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**MARKET VALUATION OF:**

# **MEADOW LANE APARTMENTS**

**A MARKET VALUATION OF:**  
**MEADOW LANE**  
**APARTMENTS**

22 Tamassee Lane  
Rome, Floyd County, Georgia 30165

Effective Date: April 20, 2017  
Report Date: May 18, 2017

Prepared for:  
Mr. Craig Cobb  
LHP Development, LLC  
900 South Gay Street, Suite 2000  
Knoxville, Tennessee 37902

Assignment Code: LHP602V-004

Prepared by:  
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May 18, 2017

Mr. Craig Cobb  
LHP Development, LLC  
900 South Gay Street, Suite 2000  
Knoxville, Tennessee 37902

Re: Appraisal of Meadow Lane Apartments  
22 Tamassee Lane  
Rome, Floyd County, Georgia 30165

Dear Mr. Cobb:

We are pleased to present our findings with respect to the value of the above-referenced property, Meadow Lane Apartments (Subject). The Subject is an existing 120-unit Section 8 and market rate multifamily property that is proposed for Low Income Housing Tax Credit (LIHTC) renovation. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA). We are concurrently preparing a DCA application market study for the Subject property. We provided several value estimates of both tangible and intangible assets, described and defined below:

- Land Value.
- Market Value “As Is”
- Prospective Market Value “upon completion and stabilization” – Assuming Restricted Rents.
- Hypothetical Market Value “upon completion and stabilization” – Assuming Unrestricted Rents.
- Prospective Market Value at Loan Maturity Assuming Unrestricted Rents
- Valuation of Tax Credits.
- Favorable Financing.

This letter serves as an introduction to the attached appraisal. Thus, the value opinions expressed in this introduction letter must be taken in context with the full appraisal report. It should be noted that we have simultaneously prepared a market study for property that is the Subject of this report. We have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

LHP Development, LLC is the client in this engagement. We understand that they will use this document for submittal to the Georgia Department of Community Affairs (DCA) as part of a Low Income Housing Tax Credit (LIHTC) application. Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies (including Georgia Department of Community Affairs), state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, LHP Development, LLC owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

This report complies with the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation and FIRREA Title XI, 12 CFR Part 323(FDIC), and 12 CFR Part 34 (RTC), and the Code of Ethics & of Professional Practice of the Appraisal Institute. It also complies with Appraisal Institute, Housing Development Corporation of Floyd, and Georgia DCA guidelines.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated market value of the fee simple interest in the Subject “as if vacant and encumbered” (land value), free and clear of financing, as of April 20, 2017, is:

**NINE HUNDRED THOUSAND DOLLARS**  
**(\$900,000)**

The Subject’s fee simple market value assuming current contract rents “**As Is**”, as of April 20, 2017 is:

**SEVEN MILLION ONE HUNDRED THOUSAND DOLLARS**  
**(\$7,100,000)**

The Subject’s prospective fee simple market value of the real estate assuming restricted rents “**As Proposed**”, on July 2019, as of April 20, 2017 is:

**NINE MILLION EIGHT HUNDRED THOUSAND DOLLARS**  
**(\$9,800,000)**

The Subject’s hypothetical leased fee market value of the real estate assuming unrestricted rents “**As Proposed**”, on July 2019, as of April 20, 2017 is:

**TEN MILLION ONE HUNDRED THOUSAND DOLLARS**  
**(\$10,100,000)**

The prospective market value at 30 years (loan maturity) of the Subject’s fee simple interest, subject to the rental restrictions in the year 2047, as of April 20, 2017, is:

**ELEVEN MILLION DOLLARS**  
**(\$11,000,000)**

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<sup>1</sup> 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2047, as of April 20, 2017, is:

**ELEVEN MILLION FOUR HUNDRED THOUSAND DOLLARS  
(\$11,400,000)**

*Please refer to the assumptions and limiting conditions regarding the restricted valuation and hypothetical conditions.*

*The HUD contract rents are below market rents for the Subject as is and as renovated. As such, a rent increase based upon the Rent Comparability Study (RCS) prepared by John E. Doyle, MAI with Doyle Real Estate Advisors, LLC effective February 2017 would suggest increases are possible. It is a specific extraordinary assumption of this report that an increase in Contract Rents will occur and, as such, we are utilizing achievable market rents in the determination of potential gross income for the property's Section 8 units. This is considered reasonable based on HUD regulations and the expectation of a typical purchaser.*

If appropriate, the scope of our work includes an analysis of current and historical operating information provided by management. This unaudited data was not reviewed or compiled in accordance with the American Institute of Certificate Public Accountants (AICPA), and we assume no responsibility for such unaudited statements.

We also used certain forecasted data in our valuation and applied generally accepted valuation procedures based upon economic and market factors to such data and assumptions. We did not examine the forecasted data or the assumptions underlying such data in accordance with the standards prescribed by the AICPA and, accordingly, do not express an opinion or any other form of assurance on the forecasted data and related assumptions. The financial analyses contained in this report are used in the sense contemplated by the USPAP. Furthermore, there will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material.

Our value conclusion was based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion were not considered. We are not responsible for updating or revising this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,  
Novogradac & Company LLP



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Brian Neukam  
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GA Certified General Appraiser #329471

# TABLE OF CONTENTS

<b>I.</b>	<b>Executive Summary</b> .....	<b>1</b>
<b>II.</b>	<b>Factual Description</b> .....	<b>8</b>
	Appraisal Assignment and Valuation Approach.....	9
<b>III.</b>	<b>Regional And Local Analysis</b> .....	<b>11</b>
	Economic Analysis .....	13
	Demographic Analysis .....	20
	Primary Market Area (PMA).....	20
	Neighborhood Description and Analysis .....	26
<b>IV.</b>	<b>Analysis of the Subject</b> .....	<b>31</b>
	Description of the Site.....	32
	Description of the Improvements .....	35
	Assessment Value and Taxes .....	42
	Zoning.....	43
<b>V.</b>	<b>Competitive Rental Analysis</b> .....	<b>44</b>
	Survey of Comparable Projects .....	48
	Property Characteristics.....	100
	Market Characteristics.....	102
<b>VI.</b>	<b>Highest and Best Use</b> .....	<b>122</b>
<b>VII.</b>	<b>Appraisal Methodology</b> .....	<b>125</b>
<b>VIII.</b>	<b>Cost Approach</b> .....	<b>127</b>
	Land Valuation.....	128
<b>IX.</b>	<b>Income Capitalization Approach</b> .....	<b>138</b>
	Direct Capitalization .....	146
	Prospective Market Value at Loan Maturity.....	153
	Below Market Debt.....	159
	Intangible Value of Low Income Housing Tax Credits .....	160
<b>X.</b>	<b>Sales Comparison Approach</b> .....	<b>163</b>
	EGIM Analysis .....	171
	NOI/Unit Analysis.....	172
<b>XI.</b>	<b>Reconciliation</b> .....	<b>175</b>

<b>Addendum A</b>	<b>Assumptions and Limiting Conditions, Certification</b>
<b>Addendum B</b>	<b>Qualifications of Consultants</b>
<b>Addendum C</b>	<b>Subject Photos</b>
<b>Addendum D</b>	<b>Rent Roll</b>
<b>Addendum E</b>	<b>Purchase Agreement</b>
<b>Addendum F</b>	<b>Site and Floor Plans</b>

# **I. EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

### Property Appraised:

Meadow Lane Apartments (Subject) is an existing 120-unit Section 8/market rate multifamily property located at 22 Tamassee Lane, Rome, Georgia 30165. The property consists of 15 one-bedroom units, 60 two-bedroom units, 30 three-bedroom units, and 15 four-bedroom units, within 13 two-story garden-style buildings. Of the 120 units at the property, 114 are subject to Section 8 restrictions, while four units are market rate and one unit serves as a leasing office. Following renovations, 114 of the 120 units will continue to benefit from the HAP contract (Section 8 Contract No. GA06-L000-034), which expires December 31, 2017, at which point the owner will apply for a one year renewal. According to the rent roll dated February 28, 2017, the Subject is currently 100 percent occupied. The buildings are wood frame construction with slab concrete flooring, brick and vinyl siding exteriors, and pitched composition shingle roofs. The Subject was originally constructed in the 1973, is generally well maintained, and in overall average condition.

### Recent Operation:

The Subject property is currently operating as a mixed-income property. According to the Subject's historical audited financials, the Subject operated with a total vacancy rate (including collection loss) of 2.8 percent in 2014 and 2.2 percent in 2015. Based on a rent roll dated February 28, 2017, the Subject was 100 percent occupied with a waiting list of six to 12 months.

### Aerial Image:

The following image depicts the Subject site boundaries.



**Tax Map ID:** The Subject property is identified by the Floyd County Tax office as parcel H13X 270.

**Land Area:** The size of the Subject site is approximately 7.89 acres, according to the information obtained from the Floyd County Assessor’s office.

**Legal Interest Appraised:** The property interest appraised is fee simple estate, subject to any and all encumbrances, if applicable for each value estimate.

**Current Rents and Unit Mix:** Based on a rent roll received February 28, 2017, the current rents at the Subject are based on 30 percent of resident incomes, as the Subject operates as a Section 8 development. The following table illustrates the Subject’s current rents and unit mix.

**CURRENT RENTS**

Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
<i>Section 8</i>						
1BR/1BA	560	15	\$531	\$0	\$423	\$199
2BR/1BA	851	60	\$646	\$0	\$513	\$145
3BR/1BA	1,012	28	\$718	\$0	\$455	\$93
4BR/1BA	1,173	12	\$848	\$0	\$230	\$53
<i>Market Rate</i>						
3BR/1BA	1,012	2	\$514	\$513	\$514	\$514
4BR/1BA	1,173	2	\$542	\$542	\$542	\$542
<i>Non-Rental (Office)</i>						
3BR/1BA	1,012	1	N/A	N/A		N/A
<b>Total</b>		<b>120</b>				

\*An additional bathroom will be added as part of the renovation

The Subject is currently 100 percent occupied with a waiting list of six to 12 months in length depending on unit type. According to the Subject’s historical audited financials, the Subject operated with a total vacancy rate (including collection loss) of 2.8 percent in 2014 and 2.2 percent in 2015.

**Proposed Rents:**

The following table illustrates the proposed unit mix.

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross LIHTC Rent	2016 LIHTC Maximum Allowable Gross Rent (2)	Current Contract Rents	Proposed Post-Rehab Contract Rents
<i>60% AMI/Section 8*</i>								
1BD/1BA	560	15	\$456	\$91	\$547	\$547	\$531	\$800
2BD/1BA	851	60	\$550	\$107	\$657	\$657	\$646	\$900
3BD/1BA	1,021	27	\$619	\$139	\$758	\$758	\$718	\$1,000
4BD/1BA	1,173	13	\$683	\$163	\$846	\$846	\$858	\$1,100
<i>60% AMI</i>								
3BD/1BA	1,021	3	\$619	\$139	\$758	\$758	N/A	N/A
4BD/1BA	1,173	1	\$683	\$163	\$846	\$846	N/A	N/A
<i>Leasing Office</i>								
4BD/1BA		<u>1</u>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>		<b>120</b>						

(1) Utility Allowance provided by the developer, and based upon the approved Section 8 utility allowance for the Subject, effective 1/1/2017

(2) Rents in effect as of January 1, 2017, per DCA guidelines

\*All tenants pay 30 percent of their income towards rent, not to exceed the LIHTC rent limits

**Scope of Renovations:**

The Scope of renovations will be significant for the Subject. Renovations will reportedly have hard costs of renovations will reportedly be \$50,015 per unit, or \$6,001,781 for the entire property. The scope of renovations is detailed as follows:

Exterior Improvements include:

- Grading work, and repair and replacement for sidewalk and curbs
- Landscaping upgrades
- Parking lot milling, repair, sub-grading, repaving and striping
- New water lines
- New picnic area and playground
- New concrete at stairs
- Miscellaneous masonry repairs and exterior paint
- New stairs, landing, and handrails
- Replace roof, inclusive of shingles, fascia, soffits, gutters and downspouts
- New exterior doors
- New property signage and monument
- New mailbox arrays
- New stairwell lighting
- Conversion of existing four-bedroom unit into community space and office

- Existing office will be converted to a three-bedroom unit
- New video surveillance system

In-Unit Improvements include:

- Rebuild HVAC stands
- Reframe bedroom doors
- Floor joist and subfloor repair
- Replace vinyl base trim
- Add attic insulation
- New interior doors and hardware
- New window placement
- Drywall repair and replacement
- Replacement of tub-surrounds and tub resurfacing
- New doors and trim, including handrails
- Refinish existing wood floors and add vinyl tile
- New stovetop fire suppression
- New kitchen cabinets and countertops
- New bathroom vanities
- New appliance package, including refrigerators, stove, vent hoods, and microwaves
- Add dishwashers and in-unit washer/dryers
- New window treatments
- New Energy Star rated light fixtures
- New kitchen and bathroom sinks
- New bathroom ventilation fans
- New central air-conditioning units
- New gas lines
- Electrical panel and meter upgrades
- New smoke detectors
- Interior wall paint.

**Ownership History of the Subject:**

The Subject property is currently owned by 37 ML Apartments, LLC. There have been no transfers in the past three years. Currently, there is a proposed purchase agreement between LHP Development, LLC (buyer) and 37 ML Apartments, LLC, an unrelated entity, for \$6,000,000. Novogradac has concluded to an as is market value of approximately \$7,100,000, which suggests a buyer's advantage.

**Highest and Best Use  
"As If Vacant":**

Based on the recent development patterns, the highest and best use "as if vacant" would be to construct a 110-unit multifamily development with subsidy or gap financing, such as LIHTC.

**Highest and Best Use  
“As Improved”:**

The Subject currently operates as a mixed-income multifamily property in average condition. The property currently generates positive income and it is not deemed feasible to tear it down for an alternative use. Therefore, the highest and best use of the site, as improved, would be to continue to operate as an affordable and market rate multifamily housing development.

**Indications of Value:**

<b>VALUE OF UNDERLYING LAND</b>			
Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	110	\$8,200	\$900,000
<b>DIRECT CAPITALIZATION ANALYSIS - "AS IS"</b>			
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Is	6.8%	\$476,893	\$7,100,000
<b>DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"</b>			
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Renovated Restricted*	6.8%	\$658,561	\$9,800,000
As Renovated Unrestricted	6.8%	\$682,656	\$10,100,000
<b>EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"</b>			
Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is	6.5	\$1,097,250	\$7,100,000
As Renovated Restricted*	7.7	\$1,272,126	\$9,800,000
As Renovated Unrestricted	7.8	\$1,289,910	\$10,100,000
<b>NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"</b>			
Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Is	120	\$59,000	\$7,100,000
As Renovated Restricted*	132	\$82,000	\$10,800,000
As Renovated Unrestricted	132	\$84,000	\$11,100,000
<b>VALUE AT LOAN MATURITY - RESTRICTED</b>			
	Year	Indicated Value (Rounded)	
Restricted	30 years	\$11,000,000	
<b>VALUE AT LOAN MATURITY - UNRESTRICTED</b>			
	Year	Indicated Value (Rounded)	
Unrestricted	30 years	\$11,400,000	
<b>TAX CREDIT VALUATION</b>			
	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	\$5,221,758	0.95	\$4,960,000
State LIHTC	\$5,221,758	0.59	\$3,080,000

**Exposure Time:** 9-12 Months.

**Marketing Period:** 9-12 Months.

## **II. FACTUAL DESCRIPTION**

## **FACTUAL DESCRIPTION**

### **APPRAISAL ASSIGNMENT AND VALUATION APPROACH**

As requested, the appraisers provided several value estimates, described and defined below:

- Land Value.
- Market Value “As Is”
- Prospective Market Value “upon completion and stabilization” – Assuming Restricted Rents.
- Hypothetical Market Value “upon completion and stabilization” – Assuming Unrestricted Rents.
- Prospective Market Value at Loan Maturity Assuming Unrestricted Rents
- Valuation of Tax Credits.
- Favorable Financing.

In determining the value estimates, the appraisers employed the sales comparison and income capitalization approaches to value. The property is an existing affordable apartment community. The as is value was estimated via sales comparison approach of similar properties at similar life-cycle stage. Given the Subject’s restricted nature, age, and investment type, the cost approach is not considered a reliable method of valuation. It is generally not used by participants in the marketplace. In lieu of the cost approach, we have provided a land value as if vacant and an insurable value.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

#### **Property Identification**

The Subject property is located at 22 Tamassee Lane, Rome, Georgia 30165. The Subject property is identified by the Floyd County Assessor’s office parcel number H13X 270.

#### **Intended Use and Intended User**

LHP Development, LLC is the client in this engagement. We understand that they will use this document for submittal to the Georgia Department of Community Affairs (DCA) as part of a Low Income Housing Tax Credit (LIHTC) application. Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies (including Georgia Department of Community Affairs), state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, LHP Development, LLC owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

#### **Property Interest Appraised**

The property interest appraised is fee simple, subject to any and all encumbrances, if applicable for each value estimate.

#### **Date of Inspection and Effective Date of Appraisal**

The Subject was inspected by Novogradac on April 20, 2017, which will serve as the effective date for this report.

### **Scope of the Appraisal**

For the purposes of this appraisal, Novogradac visually inspected the Subject and comparable data. Individuals from a variety of city agencies as well as the Subject's development team were consulted (in person or by phone). Various publications, both governmental (i.e. zoning ordinances) and private (i.e. Multiple List Services publications) were consulted and considered in the course of completing this appraisal.

The scope of this appraisal is limited to the gathering, verification, analysis and reporting of the available pertinent market data. All opinions are unbiased and objective with regard to value. The appraiser made a reasonable effort to collect, screen and process the best available information relevant to the valuation assignment and has not knowingly and/or intentionally withheld pertinent data from comparative analysis. Due to data source limitations and legal constraints (disclosure laws), however, the appraiser does not certify that all data was taken into consideration. We believe the scope of work is appropriate for the problem stated.

For the purposes of this appraisal, we have utilized the sales comparison and income approach to complete this assignment based on the scope of work required. In lieu of a cost approach, we have provided a value of the land as if vacant.

### **Compliance and Competency Provision**

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations. Moreover, Advisory Opinion 14 acknowledges preparation of appraisals for affordable housing requires knowledge and experience that goes beyond typical residential appraisal competency including understanding the various programs, definitions, and pertinent tax considerations involved in the particular assignment applicable to the location and development. We believe our knowledge and experience in the affordable housing industry meets these supplemental standards.

### **Unavailability of Information**

In general, all information necessary to develop an estimate of value of the Subject property was available to the appraisers.

### **Furniture, Fixtures, and Equipment**

Removable fixtures such as kitchen appliances and hot water heaters are considered to be real estate fixtures that are essential to the use and operation of the complex. Supplemental income typically obtained in the operation of an apartment complex is included, and may include minor elements of personal and business property. As immaterial components, no attempt is made to segregate these items.

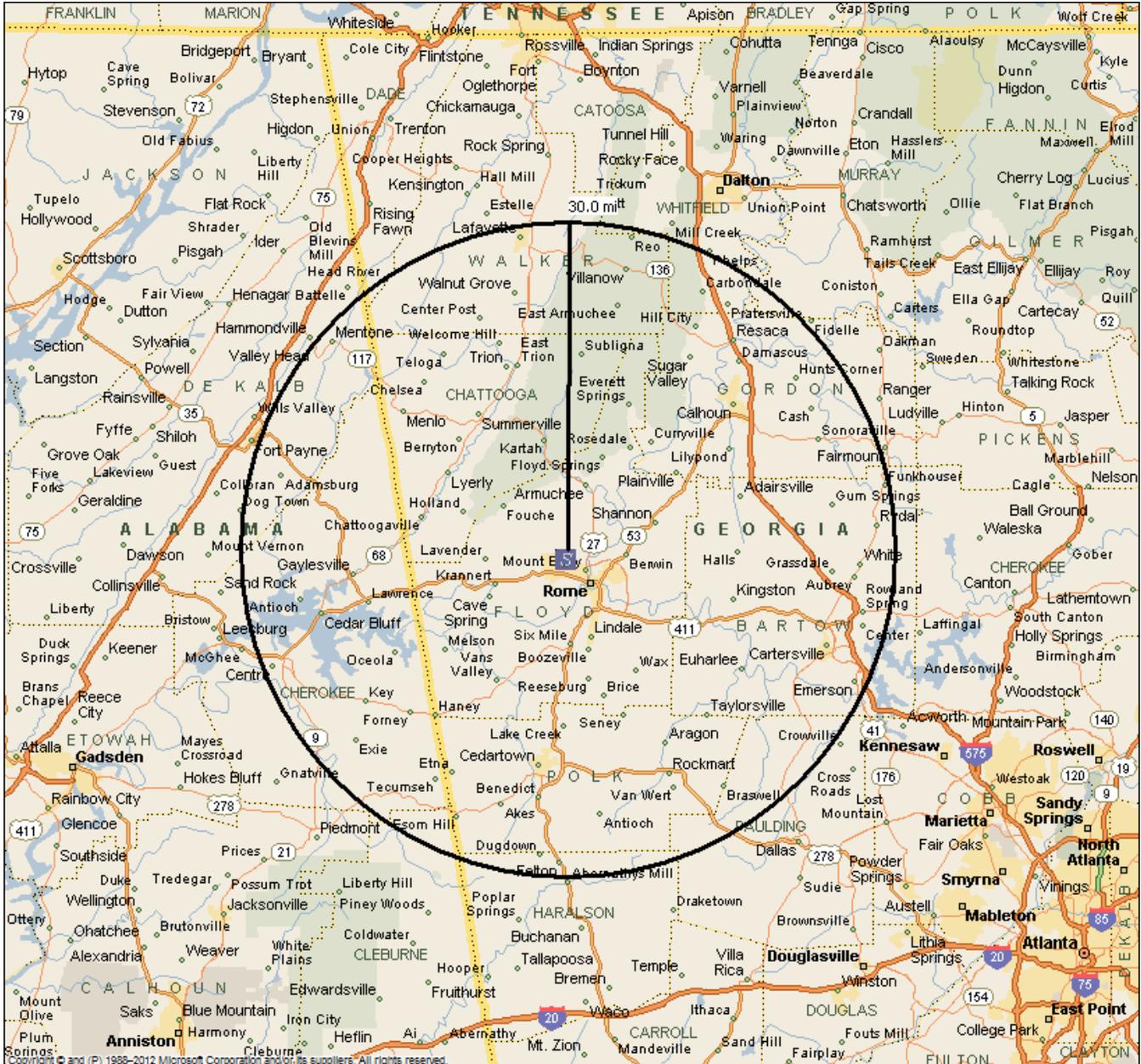
### **Ownership and History of Subject**

The Subject property is currently owned by 37 ML Apartments, LLC. There have been no transfers in the past three years. Currently, there is a proposed purchase agreement between LHP Development, LLC (buyer) and 37 ML Apartments, LLC, an unrelated entity, for \$6,000,000. Novogradac has concluded to an as is market value of approximately \$7,100,000, which suggests a buyer's advantage.

# **III. REGIONAL AND LOCAL AREA ANALYSIS**

## REGIONAL AND LOCAL AREA ANALYSIS

The Subject is located in Rome, Floyd County, Georgia, in the Rome, GA Metropolitan Statistical Area (MSA), which consists entirely of Floyd County. A map of the region is detailed below.



**ECONOMIC ANALYSIS**

**Employment by Industry**

The following table illustrates employment by industry for the PMA and the nation as of 2017.

**2017 EMPLOYMENT BY INDUSTRY**

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	5,923	15.1%	21,304,508	14.1%
Manufacturing	5,839	14.9%	15,499,826	10.2%
Educational Services	4,889	12.5%	14,359,370	9.5%
Retail Trade	3,873	9.9%	17,169,304	11.3%
Accommodation/Food Services	3,585	9.1%	11,574,403	7.7%
Construction	2,691	6.9%	9,342,539	6.2%
Other Services (excl Publ Adm)	1,971	5.0%	7,463,834	4.9%
Public Administration	1,953	5.0%	7,093,689	4.7%
Admin/Support/Waste Mgmt Srvcs	1,663	4.2%	6,511,707	4.3%
Prof/Scientific/Tech Services	1,517	3.9%	10,269,978	6.8%
Transportation/Warehousing	1,145	2.9%	6,128,217	4.1%
Finance/Insurance	924	2.4%	6,942,986	4.6%
Wholesale Trade	736	1.9%	4,066,471	2.7%
Utilities	677	1.7%	1,344,219	0.9%
Arts/Entertainment/Recreation	653	1.7%	3,416,474	2.3%
Real Estate/Rental/Leasing	585	1.5%	2,946,196	1.9%
Information	383	1.0%	2,862,063	1.9%
Agric/Forestry/Fishing/Hunting	180	0.5%	2,253,044	1.5%
Mining	0	0.0%	749,242	0.5%
<b>Total Employment</b>	<b>39,187</b>	<b>100.0%</b>	<b>151,298,070</b>	<b>100.0%</b>

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

The largest industries in the PMA are healthcare/social assistance, manufacturing, educational services, and retail trade. Positions in these industries account for 52.4 percent of all jobs in the area. The percentage of manufacturing jobs in the PMA is significantly larger than that of the nation. The healthcare/social assistance and educational services industries are also over represented in the PMA. Industries under-represented in the PMA include retail trade, transportation/warehousing, professional/scientific/tech services, information, and arts/entertainment/recreation. As will be demonstrated in the employment discussion, the manufacturing and retail trade industries have been affected by numerous layoffs and employment decreases. Nationwide, these industries have also been affected by the recession.

**Major Employers**

The table below shows the largest employers in the Floyd County, GA.

**MAJOR EMPLOYERS - FLOYD COUNTY, GA**

Rank	Name	Industry	# of Employees
1	Floyd Medical Center	Healthcare	2,718
2	Floyd County Schools	Educational Services	1,626
3	Redmond Regional Medical Center	Healthcare	1,200
4	Floyd County Government	Government	1,162
5	Lowe's RDC	Distribution	820
6	Rome City Schools	Educational Services	819
7	Harbin Clinic	Healthcare	792
8	Walmart Supercenter	Retail	622
9	City of Rome	Government	614
10	Berry College	Educational Services	562
11	Kellogg's	Manufacturing	522
12	F & P Georgia	Manufacturing	518
13	International Paper Company	Manufacturing	451
14	Syntec Industries	Manufacturing	350

Source: Rome Floyd Chamber of Commerce, Novogradac & Company LLP, April 2017

Six of the top employers in Rome are in the healthcare and educational service sectors. The three health care employers account for 36.9 percent of the total employees of the top employers in Rome. Government also has a high proportion of employees in Rome, as it is home to both the City and County offices. While manufacturing and retail trade are typically considered to be volatile industries susceptible to the negative effects of recession, health care and educational services are generally considered to be stable industries, less affected by economic downturn.

### Employment Expansion/Contractions

The following table illustrates business closures and layoffs within Rome since 2011, according to the Georgia Department of Labor’s Worker Adjustment and Retraining Notification (WARN) filings.

#### WARN NOTICES - Rome, GA

Company	Date of Announcement	Industry	Number Affected
Express	1/30/2016	Retail	24
Sears	3/20/2016	Retail	45
Spears Mattress Company	1/2/2015	Retail	80
Moriah Services LLC.	5/1/2015	Manufacturing	33
Source Medical Solutions, Inc.	3/10/2014	Healthcare	58
Encompass Group LLC	12/19/2014	Healthcare	34

Source: Georgia Department of Labor, Novogradac & Company LLP, April, 2017

As illustrated in the above table, there have been 274 employees in the area impacted by layoffs or closures since 2011. It is of note that no notices were issued in 2011, 2012, 2013, or year-to-date 2017. Despite these job losses that have been reported, there has been some growth occurring in the area.

We gathered information on recent local business expansions from the Rome Floyd Chamber of Commerce, as well as several online articles, which are detailed following.

#### EXPANSION AND NEW ANNOUNCEMENTS, 2011-2017

Rome and Floyd County, GA				
Company	Industry	Type	Capital Investment	Additional Jobs
STEMCO	Manufacturing	Expansion	\$6,000,000	50
Syntec Industries	Manufacturing	Expansion	\$8,200,000	50
DermaTran Health Solutions	Healthcare Services	New	\$7,000,000	116
International Paper	Manufacturing	Expansion	\$150,000,000	460
Mohawk Industries	Manufacturing	Expansion	\$31,000,000	-
Bekeart Corporation	Manufacturing	Expansion	\$25,000,000	-
Wright Metal Products	Manufacturing	New	\$1,000,000	50
Neaton	Manufacturing	New	\$8,000,000	50
FP Pigments	Manufacturing	New	\$20,000,000	20
Pirelli Tire North America	Manufacturing	New	-	20
Profile Custom Extrusions	Manufacturing	Expansion	\$6,000,000	35
Thermal Seal Duct	Manufacturing	New	-	40
Lowe's RDC	Distribution	New	\$125,000,000	600
Kellogg	Manufacturing	Expansion	\$25,500,000	25
Brugg Cables	Manufacturing	Expansion	\$5,000,000	5
F&P Gerogia	Manufacturing	Expansion	\$31,000,000	100
Foss Manufacturing	Manufacturing	New	\$15,000,000	150
<b>Total</b>			<b>\$463,700,000</b>	<b>1,771</b>

Source: Rome Floyd Chamber of Commerce, Novogradac & Company LLP, April 2017

In September of 2016, Carlsen Precision Manufacturing, a metal product manufacturing company based out of Canada, announced it would open its first United States operation in Rome. The company is poised to employ 20 positions and invest \$5,000,000 over the next three years.

In August of 2016 Sykes Enterprises, Inc. announced it was opening a new customer contact center in Rome. They provide an array of customer contact management solutions around the world. The call center is anticipated to bring 50 to 100 additional jobs to the area.

In April of 2016, Ball Metal Beverage Container announced the creation of 40 new jobs. The expansion will include the investment of “multiple millions of dollars to expand production”. The company manufactures metal drinking beverage cans and lids for Anheuser-Busch and other local beverage companies.

In March of 2016, zTrip announced it would open a customer support center in Rome, adding 160 new jobs to Floyd County. The Rome National Operations Center will support a fleet of more than 3,000 taxicabs in 14 U.S. cities.

As illustrated, there were several additions in a variety of industries, including manufacturing, healthcare, and customer service centers. Between 2011 and 2017, there were a total of 1,771 jobs, which help counteract the 274 layoffs in the county during the same period.

According to Ken Wright, Director of Business and Industry Services for the Rome-Floyd Georgia Chamber of Commerce, Rome’s manufacturing based economy was severely impacted by the recent recession. However, the demand for healthcare in the area continues to grow, and that more medical professionals are needed. He noted that many of these professionals are unable to locate quality housing in the area, which is impeding attracting those professionals to the area. He also noted that the manufacturing sector is beginning to grow again. He noted that, while it seems unlikely that the area will regain the same levels of employment seen before the recession, it does seem that employment in the area is stabilizing, with new jobs and opportunity emerging throughout the Rome-Floyd area.

## Employment and Unemployment Trends

The following table details employment and unemployment trends for Floyd County from 2001 to December 2016.

### EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	<u>SMA</u>			<u>USA</u>		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2001	133,404	-	-9.2%	136,933,000	-	-8.0%
2002	136,124	2.0%	-7.4%	136,485,000	-0.3%	-8.3%
2003	140,486	3.2%	-4.4%	137,736,000	0.9%	-7.5%
2004	141,225	0.5%	-3.9%	139,252,000	1.1%	-6.4%
2005	144,779	2.5%	-1.5%	141,730,000	1.8%	-4.8%
2006	145,819	0.7%	-0.8%	144,427,000	1.9%	-3.0%
2007	146,981	0.8%	0.0%	146,047,000	1.1%	-1.9%
2008	145,650	-0.9%	-0.9%	145,363,000	-0.5%	-2.3%
2009	135,546	-6.9%	-7.8%	139,878,000	-3.8%	-6.0%
2010	130,374	-3.8%	-11.3%	139,064,000	-0.6%	-6.6%
2011	130,859	0.4%	-11.0%	139,869,000	0.6%	-6.0%
2012	133,366	1.9%	-9.3%	142,469,000	1.9%	-4.3%
2013	133,006	-0.3%	-9.5%	143,929,000	1.0%	-3.3%
2014	133,978	0.7%	-8.8%	146,305,000	1.7%	-1.7%
2015	135,566	1.2%	-7.8%	148,833,000	1.7%	0.0%
2016	138,214	2.0%	-6.0%	151,435,833	1.7%	-
Dec-2015	136,967	-	-	149,703,000	-	-
Dec-2016	139,479	1.8%	-	151,798,000	1.4%	-

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

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

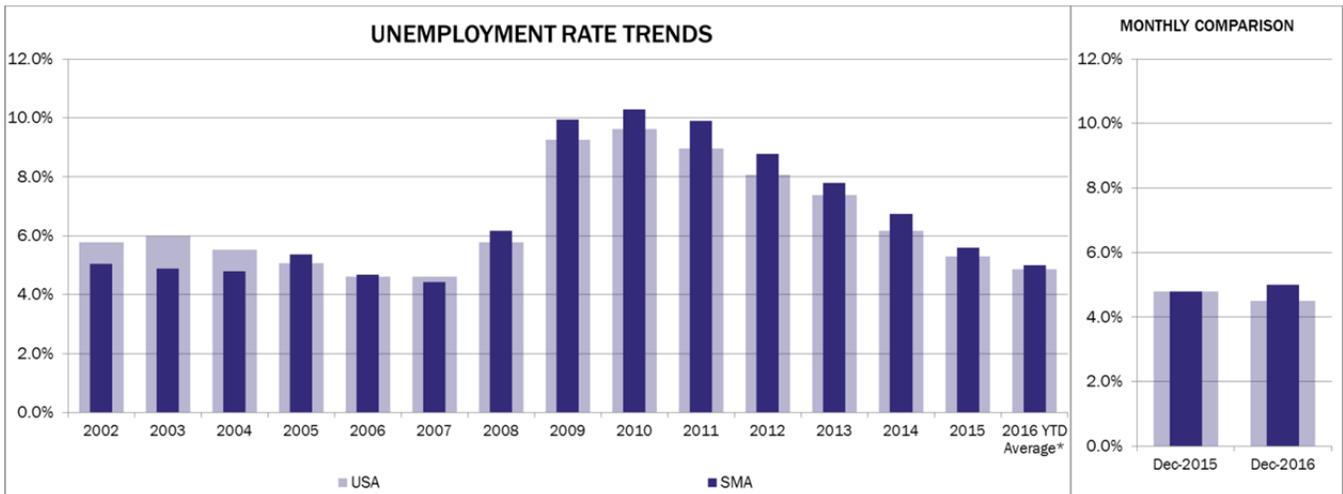
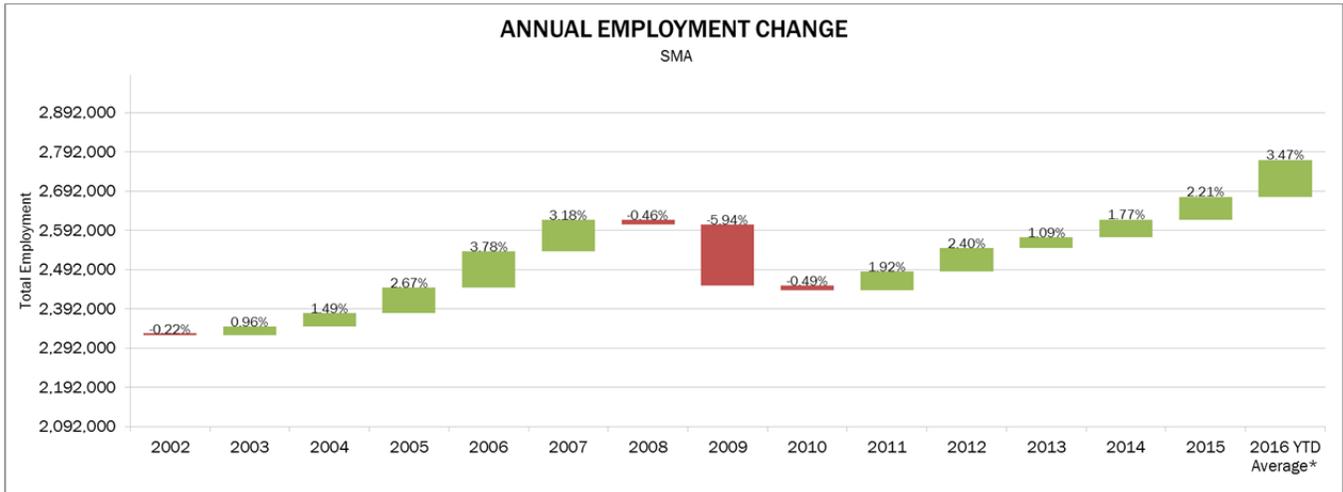
	SMA			USA		
	Unemployment Rate	Change	Differential from Peak	Unemployment Rate	Change	Differential from Peak
2001	4.7%	-	0.0%	4.7%	-	0.1%
2002	5.2%	0.5%	0.6%	5.8%	1.0%	1.2%
2003	4.8%	-0.3%	0.2%	6.0%	0.2%	1.4%
2004	4.9%	0.1%	0.3%	5.5%	-0.5%	0.9%
2005	5.3%	0.4%	0.7%	5.1%	-0.5%	0.5%
2006	4.6%	-0.7%	0.0%	4.6%	-0.5%	0.0%
2007	4.8%	0.2%	0.2%	4.6%	0.0%	0.0%
2008	7.1%	2.3%	2.4%	5.8%	1.2%	1.2%
2009	11.7%	4.6%	7.0%	9.3%	3.5%	4.7%
2010	12.1%	0.5%	7.5%	9.6%	0.3%	5.0%
2011	11.7%	-0.5%	7.0%	9.0%	-0.7%	4.3%
2012	10.2%	-1.4%	5.6%	8.1%	-0.9%	3.5%
2013	9.0%	-1.2%	4.4%	7.4%	-0.7%	2.8%
2014	7.5%	-1.5%	2.9%	6.2%	-1.2%	1.6%
2015	6.1%	-1.4%	1.5%	5.3%	-0.9%	0.7%
2016	5.5%	-0.6%	0.9%	4.9%	-0.4%	-
Dec-2015	5.4%		-	4.8%	-	-
Dec-2016	5.3%	-0.1%	-	4.5%	-0.3%	-

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

The SMA experienced moderate employment growth prior to the onset of the recession in 2008. The area experienced the negative effects of economic downturn from 2008 to 2010. The most significant loss occurred in 2009. However, the SMA has experienced annual employment growth from 2010 through 2016, with the exception of 2013. In addition, from December 2015 to December 2016, total employment in the SMA increased 1.8 percent, compared to a 1.4 percent increase in the nation as a whole.

Historically, the unemployment rate in the SMA has been lower than or similar to the national unemployment rate. During the recession, the SMA's unemployment rate increased at a faster pace than national unemployment rate. The SMA's unemployment rate peaked in 2011 at 12.1 percent, which was 250 basis points higher than the national unemployment rate during this same year. While the unemployment rate has decreased annually since 2010, the unemployment rate in the SMA remains 80 basis points higher than the national average as of December 2016. While total employment has yet to surpass pre-recession levels and the unemployment rate remains higher than that of the nation, it does appear that the economy in the SMA has stabilized. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

The tables below provide more illustration of the changes in employment and unemployment rate trends in the SMA.



**Conclusion**

The largest industries in the PMA are healthcare/social assistance, manufacturing, educational services, and retail trade. Positions in these industries account for 52.4 percent of all jobs in the area. The four largest employers in the area are two large hospitals, the county school district, and the Floyd County government, of which Rome is the county seat. Public administration, educational services, and health care/social assistance, are resilient during periods of economic downturn. This may help mitigate future job losses should the economy enter another period of instability.

The SMA has experienced annual employment growth from 2010 through 2016, with the exception of 2013. In addition, from December 2015 to December 2016, total employment in the SMA increased 1.8 percent, compared to a 1.4 percent increase in the nation as a whole. In addition, the unemployment rate has decreased annually since 2010; although, the unemployment rate in the SMA remains 80 basis points higher than the national average as of December 2016. While total employment has yet to surpass pre-recession levels and the unemployment rate remains higher than that of the nation, it does appear that the economy in the SMA has stabilized. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

## DEMOGRAPHIC ANALYSIS

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 MSA and the Primary Market Area (PMA) are areas of growth or contraction.

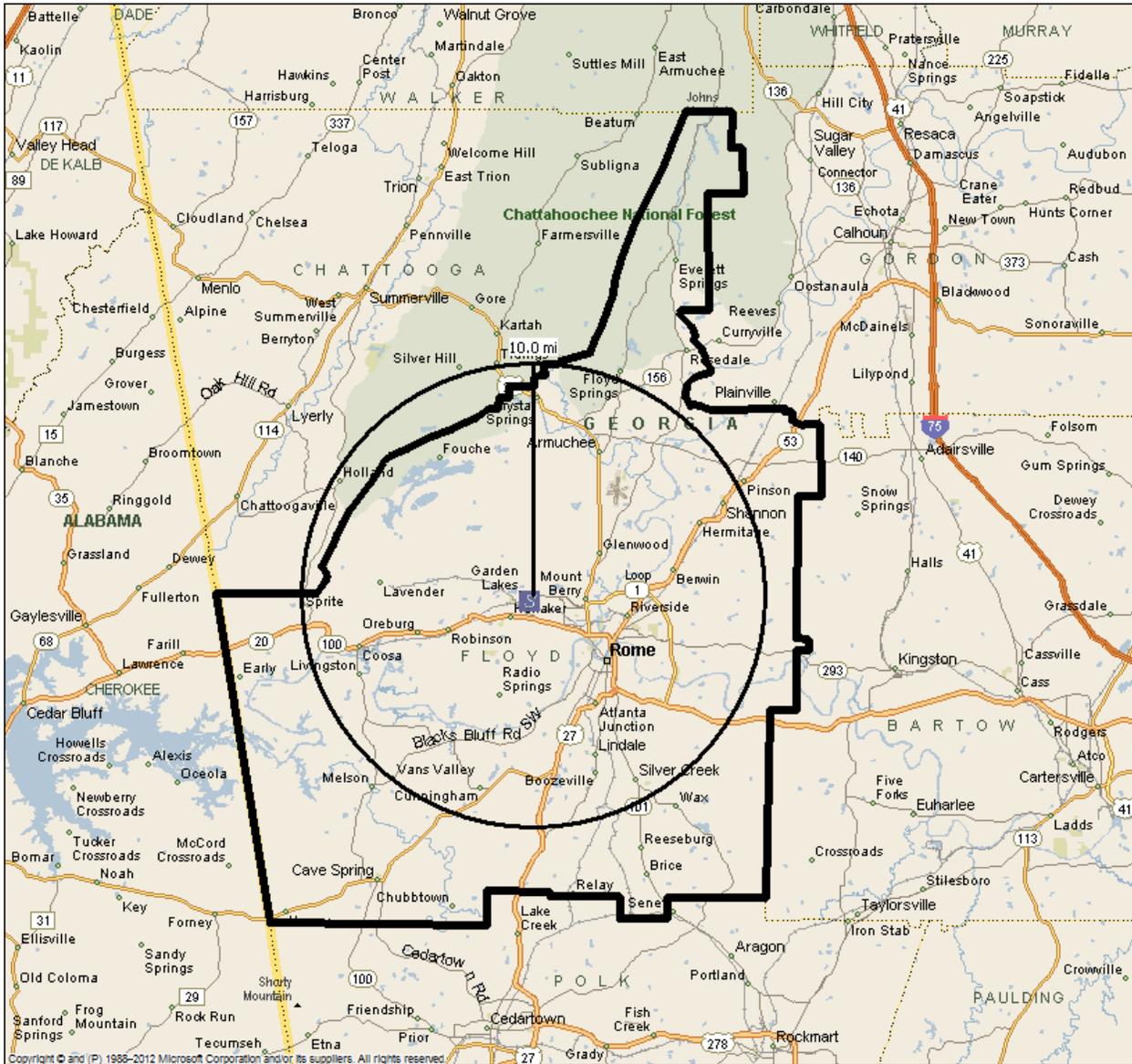
### PRIMARY MARKET AREA (PMA)

The PMA is defined as Floyd County. This area includes the communities of Rome, Armuchee, Shannon, Lindale, and Cave Spring. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

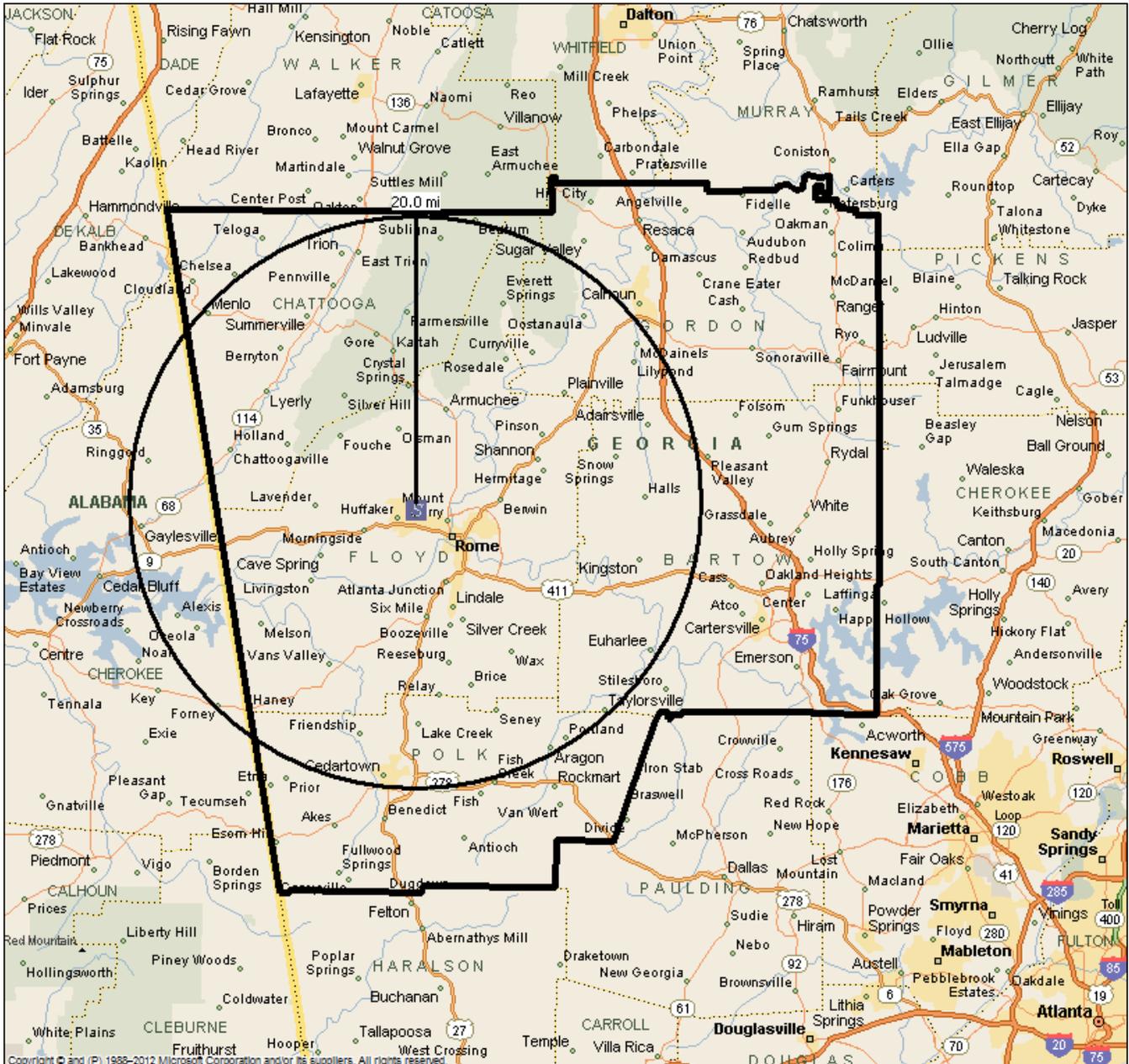
North:	9.3 miles
East:	12 miles
South:	12.6 miles
West:	12.5 miles

The PMA was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Many property managers indicated that a significant portion of their tenants come from out of state. Of those residents coming from within Georgia most are coming from the surrounding counties of Chatooga, Gordon, Bartow, and Polk, which compose the SMA. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2017 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 12.6 miles. A map illustrating the PMA and SMA is as follows:

Primary Market Area Map



Secondary Market Area Map



**Population and Households**

The tables below illustrate the population and household trends in the PMA, SMA, and nation from 2000 through 2021.

**POPULATION**

Year	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	90,563	-	274,283	-	281,421,906	-
2010	96,317	0.6%	319,150	1.6%	308,745,538	1.0%
2017	97,576	0.1%	324,451	0.1%	323,580,626	0.3%
Projected Mkt Entry	97,996	0.2%	327,785	0.4%	330,167,008	0.8%
2021	98,452	0.2%	331,409	0.4%	337,326,118	0.8%

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

**HOUSEHOLDS**

Year	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	34,027	-	100,966	-	105,480,101	-
2010	35,930	0.6%	116,067	1.5%	116,716,292	1.1%
2017	35,985	0.0%	116,910	0.0%	121,786,233	0.3%
Projected Mkt Entry	36,057	0.1%	117,800	0.3%	124,138,000	0.8%
2021	36,135	0.1%	118,768	0.3%	126,694,268	0.8%

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

Between 2000 and 2010 there was approximately 0.6 percent annual growth in the PMA and 1.6 percent growth in the SMA. Population in the PMA is anticipated to continue to grow through 2021, however, at a slower pace than the SMA. The population in the SMA is also anticipated to continue to grow through 2021, but at a slower pace than the nation. Overall, sustained population growth in the PMA and SMA is a positive indication of continued demand for the Subject’s proposed units.

Household growth in the PMA, from 2000 through 2010 grew at a rate of 0.6 percent per annum. This rate is somewhat slower than the SMA’s, but was faster than the nation’s rate of growth for the same time period. Over the next five years, growth in the PMA is expected to lag behind growth in both the SMA and the nation.

**Household Income**

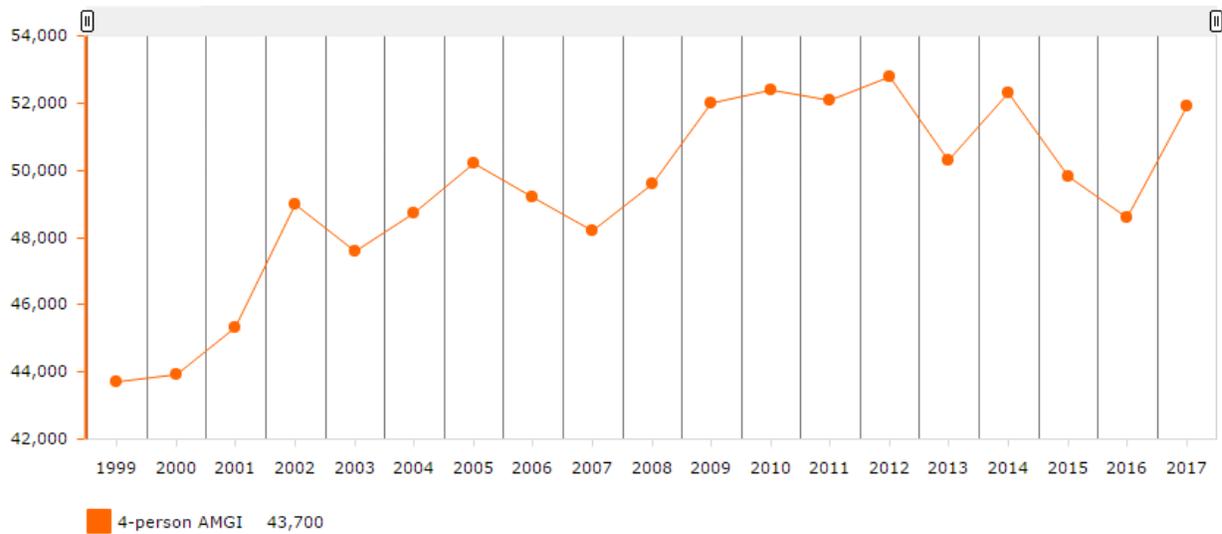
The table below illustrates Median Household Income in the PMA, MSA, and nation from 2000 through 2021.

Year	PMA		SMA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$35,590	-	\$37,203	-	\$42,164	-
2017	\$41,757	1.0%	\$41,774	0.7%	\$54,149	1.6%
Projected Mkt Entry	\$43,512	1.8%	\$44,112	2.3%	\$56,702	2.0%
2021	\$45,420	1.8%	\$46,653	2.3%	\$59,476	2.0%

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

The median household income of the PMA is significantly lower than that of the MSA and nation. The growth rate of median household income growth in the PMA is anticipated to be slower than the MSA and the nation through 2021. This bodes well for affordable housing such as the Subject development as very few low income families and will be priced out of affordable developments, maintaining demand for affordable housing of all types.

The following chart illustrates the AMI level for a four-person household in Floyd County.



Display:  4-person AMGI

**Average Increase (AMGI): 1.0%/year**

Source: Novogradac & Company, LLP, 5/2017

Overall, the AMGI has increased at an average annual rate of 1.0 percent between 1999 and 2017. Nationally, 84 percent of counties experienced a decrease in the 2013 AMGI level due to decreased income limits in approximately 50 percent of counties nationwide. The Subject’s area appears to have been affected by this change. The AMGI has declined in four of the last seven years, and is still 1.7 percent below the 2012 AMGI peak. However, the AMGI increased 6.8 percent from 2016 to 2017.

## **Conclusion**

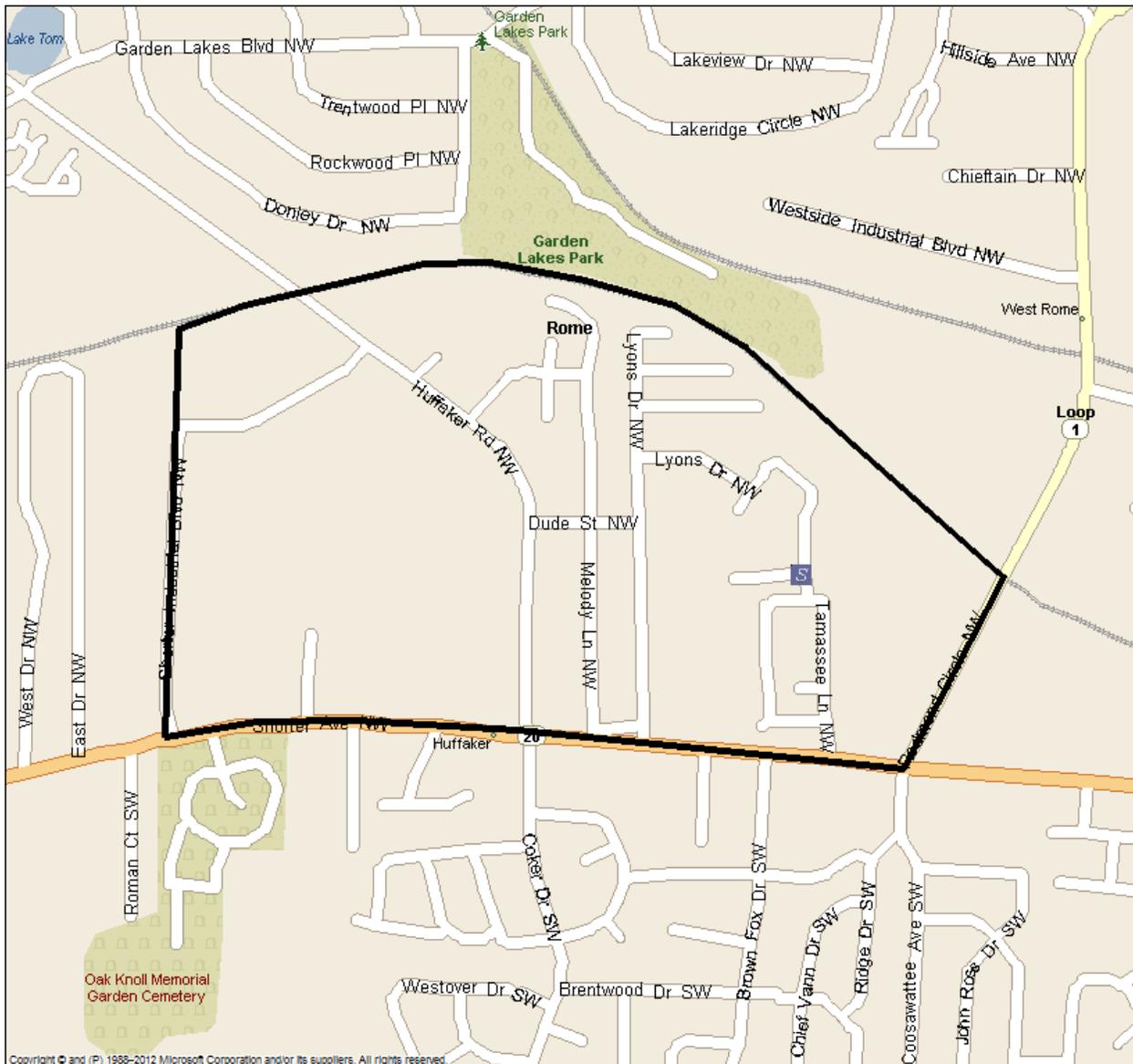
The population in the PMA and the SMA increased significantly from 2000 to 2010, though the rate of growth slowed from 2010 to 2016. The rate of population and household growth is projected to continue to grow through 2021, although at slower rate. The current population of the PMA is 97,576 and is expected to increase slightly to 98,452 by 2021. Renter households are concentrated in the lowest income cohorts, with 49.0 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$38,520 for its LIHTC units. However, all units will continue to benefit from a subsidy post-renovation. Overall, while population growth has been modest, the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

## NEIGHBORHOOD DESCRIPTION AND ANALYSIS

The neighborhood surrounding an apartment property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

### Neighborhood Identification and Boundaries

General neighborhood boundaries include railroad tracks to the north, Shorter Industrial Boulevard NW to the west, Shorter Avenue NW to the south, and Redmond Circle to the east. A map of the neighborhood is included below.



**Public Transportation**

Bus: Rome is served by the City of Rome Transit Department. Transportation services are available Monday through Friday from 7:00am to 4:15 pm. One-way fares are \$1.25 for adults, \$0.60 for senior citizens are free for children that are five years old or younger. The nearest bus stop to the Subject is located 0.3 miles south at the intersection of Tamassee Lane and Shorter Avenue.

Air: Hartsfield–Jackson Atlanta International Airport is located approximately 62 miles southeast of the Subject. The airport has been the world's busiest airport by passenger traffic since 1998. The airport serves as a major hub for travel throughout the Southeastern United States and has 207 domestic and international gates.

Rail: The Rome area is not serviced by rail.

**Healthcare**

The nearest hospital is Redmond Regional Medical Center, which is located 2.2 miles to the east of the Subject. The hospital is a 230-bed general medical hospital that offers a full range of medical services including women’s health, orthopedics, 24-hour emergency services, cancer care, family medicine, stroke care and neurologic services, surgery, women’s services, home health, hospice care, and diabetes education and care.

**Higher Education**

There is one institute of higher education in Rome. Located approximately 2.3 miles southeast of the Subject, Shorter University is a private, liberal arts university which had an average enrollment of around 3,700 students in 2011. Shorter University offers undergraduate and graduate degrees through seven colleges and schools.

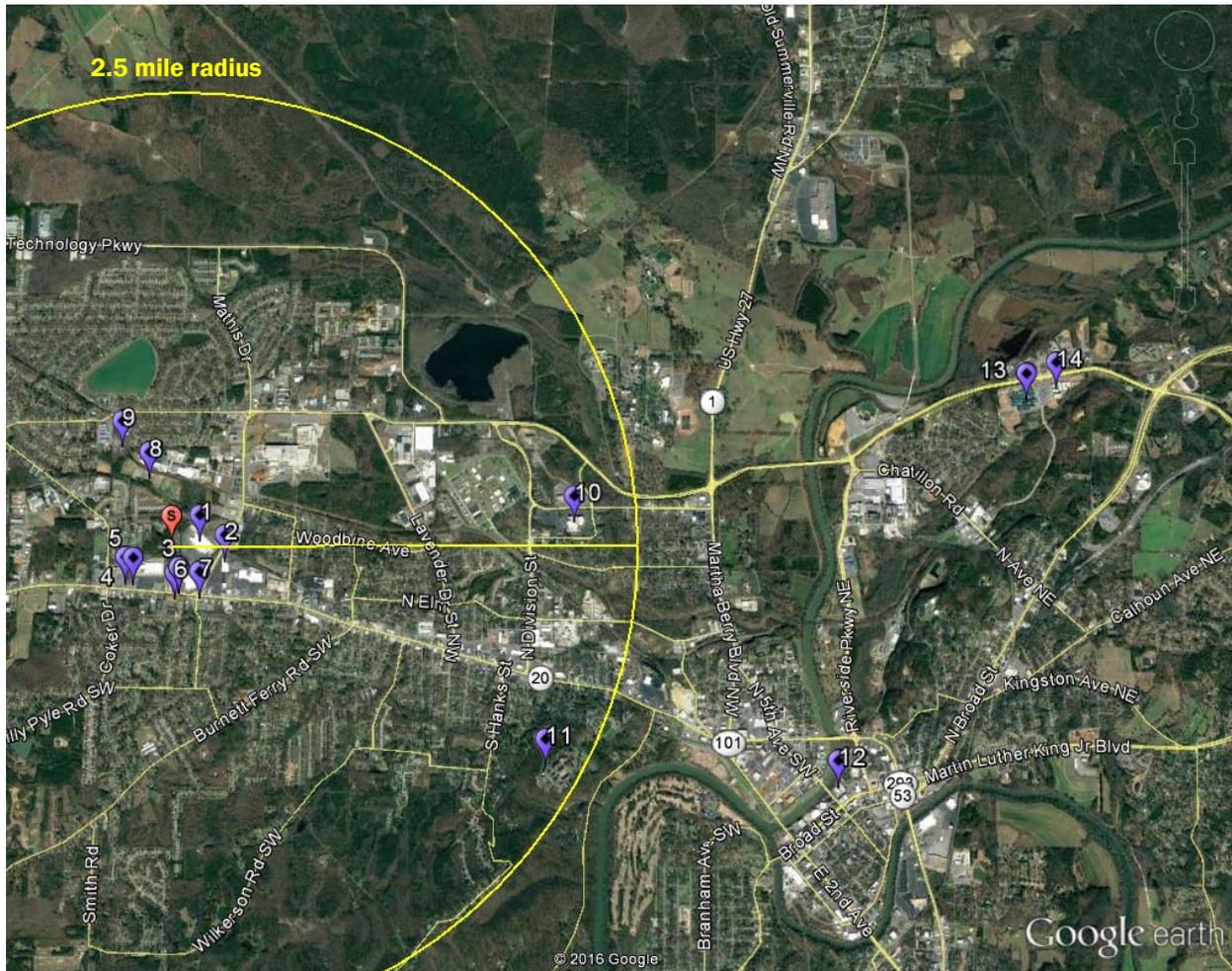
**Primary Education**

The Subject is located within Rome and is served by the Rome City School District. Currently, the district consists of seven elementary schools, one middle school, and one high school.

**Locational Amenities and Distances from the Site**

As illustrated, the Subject will be located within a reasonable proximity to many locational amenities and services. The following maps and table illustrate the surrounding locational amenities and their proximity to the Subject.

**Locational Amenities Map**



**LOCATIONAL AMENITIES**

Map #	Service or Amenity	Distance
1	Wal-Mart	0.2 miles
2	US Post Office	0.2 miles
3	Bus Stop	0.3 miles
4	United Community Bank	0.3 miles
5	Winslette Pharmacy	0.3 miles
6	West End Elementary School	0.3 miles
7	Mobile Gas Station	0.3 miles
8	Garden Lakes Park	0.3 miles
9	Anthony Rec Center	0.6 miles
10	Redmond Regional Medical Center	2.2 miles
11	Shorter University	2.3 miles
12	Police Station	3.8 miles
13	Rome High School	4.7 miles
14	Rome Middle School	4.9 miles

**Adequacy/Availability of Utilities**

All utilities are available to the neighborhood.

**Neighborhood Description**

The Subject is located in a mixed-use neighborhood, consisting of single-family homes, multifamily developments, and commercial uses. Areas to the north of the Subject in the neighborhood consist of Tamassee Apartments, which is a 77-unit Section 8 development in average condition. Further north is a townhome development that was developed in 2005 and exhibits good condition, as well as undeveloped land. To the east of the Subject are retail uses including a Walmart Supercenter and Sam’s Club, which exhibit good condition, as well as the associated parking areas. To the south of the Subject are single-family homes that were developed in the 1950s and 1960s and exhibit average condition. To the southwest is Lowe’s Home Improvements in good condition. Undeveloped wooded land is located to the west of the Subject, followed by the Pine Ridge Apartments, in fair condition. Beyond Pine Ridge Apartments are more single-family homes in average condition and on large lots. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. Despite a wide array of retail uses in the Subject’s immediate neighborhood, the Subject site is considered “Car-Dependent” by *Walkscore* with a rating of 43 out of 100. The Subject site is considered to be in a desirable location for rental housing. The uses in the Subject’s neighborhood are in fair to good condition and the site has good proximity to locational amenities, most of which are within two miles of the Subject.

**Access and Traffic Flow**

The Subject site can be accessed from Lyons Drive North Way and Tamassee Lane from the north, and Pappalardo Street and Tamassee Lane from the south. These three streets are all lightly traveled two lane neighborhood streets. Tamassee Lane and Pappalardo Street are accessible via Shorter Avenue NW, which is a major commercial thoroughfare. Shorter Avenue provides access to downtown Rome, approximately four miles to the east of the Subject. Overall, access to the site is considered good, while visibility is considered fair.

**Visibility/Views**

The Subject is has good from Tamassee Lane, which serves as a private drive way for the Subject, as well as from Pappalardo Street. Views to the north, west and south are comprised of wooded and/or undeveloped land, as well as a single-family home in average condition to the south. Views to the east are comprised of a Wal-Mart parking lot. However, the Subject is separated from the parking lot by a line of mature trees. Views are considered average.

**Crime Statistics**

The following table shows personal and property crimes for the PMA and MSA as an index, meaning an index of 100 is average. Any number above 100 is above average compared to the national crime index, while any number below 100 indicates lower than average crime.

2016 CRIME INDICES		
	PMA	SMA
<b>Total Crime*</b>	<b>123</b>	<b>90</b>
<b>Personal Crime*</b>	<b>113</b>	<b>67</b>
Murder	115	81
Rape	89	70
Robbery	86	48
Assault	129	76
<b>Property Crime*</b>	<b>125</b>	<b>93</b>
Burglary	143	109
Larceny	126	92
Motor Vehicle Theft	65	58

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

\*Unweighted aggregations

The crime indices in the PMA are generally above that of the MSA and slightly above that of the nation. The Subject will offer patrol and video surveillance. Five of the comparables offer some form of security feature. The remaining seven comparable properties do not offer any form of security. Given the relatively low crime index indices in the Subject’s neighborhood and the lack of features in the market, we believe the Subject’s security features will positively impact the marketability of the Subject.

**Summary**

The Subject site is located along both sides of Tamassee Lane. The Subject site has fair visibility, but good accessibility from neighborhood thoroughfares. Surrounding uses consist of multifamily, commercial, and single-family uses, as well as undeveloped land. The Subject site is considered a desirable location for rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in fair to good condition and the site has good proximity to locational amenities, which are generally within two miles of the Subject site. The renovation of the Subject, as proposed, will positively impact the neighborhood and will preserve existing affordable housing in the Subject’s PMA.

## **IV. ANALYSIS OF THE SUBJECT**

## ANALYSIS OF THE SUBJECT

### DESCRIPTION OF THE SITE

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow. An aerial map of the Subject is provided below.



**General:**

The Subject site is located at 22 Tamasee Lane, Rome, Floyd County, Georgia 30165. The site is located within Census Tract 13.00, which is not a Qualified Census Tract.

**APN:**

H13X 270.

**Size:**

Approximately 343,688 square feet or 7.89 acres.

**Shape:**

The site is irregular in shape.

- Frontage:** The Subject site has frontage along both sides of Tamassee Lane and the north side of Pappalardo Street. An aerial photograph of the Subject site is below.
- Topography** The site slopes gently downward to the east and north.
- Utilities:** All utilities are available to the site.
- Contiguous Land Use:** The Subject site is located along Tamassee Lane, which is accessible by Shorter Avenue to the south. Adjacent to the north of the Subject site is Tamassee Apartments, which is a 77-unit Section 8 development in average condition. These apartments also benefit from rental housing subsidies, and as such have not been utilized as a comparable property in this report. Further north is a townhome development that was developed in 2005 and exhibits good condition, as well as undeveloped land. To the east of the Subject is a Walmart Supercenter and Sam’s Club, which exhibit good condition, as well as the associated parking areas. However, there is a line of mature trees in between the Subject and the parking lot. To the south of the Subject is a small parcel of undeveloped wooded land as well as single-family homes that were developed in the 1950s and 1960s and exhibit average condition. To the southwest is Lowe’s Home Improvements in good condition. Undeveloped wooded land is located to the west of the Subject. This is followed by the Pine Ridge Apartments, in fair condition. Pine Ridge Apartments is an affordable development that targets the disabled and those at risk of homelessness. It offers only studio units, and also benefits from a rental subsidy. As such, it has not been utilized as a comparable in this study. Beyond Pine Ridge Apartments are more single-family homes in average condition and on large lots. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. Despite a wide array of retail uses in the Subject’s immediate neighborhood, the Subject site is considered “Car-Dependent” by Walkscore with a rating of 43 out of 100. The Subject site is considered to be in a desirable location for rental housing. The Subject site is located in a mixed use neighborhood. The uses surrounding the Subject are in fair to good condition and the site has good proximity to locational amenities, most of which are within two miles of the Subject.
- Existing Improvements:** The Subject is an existing 120-unit multifamily development that consists of 13 two and three-story garden-style residential buildings.

<b>Visibility/Views:</b>	The Subject is has good from Tamassee Lane, which serves as a private drive way for the Subject, as well as from Pappalardo Street. Views to the north, west and south are comprised of wooded and/or undeveloped land, as well as a single-family home in average condition to the south. Views to the east are comprised of a Wal-Mart parking lot. However, the Subject is separated from the parking lot by a line of mature trees. Views are considered average.
<b>Density:</b>	The site is currently developed to a density of 15 units per acre.
<b>Environmental, Soil and Subsoil Conditions and Drainage:</b>	We requested but were not provided with environmental reports, engineering reports or soil surveys. During our site inspection, we walked the Subject's grounds, including the rear of the buildings and the parking lot, and did not observe any obvious indicators of environmental contamination or adverse property condition issues. However, Novogradac & Company LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions. Further analysis is beyond the scope of this report. It should be noted that we have made an extraordinary assumption that there are no adverse environmental conditions that would impact the valuation of the Subject site.
<b>Flood Plain:</b>	According to <a href="http://www.floodinsights.com">www.floodinsights.com</a> Community Panel Number 130081 0188E, dated September 25, 2009, the Subject is located in Zone X, which is defined as an area outside of the 100 and 500-year flood plains. Further analysis is beyond the scope of this report.
<b>Existing or Proposed Project-Based Rental Assistance:</b>	Currently, the Subject operates as a Section 8/market rate development. Following renovations, 114 of the 120 units will continue to benefit from the HAP contract (Section 8 Contract No. GA06-L000-034), which expires December 31, 2017, at which point the owner will apply for a one year renewal.
<b>Detrimental Influences:</b>	At the time of the site inspection, there were no detrimental influences observed by the appraiser that would adversely impact the marketability of the Subject.
<b>Conclusion:</b>	The Subject site is considered to be in a good location for multifamily use and is physically capable of supporting a variety of legally permissible uses.

## DESCRIPTION OF THE IMPROVEMENTS

Details of the Subject’s improvements are summarized on the following page. This information, which was provided by the property manager, is presumed to be accurate.

### Property Improvements:

Meadow Lane Apartments (Subject) is an existing 120-unit Section 8/market rate multifamily property located at 22 Tamassee Lane, Rome, Georgia 30165. The property consists of 15 one-bedroom units, 60 two-bedroom units, 30 three-bedroom units, and 15 four-bedroom units, within 13 two-story garden-style buildings. Of the 120 units at the property, 114 are subject to Section 8 restrictions, while four units are market rate and one unit serves as a leasing office. Following renovations, 114 of the 120 units will continue to benefit from the HAP contract (Section 8 Contract No. GA06-L000-034), which expires December 31, 2017, at which point the owner will apply for a one year renewal. According to the rent roll dated February 28, 2017, the Subject is currently 100 percent occupied. The buildings are wood frame construction with slab concrete flooring, brick and vinyl siding exteriors, and pitched composition shingle roofs. The Subject was originally constructed in the 1973, is generally well maintained, and in overall average condition.

### Year Built or Date of Construction:

The Subject was originally built in 1973. Renovations will occur with tenants in place. Therefore, buildings will be placed back in service on a rolling basis. Renovations are scheduled to be completed in July 2019.

### Current Rents and Unit Mix:

Based on a rent roll received February 28, 2017, the current rents at the Subject are based on 30 percent of resident incomes, as the Subject operates as a Section 8 development. The following table illustrates the Subject’s current rents and unit mix.

#### CURRENT RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
<i>Section 8</i>						
1BR/1BA	560	15	\$531	\$0	\$423	\$199
2BR/1BA	851	60	\$646	\$0	\$513	\$145
3BR/1BA	1,012	28	\$718	\$0	\$455	\$93
4BR/1BA	1,173	12	\$848	\$0	\$230	\$53
<i>Market Rate</i>						
3BR/1BA	1,012	2	\$514	\$513	\$514	\$514
4BR/1BA	1,173	2	\$542	\$542	\$542	\$542
<i>Non-Rental (Office)</i>						
3BR/1BA	1,012	1	N/A	N/A		N/A
<b>Total</b>		<b>120</b>				

The Subject is currently 100 percent occupied with a waiting list of six to 12 months in length depending on unit type. According to the Subject's historical audited financials, the Subject operated with a total vacancy rate (including collection loss) of 2.8 percent in 2014 and 2.2 percent in 2015

The following table details the unit mix and unit sizes for the Subject based on information provided by property management.

**UNIT MIX AND SQUARE FOOTAGE**

Unit Type	Number of Units	Unit Size (SF)	Net Area
1BR/1BA	15	560	8,400
2BR/1BA	60	851	51,060
3BR/1BA	31	1,012	31,372
4BR/1BA	<u>14</u>	<u>1,173</u>	<u>16,422</u>
<b>Total</b>	<b>120</b>		<b>107,254</b>

**Proposed Rents:**

The following table illustrates the proposed unit mix.

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross LIHTC Rent	2016 LIHTC Maximum Allowable Gross Rent (2)	Current Contract Rents	Proposed Post-Rehab Contract Rents
<i>60% AMI/Section 8*</i>								
1BD/1BA	560	15	\$456	\$91	\$547	\$547	\$531	\$800
2BD/1BA	851	60	\$550	\$107	\$657	\$657	\$646	\$900
3BD/1BA	1,021	27	\$619	\$139	\$758	\$758	\$718	\$1,000
4BD/1BA	1,173	13	\$683	\$163	\$846	\$846	\$858	\$1,100
<i>60% AMI</i>								
3BD/1BA	1,021	3	\$619	\$139	\$758	\$758	N/A	N/A
4BD/1BA	1,173	1	\$683	\$163	\$846	\$846	N/A	N/A
<i>Leasing Office</i>								
4BD/1BA		<u>1</u>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>		<b>120</b>						

(1) Utility Allowance provided by the developer, and based upon the approved Section 8 utility allowance for the Subject, effective 1/1/2017

(2) Rents in effect as of January 1, 2017, per DCA guidelines

\*All tenants pay 30 percent of their income towards rent, not to exceed the LIHTC rent limits

**Scope of Renovations:**

The Scope of renovations will be significant for the Subject. Renovations will reportedly have hard costs of renovations will reportedly be \$50,015 per unit, or \$6,001,781 for the entire property. The scope of renovations is detailed as follows:

Exterior Improvements include:

- Grading work, and repair and replacement for sidewalk and curbs

- Landscaping upgrades
- Parking lot milling, repair, sub-grading, repaving and striping
- New water lines
- New picnic area and playground
- New concrete at stairs
- Miscellaneous masonry repairs and exterior paint
- New stairs, landing, and handrails
- Replace roof, inclusive of shingles, fascia, soffits, gutters and downspouts
- New exterior doors
- New property signage and monument
- New mailbox arrays
- New stairwell lighting
- Conversion of existing four-bedroom unit into community space and office
- Existing office will be converted to a three-bedroom unit
- New video surveillance system

In-Unit Improvements include:

- Rebuild HVAC stands
- Reframe bedroom doors
- Floor joist and subfloor repair
- Replace vinyl base trim
- Add attic insulation
- New interior doors and hardware
- New window placement
- Drywall repair and replacement
- Replacement of tub-surrounds and tub resurfacing
- New doors and trim, including handrails
- Refinish existing wood floors and add vinyl tile
- New stovetop fire suppression
- New kitchen cabinets and countertops
- New bathroom vanities
- New appliance package, including refrigerators, stove, vent hoods, and microwaves
- Add dishwashers and in-unit washer/dryers
- New window treatments
- New Energy Star rated light fixtures
- New kitchen and bathroom sinks
- New bathroom ventilation fans
- New central air-conditioning units

- New gas lines
- Electrical panel and meter upgrades
- New smoke detectors
- Interior wall paint.

<b>Tenancy:</b>	The Subject targets families.
<b>Number of Buildings:</b>	The site has 13 two- and three-story residential buildings.
<b>Unit Layout:</b>	Based on our physical inspection of representative units, the floor plans appear adequate relative to their intended use and they offer good functional utility.
<b>Construction Details:</b>	The Subject consists of 13 two- and three-story residential buildings. The Subject offers 120 one, two, three, and four-bedroom units. The Subject currently exhibits average overall condition. The buildings are wood frame with brick and vinyl siding exteriors and pitched roofs.
<b>Utility Structure</b>	Tenants are responsible for all general electric expenses including air-conditioning, electric cooking and electric heat expenses. The landlord pays for all common area utilities, gas water heating, as well as water, sewer, and trash removal. Post-renovation, the rents will also include basic cable television.
<b>Unit Amenities:</b>	The Subject's unit amenities include blinds, carpet/hardwood, central heating and air conditioning, coat closet. Appliances include a garbage disposal, oven, and refrigerator. Post-renovation in-unit amenities will also include a microwave, dishwasher, and in-unit washer/dryers.
<b>Development Amenities:</b>	The Subject's community amenities include a central laundry facility, off-street parking, and on-site management. Post-renovation, community amenities will include a business center, community room, picnic area, and playground.
<b>Parking:</b>	The Subject offers 304 off-street parking spaces. The amount of parking appears adequate based on our inspection.
<b>Quality of Construction</b>	The quality of construction is average.
<b>Americans With Disabilities Act of 1990:</b>	We assume the property does not have any violations of the Americans With Disabilities Act of 1990.
<b>Remaining Economic Life:</b>	The Subject's actual age is 44 years based on the original construction of 1973. However, based on a typical economic life of 60 years and the Subject's current average condition, we have estimated the effective age to be 15 years. Thus, the remaining economic life is approximately 45 years.

**Quality of Construction:**

At the time of the inspection, the Subject was in average condition. The Subject appears to have been completed in a manner consistent with the information provided, using average-quality materials in a professional manner.

**Functional Utility:**

Based on our site inspection, the Subject does not appear to suffer from functional obsolescence.

**Conclusion:**

The existing improvements provide good functional utility, and are in average condition given the age of construction. The design of the improvements is consistent with surrounding properties and is considered similar to competing properties.

**PROPERTY PROFILE - AS IS**

**Meadow Lane Apartments**

**Comp #** Subject  
**Effective** 4/20/2017  
**Location** 22 Tamassee Lane  
 Rome, GA 30165  
 Floyd County  
**Distance** n/a  
**Units** 120  
**Vacant Units** 0  
**Vacancy Rate** 0.0%  
**Type** Garden  
 (3 stories)  
**Year Built/ Renovated** 1974 / Proposed



**Market**

<b>Program</b>	LIHTC/Section 8	<b>Leasing Pace</b>	Less than one week
<b>Annual Turnover Rate</b>	N/A	<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>	112		

**Utilities**

<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>	included – gas	<b>Sewer</b>	included
<b>Heat</b>	not included – electric	<b>Trash Collection</b>	included

**Unit Mix (face rent)**

Beds	Baths	Type	Units	Size (SF)	Rent	Concession	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden (3 stories)	15	560	\$531	\$0	Section 8	Yes	0	0.0%	yes
2	1	Garden (3 stories)	60	851	\$646	\$0	Section 8	Yes	0	0.0%	yes
3	1	Garden (3 stories)	2	1,021	\$514	\$0	Market	Yes	0	0.0%	yes
3	1	Garden (3 stories)	28	1,021	\$718	\$0	Section 8	Yes	0	0.0%	yes
3	1	Garden (3 stories)	1	1,021	N/A	\$0	Non-Rental	No	0	0.0%	N/A
4	1	Garden (3 stories)	2	1,173	\$542	\$0	Market	Yes	0	0.0%	yes
4	1	Garden (3 stories)	12	1,173	\$683	\$0	Section 8	Yes	0	0.0%	yes

**Amenities**

<b>In-Unit</b>	Blinds Central A/C Coat Closet Garbage Disposal Oven Refrigerator	<b>Security</b>	Patrol Video Surveillance
<b>Property</b>	Central Laundry Facility Off-Street Parking On-Site Management	<b>Premium</b>	none
<b>Services</b>	none	<b>Other</b>	none

**PROPERTY PROFILE - POST-REHAB**

**Meadow Lane Apartments**

<b>Comp #</b>	Subject
<b>Effective</b>	4/20/2017
<b>Location</b>	22 Tamassee Lane Rome, GA 30165 Floyd County
<b>Distance</b>	n/a
<b>Units</b>	120
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (3 stories)
<b>Year Built / Renovated</b>	1974 / Proposed



**Market**

<b>Program</b>	LIHTC/Section 8	<b>Leasing Pace</b>	Less than one week
<b>Annual Turnover Rate</b>	N/A	<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>	112		

**Utilities**

<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>	included – gas	<b>Sewer</b>	included
<b>Heat</b>	not included – electric	<b>Trash Collection</b>	included

**Unit Mix (face rent)**

Beds	Baths	Type	Units	Size (SF)	Rent	Concession	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden (3 stories)	15	560	\$456	\$0	@60% (Section 8)	Yes	0	0.0%	yes
2	1	Garden (3 stories)	60	851	\$550	\$0	@60% (Section 8)	Yes	0	0.0%	yes
3	1	Garden (3 stories)	3	1,021	\$619	\$0	@60%	Yes	0	0.0%	yes
3	1	Garden (3 stories)	27	1,021	\$619	\$0	@60% (Section 8)	Yes	0	0.0%	yes
4	1	Garden (3 stories)	1	1,173	\$683	\$0	@60%	Yes	0	0.0%	yes
4	1	Garden (3 stories)	13	1,173	\$683	\$0	@60% (Section 8)	Yes	0	0.0%	yes
4	1	Garden (3 stories)	1	1,173	N/A	\$0	Non-Rental	No	0	0.0%	N/A

**Amenities**

<b>In-Unit</b>	Blinds Cable/Satellite/Internet Central A/C Coat Closet Dishwasher Garbage Disposal Microwave Oven Refrigerator Washer/Dryer Washer/Dryer hookup	<b>Security</b>	Patrol Video Surveillance
<b>Property</b>	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Off-Street Parking On-Site Management Picnic Area Playground	<b>Premium</b>	none
<b>Services</b>	Tutoring	<b>Other</b>	none

## ASSESSMENT VALUE AND TAXES

The following real estate tax estimate is based upon our interviews with local assessment officials, either in person or via telephone. We do not warrant its accuracy. It is our best understanding of the current system as reported by local authorities. Currently, the assessment of affordable housing properties is a matter of intense debate and in many jurisdictions pending legal action. The issue often surrounds how the intangible value or restricted rents are represented. We cannot issue a legal opinion as to how the taxing authority will assess the Subject. We advise the client to obtain legal counsel to provide advice as to the most likely outcome of a possible reassessment.

Real estate taxes for a property located in Floyd County are based upon a property's assessed valuation for each tax year. Real estate taxes in this county represent *ad valorem* taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by multiplying the assessed value for the property by a composite rate. Multifamily properties in the county are valued with a combination of income, sales, and cost approach with a reliance on the sales approach and are assessed at 40 percent of full market value. All properties in the county are reassessed annually or if renovations are done to the property that would impact the value. Additionally, properties are typically reassessed upon sale, if information is available. According to the Floyd County Tax Commissioner, the millage rate for the Subject is \$37.136 per \$1,000 for the combined county and city taxes. The Subject's current tax assessment is listed below.

### CURRENT ASSESSMENT AND TAX BURDEN - 2016

Parcel	Total Market Value	Assessed Value	Assessed Value Per Unit	Millage Rate	Indicated Tax Burden	Total Taxes Per Unit
H13X 270	\$1,859,020	\$743,608	\$6,197	37.136	\$27,615	\$230

Provided below is a summary of tax comparables in the area, several of which are also included as rent comparables in the Supply Analysis presented later.

### COMPARABLE ASSESSMENTS

Property	Property Type	Year Built	Number of Units	Total Value	Assessed Value	Assessed Value Per Unit
Greystone Apartments	LIHTC	1936/1994	68	\$916,870	\$366,748	\$5,393
The Grove At 600	Market	1971/2017	104	\$1,667,695	\$667,078	\$6,414
Heatherwood Apartments	Section 8	1980s	68	\$1,128,110	\$451,244	\$6,636
Ashton Ridge	Market	1999/2016	88	\$1,699,910	\$679,964	\$7,727
Riverwood Park	Market	1997	91	\$1,771,490	\$708,596	\$7,787
Tamassee Apartments	Section 8	1980s	80	\$1,631,300	\$652,520	\$8,157
Callier Forest Apartments	Section 8	1981	130	\$2,662,044	\$1,064,818	\$8,191
Ashland Park Apartments	LIHTC	2005	184	\$4,615,569	\$1,846,228	\$10,034
Eastland Court	Market	2005/2007	116	\$4,703,260	\$1,881,304	\$16,218
Claridge Gate	Market	2006	32	\$2,722,860	\$1,089,144	\$34,036

The above data indicates an assessed per unit range from \$5,393 to \$34,036 per unit for comparable multifamily properties located in the Subject’s market. As is, the Subject would likely receive an assessment toward the lower end of the range of tax comparables. Therefore, we have utilized the Subject’s current assessed value of \$6,197 per unit for the as is scenario. Following renovations, the Subject will likely receive an assessment slightly higher than the comparable Section 8 developments. We have estimated an assessed value per unit of \$8,500 for the as renovated scenarios.

**PROPERTY TAX ESTIMATE - AS IS**

Parcel	Assessed Value	Number of Units	Assessed Value Per Unit	Tax Rate	Indicated Tax Burden	Taxes Per Unit
H13X 270	\$743,608	120	\$6,197	3.7136%	\$27,615	\$230

**PROPERTY TAX ESTIMATE - AS RENOVATED**

Parcel	Assessed Value	Number of Units	Assessed Value Per Unit	Tax Rate	Indicated Tax Burden	Taxes Per Unit
H13X 270	\$1,020,000	120	\$8,500	3.7136%	\$37,879	\$316

**ZONING**

**Current Zoning**

According to the Rome-Floyd County Planning Department, the Subject is zoned M-R (Multifamily Residential). This zoning district allows multifamily use at a maximum density of 14 units per acre. The Subject offers 120 units on 7.89 acres, which equates to a density of approximately 15.2 units per acre. Additionally, the M-R district requires two parking spaces for each unit. Based on the unit mix, the Subject would be required to offer approximately 240 parking spaces to be in compliance. The Subject offers 304 parking spaces. Overall, the Subject appears to be a legal, non-conforming use. It should be noted that the parking and density at the Subject is comparable to surrounding neighborhood properties.

**Potential Zoning Changes**

We are not aware of any proposed zoning changes at this time.

# **V. COMPETITIVE RENTAL ANALYSIS**

## COMPETITIVE RENTAL ANALYSIS

### Tenure

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

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	22,730	66.8%	11,297	33.2%
2017	21,406	59.5%	14,579	40.5%
2021	21,450	59.4%	14,685	40.6%

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

Owner-occupied units comprise of 59.5 percent of the total housing stock in the PMA, with renter-occupied units predicted to increase through 2021. It is anticipated that the renter-occupied units will increase by 106 units from 2017 to 2021. Nationally, approximately two-thirds of households are renters. Thus the PMA has a higher percentage of renter-occupied households compared to the nation overall.

### New Supply

According to Mr. David Thompson with the Rome-Floyd Planning Department Planning Department, there are three multifamily developments currently planned, proposed, or under construction in the Subject's PMA.

South Rome Residential was allocated LIHTC funding in the Subject's PMA in 2015. According to the developer, Lee Cochran of Laurel Street Residential, the project is currently under construction. This is a scattered site development, generally concentrated around Broad Street and Etowah Terrace, in Downtown Rome, approximately 4.5 miles east of the Subject. According to Mr. Cochran, South Rome Residential will offer 22 one-bedroom units, 41 two-bedroom units, and 21 three bedroom units at 50 and 60 percent AMI. Mr. Cochran reported that one-bedroom rents will range from \$354 to \$466, two-bedroom units will range from \$450 to \$560, and three-bedroom rents will range from \$505 to \$635. The property will offer central air conditioning, washer/dryer hook-ups, and walk-in closets. Tenants will be responsible for electric expenses, while water, sewer, and trash expenses will be included in the rent. As of this report, the property had not yet begun to market its units, hence no data regarding pre-leasing was available. Mr. Cochran did report that he anticipates certificated of occupancy to be issued in June or July of 2017.

Joe Wright Village is NWGHA newest development. According to Executive Director Sandra Hudson, the project is currently under construction. It is located at approximately 1701 Martin Luther King Jr. Boulevard, approximately five miles to the east of the Subject. Ms. Hudson stated that the final unit mix was not available due to ongoing zoning adjustments. However, it will consist of 31 units, with a preliminary unit mix consisting of 12 one-bedroom units, 15 two bedroom units, and four three-bedroom units. As this is a Public Housing development, rents will be based on 30 percent of household income. Construction is anticipated to be complete in December of 2017.

River Point Apartments is currently under construction. This 124-unit luxury market rate development will consist of 44 one-bedroom units, 62 two-bedroom units, and 18 three-bedroom units. It will be located at 24 River Point Place, approximately 3.7 miles to the east of the Subject. According the property's website rents will range from \$835 for the one-bedroom units to \$1,450 for the three-bedroom units with views of the river and the nearby baseball stadium. The property will offer central air-conditioning, a luxury appliance package, walk-in closets, business center, swimming pool, and exercise facility, and will be elevator serviced. The developer, Charles Williams, anticipates that construction will be completed in February of 2018. In addition, Mr. Williams noted that three-bedroom units were generating the most interest.

### **LIHTC Competition / Recent and Proposed Construction**

According to the DCA Program Awards Database, two properties were allocated tax credits in the last five years. As noted previously, South Rome Residential was awarded tax credits in 2015. It will consist of 84 one, two, and three-bedroom units offered at 50 and 60 percent of area median income. It is currently under construction, with the first phase of units expected to enter the market in July of 2017 and the second phase entering the market in December of 2017. According to the developer, none of the units have been pre-leased and plans to market the property are being set for early May 2017. South Rome Residential will directly compete with the Subject.

Highland Estates Senior Apartments is a LIHTC property restricted to seniors age 55 and older that was awarded tax credits in 2014. It offers 84 one and two-bedroom units at 50 and 60 percent of area median income. According to a contact at the property, Highland Estates began leasing units in September of 2016, and is currently 81.0 percent occupied. This equates an absorption rate of to eight to nine units a month. As this property is restricted to residents age 55 and older, it is not considered directly competitive with the Subject.

The Subject property is currently fully occupied with a waiting list and 114 of the Subject's 120 units will continue to benefit from a property based rental subsidy. Additionally, existing LIHTC, and other affordable properties in the PMA, that are targeted toward families maintain high occupancy rates and waiting lists. Given this information, we do not believe that the renovation of the Subject utilizing tax credits will impact the new or existing LIHTC properties in the area that are in overall good condition and currently performing well. However, it is possible that the Subject will draw tenants from the older LIHTC, or public housing properties that suffer from deferred maintenance and those that are currently underperforming the market.

### **Local Housing Authority Discussion**

We spoke with Ms. Sandra Hudson, the Executive Director for the Northwest Georgia Housing Authority (NWGHA). Ms. Hudson reported that NWGHA is currently undergoing a major renovation of its public housing portfolio and that NWGHA has demolished some 300 units of sub-standard housing, which have not yet been replaced. Housing Choice Vouchers were issued to those who were displaced. However, Ms. Hudson reports that many of these vouchers have gone unused, as these new voucher holders have not been able to find sufficient rental housing in Floyd or Polk counties, where the vouchers are valid. As mentioned in the *Competitive Analysis* section, Joe Wright Village is anticipated to be ready for occupancy by December of 2017; however, this represents only 31 units. Ms. Hudson also reported that NWGHA is working on developing a financing plan for an additional 100 units; however, no timeline was available. Ms. Hudson reported a distinct need for all types of housing, not only in Rome, but throughout Floyd and Polk counties. Not only is workforce housing needed, but also housing for the low and very low income. Anecdotally, Ms. Hudson reported that homeless seemed to be at an all-time high in the area. However, an updated point-in-time count was not available to illustrate this observation. Ms. Hudson reported that there are 672 Housing Choice Vouchers issued in Floyd and Polk counties. However, she was unable to report how many are in use at this time. She reported that waiting list for vouchers is over 1,000 households in length, and that the waiting list was briefly opened in the first week of April 2017, and is currently closed. She also reported that the waiting list for public housing was over 3,000 households in length. All households on the waiting list earn below 60 percent of the AMI and are expected to be income-qualified for the Subject's 60 percent of AMI units. The payment standards for Floyd and Polk Counties are on the following page.

**PAYMENT STANDARDS**

Unit Type	Standard
1 Bedroom	\$501
2 Bedroom	\$670
3 Bedroom	\$879
4 Bedroom	\$1,119

Source: NWGHA, 4/2017

The Subject's proposed one-bedroom LIHTC rents are set above the current payment standards, while the remaining rents are below the payment standards. In addition, the Subject will benefit from Section 8 rental assistance and tenants of the Subject will pay 30 percent of income as rent. As such, these tenants will not utilize a Housing Choice Voucher.

## **SURVEY OF COMPARABLE PROJECTS**

Comparable properties are examined on the basis of physical characteristics, e.g., building type, building age/quality, the level of common amenities, absorption rates, and similarity in rent structure. We attempted to compare the Subject to properties from the competing market, in order to provide a picture of the general economic health and available supply in the market.

### **Description of Property Types Surveyed/Determination of Number of Units**

To evaluate the competitive position of the Subject, 955 units in 12 rental properties were surveyed in depth. We also visited and surveyed other properties that were excluded from the market survey because they are not considered comparable, because they include services and meals in rents, or they would not participate in the survey. Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities; tenant profiles; and market trends in general.

The availability of LIHTC data is considered fair; while there are five existing LIHTC properties in the PMA, only two are targeted to families. One of these two properties, Ashland Park Apartments, is located in Rome, while the second, Spring Haven Apartments, is located in Cave Springs. In October of 2016, Riverwood Park Apartments, formerly a LIHTC property, transitioned to a market rate property. It is of note that a sixth LIHTC property, South Rome Residential, which is targeted to families, is completing construction, and anticipates receiving a certificate of occupancy in June of 2017. The developer confirmed that a marketing campaign for the properties has not yet begun; hence, none of the units are pre-leased. We have included a newer property owned by the Rome Housing Authority, Pennington Place, which is an eight unit complex that was constructed in 2012. While two of its units are public housing, the remaining six are targeted to families that earn less than 50 percent of area median income under the HOME program. Due to the lack of “true” LIHTC comparables in the PMA, it was necessary to utilize three comparable properties, located outside of the PMA that target families, and are located in generally similar areas in terms of access to amenities and employment opportunities. Additionally, we were unable to locate any four-bedroom, unsubsidized, comparable properties located in the PMA or SMA. Hence, it was necessary to adjust the three-bedroom rent upward in our achievable LIHTC rent discussion regarding four-bedroom units. Finally, it is of note that 114 of the Subject’s 120 units currently benefit from a Housing Assistance Program (HAP) contract. As such, qualifying tenants will pay only 30 percent of their household income on rent. The comparable affordable properties in the PMA are located between 2.6 and 13.6 miles from the Subject, while the comparable affordable properties in the SMA are located between 17.1 and 25.2 miles from the Subject.

The availability of market-rate data is considered good. The Subject is located in Rome, and there are several market-rate properties in the area. We have included six conventional properties in our analysis of the competitive market. All of the market-rate properties are located in the PMA, between 2.0 and 6.4 miles from the Subject site. These comparables were built or renovated between 1971 and 2017. There are a limited number of new construction market-rate properties in the area. Overall, we believe the market-rate properties we have used in our analysis are the most comparable. Other market-rate properties were excluded based on condition, design or tenancy.

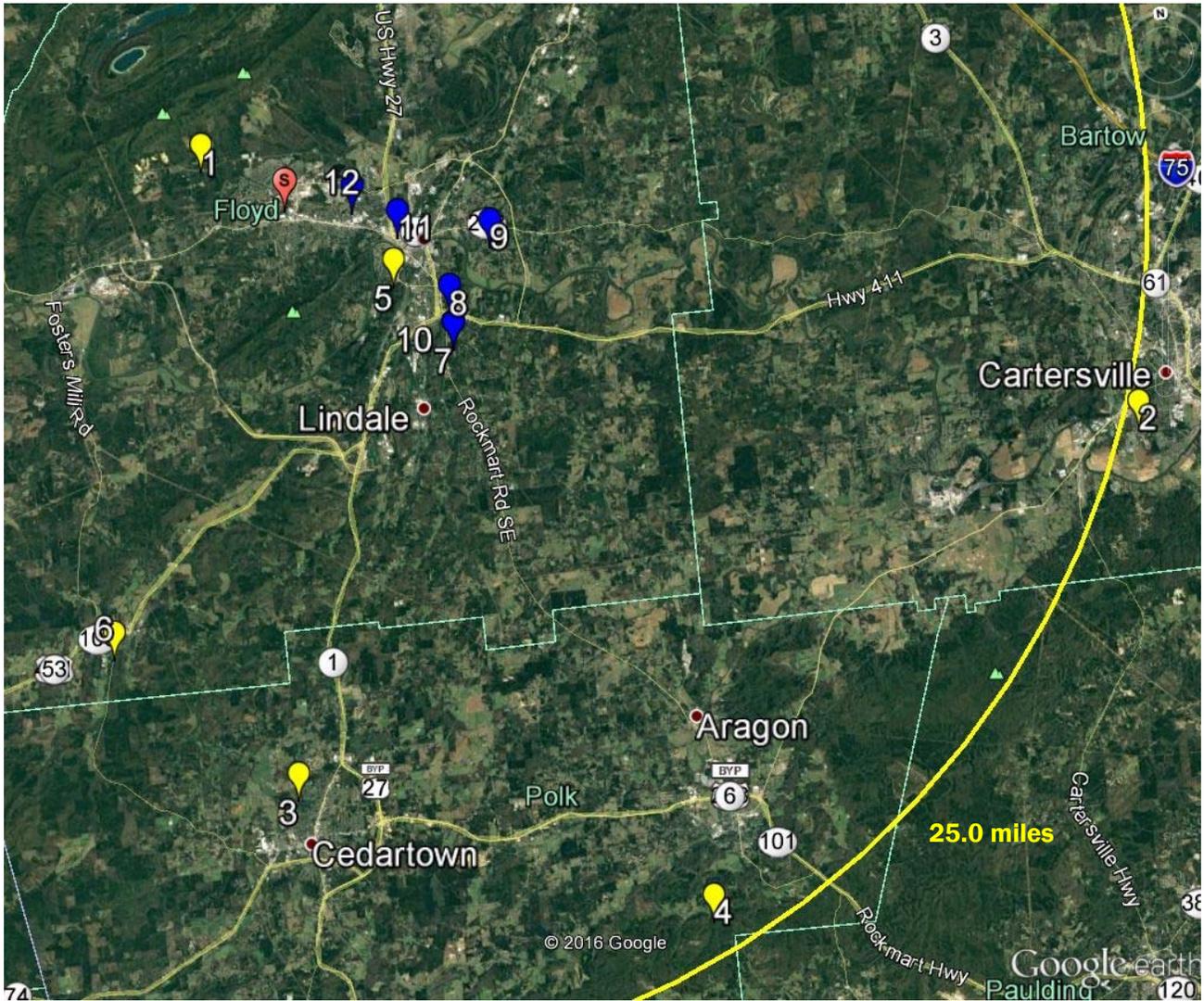
The following table illustrates properties within the PMA that have been excluded from our analysis along with their reason for exclusion.

**EXCLUDED PROPERTIES IN THE PMA**

Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
Pine Ridge Apartments	Affordable	Rome	Senior/Disabled	30	Dissimilar Tenancy
Greystone	LIHTC	Rome	Senior	68	Dissimilar Tenancy
Etowah Terrace Senior Residences	LIHTC	Rome	Senior	77	Dissimilar Tenancy
Highland Estates Senior	LIHTC	Rome	Senior	84	Subsidized Rent
Charles Hight Homes	Public Housing	Rome	Senior	303	Subsidized Rent
John Graham Homes	Public Housing	Rome	Family	150	Subsidized Rent
Main Heights/Park Homes Apartment	Public Housing	Rome	Family	164	Subsidized Rent
Willingham Village	Public Housing	Rome	Family	76	Subsidized Rent
Joe Wright Village	Public Housing	Rome	Family	31	Subsidized Rent
Callier Forest Apts	Section 8	Rome	Family	130	Subsidized Rent
Heatherwood Apartments	Section 8	Rome	Family	68	Subsidized Rent
Tamassee Apartments	Section 8	Rome	Family	80	Subsidized Rent
The Villas	Section 8	Rome	Family	39	Subsidized Rent
Steve Pettis Court Apts	Rural Housing	Cave Spring	Family	32	Subsidized Rent
Broad Street Lofts	Market	Rome	Family	24	Dissimilar Design
Dupree Apartments	Market	Rome	Family	15	Inferior Condition
Forest Place Apartments	Market	Rome	Family	40	Dissimilar Design
Griffin Apartments	Market	Rome	Senior	15	Dissimilar Tenancy
Guest House Apts	Market	Rome	Family	58	Inferior Unit Mix
Heritage Pointe	Market	Rome	Family	149	Inferior Condition
Summer Stone	Market	Rome	Family	32	Inferior Condition
Willow Way Apts	Market	Rome	Family	56	Unable to Contact

The following pages include individual comparable property profiles, along with a summary table. A map of the comparables, in relation to the Subject, is included on the following page.

**Comparable Properties Map**

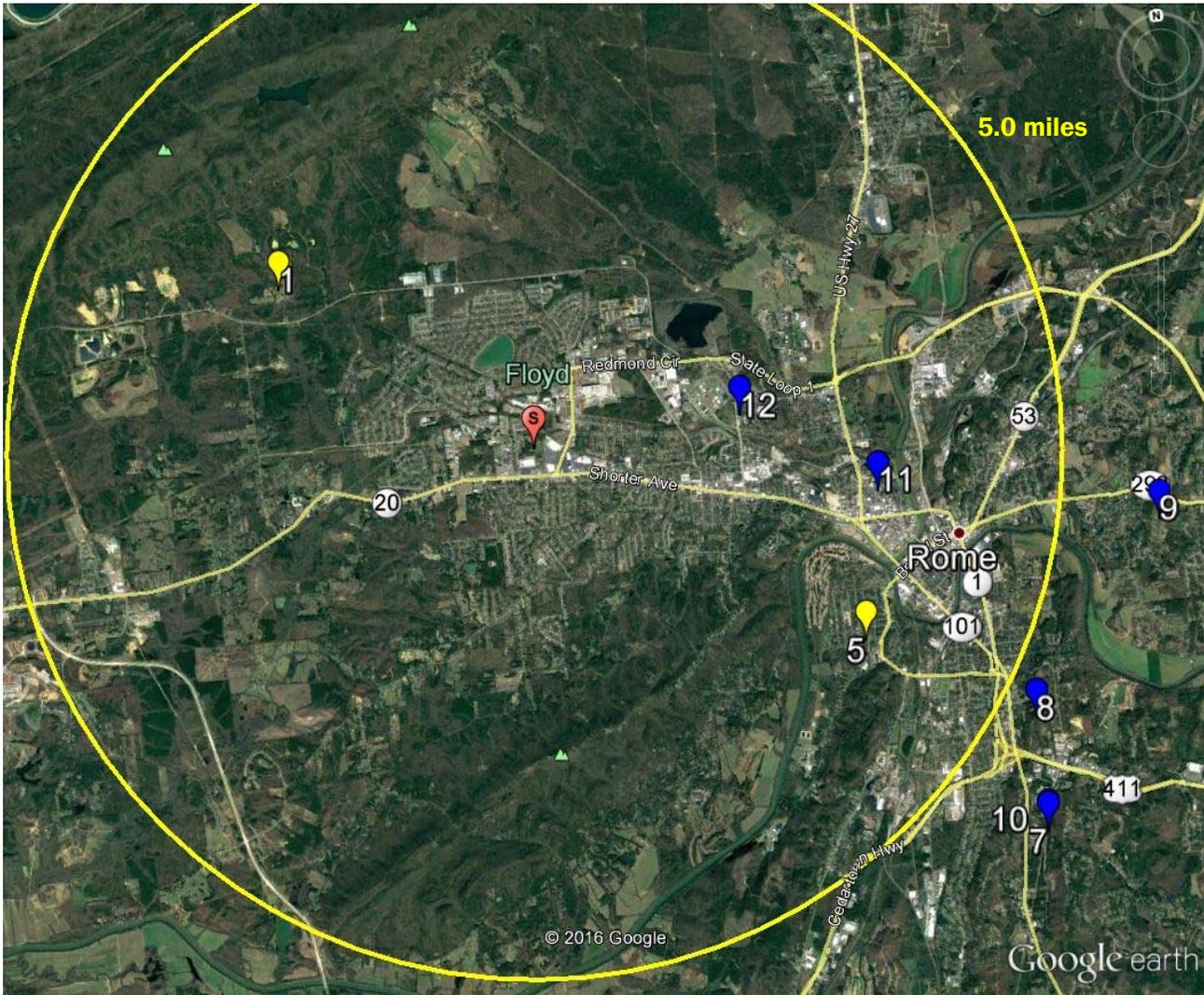


**COMPARABLE PROPERTIES**

Map #	Property Name	Location	Program	Distance
1	Ashland Park Apartments	Rome	LIHTC	2.6 miles
2	Etowah Village*	Cartersville	LIHTC	25.2 miles
3	Evergreen Village*	Cedartown	LIHTC	17.1 miles
4	Park Place Apartments*	Rockmart	LIHTC/Market	23.9 miles
5	Pennington Place	Rome	HOME/PHA	3.8 miles
6	Spring Haven Apartments	Cave Springs	LIHTC	13.6 miles
7	Arbor Terrace Apartments	Rome	Market	6.4 miles
8	Ashton Ridge	Rome	Market	5.5 miles
9	Claridge Gate	Rome	Market	6.1 miles
10	Eastland Court	Rome	Market	5.9 miles
11	Riverwood Park	Rome	Market	4.2 miles
12	The Grove At 600	Rome	Market	2.0 miles

\*outside of PMA

Comparable Properties Map (Rome, GA Detail)



COMPARABLE PROPERTIES

Map #	Property Name	Location	Program	Distance
1	Ashland Park Apartments	Rome	LIHTC	2.6 miles
2	Etowah Village*	Cartersville	LIHTC	25.2 miles
3	Evergreen Village*	Cedartown	LIHTC	17.1 miles
4	Park Place Apartments*	Rockmart	LIHTC/Market	23.9 miles
5	Pennington Place	Rome	HOME/PHA	3.8 miles
6	Spring Haven Apartments	Cave Springs	LIHTC	13.6 miles
7	Arbor Terrace Apartments	Rome	Market	6.4 miles
8	Ashton Ridge	Rome	Market	5.5 miles
9	Claridge Gate	Rome	Market	6.1 miles
10	Eastland Court	Rome	Market	5.9 miles
11	Riverwood Park	Rome	Market	4.2 miles
12	The Grove At 600	Rome	Market	2.0 miles

\*outside of PMA

**MEADOW LANE APARTMENTS –ROME, GEORGIA – APPRAISAL**

**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	Meadow Lane Apartments 22 Tamassee Lane Rome, GA 30165 Floyd County	n/a	Garden (3 stories) 1974 / Proposed	LIHTC/ Section 8	1BR / 1BA	15	12.5%	@60% (Section 8)	\$456	560	yes	Yes	0	0.0%
					2BR / 1BA	60	50.0%	@60% (Section 8)	\$550	851	yes	Yes	0	0.0%
					3BR / 1BA	27	22.5%	@60% (Section 8)	\$619	1,021	yes	Yes	0	0.0%
					3BR / 1BA	3	2.5%	@60%	\$619	1,021	yes	Yes	0	0.0%
					4BR / 1BA	13	10.8%	@60% (Section 8)	\$745	1,173	yes	Yes	0	0.0%
					4BR / 1BA	1	0.8%	@60%	\$683	1,173	yes	Yes	0	0.0%
					4BR / 1BA	1	0.8%	Non-Rental	N/A	1,173	yes	No	0	0.0%
					120	100.0%							0	0.0%
1	Ashland Park Apartments 10 Ashland Park Boulevard NE Rome, GA 30165 Floyd County	2.6 miles	Garden (3 stories) 2005	LIHTC	1BR / 1BA	24	13.0%	@60%	\$493	874	no	Yes	0	0.0%
					2BR / 2BA	88	47.8%	@60%	\$556	1,149	no	Yes	0	0.0%
					3BR / 2BA	72	39.1%	@60%	\$596	1,388	no	Yes	1	1.4%
					184	100.0%							1	0.5%
2	Etowah Village 366 Old Mill Road Cartersville, GA 30120 Bartow County	25.2 miles	Garden (2 stories) 1998 / 2012	LIHTC	2BR / 2BA	24	25.0%	@50%	\$664	1,106	no	Yes	0	0.0%
					3BR / 2BA	36	37.5%	@50%	\$753	1,237	no	Yes	1	2.8%
					3BR / 2BA	36	37.5%	@60%	\$766	1,237	no	Yes	0	0.0%
					96	100.0%							1	1.0%
3	Evergreen Village 110 Evergreen Lane Cedartown, GA 30125 Polk County	17.1 miles	Garden (2 stories) 1997	LIHTC	1BR / 1BA	8	14.3%	@50%	\$392	756	yes	Yes	0	0.0%
					1BR / 1BA	8	14.3%	@60%	\$392	756	no	Yes	0	0.0%
					2BR / 1BA	10	17.9%	@50%	\$457	915	yes	Yes	0	0.0%
					2BR / 1BA	10	17.9%	@60%	\$494	915	yes	Yes	0	0.0%
					3BR / 2BA	10	17.9%	@50%	\$514	1,136	yes	Yes	0	0.0%
					3BR / 2BA	10	17.9%	@60%	\$534	1,136	yes	Yes	0	0.0%
					56	100.0%							0	0.0%
4	Park Place Apartments 800 Park Place Circle Rockmart, GA 30153 Polk County	23.9 miles	Garden (3 stories) 2003	LIHTC/ Market	1BR / 1BA	8	13.3%	@50%	\$385	677	no	No	0	0.0%
					1BR / 1BA	2	3.3%	@60%	\$396	677	no	No	0	0.0%
					1BR / 1BA	2	3.3%	Market	\$499	677	n/a	No	0	0.0%
					2BR / 1BA	14	23.3%	@50%	\$458	883	no	No	0	0.0%
					2BR / 1BA	5	8.3%	@60%	\$471	883	no	No	0	0.0%
					2BR / 1BA	5	8.3%	Market	\$624	883	n/a	No	0	0.0%
					3BR / 2BA	14	23.3%	@50%	\$550	1,100	no	No	0	0.0%
					3BR / 2BA	5	8.3%	@60%	\$571	1,100	no	No	0	0.0%
					3BR / 2BA	5	8.3%	Market	\$677	1,100	n/a	No	0	0.0%
										60	100.0%			
5	Pennington Place 420 Pennington Ave Rome, GA 30161 Floyd County County	3.8 miles	One-story 2012	PHA/ HOME	2BR / 2BA	3	37.5%	@50% (HOME)	\$644	800	yes	Yes	0	0.0%
					2BR / 2BA	3	37.5%	@50% (HOME)	\$569	800	yes	Yes	0	0.0%
					2BR / 2BA	2	25.0%	PHA	N/A	800	n/a	Yes	0	0.0%
					8	100.0%							0	0.0%
6	Spring Haven Apartments 7 Perry Farm Rd. Cave Springs, GA 30124 Floyd County	13.6 miles	One-story 2001	LIHTC/ HOME	1BR / 1BA	10	41.7%	@50% (HOME)	\$408	649	no	Yes	0	0.0%
					1BR / 1BA	2	8.3%	@60%	\$415	649	no	Yes	0	0.0%
					2BR / 1BA	3	12.5%	@50% (HOME)	\$482	819	no	Yes	0	0.0%
					2BR / 1BA	N/A	N/A	@60%	\$504	819	no	Yes	0	N/A
					24	100.0%							0	0.0%
7	Arbor Terrace Apartments 50 Chateau Drive SE Rome, GA 30161 Floyd County	6.4 miles	Various (2 stories) 1971	Market	3R / 1BA (Garde	16	16.7%	Market	\$485	680	n/a	No	0	0.0%
					1.5BA (Townh	64	66.7%	Market	\$664	1,190	n/a	No	0	0.0%
					3R / 2BA (Garde	16	16.7%	Market	\$781	1,320	n/a	No	0	0.0%
					96	100.0%							0	0.0%
8	Ashton Ridge 2522 Callier Springs Road Rome, GA 30161 Floyd County	5.5 miles	Lowrise (3 stories) 1999 / 2016	Market	1BR / 1BA	14	15.9%	Market	\$535	708	n/a	No	0	0.0%
					2BR / 2BA	37	42.0%	Market	\$653	933	n/a	No	2	5.4%
					3BR / 2BA	37	42.0%	Market	\$711	1,134	n/a	No	3	8.1%
					88	100.0%							5	5.7%
9	Claridge Gate 3 Keown Road SE Rome, GA 30161 Floyd County	6.1 miles	Garden 2006	Market	2BR / 2BA	24	75.0%	Market	\$815	1,221	n/a	No	2	8.3%
					3BR / 2BA	8	25.0%	Market	\$976	1,377	n/a	No	0	0.0%
					32	100.0%							2	6.2%

**MEADOW LANE APARTMENTS –ROME, GEORGIA – APPRAISAL**

**SUMMARY MATRIX**

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
10	Eastland Court 40 Chateau Drive Rome, GA 30161 Floyd County	5.9 miles	Garden (4 stories) 2005/2007	Market	1BR / 1BA	21	18.1%	Market Market Market Market	\$880	804	n/a	Yes	0	0.0%
					1BR / 1BA	4	3.4%		\$990	919	n/a	Yes	0	0.0%
					2BR / 2BA	68	58.6%		\$1,039	1,056	n/a	Yes	2	2.9%
					3BR / 2BA	23	19.8%		\$1,191	1,516	n/a	Yes	0	0.0%
					116	100.0%							2	1.7%
11	Riverwood Park 525 West 13th Street Rome, GA 30165 Floyd County	4.2 miles	Lowrise (3 stories) 1997	Market	2BR / 2BA	56	61.5%	Market Market	\$581	912	no	No	1	1.8%
					3BR / 2BA	35	38.5%		\$652	1,102	no	No	0	0.0%
						91	100.0%						1	1.1%
12	The Grove At 600 600 Redmond Road NW Rome, GA 30165 Floyd County	2 miles	Townhouse (2 stories) 1971 / 2017	Market	2BR / 1.5BA	62	59.6%	Market Market	\$769	1,120	n/a	No	1	1.6%
					3BR / 2.5BA	42	40.4%		\$881	1,320	n/a	No	0	0.0%
						104	100.0%						1	1.0%

# MEADOW LANE APARTMENTS – ROME, GEORGIA – APPRAISAL

## UNIT MATRIX REPORT

	Meadow Lane Apartments	Ashland Park Apartments	Etowah Village	Evergreen Village	Park Place Apartments	Pennington Place	Spring Haven Apartments	Arbor Terrace Apartments	Ashton Ridge	Claridge Gate	Eastland Court	Riverwood Park	The Grove At 600
Comp #	Subject	1	2	3	4	5	6	7	8	9	10	11	12
<b>Property Information</b>													
Property Type	Garden (3 stories)	Garden (3 stories)	Garden (2 stories)	Garden (2 stories)	Garden (3 stories)	One-story	One-story	Various (2 stories)	Lowrise (3 stories)	Garden (3 stories)	Garden (4 stories)	Lowrise (3 stories)	Townhouse (2 stories)
Year Built / Renovated	1974 / Proposed 2019	2005 / n/a	1998 / 2012	1997	2003	2012	2001	1971	1999 / 2016	2006	2005/2007	1997	1971 / 2017
Market (Conv.)/Subsidy Type	LIHTC/ Section 8	LIHTC	LIHTC	LIHTC	LIHTC/ Market	HOME/PHA	LIHTC/HOME	Market	Market	Market	Market	Market	Market
<b>Utility Adjustments</b>													
Cooking	no	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	yes	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	yes	no	yes	yes	no	no	no	no	no	no	yes	no
Sewer	yes	yes	no	yes	yes	no	no	no	no	no	no	yes	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>In-Unit Amenities</b>													
Balcony/Patio	no	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	yes	no	no	no	no	no	no	no	no	no	no	yes	no
Carpet/Hardwood	yes	no	no	no	no	yes	no	no	no	no	no	no	no
Carpeting	no	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	yes	no	no	no	no	yes	no	yes	no	no
Ceiling Fan	no	yes	yes	no	no	no	yes	no	yes	yes	yes	yes	yes
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes	yes
Microwave	yes	no	no	no	no	yes	yes	no	no	yes	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	yes	no	no	yes	no	yes	yes	yes	yes	yes	no	yes
Washer/Dryer	yes	no	no	yes	no	yes	no	no	no	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
<b>Property Amenities</b>													
Basketball Court	no	no	yes	yes	yes	no	no	no	no	no	no	no	no
Business Center/Computer Lab	yes	yes	yes	no	no	no	no	no	no	no	no	no	no
Car Wash	no	yes	yes	no	no	no	no	no	no	no	no	no	no
Carport	no	no	yes	no	no	no	no	no	no	no	no	no	no
Clubhouse/Community Room	yes	yes	no	yes	yes	no	no	no	yes	no	yes	yes	yes
Exercise Facility	no	yes	no	yes	no	no	no	no	no	no	yes	yes	no
Garage	no	no	no	no	no	yes	no	no	no	yes	yes	no	no
Central Laundry	no	no	yes	yes	yes	no	yes	no	yes	no	no	yes	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	no	yes	yes	yes	no	yes	yes	yes
Picnic Area	yes	yes	no	yes	yes	no	no	yes	yes	yes	yes	no	no
Playground	yes	yes	yes	yes	yes	no	no	yes	yes	no	yes	yes	yes
Swimming Pool	no	yes	no	no	no	no	no	yes	no	no	yes	no	yes
Volleyball Court	no	no	yes	no	no	no	no	no	no	no	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$75.00	\$100.00	N/A	N/A
<b>Services</b>													
Tutoring	yes	no	no	no	no	no	no	no	no	no	no	no	no
<b>Security</b>													
Limited Access	no	no	no	no	no	no	no	yes	no	no	yes	no	no
Patrol	yes	no	no	no	no	no	no	yes	no	no	no	no	no
Perimeter Fencing	no	yes	no	no	no	no	no	no	no	yes	yes	yes	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	no	no	no	no

# PROPERTY PROFILE REPORT

## Ashland Park Apartments

<b>Effective Rent Date</b>	4/05/2017
<b>Location</b>	10 Ashland Park Boulevard NE Rome, GA 30165 Floyd County
<b>Distance</b>	2.6 miles
<b>Units</b>	184
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	0.5%
<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>	Ashton Ridge, Riverwood Park
<b>Tenant Characteristics</b>	Mixed tenancy, some families
<b>Contact Name</b>	Cynthia
<b>Phone</b>	706-290-1040



### Market Information

<b>Program</b>	@60%
<b>Annual Turnover Rate</b>	15%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	40%
<b>Leasing Pace</b>	Pre-leased to two weeks
<b>Annual Chg. in Rent</b>	None reported
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	24	874	\$489	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	88	1,149	\$550	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	72	1,388	\$589	\$0	@60%	Yes	1	1.4%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$489	\$0	\$489	\$4	\$493
2BR / 2BA	\$550	\$0	\$550	\$6	\$556
3BR / 2BA	\$589	\$0	\$589	\$7	\$596

## Ashland Park Apartments, continued

### Amenities

**In-Unit**

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

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

**Security**

Perimeter Fencing

**Services**

None

**Property**

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

Car Wash  
Exercise Facility  
On-Site Management  
Playground

**Premium**

None

**Other**

None

### Comments

The contact reported that the property maintains a waiting list that is 50 households in length, and the current vacancy is pre-leased.

## Ashland Park Apartments, continued

### Trend Report

#### Vacancy Rates

2Q14	1Q15	2Q15	2Q17
25.5%	3.8%	3.8%	0.5%

**Trend: @60%**

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$480	\$0	\$480	\$484
2015	1	0.0%	\$489	\$0	\$489	\$493
2015	2	0.0%	\$489	\$0	\$489	\$493
2017	2	0.0%	\$489	\$0	\$489	\$493

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$530	\$0	\$530	\$536
2015	1	0.0%	\$550	\$0	\$550	\$556
2015	2	0.0%	\$550	\$0	\$550	\$556
2017	2	0.0%	\$550	\$0	\$550	\$556

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$580	\$0	\$580	\$587
2015	1	9.7%	\$589	\$0	\$589	\$596
2015	2	9.7%	\$589	\$0	\$589	\$596
2017	2	1.4%	\$589	\$0	\$589	\$596

### Trend: Comments

- 2Q14** The contact indicated that the property's vacancy rate is significantly higher than is typical. She reported that recent changes in management resulted in increased turnover. Additionally, she noted that many tenants have recently purchased homes and have therefore moved out.
- 1Q15** The contact reported that the property maintains a waiting list that is approximately 9 months long. Management reported that the reason for the increased turnover ratio is because the property also provides supportive housing to veterans via the Veterans Affairs Supportive Housing (VASH) program. Occupancy is reported as typical for the property. Management reported that the property offers approximately 1.5 parking spaces per unit. The contact was unable to comment on the parking utilization rate at the property.
- 2Q15** The contact reported that the property maintains a waiting list that is approximately nine months long. The property also provides supportive housing to veterans via the Veterans Affairs Supportive Housing (VASH) program, which has increased the property's turnover ratio. Management stated that the demand for affordable housing in the area is strong.
- 2Q17** The contact reported that the property maintains a waiting list that is 50 households in length, and the current vacancy is pre-leased.

**Ashland Park Apartments, continued**

**Photos**



# PROPERTY PROFILE REPORT

## Etowah Village

<b>Effective Rent Date</b>	4/19/2017
<b>Location</b>	366 Old Mill Road Cartersville, GA 30120 Bartow County
<b>Distance</b>	25.2 miles
<b>Units</b>	96
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	1.0%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1998 / 2012
<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>	Mostly from local area
<b>Contact Name</b>	Niecie
<b>Phone</b>	770-383-9995



### Market Information

<b>Program</b>	@50%, @60%
<b>Annual Turnover Rate</b>	20%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	8%
<b>Leasing Pace</b>	Pre-leased to three weeks
<b>Annual Chg. in Rent</b>	11% increase since 2Q2015
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- gas
<b>Water Heat</b>	not included -- electric
<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
2	2	Garden (2 stories)	24	1,106	\$610	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	36	1,237	\$687	\$0	@50%	Yes	1	2.8%	no	None
3	2	Garden (2 stories)	36	1,237	\$700	\$0	@60%	Yes	0	0.0%	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$610	\$0	\$610	\$54	\$664	3BR / 2BA	\$700	\$0	\$700	\$66	\$766
3BR / 2BA	\$687	\$0	\$687	\$66	\$753						

## Etowah Village, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Refrigerator

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

**Security**

None

**Services**

None

**Property**

Basketball Court  
Car Wash  
Central Laundry  
On-Site Management  
Volleyball Court

Business Center/Computer Lab  
Carport  
Off-Street Parking  
Playground

**Premium**

None

**Other**

None

### Comments

The contact reported that the property maintains a waiting list of six households, and the current vacant unit is pre-leased.

# Etowah Village, continued

## Trend Report

### Vacancy Rates

3Q07	1Q15	2Q15	2Q17
9.4%	1.0%	1.0%	1.0%

**Trend: @50%**

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	0.0%	\$550	\$76	\$474	\$528
2015	1	0.0%	\$556	\$0	\$556	\$610
2015	2	0.0%	\$556	\$0	\$556	\$610
2017	2	0.0%	\$610	\$0	\$610	\$664

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	0.0%	\$650	\$83	\$567	\$633
2015	1	0.0%	\$623	\$0	\$623	\$689
2015	2	0.0%	\$623	\$0	\$623	\$689
2017	2	2.8%	\$687	\$0	\$687	\$753

**Trend: @60%**

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	25.0%	\$650	\$106	\$544	\$610
2015	1	2.8%	\$623	\$0	\$623	\$689
2015	2	2.8%	\$623	\$0	\$623	\$689
2017	2	0.0%	\$700	\$0	\$700	\$766

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	25.0%	\$650	\$106	\$544	\$610
2015	1	2.8%	\$623	\$0	\$623	\$689
2015	2	2.8%	\$623	\$0	\$623	\$689
2017	2	0.0%	\$700	\$0	\$700	\$766

## Trend: Comments

- 3Q07** The contact stated that there is enough affordable housing to meet the demand in this area.
- 1Q15** The two and three-bedroom units have waiting lists of two households and four households, respectively. The contact was unable to provide the number of households currently on the waiting list. Management reported that occupancy at the property is typical. The contact was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate.
- 2Q15** No additional comments.
- 2Q17** The contact reported that the property maintains a waiting list of six households, and the current vacant unit is pre-leased.

# Etowah Village, continued

## Photos



# PROPERTY PROFILE REPORT

## Evergreen Village

**Effective Rent Date** 4/06/2017  
**Location** 110 Evergreen Lane  
 Cedartown, GA 30125  
 Polk County  
**Distance** 17.1 miles  
**Units** 56  
**Vacant Units** 0  
**Vacancy Rate** 0.0%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 1997 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Park Place  
**Tenant Characteristics** Mixed tenancy  
**Contact Name** Lynne  
**Phone** 770-749-9333



### Market Information

**Program** @50%, @60%  
**Annual Turnover Rate** 40%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 10%  
**Leasing Pace** Pre-leased to two weeks  
**Annual Chg. in Rent** 5% increase since 2Q2015  
**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)	8	756	\$388	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	8	756	\$388	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	10	915	\$451	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (2 stories)	10	915	\$488	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	10	1,136	\$507	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	10	1,136	\$527	\$0	@60%	Yes	0	0.0%	yes	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$388	\$0	\$388	\$4	\$392	1BR / 1BA	\$388	\$0	\$388	\$4	\$392
2BR / 1BA	\$451	\$0	\$451	\$6	\$457	2BR / 1BA	\$488	\$0	\$488	\$6	\$494
3BR / 2BA	\$507	\$0	\$507	\$7	\$514	3BR / 2BA	\$527	\$0	\$527	\$7	\$534

## Evergreen Village, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Oven  
Washer/Dryer

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

#### Security

None

#### Services

None

#### Property

Basketball Court  
Exercise Facility  
Off-Street Parking  
Picnic Area

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Playground

#### Premium

None

#### Other

None

### Comments

The contact reported that the waiting list has approximately seven households. The waiting list was longer, however, the list was recently purged.

# Evergreen Village, continued

## Trend Report

### Vacancy Rates

1Q09	1Q15	2Q15	2Q17
10.7%	1.8%	0.0%	0.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$337	\$0	\$337	\$341
2015	1	6.2%	\$354	\$0	\$354	\$358
2015	2	0.0%	\$354	\$0	\$354	\$358
2017	2	0.0%	\$388	\$0	\$388	\$392

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	10.0%	\$384	\$0	\$384	\$390
2015	1	0.0%	\$441	\$0	\$441	\$447
2015	2	0.0%	\$441	\$0	\$441	\$447
2017	2	0.0%	\$451	\$0	\$451	\$457

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$488	\$0	\$488	\$495
2015	2	0.0%	\$488	\$0	\$488	\$495
2017	2	0.0%	\$507	\$0	\$507	\$514

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	0.0%	\$388	\$0	\$388	\$392

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	0.0%	\$488	\$0	\$488	\$494

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	0.0%	\$527	\$0	\$527	\$534

## Trend: Comments

- 1Q09** This is a LIHTC property that has received additional HOME funding, according to management. Management stated that they have six applications pending and once they are processed they will be near full occupancy.
- 1Q15** Management reported that the property maintains a waiting list that has five households currently on it. The current vacancy has an application pending on it, according to the contact. Management reported that the rents have not increased in the past 12 months. However, since our last interview in 2009 rents have increased between seven and 15 percent. Management reported that the property offers two parking spaces per unit. The contact was unable to comment on the parking utilization rate at the property.
- 2Q15** Management reported that the property maintains a waiting list but was unable to disclose its current length. The contact reported that the demand for affordable housing in the local area remains strong.
- 2Q17** The contact reported that the waiting list has approximately seven households. The waiting list was longer, however, the list was recently purged.

# Evergreen Village, continued

## Photos



# PROPERTY PROFILE REPORT

## Park Place Apartments

<b>Effective Rent Date</b>	4/19/2017
<b>Location</b>	800 Park Place Circle Rockmart, GA 30153 Polk County
<b>Distance</b>	23.9 miles
<b>Units</b>	60
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2003 / 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>	Edward Management Co.; Privately owned properties
<b>Tenant Characteristics</b>	Mixed tenancy
<b>Contact Name</b>	Janine
<b>Phone</b>	(678) 757-0070



### Market Information

<b>Program</b>	@50%, @60%, Market
<b>Annual Turnover Rate</b>	15%
<b>Units/Month Absorbed</b>	5
<b>HCV Tenants</b>	10%
<b>Leasing Pace</b>	Pre-leased to one week
<b>Annual Chg. in Rent</b>	19% increase since 1Q2009
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	8	677	\$381	\$0	@50%	No	0	0.0%	no	None
1	1	Garden (3 stories)	2	677	\$392	\$0	@60%	No	0	0.0%	no	None
1	1	Garden (3 stories)	2	677	\$495	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	14	883	\$452	\$0	@50%	No	0	0.0%	no	None
2	1	Garden (3 stories)	5	883	\$465	\$0	@60%	No	0	0.0%	no	None
2	1	Garden (3 stories)	5	883	\$618	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	14	1,100	\$543	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (3 stories)	5	1,100	\$564	\$0	@60%	No	0	0.0%	no	None
3	2	Garden (3 stories)	5	1,100	\$670	\$0	Market	No	0	0.0%	N/A	None

## Park Place Apartments, continued

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$381	\$0	\$381	\$4	\$385	1BR / 1BA	\$392	\$0	\$392	\$4	\$396
2BR / 1BA	\$452	\$0	\$452	\$6	\$458	2BR / 1BA	\$465	\$0	\$465	\$6	\$471
3BR / 2BA	\$543	\$0	\$543	\$7	\$550	3BR / 2BA	\$564	\$0	\$564	\$7	\$571

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$495	\$0	\$495	\$4	\$499
2BR / 1BA	\$618	\$0	\$618	\$6	\$624
3BR / 2BA	\$670	\$0	\$670	\$7	\$677

### Amenities

#### In-Unit

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

Blinds  
 Central A/C  
 Dishwasher  
 Oven  
 Walk-In Closet

#### Security

None

#### Services

None

#### Property

Basketball Court  
 Central Laundry  
 On-Site Management  
 Playground

Clubhouse/Meeting  
 Off-Street Parking  
 Picnic Area

#### Premium

None

#### Other

None

### Comments

The contact reported that the property generally maintains a low turnover rate, but only occasionally has enough interest to maintain a waiting list.

# Park Place Apartments, continued

## Trend Report

### Vacancy Rates

<b>1Q09</b>	<b>2Q17</b>
18.3%	0.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	25.0%	\$323	\$14	\$309	\$313
2017	2	0.0%	\$381	\$0	\$381	\$385

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	21.4%	\$384	\$20	\$364	\$370
2017	2	0.0%	\$452	\$0	\$452	\$458

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	7.1%	\$461	\$26	\$435	\$442
2017	2	0.0%	\$543	\$0	\$543	\$550

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$323	\$14	\$309	\$313
2017	2	0.0%	\$392	\$0	\$392	\$396

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$384	\$20	\$364	\$370
2017	2	0.0%	\$465	\$0	\$465	\$471

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$479	\$27	\$452	\$459
2017	2	0.0%	\$564	\$0	\$564	\$571

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	50.0%	\$420	\$23	\$397	\$401
2017	2	0.0%	\$495	\$0	\$495	\$499

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	60.0%	\$525	\$31	\$494	\$500
2017	2	0.0%	\$618	\$0	\$618	\$624

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	20.0%	\$569	\$35	\$534	\$541
2017	2	0.0%	\$670	\$0	\$670	\$677

### Trend: Comments

**1Q09** The contact reported that the property is typically 95 percent occupied but beginning in January 2009, turnover increased significantly. The contact attributed the higher vacancy rate to the economy and families moving into single-family homes. The property is 82 percent occupied and 87 percent pre-leased. The contact reported that demand is highest for the three-bedroom units and for units with income restrictions set at 60 percent AMI but with rents set at 50 percent AMI. The contact believed there is more demand for senior LIHTC housing in the area versus family units, given the currently low occupancy rate at Park Place. The concession just started this month and will continue for a currently undetermined period of time. The contact stated that Park Place competes primarily with privately owned market rate properties in the area as management does not take into consideration any LIHTC properties in the region. The contact stated that the property opened in October 2003 and leased in less than one year. The absorption rate listed is conservative as it is based on a 12 month absorption period of 60 units.

**2Q17** The contact reported that the property generally maintains a low turnover rate, but only occasionally has enough interest to maintain a waiting list.

# Park Place Apartments, continued

## Photos





## **Pennington Place, continued**

### **Comments**

The contact reported that the property maintains a waiting list of 20 households.

Photos



# PROPERTY PROFILE REPORT

## Spring Haven Apartments

<b>Effective Rent Date</b>	4/04/2017
<b>Location</b>	7 Perry Farm Rd. Cave Springs, GA 30124 Floyd County
<b>Distance</b>	13.6 miles
<b>Units</b>	24
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	One-story
<b>Year Built/Renovated</b>	2001 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None
<b>Tenant Characteristics</b>	Mixed tenancy, some seniors
<b>Contact Name</b>	Erica
<b>Phone</b>	706-777-9600



### Market Information

<b>Program</b>	@50% (HOME), @60%
<b>Annual Turnover Rate</b>	5%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	4%
<b>Leasing Pace</b>	Pre-leased
<b>Annual Chg. in Rent</b>	None reported
<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	One-story	10	649	\$363	\$0	@50% (HOME)	Yes	0	0.0%	no	None
1	1	One-story	2	649	\$370	\$0	@60%	Yes	0	0.0%	no	None
2	1	One-story	3	819	\$428	\$0	@50% (HOME)	Yes	0	0.0%	no	None
2	1	One-story	N/A	819	\$450	\$0	@60%	Yes	0	N/A	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$363	\$0	\$363	\$45	\$408	1BR / 1BA	\$370	\$0	\$370	\$45	\$415
2BR / 1BA	\$428	\$0	\$428	\$54	\$482	2BR / 1BA	\$450	\$0	\$450	\$54	\$504

### Amenities

#### In-Unit

Blinds	Carpeting
Central A/C	Coat Closet
Dishwasher	Ceiling Fan
Garbage Disposal	Microwave
Oven	Refrigerator
Walk-In Closet	Washer/Dryer hookup

#### Security

None

#### Services

None

#### Property

Central Laundry	Off-Street Parking
On-Site Management	

#### Premium

None

#### Other

None

## **Spring Haven Apartments, continued**

### **Comments**

The contact reported that the property maintains a waiting list of four to five households.

# Spring Haven Apartments, continued

## Trend Report

### Vacancy Rates

4Q12	1Q13	2Q15	2Q17
4.2%	12.5%	0.0%	0.0%

**Trend: @50%**

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$290	\$0	\$290	\$335
2013	1	10.0%	\$295	\$0	\$295	\$340
2015	2	0.0%	\$363	\$0	\$363	\$408
2017	2	0.0%	\$363	\$0	\$363	\$408

**Trend: @60%**

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$355	\$0	\$355	\$400
2013	1	0.0%	\$325	\$0	\$325	\$370
2015	2	0.0%	\$370	\$0	\$370	\$415
2017	2	0.0%	\$370	\$0	\$370	\$415

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$325	\$0	\$325	\$379
2013	1	0.0%	\$382	\$0	\$382	\$436
2015	2	0.0%	\$428	\$0	\$428	\$482
2017	2	0.0%	\$428	\$0	\$428	\$482

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$385	\$0	\$385	\$439
2013	1	N/A	\$400	\$0	\$400	\$454
2015	2	N/A	\$450	\$0	\$450	\$504
2017	2	N/A	\$450	\$0	\$450	\$504

## Trend: Comments

**4Q12** Management reported that rental figures have not changed since we last spoke with them in May of this year and confirmed that they were right around the same level. Their is currently only one tenant utilizing housing choice vouchers and one vacancy in the two-bedroom at 60 percent. Management stated that their tenancy tends to stay for extended periods and they have exceptionally low turnover due to this.

Management reported demand for additional LIHTC units in general in the area, as well as demand for additional market units. Management stated that from their experience, the two and three-bedroom units are in the highest demand. They stated slight demand for one and four-bedroom units, but that they see the most clientele inquiring for two and three-bedroom units.

We inquired as to if there would be demand for LIHTC single-family rentals over garden-style or lowrise properties, and management reported yes, possibly, but was not sure about how much more rent a single-family LIHTC could charge over a garden-style or lowrise property. Management stated they thought that the single-family homes could certainly achieve higher rents, but they were not sure how much more.

Management did not know of any specific neighborhoods that lack LIHTC housing or neighborhoods that are particularly desirable for more development. Furthermore they could not think of any new construction apartments in the area. Management stated 80-90 percent of their tenancy is from Floyd County, and that the remaining tenancy is scattered from all different areas, towns and surrounding counties.

Management stated that from their knowledge, Floyd county and the Rome area could support a property bigger than theirs, and could use an additional 40 LIHTC units without negatively impacting existing LIHTC units.

**1Q13** Management reported that the rents have increased between 2.0 and 7.0 percent in the past year and are pending an additional increase in June. Management stated that their tenancy tends to stay for extended periods and they have exceptionally low turnover due to this.

Management reported demand for additional LIHTC units in general in the area, as well as demand for additional market units. Management stated 80-90 percent of their tenancy is from Floyd County, and that the remaining tenancy is scattered from all different areas, towns and surrounding counties.

Management stated that from their knowledge, Floyd county and the Rome area could support a property bigger than theirs, and could use an additional 40 LIHTC units without negatively impacting existing LIHTC units.

**2Q15** Management reported that the property is currently fully occupied, which is typical throughout the year. The contact noted that the property has many long-term tenants and typically maintains a low turnover ratio. The property currently maintains a waiting list that has two households on it. Since our last interview on 2013, rents have increased between 12 and 23 percent. Management was unable to provide the number of parking spaces the property offers or comment on the parking utilization ratio at the property.

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

# Spring Haven Apartments, continued

## Photos



# PROPERTY PROFILE REPORT

## Arbor Terrace Apartments

**Effective Rent Date** 4/06/2017  
**Location** 50 Chateau Drive SE  
 Rome, GA 30161  
 Floyd County  
**Distance** 6.4 miles  
**Units** 96  
**Vacant Units** 0  
**Vacancy Rate** 0.0%  
**Type** Various (2 stories)  
**Year Built/Renovated** 1971 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None identified  
**Tenant Characteristics** Mixed tenancy, some families  
**Contact Name** Tina  
**Phone** 706-295-7020



### Market Information

**Program** Market  
**Annual Turnover Rate** 33%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 30%  
**Leasing Pace** Pre-leased; within two weeks  
**Annual Chg. in Rent** 4% increase since 2Q2015  
**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 (2 stories)	16	680	\$440	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	64	1,190	\$610	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	16	1,320	\$715	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$440	\$0	\$440	\$45	\$485
2BR / 1.5BA	\$610	\$0	\$610	\$54	\$664
3BR / 2BA	\$715	\$0	\$715	\$66	\$781

## Arbor Terrace Apartments, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Oven  
Walk-In Closet

Blinds  
Central A/C  
Dishwasher  
Refrigerator

#### Security

Limited Access  
Patrol

#### Services

None

#### Property

Off-Street Parking  
Picnic Area  
Swimming Pool

On-Site Management  
Playground

#### Premium

None

#### Other

None

### Comments

The contact had no additional comments.

# Arbor Terrace Apartments, continued

## Trend Report

### Vacancy Rates

1Q13	4Q13	1Q15	2Q17
7.3%	7.3%	0.0%	0.0%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	6.2%	\$375	\$0	\$375	\$420
2013	4	0.0%	\$395	\$0	\$395	\$440
2015	1	0.0%	\$425	\$0	\$425	\$470
2017	2	0.0%	\$440	\$0	\$440	\$485

### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	7.8%	\$575	\$0	\$575	\$629
2013	4	7.8%	\$563	\$0	\$563	\$617
2015	1	0.0%	\$595	\$0	\$595	\$649
2017	2	0.0%	\$610	\$0	\$610	\$664

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	6.2%	\$650	\$0	\$650	\$716
2013	4	12.5%	\$650	\$0	\$650	\$716
2015	1	0.0%	\$680	\$0	\$680	\$746
2017	2	0.0%	\$715	\$0	\$715	\$781

## Trend: Comments

1Q13	The contact reported three of the vacant units have applications pending approval.
4Q13	The contact reported a much stronger demand for one-bedroom units opposed to two and three-bedroom units. Two-bedroom units range from \$550 per month to \$575 per month.
1Q15	The property is fully occupied and does not typically maintain a waiting list. Management was unable to comment on the need for affordable housing in the local area.
2Q17	The contact had no additional comments.

# Arbor Terrace Apartments, continued

## Photos



# PROPERTY PROFILE REPORT

## Ashton Ridge

<b>Effective Rent Date</b>	4/05/2017
<b>Location</b>	2522 Callier Springs Road Rome, GA 30161 Floyd County
<b>Distance</b>	5.5 miles
<b>Units</b>	88
<b>Vacant Units</b>	5
<b>Vacancy Rate</b>	5.7%
<b>Type</b>	Lowrise (3 stories)
<b>Year Built/Renovated</b>	1999 / 2016
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Riverwood Park
<b>Tenant Characteristics</b>	Predominantly local families and seniors from Rome and the surrounding area.
<b>Contact Name</b>	Yvonda
<b>Phone</b>	706-802-0017



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	25%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	23%
<b>Leasing Pace</b>	Pre-leased to two weeks
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- 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	Lowrise (3 stories)	14	708	\$490	\$0	Market	No	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	37	933	\$599	\$0	Market	No	2	5.4%	N/A	None
3	2	Lowrise (3 stories)	37	1,134	\$645	\$0	Market	No	3	8.1%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$490	\$0	\$490	\$45	\$535
2BR / 2BA	\$599	\$0	\$599	\$54	\$653
3BR / 2BA	\$645	\$0	\$645	\$66	\$711

## Ashton Ridge, continued

### Amenities

#### In-Unit

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

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

#### Security

None

#### Services

None

#### Property

Clubhouse/Meeting  
Off-Street Parking  
Picnic Area

Central Laundry  
On-Site Management  
Playground

#### Premium

None

#### Other

None

### Comments

The contact reported that one of the three-bedroom units is pre-leased.

## Ashton Ridge, continued

### Trend Report

#### Vacancy Rates

2Q14	1Q15	2Q15	2Q17
5.7%	4.5%	2.3%	5.7%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	7.1%	\$425	\$0	\$425	\$470
2015	2	7.1%	\$425	\$0	\$425	\$470
2017	2	0.0%	\$490	\$0	\$490	\$535

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	5.4%	\$499	\$0	\$499	\$553
2015	2	2.7%	\$499	\$0	\$499	\$553
2017	2	5.4%	\$599	\$0	\$599	\$653

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	2.7%	\$549	\$0	\$549	\$615
2015	2	0.0%	\$549	\$0	\$549	\$615
2017	2	8.1%	\$645	\$0	\$645	\$711

### Trend: Comments

- 2Q14** The contact indicated that there are currently applications for all of the vacant units; these units are likely to be filled within the next ten days.
- 1Q15** Management reported that this property is now a conventional, market rate property. The tax credits expired June of 2014. Management reported that the property still accepts Housing Choice Vouchers and that currently 23 percent of tenants are using them. The property does not currently maintain a waiting list and is not currently running any concessions. Management reported that the property offers two parking spaces per unit. The contact could not comment on the parking utilization rate at the property.
- 2Q15** Management reported that the tax credits expired in June 2014. The property still accepts Housing Choice Vouchers and currently 23 percent of tenants are using them. The property does not currently maintain a waiting list and is not currently running any concessions.
- 2Q17** The contact reported that one of the three-bedroom units is pre-leased.

# Ashton Ridge, continued

## Photos



# PROPERTY PROFILE REPORT

## Claridge Gate

**Effective Rent Date** 4/05/2017  
**Location** 3 Keown Road SE  
 Rome, GA 30161  
 Floyd County  
**Distance** 6.1 miles  
**Units** 32  
**Vacant Units** 2  
**Vacancy Rate** 6.2%  
**Type** Garden  
**Year Built/Renovated** 2006 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None identified  
**Tenant Characteristics** Mixed tenancy, some families  
**Contact Name** Alice  
**Phone** 706-291-4321



### Market Information

**Program** Market  
**Annual Turnover Rate** 30%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 0%  
**Leasing Pace** Pre-leased to two weeks  
**Annual Chg. in Rent** None  
**Concession** See comments

### 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
2	2	Garden	24	1,221	\$795	\$34	Market	No	2	8.3%	N/A	None
3	2	Garden	8	1,377	\$950	\$40	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$795	\$34	\$761	\$54	\$815
3BR / 2BA	\$950	\$40	\$910	\$66	\$976

### Amenities

In-Unit	Security	Services
Balcony/Patio	Perimeter Fencing	None
Carpeting		
Coat Closet		
Ceiling Fan		
Oven		
Walk-In Closet		
Blinds		
Central A/C		
Dishwasher		
Microwave		
Refrigerator		
Washer/Dryer hookup		
Property	Premium	Other
Garage	None	None
Picnic Area		
Off-Street Parking		

### Comments

The contact reported that the current concession is half off the first month's rent.

**Trend Report****Vacancy Rates**

<b>2Q14</b>	<b>1Q15</b>	<b>2Q15</b>	<b>2Q17</b>
0.0%	0.0%	3.1%	6.2%

**Trend: Market****2BR / 2BA**

<b>Year</b>	<b>QT</b>	<b>Vac.</b>	<b>Face Rent</b>	<b>Conc.</b>	<b>Concd. Rent</b>	<b>Adj. Rent</b>
2014	2	N/A	\$795	\$0	\$795	\$849
2015	1	N/A	\$795	\$0	\$795	\$849
2015	2	N/A	\$795	\$0	\$795	\$849
2017	2	8.3%	\$795	\$34	\$761	\$815

**3BR / 2BA**

<b>Year</b>	<b>QT</b>	<b>Vac.</b>	<b>Face Rent</b>	<b>Conc.</b>	<b>Concd. Rent</b>	<b>Adj. Rent</b>
2014	2	N/A	\$950	\$0	\$950	\$1,016
2015	1	N/A	\$950	\$0	\$950	\$1,016
2015	2	N/A	\$950	\$0	\$950	\$1,016
2017	2	0.0%	\$950	\$40	\$910	\$976

**Trend: Comments**

**2Q14** The property does not accept Housing Choice Vouchers. Rents include wireless internet. Listed rents are for one-year leases; rents increase \$100 for each unit-type on a six-month lease.

**1Q15** The property is currently fully occupied and does not maintain a waiting list. Management reported that the property typically pre-leases vacancies. The contact was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property. Management reported that the property does not accept Housing Choice Vouchers. The property is managed by the same company as the Summer Stone Apartments.

**2Q15** The property is currently fully occupied and does not maintain a waiting list. Management reported that the property typically pre-leases vacancies. The contact was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property. The property charges \$75 per month for garages. Management reported that the property does not accept Housing Choice Vouchers. The property is managed by Hardy Realty, the same company that manages the Summer Stone Apartments.

**2Q17** The contact reported that the current concession is half off the first month's rent.

# Claridge Gate, continued

## Photos



# PROPERTY PROFILE REPORT

## Eastland Court

<b>Effective Rent Date</b>	4/05/2017
<b>Location</b>	40 Chateau Drive Rome, GA 30161 Floyd County
<b>Distance</b>	5.9 miles
<b>Units</b>	116
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	1.7%
<b>Type</b>	Garden (4 stories)
<b>Year Built/Renovated</b>	2005/2007 / 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, some seniors
<b>Contact Name</b>	Sara
<b>Phone</b>	706-232-2300



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	7%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Pre-leased to one week
<b>Annual Chg. in Rent</b>	5% increase since 2Q2015
<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 (4 stories)	21	804	\$835	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (4 stories)	4	919	\$945	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (4 stories)	68	1,056	\$985	\$0	Market	Yes	2	2.9%	N/A	None
3	2	Garden (4 stories)	23	1,516	\$1,125	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$835 - \$945	\$0	\$835 - \$945	\$45	\$880 - \$990
2BR / 2BA	\$985	\$0	\$985	\$54	\$1,039
3BR / 2BA	\$1,125	\$0	\$1,125	\$66	\$1,191

## Eastland Court, continued

### Amenities

#### In-Unit

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

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

#### Security

Limited Access  
Perimeter Fencing

#### Services

None

#### Property

Clubhouse/Meeting  
Garage  
On-Site Management  
Playground

Exercise Facility  
Off-Street Parking  
Picnic Area  
Swimming Pool

#### Premium

None

#### Other

None

### Comments

The contact reported that the property maintains a waiting list that is one to two months in length, and that the current vacancies are pre-leased.

## Eastland Court, continued

### Trend Report

#### Vacancy Rates

2Q14	1Q15	2Q15	2Q17
2.6%	0.0%	0.0%	1.7%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$775 - \$960	\$0	\$775 - \$960	\$820 - \$1,005
2015	1	0.0%	\$795 - \$909	\$0	\$795 - \$909	\$840 - \$954
2015	2	0.0%	\$795 - \$909	\$0	\$795 - \$909	\$840 - \$954
2017	2	0.0%	\$835 - \$945	\$0	\$835 - \$945	\$880 - \$990

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	2.9%	\$899	\$74	\$825	\$879
2015	1	0.0%	\$899	\$0	\$899	\$953
2015	2	0.0%	\$899	\$0	\$899	\$953
2017	2	2.9%	\$985	\$0	\$985	\$1,039

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	4.3%	\$1,075	\$0	\$1,075	\$1,141
2015	1	0.0%	\$1,075	\$0	\$1,075	\$1,141
2015	2	0.0%	\$1,075	\$0	\$1,075	\$1,141
2017	2	0.0%	\$1,125	\$0	\$1,125	\$1,191

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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### Trend: Comments

- 2Q14** The property does not accept Housing Choice Vouchers. All three vacant units are currently preleased. The property manager could not provide the property's annual turnover rate.
- 1Q15** Management reported that the property is currently fully occupied and maintains a waiting list for all unit types that varies in length. The specific number of households was not provided. Management was unable to provide the annual turnover ratio for the property, and the property does not accept Housing Choice Vouchers. Since our last interview in 2014, the price on one-bedroom units with 919 square feet decreased five percent. Management was unable to provide a reason for the decrease.
- 2Q15** Management reported that the property is currently fully occupied and maintains a waiting list for all unit types that varies in length. The property does not accept Housing Choice Vouchers. Since our last interview in 2014, the price on one-bedroom units with 919 square feet decreased five percent.
- 2Q17** The contact reported that the property maintains a waiting list that is one to two months in length, and that the current vacancies are pre-leased.

# Eastland Court, continued

## Photos



# PROPERTY PROFILE REPORT

## Riverwood Park

<b>Effective Rent Date</b>	4/04/2017
<b>Location</b>	525 West 13th Street Rome, GA 30165 Floyd County
<b>Distance</b>	4.2 miles
<b>Units</b>	91
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	1.1%
<b>Type</b>	Lowrise (3 stories)
<b>Year Built/Renovated</b>	1997 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	2/15/1998
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Ashland Park, Ashton Ridge
<b>Tenant Characteristics</b>	Mixed local tenancy; single parents, families, professionals, and seniors.
<b>Contact Name</b>	Valerie
<b>Phone</b>	(706) 235-7666



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	30%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	28%
<b>Leasing Pace</b>	Two weeks
<b>Annual Chg. in Rent</b>	26% increase since 2Q2015
<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	2	Lowrise (3 stories)	56	912	\$575	\$0	Market	No	1	1.8%	no	None
3	2	Lowrise (3 stories)	35	1,102	\$645	\$0	Market	No	0	0.0%	no	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$575	\$0	\$575	\$6	\$581
3BR / 2BA	\$645	\$0	\$645	\$7	\$652

### Amenities

In-Unit	Security	Services
Blinds	Perimeter Fencing	None
Carpeting		
Coat Closet		
Ceiling Fan		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Clubhouse/Meeting	None	None
Central Laundry		
On-Site Management		

**Comments**

The contact reported that as of October of 2016, the property is no longer a tax credit property.

## Riverwood Park, continued

### Trend Report

#### Vacancy Rates

2Q14	1Q15	2Q15	2Q17
0.0%	1.1%	2.2%	1.1%

### Trend: Market

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	1.8%	\$575	\$0	\$575	\$581

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	0.0%	\$645	\$0	\$645	\$652

### Trend: Comments

2Q14	The contact could not provide the number of households currently on the waiting list.
1Q15	N/A
2Q15	Management reported that the property typically experiences low turnover and retains many long-term tenants. Management reported that the property typically remains close to 100 percent occupancy. The property currently maintains a waiting list, however the length of the list was not disclosed. Management stated that there is a strong demand for affordable housing in the local area.
2Q17	The contact reported that as of October of 2016, the property is no longer a tax credit property.

Riverwood Park, continued

Photos



# PROPERTY PROFILE REPORT

## The Grove At 600

<b>Effective Rent Date</b>	4/19/2017
<b>Location</b>	600 Redmond Road NW Rome, GA 30165 Floyd County
<b>Distance</b>	2 miles
<b>Units</b>	104
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	1.0%
<b>Type</b>	Townhouse (2 stories)
<b>Year Built/Renovated</b>	1971 / 2017
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	N/A
<b>Tenant Characteristics</b>	Mixed tenancy, generally families
<b>Contact Name</b>	Danita
<b>Phone</b>	706-291-2154



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	20%
<b>Units/Month Absorbed</b>	N/Av
<b>HCV Tenants</b>	15%
<b>Leasing Pace</b>	Pre-leased to three weeks
<b>Annual Chg. in Rent</b>	None reported
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<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
2	1.5	Townhouse (2 stories)	62	1,120	\$715	\$0	Market	No	1	1.6%	N/A	None
3	2.5	Townhouse (2 stories)	42	1,320	\$815	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$715	\$0	\$715	\$54	\$769
3BR / 2.5BA	\$815	\$0	\$815	\$66	\$881

### Amenities

#### In-Unit

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

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

#### Security

None

#### Services

None

#### Property

Clubhouse/Meeting  
On-Site Management  
Swimming Pool

Off-Street Parking  
Playground

#### Premium

None

#### Other

None

**Comments**

The contact had no additional comments.

Photos



**PROPERTY CHARACTERISTICS**

Following are relevant characteristics of the comparable properties surveyed:

**Location**

The Subject is located in Rome in a mixed-use residential and commercial neighborhood and is proximate to public uses such as parks and schools. Further, the Subject has excellent access to public transportation. The following table compares the Subject to comparable properties.

LOCATION					
Property Name	City	Zip Code	Median Rent	Median Household Income	Walk Score
Subject	Rome	30165	\$707	\$42,729	43
Ashland Park Apartments	Rome	30165	\$707	\$42,729	2
Etowah Village*	Cartersville	30120	\$799	\$47,432	44
Evergreen Village*	Cedartown	30125	\$665	\$38,853	8
Park Place Apartments*	Rockmart	30153	\$702	\$38,800	21
Pennington Place	Rome	30161	\$641	\$38,290	36
Spring Haven Apartments	Cave Springs	30124	\$510	\$40,489	28
Arbor Terrace Apartments	Rome	30161	\$641	\$38,290	1
Ashton Ridge	Rome	30161	\$641	\$38,290	29
Claridge Gate	Rome	30161	\$641	\$38,290	6
Eastland Court	Rome	30161	\$641	\$38,290	18
Riverwood Park	Rome	30165	\$707	\$42,729	65
The Grove At 600	Rome	30165	\$707	\$42,729	25

Source: U.S. Census Bureau, Walkscore.com, 5/2017

\*Located outside the PMA

As illustrated, the Subject’s neighborhood is similar to slightly superior to the majority of the comparables in terms of median rent and median household income, as well as access to services and amenities. Based on all of these assessments, we believe the Subject has a similar to slightly superior location compared to the majority of the comparables.

**Age and Condition**

The Subject was originally constructed in 1973 and currently exhibits average condition overall. Post renovations, the Subject will be in good condition. The LIHTC comparables were constructed or renovated between 1997 and 2012. The market rate comparables were constructed or renovated between 1971 and 2017. Ashland Park Apartments, Park Place Apartments, Pennington Place, Claridge Court, and Eastland Court were built between 2003 and 2012 and exhibit good condition. The remaining comparables are generally in average condition.

## Unit Size

The following table summarizes unit sizes in the market area, and provides a comparison of the Subject's unit size and the surveyed average unit sizes in the market.

UNIT SIZE COMPARISON					
Unit Type	Subject	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Advantage/Disadvantage
1 BR	560	649	919	759	-26%
2 BR	851	800	1,221	956	-11%
3 BR	1,021	1,100	1,516	1,264	-19%
4 BR	1,173	-	-	-	-

The Subject's proposed unit sizes are below the average of the comparables. In addition, the Subject's one and two-bedroom unit sizes are below the range of the comparables, while the two-bedroom unit sizes are within the range of the comparables. However, based on our site inspection, we believe the Subject's floor plans are functional for the intended use. Thus, we believe the Subject's unit sizes will be well accepted in the market as an affordable property.

## Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in pink, 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 pink. The Subject will offer slightly superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and superior property amenities. The Subject will offer cable television included in rent, and will also offer in-unit washers and dryers, which most of the comparables lack. However, the Subject does not offer patios or balconies with a majority of its units, which is a feature that the majority of the comparable properties offer. In terms of property amenities, the Subject will offer a business center and computer lab as well as a community room, an amenity not offered at the majority of the comparable properties. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the market.

## Security Features

The Subject currently offers a courtesy patrol and video surveillance. The video surveillance system will be upgraded as part of the renovations. Only five of the comparables offer at least one security feature. Overall, the Subject is considered similar to superior terms of security features.

## Utility Structure

Tenants are responsible for all general electric expenses including air-conditioning, electric cooking and electric heat expenses. The landlord pays for all common area utilities, gas water heating, as well as water, sewer, and trash removal. Post-renovation, the rents will also include basic cable television. Since not all of the comparable properties offer similar utility configurations, we have adjusted "base" or "asking" rents of these comparable properties to "net" rents, reflecting the Subject's utility convention based on a utility allowance schedule provided by the Georgia Department of Community Affairs, effective January 1, 2017 (the most recent available).

## Parking

The Subject offers off-street surface parking for no additional fee, which is similar to all of the comparables. In addition, one of the comparables offers free garage parking and one offers free carport parking, while two of the comparables offer garage parking for an additional fee of \$75 to \$100 per month. Overall, the Subject is similar to the majority of the comparables in terms of parking.

## MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

### Absorption

Due to development timing, absorption information is not available for the comparable properties. The most recent newly constructed multifamily development in Rome is Highland Estates Senior Apartments, a LIHTC property restricted to seniors age 55 and older. It offers 84 one and two-bedroom units at 50 and 60 percent of area median income. According to a contact at the property, Highland Estates began leasing units in September of 2016, and is currently 81.0 percent occupied. This equates an absorption pace of to eight to nine units a month.

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed renovation of an existing Section 8 property. According the Subject's rent roll, dated February 28, 2017, the property is 100 percent occupied with a waiting list, which is typical for the property, according to management. In addition, 114 of the Subject's 120 units will continue to benefit from a rental subsidy. As such, tenants will pay 30 percent of monthly household income towards rent. Of the remaining six units, one will be utilized as the leasing office, and the remaining five will be LIHTC restricted at 60 percent AMI. According to the rent roll, all of the tenants in the Subject's would continue to qualify to remain in place. Assuming the Subject were 100 percent vacant following renovations, the Subject would likely experience a faster re-absorption pace than Highland Estates Senior Residences, due to the lack of age restriction, and the benefit of a rental subsidy. The Subject would likely experience a re-absorption pace of 19 to 22 units per month for an absorption period of approximately five to six months. Should the Subject not benefit from a rental subsidy post-renovation, we believe Subject would experience a somewhat faster re-absorption pace than Highland Estates Senior Apartments, of 14 to 16 units per month for an absorption period of approximately seven to eight months. It should be noted that this absorption analysis is hypothetical because the Subject is currently operating at a stabilized occupancy.

### Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER		
Property Name	Rent Structure	Turnover
Ashland Park Apartments	LIHTC	15%
Etowah Village	LIHTC	20%
Evergreen Village	LIHTC	40%
Park Place Apartments	LIHTC/Market	15%
Pennington Place	HOME/PHA	13%
Spring Haven Apartments	LIHTC/HOME	5%
Arbor Terrace Apartments	Market	33%
Ashton Ridge	Market	25%
Claridge Gate	Market	30%
Eastland Court	Market	7%
Riverwood Park	Market	30%
The Grove At 600	Market	<u>20%</u>
<b>Average Turnover</b>		<b>21%</b>

As illustrated in the table above, turnover rates at the comparable properties ranged from seven to 40 percent annually, with an average of 21 percent overall. As discussed in the reasonability of rents analysis, we believe the Subject's current asking rents for the market rents appear low and higher rents appear

achievable. Increasing the market rents will likely result in slightly higher turnover. Thus, we anticipate the Subject will maintain a turnover rate of 25 percent or less, which is reasonable based on the information reported by the comparables.

**Vacancy Levels**

The following table summarizes overall weighted vacancy trends at the surveyed properties.

<b>OVERALL VACANCY</b>				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashland Park Apartments	LIHTC	184	1	0.5%
Etowah Village*	LIHTC	96	1	1.0%
Evergreen Village*	LIHTC	56	0	0.0%
Park Place Apartments*	LIHTC/Market	60	0	0.0%
Pennington Place	HOME/PHA	8	0	0.0%
Spring Haven Apartments	LIHTC	24	0	0.0%
Arbor Terrace Apartments	Market	96	0	0.0%
Ashton Ridge	Market	88	5	5.7%
Claridge Gate	Market	32	2	6.2%
Eastland Court	Market	116	2	1.7%
Riverwood Park	Market	91	1	1.1%
The Grove At 600	Market	<u>104</u>	<u>1</u>	<u>1.0%</u>
<b>Affordable Total</b>		<b>428</b>	<b>2</b>	<b>0.5%</b>
<b>Market Total</b>		<b>527</b>	<b>11</b>	<b>2.1%</b>
<b>Total</b>		<b>955</b>	<b>13</b>	<b>1.4%</b>

\*outside of PMA

As illustrated, vacancy rates in the market range from zero to 6.2 percent, averaging 1.4 percent. Total affordable vacancy is slightly lower, at 0.5 percent. Only Ashland Park Apartments and Etowah Village report having vacancies. Both report that the vacancies are pre-leased. The remaining four LIHTC comparables are fully occupied, and all five of the affordable comparables report maintaining waiting lists.

The vacancy rates among the market-rate comparable properties range from zero to 6.2 percent, averaging 2.1 percent. Claridge Gate has the highest vacancy rate. However, it is relatively small compared to the other comparables, hence its two vacant units skew its vacancy rate. Ashton Ridge has the second highest vacancy rate. The contact at that property reports that one of its vacancies is pre-leased. The remaining market rate comparables have relatively low vacancy rates. Arbor Terrace Apartments reports no vacancies, while Eastland Court maintains a brief waiting list and reports that its two vacant units are pre-leased. The low to moderate vacancy rate at the comparable properties indicates that there is demand for rental housing in the Subject’s PMA.

The Subject is currently 100 percent occupied with a waiting list. According to the Subject’s historical audited financials, the Subject operated with a total vacancy rate (including collection loss) of 2.8 percent in 2014 and 2.2 percent in 2015. We will conclude to a vacancy and collection loss rate of 5.0 percent for all of the scenarios.

### Concessions

Only one of the comparables reported offering concessions. With limited concessions present in the market, we do not believe that the Subject would need to offer concessions to be competitive both as restricted and hypothetically unrestricted.

### Waiting Lists

The following table illustrates the presence of waiting lists, where applicable.

WAITING LISTS		
Property Name	Rent Structure	Waiting Lists
Ashland Park Apartments	LIHTC	Yes - 50 households
Etowah Village*	LIHTC	Yes - 6 households
Evergreen Village*	LIHTC	Yes - 7 households
Park Place Apartments*	LIHTC/Market	
Pennington Place	HOME/PHA	Yes - 20 households
Spring Haven Apartments	LIHTC	Yes - 5 households
Arbor Terrace Apartments	Market	
Ashton Ridge	Market	
Claridge Gate	Market	
Eastland Court	Market	Yes - 1 to 2 months
Riverwood Park	Market	
The Grove At 600	Market	
Ashland Park Apartments	LIHTC	

\*Located outside PMA

Presently, five of the six comparable affordable properties reported waiting lists. Waiting lists at the LIHTC comparables in the market demonstrate a strong demand for rental housing at lower income levels in the market. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.

### Reasonability of Rents

The following table is a comparison of the Subject's proposed rents and the rents at the comparable properties. For the purposes of this analysis, "Base Rents" are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. "Net rents" are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an "apples-to-apples" comparison of rents. Additionally, it is important to note that we compared to conceded rent levels at the comparable properties, when applicable.

## LIHTC RENT COMPARISON - @60%

Property Name	1BR	2BR	3BR	4BR
Meadow Lane Apartments (Subject)	\$456	\$550	\$619	\$683
<b>2016 LIHTC Maximum (Net)</b>	<b>\$456</b>	<b>\$550</b>	<b>\$619</b>	<b>\$683</b>
<b>Hold Harmless LIHTC Maximum (Net)</b>	<b>\$510</b>	<b>\$614</b>	<b>\$694</b>	<b>\$767</b>
Ashland Park Apartments	\$493	\$556	\$596	-
Etowah Village	-	-	\$766	-
Evergreen Village	\$392	\$494	\$534	-
Park Place Apartments	\$396	\$471	\$571	-
Spring Haven Apartments	\$415	\$504	-	-
<b>Average (excluding Subject)</b>	<b>\$424</b>	<b>\$506</b>	<b>\$617</b>	<b>-</b>
<b>Novoco Achievable LIHTC Rent</b>	<b>\$456</b>	<b>\$550</b>	<b>\$619</b>	<b>\$683</b>

The Subject's proposed rents are within the range of the rents at the comparables, and similar to slightly higher than the average. This suggests that even if rents at the Subject were not subsidized through the Section 8 program, the proposed rents would be achievable. Considering the Section 8 subsidy that will be in place for all but five units, tenants will pay just 30 percent of their income toward rents, making the Subject very affordable. The Subject's proposed LIHTC rents are set at the maximum allowable levels at the 60 percent AMI threshold, while all of the comparables reported achieving 60 percent AMI rents below the maximum allowable levels. However, the majority of the comparables are 100 percent occupied with waiting lists and do not appear to be testing the top of the market. It should be noted that Etowah Village is located in Bartow County and is subject to higher rent limits.

The Subject, upon completion, will be considered the most similar to Ashland Park Apartments and Spring Haven Apartments. These comparables reported vacancy rates of 0.5 percent and zero percent, respectively, and both maintain waiting lists. The low vacancy rates and presence of the waiting lists at the most similar LIHTC comparables indicates demand in the local area for affordable housing.

The Subject will offer slightly inferior community amenities as Ashland Park Apartments, but superior community as Spring Haven Apartments. Relative to the most similar comparables, the Subject will offer similar to slightly inferior in-unit amenities and a similar to slightly superior location and condition. Further the Subject's unit sizes are similar to smaller than these comparables. Overall, given the strong occupancy rates and waiting lists of the comparables and reported 60 percent rents achieved at the most similar comparables; we believe the Subject's 60 percent rents are achievable at the maximum allowable level.

### Achievable Market Rents As Is

Based on the quality of the surveyed comparable properties and the Subject's current quality, we conclude that the restricted rents are below the achievable market rates for the Subject's area. The following table shows the similarity of the market rate comparables to the Subject property as is.

MARKET RENT COMPARISON – AS IS

Property Name	1BR	2BR	3BR	4BR
Meadow Lane Apartments (Subject)	\$531	\$646	\$718	\$848
<b>Proposed Section 8 Contract Rents – Based on RCS Prepared by Doyle Real Estate Advisors, LLC</b>	<b>\$600</b>	<b>\$775</b>	<b>\$850</b>	<b>\$975</b>
Arbor Terrace Apartments	\$485	\$664	\$781	-
Ashton Ridge	\$535	\$653	\$711	-
Claridge Gate	-	\$815	\$976	-
Eastland Court	\$880 - \$1,000	\$999	\$1,191	-
Park Place Apartments	\$499	\$624	\$677	-
Riverwood Park	-	\$581	\$652	-
The Grove At 600	-	\$769	\$881	-
<b>Average (excluding Subject)</b>	<b>\$680</b>	<b>\$729</b>	<b>\$838</b>	<b>-</b>

As is, the Subject is considered most similar to the market rate comparables Arbor Terrace Apartments and The Grove at 600. Arbor Terrace Apartments was constructed in 1971 and exhibits average condition, similar to the condition of the Subject. The Subject offers slightly inferior property amenities since Arbor Terrace Apartments offers a swimming pool. However, the Subject offers generally similar in-unit amenities compared to Arbor Terrace Apartments. The Subject’s units are smaller than Arbor Terrace Apartments.

The Grove at 600, a comparable market-rate property, was constructed in 1971 and exhibits average condition, similar to the Subject. The Subject offers slightly inferior property amenities since The Grove at 600 offers a community room and swimming pool. The Subject offers a similar location. The Subject also offers slightly inferior in-unit amenities compared to The Grove at 600. The Subject’s two and three-bedroom units are smaller than The Grove at 600. As such, the as is market rents concluded by Doyle Real Estate Advisors, LLC dated February 2017 appear generally supported by the market.

**Achievable Market Rents As Renovated**

Based on the quality of the surveyed comparable properties and the Subject’s current quality, we conclude that the restricted rents are below the achievable market rates for the Subject’s area. The following table shows the similarity of the market rate comparables to the Subject property as proposed.

MARKET RENT COMPARISON – AS PROPOSED

Property Name	1BR	2BR	3BR	4BR
<b>Proposed Section 8 Contract Rents – Based on RCS Prepared by Doyle Real Estate Advisors, LLC</b>	<b>\$800</b>	<b>\$900</b>	<b>\$1,000</b>	<b>\$1,100</b>
Arbor Terrace Apartments	\$485	\$664	\$781	-
Ashton Ridge	\$535	\$653	\$711	-
Claridge Gate	-	\$815	\$976	-
Eastland Court	\$880 - \$1,000	\$999	\$1,191	-
Park Place Apartments	\$499	\$624	\$677	-
Riverwood Park	-	\$581	\$652	-
The Grove At 600	-	\$769	\$881	-
<b>Average (excluding Subject)</b>	<b>\$680</b>	<b>\$729</b>	<b>\$838</b>	<b>-</b>

As proposed, the Subject will be most similar to the market rate rents at Claridge Gate and Eastland Court. Claridge Gate will offer slightly superior in-unit amenities, but inferior project amenities. Claridge Gate will be

similar to the Subject with respect to location and condition, post renovation. However, Claridge Gate offers larger unit sizes. Eastland Court will be similar to the Subject in terms of location and condition, post renovation. Eastland Court will offer slightly superior in-unit and community amenities. In addition, Eastland Court offers larger unit sizes.

The Subject offers slightly inferior property amenities since The Grove at 600 offers a community room and swimming pool. The Subject offers a similar location. The Subject also offers slightly inferior in-unit amenities compared to The Grove at 600. The Subject’s two and three-bedroom units are smaller than The Grove at 600. As such, we have placed the Subject’s achievable market rents as is within the range to slightly above the most comparable properties. As such, achievable market rents concluded by Doyle Real Estate Advisors, LLC in the RCS dated February 2017 appear generally supported by the market.

It should be noted that we were unable to survey any properties with four-bedroom units. As such, we have performed a bedroom adjustment and have adjusted the achievable rent for the four-bedroom units accordingly. The adjustments can be found in the following table.

**BEDROOM ADJUSTMENT**

Property	Type	2BR	SF	3BR	SF	Difference
Arbor Terrace	Market	\$610	1,190	\$715	1,320	\$105
Ashton Ridge	Market	\$599	933	\$645	1,134	\$46
Claridge Gate	Market	\$795	1,221	\$950	1,377	\$155
Eastland Court	Market	\$945	1,056	\$1,125	1,516	\$180
Riverwood Park	Market	\$575	912	\$645	1,102	\$70
The Grove at 600	Market	\$715	1,120	\$815	1,320	\$100
<b>Average</b>						<b>\$109</b>

As illustrated, there is a \$109 average premium associated with an additional bedroom among the comparables. As such, we have utilized a unit type adjustment of \$100 for an additional bedroom, which we believe to be reasonable.

Provided below is an analysis of the Subject’s proposed LIHTC rents in comparison with the comparable unrestricted units. Additionally, the comparable market rate properties have been adjusted to the Subject’s utility convention and any concessions.

**Subject Comparison To Market Rents - As Renovated**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1 BR	\$456	\$485	\$1,000	\$679	\$800	43%
2 BR	\$550	\$581	\$999	\$752	\$900	39%
3 BR	\$619	\$652	\$1,191	\$827	\$1,000	38%
4 BR	\$683	\$752	\$1,291	\$927	\$1,100	38%

The Subject’s proposed asking rents are below the range of the comparables. The Subject generally offers a slightly superior location relative to all of the market rate comparables, but is slightly inferior in terms of amenities relative to the majority of the comparables. Additionally, the Subject is considered similar to slightly superior in terms of age and condition.

**INDICATIONS OF DEMAND**

Based upon our market research, demographic calculations and analysis, we believe there is demand for the Subject property as conceived. Strengths of the Subject will include its will be newly renovated, in-unit amenities, community amenities, and proximity to local amenities. We are not aware of any weaknesses of the Subject development. The affordable comparables reported vacancy rates ranging from zero to 1.0 percent with only two vacant units among them and an overall vacancy rate of 0.5 percent. In addition to strong occupancy levels at all of the stabilized comparables, five of the six affordable comparables and one of the market rate comparables maintain waiting lists. There is adequate demand for the Subject based on our calculations. We also believe the proposed rents offer value in the market.

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

**1. Income Restrictions**

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

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

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

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

**2. Affordability**

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

FAMILY INCOME LIMITS				
Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	60% AMI		60% AMI/Section 8	
1BD/1BA	\$18,754	\$23,340	\$0	\$23,340
2BD/1BA	\$22,526	\$26,280	\$0	\$26,280
3BD/1BA	\$25,989	\$31,500	\$0	\$31,500
4BD/1BA	\$29,006	\$33,840	\$0	\$33,840

### 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 2019, the anticipated date of market entry, as the base year for the analysis. Therefore, 2017 household population estimates are inflated to 2019 by interpolation of the difference between 2017 estimates and 2019 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2019. This number takes the overall growth from 2017 to 2019 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

#### 3b. Demand from Existing Households

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

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

#### 3c. Other

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

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

We have adjusted all of our capture rates based on household size. DCA guidelines indicate that properties with over 20 percent of their proposed units in three and four-bedroom units need to be adjusted to considered larger household sizes. We have incorporated household size adjustments in our capture rates for all of the Subject's units.

### 4. New Demand, Capture Rates and Stabilization Conclusions

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2014 to the present.

#### Additions to Supply

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

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

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

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

**COMPETATIVE SUPPLY 2014 - PRESENT**

Property Name	Program	Location	Tenancy	Status	# of Competitive Units
Joe Wright Village	Section 8	Rome	Family	Under Construction	31
South Rome Residential	LIHTC	Rome	Family	Under Construction	<u>84</u>
<b>Total</b>					<b>115</b>

We have deducted the 31 units from Joe Wright Village. This project is being developed by the Northwest Georgia Housing Authority. It will be a mix of one, two, and three-bedroom units. Residents will pay 30 percent of their monthly income in rent. Sandra Hudson, Executive Director of the Northwest Georgia Housing Authority reported that she anticipates all units to be ready for occupancy by the end of 2017. As the Subject’s units will continue to benefit from a subsidy post renovation, wherein residents will pay 30 percent of household income in rent, Joe Wright Village will compete with the Subject.

We have deducted the 84 one, two, and three-bedroom units at South Rome Residential. This scattered site project was awarded tax credits in 2015 and will offer units at 50 and 60 percent of area median income. It is currently under construction, with the first phase of units entering the market in July of 2017 and the second phase opening in December of 2017. According to the developer, none of the units are pre-leased. However, plans to market the property are being set for early May 2017. Should the Subject’s units no longer benefit from a rental subsidy post renovation, it would be restricted to those households earning 60 percent of less of area median income. As such, South Rome Residential would directly compete with the Subject.

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated, placed in service, or stabilizing between 2014 and present.

**ADDITIONS TO SUPPLY 2017**

Unit Type	Sec. 8/PHA	50% AMI	60% AMI	Overall
1BR	12	13	9	<b>34</b>
2BR	15	4	37	<b>56</b>
3BR	4	4	17	<b>25</b>
4BR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>31</b>	<b>21</b>	<b>63</b>	<b>115</b>

**PMA Occupancy**

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

**OVERALL PMA OCCUPANCY**

Property Name	Program	Tenancy	Occupancy
Pine Ridge Apartments	Affordable	Senior/Disabled	100.0%
Ashland Park Apartments*	LIHTC	Family	99.5%
Greystone	LIHTC	Elderly	100.0%
Etowah Terrace Senior Residences	LIHTC	Elderly	100.0%
Highland Estates Senior	LIHTC	Senior	81.0%
Spring Haven*	HOME	Family	100.0%
Pennington Place*	HOME/PHA	Family	100.0%
Charles Height Homes	Public Housing	Senior	100.0%
John Graham Homes	Public Housing	Family	100.0%
Main Heights/Park Homes Apartments	Public Housing	Family	100.0%
Willingham Village	Public Housing	Family	100.0%
Meadow Lane (S)	Section 8	Family	100.0%
Callier Forest Apartments	Section 8	Family	100.0%
Heatherwood Apartments	Section 8	Family	100.0%
Tamassee Apartments	Section 8	Family	98.8%
The Villas	Section 8	Family	100.0%
Steve Pettis Court Apartments	USDA	Family	100.0%
Arbor Terrace*	Market	Family	100.0%
Ashton Ridge*	Market	Family	95.5%
Broad Street Lofts	Market	Family	100.0%
Claridge Gate	Market	Family	93.8%
Dupree Apartments	Market	Family	93.3%
Eastland Court*	Market	Family	98.3%
Forest Place Apartments	Market	Family	100.0%
Griffin Apartments	Market	Senior	86.7%
Guest House Apartments	Market	Family	100.0%
Heritage Pointe	Market	Family	99.3%
Riverwood Park*	Market	Family	98.9%
Summer Stone	Market	Family	96.9%
The Grove at 600*	Market	Family	99.0%
Willow Way Apartments	Market	Family	100.0%
<b>Average</b>			<b>98.1%</b>

\*Utilized as a comparable

The average occupancy rate of competitive developments in the PMA is 98.1 percent.

**Rehab Developments and PBRA**

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

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

***Of the Subject’s 120 units, 114 will benefit from Section 8 rental assistance and these units are therefore presumed leasable.***

**5. Capture Rates**

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

**RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA**

Income Cohort	2017		Projected Mkt Entry June 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,276	15.6%	2,284	15.6%	2,293	15.6%
\$10,000-19,999	2,865	19.7%	2,875	19.7%	2,886	19.7%
\$20,000-29,999	2,003	13.7%	2,010	13.7%	2,017	13.7%
\$30,000-39,999	1,458	10.0%	1,463	10.0%	1,468	10.0%
\$40,000-49,999	1,363	9.3%	1,368	9.3%	1,373	9.3%
\$50,000-59,999	1,000	6.9%	1,004	6.9%	1,007	6.9%
\$60,000-74,999	986	6.8%	990	6.8%	993	6.8%
\$75,000-99,999	1,146	7.9%	1,150	7.9%	1,154	7.9%
\$100,000-124,999	431	3.0%	432	3.0%	434	3.0%
\$125,000-149,999	407	2.8%	408	2.8%	410	2.8%
\$150,000-199,999	349	2.4%	350	2.4%	351	2.4%
\$200,000+	296	2.0%	297	2.0%	298	2.0%
<b>Total</b>	<b>14,579</b>	<b>100.0%</b>	<b>14,630</b>	<b>100.0%</b>	<b>14,685</b>	<b>100.0%</b>

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

**NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITH SUBSIDY**

Minimum Income Limit		\$0		Maximum Income Limits		\$38,520	
Income Category	New Renter Households - Total Change in Households PMA 2017 to Prj Mrkt Entry June 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	8	15.6%	9,999	100.0%	8		
\$10,000-19,999	10	19.7%	9,999	100.0%	10		
\$20,000-29,999	7	13.7%	9,999	100.0%	7		
\$30,000-39,999	5	10.0%	8,520	85.2%	4		
\$40,000-49,999	5	9.3%					
\$50,000-59,999	3	6.9%					
\$60,000-74,999	3	6.8%					
\$75,000-99,999	4	7.9%					
\$100,000-124,999	2	3.0%					
\$125,000-149,999	1	2.8%					
\$150,000-199,999	1	2.4%					
\$200,000+	1	2.0%					
<b>Total</b>	<b>51</b>	<b>100.0%</b>			<b>29</b>		

**POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 60% - Subsidy In Place**

Minimum Income Limit		\$0		Maximum Income Limits		\$38,520	
Income Category	Total Renter Households PMA 2017 to Prj Mrkt Entry June 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	2,284	15.6%	9,999	100.0%	2,284		
\$10,000-19,999	2,875	19.7%	9,999	100.0%	2,875		
\$20,000-29,999	2,010	13.7%	9,999	100.0%	2,010		
\$30,000-39,999	1,463	10.0%	8,520	85.2%	1,246		
\$40,000-49,999	1,368	9.3%					
\$50,000-59,999	1,004	6.9%					
\$60,000-74,999	990	6.8%					
\$75,000-99,999	1,150	7.9%					
\$100,000-124,999	432	3.0%					
\$125,000-149,999	408	2.8%					
\$150,000-199,999	350	2.4%					
\$200,000+	297	2.0%					
<b>Total</b>	<b>14,630</b>	<b>100.0%</b>			<b>8,415</b>		

**ASSUMPTIONS - 60% AMI WITH SUBSIDY**

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

Tenancy	Family	% of Income towards Housing	35%
Urban/Rural	Urban	Maximum # of Occupants	6

**Demand from New Renter Households 2017 to Projected Mkt Entry 2019**

Income Target Population	60% - With Subsidy
New Renter Households PMA	51
Percent Income Qualified	57.5%
<b>New Renter Income Qualified Househols</b>	<b>29</b>

**Demand from Existing Households 2017**

**Demand from Rent Overburdened Households**

Income Target Population	60% - With Subsidy
Total Existing Demand	14,630
Income Qualified	57.5%
Income Qualified Renter Households	8,415
Percent Rent Overburdened Prj Mrkt Entry June 2019	37.8%
<b>Rent Overburdened Households</b>	<b>3,180</b>

**Demand from Living in Substandard Housing**

Income Qualified Renter Households	8,415
Percent Living in Substandard Housing	1.0%
<b>Households Living in Substandard Housing</b>	<b>84</b>

**Senior Households Coverting from Homeownership**

Income Target Population	60% - With Subsidy
Rural Versus Urban	2.0%
<b>Senior Demand Converting from Homeownership</b>	<b>0</b>

**Total Demand**

Total Demand from Exisiting Households	3264
Total New Demand	29
<b>Total Demand (New Plus Exisitng Households)</b>	<b>3,293</b>

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0
Is this Demand Over 20 percent of Total Demand?	No

**By Bedroom Demand**

One Person	35.7%	1,176
Two Person	21.8%	719
Three Person	17.3%	570
Four Person	12.2%	401
Five+ Person	12.9%	426
<b>Total</b>	<b>100.0%</b>	<b>3,293</b>

**Capture Rate: 60% - Subsidy in Place**

**To place Person Demand into Bedroom Type Units**

Of one-person households in 1BR units	70%	823
Of two-person households in 1BR units	20%	144
Of one-person households in 2BR units	30%	353
Of two-person households in 2BR units	80%	575
Of three-person households in 2BR units	60%	342
Of four-person households in 2BR units	20%	80
Of three-person households in 3BR units	40%	228
Of four-person households in 3BR units	60%	241
Of five-person households in 3BR units	60%	256
Of four-person households in 4BR units	20%	80
Of five-person households in 4BR units	40%	170
<b>Total Demand</b>		<b>3,293</b>

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
1 BR	967	-	34	=	933
2 BR	1,351	-	56	=	1,295
3 BR	724	-	25	=	699
4 BR	251	-	0	=	251
<b>Total</b>	<b>3,293</b>		<b>115</b>		<b>3,178</b>

	Developer's Unit Mix		Net Demand		Capture Rate
1 BR	15	/	933	=	1.6%
2 BR	60	/	1,295	=	4.6%
3 BR	27	/	699	=	3.9%
4 BR	12	/	251	=	4.8%
<b>Total</b>	<b>114</b>		<b>3,178</b>		<b>3.6%</b>

**60% AMI – Absent Subsidy**

**NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% - ABSENT SUBSIDY**

Minimum Income Limit		\$18,754	Maximum Income Limits		\$38,520
Income Category	New Renter Households - Total Change in Households PMA 2017 to Prj Mrkt Entry		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	8	15.6%			
\$10,000-19,999	10	19.7%	1,245	12.4%	1
\$20,000-29,999	7	13.7%	9,999	100.0%	7
\$30,000-39,999	5	10.0%	8,520	85.2%	4
\$40,000-49,999	5	9.3%			
\$50,000-59,999	3	6.9%			
\$60,000-74,999	3	6.8%			
\$75,000-99,999	4	7.9%			
\$100,000-124,999	2	3.0%			
\$125,000-149,999	1	2.8%			
\$150,000-199,999	1	2.4%			
\$200,000+	1	2.0%			
<b>Total</b>	<b>51</b>	<b>100.0%</b>			<b>13</b>

**POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 60% - ABSENT SUBSIDY**

Minimum Income Limit		\$18,754	Maximum Income Limits		\$38,520
Income Category	Total Renter Households PMA 2016 to Prj Mrkt Entry June 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	2,284	15.6%			
\$10,000-19,999	2,875	19.7%	1,245	12.4%	358
\$20,000-29,999	2,010	13.7%	9,999	100.0%	2,010
\$30,000-39,999	1,463	10.0%	8,520	85.2%	1,246
\$40,000-49,999	1,368	9.3%			
\$50,000-59,999	1,004	6.9%			
\$60,000-74,999	990	6.8%			
\$75,000-99,999	1,150	7.9%			
\$100,000-124,999	432	3.0%			
\$125,000-149,999	408	2.8%			
\$150,000-199,999	350	2.4%			
\$200,000+	297	2.0%			
<b>Total</b>	<b>14,630</b>	<b>100.0%</b>			<b>3,614</b>

**ASSUMPTIONS - 60% AMI - ABSENT SUBSIDY**

ASSUMPTIONS - 60% AMI - ABSENT SUBSIDY				
Tenancy		% of Income towards Housing		35%
Urban		Maximum # of Occupants		6
Persons in Household	1BR	2BR	3BR	4BR
1	70%	30%	0%	0%
2	20%	80%	0%	0%
3	0%	60%	40%	0%
4	0%	20%	60%	20%
5+	0%	0%	60%	40%

**Demand from New Renter Houeholds 2017 to Projected Mkt Entry 2019**

Income Target Population	60% - Absent Subsidy	
New Renter Households PMA		51
Percent Income Qualified		24.7%
<b>New Renter Income Qualified Househols</b>		<b>13</b>

**Demand from Existing Households 2017**

**Demand from Rent Overburdened Households**

Income Target Population	60% - Absent Subsidy	
Total Existing Demand		14,630
Income Qualified		24.7%
Income Qualified Renter Households		3,614
Percent Rent Overburdened Prj Mrkt Entry June 2019		37.8%
<b>Rent Overburdened Households</b>		<b>1,366</b>

**Demand from Living in Substandard Housing**

Income Qualified Renter Households		3,614
Percent Living in Substandard Housing		1.0%
<b>Households Living in Substandard Housing</b>		<b>36</b>

**Senior Households Coverting from Homeownership**

Income Target Population	60% - Absent Subsidy	
Rural Versus Urban	5.0%	0
<b>Senior Demand Converting from Homeownership</b>		<b>0</b>

**Total Demand**

Total Demand from Exisiting Households		1,402
Total New Demand		13
<b>Total Demand (New Plus Exisitng Households)</b>		<b>1,414</b>

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0
Is this Demand Over 20 percent of Total Demand?		No

**By Bedroom Demand**

One Person	35.7%	505
Two Person	21.8%	309
Three Person	17.3%	245
Four Person	12.2%	172
Five+ Person	12.9%	183
<b>Total</b>	<b>100.0%</b>	<b>1,414</b>

**Capture Rate: 60% - Absent Subsidy**

**To place Person Demand into Bedroom Type Units**

Of one-person households in 1BR units	70%	354
Of two-person households in 1BR units	20%	62
Of one-person households in 2BR units	30%	152
Of two-person households in 2BR units	80%	247
Of three-person households in 2BR units	60%	147
Of four-person households in 2BR units	20%	34
Of three-person households in 3BR units	40%	98
Of four-person households in 3BR units	60%	103
Of five-person households in 3BR units	60%	110
Of four-person households in 4BR units	20%	34
Of five-person households in 4BR units	40%	73
<b>Total Demand</b>		<b>1,414</b>

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
1 BR	415	-	9	=	406
2 BR	580	-	37	=	543
3 BR	311	-	17	=	294
4 BR	108	-	0	=	108
<b>Total</b>	<b>1,414</b>		<b>63</b>		<b>1,351</b>

	Developer's Unit Mix		Net Demand		Capture Rate
1 BR	15	/	406	=	3.7%
2 BR	60	/	543	=	11.1%
3 BR	30	/	294	=	10.2%
4 BR	14	/	108	=	13.0%
<b>Total</b>	<b>119</b>		<b>1,351</b>		<b>8.8%</b>

## Conclusions

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

- The number of renter households in the PMA is expected to increase by 0.3 percent between 2017 and 2021. This represents an increase of 51 households.
- The Subject is able to attract a wide range of household sizes in offering one, two, three, and four-bedroom units.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The following table illustrates demand and net demand for the Subject's units. Note that these capture rates are not based on appropriate bedroom types, as calculated previously.

### DEMAND AND NET DEMAND

DCA Conclusion Tables (Family)	HH at 60% AMI - With Subsidy (\$0 to \$38,520 income)	HH at 60% AMI - Absent Subsidy (\$18,754 to \$38,520 income)
Demand from New Households (age and income appropriate)	29	13
<b>PLUS</b>	+	+
Demand from Existing Renter Households - Substandard Housing	84	36
<b>PLUS</b>	+	+
Demand from Existing Renter Households - Rent Overburdened Households	3,180	1,366
Sub Total	3,293	1,414
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0
<b>Equals Total Demand</b>	3,293	1,414
<b>Less</b>	-	-
Competitive New Supply	115	63
<b>Equals Net Demand</b>	3,178	1,351

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR at 60% AMI/Sec. 8	\$0	\$23,340	15	967	34	933	1.6%	One month	\$558	\$392	\$990	\$456
1BR at 60% AMI	\$18,754	\$23,340	15	415	9	406	3.7%	One month	\$558	\$392	\$990	\$456
2BR at 60% AMI/Sec. 8	\$0	\$26,280	60	1,351	56	1,295	4.6%	4-5 months	\$647	\$471	\$1,039	\$550
2BR at 60% AMI	\$22,526	\$26,280	60	580	37	543	11.1%	4-5 months	\$657	\$471	\$1,039	\$550
3BR at 60% AMI/Sec. 8	\$0	\$31,500	27	724	25	699	3.9%	2 - 3 months	\$754	\$534	\$1,191	\$619
3BR at 60% AMI	\$25,989	\$31,500	30	311	17	294	10.2%	2 - 3 months	\$754	\$534	\$1,191	\$619
4BR at 60% AMI/Sec. 8	\$0	\$33,840	12	251	0	251	4.8%	One month	\$829	\$609	\$1,266	\$683
4BR at 60% AMI	\$29,006	\$33,840	14	108	0	108	13.0%	One month	\$829	\$609	\$1,266	\$683
Overall - With Subsidy	\$0	\$33,840	114	3,293	115	3,178	3.6%	7 - 8 months	-	-	-	-
Overall - Absent Subsidy	\$18,754	\$33,840	119	1,414	63	1,351	8.8%	7 - 8 months	-	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 60 percent AMI level with subsidy will range from 1.6 to 4.8 percent, with an overall capture rate of 3.6 percent. Absent subsidy, the Subject’s capture rates at the 60 percent AMI level will range from 3.7 to 13.0 percent, with an overall capture rate of 8.8 percent. Therefore, we believe there is adequate demand for the Subject.

## **VI. HIGHEST AND BEST USE**

## HIGHEST AND BEST USE

Highest and Best Use is defined as: "The reasonably probable and legal use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.<sup>2</sup>"

Investors continually attempt to maximize profits on invested capital. The observations of investor activities in the area are an indication of that use which can be expected to produce the highest value. The principle of conformity holds, in part, that conformity in use is usually a highly desirable adjunct of real property, since it generally helps create and/or maintains maximum value.

It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use. Implied in this definition is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. The principle of Highest and Best Use may be applied to the site if vacant and to the site as it is improved.

The Highest and Best Use determination is a function of neighborhood land use trends, property size, shape, zoning, and other physical factors, as well as the market environment in which the property must compete. Four tests are typically used to determine the highest and best use of a particular property. Thus, the following areas are addressed.

1. **Physically Possible:** The uses to which it is physically possible to put on the site in question.
2. **Legally Permissible:** The uses that are permitted by zoning and deed restrictions on the site in question.
3. **Feasible Use:** The possible and permissible uses that will produce any net return to the owner of the site.
4. **Maximally Productive:** Among the feasible uses, the use that will produce the highest net return or the highest present worth.

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<sup>2</sup> Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6<sup>th</sup> ed. (Chicago: Appraisal Institute, 2015).

## Highest and Best Use As If Vacant

### Physically Possible

The Subject site contains 343,688 square feet or approximately 7.89 acres. The parcel is irregular in shape and exhibits slightly sloping topography. The site has good accessibility from Lyons Drive North Way and Tamassee Lane from the north, and Pappalardo Street and Tamassee Lane from the south. The site is considered adequate for a variety of legally permissible uses.

### Legally Permissible

According to the Rome-Floyd County Planning Department, the Subject is zoned M-R (Multifamily Residential). This zoning district allows multifamily use at a maximum density of 14 units per acre. Additionally, the M-R district requires two parking spaces for each unit.

The Subject site's zoning allows for multifamily development that does not exceed 14 dwelling units per acre. The comparable land sales range in density from 4.7 to 14.7 units per acre. With consideration of the comparable sales and the Subject's existing zoning, we believe that the site, as if vacant, could reasonably support 110 units, which equates to a density of 13.9 units per acre.

### Financially Feasible

The cost of the land limits those uses that are financially feasible for the site. Any uses of the Subject site that provide a financial return to the land in excess of the cost of the land are those uses that are financially feasible.

The Subject's feasible uses are restricted to those that are allowed by zoning classifications, and are physically possible. As noted in the zoning section, the Subject site could support multifamily development. Based on the Subject's surrounding land uses, the site's physical attributes, and the recent development patterns in the area, multifamily residential development is most likely.

### Maximally Productive

Based upon our analysis, the maximally productive use of this site as if vacant would be to construct a 180-unit affordable or mixed-income multifamily development.

## Conclusion

### Highest and Best Use "As If Vacant"

Based on the recent development patterns, the highest and best use "as if vacant" would be to construct a 110-unit multifamily development with subsidy or gap financing, such as LIHTC.

### Highest and Best Use "As Improved"

The Subject currently operates as a mixed-income multifamily property in average condition. The property currently generates positive income and it is not deemed feasible to tear it down for an alternative use. Therefore, the highest and best use of the site, as improved, would be to continue to operate as an affordable and market rate multifamily housing development.

## **VII. APPRAISAL METHODOLOGY**

## **APPRAISAL METHODOLOGY**

Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

The cost approach consists of a summation of land value and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value.

### **Applicability to the Subject Property**

The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility. This valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property. However, we have provided an estimate of land value.

The income capitalization approach requires estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk, and alternative investment possibilities. Because the Subject is an income producing property, this is considered to be the best method of valuation. A direct capitalization technique is utilized.

In the sales comparison approach, we estimate the value of a property by comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use both the EGIM and NOI/Unit analyses in valuing the Subject property.

## **VIII. COST APPROACH**

## COST APPROACH

The employment of the Cost Approach in the valuation process is based on the principle of substitution. As discussed, this valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property. This is primarily attributed to the age and condition of the improvements, and the attendant difficulty in accurately estimating accrued physical depreciation. For these reasons, the Cost Approach has not been presented in this report. However, an indication of land value is a component of this engagement.

## LAND VALUATION

To arrive at an estimated land value for the Subject site, the appraisers have analyzed actual sales of comparable properties in the competitive area.

No two parcels of land are alike; therefore, these sales have been adjusted for various factors including location, size, shape, topography, utility, and marketability. The adjustments made are the result of a careful analysis of market data, as well as interviews with various informed buyers, sellers, real estate brokers, builders and lending institutions. The following pages outline our findings.

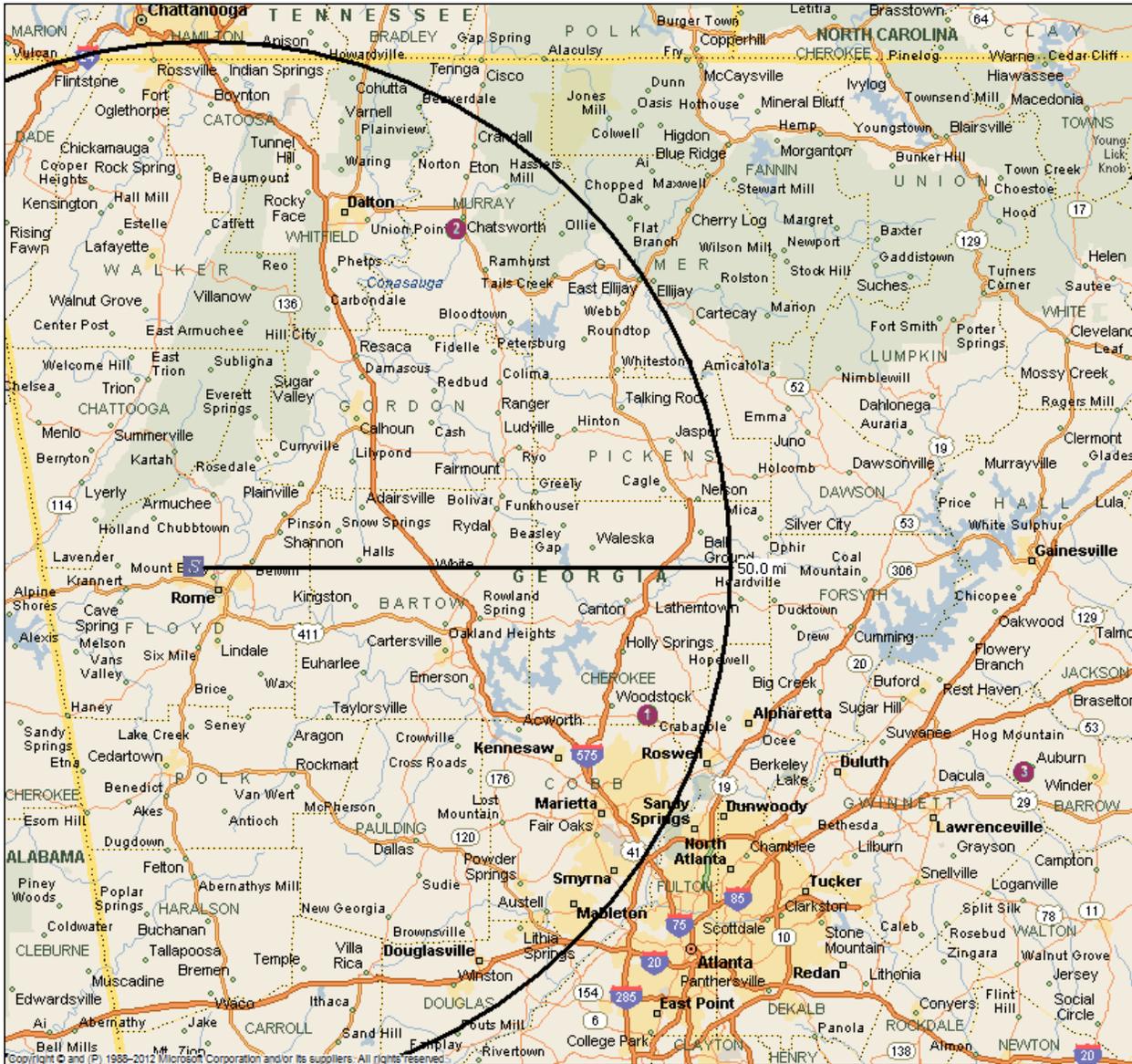
The sales comparison approach typically reflects the actions of buyers and sellers in the marketplace and serves as an excellent benchmark as to what a potential buyer would be willing to pay for the subject property. We have made an extensive search for multifamily comparable land sales that have sold recently. There have been limited land sales in the immediate area. Thus, we included land sales in northwest Georgia and nearby areas. From our research, we selected the best transactions available that represent the most recent competitive alternative sales or contracts in the marketplace.

### COMPARABLE LAND SALES

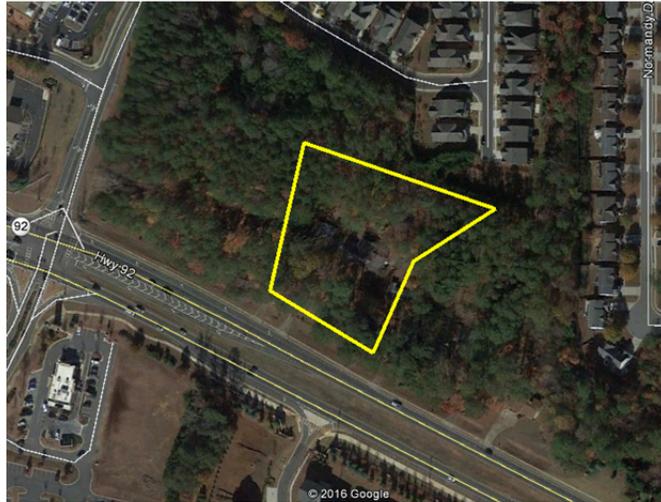
Number	Location	City/State	Sale Date	Price	Acres	Units	Price/Unit
1	13359 Highway 92	Woodstock, GA 30188	Mar-17	\$1,780,000	4.73	120	\$14,833
2	1064 Leonard Bridge Road	Chatsworth, GA 30705	Jun-16	\$600,000	10.67	64	\$9,375
3	155 Autry Road	Auburn, GA 30011	May-14	\$435,000	14.74	34	\$12,794

Throughout our conversations with market participants and buyers and sellers of the comparable sales, the respondents indicated that the purchase price is typically based upon a price per unit. This is typical of the local multifamily market and will be used as a basis for analysis. A location map is presented on the following page.

Comparable Land Sales Map



**Land Sale 1**



**Location:** 13359 Highway 92  
Woodstock, GA 30188

**Buyer:** Brickmont Woodstock SPE  
**Seller:** Doyle and Sarah Scoggins  
**Sale Date:** March-17  
**Sale Price:** \$1,780,000  
**Financing:** Cash

**Number of Units:** 120  
**Site:** Acre(s) 4.73  
 Square Footage 206,039  
**Zoning** Multifamily  
**Corner** No  
**Topography** Level  
**Shape** Irregular

**Sale Price:** Per Unit \$14,833  
 Per Acre \$376,321  
 Per SF \$8.64

**Comments:**

The site is proposed for the development of Brickmont of Woodstock, which will consist of 120 senior independent and assisted living units.

**Verification:** Public Records, Appraiser's File

**Land Sale 2**



**Location:** 1064 Leonard Bridge Road  
Chatsworth, GA 30705

**Buyer:** Abbie Lane Park, LP  
**Seller:** Andrea Joyce Ellis  
**Sale Date:** June-16  
**Sale Price:** \$600,000  
**Financing:** Cash

**Number of Units:** 64  
**Site:** Acre(s) 10.67  
 Square Footage 464,785  
**Zoning** MFR  
**Corner** No  
**Topography** Level  
**Shape** Irregular

**Sale Price:** Per Unit \$9,375  
 Per Acre \$56,232  
 Per SF \$1.29

**Comments:**

The site is being improved with a 64-unit senior LIHTC development known as Abbie Lane Park that offers one and two-bedroom units. The development is currently under construction with expected completion by the end of 2017.0

**Verification:** Georgia DCA, Public Records

**Land Sale 3**



**Location:** 155 Autry Road  
Auburn, GA 30011

**Buyer:** Autry Pines Senior Village, LP  
**Seller:** Gwinnett Community Bank  
**Sale Date:** May-14  
**Sale Price:** \$435,000  
**Financing:** Cash

**Number of Units:** 34  
**Site:** Acre(s) 14.74  
 Square Footage 642,074  
**Zoning** Multifamily  
**Corner** No  
**Topography** Level  
**Shape** Irregular

**Sale Price:** Per Unit \$12,794  
 Per Acre \$29,512  
 Per SF \$0.68

**Comments:**

The site was improved with a 34-unit senior LIHTC development known as Autry Pines Senior Village that was completed in 2015.

**Verification:** Public Records, Appraiser's File

## Explanation of Adjustments

The adjustment grid follows at the end of this section. As illustrated, adjustments have been made based on price differences created by the following factors:

- Property Rights
- Financing
- Conditions of Sale
- Market Conditions
- Location
- Zoning
- Topography
- Shape
- Density

### Property Rights

We are valuing the fee simple interest in the land. No adjustments are warranted.

### Financing

The sales were cash transactions; therefore, no adjustment is necessary.

### Conditions of Sale

No unusual conditions existed or are known; therefore, no adjustment is necessary.

### Market Conditions

Real estate values change over time. The rate of this change fluctuates due to investors' perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of comparables, when values have appreciated or depreciated. The comparable sales occurred between May 2014 and March 2017. Overall, capitalization rate trends in the region appear to have generally followed the national capitalization rate trends over the past several years, and are a good indication of changes in market conditions and resulting land value over time.

PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate - Institutional Grade Investments		
Quarter	Cap Rate	Change (bps)
1Q14	5.79	-0.01
<b>2Q14</b>	<b>5.59</b>	<b>-0.20</b>
3Q14	5.51	-0.08
4Q14	5.36	-0.15
1Q15	5.36	0.00
2Q15	5.30	-0.06
3Q15	5.39	0.09
4Q15	5.35	-0.04
1Q16	5.35	0.00
<b>2Q16</b>	<b>5.29</b>	<b>-0.06</b>
3Q16	5.25	-0.04
4Q16	5.26	0.01
<b>1Q17</b>	<b>5.33</b>	<b>0.07</b>

Source: PwC Real Estate Investor Survey, Q1 2017

We have adjusted the Sale 3 upward five percent given the overall decreasing trend in multifamily capitalization rates. No adjustment was applied to Sales 1 and 2.

**Location**

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. The following tables illustrate the median gross rent, median home value, and median household income for each land sale, arranged by zip code.

**MEDIAN GROSS RENT**

Property	Zip Code	Median Rent	Subject Site Differential
<b>Subject</b>	<b>30165</b>	<b>\$707</b>	-
Sale 1	30188	\$1,191	-41%
Sale 2	30705	\$628	13%
Sale 3	30011	\$970	-27%

Source: U.S. Census, 5/2017

**MEDIAN HOME VALUE**

Property	Zip Code	Median Home Value	Subject Site Differential
<b>Subject</b>	<b>30165</b>	<b>\$42,729</b>	-
Sale 1	30188	\$70,686	-40%
Sale 2	30705	\$35,525	20%
Sale 3	30011	\$57,063	-25%

Source: U.S. Census, 5/2017

**MEDIAN HOUSEHOLD INCOME**

Property	Zip Code	Median Household Income	Subject Site Differential
<b>Subject</b>	<b>30165</b>	<b>\$115,200</b>	-
Sale 1	30188	\$169,800	-32%
Sale 2	30705	\$94,600	22%
Sale 3	30011	\$118,600	-3%

Source: U.S. Census, 5/2017

As illustrated, the Subject’s location generally is inferior to Sales 1 and 3 in in terms of median gross rent, median home value, and median household income. In addition, Sales 1 and 3 are located in closer proximity to services and amenities located in Atlanta. As such, we have applied a downward adjustment of 45 percent to Sale 1 and a downward adjustment of 20 percent to Sale 3. Sale 2 is slightly inferior to the Subject in terms of median gross rent, median home value, and median household income. As such, we have applied an upward adjustment of 10 percent to Sale 2.

**Zoning**

All of the land sales’ zoning permits multifamily development; therefore no adjustments are necessary.

**Topography**

The land sales vary in topography, but are generally level and appear to be functional, similar to the Subject. Thus, no adjustments were warranted.

**Size**

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. The previous highest and best use analysis indicated that the Subject site could support approximately 110 multifamily units based on current zoning. Sales 2 and 3 are smaller than the Subject and received a negative 20 percent adjustments for proposing a smaller unit mix than the Subject. Sales 1 is generally similar to the Subject in terms of number of units and no adjustment is warranted.

**Land Value Estimate**

The land sales grid is presented following:

<b>Comparable Land Data Adjustment Grid</b>				
	Subject	1	2	3
			1064 Leonard Bridge	
Location	22 Tamassee Lane	13359 Highway 92	Road	155 Autry Road
City, State	Rome, GA 30165	Woodstock, GA 30188	Chatsworth, GA 30705	Auburn, GA 30011
<b>Parcel Data</b>				
Zoning	M-R	Multifamily	MFR	Multifamily
Topography	Slopping	Level	Level	Level
Shape	Irregular	Irregular	Irregular	Irregular
Corner	No	No	No	No
Size (SF)	343,688	206,039	464,785	642,074
Size (Acres)	7.9	4.7	10.7	14.7
Units	110	120	64	34
Units Per Acre	13.9	25	6	2
<b>Sales Data</b>				
Date		Mar-17	Jun-16	May-14
Interest		Fee Simple	Fee Simple	Fee Simple
Price		\$1,780,000	\$600,000	\$435,000
Price per Unit		\$14,833	\$9,375	\$12,794
<b>Adjustments</b>				
Property Rights		0	0	0
		\$1,780,000	\$600,000	\$435,000
Financing		0	0	0
		\$1,780,000	\$600,000	\$435,000
Conditions of Sale		0	0	0
		\$1,780,000	\$600,000	\$435,000
Market Conditions		0%	0%	5%
Adjusted Sale Price		\$1,780,000	\$600,000	\$456,750
Adjusted Price Per Unit		\$14,833	\$9,375	\$13,434
<b>Adjustments</b>				
Location		-45%	10%	-20%
Zoning/Density		0%	0%	0%
Topography		0%	0%	0%
Shape		0%	0%	0%
Size		0%	-20%	-20%
Overall Adjustment		-45%	-10%	-40%
Adjusted Price Per Unit		\$8,158	\$8,438	\$8,060
Low		\$8,060		
High		\$8,438		
Mean		\$8,219		
Median		\$8,158		
Conclusion	\$8,200	x	110	\$902,000
<b>Rounded</b>				<b>\$900,000</b>

The sales indicate a range of adjusted price per unit from \$8,060 to \$8,438 per unit, with a mean of \$8,219 per unit. We have placed emphasis on all Sales in our analysis, as all offer a good indication of value in the market. As such, we believe an indication of \$8,200 per unit is reasonable. This correlates with an indication of land value as follows: 110 units at \$8,200 per unit, equates to \$900,000 (rounded).

**Land Value – As If Vacant**

As a result of our investigation and analysis, it our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated value of the underlying land, as if vacant, of the fee simple interest, as of April 20, 2017, is:

**NINE HUNDRED THOUSAND DOLLARS  
(\$900,000)**

*Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.*

# **IX. INCOME CAPITALIZATION APPROACH**

## INCOME CAPITALIZATION APPROACH

### Introduction

We were asked to provide several value estimates, including:

- Market Value “As Is”
- Prospective Market Value “upon completion and stabilization” – Assuming Restricted Rents.
- Hypothetical Market Value “upon completion and stabilization” – Assuming Unrestricted Rents.
- Prospective Market Value at Loan Maturity Assuming Unrestricted Rents
- Valuation of Tax Credits.
- Favorable Financing.

The Income Capitalization Approach to value is based upon the premise that the value of an income-producing property is largely determined by the ability of the property to produce future economic benefits. The value of such a property to the prudent investor lies in anticipated annual cash flows and an eventual sale of the property. An estimate of the property’s market value is derived via the capitalization of these future income streams.

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex is managed and staffed by competent personnel and that the property is professionally advertised and aggressively promoted.

The Subject’s “as is” and “as proposed” values were performed via the income capitalization approach.

### Income Analysis

#### Potential Gross Income

In our search for properties comparable to the Subject, we concentrated on obtaining information on those projects considered similar to the Subject improvements on the basis of location, size, age, condition, design, quality of construction and overall appeal. In our market analysis we provided the results of our research regarding properties considered generally comparable or similar to the Subject.

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject’s potential rental income assuming the current restricted rents and market rents is based upon the achievable rents as derived in the Supply Section of this report and are calculated as follows.

*The HUD contract rents are below market rents for the Subject as is and as renovated. As such, a rent increase based upon the Rent Comparability Study (RCS) prepared by John E. Doyle, MAI with Doyle Real Estate Advisors, LLC effective February 2017 would suggest increases are possible. It is a specific extraordinary assumption of this report that an increase in Contract Rents will occur and, as such, we are utilizing achievable market rents in the determination of potential gross income for the property’s Section 8 units. This is considered reasonable based on HUD regulations and the expectation of a typical purchaser.*

**POTENTIAL GROSS RENTAL INCOME - AS IS RESTRICTED**

Unit Type	Number of Units	Achievable Rent	Monthly Gross Rent	Annual Gross Rent
<b>Section 8*</b>				
1BR/1BA	15	\$600	\$9,000	\$108,000
2BR/1BA	60	\$775	\$46,500	\$558,000
3BR/1BA	28	\$850	\$23,800	\$285,600
4BR/1BA	12	\$975	\$11,700	\$140,400
<b>Market</b>				
3BR/1BA	2	\$850	\$1,700	\$20,400
4BR/1BA	2	\$975	\$1,950	\$23,400
<b>Employee Unit</b>				
<u>3BR/1BA</u>	<u>1</u>	<u>\$850</u>	<u>\$850</u>	<u>\$10,200</u>
<b>Total</b>	<b>120</b>			<b>\$1,146,000</b>

\*This assumes current contract rents will be increased to as is achievable market rent levels concluded in the RCS prepared by Doyle Real Estate Advisors, LLC

**POTENTIAL GROSS RENTAL INCOME - AS PROPOSED RESTRICTED**

Unit Type	Number of Units	Achievable Rent	Monthly Gross Rent	Annual Gross Rent
<b>60% AMI/Section 8*</b>				
1BR/1BA	15	\$800	\$12,000	\$144,000
2BR/1BA	60	\$900	\$54,000	\$648,000
3BR/1BA	28	\$1,000	\$28,000	\$336,000
4BR/1BA	12	\$1,100	\$13,200	\$158,400
<b>60% AMI</b>				
3BR/1BA	3	\$619	\$1,857	\$22,284
4BR/1BA	1	\$683	\$683	\$8,196
<b>Employee Unit</b>				
<u>4BR/1BA</u>	<u>1</u>	<u>\$1,100</u>	<u>\$1,100</u>	<u>\$13,200</u>
<b>Total</b>	<b>120</b>			<b>\$1,330,080</b>

\*This assumes current contract rents will be increased to post-rehab achievable market rent levels concluded in the RCS prepared by Doyle Real Estate Advisors, LLC

**POTENTIAL GROSS RENTAL INCOME - AS PROPOSED UNRESTRICTED**

Unit Type	Number of Units	Achievable Rent	Monthly Gross Rent	Annual Gross Rent
<b>Market</b>				
1BR/1BA	15	\$800	\$12,000	\$144,000
2BR/1BA	60	\$900	\$54,000	\$648,000
3BR/1BA	31	\$1,000	\$31,000	\$372,000
4BR/1BA	14	\$1,100	\$15,400	\$184,800
<b>Employee Unit</b>				
<u>4BR/1BA</u>	<u>1</u>	<u>\$1,100</u>	<u>\$1,100</u>	<u>\$13,200</u>
<b>Total</b>	<b>120</b>			<b>\$1,348,800</b>

**Other Income**

Other income typically includes revenue generated for laundry fees, vending, late fees, damages and cleaning fees, etc. The Subject's historical data indicated other income ranging from \$62 to \$166. The comparables report other income ranging from \$125 to \$585 per unit. Based on historical data from the Subject, we estimate other income to be \$75 per unit annually, which is within the range of the Subject's historical average.

**Vacancy and Collection Loss**

Currently, the Subject is 100 percent occupied with a waiting list. Based on financial statements supplied by the client, the Subject’s vacancy and collection loss has ranged from 2.2 to 2.8 percent over the past two years. As previously discussed in the Supply Analysis, we have concluded to a stabilized vacancy rate of three percent for the Subject property under the restricted scenario and four percent for the unrestricted scenarios. Additionally, we have concluded to vacancy and collection loss rate of 5.0 percent for all of the scenarios.

**Explanation of Expenses**

Typical deductions from the calculated Effective Gross Income fall into three categories on real property: fixed, variable, and non-operating expenses. Historical operating expenses of comparable properties were relied upon in estimating the Subject’s operating expenses. The comparable data can be found on the following pages.

It is important to note that the projections of income and expenses 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.

Comparable operating expense data was collected from a combination of affordable and market rate properties in the area. The following table provides additional information on each of the comparable expense properties.

**EXPENSE COMPARABLES**

	Comp 1	Comp 2	Comp 3	
Year Built	2013	1971/2005	2003	2005
Structure	Garden	Garden	Garden	Garden
Tenancy	Family	Family	Family	Family
Rent Restrictions	LIHTC	LIHTC	LIHTC/Market	LIHTC

The comparable data was compared to the 2 historical data for the Subject based on information supplied by the client. We were also provided with the developer’s proposed operating budget for the Subject, which was considered in our analysis.

MEADOW LANE APARTMENTS –ROME, GEORGIA – APPRAISAL

EXPENSE CATEGORY	Novogradac Estimates As Is Rome, GA		Novogradac Estimates As Proposed Restricted Rome, GA		Novogradac Estimates As Proposed Unrestricted Rome, GA		SUBJECT BUDGETED EXPENSES Rome, GA		2015 SUBJECT AUDIT EXPENSES Rome, GA		2014 SUBJECT AUDIT EXPENSES Rome, GA		2015 CONFIDENTIAL ACTUAL EXPENSES Columbus, GA		2015 CONFIDENTIAL ACTUAL EXPENSES Fat Point, GA		2015 CONFIDENTIAL ACTUAL EXPENSES Hinesville, GA		2015 CONFIDENTIAL ACTUAL EXPENSES Canton, GA	
	120		120		120		120		120		120		120		160		80		72	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
<b>OTHER INCOME</b>	\$9,000	\$75	\$9,000	\$75	\$9,000	\$75	\$0	\$0	\$19,905	\$166	\$7,438	\$62	\$43,277	\$361	\$93,640	\$585	\$9,974	\$125	\$18,229	\$253
<b>MARKETING</b>																				
Advertising / Screening / Credit	\$3,000	\$25	\$3,000	\$25	\$3,000	\$25	\$0	\$0	\$2,978	\$25	\$3,104	\$26	\$393	\$3	\$12,990	\$81	\$92	\$1	\$2,883	\$40
<b>SUBTOTAL</b>	<b>\$3,000</b>	<b>\$25</b>	<b>\$3,000</b>	<b>\$25</b>	<b>\$3,000</b>	<b>\$25</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,978</b>	<b>\$25</b>	<b>\$3,104</b>	<b>\$26</b>	<b>\$393</b>	<b>\$3</b>	<b>\$12,990</b>	<b>\$81</b>	<b>\$92</b>	<b>\$1</b>	<b>\$2,883</b>	<b>\$40</b>
<b>ADMINISTRATION</b>																				
Legal	\$1,800	\$15	\$1,800	\$15	\$1,800	\$15	\$0	\$0	\$500	\$4	\$3,896	\$32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Audit	\$7,800	\$65	\$7,800	\$65	\$7,800	\$65	\$9,462	\$79	\$7,500	\$63	\$7,200	\$60	\$3,086	\$26	\$28,259	\$177	\$9,750	\$122	\$10,499	\$146
Office & Other	\$58,800	\$490	\$58,800	\$490	\$51,600	\$430	\$54,383	\$453	\$28,548	\$238	\$32,017	\$267	\$160,320	\$1,336	\$83,174	\$520	\$28,553	\$357	\$66,308	\$921
<b>SUBTOTAL</b>	<b>\$68,400</b>	<b>\$570</b>	<b>\$68,400</b>	<b>\$570</b>	<b>\$61,200</b>	<b>\$510</b>	<b>\$63,845</b>	<b>\$532</b>	<b>\$36,548</b>	<b>\$305</b>	<b>\$43,113</b>	<b>\$359</b>	<b>\$163,406</b>	<b>\$1,362</b>	<b>\$111,433</b>	<b>\$696</b>	<b>\$38,303</b>	<b>\$479</b>	<b>\$76,807</b>	<b>\$1,067</b>
<b>TOTAL ADMINISTRATION</b>	<b>\$71,400</b>	<b>\$595</b>	<b>\$71,400</b>	<b>\$595</b>	<b>\$64,200</b>	<b>\$535</b>	<b>\$63,845</b>	<b>\$532</b>	<b>\$39,526</b>	<b>\$329</b>	<b>\$46,217</b>	<b>\$385</b>	<b>\$163,799</b>	<b>\$1,365</b>	<b>\$124,423</b>	<b>\$778</b>	<b>\$38,395</b>	<b>\$480</b>	<b>\$79,690</b>	<b>\$1,107</b>
<b>MAINTENANCE</b>																				
Painting / Turnover / Cleaning	\$12,000	\$100	\$12,000	\$100	\$12,000	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,375	\$215	\$1,036	\$13	\$9,155	\$127
Repairs	\$15,000	\$125	\$7,800	\$65	\$7,800	\$65	\$0	\$0	\$7,903	\$66	\$7,933	\$66	\$88,083	\$734	\$67,396	\$421	\$13,522	\$169	\$29,239	\$406
Elevator	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$9,000	\$75	\$9,000	\$75	\$9,000	\$75	\$0	\$0	\$0	\$0	\$90	\$1	\$0	\$0	\$17,115	\$107	\$12,032	\$150	\$18,414	\$256
Pool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies/Other	\$7,800	\$65	\$7,800	\$65	\$7,800	\$65	\$0	\$0	\$12,199	\$102	\$15,611	\$130	\$20,292	\$169	\$8,849	\$55	\$0	\$0	\$2,591	\$36
<b>SUBTOTAL</b>	<b>\$43,800</b>	<b>\$365</b>	<b>\$36,600</b>	<b>\$305</b>	<b>\$36,600</b>	<b>\$305</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,102</b>	<b>\$168</b>	<b>\$23,634</b>	<b>\$197</b>	<b>\$108,375</b>	<b>\$903</b>	<b>\$127,735</b>	<b>\$798</b>	<b>\$26,590</b>	<b>\$332</b>	<b>\$59,399</b>	<b>\$825</b>
<b>OPERATING</b>																				
Contracts	\$62,400	\$520	\$30,600	\$255	\$30,600	\$255	\$53,788	\$448	\$87,654	\$730	\$108,899	\$907	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Exterminating	\$3,600	\$30	\$3,600	\$30	\$3,600	\$30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,312	\$14	\$2,302	\$29	\$2,935	\$41
Security	\$7,200	\$60	\$7,200	\$60	\$7,200	\$60	\$7,046	\$59	\$7,046	\$59	\$5,963	\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$1,379	\$19
<b>SUBTOTAL</b>	<b>\$73,200</b>	<b>\$610</b>	<b>\$41,400</b>	<b>\$345</b>	<b>\$41,400</b>	<b>\$345</b>	<b>\$60,834</b>	<b>\$507</b>	<b>\$94,700</b>	<b>\$789</b>	<b>\$114,862</b>	<b>\$957</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,312</b>	<b>\$14</b>	<b>\$2,302</b>	<b>\$29</b>	<b>\$4,314</b>	<b>\$60</b>
<b>TOTAL MAINTENANCE AND OPERATING</b>	<b>\$117,000</b>	<b>\$975</b>	<b>\$78,000</b>	<b>\$650</b>	<b>\$78,000</b>	<b>\$650</b>	<b>\$60,834</b>	<b>\$507</b>	<b>\$114,802</b>	<b>\$957</b>	<b>\$138,496</b>	<b>\$1,154</b>	<b>\$108,375</b>	<b>\$903</b>	<b>\$130,047</b>	<b>\$813</b>	<b>\$28,892</b>	<b>\$361</b>	<b>\$63,713</b>	<b>\$885</b>
<b>PAYROLL</b>																				
On-site manager	\$36,000	\$300	\$36,000	\$300	\$36,000	\$300	\$0	\$0	\$36,924	\$308	\$35,760	\$298	\$103,209	\$860	\$79,735	\$498	\$76,723	\$959	\$55,100	\$765
Other management staff	\$22,000	\$183	\$22,000	\$183	\$22,000	\$183	\$0	\$0	\$43,469	\$362	\$42,066	\$351	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance staff	\$56,000	\$467	\$56,000	\$467	\$56,000	\$467	\$0	\$0	\$63,576	\$530	\$66,694	\$556	\$46,024	\$384	\$78,165	\$489	\$0	\$0	\$37,085	\$515
Staff Unit	\$10,200	\$85	\$10,200	\$85	\$10,200	\$85	\$0	\$0	\$5,580	\$47	\$5,580	\$47	\$0	\$0	\$0	\$0	\$0	\$0	\$8,592	\$119
Benefits	\$10,000	\$83	\$10,000	\$83	\$10,000	\$83	\$0	\$0	\$34,828	\$290	\$30,048	\$250	\$59,891	\$499	\$37,312	\$233	\$0	\$0	\$26,121	\$363
Payroll taxes	\$13,680	\$114	\$13,680	\$114	\$13,680	\$114	\$0	\$0	\$11,874	\$99	\$12,269	\$102	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>SUBTOTAL</b>	<b>\$147,880</b>	<b>\$1,232</b>	<b>\$147,880</b>	<b>\$1,232</b>	<b>\$147,880</b>	<b>\$1,232</b>	<b>\$155,379</b>	<b>\$1,295</b>	<b>\$196,251</b>	<b>\$1,635</b>	<b>\$192,417</b>	<b>\$1,603</b>	<b>\$209,124</b>	<b>\$1,743</b>	<b>\$195,212</b>	<b>\$1,220</b>	<b>\$76,723</b>	<b>\$959</b>	<b>\$126,898</b>	<b>\$1,762</b>
<b>UTILITIES</b>																				
Water & Sewer	\$58,800	\$490	\$46,800	\$390	\$46,800	\$390	\$0	\$0	\$58,262	\$486	\$66,429	\$554	\$13,966	\$116	\$86,443	\$540	\$30,400	\$380	\$61,552	\$855
Electricity	\$18,600	\$155	\$15,000	\$125	\$15,000	\$125	\$0	\$0	\$18,596	\$155	\$18,318	\$153	\$17,829	\$149	\$40,494	\$253	\$19,728	\$247	\$30,291	\$421
Gas	\$36,000	\$300	\$28,800	\$240	\$28,800	\$240	\$0	\$0	\$35,669	\$297	\$34,634	\$289	\$25,218	\$210	\$0	\$0	\$1,451	\$18	\$0	\$0
Cable Television	\$0	\$0	\$36,000	\$300	\$36,000	\$300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,286	\$91	\$0	\$0
Trash	\$10,200	\$85	\$10,200	\$85	\$10,200	\$85	\$0	\$0	\$10,165	\$85	\$9,301	\$78	\$0	\$0	\$5,776	\$36	\$0	\$0	\$7,815	\$109
<b>SUBTOTAL</b>	<b>\$123,600</b>	<b>\$1,030</b>	<b>\$136,800</b>	<b>\$1,140</b>	<b>\$136,800</b>	<b>\$1,140</b>	<b>\$101,320</b>	<b>\$844</b>	<b>\$122,692</b>	<b>\$1,022</b>	<b>\$128,682</b>	<b>\$1,072</b>	<b>\$57,013</b>	<b>\$475</b>	<b>\$132,713</b>	<b>\$829</b>	<b>\$58,865</b>	<b>\$736</b>	<b>\$99,658</b>	<b>\$1,384</b>
<b>MISCELLANEOUS</b>																				
Insurance	\$42,000	\$350	\$42,000	\$350	\$42,000	\$350	\$42,167	\$351	\$60,287	\$502	\$62,074	\$517	\$44,956	\$375	\$39,557	\$247	\$70,368	\$880	\$17,560	\$244
Real Estate Taxes / PILOT	\$27,615	\$230	\$37,879	\$316	\$37,879	\$316	\$89,126	\$743	\$27,462	\$229	\$38,763	\$323	\$21,517	\$179	\$62,980	\$394	\$37,941	\$474	\$27,524	\$382
Reserves	\$36,000	\$300	\$36,000	\$300	\$36,000	\$300	\$36,000	\$300	\$36,000	\$300	\$36,000	\$300	\$36,000	\$300	\$48,000	\$300	\$24,000	\$300	\$21,600	\$300
Supportive Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>SUBTOTAL</b>	<b>\$105,615</b>	<b>\$880</b>	<b>\$115,879</b>	<b>\$966</b>	<b>\$115,879</b>	<b>\$966</b>	<b>\$167,293</b>	<b>\$1,394</b>	<b>\$123,749</b>	<b>\$1,031</b>	<b>\$136,837</b>	<b>\$1,140</b>	<b>\$102,473</b>	<b>\$854</b>	<b>\$150,537</b>	<b>\$941</b>	<b>\$132,309</b>	<b>\$1,654</b>	<b>\$66,684</b>	<b>\$926</b>
<b>MANAGEMENT</b>																				
<b>SUBTOTAL</b>	<b>\$54,863</b>	<b>\$457</b>	<b>\$63,606</b>	<b>\$530</b>	<b>\$64,496</b>	<b>\$537</b>	<b>\$37,730</b>	<b>\$314</b>	<b>\$44,902</b>	<b>\$374</b>	<b>\$44,929</b>	<b>\$374</b>	<b>\$52,503</b>	<b>\$438</b>	<b>\$75,819</b>	<b>\$474</b>	<b>\$34,014</b>	<b>\$425</b>	<b>\$36,893</b>	<b>\$512</b>
<b>TOTAL EXPENSES</b>	<b>\$620,357</b>	<b>\$5,170</b>	<b>\$613,565</b>	<b>\$5,113</b>	<b>\$607,254</b>	<b>\$5,060</b>	<b>\$586,401</b>	<b>\$4,887</b>	<b>\$641,922</b>	<b>\$5,349</b>	<b>\$687,578</b>	<b>\$5,730</b>	<b>\$693,287</b>	<b>\$5,777</b>	<b>\$808,751</b>	<b>\$5,055</b>	<b>\$369,198</b>	<b>\$4,615</b>	<b>\$473,536</b>	<b>\$6,577</b>

**General Administrative and Marketing**

This category includes all professional fees for items such as legal, accounting, marketing, and office. The multifamily comparables indicate an overall administrative and marketing expense ranging from \$480 to \$1,362 per unit. The Subject’s historical expenses ranged from \$329 to \$385 per unit. The developer’s proposed budgeted expense is \$532 per unit. Based on the historical data and the comparables, we have concluded to a total administration and marketing expense of \$595 per unit in the restricted scenario and \$535 per unit in the unrestricted scenario. There are some slight differences in the individual line items. According to a Novogradac & Company LLP comprehensive analysis of national 2013 operating expense data (Multifamily Rental Housing Operating Expense Report, 2015), it costs on average approximately 10 percent more per unit for administrative costs for low income housing tax credit property nationally than it does for a market-rate property.

**Operating, Repairs & Maintenance**

Included in this expense are normal costs of operating a multifamily property including painting/decorating, trash removal, ground expenses, and security costs, as well as normal items of repair and maintenance of public areas, cleaning contracts, and pest control. The Subject’s budgeted expense is \$507 per unit. The Subject’s historical expenses range from \$957 to \$1,154 per unit. The comparables indicate a range of \$361 to \$903 per unit. Given the age and condition of the subject, we have concluded to an expense of \$975 per unit for the as-is scenario, which is above the range of the comparables and within the range of the Subject’s historical expenses. For the repair and maintenance expense post-renovation, we have concluded an expense of \$650 per unit, which is within the range of the comparables and below the historical expense range.

**Payroll Expenses**

Payroll expenses are directly connected to the administration of the complex, including office, maintenance and management salaries. In addition, employee benefits and employment related taxes are included in the category. The multifamily comparables indicate a range of \$959 to \$1,762 per unit. The Subject’s historical expense has ranged from \$1,603 to \$1,635 per unit and the budgeted payroll expense is \$1,295 per unit. Overall, we typically find that properties the size of the Subject operate with a staff of one full-time manager, one part-time leasing agent, one full-time maintenance supervisor, and one part-time maintenance technician. Benefits for the Subject’s employees are estimated at \$5,000 per full-time employee and payroll taxes equal to 12 percent of the sum of the salaries. In addition, we have accounted for the staff unit/ Overall, we have concluded to a payroll expense of \$1,232 per unit for all scenarios, which is within the comparable range and appears reasonable.

**PAYROLL EXPENSE CALCULATION**

	Expenses	Per Unit
Manager's Salary (Full Time)	\$36,000	\$300
Leasing Agent (Part Time)	\$22,000	\$183
Maintenance Manager (Full Time)	\$35,000	\$292
Maintenance Technician (Part Time)	\$21,000	\$175
Benefits (\$5,000 per FTE)	\$10,000	\$83
Payroll Taxes (estimated at 12%)	\$13,680	\$114
Staff Unit	<u>\$10,200</u>	<u>\$85</u>
<b>Total Annual Payroll</b>	<b>\$147,880</b>	<b>\$1,232</b>

### Utilities

The landlord pays for all common area utilities, gas water heating, as well as water, sewer, and trash removal. Post-renovation, the rents will also include basic cable television. Comparable operating results indicate a range of \$475 to \$1,384 per unit. The historical data indicates utility expenses ranging from \$1,022 to \$1,072 per unit. The budgeted figure from the current owner is \$844 per unit. Due to the fact that properties often vary in terms of utility responsibilities, comparisons are difficult. Therefore, we have placed the greatest weight on the historical expenses. Based on the current utility structure and the Subject's historical data, we anticipate the Subject would experience a utility expense of approximately \$1,030 per unit, which is within the historical expenses and the comparable range. We believe that the proposed renovations will improve utility efficiency. According to a June 2014 Stewards of Affordable Housing for the Future (SAHF) article detailing the energy savings of 236 multifamily properties nationally that benefited from the US Department of Housing and Urban Development's Green Retrofit Program (<http://www.sahfnet.org/mfretrofitreport.html>), energy efficiency upgrades averaged an 18 percent reduction in energy [electric] consumption. Also, water consumption in the portfolio was reduced by 26 percent on average. We will conclude to utility expense of \$1,140 per unit for both proposed scenarios, which includes basic cable for all 120 units and is considered reasonable based on the renovations.

### Insurance

Comparable data illustrates a range from \$247 to \$880 per unit. Historically, the Subject's insurance expense ranged from \$502 to \$517 per unit. The budgeted expense is \$351 per unit. Overall, we have concluded to insurance costs of \$350 per unit based primarily on the developer's estimate.

### Taxes

Please refer to the real estate tax section of this report for further discussion and analysis.

### Replacement Reserves

The reserve for replacement allowance is often considered a hidden expense of ownership not normally seen on an expense statement. Reserves must be set aside for future replacement of items such as the roof, HVAC systems, parking area, appliances and other capital items. It is difficult to ascertain market information for replacement reserves, as it is not a common practice in the marketplace for properties of the Subject's size and investment status. Underwriting requirements for replacement reserve for existing properties typically ranges from \$250 to \$350 per unit per year. New properties typically charge \$200 to \$250 for reserves. We have used an expense of \$300 per unit based on the unit mix, tenancy, and condition of the Subject property.

### Management Fees

Historically, the Subject's management fee has been \$374 per unit, which equates to 4.9 to 5.0 percent of EGI. The comparables illustrate a range of between \$425 and \$512 per unit or 2.7 to 7.0 percent of EGI. Overall, we have concluded to a management fee percentage of 5.0 percent of EGI for all scenarios. These estimates are within the range of the comparables on a per unit basis and appear reasonable.

## Summary

Operating expenses were estimated based upon the comparable expenses. In the following table, we compared the total operating expenses per unit proposed by the Subject with the total expenses reported by comparable properties utilized in our operating expense analysis.

<b>COMPARABLE EXPENSE PROPERTIES</b>		
<b>Total Expense per Unit</b>	<b>W/ Taxes</b>	<b>W/O Taxes</b>
Developer's Budget	\$4,887	\$4,144
Subject FY 2015	\$5,349	\$5,121
Subject FY 2014	\$5,730	\$5,407
Expense Comparable 1	\$5,777	\$5,598
Expense Comparable 2	\$5,055	\$4,661
Expense Comparable 3	\$4,615	\$4,141
Expense Comparable 4	\$6,577	\$6,195
<b>Subject (As Is)</b>	<b>\$5,170</b>	<b>\$4,940</b>
<b>Subject (As Proposed Restricted)</b>	<b>\$5,113</b>	<b>\$4,797</b>
<b>Subject (As Proposed Unrestricted)</b>	<b>\$5,060</b>	<b>\$4,745</b>

After excluding taxes, our expense estimates are within of the range of the comparable data, slightly below the historical data, but above the developer's budget. Overall, our estimates appear reasonable and will be utilized in our analysis.

## DIRECT CAPITALIZATION

We have provided an estimate of the Subject's as is value. Please see the assumptions and limiting conditions regarding hypothetical conditions.

To quantify the income potential of the Subject, a direct capitalization of a stabilized cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate overall capitalization rate to the forecast net operating income.

## Overall Capitalization Rate

In order to estimate the appropriate capitalization rate, we relied upon several methods, discussed below.

### Market Extraction

The table below summarizes the recent improved sales of the most comparable properties that were used in our market extraction analysis:

SALES COMPARISON

	Property	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	EGIM	Overall Rate
1	Riverwood Park	1997	Oct-16	\$3,640,000	91	\$40,000	6.5	6.1%
2	The Grove at Six Hundred	1971	Jun-16	\$2,950,000	104	\$28,365	4.4	6.8%
3	Country Gardens	1970	Apr-16	\$1,920,000	58	\$33,103	4.6	6.7%
4	Rosewood Apartments	1990	Oct-15	\$10,400,000	148	\$70,270	8.0	6.6%
5	Waldan Pond Apartments	1987	Aug-15	<u>\$7,750,000</u>	<u>116</u>	<u>\$66,810</u>	<u>7.0</u>	<u>6.9%</u>
	<b>Average</b>			<b>\$5,332,000</b>	<b>103</b>	<b>\$47,710</b>	<b>6.1</b>	<b>6.6%</b>

The sales illustrate a range of overall rates from 6.1 to 6.9 percent, with an average of 6.6 percent. The properties all represent typical market transactions for multifamily market rate properties in the area. It should be noted that we searched for Section 8 and LIHTC multifamily sales in the region; however, we were unable to identify any. Additionally, any potential sale of the Subject property would be constrained by the limitations and penalties of the LIHTC program, specifically the recapture/penalty provision upon transfer. Because of this, there are a very limited number of properties that have sold nationwide, and none locally, that have the restrictions associated with Section 42 provisions. We believe the improved sales we have chosen for our analysis represent the typical multifamily market in the Subject's area. Therefore, we have utilized five conventional market rate multifamily developments in our sales approach.

The primary factors that influences the selection of an overall rate is the Subject's condition, size, location, and market conditions. In terms of condition, the Subject is considered similar to all of the comparable sales. The Subject property offers a similar to slightly inferior location relative to the sales. In terms of size, the Subject is most similar to Sales 2 and 5. Given the most recent trends and forecasts of national capitalization rates as well as conversations with local brokers and anecdotal evidence, the Subject is considered to offer similar to slightly superior market condition relative to the sales.

Considering the Subject's location and product type, a capitalization rate of 6.75 percent is estimated based on market extraction for the Subject.

**The PwC Real Estate Investor Survey**

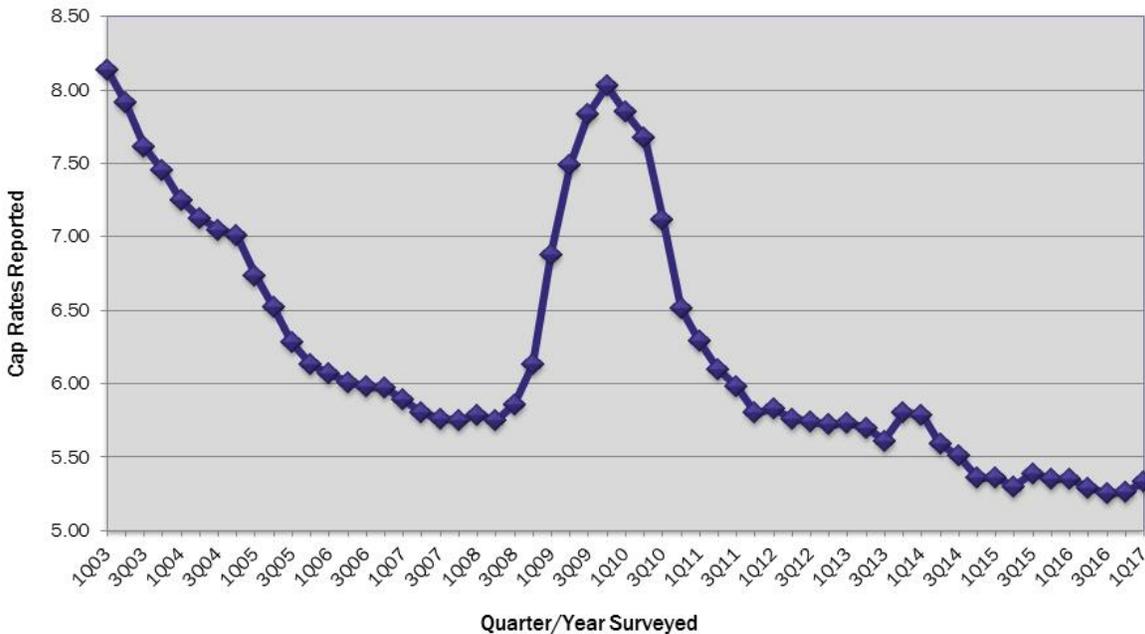
The *PwC Real Estate Investor Survey* tracks capitalization rates utilized by national investors in commercial and multifamily real estate. The following summarizes the information for the national multifamily housing market:

<b>PwC REAL ESTATE INVESTOR SURVEY</b>	
<b>National Apartment Market</b>	
<b>Overall Capitalization Rate - Institutional Grade Investments</b>	
Range:	3.50% - 8.00%
Average:	5.33%
<b>Non-Institutional Grade Investments</b>	
Range:	3.75% - 12.00%
Average:	7.08%

Source: PwC Real Estate Investor Survey, Q1 2017

The *PwC Real Estate Investor Survey* defines “Institutional – Grade” real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria<sup>3</sup>. Typical “Institutional – Grade” apartment properties are newly constructed, well amenitized, market-rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 171 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

**PwC National Apartment Market Survey**



<sup>3</sup> PwC Real Estate Investor Survey

PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate - Institutional Grade Investments					
Quarter	Cap Rate	Change (bps)	Quarter	Cap Rate	Change (bps)
1Q03	8.14	-	2Q10	7.68	-0.17
2Q03	7.92	-0.22	3Q10	7.12	-0.56
3Q03	7.61	-0.31	4Q10	6.51	-0.61
4Q03	7.45	-0.16	1Q11	6.29	-0.22
1Q04	7.25	-0.20	2Q11	6.10	-0.19
2Q04	7.13	-0.12	3Q11	5.98	-0.12
3Q04	7.05	-0.08	4Q11	5.80	-0.18
4Q04	7.01	-0.04	1Q12	5.83	0.03
1Q05	6.74	-0.27	2Q12	5.76	-0.07
2Q05	6.52	-0.22	3Q12	5.74	-0.02
3Q05	6.28	-0.24	4Q12	5.72	-0.02
4Q05	6.13	-0.15	1Q13	5.73	0.01
1Q06	6.07	-0.06	2Q13	5.70	-0.03
2Q06	6.01	-0.06	3Q13	5.61	-0.09
3Q06	5.98	-0.03	4Q13	5.80	0.19
4Q06	5.97	-0.01	1Q14	5.79	-0.01
1Q07	5.89	-0.08	2Q14	5.59	-0.20
2Q07	5.80	-0.09	3Q14	5.51	-0.08
3Q07	5.76	-0.04	4Q14	5.36	-0.15
4Q07	5.75	-0.01	1Q15	5.36	0.00
1Q08	5.79	0.04	2Q15	5.30	-0.06
2Q08	5.75	-0.04	3Q15	5.39	0.09
3Q08	5.86	0.11	4Q15	5.35	-0.04
4Q08	6.13	0.27	1Q16	5.35	0.00
1Q09	6.88	0.75	2Q16	5.29	-0.06
2Q09	7.49	0.61	3Q16	5.25	-0.04
3Q09	7.84	0.35	4Q16	5.26	0.01
4Q09	8.03	0.19	1Q17	5.33	0.07
1Q10	7.85	-0.18			

Source: PwC Real Estate Investor Survey, Q1 2017

As the graph indicates, the downward trend through early 2007 is clear. The average capitalization rate decreased 225 basis points over a four-year period from 2003 to 2007. However, capitalization rates stabilized in 2007 and began a steep increase in late 2008. They appear to have peaked in the fourth quarter of 2009 and have generally decreased through the first quarter of 2015. Capitalization rates as of the first quarter of 2017 have exhibited a slight decrease over capitalization rates from the first quarter of 2016. Overall, we have estimated a capitalization rate of 6.75 percent, which is within the range of the Non-Institutional Grade capitalization rates.

### Debt Coverage Ratio

The debt coverage ratio (DCR) is frequently used as a measure of risk by lenders wishing to measure the margin of safety and by purchasers analyzing leveraged property. It can be applied to test the reasonableness of a project in relation to lender loan specifications. Lenders typically use the debt coverage ratio as a quick test to determine project feasibility. The debt coverage ratio has two basic components: the properties net operating income and its annual debt service (represented by the mortgage constant).

The ratio used is:

$$\text{Net Operating Income} / \text{Annual Debt Service} = \text{Debt Coverage Ratio}$$

One procedure by which the debt coverage ratio can be used to estimate the overall capitalization rate is by multiplying the debt coverage ratio by the mortgage constant and the lender required loan-to-value ratio. The indicated formula is:

$$R_o = D.C.R \times R_M \times M$$

Where:

$R_o$  = Overall Capitalization Rate  
 D.C.R = Debt Coverage Ratio  
 $R_M$  = Mortgage Constant  
 M = Loan-to-Value Ratio

**Band of Investment**

This method involves deriving the property’s equity dividend rate from the improved comparable sales and applying it, at current mortgage rate and terms, to estimate the value of the income stream.

The formula is:

$$R_o = M \times R_M + (1-M) \times R_E$$

Where:

$R_o$  = Overall Capitalization Rate  
 M = Loan-to-Value Ratio  
 $R_M$  = Mortgage Constant  
 $R_E$  = Equity Dividend

The Mortgage Constant (RM) is based upon the calculated interest rate from the ten year treasury. We have utilized 6.0 percent as our estimate of equity return. The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 5.18 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 70 to 80 percent with interest rates between 4.50 and 6.00 percent. Therefore, we believe a 5.33 percent interest rate with a 30 year amortization period and a loan to value of 80 percent is reasonable. The following table illustrates the band of investment for the Subject property.

CAPITALIZATION RATE DERIVATION			
Inputs and Assumptions		Interest Rate Calculations	
DCR	1.25	Treasury Bond Basis*	
Rm	0.07	10 Year T Bond Rate (5/2017)	2.33%
Interest (per annum)*	5.33%	Interest rate spread	300
Amortization (years)	30	Interest Rate (per annum, rounded)	5.33%
M	80%		
Re	6.0%		
<b>Debt Coverage Ratio</b>			
	$R_o = DCR \times R_m \times M$		
	6.69% = 1.25 X 0.07 X 80%		
<b>Band of Investment</b>			
	$R_o = (M \times R_m) + ((1-M) \times Re)$		
	6.55% = 80% X 0.07 + 20% X 6%		

\* Source: Bloomberg.com, 5/2017

### Conclusion of Overall Rate Selection

CAPITALIZATION RATE SELECTION SUMMARY	
Method	Indicated Rate
Market Extraction	6.75%
PwC Survey	6.75%
Debt Coverage Ratio	6.69%
Band of Investment	6.55%

The following issues impact the determination of a capitalization rate for the Subject:

- Current market health
- Existing competition
- Subject’s construction type, tenancy and physical appeal
- The demand growth expected over the next three years
- Local market overall rates
- 

The various approaches indicate a range from 6.55 to 6.75 percent. We reconciled to an 6.75 percent capitalization rate based primarily upon the market-extracted rate.

**Indication of Value**

A summary of the direct capitalization analysis is located on the following page.

DIRECT CAPITALIZATION TECHNIQUE - YEAR ONE OPERATING STATEMENT										
EXPENSE ANALYSIS										
Operating Revenues										
	As Is Unit Mix	As Proposed		As Is Restricted*		As Renovated Restricted*		As Renovated Unrestricted		
		Restricted Unit Mix	Unrestricted Unit Mix	Average Rent	Total Revenue	Average Rent	Total Revenue	Average Rent	Total Revenue	
<b>Apartment Rentals</b>										
1BR/1BA - Sec. 8	15	15	0	\$600	\$108,000	\$800	\$144,000	\$0	\$0	
2BR/1BA - Sec. 8	60	60	0	\$775	\$558,000	\$900	\$648,000	\$0	\$0	
3BR/1BA - Sec. 8	28	28	0	\$850	\$285,600	\$1,000	\$336,000	\$0	\$0	
4BR/1BA - Sec. 8	12	12	0	\$975	\$140,400	\$1,100	\$158,400	\$0	\$0	
3BR/1BA - 60%	0	3	0	\$0	\$0	\$619	\$22,284	\$0	\$0	
4BR/1BA - 60%	0	1	0	\$0	\$0	\$683	\$8,196	\$0	\$0	
1BR/1BA - Market	0	0	15	\$0	\$0	\$0	\$0	\$800	\$144,000	
2BR/1BA - Market	0	0	60	\$0	\$0	\$0	\$0	\$900	\$648,000	
3BR/1BA - Market	2	0	31	\$850	\$20,400	\$0	\$0	\$1,000	\$372,000	
4BR/1BA - Market	2	0	13	\$975	\$23,400	\$0	\$0	\$1,100	\$171,600	
3BR/1BA - Staff	1	0	0	\$850	\$10,200	\$0	\$0	\$0	\$0	
4BR/1BA - Staff	0	1	1	\$0	\$0	\$1,100	\$13,200	\$1,100	\$13,200	
<b>Total Potential Rental Income</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>\$796</b>	<b>\$1,146,000</b>	<b>\$924</b>	<b>\$1,330,080</b>	<b>\$937</b>	<b>\$1,348,800</b>	
Other Income										
Miscellaneous				\$75	\$9,000	\$75	\$9,000	\$75	\$9,000	
<b>Residential Potential Revenues</b>				<b>\$9,625</b>	<b>\$1,155,000</b>	<b>\$11,159</b>	<b>\$1,339,080</b>	<b>\$11,315</b>	<b>\$1,357,800</b>	
Vacancy				-\$481	-\$57,750	-\$558	-\$66,954	-\$566	-\$67,890	
Vacancy and Collections Loss Percentage					-5%		-5%		-5%	
<b>Effective Gross Income</b>				<b>\$9,144</b>	<b>\$1,097,250</b>	<b>\$10,601</b>	<b>\$1,272,126</b>	<b>\$10,749</b>	<b>\$1,289,910</b>	
Operating Expenses										
	As Is Restricted*		As Renovated Restricted*		As Renovated Unrestricted					
Administration and Marketing	\$595	\$71,400	\$595	\$71,400	\$535	\$64,200				
Maintenance and Operating	\$975	\$117,000	\$650	\$78,000	\$650	\$78,000				
Payroll	\$1,232	\$147,880	\$1,232	\$147,880	\$1,232	\$147,880				
Utilities	\$1,030	\$123,600	\$1,140	\$136,800	\$1,140	\$136,800				
Property & Liability Insurance	\$350	\$42,000	\$350	\$42,000	\$350	\$42,000				
Real Estate and Other Taxes	\$230	\$27,615	\$316	\$37,879	\$316	\$37,879				
Replacement Reserves	\$300	\$36,000	\$300	\$36,000	\$300	\$36,000				
Management Fee	5.0%	5.0%	5.0%	\$457	\$54,863	\$530	\$63,606	\$537	\$64,496	
<b>Total Operating Expenses</b>				<b>\$5,170</b>	<b>\$620,357</b>	<b>\$5,113</b>	<b>\$613,565</b>	<b>\$5,060</b>	<b>\$607,254</b>	
<b>Expenses as a ratio of EGI</b>					57%		48%		47%	
Valuation										
	As Is Restricted*		As Renovated Restricted*		As Renovated Unrestricted					
Net Operating Income	\$3,974	\$476,893	\$5,488	\$658,561	\$5,689	\$682,656				
Capitalization Rate		6.75%		6.75%		6.75%				
<b>Indicated Value "rounded"</b>				<b>\$7,100,000</b>		<b>\$9,800,000</b>		<b>\$10,100,000</b>		

\*Assumes Section 8 contract rents are increased to achievable market rents.

**Conclusion**

The following table summarizes the findings of the previously conducted direct capitalization analysis.

The Subject’s prospective market value of the real estate assuming the proposed rents “As Is”, via the Income Capitalization Approach, as of April 20, 2017, is:

**SEVEN MILLION ONE HUNDRED THOUSAND DOLLARS  
(\$7,100,000)**

The Subject’s prospective market value of the real estate assuming the achievable restricted rents “As Complete and Stabilized”, via the Income Capitalization Approach, on July 2019, as of April 20, 2017, is:

**NINE MILLION EIGHT HUNDRED THOUSAND DOLLARS  
(\$9,800,000)**

The Subject’s hypothetical market value of the real estate assuming the achievable unrestricted rents “As Complete and Stabilized”, via the Income Capitalization Approach, on July 2019, as of April 20, 2017, is:

**TWN MILLION ONE HUNDRED THOUSAND DOLLARS  
(\$10,100,000)**

*Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.*

**PROSPECTIVE MARKET VALUE AT LOAN MATURITY**

To quantify the income potential of the Subject, a future cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate terminal capitalization and discount rates. As examined earlier, we believe there is ample demand in the income ranges targeted by the management of the Subject to support a stable cash flow. Therefore, the restrictions do not affect the risk of the Subject investment. We based our valuation on market-derived reversion and discount rates. It should be noted that we have only utilized the future cash flow analysis to identify the prospective market value at loan maturity.

**Income and Expense Growth Projections**

The AMI in Floyd County increased 1.0 percent annually between 1999 and 2017. The AMI within this county has decreased in three of the last five years and few of the LIHTC and market rate comparables experienced rent growth over the past year. Three of the five LIHTC comparables reported that rents had increased, while the remaining LIHTC comparables reported no change in rents. Three of the market rate comparables reported rent increases over the last year, while the remaining reported no change in rents. We have increased the income and expense line items by one percent per annum over the holding period. This is based upon the slight AMI growth in Floyd County.

**Terminal Capitalization Rate**

In order to estimate the appropriate capitalization rate, we used the *PwC Real Estate Investor Survey*. The following summarizes this survey:

<b>PwC REAL ESTATE INVESTOR SURVEY</b>	
<b>National Apartment Market</b>	
<b>Overall Capitalization Rate - Institutional Grade Investments</b>	
Range:	3.50% - 8.00%
Average:	5.33%
<b>Non-Institutional Grade Investments</b>	
Range:	3.75% - 12.00%
Average:	7.08%

Source: PwC Real Estate Investor Survey, Q1 2017

Additionally, we have considered the market extracted capitalization rates in the Atlanta market. As noted previously, we have estimated a capitalization rate of 6.75 percent for the Subject.

The following issues impact the determination of a residual capitalization rate for the Subject:

- Anticipated annual capture of the Subject.
- The anticipated demand growth in the market associated with both local residential and corporate growth.
- The Subject’s construction and market position.
- Local market overall rates.

In view of the preceding data, observed rate trends, and careful consideration of the Subject’s physical appeal and economic characteristics, a terminal rate of 7.25 percent has been used, which is within the range and is considered reasonable for a non-institutional grade property such as the Subject following construction.

### **Valuation Analysis**

Based upon the indicated operating statements and the discount rate discussion above, we developed a cash flow for the Subject. The following pages illustrate the cash flow and present value analysis.

As Proposed Restricted Scenario (Years 1 through 15)

Restricted Cash Flow Value Derivation of "as complete"																
Fiscal Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
<b>Income</b>																
Low Income Units	\$1,330,080	\$1,343,381	\$1,356,815	\$1,370,383	\$1,384,087	\$1,397,927	\$1,411,907	\$1,426,026	\$1,440,286	\$1,454,689	\$1,469,236	\$1,483,928	\$1,498,767	\$1,513,755	\$1,528,893	
Nonresidential	\$9,000	\$9,090	\$9,181	\$9,273	\$9,365	\$9,459	\$9,554	\$9,649	\$9,746	\$9,843	\$9,942	\$10,041	\$10,141	\$10,243	\$10,345	
Gross Project Income	\$1,339,080	\$1,352,471	\$1,365,996	\$1,379,655	\$1,393,452	\$1,407,387	\$1,421,460	\$1,435,675	\$1,450,032	\$1,464,532	\$1,479,177	\$1,493,969	\$1,508,909	\$1,523,998	\$1,539,238	
Vacancy Allowance	-\$66,954	-\$67,624	-\$68,300	-\$68,983	-\$69,673	-\$70,369	-\$71,073	-\$71,784	-\$72,502	-\$73,227	-\$73,959	-\$74,698	-\$75,445	-\$76,200	-\$76,962	
Effective Gross Income	\$1,272,126	\$1,284,847	\$1,297,696	\$1,310,673	\$1,323,779	\$1,337,017	\$1,350,387	\$1,363,891	\$1,377,530	\$1,391,305	\$1,405,219	\$1,419,271	\$1,433,463	\$1,447,798	\$1,462,276	
<b>Expenses</b>																
Administrative and Marketing	\$71,400	\$72,114	\$72,835	\$73,563	\$74,299	\$75,042	\$75,793	\$76,550	\$77,316	\$78,089	\$78,870	\$79,659	\$80,455	\$81,260	\$82,072	
Maintenance and Operating	\$78,000	\$78,780	\$79,568	\$80,363	\$81,167	\$81,979	\$82,799	\$83,627	\$84,463	\$85,307	\$86,161	\$87,022	\$87,892	\$88,771	\$89,659	
Payroll	\$147,880	\$149,359	\$150,852	\$152,361	\$153,885	\$155,423	\$156,978	\$158,547	\$160,133	\$161,734	\$163,352	\$164,985	\$166,635	\$168,301	\$169,984	
Utilities	\$136,800	\$138,168	\$139,550	\$140,945	\$142,355	\$143,778	\$145,216	\$146,668	\$148,135	\$149,616	\$151,112	\$152,623	\$154,150	\$155,691	\$157,248	
Insurance	\$42,000	\$42,420	\$42,844	\$43,273	\$43,705	\$44,142	\$44,584	\$45,030	\$45,480	\$45,935	\$46,394	\$46,858	\$47,327	\$47,800	\$48,278	
Real Estate Taxes	\$37,879	\$38,258	\$38,640	\$39,026	\$39,417	\$39,811	\$40,209	\$40,611	\$41,017	\$41,427	\$41,842	\$42,260	\$42,683	\$43,110	\$43,541	
Replacement Reserve	\$36,000	\$36,360	\$36,724	\$37,091	\$37,462	\$37,836	\$38,215	\$38,597	\$38,983	\$39,373	\$39,766	\$40,164	\$40,566	\$40,971	\$41,381	
Management Fee	\$63,606	\$64,242	\$64,885	\$65,534	\$66,189	\$66,851	\$67,519	\$68,195	\$68,877	\$69,565	\$70,261	\$70,964	\$71,673	\$72,390	\$73,114	
Total Expenses	\$613,565	\$619,701	\$625,898	\$632,157	\$638,478	\$644,863	\$651,312	\$657,825	\$664,403	\$671,047	\$677,757	\$684,535	\$691,380	\$698,294	\$705,277	
<b>Net Operating Income</b>	<b>\$658,561</b>	<b>\$665,147</b>	<b>\$671,798</b>	<b>\$678,516</b>	<b>\$685,301</b>	<b>\$692,154</b>	<b>\$699,076</b>	<b>\$706,067</b>	<b>\$713,127</b>	<b>\$720,258</b>	<b>\$727,461</b>	<b>\$734,736</b>	<b>\$742,083</b>	<b>\$749,504</b>	<b>\$756,999</b>	
<b>Reversion Calculation</b>																
Terminal Capitalization Rate	7.25%															7.25%
Sales Costs	3.0%															3.0%
Net Sales Proceeds																\$10,100,000

As Proposed Restricted Scenario (Years 16 through 30)

Restricted Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
<b>Income</b>															
Low Income Units	\$1,544,182	\$1,559,623	\$1,575,220	\$1,590,972	\$1,606,882	\$1,622,950	\$1,639,180	\$1,655,572	\$1,672,127	\$1,688,849	\$1,705,737	\$1,722,795	\$1,740,022	\$1,757,423	\$1,774,997
Nonresidential	\$10,449	\$10,553	\$10,659	\$10,765	\$10,873	\$10,982	\$11,092	\$11,202	\$11,314	\$11,428	\$11,542	\$11,657	\$11,774	\$11,892	\$12,011
Gross Project Income	\$1,554,630	\$1,570,177	\$1,585,878	\$1,601,737	\$1,617,755	\$1,633,932	\$1,650,271	\$1,666,774	\$1,683,442	\$1,700,276	\$1,717,279	\$1,734,452	\$1,751,796	\$1,769,314	\$1,787,007
Vacancy Allowance	-\$77,732	-\$78,509	-\$79,294	-\$80,087	-\$80,888	-\$81,697	-\$82,514	-\$83,339	-\$84,172	-\$85,014	-\$85,864	-\$86,723	-\$87,590	-\$88,466	-\$89,350
Effective Gross Income	\$1,476,899	\$1,491,668	\$1,506,584	\$1,521,650	\$1,536,867	\$1,552,235	\$1,567,758	\$1,583,435	\$1,599,270	\$1,615,262	\$1,631,415	\$1,647,729	\$1,664,207	\$1,680,849	\$1,697,657
<b>Expenses</b>															
Administrative and Marketing	\$82,893	\$83,722	\$84,559	\$85,405	\$86,259	\$87,122	\$87,993	\$88,873	\$89,761	\$90,659	\$91,566	\$92,481	\$93,406	\$94,340	\$95,284
Maintenance and Operating	\$90,556	\$91,461	\$92,376	\$93,300	\$94,232	\$95,175	\$96,127	\$97,088	\$98,059	\$99,039	\$100,030	\$101,030	\$102,040	\$103,061	\$104,091
Payroll	\$171,684	\$173,401	\$175,135	\$176,886	\$178,655	\$180,442	\$182,246	\$184,069	\$185,909	\$187,768	\$189,646	\$191,543	\$193,458	\$195,393	\$197,346
Utilities	\$158,821	\$160,409	\$162,013	\$163,633	\$165,269	\$166,922	\$168,591	\$170,277	\$171,980	\$173,700	\$175,437	\$177,191	\$178,963	\$180,753	\$182,560
Insurance	\$48,761	\$49,248	\$49,741	\$50,238	\$50,741	\$51,248	\$51,760	\$52,278	\$52,801	\$53,329	\$53,862	\$54,401	\$54,945	\$55,494	\$56,049
Real Estate Taxes	\$43,976	\$44,416	\$44,860	\$45,309	\$45,762	\$46,219	\$46,681	\$47,148	\$47,620	\$48,096	\$48,577	\$49,063	\$49,553	\$50,049	\$50,549
Replacement Reserve	\$41,795	\$42,213	\$42,635	\$43,061	\$43,492	\$43,927	\$44,366	\$44,810	\$45,258	\$45,710	\$46,168	\$46,629	\$47,096	\$47,566	\$48,042
Management Fee	\$73,845	\$74,583	\$75,329	\$76,083	\$76,843	\$77,612	\$78,388	\$79,172	\$79,963	\$80,763	\$81,571	\$82,386	\$83,210	\$84,042	\$84,883
Total Expenses	\$712,330	\$719,453	\$726,648	\$733,914	\$741,253	\$748,666	\$756,153	\$763,714	\$771,351	\$779,065	\$786,855	\$794,724	\$802,671	\$810,698	\$818,805
<b>Net Operating Income</b>	<b>\$764,569</b>	<b>\$772,215</b>	<b>\$779,937</b>	<b>\$787,736</b>	<b>\$795,613</b>	<b>\$803,570</b>	<b>\$811,605</b>	<b>\$819,721</b>	<b>\$827,919</b>	<b>\$836,198</b>	<b>\$844,560</b>	<b>\$853,005</b>	<b>\$861,535</b>	<b>\$870,151</b>	<b>\$878,852</b>
<b>Reversion Calculation</b>															
Terminal Capitalization Rate							7.75%								7.75%
Sales Costs							3.0%								3.0%
Net Sales Proceeds						\$10,000,000				\$10,500,000					\$11,000,000

As Proposed Unrestricted Scenario (Years 1 through 15)

Market Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Income</b>															
Low Income Units	\$1,348,800	\$1,362,288	\$1,375,911	\$1,389,670	\$1,403,567	\$1,417,602	\$1,431,778	\$1,446,096	\$1,460,557	\$1,475,163	\$1,489,914	\$1,504,813	\$1,519,862	\$1,535,060	\$1,550,411
Nonresidential	\$9,000	\$9,090	\$9,181	\$9,273	\$9,365	\$9,459	\$9,554	\$9,649	\$9,746	\$9,843	\$9,942	\$10,041	\$10,141	\$10,243	\$10,345
Gross Project Income	\$1,357,800	\$1,371,378	\$1,385,092	\$1,398,943	\$1,412,932	\$1,427,061	\$1,441,332	\$1,455,745	\$1,470,303	\$1,485,006	\$1,499,856	\$1,514,854	\$1,530,003	\$1,545,303	\$1,560,756
Vacancy Allowance	-\$67,890	-\$68,569	-\$69,255	-\$69,947	-\$70,647	-\$71,353	-\$72,067	-\$72,787	-\$73,515	-\$74,250	-\$74,993	-\$75,743	-\$76,500	-\$77,265	-\$78,038
Effective Gross Income	\$1,289,910	\$1,302,809	\$1,315,837	\$1,328,996	\$1,342,286	\$1,355,708	\$1,369,265	\$1,382,958	\$1,396,788	\$1,410,756	\$1,424,863	\$1,439,112	\$1,453,503	\$1,468,038	\$1,482,718
<b>Expenses</b>															
Administrative and Marketing	\$64,200	\$64,842	\$65,490	\$66,145	\$66,807	\$67,475	\$68,150	\$68,831	\$69,519	\$70,215	\$70,917	\$71,626	\$72,342	\$73,066	\$73,796
Maintenance and Operating	\$78,000	\$78,780	\$79,568	\$80,363	\$81,167	\$81,979	\$82,799	\$83,627	\$84,463	\$85,307	\$86,161	\$87,022	\$87,892	\$88,771	\$89,659
Payroll	\$147,880	\$149,359	\$150,852	\$152,361	\$153,885	\$155,423	\$156,978	\$158,547	\$160,133	\$161,734	\$163,352	\$164,985	\$166,635	\$168,301	\$169,984
Utilities	\$136,800	\$138,168	\$139,550	\$140,945	\$142,355	\$143,778	\$145,216	\$146,668	\$148,135	\$149,616	\$151,112	\$152,623	\$154,150	\$155,691	\$157,248
Insurance	\$42,000	\$42,420	\$42,844	\$43,273	\$43,705	\$44,142	\$44,584	\$45,030	\$45,480	\$45,935	\$46,394	\$46,858	\$47,327	\$47,800	\$48,278
Real Estate Taxes	\$37,879	\$38,258	\$38,640	\$39,026	\$39,417	\$39,811	\$40,209	\$40,611	\$41,017	\$41,427	\$41,842	\$42,260	\$42,683	\$43,110	\$43,541
Replacement Reserve	\$36,000	\$36,360	\$36,724	\$37,091	\$37,462	\$37,836	\$38,215	\$38,597	\$38,983	\$39,373	\$39,766	\$40,164	\$40,566	\$40,971	\$41,381
Management Fee	\$64,496	\$65,140	\$65,792	\$66,450	\$67,114	\$67,785	\$68,463	\$69,148	\$69,839	\$70,538	\$71,243	\$71,956	\$72,675	\$73,402	\$74,136
Total Expenses	\$607,254	\$613,327	\$619,460	\$625,655	\$631,911	\$638,230	\$644,613	\$651,059	\$657,569	\$664,145	\$670,786	\$677,494	\$684,269	\$691,112	\$698,023
<b>Net Operating Income</b>	<b>\$682,656</b>	<b>\$689,482</b>	<b>\$696,377</b>	<b>\$703,341</b>	<b>\$710,374</b>	<b>\$717,478</b>	<b>\$724,653</b>	<b>\$731,899</b>	<b>\$739,218</b>	<b>\$746,611</b>	<b>\$754,077</b>	<b>\$761,617</b>	<b>\$769,234</b>	<b>\$776,926</b>	<b>\$784,695</b>
<b>Reversion Calculation</b>															
Terminal Capitalization Rate	7.25%														
Sales Costs	3.0%														
Net Sales Proceeds	\$10,500,000														

As Proposed Unrestricted Scenario (Years 16 through 30)

Market Cash Flow Value Derivation of "as complete"																
Fiscal Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	
	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	
<b>Income</b>																
Low Income Units	\$1,565,915	\$1,581,574	\$1,597,390	\$1,613,364	\$1,629,497	\$1,645,792	\$1,662,250	\$1,678,873	\$1,695,661	\$1,712,618	\$1,729,744	\$1,747,042	\$1,764,512	\$1,782,157	\$1,799,979	
Nonresidential	\$10,449	\$10,553	\$10,659	\$10,765	\$10,873	\$10,982	\$11,092	\$11,202	\$11,314	\$11,428	\$11,542	\$11,657	\$11,774	\$11,892	\$12,011	
Gross Project Income	\$1,576,364	\$1,592,127	\$1,608,049	\$1,624,129	\$1,640,370	\$1,656,774	\$1,673,342	\$1,690,075	\$1,706,976	\$1,724,046	\$1,741,286	\$1,758,699	\$1,776,286	\$1,794,049	\$1,811,989	
Vacancy Allowance	-\$78,818	-\$79,606	-\$80,402	-\$81,206	-\$82,019	-\$82,839	-\$83,667	-\$84,504	-\$85,349	-\$86,202	-\$87,064	-\$87,935	-\$88,814	-\$89,702	-\$90,599	
Effective Gross Income	\$1,497,545	\$1,512,521	\$1,527,646	\$1,542,923	\$1,558,352	\$1,573,935	\$1,589,675	\$1,605,571	\$1,621,627	\$1,637,843	\$1,654,222	\$1,670,764	\$1,687,472	\$1,704,346	\$1,721,390	
<b>Expenses</b>																
Administrative and Marketing	\$74,534	\$75,280	\$76,032	\$76,793	\$77,561	\$78,336	\$79,120	\$79,911	\$80,710	\$81,517	\$82,332	\$83,155	\$83,987	\$84,827	\$85,675	
Maintenance and Operating	\$90,556	\$91,461	\$92,376	\$93,300	\$94,232	\$95,175	\$96,127	\$97,088	\$98,059	\$99,039	\$100,030	\$101,030	\$102,040	\$103,061	\$104,091	
Payroll	\$171,684	\$173,401	\$175,135	\$176,886	\$178,655	\$180,442	\$182,246	\$184,069	\$185,909	\$187,768	\$189,646	\$191,543	\$193,458	\$195,393	\$197,346	
Utilities	\$158,821	\$160,409	\$162,013	\$163,633	\$165,269	\$166,922	\$168,591	\$170,277	\$171,980	\$173,700	\$175,437	\$177,191	\$178,963	\$180,753	\$182,560	
Insurance	\$48,761	\$49,248	\$49,741	\$50,238	\$50,741	\$51,248	\$51,760	\$52,278	\$52,801	\$53,329	\$53,862	\$54,401	\$54,945	\$55,494	\$56,049	
Real Estate Taxes	\$43,976	\$44,416	\$44,860	\$45,309	\$45,762	\$46,219	\$46,681	\$47,148	\$47,620	\$48,096	\$48,577	\$49,063	\$49,553	\$50,049	\$50,549	
Replacement Reserve	\$41,795	\$42,213	\$42,635	\$43,061	\$43,492	\$43,927	\$44,366	\$44,810	\$45,258	\$45,710	\$46,168	\$46,629	\$47,096	\$47,566	\$48,042	
Management Fee	\$74,877	\$75,626	\$76,382	\$77,146	\$77,918	\$78,697	\$79,484	\$80,279	\$81,081	\$81,892	\$82,711	\$83,538	\$84,374	\$85,217	\$86,069	
Total Expenses	\$705,003	\$712,053	\$719,174	\$726,366	\$733,629	\$740,966	\$748,375	\$755,859	\$763,418	\$771,052	\$778,762	\$786,550	\$794,415	\$802,360	\$810,383	
<b>Net Operating Income</b>	<b>\$792,542</b>	<b>\$800,468</b>	<b>\$808,472</b>	<b>\$816,557</b>	<b>\$824,723</b>	<b>\$832,970</b>	<b>\$841,299</b>	<b>\$849,712</b>	<b>\$858,210</b>	<b>\$866,792</b>	<b>\$875,460</b>	<b>\$884,214</b>	<b>\$893,056</b>	<b>\$901,987</b>	<b>\$911,007</b>	
<b>Reversion Calculation</b>																
Terminal Capitalization Rate							7.75%								7.75%	
Sales Costs							3.0%									3.0%
Net Sales Proceeds						\$10,300,000						\$10,800,000				\$11,400,000

## **Conclusion**

### **Prospective Market Value as Restricted 30 years (Loan Maturity)**

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2047, as of April 20, 2017, is:

**ELEVEN MILLION DOLLARS  
(\$11,000,000)**

### **Prospective Market Value as Proposed Unrestricted at 30 years (Loan Maturity)**

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2047, as of April 20, 2017, is:

**ELEVEN MILLION FOUR HUNDRED THOUSAND DOLLARS  
(\$11,400,000)**

## **BELOW MARKET DEBT**

The developer has indicated that they will receive a permanent loan. The permanent loan will be in the amount of \$9,555,081 and will bear an interest at a fixed rate of approximately 5.0 percent per annum with a 360-month (30-year) term. The rate and terms are market-oriented; therefore, there is no favorable financing value.

## INTANGIBLE VALUE OF LOW INCOME HOUSING TAX CREDITS

Construction of the Subject has been financed in part by federal tax credit equity. According to the developer’s Sources and Uses statement, the Subject will apply to receive Low Income Housing Tax Credits and we were asked to value the tax credits.

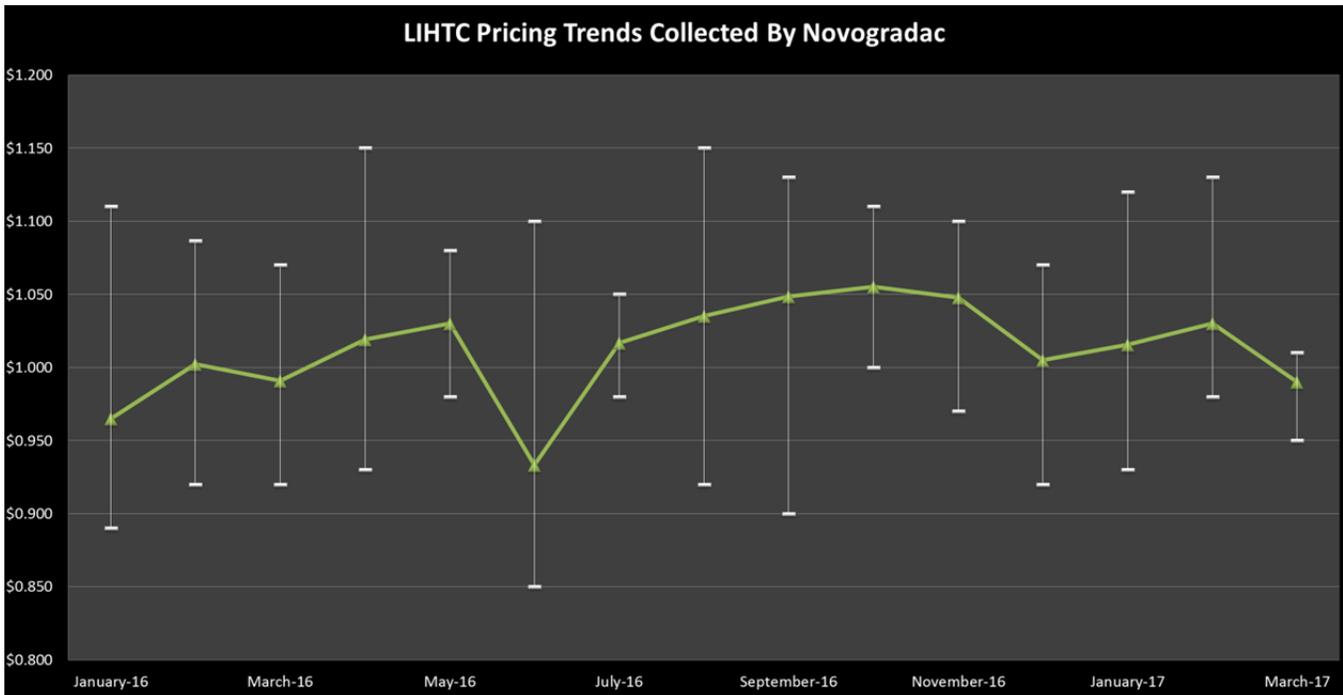
### Low Income Housing Tax Credits

A fifteen-year federal tax credit and a fifteen year state tax credit incentive program will encumber the Subject. The median household income statistics establish the maximum allowable rent levels. The Subject’s rent structure includes units that will be restricted to those earning 60 percent of the AMI or less.

As an incentive to participate in the low-income housing program the developer is awarded “tax credits” which provide the incentive to construct and rehabilitate affordable housing in otherwise financially infeasible markets. The tax credit program was created by the Internal Revenue Code Section 42, and is a Federal tax program administered by the states. The developer anticipates receiving a federal tax credit allocation of \$522,228 annually. The annual allocation will be received for ten years at 99.99 percent, for a total of \$5,221,758.

The developer anticipates receiving a state tax credit allocation of \$522,228 annually. The annual allocation will be received for ten years at 99.99 percent, for a total of \$5,221,758.

Valuation of LIHTC is typically done by a sales comparison approach. The industry typically values and analyzes the LIHTC transaction on a dollar per credit basis. Based on information provided by the developer, it appears that the federal tax credits will be purchased at a price of \$0.95 per tax credit, while the state tax credits will be purchased at a price of \$0.59 per tax credit, which appears reasonable. Novogradac & Company LLP conducts monthly surveys in which we contact developers, syndicators and consultants involved in LIHTC transactions to obtain information on recent LIHTC pricing. The following graph illustrates LIHTC pricing trends. The following graph illustrates the average federal tax credit price achieved on a monthly basis for the projects included in our survey.



As the previous table illustrates, federal tax credit raise rates in recent months have ranged from \$0.93 to \$1.13 per credit. Pricing has been trending upwards the past year. As part of the yield analysis and pricing determination investors consider, among other factors, construction risk, lease-up risk and timing of the credits. The developer estimates receiving \$0.95 per low income housing tax credit, which is within the range of recent pricing patterns.

### Election Impact on Pricing

Based on recent conversations with investors and market participants, it is likely that LIHTC pricing will decrease over the near term based on the potential of tax reform, which would cause a decrease in current pricing levels. Further, it is reasonable to assume that investors will hedge against possible future tax reform and reduce pricing levels currently based on the 10 year credit. Per our conversations with market participants, pricing is anticipated to move downward between \$0.08 and \$0.14 per credit for 9% LIHTC deals, while the decrease would be at the higher end of the range for 4% projects. However, it should be noted that if tax reform does not happen, then there should be no change on LIHTC pricing. Additionally, demand should remain strong and the current pause with investors is tied to the determination of the interim tax level to utilize and the impact it will have on pricing. Based on conversations with the borrower, the tax credit pricing referenced in the pro forma has already been updated to reflect final pricing. Since it reflects current market conditions, we have utilized the tax credit pricing in our analysis.

The following table illustrates Georgia state tax credit pricing in 2015 and 2016, the most recent data available.

GEORGIA STATE TAX CREDIT PRICING			
Closing Date	Price Per Credit	Location	Type
2016	\$0.55	Albany	New Construction
2016	\$0.40	Marietta	New Construction
2016	\$0.40	Augusta	New Construction
2015	\$0.52	Atlanta	Acquisition/Rehabilitation
2015	\$0.49	Stone Mountain	New Construction
2015	\$0.49	Decatur	New Construction
2015	<u>\$0.52</u>	Atlanta	Acquisition/Rehabilitation
<b>Average</b>	<b>\$0.48</b>		

According to recent data, the Georgia state credit pricing ranged from \$0.40 to \$0.55 over the past two years. However, we have interviewed two investors that have active letters of intent to purchase state tax credits and they indicated that prices have been steady in recent months. Our conversations indicated a range of \$0.55 to \$0.60 per credit in the last six months, and we conclude to a value of \$0.59 per credit for the Subject's state tax credits. The total value of the tax credits is summarized in the following table.

Federal and State Tax Credit Value		
	Value	Pricing
<b>Total credits</b>	\$10,443,516	
<b>Annual amount</b>	\$1,044,352	
<b>Federal</b>	\$4,960,670	\$0.95
<b>State</b>	<u>\$3,080,837</u>	\$0.59
<b>Total Value</b>	<b>\$8,041,507</b>	

The concluded value of the tax credits is supported by the reported sales price of the Subject credits and is considered reasonable. Based on the preceding analysis, the tax credit values are as follows:

*Federal*

**FOUR MILLION NINE HUNDRED SIXTY THOUSAND DOLLARS  
(\$4,960,000)**

*State*

**THREE MILLION EIGHTY THOUSAND DOLLARS  
(\$3,080,000)**

# **X. SALES COMPARISON APPROACH**

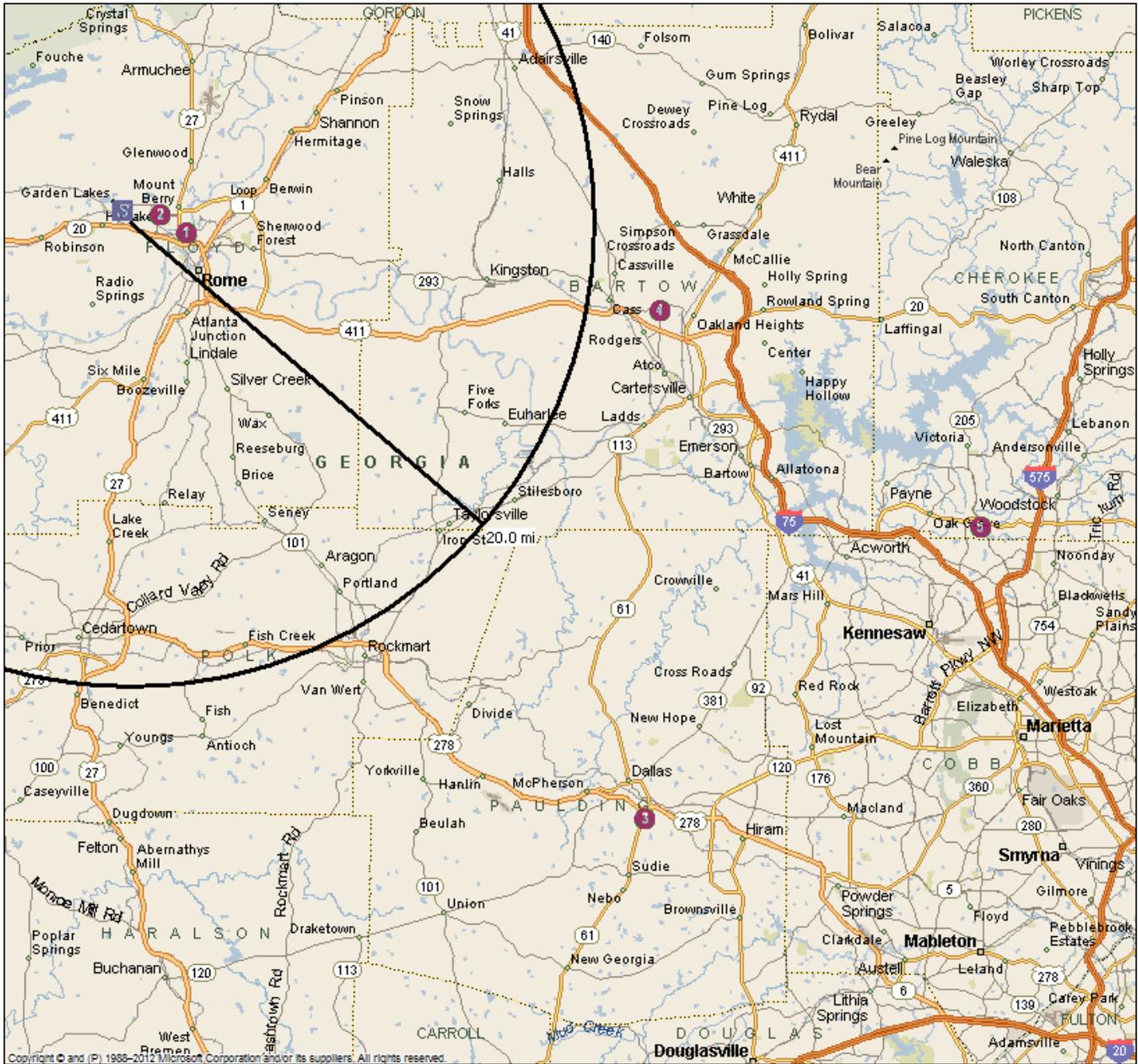
## **SALES COMPARISON APPROACH**

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by hypothetical purchasers willing to buy or lease. It should be noted, the sales utilized represent the best sales available. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost them to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties that constitute the market for a given type and class.

As previously discussed, we searched for Section 8 and LIHTC multifamily sales in the area and were not able to locate any. It should be noted that any potential sale of the Subject property would be constrained by the limitations and penalties of the LIHTC program, specifically the recapture/penalty provision upon transfer. Because of this, there are a limited number of properties that have sold nationwide, and only one locally, that have the restrictions associated with Section 42 provisions. We believe the improved sales we have chosen for our analysis represent the typical multifamily market in the Subject's area. Therefore, we have utilized five conventional market rate developments in our sales approach.

The following pages supply the analyzed sale data and will conclude with a value estimate considered reasonable.

Improved Sales Map



SALES COMPARISON

Property	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	EGIM	Overall Rate
1 Rivenwood Park	1997	Oct-16	\$3,640,000	91	\$40,000	6.5	6.1%
2 The Grove at Six Hundred	1971	Jun-16	\$2,950,000	104	\$28,365	4.4	6.8%
3 Country Gardens	1970	Apr-16	\$1,920,000	58	\$33,103	4.6	6.7%
4 Rosewood Apartments	1990	Oct-15	\$10,400,000	148	\$70,270	7.5	6.2%
5 Waldan Pond Apartments	1987	Aug-15	<u>\$7,750,000</u>	<u>116</u>	<u>\$66,810</u>	<u>7.0</u>	<u>6.9%</u>
<b>Average</b>			<b>\$5,332,000</b>	<b>103</b>	<b>\$47,710</b>	<b>6.0</b>	<b>6.5%</b>

**Comparable Sale 1**

**Name:** Riverwood Park  
**Location:** 525 W. 13th Street NE  
 Rome, GA 30165



**Buyer:** Augsburg Investments  
**Seller:** Varden Capital Properties  
**Sale Date:** Oct-16  
**Sale Price:** \$3,640,000

**Financing:** Conventional  
**Number of Units:** 91  
**Year Built:** 1997  
**Site:** **10.24** Acres

**Units of Comparison:**

Effective Gross Income:	\$556,488
EGIM	6.5
Total Expenses:	\$335,805
Net Operating Income:	\$220,683
Net Operating Income per Unit:	\$2,425
Overall Rate with Reserves:	6.06%
Sale Price per Unit:	\$40,000

**Comments:**

**Riverwood Park offers 91 two and three-bedroom units. The development offers a Clubhouse, exercise facility, and playground. Sale price, date, and capitalization rate were verified by the listing broker, Robert Stickel with Cushman & Wakefield. Novoco estimated expenses to be \$5,000 per unit.**

**Verification:** Costar, Broker (Cushman & Wakefield)

Comparable Sale 2

Name: The Grove at Six Hundred  
 Location: 600 Redmond Road NW  
 Rome, GA 30165



Buyer: S&S Property Management  
 Seller: Alpha Property Management  
 Sale Date: Jun-16  
 Sale Price: \$2,950,000

Financing: Conventional  
 Number of Units: 104  
 Year Built: 1971  
 Site: 7.9 Acres

Units of Comparison:

Effective Gross Income:	\$673,028
EGIM	4.4
Total Expenses:	\$471,553
Net Operating Income:	\$201,475
Net Operating Income per Unit:	\$1,937
Overall Rate with Reserves:	6.83%
Sale Price per Unit:	\$28,365

Comments:

**The Grove at Six Hundred offers 104 two and three-bedroom units. The development was reportedly 95 percent occupied at the time of sale. All information was verified by the listing broker, William Shippen with Apartment Realty Advisors.**

Verification: Costar, Broker (Apartment Realty Advisors)

Comparable Sale 3

Name: Country Gardens  
 Location: 13 Peaceful Path  
 Dallas, GA 30157



Buyer: Augsburg Investments  
 Seller: JRDCD, LLC  
 Sale Date: Apr-16  
 Sale Price: \$1,920,000

Financing: Conventional  
 Number of Units: 58  
 Year Built: 1970  
 Site: 7.3 Acres

Units of Comparison:

Effective Gross Income:	\$418,975
EGIM	4.6
Total Expenses:	\$290,000
Net Operating Income:	\$128,975
Net Operating Income per Unit:	\$2,224
Overall Rate with Reserves:	6.72%
Sale Price per Unit:	\$33,103

Comments:

**Country Gardens offers 58 two-bedroom units. At the time of sale, it was 93 percent occupied. Sale price, date, and NOI were verified by the listing broker (Roy Wright with Love Properties, Inc.). The Novoco estimated expenses are \$5,000 per unit.**

Verification: Costar, Broker (Love Properties, Inc.)

**Comparable Sale 4**

**Name:** Rosewood Apartments  
**Location:** 531 Grassdale Road  
 Cartersville, GA 30121



**Buyer:** Brookline Investment Group  
**Seller:** QR Capital  
**Sale Date:** Oct-15  
**Sale Price:** \$10,400,000

**Financing:** Conventional  
**Number of Units:** 148  
**Year Built:** 1990  
**Site:** **9.63** Acres

**Units of Comparison:**

Effective Gross Income:	\$1,300,999
EGIM	8.0
Total Expenses:	\$613,721
Net Operating Income:	\$687,278
Net Operating Income per Unit:	\$4,644
Overall Rate with Reserves:	6.61%
Sale Price per Unit:	\$70,270

**Comments:**

**Rosewood Apartments offers 148 one, two, and three-bedroom. At the time of sale, it was 95 percent occupied. Sale price, date, and NOI were verified by the listing broker (Chandler Brown with Brown Reality Advisors.).**

**Verification:** Costar, Broker (Brown Reality Advisors)

Comparable Sale 5

Name: Waldan Pond Apartments  
 Location: 450 Waldan Circle  
 Acworth, GA 30102



Buyer: Emma Capital  
 Seller: Kenco-North Shallowford  
 Sale Date: Aug-15  
 Sale Price: \$7,750,000

Financing: Conventional  
 Number of Units: 116  
 Year Built: 1987  
 Site: **12.25** Acres

Units of Comparison:

Effective Gross Income:	\$1,102,802
EGIM	7.0
Total Expenses:	\$568,052
Net Operating Income:	\$534,750
Net Operating Income per Unit:	\$4,610
Overall Rate with Reserves:	6.90%
Sale Price per Unit:	\$66,810

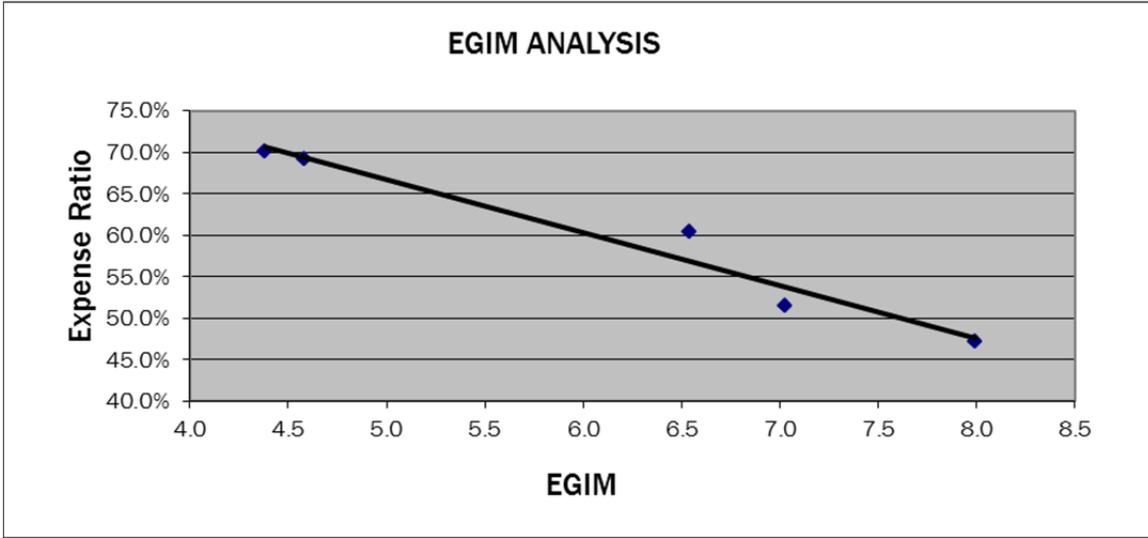
Comments:

**This property consists of 116 one and two-bedroom market rate units (750 and 1,020 - 1,100 square feet, respectively). The development offers a fitness center, swimming pool, tennis court, and playground. The details of this transaction were confirmed by the seller's broker, Tyler Averitt of Cushman & Wakefield**

Verification: Costar; Broker (Cushman & Wakefield)

**EGIM ANALYSIS**

We first estimate the Subject’s value using the EGIM analysis. The EGIM compares the ratios of sales price to the annual gross income for the property, less a deduction for vacancy and collection loss. A reconciled multiplier for the Subject is then used to convert the Subject’s anticipated effective gross income into an estimate of value.



**EGIM ANALYSIS**

	Sale Price	EGI	Expenses	Expense Ratio	EGIM
<b>As Is Restricted</b>	<b>\$7,100,000</b>	<b>\$1,097,250</b>	<b>\$620,357</b>	<b>56.5%</b>	<b>6.5</b>
<b>As Renovated Restricted</b>	<b>\$9,800,000</b>	<b>\$1,272,126</b>	<b>\$613,565</b>	<b>48.2%</b>	<b>7.7</b>
<b>As Renovated Unrestricted</b>	<b>\$10,100,000</b>	<b>\$1,289,910</b>	<b>\$607,254</b>	<b>47.1%</b>	<b>7.8</b>
Comparable #1	\$3,640,000	\$556,488	\$335,805	60.3%	6.5
Comparable #2	\$2,950,000	\$673,028	\$471,553	70.1%	4.4
Comparable #3	\$1,920,000	\$418,975	\$290,000	69.2%	4.6
Comparable #4	\$10,400,000	\$1,300,999	\$613,721	47.2%	8.0
Comparable #5	\$7,750,000	\$1,102,802	\$568,052	51.5%	7.0

We have estimated an EGIM of 7.1 for the as is scenario, 8.3 for the as renovated restricted scenario, and 8.4 for the as renovated restricted scenario. The Subject’s indicated value using the EGIM method is presented in the following table.

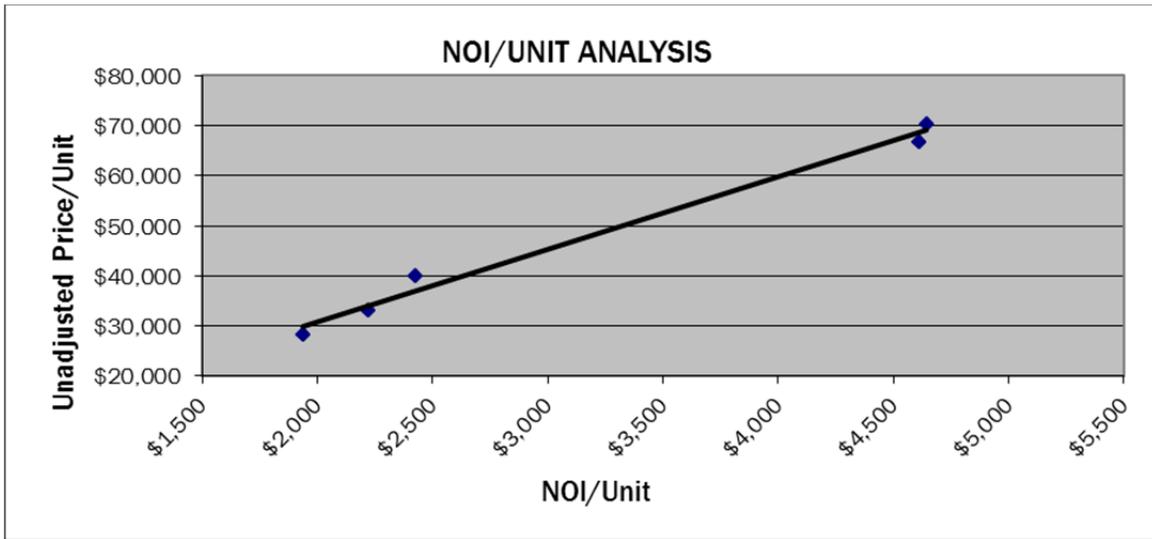
**EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"**

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is	6.5	\$1,097,250	\$7,100,000
As Renovated Restricted	7.7	\$1,272,126	\$9,800,000
As Renovated Unrestricted	7.8	\$1,289,910	\$10,100,000

**NOI/UNIT ANALYSIS**

The available sales data also permits the use of the NOI/Unit analysis. This NOI/Unit analysis examines the income potential of a property relative to the price paid per unit. The sales indicate that, in general, investors are willing to pay more for properties with greater income potential. Based on this premise, we are able to gauge the Subject's standing in our market survey group, thereby estimating a value on a price per unit applicable to the Subject. This analysis allows us to provide a quantitative adjustment process and avoids qualitative, speculative adjustments.

To estimate an appropriate price/unit for the Subject, we examined the change in NOI/Unit and how it affects the price/unit. By determining the percent variance of the comparable properties NOI/Unit to the Subject, we determine an adjusted price/unit for the Subject. As the graph illustrates there is a direct relationship between the NOI and the sale price of the comparable properties.



The tables below summarize the calculated adjustment factors and the indicated adjusted prices.

**NOI/UNIT ANALYSIS**

As Is

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$3,974	/	\$2,425	=	1.64	X	\$40,000	=	\$65,550
2	\$3,974	/	\$1,937	=	2.05	X	\$28,365	=	\$58,189
3	\$3,974	/	\$2,224	=	1.79	X	\$33,103	=	\$59,161
4	\$3,974	/	\$4,644	=	0.86	X	\$70,270	=	\$60,137
5	\$3,974	/	<u>\$4,610</u>	=	<u>0.86</u>	X	<u>\$66,810</u>	=	<u>\$57,596</u>
			<b>\$3,168</b>		<b>1.44</b>		<b>\$47,710</b>		<b>\$60,126</b>

**NOI/UNIT ANALYSIS**

**As Renovated Restricted**

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$5,488	/	\$2,425	=	2.26	X	\$40,000	=	\$90,521
2	\$5,488	/	\$1,937	=	2.83	X	\$28,365	=	\$80,355
3	\$5,488	/	\$2,224	=	2.47	X	\$33,103	=	\$81,698
4	\$5,488	/	\$4,644	=	1.18	X	\$70,270	=	\$83,045
5	\$5,488	/	<u>\$4,610</u>	=	<u>1.19</u>	X	<u>\$66,810</u>	=	<u>\$79,536</u>
			<b>\$3,168</b>		<b>1.99</b>		<b>\$47,710</b>		<b>\$83,031</b>

**NOI/UNIT ANALYSIS**

**As Renovated Unrestricted**

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$5,689	/	\$2,425	=	2.35	X	\$40,000	=	\$93,832
2	\$5,689	/	\$1,937	=	2.94	X	\$28,365	=	\$83,295
3	\$5,689	/	\$2,224	=	2.56	X	\$33,103	=	\$84,687
4	\$5,689	/	\$4,644	=	1.23	X	\$70,270	=	\$86,084
5	\$5,689	/	<u>\$4,610</u>	=	<u>1.23</u>	X	<u>\$66,810</u>	=	<u>\$82,446</u>
			<b>\$3,168</b>		<b>2.06</b>		<b>\$47,710</b>		<b>\$86,069</b>

Comparable Sale 1 and 4 were constructed between 1990 and 1997 and are the most similar to the proposed Subject in terms of age and condition. Sale 2, 3, and 5 were constructed between 1970 and 1987 and are slightly inferior to the Subject in terms of age and condition. Sales 1 and 2 are the most similar to the Subject in terms of location. Based upon the comparable properties, we have concluded to a price per unit within the middle of the range. Value indications via the NOI per unit analysis are summarized below.

**NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"**

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Is	120	\$59,000	\$7,100,000
As Renovated Restricted	120	\$82,000	\$9,800,000
As Renovated Unrestricted	120	\$84,000	\$10,100,000

**Conclusion**

The Subject’s prospective market value of the real estate assuming the proposed rents “As Is”, via the Sales Comparison Approach, as of April 20, 2017, is:

**SEVEN MILLION ONE HUNDRED THOUSAND DOLLARS  
(\$7,100,000)**

The Subject’s prospective market value of the real estate assuming the achievable restricted rents “As Complete and Stabilized”, via the Sales Comparison Approach, on July 2019, as of April 20, 2017, is:

**NINE MILLION EIGHT HUNDRED THOUSAND DOLLARS  
(\$9,800,000)**

The Subject’s hypothetical market value of the real estate assuming the achievable unrestricted rents “As Complete and Stabilized”, via the Sales Comparison Approach, on July 2019, as of April 20, 2017, is:

**TEN MILLION ONE HUNDRED THOUSAND DOLLARS  
(\$10,100,000)**

*Please refer to the assumptions and limiting conditions regarding the restricted valuation and hypothetical conditions.*

# **XI. RECONCILIATION**

## RECONCILIATION

We were asked to provide an estimate of the Subject's "as is" value. We considered the traditional approaches in the estimation of the Subject's value. The resulting value estimates are presented following:

VALUE OF UNDERLYING LAND			
Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	110	\$8,200	\$900,000
DIRECT CAPITALIZATION ANALYSIS - "AS IS"			
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Is	6.8%	\$476,893	\$7,100,000
DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Renovated Restricted*	6.8%	\$658,561	\$9,800,000
As Renovated Unrestricted	6.8%	\$682,656	\$10,100,000
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is	6.5	\$1,097,250	\$7,100,000
As Renovated Restricted*	7.7	\$1,272,126	\$9,800,000
As Renovated Unrestricted	7.8	\$1,289,910	\$10,100,000
NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Is	120	\$59,000	\$7,100,000
As Renovated Restricted*	132	\$82,000	\$10,800,000
As Renovated Unrestricted	132	\$84,000	\$11,100,000
VALUE AT LOAN MATURITY - RESTRICTED			
	Year	Indicated Value (Rounded)	
Restricted	30 years	\$11,000,000	
VALUE AT LOAN MATURITY - UNRESTRICTED			
	Year	Indicated Value (Rounded)	
Unrestricted	30 years	\$11,400,000	
TAX CREDIT VALUATION			
	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	\$5,221,758	0.95	\$4,960,000
State LIHTC	\$5,221,758	0.59	\$3,080,000

The value indicated by the income capitalization approach is a reflection of a prudent investor's analysis of an income producing property. In this approach, income is analyzed in terms of quantity, quality, and durability. Due to the fact that the Subject is income producing in nature, this approach is the most applicable method of valuing the Subject property. Furthermore, when valuing the intangible items it is the only method of valuation considered.

The sales comparison approach reflects an estimate of value as indicated by the sales market. In this approach, we searched the local market for transfers of similar type properties. These transfers were analyzed for comparative units of value based upon the most appropriate indices (i.e. \$/Unit, OAR, etc.). Our search revealed several sales over the past two years. While there was substantial information available on each sale, the sales varied in terms of location, quality of income stream, condition, etc. As a result, the appraisers used both an EGIM and a sales price/unit analysis. These analyses provide a good indication of the Subject's market value.

The cost approach is, on occasion, one of the main steps of the appraisal process. The value indicated by this approach is derived by first estimating the value of the land. Next, the replacement cost of the improvements, less depreciation from all causes is added to the land value. In essence, value by this approach consists of land value plus the depreciated value of the improvements. As discussed, this method was not relied upon due to a lack of accurate cost data, the difficulty in estimating accrued depreciation and the fact that most market participants do not place any reliance on this approach for properties of this age. However, we have provided an indication of land value as if vacant and insurable value.

In the final analysis, the appraisers have considered the influence of the three approaches in relation to one another and in relation to the Subject. The Subject is an income producing property, and a prudent investor would be more interested in the value indication derived using the income approach.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated market value of the fee simple interest in the Subject "as if vacant and encumbered" (land value), free and clear of financing, as of April 20, 2017, is:

**NINE HUNDRED THOUSAND DOLLARS**  
**(\$900,000)**

The Subject's fee simple market value assuming current contract rents "As Is", as of April 20, 2017 is:

**SEVEN MILLION ONE HUNDRED THOUSAND DOLLARS**  
**(\$7,100,000)**

The Subject's prospective fee simple market value of the real estate assuming restricted rents "As Proposed", on July 2019, as of April 20, 2017 is:

**NINE MILLION EIGHT HUNDRED THOUSAND DOLLARS**  
**(\$9,800,000)**

The Subject's hypothetical leased fee market value of the real estate assuming unrestricted rents "As Proposed", on July 2019, as of April 20, 2017 is:

**TEN MILLION ONE HUNDRED THOUSAND DOLLARS**  
**(\$10,100,000)**

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2047, as of April 20, 2017, is:

**ELEVEN MILLION DOLLARS**  
**(\$11,000,000)**

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2047, as of April 20, 2017, is:

**ELEVEN MILLION FOUR HUNDRED THOUSAND DOLLARS**  
**(\$11,400,000)**

*Please refer to the assumptions and limiting conditions regarding the valuation conclusions and hypothetical conditions.*

*The HUD contract rents are below market rents for the Subject as is and as renovated. As such, a rent increase based upon the Rent Comparability Study (RCS) prepared by John E. Doyle, MAI with Doyle Real Estate Advisors, LLC effective February 2017 would suggest increases are possible. It is a specific extraordinary assumption of this report that an increase in Contract Rents will occur and, as such, we are utilizing achievable market rents in the determination of potential gross income for the property's Section 8 units. This is considered reasonable based on HUD regulations and the expectation of a typical purchaser.*

**Reasonable Exposure Time:**

Statement 6, Appraisal Standards to USPAP notes that reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to proceed the effective date of the appraisal.

It is defined as the “estimated length of time the property interests appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.” Based on our read of the market, historical information provided by the *PwC Investor Survey* and recent sales of apartment product, an exposure time of nine-to-twelve months appears adequate.

## **ADDENDUM A**

**Assumptions and Limiting Conditions, Certification**

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.

11. A valuation estimate 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
17. 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.
18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.
20. 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 appraiser and contained in this report.
21. The party for whom this report is prepared has reported to the appraiser 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.
22. 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.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating

systems. The appraiser does not warrant the condition or adequacy of such systems.

24. 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.

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.

## CERTIFICATION

The undersigned hereby certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We are concurrently preparing an application market study for the Subject. Other than the aforementioned project, we have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice;
- Will Hoedl has made a personal inspection of the Subject property and comparable market data, and provided significant professional assistance to the appraisers in the form of data collection and analysis. Rebecca S. Arthur and Brian Neukam have not personally inspected the Subject property, but have reviewed Subject and comparable market data incorporated in this report;
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Rebecca S. Arthur, MAI has completed the continuing education program for Designated members of the Appraisal Institute.



Rebecca S. Arthur, MAI  
Certified General Real Estate Appraiser



Brian Neukam  
Certified General Real Estate Appraiser  
GA License #329471  
Expiration Date: 3/31/2017

## **ADDENDUM B**

### **Qualifications of Consultants**

**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 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 Michigan Certified General Real Estate Appraiser No. 1201074011  
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**

Forecasting Revenue, June 2015  
Discounted Cash Flow Model, June 2015  
Business Practices and Ethics, April 2015  
USPAP Update, May 2014  
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  
BRIAN NEUKAM**

**EDUCATION**

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

**State of Georgia Certified General Real Property Appraiser No. 329471**

**PROFESSIONAL TRAINING**

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

**EXPERIENCE**

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

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

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

**REAL ESTATE ASSIGNMENTS**

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

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

## **ADDENDUM C**

**Subject Photos**

## Subject Photos



Subject signage on Shorter Avenue



View of the Subject's Leasing Office



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject



Parking area



View of the Subject



View of the Subject



Parking area



Leasing office



Laundry room



Kitchen



Kitchen



Pantry



Living room



Coat closet



Hallway



Bedroom



Bedroom closet



Bathroom



Bathroom



Living room



Kitchen



Kitchen



Hallway



Bedroom



Bathroom



View to the north



View of wooded area to the west



View of tree line to the east



Single-family home to the south



Wooded area to the west



Wooded area to the north



View to the north



View of wooded area to the west



View of tree line to the east



Single-family home to the south



Wooded area to the west



Wooded area to the north



View along Pappalardo Street facing east



View along Pappalardo Street facing west



Tamasee Apartments to the north



Pine Ridge Apartments to the northwest



Townhome to the north



Single-family home to the west

## **ADDENDUM D**

**Rent Roll**

# Affordable Rent Roll

Property: Meadow Lane Apartments (1118) Sort by: Unit

As of 2/28/2017

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent	Utility Allowance	TTP	Utility Reimb.
<b>Meadow Lane Apartments (1118)</b>																	
A01	11182br	0	2	Smith, Cynthia	None	GA06L000034			753	753	646	0	0	0	107	0	0
A02	11182br	0	2	Patterson, Tony	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	488	158	107	265	0
A03	11182br	0	2	Malone, Larry	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	537	109	107	216	0
A04	11182br	0	2	Head, Pamela	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	444	202	107	309	0
A05	11182br	0	2	Grogan, Donna	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	688	0	107	65	42
A06	11182br	0	2	Jackson, Erica	Sec 8	GA06L000034	MI	01/31/17	753	753	646	0	398	248	107	355	0
A07	11182br	0	2	Ware, Icelanda	Sec 8	GA06L000034	IR	01/01/17	753	753	646	0	479	167	107	274	0
A08	11182br	0	2	Jones, Lorica	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	133	513	107	620	0
B01	11182br	0	2	Hawkins, Ashley	Sec 8	GA06L000034	IR	02/01/17	753	753	646	0	728	0	107	25	82
B02	11182br	0	2	Sisson, Teresa	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	479	167	107	274	0
B03	11182br	0	2	Tanner, Stacy	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	537	109	107	216	0
B04	11182br	0	2	Cobb, Rushie	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	537	109	107	216	0
B05	11182br	0	2	Brown, Stardrikus	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	728	0	107	25	82
B06	11182br	0	2	Evans, Jolee	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	537	109	107	216	0
B07	11182br	0	2	McKellar, Judy	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	541	105	107	212	0
B08	11182br	0	2	Gann, Regina	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	528	118	107	225	0
C01	11183br	0	3	Ely, Shanna	Sec 8	GA06L000034	IR	02/01/17	857	857	718	0	696	22	139	161	0
C02	11182br	0	2	Tyner, Tamika	Sec 8	GA06L000034	AR-1	01/01/17	753	753	646	0	530	116	107	223	0
C03	11183br	0	3	Garrett-Worley, Regina					513	514	465	0	0	514	0	0	0
C04	11183br	0	3	Jones, Michell'le	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	832	0	139	25	114
C05	11182br	0	2	Bagwell, Deanna	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	687	0	107	66	41
C06	11182br	0	2	Ware, Randall	Sec 8	GA06L000034	IR	02/01/17	753	753	646	0	470	176	107	283	0
C07	11183br	0	3	Scott, Ricardo					513	513	465	0	0	513	0	0	0
C08	11183br	0	3	Russell, Nichole	Sec 8	GA06L000034	IR	02/01/17	857	857	718	0	476	242	139	381	0
C09	11182br	0	2	Gleaves, Tatiana	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	554	92	107	199	0
C10	11182br	0	2	Drought, Kevin	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	728	0	107	25	82
D01	11182br	0	2	Hale, Kristine	Sec 8	GA06L000034	IR	02/01/17	753	753	646	0	655	0	107	98	9
D02	11182br	0	2	Hill, Dallas	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	257	389	107	496	0
D03	11182br	0	2	Smith, Sandra	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	543	103	107	210	0
D04	11182br	0	2	Loveless, Andrea	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	461	185	107	292	0
D05	11182br	0	2	Fincher, Sidney	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	317	329	107	436	0

# Affordable Rent Roll

Property: Meadow Lane Apartments (1118) Sort by: Unit

As of 2/28/2017

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent	Utility Allowance	TTP	Utility Reimb.
<b>Meadow Lane Apartments (1118)</b>																	
D06	11182br	0	2	Carter, Deja	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	437	209	107	316	0
D07	11182br	0	2	Hilt, Tayla	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	728	0	107	25	82
D08	11182br	0	2	Hernandez, Gabriela	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	452	194	107	301	0
D09	11182br	0	2	Barton, Patricia	Sec 8	GA06L000034	AR	02/01/17	753	753	646	0	398	248	107	355	0
D10	11182br	0	2	Menker, Kenyana	Sec 8	GA06L000034	AR-1	01/01/17	753	753	646	0	472	174	107	281	0
E01	11181br	0	1	Kennedy, Rossunda	Sec 8	GA06L000034	GR	01/01/17	622	622	531	0	356	175	91	266	0
E02	11182br	0	2	Fricks, Amanda	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	453	193	107	300	0
E03	11181br	0	1	Pace, Willard	Sec 8	GA06L000034	GR	01/01/17	622	622	531	0	108	423	91	514	0
E04	11181br	0	1	Love, Lottie	Sec 8	GA06L000034	GR	01/01/17	622	622	531	0	374	157	91	248	0
E05	11182br	0	2	Davy, Mechelle	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	324	322	107	429	0
E06	11182br	0	2	Montgomery, Betty	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	485	161	107	268	0
E07	11181br	0	1	Leaks, Erica	Sec 8	GA06L000034	GR	01/01/17	622	622	531	0	141	390	91	481	0
E08	11181br	0	1	Belteton, Asly	Sec 8	GA06L000034	MI	02/28/17	622	622	531	0	251	280	91	371	0
E09	11182br	0	2	Miranda, Stacey	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	535	111	107	218	0
E10	11182br	0	2	Collins, Leslie	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	424	222	107	329	0
F01	11181br	0	1	Evans, Shellyse	Sec 8	GA06L000034	AR	02/01/17	622	622	531	0	206	325	91	416	0
F02	11181br	0	1	King, Shanique	Sec 8	GA06L000034	IR	02/01/17	622	622	531	0	597	0	91	25	66
F03	11181br	0	1	Johnson, British	Sec 8	GA06L000034	GR	01/01/17	622	622	531	0	160	371	91	462	0
F04	11181br	0	1	Blalock, Wendy	Sec 8	GA06L000034	GR	01/01/17	622	622	531	0	406	125	91	216	0
F05	11181br	0	1	McCluskey, Constance	Sec 8	GA06L000034	AR	02/01/17	622	622	531	0	405	126	91	217	0
F06	11181br	0	1	Siniard, Linda	Sec 8	GA06L000034	GR	01/01/17	622	622	531	0	407	124	91	215	0
F07	11181br	0	1	Lowe Jr., Anthony	Sec 8	GA06L000034	GR	01/01/17	622	622	531	0	290	241	91	332	0
F08	11181br	0	1	Stowe, Deborah	Sec 8	GA06L000034	GR	01/01/17	622	622	531	0	597	0	91	25	66
F09	11181br	0	1	Kent, Tammy	Sec 8	GA06L000034	GR	01/01/17	622	622	531	0	412	119	91	210	0
F10	11181br	0	1	Jackson, Patricia	Sec 8	GA06L000034	GR	01/01/17	622	622	531	0	406	125	91	216	0
G01	11183br	0	3	Neal, Judy	Sec 8	GA06L000034	IR	02/01/17	857	857	718	0	718	0	139	139	0
G02	11183br	0	3	Wiggins, Kenneth	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	583	135	139	274	0
G03	11183br	0	3	Wilson, Ebony	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	648	70	139	209	0
G04	11183br	0	3	Alexander, Jaleesa	Sec 8	GA06L000034	IR	02/01/17	857	857	718	0	832	0	139	25	114
G05	11183br	0	3	Farmer, Kierra	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	821	0	139	36	103
G06	11183br	0	3	Denton, Dorothy	Sec 8	GA06L000034	AR-1	01/01/17	857	857	718	0	640	78	139	217	0

# Affordable Rent Roll

Property: Meadow Lane Apartments (1118) Sort by: Unit

As of 2/28/2017

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent	Utility Allowance	TTP	Utility Reimb.
<b>Meadow Lane Apartments (1118)</b>																	
G07	11183br	0	3	Adams, Shante	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	451	267	139	406	0
G08	11183br	0	3	Minter, Misty	Sec 8	GA06L000034	IR	01/01/17	857	857	718	0	314	404	139	543	0
G09	11183br	0	3	Siniard, Wendy	Sec 8	GA06L000034	AR	02/01/17	857	857	718	0	765	0	139	92	47
G10	11183br	0	3	Worsham, Megan	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	517	201	139	340	0
H01	11182br	0	2	Lawrence, Lillian	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	504	142	107	249	0
H02	11182br	0	2	Stocks, Peggy	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	543	103	107	210	0
H03	11182br	0	2	Walker, Sharry	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	384	262	107	369	0
H04	11182br	0	2	Hunt, Ashley	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	549	97	107	204	0
H05	11182br	0	2	Shirley, Robert	Sec 8	GA06L000034	AR	02/01/17	753	753	646	0	462	184	107	291	0
H06	11182br	0	2	Bagwell, Harley	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	728	0	107	25	82
H07	11182br	0	2	Tchouawa, Angeline	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	181	465	107	572	0
H08	11182br	0	2	Garcia, Claudia	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	569	77	107	184	0
J01	11182br	0	2	Chapman, Javis	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	295	351	107	458	0
J02	11182br	0	2	Boggs, Laura	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	355	291	107	398	0
J03	11182br	0	2	House, Melinda	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	495	151	107	258	0
J04	11182br	0	2	Wells, Corey	Sec 8	GA06L000034	AR-1	01/01/17	753	753	646	0	536	110	107	217	0
J05	11182br	0	2	Bahena, Diane	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	632	14	107	121	0
J06	11182br	0	2	Burge, Brianna	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	520	126	107	233	0
J07	11182br	0	2	King, Monique	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	637	9	107	116	0
J08	11182br	0	2	Jones, Georgia	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	711	0	107	42	65
K01	11182br	0	2	Ivory, Deborah	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	482	164	107	271	0
K02	11182br	0	2	Spriggs, Charlotte	Sec 8	GA06L000034	AR	02/01/17	753	753	646	0	453	193	107	300	0
K03	11182br	0	2	Banks, Deborah	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	539	107	107	214	0
K04	11182br	0	2	Jones, Glenda	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	537	109	107	216	0
K05	11182br	0	2	Holbrooks, Shirley	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	425	221	107	328	0
K06	11182br	0	2	White, Latoya	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	569	77	107	184	0
K07	11182br	0	2	Maddox, Katelin	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	555	91	107	198	0
K08	11182br	0	2	Byrd, Beverly	Sec 8	GA06L000034	GR	01/01/17	753	753	646	0	728	0	107	25	82
L01	11183br	0	3	Hames, Desmond	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	263	455	139	594	0
L02	11184br	0	4	Frost, Neely	Sec 8	GA06L000034	IR	01/01/17	1,011	1,011	848	0	720	128	163	291	0
L03	11183br	0	3	Couch, Angela	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	576	142	139	281	0

# Affordable Rent Roll

Property: Meadow Lane Apartments (1118) Sort by: Unit

As of 2/28/2017

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent	Utility Allowance	TTP	Utility Reimb.
<b>Meadow Lane Apartments (1118)</b>																	
L04	11183br	0	3	Evans, LaQuetta	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	708	10	139	149	0
L05	11184br	0	4	Padilla, Maritza	Sec 8	GA06L000034	GR	01/01/17	1,011	1,011	848	0	815	33	163	196	0
L06	11183br	0	3	Jewell, Melissa	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	747	0	139	110	29
L07	11183br	0	3	Towns, Corlena	Sec 8	GA06L000034	IR-1	01/01/17	857	857	718	0	722	0	139	135	4
L08	11183br	0	3	Roberts, DeAnna	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	832	0	139	25	114
L09	11184br	0	4	Eaves, Tiffany	Sec 8	GA06L000034	GR	01/01/17	1,011	1,011	848	0	960	0	163	51	112
L10	11183br	0	3	Carson, Felicia	Sec 8	GA06L000034	AR-1	01/01/17	857	857	718	0	832	0	139	25	114
M01	11184br	0	4	Perkins Vilsaint, Nicole	Sec 8	GA06L000034	GR	01/01/17	1,011	1,011	848	0	781	67	163	230	0
M02	11184br	0	4	House, Reynelda	Sec 8	GA06L000034	IR	01/01/17	1,011	1,011	848	0	793	55	163	218	0
M03	11183br	0	3	Davenport III, William	Sec 8	GA06L000034	MI	01/27/17	857	857	718	0	391	327	139	466	0
M04	11184br	0	4	Dennis, Senetria	Sec 8	GA06L000034	IR	02/01/17	1,011	1,011	848	0	618	230	163	393	0
M05	11184br	0	4	Staney, Susan					598	542	542	0	0	542	0	0	0
M06	11183br	0	3	Office,					513	0	465	0	0	0	0	0	0
M07	11183br	0	3	Howell, Lois	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	832	0	139	25	114
M08	11184br	0	4	Garrett, John					598	542	542	0	0	542	0	0	0
M09	11184br	0	4	Moore, Carmela					598	542	542	0	0	542	0	0	0
M10	11183br	0	3	Goss, Ashley	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	761	0	139	96	43
N01	11184br	0	4	Bozeman, Sherita	Sec 8	GA06L000034	IR	01/01/17	1,011	1,011	848	0	975	0	163	36	127
N02	11184br	0	4	Lawrence, Constance	Sec 8	GA06L000034	GR	01/01/17	1,011	1,011	848	0	769	79	163	242	0
N03	11183br	0	3	Poole, Lashundrika	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	641	77	139	216	0
N04	11184br	0	4	Williams, Jessica	Sec 8	GA06L000034	AR	02/01/17	1,011	1,011	848	0	799	49	163	212	0
N05	11184br	0	4	McCluskey, Stephanie	Sec 8	GA06L000034	AR	02/01/17	1,011	1,011	848	0	986	0	163	25	138
N06	11183br	0	3	Wilson, Sarah	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	798	0	139	59	80
N07	11183br	0	3	Burrell, Ashley	Sec 8	GA06L000034	IR	02/01/17	857	857	718	0	832	0	139	25	114
N08	11184br	0	4	Parker, Rebecca	Sec 8	GA06L000034	GR	01/01/17	1,011	1,011	848	0	986	0	163	25	138
N09	11184br	0	4	Kinney, Candice	Sec 8	GA06L000034	GR	01/01/17	1,011	1,011	848	0	869	0	163	142	21
N10	11183br	0	3	Dublin, Marika	Sec 8	GA06L000034	GR	01/01/17	857	857	718	0	633	85	139	224	0
<b>Total :</b>		0	285	<b>Number of Units:</b>	<b>120</b>				93,114	92,434	79,308	0	63,129	17,472	13,494	25,899	2,307

# Affordable Rent Roll

Property: Meadow Lane Apartments (1118) Sort by: Unit

As of 2/28/2017

<b>Grand Total :</b>	<hr/>	0	<hr/>	285	<b>Total Units:</b>	<hr/>	<b>120</b>	<hr/>	93,114	<hr/>	92,434	<hr/>	79,308	<hr/>	63,129	<hr/>	17,472	<hr/>	13,494	<hr/>	25,899	<hr/>	2,307
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# **ADDENDUM E**

## **Purchase Agreement**

# **ADDENDUM F**

## **Site and Floor Plans**