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**A MARKET CONDITIONS AND
PROJECT EVALUATION SUMMARY
OF:**

**HAVENWOOD
ELBERTON**

A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF: HAVENWOOD ELBERTON

South Oliver Street and Ohio Street
Elberton, Elbert County, Georgia 30635

Effective Date: May 10, 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:
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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 Elberton, located in Elberton, Elbert County, Georgia

Dear Mr. Elbe:

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

The purpose of this market study is to assess the viability of the proposed 50-unit senior LIHTC project. It will be a newly constructed affordable LIHTC project, with 50 revenue generating units, restricted to seniors 55 and older earning 50 and 60 percent of the Area Median Income (AMI). All 40 units at 60 percent AMI will operate with a HOME subsidy and will be restricted to High HOME rent and income limits. The proposed Subject will consist of five one-bedroom units at the 50 and 60 percent AMI levels, and 45 two-bedroom units at the 50 and 60 percent AMI levels. All of these 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

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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 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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Addendum

A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Havenwood Elberton will be a newly constructed senior property located on the east side of South Oliver Street, directly across from Ohio Street in Elberton, Elbert County, Georgia, which will consist of one three-story 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	2017 High HOME Maximum Allowable Gross Rent	HUD Fair Market Rents
@50%								
1BR / 1BA	690	1	\$364	\$72	\$436	\$436	N/A	\$448
2BR / 1BA	880	9	\$439	\$84	\$523	\$523	N/A	\$596
@60% (HOME)								
1BR / 1BA	690	4	\$376	\$72	\$448	N/A	\$448	\$448
2BR / 1BA	880	36	\$512	\$84	\$596	N/A	\$596	\$596
		50						

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

The Subject's proposed rents at 50 percent AMI are set at the 2017 LIHTC maximum allowable levels and its proposed rents at 60 percent AMI are set at the 2017 High HOME maximum allowable levels. The Subject will offer generally similar in-unit amenities in comparison to the LIHTC comparable properties. It will offer hand rails, which none of the LIHTC properties offer and is a desired amenity among seniors, though it will lack balconies/patios, which all of the LIHTC comparables offer. The Subject will offer generally similar to slightly superior property amenities in comparison to the LIHTC comparable properties. It will offer a business center, which two of the LIHTC comparables lack. Overall, 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 east side of South Oliver Street, directly across from Ohio Street. The Subject site has good visibility and accessibility from South Oliver Street. The Subject site is currently vacant land with the exception of one dilapidated single-family home proposed for demolition. Surrounding uses consist of commercial, single-family uses, and vacant land. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. However, there are a limited number of retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by Walkscore with a rating of 24 out of 100. Crime risk indices in the Subject's area are slightly higher than the SMA but lower than the nation in most categories. The Subject site is a desirable building site for rental housing. The Subject is located in a residential neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, which are within 2.5 miles of the Subject site.

3. Market Area Definition

The PMA is defined by Highway 8 to the north, State Route 191/22 to the west, Sandy Cross Road, Centerville Road, Arnold Cauldwell Road, Wright Road, and Broad Road to the south, and the Elbert County line and Georgia/South Carolina border to the east. This area includes the Cities of Elberton and Dewy Rose as well as portions of Comer. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 16 miles
East: 18 miles
South: 15 miles
West: 18 miles

The PMA is defined based on interviews with the local housing authority and property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from outside of the county. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2018 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 18 miles. The SMA consists of Elbert, Hart, Madison, Oglethorpe, Wilkes, and Lincoln County.

4. Community Demographic Data

The senior population in the PMA grew between 2000 and 2010, although it was outpaced by senior population growth in the MSA and the nation over the same period. Between 2010 and 2017, there was approximately 1.8 percent annual growth in the senior population of the PMA, which was only slightly lower than the MSA and below the national senior population growth rate. Total senior population in the PMA is projected to increase at a rate of 1.6 percent annually from 2017 to 2022, which is below the MSA and national rates, but still represents substantial growth. The largest age cohorts in the PMA are between 50 and 59, which indicates a large supply of potential tenants for the Subject property units. The current senior population in the PMA is 11,972 and is expected to be 12,516 in 2020. Senior renter households are concentrated in the lowest income cohorts, with 48.0 percent of senior renters in the PMA earning between \$10,000 and \$29,999 annually. The Subject will target senior households earning between \$13,080 and \$22,320. 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 April 2018. The town of Elberton and Elbert County is experiencing a foreclosure rate of one in every 2,556 homes, while and Georgia experienced one foreclosure in every 2,159 housing units. Overall, Elberton is experiencing a foreclosure rate substantially lower than the state of Georgia and the nation as a whole, indicating a healthy housing market. The Subject's neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

5. Economic Data

Employment in the PMA is concentrated in four industries which represent approximately 59.5 percent of total local employment. Two of those industries, manufacturing, and retail trade are particularly vulnerable during periods of contraction. However, educational services and health care/social assistance, are resilient during periods of economic downturn.

The SMA experienced total employment growth since 2015, outpacing the nation from 2016 to 2018. The total employment growth in the MSA during the 12-month period preceding January 2018 was 4.8 percent compared to 2.6 percent in the nation during the same time period. The unemployment rate in the SMA as of January 2018 was 5.2 percent, which is higher than the nation at 4.1 percent. However, unemployment in the SMA has been steadily declining since 2011. Overall, employment growth and the declining unemployment rate indicate that the SMA has stabilized and is

recovering from the most recent national recession. The recent growth in the local economy is a positive indicator of demand for rental housing and the Subject’s proposed units.

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%	\$13,080	\$17,450	1	43	0	43	2.3%	\$364
1BR @60%	\$13,440	\$20,940	4	46	0	46	8.7%	\$376
1BR Overall	\$13,080	\$20,940	5	55	0	55	9.1%	-
2BR @50%	\$15,690	\$18,600	9	118	0	118	7.6%	\$439
2BR @60%	\$17,880	\$22,320	36	126	0	126	28.5%	\$512
2BR Overall	\$15,690	\$22,320	45	151	0	151	29.8%	-
@50% Overall	\$13,080	\$18,600	10	161	0	161	6.2%	-
@60% Overall	\$13,440	\$22,320	40	172	0	172	23.2%	-
Overall	\$13,080	\$22,320	50	206	0	206	24.3%	-

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 seven “true” comparable properties containing 770 units.

The availability of LIHTC data is considered limited. There are no LIHTC properties in the PMA; therefore, we have expanded our search and used two LIHTC properties and one mixed-income property located outside of the PMA in nearby Washington, Royston, and Hartwell. These properties are located between 17.8 and 29.0 miles from the Subject and are considered reasonable proxies for the Subject as they are the newest and most proximate LIHTC properties in the area. Washington, Royston, and Hartwell are generally similar locations when compared to the Elberton with respect to median home values and median gross rents.

The availability of market rate data is also considered limited. The Subject is located in Elberton and there are a limited number of market-rate properties in the area. We include four conventional properties in our analysis of the competitive market. Of these, three are located outside the PMA, between 28.2 and 29.0 miles from the Subject site in Athens. Athens is considered superior to Elberton in terms of median home values and median gross rents. These properties were built or renovated between 1996 and 2017 and are considered good proxies for the Subject property as they are the most proximate market-rate properties in the area. The remaining market-rate comparable, Petersburg Village, is an age-restricted property located 1.8 miles from the Subject in Elberton. Other properties within the PMA have been excluded as they offer subsidized rents. Overall, we believe the market rate properties used in our analysis are the most comparable.

When comparing the Subject’s rents to the average comparable rent, we do not include 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 do not include 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%	\$364	\$368	\$959	\$551	51%
2 BR @ 50%	\$439	\$429	\$1,087	\$676	54%
1 BR @ 60%	\$376	\$391	\$959	\$606	61%
2 BR @ 60%	\$512	\$481	\$1,087	\$740	44%

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

1287 Shoals Apartments is achieving the highest one and two-bedroom unrestricted rents in the market. The Subject will be inferior to 1287 Shoals Apartments as a market-rate property upon completion. 1287 Shoals Apartments was built in 1996 and underwent renovations in 2017. 1287 Shoals Apartments exhibits good condition, which is slightly inferior to the anticipated excellent condition of the Subject upon completion. 1287 Shoals Apartments is located 29.0 miles from the Subject site and offers a superior location in terms of median gross rents. 1287 Shoals Apartments offers superior property amenities when compared to the Subject as it offers a playground, swimming pool, tennis court, and volleyball court, which the Subject will not offer. 1287 Shoals Apartments offers similar in-unit amenities in comparison to the Subject. The lowest one and two-bedroom unrestricted rents at 1287 Shoals Apartments are approximately 155 and 97 percent higher than the Subject’s one and two-bedroom rents at 60 percent AMI. 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

Information regarding the absorption periods of two of the surveyed comparable properties is illustrated in the following table.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Heather Highlands	LIHTC	Family	2013	40	10
Juniper Court	LIHTC/ Market	Family	2009	52	10

Per DCA guidelines, we calculate the absorption to 93 percent occupancy. Heather Highlands is a LIHTC development located 19.6 miles from the Subject site in Royston, Georgia. This property opened in October 2013 and experienced an absorption rate of ten units per month. Juniper Court is a mixed-income property located 17.8 miles from the Subject site in Hartwell, Georgia. This property

also demonstrated an absorption rate of ten units per month. Heather Highlands and Juniper Court are both fully-occupied and maintain waiting lists that consist of 40 and 75 households, respectively. This indicates there is strong demand for affordable housing in the area. We believe the Subject will experience an absorption rate similar to these properties. We estimate that the Subject will experience an absorption rate of ten units per month, which equates to an absorption period of five 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. All of the LIHTC comparables report full-occupancy. All of the LIHTC comparables also report maintaining extensive waiting lists, ranging from 30 to 75 households. The low vacancy rates and waiting lists among the LIHTC comparables indicate strong demand for affordable housing in the area. The Subject will offer generally similar in-unit amenities in comparison to the LIHTC comparable properties. It will offer hand rails, which none of the LIHTC properties offer and is a desired amenity among seniors, though it will lack balconies/patios, which all of the LIHTC comparables offer. The Subject will offer generally similar to slightly superior property amenities in comparison to the LIHTC comparable properties. It will offer a business center, which two of the LIHTC comparables lack. Overall, 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 slightly superior to superior in terms of condition to the majority of the comparable 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 all of the 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 ELBERTON – ELBERTON, GEORGIA – MARKET STUDY

Summary Table: (must be completed by the analyst and included in the executive summary)										
Development Name:		Havenwood Elberton						Total # Units:		50
Location:		South Oliver Street Elberton, GA 30635						# LIHTC Units:		50
PMA Boundary:		North: Highway 8; South: Sandy Cross Road, Centerville Road, Arnold Cauldwell Road, Wright Road, and Broad Road; East: Elbert County line and Georgia/South Carolina border; West: State Route 191/22						Farthest Boundary Distance to Subject:		18 miles
Rental Housing Stock (found on page 61)										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	7	770	21	97.3%						
Market-Rate Housing	4	634	21	96.7%						
<i>Assisted/Subsidized Housing not to include LIHTC</i>	8	374	4	100.0%						
LIHTC	3	136	0	100.0%						
Stabilized Comps	7	770	21	97.3%						
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap						
*Only includes properties in PMA										
Subject Development					Average Market Rent*			Highest Unadjusted Comp Rent		
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF	
1	1BR at 50% AMI	1	690	\$364	\$551	\$0.80	51%	\$959	\$1.37	
9	2BR at 50% AMI	1	880	\$439	\$676	\$0.77	54%	\$1,087	\$1.14	
4	1BR at 60% (HOME)	1	690	\$376	\$606	\$0.88	61%	\$959	\$1.37	
36	2BR at 60% (HOME)	1	880	\$512	\$740	\$0.84	44%	\$1,087	\$1.14	
Demographic Data (found on page 28)										
	2010		2017		June 2020					
Renter Households	1,227	18.9%	1,698	23.3%	1,711	23.1%				
Income-Qualified Renter HHs (LIHTC)	327	26.7%	453	26.7%	457	26.7%				
Targeted Income-Qualified Renter Household Demand (found on pages 41 to 59)										
Type of Demand	@50%	@60% (HOME)	-	-	-	-	Overall*			
Renter Household Growth	-24	-30	-	-	-	-	-31			
Existing Households (Overburdened + Substandard)	203	221	-	-	-	-	261			
Homeowner conversion (Seniors)	4	4	-	-	-	-	4			
Total Primary Market Demand	182	195	-	-	-	-	233			
Less Comparable/Competitive Supply	0	0	-	-	-	-	0			
Adjusted Income-qualified Renter HHs**	182	195	-	-	-	-	233			
Capture Rates (found on page 59)										
Targeted Population	@50%	@60% (HOME)	-	-	-	-	Overall			
Capture Rate:	6.2%	23.2%	-	-	-	-	24.3%			

*Includes LIHTC and unrestricted (when applicable)

**Not adjusted for demand by bedroom-type.

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- 1. Project Address and Development Location:** The Subject site is located on the east side of South Oliver Street directly across from Ohio Street in Elberton, Elbert County, Georgia 30635. The Subject site is currently vacant with the exception of one dilapidated single-family home proposed for demolition.
- 2. Construction Type:** The Subject will consist of one three-story, elevator-serviced lowrise 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 ELBERTON – ELBERTON, GEORGIA – MARKET STUDY

Havenwood Elberton												
Location	South Oliver Street Elberton, GA 30635 Elbert County											
Units	50											
Type	Lowrise (age-restricted) (3 stories)											
Year Built / Renovated	Proposed 2020											
Tenant Characteristics	Seniors 55+											
Market												
Program	@50%, @60% (HOME)					Leasing Pace	n/a					
Annual Turnover Rate	n/a					Change in Rent (Past Year)	n/a					
Units/Month Absorbed	n/a					Concession	n/a					
Section 8 Tenants	n/a											
Utilities												
A/C	not included -- central					Other Electric	not included					
Cooking	not included -- electric					Water	included					
Water Heat	not included -- electric					Sewer	included					
Heat	not included -- electric					Trash Collection	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)	1	690	\$364	\$0	@50%	n/a	n/a	n/a	yes	
1	1	Lowrise (3 stories)	4	690	\$376	\$0	@60% (HOME)	n/a	n/a	n/a	yes	
2	1	Lowrise (3 stories)	9	880	\$439	\$0	@50%	n/a	n/a	n/a	yes	
2	1	Lowrise (3 stories)	36	880	\$512	\$0	@60% (HOME)	n/a	n/a	n/a	yes	
Amenities												
In-Unit	Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Hand Rails Microwave Oven Refrigerator Washer/Dryer hookup					Security	Limited Access					
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area					Premium	none					
Services	none					Other	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 craft room and a library. The utility allowances are \$72 and \$84 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:** The Subject will be an excellent-quality three-story elevator-serviced lowrise apartment building, comparable or superior to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical deterioration.

C. SITE EVALUATION

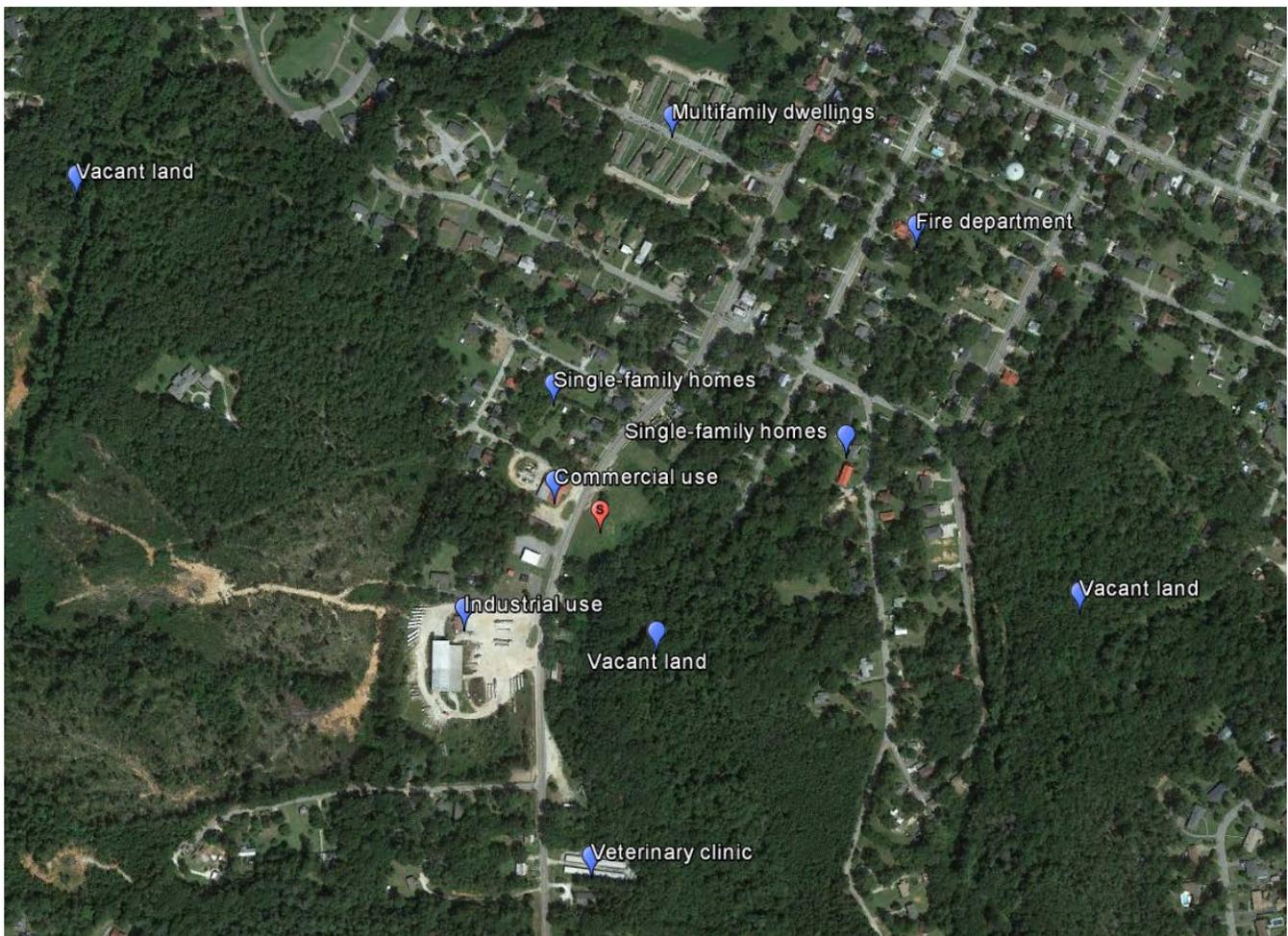
1. **Date of Site Visit and Name of Inspector:** Travis Jorgenson visited the site on May 10, 2018.

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

Frontage: The Subject site has frontage along South Oliver Street.

Visibility/Views: The Subject will be located on the eastern side of South Oliver Street, directly across from Ohio Street. Visibility and views from the site will be good and initially will include single-family homes to the north and east, vacant land to the south, and commercial uses to the west.

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



Source: Google Earth, January 2018.

The Subject site is located on the east side of South Oliver Street, directly across from Ohio Street. The Subject site is currently vacant land with the exception of one dilapidated single-family home proposed for demolition. Adjacent to the north of the Subject are single-family homes. To the east and south of the Subject is vacant

land. Adjacent west of the Subject is Dixon Trim & Upholstery Shop. The single-family homes immediately surrounding the Subject site appear to be in average to good condition. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by *Walkscore* with a rating of 24 out of 100. The Subject site is a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition, and the site has good proximity to locational amenities, which are within 2.5 miles of the Subject site.

Positive/Negative Attributes of Site: The Subject’s proximity to retail and other locational amenities as well as its surrounding uses, which are in average to good condition, are considered positive attributes.

3. Physical Proximity to Locational Amenities: The Subject is located within 2.5 miles of all locational amenities.

4. Pictures of Site and Adjacent Uses: The following are pictures of the Subject site and adjacent uses.

Photographs of Subject Site and Surrounding Uses



View of Subject from South Oliver Street



View of Subject from South Oliver Street



View south along South Oliver Street



View north along South Oliver Street



View of Subject from South McIntosh Street



View of Subject from South McIntosh Street



View south along South McIntosh Street



View north along South McIntosh Avenue



Single-family residence adjacent north of Subject



Single-family residence adjacent north of Subject



Commercial use adjacent west of Subject



Single-family residence adjacent west of Subject



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



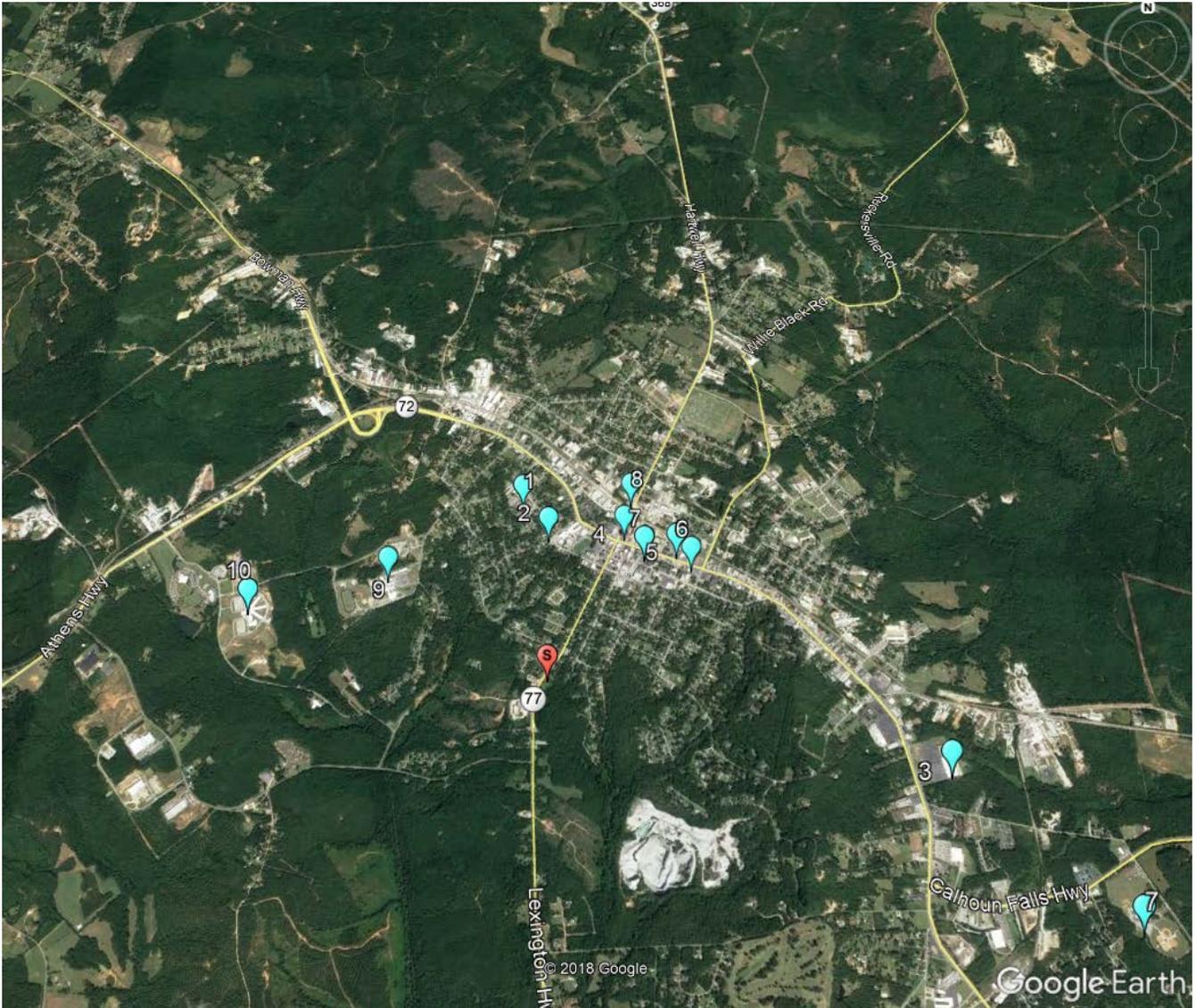
Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood

5. Proximity to Locational Amenities:

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



Source: Google Earth, February 2018.

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject
1	Elbert County Fire Department	0.6 miles
2	Gas station	0.7 miles
3	CVS Pharmacy	0.7 miles
4	Elberton Police Department	0.8 miles
5	Elbert Memorial Hospital	0.8 miles
6	Regions Bank	0.9 miles
7	Elbert County High School	0.9 miles
8	Elbert County Middle School	1.3 miles
9	Ingles Market	1.7 miles
10	Elbert County Senior Citizen Center	2.5 miles

6. Description of Land Uses

The Subject site is located on the east side of South Oliver Street, directly across from Ohio Street. The Subject site is currently vacant land with the exception of one dilapidated single-family home proposed for demolition. Adjacent to the north of the Subject are single-family homes. Located further north of the Subject are more single-family homes as well as retail/commercial uses located primarily along West Church Street. To the east and south of the Subject is vacant land. Located further east of the Subject is more vacant land and single-family homes. Located further south is primarily vacant land. Adjacent west of the Subject is Dixon Trim & Upholstery Shop. Further west is vacant land. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by *Walk Score* with a rating of 24 out of 100. The Subject site is a desirable building site for rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition, and the site has good proximity to locational amenities, all of which are within 2.5 miles of the Subject site. Many locational amenities are located less than one mile from the Subject site.

7. Crime:

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

2017 CRIME INDICES

	PMA	SMA
Total Crime*	83	60
Personal Crime*	92	62
Murder	132	87
Rape	72	51
Robbery	26	28
Assault	126	79
Property Crime*	82	60
Burglary	105	86
Larceny	79	53
Motor Vehicle Theft	42	38

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

*Unweighted aggregations

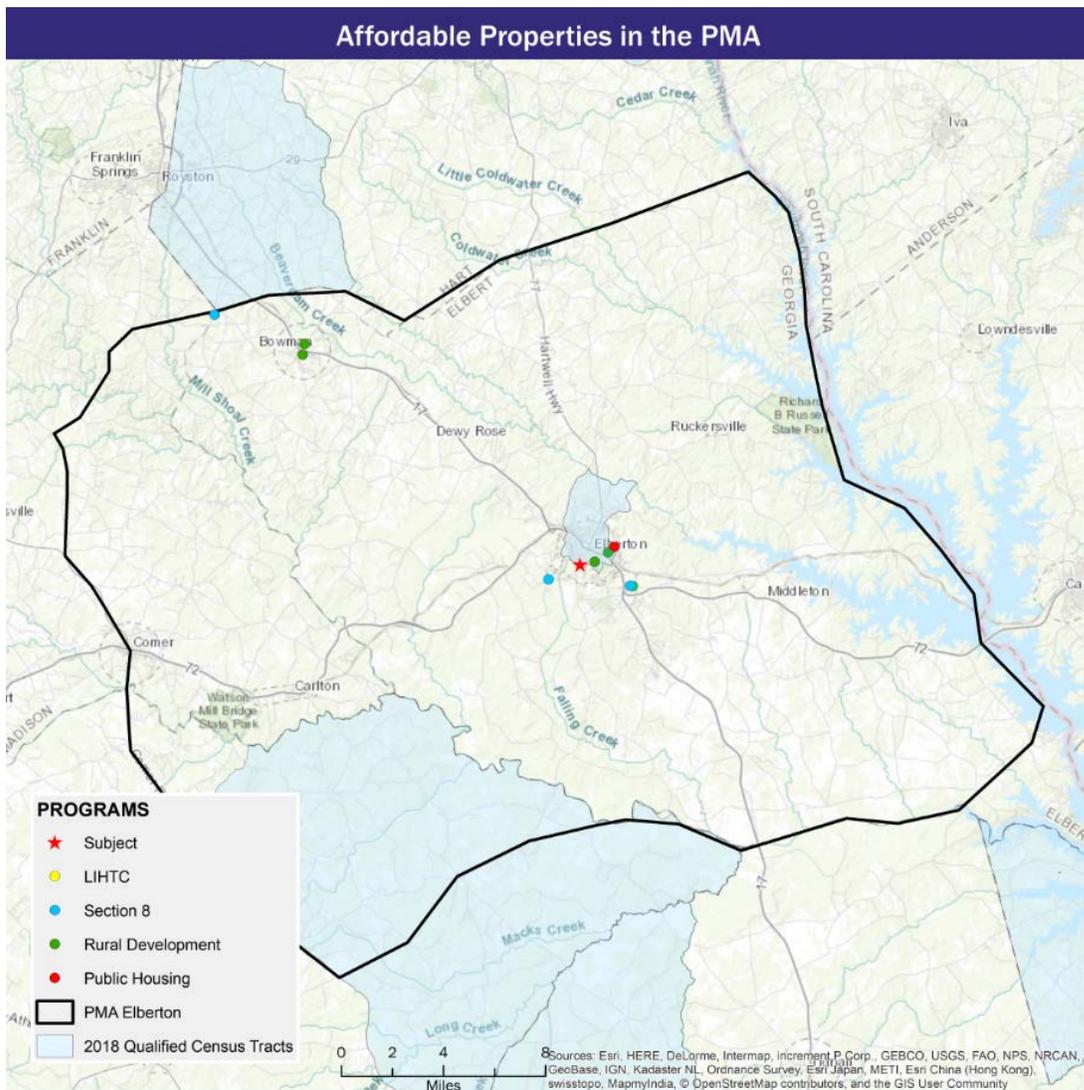
The total crime indices in the PMA are generally above that of the SMA but below that of the nation. The Subject will offer limited access as a security feature, which is similar to the security features of the comparable properties.

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
Havenwood Elberton	LIHTC	Elberton	Family	50	-	Star
Elberta Homes	Public Housing	Elberton	Family	185	1.2 miles	Red
Elberton Oaks	Rural Development	Elberton	Senior	45	2.0 miles	Green
Bowman Village	Rural Development	Bowman	Senior	24	11.4 miles	Green
Wildwood Apartments	Rural Development	Elberton	Family	50	2.3 miles	Green
Willow Lane Apartments	Rural Development	Bowman	Family	18	11.4 miles	Green
Oak Lane Apartments	Rural Development	Elberton	Family	24	1.1 miles	Green
Laurel Court Apartments	Section 8	Bowman	Family	8	14.1 miles	Blue
Petersburg Towers	Section 8	Elberton	Family	75	1.5 miles	Blue
Sunny Brook	Section 8	Elberton	Family	130	1.3 miles	Blue



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 can be accessed from South Oliver Street, which is a major two-lane road. South Oliver Street runs directly to downtown Elberton and connects to Highway 72 which runs to west to Athens, the nearest major city. Overall, access and visibility are considered good.

11. Conclusion:

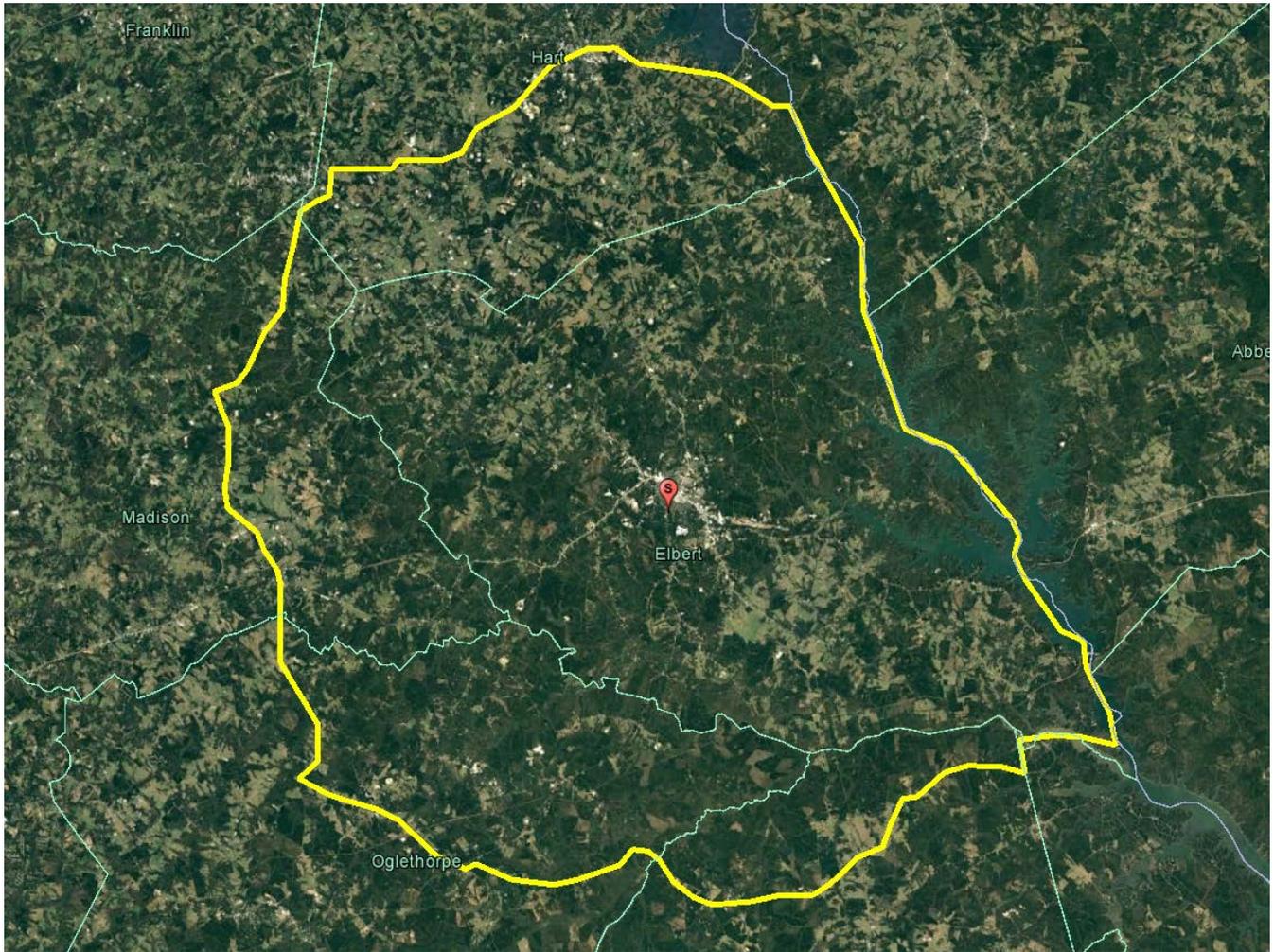
The Subject site is located on the east side of South Oliver Street, directly across from Ohio Street. The Subject site has good visibility and accessibility from South Oliver Street. The Subject site is currently vacant land with the exception of one dilapidated single-family home proposed for demolition. Surrounding uses consist of commercial, single-family uses, and vacant land. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. However, there are a limited number of retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by *Walkscore* with a rating of 24 out of 100. Crime risk indices in the Subject's area are slightly higher than the SMA but lower than the nation in most categories. The Subject site is a desirable building site for rental housing. The Subject is located in a residential neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, which are within 2.5 miles of the Subject site.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



Source: Google Earth, 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 SMA are areas of growth or contraction.

The PMA is defined by Highway 8 to the north, State Route 191/22 to the west, Sandy Cross Road, Centerville Road, Arnold Cauldwell Road, Wright Road, and Broad Road to the south, and the Elbert County line and Georgia/South Carolina border to the east. This area includes the Cities of Elberton and Dewy Rose as well as portions of Comer. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 16 miles
East: 18 miles
South: 15 miles
West: 18 miles

The PMA is defined based on interviews with the local housing authority and property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from outside of the county. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2018 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 18 miles. The SMA consists of Elbert, Hart, Madison, Oglethorpe, Wilkes, and Lincoln County.

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 Elbert 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 Elbert County.

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within the population in the SMA, 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.

POPULATION						
Year	PMA		SMA		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	34,264	-	100,908	-	281,038,168	-
2010	35,527	0.4%	106,987	0.6%	308,745,538	1.0%
2017	35,494	0.0%	107,751	0.1%	327,514,334	0.8%
Projected Mkt Entry June 2020	35,356	-0.1%	108,162	0.1%	335,569,736	0.8%
2022	35,258	-0.1%	108,455	0.1%	341,323,594	0.8%

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

SENIOR POPULATION, 55+						
Year	PMA		SMA		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	8,703	-	24,957	-	59,204,560	-
2010	10,595	2.2%	31,830	2.8%	76,750,713	3.0%
2017	11,972	1.8%	36,482	2.0%	93,482,000	3.0%
Projected Mkt Entry June 2020	12,516	1.6%	38,514	1.9%	99,186,559	2.1%
2022	12,905	1.6%	39,966	1.9%	103,261,244	2.1%

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

The senior population in the PMA grew between 2000 and 2010, although it was outpaced by senior population growth in the MSA and the nation over the same period. Between 2010 and 2017, there was approximately 1.8 percent annual growth in the senior population of the PMA, which was slightly lower than the MSA and below the national senior population growth rate. Total senior population in the PMA is projected to increase at a rate of 1.6 percent annually from 2017 to 2022, which is still below the MSA and national rates but still represents substantial growth. Overall, we believe that senior population growth in the PMA and MSA, while lower than the national growth rate, 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

PMA					
Age Cohort	2000	2010	2017	Projected Mkt Entry June 2020	2022
0-4	2,179	2,231	2,031	1,949	1,890
5-9	2,385	2,134	2,114	2,050	2,005
10-14	2,557	2,325	2,126	2,183	2,223
15-19	2,383	2,418	1,946	2,005	2,047
20-24	1,966	2,030	1,951	1,768	1,637
25-29	2,122	1,969	2,273	2,015	1,831
30-34	2,268	1,974	2,174	2,162	2,154
35-39	2,479	2,146	2,035	2,073	2,100
40-44	2,622	2,365	2,056	2,062	2,066
45-49	2,317	2,718	2,283	2,152	2,058
50-54	2,278	2,622	2,533	2,422	2,342
55-59	1,868	2,403	2,589	2,567	2,552
60-64	1,669	2,355	2,440	2,528	2,591
65-69	1,501	1,732	2,314	2,344	2,365
70-74	1,247	1,465	1,745	1,934	2,069
75-79	1,053	1,152	1,234	1,400	1,519
80-84	701	761	827	899	951
85+	664	727	823	843	858
Total	34,259	35,527	35,494	35,356	35,258

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

POPULATION BY AGE GROUP

SMA					
Age Cohort	2000	2010	2017	Projected Mkt Entry June 2020	2022
0-4	6,446	6,509	6,053	5,853	5,710
5-9	7,112	6,635	6,396	6,255	6,154
10-14	7,410	7,117	6,497	6,648	6,755
15-19	6,849	7,343	5,980	6,184	6,330
20-24	5,570	5,749	5,916	5,392	5,018
25-29	6,267	5,823	6,633	6,032	5,602
30-34	6,804	5,847	6,339	6,330	6,324
35-39	7,835	6,584	6,251	6,316	6,363
40-44	7,764	7,255	6,349	6,379	6,400
45-49	7,092	8,212	7,078	6,731	6,483
50-54	6,802	8,083	7,777	7,528	7,350
55-59	5,735	7,513	8,085	8,010	7,956
60-64	4,922	7,165	7,742	8,040	8,252
65-69	4,413	5,696	7,275	7,493	7,648
70-74	3,553	4,302	5,466	6,052	6,471
75-79	2,919	3,190	3,623	4,255	4,706
80-84	1,848	2,122	2,228	2,525	2,737
85+	1,567	1,842	2,063	2,141	2,196
Total	100,908	106,987	107,751	108,162	108,455

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

The largest age cohorts in the PMA are between 50 and 59, which indicates a large supply of potential tenants for the Subject property units.

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.

Year	PMA			SMA		
	Total	Non-Elderly	Elderly (55+)	Total	Non-Elderly	Elderly (55+)
2000	34,264	25,561	8,703	100,908	75,951	24,957
2010	35,527	24,932	10,595	106,987	75,157	31,830
2017	35,494	23,522	11,972	107,751	71,269	36,482
Projected Mkt Entry June 2020	35,356	22,840	12,516	108,162	69,647	38,514
2022	35,258	22,353	12,905	108,455	68,489	39,966

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

The senior population in the PMA is expected to increase substantially through market entry and 2022.

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 Households 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.

Year	PMA		SMA		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	5,446	-	15,698	-	36,433,877	-
2010	6,485	1.9%	19,417	2.4%	45,892,692	2.6%
2017	7,295	1.7%	22,314	2.1%	54,968,045	2.7%
Projected Mkt Entry June 2020	7,416	0.6%	22,854	0.8%	57,902,125	1.8%
2022	7,503	0.6%	23,240	0.8%	59,997,897	1.8%

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

Year	PMA		SMA		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	2.52	-	2.53	-	2.59	-
2010	2.52	0.0%	2.52	-0.1%	2.58	-0.1%
2017	2.50	-0.1%	2.52	0.0%	2.59	0.1%
Projected Mkt Entry June 2020	2.51	0.1%	2.53	0.2%	2.61	0.2%
2022	2.52	0.1%	2.54	0.2%	2.61	0.2%

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

Senior household growth in the PMA was less than the MSA and nation between 2000 and 2010 and continued this trend between 2010 and 2017. Over the next five years, senior household growth in the PMA is projected to increase at a rate below that of the MSA and nation as a whole. However, as noted in the age cohort table, the largest proportion of the population in the PMA is between 50 and 59. The average household size in the PMA is relatively similar to the SMA but substantially less than the national average 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	4,520	83.0%	926	17.0%
2017	5,597	76.7%	1,698	23.3%
Projected Mkt Entry June 2020	5,705	76.9%	1,711	23.1%
2022	5,782	77.1%	1,721	22.9%

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

SMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	13,325	84.9%	2,373	15.1%
2017	17,378	77.9%	4,936	22.1%
Projected Mkt Entry June 2020	17,957	78.6%	4,898	21.4%
2022	18,370	79.0%	4,870	21.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, May 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, though the percentage of senior renter population is projected to decrease slightly 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	312	18.4%	307	18.0%	304	17.7%
\$10,000-19,999	574	33.8%	530	30.9%	498	28.9%
\$20,000-29,999	241	14.2%	238	13.9%	235	13.7%
\$30,000-39,999	85	5.0%	84	4.9%	84	4.9%
\$40,000-49,999	122	7.2%	116	6.8%	112	6.5%
\$50,000-59,999	53	3.1%	57	3.3%	60	3.5%
\$60,000-74,999	61	3.6%	63	3.7%	64	3.7%
\$75,000-99,999	47	2.8%	60	3.5%	70	4.1%
\$100,000-124,999	67	3.9%	73	4.3%	78	4.5%
\$125,000-149,999	51	3.0%	73	4.2%	88	5.1%
\$150,000-199,999	47	2.8%	60	3.5%	69	4.0%
\$200,000+	38	2.2%	50	2.9%	59	3.4%
Total	1,698	100.0%	1,711	100.0%	1,721	100.0%

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - SMA, 55+

Income Cohort	2017		Projected Mkt Entry June 2020		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	717	14.5%	687	14.0%	665	13.7%
\$10,000-19,999	1,522	30.8%	1,400	28.6%	1,312	26.9%
\$20,000-29,999	648	13.1%	625	12.8%	608	12.5%
\$30,000-39,999	425	8.6%	402	8.2%	386	7.9%
\$40,000-49,999	413	8.4%	414	8.4%	414	8.5%
\$50,000-59,999	202	4.1%	210	4.3%	216	4.4%
\$60,000-74,999	202	4.1%	204	4.2%	205	4.2%
\$75,000-99,999	218	4.4%	231	4.7%	240	4.9%
\$100,000-124,999	159	3.2%	177	3.6%	190	3.9%
\$125,000-149,999	172	3.5%	221	4.5%	256	5.3%
\$150,000-199,999	153	3.1%	189	3.9%	215	4.4%
\$200,000+	105	2.1%	139	2.8%	163	3.3%
Total	4,936	100.0%	4,898	100.0%	4,870	100.0%

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

The Subject will target tenants earning between \$13,080 and \$22,320. As the table above depicts, approximately 48.0 percent of senior renter households in the PMA are earning incomes between \$10,000 and \$29,999, which is greater than the 43.9 percent of senior renter households in the SMA in 2017. For the projected market entry date of June 2020, these percentages are projected to decrease to 44.8 percent and 41.4 percent for PMA and SMA, respectively.

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	2017		Projected Mkt Entry June 2020		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	1,018	60.0%	1,023	59.8%	1,027	59.7%
2 Persons	496	29.2%	491	28.7%	487	28.3%
3 Persons	80	4.7%	82	4.8%	83	4.8%
4 Persons	66	3.9%	78	4.5%	86	5.0%
5+ Persons	38	2.2%	38	2.2%	38	2.2%
Total Households	1,698	100%	1,711	100%	1,721	100%

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

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

Conclusion

The senior population in the PMA grew between 2000 and 2010, although it was outpaced by senior population growth in the MSA and the nation over the same period. Between 2010 and 2017, there was approximately 1.8 percent annual growth in the senior population of the PMA, which was only slightly lower than the MSA and below the national senior population growth rate. Total senior population in the PMA is projected to increase at a rate of 1.6 percent annually from 2017 to 2022, which is below the MSA and national rates, but still represents substantial growth. The largest age cohorts in the PMA are between 50 and 59, which indicates a large supply of potential tenants for the Subject property units. The current senior population in the PMA is 11,972 and is expected to be 12,516 in 2020. Senior renter households are concentrated in the lowest income cohorts, with 48.0 percent of senior renters in the PMA earning between \$10,000 and \$29,999 annually. The Subject will target senior households earning between \$13,080 and \$22,320. The Subject should be well-positioned to service this market. Overall, senior 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

1. Total Jobs

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

Year	Total Employment	% Change
2007	9,303	-
2008	9,202	-1.10%
2009	8,639	-6.51%
2010	7,483	-15.45%
2011	7,431	-0.71%
2012	7,471	0.55%
2013	7,459	-0.17%
2014	7,157	-4.21%
2015	7,163	0.08%
2016	7,305	1.95%
2017	7,382	1.04%
2018 YTD Average	7,467	2.17%
Jan-17	7,193	-
Jan-18	7,467	3.67%

Source: U.S. Bureau of Labor Statistics

YTD as of January 2018

As illustrated in the table above, Elbert County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2008 with its first employment decrease of the decade. Employment growth rebounded in briefly 2012 but then declined between 2013 to 2014. Elbert County exhibited steady employment growth from 2015 through 2018 but has still yet to reach pre-recession employment levels. Despite intermittent periods of job loss, the county has exhibited steady growth since 2015. Between January 2017 and January 2018, total employment in Elbert County increased 3.67 percent which is the largest annual increase in the past decade.

2. Total Jobs by Industry

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

Q2 2017 Covered Employment
Elbert County, Georgia

	Number	Percent
Total, all industries	4,547	-
Goods-producing	2,168	-
Natural resources and mining	224	4.93%
Construction	136	2.99%
Manufacturing	1,808	39.76%
Service-providing	2,379	-
Trade, transportation, and utilities	1,127	24.79%
Information	13	0.29%
Financial activities	192	4.22%
Professional and business services	160	3.52%
Education and health services	367	8.07%
Leisure and hospitality	431	9.48%
Other services	76	1.67%
Unclassified	13	0.29%

Source: Bureau of Labor Statistics, 2017

Manufacturing is the largest industry in Elbert County, followed by trade, transportation, and utilities and leisure and hospitality. These industries are particularly vulnerable in economic downturns and are historically volatile industries with the exception of utilities. 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
Manufacturing	3,764	27.4%	15,589,157	10.1%
Healthcare/Social Assistance	1,776	12.9%	21,941,435	14.2%
Retail Trade	1,287	9.4%	17,038,977	11.0%
Educational Services	1,243	9.0%	14,390,707	9.3%
Construction	876	6.4%	9,872,629	6.4%
Other Services (excl Publ Adm)	785	5.7%	7,493,272	4.8%
Public Administration	720	5.2%	6,982,075	4.5%
Accommodation/Food Services	553	4.0%	12,036,513	7.8%
Wholesale Trade	464	3.4%	4,064,621	2.6%
Transportation/Warehousing	444	3.2%	6,498,777	4.2%
Prof/Scientific/Tech Services	424	3.1%	11,068,132	7.1%
Admin/Support/Waste Mgmt Svcs	414	3.0%	6,968,170	4.5%
Agric/Forestry/Fishing/Hunting	409	3.0%	2,288,795	1.5%
Finance/Insurance	182	1.3%	7,200,593	4.6%
Mining	128	0.9%	609,828	0.4%
Real Estate/Rental/Leasing	90	0.7%	3,130,712	2.0%
Arts/Entertainment/Recreation	72	0.5%	3,448,696	2.2%
Information	67	0.5%	2,741,630	1.8%
Utilities	55	0.4%	1,401,281	0.9%
Mgmt of Companies/Enterprises	0	0.0%	86,740	0.1%
Total Employment	13,753	100.0%	154,852,740	100.0%

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

The largest industries in the PMA are manufacturing, healthcare/social assistance, retail trade and educational services. The percentage of manufacturing jobs in the PMA is significantly larger than that of the nation. Public Administration is also over represented in the PMA; industries under-represented in the PMA include healthcare/social assistance, retail trade, and accommodation/food services.

3. Major Employers

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

MAJOR EMPLOYERS

#	Employer Name	Industry	# Of Employees
1	Bubba Burgers	Manufacturing	Less than 250
2	Pilgrims Pride	Manufacturing	Less than 250
3	Hailo	Manufacturing	Less than 250
4	Moller Tech	Manufacturing	Less than 250
5	Elbert County	Educational Service	Less than 250
6	Elberton & Elbert Co.	Public Administration	Less than 250
7	Walmart	Retail Trade	Less than 250
8	Elbert Memorial Hospital	Healthcare/Social Assistance	Less than 250
9	Athens Technical College	Educational Service	Less than 250
10	Heartmont Nursing Home	Healthcare/Social Assistance	Less than 250

Source: Georgia Department of Labor April 2018

Major employers in Elbert County include companies in the manufacturing, education, public administration and healthcare industries. While healthcare, education, and public administration are historically stable industries, manufacturing is historically unstable, especially during times of recession.

Expansions/Contractions

According to the Georgia Department of Labor Worker Adjustment and Retraining Notification (WARN) list, no WARN notices have been issued for Elbert County since 2015. According to the director of Economic Development for Elbert County, Mr. Rusty Warner, there are no new business expansions in the county at this time.

4. Employment and Unemployment Trends

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

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	SMA			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2002	48,354	-	-3.3%	136,485,000	-	-9.9%
2003	49,076	1.5%	-1.8%	137,736,000	0.9%	-9.0%
2004	48,635	-0.9%	-2.7%	139,252,000	1.1%	-8.0%
2005	49,082	0.9%	-1.8%	141,730,000	1.8%	-6.4%
2006	49,693	1.2%	-0.6%	144,427,000	1.9%	-4.6%
2007	50,000	0.6%	0.0%	146,047,000	1.1%	-3.6%
2008	49,995	0.0%	0.0%	145,363,000	-0.5%	-4.0%
2009	46,866	-6.3%	-6.3%	139,878,000	-3.8%	-7.6%
2010	42,425	-9.5%	-15.1%	139,064,000	-0.6%	-8.2%
2011	42,080	-0.8%	-15.8%	139,869,000	0.6%	-7.6%
2012	41,978	-0.2%	-16.0%	142,469,000	1.9%	-5.9%
2013	41,588	-0.9%	-16.8%	143,929,000	1.0%	-5.0%
2014	41,531	-0.1%	-16.9%	146,305,000	1.7%	-3.4%
2015	41,825	0.7%	-16.3%	148,833,000	1.7%	-1.7%
2016	43,466	3.9%	-13.1%	151,436,000	1.7%	0.0%
2017	44,944	3.4%	-10.1%	153,308,000	1.2%	1.2%
2018 YTD Average*	45,881	2.1%	-	154,430,000	0.7%	-
Jan-2017	43,791	-	-	150,527,000	-	-
Jan-2018	45,881	4.8%	-	154,430,000	2.6%	-

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

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	SMA			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2002	5.3%	-	0.3%	5.8%	-	1.2%
2003	5.1%	-0.2%	0.1%	6.0%	0.2%	1.4%
2004	5.0%	-0.1%	0.0%	5.5%	-0.5%	0.9%
2005	5.8%	0.8%	0.8%	5.1%	-0.5%	0.5%
2006	5.2%	-0.6%	0.2%	4.6%	-0.5%	0.0%
2007	5.1%	-0.1%	0.1%	4.6%	0.0%	0.0%
2008	6.9%	1.8%	1.9%	5.8%	1.2%	1.2%
2009	10.8%	3.8%	5.7%	9.3%	3.5%	4.7%
2010	11.7%	1.0%	6.7%	9.6%	0.3%	5.0%
2011	11.8%	0.1%	6.8%	9.0%	-0.7%	4.3%
2012	10.3%	-1.6%	5.2%	8.1%	-0.9%	3.5%
2013	9.1%	-1.2%	4.0%	7.4%	-0.7%	2.8%
2014	7.6%	-1.5%	2.5%	6.2%	-1.2%	1.6%
2015	6.3%	-1.3%	1.2%	5.3%	-0.9%	0.7%
2016	5.5%	-0.7%	0.5%	4.9%	-0.4%	0.3%
2018 YTD Average*	5.2%	0.5%	-	4.1%	-0.3%	-
Jan-2017	5.6%	-	-	5.1%	-	-
Jan-2018	5.2%	-0.4%	-	4.1%	-1.0%	-

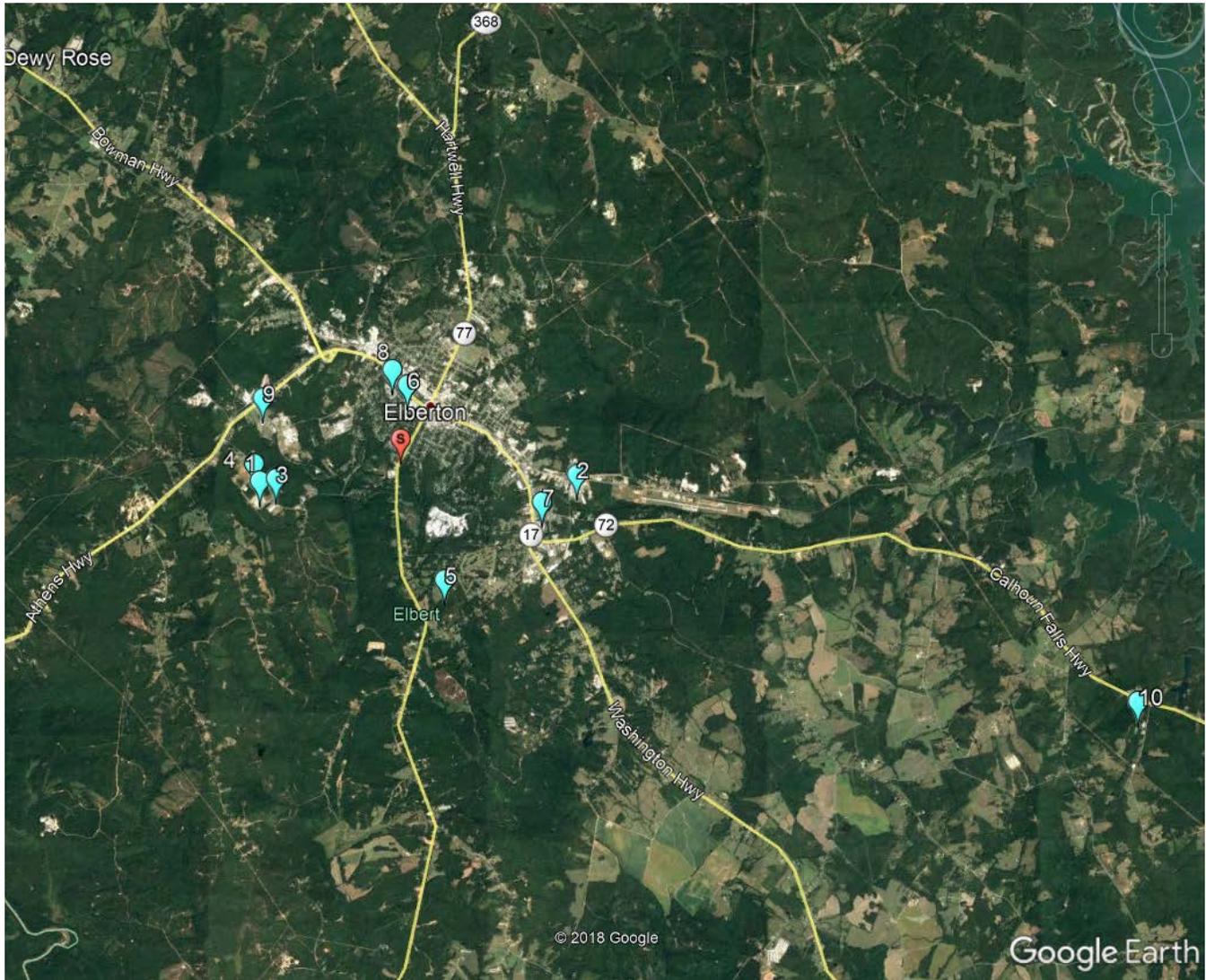
Source: U.S. Bureau of Labor Statistics April 2018

From 2002 to 2007, total employment in the SMA exhibited positive growth, with a pre-recession peak occurring in 2007. The nation experienced its most significant recession-related employment losses beginning in 2008, while the MSA realized its first recession-related employment losses in 2009. The MSA recorded a 17.8 percent decrease during the recession while the nation declined 4.9 percent. Thus, the MSA was impacted by the recession more significantly than the nation as a whole. Furthermore, the MSA was slower to recover from the recession, with decreases in total employment each year through 2014, while the nation began to recover from the recession in 2011. As of January 2018, the MSA has yet to surpass its pre-recession employment high while the nation surpassed its pre-recessionary peak in 2014. However, the MSA has experienced total employment growth each year since 2015, outpacing the nation in 2016 and 2017. Furthermore, the total employment growth in the MSA during the 12-month period preceding January 2018 was 4.8 percent, compared to 2.6 percent in the nation during the same time period. It should be noted that due to the smaller total employment pool in the SMA, employment variations may appear more significant on a percentage basis.

Since 2005, the SMA has posted higher unemployment rates than the nation. The SMA maintained a higher unemployment rate throughout the entire recession relative to the nation. However, since 2011, the unemployment rate has been steadily decreasing annually to its current rate of 5.2 percent. Given that total employment in the SMA has begun to increase, it appears the SMA is in a phase of stabilization and recovery. This is a positive sign for affordable housing demand in the area.

5. Map of Site and Major Employment Concentrations

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



Source: Google Earth, January 2018.

MAJOR EMPLOYERS

#	Employer Name	Industry	# Of Employees
1	Bubba Burgers	Manufacturing	Less than 250
2	Pilgrims Pride	Manufacturing	Less than 250
3	Hailo	Manufacturing	Less than 250
4	Moller Tech	Manufacturing	Less than 250
5	Elbert County	Educational Service	Less than 250
6	Elberton & Elbert Co.	Public Administration	Less than 250
7	Walmart	Retail Trade	Less than 250
8	Elbert Memorial Hospital	Healthcare/Social Assistance	Less than 250
9	Athens Technical College	Educational Service	Less than 250
10	Heartmont Nursing Home	Healthcare/Social Assistance	Less than 250

Source: Georgia Department of Labor April 2018

6. Conclusion

Employment in the PMA is concentrated in four industries which represent approximately 59.5 percent of total local employment. Two of those industries, manufacturing, and retail trade are particularly vulnerable during periods of contraction. However, educational services and health care/social assistance, are resilient during periods of economic downturn.

The SMA experienced total employment growth since 2015, outpacing the nation from 2016 to 2018. The total employment growth in the MSA during the 12-month period preceding January 2018 was 4.8 percent compared to 2.6 percent in the nation during the same time period. The unemployment rate in the SMA as of January 2018 was 5.2 percent, which is higher than the nation at 4.1 percent. However, unemployment in the SMA has been steadily declining since 2011. Overall, employment growth and the declining unemployment rate indicate that the SMA has stabilized and is recovering from the most recent national recession. The recent growth in the local economy is a positive indicator of demand for rental housing and the Subject's proposed units.

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% (HOME)		Overall Affordable	
1BR	\$13,080	\$17,450	\$13,440	\$20,940	\$13,080	\$20,940
2BR	\$15,690	\$18,600	\$17,880	\$22,320	\$15,690	\$22,320

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

2020 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.

PERCENTAGE RENT OVERBURDENED - ELBERT COUNTY, GA

Cost burden >30%	Cost burden >50%	Total Renters	Percentage Renters Cost Burdened
335	215	545	61.5%
280	20	575	48.7%

Source: U.S. Bureau of Labor Statistics

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. We were unable to identify any competitive units in the PMA which have been allocated, placed in service, or stabilizing between 2016 and present.

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
Havenwood Elberton	LIHTC	Elberton	Family	50	N/A
Petersburg Village	Market	Elberton	Senior	8	100.0%
Average PMA Occupancy					100.0%

There are no LIHTC properties and one market-rate property in the PMA. Petersburg Village is a senior development located 1.8 miles from the Subject in Elberton and is currently 100 percent occupied with a waiting list that consist of 15 households.

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 2021 are illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry June 2020		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	739	18.3%	706	17.8%	682	17.4%
\$10,000-19,999	1,139	28.2%	1,045	26.3%	978	24.9%
\$20,000-29,999	729	18.1%	716	18.0%	707	18.0%
\$30,000-39,999	401	9.9%	399	10.0%	398	10.1%
\$40,000-49,999	346	8.6%	329	8.3%	317	8.1%
\$50,000-59,999	150	3.7%	163	4.1%	173	4.4%
\$60,000-74,999	98	2.4%	97	2.5%	97	2.5%
\$75,000-99,999	71	1.8%	83	2.1%	91	2.3%
\$100,000-124,999	114	2.8%	123	3.1%	130	3.3%
\$125,000-149,999	101	2.5%	133	3.3%	155	3.9%
\$150,000-199,999	65	1.6%	78	2.0%	87	2.2%
\$200,000+	80	2.0%	100	2.5%	115	2.9%
Total	4,033	100.0%	3,973	100.0%	3,930	100.0%

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA, 55+

Income Cohort	2017		Projected Mkt Entry June 2020		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	312	18.4%	307	18.0%	304	17.7%
\$10,000-19,999	574	33.8%	530	30.9%	498	28.9%
\$20,000-29,999	241	14.2%	238	13.9%	235	13.7%
\$30,000-39,999	85	5.0%	84	4.9%	84	4.9%
\$40,000-49,999	122	7.2%	116	6.8%	112	6.5%
\$50,000-59,999	53	3.1%	57	3.3%	60	3.5%
\$60,000-74,999	61	3.6%	63	3.7%	64	3.7%
\$75,000-99,999	47	2.8%	60	3.5%	70	4.1%
\$100,000-124,999	67	3.9%	73	4.3%	78	4.5%
\$125,000-149,999	51	3.0%	73	4.2%	88	5.1%
\$150,000-199,999	47	2.8%	60	3.5%	69	4.0%
\$200,000+	38	2.2%	50	2.9%	59	3.4%
Total	1,698	100.0%	1,711	100.0%	1,721	100.0%

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

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$13,080		Maximum Income Limit		\$18,600	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	in Households PMA 2017 to Prj Mrkt Entry June 2020						
\$0-9,999	-5	-34.8%	\$5,520	0.0%	0		
\$10,000-19,999	-44	-330.4%		55.2%	-24		
\$20,000-29,999	-4	-26.1%		0.0%	0		
\$30,000-39,999	-1	-4.3%		0.0%	0		
\$40,000-49,999	-6	-43.5%		0.0%	0		
\$50,000-59,999	4	30.4%		0.0%	0		
\$60,000-74,999	2	13.0%		0.0%	0		
\$75,000-99,999	13	100.0%		0.0%	0		
\$100,000-124,999	6	47.8%		0.0%	0		
\$125,000-149,999	22	160.9%		0.0%	0		
\$150,000-199,999	13	95.7%		0.0%	0		
\$200,000+	12	91.3%	0.0%	0			
Total	13	100.0%		27.6%	-24		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$13,080		Maximum Income Limit		\$18,600	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	312	18.4%	\$5,520	0.0%	0		
\$10,000-19,999	574	33.8%		55.2%	317		
\$20,000-29,999	241	14.2%		0.0%	0		
\$30,000-39,999	85	5.0%		0.0%	0		
\$40,000-49,999	122	7.2%		0.0%	0		
\$50,000-59,999	53	3.1%		0.0%	0		
\$60,000-74,999	61	3.6%		0.0%	0		
\$75,000-99,999	47	2.8%		0.0%	0		
\$100,000-124,999	67	3.9%		0.0%	0		
\$125,000-149,999	51	3.0%		0.0%	0		
\$150,000-199,999	47	2.8%		0.0%	0		
\$200,000+	38	2.2%	0.0%	0			
Total	1,698	100.0%		18.7%	317		

ASSUMPTIONS - @50%

Tenancy	55+		% of Income towards Housing		40%
Rural/Urban	Rural		Maximum # of Occupants		2
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	30%	70%	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	13
Percent Income Qualified	27.6%
New Renter Income Qualified Households	-24

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	1,698
Income Qualified	18.7%
Income Qualified Renter Households	317
Percent Rent Overburdened Prj Mrkt Entry June 2020	61.5%
Rent Overburdened Households	195

Demand from Living in Substandard Housing

Income Qualified Renter Households	317
Percent Living in Substandard Housing	2.4%
Households Living in Substandard Housing	8

Senior Households Converting from Homeownership

Income Target Population	@50%
Total Senior Homeowners	5,705
Rural Versus Urban	0.1%
Senior Demand Converting from Homeownership	4

Total Demand

Total Demand from Existing Households	206
Total New Demand	-24
Total Demand (New Plus Existing Households)	182

Demand from Seniors Who Convert from Homeownership	4
Percent of Total Demand From Homeownership Conversion	2.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	59.8%	109
Two Persons	28.7%	52
Three Persons	4.8%	9
Four Persons	4.5%	8
Five Persons	2.2%	4
Total	100.0%	182

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	30%	33
Of two-person households in 1BR units	20%	10
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	70%	76
Of two-person households in 2BR units	80%	42
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%	3
Of four-person households in 3BR units	70%	6
Of five-person households in 3BR units	30%	1
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%	5
Of four-person households in 4BR units	30%	2
Of five-person households in 4BR units	70%	3
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		182

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	43	-	0	=	43
2 BR	118	-	0	=	118
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	161		0		161

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	1	/	43	=	2.3%
2 BR	9	/	118	=	7.6%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	10		161		6.2%

60% (HOME)

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60% (HOME)

Minimum Income Limit		\$13,440		Maximum Income Limit		\$22,320	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	in Households PMA 2017 to Prj Mrkt Entry June 2020						
\$0-9,999	-5	-34.8%		0.0%		0	
\$10,000-19,999	-44	-330.4%	\$6,559	65.6%		-29	
\$20,000-29,999	-4	-26.1%	\$2,320	23.2%		-1	
\$30,000-39,999	-1	-4.3%		0.0%		0	
\$40,000-49,999	-6	-43.5%		0.0%		0	
\$50,000-59,999	4	30.4%		0.0%		0	
\$60,000-74,999	2	13.0%		0.0%		0	
\$75,000-99,999	13	100.0%		0.0%		0	
\$100,000-124,999	6	47.8%		0.0%		0	
\$125,000-149,999	22	160.9%		0.0%		0	
\$150,000-199,999	13	95.7%		0.0%		0	
\$200,000+	12	91.3%		0.0%		0	
Total	13	100.0%		44.4%		-30	

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60% (HOME)

Minimum Income Limit		\$13,440		Maximum Income Limit		\$22,320	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	312	18.4%		0.0%		0	
\$10,000-19,999	574	33.8%	\$6,559	65.6%		377	
\$20,000-29,999	241	14.2%	\$2,320	23.2%		56	
\$30,000-39,999	85	5.0%		0.0%		0	
\$40,000-49,999	122	7.2%		0.0%		0	
\$50,000-59,999	53	3.1%		0.0%		0	
\$60,000-74,999	61	3.6%		0.0%		0	
\$75,000-99,999	47	2.8%		0.0%		0	
\$100,000-124,999	67	3.9%		0.0%		0	
\$125,000-149,999	51	3.0%		0.0%		0	
\$150,000-199,999	47	2.8%		0.0%		0	
\$200,000+	38	2.2%		0.0%		0	
Total	1,698	100.0%		25.5%		432	

ASSUMPTIONS - @60% (HOME)

Tenancy	55+		% of Income towards Housing		40%
Rural/Urban	Rural		Maximum # of Occupants		2
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	30%	70%	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% (HOME)
New Renter Households PMA	13
Percent Income Qualified	44.4%
New Renter Income Qualified Households	-30

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	@60% (HOME)
Total Existing Demand	1,698
Income Qualified	25.5%
Income Qualified Renter Households	432
Percent Rent Overburdened Prj Mrkt Entry June 2020	48.7%
Rent Overburdened Households	211

Demand from Living in Substandard Housing

Income Qualified Renter Households	432
Percent Living in Substandard Housing	2.4%
Households Living in Substandard Housing	11

Senior Households Converting from Homeownership

Income Target Population	@60% (HOME)
Total Senior Homeowners	5,705
Rural Versus Urban	0.1%
Senior Demand Converting from Homeownership	4

Total Demand

Total Demand from Existing Households	225
Total New Demand	-30
Total Demand (New Plus Existing Households)	195

Demand from Seniors Who Convert from Homeownership	4
Percent of Total Demand From Homeownership Conversion	1.9%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	59.8%	117
Two Persons	28.7%	56
Three Persons	4.8%	9
Four Persons	4.5%	9
Five Persons	2.2%	4
Total	100.0%	195

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	30%	35
Of two-person households in 1BR units	20%	11
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	70%	82
Of two-person households in 2BR units	80%	45
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%	4
Of four-person households in 3BR units	70%	6
Of five-person households in 3BR units	30%	1
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%	6
Of four-person households in 4BR units	30%	3
Of five-person households in 4BR units	70%	3
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		195

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	46	-	0	=	46
2 BR	126	-	0	=	126
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	172		0		172

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	4	/	46	=	8.7%
2 BR	36	/	126	=	28.5%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	40		172		23.2%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$13,080		Maximum Income Limit		\$22,320	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	in Households PMA 2017 to Prj Mrkt Entry June 2020						
\$0-9,999	-5	-34.8%		0.0%		0	
\$10,000-19,999	-44	-330.4%	\$6,919	69.2%		-31	
\$20,000-29,999	-4	-26.1%	\$2,320	23.2%		-1	
\$30,000-39,999	-1	-4.3%		0.0%		0	
\$40,000-49,999	-6	-43.5%		0.0%		0	
\$50,000-59,999	4	30.4%		0.0%		0	
\$60,000-74,999	2	13.0%		0.0%		0	
\$75,000-99,999	13	100.0%		0.0%		0	
\$100,000-124,999	6	47.8%		0.0%		0	
\$125,000-149,999	22	160.9%		0.0%		0	
\$150,000-199,999	13	95.7%		0.0%		0	
\$200,000+	12	91.3%		0.0%		0	
Total	13	100.0%		46.2%		-31	

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$13,080		Maximum Income Limit		\$22,320	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	312	18.4%		0.0%		0	
\$10,000-19,999	574	33.8%	\$6,919	69.2%		397	
\$20,000-29,999	241	14.2%	\$2,320	23.2%		56	
\$30,000-39,999	85	5.0%		0.0%		0	
\$40,000-49,999	122	7.2%		0.0%		0	
\$50,000-59,999	53	3.1%		0.0%		0	
\$60,000-74,999	61	3.6%		0.0%		0	
\$75,000-99,999	47	2.8%		0.0%		0	
\$100,000-124,999	67	3.9%		0.0%		0	
\$125,000-149,999	51	3.0%		0.0%		0	
\$150,000-199,999	47	2.8%		0.0%		0	
\$200,000+	38	2.2%		0.0%		0	
Total	1,698	100.0%		26.7%		453	

ASSUMPTIONS - Overall

Tenancy	55+		% of Income towards Housing		40%
Rural/Urban	Rural		Maximum # of Occupants		2
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	30%	70%	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
New Renter Households PMA	13
Percent Income Qualified	46.2%
New Renter Income Qualified Households	-31

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	1,698
Income Qualified	26.7%
Income Qualified Renter Households	453
Percent Rent Overburdened Prj Mrkt Entry June 2020	55.1%
Rent Overburdened Households	250

Demand from Living in Substandard Housing

Income Qualified Renter Households	453
Percent Living in Substandard Housing	2.4%
Households Living in Substandard Housing	11

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	5,705
Rural Versus Urban	0.1%
Senior Demand Converting from Homeownership	4

Total Demand

Total Demand from Existing Households	264
Total New Demand	-31
Total Demand (New Plus Existing Households)	233

Demand from Seniors Who Convert from Homeownership	4
Percent of Total Demand From Homeownership Conversion	1.6%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	59.8%	139
Two Persons	28.7%	67
Three Persons	4.8%	11
Four Persons	4.5%	11
Five Persons	2.2%	5
Total	100.0%	233

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	30%	42
Of two-person households in 1BR units	20%	13
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	70%	97
Of two-person households in 2BR units	80%	53
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%	4
Of four-person households in 3BR units	70%	7
Of five-person households in 3BR units	30%	2
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%	7
Of four-person households in 4BR units	30%	3
Of five-person households in 4BR units	70%	4
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		233

Total Demand (Subject Unit Types)			Additions to Supply			Net Demand		
0 BR		-	0	=	0			
1 BR	55	-	0	=	55			
2 BR	151	-	0	=	151			
3 BR		-	0	=	0			
4 BR		-	0	=	0			
5 BR		-	0	=	0			
Total	206		0		206			

Developer's Unit Mix			Net Demand			Capture Rate		
0 BR	0	/	0	=	-			
1 BR	5	/	55	=	9.1%			
2 BR	45	/	151	=	29.8%			
3 BR	0	/	0	=	-			
4 BR	0	/	0	=	-			
5 BR	0	/	0	=	-			
Total	50		206		24.3%			

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 1.6 percent between 2017 and 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 (\$13,080 to \$18,600)	HH at @60% AMI (\$13,440 to \$22,320)	Overall Demand (\$13,080 to \$22,320)
Demand from New Households (age and income appropriate)	-24	-30	-31
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	195	211	250
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	8	11	11
=	=	=	=
Sub Total	178	191	229
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	4	4	4
Equals Total Demand	182	195	233
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	182	195	233

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%	\$13,080	\$17,450	1	43	0	43	2.3%	Five months	\$551	\$368	\$959	\$364
1BR @60%	\$13,440	\$20,940	4	46	0	46	8.7%	Five months	\$606	\$391	\$959	\$376
1BR Overall	\$13,080	\$20,940	5	55	0	55	9.1%	Five months	-	-	-	-
2BR @50%	\$15,690	\$18,600	9	118	0	118	7.6%	Five months	\$676	\$429	\$1,087	\$439
2BR @60%	\$17,880	\$22,320	36	126	0	126	28.5%	Five months	\$740	\$481	\$1,087	\$512
2BR Overall	\$15,690	\$22,320	45	151	0	151	29.8%	Five months	-	-	-	-
@50% Overall	\$13,080	\$18,600	10	161	0	161	6.2%	Five months	-	-	-	-
@60% Overall	\$13,440	\$22,320	40	172	0	172	23.2%	Five months	-	-	-	-
Overall	\$13,080	\$22,320	50	206	0	206	24.3%	Five months	-	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 2.3 to 7.6 percent, with an overall capture rate of 6.2 percent. The Subject’s 60 percent AMI capture rates range from 8.7 to 28.5 percent, with an overall capture rate of 23.2 percent. The overall capture rate for the project’s 50 and 60 percent units is 24.3 percent. Therefore, we believe there is adequate demand for the Subject. All 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 seven “true” comparable properties containing 770 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered limited. There are no LIHTC properties in the PMA; therefore, we have expanded our search and used two LIHTC properties and one mixed-income property located outside of the PMA in nearby Washington, Royston, and Hartwell. These properties are located between 17.8 and 29.0 miles from the Subject and are considered reasonable proxies for the Subject as they are the newest and most proximate LIHTC properties in the area. Washington, Royston, and Hartwell are generally similar locations when compared to the Elberton with respect to median home values and median gross rents.

The availability of market rate data is also considered limited. The Subject is located in Elberton and there are a limited number of market-rate properties in the area. We include four conventional properties in our analysis of the competitive market. Of these, three are located outside the PMA, between 28.2 and 29.0 miles from the Subject site in Athens. Athens is considered superior to Elberton in terms of median home values and median gross rents. These properties were built or renovated between 1996 and 2017 and are considered good proxies for the Subject property as they are the most proximate market-rate properties in the area. The remaining market-rate comparable, Petersburg Village, is an age-restricted property located 1.8 miles from the Subject in Elberton. Other properties within the PMA have been excluded as they offer subsidized rents. Overall, we believe the market rate properties used in our analysis are the most comparable.

Excluded Properties

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

EXCLUDED PROPERTIES

	Program	Location	Tenancy	# of Units	Reason for Exclusion
Elberta Homes	Public Housing	Elberton	Family	185	Subsidized
Elberton Oaks	Rural Development	Elberton	Senior	45	Subsidized
Bowman Village	Rural Development	Bowman	Senior	24	Subsidized
Wildwood Apartments	Rural Development	Elberton	Family	50	Subsidized
Willow Lane Apartments	Rural Development	Bowman	Family	18	Subsidized
Oak Lane Apartments	Rural Development	Elberton	Family	24	Subsidized
Laurel Court Apartments	Section 8	Bowman	Family	8	Subsidized
Petersburg Towers	Section 8	Elberton	Family	75	Subsidized
Sunny Brook	Section 8	Elberton	Family	130	Subsidized

Comparable Rental Property Map



Source: Google Earth, May 2018.

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	Havenwood Elberton	Elberton	LIHTC	Senior	-
1	Foxwood Senior Village*	Washington	LIHTC	Senior	26.9 miles
2	Heather Highlands*	Royston	LIHTC	Family	19.6 miles
3	Juniper Court*	Hartwell	LIHTC/Market	Family	17.8 miles
4	1287 Shoals Apartments*	Athens	Market	Family	29.0 miles
5	Petersburg Village	Elberton	Market	Senior	1.8 miles
6	The Oaks Apartments*	Athens	Market	Family	28.2 miles
7	The Pointe Apartments*	Athens	Market	Family	28.9 miles

*These properties are 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 Elberton South Oliver Street Elberton, GA 30635 Elbert County	-	Lowrise (3 stories) Proposed 2020 / n/a Senior	@50%, @60% (HOME)	1BR / 1BA	1	2.0%	690	@50%	\$364	Yes	N/A	N/A	N/A
					1BR / 1BA	4	8.0%	690	≥60% (HOME)	\$376	Yes	N/A	N/A	N/A
					2BR / 1BA	9	18.0%	880	@50%	\$439	Yes	N/A	N/A	N/A
					2BR / 1BA	36	72.0%	880	≥60% (HOME)	\$512	Yes	N/A	N/A	N/A
						50	100.0%							
1	Foxwood Senior Village 235 Gordon St Washington, GA 30673 Wilkes County	26.9 miles	One-story (1 stories) 2013 / n/a Senior	@50%, @60%	1BR / 1BA	4	9.1%	890	@50%	\$429	Yes	Yes	0	0.0%
					1BR / 1BA	20	45.5%	890	@60%	\$531	Yes	Yes	0	0.0%
					2BR / 2BA	3	6.8%	1,100	@50%	\$492	Yes	Yes	0	0.0%
					2BR / 2BA	17	38.6%	1,100	@60%	\$614	Yes	Yes	0	0.0%
						44	100.0%							
2	Heather Highlands 10 Ed Smith Way Royston, GA 30662 Franklin County	19.6 miles	Garden (2 stories) 2015 / n/a Family	@50%, @60%	1BR / 1BA	2	5.0%	850	@50%	\$368	No	Yes	0	0.0%
					1BR / 1BA	6	15.0%	850	@60%	\$391	No	Yes	0	0.0%
					2BR / 2BA	4	10.0%	1,100	@50%	\$429	No	Yes	0	0.0%
					2BR / 2BA	20	50.0%	1,100	@60%	\$481	No	Yes	0	0.0%
					3BR / 2BA	2	5.0%	1,250	@50%	\$478	No	Yes	0	0.0%
					3BR / 2BA	6	15.0%	1,250	@60%	\$578	No	Yes	0	0.0%
	40	100.0%								0	0.0%			
3	Juniper Court 283 Nancy Drive Hartwell, GA 30643 Hart County	17.8 miles	Garden (2 stories) 2009 / n/a Family	@50%, @60%, Market	1BR / 1BA	9	17.3%	762	@50%	\$420	Yes	Yes	0	0.0%
					1BR / 1BA	5	9.6%	762	@60%	\$433	No	Yes	0	0.0%
					1BR / 1BA	10	19.2%	762	Market	\$468	N/A	Yes	0	0.0%
					2BR / 2BA	12	23.1%	1,060	@50%	\$471	No	Yes	0	0.0%
					2BR / 2BA	6	11.5%	1,060	Market	\$496	N/A	Yes	0	0.0%
					2BR / 2BA	10	19.2%	1,060	@60%	\$486	No	Yes	0	0.0%
	52	100.0%								0	0.0%			
4	1287 Shoals Apartments 1287 Cedar Shoals Drive Athens, GA 30605 Clarke County	29.0 miles	Various (3 stories) 1996 / 2017 Family	Market	1BR / 1BA	57	25.9%	815	Market	\$959	N/A	No	N/A	N/A
					1.5BR / 2BA	8	3.6%	1,091	Market	\$934	N/A	No	N/A	N/A
					2BR / 2BA	60	27.3%	1,128	Market	\$1,011	N/A	No	N/A	N/A
					2BR / 2BA	60	27.3%	1,150	Market	\$1,087	N/A	No	N/A	N/A
					3BR / 2BA	35	15.9%	1,362	Market	\$1,329	N/A	No	N/A	N/A
	220	100.0%								2	0.9%			
5	Petersburg Village 1052 Petersburg Road Elberton, GA 30635 Elbert County	1.8 miles	One-story (1 stories) 2007 / n/a Senior	Market	1BR / 1BA	4	50.0%	1,396	Market	\$683	N/A	Yes	0	0.0%
					2BR / 2BA	4	50.0%	1,697	Market	\$806	N/A	Yes	0	0.0%
						8	100.0%							0
6	The Oaks Apartments 175 Woodlake Place Athens, GA 30605 Clarke County	28.2 miles	Various (1 stories) 1970/1972 / 2015 Family	Market	1BR / 1BA	84	35.3%	950	Market	\$720	N/A	No	N/A	N/A
					2BR / 2BA	120	50.4%	1,125	Market	\$739	N/A	No	N/A	N/A
					2BR / 2BA	14	5.9%	1,175	Market	\$876	N/A	No	N/A	N/A
					3BR / 2BA	20	8.4%	1,450	Market	\$975	N/A	No	N/A	N/A
	238	100.0%								15	6.3%			
7	The Pointe Apartments 750 Gaines School Road Athens, GA 30605 Athens-clarke County	28.9 miles	Garden (3 stories) 1972 / 2004, 2008 Family	Market	1BR / 1BA	54	32.1%	800	Market	\$663	N/A	No	0	0.0%
					2BR / 2BA	90	53.6%	1,200	Market	\$801	N/A	No	4	4.4%
					3BR / 2BA	24	14.3%	1,470	Market	\$903	N/A	No	0	0.0%
						168	100.0%							

HAVENWOOD ELBERTON – ELBERTON, GEORGIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.				
	Units Surveyed:	770	Weighted Occupancy:	97.3%
	Market Rate	634	Market Rate	96.7%
	Tax Credit	136	Tax Credit	100.0%
One-Bedroom One Bath		Average	Two-Bedroom One Bath	
RENT	Property		Property	Average
	1287 Shoals Apartments (Market)	\$959	1287 Shoals Apartments (Market)(2BA)	\$1,087
	The Oaks Apartments (Market)	\$720	1287 Shoals Apartments (Market)(2BA)	\$1,011
	Petersburg Village (Market)	\$683	The Oaks Apartments (Market)(2BA)	\$876
	The Pointe Apartments (Market)	\$663	Petersburg Village (Market)(2BA)	\$806
	Foxwood Senior Village (@60%)	\$531	The Pointe Apartments (Market)(2BA)	\$801
	Juniper Court (Market)	\$468	The Oaks Apartments (Market)(2BA)	\$739
	Juniper Court (@60%)	\$433	Foxwood Senior Village (@60%)(2BA)	\$614
	Foxwood Senior Village (@50%)	\$429	Havenwood Elberton (@60%)	\$512
	Juniper Court (@50%)	\$420	Juniper Court (Market)(2BA)	\$496
	Heather Highlands (@60%)	\$391	Foxwood Senior Village (@50%)(2BA)	\$492
	Havenwood Elberton (@60%)	\$376	Juniper Court (@60%)(2BA)	\$486
	Heather Highlands (@50%)	\$368	Heather Highlands (@60%)(2BA)	\$481
	Havenwood Elberton (@50%)	\$364	Juniper Court (@50%)(2BA)	\$471
			Havenwood Elberton (@50%)	\$439
			Heather Highlands (@50%)(2BA)	\$429
SQUARE FOOTAGE				
	Petersburg Village (Market)	1,396	Petersburg Village (Market)(2BA)	1,697
	The Oaks Apartments (Market)	950	The Pointe Apartments (Market)(2BA)	1,200
	Foxwood Senior Village (@50%)	890	The Oaks Apartments (Market)(2BA)	1,175
	Foxwood Senior Village (@60%)	890	1287 Shoals Apartments (Market)(2BA)	1,150
	Heather Highlands (@50%)	850	1287 Shoals Apartments (Market)(2BA)	1,128
	Heather Highlands (@60%)	850	The Oaks Apartments (Market)(2BA)	1,125
	1287 Shoals Apartments (Market)	815	Foxwood Senior Village (@60%)(2BA)	1,100
	The Pointe Apartments (Market)	800	Foxwood Senior Village (@50%)(2BA)	1,100
	Juniper Court (@60%)	762	Heather Highlands (@50%)(2BA)	1,100
	Juniper Court (@50%)	762	Heather Highlands (@60%)(2BA)	1,100
	Juniper Court (Market)	762	Juniper Court (@50%)(2BA)	1,060
	Havenwood Elberton (@60%)	690	Juniper Court (Market)(2BA)	1,060
	Havenwood Elberton (@50%)	690	Juniper Court (@60%)(2BA)	1,060
			Havenwood Elberton (@60%)	880
			Havenwood Elberton (@50%)	880
RENT PER SQUARE FOOT				
	1287 Shoals Apartments (Market)	\$1.18	1287 Shoals Apartments (Market)(2BA)	\$0.95
	The Pointe Apartments (Market)	\$0.83	1287 Shoals Apartments (Market)(2BA)	\$0.90
	The Oaks Apartments (Market)	\$0.76	The Oaks Apartments (Market)(2BA)	\$0.75
	Juniper Court (Market)	\$0.61	The Pointe Apartments (Market)(2BA)	\$0.67
	Foxwood Senior Village (@60%)	\$0.60	The Oaks Apartments (Market)(2BA)	\$0.66
	Juniper Court (@60%)	\$0.57	Havenwood Elberton (@60%)	\$0.58
	Juniper Court (@50%)	\$0.55	Foxwood Senior Village (@60%)(2BA)	\$0.56
	Havenwood Elberton (@60%)	\$0.54	Havenwood Elberton (@50%)	\$0.50
	Havenwood Elberton (@50%)	\$0.53	Petersburg Village (Market)(2BA)	\$0.47
	Petersburg Village (Market)	\$0.49	Juniper Court (Market)(2BA)	\$0.47
	Foxwood Senior Village (@50%)	\$0.48	Juniper Court (@60%)(2BA)	\$0.46
	Heather Highlands (@60%)	\$0.46	Foxwood Senior Village (@50%)(2BA)	\$0.45
	Heather Highlands (@50%)	\$0.43	Juniper Court (@50%)(2BA)	\$0.44
			Heather Highlands (@60%)(2BA)	\$0.44
			Heather Highlands (@50%)(2BA)	\$0.39

PROPERTY PROFILE REPORT

Foxwood Senior Village

Effective Rent Date	5/01/2018
Location	235 Gordon St Washington, GA 30673 Wilkes County
Distance	26.9 miles
Units	44
Vacant Units	0
Vacancy Rate	0.0%
Type	One-story (age-restricted)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Seniors 55+
Contact Name	Bridget
Phone	706-678-2061



Market Information

Program	@50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	1-2 weeks
Annual Chg. in Rent	Kept at max
Concession	N/A
Waiting List	30 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	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	One-story	4	890	\$371	\$0	@50%	Yes	0	0.0%	yes	None
1	1	One-story	20	890	\$473	\$0	@60%	Yes	0	0.0%	yes	None
2	2	One-story	3	1,100	\$426	\$0	@50%	Yes	0	0.0%	yes	None
2	2	One-story	17	1,100	\$548	\$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
1BR / 1BA	\$371	\$0	\$371	\$58	\$429	1BR / 1BA	\$473	\$0	\$473	\$58	\$531
2BR / 2BA	\$426	\$0	\$426	\$66	\$492	2BR / 2BA	\$548	\$0	\$548	\$66	\$614

Foxwood Senior Village, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Oven	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Recreation Areas			

Comments

The contact reported strong demand for affordable housing in the area. This property maintains a waiting list that consists of 30 households.

Photos



PROPERTY PROFILE REPORT

Heather Highlands

Effective Rent Date	5/01/2018
Location	10 Ed Smith Way Royston, GA 30662 Franklin County
Distance	19.6 miles
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2015 / N/A
Marketing Began	10/01/2015
Leasing Began	10/01/2015
Last Unit Leased	2/01/2016
Major Competitors	None identified
Tenant Characteristics	Families from Royston
Contact Name	Sunshine
Phone	762-847-7900



Market Information

Program	@50%, @60%
Annual Turnover Rate	30%
Units/Month Absorbed	10
HCV Tenants	N/A
Leasing Pace	Within one week
Annual Chg. in Rent	Increased three percent
Concession	None
Waiting List	40 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	Garden (2 stories)	2	850	\$325	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	6	850	\$348	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	4	1,100	\$378	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	20	1,100	\$430	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	2	1,250	\$415	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	6	1,250	\$515	\$0	@60%	Yes	0	0.0%	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	\$325	\$0	\$325	\$43	\$368	1BR / 1BA	\$348	\$0	\$348	\$43	\$391
2BR / 2BA	\$378	\$0	\$378	\$51	\$429	2BR / 2BA	\$430	\$0	\$430	\$51	\$481
3BR / 2BA	\$415	\$0	\$415	\$0	\$415	3BR / 2BA	\$515	\$0	\$515	\$0	\$515

Heather Highlands, continued

Amenities

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

Comments

Heather Highlands began leasing in October 2015 and was fully-occupied by February 2016, which equates to an absorption rate of ten units per month. This property maintains a waiting list that consists of 40 households.

Photos



PROPERTY PROFILE REPORT

Juniper Court

Effective Rent Date	4/26/2018
Location	283 Nancy Drive Hartwell, GA 30643 Hart County
Distance	17.8 miles
Units	52
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Throughout Elbert and Hart County
Contact Name	Casey Martin
Phone	706-376-2589



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	10%
Units/Month Absorbed	10
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	N/A
Concession	None
Waiting List	75 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	Garden (2 stories)	9	762	\$377	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	5	762	\$390	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	10	762	\$425	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	12	1,060	\$420	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	10	1,060	\$435	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	6	1,060	\$445	\$0	Market	Yes	0	0.0%	N/A	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	\$377	\$0	\$377	\$43	\$420	1BR / 1BA	\$390	\$0	\$390	\$43	\$433
2BR / 2BA	\$420	\$0	\$420	\$51	\$471	2BR / 2BA	\$435	\$0	\$435	\$51	\$486
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
1BR / 1BA	\$425	\$0	\$425	\$43	\$468						
2BR / 2BA	\$445	\$0	\$445	\$51	\$496						

Juniper Court, continued

Amenities

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

Comments

The contact reported strong demand for affordable housing in the area. The property currently maintains a waiting list that consists of 75 households.

Photos



PROPERTY PROFILE REPORT

1287 Shoals Apartments

Effective Rent Date	5/02/2018
Location	1287 Cedar Shoals Drive Athens, GA 30605 Clarke County
Distance	29 miles
Units	220
Vacant Units	2
Vacancy Rate	0.9%
Type	Various (3 stories)
Year Built/Renovated	1996 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Oaks Apartments
Tenant Characteristics	Mixed tenancy; Mostly UGA students and working adults from the local area
Contact Name	Rosa
Phone	706-227-3017



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to 7 days
Annual Chg. in Rent	Fluctuate often
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	57	815	\$901	\$0	Market	No	N/A	N/A	N/A	None
1.5	2	Loft	8	1,091	\$956	\$80	Market	No	N/A	N/A	N/A	None
2	2	Garden	60	1,128	\$945	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden	60	1,150	\$1,021	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden	35	1,362	\$1,251	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$901	\$0	\$901	\$58	\$959
1.5BR / 2BA	\$956	\$80	\$876	\$58	\$934
2BR / 2BA	\$945 - \$1,021	\$0	\$945 - \$1,021	\$66	\$1,011 - \$1,087
3BR / 2BA	\$1,251	\$0	\$1,251	\$0	\$1,251

1287 Shoals Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Intercom (Phone)	
Coat Closet	Dishwasher	Perimeter Fencing	
Ceiling Fan	Garbage Disposal		
Hand Rails	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Tennis Court	Volleyball Court		

Comments

The property was FKA Spring Lake and has been under new ownership since March of 2016. The contact reported the property recently completed an extensive renovation which includes exterior paint and repairs, refurbished laundry room and exercise room, as well as upgraded clubhouse. Interior renovations consisted of new faux wood flooring, new carpet, new counters and cabinetry in the kitchens and bathrooms, new ceiling fans and fixtures, and new black appliances.

Photos



PROPERTY PROFILE REPORT

Petersburg Village

Effective Rent Date	4/17/2018
Location	1052 Petersburg Road Elberton, GA 30635 Elbert County
Distance	1.8 miles
Units	8
Vacant Units	0
Vacancy Rate	0.0%
Type	One-story (age-restricted)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Seniors 55+ throughout Elbert and surrounding counties
Contact Name	Nancy
Phone	706-283-8168



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	No change
Concession	N/A
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	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	One-story	4	1,396	\$625	\$0	Market	Yes	0	0.0%	N/A	None
2	2	One-story	4	1,697	\$740	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$625	\$0	\$625	\$58	\$683
2BR / 2BA	\$740	\$0	\$740	\$66	\$806

Amenities

In-Unit	Security	Services
Balcony/Patio	Perimeter Fencing	None
Carpeting		
Coat Closet		
Ceiling Fan		
Refrigerator		
Washer/Dryer hookup		
	Premium	Other
Property	None	None
Garage		
On-Site Management		

Comments

This property currently maintains a waiting list that consists of 15 households. Each unit comes with an attached garage for no additional fee.

Photos



PROPERTY PROFILE REPORT

The Oaks Apartments

Effective Rent Date	4/17/2018
Location	175 Woodlake Place Athens, GA 30605 Clarke County
Distance	28.2 miles
Units	238
Vacant Units	15
Vacancy Rate	6.3%
Type	Various
Year Built/Renovated	1970/1972 / 2015
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Woodlands
Tenant Characteristics	Majority are students at UGA and nearby colleges
Contact Name	Emily
Phone	706-549-6254



Market Information

Program	Market
Annual Turnover Rate	44%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Seasonal
Annual Chg. in Rent	Increased 5%-7%
Concession	Reduced deposits
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	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	84	950	\$720	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden	120	1,125	\$739	\$0	Market	No	N/A	N/A	N/A	None
2	2	Townhouse	14	1,175	\$876	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden	20	1,450	\$975	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$720	\$0	\$720	\$0	\$720
2BR / 2BA	\$739 - \$876	\$0	\$739 - \$876	\$0	\$739 - \$876
3BR / 2BA	\$975	\$0	\$975	\$0	\$975

The Oaks Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Exterior Storage	Fireplace		
Hand Rails	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Basketball Court	Clubhouse/Meeting Room/Community	None	None
Concierge	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool	Tennis Court		

Comments

The contact reported the property was renovated during 2015 and rents increased sharply after upgrades were complete. Renovations included new flooring, paint, fixtures, counters, and appliances as needed. Three of the vacant units at this property have been pre-leased. The contact estimated five percent of tenants are seniors. The contact reported a typical occupancy rate of 95 percent and attributed the slightly elevated vacancy rate at the moment to unexpected move-outs.

Photos



PROPERTY PROFILE REPORT

The Pointe Apartments

Effective Rent Date	4/18/2018
Location	750 Gaines School Road Athens, GA 30605 Athens-clarke County
Distance	28.9 miles
Units	168
Vacant Units	4
Vacancy Rate	2.4%
Type	Garden (3 stories)
Year Built/Renovated	1972 / 2004, 2008
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mixed tenancy; some students from the area
Contact Name	Jennifer
Phone	706-353-3033



Market Information

Program	Market
Annual Turnover Rate	38%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1-2 weeks
Annual Chg. in Rent	Increased 3.4% to 5.2%
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	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)	54	800	\$620	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	90	1,200	\$750	\$0	Market	No	4	4.4%	N/A	None
3	2	Garden (3 stories)	24	1,470	\$840	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$620	\$0	\$620	\$43	\$663
2BR / 2BA	\$750	\$0	\$750	\$51	\$801
3BR / 2BA	\$840	\$0	\$840	\$0	\$840

The Pointe Apartments, continued

Amenities

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

Comments

This property does not accept Housing Choice Vouchers. Premium amenities include a dog park and 24 hour emergency maintenance.

Photos



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 Elbert County. As of the date of this report, our calls have not been returned. According to the Georgia DCA website, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS

Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Foxwood Senior Village	LIHTC	Senior	2%
Heather Highlands	LIHTC	Family	N/A
Juniper Court	LIHTC/ Market	Family	0%
1287 Shoals Apartments	Market	Family	0%
Petersburg Village	Market	Senior	N/A
The Oaks Apartments	Market	Family	0%
The Pointe Apartments	Market	Family	0%

Foxwood Senior Village is the only comparable property reporting voucher usage, at two percent. Thus, it appears that the Subject will not need to rely on voucher residents in order to maintain a high occupancy level. We believe the Subject would maintain a voucher usage of approximately five percent.

Lease Up History

Information regarding the absorption periods of two of the surveyed comparable properties is illustrated in the following table.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Heather Highlands	LIHTC	Family	2013	40	10
Juniper Court	LIHTC/ Market	Family	2009	52	10

Per DCA guidelines, we calculate the absorption to 93 percent occupancy. Heather Highlands is a LIHTC development located 19.6 miles from the Subject site in Royston, Georgia. This property opened in October 2013 and experienced an absorption rate of ten units per month. Juniper Court is a mixed-income property located 17.8 miles from the Subject site in Hartwell, Georgia. This property also demonstrated an absorption rate of ten units per month. Heather Highlands and Juniper Court are both fully-occupied and maintain waiting lists that consist of 40 and 75 households, respectively. This indicates there is strong demand for affordable housing in the area. We believe the Subject will experience an absorption rate similar to these properties. We estimate that the Subject will experience an absorption rate of ten units per month, which equates to an absorption period of five months.

Phased Developments

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

Rural Areas

The Subject is located in a rural area; however, existing competitive rental supply is sufficient from which to draw conclusions. It should be noted that there are several Rural Development properties located within the Subject’s PMA and surrounding areas. We identified and surveyed eight Rural Development properties in the Subject’s immediate area. The following table illustrates the rents and occupancy rates at these properties.

RURAL DEVELOPMENT PROJECTS

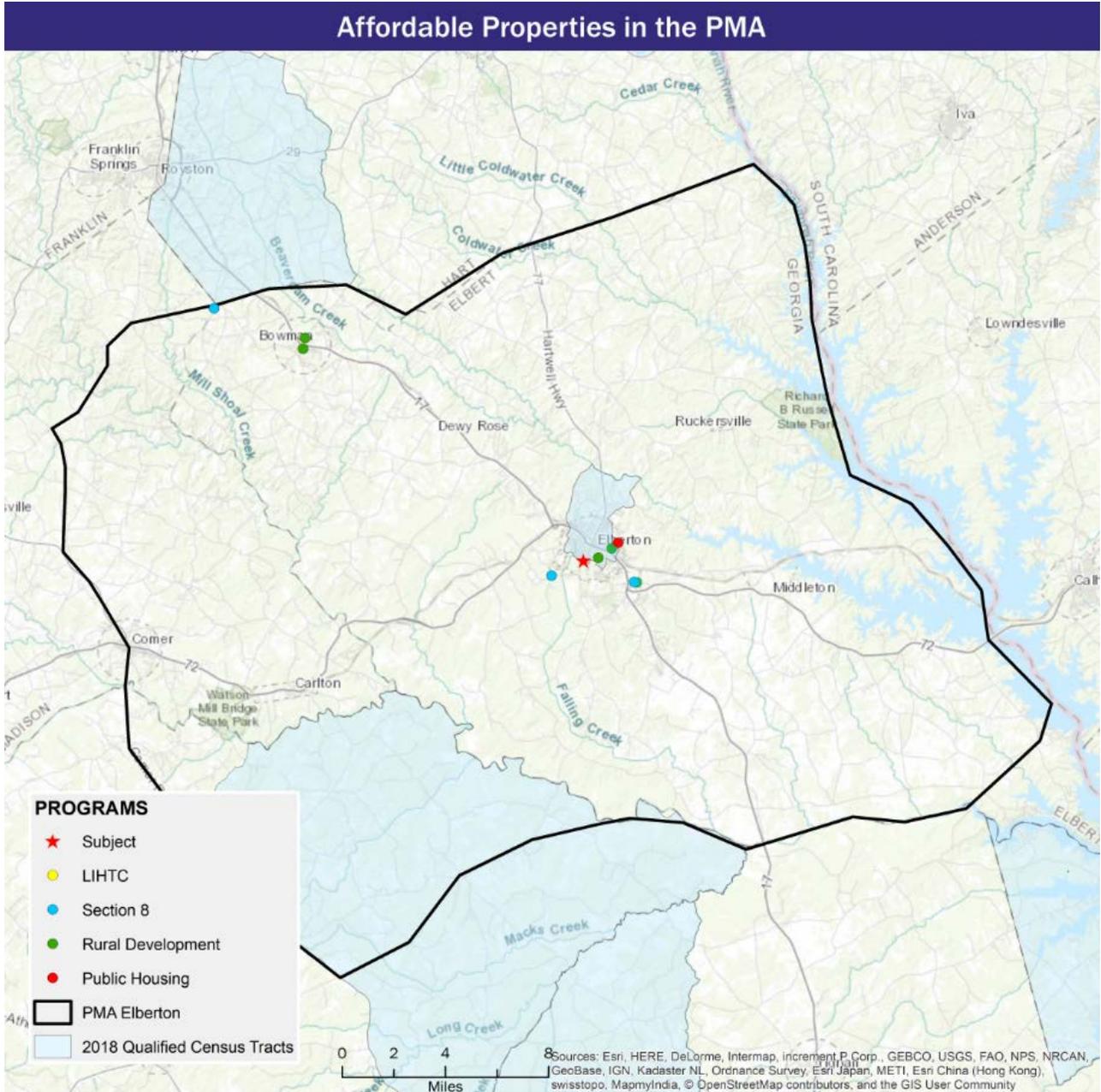
Property	Location	Occupancy	1BR Rents	2BR Rents
Elberton Oaks	Elberton	100%	\$440	\$460
Oak Lane	Elberton	100%	\$415	\$450
Wildwood	Elberton	100%	\$432	\$510
Bowman Village	Bowman	100%	\$410	\$425
Willow Lane	Bowman	100%	\$410	\$425
East Orchard I Apartments	Hartwell	100%	\$415 to \$620	\$480 to \$650
East Orchard II Apartments	Hartwell	100%	\$415 to \$620	\$480 to \$650
Crestview Manor Apartments	Royston	100%	\$555	\$630

All eight Rural Development properties surveyed report full occupancy. The one-bedroom rents at these properties range from \$410 to \$620, with an average of \$473. The two-bedroom rents range from \$425 to \$650, with an average of \$516. The Subject’s 50 and 60 percent one and two-bedroom units are slightly above the surveyed average of the Rural Development properties. As these properties offer subsidized rents, they have been excluded as comparable properties in our analysis.

3. Competitive Project Map

COMPETITIVE PROJECTS

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Map Color
Havenwood Elberton	LIHTC	Elberton	Family	50	N/A	Star
Elberta Homes	Public Housing	Elberton	Family	185	100.0%	
Elberton Oaks	Rural Development	Elberton	Senior	45	100.0%	
Bowman Village	Rural Development	Bowman	Senior	24	100.0%	
Wildwood Apartments	Rural Development	Elberton	Family	50	100.0%	
Willow Lane Apartments	Rural Development	Bowman	Family	18	100.0%	
Oak Lane Apartments	Rural Development	Elberton	Family	24	100.0%	
Laurel Court Apartments	Section 8	Bowman	Family	8	100.0%	
Petersburg Towers	Section 8	Elberton	Family	75	100.0%	
Sunny Brook	Section 8	Elberton	Family	130	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 ELBERTON – ELBERTON, GEORGIA – MARKET STUDY

AMENITY MATRIX

Subject	Foxwood Senior	Heather Highlands	Juniper Court	1287 Shoals Apartments	Petersburg Village	The Oaks Apartments	The Pointe Apartments	
Rent Structure	LIHTC/HOME	LIHTC	LIHTC	LIHTC/Market	Market	Market	Market	
Tenancy	Senior	Senior	Family	Family	Family	Senior	Family	
Building								
Property Type	Lowrise	One-story	Garden	Garden	Various	One-story	Various	Garden
# of Stories	3–stories	1–stories	2–stories	2–stories	3–stories	1–stories	1–stories	3–stories
Year Built	Proposed 2020	2013	2015	2009	1996	2007	1970/1972	1972
Year Renovated	n/a	n/a	n/a	n/a	2017	n/a	2015	2004, 2008
Elevators	yes	no	no	no	no	no	no	no
Utility Structure								
Cooking	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no
Water	yes	no	no	no	no	no	yes	no
Sewer	yes	no	no	no	no	no	yes	no
Trash	yes	no	yes	yes	no	no	yes	yes
Accessibility								
Hand Rails	yes	no	no	no	yes	no	yes	no
Unit Amenities								
Balcony/Patio	no	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	no	no	yes	yes	yes	no	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	yes	yes
Fireplace	no	no	no	no	no	no	yes	no
Walk-In Closet	no	yes	no	no	no	no	yes	no
Washer/Dryer	no	no	no	no	no	yes	no	no
W/D Hookup	yes	no	yes	yes	yes	yes	yes	yes
Kitchen								
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	no	yes	yes	yes	no	no	no
Microwave	yes	no	yes	no	yes	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes
Community								
Business Center	yes	yes	no	no	no	no	no	no
Community Room	yes	yes	yes	yes	yes	no	yes	yes
Central Laundry	yes	yes	yes	yes	yes	no	yes	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes
Concierge	no	no	no	no	no	no	yes	no
Recreation								
Basketball Court	no	no	no	no	no	no	yes	no
Exercise Facility	yes	yes	yes	yes	yes	no	yes	yes
Playground	no	no	yes	no	yes	no	yes	yes
Swimming Pool	no	no	no	no	yes	no	yes	yes
Picnic Area	yes	no	yes	yes	yes	no	no	no
Tennis Court	no	no	no	no	yes	no	yes	yes
Recreational Area	no	yes	no	yes	no	no	no	no
Volleyball Court	no	no	no	no	yes	no	no	no
Security								
In-Unit Alarm	no	no	no	no	yes	no	no	no
Intercom (Phone)	no	no	no	no	yes	no	no	no
Limited Access	yes	no	no	no	no	no	no	no
Patrol	no	no	no	no	no	no	yes	no
Perimeter Fencing	no	yes	no	no	yes	yes	yes	no
Parking								
Garage	no	no	no	no	no	yes	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes

The Subject will offer generally similar in-unit amenities in comparison to the LIHTC comparable properties. It will offer hand rails, which none of the LIHTC properties offer and is a desired amenity among seniors, though it will lack balconies/patios, which all of the LIHTC comparables offer. The Subject will offer generally similar to slightly superior property amenities in comparison to the LIHTC comparable properties. It will offer a business center, which two of the LIHTC comparables lack. 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 55 and older. Two of the comparables also target senior households. The remaining five comparable properties 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	
Foxwood Senior Village*	LIHTC	Senior	44	0	0.0%	
Heather Highlands*	LIHTC	Family	40	0	0.0%	
Juniper Court*	LIHTC/ Market	Family	52	0	0.0%	
1287 Shoals Apartments*	Market	Family	220	2	0.9%	
Petersburg Village	Market	Senior	8	0	0.0%	
The Oaks Apartments*	Market	Family	238	15	6.3%	
The Pointe Apartments*	Market	Family	168	4	2.4%	
Total LIHTC			136	0	0.0%	
Total Market Rate			634	21	3.3%	
Overall Total			770	21	2.7%	

*These properties are located outside the PMA.

Overall vacancy in the market is very low at 2.7 percent. Total LIHTC vacancy is also very low, with all of the LIHTC comparables reporting full occupancy. All of the LIHTC comparables also report maintaining extensive waiting lists, ranging from 30 to 75 households. The very low vacancy rates and waiting lists among the LIHTC comparables indicate strong demand for affordable housing in the area.

The vacancy rates among the market-rate comparable properties range from zero to 6.3 percent, averaging 3.3 percent, which is considered low. The contact at The Oaks Apartments reported a typical occupancy rate of 95 percent and stated three of the vacant units are pre-leased. Vacancy rates at the remaining market-rate comparables ranges from zero to 2.4 percent. Petersburg Village is the only market-rate comparable located inside the PMA. Petersburg Village is an age-restricted property located in Elberton and is fully-occupied with a waiting list that consists of 15 households. This indicates there is strong demand for senior housing in Elberton. As a LIHTC property, we anticipate that the Subject will perform similarly to the LIHTC comparables and will maintain a vacancy rate of five percent or less.

7. Properties Under Construction and Proposed

We made numerous attempts to contact the Elbert County Planning Department. However, as of the date of this report, our calls have not been returned. 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	Foxwood Senior Village	LIHTC	Senior	Similar	Similar	Similar	Slightly Inferior	Superior	5
2	Heather Highlands	LIHTC	Family	Slightly Inferior	Similar	Similar	Slightly Inferior	Superior	0
3	Juniper Court	LIHTC/ Market	Family	Slightly Inferior	Similar	Similar	Slightly Inferior	Slightly Superior	-5
4	1287 Shoals Apartments	Market	Family	Superior	Similar	Superior	Slightly Inferior	Superior	25
5	Petersburg Village	Market	Senior	Inferior	Superior	Similar	Inferior	Superior	0
6	The Oaks Apartments	Market	Family	Superior	Superior	Superior	Slightly Inferior	Superior	35
7	The Pointe Apartments	Market	Family	Superior	Slightly Superior	Superior	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 Elberton	Senior	\$364	\$439
2017 LIHTC Maximum Rent (Net) (Elbert County)		\$364	\$439
2013 LIHTC Maximum Rent (Net) (Wilkes County) - Held Harmless		\$376	\$446
2017 LIHTC Maximum Rent (Net) (Franklin County)		\$383	\$454
2012 LIHTC Maximum Rent (Net) (Hart County) - Held Harmless		\$415	\$493
Heather Highlands	Family	\$368	\$429
Foxwood Senior Village	Senior	\$429	\$492
Juniper Court	Family	\$420	\$471
Average (excluding Subject)		\$406	\$464

LIHTC RENT COMPARISON @60% (HOME)

Property Name	Tenancy	1BR	2BR
Havenwood Elberton	Senior	\$376	\$512
2017 High HOME Maximum Rent (Net) (Elbert County)		\$376	\$512
2013 LIHTC Maximum Rent (Net) (Wilkes County) - Held Harmless		\$463	\$551
2017 LIHTC Maximum Rent (Net) (Franklin County)		\$471	\$560
2012 LIHTC Maximum Rent (Net) (Hart County) - Held Harmless		\$510	\$607
Heather Highlands	Family	\$391	\$481
Foxwood Senior Village	Senior	\$531	\$614
Juniper Court	Family	\$433	\$486
Average (excluding Subject)		\$452	\$527

The Subject property is proposing max rents at the 50 percent AMI level and the 60 percent High HOME rents. Foxwood Senior Village was constructed in 2013 in Wilkes County. As of 2017, the AMI in Wilkes County has not exceeded the AMI in 2013. Therefore, Foxwood Senior Village is “held harmless” at the 2013 maximum allowable rents in Wilkes County. Heather Highlands was built in 2015 in Franklin County. Since 2015, the AMI in Franklin County has increased each year. As such, Heather Highlands is held to the 2017 maximum allowable rents in Franklin County. Juniper Court was constructed in 2009 in Hart County. The AMI in Hart County reached its peak in 2012. Therefore, Juniper Court is “held harmless” at the 2012 maximum allowable rents in Hart County. Per the Georgia DCA 2018 guidelines, the market study analyst must use the maximum rent and income limits effective as of January 1, 2018. Therefore, we utilize the 2017 maximum income and rent limits.

Juniper Court reports achieving rents at the 2012 maximum allowable levels for its one-bedroom units at 50 percent AMI. However, the rents at Juniper Court appear to be slightly above the maximum allowable levels. This is most likely due to differences in this property’s utility structure and allowance from the Subject’s proposed utility structure. Foxwood Senior Village reports achieving 2013 maximum allowable rents for its one and two-bedroom units at 50 and 60 percent AMI. Foxwood Senior Village appears to be achieving rents higher than the 2013 maximum allowable net rents. This is also most likely due to differences in this property’s utility structure and allowance.

Foxwood Senior Village is located 26.9 miles from the Subject in Washington in what is considered to be a similar location with respect to median gross rents. Foxwood Senior Village was built in 2013 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. Foxwood Senior Village offers similar property and in-unit amenities compared to the Subject. In terms of unit sizes, Foxwood Senior Village is considered superior to the Subject. Overall, Foxwood Senior Village is considered slightly superior to the Subject primarily based on its larger unit sizes. Foxwood Senior Village is currently fully-occupied and maintains a waiting list that consists of 30 households. This indicates the rents at Foxwood Senior Village are achievable in the area. Therefore, we believe the Subject’s proposed rents, which are below the rents currently achieved at Foxwood Senior Village at 50 and 60 percent AMI, are reasonable and achievable.

Juniper Court is located 17.8 miles from the Subject in Hartwell in what is considered to be a similar location with respect to median gross rents. Juniper Court was built in 2009 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. Juniper Court offers slightly inferior property amenities compared to the Subject as it lacks a business center, craft room, and library, which the Subject will offer, though it offers recreational areas, which the Subject will not offer. This comparable offers similar in-unit amenities compared to the Subject. In terms of unit sizes, Juniper Court is considered slightly superior to the Subject. Overall, Juniper Court is considered slightly inferior to the Subject. Juniper Court is currently fully-occupied and maintains a waiting list that consists of 75 households. This indicates the rents at Juniper Court are achievable in the area. Given the proposed Subject’s superiority to Juniper Court upon completion, we believe the Subject’s proposed rents, which are below the rents currently achieved at Juniper Court at 50 percent AMI and above those currently achieved at Juniper Court at 60 percent AMI, are reasonable and achievable.

We believe the Subject can achieve rents below those at Foxwood Senior Village and above those at Juniper Court. The Subject’s proposed rents are below Foxwood Senior Village at 50 and 60 percent AMI. The Subject’s proposed rents are below Juniper Court at 50 percent AMI and above Juniper Court at 60 percent AMI. Given the low vacancy rates among the LIHTC comparables, the presence of waiting lists in the market, and the Subject’s slightly superior condition compared to Foxwood Senior Village and Juniper Court upon completion, we believe that the Subject’s proposed rents are reasonable and achievable.

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 do not include 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 do not include 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%	\$364	\$368	\$959	\$551	51%
2 BR @ 50%	\$439	\$429	\$1,087	\$676	54%
1 BR @ 60%	\$376	\$391	\$959	\$606	61%
2 BR @ 60%	\$512	\$481	\$1,087	\$740	44%

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

1287 Shoals Apartments is achieving the highest one and two-bedroom unrestricted rents in the market. The Subject will be inferior to 1287 Shoals Apartments as a market-rate property upon completion. 1287 Shoals Apartments was built in 1996 and underwent renovations in 2017. 1287 Shoals Apartments exhibits good condition, which is slightly inferior to the anticipated excellent condition of the Subject upon completion. 1287 Shoals Apartments is located 29.0 miles from the Subject site and offers a superior location in terms of median gross rents. 1287 Shoals Apartments offers superior property amenities when compared to the Subject as it offers a playground, swimming pool, tennis court, and volleyball court, which the Subject will not offer. 1287 Shoals Apartments offers similar in-unit amenities in comparison to the Subject. The lowest one and two-bedroom unrestricted rents at 1287 Shoals Apartments are approximately 155 and 97 percent higher than the Subject’s one and two-bedroom rents at 60 percent AMI. 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. All of the Subject’s capture rates are within Georgia DCA thresholds. If allocated, the Subject will be slightly inferior to slightly superior to the existing LIHTC housing stock. Total LIHTC vacancy is low, with all of the LIHTC

comparables reporting full-occupancy. All of the LIHTC comparables also report maintaining extensive waiting lists, ranging from 30 to 75 households. The low vacancy rates and waiting lists among the LIHTC comparables indicate strong demand for affordable housing in the area.

According to LIHTC allocation lists provided by the Georgia Department of Community Affairs, there have been no properties allocated tax credits within the Subject’s PMA since 2016. Further, we do not believe the addition of the Subject will impact any additional LIHTC properties in the area.

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	4,520	83.0%	926	17.0%
2017	5,597	76.7%	1,698	23.3%
Projected Mkt Entry June 2020	5,705	76.9%	1,711	23.1%
2022	5,782	77.1%	1,721	22.9%

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

SMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	13,325	84.9%	2,373	15.1%
2017	17,378	77.9%	4,936	22.1%
Projected Mkt Entry June 2020	17,957	78.6%	4,898	21.4%
2022	18,370	79.0%	4,870	21.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, May 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, though the percentage of senior renter population is projected to decrease slightly 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	3QTR 2014	1QTR 2015	2QTR 2015	4QTR 2017	2QTR 2018
Foxwood Senior Village	One-story	44	N/A	N/A	N/A	N/A	0.0%
Heather Highlands	Garden	40	N/A	N/A	N/A	N/A	0.0%
Juniper Court	Garden	52	N/A	N/A	N/A	N/A	0.0%
1287 Shoals Apartments	Various	220	N/A	N/A	4.1%	1.4%	0.9%
Petersburg Village	One-story	8	N/A	N/A	N/A	N/A	0.0%
The Oaks Apartments	Various	238	7.6%	5.9%	N/A	2.5%	6.3%
The Pointe Apartments	Garden	168	0.6%	1.2%	N/A	2.4%	2.4%

The historical vacancy rates at all of the comparable properties for several quarters in the past four years are illustrated in the previous table. As illustrated, the comparable LIHTC properties were not able to provide historical vacancy data. The market-rate properties have demonstrated generally low vacancy rates since the third quarter of 2014. Overall, we believe that the current performance of the LIHTC comparable properties indicates 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
Foxwood Senior Village	LIHTC	Senior	Kept at max
Heather Highlands	LIHTC	Family	Increase 3%
Juniper Court	LIHTC/ Market	Family	N/Av
1287 Shoals Apartments	Market	Family	Fluctuate often
Petersburg Village	Market	Senior	No change
The Oaks Apartments	Market	Family	Increased 5%-7%
The Pointe Apartments	Market	Family	Increased 3.4% to 5.2%

The LIHTC properties report growth of up to three percent in the past year. The senior LIHTC comparable, Foxwood Senior Village, reports keeping its one and two-bedroom rents at the “held harmless” maximum allowable levels. The market rate properties reported growth in some instances. 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 April 2018. The town of Elberton and Elbert County is experiencing a foreclosure rate of one in every 2,556 homes, while Georgia experienced one foreclosure in every 2,159 housing units. Overall, Elberton is experiencing a foreclosure rate substantially lower than the state of Georgia and the nation as a whole, indicating a healthy housing market. The Subject’s neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

12. Primary Housing Void

Total LIHTC vacancy is very low, with all of the LIHTC comparables reporting full-occupancy. All of the LIHTC comparables also report maintaining extensive waiting lists, ranging from 30 to 75 households. There are a limited number of new construction properties in the area. If allocated, the Subject will exhibit excellent condition, which will be slightly superior to most of the existing LIHTC housing stock. The Subject will offer generally similar in-unit amenities in comparison to the LIHTC comparable properties. The Subject will offer hand rails, which none of the LIHTC properties offer and is a desired amenity among seniors, though it will lack balconies/patios, which all of the LIHTC comparables offer. The Subject will offer generally similar to slightly superior property amenities in comparison to the LIHTC comparable properties. The Subject will offer a business center, which two of the LIHTC comparables lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. The capture rates for all of the Subject’s units are within Georgia DCA thresholds. As reported, there are no senior LIHTC properties in the PMA. Thus, we believe the Subject will fill a void in the market for quality affordable senior housing with competitive amenities based on the low vacancy rates and extensive waiting lists among LIHTC comparables.

13. Effect of Subject on Other Affordable Units in Market

There are no proposed LIHTC developments in the PMA. Total LIHTC vacancy is very low, with all of the LIHTC comparables reporting full occupancy. All of the LIHTC comparables also report maintaining extensive waiting lists, ranging from 30 to 75 households. The capture rates for all of the Subject's units are within Georgia DCA thresholds. In summary, the performance of the comparable LIHTC properties and the existence 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. All of the LIHTC comparables report full-occupancy. All of the LIHTC comparables also report maintaining extensive waiting lists, ranging from 30 to 75 households. The low vacancy rates and waiting lists among the LIHTC comparables indicate strong demand for affordable housing in the area. The Subject will offer generally similar in-unit amenities in comparison to the LIHTC comparable properties. It will offer hand rails, which none of the LIHTC properties offer and is a desired amenity among seniors, though it will lack balconies/patios, which all of the LIHTC comparables offer. The Subject will offer generally similar to slightly superior property amenities in comparison to the LIHTC comparable properties. It will offer a business center, which two of the LIHTC comparables lack. Overall, 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 slightly superior to superior in terms of condition to the majority of the comparable 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 all of the 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

Information regarding the absorption periods of two of the surveyed comparable properties is illustrated in the following table.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Heather Highlands	LIHTC	Family	2013	40	10
Juniper Court	LIHTC/ Market	Family	2009	52	10

Per DCA guidelines, we calculate the absorption to 93 percent occupancy. Heather Highlands is a LIHTC development located 19.6 miles from the Subject site in Royston, Georgia. This property opened in October 2013 and experienced an absorption rate of ten units per month. Juniper Court is a mixed-income property located 17.8 miles from the Subject site in Hartwell, Georgia. This property also demonstrated an absorption rate of ten units per month. Heather Highlands and Juniper Court are both fully-occupied and maintain waiting lists that consist of 40 and 75 households, respectively. This indicates there is strong demand for affordable housing in the area. We believe the Subject will experience an absorption rate similar to these properties. We estimate that the Subject will experience an absorption rate of ten units per month, which equates to an absorption period of five months.

J. INTERVIEWS

Georgia Department of Community Affairs, Norcross Regional Office

We made numerous attempts to speak with the Georgia Department of Community Affairs regarding the Housing Choice Voucher program in Elbert County. As of the date of this report, our calls have not been returned. According to the Georgia DCA website, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. The payment standards for Elbert County are listed below.

PAYMENT STANDARDS

Unit Type	Standard
One-Bedroom	\$520
Two-Bedroom	\$692

Source: Georgia Department of Community Affairs, May 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

According to Mr. Kevin Jordan with the Elbert County Planning Department, there are no multifamily developments currently planned, proposed, or under construction in Elbert County.

Elbert County Economic Development

According to the director of Economic Development for Elbert County, Mr. Rusty Warner, there are no new business expansions in the county at this time.

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 grew between 2000 and 2010, although it was outpaced by senior population growth in the MSA and the nation over the same period. Between 2010 and 2017, there was approximately 1.8 percent annual growth in the senior population of the PMA, which was only slightly lower than the MSA and below the national senior population growth rate. Total senior population in the PMA is projected to increase at a rate of 1.6 percent annually from 2017 to 2022, which is below the MSA and national rates, but still represents substantial growth. The largest age cohorts in the PMA are between 50 and 59, which indicates a large supply of potential tenants for the Subject property units. The current senior population in the PMA is 11,972 and is expected to be 12,516 in 2020. Senior renter households are concentrated in the lowest income cohorts, with 48.0 percent of senior renters in the PMA earning between \$10,000 and \$29,999 annually. The Subject will target senior households earning between \$13,080 and \$22,320. 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

Employment in the PMA is concentrated in four industries which represent approximately 59.5 percent of total local employment. Two of those industries, manufacturing, and retail trade are particularly vulnerable during periods of contraction. However, educational services and health care/social assistance, are resilient during periods of economic downturn.

The SMA experienced total employment growth since 2015, outpacing the nation from 2016 to 2018. The total employment growth in the MSA during the 12-month period preceding January 2018 was 4.8 percent compared to 2.6 percent in the nation during the same time period. The unemployment rate in the SMA as of January 2018 was 5.2 percent, which is higher than the nation at 4.1 percent. However, unemployment in the SMA has been steadily declining since 2011. Overall, employment growth and the declining unemployment rate indicate that the SMA has stabilized and is recovering from the most recent national recession. The recent growth in the local economy is a positive indicator of demand for rental housing and the Subject's proposed units.

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%	\$13,080	\$17,450	1	43	0	43	2.3%	\$364
1BR @60%	\$13,440	\$20,940	4	46	0	46	8.7%	\$376
1BR Overall	\$13,080	\$20,940	5	55	0	55	9.1%	-
2BR @50%	\$15,690	\$18,600	9	118	0	118	7.6%	\$439
2BR @60%	\$17,880	\$22,320	36	126	0	126	28.5%	\$512
2BR Overall	\$15,690	\$22,320	45	151	0	151	29.8%	-
@50% Overall	\$13,080	\$18,600	10	161	0	161	6.2%	-
@60% Overall	\$13,440	\$22,320	40	172	0	172	23.2%	-
Overall	\$13,080	\$22,320	50	206	0	206	24.3%	-

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

Information regarding the absorption periods of two of the surveyed comparable properties is illustrated in the following table.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Heather Highlands	LIHTC	Family	2013	40	10
Juniper Court	LIHTC/ Market	Family	2009	52	10

Per DCA guidelines, we calculate the absorption to 93 percent occupancy. Heather Highlands is a LIHTC development located 19.6 miles from the Subject site in Royston, Georgia. This property opened in October 2013 and experienced an absorption rate of ten units per month. Juniper Court is a mixed-income property located 17.8 miles from the Subject site in Hartwell, Georgia. This property also demonstrated an absorption rate of ten units per month. Heather Highlands and Juniper Court are both fully-occupied and maintain waiting lists that consist of 40 and 75 households, respectively. This indicates there is strong demand for affordable housing in the area. We believe the Subject will experience an absorption rate similar to these properties. We estimate that the Subject will experience an absorption rate of ten units per month, which equates to an absorption period of five 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
Foxwood Senior Village*	LIHTC	Senior	44	0	0.0%
Heather Highlands*	LIHTC	Family	40	0	0.0%
Juniper Court*	LIHTC/ Market	Family	52	0	0.0%
1287 Shoals Apartments*	Market	Family	220	2	0.9%
Petersburg Village	Market	Senior	8	0	0.0%
The Oaks Apartments*	Market	Family	238	15	6.3%
The Pointe Apartments*	Market	Family	168	4	2.4%
Total LIHTC			136	0	0.0%
Total Market Rate			634	21	3.3%
Overall Total			770	21	2.7%

*These properties are located outside the PMA.

Overall vacancy in the market is very low at 2.7 percent. Total LIHTC vacancy is also very low, with all of the LIHTC comparables reporting full occupancy. All of the LIHTC comparables also report maintaining extensive waiting lists, ranging from 30 to 75 households. The very low vacancy rates and waiting lists among the LIHTC comparables indicate strong demand for affordable housing in the area.

The vacancy rates among the market-rate comparable properties range from zero to 6.3 percent, averaging 3.3 percent, which is considered low. The contact at The Oaks Apartments reported a typical occupancy rate of 95 percent and stated three of the vacant units are pre-leased. Vacancy rates at the remaining market-rate comparables ranges from zero to 2.4 percent. Petersburg Village is the only market-rate comparable located inside the PMA. Petersburg Village is an age-restricted property located in Elberton and is fully-occupied with a waiting list that consists of 15 households. This indicates there is strong demand for

senior housing in Elberton. As a LIHTC property, we anticipate that the Subject will perform similarly to the LIHTC comparables and will maintain a vacancy rate of five percent or less.

Strengths of the Subject

The Subject will be among the newest LIHTC developments in the PMA upon completion. The amenity packages proposed for the Subject are also considered to be strengths. The Subject will offer generally similar in-unit amenities in comparison to the LIHTC comparable properties. The Subject will offer hand rails, which none of the LIHTC properties offer and is a desired amenity among seniors. The Subject will offer generally similar to slightly superior property amenities in comparison to the LIHTC comparable properties. The Subject will offer a business center, which two of the LIHTC comparables lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. Additionally, the Subject's rents will be among the lowest in the market. Therefore, we believe the Subject will be well received in the market given its anticipated excellent condition, competitive amenity package, affordable rental rates, and reported strong demand at the comparable properties.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. All of the LIHTC comparables report full-occupancy. All of the LIHTC comparables also report maintaining extensive waiting lists, ranging from 30 to 75 households. The low vacancy rates and waiting lists among the LIHTC comparables indicate strong demand for affordable housing in the area. The Subject will offer generally similar in-unit amenities in comparison to the LIHTC comparable properties. It will offer hand rails, which none of the LIHTC properties offer and is a desired amenity among seniors, though it will lack balconies/patios, which all of the LIHTC comparables offer. The Subject will offer generally similar to slightly superior property amenities in comparison to the LIHTC comparable properties. It will offer a business center, which two of the LIHTC comparables lack. Overall, 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 slightly superior to superior in terms of condition to the majority of the comparable 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 all of the 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.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

May 24, 2018



Brian Neukam
Manager
Novogradac & Company LLP

May 24, 2018



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.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

May 24, 2018



Brian Neukam
Manager
Novogradac & Company LLP

May 24, 2018



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

Photographs of Subject Site and Surrounding Uses



View of Subject from South Oliver Street



View of Subject from South Oliver Street



View south along South Oliver Street



View north along South Oliver Street



View of Subject from South McIntosh Street



View of Subject from South McIntosh Street



View south along South McIntosh Street



View north along South McIntosh Avenue



Single-family residence adjacent north of Subject



Single-family residence adjacent north of Subject



Commercial use adjacent west of Subject



Single-family residence adjacent west of Subject



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use 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 Elberton South Oliver Street Elberton, GA 30635 Elbert County	-	Lowrise (3 stories) Proposed 2020 / n/a Senior	@50%, @60% (HOME)	1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA	1 4 9 36	2.0% 8.0% 18.0% 72.0%	690 690 880 880	@50% @60% (HOME) @50% @60% (HOME)	\$364 \$376 \$439 \$512	Yes Yes Yes Yes	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A N/A N/A N/A
1	Foxwood Senior Village 235 Gordon St Washington, GA 30673 Wilkes County	26.9 miles	One-story (1 stories) 2013 / n/a Senior	@50%, @60%	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA	4 20 3 17	9.1% 45.5% 6.8% 38.6%	890 890 1,100 1,100	@50% @60% @50% @60%	\$429 \$531 \$492 \$614	Yes Yes Yes Yes	Yes Yes Yes Yes	0 0 0 0	0.0% 0.0% 0.0% 0.0%
2	Heather Highlands 10 Ed Smith Way Royston, GA 30662 Franklin County	19.6 miles	Garden (2 stories) 2015 / n/a Family	@50%, @60%	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	2 6 4 20 2 6	5.0% 15.0% 10.0% 50.0% 5.0% 15.0%	850 850 1,100 1,100 1,250 1,250	@50% @60% @50% @60% @50% @60%	\$368 \$391 \$429 \$481 \$478 \$578	No No No No No No	Yes Yes Yes Yes Yes Yes	0 0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
3	Juniper Court 283 Nancy Drive Hartwell, GA 30643 Hart County	17.8 miles	Garden (2 stories) 2009 / n/a Family	@50%, @60%, Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA	9 5 10 12 6 10	17.3% 9.6% 19.2% 23.1% 11.5% 19.2%	762 762 762 1,060 1,060 1,060	@50% @60% Market @50% Market @60%	\$420 \$433 \$468 \$471 \$496 \$486	Yes No N/A No N/A No	Yes Yes Yes Yes Yes Yes	0 0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
4	1287 Shoals Apartments 1287 Cedar Shoals Drive Athens, GA 30605 Clarke County	29.0 miles	Various (3 stories) 1996 / 2017 Family	Market	1BR / 1BA 1.5BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	57 8 60 60 35	25.9% 3.6% 27.3% 27.3% 15.9%	815 1,091 1,128 1,150 1,362	Market Market Market Market Market	\$959 \$934 \$1,011 \$1,087 \$1,329	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
5	Petersburg Village 1052 Petersburg Road Elberton, GA 30635 Elbert County	1.8 miles	One-story (1 stories) 2007 / n/a Senior	Market	1BR / 1BA 2BR / 2BA	4 4	50.0% 50.0%	1,396 1,697	Market Market	\$683 \$806	N/A N/A	Yes Yes	0 0	0.0% 0.0%
6	The Oaks Apartments 175 Woodlake Place Athens, GA 30605 Clarke County	28.2 miles	Various (1 stories) 1970/1972 / 2015 Family	Market	1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	84 120 14 20	35.3% 50.4% 5.9% 8.4%	950 1,125 1,175 1,450	Market Market Market Market	\$720 \$739 \$876 \$975	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
7	The Pointe Apartments 750 Gaines School Road Athens, GA 30605 Athens-clarke County	28.9 miles	Garden (3 stories) 1972 / 2004, 2008 Family	Market	1BR / 1BA 2BR / 2BA 3BR / 2BA	54 90 24	32.1% 53.6% 14.3%	800 1,200 1,470	Market Market Market	\$663 \$801 \$903	N/A N/A N/A	No No No	0 4 0	0.0% 4.4% 0.0%
						168	100.0%						4	2.4%