

Market Feasibility Analysis

Waynesboro Senior Homes II
830 Academy Avenue
Waynesboro, Burke County, Georgia 30830

Prepared For

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Section A – Executive Summary

This report evaluates the market feasibility of the Waynesboro Senior Homes II rental community to be developed utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Waynesboro, Georgia. Based on the findings contained in this report, we believe a market will exist for the subject development, as long as it is developed and operated as proposed in this report.

1. Project Description:

Waynesboro Senior Homes II involves the adaptive reuse of the former New Birth Missionary Baptist Church located at 830 Academy Avenue into a 43-unit age-restricted rental community. Upon completion, the project will offer 38 one- and five (5) two-bedroom garden-style units within three (3) one-story buildings, with 2,000 square feet of community space integrated throughout. Waynesboro Senior Homes II will be developed utilizing financing from the LIHTC program and 39 units will target lower-income senior households ages 55 and older earning up to 50% and 60% of Area Median Household Income (AMHI). The remaining four units will operate with no rent- or income-restrictions (market-rate). Monthly collected Tax Credit rents will range from \$423 to \$583, depending on unit type and targeted income level. Monthly collected rents for the market-rate units range from \$530 to \$680. Note that a total of five units (~12%) will be set aside for persons with disabilities through the use of Section 811 project-based rental assistance. The proposed project is expected to be complete by May 2020. Note that Waynesborough Academy Senior Residences (Phase I of the subject project) offers 39 one- and two-bedroom units. According to management, Phase I is 92.3% occupied, as a result of only three vacant units.

2. Site Description/Evaluation:

The surrounding residential land uses will have a positive effect on the marketability of the site. While visibility of the site is considered good within the immediate neighborhood, it will not be visible from arterial roadways. As such, promotional signage is recommended throughout all areas of the market area to increase its awareness during the initial lease-up process. Access to the site is considered good, as it is within 0.9 miles of North Liberty Street and the U.S. Highway 25 Bypass. Additionally, on-call, on-site transportation services are available via Burke Transit, with discounted fares for seniors ages 60 and older. The site is also adjacent to Waynesborough Academy Senior Residences, which involved the adaptive reuse of the former Waynesboro Academy school. As the subject development will also target the senior population, it is our opinion that the site's marketability will benefit from its proximity to Waynesborough Academy Senior Residences. The site is within 1.0 mile of most shopping, dining, recreation facilities, social services and public safety services in the city of Waynesboro. Overall, we consider the site's location and proximity to community services to have a positive effect on its marketability.

3. Market Area Definition:

The Waynesboro Site PMA includes Waynesboro, Girard, Sardis, Vidette, Keysville, Wrens, Louisville, Wadley, Midville and Millen, as well as the surrounding outlying unincorporated areas of Burke, Jenkins and Jefferson counties. Specifically, the boundaries of the Site PMA include Brier Creek and the Burke County boundary to the north; the Burke County boundary to the east; State Route 23, State Route 21, Millen city limits, State Route 17, the Burke County boundary and State Route 78 to the south; and Wadley city limits, U.S. Highway 221, Louisville city limits, Wrens city limits and U.S. Highway 1 to the west. The farthest boundary from the site is 28.7 miles. A map illustrating these boundaries is included on page D-2 of this report.

4. Community Demographic Data:

Overall population and households within the Waynesboro Site PMA have been generally stable since 2000. These trends are projected to remain relatively stable through 2020. However, senior households between the ages of 65 and 84 are projected to experience notable growth between 2018 and 2020, increasing by 159, or 4.7%. This growth is indicative of the increasing need for senior housing in the market. It should also be noted that the proposed development will target one- to two-person senior renter households, which comprise the majority of such households within the Site PMA. As such, the subject site will be able to accommodate most of the Site PMA's senior renter households, based on household size. The preceding factors will have a positive impact on the marketability of the subject site. Additional demographic data is included in Section E of this report.

5. Economic Data:

The Burke County economy experienced fluctuations in its employment base between 2007 and 2014, but generally experience an overall decline in the number of employed person during this time. However, the county's employment base has grown in each of the past three years, increasing by 664, or 8.0%. After peaking at 12.7% in 2011, the county's unemployment rate has declined in each of the past six years. In fact, the county's latest unemployment rate of 7.0% represents a ten-year low. As such, the county's economy has been trending in a positive direction over the past few years. Based on information provided by the Development Authority of Burke County, it appears that the county will experience positive job growth for the foreseeable future, which will continue to create a stable environment for rental housing. Additional economic data is included in Section F of this report.

6. Project-Specific Affordability and Demand Analysis:

Per GDCA guidelines, projects in rural markets with an overall capture rate of 35% or below are considered acceptable. As such, the project's overall LIHTC-only capture rate of 21.8% is considered achievable, especially considering the limited availability among affordable non-subsidized age-restricted housing within the market. Also note that the four market-rate units proposed at the subject site have a capture rate of just 8.3%, demonstrating that sufficient demographic support also exists for these units. In addition, we also anticipate a sufficient amount of support will originate from senior homeowners due to the lack of available non-subsidized senior housing for those ages 55 and older within or near the market area. However, per GDCA methodology, demand from senior homeowners is limited to 2% of total demand. We anticipate a greater percentage of support will generate from homeowners looking to downsize from their homes and seeking a maintenance free housing alternative, especially considering that income-qualified senior homeowners ages 55 and older do not have a rental housing option currently available to them. As such, the overall capture rate is considered conservative.

7. Competitive Rental Analysis

Tax Credit

We identified one non-subsidized, age-restricted LIHTC project within the market, Waynesborough Academy Senior Residences (Map ID 1; Phase I of subject project). This project targets senior households with incomes up to 50% and 60% of AMHI and, therefore, is considered directly competitive with the subject development. Given the limited number of non-subsidized, age-restricted LIHTC product within the Waynesboro Site PMA, we identified one family (general-occupancy) LIHTC project within the market that offers first floor entry-level one- and two-bedroom units that likely appeal to seniors and represents a reasonable base of comparison for the senior units at the site. Additionally, we have also identified and surveyed four additional age-restricted projects that offer at least some units that operate under the LIHTC program outside of the Site PMA, but within the region in Augusta and Grovetown. These four projects target senior households with incomes up to 50% and 60% of AMHI and are considered comparable. It should be noted that these four projects are not considered competitive, as they generally derive demographic support from a different geographical area. As such, these properties have been included for comparison purposes only. The six competitive/comparable LIHTC properties and the proposed subject project are summarized in the table on the following page.

| Map I.D. | Project Name | Year Built | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|--|-------------|-------------|-----------|------------------|--------------|--|
| Site | Waynesboro Senior Homes II | 2020 | 39* | - | - | - | Seniors 55+; 50% & 60% AMHI |
| 1 | Waynesborough Academy Sr. Residences (Phase I) | 2011 | 39 | 92.3% | 0.1 Miles | None | Seniors 62+; 50% & 60% AMHI |
| 14 | Pecan Chase Apts. | 1997 | 35 | 100.0% | 1.2 Miles | 14 H.H. | Families; 30% & 60% AMHI |
| 904 | Augusta Spring II | 2001 | 100 | 100.0% | 28.1 Miles | 15 H.H. | Seniors 62+; 50% & 60% AMHI |
| 905 | Linden Square Apts. | 2003 | 38* | 100.0% | 27.5 Miles | 160 H.H. | Seniors 55+; 50% & 60% AMHI |
| 906 | Terrace at Edinburgh | 2010 | 72 | 100.0% | 26.7 Miles | 30 H.H. | Seniors 55+; 50% & 60% AMHI |
| 908 | Horizon Senior Village | 2015 | 68 | 100.0% | 32.2 Miles | 3 Years | Seniors 55+; 50% & 60% AMHI |

OCC. – Occupancy

H.H. – Households

900 series Map IDs located outside of Site PMA

*Tax Credit units only

The six LIHTC projects have a combined occupancy rate of 99.1%, a very strong rate for rental housing. This illustrates that pent-up demand likely exists for additional affordable rental housing within both the market and region. While the one age-restricted LIHTC project in the market, Waynesborough Academy Senior Residences (Map ID 1; Phase I of site), is operating at an occupancy rate of 92.3%, this is the result of only three vacant units. According to management, vacancies are attributed to deaths and those needing additional services that are provided at assisted-living and nursing care facilities. It is also important to note that the subject project will be the only non-subsidized LIHTC project to target those ages 55 and older. As such, the subject development will provide an affordable rental housing alternative to younger low-income seniors that are currently underserved within the market. This will position the subject development at a market advantage.

The gross rents for the competing/comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the table on the following page.

| | | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | |
|----------|--|---|--|------------------|--------------|
| Map I.D. | Project Name | One-Br. | Two-Br. | Three-Br. | Rent Special |
| | Waynesboro Senior Homes II | \$519/50% (8) \$574/60% (27) | \$614/50% (1) \$704/60% (3) | - | - |
| 1 | Waynesborough Academy Sr. Residences (Phase I) | \$479/50% (12/1) \$549/60% (7/0) | \$571/50% (12/1) \$681/60% (8/1) | - | None |
| 14 | Pecan Chase Apts. | \$472/60% (3/0) | \$366/30% (3/0) \$540/60% (5/0) | \$576/60% (24/0) | None |
| 904 | Augusta Spring II | \$581/50% (4/0) \$697/60% (6/0) | \$697/50% (37/0) \$837/60% (53/0) | - | None |
| 905 | Linden Square Apts. | \$565/50% (14/0) \$664/60% (14/0) | \$682/50% (6/0) \$822/60% (4/0) | - | None |
| 906 | Terrace at Edinburgh | \$488/50% (9/0) \$602/60% (9/0) | \$582/50% (34/0) \$705/60% (20/0) | - | None |
| 908 | Horizon Senior Village | \$491/50% (8/0) \$516/60% (19/0) | \$604/50% (7/0) \$692/60% (34/0) | - | None |

900 series Map IDs located outside of Site PMA

The proposed subject gross rents, ranging from \$519 to \$704, will be some of the highest LIHTC rents targeting similar income levels within the market and region. In fact, they will be the highest LIHTC rents within the *market*. Given that minimal vacancies exist at the comparable LIHTC projects within the market and region, it is likely that these projects could charge higher rents without having an adverse impact on their occupancy levels. In addition, the subject development will be at least nine years newer than the comparable LIHTC projects within the *market* and will offer a slightly superior unit amenities package which includes in-unit washer/dryer appliances. These factors will enable the subject project to charge higher rents.

Comparable/Competitive Tax Credit Summary

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market and region, it is our opinion that the subject development will be marketable. While the proposed subject LIHTC rents will be some of the highest within both the market and region, considering the minimal vacancies that exist among affordable rental product and the fact that the subject development will be at least nine years newer than the comparable LIHTC projects within the *market*, offering a slightly superior unit amenities package, these factors will enable the subject project to charge higher rents. Additionally, it is important to note that the subject project will be the only non-subsidized LIHTC development within the Site PMA to target senior households ages 55 and older. This will position the subject project at a market advantage, as it will provide an affordable rental housing alternative to low-income, younger senior households that are currently underserved. This has been considered in our absorption projections.

Market-Rate

We identified and surveyed two market-rate projects in the Site PMA. Given the lack of market-rate product within the market, we identified and surveyed three additional market-rate projects located outside of the market, but within the region in Grovetown and Augusta that we consider comparable. The five comparable market-rate properties and the proposed subject development are summarized as follows:

| Map I.D. | Project Name | Year Built | Units | Occupancy Rate | Distance to Site | Rent Special |
|-------------|-----------------------------------|-------------|-----------|----------------|------------------|--------------|
| Site | Waynesboro Senior Homes II | 2020 | 4* | - | - | - |
| 4 | 945 U.S. Hwy. 25 | 1992 | 10 | 90.0% | 0.2 Miles | None |
| 11 | Neely Place | 2002 | 8 | 100.0% | 2.7 Miles | None |
| 905 | Linden Square Apts. | 2003 | 10* | 100.0% | 27.5 Miles | None |
| 910 | Sterlington | 2012 | 121 | 100.0% | 30.6 Miles | None |
| 911 | Walker Estates Apts. | 2016 | 252 | 99.2% | 19.1 Miles | None |

*Market-rate units only

900 series Map IDs located outside of Site PMA

The five selected market-rate projects have a combined total of 401 units with an overall occupancy rate of 99.3%, a strong rate for rental housing. As such, these market-rate projects will serve as accurate benchmarks with which to compare to the proposed development.

The gross rents for the comparable market-rate projects and the proposed market-rate rents at the subject site, as well as their rent per square foot, unit mixes and vacancies by bedroom are listed in the following table:

| Map I.D. | Project Name | Gross Rent (Number of Units/Vacancies) | |
|-------------|-----------------------------------|---|----------------------|
| | | One-Br. | Two-Br. |
| Site | Waynesboro Senior Homes II | \$604 (3) | \$769 (1) |
| 4 | 945 U.S. Hwy. 25 | - | \$747 (10/1) |
| 11 | Neely Place | - | \$847 (8/0) |
| 905 | Linden Square Apts. | \$689 (8/0) | \$827 (2/0) |
| 910 | Sterlington | \$872-\$892 (31/0) | \$989-\$1,032 (90/0) |
| 911 | Walker Estates Apts. | \$799 (101/0) | \$862-\$887 (151/2) |

900 series Map IDs located outside of Site PMA

The proposed subject gross market-rate rents, ranging between \$604 and \$769, will be some of the lowest market-rate rents when compared to those offered at the comparable market-rate projects. This will position the subject project at a competitive advantage.

Comparable/Competitive Market-Rate Summary

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing market-rate properties within the Site PMA and region, it is our opinion that the subject development will be very competitive. The subject development will be the newest market-rate development within the market, offering some of the lowest market-rate rents and a superior amenities package. The aforementioned characteristics will provide the subject with a competitive advantage. This has been considered in our absorption projections.

Average Market Rent

The following table illustrates the weighted average *collected* rents of the comparable market-rate projects by bedroom type, *for units similar to those proposed at the subject site.*

| Weighted Average Collected Rent of Comparable Market-Rate Units | |
|---|---------|
| One-Br. | Two-Br. |
| \$739 | \$808 |

The rent advantage for the proposed units is calculated as follows (average weighted market rent – proposed rent) / proposed rent.

| Bedrooms | Weighted Avg. Rent | Proposed Rent (% AMHI) | Difference | Proposed Rent | Rent Advantage |
|----------|--------------------|------------------------|------------|---------------|----------------|
| One-Br. | \$739 | - \$423 (50%) | \$316 | / \$423 (50%) | 74.7% |
| | | - \$478 (60%) | \$261 | / \$478 (60%) | 54.6% |
| | | - \$530 (MR) | \$209 | / \$530 (MR) | 39.4% |
| Two-Br. | \$808 | - \$493 (50%) | \$315 | / \$493 (50%) | 63.9% |
| | | - \$583 (60%) | \$225 | / \$583 (60%) | 38.6% |
| | | - \$680 (MR) | \$128 | / \$680 (MR) | 18.8% |

MR – Market-Rate

As the preceding illustrates, the proposed subject units represent rent advantages ranging from 38.6% to 74.7% for the subject’s Tax Credit units, and 18.8% to 39.4% for the subject’s market-rate units, as compared to the weighted average collected rents of the comparable market-rate projects located in the Site PMA (as identified in Addendum E). Please note, however, that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include. Therefore, caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development’s collected rents are available in Addendum E of this report.

An in-depth analysis of the Waynesboro rental housing market is included in Section H of this report.

8. Absorption/Stabilization Estimates

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA guidelines that assume a 2020 completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2020.

Considering the facts contained in the market study and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the subject development. Our absorption projections take into consideration the lack of age-restricted, non-subsidized LIHTC units targeting seniors ages 55 and older in the market, the required capture rate, achievable market rents, the demand for all affordable rental housing and the proposed competitiveness of the subject site. Our absorption projections also take into consideration that the developer and/or management successfully markets the project throughout all areas of the Site PMA. If the development experiences an extended absorption period, it is likely that the project would need to lower its rents in order to reach a stabilized occupancy.

Based on our analysis, it is our opinion that the proposed 43 LIHTC and market-rate units at the subject site will reach a stabilized occupancy of at least 93.0% within less than six months. This absorption period is based on a conservative average monthly absorption of approximately seven units per month.

9. Overall Conclusion:

Based on the findings reported in our market study, it is our opinion that a market exists for the 43 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rent, amenities or opening date may alter these findings.

The non-subsidized LIHTC and market-rate communities within the market are operating with minimal vacancies. It should be noted that there are no age-restricted, non-subsidized communities targeting senior households ages 55 and older within the market. As such, the subject project will provide a rental housing alternative to younger senior households which are currently underserved in the Waynesboro Site PMA. This will provide the subject site with a competitive advantage.

The subject project will offer the highest gross LIHTC rents within the market. Given the limited availability of affordable rental units within the market, it is likely that the existing LIHTC projects could charge higher rents without having an adverse impact on their marketability. Further, the subject project will be at least nine years newer than the LIHTC projects within the Waynesboro Site PMA, offering a superior amenities package. The aforementioned attributes will enable the subject development to charge higher rents.

Based on the preceding analysis and facts contained within this report, we believe the proposed subject development is marketable within the Waynesboro Site PMA, as proposed. We do not have any recommendations or modifications to the subject development at this time.

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

| | | |
|-------------------|---|--------------------------|
| Development Name: | Waynesboro Senior Homes II | Total # Units: 43 |
| Location: | 830 Academy Ave., Waynesboro, GA 30830 | # LIHTC Units: 39 |
| PMA Boundary: | Brier Creek and the Burke County boundary to the north; the Burke County boundary to the east; State Route 23, State Route 21, Millen city limits, State Route 17, the Burke County boundary and State Route 78 to the south; and Wadley city limits, U.S. Highway 221, Louisville city limits, Wrens city limits and U.S. Highway 1 to the west. | |
| | Farthest Boundary Distance to Subject: 28.7 miles | |

RENTAL HOUSING STOCK (found on page H-1, 2, 7 & 15; Add A-5)

| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
|--|--------------|-------------|--------------|-------------------|
| All Rental Housing | 16 | 793 | 6 | 99.2% |
| Market-Rate Housing | 3 | 39 | 1 | 97.4% |
| Assisted/Subsidized Housing not to include LIHTC | 6 | 413 | 2 | 99.5% |
| LIHTC | 8 | 341 | 3 | 99.1% |
| Stabilized Comps | 4 | 92 | 4 | 95.7% |
| Properties in Construction & Lease Up | 1 | 60 | - | - |

| 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 |
| 8 | One | 1.0 | 614 | \$423 | \$739 | \$1.20 | 74.7% | \$790 | \$1.09 |
| 27 | One | 1.0 | 614 | \$478 | \$739 | \$1.20 | 54.6% | \$790 | \$1.09 |
| 3 | One | 1.0 | 614 | \$530 | \$739 | \$1.20 | 39.4% | \$790 | \$1.09 |
| 1 | Two | 2.0 | 854 | \$493 | \$808 | \$0.95 | 63.9% | \$880 | \$0.89 |
| 3 | Two | 2.0 | 854 | \$583 | \$808 | \$0.95 | 38.6% | \$880 | \$0.89 |
| 1 | Two | 2.0 | 854 | \$680 | \$808 | \$0.95 | 18.8% | \$880 | \$0.89 |

DEMOGRAPHIC DATA (found on page E-3 & G-5)

| | 2010 | | 2018 | | 2020 | |
|---|-------|-------|-------|-------|-------|-------|
| Senior Renter Households (55+) | 1,244 | 19.9% | 1,566 | 23.2% | 1,562 | 22.9% |
| Age & Income-Qualified Renter HHs (LIHTC) | N/A | N/A | 426 | 27.2% | 420 | 26.9% |
| Income-Qualified Renter HHs (MR) | N/A | N/A | 369 | 23.6% | 365 | 23.4% |

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)

| Type of Demand | 30% | 50% | 60% | Market-rate | Other: | Overall LIHTC |
|---|-----|-----|-----|-------------|--------|---------------|
| Renter Household Growth | | -8 | -5 | -4 | | -6 |
| Existing Households (Overburd + Substand) | | 145 | 146 | 52 | | 182 |
| Homeowner conversion (Seniors) | | 2 | 2 | 0 | | 3 |
| Total Primary Market Demand | | 139 | 143 | 48 | | 179 |
| Less Comparable/Competitive Supply | | 0 | 0 | 0 | | 0 |
| Adjusted Income-Qualified Renter HHs | | 139 | 143 | 48 | | 179 |

CAPTURE RATES (found on page G-5)

| Targeted Population | 30% | 50% | 60% | Market-rate | Other: | Overall LIHTC |
|---------------------|-----|------|-------|-------------|--------|---------------|
| Capture Rate | | 6.5% | 21.0% | 8.3% | | 21.8% |

Section B - Project Description

The subject project involves the adaptive reuse of the former New Birth Missionary Baptist Church located at 830 Academy Avenue into a 43-unit age-restricted rental community to be known as Waynesboro Senior Homes II. Upon completion, the project will offer 38 one- and five (5) two-bedroom garden-style units within three (3) one-story buildings, with 2,000 square feet of community space integrated throughout. Waynesboro Senior Homes II will be developed utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program and 39 units will target lower-income senior households ages 55 and older earning up to 50% and 60% of Area Median Household Income (AMHI). The remaining four units will operate with no rent- or income-restrictions (market-rate). Monthly collected Tax Credit rents will range from \$423 to \$583, depending on unit type and targeted income level. Monthly collected rents for the market-rate units range from \$530 to \$680. Note that a total of five units (~12%) will be set aside for persons with disabilities through the use of Section 811 project-based rental assistance. The proposed project is expected to be complete by May 2020. Note that Waynesborough Academy Senior Residences (Phase I of the subject project) offers 39 one- and two-bedroom units. According to management, Phase I is 92.3% occupied, as a result of only three vacant units. Additional details concerning the subject project are as follows:

A. PROJECT DESCRIPTION

1. **Project Name:** Waynesboro Senior Homes II
2. **Property Location:** 830 Academy Avenue
Waynesboro, Georgia 30830
(Burke County)
3. **Project Type:** Adaptive Reuse
4. **Unit Configuration and Rents:**

| Total Units | Bedroom Type | Baths | Style | Square Feet | % AMHI | Proposed Rents | | | Max. Allowable LIHTC Gross Rent |
|-------------|--------------|-------|--------|-------------|--------|----------------|-------------------|------------|---------------------------------|
| | | | | | | Collected Rent | Utility Allowance | Gross Rent | |
| 8 | One-Br. | 1.0 | Garden | 614 | 50% | \$423 | \$96 | \$519 | \$581 |
| 27 | One-Br. | 1.0 | Garden | 614 | 60% | \$478 | \$96 | \$574 | \$697 |
| 3 | One-Br. | 1.0 | Garden | 614 | MR | \$530 | \$96 | \$626 | - |
| 1 | Two-Br. | 2.0 | Garden | 854 | 50% | \$493 | \$121 | \$614 | \$697 |
| 3 | Two-Br. | 2.0 | Garden | 854 | 60% | \$583 | \$121 | \$704 | \$837 |
| 1 | Two-Br. | 2.0 | Garden | 854 | MR | \$680 | \$121 | \$801 | - |
| 43 | Total | | | | | | | | |

Source: Landbridge Development, LLC

AMHI – Area Median Household Income (Augusta-Richmond County, GA-SC HUD Metro FMR Area; 2017)

MR – Market-Rate

- 5. Target Market:** Senior Households Ages 55 and Older
- 6. Project Design:** Adaptive reuse of three (3) one-story buildings into 43 garden-style units and 2,000 square feet of community space.
- 7. Original Year Built:** 1939
- 8. Projected Opening Date:** May 2020

9. Unit Amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Garbage Disposal
- Microwave
- Emergency Call System
- Vinyl Plank Flooring
- Window Blinds
- Central Air Conditioning
- Washer/Dryer Appliances
- Ceiling Fans

10. Community Amenities:

- On-Site Management
- Community Room
- Gazebo
- Picnic Area
- Community Gardens

11. Resident Services:

The subject site will include a wellness center, which will provide services such as health screening and education classes offered by an outside service provider.

12. Utility Responsibility:

The cost of trash collection will be included in the monthly rent. Tenants will be responsible for all other utilities, which include the following:

- Electric Heat
- Electric Water Heat
- Electric Cooking
- General Unit Electricity
- Cold Water
- Sewer

13. Rental Assistance:

A total of five units at the property will operate with a Section 811 subsidy available to persons with disabilities.

14. Parking:

The subject site will offer 42 open lot parking spaces at no additional charge.

15. Current Project Status:

Not Applicable; Adaptive Reuse

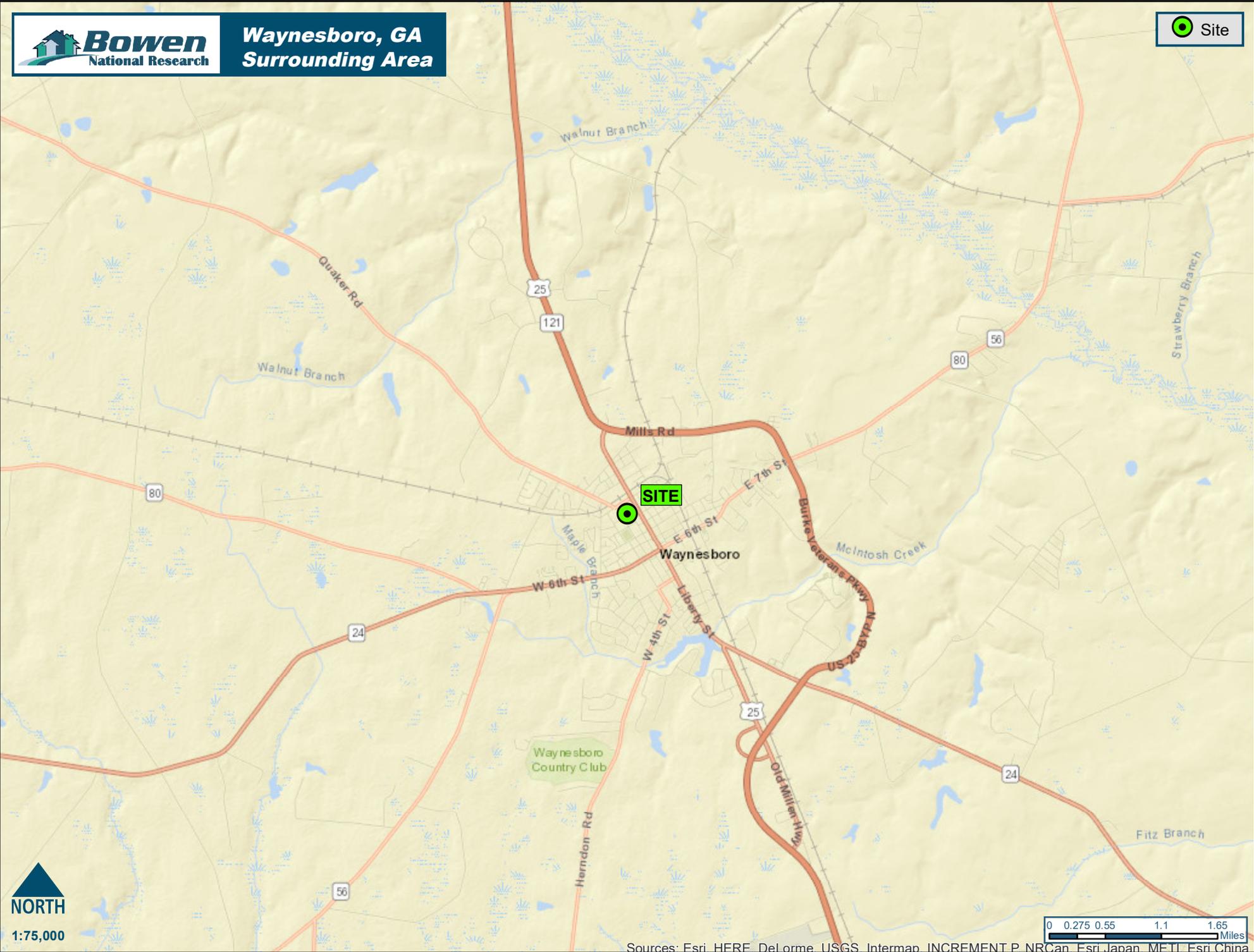
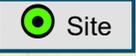
16. Statistical Area:

Augusta-Richmond County, GA-SC HUD Metro FMR Area (2017)

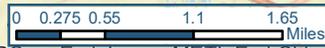
A state map, area map and map illustrating the site neighborhood are on the following pages.



Waynesboro, GA Surrounding Area



NORTH
1:75,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China



Waynesboro, GA Site Neighborhood

Legend
Site Area



NORTH

1:3,000

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, AeroGRID, IGN, and the GIS User Community



Section C – Site Description and Evaluation

1. LOCATION

The subject site consists of the former New Birth Missionary Baptist Church located at 830 Academy Avenue in the northwest portion of Waynesboro, Georgia. Located within Burke County, the site is approximately 28.0 miles south of Augusta, Georgia and approximately 100.0 miles northwest of Savannah, Georgia. Christopher T. Bunch, an employee of Bowen National Research, inspected the site and area apartments during the week of March 19, 2018.

2. SURROUNDING LAND USES

The subject site is within an established area of Waynesboro. Surrounding land uses include single-family homes, a senior apartment complex, a church, a wedding chapel and a bank. Adjacent land uses are detailed as follows:

| | |
|----------------|--|
| North - | A single-family house owned by First Baptist Church of Waynesboro borders the site to the north. A 1.1-acre property at 854 Academy Avenue borders the site to the northwest. This 1.1-acre property is part of Coradell's Wedding Chapel, which shares an adjacent property at 840 Academy Avenue. The adjacent wedding chapel property is in good condition. West 9 th Street, which features light to moderate vehicular traffic, is located immediately north of 854 Academy Avenue, followed by undeveloped land and Burkeland Garden. |
| East - | Shadrack Street, a two-lane street with light vehicular and pedestrian traffic, borders the site to the east. First Baptist Church of Waynesboro is located on the east side of Shadrack Street. This church property, which has its main entrance along North Liberty Street, is in excellent condition. The Bank of Burke County is also located on the east side of Shadrack Street. This bank property, which consists of a converted single-family house, surface parking and picnic pavilions, is in good condition. |
| South - | Waynesborough Academy Senior Residences (Phase I of site; Map ID 1) borders the site to the south and is in excellent condition. Ward Street, a two-lane street with light vehicular and pedestrian traffic, continues south, followed by single-family homes. |
| West - | A two-story building at 840 Academy Avenue borders the site to the west. This building, along with the adjacent property at 854 Academy Avenue, operates as Coradell's Wedding Chapel. Academy Avenue, a two-lane street with light vehicular and pedestrian traffic, also borders the site to the west. Single-family homes in good condition are located on the west side of Academy Avenue. |

Overall, the subject property fits well with the surrounding land uses, which should contribute to its marketability. The proposed adaptive reuse of the New Birth Missionary Baptist Church building should also be a positive marketing attribute, considering that the site is adjacent to Waynesborough Academy Senior Residences, which involved the adaptive reuse of the former Waynesboro Academy school building. Single-family houses in the immediate site neighborhood are in good condition, which will further increase the desirability of the site as a residential location.

3. VISIBILITY AND ACCESS

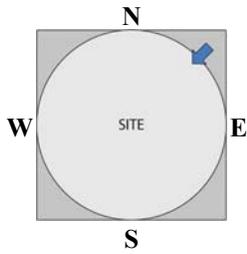
The subject development is located on the eastside of Academy Avenue. Academy Avenue is a two-lane street with light vehicular and pedestrian traffic. The site is also adjacent to Shadrack Street, a two-lane street which also experiences light vehicular and pedestrian traffic. Visibility of the existing church building is good from both Academy Avenue and Shadrack Street; however, it is obstructed by the surrounding land uses to the north and south. Additionally, the subject property is not visible from arterial roadways. As such, promotional signage is recommended throughout all areas of the market area to increase its awareness during the initial lease-up process. Access to the site is convenient for vehicles and pedestrians along Academy Avenue and Shadrack Street. The site also has convenient access to North Liberty Street (0.1 mile east) and U.S. Highway 25 Bypass (0.9 miles north). Also note that on-call, on-site pickup transportation services are provided via Burke Transit. Discounted fares are available for those that are ages 60 and above. Reservations for transit service must be placed at least 36 hours in advance, and is provided for medical appointments, trips to the pharmacy and shopping.

According to area planning and zoning officials, one road project is planned for the immediate site area. As of March 2017, a new western bypass is planned for Waynesboro. The planned route of this bypass will begin along U.S. Highway 25 (near Walmart) and extend to the southwest to State Route 56. The purpose of this bypass is to reduce through traffic and congestion in and around the downtown area of Waynesboro. The planned bypass is referred to as the Westside Truck Route, and will pass within 1.0 mile of the site. The project is expected to be bid out to contractors in 2018, with anticipated completion in 2020. As the bypass will not provide direct access to Academy Avenue or Shadrack Street, it is our opinion that it will not adversely affect marketability of the proposed site project.

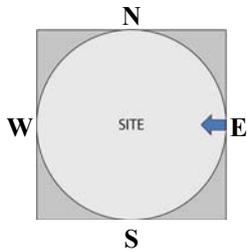
4. SITE PHOTOGRAPHS

Photographs of the subject site are on located on the following pages.

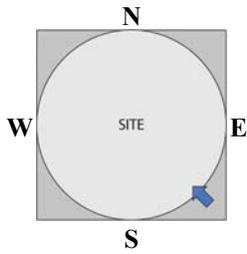
SITE PHOTOGRAPHS



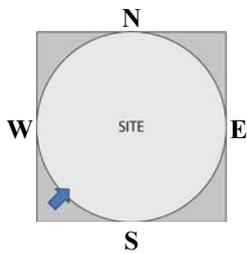
View of site from the northeast



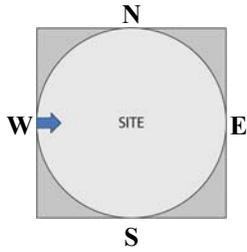
View of site from the east



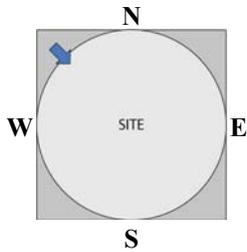
View of site from the southeast



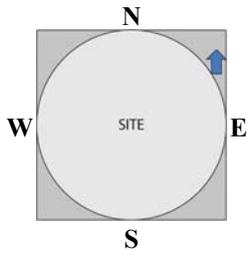
View of site from the southwest



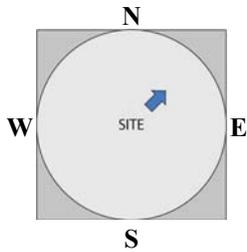
View of site from the west



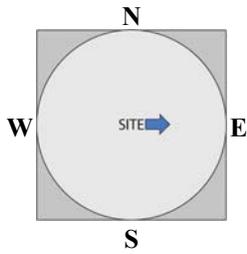
View of site from the northwest



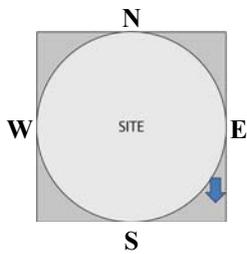
North view from northeast corner



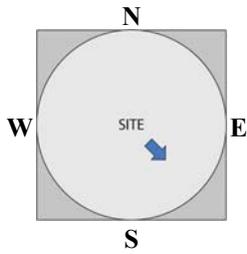
Northeast view from site



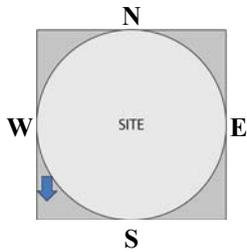
East view from site



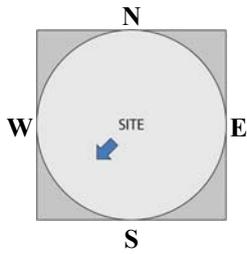
South view from southeast corner



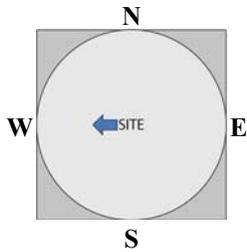
Southeast view from site



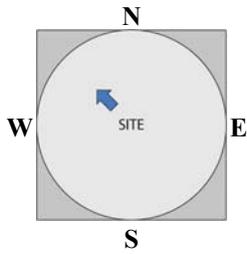
South view from southwest corner



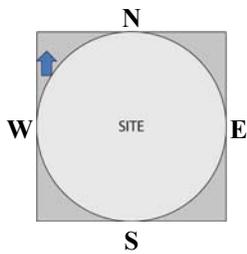
Southwest view from site



West view from site



Northwest view from site



North view from northwest corner



Streetscape - North view along Academy Avenue



Streetscape - South view along Shadrack Street

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

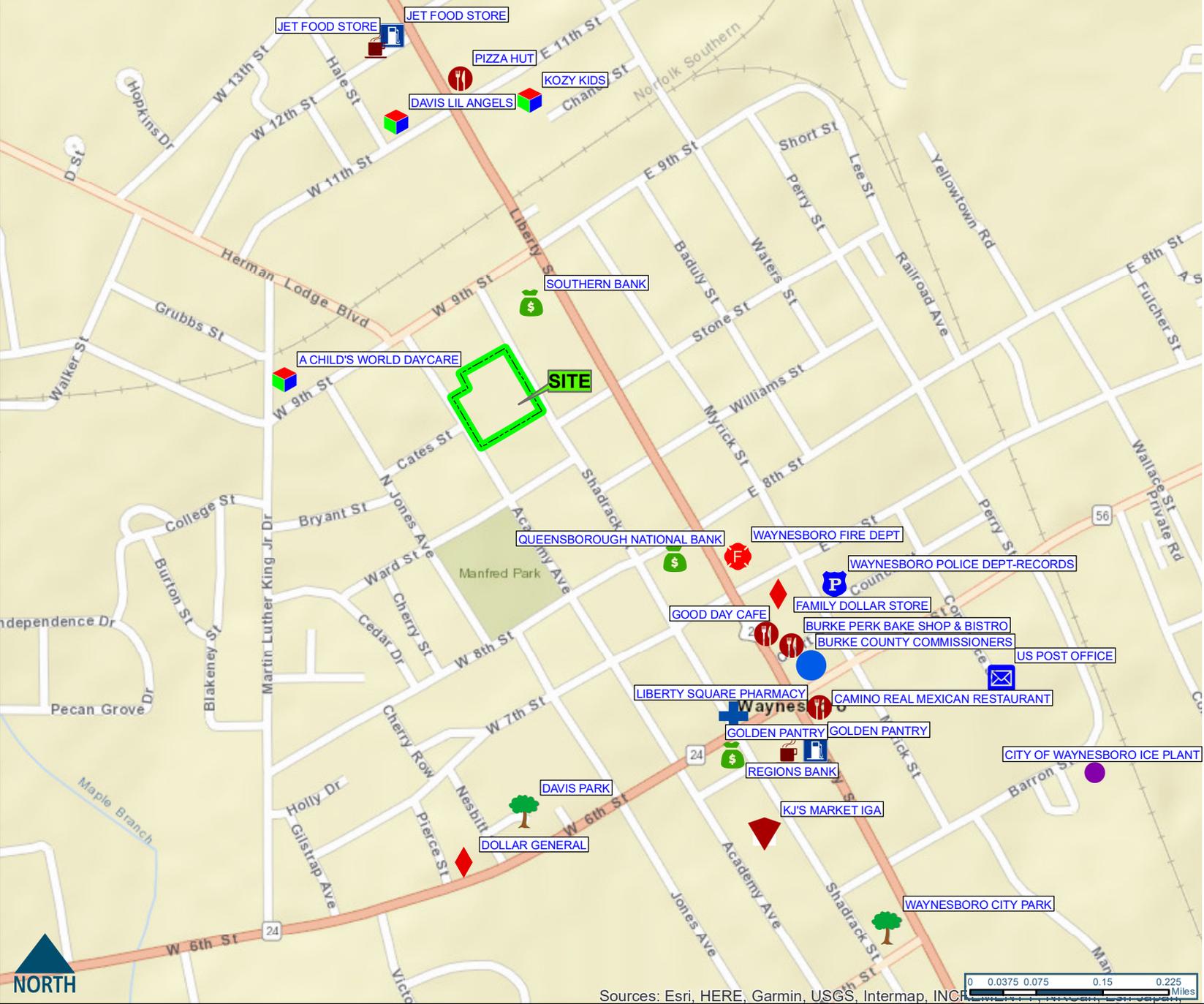
| Community Services | Name | Driving Distance From Site (Miles) |
|--|--|--|
| Major Highway | U.S. Highway 25 Bypass | 0.9 North |
| Public Bus Stop | Burke Transit | On-Call, On-Site |
| Major Employers/ Employment Centers | Burke County Commissioners Walmart Alstom/GE Grid Solutions Burke County Board of Education | 0.7 Southeast 1.0 North 1.6 Northeast 3.1 Southeast |
| Convenience Store | Jet Food Store Golden Pantry | 0.4 Northwest 0.6 Southeast |
| Grocery | KJ's Market IGA Walmart Supercenter Harvey's Supermarket | 0.4 Southeast 1.0 North 1.2 Southeast |
| Discount Department Store | Family Dollar Dollar General Dollar Tree | 0.3 Southeast 0.7 South 1.0 North |
| Shopping Center/Mall | Hopkins Corners Shopping Center | 1.0 North |
| Hospital | Burke Medical Center | 0.9 Southeast |
| Police | Waynesboro Police Department | 0.5 Southeast |
| Fire | Waynesboro Fire Department | 0.4 Southeast |
| Post Office | U.S. Post Office | 0.7 Southeast |
| Bank | Southern Bank Queensborough National Bank | 0.2 North 0.2 Southeast |
| Senior Center | Burke County Senior Citizens Center | 1.1 Southwest |
| Recreational Facilities | Davis Park Waynesboro City Park City of Waynesboro Ice Plant | 0.6 South 0.7 Southeast 0.9 Southeast |
| Gas Station | Jet Food Store Golden Pantry | 0.4 Northwest 0.6 Southeast |
| Pharmacy | Liberty Square Pharmacy Walgreens Walmart Pharmacy CVS Pharmacy | 0.4 Southeast 0.9 Southeast 1.0 North 1.0 Southeast |
| Restaurant | Pizza Hut Good Day Café Burke Perk Bake Shop & Bistro Camino Real Mexican Restaurant | 0.3 North 0.4 Southeast 0.4 Southeast 0.5 Southeast |
| Community Center | Waynesboro Burke County Rec Center | 2.9 Southeast |

The site is located in the northwest portion of Waynesboro, approximately 0.4 miles from downtown Waynesboro. The nearest community services to the site are in the downtown area, including the nearest grocery store, pharmacy, convenience store, gas station, dollar store, banks, and restaurants. The local police station, fire station, and post office are also located in downtown Waynesboro. Burke Medical Center is located within 1.0 mile southeast of the site. The nearest shopping center (Hopkins Corners) is located 1.0 mile north of the site, along U.S. Highway 25 Bypass. This shopping center includes Walmart Supercenter as its largest retailer.

Maps illustrating the location of community services are on the following pages.



Waynesboro, GA Local Community Services



Legend

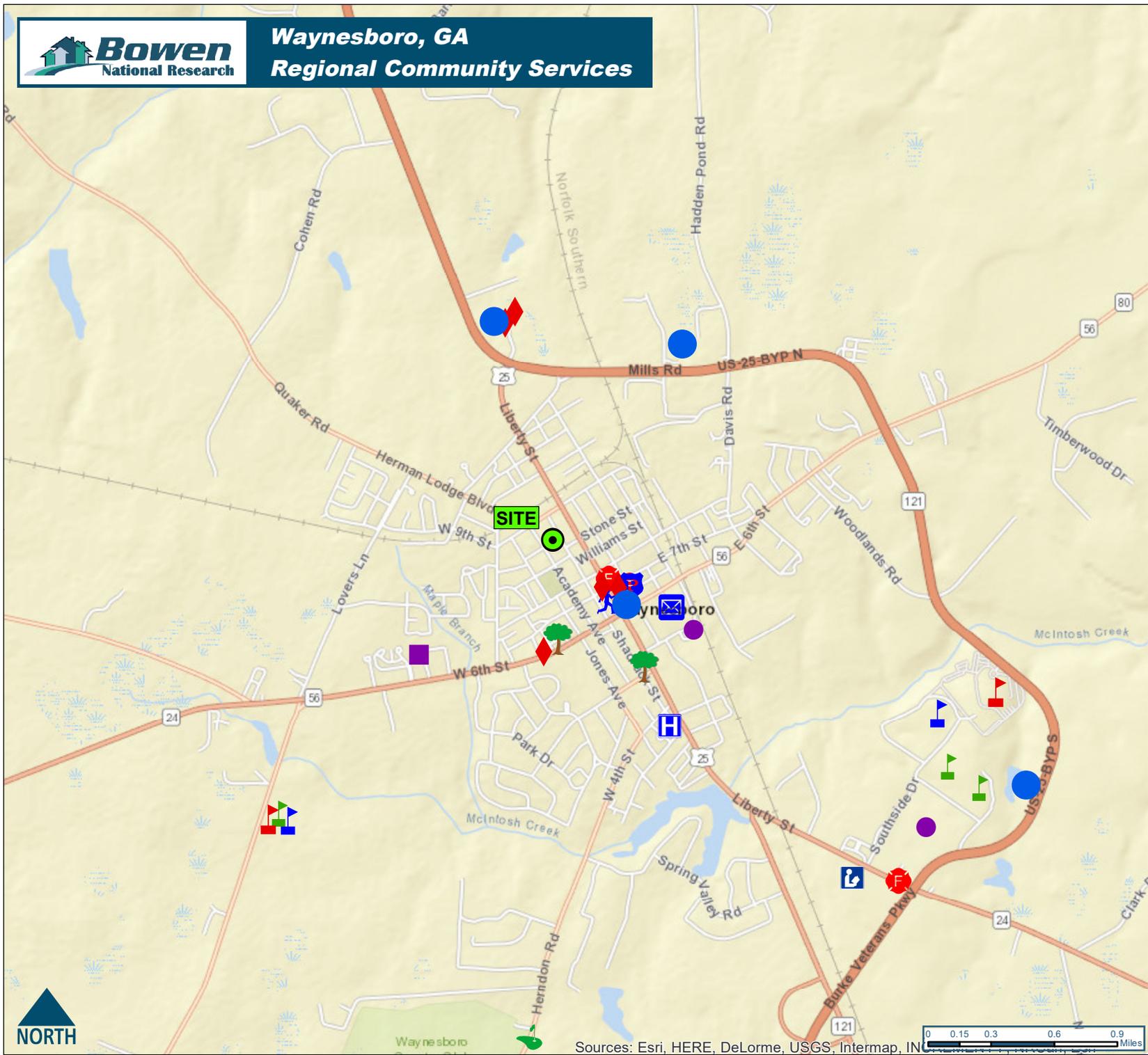
- Site area
- Bank
- Child Care
- Convenience Store
- Fire
- Gas
- Grocery
- Park
- Pharmacy
- Police
- Post Office
- Recreation Center
- Restaurant
- Shopping
- Employer 1000-5000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCR



1:10,000



- Legend**
-  Site
 -  Elementary School
 -  Fire
 -  Fitness Center
 -  Golf
 -  High School
 -  Hospital
 -  Library
 -  Middle School
 -  Park
 -  Police
 -  Post Office
 -  Recreation Center
 -  Senior Services
 -  Shopping
 -  Employer 1000-5000



6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk for the site's Zip code is 122, with an overall personal crime index of 138 and a property crime index of 120. Total crime risk for Burke County is 104, with indexes for personal and property crime of 124 and 102, respectively.

| | Crime Risk Index | |
|-----------------------|------------------|--------------|
| | Site Zip Code | Burke County |
| Total Crime | 122 | 104 |
| Personal Crime | 138 | 124 |
| Murder | 183 | 157 |
| Rape | 56 | 50 |
| Robbery | 143 | 116 |
| Assault | 147 | 138 |
| Property Crime | 120 | 102 |
| Burglary | 175 | 158 |
| Larceny | 101 | 83 |
| Motor Vehicle Theft | 139 | 120 |

Source: Applied Geographic Solutions

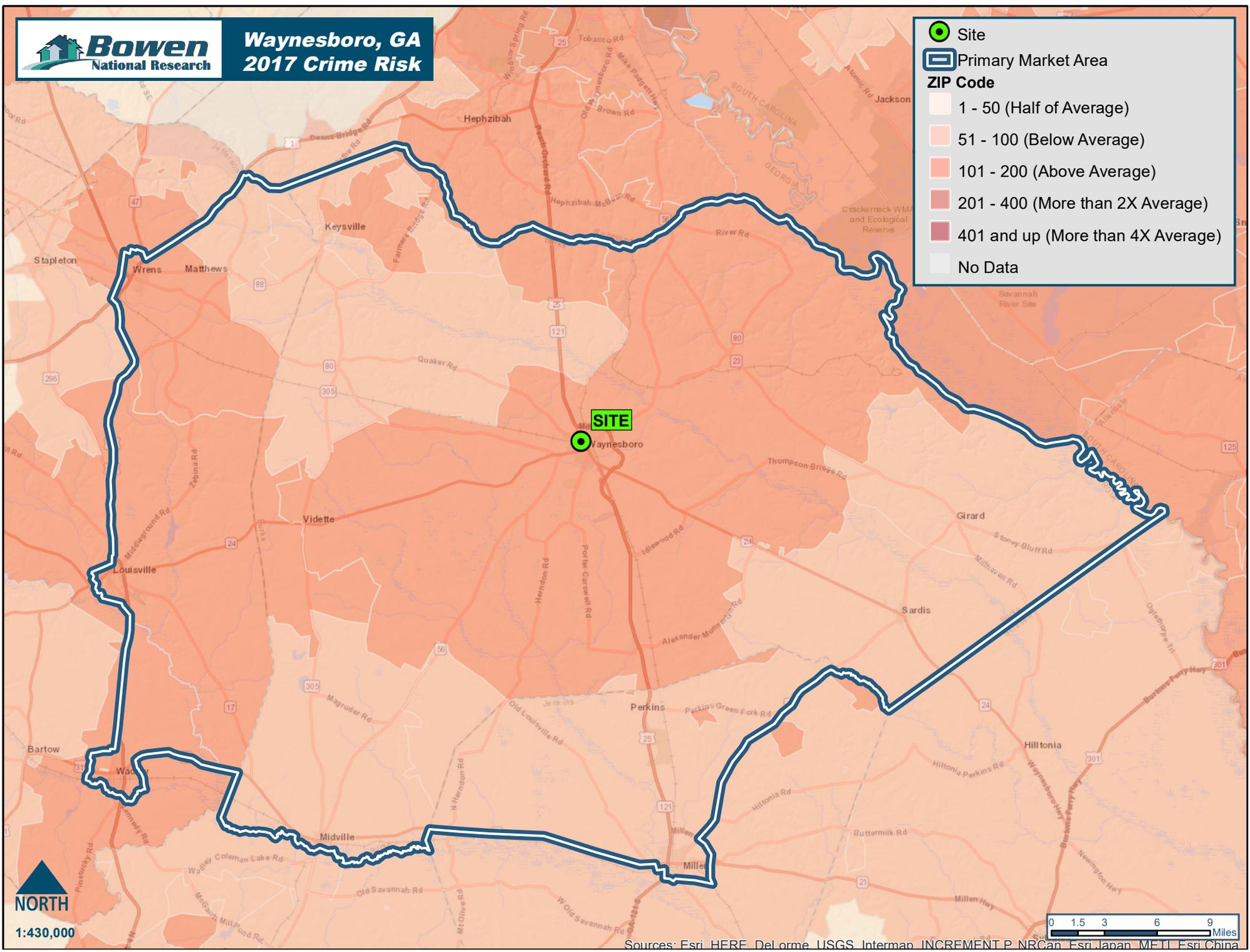
While the crime risk index for the site's Zip code (122) is slightly above those for Burke County (104) and the nation (100), nearly all rental properties surveyed within the area are performing at strong occupancy levels. As such, the perception of crime is not anticipated to be factor in the subject property's marketability.

A map illustrating crime risk is on the following page.

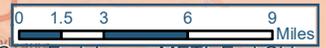


Waynesboro, GA 2017 Crime Risk

- Site
- ▭ Primary Market Area
- ZIP Code**
- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)
- No Data



NORTH
1:430,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

7. OVERALL SITE EVALUATION

The site consists of an existing church building located at 830 Academy Avenue in the northwest portion of Waynesboro. The surrounding residential land uses will have a positive effect on the marketability of the site. While visibility of the site is considered good within the immediate neighborhood, it will not be visible from arterial roadways. As such, promotional signage is recommended throughout all areas of the market area to increase its awareness during the initial lease-up process. Access to the site is considered good, as it is within 0.9 miles of North Liberty Street and the U.S. Highway 25 Bypass. Additionally, on-call, on-site transportation services are available via Burke Transit, with discounted fares for seniors ages 60 and older. The site is also adjacent to Waynesborough Academy Senior Residences (Phase I of the site; Map ID 1), a 39-unit senior Tax Credit property that was an adaptive reuse of the former Waynesboro Academy school. As the subject development will also target the senior population, it is our opinion that the site's marketability will benefit from its proximity to Waynesborough Academy Senior Residences. The site is within 1.0 mile of most shopping, dining, recreation facilities, social services and public safety services in the city of Waynesboro. Overall, we consider the site's location and proximity to community services to have a positive effect on its marketability.

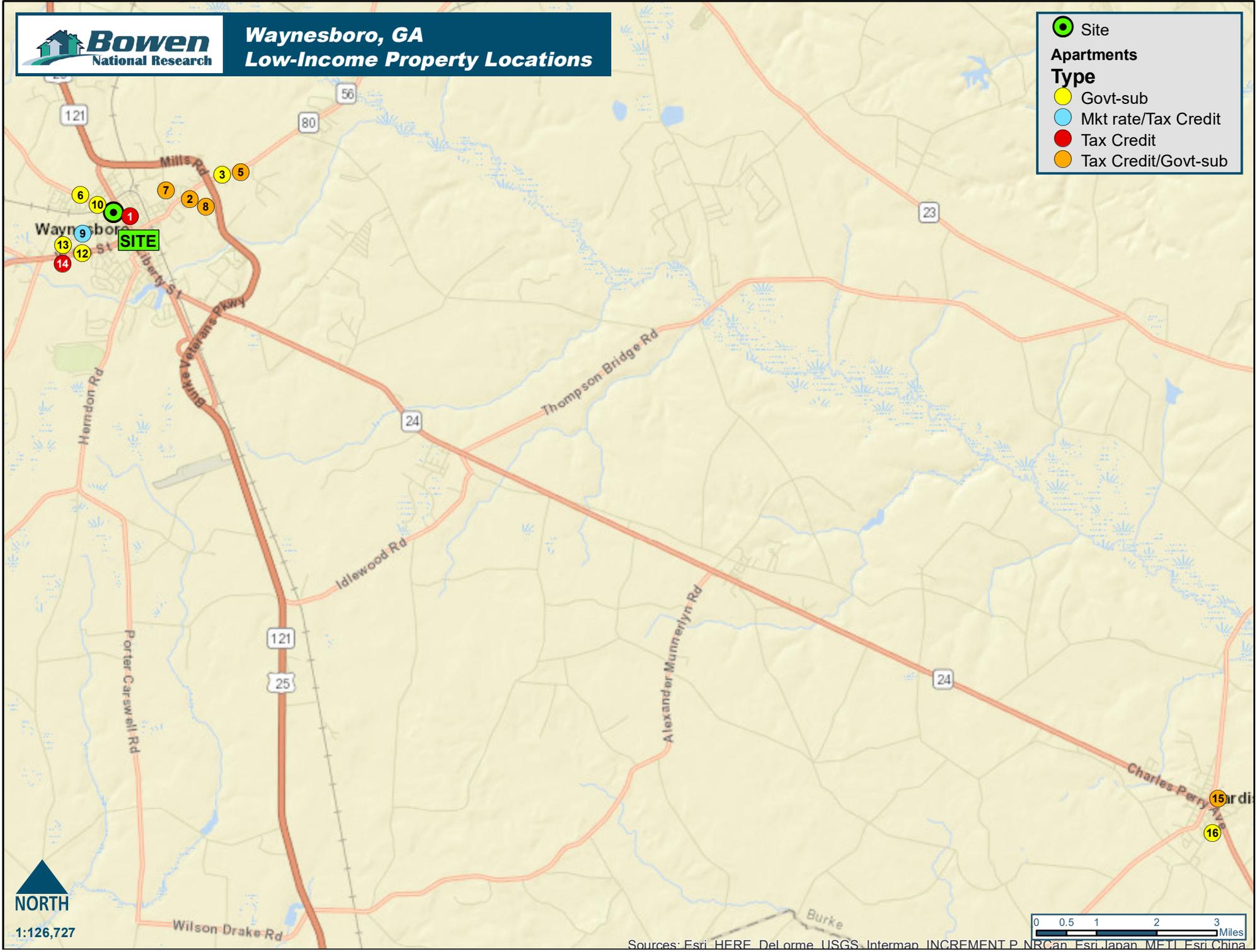
8. MAP OF LOW-INCOME RENTAL HOUSING

A map illustrating the location of low-income rental housing (4% and 9% Tax Credit Properties, Tax Exempt Bond Projects, Rural Development Properties, HUD Section 8 and Public Housing, etc.) identified and surveyed in the Site PMA is included on the following page.



Waynesboro, GA Low-Income Property Locations

● Site
Apartments Type
● Govt-sub
● Mkt rate/Tax Credit
● Tax Credit
● Tax Credit/Govt-sub



NORTH
1:126,727



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

Section D – Primary Market Area Delineation

The Site Primary Market Area (PMA) is the geographical area from which comparable properties and potential renters are expected to be drawn from. It is also the geographic area expected to generate the most demographic support for the subject development. The Waynesboro Site PMA was determined through interviews with property management at Phase I of the subject development, government officials and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Waynesboro Site PMA includes Waynesboro, Girard, Sardis, Vidette, Keysville, Wrens, Louisville, Wadley, Midville and Millen, as well as the surrounding outlying unincorporated areas of Burke, Jenkins and Jefferson counties. Specifically, the boundaries of the Site PMA include Brier Creek and the Burke County boundary to the north; the Burke County boundary to the east; State Route 23, State Route 21, Millen city limits, State Route 17, the Burke County boundary and State Route 78 to the south; and Wadley city limits, U.S. Highway 221, Louisville city limits, Wrens city limits and U.S. Highway 1 to the west.

According to the property manager of Waynesborough Academy Senior Residences (Phase I of the subject project; Map ID 1), approximately 50% of the property's tenants originated from Waynesboro, Millen, Keysville, Louisville and Sardis during the initial lease-up process, with 26% of the tenants coming from Hephzibah and Augusta. Conservatively, the market area was limited to encompass the surrounding smaller towns of Burke, Jenkins and Jefferson counties. Note that the Site PMA is similar to that utilized for the first phase of the subject project.

Merv Waldrop, County Administrator for Burke County, confirmed the PMA, stating that if a new senior affordable apartment complex were developed in Waynesboro and has good access to community services, such as grocery stores, churches and doctor's offices, it is very likely that seniors would come from outside of Burke County from as far away as Millen.

Although we expect a modest portion of support will originate from some of the outlying areas of the Site PMA, similar to the first phase of the subject project, we have not considered a secondary market area in this report.

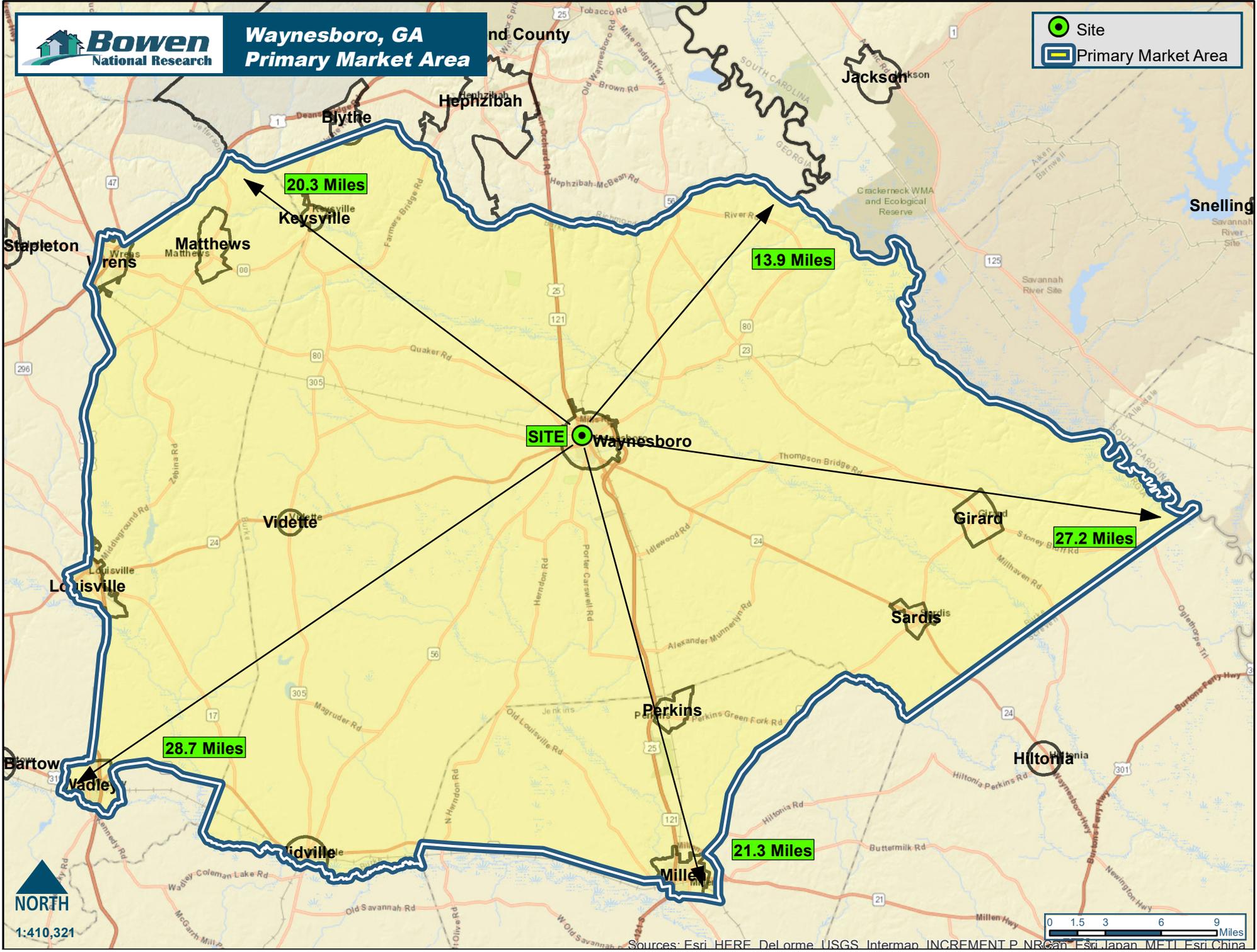
A map delineating the boundaries of the Site PMA is included on the following page.



Waynesboro, GA Primary Market Area

Waynesboro, GA
Waynes County

● Site
▭ Primary Market Area



NORTH
1:410,321



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

Section E – Community Demographic Data

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2018 (estimated) and 2020 (projected) are summarized as follows:

| | Year | | | |
|-------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2018 (Estimated) | 2020 (Projected) |
| Population | 37,771 | 37,943 | 36,638 | 36,171 |
| Population Change | - | 172 | -1,305 | -466 |
| Percent Change | - | 0.5% | -3.4% | -1.3% |

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Waynesboro Site PMA population base has been generally stable since 2000. These trends are projected to remain relatively stable through 2020.

The Site PMA population bases by age are summarized as follows:

| Population by Age | 2010 (Census) | | 2018 (Estimated) | | 2020 (Projected) | | Change 2018-2020 | |
|-------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 19 & Under | 11,517 | 30.4% | 9,941 | 27.1% | 9,733 | 26.9% | -208 | -2.1% |
| 20 to 24 | 2,379 | 6.3% | 2,295 | 6.3% | 2,184 | 6.0% | -112 | -4.9% |
| 25 to 34 | 4,353 | 11.5% | 4,625 | 12.6% | 4,420 | 12.2% | -205 | -4.4% |
| 35 to 44 | 4,527 | 11.9% | 4,272 | 11.7% | 4,270 | 11.8% | -2 | 0.0% |
| 45 to 54 | 5,399 | 14.2% | 4,510 | 12.3% | 4,343 | 12.0% | -167 | -3.7% |
| 55 to 64 | 4,800 | 12.7% | 4,945 | 13.5% | 4,858 | 13.4% | -86 | -1.7% |
| 65 to 74 | 2,828 | 7.5% | 3,726 | 10.2% | 3,879 | 10.7% | 154 | 4.1% |
| 75 & Over | 2,140 | 5.6% | 2,324 | 6.3% | 2,484 | 6.9% | 160 | 6.9% |
| Total | 37,943 | 100.0% | 36,638 | 100.0% | 36,171 | 100.0% | -466 | -1.3% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, 30.0% of the population is expected to be age 55 and older in 2018. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

The following compares the PMA's elderly (age 55+) and non-elderly population.

| Population Type | Year | | |
|-------------------|------------------|---------------------|---------------------|
| | 2010 (Census) | 2018 (Estimated) | 2020 (Projected) |
| Elderly (Age 55+) | 9,768 | 10,995 | 11,222 |
| Non-Elderly | 28,175 | 25,643 | 24,950 |
| Total | 37,943 | 36,638 | 36,171 |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The elderly population is projected to increase by 227, or 2.1%, between 2018 and 2020. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing.

2. HOUSEHOLD TRENDS

Household trends within the Waynesboro Site PMA are summarized as follows:

| | Year | | | |
|------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2018 (Estimated) | 2020 (Projected) |
| Households | 13,778 | 14,099 | 13,633 | 13,464 |
| Household Change | - | 321 | -466 | -169 |
| Percent Change | - | 2.3% | -3.3% | -1.2% |
| Household Size | 2.74 | 2.69 | 2.60 | 2.60 |

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Similar the population trends, households within the market have been generally stable since 2000. These trends are projected to remain relatively stable through 2020.

The Site PMA household bases by age are summarized as follows:

| Households by Age | 2010 (Census) | | 2018 (Estimated) | | 2020 (Projected) | | Change 2018-2020 | |
|----------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 25 | 613 | 4.3% | 535 | 3.9% | 516 | 3.8% | -19 | -3.5% |
| 25 to 34 | 1,862 | 13.2% | 1,884 | 13.8% | 1,789 | 13.3% | -96 | -5.1% |
| 35 to 44 | 2,353 | 16.7% | 2,087 | 15.3% | 2,067 | 15.4% | -20 | -1.0% |
| 45 to 54 | 3,030 | 21.5% | 2,392 | 17.5% | 2,282 | 16.9% | -110 | -4.6% |
| 55 to 64 | 2,976 | 21.1% | 2,923 | 21.4% | 2,840 | 21.1% | -84 | -2.9% |
| 65 to 74 | 1,888 | 13.4% | 2,370 | 17.4% | 2,441 | 18.1% | 71 | 3.0% |
| 75 to 84 | 1,050 | 7.4% | 1,044 | 7.7% | 1,132 | 8.4% | 88 | 8.5% |
| 85 & Over | 327 | 2.3% | 400 | 2.9% | 399 | 3.0% | -1 | -0.2% |
| Total | 14,099 | 100.0% | 13,634 | 100.0% | 13,465 | 100.0% | -169 | -1.2% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2018 and 2020, the only growth among household age groups in the market is projected to be among those between the ages of 65 and 84, an increase of 159, or 4.7%. This illustrates that there will be an increasing need for housing for seniors in the Site PMA.

Households by tenure for the general demographic, as well as those ages 55 and older are distributed in the following tables:

| Tenure | 2010 (Census) | | 2018 (Estimated) | | 2020 (Projected) | |
|-----------------|---------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 9,455 | 67.1% | 8,534 | 62.6% | 8,415 | 62.5% |
| Renter-Occupied | 4,644 | 32.9% | 5,100 | 37.4% | 5,049 | 37.5% |
| Total | 14,099 | 100.0% | 13,633 | 100.0% | 13,464 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

| Tenure Age 55+ | 2010 (Census) | | 2018 (Estimated) | | 2020 (Projected) | |
|-----------------|---------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 4,997 | 80.1% | 5,171 | 76.8% | 5,250 | 77.1% |
| Renter-Occupied | 1,244 | 19.9% | 1,566 | 23.2% | 1,562 | 22.9% |
| Total | 6,241 | 100.0% | 6,737 | 100.0% | 6,812 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

A total of 1,566 (23.2%) of all households age 55 and older within the Site PMA were renters in 2018. These senior renter households represent a sufficient base of support for the subject development.

The household sizes by tenure for age 55 and older within the Site PMA, based on the 2018 estimates and 2020 projections, were distributed as follows:

| Persons Per Renter Household Age 55+ | 2018 (Estimated) | | 2020 (Projected) | | Change 2018-2020 | |
|---|------------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 944 | 60.3% | 924 | 59.1% | -20 | -2.1% |
| 2 Persons | 243 | 15.5% | 255 | 16.3% | 12 | 4.8% |
| 3 Persons | 179 | 11.4% | 183 | 11.7% | 4 | 2.0% |
| 4 Persons | 100 | 6.4% | 99 | 6.3% | -1 | -0.5% |
| 5 Persons+ | 100 | 6.4% | 102 | 6.5% | 2 | 1.7% |
| Total | 1,566 | 100.0% | 1,562 | 100.0% | -4 | -0.2% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

| Persons Per Owner Household Age 55+ | 2018 (Estimated) | | 2020 (Projected) | | Change 2018-2020 | |
|--|------------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 1,727 | 33.4% | 1,717 | 32.7% | -10 | -0.6% |
| 2 Persons | 1,752 | 33.9% | 1,805 | 34.4% | 53 | 3.0% |
| 3 Persons | 776 | 15.0% | 799 | 15.2% | 22 | 2.9% |
| 4 Persons | 527 | 10.2% | 538 | 10.2% | 11 | 2.1% |
| 5 Persons+ | 388 | 7.5% | 391 | 7.4% | 2 | 0.5% |
| Total | 5,171 | 100.0% | 5,250 | 100.0% | 79 | 1.5% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The proposed subject site will offer one- and two-bedroom units, which will generally target up to two-person senior households. These specific household sizes comprise over 75% of the Site PMA's senior renter households, indicating a good base of potential support for the site.

The distribution of households by income within the Waynesboro Site PMA is summarized as follows:

| Household Income | 2010 (Census) | | 2018 (Estimated) | | 2020 (Projected) | |
|------------------------|---------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| Less Than \$15,000 | 4,423 | 31.4% | 3,208 | 23.5% | 3,231 | 24.0% |
| \$15,000 to \$24,999 | 2,044 | 14.5% | 2,003 | 14.7% | 1,982 | 14.7% |
| \$25,000 to \$34,999 | 2,000 | 14.2% | 1,887 | 13.8% | 1,840 | 13.7% |
| \$35,000 to \$49,999 | 1,652 | 11.7% | 1,953 | 14.3% | 1,924 | 14.3% |
| \$50,000 to \$74,999 | 2,239 | 15.9% | 2,094 | 15.4% | 2,013 | 14.9% |
| \$75,000 to \$99,999 | 792 | 5.6% | 1,229 | 9.0% | 1,224 | 9.1% |
| \$100,000 to \$149,999 | 674 | 4.8% | 822 | 6.0% | 821 | 6.1% |
| \$150,000 to \$199,999 | 156 | 1.1% | 279 | 2.0% | 276 | 2.0% |
| \$200,000 & Over | 119 | 0.8% | 159 | 1.2% | 154 | 1.1% |
| Total | 14,099 | 100.0% | 13,633 | 100.0% | 13,464 | 100.0% |
| Median Income | \$27,913 | | \$33,511 | | \$33,257 | |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$27,913. This increased by 20.1% to \$33,511 in 2018. By 2020, it is projected that the median household income will be \$33,257, a decline of 0.8% from 2018.

The distribution of households by income age 55 and older within the Waynesboro Site PMA is summarized as follows:

| Household Income 55+ | 2010 (Census) | | 2018 (Estimated) | | 2020 (Projected) | |
|------------------------|---------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| Less Than \$15,000 | 1,967 | 31.5% | 1,747 | 25.9% | 1,806 | 26.5% |
| \$15,000 to \$24,999 | 1,083 | 17.4% | 1,194 | 17.7% | 1,205 | 17.7% |
| \$25,000 to \$34,999 | 944 | 15.1% | 953 | 14.2% | 942 | 13.8% |
| \$35,000 to \$49,999 | 667 | 10.7% | 949 | 14.1% | 950 | 13.9% |
| \$50,000 to \$74,999 | 970 | 15.5% | 907 | 13.5% | 898 | 13.2% |
| \$75,000 to \$99,999 | 269 | 4.3% | 484 | 7.2% | 499 | 7.3% |
| \$100,000 to \$149,999 | 250 | 4.0% | 353 | 5.2% | 362 | 5.3% |
| \$150,000 to \$199,999 | 54 | 0.9% | 100 | 1.5% | 102 | 1.5% |
| \$200,000 & Over | 37 | 0.6% | 49 | 0.7% | 50 | 0.7% |
| Total | 6,241 | 100.0% | 6,737 | 100.0% | 6,812 | 100.0% |
| Median Income | \$25,747 | | \$29,478 | | \$29,200 | |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income for households age 55 and older was \$25,747. This increased by 14.5% to \$29,478 in 2018. By 2020, it is projected that the median household income will be \$29,200, a decline of 0.9% from 2018.

The following tables illustrate renter household income by household size for age 55 and older for 2010, 2018 and 2020 for the Waynesboro Site PMA:

| Renter Age 55+ Households | 2010 (Census) | | | | | |
|---------------------------|---------------|------------|------------|-----------|-----------|--------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 416 | 77 | 65 | 49 | 41 | 648 |
| \$15,000 to \$24,999 | 165 | 30 | 26 | 19 | 16 | 256 |
| \$25,000 to \$34,999 | 102 | 19 | 16 | 12 | 10 | 159 |
| \$35,000 to \$49,999 | 34 | 6 | 5 | 4 | 3 | 53 |
| \$50,000 to \$74,999 | 52 | 10 | 8 | 6 | 5 | 82 |
| \$75,000 to \$99,999 | 18 | 3 | 3 | 2 | 2 | 28 |
| \$100,000 to \$149,999 | 9 | 2 | 1 | 1 | 1 | 14 |
| \$150,000 to \$199,999 | 1 | 0 | 0 | 0 | 0 | 2 |
| \$200,000 & Over | 1 | 0 | 0 | 0 | 0 | 1 |
| Total | 799 | 148 | 125 | 95 | 78 | 1,244 |

Source: ESRI; Urban Decision Group

| Renter Age 55+ Households | 2018 (Estimated) | | | | | |
|---------------------------|------------------|------------|------------|------------|------------|--------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 454 | 117 | 86 | 48 | 48 | 753 |
| \$15,000 to \$24,999 | 190 | 51 | 38 | 21 | 21 | 321 |
| \$25,000 to \$34,999 | 155 | 40 | 29 | 16 | 16 | 257 |
| \$35,000 to \$49,999 | 83 | 21 | 15 | 9 | 9 | 136 |
| \$50,000 to \$74,999 | 39 | 9 | 7 | 4 | 4 | 63 |
| \$75,000 to \$99,999 | 13 | 3 | 2 | 1 | 1 | 21 |
| \$100,000 to \$149,999 | 8 | 2 | 1 | 1 | 1 | 13 |
| \$150,000 to \$199,999 | 1 | 0 | 0 | 0 | 0 | 1 |
| \$200,000 & Over | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 944 | 243 | 179 | 100 | 100 | 1,566 |

Source: ESRI; Urban Decision Group

| Renter Age 55+ Households | 2020 (Projected) | | | | | |
|---------------------------|------------------|------------|------------|-----------|------------|--------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 449 | 124 | 89 | 48 | 50 | 760 |
| \$15,000 to \$24,999 | 180 | 53 | 38 | 21 | 21 | 313 |
| \$25,000 to \$34,999 | 156 | 43 | 31 | 17 | 17 | 263 |
| \$35,000 to \$49,999 | 83 | 22 | 15 | 8 | 9 | 137 |
| \$50,000 to \$74,999 | 33 | 8 | 6 | 3 | 3 | 53 |
| \$75,000 to \$99,999 | 11 | 3 | 2 | 1 | 1 | 18 |
| \$100,000 to \$149,999 | 11 | 3 | 2 | 1 | 1 | 18 |
| \$150,000 to \$199,999 | 0 | 0 | 0 | 0 | 0 | 1 |
| \$200,000 & Over | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 924 | 255 | 183 | 99 | 102 | 1,562 |

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 55 and older for 2010, 2018 and 2020 for the Waynesboro Site PMA:

| Owner Age 55+ Households | 2010 (Census) | | | | | |
|--------------------------|---------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 498 | 422 | 160 | 118 | 121 | 1,319 |
| \$15,000 to \$24,999 | 335 | 253 | 96 | 71 | 73 | 827 |
| \$25,000 to \$34,999 | 293 | 253 | 96 | 71 | 73 | 785 |
| \$35,000 to \$49,999 | 207 | 209 | 79 | 59 | 60 | 614 |
| \$50,000 to \$74,999 | 306 | 299 | 113 | 84 | 86 | 888 |
| \$75,000 to \$99,999 | 78 | 84 | 32 | 23 | 24 | 241 |
| \$100,000 to \$149,999 | 66 | 87 | 33 | 24 | 25 | 236 |
| \$150,000 to \$199,999 | 16 | 18 | 7 | 5 | 5 | 52 |
| \$200,000 & Over | 10 | 13 | 5 | 4 | 4 | 36 |
| Total | 1,809 | 1,637 | 621 | 459 | 470 | 4,997 |

Source: ESRI; Urban Decision Group

| Owner Age 55+ Households | 2018 (Estimated) | | | | | |
|--------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 339 | 334 | 148 | 100 | 74 | 995 |
| \$15,000 to \$24,999 | 299 | 292 | 130 | 88 | 65 | 873 |
| \$25,000 to \$34,999 | 229 | 238 | 105 | 71 | 53 | 696 |
| \$35,000 to \$49,999 | 264 | 279 | 124 | 84 | 62 | 812 |
| \$50,000 to \$74,999 | 282 | 286 | 127 | 86 | 63 | 843 |
| \$75,000 to \$99,999 | 158 | 155 | 69 | 47 | 34 | 464 |
| \$100,000 to \$149,999 | 110 | 117 | 52 | 35 | 26 | 340 |
| \$150,000 to \$199,999 | 32 | 34 | 15 | 10 | 8 | 99 |
| \$200,000 & Over | 15 | 17 | 8 | 5 | 4 | 49 |
| Total | 1,727 | 1,752 | 776 | 527 | 388 | 5,171 |

Source: ESRI; Urban Decision Group

| Owner Age 55+ Households | 2020 (Projected) | | | | | |
|--------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 345 | 358 | 158 | 107 | 77 | 1,046 |
| \$15,000 to \$24,999 | 289 | 308 | 136 | 92 | 67 | 892 |
| \$25,000 to \$34,999 | 216 | 237 | 105 | 71 | 51 | 679 |
| \$35,000 to \$49,999 | 259 | 283 | 125 | 84 | 61 | 813 |
| \$50,000 to \$74,999 | 282 | 288 | 127 | 86 | 62 | 844 |
| \$75,000 to \$99,999 | 166 | 161 | 71 | 48 | 35 | 481 |
| \$100,000 to \$149,999 | 113 | 118 | 52 | 35 | 26 | 344 |
| \$150,000 to \$199,999 | 33 | 35 | 15 | 10 | 8 | 101 |
| \$200,000 & Over | 15 | 17 | 8 | 5 | 4 | 49 |
| Total | 1,717 | 1,805 | 799 | 538 | 391 | 5,250 |

Source: ESRI; Urban Decision Group

Data from the preceding tables is used in the capture rate analyses illustrated later in Section G – *Project Specific Demand* of this report.

Demographic Summary

Overall population and households within the Waynesboro Site PMA have been generally stable since 2000. These trends are projected to remain relatively stable through 2020. However, senior households between the ages of 65 and 84 are projected to experience notable growth between 2018 and 2020, increasing by 159, or 4.7%. This growth is indicative of the increasing need for senior housing in the market. It should also be noted that the proposed development will target one- to two-person senior renter households, which comprise the majority of such households within the Site PMA. As such, the subject site will be able to accommodate most of the Site PMA's senior renter households, based on household size. The preceding factors will have a positive impact on the marketability of the subject site.

Section F – Economic Trends

1. LABOR FORCE PROFILE

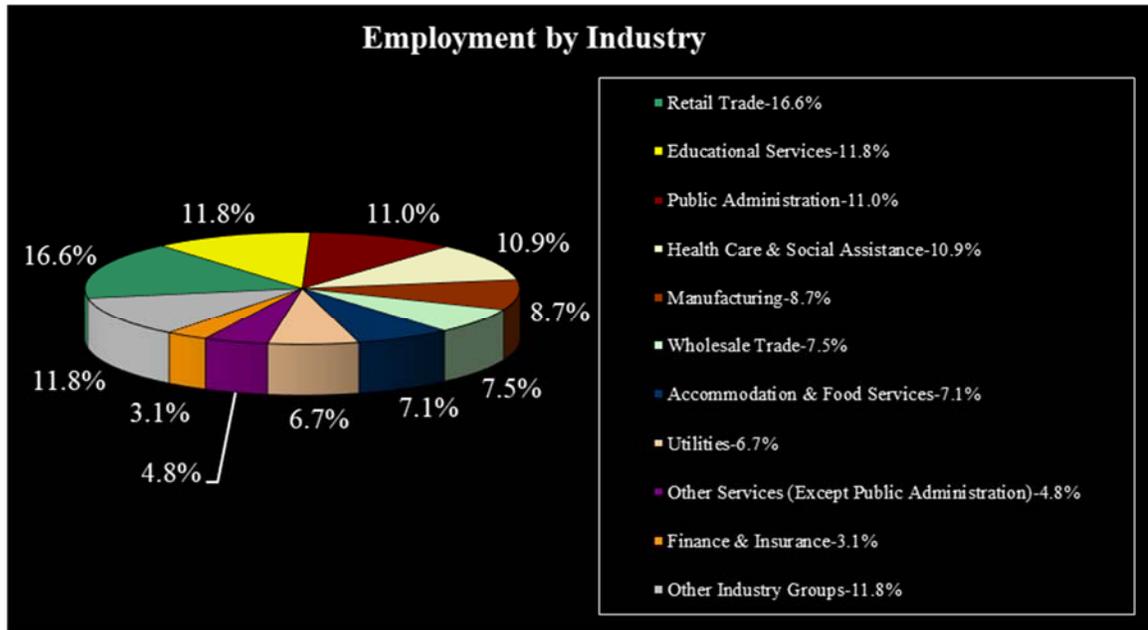
The labor force within the Waynesboro Site PMA is based primarily in four sectors. Retail Trade (which comprises 16.6%), Educational Services, Public Administration and Health Care & Social Assistance comprise over 50% of the Site PMA labor force. Employment in the Waynesboro Site PMA, as of 2018, was distributed as follows:

| NAICS Group | Establishments | Percent | Employees | Percent | E.P.E. |
|--|----------------|---------------|---------------|---------------|-------------|
| Agriculture, Forestry, Fishing & Hunting | 28 | 2.2% | 106 | 0.8% | 3.8 |
| Mining | 3 | 0.2% | 161 | 1.2% | 53.7 |
| Utilities | 10 | 0.8% | 912 | 6.7% | 91.2 |
| Construction | 50 | 4.0% | 295 | 2.2% | 5.9 |
| Manufacturing | 33 | 2.6% | 1,182 | 8.7% | 35.8 |
| Wholesale Trade | 47 | 3.8% | 1,010 | 7.5% | 21.5 |
| Retail Trade | 196 | 15.6% | 2,238 | 16.6% | 11.4 |
| Transportation & Warehousing | 36 | 2.9% | 245 | 1.8% | 6.8 |
| Information | 24 | 1.9% | 152 | 1.1% | 6.3 |
| Finance & Insurance | 68 | 5.4% | 423 | 3.1% | 6.2 |
| Real Estate & Rental & Leasing | 54 | 4.3% | 133 | 1.0% | 2.5 |
| Professional, Scientific & Technical Services | 60 | 4.8% | 219 | 1.6% | 3.7 |
| Management of Companies & Enterprises | 5 | 0.4% | 95 | 0.7% | 19.0 |
| Administrative, Support, Waste Management & Remediation Services | 21 | 1.7% | 85 | 0.6% | 4.0 |
| Educational Services | 37 | 3.0% | 1,595 | 11.8% | 43.1 |
| Health Care & Social Assistance | 81 | 6.5% | 1,477 | 10.9% | 18.2 |
| Arts, Entertainment & Recreation | 10 | 0.8% | 90 | 0.7% | 9.0 |
| Accommodation & Food Services | 83 | 6.6% | 960 | 7.1% | 11.6 |
| Other Services (Except Public Administration) | 234 | 18.7% | 645 | 4.8% | 2.8 |
| Public Administration | 152 | 12.1% | 1,485 | 11.0% | 9.8 |
| Nonclassifiable | 21 | 1.7% | 10 | 0.1% | 0.5 |
| Total | 1,253 | 100.0% | 13,518 | 100.0% | 10.8 |

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the Augusta-Richmond County Metropolitan Statistical Area (MSA) are compared with those of Georgia in the following table:

| Typical Wage by Occupation Type | | |
|--|-----------------------------|-----------|
| Occupation Type | Augusta-Richmond County MSA | Georgia |
| Management Occupations | \$99,780 | \$114,210 |
| Business and Financial Occupations | \$66,650 | \$71,300 |
| Computer and Mathematical Occupations | \$69,110 | \$85,800 |
| Architecture and Engineering Occupations | \$87,000 | \$78,820 |
| Community and Social Service Occupations | \$44,070 | \$45,460 |
| Art, Design, Entertainment and Sports Medicine Occupations | \$48,970 | \$52,710 |
| Healthcare Practitioners and Technical Occupations | \$73,080 | \$74,310 |
| Healthcare Support Occupations | \$26,490 | \$28,330 |
| Protective Service Occupations | \$36,830 | \$36,610 |
| Food Preparation and Serving Related Occupations | \$20,400 | \$20,530 |
| Building and Grounds Cleaning and Maintenance Occupations | \$23,650 | \$25,010 |
| Personal Care and Service Occupations | \$23,150 | \$24,390 |
| Sales and Related Occupations | \$31,270 | \$38,060 |
| Office and Administrative Support Occupations | \$32,270 | \$35,470 |
| Construction and Extraction Occupations | \$38,410 | \$40,540 |
| Installation, Maintenance and Repair Occupations | \$43,410 | \$44,550 |
| Production Occupations | \$40,500 | \$33,500 |
| Transportation and Moving Occupations | \$29,780 | \$33,720 |

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$20,400 to \$48,970 within the Augusta-Richmond County MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$79,124. It is important to note that most occupational types within the Augusta-Richmond County MSA have lower typical wages than the State of Georgia's typical wages. While the subject project will target senior households, many of which will likely be retired, there appears to be a sufficient base of wage-appropriate jobs in the market from which seniors seeking employment could choose.

2. MAJOR EMPLOYERS

The ten largest employers within Burke County comprise a total of 3,420 employees and are summarized as follows:

| Employer Name | Business Type | Total Employed |
|-------------------------------------|----------------------|----------------|
| Southern Nuclear/Plant Vogtle | Nuclear Power Plant | 900 |
| Burke County Board of Education | Education | 993 |
| Burke County Board of Commissioners | Government | 431 |
| Alstom Grid | Copper Wiring | 300 |
| Wal-Mart | Retail | 192 |
| Burke Medical Center | Healthcare | 158 |
| Brentwood Health & Rehab | Nursing Home | 125 |
| Fiamm Energy | Industrial Batteries | 121 |
| Samson/Galaxy | Textile Manufacturer | 120 |
| Mr. Golf Carts | Golf Carts | 80 |
| Total | | 3,420 |

Source: Development Authority of Burke Count (2018)

According to a representative with the Development Authority of Burke County, the Burke County and Waynesboro economy are growing mainly in retail sales. This uptick in retail sales is due, in large part, to the number of people currently working on the construction of two new reactors at the Vogtle nuclear plant. There are over 5,000 workers for the project living in Augusta, or in RV campers and spending their shopping and restaurant time and money in Augusta and Waynesboro. The Vogtle plant is the first nuclear plant to be licensed to begin construction on the Generation III reactors in the U.S. since the 1970s. The contractors working there are nuclear plant tradesmen, so few jobs were taken by locals.

In October 2017, the Galaxy Distribution Center, a subsidiary of S. Lichtenberg and Company that distributes window coverings and home décor textile products to major retailers, announced that the company will be investing approximately \$4.5 million to expand their facility. This expansion will add up to ten new jobs. Ten years ago, the manufacturing segment of this company halted, impacting the local economy, but since then, Lichtenberg has continued to work on growing Galaxy Distribution, and this expansion continues their promise to the community. At the time of this study, construction was currently underway.

Infrastructure

The Georgia Department of Transportation is building a truck by-pass connecting State Route 56 with U.S. Highway 25 to alleviate truck congestion within Waynesboro.

Also in Burke County, two bridges on State Route 23 over Brier Creek and Brier Creek Overflow will be replaced in 2018.

WARN (layoff notices):

According to the Georgia Department of Economic Development, there has been one WARN notice (large-scale layoffs/closures) reported for Waynesboro since September 2016, though the oldest notice reported was in October 2016. Below is a table summarizing this notice.

| WARN Notice | | | |
|------------------------|------------|------|-------------|
| Company | Location | Jobs | Notice Date |
| Sam Dong Georgia, Inc. | Waynesboro | 56 | 10-28-2016 |

3. EMPLOYMENT TRENDS

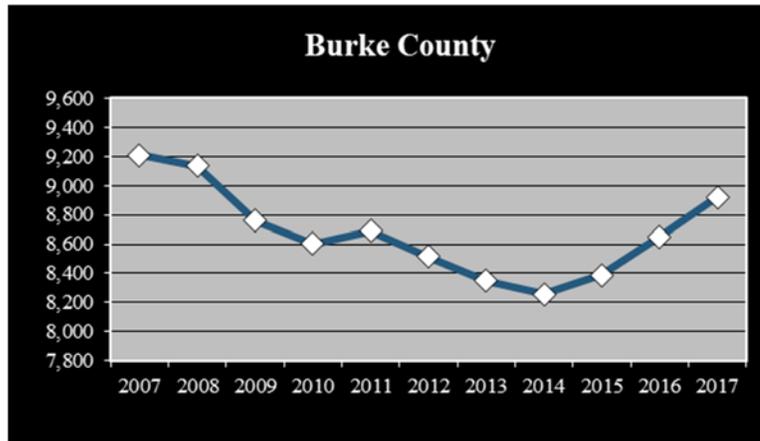
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2017, the employment base has increased by 1.6% over the past five years in Burke County, less than the Georgia state increase of 7.2%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Burke County, Georgia and the United States.

| Year | Total Employment | | | | | |
|------|------------------|----------------|--------------|----------------|---------------|----------------|
| | Burke County | | Georgia | | United States | |
| | Total Number | Percent Change | Total Number | Percent Change | Total Number | Percent Change |
| 2007 | 9,208 | - | 4,597,640 | - | 146,388,400 | - |
| 2008 | 9,133 | -0.8% | 4,575,010 | -0.5% | 146,047,748 | -0.2% |
| 2009 | 8,759 | -4.1% | 4,311,854 | -5.8% | 140,696,560 | -3.7% |
| 2010 | 8,601 | -1.8% | 4,202,052 | -2.5% | 140,469,139 | -0.2% |
| 2011 | 8,690 | 1.0% | 4,263,305 | 1.5% | 141,791,255 | 0.9% |
| 2012 | 8,517 | -2.0% | 4,348,083 | 2.0% | 143,621,634 | 1.3% |
| 2013 | 8,350 | -2.0% | 4,366,374 | 0.4% | 145,017,562 | 1.0% |
| 2014 | 8,257 | -1.1% | 4,416,145 | 1.1% | 147,446,676 | 1.7% |
| 2015 | 8,388 | 1.6% | 4,503,150 | 2.0% | 149,733,744 | 1.6% |
| 2016 | 8,650 | 3.1% | 4,662,849 | 3.5% | 152,169,822 | 1.6% |
| 2017 | 8,921 | 3.1% | 4,821,622 | 3.4% | 154,577,363 | 1.6% |

Source: Department of Labor; Bureau of Labor Statistics

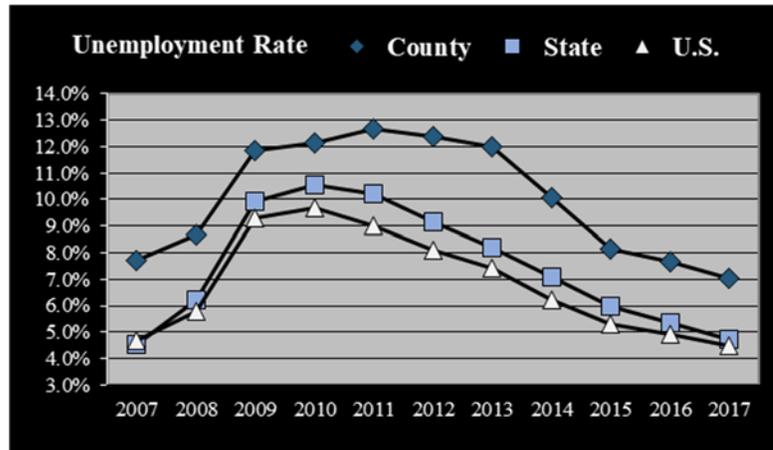


As the preceding illustrates, the Burke County employment base experienced a decline between 2007 and 2014, losing over 950 jobs, or 10.3%. However, since 2014, the county’s employment base has been experiencing notable growth, which is indicative of an improving economy.

Unemployment rates for Burke County, Georgia and the United States are illustrated as follows:

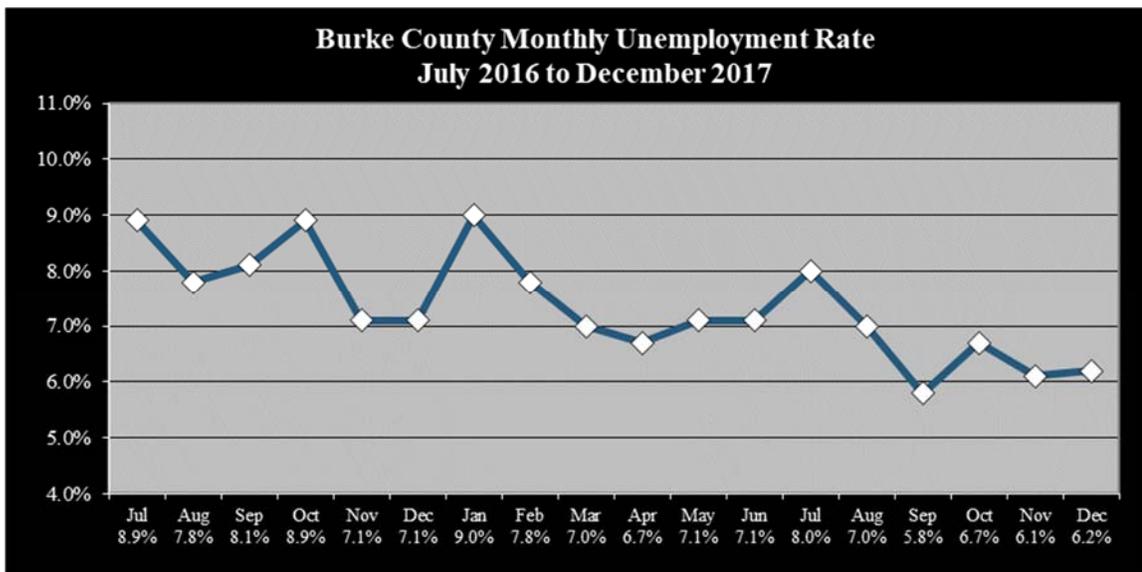
| Year | Unemployment Rate | | |
|------|-------------------|---------|---------------|
| | Burke County | Georgia | United States |
| 2007 | 7.7% | 4.5% | 4.7% |
| 2008 | 8.7% | 6.2% | 5.8% |
| 2009 | 11.9% | 9.9% | 9.3% |
| 2010 | 12.1% | 10.6% | 9.7% |
| 2011 | 12.7% | 10.2% | 9.0% |
| 2012 | 12.4% | 9.2% | 8.1% |
| 2013 | 12.0% | 8.2% | 7.4% |
| 2014 | 10.1% | 7.1% | 6.2% |
| 2015 | 8.1% | 6.0% | 5.3% |
| 2016 | 7.7% | 5.4% | 4.9% |
| 2017 | 7.0% | 4.7% | 4.5% |

Source: Department of Labor, Bureau of Labor Statistics



The unemployment rate in Burke County has ranged between 7.0% and 12.7%, above both state and national averages since 2007. As the preceding table illustrates, the county’s unemployment rate increased by five percentage points between 2007 and 2011, similar to trends experienced by most of the country during the national recession. On a positive note, the county’s unemployment rate has consistently declined since 2011 and is at its lowest rate of 7.0% since 2007 of 7.7%.

The following table illustrates the monthly unemployment rate in Burke County for the most recent 18-month period for which data is currently available.



Despite fluctuations, the Walker County unemployment rate has generally trended downward within the past 18-month period.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Burke County.

| In-Place Employment Burke County | | | |
|----------------------------------|------------|--------|----------------|
| Year | Employment | Change | Percent Change |
| 2007 | 5,937 | - | - |
| 2008 | 5,700 | -237 | -4.0% |
| 2009 | 5,866 | 166 | 2.9% |
| 2010 | 5,935 | 69 | 1.2% |
| 2011 | 6,182 | 247 | 4.2% |
| 2012 | 6,456 | 274 | 4.4% |
| 2013 | 6,619 | 163 | 2.5% |
| 2014 | 6,713 | 94 | 1.4% |
| 2015 | 6,914 | 201 | 3.0% |
| 2016 | 10,259 | 3,345 | 48.4% |
| 2017* | 10,966 | 707 | 6.9% |

Source: Department of Labor, Bureau of Labor Statistics

*Through September

Data for 2016, the most recent year that year-end figures are available, indicates in-place employment in Burke County to be 118.6% of the total Burke County employment. This means that Burke County has more employed persons coming to the county from other counties for work (daytime employment) than those who both live and work there.

4. **ECONOMIC FORECAST**

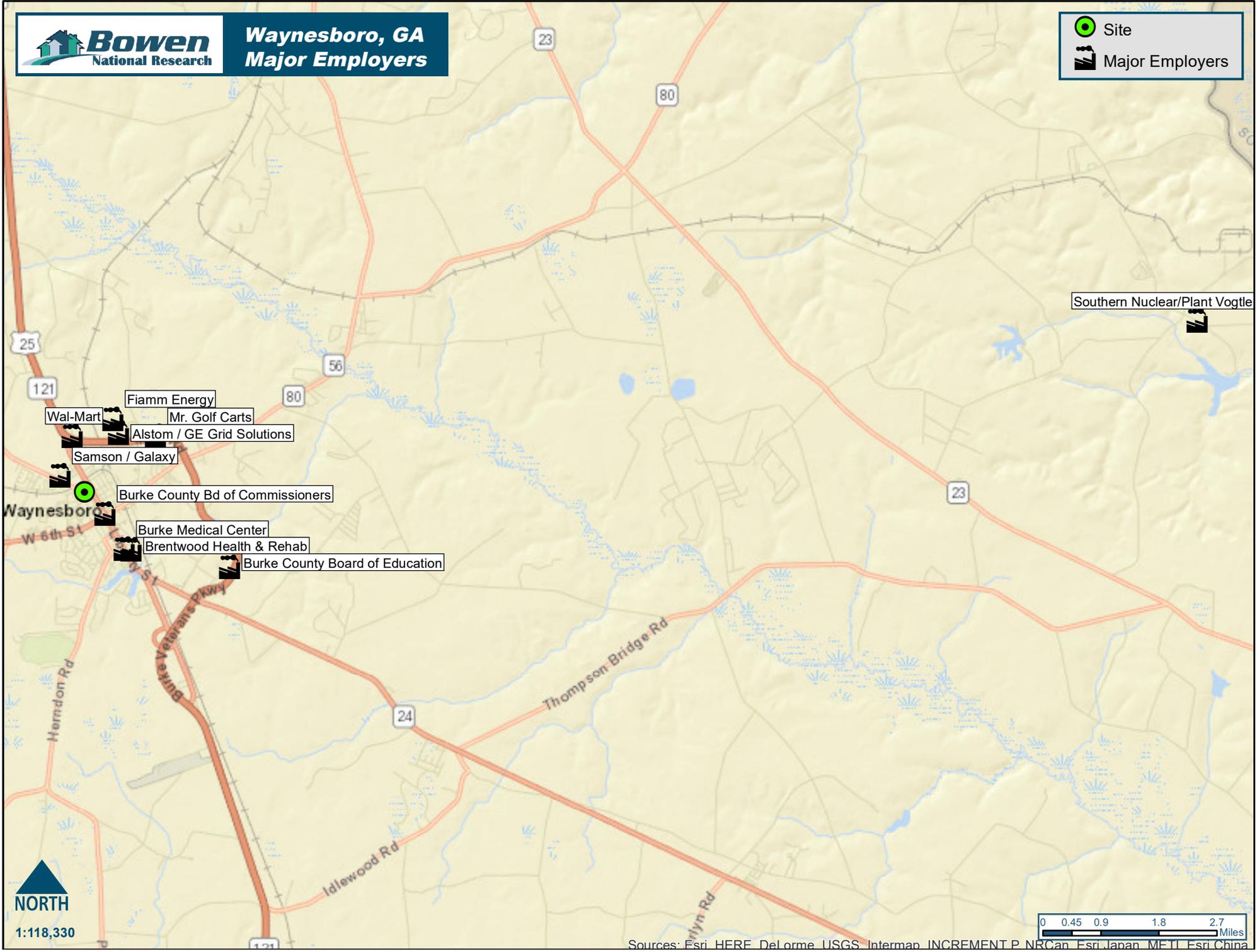
The Burke County economy experienced fluctuations in its employment base between 2007 and 2014, but generally experience an overall decline in the number of employed person during this time. However, the county's employment base has grown in each of the past three years, increasing by 664, or 8.0%. After peaking at 12.7% in 2011, the county's unemployment rate has declined in each of the past six years. In fact, the county's latest unemployment rate of 7.0% represents a ten-year low. As such, the county's economy has been trending in a positive direction over the past few years. Based on information provided by the Development Authority of Burke County, it appears that the county will experience positive job growth for the foreseeable future, which will continue to create a stable environment for rental housing.

A map illustrating notable employment centers is on the following page.



Waynesboro, GA Major Employers

- Site
- Major Employers



NORTH
1:118,330



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

Section G – Project-Specific Demand Analysis

1. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed subject project’s potential.

Under the Low-Income Housing Tax Credit (LIHTC) program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Augusta-Richmond County, Georgia-South Carolina HUD Metro FMR Area, which has a four-person median household income of \$62,000 for 2017. The LIHTC units at the subject property will be restricted to senior households with incomes of up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted income level:

| Household Size | Maximum Allowable Income | |
|----------------|--------------------------|----------|
| | 50% | 60% |
| One-Person | \$21,700 | \$26,040 |
| Two-Person | \$24,800 | \$29,760 |

a. Maximum Income Limits

The largest proposed units (two-bedroom) at the subject site are expected to house up to two-person senior households. As such, the maximum allowable income at the subject site is **\$29,760**.

b. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to GDCA/GHFA market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while older person (age 55 and older) and elderly (age 62 and older) projects should utilize a 40% rent-to-income ratio.

The proposed LIHTC units will have a lowest gross rent of \$519. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,228. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$15,570**.

c. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges required to live at the proposed project with units built to serve households at 50% and 60% of AMHI are as follows. Also note that four (9.3%) of the subject units will be market-rate and operate with no income restrictions. Therefore, we have factored in all senior renters in the market with incomes above the maximum allowable LIHTC limit of \$29,760 when evaluating demand for the subject's market-rate units. This minimum income for the market-rate units was conservatively utilized to avoid overlap with the subject's Tax Credits units.

| Unit Type | Income Range | |
|-------------------------------------|-----------------|-----------------|
| | Minimum | Maximum |
| Tax Credit (Limited To 50% Of AMHI) | \$15,570 | \$24,800 |
| Tax Credit (Limited To 60% Of AMHI) | \$17,220 | \$29,760 |
| Tax Credit Overall | \$15,570 | \$29,760 |
| Market-Rate | \$29,761 | - |

2. METHODOLOGY

Demand

The following are the demand components as outlined by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority:

- a. Demand from New Household:** **New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined.** *This should be determined using current renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis that does not account for this may overestimate demand. Note that our calculations have been reduced to only include **renter-qualified** households*

- b. Demand from Existing Households:** The second source of demand should be projected from:

- **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent. Based on Table B25074 of the American Community Survey (ACS) 2011-2015 5-year estimates, approximately 8.3% to 43.2% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.*
- **Households living in substandard housing (i.e. units that lack complete plumbing or that are overcrowded).** *Households in substandard housing should be determined based on the age, the income bands, and the tenure that apply. The analyst should use his/her own knowledge of the market area and project to determine whether households from substandard housing would be a realistic source of demand. The analyst is encouraged to be conservative in his/her estimate of demand from both rent overburdened households and from those living in substandard housing. Based on Table B25016 of the American Community Survey (ACS) 2011-2015 5-year estimates, 5.7% of all households in the market were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.*
- **Elderly Homeowners likely to convert to renters:** *GDCA recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. This segment should not account for more than 2% of total demand. Due to the difficulty of extrapolating elderly (age 62 and older) owner households from elderly renter households, analyst may use the total figure for elderly households in the appropriate income band to derive this demand figure. Data from interviews with property managers of active projects regarding renters who have come from homeownership should be used to refine the analysis. A narrative of the steps taken to arrive at this demand figure must be included and any figure that accounts for more than 2% of total demand must be based on actual market conditions, as documented in the study. Due to the lack of available non-subsidized age-restricted affordable product for those ages 55 and older within the market, we believe that the proposed development will attract a significant share of income-qualified senior homeowners who are looking to downsize from their home and seek a maintenance free housing alternative. However, conservatively, we limited demand from senior homeowners to account for only 2% of total demand per GDCA guidelines.*

- c. **Other:** *DCA does not consider household turnover to be a source of market demand. However, if an analyst firmly believes that demand exists that is not captured by the above methods, he/she may use other indicators to estimate demand if they are fully justified (e.g. an analysis of an under built market in the base year). Any such additional indicators should be calculated separately from the demand analysis above. Such additions should be well documented by the analyst with documentation included in the Market Study.*

Net Demand

The overall demand components illustrated above are added together and the competitive supply of competitive vacant and/or units constructed in the past two years (2016/2017) is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2016 which have not reached stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of supply. **DCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from DCA, in the demand analysis, along with ALL conventional rental properties existing or planned in the market as outlined above. 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.**

To determine the Net Supply number for each bedroom and income category, the analyst will prepare a Competitive Analysis Chart that will provide a unit breakdown of the competitive properties and list each unit type. All properties determined to be competitive with the proposed development will be included in the Supply Analysis to be used in determining Net Supply in the Primary Market Area. In cases where the analyst believes the projects are not competitive with the subject units, the analyst will include a detailed description for each property and unit type explaining why the units were excluded from the market supply calculation. (e.g., the property is on the periphery of the market area, is a market-rate property; or otherwise only partially compares to the proposed subject).

We identified one non-subsidized age-restricted LIHTC project within the market, Waynesborough Academy Senior Residences (Phase I of the subject project; Map ID 1). This property is 92.3% occupied and, therefore, no existing units were utilized within the demand analysis illustrated on the following page. Additionally, there are no recently allocated age-restricted LIHTC projects that have not been placed in service within the market.

The following is a summary of our demand calculations:

| Demand Component (55+) | Percent of Median Household Income | | | |
|---|------------------------------------|---------------------------------|---|----------------------------|
| | 50% AMHI (\$15,570-\$24,800) | 60% AMHI (\$17,220-\$29,760) | Tax Credit Overall (\$15,570-\$29,760) | Market Rate (\$29,761+) |
| Demand From New Households (Age- And Income-Appropriate) | 289 - 297 = -8 | 368 - 373 = -5 | 420 - 426 = -6 | 365 - 369 = -4 |
| + | | | | |
| Demand From Existing Households (Rent Overburdened) | 297 X 43.2% = 128 | 373 X 33.5% = 125 | 426 X 37.2% = 158 | 369 X 8.3% = 31 |
| + | | | | |
| Demand From Existing Households (Renters In Substandard Housing) | 297 X 5.7% = 17 | 373 X 5.7% = 21 | 426 X 5.7% = 24 | 369 X 5.7% = 21 |
| = | | | | |
| Demand Subtotal | 137 | 141 | 176 | 48 |
| + | | | | |
| Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2% | 2* | 2* | 3* | 0* |
| = | | | | |
| Total Demand | 139 | 143 | 179 | 48 |
| - | | | | |
| Supply (Directly Comparable Units Built And/Or Funded Since 2016) | 0 | 0 | 0 | 0 |
| = | | | | |
| Net Demand | 139 | 143 | 179 | 48 |
| Proposed Units / Net Demand | 9 / 139 | 30 / 143 | 39 / 179 | 4 / 48 |
| Capture Rate | = 6.5% | = 21.0% | = 21.8% | = 8.3% |

*Given that demand from existing homeowners cannot exceed 2% of total demand, these numbers were utilized to calculate total demand

Per GDCA guidelines, projects in rural markets with an overall capture rate of 35% or below are considered acceptable. As such, the project's overall LIHTC-only capture rate of 21.8% is considered achievable, especially considering the limited availability among affordable non-subsidized age-restricted housing within the market. Also note that the four market-rate units proposed at the subject site have a capture rate of just 8.3%, demonstrating that sufficient demographic support also exists for these units. In addition, we also anticipate a sufficient amount of support will originate from senior homeowners due to the lack of available non-subsidized senior housing for those ages 55 and older within or near the market area. However, per GDCA methodology, demand from senior homeowners is limited to 2% of total demand. We anticipate a greater percentage of support will generate from homeowners looking to downsize from their homes and seeking a maintenance free housing alternative, especially considering that income-qualified senior homeowners ages 55 and older do not have a rental housing option currently available to them. As such, the overall capture rate is considered conservative.

Based on the distribution of households by household size, our survey of conventional apartments and the distribution of bedroom types in balanced markets, the estimated shares of demand by bedroom type for the Site PMA are distributed as follows:

| Estimated Demand by Bedroom | |
|-----------------------------|---------|
| Bedroom Type | Percent |
| One-Bedroom | 70% |
| Two-Bedroom | 30% |
| Total | 100.0% |

Applying these shares to the income-qualified senior households yields demand and capture rates for the proposed units by bedroom type and AMHI level as follows:

| Bedroom Size (Share of Demand) | Target % of AMHI | Subject Units | Total Demand* | Supply** | Net Demand | Capture Rate | Absorption | Average Market Rent | Market Rents Band Min-Max | Subject Rents |
|--------------------------------|------------------|---------------|---------------|----------|------------|--------------|---------------------|---------------------|---------------------------|-----------------|
| One-Bedroom (70%) | 50% | 8 | 97 | 0 | 97 | 8.2% | 1-2 Months | \$739 | \$625-\$790 | \$423 |
| | 60% | 27 | 100 | 0 | 100 | 27.0% | 4 Months | \$739 | \$625-\$790 | \$478 |
| | MR | 3 | 34 | 0 | 34 | 8.8% | < 1 Month | \$739 | \$625-\$790 | \$530 |
| One-Bedroom | Total | 38 | 231 | 0 | 231 | 16.5% | 5-6 Months | \$739 | \$625-\$790 | \$471*** |
| Two-Bedroom (30%) | 50% | 1 | 42 | 0 | 42 | 2.4% | < 1 Month | \$808 | \$650-\$880 | \$493 |
| | 60% | 3 | 43 | 0 | 43 | 7.0% | < 1 Month | \$808 | \$650-\$880 | \$583 |
| | MR | 1 | 14 | 0 | 14 | 7.1% | < 1 Month | \$808 | \$650-\$880 | \$680 |
| Two-Bedroom | Total | 5 | 99 | 0 | 99 | 5.1% | < 1 Month | \$808 | \$650-\$880 | \$584*** |

MR – Market-Rate

*Includes overlap between the targeted income levels at the subject site.

**Directly comparable units built and/or funded in the project market over the projection period.

***Weighted average

Average Market Rent is the weighted average collected rent reported at comparable market-rate properties as identified in Addendum E.

The capture rates by bedroom type and targeted income level range from 2.4% to 27.0%. Utilizing this methodology, these capture rates are considered achievable and demonstrate that a sufficient base of age- and income-appropriate household support exists in the Waynesboro Site PMA for each of the unit types proposed at the subject development.

Section H – Rental Housing Analysis (Supply)

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Waynesboro Site PMA in 2010 and 2018 (estimated) are summarized in the following table:

| Housing Status | 2010 (Census) | | 2018 (Estimated) | |
|-----------------|---------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Total-Occupied | 14,099 | 85.3% | 13,633 | 81.2% |
| Owner-Occupied | 9,455 | 67.1% | 8,534 | 62.6% |
| Renter-Occupied | 4,644 | 32.9% | 5,100 | 37.4% |
| Vacant | 2,438 | 14.7% | 3,149 | 18.8% |
| Total | 16,537 | 100.0% | 16,783 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2018 update of the 2010 Census, of the 16,783 total housing units in the market, 18.8% were vacant. In 2018, it was estimated that homeowners occupied 62.6% of all occupied housing units, while the remaining 37.4% were occupied by renters. The share of renters is considered typical for a rural market, such as the Waynesboro Site PMA, and the current 5,100 renter households estimated in 2018 represent a sufficient base of potential support in the market for the subject development.

We identified and personally surveyed 16 conventional housing projects containing a total of 793 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 99.2% (a result of only six vacant units), a very strong rate for rental housing. The following table summarizes the surveyed rental projects within the market, broken out by project type:

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|----------------------------------|-------------------|-------------|--------------|----------------|
| Market-rate | 2 | 18 | 1 | 94.4% |
| Market-rate/Tax Credit | 1 | 104 | 0 | 100.0% |
| Tax Credit | 2 | 74 | 3 | 95.9% |
| Tax Credit/Government-Subsidized | 5 | 184 | 0 | 100.0% |
| Government-Subsidized | 6 | 413 | 2 | 99.5% |
| Total | 16 | 793 | 6 | 99.2% |

All rental projects surveyed within the Site PMA broken out by project type are maintaining good occupancy levels, as none are operating below 94.4%. As such, the overall Waynesboro rental housing market is performing very well.

Tax Credit Property Disclosure: In addition to the eight rental projects surveyed that offer Tax Credit units within the market, there were six additional Tax Credit projects within the Site PMA that we were unable to survey. These six properties also operate under the Rural Development Section 515 (RD 515) program and are summarized in the following table:

| Name | Location | Year Allocated | Total Units | Target Population |
|-----------------|--------------------------------|----------------|-------------|---------------------|
| Brier Creek | 535 Brier Creek Ct., Millen | 1996 | 28 | Senior 62+ |
| Edenfield Place | 513 Weldon Ct., Millen | 2011 | 48 | Family & Senior 62+ |
| Brooks Field | 1101 Peachtree St., Louisville | 1993 | 32 | Senior 55+ |
| Forest View | 622 N. MLK Jr. Blvd., Wadley | 2014 | 35 | Family |
| Laurel Village | 331 Battle St., Wadley | 1991 | 24 | Senior 62+ |
| Oak Lane Villas | 126 Oak Lane Ct., Wrens | 1993 | 26 | Senior 62+ |

Considering that all of the aforementioned developments are subsidized through the RD 515 program, they will not directly compete with the subject development.

The following table summarizes the breakdown of market-rate and Tax Credit units surveyed within the Site PMA.

| Market-Rate | | | | | | |
|----------------------------|-------|------------|---------------|----------|-------------|-------------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| Two-Bedroom | 2.0 | 18 | 46.2% | 1 | 5.6% | \$747 |
| Three-Bedroom | 2.0 | 17 | 43.6% | 0 | 0.0% | \$946 |
| Four-Bedroom | 2.0 | 4 | 10.3% | 0 | 0.0% | \$1,023 |
| Total Market-Rate | | 39 | 100.0% | 1 | 2.6% | - |
| Tax Credit, Non-Subsidized | | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| One-Bedroom | 1.0 | 22 | 14.0% | 1 | 4.5% | \$479 |
| Two-Bedroom | 1.0 | 8 | 5.1% | 0 | 0.0% | \$540 |
| Two-Bedroom | 2.0 | 20 | 12.7% | 2 | 10.0% | \$571 |
| Three-Bedroom | 2.0 | 91 | 58.0% | 0 | 0.0% | \$796 |
| Four-Bedroom | 2.0 | 16 | 10.2% | 0 | 0.0% | \$885 |
| Total Tax Credit | | 157 | 100.0% | 3 | 1.9% | - |

As the preceding table illustrates, the median gross Tax Credit rents are well below their corresponding median gross market-rate rents. As such, Tax Credit product likely represents good values to low-income renters within the market. This is further evidenced by the combined vacancy rate of 1.9% among all Tax Credit units within the Waynesboro Site PMA.

We rated each property surveyed on a scale of "A" through "F". All non-subsidized properties surveyed were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

| Market-Rate | | | |
|---------------------------|----------|-------------|--------------|
| Quality Rating | Projects | Total Units | Vacancy Rate |
| A- | 1 | 10 | 10.0% |
| B | 1 | 8 | 0.0% |
| C+ | 1 | 21 | 0.0% |
| Non-Subsidized Tax Credit | | | |
| Quality Rating | Projects | Total Units | Vacancy Rate |
| B+ | 2 | 74 | 4.1% |
| C+ | 1 | 83 | 0.0% |

Regardless of quality, all non-subsidized rental developments surveyed within the market are maintaining relatively low vacancy rates, as none are higher than 10.0%. As such, it can be concluded that quality has not had an impact on the overall performance of the Waynesboro rental housing market.

2. SUMMARY OF ASSISTED PROJECTS

We surveyed a total of 14 apartments that offer federally subsidized and/or Tax Credit apartment units in the Waynesboro Site PMA. These projects were surveyed in March 2018 and are summarized as follows:

| Map I.D. | Project Name | Type | Year Built/ Renovated | Total Units | Occup. | Gross Rent (Unit Mix) | | | |
|----------|--------------------------------------|--------------|--------------------------|-------------|--------|--------------------------|-----------------------|----------------------|---------------------|
| | | | | | | One-Br. | Two-Br. | Three-Br. | Four-Br. |
| 1 | Waynesborough Academy Sr. Residences | TAX | 2011 | 39 | 92.3% | \$479 - \$549 (19) | \$571 - \$681 (20) | - | - |
| 2 | Woodland Terrace Apts. | TAX & RD 515 | 1991 / 2015 | 30 | 100.0% | \$556 - \$589 (8) | \$636 - \$674 (16) | \$702 - \$742 (6) | - |
| 3 | Windy Hill Apts. | RD 515 | 1987 | 48 | 100.0% | \$474 - \$577 (16) | \$517 - \$659 (32) | - | - |
| 5 | Ashton Village Apts. | TAX & RD 515 | 1989 / 2015 | 36 | 100.0% | \$551 - \$616 (32) | \$586 - \$629 (4) | - | - |
| 6 | Waynesboro Public Housing | P.H. | 1963 | 275 | 100.0% | \$443 (51) | \$534 (100) | \$731 (70) | \$954 - \$1081 (54) |
| 7 | Burkestone Place | TAX & SEC 8 | 1970 / 2007 | 70 | 100.0% | \$619 (30) | \$735 (24) | \$909 (12) | \$1012 (4) |
| 8 | Forest Ridge Apts. | TAX & RD 515 | 1993 / 2017 | 24 | 100.0% | \$604 - \$638 (22) | \$677 - \$717 (2) | - | - |

Note: Contact names and method of contact, as well as amenities and other features are listed in the field survey

OCCUP. - Occupancy

TAX - Tax Credit

SEC - Section

P.H. - Public Housing

RD - Rural Development

*Market-rate units not included

(Continued)

| Map I.D. | Project Name | Type | Year Built/ Renovated | Total Units | Occup. | Gross Rent (Unit Mix) | | | |
|--------------|--------------------|-----------------|--------------------------|-------------|--------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | | | | | | One-Br. | Two-Br. | Three-Br. | Four-Br. |
| 9 | Pecan Grove I & II | TAX | 2006 | 83* | 100.0% | - | - | \$473 - \$871 (67) | \$885 - \$948 (16) |
| 10 | Howard Hart Holmes | SEC 8 & 202 | 1980 | 10 | 80.0% | \$642 (9) | \$719 (1) | - | - |
| 12 | Orchard Hill I | RD 515 | 1982 | 32 | 100.0% | \$504 - \$699 (12) | \$542 - \$805 (20) | - | - |
| 13 | Orchard Hill II | RD 515 | 1985 | 34 | 100.0% | - | \$542 - \$743 (34) | - | - |
| 14 | Pecan Chase Apts. | TAX | 1997 | 35 | 100.0% | \$472 (3) | \$366 - \$540 (8) | \$576 (24) | - |
| 15 | Meadow Wood Apts. | TAX & RD 515 | 1982 / 2016 | 24 | 100.0% | \$627 - \$656 (8) | \$752 - \$786 (12) | \$778 - \$843 (4) | - |
| 16 | Public Housing | P.H. | 1971 | 14 | 100.0% | - | \$525 (7) | \$720 (7) | - |
| Total | | | | 754 | 99.3% | | | | |

Note: Contact names and method of contact, as well as amenities and other features are listed in the field survey

OCCUP. - Occupancy

TAX - Tax Credit

SEC - Section

P.H. - Public Housing

RD - Rural Development

*Market-rate units not included

The overall occupancy is 99.3% for these projects (a result of only five vacant units), a very strong rate for low-income rental housing. In fact, all but two of these projects are 100.0% occupied, the majority of which maintain waiting lists, illustrating that pent-up demand exists for this type of rental housing product within the market.

HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs (DCA), there are approximately 46 Housing Choice Voucher holders within Burke County, and 71 households currently on the waiting list for additional Vouchers. The waiting list is closed and it is unknown when it will reopen. This reflects the continuing need for Housing Choice Voucher assistance.

The following table illustrates the number of units occupied by Voucher holders at the non-subsidized communities that offer Tax Credit units within the market:

| Map I.D. | Project Name | Total Units | Number of Vouchers | Share of Vouchers |
|----------|---|-------------|--------------------|-------------------|
| 1 | Waynesborough Academy Senior Residences | 39 | 0 | 0.0% |
| 9 | Pecan Grove I & II | 104* | 8 | 7.7% |
| 14 | Pecan Chase Apts. | 35 | 1 | 2.9% |
| Total | | 178 | 9 | 5.1% |

*Includes Market-rate units

As the preceding table illustrates, approximately nine of the 178 total units at the non-subsidized developments that offer Tax Credit units within the market are occupied by Voucher holders, comprising only 5.1% of these units. This indicates that nearly 95% of the units offered at these projects are occupied by tenants which are not currently receiving rental assistance. This illustrates that Tax Credit developments within the Waynesboro Site PMA are not heavily relying on Voucher support.

If the rents do not exceed the payment standards established by the local/regional housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by Georgia DCA, the regional payment standards, as well as the proposed subject gross rents, are summarized in the following table:

| Bedroom Type | Payment Standards | Proposed Gross Rents (AMHI) |
|--------------|-------------------|-----------------------------|
| One-Bedroom | \$700 | \$519 (50%) |
| | | \$574 (60%) |
| | | \$626 (MR) |
| Two-Bedroom | \$848 | \$614 (50%) |
| | | \$704 (60%) |
| | | \$801 (MR) |

MR – Market-Rate

As the preceding table illustrates, all of the subject's proposed gross rents are below the payment standards for the area. As such, the subject project will be able to rely on support from Housing Choice Voucher holders. This will increase the base of income-appropriate renter households within the Waynesboro Site PMA for the subject development and has been considered in our absorption estimates in Section I of this report.

3. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local building and planning representatives, it was determined that there is one rental community within the development pipeline in the Site PMA, which is summarized as follows:

- The Pine Trails rental community is currently under construction at 100 Pine Trails Drive in Waynesboro. Developed by Olympia Construction, this project received financing through the Tax Credit program in 2016 and will offer 60 one-, two- and three-bedroom units. A total of 51 units will target households earning up to 50% and 60% of Area Median Household Income (AMHI), while the remaining nine units will be market-rate. At this time, it is unknown when the project will be completed.

Considering that the aforementioned development will target a different demographic than the subject project, it will have no tangible impact on the proposed development's marketability.

Building Permit Data

The following tables illustrate single-family and multifamily building permits issued within the city of Waynesboro and Burke County for the past ten years:

Housing Unit Building Permits for Waynesboro, GA:

| Permits | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------------|------|------|------|------|------|------|------|------|------|------|
| Multifamily Permits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Single-Family Permits | 65 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Units | 65 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

Housing Unit Building Permits for Burke County:

| Permits | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------------|------|------|------|------|------|------|------|------|------|------|
| Multifamily Permits | 0 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Single-Family Permits | 133 | 50 | 40 | 41 | 23 | 29 | 43 | 43 | 44 | 50 |
| Total Units | 133 | 62 | 40 | 41 | 23 | 29 | 43 | 43 | 44 | 50 |

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

As the preceding tables illustrate, multifamily building permits issued have been virtually non-existent within both Waynesboro and Burke County since 2007, which is not considered unusual within rural markets. Given that the combined occupancy rate of all rental projects identified and surveyed in the market is 99.2% and based on the minimal number of multifamily building permits issued, it is likely that there is greater demand for additional rental housing units within the Site PMA.

4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Tax Credit

We identified one non-subsidized, age-restricted Low-Income Housing Tax Credit (LIHTC) project within the market, Waynesborough Academy Senior Residences (Map ID 1; Phase I of subject project). This project targets senior households with incomes up to 50% and 60% of AMHI and, therefore, is considered directly competitive with the subject development. Given the limited number of non-subsidized, age-restricted LIHTC product within the Waynesboro Site PMA, we identified one family (general-occupancy) LIHTC project within the market that offers first floor entry-level one- and two-bedroom units that likely appeal to seniors and represents a reasonable base of comparison for the senior units at the site. Additionally, we have also identified and surveyed four additional age-restricted projects that offer at least some units that operate under the LIHTC program outside of the Site PMA, but within the region in Augusta and Grovetown. These four projects target senior households with incomes up to 50% and 60% of AMHI and are considered comparable. It should be noted that these four projects are not considered competitive, as they generally derive demographic support from a different geographical area. As such, these properties have been included for comparison purposes only. The six competitive/comparable LIHTC properties and the proposed subject project are summarized in the table on the following page.

| Map I.D. | Project Name | Year Built | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|--|-------------|-------------|-----------|------------------|--------------|--|
| Site | Waynesboro Senior Homes II | 2020 | 39* | - | - | - | Seniors 55+; 50% & 60% AMHI |
| 1 | Waynesborough Academy Sr. Residences (Phase I) | 2011 | 39 | 92.3% | 0.1 Miles | None | Seniors 62+; 50% & 60% AMHI |
| 14 | Pecan Chase Apts. | 1997 | 35 | 100.0% | 1.2 Miles | 14 H.H. | Families; 30% & 60% AMHI |
| 904 | Augusta Spring II | 2001 | 100 | 100.0% | 28.1 Miles | 15 H.H. | Seniors 62+; 50% & 60% AMHI |
| 905 | Linden Square Apts. | 2003 | 38* | 100.0% | 27.5 Miles | 160 H.H. | Seniors 55+; 50% & 60% AMHI |
| 906 | Terrace at Edinburgh | 2010 | 72 | 100.0% | 26.7 Miles | 30 H.H. | Seniors 55+; 50% & 60% AMHI |
| 908 | Horizon Senior Village | 2015 | 68 | 100.0% | 32.2 Miles | 3 Years | Seniors 55+; 50% & 60% AMHI |

OCC. – Occupancy

H.H. – Households

900 series Map IDs located outside of Site PMA

*Tax Credit units only

The six LIHTC projects have a combined occupancy rate of 99.1%, a very strong rate for rental housing. This illustrates that pent-up demand likely exists for additional affordable rental housing within both the market and region. While the one age-restricted LIHTC project in the market, Waynesborough Academy Senior Residences (Map ID 1; Phase I of site), is operating at an occupancy rate of 92.3%, this is the result of only three vacant units. According to management, vacancies are attributed to deaths and those needing additional services that are provided at assisted-living and nursing care facilities. It is also important to note that the subject project will be the only non-subsidized LIHTC project to target those ages 55 and older. As such, the subject development will provide an affordable rental housing alternative to younger low-income seniors that are currently underserved within the market. This will position the subject development at a market advantage.

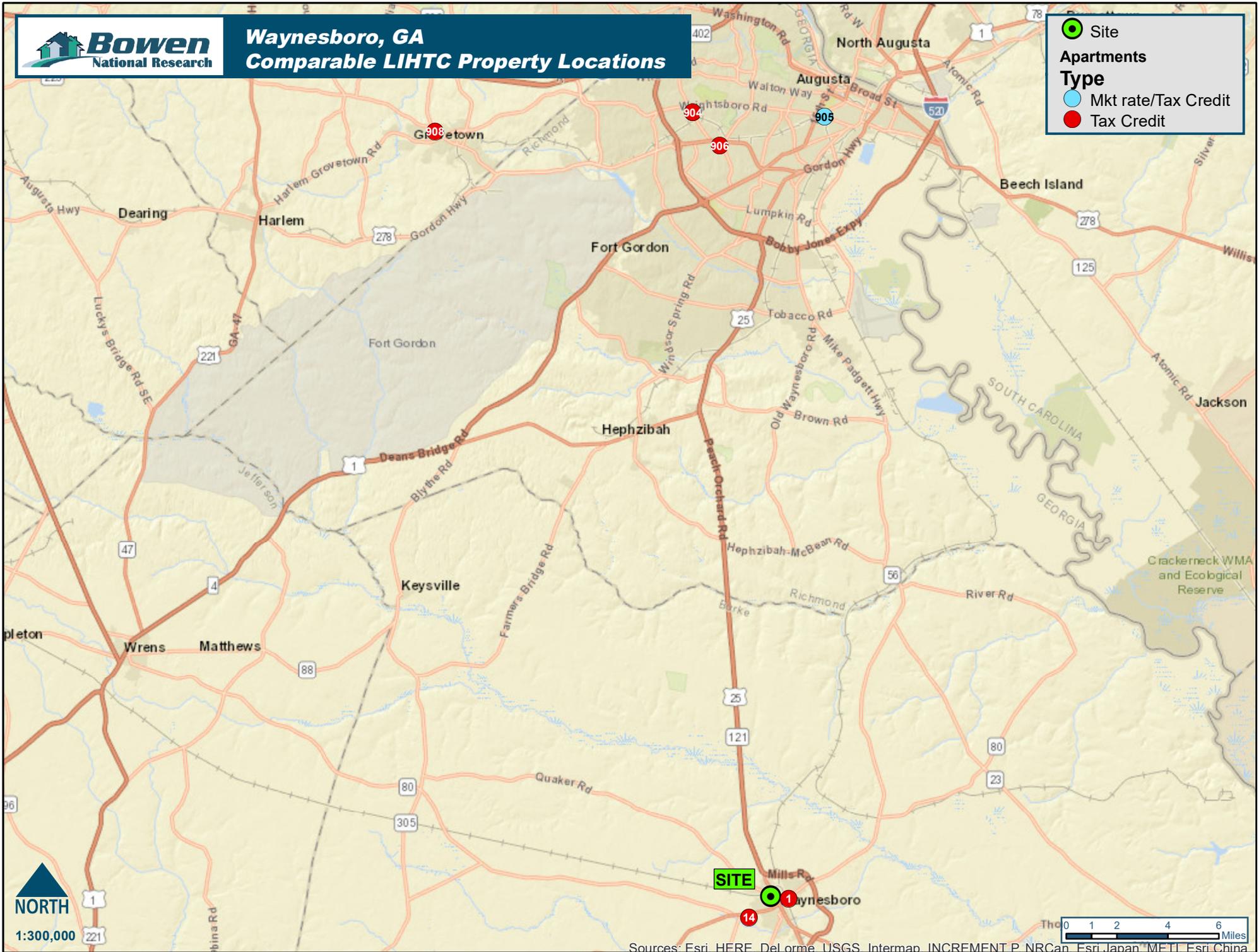
The map on the following page illustrates the location of the comparable Tax Credit properties relative to the proposed subject site location.



Waynesboro, GA Comparable LIHTC Property Locations

Site
Apartments
Type

- Mkt rate/Tax Credit
- Tax Credit



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

The gross rents for the competing/comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

| Map I.D. | Project Name | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | Rent Special |
|-------------|--|---|--|------------------|--------------|
| | | One-Br. | Two-Br. | Three-Br. | |
| Site | Waynesboro Senior Homes II | \$519/50% (8) \$574/60% (27) | \$614/50% (1) \$704/60% (3) | - | - |
| 1 | Waynesborough Academy Sr. Residences (Phase I) | \$479/50% (12/1) \$549/60% (7/0) | \$571/50% (12/1) \$681/60% (8/1) | - | None |
| 14 | Pecan Chase Apts. | \$472/60% (3/0) | \$366/30% (3/0) \$540/60% (5/0) | \$576/60% (24/0) | None |
| 904 | Augusta Spring II | \$581/50% (4/0) \$697/60% (6/0) | \$697/50% (37/0) \$837/60% (53/0) | - | None |
| 905 | Linden Square Apts. | \$565/50% (14/0) \$664/60% (14/0) | \$682/50% (6/0) \$822/60% (4/0) | - | None |
| 906 | Terrace at Edinburgh | \$488/50% (9/0) \$602/60% (9/0) | \$582/50% (34/0) \$705/60% (20/0) | - | None |
| 908 | Horizon Senior Village | \$491/50% (8/0) \$516/60% (19/0) | \$604/50% (7/0) \$692/60% (34/0) | - | None |

900 series Map IDs located outside of Site PMA

The proposed subject gross rents, ranging from \$519 to \$704, will be some of the highest LIHTC rents targeting similar income levels within the market and region. In fact, they will be the highest LIHTC rents within the *market*. Given that minimal vacancies exist at the comparable LIHTC projects within the market and region, it is likely that these projects could charge higher rents without having an adverse impact on their occupancy levels. In addition, the subject development will be at least nine years newer than the comparable LIHTC projects within the *market* and will offer a slightly superior unit amenities package which includes in-unit washer/dryer appliances (as illustrated later in this section). These factors will enable the subject project to charge higher rents.

The following table illustrates the weighted average *collected* rents of the comparable LIHTC units by bedroom type and targeted income level:

| Weighted Average Collected Rent of Comparable LIHTC Units (AMHI) | |
|--|-------------|
| One-Br. | Two-Br. |
| \$445 (50%) | \$562 (50%) |
| \$510 (60%) | \$686 (60%) |

The rent advantage for the proposed Tax Credit units is calculated as follows (average weighted collected LIHTC rent – proposed LIHTC rent) / proposed LIHTC rent.

| Bedrooms | Weighted Avg. Rent (AMHI) | Proposed Rent (AMHI) | Difference | Proposed Rent (AMHI) | Rent Advantage |
|----------|---------------------------|----------------------|------------|----------------------|----------------|
| One-Br. | \$445 (50%) | - \$423 (50%) | \$22 | / \$423 (50%) | 5.2% |
| | \$510 (60%) | - \$478 (60%) | \$32 | / \$478 (60%) | 6.7% |
| Two-Br. | \$562 (50%) | - \$493 (50%) | \$69 | / \$493 (50%) | 14.0% |
| | \$686 (60%) | - \$583 (60%) | \$103 | / \$583 (60%) | 17.7% |

As the preceding table illustrates, the proposed collected one- and two-bedroom LIHTC rents represent at least a 5.2% rent advantage. Therefore, the proposed collected LIHTC subject rents will likely represent a good value to low-income seniors within the market. However, please note that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include. As such, caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the subject project's collected rents are available in Addendum E of this report.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market and region are compared with the subject development in the following tables:

| Map I.D. | Project Name | Square Footage | | |
|-------------|--|----------------|------------|-----------|
| | | One-Br. | Two-Br. | Three-Br. |
| Site | Waynesboro Senior Homes II | 614 | 854 | - |
| 1 | Waynesborough Academy Sr. Residences (Phase I) | 672 | 920 | - |
| 14 | Pecan Chase Apts. | 756 | 915 | 1,136 |
| 904 | Augusta Spring II | 660 | 840 | - |
| 905 | Linden Square Apts. | 663 | 890 | - |
| 906 | Terrace at Edinburgh | 650 | 850 | - |
| 908 | Horizon Senior Village | 734 | 934 | - |

900 series Map IDs located outside of Site PMA

| Map I.D. | Project Name | Number of Baths | | |
|-------------|--|-----------------|------------|-----------|
| | | One-Br. | Two-Br. | Three-Br. |
| Site | Waynesboro Senior Homes II | 1.0 | 2.0 | - |
| 1 | Waynesborough Academy Sr. Residences (Phase I) | 1.0 | 2.0 | - |
| 14 | Pecan Chase Apts. | 1.0 | 1.0 | 2.0 |
| 904 | Augusta Spring II | 1.0 | 1.0 | - |
| 905 | Linden Square Apts. | 1.0 | 1.0 | - |
| 906 | Terrace at Edinburgh | 1.0 | 2.0 | - |
| 908 | Horizon Senior Village | 1.0 | 2.0 | - |

900 series Map IDs located outside of Site PMA

The subject development will offer some of the smallest LIHTC unit sizes, based on square feet, within both the market and region. This will position the subject project at a competitive disadvantage. However, the inclusion of two full bathrooms in the subject's two-bedroom units will be appealing to the targeted demographic.

The following tables compare the amenities of the subject development with the comparable LIHTC projects in the market and region.

COMPARABLE PROPERTIES AMENITIES - WAYNESBORO, GEORGIA

| MAP ID | APPLIANCES | | | | | | | UNIT AMENITIES | | | | | | | | | | | | |
|--------|------------|--------------|----------|------------|----------|-----------|------------|----------------|----------------|------------------|------------|--------------------|-------------|----------|----------|----------|-------------------|----------------|---------|------------------|
| | RANGE | REFRIGERATOR | ICEMAKER | DISHWASHER | DISPOSAL | MICROWAVE | CENTRAL AC | WINDOW AC | FLOOR COVERING | WASHER AND DRYER | W/D HOOKUP | PATIO/DECK/BALCONY | CEILING FAN | BASEMENT | INTERCOM | SECURITY | WINDOW TREATMENTS | E-CALL BUTTONS | PARKING | OTHER |
| ◆ SITE | X | X | | X | X | X | X | | V | X | | X | | | | | X | X | S | |
| ◆ 905 | X | X | | X | X | | X | | C | | X | X | | | | | B | X | S | |
| ◆ 1 | X | X | X | X | X | X | X | | W | | X | | X | | X | | B | S | S | |
| ◆ 14 | X | X | | X | X | | X | | C | | X | X | | | | | B | | S | Exterior Storage |
| ◆ 904 | X | X | | X | X | | X | | C | | X | X | | | | | B | X | O | |
| ◆ 906 | X | X | | X | X | X | X | | C | | X | X | | | | | B | X | S | |
| ◆ 908 | X | X | X | X | X | X | X | | W | | X | S | X | | | | | | S | |

| |
|--|
| ◆ Senior Restricted |
| ■ Market-rate |
| ■ Market-rate/Tax Credit |
| ■ Market-rate/Government-subsidized |
| ■ Market-rate/Tax Credit/Government-subsidized |
| ■ Tax Credit |
| ■ Tax Credit/Government-subsidized |
| ■ Government-subsidized |

| |
|--------------------------|
| X - All Units |
| S - Some Units |
| O - Optional |
| Window Treatments |
| B - Blinds |
| C - Curtains |
| D - Drapes |

| |
|--------------------|
| Parking |
| A - Attached |
| C - Carport |
| D - Detached |
| O - On Street |
| S - Surface |
| G - Parking Garage |
| (o) - Optional |
| (s) - Some |

| |
|-----------------------|
| Sports Courts |
| B - Basketball |
| D - Baseball Diamonds |
| P - Putting Green |
| T - Tennis |
| V - Volleyball |
| X - Multiple |

| |
|-----------------------|
| Floor Covering |
| C - Carpet |
| H - Hardwood |
| V - Vinyl |
| W - Wood |
| T - Tile |

| |
|---------------------------|
| Community Space |
| A - Activity Room |
| L - Lounge/Gathering Room |
| T - Training Room |

COMPARABLE PROPERTIES AMENITIES - WAYNESBORO, GEORGIA

| MAP ID | PROJECT AMENITIES | | | | | | | | | | | | | OTHER | | | | |
|--------|-------------------|--------------|---------|------------|-----------------|----------------|-----------------|------------|--------------|--------------|---------|----------|---------------|-------|--------------|---------|-------------|---------------------------|
| | POOL | ON-SITE MGMT | LAUNDRY | CLUB HOUSE | COMMUNITY SPACE | FITNESS CENTER | JACUZZI / SAUNA | PLAYGROUND | TENNIS COURT | SPORTS COURT | STORAGE | ELEVATOR | SECURITY GATE | | COMPUTER LAB | LIBRARY | PICNIC AREA | SOCIAL SERVICES |
| ◆ SITE | | X | | | X | | | | | | | | | | X | | | Community Gardens; Gazebo |
| ◆ 905 | | X | X | | X | X | | | | | X | X | X | | X | X | | Salon |
| ◆ 1 | | X | X | | X | X | | | | | | | X | | X | X | | Community Garden |
| ◆ 14 | | X | X | | A | | | X | | | | | X | | X | | | |
| ◆ 904 | | X | X | X | | X | | | | | | | | | X | | | |
| ◆ 906 | | X | X | | | X | | | | X | | | X | | X | | | Community Garden |
| ◆ 908 | | X | X | | X | X | | | | | | | X | | | X | | Community Garden; Gazebo |

| |
|--|
| ◆ Senior Restricted |
| ■ Market-rate |
| ■ Market-rate/Tax Credit |
| ■ Market-rate/Government-subsidized |
| ■ Market-rate/Tax Credit/Government-subsidized |
| ■ Tax Credit |
| ■ Tax Credit/Government-subsidized |
| ■ Government-subsidized |

| |
|----------------|
| X - All Units |
| S - Some Units |
| O - Optional |

| |
|-------------------|
| Window Treatments |
| B - Blinds |
| C - Curtains |
| D - Drapes |

| |
|--------------------|
| Parking |
| A - Attached |
| C - Carport |
| D - Detached |
| O - On Street |
| S - Surface |
| G - Parking Garage |
| (o) - Optional |
| (s) - Some |

| |
|-----------------------|
| Sports Courts |
| B - Basketball |
| D - Baseball Diamonds |
| P - Putting Green |
| T - Tennis |
| V - Volleyball |
| X - Multiple |

| |
|----------------|
| Floor Covering |
| C - Carpet |
| H - Hardwood |
| V - Vinyl |
| W - Wood |
| T - Tile |

| |
|---------------------------|
| Community Space |
| A - Activity Room |
| L - Lounge/Gathering Room |
| T - Training Room |

The amenities package to be included at the subject project will be generally similar with those offered at the comparable LIHTC projects within the market and region. The subject development will not lack any that will have an adverse impact on its marketability. In fact, the inclusion of in-unit washer/dryer appliances within all units at the subject project will position the project at a competitive advantage.

Comparable/Competitive Tax Credit Summary

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market and region, it is our opinion that the subject development will be marketable. While the proposed subject LIHTC rents will be some of the highest within both the market and region, considering the minimal vacancies that exist among affordable rental product and the fact that the subject development will be at least nine years newer than the comparable LIHTC projects within the *market*, offering a slightly superior unit amenities package, these factors will enable the subject project to charge higher rents. Additionally, it is important to note that the subject project will be the only non-subsidized LIHTC development within the Site PMA to target senior households ages 55 and older. This will position the subject project at a market advantage, as it will provide an affordable rental housing alternative to low-income, younger senior households that are currently underserved. This has been considered in our absorption projections.

Comparable/Competitive Housing Impact

The anticipated occupancy rates of the two existing comparable, non-subsidized Tax Credit developments in the market following the first year of completion at the subject site are as follows:

| Map I.D. | Project | Current Occupancy Rate | Anticipated Occupancy Rate Through 2020 |
|----------|--|------------------------|---|
| 1 | Waynesborough Academy Sr. Residences (Phase I) | 92.3% | 90.0%+ |
| 14 | Pecan Chase Apts. | 100.0% | 95.0%+ |

Given the limited availability of affordable rental units within the market, we do not expect the subject development to have a significant adverse impact on occupancy levels of the comparable LIHTC projects. This is especially true, considering that the subject project will offer the highest LIHTC rents (yet achievable) and the fact that there are no non-subsidized age-restricted LIHTC projects that target senior households ages 55 and older within the Waynesboro Site PMA. We expect that both non-subsidized LIHTC developments within the market will operate above a 90.0% occupancy rate if the proposed subject site is developed.

One-page profiles of the Comparable/Competitive Tax Credit properties are included in Addendum B of this report.



Market-Rate

We identified and surveyed two market-rate projects in the Site PMA. Given the lack of market-rate product within the market, we identified and surveyed three additional market-rate projects located outside of the market, but within the region in Grovetown and Augusta that we consider comparable. The five comparable market-rate properties and the proposed subject development are summarized as follows:

| Map I.D. | Project Name | Year Built | Units | Occupancy Rate | Distance to Site | Rent Special |
|-------------|-----------------------------------|-------------|-----------|----------------|------------------|--------------|
| Site | Waynesboro Senior Homes II | 2020 | 4* | - | - | - |
| 4 | 945 U.S. Hwy. 25 | 1992 | 10 | 90.0% | 0.2 Miles | None |
| 11 | Neely Place | 2002 | 8 | 100.0% | 2.7 Miles | None |
| 905 | Linden Square Apts. | 2003 | 10* | 100.0% | 27.5 Miles | None |
| 910 | Sterlington | 2012 | 121 | 100.0% | 30.6 Miles | None |
| 911 | Walker Estates Apts. | 2016 | 252 | 99.2% | 19.1 Miles | None |

*Market-rate units only

900 series Map IDs located outside of Site PMA

The five selected market-rate projects have a combined total of 401 units with an overall occupancy rate of 99.3%, a strong rate for rental housing. As such, these market-rate projects will serve as accurate benchmarks with which to compare to the proposed development.

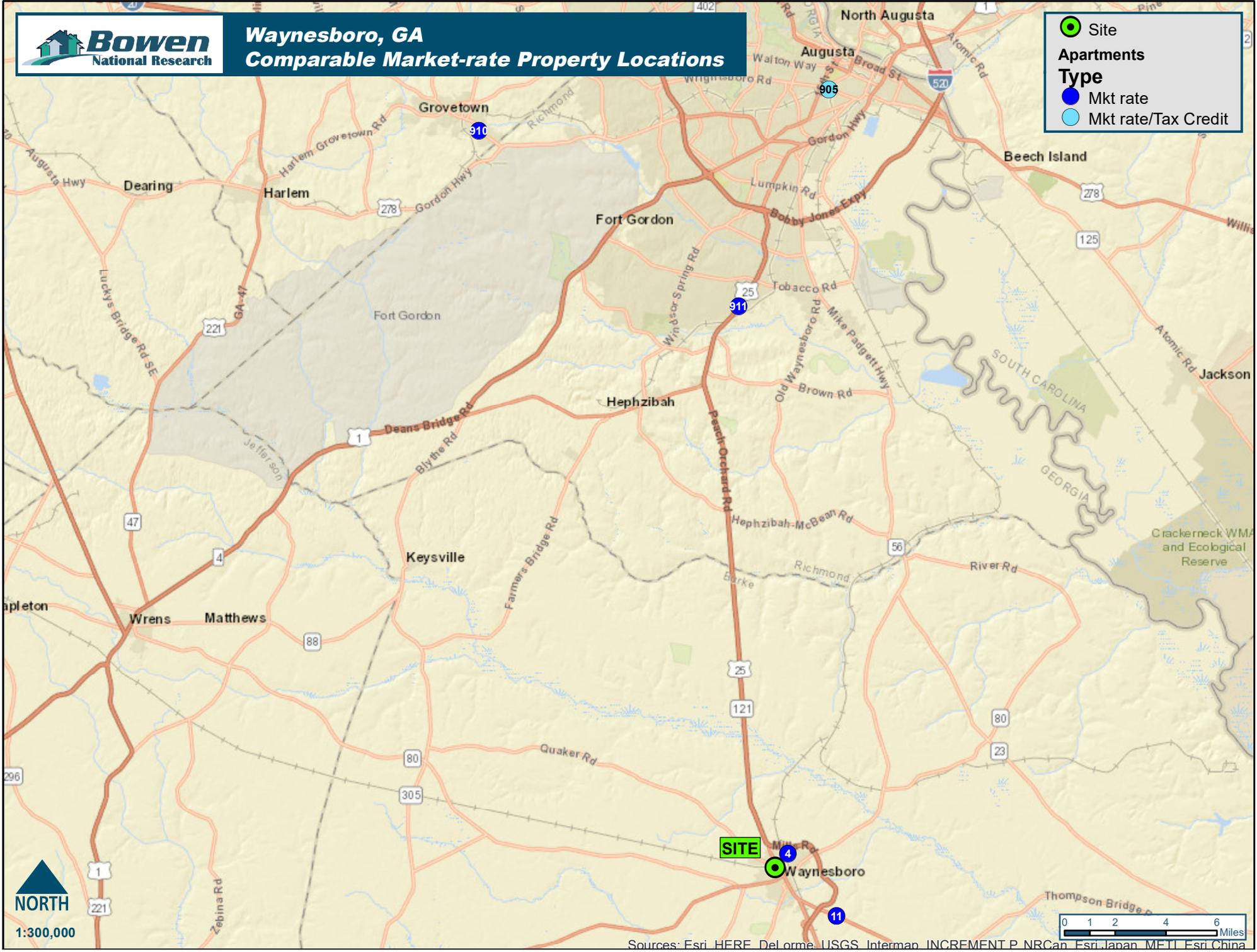
The map on the following page illustrates the location of the comparable market-rate properties relative to the proposed subject site location.



Waynesboro, GA Comparable Market-rate Property Locations

Site
Apartments
Type

- Mkt rate
- Mkt rate/Tax Credit



NORTH
1:300,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

The gross rents for the comparable market-rate projects and the proposed market-rate rents at the subject site, as well as their rent per square foot, unit mixes and vacancies by bedroom are listed in the following table:

| Map I.D. | Project Name | Gross Rent (Number of Units/Vacancies) | |
|-------------|-----------------------------------|---|----------------------|
| | | One-Br. | Two-Br. |
| Site | Waynesboro Senior Homes II | \$604 (3) | \$769 (1) |
| 4 | 945 U.S. Hwy. 25 | - | \$747 (10/1) |
| 11 | Neely Place | - | \$847 (8/0) |
| 905 | Linden Square Apts. | \$689 (8/0) | \$827 (2/0) |
| 910 | Sterlington | \$872-\$892 (31/0) | \$989-\$1,032 (90/0) |
| 911 | Walker Estates Apts. | \$799 (101/0) | \$862-\$887 (151/2) |

900 series Map IDs located outside of Site PMA

The proposed subject gross market-rate rents, ranging between \$604 and \$769, will be some of the lowest market-rate rents when compared to those offered at the comparable market-rate projects. This will position the subject project at a competitive advantage.

The following table illustrates the weighted average *collected* rents of the comparable market-rate units by bedroom type:

| Weighted Average Collected Rent of Comparable Market-Rate Units | |
|--|---------|
| One-Br. | Two-Br. |
| \$739 | \$808 |

The rent advantage for the proposed market-rate units is calculated as follows (average weighted market rent – proposed market rent) / proposed market rent.

| Bedrooms | Weighted Avg. Market Rent | Proposed Market Rent | Difference | Proposed Market Rent | Rent Advantage |
|----------|---------------------------|----------------------|------------|----------------------|----------------|
| One-Br. | \$739 | - \$530 | \$209 | / \$530 | 39.4% |
| Two-Br. | \$808 | - \$680 | \$128 | / \$680 | 18.8% |

As the preceding table illustrates, the proposed collected market-rate rents at the subject project represent excellent rent advantages. Therefore, the proposed collected market-rate rents at the subject project will likely represent excellent values to renters within the market. However, please note that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include. As such, caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the subject project's collected rents are available in Addendum E of this report.

The unit sizes (square footage) and number of bathrooms included in each of the different comparable market-rate unit types offered in the market and region are compared with the subject development in the following tables:

| Map I.D. | Project Name | Square Footage | |
|-------------|-----------------------------------|----------------|-------------|
| | | One-Br. | Two-Br. |
| Site | Waynesboro Senior Homes II | 614 | 854 |
| 4 | 945 U.S. Hwy. 25 | - | 1,100 |
| 11 | Neely Place | - | 725 |
| 905 | Linden Square Apts. | 663 | 890 |
| 910 | Sterlington | 725 | 985 - 1,064 |
| 911 | Walker Estates Apts. | 700 | 960 |

900 series Map IDs located outside of Site PMA

| Map I.D. | Project Name | Number of Baths | |
|-------------|-----------------------------------|-----------------|------------|
| | | One-Br. | Two-Br. |
| Site | Waynesboro Senior Homes II | 1.0 | 2.0 |
| 4 | 945 U.S. Hwy. 25 | - | 2.0 |
| 11 | Neely Place | - | 2.0 |
| 905 | Linden Square Apts. | 1.0 | 1.0 |
| 910 | Sterlington | 1.0 | 1.5 - 2.0 |
| 911 | Walker Estates Apts. | 1.0 | 1.0 |

900 series Map IDs located outside of Site PMA

The subject development will offer some of the smallest market-rate unit sizes, based on square feet, relative to the unit sizes offered at the comparable market-rate developments within the market and region. This will provide the subject with a slight competitive disadvantage. The inclusion of two full bathrooms in the subject's two-bedroom units is considered appealing to the targeted population.

The following tables compare the appliances and the unit and project amenities of the subject site with the comparable market-rate properties in the market.

COMPARABLE PROPERTIES AMENITIES - WAYNESBORO, GEORGIA

| MAP ID | APPLIANCES | | | | | | UNIT AMENITIES | | | | | | | | | | | | | |
|--------|------------|--------------|----------|------------|----------|-----------|----------------|-----------|----------------|------------------|------------|--------------------|-------------|----------|----------|----------|-------------------|----------------|---------|-------|
| | RANGE | REFRIGERATOR | ICEMAKER | DISHWASHER | DISPOSAL | MICROWAVE | CENTRAL AC | WINDOW AC | FLOOR COVERING | WASHER AND DRYER | W/D HOOKUP | PATIO/DECK/BALCONY | CEILING FAN | BASEMENT | INTERCOM | SECURITY | WINDOW TREATMENTS | E-CALL BUTTONS | PARKING | OTHER |
| ◆ SITE | X | X | | X | X | X | X | | ∨ | X | | X | | | | | X | X | S | |
| 4 | X | X | | X | | | X | | C | | X | X | | | | | B | | S | |
| 11 | X | X | | X | | | X | | T | | | X | | | | | B | | S | |
| 910 | X | X | X | X | X | | X | | C | O | X | X | X | | | | B | | S | |
| 911 | X | X | | X | X | X | X | | C | | | X | X | | | | B | | S | |
| ◆ 905 | X | X | | X | X | | X | | C | | X | X | | | | | B | X | S | |

| MAP ID | PROJECT AMENITIES | | | | | | | | | | | | | | OTHER | | | | |
|--------|-------------------|--------------|---------|------------|-----------------|----------------|-----------------|------------|--------------|--------------|---------|----------|---------------|--------------|-------|---------|-------------|-----------------|---------------------------|
| | POOL | ON-SITE MGMT | LAUNDRY | CLUB HOUSE | COMMUNITY SPACE | FITNESS CENTER | JACUZZI / SAUNA | PLAYGROUND | TENNIS COURT | SPORTS COURT | STORAGE | ELEVATOR | SECURITY GATE | COMPUTER LAB | | LIBRARY | PICNIC AREA | SOCIAL SERVICES | BUSINESS CENTER |
| ◆ SITE | | X | | | X | | | | | | | | | | | X | | | Community Gardens; Gazebo |
| 4 | | | | | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | | | | | |
| 910 | X | X | | | | | | | | | | | | | | | | | |
| 911 | X | X | X | | | X | | | | | | | | | | X | | | |
| ◆ 905 | | X | X | | X | X | | | | | | X | X | X | | X | X | | Salon |

| |
|--|
| ◆ Senior Restricted |
| ■ Market-rate |
| ■ Market-rate/Tax Credit |
| ■ Market-rate/Government-subsidized |
| ■ Market-rate/Tax Credit/Government-subsidized |
| ■ Tax Credit |
| ■ Tax Credit/Government-subsidized |
| ■ Government-subsidized |

| |
|----------------|
| X - All Units |
| S - Some Units |
| O - Optional |

| |
|--------------------------|
| Window Treatments |
| B - Blinds |
| C - Curtains |
| D - Drapes |

| |
|--------------------|
| Parking |
| A - Attached |
| C - Carport |
| D - Detached |
| O - On Street |
| S - Surface |
| G - Parking Garage |
| (o) - Optional |
| (s) - Some |

| |
|-----------------------|
| Sports Courts |
| B - Basketball |
| D - Baseball Diamonds |
| P - Putting Green |
| T - Tennis |
| V - Volleyball |
| X - Multiple |

| |
|-----------------------|
| Floor Covering |
| C - Carpet |
| H - Hardwood |
| V - Vinyl |
| W - Wood |
| T - Tile |

| |
|---------------------------|
| Community Space |
| A - Activity Room |
| L - Lounge/Gathering Room |
| T - Training Room |

The amenity packages included at the proposed subject development will be superior to those offered at the comparable market-rate projects within the market and region. In terms of unit amenities, the subject project will be the only market-rate property to include washer/dryer appliances and a microwave. Regarding project amenities, the subject development will be the only project to offer a community garden and one of two to offer a community room. The inclusion of the aforementioned amenities will position the subject project at a market advantage.

Comparable/Competitive Market-Rate Summary

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing market-rate properties within the Site PMA and region, it is our opinion that the subject development will be very competitive. The subject development will be the newest market-rate development within the market, offering some of the lowest market-rate rents and a superior amenities package. The aforementioned characteristics will provide the subject with a competitive advantage. This has been considered in our absorption projections.

5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA was \$85,089. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for an \$85,089 home is \$512, including estimated taxes and insurance.

| Buy Versus Rent Analysis | |
|--|----------|
| Median Home Price - ESRI | \$85,089 |
| Mortgaged Value = 95% of Median Home Price | \$80,835 |
| Interest Rate - Bankrate.com | 4.5% |
| Term | 30 |
| Monthly Principal & Interest | \$410 |
| Estimated Taxes and Insurance* | \$102 |
| Estimated Monthly Mortgage Payment | \$512 |

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents at the subject property range from \$423 to \$583 per month, depending on unit size and targeted income level. Therefore, the cost of a monthly mortgage for a typical home in the area is no more than \$89 greater than renting at the subject site, where in some cases, it is \$71 less than renting at the subject project. While some tenants may choose to purchase a home, the number of tenants who would be able to afford the down payment is considered minimal. In addition, with a median home price of \$85,089, the majority of the housing stock consists of older single-family homes that would likely require greater maintenance and corresponding costs. Further, homes at the aforementioned price point are not likely to include a comprehensive amenities package, such as that offered at the proposed development. Lastly, as the proposed subject project will target senior households, we expect some support from elderly homeowners downsizing from their homes and seeking a maintenance-free housing alternative. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

Section I – Absorption & Stabilization Rates

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA/GHFA guidelines that assume a 2020 completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2020.

Considering the facts contained in the market study and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the subject development. Our absorption projections take into consideration the lack of age-restricted, non-subsidized LIHTC units targeting seniors ages 55 and older in the market, the required capture rate, achievable market rents, the demand for all affordable rental housing and the proposed competitiveness of the subject site. Our absorption projections also take into consideration that the developer and/or management successfully markets the project throughout all areas of the Site PMA. If the development experiences an extended absorption period, it is likely that the project would need to lower its rents in order to reach a stabilized occupancy.

Based on our analysis, it is our opinion that the proposed 43 LIHTC and market-rate units at the subject site will reach a stabilized occupancy of at least 93.0% within less than six months. This absorption period is based on a conservative average monthly absorption of approximately seven units per month.

These absorption projections assume a 2020 opening date. A later opening date may have a slowing impact on the absorption potential for the subject project. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

Section J – Interviews

The following are summaries of interviews conducted with various local sources regarding the need for affordable housing within the Waynesboro Site PMA.

- Don Lively, Downtown Development Director for the City of Waynesboro, mentioned that with the success of Waynesborough Academy Senior Residences (Phase I of subject project; Map ID 1), if a new apartment community for seniors ages 55 and older were to be developed, it could also be very successful. Mr. Lively noted that he has heard from people in the city, as well as in different parts of the county, who are looking to downsize from their homes and, with the right apartment choice, could be enticed to move to Waynesboro from around the county and areas beyond.
- Merv Waldrop, County Administrator with Burke County, echoed the thoughts of several others that there is a lack of rental housing in Waynesboro, specifically for seniors and for general market-rate family properties. It is his opinion that there is enough low-income housing in the city, and that Waynesboro is the only area in the county which continues to build this type of housing which accounts for the great number of low-income housing.
- Marcus Cobb, Building Inspector for the City of Waynesboro, explained that Waynesboro has a great need for market-rate apartments for working-class, tax paying people. There are rental houses in the area, but in his opinion, not everyone wants to rent a house and it is difficult to find an apartment. Mr. Cobb went on to say that many people work in Waynesboro, but live in Augusta and surrounding cities and those people could be living in Waynesboro if there were sufficient apartments for rent.
- Jessica Hood, Executive Director with the Development Authority of Burke County, explained that there is a very great need for rental apartments in Waynesboro. There are some rental houses in Waynesboro that are relatively high priced and apartment rentals are in high demand. She went on to say that in her personal search for an apartment, she has had a difficult time finding vacancies in Waynesboro.
- Brent Meeks, Executive Director for Georgia Office of Public Housing in Waynesboro, stated that there are too many government-assisted housing units in Waynesboro and he feels that market-rate units would be the best choice for a new development. In subsidized housing, they receive most requests for one-bedroom units. He also noted that he has received calls from others conducting housing studies in the area who assume that the Plant Vogtle expansion folks will want to live in government assisted housing, but he says that is not the case. Those workers will be looking for market-rate units.

- George Glenn, Site Manager at Windy Hill Apartments (Map ID 3), a general-occupancy, government-subsidized community in Waynesboro, does not believe there is currently additional demand for senior housing in Waynesboro, due to existing properties that already serve the senior population. Mr. Glenn did note, however, that Waynesboro could support another senior housing project in the future, as those people between the ages of 55 and 62 become older.

Section K – Conclusions & Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 43 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rent, amenities or opening date may alter these findings.

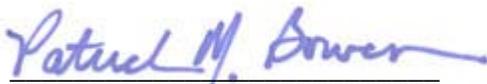
The non-subsidized LIHTC and market-rate communities within the market are operating with minimal vacancies. It should be noted that there are no age-restricted, non-subsidized communities targeting senior households ages 55 and older within the market. As such, the subject project will provide a rental housing alternative to younger senior households which are currently underserved in the Waynesboro Site PMA. This will provide the subject site with a competitive advantage.

As indicated in Section H of this report, the subject project will offer the highest gross LIHTC rents within the market. Given the limited availability of affordable rental units within the market, it is likely that the existing LIHTC projects could charge higher rents without having an adverse impact on their marketability. Further, the subject project will be at least nine years newer than the LIHTC projects within the Waynesboro Site PMA, offering a superior amenities package. The aforementioned attributes will enable the subject development to charge higher rents.

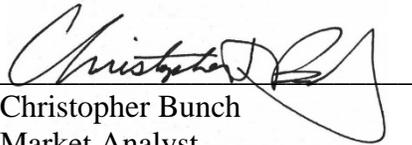
Based on the preceding analysis and facts contained within this report, we believe the proposed subject development is marketable within the Waynesboro Site PMA, as proposed. We do not have any recommendations or modifications to the subject development at this time.

Section L - Signed Statement

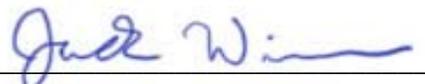
I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study regarding the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs rental housing programs. I also affirm that I have no interest in the project or any relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written in accordance with my understanding of the GA-DCA market study manual and GA-DCA Qualified Action Plan.



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Date: April 12, 2018



Christopher Bunch
Market Analyst
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Date: April 12, 2018



Jack Wiseman
Market Analyst
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Date: April 12, 2018

Section M – Market Study Representation

The Georgia Department of Community Affairs (DCA) may rely on the representation made in the market study and that the market study is assignable to other lenders that are parties to the DCA loan transaction.

Section N - Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

Company Leadership

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Christopher T. Bunch, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Garth Semple, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Chris Leahy, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Leahy has a Bachelor of Science degree in Financial Management and Business Administration from Franklin University.

Research Staff

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg University.

Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

WAYNESBORO, GEORGIA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

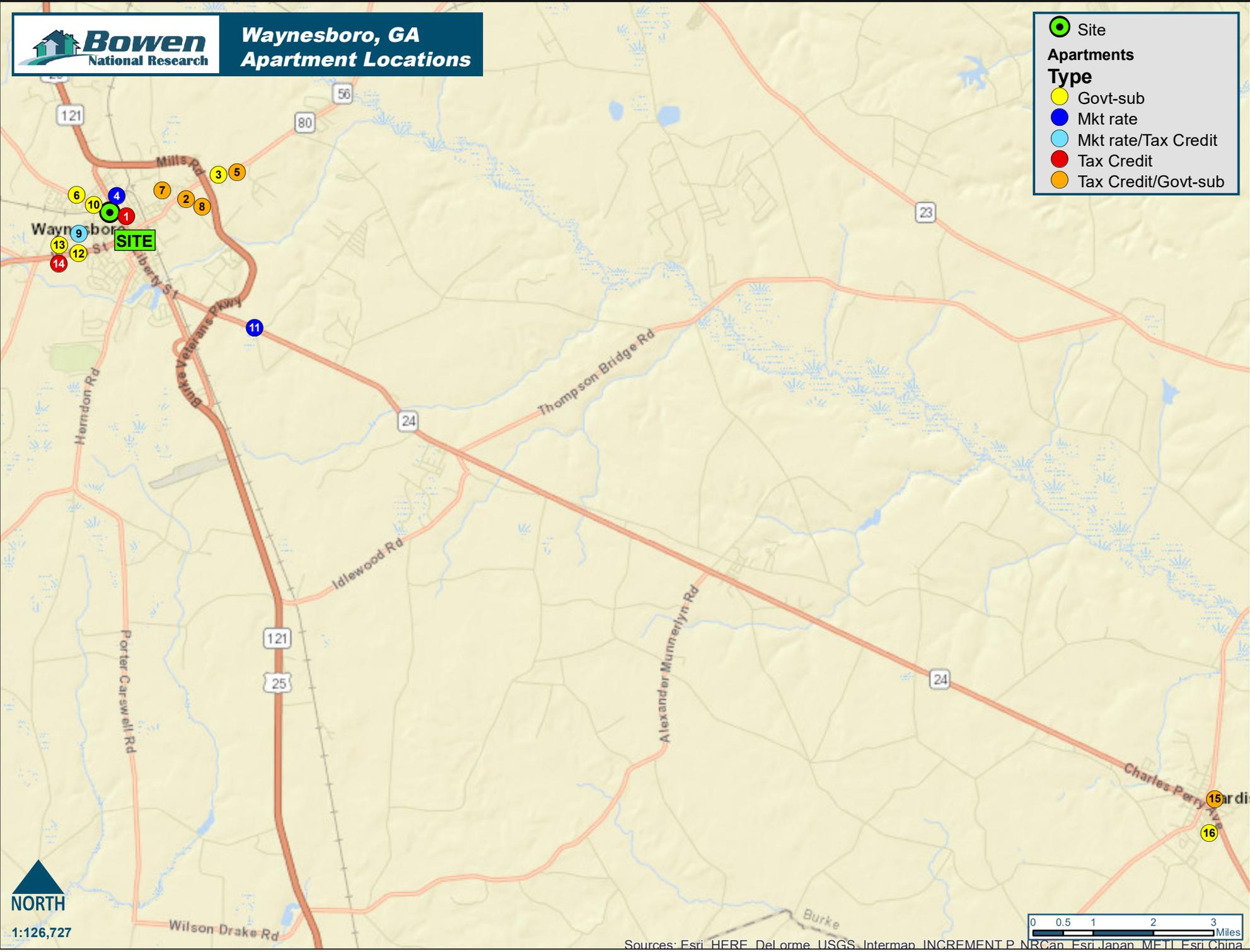
- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.



Waynesboro, GA Apartment Locations

● Site
Apartments Type
● Govt-sub
● Mkt rate
● Mkt rate/Tax Credit
● Tax Credit
● Tax Credit/Govt-sub



NORTH
1:126,727

0 0.5 1 2 3 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

MAP IDENTIFICATION LIST - WAYNESBORO, GEORGIA

| MAP ID | PROJECT NAME | PROJ. TYPE | QUALITY RATING | YEAR BUILT | TOTAL UNITS | VACANT | OCC. RATE | DISTANCE TO SITE* |
|--------|--------------------------------------|------------|----------------|------------|-------------|--------|-----------|-------------------|
| ◆ 1 | Waynesborough Academy Sr. Residences | TAX | B+ | 2011 | 39 | 3 | 92.3% | 0.1 |
| 2 | Woodland Terrace Apts. | TGS | B+ | 1991 | 30 | 0 | 100.0% | 1.4 |
| 3 | Windy Hill Apts. | GSS | C | 1987 | 48 | 0 | 100.0% | 1.9 |
| 4 | 945 U.S. Hwy. 25 | MRR | A- | 1992 | 10 | 1 | 90.0% | 0.2 |
| ◆ 5 | Ashton Village Apts. | TGS | B | 1989 | 36 | 0 | 100.0% | 2.0 |
| 6 | Waynesboro Public Housing | GSS | C | 1963 | 275 | 0 | 100.0% | 0.5 |
| 7 | Burkestone Place | TGS | B | 1970 | 70 | 0 | 100.0% | 1.0 |
| ◆ 8 | Forest Ridge Apts. | TGS | B+ | 1993 | 24 | 0 | 100.0% | 1.5 |
| 9 | Pecan Grove I & II | MRT | C+ | 2006 | 104 | 0 | 100.0% | 0.8 |
| ◆ 10 | Howard Hart Holmes | GSS | C | 1980 | 10 | 2 | 80.0% | 0.3 |
| 11 | Neely Place | MRR | B | 2002 | 8 | 0 | 100.0% | 2.7 |
| 12 | Orchard Hill I | GSS | C+ | 1982 | 32 | 0 | 100.0% | 1.1 |
| 13 | Orchard Hill II | GSS | C+ | 1985 | 34 | 0 | 100.0% | 1.3 |
| 14 | Pecan Chase Apts. | TAX | B+ | 1997 | 35 | 0 | 100.0% | 1.2 |
| 15 | Meadow Wood Apts. | TGS | C | 1982 | 24 | 0 | 100.0% | 17.9 |
| 16 | Public Housing | GSS | C | 1971 | 14 | 0 | 100.0% | 18.0 |

| PROJECT TYPE | PROJECTS SURVEYED | TOTAL UNITS | VACANT | OCCUPANCY RATE | U/C |
|--------------|-------------------|-------------|--------|----------------|-----|
| MRR | 2 | 18 | 1 | 94.4% | 0 |
| MRT | 1 | 104 | 0 | 100.0% | 0 |
| TAX | 2 | 74 | 3 | 95.9% | 0 |
| TGS | 5 | 184 | 0 | 100.0% | 0 |
| GSS | 6 | 413 | 2 | 99.5% | 0 |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

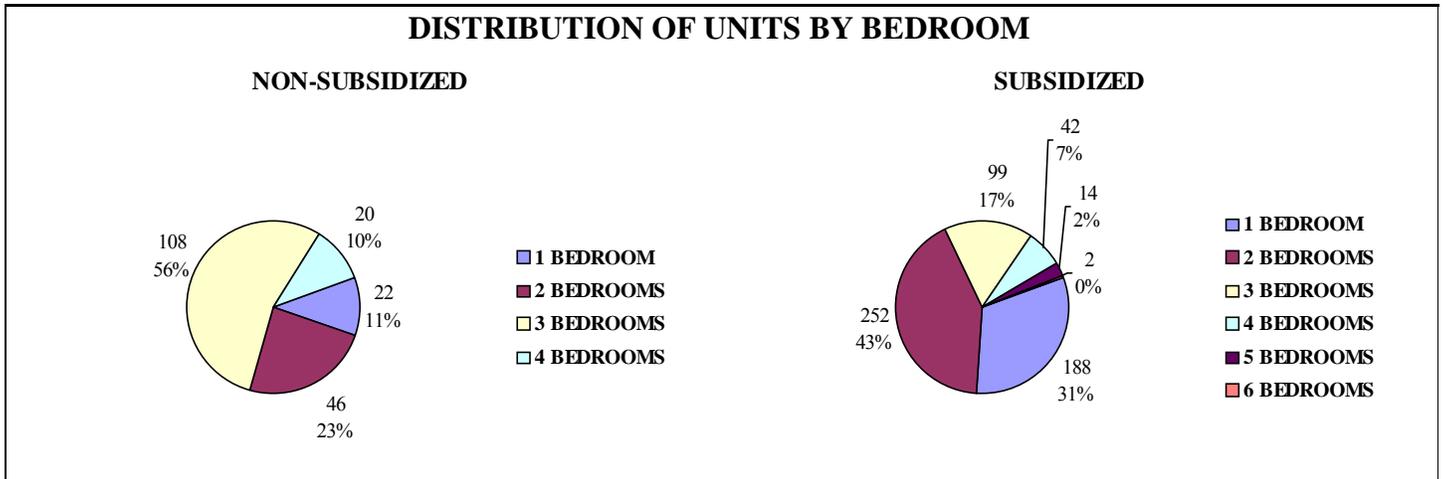
* - Drive Distance (Miles)

Survey Date: March 2018

DISTRIBUTION OF UNITS - WAYNESBORO, GEORGIA

| MARKET-RATE | | | | | | |
|--|--------------|--------------|---------------------|---------------|----------------|--------------------------|
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 2 | 2 | 18 | 46.2% | 1 | 5.6% | \$747 |
| 3 | 2 | 17 | 43.6% | 0 | 0.0% | \$946 |
| 4 | 2 | 4 | 10.3% | 0 | 0.0% | \$1,023 |
| TOTAL | | 39 | 100.0% | 1 | 2.6% | |
| TAX CREDIT, NON-SUBSIDIZED | | | | | | |
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 1 | 1 | 22 | 14.0% | 1 | 4.5% | \$479 |
| 2 | 1 | 8 | 5.1% | 0 | 0.0% | \$540 |
| 2 | 2 | 20 | 12.7% | 2 | 10.0% | \$571 |
| 3 | 2 | 91 | 58.0% | 0 | 0.0% | \$796 |
| 4 | 2 | 16 | 10.2% | 0 | 0.0% | \$885 |
| TOTAL | | 157 | 100.0% | 3 | 1.9% | |
| TAX CREDIT, GOVERNMENT-SUBSIDIZED | | | | | | |
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 1 | 1 | 100 | 54.3% | 0 | 0.0% | N.A. |
| 2 | 1 | 30 | 16.3% | 0 | 0.0% | N.A. |
| 2 | 1.5 | 28 | 15.2% | 0 | 0.0% | N.A. |
| 3 | 1 | 4 | 2.2% | 0 | 0.0% | N.A. |
| 3 | 1.5 | 6 | 3.3% | 0 | 0.0% | N.A. |
| 3 | 2 | 12 | 6.5% | 0 | 0.0% | N.A. |
| 4 | 2 | 4 | 2.2% | 0 | 0.0% | N.A. |
| TOTAL | | 184 | 100.0% | 0 | 0.0% | |
| GOVERNMENT-SUBSIDIZED | | | | | | |
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | |
| 1 | 1 | 88 | 21.3% | 2 | 2.3% | N.A. |
| 2 | 1 | 194 | 47.0% | 0 | 0.0% | N.A. |
| 3 | 1.5 | 77 | 18.6% | 0 | 0.0% | N.A. |
| 4 | 2 | 38 | 9.2% | 0 | 0.0% | N.A. |
| 5 | 2 | 14 | 3.4% | 0 | 0.0% | N.A. |
| 6 | 2 | 2 | 0.5% | 0 | 0.0% | N.A. |
| TOTAL | | 413 | 100.0% | 2 | 0.5% | |
| GRAND TOTAL | | 793 | - | 6 | 0.8% | |

DISTRIBUTION OF UNITS - WAYNESBORO, GEORGIA



SURVEY OF PROPERTIES - WAYNESBORO, GEORGIA

| | | | |
|--|--|--|---|
| 1 Waynesborough Academy Sr. Residences | | | |
|  | Address 201 Ward St. Waynesboro, GA 30830 | Phone (706) 554-5205 (Contact in person) | Total Units 39 |
| | Year Built 2011 Comments 50% & 60% AMHI; Accepts HCV (0 currently); Handicap units have E- call buttons | Contact D'Anne | Vacancies 3 Occupied 92.3% Floors 1,2 Quality Rating B+ Senior Restricted (62+) Waiting List |
| | Rent Special Security deposit \$99 | | None |
| 2 Woodland Terrace Apts. | | | |
|  | Address 622 Woodland Terrace Dr. Waynesboro, GA 30830 | Phone (706) 554-7270 (Contact in person) | Total Units 30 |
| | Year Built 1991 Renovated 2015 Comments 60% AMHI; RD 515, has RA (15 units); Accepts HCV (0 currently) | Contact Clinton | Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B+ Waiting List |
| | | | 4 households |
| 3 Windy Hill Apts. | | | |
|  | Address 1205 Windy Hill Cir. Waynesboro, GA 30830 | Phone (706) 554-9757 (Contact in person) | Total Units 48 |
| | Year Built 1987 Comments RD 515, has RA (22 units); Accepts HCV; Square footage estimated | Contact George | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C Waiting List |
| | | | 8 households |
| 4 945 U.S. Hwy. 25 | | | |
|  | Address 945 U.S. Hwy. 25 Waynesboro, GA 30830 | Phone (706) 554-5385 (Contact in person) | Total Units 10 |
| | Year Built 1992 Comments Year built & square footage estimated | Contact Karry | Vacancies 1 Occupied 90.0% Floors 1 Quality Rating A- Waiting List |
| | | | None |
| 5 Ashton Village Apts. | | | |
|  | Address 137 Ashton Pl. Waynesboro, GA 30830 | Phone (706) 554-1309 (Contact in person) | Total Units 36 |
| | Year Built 1989 Renovated 2015 Comments RD 515, has RA (36 units) | Contact Clinton | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Senior Restricted (62+) Waiting List |
| | | | 1-br: 2 households |

Project Type

| | |
|---------------------------------------|--|
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: March 2018

SURVEY OF PROPERTIES - WAYNESBORO, GEORGIA

| 6 Waynesboro Public Housing | | | |
|--|---|--|--|
|  | Address 8th St. & Quarter Rd. Waynesboro, GA 30830 | Phone (706) 554-3485 (Contact in person) | Total Units 275 |
| | Year Built 1963 Comments Public Housing; Scattered sites; Washer hookups only | Contact Brent | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C |
| | | | Waiting List 1-2 years |
| 7 Burkestone Place | | | |
|  | Address 803 Davis Rd. Waynesboro, GA 30830 | Phone (706) 554-5379 (Contact in person) | Total Units 70 |
| | Year Built 1970 Renovated 2007 Comments 60% AMHI; HUD Section 8; 2, 3 & 4-br units have washer/dryer hookups; Handicap units have e-call system | Contact Patrice | Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B |
| | | | Waiting List 40 households |
| 8 Forest Ridge Apts. | | | |
|  | Address 604 Forest Ridge Dr. Waynesboro, GA 30830 | Phone (706) 554-7270 (Contact in person) | Total Units 24 |
| | Year Built 1993 Renovated 2017 Comments 60% AMHI; RD 515, has RA (23 units); Accepts HCV (0 currently) | Contact Clinton | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B+ Senior Restricted (62+) Waiting List |
| | | | 1-br: 2 households |
| 9 Pecan Grove I & II | | | |
|  | Address 100 Pecan Grove Dr. Waynesboro, GA 30830 | Phone (706) 437-1108 (Contact in person) | Total Units 104 |
| | Year Built 2006 Comments Market-rate (21 units); 30%, 50% & 60% AMHI (83 units); HCV (8 units); Phase II was built 2007 & has 4-br units; Handicap units include washer/dryers | Contact Janell | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C+ Single-Family Homes Waiting List |
| | | | 4 households |
| 10 Howard Hart Holmes | | | |
|  | Address 925 MLK Dr. Waynesboro, GA 30830 | Phone (706) 547-0028 (Contact in person) | Total Units 10 |
| | Year Built 1980 Comments HUD Sections 8 & HUD Section 202; Vacancies due to recent deaths of tenants; Square footage estimated | Contact Judy | Vacancies 2 Occupied 80.0% Floors 1 Quality Rating C Senior Restricted (62+) Waiting List |
| | | | None |

Project Type

| |
|--|
| Market-rate |
| Market-rate/Tax Credit |
| Market-rate/Government-subsidized |
| Market-rate/Tax Credit/Government-subsidized |
| Tax Credit |
| Tax Credit/Government-subsidized |
| Government-subsidized |

Survey Date: March 2018

SURVEY OF PROPERTIES - WAYNESBORO, GEORGIA

| 11 Neely Place | | | |
|--|---|--|---|
|  | Address 127-173 Neely Cir. Waynesboro, GA 30830 | Phone (706) 871-0210 (Contact in person) | Total Units 8 |
| | Year Built 2002 Comments Does not accept HCV; Duplexes; Year built & square footage estimated | Contact Nick | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B |
| | | | Waiting List None |
| 12 Orchard Hill I | | | |
|  | Address 725 W. 6th St. Waynesboro, GA 30830 | Phone (706) 554-5277 (Contact in person) | Total Units 32 |
| | Year Built 1982 Comments RD 515, has RA (13 units); HCV (4 units); Waitlist shared with ph II; Square footage estimated | Contact Jack | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C+ |
| | | | Waiting List 9 households |
| 13 Orchard Hill II | | | |
|  | Address 725 W. 6th St. Waynesboro, GA 30830 | Phone (706) 554-5277 (Contact by phone) | Total Units 34 |
| | Year Built 1985 Comments RD 515, has RA (24 units); Accepts HCV (0 currently); Waitlist shared with ph I; Square footage estimated | Contact Jack | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C+ |
| | | | Waiting List 8 households |
| 14 Pecan Chase Apts. | | | |
|  | Address 201 Pecan Chase Rd. Waynesboro, GA 30830 | Phone (706) 554-0770 (Contact in person) | Total Units 35 |
| | Year Built 1997 Comments 30% & 60% AMHI; HCV (1 unit) | Contact Debbie | Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B+ |
| | | | Waiting List 14 households |
| 15 Meadow Wood Apts. | | | |
|  | Address 730 Bargeron Ave. Sardis, GA 30456 | Phone (478) 569-4563 (Contact in person) | Total Units 24 |
| | Year Built 1982 Renovated 2016 Comments 50% AMHI; RD 515, has RA (24 units); Square footage estimated | Contact Ashlyn | Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating C |
| | | | Waiting List None |

Project Type

| | |
|---------------------------------------|--|
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: March 2018

SURVEY OF PROPERTIES - WAYNESBORO, GEORGIA

| 16 Public Housing | | | |
|--|--|--|---|
|  | Address Screven St. Sardis, GA 30456 Year Built 1971 Comments Public Housing; Year built estimated | Phone (706) 554-2233 (Contact in person) Contact Brent | Total Units 14 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C Waiting List 2 years |

Project Type

| | |
|---|--|
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: March 2018

COLLECTED RENTS - WAYNESBORO, GEORGIA

| MAP ID | GARDEN UNITS | | | | | TOWNHOUSE UNITS | | | |
|--------|--------------|----------------|----------------|----------------|----------------|-----------------|------|------|-------|
| | STUDIO | 1-BR | 2-BR | 3-BR | 4+ BR | 1-BR | 2-BR | 3-BR | 4+ BR |
| 1 | | \$415 to \$485 | \$489 to \$599 | | | | | | |
| 4 | | | \$650 | | | | | | |
| 9 | | | | \$327 to \$800 | \$712 to \$850 | | | | |
| 11 | | | \$750 | | | | | | |
| 14 | | \$408 | \$284 to \$458 | \$475 | | | | | |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: March 2018

PRICE PER SQUARE FOOT - WAYNESBORO, GEORGIA

| ONE-BEDROOM UNITS | | | | | |
|---------------------|--------------------------------------|-------|-----------|-----------------|------------------|
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| ◆ 1 | Waynesborough Academy Sr. Residences | 1 | 672 | \$479 to \$549 | \$0.71 to \$0.82 |
| 14 | Pecan Chase Apts. | 1 | 756 | \$472 | \$0.62 |
| TWO-BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 4 | 945 U.S. Hwy. 25 | 2 | 1100 | \$747 | \$0.68 |
| 11 | Neely Place | 2 | 725 | \$847 | \$1.17 |
| ◆ 1 | Waynesborough Academy Sr. Residences | 2 | 920 | \$571 to \$681 | \$0.62 to \$0.74 |
| 14 | Pecan Chase Apts. | 1 | 915 | \$366 to \$540 | \$0.40 to \$0.59 |
| THREE-BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 9 | Pecan Grove I & II | 2 | 1280 | \$473 to \$946 | \$0.37 to \$0.74 |
| 14 | Pecan Chase Apts. | 2 | 1136 | \$576 | \$0.51 |
| FOUR+ BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 9 | Pecan Grove I & II | 2 | 1600 | \$885 to \$1023 | \$0.55 to \$0.64 |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: March 2018

AVERAGE GROSS RENT PER SQUARE FOOT - WAYNESBORO, GEORGIA

| MARKET-RATE | | | |
|--------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$0.00 | \$0.90 | \$0.74 |
| TOWNHOUSE | \$0.00 | \$0.00 | \$0.00 |

| TAX CREDIT (NON-SUBSIDIZED) | | | |
|------------------------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$0.73 | \$0.63 | \$0.59 |
| TOWNHOUSE | \$0.00 | \$0.00 | \$0.00 |

| COMBINED | | | |
|------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$0.73 | \$0.73 | \$0.61 |
| TOWNHOUSE | \$0.00 | \$0.00 | \$0.00 |

TAX CREDIT UNITS - WAYNESBORO, GEORGIA

| ONE-BEDROOM UNITS | | | | | | |
|---------------------|--------------------------------------|-------|-------------|------------|--------|----------------|
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 14 | Pecan Chase Apts. | 3 | 756 | 1 | 60% | \$408 |
| ◆ 1 | Waynesborough Academy Sr. Residences | 12 | 672 | 1 | 50% | \$415 |
| 2 | Woodland Terrace Apts. | 8 | 650 | 1 | 60% | \$454 - \$487 |
| ◆ 1 | Waynesborough Academy Sr. Residences | 7 | 672 | 1 | 60% | \$485 |
| ◆ 5 | Ashton Village Apts. | 32 | 629 | 1 | 60% | \$487 - \$552 |
| 15 | Meadow Wood Apts. | 8 | 690 | 1 | 50% | \$510 - \$539 |
| ◆ 8 | Forest Ridge Apts. | 22 | 699 | 1 | 60% | \$540 - \$574 |
| 7 | Burkestone Place | 30 | 578 | 1 | 60% | \$572 |
| TWO-BEDROOM UNITS | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 14 | Pecan Chase Apts. | 3 | 915 | 1 | 30% | \$284 |
| 14 | Pecan Chase Apts. | 5 | 915 | 1 | 60% | \$458 |
| ◆ 1 | Waynesborough Academy Sr. Residences | 12 | 920 | 2 | 50% | \$489 |
| 2 | Woodland Terrace Apts. | 16 | 925 | 1.5 | 60% | \$504 - \$542 |
| ◆ 5 | Ashton Village Apts. | 4 | 827 | 1 | 60% | \$504 - \$547 |
| ◆ 8 | Forest Ridge Apts. | 2 | 828 | 1 | 60% | \$595 - \$635 |
| ◆ 1 | Waynesborough Academy Sr. Residences | 8 | 920 | 2 | 60% | \$599 |
| 15 | Meadow Wood Apts. | 12 | 1050 | 1.5 | 50% | \$605 - \$639 |
| 7 | Burkestone Place | 24 | 878 | 1 | 60% | \$675 |
| THREE-BEDROOM UNITS | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 9 | Pecan Grove I & II | 6 | 1280 | 2 | 30% | \$327 |
| 14 | Pecan Chase Apts. | 24 | 1136 | 2 | 60% | \$475 |
| 2 | Woodland Terrace Apts. | 6 | 925 | 1.5 | 60% | \$544 - \$584 |
| 15 | Meadow Wood Apts. | 4 | 1163 | 1 | 50% | \$605 - \$670 |
| 9 | Pecan Grove I & II | 45 | 1280 | 2 | 50% | \$650 |
| 9 | Pecan Grove I & II | 16 | 1280 | 2 | 60% | \$725 |
| 7 | Burkestone Place | 12 | 1200 | 2 | 60% | \$832 |
| FOUR-BEDROOM UNITS | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 9 | Pecan Grove I & II | 12 | 1600 | 2 | 50% | \$712 |
| 9 | Pecan Grove I & II | 4 | 1600 | 2 | 60% | \$775 |
| 7 | Burkestone Place | 4 | 1361 | 2 | 60% | \$914 |

◆ - Senior Restricted

QUALITY RATING - WAYNESBORO, GEORGIA

MARKET-RATE PROJECTS AND UNITS

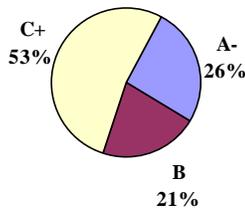
| QUALITY RATING | PROJECTS | TOTAL UNITS | VACANCY RATE | MEDIAN GROSS RENT | | | | |
|----------------|----------|-------------|--------------|-------------------|--------|--------|----------|---------|
| | | | | STUDIOS | ONE-BR | TWO-BR | THREE-BR | FOUR-BR |
| A- | 1 | 10 | 10.0% | | | \$747 | | |
| B | 1 | 8 | 0.0% | | | \$847 | | |
| C+ | 1 | 21 | 0.0% | | | | \$946 | \$1,023 |

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

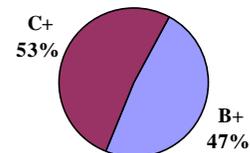
| QUALITY RATING | PROJECTS | TOTAL UNITS | VACANCY RATE | MEDIAN GROSS RENT | | | | |
|----------------|----------|-------------|--------------|-------------------|--------|--------|----------|---------|
| | | | | STUDIOS | ONE-BR | TWO-BR | THREE-BR | FOUR-BR |
| B+ | 2 | 74 | 4.1% | | \$479 | \$571 | \$576 | |
| C+ | 1 | 83 | 0.0% | | | | \$796 | \$885 |

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - WAYNESBORO, GEORGIA *

| YEAR RANGE | PROJECTS | UNITS | VACANT | % VACANT | TOTAL UNITS | DISTRIBUTION |
|--------------|----------|------------|----------|-------------|-------------|----------------|
| Before 1970 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 1970 to 1979 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 1980 to 1989 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 1990 to 1999 | 2 | 45 | 1 | 2.2% | 45 | 23.0% |
| 2000 to 2005 | 1 | 8 | 0 | 0.0% | 53 | 4.1% |
| 2006 to 2010 | 1 | 104 | 0 | 0.0% | 157 | 53.1% |
| 2011 | 1 | 39 | 3 | 7.7% | 196 | 19.9% |
| 2012 | 0 | 0 | 0 | 0.0% | 196 | 0.0% |
| 2013 | 0 | 0 | 0 | 0.0% | 196 | 0.0% |
| 2014 | 0 | 0 | 0 | 0.0% | 196 | 0.0% |
| 2015 | 0 | 0 | 0 | 0.0% | 196 | 0.0% |
| 2016 | 0 | 0 | 0 | 0.0% | 196 | 0.0% |
| 2017 | 0 | 0 | 0 | 0.0% | 196 | 0.0% |
| 2018** | 0 | 0 | 0 | 0.0% | 196 | 0.0% |
| TOTAL | 5 | 196 | 4 | 2.0% | 196 | 100.0 % |

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of March 2018

Survey Date: March 2018

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APPLIANCES AND UNIT AMENITIES - WAYNESBORO, GEORGIA

| APPLIANCES | | | |
|-----------------------|-----------------|----------------|---------------|
| APPLIANCE | PROJECTS | PERCENT | UNITS* |
| RANGE | 5 | 100.0% | 196 |
| REFRIGERATOR | 5 | 100.0% | 196 |
| ICEMAKER | 1 | 20.0% | 39 |
| DISHWASHER | 5 | 100.0% | 196 |
| DISPOSAL | 3 | 60.0% | 178 |
| MICROWAVE | 2 | 40.0% | 143 |
| UNIT AMENITIES | | | |
| AMENITY | PROJECTS | PERCENT | UNITS* |
| AC - CENTRAL | 5 | 100.0% | 196 |
| AC - WINDOW | 0 | 0.0% | |
| FLOOR COVERING | 4 | 80.0% | 196 |
| WASHER/DRYER | 1 | 20.0% | 104 |
| WASHER/DRYER HOOK-UP | 4 | 80.0% | 188 |
| PATIO/DECK/BALCONY | 4 | 80.0% | 157 |
| CEILING FAN | 2 | 40.0% | 143 |
| FIREPLACE | 0 | 0.0% | |
| BASEMENT | 0 | 0.0% | |
| INTERCOM SYSTEM | 1 | 20.0% | 39 |
| SECURITY SYSTEM | 0 | 0.0% | |
| WINDOW TREATMENTS | 5 | 100.0% | 196 |
| FURNISHED UNITS | 0 | 0.0% | |
| E-CALL BUTTON | 1 | 20.0% | 39 |

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - WAYNESBORO, GEORGIA

| PROJECT AMENITIES | | | |
|------------------------|----------|---------|-------|
| AMENITY | PROJECTS | PERCENT | UNITS |
| POOL | 0 | 0.0% | |
| ON-SITE MANAGEMENT | 3 | 60.0% | 178 |
| LAUNDRY | 3 | 60.0% | 178 |
| CLUB HOUSE | 0 | 0.0% | |
| MEETING ROOM | 3 | 60.0% | 178 |
| FITNESS CENTER | 2 | 40.0% | 143 |
| JACUZZI/SAUNA | 0 | 0.0% | |
| PLAYGROUND | 2 | 40.0% | 139 |
| COMPUTER LAB | 3 | 60.0% | 178 |
| SPORTS COURT | 0 | 0.0% | |
| STORAGE | 0 | 0.0% | |
| LAKE | 0 | 0.0% | |
| ELEVATOR | 0 | 0.0% | |
| SECURITY GATE | 0 | 0.0% | |
| BUSINESS CENTER | 0 | 0.0% | |
| CAR WASH AREA | 0 | 0.0% | |
| PICNIC AREA | 3 | 60.0% | 178 |
| CONCIERGE SERVICE | 0 | 0.0% | |
| SOCIAL SERVICE PACKAGE | 1 | 20.0% | 39 |

DISTRIBUTION OF UTILITIES - WAYNESBORO, GEORGIA

| UTILITY (RESPONSIBILITY) | NUMBER OF PROJECTS | NUMBER OF UNITS | DISTRIBUTION OF UNITS |
|--------------------------|--------------------|-----------------|-----------------------|
| HEAT | | | |
| LANDLORD | | | |
| GAS | 3 | 299 | 37.7% |
| TENANT | | | |
| ELECTRIC | 11 | 320 | 40.4% |
| GAS | 2 | 174 | 21.9% |
| | | | 100.0% |
| COOKING FUEL | | | |
| LANDLORD | | | |
| ELECTRIC | 1 | 10 | 1.3% |
| GAS | 1 | 14 | 1.8% |
| TENANT | | | |
| ELECTRIC | 12 | 595 | 75.0% |
| GAS | 2 | 174 | 21.9% |
| | | | 100.0% |
| HOT WATER | | | |
| LANDLORD | | | |
| GAS | 3 | 299 | 37.7% |
| TENANT | | | |
| ELECTRIC | 11 | 320 | 40.4% |
| GAS | 2 | 174 | 21.9% |
| | | | 100.0% |
| ELECTRIC | | | |
| LANDLORD | 1 | 10 | 1.3% |
| TENANT | 15 | 783 | 98.7% |
| | | | 100.0% |
| WATER | | | |
| LANDLORD | 13 | 635 | 80.1% |
| TENANT | 3 | 158 | 19.9% |
| | | | 100.0% |
| SEWER | | | |
| LANDLORD | 13 | 635 | 80.1% |
| TENANT | 3 | 158 | 19.9% |
| TRASH PICK-UP | | | |
| LANDLORD | 12 | 647 | 81.6% |
| TENANT | 4 | 146 | 18.4% |
| | | | 100.0% |

UTILITY ALLOWANCE - WAYNESBORO, GEORGIA

| BR | UNIT TYPE | HEATING | | | | HOT WATER | | COOKING | | ELEC | WATER | SEWER | TRASH | CABLE |
|----|-----------|---------|------|-------|-------|-----------|------|---------|------|------|-------|-------|-------|-------|
| | | GAS | ELEC | STEAM | OTHER | GAS | ELEC | GAS | ELEC | | | | | |
| 0 | GARDEN | \$6 | \$8 | | \$2 | \$3 | \$9 | \$2 | \$5 | \$23 | \$17 | \$19 | \$15 | \$20 |
| 1 | GARDEN | \$8 | \$12 | | \$2 | \$5 | \$14 | \$3 | \$7 | \$31 | \$18 | \$20 | \$15 | \$20 |
| 1 | TOWNHOUSE | \$9 | \$13 | | \$2 | \$5 | \$14 | \$3 | \$7 | \$33 | \$18 | \$20 | \$15 | \$20 |
| 2 | GARDEN | \$10 | \$15 | | \$3 | \$6 | \$18 | \$4 | \$9 | \$40 | \$22 | \$25 | \$15 | \$20 |
| 2 | TOWNHOUSE | \$11 | \$16 | | \$3 | \$6 | \$18 | \$4 | \$9 | \$42 | \$22 | \$25 | \$15 | \$20 |
| 3 | GARDEN | \$12 | \$18 | | \$4 | \$8 | \$23 | \$5 | \$11 | \$49 | \$27 | \$30 | \$15 | \$20 |
| 3 | TOWNHOUSE | \$13 | \$20 | | \$4 | \$8 | \$23 | \$5 | \$11 | \$51 | \$27 | \$30 | \$15 | \$20 |
| 4 | GARDEN | \$15 | \$24 | | \$5 | \$9 | \$28 | \$6 | \$15 | \$61 | \$32 | \$35 | \$15 | \$20 |
| 4 | TOWNHOUSE | \$17 | \$26 | | \$5 | \$9 | \$28 | \$6 | \$15 | \$66 | \$32 | \$35 | \$15 | \$20 |

GA-Southern Region (1/2017)

Survey Date: March 2018

ADDENDUM B

COMPARABLE PROPERTY PROFILES

4 945 U.S. Hwy. 25

0.2 miles to site



Address 945 U.S. Hwy. 25
Waynesboro, GA 30830

Phone (706) 554-5385 **Contact** Karry

Total Units 10 **Vacancies** 1 **Percent Occupied** 90.0%

Project Type Market-Rate

Year Open 1992 **Floors** 1

Concessions No Rent Specials

Parking Surface Parking

Waiting List NONE

Quality Rating A- **Neighborhood Rating** B

Remarks Year built & square footage estimated



Features and Utilities

Utilities Landlord pays Water, Sewer
Unit Amenities Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities

Unit Configuration

| BRs | BA's | TYPE | UNITS | VACANT | SQUARE FEET | \$/SQ FT | COLLECTED RENT |
|-----|------|------|-------|--------|-------------|----------|----------------|
| 2 | 2 | G | 10 | 1 | 1100 | \$0.59 | \$650 |

11 Neely Place

2.7 miles to site



| | | | |
|-----------------------|--|----------------------------|--------|
| Address | 127-173 Neely Cir. Waynesboro, GA 30830 | | |
| Phone | (706) 871-0210 | Contact | Nick |
| Total Units | 8 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Market-Rate | | |
| Year Open | 2002 | Floors | 1 |
| Concessions | No Rent Specials | | |
| Parking | Surface Parking | | |
| Waiting List | NONE | | |
| Quality Rating | B | Neighborhood Rating | B |
| Remarks | Does not accept HCV; Duplexes; Year built & square footage estimated | | |

Features and Utilities

Utilities Landlord pays Water, Sewer
Unit Amenities Refrigerator, Range, Dishwasher, Central AC, Tile Flooring, Patio/Deck/Balcony, Blinds
Project Amenities

Unit Configuration

| BRs | BA's | TYPE | UNITS | VACANT | SQUARE FEET | \$/SQ FT | COLLECTED RENT |
|-----|------|------|-------|--------|-------------|----------|----------------|
| 2 | 2 | G | 8 | 0 | 725 | \$1.03 | \$750 |

910 Sterlington

30.6 miles to site



| | | | |
|-----------------------|---|----------------------------|-----------|
| Address | 205 Woodward Dr. Grovetown, GA 30813 | | |
| Phone | (706) 407-0186 | Contact | Stephanie |
| Total Units | 121 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Market-Rate | | |
| Year Open | 2012 | Floors | 1,2 |
| Concessions | No Rent Specials | | |
| Parking | Surface Parking | | |
| Waiting List | 18 households | | |
| Quality Rating | B | Neighborhood Rating | B+ |
| Remarks | Does not accept HCV; 1 & 2-br garden unit rent range based on floor level | | |



Features and Utilities

| | |
|--------------------------|--|
| Utilities | Landlord pays Trash |
| Unit Amenities | Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds |
| Project Amenities | Swimming Pool, On-site Management |

Unit Configuration

| BRs | BAAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT |
|-----|------|------|-------|--------|-------------|-----------------|----------------|
| 1 | 1 | G | 31 | 0 | 725 | \$1.06 - \$1.09 | \$770 to \$790 |
| 2 | 1.5 | T | 16 | 0 | 1064 | \$0.85 | \$900 |
| 2 | 2 | G | 74 | 0 | 985 | \$0.87 - \$0.89 | \$860 to \$880 |

911 Walker Estates Apts.

19.1 miles to site



| | | | |
|-----------------------|---|----------------------------|-------|
| Address | 3731 Peach Orchard Rd. Augusta, GA 30906 | | |
| Phone | (706) 303-1796 | Contact | Carl |
| Total Units | 252 | Vacancies | 2 |
| | | Percent Occupied | 99.2% |
| Project Type | Market-Rate | | |
| Year Open | 2016 | Floors | 3 |
| Concessions | No Rent Specials | | |
| Parking | Surface Parking | | |
| Waiting List | NONE | | |
| Quality Rating | B | Neighborhood Rating | B |
| Remarks | Does not accept HCV; Unit mix estimated | | |

Features and Utilities

| | |
|--------------------------|---|
| Utilities | Landlord pays Water, Sewer, Trash |
| Unit Amenities | Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Patio/Deck/Balcony, Ceiling Fan, Blinds |
| Project Amenities | Swimming Pool, On-site Management, Laundry Facility, Fitness Center, Picnic Area |

Unit Configuration

| BRs | BAAs | TYPE | UNITS | VACANT | SQUARE FEET | \$/SQ FT | COLLECTED RENT |
|-----|------|------|-------|--------|-------------|-----------------|----------------|
| 1 | 1 | G | 101 | 0 | 700 | \$1.05 | \$735 |
| 2 | 1 | G | 151 | 2 | 960 | \$0.81 - \$0.84 | \$780 to \$805 |

905 Linden Square Apts.

27.5 miles to site



| | | | |
|-----------------------|--|----------------------------|--------|
| Address | 1425 Lee Beard Wy. Augusta, GA 30901 | | |
| Phone | (706) 722-0017 | Contact | Alice |
| Total Units | 48 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Market-Rate & Tax Credit | | |
| Year Open | 2003 | Floors | 2 |
| Concessions | No Rent Specials | | |
| Parking | Surface Parking | | |
| Waiting List | 160 households | | |
| Quality Rating | B+ | Neighborhood Rating | C |
| Remarks | Market-rate (10 units); 50% & 60% AMHI (38 units); HCV (9 units) | | |

Features and Utilities

| | |
|--------------------------|--|
| Utilities | Landlord pays Water, Sewer, Trash |
| Unit Amenities | Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, E-Call Button |
| Project Amenities | On-site Management, Laundry Facility, Meeting Room, Fitness Center, Elevator, Security Gate, Computer Lab, Picnic Area, Social Services, Salon |

Unit Configuration

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$/SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|----------|----------------|------|
| 1 | 1 | G | 8 | 0 | 663 | \$0.94 | \$625 | |
| 1 | 1 | G | 14 | 0 | 663 | \$0.91 | \$600 | 60% |
| 1 | 1 | G | 14 | 0 | 663 | \$0.76 | \$501 | 50% |
| 2 | 1 | G | 2 | 0 | 890 | \$0.84 | \$745 | |
| 2 | 1 | G | 4 | 0 | 890 | \$0.83 | \$740 | 60% |
| 2 | 1 | G | 6 | 0 | 890 | \$0.67 | \$600 | 50% |

1 Waynesborough Academy Sr. Residences

0.1 miles to site



Address 201 Ward St.
Waynesboro, GA 30830

Phone (706) 554-5205 **Contact** D'Anne

Total Units 39 **Vacancies** 3 **Percent Occupied** 92.3%

Project Type Tax Credit

Year Open 2011 **Floors** 1,2

Concessions Security deposit \$99

Parking Surface Parking

Waiting List NONE

Quality Rating B+ **Neighborhood Rating** B

Remarks 50% & 60% AMHI; Accepts HCV (0 currently); Handicap units have E- call buttons



Features and Utilities

Utilities Landlord pays Water, Sewer, Trash
Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Wood Flooring, Washer/Dryer Hook Up, Ceiling Fan, Intercom, Blinds, E-Call Button
Project Amenities On-site Management, Laundry Facility, Meeting Room, Fitness Center, Computer Lab, Picnic Area, Social Services, Community Garden

Unit Configuration

| BRs | BAAs | TYPE | UNITS | VACANT | SQUARE FEET | \$/SQ FT | COLLECTED RENT | AMHI |
|-----|------|------|-------|--------|-------------|----------|----------------|------|
| 1 | 1 | G | 7 | 0 | 672 | \$0.72 | \$485 | 60% |
| 1 | 1 | G | 12 | 1 | 672 | \$0.62 | \$415 | 50% |
| 2 | 2 | G | 8 | 1 | 920 | \$0.65 | \$599 | 60% |
| 2 | 2 | G | 12 | 1 | 920 | \$0.53 | \$489 | 50% |

14 Pecan Chase Apts.

1.2 miles to site



| | | | |
|-----------------------|---|----------------------------|--------|
| Address | 201 Pecan Chase Rd. Waynesboro, GA 30830 | | |
| Phone | (706) 554-0770 | Contact | Debbie |
| Total Units | 35 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Tax Credit | | |
| Year Open | 1997 | Floors | 1,2 |
| Concessions | No Rent Specials | | |
| Parking | Surface Parking | | |
| Waiting List | 14 households | | |
| Quality Rating | B+ | Neighborhood Rating | B |
| Remarks | 30% & 60% AMHI; HCV (1 unit) | | |

Features and Utilities

| | |
|--------------------------|---|
| Utilities | Landlord pays Water, Sewer, Trash |
| Unit Amenities | Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, Exterior Storage |
| Project Amenities | On-site Management, Laundry Facility, Meeting Room, Playground, Computer Lab, Picnic Area |

Unit Configuration

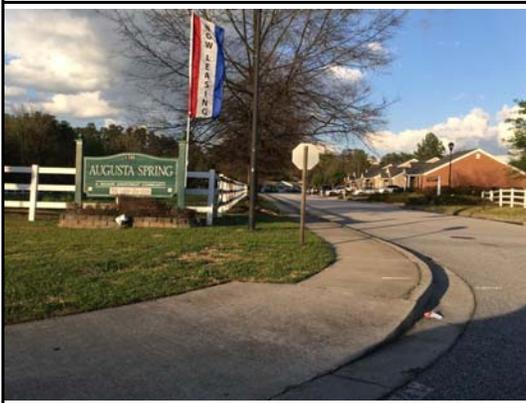
| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|------------|----------------|------|
| 1 | 1 | G | 3 | 0 | 756 | \$0.54 | \$408 | 60% |
| 2 | 1 | G | 5 | 0 | 915 | \$0.50 | \$458 | 60% |
| 2 | 1 | G | 3 | 0 | 915 | \$0.31 | \$284 | 30% |
| 3 | 2 | G | 24 | 0 | 1136 | \$0.42 | \$475 | 60% |

904 Augusta Spring II

28.1 miles to site



| | | | |
|-----------------------|---|----------------------------|---------|
| Address | 1730 Sibley Rd. Augusta, GA 30909 | | |
| Phone | (706) 733-9200 | Contact | Annette |
| Total Units | 100 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Tax Credit | | |
| Year Open | 2001 | Floors | 1 |
| Concessions | No Rent Specials | | |
| Parking | On Street Parking | | |
| Waiting List | 15 households | | |
| Quality Rating | B | Neighborhood Rating | B |
| Remarks | 50% & 60% AMHI; Waitlist shared with ph I | | |



Features and Utilities

| | |
|--------------------------|--|
| Utilities | Landlord pays Electric, Electric Heat, Electric HotWater, for Cooking Heat, Water, Sewer, Trash |
| Unit Amenities | Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, E-Call Button |
| Project Amenities | On-site Management, Laundry Facility, Club House, Fitness Center, Picnic Area |

Unit Configuration

| BRs | BA's | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|------|------|-------|--------|-------------|------------|----------------|------|
| 1 | 1 | G | 6 | 0 | 660 | \$1.06 | \$697 | 60% |
| 1 | 1 | G | 4 | 0 | 660 | \$0.88 | \$581 | 50% |
| 2 | 1 | G | 53 | 0 | 840 | \$1.00 | \$837 | 60% |
| 2 | 1 | G | 37 | 0 | 840 | \$0.83 | \$697 | 50% |

906 Terrace at Edinburgh

26.7 miles to site



| | | | |
|-----------------------|--|----------------------------|--------|
| Address | 2515 Kennedy Dr. Augusta, GA 30909 | | |
| Phone | (706) 504-9114 | Contact | Robin |
| Total Units | 72 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Tax Credit | | |
| Year Open | 2010 | Floors | 1 |
| Concessions | No Rent Specials | | |
| Parking | Surface Parking | | |
| Waiting List | 30 households | | |
| Quality Rating | B+ | Neighborhood Rating | B |
| Remarks | 50% & 60% AMHI; Accepts HCV; Unit mix & square footage estimated | | |

Features and Utilities

| | |
|--------------------------|---|
| Utilities | Landlord pays Trash |
| Unit Amenities | Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, E-Call Button |
| Project Amenities | On-site Management, Laundry Facility, Fitness Center, Storage, Computer Lab, Picnic Area, Community Garden |

Unit Configuration

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$/SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|----------|----------------|------|
| 1 | 1 | G | 9 | 0 | 650 | \$0.77 | \$500 | 60% |
| 1 | 1 | G | 9 | 0 | 650 | \$0.59 | \$386 | 50% |
| 2 | 2 | G | 20 | 0 | 850 | \$0.68 | \$576 | 60% |
| 2 | 2 | G | 34 | 0 | 850 | \$0.53 | \$453 | 50% |

908 Horizon Senior Village

32.2 miles to site



| | | | |
|-----------------------|---|----------------------------|--------|
| Address | 5335 Wrightsboro Rd. Grovetown, GA 30813 | | |
| Phone | (706) 860-1408 | Contact | Nicole |
| Total Units | 68 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Tax Credit | | |
| Year Open | 2015 | Floors | 1 |
| Concessions | No Rent Specials | | |
| Parking | Surface Parking | | |
| Waiting List | 3 years | | |
| Quality Rating | A | Neighborhood Rating | B+ |
| Remarks | 50% & 60% AMHI; HCV (8 units); 2-br have patio/balcony | | |

Features and Utilities

| | |
|--------------------------|--|
| Utilities | Landlord pays Trash |
| Unit Amenities | Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Wood Flooring, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan |
| Project Amenities | On-site Management, Laundry Facility, Meeting Room, Fitness Center, Computer Lab, Social Services, Community Garden; Gazebo |

Unit Configuration

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|------------|----------------|------|
| 1 | 1 | G | 19 | 0 | 734 | \$0.56 | \$414 | 60% |
| 1 | 1 | G | 8 | 0 | 734 | \$0.53 | \$389 | 50% |
| 2 | 2 | G | 34 | 0 | 934 | \$0.60 | \$563 | 60% |
| 2 | 2 | G | 7 | 0 | 934 | \$0.51 | \$475 | 50% |

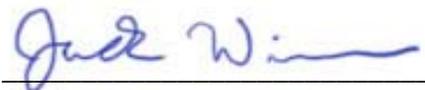
Addendum C – NCHMA Member Certification & Checklist

This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Bowen National Research is duly qualified and experienced in providing market analysis for housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.



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Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com>.

Market Study Index

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

| | | Section (s) |
|---------------------------------|---|-------------|
| Executive Summary | | |
| 1. | Executive Summary | A |
| Project Description | | |
| 2. | Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances | B |
| 3. | Utilities (and utility sources) included in rent | B |
| 4. | Project design description | B |
| 5. | Unit and project amenities; parking | B |
| 6. | Public programs included | B |
| 7. | Target population description | B |
| 8. | Date of construction/preliminary completion | B |
| 9. | If rehabilitation, existing unit breakdown and rents | B |
| 10. | Reference to review/status of project plans | N/A |
| Location and Market Area | | |
| 11. | Market area/secondary market area description | D |
| 12. | Concise description of the site and adjacent parcels | C |
| 13. | Description of site characteristics | C |
| 14. | Site photos/maps | C |
| 15. | Map of community services | C |
| 16. | Visibility and accessibility evaluation | C |
| 17. | Crime Information | C |

CHECKLIST (Continued)

| | | Section (s) |
|------------------------------------|---|----------------|
| Employment and Economy | | |
| 18. | Employment by industry | F |
| 19. | Historical unemployment rate | F |
| 20. | Area major employers | F |
| 21. | Five-year employment growth | F |
| 22. | Typical wages by occupation | F |
| 23. | Discussion of commuting patterns of area workers | F |
| Demographic Characteristics | | |
| 24. | Population and household estimates and projections | E |
| 25. | Area building permits | H |
| 26. | Distribution of income | E |
| 27. | Households by tenure | E |
| Competitive Environment | | |
| 28. | Comparable property profiles | Addendum B |
| 29. | Map of comparable properties | H |
| 30. | Comparable property photographs | H |
| 31. | Existing rental housing evaluation | H |
| 32. | Comparable property discussion | H |
| 33. | Area vacancy rates, including rates for Tax Credit and government-subsidized | H |
| 34. | Comparison of subject property to comparable properties | H |
| 35. | Availability of Housing Choice Vouchers | H |
| 36. | Identification of waiting lists | H |
| 37. | Description of overall rental market including share of market-rate and affordable properties | H |
| 38. | List of existing LIHTC properties | H |
| 39. | Discussion of future changes in housing stock | H |
| 40. | Discussion of availability and cost of other affordable housing options including homeownership | H |
| 41. | Tax Credit and other planned or under construction rental communities in market area | H |
| Analysis/Conclusions | | |
| 42. | Calculation and analysis of Capture Rate | G |
| 43. | Calculation and analysis of Penetration Rate | N/A |
| 44. | Evaluation of proposed rent levels | H & Addendum E |
| 45. | Derivation of Achievable Market Rent and Market Advantage | Addendum E |
| 46. | Derivation of Achievable Restricted Rent | N/A |
| 47. | Precise statement of key conclusions | A |
| 48. | Market strengths and weaknesses impacting project | A |
| 49. | Recommendations and/or modification to project discussion | K |
| 50. | Discussion of subject property's impact on existing housing | H |
| 51. | Absorption projection with issues impacting performance | I |
| 52. | Discussion of risks or other mitigating circumstances impacting project projection | A |
| 53. | Interviews with area housing stakeholders | J |

CHECKLIST (Continued)

| Other Requirements | | Section (s) |
|---------------------------|--|--------------------|
| 54. | Preparation date of report | Title Page |
| 55. | Date of Field Work | Addendum A |
| 56. | Certifications | L |
| 57. | Statement of qualifications | N |
| 58. | Sources of data not otherwise identified | Addendum D |
| 59. | Utility allowance schedule | Addendum A |

Addendum D – Methodologies, Disclaimers & Sources

1. PURPOSE

The purpose of this report is to evaluate the market feasibility of a Low-Income Housing Tax Credit (LIHTC) project to be developed in Waynesboro, Georgia by Waynesboro Senior Homes II, LP (developer).

This market feasibility analysis complies with the requirements established by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority (GDCA/GHFA) and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects, and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

2. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the subject project is identified. The PMA is generally described as the smallest geographic area from which most of the support for the subject project originates. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in the socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors, including, but not limited to:

- A detailed demographic and socioeconomic evaluation
- Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
- A drive-time analysis for the site
- Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the subject development. An in-depth evaluation of these two property types provides an indication of the potential of the subject development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the subject property renovations are complete and after it achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of the properties that might be planned or proposed for the area that will have an impact on the marketability of the subject development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- An analysis of the subject project's market capture of income-appropriate renter households within the PMA is conducted. This analysis follows GDCA's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the subject development's capture rate is achievable.
- Achievable market rent for the subject development is determined. Using a Rent Comparability Grid, the features of the subject development are compared item by item to the most comparable properties in the market. Adjustments are made for each feature that differs from that of the subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the subject unit. This analysis is done for each bedroom type offered at the site.

Please note that non-numbered items in this report are not required by GDCA; they have been included, however, based on Bowen National Research's opinion that it is necessary to consider these details to effectively address the continued market feasibility of the subject project.

3. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, Bowen National Research makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions or conclusions in, or the use of, this study.

Any reproduction or duplication of this report without the expressed approval of Bowen National Research is strictly prohibited.

4. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- Urban Decision Group (UDG)
- ESRI
- Area Chamber of Commerce
- Georgia Department of Community Affairs
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives

Addendum E – Achievable Market Rent Analysis

A. INTRODUCTION

We identified two market-rate properties within the Waynesboro Site PMA that we consider most comparable to the proposed subject development. Due to the lack of market-rate rental housing within the Waynesboro Site PMA, we identified three additional market-rate properties outside of the market, but within the region in Augusta and Grovetown that we consider comparable in terms of unit and project amenities to the proposed subject development. Note that adjustments for the differences between the Waynesboro market and the Augusta and Grovetown markets have been made. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, midrise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

The proposed subject development and the five selected properties include the following:

| Map I.D. | Project Name | Year Built | Total Units | Occ. Rate | Unit Mix (Occupancy Rate) | |
|----------|-----------------------------------|-------------|-------------|-----------|---------------------------|-----------------|
| | | | | | One-Br. | Two-Br. |
| Site | Waynesboro Senior Homes II | 2020 | 43 | - | 38 (-) | 5 (-) |
| 4 | 945 U.S. Hwy. 25 | 1992 | 10 | 90.0% | - | 10 (90.0%) |
| 11 | Neely Place | 2002 | 8 | 100.0% | - | 8 (100.0%) |
| 905 | Linden Square Apts. | 2003 | 10* | 100.0% | 8 (100.0%) | 2 (100.0%) |
| 910 | Sterlington | 2012 | 121 | 100.0% | 31 (100.0%) | 90 (100.0%) |
| 911 | Walker Estates Apts. | 2016 | 252 | 99.2% | 101 (100.0%) | 151 (98.7%) |

Occ. – Occupancy

900 series Map IDs are located outside of Site PMA

*Market-rate units only

The five selected market-rate projects have a combined total of 401 units with an overall occupancy rate of 99.3%, a very strong rate for rental housing. This indicates that these projects have been well received within the market and region and will serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the proposed subject development.

Rent Comparability Grid

Unit Type →

ONE BEDROOM

| <i>Subject</i> | | <i>Comp #1</i> | | <i>Comp #2</i> | | <i>Comp #3</i> | | <i>Comp #4</i> | | <i>Comp #5</i> | |
|----------------------------|------------------------------------|------------------|---------------|--------------------|---------------|---------------------------------|---------------|------------------|---------------|------------------------|---------------|
| Waynesboro Senior Homes II | | 945 U.S. Hwy. 25 | | Neely Place | | Linden Square Apts. | | Sterlington | | Walker Estates Apts. | |
| 830 Academy Avenue | | 945 U.S. Hwy. 25 | | 127-173 Neely Cir. | | 1425 Lee Beard Wy. | | 205 Woodward Dr. | | 3731 Peach Orchard Rd. | |
| Waynesboro, GA | | Waynesboro, GA | | Waynesboro, GA | | Augusta, GA | | Grovetown, GA | | Augusta, GA | |
| A. | Rents Charged | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$650 | | \$750 | | \$625 | | \$790 | | \$735 | |
| 2 | Date Surveyed | Mar-18 | | Mar-18 | | Mar-18 | | Mar-18 | | Apr-18 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 90% | | 100% | | 100% | | 100% | | 100% | |
| 5 | Effective Rent & Rent/ sq. ft | \$650 | 0.59 | \$750 | 1.03 | \$625 | 0.94 | \$790 | 1.09 | \$735 | 1.05 |
| B. | Design, Location, Condition | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | R/1 | | R/1 | | EE/2 | | WU/1,2 | | WU/3 | |
| 7 | Yr. Built/Yr. Renovated | 2020 | \$28 | 2002 | \$18 | 2003 | \$17 | 2012 | \$8 | 2016 | \$4 |
| 8 | Condition/Street Appeal | E | | G | \$15 | G | \$15 | G | \$15 | G | \$15 |
| 9 | Neighborhood | G | | G | | F | \$10 | G | | G | |
| 10 | Same Market? | Yes | | Yes | | No | (\$125) | No | (\$198) | No | (\$147) |
| C. | Unit Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 1 | (\$50) | 2 | (\$50) | 1 | | 1 | | 1 | |
| 12 | # Baths | 1 | (\$30) | 2 | (\$30) | 1 | | 1 | | 1 | |
| 13 | Unit Interior Sq. Ft. | 614 | (\$110) | 725 | (\$25) | 663 | (\$11) | 725 | (\$25) | 700 | (\$20) |
| 14 | Balcony/Patio | N | (\$5) | Y | (\$5) | Y | (\$5) | Y | (\$5) | Y | (\$5) |
| 15 | AC: Central/Wall | C | | C | | C | | C | | C | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/Dishwasher | Y/Y | \$5 | N/Y | \$5 | N/Y | \$5 | N/Y | \$5 | Y/Y | |
| 18 | Washer/Dryer | W/D | \$25 | HU | \$40 | HU/L | \$25 | HU | \$25 | L | \$35 |
| 19 | Floor Coverings | V | | C | | V | | C | | C | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Secured Entry | N | | N | | N | | N | | N | |
| 22 | Garbage Disposal | Y | \$5 | N | \$5 | Y | | Y | | Y | |
| 23 | Ceiling Fans/E-Call System | Y/Y | \$10 | N/N | \$10 | N/Y | \$5 | Y/N | \$5 | Y/N | \$5 |
| D. | Site Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | |
| 25 | On-Site Management | Y | \$5 | N | \$5 | Y | | Y | | Y | |
| 26 | Security Features | N | | N | | Y | (\$5) | N | | N | |
| 27 | Community Space | Y | \$5 | N | \$5 | Y | | N | \$5 | N | \$5 |
| 28 | Pool/Recreation Areas | G | \$3 | N | \$3 | F/BS | (\$5) | P | (\$7) | P/F | (\$12) |
| 29 | Computer/Business Center | N | | N | | Y | (\$3) | N | | N | |
| 30 | Picnic Area/Storage | Y/N | \$3 | N/N | \$3 | Y/N | | N/N | \$3 | Y/N | |
| 31 | Library | N | | N | | N | | N | | N | |
| 32 | Social Services | N | | N | | Y | (\$10) | N | | N | |
| E. | Utilities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/Sewer | N/N | (\$38) | Y/Y | (\$38) | Y/Y | (\$38) | N/N | | Y/Y | (\$38) |
| 39 | Trash/Recycling | Y/N | \$15 | N/N | \$15 | Y/N | | Y/N | | Y/N | |
| F. | Adjustments Recap | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 9 | 4 | 10 | 4 | 6 | 7 | 7 | 4 | 5 | 4 |
| 41 | Sum Adjustments B to D | \$89 | (\$195) | \$109 | (\$110) | \$77 | (\$164) | \$66 | (\$235) | \$64 | (\$184) |
| 42 | Sum Utility Adjustments | \$15 | (\$38) | \$15 | (\$38) | | (\$38) | | | | (\$38) |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | (\$129) | \$337 | (\$24) | \$272 | (\$125) | \$279 | (\$169) | \$301 | (\$158) | \$286 |
| G. | Adjusted & Market Rents | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$521 | | \$726 | | \$500 | | \$621 | | \$577 | |
| 45 | Adj Rent/Last rent | | 80% | | 97% | | 80% | | 79% | | 79% |
| 46 | Estimated Market Rent | \$580 | | \$0.94 | | ← Estimated Market Rent/ Sq. Ft | | | | | |

Rent Comparability Grid

Unit Type →

TWO BEDROOM

| <i>Subject</i> | | <i>Comp #1</i> | | <i>Comp #2</i> | | <i>Comp #3</i> | | <i>Comp #4</i> | | <i>Comp #5</i> | |
|----------------------------|------------------------------------|------------------|---------------|---------------------------------|---------------|---------------------|---------------|------------------|---------------|------------------------|---------------|
| Waynesboro Senior Homes II | | 945 U.S. Hwy. 25 | | Neely Place | | Linden Square Apts. | | Sterlington | | Walker Estates Apts. | |
| 830 Academy Avenue | | 945 U.S. Hwy. 25 | | 127-173 Neely Cir. | | 1425 Lee Beard Wy. | | 205 Woodward Dr. | | 3731 Peach Orchard Rd. | |
| Waynesboro, GA | | Waynesboro, GA | | Waynesboro, GA | | Augusta, GA | | Grovetown, GA | | Augusta, GA | |
| A. | Rents Charged | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$650 | | \$750 | | \$745 | | \$880 | | \$805 | |
| 2 | Date Surveyed | Mar-18 | | Mar-18 | | Mar-18 | | Mar-18 | | Apr-18 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 90% | | 100% | | 100% | | 100% | | 99% | |
| 5 | Effective Rent & Rent/ sq. ft | \$650 | 0.59 | \$750 | 1.03 | \$745 | 0.84 | \$880 | 0.89 | \$805 | 0.84 |
| B. | Design, Location, Condition | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | R/1 | | R/1 | | EE/2 | | WU/1,2 | | WU/3 | |
| 7 | Yr. Built/Yr. Renovated | 2020 | \$28 | 2002 | \$18 | 2003 | \$17 | 2012 | \$8 | 2016 | \$4 |
| 8 | Condition/Street Appeal | E | | G | \$15 | G | \$15 | G | \$15 | G | \$15 |
| 9 | Neighborhood | G | | G | | F | \$10 | G | | G | |
| 10 | Same Market? | Yes | | Yes | | No | (\$149) | No | (\$220) | No | (\$161) |
| C. | Unit Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 2 | | 2 | | 2 | | 2 | | 2 | |
| 12 | # Baths | 2 | | 2 | | 1 | \$30 | 2 | | 1 | \$30 |
| 13 | Unit Interior Sq. Ft. | 854 | (\$51) | 725 | \$27 | 890 | (\$7) | 985 | (\$27) | 960 | (\$22) |
| 14 | Balcony/Patio | N | (\$5) | Y | (\$5) | Y | (\$5) | Y | (\$5) | Y | (\$5) |
| 15 | AC: Central/Wall | C | | C | | C | | C | | C | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/Dishwasher | Y/Y | \$5 | N/Y | \$5 | N/Y | \$5 | N/Y | \$5 | Y/Y | |
| 18 | Washer/Dryer | W/D | \$25 | N | \$40 | HU/L | \$25 | HU | \$25 | L | \$35 |
| 19 | Floor Coverings | V | | V | | C | | C | | C | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Secured Entry | N | | N | | N | | N | | N | |
| 22 | Garbage Disposal | Y | \$5 | N | \$5 | Y | | Y | | Y | |
| 23 | Ceiling Fans/E-Call System | Y/Y | \$10 | N/N | \$10 | N/Y | \$5 | Y/N | \$5 | Y/N | \$5 |
| D | Site Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | |
| 25 | On-Site Management | Y | \$5 | N | \$5 | Y | | Y | | Y | |
| 26 | Security Features | N | | N | | Y | (\$5) | N | | N | |
| 27 | Community Space | Y | \$5 | N | \$5 | Y | | N | \$5 | N | \$5 |
| 28 | Pool/Recreation Areas | G | \$3 | N | \$3 | F/BS | (\$5) | P | (\$7) | P/F | (\$12) |
| 29 | Computer/Business Center | N | | N | | Y | (\$3) | N | | N | |
| 30 | Picnic Area/Storage | Y/N | \$3 | N/N | \$3 | Y/N | | N/N | \$3 | Y/N | |
| 31 | Library | N | | N | | N | | N | | N | |
| 32 | Social Services | N | | N | | Y | (\$10) | N | | N | |
| E. | Utilities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/Sewer | N/N | (\$47) | Y/Y | (\$47) | Y/Y | (\$47) | N/N | | Y/Y | (\$47) |
| 39 | Trash/Recycling | Y/N | \$15 | N/N | \$15 | Y/N | | Y/N | | Y/N | |
| F. | Adjustments Recap | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 9 | 2 | 11 | 1 | 7 | 7 | 7 | 4 | 6 | 4 |
| 41 | Sum Adjustments B to D | \$89 | (\$56) | \$136 | (\$5) | \$107 | (\$184) | \$66 | (\$259) | \$94 | (\$200) |
| 42 | Sum Utility Adjustments | \$15 | (\$47) | \$15 | (\$47) | | (\$47) | | | | (\$47) |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$1 | \$207 | \$99 | \$203 | (\$124) | \$338 | (\$193) | \$325 | (\$153) | \$341 |
| G. | Adjusted & Market Rents | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$651 | | \$849 | | \$621 | | \$687 | | \$652 | |
| 45 | Adj Rent/Last rent | | 100% | | 113% | | 83% | | 78% | | 81% |
| 46 | Estimated Market Rent | \$700 | \$0.82 | ← Estimated Market Rent/ Sq. Ft | | | | | | | |

Once all adjustments to collected rents were made, the adjusted rents for each comparable were used to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are \$580 for a one-bedroom unit and \$700 for a two-bedroom unit, which are illustrated as follows:

| Bedroom Type | Proposed Collected Rent | % AMHI | Achievable Market Rent | Market Rent Advantage |
|--------------|-------------------------|--------|------------------------|-----------------------|
| One-Br. | \$423 | 50% | \$580 | 27.1% |
| | \$478 | 60% | | 17.6% |
| | \$530 | MR | | 8.6% |
| Two-Br. | \$493 | 50% | \$700 | 29.6% |
| | \$583 | 60% | | 16.7% |
| | \$680 | MR | | 2.9% |

MR – Market-Rate

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will have a sufficient flow of tenants. Considering that the proposed subject Tax Credit rents represent market rent advantages ranging between 16.7% and 29.6%, they will likely be viewed as excellent values within the Site PMA. The proposed market-rate rents will likely also be viewed as good values, as they represent market rent advantages between 2.9% and 8.6%, depending upon unit type. These factors are considered in our absorption rate estimates.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1992 and 2016. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.
8. It is anticipated that the proposed subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.

9. One of the selected comparable properties, Linden Square Apartments (Comp #3) is located in a neighborhood considered to be less desirable than that of the subject project. As such, a positive adjustment has been applied to this property to account for the differences in neighborhood quality.
10. As previously stated, three of the selected properties are located outside of the Waynesboro Site PMA in Augusta and Grovetown. The Augusta and Grovetown markets are much larger than Waynesboro in terms of population, community services and apartment selection. Given the differences in markets, the rents that are achievable in Augusta and Grovetown will not directly translate to the Waynesboro market. Therefore, we have adjusted the collected rents at the two comparable projects in Augusta by approximately 20.0% and the one comparable project in Grovetown by approximately 25.0% to account for market differences.
11. We have made adjustments for the differences in the number of bedrooms offered at the selected market-rate projects due to the fact that not all of the selected properties offer one-bedroom units. A conservative adjustment of \$50 per bedroom was used to reflect this difference.
12. There is a variety of the number of bathrooms offered at each of the selected property's two-bedroom units. We have made adjustments of \$30 per full bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25.0% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package superior to those offered at the selected properties. We have made adjustments for features lacking at the selected properties.
- 24.-32. The proposed project will offer a project amenities package generally superior to those offered at the selected properties. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.