



**NOVOGRADAC
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CERTIFIED PUBLIC ACCOUNTANTS

A MARKET STUDY OF:

ALLEN HILLS

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3086 Middleton Road NW
Atlanta, Fulton County, Georgia 30311

Effective Date: September 14, 2017
Report Date: September 19, 2017

Prepared for:
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Assignment Code: PPD600V-134

Prepared by:
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September 19, 2017

Wes McLean
Preservation Partners Development III
21515 Hawthorne Boulevard, Suite 390
Torrance, CA 90503

Re: Market Study - Application for Allen Hills, located in Atlanta, Fulton County, Georgia

Dear Mr. McLean:

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

The purpose of this market study is to assess the feasibility of the LIHTC rehabilitation of Allen Hills (Subject), an existing 458-unit LIHTC/Section 8 multifamily development. The Subject offers two and three-bedroom units in addition to one two-bedroom manager's unit/leasing office. Following renovation using the LIHTC program, the property will be restricted to households earning 60 percent of the Area Median Income (AMI), or less. In addition, all units will continue to benefit from a HAP contract post renovation. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

The scope of this report meets the requirements of Georgia Department of Community Affairs (DCA), including the following:

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

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

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

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

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

Respectfully submitted,
Novogradac & Company LLP



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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Allen Hills (Subject) will be a renovated family property located in Atlanta, Fulton County, Georgia, which consists of 46 three story, garden-style buildings and one two-story clubhouse and leasing office.

The following table illustrates the proposed unit mix and proposed post renovation rents.

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking LIHTC Rents	Utility Allowance (1)	Gross Rents	2016 LIHTC Maximum Rents	Current Contract Rents (2)	Novoco's Proposed Contract Rents
<i>Section 8/60% AMI</i>								
2BR/1BA	734	310	\$769	\$143	\$912	\$912	\$783	\$905
2.5BR/1BA	734	14	\$721	\$191	\$912	\$912	\$833	\$990
3BR/1BA	833	133	\$874	\$179	\$1,053	\$1,053	\$833	\$1,040
<i>Manager's Unit</i>								
2BR/1BA	734	1	N/A	N/A	N/A	N/A	N/A	N/A
Total		458						

(1) Utility Allowance provided by the developer, and based upon the approved Section 8 utility allowance for the Subject, effective 2/1/2017

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

Of the Subject's 458 units, 457 will continue to operate with a Section 8 project-based subsidy, while the remaining unit will operate as non-revenue generating managers units/leasing office. Tenants in these units will pay 30 percent of their AMI towards rent, not to exceed the LIHTC rent limits. The Subject's in-unit amenity package is considered to be slightly inferior to inferior in comparison to the LIHTC and market rate comparable properties and slightly superior to inferior property amenities. The Subject does not offer exterior storage, ceiling fans, garbage disposal, walk-in closets, or washer/dryer hookups, which the majority of comparables include. Further, the Subject does not offer an exercise facility, picnic area, or swimming pool, which the majority of comparables include. However, the Subject includes service coordination, which is not offered at any of the comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the market.

The Subject is proposed for renovation with low income housing tax credits (LIHTC). Renovations will reportedly have hard costs of renovations will reportedly be \$30,000 per unit, or \$13,740,000 for the entire property. The scope of renovation will include, but not be limited to the following:

- New kitchen and bathroom cabinets and counter tops
- New windows
- New roof
- New appliances
- New flooring
- New interior LED lighting
- New low flow toilets
- New low flow water faucets
- New paint
- Free wireless internet in units
- New Business Center

2. Site Description/Evaluation

The Subject site is located along M.L.K. Jr. Drive Southwest and Allen Temple Court Northwest, which serves as a driveway for the Subject. The Subject site has fair visibility, but excellent accessibility from neighborhood thoroughfares. Surrounding uses consist of single-family, multifamily, commercial/retail uses, as well as undeveloped land. The Subject site is considered “Somewhat Walkable” by Walkscore with a rating of 58 out of 100. Crime risk indices in the Subject’s area are considered high. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, which are generally within 2.6 miles of the Subject site.

3. Market Area Definition

The PMA is defined as a western portion of Atlanta. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follow:

North:	2.6 miles
East:	3.9 miles
South:	2.2 miles
West:	3.5 miles

The PMA was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject’s property manager. 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 3.9 miles. The secondary market area (SMA) for the Subject is the Atlanta-Sandy Springs-Roswell, Georgia Metropolitan Statistical Area (MSA), which is comprised of 30 counties.

4. Community Demographic Data

Between 2000 and 2010 total population in the PMA decreased by 1.4 annually while the SMA experienced a 2.4 percent increase. Population in the PMA is anticipated to continue to grow through 2021, however, at a slower pace than the SMA. The current population of the PMA is 55,645 and is expected to increase slightly to 57,828 by 2021. Renter households are concentrated in the lowest income cohorts, with 52.7 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$43,730 for its LIHTC units. However, all units will continue to benefit from a Section 8 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.

According to *RealtyTrac* statistics, one in every 1,789 housing units nationwide was in some stage of foreclosure as of June 2017. The Subject’s zip code (30311) is experiencing a foreclosure rate of one in every 893 homes. Further, the city of Atlanta is experiencing a foreclosure rate of one in every 1,631 homes, while the state of Georgia is experiencing foreclosure rate of one in every 1,915 homes. Overall, the Subject’s zip code is experiencing a higher foreclosure rate compared to the city, the nation and the state. The Subject’s neighborhood does not appear to have a significant amount of abandoned or vacancy structures that would impact the marketability of the Subject.

5. Economic Data

The largest industries in the PMA are educational services, healthcare/social assistance, accommodation/food services. Positions in these industries account for 34.1 percent of all jobs in the area. The four largest employers in the area are Delta Air Lines, Emory University/Emory Healthcare, Wal-Mart Stores, Inc., and The Home Depot. The educational services sector is resilient during periods of economic downturn. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2011 through 2017 year-to-date. In addition, from May 2016 to May 2017, total employment in the MSA increased 3.6 percent, compared to a 1.2 percent increase in the nation as a whole. While the unemployment rate has decreased annually since 2011, the unemployment rate in the MSA remains 40 basis points higher than the national average as of May 2017. Total employment surpassed pre-recession levels in 2014, but the unemployment rate remains higher than that of the nation, it does appear that the economy in the MSA has stabilized. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

6. Project-Specific Affordability and Demand Analysis

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Proposed Rents
2BR at 60% AMI/Sec. 8	310	2,753	0	2,753	11.8%	13-14 months	\$769
2BR at 60% AMI	310	484	0	484	66.9%	18-21 months	\$769
2.5BR at 60% AMI/Sec. 8	14	3,821	0	3,821	11.8%	One month	\$721
2.5BR at 60% AMI	14	672	0	672	66.9%	One month	\$721
3BR at 60% AMI/Sec. 8	133	1,068	0	1,068	12.5%	6-7 months	\$874
3BR at 60% AMI	133	188	0	188	70.8%	8-9 months	\$874
Overall - With Subsidy	457	3,821	0	3,821	12.0%	19-22 months	-
Overall - Absent Subsidy	457	672	0	672	68.0%	27-30 months	-

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

7. Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight “true” comparable properties containing 1,212 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered average; we have included five comparable properties which offer LIHTC units, all of which are located in within the PMA. It should be noted that two of the comparable

LIHTC properties feature Public Housing components. Columbia Commons consists of 158-units, 48 of which are set-aside as Public Housing units, while the remaining units are offered at 50 and 54 percent AMI and market rate. Peaks of MLK consists of 183-units, 73 of which feature Project-Based-Rental Assistance (PBRA), while the remaining units are offered at 50 and 60 percent AMI as well as offering market rate units. Due to the lack of “true” LIHTC comparables in the PMA and surrounding areas, it was necessary to utilize these two comparable properties despite Public Housing components in-place. We believe these comparables are the most comparable properties in the area as they target families, and are located in generally similar areas in terms of access to amenities and employment opportunities.

Finally, it is of note that 457 of the Subjects 478 units currently benefit from a Housing Assistance Program (HAP) contract while the remaining unit will operate as a non-revenue generating managers unit/leasing office. 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 0.9 and 1.9 miles from the Subject.

The availability of market rate data is considered good. The Subject is located in Atlanta, and there are multiple comparable market rate properties in the area. We have included three conventional market rate properties in our analysis of the competitive market. The market rate properties are located in the PMA, within 0.1 and 0.8 miles from the Subject. The comparables were built between 1969 and 1974. We were unable to identify any new construction market rate properties in the area. Overall, we believe the market rate property we have used in our analysis is the most comparable. Other market rate properties were excluded based on condition, design or tenancy.

When comparing the Subject’s rents to the average comparable rent, we have not included surveyed rents at lower AMI levels given that this artificially lowers the average surveyed rent. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers rents at the 50 and 60 percent of AMI levels, and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent of AMI rents in the average comparable rent for the 60 percent of AMI comparison.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

SUBJECT COMPARISON TO COMPARABLE RENTS

Unit Type	Subject Proposed Rent	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Rent Advantage
2BR @ 60%	\$769	\$650	\$1,037	\$885	15.5%
2.5BR @ 60%	\$769	\$650	\$1,037	\$885	15.5%
3BR @ 60%	\$874	\$900	\$1,163	\$1,090	23.6%

As illustrated the Subject’s proposed 60 percent rents are well below the surveyed average of the comparable properties. The Subject’s proposed LIHTC rents for both two-bedroom units are within the surveyed range of comparable LIHTC and market rents while the three-bedroom units are below the range of comparable LIHTC and market rents.

8. Absorption/Stabilization Estimate

We were able to obtain absorption information from one of the comparable properties, which is illustrated following table.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Avalon Park - Family	LIHTC	Family	2008	175	17

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 to the Subject's rent roll, dated May 3, 2017, the property is 94.8 percent occupied with a waiting list, which is typical for the property, according to management. According to the rent roll, all of the tenants in the Subject's units would continue to qualify to remain in place. Assuming the Subject were 100 percent vacant following renovations, the Subject would likely experience a slightly faster re-absorption pace than Avalon Park - Family, due to 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 19 to 22 months. Should the Subject not benefit from a rental subsidy post renovation, we believe Subject would experience a somewhat slightly lower re-absorption pace than Avalon Park - Family, of 14 to 16 units per month for an absorption period of approximately 27 to 30 months.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 2.4 percent. Further, excluding Daron Village which has multiple units offline for renovations, market rate vacancy is at 1.6 percent, and overall vacancy is at 2.2 percent. One of the five affordable properties maintains a waiting list. These factors illustrate demand for affordable housing. The Subject will offer generally slightly inferior to inferior in-unit and community amenities in comparison to the LIHTC and market rate comparable properties. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to slightly superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly inferior to the comparable properties. Given the Subject's anticipated similar to slightly superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

Summary Table:

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

Development Name:	Allen Hills	Total # Units:	458
Location:	3086 Middleton Road NW Atlanta, Fulton County, Georgia 30311	# LIHTC Units:	457
PMA Boundary:	North: U.S. Route 278/78; South: Cascade Rd, Norfolk Southern Railroad Tracks; East: Cascade Ave, Norfolk Southern Railroad Tracks; West: Norfolk Southern Railroad Tracks, Fulton Industrial Blvd		
	Farthest Boundary Distance to Subject:		3.9

Rental Housing Stock (found on page 48)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	51	2,656	108	97.7%
Market-Rate Housing	31	1,074	46	95.7%
Assisted/Subsidized Housing not to include LIHTC	11	971	14	98.6%
LIHTC	9	413	48	88.4%
Stabilized Comps	23	2,959	67	97.7%
Properties in Construction & Lease Up	0	0	N/A	N/A

*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
310	2BR at 60% AMI	1	734	\$769	\$885	\$0.83	13%	\$942	\$0.90
14	2.5BR at 60% AMI	1	734	\$721	\$885	\$0.83	19%	\$942	\$0.90
133	3BR at 60% AMI	1	734	\$874	\$1,090	\$0.83	20%	\$1,115	\$0.92

Demographic Data (found on pages 51 & 97)

	2010		2016		Apr-19	
Renter Households	10,862	58.0%	12,140	63.7%	12,388	63.9%
Income-Qualified Renter HHS (LIHTC)	1,499	13.8%	1,675	13.8%	1,710	13.8%

Targeted Income-Qualified Renter Household Demand (found on pages 56)

Type of Demand	30%	50%	60%	Market-rate	Other: 60%/Sec. 8	Overall*
Renter Household Growth	N/Ap	N/Ap	34	N/Ap	194	194
Existing Households (Overburdened + Substandard)	N/Ap	N/Ap	638	N/Ap	3,627	3,627
Homeowner conversion (Seniors)	N/Ap	N/Ap	0	N/Ap	0	0
Total Primary Market Demand	N/Ap	N/Ap	672	N/Ap	3,821	3,821
Less Comparable/Competitive Supply	N/Ap	N/Ap	0	N/Ap	0	0
Adjusted Income-qualified Renter HHS**	N/Ap	N/Ap	672	N/Ap	3,821	3,821

Capture Rates (found on page 57)

Targeted Population	30%	50%	60%	Market-rate	Other: 60%/Sec. 8	Overall
Capture Rate:	N/Ap	N/Ap	68.0%	N/Ap	12.0%	12.0%

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

1. **Project Address and Development Location:** The Subject is located at 3086 Middleton Road NW, Atlanta, Fulton County, Georgia 30311.
2. **Construction Type:** The Subject consists of 46 three story, garden-style buildings and one two-story clubhouse and leasing office. The buildings are wood frame with brick and vinyl siding exteriors and pitched roofs. The Subject was originally constructed in 1969.
3. **Occupancy Type:** Families.
4. **Special Population Target:** None.
5. **Number of Units by Bedroom Type and AMI Level:** See following property profile.
6. **Unit Size, Number of Bedrooms and Structure Type:** See following property profile.
7. **Rents and Utility Allowances:** See following property profile.
8. **Existing or Proposed Project-Based Rental Assistance:** Currently, the Subject operates as a Section 8/LIHTC development. Following renovations, 457 of the Subject’s 458 units will continue to benefit from the HAP contract (Section 8 Contract No. GA06-L000-077), which expires November 30, 2017, at which point the owner will apply for a one year renewal.
9. **Proposed Development Amenities:** See following property profile.

PROPERTY PROFILE - POST-REHAB												
Allen Hills												
Location	3086 Middleton Road NW Atlanta, GA 30311 Fulton County											
Distance	n/a											
Units	458											
Vacant Units	24											
Vacancy Rate	5.20%											
Type	Lowrise (2 stories)											
Year Built / Renovated	1969 / 2002											
Market												
Program	@60% (Section 8), Non-Rental					Leasing Pace	n/a					
Annual Turnover Rate	N/A					Change in Rent (Past Year)	n/a					
Units/Month Absorbed	n/a					Concession						
Section 8 Tenants	N/A											
Utilities												
A/C	not included – central					Other Electric	not included					
Cooking	not included – gas					Water	included					
Water Heat	not included – gas					Sewer	included					
Heat	not included – gas					Trash Collection	included					
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
2	1	Lowrise (2 stories)	310	734	\$905	\$0	@60% (Section 8)	No	17	5.5%	yes	
2	1	Lowrise (2 stories)	1	734	N/A	N/A	Non-Rental	n/a	0	0.0%	N/A	
2.5	1	Lowrise (2 stories)	14	734	\$990	\$0	@60% (Section 8)	No	2	14.3%	yes	
3	1	Lowrise (2 stories)	133	833	\$1,040	\$0	@60% (Section 8)	No	5	3.8%	yes	
Amenities												
In-Unit	Balcony/Patio Blinds Carpeting Coat Closet Dishwasher Oven Refrigerator Central A/C					Security	Perimeter Fencing					
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Off-Street Parking On-Site Management Playground Service Coordination Wi-Fi					Premium	none					
Services	none					Other	none					
Comments												
Rents listed above are the proposed current contract rents based on Novogradac's estimate.												

10. Scope of Renovations:

The Subject is proposed for renovation with low income housing tax credits (LIHTC). Renovations will reportedly have hard costs of renovations will reportedly be \$30,000 per unit, or \$13,740,000 for the entire property. The scope of renovation will include, but not be limited to the following:

- New kitchen and bathroom cabinets and counter tops
- New windows
- New roof
- New appliances
- New flooring
- New interior LED lighting
- New low flow toilets
- New low flow water faucets
- New paint
- Free wireless internet in units
- New Business Center

11. Current Rents:

Based on a rent roll received May 3, 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/LIHTC</i>						
2BR/1BA	734	310	\$783	\$0	\$802	\$90
2.5BR/1BA	734	14	\$833	\$0	\$789	\$187
3BR/1BA	833	133	\$833	\$0	\$718	\$74
<i>Manager's Unit</i>						
2BR/1BA	734	1	N/A	N/A	N/A	N/A
Total		458				

12. Current Occupancy:

The Subject is currently 94.8 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 4.1 percent in 2015 and 7.3 percent in 2016.

13. Current Tenant Income:

Most of the current tenants at the Subject have incomes that would be too low to income-qualify for the Subject without its current Section 8 contract. The majority of the current residents have incomes of less than \$15,000.

14. Placed in Service Date:

The Subject was originally constructed in the 1969 and received

LIHTC renovations in 2002. 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 April 2019.

Conclusion:

The Subject will be a good-quality brick and vinyl siding three-story walk-up, garden-style apartment complex, comparable to most of the inventory in the area. As a newly renovated property, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

PROJECT DESCRIPTION

1. **Date of Site Visit and Name of Inspector:** Brian Neukam inspected the site on September 14, 2017.

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

Frontage:

The Subject site has frontage along M.L.K. Jr. Drive Southwest and Allen Temple Court Northwest. An aerial photograph of the Subject site is below.

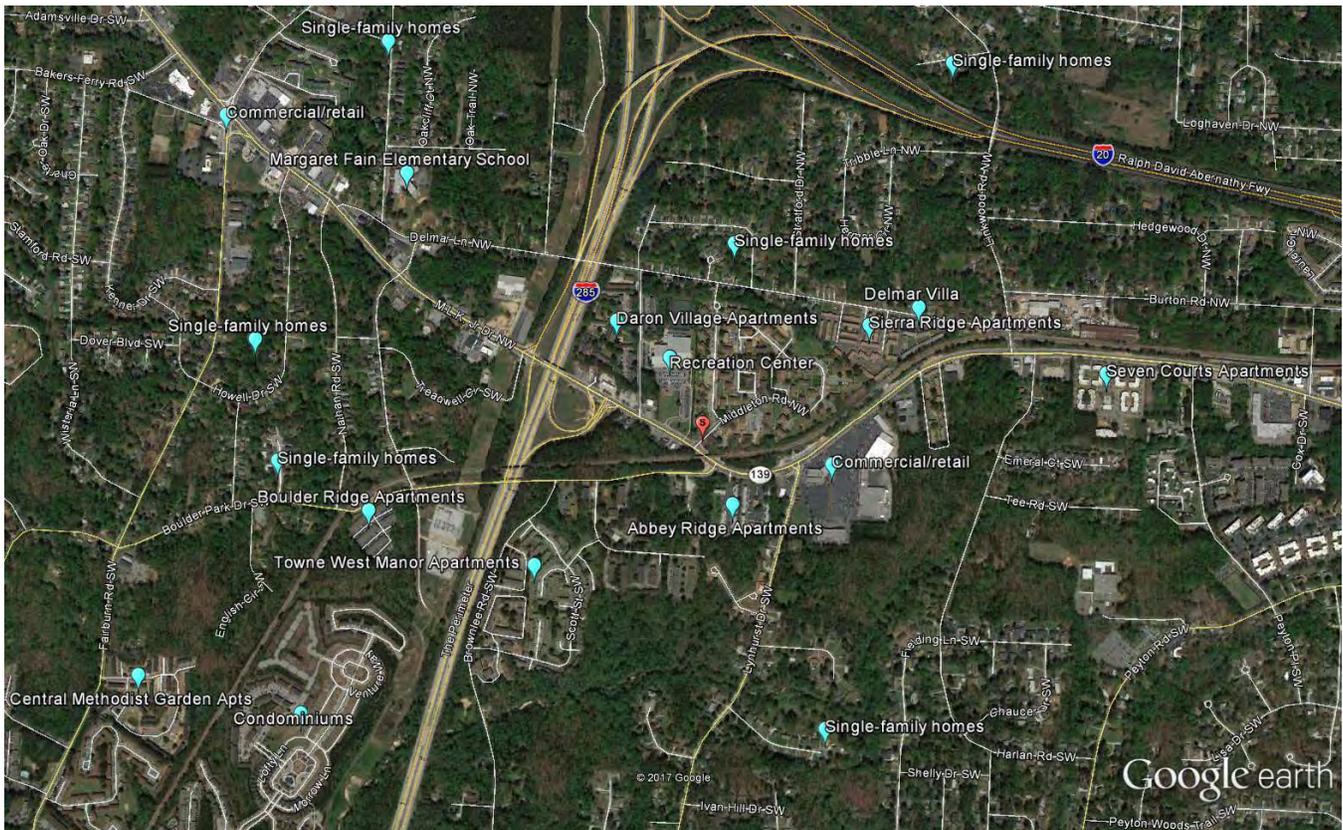


Visibility/Views:

The Subject has average visibility from M.L.K. Jr. Drive Southwest and good visibility from Allen temple Court Northwest, which serves as a private drive way for the Subject. Views to the north consist of single family homes in average condition and a vacant multifamily development in average condition. Views to the east consist of railroad tracks and commercial/retail uses in average condition. Views to the south consist of railroad tracks and Abby Ridge Apartments in average condition. Views to the west consist of the Adamsville Recreation Center in average condition. Views are considered average.

Surrounding Uses:

The following map illustrates the surrounding land uses.



Source: Google Earth, July 2017

The Subject site is located along M.L.K. Jr. Drive Southwest. Land use to the north single-family homes in average condition. Land use to the south consists of multifamily uses in average condition as well as undeveloped wooded land. Land use to the east consists of commercial/retail uses in average condition followed by undeveloped wooded land. Land use to the west consists of the Adamsville Recreation Center in average condition, commercial/retail uses in average condition, and Daron Village Apartments in average condition. The Subject site is considered “Somewhat Walkable” by Walkscore with a rating of 58 out of 100. The Subject site is considered to be in a desirable location for rental housing. The Subject site is located in a residential neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within 2.6 miles of the Subject.

Positive/Negative Attributes of Site:

The Subject is located within 85 feet of railroad tracks; however, the Subject is currently 94.8 percent occupied, as such, it appears that the Subject is not affected negatively by this attribute. The Subject is located within two miles from a variety of retail uses. The Subject lacks immediate access to a major interstate. However, this should not be considered a significant negative attribute.

3. **Physical Proximity to Locational Amenities:** The Subject is located within 2.0 miles of most locational amenities and many employment centers.
4. **Pictures of Site and Adjacent Uses:** The following are pictures of the Subject site and adjacent uses.



Subject signage on MLK Dr. SW



View of the Subject



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 Daycare



View of gated entry



Typical single-family home to the north



Typical single-family home to the north



View of recreation center to the west



View of recreation center to the west



View of Abbey Ridge Apartments to the south



View of Abbey Ridge Apartments to the south



View of typical commercial to the southeast



View of typical commercial to the southeast



View of typical commercial to the southeast



View of typical commercial to the southeast

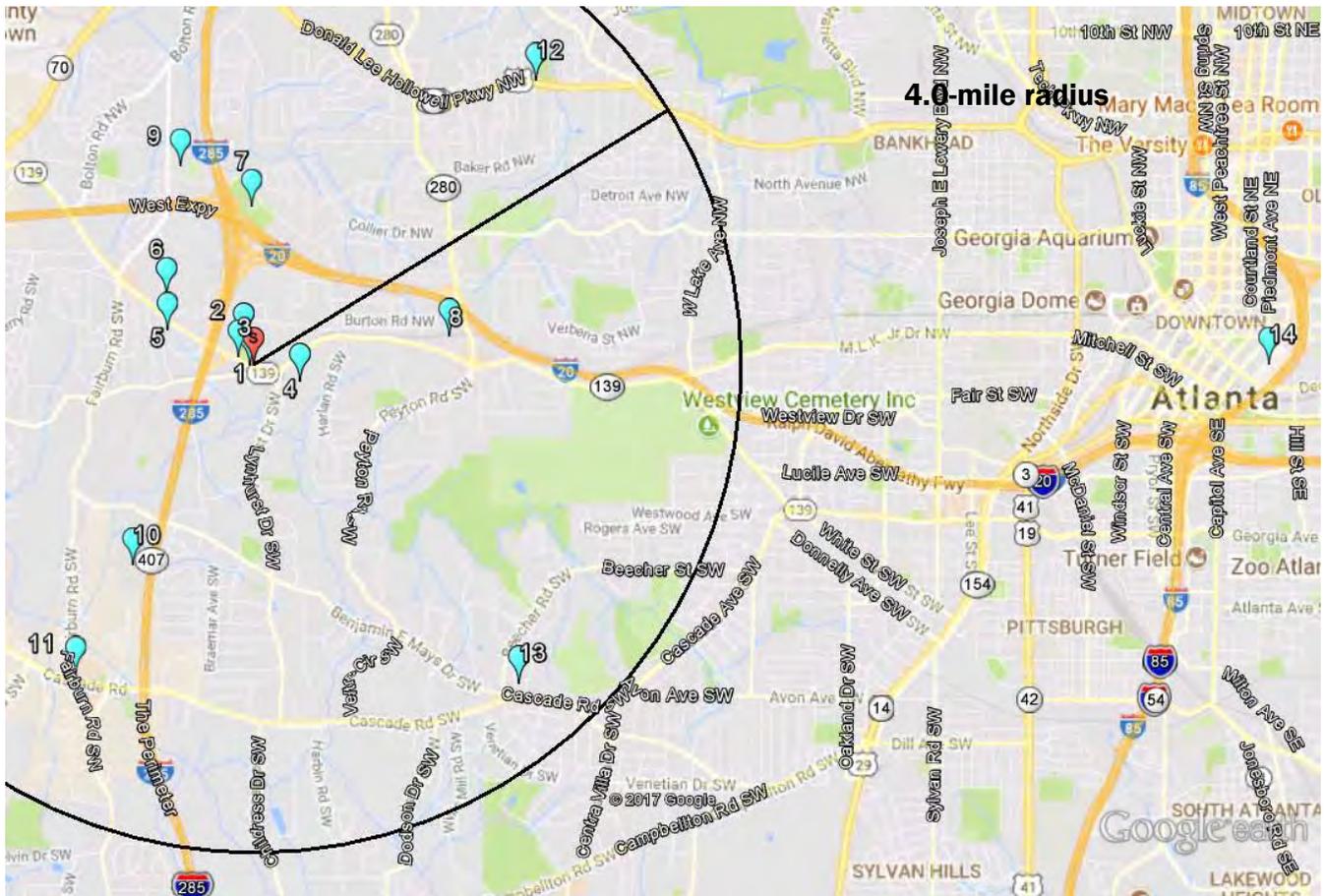


View northwest along M.L.K. Jr. SW



View southeast along M.L.K. Jr. SW

5. Proximity to Locational Amenities: The following table details the Subject’s distance from key locational amenities.



Source: Google Earth, July 2017

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance
1	Bus Stop	Adjacent
2	Adamsville Recreation Center	Adjacent
3	Quickmart Gas Station	0.1 miles
4	Wayfield Foods	0.3 miles
5	Adamsville-Collier Heights Library	0.6 miles
6	Margaret Fain Elementary School	0.7 miles
7	Dr. Mary Shy Scott Memorial Park	1.0 mile
8	Metro Stop	1.2 miles
9	Harper/Archer Middle School	1.3 miles
10	Benjamin E. Mays High School	1.4 miles
11	Wells Fargo Bank	2.2 miles
12	Atlanta Police Department	2.5 miles
13	Post Office	2.6 miles
14	Grady Memorial Hospital	6.3 miles

6. Description of Land Uses

The Subject site is located along M.L.K. Jr. Drive Southwest. Land use to the north single-family homes in average condition. Land use to the south consists of multifamily uses in average condition as well as undeveloped wooded land. Land use to the east consists of commercial/retail uses in average condition followed by undeveloped wooded land. Land use to the west consists of the Adamsville Recreation Center in average condition, commercial/retail uses in average condition, and Daron Village Apartments in average condition. The Subject site is considered “Somewhat Walkable” by Walkscore with a rating of 58 out of 100. The Subject site is considered to be in a desirable location for rental housing. The Subject site is located in a residential neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within 2.6 miles of the Subject.

7. Crime:

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

2016 CRIME INDICES

	PMA	SMA
Total Crime*	231	139
Personal Crime*	421	130
Murder	586	155
Rape	169	88
Robbery	596	163
Assault	360	118
Property Crime*	205	140
Burglary	244	147
Larceny	163	134
Motor Vehicle Theft	443	178

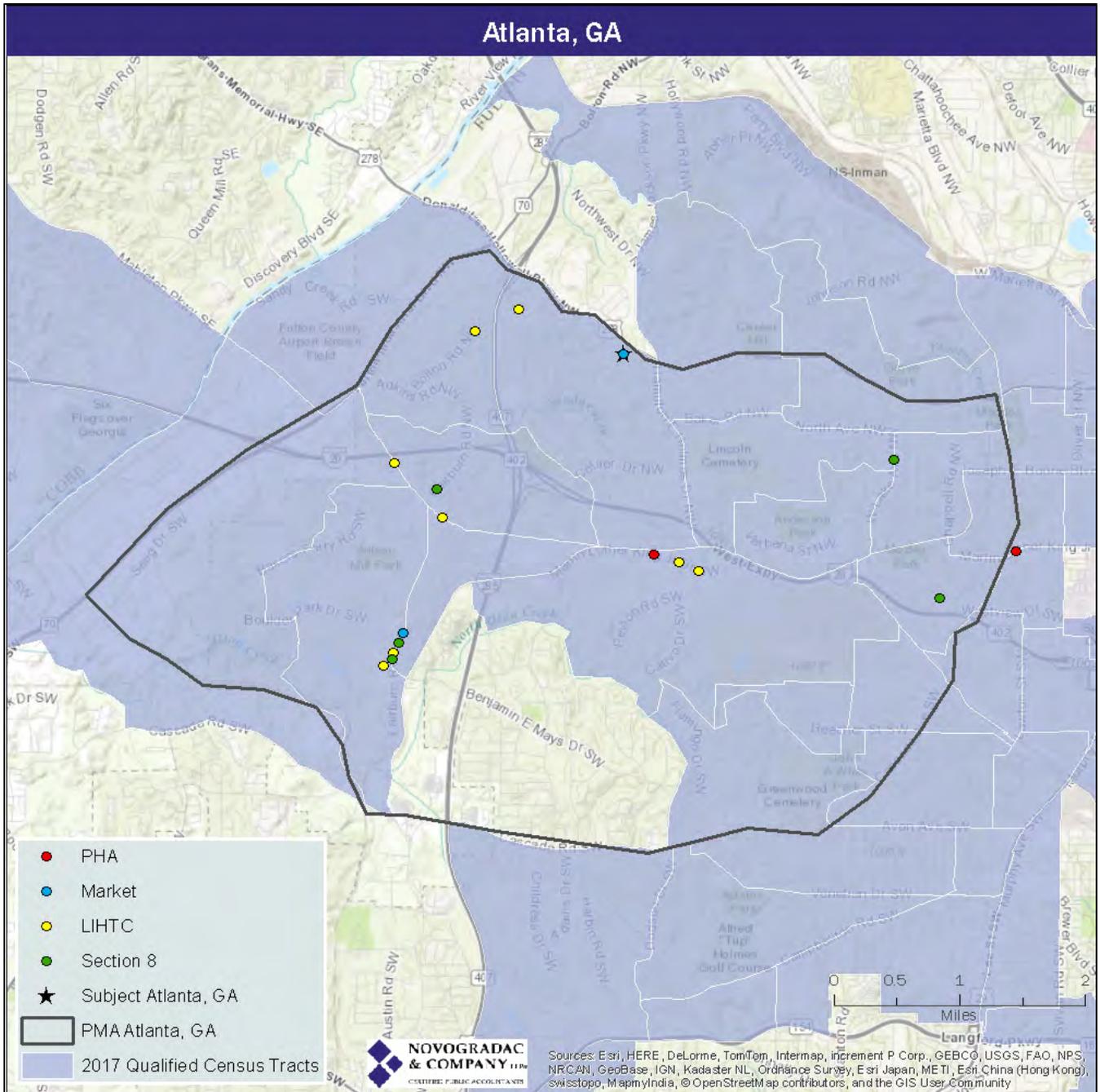
Source: Esri Demographics 2016, Novogradac & Company LLP, July 2017

*Unweighted aggregations

The crime indices in the PMA are significantly above that of the MSA and the nation. The Subject offers perimeter fencing as a security feature. Seven of the comparables offer some form of security feature. The remaining comparable property does not offer any form of security. Given the relatively high crime index indices in the Subject’s neighborhood, we believe the Subject’s security features will positively impact the marketability of the Subject.

8. Existing Assisted Rental Housing Property Map:

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



AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Map Color
Riverwood Club Apartments*	LIHTC	Atlanta	Family	144	Star
The Preserve at Collier Ridge	LIHTC	Atlanta	Family	419	Yellow
Hidden Hollow Apartments	LIHTC	Atlanta	Family	216	
Martin House at Adamsville Place	LIHTC	Atlanta	Senior	168	
Big Bethel Village	LIHTC	Atlanta	Senior	120	
Adamsville Green Senior	LIHTC	Atlanta	Senior	90	
Westview Lofts	LIHTC	Atlanta	Family	16	
Alta Pointe Apartments	LIHTC	Atlanta	Family	202	
Avalon Park - Family*	LIHTC/Market	Atlanta	Family	175	
Enclave At Webster Park*	LIHTC/Market	Atlanta	Family	230	
Seven Courts Apartments	LIHTC/PHA	Atlanta	Family	139	
Columbia Commons*	LIHTC/PHA	Atlanta	Family	158	
Peaks Of MLK*	LIHTC/PHA/Market	Atlanta	Family	183	
Central Methodist Garden Apartments	LIHTC/Section 8	Atlanta	Family	109	Blue
Avalon Park Senior	LIHTC/Section 8/Market	Atlanta	Senior	136	
Fairburn Townhouses	Section 8	Atlanta	Family	240	Green
Atlanta Manor	Section 8	Atlanta	Disabled	48	
Berean Village & Senior Service Center	Section 8	Atlanta	Senior	48	
Fairburn & Gordon II	Section 8	Atlanta	Family	160	
Silvertree Senior Atlanta Apartments	Section 8	Atlanta	Senior	97	

*Utilized as a comparable

- 9. Road, Infrastructure or Proposed Improvements:** We did not witness any road, infrastructure or proposed improvements during our fieldwork.
- 10. Access, Ingress-Egress and Visibility of Site:** The Subject site can be accessed from Allen Temple Court Northwest, which serves as a driveway for the Subject, and M.L.K. Jr. Drive Southwest. Allen Temple Court Northwest provides access to Delmar Lane Northwest, a lightly traveled neighborhood street. Delmar Lane Northwest provides access to Harwell Road Northwest, approximately 0.1 miles west of the Subject. Harwell Road Northwest is a lightly traveled neighborhood street that traverses north/south and provides access to M.L.K. Jr. Drive Southwest. M.L.K. Jr. Drive Southwest is a heavily traveled arterial that provides access to Interstate 285, approximately 0.3 miles west of the Subject. Interstate 285 traverses in a loop around the greater Atlanta area, and provides access to Interstate 20, approximately 0.8 miles to the north and Interstate 85, approximately 10 miles to the south. Interstate 20 traverses east/west and provides access to downtown Atlanta, approximately 5.9 miles to the east and Birmingham, Alabama, approximately 134 miles to the west. Interstate 85 traverses northeast/southwest and provides access to Montgomery, Alabama, approximately 142 miles to the southwest. Overall, access to the site is considered excellent, while visibility is considered fair.

11. Conclusion:

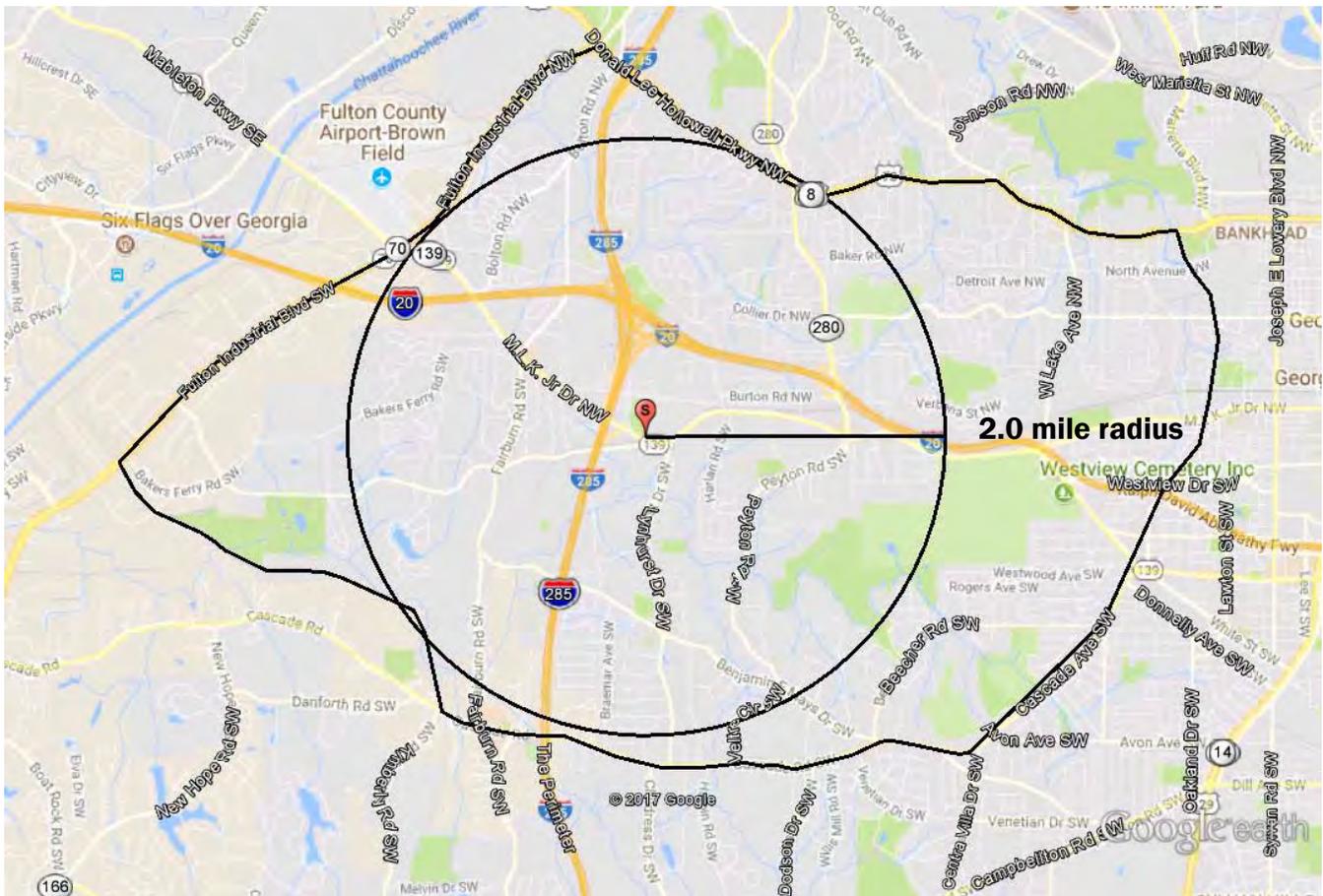
The Subject site is located along M.L.K. Jr. Drive Southwest and Allen Temple Court Northwest, which serves as a driveway for the Subject. The Subject site has fair visibility, but excellent accessibility from neighborhood thoroughfares. Surrounding uses consist of single-family, multifamily, commercial/retail uses, as well as undeveloped land. The Subject site is considered “Somewhat Walkable” by *Walkscore* with a rating of 58 out of 100. Crime risk indices in the Subject’s area are considered high. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, which are generally within 2.6 miles of the Subject site.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



Source: Google Earth, July 2017

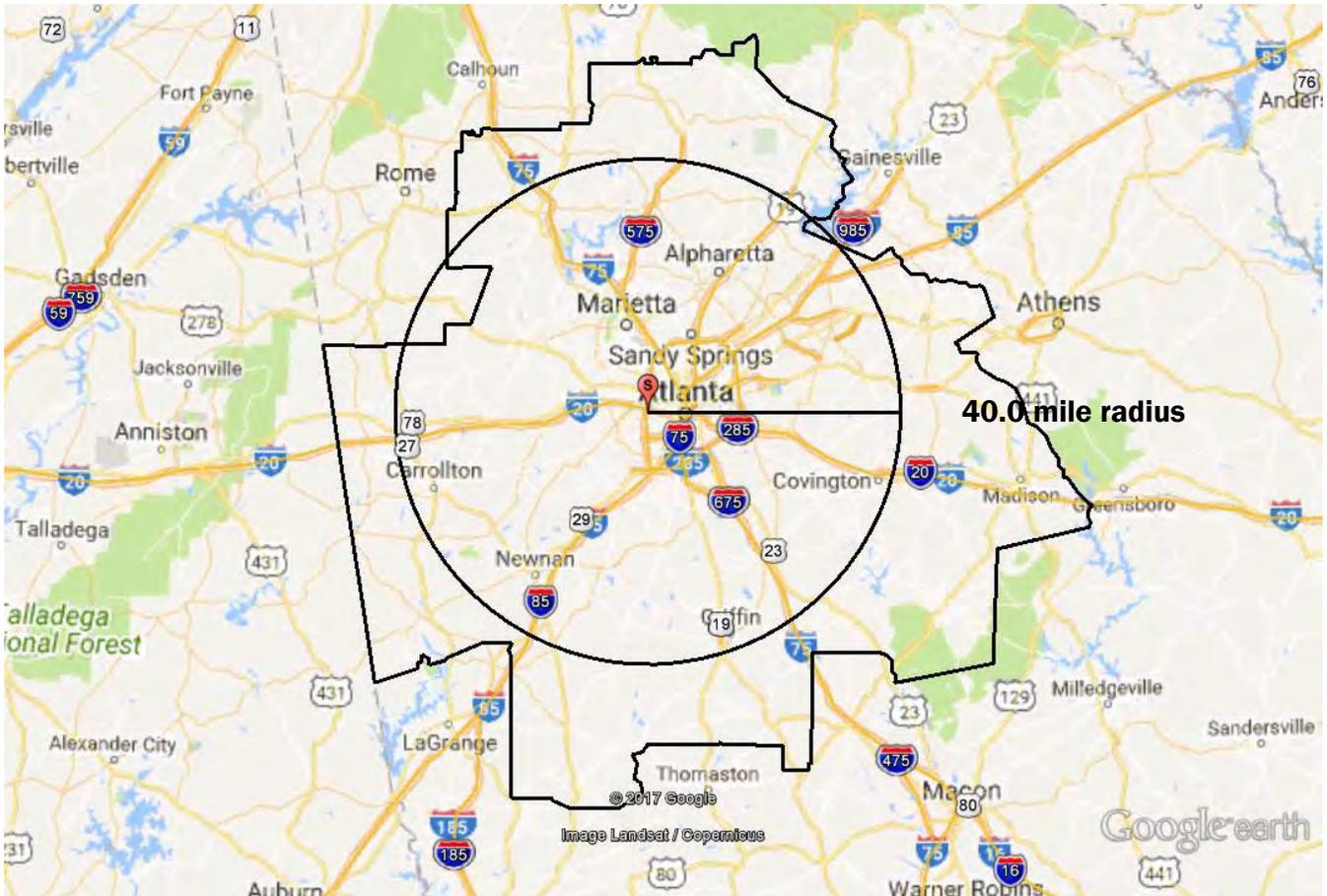
The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction.

The PMA is defined as a northwest portion of Atlanta. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	2.6 miles
East:	3.9 miles
South:	2.2 miles
West:	3.5 miles

The PMA was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject’s property manager. 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 3.9 miles. The secondary market area (SMA) for the Subject is the Atlanta-Sandy Springs-Roswell, Georgia Metropolitan Statistical Area (MSA), which is comprised of 30 counties. A map of the SMA follows.

Secondary Market Area Map



E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

1. Population Trends

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

1a. Total Population

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

Year	POPULATION					
	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	62,602	-	4,263,438	-	281,421,906	-
2010	53,991	-1.4%	5,286,728	2.4%	308,745,538	1.0%
2017	55,645	0.5%	5,665,958	1.1%	323,580,626	0.8%
Projected Mkt Entry	56,846	0.8%	5,884,501	1.4%	331,140,647	0.8%
2021	57,828	0.8%	6,063,308	1.4%	337,326,118	0.8%

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

Between 2000 and 2010 there was an approximate 1.4 percent annual decrease in the PMA and 2.4 percent increase 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 faster pace than the nation. Overall, sustained population growth in the PMA and SMA is a positive indication of continued demand for the Subject.

1b. Total Population by Age Group

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

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2016	Projected Mkt Entry April 2019	2021
0-4	4,269	3,927	3,863	3,905	3,940
5-9	4,823	3,658	3,793	3,814	3,831
10-14	4,887	3,546	3,659	3,752	3,828
15-19	4,577	3,961	3,557	3,630	3,689
20-24	4,398	3,706	3,672	3,531	3,416
25-29	4,251	3,436	3,522	3,550	3,573
30-34	3,993	3,155	3,474	3,523	3,563
35-39	4,315	3,107	3,113	3,315	3,480
40-44	4,331	3,080	3,102	3,195	3,271
45-49	4,141	3,442	3,255	3,246	3,239
50-54	3,549	3,698	3,525	3,509	3,495
55-59	2,978	3,476	3,633	3,634	3,634
60-64	3,013	2,873	3,394	3,520	3,623
65-69	2,655	2,306	2,913	3,147	3,339
70-74	2,262	2,249	2,445	2,701	2,910
75-79	1,745	1,825	1,994	2,084	2,158
80-84	1,273	1,283	1,335	1,389	1,434
85+	1,143	1,263	1,396	1,402	1,406
Total	62,603	53,991	55,645	56,846	57,829

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

POPULATION BY AGE GROUP

Age Cohort	SMA				
	2000	2010	2016	Projected Mkt Entry April 2019	2021
0-4	318,972	380,735	380,008	390,042	398,252
5-9	326,062	394,306	392,983	397,493	401,183
10-14	314,313	390,992	406,441	413,487	419,251
15-19	290,180	378,372	385,702	398,038	408,131
20-24	289,654	341,650	389,646	386,990	384,816
25-29	364,046	377,057	408,658	428,360	444,480
30-34	382,158	386,120	403,640	431,982	455,170
35-39	396,792	417,987	399,148	419,463	436,084
40-44	360,050	415,233	415,330	413,897	412,724
45-49	307,308	411,635	404,741	403,434	402,364
50-54	267,500	364,330	397,839	397,727	397,635
55-59	186,754	301,331	359,211	370,984	380,616
60-64	131,059	252,453	296,741	321,613	341,963
65-69	101,856	170,690	241,279	261,476	278,000
70-74	82,809	114,130	160,967	193,223	219,614
75-79	65,303	81,144	100,456	120,260	136,464
80-84	42,357	57,082	63,423	71,587	78,267
85+	36,265	51,481	59,745	64,447	68,294
Total	4,263,438	5,286,728	5,665,958	5,884,501	6,063,308

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

The largest age cohorts in the PMA, in 2016, are between the ages of zero through four, five through nine, and 10 through 14, which indicates the presence of families.

2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, (d) Renter Households by Size within the population in the MSA, the PMA and nationally from 2000 through 2021.

2a. Total Number of Households and Average Household Size

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

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	23,014	-	1,559,712	-	105,480,101	-
2010	20,836	-0.9%	1,943,885	2.5%	116,716,292	1.1%
2016	21,252	0.3%	2,065,785	1.0%	121,786,233	0.7%
Projected Mkt	21,655	0.7%	2,140,426	1.3%	124,485,652	0.8%
2021	21,985	0.7%	2,201,496	1.3%	126,694,268	0.8%

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

The total number of households in the PMA, from 2000 through 2010 declined at a rate of 0.9 percent per annum, compared to an increase of 2.5 percent annually in the total number of households in the SMA. Over the next five years, growth in the PMA is expected to lag behind growth in the SMA and the nation.

AVERAGE HOUSEHOLD SIZE

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.66	-	2.68	-	2.59	-
2010	2.54	-0.5%	2.68	0.0%	2.58	-0.1%
2016	2.56	0.2%	2.70	0.1%	2.59	0.1%
Projected Mkt	2.57	0.1%	2.71	0.1%	2.60	0.1%
2021	2.58	0.1%	2.72	0.1%	2.60	0.1%

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

The average household size in the PMA is slightly smaller than that of the SMA and the nation. Over the next five years, the average household size in the PMA is projected to slightly increase.

2b. Households by Tenure

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

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	11,996	52.1%	11,018	47.9%
2010	9,974	47.9%	10,862	52.1%
2016	9,112	42.9%	12,140	57.1%
Projected Mkt Entry	9,268	42.8%	12,388	57.2%
2021	9,395	42.7%	12,590	57.3%

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

TENURE PATTERNS SMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	1,041,714	66.8%	517,998	33.2%
2010	1,285,066	66.1%	658,819	33.9%
2016	1,282,688	62.1%	783,097	37.9%
Projected Mkt	1,328,037	62.1%	812,389	38.0%
2021	1,365,140	62.0%	836,356	38.0%

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

As the table illustrates, households within the PMA reside in predominately renter-occupied residences, while in the SMA, households reside in predominately owner-occupied residences. In 2016, 57.1 percent of households in the PMA are renter occupied, compared to only 37.9 percent of households being renter occupied in the SMA. Over the next five years, the number and percent of renter-occupied residences in the PMA and SMA are expected to increase slightly.

2c. Household Income

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

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2016		Projected Mkt Entry April 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,862	18.5%	3,763	17.7%	3,729	17.2%	3,701	16.8%
\$10,000-	4,026	19.3%	4,295	20.2%	4,235	19.6%	4,187	19.0%
\$20,000-	2,966	14.2%	3,150	14.8%	3,183	14.7%	3,210	14.6%
\$30,000-	2,593	12.4%	2,392	11.3%	2,414	11.1%	2,432	11.1%
\$40,000-	1,840	8.8%	2,129	10.0%	2,111	9.7%	2,096	9.5%
\$50,000-	1,486	7.1%	1,472	6.9%	1,536	7.1%	1,589	7.2%
\$60,000-	1,138	5.5%	1,424	6.7%	1,509	7.0%	1,579	7.2%
\$75,000-	1,456	7.0%	1,172	5.5%	1,266	5.8%	1,344	6.1%
\$100,000-	689	3.3%	631	3.0%	706	3.3%	767	3.5%
\$125,000-	315	1.5%	334	1.6%	388	1.8%	432	2.0%
\$150,000-	290	1.4%	283	1.3%	321	1.5%	352	1.6%
\$200,000+	176	0.8%	208	1.0%	257	1.2%	296	1.3%
Total	20,836	100.0%	21,252	100.0%	21,655	100.0%	21,985	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, July 2017

HOUSEHOLD INCOME DISTRIBUTION - SMA

Income Cohort	2010		2016		Projected Mkt Entry April 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	120,789	6.2%	139,219	6.7%	138,897	6.5%	138,634	6.3%
\$10,000-	166,281	8.6%	183,021	8.9%	180,557	8.4%	178,542	8.1%
\$20,000-	178,631	9.2%	194,000	9.4%	193,288	9.0%	192,706	8.8%
\$30,000-	190,744	9.8%	195,214	9.4%	195,048	9.1%	194,913	8.9%
\$40,000-	183,811	9.5%	187,287	9.1%	187,802	8.8%	188,223	8.5%
\$50,000-	163,409	8.4%	161,841	7.8%	165,879	7.7%	169,182	7.7%
\$60,000-	211,670	10.9%	207,295	10.0%	212,120	9.9%	216,069	9.8%
\$75,000-	256,994	13.2%	248,532	12.0%	258,715	12.1%	267,047	12.1%
\$100,000-	169,767	8.7%	174,646	8.5%	185,215	8.7%	193,862	8.8%
\$125,000-	100,460	5.2%	114,069	5.5%	125,207	5.8%	134,321	6.1%
\$150,000-	101,817	5.2%	120,311	5.8%	132,799	6.2%	143,016	6.5%
\$200,000+	99,511.5	5.1%	140,351	6.8%	164,898	7.7%	184,982	8.4%
Total	1,943,885	100.0%	2,065,785	100.0%	2,140,426	100.0%	2,201,496	100.0%

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

The Subject will target tenants earning between \$0 and \$47,940. As the table above depicts, approximately 52.7 percent of renter households in the PMA are earning incomes that are less than \$30,000. Similarly, 25.0 percent of renter households in the SMA are also earning less than \$30,000. For the projected market entry date of April 2019, these percentages are projected to decrease slightly to 51.5 percent in the PMA, and decrease slightly in the SMA to 23.9 percent.

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

The following table illustrates household size for all households in 2000, 2016, and 2021. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

	2000		2010		2016		Projected Mkt Entry April 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	3,102	28.2%	3,650	33.6%	4,281	35.3%	4,405	35.6%	4,507	35.8%
With 2 Persons	2,717	24.7%	2,628	24.2%	2,980	24.5%	3,030	24.5%	3,071	24.4%
With 3 Persons	2,102	19.1%	1,862	17.1%	2,021	16.7%	2,059	16.6%	2,090	16.6%
With 4 Persons	1,362	12.4%	1,151	10.6%	1,256	10.3%	1,276	10.3%	1,292	10.3%
With 5+ Persons	1,734	15.7%	1,572	14.5%	1,602	13.2%	1,617	13.1%	1,629	12.9%
Total Renter	11,018	100.0%	10,862	100.0%	12,140	100.0%	12,388	100.0%	12,590	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, July 2017

The majority of renter households in the PMA are one and two-person households.

Conclusion

Between 2000 and 2010 there was an approximate 1.4 percent annual decrease in the PMA and 2.4 percent increase in the SMA. Population in the PMA is anticipated to continue to grow through 2021, however, at a slower pace than the SMA. The current population of the PMA is 55,645 and is expected to increase slightly to 56,846 by 2021. Renter households are concentrated in the lowest income cohorts, with 52.7 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$47,940 for its LIHTC units. However, all units will continue to benefit from a Section 8 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.

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

The PMA is economically reliant on the healthcare/social assistance, accommodation/food services, and retail trade sectors. Employment levels decreased during the national recession. Total employment in Fulton County has increased at a moderate average rate of 1.3 percent a year since 2002. Total employment surpassed pre-recession highs in 2014 and has shown consistent year-over-year growth.

1. Total Jobs

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

TOTAL JOBS IN FULTON COUNTY, GEORGIA		
	Total Employment	% Change
2007	471,624	-
2008	447,358	-5.1%
2009	435,607	-2.6%
2010	438,277	0.6%
2011	457,132	4.3%
2012	470,102	2.8%
2013	471,745	0.3%
2014	480,695	1.9%
2015	491,362	2.2%
2016	511,452	4.1%
2017 YTD Average*	515,976	0.9%
May-16	501,635	-
May-17	519,614	3.6%

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

*YTD Average through May 2017

As illustrated in the table above, Fulton County experienced a weakening economy during the national recession. From 2008 through 2009, Fulton County lost 7.7 percent of its total employment. However, employment in the county has increased annually from 2010 through 2017 year-to-date. In addition, between May 2016 and May 2017, total employment has increased 3.6 percent.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Fulton County as of fourth quarter 2016.

COVERED EMPLOYMENT		
Fulton County, Georgia		
	Number	Percent
Total, all industries	47,255	-
Goods-producing	-	-
Natural resources and mining	51	0.1%
Construction	1,763	3.7%
Manufacturing	1,005	2.1%
Service-providing	-	-
Trade, transportation, and utilities	7,642	16.2%
Information	1,338	2.8%
Financial activities	5,770	12.2%
Professional and business services	12,749	27.0%
Education and health services	4,801	10.2%
Leisure and hospitality	4,205	8.9%
Other services	3,901	8.3%
Unclassified	4,030	8.5%

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

Professional and business services compose the largest industry cluster in the county. This cluster accounts for 27.0 percent of employment in Fulton County. Trade, transportation, and utilities is the second largest cluster with 16.2 percent of total employment, while financial activities composes the third largest industry cluster at 12.2 percent of total employment. While business services, financial activities, as well as utilities, generally remain stable during times of economic instability, trade and transportation has a tendency to be vulnerable in economic downturns. The following table illustrates employment by industry for the PMA as of fourth quarter 2016 (most recent data available).

2016 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Educational Services	2,567	12.1%	14,359,370	9.5%
Health Care/Social Assistance	2,558	12.1%	21,304,508	14.1%
Accommodation/Food Services	2,092	9.9%	11,574,403	7.6%
Retail Trade	1,977	9.3%	17,169,304	11.3%
Transportation/Warehousing	1,710	8.1%	6,128,217	4.0%
Public Administration	1,692	8.0%	7,093,689	4.7%
Admin/Support/Waste Mgmt Svcs	1,468	6.9%	6,511,707	4.3%
Other Services (excl Publ Adm)	1,260	5.9%	7,463,834	4.9%
Manufacturing	1,254	5.9%	15,499,826	10.2%
Construction	934	4.4%	9,342,539	6.2%
Finance/Insurance	872	4.1%	6,942,986	4.6%
Prof/Scientific/Tech Services	611	2.9%	10,269,978	6.8%
Wholesale Trade	595	2.8%	4,066,471	2.7%
Real Estate/Rental/Leasing	546	2.6%	2,946,196	1.9%
Information	492	2.3%	2,862,063	1.9%
Arts/Entertainment/Recreation	378	1.8%	3,416,474	2.3%
Utilities	132	0.6%	1,344,219	0.9%
Agric/Forestry/Fishing/Hunting	70	0.3%	2,253,044	1.5%
Mining	9	0.0%	749,242	0.5%
Mgmt of Companies/Enterprises	1	0.0%	89,612	0.1%
Total Employment	21,218	100.0%	151,387,682	100.0%

Source: Esri Demographics 2010, Novogradac & Company LLP, July 2017

The largest industries in the PMA are educational services, healthcare/social assistance, and accommodation/food services sectors. Positions in these industries account for 34.1 percent of all jobs in the area. The educational services, accommodation/food services, transportation/warehousing, public administration, and administrative/support/waste management services sectors are over represented in the PMA. Industries under-represented in the PMA include healthcare/social assistance, retail trade, manufacturing, and professional/scientific/tech services sectors. 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.

3. Major Employers

The chart below shows the largest employers in Atlanta/Fulton County, GA.

MAJOR EMPLOYERS - ATLANTA METRO AREA

#	Company	City	Industry	Number of Employees
1	Delta Air Lines Inc.	Atlanta	Transportation	31,237
2	Emory University	Atlanta	Educational/Healthcare	29,937
3	Wal-Mart Stores, Inc.	Various	Retail Trade	20,532
4	The Home Depot, Inc.	Various	Retail Trade	20,000
5	AT&T Inc.	Atlanta	Communications	17,882
6	The Kroger Company	Atlanta	Retail Trade	14,753
7	WellStar Health System	Various	Healthcare	13,500
8	Publix Super Markets, Inc.	Marietta	Retail Trade	9,494
9	United States Postal Service	Various	Government	9,385
10	Northside Hospital	Atlanta	Healthcare	9,016
11	The Coca-Cola Company	Atlanta	Retail Trade	8,761
12	United Parcel Service, Inc.	Various	Government	8,727
13	Piedmont Healthcare	Atlanta	Healthcare	8,707
14	Centers for Disease Control and Prevention	Atlanta	Healthcare	8,539
15	Children's Healthcare of Atlanta	Atlanta	Healthcare	7,452

Source: The Metro Atlanta Chamber of Commerce, July 2017

The Atlanta metro area is home to the world headquarters of corporations such as Coca-Cola, Home Depot, United Postal Service, Delta Air Lines, and Turner Broadcasting. The Atlanta metro area is also home to a number of post-secondary educational institutions including Clark Atlanta University, Georgia Institute of Technology, Georgia State University, Emory University, and others. Major employers in the Atlanta metro area represent a wide variety of industries including transportation, education, healthcare, retail trade, communications, and government. While healthcare, education, and government are historically stable industries, retail trade is historically unstable, especially during times of recession.

Expansions/Contractions

The following table illustrates business closures and layoffs within Atlanta since 2016, according to the Georgia Department of Labor’s Worker Adjustment and Retraining Notification (WARN) filings.

WARN NOTICES - ATLANTA, GA

Company	Date	Industry	Number Affected	Layoff/Closure
<i>2017</i>				
B&B Bachrach	8/6/2017	Investment Mgmt.	5	Layoff
Coca-Cola	7/15/2017	Beverage Mfg.	421	Layoff
Dollar Express	6/30/2017	Retail	65	Closure
Millwood, Inc.	6/30/2017	Manufacturing	97	Layoff
Sodexo	6/30/2017	Conglomerate	372	Layoff
Popeyes	6/19/2017	Restaurant	81	Layoff
International Fragrance & Tech	6/4/2017	Manufacturing	85	Layoff
ZEP Inc	6/1/2017	Manufacturing	158	Closure
bebe	5/27/2017	Retail	19	Closure
Sheraton Atlanta Airport Hotel	5/12/2017	Accommodations	145	Layoff
bebe	3/31/2017	Retail	25	Closure
Newell Brands	3/31/2017	Consumer Goods	258	Layoff
Burris Logistics	3/20/2017	Logistics	167	Closure
Windstream Communications	3/1/2017	Telecommunications	55	Layoff
DAL Global Services	2/1/2017	Aircraft Services	52	Closure
West Rock	1/20/2017	Manufacturing	66	Closure
Total			2,071	
<i>2016</i>				
Corizon Health	12/31/2016	Healthcare	208	Layoff
Coca-Cola European Partners	12/15/2016	Beverage Mfg.	89	Layoff
Hawker Beechcraft	11/30/2016	Aerospace Mfg.	42	Layoff
Holiday Inn Atlanta Perimeter	11/20/2016	Accommodations	43	Layoff
Aetna Healthcare	10/25/2016	Insurance	49	Layoff
EchoStar Technologies LLC	10/1/2016	Communications	137	Closure
Crawford and Company	9/30/2016	Insurance	5	Closure
Core Logic	8/29/2016	Finance	26	Layoff
Benchmark Brands, Inc.	8/11/2016	Manufacturing	156	Closure
Georgia Department of Agriculture	5/1/2016	Government	52	Layoff
Maslow Media Group	4/30/2016	Payroll Company	1	Layoff
Metro Atlanta Rapid Transit Authority	3/25/2016	Transportation	371	Layoff
Delta Global Services, LLC	3/15/2016	Staffing Company	275	Layoff
Masterack, Division of Leggett & Platt	2/29/2016	Manufacturing	121	Closure
American Residential Properties	2/29/2016	Real Estate	2	Closure
Advance Auto Parts	2/16/2016	Retail	8	Closure
Georgia State University	2/2/2016	Education	25	Layoff
INPAX Shipping Solutions	1/23/2016	Mail Courier	37	Layoff
Total			1,647	
Grand Total			3,718	

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

As illustrated in the above table, there have been 3,718 employees in the area impacted by layoffs or closures since 2016. Despite these job losses that have been reported, there has been growth occurring in the area.

We gathered information on recent local business expansions from the DeKalb County Economic Development Corporation and Development Authority of Fulton County which are detailed following.

EXPANSIONS/NEW ADDITIONS - DEKALB COUNTY 2016-2017 YTD

Company Name	Industry	Jobs
Home Chef	Manufacturing/Distribution	1,200
Sysnet Global Solutions	Cybersecurity	500
YRC Worldwide	Freight Terminal	60
Sifted	Catering Services	50
Phytobiotics	Manufacturing	25
UberOps	Security Systems	25
Carter Retail Equipment	Storage	10

Source: DeKalb County Economic Development Corporation, July 2017

EXPANSIONS/NEW ADDITIONS - FULTON COUNTY 2016-2017 YTD

Company Name	Industry	Jobs
Honeywell International	Manufacturing	800
GE Digital	Technology	250
Keysight Technologies	Manufacturing	241
magicjack	Technology	150
Deliv	Delivery Services	60
CapTech	IT Consulting	50
OnPay/Payroll Center	Payroll Services	50
Sifted	Catering Services	50
Anthem	Healthcare	25
Careers in Nonprofits	Staffing	25
EngagedMedia	Technology	25
Relx Systems	Supply Chain	25
Turkish Airlines	Transportation	25
Volantio	Research and Development	25
CMS Payments Intelligence	Payment Processing	15
The Garage	Technology Services	14

Source: Development Authority of Fulton County, July 2017

As illustrated, there were several additions in a variety of industries including manufacturing, cybersecurity, transportation, technology, software, and healthcare. From 2016 through 2017 year-to-date, there were a total of 3,700 jobs, which helps to counteract the 3,677 layoffs in the county during the same period.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Atlanta-Sandy Springs-Roswell, GA MSA from 2002 to 2017 year-to-date.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Atlanta-Sandy Springs-Roswell, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Unemployment Change	Total Employment	% Change	Unemployment Rate	Unemployment Change
2002	2,324,880	-	5.0%	-	136,485,000	-	5.8%	-
2003	2,347,173	1.0%	4.9%	-0.2%	137,736,000	0.9%	6.0%	0.2%
2004	2,382,163	1.5%	4.8%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	2,445,674	2.7%	5.4%	0.6%	141,730,000	1.8%	5.1%	-0.5%
2006	2,538,141	3.8%	4.7%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	2,618,825	3.2%	4.4%	-0.2%	146,047,000	1.1%	4.6%	0.0%
2008	2,606,822	-0.5%	6.2%	1.7%	145,363,000	-0.5%	5.8%	1.2%
2009	2,452,057	-5.9%	9.9%	3.8%	139,878,000	-3.8%	9.3%	3.5%
2010	2,440,037	-0.5%	10.3%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	2,486,895	1.9%	9.9%	-0.4%	139,869,000	0.6%	9.0%	-0.7%
2012	2,545,474	2.4%	8.8%	-1.1%	142,469,000	1.9%	8.1%	-0.9%
2013	2,573,040	1.1%	7.8%	-1.0%	143,929,000	1.0%	7.4%	-0.7%
2014	2,620,911	1.9%	6.8%	-1.0%	146,305,000	1.7%	6.2%	-1.2%
2015	2,684,068	2.4%	5.7%	-1.1%	148,833,000	1.7%	5.3%	-0.9%
2016	2,788,476	3.9%	5.1%	-0.6%	151,436,000	1.7%	4.9%	-0.4%
2017 YTD Average*	2,862,541	2.7%	4.8%	-0.3%	152,283,600	0.6%	4.6%	-0.3%
May-2016	2,783,022	-	4.7%	-	151,594,000	-	4.5%	-
May-2017	2,882,848	3.6%	4.5%	-0.2%	153,407,000	1.2%	4.1%	-0.4%

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

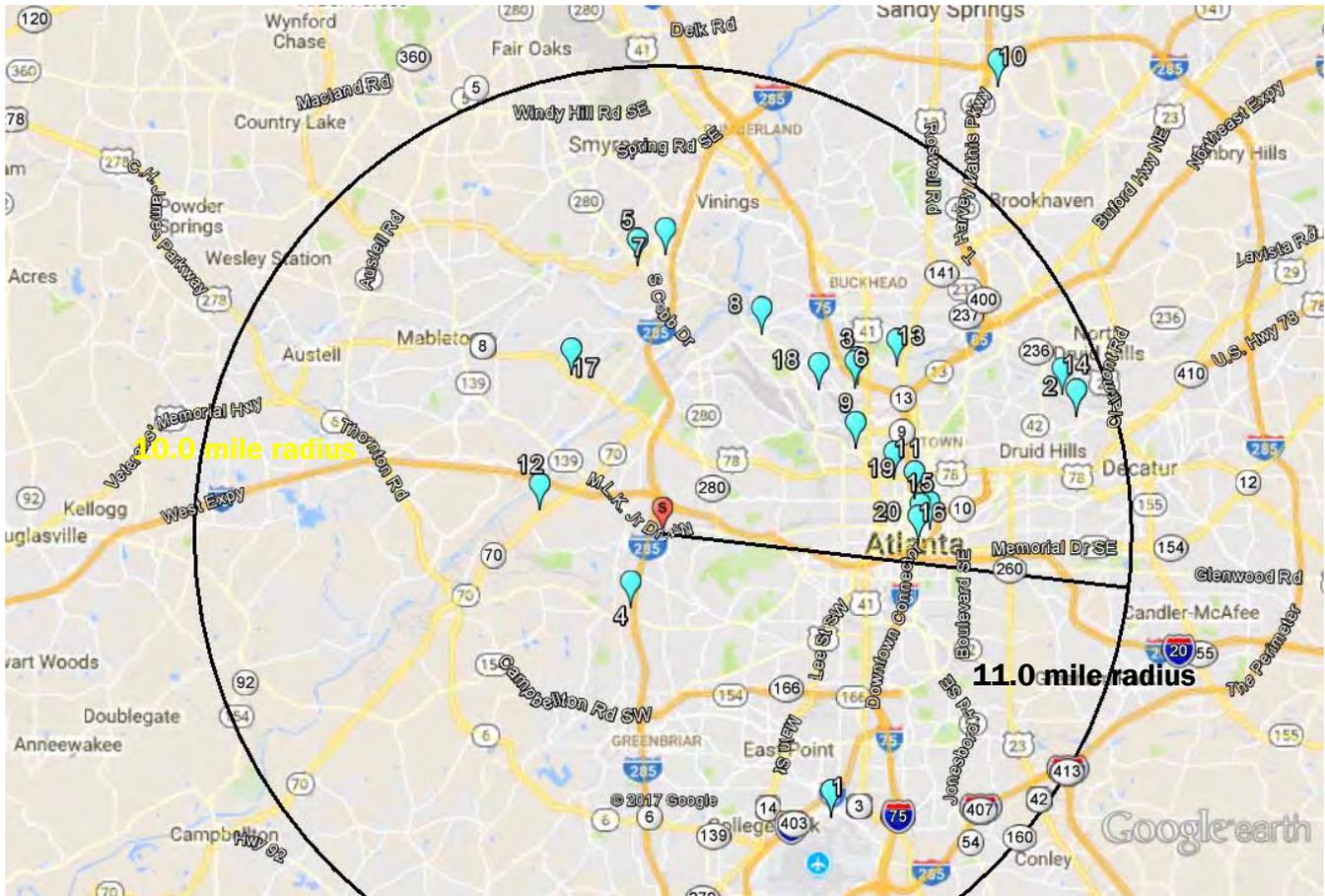
*2017 data is through May

The MSA 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 MSA has experienced annual employment growth from 2011 through 2017 year-to-date. In addition, from May 2016 to May 2017, total employment in the MSA increased 3.6 percent, compared to a 1.2 percent increase in the nation as a whole.

Historically, the unemployment rate in the SMA has been slightly higher than the national unemployment rate. During the recession, the MSA's unemployment rate increased at a slightly faster pace than national unemployment rate. The MSA's unemployment rate peaked in 2010 at 10.3 percent, which was 70 basis points higher than the national unemployment rate during this same year. While the unemployment rate has decreased annually since 2011, the unemployment rate in the MSA remains 40 basis points higher than the national average as of May 2017. Total employment surpassed pre-recession levels in 2014, but the unemployment rate remains higher than that of the nation, it does appear that the economy in the MSA has stabilized. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

5. Map of Site and Major Employment Concentrations

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



Source: Google Earth, July 2017

MAJOR EMPLOYERS – ATLANTA METRO AREA

#	Company	City	Industry	Number of Employees
1	Delta Air Lines Inc.	Atlanta	Transportation	31,237
2	Emory University	Atlanta	Educational/Healthcare	29,937
3	Wal-Mart Stores, Inc.	Various	Retail Trade	20,532
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7	WellStar Health System	Various	Healthcare	13,500
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12	United Parcel Service, Inc.	Various	Government	8,727
13	Piedmont Healthcare	Atlanta	Healthcare	8,707
14	Centers for Disease Control and Prevention	Atlanta	Healthcare	8,539
15	Children's Healthcare of Atlanta	Atlanta	Healthcare	7,452

Source: The Metro Atlanta Chamber of Commerce, July 2017

6. Conclusion

The largest industries in the PMA are educational services, healthcare/social assistance, accommodation/food services. Positions in these industries account for 34.1 percent of all jobs in the area. The four largest employers in the area are Delta Air Lines, Emory University/Emory Healthcare, Wal-Mart Stores, Inc., and The Home Depot. The educational services sector is resilient during periods of economic downturn. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2011 through 2017 year-to-date. In addition, from May 2016 to May 2017, total employment in the MSA increased 3.6 percent, compared to a 1.2 percent increase in the nation as a whole. While the unemployment rate has decreased annually since 2011, the unemployment rate in the MSA remains 40 basis points higher than the national average as of May 2017. Total employment surpassed pre-recession levels in 2014, but the unemployment rate remains higher than that of the nation, it does appear that the economy in the MSA has stabilized. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

G. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 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	
2BR/1BA	\$31,269	\$36,480	\$0	\$36,480
2.5BR/1BA	\$31,269	\$36,480	\$0	\$36,480
3BR/1BA	\$36,103	\$43,730	\$0	\$43,730

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, 2016 household

population estimates are inflated to 2019 by interpolation of the difference between 2016 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 2016 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. We were unable to identify any competitive units in the PMA which have been allocated, placed in service, or stabilizing between 2014 and present.

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
Daron Village Apartments*	Market	Family	100%*
Abby Ridge Apartments*	Market	Family	97.3%
Towne West Manor Apartments	Market	Family	N/Av
Park Commons Apartments	Market	Senior	97.0%
Dogwood Apartments*	Market	Family	100.0%
Seven Courts Apartments	LIHTC/PBRA	Family	100.0%
Faith Hill Apartments	Market	Family	92.9%
Avalon Park - Family*	LIHTC/Section 8/Market	Family	98.8%
The Preserve at Collier Ridge	LIHTC	Family	N/Av
Avalon Park Senior	LIHTC/Section 8/Market	Senior	98.0%
Riverwood Club Apartments*	LIHTC	Family	93.1%
Windsor Square Townhomes	Market	Family	N/Av
Hagos Park Apartments	Market	Family	N/Av
Collier Heights Apartments	Market	Family	100%*
Hidden Hollow Apartments	LIHTC	Family	N/Av
Central Methodist Garden Apartments	LIHTC/Section 8	Family	100.0%
Fairburn Townhouses	Section 8	Family	99.0%
Martin House at Adamsville Place	LIHTC	Senior	N/Av
Big Bethel Village	LIHTC	Senior	95.0%
Villas at Princeton Lake	Market	Family	N/Av
Adamsville Green Senior	LIHTC	Senior	100.0%
Westview Lofts	LIHTC	Family	100.0%
Alta Pointe Apartments	LIHTC	Family	93.0%
London Towne Houses	Market	Family	88.0%
Peaks Of MLK*	LIHTC/Market/PBRA	Family	N/Av
Atlanta Manor	Section 8	Disabled	100.0%
Berean Village & Senior Service Center	Section 8	Senior	100.0%
Fairburn & Gordon II	Section 8	Family	96.0%
Silvertree Senior Atlanta Apartments	Section 8	Senior	100.0%
Country Squire Apartments	Market	Family	N/Av
Columbia Commons*	LIHTC/Market/PBRA	Family	100.0%
The Greens at Cascade	Market	Family	95.0%

OVERALL PMA OCCUPANCY (CONT.)

Property Name	Program	Tenancy	Occupancy
Sussex Square Apartments	Market	Family	N/Av
Harvest Oak Apartments	Market	Family	N/Av
Enclave at Webster Park	LIHTC/Market	Family	92.0%
Harwell Townhouses	Market	Family	N/Av
Kelege Village Apartments	Market	Family	N/Av
Enclave on Cushman	Market	Family	N/Av
Harris & Favors Townhomes	Market	Family	N/Av
Hunter Terrace	Market	Family	N/Av
Goldmine Luxury Apartments	Market	Family	N/Av
Boulder Ridge Apartments	Market	Family	N/Av
Verbena Gardens	Market	Family	100.0%
Langhorn Street Apartments	Market	Family	N/Av
AppleBrook Garden Apartments	Market	Family	N/Av
Penelope Court	Market	Family	100.0%
Heritage Square	Market	Family	N/Av
Costa Rica Apartments	Market	Family	N/Av
Irene Court Apartments	Market	Family	N/Av
Dolphin Court Apartments	Market	Family	N/Av
Palace Gate Townhomes	Market	Family	N/Av
Average			97.3%

*Undergoing renovations. All available units have been leased.

The average occupancy rate of competitive developments in the PMA is 97.3 percent.

Rehab Developments and PBRA

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

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

Of the Subject's 458 units, 457 will benefit from Section 8 rental assistance and these units are therefore presumed leasable while the remaining unit will operate as a non-revenue generating managers unit/leasing office.

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 April 2019 were illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2016		Projected Mkt Entry		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2787.72	25.7%	3,029	24.9%	3,014	24.3%	3,002	23.8%
\$10,000-	2364.41	21.8%	2,738	22.6%	2,738	22.1%	2,737	21.7%
\$20,000-	1729.45	15.9%	2,015	16.6%	2,046	16.5%	2,071	16.4%
\$30,000-	1505.41	13.9%	1,525	12.6%	1,546	12.5%	1,563	12.4%
\$40,000-	690.256	6.4%	943	7.8%	956	7.7%	966	7.7%
\$50,000-	566.315	5.2%	616	5.1%	640	5.2%	661	5.2%
\$60,000-	366.103	3.4%	542	4.5%	587	4.7%	623	4.9%
\$75,000-	297.458	2.7%	247	2.0%	283	2.3%	312	2.5%
\$100,000-	252.649	2.3%	190	1.6%	224	1.8%	251	2.0%
\$125,000-	84.8519	0.8%	136	1.1%	155	1.2%	170	1.4%
\$150,000-	142.055	1.3%	99	0.8%	115	0.9%	129	1.0%
\$200,000+	75.318	0.7%	61	0.5%	86	0.7%	106	0.8%
Total	10,862	100.0%	12,140	100.0%	12,388	100.0%	12,590	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, July 2017

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

Minimum Income Limit		\$0		Maximum Income Limit		\$43,730	
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	60.22	24.3%	9,999	100.0%	60		
\$10,000-19,999	54.70	22.1%	9,999	100.0%	55		
\$20,000-29,999	40.87	16.5%	9,999	100.0%	41		
\$30,000-39,999	30.88	12.5%	9,999	100.0%	31		
\$40,000-49,999	19.10	7.7%	3,730	37.3%	7		
\$50,000-59,999	12.79	5.2%					
\$60,000-74,999	11.72	4.7%					
\$75,000-99,999	5.65	2.3%					
\$100,000-124,999	4.47	1.8%					
\$125,000-149,999	3.09	1.2%					
\$150,000-199,999	2.30	0.9%					
\$200,000+	1.71	0.7%					
Total	248	100.0%			194		

POTENTIAL HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITH SUBSIDY

Minimum Income Limit		\$0		Maximum Income Limit		\$43,730	
Income Category	Total Renter Households PMA Prj Mrkt Entry April 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	3013.83	24.3%	9,999	100.0%	3014		
\$10,000-19,999	2737.59	22.1%	9,999	100.0%	2738		
\$20,000-29,999	2045.72	16.5%	9,999	100.0%	2046		
\$30,000-39,999	1545.75	12.5%	9,999	100.0%	1546		
\$40,000-49,999	955.73	7.7%	3,730	37.3%	357		
\$50,000-59,999	640.33	5.2%					
\$60,000-74,999	586.63	4.7%					
\$75,000-99,999	282.85	2.3%					
\$100,000-124,999	223.51	1.8%					
\$125,000-149,999	154.73	1.2%					
\$150,000-199,999	115.10	0.9%					
\$200,000+	85.73	0.7%					
	12,388	100.0%			9,699		

ASSUMPTIONS - 60% AMI WITH SUBSIDY

Tenancy		Family
Urban/Rural		Urban
% of Income Towards Housing		35%
Maximum # of Occupants		5
Persons In Household	2BR	3BR
1	100%	0%
2	100%	40%
3	60%	40%
4	20%	80%
5+	0%	100%

Demand from New Renter Households 2016 to Prj Mrkt Entry April 2019

Income Target Population	Section 8
New Renter Households PMA	248
Percent Income Qualified	78.3%
New Renter Income Qualified Households	194

Demand from Existing Households 2016

Demand form Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	12,388
Income Qualified	78.3%
Income Qualified Renter Households	9,699
Percent Rent Overburdened Prj Mrkt Entry April 2019	36.5%
Rent Overburdened Households	3,538

Demand from Living in Substandard Housing

Income Qualified Renter Households	9,699
Percent Living in Substandard Housing	0.9%
Households Living in Substandard Housing	89

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	3,627
Total New Demand	194
Total Demand (New Plus Existing Households)	3,821

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	35.6%	1,359
Two Persons	24.5%	935
Three Persons	16.6%	635
Four Persons	10.3%	394
Five Persons	13.1%	499
Total	100.0%	3,821

Capture Rate: 60% - Absent Subsidy

To place Person Demand into Bedroom Type Units

Of one-person households in 2BR units	100%	1,359
Of two-person households in 2BR units	100%	935
Of three-person households in 2BR units	60%	381
Of four-person households in 2BR units	20%	79
Of three-person households in 3BR units	40%	254
Of four-person households in 3BR units	80%	315
Of five-person households in 3BR units	100%	499
Total Demand		3,821

	Total Demand (Subject Unit Type)		Additions to Supply		Net Demand
2BR	2,753	-	0	=	2,753
3BR	1,068	-	0	=	1,068
Total	3,821		0		3,821

	Developers Unit Mix		Net Demand		Capture Rate
2BR	324	/	2,753	=	11.8%
3BR	133	/	1,068	=	12.5%
Total	457		3,821		12.0%

60% AMI – Absent Subsidy

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

Minimum Income Limit		\$31,269		Maximum Income Limit		\$43,730	
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	60.22	24.3%					
\$10,000-19,999	54.70	22.1%					
\$20,000-29,999	40.87	16.5%					
\$30,000-39,999	30.88	12.5%	8,730	87.3%		27	
\$40,000-49,999	19.10	7.7%	3,730	37.3%		7	
\$50,000-59,999	12.79	5.2%					
\$60,000-74,999	11.72	4.7%					
\$75,000-99,999	5.65	2.3%					
\$100,000-124,999	4.47	1.8%					
\$125,000-149,999	3.09	1.2%					
\$150,000-199,999	2.30	0.9%					
\$200,000+	1.71	0.7%					
Total	248	100.0%				34	

POTENTIAL HOUSEHOLD DEMAND BY INCOME COHORT - 60% ABSENT SUBSIDY

Minimum Income Limit		\$31,269		Maximum Income Limit		\$43,730	
Income Category	Total Renter Households PMA Prj Mrkt Entry April 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	3013.83	24.3%					
\$10,000-19,999	2737.59	22.1%					
\$20,000-29,999	2045.72	16.5%					
\$30,000-39,999	1545.75	12.5%	8,730	87.3%		1350	
\$40,000-49,999	955.73	7.7%	3,730	37.3%		357	
\$50,000-59,999	640.33	5.2%					
\$60,000-74,999	586.63	4.7%					
\$75,000-99,999	282.85	2.3%					
\$100,000-124,999	223.51	1.8%					
\$125,000-149,999	154.73	1.2%					
\$150,000-199,999	115.10	0.9%					
\$200,000+	85.73	0.7%					
	12,388	100.0%				1,706	

ASSUMPTIONS - 60% AMI ABSENT SUBSIDY

Tenancy		Family
Urban/Rural		Urban
% of Income Towards Housing		35%
Maximum # of Occupants		5
Persons In Household	2BR	3BR
1	100%	0%
2	100%	40%
3	60%	40%
4	20%	80%
5+	0%	100%

Demand from New Renter Households 2016 to Prj Mrkt Entry April 2019

Income Target Population	60%
New Renter Households PMA	248
Percent Income Qualified	13.8%
New Renter Income Qualified Households	34

Demand from Existing Households 2016

Demand form Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	12,388
Income Qualified	13.8%
Income Qualified Renter Households	1,706
Percent Rent Overburdened Prj Mrkt Entry April 2019	36.5%
Rent Overburdened Households	622

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,706
Percent Living in Substandard Housing	0.9%
Households Living in Substandard Housing	16

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	638
Total New Demand	34
Total Demand (New Plus Existing Households)	672

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	35.6%	239
Two Persons	24.5%	164
Three Persons	16.6%	112
Four Persons	10.3%	69
Five Persons	13.1%	88
Total	100.0%	672

Capture Rate: 60% - Absent Subsidy

To place Person Demand into Bedroom Type Units

Of one-person households in 2BR units	100%	239
Of two-person households in 2BR units	100%	164
Of three-person households in 2BR units	60%	67
Of four-person households in 2BR units	20%	14
Of three-person households in 3BR units	40%	45
Of four-person households in 3BR units	80%	55
Of five-person households in 3BR units	100%	88
Total Demand		672

	Total Demand (Subject Unit Type)		Additions to Supply		Net Demand
2BR	484	-	0	=	484
3BR	188	-	0	=	188
Total	672		0		672

	Developers Unit Mix		Net Demand		Capture Rate
2BR	324	/	484	=	66.9%
3BR	133	/	188	=	70.8%
Total	457		672		68.0%

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 0.2 percent between 2016 and 2021. This represents an increase of 450 households.
- The Subject is able to attract a wide range of household sizes in offering two and three-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

	HH at 60% AMI - With Subsidy (\$0 to \$43,730 income)	HH at 60% AMI - Absent Subsidy (\$36,480 to \$43,730 income)
Demand from New Households (age and income appropriate)	194	34
PLUS	+	+
Demand from Existing Renter Households - Substandard Housing	89	16
PLUS	+	+
Demand from Existing Renter Households - Rent Overburdened Households	3,538	622
PLUS	+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0
Sub Total	3,821	672
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0
Equals Total Demand	3,821	672
Less	-	-
Competitive New Supply	0	0
Equals Net Demand	3,821	672

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Minimum Market Rent	Maximum Market Rent	Proposed Rents
2BR at 60% AMI/Sec. 8	\$0	\$36,480	310	2,753	0	2,753	11.8%	13-14 months	\$910	\$735	\$1,037	\$769
2BR at 60% AMI	\$31,269	\$36,480	310	484	0	484	66.9%	18-21 months	\$910	\$735	\$1,037	\$769
2.5BR at 60% AMI/Sec. 8	\$0	\$36,480	14	3,821	0	3,821	11.8%	One month	\$1,144	\$1,011	\$1,163	\$721
2.5BR at 60% AMI	\$31,269	\$36,480	14	672	0	672	66.9%	One month	\$0	\$1,011	\$1,163	\$721
3BR at 60% AMI/Sec. 8	\$0	\$43,730	133	1,068	0	1,068	12.5%	6-7 months	\$1,144	\$1,011	\$1,163	\$874
3BR at 60% AMI	\$36,103	\$43,730	133	188	0	188	70.8%	8-9 months	\$1,144	\$1,011	\$1,163	\$874
Overall - With Subsidy	\$0	\$43,730	457	3,821	0	3,821	12.0%	19-22 months	-	-	-	-
Overall - Absent Subsidy	\$31,269	\$43,730	457	672	0	672	68.0%	27-30 months	-	-	-	-

As the analysis illustrates, the Subject's capture rates at the 60 percent AMI level with subsidy will range from 11.8 to 12.5 percent, with an overall capture rate of 12.0 percent. Absent subsidy, the Subject's capture rates at the 60 percent AMI level will range from 66.9 to 70.8 percent, with an overall capture rate of 68.0 percent. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight “true” comparable properties containing 1,212 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered average; we have included five comparable properties which offer LIHTC units, all of which are located in within the PMA. It should be noted that two of the comparable LIHTC properties feature Public Housing components. Columbia Commons consists of 158-units, 48 of which are set-aside as Public Housing units, while the remaining units are offered at 50 and 54 percent AMI and market rate. Peaks of MLK consists of 183-units, 73 of which feature Project-Based-Rental Assistance (PBRA), while the remaining units are offered at 50 and 60 percent AMI as well as offering market rate units. Due to the lack of “true” LIHTC comparables in the PMA and surrounding areas, it was necessary to utilize these two comparable properties despite Public Housing components in-place. We believe these comparables are the most comparable properties in the area as they target families, and are located in generally similar areas in terms of access to amenities and employment opportunities.

Finally, it is of note that 457 of the Subjects 478 units currently benefit from a Housing Assistance Program (HAP) contract while the remaining unit will operate as a non-revenue generating managers unit/leasing office. 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 0.9 and 1.9 miles from the Subject.

The availability of market rate data is considered good. The Subject is located in Atlanta, and there are multiple comparable market rate properties in the area. We have included three conventional market rate properties in our analysis of the competitive market. The market rate properties are located in the PMA, within 0.1 and 0.8 miles from the Subject. The comparables were built between 1969 and 1974. We were unable to identify any new construction market rate properties in the area. Overall, we believe the market rate property we have used in our analysis is the most comparable. Other market rate properties were excluded based on condition, design or tenancy.

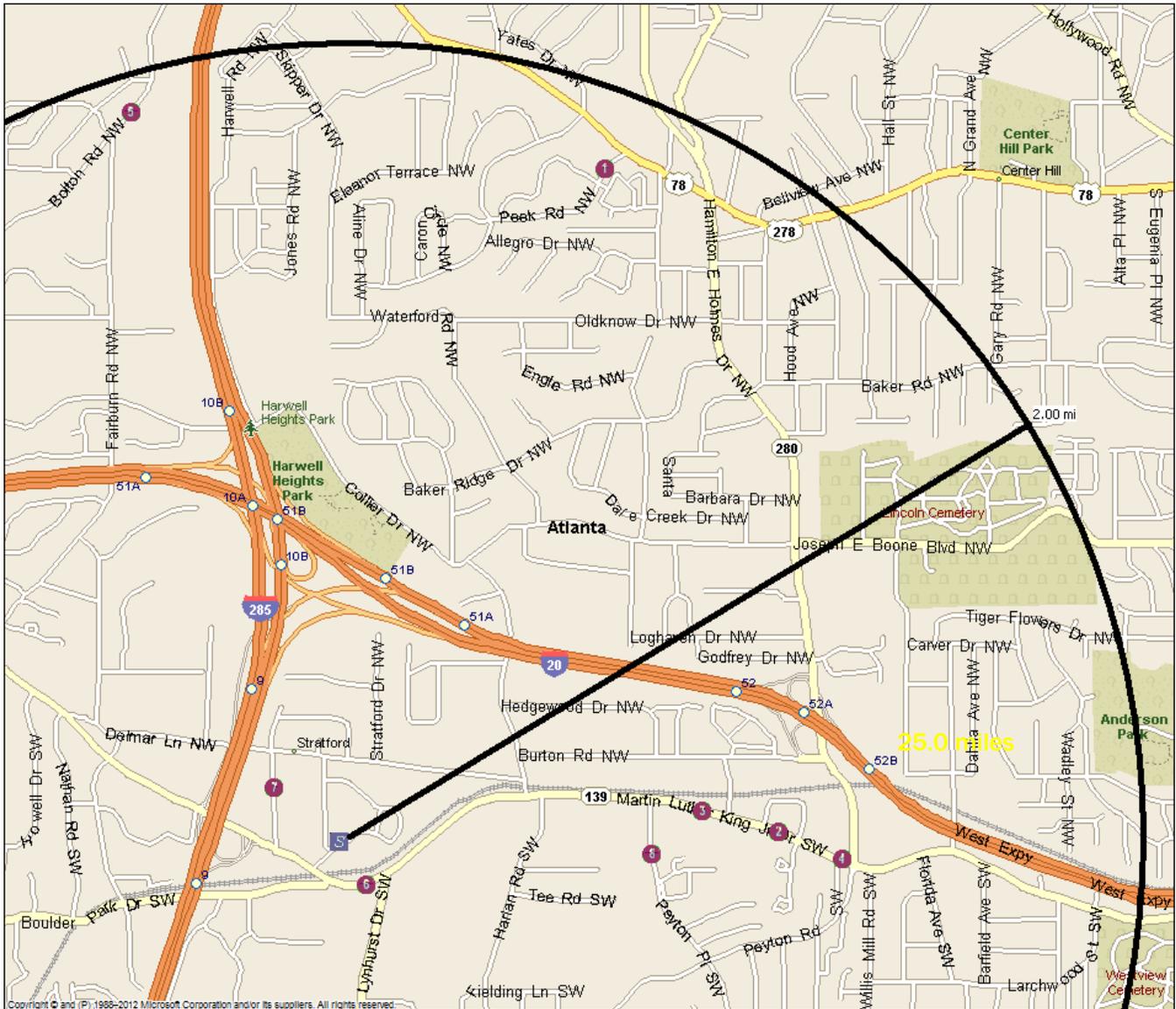
Excluded Properties

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

EXCLUDED PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
Towne West Manor Apartments	Market	330 Brownlee Rd SW	Family	108	Unable to contact
Park Commons Apartments	Market	180 Peyton Pl SW	Senior	332	Tenancy
Seven Courts Apartments	LIHTC/PBRA	2800 M.L.K. Jr Dr NW	Family	139	More comparable properties
Faith Hill Apartments	Market	2046 Joseph E. Boone Blvd NW	Family	14	More comparable properties
The Preserve at Collier Ridge	LIHTC	1021 Harwell Rd NW	Family	419	Unable to contact
Avalon Park Senior	LIHTC/Section 8/Market	2798 W Peek Rd NW	Senior	136	Tenancy
Windsor Square Townhomes	Market	3804 M.L.K. Jr Dr NW	Family	124	Unable to contact
Hagos Park Apartments	Market	3815 M.L.K. Jr Dr SW	Family	136	Unable to contact
Collier Heights Apartments	Market	2125 Joseph E. Boone Blvd NW	Family	336	Unable to contact
Hidden Hollow Apartments	LIHTC	415 Fairburn Rd SW	Family	216	Unable to contact
Central Methodist Garden Apartments	LIHTC/Section 8	320 Fairburn Rd SW	Family	109	More comparable properties
Fairburn Townhouses	Section 8	400 Fairburn Rd SW	Family	240	More comparable properties
Martin House at Adamsville Place	LIHTC	3724 M.L.K. Jr Dr SW	Senior	168	Unable to contact
Big Bethel Village	LIHTC	500 Richard Allen Blvd	Senior	120	Tenancy
Villas at Princeton Lake	Market	751 Fairburn Rd SW	Family	210	Unable to contact
Adamsville Green Senior	LIHTC	3537 M.L.K. Jr Dr SW	Senior	90	Tenancy
Westview Lofts	LIHTC	528 Ralph David Abernathy Blvd SW	Family	16	More comparable properties
Alta Pointe Apartments	LIHTC	2640 M.L.K. Jr Dr SW	Family	202	More comparable properties
London Towne Houses	Market	308 Scott St SW	Family	200	More comparable properties
Atlanta Manor	Section 8	450 Fairburn Rd SW	Disabled	48	Tenancy
Berean Village & Senior Service Center	Section 8	230 Westview Pl SW	Senior	48	Tenancy
Fairburn & Gordon II	Section 8	213 Fairburn Rd NW	Family	160	More comparable properties
Silvertree Senior Atlanta Apartments	Section 8	359 W Lake Ave NW	Senior	97	Tenancy
Country Squire Apartments	Market	4375 Cascade Rd	Family	260	Unable to contact
The Greens at Cascade	Market	4355 Cascade Rd	Family	160	More comparable properties
Sussex Square Apartments	Market	4341 Cascade Rd SW	Family	88	More comparable properties
Harvest Oak Apartments	Market	2980 Delmar Ln NW	Family	76	More comparable properties
Harwell Townhouses	Market	87 Harwell Rd NW	Family	22	More comparable properties
Kelege Village Apartments	Market	3669 M.L.K. Jr Dr SW	Family	28	More comparable properties
Enclave on Cushman	Market	3164 Cushman Cir SW	Family	48	More comparable properties
Harris & Favors Townhomes	Market	120 NW Harwell Rd	Family	16	More comparable properties
Hunter Terrace	Market	241 Troy St NW	Family	15	More comparable properties
Goldmine Luxury Apartments	Market	383 Lanier St	Family	4	More comparable properties
Boulder Ridge Apartments	Market	3440 Boulder Park Dr SW,	Family	120	More comparable properties
Verbena Gardens	Market	2190 Verbena St NW	Family	23	More comparable properties
Langhorn Street Apartments	Market	565 Langhorn St	Family	10	More comparable properties
AppleBrook Garden Apartments	Market	399 Holly St NW	Family	52	More comparable properties
Penelope Court	Market	294 Penelope Dr NW	Family	20	More comparable properties
Heritage Square	Market	1300 Mayson Turner Rd NW	Family	43	More comparable properties
Costa Rica Apartments	Market	345 Lanier St	Family	16	More comparable properties
Irene Court Apartments	Market	2410 Benjamin E Mays Dr SW,	Family	32	More comparable properties
Dolphin Court Apartments	Market	1140 Dolphin Dr SW	Family	88	More comparable properties
Palace Gate Townhomes	Market	3781 M.L.K. Jr Dr SW	Family		More comparable properties

Comparable Rental Property Map



COMPARABLE PROPERTIES

Map #	Property Name	Location	Program	Distance
1	Avalon Park - Family	Atlanta	LIHTC/Market	1.8 miles
2	Columbia Commons	Atlanta	LIHTC/PHA	1.1 miles
3	Enclave At Webster Park	Atlanta	LIHTC/Market	0.9 miles
4	Peaks Of MLK	Atlanta	LIHTC/PHA/Market	1.2 miles
5	Riverwood Club Apartments	Atlanta	LIHTC	1.9 miles
6	Abbey Ridge	Atlanta	Market	0.1 miles
7	Daron Village	Atlanta	Market	0.2 miles
8	Dogwood Apartments	Atlanta	Market	0.8 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate				
1	Avalon Park - Family 2798 Peek Rd Atlanta, GA 30318 Fulton County	1.8 miles	Garden (3 stories) 2008 / n/a	LIHTC/Market	1BR / 1BA	7	4.0%	@30%	\$281	700	yes	Yes	0	0.0%				
					1BR / 1BA	11	6.3%	@50%	\$558	700	yes	Yes	0	0.0%				
					1BR / 1BA	11	6.3%	@60%	\$697	700	no	Yes	0	0.0%				
					1BR / 1BA	11	6.3%	Market	\$861	700	n/a	No	0	0.0%				
					2BR / 1BA	15	8.6%	@30%	\$307	1,044	yes	Yes	0	0.0%				
					2BR / 1BA	25	14.3%	@50%	\$640	1,044	yes	Yes	0	0.0%				
					2BR / 1BA	31	17.7%	@60%	\$807	1,044	no	Yes	0	0.0%				
					2BR / 1BA	29	16.6%	Market	\$976	1,044	n/a	No	1	3.4%				
					3BR / 2BA	5	2.9%	@30%	\$323	1,218	yes	Yes	0	0.0%				
					3BR / 2BA	8	4.6%	@50%	\$708	1,218	yes	Yes	0	0.0%				
					3BR / 2BA	11	6.3%	@60%	\$900	1,218	no	Yes	0	0.0%				
					3BR / 2BA	11	6.3%	Market	\$1,163	1,218	n/a	No	1	9.1%				
										175	100.0%						2	1.1%
					2	Columbia Commons 2524 Martin Luther King Drive Atlanta, GA 30311 Fulton County	1.1 miles	Garden (3 stories) 2003 / n/a	LIHTC/PHA	2BR / 2BA	6	3.8%	@50%	\$772	1,222	yes	No	0
2BR / 2BA	17	10.8%	@54%	\$839						1,222	yes	No	0	0.0%				
2BR / 2BA	58	36.7%	Market	\$1,002						1,222	n/a	No	0	0.0%				
2BR / 2BA	2	1.3%	Non-Rental	N/A						1,222	n/a	No	0	0.0%				
2BR / 2BA	36	22.8%	Public housing	N/A						1,222	n/a	Yes	0	0.0%				
3BR / 2BA	2	1.3%	@50%	\$897						1,432	yes	No	0	0.0%				
3BR / 2BA	6	3.8%	@54%	\$974						1,432	yes	No	0	0.0%				
3BR / 2BA	19	12.0%	Market	\$1,149						1,432	n/a	No	0	0.0%				
3BR / 2BA	12	7.6%	Public housing	N/A						1,432	n/a	Yes	0	0.0%				
										158	100.0%						0	0.0%
3	Enclave At Webster Park 2640 Martin Luther King Drive Atlanta, GA 30311 Fulton County	0.9 miles	Garden (3 stories) 2003 / n/a	LIHTC/Market						1BR / 1BA	35	15.2%	@60%	\$834	803	yes	No	N/A
					1BR / 1BA	11	4.8%	Market	\$860	803	n/a	No	N/A	N/A				
					2BR / 2BA	93	40.4%	@60%	\$1,023	1,103	yes	No	N/A	N/A				
					2BR / 2BA	29	12.6%	Market	\$1,037	1,103	n/a	No	N/A	N/A				
					3BR / 2BA	46	20.0%	@60%	\$1,154	1,277	yes	No	N/A	N/A				
					3BR / 2BA	16	7.0%	Market	\$1,163	1,277	n/a	No	N/A	N/A				
										230	100.0%						9	3.9%
4	Peaks Of MLK 2423 Martin Luther King Drive Atlanta, GA 30311 Fulton County	1.2 miles	Garden (3 stories) 2004 / n/a	LIHTC/PHA/Market	1BR / 1BA	7	3.8%	@50%	\$610	847	yes	No	0	0.0%				
					1BR / 1BA	21	11.5%	@60%	\$748	847	yes	No	0	0.0%				
					1BR / 1BA	9	4.9%	Market	\$835	847	n/a	No	0	0.0%				
					1BR / 1BA	N/A	N/A	Section 8 (Project Based Rental Assistance - PBRA)	N/A	847	n/a	Yes	0	N/A				
					2BR / 2BA	19	10.4%	@50%	\$723	1,162	yes	No	0	0.0%				
					2BR / 2BA	54	29.5%	@60%	\$862	1,162	yes	No	0	0.0%				
					2BR / 2BA	25	13.7%	Market	\$1,017	1,162	n/a	No	0	0.0%				
					2BR / 2BA	N/A	N/A	Section 8 (Project Based Rental Assistance - PBRA)	N/A	1,162	n/a	Yes	0	N/A				
					3BR / 2BA	9	4.9%	@50%	\$825	1,394	yes	No	0	0.0%				
					3BR / 2BA	27	14.8%	@60%	\$1,037	1,394	yes	No	0	0.0%				
					3BR / 2BA	12	6.6%	Market	\$1,139	1,394	n/a	No	0	0.0%				
					3BR / 2BA	N/A	N/A	Section 8 (Project Based Rental Assistance - PBRA)	N/A	1,394	n/a	Yes	0	N/A				
										183	100.0%						0	0.0%
					5	Riverwood Club Apartments 901 Bolton Road NW Atlanta, GA 30331 Fulton County	1.9 miles	Garden (2 stories) 1997 / n/a	LIHTC	1BR / 1BA	60	41.7%	@60%	\$635	690	no	None	4
2BR / 1BA	77	53.5%	@60%	\$650						1,035	no	None	5	6.5%				
2BR / 1.5BA	7	4.9%	@60%	\$780						1,035	no	None	1	14.3%				
										144	100.0%						10	6.9%
6	Abbey Ridge 3136 Martin Luther King Jr. Drive SW Atlanta, GA 30311 Fulton County	0.1 miles	Garden (2 stories) 1969 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$650	750	n/a	No	0	N/A				
					2BR / 1BA	N/A	N/A	Market	\$735	850	n/a	No	3	N/A				
										112	100.0%						3	2.7%
7	Daron Village 62 Harwell Road NW Atlanta, GA 30311 Fulton County	0.2 miles	Various 1970 / Ongoing	Market	2BR / 2BA (Garden)	N/A	N/A	Market	\$772	900	n/a	No	N/A	N/A				
					2BR / 2BA (Townhouse)	N/A	N/A	Market	\$917	1,100	n/a	No	N/A	N/A				
					2BR / 2BA (Townhouse)	N/A	N/A	Market	\$852	1,100	n/a	No	N/A	N/A				
					130	100.0%							51	39.2%				
8	Dogwood Apartments 95 Peyton Place Atlanta, GA 30311 Fulton County	0.8 miles	Lowrise (2 stories) 1974 / n/a	Market	1BR / 1BA	8	10.0%	Market	\$730	800	n/a	No	0	0.0%				
					2BR / 1BA	48	60.0%	Market	\$858	1,100	n/a	No	0	0.0%				
					2BR / 1.5BA	20	25.0%	Market	\$934	1,400	n/a	No	0	0.0%				
					3BR / 2BA	4	5.0%	Market	\$1,011	1,350	n/a	No	0	0.0%				
					80	100.0%							0	0.0%				

ALLEN HILLS – ATLANTA, GEORGIA– MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date:		May-17	Units Surveyed:	1,212	Weighted Occupancy:	93.8%
			Market Rate	322	Market Rate	83.2%
			Tax Credit	890	Tax Credit	97.6%
Two Bedrooms One Bath		Two Bedrooms and a Den One Bath		Three Bedrooms One Bath		
	Property	Average	Property	Average	Property	Average
RENT	Enclave At Webster Park * (2BA M)	\$1,037	Allen Hills * (60%)	\$721	Avalon Park - Family * (2BA M)	\$1,163
	Enclave At Webster Park * (2BA 60%)	\$1,023			Enclave At Webster Park * (2BA M)	\$1,163
	Peaks Of MLK * (2BA M)	\$1,017			Enclave At Webster Park * (2BA 60%)	\$1,154
	Columbia Commons * (2BA M)	\$1,002			Columbia Commons * (2BA M)	\$1,149
	Avalon Park - Family * (M)	\$976			Peaks Of MLK * (2BA M)	\$1,139
	Daron Village (2BA)	\$917			Peaks Of MLK * (2BA 60%)	\$1,037
	Peaks Of MLK * (2BA 60%)	\$862			Dogwood Apartments (2BA)	\$1,011
	Dogwood Apartments	\$858			Columbia Commons * (2BA 54%)	\$974
	Daron Village (2BA)	\$852			Avalon Park - Family * (2BA 60%)	\$900
	Columbia Commons * (2BA 54%)	\$839			Columbia Commons * (2BA 50%)	\$897
	Avalon Park - Family * (60%)	\$807			Allen Hills * (60%)	\$874
	Columbia Commons * (2BA 50%)	\$772			Peaks Of MLK * (2BA 50%)	\$825
	Daron Village (2BA)	\$772			Avalon Park - Family * (2BA 50%)	\$708
	Allen Hills * (60%)	\$769			Avalon Park - Family * (2BA 30%)	\$323
	Abbey Ridge	\$735				
	Peaks Of MLK * (2BA 50%)	\$723				
	Riverwood Club Apartments * (60%)	\$650				
	Avalon Park - Family * (50%)	\$640				
	Avalon Park - Family * (30%)	\$307				
	SQUARE FOOTAGE	Columbia Commons * (2BA 50%)	1,222	Allen Hills * (60%)	734	Columbia Commons * (2BA 50%)
Columbia Commons * (2BA 54%)		1,222			Columbia Commons * (2BA 54%)	1,432
Columbia Commons * (2BA M)		1,222			Columbia Commons * (2BA M)	1,432
Peaks Of MLK * (2BA 50%)		1,162			Peaks Of MLK * (2BA 50%)	1,394
Peaks Of MLK * (2BA 60%)		1,162			Peaks Of MLK * (2BA 60%)	1,394
Peaks Of MLK * (2BA M)		1,162			Peaks Of MLK * (2BA M)	1,394
Enclave At Webster Park * (2BA 60%)		1,103			Dogwood Apartments (2BA)	1,350
Enclave At Webster Park * (2BA M)		1,103			Enclave At Webster Park * (2BA 60%)	1,277
Daron Village (2BA)		1,100			Enclave At Webster Park * (2BA M)	1,277
Daron Village (2BA)		1,100			Avalon Park - Family * (2BA 30%)	1,218
Dogwood Apartments		1,100			Avalon Park - Family * (2BA 50%)	1,218
Avalon Park - Family * (30%)		1,044			Avalon Park - Family * (2BA 60%)	1,218
Avalon Park - Family * (50%)		1,044			Avalon Park - Family * (2BA M)	1,218
Avalon Park - Family * (60%)		1,044			Allen Hills * (60%)	833
Avalon Park - Family * (M)		1,044				
Riverwood Club Apartments * (60%)		1,035				
Daron Village (2BA)		900				
Abbey Ridge		850				
Allen Hills * (60%)		734				
RENT PER SQUARE FOOT		Allen Hills * (60%)	\$1.05	Allen Hills * (60%)	\$0.98	Allen Hills * (60%)
SQUARE FOOT	Enclave At Webster Park * (2BA M)	\$0.94			Avalon Park - Family * (2BA M)	\$0.95
	Avalon Park - Family * (M)	\$0.93			Enclave At Webster Park * (2BA M)	\$0.91
	Enclave At Webster Park * (2BA 60%)	\$0.93			Enclave At Webster Park * (2BA 60%)	\$0.90
	Peaks Of MLK * (2BA M)	\$0.88			Peaks Of MLK * (2BA M)	\$0.82
	Abbey Ridge	\$0.86			Columbia Commons * (2BA M)	\$0.80
	Daron Village (2BA)	\$0.86			Dogwood Apartments (2BA)	\$0.75
	Daron Village (2BA)	\$0.83			Peaks Of MLK * (2BA 60%)	\$0.74
	Columbia Commons * (2BA M)	\$0.82			Avalon Park - Family * (2BA 60%)	\$0.74
	Dogwood Apartments	\$0.78			Columbia Commons * (2BA 54%)	\$0.68
	Daron Village (2BA)	\$0.77			Columbia Commons * (2BA 50%)	\$0.63
	Avalon Park - Family * (60%)	\$0.77			Peaks Of MLK * (2BA 50%)	\$0.59
	Peaks Of MLK * (2BA 60%)	\$0.74			Avalon Park - Family * (2BA 50%)	\$0.58
	Columbia Commons * (2BA 54%)	\$0.69			Avalon Park - Family * (2BA 30%)	\$0.27
	Columbia Commons * (2BA 50%)	\$0.63				
	Riverwood Club Apartments * (60%)	\$0.63				
	Peaks Of MLK * (2BA 50%)	\$0.62				
	Avalon Park - Family * (50%)	\$0.61				
	Avalon Park - Family * (30%)	\$0.29				

PROPERTY PROFILE REPORT

Avalon Park - Family

Effective Rent Date	7/19/2017
Location	2798 Peek Rd Atlanta, GA 30318 Fulton County
Distance	1.8 miles
Units	175
Vacant Units	2
Vacancy Rate	1.1%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	10/01/2007
Last Unit Leased	N/A
Major Competitors	Peaks at MLK, Columbia Commons
Tenant Characteristics	Mixed tenancy, mostly young families.
Contact Name	Glennis
Phone	404-799-3131



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	33%
Units/Month Absorbed	17
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Market rate increased 6 to 9%
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	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	7	700	\$259	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	11	700	\$536	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	11	700	\$675	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	11	700	\$839	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	15	1,044	\$273	\$0	@30%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	25	1,044	\$606	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	31	1,044	\$773	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	29	1,044	\$942	\$0	Market	No	1	3.4%	N/A	None
3	2	Garden (3 stories)	5	1,218	\$276	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	8	1,218	\$661	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	11	1,218	\$853	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	11	1,218	\$1,116	\$0	Market	No	1	9.1%	N/A	None

Avalon Park - Family, continued

Trend Report

Vacancy Rates

3Q15	2Q16	2Q17	3Q17
0.0%	1.1%	1.7%	1.1%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$259	\$0	\$259	\$281
2016	2	0.0%	\$259	\$0	\$259	\$281
2017	2	0.0%	\$259	\$0	\$259	\$281
2017	3	0.0%	\$259	\$0	\$259	\$281

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$273	\$0	\$273	\$307
2016	2	0.0%	\$273	\$0	\$273	\$307
2017	2	0.0%	\$273	\$0	\$273	\$307
2017	3	0.0%	\$273	\$0	\$273	\$307

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$276	\$0	\$276	\$323
2016	2	0.0%	\$276	\$0	\$276	\$323
2017	2	0.0%	\$276	\$0	\$276	\$323
2017	3	0.0%	\$276	\$0	\$276	\$323

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$675	\$0	\$675	\$697
2016	2	0.0%	\$675	\$0	\$675	\$697
2017	2	0.0%	\$675	\$0	\$675	\$697
2017	3	0.0%	\$675	\$0	\$675	\$697

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$773	\$0	\$773	\$807
2016	2	0.0%	\$773	\$0	\$773	\$807
2017	2	0.0%	\$773	\$0	\$773	\$807
2017	3	0.0%	\$773	\$0	\$773	\$807

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$853	\$0	\$853	\$900
2016	2	0.0%	\$853	\$0	\$853	\$900
2017	2	0.0%	\$853	\$0	\$853	\$900
2017	3	0.0%	\$853	\$0	\$853	\$900

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$536	\$0	\$536	\$558
2016	2	0.0%	\$536	\$0	\$536	\$558
2017	2	0.0%	\$536	\$0	\$536	\$558
2017	3	0.0%	\$536	\$0	\$536	\$558

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$606	\$0	\$606	\$640
2016	2	0.0%	\$606	\$0	\$606	\$640
2017	2	0.0%	\$606	\$0	\$606	\$640
2017	3	0.0%	\$606	\$0	\$606	\$640

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$661	\$0	\$661	\$708
2016	2	0.0%	\$661	\$0	\$661	\$708
2017	2	0.0%	\$661	\$0	\$661	\$708
2017	3	0.0%	\$661	\$0	\$661	\$708

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$720	\$0	\$720	\$742
2016	2	0.0%	\$819	\$0	\$819	\$841
2017	2	9.1%	\$839	\$0	\$839	\$861
2017	3	0.0%	\$839	\$0	\$839	\$861

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$820	\$0	\$820	\$854
2016	2	3.4%	\$979	\$0	\$979	\$1,013
2017	2	0.0%	\$999	\$0	\$999	\$1,033
2017	3	3.4%	\$942	\$0	\$942	\$976

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,116	\$0	\$1,116	\$1,163
2016	2	9.1%	\$1,149	\$0	\$1,149	\$1,196
2017	2	18.2%	\$1,179	\$0	\$1,179	\$1,226
2017	3	9.1%	\$1,116	\$0	\$1,116	\$1,163

Trend: Comments

- 3Q15 The property manager stated that the waiting list comprises 301 households. Between first and second quarter 2015 the waiting list increased by 270 households. The contact also stated that demand for affordable housing in the Atlanta area is very high. Management at the property reported achieving maximum allowable rents.
- 2Q16 The property manager stated that the waiting list is a few month in length for LIHTC units. The contact stated that demand for affordable housing in the Atlanta area is very high. Management indicated that LIHTC rents are still at maximum allowable levels, and she is not aware of any scheduled rent increase for 2016, but indicated the market could likely support a small rent increase. The property does not accept vouchers for any units.
- 2Q17 The property maintains a waiting list for the affordable units that is approximately one year in length. The contact stated that demand for affordable housing in the Atlanta area is very high. Two of the three vacancies are pre-leased.
- 3Q17 The property maintains a waiting list for the affordable units that is one year in length. The contact stated that demand for affordable housing in the Atlanta area is very high.

Photos



PROPERTY PROFILE REPORT

Columbia Commons

Effective Rent Date	7/24/2017
Location	2524 Martin Luther King Drive Atlanta, GA 30311 Fulton County
Distance	1.1 miles
Units	158
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	10/01/2003
Leasing Began	11/01/2003
Last Unit Leased	4/15/2004
Major Competitors	Peaks at MLK and Alta Pointe
Tenant Characteristics	Majority families, most of the tenants are from Atlanta
Contact Name	Vivian
Phone	404-699-7597



Market Information

Program	@50%, @54%, Market, Non-Rental, Public
Annual Turnover Rate	23%
Units/Month Absorbed	26
HCV Tenants	0%
Leasing Pace	Within two days
Annual Chg. in Rent	Kept at max; MR dec. 0-1% since 2Q 2017
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
2	2	Garden (3 stories)	6	1,222	\$655	\$0	@50%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	17	1,222	\$722	\$0	@54%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	58	1,222	\$885	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	2	1,222	N/A	\$0	Non-Rental	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	36	1,222	N/A	\$0	Public housing	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	2	1,432	\$733	\$0	@50%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	6	1,432	\$810	\$0	@54%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	19	1,432	\$985	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	12	1,432	N/A	\$0	Public housing	Yes	0	0.0%	N/A	None

Trend Report

Vacancy Rates

2Q14	1Q15	2Q17	3Q17
0.6%	0.6%	0.6%	0.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$617	\$0	\$617	\$734
2015	1	0.0%	\$617	\$0	\$617	\$734
2017	2	0.0%	\$617	\$0	\$617	\$734
2017	3	0.0%	\$655	\$0	\$655	\$772

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$701	\$0	\$701	\$865
2015	1	0.0%	\$701	\$0	\$701	\$865
2017	2	0.0%	\$701	\$0	\$701	\$865
2017	3	0.0%	\$733	\$0	\$733	\$897

Trend: @54%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$684	\$0	\$684	\$801
2015	1	0.0%	\$684	\$0	\$684	\$801
2017	2	0.0%	\$684	\$0	\$684	\$801
2017	3	0.0%	\$722	\$0	\$722	\$839

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$778	\$0	\$778	\$942
2015	1	0.0%	\$778	\$0	\$778	\$942
2017	2	0.0%	\$778	\$0	\$778	\$942
2017	3	0.0%	\$810	\$0	\$810	\$974

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$790	\$0	\$790	\$907
2015	1	0.0%	\$790	\$0	\$790	\$907
2017	2	0.0%	\$885	\$0	\$885	\$1,002
2017	3	0.0%	\$885	\$0	\$885	\$1,002

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	5.3%	\$890	\$0	\$890	\$1,054
2015	1	5.3%	\$890	\$0	\$890	\$1,054
2017	2	5.3%	\$995	\$0	\$995	\$1,159
2017	3	0.0%	\$985	\$0	\$985	\$1,149

Trend: Non-Rental

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	N/A	\$0	N/A	N/A
2015	1	0.0%	N/A	\$0	N/A	N/A
2017	2	0.0%	N/A	\$0	N/A	N/A
2017	3	0.0%	N/A	\$0	N/A	N/A

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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Trend: Public housing

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	N/A	\$0	N/A	N/A
2015	1	0.0%	N/A	\$0	N/A	N/A
2017	2	0.0%	N/A	\$0	N/A	N/A
2017	3	0.0%	N/A	\$0	N/A	N/A

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	N/A	\$0	N/A	N/A
2015	1	0.0%	N/A	\$0	N/A	N/A
2017	2	0.0%	N/A	\$0	N/A	N/A
2017	3	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

- | | |
|------|---|
| 2Q14 | The property does not accept Housing Choice Vouchers. The property maintains a waiting list of 700 households on its units with project-based rental assistance. When asked about current market conditions, the contact replied that the market is strong. |
| 1Q15 | The property does not accept Housing Choice Vouchers. Rents have remained stable over the past year and the leasing agent does not anticipate that rents will increase in the near future. |
| 2Q17 | Management noted a extensive waiting list for the Public Housing Units. |
| 3Q17 | The property maintains a waiting list consisting of 1,000 households for the public housing units. The property does not accept Housing Choice Vouchers. |

Photos



PROPERTY PROFILE REPORT

Enclave At Webster Park

Effective Rent Date	7/24/2017
Location	2640 Martin Luther King Drive Atlanta, GA 30311 Fulton County
Distance	0.9 miles
Units	230
Vacant Units	9
Vacancy Rate	3.9%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	10/01/2003
Leasing Began	12/15/2003
Last Unit Leased	9/01/2004
Major Competitors	Peaks at MLK and Columbia Commons
Tenant Characteristics	Tenants comprise a mixture mostly from the area
Contact Name	Aimeshia
Phone	404-691-2499



Market Information

Program	60%, Market
Annual Turnover Rate	21%
Units/Month Absorbed	8
HCV Tenants	0%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Kept at max; MR fluct. 0-5% since 2Q 2017
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	35	803	\$759	\$0	@60%	No	N/A	N/A	yes	None
1	1	Garden (3 stories)	11	803	\$785	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	93	1,103	\$906	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden (3 stories)	29	1,103	\$920	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	46	1,277	\$990	\$0	@60%	No	N/A	N/A	yes	None
3	2	Garden (3 stories)	16	1,277	\$999	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$759	\$0	\$759	\$75	\$834	1BR / 1BA	\$785	\$0	\$785	\$75	\$860
2BR / 2BA	\$906	\$0	\$906	\$117	\$1,023	2BR / 2BA	\$920	\$0	\$920	\$117	\$1,037
3BR / 2BA	\$990	\$0	\$990	\$164	\$1,154	3BR / 2BA	\$999	\$0	\$999	\$164	\$1,163

Enclave At Webster Park, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The contact had no additional comments.

Enclave At Webster Park, continued

Trend Report

Vacancy Rates

4Q13	1Q15	2Q17	3Q17
10.0%	10.0%	7.0%	3.9%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$700	\$0	\$700	\$775
2015	1	N/A	\$700	\$0	\$700	\$775
2017	2	N/A	\$700	\$0	\$700	\$775
2017	3	N/A	\$759	\$0	\$759	\$834

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$825	\$0	\$825	\$942
2015	1	N/A	\$720	\$0	\$720	\$837
2017	2	N/A	\$720	\$0	\$720	\$837
2017	3	N/A	\$906	\$0	\$906	\$1,023

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$945	\$0	\$945	\$1,109
2015	1	N/A	\$799	\$0	\$799	\$963
2017	2	N/A	\$799	\$0	\$799	\$963
2017	3	N/A	\$990	\$0	\$990	\$1,154

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$785	\$0	\$785	\$860
2015	1	N/A	\$785	\$0	\$785	\$860
2017	2	N/A	\$800	\$0	\$800	\$875
2017	3	N/A	\$785	\$0	\$785	\$860

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$905	\$0	\$905	\$1,022
2015	1	N/A	\$825	\$0	\$825	\$942
2017	2	N/A	\$875	\$0	\$875	\$992
2017	3	N/A	\$920	\$0	\$920	\$1,037

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$1,030	\$0	\$1,030	\$1,194
2015	1	N/A	\$999	\$0	\$999	\$1,163
2017	2	N/A	\$999	\$0	\$999	\$1,163
2017	3	N/A	\$999	\$0	\$999	\$1,163

Trend: Comments

4Q13	The contact reported that the property is 90 percent occupied which is typical for this time of year. The contact believes there is further demand for affordable housing in the area.
1Q15	The property's occupancy rate is currently 90 percent and it is 93 percent leased. Management reported that leasing has been slow and that the majority of vacancies are among the unrestricted units. None of the households are using Housing Choice Vouchers currently and management reported that finding low-income households who qualify based upon criminal and credit standards has been a challenge.
2Q17	No additional comments.
3Q17	The contact had no additional comments.

Photos



PROPERTY PROFILE REPORT

Peaks Of MLK

Effective Rent Date 7/19/2017
Location 2423 Martin Luther King Drive
Atlanta, GA 30311
Fulton County
Distance 1.2 miles
Units 183
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (3 stories)
Year Built/Renovated 2004 / N/A
Marketing Began N/A
Leasing Began 12/01/2003
Last Unit Leased 12/01/2004
Major Competitors Columbia Commons, Webster Park, City Views
Tenant Characteristics Majority families from south Atlanta
Contact Name Inger
Phone 404-696-4500



Market Information

Program @50%, @60%, Market, Section 8 (Project)
Annual Turnover Rate 13%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Within two weeks
Annual Chg. in Rent None
Concession None

Utilities

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

Comments

The property maintains a waiting list of over 2,800 households for the Public Housing units. The contact stated the property consists of 72 Project-Based-Rental Assistance (PBRA) units.

Peaks Of MLK, continued

Trend Report

Vacancy Rates

1Q15	3Q15	2Q17	3Q17
2.2%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$535	\$0	\$535	\$610
2015	3	0.0%	\$535	\$0	\$535	\$610
2017	2	0.0%	\$535	\$0	\$535	\$610
2017	3	0.0%	\$535	\$0	\$535	\$610

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$606	\$0	\$606	\$723
2015	3	0.0%	\$606	\$0	\$606	\$723
2017	2	0.0%	\$606	\$0	\$606	\$723
2017	3	0.0%	\$606	\$0	\$606	\$723

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$661	\$0	\$661	\$825
2015	3	0.0%	\$661	\$0	\$661	\$825
2017	2	0.0%	\$661	\$0	\$661	\$825
2017	3	0.0%	\$661	\$0	\$661	\$825

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$780	\$0	\$780	\$855
2015	3	0.0%	\$780	\$0	\$780	\$855
2017	2	0.0%	\$780	\$0	\$780	\$855
2017	3	0.0%	\$760	\$0	\$760	\$835

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	4.0%	\$900	\$0	\$900	\$1,017
2015	3	0.0%	\$900	\$0	\$900	\$1,017
2017	2	0.0%	\$900	\$0	\$900	\$1,017
2017	3	0.0%	\$900	\$0	\$900	\$1,017

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	8.3%	\$975	\$0	\$975	\$1,139
2015	3	0.0%	\$975	\$0	\$975	\$1,139
2017	2	0.0%	\$975	\$0	\$975	\$1,139
2017	3	0.0%	\$975	\$0	\$975	\$1,139

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	4.8%	\$673	\$0	\$673	\$748
2015	3	0.0%	\$673	\$0	\$673	\$748
2017	2	0.0%	\$673	\$0	\$673	\$748
2017	3	0.0%	\$673	\$0	\$673	\$748

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	1.9%	\$745	\$0	\$745	\$862
2015	3	0.0%	\$745	\$0	\$745	\$862
2017	2	0.0%	\$745	\$0	\$745	\$862
2017	3	0.0%	\$745	\$0	\$745	\$862

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$873	\$0	\$873	\$1,037
2015	3	0.0%	\$873	\$0	\$873	\$1,037
2017	2	0.0%	\$873	\$0	\$873	\$1,037
2017	3	0.0%	\$873	\$0	\$873	\$1,037

Trend: Section 8

1BR / 1BA

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

2BR / 2BA

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

3BR / 2BA

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

Trend: Comments

- 1Q15 The property is 98 percent occupied and 100 percent leased. The property does not accept Housing Choice Vouchers as 73 of the units offer project-based rental assistance. The property maintains a waiting list of over 2,000 households for units with project-based rental assistance.
- 3Q15 The property does not accept Housing Choice Vouchers as 73 of the units offer project-based rental assistance. The property maintains a waiting list of over 2,800 households for units with project-based rental assistance. The waiting list opened December 2012 and closed February 7, 2013. However, the property is still working through their 2010 waiting list. The contact stated that demand for affordable housing in the Atlanta area is very high. Management at the property reported achieving maximum allowable rents.
- 2Q17 The property maintains a waiting list of over 2,800 households for the Public Housing units.
- 3Q17 The property maintains a waiting list of over 2,800 households for the Public Housing units. The contact stated the property consists of 72 Project-Based-Rental Assistance (PBRA) units.

Photos



PROPERTY PROFILE REPORT

Riverwood Club Apartments

Effective Rent Date	7/28/2017
Location	901 Bolton Road NW Atlanta, GA 30331 Fulton County
Distance	1.9 miles
Units	144
Vacant Units	10
Vacancy Rate	6.9%
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	None identified
Tenant Characteristics	Mostly from local area; some tenants come from Austell, Mableton, and Louisiana; avg HH size is 5; mostly families
Contact Name	Manager
Phone	844-869-1044



Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	Up to two weeks
Annual Chg. in Rent	None reported
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	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)	60	690	\$635	\$0	@60%	None	4	6.7%	no	None
2	1	Garden (2 stories)	77	1,035	\$650	\$0	@60%	None	5	6.5%	no	None
2	1.5	Garden (2 stories)	7	1,035	\$780	\$0	@60%	None	1	14.3%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$635	\$0	\$635	\$0	\$635
2BR / 1BA	\$650	\$0	\$650	\$0	\$650
2BR / 1.5BA	\$780	\$0	\$780	\$0	\$780

Riverwood Club Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Business Center/Computer Lab	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The contact estimated that approximately half the property utilized Housing Choice Vouchers.

Riverwood Club Apartments, continued

Trend Report

Vacancy Rates

2Q08	2Q09	3Q09	3Q17
9.7%	18.1%	15.3%	6.9%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$589	\$41	\$548	\$548
2009	2	21.7%	\$589	\$0	\$589	\$589
2009	3	18.3%	\$589	\$0	\$589	\$589
2017	3	6.7%	\$635	\$0	\$635	\$635

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$650	\$46	\$604	\$604
2009	2	16.9%	\$650	\$0	\$650	\$650
2009	3	14.3%	\$650	\$0	\$650	\$650
2017	3	14.3%	\$780	\$0	\$780	\$780

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	6.5%	\$650	\$0	\$650	\$650

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$875	\$65	\$810	\$810
2009	2	0.0%	\$875	\$65	\$810	\$810
2009	3	0.0%	\$845	\$0	\$845	\$845

3BR / 2BA

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

2Q08	The contact reported that rents increased and that all units are set at 60 percent AMI. The concession will be offered until mid-June.
2Q09	Asking rents have not increased since the last interview in June 2008 but the property no longer offers a concession. Occupancy, however, has decreased from 90 percent in June 2008 to 82 percent in May 2009. The contact could not provide an explanation for the decrease in occupancy and refused to comment on market characteristics. The contact estimated that the vacancies are split evenly between the one- and two-bedroom units.
3Q09	The rents have remained the same since the last interview in May 2009 except for the three-bedroom units, which decreased by \$30 or three percent. Occupancy has increased from 82 to 85 percent. The contact estimated that vacancies are split evenly among the one- and two-bedroom units and indicated that the three-bedroom units typically remain full since the property only offers seven three-bedroom units. Management is not offering a concession in order to increase rents and the leasing agent indicated that occupancy is low due to the economy and job loss. The occupancy is also low due to the location. It is surrounded by two boarded up apartment buildings that are a detrimental influence.
3Q17	The contact estimated that approximately half the property utilized Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Abbey Ridge

Effective Rent Date	7/25/2017
Location	3136 Martin Luther King Jr. Drive SW Atlanta, GA 30311 Fulton County
Distance	0.1 miles
Units	112
Vacant Units	3
Vacancy Rate	2.7%
Type	Garden (2 stories)
Year Built/Renovated	1969 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None in the area
Tenant Characteristics	Families from the south metro area
Contact Name	Vee
Phone	404-691-3963



Market Information

Program	Market
Annual Turnover Rate	11%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 2% to 3%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	750	\$650	\$0	Market	No	0	N/A	N/A	None
2	1	Garden (2 stories)	N/A	850	\$735	\$0	Market	No	3	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$650	\$0	\$650	\$0	\$650
2BR / 1BA	\$735	\$0	\$735	\$0	\$735

Amenities

In-Unit	Security	Services
Balcony/Patio	Perimeter Fencing	None
Carpeting		
Coat Closet		
Ceiling Fan		
Oven		
Property	Premium	Other
Central Laundry	None	None
On-Site Management	Off-Street Parking Playground	

Comments

The contact indicated that vacancies at the property are rare, and that the property typically operates at 99 percent occupancy. There is a premium of \$15 per month for two-bedroom units that have been completely renovated. The two-bedroom units renting for \$735 have been partially renovated.

Trend Report

Vacancy Rates

3Q10	2Q15	2Q17	3Q17
3.6%	7.1%	5.4%	2.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$500	\$0	\$500	\$500
2015	2	N/A	\$525	\$0	\$525	\$525
2017	2	N/A	\$625	\$0	\$625	\$625
2017	3	N/A	\$650	\$0	\$650	\$650

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$625 - \$650	\$0	\$625 - \$650	\$625 - \$650
2015	2	N/A	\$650	\$0	\$650	\$650
2017	2	N/A	\$735	\$0	\$735	\$735
2017	3	N/A	\$735	\$0	\$735	\$735

Trend: Comments

3Q10 N/A

2Q15 N/A

2Q17 No additional comments.

3Q17 The contact indicated that vacancies at the property are rare, and that the property typically operates at 99 percent occupancy. There is a premium of \$15 per month for two-bedroom units that have been completely renovated. The two-bedroom units renting for \$735 have been partially renovated.

Photos



PROPERTY PROFILE REPORT

Daron Village

Effective Rent Date	7/28/2017
Location	62 Harwell Road NW Atlanta, GA 30311 Fulton County
Distance	0.2 miles
Units	130
Vacant Units	51
Vacancy Rate	39.2%
Type	Various
Year Built/Renovated	1970 / Ongoing
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Sharon
Phone	404-691-4367



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	None reported
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden	N/A	900	\$655	\$0	Market	No	N/A	N/A	N/A	None
2	2	Townhouse	N/A	1,100	\$800	\$0	Market	No	N/A	N/A	N/A	None
2	2	Townhouse	N/A	1,100	\$735	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$655 - \$800	\$0	\$655 - \$800	\$117	\$772 - \$917

Amenities

In-Unit	Security	Services
Balcony/Patio	Patrol	None
Cable/Satellite/Internet		
Central A/C		
Oven		
Walk-In Closet		
Blinds		
Carpeting		
Ceiling Fan		
Refrigerator		
Property	Premium	Other
Central Laundry	None	None
On-Site Management		
Off-Street Parking		
Playground		

Comments

The contact stated the property is currently undergoing extensive renovations. Renovations include, but are not limited to; new appliances, fixtures, paint, and countertops in addition to exterior renovations and common area improvements. The higher priced two-bedroom unit reflects the rental rate post renovation for the townhouse-style units, the contact was unable to estimate rent for the garden-style units post-renovation as none have become available. The contact stated the property was 61 percent occupied, with all the remaining units being renovated at this time. According to the contact; the property is pre-leasing units as they become available and all available units have been rented at this time.

Daron Village, continued

Trend Report

Vacancy Rates

3Q10	3Q17
37.7%	39.2%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$550 - \$600	\$0	\$550 - \$600	\$667 - \$717
2017	3	N/A	\$655 - \$800	\$0	\$655 - \$800	\$772 - \$917

Trend: Comments

- 3Q10 The property does not accept housing choice vouchers. There has been some traffic at the property, but very few people qualify for units because of background checks. Management could not estimate leasing pace, indicating that it varied.
- 3Q17 The contact stated the property is currently undergoing extensive renovations. Renovations include, but are not limited to; new appliances, fixtures, paint, and countertops in addition to exterior renovations and common area improvements. The higher priced two-bedroom unit reflects the rental rate post renovation for the townhouse-style units, the contact was unable to estimate rent for the garden-style units post-renovation as none have become available. The contact stated the property was 61 percent occupied, with all the remaining units being renovated at this time. According to the contact; the property is pre-leasing units as they become available and all available units have been rented at this time.

Photos



PROPERTY PROFILE REPORT

Dogwood Apartments

Effective Rent Date	7/27/2017
Location	95 Peyton Place Atlanta, GA 30311 Fulton County
Distance	0.8 miles
Units	80
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (2 stories)
Year Built/Renovated	1974 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Deborah
Phone	404-696-2602



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Inc 3-5%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (2 stories)	8	800	\$655	\$0	Market	No	0	0.0%	N/A	None
2	1	Lowrise (2 stories)	48	1,100	\$741	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Lowrise (2 stories)	20	1,400	\$817	\$0	Market	No	0	0.0%	N/A	None
3	2	Lowrise (2 stories)	4	1,350	\$847	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$655	\$0	\$655	\$75	\$730
2BR / 1BA	\$741	\$0	\$741	\$117	\$858
2BR / 1.5BA	\$817	\$0	\$817	\$117	\$934
3BR / 2BA	\$847	\$0	\$847	\$164	\$1,011

Dogwood Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Swimming Pool		

Comments

The property does not accept Housing Choice Vouchers.

Trend Report

Vacancy Rates

3Q10	4Q15	2Q17	3Q17
10.0%	0.0%	3.8%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$610	\$111	\$499	\$574
2015	4	0.0%	\$630	\$0	\$630	\$705
2017	2	0.0%	\$655	\$0	\$655	\$730
2017	3	0.0%	\$655	\$0	\$655	\$730

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	0.0%	\$817	\$0	\$817	\$934
2017	3	0.0%	\$817	\$0	\$817	\$934

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	6.2%	\$741	\$0	\$741	\$858
2017	3	0.0%	\$741	\$0	\$741	\$858

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$637 - \$760	\$110 - \$112	\$525 - \$650	\$642 - \$767
2015	4	0.0%	\$657 - \$781	\$0	\$657 - \$781	\$774 - \$898

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$785	\$0	\$785	\$949
2015	4	0.0%	\$805	\$0	\$805	\$969
2017	2	0.0%	\$847	\$0	\$847	\$1,011
2017	3	0.0%	\$847	\$0	\$847	\$1,011

Trend: Comments

3Q10	The property does not accept housing choice vouchers. Management estimated between zero and two tenants moved out each month; we used two per month to conservatively estimate annual turnover.
4Q15	According to the contact, the property does not accept Housing Choice Vouchers and does not maintain a waiting list. The units include washer/dryer hookups; however there are no washers and dryers on the property available for monthly rental.
2Q17	No additional comments.
3Q17	The property does not accept Housing Choice Vouchers.

Photos



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

Housing Choice Vouchers

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

PAYMENT STANDARDS	
Unit Type	Standard
2 Bedroom	\$1,350
3 Bedroom	\$1,550

The Subject’s proposed rents are set below the current payment standards. Therefore, tenants with Housing Choice Vouchers will not pay out of pocket for rent. However, as noted, all of the Subject’s units will also benefit from a Section 8 HAP contract; as such, vouchers will not be needed.

TENANTS WITH VOUCHERS

Comparable Property	Type	Housing Choice Voucher Tenants
Avalon Park - Family	LIHTC/Market	0%
Columbia Commons	LIHTC/PHA	0%
Enclave At Webster Park	LIHTC/Market	0%
Peaks Of MLK	LIHTC/PHA/Market	0%
Riverwood Club Apartments	LIHTC	50%
Abbey Ridge	Market	2%
Daron Village	Market	0%
Dogwood Apartments	Market	0%

Housing Choice Voucher usage in this market ranges from zero to 50 percent. None the comparable LIHTC properties reported tenants with vouchers; however, it should be noted two comparables feature Public Housing components. One LIHTC comparable, Riverwood Club Apartments, reported approximately 50 percent of their tenants utilize vouchers. Further, one market rate comparable, Abbey Ridge, reported two percent of tenants utilizing vouchers. Given that all of the Subject’s units currently benefit from a HAP contract, it is not necessary that qualifying households have a voucher in order to benefit from subsidized rent. However, should the Subject operating without a HAP Contract, it is likely that the Subject would maintain a voucher usage of approximately 25 percent following renovations.

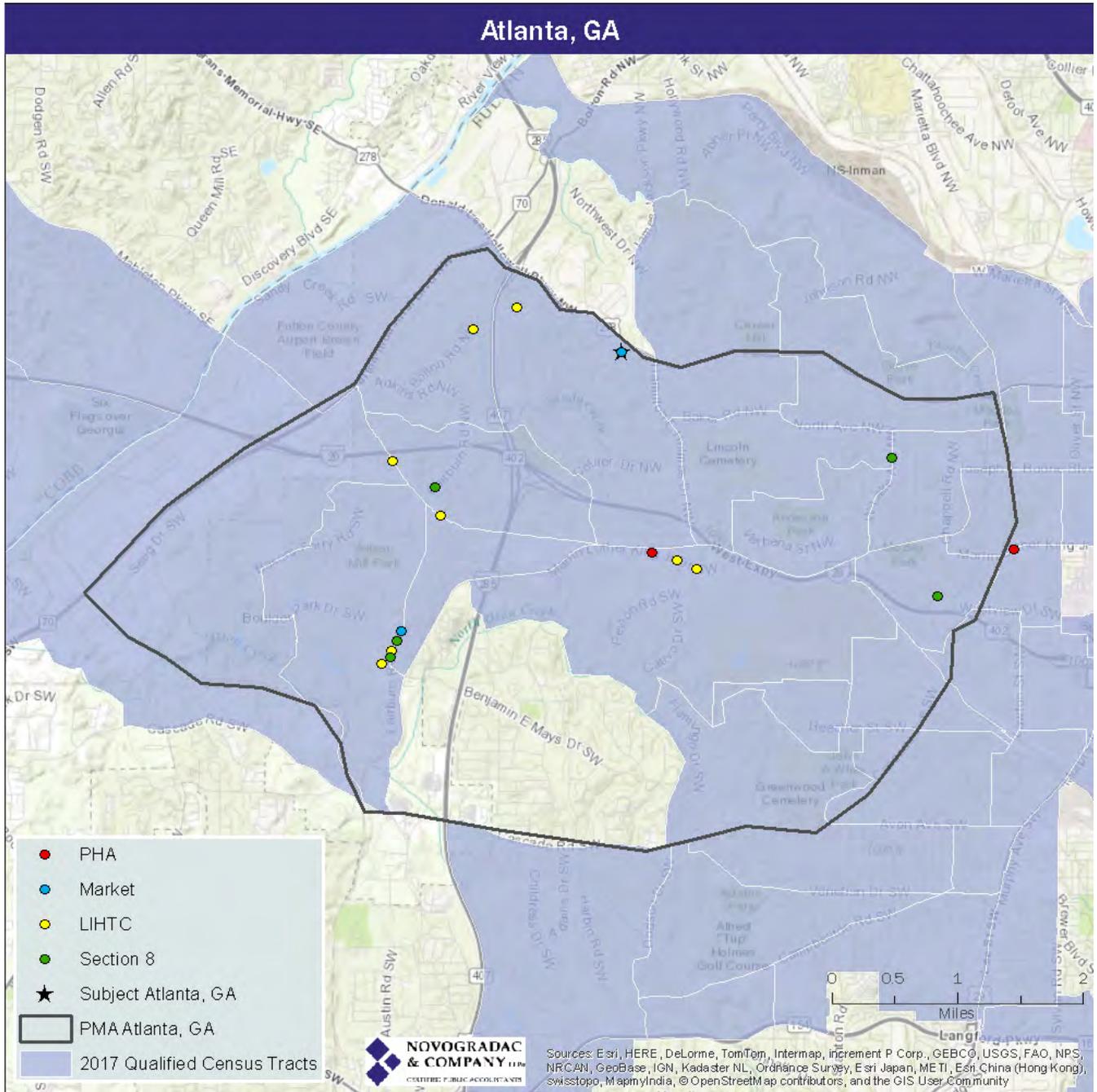
Phased Developments

The Subject is not part of a phased development.

Rural Areas

The Subject is not located in a rural area.

3. Competitive Project Map



AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Map Color
Riverwood Club Apartments*	LIHTC	Atlanta	Family	144	Star
The Preserve at Collier Ridge	LIHTC	Atlanta	Family	419	Yellow
Hidden Hollow Apartments	LIHTC	Atlanta	Family	216	
Martin House at Adamsville Place	LIHTC	Atlanta	Senior	168	
Big Bethel Village	LIHTC	Atlanta	Senior	120	
Adamsville Green Senior	LIHTC	Atlanta	Senior	90	
Westview Lofts	LIHTC	Atlanta	Family	16	
Alta Pointe Apartments	LIHTC	Atlanta	Family	202	
Avalon Park - Family*	LIHTC/Market	Atlanta	Family	175	
Enclave At Webster Park*	LIHTC/Market	Atlanta	Family	230	
Seven Courts Apartments	LIHTC/PHA	Atlanta	Family	139	
Columbia Commons*	LIHTC/PHA	Atlanta	Family	158	
Peaks Of MLK*	LIHTC/PHA/Market	Atlanta	Family	183	
Central Methodist Garden Apartments	LIHTC/Section 8	Atlanta	Family	109	Blue
Avalon Park Senior	LIHTC/Section 8/Market	Atlanta	Senior	136	
Fairburn Townhouses	Section 8	Atlanta	Family	240	Green
Atlanta Manor	Section 8	Atlanta	Disabled	48	
Berean Village & Senior Service Center	Section 8	Atlanta	Senior	48	
Fairburn & Gordon II	Section 8	Atlanta	Family	160	
Silvertree Senior Atlanta Apartments	Section 8	Atlanta	Senior	97	

*Utilized as a comparable

4. Amenities

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

UNIT MATRIX REPORT

	Allen Hills	Avalon Park - Family	Columbia Commons	Enclave At Webster Park	Peaks Of MLK	Riverwood Club Apartments	Abbey Ridge	Daron Village	Dogwood Apartments
Comp #	Subject	1	2	3	4	5	6	7	8
Property Information									
Property Type	Lowrise (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Garden (2 stories)	Garden (2 stories)	Various (2 stories)	Lowrise (2 stories)
Year Built / Renovated	1969 / 2002	2008 / n/a	2003 / n/a	2003 / n/a	2004 / n/a	1997 / n/a	1969 / n/a	1970 / Ongoing	1974 / n/a
Market (Conv.)/Subsidy Type	LIHTC/Section 8	LIHTC/Market	LIHTC/PHA/Market	LIHTC/Market	LIHTC/PHA/Market	LIHTC	Market	Market	Market
Utility Adjustments									
Cooking	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no
Water	yes	no	no	no	no	yes	yes	no	no
Sewer	yes	yes	no	no	no	yes	yes	no	no
Trash Collection	yes	yes	yes	yes	no	yes	yes	no	no
In-Unit Amenities									
Balcony/Patio	yes	yes	no	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	no	no	no	no	yes	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	no	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	no	no	yes	no	yes
Dishwasher	yes	yes	yes	yes	yes	no	no	no	yes
Exterior Storage	no	yes	no	yes	yes	no	yes	no	no
Ceiling Fan	no	yes	yes	yes	yes	no	yes	yes	yes
Garbage Disposal	no	yes	yes	yes	yes	yes	no	no	yes
Microwave	no	no	no	no	no	no	yes	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	yes	yes	yes	yes	no	no	yes	yes
Washer/Dryer hookup	no	yes	yes	yes	yes	yes	no	no	yes
Property Amenities									
Basketball Court	no	no	no	no	no	yes	no	no	no
Business Center/Computer Lab	yes	yes	yes	yes	yes	yes	no	no	no
Car Wash	no	no	no	yes	yes	no	no	no	no
Clubhouse/Community Room	yes	yes	yes	yes	no	yes	no	no	no
Exercise Facility	no	yes	yes	yes	yes	yes	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes
Non-shelter Services	no	yes	no	no	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	yes	no	yes	yes	yes	no	no	no
Playground	yes	yes	yes	yes	yes	yes	yes	yes	no
Service Coordination	yes	no	no	no	no	no	no	no	no
Swimming Pool	no	yes	yes	yes	yes	yes	no	no	yes
Volleyball Court	yes	no	no	no	no	no	no	no	no
Services									
Security									
Limited Access	no	yes	no	yes	yes	yes	no	no	no
Patrol	no	no	yes	no	no	no	no	yes	no
Perimeter Fencing	yes	yes	yes	yes	yes	yes	yes	no	no
Video Surveillance	no	no	yes	no	no	no	no	no	no
Premium Amenities									
Other Amenities									
Other	n/a	After School Support	n/a	n/a	Near Marta train station	n/a	n/a	n/a	n/a

The Subject’s in-unit amenity package is considered to be slightly inferior to inferior in comparison to the LIHTC and market rate comparable properties and slightly superior to inferior property amenities. The Subject does not offer exterior storage, ceiling fans, garbage disposal, walk-in closets, or washer/dryer hookups, which the majority of comparables include. Further, the Subject does not offer an exercise facility, picnic area, or swimming pool, which the majority of comparables include. However, the Subject includes service coordination, which is not offered at any of the comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the market.

5. Comparable Tenancy

The Subject will target families. All of the comparable properties also target families.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Avalon Park - Family	LIHTC/Market	175	2	1.1%
Columbia Commons	LIHTC/PHA	158	0	0.0%
Enclave At Webster Park	LIHTC/Market	230	9	3.9%
Peaks Of MLK	LIHTC/PHA/Market	183	0	0.0%
Riverwood Club Apartments	LIHTC	144	10	6.9%
Abbey Ridge	Market	112	3	2.7%
Daron Village*	Market	130	51	39.2%
Dogwood Apartments	Market	<u>80</u>	<u>0</u>	<u>0.0%</u>
Affordable Total		890	21	2.4%
Market Total		322	54	16.8%
Market Total (Excluding Daron Village)		192	3	1.6%
Total		1,212	75	6.2%
Total (Excluding Daron Village)		1,082	24	2.2%

*Undergoing renovations, all available units have been leased.

As illustrated, vacancy rates among the comparable properties range from zero to 39.2 percent, averaging 6.2 percent. It should be noted that Daron Village is currently undergoing extensive property renovations in which all 51 vacant units are offline and being renovated. According to the contact at Daron Village, all available units are rented and the property is preleasing renovated units as they become available. Excluding Daron Village, vacancy rates among the comparable properties range from zero to 6.9 percent, averaging 2.2 percent. Total affordable vacancy is slightly higher, at 2.4 percent. Only five of the comparables report having vacancies while Daron Village’s units are offline for renovations. Further, two of the LIHTC comparables are fully occupied. One of the comparables, Avalon Park – Family, reported maintaining a waiting list for their LIHTC units, while all of the comparable Public Housing units maintain waiting lists. None of the comparable market rate units maintain waiting lists.

The vacancy rates for the market rate comparable properties ranged from zero to 39.2 percent with an average of is 6.3 percent. Excluding Daron Village, vacancy rates among the comparable properties range from zero to 6.9 percent, averaging 2.2 percent. The low vacancy rates at the comparable properties indicates that there is demand for rental housing in the Subject’s PMA. As a newly renovated property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Based on these factors, we believe that there is sufficient demand for affordable housing in

the market. Given that the Subject is an existing property that is fully leased, we do not believe that the Subject will impact the performance of the existing affordable properties if allocated.

7. Properties Under Construction and Proposed

We have attempted to contact the City of Atlanta Planning Department multiple times in order to gather information on multifamily project either in the planning stages or currently under construction. At this time none of our phone calls have been returned. Further, we searched REIS to identify any proposed, planned, or under construction multifamily developments within the PMA. According to REIS, there are no proposed, planned, or under construction multifamily developments in the PMA.

8. Rental Advantage

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

SIMILARITY MATRIX

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Avalon Park - Family	LIHTC/Market	Slightly Inferior	Inferior	Inferior	Similar	Slightly Inferior	-30
2	Columbia Commons	LIHTC/PHA	Slightly Inferior	Slightly Inferior	Similar	Slightly Superior	Inferior	-15
3	Enclave At Webster Park	LIHTC/Market	Slightly Inferior	Inferior	Similar	Slightly Superior	Inferior	-20
4	Peaks Of MLK	LIHTC/PHA/Market	Similar	Inferior	Similar	Slightly Superior	Inferior	-15
5	Riverwood Club Apartments	LIHTC	Similar	Slightly Inferior	Slightly Inferior	Superior	Inferior	-10
6	Abbey Ridge	Market	Superior	Slightly Inferior	Similar	Superior	Slightly Inferior	10
7	Daron Village	Market	Superior	Slightly Inferior	Similar	Similar	Inferior	-5
8	Dogwood Apartments	Market	Slightly Superior	Inferior	Similar	Superior	Inferior	-5

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

The rental rates at the LIHTC properties are compared to the Subject’s proposed 60 percent AMI rents in the following table.

LIHTC RENT COMPARISON - @60%

Property Name	2BR	2.5BR	3BR
Allen Hills (Subject)	\$769	\$721	\$874
2016 LIHTC Maximum (Net)	\$769	\$721	\$874
Held Harmless Maximum (Net)	\$856	\$808	\$974
Avalon Park - Family	\$807	-	\$900
Enclave At Webster Park	\$1,023	-	\$1,154
Peaks Of MLK	\$862	-	\$1,037
	\$780		
Riverwood Club Apartments	\$650	-	-
Average (excluding Subject)	\$824	-	\$1,030

The Subject's proposed rents are within the range and below the average of the rents at the comparables. Considering the Section 8 subsidy that will be in place for all of the Subject's 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. Further, Avalon Park – Family and Riverwood Club Apartments reported not achieving maximum allowable rents at 60 percent AMI. Enclave At Webster Park reporting achieving the maximum allowable rents for their two-bedroom units; however, the comparable is not achieving the maximum allowable rents for their three-bedroom units. Peaks of MLK reported achieving the maximum allowable rents for all unit types at 60 percent AMI. Additionally, two of the LIHTC comparables are 100 percent occupied while one, Avalon Park – Family, maintains a waiting list for their LIHTC units.

The Subject, upon renovation, will be considered the most similar to Riverwood Club, and Peaks Of MLK among the LIHTC comparables. These comparables reported vacancy rates of 6.9 percent and zero percent, respectively. The relatively low vacancy rates at the most similar LIHTC comparables indicates demand in the local area for affordable housing.

The Subject will offer similar community amenities compared to both Peaks Of MLK and Riverwood Club Apartments. Further, the Subject will offer inferior unit features compared to Peaks Of MLK; however, will offer slightly inferior unit features compared to Riverwood Club Apartments. The Subject offers a similar location compared to Peaks Of MLK and a slightly inferior location compared to Riverwood Club Apartments. Further, the Subject will offer slightly superior condition compared to Peaks Of MLK and superior condition compared to Riverwood Club Apartments, upon renovation. Additionally, the Subject offers inferior unit sizes compared to both Peaks Of MLK and Riverwood Club Apartments. Overall, given the strong occupancy rates of the comparables and given the Subject will offer similar to superior condition compared to the LIHTC comparables; we believe the Subject's 60 percent rents are achievable at the maximum allowable level.

Analysis of “Market Rents”

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

When comparing the Subject's rents to the average comparable rent, we have not included surveyed rents at lower AMI levels given that this artificially lowers the average surveyed rent. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers rents at the 50 and 60 percent of AMI levels, and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent of AMI rents in the average comparable rent for the 60 percent of AMI comparison.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

SUBJECT COMPARISON TO COMPARABLE RENTS

Unit Type	Subject Proposed Rent	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Rent Advantage
2BR @ 60%	\$769	\$650	\$1,037	\$885	15.5%
2.5BR @ 60%	\$769	\$650	\$1,037	\$885	15.5%
3BR @ 60%	\$874	\$900	\$1,163	\$1,090	23.6%

As illustrated the Subject’s proposed 60 percent rents are well below the surveyed average of the comparable properties. The Subject’s proposed LIHTC rents for both two-bedroom units are within the surveyed range of comparable LIHTC and market rents while the three-bedroom units are below the range of comparable LIHTC and market rents.

9. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject affordable units range from 11.8 to 12.5 percent as proposed, which is considered good. Capture rates for the Subject, absent a rental subsidy, are considered fair, as the 60 percent AMI level units have a capture rate of 68.0 percent. If allocated, the Subject will be slightly superior to inferior to the existing LIHTC housing stock. The average LIHTC vacancy rate, excluding Daron Village which is undergoing renovations, is also considered good at 2.2 percent.

According to the DCA Program Awards Database, there have been no properties allocated tax credits in the last five years within the Subject’s PMA.

The Subject property is currently 94.8 percent occupied with a waiting list and 457 of the Subject’s 458 units will continue to benefit from a property based rental subsidy while the remaining unit will operate as a non-revenue generating managers unit/leasing office. Additionally, existing LIHTC, and other affordable properties in the PMA, that are targeted toward families maintain high occupancy rates. Given this information, we do not believe that the renovation of the Subject utilizing tax credits will impact the 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.

10. Rental Trends in the PMA

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

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	11,996	52.1%	11,018	47.9%
2010	9,974	47.9%	10,862	52.1%
2016	9,112	42.9%	12,140	57.1%
Projected Mkt Entry April 2019	9,268	42.8%	12,388	57.2%
2021	9,395	42.7%	12,590	57.3%

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

As the table illustrates, owner occupied households comprise 42.9 percent of households in the PMA in 2016. Further, the percentage of renters in the PMA is expected to increase through market entry and

through 2021 by 0.1 and 0.2 percent, respectively. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, a significantly larger percentage of renters exist in the PMA than the nation.

Historical Vacancy

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

		HISTORICAL VACANCY								
Comparable Property	Type	Total Units	4QTR	2QTR	1QTR	2QTR	3QTR	2QTR	2QTR	3QTR
			2013	2014	2015	2015	2015	2016	2017	2017
Allen Hills	Lowrise	458	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.2%
Avalon Park - Family	Garden	175	N/A	0.0%	2.9%	N/A	0.0%	1.1%	1.7%	1.1%
Columbia Commons	Garden	158	N/A	0.6%	0.6%	N/A	N/A	N/A	0.6%	0.0%
Enclave At Webster Park	Garden	230	10.0%	N/A	10.0%	N/A	N/A	N/A	7.0%	3.9%
Peaks Of MLK	Garden	183	1.1%	3.8%	2.2%	N/A	0.0%	N/A	0.0%	0.0%
Riverwood Club Apartments	Garden	144	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.9%
Abbey Ridge	Garden	112	N/A	N/A	N/A	7.1%	N/A	N/A	5.4%	2.7%
Daron Village*	Various	130	N/A	N/A	N/A	N/A	N/A	N/A	N/A	39.2%
Dogwood Apartments	Lowrise	80	N/A	N/A	N/A	N/A	N/A	N/A	3.8%	0.0%
		1,670	5.5%	1.5%	3.9%	7.1%	0.0%	1.1%	3.1%	6.6%

*Undergoing renovations, all available units have been leased

In general, the comparable properties have generally experienced decreasing vacancy from fourth quarter 2013 through the third quarter of 2017. Enclave At Webster Park experienced the largest decrease in vacancies, decreasing to 3.9 percent currently, from 10.0 percent in the fourth quarter of 2013. The remaining affordable properties demonstrate an historic trend of generally low vacancy rates. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low to moderate vacancy rates, indicate demand for affordable rental housing in the Subject's market.

Change in Rental Rates

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

RENT GROWTH		
Comparable Property	Rent Structure	Rent Growth
Avalon Park - Family	LIHTC/Market	Market rate increased 6-9%
Columbia Commons	LIHTC/PHA	LIHTC kept at max; Market rate decreased 0-1% since 2Q 2017
Enclave At Webster Park	LIHTC/Market	Market rate fluctuated 0-5% since 2Q 2017
Peaks Of MLK	LIHTC/PHA/Market	None reported
Riverwood Club Apartments	LIHTC	None reported
Abbey Ridge	Market	Increased 2-3%
Daron Village	Market	None reported
Dogwood Apartments	Market	Increased 3-5%

Columbia Commons and Peaks Of MLK reported achieving the maximum allowable rents at all AMI levels. Avalon Park – Family reported achieving the maximum allowable rents for their 30 and 50 percent AMI units; however, is achieving slightly below the maximum allowable rents for their 60 percent AMI units. Enclave At Webster Park reported achieving the maximum allowable rents for their one and two-bedroom units at the 60 percent AMI level; however, three-bedroom units are below the maximum allowable level. Riverwood Club Apartments is achieving rents slightly below the 60 percent AMI maximum allowable levels. Three of the

comparables reported increases in market rents ranging from two to nine percent, while two of the market rate comparables reported no increases. The Subject's asking rents are set at the maximum allowable level, as such, increases in rent will be determined by increases in the AMI. With the Section 8 rental assistance in place at the Subject, rent increases at the property should not directly impact residents, as they will continue to pay just 30 percent of their income toward rent.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 1,789 housing units nationwide was in some stage of foreclosure as of June 2017. The Subject's zip code (30311) is experiencing a foreclosure rate of one in every 893 homes. Further, the city of Atlanta is experiencing a foreclosure rate of one in every 1,631 homes, while the state of Georgia is experiencing a foreclosure rate of one in every 1,915 homes. Overall, the Subject's zip code is experiencing a higher foreclosure rate compared to the city, the nation and the state. The Subject's neighborhood does not appear to have a significant amount of abandoned or vacancy structures that would impact the marketability of the Subject.

12. Primary Housing Void

One of the five affordable comparable properties, Avalon Park – Family, maintains a waiting list that is approximately one year in length. F Columbia Commons and Peaks Of MLK reported achieving the maximum allowable rents at all AMI levels. Avalon Park – Family reported achieving the maximum allowable rents for their 30 and 50 percent AMI units; however, is achieving slightly below the maximum allowable rents for their 60 percent AMI units. Enclave At Webster Park reported achieving the maximum allowable rents for their one and two-bedroom units at the 60 percent AMI level; however, three-bedroom units are below the maximum allowable level. Riverwood Club Apartments is achieving rents slightly below the 60 percent AMI maximum allowable levels. The average vacancy among the affordable comparables is 2.4 percent. The relatively high occupancy rates at the affordable properties indicate demand for affordable housing in the market.

Additionally, of all renter households in the PMA, 76.7 percent earn less than \$40,000 annually indicating a need for affordable housing in the immediate area. This percentage of renter households is projected to increase through projected market entry.

13. Effect of Subject on Other Affordable Units in Market

As previously noted, there are no LIHTC developments currently under construction in the PMA. The generally low vacancy rates among both the affordable and market rate properties illustrates a strong demand for the addition of affordable housing within the market. As the Subject is an existing, 94.8 percent occupied property, it is not considered an addition to the amount of affordable housing in the market. The vacancy rate among the existing affordable comparables is good, at 2.4 percent. The need for quality rental housing is further illustrated by the generally diminishing vacancy rates of the comparable properties, and the high occupancy rates of the other subsidized properties in the area. In summary, the performance of the comparable LIHTC properties and that fact the Subject is an existing, 94.8 occupied, subsidized property, all indicate that the Subject will not negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 2.4 percent. Further, excluding Daron Village which has multiple unit's offline for renovations, market rate vacancy is at 1.6 percent, and overall vacancy is at 2.2 percent. One of the five affordable properties maintains a waiting list. These factors illustrate demand for affordable housing. The Subject will offer generally slightly inferior to inferior in-unit and community amenities in comparison to the LIHTC and market rate comparable properties. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to slightly superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly inferior to the comparable properties. Given the Subject's anticipated similar to slightly superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

I. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

We were able to obtain absorption information from one of the comparable properties, which is illustrated following table.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Avalon Park - Family	LIHTC	Family	2008	175	17

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 May 3, 2017, the property is 94.8 percent occupied with a waiting list, which is typical for the property, according to management. According to the rent roll, all of the tenants in the Subject's units would continue to qualify to remain in place. Assuming the Subject were 100 percent vacant following renovations, the Subject would likely experience a slightly faster re-absorption pace than Avalon Park - Family, due to 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 19 to 22 months. Should the Subject not benefit from a rental subsidy post renovation, we believe Subject would experience a somewhat slightly lower re-absorption pace than Avalon Park - Family, of 14 to 16 units per month for an absorption period of approximately 27 to 30 months.

J. INTERVIEWS

INTERVIEWS

Atlanta Housing Authority

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

PAYMENT STANDARDS	
Unit Type	Standard
2 Bedroom	\$1,350
3 Bedroom	\$1,550

The Subject's proposed rents are set below the current payment standards. Therefore, tenants with Housing Choice Vouchers will not pay out of pocket for rent.

Planning

We attempted to speak to the Department of City Planning with the City of Atlanta regarding recently completed, under construction, or proposed multifamily developments in the PMA; however, our phone calls and emails have not been returned.

We consulted at REIS report's new construction listing; however, there were no planned or under construction developments in the PMA.

According to the Georgia Department of Community Affairs' list of LIHTC developments and award listings, there are no proposed or recently completed LIHTC properties in the Subject's PMA, nor have any projects been allocated funding within the last three years.

Metro Atlanta Chamber/Invest Atlanta

We attempted to contact the Metro Atlanta Chamber and Invest Atlanta; however, as of the time of this report our phone calls have not yet been returned.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

Between 2000 and 2010 total population in the PMA decreased by 1.4 annually while the SMA experienced a 2.4 percent increase. Population in the PMA is anticipated to continue to grow through 2021, however, at a slower pace than the SMA. The current population of the PMA is 55,645 and is expected to increase slightly to 57,828 by 2021. Renter households are concentrated in the lowest income cohorts, with 52.7 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$43,730 for its LIHTC units. However, all units will continue to benefit from a Section 8 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.

Employment Trends

The largest industries in the PMA are educational services, healthcare/social assistance, accommodation/food services. Positions in these industries account for 34.1 percent of all jobs in the area. The four largest employers in the area are Delta Air Lines, Emory University/Emory Healthcare, Wal-Mart Stores, Inc., and The Home Depot. The educational services sector is resilient during periods of economic downturn. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2011 through 2017 year-to-date. In addition, from May 2016 to May 2017, total employment in the MSA increased 3.6 percent, compared to a 1.2 percent increase in the nation as a whole. While the unemployment rate has decreased annually since 2011, the unemployment rate in the MSA remains 40 basis points higher than the national average as of May 2017. Total employment surpassed pre-recession levels in 2014, but the unemployment rate remains higher than that of the nation, it does appear that the economy in the MSA has stabilized. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

Capture Rates

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Proposed Rents
2BR at 60% AMI/Sec. 8	310	2,753	0	2,753	11.8%	13-14 months	\$769
2BR at 60% AMI	310	484	0	484	66.9%	18-21 months	\$769
2.5BR at 60% AMI/Sec. 8	14	3,821	0	3,821	11.8%	One month	\$721
2.5BR at 60% AMI	14	672	0	672	66.9%	One month	\$721
3BR at 60% AMI/Sec. 8	133	1,068	0	1,068	12.5%	6-7 months	\$874
3BR at 60% AMI	133	188	0	188	70.8%	8-9 months	\$874
Overall - With Subsidy	457	3,821	0	3,821	12.0%	19-22 months	-
Overall - Absent Subsidy	457	672	0	672	68.0%	27-30 months	-

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

Absorption

We were able to obtain absorption information from one of the comparable properties, which is illustrated following table.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Avalon Park - Family	LIHTC	Family	2008	175	17

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 to the Subject's rent roll, dated May 3, 2017, the property is 94.8 percent occupied with a waiting list, which is typical for the property, according to management. According to the rent roll, all of the tenants in the Subject's units would continue to qualify to remain in place. Assuming the Subject were 100 percent vacant following renovations, the Subject would likely experience a slightly faster re-absorption pace than Avalon Park - Family, due to 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 19 to 22 months. Should the Subject not benefit from a rental subsidy post renovation, we believe Subject would experience a somewhat slightly lower re-absorption pace than Avalon Park - Family, of 14 to 16 units per month for an absorption period of approximately 27 to 30 months.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Avalon Park - Family	LIHTC/Market	175	2	1.1%
Columbia Commons	LIHTC/PHA	158	0	0.0%
Enclave At Webster Park	LIHTC/Market	230	9	3.9%
Peaks Of MLK	LIHTC/PHA/Market	183	0	0.0%
Riverwood Club Apartments	LIHTC	144	10	6.9%
Abbey Ridge	Market	112	3	2.7%
Daron Village*	Market	130	51	39.2%
Dogwood Apartments	Market	80	0	0.0%
Affordable Total		890	21	2.4%
Market Total		322	54	16.8%
Market Total (Excluding Daron Village)		192	3	1.6%
Total		1,212	75	6.2%
Total (Excluding Daron Village)		1,082	24	2.2%

*Undergoing renovations, all available units have been leased.

As illustrated, vacancy rates among the comparable properties range from zero to 39.2 percent, averaging 6.2 percent. It should be noted that Daron Village is currently undergoing extensive property renovations in which all 51 vacant units are offline and being renovated. According to the contact at Daron Village, all available units are rented and the property is preleasing renovated units as they become available. Excluding Daron Village, vacancy rates among the comparable properties range from zero to 6.9 percent, averaging 2.2 percent. Total affordable vacancy is slightly higher, at 2.4 percent. Only five of the comparables report having vacancies while Daron Village's units are offline for renovations. Further, two of the LIHTC comparables are fully occupied. One of the comparables, Avalon Park - Family, reported

maintaining a waiting list for their LIHTC units, while all of the comparable Public Housing units maintain waiting lists. None of the comparable market rate units maintain waiting lists.

The vacancy rates for the market rate comparable properties ranged from zero to 39.2 percent with an average of is 6.3 percent. Excluding Daron Village, vacancy rates among the comparable properties range from zero to 6.9 percent, averaging 2.2 percent. The low vacancy rates at the comparable properties indicates that there is demand for rental housing in the Subject's PMA. As a newly renovated property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Based on these factors, we believe that there is sufficient demand for affordable housing in the market. Given that the Subject is an existing property that is fully leased, we do not believe that the Subject will impact the performance of the existing affordable properties if allocated.

Strengths of the Subject

The Subject is also located in close proximity to locational amenities and employment centers. Single-family homes in the general vicinity appear to have been built in the 1950s and 1960s; however, generally exhibit fair to average condition. Post renovation, the Subject will still have slightly superior to inferior common area amenities when compared to other tax credit and market rate properties in the local market. It will have slightly inferior to inferior in-unit amenities, as the Subject does not offer exterior storage, ceiling fans, garbage disposal, walk-in closets, or washer/dryer hookups, which the majority of comparables include. According to rent roll dated May 3, 2017, the current occupancy rate at the Subject is 94.8 percent, and the contact at the Subject reports that the property maintains a waiting list, which is typical in the local market. As the demand analysis indicated, there is adequate demand for the Subject based on our calculations for the 60 percent AMI units both with and without a subsidy in place. Further, the Subject is 94.8 percent occupied. Additionally, 457 of the Subject's 458 units currently benefit from a Housing Assistance Program (HAP) contract while the remaining unit will operate as a non-revenue generating managers unit/leasing office. As such, qualifying tenants will pay only 30 percent of their household income on rent. The majority of current tenants are anticipated to income-qualify for the Subject post-renovation.

Conclusion

The Subject is also located in close proximity to locational amenities and employment centers. Single-family homes in the general vicinity appear to have been built in the 1950s and 1960s; however, generally exhibit fair to average condition. Post renovation, the Subject will still have slightly superior to inferior common area amenities when compared to other tax credit and market rate properties in the local market. It will have slightly inferior to inferior in-unit amenities, as the Subject does not offer exterior storage, ceiling fans, garbage disposal, walk-in closets, or washer/dryer hookups, which the majority of comparables include. According to rent roll dated May 3, 2017, the current occupancy rate at the Subject is 94.8 percent, and the contact at the Subject reports that the property maintains a waiting list, which is typical in the local market. As the demand analysis indicated, there is adequate demand for the Subject based on our calculations for the 60 percent AMI units both with and without a subsidy in place. Further, the Subject is 94.8 percent occupied. Additionally, 457 of the Subject's 458 units currently benefit from a Housing Assistance Program (HAP) contract while the remaining unit will operate as a non-revenue generating managers unit/leasing office. As such, qualifying tenants will pay only 30 percent of their household income on rent. The majority of current tenants are anticipated to income-qualify for the Subject post-renovation.

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 2.4 percent. Further, excluding Daron Village which has multiple units offline for renovations, market rate vacancy is at 1.6 percent, and overall vacancy is at 2.2 percent. One of the five affordable properties maintains a waiting list. These factors illustrate demand for affordable housing. The Subject will offer generally slightly inferior to inferior in-unit and community amenities in comparison to the LIHTC and market rate comparable properties. Overall, we believe that the proposed amenities will allow the

Subject to effectively compete in the family LIHTC market. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to slightly superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly inferior to the comparable properties. Given the Subject's anticipated similar to slightly superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

Recommendations

We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



Rebecca Arthur, MAI
Partner
Novogradac & Company LLP

May 4, 2017
Date



Matthew Hummel
Manager
Novogradac & Company LLP

May 4, 2017
Date

M. MARKET STUDY REPRESENTATION

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



Rebecca Arthur, MAI
Partner
Novogradac & Company LLP

May 4, 2017
Date



Matthew Hummel
Manager
Novogradac & Company LLP

May 4, 2017
Date

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

ADDENDUM B
SUBJECT AND NEIGHBORHOOD PHOTOGRAPHS

Photographs of Subject Site and Surrounding Uses



Subject signage on MLK Dr. SW



View of the Subject



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 Daycare



View of gated entry



Leasing office



Leasing office



Kitchen



Bathroom



Living Room



Hallway



Bathroom



Bedroom



Bedroom



Bedroom closet



Living room



Bedroom



Kitchen



Bedroom



Bedroom closet



Bedroom



Bathroom



View of playground



Typical single-family home to the north



Typical single-family home to the north



View of recreation center to the west



View of recreation center to the west



View of Abbey Ridge Apartments to the south



View of Abbey Ridge Apartments to the south



View of typical commercial to the southeast



View of typical commercial to the southeast



View of typical commercial to the southeast



View of typical commercial to the southeast



View northwest along M.L.K. Jr. SW



View southeast along M.L.K. Jr. SW

ADDENDUM C
Qualifications

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

I. Education

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

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Member of Kansas Housing Association
Board of Directors 2017 - Present
Designated Member of the Appraisal Institute (MAI)
Kansas City Chapter of the Appraisal Institute Board of Directors – 2013 & 2014
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

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

III. Professional Experience

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

IV. Professional Training

Various Continuing Education Classes as required by licensing, 2016 & 2017
USPAP Update, January 2016
Forecasting Revenue, June 2015
Discounted Cash Flow Model, June 2015
Business Practices and Ethics, April 2015
HUD MAP Training – June 2013
The Appraiser as an Expert Witness: Preparation & Testimony, April 2013
How to Analyze and Value Income Properties, May 2011
Appraising Apartments – The Basics, May 2011
HUD MAP Third Party Tune-Up Workshop, September 2010

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

V. Real Estate Assignments

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with

HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.

- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

VI. Speaking Engagements

A representative sample of industry speaking engagements follows:

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

MATTHEW A. HUMMEL

I. EDUCATION

Rockhurst University – Kansas City, Missouri

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

University of Missouri-Columbia

Bachelor of Business Administration - Finance and Banking, 2006

II. LICENSING AND PROFESSIONAL AFFILIATION

Appraisal Institute Candidate for Designation

State of Kansas Certified General Real Estate Appraiser No. G-2959
State of Washington Certified General Real Estate Appraiser No. 1102285
State of California Certified General Real Estate Appraiser No. 3002505
State of Missouri Certified General Real Estate Appraiser No. 2014030618
State of Texas Certified General Real Estate Appraiser No. TX1380146-G
State of New Mexico Certified General Real Estate Appraiser No. 03446-L
State of Michigan Certified General Real Estate Appraiser No. 201075419
State of Minnesota Certified General Real Estate Appraiser No. 40460257
State of Illinois Certified General Real Estate Appraiser No. 553.002534

III. PROFESSIONAL EXPERIENCE

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

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

IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute

- Basic Appraisal Principles - March 2012
- Basic Appraisal Procedures - December 2012
- Statistics, Modeling, and Finance - April 2013
- General Appraiser Market Analysis Highest and Best Use - April 2013
- National Uniform Standards of Professional Appraisal Practice - May 2013
- General Appraiser Sales Comparison Approach - June 2013
- General Appraiser Site Valuation and Cost Approach - July 2013
- General Report Writing and Case Studies - August 2013
- General Appraiser Income Approach - September 2013
- Commercial Appraisal Review - September 2013
- Expert Witness for Commercial Appraisers - October 2013
- Supervisor - Trainee Course - December 2014
- The Nuts and Bolts of Green Building - March 2015
- Even Odder - More Oddball Appraisal - March 2015
- Mortgage Fraud - April 2015
- 2014-2015 National USPAP Course - April 2015
- 2016-2017 National USPAP Course - March 2017

V. REAL ESTATE ASSIGNMENTS

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

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

VI. SPEAKING ENGAGEMENTS

- Novogradac LIHTC 101 Workshop
- Mississippi Housing Corporation Panel Speaker
- Indiana Housing Corporation Panel Speaker

ADDENDUM D
Summary Matrix

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate				
1	Avalon Park - Family 2798 Peek Rd Atlanta, GA 30318 Fulton County	1.8 miles	Garden (3 stories) 2008 / n/a	LIHTC/Market	1BR / 1BA	7	4.0%	@30%	\$281	700	yes	Yes	0	0.0%				
					1BR / 1BA	11	6.3%	@50%	\$558	700	yes	Yes	0	0.0%				
					1BR / 1BA	11	6.3%	@50%	\$697	700	no	Yes	0	0.0%				
					1BR / 1BA	11	6.3%	Market	\$861	700	n/a	No	0	0.0%				
					2BR / 1BA	15	8.6%	@30%	\$307	1,044	yes	Yes	0	0.0%				
					2BR / 1BA	25	14.3%	@50%	\$640	1,044	yes	Yes	0	0.0%				
					2BR / 1BA	31	17.7%	@60%	\$807	1,044	no	Yes	0	0.0%				
					2BR / 1BA	29	16.6%	Market	\$976	1,044	n/a	No	1	3.4%				
					3BR / 2BA	5	2.9%	@30%	\$323	1,218	yes	Yes	0	0.0%				
					3BR / 2BA	8	4.6%	@50%	\$708	1,218	yes	Yes	0	0.0%				
					3BR / 2BA	11	6.3%	@60%	\$900	1,218	no	Yes	0	0.0%				
					3BR / 2BA	11	6.3%	Market	\$1,163	1,218	n/a	No	1	9.1%				
										175	100.0%						2	1.1%
					2	Columbia Commons 2524 Martin Luther King Drive Atlanta, GA 30311 Fulton County	1.1 miles	Garden (3 stories) 2003 / n/a	LIHTC/PHA	2BR / 2BA	6	3.8%	@50%	\$772	1,222	yes	No	0
2BR / 2BA	17	10.8%	@54%	\$839						1,222	yes	No	0	0.0%				
2BR / 2BA	58	36.7%	Market	\$1,002						1,222	n/a	No	0	0.0%				
2BR / 2BA	2	1.3%	Non-Rental	N/A						1,222	n/a	No	0	0.0%				
2BR / 2BA	36	22.8%	Public housing	N/A						1,222	n/a	Yes	0	0.0%				
3BR / 2BA	2	1.3%	@50%	\$897						1,432	yes	No	0	0.0%				
3BR / 2BA	6	3.8%	@54%	\$974						1,432	yes	No	0	0.0%				
3BR / 2BA	19	12.0%	Market	\$1,149						1,432	n/a	No	0	0.0%				
3BR / 2BA	12	7.6%	Public housing	N/A						1,432	n/a	Yes	0	0.0%				
										158	100.0%						0	0.0%
3	Enclave At Webster Park 2640 Martin Luther King Drive Atlanta, GA 30311 Fulton County	0.9 miles	Garden (3 stories) 2003 / n/a	LIHTC/Market						1BR / 1BA	35	15.2%	@60%	\$834	803	yes	No	N/A
					1BR / 1BA	11	4.8%	Market	\$860	803	n/a	No	N/A	N/A				
					2BR / 2BA	93	40.4%	@60%	\$1,023	1,103	yes	No	N/A	N/A				
					2BR / 2BA	29	12.6%	Market	\$1,037	1,103	n/a	No	N/A	N/A				
					3BR / 2BA	46	20.0%	@60%	\$1,154	1,277	yes	No	N/A	N/A				
					3BR / 2BA	16	7.0%	Market	\$1,163	1,277	n/a	No	N/A	N/A				
										230	100.0%						9	3.9%
4	Peaks Of MLK 2423 Martin Luther King Drive Atlanta, GA 30311 Fulton County	1.2 miles	Garden (3 stories) 2004 / n/a	LIHTC/PHA/Market	1BR / 1BA	7	3.8%	@50%	\$610	847	yes	No	0	0.0%				
					1BR / 1BA	21	11.5%	@60%	\$748	847	yes	No	0	0.0%				
					1BR / 1BA	9	4.9%	Market	\$835	847	n/a	No	0	0.0%				
					1BR / 1BA	N/A	N/A	Section 8 (Project Based Rental Assistance - PBRA)	N/A	847	n/a	Yes	0	N/A				
					2BR / 2BA	19	10.4%	@50%	\$723	1,162	yes	No	0	0.0%				
					2BR / 2BA	54	29.5%	@60%	\$862	1,162	yes	No	0	0.0%				
					2BR / 2BA	25	13.7%	Market	\$1,017	1,162	n/a	No	0	0.0%				
					2BR / 2BA	N/A	N/A	Section 8 (Project Based Rental Assistance - PBRA)	N/A	1,162	n/a	Yes	0	N/A				
					3BR / 2BA	9	4.9%	@50%	\$825	1,394	yes	No	0	0.0%				
					3BR / 2BA	27	14.8%	@60%	\$1,037	1,394	yes	No	0	0.0%				
					3BR / 2BA	12	6.6%	Market	\$1,139	1,394	n/a	No	0	0.0%				
					3BR / 2BA	N/A	N/A	Section 8 (Project Based Rental Assistance - PBRA)	N/A	1,394	n/a	Yes	0	N/A				
										183	100.0%						0	0.0%
5	Riverwood Club Apartments 901 Bolton Road NW Atlanta, GA 30331 Fulton County	1.9 miles	Garden (2 stories) 1997 / n/a	LIHTC	1BR / 1BA	60	41.7%	@60%	\$635	690	no	None	4	6.7%				
					2BR / 1BA	77	53.5%	@60%	\$650	1,035	no	None	5	6.5%				
					2BR / 1.5BA	7	4.9%	@60%	\$780	1,035	no	None	1	14.3%				
										144	100.0%						10	6.9%
6	Abbey Ridge 3136 Martin Luther King Jr. Drive SW Atlanta, GA 30311 Fulton County	0.1 miles	Garden (2 stories) 1969 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$650	750	n/a	No	0	N/A				
					2BR / 1BA	N/A	N/A	Market	\$735	850	n/a	No	3	N/A				
										112	100.0%					3	2.7%	
7	Daron Village 62 Harwell Road NW Atlanta, GA 30311 Fulton County	0.2 miles	Various 1970 / Ongoing	Market	2BR / 2BA (Garden)	N/A	N/A	Market	\$772	900	n/a	No	N/A	N/A				
					2BR / 2BA (Townhouse)	N/A	N/A	Market	\$917	1,100	n/a	No	N/A	N/A				
					2BR / 2BA (Townhouse)	N/A	N/A	Market	\$862	1,100	n/a	No	N/A	N/A				
					130	100.0%						51	39.2%					
8	Dogwood Apartments 95 Peyton Place Atlanta, GA 30311 Fulton County	0.8 miles	Lowrise (2 stories) 1974 / n/a	Market	1BR / 1BA	8	10.0%	Market	\$730	800	n/a	No	0	0.0%				
					2BR / 1BA	48	60.0%	Market	\$858	1,100	n/a	No	0	0.0%				
					2BR / 1.5BA	20	25.0%	Market	\$934	1,400	n/a	No	0	0.0%				
					3BR / 2BA	4	5.0%	Market	\$1,011	1,350	n/a	No	0	0.0%				
					80	100.0%						0	0.0%					

ADDENDUM E
Subject Floor Plans