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A MARKET STUDY OF:

MILL CREEK

PLACE

A MARKET STUDY OF:

MILL CREEK PLACE

7101 West Strickland Street
Douglasville, Douglas County, Georgia 30134

Effective Date: August 25, 2017
Report Date: September 1, 2017

Prepared for:
Mr. Jordan Richter
Dominium Development & Acquisition, LLC
2905 Northwest Boulevard, Suite 150
Plymouth, Minnesota 55441

Assignment Code: DOM600V-114

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September 1, 2017

Mr. Jordan Richter
Dominium Development & Acquisition, LLC
2905 Northwest Boulevard, Suite 150
Plymouth, Minnesota 55441

Re: Market Study - Application for Mill Creek Place, located in Douglasville, Douglas County, Georgia

Dear Mr. Richter:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Douglasville, Douglas 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 Mill Creek Place (Subject), an existing 128-unit LIHTC multifamily development. Following renovation using the LIHTC program, the property will continue to be restricted to households earning 50 and 60 percent of the Area Median Income (AMI), or less. 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 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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TABLE OF CONTENTS

A. Executive Summary	1
B. Project Description.....	8
C. Site Evaluation.....	14
D. Market Area	25
E. Community Demographic Data	28
F. Employment Trends.....	35
G. Project-Specific Affordability and Demand Analysis	45
H. Competitive Rental Analysis.....	61
I. Absorption and Stabilization Rates.....	117
J. Interviews	119
K. Conclusions and Recommendations	121
L. Signed Statement Requirements.....	125
M. Market Study Representation	127
Addendum A.....	Assumptions and Limiting Conditions
Addendum B.....	Subject and Neighborhood Photographs
Addendum C.....	Qualifications
Addendum D.....	Summary Matrix

A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Mill Creek Place (Subject) will be a renovated family property located in Douglasville, Douglas County, Georgia, which consists of two and three-story garden-style buildings and one single-story clubhouse.

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

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2016 LIHTC Maximum Rents	HUD Fair Market Rents
<i>50% AMI</i>							
2BR/2BA	1,222	1	\$642	\$118	\$760	\$760	\$949
3BR/2BA	1,432	1	\$728	\$149	\$877	\$877	\$1,253
<i>60% AMI</i>							
2BR/2BA	1,222	91	\$794	\$118	\$912	\$912	\$949
3BR/2BA	1,353	3	\$904	\$149	\$1,053	\$1,053	\$1,253
3BR/2BA	1,432	32	\$904	\$149	\$1,053	\$1,053	\$1,253
Total		128					

(1) Utility Allowance provided by the developer

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

Of the Subject's 128 units, all will continue to target households earning 50 and 60 percent of the Area Median Income (AMI) or less. The Subject's in-unit amenity package is considered to be slightly inferior in comparison to the LIHTC and market-rate comparable properties and inferior to superior property amenities. The Subject does not offer balcony/patios or ceiling fans, which the majority of comparables include. Further, the Subject does not offer a car wash or tennis court, which the majority of comparables include. However, the Subject includes business center/computer lab, which is not offered at the majority 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 \$39,000 per unit, or \$4,992,000 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 roof
- New appliances
- New flooring
- New plumbing fixtures
- New unit entry doors and door hardware
- New computer center
- New fitness equipment
- New interior LED lighting
- New paint
- New covered pavilion including grilling area/outdoor seating
- New playground equipment

- New clubhouse and pool furniture
- New cabinet/vanity drawer/fronts
- New HVAC systems
- New water heaters
- All new appliances
- Add ceiling fans
- Renovated clubhouse

2. Site Description/Evaluation

The Subject site is located along the north side of West Strickland Street. The Subject site has good visibility and accessibility from neighborhood thoroughfares. Surrounding uses consist of single-family, multifamily, and commercial/retail uses. The Subject site is considered “Car-Dependent” by *Walkscore* with a rating of 35 out of 100. Crime risk indices in the Subject’s area are considered slightly above average. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average to excellent condition and the site has good proximity to locational amenities, which are generally within 1.8 miles of the Subject site.

3. Market Area Definition

The PMA is defined as generally the city of Douglasville. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	8.2 miles
East:	10.1 miles
South:	10.0 miles
West:	9.1 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 there was an approximate 4.4 percent annual increase in population within the PMA and 2.4 percent increase within 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 164,539 and is expected to increase to 171,355 by 2021. Further, approximately 23.5 percent of renter households in the PMA are earning incomes that are less than \$30,000. The Subject will target households earning between \$26,057 and \$43,740 for its LIHTC units. Overall, while population growth has been average, the concentration of renter households at the lowest income cohorts indicates 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 (30134) is experiencing a foreclosure rate of one in every 1,033 homes. Further, the city of Douglasville is experiencing a foreclosure rate of one in every 715 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 nation and the state; however, a lower foreclosure rate compared to the city. 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 retail trade, healthcare/social assistance, and construction sectors. Positions in these industries account for 30.9 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 healthcare/social assistance 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

Bedrooms/AMI Level	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Proposed Rents
2BR at 50% AMI	1	497	0	497	0.2%	One month	\$642
2BR at 60% AMI	91	562	0	562	16.2%	5 to 7 months	\$794
2BR at All LIHTC Units	92	812	0	812	11.3%	5 to 7 months	-
3BR at 50% AMI	1	221	0	221	0.5%	One month	\$728
3BR at 60% AMI	35	250	0	250	14.0%	2 to 3 months	\$904
3BR at All LIHTC Units	36	361	0	361	10.0%	2 to 3 months	-
Overall at 50% AMI	2	718	0	718	0.3%	One month	-
Overall at 60% AMI	126	812	0	812	15.5%	7 to 9 months	-
Overall at All LIHTC Units	128	1,173	0	1,173	10.9%	7 to 9 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 1,955 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 fair; we have included four comparable properties which offer LIHTC units, one of which are located in within the PMA. Due to the lack of “true” LIHTC comparables in the

PMA and surrounding areas, it was necessary to utilize three comparable properties located outside of the PMA in Austell, Georgia. 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 126 of the Subjects, all units will be restricted to households earning 50 and 60 percent of the AMI or below. The comparable affordable property in the PMA is located 2.0 miles from the Subject. Further, the comparable affordable properties outside of the PMA are located between 9.4 and 11.7 miles from the Subject.

The availability of market-rate data is considered good. The Subject is located in Douglasville, and there are multiple comparable market-rate properties in the area. We have included five conventional market rate properties in our analysis of the competitive market. The market-rate properties are located in the PMA, within 0.9 and 2.3 miles from the Subject. The market rate comparables were built between 1968 and 2003. 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 @ 50%	\$642	\$731	\$1,192	\$936	31.4%
2BR @ 60%	\$794	\$731	\$1,192	\$936	15.2%
3BR @ 50%	\$728	\$894	\$1,417	\$1,064	31.6%
3BR @ 60%	\$904	\$894	\$1,417	\$1,064	15.1%

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average of the comparable properties. The Subject’s proposed 60 percent rents for both two and three-bedroom units are within the surveyed range of comparable LIHTC and market rents while the 50 percent rents are below the range of comparable LIHTC and market rents.

8. Absorption/Stabilization Estimate

We were unable to obtain absorption information from any of the comparable properties. Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed renovation of an existing LIHTC property. According the Subject's rent roll, dated July 27, 2017, the property is 98.4 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. Based on market experience, and assuming the Subject were 100 percent vacant following renovations, the Subject would likely experience a re-absorption pace of 14 to 16 units per month for an absorption period of

approximately seven to eight months. However, since all tenants will income qualify to remain, the rents are decreasing, we believe all tenants will remain and the Subject within weeks of completing the renovations.

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 0.9 percent. Further, market rate vacancy is at 2.3 percent, and overall vacancy is at 1.7 percent. Three of the four affordable properties maintain a waiting list. These factors illustrate demand for affordable housing. The Subject will offer generally similar in-unit and inferior to superior 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 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 superior to the comparable properties. Given the Subject's anticipated similar to 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.

MILL CREEK PLACE – DOUGLASVILLE, GEORGIA– MARKET STUDY

Summary Table:

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

Development Name:	Mill Creek Place	Total # Units:	128
Location:	7101 West Strickland Street	# LIHTC Units:	128
	Douglasville, Douglas County, Georgia 30134		
PMA Boundary:	North: Ridge Rd, Meadows Rd SW; South: State Hwy 166, Douglas/Fulton County Line; East: Douglas/Fulton County Line, U.S. Route 278; West: Liberty Rd, Carroll/Douglas County Line, State Hwy 61		
	Farthest Boundary Distance to Subject:		10.1

Rental Housing Stock (found on page 48)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	38	5,850	47	97.8%
Market-Rate Housing	13	2,023	47	97.7%
Assisted/Subsidized Housing not to include LIHTC	3	671	0	100.0%
LIHTC	5	252	0	100.0%
Stabilized Comps	15	2,178	47	97.8%
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
1	2BR at 50% AMI	2	1,222	\$642	\$936	\$0.85	31%	\$1,177	\$1.03
91	2BR at 60% AMI	2	1,222	\$794	\$936	\$0.85	15%	\$1,177	\$1.03
1	3BR at 50% AMI	2	1,432	\$728	\$1,064	\$0.78	32%	\$1,402	\$0.96
3	3BR at 60% AMI	2	1,353	\$904	\$1,064	\$0.78	15%	\$1,402	\$0.96
32	3BR at 60% AMI	2	1,432	\$904	\$1,064	\$0.78	15%	\$1,402	\$0.96

Demographic Data (found on pages 51 & 97)

	2010		2016		Oct-18	
Renter Households	14,034	58.0%	16,687	63.7%	17,046	63.9%
Income-Qualified Renter HHS (LIHTC)	1,937	13.8%	2,303	13.8%	2,352	13.8%

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

Type of Demand	30%	50%	60%	Market-rate	Other: ___	Overall*
Renter Household Growth	N/Ap	49	55	N/Ap	N/Ap	80
Existing Households (Overburdened + Substandard)	N/Ap	669	757	N/Ap	N/Ap	1,094
Homeowner conversion (Seniors)	N/Ap	0	0	N/Ap	N/Ap	0
Total Primary Market Demand	N/Ap	718	812	N/Ap	N/Ap	1,173
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
Adjusted Income-qualified Renter HHS**	N/Ap	718	812	N/Ap	N/Ap	1,173

Capture Rates (found on page 57)

Targeted Population	30%	50%	60%	Market-rate	Other: ___	Overall
Capture Rate:	N/Ap	0.30%	15.5%	N/Ap	N/Ap	10.9%

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- 1. Project Address and Development Location:** The Subject is located at 7101 West Strickland Street, Douglasville, Douglas County, Georgia 30134.
- 2. Construction Type:** The Subject consists of three two-story and four three-story garden-style buildings and one single-story clubhouse. The buildings are wood frame with brick and vinyl siding exteriors and pitched roofs. The Subject was originally constructed in 2000.
- 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 LIHTC development. Following renovations, all of the Subject's units will continue to offer units restricted to 50 and 60 percent AMI.
- 9. Proposed Development Amenities:** See following property profile.

MILL CREEK PLACE – DOUGLASVILLE, GEORGIA– MARKET STUDY

PROPERTY PROFILE - AS-IS

Mill Creek Place												
Comp #	Subject											
Effective Rent	8/25/2017											
Location	7101 Strickland Street Douglasville, GA 30134 Douglas County											
Distance	n/a											
Units	128											
Vacant Units	2											
Vacancy Rate	1.60%											
Type	Garden (3 stories)											
Year Built / Renovated	2000 / n/a											
Market												
Program	@50%, @60%, Non-Rental				Leasing Pace	Pre-leased to two weeks						
Annual Turnover Rate	25%				Change in Rent (Past Year)	None reported						
Units/Month Absorbed	n/a				Concession	None						
Section 8 Tenants	29%											
Utilities												
A/C	not included – central				Other Electric	not included						
Cooking	not included – electric				Water	not included						
Water Heat	not included – electric				Sewer	not included						
Heat	not included – electric				Trash Collection	included						
Unit Mix (face rent)												
 Beds	 Baths	 Type	 Units	 Size (SF)	 Rent	 Concession	 Restriction	 Waiting List	 Vacant	 Vacancy Rate	 Max rent?	
2	2	Garden (3 stories)	1	1,222	\$674	\$0	@50%	No	0	0.0%	yes	
2	2	Garden (3 stories)	90	1,222	\$841	\$0	@60%	No	2	2.2%	yes	
2	2	Garden (3 stories)	1	1,222	N/A	N/A	Non-Rental	n/a	0	0.0%	N/A	
3	2	Garden (3 stories)	1	1,432	\$778	\$0	@50%	No	0	0.0%	yes	
3	2	Garden (3 stories)	3	1,353	\$970	\$0	@60%	No	0	0.0%	no	
3	2	Garden (3 stories)	31	1,432	\$970	\$0	@60%	No	0	0.0%	no	
3	2	Garden (3 stories)	1	1,432	N/A	N/A	Non-Rental	n/a	0	0.0%	N/A	
Amenities												
In-Unit	Blinds Carpeting Central A/C Coat Closet Dishwasher Garbage Disposal Oven Refrigerator Walk-In Closet Washer/Dryer hookup				Security	Perimeter Fencing Video Surveillance						
Property	Parking spaces: 308 Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Swimming Pool				Premium	none						
Services	none				Other	Granite countertops						



MILL CREEK PLACE – DOUGLASVILLE, GEORGIA– MARKET STUDY

PROPERTY PROFILE - POST-REHAB

Mill Creek Place												
Comp #	Subject											
Effective Rent	8/25/2017											
Location	7101 Strickland Street											
	Douglasville, GA 30134											
	Douglas County											
Distance	n/a											
Units	128											
Vacant Units	2											
Vacancy Rate	1.60%											
Type	Garden											
	(3 stories)											
Year Built / Renovated	2000 / n/a											
Market												
Program	@50%, @60%		Leasing Pace	Pre-leased to two weeks								
Annual Turnover Rate	25%		Change in Rent (Past)	None reported								
Units/Month Absorbed	n/a		Concession	None								
Section 8 Tenants	29%											
Utilities												
A/C	not included – central		Other Electric	not included								
Cooking	not included – electric		Water	not included								
Water Heat	not included – electric		Sewer	not included								
Heat	not included – electric		Trash Collection	included								
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
2	2	Garden (3 stories)	1	1,222	\$642	\$0	@50%	No	N/A	N/A	yes	
2	2	Garden (3 stories)	91	1,222	\$794	\$0	@60%	No	N/A	N/A	yes	
3	2	Garden (3 stories)	1	1,432	\$728	\$0	@50%	No	N/A	N/A	yes	
3	2	Garden (3 stories)	3	1,353	\$904	\$0	@60%	No	N/A	N/A	no	
3	2	Garden (3 stories)	32	1,432	\$904	\$0	@60%	No	N/A	N/A	no	
Amenities												
In-Unit	Blinds		Security		Perimeter Fencing							
	Carpeting				Video Surveillance							
	Central A/C											
	Coat Closet											
	Ceiling Fan											
	Dishwasher											
	Garbage Disposal											
	Oven											
	Refrigerator											
	Walk-In Closet											
	Washer/Dryer hookup											
Property	Parking spaces: 308		Premium		none							
	Business Center/Computer Lab											
	Clubhouse/Meeting											
	Room/Community Room											
	Exercise Facility											
	Central Laundry											
	Off-Street Parking											
	On-Site Management											
	Picnic Area											
	Playground											
	Swimming Pool											
Services	none		Other		Granite countertops							



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 \$39,000 per unit, or \$4,992,000 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 roof
- New appliances
- New flooring
- New plumbing fixtures
- New unit entry doors and door hardware
- New computer center
- New fitness equipment
- New interior LED lighting
- New paint
- New covered pavilion including grilling area/outdoor seating
- New playground equipment
- New clubhouse and pool furniture
- New cabinet/vanity drawer/fronts
- New HVAC systems
- New water heaters
- All new appliances
- Add ceiling fans
- Renovated clubhouse

11. Current Rents:

Based on a rent roll received July 27, 2017, the Subject is 98.4 percent occupied. The following table illustrates the Subject's current rents and unit mix. It should be noted that due to a decrease in AMI over the past several years, the 2017 maximum allowable rents are lower than the hold harmless rents that the Subject is currently restricted to; as such, the Subject will need to lower its rents to the 2017 maximum allowable limits as part of the renovation.

CURRENT RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Asking Rents	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
			<i>50% AMI</i>			
2BR/2BA	1,222	1	\$674	\$674	\$674	\$674
3BR/2BA	1,432	1	\$778	N/A	N/A	N/A
			<i>60% AMI</i>			
2BR/2BA	1,222	90	\$841	\$694	\$841	\$713
3BR/2BA	1,353	3	\$970	\$783	\$783	\$783
3BR/2BA	1,432	31	\$970	\$783	\$970	\$814
			<i>Non-Rental</i>			
2BR/2BA	1,222	1	N/A			
3BR/2BA	1,353	1	N/A			
Total		128				

12. Current Occupancy:

The Subject is currently 98.4 percent occupied with a waiting list.

13. Current Tenant Income:

The majority of current tenants at the Subject would continue to income-qualify for the Subject post-renovation.

14. Placed in Service Date:

The Subject was originally constructed in the 2000. 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 October 2018.

Conclusion:

The Subject will be a good-quality brick and vinyl siding two- and 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:** Travis Jorgenson inspected the site on August 25, 2017.

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

Frontage:

The Subject site has frontage along West Strickland Street. An aerial photograph of the Subject site is below.



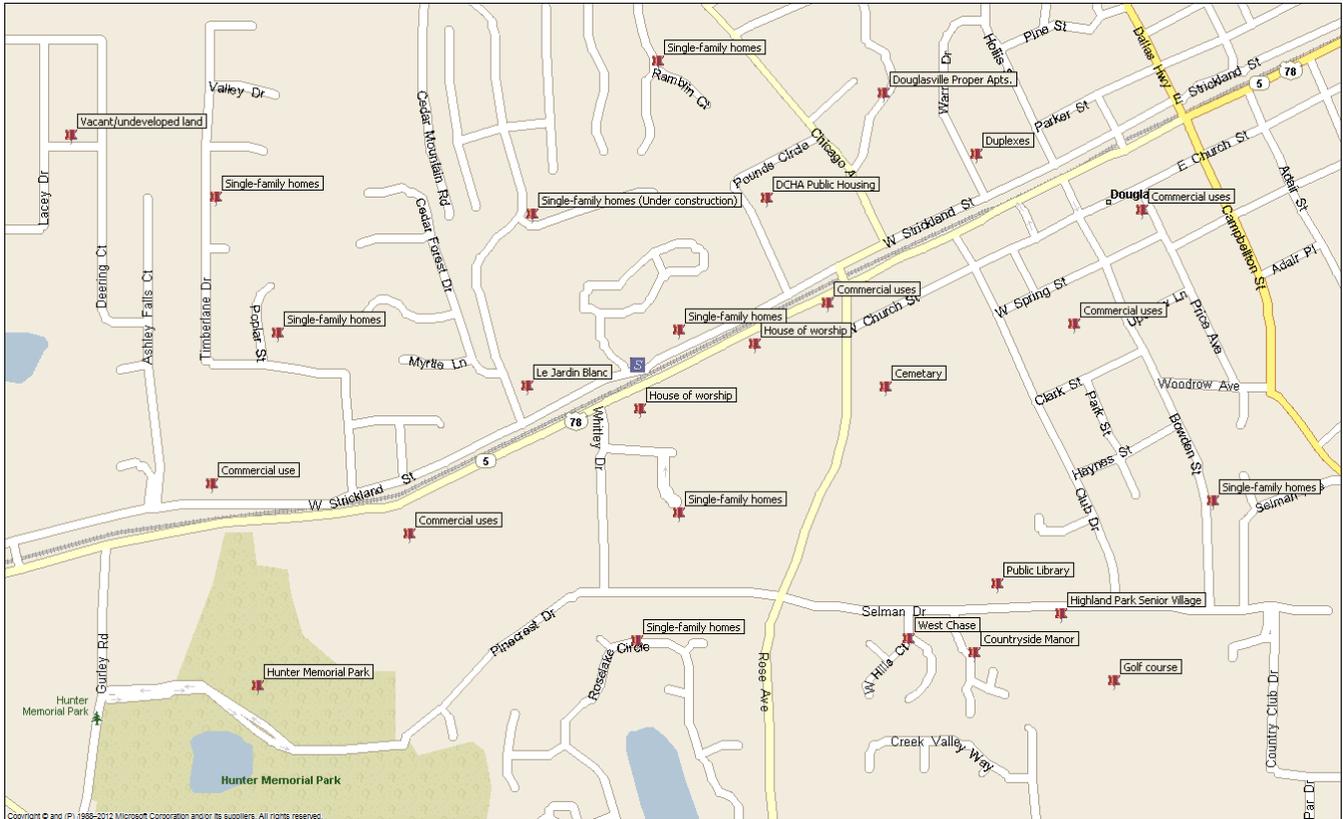
Visibility/Views:

The Subject has good visibility from West Strickland Street. Views to the north consists of a developing subdivision consisting of single-family homes in excellent condition followed by an existing subdivision consisting of single-family homes in average to good condition. Views to the east consist of a multifamily public housing development owned by Douglas County Housing Authority. Views to the south of single family homes in average condition. Further south, across West Strickland Street and West Broad Street, consists of two houses of worship in average condition, single-family

homes in average condition, and commercial uses in average condition. Views to the west consist of wooded land and Le Jardin Blanc, a wedding chapel venue in average condition.

Surrounding Uses:

The following map illustrates the surrounding land uses.



The Subject site is located along the north side of West Strickland Street. Land use to the north consists of a developing subdivision consisting of single-family homes in excellent condition followed by an existing subdivision consisting of single-family homes in average to good condition. Land use to the east consists of a multifamily public housing development owned by Douglas County Housing Authority. Land use to the south of single family homes in average condition. Further south, across West Strickland Street and West Broad Street, consists of two houses of worship in average condition, single-family homes in average condition, and commercial uses in average condition. Land use to the west consists of wooded land and Le Jardin Blanc, a wedding chapel venue in average condition. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 35 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 1.8 miles of the Subject.

Positive/Negative Attributes of Site:

The Subject is located within 85 feet of railroad tracks; however, the Subject is currently 98.4 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.



View of Subject signage



View of the Subject's Leasing Office



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject



Gated entry



Gated entry



View west on West Strickland Street



View east on West Strickland Street



View of railroad tracks to the south



View of house of worship to the south



Single-family home to the south



Single-family home to the south



Public housing to the east



Public housing to the east



Single-family home to the north



Single-family home to the north

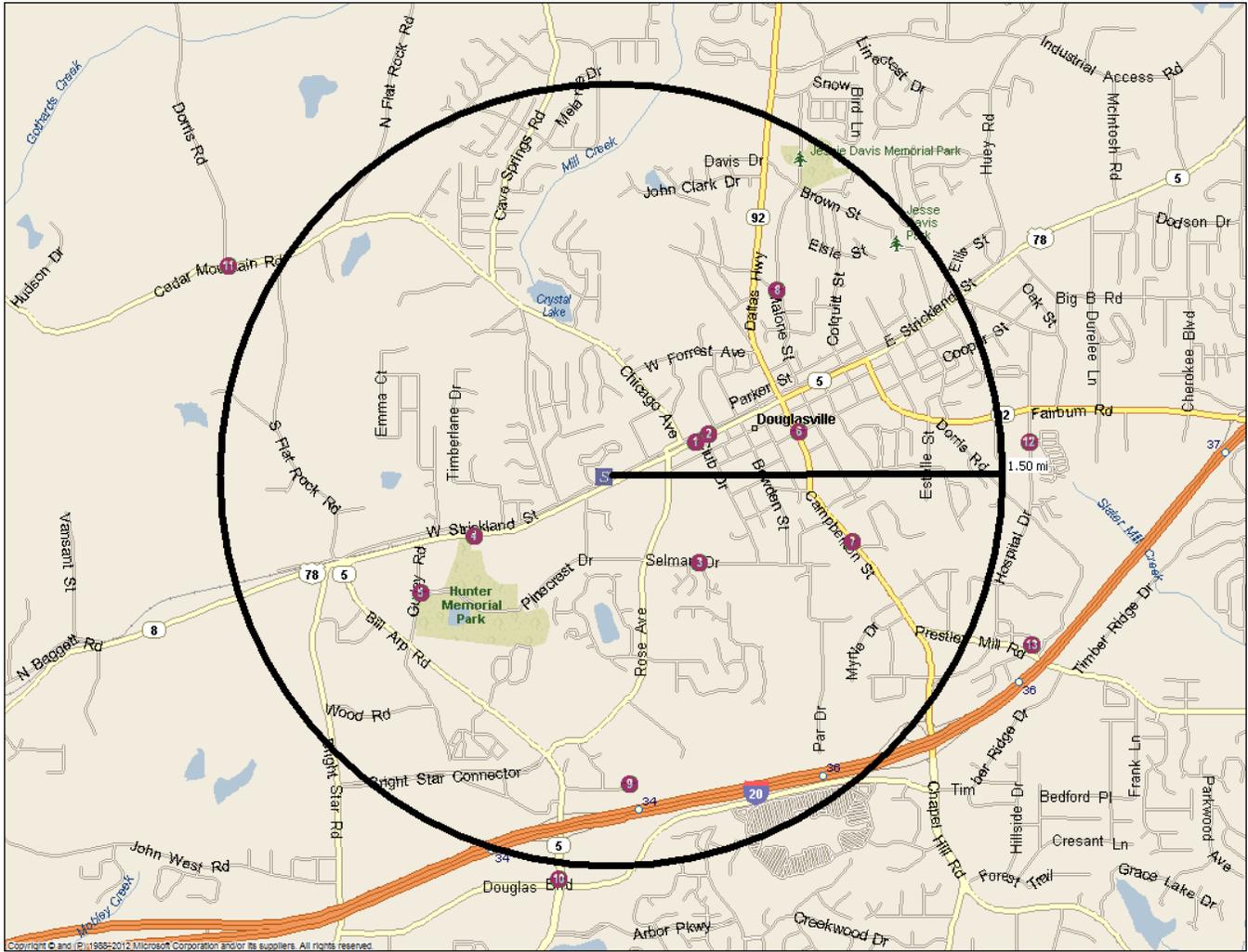


Single-family home to the west



Single-family home to the west

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



LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance
1	Police Department	0.4 miles
2	Fire Department	0.5 miles
3	Public Library	0.5 miles
4	Valero Gas Station	0.5 miles
5	Hunter Memorial Park	0.8 miles
6	Post Office	0.8 miles
7	Douglas County High School	1.0 miles
8	Stewart Middle School	1.0 miles
9	Walmart Supercenter	1.2 miles
10	Walgreens	1.5 miles
11	North Douglas Elementary	1.6 miles
12	Kroger Grocery	1.7 miles
13	WellStar Douglas Hospital	1.8 miles

6. Description of Land Uses The Subject site is located along the north side of West Strickland Street. Land use to the north consists of a developing subdivision consisting of single-family homes in excellent condition followed by an existing subdivision consisting of single-family homes in average to good condition. Land use to the east consists of a multifamily public housing development owned by Douglas County Housing Authority. Land use to the south of single family homes in average condition. Further south, across West Strickland Street and West Broad Street, consists of two houses of worship in average condition, single-family homes in average condition, and commercial uses in average condition. Land use to the west consists of wooded land and Le Jardin Blanc, a wedding chapel venue in average condition. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 35 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 1.8 miles of the Subject.

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

2016 CRIME INDICES

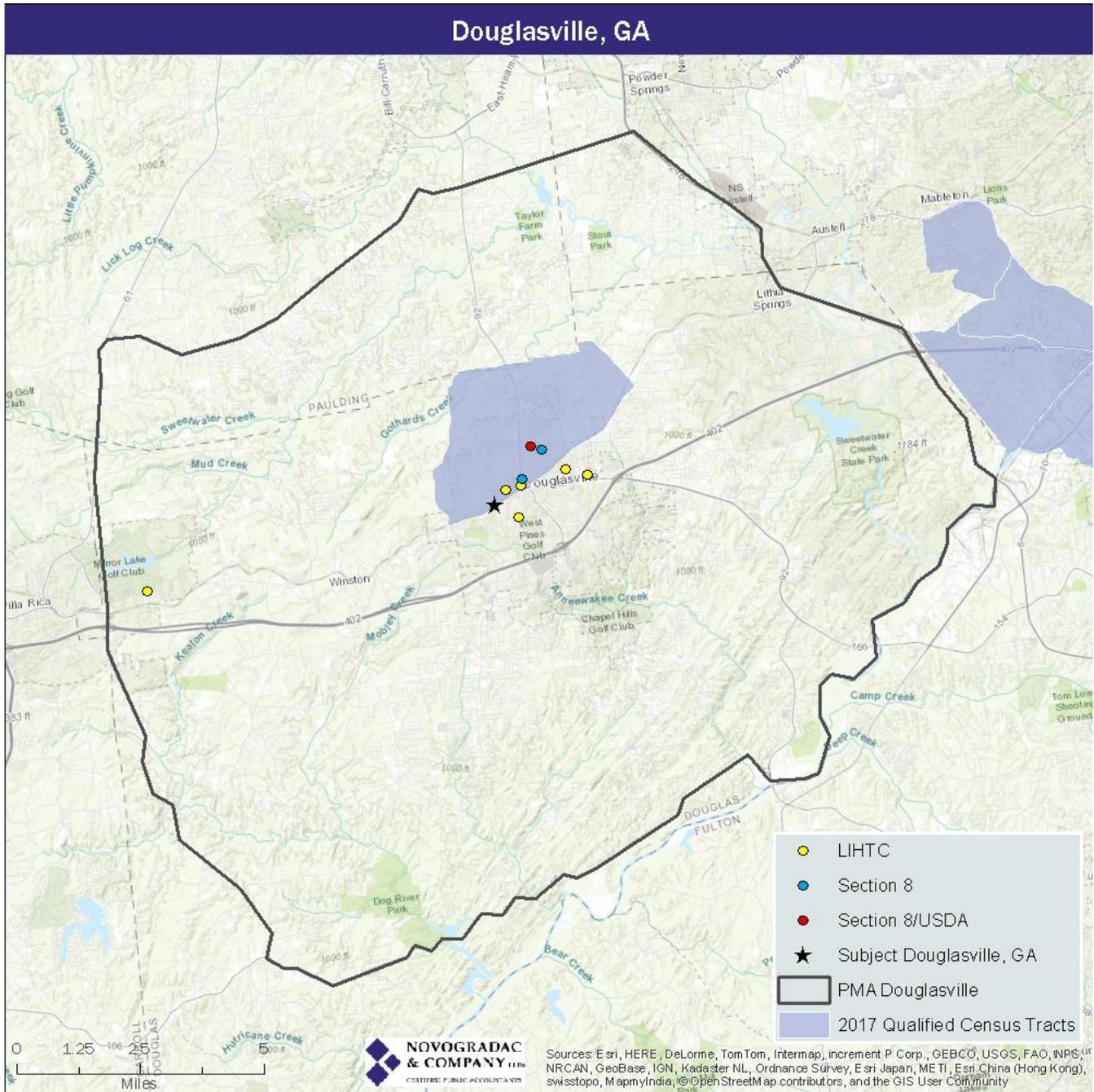
	PMA	MSA
Total Crime*	109	139
Personal Crime*	70	130
Murder	78	155
Rape	71	88
Robbery	59	163
Assault	76	118
Property Crime*	114	140
Burglary	109	147
Larceny	116	134
Motor Vehicle Theft	108	178

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

*Unweighted aggregations

The crime indices in the PMA are below that of the MSA and the slightly above that of the nation. The Subject offers perimeter fencing and video surveillance as a security features. Seven of the comparables offer some form of security feature. The remaining comparable properties do not offer any form of security. Given the relatively average 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	Distance from Subject	Map Color
Mill Creek Place (Subject)	LIHTC	Douglasville	Family	128	-	Star
Millwood Park Apartments*	LIHTC	Douglasville	Family	172	2.0 miles	Yellow
Parker Street Duplex	LIHTC	Douglasville	Family	2	0.7 miles	
Douglasville Proper	LIHTC	Douglasville	Family	100	0.4 miles	
Connors Senior Village II	LIHTC	Villa Rica	Senior	60	7.2 miles	
Highland Park Senior Village	LIHTC	Douglasville	Senior	50	0.5 miles	
Brighton Manor Apartments	LIHTC/Market	Douglasville	Family	40	1.6 miles	Red
Douglass Village	Section 8/USDA	Douglasville	Family	88	1.4 mile	
Douglasville VOA Housing	Section 8	Douglasville	Disabled	12	1.5 miles	Blue
Maxwell Homes	Section 8	Douglasville	Family	110	0.8 miles	

*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 the north side of West Strickland Street. West Strickland Street is a northeast/southwest traversing two-lane road which provides access to Rose Avenue approximately 0.3 miles northeast of the Subject. Rose Avenue is a two-lane road which generally traverses northeast/southwest and provides access to Bill Arp Road, also known as State Highway 5, approximately 1.0 mile southwest of the Subject. Bill Arp Road is a two-lane highway which generally traverses northwest/southeast and provides access to Interstate 20 approximately 1.3 miles southwest of the Subject. Interstate 20 provides access to Atlanta approximately 20 miles east of the Subject and to Birmingham, Alabama, approximately 117 miles west of the Subject. Overall, access to the site is considered good, while visibility is also considered good.

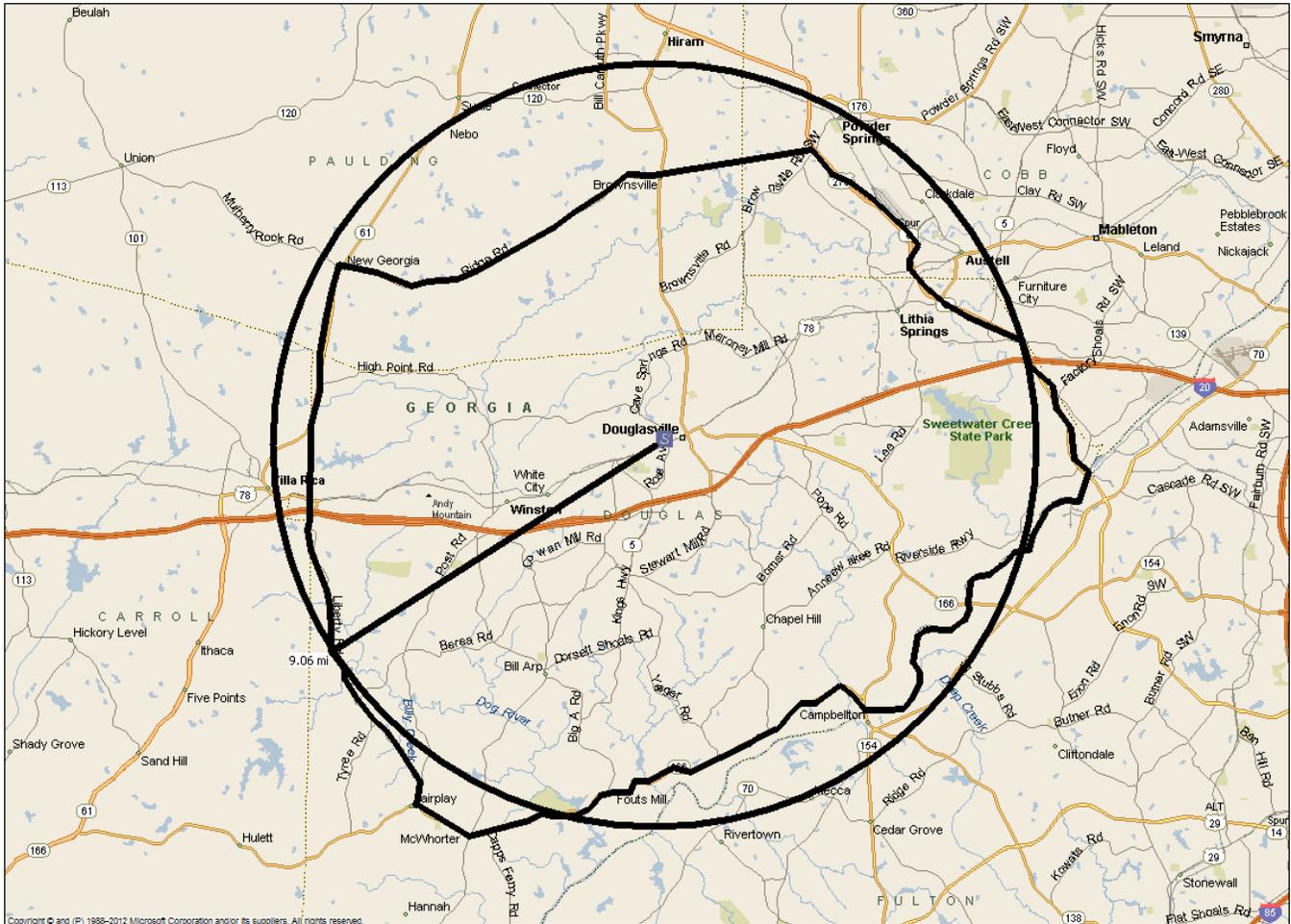
11. Conclusion: The Subject site is located along the north side of West Strickland Street. The Subject site has good visibility and accessibility from neighborhood thoroughfares. Surrounding uses consist of single-family, multifamily, and commercial/retail uses. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 35 out of 100. Crime risk indices in the Subject’s area are considered slightly above average. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average to excellent condition and the site has good proximity to locational amenities, which are generally within 1.8 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



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 generally the city of Douglasville. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	8.2 miles
East:	10.1 miles
South:	10.0 miles
West:	9.1 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	109,905	-	4,263,438	-	281,421,906	-
2010	158,447	4.4%	5,286,728	2.4%	308,745,538	1.0%
2017	164,539	0.6%	5,665,958	1.1%	323,580,626	0.8%
Projected Mkt Entry	167,606	0.8%	5,844,766	1.4%	329,766,097	0.8%
2021	171,355	0.8%	6,063,308	1.4%	337,326,118	0.8%

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

Between 2000 and 2010 there was an approximate 4.4 percent annual increase in total population within the PMA and 2.4 percent increase within 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	2021
0-4	8,674	11,521	11,360	11,419	11,492
5-9	9,177	12,732	11,823	11,866	11,919
10-14	8,876	13,468	12,779	12,769	12,756
15-19	7,578	12,670	11,992	12,059	12,141
20-24	6,248	8,778	10,917	10,493	9,975
25-29	8,449	9,338	10,915	11,445	12,092
30-34	10,058	10,873	10,785	11,608	12,614
35-39	10,659	13,519	11,437	11,828	12,305
40-44	9,339	13,647	13,106	12,636	12,062
45-49	7,772	12,691	12,648	12,330	11,942
50-54	6,979	10,786	11,826	11,794	11,755
55-59	5,082	8,605	10,255	10,473	10,740
60-64	3,439	7,048	8,323	8,843	9,478
65-69	2,539	4,996	6,501	6,905	7,399
70-74	1,992	3,291	4,464	5,044	5,753
75-79	1,412	2,033	2,676	3,075	3,563
80-84	908	1,359	1,504	1,711	1,965
85+	723	1,092	1,227	1,306	1,403
Total	109,904	158,447	164,538	167,605	171,354

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

POPULATION BY AGE GROUP

Age Cohort	SMA				
	2000	2010	2016	Projected Mkt Entry	2021
0-4	318,972	380,735	380,008	388,218	398,252
5-9	326,062	394,306	392,983	396,673	401,183
10-14	314,313	390,992	406,441	412,206	419,251
15-19	290,180	378,372	385,702	395,795	408,131
20-24	289,654	341,650	389,646	387,473	384,816
25-29	364,046	377,057	408,658	424,778	444,480
30-34	382,158	386,120	403,640	426,829	455,170
35-39	396,792	417,987	399,148	415,769	436,084
40-44	360,050	415,233	415,330	414,157	412,724
45-49	307,308	411,635	404,741	403,671	402,364
50-54	267,500	364,330	397,839	397,747	397,635
55-59	186,754	301,331	359,211	368,843	380,616
60-64	131,059	252,453	296,741	317,091	341,963
65-69	101,856	170,690	241,279	257,803	278,000
70-74	82,809	114,130	160,967	187,358	219,614
75-79	65,303	81,144	100,456	116,660	136,464
80-84	42,357	57,082	63,423	70,103	78,267
85+	36,265	51,481	59,745	63,592	68,294
Total	4,263,438	5,286,728	5,665,958	5,844,766	6,063,308

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

The largest age cohorts in the PMA, in 2016, are between the ages 40 through 44, 10 through 14, and 45 through 49, 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	38,309	-	1,559,712	-	105,480,101	-
2010	54,526	4.2%	1,943,885	2.5%	116,716,292	1.1%
2016	56,300	0.5%	2,065,785	1.0%	121,786,233	0.7%
Projected Mkt Entry	57,291	0.8%	2,126,855	1.3%	123,994,849	0.8%
2021	58,503	0.8%	2,201,496	1.3%	126,694,268	0.8%

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

The total number of households in the PMA, from 2000 through 2010 increased at a rate of 4.2 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	2.85	-	2.68	-	2.59	-
2010	2.88	0.1%	2.68	0.0%	2.58	-0.1%
2016	2.90	0.1%	2.70	0.1%	2.59	0.1%
Projected Mkt Entry	2.90	0.1%	2.71	0.1%	2.59	0.1%
2021	2.91	0.1%	2.72	0.1%	2.60	0.1%

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

The average household size in the PMA is slightly larger 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	30,814	80.4%	7,495	19.6%
2010	40,492	74.3%	14,034	25.7%
2016	39,613	70.4%	16,687	29.6%
Projected Mkt Entry	40,246	70.2%	17,046	29.8%
2021	41,019	70.1%	17,484	29.9%

Source: Esri Demographics 2016, Novogradac & Company LLP, August 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	1,319,791	62.1%	807,064	37.9%
2021	1,365,140	62.0%	836,356	38.0%

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

As the table illustrates, households within the PMA reside in predominately owner-occupied residences, similar to households in the SMA. In 2016, 29.6 percent of households in the PMA are renter occupied, compared to 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		2021	
	Number	%	Number	%	Number	%	Number	%
\$0-9,999	2,357	4.3%	3,592	6.4%	3,565	6.2%	3,533	6.0%
\$10,000-19,999	4,009	7.4%	4,817	8.6%	4,738	8.3%	4,641	7.9%
\$20,000-29,999	5,129	9.4%	4,833	8.6%	4,784	8.3%	4,723	8.1%
\$30,000-39,999	5,208	9.6%	5,906	10.5%	5,806	10.1%	5,684	9.7%
\$40,000-49,999	6,189	11.4%	5,760	10.2%	5,676	9.9%	5,572	9.5%
\$50,000-59,999	5,388	9.9%	5,122	9.1%	5,192	9.1%	5,278	9.0%
\$60,000-74,999	6,959	12.8%	6,998	12.4%	7,010	12.2%	7,025	12.0%
\$75,000-99,999	8,637	15.8%	7,988	14.2%	8,212	14.3%	8,484	14.5%
\$100,000-124,999	4,846	8.9%	4,832	8.6%	5,120	8.9%	5,471	9.4%
\$125,000-149,999	2,906	5.3%	2,563	4.6%	2,826	4.9%	3,148	5.4%
\$150,000-199,999	1,754	3.2%	2,297	4.1%	2,503	4.4%	2,755	4.7%
\$200,000+	1,143	2.1%	1,592	2.8%	1,861	3.2%	2,189	3.7%
Total	54,526	100.0%	56,300	100.0%	57,291	100.0%	58,503	100.0%

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

HOUSEHOLD INCOME DISTRIBUTION - SMA

Income Cohort	2010		2016		Projected Mkt Entry		2021	
	Number	%	Number	%	Number	%	Number	%
\$0-9,999	120,789	6.2%	139,219	6.7%	138,955	6.5%	138,634	6.3%
\$10,000-19,999	166,281	8.6%	183,021	8.9%	181,005	8.5%	178,542	8.1%
\$20,000-29,999	178,631	9.2%	194,000	9.4%	193,418	9.1%	192,706	8.8%
\$30,000-39,999	190,744	9.8%	195,214	9.4%	195,079	9.2%	194,913	8.9%
\$40,000-49,999	183,811	9.5%	187,287	9.1%	187,708	8.8%	188,223	8.5%
\$50,000-59,999	163,409	8.4%	161,841	7.8%	165,145	7.8%	169,182	7.7%
\$60,000-74,999	211,670	10.9%	207,295	10.0%	211,243	9.9%	216,069	9.8%
\$75,000-99,999	256,994	13.2%	248,532	12.0%	256,864	12.1%	267,047	12.1%
\$100,000-124,999	169,767	8.7%	174,646	8.5%	183,293	8.6%	193,862	8.8%
\$125,000-149,999	100,460	5.2%	114,069	5.5%	123,182	5.8%	134,321	6.1%
\$150,000-199,999	101,817	5.2%	120,311	5.8%	130,528	6.1%	143,016	6.5%
\$200,000+	99,511	5.1%	140,351	6.8%	160,435	7.5%	184,982	8.4%
Total	1,943,885	100.0%	2,065,785	100.0%	2,126,855	100.0%	2,201,496	100.0%

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

The Subject will target tenants earning between \$26,057 and \$43,740. As the table above depicts, approximately 23.5 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 October 2018, these percentages are projected to decrease slightly to 22.8 percent in the PMA, and decrease slightly in the SMA to 24.1 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		2021	
	Number	%	Number	%	Number	%	Number	%	Number	%
With 1 Person	2,138	28.5%	4,505	32.1%	5,542	33.2%	5,698	33.4%	5,888	33.7%
With 2 Persons	2,027	27.0%	3,394	24.2%	3,838	23.0%	3,861	22.6%	3,889	22.2%
With 3 Persons	1,426	19.0%	2,525	18.0%	2,962	17.8%	3,022	17.7%	3,095	17.7%
With 4 Persons	1,058	14.1%	1,778	12.7%	2,078	12.5%	2,124	12.5%	2,179	12.5%
With 5+ Persons	846	11.3%	1,831	13.0%	2,267	13.6%	2,342	13.7%	2,433	13.9%
Total Renter	7,495	100.0%	14,034	100.0%	16,687	100.0%	17,046	100.0%	17,484	100.0%

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

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

Conclusion

Between 2000 and 2010 there was an approximate 4.4 percent annual increase in population within the PMA and 2.4 percent increase within 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 164,539 and is expected to increase to 171,355 by 2021. Further, approximately 23.5 percent of renter households in the PMA are earning incomes that are less than \$30,000. The Subject will target households earning between \$26,057 and \$43,740 for its LIHTC units. Overall, while population growth has been average, the concentration of renter households at the lowest income cohorts indicates demand for affordable rental housing in the market.

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

The PMA is economically reliant on the retail trade, healthcare/social assistance, and construction sectors. Employment levels decreased during the national recession. Total employment in Douglas County has increased at a moderate average rate of 2.1 percent a year since 2010. 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 Douglas County. Note that the data below was the most recent data available.

TOTAL JOBS IN DOUGLAS COUNTY, GEORGIA		
	Total Employment	% Change
2007	62,641	-
2008	59,688	-4.7%
2009	57,850	-3.1%
2010	59,665	3.1%
2011	60,932	2.1%
2012	61,264	0.5%
2013	62,122	1.4%
2014	63,602	2.4%
2015	64,954	2.1%
2016	67,611	4.1%
2017 YTD Average*	68,336	1.1%
June-16	66,158	-
June-17	68,861	4.1%

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

*YTD Average through June 2017

As illustrated in the table above, Douglas County experienced a weakening economy during the national recession. From 2008 through 2009, Douglas County lost 3.1 percent of its total employment. However, employment in the county has increased annually from 2010 through 2017 year-to-date. In addition, between June 2016 and June 2017, total employment has increased 4.1 percent.

2. Total Jobs by Industry

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

COVERED EMPLOYMENT		
Douglas County, Georgia		
	Number	Percent
Total, all industries	35,986	-
Goods-producing	-	-
Natural resources and mining	49	0.1%
Construction	1,874	5.2%
Manufacturing	4,096	11.4%
Service-providing	-	-
Trade, transportation, and utilities	12,200	33.9%
Information	159	0.4%
Financial activities	1,617	4.5%
Professional and business services	4,865	13.5%
Education and health services	4,716	13.1%
Leisure and hospitality	5,309	14.8%
Other services	911	2.5%
Unclassified	190	0.5%

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

Trade, transportation, and utilities compose the largest industry cluster in the county. This cluster accounts for 33.9 percent of employment in Douglas County. Leisure and hospitality is the second largest cluster with 14.8 percent of total employment, while professional and business services composes the third largest industry cluster at 13.5 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
Retail Trade	8,532	12.7%	17,169,304	11.3%
Health Care/Social Assistance	6,420	9.6%	21,304,508	14.1%
Construction	5,767	8.6%	9,342,539	6.2%
Educational Services	5,716	8.5%	14,359,370	9.5%
Transportation/Warehousing	5,165	7.7%	6,128,217	4.0%
Manufacturing	4,926	7.3%	15,499,826	10.2%
Accommodation/Food Services	4,075	6.1%	11,574,403	7.6%
Prof/Scientific/Tech Services	4,028	6.0%	10,269,978	6.8%
Wholesale Trade	3,963	5.9%	4,066,471	2.7%
Other Services (excl Publ Adm)	3,518	5.2%	7,463,834	4.9%
Public Administration	3,314	4.9%	7,093,689	4.7%
Admin/Support/Waste Mgmt Svcs	2,911	4.3%	6,511,707	4.3%
Finance/Insurance	2,688	4.0%	6,942,986	4.6%
Information	2,046	3.0%	2,862,063	1.9%
Real Estate/Rental/Leasing	2,012	3.0%	2,946,196	1.9%
Utilities	843	1.3%	1,344,219	0.9%
Arts/Entertainment/Recreation	806	1.2%	3,416,474	2.3%
Mgmt of Companies/Enterprises	218	0.3%	89,612	0.1%
Agric/Forestry/Fishing/Hunting	125	0.2%	2,253,044	1.5%
Mining	81	0.1%	749,242	0.5%
Total Employment	67,154	100.0%	151,387,682	100.0%

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

The largest industries in the PMA are retail trade, healthcare/social assistance, and construction sectors. Positions in these industries account for 30.9 percent of all jobs in the area. The retail trade, construction, transportation/warehousing, wholesale trade, and information sectors are over represented in the PMA. Industries under-represented in the PMA include healthcare/social assistance, educational services, manufacturing, accommodation/food service, arts/entertainment/recreation, and agriculture/forestry/fishing/hunting sectors. Nationwide, these industries have also been affected by the recession.

3. Major Employers

The chart below shows the largest employers in Atlanta-Sandy Springs-Roswell, GA MSA.

MAJOR EMPLOYERS – ATLANTA-SANDY SPRINGS-ROSWELL, GA MSA

#	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, August 2017

The Atlanta-Sandy Springs-Roswell, GA MSA is home to the world headquarters of corporations such as Coca-Cola, Home Depot, United Postal Service, Delta Air Lines, and Turner Broadcasting. The MSA 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 MSA 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.

We attempted to contact the Douglas County Chamber of Commerce and the Douglas County Economic Development Authority to obtain information regarding major employers in the PMA; however, as of the time of this report our phone calls have not yet been returned.

Expansions/Contractions

According to the Georgia Department of Labor’s Worker Adjustment and Retraining Notification (WARN) filings, since 2016, there have been no major layoffs within Douglas County.

Further, due to the proximity of Douglasville to Atlanta, we have included the WARN filings for the city of Atlanta. The following table illustrates business closures and layoffs within Atlanta since 2016, according to the Georgia Department of Labor’s 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, August 2017

As illustrated in the previous table, there have been 3,718 employees in the city of Atlanta 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 Douglas County Economic Development Authority and Development Authority of Fulton County which are detailed following.

EXPANSIONS/NEW ADDITIONS - DEKALB COUNTY 2016-2017 YTD

Company Name	Industry	Jobs
Switch	Technology	65
Z Gallerie	Transportation/Warehousing	115

Source: Douglas County Economic Development Authority, August 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
Relex 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, August 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 180 jobs added in Douglas County and 1,830 jobs added in Fulton County for a total of 2,010 jobs added.

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	Change	Total Employment	% Change	Unemployment Rate	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.

6. Conclusion

The largest industries in the PMA are retail trade, healthcare/social assistance, and construction sectors. Positions in these industries account for 30.9 percent of all jobs in the area. The four largest employers in the MSA are Delta Air Lines, Emory University/Emory Healthcare, Wal-Mart Stores, Inc., and The Home Depot. The healthcare/social assistance 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
	50% AMI		60% AMI	
2BR/1BA	\$26,057	\$30,400	\$31,269	\$36,480
3BR/1BA	\$30,069	\$36,450	\$36,103	\$43,740

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	# of Units	# of Vacant Units	Occupancy
Parker Street Duplex	LIHTC	Family	2	N/Av	N/Av
Douglasville Proper	LIHTC	Family	100	0	100.0%
Connors Senior Village II	LIHTC	Senior	60	0	100.0%
Highland Park Senior Village	LIHTC	Senior	50	0	100.0%
Millwood Park Apartments*	LIHTC	Family	40	0	100.0%
Brighton Manor Apartments	LIHTC/Market	Family	210	N/Av	N/Av
Brook Valley Apartments	Market	Family	188	9	95.0%
Stewarts Mill	Market	Family	299	12	96.0%
Arbor Terrace Apartments	Market	Family	135	N/Av	N/Av
Parkwood Village	Market	Family	82	4	95.6%
Countryside Manor	Market	Family	200	N/Av	N/Av
Place at Midway	Market	Family	97	N/Av	N/Av
Avalon Apartments	Market	Family	126	3	97.9%
Golden Valley Apartments	Market	Family	88	N/Av	N/Av
Arbor Place*	Market	Family	12	0	96.6%
Brookview Apartments*	Market	Family	110	0	100.0%
Carrington Point*	Market	Family	172	7	96.0%
Lakeside At Arbor Place*	Market	Family	298	11	96.3%
Park West*	Market	Family	216	1	99.6%
Douglasville VOA Housing	Section 8	Disabled	175	0	100.0%
Maxwell Homes	Section 8	Family	246	N/Av	N/Av
Douglass Village	Section 8/USDA	Family	250	0	100.0%
Total Market Rate			2,023	47	97.7%
Total Section 8			671	0	100.0%
Total LIHTC			252	0	100.0%
Overall			5,850	47	99.2%

*Utilized as a comparable

The average occupancy rate of competitive developments in the PMA is 99.2 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 128 units, none will benefit from Section 8 rental assistance and these units are therefore presumed leasable.

5. Capture Rates

The above calculations and derived capture rates are illustrated in the following tables. Note that the demographic data used in the following tables, including tenure patterns, household size and income distribution through the projected market entry date of October 2018 were illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2016		Projected Mkt Entry		2021	
	Number	%	Number	%	Number	%	Number	%
\$0-9,999	998	7.1%	1,756	10.5%	1,761	10.3%	1,767	10.1%
\$10,000-19,999	1,852	13.2%	2,349	14.1%	2,326	13.6%	2,298	13.1%
\$20,000-29,999	2,328	16.6%	2,269	13.6%	2,248	13.2%	2,222	12.7%
\$30,000-39,999	1,851	13.2%	2,217	13.3%	2,226	13.1%	2,237	12.8%
\$40,000-49,999	1,668	11.9%	1,835	11.0%	1,832	10.7%	1,829	10.5%
\$50,000-59,999	1,527	10.9%	1,734	10.4%	1,766	10.4%	1,805	10.3%
\$60,000-74,999	1,316	9.4%	1,552	9.3%	1,611	9.5%	1,682	9.6%
\$75,000-99,999	1,352	9.6%	1,551	9.3%	1,666	9.8%	1,807	10.3%
\$100,000-124,999	484	3.4%	700	4.2%	780	4.6%	877	5.0%
\$125,000-149,999	274	2.0%	222	1.3%	260	1.5%	307	1.8%
\$150,000-199,999	244	1.7%	307	1.8%	343	2.0%	386	2.2%
\$200,000+	141	1.0%	193	1.2%	226	1.3%	267	1.5%
Total	14,034	100.0%	16,687	100.0%	17,046	100.0%	17,484	100.0%

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

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 50% AMI

Minimum Income Limit		\$26,057		Maximum Income Limit		\$36,450	
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	37.1	10.3%					
\$10,000-19,999	48.9	13.6%					
\$20,000-29,999	47.3	13.2%	3,942	39.4%	19		
\$30,000-39,999	46.8	13.1%	6,450	64.5%	30		
\$40,000-49,999	38.5	10.7%					
\$50,000-59,999	37.2	10.4%					
\$60,000-74,999	33.9	9.5%					
\$75,000-99,999	35.1	9.8%					
\$100,000-124,999	16.4	4.6%					
\$125,000-149,999	5.5	1.5%					
\$150,000-199,999	7.2	2.0%					
\$200,000+	4.8	1.3%					
Total	359	100.0%			49		

POTENTIAL RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 50% AMI

Minimum Income Limit		\$26,057		Maximum Income Limit		\$36,450	
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,761	10.3%					
\$10,000-19,999	2,326	13.6%					
\$20,000-29,999	2,248	13.2%	\$3,942	39.4%	886		
\$30,000-39,999	2,226	13.1%	\$6,450	64.5%	1,436		
\$40,000-49,999	1,832	10.7%					
\$50,000-59,999	1,766	10.4%					
\$60,000-74,999	1,611	9.5%					
\$75,000-99,999	1,666	9.8%					
\$100,000-124,999	780	4.6%					
\$125,000-149,999	260	1.5%					
\$150,000-199,999	343	2.0%					
\$200,000+	226	1.3%					
Total	17,046	100.0%			2,322		

ASSUMPTIONS - 50% AMI

Persons In Household		2BR	3BR
1		100%	0%
2		100%	0%
3		60%	40%
4		20%	80%
5+		0%	100%

Tenancy	Family
Urban/Rural	Urban
% of Income Towards Housing	35%
Maximum # of Occupants	5

Demand from New Renter Households 2016 to Prj Mrkt Entry October 2018

Income Target Population	50%
New Renter Households PMA	359
Percent Income Qualified	13.6%
New Renter Income Qualified Households	49

Demand from Existing Households 2016

Demand form Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	17,046
Income Qualified	13.6%
Income Qualified Renter Households	2,322
Percent Rent Overburdened Prj Mrkt Entry October 2018	28.6%
Rent Overburdened Households	664

Demand from Living in Substandard Housing

Income Qualified Renter Households	2,322
Percent Living in Substandard Housing	0.2%
Households Living in Substandard Housing	5

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	669
Total New Demand	49
Total Demand (New Plus Existing Households)	718

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	33.4%	240
Two Persons	22.6%	163
Three Persons	17.7%	127
Four Persons	12.5%	89
Five Persons	13.7%	99
Total	100.0%	718

Capture Rate: 50% AMI

To place Person Demand into Bedroom Type Units

Of one-person households in 2BR units	100%	240
Of two-person households in 2BR units	100%	163
Of three-person households in 2BR units	60%	76
Of four-person households in 2BR units	20%	18
<hr/>		
Of three-person households in 3BR units	40%	51
Of four-person households in 3BR units	80%	72
Of five-person households in 3BR units	100%	99
Total Demand		718

	Total Demand (Subject Unit Type	Additions to Supply		Net Demand
2BR	497	-	=	497
3BR	221	-	=	221
Total	718	0		718

	Developers Unit Mix		Net Demand		Capture Rate
2BR	1	/	497	=	0.2%
3BR	1	/	221	=	0.5%
Total	2		718		0.3%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% AMI

Minimum Income Limit		\$31,269		Maximum Income Limit		\$43,740	
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	37	10.3%					
\$10,000-19,999	49	13.6%					
\$20,000-29,999	47	13.2%					
\$30,000-39,999	47	13.1%	8,730	87.3%	41		
\$40,000-49,999	39	10.7%	3,740	37.4%	14		
\$50,000-59,999	37	10.4%					
\$60,000-74,999	34	9.5%					
\$75,000-99,999	35	9.8%					
\$100,000-124,999	16	4.6%					
\$125,000-149,999	5	1.5%					
\$150,000-199,999	7	2.0%					
\$200,000+	5	1.3%					
Total	359	100.0%				55	

POTENTIAL RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% AMI

Minimum Income Limit		\$31,269		Maximum Income Limit		\$43,740	
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1761	10.3%					
\$10,000-19,999	2326	13.6%					
\$20,000-29,999	2248	13.2%					
\$30,000-39,999	2226	13.1%	8,730	87.3%	1,944		
\$40,000-49,999	1832	10.7%	3,740	37.4%	685		
\$50,000-59,999	1766	10.4%					
\$60,000-74,999	1611	9.5%					
\$75,000-99,999	1666	9.8%					
\$100,000-124,999	780	4.6%					
\$125,000-149,999	260	1.5%					
\$150,000-199,999	343	2.0%					
\$200,000+	226	1.3%					
Total	17,046	100.0%				2,629	

ASSUMPTIONS - 60% AMI

Persons In Household		2BR	3BR
1		100%	0%
2		100%	0%
3		60%	40%
4		20%	80%
5+		0%	100%

Demand from New Renter Households 2016 to Prj Mrkt Entry October 2018

Income Target Population	60%
New Renter Households PMA	359
Percent Income Qualified	15.4%
New Renter Income Qualified Households	55

Demand from Existing Households 2016

Demand form Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	17,046
Income Qualified	15.4%
Income Qualified Renter Households	2,629
Percent Rent Overburdened Prj Mrkt Entry October 2018	28.6%
Rent Overburdened Households	752

Demand from Living in Substandard Housing

Income Qualified Renter Households	2,629
Percent Living in Substandard Housing	0.2%
Households Living in Substandard Housing	5

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	757
Total New Demand	55
Total Demand (New Plus Existing Households)	812

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	33.4%	271
Two Persons	22.6%	184
Three Persons	17.7%	144
Four Persons	12.5%	101
Five Persons	13.7%	112
Total	100.0%	812

Capture Rate: 60% AMI

To place Person Demand into Bedroom Type Units

Of one-person households in 2BR units	100%	271
Of two-person households in 2BR units	100%	184
Of three-person households in 2BR units	60%	86
Of four-person households in 2BR units	20%	20
<hr/>		
Of three-person households in 3BR units	40%	58
Of four-person households in 3BR units	80%	81
Of five-person households in 3BR units	100%	112
Total Demand		812

	Total Demand (Subject Unit Type	Additions to Supply		Net Demand
2BR	562	-	=	562
3BR	250	-	=	250
Total	812	0		812

	Developers Unit Mix		Net Demand		Capture Rate
2BR	91	/	562	=	16.2%
3BR	35	/	250	=	14.0%
Total	126		812		15.5%

All LIHTC Units

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - ALL LIHTC UNITS

Minimum Income Limit		\$26,057		Maximum Income Limit		\$43,740	
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	37	10.3%					
\$10,000-19,999	49	13.6%					
\$20,000-29,999	47	13.2%	3,942	39.4%	19		
\$30,000-39,999	47	13.1%	9,999	100.0%	47		
\$40,000-49,999	39	10.7%	3,740	37.4%	14		
\$50,000-59,999	37	10.4%					
\$60,000-74,999	34	9.5%					
\$75,000-99,999	35	9.8%					
\$100,000-124,999	16	4.6%					
\$125,000-149,999	5	1.5%					
\$150,000-199,999	7	2.0%					
\$200,000+	5	1.3%					
Total	359	100.0%				80	

POTENTIAL RENTER HOUSEHOLD DEMAND BY INCOME COHORT - ALL LIHTC UNITS

Minimum Income Limit		\$26,057		Maximum Income Limit		\$43,740	
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,761	10.3%					
\$10,000-19,999	2,326	13.6%					
\$20,000-29,999	2,248	13.2%	\$3,942	39.4%	886		
\$30,000-39,999	2,226	13.1%	\$9,999	100.0%	2,226		
\$40,000-49,999	1,832	10.7%	\$3,740	37.4%	685		
\$50,000-59,999	1,766	10.4%					
\$60,000-74,999	1,611	9.5%					
\$75,000-99,999	1,666	9.8%					
\$100,000-124,999	780	4.6%					
\$125,000-149,999	260	1.5%					
\$150,000-199,999	343	2.0%					
\$200,000+	226	1.3%					
	17,046	100.0%				3,798	

ASSUMPTIONS – ALL LIHTC UNITS

ASSUMPTIONS – ALL LIHTC UNITS		
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 October 2018

Income Target Population		Overall
New Renter Households PMA		359
Percent Income Qualified		22.3%
New Renter Income Qualified Households		80

Demand from Existing Households 2016

Demand form Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		17,046
Income Qualified		22.3%
Income Qualified Renter Households		3,798
Percent Rent Overburdened Prj Mrkt Entry October 2018		28.6%
Rent Overburdened Households		1,086

Demand from Living in Substandard Housing

Income Qualified Renter Households		3,798
Percent Living in Substandard Housing		0.2%
Households Living in Substandard Housing		8

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		1,094
Total New Demand		80
Total Demand (New Plus Existing Households)		1,173

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	33.4%	392
Two Persons	22.6%	266
Three Persons	17.7%	208
Four Persons	12.5%	146
Five Persons	13.7%	161
Total	100.0%	1,173

Capture Rate: All LIHTC Units

To place Person Demand into Bedroom Type Units

Of one-person households in 2BR units	100%	392
Of two-person households in 2BR units	100%	266
Of three-person households in 2BR units	60%	125
Of four-person households in 2BR units	20%	29
<hr/>		
Of three-person households in 3BR units	40%	83
Of four-person households in 3BR units	80%	117
Of five-person households in 3BR units	100%	161
Total Demand		1,173

	Total Demand (Subject Unit Type	Additions to Supply		Net Demand
2BR	812	-	=	812
3BR	361	-	=	361
Total	1,173	0		1,173

	Developers Unit Mix		Net Demand		Capture Rate
2BR	92	/	812	=	11.3%
3BR	36	/	361	=	10.0%
Total	0		1,173		10.9%

Conclusions

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

- The number of renter households in the PMA is expected to increase by 0.3 percent between 2016 and 2021. This represents an increase of 797 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 50% AMI (\$26,057 to \$36,450 income)	HH at 60% AMI (\$31,269 to \$43,730 income)	All LIHTC Units (\$26,057 to \$43,730 income)
Demand from New Households (age and income appropriate)	49	55	80
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	5	5	8
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	664	752	1,086
PLUS		+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0	0
Sub Total	718	812	1,173
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
Equals Total Demand	718	812	1,173
Less	-	-	-
Competitive New Supply	0	0	0
Equals Net Demand	718	812	1,173

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	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 50% AMI	\$26,057	\$30,400	1	497	0	497	0.2%	One month	\$731	\$1,192	\$936	\$642
2BR at 60% AMI	\$31,269	\$36,480	91	562	0	562	16.2%	5 to 7 months	\$731	\$1,192	\$936	\$794
2BR at All LIHTC Units	\$26,057	\$36,480	92	812	0	812	11.3%	5 to 7 months	-	-	-	-
3BR at 50% AMI	\$30,069	\$36,450	1	221	0	221	0.5%	One month	\$894	\$1,417	\$1,064	\$728
3BR at 60% AMI	\$36,103	\$43,740	35	250	0	250	14.0%	2 to 3 months	\$894	\$1,417	\$1,064	\$904
3BR at All LIHTC Units	\$30,069	\$43,740	36	361	0	361	10.0%	2 to 3 months	-	-	-	-
Overall at 50% AMI	\$26,057	\$36,450	2	718	0	718	0.3%	One month	-	-	-	-
Overall at 60% AMI	\$31,269	\$43,740	126	812	0	812	15.5%	7 to 9 months	-	-	-	-
Overall at All LIHTC Units	\$26,057	\$43,740	128	1,173	0	1,173	10.9%	7 to 9 months	-	-	-	-

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 0.2 to 0.5 percent, with an overall capture rate of 0.3 percent. The Subject's capture rates at the 60 percent AMI level will range from 14.0 to 16.2 percent, with an overall capture rate of 15.5 percent. Overall, the Subjects capture rates for all LIHTC units will range from 10.0 to 11.3 percent, with an overall capture rate of 10.9 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 1,955 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 fair; we have included four comparable properties which offer LIHTC units, one of which are located in within the PMA. Due to the lack of “true” LIHTC comparables in the PMA and surrounding areas, it was necessary to utilize three comparable properties located outside of the PMA in Austell, Georgia. 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 126 of the Subjects, all units will be restricted to households earning 50 and 60 percent of the AMI or below. The comparable affordable property in the PMA is located 2.0 miles from the Subject. Further, the comparable affordable properties outside of the PMA are located between 9.4 and 11.7 miles from the Subject.

The availability of market-rate data is considered good. The Subject is located in Douglasville, and there are multiple comparable market-rate properties in the area. We have included five conventional market rate properties in our analysis of the competitive market. The market-rate properties are located in the PMA, within 0.9 and 2.3 miles from the Subject. The market rate comparables were built between 1968 and 2003. 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.

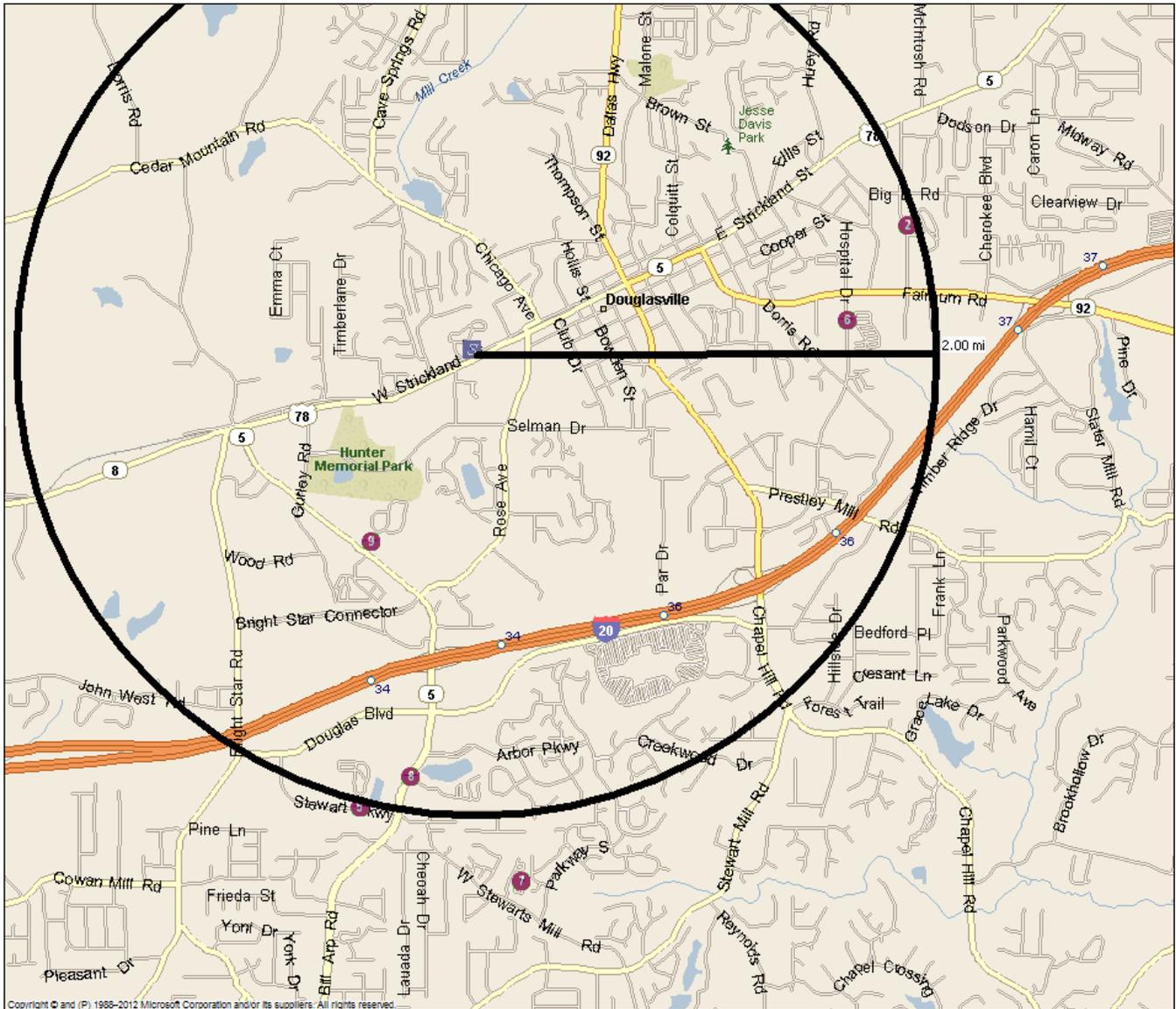
Excluded Properties

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
Parker Street Duplex	LIHTC	6713 Parker. St	Family	2	More comparable properties
Douglasville Proper	LIHTC	8424 Chicago Ave.	Family	100	More comparable properties
Conners Senior Village II	LIHTC	9501 Conners Rd.	Senior	60	Tenancy
Highland Park Senior Village	LIHTC	6785 Selman Dr.	Senior	50	Tenancy
Brighton Manor Apartments	LIHTC/Market	6140 Cooper St.	Family	40	Unable to contact
Brook Valley Apartments	Market	3482 Highway 5	Family	210	More comparable properties
Carrington Point	Market	50 Carrington Ln.	Family	175	More comparable properties
Stewarts Mill	Market	3421 W. Stewarts Mill Rd.	Family	188	More comparable properties
Arbor Terrace Apartments	Market	1 Rocky Ridge Blvd.	Family	299	More comparable properties
Parkwood Village	Market	6804 Parkway Cir.	Family	135	More comparable properties
Countryside Manor	Market	8800 Countryside Wy.	Family	82	More comparable properties
Place at Midway	Market	2281 Midway Rd.	Family	200	More comparable properties
Avalon Apartments	Market	7712 Autry Cir.	Family	97	More comparable properties
Golden Valley Apartments	Market	7631 Dally Hwy.	Family	126	More comparable properties
Douglass Village	Section 8/USDA	6549 Brown St.	Family	88	Subsidized
Douglasville VOA Housing	Section 8	6459 Brown St.	Disabled	12	Subsidized
Maxwell Homes	Section 8	6690 Kendrick St.	Family	110	Subsidized

Comparable Rental Property Map 1

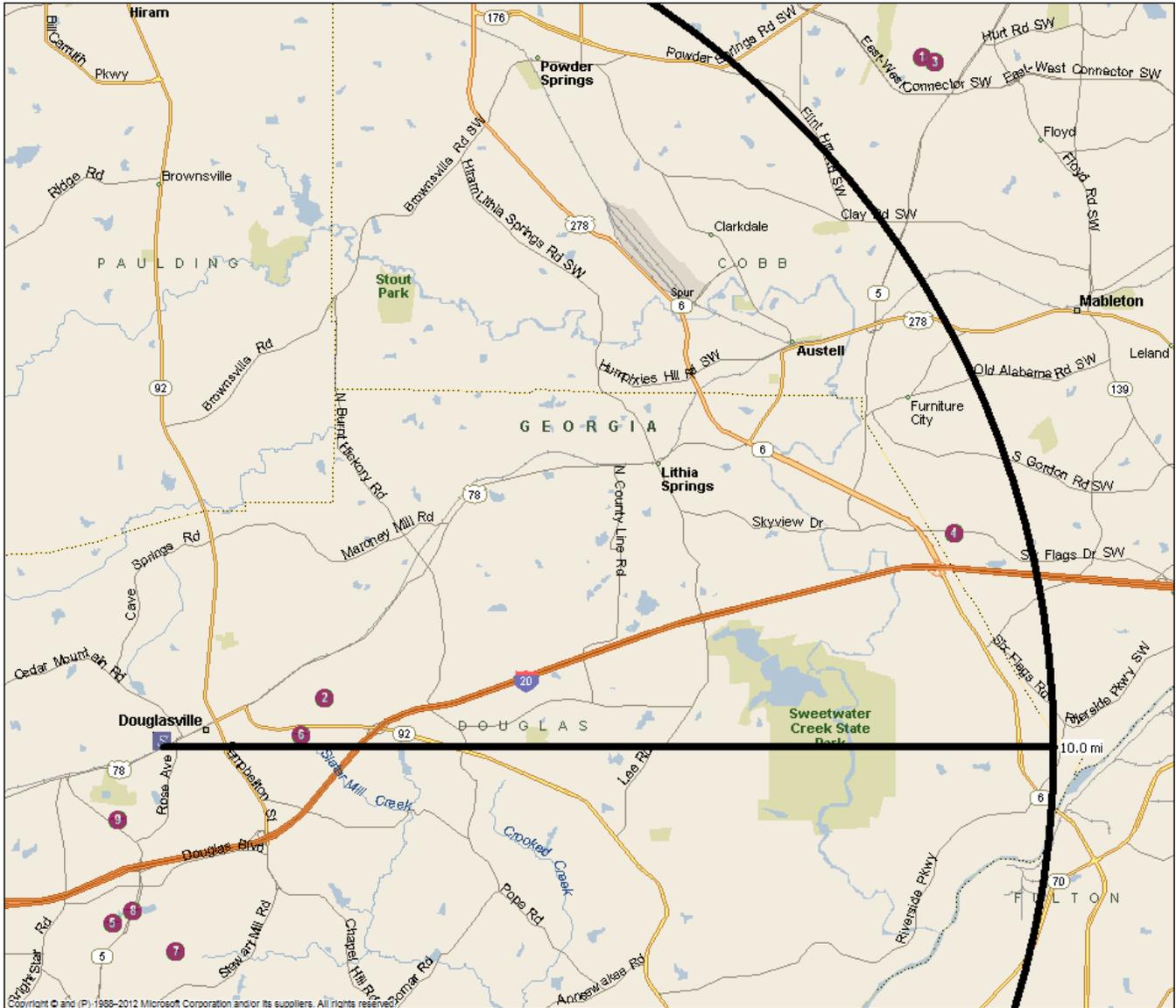


COMPARABLE PROPERTIES

Map #	Property Name	Location	Program	Distance
1	Austell Village*	Austell	LIHTC	11.7 miles
2	Millwood Park Apartments	Douglasville	LIHTC	2.0 miles
3	Walton Crossing*	Austell	LIHTC/HOME	11.7 miles
4	Walton Reserve Apartments*	Austell	LIHTC	9.4 miles
5	Arbor Place	Douglasville	Market	2.0 miles
6	Brookview Apartments	Douglasville	Market	1.7 miles
7	Carrington Point	Douglasville	Market	2.3 miles
8	Lakeside At Arbor Place	Douglasville	Market	1.8 miles
9	Park West	Douglasville	Market	0.9 miles

*Located outside of the PMA

Comparable Rental Property Map II



COMPARABLE PROPERTIES

Map #	Property Name	Location	Program	Distance
1	Austell Village*	Austell	LIHTC	11.7 miles
2	Millwood Park Apartments	Douglasville	LIHTC	2.0 miles
3	Walton Crossing*	Austell	LIHTC/HOME	11.7 miles
4	Walton Reserve Apartments*	Austell	LIHTC	9.4 miles
5	Arbor Place	Douglasville	Market	2.0 miles
6	Brookview Apartments	Douglasville	Market	1.7 miles
7	Carrington Point	Douglasville	Market	2.3 miles
8	Lakeside At Arbor Place	Douglasville	Market	1.8 miles
9	Park West	Douglasville	Market	0.9 miles

*Located outside of the PMA

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate	
Subject	Mill Creek Place 7101 Strickland Street Douglasville, GA 30134 Douglas County	n/a	Garden (3 stories) 2000 / n/a	LIHTC	2BR / 2BA	1	0.8%	@50%	\$642	1,222	yes	Yes	0	0.0%	
					2BR / 2BA	91	70.3%	@60%	\$794	1,222	yes	Yes	2	2.2%	
					3BR / 2BA	1	0.8%	@50%	\$728	1,432	yes	Yes	0	0.0%	
					3BR / 2BA	3	2.3%	@60%	\$904	1,353	no	Yes	0	0.0%	
					3BR / 2BA	32	24.2%	@60%	\$904	1,432	no	Yes	0	0.0%	
					128	100.0%						2	1.6%		
1	Austell Village 1899 Mulkey Road SW Austell, GA 30106 Cobb County	11.7 miles	Garden (2 stories) 1988 / 2008	LIHTC	1BR / 1BA	N/A	N/A	@60%	\$697	760	yes	No	0	N/A	
					2BR / 2BA	N/A	N/A	@60%	\$777	980	yes	No	2	N/A	
					2BR / 2BA	N/A	N/A	@60%	\$777	1,020	yes	No	1	N/A	
					3BR / 2BA	N/A	N/A	@60%	\$926	1,220	yes	No	0	N/A	
						108	100.0%							3	2.8%
2	Millwood Park Apartments 8242 Durelee Lane Douglasville, GA 30134 Douglas County	2 miles	Garden (3 stories) 1999 / n/a	LIHTC	2BR / 2BA	122	70.9%	@60%	\$792	1,100	no	Yes	0	0.0%	
					3BR / 2BA	50	29.1%	@60%	\$894	1,320	no	Yes	0	0.0%	
						172	100.0%							0	0.0%
3	Walton Crossing 1820 Mulkey Road Austell, GA 30106 Cobb County	11.7 miles	Garden (3 stories) 1991 / 2006	LIHTC/HOME	1BR / 1BA	60	25.1%	@50% (HOME)	\$583	630	yes	Yes	0	0.0%	
					1BR / 1BA	41	17.2%	@60%	\$722	705	yes	Yes	0	0.0%	
					2BR / 1BA	28	11.7%	@50% (HOME)	\$706	975	yes	Yes	1	3.6%	
					2BR / 2BA	59	24.7%	@60%	\$873	1,104	yes	Yes	2	3.4%	
					2BR / 2BA	1	0.4%	Non-Rental	N/A	1,104	n/a	-	0	0.0%	
					3BR / 2BA	50	20.9%	@60%	\$1,000	1,311	yes	Yes	1	2.0%	
						239	100.0%							4	1.7%
4	Walton Reserve Apartments 7075 Walton Reserve Lane Austell, GA 30168 Cobb County	9.4 miles	Garden (3 stories) 2003 / n/a	LIHTC	1BR / 1BA	32	12.7%	@60%	\$751	850	yes	Yes	0	0.0%	
					2BR / 1BA	41	17.2%	@60%	\$900	1,135	yes	Yes	0	0.0%	
					2BR / 2BA	100	39.8%	@60%	\$900	1,175	yes	Yes	0	0.0%	
					2BR / 2BA	30	12.0%	@60%	\$900	1,210	yes	Yes	0	0.0%	
					3BR / 2BA	59	23.5%	@60%	\$1,017	1,485	yes	Yes	0	0.0%	
						251	100.0%							0	0.0%
5	Arbor Place 5832 Stewart Parkway Douglasville, GA 30135 Douglas County	2 miles	Garden (3 stories) 2003 / N/A	Market	1BR / 1BA	N/A	N/A	Market	\$902	797	n/a	No	N/A	N/A	
					1BR / 1BA	N/A	N/A	Market	\$904	844	n/a	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	Market	\$1,156	1,105	n/a	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	Market	\$1,192	1,205	n/a	No	N/A	N/A	
					3BR / 2BA	N/A	N/A	Market	\$1,417	1,460	n/a	No	N/A	N/A	
						298	100.0%							10	3.4%
6	Brookview Apartments 8460 Hospital Drive Douglasville, GA 30134 Douglas County	1.7 miles	Garden (2 stories) 1968 / Ongoing	Market	1BR / 1BA	48	22.2%	Market	\$618	701	n/a	No	0	0.0%	
					2BR / 1BA	76	35.2%	Market	\$821	862	n/a	No	0	0.0%	
					2BR / 1BA	76	35.2%	Market	\$731	862	n/a	No	0	0.0%	
					3BR / 1.5BA	16	7.4%	Market	\$920	1,102	n/a	No	0	0.0%	
						216	100.0%							0	0.0%
7	Carrington Point 50 Carrington Point Douglasville, GA 30135 Douglas County	2.3 miles	Garden (3 stories) 1997 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$765	736	n/a	No	N/A	N/A	
					1BR / 1BA	N/A	N/A	Market	\$805	873	n/a	No	N/A	N/A	
					2BR / 1BA	N/A	N/A	Market	\$865	1,155	n/a	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	Market	\$905	1,251	n/a	No	N/A	N/A	
					3BR / 2BA	N/A	N/A	Market	\$1,055	1,489	n/a	No	N/A	N/A	
						175	100.0%							7	4.0%

MILL CREEK PLACE – DOUGLASVILLE, GEORGIA– MARKET STUDY

SUMMARY MATRIX (CONT.)

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Mill Creek Place 7101 Strickland Street Douglasville, GA 30134 Douglas County	n/a	Garden (3 stories) 2000 / n/a	LIHTC	2BR / 2BA	1	0.8%	@50%	\$642	1,222	yes	No	0	0.0%
					2BR / 2BA	90	70.3%	@60%	\$794	1,222	yes	No	2	2.2%
					2BR / 2BA	1	0.8%	Non-Rental	N/A	1,222	n/a	-	0	0.0%
					3BR / 2BA	1	0.8%	@50%	\$728	1,432	yes	No	0	0.0%
					3BR / 2BA	3	2.3%	@60%	\$904	1,353	no	No	0	0.0%
					3BR / 2BA	31	24.2%	@60%	\$904	1,432	no	No	0	0.0%
					3BR / 2BA	1	0.8%	Non-Rental	N/A	1,432	n/a	-	0	0.0%
						128	100.0%							2
8	Lakeside At Arbor Place 3000 Highway 5 Douglasville, GA 30135 Douglas County	1.8 miles	Garden (3 stories) I:1989 II:1999 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$805	678	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$845	830	n/a	No	N/A	N/A
					2BR / 1BA	N/A	N/A	Market	\$885	986	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$944	1,065	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	#####	1,099	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	#####	1,555	n/a	No	N/A	N/A
						246	100.0%							9
9	Park West 7250 Arbor Vista Drive Douglasville, GA 30134 Douglas County	0.9 miles	Garden (3 stories) 2003 / N/A	Market	1BR / 1BA	48	19.2%	Market	\$890	859	n/a	No	0	0.0%
					1BR / 1BA	48	19.2%	Market	\$905	865	n/a	No	1	2.1%
					1BR / 1BA	N/A	N/A	Market	\$920	887	n/a	No	0	N/A
					2BR / 2BA	77	30.8%	Market	#####	1,149	n/a	No	0	0.0%
					2BR / 2BA	N/A	N/A	Market	#####	1,185	n/a	No	0	N/A
					2BR / 2BA	77	30.8%	Market	#####	1,273	n/a	No	0	0.0%
					2.5BR / 2BA	N/A	N/A	Market	#####	1,435	n/a	No	0	N/A
	250	100.0%							1	0.4%				

MILL CREEK PLACE – DOUGLASVILLE, GEORGIA– MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.							
Effective Rent Date:		Aug-17	Units Surveyed:	1,955	Weighted Occupancy:	98.3%	
			Market Rate	1,185	Market Rate	97.7%	
			Tax Credit	770	Tax Credit	99.1%	
Two Bedrooms Two Bath			Three Bedrooms Two Bath				
	Property	Average	Property	Average	Property	Average	
RENT	Arbor Place	\$1,192	Arbor Place	\$1,417			
	Arbor Place	\$1,156	Lakeside At Arbor Place	\$1,285			
	Lakeside At Arbor Place	\$1,130	Carrington Point	\$1,055			
	Park West	\$1,045	Walton Reserve Apartments * (60%)	\$1,017			
	Park West	\$1,030	Walton Crossing * (60%)	\$1,000			
	Park West	\$1,010	Austell Village * (60%)	\$926			
	Lakeside At Arbor Place	\$944	Brookview Apartments (1.5BA)	\$920			
	Carrington Point	\$905	Mill Creek Place * (60%)	\$904			
	Walton Reserve Apartments * (60%)	\$900	Mill Creek Place * (60%)	\$904			
	Walton Reserve Apartments * (60%)	\$900	Millwood Park Apartments * (60%)	\$894			
	Walton Crossing * (60%)	\$873	Mill Creek Place * (50%)	\$728			
	Brookview Apartments (1BA)	\$821					
	Mill Creek Place * (60%)	\$794					
	Millwood Park Apartments * (60%)	\$792					
	Austell Village * (60%)	\$777					
	Austell Village * (60%)	\$777					
	Brookview Apartments (1BA)	\$731					
	Mill Creek Place * (50%)	\$642					
	SQUARE FOOTAGE	Park West	1,273	Lakeside At Arbor Place	1,555		
		Carrington Point	1,251	Carrington Point	1,489		
Mill Creek Place * (50%)		1,222	Walton Reserve Apartments * (60%)	1,485			
Mill Creek Place * (60%)		1,222	Arbor Place	1,460			
Walton Reserve Apartments * (60%)		1,210	Mill Creek Place * (50%)	1,432			
Arbor Place		1,205	Mill Creek Place * (60%)	1,432			
Park West		1,185	Mill Creek Place * (60%)	1,353			
Walton Reserve Apartments * (60%)		1,175	Millwood Park Apartments * (60%)	1,320			
Park West		1,149	Walton Crossing * (60%)	1,311			
Arbor Place		1,105	Austell Village * (60%)	1,220			
Walton Crossing * (60%)		1,104	Brookview Apartments (1.5BA)	1,102			
Millwood Park Apartments * (60%)		1,100					
Lakeside At Arbor Place		1,099					
Lakeside At Arbor Place		1,065					
Austell Village * (60%)		1,020					
Austell Village * (60%)		980					
Brookview Apartments (1BA)		862					
Brookview Apartments (1BA)		862					
RENT PER SQUARE FOOT		Arbor Place	\$1.05	Arbor Place	\$0.97		
		Lakeside At Arbor Place	\$1.03	Brookview Apartments (1.5BA)	\$0.83		
	Arbor Place	\$0.99	Lakeside At Arbor Place	\$0.83			
	Brookview Apartments (1BA)	\$0.95	Walton Crossing * (60%)	\$0.76			
	Lakeside At Arbor Place	\$0.89	Austell Village * (60%)	\$0.76			
	Park West	\$0.88	Carrington Point	\$0.71			
	Park West	\$0.87	Walton Reserve Apartments * (60%)	\$0.68			
	Brookview Apartments (1BA)	\$0.85	Millwood Park Apartments * (60%)	\$0.68			
	Park West	\$0.82	Mill Creek Place * (60%)	\$0.67			
	Austell Village * (60%)	\$0.79	Mill Creek Place * (60%)	\$0.63			
	Walton Crossing * (60%)	\$0.79	Mill Creek Place * (50%)	\$0.51			
	Walton Reserve Apartments * (60%)	\$0.77					
	Austell Village * (60%)	\$0.76					
	Walton Reserve Apartments * (60%)	\$0.74					
	Carrington Point	\$0.72					
	Millwood Park Apartments * (60%)	\$0.72					
	Mill Creek Place * (60%)	\$0.65					
	Mill Creek Place * (50%)	\$0.53					

PROPERTY PROFILE REPORT

Austell Village

Effective Rent Date	8/14/2017
Location	1899 Mulkey Road SW Austell, GA 30106 Cobb County
Distance	11.7 miles
Units	108
Vacant Units	3
Vacancy Rate	2.8%
Type	Garden (2 stories)
Year Built/Renovated	1988 / 2008
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Walton Crossing
Tenant Characteristics	Mixed tenancy; majority families
Contact Name	Roshanda
Phone	770-944-6655



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	Kept at maximum allowable
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	760	\$738	\$0	@60%	No	0	N/A	yes	None
2	2	Garden (2 stories)	N/A	980	\$825	\$0	@60%	No	2	N/A	yes	None
2	2	Garden (2 stories)	N/A	1,020	\$825	\$0	@60%	No	1	N/A	yes	None
3	2	Garden (2 stories)	N/A	1,220	\$985	\$0	@60%	No	0	N/A	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$738	\$0	\$738	\$0	\$738
2BR / 2BA	\$825	\$0	\$825	\$0	\$825
3BR / 2BA	\$985	\$0	\$985	\$0	\$985

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	Afterschool Program
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The contact was unable to provide a unit mix.

Trend Report

Vacancy Rates

3Q14	1Q15	1Q16	3Q17
4.6%	7.4%	3.7%	2.8%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$632	\$0	\$632	\$632
2015	1	N/A	\$632	\$0	\$632	\$632
2016	1	N/A	\$632	\$0	\$632	\$632
2017	3	N/A	\$738	\$0	\$738	\$738

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$728 - \$753	\$0	\$728 - \$753	\$728 - \$753
2015	1	N/A	\$728 - \$753	\$0	\$728 - \$753	\$728 - \$753
2016	1	N/A	\$753	\$0	\$753	\$753
2017	3	N/A	\$825	\$0	\$825	\$825

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$868	\$0	\$868	\$868
2015	1	N/A	\$868	\$0	\$868	\$868
2016	1	N/A	\$868	\$0	\$868	\$868
2017	3	N/A	\$985	\$0	\$985	\$985

Trend: Comments

3Q14	The contact was unable to provide the number of units for each floor plan.
1Q15	The contact was unable to provide the number of units for each floor plan or detailed vacancy by unit type. Management noted that current vacancy is slightly elevated due to slower leasing around the holiday season, but the property will be back to the mid-90's in occupancy within the next several weeks.
1Q16	The contact was unable to provide a unit mix.
3Q17	N/A

Photos



PROPERTY PROFILE REPORT

Millwood Park Apartments

Effective Rent Date	8/14/2017
Location	8242 Durelee Lane Douglasville, GA 30134 Douglas County
Distance	2 miles
Units	172
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Columbia Gardens
Tenant Characteristics	Mostly families and blue collar workers.
Contact Name	Aliza
Phone	770.949.8440



Market Information

Program	@60%
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	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)	122	1,100	\$792	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	50	1,320	\$894	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$792	\$0	\$792	\$0	\$792
3BR / 2BA	\$894	\$0	\$894	\$0	\$894

Millwood Park Apartments, continued

Amenities

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

Comments

The contact stated the property maintains a waiting list for all units approximately one to three months in length for all unit types. Additionally, the property stated two and three-bedroom are billed a flat fee of \$65 and \$85 per month, respectively, for water, sewer, and trash expenses.

Millwood Park Apartments, continued

Trend Report

Vacancy Rates

4Q13	3Q14	1Q15	3Q17
8.1%	9.3%	12.2%	0.0%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$650	\$0	\$650	\$650
2014	3	6.6%	\$725	\$0	\$725	\$725
2015	1	12.3%	\$725	\$0	\$725	\$725
2017	3	0.0%	\$792	\$0	\$792	\$792

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$775	\$0	\$775	\$775
2014	3	16.0%	\$850	\$0	\$850	\$850
2015	1	12.0%	\$850	\$0	\$850	\$850
2017	3	0.0%	\$894	\$0	\$894	\$894

Trend: Comments

4Q13 N/A

3Q14 The manager is new and was unable an explanation for the high number of vacancies. The management company changed in 2014, and thus little information was available regarding the reasons for lower-than-average historical occupancy. When asked about the tenant mix up, the contact stated that approximately half of the tenants at the property were single parents. She also mentioned that elderly people make up a good portion of tenants, however she could not provide a percentage of these tenants.

1Q15 The manager is fairly new and was unable an explanation for the high number of vacancies. The management company changed in 2014, and thus little information was available regarding the reasons for lower-than-average historical occupancy. When asked about the tenant mix up, the contact stated that approximately half of the tenants at the property were single parents. She also mentioned that elderly people make up a good portion of tenants, however she could not provide a percentage of these tenants.

3Q17 The contact stated the property maintains a waiting list for all units approximately one to three months in length for all unit types. Additionally, the property stated two and three-bedroom are billed a flat fee of \$65 and \$85 per month, respectively, for water, sewer, and trash expenses.

Photos



PROPERTY PROFILE REPORT

Walton Crossing

Effective Rent Date	8/10/2017
Location	1820 Mulkey Road Austell, GA 30106 Cobb County
Distance	11.7 miles
Units	239
Vacant Units	4
Vacancy Rate	1.7%
Type	Garden (3 stories)
Year Built/Renovated	1991 / 2006
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Austell Village, Forest Glenn
Tenant Characteristics	Mixed tenancy; majority families
Contact Name	Justin
Phone	770-739-7582



Market Information

Program	@50% (HOME), @60%, Non-Rental
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	40%
Leasing Pace	Within one month
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	60	630	\$624	\$0	@50% (HOME)	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	41	705	\$763	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	28	975	\$754	\$0	@50% (HOME)	Yes	1	3.6%	yes	None
2	2	Garden (3 stories)	59	1,104	\$921	\$0	@60%	Yes	2	3.4%	yes	None
2	2	Garden (3 stories)	1	1,104	N/A	N/A	Non-Rental	N/A	0	0.0%	N/A	None
3	2	Garden (3 stories)	50	1,311	\$1,059	\$0	@60%	Yes	1	2.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$624	\$0	\$624	\$0	\$624	1BR / 1BA	\$763	\$0	\$763	\$0	\$763
2BR / 1BA	\$754	\$0	\$754	\$0	\$754	2BR / 2BA	\$921	\$0	\$921	\$0	\$921
						3BR / 2BA	\$1,059	\$0	\$1,059	\$0	\$1,059
Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	N/A	\$0	N/A	\$0	N/A						

Walton Crossing, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	Afterschool Program
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Tennis Court		

Comments

The property maintains a waiting list approximately 45 to 60 days in length for all unit types. The manager indicated that there is strong demand for affordable housing in the market. Amenities include an Adventure Center, which is an after-school program for elementary school children sponsored through Parents with a Purpose where children of residents can stay for free until 6:00 p.m.

Trend Report

Vacancy Rates

3Q14	1Q15	2Q16	3Q17
1.7%	2.5%	0.0%	1.7%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$714	\$0	\$714	\$714
2017	3	0.0%	\$624	\$0	\$624	\$624

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$814	\$0	\$814	\$814
2017	3	3.6%	\$754	\$0	\$754	\$754

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	3.0%	\$676 - \$716	\$0	\$676 - \$716	\$676 - \$716
2015	1	3.0%	\$676 - \$716	\$0	\$676 - \$716	\$676 - \$716
2016	2	0.0%	\$767	\$0	\$767	\$767
2017	3	0.0%	\$763	\$0	\$763	\$763

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$826	\$0	\$826	\$826
2015	1	0.0%	\$826	\$0	\$826	\$826

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	1.7%	\$869	\$0	\$869	\$869
2015	1	3.4%	\$869	\$0	\$869	\$869
2016	2	0.0%	\$924	\$0	\$924	\$924
2017	3	3.4%	\$921	\$0	\$921	\$921

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$960	\$0	\$960	\$960
2015	1	2.0%	\$960	\$0	\$960	\$960
2016	2	0.0%	\$1,061	\$0	\$1,061	\$1,061
2017	3	2.0%	\$1,059	\$0	\$1,059	\$1,059

Trend: Non-Rental

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	N/A	\$0	N/A	N/A
2015	1	0.0%	N/A	\$0	N/A	N/A
2016	2	0.0%	N/A	\$0	N/A	N/A
2017	3	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

3Q14	The property maintains a waiting list on all unit types, but the contact was unable to provide number of households or the length of the waiting list. The contact stated that the property is currently working off of the waiting list to fill the vacant units. Additionally, the contact noted that there was a five percent rental increase on all units effective September 1, 2014.
1Q15	The property maintains a waiting list on all unit types, but the contact was unable to provide number of households or the length of the waiting list. The contact stated that the property is currently working off of the waiting list to fill vacant units. Additionally, the contact noted that there was a five percent rental increase on all units effective September 1, 2014.
2Q16	The property does not keep a waiting list. The manager indicated that there is strong demand for affordable housing in the market. Amenities include an Adventure Center, which is an after-school program for elementary school children sponsored through Parents with a Purpose where children of residents can stay for free until 6:00 p.m.
3Q17	The property maintains a waiting list approximately 45 to 60 days in length for all unit types. The manager indicated that there is strong demand for affordable housing in the market. Amenities include an Adventure Center, which is an after-school program for elementary school children sponsored through Parents with a Purpose where children of residents can stay for free until 6:00 p.m.

Photos



PROPERTY PROFILE REPORT

Walton Reserve Apartments

Effective Rent Date	8/14/2017
Location	7075 Walton Reserve Lane Austell, GA 30168 Cobb County
Distance	9.4 miles
Units	251
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Orchard Lane
Tenant Characteristics	Mixed tenancy
Contact Name	Brianna
Phone	678.945.1743



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	32%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	Kept at maximum allowable
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)	32	850	\$751	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	30	1,135	\$900	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	100	1,175	\$900	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	30	1,210	\$900	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	59	1,485	\$1,017	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$751	\$0	\$751	\$0	\$751
2BR / 1BA	\$900	\$0	\$900	\$0	\$900
2BR / 2BA	\$900	\$0	\$900	\$0	\$900
3BR / 2BA	\$1,017	\$0	\$1,017	\$0	\$1,017

Walton Reserve Apartments, continued

Amenities

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

Comments

The contact reported maintaining an extensive waiting list; however, was unable to estimate wait length.

Walton Reserve Apartments, continued

Trend Report

Vacancy Rates

4Q14	1Q15	1Q16	3Q17
3.6%	3.6%	1.6%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	3.1%	\$743	\$0	\$743	\$743
2015	1	3.1%	\$743	\$0	\$743	\$743
2016	1	0.0%	\$743	\$0	\$743	\$743
2017	3	0.0%	\$751	\$0	\$751	\$751

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	6.7%	\$825	\$0	\$825	\$825
2015	1	6.7%	\$825	\$0	\$825	\$825
2016	1	3.3%	\$825	\$0	\$825	\$825
2017	3	0.0%	\$900	\$0	\$900	\$900

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	3.1%	\$889	\$38	\$851	\$851
2015	1	3.1%	\$889	\$38	\$851	\$851
2016	1	1.5%	\$889	\$0	\$889	\$889
2017	3	0.0%	\$900	\$0	\$900	\$900

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	3.4%	\$1,001	\$0	\$1,001	\$1,001
2015	1	3.4%	\$1,001	\$0	\$1,001	\$1,001
2016	1	1.7%	\$1,001	\$0	\$1,001	\$1,001
2017	3	0.0%	\$1,017	\$0	\$1,017	\$1,017

Trend: Comments

4Q14	The contact reported that the property does not maintain a waiting list for any of the units. She reported that the demand for affordable housing in this is strong based on the amount of calls the property receives asking about available units. The current concession is reduced rent on the two bedroom, two bathroom units. The concession started on December 1, 2014. The contact was unable to provide information on how long the concession would last.
1Q15	N/A
1Q16	The contact reported a waiting list with three applicants for the one-bedroom units at this time.
3Q17	The contact reported maintaining an extensive waiting list; however, was unable to estimate wait length.

Photos



PROPERTY PROFILE REPORT

Arbor Place

Effective Rent Date	8/14/2017
Location	5832 Stewart Parkway Douglasville, GA 30135 Douglas County
Distance	2 miles
Units	298
Vacant Units	10
Vacancy Rate	3.4%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	mostly families, average age 30, average household size 3
Contact Name	Property manager
Phone	770-577-7710



Market Information

Program	Market
Annual Turnover Rate	29%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	Daily-YieldStar
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	797	\$887	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	844	\$889	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,105	\$1,141	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,205	\$1,177	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,460	\$1,402	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$887 - \$889	\$0	\$887 - \$889	\$0	\$887 - \$889
2BR / 2BA	\$1,141 - \$1,177	\$0	\$1,141 - \$1,177	\$0	\$1,141 - \$1,177
3BR / 2BA	\$1,402	\$0	\$1,402	\$0	\$1,402

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher	Patrol	
Ceiling Fan	Garbage Disposal		
Hand Rails	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	Floor	None
Clubhouse/Meeting Room/Community	Exercise Facility	View	
Garage	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Tennis Court			

Comments

The property utilized YieldStar daily pricing to determine rents; as such, rent fluctuate daily. Further, rents listed in the profile are starting rents with premiums charged based on floor, location, and views at the property.

Trend Report

Vacancy Rates

4Q13	3Q14	1Q15	3Q17
2.0%	2.3%	3.0%	3.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$720 - \$755	\$0	\$720 - \$755	\$720 - \$755
2014	3	N/A	\$770 - \$800	\$0	\$770 - \$800	\$770 - \$800
2015	1	N/A	\$760 - \$765	\$0	\$760 - \$765	\$760 - \$765
2017	3	N/A	\$887 - \$889	\$0	\$887 - \$889	\$887 - \$889

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$875 - \$950	\$0	\$875 - \$950	\$875 - \$950
2014	3	N/A	\$870 - \$970	\$0	\$870 - \$970	\$870 - \$970
2015	1	N/A	\$820 - \$860	\$0	\$820 - \$860	\$820 - \$860
2017	3	N/A	\$1,141 - \$1,177	\$0	\$1,141 - \$1,177	\$1,141 - \$1,177

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$1,050	\$0	\$1,050	\$1,050
2014	3	N/A	\$1,015 - \$1,060	\$0	\$1,015 - \$1,060	\$1,015 - \$1,060
2015	1	N/A	\$1,010	\$0	\$1,010	\$1,010
2017	3	N/A	\$1,402	\$0	\$1,402	\$1,402

Trend: Comments

4Q13	N/A
3Q14	The contact mentioned that the demand for market rate housing in the area is strong and growing.
1Q15	The contact mentioned that the demand for market rate housing in the area is strong. Management could not provide a detailed unit mix.
3Q17	The property utilized YieldStar daily pricing to determine rents; as such, rent fluctuate daily. Further, rents listed in the profile are starting rents with premiums charged based on floor, location, and views at the property.

Photos



PROPERTY PROFILE REPORT

Brookview Apartments

Effective Rent Date	8/14/2017
Location	8460 Hospital Drive Douglasville, GA 30134 Douglas County
Distance	1.7 miles
Units	216
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1968 / Ongoing
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Lakeside at Arbor Place, Park Wood, Mill Wood
Tenant Characteristics	Majority families, average household size three, average age 40,
Contact Name	Sabrina
Phone	770.949.8988



Market Information

Program	Market
Annual Turnover Rate	29%
Units/Month Absorbed	N/A
HCV Tenants	5%
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	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)	48	701	\$659	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	76	862	\$869	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	76	862	\$779	\$0	Market	No	0	0.0%	N/A	None
3	1.5	Garden (2 stories)	16	1,102	\$979	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$659	\$0	\$659	\$0	\$659
2BR / 1BA	\$779 - \$869	\$0	\$779 - \$869	\$0	\$779 - \$869
3BR / 1.5BA	\$979	\$0	\$979	\$0	\$979

Brookview Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Patrol	None
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	Picnic Area		
Playground	Swimming Pool		

Comments

The contact indicated that the property is renovated two-bedroom units as they become available. The renovated two-bedroom units command a higher rental rate as reflected in the profile. In-unit washer/dryer units are available for an additional \$40 per month.

Brookview Apartments, continued

Trend Report

Vacancy Rates

4Q13	3Q14	1Q15	3Q17
6.0%	0.9%	5.1%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$545	\$0	\$545	\$545
2014	3	N/A	\$545	\$0	\$545	\$545
2015	1	N/A	\$545	\$0	\$545	\$545
2017	3	0.0%	\$659	\$0	\$659	\$659

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$625	\$0	\$625	\$625
2014	3	N/A	\$625	\$0	\$625	\$625
2015	1	N/A	\$625	\$0	\$625	\$625
2017	3	0.0%	\$779 - \$869	\$0	\$779 - \$869	\$779 - \$869

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$795	\$0	\$795	\$795
2014	3	N/A	\$835	\$0	\$835	\$835
2015	1	N/A	\$835	\$0	\$835	\$835
2017	3	0.0%	\$979	\$0	\$979	\$979

Trend: Comments

4Q13 N/A

3Q14 N/A

1Q15 No additional comments. Management was unable to provide a detailed unit mix.

3Q17 The contact indicated that the property is renovating two-bedroom units as they become available. The renovated two-bedroom units command a higher rental rate as reflected in the profile. In-unit washer/dryer units are available for an additional \$40 per month.

Photos



PROPERTY PROFILE REPORT

Carrington Point

Effective Rent Date	8/10/2017
Location	50 Carrington Point Douglasville, GA 30135 Douglas County
Distance	2.3 miles
Units	175
Vacant Units	7
Vacancy Rate	4.0%
Type	Garden (3 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	Families, Young Professionals,
Contact Name	Leasing agent
Phone	770.949.7700



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	10%
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	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)	N/A	736	\$765	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	873	\$805	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	N/A	1,155	\$865	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,251	\$905	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,489	\$1,055	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$765 - \$805	\$0	\$765 - \$805	\$0	\$765 - \$805
2BR / 1BA	\$865	\$0	\$865	\$0	\$865
2BR / 2BA	\$905	\$0	\$905	\$0	\$905
3BR / 2BA	\$1,055	\$0	\$1,055	\$0	\$1,055

Carrington Point, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Tennis Court			

Comments

Contact provided no additional information.

Trend Report

Vacancy Rates

3Q13	3Q14	1Q15	3Q17
6.9%	6.9%	6.3%	4.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$649 - \$699	\$17	\$632 - \$682	\$632 - \$682
2014	3	N/A	\$650 - \$735	\$0	\$650 - \$735	\$650 - \$735
2015	1	N/A	\$675 - \$755	\$0	\$675 - \$755	\$675 - \$755
2017	3	N/A	\$765 - \$805	\$0	\$765 - \$805	\$765 - \$805

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$725	\$17	\$708	\$708
2014	3	N/A	\$825	\$0	\$825	\$825
2015	1	N/A	\$815	\$0	\$815	\$815
2017	3	N/A	\$865	\$0	\$865	\$865

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$799 - \$870	\$17	\$782 - \$853	\$782 - \$853
2014	3	N/A	\$835 - \$870	\$0	\$835 - \$870	\$835 - \$870
2015	1	N/A	\$835 - \$850	\$0	\$835 - \$850	\$835 - \$850
2017	3	N/A	\$905	\$0	\$905	\$905

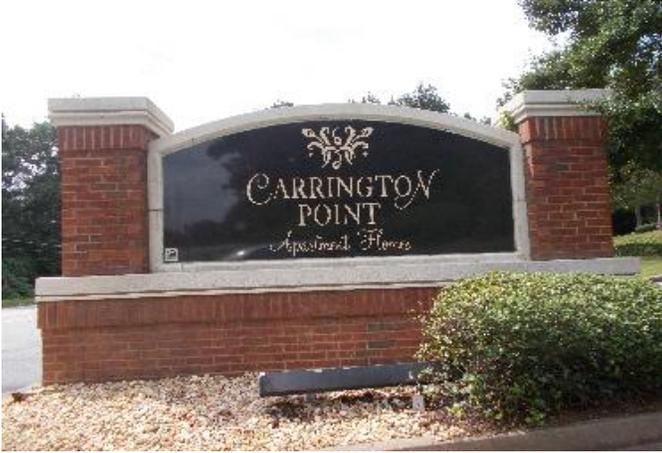
3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$950 - \$1,015	\$0 - \$17	\$933 - \$1,015	\$933 - \$1,015
2014	3	N/A	\$999 - \$1,015	\$0	\$999 - \$1,015	\$999 - \$1,015
2015	1	N/A	\$950	\$0	\$950	\$950
2017	3	N/A	\$1,055	\$0	\$1,055	\$1,055

Trend: Comments

3Q13	N/A
3Q14	The contact mentioned that there is a waiting list for HCV tenants.
1Q15	Management was unable to provide a detailed unit mix.
3Q17	Contact provided no additional information.

Photos



PROPERTY PROFILE REPORT

Lakeside At Arbor Place

Effective Rent Date	8/14/2017
Location	3000 Highway 5 Douglasville, GA 30135 Douglas County
Distance	1.8 miles
Units	246
Vacant Units	9
Vacancy Rate	3.7%
Type	Garden (3 stories)
Year Built/Renovated	I:1989 II:1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pinnacle, Brooke Valley, Stewart's Mill
Tenant Characteristics	Mixed tenancy
Contact Name	Property manager
Phone	770.942.2656



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to one month
Annual Chg. in Rent	None reported
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- gas
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	Garden (3 stories)	N/A	678	\$790	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	830	\$830	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	N/A	986	\$870	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,065	\$929	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,099	\$1,115	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,555	\$1,270	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$790 - \$830	\$0	\$790 - \$830	\$0	\$790 - \$830
2BR / 1BA	\$870	\$0	\$870	\$0	\$870
2BR / 2BA	\$929 - \$1,115	\$0	\$929 - \$1,115	\$0	\$929 - \$1,115
3BR / 2BA	\$1,270	\$0	\$1,270	\$0	\$1,270

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Exterior Storage	Fireplace		
Garbage Disposal	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Courtyard	Exercise Facility		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Tennis Court		

Comments

Management stated that rents vary depending on the length of the lease term and credit quality of the applicant. Management provided rents based on the typical renter for a 12 month lease.

Trend Report

Vacancy Rates

3Q13	3Q14	1Q15	3Q17
0.0%	8.1%	5.3%	3.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$557 - \$640	\$0	\$557 - \$640	\$557 - \$640
2014	3	N/A	\$694 - \$719	\$0	\$694 - \$719	\$694 - \$719
2015	1	N/A	\$694 - \$754	\$0	\$694 - \$754	\$694 - \$754
2017	3	N/A	\$790 - \$830	\$0	\$790 - \$830	\$790 - \$830

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$647	\$0	\$647	\$647
2014	3	N/A	\$727	\$0	\$727	\$727
2015	1	N/A	\$776	\$0	\$776	\$776
2017	3	N/A	\$870	\$0	\$870	\$870

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$770	\$0	\$770	\$770
2014	3	N/A	\$912	\$0	\$912	\$912
2015	1	N/A	\$878 - \$912	\$0	\$878 - \$912	\$878 - \$912
2017	3	N/A	\$929 - \$1,115	\$0	\$929 - \$1,115	\$929 - \$1,115

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$904	\$0	\$904	\$904
2014	3	N/A	\$996	\$0	\$996	\$996
2015	1	N/A	\$1,038	\$0	\$1,038	\$1,038
2017	3	N/A	\$1,270	\$0	\$1,270	\$1,270

Trend: Comments

3Q13	N/A
3Q14	The contact could not provide information as to why the number of vacancies is so high.
1Q15	Management stated that rents vary depending on the length of the lease term and credit quality of the applicant. Management provided average rents based on the typical renter for a 12 month lease.
3Q17	Management stated that rents vary depending on the length of the lease term and credit quality of the applicant. Management provided rents based on the typical renter for a 12 month lease.

Photos



PROPERTY PROFILE REPORT

Park West

Effective Rent Date	8/14/2017
Location	7250 Arbor Vista Drive Douglasville, GA 30134 Douglas County
Distance	0.9 miles
Units	250
Vacant Units	1
Vacancy Rate	0.4%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pinnacle Homes
Tenant Characteristics	Mix of families, seniors, young professionals
Contact Name	Chelsea
Phone	770.577.0070



Market Information

Program	Market
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	None reported
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	48	859	\$875	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	48	865	\$890	\$0	Market	No	1	2.1%	N/A	None
1	1	Garden (3 stories)	N/A	887	\$905	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	77	1,149	\$995	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	N/A	1,185	\$1,015	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	77	1,273	\$1,030	\$0	Market	No	0	0.0%	N/A	None
2.5	2	Garden (3 stories)	N/A	1,435	\$1,100	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$875 - \$905	\$0	\$875 - \$905	\$0	\$875 - \$905
2BR / 2BA	\$995 - \$1,030	\$0	\$995 - \$1,030	\$0	\$995 - \$1,030
2.5BR / 2BA	\$1,100	\$0	\$1,100	\$0	\$1,100

Park West, 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	Floor	None
Exercise Facility	Garage	View	
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Tennis Court			

Comments

Management stated that the property charges a premium for floor and views. In-unit washer/dryer's are available for an additional \$45 per month, exterior storage is an additional \$20 per month, and garage parking is an additional \$80 per month.

Park West, continued

Trend Report

Vacancy Rates

4Q13	3Q14	1Q15	3Q17
4.8%	4.0%	5.2%	0.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$650 - \$675	\$0	\$650 - \$675	\$650 - \$675
2014	3	N/A	\$760 - \$780	\$0	\$760 - \$780	\$760 - \$780
2015	1	N/A	\$730 - \$760	\$0	\$730 - \$760	\$730 - \$760
2017	3	N/A	\$875 - \$905	\$0	\$875 - \$905	\$875 - \$905

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$990	\$0	\$990	\$990
2014	3	N/A	\$950	\$0	\$950	\$950
2015	1	N/A	\$960	\$0	\$960	\$960
2017	3	N/A	\$1,100	\$0	\$1,100	\$1,100

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$820 - \$910	\$0	\$820 - \$910	\$820 - \$910
2014	3	N/A	\$875 - \$920	\$0	\$875 - \$920	\$875 - \$920
2015	1	N/A	\$850 - \$925	\$0	\$850 - \$925	\$850 - \$925
2017	3	N/A	\$995 - \$1,030	\$0	\$995 - \$1,030	\$995 - \$1,030

Trend: Comments

4Q13 N/A

3Q14 The contact mentioned that the demand for market rate housing in the area is strong.

1Q15 Management stated that demand for market rate housing in the area is strong, and had no further comments.

3Q17 Management stated that the property charges a premium for floor and views. In-unit washer/dryer's are available for an additional \$45 per month, exterior storage is an additional \$20 per month, and garage parking is an additional \$80 per month.

Photos



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

Housing Choice Vouchers

We contacted Dwatia Starks, Waitlist Management Coordinator with the Georgia Department of Community Affairs (DCA) to obtain information regarding the Housing Choice Voucher Program. We were unable to obtain the number of vouchers in use within Douglas County; however, Ms. Starks stated that DCA maintains a waiting list consisting of 19,856 households. The waiting list was open from February 1, 2017 through February 7, 2017 and is now closed. The payment standards for Douglas County are listed below.

PAYMENT STANDARDS

Unit Type	Standard
2 Bedroom	\$996
3 Bedroom	\$1,315

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.

TENANTS WITH VOUCHERS

Comparable Property	Type	Housing Choice Voucher Tenants
Austell Village*	LIHTC	50%
Millwood Park Apartments	LIHTC	0%
Walton Crossing*	LIHTC/HOME	40%
Walton Reserve Apartments*	LIHTC	32%
Arbor Place	Market	0%
Brookview Apartments	Market	5%
Carrington Point	Market	10%
Lakeside At Arbor Place	Market	0%
Park West	Market	0%

*Located outside of the PMA

Housing Choice Voucher usage in this market ranges from zero to 50 percent. Three the comparable LIHTC properties reported between 32 and 50 percent of tenants utilizing vouchers. One LIHTC comparable, Millwood Park Apartments, stated none of tenants at the property utilize vouchers. Further, two market rate comparables, Brookview Apartments and Carrington Point, reported five and ten percent of tenants utilizing vouchers, respectively. Given that all of the Subject’s proposed units rents are currently below the current payment standards, it is likely that the Subject would maintain a voucher usage of approximately 25 percent following renovations, consistent with historical operations.

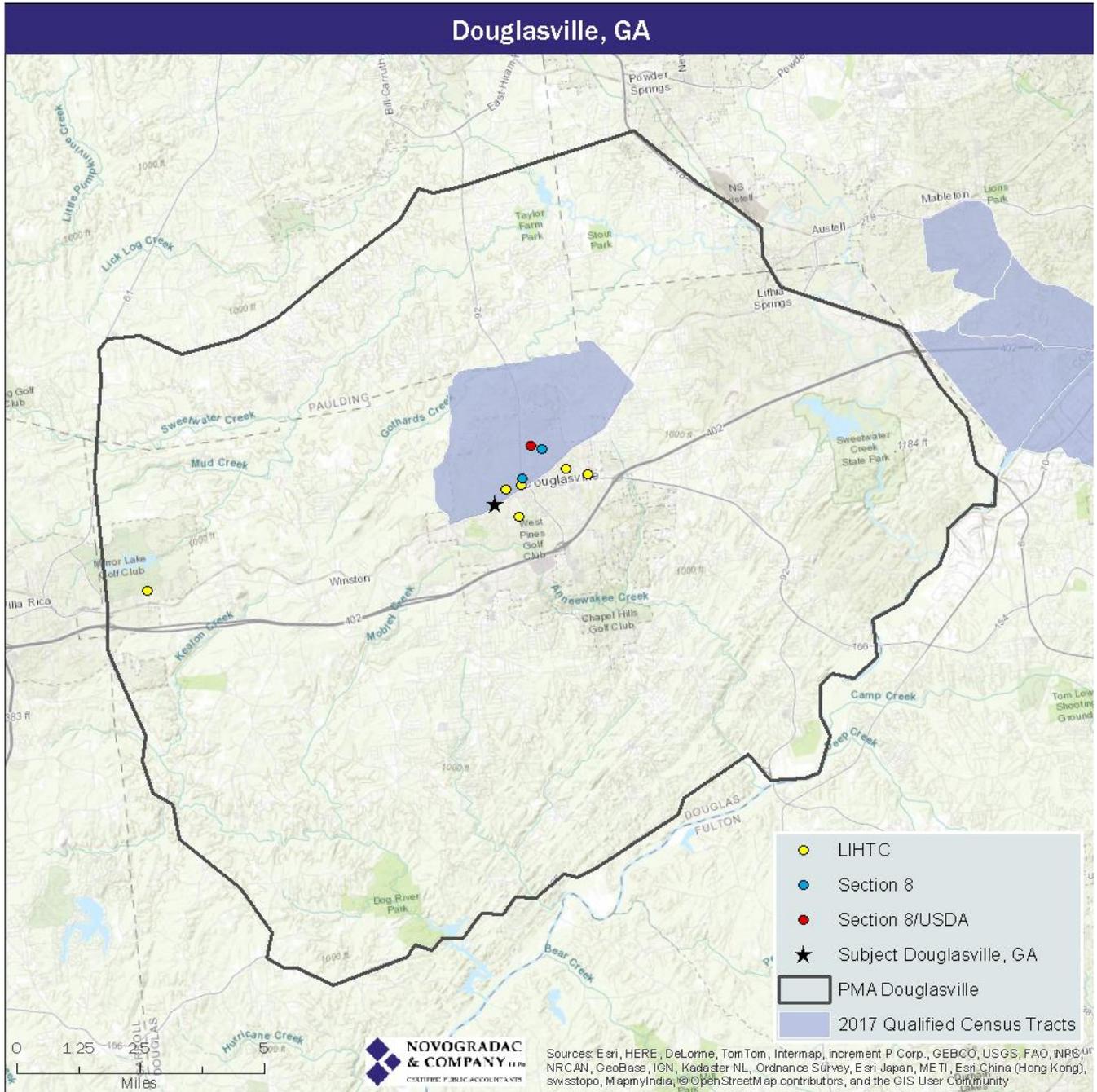
Phased Developments

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	Distance from Subject	Map Color
Mill Creek Place (Subject)	LIHTC	Douglasville	Family	128	-	Star
Millwood Park Apartments*	LIHTC	Douglasville	Family	172	2.0 miles	
Parker Street Duplex	LIHTC	Douglasville	Family	2	0.7miles	
Douglasville Proper	LIHTC	Douglasville	Family	100	0.4 miles	
Connors Senior Village II	LIHTC	Villa Rica	Senior	60	7.2 miles	
Highland Park Senior Village	LIHTC	Douglasville	Senior	50	0.5 miles	
Brighton Manor Apartments	LIHTC/Market	Douglasville	Family	40	1.6 miles	
Douglass Village	Section 8/USDA	Douglasville	Family	88	1.4 mile	
Douglasville VOA Housing	Section 8	Douglasville	Disabled	12	1.5 miles	
Maxwell Homes	Section 8	Douglasville	Family	110	0.8 miles	

*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

Comp #	Mill Creek Place Subject	Austell Village 1	Millwood Park Apartments 2	Walton Crossing 3	Walton Reserve Apartments 4	Arbor Place 5	Brookview Apartments 6	Carrington Point 7	Lakeside At Arbor Place 8	Park West 9
Property Information										
Property Type	Garden (3 stories)	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)
Year Built / Renovated	2000 / n/a	1988 / 2008	1999 / n/a	1991 / 2006	2003 / n/a	2003 / N/A	1968 / Ongoing	1997 / n/a	1989 / 1999	2003 / N/A
Market (Conv./Subsidy Type)	LIHTC	LIHTC	LIHTC	LIHTC/HOME	LIHTC	Market	Market	Market	Market	Market
Utility Adjustments										
Cooking	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Water	no	yes	no	yes	no	no	yes	no	no	no
Sewer	no	yes	no	yes	no	no	yes	no	no	no
Trash Collection	yes	yes	yes	yes	yes	no	yes	yes	no	no
In-Unit Amenities										
Balcony/Patio	no	yes	yes	yes	yes	yes	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	no	no	no	no	yes	yes
Ceiling Fan	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Fireplace	no	yes	no	no	no	no	no	no	yes	no
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hand Rails	no	no	no	no	no	yes	no	no	no	no
Microwave	no	yes	no	no	no	yes	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	yes	yes	no
Walk-In Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Washer/Dryer	no	no	yes	no	no	yes	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities										
Business Center/Computer Lab	yes	no	no	no	no	yes	no	no	yes	yes
Car Wash	no	no	no	yes	yes	yes	no	yes	no	yes
Clubhouse/Community Room	yes	yes	yes	yes	yes	yes	no	yes	yes	no
Courtyard	no	no	no	no	no	no	no	no	yes	no
Exercise Facility	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Garage	no	no	no	no	no	yes	no	yes	no	yes
Central Laundry	yes	yes	yes	yes	yes	no	yes	yes	no	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Playground	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation Areas	no	no	yes	no	no	no	no	no	no	no
Swimming Pool	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Tennis Court	no	no	no	yes	no	yes	no	yes	yes	yes
Garage Fee	N/A	N/A	N/A	N/A	N/A	\$60.00	N/A	\$100.00	N/A	\$80.00
Services										
Adult Education	no	no	no	no	yes	no	no	no	no	no
Afterschool Program	no	yes	no	yes	yes	no	no	no	no	no
Security										
In-Unit Alarm	no	no	no	no	no	yes	no	yes	yes	no
Limited Access	no	no	no	no	yes	yes	no	no	yes	yes
Patrol	no	no	yes	no	no	yes	yes	yes	no	no
Perimeter Fencing	yes	no	yes	no	yes	no	no	no	no	yes
Video Surveillance	yes	no	no	no	no	no	no	no	no	no
Premium Amenities										
Floor	no	no	no	no	no	yes	no	no	no	yes
View	no	no	no	no	no	yes	no	no	no	yes
Other Amenities										
Other	Granite countertops	n/a	n/a	n/a	Library	n/a	n/a	n/a	n/a	n/a

Subject’s in-unit amenity package is considered to be generally similar in comparison to the LIHTC and market-rate comparable properties and inferior to superior property amenities. The Subject does not offer balcony/patios, which the majority of comparables include. Further, the Subject does not offer a car wash or tennis court, which the majority of comparables include. However, the Subject includes business center/computer lab, which is not offered at the majority 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
Austell Village*	LIHTC	108	3	2.8%
Millwood Park Apartments	LIHTC	172	0	0.0%
Walton Crossing*	LIHTC/HOME	239	4	1.7%
Walton Reserve Apartments*	LIHTC	251	0	0.0%
Arbor Place	Market	298	10	3.4%
Brookview Apartments	Market	216	0	0.0%
Carrington Point	Market	175	7	4.0%
Lakeside At Arbor Place	Market	246	9	3.7%
Park West	Market	<u>250</u>	<u>1</u>	<u>0.4%</u>
Affordable Total		770	7	0.9%
Market Total		1,185	27	2.3%
Total		1,955	34	1.7%

*Located outside of the PMA

As illustrated, vacancy rates among the comparable properties range from zero to 4.0 percent, averaging 1.7 percent. The vacancy rates for the LIHTC comparable properties ranged from zero to 2.8 percent with an overall average of 0.9 percent. Two of the LIHTC comparables report having vacancies while the two remaining comparables are fully occupied. Further, three of the LIHTC comparables, Millwood Park Apartments, Walton Crossing, and Walton Reserve Apartments, reported maintaining waiting lists for their LIHTC units. None of the comparable market rate properties maintain waiting lists. The Subject is currently 98.4 percent occupied with a waiting list.

The vacancy rates for the market rate comparable properties ranged from zero to 4.0 percent with an overall average of 2.3 percent. The low vacancy rates at the comparable properties indicate 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 Douglasville 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	Austell Village*	LIHTC	Slightly Superior	Slightly Inferior	Similar	Slightly Superior	Superior	15
2	Millwood Park Apartments	LIHTC	Slightly Superior	Slightly Inferior	Similar	Superior	Superior	20
3	Walton Crossing*	LIHTC/HOME	Slightly Inferior	Slightly Inferior	Similar	Slightly Superior	Superior	5
4	Walton Reserve Apartments*	LIHTC	Similar	Slightly Inferior	Superior	Slightly Superior	Similar	10
5	Arbor Place	Market	Inferior	Slightly Inferior	Slightly Inferior	Slightly Superior	Similar	-15
6	Brookview Apartments	Market	Superior	Slightly Inferior	Similar	Slightly Superior	Superior	20
7	Carrington Point	Market	Slightly Inferior	Slightly Inferior	Slightly Inferior	Superior	Similar	-5
8	Lakeside At Arbor Place	Market	Slightly Inferior	Slightly Inferior	Slightly Inferior	Superior	Similar	-5
9	Park West	Market	Inferior	Slightly Inferior	Similar	Slightly Superior	Similar	-10

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

*Located outside of the PMA

The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 percent AMI rents in the following table.

LIHTC RENT COMPARISON - @50%

Property Name	2BR	3BR
Mill Creek Place (Subject) – Proposed Asking Rents	\$642	\$728
Mill Creek Place (Subject) – Current Asking Rents	\$674	\$778
2016 LIHTC Maximum (Net)	\$642	\$728
Held Harmless Maximum (Net)	\$674	\$778
Walton Crossing*	\$706	-
Average (excluding Subject)	\$706	-

*Located outside of the PMA

The Subject proposed rents are below the Subject’s current rents due to a decrease in AMI levels over the past several years. The Subject’s proposed rents are below the rents at Walton Crossing. The Subject’s proposed LIHTC rents are set at the maximum allowable levels at the 50 percent AMI threshold. Further,

Walton Crossing reported achieving maximum allowable rents at 50 percent AMI. Additionally, Walton Crossing is 98.3 percent occupied and maintains a waiting list for their LIHTC units.

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	3BR
Mill Creek Place (Subject) – Proposed Asking Rents	\$794	\$904
Mill Creek Place (Subject) – Current Asking Rents	\$841	\$971
2016 LIHTC Maximum (Net)	\$794	\$904
Held Harmless Maximum (Net)	\$841	\$970
Austell Village*	\$777	\$926
Millwood Park Apartments	\$792	\$894
Walton Crossing*	\$873	\$1,000
Walton Reserve Apartments*	\$900	\$1,017
Average (excluding Subject)	\$836	\$959

*Located outside of the PMA

The Subject proposed rents are below the Subject’s current rents due to a decrease in AMI levels over the past several years. The Subject’s proposed rents are within the comparable rental range; however, below the average at the LIHTC comparables. The Subject’s proposed LIHTC rents are set at the maximum allowable levels at the 60 percent AMI threshold. Further, three of the comparables reported achieving maximum allowable rents at 60 percent AMI while Millwood Park Apartments reported achieving slightly below the maximum allowable levels for their two and three-bedroom units. Additionally, three of the LIHTC comparables, Millwood Park Apartments, Walton Crossing, and Walton Reserve Apartments, reported maintaining waiting lists for their LIHTC units.

The Subject, upon renovation, will be considered the most similar to Walton Crossing and Walton Reserve Apartments among the LIHTC comparables. These comparables reported vacancy rates of 1.7 percent and zero percent, respectively. The relatively low vacancy rates at the LIHTC comparables indicate demand in the local area for affordable housing.

The Subject will offer similar community amenities compared to Walton Reserve Apartments; however, will offer slightly inferior community amenities compared to Walton Crossing. Further, the Subject will offer slightly inferior unit features compared to both Walton Crossing and Walton Reserve Apartments. The Subject offers a similar location compared to Walton Crossing and a superior location compared to Walton Reserve Apartments. Further, the Subject will offer superior condition compared to Walton Crossing and similar condition compared to Walton Reserve Apartments. Additionally, the Subject offers superior unit sizes compared to Walton Crossing and similar unit sizes compared to Walton Reserve 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 50 and 60 percent AMI rents are achieved at the maximum allowable levels, which as noted previously are below the Subject’s current asking rents.

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 @ 50%	\$642	\$731	\$1,192	\$936	31.4%
2BR @ 60%	\$794	\$731	\$1,192	\$936	15.2%
3BR @ 50%	\$728	\$894	\$1,417	\$1,064	31.6%
3BR @ 60%	\$904	\$894	\$1,417	\$1,064	15.1%

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average of the comparable properties. The Subject’s proposed 60 percent rents for both two and three-bedroom units are within the surveyed range of comparable LIHTC and market rents while the 50 percent rents are below the range of comparable LIHTC and market rents.

9. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject’s affordable units at 50 percent AMI range from 0.2 to 0.5 percent with an overall average of 0.3 percent, which is considered good. Capture rates for the Subject’s affordable units at 60 percent AMI range from 13.6 to 16.0 percent, with an overall rate of 15.3 percent, which is considered good. Capture rates for all of the Subject’s affordable units range from 9.7 to 11.2 percent with an overall average of 10.7 percent, which is considered good. If allocated, the Subject will be slightly superior to superior to the existing LIHTC housing stock. The average LIHTC vacancy rate is also considered good at 0.9 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 98.4 percent occupied with a waiting list. 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	30,814	80.4%	7,495	19.6%
2010	40,492	74.3%	14,034	25.7%
2016	39,613	70.4%	16,687	29.6%
Projected Mkt Entry October 2018	40,246	70.2%	17,046	29.8%
2021	41,019	70.1%	17,484	29.9%

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

As the table illustrates, owner occupied households comprise 70.4 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 0.3 and 0.3 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 2013	1QTR 2014	3QTR 2014	4QTR 2014	1QTR 2015	1QTR 2016	2QTR 2016	3QTR 2017
Austell Village*	Garden	108	N/A	3.7%	4.6%	N/A	7.4%	3.7%	N/A	2.8%
Millwood Park Apartments	Garden	172	8.1%	N/A	9.3%	N/A	12.2%	N/A	N/A	0.0%
Walton Crossing*	Garden	239	N/A	2.5%	1.7%	N/A	2.5%	N/A	0.0%	1.7%
Walton Reserve Apartments*	Garden	251	5.2%	0.8%	2.4%	3.6%	3.6%	1.6%	N/A	0.0%
Arbor Place	Garden	298	2.0%	N/A	2.3%	N/A	3.0%	N/A	N/A	3.4%
Brookview Apartments	Garden	216	6.0%	N/A	0.9%	N/A	5.1%	N/A	N/A	0.0%
Carrington Point	Garden	175	N/A	N/A	6.9%	N/A	6.3%	N/A	N/A	4.0%
Lakeside At Arbor Place	Garden	246	N/A	N/A	8.1%	N/A	5.3%	N/A	N/A	3.7%
Park West	Garden	250	4.8%	N/A	4.0%	N/A	5.2%	N/A	N/A	0.4%
		1,955	5.2%	2.3%	4.4%	3.6%	5.8%	2.6%	0.0%	1.7%

*Located outside of the PMA

In general, the comparable properties have generally experienced decreasing vacancy from fourth quarter 2013 through the third quarter of 2017. Millwood Park Apartments experienced the largest decrease in vacancies, decreasing to zero percent currently, from 8.1 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
Austell Village*	LIHTC	Kept at maximum allowable
Millwood Park Apartments	LIHTC	None reported
Walton Crossing*	LIHTC/HOME	Kept at maximum allowable
Walton Reserve Apartments*	LIHTC	Kept at maximum allowable
Arbor Place	Market	Daily-YieldStar
Brookview Apartments	Market	None reported
Carrington Point	Market	None reported
Lakeside At Arbor Place	Market	None reported
Park West	Market	None reported

*Located outside of the PMA

Austell Village, Walton Crossing, and Walton Reserve Apartments reported achieving the maximum allowable rents at all AMI levels. Millwood Park Apartments reported achieving slightly below the maximum allowable levels for their LIHTC units at the 60 percent AMI threshold. None of the compares reported increases in market rents; however, Arbor Place reported utilizing YieldStar, a daily rental pricing software; as such, rents at the property fluctuate daily. 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.

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 (30134) is experiencing a foreclosure rate of one in every 1,033 homes. Further, the city of Douglasville is experiencing a foreclosure rate of one in every 715 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 nation and the state; however, a lower foreclosure rate compared to the city. 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

Three of the four affordable comparable properties maintain waiting lists. Millwood Park Apartments maintains a waiting list approximately one to three months in length, Walton Crossing maintains a waiting list approximately 30 to 45 days in length, and Walton Reserve Apartments maintains a waiting list; however was unable to estimate wait length. Further, Austell Village, Walton Crossing, and Walton Reserve Apartments all reported achieving the maximum allowable rents at all AMI levels while Millwood Park Apartments reported rents slightly below the maximum allowable levels for the properties affordable units. The average vacancy among the affordable comparables is 0.9 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, 34.0 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 low vacancy rates among both the affordable and market rate properties illustrate a strong demand for the addition of affordable housing within the market. As the Subject is an existing, 98.4 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 0.9 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, 98.4 occupied, LIHTC 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 0.9 percent. Further, market rate vacancy is at 2.3 percent, and overall vacancy is at 1.7 percent. Three of the four affordable properties maintain a waiting list. These factors illustrate demand for affordable housing. The Subject will offer generally slightly inferior in-unit and inferior to superior 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 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 superior to the comparable properties. Given the Subject's anticipated similar to 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 unable to obtain absorption information from any of the comparable properties. Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed renovation of an existing LIHTC property. According to the Subject's rent roll, dated July 27, 2017, the property is 98.4 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. Based on market experience, and assuming the Subject were 100 percent vacant following renovations, the Subject would likely experience a re-absorption pace of 14 to 16 units per month for an absorption period of approximately seven to eight months. However, since all tenants will income qualify to remain, the rents are decreasing, we believe all tenants will remain and the Subject within weeks of completing the renovations.

J. INTERVIEWS

INTERVIEWS

Georgia Department of Community Affairs

We contacted Dwatia Starks, Waitlist Management Coordinator with the Georgia Department of Community Affairs (DCA) to obtain information regarding the Housing Choice Voucher Program. We were unable to obtain the number of vouchers in use within Douglas County; however, Ms. Starks stated that DCA maintains a waiting list consisting of 19,856 households. The waiting list was open from February 1, 2017 through February 7, 2017 and is now closed. The payment standards for Douglas County are listed below.

PAYMENT STANDARDS

Unit Type	Standard
2 Bedroom	\$996
3 Bedroom	\$1,315

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 Douglasville 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.

Douglas County Chamber/Douglas County Economic Development Authority

We attempted to contact the Douglas County Chamber of Commerce and the Douglas County Economic Development Authority; however, as of the time of this report our phone calls have not yet been returned.

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 there was an approximate 4.4 percent annual increase in population within the PMA and 2.4 percent increase within 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 164,539 and is expected to increase to 171,355 by 2021. Further, approximately 23.5 percent of renter households in the PMA are earning incomes that are less than \$30,000. The Subject will target households earning between \$26,057 and \$43,740 for its LIHTC units. Overall, while population growth has been average, the concentration of renter households at the lowest income cohorts indicates demand for affordable rental housing in the market.

Employment Trends

The largest industries in the PMA are retail trade, healthcare/social assistance, and construction sectors. Positions in these industries account for 30.9 percent of all jobs in the area. The four largest employers in the MSA are Delta Air Lines, Emory University/Emory Healthcare, Wal-Mart Stores, Inc., and The Home Depot. The healthcare/social assistance 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

Bedrooms/AMI Level	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Proposed Rents
2BR at 50% AMI	1	497	0	497	0.2%	One month	\$642
2BR at 60% AMI	91	562	0	562	16.2%	5 to 7 months	\$794
2BR at All LIHTC Units	92	812	0	812	11.3%	5 to 7 months	-
3BR at 50% AMI	1	221	0	221	0.5%	One month	\$728
3BR at 60% AMI	35	250	0	250	14.0%	2 to 3 months	\$904
3BR at All LIHTC Units	36	361	0	361	10.0%	2 to 3 months	-
Overall at 50% AMI	2	718	0	718	0.3%	One month	-
Overall at 60% AMI	126	812	0	812	15.5%	7 to 9 months	-
Overall at All LIHTC Units	128	1,173	0	1,173	10.9%	7 to 9 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 unable to obtain absorption information from any of the comparable properties. Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed renovation of an existing LIHTC property. According to the Subject's rent roll, dated July 27, 2017, the property is 98.4 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. Based on market experience, and assuming the Subject were 100 percent vacant following renovations, the Subject would likely experience a re-absorption pace of 14 to 16 units per month for an absorption period of approximately seven to eight months. However, since all tenants will income qualify to remain, the rents are decreasing, we believe all tenants will remain and the Subject within weeks of completing the renovations.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Austell Village*	LIHTC	108	3	2.8%
Millwood Park Apartments	LIHTC	172	0	0.0%
Walton Crossing*	LIHTC/HOME	239	4	1.7%
Walton Reserve Apartments*	LIHTC	251	0	0.0%
Arbor Place	Market	298	10	3.4%
Brookview Apartments	Market	216	0	0.0%
Carrington Point	Market	175	7	4.0%
Lakeside At Arbor Place	Market	246	9	3.7%
Park West	Market	<u>250</u>	<u>1</u>	<u>0.4%</u>
Affordable Total		770	7	0.9%
Market Total		1,185	27	2.3%
Total		1,955	34	1.7%

*Located outside of the PMA

As illustrated, vacancy rates among the comparable properties range from zero to 4.0 percent, averaging 1.7 percent. The vacancy rates for the LIHTC comparable properties ranged from zero to 2.8 percent with an overall average of 0.9 percent. Two of the LIHTC comparables report having vacancies while the two remaining comparables are fully occupied. Further, three of the LIHTC comparables, Millwood Park Apartments, Walton Crossing, and Walton Reserve Apartments, reported maintaining waiting lists for their LIHTC units. None of the comparable market rate properties maintain waiting lists. The Subject is currently 98.4 percent occupied with a waiting list.

The vacancy rates for the market rate comparable properties ranged from zero to 4.0 percent with an overall average of 2.3 percent. The low vacancy rates at the comparable properties indicate 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 with rents that will decrease, 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 located in close proximity to locational amenities and employment centers. Single-family homes in the general vicinity appear to have been built in the 1970s and 1980s; however, generally exhibit average condition. Post renovation, the Subject will still have inferior to superior common area amenities when compared to other tax credit and market rate properties in the local market. It will have slightly inferior in-unit amenities, as the Subject does not offer balcony/patios or ceiling fans, which the majority of comparables include. According to rent roll dated July 27, 2017, the current occupancy rate at the Subject is 98.4 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 50 and 60 percent AMI units. Additionally, all of the Subject's 128 units will target households earning 50 and 60 percent of the AMI. The majority of current tenants are anticipated to income-qualify for the Subject post-renovation. Further, the Subject's rent will decrease post-renovation.

Conclusion

The Subject is located in close proximity to locational amenities and employment centers. Single-family homes in the general vicinity appear to have been built in the 1970s and 1980s; however, generally exhibit average condition. Post renovation, the Subject will still have inferior to superior common area amenities when compared to other tax credit and market rate properties in the local market. It will have slightly inferior in-unit amenities, as the Subject does not offer balcony/patios or ceiling fans, which the majority of comparables include. According to rent roll dated July 27, 2017, the current occupancy rate at the Subject is 98.4 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 50 and 60 percent AMI units. Additionally, all of the Subject's 128 units will target households earning 50 and 60 percent of the AMI. The majority of current tenants are anticipated to income-qualify for the Subject post-renovation. Further, the Subject's rent will decrease 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 0.9 percent. Further, market rate vacancy is at 2.3 percent, and overall vacancy is at 1.7 percent. Three of the four affordable properties maintain a waiting list. These factors illustrate demand for affordable housing. The Subject will offer generally similar in-unit and inferior to superior 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 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 superior to the comparable properties. Given the Subject's anticipated similar to 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

September 1, 2017
Date



Matthew Hummel
Manager
Novogradac & Company LLP

September 1, 2017
Date



Kelly Powell
Junior Analyst
Novogradac & Company LLP

September 1, 2017
Date



Travis Jorgenson
Junior Analyst

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

September 1, 2017
Date



Matthew Hummel
Manager
Novogradac & Company LLP

September 1, 2017
Date



Kelly Powell
Junior Analyst
Novogradac & Company LLP

September 1, 2017
Date



Travis Jorgenson
Junior Analyst

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



View of Subject signage



View of the Subject's Leasing Office



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject



Gated entry



Gated entry



Swimming pool



Community/meeting room



Business center



Leasing office



Central laundry facilities



Central laundry facilities



Playground



Playground



Typical strairway



Picnic/grilling area



Picnic area



Mailboxes



Typical bedroom



Typical kitchen



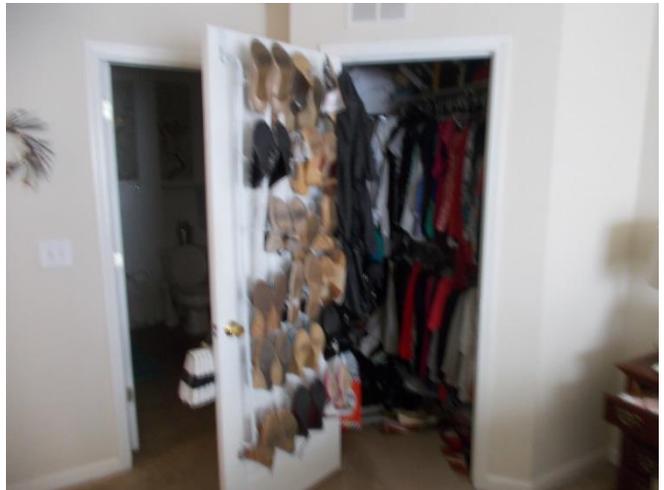
Typical dining area



Typical living room



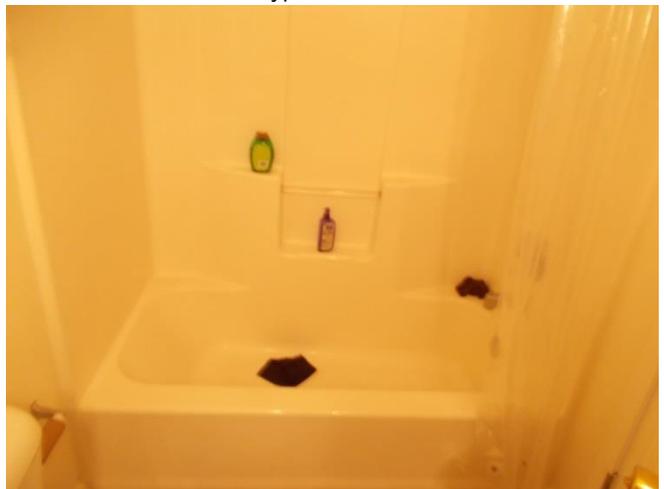
Typical bedroom



Typical closet



Typical bathroom



Typical bathroom



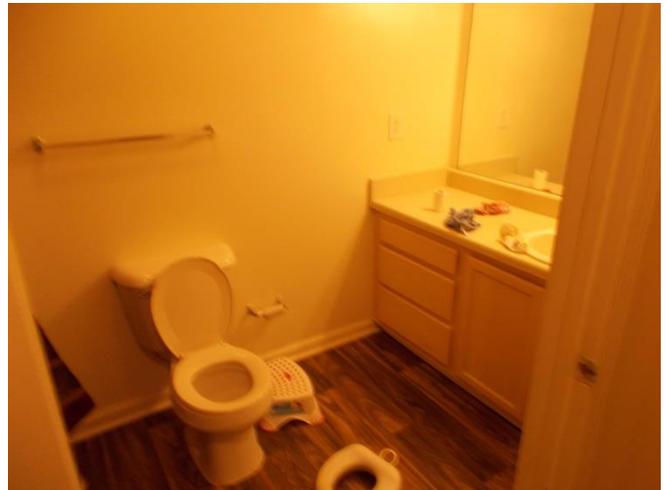
Typical bedroom



Typical bathroom



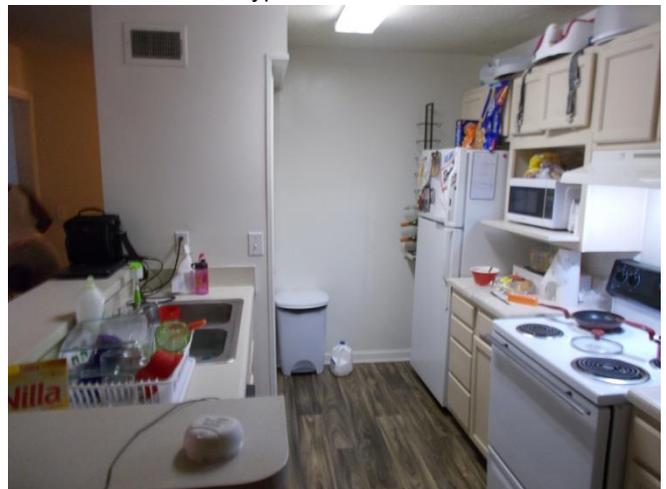
Typical living room



Typical bathroom



Typical bedroom



Typical kitchen



Typical bedroom



Typical dining area



Typical bedroom



Typical kitchen



Typical dining area



Typical living room



Typical bedroom



Typical bathroom



Typical bedroom



Typical closet



Typical laundry room



Typical laundry room



Typical kitchen



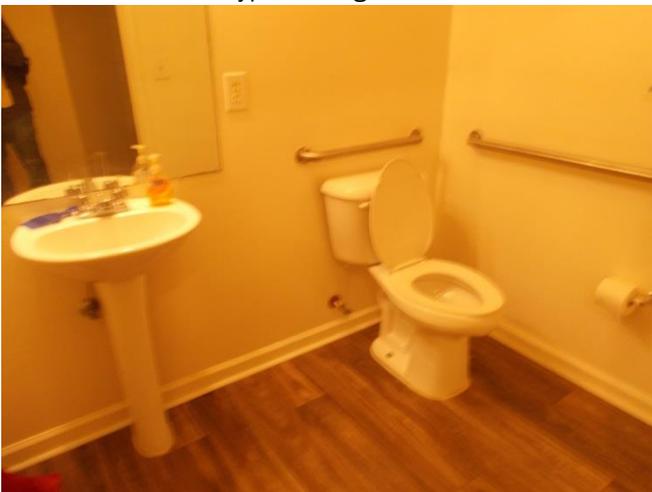
Typical dining area



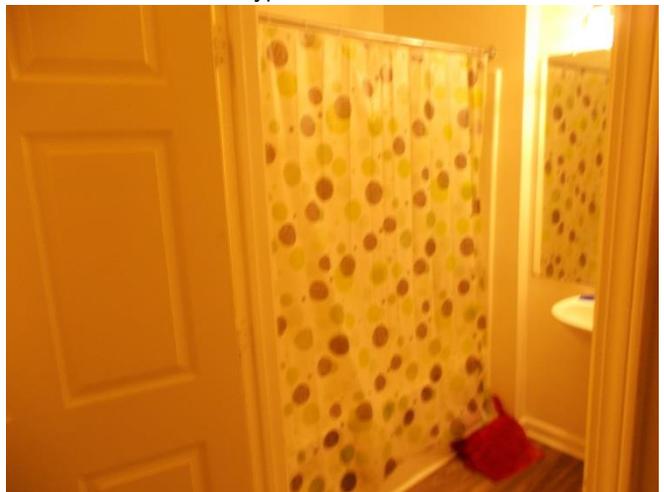
Typical living room



Typical bedroom



Typical bathroom



Typical bathroom



Typical bedroom



Typical bedroom



Typical walk-in closet



Typical laundry room



Typical bathroom



Typical coat closet



Typical kitchen



Typical dining area



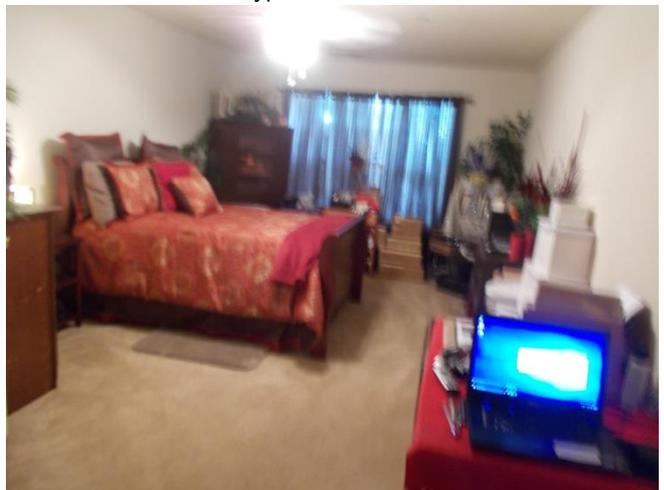
Typical living room



Typical bedroom



Typical bathroom



Typical bedroom



Typical coat closet



Typical laundry room



Typical living room



Single-family home to the west



View west on West Strickland Street



View east on West Strickland Street



View of railroad tracks to the south



View of house of worship to the south



Single-family home to the south



Single-family home to the south



Public housing to the east



Public housing to the east



Single-family home to the north



Single-family home to the north



Single-family home to the west



Single-family home to the west



Typical commercial use in the Subjects neighborhood



Typical commercial use in the Subjects neighborhood



Typical commercial use in the Subjects neighborhood



Typical commercial use in the Subjects neighborhood



Typical commercial use in the Subjects neighborhood



Typical commercial use in the Subjects neighborhood



Typical commercial use in the Subjects neighborhood



Typical commercial use in the Subjects neighborhood

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

KELLY S. POWELL

I. EDUCATION

University of Central Missouri – Warrensburg, MO
Bachelor of Science – Marketing

II. PROFESSIONAL EXPERIENCE

Junior Analyst, Novogradac & Company LLP
Sale Comparable Researcher, Xceligent, Inc.

III. REAL ESTATE ASSIGNMENTS

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

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Travis Jorgenson

I. Education

Georgia Institute of Technology- Atlanta, GA
Bachelors of Business Administration and Management, General Management

II. Professional Experience

Junior Analyst, Novogradac & Company LLP, July 2017 – Present
Claims Analyst, Zelis Healthcare, May 2017-July 2017
Automotive Research Intern, Hearst Autos, October 2016-May 2017

III. Research Assignments

A representative sample of work on various types of projects:

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

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					
Subject	Mill Creek Place 7101 Strickland Street Douglasville, GA 30134 Douglas County	n/a	Garden (3 stories) 2000 / n/a	LIHTC	2BR / 2BA	1	0.8%	@50%	\$642	1,222	yes	Yes	0	0.0%					
					2BR / 2BA	90	70.3%	@60%	\$794	1,222	yes	Yes	2	2.2%					
					2BR / 2BA	1	0.8%	Non-Rental	N/A	1,222	n/a	-	0	0.0%					
					3BR / 2BA	1	0.8%	@50%	\$728	1,432	yes	Yes	0	0.0%					
					3BR / 2BA	3	2.3%	@60%	\$904	1,353	no	Yes	0	0.0%					
					3BR / 2BA	31	24.2%	@60%	\$904	1,432	no	Yes	0	0.0%					
					3BR / 2BA	1	0.8%	Non-Rental	N/A	1,432	n/a	-	0	0.0%					
						128	100.0%							2	1.6%				
					1	Austell Village 1899 Mulkey Road SW Austell, GA 30106 Cobb County	11.7 miles	Garden (2 stories) 1988 / 2008	LIHTC	1BR / 1BA	N/A	N/A	@60%	\$697	760	yes	No	0	N/A
										2BR / 2BA	N/A	N/A	@60%	\$777	980	yes	No	2	N/A
2BR / 2BA	N/A	N/A	@60%	\$777						1,020	yes	No	1	N/A					
3BR / 2BA	N/A	N/A	@60%	\$926						1,220	yes	No	0	N/A					
	108	100.0%												3	2.8%				
2	Millwood Park Apartments 8242 Durelee Lane Douglasville, GA 30134 Douglas County	2 miles	Garden (3 stories) 1999 / n/a	LIHTC	2BR / 2BA	122	70.9%	@60%	\$792	1,100	no	Yes	0	0.0%					
					3BR / 2BA	50	29.1%	@60%	\$894	1,320	no	Yes	0	0.0%					
						172	100.0%							0	0.0%				
3	Walton Crossing 1820 Mulkey Road Austell, GA 30106 Cobb County	11.7 miles	Garden (3 stories) 1991 / 2006	LIHTC/HOME	1BR / 1BA	60	25.1%	@50% (HOME)	\$583	630	yes	Yes	0	0.0%					
					1BR / 1BA	41	17.2%	@60%	\$722	705	yes	Yes	0	0.0%					
					2BR / 1BA	28	11.7%	@50% (HOME)	\$706	975	yes	Yes	1	3.6%					
					2BR / 2BA	59	24.7%	@60%	\$873	1,104	yes	Yes	2	3.4%					
					2BR / 2BA	1	0.4%	Non-Rental	N/A	1,104	n/a	-	0	0.0%					
					3BR / 2BA	50	20.9%	@60%	\$1,000	1,311	yes	Yes	1	2.0%					
						239	100.0%							4	1.7%				
4	Walton Reserve Apartments 7075 Walton Reserve Lane Austell, GA 30168 Cobb County	9.4 miles	Garden (3 stories) 2003 / n/a	LIHTC	1BR / 1BA	32	12.7%	@60%	\$751	850	yes	Yes	0	0.0%					
					2BR / 1BA	30	12.0%	@60%	\$900	1,135	yes	Yes	0	0.0%					
					2BR / 2BA	100	39.8%	@60%	\$900	1,175	yes	Yes	0	0.0%					
					2BR / 2BA	30	12.0%	@60%	\$900	1,210	yes	Yes	0	0.0%					
					3BR / 2BA	59	23.5%	@60%	\$1,017	1,485	yes	Yes	0	0.0%					
						251	100.0%							0	0.0%				
5	Arbor Place 5832 Stewart Parkway Douglasville, GA 30135 Douglas County	2 miles	Garden (3 stories) 2003 / N/A	Market	1BR / 1BA	N/A	N/A	Market	\$902	797	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$904	844	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,156	1,105	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,192	1,205	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,417	1,460	n/a	No	N/A	N/A					
						298	100.0%							10	3.4%				
6	Brookview Apartments 8460 Hospital Drive Douglasville, GA 30134 Douglas County	1.7 miles	Garden (2 stories) 1968 / Ongoing	Market	1BR / 1BA	48	22.2%	Market	\$618	701	n/a	No	0	0.0%					
					2BR / 1BA	76	35.2%	Market	\$821	862	n/a	No	0	0.0%					
					2BR / 1BA	76	35.2%	Market	\$731	862	n/a	No	0	0.0%					
					3BR / 1.5BA	16	7.4%	Market	\$920	1,102	n/a	No	0	0.0%					
						216	100.0%							0	0.0%				
7	Carrington Point 50 Carrington Point Douglasville, GA 30135 Douglas County	2.3 miles	Garden (3 stories) 1997 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$765	736	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$805	873	n/a	No	N/A	N/A					
					2BR / 1BA	N/A	N/A	Market	\$865	1,155	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$905	1,251	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,055	1,489	n/a	No	N/A	N/A					
						175	100.0%							7	4.0%				
8	Lakeside At Arbor Place 3000 Highway 5 Douglasville, GA 30135 Douglas County	1.8 miles	Garden (3 stories) 1:1989 ll:1999 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$805	678	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$845	830	n/a	No	N/A	N/A					
					2BR / 1BA	N/A	N/A	Market	\$885	986	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$944	1,065	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,130	1,099	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,285	1,555	n/a	No	N/A	N/A					
						246	100.0%							9	3.7%				
9	Park West 7250 Arbor Vista Drive Douglasville, GA 30134 Douglas County	0.9 miles	Garden (3 stories) 2003 / N/A	Market	1BR / 1BA	48	19.2%	Market	\$890	859	n/a	No	0	0.0%					
					1BR / 1BA	48	19.2%	Market	\$905	865	n/a	No	1	2.1%					
					1BR / 1BA	N/A	N/A	Market	\$920	887	n/a	No	0	N/A					
					2BR / 2BA	77	30.8%	Market	\$1,010	1,149	n/a	No	0	0.0%					
					2BR / 2BA	N/A	N/A	Market	\$1,030	1,185	n/a	No	0	N/A					
					2BR / 2BA	77	30.8%	Market	\$1,045	1,273	n/a	No	0	0.0%					
					2.5BR / 2BA	N/A	N/A	Market	\$1,115	1,435	n/a	No	0	N/A					
						250	100.0%							1	0.4%				

ADDENDUM E
Subject Floor Plans