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**A MARKET CONDITIONS AND  
PROJECT EVALUATION SUMMARY**

**OF:**

**HAVENWOOD  
GROVE**

# **A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF: HAVENWOOD GROVE**

Indian Creek Avenue and Apache Road  
Locust Grove, Henry County, Georgia 30248

Effective Date: April 24, 2018  
Report Date: May 24, 2018

Prepared for:  
Mr. Max Elbe  
Principal  
Lowcountry Housing Communities  
1831 Village Crossing Drive  
Daniel Island, SC 29492

Prepared by:  
Novogradac & Company LLP  
2325 Lakeview Parkway, Suite 450  
Alpharetta, GA 30009  
678-867-2333



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May 24, 2018

Mr. Max Elbe  
Principal  
Lowcountry Housing Communities  
1831 Village Crossing Drive  
Daniel Island, SC 29492

Re: Application Market Study for Havenwood Grove, located in Locust Grove, Henry County, Georgia

Dear Mr. Elbe:

At your request, Novogradac & Company LLP performed a study of the multifamily rental market in the Locust Grove, Henry County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We previously completed a market study for the Subject dated June 3, 2016.

The purpose of this market study is to assess the viability of the proposed 56-unit senior 55+ LIHTC project. It will be a newly constructed affordable LIHTC project, with 56 revenue generating units, restricted to households earning 50 and 60 percent of the Area Median Income (AMI) or less. These will consist of 10 one-bedroom and 46 two-bedroom units at the 50 and 60 percent AMI levels. The units will target seniors age 55 and older. 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).

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 is completed in accordance with DCA market study

**NOVOGRADAC & COMPANY LLP**

**P** 678.867.2333

**F** 678.867.2366

**W** [www.novoco.com](http://www.novoco.com)

**OFFICE** 2325 Lakeview Parkway, Suite 450  
Alpharetta, Ga. 30009

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 Stated Purpose of this assignment is for tax credit application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

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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H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP  
[Blair.Kincer@novoco.com](mailto:Blair.Kincer@novoco.com)



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Travis Jorgenson  
Junior Analyst  
[Travis.Jorgenson@novoco.com](mailto:Travis.Jorgenson@novoco.com)



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Brian Neukam  
Manager  
[Brian.Neukam@novoco.com](mailto:Brian.Neukam@novoco.com)

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Addendum

# **A. EXECUTIVE SUMMARY**

**EXECUTIVE SUMMARY**

**1. Project Description**

Havenwood Grove will be a newly constructed senior property located at Indian Creek Avenue and Apache Road in Locust Grove, Henry County, Georgia, which will consist of one three-story, elevator-serviced residential building.

The following table illustrates the proposed unit mix.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2017 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
				@50%			
1BR / 1BA	690	2	\$450	\$60	\$510	\$653	\$858
2BR / 1BA	880	10	\$565	\$77	\$642	\$785	\$990
				@60%			
1BR / 1BA	690	8	\$535	\$60	\$595	\$784	\$858
2BR / 1BA	880	36	\$575	\$77	\$652	\$942	\$990
		<b>56</b>					

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

All of the Subject’s units at the 50 and 60 percent AMI level are below the maximum allowable rents. Several of the comparable properties offer balcony/patios, pull cords, and exterior storage, which the Subject will not offer. However, the proposed Subject will offer ceiling fans, garbage disposals, and microwaves, which several of the comparable properties lack. The Subject will offer generally similar to slightly inferior in-unit amenities in comparison to the LIHTC comparable properties. Several of the comparable properties will offer a business centers, swimming pools, and recreational areas, which the Subject will not offer. However, the Subject will offer a putting green, craft room, library, and picnic area, which several of the comparable properties lack and are amenities that seniors desire. Overall, the Subject will offer generally similar to slightly inferior community amenities compared to the LIHTC comparables. We believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

**2. Site Description/Evaluation**

The Subject site is located on the western side of Indian Creek Road, just north of the intersection with Apache Avenue Both roadways contain residential development as well as vacant, undeveloped land. Residential uses consist mainly of single family homes and mobile homes ranging from average to good condition. The senior LIHTC property Shoal Creek Manor, which has been utilized as a comparable property for the purposes of this report, is located approximately 0.7 miles from the Subject site. This property entered the market in 2011 and is 100 percent occupied and has an approximate waiting list of ten households. The strong performance of this property suggests that the neighborhood is well suited for multifamily housing.

The Subject site has good access to retail/commercial development, which is located along Highway 42 and Bill Gardner Parkway, approximately 1.0 to 1.5 miles from the site. Retail in the area is in generally good condition and is approximately 90 to 95 percent occupied. Overall, the community presents a good location for an affordable, multifamily development and the Subject will have a positive impact on the local neighborhood.

### 3. Market Area Definition

The PMA boundaries are defined as the Henry/Dekalb County line to the north, Georgia 155, Keys Ferry Road and Georgia 36 East to the east, Highway 16 West to the south, and Interstate 75, the Henry/Spalding County line, Rocky Creek Road, South Mount Carmel Road, Jonesboro Road, and the Henry/Clayton County line to the west. This area includes a majority of Henry County as well as the northern portion of Butts County, including the town of Jenkinsburg. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 23.0 miles  
East: 8.7 miles  
South: 5.2 miles  
West: 8.6 miles

The area was defined based on interviews with the local housing authority, property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from out of state. Of those residents coming from within Georgia most are coming from the Stockbridge/McDonough areas with some traveling from south Atlanta. Per Georgia DCA guidelines, we have not accounted for leakage from outside the PMA boundaries.

### 4. Community Demographic Data

The senior population in the PMA and the MSA increased significantly from 2000 to 2010, though the rate of growth slowed from 2010 to 2017. The rate of senior population and household growth is projected to increase at a greater rate than that of the MSA and the nation through 2022. The current senior population of the PMA is 41,779 and is expected to be 49,112 in 2022. Senior renter households are concentrated in the lowest income cohorts, with 34.6 percent of senior renters in the PMA earning between \$10,000 and \$39,999 annually. The Subject will target senior households earning between \$15,300 and \$33,480 for its units. The Subject should be well-positioned to service this market. Overall, population growth and the concentration of senior renter households at the lowest income cohorts indicates significant demand for affordable senior rental housing in the market.

According to *RealtyTrac* statistics, one in every 1,776 housing units nationwide was in some stage of foreclosure as of March 2018. The town of Locust Grove is experiencing a foreclosure rate of one in every 923 homes, while Henry County is experiencing foreclosure rate of one in every 1,231 homes and Georgia experienced one foreclosure in every 2,159 housing units. Overall, Locust Grove is experiencing a higher foreclosure rate when compared to the county, state, and nation as a whole. Despite the high foreclosure rate in Locust Grove, we did not witness any foreclosed, abandoned, or vacant housing units in the Subject's immediate neighborhood that would impact the marketability of the Subject.

### 5. Economic Data

The PMA and Henry County are economically reliant on the trade, transportation and utilities, leisure and hospitality, and education and health services sectors. While the trade, transportation, and utilities and leisure and hospitality sector are historically more volatile in times of economic downturn, the education and health services is traditionally more stable. The local economy appears to be diverse and low paying jobs in the healthcare/social assistance, educational services, and retail trade sectors are expected to generate demand for affordable housing in the PMA.

As of 2014, both the MSA and the nation had surpassed their pre-recession employment highs. The total employment growth in the MSA during the 12-month period preceding the first quarter of 2018 outpaced the employment growth in the nation during the same time period. Historically, the MSA has reported a lower unemployment rate relative to the nation. Unemployment in the MSA began increasing during 2008, at the

onset of the national recession. The MSA maintained a higher unemployment rate throughout the entire recession relative to the nation. Unemployment in the MSA began decreasing in 2011 and has continued to decrease. As of January 2018, the unemployment rate in the MSA was 4.3 percent, which is slightly higher than the nation. Given that total employment in the MSA has surpassed its pre-recession levels and that unemployment continues to decrease, it appears the MSA has recovered, which should have a positive impact on local affordable rental housing demand.

## 6. Project-Specific Affordability and Demand Analysis

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
1BR @50%	\$15,300	\$26,150	2	80	4	76	2.6%	\$450
1BR @60%	\$17,850	\$31,380	8	91	16	75	10.7%	\$535
1BR Overall	\$15,300	\$31,380	10	111	20	91	11.0%	-
2BR @50%	\$19,260	\$27,900	10	156	9	147	6.8%	\$565
2BR @60%	\$19,560	\$33,480	36	178	31	147	24.5%	\$575
2BR Overall	\$19,260	\$33,480	46	218	40	178	25.9%	-
@50% Overall	\$15,300	\$27,900	12	236	13	223	5.4%	-
@60% Overall	\$17,850	\$33,480	44	269	47	222	19.8%	-
Overall	\$15,300	\$33,480	56	329	60	269	20.8%	-

We believe these calculated capture rates are reasonable, particularly as these calculations do not consider 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 nine “true” comparable properties containing 1,531 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages.

The availability of senior LIHTC data is considered good; there are four LIHTC properties targeting seniors in the PMA and one senior LIHTC property (Hampton Court) which is located just west of the PMA in Hampton, approximately 11.9 miles from the Subject site. The newest senior property in the PMA, Red Oak Village, is located 14.9 miles from the Subject site in Stockbridge and entered the market in 2017. The remaining senior LIHTC comparable properties are located in Locust Grove and McDonough, between 0.7 and 7.9 miles from the Subject.

The availability of market rate data is considered good. The Subject is located in Locust Grove and there are several market-rate properties in the area. We include four conventional properties in our analysis of the competitive market. All of the market rate properties are located in the PMA, between 3.9 and 8.0 miles from the Subject site. These comparables were built or renovated between 1999 and 2017. Additionally, the senior LIHTC property Grier Manor, which is located in McDonough, offers market rate units. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on proximity, unit types, and age/condition.

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 MARKET RENTS**

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$450	\$518	\$1,223	\$789	75%
2 BR @ 50%	\$565	\$581	\$1,445	\$891	58%
1 BR @ 60%	\$535	\$608	\$1,223	\$900	68%
2 BR @ 60%	\$575	\$581	\$1,445	\$1,009	75%

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market-rate. All of the Subject’s proposed LIHTC rents are below the surveyed range of comparable LIHTC and market rents.

Springs At McDonough is achieving the highest one and two-bedroom unrestricted rents in the market. The Subject will be inferior to Springs At McDonough. Springs At McDonough was built in 2017 and exhibits excellent condition, which is considered similar to the Subject’s anticipated excellent condition upon completion. Springs At McDonough is located 7.4 miles from the Subject site and offers a similar location. Springs At McDonough offers slightly superior community amenities when compared to the Subject as it offers a swimming pool and garage parking, which the Subject will not offer, though it lacks a putting green, craft room, and library, which the Subject will offer. Springs At McDonough will offer superior in-unit amenities compared to the Subject, as it offers balconies/patios, walk-in closets, and in-unit washer/dryers, which the Subject will not offer. Springs At McDonough offers superior unit sizes to those planned for the Subject. Springs At McDonough is achieving market rents 129 to 151 percent higher than the proposed 60 percent LIHTC units at the Subject. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

**8. Absorption/Stabilization Estimate**

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

**ABSORPTION**

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Red Oak Village	LIHTC	Senior	2017	60	30
Hampton Court	LIHTC	Senior	2014	60	20
Heritage At McDonough	LIHTC	Senior	2011	105	18

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Red Oak Village is the most recently completed property we surveyed. This project opened in 2017 and averaged and absorption rate of 30 units per month, for a total absorption period of two months, a good absorption rate for a LIHTC development. Overall, the comparables averaged an absorption rate of 22 units per month. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Locust Grove, we anticipate that the Subject will absorb 25 units per month, for an absorption period of two to three months.

## 9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are experiencing a weighted average vacancy rate of 1.7 percent, which is considered low. Three of the senior LIHTC comparables reported full occupancy. Additionally, these comparables reported waiting lists ranging from ten to 300 households. The remaining LIHTC comparables, Hampton Court and Heritage At McDonough, reported vacancy rates at 3.3 and 3.8 percent, respectively. The contact at Hampton Court reported that the property currently maintains an extensive waiting list that consists of 800 households and they are currently processing the vacant units from their waiting list. The contact at Heritage At McDonough stated the property maintains a waiting list that consists of ten households. The low vacancy rates and presence of waiting list among the LIHTC comparables indicates strong demand for senior affordable housing in the area. The Subject will offer generally similar to slightly inferior in-unit amenities in comparison to the LIHTC comparable properties. Several of the comparable properties will offer business centers, swimming pools, and recreational areas, which the Subject will not offer. However, the Subject will offer a putting green, craft room, library, and picnic area, which several of the comparable properties lack and are amenities that seniors desire. Overall, the Subject will offer generally similar to slightly inferior community amenities compared to the LIHTC comparables. We believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent 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 slightly superior to superior to the comparable LIHTC properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and 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.

**HAVENWOOD GROVE – LOCUST GROVE, GEORGIA – MARKET STUDY**

Summary Table: (must be completed by the analyst and included in the executive summary)										
Development Name:		<b>Havenwood Grove</b>						Total # Units:		56
Location:		Indian Creek Avenue And Apache Road Locust Grove, GA 30248						# LIHTC Units:		56
PMA Boundary:		North: Henry/Dekalb County line; South: Highway 16; East: Georgia 36 East; West: Interstate 75, Henry/Spalding County line, Rocky Creek Road, South Mount Carmel Road, Henry/Clayton County line						Farthest Boundary Distance to Subject:		23.0 miles
Rental Housing Stock (found on page 61)										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	9	1,531	130	91.5%						
Market-Rate Housing	4	1,120	124	88.9%						
<i>Assisted/Subsidized Housing not to include LIHTC</i>	2	79	0	100.0%						
LIHTC	5	355	6	98.3%						
Stabilized Comps	8	1,207	44	96.4%						
Properties in Construction & Lease Up	1	268	86	67.9%						
*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	
2	1BR at 50% AMI	1	690	\$450	\$789	\$1.14	75%	\$1,223	\$1.75	
10	2BR at 50% AMI	1	880	\$565	\$891	\$1.01	58%	\$1,445	\$1.52	
8	1BR at 60% AMI	1	690	\$535	\$900	\$1.30	68%	\$1,223	\$1.75	
36	2BR at 60% AMI	1	880	\$575	\$1,009	\$1.15	75%	\$1,445	\$1.52	
Demographic Data (found on page 28)										
	2010		2017		June 2020					
Renter Households	2,959	16.2%	3,995	16.9%	4,329	16.4%				
Income-Qualified Renter HHs (LIHTC)	581	19.6%	785	19.6%	850	19.6%				
Targeted Income-Qualified Renter Household Demand (found on pages 41 to 59)										
Type of Demand	@50%	@60%	-	-	-	-	Overall*			
Renter Household Growth	36	42	-	-	-	-	49			
Existing Households (Overburdened +)	263	300	-	-	-	-	371			
Homeowner conversion (Seniors)	5	5	-	-	-	-	5			
<b>Total Primary Market Demand</b>	<b>304</b>	<b>347</b>	-	-	-	-	<b>425</b>			
Less Comparable/Competitive Supply	13	47	-	-	-	-	60			
<b>Adjusted Income-qualified Renter HHs**</b>	<b>291</b>	<b>300</b>	-	-	-	-	<b>365</b>			
Capture Rates (found on page 59)										
Targeted Population	@50%	@60%	0%	Market-rate	Other: __	Overall				
Capture Rate:	5.4%	19.8%	-	-	-	20.8%				

\*Includes LIHTC and unrestricted (when applicable)

## **B. PROJECT DESCRIPTION**

## PROJECT DESCRIPTION

- 1. Project Address and Development Location:** The Subject site is located at Indian Creek Avenue and Apache Road in Locust Grove, Henry County, Georgia 30248. The Subject site is currently vacant.
- 2. Construction Type:** The Subject consists of one three-story, elevator-serviced residential building. The Subject will be new construction.
- 3. Occupancy Type:** Housing for Older Persons ages 55 and older.
- 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:** See following property profile.
- 9. Proposed Development Amenities:** See following property profile.

**HAVENWOOD GROVE – LOCUST GROVE, GEORGIA – MARKET STUDY**

Havenwood Grove	
<b>Location</b>	Indian Creek Avenue And Apache Road Locust Grove, GA 30248 Henry County
<b>Units</b>	56
<b>Type</b>	Lowrise (age-restricted) (3 stories)
<b>Year Built / Renovated</b>	Proposed 2020
<b>Tenant Characteristics</b>	Seniors 55+



Market			
<b>Program</b>	@50%, @60%	<b>Leasing Pace</b>	n/a
<b>Annual Turnover Rate</b>	n/a	<b>Change in Rent (Past Year)</b>	n/a
<b>Units/Month Absorbed</b>	n/a	<b>Concession</b>	n/a
<b>Section 8 Tenants</b>	n/a		

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

Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Lowrise (3 stories)	2	690	\$450	\$0	@50%	n/a	n/a	n/a	no
1	1	Lowrise (3 stories)	8	690	\$535	\$0	@60%	n/a	n/a	n/a	no
2	1	Lowrise (3 stories)	10	880	\$565	\$0	@50%	n/a	n/a	n/a	no
2	1	Lowrise (3 stories)	36	880	\$575	\$0	@60%	n/a	n/a	n/a	no

Amenities			
<b>In-Unit</b>	Blinds Carpeting Central A/C Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Washer/Dryer hookup	<b>Security</b>	Limited Access
<b>Property</b>	Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area	<b>Premium</b>	none
<b>Services</b>	none	<b>Other</b>	Putting green, craft room, library

**Comments**  
This property will target seniors ages 55 and older. The Subject will consist of one, three-story elevator serviced residential building. Other amenities will include a putting green, craft room, and library. The utility allowances are \$60 and \$77 for the one and two-bedroom units, respectively.

- 10. Scope of Renovations:** The Subject will be new construction.
- 11. Placed in Service Date:** Construction on the Subject is expected to begin in June 2019 and be completed in June 2020.
- Conclusion:** Upon completion, the Subject will be an excellent lowrise, elevator-serviced building and will be comparable or superior to the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical deterioration.

## **C. SITE EVALUATION**

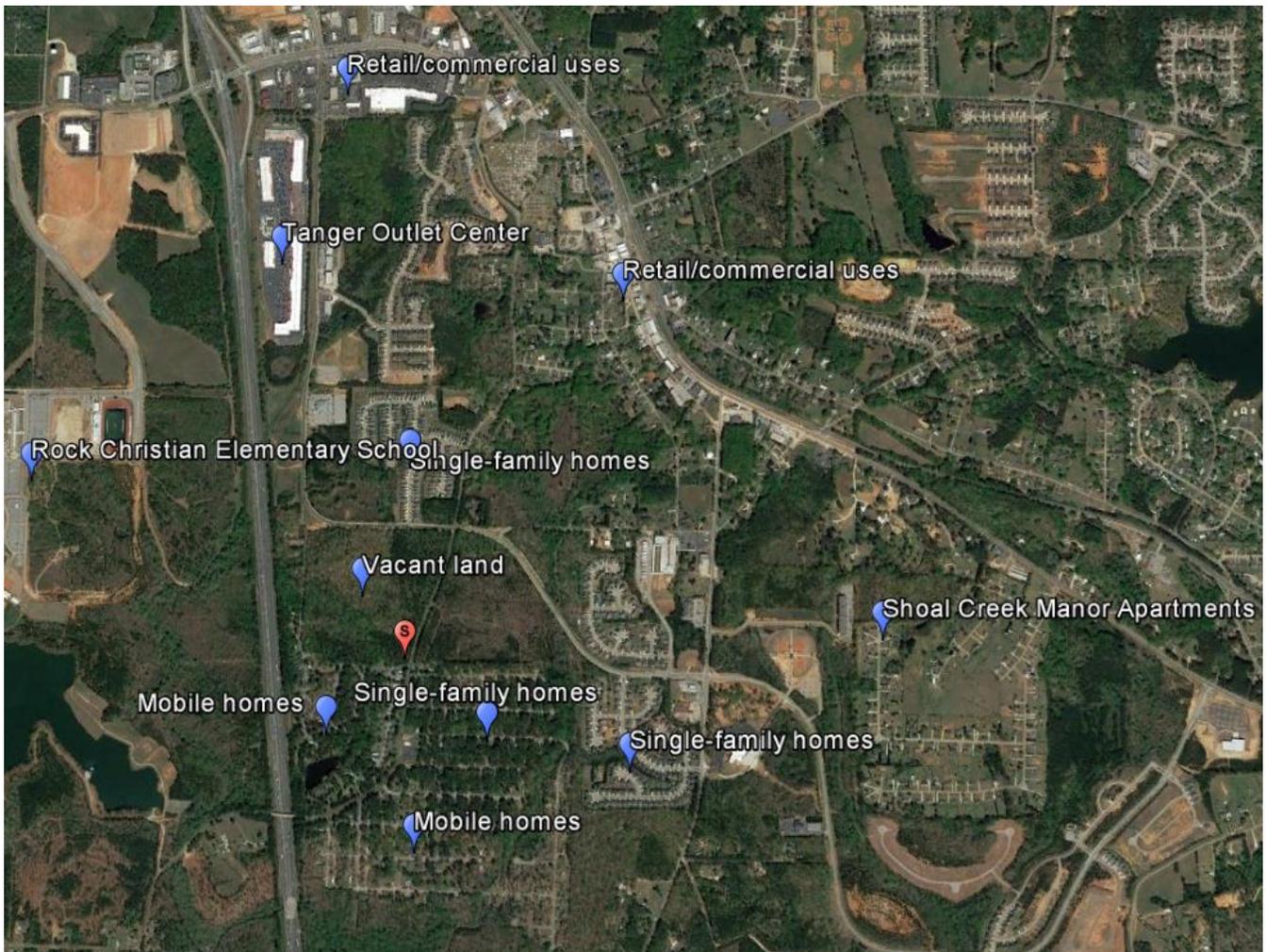
1. **Date of Site Visit and Name of Inspector:** Travis Jorgenson visited the site on April 23, 2018.

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

**Frontage:** The Subject site has frontage along Indian Creek Road and Apache Avenue.

**Visibility/Views:** The Subject site is located on the western side of Indian Creek Road, just north of the intersection with Apache Avenue. Views from the Subject site are mostly of vacant, undeveloped land and single family homes and mobile homes in average to good condition. Overall, visibility and views from the site are considered good.

**Surrounding Uses:** The following map illustrates the surrounding land uses.



Source: Google Earth, April 2018.

The Subject's immediate neighborhood consists mainly of vacant, undeveloped land and residential development in average to good condition. Residential development in the area consists mainly of

single family homes and several mobile home parks. There is however one multifamily property within one mile of the Subject. The senior LIHTC property Shoal Creek Manor, which has been utilized as a comparable property for the purposes of this report, entered the market in 2011 and is located 0.7 miles from the Subject site. This property is in good condition and is currently 100 percent occupied and has a waiting list of approximately ten households. We included this property as a comparable in our analysis and it will be discussed in further detail in the supply section of our report. The closest retail/commercial concentration to the Subject is located along Highway 42, approximately 1.0 mile northeast of the Subject site. Retail/commercial development in this area consists mainly of small, local businesses that are in generally good condition. Overall occupancy appeared to be approximately 90 percent. The largest concentration of retail/commercial development in the area is located approximately 1.5 miles north of the Subject site along Bill Gardner Parkway. This area consists of several shopping centers that include major national retailers such as Wal-Mart, McDonalds, and Ingles. The Tanger Outlets, a national retail outlet chain, is also located approximately 1.5 miles north of the Subject site. Retail and commercial development in this area appeared to be 90 to 95 percent occupied. Overall, we believe that the Subject site is well suited for multifamily housing and the Subject will have good access to locational amenities.

***Positive/Negative Attributes of Site:***

The Subject has good access to area retail and commercial development, which is located within 1.5 miles of the site. The Subject also has excellent access to Interstate 75, which traverses north and south and provides access to Atlanta approximately 30 miles to the north and Macon approximately 45 miles to the south. Interstate 75 is accessed via Bill Gardner Parkway, approximately 1.5 miles north of the Subject site.

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

The Subject site is located approximately 1.5 miles from Interstate 75. Interstate 75 traverses north and south and provides access to Atlanta to the north and Macon to the south. The Subject site is also located within five miles of the majority of locational amenities.

**4. Pictures of Site and Adjacent Uses:**

The following are pictures of the Subject site and adjacent uses.



View of the Subject from Apache Avenue



View of the Subject from Apache Avenue



View of Subject from Indian Creek Avenue



View of Subject from Indian Creek Avenue



View west on Apache Avenue



View east on Apache Avenue



View north on Indian Creek Avenue



View south on Indian Creek Avenue



View east across Indian Creek Road



View south on Apache Street



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



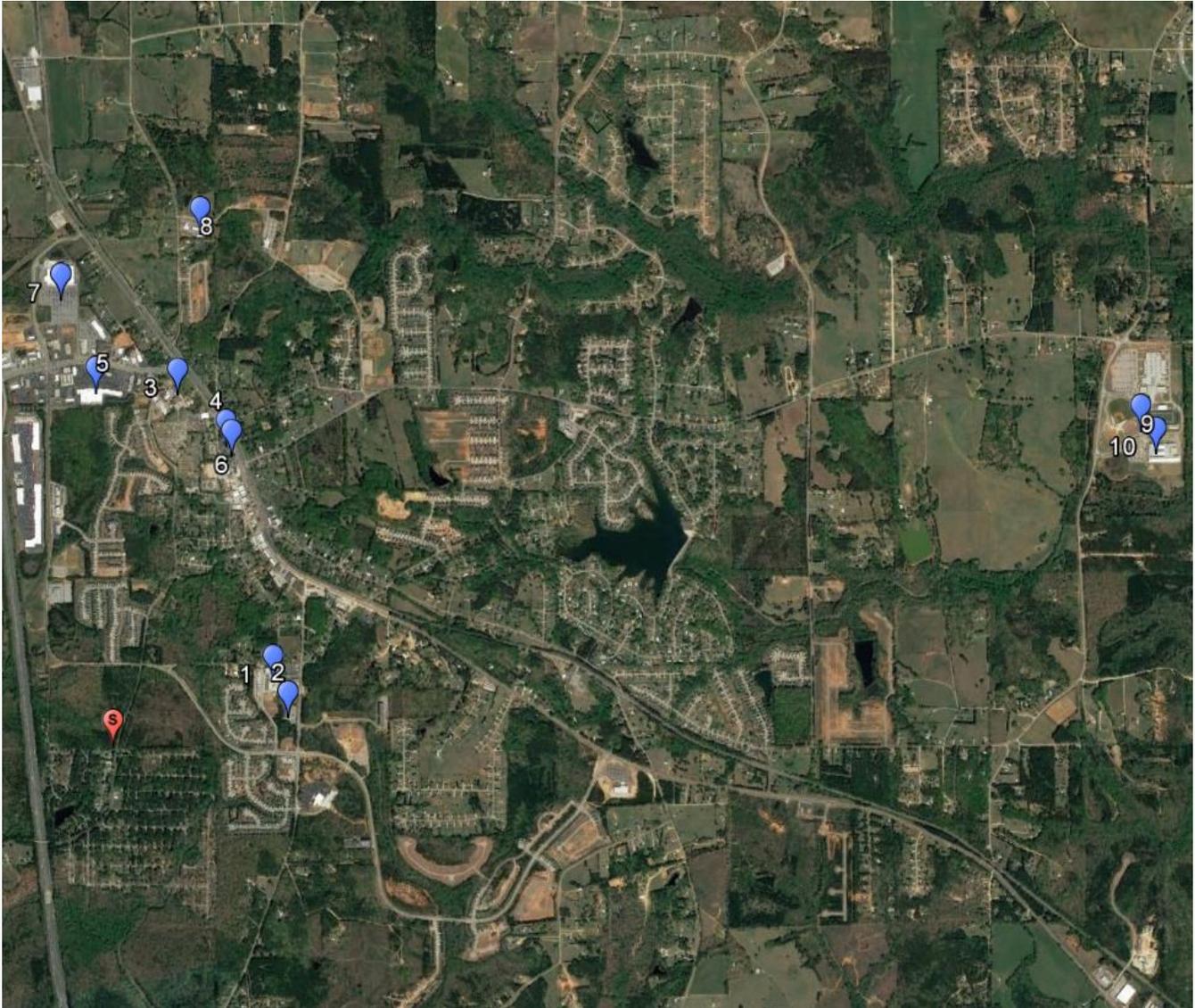
Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood

**5. Proximity to Locational Amenities:**

The following table details the Subject's distance from key locational amenities.



Source: Google Earth, April 2018.

**LOCATIONAL AMENITIES**

Map #	Service or Amenity	Distance from Subject
1	Locust Grove Elementary School	0.8 miles
2	Locust Grove Public Library	1.0 miles
3	Locust Grove Police Department	1.1 miles
4	Eagles Landing Pharmacy	1.3 miles
5	Ingles Supermarket	2.0 miles
6	Correct Medical-Urgent Care	2.0 miles
7	Walmart Supercenter	2.0 miles
8	Locust Grove Senior Center	2.4 miles
9	Locust Grove High School	4.5 miles
10	Locust Grove Middle School	4.6 miles

**6. Description of Land Uses**

The Subject’s immediate neighborhood consists mainly of vacant, undeveloped land and residential development in average to good condition. Residential development in the area consists mainly of single family homes and several mobile home parks. There is however one multifamily property within one mile of the Subject. The senior LIHTC property Shoal Creek Manor, which has been utilized as a comparable property for the purposes of this report, entered the market in 2011 and is located 0.7 miles from the Subject site. This property is in good condition and is currently 100 percent occupied and has a waiting list of approximately ten households. We included this property as a comparable in our analysis and it will be discussed in further detail in the supply section of our report. The closest retail/commercial concentration to the Subject is located along Highway 42, approximately 1.0 mile northeast of the Subject site. Retail/commercial development in this area consists mainly of small, local businesses that are in generally good condition. Overall occupancy appeared to be approximately 90 percent. The largest concentration of retail/commercial development in the area is located approximately 1.5 miles north of the Subject site along Bill Gardner Parkway. This area consists of several shopping centers that include major national retailers such as Wal-Mart, McDonalds, and Ingles. Retail and commercial development in this area appeared to be 90 to 95 percent occupied. Overall, we believe that the Subject site is well suited for multifamily housing and the Subject will have good access to locational amenities.

**7. Crime:**

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

**2017 CRIME INDICES**

	PMA	Atlanta-Sandy Springs-Roswell, GA MSA
<b>Total Crime*</b>	<b>85</b>	<b>139</b>
<b>Personal Crime*</b>	<b>63</b>	<b>130</b>
Murder	71	155
Rape	67	88
Robbery	58	163
Assault	64	118
<b>Property Crime*</b>	<b>88</b>	<b>140</b>
Burglary	98	147
Larceny	84	134
Motor Vehicle Theft	90	178

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2018

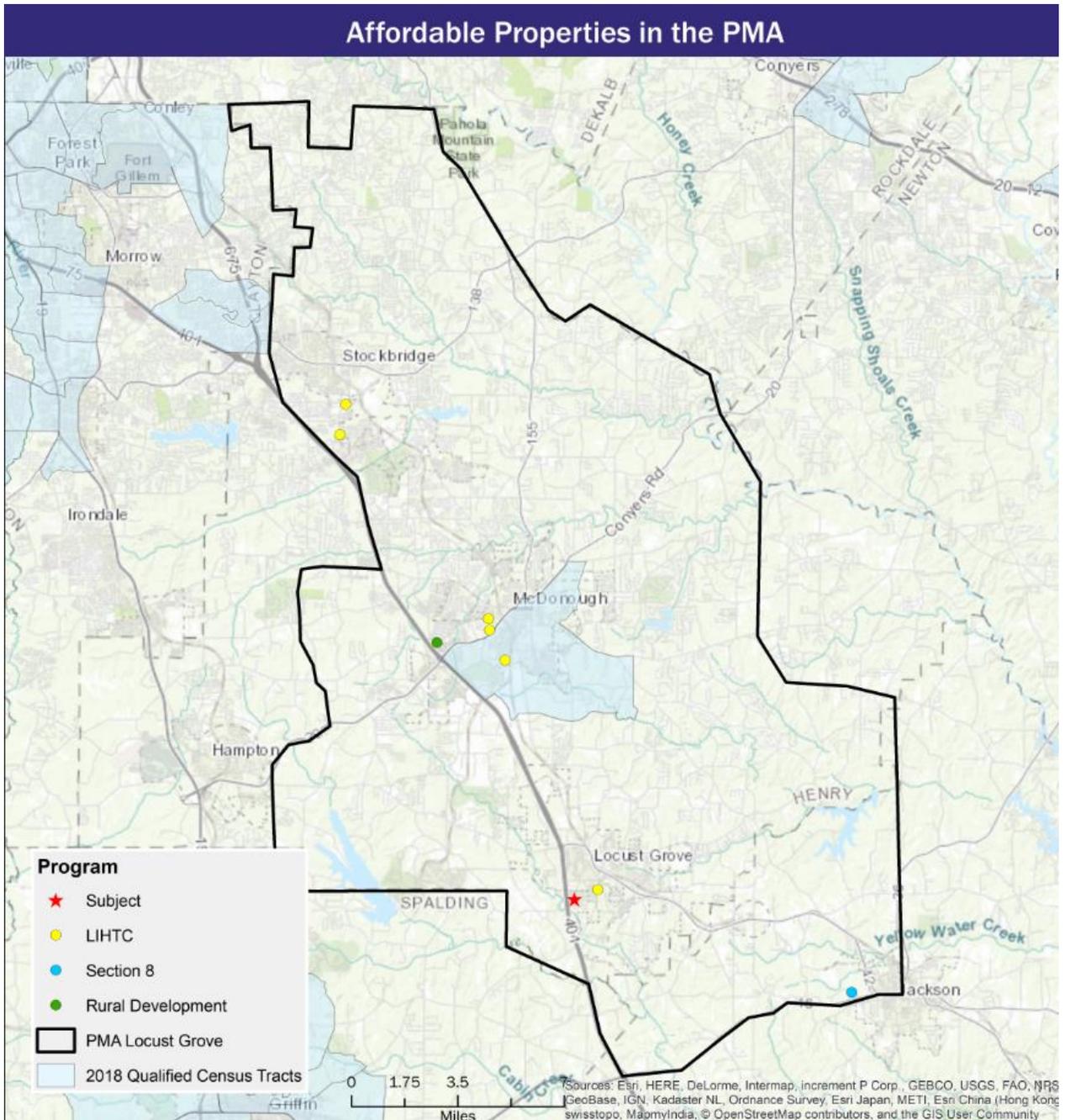
\*Unweighted aggregations

The total crime indices in the PMA are below that of the MSA and the nation. Personal crime risk indices in the PMA are below MSA and national personal crime levels. The Subject will offer limited access as a security feature, which is similar to the security features of the comparable properties.

**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
<b>Havenwood Grove</b>	<b>LIHTC/Market</b>	<b>Locust Grove</b>	<b>Senior</b>	<b>56</b>	<b>-</b>	<b>Star</b>
Ashley Woods Apartments	LIHTC	Stockbridge	Family	128	15.7 miles	
Heritage At Mcdonough	LIHTC	Mcdonough	Senior	105	7.9 miles	
Red Oak Village	LIHTC	Stockbridge	Senior	60	14.9 miles	
Sable Chase Apartments	LIHTC	Mcdonough	Family	225	10.2 miles	
Shoal Creek Manor	LIHTC	Locust Grove	Senior	66	0.7 miles	
Grier Senior Manor	LIHTC/Market	Mcdonough	Senior	64	6.6 miles	
Brookshire Apartments	Rural Development	Mcdonough	Family	46	9.2 miles	
Magnolia Grove	Section 8	Jackson	Senior	33	11.4 miles	



**9. Road, Infrastructure or Proposed Improvements:**

We did not witness any road, infrastructure or proposed improvements during our field work.

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

The Subject site is located on the western side of Indian Creek Road, just north of the intersection with Apache Avenue. Both roadways are lightly trafficked and contain residential development as well as vacant, undeveloped land. Overall, the Subject site will have good visibility from both roadways.

**11. Conclusion:**

The Subject site is located on the western side of Indian Creek Road, just north of the intersection with Apache Avenue. Both roadways contain residential development as well as vacant, undeveloped land. Residential uses consist mainly of single family homes and mobile homes ranging from average to good condition. The senior LIHTC property Shoal Creek Manor, which has been utilized as a comparable property for the purposes of this report, is located approximately 0.7 miles from the Subject site. This property entered the market in 2011 and is 100 percent occupied and has an approximate waiting list of ten households. The strong performance of this property suggests that the neighborhood is well suited for multifamily housing.

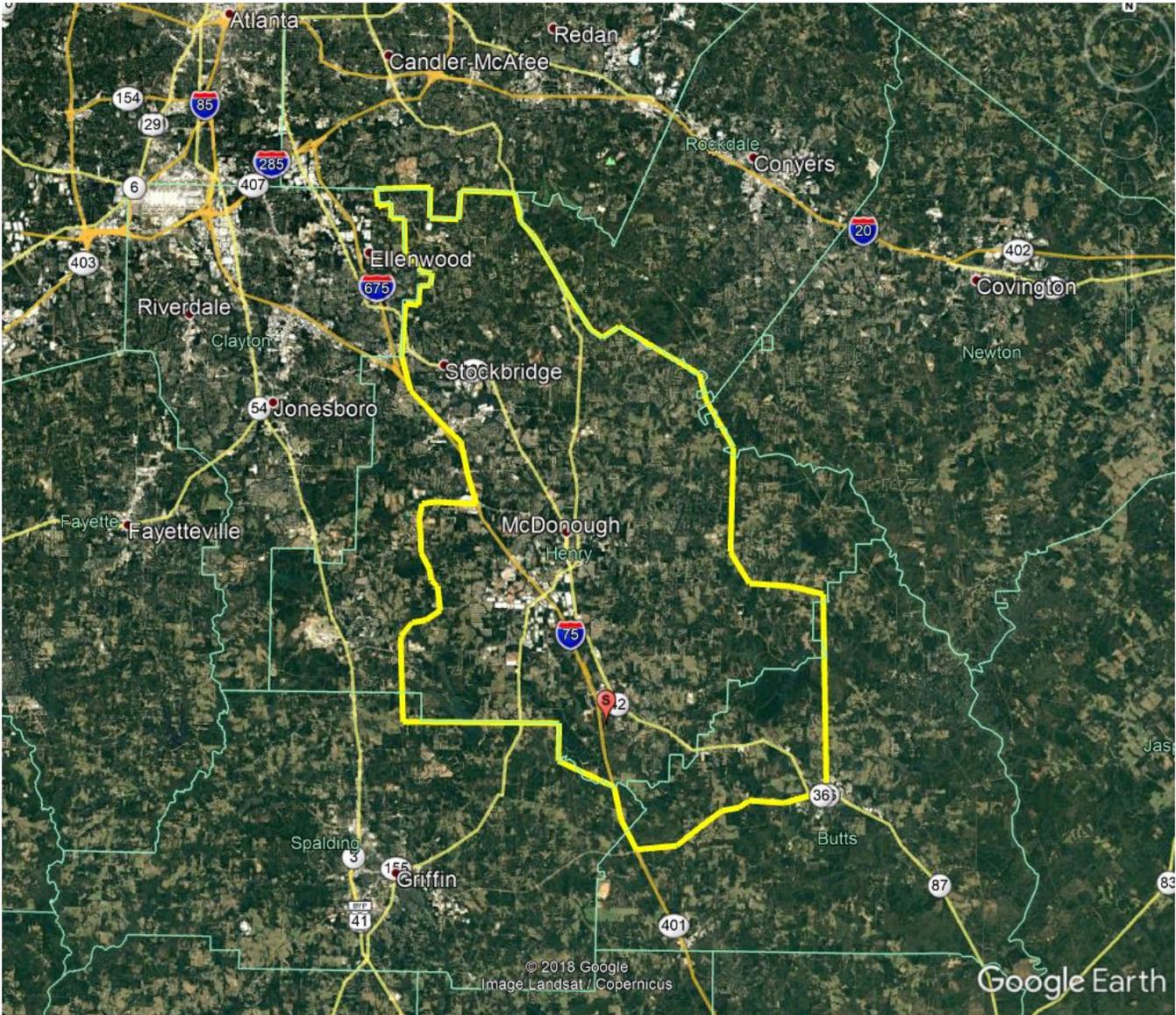
The Subject site has good access to retail/commercial development, which is located along Highway 42 and Bill Gardner Parkway, approximately 1.0 to 1.5 miles from the site. Retail in the area is in generally good condition and is approximately 90 to 95 percent occupied. Overall, the community presents a good location for an affordable, multifamily development and the Subject will have a positive impact on the local neighborhood.

## **D. MARKET AREA**

## PRIMARY MARKET AREA

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

### Primary Market Area Map



Source: Google Earth, April 2018.

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

The PMA boundaries are defined as the Henry/Dekalb County line to the north, Georgia 155, Keys Ferry Road and Georgia 36 East to the east, Highway 16 West to the south, and Interstate 75, the Henry/Spalding County

line, Rocky Creek Road, South Mount Carmel Road, Jonesboro Road, and the Henry/Clayton County line to the west. This area includes a majority of Henry County as well as the northern portion of Butts County, including the town of Jenkinsburg. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 23.0 miles  
East: 8.7 miles  
South: 5.2 miles  
West: 8.6 miles

The area was defined based on interviews with the local housing authority, property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from out of state. Of those residents coming from within Georgia most are coming from the Stockbridge/McDonough areas with some traveling from south Atlanta. Per Georgia DCA guidelines, we have not accounted for leakage from outside the PMA boundaries.

# **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 Henry County are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

### 1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly (only show this for HFOP/elderly) within the population in the MSA, the PMA and nationally from 2000 through 2022.

#### 1a. Total Population

The following table illustrates the total population within the PMA, SMA and nation from 2000 through 2022.

Year	SENIOR POPULATION, 55+					
	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>
2000	15,540	-	646,237	-	59,204,560	-
2010	31,015	10.0%	1,028,311	5.9%	76,750,713	3.0%
2017	41,779	4.8%	1,358,971	4.4%	93,482,000	3.0%
Projected Mkt Entry June 2020	46,057	3.5%	1,487,446	3.2%	99,186,559	2.1%
2022	49,112	3.5%	1,579,214	3.2%	103,261,244	2.1%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2018

Between 2000 and 2010 there was approximately 10.0 percent annual growth in the PMA, which was substantially higher than that of the MSA and of the nation. Between 2010 and 2017, there was approximately 4.8 percent annual growth in the senior population in the PMA, which was greater than the MSA and the national senior population growth rate. Total senior population in the PMA is projected to increase at a rate of 3.5 percent annually from 2017 to 2022, which is a growth rate above that of the MSA and the nation as a whole during the same time period. Overall, we believe that senior population growth in the PMA and MSA is a positive indication of demand for the Subject's proposed units.

#### 1b. Total Population by Age Group

The following table illustrates the total population within the PMA and SMA and nation from 2000 to 2022.

**POPULATION BY AGE GROUP**

Age Cohort	PMA			Projected Mkt	
	2000	2010	2017	Entry June 2020	2022
0-4	8,291	11,160	11,442	11,912	12,248
5-9	8,657	13,294	12,262	12,663	12,949
10-14	8,357	14,671	13,514	13,700	13,832
15-19	6,874	13,775	12,820	12,875	12,915
20-24	5,546	9,119	12,017	11,283	10,759
25-29	7,556	9,194	12,903	13,719	14,301
30-34	9,328	10,933	11,956	14,653	16,579
35-39	10,325	13,511	12,317	13,368	14,118
40-44	8,900	14,205	13,019	12,963	12,923
45-49	7,239	14,039	13,819	13,137	12,650
50-54	6,122	11,451	13,443	13,255	13,121
55-59	4,638	9,138	12,051	12,510	12,838
60-64	3,293	7,487	9,609	10,639	11,374
65-69	2,643	5,310	7,735	8,447	8,956
70-74	1,974	3,580	5,430	6,308	6,935
75-79	1,489	2,553	3,268	4,008	4,536
80-84	841	1,664	1,990	2,290	2,505
85+	662	1,283	1,696	1,855	1,968
<b>Total</b>	<b>102,735</b>	<b>166,367</b>	<b>181,291</b>	<b>189,584</b>	<b>195,507</b>

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2018

**POPULATION BY AGE GROUP**

Age Cohort	Atlanta-Sandy Springs-Roswell, GA MSA				
	2000	2010	2017	Projected Mkt Entry June 2020	2022
0-4	318,718	380,735	382,417	395,762	405,294
5-9	325,853	394,306	398,154	404,183	408,489
10-14	314,167	390,992	407,204	417,467	424,797
15-19	290,064	378,372	387,034	400,875	410,762
20-24	289,487	341,650	393,916	391,582	389,915
25-29	363,934	377,057	430,213	441,935	450,307
30-34	382,069	386,120	415,433	452,774	479,446
35-39	396,706	417,987	412,829	434,089	449,275
40-44	359,953	415,233	407,422	417,571	424,821
45-49	307,240	411,635	410,074	403,628	399,024
50-54	267,442	364,330	402,418	403,632	404,499
55-59	186,716	301,331	372,815	380,741	386,402
60-64	131,017	252,453	313,388	339,021	357,331
65-69	101,827	170,690	258,144	279,897	295,435
70-74	82,788	114,130	176,190	208,211	231,083
75-79	65,285	81,144	108,020	133,956	152,482
80-84	42,347	57,082	66,278	76,947	84,568
85+	36,257	51,481	64,136	68,673	71,913
<b>Total</b>	<b>4,261,870</b>	<b>5,286,728</b>	<b>5,806,085</b>	<b>6,050,944</b>	<b>6,225,843</b>

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2018

The largest age cohorts in the PMA are between 10 to 14 and 45 and 54, which indicates the presence of families. However, age cohorts between 55 and 59 are expected to increase through market entry and 2022.

**1c. Number of Elderly and Non-Elderly**

The following table illustrates the elderly and non-elderly population within the PMA, SMA and nation from 2000 through 2022.

**NUMBER OF ELDERLY AND NON-ELDERLY**

Year	Total	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		
		Non-Elderly	Elderly (55+)	Total	Non-Elderly	Elderly (55+)
2000	102,742	87,202	15,540	4,261,895	3,615,658	646,237
2010	166,367	135,352	31,015	5,286,728	4,258,417	1,028,311
2017	181,290	139,511	41,779	5,806,085	4,447,114	1,358,971
Projected Mkt Entry June 2020	189,584	143,527	46,057	6,050,944	4,563,498	1,487,446
2022	195,508	146,396	49,112	6,225,843	4,646,629	1,579,214

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2018

The senior population in the PMA is expected to increase through market entry and 2022 indicating demand for the Subject’s proposed units.

**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, and (e) Housing for Older Persons 55+ within the population in the MSA, the PMA and nationally from 2000 through 2022.

**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 2022.

**HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+**

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	8,939	-	389,347	-	36,433,877	-
2010	18,306	10.5%	612,747	5.7%	45,892,692	2.6%
2017	23,686	4.1%	794,059	4.1%	54,968,045	2.7%
Projected Mkt Entry June 2020	26,321	3.8%	874,037	3.5%	57,902,125	1.8%
2022	28,203	3.8%	931,164	3.5%	59,997,897	1.8%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2018

**AVERAGE HOUSEHOLD SIZE**

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	2.87	-	2.68	-	2.59	-
2010	2.86	0.0%	2.67	0.0%	2.58	-0.1%
2017	2.90	0.2%	2.69	0.1%	2.59	0.1%
Projected Mkt Entry June 2020	2.92	0.2%	2.70	0.1%	2.61	0.2%
2022	2.93	0.2%	2.71	0.1%	2.61	0.2%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2018

Senior household growth in the PMA exceeded the MSA and nation between 2000 and 2010 but slowed between 2010 and 2017. Over the next five years, senior household growth in the PMA is projected to increase at a rate above that of the MSA and nation as a whole. The average household size in the PMA is slightly larger than the national average at 2.90 persons in 2017. Over the next five years, the average household size is projected to remain relatively similar.

**2b. Households by Tenure**

The table below depicts household growth by tenure from 2000 through 2022.

**PMA TENURE PATTERNS OF SENIORS 55+**

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	8,023	89.8%	916	10.2%
2017	19,691	83.1%	3,995	16.9%
Projected Mkt Entry June 2020	21,992	83.6%	4,329	16.4%
2022	23,635	83.8%	4,568	16.2%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2018

As the table illustrates, senior households within the PMA primarily reside in owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a lower percentage of senior renters in in the PMA than the nation. However, as presented, the percent of senior renter population increased significantly between 2000 and 2017, and senior renter population is projected to increase over the next five years.

**2c. Household Income**

The following table depicts renter household income in the PMA in 2017, market entry, and 2022.

**RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA, 55+**

Income Cohort	2017		Projected Mkt Entry June 2020		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	503	12.6%	532	12.3%	552	12.1%
\$10,000-19,999	589	14.7%	615	14.2%	633	13.9%
\$20,000-29,999	355	8.9%	385	8.9%	407	8.9%
\$30,000-39,999	439	11.0%	458	10.6%	471	10.3%
\$40,000-49,999	604	15.1%	654	15.1%	689	15.1%
\$50,000-59,999	372	9.3%	399	9.2%	418	9.2%
\$60,000-74,999	343	8.6%	379	8.8%	405	8.9%
\$75,000-99,999	243	6.1%	280	6.5%	307	6.7%
\$100,000-124,999	190	4.8%	219	5.0%	239	5.2%
\$125,000-149,999	186	4.7%	223	5.2%	250	5.5%
\$150,000-199,999	121	3.0%	131	3.0%	138	3.0%
\$200,000+	50	1.3%	55	1.3%	59	1.3%
<b>Total</b>	<b>3,995</b>	<b>100.0%</b>	<b>4,329</b>	<b>100.0%</b>	<b>4,568</b>	<b>100.0%</b>

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, April 2018

**RENTER HOUSEHOLD INCOME DISTRIBUTION - Atlanta-Sandy Springs-Roswell, GA MSA, 55+**

Income Cohort	2017		Projected Mkt Entry June 2020		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	25,607	13.1%	26,860	12.6%	27,755	12.2%
\$10,000-19,999	36,326	18.6%	37,486	17.6%	38,314	16.9%
\$20,000-29,999	26,148	13.4%	27,746	13.0%	28,888	12.7%
\$30,000-39,999	21,386	11.0%	22,969	10.8%	24,100	10.6%
\$40,000-49,999	16,470	8.5%	18,004	8.4%	19,099	8.4%
\$50,000-59,999	13,234	6.8%	14,817	6.9%	15,947	7.0%
\$60,000-74,999	13,261	6.8%	14,928	7.0%	16,118	7.1%
\$75,000-99,999	13,475	6.9%	15,513	7.3%	16,969	7.5%
\$100,000-124,999	9,665	5.0%	11,238	5.3%	12,361	5.5%
\$125,000-149,999	6,593	3.4%	8,006	3.8%	9,016	4.0%
\$150,000-199,999	5,868	3.0%	7,148	3.3%	8,062	3.6%
\$200,000+	6,746	3.5%	8,671	4.1%	10,046	4.4%
<b>Total</b>	<b>194,779</b>	<b>100.0%</b>	<b>213,385</b>	<b>100.0%</b>	<b>226,675</b>	<b>100.0%</b>

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, April 2018

The Subject’s LIHTC units will target senior tenants earning between \$15,300 and \$33,480. As the table above depicts, approximately 34.6 percent of senior renter households in the PMA are earning incomes between \$10,000 and \$39,999, which is lower than the 43.0 percent of senior renter households in the MSA in 2017. These percentages are projected to remain relatively stable through 2022.

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

The following table illustrates household size for all households in 2017, 2020 and 2022. 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, 55+**

Household Size	Projected Mkt Entry June					
	2017		2020		2022	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
1 Person	2,142	53.6%	2,309	53.3%	2,428	53.2%
2 Persons	979	24.5%	1,046	24.1%	1,093	23.9%
3 Persons	399	10.0%	440	10.2%	469	10.3%
4 Persons	103	2.6%	117	2.7%	127	2.8%
5+ Persons	372	9.3%	418	9.7%	451	9.9%
<b>Total Households</b>	<b>3,995</b>	<b>100%</b>	<b>4,329</b>	<b>100%</b>	<b>4,568</b>	<b>100%</b>

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, April 2018

The largest senior renter household cohort is a one-person household, followed by two-person households. These cohorts are projected to remain the largest through 2022.

**Conclusion**

The senior population in the PMA and the MSA increased significantly from 2000 to 2010, though the rate of growth slowed from 2010 to 2017. The rate of senior population and household growth is projected to increase at a greater rate than that of the MSA and the nation through 2022. The current senior population of the PMA is 41,779 and is expected to be 49,112 in 2022. Senior renter households are concentrated in the lowest income cohorts, with 34.6 percent of senior renters in the PMA earning between \$10,000 and \$39,999 annually. The Subject will target senior households earning between \$15,300 and \$33,480 for its units. The Subject should be well-positioned to service this market. Overall, population growth and the concentration of senior renter households at the lowest income cohorts indicates significant demand for affordable senior rental housing in the market.

## **F. EMPLOYMENT TRENDS**

## Employment Trends

The PMA and Henry County are economically reliant on the trade, transportation and utilities, leisure and hospitality, and education and health services sectors. While the trade, transportation, and utilities and leisure and hospitality sector are historically more volatile in times of economic downturn, the education and health services is traditionally more stable. The local economy appears to be diverse and low paying jobs in the healthcare/social assistance, educational services, and retail trade sectors are expected to generate demand for affordable housing in the PMA.

### 1. Total Jobs

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

Year	Total Employment	% Change
2007	92,705	-
2008	92,814	0.12%
2009	88,249	-5.17%
2010	90,790	2.80%
2011	92,588	1.94%
2012	94,112	1.62%
2013	95,315	1.26%
2014	97,534	2.28%
2015	100,908	3.34%
2016	105,270	4.14%
2017	107,530	2.10%
2018 YTD Average	107,738	2.29%
Jan-17	103,736	-
Jan-18	107,738	3.71%

Source: U.S. Bureau of Labor Statistics

YTD as of January 2018

As illustrated in the table above, Henry County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2009 with its first employment decrease of the decade. Employment growth quickly rebounded and Henry County exhibited employment growth from 2010 through 2018. Total employment in Henry County surpassed pre-recessionary levels in 2012. Total employment in Henry County increased 3.71 percent between January 2017 and January 2018. Total employment data suggests the economy of Henry County is in an expansionary phase.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Henry County as of the second quarter of 2017.

**Q2 2017 Covered Employment  
Henry County, Georgia**

	Number	Percent
<b>Total, all industries</b>	48,912	-
<b>Goods-producing</b>	4,864	-
Natural resources and mining	102	0.21%
Construction	1,934	3.95%
Manufacturing	2,828	5.78%
<b>Service-providing</b>	44,048	-
Trade, transportation, and utilities	17,225	35.22%
Information	536	1.10%
Financial activities	1,926	3.94%
services	6,506	13.30%
Education and health services	7,354	15.04%
Leisure and hospitality	9,111	18.63%
Other services	1,224	2.50%
Unclassified	166	0.34%

Source: U.S. Bureau of Labor Statistics 2017

Trade, transportation, and utilities is the largest industry in Henry County, followed by leisure and hospitality and education and health services. Trade, transportation, and utilities and leisure and hospitality are particularly vulnerable in economic downturns, while education and health services are typically stable industries. The following table illustrates employment by industry for the PMA as of 2017 (most recent year available).

2017 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	10,386	12.2%	21,941,435	14.2%
Transportation/Warehousing	10,139	11.9%	6,498,777	4.2%
Retail Trade	9,673	11.3%	17,038,977	11.0%
Educational Services	8,176	9.6%	14,390,707	9.3%
Accommodation/Food Services	6,259	7.3%	12,036,513	7.8%
Manufacturing	6,173	7.2%	15,589,157	10.1%
Public Administration	6,166	7.2%	6,982,075	4.5%
Construction	4,558	5.3%	9,872,629	6.4%
Other Services (excl Publ Adm)	4,333	5.1%	7,493,272	4.8%
Admin/Support/Waste Mgmt Svcs	4,129	4.8%	6,968,170	4.5%
Prof/Scientific/Tech Services	3,905	4.6%	11,068,132	7.1%
Finance/Insurance	3,134	3.7%	7,200,593	4.6%
Wholesale Trade	2,700	3.2%	4,064,621	2.6%
Real Estate/Rental/Leasing	1,936	2.3%	3,130,712	2.0%
Information	1,671	2.0%	2,741,630	1.8%
Utilities	973	1.1%	1,401,281	0.9%
Arts/Entertainment/Recreation	683	0.8%	3,448,696	2.2%
Agric/Forestry/Fishing/Hunting	190	0.2%	2,288,795	1.5%
Mining	44	0.1%	609,828	0.4%
Mgmt of Companies/Enterprises	31	0.0%	86,740	0.1%
<b>Total Employment</b>	<b>85,259</b>	<b>100.0%</b>	<b>154,852,740</b>	<b>100.0%</b>

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2018

The largest industries in the PMA are healthcare/social assistance, transportation/warehousing, and retail trade. These industries account for 35.4 percent of total employment within the PMA. The percentage of transportation/warehousing jobs in the PMA is significantly larger than that of the nation. The retail trade and educational services industries are also over represented in the PMA. Industries under-represented in the PMA include healthcare/social assistance, manufacturing, and accommodation/food services.

### 3. Major Employers

The table below shows the largest employers in Henry County, Georgia.

#### MAJOR EMPLOYERS - HENRY COUNTY

Employer Name	Industry	# Of Employees
Henry County Schools	Educational Services	1,000-4,999
Henry County Government	Public Administration	1,000-4,999
Piedmont Henry Hospital	Healthcare	1,000-4,999
Loxottica Retail Group	Retail Trade	1,000-4,999
Federal Aviation Administration	Transportation	500-999
PHV Corporation	Retail Trade	500-999
Georgia Power Customer Care Center	Utilities	500-999
Southern States, LLC.	Manufacturing	250-499
Carter's Inc.	Retail Trade	250-499
Home Depot Direct Fulfillment Center	Transportation/Logistics	250-499

Source: Henry County Development Authority, April 2018

The Henry County school system is the largest employer in the county, employing over 4,000 individuals. Other major employment sectors include public administration, healthcare and retail trade. While healthcare,

education, and public administration are historically stable industries, retail trade is historically unstable, especially during times of recession. Several industries, including retail trade and manufacturing, were negatively affected by the nation-wide economic recession. Overall, the local economy appears to be diverse and is not overly dependent on any one industry. The broad employment base in Henry County is likely contributing to the steady total employment gains and unemployment rate decreases in the MSA.

**Expansions/Contractions**

The following table illustrates the layoffs and closures of significance that occurred or were announced since January 1, 2015 in Henry County according to the Georgia Department of Economic Development.

**WARN NOTICES - HENRY COUNTY, GA 2015-2018**

Company	Industry	Employees Affected	Notice Date
IFCO	Manufacturing	130	5/4/2018
Toys R Us	Manufacturing	244	5/14/2018
Genco	Logistics	88	2/14/2016
Amercold Logistics, LLC.	Manufacturing	43	4/15/2016
Sports Authority	Retail	104	6/10/2016
Smead Manufacturing Company	Manufacturing	150	4/21/2015
<b>Total</b>		<b>759</b>	

Source: Georgia Department of Economic Development, April 2018

As illustrated in the above table, according to the Georgia Department of Labor there have been 759 employees in the area impacted by layoffs or closures since 2015. Despite these job losses, employment growth in the area has continued. We spoke with Ms. Leah Brown with the Henry County Development Authority Department, who informed us of the following business expansions in the county.

**EXPANSIONS/NEW ADDITIONS - HENRY COUNTY, GA 2015 - 2018 YTD**

Company Name	Industry	Jobs
KL Outdoor	Manufacturing	100
United States Cold Storage	Utilities	80
Hydro Systems	Manufacturing	60
S&S Activewear	Manufacturing	300
Voorhees	Manufacturing	80

As illustrated, there are several additions in the manufacturing and utilities industries. There have been a total of 620 jobs created in Henry County, which helps counteract the 759 jobs the county has lost over the previous four years.

**4. Employment and Unemployment Trends**

The following table details employment and unemployment trends for Henry County from 2002 to January 2018.

**EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

	Atlanta-Sandy Springs-Roswell, GA MSA			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2002	2,330,391	-	-16.4%	136,485,000	-	-9.9%
2003	2,347,173	0.7%	-15.8%	137,736,000	0.9%	-9.0%
2004	2,382,163	1.5%	-14.6%	139,252,000	1.1%	-8.0%
2005	2,445,674	2.7%	-12.3%	141,730,000	1.8%	-6.4%
2006	2,538,141	3.8%	-9.0%	144,427,000	1.9%	-4.6%
2007	2,618,825	3.2%	-6.1%	146,047,000	1.1%	-3.6%
2008	2,606,822	-0.5%	-6.5%	145,363,000	-0.5%	-4.0%
2009	2,452,057	-5.9%	-12.1%	139,878,000	-3.8%	-7.6%
2010	2,440,037	-0.5%	-12.5%	139,064,000	-0.6%	-8.2%
2011	2,486,895	1.9%	-10.8%	139,869,000	0.6%	-7.6%
2012	2,545,474	2.4%	-8.7%	142,469,000	1.9%	-5.9%
2013	2,573,040	1.1%	-7.7%	143,929,000	1.0%	-5.0%
2014	2,620,911	1.9%	-6.0%	146,305,000	1.7%	-3.4%
2015	2,684,068	2.4%	-3.7%	148,833,000	1.7%	-1.7%
2016	2,788,476	3.9%	0.0%	151,436,000	1.7%	0.0%
2017	2,892,067	3.7%	3.7%	153,308,000	1.2%	1.2%
2018 YTD Average*	2,923,980	1.1%	-	154,430,000	0.7%	-
Jan-2017	2,824,624	-	-	150,527,000	-	-
Jan-2018	2,923,980	3.5%	-	154,430,000	2.6%	-

Source: U.S. Bureau of Labor Statistics April 2018

**UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

	Atlanta-Sandy Springs-Roswell, GA MSA			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2002	5.0%	-	0.6%	5.8%	-	1.2%
2003	4.9%	-0.1%	0.5%	6.0%	0.2%	1.4%
2004	4.8%	-0.1%	0.4%	5.5%	-0.5%	0.9%
2005	5.4%	0.6%	0.9%	5.1%	-0.5%	0.5%
2006	4.7%	-0.7%	0.2%	4.6%	-0.5%	0.0%
2007	4.4%	-0.2%	0.0%	4.6%	0.0%	0.0%
2008	6.2%	1.7%	1.7%	5.8%	1.2%	1.2%
2009	9.9%	3.8%	5.5%	9.3%	3.5%	4.7%
2010	10.3%	0.4%	5.9%	9.6%	0.3%	5.0%
2011	9.9%	-0.4%	5.5%	9.0%	-0.7%	4.3%
2012	8.8%	-1.1%	4.4%	8.1%	-0.9%	3.5%
2013	7.8%	-1.0%	3.4%	7.4%	-0.7%	2.8%
2014	6.8%	-1.0%	2.3%	6.2%	-1.2%	1.6%
2015	5.7%	-1.1%	1.3%	5.3%	-0.9%	0.7%
2016	5.1%	-0.6%	0.7%	4.9%	-0.4%	0.3%
2018 YTD Average*	4.3%	-0.2%	-	4.1%	-0.3%	-
Jan-2017	5.3%	-	-	5.1%	-	-
Jan-2018	4.3%	-1.0%	-	4.1%	-1.0%	-

Source: U.S. Bureau of Labor Statistics April 2018

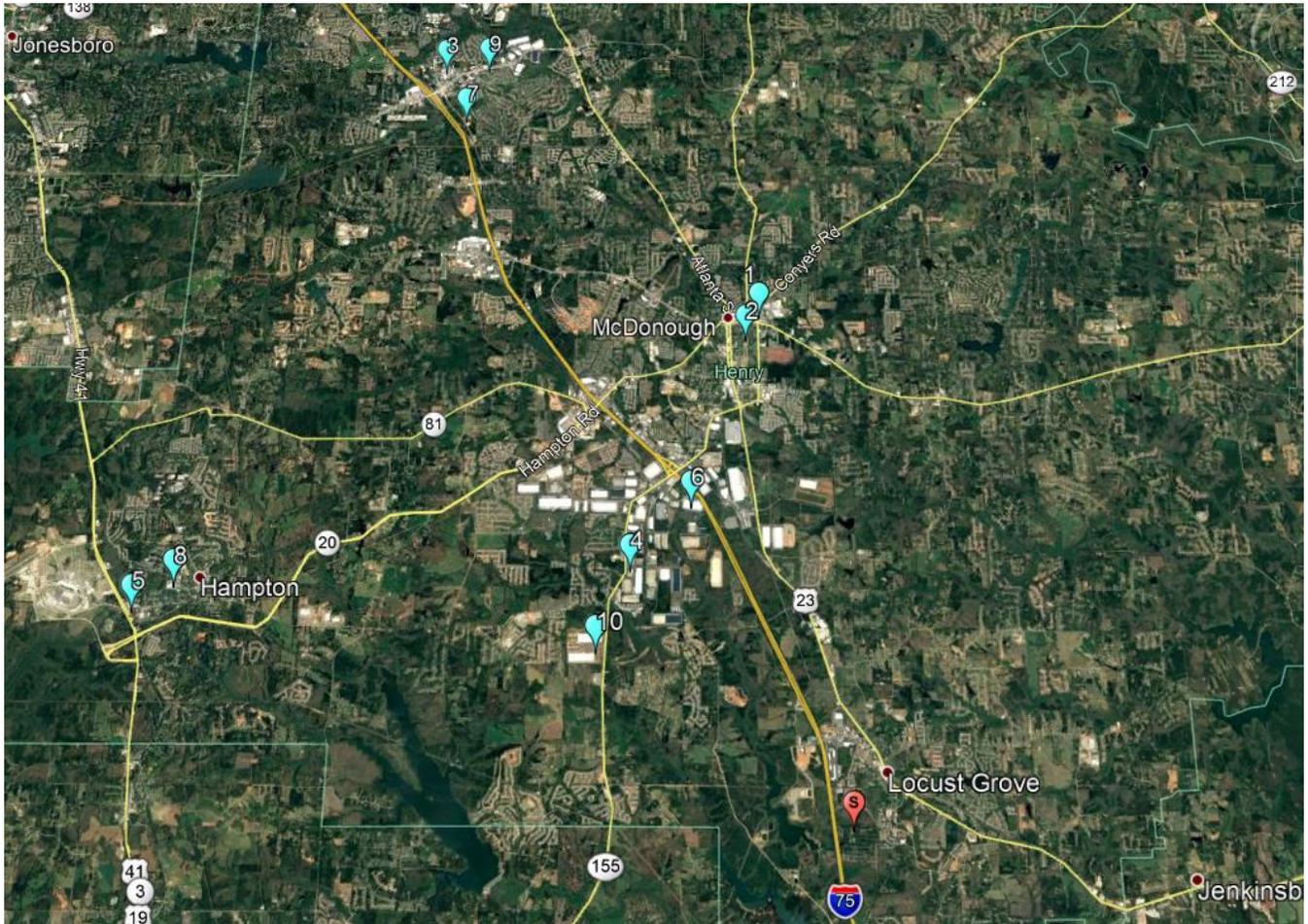
Between 2002 and 2007, total employment in the MSA exhibited positive growth, with a pre-recession peak occurring in 2007. The MSA and the nation experienced their most significant recession-related employment losses in 2009, at the height of the recession. Overall, the MSA experienced total employment losses of 6.9 percent compared to 4.9 percent nationally. However, as of 2014, both the MSA and the nation had surpassed

their pre-recession employment highs. Furthermore, the total employment growth in the MSA during the 12-month period preceding the first quarter of 2018 outpaced the employment growth in the nation during the same time period.

Historically, the MSA has reported a lower unemployment rate relative to the nation. Unemployment in the MSA began increasing during 2008, at the onset of the national recession. The MSA maintained a higher unemployment rate throughout the entire recession relative to the nation. Unemployment in the MSA began decreasing in 2011 and has continued to decrease. As of January 2018, the unemployment rate in the MSA was 4.3 percent, which is slightly higher than the nation. Given that total employment in the MSA has surpassed its pre-recession levels and that unemployment continues to decrease, it appears the MSA has recovered, which should have a positive impact on local affordable rental housing demand.

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

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



Source: Google Earth, January 2018.

#### MAJOR EMPLOYERS - HENRY COUNTY

Employer Name	Industry	# Of Employees
Henry County Schools	Educational Services	1,000-4,999
Henry County Government	Public Administration	1,000-4,999
Piedmont Henry Hospital	Healthcare	1,000-4,999
Loxottica Retail Group	Retail Trade	1,000-4,999
Federal Aviation Administration	Transportation	500-999
PHV Corporation	Retail Trade	500-999
Georgia Power Customer Care Center	Utilities	500-999
Southern States, LLC.	Manufacturing	250-499
Carter's Inc.	Retail Trade	250-499
Home Depot Direct Fulfillment Center	Transportation/Logistics	250-499

Source: Henry County Development Authority, April 2018

## 6. Conclusion

The PMA and Henry County are economically reliant on the trade, transportation and utilities, leisure and hospitality, and education and health services sectors. While the trade, transportation, and utilities and leisure and hospitality sector are historically more volatile in times of economic downturn, the education and health services is traditionally more stable. The local economy appears to be diverse and low paying jobs in the healthcare/social assistance, educational services, and retail trade sectors are expected to generate demand for affordable housing in the PMA.

As of 2014, both the MSA and the nation had surpassed their pre-recession employment highs. The total employment growth in the MSA during the 12-month period preceding the first quarter of 2018 outpaced the employment growth in the nation during the same time period. Historically, the MSA has reported a lower unemployment rate relative to the nation. Unemployment in the MSA began increasing during 2008, at the onset of the national recession. The MSA maintained a higher unemployment rate throughout the entire recession relative to the nation. Unemployment in the MSA began decreasing in 2011 and has continued to decrease. As of January 2018, the unemployment rate in the MSA was 4.3 percent, which is slightly higher than the nation. Given that total employment in the MSA has surpassed its pre-recession levels and that unemployment continues to decrease, it appears the MSA has recovered, which should have a positive impact on local affordable rental housing demand.

# **G. 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). For income determination purposes, the maximum income is assumed to be 1.5 persons per bedroom rounded up to the nearest whole number. For example, maximum income for a one-bedroom unit is based on an assumed household size of two persons (1.5 persons per bedroom, rounded up). However, very few senior households have more than two persons. Therefore, we assume a maximum household size of two persons in our analysis.

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

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

**2. Affordability**

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

**55+ INCOME LIMITS**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@50%		@60%		Overall Affordable	
1BR	\$15,300	\$26,150	\$17,850	\$31,380	\$15,300	\$31,380
2BR	\$19,260	\$27,900	\$19,560	\$33,480	\$19,260	\$33,480

**3. Demand**

The demand for the Subject will be derived from three sources: new households, existing households and elderly homeowners likely to convert to rentership. 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 utilized 2020, the anticipated date of market entry, as the base year for the analysis. Therefore, 2017 household population estimates are inflated to 2020 by interpolation of the difference between 2017 estimates and 2022 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 2020. This number takes the overall growth from 2017 to 2022 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. Demand from Elderly Homeowners likely to Convert to Rentership**

An additional source of demand is also seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we lower demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

### **3d. Other**

Per the 2018 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 do not account 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 do not account 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. Our capture rates incorporate household size adjustments for all of the Subject's units.

## **4. Net 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 2016 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 deduct the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that were funded, are under construction, or placed in service in 2016 through the present.
- Vacancies in projects placed in service prior to 2016 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 entered the market from 2016 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.

**COMPETITIVE SUPPLY 2016 - PRESENT**

Property Name	Program	Location	Tenancy	Status	Competitive Units
Red Oak Village	LIHTC	Stockbridge	Senior	Complete	60

- Red Oak Village was awarded LIHTC equity in 2015 for the new construction of 60 units targeting seniors in Stockbridge, Georgia. These units are all one and two-bedroom units at the 50 and 60 percent of AMI levels, similar to the Subject. The property opened in 2017 and took two months to reach stabilization, which reflects an absorption rate of 30 units per month. Red Oak Village is currently fully-occupied and maintains a waiting list that consists of 300 households. However, as this property was placed in service after 2016, we will deduct all 60 units from our demand analysis.

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated, placed in service, or stabilizing between 2016 and present. Note that this table may illustrate non-competitive units and competitive properties that are not deducted from our demand analysis.

**ADDITIONS TO SUPPLY 2017**

Unit Type	50% AMI	60% AMI	Overall
1BR	4	16	20
2BR	9	31	40
<b>Total</b>	<b>13</b>	<b>47</b>	<b>60</b>

**PMA Occupancy**

Per DCA’s guidelines, we determine the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. The following table illustrates a combined average occupancy level for the PMA based on the total competitive units in the PMA.

**PMA OCCUPANCY**

Property Name	Program	Location	Tenancy	# of Units	Occupancy
<b>Havenwood Grove</b>	<b>LIHTC/Market</b>	<b>Locust Grove</b>	<b>Senior</b>	<b>56</b>	<b>N/A</b>
Ashley Woods Apartments	LIHTC	Stockbridge	Family	128	100.0%
Heritage At Mcdonough	LIHTC	Mcdonough	Senior	105	96.2%
Red Oak Village	LIHTC	Stockbridge	Senior	60	100.0%
Sable Chase Apartments	LIHTC	Mcdonough	Family	225	89.4%
Shoal Creek Manor	LIHTC	Locust Grove	Senior	66	100.0%
Grier Senior Manor	LIHTC/Market	Mcdonough	Senior	64	100.0%
Brookshire Apartments	Rural Development	Mcdonough	Family	46	100.0%
Magnolia Grove	Section 8	Jackson	Senior	33	100.0%
Carrington Green	Market	Mcdonough	Family	265	N/Av
Amber Chase Apartments	Market	Mcdonough	Family	352	96.9%
Audubon Hills (formerly Nova Hills)	Market	Stockbridge	Family	88	95.5%
Bridge Mill	Market	Mcdonough	Family	276	93.9%
Bristol Green At Eagles Landing	Market	Stockbridge	Family	200	97.0%
Carrington Ridge	Market	Stockbridge	Family	304	94.7%
Cobblestone Village	Market	Stockbridge	Family	290	97.2%
Colonial Village At Stockbridge	Market	Stockbridge	Family	240	96.7%
Eagle's Brooke	Market	Locust Grove	Family	240	95.4%
Echelon Park Apartments	Market	Mcdonough	Family	248	93.5%
Friendly Summit Apartments	Market	Locust Grove	Family	240	90.8%
Haddon Place Apartments	Market	Mcdonough	Family	300	N/Av
Hampton Point Apartments	Market	Mcdonough	Family	250	98.8%
Mandalay Villas	Market	Mcdonough	Family	276	97.8%
Meadowlark Apartments	Market	Mcdonough	Family	300	94.7%
North Park At Eagles Landing	Market	Stockbridge	Family	56	100.0%
Olivia Place Fka Cobblestone Villas	Market	Stockbridge	Family	224	100.0%
Preston Creek Apartments	Market	Mcdonough	Family	120	97.5%
Springs At Mcdonough	Market	Mcdonough	Family	268	92.2%
Stonegate At Eagles Landing	Market	Stockbridge	Family	348	97.6%
Sundance Creek	Market	Mcdonough	Family	167	91.8%
The Abbey At Eagles Landing	Market	Stockbridge	Family	232	91.8%
The Crossing At Mcdonough	Market	Mcdonough	Family	244	95.6%
Villas At South Point	Market	Mcdonough	Family	252	96.5%
Willow Chase Cove Apartments	Market	Mcdonough	Family	76	94.7%
<b>Average PMA Occupancy</b>					<b>96.3%</b>

The average occupancy rate of competitive developments in the PMA is 96.3 percent.

**Rehab Developments and PBRA**

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

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

## 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 2020 are illustrated in the previous section of this report.

### RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA, 55+

Income Cohort	2017		Projected Mkt Entry June 2020		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	503	12.6%	532	12.3%	552	12.1%
\$10,000-19,999	589	14.7%	615	14.2%	633	13.9%
\$20,000-29,999	355	8.9%	385	8.9%	407	8.9%
\$30,000-39,999	439	11.0%	458	10.6%	471	10.3%
\$40,000-49,999	604	15.1%	654	15.1%	689	15.1%
\$50,000-59,999	372	9.3%	399	9.2%	418	9.2%
\$60,000-74,999	343	8.6%	379	8.8%	405	8.9%
\$75,000-99,999	243	6.1%	280	6.5%	307	6.7%
\$100,000-124,999	190	4.8%	219	5.0%	239	5.2%
\$125,000-149,999	186	4.7%	223	5.2%	250	5.5%
\$150,000-199,999	121	3.0%	131	3.0%	138	3.0%
\$200,000+	50	1.3%	55	1.3%	59	1.3%
<b>Total</b>	<b>3,995</b>	<b>100.0%</b>	<b>4,329</b>	<b>100.0%</b>	<b>4,568</b>	<b>100.0%</b>

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, April 2018

**50% AMI**

**NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%**

Minimum Income Limit		\$15,300		Maximum Income Limit		\$27,900	
Income Category	New Renter Households - Total Change in Households PMA 2017 to Prj Mkt Entry June 2020		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	29			8.6%		0.0%
\$10,000-19,999	26	7.7%	\$4,699	47.0%	12		
\$20,000-29,999	30	9.1%	\$7,900	79.0%	24		
\$30,000-39,999	19	5.6%		0.0%	0		
\$40,000-49,999	50	14.8%		0.0%	0		
\$50,000-59,999	27	8.0%		0.0%	0		
\$60,000-74,999	36	10.8%		0.0%	0		
\$75,000-99,999	37	11.2%		0.0%	0		
\$100,000-124,999	29	8.6%		0.0%	0		
\$125,000-149,999	37	11.2%		0.0%	0		
\$150,000-199,999	10	3.0%		0.0%	0		
\$200,000+	5	1.6%		0.0%	0		
<b>Total</b>	<b>334</b>	<b>100.0%</b>		<b>10.8%</b>	<b>36</b>		

**POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%**

Minimum Income Limit		\$15,300		Maximum Income Limit		\$27,900	
Income Category	Total Renter Households PMA 2017	Percent within Cohort	Income Brackets	Households within Bracket			
				\$0-9,999	503	12.6%	
\$10,000-19,999	589	14.7%	\$4,699	277			
\$20,000-29,999	355	8.9%	\$7,900	280			
\$30,000-39,999	439	11.0%		0			
\$40,000-49,999	604	15.1%		0			
\$50,000-59,999	372	9.3%		0			
\$60,000-74,999	343	8.6%		0			
\$75,000-99,999	243	6.1%		0			
\$100,000-124,999	190	4.8%		0			
\$125,000-149,999	186	4.7%		0			
\$150,000-199,999	121	3.0%		0			
\$200,000+	50	1.3%		0			
<b>Total</b>	<b>3,995</b>	<b>100.0%</b>		<b>13.9%</b>	<b>557</b>		

**ASSUMPTIONS - @50%**

Tenancy		55+		% of Income towards Housing		40%	
Rural/Urban		Urban		Maximum # of Occupants		2	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	40%	60%	0%	0%		
2	0%	20%	80%	0%	0%		
3	0%	0%	0%	40%	60%		
4	0%	0%	0%	70%	30%		
5+	0%	0%	0%	30%	70%		

**Demand from New Renter Households 2017 to June 2020**

Income Target Population	@50%
New Renter Households PMA	334
Percent Income Qualified	10.8%
<b>New Renter Income Qualified Households</b>	<b>36</b>

**Demand from Existing Households 2017**

**Demand from Rent Overburdened Households**

Income Target Population	@50%
Total Existing Demand	3,995
Income Qualified	13.9%
Income Qualified Renter Households	557
Percent Rent Overburdened Prj Mrkt Entry June 2020	46.8%
<b>Rent Overburdened Households</b>	<b>261</b>

**Demand from Living in Substandard Housing**

Income Qualified Renter Households	557
Percent Living in Substandard Housing	0.5%
<b>Households Living in Substandard Housing</b>	<b>3</b>

**Senior Households Converting from Homeownership**

Income Target Population	@50%
Total Senior Homeowners	21,992
Rural Versus Urban	0.02%

<b>Senior Demand Converting from Homeownership</b>	<b>5</b>
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**Total Demand**

Total Demand from Existing Households	268
Total New Demand	36
<b>Total Demand (New Plus Existing Households)</b>	<b>304</b>

Demand from Seniors Who Convert from Homeownership	5
Percent of Total Demand From Homeownership Conversion	1.6%
Is this Demand Over 2 percent of Total Demand?	No

**By Bedroom Demand**

One Person	53.3%	162
Two Persons	24.1%	73
Three Persons	10.2%	31
Four Persons	2.7%	8
Five Persons	9.7%	29
<b>Total</b>	<b>100.0%</b>	<b>304</b>

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

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	40%	65
Of two-person households in 1BR units	20%	15
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	60%	97
Of two-person households in 2BR units	80%	59
Of three-person households in 2BR units	0%	0
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	12
Of four-person households in 3BR units	70%	6
Of five-person households in 3BR units	30%	9
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	60%	19
Of four-person households in 4BR units	30%	2
Of five-person households in 4BR units	70%	21
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0

**Total Demand** **304**

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	80	-	4	=	76
2 BR	156	-	9	=	147
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
<b>Total</b>	<b>236</b>		<b>13</b>		<b>223</b>

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	2	/	76	=	2.6%
2 BR	10	/	147	=	6.8%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
<b>Total</b>	<b>12</b>		<b>223</b>		<b>5.4%</b>

**60% AMI**

**NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%**

Minimum Income Limit		\$17,850		Maximum Income Limit		\$33,480	
Income Category	New Renter Households - Total Change in Households PMA 2017 to Prj Mrkt Entry June 2020		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	29			8.6%		0.0%
\$10,000-19,999	26	7.7%	\$2,149	21.5%	6		
\$20,000-29,999	30	9.1%	\$9,999	100.0%	30		
\$30,000-39,999	19	5.6%	\$3,480	34.8%	6		
\$40,000-49,999	50	14.8%		0.0%	0		
\$50,000-59,999	27	8.0%		0.0%	0		
\$60,000-74,999	36	10.8%		0.0%	0		
\$75,000-99,999	37	11.2%		0.0%	0		
\$100,000-124,999	29	8.6%		0.0%	0		
\$125,000-149,999	37	11.2%		0.0%	0		
\$150,000-199,999	10	3.0%		0.0%	0		
\$200,000+	5	1.6%		0.0%	0		
<b>Total</b>	<b>334</b>	<b>100.0%</b>		<b>12.7%</b>	<b>42</b>		

**POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%**

Minimum Income Limit		\$17,850		Maximum Income Limit		\$33,480	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	503			12.6%		0.0%
\$10,000-19,999	589	14.7%	\$2,149	21.5%	127		
\$20,000-29,999	355	8.9%	\$9,999	100.0%	355		
\$30,000-39,999	439	11.0%	\$3,480	34.8%	153		
\$40,000-49,999	604	15.1%		0.0%	0		
\$50,000-59,999	372	9.3%		0.0%	0		
\$60,000-74,999	343	8.6%		0.0%	0		
\$75,000-99,999	243	6.1%		0.0%	0		
\$100,000-124,999	190	4.8%		0.0%	0		
\$125,000-149,999	186	4.7%		0.0%	0		
\$150,000-199,999	121	3.0%		0.0%	0		
\$200,000+	50	1.3%		0.0%	0		
<b>Total</b>	<b>3,995</b>	<b>100.0%</b>		<b>15.9%</b>	<b>634</b>		

**ASSUMPTIONS - @60%**

Tenancy		55+		% of Income towards Housing		40%	
Rural/Urban		Urban		Maximum # of Occupants		2	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	40%	60%	0%	0%		
2	0%	20%	80%	0%	0%		
3	0%	0%	0%	40%	60%		
4	0%	0%	0%	70%	30%		
5+	0%	0%	0%	30%	70%		

**Demand from New Renter Households 2017 to June 2020**

Income Target Population	@60%
New Renter Households PMA	334
Percent Income Qualified	12.7%
<b>New Renter Income Qualified Households</b>	<b>42</b>

**Demand from Existing Households 2017**

**Demand from Rent Overburdened Households**

Income Target Population	@60%
Total Existing Demand	3,995
Income Qualified	15.9%
Income Qualified Renter Households	634
Percent Rent Overburdened Prj Mrkt Entry June 2020	46.8%
<b>Rent Overburdened Households</b>	<b>297</b>

**Demand from Living in Substandard Housing**

Income Qualified Renter Households	634
Percent Living in Substandard Housing	0.5%
<b>Households Living in Substandard Housing</b>	<b>3</b>

**Senior Households Converting from Homeownership**

Income Target Population	@60%
Total Senior Homeowners	21,992
Rural Versus Urban	0.02%
<b>Senior Demand Converting from Homeownership</b>	<b>5</b>

**Total Demand**

Total Demand from Existing Households	305
Total New Demand	42
<b>Total Demand (New Plus Existing Households)</b>	<b>347</b>

Demand from Seniors Who Convert from Homeownership	5
Percent of Total Demand From Homeownership Conversion	1.4%
Is this Demand Over 2 percent of Total Demand?	No

**By Bedroom Demand**

One Person	53.3%	185
Two Persons	24.1%	84
Three Persons	10.2%	35
Four Persons	2.7%	9
Five Persons	9.7%	34
<b>Total</b>	<b>100.0%</b>	<b>347</b>

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

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	40%	74
Of two-person households in 1BR units	20%	17
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	60%	111
Of two-person households in 2BR units	80%	67
Of three-person households in 2BR units	0%	0
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	14
Of four-person households in 3BR units	70%	7
Of five-person households in 3BR units	30%	10
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	60%	21
Of four-person households in 4BR units	30%	3
Of five-person households in 4BR units	70%	23
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
<b>Total Demand</b>		<b>347</b>

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	91	-	16	=	75
2 BR	178	-	31	=	147
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
<b>Total</b>	<b>269</b>		<b>47</b>		<b>222</b>

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	8	/	75	=	10.7%
2 BR	36	/	147	=	24.5%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
<b>Total</b>	<b>44</b>		<b>222</b>		<b>19.8%</b>

**Overall**

**NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall LIHTC**

Minimum Income Limit		\$15,300		Maximum Income Limit		\$33,480	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter		
	in Households PMA 2017 to Prj Mrkt Entry June 2020				Households within Bracket		
\$0-9,999	29	8.6%		0.0%	0		
\$10,000-19,999	26	7.7%	\$4,699	47.0%	12		
\$20,000-29,999	30	9.1%	\$9,999	100.0%	30		
\$30,000-39,999	19	5.6%	\$3,480	34.8%	6		
\$40,000-49,999	50	14.8%		0.0%	0		
\$50,000-59,999	27	8.0%		0.0%	0		
\$60,000-74,999	36	10.8%		0.0%	0		
\$75,000-99,999	37	11.2%		0.0%	0		
\$100,000-124,999	29	8.6%		0.0%	0		
\$125,000-149,999	37	11.2%		0.0%	0		
\$150,000-199,999	10	3.0%		0.0%	0		
\$200,000+	5	1.6%		0.0%	0		
<b>Total</b>	<b>334</b>	<b>100.0%</b>		<b>14.6%</b>	<b>49</b>		

**POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall LIHTC**

Minimum Income Limit		\$15,300		Maximum Income Limit		\$33,480	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	503			12.6%		0.0%
\$10,000-19,999	589	14.7%	\$4,699	47.0%	277		
\$20,000-29,999	355	8.9%	\$9,999	100.0%	355		
\$30,000-39,999	439	11.0%	\$3,480	34.8%	153		
\$40,000-49,999	604	15.1%		0.0%	0		
\$50,000-59,999	372	9.3%		0.0%	0		
\$60,000-74,999	343	8.6%		0.0%	0		
\$75,000-99,999	243	6.1%		0.0%	0		
\$100,000-124,999	190	4.8%		0.0%	0		
\$125,000-149,999	186	4.7%		0.0%	0		
\$150,000-199,999	121	3.0%		0.0%	0		
\$200,000+	50	1.3%		0.0%	0		
<b>Total</b>	<b>3,995</b>	<b>100.0%</b>		<b>19.6%</b>	<b>785</b>		

**ASSUMPTIONS - Overall LIHTC**

Tenancy		55+		% of Income towards Housing		40%	
Rural/Urban		Urban		Maximum # of Occupants		2	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	40%	60%	0%	0%		
2	0%	20%	80%	0%	0%		
3	0%	0%	0%	40%	60%		
4	0%	0%	0%	70%	30%		
5+	0%	0%	0%	30%	70%		

**Demand from New Renter Households 2017 to June 2020**

Income Target Population	Overall LIHTC
New Renter Households PMA	334
Percent Income Qualified	14.6%
<b>New Renter Income Qualified Households</b>	<b>49</b>

**Demand from Existing Households 2017**

**Demand from Rent Overburdened Households**

Income Target Population	Overall LIHTC
Total Existing Demand	3,995
Income Qualified	19.6%
Income Qualified Renter Households	785
Percent Rent Overburdened Prj Mrkt Entry June 2020	46.8%
<b>Rent Overburdened Households</b>	<b>367</b>

**Demand from Living in Substandard Housing**

Income Qualified Renter Households	785
Percent Living in Substandard Housing	0.5%
<b>Households Living in Substandard Housing</b>	<b>4</b>

**Senior Households Converting from Homeownership**

Income Target Population	Overall LIHTC
Total Senior Homeowners	21,992
Rural Versus Urban	0.02%
<b>Senior Demand Converting from Homeownership</b>	<b>5</b>

**Total Demand**

Total Demand from Existing Households	376
Total New Demand	49
<b>Total Demand (New Plus Existing Households)</b>	<b>425</b>

Demand from Seniors Who Convert from Homeownership	5
Percent of Total Demand From Homeownership Conversion	1.1%
Is this Demand Over 2 percent of Total Demand?	No

**By Bedroom Demand**

One Person	53.3%	226
Two Persons	24.1%	103
Three Persons	10.2%	43
Four Persons	2.7%	11
Five Persons	9.7%	41
<b>Total</b>	<b>100.0%</b>	<b>425</b>

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

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	40%	91
Of two-person households in 1BR units	20%	21
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	60%	136
Of two-person households in 2BR units	80%	82
Of three-person households in 2BR units	0%	0
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	17
Of four-person households in 3BR units	70%	8
Of five-person households in 3BR units	30%	12
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	60%	26
Of four-person households in 4BR units	30%	3
Of five-person households in 4BR units	70%	29
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
<b>Total Demand</b>		<b>425</b>

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	111	-	20	=	91
2 BR	218	-	40	=	178
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
<b>Total</b>	<b>329</b>		<b>60</b>		<b>269</b>

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	10	/	91	=	11.0%
2 BR	46	/	178	=	25.9%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
<b>Total</b>	<b>56</b>		<b>269</b>		<b>20.8%</b>

**Conclusions**

Our demand analysis is used 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 senior households in the PMA is expected to increase 3.8 percent between 2017 and market entry 2020.
- 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 (\$15,300 to \$27,900)	HH at @60% AMI (\$17,850 to \$33,480)	Overall Demand
Demand from New Households (age and income appropriate)	36	42	49
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	261	297	367
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	3	3	4
<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>
<b>Sub Total</b>	<b>299</b>	<b>342</b>	<b>420</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	5	5	5
<b>Equals Total Demand</b>	<b>304</b>	<b>347</b>	<b>425</b>
<b>Less</b>	-	-	-
New Supply	13	47	60
<b>Equals Net Demand</b>	<b>291</b>	<b>300</b>	<b>365</b>

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR @50%	\$15,300	\$26,150	2	80	4	76	2.6%	Two to three months	\$789	\$518	\$1,223	\$450
1BR @60%	\$17,850	\$31,380	8	91	16	75	10.7%	Two to three months	\$900	\$608	\$1,223	\$535
1BR Overall	\$15,300	\$31,380	10	111	20	91	11.0%	Two to three months	-	-	-	-
2BR @50%	\$19,260	\$27,900	10	156	9	147	6.8%	Two to three months	\$891	\$581	\$1,445	\$565
2BR @60%	\$19,560	\$33,480	36	178	31	147	24.5%	Two to three months	\$1,009	\$581	\$1,445	\$575
2BR Overall	\$19,260	\$33,480	46	218	40	178	25.9%	Two to three months	-	-	-	-
@50% Overall	\$15,300	\$27,900	12	236	13	223	5.4%	Two to three months	-	-	-	-
@60% Overall	\$17,850	\$33,480	44	269	47	222	19.8%	Two to three months	-	-	-	-
Overall	\$15,300	\$33,480	56	329	60	269	20.8%	Two to three months	-	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 2.6 to 6.8 percent, with an overall capture rate of 5.4 percent. The Subject’s 60 percent AMI capture rates range from 10.7 to 24.5 percent, with an overall capture rate of 19.8 percent. The overall capture rate for the project’s 50 and 60 percent units is 20.8 percent. Therefore, we believe there is adequate demand for the Subject. All of the capture rates are within Georgia DCA thresholds.

# **H. 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 nine “true” comparable properties containing 1,531 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 senior LIHTC data is considered good; there are four LIHTC properties targeting seniors in the PMA and one senior LIHTC property (Hampton Court) which is located just west of the PMA in Hampton, approximately 11.9 miles from the Subject site. The newest senior property in the PMA, Red Oak Village, is located 14.9 miles from the Subject site in Stockbridge and entered the market in 2017. The remaining senior LIHTC comparable properties are located in Locust Grove and McDonough, between 0.7 and 7.9 miles from the Subject.

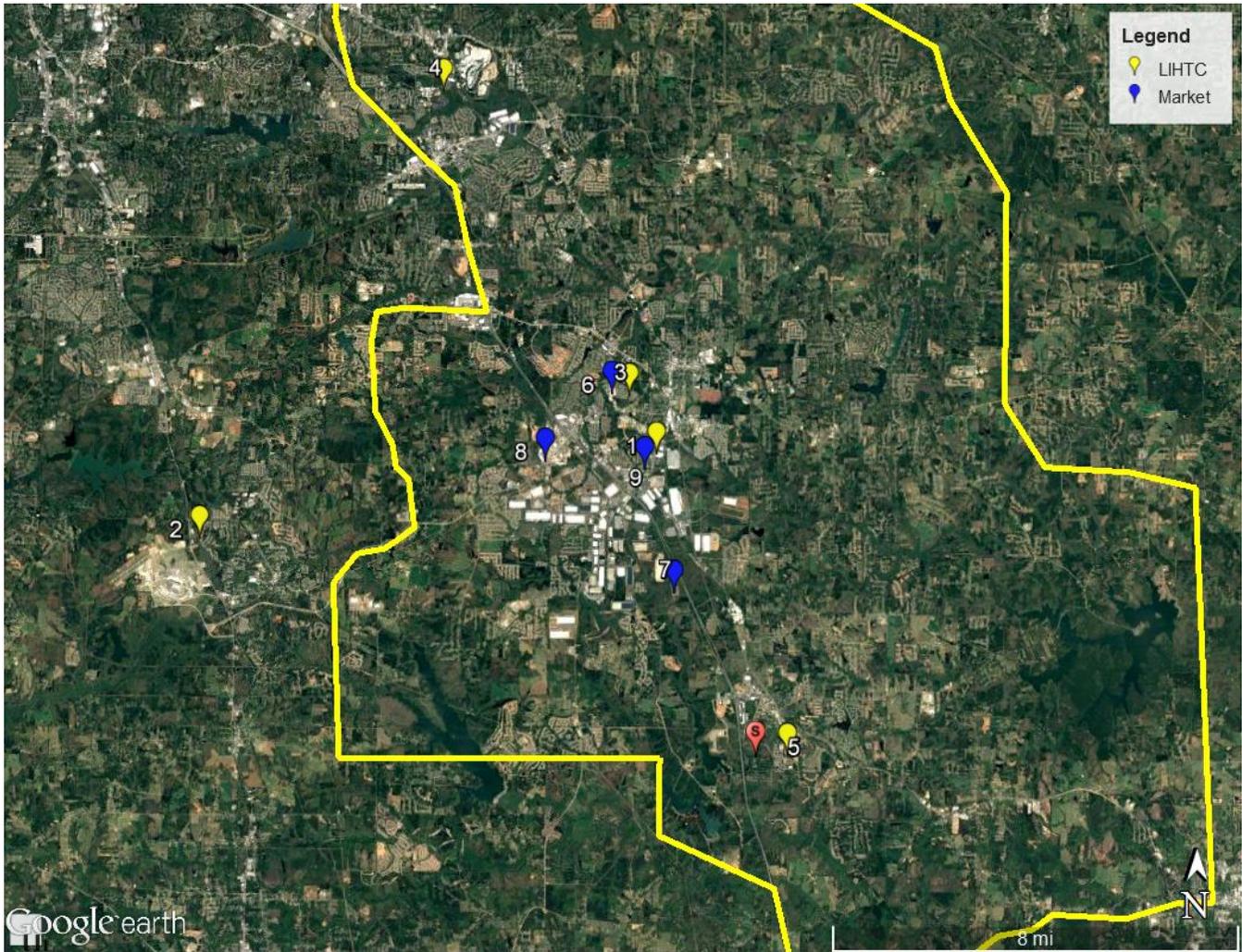
The availability of market rate data is considered good. The Subject is located in Locust Grove and there are several market-rate properties in the area. We include four conventional properties in our analysis of the competitive market. All of the market rate properties are located in the PMA, between 3.9 and 8.0 miles from the Subject site. These comparables were built or renovated between 1999 and 2017. Additionally, the senior LIHTC property Grier Manor, which is located in McDonough, offers market rate units. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on proximity, unit types, and age/condition.

## Excluded Properties

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

EXCLUDED PROPERTIES					
Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
<b>Havenwood Grove</b>	<b>LIHTC/Market</b>	<b>Locust Grove</b>	<b>Senior</b>	<b>56</b>	-
Ashley Woods Apartments	LIHTC	Stockbridge	Family	128	More comparable properties
Sable Chase Apartments	LIHTC	Mcdonough	Family	225	More comparable properties
Brookshire Apartments	Rural Development	Mcdonough	Family	46	Subsidized
Magnolia Grove	Section 8	Jackson	Senior	33	Subsidized
Carrington Green	Market	Mcdonough	Family	265	More comparable properties
Audubon Hills (formerly Nova Hills)	Market	Stockbridge	Family	88	Closer comparables, inferior age and condition
Bridge Mill	Market	Mcdonough	Family	276	Inferior age and condition
Bristol Green At Eagles Landing	Market	Stockbridge	Family	200	Closer comparables, inferior age and condition
Carrington Ridge	Market	Stockbridge	Family	304	Closer comparables
Cobblestone Village	Market	Stockbridge	Family	290	Inferior age and condition
Colonial Village At Stockbridge	Market	Stockbridge	Family	240	Closer comparables
Echelon Park Apartments	Market	Mcdonough	Family	248	More comparable properties
Friendly Summit Apartments	Market	Locust Grove	Family	240	More comparable properties
Haddon Place Apartments	Market	Mcdonough	Family	300	More comparable properties
Hampton Point Apartments	Market	Mcdonough	Family	250	More comparable properties
Mandalay Villas	Market	Mcdonough	Family	276	More comparable properties
Meadowlark Apartments	Market	Mcdonough	Family	300	Inferior age and condition
North Park At Eagles Landing	Market	Stockbridge	Family	56	Closer comparables
Olivia Place Fka Cobblestone Villas	Market	Stockbridge	Family	224	Closer comparables
Preston Creek Apartments	Market	Mcdonough	Family	120	More comparable properties
Stonegate At Eagles Landing	Market	Stockbridge	Family	348	Closer comparables
Sundance Creek	Market	Mcdonough	Family	167	More comparable properties
The Abbey At Eagles Landing	Market	Stockbridge	Family	232	More comparable properties
Villas At South Point	Market	Mcdonough	Family	252	More comparable properties
Willow Chase Cove Apartments	Market	Mcdonough	Family	76	More comparable properties

**Comparable Rental Property Map**



Source: Google Earth, April 2018.

**COMPARABLE PROPERTIES**

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
<b>S</b>	<b>Havenwood Grove</b>	<b>Locust Grove</b>	<b>LIHTC</b>	<b>Senior</b>	-
1	Grier Senior Manor	Mcdonough	LIHTC/Market	Senior	6.6 miles
2	Hampton Court*	Hampton	LIHTC	Senior	11.9 miles
3	Heritage At Mcdonough	Mcdonough	LIHTC	Senior	7.9 miles
4	Red Oak Village	Stockbridge	LIHTC	Senior	14.9 miles
5	Shoal Creek Manor	Locust Grove	LIHTC	Senior	0.7 miles
6	Amber Chase Apartments	Mcdonough	Market	Family	8.0 miles
7	Eagle's Brooke	Locust Grove	Market	Family	3.9 miles
8	Springs At Mcdonough	Mcdonough	Market	Family	7.4 miles
9	The Crossing At Mcdonough	Mcdonough	Market	Family	6.4 miles

\*This property is located outside the PMA.

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

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent	Waiting List?	Vacant Units	Vacancy Rate
Subject	Havenwood Grove Indian Creek Avenue And Apache Road Locust Grove, GA 30248 Henry County	-	Lowrise (3 stories) Proposed 2020 / n/a Senior	@50%, @60%	1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA	2 8 10 36	3.6% 14.3% 17.9% 64.3%	690 690 880 880	@50% @60% @50% @60%	\$450 \$535 \$565 \$575	No No No No	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A N/A N/A N/A
						<b>56</b>	<b>100.0%</b>						<b>N/A</b>	<b>N/A</b>
1	Grier Senior Manor 391 Old Griffin Rd Mcdonough, GA 30253 Henry County	6.6 miles	Lowrise (2 stories) 2005 / n/a Senior	@30%, @50%, @54%, Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA	3 16 5 8 3 16 5 8	4.7% 25.0% 7.8% 12.5% 4.7% 25.0% 7.8% 12.5%	657 657 657 657 900 900 900 900	@30% @50% @54% Market @30% @50% @54% Market	\$351 \$604 \$656 \$718 \$384 \$689 \$751 \$836	Yes Yes Yes N/A Yes Yes Yes No	Yes Yes Yes No Yes Yes Yes No	0 0 0 0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
						<b>64</b>	<b>100.0%</b>						<b>0</b>	<b>0.0%</b>
2	Hampton Court 100 S Hampton Rd Hampton, GA 30228 Henry County	9.3 miles	Garden (2 stories) 2014 / n/a Senior	@50%, @60%	2BR / 2BA 2BR / 2BA	9 51	15.0% 85.0%	1,200 1,200	@50% @60%	\$581 \$581	No No	Yes Yes	1 1	11.1% 2.0%
						<b>60</b>	<b>100.0%</b>						<b>2</b>	<b>3.3%</b>
3	Heritage At Mcdonough 180 Bridges Rd Mcdonough, GA 30253 Henry County	7.9 miles	Garden (3 stories) 2011 / n/a Senior	@50%, @60%	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA	N/A N/A N/A N/A	N/A N/A N/A N/A	722 722 1,103 1,103	@50% @60% @50% @60%	\$596 \$726 \$707 \$863	Yes Yes Yes Yes	Yes Yes Yes Yes	0 2 0 2	N/A N/A N/A N/A
						<b>105</b>	<b>N/A</b>						<b>4</b>	<b>3.8%</b>
4	Red Oak Village 770 Rock Quarry Road Stockbridge, GA 30281 Henry County	14.9 miles	Lowrise (3 stories) 2017 / n/a Senior	@50%, @60%	1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA	4 16 9 31	6.7% 26.7% 15.0% 51.7%	750 750 950 950	@50% @60% @50% @60%	\$518 \$608 \$616 \$741	No No No No	Yes No Yes Yes	0 0 0 0	0.0% 0.0% 0.0% 0.0%
						<b>60</b>	<b>100.0%</b>						<b>0</b>	<b>0.0%</b>
5	Shoal Creek Manor 120 L.G. Griffin Road Locust Grove, GA 30248 Henry County	0.7 miles	Midrise (4 stories) 2011 / n/a Senior	@50%, @60%	2BR / 2BA 2BR / 2BA	14 52	21.2% 78.8%	1,008 1,008	@50% @60%	\$710 \$867	Yes Yes	Yes Yes	0 0	0.0% 0.0%
						<b>66</b>	<b>100.0%</b>						<b>0</b>	<b>0.0%</b>
6	Amber Chase Apartments 570 Mcdonough Parkway Mcdonough, GA 30253 Henry County	8.0 miles	Garden (2 stories) 1999 / n/a Family	Market	1BR / 1BA 2BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A	800 1,117 1,157 1,223 1,332	Market Market Market Market Market	\$1,007 \$1,185 \$1,215 \$1,065 \$1,277	N/A N/A N/A N/A N/A	No No No No No	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A
						<b>352</b>	<b>N/A</b>						<b>11</b>	<b>3.1%</b>
7	Eagle's Brooke 100 Malaga Way Locust Grove, GA 30248 Henry County	3.9 miles	Garden (3 stories) 2009 / n/a Family	Market	1BR / 1BA 2BR / 2BA 3BR / 2BA	120 104 24	48.4% 41.9% 9.7%	955 1,265 1,519	Market Market Market	\$968 \$1,216 \$1,528	N/A N/A N/A	No No No	N/A N/A N/A	N/A N/A N/A
						<b>248</b>	<b>100.0%</b>						<b>16</b>	<b>6.5%</b>
8	Springs At Mcdonough 325 South Point Boulevard Mcdonough, GA 30253 Henry County	7.4 miles	Garden (2 stories) 2017 / n/a Family	Market	0BR / 1BA 1BR / 1BA 2BR / 2BA 3BR / 2BA	38 88 110 110	14.2% 32.8% 41.0% 41.0%	551 854 1,156 1,382	Market Market Market Market	\$1,008 \$1,223 \$1,445 \$1,578	N/A N/A N/A N/A	No No No No	N/A N/A N/A N/A	N/A N/A N/A N/A
						<b>268</b>	<b>88.1%</b>						<b>86</b>	<b>32.1%</b>
9	The Crossing At Mcdonough 100 Crossing Boulevard Mcdonough, GA 30253 Henry County	6.4 miles	Garden (3 stories) 2004 / n/a Family	Market	1BR / 1BA 2BR / 2BA 3BR / 2BA	N/A N/A 35	N/A N/A 13.9%	908 1,152 1,390	Market Market Market	\$1,053 \$1,081 \$1,318	N/A N/A N/A	No No No	1 4 6	N/A N/A 17.1%
						<b>252</b>	<b>13.9%</b>						<b>11</b>	<b>4.4%</b>

**HAVENWOOD GROVE – LOCUST GROVE, GEORGIA – MARKET STUDY**

<b>RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.</b>				
	Units Surveyed:	1,207	Weighted Occupancy:	96.4%
	Market Rate	1,120	Market Rate	88.9%
	Tax Credit	355	Tax Credit	98.3%
<b>One-Bedroom One Bath</b>		<b>Two-Bedroom One Bath</b>		
<b>RENT</b>	<b>Property</b>	<b>Average</b>	<b>Property</b>	<b>Average</b>
	Springs At Mcdonough (Market)	\$1,223	Springs At Mcdonough (Market)(2BA)	\$1,445
	The Crossing At Mcdonough (Market)	\$1,053	Eagle's Brooke (Market)(2BA)	\$1,216
	Amber Chase Apartments (Market)	\$1,007	Amber Chase Apartments (Market)(2BA)	\$1,215
	Eagle's Brooke (Market)	\$968	Amber Chase Apartments (Market)	\$1,185
	Heritage At Mcdonough (@60%)	\$726	The Crossing At Mcdonough (Market)(2BA)	\$1,081
	Grier Senior Manor (Market)	\$718	Amber Chase Apartments (Market)(2BA)	\$1,065
	Grier Senior Manor (@54%)	\$656	Shoal Creek Manor (@60%)(2BA)	\$867
	Red Oak Village (@60%)	\$608	Heritage At Mcdonough (@60%)(2BA)	\$863
	Grier Senior Manor (@50%)	\$604	Grier Senior Manor (Market)(2BA)	\$836
	Heritage At Mcdonough (@50%)	\$596	Grier Senior Manor (@54%)(2BA)	\$751
	<b>Havenwood Grove (@60%)</b>	<b>\$535</b>	Red Oak Village (@60%)	\$741
	Red Oak Village (@50%)	\$518	Shoal Creek Manor (@50%)(2BA)	\$710
	<b>Havenwood Grove (@50%)</b>	<b>\$450</b>	Heritage At Mcdonough (@50%)(2BA)	\$707
	Grier Senior Manor (@30%)	\$351	Grier Senior Manor (@50%)(2BA)	\$689
			Red Oak Village (@50%)	\$616
			Hampton Court (@50%)(2BA)	\$581
			Hampton Court (@60%)(2BA)	\$581
			<b>Havenwood Grove (@60%)</b>	<b>\$575</b>
			<b>Havenwood Grove (@50%)</b>	<b>\$565</b>
			Grier Senior Manor (@30%)(2BA)	\$384
<b>SQUARE FOOTAGE</b>	Eagle's Brooke (Market)	955	Eagle's Brooke (Market)(2BA)	1,265
	The Crossing At Mcdonough (Market)	908	Amber Chase Apartments (Market)(2BA)	1,223
	Springs At Mcdonough (Market)	854	Hampton Court (@60%)(2BA)	1,200
	Amber Chase Apartments (Market)	800	Hampton Court (@50%)(2BA)	1,200
	Red Oak Village (@50%)	750	Amber Chase Apartments (Market)(2BA)	1,157
	Red Oak Village (@60%)	750	Springs At Mcdonough (Market)(2BA)	1,156
	Heritage At Mcdonough (@50%)	722	The Crossing At Mcdonough (Market)(2BA)	1,152
	Heritage At Mcdonough (@60%)	722	Amber Chase Apartments (Market)	1,117
	<b>Havenwood Grove (@50%)</b>	<b>690</b>	Heritage At Mcdonough (@50%)(2BA)	1,103
	<b>Havenwood Grove (@60%)</b>	<b>690</b>	Heritage At Mcdonough (@60%)(2BA)	1,103
	Grier Senior Manor (@30%)	657	Shoal Creek Manor (@50%)(2BA)	1,008
	Grier Senior Manor (@54%)	657	Shoal Creek Manor (@60%)(2BA)	1,008
	Grier Senior Manor (@50%)	657	Red Oak Village (@50%)	950
	Grier Senior Manor (Market)	657	Red Oak Village (@60%)	950
			Grier Senior Manor (@30%)(2BA)	900
			Grier Senior Manor (@54%)(2BA)	900
			Grier Senior Manor (@50%)(2BA)	900
			Grier Senior Manor (Market)(2BA)	900
			<b>Havenwood Grove (@50%)</b>	<b>880</b>
			<b>Havenwood Grove (@60%)</b>	<b>880</b>
<b>RENT PER SQUARE FOOT</b>	Springs At Mcdonough (Market)	\$1.43	Springs At Mcdonough (Market)(2BA)	\$1.25
	Amber Chase Apartments (Market)	\$1.26	Amber Chase Apartments (Market)	\$1.06
	The Crossing At Mcdonough (Market)	\$1.16	Amber Chase Apartments (Market)(2BA)	\$1.05
	Grier Senior Manor (Market)	\$1.09	Eagle's Brooke (Market)(2BA)	\$0.96
	Eagle's Brooke (Market)	\$1.01	The Crossing At Mcdonough (Market)(2BA)	\$0.94
	Heritage At Mcdonough (@60%)	\$1.01	Grier Senior Manor (Market)(2BA)	\$0.93
	Grier Senior Manor (@54%)	\$1.00	Amber Chase Apartments (Market)(2BA)	\$0.87
	Grier Senior Manor (@50%)	\$0.92	Shoal Creek Manor (@60%)(2BA)	\$0.86
	Heritage At Mcdonough (@50%)	\$0.83	Grier Senior Manor (@54%)(2BA)	\$0.83
	Red Oak Village (@60%)	\$0.81	Heritage At Mcdonough (@60%)(2BA)	\$0.78
	<b>Havenwood Grove (@60%)</b>	<b>\$0.78</b>	Red Oak Village (@60%)	\$0.78
	Red Oak Village (@50%)	\$0.69	Grier Senior Manor (@50%)(2BA)	\$0.77
	<b>Havenwood Grove (@50%)</b>	<b>\$0.65</b>	Shoal Creek Manor (@50%)(2BA)	\$0.70
	Grier Senior Manor (@30%)	\$0.53	<b>Havenwood Grove (@60%)</b>	<b>\$0.65</b>
			Red Oak Village (@50%)	\$0.65
			<b>Havenwood Grove (@50%)</b>	<b>\$0.64</b>
			Heritage At Mcdonough (@50%)(2BA)	\$0.64
			Hampton Court (@50%)(2BA)	\$0.48
			Hampton Court (@60%)(2BA)	\$0.48
			Grier Senior Manor (@30%)(2BA)	\$0.43

# PROPERTY PROFILE REPORT

## Grier Senior Manor

Effective Rent Date	4/13/2018
Location	391 Old Griffin Rd Mcdonough, GA 30253 Henry County
Distance	N/A
Units	64
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (2 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None
Tenant Characteristics	Seniors 55+; 20 percent previous homeowners; average age is 68; almost all are retired
Contact Name	Miriam
Phone	770.288.2311



### Market Information

Program	@30%, @50%, @54%, Market
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased up to 8%
Concession	None
Waiting List	15 households

### 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	Lowrise (2 stories)	3	657	\$308	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Lowrise (2 stories)	16	657	\$561	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (2 stories)	5	657	\$613	\$0	@54%	Yes	0	0.0%	yes	None
1	1	Lowrise (2 stories)	8	657	\$675	\$0	Market	No	0	0.0%	N/A	None
2	2	Lowrise (2 stories)	3	900	\$333	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Lowrise (2 stories)	16	900	\$638	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Lowrise (2 stories)	5	900	\$700	\$0	@54%	Yes	0	0.0%	yes	None
2	2	Lowrise (2 stories)	8	900	\$785	\$0	Market	No	0	0.0%	N/A	None





Comments

Management indicated that there is a significant need for additional senior LIHTC units in the local market and reported there are currently approximately 800 households on the waiting list. The contact reported achieving maximum allowable rents at 50 percent AMI. The contact was unable to comment on why the 60 percent AMI units are equal to the 50 percent AMI units.

Photos



# PROPERTY PROFILE REPORT

## Heritage At Mcdonough

Effective Rent Date	4/11/2018
Location	180 Bridges Rd Mcdonough, GA 30253 Henry County
Distance	N/A
Units	105
Vacant Units	4
Vacancy Rate	3.8%
Type	Lowrise (age-restricted)
Year Built/Renovated	2011 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	55 and over restricted, Average age of 72; 90% are retired; coming from Metro Atlanta as well as out of state
Contact Name	Fayana
Phone	678-604-8322



### Market Information

Program	@50%, @60%
Annual Turnover Rate	23%
Units/Month Absorbed	18
HCV Tenants	10%
Leasing Pace	Pre-leased - 2 weeks
Annual Chg. in Rent	Remained the same
Concession	None
Waiting List	Ten households

### 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	Lowrise	N/A	722	\$596	\$0	@50%	Yes	0	N/A	yes	None
1	1	Lowrise	N/A	722	\$726	\$0	@60%	Yes	2	N/A	yes	None
2	2	Lowrise	N/A	1,103	\$707	\$0	@50%	Yes	0	N/A	yes	None
2	2	Lowrise	N/A	1,103	\$863	\$0	@60%	Yes	2	N/A	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	\$596	\$0	\$596	\$0	\$596	1BR / 1BA	\$726	\$0	\$726	\$0	\$726
2BR / 2BA	\$707	\$0	\$707	\$0	\$707	2BR / 2BA	\$863	\$0	\$863	\$0	\$863

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C		
Exterior Storage	Ceiling Fan		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Basketball Court	Business Center/Computer Lab	Hairdresser / Barber	ballroom, gardens
Clubhouse/Meeting Room/Community	Elevators		
Exercise Facility	Off-Street Parking		
On-Site Management	Recreation Areas		
Swimming Pool	Wi-Fi		

Comments

Management reported that the local LIHTC housing market is strong and that there is a need for additional units targeting seniors within Henry County. Management reported that tenants are coming from within the Metro Atlanta areas as well as out of state. The contact stated there are currently ten households on the waiting list.

Photos



# PROPERTY PROFILE REPORT

## Red Oak Village

Effective Rent Date	4/11/2018
Location	770 Rock Quarry Road Stockbridge, GA 30281 Henry County
Distance	N/A
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted)
Year Built/Renovated	2017 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Rachel
Phone	770-507-3440



### Market Information

Program	@50%, @60%
Annual Turnover Rate	0%
Units/Month Absorbed	30
HCV Tenants	2%
Leasing Pace	Pre-leased
Annual Chg. in Rent	N/A
Concession	N/A
Waiting List	300 households

### 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	Lowrise	4	750	\$475	\$0	@50%	Yes	N/A	N/A	no	None
1	1	Lowrise	16	750	\$565	\$0	@60%	Yes	N/A	N/A	no	None
2	1	Lowrise	9	950	\$565	\$0	@50%	Yes	N/A	N/A	no	None
2	1	Lowrise	31	950	\$690	\$0	@60%	Yes	N/A	N/A	no	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	\$475	\$0	\$475	\$43	\$518	1BR / 1BA	\$565	\$0	\$565	\$43	\$608
2BR / 1BA	\$565	\$0	\$565	\$51	\$616	2BR / 1BA	\$690	\$0	\$690	\$51	\$741

## Red Oak Village, continued

### Amenities

In-Unit		Security	Services
Blinds	Carpeting	Perimeter Fencing	None
Central A/C	Dishwasher		
Garbage Disposal	Hand Rails		
Microwave	Oven		
Pull Cords	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	walking path, community gardens
Elevators	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Recreation Areas	Swimming Pool		

### Comments

Red Oak Village was awarded LIHTC equity in 2015 for the new construction of 60 senior units in Stockbridge, Georgia. According to the contact, it took two months to reach stabilization, which reflects an absorption rate of 30 units per month. The contact reported strong demand for senior affordable housing in Henry County and reported a waiting list that consists of 300 households.

Photos



# PROPERTY PROFILE REPORT

## Shoal Creek Manor

Effective Rent Date	4/10/2018
Location	120 LG Griffin Road Locust Grove, GA 30248 Henry County
Distance	N/A
Units	66
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Restricted to 55+, 60% previous homeowners; majority are retired; many have moved from out of state to be closer to family
Contact Name	Asia
Phone	678-759-1313



### Market Information

Program	@50%, @60%
Annual Turnover Rate	11%
Units/Month Absorbed	N/A
HCV Tenants	6%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	Ten households

### 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	Midrise (4 stories)	14	1,008	\$659	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	52	1,008	\$816	\$0	@60%	Yes	0	0.0%	yes	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$659	\$0	\$659	\$51	\$710	2BR / 2BA	\$816	\$0	\$816	\$51	\$867

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Washer/Dryer hookup		
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Library, garden
Elevators	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management			

Comments

The contact reported strong demand for affordable senior housing in Locust Grove. This property currently maintains a waiting list that consists of ten households. The contact stated she believed the property has no major competitors as their rents offer a considerable advantage over market rate properties in the area. Rents have increased slightly in order to be kept at maximum allowable levels since we previously interviewed this property in April 2017.

Photos



# PROPERTY PROFILE REPORT

## Amber Chase Apartments

Effective Rent Date	4/11/2018
Location	570 McDonough Parkway McDonough, GA 30253 Henry County
Distance	N/A
Units	352
Vacant Units	11
Vacancy Rate	3.1%
Type	Garden (2 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Crossing at McDonough, Carrington
Tenant Characteristics	Mostly families from the local area, Atlanta
Contact Name	Rick
Phone	678.432.0087



### Market Information

Program	Market
Annual Turnover Rate	34%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased up to 4%
Concession	\$0
Waiting List	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 (2 stories)	N/A	800	\$949	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (2 stories)	N/A	1,117	\$1,119	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,157	\$1,149	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,223	\$999	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,332	\$1,199	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$949	\$0	\$949	\$58	\$1,007
2BR / 1BA	\$1,119	\$0	\$1,119	\$66	\$1,185
2BR / 2BA	\$999 - \$1,149	\$0	\$999 - \$1,149	\$66	\$1,065 - \$1,215
3BR / 2BA	\$1,199	\$0	\$1,199	\$78	\$1,277

## Amber Chase Apartments, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher	Perimeter Fencing	
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	View	None
Exercise Facility	Garage		
Jacuzzi	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Tennis Court		
Theatre	Volleyball Court		

### Comments

This property does not accept Housing Choice Vouchers. The contact stated they are currently at 97% occupancy, though he could not provide a breakdown of vacant units by floorplan.

Photos



# PROPERTY PROFILE REPORT

## Eagle's Brooke

Effective Rent Date	4/11/2018
Location	100 Malaga Way Locust Grove, GA 30248 Henry County
Distance	N/A
Units	248
Vacant Units	16
Vacancy Rate	6.5%
Type	Garden (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Friendly Summit
Tenant Characteristics	Mixed tenancy, less than 20% seniors, from the area
Contact Name	Jessica
Phone	770-648-2385



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Increased up to 7%
Annual Chg. in Rent	decreased 4% - increased 7%
Concession	N/A
Waiting List	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)	120	955	\$910	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	104	1,265	\$1,150	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	24	1,519	\$1,450	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$910	\$0	\$910	\$58	\$968
2BR / 2BA	\$1,150	\$0	\$1,150	\$66	\$1,216
3BR / 2BA	\$1,450	\$0	\$1,450	\$78	\$1,528

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	In-Unit Alarm	None
Central A/C	Dishwasher	Perimeter Fencing	
Ceiling Fan	Fireplace		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Courtyard	Exercise Facility		
Off-Street Parking	Swimming Pool		
Wi-Fi			

Comments

This property does not accept Housing Choice Vouchers. The contact was not able to comment on the turnover rate this property typically experiences or provide a breakdown of vacant units by floorplan. According to the contact, typical occupancy ranges from 96 to 98 percent, although she could not provide an explanation for the slightly elevated vacancy rate at the property.

# PROPERTY PROFILE REPORT

## Springs At Mcdonough

Effective Rent Date	4/16/2018
Location	325 South Point Boulevard Mcdonough, GA 30253 Henry County
Distance	N/A
Units	268
Vacant Units	86
Vacancy Rate	32.1%
Type	Garden (2 stories)
Year Built/Renovated	2017 / N/A
Marketing Began	5/01/2017
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Tiffany
Phone	770-884-6888



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	17
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	N/A
Waiting List	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
0	1	Garden (2 stories)	38	551	\$957	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	88	854	\$1,165	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	110	1,156	\$1,379	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	32	1,382	\$1,500	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$957	\$0	\$957	\$51	\$1,008
1BR / 1BA	\$1,165	\$0	\$1,165	\$58	\$1,223
2BR / 2BA	\$1,379	\$0	\$1,379	\$66	\$1,445
3BR / 2BA	\$1,500	\$0	\$1,500	\$78	\$1,578

## Springs At Mcdonough, continued

### Amenities

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

### Comments

This property does not accept Housing Choice Vouchers. The contact stated this property utilizes a daily pricing model and rents fluctuate often. Leasing began in May 2017 and the property is currently 68 percent occupied, which reflects an absorption rate of 17 units per month. Individual garages are available for rent for \$120 per month, although the contact could not provide a utilization rate.

Photos



# PROPERTY PROFILE REPORT

## The Crossing At Mcdonough

Effective Rent Date	4/11/2018
Location	100 Crossing Boulevard Mcdonough, GA 30253 Henry County
Distance	N/A
Units	252
Vacant Units	11
Vacancy Rate	4.4%
Type	Garden (3 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Carrington Green, Crescent Creek, Oxford Creek
Tenant Characteristics	Mixed tenancy from the area
Contact Name	Tiffany
Phone	770.692.1630



### Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	22
HCV Tenants	0%
Leasing Pace	One to three weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	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	908	\$995	\$0	Market	No	1	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,152	\$1,015	\$0	Market	No	4	N/A	N/A	None
3	2	Garden (3 stories)	35	1,390	\$1,240	\$0	Market	No	6	17.1%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$995	\$0	\$995	\$58	\$1,053
2BR / 2BA	\$1,015	\$0	\$1,015	\$66	\$1,081
3BR / 2BA	\$1,240	\$0	\$1,240	\$78	\$1,318

## The Crossing At Mcdonough, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Cable/Satellite/Internet	Carpeting	Perimeter Fencing	
Central A/C	Coat Closet	Video Surveillance	
Dishwasher	Exterior Storage		
Ceiling Fan	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Exercise Facility	Garage		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Tennis Court			

### Comments

This property does not accept Housing Choice Vouchers. The contact reported typical occupancy of around 96 percent throughout the past year.

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

**Housing Choice Vouchers**

We made numerous attempts to speak with the Georgia Department of Community Affairs regarding the Housing Choice Voucher program in Henry County. As of the date of this report, our calls have not been returned. However, we spoke with a representative from the Georgia Department of Community Affairs in May 2016 regarding the Section 8 program in Henry County and in the State of Georgia. The representative informed us that the Georgia Department of Community Affairs has jurisdiction over 149 of Georgia’s 159 counties including Henry County and that there was a waiting list for Section 8 applicants in all regions and that the waiting list was closed. We also utilized the Georgia Department of Community Affairs website and learned the waiting list in Henry County is currently closed. The following table illustrates voucher usage at the comparables.

**TENANTS WITH VOUCHERS**

Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Grier Senior Manor	LIHTC/ Market	Senior	2%
Hampton Court	LIHTC	Senior	5%
Heritage At Mcdonough	LIHTC	Senior	10%
Red Oak Village	LIHTC	Senior	2%
Shoal Creek Manor	LIHTC	Senior	6%
Amber Chase Apartments	Market	Family	0%
Eagle's Brooke	Market	Family	0%
Springs At Mcdonough	Market	Family	0%
The Crossing At Mcdonough	Market	Family	0%

Housing Choice Voucher usage in this market ranges from zero to 10 percent. The LIHTC properties have a low reliance on tenants with vouchers. Thus, it appears that the Subject will not need to rely on voucher residents in order to maintain high occupancy level. We believe the Subject would maintain a voucher usage of approximately five percent.

**Lease Up History**

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

**ABSORPTION**

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Red Oak Village	LIHTC	Senior	2017	60	30
Hampton Court	LIHTC	Senior	2014	60	20
Heritage At Mcdonough	LIHTC	Senior	2011	105	18

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Red Oak Village is the most recently completed property we surveyed. This project opened in 2017 and averaged an absorption rate of 30 units per month, for a total absorption period of two months, a good absorption rate for a LIHTC development. Overall, the comparables averaged an absorption rate of 22 units per month. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Locust Grove, we anticipate that the Subject will absorb 25 units per month, for an absorption period of two to three months.

**Phased Developments**

The Subject is not part of a multi-phase development.

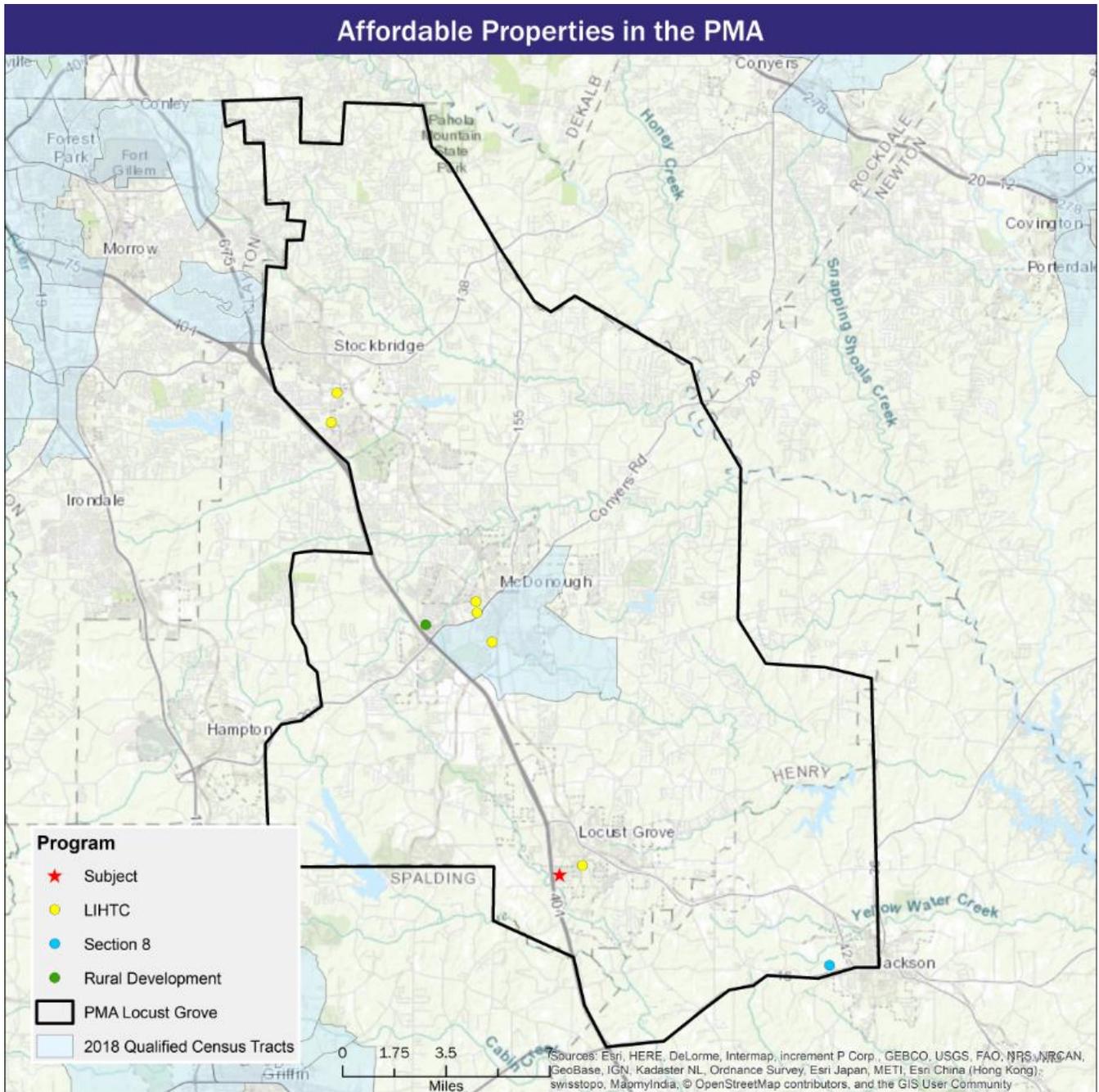
**Rural Areas**

The Subject is not located in a rural area.

**3. Competitive Project Map**

**COMPETITIVE PROJECTS**

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Map Color
<b>Havenwood Grove</b>	<b>LIHTC/Market</b>	<b>Locust Grove</b>	<b>Senior</b>	<b>56</b>	<b>N/A</b>	<b>Star</b>
Ashley Woods Apartments	LIHTC	Stockbridge	Family	128	100.0%	
Heritage At Mcdonough	LIHTC	Mcdonough	Senior	105	96.2%	
Red Oak Village	LIHTC	Stockbridge	Senior	60	100.0%	
Sable Chase Apartments	LIHTC	Mcdonough	Family	225	89.4%	
Shoal Creek Manor	LIHTC	Locust Grove	Senior	66	100.0%	
Grier Senior Manor	LIHTC/Market	Mcdonough	Senior	64	100.0%	
Brookshire Apartments	Rural Development	Mcdonough	Family	46	100.0%	
Magnolia Grove	Section 8	Jackson	Senior	33	100.0%	



#### 4. Amenities

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

HAVENWOOD GROVE – LOCUST GROVE, GEORGIA – MARKET STUDY

AMENITY MATRIX

	Subject	Grier Senior Manor	Hampton Court	Heritage At Mcdonough	Red Oak Village	Shoal Creek Manor	Amber Chase	Eagle's Brooke	Springs At Mcdonough	The Crossing At Mcdonough
<b>Rent Structure</b>	LIHTC Senior	LIHTC/Senior	LIHTC Senior	LIHTC Senior	LIHTC Senior	LIHTC Senior	Market Family	Market Family	Market Family	Market Family
<b>Building</b>										
<b>Property Type</b>	Lowrise	Lowrise	Garden	Garden	Lowrise	Midrise	Garden	Garden	Garden	Garden
<b># of Stories</b>	3–stories	2–stories	2–stories	3–stories	3–stories	4–stories	2–stories	3–stories	2–stories	3–stories
<b>Year Built</b>	Proposed	2005	2014	2011	2017	2011	1999	2009	2017	2004
<b>Year Renovated</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Elevators</b>	yes	yes	yes	yes	yes	yes	no	no	no	no
<b>Courtyard</b>	no	yes	no	no	no	no	no	yes	no	no
<b>Utility Structure</b>										
<b>Cooking</b>	no	no	no	no	no	no	no	no	no	no
<b>Water Heat</b>	no	no	no	no	no	no	no	no	no	no
<b>Heat</b>	no	no	no	no	no	no	no	no	no	no
<b>Other Electric</b>	no	no	no	no	no	no	no	no	no	no
<b>Water</b>	yes	no	no	yes	no	no	no	no	no	no
<b>Sewer</b>	yes	no	no	yes	no	no	no	no	no	no
<b>Trash</b>	yes	yes	yes	yes	yes	yes	no	no	no	no
<b>Accessibility</b>										
<b>Hand Rails</b>	yes	yes	yes	no	yes	no	no	no	no	no
<b>Pull Cords</b>	no	yes	yes	no	yes	no	no	no	no	no
<b>Unit Amenities</b>										
<b>Balcony/Patio</b>	no	yes	yes	yes	no	yes	yes	yes	yes	yes
<b>Blinds</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Carpeting</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Hardwood</b>	no	no	no	no	no	no	no	yes	no	no
<b>Central A/C</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Ceiling Fan</b>	yes	no	no	yes	no	yes	no	yes	yes	yes
<b>Coat Closet</b>	no	yes	yes	no	yes	yes	yes	yes	yes	yes
<b>Exterior Storage</b>	no	no	no	yes	no	no	yes	no	no	yes
<b>Fireplace</b>	no	no	no	no	no	no	no	yes	no	yes
<b>Vaulted Ceilings</b>	no	no	no	no	no	no	no	yes	no	yes
<b>Walk-In Closet</b>	no	no	yes	yes	no	no	yes	yes	yes	no
<b>Washer/Dryer</b>	no	no	no	no	no	no	no	yes	yes	no
<b>W/D Hookup</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Kitchen</b>										
<b>Dishwasher</b>	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Disposal</b>	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
<b>Microwave</b>	yes	no	yes	no	yes	yes	no	yes	no	yes
<b>Oven</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Refrigerator</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Community</b>										
<b>Business Center</b>	no	yes	yes	yes	yes	yes	no	yes	no	yes
<b>Community Room</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Central Laundry</b>	yes	yes	yes	yes	yes	yes	yes	no	no	yes
<b>On-Site Mgmt</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Concierge</b>	no	no	no	no	no	no	no	yes	no	no
<b>Recreation</b>										
<b>Basketball Court</b>	no	no	no	yes	no	no	no	no	no	no
<b>Exercise Facility</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Playground</b>	no	no	no	no	no	no	yes	no	no	yes
<b>Swimming Pool</b>	no	no	no	yes	yes	no	yes	yes	yes	yes
<b>Picnic Area</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Tennis Court</b>	no	no	no	no	no	no	yes	no	no	yes
<b>Jacuzzi</b>	no	no	no	no	no	no	yes	no	no	no
<b>Hot Tub</b>	no	no	no	no	no	no	yes	no	no	no
<b>Theatre</b>	no	no	no	no	no	no	yes	no	no	no
<b>Recreational Area</b>	no	yes	yes	yes	yes	yes	yes	no	no	yes
<b>Volleyball Court</b>	no	no	no	no	no	no	yes	no	no	no
<b>WiFi</b>	no	no	no	yes	no	no	no	yes	no	no
<b>Hairdresser/Barber</b>	no	no	no	yes	no	no	no	no	no	no
<b>Security</b>										
<b>Intercom (Phone)</b>	no	no	no	no	no	yes	no	no	no	no
<b>Limited Access</b>	yes	yes	no	yes	no	yes	yes	yes	yes	yes
<b>Perimeter Fencing</b>	no	yes	yes	yes	yes	no	yes	yes	no	yes
<b>Video Surveillance</b>	no	no	no	no	no	no	no	no	no	yes
<b>Parking</b>										
<b>Garage</b>	no	no	no	no	no	no	yes	no	yes	yes
<b>Garage Fee</b>	n/a	n/a	n/a	n/a	n/a	n/a	\$75	n/a	\$120	\$75
<b>Off-Street Parking</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Several of the comparable properties offer balcony/patios, pull cords, and exterior storage, which the Subject will not offer. However, the proposed Subject will offer ceiling fans, garbage disposals, and microwaves, which

several of the comparable properties lack. The Subject will offer generally similar to slightly inferior in-unit amenities in comparison to the LIHTC comparable properties. Several of the comparable properties will offer business centers, swimming pools, and recreational areas, which the Subject will not offer. However, the Subject will offer a putting green, craft room, library, and picnic area, which several of the comparable properties lack and are amenities that seniors desire. Overall, the Subject will offer generally similar to slightly inferior community amenities compared to the LIHTC comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

## 5. Comparable Tenancy

The Subject will target seniors age 55 and older. All of the comparable LIHTC properties also target senior households. The remaining four market rate comparables target family households.

## 6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Grier Senior Manor	LIHTC/ Market	Senior	64	0	0.0%
Hampton Court*	LIHTC	Senior	60	2	3.3%
Heritage At McDonough	LIHTC	Senior	105	4	3.8%
Red Oak Village	LIHTC	Senior	60	0	0.0%
Shoal Creek Manor	LIHTC	Senior	66	0	0.0%
Amber Chase Apartments	Market	Family	352	11	3.1%
Eagle's Brooke	Market	Family	248	16	6.5%
Springs At McDonough**	Market	Family	268	86	32.1%
The Crossing At McDonough	Market	Family	252	11	4.4%
<b>Total LIHTC</b>			<b>355</b>	<b>6</b>	<b>1.7%</b>
<b>Total Market Rate</b>			<b>1,120</b>	<b>124</b>	<b>11.1%</b>
<b>Total Market Rate (Stabilized)</b>			<b>852</b>	<b>38</b>	<b>4.5%</b>
<b>Overall Total</b>			<b>1,531</b>	<b>130</b>	<b>8.5%</b>
<b>Overall (Stabilized)</b>			<b>1,207</b>	<b>44</b>	<b>3.6%</b>

\*This property is located outside the PMA

\*\*This property is in its initial lease-up phase

Overall vacancy among stabilized comparables in the market is low at 3.6 percent. Total LIHTC vacancy is lower, at 1.7 percent. Three of the senior LIHTC comparables reported full occupancy. Additionally, these comparables reported waiting lists ranging from ten to 300 households. The remaining LIHTC comparables, Hampton Court and Heritage At McDonough, reported vacancy rates at 3.3 and 3.8 percent, respectively. The contact at Hampton Court reported that the property currently maintains an extensive waiting list that consists of 800 households and they are currently processing the vacant units from their waiting list. The contact at Heritage At McDonough stated the property maintains a waiting list that consists of ten households. The low vacancy rates and presence of waiting list among the LIHTC comparables indicates strong demand for senior affordable housing in the area.

Springs At McDonough began leasing in May 2017 and is currently in its initial lease-up phase. Springs At McDonough is demonstrating an absorption rate of 17 units per month, indicating strong demand for conventional housing in the area. Excluding Springs At McDonough, vacancy rates among the market-rate comparable properties range from 3.1 to 6.5 percent, averaging 4.5 percent, which is considered moderate. Eagle's Brook reports a vacancy rate of 6.5 percent. The contact at Eagle's Brooke reported a typical occupancy of 96 to 98 percent, though she could not provide an explanation for the properties slightly elevated vacancy at the moment. The low to moderate vacancy rates among the other market-rate

comparable properties indicates that there is demand for conventional rental housing in the Subject’s PMA. As a newly constructed senior LIHTC property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less.

**7. Properties Under Construction and Proposed**

We contacted Mr. Bert Foster with the Henry County Planning and Zoning Department regarding any developments currently planned, proposed, or under construction in the Subject’s PMA. Mr. Foster directed us to call the Building and Plan Review Department in order to learn about any permits that have been placed for new developments. However, as of the date of this report, the Building and Plan Review Department has not returned our calls. Therefore, we conducted additional online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and a CoStar new construction report. According to our research, there are no multifamily developments currently planned, proposed, or under construction in the Subject’s 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	Program	Tenancy	Property Amenities	Unit Features	Location	Age / Condition	Unit Sizes	Overall Comparison
1	Grier Senior Manor	LIHTC/ Market	Senior	Similar	Slightly Superior	Similar	Inferior	Slightly Inferior	-10
2	Hampton Court	LIHTC	Senior	Similar	Slightly Superior	Similar	Slightly Inferior	Superior	10
3	Heritage At Mcdonough	LIHTC	Senior	Slightly Superior	Similar	Similar	Slightly Inferior	Slightly Superior	5
4	Red Oak Village	LIHTC	Senior	Slightly Superior	Slightly Superior	Slightly Inferior	Similar	Similar	5
5	Shoal Creek Manor	LIHTC	Senior	Similar	Slightly Superior	Similar	Slightly Inferior	Slightly Superior	5
6	Amber Chase Apartments	Market	Family	Superior	Superior	Similar	Inferior	Superior	20
7	Eagle's Brooke	Market	Family	Superior	Superior	Similar	Slightly Inferior	Superior	25
8	Springs At Mcdonough	Market	Family	Slightly Superior	Superior	Similar	Similar	Superior	25
9	The Crossing At Mcdonough	Market	Family	Superior	Superior	Similar	Slightly Inferior	Superior	25

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

The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following table.

**LIHTC RENT COMPARISON @50%**

Property Name	Tenancy	1BR	2BR
Havenwood Grove	Senior	\$450	\$565
2017 LIHTC Maximum Rent (Net)		\$593	\$708
LIHTC Maximum Rent (Net) - Held Harmless		\$633	\$755
Hampton Court	Senior	-	\$581
Heritage At McDonough	Senior	\$596	\$707
Red Oak Village	Senior	\$518	\$616
Shoal Creek Manor	Senior	-	\$710
Grier Senior Manor	Senior	\$604	\$689
<b>Average (excluding Subject)</b>		<b>\$573</b>	<b>\$661</b>

**LIHTC RENT COMPARISON @60%**

Property Name	Tenancy	1BR	2BR
Havenwood Grove	Senior	\$535	\$575
2017 LIHTC Maximum Rent (Net)		\$724	\$865
LIHTC Maximum Rent (Net) - Held Harmless		\$772	\$922
Hampton Court	Senior	-	\$581
Heritage At McDonough	Senior	\$726	\$863
Red Oak Village	Senior	\$608	\$741
Shoal Creek Manor	Senior	-	\$867
<b>Average (excluding Subject)</b>		<b>\$667</b>	<b>\$763</b>

The comparable LIHTC properties were built in between 2005 and 2017. The AMI in Henry County reached its peak in 2010. Grier Senior Manor is the only comparable built prior to 2010 and is therefore “held harmless” to a higher maximum allowable rent than the Subject. In 2017, the AMI in Henry County reached its highest levels since 2010. The remaining LIHTC comparables were built between 2011 and 2017 and will therefore operate with the same maximum allowable income and rent limits as the Subject’s proposed income and rent limits. Per the Georgia DCA 2017 guidelines, the market study analyst must use the maximum rent and income limits effective as of January 1, 2017. Therefore, we utilize the 2017 maximum income and rent limits.

Grier Senior Manor, Heritage At McDonough, and Shoal Creek Manor reported achieving maximum allowable levels at 50 and 60 percent AMI. These properties report low vacancy and maintain waiting lists that range from ten to 800 households, indicating that maximum allowable rents are sustainable in the market.

Shoal Creek Manor is the most similar LIHTC property when compared to the Subject. It is located 0.7 miles east of the Subject in a similar location. Shoal Creek Manor was built in 2011 and exhibits good condition, which is considered slightly inferior to the Subject’s anticipated excellent condition upon completion. Shoal Creek Manor is considered similar to the Subject with respect to community amenities and slightly superior in terms of in-unit amenities as it offers balconies/patios and dishwashers, which the Subject will not offer. This property offers similar unit sizes when compared to the Subject. Overall, Shoal Creek Manor is considered similar to the Subject. Shoal Creek Manor is currently achieving maximum allowable rents on its two-bedroom units at 50 and 60 percent AMI. Further, the property is currently fully-occupied and maintains a waiting list that consists of ten households, indicating that their rents are achievable in the market. The Subject’s two-bedroom rents at 50 and 60 percent AMI are below those currently being achieved at Shoal Creek Manor. Given the Subject’s anticipated superior condition upon completion, we believe the Subject’s proposed rents are achievable, with upward potential.

Red Oak Village is located 14.9 miles north of the Subject in Stockbridge, which is considered a slightly inferior location with respect to gross median rents. Red Oak Village was built in 2017 and exhibits excellent condition, which is considered similar to the Subject’s anticipated excellent condition upon completion. Red Oak Village is considered similar to the Subject with respect to community amenities as it offers a business center, swimming pool, and recreational areas, which the Subject will not offer, though it lacks a putting green, craft room, and library, which the Subject will offer. This property is considered slightly superior with respect to in-unit amenities as it offers pull cords and dishwashers, which the Subject will not offer. This property offers similar unit sizes when compared to the Subject. Overall, Red Oak Village is considered similar to the Subject. The property is currently fully-occupied and maintains an extensive waiting list 300 households in length, indicating strong demand for senior affordable housing in in the market. The contact at Red Oak Village reported achieving maximum allowable rents, though it appears to be achieving rents below max. The Subject’s one and two-bedroom rents at 50 and 60 percent AMI present rent advantages over the rents currently being achieved at Red Oak Village. Given the Subject’s similar condition upon completion, we believe the Subject’s proposed rents are achievable, with upward potential. The Subject’s LIHTC rents are also supported by the remaining comparable properties.

Three of the five senior LIHTC properties report achieving the maximum allowable LIHTC net rents for one and two-bedroom units restricted to 50 and 60 percent of the AMI. The LIHTC comparables report vacancy rates ranging from zero to 3.8 percent, with a weighted average of 1.7 percent, which is considered low. Further, all of the LIHTC comparables report maintaining waiting lists, which range from ten to 800 households. We believe the low vacancy rate and existence of waiting lists at the comparable properties demonstrates senior housing in the market. We believe the Subject’s LIHTC rents are feasible as proposed, with upward potential.

**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 MARKET RENTS**

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$450	\$518	\$1,223	\$789	75%
2 BR @ 50%	\$565	\$581	\$1,445	\$891	58%
1 BR @ 60%	\$535	\$608	\$1,223	\$900	68%
2 BR @ 60%	\$575	\$581	\$1,445	\$1,009	75%

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market-rate. All of the Subject’s proposed LIHTC rents are below the surveyed range of comparable LIHTC and market rents.

Springs At McDonough is achieving the highest one and two-bedroom unrestricted rents in the market. The Subject will be inferior to Springs At McDonough. Springs At McDonough was built in 2017 and exhibits excellent condition, which is considered similar to the Subject’s anticipated excellent condition upon completion. Springs At McDonough is located 7.4 miles from the Subject site and offers a similar location. Springs At McDonough offers slightly superior community amenities when compared to the Subject as it offers a swimming pool and garage parking, which the Subject will not offer, though it lacks a putting green, craft room, and library, which the Subject will offer. Springs At McDonough will offer superior in-unit amenities compared to the Subject, as it offers balconies/patios, walk-in closets, and in-unit washer/dryers, which the Subject will not offer. Springs At McDonough offers superior unit sizes to those planned for the Subject. Springs At McDonough is achieving market rents 129 to 151 percent higher than the proposed 60 percent LIHTC units at the Subject. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

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

Capture rates for the Subject are considered low to moderate for all bedroom types and AMI levels. If allocated, the Subject will be slightly inferior to slightly superior to the existing LIHTC housing stock. The average LIHTC vacancy rate is healthy at 1.7 percent. Three of the senior LIHTC comparables reported full occupancy. Additionally, all of the LIHTC comparables reported waiting lists ranging from ten to 300 households. Two of the LIHTC comparables, Hampton Court and Heritage At McDonough, reported vacancy rates at 3.3 and 3.8 percent, respectively. The contact at Hampton Court reported that the property currently maintains an extensive waiting list that consists of 800 households and they are currently processing the vacant units from their waiting list. The contact at Heritage At McDonough stated the property maintains a waiting list that consists of ten households.

One property was allocated since 2014 in the Subject’s PMA. Red Oak Village was awarded tax credits in 2015 for the development of 60 LIHTC units targeting seniors. Construction was completed in 2017 at 770 Rock Quarry Road in Stockbridge, Georgia. The property reached stabilization within two months, which reflects an absorption rate of 30 units per month. The contact at Red Oak Village stated the property maintains a waiting list that consists of 300 households, demonstrating strong demand for affordable senior housing in the area. The property offers one and two-bedroom units restricted to 50 and 60 percent AMI that will be directly competitive with the proposed Subject. Given the strong absorption pace this property experienced upon opening and its extensive waiting list, we do not believe that the addition of the Subject to the market will impact this new LIHTC property or the existing LIHTC properties that are in overall good condition and currently performing well.

**10. Rental Trends in the PMA**

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

**PMA TENURE PATTERNS OF SENIORS 55+**

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	8,023	89.8%	916	10.2%
2017	19,691	83.1%	3,995	16.9%
Projected Mkt Entry June 2020	21,992	83.6%	4,329	16.4%
2022	23,635	83.8%	4,568	16.2%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2018

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a smaller percentage of renters in the PMA than the nation. This number of senior renters is projected to increase over the next five years.

**Historical Vacancy**

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

Comparable Property	Type	Total Units	1QTR 2015	2QTR 2015	2QTR 2016	4QTR 2016	2QTR 2017	2QTR 2018
Havenwood Grove	Garden	56	N/A	N/A	N/A	N/A	N/A	N/A
Grier Senior Manor	Lowrise	64	4.7%	N/A	0.0%	N/A	0.0%	0.0%
Hampton Court	Garden	60	0.0%	N/A	0.0%	N/A	0.0%	3.3%
Heritage At McDonough	Lowrise	105	0.0%	N/A	0.0%	N/A	1.9%	3.8%
Red Oak Village	Lowrise	60	N/A	N/A	N/A	N/A	N/A	0.0%
Shoal Creek Manor	Midrise	66	1.5%	0.0%	0.0%	N/A	1.5%	0.0%
Amber Chase Apartments	Garden	352	9.1%	N/A	2.6%	3.1%	3.4%	3.1%
Eagle's Brooke	Garden	248	2.4%	N/A	6.5%	2.4%	2.8%	6.5%
Springs At McDonough	Garden	268	N/A	N/A	N/A	N/A	N/A	32.1%
The Crossing At McDonough	Garden	252	6.0%	N/A	0.8%	2.0%	3.6%	4.4%

The historical vacancy rates at all of the comparable properties for several quarters in the past three years are illustrated in the previous table. In general, the comparable properties experienced consistently low vacancy from 2015 through second quarter 2018. Vacancy rates have generally been stable in the past year, with some properties reporting slight increases and other properties reporting slight decreases. Hampton Court and Heritage At McDonough, reported vacancy rates at 3.3 and 3.8 percent, respectively. The contact at Hampton Court reported that the property currently maintains an extensive waiting list that consists of 800 households. The vacant units are being processed from the Subject's waiting list. The contact at Heritage At McDonough stated the property maintains a waiting list that consists of ten households. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low 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**

Property Name	Rent Structure	Tenancy	Rent Growth
Grier Senior Manor	LIHTC/ Market	Senior	Increased up to 8%
Hampton Court	LIHTC	Senior	Increased 9%
Heritage At McDonough	LIHTC	Senior	None
Red Oak Village	LIHTC	Senior	N/A
Shoal Creek Manor	LIHTC	Senior	Kept at max
Amber Chase Apartments	Market	Family	Increased up to 4%
Eagle's Brooke	Market	Family	Increased up to 7%
Springs At McDonough	Market	Family	N/A
The Crossing At McDonough	Market	Family	None

The LIHTC properties report growth of up to nine percent in the past year. The market rate properties reported in some instances rent growth. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

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

According to *RealtyTrac* statistics, one in every 1,776 housing units nationwide was in some stage of foreclosure as of March 2018. The town of Locust Grove is experiencing a foreclosure rate of one in every 923 homes, while Henry County is experiencing foreclosure rate of one in every 1,231 homes and Georgia experienced one foreclosure in every 2,159 housing units. Overall, Locust Grove is experiencing a higher foreclosure rate when compared to the county, state, and nation as a whole. Despite the high foreclosure rate in Locust Grove, we did not witness any foreclosed, abandoned, or vacant housing units in the Subject’s immediate neighborhood that would impact the marketability of the Subject.

**12. Primary Housing Void**

Overall vacancy among the LIHTC comparables is low at 1.7 percent and three of the senior LIHTC properties reported full occupancy. Further, all five senior LIHTC properties reported having significant waiting lists, up to 800 households in length. The most recent allocation in the Subject’s PMA, Red Oak Village, opened in 2017 and leased all 60 units in two months. The strong performance of the senior comparables and the lack of vacancies among these properties indicate that there is a housing void in the market. As such, we believe that the Subject will fill a void in the market by providing affordable senior units restricted to households earning 50 or 60 percent of the AMI or less.

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

There are no proposed LIHTC developments in the PMA. All five senior LIHTC properties reported having significant waiting lists, up to 800 households in length. We believe there is adequate demand for the addition of the Subject within the market. The vacancy rate among the existing LIHTC comparables is low at 1.7 percent and three of the senior LIHTC properties reported full occupancy. In summary, the performance of the comparable LIHTC properties and the presence of waiting lists for affordable units 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 LIHTC comparables are experiencing a weighted average vacancy rate of 1.7 percent, which is considered low. Three of the senior LIHTC comparables reported full occupancy. Additionally, these comparables reported waiting lists ranging from ten to 300 households. The remaining LIHTC comparables, Hampton Court and Heritage At McDonough, reported vacancy rates at 3.3 and 3.8 percent, respectively. The contact at Hampton Court reported that the property currently maintains an extensive waiting list that consists of 800 households and they are currently processing the vacant units from

their waiting list. The contact at Heritage At McDonough stated the property maintains a waiting list that consists of ten households. The low vacancy rates and presence of waiting list among the LIHTC comparables indicates strong demand for senior affordable housing in the area. The Subject will offer generally similar to slightly inferior in-unit amenities in comparison to the LIHTC comparable properties. Several of the comparable properties will offer business centers, swimming pools, and recreational areas, which the Subject will not offer. However, the Subject will offer a putting green, craft room, library, and picnic area, which several of the comparable properties lack and are amenities that seniors desire. Overall, the Subject will offer generally similar to slightly inferior community amenities compared to the LIHTC comparables. We believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent 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 slightly superior to superior to the comparable LIHTC properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

# **I. ABSORPTION AND STABILIZATION RATES**

**ABSORPTION AND STABILIZATION RATES**

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

**ABSORPTION**

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Red Oak Village	LIHTC	Senior	2017	60	30
Hampton Court	LIHTC	Senior	2014	60	20
Heritage At McDonough	LIHTC	Senior	2011	105	18

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Red Oak Village is the most recently completed property we surveyed. This project opened in 2017 and averaged an absorption rate of 30 units per month, for a total absorption period of two months, a good absorption rate for a LIHTC development. Overall, the comparables averaged an absorption rate of 22 units per month. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Locust Grove, we anticipate that the Subject will absorb 25 units per month, for an absorption period of two to three months.

# **J. INTERVIEWS**

**Georgia Department of Community Affairs, Norcross Office**

We made numerous attempts to speak with the Georgia Department of Community Affairs regarding the Housing Choice Voucher program in Henry County. As of the date of this report, our calls have not been returned. However, we spoke with a representative from the Georgia Department of Community Affairs in May 2016 regarding the Section 8 program in Henry County and in the State of Georgia. The representative informed us that the Georgia Department of Community Affairs has jurisdiction over 149 of Georgia’s 159 counties including Henry County and that there was a waiting list for Section 8 applicants in all regions and that the waiting list was closed. We also utilized the Georgia Department of Community Affairs website and learned the waiting list in Henry County is currently closed. The payment standards for Henry County are listed below.

**PAYMENT STANDARDS**

Unit Type	Standard
One-Bedroom	\$943
Two-Bedroom	\$1,083

Source: Georgia Department of Community Affairs, April 2018

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 contacted Mr. Bert Foster with the Henry County Planning and Zoning Department regarding any developments currently planned, proposed, or under construction in the Subject’s PMA. Mr. Foster directed us to call the Building and Plan Review Department in order to learn about any permits that have been placed for new developments. However, as of the date of this report, the Building and Plan Review Department has not returned our calls. Therefore, we conducted additional online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and a CoStar new construction report. According to our research, there are no multifamily developments currently planned, proposed, or under construction in the Subject’s PMA.

**Henry County Development Authority**

We spoke with Ms. Leah Brown with the Henry County Development Authority Department, who informed us of the following business expansions in the county.

**EXPANSIONS/NEW ADDITIONS - HENRY COUNTY, GA 2015 - 2018 YTD**

Company Name	Industry	Jobs
KL Outdoor	Manufacturing	100
United States Cold Storage	Utilities	80
Hydro Systems	Manufacturing	60
S&S Activewear	Manufacturing	300
Voorhees	Manufacturing	80

As illustrated, there are several additions in the manufacturing and utilities industries. There have been a total of 620 jobs created in Henry County, which helps counteract the 759 jobs the county has lost over the previous four years.

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

# **K. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS

### Demographics

The senior population in the PMA and the MSA increased significantly from 2000 to 2010, though the rate of growth slowed from 2010 to 2017. The rate of senior population and household growth is projected to increase at a greater rate than that of the MSA and the nation through 2022. The current senior population of the PMA is 41,779 and is expected to be 49,112 in 2022. Senior renter households are concentrated in the lowest income cohorts, with 34.6 percent of senior renters in the PMA earning between \$10,000 and \$39,999 annually. The Subject will target senior households earning between \$15,300 and \$33,480 for its units. The Subject should be well-positioned to service this market. Overall, population growth and the concentration of senior renter households at the lowest income cohorts indicates significant demand for affordable senior rental housing in the market.

### Employment Trends

The PMA and Henry County are economically reliant on the trade, transportation and utilities, leisure and hospitality, and education and health services sectors. While the trade, transportation, and utilities and leisure and hospitality sector are historically more volatile in times of economic downturn, the education and health services is traditionally more stable. The local economy appears to be diverse and low paying jobs in the healthcare/social assistance, educational services, and retail trade sectors are expected to generate demand for affordable housing in the PMA.

As of 2014, both the MSA and the nation had surpassed their pre-recession employment highs. The total employment growth in the MSA during the 12-month period preceding the first quarter of 2018 outpaced the employment growth in the nation during the same time period. Historically, the MSA has reported a lower unemployment rate relative to the nation. Unemployment in the MSA began increasing during 2008, at the onset of the national recession. The MSA maintained a higher unemployment rate throughout the entire recession relative to the nation. Unemployment in the MSA began decreasing in 2011 and has continued to decrease. As of January 2018, the unemployment rate in the MSA was 4.3 percent, which is slightly higher than the nation. Given that total employment in the MSA has surpassed its pre-recession levels and that unemployment continues to decrease, it appears the MSA has recovered, which should have a positive impact on local affordable rental housing demand.

### Capture Rates

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
1BR @50%	\$15,300	\$26,150	2	80	4	76	2.6%	\$450
1BR @60%	\$17,850	\$31,380	8	91	16	75	10.7%	\$535
1BR Overall	\$15,300	\$31,380	10	111	20	91	11.0%	-
2BR @50%	\$19,260	\$27,900	10	156	9	147	6.8%	\$565
2BR @60%	\$19,560	\$33,480	36	178	31	147	24.5%	\$575
2BR Overall	\$19,260	\$33,480	46	218	40	178	25.9%	-
@50% Overall	\$15,300	\$27,900	12	236	13	223	5.4%	-
@60% Overall	\$17,850	\$33,480	44	269	47	222	19.8%	-
Overall	\$15,300	\$33,480	56	329	60	269	20.8%	-

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

## Absorption

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

### ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Red Oak Village	LIHTC	Senior	2017	60	30
Hampton Court	LIHTC	Senior	2014	60	20
Heritage At McDonough	LIHTC	Senior	2011	105	18

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Red Oak Village is the most recently completed property we surveyed. This project opened in 2017 and averaged an absorption rate of 30 units per month, for a total absorption period of two months, a good absorption rate for a LIHTC development. Overall, the comparables averaged an absorption rate of 22 units per month. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Locust Grove, we anticipate that the Subject will absorb 25 units per month, for an absorption period of two to three months.

## Vacancy Trends

The following table illustrates the vacancy rates in the market.

### OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Grier Senior Manor	LIHTC/ Market	Senior	64	0	0.0%
Hampton Court*	LIHTC	Senior	60	2	3.3%
Heritage At McDonough	LIHTC	Senior	105	4	3.8%
Red Oak Village	LIHTC	Senior	60	0	0.0%
Shoal Creek Manor	LIHTC	Senior	66	0	0.0%
Amber Chase Apartments	Market	Family	352	11	3.1%
Eagle's Brooke	Market	Family	248	16	6.5%
Springs At McDonough**	Market	Family	268	86	32.1%
The Crossing At McDonough	Market	Family	252	11	4.4%
<b>Total LIHTC</b>			<b>355</b>	<b>6</b>	<b>1.7%</b>
<b>Total Market Rate</b>			<b>1,120</b>	<b>124</b>	<b>11.1%</b>
<b>Total Market Rate (Stabilized)</b>			<b>852</b>	<b>38</b>	<b>4.5%</b>
<b>Overall Total</b>			<b>1,531</b>	<b>130</b>	<b>8.5%</b>
<b>Overall (Stabilized)</b>			<b>1,207</b>	<b>44</b>	<b>3.6%</b>

\*This property is located outside the PMA

\*\*This property is in its initial lease-up phase

Overall vacancy among stabilized comparables in the market is low at 3.6 percent. Total LIHTC vacancy is lower, at 1.7 percent. Three of the senior LIHTC comparables reported full occupancy. Additionally, these comparables reported waiting lists ranging from ten to 300 households. The remaining LIHTC comparables, Hampton Court and Heritage At McDonough, reported vacancy rates at 3.3 and 3.8 percent, respectively. The contact at Hampton Court reported that the property currently maintains an extensive waiting list that consists of 800 households and they are currently processing the vacant units from their waiting list. The contact at Heritage At McDonough stated the property maintains a waiting list that consists of ten households. The low vacancy rates and presence of waiting list among the LIHTC comparables indicates strong demand for senior affordable housing in the area.

Springs At McDonough began leasing in May 2017 and is currently in its initial lease-up phase. Springs At McDonough is demonstrating an absorption rate of 17 units per month, indicating strong demand for conventional housing in the area. Excluding Springs At McDonough, vacancy rates among the market-rate comparable properties range from 3.1 to 6.5 percent, averaging 4.5 percent, which is considered moderate. Eagle's Brook reports a vacancy rate of 6.5 percent. The contact at Eagle's Brooke reported a typical occupancy of 96 to 98 percent, though she could not provide an explanation for the properties slightly elevated vacancy at the moment. The low to moderate vacancy rates among the other market-rate comparable properties indicates that there is demand for conventional rental housing in the Subject's PMA.

### **Strengths of the Subject**

The Subject will be among the newest LIHTC developments in the PMA upon completion. The Subject will exhibit excellent condition upon completion, which is similar to superior to the existing LIHTC housing stock. The Subject will offer competitive amenity packages, which will include a putting green, craft room, library, and picnic area, which several of the comparable properties lack and are amenities that seniors desire. The Subject will offer a considerable rent advantage over the comparables; all of the Subject's rents are below the surveyed range of the LIHTC and market-rate comparables. Therefore, we believe the Subject will be well received in the market given its competitive advantage over the existing housing stock, competitive amenity packages, and rent advantage over the LIHTC and market-rate comparables.

### **Conclusion**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are experiencing a weighted average vacancy rate of 1.7 percent, which is considered low. Three of the senior LIHTC comparables reported full occupancy. Additionally, these comparables reported waiting lists ranging from ten to 300 households. The remaining LIHTC comparables, Hampton Court and Heritage At McDonough, reported vacancy rates at 3.3 and 3.8 percent, respectively. The contact at Hampton Court reported that the property currently maintains an extensive waiting list that consists of 800 households and they are currently processing the vacant units from their waiting list. The contact at Heritage At McDonough stated the property maintains a waiting list that consists of ten households. The low vacancy rates and presence of waiting list among the LIHTC comparables indicates strong demand for senior affordable housing in the area. The Subject will offer generally similar to slightly inferior in-unit amenities in comparison to the LIHTC comparable properties. Several of the comparable properties will offer business centers, swimming pools, and recreational areas, which the Subject will not offer. However, the Subject will offer a putting green, craft room, library, and picnic area, which several of the comparable properties lack and are amenities that seniors desire. Overall, the Subject will offer generally similar to slightly inferior community amenities compared to the LIHTC comparables. We believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent 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 slightly superior to superior to the comparable LIHTC properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and 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) 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 is 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.



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H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP

May 24, 2018



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Brian Neukam  
Manager  
Novogradac & Company LLP

May 24, 2018



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Travis Jorgenson  
Junior Analyst  
Novogradac & Company LLP

May 24, 2018

# **M. MARKET STUDY REPRESENTATION**

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



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H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP

May 24, 2018



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Brian Neukam  
Manager  
Novogradac & Company LLP

May 24, 2018



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Travis Jorgenson  
Junior Analyst  
Novogradac & Company LLP

May 24, 2018

**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**



View of the Subject from Apache Avenue



View of the Subject from Apache Avenue



View of Subject from Indian Creek Avenue



View of Subject from Indian Creek Avenue



View west on Apache Avenue



View east on Apache Avenue



View north on Indian Creek Avenue



View south on Indian Creek Avenue



View east across Indian Creek Road



View south on Apache Street



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood

**ADDENDUM C**  
**Qualifications**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## H. BLAIR KINCER, MAI, CRE

### I. Education

Duquesne University, Pittsburgh, Pennsylvania  
Masters in Business Administration  
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia  
Bachelor of Science in Business Administration  
Graduated Magna Cum Laude

### II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)  
Member, The Counselors of Real Estate (CRE)  
LEED Green Associate  
Member, National Council of Housing Market Analysts (NCHMA)  
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut  
Certified General Real Estate Appraiser, No. GA12288 – District of Columbia  
Certified General Real Estate Appraiser, No. CG1694 – State of Maine  
Certified General Real Estate Appraiser, No. 1326 – State of Maryland  
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts  
Certified General Real Estate Appraiser, No. 46000039124 – State of New York  
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina  
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania  
Certified General Real Estate Appraiser, No. CGA.0020047 – State of Rhode Island  
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina  
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee  
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia  
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

### III. Professional Experience

**Partner**, Novogradac & Company LLP  
**Vice President**, Capital Realty Advisors, Inc.  
**Vice President - Acquisitions**, The Community Partners Development Group, LLC  
**Commercial Loan Officer/Work-Out Specialist**, First Federal Savings Bank of Western MD  
**Manager** - Real Estate Valuation Services, Ernst & Young LLP  
**Senior Associate**, Joseph J. Blake and Associates, Inc.  
**Senior Appraiser**, Chevy Chase, F.S.B.  
**Senior Consultant**, Pannell Kerr Forster

#### **IV. Professional Training**

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

#### **V. Real Estate Assignments – Examples**

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). 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 numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- 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 appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS  
BRIAN NEUKAM**

**EDUCATION**

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

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

**State of South Carolina Certified General Real Property Appraiser No. 7493**

**PROFESSIONAL TRAINING**

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

**EXPERIENCE**

**Novogradac & Company LLP, Manager, September 2015- Present**

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

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

**REAL ESTATE ASSIGNMENTS**

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

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

# 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 #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent	Waiting List?	Vacant Units	Vacancy Rate
Subject	Havenwood Grove Indian Creek Avenue And Apache Road Locust Grove, GA 30248 Henry County	-	Lowrise (3 stories) Proposed 2020 / n/a Senior	@50%, @60%	1BR / 1BA	2	3.6%	690	@50%	\$450	No	N/A	N/A	N/A
					1BR / 1BA	8	14.3%	690	@60%	\$535	No	N/A	N/A	N/A
					2BR / 1BA	10	17.9%	880	@50%	\$565	No	N/A	N/A	N/A
					2BR / 1BA	36	64.3%	880	@60%	\$575	No	N/A	N/A	N/A
					<b>56</b>		<b>100.0%</b>							
1	Grier Senior Manor 391 Old Griffin Rd Mcdonough, GA 30253 Henry County	6.6 miles	Lowrise (2 stories) 2005 / n/a Senior	@30%, @50%, @54%, Market	1BR / 1BA	3	4.7%	657	@30%	\$351	Yes	Yes	0	0.0%
					1BR / 1BA	16	25.0%	657	@50%	\$604	Yes	Yes	0	0.0%
					1BR / 1BA	5	7.8%	657	@54%	\$656	Yes	Yes	0	0.0%
					1BR / 1BA	8	12.5%	657	Market	\$718	N/A	No	0	0.0%
					2BR / 2BA	3	4.7%	900	@30%	\$384	Yes	Yes	0	0.0%
					2BR / 2BA	16	25.0%	900	@50%	\$689	Yes	Yes	0	0.0%
					2BR / 2BA	5	7.8%	900	@54%	\$751	Yes	Yes	0	0.0%
					2BR / 2BA	8	12.5%	900	Market	\$836	N/A	No	0	0.0%
<b>64</b>		<b>100.0%</b>											0	0.0%
2	Hampton Court 100 S Hampton Rd Hampton, GA 30228 Henry County	9.3 miles	Garden (2 stories) 2014 / n/a Senior	@50%, @60%	2BR / 2BA	9	15.0%	1,200	@50%	\$581	No	Yes	1	11.1%
					2BR / 2BA	51	85.0%	1,200	@60%	\$581	No	Yes	1	2.0%
					<b>60</b>		<b>100.0%</b>							
3	Heritage At Mcdonough 180 Bridges Rd Mcdonough, GA 30253 Henry County	7.9 miles	Garden (3 stories) 2011 / n/a Senior	@50%, @60%	1BR / 1BA	N/A	N/A	722	@50%	\$596	Yes	Yes	0	N/A
					1BR / 1BA	N/A	N/A	722	@60%	\$726	Yes	Yes	2	N/A
					2BR / 2BA	N/A	N/A	1,103	@50%	\$707	Yes	Yes	0	N/A
					2BR / 2BA	N/A	N/A	1,103	@60%	\$863	Yes	Yes	2	N/A
<b>105</b>		<b>N/A</b>											4	3.8%
4	Red Oak Village 770 Rock Quarry Road Stockbridge, GA 30281 Henry County	14.9 miles	Lowrise (3 stories) 2017 / n/a Senior	@50%, @60%	1BR / 1BA	4	6.7%	750	@50%	\$518	No	Yes	0	0.0%
					1BR / 1BA	16	26.7%	750	@60%	\$608	No	Yes	0	0.0%
					2BR / 1BA	9	15.0%	950	@50%	\$616	No	Yes	0	0.0%
					2BR / 1BA	31	51.7%	950	@60%	\$741	No	Yes	0	0.0%
<b>60</b>		<b>100.0%</b>											0	0.0%
5	Shoal Creek Manor 120 L.G. Griffin Road Locust Grove, GA 30248 Henry County	0.7 miles	Midrise (4 stories) 2011 / n/a Senior	@50%, @60%	2BR / 2BA	14	21.2%	1,008	@50%	\$710	Yes	Yes	0	0.0%
					2BR / 2BA	52	78.8%	1,008	@60%	\$867	Yes	Yes	0	0.0%
					<b>66</b>		<b>100.0%</b>							
6	Amber Chase Apartments 570 Mcdonough Parkway Mcdonough, GA 30253 Henry County	8.0 miles	Garden (2 stories) 1999 / n/a Family	Market	1BR / 1BA	N/A	N/A	800	Market	\$1,007	N/A	No	N/A	N/A
					2BR / 1BA	N/A	N/A	1,117	Market	\$1,185	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,157	Market	\$1,215	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,223	Market	\$1,065	N/A	No	N/A	N/A
					3BR / 2BA	N/A	N/A	1,332	Market	\$1,277	N/A	No	N/A	N/A
<b>352</b>		<b>N/A</b>											11	3.1%
7	Eagle's Brooke 100 Malaga Way Locust Grove, GA 30248 Henry County	3.9 miles	Garden (3 stories) 2009 / n/a Family	Market	1BR / 1BA	120	48.4%	955	Market	\$968	N/A	No	N/A	N/A
					2BR / 2BA	104	41.9%	1,265	Market	\$1,216	N/A	No	N/A	N/A
					3BR / 2BA	24	9.7%	1,519	Market	\$1,528	N/A	No	N/A	N/A
					<b>248</b>		<b>100.0%</b>							
8	Springs At Mcdonough 325 South Point Boulevard Mcdonough, GA 30253 Henry County	7.4 miles	Garden (2 stories) 2017 / n/a Family	Market	0BR / 1BA	38	14.2%	551	Market	\$1,008	N/A	No	N/A	N/A
					1BR / 1BA	88	32.8%	854	Market	\$1,223	N/A	No	N/A	N/A
					2BR / 2BA	110	41.0%	1,156	Market	\$1,445	N/A	No	N/A	N/A
					3BR / 2BA			1,382	Market	\$1,578	N/A	No	N/A	N/A
<b>268</b>		<b>88.1%</b>											86	32.1%
9	The Crossing At Mcdonough 100 Crossing Boulevard Mcdonough, GA 30253 Henry County	6.4 miles	Garden (3 stories) 2004 / n/a Family	Market	1BR / 1BA	N/A	N/A	908	Market	\$1,053	N/A	No	1	N/A
					2BR / 2BA	N/A	N/A	1,152	Market	\$1,081	N/A	No	4	N/A
					3BR / 2BA	35	13.9%	1,390	Market	\$1,318	N/A	No	6	17.1%
<b>252</b>		<b>13.9%</b>											11	4.4%