. Land use to the west consists of the Woodstock Waste Water Treatment Center and the Allen Temple AME Church. Land use to the south consists of vacant wooded land followed by single-family homes. The Subject is located in the central portion of Woodstock. There are a number of commercial/retail uses in the Subject's neighborhood with the majority located along major arterials such as Arnold Mill Road, located adjacent to the north of the Subject, and Main Street, located 0.5 miles west of the Subject. The Subject is considered "somewhat walkable" by Walkscore.com with a rating of 53. Overall, the Subject has a desirable location for multifamily housing. The Subject site is considered a desirable location for family rental housing. The uses surrounding the Subject are in average to good condition and the site has reasonable proximity to locational amenities.

**7. Existing Assisted Rental Housing**

**Property Map:**

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



RENT ASSISTED PROPERTIES IN PMA									
Property Name	Address	City	State	Zip Code	Rent Structure	Tenancy	Map Color	Included/ Excluded	Reason for Exclusion
Cherokee Summit	5920 Bells Ferry Road	Acworth	GA	30102	LIHTC	Family	Blue	Excluded	N/A
Whispering Trace	133 Bentley Parkway	Woodstock	GA	30188	LIHTC	Family	Blue	Excluded	Inferior unit mix
Alta Ridgewalk	1 Elena Way	Woodstock	GA	30188	LIHTC/Market	Family	Blue	Included	N/A
Hearthside Towne Lake	900 Towne Lake Parkway	Woodstock	GA	30189	LIHTC/Market	Senior	Blue	Excluded	Senior
The Peaks Of Bells Ferry	100 Peaks Ridge	Acworth	GA	30102	LIHTC/Market	Family	Blue	Included	N/A
Colbert Square	211 Woodpark Pl	Woodstock	GA	30188	Section 8	Senior	Yellow	Excluded	Subsidized/Senior
CRS Grimes Road, Inc.	255 Grimes Road	Woodstock	GA	30189	Section 8	Family	Yellow	Excluded	Subsidized
Laurelwood Apartments	106 Meadow Street	Woodstock	GA	30188	Rural Development	Family	Orange	Excluded	Subsidized

**8. Road/Infrastructure**

**Proposed Improvements:**

We did not witness any road/infrastructure improvements during our field work.

**9. Access, Ingress/Egress and Visibility of Site:**

The Subject is accessible from Sandy Circle via Arnold Mill Road adjacent to the north. Arnold Mill Road is an east/west arterial that provides access to Interstate 575 approximately 1.1 miles west of the Subject. Interstate 575 is a north/south traversing highway that provides access to Canton approximately 8.2 miles to the north of the Subject and to Interstate 75 approximately 8.1 miles to the south. Interstate 75 provides access to Atlanta to the south and Chattanooga to the north. Overall access is considered good and traffic flow is considered moderate. The Subject has good visibility from the east and west sides of Sandy Circle.

**10. Environmental Concerns:**

None visible upon site inspection. However, we are not experts within this field and cannot further opine. We assume that any environmental issues will be remediated as part of the rehabilitation process.

**11. Conclusion:**

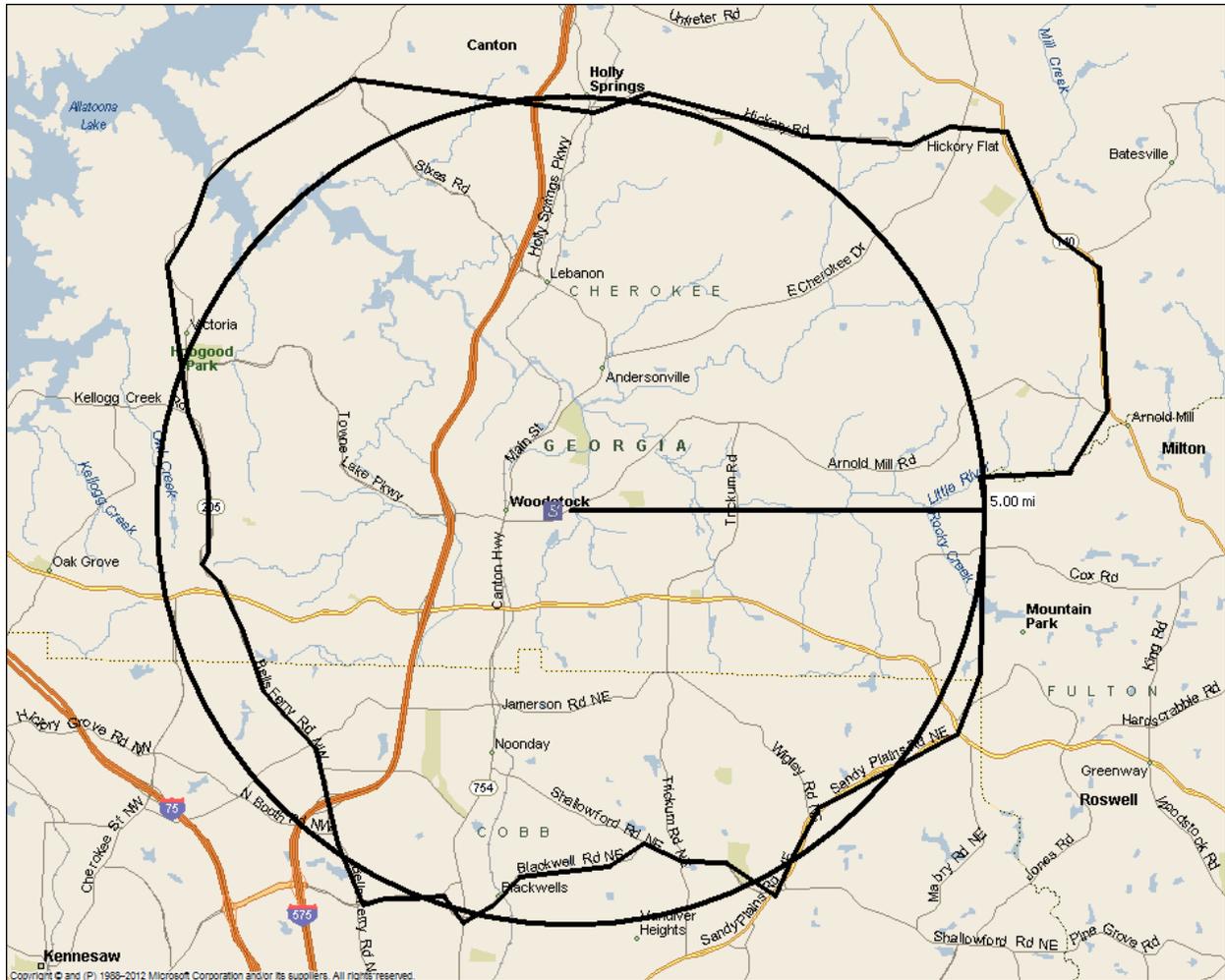
The Subject is accessed by Sandy Circle via Arnold Mill Road to the north. Surrounding uses predominantly consist of single-family homes, a townhouse-style LIHTC development, undeveloped vacant land, houses of worship, and scattered commercial/retail uses. Overall, the Subject has a desirable location for multifamily housing. The Subject site is considered a desirable location for family rental housing. The uses surrounding the Subject are in average to good condition and the site has reasonable proximity to locational amenities.

## **D. MARKET AREA**

**PRIMARY MARKET AREA**

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

**Primary Market Area Map**



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

The boundaries of the PMA are as follows:

North – Hickory Road and Bells Ferry Road

East – Hickory Flat Highway and Cherokee County Border

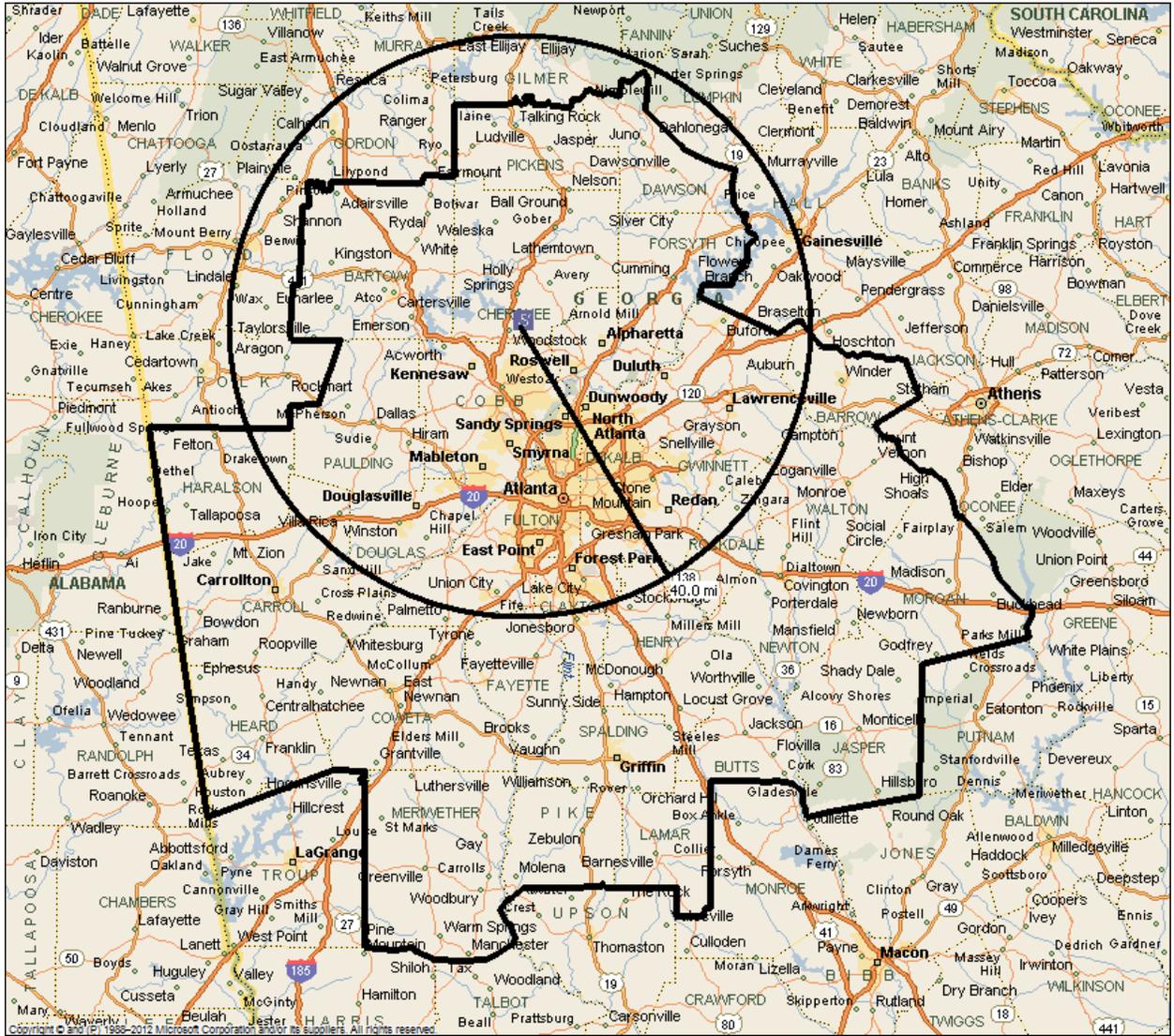
South – Sandy Plains Road, Shallowford Road, Blackwell Road, and New Chastain Road

West – Bells Ferry Road

As a larger town in a semi-rural area, it is reasonable to assume that Woodstock will attract tenants from beyond its city limits, which was confirmed by the Subject's property manager. Correspondingly, the primary market area generally consists of a portion of the cities of Woodstock, Canton, Marietta, Kennesaw, and Acworth, in the northern portion of the Atlanta metropolitan area, and was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager, as well as based on our knowledge of the area. We have estimated that approximately 15 percent of the Subject's tenants originate from outside these boundaries. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2016 market study guidelines, we have not accounted for leakage in our *Demand Analysis* found later in this report. The furthest PMA boundary from the Subject is 6.8 miles.

For comparison purposes, the secondary market area (SMA) for the Subject is considered to be the Atlanta-Sandy Springs-Roswell, Georgia Metropolitan Statistical Area (MSA), which consists of Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Morgan, Newton, Paulding, Pickens, Pike, Rockdale, Spalding and Walton Counties. Following is a map of the SMA.

SMA Map



## **E. COMMUNITY DEMOGRAPHIC DATA**

**COMMUNITY DEMOGRAPHIC DATA**

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

**1. Population Trends**

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

<b>TOTAL POPULATION</b>						
<b>Year</b>	<b>PMA</b>		<b>Atlanta-Sandy Springs-Roswell, GA MSA</b>		<b>USA</b>	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	106,046	-	4,263,438	-	281,421,906	-
2010	129,307	2.2%	5,286,728	2.4%	308,745,538	1.0%
2016	140,406	1.4%	5,665,958	1.1%	323,580,626	0.8%
Projected Mkt Entry	143,723	1.7%	5,778,541	1.4%	327,475,182	0.8%
2021	152,114	1.7%	6,063,308	1.4%	337,326,118	0.8%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 4/2017

<b>NUMBER OF ELDERLY AND NON-ELDERLY</b>						
<b>Year</b>	<b>PMA</b>			<b>MSA</b>		
	<i>Total Population</i>	<i>Non-Elderly</i>	<i>Elderly (65+)</i>	<i>Total Population</i>	<i>Non-Elderly</i>	<i>Elderly (65+)</i>
2000	106,046	100,823	5,223	4,263,438	3,934,848	328,590
2010	129,307	118,619	10,688	5,286,728	4,812,201	474,527
2016	140,410	124,426	15,984	5,665,958	5,040,088	625,870
Projected Mkt Entry	143,726	126,150	17,576	5,778,541	5,108,819	669,721
2021	152,114	130,510	21,604	6,063,308	5,282,669	780,639

Source: ESRI Demographics 2016, Novogradac & Company LLP, 4/2017

POPULATION BY AGE GROUP					
PMA					
Age Cohort	2000	2010	2016	Projected Mkt Entry	2021
0-4	8,639	8,695	8,754	8,901	9,272
5-9	9,049	9,964	9,576	9,588	9,617
10-14	9,192	10,163	10,601	10,580	10,528
15-19	7,430	9,287	9,395	9,560	9,978
20-24	4,763	6,894	8,051	7,912	7,559
25-29	6,617	7,306	9,256	9,249	9,233
30-34	9,280	8,489	8,962	9,681	11,500
35-39	11,078	10,233	9,273	9,719	10,847
40-44	10,871	10,674	10,425	10,360	10,195
45-49	9,072	11,202	10,644	10,562	10,355
50-54	7,587	10,293	10,966	10,914	10,784
55-59	4,538	8,433	10,262	10,410	10,786
60-64	2,707	6,986	8,261	8,713	9,856
65-69	1,819	4,314	6,846	7,177	8,013
70-74	1,389	2,601	4,199	4,831	6,431
75-79	1,038	1,686	2,413	2,792	3,751
80-84	559	1,176	1,349	1,518	1,946
85+	418	911	1,177	1,258	1,463
<b>Total</b>	<b>106,046</b>	<b>129,307</b>	<b>140,410</b>	<b>143,726</b>	<b>152,114</b>

Source: ESRI Demographics 2016, Novogradac & Company LLP, 4/2017

Total population in the PMA is projected to increase at a 1.7 percent annual rate from 2016 to 2021 while the MSA is projected to increase at a 1.4 percent annual rate. The PMA and MSA are expected to outpace the national population growth during the same time period. In 2016, the largest age cohort in the PMA was between the ages of 50 and 54, at 7.8 percent of the population, though by 2021 the largest will be those aged 30 to 34 at 7.6 percent. In 2016, 48.1 percent of the PMA's population is between the ages of 20 and 54, which is the main age range of most tenants at the Subject currently.

## 2. Household Trends

### 2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	35,997	-	1,559,712	-	105,480,101	-
2010	46,177	2.8%	1,943,885	2.5%	116,716,292	1.1%
2016	49,743	1.2%	2,065,785	1.0%	121,786,233	0.7%
Mkt Entry	50,852	1.6%	2,104,236	1.3%	123,176,843	0.8%
2021	53,657	1.6%	2,201,496	1.3%	126,694,268	0.8%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 4/2017

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.94	-	2.68	-	2.59	-
2010	2.80	-0.5%	2.68	0.0%	2.58	-0.1%
2016	2.82	0.1%	2.70	0.1%	2.59	0.1%
Mkt Entry	2.82	0.1%	2.71	0.1%	2.59	0.1%
2021	2.83	0.1%	2.72	0.1%	2.60	0.1%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 4/2017

As the previous table illustrates, the PMA was an area with an increasing number of households from 2000 through 2016, a trend that is expected to continue through 2021. The number of households in the MSA is expected to increase at a slightly slower rate compared with the PMA and a faster rate than the nation. The increasing number of households in the PMA bodes well for the Subject.

The average household size in the PMA, at 2.82 persons, is slightly larger than the average household sizes in the MSA and nation. The Subject offers two and three-bedroom units targeted to singles, couples, and families. The average household size in the PMA is appropriate for the Subject's unit mix.

## 2b. Households by Tenure

The following tables depict household growth by tenure from 2000 through 2021.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	37,926	82.1%	8,251	17.9%
2016	39,149	78.7%	10,594	21.3%
Projected Market Entry	39,967	78.6%	10,885	21.4%
2021	42,037	78.3%	11,620	21.7%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 4/2017

TENURE PATTERNS MSA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	1,285,066	66.1%	658,819	33.9%
2016	1,282,688	62.1%	783,097	37.9%
Projected Market Entry	1,306,049	62.1%	798,187	37.9%
2021	1,365,140	62.0%	836,356	38.0%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 4/2017

The share of renter households is below the share of owner households in both the PMA and MSA. The number and percentage of renter-occupied units in the PMA and MSA are expected to increase through 2021.

## 2c. Households by Income

The following table depicts household income in 2010, 2016, market entry, and 2021 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA								
Income Cohort	2010		2016		Projected Mkt Entry		2021	
	#	%	#	%	#	%	#	%
\$0-9,999	1,193	2.6%	1,220	2.5%	1,219	2.4%	1,217	2.3%
\$10,000-19,999	2,494	5.4%	2,611	5.2%	2,535	5.0%	2,343	4.4%
\$20,000-29,999	2,811	6.1%	3,355	6.7%	3,350	6.6%	3,335	6.2%
\$30,000-39,999	3,502	7.6%	3,510	7.1%	3,487	6.9%	3,428	6.4%
\$40,000-49,999	3,799	8.2%	3,895	7.8%	3,828	7.5%	3,658	6.8%
\$50,000-59,999	3,771	8.2%	3,319	6.7%	3,396	6.7%	3,589	6.7%
\$60,000-74,999	5,640	12.2%	5,201	10.5%	5,181	10.2%	5,130	9.6%
\$75,000-99,999	7,370	16.0%	7,627	15.3%	7,693	15.1%	7,860	14.6%
\$100,000-124,999	5,360	11.6%	6,023	12.1%	6,159	12.1%	6,503	12.1%
\$125,000-149,999	3,761	8.1%	4,493	9.0%	4,680	9.2%	5,154	9.6%
\$150,000-199,999	3,793	8.2%	4,363	8.8%	4,696	9.2%	5,538	10.3%
\$200,000+	2,682	5.8%	4,126	8.3%	4,629	9.1%	5,901	11.0%
<b>Total</b>	<b>46,177</b>	<b>100.0%</b>	<b>49,743</b>	<b>100.0%</b>	<b>50,852</b>	<b>100.0%</b>	<b>53,657</b>	<b>100.0%</b>

Source: Ribbon Demographics 2014, Novogradac & Company LLP, 4/2017

In 2016, households earning under \$40,000 in the PMA comprise 21.5 percent of all income cohorts. The Subject will target households earning \$26,057 to \$43,740 under the LIHTC program; therefore, the Subject is well positioned to continue to service this market. It should be noted that the area four-person median income (AMI) in Cherokee County, GA has declined from \$69,300 in 2012 to \$67,500 in 2016. The total decline of approximately 2.6 percent is due to the AMI being based on five years' worth of historical ACS survey data, which currently includes the final year of the recent national recession.

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

The following table illustrates the number of persons per household among renter households.

<b>RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA</b>										
	2000		2010		2016		Mkt Entry		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	939	20.7%	2,211	26.8%	2,960	27.9%	3,067	28.2%	3,337	28.7%
With 2 Persons	1,291	28.5%	2,280	27.6%	2,793	26.4%	2,840	26.1%	2,960	25.5%
With 3 Persons	855	18.9%	1,411	17.1%	1,891	17.9%	1,949	17.9%	2,094	18.0%
With 4 Persons	759	16.7%	1,155	14.0%	1,443	13.6%	1,484	13.6%	1,590	13.7%
With 5+ Persons	688	15.2%	1,195	14.5%	1,507	14.2%	1,544	14.2%	1,639	14.1%
<b>Total Renter Households</b>	<b>4,532</b>	<b>100.0%</b>	<b>8,251</b>	<b>100.0%</b>	<b>10,594</b>	<b>100.0%</b>	<b>10,885</b>	<b>100.0%</b>	<b>11,620</b>	<b>100.0%</b>

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

As of 2016, the household size with the largest percentage of households is one person households, followed by two person households. The Subject will continue to offer two and three-bedroom units post-renovation, so this large percentage bodes well for the proposed Subject.

**Conclusion**

Total population in the PMA and MSA are projected to increase at a 1.7 and 1.4 percent annual rate, respectively, from 2016 to 2021. The PMA and MSA are expected to outpace the national population growth during the same time period. The share of renter-occupied units in the PMA is lower than in the MSA. It should be noted that the percentage of renter-occupied units in the PMA is expected to increase by 1.0 percent through 2021.

Households earning under \$40,000 in the PMA comprise 21.5 percent of all income cohorts. The Subject will target households earning \$26,057 to \$43,740 under the LIHTC program; therefore, the Subject is well positioned to continue to service this market. Overall, the demographic data points to a growing population with several households within the income band that the Subject would target under the LIHTC program.

## **F. EMPLOYMENT TRENDS**

## EMPLOYMENT TRENDS

The Atlanta-Sandy Springs-Roswell, Georgia MSA is comprised of Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Morgan, Newton, Paulding, Pickens, Pike, Rockdale, Spalding and Walton Counties. Woodstock is located in southern Cherokee County, approximately 25 miles northwest of Atlanta in northern Georgia. Woodstock has good access to major interstates, including Interstate 575, which connects to Interstate 75 approximately 7.2 miles northwest of Woodstock. Interstate 75 provides access to Atlanta to the south and Chattanooga to the north.

### 1. Total Jobs

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

Total Jobs in Cherokee County, Georgia		
Year	Total Employment	% Change
2006	100,633	-
2007	105,748	4.8%
2008	106,486	0.7%
2009	100,467	-6.0%
2010	102,687	2.2%
2011	104,542	1.8%
2012	106,938	2.2%
2013	108,641	1.6%
2014	111,575	2.6%
2015	113,989	2.1%
<b>2016 YTD Average</b>	<b>117,936</b>	<b>11.4%</b>
Dec-15	115,502	-
Dec-16	120,623	4.2%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2016

Total employment in Cherokee County has increased from 2010 through December of 2016. However, total employment decreased in Cherokee County from 2008 through 2009, which can be attributed to the recent national recession. The total employment, as of December 2016, is above the pre-recession levels.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Cherokee County as of January 2017, the most recent data available.

<b>Covered Employment Cherokee County, Georgia</b>		
	<b>Number</b>	<b>Percent</b>
<b>Total, all industries</b>	<b>48,178</b>	-
<b>Goods-producing</b>	-	-
Natural resources and mining	<b>178</b>	0.4%
Construction	<b>4,391</b>	9.1%
Manufacturing	<b>4,520</b>	9.4%
<b>Service-providing</b>	-	-
Trade, transportation, and utilities	<b>12,631</b>	26.2%
Information	<b>597</b>	1.2%
Financial activities	<b>2,196</b>	4.6%
Professional and business services	<b>5,829</b>	12.1%
Education and health services	<b>7,114</b>	14.8%
Leisure and hospitality	<b>8,495</b>	17.6%
Other services	<b>1,870</b>	3.9%
Unclassified	<b>357</b>	0.7%

Source: Bureau of Labor Statistics, January 2017

Trade, transportation, and utilities, leisure and hospitality, and education and health services represent the largest percentages of total employment in Cherokee County. The leisure and hospitality industry is somewhat vulnerable in economic downturns and is a historically volatile industry, while education and health services and trade, transportation, and utilities are typically more stable industries. Other significant employment sectors include professional and business services, as well as manufacturing.

2016 EMPLOYMENT BY INDUSTRY				
Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Retail Trade	8,705	14.0%	17,169,304	11.3%
Health Care/Social Assistance	6,340	10.2%	21,304,508	14.1%
Prof/Scientific/Tech Services	6,199	10.0%	10,269,978	6.8%
Educational Services	5,780	9.3%	14,359,370	9.5%
Construction	4,833	7.8%	9,342,539	6.2%
Finance/Insurance	3,828	6.2%	6,942,986	4.6%
Manufacturing	3,662	5.9%	15,499,826	10.2%
Accommodation/Food Services	3,420	5.5%	11,574,403	7.6%
Other Services (excl Publ Adm)	3,237	5.2%	7,463,834	4.9%
Wholesale Trade	3,018	4.9%	4,066,471	2.7%
Admin/Support/Waste Mgmt Srvcs	2,908	4.7%	6,511,707	4.3%
Information	2,395	3.9%	2,862,063	1.9%
Transportation/Warehousing	2,132	3.4%	6,128,217	4.0%
Public Administration	1,841	3.0%	7,093,689	4.7%
Real Estate/Rental/Leasing	1,542	2.5%	2,946,196	1.9%
Arts/Entertainment/Recreation	1,314	2.1%	3,416,474	2.3%
Utilities	421	0.7%	1,344,219	0.9%
Mgmt of Companies/Enterprises	300	0.5%	89,612	0.1%
Agric/Forestry/Fishing/Hunting	130	0.2%	2,253,044	1.5%
Mining	33	0.1%	749,242	0.5%
<b>Total Employment</b>	<b>62,038</b>	<b>100.0%</b>	<b>151,387,682</b>	<b>100.0%</b>

Source: ESRI Demographics 2016, Novogradac & Company LLP, 4/2017

The PMA's leading industries include retail trade, health care/social assistance, and professional/scientific/technical services. Together, these three industries make up 34.2 percent of total employment in the PMA. Compared to the nation, the PMA is overly represented in sectors such as professional/scientific/technical services, retail trade, and wholesale trade, and underrepresented in the manufacturing, health care/social assistance, and accommodation/food services sectors. Overall, the mix of industries in the local economy indicates a relatively diversified work force.

### 3. Major Employers

The following table is a list of the top employers in Cherokee County, Georgia.

<b>MAJOR EMPLOYERS - CHEROKEE COUNTY, GEORGIA</b>	
<b>Employer</b>	<b># of Employees</b>
Cherokee County School District	4,500
Northside Hospital-Cherokee	2,000
Pilgrims Pride Corporation	835
Chart Industries, Inc.	552
Inalfa Roof Systems	268
Universal Alloy Corporation	260
Belnick, Inc.	250
Piolax Corporation	250
Roytec Industries	250
Meyn America, Inc.	225
Hydro-Chem	161
L.A.T. Sportswear, Inc.	104
International Thermocast Corp.	100
ERB Industries, Inc.	95
Kirk-Rudy, Inc.	95
Schoen Insulation Services, Inc.	85
Playnation Play Systems Inc.	85
Morrison Products, Inc.	75
Pillow Perfect, Inc.	70
Awnex, Inc.	70
Transtech Corporation, Inc.	65
Nor-Ral Composite Solutions	55

Source: Cherokee County Georgia Economic Development, 4/2017

As indicated in the table above, the major employers in Cherokee County are varied and represent a wide range of industries. The largest employer in Cherokee County is Cherokee County School District, which has 4,500 employees.

#### **Employment Expansion/Contractions**

According to Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) filings, the PMA experienced no layoffs in 2015, 2016, or year-to-date 2017.

#### **Woodstock Economic Development**

We spoke with Brian Stockton, Director of the Woodstock Office of Economic Development, and he indicated that the economy in Woodstock has been strong. A new Sam's Club opened in December 2015, an outlet mall gained six new retailers, four of which are open as of August 2016, and City Church opened in February 2017. Mr. Stockton was unable to provide specific information regarding businesses that have closed within the past year; however, he indicated that two small businesses had closed downtown in 2016, but the two vacant spaces were immediately filled with new businesses. Mr. Stockton was unaware of any business expansions or layoffs. In addition, 158 new business inspections were completed in January 2017. According

to Mr. Stockton, the city of Woodstock does not have a large corporate business base. Corporate retail and small independently owned retail establishments make up the majority of businesses in Woodstock.

#### 4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and nation from 2002 to March 2017.

**EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

Year	<u>Atlanta-Sandy Springs-Roswell, GA MSA</u>				<u>USA</u>			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	2,324,880	-	5.0%	-	136,933,000	-	4.7%	-
2003	2,347,173	1.0%	4.9%	-0.2%	136,485,000	-0.3%	5.8%	1.1%
2004	2,382,163	1.5%	4.8%	-0.1%	137,736,000	0.9%	6.0%	0.2%
2005	2,445,674	2.7%	5.4%	0.6%	139,252,000	1.1%	5.5%	-0.5%
2006	2,538,141	3.8%	4.7%	-0.7%	141,730,000	1.8%	5.1%	-0.4%
2007	2,618,825	3.2%	4.4%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2008	2,606,822	-0.5%	6.2%	1.7%	146,047,000	1.1%	4.6%	0.0%
2009	2,452,057	-5.9%	9.9%	3.8%	145,362,000	-0.5%	5.8%	1.2%
2010	2,440,037	-0.5%	10.3%	0.4%	139,877,000	-3.8%	9.3%	3.5%
2011	2,486,895	1.9%	9.9%	-0.4%	139,064,000	-0.6%	9.6%	0.3%
2012	2,546,478	2.4%	8.8%	-1.1%	139,869,000	0.6%	8.9%	-0.7%
2013	2,574,339	1.1%	7.8%	-1.0%	142,469,000	1.9%	8.1%	-0.8%
2014	2,619,867	1.8%	6.7%	-1.1%	143,929,000	1.0%	7.4%	-0.7%
2015	2,677,863	2.2%	5.6%	-1.2%	146,305,000	1.7%	6.2%	-1.2%
2016 YTD Average*	2,770,683	3.5%	5.0%	-0.6%	151,435,833	3.5%	4.9%	-1.3%
Dec-2015	2,716,023	-	4.8%	-	149,703,000	-	4.8%	-
Dec-2016	2,834,631	4.4%	5.0%	0.2%	151,798,000	1.4%	4.5%	-0.3%

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

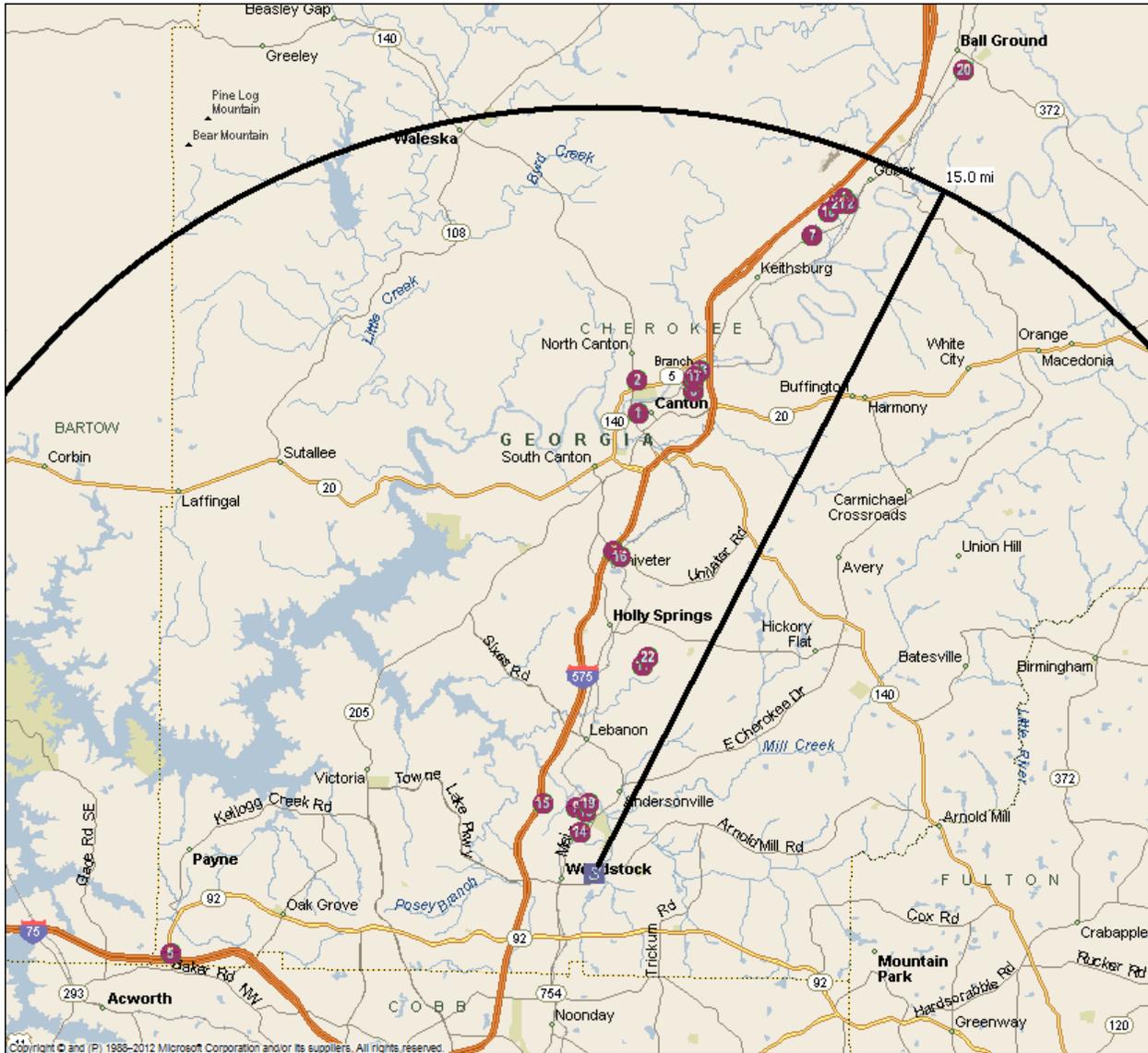
\*2016 data is through Mar

Total employment in the MSA increased from 2003 to 2007; however, decreased from 2008 to 2010 as a result of the national economic recession. Total employment in the MSA exceeded pre-recessionary levels in 2014 and has continued to increase through 2016 year-to-date. From December 2015 to December 2016, total employment in the MSA increased 4.4 percent compared to an increase of 1.5 percent nationally.

The unemployment rate in the MSA peaked at 10.3 percent in 2010, and has been declining each subsequent year. From December 2015 to December 2016, the unemployment rate in the MSA increased by 20 basis points to 5.0 percent, while the national unemployment rate decreased by 30 basis points to 4.5 percent. Overall, it appears that the MSA was impacted by the recent national recession; however, has fully recovered and is currently in a state of growth.

### 5. Map of Site and Major Employment Concentrations

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



MAJOR EMPLOYERS - CHEROKEE COUNTY, GEORGIA			
Map #	Employer	Industry	Location
1	Cherokee County School District	Education	Canton
2	Northside Hospital-Cherokee	Healthcare	Canton
3	Pilgrims Pride Corporation	Manufacturing	Canton
4	Chart Industries, Inc.	Manufacturing	Ball Ground
5	Inalfa Roof Systems	Automotive	Acworth
6	Universal Alloy Corporation	Manufacturing	Canton
7	Belnick, Inc.	Distribution	Canton
8	Piolar Corporation	Automotive	Canton
9	Roytec Industries	Electrical	Woodstock
10	Meyn America, Inc.	Manufacturing	Ball Ground

11	Hydro-Chem	Engineering	Canton
12	L.A.T. Sportswear, Inc.	Apparel	Ball Ground
13	International Thermocast Corp.	Manufacturing	Woodstock
14	ERB Industries, Inc.	Manufacturing	Woodstock
15	Kirk-Rudy, Inc.	Paper Solutions	Woodstock
16	Schoen Insulation Services, Inc.	Manufacturing	Canton
17	Playnation Play Systems Inc.	Manufacturing	Canton
18	Morrison Products, Inc.	Manufacturing	Canton
19	Pillow Perfect, Inc.	Manufacturing	Woodstock
20	Awnex, Inc.	Awnings	Ball Ground
21	Transtechnik Corporation, Inc.	Manufacturing	Ball Ground
22	Nor-Ral Composite Solutions	Manufacturing	Canton

Source: Cherokee County Georgia Economic Development, 4/2017

**Conclusion**

Total employment in the MSA increased from 2003 to 2007; however, decreased from 2008 to 2010 as a result of the national economic recession. Total employment in the MSA exceeded pre-recessionary levels in 2014 and has continued to increase through 2016 year-to-date. From December 2015 to December 2016, total employment in the MSA increased 4.4 percent compared to an increase of 1.4 percent nationally. The unemployment rate in the MSA peaked at 10.3 percent in 2010, and has been declining each subsequent year. From December 2015 to December 2016, the unemployment rate in the MSA increased by 20 basis points to 5.0 percent, while the national unemployment rate decreased by 30 basis points to 4.5 percent. Overall, it appears that the MSA was impacted by the recent national recession; however, has fully recovered and is currently in a state of growth.

The PMA’s leading industries include retail trade, health care/social assistance, and professional/scientific/technical services. Together, these three industries make up 34.2 percent of total employment in the PMA. Compared to the nation, the PMA is overly represented in sectors such as professional/scientific/technical services, retail trade, and wholesale trade, and underrepresented in the manufacturing, health care/social assistance, and accommodation/food services sectors. Overall, the mix of industries in the local economy indicates a relatively diversified work force.

## **G. PROJECT-SPECIFIC DEMAND ANALYSIS**

## PROJECT SPECIFIC DEMAND ANALYSIS

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

### 1. Income Restrictions

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

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom).

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

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

### 2. Affordability

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

### 3. Demand

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated in the following tables.

#### 3A. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized December 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2016 household population estimates are trended to December 2017 by interpolation of the difference between 2016 estimates and 2021 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this

calculates the anticipated new households in December 2017. This number takes the overall growth from 2016 to December 2017 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

### **3B. Demand from Existing Households**

Demand for existing households is estimated by summing three sources of potential tenants. The first source (**2a.**) is tenants who are rent overburdened. These are households who are paying over 35 percent for family households and 40 percent for senior households of their income in housing costs. This data is interpolated using CHAS data based on appropriate income levels.

The second source (**2b.**) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (**2c.**) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

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

### **3C. Secondary Market Area**

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

### **3D. Other**

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

## **4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS**

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2013 to the present.

### **ADDITIONS TO SUPPLY**

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

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2014, 2015, or 2016.

- Vacancies in projects placed in service prior to 2014 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2014 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

According to the Georgia Department of Community Affairs’ allocation lists, there are currently no LIHTC multifamily properties proposed for the Subject’s PMA. There are no other market rate properties proposed, under construction, or that have entered the market in 2011 to 2016. There have been no LIHTC allocation from 2011 through 2017 YTD.

**PMA Occupancy**

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

OVERALL OCCUPANCY - PMA				
Property Name	Type	Tenancy	Units	Occupancy
Cherokee Summit*	LIHTC	Family	272	96.0%
Hearthside Towne Lake	LIHTC/Market	Senior	100	99.0%
Whispering Trace	LIHTC	Family	40	100.0%
Colbert Square	Section 8	Senior	70	N/Av
CRS Grimes Road, Inc.	Section 8	Family	8	100.0%
Laurelwood Apartments	Rural Development	Family	50	100.0%
Brooke Mill Apartments	Market	Family	319	98.1%
Skyridge	Market	Family	125	92.0%
The Pointe At Towne Lake	Market	Family	242	96.7%
Waldan Chase	Market	Family	60	N/Av
Walden Pond	Market	Family	150	99.3%
Alta Ridgewalk*	LIHTC/Market	Family	340	99.1%
The Peaks Of Bells Ferry*	LIHTC/Market	Family	248	99.2%
Avonlea At Town Lake*	Market	Family	247	97.2%
Bell Woodstock*	Market	Family	498	95.0%
Station 92 At Woodstock*	Market	Family	272	98.2%
Terraces At Towne Lake*	Market	Family	502	98.2%
The Heights At Towne Lake*	Market	Family	194	95.4%
<b>Average</b>			<b>208</b>	<b>97.7%</b>

\*Utilized as a comparable

## Rehab Developments and Section 8

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

Units that are subsidized with Section 8 or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.

*According to the Georgia DCA market study guidelines, capture rate calculations for proposed renovation developments will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet provided by the applicant. Tenants who are income qualified to remain in the property at the proposed stabilized renovated rents will be deducted from the property unit count prior to determining the applicable capture rates. The Subject is an existing LIHTC/Market rate development and we have provided one capture rate assuming all market rate units will be need to be reabsorbed. At the time of this report an income audit was not available and it is likely that some of the tenants in the market rate units will income-qualify; however, for the purpose of the this report we have assumed all market rate units and the vacant LIHTC units will be need to reabsorbed. The Subject currently has eight LIHTC vacant units and 32 market rate units; as such, our capture rate assuming the 40 units.*

*As previously discussed, 138 of the existing tenants (96 two-bedroom and 42 three-bedroom) will continue to be income-qualified for their specific unit type. As such, we have reduced the unit count by 138.*

*The Subject will offer two and three-bedroom units restricted at 50 and 60 percent of AMI. It should be noted that DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. Rent increases will be made gradually, maintaining rents that are affordable to the existing tenant base. We do not expect that the Subject will need to re-lease 172 units following renovation. Therefore, our demand analysis is considered conservative.*

**Capture Rates**

The calculations and derived capture rates are illustrated in the following tables.

<b>Renter Household Income Distribution 2016 to Projected Market Entry December 2017</b>					
<b>Riverstock Apartments</b>					
<b>PMA</b>					
	<b>2016</b>		<b>Projected Mkt Entry December 2017</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>% Growth</b>
\$0-9,999	492	4.6%	505	4.6%	2.7%
\$10,000-19,999	1,051	9.9%	1,023	9.4%	-2.8%
\$20,000-29,999	1,299	12.3%	1,291	11.9%	-0.6%
\$30,000-39,999	1,159	10.9%	1,164	10.7%	0.5%
\$40,000-49,999	1,087	10.3%	1,082	9.9%	-0.5%
\$50,000-59,999	869	8.2%	905	8.3%	4.0%
\$60,000-74,999	1,300	12.3%	1,345	12.4%	3.4%
\$75,000-99,999	1,486	14.0%	1,538	14.1%	3.4%
\$100,000-124,999	751	7.1%	796	7.3%	5.6%
\$125,000-149,999	416	3.9%	458	4.2%	9.1%
\$150,000-199,999	381	3.6%	424	3.9%	10.2%
\$200,000+	303	2.9%	353	3.2%	14.2%
<b>Total</b>	<b>10,594</b>	<b>100.0%</b>	<b>10,885</b>	<b>100.0%</b>	<b>2.7%</b>

<b>Renter Household Income Distribution Projected Market Entry December 2017</b>			
<b>Riverstock Apartments</b>			
<b>PMA</b>			
	<b>Projected Mkt Entry December 2017</b>		<b>Change 2016 to Prj Mrkt Entry December 2017</b>
	<b>#</b>	<b>%</b>	<b>#</b>
\$0-9,999	505	4.6%	13
\$10,000-19,999	1,023	9.4%	27
\$20,000-29,999	1,291	11.9%	34
\$30,000-39,999	1,164	10.7%	31
\$40,000-49,999	1,082	9.9%	29
\$50,000-59,999	905	8.3%	24
\$60,000-74,999	1,345	12.4%	36
\$75,000-99,999	1,538	14.1%	41
\$100,000-124,999	796	7.3%	21
\$125,000-149,999	458	4.2%	12
\$150,000-199,999	424	3.9%	11
\$200,000+	353	3.2%	9
<b>Total</b>	<b>10,885</b>	<b>100.0%</b>	<b>291</b>

**50 Percent AMI Demand**

Percent of AMI Level			50%		
Minimum Income Limit			\$26,057		
Maximum Income Limit			\$36,450 5		
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	13			
\$10,000-19,999	27	9.4%		0.0%	0
\$20,000-29,999	34	11.9%	3,942	39.4%	14
\$30,000-39,999	31	10.7%	6,450	64.5%	20
\$40,000-49,999	29	9.9%		0.0%	0
\$50,000-59,999	24	8.3%		0.0%	0
\$60,000-74,999	36	12.4%		0.0%	0
\$75,000-99,999	41	14.1%		0.0%	0
\$100,000-124,999	21	7.3%		0.0%	0
\$125,000-149,999	12	4.2%		0.0%	0
\$150,000-199,999	11	3.9%		0.0%	0
\$200,000+	9	3.2%		0.0%	0
	<b>291</b>	<b>100.0%</b>			<b>34</b>
<b>Percent of renter households within limits versus total number of renter households</b>					<b>11.6%</b>

Percent of AMI Level			50%		
Minimum Income Limit			\$26,057		
Maximum Income Limit			\$36,450 5		
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	505			
\$10,000-19,999	1,023	9.4%		0.0%	0
\$20,000-29,999	1,291	11.9%	\$3,942	39.4%	509
\$30,000-39,999	1,164	10.7%	\$6,450	64.5%	751
\$40,000-49,999	1,082	9.9%		0.0%	0
\$50,000-59,999	905	8.3%		0.0%	0
\$60,000-74,999	1,345	12.4%		0.0%	0
\$75,000-99,999	1,538	14.1%		0.0%	0
\$100,000-124,999	796	7.3%		0.0%	0
\$125,000-149,999	458	4.2%		0.0%	0
\$150,000-199,999	424	3.9%		0.0%	0
\$200,000+	353	3.2%		0.0%	0
	<b>10,885</b>	<b>100.0%</b>			<b>1,260</b>
<b>Percent of renter households within limits versus total number of renter households</b>					<b>11.6%</b>

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Family		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	35%		
2000 Median Income	\$70,324		
2016 Median Income	\$81,106		
Change from 2016 to Proj Mrkt Entry December 2017	\$10,782		
Total Percent Change	13.3%		
Average Annual Change	0.1%		
Inflation Rate	0.1%	Two year adjustment	1.0000
Maximum Allowable Income	\$36,450		
Maximum Allowable Income Inflation Adjusted	\$36,450		
Maximum Number of Occupants	5		
Rent Income Categories	50%		
Initial Gross Rent for Smallest Unit	\$760		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$760		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	0%	100%	0%	0%	0%	100%
2	0%	0%	100%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry December 2017

Income Target Population		50%
New Renter Households PMA		291
Percent Income Qualified		11.6%
New Renter Income Qualified Households		34

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2016

Demand form Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		10,885
Income Qualified		11.6%
Income Qualified Renter Households		1,260
Percent Rent Overburdened Prj Mrkt Entry December 2017		24.4%
Rent Overburdened Households		307

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,260
Percent Living in Substandard Housing		0.2%
Households Living in Substandard Housing		2

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		309
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		309
Total New Demand		34
Total Demand (New Plus Existing Households)		343

Demand from Seniors Who Convert from Homeownership

Percent of Total Demand From Homeownership Conversion

Is this Demand Over 2 percent of Total Demand?

		0
		0.0%
		No

By Bedroom Demand

One Person	28.2%	97
Two Persons	26.1%	89
Three Persons	17.9%	61
Four Persons	13.6%	47
Five Persons	14.2%	49
Total	100.0%	343

To place Person Demand into Bedroom Type Units

Of one-person households in 2BR units	100%	97
Of two-person households in 2BR units	100%	89
Of three-person households in 2BR units	60%	37
Of three-person households in 3BR units	40%	25
Of four-person households in 3BR units	100%	47
Of five-person households in 3BR units	100%	49
Total Demand		343

Total Demand by Bedroom	50%
2 BR	223
3 BR	120
Total Demand	343

Additions To Supply 2016 to Prj Mrkt Entry December 2017	50%
2 BR	0
3 BR	0
Total	0

Net Demand	50%
2 BR	223
3 BR	120
Total	343

Developer's Unit Mix	50%
2 BR	30
3 BR	10
Total	40

Capture Rate Analysis	50%
2 BR	13.5%
3 BR	8.3%
Total	11.7%

**60 Percent AMI Demand**

Percent of AMI Level			60%		
Minimum Income Limit			\$31,269		
Maximum Income Limit			\$43,740 5		
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	13			
\$10,000-19,999	27	9.4%		0.0%	0
\$20,000-29,999	34	11.9%		0.0%	0
\$30,000-39,999	31	10.7%	8,730	87.3%	27
\$40,000-49,999	29	9.9%	3,740	37.4%	11
\$50,000-59,999	24	8.3%		0.0%	0
\$60,000-74,999	36	12.4%		0.0%	0
\$75,000-99,999	41	14.1%		0.0%	0
\$100,000-124,999	21	7.3%		0.0%	0
\$125,000-149,999	12	4.2%		0.0%	0
\$150,000-199,999	11	3.9%		0.0%	0
\$200,000+	9	3.2%		0.0%	0
	<b>291</b>	<b>100.0%</b>			<b>38</b>
<b>Percent of renter households within limits versus total number of renter households</b>					<b>13.1%</b>

Percent of AMI Level			60%		
Minimum Income Limit			\$31,269		
Maximum Income Limit			\$43,740 5		
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	505			
\$10,000-19,999	1,023	9.4%		0.0%	0
\$20,000-29,999	1,291	11.9%		0.0%	0
\$30,000-39,999	1,164	10.7%	\$8,730	87.3%	1,017
\$40,000-49,999	1,082	9.9%	\$3,740	37.4%	405
\$50,000-59,999	905	8.3%		0.0%	0
\$60,000-74,999	1,345	12.4%		0.0%	0
\$75,000-99,999	1,538	14.1%		0.0%	0
\$100,000-124,999	796	7.3%		0.0%	0
\$125,000-149,999	458	4.2%		0.0%	0
\$150,000-199,999	424	3.9%		0.0%	0
\$200,000+	353	3.2%		0.0%	0
	<b>10,885</b>	<b>100.0%</b>			<b>1,421</b>
<b>Percent of renter households within limits versus total number of renter households</b>					<b>13.1%</b>

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Family		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	35%		
2000 Median Income	\$70,324		
2016 Median Income	\$81,106		
Change from 2016 to Prj Mrkt Entry December 2017	\$10,782		
Total Percent Change	13.3%		
Average Annual Change	0.1%		
Inflation Rate	0.1%	Two year adjustment	1.0000
Maximum Allowable Income	\$43,740		
Maximum Allowable Income Inflation Adjusted	\$43,740		
Maximum Number of Occupants	5		
Rent Income Categories	60%		
Initial Gross Rent for Smallest Unit	\$912		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$912		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	0%	100%	0%	0%	0%	100%
2	0%	0%	100%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry December 2017

Income Target Population		60%
New Renter Households PMA		291
Percent Income Qualified		13.1%
New Renter Income Qualified Households		38

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2016

Demand form Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		10,885
Income Qualified		13.1%
Income Qualified Renter Households		1,421
Percent Rent Overburdened Prj Mrkt Entry December 2017		24.4%
Rent Overburdened Households		347

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,421
Percent Living in Substandard Housing		0.2%
Households Living in Substandard Housing		2

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		349
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		349
Total New Demand		38
Total Demand (New Plus Existing Households)		387

Demand from Seniors Who Convert from Homeownership

Percent of Total Demand From Homeownership Conversion

Is this Demand Over 2 percent of Total Demand?

		0
		0.0%
		No

By Bedroom Demand

One Person	28.2%	109
Two Persons	26.1%	101
Three Persons	17.9%	69
Four Persons	13.6%	53
Five Persons	14.2%	55
Total	100.0%	387

To place Person Demand into Bedroom Type Units

Of one-person households in 2BR units	100%	109
Of two-person households in 2BR units	100%	101
Of three-person households in 2BR units	60%	42
Of three-person households in 3BR units	40%	28
Of four-person households in 3BR units	100%	53
Of five-person households in 3BR units	100%	55
Total Demand		387

Total Demand by Bedroom	60%
2 BR	252
3 BR	135
Total Demand	387

Additions To Supply 2016 to Prj Mrkt Entry December 2017	60%
2 BR	0
3 BR	0
Total	0

Net Demand	60%
2 BR	252
3 BR	135
Total	387

Developer's Unit Mix	60%
2 BR	30
3 BR	10
Total	40

Capture Rate Analysis	60%
2 BR	11.9%
3 BR	7.4%
Total	10.3%

**Overall AMI Demand**

Percent of AMI Level			Overall		
Minimum Income Limit			\$26,057		
Maximum Income Limit			\$43,740		
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	13			
\$10,000-19,999	27	9.4%		0.0%	0
\$20,000-29,999	34	11.9%	3,942	39.4%	14
\$30,000-39,999	31	10.7%	9,999	100.0%	31
\$40,000-49,999	29	9.9%	3,740	37.4%	11
\$50,000-59,999	24	8.3%		0.0%	0
\$60,000-74,999	36	12.4%		0.0%	0
\$75,000-99,999	41	14.1%		0.0%	0
\$100,000-124,999	21	7.3%		0.0%	0
\$125,000-149,999	12	4.2%		0.0%	0
\$150,000-199,999	11	3.9%		0.0%	0
\$200,000+	9	3.2%		0.0%	0
	<b>291</b>	<b>100.0%</b>			<b>56</b>
<b>Percent of renter households within limits versus total number of renter households</b>					<b>19.1%</b>

Percent of AMI Level			Overall		
Minimum Income Limit			\$26,057		
Maximum Income Limit			\$43,740		
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	505			
\$10,000-19,999	1,023	9.4%		0.0%	0
\$20,000-29,999	1,291	11.9%	\$3,942	39.4%	509
\$30,000-39,999	1,164	10.7%	\$9,999	100.0%	1,164
\$40,000-49,999	1,082	9.9%	\$3,740	37.4%	405
\$50,000-59,999	905	8.3%		0.0%	0
\$60,000-74,999	1,345	12.4%		0.0%	0
\$75,000-99,999	1,538	14.1%		0.0%	0
\$100,000-124,999	796	7.3%		0.0%	0
\$125,000-149,999	458	4.2%		0.0%	0
\$150,000-199,999	424	3.9%		0.0%	0
\$200,000+	353	3.2%		0.0%	0
	<b>10,885</b>	<b>100.0%</b>			<b>2,078</b>
<b>Percent of renter households within limits versus total number of renter households</b>					<b>19.1%</b>

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Family		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	35%		
2000 Median Income	\$70,324		
2016 Median Income	\$81,106		
Change from 2016 to Proj Mrkt Entry December 2017	\$10,782		
Total Percent Change	13.3%		
Average Annual Change	0.1%		
Inflation Rate	0.1%	Two year adjustment	1.0000
Maximum Allowable Income	\$43,740		
Maximum Allowable Income Inflation Adjusted	\$43,740		
Maximum Number of Occupants	5		
Rent Income Categories	Overall		
Initial Gross Rent for Smallest Unit	\$760		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$760		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	0%	100%	0%	0%	0%	100%
2	0%	0%	100%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry December 2017

Income Target Population		Overall
New Renter Households PMA		291
Percent Income Qualified		19.1%
New Renter Income Qualified Households		56

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2016

Demand form Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		10,885
Income Qualified		19.1%
Income Qualified Renter Households		2,078
Percent Rent Overburdened Prj Mrkt Entry December 2017		24.4%
Rent Overburdened Households		507

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		2,078
Percent Living in Substandard Housing		0.2%
Households Living in Substandard Housing		4

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		510
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		510
Total New Demand		56
Total Demand (New Plus Existing Households)		566

Demand from Seniors Who Convert from Homeownership

Percent of Total Demand From Homeownership Conversion 0.0%

Is this Demand Over 2 percent of Total Demand? No

By Bedroom Demand

One Person	28.2%	159
Two Persons	26.1%	148
Three Persons	17.9%	101
Four Persons	13.6%	77
Five Persons	14.2%	80
Total	100.0%	566

To place Person Demand into Bedroom Type Units

Of one-person households in 2BR units	100%	159
Of two-person households in 2BR units	100%	148
Of three-person households in 2BR units	60%	61
Of three-person households in 3BR units	40%	41
Of four-person households in 3BR units	100%	77
Of five-person households in 3BR units	100%	80
Total Demand		566

Total Demand by Bedroom Overall

2 BR	368
3 BR	198
Total Demand	566

Additions To Supply 2016 to Prj Mrkt Entry December 2017 Overall

2 BR	0
3 BR	0
Total	0

Net Demand Overall

2 BR	368
3 BR	198
Total	566

Developer's Unit Mix Overall

2 BR	30
3 BR	10
Total	40

Capture Rate Analysis Overall

2 BR	8.2%
3 BR	5.0%
Total	7.1%

**Conclusions**

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

- The number of renter households in the PMA is expected to increase by 291 households between 2016 and the date of market entry.
- The Subject will continue to attract a wide range of household sizes in offering two through three-bedroom units.
- Per 2017 DCA guidelines, our demand analysis does not account for leakage outside the PMA. In actuality, we expect that the Subject will experience a moderate leakage rate of 15 percent. As such, the demand analysis is conservative as this leakage factor is not included.

CAPTURE RATE ANALYSIS CHART										
Unit Size	Income limits	Units Proposed*	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market	Market Rents Band Min-Max	Proposed Rents
2BR at 50% AMI	\$26,057 - \$30,400	30	223	0	223	13.5%	2 months	\$1,165	\$927 - \$1,392	\$642
2BR at 60% AMI	\$31,269 - \$36,480	30	252	0	252	11.9%	2 months	\$1,165	\$927 - \$1,392	\$794
3BR at 50% AMI	\$30,069 - \$36,450	10	120	0	120	8.3%	2 months	\$1,278	\$1,041 - \$1,542	\$728
3BR at 60% AMI	\$36,103 - \$43,740	10	135	0	135	7.4%	2 months	\$1,278	\$1,041 - \$1,542	\$904
<b>Overall - 50% AMI</b>	<b>\$26,057 - \$36,450</b>	<b>40</b>	<b>343</b>	<b>0</b>	<b>343</b>	<b>11.7%</b>	<b>2 months</b>	-	-	-
<b>Overall - 60% AMI</b>	<b>\$31,269 - \$43,740</b>	<b>40</b>	<b>387</b>	<b>0</b>	<b>387</b>	<b>10.3%</b>	<b>2 months</b>	-	-	-
<b>Total Overall</b>	<b>\$26,057 - \$43,740</b>	<b>40</b>	<b>730</b>	<b>0</b>	<b>730</b>	<b>7.1%</b>	<b>2 months</b>	-	-	-

\*Excludes existing tenants who are income-qualified

Demand and Net Demand			
	HH at 50% AMI (min to max income)	HH at 60% AMI (min to max income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	34	38	56
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	2	2	4
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	307	347	507
<b>PLUS</b>	+	+	+
<b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub Total</b>	<b>343</b>	<b>387</b>	<b>566</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
<b>Equals Total Demand</b>	<b>343</b>	<b>387</b>	<b>566</b>
<b>Less</b>	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	0	0
<b>Equals Net Demand</b>	<b>343</b>	<b>387</b>	<b>566</b>

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 8.3 to 13.5 percent, with an overall capture rate of 11.7 percent. The Subject’s capture rates at the 60 percent AMI level will range from 7.4 to 11.9 percent, with an overall capture rate of 10.3 percent. The Subject’s overall capture rates will range from 5.0 to 8.2 percent, with an overall capture rate of 7.1 percent. Therefore, we believe there is more than adequate demand for the Subject.

## **H. COMPETITIVE RENTAL ANALYSIS**

## COMPETITIVE RENTAL ANALYSIS

### Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 10 “true” comparable properties containing 3,037 units that are 97.5 percent occupied. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided later in this section. A map illustrating the location of the Subject in relation to comparable properties is also provided in this section. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered somewhat limited as there are five LIHTC properties in the PMA, three of which we selected as “true” comparables. We have also supplemented this data with two LIHTC comparables located just outside of the PMA. The selected LIHTC properties are included in the following list of properties.

SURVEYED LIHTC COMPARABLES					
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate	Wait List
Alexander Ridge Apartments*	LIHTC/Market	272	0	0.0%	Yes - 6 households
Alta Ridgewalk	LIHTC/Market	340	3	0.9%	Yes - 9 households
Cherokee Summit	LIHTC	272	11	4.0%	No
Legacy At Acworth*	LIHTC/Market	192	4	2.1%	No
The Peaks Of Bells Ferry	LIHTC/Market	248	2	0.8%	Yes - 18 households
<b>Total in PMA</b>		<b>860</b>	<b>16</b>	<b>1.9%</b>	
<b>Total</b>		<b>1,324</b>	<b>20</b>	<b>1.5%</b>	

\*Located outside PMA

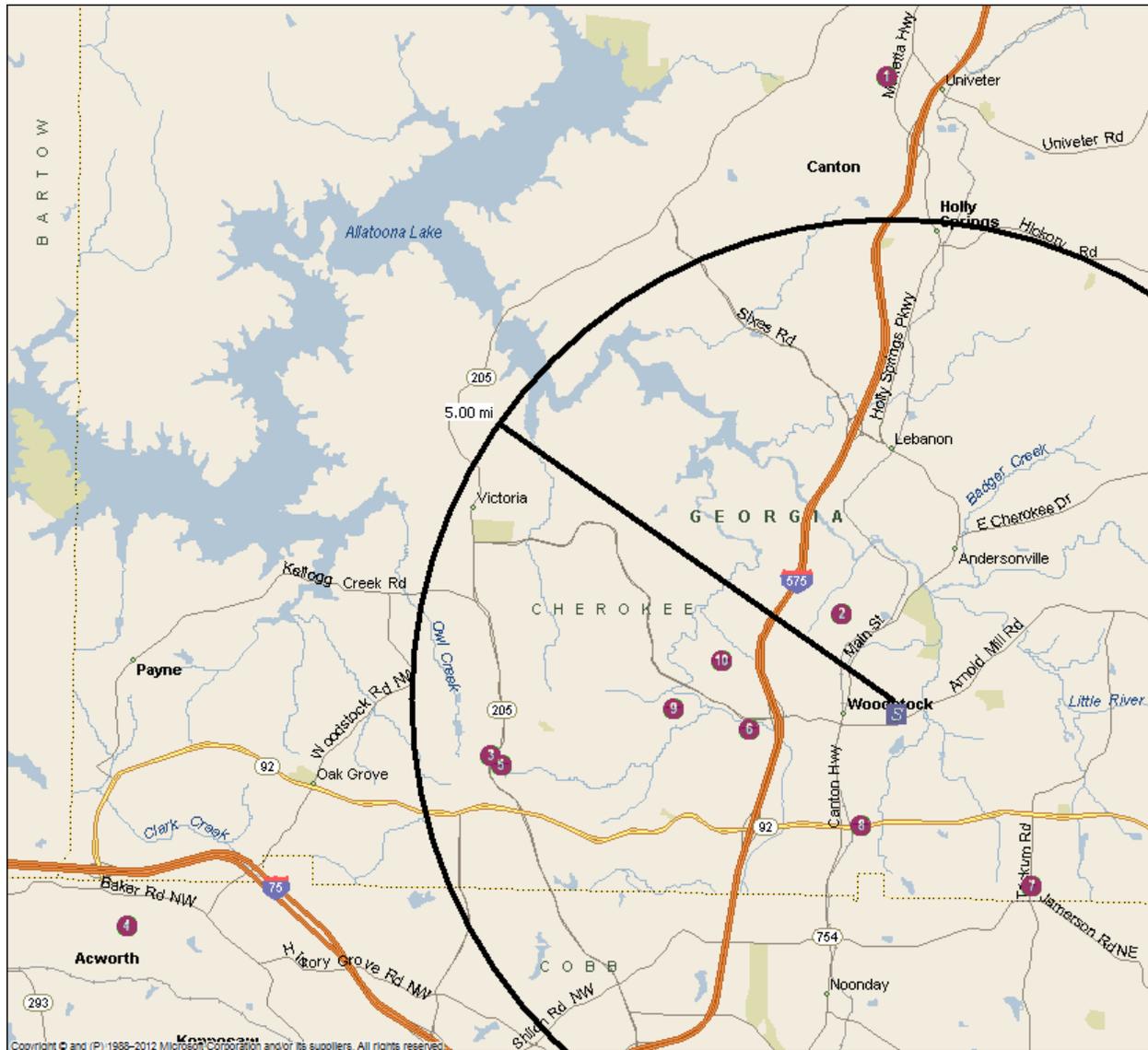
The availability of market rate data is considered good as there are a sufficient number of market rate properties that are located within the PMA. We have included five market rate properties in the rental analysis, and all are located in the PMA, within 2.3 miles of the Subject. These comparable market rate properties were built between 1998 and 2015.

### Excluded Properties

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

EXCLUDED PROPERTIES IN PMA							
Property Name	Address	City	Rent Structure	Reason For Exclusion	# of Units	Occupancy	Waiting List
Hearthside Towne Lake	900 Towne Lake Parkway	Woodstock	LIHTC/Market	Senior	100	99.0%	Yes
Whispering Trace	133 Bentley Parkway	Woodstock	LIHTC	Inferior unit mix	40	100.0%	No
Colbert Square	211 Woodpark Pl	Woodstock	Section 8	Subsidized	70	N/Av	N/Av
CRS Grimes Road, Inc.	255 Grimes Road	Woodstock	Section 8	Subsidized	8	100.0%	Yes
Laurelwood Apartments	106 Meadow Street	Woodstock	Rural Development	Subsidized	50	100.0%	Yes
Brooke Mill Apartments	50 Downsby Lane	Woodstock	Market	Superior comparables available	319	98.1%	No
Skyridge	107 Skyridge Dr	Woodstock	Market	Inferior condition	125	92.0%	No
The Pointe At Towne Lake	50 Paces Parkway	Woodstock	Market	Superior comparables available	242	96.7%	No
Waldan Chase	150 Dupree Rd	Woodstock	Market	Inferior condition	60	N/Av	N/Av
Walden Pond	450 Walden Chase Rd	Acworth	Market	Inferior condition	150	99.3%	No

Comparable Rental Property Maps



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Alexander Ridge Apartments*	Canton	LIHTC/Market	6.8 miles
2	Alta Ridgwalk	Woodstock	LIHTC/Market	1.3 miles
3	Cherokee Summit	Acworth	LIHTC	4.1 miles
4	Legacy At Acworth*	Acworth	LIHTC/Market	8.2 miles
5	The Peaks Of Bells Ferry	Acworth	LIHTC/Market	4.1 miles
6	Avonlea At Town Lake	Woodstock	Market	1.4 miles
7	Bell Woodstock	Woodstock	Market	2.3 miles
8	Station 92 At Woodstock	Woodstock	Market	1.1 miles
9	Terraces At Towne Lake	Woodstock	Market	2.2 miles
10	The Heights At Towne Lake	Woodstock	Market	1.9 miles

\*Located outside PMA

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

SUMMARY MATRIX														
Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Riverstock Apartments 50 Sandy Circle Woodstock, GA 30188 Cherokee County	n/a	Garden (2 stories) 2000 / Proposed	LIHTC	2BR / 1BA	6	3.5%	@50%	\$642	1,167	yes	No	0	0.0%
					2BR / 1BA	114	66.3%	@60%	\$794	1,167	yes	No	8	7.0%
					3BR / 2BA	3	1.7%	@50%	\$728	1,367	yes	Yes	0	0.0%
					3BR / 2BA	49	28.5%	@60%	\$904	1,367	yes	Yes	0	0.0%
						172	100%							8
1	Alexander Ridge Apartments 3145 Ridge Road Canton, GA 30114 Cherokee County	6.8 miles	Garden (3 stories) 1999 / n/a	LIHTC/Market	1BR / 1BA	18	6.6%	@50%	\$595	801	yes	Yes	0	0.0%
					1BR / 1BA	38	14.0%	@60%	\$735	801	yes	Yes	0	0.0%
					1BR / 1BA	16	5.9%	Market	\$900	801	n/a	No	0	0.0%
					2BR / 2BA	36	13.2%	@50%	\$710	1,002	yes	Yes	0	0.0%
					2BR / 2BA	56	20.6%	@60%	\$880	1,002	yes	Yes	0	0.0%
					2BR / 2BA	26	9.6%	Market	\$1,000	1,002	n/a	No	0	0.0%
					3BR / 2BA	22	8.1%	@50%	\$810	1,200	yes	Yes	0	0.0%
					3BR / 2BA	42	15.4%	@60%	\$1,000	1,200	yes	Yes	0	0.0%
					3BR / 2BA	N/A	N/A	Market	\$1,100	1,200	n/a	No	0	N/A
						272	100%							0
2	Alta Ridgewalk 1 Elena Way Woodstock, GA 30188 Cherokee County	1.3 miles	Garden (4 stories) 2004 / n/a	LIHTC/Market	Studio / 1BA	4	1.2%	@60%	\$734	643	yes	Yes	0	0.0%
					Studio / 1BA	5	1.5%	Market	\$870	643	n/a	Yes	1	20.0%
					1BR / 1BA	46	13.5%	@60%	\$734	773	no	Yes	1	2.2%
					1BR / 1BA	29	8.5%	@60%	\$734	877	no	Yes	0	0.0%
					1BR / 1BA	19	5.6%	Market	\$800	733	n/a	Yes	0	0.0%
					1BR / 1BA	13	3.8%	Market	\$940	877	n/a	Yes	0	0.0%
					2BR / 2BA	38	11.2%	@60%	\$872	1,018	yes	Yes	1	2.6%
					2BR / 2BA	82	24.1%	@60%	\$872	1,247	yes	Yes	0	0.0%
					2BR / 2BA	15	4.4%	Market	\$980	1,018	n/a	Yes	0	0.0%
					2BR / 2BA	35	10.3%	Market	\$1,180	1,247	n/a	Yes	0	0.0%
					3BR / 2BA	38	11.2%	@60%	\$1,003	1,547	yes	Yes	0	0.0%
					3BR / 2BA	16	4.7%	Market	\$1,290	1,547	n/a	Yes	0	0.0%
						340	100%							3
3	Cherokee Summit 5920 Bells Ferry Road Acworth, GA 30102 Cherokee County	4.1 miles	Garden (3 stories) 2000 / n/a	LIHTC	1BR / 1BA	48	17.6%	@60%	\$751	975	no	No	0	0.0%
					2BR / 2BA	184	67.6%	@60%	\$887	1,150	no	No	6	3.3%
					3BR / 2BA	40	14.7%	@60%	\$922	1,350	no	No	5	12.5%
						272	100%							11
4	Legacy At Acworth 4801 Baker Grove Road Acworth, GA 30101 Cobb County	8.2 miles	Garden (2 stories) 1997 / n/a	LIHTC/Market	1BR / 1BA	38	19.8%	@60%	\$674	840	no	No	0	0.0%
					1BR / 1BA	36	18.8%	Market	\$784	840	n/a	No	0	0.0%
					2BR / 2BA	46	24.0%	@60%	\$802	1,056	no	No	0	0.0%
					2BR / 2BA	50	26.0%	Market	\$927	1,056	n/a	No	2	4.0%
					3BR / 2BA	12	6.2%	@60%	\$916	1,254	no	No	1	8.3%
					3BR / 2BA	10	5.2%	Market	\$1,041	1,254	n/a	No	1	10.0%
	192	100%							4	2.1%				
5	The Peaks Of Bells Ferry 100 Peaks Ridge Acworth, GA 30102 Cherokee County	4.1 miles	Garden (3 stories) 2003 / n/a	LIHTC/Market	1BR / 1BA	50	20.2%	@60%	\$786	874	yes	No	0	0.0%
					1BR / 1BA	12	4.8%	Market	\$949	874	n/a	No	0	0.0%
					2BR / 2BA	98	39.5%	@60%	\$942	1,149	yes	No	1	1.0%
					2BR / 2BA	25	10.1%	Market	\$1,067	1,149	n/a	No	0	0.0%
					3BR / 2BA	51	20.6%	@60%	\$1,032	1,388	yes	Yes	1	2.0%
					3BR / 2BA	12	4.8%	Market	\$1,196	1,388	n/a	Yes	0	0.0%
	248	100%							2	0.8%				
6	Avonlea At Town Lake 100 Avonlea Way Woodstock, GA 30189 Cherokee County	1.4 miles	Garden (4 stories) 1999 / n/a	Market	1BR / 1BA	42	17.0%	Market	\$1,109	832	n/a	No	0	0.0%
					2BR / 2BA	52	21.1%	Market	\$1,253	1,356	n/a	No	0	0.0%
					3BR / 2BA	28	11.3%	Market	\$1,426	1,395	n/a	No	0	0.0%
	247	100%							7	2.8%				

SUMMARY MATRIX														
Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
7	Bell Woodstock 3460 Trickum Road Woodstock, GA 30188 Cherokee County	2.3 miles	Garden I:1999 II:2002 / n/a	Market	1BR / 1BA	108	21.7%	Market	\$1,021	927	n/a	Yes	7	6.5%
					2BR / 1BA	189	38.0%	Market	\$1,208	1,139	n/a	Yes	9	4.8%
					2BR / 2BA	190	38.2%	Market	\$1,279	1,237	n/a	No	8	4.2%
					3BR / 2BA	11	2.2%	Market	\$1,496	1,405	n/a	No	1	9.1%
						498	100%							25
8	Station 92 At Woodstock 10247 Highway 92 Woodstock, GA 30188 Cherokee County	1.1 miles	Garden (3 stories) 2015 / n/a	Market	1BR / 1BA	62	22.8%	Market	\$1,001	866	n/a	No	2	3.2%
					1BR / 1BA	64	23.5%	Market	\$1,098	875	n/a	No	1	1.6%
					2BR / 2BA	60	22.1%	Market	\$1,272	1,179	n/a	No	1	1.7%
					2BR / 2BA	64	23.5%	Market	\$1,392	1,233	n/a	No	1	1.6%
					3BR / 2BA	22	8.1%	Market	\$1,360	1,321	n/a	No	0	0.0%
	272	100%							5	1.8%				
9	Terraces At Towne Lake 1354 Townlake Hills S Dr Woodstock, GA 30189 Cherokee County	2.2 miles	Garden (2 stories) 1998 / 2008	Market	1BR / 1BA	54	10.8%	Market	\$853	707	n/a	No	1	1.9%
					1BR / 1BA	56	11.2%	Market	\$948	769	n/a	No	0	0.0%
					2BR / 1BA	58	11.6%	Market	\$963	1,062	n/a	No	2	3.4%
					2BR / 1BA	48	9.6%	Market	\$1,093	1,145	n/a	No	0	0.0%
					2BR / 2BA	52	10.4%	Market	\$1,028	1,075	n/a	No	0	0.0%
					2BR / 2BA	58	11.6%	Market	\$1,043	1,126	n/a	No	3	5.2%
					2BR / 2BA	64	12.7%	Market	\$1,050	1,180	n/a	No	0	0.0%
					2BR / 2BA	60	12.0%	Market	\$1,069	1,216	n/a	No	0	0.0%
					3BR / 2BA	18	3.6%	Market	\$1,173	1,323	n/a	No	1	5.6%
					3BR / 2BA	20	4.0%	Market	\$1,178	1,351	n/a	No	0	0.0%
					3BR / 2BA	14	2.8%	Market	\$1,258	1,408	n/a	No	2	14.3%
	502	100%							9	1.8%				
10	The Heights At Towne Lake 1395 Buckhead Crossing Woodstock, GA 30188 Cherokee County	1.9 miles	Garden (3 stories) 2001 / n/a	Market	1BR / 1BA	52	26.8%	Market	\$1,032	800	n/a	No	3	5.8%
					1BR / 1BA	38	19.6%	Market	\$1,054	874	n/a	No	1	2.6%
					2BR / 1BA	24	12.4%	Market	\$1,212	1,029	n/a	No	1	4.2%
					2BR / 2BA	40	20.6%	Market	\$1,261	1,150	n/a	No	3	7.5%
					2BR / 2BA	26	13.4%	Market	\$1,301	1,250	n/a	No	1	3.8%
3BR / 2BA	14	7.2%	Market	\$1,542	1,417	n/a	No	0	0.0%					
	194	100%							9	4.6%				

**RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.**

Effective	Units Surveyed:	3,037	Weighted Occupancy:	97.5%	
Rent Date:	Market Rate	1,713	Market Rate	96.8%	
Apr-17	Tax Credit	1,324	Tax Credit	98.5%	
<b>Two Bedrooms One Bath</b>		<b>Three Bedrooms Two Bath</b>			
	<b>Property</b>	<b>Average</b>	<b>Property</b>	<b>Average</b>	
<b>RENT</b>	Station 92 At Woodstock (2BA)	\$1,392	The Heights At Towne Lake	\$1,542	
	Station 92 At Woodstock (2BA)	\$1,272	Bell Woodstock	\$1,496	
	Avonlea At Town Lake (2BA)	\$1,253	Avonlea At Town Lake	\$1,426	
	The Heights At Towne Lake	\$1,212	Station 92 At Woodstock	\$1,360	
	Bell Woodstock	\$1,208	Alta Ridgewalk * (M)	\$1,290	
	Alta Ridgewalk * (2BA M)	\$1,180	Terraces At Towne Lake	\$1,258	
	Terraces At Towne Lake	\$1,093	The Peaks Of Bells Ferry * (M)	\$1,196	
	The Peaks Of Bells Ferry * (2BA M)	\$1,067	Terraces At Towne Lake	\$1,178	
	Alexander Ridge Apartments * (2BA M)	\$1,000	Terraces At Towne Lake	\$1,173	
	Alta Ridgewalk * (2BA M)	\$980	Alexander Ridge Apartments * (M)	\$1,100	
	Terraces At Towne Lake	\$963	Legacy At Acworth * (M)	\$1,041	
	The Peaks Of Bells Ferry * (2BA 60%)	\$942	The Peaks Of Bells Ferry * (60%)	\$1,032	
	Legacy At Acworth * (2BA M)	\$927	Alta Ridgewalk * (60%)	\$1,003	
	Cherokee Summit * (2BA 60%)	\$887	Alexander Ridge Apartments * (60%)	\$1,000	
	Alexander Ridge Apartments * (2BA 60%)	\$880	Cherokee Summit * (60%)	\$922	
	Alta Ridgewalk * (2BA 60%)	\$872	Legacy At Acworth * (60%)	\$916	
	Alta Ridgewalk * (2BA 60%)	\$872	<b>Riverstock Apartments * (60%)</b>	<b>\$904</b>	
	Legacy At Acworth * (2BA 60%)	\$802	Alexander Ridge Apartments * (50%)	\$810	
	<b>Riverstock Apartments * (60%)</b>	<b>\$794</b>	<b>Riverstock Apartments * (50%)</b>	<b>\$728</b>	
	Alexander Ridge Apartments * (2BA 50%)	\$710			
	<b>Riverstock Apartments * (50%)</b>	<b>\$642</b>			
	<b>SQUARE FOOTAGE</b>	Avonlea At Town Lake (2BA)	1,356	Alta Ridgewalk * (60%)	1,547
		Alta Ridgewalk * (2BA 60%)	1,247	Alta Ridgewalk * (M)	1,547
Alta Ridgewalk * (2BA M)		1,247	The Heights At Towne Lake	1,417	
Station 92 At Woodstock (2BA)		1,233	Terraces At Towne Lake	1,408	
Station 92 At Woodstock (2BA)		1,179	Bell Woodstock	1,405	
<b>Riverstock Apartments * (50%)</b>		<b>1,167</b>	Avonlea At Town Lake	1,395	
<b>Riverstock Apartments * (60%)</b>		<b>1,167</b>	The Peaks Of Bells Ferry * (60%)	1,388	
Cherokee Summit * (2BA 60%)		1,150	The Peaks Of Bells Ferry * (M)	1,388	
The Peaks Of Bells Ferry * (2BA 60%)		1,149	<b>Riverstock Apartments * (50%)</b>	<b>1,367</b>	
The Peaks Of Bells Ferry * (2BA M)		1,149	<b>Riverstock Apartments * (60%)</b>	<b>1,367</b>	
Terraces At Towne Lake		1,145	Terraces At Towne Lake	1,351	
Bell Woodstock		1,139	Cherokee Summit * (60%)	1,350	
Terraces At Towne Lake		1,062	Terraces At Towne Lake	1,323	
Legacy At Acworth * (2BA 60%)		1,056	Station 92 At Woodstock	1,321	
Legacy At Acworth * (2BA M)		1,056	Legacy At Acworth * (60%)	1,254	
The Heights At Towne Lake		1,029	Legacy At Acworth * (M)	1,254	
Alta Ridgewalk * (2BA 60%)		1,018	Alexander Ridge Apartments * (50%)	1,200	
Alta Ridgewalk * (2BA M)		1,018	Alexander Ridge Apartments * (60%)	1,200	
Alexander Ridge Apartments * (2BA 50%)		1,002	Alexander Ridge Apartments * (M)	1,200	
Alexander Ridge Apartments * (2BA 60%)		1,002			
Alexander Ridge Apartments * (2BA M)		1,002			

**RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.**

Effective	Units Surveyed:	3,037	Weighted Occupancy:	97.5%
Rent Date:	Market Rate	1,713	Market Rate	96.8%
Apr-17	Tax Credit	1,324	Tax Credit	98.5%
<b>Two Bedrooms One Bath</b>		<b>Three Bedrooms Two Bath</b>		
	<b>Property</b>	<b>Average</b>	<b>Property</b>	<b>Average</b>
<b>RENT PER SQUARE FOOT</b>	The Heights At Towne Lake	\$1.18	The Heights At Towne Lake	\$1.09
	Station 92 At Woodstock (2BA)	\$1.13	Bell Woodstock	\$1.06
	Station 92 At Woodstock (2BA)	\$1.08	Station 92 At Woodstock	\$1.03
	Bell Woodstock	\$1.06	Avonlea At Town Lake	\$1.02
	Alexander Ridge Apartments * (2BA M)	\$1.00	Alexander Ridge Apartments * (M)	\$0.92
	Alta Ridgewalk * (2BA M)	\$0.96	Terraces At Towne Lake	\$0.89
	Terraces At Towne Lake	\$0.95	Terraces At Towne Lake	\$0.89
	Alta Ridgewalk * (2BA M)	\$0.95	Terraces At Towne Lake	\$0.87
	The Peaks Of Bells Ferry * (2BA M)	\$0.93	The Peaks Of Bells Ferry * (M)	\$0.86
	Avonlea At Town Lake (2BA)	\$0.92	Alta Ridgewalk * (M)	\$0.83
	Terraces At Towne Lake	\$0.91	Alexander Ridge Apartments * (60%)	\$0.83
	Alexander Ridge Apartments * (2BA 60%)	\$0.88	Legacy At Acworth * (M)	\$0.83
	Legacy At Acworth * (2BA M)	\$0.88	The Peaks Of Bells Ferry * (60%)	\$0.74
	Alta Ridgewalk * (2BA 60%)	\$0.86	Legacy At Acworth * (60%)	\$0.73
	The Peaks Of Bells Ferry * (2BA 60%)	\$0.82	Cherokee Summit * (60%)	\$0.68
	Cherokee Summit * (2BA 60%)	\$0.77	Alexander Ridge Apartments * (50%)	\$0.68
	Legacy At Acworth * (2BA 60%)	\$0.76	<b>Riverstock Apartments * (60%)</b>	<b>\$0.66</b>
	Alexander Ridge Apartments * (2BA 50%)	\$0.71	Alta Ridgewalk * (60%)	\$0.65
	Alta Ridgewalk * (2BA 60%)	\$0.70	<b>Riverstock Apartments * (50%)</b>	<b>\$0.53</b>
		<b>Riverstock Apartments * (60%)</b>	<b>\$0.68</b>	
	<b>Riverstock Apartments * (50%)</b>	<b>\$0.55</b>		

# PROPERTY PROFILE REPORT

## Alexander Ridge Apartments

<b>Effective Rent Date</b>	4/07/2017
<b>Location</b>	3145 Ridge Road Canton, GA 30114 Cherokee County
<b>Distance</b>	6.8 miles
<b>Units</b>	272
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	1999 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Canterbury Ridge, River Ridge, Walden Crossing
<b>Tenant Characteristics</b>	Mixed tenancy, some families
<b>Contact Name</b>	Sarah
<b>Phone</b>	770-479-5970



### Market Information

<b>Program</b>	@50%, @60%, Market
<b>Annual Turnover Rate</b>	40%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	8%
<b>Leasing Pace</b>	Pre-leased
<b>Annual Chg. in Rent</b>	5% increase since 3Q2016
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	18	801	\$595	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	38	801	\$735	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	16	801	\$900	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	36	1,002	\$710	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	56	1,002	\$880	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	26	1,002	\$1,000	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	22	1,200	\$810	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	42	1,200	\$1,000	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	N/A	1,200	\$1,100	\$0	Market	No	0	N/A	N/A	None

## Alexander Ridge Apartments, continued

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$595	\$0	\$595	\$0	\$595	1BR / 1BA	\$735	\$0	\$735	\$0	\$735
2BR / 2BA	\$710	\$0	\$710	\$0	\$710	2BR / 2BA	\$880	\$0	\$880	\$0	\$880
3BR / 2BA	\$810	\$0	\$810	\$0	\$810	3BR / 2BA	\$1,000	\$0	\$1,000	\$0	\$1,000

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$900	\$0	\$900	\$0	\$900
2BR / 2BA	\$1,000	\$0	\$1,000	\$0	\$1,000
3BR / 2BA	\$1,100	\$0	\$1,100	\$0	\$1,100

### Amenities

#### In-Unit

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

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

#### Security

In-Unit Alarm  
 Limited Access  
 Patrol  
 Perimeter Fencing

#### Services

None

#### Property

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

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

#### Premium

None

#### Other

None

### Comments

The contact reported that the property maintains a waiting list of 6 households.

# Alexander Ridge Apartments, continued

## Trend Report

### Vacancy Rates

2Q15	2Q16	3Q16	2Q17
5.1%	0.7%	0.0%	0.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$562	\$0	\$562	\$562
2016	2	N/A	\$562	\$0	\$562	\$562
2016	3	N/A	\$541	\$0	\$541	\$541
2017	2	0.0%	\$595	\$0	\$595	\$595

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$669	\$0	\$669	\$669
2016	2	N/A	\$657	\$0	\$657	\$657
2016	3	N/A	\$657	\$0	\$657	\$657
2017	2	0.0%	\$710	\$0	\$710	\$710

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$755	\$0	\$755	\$755
2016	2	N/A	\$741	\$0	\$741	\$741
2016	3	N/A	\$741	\$0	\$741	\$741
2017	2	0.0%	\$810	\$0	\$810	\$810

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$700	\$0	\$700	\$700
2016	2	N/A	\$693	\$0	\$693	\$693
2016	3	N/A	\$693	\$0	\$693	\$693
2017	2	0.0%	\$735	\$0	\$735	\$735

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$835	\$0	\$835	\$835
2016	2	N/A	\$824	\$0	\$824	\$824
2016	3	N/A	\$824	\$0	\$824	\$824
2017	2	0.0%	\$880	\$0	\$880	\$880

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$945	\$0	\$945	\$945
2016	2	N/A	\$933	\$0	\$933	\$933
2016	3	N/A	\$933	\$0	\$933	\$933
2017	2	0.0%	\$1,000	\$0	\$1,000	\$1,000

## Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$760	\$0	\$760	\$760
2016	2	N/A	\$850	\$0	\$850	\$850
2016	3	N/A	\$900	\$0	\$900	\$900
2017	2	0.0%	\$900	\$0	\$900	\$900

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$900	\$0	\$900	\$900
2016	2	N/A	\$1,000	\$0	\$1,000	\$1,000
2016	3	N/A	\$1,000	\$0	\$1,000	\$1,000
2017	2	0.0%	\$1,000	\$0	\$1,000	\$1,000

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$1,000	\$0	\$1,000	\$1,000
2016	2	N/A	\$1,100	\$0	\$1,100	\$1,100
2016	3	N/A	\$1,100	\$0	\$1,100	\$1,100
2017	2	N/A	\$1,100	\$0	\$1,100	\$1,100

## Alexander Ridge Apartments, continued

### Trend: Comments

- 2Q15** Management reported that there is a waiting list for the 50 percent units and one-bedroom 60 percent units. The length of the waiting list was not available. Management could not provide the unit mix or number of vacancies for each unit type. Most of the vacancies are LIHTC units. The percentage of seniors living at the property was unavailable.
- 2Q16** The contact reported a high demand for rental housing in the area. They property's two vacancies are preleased.
- 3Q16** The property maintains a waiting list for the one-bedroom 60 percent AMI and Market units consisting of two households. The property also maintains a waiting list for the 60 percent AMI two-bedroom units consisting of one household.
- 2Q17** The contact reported that the property maintains a waiting list of 6 households.

# PROPERTY PROFILE REPORT

## Alta Ridgewalk

<b>Effective Rent Date</b>	4/07/2017
<b>Location</b>	1 Elena Way Woodstock, GA 30188 Cherokee County
<b>Distance</b>	1.3 miles
<b>Units</b>	340
<b>Vacant Units</b>	3
<b>Vacancy Rate</b>	0.9%
<b>Type</b>	Garden (4 stories)
<b>Year Built/Renovated</b>	2004 / N/A
<b>Marketing Began</b>	5/01/2004
<b>Leasing Began</b>	6/01/2004
<b>Last Unit Leased</b>	2/01/2006
<b>Major Competitors</b>	Ivan Lake, Point at Town Lake
<b>Tenant Characteristics</b>	Majority in 20s or 30s; Many work for Walmart; 15-20% seniors
<b>Contact Name</b>	Lashonda
<b>Phone</b>	770.516.5636



### Market Information

<b>Program</b>	@60%, Market
<b>Annual Turnover Rate</b>	40%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	6%
<b>Leasing Pace</b>	Pre-leased to two weeks
<b>Annual Chg. in Rent</b>	7% increase since 3Q2016
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (4 stories)	4	643	\$734	\$0	@60%	Yes	0	0.0%	yes	None
0	1	Garden (4 stories)	5	643	\$870	\$0	Market	Yes	1	20.0%	N/A	None
1	1	Garden (4 stories)	46	773	\$734	\$0	@60%	Yes	1	2.2%	no	None
1	1	Garden (4 stories)	29	877	\$734	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (4 stories)	19	733	\$800	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (4 stories)	13	877	\$940	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (4 stories)	38	1,018	\$872	\$0	@60%	Yes	1	2.6%	yes	None
2	2	Garden (4 stories)	82	1,247	\$872	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (4 stories)	15	1,018	\$980	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (4 stories)	35	1,247	\$1,180	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (4 stories)	38	1,547	\$1,003	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (4 stories)	16	1,547	\$1,290	\$0	Market	Yes	0	0.0%	N/A	None

## Alta Ridgewalk, continued

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$734	\$0	\$734	\$0	\$734	Studio / 1BA	\$870	\$0	\$870	\$0	\$870
1BR / 1BA	\$734	\$0	\$734	\$0	\$734	1BR / 1BA	\$800 - \$940	\$0	\$800 - \$940	\$0	\$800 - \$940
2BR / 2BA	\$872	\$0	\$872	\$0	\$872	2BR / 2BA	\$980 - \$1,180	\$0	\$980 - \$1,180	\$0	\$980 - \$1,180
3BR / 2BA	\$1,003	\$0	\$1,003	\$0	\$1,003	3BR / 2BA	\$1,290	\$0	\$1,290	\$0	\$1,290

### Amenities

#### In-Unit

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

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

#### Security

Limited Access  
 Patrol  
 Perimeter Fencing

#### Services

None

#### Property

Basketball Court  
 Exercise Facility  
 Jacuzzi  
 Off-Street Parking  
 Playground  
 Tennis Court

Clubhouse/Meeting  
 Garage  
 Central Laundry  
 On-Site Management  
 Swimming Pool  
 Volleyball Court

#### Premium

None

#### Other

None

### Comments

The contact reported that the property maintains a waiting list of nine households.

# Alta Ridgewalk, continued

## Trend Report

### Vacancy Rates

3Q10	2Q15	3Q16	2Q17
2.9%	1.2%	1.2%	0.9%

### Trend: @60%

#### 1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	2.7%	\$708	\$59	\$649	\$649
2015	2	2.7%	\$723	\$0	\$723	\$723
2016	3	2.7%	\$723	\$0	\$723	\$723
2017	2	1.3%	\$734	\$0	\$734	\$734

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	1.7%	\$815	\$68	\$747	\$747
2015	2	0.8%	\$840 - \$861	\$0	\$840 - \$861	\$840 - \$861
2016	3	0.8%	\$840 - \$861	\$0	\$840 - \$861	\$840 - \$861
2017	2	0.8%	\$872	\$0	\$872	\$872

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$958	\$0	\$958	\$958
2015	2	0.0%	\$987	\$0	\$987	\$987
2016	3	0.0%	\$987	\$0	\$987	\$987
2017	2	0.0%	\$1,003	\$0	\$1,003	\$1,003

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$650	\$0	\$650	\$650
2015	2	0.0%	\$699	\$0	\$699	\$699
2016	3	0.0%	\$699	\$0	\$699	\$699
2017	2	0.0%	\$734	\$0	\$734	\$734

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$755 - \$800	\$63 - \$67	\$692 - \$733	\$692 - \$733
2015	2	0.0%	\$785 - \$835	\$0	\$785 - \$835	\$785 - \$835
2016	3	0.0%	\$785 - \$835	\$0	\$785 - \$835	\$785 - \$835
2017	2	0.0%	\$800 - \$940	\$0	\$800 - \$940	\$800 - \$940

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	10.0%	\$915 - \$950	\$76 - \$79	\$839 - \$871	\$839 - \$871
2015	2	0.0%	\$955 - \$995	\$0	\$955 - \$995	\$955 - \$995
2016	3	0.0%	\$955 - \$995	\$0	\$955 - \$995	\$955 - \$995
2017	2	0.0%	\$980 - \$1,180	\$0	\$980 - \$1,180	\$980 - \$1,180

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$1,120	\$0	\$1,120	\$1,120
2015	2	0.0%	\$1,185	\$0	\$1,185	\$1,185
2016	3	0.0%	\$1,185	\$0	\$1,185	\$1,185
2017	2	0.0%	\$1,290	\$0	\$1,290	\$1,290

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	20.0%	\$710	\$0	\$710	\$710
2015	2	20.0%	\$725	\$0	\$725	\$725
2016	3	20.0%	\$725	\$0	\$725	\$725
2017	2	20.0%	\$870	\$0	\$870	\$870

## Trend: Comments

**3Q10** Management indicated that there has been an increase in demand for units, market and LIHTC, since our last interview in February 2010.

**2Q15** The waiting list consists of three households.

**3Q16** N/A

**2Q17** The contact reported that the property maintains a waiting list of nine households.

Photos



# PROPERTY PROFILE REPORT

## Cherokee Summit

<b>Effective Rent Date</b>	4/07/2017
<b>Location</b>	5920 Bells Ferry Road Acworth, GA 30102 Cherokee County
<b>Distance</b>	4.1 miles
<b>Units</b>	272
<b>Vacant Units</b>	11
<b>Vacancy Rate</b>	4.0%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2000 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	The Peaks at Bells Ferry, Gregory Lane Apartments
<b>Tenant Characteristics</b>	Would not disclose
<b>Contact Name</b>	Adda
<b>Phone</b>	678.494.9400



### Market Information

<b>Program</b>	@60%
<b>Annual Turnover Rate</b>	22%
<b>Units/Month Absorbed</b>	N/Av
<b>HCV Tenants</b>	3%
<b>Leasing Pace</b>	2-Weeks
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	48	975	\$736	\$0	@60%	No	0	0.0%	no	None
2	2	Garden (3 stories)	184	1,150	\$872	\$0	@60%	No	6	3.3%	no	None
3	2	Garden (3 stories)	40	1,350	\$907	\$0	@60%	No	5	12.5%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$736	\$0	\$736	\$15	\$751
2BR / 2BA	\$872	\$0	\$872	\$15	\$887
3BR / 2BA	\$907	\$0	\$907	\$15	\$922

## Cherokee Summit, continued

### Amenities

#### In-Unit

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

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

#### Security

Limited Access  
Perimeter Fencing

#### Services

Afterschool Program

#### Property

Basketball Court  
Car Wash  
Exercise Facility  
Off-Street Parking  
Playground  
Swimming Pool

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

#### Premium

None

#### Other

Video library, aerobic

### Comments

The manager had no additional comments.

## Cherokee Summit, continued

### Trend Report

#### Vacancy Rates

1Q10	2Q14	2Q15	2Q17
1.8%	5.5%	0.7%	4.0%

#### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$625	\$0	\$625	\$640
2014	2	6.2%	\$651	\$0	\$651	\$666
2015	2	0.0%	\$651	\$0	\$651	\$666
2017	2	0.0%	\$736	\$0	\$736	\$751

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$705	\$0	\$705	\$720
2014	2	5.4%	\$735	\$0	\$735	\$750
2015	2	1.1%	\$735	\$0	\$735	\$750
2017	2	3.3%	\$872	\$0	\$872	\$887

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$759	\$0	\$759	\$774
2014	2	5.0%	\$907	\$0	\$907	\$922
2015	2	0.0%	\$907	\$0	\$907	\$922
2017	2	12.5%	\$907	\$0	\$907	\$922

### Trend: Comments

1Q10	Contact had no additional comments.
2Q14	The property prices its units with the LRO system, therefore, prices change daily. The contact would not disclose the tenant characteristics.
2Q15	The contact had no additional comments.
2Q17	The manager had no additional comments.

# PROPERTY PROFILE REPORT

## Legacy At Acworth (FKA Wingate Falls)

<b>Effective Rent Date</b>	4/07/2017
<b>Location</b>	4801 Baker Grove Road Acworth, GA 30101 Cobb County
<b>Distance</b>	8.2 miles
<b>Units</b>	192
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	2.1%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1997 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Stanton Place, Gregory Lane, Cobblestone
<b>Tenant Characteristics</b>	Mixed tenancy, some families
<b>Contact Name</b>	Brenda
<b>Phone</b>	877-544-0612



### Market Information

<b>Program</b>	@60%, Market
<b>Annual Turnover Rate</b>	40%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Pre-leased to 30 days
<b>Annual Chg. in Rent</b>	5% increase since 3Q2016
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	38	840	\$715	\$0	@60%	No	0	0.0%	no	None
1	1	Garden (2 stories)	36	840	\$825	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	46	1,056	\$850	\$0	@60%	No	0	0.0%	no	None
2	2	Garden (2 stories)	50	1,056	\$975	\$0	Market	No	2	4.0%	N/A	None
3	2	Garden (2 stories)	12	1,254	\$975	\$0	@60%	No	1	8.3%	no	None
3	2	Garden (2 stories)	10	1,254	\$1,100	\$0	Market	No	1	10.0%	N/A	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$715	\$0	\$715	-\$41	\$674	<b>1BR / 1BA</b>	\$825	\$0	\$825	-\$41	\$784
<b>2BR / 2BA</b>	\$850	\$0	\$850	-\$48	\$802	<b>2BR / 2BA</b>	\$975	\$0	\$975	-\$48	\$927
<b>3BR / 2BA</b>	\$975	\$0	\$975	-\$59	\$916	<b>3BR / 2BA</b>	\$1,100	\$0	\$1,100	-\$59	\$1,041

## Legacy At Acworth (FKA Wingate Falls), continued

### Amenities

#### In-Unit

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

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

#### Security

In-Unit Alarm  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Playground

Exercise Facility  
Off-Street Parking  
Picnic Area  
Swimming Pool

#### Premium

None

#### Other

None

### Comments

The property was formerly known as Wingate Falls). The contact had no additional comments.

# Legacy At Acworth (FKA Wingate Falls), continued

## Trend Report

### Vacancy Rates

2Q14	2Q15	3Q16	2Q17
4.2%	2.6%	0.0%	2.1%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$650	\$0	\$650	\$609
2015	2	N/A	\$710	\$0	\$710	\$669
2016	3	N/A	\$715	\$0	\$715	\$674
2017	2	0.0%	\$715	\$0	\$715	\$674

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$750	\$0	\$750	\$702
2015	2	N/A	\$835	\$0	\$835	\$787
2016	3	N/A	\$850	\$0	\$850	\$802
2017	2	0.0%	\$850	\$0	\$850	\$802

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$850	\$0	\$850	\$791
2015	2	N/A	\$965	\$0	\$965	\$906
2016	3	N/A	\$950	\$0	\$950	\$891
2017	2	8.3%	\$975	\$0	\$975	\$916

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$680	\$0	\$680	\$639
2015	2	N/A	\$735	\$0	\$735	\$694
2016	3	N/A	\$775	\$0	\$775	\$734
2017	2	0.0%	\$825	\$0	\$825	\$784

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$780	\$0	\$780	\$732
2015	2	N/A	\$850	\$0	\$850	\$802
2016	3	N/A	\$900	\$0	\$900	\$852
2017	2	4.0%	\$975	\$0	\$975	\$927

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$880	\$0	\$880	\$821
2015	2	N/A	\$999	\$0	\$999	\$940
2016	3	N/A	\$1,000	\$0	\$1,000	\$941
2017	2	10.0%	\$1,100	\$0	\$1,100	\$1,041

## Trend: Comments

- 2Q14** The high turnover is due to tenants buying houses and students. There are very few seniors at the property.
- 2Q15** No additional comments.
- 3Q16** The property does not accept Housing Choice Vouchers.
- 2Q17** The property was formerly known as Wingate Falls). The contact had no additional comments.

# PROPERTY PROFILE REPORT

## The Peaks Of Bells Ferry

<b>Effective Rent Date</b>	4/07/2017
<b>Location</b>	100 Peaks Ridge Acworth, GA 30102 Cherokee County
<b>Distance</b>	4.1 miles
<b>Units</b>	248
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	0.8%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2003 / N/A
<b>Marketing Began</b>	6/01/2003
<b>Leasing Began</b>	8/01/2003
<b>Last Unit Leased</b>	6/30/2005
<b>Major Competitors</b>	Brentwood, Cherokee Summit
<b>Tenant Characteristics</b>	Mixed tenancy
<b>Contact Name</b>	Jordan
<b>Phone</b>	770-928-0860



### Market Information

<b>Program</b>	@60%, Market
<b>Annual Turnover Rate</b>	40%
<b>Units/Month Absorbed</b>	11
<b>HCV Tenants</b>	10%
<b>Leasing Pace</b>	Pre-leased to one week
<b>Annual Chg. in Rent</b>	15% increase since 3Q2016
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	50	874	\$827	\$0	@60%	No	0	0.0%	yes	None
1	1	Garden (3 stories)	12	874	\$990	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	98	1,149	\$990	\$0	@60%	No	1	1.0%	yes	None
2	2	Garden (3 stories)	25	1,149	\$1,115	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	51	1,388	\$1,091	\$0	@60%	Yes	1	2.0%	yes	None
3	2	Garden (3 stories)	12	1,388	\$1,255	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$827	\$0	\$827	-\$41	\$786	1BR / 1BA	\$990	\$0	\$990	-\$41	\$949
2BR / 2BA	\$990	\$0	\$990	-\$48	\$942	2BR / 2BA	\$1,115	\$0	\$1,115	-\$48	\$1,067
3BR / 2BA	\$1,091	\$0	\$1,091	-\$59	\$1,032	3BR / 2BA	\$1,255	\$0	\$1,255	-\$59	\$1,196

## The Peaks Of Bells Ferry, continued

### Amenities

#### In-Unit

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

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

#### Security

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

#### Services

None

#### Property

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

Car Wash  
Exercise Facility  
Central Laundry  
On-Site Management  
Playground  
Wi-Fi

#### Premium

None

#### Other

None

### Comments

The contact reported that the property maintains a waiting list of 18 households.

# The Peaks Of Bells Ferry, continued

## Trend Report

### Vacancy Rates

<b>2Q14</b>	<b>2Q15</b>	<b>3Q16</b>	<b>2Q17</b>
0.0%	2.0%	0.0%	0.8%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$684	\$0	\$684	\$643
2015	2	0.0%	\$700	\$0	\$700	\$659
2016	3	0.0%	\$733	\$0	\$733	\$692
2017	2	0.0%	\$827	\$0	\$827	\$786

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$804	\$0	\$804	\$756
2015	2	1.0%	\$840	\$0	\$840	\$792
2016	3	0.0%	\$871	\$0	\$871	\$823
2017	2	1.0%	\$990	\$0	\$990	\$942

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$909	\$0	\$909	\$850
2015	2	3.9%	\$935	\$0	\$935	\$876
2016	3	0.0%	\$995	\$0	\$995	\$936
2017	2	2.0%	\$1,091	\$0	\$1,091	\$1,032

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$744	\$0	\$744	\$703
2015	2	0.0%	\$760	\$0	\$760	\$719
2016	3	0.0%	\$795	\$0	\$795	\$754
2017	2	0.0%	\$990	\$0	\$990	\$949

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$864	\$0	\$864	\$816
2015	2	4.0%	\$875	\$0	\$875	\$827
2016	3	0.0%	\$930	\$0	\$930	\$882
2017	2	0.0%	\$1,115	\$0	\$1,115	\$1,067

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$909	\$0	\$909	\$850
2015	2	8.3%	\$969	\$0	\$969	\$910
2016	3	0.0%	\$1,015	\$0	\$1,015	\$956
2017	2	0.0%	\$1,255	\$0	\$1,255	\$1,196

## Trend: Comments

<b>2Q14</b>	The property is 100 percent occupied. There is a pet fee for \$300.
<b>2Q15</b>	The contact had no additional comments.
<b>3Q16</b>	The property is under new management as of the beginning of July 2016. The property maintains a waiting list for three-bedroom units consisting of four households.
<b>2Q17</b>	The contact reported that the property maintains a waiting list of 18 households.

# PROPERTY PROFILE REPORT

## Avonlea At Town Lake

<b>Effective Rent Date</b>	4/07/2017
<b>Location</b>	100 Avonlea Way Woodstock, GA 30189 Cherokee County
<b>Distance</b>	1.4 miles
<b>Units</b>	247
<b>Vacant Units</b>	7
<b>Vacancy Rate</b>	2.8%
<b>Type</b>	Garden (4 stories)
<b>Year Built/Renovated</b>	1999 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	The Heights, The Pointe, The Woods
<b>Tenant Characteristics</b>	Mixed tenancy, some families
<b>Contact Name</b>	Hannah
<b>Phone</b>	770-591-1664



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	40%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Pre-leased
<b>Annual Chg. in Rent</b>	7% increase since 3Q2016
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	42	832	\$1,094	\$0	Market	No	0	0.0%	N/A	AVG*
1	1	Garden (4 stories)	30	844	\$1,137	\$0	Market	No	1	3.3%	N/A	HIGH
1	1	Garden (4 stories)	27	742	\$1,051	\$0	Market	Yes	2	7.4%	N/A	LOW
2	2	Garden (4 stories)	52	1,356	\$1,238	\$0	Market	No	0	0.0%	N/A	AVG*
2	2	Garden (4 stories)	N/A	1,443	\$1,305	\$0	Market	No	2	N/A	N/A	HIGH
2	2	Garden (4 stories)	68	1,190	\$1,170	\$0	Market	No	2	2.9%	N/A	LOW
3	2	Garden (4 stories)	28	1,395	\$1,411	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$1,051 - \$1,137	\$0	\$1,051 - \$1,137	\$15	\$1,066 - \$1,152
<b>2BR / 2BA</b>	\$1,170 - \$1,305	\$0	\$1,170 - \$1,305	\$15	\$1,185 - \$1,320
<b>3BR / 2BA</b>	\$1,411	\$0	\$1,411	\$15	\$1,426

## Avonlea At Town Lake, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpet/Hardwood  
Dishwasher  
Garbage Disposal  
Oven  
Vaulted Ceilings  
Washer/Dryer hookup

Blinds  
Central A/C  
Ceiling Fan  
Microwave  
Refrigerator  
Walk-In Closet

#### Security

Limited Access  
Perimeter Fencing  
Video Surveillance

#### Services

None

#### Property

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

Car Wash  
Exercise Facility  
Central Laundry  
On-Site Management

#### Premium

None

#### Other

None

### Comments

The property does not accept Housing Choice Vouchers.

## Avonlea At Town Lake, continued

### Trend Report

#### Vacancy Rates

1Q10	3Q10	3Q16	2Q17
10.9%	4.0%	4.0%	2.8%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$753 - \$813	\$100	\$653 - \$713	\$668 - \$728
2010	3	N/A	\$753 - \$813	\$40	\$713 - \$773	\$728 - \$788
2016	3	N/A	\$960 - \$985	\$0	\$960 - \$985	\$975 - \$1,000
2017	2	3.0%	\$1,051 - \$1,137	\$0	\$1,051 - \$1,137	\$1,066 - \$1,152

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$955 - \$978	\$125	\$830 - \$853	\$845 - \$868
2010	3	N/A	\$955 - \$978	\$60	\$895 - \$918	\$910 - \$933
2016	3	N/A	\$1,170 - \$1,290	\$0	\$1,170 - \$1,290	\$1,185 - \$1,305
2017	2	N/A	\$1,170 - \$1,305	\$0	\$1,170 - \$1,305	\$1,185 - \$1,320

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$1,068	\$100	\$968	\$983
2010	3	N/A	\$1,100	\$40	\$1,060	\$1,075
2016	3	0.0%	\$1,305	\$0	\$1,305	\$1,320
2017	2	0.0%	\$1,411	\$0	\$1,411	\$1,426

### Trend: Comments

1Q10	The property is 89 percent occupied and 91 percent leased. The property typically remains 90 to 95 percent occupied, which is a range that has been maintained since the close of 2009. The contact reported that the concession has been offered since mid-February 2009. Rents have not changed since we last interviewed the property in 2007. The rents are averages of the following: \$735 and \$770, \$790 and \$835, \$930 and \$1,000; and, \$1,000 and \$1,135. Rents range based on location, level, and view.
3Q10	The property is 100 percent leased. Housing Choice Voucher tenants are not accepted.
3Q16	The property does not accept Housing Choice Vouchers. The property also has three-bedroom units that are 1,511 square feet; however the rents were not available for that size apartment. Garage parking premiums range from \$125 to \$145 per month.
2Q17	The property does not accept Housing Choice Vouchers.

Photos



# PROPERTY PROFILE REPORT

## Bell Woodstock

**Effective Rent Date** 4/07/2017  
**Location** 3460 Trickum Road  
 Woodstock, GA 30188  
 Cherokee County  
**Distance** 2.3 miles  
**Units** 498  
**Vacant Units** 25  
**Vacancy Rate** 5.0%  
**Type** Garden  
**Year Built/Renovated** I:1999 II:2002 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Alta Ridge  
**Tenant Characteristics** Mixed tenancy  
**Contact Name** Samantha  
**Phone** 770.926.3539



### Market Information

**Program** Market  
**Annual Turnover Rate** 36%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 0%  
**Leasing Pace** Pre-leased to two weeks  
**Annual Chg. in Rent** None reported  
**Concession** None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	108	927	\$1,006	\$0	Market	Yes	7	6.5%	N/A	None
2	1	Garden	189	1,139	\$1,193	\$0	Market	Yes	9	4.8%	N/A	None
2	2	Garden	190	1,237	\$1,264	\$0	Market	No	8	4.2%	N/A	AVG*
3	2	Garden	11	1,405	\$1,481	\$0	Market	No	1	9.1%	N/A	AVG*

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,006	\$0	\$1,006	\$15	\$1,021
2BR / 1BA	\$1,193	\$0	\$1,193	\$15	\$1,208
2BR / 2BA	\$1,264	\$0	\$1,264	\$15	\$1,279
3BR / 2BA	\$1,481	\$0	\$1,481	\$15	\$1,496

## Bell Woodstock, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Fireplace  
Oven  
Walk-In Closet  
Washer/Dryer hookup

Blinds  
Central A/C  
Dishwasher  
Ceiling Fan  
Garbage Disposal  
Refrigerator  
Washer/Dryer

#### Security

Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

Business Center/Computer Lab  
Clubhouse/Meeting  
Exercise Facility  
On-Site Management  
Swimming Pool  
Volleyball Court

Car Wash  
Commercial/Retail  
Off-Street Parking  
Picnic Area  
Tennis Court  
Wi-Fi

#### Premium

None

#### Other

Yoga studio, dog park

### Comments

The property does not accept Housing Choice Vouchers.

## Bell Woodstock, continued

### Trend Report

#### Vacancy Rates

1Q09	1Q10	3Q16	2Q17
12.0%	3.0%	5.2%	5.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$578	\$0	\$578	\$593
2010	1	N/A	\$628	\$0	\$628	\$643
2016	3	0.0%	\$1,006	\$117	\$889	\$904
2017	2	6.5%	\$1,006	\$0	\$1,006	\$1,021

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$800	\$0	\$800	\$815
2010	1	N/A	\$738	\$0	\$738	\$753
2016	3	0.0%	\$1,193	\$117	\$1,076	\$1,091
2017	2	4.8%	\$1,193	\$0	\$1,193	\$1,208

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$800	\$0	\$800	\$815
2010	1	N/A	\$881	\$0	\$881	\$896
2016	3	12.1%	\$1,264	\$117	\$1,147	\$1,162
2017	2	4.2%	\$1,264	\$0	\$1,264	\$1,279

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$900	\$0	\$900	\$915
2010	1	N/A	\$1,050	\$0	\$1,050	\$1,065
2016	3	27.3%	\$1,481	\$117	\$1,364	\$1,379
2017	2	9.1%	\$1,481	\$0	\$1,481	\$1,496

### Trend: Comments

**1Q09** The contact could not provide the unit breakdown between the two-bedroom units with one versus two baths; therefore, the unit mix for these is estimated. The concession has been offered since the beginning of March 2009. The rents range because there are two phases. The rents listed are averages of: \$545 to \$610, \$750 to \$850, and \$850 to \$950. These are reduced rates as part of a concession that includes \$275 off of the market rents for the one-, \$225 off for the two-, and \$215 off for the three-bedroom units. The contact stated that an 88 percent occupancy rate has been typical for the property for the past three months but prior to December 2008, the property had remained stable at approximately 96 percent occupied. The contact attributes the decrease in occupancy to job loss. The extra storage units and garages rent for \$25 and \$100, respectively. The contact estimated that approximately 80 percent of the storage units and 70 percent of the garages are rented.

**1Q10** Rents that are listed in the grid are averages. Currently, the one-bedroom units range from \$575-\$682, the two-bedroom units range from \$696-\$932, and the three-bedroom units range from \$1,000-\$1,100. Contact indicated that the rent range is based upon the level the unit is located on and the lease term.

**3Q16** The property was formerly known as Alta Woods. The rents for the 927 and 1,139-square foot units are for the units next available. The 1,237-square foot units range in price from \$1,216 to \$1,311 while the 1,405 square foot units range in price from \$1,436 to \$1,526. The rent ranges are due to variances in square footage and floor level. The current special is \$100 off rent if a tenant leases within 24-hours of viewing the property, and \$200 off the first month if the tenant pre-leases a unit. The property does not accept Housing Choice Vouchers.

**2Q17** The property does not accept Housing Choice Vouchers.

# PROPERTY PROFILE REPORT

## Station 92 At Woodstock (fka Crest At Laurelwood)

<b>Effective Rent Date</b>	4/07/2017
<b>Location</b>	10247 Highway 92 Woodstock, GA 30188 Cherokee County
<b>Distance</b>	1.1 miles
<b>Units</b>	272
<b>Vacant Units</b>	5
<b>Vacancy Rate</b>	1.8%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2015 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	4/15/2015
<b>Last Unit Leased</b>	10/01/2016
<b>Major Competitors</b>	None identified
<b>Tenant Characteristics</b>	Mixed tenancy
<b>Contact Name</b>	Ken
<b>Phone</b>	678-500-9796



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	15%
<b>Units/Month Absorbed</b>	15
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Pre-leased to one week
<b>Annual Chg. in Rent</b>	2% decrease since 3Q2016
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	62	866	\$986	\$0	Market	No	2	3.2%	N/A	None
1	1	Garden (3 stories)	64	875	\$1,083	\$0	Market	No	1	1.6%	N/A	None
2	2	Garden (3 stories)	60	1,179	\$1,257	\$0	Market	No	1	1.7%	N/A	None
2	2	Garden (3 stories)	64	1,233	\$1,377	\$0	Market	No	1	1.6%	N/A	None
3	2	Garden (3 stories)	22	1,321	\$1,470	\$125	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$986 - \$1,083	\$0	\$986 - \$1,083	\$15	\$1,001 - \$1,098
2BR / 2BA	\$1,257 - \$1,377	\$0	\$1,257 - \$1,377	\$15	\$1,272 - \$1,392
3BR / 2BA	\$1,470	\$125	\$1,345	\$15	\$1,360

## Station 92 At Woodstock (fka Crest At Laurelwood), continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpet/Hardwood  
Central A/C  
Dishwasher  
Ceiling Fan  
Microwave  
Refrigerator  
Walk-In Closet  
Washer/Dryer hookup

Blinds  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Oven  
Vaulted Ceilings  
Washer/Dryer

#### Security

Perimeter Fencing

#### Services

None

#### Property

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

Courtyard  
Garage  
On-Site Management  
Recreation Areas  
Swimming Pool

#### Premium

None

#### Other

Pet park, Electric car charge

### Comments

The property was formerly known as Crest At Laurelwood. The contact reported that the property reached stabilized vacancy in October of 2016, which results in an absorption rate of 15 units a month.

## Station 92 At Woodstock (fka Crest At Laurelwood), continued

### Trend Report

#### Vacancy Rates

<b>3Q16</b>	<b>2Q17</b>
16.2%	1.8%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$1,051 - \$1,125	\$88 - \$94	\$963 - \$1,031	\$978 - \$1,046
2017	2	2.4%	\$986 - \$1,083	\$0	\$986 - \$1,083	\$1,001 - \$1,098

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$1,249 - \$1,356	\$104 - \$113	\$1,145 - \$1,243	\$1,160 - \$1,258
2017	2	1.6%	\$1,257 - \$1,377	\$0	\$1,257 - \$1,377	\$1,272 - \$1,392

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$1,499	\$125	\$1,374	\$1,389
2017	2	0.0%	\$1,470	\$125	\$1,345	\$1,360

### Trend: Comments

- 3Q16** The property does not accept Housing Choice Vouchers. The property opened in April/May 2015, and is still in lease-up. Additional details on absorption were not available as the property is under new management as of May 2016.
- 2Q17** The property was formerly known as Crest At Laurelwood. The contact reported that the property reached stabilized vacancy in October of 2016, which results in an absorption rate of 15 units a month.

Station 92 At Woodstock (fka Crest At Laurelwood), continued

Photos



# PROPERTY PROFILE REPORT

## Terraces At Towne Lake

<b>Effective Rent Date</b>	4/07/2017
<b>Location</b>	1354 Townlake Hills S Dr Woodstock, GA 30189 Cherokee County
<b>Distance</b>	2.2 miles
<b>Units</b>	502
<b>Vacant Units</b>	9
<b>Vacancy Rate</b>	1.8%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1998 / 2008
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None identified
<b>Tenant Characteristics</b>	Mixed tenancy
<b>Contact Name</b>	Torres
<b>Phone</b>	770-926-4100



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	30%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Pre-leased to one week
<b>Annual Chg. in Rent</b>	3% decrease since 3Q2016
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	54	707	\$838	\$0	Market	No	1	1.9%	N/A	None
1	1	Garden (2 stories)	56	769	\$933	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	58	1,062	\$948	\$0	Market	No	2	3.4%	N/A	None
2	1	Garden (2 stories)	48	1,145	\$1,078	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	52	1,075	\$1,013	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	58	1,126	\$1,028	\$0	Market	No	3	5.2%	N/A	None
2	2	Garden (2 stories)	64	1,180	\$1,035	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	60	1,216	\$1,054	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	18	1,323	\$1,158	\$0	Market	No	1	5.6%	N/A	None
3	2	Garden (2 stories)	20	1,351	\$1,163	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	14	1,408	\$1,243	\$0	Market	No	2	14.3%	N/A	None

## Terraces At Towne Lake, continued

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$838 - \$933	\$0	\$838 - \$933	\$15	\$853 - \$948
2BR / 1BA	\$948 - \$1,078	\$0	\$948 - \$1,078	\$15	\$963 - \$1,093
2BR / 2BA	\$1,013 - \$1,054	\$0	\$1,013 - \$1,054	\$15	\$1,028 - \$1,069
3BR / 2BA	\$1,158 - \$1,243	\$0	\$1,158 - \$1,243	\$15	\$1,173 - \$1,258

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Ceiling Fan  
Oven  
Walk-In Closet  
Washer/Dryer hookup

Blinds  
Central A/C  
Dishwasher  
Fireplace  
Refrigerator  
Washer/Dryer

#### Security

Limited Access

#### Services

None

#### Property

Clubhouse/Meeting  
Garage  
Central Laundry  
On-Site Management  
Playground  
Swimming Pool

Exercise Facility  
Jacuzzi  
Off-Street Parking  
Picnic Area  
Sauna  
Tennis Court

#### Premium

None

#### Other

Tanning salon

### Comments

The property accepts Housing Choice Vouchers; however, there are no households utilizing vouchers at this time.

# Terraces At Towne Lake, continued

## Trend Report

### Vacancy Rates

1Q10	3Q10	3Q16	2Q17
6.0%	2.0%	0.4%	1.8%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$585 - \$647	\$29	\$556 - \$618	\$571 - \$633
2010	3	N/A	\$585 - \$647	\$0	\$585 - \$647	\$600 - \$662
2016	3	N/A	\$838 - \$933	\$0	\$838 - \$933	\$853 - \$948
2017	2	0.9%	\$838 - \$933	\$0	\$838 - \$933	\$853 - \$948

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$690 - \$800	\$29	\$661 - \$771	\$676 - \$786
2010	3	N/A	\$690 - \$800	\$0	\$690 - \$800	\$705 - \$815
2016	3	N/A	\$1,053 - \$1,078	\$0	\$1,053 - \$1,078	\$1,068 - \$1,093
2017	2	1.9%	\$948 - \$1,078	\$0	\$948 - \$1,078	\$963 - \$1,093

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$625 - \$790	\$0 - \$29	\$596 - \$761	\$611 - \$776
2010	3	N/A	\$650 - \$820	\$0	\$650 - \$820	\$665 - \$835
2016	3	N/A	\$978 - \$1,128	\$0	\$978 - \$1,128	\$993 - \$1,143
2017	2	1.3%	\$1,013 - \$1,054	\$0	\$1,013 - \$1,054	\$1,028 - \$1,069

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$785 - \$860	\$0 - \$29	\$756 - \$831	\$771 - \$846
2010	3	N/A	\$850 - \$900	\$0	\$850 - \$900	\$865 - \$915
2016	3	N/A	\$1,203 - \$1,243	\$0	\$1,203 - \$1,243	\$1,218 - \$1,258
2017	2	5.8%	\$1,158 - \$1,243	\$0	\$1,158 - \$1,243	\$1,173 - \$1,258

## Trend: Comments

<b>1Q10</b>	Management is offering a "scratch and win" rent special where new tenants can win from \$150 to \$350 off of the first month's rent. To be conservative, we have deducted \$350 from the first month's rent and prorated the discount over a 12-month period. Rents for the two-bedroom, two-bath units are low as management relies upon a system where rents change daily based upon availability.
<b>3Q10</b>	The property was 99.2 percent pre-leased at the time of our interview.
<b>3Q16</b>	The property accepts Housing Choice Vouchers; however, there are no households utilizing them at this time.
<b>2Q17</b>	The property accepts Housing Choice Vouchers; however, there are no households utilizing vouchers at this time.

# PROPERTY PROFILE REPORT

## The Heights At Towne Lake

<b>Effective Rent Date</b>	4/07/2017
<b>Location</b>	1395 Buckhead Crossing Woodstock, GA 30188 Cherokee County
<b>Distance</b>	1.9 miles
<b>Units</b>	194
<b>Vacant Units</b>	9
<b>Vacancy Rate</b>	4.6%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2001 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Avonlea at Towne Lake, Brooke Mill
<b>Tenant Characteristics</b>	Mixed tenancy, some singles
<b>Contact Name</b>	April
<b>Phone</b>	770.516.5195



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	37%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Pre-leased to two weeks
<b>Annual Chg. in Rent</b>	2% decrease since 3Q2016
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	52	800	\$1,017	\$0	Market	No	3	5.8%	N/A	AVG*
1	1	Garden (3 stories)	38	874	\$1,039	\$0	Market	No	1	2.6%	N/A	AVG*
2	1	Garden (3 stories)	24	1,029	\$1,197	\$0	Market	No	1	4.2%	N/A	None
2	2	Garden (3 stories)	40	1,150	\$1,246	\$0	Market	No	3	7.5%	N/A	None
2	2	Garden (3 stories)	26	1,250	\$1,286	\$0	Market	No	1	3.8%	N/A	None
3	2	Garden (3 stories)	14	1,417	\$1,527	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,017 - \$1,039	\$0	\$1,017 - \$1,039	\$15	\$1,032 - \$1,054
2BR / 1BA	\$1,197	\$0	\$1,197	\$15	\$1,212
2BR / 2BA	\$1,246 - \$1,286	\$0	\$1,246 - \$1,286	\$15	\$1,261 - \$1,301
3BR / 2BA	\$1,527	\$0	\$1,527	\$15	\$1,542

## The Heights At Towne Lake, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpet/Hardwood  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Oven  
Walk-In Closet  
Washer/Dryer hookup

Blinds  
Central A/C  
Dishwasher  
Fireplace  
Microwave  
Refrigerator  
Washer/Dryer

#### Security

In-Unit Alarm  
Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

Car Wash  
Courtyard  
Garage  
Central Laundry  
On-Site Management  
Playground  
Tennis Court

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

#### Premium

Floor  
View

#### Other

Pet play area

### Comments

The contact reported that four of the current vacancies are pre-leased. Additionally, the contact reported that the property utilizes YieldStar, and that current rents were not reflective of summer rates which are generally higher.

# The Heights At Towne Lake, continued

## Trend Report

### Vacancy Rates

1Q10	3Q10	3Q16	2Q17
3.1%	3.1%	5.2%	4.6%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$675 - \$725	\$0	\$675 - \$725	\$690 - \$740
2010	3	N/A	\$750 - \$785	\$60 - \$75	\$675 - \$725	\$690 - \$740
2016	3	N/A	\$1,128 - \$1,154	\$0	\$1,128 - \$1,154	\$1,143 - \$1,169
2017	2	4.4%	\$1,017 - \$1,039	\$0	\$1,017 - \$1,039	\$1,032 - \$1,054

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$790	\$0	\$790	\$805
2010	3	N/A	\$865	\$75	\$790	\$805
2016	3	N/A	\$1,081	\$0	\$1,081	\$1,096
2017	2	4.2%	\$1,197	\$0	\$1,197	\$1,212

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$850 - \$895	\$0	\$850 - \$895	\$865 - \$910
2010	3	N/A	\$915 - \$995	\$65 - \$100	\$850 - \$895	\$865 - \$910
2016	3	N/A	\$1,144 - \$1,248	\$0	\$1,144 - \$1,248	\$1,159 - \$1,263
2017	2	6.1%	\$1,246 - \$1,286	\$0	\$1,246 - \$1,286	\$1,261 - \$1,301

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$1,185	\$0	\$1,185	\$1,200
2010	3	N/A	\$1,185	\$200	\$985	\$1,000
2016	3	N/A	\$1,461	\$0	\$1,461	\$1,476
2017	2	0.0%	\$1,527	\$0	\$1,527	\$1,542

## Trend: Comments

- 1Q10** The property is 97 percent occupied and 100 percent leased. The reduced rents have been offered since January 2010.
- 3Q10** Reported occupancy is standard. Contact could not provide specific breakdown of vacancies and number of units per bedroom type.
- 3Q16** Contact could not provide specific breakdown of vacancies and number of units per bedroom type. The property does not accept Housing Choice Vouchers. The 800-square foot units range in price from \$1,110 to \$1,146 while the 874-square foot units range in price from \$1,134 to \$1,174. The range in price is based on floor level and view.
- 2Q17** The contact reported that four of the current vacancies are pre-leased. Additionally, the contact reported that the property utilizes YieldStar, and that current rents were not reflective of summer rates which are generally higher.

Photos



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

**Housing Choice Vouchers**

<b>TENANTS WITH VOUCHERS</b>		
<b>Property Name</b>	<b>Rent Structure</b>	<b>Voucher Tenants</b>
Alexander Ridge Apartments*	LIHTC/Market	8%
Alta Ridgewalk	LIHTC/Market	6%
Cherokee Summit	LIHTC	3%
Legacy At Acworth*	LIHTC/Market	0%
The Peaks Of Bells Ferry	LIHTC/Market	10%
Avonlea At Town Lake	Market	0%
Bell Woodstock	Market	0%
Station 92 At Woodstock	Market	0%
Terraces At Towne Lake	Market	0%
The Heights At Towne Lake	Market	0%
<b>Average</b>		<b>3%</b>

\*Located outside PMA

As illustrated in the table, four of the LIHTC properties reported having a portion of Housing Choice Voucher tenants, while none of the market rate properties reported Housing Choice Voucher usage. The average portion of voucher tenants at the LIHTC properties is five percent and the overall average is just three percent. There are currently six tenants at the Subject utilizing housing choice vouchers. Overall, the local market does not appear to be dependent on voucher tenants, and we anticipate the Subject would maintain less than five percent voucher tenants. The current Payment Standards for two and three-bedroom units are illustrated in the following table.

<b>CHEROKEE COUNTY PAYMENT STANDARDS</b>	
<b>Bedroom Type</b>	<b>Payment Standard Rent</b>
2BR	\$996
3BR	\$1,315

The Subject’s proposed gross two and three-bedroom rents are below the payment standards, meaning households with a voucher would be eligible to reside in these units at the Subject with no additional out of pocket costs.

## Lease Up History

Only one of the comparables utilized in this report was able to provide absorption information. Therefore, we have extended our search for absorption data to the greater Atlanta metropolitan area. The properties are located within a 30 mile radius of the Subject site. The following table illustrates four LIHTC and five market rate properties that were built since 2011 and were able to provide absorption information.

<b>ABSORPTION</b>					
<b>Property name</b>	<b>Type</b>	<b>Tenancy</b>	<b>Year Built</b>	<b>Number of Units</b>	<b>Units Absorbed / Month</b>
Retreat At Edgewood	LIHTC	Family	2011	100	20
Parkside At Mechanicsville	LIHTC	Family	2012	196	60
Retreat At Edgewood Phase II	LIHTC	Family	2012	40	12
Columbia Mill	LIHTC	Family	2014	100	20
Steelworks	Market	Family	2014	317	21
Station 92 At Woodstock *	Market	Family	2015	272	15
Square On Fifth	Market	Family	2015	270	45
The Haynes House	Market	Family	2015	186	12
University House	Market	Family	2015	268	30
<b>Average</b>					<b>26</b>

\*Utilized as a comparable

As illustrated, absorption rates range from 12 to 60 units per month, with an overall average of 26 units per month. Per DCA guidelines; we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations, we would expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately eight months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 95.3 percent occupied and all existing LIHTC tenants are anticipated to remain income qualified. At the time of this report an income audit was not available and it is likely that some of the tenants in the market rate units will income-qualify; however, for the purpose of the this report we have assumed all market rate units and the vacant LIHTC units will be need to reabsorbed; as such, we have assumed all of 32 market rate units and the eight vacant LIHTC units will be need to be reabsorbed, which should take approximately two months at 20 units per month.

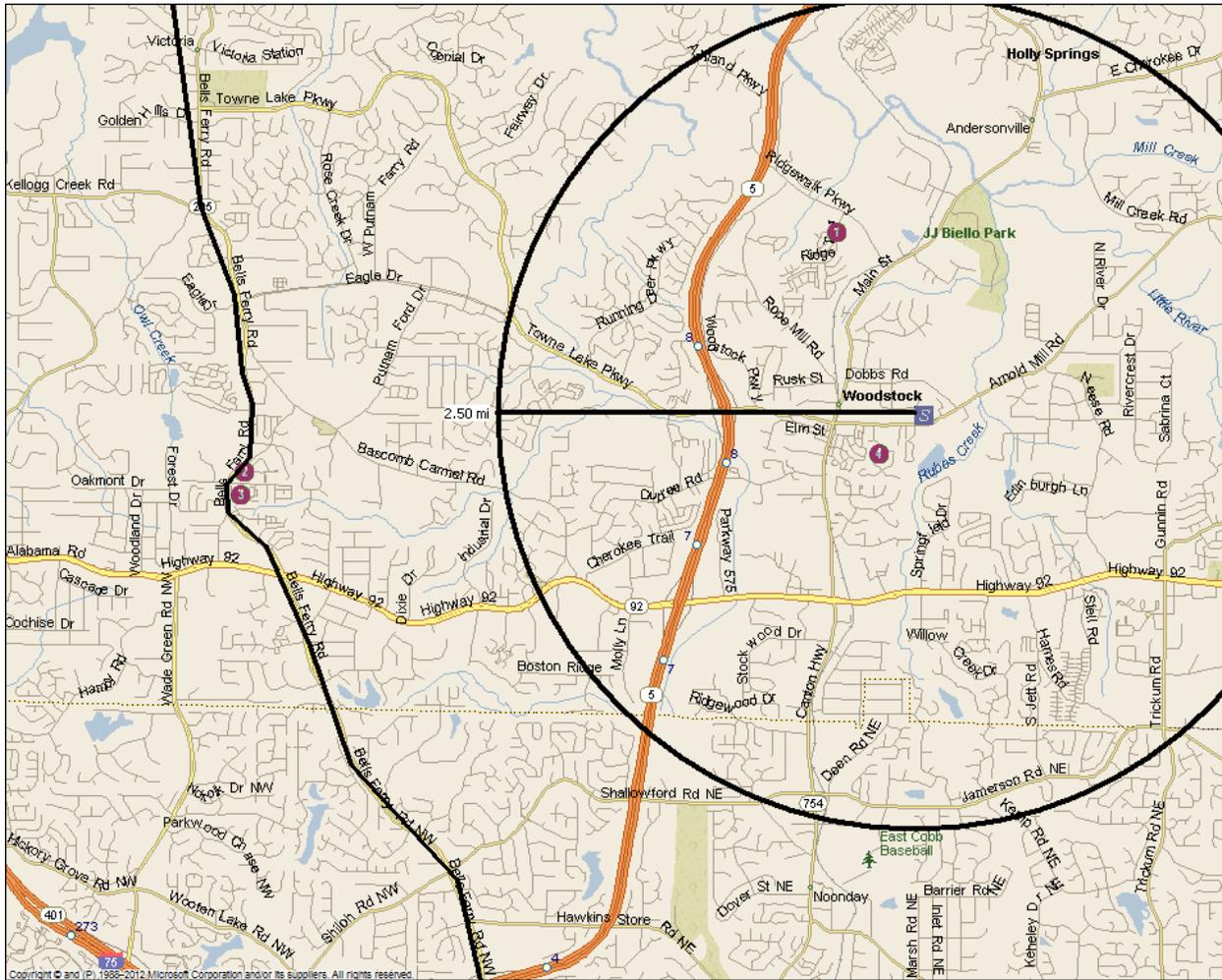
## Phased Developments

The Subject is not part of a phased development. As such, this section is not applicable.

## Rural Areas

The Subject is located in a residential area of the city of Woodstock, and is not in a rural area. As such, this section is not applicable.

### 3. Competitive Project Map



COMPETITIVE LIHTC PROPERTIES IN PMA				
#	Property Name	City	Type	Distance
1	Alta Ridgewalk	Woodstock	LIHTC/Market	1.3 miles
2	Cherokee Summit	Acworth	LIHTC	4.1 miles
3	The Peaks Of Bells Ferry	Acworth	LIHTC/Market	4.1 miles
4	Whispering Trace	Woodstock	LIHTC	0.2 miles

### 4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in red, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the red.

**Riverstock Apartments, Woodstock, GA; Market Study**

UNIT MATRIX REPORT											
Comp #	Riverstock Apartments	Alexander Ridge Apartments	Alta Ridgewalk	Cherokee Summit	Legacy At Acworth	The Peaks Of Bells Ferry	Avonlea At Town Lake	Bell Woodstock	Station 92 At Woodstock	Terraces At Towne Lake	The Heights At Towne Lake
Comp #	Subject	1	2	3	4	5	6	7	8	9	10
<b>Property Information</b>											
Property Type	Garden (2 stories)	Garden (3 stories)	Garden (4 stories)	Garden (3 stories)	Garden (2 stories)	Garden (3 stories)	Garden (4 stories)	Garden	Garden (3 stories)	Garden (2 stories)	Garden (3 stories)
Year Built / Renovated	2000 / Proposed	1999 / n/a	2004 / n/a	2000 / n/a	1997 / n/a	2003 / n/a	1999 / n/a	I:1999 II:2002 / n/a	2015 / n/a	1998 / 2008	2001 / n/a
Market (Conv./Subsidy Type)	LIHTC	LIHTC/Market	LIHTC/Market	LIHTC	LIHTC/Market	LIHTC/Market	Market	Market	Market	Market	Market
<b>Utility Adjustments</b>											
Cooking	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	no	yes	yes	no	no	no	no	no
Sewer	no	no	no	no	yes	yes	no	no	no	no	no
Trash Collection	yes	yes	yes	no	yes	yes	no	no	no	no	no
<b>In-Unit Amenities</b>											
Balcony/Patio	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpet/Hardwood	no	no	no	no	no	no	no	no	yes	no	yes
Carpeting	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	yes	yes	yes	yes	no	yes	yes	no	yes
Ceiling Fan	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Fireplace	no	no	no	no	no	no	no	yes	no	yes	yes
Garbage Disposal	yes	yes	yes	no	yes	yes	yes	yes	yes	no	yes
Microwave	no	yes	no	no	no	yes	yes	no	yes	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	yes	no	yes	no	no
Walk-In Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Washer/Dryer	no	no	no	no	no	no	no	yes	yes	yes	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>											
Basketball Court	yes	no	yes	yes	no	no	no	no	no	no	no
Business Center/Computer Lab	yes	yes	no	yes	no	yes	yes	yes	no	no	no
Car Wash	no	yes	no	yes	no	yes	yes	yes	no	no	yes
Clubhouse/Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Commercial/Retail	no	no	no	no	no	no	no	yes	no	no	no
Courtyard	no	no	no	no	no	no	no	no	yes	no	yes
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Garage	no	no	yes	no	no	yes	yes	no	yes	yes	yes
Jacuzzi	no	no	yes	no	no	no	no	no	no	yes	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	no	no	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	no	no	yes	yes	no	yes	yes	yes	yes
Playground	yes	yes	yes	yes	yes	yes	no	no	no	yes	yes
Recreation Areas	no	no	no	no	no	no	no	no	yes	no	no
Sauna	no	no	no	no	no	no	no	no	no	yes	no
Sport Court	no	no	no	yes	no	no	no	no	yes	no	no
Swimming Pool	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Tennis Court	no	no	yes	yes	no	no	no	yes	no	yes	yes
Volleyball Court	no	no	yes	no	no	no	no	yes	no	no	no
Wi-Fi	no	no	no	no	no	yes	no	yes	yes	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	\$100.00	\$130.00	N/A	\$120.00	\$85.00	\$100.00
Commercial/Retail								Starbucks			
<b>Services</b>											
After-school Program	no	no	no	yes	no	no	no	no	no	no	no
<b>Security</b>											
In-Unit Alarm	no	yes	no	no	yes	yes	no	no	no	no	yes
Intercom (Buzzer)	no	no	no	no	no	yes	no	no	no	no	no
Limited Access	yes	yes	yes	yes	no	yes	yes	yes	no	yes	yes
Patrol	yes	yes	yes	no	yes	yes	no	yes	no	no	yes
Perimeter Fencing	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Video Surveillance	no	no	no	no	no	no	yes	no	no	no	no
<b>Premium Amenities</b>											
Floor	no	no	no	no	no	no	no	no	no	no	yes
View	no	no	no	no	no	no	no	no	no	no	yes
<b>Other Amenities</b>											
Other				Video library, aerobic classes				Yoga studio, dog park	Pet park, Electric car charge station, Bocce ball	Tanning salon	Pet play area
	n/a	n/a	n/a		n/a	n/a	n/a				

The Subject's unit amenities will generally be similar to the LIHTC comparables and slightly inferior to the market rate comparables, the majority of which offer balconies or patios, exterior storage, microwaves, and in-unit washers and dryers, none of which will be offered at the Subject. In terms of project amenities, the Subject will also generally be similar to the LIHTC comparables and slightly inferior to the market rate comparables, as the majority offer garage parking, car washes, pet parks and recreation areas, none of which will be offered at the Subject.

The Subject will continue to a basketball court and business center, which are not offered at the majority of the comparables. Additionally, the Subject will offer similar security features.

Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the market.

**5. The Subject will continue to target general population households.**

**6. Vacancy**

The following table illustrates the vacancy rates in the market.

<b>OVERALL VACANCY</b>				
<b>Property Name</b>	<b>Rent Structure</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Vacancy Rate</b>
Alexander Ridge Apartments*	LIHTC/Market	272	0	0.0%
Alta Ridgewalk	LIHTC/Market	340	3	0.9%
Cherokee Summit	LIHTC	272	11	4.0%
Legacy At Acworth*	LIHTC/Market	192	4	2.1%
The Peaks Of Bells Ferry	LIHTC/Market	248	2	0.8%
Avonlea At Town Lake	Market	247	7	2.8%
Bell Woodstock	Market	498	25	5.0%
Station 92 At Woodstock	Market	272	5	1.8%
Terraces At Towne Lake	Market	502	9	1.8%
The Heights At Towne Lake	Market	194	9	4.6%
Total LIHTC		1,324	20	<b>1.5%</b>
Total Market		1,713	55	<b>3.2%</b>
Total		3,037	75	<b>2.5%</b>

\*Located outside PMA

As illustrated, vacancy rates in the market range from zero to 5.0 percent, averaging 2.5 percent. The LIHTC comparable properties have vacancy rates ranging from zero to 4.0 percent, with an average vacancy rate of 1.5 percent. The market rate comparables are experiencing vacancy rates ranging from 1.8 percent to 5.0 percent with an average vacancy rate of 3.2 percent.

According to the rent roll dated April 11, 2017, the Subject was 95.3 percent occupied with eight vacant units, one of which is pre-leased. According to the Subject’s developer, the Subject has operated with a total vacancy rate (including collection loss) between three and six percent over the past three years. As such, we believe the Subject will continue to operate with a physical vacancy rate of 5.0 percent or less, in line with its historical performance.

**7. Properties Planned, Proposed, or Under Construction**

According to the Georgia Department of Community Affairs’ allocation lists, there are currently no LIHTC multifamily properties proposed for the Subject’s PMA. We are not aware of any other proposed, under construction, or recently completed multifamily developments in the PMA.

**8. Rental Advantage**

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

SIMILARITY MATRIX								
#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Alexander Ridge Apartments	LIHTC/Market	Similar	Slightly Superior	Slightly Superior	Slightly Inferior	Similar	5
2	Alta Ridgewalk	LIHTC/Market	Similar	Similar	Similar	Slightly Inferior	Slightly Superior	0
3	Cherokee Summit	LIHTC	Slightly Superior	Similar	Similar	Slightly Inferior	Slightly Superior	5
4	Legacy At Acworth	LIHTC/Market	Similar	Similar	Slightly Inferior	Slightly Inferior	Slightly Superior	-5
5	The Peaks Of Bells Ferry	LIHTC/Market	Similar	Slightly Superior	Similar	Slightly Inferior	Slightly Superior	5
6	Avonlea At Town Lake	Market	Similar	Slightly Superior	Similar	Slightly Inferior	Slightly Superior	5
7	Bell Woodstock	Market	Slightly Superior	Slightly Superior	Similar	Slightly Inferior	Slightly Superior	10
8	Station 92 At Woodstock	Market	Slightly Superior	Slightly Superior	Similar	Similar	Slightly Superior	15
9	Terraces At Towne Lake	Market	Slightly Superior	Slightly Superior	Similar	Slightly Inferior	Slightly Superior	10
10	The Heights At Towne Lake	Market	Slightly Superior	Slightly Superior	Similar	Slightly Inferior	Slightly Superior	10

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

The 50 and 60 percent AMI rents at the comparable LIHTC properties are compared to the Subject’s proposed LIHTC rents in the following tables. The Subject currently offers units restricted at 50 percent of the AMI and 60 percent of the AMI, as well as market rate units. Post-renovation, the Subject will be 100 percent affordable and offer units at 50 percent and 60 percent of the AMI and will no longer offer market rate units. The Subject’s current 50 percent rents are “hold harmless” at a higher level than proposed; as such, the proposed 50 percent rents will be set lower than the current 50 percent rents post-renovation.

LIHTC RENT COMPARISON - @50%		
Property Name	2BR	3BR
Riverstock Apartments (Subject) - Proposed	\$642	\$728
Riverstock Apartments (Subject) - Current	\$663	\$745
<b>LIHTC Maximum (Net)</b>	<b>\$642</b>	<b>\$728</b>
<b>Hold Harmless LIHTC Maximum (Net)</b>	<b>\$714</b>	<b>\$812</b>
Alexander Ridge Apartments	\$710	\$810
<b>Average (excluding Subject)</b>	<b>\$710</b>	<b>\$810</b>
<b>NOVOCO's Estimated Achievable Rent</b>	<b>\$642</b>	<b>\$728</b>

<b>LIHTC RENT COMPARISON - @60%</b>		
<b>Property Name</b>	<b>2BR</b>	<b>3BR</b>
Riverstock Apartments (Subject) - Proposed	\$794	\$904
Riverstock Apartments (Subject) - Current	\$881	\$1,004
<b>LIHTC Maximum (Net)</b>	<b>\$794</b>	<b>\$904</b>
<b>Hold Harmless LIHTC Maximum (Net)</b>	<b>\$881</b>	<b>\$1,004</b>
Alexander Ridge Apartments	\$880	\$1,000
Alta Ridgewalk	\$872	\$1,003
Cherokee Summit	\$887	\$922
Legacy At Acworth	\$802	\$916
The Peaks Of Bells Ferry	\$942	\$1,032
<b>Average (excluding Subject)</b>	<b>\$877</b>	<b>\$975</b>
<b>NOVOCO's Estimated Achievable Rent</b>	<b>\$794</b>	<b>\$904</b>

The Subject's proposed rents are set at the maximum allowable levels for all unit types. Three of the comparables, Alexander Ridge Apartments, Alta Ridgewalk, and The Peaks of Bells Ferry, reported 60 percent AMI rents to be at the maximum allowable levels, while the remaining comparables reported rents lightly below maximum allowable levels. The Subject's proposed 60 percent AMI rents are within the comparable range and we believe the proposed rents are appropriately positioned at the maximum allowable levels.

Based on our similarity matrix, Alta Ridgewalk and The Peaks Of Bells Ferry will be the most similar LIHTC comparables relative to the Subject. Alta Ridgewalk was constructed in 2004 and exhibits slightly inferior condition relative to the Subject post-renovation. This comparable offers similar unit and common area amenities, a similar location, and slightly superior unit sizes, as it also offers one-bedroom units. The Peaks Of Bells Ferry was constructed in 2003 and exhibits slightly inferior condition relative to the Subject post-renovation. This comparable offers slightly superior unit amenities, similar common area amenities, a similar location, and slightly superior unit sizes, as it also offers one-bedroom units. Overall, the Subject's rents appear reasonable when compared to the rents at the comparables and particularly when taking into account the relatively strong demand for affordable units in the PMA. This demand is illustrated by the 98.5 percent overall occupancy being achieved at the LIHTC comparables.

### **Analysis of "Market Rents"**

Per 2017 DCA market study guidelines, "average market rent is to be a reflection of rents that are achieved in the market." In other words, the rents the competitive properties are currently achieving. Average market rent is not "Achievable unrestricted market rent." In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comparables, but many market rate comparables with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comparables. In a small rural market there may be neither tax credit comparables nor market rate comparables with similar positioning as the Subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market."

When comparing the Subject's rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are

restricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if a Subject offers 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the 50 and 60 percent AMI levels, we do not include the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table on the following page in comparison with proposed LIHTC rents for the Subject.

SUBJECT COMPARISON TO MARKET RENTS					
Unit Type	Subject's Proposed LIHTC Rents	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
2 BR @50%	\$642	\$927	\$1,392	\$1,165	-45%
3 BR @50%	\$728	\$1,041	\$1,542	\$1,278	-43%
2 BR @60%	\$794	\$927	\$1,392	\$1,165	-32%
3 BR @60%	\$904	\$1,041	\$1,542	\$1,278	-29%

The Subject's proposed net LIHTC rents are substantially below comparable average adjusted market rents, providing a significant tenant rent advantage.

Avonlea At Town Lake and The Heights At Towne Lake are the most similar market rate comparables and these properties reported occupancy rates of 97.2 and 95.4 percent, respectively. The Subject will offer a slightly inferior in-unit and property amenities relative to both of these comparables but offers a similar location, similar to slightly superior condition and larger unit sizes. The Subject's proposed LIHTC rents below the range of rents at these comparables.

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

**9. LIHTC Competition – DCA Funded Properties within the PMA**

There are no recently funded LIHTC projects in the PMA.

## 10. Rental Trends in the PMA

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

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	31,465	87.4%	4,532	12.6%
2010	37,926	82.1%	8,251	17.9%
2016	39,149	78.7%	10,594	21.3%
Projected Mkt Entry December 2017	39,967	78.6%	10,885	21.4%
2021	42,037	78.3%	11,620	21.7%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 4/2017

In the PMA, as of 2016, renter-occupied housing accounts for 21.3 percent of households, while approximately 78.7 percent of households in the PMA are owner-occupied. Nationally, approximately 66 percent of households are homeowners and only 34 percent of households are renters. Through 2021, the number of renter households in the PMA is projected to increase by 1,026 households.

### *Historical Vacancy*

The following table illustrates the historical vacancy at the comparable properties where available.

HISTORICAL VACANCY						
Comparable Property	Type	Total Units	2QTR 2014	2QTR 2015	3QTR 2016	2QTR 2017
Alexander Ridge Apartments*	LIHTC/Market	272	2.9%	5.1%	0.0%	0.0%
Alta Ridgewalk	LIHTC/Market	340	N/A	1.2%	1.2%	0.9%
Cherokee Summit	LIHTC	272	5.5%	0.7%	N/A	4.0%
Legacy At Acworth*	LIHTC/Market	192	4.2%	2.6%	0.0%	2.1%
The Peaks Of Bells Ferry	LIHTC/Market	248	0.0%	2.0%	0.0%	0.8%
Avonlea At Town Lake	Market	247	N/A	N/A	4.0%	2.8%
Bell Woodstock	Market	498	N/A	N/A	5.2%	5.0%
Station 92 At Woodstock	Market	272	N/A	N/A	16.2%	1.8%
Terraces At Towne Lake	Market	502	N/A	N/A	0.4%	1.8%
The Heights At Towne Lake	Market	194	N/A	N/A	5.2%	4.6%
<b>Total/Average</b>		<b>3,209</b>	<b>3.2%</b>	<b>2.30%</b>	<b>3.3%</b>	<b>2.6%</b>

N/A – Not available

\*Located outside the PMA

As illustrated in the previous table, historical vacancy data is very limited. However, we were not able to obtain all the historical vacancy rates for each individual year. As such, we have not provided average vacancy rates for each survey period.

According to the rent roll dated April 11, 2017, the Subject was 95.3 percent occupied with eight vacant units, one of which is pre-leased. According to the Subject's developer, the Subject has operated with a total vacancy rate (including collection loss) between three and six percent over

the past three years. As such, we believe the Subject will continue to operate with a physical vacancy rate of 5.0 percent or less, in line with its historical performance.

*Change in Rental Rates*

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

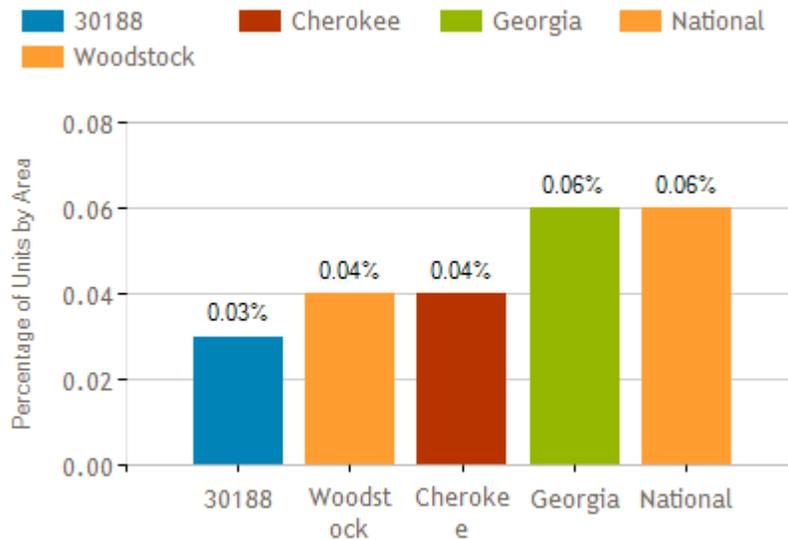
RENT GROWTH		
Property Name	Rent Structure	Rent Growth
Alexander Ridge Apartments*	LIHTC/Market	5% increase since 3Q2016
Alta Ridgewalk	LIHTC/Market	7% increase since 3Q2016
Cherokee Summit	LIHTC	None reported
Legacy At Acworth*	LIHTC/Market	5% increase since 3Q2016
The Peaks Of Bells Ferry	LIHTC/Market	15% increase since 3Q2016
Avonlea At Town Lake	Market	7% increase since 3Q2016
Bell Woodstock	Market	None reported
Station 92 At Woodstock	Market	2% decrease since 3Q2016
Terraces At Towne Lake	Market	3% decrease since 3Q2016
The Heights At Towne Lake	Market	2% decrease since 3Q2016

\*Located outside PMA

Four of the LIHTC comparables reported rent increases of five to 15 percent since 2016, and one reported that rents have remained fairly stable over the last year. One of the market rate comparables reported rent increases of seven percent, one reported no change, and three reported slight rent decreases ranging from two to three percent. Given that the Subject’s achievable LIHTC rents are at the maximum allowable levels, rent increase will be dependent upon future AMI growth.

**11. Impact of Foreclosed, Abandoned and Vacant Structures**

According to www.RealtyTrac.com, “there are currently 89 properties in the Subject’s zip code (30188) that are in some stage of foreclosure (default, auction or bank owned) while the number of homes listed for sale on RealtyTrac is 167. In February 2017, the number of properties that received a foreclosure filing in the Subject’s zip code was 36 percent lower than the previous month and 53 percent lower than the same time last year. Home sales for January 2017 were down 94 percent compared with the previous month and down 99 percent compared with last year. The median sales price of a non-distressed home was \$188,500. The median sales price of a foreclosure home was \$130,000, or 31 percent lower than non-distressed home sales.” The following chart compares foreclosure rates of the Subject’s zip code, the city, the county, the state, and the nation as a whole.



Source: Realtytrac.com, 4/2017

As indicated above, the foreclosure rate in the Subject's zip code is below that of the city, county, the state, and nation as a whole. We did not observe any vacancy homes or foreclosed properties in the Subject's immediate neighborhood during our inspection.

## 12. Primary Housing Void

The comparable LIHTC properties have a combined 1.5 percent vacancy rate, and waiting lists are maintained at some properties, indicating strong support for affordable rental housing in the PMA. Based on the previous *Demand Analysis*, performance of the Subject and comparable properties, and conversations with local property managers, we believe there is ongoing demand for affordable rental housing in the local market. Post-renovation, the Subject will continue to offer 172 total units. The Subject's renovations will not add new units, but rather improve the quality and marketability of existing low-income housing. As such, the Subject will continue to fill a void in the market for adequate low-income rental housing.

## 13. Effect of Subject on Other Affordable Units in Market

The LIHTC comparables in the PMA have low to moderate vacancy rates, and the overall vacancy rate for LIHTC units is less than ten percent. The Subject's renovation will not add new affordable units to the PMA, but will improve existing units. Therefore, we do not believe that the renovations to the Subject will have any significant negative impact on the existing LIHTC properties.

## Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed following renovations. The LIHTC comparables are performing well, with a weighted vacancy rate of 1.5 percent. Additionally, three comparable LIHTC properties maintain waiting lists.

The Subject's proposed rents are within the range of rents at the LIHTC comparables and below the range of the market rate comparables' rents and suggests that the proposed rents would be achievable in the open market.

Overall, we believe that the Subject's rents are achievable and that the Subject will offer a significant value in the market. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is higher than the current LIHTC average. We believe the Subject will be supportable following renovations and will not adversely impact other low-income housing options in the PMA.

# **I. ABSORPTION & STABILIZATION RATES**

## ABSORPTION AND STABILIZATION RATES

### Stabilization/Absorption Rate

Only one of the comparables utilized in this report was able to provide absorption information. Therefore, we have extended our search for absorption data to the greater Atlanta metropolitan area. The properties are located within a 30 mile radius of the Subject site. The following table illustrates four LIHTC and five market rate properties that were built since 2011 and were able to provide absorption information.

ABSORPTION					
Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Retreat At Edgewood	LIHTC	Family	2011	100	20
Parkside At Mechanicsville	LIHTC	Family	2012	196	60
Retreat At Edgewood Phase II	LIHTC	Family	2012	40	12
Columbia Mill	LIHTC	Family	2014	100	20
Steelworks	Market	Family	2014	317	21
Station 92 At Woodstock *	Market	Family	2015	272	15
Square On Fifth	Market	Family	2015	270	45
The Haynes House	Market	Family	2015	186	12
University House	Market	Family	2015	268	30
<b>Average</b>					<b>26</b>

\*Utilized as a comparable

As illustrated, absorption rates range from 12 to 60 units per month, with an overall average of 26 units per month. Per DCA guidelines; we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations, we would expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately eight months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 95.3 percent occupied and all existing LIHTC tenants are anticipated to remain income qualified. At the time of this report an income audit was not available and it is likely that some of the tenants in the market rate units will income-qualify; however, for the purpose of the this report we have assumed all market rate units and the vacant LIHTC units will be need to reabsorbed; as such, we have assumed all of 32 market rate units and the eight vacant LIHTC units will be need to be reabsorbed, which should take approximately two months at 20 units per month.

## **J. INTERVIEWS**

## INTERVIEWS

### Housing Authority

We attempted to contact the Georgia Department of Community Affairs North Regional Office, however, our calls were not returned as of the date of this report. The following table illustrates the current gross rent payment standards.

CHEROKEE COUNTY PAYMENT STANDARDS	
Bedroom Type	Payment Standard Rent
2BR	\$996
3BR	\$1,315

The Subject's proposed gross two and three-bedroom rents are below the payment standards, meaning households with a voucher would be eligible to reside in these units at the Subject with no additional out of pocket costs.

### Planning

We spoke with Tania Celis Layva, City Planner with the City of Woodstock, regarding new, proposed, or under construction multifamily developments in Woodstock.

- Park 9 Apartments is a recently completed market rate property with 275 units that is located at 902 Grier Street.
- Solomon Development Group has proposed a 225-unit market rate property off of Highway 92. Zoning modifications were recently approved for this memory care and independent living center. However, no ground breaking date has been established.
- South on Main is approved and the first phase, consisting of 170 market rate units, is under construction. The development is a market rate property and is located on Main Street, north of Highway 92. According to Ms. Layva, a few certifications of occupancy have been issued for these townhouse style units. Additionally, discussion is underway regarding beginning the second phase; however, a construction time line or unit mix for the second phase was not available.
- Woodstock West, located in downtown Woodstock, recently began the construction of an additional 89 units. These market rate units are anticipated to be complete by late 2017 or early 2018.
- Merrill Gardens Senior Living is a senior property under construction at 12730 Highway 92 East, and will have 130 units. It is anticipated to be complete by mid-summer of 2017.
- Woodstock Healthy Living is a proposed senior property that will be located at 11905 Highway 92 and will have 124 units. However, no planning documents have been submitted.

These new, proposed, and under construction properties will not compete with the Subject due to their target tenancy and being market rate properties.

According to the Georgia Department of Community Affairs' allocation lists, there are currently no LIHTC multifamily properties proposed for the Subject's PMA.

**Additional interviews can be found in the comments section of the property profiles and in our Economic Analysis section of this report.**

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

- Total population in the PMA and MSA are projected to increase at a 1.7 and 1.4 percent annual rate, respectively, from 2016 to 2021. The PMA and MSA are expected to outpace the national population growth during the same time period. The share of renter-occupied units in the PMA is lower than in the MSA. It should be noted that the percentage of renter-occupied units in the PMA is expected to increase by 1.0 percent through 2021.

Households earning under \$40,000 in the PMA comprise 21.5 percent of all income cohorts. The Subject will target households earning \$26,057 to \$43,740 under the LIHTC program; therefore, the Subject is well positioned to continue to service this market. Overall, the demographic data points to a growing population with several households within the income band that the Subject would target under the LIHTC program.

- Total employment in the MSA increased from 2003 to 2007; however, decreased from 2008 to 2010 as a result of the national economic recession. Total employment in the MSA exceeded pre-recessionary levels in 2014 and has continued to increase through 2016 year-to-date. From December 2015 to December 2016, total employment in the MSA increased 4.4 percent compared to an increase of 1.4 percent nationally. The unemployment rate in the MSA peaked at 10.3 percent in 2010, and has been declining each subsequent year. From December 2015 to December 2016, the unemployment rate in the MSA increased by 20 basis points to 5.0 percent, while the national unemployment rate decreased by 30 basis points to 4.5 percent. Overall, it appears that the MSA was impacted by the recent national recession; however, has fully recovered and is currently in a state of growth.

The PMA's leading industries include retail trade, health care/social assistance, and professional/scientific/technical services. Together, these three industries make up 34.2 percent of total employment in the PMA. Compared to the nation, the PMA is overly represented in sectors such as professional/scientific/technical services, retail trade, and wholesale trade, and underrepresented in the manufacturing, health care/social assistance, and accommodation/food services sectors. Overall, the mix of industries in the local economy indicates a relatively diversified work force.

- As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 8.3 to 13.5 percent, with an overall capture rate of 11.7 percent. The Subject's capture rates at the 60 percent AMI level will range from 7.4 to 11.9 percent, with an overall capture rate of 10.3 percent. The Subject's overall capture rates will range from 5.0 to 8.2 percent, with an overall capture rate of 7.1 percent. Therefore, we believe there is more than adequate demand for the Subject.
- Only one of the comparables utilized in this report was able to provide absorption information. Therefore, we have extended our search for absorption data to the greater Atlanta metropolitan area. The properties are located within a 30 mile radius of the

Subject site. The following table illustrates four LIHTC and five market rate properties that were built since 2011 and were able to provide absorption information.

<b>ABSORPTION</b>					
<b>Property name</b>	<b>Type</b>	<b>Tenancy</b>	<b>Year Built</b>	<b>Number of Units</b>	<b>Units Absorbed / Month</b>
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University House	Market	Family	2015	268	30
<b>Average</b>					<b>26</b>

\*Utilized as a comparable

As illustrated, absorption rates range from 12 to 60 units per month, with an overall average of 26 units per month. Per DCA guidelines; we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations, we would expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately eight months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 95.3 percent occupied and all existing LIHTC tenants are anticipated to remain income qualified. At the time of this report an income audit was not available and it is likely that some of the tenants in the market rate units will income-qualify; however, for the purpose of the this report we have assumed all market rate units and the vacant LIHTC units will be need to reabsorbed; as such, we have assumed all of 32 market rate units and the eight vacant LIHTC units will be need to be reabsorbed, which should take approximately two months at 20 units per month.

- Vacancy rates in the market range from zero to 5.0 percent, averaging 2.5 percent. The LIHTC comparable properties have vacancy rates ranging from zero to 4.0 percent, with an average vacancy rate of 1.5 percent. The market rate comparables are experiencing vacancy rates ranging from 1.8 percent to 5.0 percent with an average vacancy rate of 3.2 percent.

According to the rent roll dated April 11, 2017, the Subject was 95.3 percent occupied with eight vacant units, one of which is pre-leased. According to the Subject’s developer, the Subject has operated with a total vacancy rate (including collection loss) between three and six percent over the past three years. As such, we believe the Subject will continue to operate with a physical vacancy rate of 5.0 percent or less, in line with its historical performance.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed following renovations. The LIHTC comparables are performing well, with a weighted vacancy rate of 1.5 percent. Additionally, three comparable LIHTC properties maintain waiting lists.

The Subject's proposed rents are within the range of rents at the LIHTC comparables and within the range of the market rate comparables' rents and suggests that the proposed rents would be achievable in the open market.

Overall, we believe that the Subject's rents are achievable and that the Subject will offer a significant value in the market. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is higher than the current LIHTC average. We believe the Subject will be supportable following renovations and will not adversely impact other low-income housing options in the PMA.

### **Recommendations**

- We have no recommended changes to the Subject that would alter marketability. At the proposed rent levels, the Subject will be supportable as a LIHTC development.

## **L. SIGNED STATEMENT REQUIREMENTS**

I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



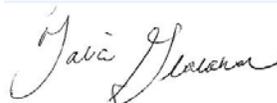
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Talia Gbolahan  
Researcher

## **M. MARKET STUDY REPRESENTATION**

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



Rebecca S. Arthur, MAI  
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Talia Gbolahan  
Researcher

## N. QUALIFICATIONS

**STATEMENT OF PROFESSIONAL QUALIFICATIONS**  
**REBECCA S. ARTHUR, MAI**

**I. Education**

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

Appraisal Institute  
Designated Member (MAI)

**II. Licensing and Professional Affiliation**

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

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

**III. Professional Experience**

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

**IV. Professional Training**

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

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

## **V. Real Estate Assignments**

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are

used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.

- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

## **VI. Speaking Engagements**

A representative sample of industry speaking engagements follows:

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

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **MATTHEW A. HUMMEL**

### **I. EDUCATION**

#### **Rockhurst University – Kansas City, Missouri**

Master of Business Administration - Concentration in Management and International, 2008

#### **University of Missouri-Columbia**

Bachelor of Business Administration - Finance and Banking, 2006

### **II. LICENSING AND PROFESSIONAL AFFLIATION**

Appraisal Institute Candidate for Designation

State of Kansas Certified General Real Estate Appraiser No. G-2959  
State of Washington Certified General Real Estate Appraiser No. 1102285  
State of California Certified General Real Estate Appraiser No. 3002505  
State of Missouri Certified General Real Estate Appraiser No. 2014030618  
State of Texas Certified General Real Estate Appraiser No. TX1380146-G  
State of New Mexico Certified General Real Estate Appraiser No. 03446-L  
State of Michigan Certified General Real Estate Appraiser No. 1201075419  
State of Minnesota Certified General Real Estate Appraiser No. 40460257  
State of Illinois Certified General Real Estate Appraiser No. 553.002534

### **III. PROFESSIONAL EXPERIENCE**

Manager - Novogradac & Company LLP  
Real Estate Analyst - Novogradac & Company LLP  
Researcher - Novogradac & Company LLP  
December 2010 to Present

Investor Reporting Analyst - KeyBank Real Estate Capital  
Insurance Specialist - KeyBank Real Estate Capital  
May 2009 to December 2010

### **IV. PROFESSIONAL TRAINING**

Educational requirements successfully completed for the Appraisal Institute

- Basic Appraisal Principles - March 2012
- Basic Appraisal Procedures - December 2012
- Statistics, Modeling, and Finance - April 2013
- General Appraiser Market Analysis Highest and Best Use - April 2013
- National Uniform Standards of Professional Appraisal Practice - May 2013
- General Appraiser Sales Comparison Approach – June 2013
- General Appraiser Site Valuation and Cost Approach – July 2013
- General Report Writing and Case Studies – August 2013
- General Appraiser Income Approach – September 2013
- Commercial Appraisal Review – September 2013
- Expert Witness for Commercial Appraisers – October 2013
- Supervisor – Trainee Course – December 2014
- The Nuts and Bolts of Green Building – March 2015
- Even Odder – More Oddball Appraisal – March 2015
- Mortgage Fraud – April 2015
- 2014-2015 National USPAP Course – April 2015

V. **REAL ESTATE ASSIGNMENTS**

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

- Prepared and managed market studies and appraisals for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Prepared and managed Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.
- Performed and managed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7/Appendix 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## Andrea M. Strange

### I. EDUCATION

**University of Missouri-Kansas City – Kansas City, Missouri**  
*Bachelor of Arts – Communications, 2012*

### II. PROFESSIONAL EXPERIENCE

Real Estate Analyst – Novogradac & Company LLP  
December 2015 to Present

Researcher – Novogradac & Company LLP  
February 2014 to December 2015

Public Relations Coordinator – Sullivan Higdon & Sink  
September 2012 to February 2014

### III. REAL ESTATE ASSIGNMENTS

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

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies and assisted in appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7/Appendix 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.
- Conducted more than 40 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation multifamily projects.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **Talia Gbolahan**

### **I. Education**

University of South Alabama- Mobile, AL  
Bachelors of Arts, Political Science

### **II. Professional Experience**

Junior Analyst, Novogradac & Company LLP, August 2015 – Present  
Fraud Analyst, Bank of America, October 2014-August 2015

### **III. Research Assignments**

A representative sample of work on various types of projects:

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