



## **A Market Feasibility Study Of**

### **Valley Hill Apartments**

*Located at*

**430 Valley Hill Road  
Riverdale, Clayton County, Georgia 30274**

**Effective Date: November 14, 2016**

**Report Date: November 21, 2016**

*Prepared For*

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**NOVOGRADAC  
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CERTIFIED PUBLIC ACCOUNTANTS

November 21, 2016

Ryan Williams  
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Plymouth, MN 55441

**Re: Market Study for Valley Hill Apartments in Riverdale, Georgia**

Dear Mr. Williams:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Riverdale, Clayton County, Georgia area relative to the above-referenced proposed Housing for Older Persons (HFOP) acquisition/rehabilitation Low Income Housing Tax Credit (LIHTC)/market rate project. The purpose of this market study is to assess the viability of the rehabilitation of Valley Hill Apartments (Subject), an existing 72-unit senior LIHTC/market rate community offering one and two-bedroom units. Following renovation, the property will be 100 percent restricted to senior households age 62 and older 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:

Valley Hill Apartments (Subject) is an existing senior LIHTC/market rate property in Riverdale, Clayton County, Georgia that is proposed for Housing for Older Persons (HFOP) renovation with Low Income Housing Tax Credit (LIHTC) equity. The Subject was originally constructed with LIHTCs in 2000 and consists of 72 one and two-bedroom units contained in nine single-story duplex-style residential buildings, in addition to one single-story auxiliary building that serves as a leasing office and community room. According to the rent roll dated June 30, 2016, the Subject was 98.6 percent occupied with one vacant unit, which is pre-leased. The unit mix includes 66 one-bedroom units and six two-bedroom units.

The Subject currently offers 57 units restricted at 50 percent of the AMI and 60 percent of the AMI, as well as 15 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 was originally constructed in 2000, and currently exhibits average to good condition. Total rehabilitation hard costs including builder profit, overhead, and contingency is estimated to be \$1,962,000, or \$27,250 per unit.

Renovations will include substantial site, interior, and exterior renovations. Site renovations planned include, but are not limited to, repairing the garden and gazebo area, landscaping upgrades, lighting upgrades, and ADA accessibility improvements.

Planned exterior renovations include but are not limited to roofing repairs as needed, window replacements as needed, and clubhouse interior improvements.

Planned interior renovations include but are not limited to plumbing fixture upgrades, replace appliances as needed, replace vanity tops, replace cabinets as needed, upgrade interior lighting, replace interior doors as needed, resurface kitchen countertops as needed, and replace HVAC units as needed.

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 57 units restricted at 50 percent of the AMI and 60 percent of the AMI, as well as 15 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>Net Asking LIHTC Rent</b>	<b>Utility Allowance (1)</b>	<b>Gross LIHTC Rent</b>	<b>2017 LIHTC Maximum Allowable Gross Rent</b>	<b>Current Asking Rents</b>
<i>50% AMI</i>							
1BR/1BA	5	672	\$598	\$55	\$653	\$653	\$595
<i>60% AMI</i>							
1BR/1BA	61	672	\$729	\$55	\$784	\$784	\$675
2BR/2BA	6	860	\$872	\$70	\$942	\$942	\$775 & \$799*
<b>Total</b>	<b>72</b>						

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

\*Market rate units

The Subject currently offers blinds, patios, carpet and vinyl flooring, central heating and air conditioning, exterior storage, ceiling fans, grab bars, emergency pull cords, ovens, refrigerators, dishwashers, garbage disposals, in-unit washers and dryers connections, and walk-in closets. Following renovations, the Subject’s in-unit amenities will remain the same, with the addition of in-unit washers and dryers.

The Subject’s project amenities include a business center/computer lab, clubhouse/community room, courtyard, exercise facility, central laundry facilities, off-street parking, on-site management, activity coordinator, picnic area, gazebo, outdoor community garden, billiards area, and free wireless internet in the community room. The activity coordinator offers services including health and wellness classes. The Subject also offers perimeter fencing as a security feature. Following renovations, the Subject’s community amenities will remain the same. Overall, the Subject’s amenities will generally be slightly superior to the comparable properties.

**2. Site Description/Evaluation:**

The Subject is accessed by the south side of Valley Hill Road Southwest. Surrounding uses consist of single-family homes, wooded areas, houses of worship, and scattered

commercial/retail uses. Land use to the east of the Subject consists of Clayton County Library – Riverdale in average condition, undeveloped land, and a house of worship in average condition. Land use to the south consists of undeveloped wooded land followed by Emerald Pointe Apartments in fair condition, which has been utilized as a comparable in this report. Land use to the southeast consists of a parking lot. Land use to the west consists of single-family homes in average to good condition. Land use to the north consists of Stratford Arms Apartments in fair condition, which has been utilized as a comparable in this report. Land use to the northeast consists of a house of worship in average condition. There are a number of commercial/retail uses in the Subject’s neighborhood with the majority located along major arterials such as Highway 85, located west of the Subject, and Upper Riverdale Road, located north of the Subject. The Subject is considered “car-dependent” by Walkscore.com with a rating of 34. The Subject site is considered a desirable location for senior rental housing. The site has reasonable proximity to locational amenities.

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

The Primary Market Area (PMA) is defined as a portion of the cities of Riverdale, Forest Park, Jonesboro, Morrow, Fayetteville, and Fairburn in the southern 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 5.3 miles.

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

Total population in the PMA is projected to increase at a 0.7 percent annual rate from 2016 to 2021, similar to that of the nation, while total population in the MSA is projected to increase at a 1.4 percent annual rate over the same time period. Senior population growth in the PMA is expected to increase at an annual rate of 4.3 percent from 2016 through 2021, which is considered a positive indication when compared to the nation’s projected growth of 3.3 percent.

Senior population growth in the MSA will outpace that of the PMA and nation as a whole through 2021 at a rate of 4.5 percent annually. The share of senior renter-occupied units in the PMA is lower than in the MSA. It should be noted that the percentage of senior renter-occupied units in the PMA is expected to increase by 0.4 percent through 2021.

Senior renter households earning under \$40,000 in the PMA comprise 76.7 percent of all income cohorts. The Subject will target households earning from \$19,590 to \$33,480 under the LIHTC program and households. 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 August 2015 to August 2016, total employment in the MSA increased 4.1 percent compared to an increase of 1.7 percent nationally. The unemployment rate in the MSA peaked at 10.3 percent in 2010, and has been declining each subsequent year. From August 2015 to August 2016, the unemployment rate in the MSA decreased by 60 basis points to 5.0 percent, while the national unemployment rate decreased by 20 basis points to 5.0 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 transportation/warehousing, health care/social assistance, and retail trade. Together, these three industries make up 36.2 percent of total employment in the PMA. Compared to the nation, the PMA is overly represented in sectors such as transportation/warehousing, public administration, and wholesale trade, and underrepresented in the manufacturing, health care/social assistance, and accommodation/food services sectors. Conversely, the PMA has a lower percentage of employment within the manufacturing, professional/scientific/technical services, and health care/social assistance sectors when compared to the nation. 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 existing market rate units and the vacant LIHTC units will be need to reabsorbed. The Subject currently has one LIHTC vacant unit and 15 market rate units; as such, our capture rate assuming the 16 units.

We have determined the Subject’s capture rates based on 16 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
1BR at 50% AMI	\$19,590 - \$27,900	0	90	4	86	N/A	N/A	\$783	\$595 - \$1,022	\$598
1BR at 60% AMI	\$23,520 - \$33,480	14	93	16	77	18.1%	1 month	\$771	\$635 - \$1,022	\$729
2BR at 60% AMI	\$28,360 - \$33,480	2	48	31	17	11.7%	1 month	\$850	\$710 - \$1,211	\$872
<b>Overall - 50% AMI</b>	<b>\$18,990 - \$27,000</b>	<b>0</b>	<b>136</b>	<b>13</b>	<b>123</b>	<b>N/A</b>	<b>N/A</b>	-	-	-
<b>Overall - 60% AMI</b>	<b>\$22,770 - \$32,400</b>	<b>16</b>	<b>141</b>	<b>47</b>	<b>94</b>	<b>17.0%</b>	<b>1 month</b>	-	-	-
<b>Total Overall</b>	<b>\$18,990 - \$32,400</b>	<b>16</b>	<b>225</b>	<b>60</b>	<b>165</b>	<b>9.7%</b>	<b>1 month</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 two LIHTC properties in the PMA, one of which we selected as a “true” comparable. We have also supplemented this data with four 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 3.1 miles of the Subject. These comparable market rate properties were built between 1982 and 2000.

Vacancy rates in the market range from zero to 17.0 percent, averaging 5.6 percent. The comparable senior properties all reported vacancy rates of zero percent. The LIHTC comparable properties have vacancy rates ranging from zero to 2.4 percent, with an average vacancy rate of 0.7 percent and only two LIHTC properties reported vacant units. The market rate comparables are experiencing vacancy rates ranging from 1.5 percent to 17.0 percent with an average vacancy rate of 8.7 percent. Two comparable properties located inside of the PMA, Shadow Ridge Apartments and Tara Bridge, reported a vacancy rate greater than seven percent. It should be noted that Tara Bridge offers 220 total units; however, all 20 vacant units are offline due to renovations. The property manager at Shadow Ridge Apartments reported that the property was formerly a LIHTC development that has recently converted to market rate, and indicated the high vacancy rate is due to tenants leaving that no longer income qualify to live at the property. Excluding these two properties, the market rate comparables are experiencing an average vacancy rate of 4.9 percent, and the overall average vacancy rate is 2.6 percent.

According to the rent roll dated October 24, 2016, the Subject was 98.6 percent occupied with one vacant unit. 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.

SUBJECT COMPARISON TO MARKET RENTS					
Unit Type	Subject's Proposed LIHTC Rents	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage Over Surveyed Average
1 BR @50%	\$598	\$595	\$1,022	\$779	-23.3%
1 BR @60%	\$729	\$595	\$1,022	\$779	-6.4%
2 BR @60%	\$872	\$699	\$1,211	\$881	-1.0%

The Subject's proposed net LIHTC rents are substantially below comparable average adjusted market rents, providing a significant tenant rent advantage. The Subject's proposed one and two-bedroom LIHTC rents will offer a 1.0 to 23.3 percent advantage over the average market rents.

Averly Apartments and Shadow Ridge Apartments are the most similar market rate comparables and these properties reported occupancy rates of 93.1 and 83.0 percent, respectively. The Subject will offer a slightly superior in-unit and property amenities relative to both of these comparables but offers a similar location, slightly superior condition and slightly smaller unit sizes. The Subject's proposed LIHTC rents below the range of rents at these comparables.

The achievable market rate rents were determined by comparing the aesthetic quality, amenities, unit sizes, etc. to that of the market rate projects in the area. Novogradac & Company concluded that the Subject will be competitive with the market rate competition. Achievable rents represent net market rate rent levels that we believe a project of the Subject's condition and quality could reasonably achieve.

SUBJECT COMPARISON TO MARKET RENTS						
Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage Over Achievable Market Rents
1 BR @50%	\$598	\$595	\$1,022	\$779	\$800	-25.3%
1 BR @60%	\$729	\$595	\$1,022	\$779	\$800	-8.9%
2 BR @60%	\$782	\$699	\$1,211	\$881	\$950	-17.7%

As illustrated above, the Subject's proposed LIHTC rents provide a rent advantage of 8.9 to 25.3 percent over NOVOCO's estimated achievable market rate rents. We have placed reliance on Emerald Pointe Apartments and The Legacy At Walton Lakes. In our final analysis, we

have set the achievable market rate rents for the one and two-bedroom rents within the range of rents being achieved at these properties. These figures are presented in the above table, which is inclusive of market rate units only.

The Subject will offer a similar location, superior condition, slightly smaller unit sizes, superior in-unit amenities, and superior community amenities when compared to Emerald Pointe Apartments. The Subject will offer a slightly inferior location, similar condition, smaller unit sizes, similar in-unit amenities, and slightly inferior community amenities when compared to The Legacy At Walton Lakes. We have estimated the Subject's achievable market rate rents above the rents of Emerald Pointe Apartments and below the rents of The Legacy At Walton Lakes. We have concluded to an achievable market rate rent of \$800 for the one-bedroom units and \$950 for the two-bedroom units.

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 two of the comparables utilized in this report were able to provide absorption information, however these properties were built in 2006 and 2008 and absorption information is considered dated. Due to the dated absorption information from the comparables, we have extended our search for absorption data to the greater Atlanta metropolitan area. The properties are located within a 20 mile radius of the Subject site. The following table illustrates four LIHTC and three market rate properties that were built since 2012 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>
Panola Gardens	LIHTC	Senior	2015	84	20
Betmar Village Apartments	LIHTC	Senior	2014	47	47
Baptist Gardens	LIHTC	Senior	2013	100	15
Gateway At East Point	LIHTC	Senior	2012	100	25
Square On Fifth	Market	Family	2015	270	45
Steelworks	Market	Family	2014	317	21
University House	Market	Family	2015	268	30
<b>Average</b>				<b>169</b>	<b>29</b>

\*Utilized as a comparable

As illustrated, absorption rates range from 10 to 47 units per month, with an overall average of 25 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 three months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 98.6 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 15 market rate units being converted to LIHTC units will be need to be reabsorbed, which should take approximately one month at 15 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 0.7 percent. Additionally, two 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 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.

<b>Summary Table:</b>										
(must be completed by the analyst and included in the executive summary)										
Development Name:		<b>Valley Hill Apartments</b>					Total # Units:			<b>72</b>
Location:		430 Valley Hill Road					# LIHTC Units:			<b>72</b>
		Riverdale, Clayton County, GA 30274								
PMA Boundary:		North: Interstate 285, Forest Parkway; South: Burnside Street, Flint River Road, Point South Parkway, Helmer Road; East: Interstate 75, Jonesboro Road, Main Street Southeast; West: Evander Holyfield Highway, Old National Highway								
		Farthest Boundary Distance to Subject:								<b>5.3 miles</b>
<b>Rental Housing Stock (found on page 53)</b>										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	43	10,320	1073	89.6%						
Market-Rate Housing	39	9,626	1117	88.4%						
<i>Assisted/Subsidized Housing not to include LIHTC</i>	2	466	24	94.9%						
<b>LIHTC</b>	2	228	0	100.0%						
Stabilized Comps	24	10,260	1013	90.1%						
Properties in Construction & Lease Up	1	60	60	0.0%						
*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	
4	1BR at 50% AMI	1	672	\$598	\$779	\$1.16	23%	\$1,022	\$1.52	
60	1BR at 60% AMI	1	672	\$729	\$779	\$1.16	6%	\$1,022	\$1.52	
7	2BR at 60% AMI	1	860	\$872	\$881	\$1.02	1%	\$1,211	\$1.41	
<b>Demographic Data (found on page 36)</b>										
	2010		2016		2017					
Renter Households	3,786	37.90%	3,979	37.00%	4,231	37.30%				
Income-Qualified Renter HHs (LIHTC)	1,044	27.57%	1,097	27.57%	1,166	27.57%				
<b>Targeted Income-Qualified Renter Household Demand (found on pages 54 - 67)</b>										
Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*				
Renter Household Growth	N/Ap	25	26	N/Ap	N/Ap	38				
Existing Households (Overburdened + Substandard)	N/Ap	96	100	N/Ap	N/Ap	147				
Homeowner conversion (Seniors)	N/Ap	44	44	N/Ap	N/Ap	87				
<b>Total Primary Market Demand</b>	N/Ap	165	170	N/Ap	N/Ap	272				
Less Comparable/Competitive Supply	N/Ap	13	47	N/Ap	N/Ap	60				
<b>Adjusted Income-qualified Renter HHs**</b>	N/Ap	152	123	N/Ap	N/Ap	212				
<b>Capture Rates (found on page 55)</b>										
Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall				
Capture Rate:	N/Ap	N/Ap	17.00%	N/Ap	N/Ap	9.70%				

\*Includes LIHTC and unrestricted (when applicable)

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

<b>Project Address and Development Location:</b>	The Subject is located at 430 Valley Hill Road in Riverdale, Clayton County, Georgia 30274.
<b>Construction Type:</b>	The Subject consists of nine single-story duplex-style buildings, one single-story auxiliary building that serves as a leasing office and community room. The buildings are wood frame with brick and vinyl siding exteriors and pitched roofs. The Subject was originally constructed in 2000.
<b>Occupancy Type:</b>	Elderly – Age 62 and older.
<b>Special Population Target:</b>	None.
<b>Number of Units by Bedroom Type and AMI Level:</b>	See following property profile.
<b>Unit Size:</b>	See following property profile.
<b>Structure Type:</b>	See following property profile.
<b>Rents and Utility Allowances:</b>	See following property profile.
<b>Existing or Proposed Project Based Rental Assistance:</b>	Currently, the Subject operates as a senior LIHTC/market rate development. Following renovations, all of the units will be LIHTC units. There will be no project-based rental assistance.
<b>Proposed Development Amenities:</b>	See following property profile.

Property Profile Report												
Valley Hill Senior Apartments - As Renovated												
<b>Comp #</b>	Subject											
<b>Effective Rent Date</b>	11/14/2016											
<b>Location</b>	430 Valley Hill Road Riverdale, GA 30274 Clayton County											
<b>Units</b>	72											
<b>Vacant Units</b>	1											
<b>Vacancy Rate</b>	1.4%											
<b>Type</b>	Duplex (age-restricted)											
<b>Year Built / Renovated</b>	2000 / Proposed											
<b>Major Competitors</b>	Ashton Walk											
<b>Tenant Characteristics</b>	Tenants primarily come from all over Clayton County, average age is 60											
<b>Contact Name</b>	Marena											
<b>Phone</b>	770-210-0912											
<b>Market</b>												
<b>Program</b>	LIHTC			<b>Leasing Pace</b>			Prelease					
<b>Annual Turnover Rate</b>	15%			<b>Change in Rent (Past Year)</b>			N/A					
<b>Units/Month Absorbed</b>	n/a			<b>Concession</b>			None					
<b>Section 8 Tenants</b>	15%											
<b>Utilities</b>												
<b>A/C</b>	not included -- central			<b>Other Electric</b>			not included					
<b>Cooking</b>	not included -- electric			<b>Water</b>			included					
<b>Water Heat</b>	not included -- electric			<b>Sewer</b>			included					
<b>Heat</b>	not included -- electric			<b>Trash Collection</b>			included					
<b>Unit Mix (face rent)</b>												
<b>Beds</b>	<b>Baths</b>	<b>Type</b>	<b>Units</b>	<b>Size (SF)</b>	<b>Rent</b>	<b>Concession (monthly)</b>	<b>Restriction</b>	<b>Waiting List</b>	<b>Vacant</b>	<b>Vacancy Rate</b>	<b>Max rent?</b>	
1	1	Duplex	5	672	\$598	\$0	@50%	Yes	0	0.0%	yes	
1	1	Duplex	61	672	\$729	\$0	@60%	Yes	1	1.7%	yes	
2	1	Duplex	6	860	\$872	\$0	@60%	Yes	0	0.0%	yes	
<b>Amenities</b>												
<b>In-Unit</b>	Balcony/Patio			<b>Security</b>			Perimeter Fencing					
	Blinds											
	Carpeting											
	Central A/C											
	Dishwasher											
	Exterior Storage											
	Ceiling Fan											
	Garbage Disposal											
	Grab Bars											
	Hand Rails											
	Oven											
	Pull Cords											
	Refrigerator											
	Walk-In Closet											
	Washer/Dryer											
	Washer/Dryer hookup											
<b>Property</b>	Business Center/Computer Lab			<b>Premium</b>			none					
	Clubhouse/Meeting											
	Room/Community Room											
	Courtyard											
	Exercise Facility											
	Central Laundry											
	Off-Street Parking Lot											
	On-Site Management											
	Picnic Area											
	Recreation Areas											
	Service Coordination											
	Wi-Fi											
<b>Services</b>	Adult Education			<b>Other</b>			Health & Wellness program, billiards area, community garden, gazebo					
<b>Comments</b>												
This is a senior (62+) LIHTC/Market rate property proposed for LIHTC renovation.												



**Scope of Renovations:**

The Subject is a proposed renovation of an existing senior 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 \$1,962,000, or \$27,250 per unit.

Renovations will include substantial site, interior, and exterior renovations. Site renovations planned include, but are not limited to, repairing the garden and gazebo area, landscaping upgrades, lighting upgrades, and ADA accessibility improvements.

Planned exterior renovations include but are not limited to roofing repairs as needed, window replacements as needed, and clubhouse interior improvements.

Planned interior renovations include but are not limited to plumbing fixture upgrades, replace appliances as needed, replace vanity tops, replace cabinets as needed, upgrade interior lighting, replace interior doors as needed, resurface kitchen countertops as needed, and replace HVAC units as needed.

**Current Rents:**

Based on a rent roll dated October 24, 2016, the Subject is 98.6 percent occupied. The following table details the current asking rents according to the rent roll. In addition, there are 12 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>				
1BR/1BA	4	4	100.0%	\$595
2BR/2BA	1	1	100.0%	\$707
<i>60% AMI</i>				
1BR/1BA	47	46	97.9%	\$675
2BR/2BA	5	5	100.0%	\$775
<i>Market Rate</i>				
1BR/1BA	13	13	100.0%	\$675
2BR/2BA	2	2	100.0%	\$799
<b>Total</b>	<b>72</b>	<b>71</b>	<b>98.6%</b>	

\*Effective 6/30/2016

- Current Occupancy:** According to the rent roll dated October 24, 2016, the Subject was 98.6 percent occupied with one vacant unit, 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 \$19,590 to \$33,480 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, some 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 being converted to LIHTC will need to be reabsorbed.
- Placed in Service Date:** The renovation of the Subject is expected to be completed by November 2017.
- Conclusion:** Following renovations, the Subject will continue to offer 72 duplex-style senior units in nine residential buildings. The Subject will be of good quality following renovations and will be comparable to most of the inventory in the western Clayton County area. The renovations will be substantial and are expected to total approximately \$27,250 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 November 14, 2016.

### 2. Physical Features of the Site:

The following illustrates the physical features of the site.

#### *Frontage:*

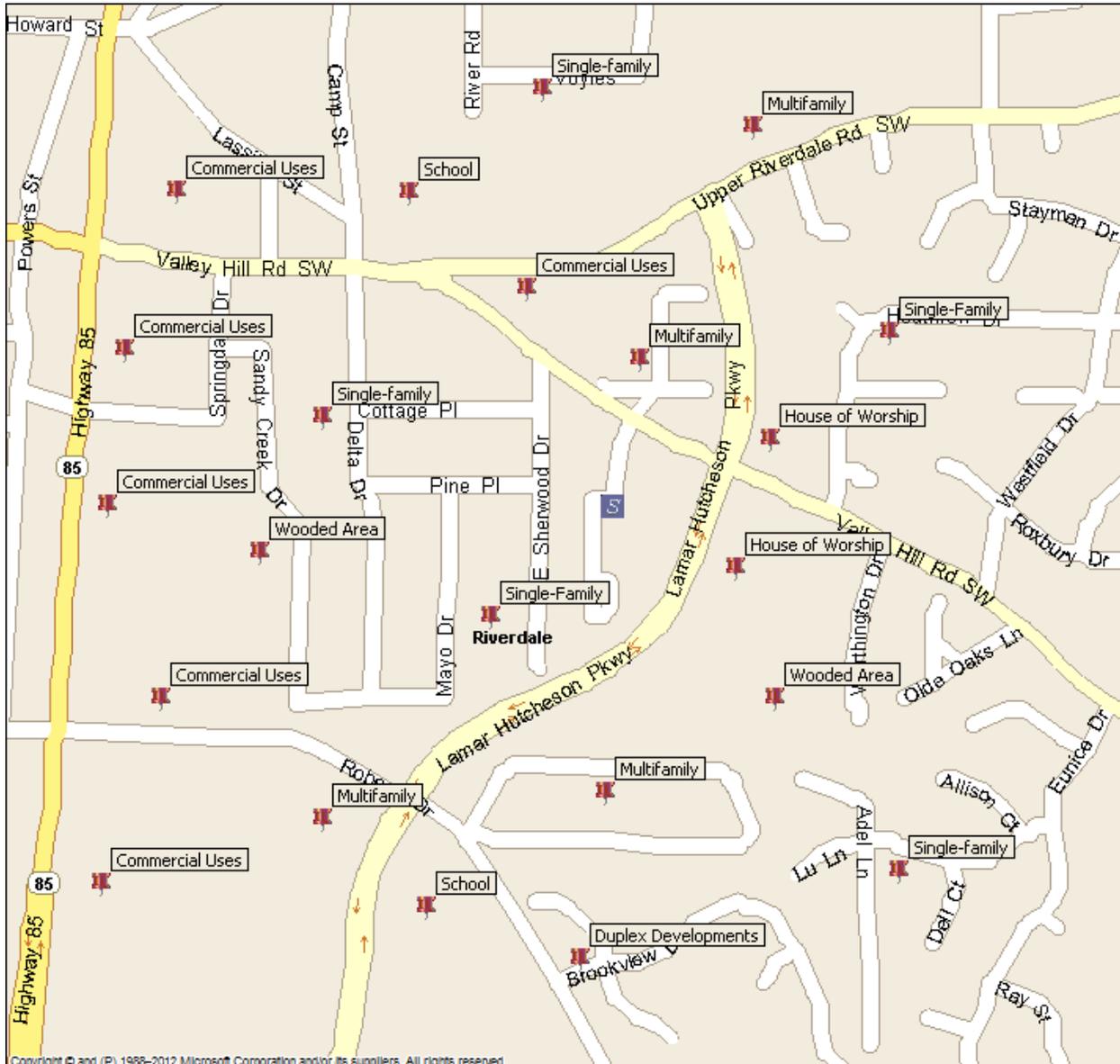
The Subject site has frontage along the north side of Lamar Hutcheson Parkway and the south side of Valley Hill Road Southwest.

#### *Visibility/Views:*

The Subject has good visibility from the north and west sides of Lamar Hutcheson Parkway and the south side of Valley Hill Road Southwest. Views east of the Subject consist of Clayton County Library – Riverdale in average condition, undeveloped land, and a house of worship in average condition. Views to the south are of undeveloped wooded land. Views to the southeast are of a parking lot. Views to the west are single-family homes in average to good condition. Views to the north consist of Stratford Arms Apartments in fair condition. Views to the northeast consist of a house of worship in average condition.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.

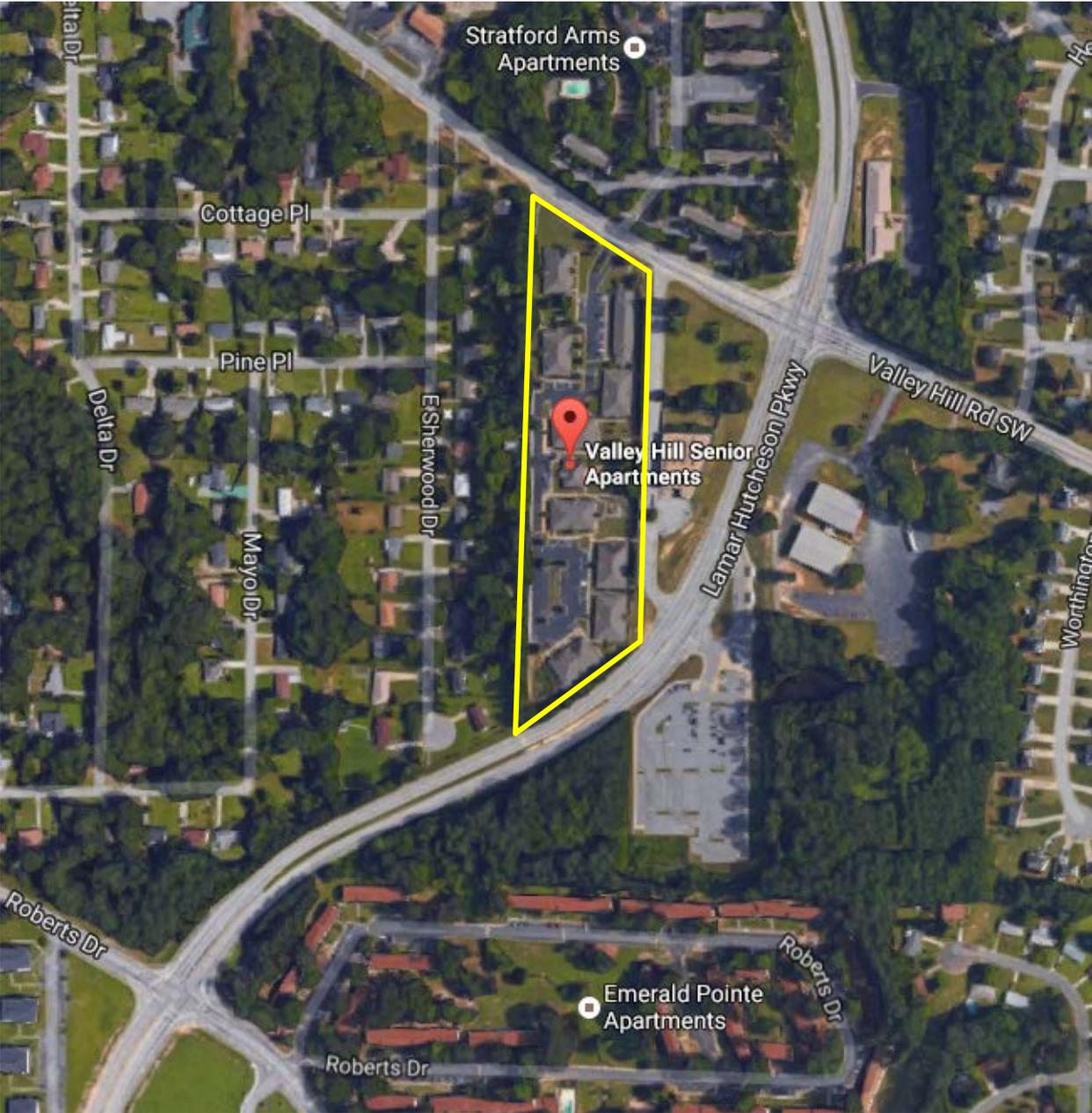


Surrounding uses consist of single-family homes, wooded areas, houses of worship, and scattered commercial/retail uses. The Subject site is located in eastern Riverdale. There are a number of commercial/retail uses in the Subject’s neighborhood with the majority located along major arterials such as Highway 85, located west of the Subject, and Upper Riverdale Road, located north of the Subject. The Subject is considered “car-dependent” by Walkscore.com with a rating of 34. The Subject site is considered a desirable location for senior 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. We did not observe any detrimental influences in the immediate neighborhood that would negatively impact marketability of the proposed Subject.

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

The Subject is located within 1.5 miles of all locational amenities. 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



Community space



Typical entrance



Typical bedroom



Typical bathroom



In-unit washer/dryer



Typical bedroom



Typical kitchen



Typical living room



Typical kitchen



Typical bathroom



Typical bedroom



Bus stop and apartments north of Subject



Retail uses in Subject's neighborhood



Library east of Subject



Single-family home west of Subject



Gas station northwest of Subject



Single-family home south of Subject



View along Valley Hill Road to the east

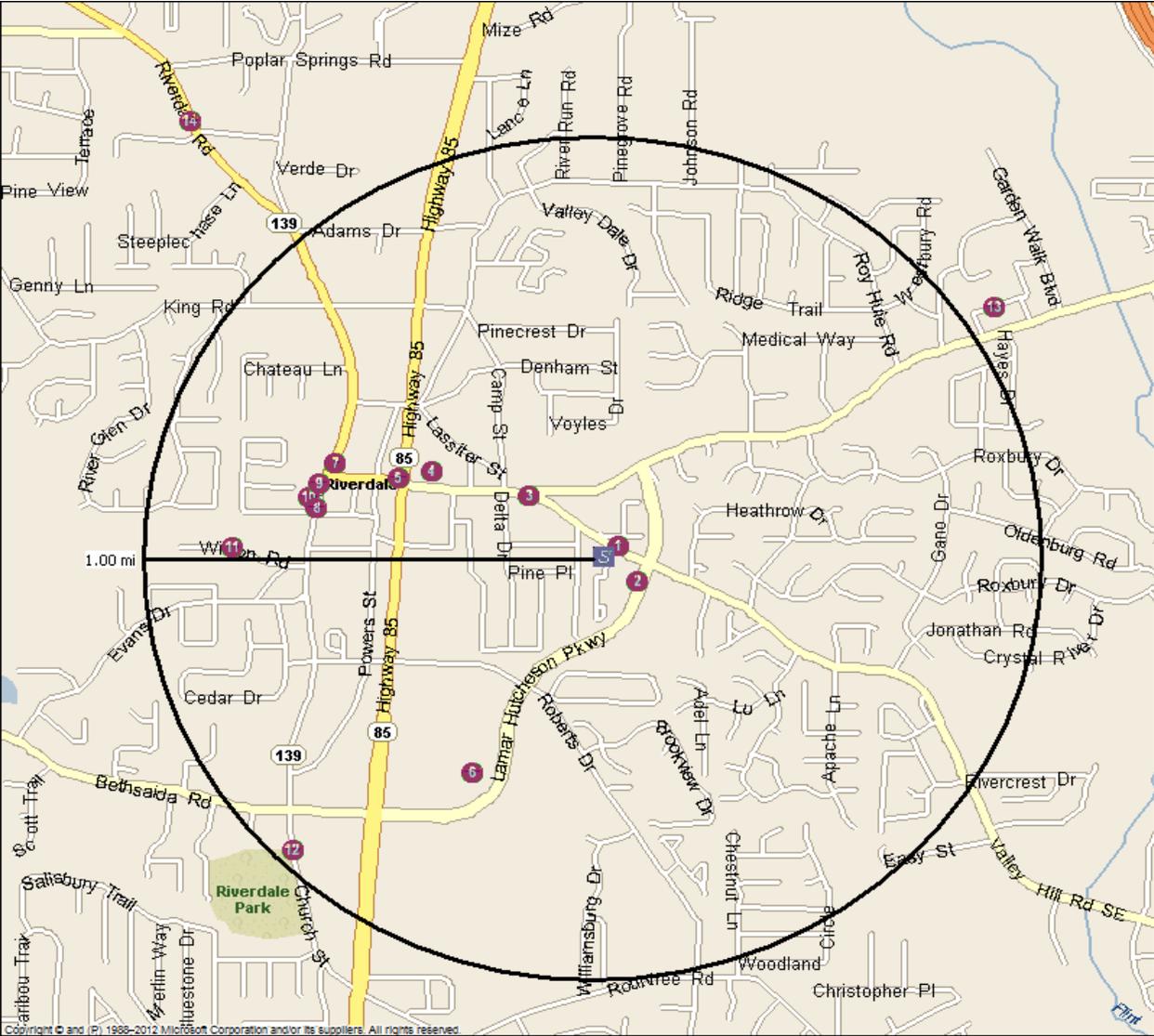


View along Valley Hill Road to the west

**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	Bus Stop	Adjacent	8	Riverdale Police Department	0.6 miles
2	Clayton County Library	0.1 miles	9	U.S. Post Office	0.7 miles
3	Phillips 66	0.2 miles	10	Riverdale Fire Station	0.7 miles
4	Riverdale Plaza Shopping Center	0.4 miles	11	Riverdale Reginal Park	0.8 miles
5	Walgreens	0.5 miles	12	Riverdale City Hall	1.0 miles
6	Walmart Super Center	0.6 miles	13	Southern Regional Medical Center	1.1 miles
7	Bank of America	0.6 miles	14	Frank Bailey Senior Center	1.4 miles

**6. Description of Land Uses:**

The Subject is accessed by the south side of Valley Hill Road Southwest. Surrounding uses consist of single-family homes, wooded areas, houses of worship, and scattered commercial/retail uses. Land use to the east of the Subject consists of Clayton County Library – Riverdale in average condition, undeveloped land, and a house of worship in average condition. Land use to the south consists of undeveloped wooded land followed by Emerald Pointe Apartments in fair condition, which has been utilized as a comparable in this report. Land use to the southeast consists of a parking lot. Land use to the west consists of single-family homes in average to good condition. Land use to the north consists of Stratford Arms Apartments in fair condition, which has been utilized as a comparable in this report. Land use to the northeast consists of a house of worship in average condition. There are a number of commercial/retail uses in the Subject’s neighborhood with the majority located along major arterials such as Highway 85, located west of the Subject, and Upper Riverdale Road, located north of the Subject. The Subject is considered “car-dependent” by Walkscore.com with a rating of 34. The Subject site is considered a desirable location for senior rental housing. The site has reasonable proximity to locational amenities.

**7. Public Safety Issues:**

The following table illustrates crime risk indices in the Subject’s PMA and MSA.

<b>2016 CRIME RISK INDICES</b>		
	<b>PMA</b>	<b>Atlanta-Sandy Springs - Roswell, GA MSA</b>
<b>Total Crime*</b>	158	139
<b>Personal Crime*</b>	134	130
Murder	163	155
Rape	125	88
Robbery	167	163
Assault	118	118
<b>Property Crime*</b>	161	140
Burglary	186	147
Larceny	150	134
Motor Vehicle Theft	181	178

Source: Esri Demographics 2016, Novogradac & Company LLP, October 2016  
 \*Unweighted aggregations

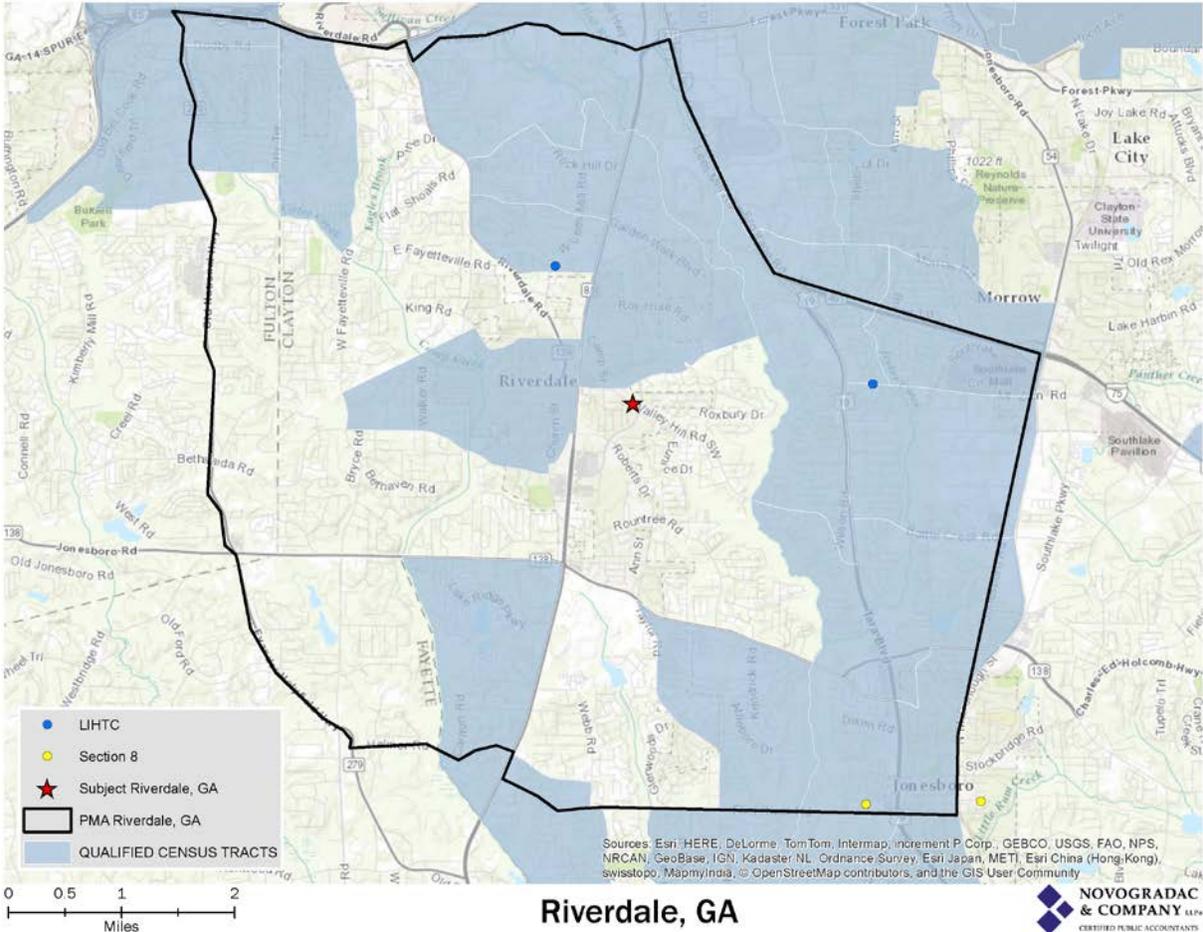
The crime risk indices shown above are based on the national average, which would be indicated as the number 100 in the table above. Any numbers shown deviating from

the number 100 would thus be considered to be either above or below the national average. That is, an index of 125 would be 25 percent higher than the national average and an index of 75 would be 25 percent lower than the national average. As illustrated in the previous table, the most recent data indicates total crime within the PMA is slightly above that of the MSA and above the national average. However, the PMA has generally lower personal crime indices than the MSA but slightly higher property crime indices than the MSA. None of these crime indices are considered cause for alarm. The Subject will offer perimeter fencing. Most of the comparables also offer security features. Overall, the Subject's security features will be market oriented.

**8. 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
Overlook Townhouses	834 Overlook Terrace	Atlanta	GA	30349	LIHTC	Family	Blue	Excluded	Differing bedroom sizes
The Park At Mount Zion	701 Morrow Industrial Blvd.	Jonesboro	GA	30236	LIHTC	Family	Blue	Included	N/A
Keystone Apartments	145 S. McDonough Street	Jonesboro	GA	30236	Section 8	Family	Yellow	Excluded	Subsidized
Riverwood Townhouses	681 Flint River Road	Jonesboro	GA	30236	Section 8	Family	Yellow	Excluded	Subsidized

**9. Road/Infrastructure**

**Proposed Improvements:**

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

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

The Subject is accessed by the south side of Valley Hill Road Southwest. Valley Hill Road Southwest is a northwest/southeast connector street that provides access to Upper Riverdale Road approximately 0.2 miles northwest of the Subject. Upper Riverdale Road is a northeast/southwest traversing arterial road that provides access to Interstate 75. Interstate 75 generally traverses north/southeast and provides access to Hartsfield-Jackson Atlanta International Airport, approximately 4.9 miles to the north of the Subject and to Tampa, approximately 403.1 miles to the southeast. Overall access is considered good and traffic flow is considered moderate. The Subject has good visibility from the south side of Valley Hill Road Southwest and the north and west sides of Lamar Hutcheson Parkway.

**11. 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.

**12. Conclusion:**

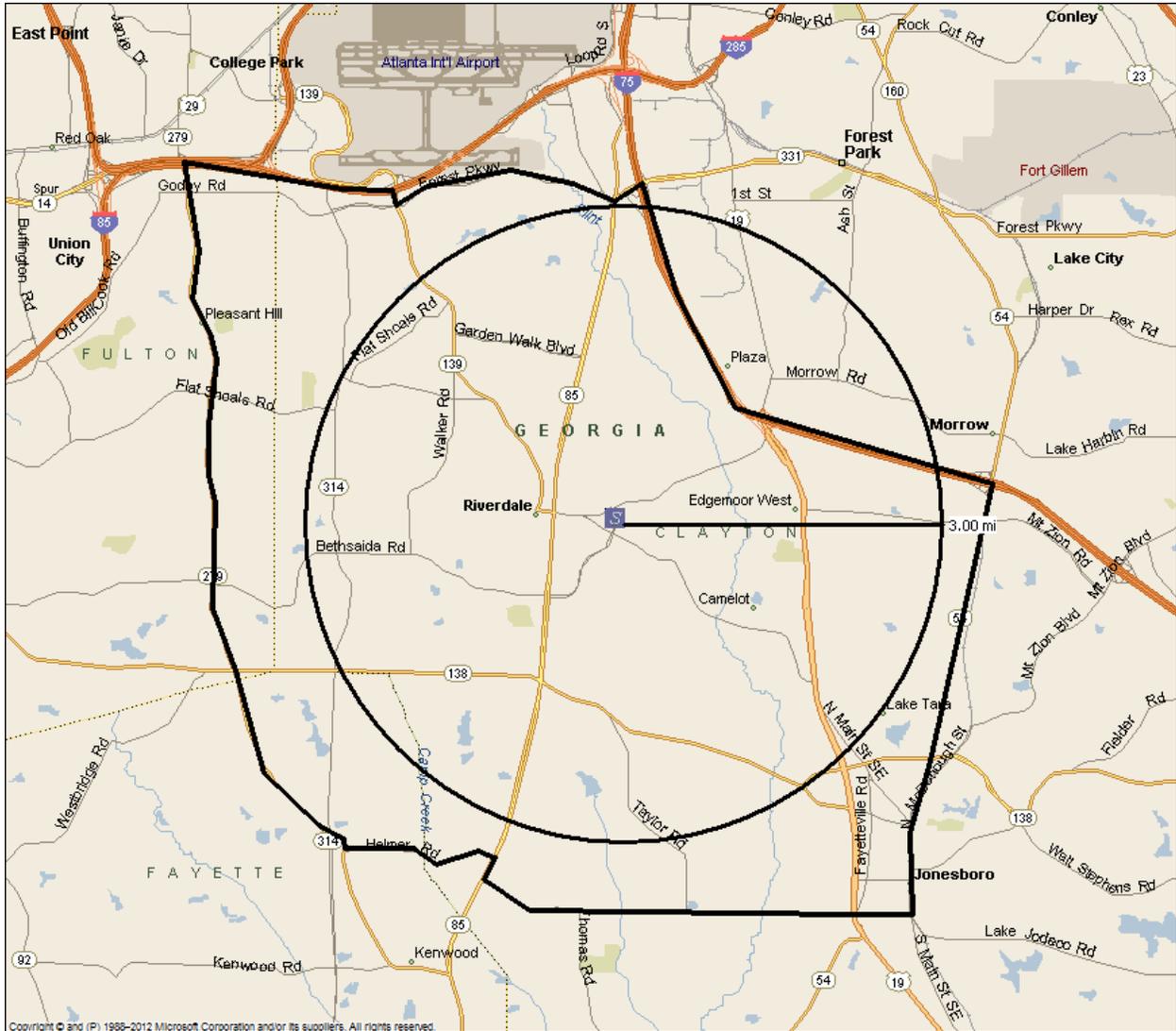
The Subject is accessed by the south side of Valley Hill Road Southwest. Surrounding uses consist of single-family homes, wooded areas, houses of worship, and scattered commercial/retail uses. Overall, the Subject has a desirable location for multifamily housing. The Subject site is considered a desirable location for senior 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 PMA consists of Riverdale as well as the surrounding areas of western Clayton County and portions of northeast Fayette and southeast Fulton Counties. The boundaries of the PMA are as follows:

North – Interstate 285 and Forest Parkway

East – Interstate 75, Jonesboro Road, and Main Street Southeast

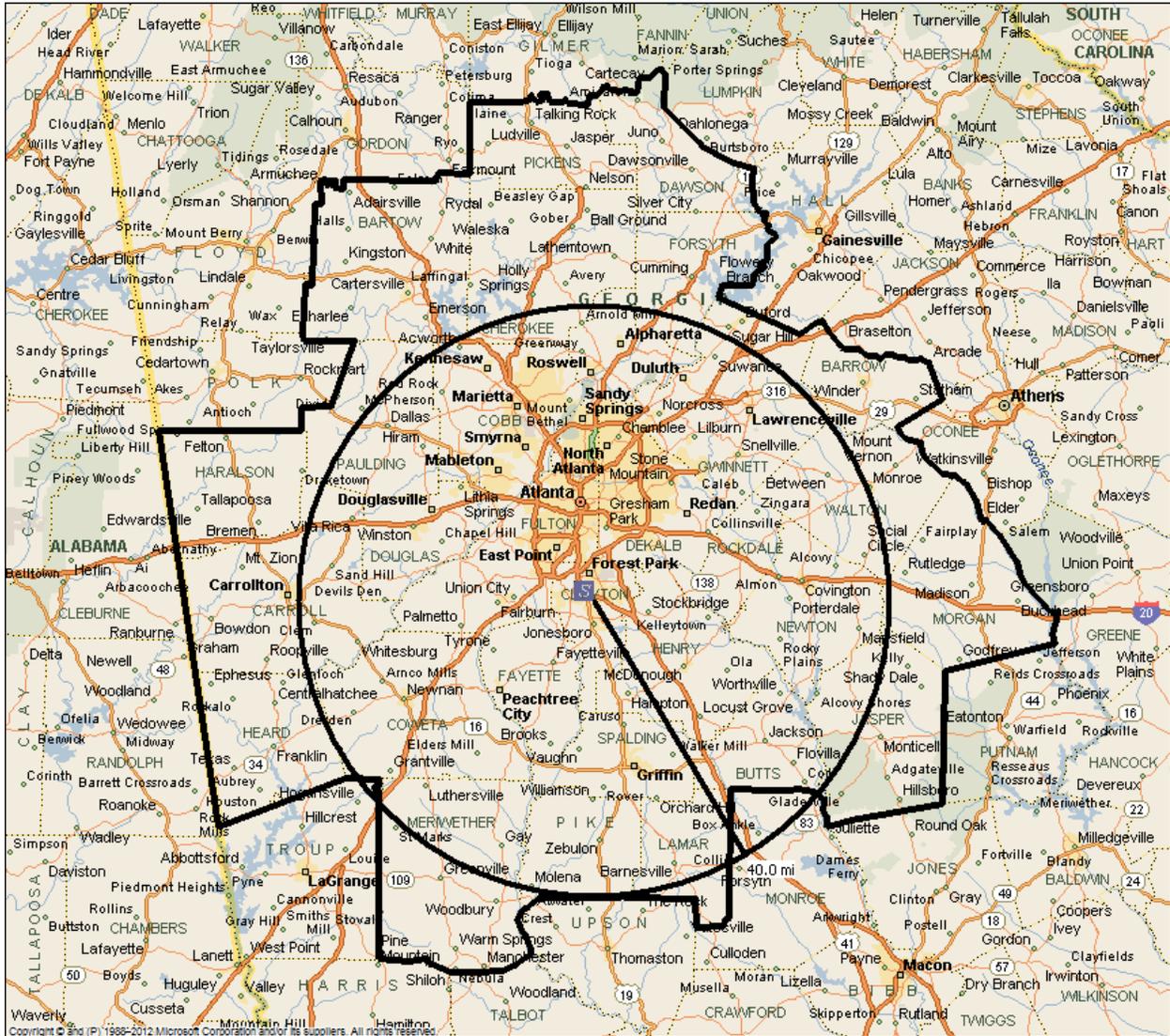
South – Burnside Street, Flint River Road, Point South Parkway, and Helmer Road

West – Evander Holyfield Highway and Old National Highway

As a larger town in a semi-rural area, it is reasonable to assume that Riverdale 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 Riverdale and portions of Forest Park, Jonesboro, Morrow, Fayetteville, and Fairburn in the southern 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 5.3 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 2020.

TOTAL POPULATION						
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	103,887	-	4,263,438	-	281,421,906	-
2010	104,302	0.0%	5,286,728	2.4%	308,745,538	1.0%
2016	107,944	0.6%	5,665,958	1.1%	323,580,626	0.8%
Mkt Entry	108,939	0.7%	5,771,918	1.4%	327,246,091	0.8%
2021	111,674	0.7%	6,063,308	1.4%	337,326,118	0.8%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

TOTAL SENIOR POPULATION (62+)						
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	6,387	-	407,225	-	41,475,021	-
2010	8,424	3.2%	625,999	5.4%	50,358,738	2.1%
2016	11,359	5.6%	803,915	4.5%	60,304,482	3.2%
Mkt Entry	12,017	4.3%	852,422	4.5%	62,975,704	3.3%
2021	13,828	4.3%	985,817	4.5%	70,321,565	3.3%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

NUMBER OF ELDERLY AND NON-ELDERLY						
Year	PMA			MSA		
	<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	103,887	98,934	4,953	4,263,438	3,934,848	328,590
2010	104,302	98,327	5,975	5,286,728	4,812,201	474,527
2016	107,943	99,550	8,393	5,665,958	5,040,088	625,870
Projected Mkt Entry	108,938	99,972	8,966	5,771,918	5,104,776	667,142
2021	111,674	101,132	10,542	6,063,308	5,282,669	780,639

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

POPULATION BY AGE GROUP					
PMA					
Age Cohort	2000	2010	2016	Projected Mkt Entry	2021
0-4	9,063	9,455	9,061	9,101	9,212
5-9	9,364	8,481	8,507	8,514	8,533
10-14	8,574	8,053	8,086	8,139	8,285
15-19	7,232	7,880	7,624	7,647	7,710
20-24	8,394	8,341	8,987	8,968	8,916
25-29	10,813	8,923	9,182	9,359	9,847
30-34	10,242	8,178	8,526	8,563	8,664
35-39	9,355	7,847	7,446	7,549	7,834
40-44	7,918	7,588	7,209	7,173	7,074
45-49	6,731	7,361	6,967	6,882	6,650
50-54	5,389	6,628	6,849	6,788	6,620
55-59	3,469	5,511	6,163	6,202	6,311
60-64	2,390	4,081	4,943	5,085	5,476
65-69	1,771	2,460	3,737	3,882	4,280
70-74	1,279	1,446	2,167	2,410	3,078
75-79	947	995	1,223	1,346	1,685
80-84	568	614	737	775	881
85+	388	460	529	553	618
<b>Total</b>	<b>103,887</b>	<b>104,302</b>	<b>107,943</b>	<b>108,938</b>	<b>111,674</b>

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

Total population in the PMA is projected to increase at a 0.7 percent annual rate from 2016 to 2021, a growth rate below that of the MSA and similar to the nation as a whole during the same time period. However, senior population growth in the PMA is expected to increase at an annual rate of 4.3 percent from 2016 through 2021, which is considered a positive indication when compared to the nation's projected growth of 3.3 percent. Senior population growth in the MSA will outpace that of the PMA and nation as a whole through 2021. In 2016, 10.5 percent of the PMA's population is age 62 and older, which is the target age group at the Subject. In 2021, 12.4 percent of the PMA's population will be age 62 and older. The strong growth in senior population in the PMA and MSA is a positive indication of future demand for senior housing.

## 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	38,036	-	1,559,712	-	105,480,101	-
2010	38,262	0.1%	1,943,885	2.5%	116,716,292	1.1%
2016	39,182	0.4%	2,065,785	1.0%	121,786,233	0.7%
Projected Mkt Entry	39,484	0.6%	2,101,975	1.3%	123,095,042	0.8%
2021	40,313	0.6%	2,201,496	1.3%	126,694,268	0.8%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

TOTAL NUMBER OF SENIOR HOUSEHOLDS 62+						
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	4,018	-	253,346	-	4,018	-
2010	5,358	3.3%	357,494	4.1%	5,358	3.3%
2016	6,107	2.2%	426,421	3.1%	6,107	2.2%
Projected Mkt Entry	6,548	5.4%	456,817	5.3%	6,548	5.4%
2021	7,760	5.4%	540,407	5.3%	7,760	5.4%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

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	2.72	-	2.68	-	2.59	-
2010	2.72	0.0%	2.68	0.0%	2.58	-0.1%
2016	2.75	0.2%	2.70	0.1%	2.59	0.1%
Projected Mkt Entry	2.75	0.1%	2.70	0.1%	2.59	0.1%
2021	2.76	0.1%	2.72	0.1%	2.60	0.1%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

Similar to population trends, total household growth in the PMA is projected to increase at a rate slightly below that of the MSA and similar to the nation as a whole through 2021. However, projected senior household growth of 5.4 percent annually between 2016 and 2021 in the PMA is significantly higher than the projected general household growth during the same time period. Senior household growth in the PMA and MSA will increase at a rate greater than households of all ages over the next several years. The average household size in the PMA is projected to increase slightly in the PMA through 2021. The average household sizes in the MSA and nation are also projected to increase slightly over the same time period.

## 2b. Households by Tenure

The following tables depict household growth by tenure from 2000 through 2020.

<b>TENURE PATTERNS PMA – TOTAL POPULATION</b>				
<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2010	17,967	47.0%	20,295	53.0%
2016	16,424	41.9%	22,758	58.1%
Projected Market Entry	16,501	41.8%	22,983	58.2%
2021	16,713	41.5%	23,600	58.5%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

<b>TENURE PATTERNS MSA – TOTAL POPULATION</b>				
<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2010	1,285,066	66.1%	658,819	33.9%
2016	1,282,688	62.1%	783,097	37.9%
Projected Market Entry	1,304,675	62.1%	797,299	37.9%
2021	1,365,140	62.0%	836,356	38.0%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

<b>TENURE PATTERNS PMA – SENIOR POPULATION (62+)</b>				
<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2010	3,463	64.6%	1,895	35.4%
2016	4,051	66.3%	2,056	33.7%
Projected Market Entry	4,335	66.2%	2,212	33.8%
2021	5,117	65.9%	2,644	34.1%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

<b>TENURE PATTERNS MSA – SENIOR POPULATION (62+)</b>				
<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2010	277,209	77.5%	80,286	22.5%
2016	332,868	78.1%	93,553	21.9%
Projected Market Entry	354,276	77.6%	102,541	22.4%
2021	413,149	76.5%	127,258	23.5%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

The share of renter households for the total population is above the share of owner households in both the PMA and below the share of owner households in the MSA. The number and percentage of renter-occupied units in the PMA and MSA are expected to increase through 2021. Among the senior population, owner-occupied housing units dominate the PMA and MSA. The percentage of senior renter-occupied housing units in the PMA is higher than the national average of approximately 13 percent. The percentage of renter-occupied units in the PMA is expected to slightly increase through 2021, which is a positive indication of future demand for affordable senior housing.

## 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	2,970	7.8%	5,264	13.4%	5,669	14.4%	6,783	16.8%
\$10,000-19,999	4,807	12.6%	7,919	20.2%	8,397	21.3%	9,713	24.1%
\$20,000-29,999	5,224	13.7%	7,321	18.7%	7,491	19.0%	7,956	19.7%
\$30,000-39,999	5,957	15.6%	6,165	15.7%	6,162	15.6%	6,153	15.3%
\$40,000-49,999	4,747	12.4%	3,943	10.1%	3,844	9.7%	3,571	8.9%
\$50,000-59,999	3,583	9.4%	3,000	7.7%	2,743	6.9%	2,036	5.1%
\$60,000-74,999	3,994	10.4%	2,221	5.7%	2,103	5.3%	1,781	4.4%
\$75,000-99,999	3,527	9.2%	2,015	5.1%	1,874	4.7%	1,484	3.7%
\$100,000-124,999	2,017	5.3%	853	2.2%	749	1.9%	463	1.1%
\$125,000-149,999	762	2.0%	223	0.6%	210	0.5%	175	0.4%
\$150,000-199,999	357	0.9%	175	0.4%	159	0.4%	114	0.3%
\$200,000+	317	0.8%	82	0.2%	82	0.2%	82	0.2%
<b>Total</b>	<b>38,262</b>	<b>100.0%</b>	<b>39,182</b>	<b>100.0%</b>	<b>39,484</b>	<b>100.0%</b>	<b>40,313</b>	<b>100.0%</b>

Source: Ribbon Demographics 2016, Novogradac & Company LLP, 10/2016

HOUSEHOLD INCOME DISTRIBUTION 62+ - PMA						
Income Cohort	2016		Projected Mkt Entry		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	888	14.5%	1,032	15.8%	1,427	18.4%
\$10,000-19,999	1,375	22.5%	1,520	23.2%	1,920	24.7%
\$20,000-29,999	1,007	16.5%	1,122	17.1%	1,440	18.6%
\$30,000-39,999	913	15.0%	959	14.6%	1,083	14.0%
\$40,000-49,999	605	9.9%	608	9.3%	617	7.9%
\$50,000-59,999	407	6.7%	401	6.1%	385	5.0%
\$60,000-74,999	328	5.4%	331	5.1%	338	4.4%
\$75,000-99,999	303	5.0%	306	4.7%	313	4.0%
\$100,000-124,999	182	3.0%	167	2.5%	125	1.6%
\$125,000-149,999	43	0.7%	48	0.7%	64	0.8%
\$150,000-199,999	44	0.7%	41	0.6%	32	0.4%
\$200,000+	12	0.2%	13	0.2%	17	0.2%
<b>Total</b>	<b>6,107</b>	<b>100.0%</b>	<b>6,548</b>	<b>100.0%</b>	<b>7,760</b>	<b>100.0%</b>

Source: Ribbon Demographics 2016, Novogradac & Company LLP, 10/2016

RENTER HOUSEHOLD INCOME DISTRIBUTION 62+ - PMA						
Income Cohort	2016		Projected Mkt Entry		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	346	16.8%	397	17.9%	538	20.3%
\$10,000-19,999	574	27.9%	633	28.6%	798	30.2%
\$20,000-29,999	376	18.3%	416	18.8%	525	19.9%
\$30,000-39,999	281	13.7%	290	13.1%	315	11.9%
\$40,000-49,999	127	6.2%	129	5.8%	133	5.0%
\$50,000-59,999	111	5.4%	108	4.9%	100	3.8%
\$60,000-74,999	91	4.4%	92	4.1%	94	3.6%
\$75,000-99,999	69	3.3%	69	3.1%	70	2.6%
\$100,000-124,999	52	2.5%	47	2.1%	33	1.3%
\$125,000-149,999	13	0.6%	17	0.8%	27	1.0%
\$150,000-199,999	15	0.8%	14	0.6%	10	0.4%
\$200,000+	2	0.1%	2	0.1%	1	0.0%
<b>Total</b>	<b>2,056</b>	<b>100.0%</b>	<b>2,212</b>	<b>100.0%</b>	<b>2,644</b>	<b>100.0%</b>

Source: Ribbon Demographics 2016, Novogradac & Company LLP, 10/2016

Approximately 63.0 percent of senior renter households in the PMA earn less than \$30,000. The income limits for the LIHTC units will range from \$19,590 to \$33,480. As such, a significant portion of renter households are likely to income qualify to reside at one of the Subject’s unit types, and the Subject should be well-positioned to service this market. It should be noted that the area four-person median income (AMI) in Clayton 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.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA										
	2000		2010		2016		Mkt Entry		2021	
	Number	Percentage								
With 1 Person	6,054	30.6%	6,464	31.9%	7,312	32.1%	7,403	32.2%	7,653	32.4%
With 2 Persons	5,283	26.7%	4,951	24.4%	5,544	24.4%	5,588	24.3%	5,708	24.2%
With 3 Persons	3,492	17.6%	3,564	17.6%	3,988	17.5%	4,025	17.5%	4,129	17.5%
With 4 Persons	2,759	13.9%	2,521	12.4%	2,812	12.4%	2,836	12.3%	2,902	12.3%
With 5+ Persons	2,215	11.2%	2,794	13.8%	3,103	13.6%	3,131	13.6%	3,208	13.6%
<b>Total Renter Households</b>	<b>19,802</b>	<b>100.0%</b>	<b>20,295</b>	<b>100.0%</b>	<b>22,758</b>	<b>100.0%</b>	<b>22,983</b>	<b>100.0%</b>	<b>23,600</b>	<b>100.0%</b>

Source: Ribbon Demographics 2016, Novogradac & Company LLP, October 2016

RENTER HOUSEHOLDS BY NUMBER OF PERSONS 62+ PMA										
	2000		2010		2016		Mkt Entry		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	528	58.3%	1,019	44.5%	1,113	54.1%	1,200	54.3%	1,441	54.5%
With 2 Persons	221	24.4%	534	23.3%	585	28.4%	628	28.4%	746	28.2%
With 3 Persons	88	9.7%	102	4.4%	64	3.1%	76	3.4%	110	4.2%
With 4 Persons	22	2.5%	534	23.3%	169	8.2%	177	8.0%	200	7.5%
With 5+ Persons	46	5.1%	103	4.5%	125	6.1%	131	5.9%	147	5.6%
<b>Total Renter Households</b>	<b>904</b>	<b>100.0%</b>	<b>2,291</b>	<b>100.0%</b>	<b>2,056</b>	<b>100.0%</b>	<b>2,212</b>	<b>100.0%</b>	<b>2,644</b>	<b>100.0%</b>

Source: Ribbon Demographics 2016, Novogradac & Company LLP, October 2016

The largest senior renter household cohort has remained a one-person household since 2010, followed by two and three-person households. These three cohorts are projected to remain the largest through 2021. In 2016, the one and two-person households accounted for approximately 82.6 percent of renter households in the PMA. The Subject will target one and two-person households. Therefore, the strong presence of one to two-person renter households in the PMA bodes well for the Subject's units.

### **2e. and 2f. Elderly and HFOP**

Per DCA's guidelines, elderly household populations will be based on households who are 62 years and older and HFOP populations will be based on households who are 55 years or older according to the census.

### **Conclusion**

The PMA is expected to experience strong senior population and household growth from 2016 through 2021. Senior population growth in the PMA is expected to increase at an annual rate of 4.3 percent from 2016 through 2021, which is considered a positive indication when compared to the nation's projected growth of 3.3 percent. Senior population growth in the MSA will outpace that of the PMA and nation as a whole through 2021. Among the senior population, owner-occupied housing units dominate the PMA and MSA. The percentage of senior renter-occupied housing units in the PMA is higher than the national average of approximately 13 percent. The percentage of renter-occupied units in the PMA is expected to slightly increase through 2021, which is a positive indication of future demand for affordable senior housing. Approximately 63.0 percent of senior renter households in the PMA earn less than \$30,000. The income limits for the LIHTC units will range from \$19,590 to \$33,480. As such, a significant portion of renter households are likely to income qualify to reside at one of the Subject's unit types, and the Subject should be well-positioned to service this market.

## **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. Riverdale is located in northwestern Clayton County, approximately 12 miles south of Atlanta in northern Georgia. Riverdale has good access to major interstates, including Interstate 75, provides access to Atlanta to the north and Florida to the south.

### 1. Total Jobs

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

Total Jobs in Clayton County, Georgia		
Year	Total Employment	% Change
2006	127,426	-
2007	128,444	-1.7%
2008	126,243	-7.5%
2009	117,459	-8.5%
2010	108,243	1.6%
2011	109,948	2.1%
2012	112,343	-0.6%
2013	111,623	2.4%
2014	114,341	1.2%
2015	115,708	2.5%
<b>2016 YTD Average</b>	<b>118,718</b>	<b>-2.5%</b>
Aug-15	115,814	-
Aug-16	120,069	3.5%

Source: U.S. Bureau of Labor Statistics

YTD as of August 2016

Total employment in Clayton County increased from 2010 through 2011 and from 2013 through 2015. However, total employment decreased in Cherokee County from 2007 through 2009, which can be attributed to the recent national recession, in 2012, and year-to-date 2016. The total employment, as of August 2016, is still below the pre-recession levels.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Clayton County as of December 2015, the most recent data available.

<b>Covered Employment Clayton County, Georgia</b>		
	<b>Number</b>	<b>Percent</b>
<b>Total, all industries</b>	<b>105,458</b>	-
<b>Goods-producing</b>	-	-
Natural resources and mining	<b>298</b>	0.3%
Construction	<b>3,038</b>	2.9%
Manufacturing	<b>4,139</b>	3.9%
<b>Service-providing</b>	-	-
Trade, transportation, and utilities	<b>59,526</b>	56.4%
Information	<b>723</b>	0.7%
Financial activities	<b>2,938</b>	2.8%
Professional and business services	<b>12,223</b>	11.6%
Education and health services	<b>8,936</b>	8.5%
Leisure and hospitality	<b>11,531</b>	10.9%
Other services	<b>1,833</b>	1.7%
Unclassified	<b>273</b>	0.3%

Source: Bureau of Labor Statistics, 2016

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

2016 EMPLOYMENT BY INDUSTRY				
Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Transportation/Warehousing	6,781	13.6%	6,128,217	4.0%
Health Care/Social Assistance	6,150	12.4%	21,304,508	14.1%
Retail Trade	5,063	10.2%	17,169,304	11.3%
Accommodation/Food Services	4,576	9.2%	11,574,403	7.6%
Educational Services	4,059	8.2%	14,359,370	9.5%
Public Administration	3,343	6.7%	7,093,689	4.7%
Construction	3,083	6.2%	9,342,539	6.2%
Manufacturing	2,662	5.3%	15,499,826	10.2%
Other Services (excl Publ Adm)	2,471	5.0%	7,463,834	4.9%
Finance/Insurance	2,420	4.9%	6,942,986	4.6%
Admin/Support/Waste Mgmt Svcs	2,243	4.5%	6,511,707	4.3%
Prof/Scientific/Tech Services	1,782	3.6%	10,269,978	6.8%
Real Estate/Rental/Leasing	1,453	2.9%	2,946,196	1.9%
Wholesale Trade	1,364	2.7%	4,066,471	2.7%
Information	1,268	2.5%	2,862,063	1.9%
Arts/Entertainment/Recreation	519	1.0%	3,416,474	2.3%
Utilities	345	0.7%	1,344,219	0.9%
Mgmt of Companies/Enterprises	85	0.2%	89,612	0.1%
Agric/Forestry/Fishing/Hunting	70	0.1%	2,253,044	1.5%
Mining	52	0.1%	749,242	0.5%
<b>Total Employment</b>	<b>49,789</b>	<b>100.0%</b>	<b>151,387,682</b>	<b>100.0%</b>

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

The PMA's leading industries include transportation/warehousing, health care/social assistance, and retail trade. Together, these three industries make up 36.2 percent of total employment in the PMA. Compared to the nation, the PMA is overly represented in sectors such as transportation/warehousing, public administration, and wholesale trade, and underrepresented in the manufacturing, health care/social assistance, and accommodation/food services sectors. Conversely, the PMA has a lower percentage of employment within the manufacturing, professional/scientific/technical services, and health care/social assistance sectors when compared to the nation. 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 Clayton County, Georgia.

MAJOR EMPLOYERS			
Clayton County, GA			
#	Employer	Industry	Number Employed
1	Clayton County Public Schools	Education	7,100
2	Delta Tech Ops	Transportation/warehousing	6,000
3	Southern Regional Medical Center	Health care	2,100
4	Fresh Express Inc.	Transportation/warehousing	1,100
5	Southern Company	Utilities	766
6	Clayton State University	Education	750
7	FedEx Ground	Transportation/warehousing	750
8	Saia Motor Freight Line	Transportation/warehousing	500
9	R+L Carriers	Transportation/warehousing	430
10	TOTO USA	Manufacturing	425
11	Avis Rent a Car	Automobile	400
<b>Total</b>			<b>20,321</b>

Source: Clayton County Office of Economic Development, Novogradac & Company LLP, 10/2016

As illustrated in the previous table, the largest private employers in Clayton County are in the education, transportation/warehousing, health care, utilities, manufacturing, and automobile sectors. Additionally, the Georgia Department of Labor reported that Healthcare Staffing, Inc., JB Hunt Transport, Inc., Southwest Airlines Company, Staffing Solutions Southeast, Inc., and Walmart are also major employers in the county, although the Georgia Department of Labor was unable to provide their number of employees. According to the Clayton County Office of Economic Development, the Clayton County Public School System is the largest employer in Clayton County, employing approximately 7,100 workers, which represents approximately 35 percent of employment among the largest employers in the county. It should be noted that Clayton County is part of the Atlanta MSA and many area residents commute to others areas of the MSA for employment.

#### Employment Expansion/Contractions

According to Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) filings, the PMA experienced no layoffs in 2014, 2015, or year-to-date 2016.

#### Riverdale Economic Development

We attempted to speak with the Riverdale Economic Development Department, but our phone calls and emails were not returned.

We spoke with Courtney Pogue, Director of the Clayton County Office of Economic Development, and he reported that a number of companies had opened in Clayton County in the last year. Additionally, several companies were expanding internally, and no major closings or layoffs had occurred in the past year. Mr. Pogue was unable to provide specific details about expansions and contractions in the county. According to our internet research, Castellini Group of Companies, a distribution company, is planning to create 300 new jobs over the next several years in Clayton County. The public transit service MARTA expanded its bus service in Clayton County by adding four bus routes in August 2015. A \$12.5 million expansion by FMH

Conveyors in 2016 will create 110 new jobs in Jonesboro. Additionally, two businesses closed recently: Dean's Barbeque and Laurus Technical Institute.

#### 4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and nation from 2002 to August 2016.

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

Year	Atlanta-Sandy Springs-Roswell, GA MSA				USA			
	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*	2,748,318	2.6%	5.0%	-0.5%	151,091,875	3.3%	5.0%	-1.2%
Aug-2015	2,668,239	-	5.6%	-	149,228,000	-	5.2%	-
Aug-2016	2,777,683	4.1%	5.0%	-0.6%	151,804,000	1.7%	5.0%	-0.2%

Source: U.S. Bureau of Labor Statistics November 2016

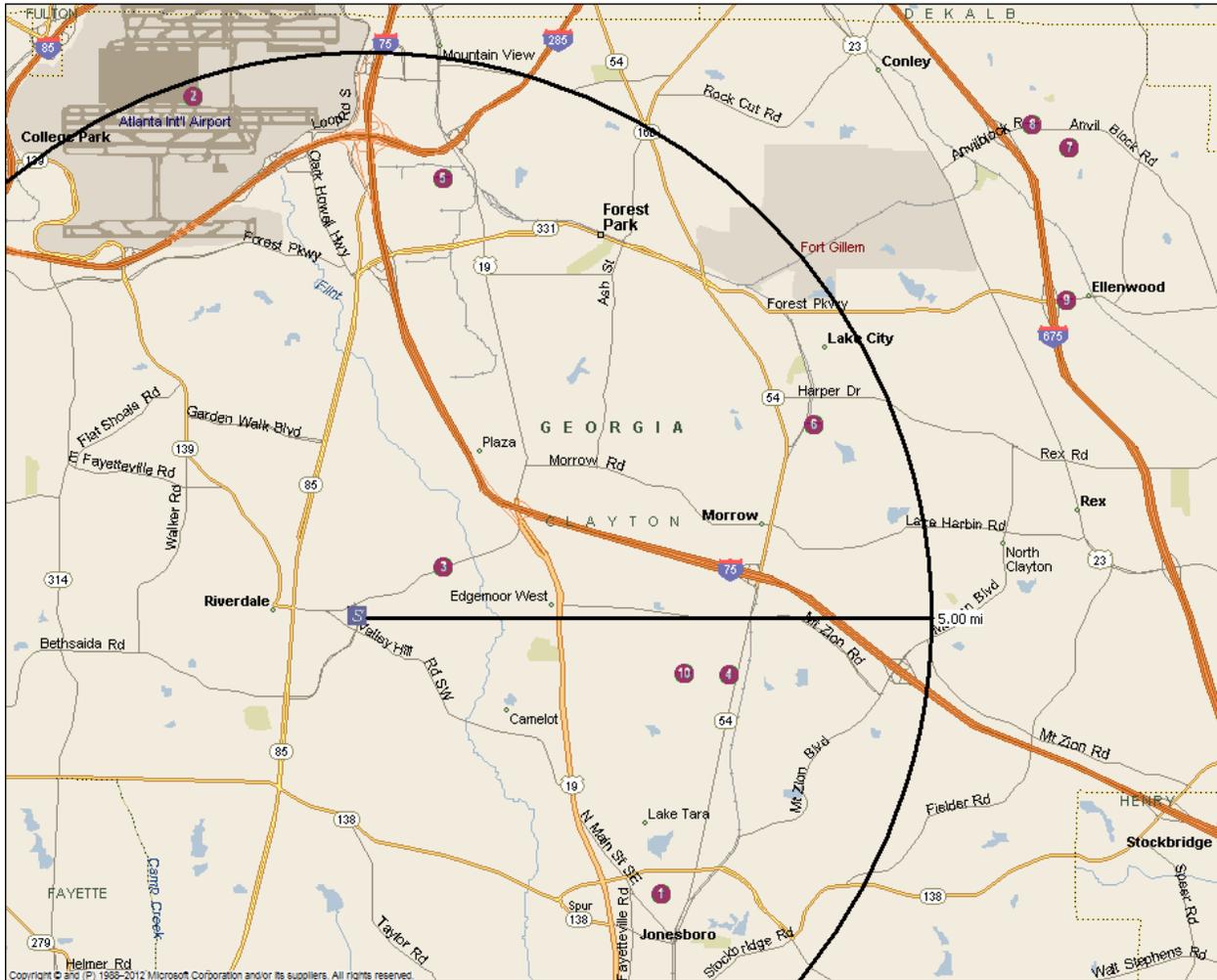
\*2016 data is through Aug

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 August 2015 to August 2016, total employment in the MSA increased 4.1 percent compared to an increase of 1.7 percent nationally.

The unemployment rate in the MSA peaked at 10.3 percent in 2010, and has been declining each subsequent year. From August 2015 to August 2016, the unemployment rate in the MSA decreased by 60 basis points to 5.0 percent, while the national unemployment rate decreased by 20 basis points to 5.0 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 Clayton County, Georgia.



MAJOR EMPLOYERS - CLAYTON COUNTY, GEORGIA				
#	Employer	Industry	Number Employed	Distance from Subject
1	Clayton County Public Schools	Education	7,100	3.7 miles
2	Delta Tech Ops	Transportation/warehousing	6,000	4.9 miles
3	Southern Regional Medical Center	Health care	2,100	1.0 miles
4	Fresh Express Inc.	Transportation/warehousing	1,100	3.4 miles
5	Southern Company	Utilities	766	4.0 miles
6	Clayton State University	Education	750	4.5 miles
7	FedEx Ground	Transportation/warehousing	750	7.6 miles
8	Saia Motor Freight Line	Transportation/warehousing	500	7.4 miles
9	R+L Carriers	Transportation/warehousing	430	6.9 miles
10	TOTO USA	Manufacturing	425	3.0 miles

Source: Clayton County Office of Economic Development, Novogradac & Company LLP, 10/2016

**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 August 2015 to August 2016, total employment in the MSA increased 4.1 percent compared to an increase of 1.7 percent nationally. The unemployment rate in the MSA peaked at 10.3 percent in 2010, and has been declining each subsequent year. From August 2015 to August 2016, the unemployment rate in the MSA decreased by 60 basis points to 5.0 percent, while the national unemployment rate decreased by 20 basis points to 5.0 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 transportation/warehousing, health care/social assistance, and retail trade. Together, these three industries make up 36.2 percent of total employment in the PMA. Compared to the nation, the PMA is overly represented in sectors such as transportation/warehousing, public administration, and wholesale trade, and underrepresented in the manufacturing, health care/social assistance, and accommodation/food services sectors. Conversely, the PMA has a lower percentage of employment within the manufacturing, professional/scientific/technical services, and health care/social assistance sectors when compared to the nation. 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). However, very few senior households have more than two persons. Therefore, we have used a maximum household size of two persons in our analysis.

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

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

### 2. Affordability

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for 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 November 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2016 household population estimates are trended to November 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 November 2017. This number takes the overall growth from 2016 to November 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.

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. Elderly Homeowners Likely to Convert to Rentership**

The third source 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.

### **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, Townview Manor, a three-story, 60-unit property was recently allocated LIHTC’s in 2015 with an estimated completion date of January 2017. It will be located at 8099 North Main Street. The property will target seniors and will offer one and two-bedroom units at 50 and 60 percent of AMI. This property will directly compete with the proposed Subject. We have removed all of the units at this property from the demand analysis.

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated, placed in service, or stabilizing between 2014 and present. We are not aware of any new senior market rate properties under construction, planned, or recently completed in the PMA.

<b>Additions To Supply (Cumulative)/Existing Units</b>	<b>50%</b>	<b>60%</b>	<b>Market Rate</b>	<b>Overall</b>
One Bedroom	4	16	0	20
Two Bedroom	9	31	0	40
<b>Total</b>	<b>13</b>	<b>47</b>	<b>0</b>	<b>60</b>

**PMA Occupancy**

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

<b>OVERALL OCCUPANCY - PMA</b>				
<b>Property Name</b>	<b>Type</b>	<b>Tenancy</b>	<b>Units</b>	<b>Occupancy</b>
Overlook Townhouses	LIHTC	Family	35	100.0%
The Park At Mount Zion*	LIHTC	Family	193	100.0%
Keystone Apartments	Section 8	Family	184	95.7%
Riverwood Townhouses	Section 8	Family	282	94.0%
Amberwood Apartments	Market	Family	53	N/Av
Ashford At Stone Ridge	Market	Family	240	N/Av
Battle Creek Village	Market	Family	250	96.0%
Briarhills Apartments	Market	Family	88	N/Av
Chateau Forest I	Market	Family	230	90.0%
Chateau Forest II	Market	Family	200	N/Av
Chateau Forest III	Market	Family	230	N/Av
Flint River Crossing	Market	Family	200	97.5%
Garden Walk Apartments	Market	Family	240	N/Av
Harbor Town	Market	Family	141	100.0%
Harmony Crossroads	Market	Family	134	94.8%

OVERALL OCCUPANCY - PMA				
Property Name	Type	Tenancy	Units	Occupancy
Harmony Pines	Market	Family	148	93.9%
Highland Manor	Market	Family	212	89.0%
Highland Vista	Market	Family	416	N/Av
Highland Willows	Market	Family	220	97.0%
Jackson Landing Apartments	Market	Family	699	99.0%
Lake Of The Woods	Market	Family	216	76.0%
Laurel Park Apartments	Market	Family	387	85.0%
Meadow Springs Apartments	Market	Family	216	N/Av
Meadow View	Market	Family	240	N/Av
Monterey Village	Market	Family	190	98.0%
Park Walk Apartments	Market	Family	124	100.0%
Pinewood Manor	Market	Family	460	99.3%
Pointe South Apartments	Market	Family	160	90.0%
Poplar Springs Apartments	Market	Family	321	100.0%
River's Edge	Market	Family	228	93.0%
Southlake Cove	Market	Family	346	94.0%
The Advantages Apartments	Market	Family	432	N/Av
The Evergreen	Market	Family	114	N/Av
Twelve Oaks	Market	Family	72	96.0%
Willow Way	Market	Family	304	80.0%
Riverdale Villas	Market	Family	73	N/Av
Stratford Arms Apartments*	Market	Family	100	96.0%
Emerald Pointe Apartments*	Market	Family	196	98.5%
Averly Apartments*	Market	Family	362	93.1%
Brooks Crossing	Market	Family	224	98.2%
Park At Tara Lake	Market	Family	230	100.0%
Shadow Ridge Apartments*	Market	Family	294	83.0%
Tara Bridge*	Market	Family	220	90.9%
<b>Average</b>			<b>236</b>	<b>94.1%</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 one LIHTC vacant unit and 15 market rate units; as such, our capture rate assuming the 16 units.*

*As previously discussed, 57 of the existing tenants (51 one-bedroom and six two-bedroom) will continue to be income-qualified for their specific unit type. As such, we have reduced the unit count by 57.*

*The Subject will offer one and two-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 (since the Subject will no longer be held harmless, the Subject's rents will actually decrease) during the term of existing leases at the Subject. In addition, due to decreases in the AMI level, proposed rents will actually decrease from current levels. We do not expect that the Subject will need to re-lease all 72 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 November 2017</b>					
<b>Valley Hill Senior</b>					
<b>PMA</b>					
	<b>2016</b>		<b>Projected Mkt Entry November 2017</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>% Growth</b>
\$0-9,999	346	16.8%	397	17.9%	12.9%
\$10,000-19,999	574	27.9%	633	28.6%	9.4%
\$20,000-29,999	376	18.3%	416	18.8%	9.6%
\$30,000-39,999	281	13.7%	290	13.1%	3.1%
\$40,000-49,999	127	6.2%	129	5.8%	1.2%
\$50,000-59,999	111	5.4%	108	4.9%	-2.7%
\$60,000-74,999	91	4.4%	92	4.1%	1.0%
\$75,000-99,999	69	3.3%	69	3.1%	0.5%
\$100,000-124,999	52	2.5%	47	2.1%	-10.6%
\$125,000-149,999	13	0.6%	17	0.8%	21.1%
\$150,000-199,999	15	0.8%	14	0.6%	-10.5%
\$200,000+	2	0.1%	2	0.1%	-15.3%
<b>Total</b>	<b>2,056</b>	<b>100.0%</b>	<b>2,212</b>	<b>100.0%</b>	<b>7.1%</b>

<b>Renter Household Income Distribution Projected Market Entry November 2017</b>			
<b>Valley Hill Senior</b>			
<b>PMA</b>			
	<b>Projected Mkt Entry November 2017</b>		<b>Change 2016 to Prj Mrkt Entry November 2017</b>
	<b>#</b>	<b>%</b>	<b>#</b>
\$0-9,999	397	17.9%	28
\$10,000-19,999	633	28.6%	45
\$20,000-29,999	416	18.8%	29
\$30,000-39,999	290	13.1%	21
\$40,000-49,999	129	5.8%	9
\$50,000-59,999	108	4.9%	8
\$60,000-74,999	92	4.1%	6
\$75,000-99,999	69	3.1%	5
\$100,000-124,999	47	2.1%	3
\$125,000-149,999	17	0.8%	1
\$150,000-199,999	14	0.6%	1
\$200,000+	2	0.1%	0
<b>Total</b>	<b>2,212</b>	<b>100.0%</b>	<b>157</b>

### 50 Percent AMI Demand

Percent of AMI Level			50%		
Minimum Income Limit			\$19,590		
Maximum Income Limit			\$27,900		
New Renter Households - Total					
Change in Households PMA					
2016 to Prj Mrkt Entry					
November 2017					
Income Category			Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	28.13	17.9%		0.0%	0
\$10,000-19,999	44.89	28.6%	409	4.1%	2
\$20,000-29,999	29.45	18.8%	7,900	79.0%	23
\$30,000-39,999	20.53	13.1%		0.0%	0
\$40,000-49,999	9.12	5.8%		0.0%	0
\$50,000-59,999	7.63	4.9%		0.0%	0
\$60,000-74,999	6.49	4.1%		0.0%	0
\$75,000-99,999	4.88	3.1%		0.0%	0
\$100,000-124,999	3.33	2.1%		0.0%	0
\$125,000-149,999	1.19	0.8%		0.0%	0
\$150,000-199,999	0.99	0.6%		0.0%	0
\$200,000+	0.14	0.1%		0.0%	0
	<b>157</b>	<b>100.0%</b>			<b>25</b>
<b>Percent of renter households within limits versus total number of renter households</b>					<b>16.01%</b>

Percent of AMI Level			50%		
Minimum Income Limit			\$19,590		
Maximum Income Limit			\$27,900		
Total Renter Households PMA Prj					
Mrkt Entry November					
2017					
Income Category			Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	397	17.9%		0.0%	0
\$10,000-19,999	633	28.6%	\$409	4.1%	26
\$20,000-29,999	416	18.8%	\$7,900	79.0%	328
\$30,000-39,999	290	13.1%		0.0%	0
\$40,000-49,999	129	5.8%		0.0%	0
\$50,000-59,999	108	4.9%		0.0%	0
\$60,000-74,999	92	4.1%		0.0%	0
\$75,000-99,999	69	3.1%		0.0%	0
\$100,000-124,999	47	2.1%		0.0%	0
\$125,000-149,999	17	0.8%		0.0%	0
\$150,000-199,999	14	0.6%		0.0%	0
\$200,000+	2	0.1%		0.0%	0
	<b>2,212</b>	<b>100.0%</b>			<b>354</b>
<b>Percent of renter households within limits versus total number of renter households</b>					<b>16.01%</b>

Does the Project Benefit from Rent Subsidy? (Y/N)	No
Type of Housing (Family vs Senior)	Senior
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	\$0
2000 Median Income	\$39,964
2016 Median Income	\$38,337
Change from 2016 to Proj Mkt Entry November 2017	(\$1,627)
Total Percent Change	-4.1%
Average Annual Change	-0.7%
Inflation Rate	-0.7%
	Two year adjustment
	1.0000
Maximum Allowable Income	\$27,900
Maximum Allowable Income Inflation Adjusted	\$27,900
Maximum Number of Occupants	2
Rent Income Categories	50%
Initial Gross Rent for Smallest Unit	\$653
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$653

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		50%
New Renter Households PMA		157
Percent Income Qualified		16.0%
New Renter Income Qualified Households		25

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		2,212
Income Qualified		16.0%
Income Qualified Renter Households		354
Percent Rent Overburdened Prj Mrkt Entry November 2017		26.7%
Rent Overburdened Households		95

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		354
Percent Living in Substandard Housing		0.4%
Households Living in Substandard Housing		1

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		2,212
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		44

Total Demand

Total Demand from Existing Households		140
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		140
Total New Demand		25
Total Demand (New Plus Existing Households)		165

Demand from Seniors Who Convert from Homeownership

Percent of Total Demand From Homeownership Conversion 26.8%

Is this Demand Over 2 percent of Total Demand? Yes

By Bedroom Demand

One Person	54.3%	90
Two Persons	28.4%	47
Three Persons	3.4%	6
Four Persons	8.0%	13
Five Persons	5.9%	10
Total	100.0%	165

## To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	81
Of two-person households in 2BR units	20%	9
Of one-person households in 2BR units	10%	9
Of two-person households in 2BR units	80%	37
Total Demand		165

## Total Demand by Bedroom

1 BR	90
2 BR	46
Total Demand	136

## Additions To Supply 2016 to Prj Mrkt Entry November 2017

1 BR	4
2 BR	9
Total	13

## Net Demand

1 BR	86
2 BR	37
Total	123

## Developer's Unit Mix

1 BR	0
2 BR	0
Total	0

## Capture Rate Analysis

1 BR	N/A
2 BR	N/A
Total	N/A

### 60 Percent AMI Demand

Percent of AMI Level			60%		
Minimum Income Limit			\$23,520		
Maximum Income Limit			\$33,480      2		
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry November 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	28.13			
\$10,000-19,999	44.89	28.6%		0.0%	0
\$20,000-29,999	29.45	18.8%	6,479	64.8%	19
\$30,000-39,999	20.53	13.1%	3,480	34.8%	7
\$40,000-49,999	9.12	5.8%		0.0%	0
\$50,000-59,999	7.63	4.9%		0.0%	0
\$60,000-74,999	6.49	4.1%		0.0%	0
\$75,000-99,999	4.88	3.1%		0.0%	0
\$100,000-124,999	3.33	2.1%		0.0%	0
\$125,000-149,999	1.19	0.8%		0.0%	0
\$150,000-199,999	0.99	0.6%		0.0%	0
\$200,000+	0.14	0.1%		0.0%	0
	<b>157</b>	<b>100.0%</b>			<b>26</b>
<b>Percent of renter households within limits versus total number of renter households</b>					<b>16.73%</b>

Percent of AMI Level			60%		
Minimum Income Limit			\$23,520		
Maximum Income Limit			\$33,480      2		
Income Category	Total Renter Households PMA Prj Mrkt Entry November 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	397			
\$10,000-19,999	633	28.6%		0.0%	0
\$20,000-29,999	416	18.8%	\$6,479	64.8%	269
\$30,000-39,999	290	13.1%	\$3,480	34.8%	101
\$40,000-49,999	129	5.8%		0.0%	0
\$50,000-59,999	108	4.9%		0.0%	0
\$60,000-74,999	92	4.1%		0.0%	0
\$75,000-99,999	69	3.1%		0.0%	0
\$100,000-124,999	47	2.1%		0.0%	0
\$125,000-149,999	17	0.8%		0.0%	0
\$150,000-199,999	14	0.6%		0.0%	0
\$200,000+	2	0.1%		0.0%	0
	<b>2,212</b>	<b>100.0%</b>			<b>370</b>
<b>Percent of renter households within limits versus total number of renter households</b>					<b>16.73%</b>

Does the Project Benefit from Rent Subsidy? (Y/N)	No
Type of Housing (Family vs Senior)	Senior
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	\$0
2000 Median Income	\$39,964
2016 Median Income	\$38,337
Change from 2016 to Prj Mkt Entry November 2017	(\$1,627)
Total Percent Change	-4.1%
Average Annual Change	-0.7%
Inflation Rate	-0.7%
Maximum Allowable Income	\$33,480
Maximum Allowable Income Inflation Adjusted	\$33,480
Maximum Number of Occupants	2
Rent Income Categories	60%
Initial Gross Rent for Smallest Unit	\$784
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$784

Two year adjustment	1.0000
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Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		60%
New Renter Households PMA		157
Percent Income Qualified		16.7%
New Renter Income Qualified Households		26

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		2,212
Income Qualified		16.7%
Income Qualified Renter Households		370
Percent Rent Overburdened Prj Mrkt Entry November 2017		26.7%
Rent Overburdened Households		99

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		370
Percent Living in Substandard Housing		0.4%
Households Living in Substandard Housing		1

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		2,212
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		44

Total Demand

Total Demand from Existing Households		144
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		144
Total New Demand		26
Total Demand (New Plus Existing Households)		171

Demand from Seniors Who Convert from Homeownership

Demand from Seniors Who Convert from Homeownership		44
Percent of Total Demand From Homeownership Conversion		25.9%
Is this Demand Over 2 percent of Total Demand?		Yes

By Bedroom Demand

One Person	54.3%	93
Two Persons	28.4%	49
Three Persons	3.4%	6
Four Persons	8.0%	14
Five Persons	5.9%	10
Total	100.0%	171

## To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	84
Of two-person households in 1BR units	20%	10
Of one-person households in 2BR units	10%	9
Of two-person households in 2BR units	80%	39
Total Demand		171

## Total Demand by Bedroom

1 BR	93
2 BR	48
Total Demand	141

## Additions To Supply 2016 to Prj Mrkt Entry November 2017

1 BR	16
2 BR	31
Total	47

## Net Demand

1 BR	77
2 BR	17
Total	94

## Developer's Unit Mix

1 BR	14
2 BR	2
Total	16

## Capture Rate Analysis

1 BR	18.1%
2 BR	11.7%
Total	17.0%

### Overall AMI Demand

Percent of AMI Level			Overall		
Minimum Income Limit			\$19,590		
Maximum Income Limit			\$33,480		
	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry November 2017				2
Income Category			Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	28.13	17.9%		0.0%	0
\$10,000-19,999	44.89	28.6%	409	4.1%	2
\$20,000-29,999	29.45	18.8%	9,999	100.0%	29
\$30,000-39,999	20.53	13.1%	3,480	34.8%	7
\$40,000-49,999	9.12	5.8%		0.0%	0
\$50,000-59,999	7.63	4.9%		0.0%	0
\$60,000-74,999	6.49	4.1%		0.0%	0
\$75,000-99,999	4.88	3.1%		0.0%	0
\$100,000-124,999	3.33	2.1%		0.0%	0
\$125,000-149,999	1.19	0.8%		0.0%	0
\$150,000-199,999	0.99	0.6%		0.0%	0
\$200,000+	0.14	0.1%		0.0%	0
	<b>157</b>	<b>100.0%</b>			<b>38</b>
<b>Percent of renter households within limits versus total number of renter households</b>					<b>24.52%</b>

Percent of AMI Level			Overall		
Minimum Income Limit			\$19,590		
Maximum Income Limit			\$33,480		
	Total Renter Households PMA Prj Mrkt Entry November 2017				2
Income Category			Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	397	17.9%		0.0%	0
\$10,000-19,999	633	28.6%	\$409	4.1%	26
\$20,000-29,999	416	18.8%	\$9,999	100.0%	416
\$30,000-39,999	290	13.1%	\$3,480	34.8%	101
\$40,000-49,999	129	5.8%		0.0%	0
\$50,000-59,999	108	4.9%		0.0%	0
\$60,000-74,999	92	4.1%		0.0%	0
\$75,000-99,999	69	3.1%		0.0%	0
\$100,000-124,999	47	2.1%		0.0%	0
\$125,000-149,999	17	0.8%		0.0%	0
\$150,000-199,999	14	0.6%		0.0%	0
\$200,000+	2	0.1%		0.0%	0
	<b>2,212</b>	<b>100.0%</b>			<b>542</b>
<b>Percent of renter households within limits versus total number of renter households</b>					<b>24.52%</b>

Does the Project Benefit from Rent Subsidy? (Y/N)	No
Type of Housing (Family vs Senior)	Senior
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	\$0
2000 Median Income	\$39,964
2016 Median Income	\$38,337
Change from 2016 to Prj Mrkt Entry November 2017	(\$1,627)
Total Percent Change	-4.1%
Average Annual Change	-0.7%
Inflation Rate	-0.7%
Maximum Allowable Income	\$33,480
Maximum Allowable Income Inflation Adjusted	\$33,480
Maximum Number of Occupants	2
Rent Income Categories	Overall
Initial Gross Rent for Smallest Unit	\$653
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$653.00

Two year adjustment	1.0000
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Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		Overall
New Renter Households PMA		157
Percent Income Qualified		24.5%
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		Overall
Total Existing Demand		2,212
Income Qualified		24.5%
Income Qualified Renter Households		542
Percent Rent Overburdened Prj Mrkt Entry November 2017		26.7%
Rent Overburdened Households		145

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		542
Percent Living in Substandard Housing		0.4%
Households Living in Substandard Housing		2

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

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		4,335
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		87

Total Demand

Total Demand from Existing Households		233
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		233
Total New Demand		38
Total Demand (New Plus Existing Households)		272

Demand from Seniors Who Convert from Homeownership

Percent of Total Demand From Homeownership Conversion

Is this Demand Over 2 percent of Total Demand?

		87
		31.9%
		Yes

By Bedroom Demand

One Person	54.3%	148
Two Persons	28.4%	77
Three Persons	3.4%	9
Four Persons	8.0%	22
Five Persons	5.9%	16
Total	100.0%	272

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	133
Of two-person households in 1BR units	20%	15
Of one-person households in 2BR units	10%	15
Of two-person households in 2BR units	80%	62
Total Demand		272
Total Demand by Bedroom		Overall
1 BR		148
2 BR		76
Total Demand		225
Additions To Supply 2016 to Prj Mrkt Entry November 2017		Overall
1 BR		20
2 BR		40
Total		60
Net Demand		Overall
1 BR		128
2 BR		36
Total		165
Developer's Unit Mix		Overall
1 BR		14
2 BR		2
Total		16
Capture Rate Analysis		Overall
1 BR		10.9%
2 BR		5.5%
Total		9.7%

## 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 senior renter households in the PMA is expected to increase by 157 households between 2016 and the date of market entry.
- 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
1BR at 50% AMI	\$19,590 - \$27,900	0	90	4	86	N/A	N/A	\$783	\$595 - \$1,022	\$598
1BR at 60% AMI	\$23,520 - \$33,480	14	93	16	77	18.1%	1 month	\$771	\$635 - \$1,022	\$729
2BR at 60% AMI	\$28,360 - \$33,480	2	48	31	17	11.7%	1 month	\$850	\$710 - \$1,211	\$872
<b>Overall - 50% AMI</b>	<b>\$18,990 - \$27,000</b>	<b>0</b>	<b>136</b>	<b>13</b>	<b>123</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overall - 60% AMI</b>	<b>\$22,770 - \$32,400</b>	<b>16</b>	<b>141</b>	<b>47</b>	<b>94</b>	<b>17.0%</b>	<b>1 month</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Overall</b>	<b>\$18,990 - \$32,400</b>	<b>16</b>	<b>225</b>	<b>60</b>	<b>165</b>	<b>9.7%</b>	<b>1 month</b>	<b>-</b>	<b>-</b>	<b>-</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)	25	26	38
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	1	1	2
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	95	99	145
<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>121</b>	<b>126</b>	<b>185</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	44	44	87
<b>Equals Total Demand</b>	<b>165</b>	<b>171</b>	<b>272</b>
<b>Less</b>	<b>-</b>	<b>-</b>	<b>-</b>
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	13	47	60
<b>Equals Net Demand</b>	<b>152</b>	<b>124</b>	<b>212</b>

As the analysis illustrates, the Subject’s capture rates at the 60 percent AMI level will range from 11.7 to 18.1 percent, with an overall capture rate of 17.0 percent. The Subject’s overall capture rates will range from 5.5 to 10.9 percent, with an overall capture rate of 9.7 percent. It should be noted that the Subject’s 50 percent AMI units are fully occupied and all tenants will remain income qualified. 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 2,083 units that are 95.0 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 two LIHTC properties in the PMA, one of which we selected as a “true” comparable. We have also supplemented this data with four 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
Ashton Walk Senior Apartments*	Senior LIHTC	150	0	0.0%	Yes - 10 households
Princeton Court*	Senior LIHTC/Market	116	0	0.0%	No
Regal Park*	LIHTC	168	4	2.4%	No
The Legacy At Walton Lakes*	Senior LIHTC/Market	126	0	0.0%	Yes - 6 to 12 months
The Park At Mount Zion	LIHTC	193	1	0.5%	No
<b>Total in PMA</b>		<b>193</b>	<b>1</b>	<b>0.5%</b>	
<b>Total</b>		<b>753</b>	<b>5</b>	<b>0.7%</b>	

\*Located outside PMA

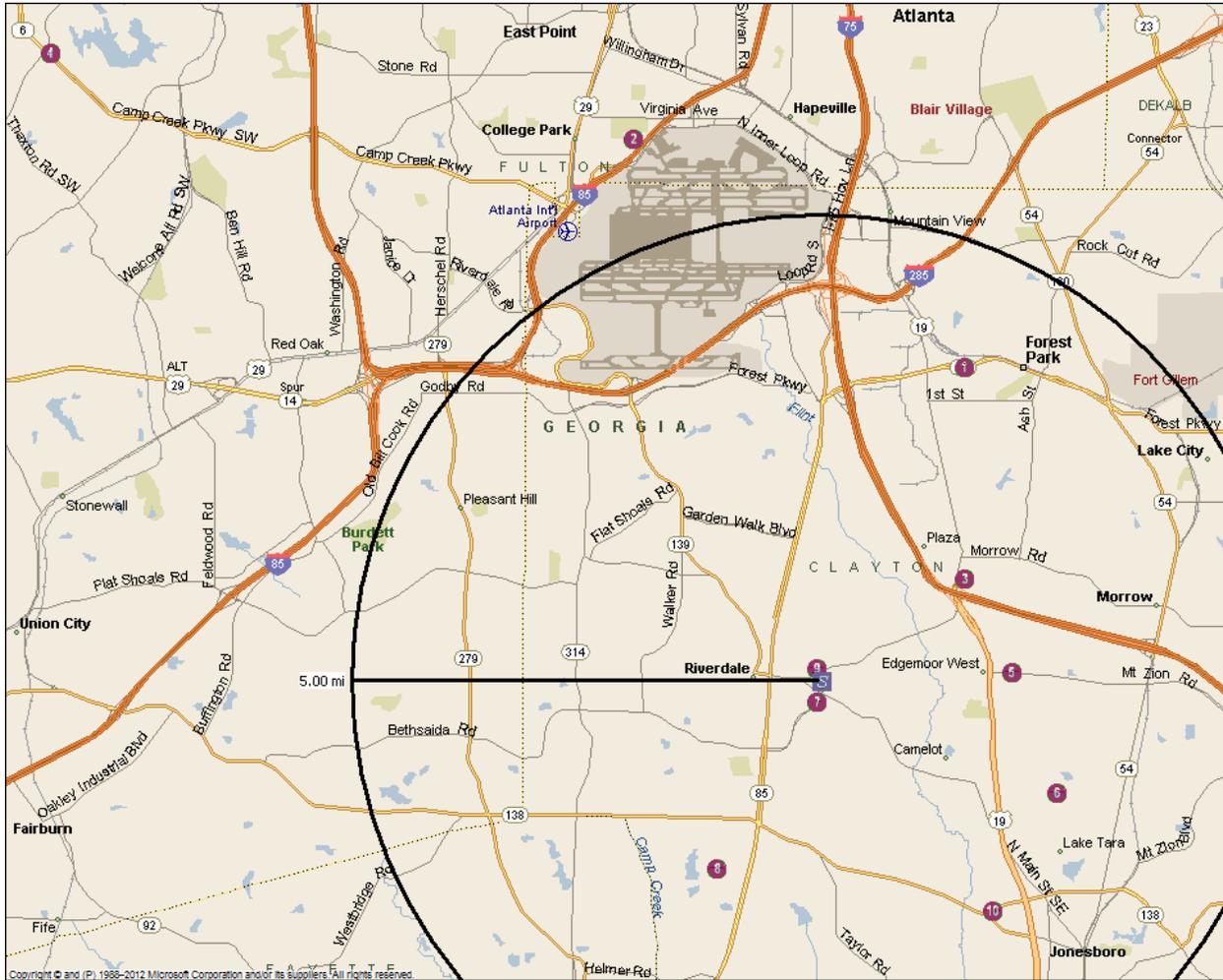
The availability of market rate data is considered good as there are a sufficient number of market rate properties that are located within the PMA. We have included five market rate properties in the rental analysis, and all are located in the PMA, within 3.1 miles of the Subject. These comparable market rate properties were built between 1982 and 2000.

## 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
Overlook Townhouses	834 Overlook Terrace	Atlanta	LIHTC	Dissimilar unit types	35	100.0%	Yes
Keystone Apartments	145 S. McDonough Street	Jonesboro	Section 8	Subsidized	184	95.7%	Yes
Riverwood Townhouses	681 Flint River Road	Jonesboro	Section 8	Subsidized	282	94.0%	Yes
Amberwood Apartments	874 King Road	Riverdale	Market	Inferior condition	53	N/Av	N/Av
Ashford At Stone Ridge	1048 Flat Shoals Road	College Park	Market	Unable to contact	240	N/Av	N/Av
Battle Creek Village	1174 Battle Creek Road	Jonesboro	Market	Dissimilar design (townhomes)	250	96.0%	No
Briarhills Apartments	563 Briar Hill Ct	Riverdale	Market	Dissimilar design (townhomes)	88	N/Av	N/Av
Chateau Forest I	826 Chateau Lane	Riverdale	Market	Inferior condition	230	90.0%	Yes
Chateau Forest II	6603 Church St.	Riverdale	Market	Inferior condition	200	N/Av	N/Av
Chateau Forest III	6711 Church St.	Riverdale	Market	Inferior condition	230	N/Av	N/Av
Flint River Crossing	240 Flint River Road	Jonesboro	Market	Dissimilar unit types	200	97.5%	No
Garden Walk Apartments	934 Garden Walk Boulevard	Atlanta	Market	Unable to contact	240	N/Av	N/Av
Harbor Town	5420 Riverdale Road	Forest Park	Market	Inferior condition	141	100.0%	No
Harmony Crossroads	8050 Tara Boulevard	Jonesboro	Market	Inferior condition	134	94.8%	No
Harmony Pines	363 Upper Riverdale Road SW	Riverdale	Market	Dissimilar design (townhomes)	148	93.9%	No
Highland Manor	276 Upper Riverdale Road	Jonesboro	Market	Superior comparables available	212	89.0%	No
Highland Vista	330 Arrowhead Boulevard	Jonesboro	Market	Dissimilar design (townhomes)	416	N/Av	N/Av
Highland Willows	6071 Highway 85	Riverdale	Market	Inferior condition	220	97.0%	Yes
Jackson Landing Apartments	5327 River Walk Place	Atlanta	Market	Inferior condition	699	99.0%	Yes
Lake Of The Woods	746 Garden Walk Boulevard	Atlanta	Market	Superior comparables available	216	76.0%	No
Laurel Park Apartments	5758 GA Highway 85	Riverdale	Market	Inferior condition	387	85.0%	No
Meadow Springs Apartments	6114 Riverdale Road	Atlanta	Market	Unable to contact	216	N/Av	N/Av
Meadow View	6030 Riverdale Rd	College Park	Market	Unable to contact	240	N/Av	N/Av
Monterey Village	6265 Tara Boulevard	Jonesboro	Market	Superior comparables available	190	98.0%	No
Park Walk Apartments	875 Garden Walk Boulevard	Atlanta	Market	Inferior condition	124	100.0%	No
Pinewood Manor	6903 Tara Boulevard	Jonesboro	Market	Superior comparables available	460	99.3%	No
Pointe South Apartments	772 Pointe South Pkwy	Jonesboro	Market	Dissimilar unit types	160	90.0%	No
Poplar Springs Apartments	6095 W Lees Mill Road	Atlanta	Market	Inferior condition	321	100.0%	No
River's Edge	7001 Tara Boulevard	Jonesboro	Market	Inferior condition	228	93.0%	No
Southlake Cove	7509 Jonesboro Road	Jonesboro	Market	Inferior condition	346	94.0%	No
The Advantages Apartments	639 Garden Walk Blvd.	Atlanta	Market	Inferior condition	432	N/Av	N/Av
The Evergreen	555 Battle Creek Road	Riverdale	Market	Inferior condition	114	N/Av	N/Av
Twelve Oaks	634 Roy Huie Road	Riverdale	Market	Inferior condition	72	96.0%	No
Willow Way	5890 Riverdale Road	Atlanta	Market	Inferior condition	304	80.0%	No
Riverdale Villas	6428 Church Street	Riverdale	Market	Inferior condition	73	N/Av	N/Av
Brooks Crossing	8050 Taylor Road	Riverdale	Market	Inferior condition	224	98.2%	No
Park At Tara Lake	7545 Tara Road	Jonesboro	Market	Superior comparables available	230	100.0%	No

### Comparable Rental Property Maps



COMPARABLE PROPERTIES				
#	Property Name	City	Type	Distance
1	Ashton Walk Senior Apartments*	Forest Park	Senior LIHTC	3.8 miles
2	Princeton Court*	College Park	Senior LIHTC/Market	6.2 miles
3	Regal Park*	Forest Park	LIHTC	2.0 miles
4	The Legacy At Walton Lakes*	Atlanta	Senior LIHTC/Market	10.6 miles
5	The Park At Mount Zion	Jonesboro	LIHTC	2.1 miles
6	Averly Apartments	Jonesboro	Market	2.8 miles
7	Emerald Pointe Apartments	Riverdale	Market	0.1 miles
8	Shadow Ridge Apartments	Riverdale	Market	2.2 miles
9	Stratford Arms Apartments	Riverdale	Market	0.1 miles
10	Tara Bridge	Jonesboro	Market	3.1 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	Valley Hill Senior Apartments 430 Valley Hill Road Riverdale, GA 30274 Clayton County	n/a	Duplex (age-restricted) 2000 / Proposed	LIHTC	1BR / 1BA	5	6.9%	@50%	\$598	672	yes	No	0	0.0%	
					1BR / 1BA	61	84.7%	@60%	\$729	672	yes	No	1	1.7%	
					2BR / 1BA	6	8.3%	@60%	\$872	860	yes	No	0	0.0%	
						72	100%							1	1.4%
1	Ashton Walk Senior Apartments 4950 Governors Drive Forest Park, GA 30297 Clayton County	3.8 miles	Lowrise (age-restricted) (3 stories) 2006 / n/a	LIHTC	1BR / 1BA	66	44.0%	@60%	\$718	702	no	Yes	0	0.0%	
					2BR / 2BA	84	56.0%	@60%	\$860	985	no	Yes	0	0.0%	
						150	100%						0	0.0%	
2	Princeton Court 3633 Howard Avenue College Park, GA 30337 Fulton County	6.2 miles	Lowrise (age-restricted) (3 stories) 2006 / n/a	LIHTC/Market	1BR / 1BA	4	3.4%	@30%	\$325	650	yes	No	0	0.0%	
					1BR / 1BA	2	1.7%	@50%	\$595	650	yes	No	0	0.0%	
					1BR / 1BA	8	6.9%	@60%	\$635	650	no	No	0	0.0%	
					1BR / 1BA	11	9.5%	Market	\$775	650	n/a	No	0	0.0%	
					2BR / 1BA	2	1.7%	@30%	\$435	860	yes	No	0	0.0%	
					2BR / 1BA	2	1.7%	@50%	\$705	860	no	No	0	0.0%	
					2BR / 1BA	42	36.2%	@60%	\$745	860	no	No	0	0.0%	
					2BR / 1BA	17	14.7%	Market	\$825	860	n/a	No	0	0.0%	
					2BR / 2BA	N/A	N/A	@30%	\$445	952	no	No	0	N/A	
					2BR / 2BA	N/A	N/A	@50%	\$715	952	no	No	0	N/A	
					2BR / 2BA	8	6.9%	@60%	\$765	952	no	No	0	0.0%	
					2BR / 2BA	18	15.5%	Market	\$905	952	n/a	No	0	0.0%	
					2BR / 2BA	2	1.7%	Non-Rental	N/A	952	n/a	No	0	0.0%	
						116	100%							0	0.0%
3	Regal Park 461 Old Dixie Way Forest Park, GA 30297 Clayton County	2 miles	Garden (3 stories) 2005 / n/a	LIHTC	1BR / 1BA	28	16.7%	@60%	\$722	874	no	No	0	0.0%	
					2BR / 2BA	84	50.0%	@60%	\$786	1,114	no	No	1	1.2%	
					3BR / 2BA	56	33.3%	@60%	\$905	1,388	no	No	3	5.4%	
						168	100%						4	2.4%	
4	The Legacy At Walton Lakes 4687 Camp Creek Parkway Atlanta, GA 30331 Fulton County	10.6 miles	Garden (age-restricted) (3 stories) 2008 / n/a	LIHTC/Market	1BR / 1BA	26	20.6%	@60%	\$718	810	yes	Yes	0	0.0%	
					1BR / 1BA	12	9.5%	@60% (ACC)	N/A	810	n/a	Yes	0	0.0%	
					1BR / 1BA	6	4.8%	@60% (PHA)	N/A	810	n/a	Yes	0	0.0%	
					1BR / 1BA	19	15.1%	Market	\$1,022	810	n/a	Yes	0	0.0%	
					2BR / 2BA	24	19.0%	@60%	\$844	1,270	yes	Yes	0	0.0%	
					2BR / 2BA	2	1.6%	@60% (ACC)	N/A	1,270	n/a	Yes	0	0.0%	
					2BR / 2BA	18	14.3%	@60% (PHA)	N/A	1,270	n/a	Yes	0	0.0%	
					2BR / 2BA	19	15.1%	Market	\$1,211	1,270	n/a	Yes	0	0.0%	
						126	100%							0	0.0%
					5	The Park At Mount Zion 701 Morrow Industrial Blvd. Jonesboro, GA 30236 Clayton County	2.1 miles	Various (2 stories) 1971 / 2005	LIHTC	2BR / 1.5BA (Townhouse)	N/A	N/A	@60%	\$710	1,114
2BR / 2BA (Garden)	N/A	N/A	@60%	\$720						1,056	yes	No	1	N/A	
3BR / 2BA (Garden)	N/A	N/A	@60%	\$840						1,216	yes	No	0	N/A	
3BR / 2.5BA (Townhouse)	N/A	N/A	@60%	\$890						1,404	yes	No	0	N/A	
	193	100%												1	0.5%
6	Averly Apartments 100 Chase Lake Drive Jonesboro, GA 30236 Clayton County	2.8 miles	Garden (2 stories) 1990 / Ongoing	Market	1BR / 1BA	76	21.0%	Market	\$807	950	n/a	No	N/A	N/A	
					2BR / 2BA	286	79.0%	Market	\$871	1,200	n/a	No	N/A	N/A	
						362	100%							25	6.9%
7	Emerald Pointe Apartments 501 Roberts Drive Riverdale, GA 30274 Clayton County	0.1 miles	Garden (2 stories) 1983 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$599	810	n/a	No	0	N/A	
					2BR / 1.5BA	N/A	N/A	Market	\$699	1,028	n/a	No	2	N/A	
					3BR / 2BA	N/A	N/A	Market	\$799	1,235	n/a	No	1	N/A	
						196	100%							3	1.5%
8	Shadow Ridge Apartments 950 Lake Ridge Parkway Riverdale, GA 30296 Clayton County	2.2 miles	Garden (3 stories) 2000 / n/a	Market	1BR / 1BA	0	0.0%	Market	\$829	825	n/a	No	N/A	N/A	
					1BR / 1BA	224	76.2%	Market	\$743	825	n/a	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	Market	\$948	1,067	n/a	No	N/A	N/A	
					2BR / 2BA	70	23.8%	Market	\$852	1,067	n/a	No	N/A	N/A	
	294	100%							50	17.0%					

SUMMARY MATRIX														
Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
9	Stratford Arms Apartments 417 Valley Hill Road SW Riverdale, GA 30274 Clayton County County	0.1 miles	Various 1982 / n/a	Market	1BR / 1BA (Garden)	N/A	N/A	Market	\$595	800	n/a	No	2	N/A
					2BR / 1.5BA (Townhouse)	N/A	N/A		\$699	1,150	n/a	No	2	N/A
						100	100%						4	4.0%
10	Tara Bridge 1 Magnolia Circle Jonesboro, GA 30236 Clayton County	3.1 miles	Garden (3 stories) 1988 / 2016	Market	1BR / 1BA	88	40.0%	Market	\$864	650	n/a	No	N/A	N/A
					2BR / 1BA	44	20.0%	Market	\$878	850	n/a	No	N/A	N/A
					2BR / 2BA	74	33.6%	Market	\$918	1,000	n/a	No	N/A	N/A
					3BR / 2BA	14	6.4%	Market	\$1,007	1,200	n/a	No	N/A	N/A
						220	100%					20	9.1%	

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

Effective	Units Surveyed:	1925	Weighted Occupancy:	94.4%
Rent Date:	Market Rate	1172	Market Rate	91.3%
Oct-16	Tax Credit	753	Tax Credit	99.3%

		One Bedroom One Bath		Two Bedrooms One Bath	
	Property	Average	Property	Average	
<b>RENT</b>	The Legacy At Walton Lakes * (M)	\$1,022	The Legacy At Walton Lakes * (2BA M)	\$1,211	
	Tara Bridge	\$864	Shadow Ridge Apartments (2BA)	\$948	
	Shadow Ridge Apartments	\$829	Tara Bridge	\$878	
	Averly Apartments	\$807	Averly Apartments (2BA)	\$871	
	Princeton Court * (M)	\$775	Ashton Walk Senior Apartments * (2BA 60%)	\$860	
	Shadow Ridge Apartments	\$743	Shadow Ridge Apartments (2BA)	\$852	
	Regal Park * (60%)	\$722	The Legacy At Walton Lakes * (2BA 60%)	\$844	
	Ashton Walk Senior Apartments * (60%)	\$718	Princeton Court * (M)	\$825	
	The Legacy At Walton Lakes * (60%)	\$718	Regal Park * (2BA 60%)	\$786	
	<b>Valley Hill Senior Apartments * (60%)</b>	<b>\$729</b>	<b>Valley Hill Senior Apartments * (60%)</b>	<b>\$872</b>	
	Princeton Court * (60%)	\$635	Princeton Court * (60%)	\$745	
	Emerald Pointe Apartments	\$599	The Park At Mount Zion * (1.5BA 60%)	\$710	
	Princeton Court * (50%)	\$595	Princeton Court * (50%)	\$705	
	Stratford Arms Apartments	\$595	Emerald Pointe Apartments (1.5BA)	\$699	
	<b>Valley Hill Senior Apartments * (50%)</b>	<b>\$598</b>	Stratford Arms Apartments (1.5BA)	\$699	
Princeton Court * (30%)	\$325	Princeton Court * (30%)	\$435		
<b>SQUARE FOOTAGE</b>	Averly Apartments	950	The Legacy At Walton Lakes * (2BA 60%)	1,270	
	Regal Park * (60%)	874	The Legacy At Walton Lakes * (2BA M)	1,270	
	Shadow Ridge Apartments	825	Averly Apartments (2BA)	1,200	
	Shadow Ridge Apartments	825	Stratford Arms Apartments (1.5BA)	1,150	
	The Legacy At Walton Lakes * (60%)	810	Regal Park * (2BA 60%)	1,114	
	The Legacy At Walton Lakes * (M)	810	The Park At Mount Zion * (1.5BA 60%)	1,114	
	Emerald Pointe Apartments	810	Shadow Ridge Apartments (2BA)	1,067	
	Stratford Arms Apartments	800	Shadow Ridge Apartments (2BA)	1,067	
	Ashton Walk Senior Apartments * (60%)	702	Emerald Pointe Apartments (1.5BA)	1,028	
	<b>Valley Hill Senior Apartments * (50%)</b>	<b>672</b>	Ashton Walk Senior Apartments * (2BA 60%)	985	
	<b>Valley Hill Senior Apartments * (60%)</b>	<b>672</b>	Princeton Court * (30%)	860	
	Princeton Court * (30%)	650	Princeton Court * (50%)	860	
	Princeton Court * (50%)	650	Princeton Court * (60%)	860	
	Princeton Court * (60%)	650	Princeton Court * (M)	860	
	Princeton Court * (M)	650	<b>Valley Hill Senior Apartments * (60%)</b>	<b>860</b>	
Tara Bridge	650	Tara Bridge	850		

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

Effective	Units Surveyed:	1925	Weighted Occupancy:	94.4%
Rent Date:	Market Rate	1172	Market Rate	91.3%
Oct-16	Tax Credit	753	Tax Credit	99.3%

**One Bedroom One Bath**

**Two Bedrooms One Bath**

RENT PER SQUARE FOOT	One Bedroom One Bath		Two Bedrooms One Bath	
	Property	Average	Property	Average
	Tara Bridge	\$1.33	Tara Bridge	\$1.03
	The Legacy At Walton Lakes * (M)	\$1.26	Princeton Court * (M)	\$0.96
	Princeton Court * (M)	\$1.19	The Legacy At Walton Lakes * (2BA M)	\$0.95
	Ashton Walk Senior Apartments * (60%)	\$1.02	<b>Valley Hill Senior Apartments * (60%)</b>	<b>\$1.01</b>
	Shadow Ridge Apartments	\$1.00	Shadow Ridge Apartments (2BA)	\$0.89
	Princeton Court * (60%)	\$0.98	Ashton Walk Senior Apartments * (2BA 60%)	\$0.87
	<b>Valley Hill Senior Apartments * (60%)</b>	<b>\$1.08</b>	Princeton Court * (60%)	\$0.87
	Princeton Court * (50%)	\$0.92	Princeton Court * (50%)	\$0.82
	Shadow Ridge Apartments	\$0.90	Shadow Ridge Apartments (2BA)	\$0.80
	The Legacy At Walton Lakes * (60%)	\$0.89	Averly Apartments (2BA)	\$0.73
	Averly Apartments	\$0.85	Regal Park * (2BA 60%)	\$0.71
	Regal Park * (60%)	\$0.83	Emerald Pointe Apartments (1.5BA)	\$0.68
	<b>Valley Hill Senior Apartments * (50%)</b>	<b>\$0.89</b>	The Legacy At Walton Lakes * (2BA 60%)	\$0.66
	Stratford Arms Apartments	\$0.74	The Park At Mount Zion * (1.5BA 60%)	\$0.64
	Emerald Pointe Apartments	\$0.74	Stratford Arms Apartments (1.5BA)	\$0.61
	Princeton Court * (30%)	\$0.50	Princeton Court * (30%)	\$0.51

# PROPERTY PROFILE REPORT

## Ashton Walk Senior Apartments

<b>Effective Rent Date</b>	10/26/2016
<b>Location</b>	4950 Governors Drive Forest Park, GA 30297 Clayton County
<b>Distance</b>	3.8 miles
<b>Units</b>	150
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Lowrise (age-restricted) (3 stories)
<b>Year Built/Renovated</b>	2006 / 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>	Governor's Terrace, Normanberry Village
<b>Tenant Characteristics</b>	Seniors 55+
<b>Contact Name</b>	Syreeda
<b>Phone</b>	404-363-4595



### Market Information

<b>Program</b>	@60%
<b>Annual Turnover Rate</b>	7%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	30%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	Increased 15-16% since 1Q 2015
<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	Lowrise (3 stories)	66	702	\$718	\$0	@60%	Yes	0	0.0%	no	None
2	2	Lowrise (3 stories)	84	985	\$860	\$0	@60%	Yes	0	0.0%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$718	\$0	\$718	\$0	\$718
2BR / 2BA	\$860	\$0	\$860	\$0	\$860

### Amenities

#### In-Unit

Blinds  
Central A/C  
Dishwasher  
Oven  
Washer/Dryer hookup

Carpeting  
Coat Closet  
Garbage Disposal  
Refrigerator

#### Security

Limited Access

#### Services

Adult Education  
Shuttle Service

#### Property

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

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Picnic Area

#### Premium

Medical Professional

#### Other

Walking Trails

## **Ashton Walk Senior Apartments, continued**

### **Comments**

The property maintains a waiting list consisting of 10 households.

## Ashton Walk Senior Apartments, continued

### Trend Report

#### Vacancy Rates

2Q12	1Q14	1Q15	4Q16
20.0%	4.0%	4.7%	0.0%

**Trend: @60%**

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$599	\$0	\$599	\$599
2014	1	0.0%	\$625	\$0	\$625	\$625
2015	1	0.0%	\$625	\$0	\$625	\$625
2016	4	0.0%	\$718	\$0	\$718	\$718

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$699	\$0	\$699	\$699
2014	1	7.1%	\$740	\$115	\$625	\$625
2015	1	8.3%	\$740	\$0	\$740	\$740
2016	4	0.0%	\$860	\$0	\$860	\$860

### Trend: Comments

- 2Q12** On average about two units turn over per month. The manager did think there was a demand for more senior housing and more tax credit properties in the area. However, the occupancy rate has decreased due to an income based property opening in Stockbridge. The manager did not know the name of the property. There are currently 28 Housing Choice Voucher tenants.
- 1Q14** Two years ago the property only had one bedroom units and then the property added two bedroom units. The vacancy for the two bedroom units is high because the potential tenants in the area cannot afford the two bedroom rent price. There is a rent special for the two bedroom at the one bedroom price if a tenant leases up until 3/31/14 and \$100 deposit instead of \$200. Demand has increased due to this rent special. There are 30 HCV tenants. In Fall 2013, the property resurfaced the parking lot.
- 1Q15** The vacancy for the two bedroom units is high because the potential tenants in the area cannot afford the two-bedroom rent. The property manager reported strong demand for one-bedroom units in the area. Currently three of the vacant two-bedroom units have pending applications.
- 4Q16** The property maintains a waiting list consisting of 10 households.

# PROPERTY PROFILE REPORT

## Princeton Court

<b>Effective Rent Date</b>	<b>10/26/2016</b>
<b>Location</b>	3633 Howard Avenue College Park, GA 30337 Fulton County
<b>Distance</b>	6.2 miles
<b>Units</b>	116
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Lowrise (age-restricted) (3 stories)
<b>Year Built/Renovated</b>	2006 / N/A
<b>Marketing Began</b>	5/01/2006
<b>Leasing Began</b>	8/01/2006
<b>Last Unit Leased</b>	7/26/2007
<b>Major Competitors</b>	Norman Berry, Columbia, Parkview
<b>Tenant Characteristics</b>	Half of tenants are between 55 and 62, half of the tenants are above 62
<b>Contact Name</b>	Serena
<b>Phone</b>	404-768-9332



### Market Information

<b>Program</b>	@30%, @50%, @60%, Market, Non-Rental
<b>Annual Turnover Rate</b>	7%
<b>Units/Month Absorbed</b>	10
<b>HCV Tenants</b>	18%
<b>Leasing Pace</b>	Within one month
<b>Annual Chg. in Rent</b>	Decreased 0-16% since 3Q 2015
<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	Lowrise (3 stories)	4	650	\$325	\$0	@30%	No	0	0.0%	yes	None
1	1	Lowrise (3 stories)	2	650	\$595	\$0	@50%	No	0	0.0%	yes	None
1	1	Lowrise (3 stories)	8	650	\$635	\$0	@60%	No	0	0.0%	no	None
1	1	Lowrise (3 stories)	11	650	\$775	\$0	Market	No	0	0.0%	N/A	None
2	1	Lowrise (3 stories)	2	860	\$435	\$0	@30%	No	0	0.0%	yes	None
2	1	Lowrise (3 stories)	2	860	\$705	\$0	@50%	No	0	0.0%	no	None
2	1	Lowrise (3 stories)	42	860	\$745	\$0	@60%	No	0	0.0%	no	None
2	1	Lowrise (3 stories)	17	860	\$825	\$0	Market	No	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	N/A	952	\$445	\$0	@30%	No	0	N/A	no	None
2	2	Lowrise (3 stories)	N/A	952	\$715	\$0	@50%	No	0	N/A	no	None
2	2	Lowrise (3 stories)	8	952	\$765	\$0	@60%	No	0	0.0%	no	None
2	2	Lowrise (3 stories)	18	952	\$905	\$0	Market	No	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	2	952	N/A	\$0	Non-Rental	N/A	0	0.0%	N/A	None

## Princeton Court, continued

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$325	\$0	\$325	\$0	\$325	1BR / 1BA	\$595	\$0	\$595	\$0	\$595
2BR / 1BA	\$435	\$0	\$435	\$0	\$435	2BR / 1BA	\$705	\$0	\$705	\$0	\$705
2BR / 2BA	\$445	\$0	\$445	\$0	\$445	2BR / 2BA	\$715	\$0	\$715	\$0	\$715
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$635	\$0	\$635	\$0	\$635	1BR / 1BA	\$775	\$0	\$775	\$0	\$775
2BR / 1BA	\$745	\$0	\$745	\$0	\$745	2BR / 1BA	\$825	\$0	\$825	\$0	\$825
2BR / 2BA	\$765	\$0	\$765	\$0	\$765	2BR / 2BA	\$905	\$0	\$905	\$0	\$905
Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
2BR / 2BA	N/A	\$0	N/A	\$0	N/A						

### Amenities

#### In-Unit

Blinds  
Central A/C  
Dishwasher  
Hand Rails  
Pull Cords  
Walk-In Closet

Carpeting  
Coat Closet  
Garbage Disposal  
Oven  
Refrigerator  
Washer/Dryer hookup

#### Security

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

#### Services

None

#### Property

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

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

#### Premium

Hairdresser / Barber

#### Other

Wellness Center, Library

### Comments

The contact had no additional comments.

# Princeton Court, continued

## Trend Report

### Vacancy Rates

<b>3Q12</b>	<b>1Q14</b>	<b>3Q15</b>	<b>4Q16</b>
3.4%	1.7%	0.0%	0.0%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$405	\$0	\$405	\$405
2014	1	0.0%	\$425	\$0	\$425	\$425
2015	3	0.0%	\$362	\$0	\$362	\$362
2016	4	0.0%	\$325	\$0	\$325	\$325

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$415	\$0	\$415	\$415
2014	1	0.0%	\$435	\$0	\$435	\$435
2015	3	0.0%	\$433	\$0	\$433	\$433
2016	4	0.0%	\$435	\$0	\$435	\$435

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$433	\$0	\$433	\$433
2016	4	N/A	\$445	\$0	\$445	\$445

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$655	\$0	\$655	\$655
2014	1	0.0%	\$675	\$0	\$675	\$675
2015	3	0.0%	\$740	\$0	\$740	\$740
2016	4	0.0%	\$635	\$0	\$635	\$635

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$715	\$0	\$715	\$715
2014	1	0.0%	\$735	\$0	\$735	\$735
2015	3	0.0%	\$800	\$0	\$800	\$800
2016	4	0.0%	\$745	\$0	\$745	\$745

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$765	\$0	\$765	\$765
2014	1	0.0%	\$785	\$0	\$785	\$785
2015	3	0.0%	\$910	\$0	\$910	\$910
2016	4	0.0%	\$765	\$0	\$765	\$765

### Trend: Non-Rental

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	N/A	\$0	N/A	N/A
2014	1	0.0%	N/A	\$0	N/A	N/A
2015	3	0.0%	N/A	\$0	N/A	N/A
2016	4	0.0%	N/A	\$0	N/A	N/A

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$600	\$0	\$600	\$600
2014	1	0.0%	\$620	\$0	\$620	\$620
2015	3	0.0%	\$639	\$0	\$639	\$639
2016	4	0.0%	\$595	\$0	\$595	\$595

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$655	\$0	\$655	\$655
2014	1	0.0%	\$675	\$0	\$675	\$675
2015	3	0.0%	\$735	\$0	\$735	\$735
2016	4	0.0%	\$705	\$0	\$705	\$705

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$766	\$0	\$766	\$766
2016	4	N/A	\$715	\$0	\$715	\$715

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$755	\$0	\$755	\$755
2014	1	18.2%	\$775	\$0	\$775	\$775
2015	3	0.0%	\$790	\$0	\$790	\$790
2016	4	0.0%	\$775	\$0	\$775	\$775

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$805	\$0	\$805	\$805
2014	1	0.0%	\$825	\$0	\$825	\$825
2015	3	0.0%	\$840	\$0	\$840	\$840
2016	4	0.0%	\$825	\$0	\$825	\$825

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$880	\$0	\$880	\$880
2014	1	0.0%	\$900	\$0	\$900	\$900
2015	3	0.0%	\$915	\$0	\$915	\$915
2016	4	0.0%	\$905	\$0	\$905	\$905

**Trend: Comments**

- 3Q12** The property representative indicated that the property recently changed management to alliance management as of approximately a month ago, but the new management has kept the pricing in line with what it was previously set at. Management reported four vacancies but was not able to provide which units and restriction levels the vacancies were present in.
- The wellness center offered is free of charge, and the only additional services provided that carry a premium are the barber/hairdresser services which average approximately \$35.00 for a womens cut/wash/shampoo etc.
- 1Q14** The property's rent prices for all units increased \$20. There is a total of two vacant units for the market one bedroom units and the rents are not maximum allowable. The property has a low turnover rate with six move outs in 2013. The wellness center is free and available for residents only.
- 3Q15** Management reported that the property is 100 percent occupied which is reported as typical. The contact was unable to provide the number of two-bedroom units with two bathrooms at the 30 and 50 percent of AMI levels. Since our last interview in 2014, rents have increased between two and 10 percent.
- 4Q16** The contact had no additional comments.

# PROPERTY PROFILE REPORT

## Regal Park

<b>Effective Rent Date</b>	10/27/2016
<b>Location</b>	461 Old Dixie Way Forest Park, GA 30297 Clayton County
<b>Distance</b>	2 miles
<b>Units</b>	168
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	2.4%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2005 / 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>	Breckenridge
<b>Tenant Characteristics</b>	Tenants come from all over Atlanta metro area
<b>Contact Name</b>	Wanda
<b>Phone</b>	404-362-5224



### Market Information

<b>Program</b>	@60%
<b>Annual Turnover Rate</b>	20%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	7%
<b>Leasing Pace</b>	Within four days
<b>Annual Chg. in Rent</b>	Increased 2-3% since 2Q 2016
<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)	28	874	\$695	\$0	@60%	No	0	0.0%	no	None
2	2	Garden (3 stories)	84	1,114	\$750	\$0	@60%	No	1	1.2%	no	None
3	2	Garden (3 stories)	56	1,388	\$855	\$0	@60%	No	3	5.4%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$695	\$0	\$695	\$27	\$722
2BR / 2BA	\$750	\$0	\$750	\$36	\$786
3BR / 2BA	\$855	\$0	\$855	\$50	\$905

## Regal Park, continued

### Amenities

**In-Unit**

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

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

**Security**

Limited Access

**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  
Tennis Court

**Premium**

None

**Other**

None

### Comments

The contact had no additional comments.

## Regal Park, continued

### Trend Report

#### Vacancy Rates

1Q10	2Q14	2Q16	4Q16
10.1%	1.2%	8.9%	2.4%

#### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	3.6%	\$630	\$0	\$630	\$657
2014	2	0.0%	\$610	\$0	\$610	\$637
2016	2	10.7%	\$675	\$0	\$675	\$702
2016	4	0.0%	\$695	\$0	\$695	\$722

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	7.1%	\$760	\$30	\$730	\$766
2014	2	1.2%	\$659	\$0	\$659	\$695
2016	2	6.0%	\$725	\$0	\$725	\$761
2016	4	1.2%	\$750	\$0	\$750	\$786

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	17.9%	\$860	\$30	\$830	\$880
2014	2	1.8%	\$705	\$0	\$705	\$755
2016	2	12.5%	\$835	\$0	\$835	\$885
2016	4	5.4%	\$855	\$0	\$855	\$905

### Trend: Comments

1Q10	The leasing agent could not comment on absorption but indicated that the property maintains an occupancy rate between 90 to 98 percent. Management could not comment on the value of an afterschool program as the property does not offer one but indicated that community amenities (business center, exercise facility, pool, nature trail etc) are utilized equally.
2Q14	Contact could not provide annual turnover.
2Q16	The property is currently offering reduced rates, which are the rents listed in this profile. The non-concessed asking rents are reportedly at the maximum allowable levels. The contact reported an average vacancy rate between 93 and 95 percent at the property and several of the vacant units are pre-leased. The property maintains a wait list for one and two-bedroom units; however, the contact was unable to state the length of the wait list.
4Q16	The contact had no additional comments.

# PROPERTY PROFILE REPORT

## The Legacy At Walton Lakes

**Effective Rent Date** 10/27/2016  
**Location** 4687 Camp Creek Parkway  
 Atlanta, GA 30331  
 Fulton County  
**Distance** 10.6 miles  
**Units** 126  
**Vacant Units** 0  
**Vacancy Rate** 0.0%  
**Type** Garden (age-restricted) (3 stories)  
**Year Built/Renovated** 2008 / N/A  
**Marketing Began** 12/01/2008  
**Leasing Began** 4/01/2009  
**Last Unit Leased** 12/01/2009  
**Major Competitors** None Identified  
**Tenant Characteristics** Seniors 55+, most are from ATL and the surrounding areas, some from out of state  
**Contact Name** Randy  
**Phone** (404) 645-7400



### Market Information

**Program** @60%, @60% (ACC), @60% (PHA), Market  
**Annual Turnover Rate** 6%  
**Units/Month Absorbed** 16  
**HCV Tenants** 0%  
**Leasing Pace** Within one month  
**Annual Chg. in Rent** MR increased 7-11% since 2Q 2015  
**Concession** None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	26	810	\$691	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	12	810	N/A	\$0	@60% (ACC)	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	6	810	N/A	\$0	@60% (PHA)	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	19	810	\$995	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	24	1,270	\$808	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	2	1,270	N/A	\$0	@60% (ACC)	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	18	1,270	N/A	\$0	@60% (PHA)	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	19	1,270	\$1,175	\$0	Market	Yes	0	0.0%	N/A	None

## The Legacy At Walton Lakes, continued

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60% (ACC)	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$691	\$0	\$691	\$27	\$718	1BR / 1BA	N/A	\$0	N/A	\$27	N/A
2BR / 2BA	\$808	\$0	\$808	\$36	\$844	2BR / 2BA	N/A	\$0	N/A	\$36	N/A
@60% (PHA)	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	N/A	\$0	N/A	\$27	N/A	1BR / 1BA	\$995	\$0	\$995	\$27	\$1,022
2BR / 2BA	N/A	\$0	N/A	\$36	N/A	2BR / 2BA	\$1,175	\$0	\$1,175	\$36	\$1,211

### Amenities

#### In-Unit

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

Blinds  
 Central A/C  
 Dishwasher  
 Ceiling Fan  
 Hand Rails  
 Pull Cords  
 Walk-In Closet

#### Security

Intercom (Buzzer)  
 Limited Access  
 Perimeter Fencing

#### Services

Adult Education  
 Shuttle Service

#### Property

Business Center/Computer Lab  
 Courtyard  
 Exercise Facility  
 Central Laundry  
 On-Site Management  
 Service Coordination

Clubhouse/Meeting  
 Elevators  
 Garage  
 Off-Street Parking  
 Picnic Area  
 Theatre

#### Premium

Hairdresser / Barber  
 Medical Professional

#### Other

Library, Gardening

### Comments

The property maintains a waiting list approximately six to 12 months in length. The property does not accept Housing Choice Vouchers. Storage lockers are available to rent for \$25 to \$45 per month.

# The Legacy At Walton Lakes, continued

## Trend Report

### Vacancy Rates

4Q11	2Q12	2Q15	4Q16
0.0%	4.0%	0.0%	0.0%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$680	\$0	\$680	\$707
2012	2	0.0%	\$658	\$0	\$658	\$685
2015	2	0.0%	\$683	\$0	\$683	\$710
2016	4	0.0%	\$691	\$0	\$691	\$718

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$783	\$0	\$783	\$819
2012	2	0.0%	\$758	\$0	\$758	\$794
2015	2	0.0%	\$799	\$0	\$799	\$835
2016	4	0.0%	\$808	\$0	\$808	\$844

### Trend: @60% (PHA)

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	N/A	\$0	N/A	N/A
2012	2	0.0%	N/A	\$0	N/A	N/A
2015	2	0.0%	N/A	\$0	N/A	N/A
2016	4	0.0%	N/A	\$0	N/A	N/A

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	N/A	\$0	N/A	N/A
2012	2	0.0%	N/A	\$0	N/A	N/A
2015	2	0.0%	N/A	\$0	N/A	N/A
2016	4	0.0%	N/A	\$0	N/A	N/A

### Trend: @60% (ACC)

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	N/A	\$0	N/A	N/A
2012	2	0.0%	N/A	\$0	N/A	N/A
2015	2	0.0%	N/A	\$0	N/A	N/A
2016	4	0.0%	N/A	\$0	N/A	N/A

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	N/A	\$0	N/A	N/A
2012	2	0.0%	N/A	\$0	N/A	N/A
2015	2	0.0%	N/A	\$0	N/A	N/A
2016	4	0.0%	N/A	\$0	N/A	N/A

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$853	\$0	\$853	\$880
2012	2	10.5%	\$900	\$0	\$900	\$927
2015	2	0.0%	\$900	\$0	\$900	\$927
2016	4	0.0%	\$995	\$0	\$995	\$1,022

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$1,143	\$0	\$1,143	\$1,179
2012	2	15.8%	\$1,147	\$0	\$1,147	\$1,183
2015	2	0.0%	\$1,100	\$0	\$1,100	\$1,136
2016	4	0.0%	\$1,175	\$0	\$1,175	\$1,211

### Trend: Comments

4Q11	The waiting list is one year long on LIHTC units.
2Q12	The waiting list is over one year long.
2Q15	The contact reported a waiting list with approximately 10 households for the affordable units and not the market rate units.
4Q16	The property maintains a waiting list approximately six to 12 months in length. The property does not accept Housing Choice Vouchers. Storage lockers are available to rent for \$25 to \$45 per month.

# PROPERTY PROFILE REPORT

## The Park At Mount Zion

<b>Effective Rent Date</b>	10/26/2016
<b>Location</b>	701 Morrow Industrial Blvd. Jonesboro, GA 30236 Clayton County
<b>Distance</b>	2.1 miles
<b>Units</b>	193
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	0.5%
<b>Type</b>	Various (2 stories)
<b>Year Built/Renovated</b>	1971 / 2005
<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>	Tenants are mostly families, average household size of three to four persons
<b>Contact Name</b>	Virginia
<b>Phone</b>	770.968.0311



### Market Information

<b>Program</b>	LIHTC
<b>Annual Turnover Rate</b>	19%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	13%
<b>Leasing Pace</b>	Within three weeks
<b>Annual Chg. in Rent</b>	Increased 4.6%
<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
2	1.5	Townhouse (2 stories)	N/A	1,114	\$710	\$0	@60%	No	0	N/A	yes	None
2	2	Garden	N/A	1,056	\$720	\$0	@60%	No	1	N/A	yes	None
3	2	Garden	N/A	1,216	\$840	\$0	@60%	No	0	N/A	yes	None
3	2.5	Townhouse	N/A	1,404	\$890	\$0	@60%	No	0	N/A	yes	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$710	\$0	\$710	\$0	\$710
2BR / 2BA	\$720	\$0	\$720	\$0	\$720
3BR / 2BA	\$840	\$0	\$840	\$0	\$840
3BR / 2.5BA	\$890	\$0	\$890	\$0	\$890

## The Park At Mount Zion, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Garbage Disposal  
Refrigerator  
Washer/Dryer

Blinds  
Central A/C  
Dishwasher  
Oven  
Walk-In Closet

#### Security

Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Swimming Pool

Exercise Facility  
Off-Street Parking  
Playground

#### Premium

None

#### Other

None

### Comments

The property was formerly known as Provence Place. Washer/Dryers are included in all units. A unit mix was not provided.

# The Park At Mount Zion, continued

## Trend Report

### Vacancy Rates

2Q05	2Q06	2Q16	4Q16
85.0%	100.0%	2.6%	0.5%

### Trend: @60%

#### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$720	\$0	\$720	\$720
2006	2	N/A	\$720	\$0	\$720	\$720
2016	2	N/A	\$825	\$0	\$825	\$825
2016	4	N/A	\$710	\$0	\$710	\$710

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$710	\$0	\$710	\$710
2006	2	N/A	\$710	\$0	\$710	\$710
2016	2	N/A	\$825	\$0	\$825	\$825
2016	4	N/A	\$720	\$0	\$720	\$720

#### 3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$850	\$0	\$850	\$850
2006	2	N/A	\$850	\$0	\$850	\$850
2016	2	N/A	\$890	\$0	\$890	\$890
2016	4	N/A	\$890	\$0	\$890	\$890

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$800	\$0	\$800	\$800
2006	2	N/A	\$800	\$0	\$800	\$800
2016	2	N/A	\$890	\$0	\$890	\$890
2016	4	N/A	\$840	\$0	\$840	\$840

## Trend: Comments

**2Q05** (5/12/05) Provence Place is a garden style community with 193 units. All units are under renovation except 48, and all of these 48 units are occupied. There are currently no concessions being offered. The management has been doing more evictions than rentals, partly because they are currently undergoing a significant reconstruction phase (which is responsible for the high vacancy rate). This reconstruction includes the construction of a clubhouse, gate at the front of the community, perimeter fencing, exercise facility, and playground (listed under amenities above). Rents on the 2-bedroom/1.5-bath are a range from \$720-765, 2-bedroom/2-bath units range from \$710-735, 3-bedroom/2-bath units range from \$800-825, and 3-bedroom/2.5-baths range from \$850-875.

This property is in the Clayton portion of the Atlanta MSA.

(10/6/05) The property is still undergoing renovations. Only 29 units are occupied and the tenants in those are receiving between \$100 and \$300 dollars off their rent each month (concession unique to each tenant). No three-bedroom townhouse units are currently occupied. There are no Section 8 tenants in the complex right now. The complex has 19 market rate units, but the property manager would not provide a breakout of them by unit type. The 29 units that are occupied do not have garages and the current property manager is not sure if the other units have them, although the property brochure says there are on-site garages. She has never seen any garages, but cannot enter the area where construction is going on, so has not been able to see what that part of the property is like.

**2Q06** Current Interview (05/08/2006): Provence Place is a LIHTC/market rate property offering one, two, and three-bedroom garden and townhouse units. The property was allocated in 2003 and remains under renovation. Currently the property is 100 percent vacant. Management reported that none of the units have been pre-leased. Leasing will begin in the next several months.

**2Q16** The property was formerly known as Provence Place. The contact was only able to provide rents for vacant units. Washer/Dryers are included in all units.

**4Q16** The property was formerly known as Provence Place. Washer/Dryers are included in all units. A unit mix was not provided.

# PROPERTY PROFILE REPORT

## Averly Apartments

<b>Effective Rent Date</b>	10/26/2016
<b>Location</b>	100 Chase Lake Drive Jonesboro, GA 30236 Clayton County
<b>Distance</b>	2.8 miles
<b>Units</b>	362
<b>Vacant Units</b>	25
<b>Vacancy Rate</b>	6.9%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1990 / Ongoing
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Battle Creek Townhomes
<b>Tenant Characteristics</b>	None identified
<b>Contact Name</b>	Christina
<b>Phone</b>	855-434-8042



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	23%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within one month
<b>Annual Chg. in Rent</b>	Changes Daily
<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 -- gas
<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 (2 stories)	76	950	\$780	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	286	1,200	\$835	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$780	\$0	\$780	\$27	\$807
2BR / 2BA	\$835	\$0	\$835	\$36	\$871

## Averly Apartments, continued

### Amenities

#### In-Unit

Blinds  
Central A/C  
Dishwasher  
Fireplace  
Oven  
Vaulted Ceilings  
Washer/Dryer hookup

Carpeting  
Coat Closet  
Ceiling Fan  
Garbage Disposal  
Refrigerator  
Walk-In Closet

#### Security

In-Unit Alarm  
Limited Access  
Perimeter Fencing

#### Services

None

#### Property

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

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Playground  
Tennis Court

#### Premium

None

#### Other

None

### Comments

The property was formerly known as Century Lake. The property is currently undergoing renovations that consist of new flooring, fixtures, appliances, cabinets, and counter tops.

## Averly Apartments, continued

### Trend Report

#### Vacancy Rates

2Q05	1Q15	2Q16	4Q16
3.9%	0.0%	6.9%	6.9%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	2.6%	\$670	\$100	\$570	\$597
2015	1	0.0%	\$565	\$0	\$565	\$592
2016	2	13.2%	\$710	\$0	\$710	\$737
2016	4	N/A	\$780	\$0	\$780	\$807

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	4.2%	\$770	\$121	\$649	\$685
2015	1	0.0%	\$665	\$0	\$665	\$701
2016	2	5.2%	\$840	\$0	\$840	\$876
2016	4	N/A	\$835	\$0	\$835	\$871

### Trend: Comments

- 2Q05** Century Lake is a garden style apartment community with 362 units and an occupancy rate of 97% base on vacancy by unit breakdown. The property manager claimed an occupancy rate of 92%. Approximately 30% of tenants are from Clayton County, 10% are from out of state, and 60% are from other parts of Georgia.
- 1Q15** The contact was only able to provide rent, vacancy and waiting list information. The property maintains a waiting list approximately one month long.
- 2Q16** The property is currently 98% pre-leased.
- 4Q16** The property was formerly known as Century Lake. The property is currently undergoing renovations that consist of new flooring, fixtures, appliances, cabinets, and counter tops.

# Averly Apartments, continued

## Photos



# PROPERTY PROFILE REPORT

## Emerald Pointe Apartments

**Effective Rent Date** 11/02/2016  
**Location** 501 Roberts Drive  
 Riverdale, GA 30274  
 Clayton County County  
**Distance** 0.1 miles  
**Units** 196  
**Vacant Units** 3  
**Vacancy Rate** 1.5%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 1983 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None Identified  
**Tenant Characteristics** Mostly local families  
**Contact Name** Mike  
**Phone** 888-708-5887



### Market Information

**Program** Market  
**Annual Turnover Rate** 20%  
**Units/Month Absorbed** N/A  
**HCV Tenants** N/A  
**Leasing Pace** 1 to 2 weeks  
**Annual Chg. in Rent** None  
**Concession** None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	810	\$599	\$0	Market	No	0	N/A	N/A	None
2	1.5	Garden (2 stories)	N/A	1,028	\$699	\$0	Market	No	2	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,235	\$799	\$0	Market	No	1	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$599	\$0	\$599	\$0	\$599
2BR / 1.5BA	\$699	\$0	\$699	\$0	\$699
3BR / 2BA	\$799	\$0	\$799	\$0	\$799

## Emerald Pointe Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Ceiling Fan  
Refrigerator

Blinds  
Central A/C  
Dishwasher  
Oven  
Washer/Dryer hookup

**Security**

Limited Access  
Perimeter Fencing

**Services**

None

**Property**

Clubhouse/Meeting  
Off-Street Parking  
Picnic Area  
Swimming Pool

Central Laundry  
On-Site Management  
Playground

**Premium**

None

**Other**

None

### Comments

The contact had no additional comments.

# PROPERTY PROFILE REPORT

## Shadow Ridge Apartments

**Effective Rent Date** 10/26/2016

**Location** 950 Lake Ridge Parkway  
Riverdale, GA 30296  
Clayton County  
Intersection: Lake Ridge Parkway and Garden Lake Drive

**Distance** 2.2 miles

**Units** 294

**Vacant Units** 50

**Vacancy Rate** 17.0%

**Type** Garden (3 stories)

**Year Built/Renovated** 2000 / N/A

**Marketing Began** N/A

**Leasing Began** N/A

**Last Unit Leased** N/A

**Major Competitors** Villas By the Lake, Garden Lake, Winthrop Forest

**Tenant Characteristics** Mostly local area families

**Contact Name** Jennifer

**Phone** 770-997-1972



### Market Information

**Program** Market

**Annual Turnover Rate** 41%

**Units/Month Absorbed** N/A

**HCV Tenants** 0%

**Leasing Pace** Within 10 days

**Annual Chg. in Rent** Fluct. 3-4% since 2Q 2016

**Concession** None

### Utilities

**A/C** not included -- central

**Cooking** not included -- electric

**Water Heat** not included -- electric

**Heat** not included -- electric

**Other Electric** not included

**Water** not included

**Sewer** not included

**Trash Collection** not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	0	825	\$785	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (3 stories)	224	825	\$699	\$0	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,067	\$895	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	70	1,067	\$799	\$0	Market	No	N/A	N/A	N/A	LOW

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$699 - \$785	\$0	\$699 - \$785	\$44	\$743 - \$829
2BR / 2BA	\$799 - \$895	\$0	\$799 - \$895	\$53	\$852 - \$948

## Shadow Ridge Apartments, 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  
Limited Access

#### Services

None

#### Property

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

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

#### Premium

None

#### Other

None

### Comments

This property was formerly a LIHTC property that has converted to market rate. The property no longer accepts Housing Choice Vouchers. The contact indicated that the low occupancy rate was due to the conversion from a LIHTC/Section 8 to a market rate property. The range in the rents are due to some units having upgraded flooring, fixtures, lighting, and counter tops.

# Shadow Ridge Apartments, continued

## Trend Report

### Vacancy Rates

3Q12	4Q12	2Q16	4Q16
8.8%	8.8%	4.1%	17.0%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	8.3%	\$625	\$0	\$625	\$669
2012	4	8.3%	\$625	\$0	\$625	\$669
2016	2	2.7%	\$725 - \$760	\$0	\$725 - \$760	\$769 - \$804
2016	4	N/A	\$699 - \$785	\$0	\$699 - \$785	\$743 - \$829

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	9.5%	\$799	\$0	\$799	\$852
2012	4	9.5%	\$799	\$0	\$799	\$852
2016	2	N/A	\$825 - \$870	\$0	\$825 - \$870	\$878 - \$923
2016	4	N/A	\$799 - \$895	\$0	\$799 - \$895	\$852 - \$948

## Trend: Comments

**3Q12** The contact reported occupancy has slightly improved over last year and has ranged between 90 and 93 percent during the past six months.

**4Q12** N/A

**2Q16** This property was formerly a LIHTC property that has converted to market rate. The property no longer accepts Housing Choice Vouchers.

**4Q16** This property was formerly a LIHTC property that has converted to market rate. The property no longer accepts Housing Choice Vouchers. The contact indicated that the low occupancy rate was due to the conversion from a LIHTC/Section 8 to a market rate property. The range in the rents are due to some units having upgraded flooring, fixtures, lighting, and counter tops.

# PROPERTY PROFILE REPORT

## Stratford Arms Apartments

<b>Effective Rent Date</b>	11/02/2016
<b>Location</b>	417 Valley Hill Road SW Riverdale, GA 30274 Clayton County County
<b>Distance</b>	0.1 miles
<b>Units</b>	100
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	4.0%
<b>Type</b>	Various
<b>Year Built/Renovated</b>	1982 / 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>	None Identified
<b>Tenant Characteristics</b>	Mixed tenancy
<b>Contact Name</b>	Lisa
<b>Phone</b>	770-478-2021



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	25%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	2-3 weeks
<b>Annual Chg. in Rent</b>	Changes daily
<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 -- gas
<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)	N/A	800	\$595	\$0	Market	No	2	N/A	N/A	None
2	1.5	Townhouse (2 stories)	N/A	1,150	\$699	\$0	Market	No	2	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$595	\$0	\$595	\$0	\$595
2BR / 1.5BA	\$699	\$0	\$699	\$0	\$699

### Amenities

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

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Refrigerator

**Security**  
None

**Services**  
None

**Property**  
Clubhouse/Meeting  
Off-Street Parking  
Picnic Area  
Swimming Pool

Central Laundry  
On-Site Management  
Playground  
Tennis Court

**Premium**  
None

**Other**  
None

## **Stratford Arms Apartments, continued**

### **Comments**

The contact indicated one of the vacant two-bedroom units has been leased.

# PROPERTY PROFILE REPORT

## Tara Bridge

<b>Effective Rent Date</b>	10/26/2016
<b>Location</b>	1 Magnolia Circle Jonesboro, GA 30236 Clayton County
<b>Distance</b>	3.1 miles
<b>Units</b>	220
<b>Vacant Units</b>	20
<b>Vacancy Rate</b>	9.1%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	1988 / 2016
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Aslan on the River
<b>Tenant Characteristics</b>	Mostly families from Clayton County
<b>Contact Name</b>	Vernia
<b>Phone</b>	770-478-3288



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	29%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	4%
<b>Leasing Pace</b>	Within one month
<b>Annual Chg. in Rent</b>	Increased 7-16% since 2Q 2016
<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)	88	650	\$820	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	44	850	\$825	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	74	1,000	\$865	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	14	1,200	\$940	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$820	\$0	\$820	\$44	\$864
2BR / 1BA	\$825	\$0	\$825	\$53	\$878
2BR / 2BA	\$865	\$0	\$865	\$53	\$918
3BR / 2BA	\$940	\$0	\$940	\$67	\$1,007

## Tara Bridge, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Fireplace  
Microwave  
Refrigerator  
Washer/Dryer hookup

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

#### Security

In-Unit Alarm  
Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

Car Wash  
Exercise Facility  
Off-Street Parking  
Playground  
Tennis Court

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Swimming Pool

#### Premium

None

#### Other

None

### Comments

All current vacancies are in the process of being renovated. Renovations included new appliances, cabinets, flooring, lighting, fixtures, and blinds. The property charges a flat monthly fee for water, sewer, and trash for each bedroom type: one-bedroom units are charged \$62, two-bedroom units are charged \$72, and three-bedroom units are charged \$82.

# Tara Bridge, continued

## Trend Report

### Vacancy Rates

2Q05	1Q15	2Q16	4Q16
10.0%	2.3%	6.8%	9.1%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$546 - \$564	\$0	\$546 - \$564	\$590 - \$608
2015	1	N/A	\$546 - \$564	\$0	\$546 - \$564	\$590 - \$608
2016	2	11.4%	\$685 - \$705	\$0	\$685 - \$705	\$729 - \$749
2016	4	N/A	\$820	\$0	\$820	\$864

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	4.5%	\$760	\$0	\$760	\$813
2016	4	N/A	\$825	\$0	\$825	\$878

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$599 - \$694	\$0	\$599 - \$694	\$652 - \$747
2015	1	N/A	\$740 - \$775	\$0 - \$32	\$726 - \$775	\$779 - \$828
2016	2	4.1%	\$805 - \$810	\$0	\$805 - \$810	\$858 - \$863
2016	4	N/A	\$865	\$0	\$865	\$918

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$812	\$0	\$812	\$879
2015	1	N/A	\$812	\$0	\$812	\$879
2016	2	0.0%	\$815	\$0	\$815	\$882
2016	4	N/A	\$940	\$0	\$940	\$1,007

## Trend: Comments

- 2Q05** Tara Bridge is a garden style community with 220 units and an occupancy rate of 90%. Concessions include a \$99 move-in fee (normal fee is \$350). No Section 8 vouchers are accepted. Approximately 75% of tenants are from Clayton County, 20% are from out of state, and 5% are from other parts of Georgia.
- 1Q15** Tara Bridge is a garden style community with 220 units and an occupancy rate of about 97%. Management stated that she was only able to quote accurate pricing for units that are currently available due to the fact that they implement LRO pricing system. However, the contact was able to provide an estimate of what rents would be for one and three-bedrooms if they were available today. Contact stated that the concession was also only quoted for available two-bedroom units, and that there may be a different concession offered for one and three bedrooms if they were available.
- 2Q16** The rents provided in the profile include an undetermined concession amount. The actual asking rents were not available.
- 4Q16** All current vacancies are in the process of being renovated. Renovations included new appliances, cabinets, flooring, lighting, fixtures, and blinds. The property charges a flat monthly fee for water, sewer, and trash for each bedroom type: one-bedroom units are charged \$62, two-bedroom units are charged \$72, and three-bedroom units are charged \$82.

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>
Ashton Walk Senior Apartments*	Senior LIHTC	30%
Princeton Court*	Senior LIHTC/Market	18%
Regal Park*	LIHTC	7%
The Legacy At Walton Lakes*	Senior LIHTC/Market	0%
The Park At Mount Zion	LIHTC	13%
Averly Apartments	Market	0%
Emerald Pointe Apartments	Market	0%
Shadow Ridge Apartments	Market	0%
Stratford Arms Apartments	Market	0%
Tara Bridge	Market	4%
<b>Average</b>		<b>8%</b>

\*Located outside PMA

As illustrated in the table, four of the LIHTC properties reported having a portion of Housing Choice Voucher tenants, while one of the market rate properties reported Housing Choice Voucher usage. The average portion of voucher tenants at the LIHTC properties is 14 percent and the overall average is just eight percent. The senior LIHTC properties reported voucher usage ranging from zero to 30 percent with an overall average of 16 percent. The Subject currently has 12 tenants utilizing vouchers or approximately 17 percent. Overall, the local market does not appear to be dependent on voucher tenants, and we anticipate the Subject would maintain around 15 to 20 percent voucher tenants. The current Payment Standards for one and two-bedroom units are illustrated in the following table.

<b>CLAYTON COUNTY PAYMENT STANDARDS</b>	
<b>Bedroom Type</b>	<b>Payment Standard Rent</b>
1BR	\$772
2BR	\$891

The Subject’s proposed gross one and two-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 two of the comparables utilized in this report were able to provide absorption information, however these properties were built in 2006 and 2008 and absorption information is considered dated. Due to the dated absorption information from the comparables, we have extended our search for absorption data to the greater Atlanta metropolitan area. The properties are located within a 20 mile radius of the Subject site. The following table illustrates four LIHTC and three market rate properties that were built since 2012 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>
Panola Gardens	LIHTC	Senior	2015	84	20
Betmar Village Apartments	LIHTC	Senior	2014	47	47
Baptist Gardens	LIHTC	Senior	2013	100	15
Gateway At East Point	LIHTC	Senior	2012	100	25
Square On Fifth	Market	Family	2015	270	45
Steelworks	Market	Family	2014	317	21
University House	Market	Family	2015	268	30
<b>Average</b>				<b>169</b>	<b>29</b>

\*Utilized as a comparable

As illustrated, absorption rates range from 15 to 47 units per month, with an overall average of 29 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 three months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 98.6 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 15 market rate units will be need to be reabsorbed, which should take approximately one month at 15 units per month.

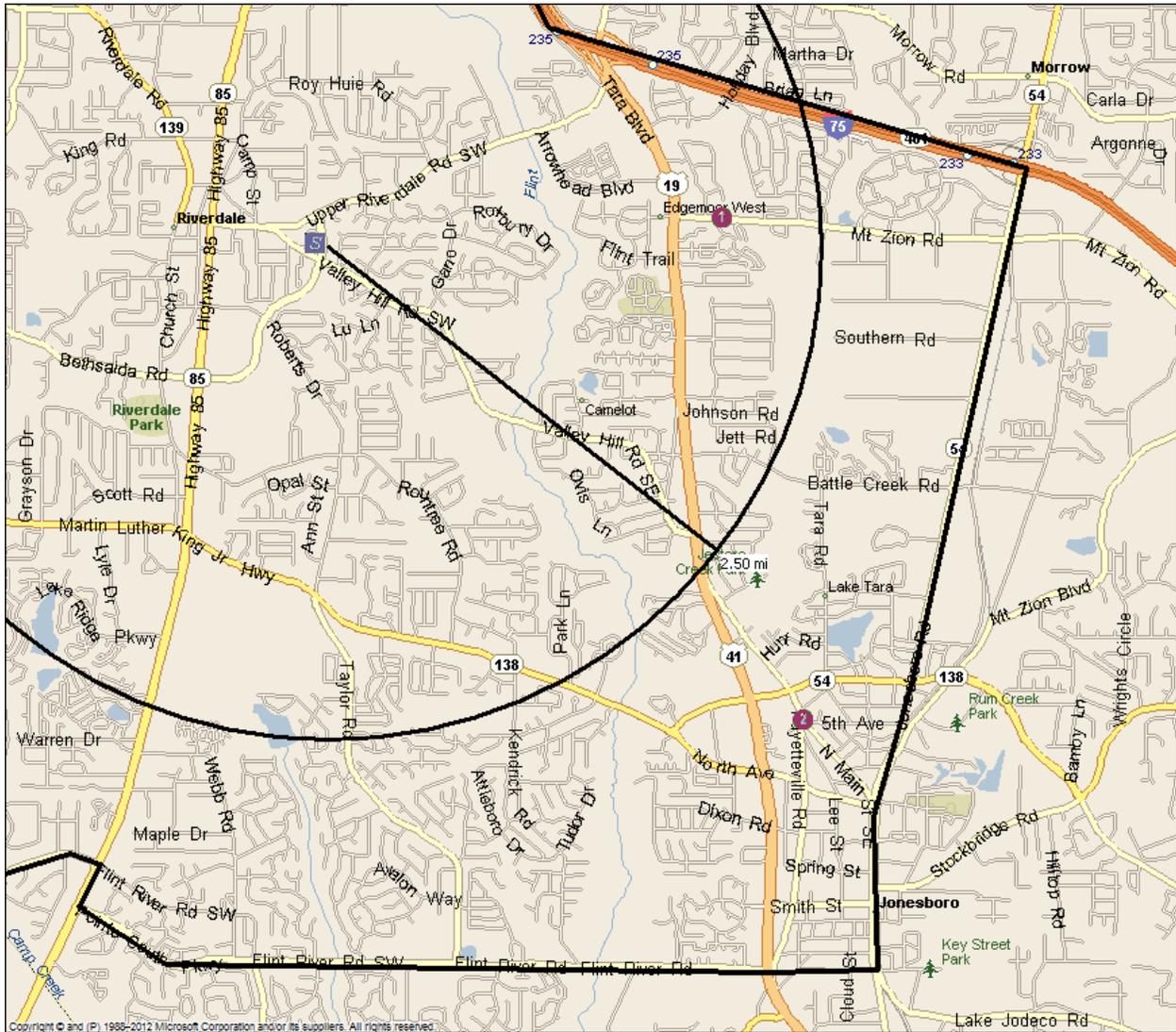
### Phased Developments

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 Riverdale, 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	Status
1	The Park At Mount Zion*	Jonesboro	LIHTC	2.1 miles	Existing
2	Townview Manor	Jonesboro	Senior LIHTC	3.5 miles	Proposed

\*Utilized as a comparable

### 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.

UNIT MATRIX REPORT											
Comp #	Valley Hill Senior Apartments	Ashton Walk Senior Apartments	Princeton Court	Regal Park	The Legacy At Walton Lakes	The Park At Mount Zion	Averly Apartments	Emerald Pointe Apartments	Shadow Ridge Apartments	Stratford Arms Apartments	Tara Bridge
Subject	1	2	3	4	5	6	7	8	9	10	
<b>Property Information</b>											
Property Type	Duplex (age-restricted)	Lowrise (age-restricted) (3 stories)	Lowrise (age-restricted) (3 stories)	Garden (3 stories)	Garden (age-restricted) (3 stories)	Various (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (3 stories)	Various	Garden (3 stories)
Year Built / Renovated	2000 / Proposed	2006 / n/a	2006 / n/a	2005 / n/a	2008 / n/a	1971 / 2005	1990 / Ongoing	1983 / n/a	2000 / n/a	1982 / n/a	1988 / 2016
Market (Conv./Subsidy Type)	LIHTC	LIHTC	LIHTC/Market	LIHTC	LIHTC/Market	LIHTC	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	yes	yes	yes	no	no	yes	no	yes	no	yes	no
Sewer	yes	yes	yes	no	no	yes	no	yes	no	yes	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	no
<b>In-Unit Amenities</b>											
Balcony/Patio	yes	no	no	yes	yes	yes	no	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	no	no	yes	yes	no	no	no	yes	no	yes
Ceiling Fan	yes	no	no	yes	yes	no	yes	yes	yes	yes	yes
Fireplace	no	no	no	no	no	no	yes	no	no	no	yes
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Grab Bars	yes	no	no	no	no	no	no	no	no	no	no
Hand Rails	yes	no	no	no	yes	no	no	no	no	no	no
Microwave	no	no	no	no	no	no	no	no	yes	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	no	yes	no	yes	no	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	yes	no	no	yes	no	no	no	no
Walk-In Closet	yes	no	yes	yes	yes	yes	yes	no	yes	no	yes
Washer/Dryer	yes	no	no	no	no	yes	no	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
<b>Property Amenities</b>											
Business Center/Computer Lab	yes	yes	yes	yes	yes	no	yes	no	yes	no	no
Car Wash	no	no	no	yes	no	no	no	no	yes	no	yes
Clubhouse/Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Courtyard	yes	no	no	no	yes	no	no	no	no	no	no
Elevators	no	yes	yes	no	yes	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes
Garage	no	no	no	yes	yes	no	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes	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	yes	yes	yes	no	yes	yes	yes	yes	no
Playground	no	no	no	yes	no	yes	yes	yes	yes	yes	yes
Recreation Areas	yes	no	no	no	no	no	no	no	no	no	no
Service Coordination	yes	no	no	no	yes	no	no	no	no	no	no
Swimming Pool	no	no	no	yes	no	yes	yes	yes	yes	yes	yes
Tennis Court	no	no	no	yes	no	no	yes	no	yes	yes	yes
Theatre	no	no	yes	no	yes	no	no	no	no	no	no
Wi-Fi	yes	no	no	no	no	no	no	no	no	no	no
Garage Fee	N/A	N/A	N/A	\$85.00	\$150.00	N/A	N/A	N/A	N/A	N/A	N/A
<b>Services</b>											
Adult Education	yes	yes	no	no	yes	no	no	no	no	no	no
Shuttle Service	no	yes	no	no	yes	no	no	no	no	no	no
<b>Security</b>											
In-Unit Alarm	no	no	yes	no	no	no	yes	no	yes	no	yes
Intercom (Buzzer)	no	no	yes	no	yes	no	no	no	no	no	no
Limited Access	no	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Patrol	no	no	yes	no	no	yes	no	no	no	no	yes
Perimeter Fencing	yes	no	yes	no	yes	yes	yes	yes	no	no	yes
<b>Premium Amenities</b>											
Hairdresser / Barber	no	no	yes	no	yes	no	no	no	no	no	no
Medical Professional	no	yes	no	no	yes	no	no	no	no	no	no
<b>Other Amenities</b>											
Other	Health & Wellness program, billiards area, garden		Wellness Center, Library		Library, Gardening		n/a	n/a	n/a	n/a	n/a

The Subject's unit amenities will generally be slightly superior to the LIHTC comparables and similar to slightly superior to the market rate comparables, some of which offer fireplaces, microwaves, and vaulted ceilings, none of which will be offered at the Subject. However, the units at the Subject will include grab bars and hand rails, emergency pull cords, and in-unit washer/dryer, which are not offered at the majority of the comparables. In terms of project amenities, the Subject will also generally be similar to the LIHTC comparables and slightly superior to the market rate comparables, as the Subject offers a health and wellness program,

billiards area, community garden, and free wireless internet in the community room, all of which are not offered at the majority of the comparables. However, the majority of the comparables offer a swimming pool, which will not be offered at the Subject. Additionally, the Subject will offer similar to slightly inferior security features, as the majority of the comparables offer limited access and security patrol.

The Subject will offer generally similar to slightly superior in-unit and community amenities in comparison to the senior comparables, as the Subject will offer patios, exterior storage, ceiling fans, in-unit washer/dryers, courtyards, and free wireless internet in the community room, all of which are not offered at the majority of the senior comparables.

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

5. The Subject will target senior households age 62 and older. It should be noted there are no senior unsubsidized properties in the PMA; therefore, we have included three senior LIHTC comparable properties located outside the PMA. In order to supplement the LIHTC and market rate data, we have also included two LIHTC family properties and five unrestricted family properties.

**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>
Ashton Walk Senior Apartments*	Senior LIHTC	150	0	0.0%
Princeton Court*	Senior LIHTC/Market	116	0	0.0%
Regal Park*	LIHTC	168	4	2.4%
The Legacy At Walton Lakes*	Senior LIHTC/Market	126	0	0.0%
The Park At Mount Zion	LIHTC	193	1	0.5%
Averly Apartments	Market	362	25	6.9%
Emerald Pointe Apartments	Market	196	3	1.5%
Shadow Ridge Apartments	Market	294	50	17.0%
Stratford Arms Apartments	Market	100	4	4.0%
Tara Bridge	Market	220	20	9.1%
<b>Total LIHTC</b>		<b>753</b>	<b>5</b>	<b>0.7%</b>
<b>Total Market</b>		<b>1,172</b>	<b>102</b>	<b>8.7%</b>
<b>Total Market (excluding outliers)</b>		<b>658</b>	<b>32</b>	<b>4.9%</b>
<b>Total Senior</b>		<b>392</b>	<b>0</b>	<b>0.0%</b>
<b>Total</b>		<b>1,925</b>	<b>107</b>	<b>5.6%</b>
<b>Total (excluding outliers)</b>		<b>1,411</b>	<b>37</b>	<b>2.6%</b>

\*Located outside the PMA

As illustrated, vacancy rates in the market range from zero to 17.0 percent, averaging 5.6 percent. The comparable senior properties all reported vacancy rates of zero percent. The LIHTC comparable properties have vacancy rates ranging from zero to 2.4 percent, with an average vacancy rate of 0.7 percent and only two LIHTC properties reported vacant units. The market

rate comparables are experiencing vacancy rates ranging from 1.5 percent to 17.0 percent with an average vacancy rate of 8.7 percent. Two comparable properties located inside of the PMA, Shadow Ridge Apartments and Tara Bridge, reported a vacancy rate greater than seven percent. It should be noted that Tara Bridge offers 220 total units; however, all 20 vacant units are offline due to renovations. The property manager at Shadow Ridge Apartments reported that the property was formerly a LIHTC development that has recently converted to market rate, and indicated the high vacancy rate is due to tenants leaving that no longer income qualify to live at the property. Excluding these two properties, the market rate comparables are experiencing an average vacancy rate of 4.9 percent, and the overall average vacancy rate is 2.6 percent.

According to the rent roll dated October 24, 2016, the Subject was 98.6 percent occupied with one vacant unit. 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, Townview Manor, a three-story, 60-unit property was recently allocated LIHTC’s in 2015 with an estimated completion date of January 2017. It will be located at 8099 North Main Street. The property will target seniors and will offer one and two-bedroom units at 50 and 60 percent of AMI. This property will directly compete with the Subject. 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	Ashton Walk Senior Apartments	Senior LIHTC	Similar	Inferior	Slightly Inferior	Similar	Slightly Superior	-10
2	Princeton Court	Senior LIHTC/Market	Similar	Slightly Inferior	Slightly Inferior	Similar	Similar	-10
3	Regal Park	LIHTC	Slightly Inferior	Slightly Inferior	Slightly Inferior	Similar	Superior	-5
4	The Legacy At Walton Lakes	Senior LIHTC/Market	Similar	Similar	Slightly Superior	Similar	Superior	15
5	The Park At Mount Zion	LIHTC	Slightly Inferior	Slightly Inferior	Similar	Slightly Inferior	Superior	-5
6	Averyly Apartments	Market	Slightly Inferior	Slightly Inferior	Similar	Slightly Inferior	Superior	-5
7	Emerald Pointe Apartments	Market	Slightly Inferior	Slightly Inferior	Similar	Inferior	Superior	-10
8	Shadow Ridge Apartments	Market	Slightly Inferior	Slightly Inferior	Similar	Slightly Inferior	Superior	-5
9	Stratford Arms Apartments	Market	Slightly Inferior	Slightly Inferior	Similar	Inferior	Superior	-10
10	Tara Bridge	Market	Slightly Inferior	Slightly Inferior	Similar	Slightly Inferior	Similar	-15

\*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.

<b>LIHTC RENT COMPARISON - @50%</b>	
<b>Property Name</b>	<b>1BR</b>
Valley Hill Senior Apartments (Subject) - Proposed	\$598
Valley Hill Senior Apartments (Subject) - Current	\$595
<b>LIHTC Maximum (Net)</b>	<b>\$598</b>
<b>Hold Harmless LIHTC Maximum (Net)</b>	<b>\$638</b>
Princeton Court	\$595
<b>Average (excluding Subject)</b>	<b>\$595</b>
<b>NOVOCO's Estimated Achievable Rent</b>	<b>\$598</b>

<b>LIHTC RENT COMPARISON - @60%</b>		
<b>Property Name</b>	<b>1BR</b>	<b>2BR</b>
Valley Hill Senior Apartments (Subject) - Proposed	\$729	\$872
Valley Hill Senior Apartments (Subject) - Current	\$675	\$775
<b>LIHTC Maximum (Net)</b>	<b>\$729</b>	<b>\$872</b>
<b>Hold Harmless LIHTC Maximum (Net)</b>	<b>\$777</b>	<b>\$929</b>
Ashton Walk Senior Apartments	\$718	\$860
		\$765
Princeton Court	\$635	\$745
Regal Park	\$722	\$786
The Legacy At Walton Lakes	\$718	\$844
		\$720
The Park At Mount Zion	-	\$710
<b>Average (excluding Subject)</b>	<b>\$698</b>	<b>\$776</b>
<b>NOVOCO's Estimated Achievable Rent</b>	<b>\$729</b>	<b>\$872</b>

The Subject’s proposed rents are set at the maximum allowable levels for all unit types. Three of the comparables, Ashton Walk Senior Apartments, The Legacy At Walton Lake, and The Park At Mount Zion, 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 generally above the Subject’s current asking LIHTC rents and we believe the proposed rents are appropriately positioned at the maximum allowable levels.

Based on our similarity matrix, Ashton Walk Senior Apartments and Regal Park will be the most similar LIHTC comparables relative to the Subject. Ashton Walk Senior Apartments was constructed in 2006 and exhibits similar condition relative to the Subject post-renovation. This comparable offers inferior unit amenities, similar property amenities, a slightly inferior location, and slightly superior unit sizes. Regal Park was constructed in 2005, and exhibits similar condition relative to the Subject post-renovation. This comparable offers slightly inferior in-unit and common area amenities, a slightly inferior location, and superior unit sizes. 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 99.3 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.

<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 Over Surveyed Average</b>
1 BR @50%	\$598	\$595	\$1,022	\$779	-23.3%
1 BR @60%	\$729	\$595	\$1,022	\$779	-6.4%
2 BR @60%	\$872	\$699	\$1,211	\$881	-1.0%

The Subject’s proposed net LIHTC rents are substantially below comparable average adjusted market rents, providing a significant tenant rent advantage. The Subject’s proposed one and two-bedroom LIHTC rents will offer a 1.0 to 23.3 percent advantage over the average market rents.

Averly Apartments and Shadow Ridge Apartments are the most similar market rate comparables and these properties reported occupancy rates of 93.1 and 83.0 percent, respectively. The property manager at Shadow Ridge Apartments reported that the property was formerly a LIHTC development that has recently converted to market rate, and indicated the high vacancy rate is due to tenants leaving that no longer income qualify to live at the property. The Subject will offer a slightly superior in-unit and property amenities relative to both of these comparables but offers a similar location, slightly superior condition and slightly smaller 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.

### Achievable Market Rent

The maximum achievable rents were determined by comparing the aesthetic quality, amenities, unit sizes, etc. to that of the market rate projects in the area. Novogradac & Company concluded that the Subject will be competitive with the market rate competition. Achievable rents represent net market rate rent levels that we believe a project of the Subject's condition and quality could reasonably achieve.

SUBJECT COMPARISON TO MARKET RENTS						
Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage Over Achievable Market Rents
1 BR @50%	\$598	\$595	\$1,022	\$779	\$800	-25.3%
1 BR @60%	\$729	\$595	\$1,022	\$779	\$800	-8.9%
2 BR @60%	\$782	\$699	\$1,211	\$881	\$950	-17.7%

As illustrated above, the Subject's proposed LIHTC rents provide a rent advantage of 8.9 to 17.7 percent over NOVOCO's estimated achievable market rate rents. We have placed reliance on Emerald Pointe Apartments and The Legacy At Walton Lakes. In our final analysis, we have set the achievable market rate rents for the one and two-bedroom rents within the range of rents being achieved at these properties. These figures are presented in the above table, which is inclusive of market rate units only.

Emerald Pointe Apartments is 196-unit market rate development that offers one, two, and three-bedroom units. The development is located in Riverdale, approximately 0.1 miles south of the Subject, within a similar location. Emerald Pointe Apartments was constructed in 1983 and exhibits average condition, which will be inferior to the Subject upon renovation. Emerald Pointe Apartments is currently 98.5 percent occupied, which management reported as typical for the property. The Subject will offer slightly smaller unit sizes, superior in-unit amenities, and superior community amenities when compared to Emerald Pointe Apartments. The Subject will offer exterior storage, a garbage disposal, grab bars and handrails, emergency pull cords, walk-in closets, in-unit washer/dryer, a business center/computer lab, courtyard, service coordination, and Wi-Fi access; all amenities not offered at Emerald Pointe.

The Legacy At Walton Lakes is a 126-unit senior LIHTC/market rate development that offers one and two-bedroom units. The development is located in Atlanta, approximately 10.6 miles northwest of the Subject, a slightly superior location. The Legacy At Walton Lakes was constructed in 2008 and exhibits good condition, which will be similar to the Subject upon renovation. The development offers two bathrooms in its two-bedroom units, which is slightly superior to the Subject, and is currently 100 percent occupied. The Subject will offer smaller unit sizes, similar in-unit amenities, and slightly inferior community amenities when compared to The Legacy At Walton Lakes. The Subject will offer in-unit washers and dryers, grab bars, and Wi-Fi access; all amenities not offered at The Legacy At Walton Lakes. However, The Legacy At Walton Lakes offers garage parking, theatre/media room, transportation services, and a hairdresser/beauty shop; all amenities not offered at the Subject.

For these reasons, we have estimated the Subject’s achievable market rate rents above the rents of Emerald Pointe Apartments and below the rents of The Legacy At Walton Lakes. We have concluded to an achievable market rate rent of \$800 for the one-bedroom units and \$950 for the two-bedroom units.

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

There is one recently funded LIHTC project in the PMA. According to the Georgia Department of Community Affairs, Townview Manor, a three-story, 60-unit property was recently allocated LIHTC’s in 2015 with an estimated completion date of January 2017. It will be located at 8099 North Main Street. The property will target seniors and will offer one and two-bedroom units at 50 and 60 percent of AMI. This property will directly compete with the Subject upon completion.

### 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 (62+)				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	3,114	77.5%	904	22.5%
2010	3,114	62.2%	1,895	37.8%
2016	4,051	66.3%	2,056	33.7%
Projected Mkt Entry November 2017	4,335	66.2%	2,212	33.8%
2021	5,117	65.9%	2,644	34.1%

Source: ESRI Demographics 2016, Novogradac & Company LLP, 10/2016

In the PMA, as of 2016, senior renter-occupied housing accounts for 33.7 percent of households, while approximately 66.3 percent of senior 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 senior renter households in the PMA is projected to increase by 588 households.

*Historical Vacancy*

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

<b>HISTORICAL VACANCY</b>						
<b>Comparable Property</b>	<b>Type</b>	<b>Total Units</b>	<b>3QTR 2013</b>	<b>2QTR 2014</b>	<b>2QTR 2015</b>	<b>3QTR 2016</b>
Ashton Walk Senior Apartments*	Senior LIHTC	150	12.0%	4.0%	4.7%	0.0%
Princeton Court*	Senior LIHTC/Market	116	3.4%	1.7%	0.0%	0.0%
Regal Park*	LIHTC	168	N/A	1.2%	N/A	2.4%
The Legacy At Walton Lakes*	Senior LIHTC/Market	126	4.0%	N/A	0.0%	0.0%
The Park At Mount Zion	LIHTC	193	N/A	N/A	N/A	0.5%
Averly Apartments	Market	362	N/A	N/A	0.0%	6.9%
Emerald Pointe Apartments	Market	196	N/A	N/A	N/A	1.5%
Shadow Ridge Apartments	Market	294	8.8%	N/A	N/A	17.0%
Stratford Arms Apartments	Market	100	N/A	N/A	N/A	4.0%
Tara Bridge	Market	220	N/A	N/A	2.3%	9.1%
<b>Total/Average</b>		<b>1,997</b>	<b>7.1%</b>	<b>2.3%</b>	<b>1.4%</b>	<b>4.1%</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 October 24, 2016, the Subject was 98.6 percent occupied with one vacant unit. 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.

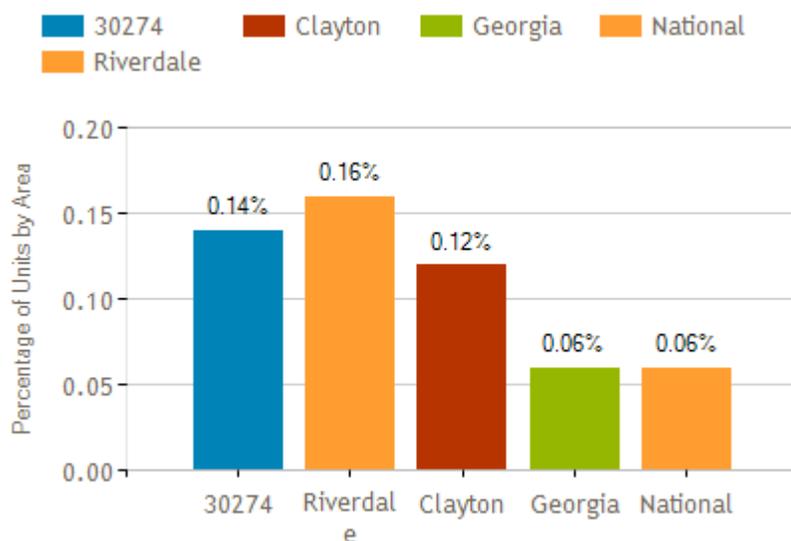
<b>RENT GROWTH</b>		
<b>Property Name</b>	<b>Rent Structure</b>	<b>Rent Growth</b>
Ashton Walk Senior Apartments*	Senior LIHTC	Increased 15-16% since 1Q 2015
Princeton Court*	Senior LIHTC/Market	Decreased 0-16% since 3Q 2015
Regal Park*	LIHTC	Increased 2-3% since 2Q 2016
The Legacy At Walton Lakes*	Senior LIHTC/Market	MR increased 7-11% since 2Q 2015
The Park At Mount Zion	LIHTC	Increased 4.6% since 4Q 2015
Averly Apartments	Market	Changes Daily
Emerald Pointe Apartments	Market	None
Shadow Ridge Apartments	Market	Fluct. 3-4% since 2Q 2016
Stratford Arms Apartments	Market	Changes daily
Tara Bridge	Market	Increased 7-16% since 2Q 2016

\*Located outside PMA

Only one of the LIHTC comparables reported a rent decrease since 2015, while four reported rent increases. Two of the senior comparables reported rent increases over the past year, and one senior comparable reported rent decreases. Two of the market rate comparables reported a rent increase, one reported no change, and three reported rent prices changing daily. 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 153 properties in the Subject’s zip code (30274) that are in some stage of foreclosure (default, auction or bank owned) while the number of homes listed for sale on RealtyTrac is 42. In September 2016, the number of properties that received a foreclosure filing in the Subject’s zip code was six percent higher than the previous month and 47 percent lower than the same time last year. Home sales for August 2016 were up 278 percent compared with the previous month and up 3,300 percent compared with last year. The median sales price of a non-distressed home was \$60,050. The median sales price of a foreclosure home was \$46,850, or 22 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, 10/2016

As indicated above, the foreclosure rate in the Subject’s zip code is below that of the city, and above that of the 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 0.7 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 72 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 0.7 percent. Additionally, two 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 two of the comparables utilized in this report were able to provide absorption information, however these properties were built in 2006 and 2008 and absorption information is considered dated. Due to the dated absorption information from the comparables, we have extended our search for absorption data to the greater Atlanta metropolitan area. The properties are located within a 20 mile radius of the Subject site. The following table illustrates four LIHTC and three market rate properties that were built since 2012 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>
Panola Gardens	LIHTC	Senior	2015	84	20
Betmar Village Apartments	LIHTC	Senior	2014	47	47
Baptist Gardens	LIHTC	Senior	2013	100	15
Gateway At East Point	LIHTC	Senior	2012	100	25
Square On Fifth	Market	Family	2015	270	45
Steelworks	Market	Family	2014	317	21
University House	Market	Family	2015	268	30
<b>Average</b>				<b>169</b>	<b>29</b>

\*Utilized as a comparable

As illustrated, absorption rates range from 15 to 47 units per month, with an overall average of 29 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 three months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 98.6 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 15 market rate units will be need to be reabsorbed, which should take approximately one month at 15 units per month.

## **J. INTERVIEWS**

**INTERVIEWS**

**Housing Authority**

According to Janet Wiggins with the Jonesboro Housing Authority, in Clayton County, 1,877 vouchers are administered by the agency, and approximately 1,718 vouchers are in use. The remaining vouchers are not in use due to lack of funding. The Housing Choice Voucher waiting list closed on October 9, 2015 and currently holds approximately 1,251 households. The following table illustrates the current gross rent payment standards.

CLAYTON COUNTY PAYMENT STANDARDS	
Bedroom Type	Payment Standard Rent
1BR	\$772
2BR	\$891

The Subject’s proposed gross one and two-bedroom LIHTC rents are below the current payment standards.

**Planning**

We attempted to speak to the Riverdale Planning and Zoning Department; however, our phone calls and emails were not returned.

We consulted a REIS report for information regarding new, proposed, or under construction in the PMA; there are currently no new, proposed, or under construction developments in the PMA.

There is one recently funded LIHTC project in the PMA. According to the Georgia Department of Community Affairs, Townview Manor, a three-story, 60-unit property was recently allocated LIHTC’s in 2015 with an estimated completion date of January 2017. It will be located at 8099 North Main Street. The property will target seniors and will offer one and two-bedroom units at 50 and 60 percent of AMI. This property will directly compete with the Subject upon completion.

**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 is projected to increase at a 0.7 percent annual rate from 2016 to 2021, similar to that of the nation, while total population in the MSA is projected to increase at a 1.4 percent annual rate over the same time period. Senior population growth in the PMA is expected to increase at an annual rate of 4.3 percent from 2016 through 2021, which is considered a positive indication when compared to the nation's projected growth of 3.3 percent. Senior population growth in the MSA will outpace that of the PMA and nation as a whole through 2021 at a rate of 4.5 percent annually. The share of senior renter-occupied units in the PMA is lower than in the MSA. It should be noted that the percentage of senior renter-occupied units in the PMA is expected to increase by 0.4 percent through 2021.

Senior renter households earning under \$40,000 in the PMA comprise 76.7 percent of all income cohorts. The Subject will target households earning from \$19,590 to \$33,480 under the LIHTC program and households. 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 August 2015 to August 2016, total employment in the MSA increased 4.1 percent compared to an increase of 1.7 percent nationally. The unemployment rate in the MSA peaked at 10.3 percent in 2010, and has been declining each subsequent year. From August 2015 to August 2016, the unemployment rate in the MSA decreased by 60 basis points to 5.0 percent, while the national unemployment rate decreased by 20 basis points to 5.0 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 transportation/warehousing, health care/social assistance, and retail trade. Together, these three industries make up 36.2 percent of total employment in the PMA. Compared to the nation, the PMA is overly represented in sectors such as transportation/warehousing, public administration, and wholesale trade, and underrepresented in the manufacturing, health care/social assistance, and accommodation/food services sectors. Conversely, the PMA has a lower percentage of employment within the manufacturing, professional/scientific/technical services, and health care/social assistance sectors when compared to the nation. 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 60 percent AMI level will range from 11.7 to 18.1 percent, with an overall capture rate of 17.0 percent. The Subject's overall capture rates will range from 5.5 to 10.9 percent, with an overall capture rate of 9.7 percent. It should be noted that the Subject's 50 percent AMI units are fully

occupied and all tenants will remain income qualified. Therefore, we believe there is more than adequate demand for the Subject.

- Only two of the comparables utilized in this report were able to provide absorption information, however these properties were built in 2006 and 2008 and absorption information is considered dated. Due to the dated absorption information from the comparables, we have extended our search for absorption data to the greater Atlanta metropolitan area. The properties are located within a 20 mile radius of the Subject site. The following table illustrates four LIHTC and three market rate properties that were built since 2012 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>
Panola Gardens	LIHTC	Senior	2015	84	20
Betmar Village Apartments	LIHTC	Senior	2014	47	47
Baptist Gardens	LIHTC	Senior	2013	100	15
Gateway At East Point	LIHTC	Senior	2012	100	25
Square On Fifth	Market	Family	2015	270	45
Steelworks	Market	Family	2014	317	21
University House	Market	Family	2015	268	30
<b>Average</b>				<b>169</b>	<b>29</b>

\*Utilized as a comparable

As illustrated, absorption rates range from 15 to 47 units per month, with an overall average of 29 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 three months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 98.6 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 converting to LIHTC and the vacant LIHTC units will be need to reabsorbed; as such, we have assumed all 15 market rate units will be need to be reabsorbed, which should take approximately one month at 15 units per month.

- Vacancy rates in the market range from zero to 17.0 percent, averaging 5.6 percent. The comparable senior properties all reported vacancy rates of zero percent. The LIHTC comparable properties have vacancy rates ranging from zero to 2.4 percent, with an average vacancy rate of 0.7 percent and only two LIHTC properties reported vacant units. The market rate comparables are experiencing vacancy rates ranging from 1.5 percent to 17.0 percent with an average vacancy rate of 8.7 percent. Two comparable properties located inside of the PMA, Shadow Ridge Apartments and Tara Bridge, reported a vacancy rate greater than seven percent. It should be noted that Tara Bridge offers 220

total units; however, all 20 vacant units are offline due to renovations. The property manager at Shadow Ridge Apartments reported that the property was formerly a LIHTC development that has recently converted to market rate, and indicated the high vacancy rate is due to tenants leaving that no longer income qualify to live at the property. Excluding these two properties, the market rate comparables are experiencing an average vacancy rate of 4.9 percent, and the overall average vacancy rate is 2.6 percent.

According to the rent roll dated October 24, 2016, the Subject was 98.6 percent occupied with one vacant unit. 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 0.7 percent. Additionally, two comparable LIHTC properties maintain waiting lists. Further, the Subject currently maintains a waiting list of 35 households.

The Subject's proposed rents are within the range of rents at the LIHTC comparables and higher than current rents 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.

## **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-only 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.



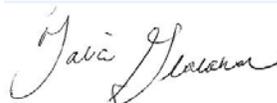
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Talia Gbolahan  
Researcher

## 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 Due Diligence, Consulting, or Valuation 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
- 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.
- 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.

# **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.