

**A MARKET CONDITIONS AND
PROJECT EVALUATION SUMMARY**

OF:

**EAST
ORCHARD
FAMILY
APARTMENTS**

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

EAST ORCHARD FAMILY APARTMENTS

110 Nancy Drive
Hartwell, Hart County, Georgia 30643

Effective Date: May 13, 2021
Report Date: May 19, 2021

Prepared for:
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TISHCO Development, LLC
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Valdosta, GA 31601

Prepared by:
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May 19, 2021

Mr. Steve Johnson
TISHCO Development, LLC
314 N Patterson Street
Valdosta, GA 31601

Re: Application Market Study for East Orchard Family Apartments, located in Hartwell, Hart County, Georgia

Dear Mr. Johnson:

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

The purpose of this market study is to assess the viability of the LIHTC rehabilitation of East Orchard Family Apartments (Subject), an existing 24-unit family USDA Rural Development (RD) property. The Subject offers 24 revenue generating one, two, and three-bedroom units. Following renovation using the LIHTC program, 23 of the units at the property will be restricted to households earning 50 and 60 percent of the Area Median Income (AMI) or less. The remaining unit will be a non-revenue generating manager's unit. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

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

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

Novogradac Consulting LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA).

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

MR. STEVE JOHNSON
TISHCO DEVELOPMENT, LLC
MAY 19, 2021

guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

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

The COVID-19 coronavirus has caused an international pandemic and we have seen governments across the globe take dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. These efforts resulted in extensive impacts to economic activity. However, governments also implemented significant economic stimulus packages to help with the economic disruption.

- 1) *Clients and market participants throughout the country report May 2020 through May 2021 collections that were better than expected for all types of multifamily properties. According to a report from the National Multifamily Housing Council, May 2021 rent collections decreased by 0.1 percentage points year-over-year from May 2020. Note that the apartments in this sample are market rate apartments in multifamily buildings and do not include affordable units. Through May 6, 2021, 80.0 percent of households made full or partial rent payments for May, according to the National Multifamily Housing Council. Although one-in-five renters did not pay their rent in the first week of the month, the majority of these missed payments are made up with late payments by the end of the month. A significant change in the market is not yet discernible and we continue to be relatively optimistic about the market's ability to weather the current economic storm.*
- 2) *Based upon various conversations with market participants and published articles and webinars many believe that multifamily real estate will be impacted but significantly less so than other sectors. Further, the impact is expected be shorter lived. Many view multifamily as a safer haven during this period of uncertainty. The Subject will not be completed until August 2023, at which point the market is expected to be stabilized or have less uncertainty.*
- 3) *States are starting to plan the reopening over the next several weeks to months and the state of Georgia has begun to ease social distancing requirements at its restaurants, gyms, and other indoor venues as of May 2021. Governor Brian Kemp issued a new order in late April which further rolled back the few remaining restrictions. Effective May 1, 2021, social distancing will be "strongly encouraged" instead of required. Tables no longer need to be spaced out at restaurants and bars, and workers no longer need to wear masks. Specific requirements for gyms, movie theaters and salons, and other industries, were lifted. However, return to full economic potential is unlikely while the global health crisis continues. The Subject is scheduled to be complete in August 2023, which is considered outside the primary window of the pandemic.*
- 4) *As of December 2020, unemployment is at 6.5 percent nationally. Historically, the SMA has generally outpaced the nation in terms of employment growth and trailed nation in terms of the unemployment rate. The impacts of the COVID-19 pandemic and associated economic downturn appear to have impacted the SMA as total employment contracted by 3.8 percent and the unemployment rate increased by 2.7 percentage points to 5.4 percent since December 2019, which is less than the nationwide employment contraction (5.6 percent) and below the increase in the unemployment rate (3.1 percent). Overall, the local economy has been impacted by the COVID-19 pandemic. However, nationwide, state, and city*

assistance programs both for employees and businesses have reportedly and are expected to continue to mitigate these impacts.

- 5) The impact of COVID-19 broadly on apartment operations in this market does not appear to have been significant as of the date of this report. Ten of the eleven surveyed property managers reported that market demand has not softened as a result of the COVID-19 pandemic and state and local stay-at-home orders. Olde Town At Bailey Court reported a slight increase in leasing pace during the COVID-19 pandemic, as the time required to turn units has increased during this time. However, none of the remaining comparable properties reported a similar trend. The long-term impacts of COVID-19 on this market are yet to be seen; however, in the short-term the impact has been minimal.*
- 6) In March 2020, congress passed a \$2 trillion stimulus bill to respond to the coronavirus pandemic, with cash and assistance for Americans, and small businesses impacted by the virus. In December 2020, congress passed a \$900 billion stimulus bill in further response to the coronavirus pandemic. In March 2021, the Senate passed a third stimulus bill. This \$1.9 trillion stimulus bill includes \$1,400 checks to low and middle income families, additional unemployment aid, investment in transit, schools, hospitals, funding for infrastructure and assistance with child care.*

All of the comparable properties were interviewed since April of 2021. Property managers generally reported that market demand has not softened as a result of the COVID-19 pandemic and state and local stay-at-home orders. Overall, we did not experience significant barriers to local data collection as a result of the pandemic and we believe the quality of data collected in this report supports the credibility of our conclusions.

MR. STEVE JOHNSON
TISHCO DEVELOPMENT, LLC
MAY 19, 2021

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

Respectfully submitted,
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B. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

East Orchard Family Apartments is an existing family property located at 110 Nancy Drive in Hartwell, Hart County, Georgia 30643, which consists of four, one and two-story, townhome-style residential buildings.

The following table illustrates the proposed unit mix.

PROPOSED RENTS									
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents		
				@50%					
2BR / 1BA	855	5	\$540	\$131	\$671	\$701	\$667		
				@60%					
1BR / 1BA	658	6	\$475	\$115	\$590	\$700	\$506		
2BR / 1BA	855	11	\$540	\$131	\$671	\$841	\$667		
3BR / 1BA	905	1	\$565	\$186	\$751	\$972	\$831		
				<i>Non-Rental</i>					
3BR / 1BA	905	1	\$0	\$0	\$0	\$0	\$831		
		24							

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

The proposed rents for the Subject’s units at the 50 and 60 percent of AMI level are below the maximum allowable rents. The Subject will offer slightly inferior to slightly superior in-unit amenities in comparison to the LIHTC and market rate comparable properties as it will offer exterior storage and balconies/patios, which some of the comparables lack, though the Subject will not offer in-unit washers/dryers, which one of the comparables offers. The Subject will offer inferior to similar property amenities in comparison to the LIHTC and market rate comparable properties as it will offer a business center, which some of the comparables lack, though it will not offer an exercise facility or swimming pool, which many of the comparables offer. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

2. Site Description/Evaluation

The Subject site is located on the south side of Nancy Drive and the west side of Ridge Road. The Subject site has good visibility and accessibility from Nancy Drive and Ridge Road. Surrounding uses consist of commercial, single-family uses, and multifamily developments, as well as vacant land. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 25 out of 100. Crime indices in the Subject’s area are below the SMA and the nation. The Subject site is considered a desirable building site for rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within 1.0 mile of the Subject site.

3. Market Area Definition

The PMA is defined by the South Carolina state border to the north and east, Anderson Highway and Bowman Highway to the south, and State Route 17 to the west. This area includes portions of the City of Hartwell and portions of the Cities of Lavonia and Royston. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 9 miles

East: 7 miles
South: 14 miles
West: 12 miles

The PMA is defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Many property managers indicated that a significant portion of their tenants come from within the Hart County area though some come from out of state. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2021 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 14 miles. The SMA (Secondary Market Area) is defined as Hart, Elbert, Madison, Franklin, and Stephens Counties in Georgia, and Anderson County in South Carolina. The SMA encompasses 2,123 square miles.

4. Community Demographic Data

Between 2010 and 2020 there was approximately 0.6 percent annual population growth in the PMA, which lagged both the SMA and national population growth. Over the next five years, population growth in the PMA is projected to increase at a 0.5 percent annual rate, which lags the SMA and national projections. The current population of the PMA is 32,156 and is expected to be 33,038 in 2025. The current number of households in the PMA is 13,034 and is expected to be 13,416 in 2025. Renter households are concentrated in the lowest income cohorts, with 21.6 percent of renters in the PMA earning between \$20,000 and \$39,999 annually. The Subject will target households earning between \$23,006 and \$40,380 for its LIHTC units. Therefore, the Subject should be well-positioned to service this market. Overall, the projected growth in the population and households along with the high concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

5. Economic Data

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and retail trade industries, which collectively comprise 50.5 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. This has been evident during the COVID-19 pandemic. The manufacturing industry has experienced a negative impact on demand, production, and revenues over the past several months. Many manufacturing jobs are on-site and cannot be carried out remotely. Additionally, slowed economic activity as a result of the shutdown has reduced demand for industrial products in the United States and globally. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing, agriculture/forestry/fishing/hunting, and retail trade industries. Conversely, the PMA is underrepresented in the professional/scientific/technical services, accommodation/food services, and finance/insurance industries.

Prior to the national recession, average employment growth in the SMA generally trailed the nation. Annual job growth in the SMA lagged the nation in all but one year between 2005 and 2007. The effects of the recession were particularly pronounced in the SMA, which suffered a 10.4 percent contraction in employment (2008-2010), well above the 4.9 percent contraction reported by the nation as a whole (2007-2010). Employment in the SMA recovered and surpassed pre-recessionary levels in 2018, four years after the overall nation. Due to the COVID-19 pandemic, employment totals in the 12-month period prior to December 2020 saw a significant decrease of 3.8 percent, compared to a decrease of 5.6 percent experienced by the nation over the same length of time. Employment growth is expected to be limited in the coming months as a result of the COVID-19 pandemic. As of May 2021, Governor Brian Kemp issued a new order in late April which further rolled back the few remaining restrictions. Effective May 1, 2021, social distancing will be "strongly encouraged" instead of required. Tables no longer need to be spaced out at restaurants and bars, and workers

no longer need to wear masks. Specific requirements for gyms, movie theaters and salons, and other industries, were lifted. However, return to full economic potential is unlikely while the global health crisis continues.

The SMA experienced a higher average unemployment rate relative to the overall nation during the years preceding the recession. The effects of the recession were more pronounced in the SMA, which experienced a 6.0 percentage point increase in unemployment, compared to only a 5.0 percentage point increase across the overall nation. Since 2012, the SMA generally experienced a higher unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the SMA is 5.4 percent, lower than the current national unemployment rate of 6.5 percent. As a result of the COVID- 19 pandemic and stay-at-home orders, record national unemployment claims began in March 2020 and will likely continue in the near future. We anticipate the unemployment rate in the SMA will remain elevated in the coming months.

Beginning in March 2020, the international pandemic caused by the COVID-19 coronavirus resulted in governments across the globe taking dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. Consequently, over the past year there has been a sharp and dramatic increase in layoffs due to the economic restrictions related to the emergency response. Governments have passed significant economic stimulus packages to help in offsetting the economic impact. Local governments have begun to lift or loosen restrictions and the stimulus passed thus far has blunted some of the impact from the emergency measures. It remains unclear as to how these measures will impact the housing market long term. However, based on the data available through 12 months, which indicates some multifamily real estate transactions have continued to close without repricing and rent collection losses during this period have declined less than projected, the governmental response has offset a significant portion of the economic losses presented by the emergency. There is evidence that, despite the significant level of recent layoffs, many other area employers are hiring. Overall, we anticipate that the elevated layoff pace will subside now that economic restrictions have been loosened in the Subject's market area though a return to full economic potential is unlikely while the global health crisis continues. We believe that the Subject's affordable operations will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments).

6. Affordability and Demand Analysis

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
1BR at 60% AMI	\$20,229	\$29,880	6	144	0	144	4.2%	\$475
2BR at 50% AMI	\$23,006	\$28,050	5	49	0	49	10.2%	\$540
2BR at 60% AMI	\$23,006	\$33,660	11	146	0	146	7.5%	\$540
2BR Overall	\$23,006	\$33,660	16	146	0	146	11.0%	-
3BR at 60% AMI	\$25,749	\$40,380	1	80	0	80	1.2%	\$565
@50% Overall	\$23,006	\$28,050	5	49	0	49	10.2%	-
@60% Overall	\$20,229	\$40,380	18	370	0	370	4.9%	-
Overall	\$20,229	\$40,380	23	370	0	370	6.2%	-

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

7. Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent structure. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eleven “true” comparable properties containing 1,308 units.

The availability of LIHTC data is considered limited; there no existing family LIHTC properties in the PMA. We included six LIHTC and mixed-income properties in our analysis. None of the comparable LIHTC and mixed-income properties are located within the PMA. The LIHTC and mixed-income properties are located between 13.4 and 37.2 miles from the Subject site in the cities of Toccoa, Royston, Commerce, and Cornelia. All of the LIHTC and mixed-income properties are located in similar locations compared to the Subject site in terms of median rent, median household income, and median home value. These properties were built or renovated between 2000 and 2018. These comparables are reasonable proxies for the Subject as they are among the most proximate non-subsidized family LIHTC developments in the area.

The availability of market rate data is also limited. The Subject is located in Hartwell and there are a limited amount of market rate properties in the area. We include five conventional properties in our analysis of the competitive market. All of the market rate properties are located outside of the PMA between 18.8 and 20.3 miles from the Subject site in Anderson, South Carolina. All of the market rate comparables are located in slightly superior locations compared to the Subject site in terms of median rent, median household income, and median home value. These comparables were built or renovated between 2003 and 2019. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on proximity, unit count, and condition.

Of note, despite the challenges in interviewing property managers in-person due to the office restrictions related to COVID-19, we were able to personally interview all of the comparables utilized in this report over the phone. All of the comparable properties were interviewed since April 2021. Ten of the eleven surveyed property managers reported that market demand has not softened as a result of the COVID-19 pandemic and state and local stay-at-home orders. Olde Town At Bailey Court reported a slight decrease in leasing pace during the COVID-19 pandemic, as the time required to turn units has increased during this time. However, none of the remaining comparable properties reported a similar trend.

Based on the quality of the surveyed comparable properties and the anticipated quality of the Subject, we conclude that the Subject’s proposed LIHTC rental rates are below the achievable market rates for the Subject’s area. The table below illustrates the comparison of the market rents.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR @ 60%	\$475	\$430	\$1,137	\$763	\$750	58%
2BR @ 50%	\$540	\$460	\$1,382	\$835	\$850	57%
2BR @ 60%	\$540	\$517	\$1,382	\$910	\$850	57%
3BR @ 60%	\$565	\$615	\$1,493	\$1,011	\$950	68%

Olde Town At Bailey Court is a market rate property that is located 18.8 miles from the Subject in Anderson, South Carolina, in a slightly superior location in terms of median rent, median household income, and median home value. Olde Town At Bailey Court was built in 1964, renovated in 2003 and exhibits average condition, which is slightly inferior to the anticipated good condition of the Subject upon completion. Olde Town At Bailey Court offers similar property amenities compared to the Subject and slightly inferior in-unit amenities compared to the Subject as it lacks balconies/patios and exterior storage, which the Subject will offer. In terms of unit sizes, Olde Town At Bailey Court is similar to the Subject. Overall, Olde Town At Bailey Court is slightly inferior to the proposed Subject.

The Hamptons is a market rate property that is located 18.7 miles from the Subject in Anderson, South Carolina in a slightly superior location in terms of median rent, median household income, and median home value. The Hamptons was built in 2003 and exhibits average condition, which is slightly inferior to the anticipated good condition of the Subject upon completion. The Hamptons offers superior property amenities when compared to the Subject as it offers an exercise facility and a swimming pool, which the Subject will not offer, though it will not offer a business center, which the Subject will offer. This property offers similar in-unit amenities when compared to the Subject. In terms of unit sizes, The Hamptons is slightly superior to the proposed Subject. Overall, The Hamptons is superior to the Subject, as proposed.

Overall, we believe that the Subject can achieve rents above those currently achieved at Old Town At Bailey Court and below those currently achieved at The Hamptons. Thus, we conclude to market rents of **\$750, \$850, and \$950** for the Subject’s one, two, and three-bedroom units, respectively. The Subject’s proposed LIHTC rents will offer a significant rent advantage ranging from 57 to 68 percent below achievable market rents.

8. Absorption/Stabilization Estimate

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

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Peaks of Cornelia	LIHTC/Market	Family	2018	80	20
Heritage Gardens	LIHTC/Market	Family	2006	80	9
Heather Highlands	LIHTC	Family	2015	40	10

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Overall, the comparables averaged an absorption rate of 13 units per month. We placed the most weight on Peaks of Cornelia as it is the most recently constructed LIHTC property in the area. The Subject is a proposed rehabilitation of an existing 24-unit family USDA Rural Development (RD) property. Post-renovations, all tenants will reportedly continue

to income qualify at the Subject property. Therefore, it is likely there will be minimal turnover post-renovation. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Hartwell, we anticipate that the Subject would experience an absorption pace of 15 units per month, for an absorption period of two to three months if it were hypothetically vacant. It should be noted that rehabilitation on the Subject is not anticipated to be completed until May 2023, which is considered outside of the primary window from the COVID-19 pandemic.

9. Interviews

Interviews with local property managers are included in the profiles in the Existing Competitive Rental Analysis portion of this report.

10. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Management at Heritage Gardens reported that the vacant unit is being processed from the waiting list, consisting of 100 households in length. The remaining LIHTC comparable properties reported full occupancy, and all of the comparables maintain waiting lists ranging from ten to 200 households in length. These factors indicate demand for affordable housing. The Subject will offer slightly inferior to slightly superior in-unit amenities in comparison to the LIHTC and market rate comparable properties as it will offer exterior storage and balconies/patios, which some of the comparables lack, though the Subject will not offer in-unit washers/dryers, which one of the comparables offers. The Subject will offer inferior to similar property amenities in comparison to the LIHTC and market rate comparable properties as it will offer a business center, which some of the comparables lack, though it will not offer an exercise facility or swimming pool, which many of the comparables offer. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered slightly inferior to slightly superior in terms of condition to the majority of the comparable properties. Given the Subject's strong current performance, its anticipated good condition upon completion of renovations, and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible and will perform well. Further, we believe that the Subject's affordable operations will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments). The timing of the Subject's construction will further insulate it from the current COVID-19 pandemic. The Subject is scheduled to be complete in May 2023, which is considered outside the primary window of the pandemic.

EAST ORCHARD FAMILY APARTMENTS- HARTWELL, GEORGIA – MARKET STUDY

Summary Table: (must be completed by the analyst and included in the executive summary)										
Development Name:		East Orchard Family Apartments					Total # Units:			24
Location:		110 Nancy Drive Hartwell, GA 30643					# LIHTC Units:			23
PMA Boundary:		North: the South Carolina state border; South: Anderson Highway and Bowman Highway; East: the South Carolina state border; West: State Route 17								
								Farthest Boundary Distance to Subject:		14 miles
Rental Housing Stock (found on page 61)										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	19	1,595	11	99.3%						
Market-Rate Housing	7	933	4	99.6%						
<i>Assisted/Subsidized Housing not to include LIHTC</i>	10	558	7	98.7%						
LIHTC	2	104	0	100.0%						
Stabilized Comps	19	1,595	11	99.3%						
Properties in Construction & Lease Up	0	0	N/Ap	N/Ap						
*Only includes properties in PMA										
Subject Development					Achievable Market Rent			Highest Unadjusted Comp Rent		
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF	
5	2BR at 50% AMI	1	855	\$540	\$850	\$0.99	57%	\$1,382	\$1.62	
6	1BR at 60% AMI	1	658	\$475	\$750	\$1.14	58%	\$1,137	\$1.73	
11	2BR at 60% AMI	1	855	\$540	\$850	\$0.99	57%	\$1,382	\$1.62	
1	3BR at 60% AMI	1	905	\$565	\$950	\$1.05	68%	\$1,493	\$1.65	
Capture Rates (found on page 59)										
Targeted Population				@50%	@60%	Non-Rental	Market-rate	Other: __	Overall	
Capture Rate:				10.2%	4.9%	-	-	-	6.2%	

*Includes LIHTC and unrestricted (when applicable)

**Not adjusted for demand by bedroom-type.

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

1. **Project Address and Development Location:** The Subject is located at 110 Nancy Drive in Hartwell, Hart County, Georgia 30643.
2. **Construction Type:** The Subject consists of four, one and two-story townhome-style residential buildings. The Subject will be a rehabilitation of an existing property.
3. **Occupancy Type:** Families.
4. **Special Population Target:** None.
5. **Number of Units by Bedroom Type and AMI Level:** See following property profile.
6. **Unit Size, Number of Bedrooms and Structure Type:** See following property profile.
7. **Rents and Utility Allowances:** See following property profile.
8. **Existing or Proposed Project-Based Rental Assistance:** See following property profile.
9. **Proposed Development Amenities:** See following property profile.

EAST ORCHARD FAMILY APARTMENTS– HARTWELL, GEORGIA – MARKET STUDY

East Orchard Family Apartments	
Location	110 Nancy Drive Hartwell, GA 30643 Hart County
Units	24
Type	Townhouse (2 stories)
Year Built / Renovated	1990 / 2023



Market			
Program	@50%, @60%, Non-Rental	Leasing Pace	N/A
Annual Turnover Rate	N/A	Change in Rent (Past Year)	N/A
Units/Month Absorbed	N/A	Concession	N/A
Section 8 Tenants	N/A		

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

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Townhouse (2 stories)	6	658	\$475	\$0	@60%	N/A	N/A	N/A	no	
2	1	Townhouse (2 stories)	5	855	\$540	\$0	@50%	N/A	N/A	N/A	no	
2	1	Townhouse (2 stories)	11	855	\$540	\$0	@60%	N/A	N/A	N/A	no	
3	1	Townhouse (2 stories)	1	905	\$565	\$0	@60%	N/A	N/A	N/A	no	
3	1	Townhouse (2 stories)	1	905	\$0	\$0	Non-Rental	N/A	N/A	N/A	N/A	

Amenities			
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Hand Rails Microwave Oven Refrigerator Washer/Dryer hookup	Security	none
Property	Business Center/Computer Lab Central Laundry Off-Street Parking On-Site Management Picnic Area Playground	Premium	none
Services	none	Other	Pavilion, Gazebo

Comments

This property will consist of four, one and two-story townhome-style residential buildings. The acquisition and rehabilitation is set to begin in March 2022 and to be completed in May 2023. The utility allowances for the one, two, and three-bedroom units are \$115, \$131, and \$186, respectively.

10. Scope of Renovations:

The Subject is existing and will be renovated. Hard costs of renovations are expected to be \$2,684,960 or \$111,873 per unit. The scope of renovations is detailed as follows:

- New microwaves
- New dishwashers
- New central laundry facility
- Addition of handicap accessible entrances
- Addition of site fencing
- Replacement of Mail Kiosk
- Replacement of exterior signs
- Replacement of curbs, gutters, and sidewalks
- Replacement of existing brick point-up
- Replacement of stair stringers, metal decking, handrails, and structural steel
- Replacement of framing, sheathing, and decking
- Replacement of STUCCO siding
- Installation of new vinyl windows
- Replacement of weather stripping
- Replacement of site lighting with LED lighting
- Repaving of the parking lot
- Replacement of the roof
- Replacement of the curtain wall
- Replacement of windows
- Replacement of solid core wood doors in all units
- Painting and patching of interior drywall
- Replacement of carpeting
- Replacement of plumbing
- Replacement of air conditioning units
- Replacement of interior hollow-core doors
- Replacement of flooring
- Replacement of electrical systems
- Replacement of ovens in all units
- Replacement of refrigerators in all units
- Replacement of kitchen countertops in all units
- Refinishing of kitchen cabinet doors and drawers
- Replacement of bathroom fixtures

Current Rents:

The Subject consists of an existing USDA Rural Development property located in Hartwell, Georgia. The following table illustrates the current rents and unit mix at the Subject.

CURRENT RENTS

Unit Type	# of Units	Unit Size (SF)	Basic Rent*	Utility Allowance (1)	Gross Rent	Note Rent*
USDA Rural Development						
1BR/1BA	6	658	\$475	\$97	\$572	\$680
2BR/1BA	16	855	\$540	\$131	\$671	\$716
3BR/1BA**	2	905	\$565	\$186	\$751	\$732
Total	24					

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

*Effective January 1, 2021

**Includes a manager's unit

Current Occupancy:

The Subject is currently fully-occupied, as of the rent roll dated March 31, 2021. The Subject currently operates as a Rural Development (RD) property. Following renovations, all units will be restricted to 50 and 60 percent of the AMI.

Current Tenant Income:

According to the client, all of the tenants will income qualify, post-renovation.

11. Placed in Service Date:

Construction on the Subject is expected to begin in March 2022 and be completed in May 2023.

Conclusion:

The Subject was originally built in 1990. All tenants will reportedly income qualify post-renovation. Renovations are scheduled to begin in March 2022 and be completed in May 2023.

D.SITE EVALUATION

1. **Date of Site Visit and Name of Inspector:** Brian Neukam visited the site on May 13, 2021.

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

Frontage:

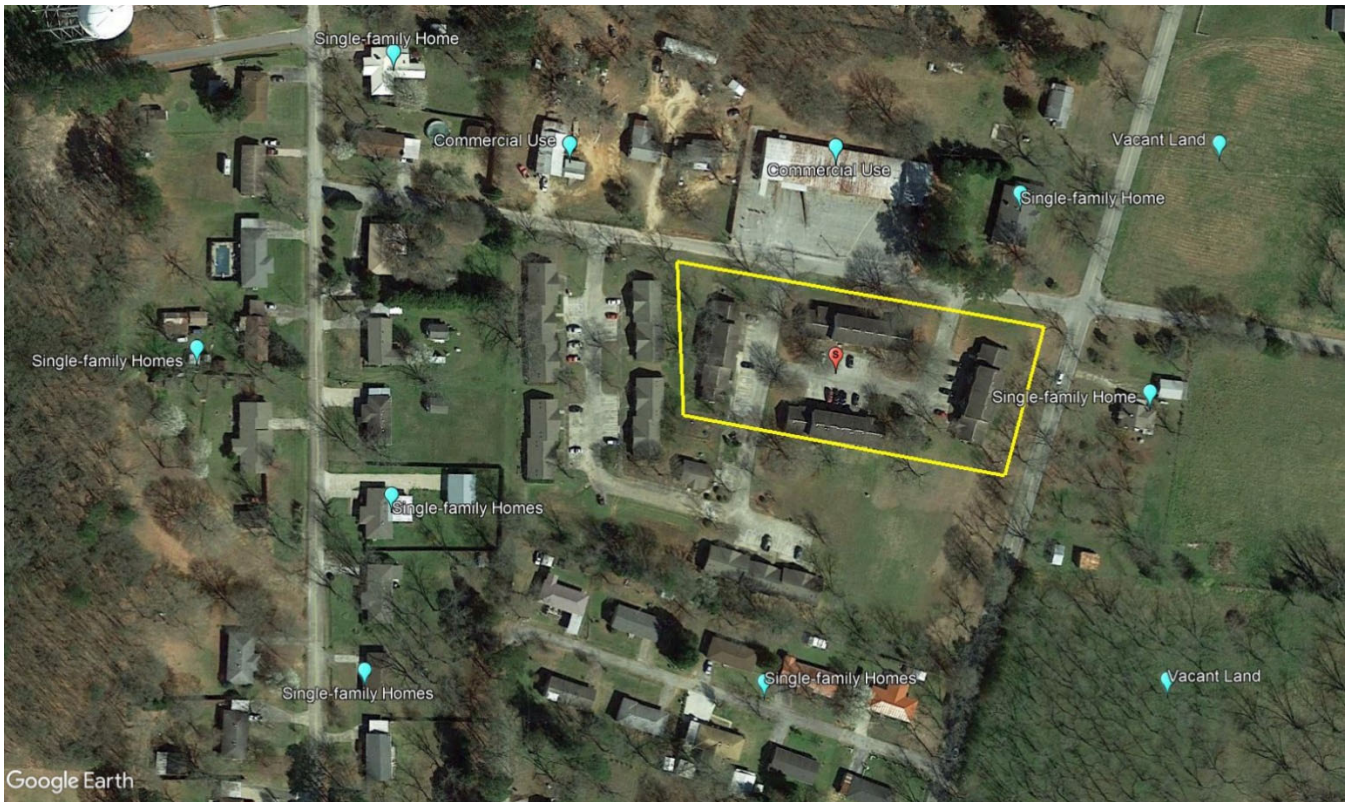
The Subject site has frontage along the south side of Nancy Drive and west side of Ridge Road.

Visibility/Views:

The Subject has good visibility along the south side of Nancy Drive and the west side of Ridge Road. Views consist of commercial uses and single-family homes in average condition to the north, a single-family home in average condition to the east, single-family homes in average condition to the south, and East Orchard Senior, the Subject’s sister property, to the west. It should be noted that the Subject’s sister property, East Orchard Family, has been excluded as a comparable for the purposes of this report as it offers subsidized rents. Overall, visibility and views are considered good.

Surrounding Uses:

The following map illustrates the surrounding land uses.



Source: Google Earth, April 2021.

The Subject site is located on the south side of Nancy Drive and the west side of Ridge Road. Adjacent north of the Subject site are commercial uses and single-family homes in average condition. Farther north are single-family homes in average condition and vacant land. Adjacent east of the Subject site is a single-family home

in average condition. Farther east are single-family homes in average condition and Juniper Court Apartments, a mixed-income senior property, which was excluded as a comparable for the purposes of this report due to its dissimilar tenancy. Adjacent south and west of the Subject site are single-family homes in average condition and East Orchard Senior, the Subject’s sister property. Farther south are single-family homes in average condition and commercial uses concentrated along E Franklin Street. Farther west are single-family homes in average condition. There are a limited number of retail uses in the Subject’s immediate neighborhood. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 25 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within 1.0 mile of the Subject site.

Positive/Negative Attributes of Site:

The Subject’s proximity to retail and other locational amenities, including a supermarket and senior center, as well as its surrounding uses, which are in average condition, are considered positive attributes.

3. Physical Proximity to Locational Amenities:

The Subject is located within 1.2 miles of all locational amenities, and most are within 1.0 mile.

4. Pictures of Site and Adjacent Uses:

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



View of Subject



View of Subject



View west along Nancy Drive



View east along Nancy Drive



View north along Ridge Road



View south along Ridge Road



Office at Subject property



Playground at Subject property



Typical bedroom at Subject property



Typical bathroom at Subject property



Typical kitchen at Subject property



Typical bedroom at Subject property



Typical bathroom at Subject property



Typical kitchen at Subject property



Ingles in the Subject's neighborhood



CVS Pharmacy in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Walmart in the Subject's neighborhood



Medical use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



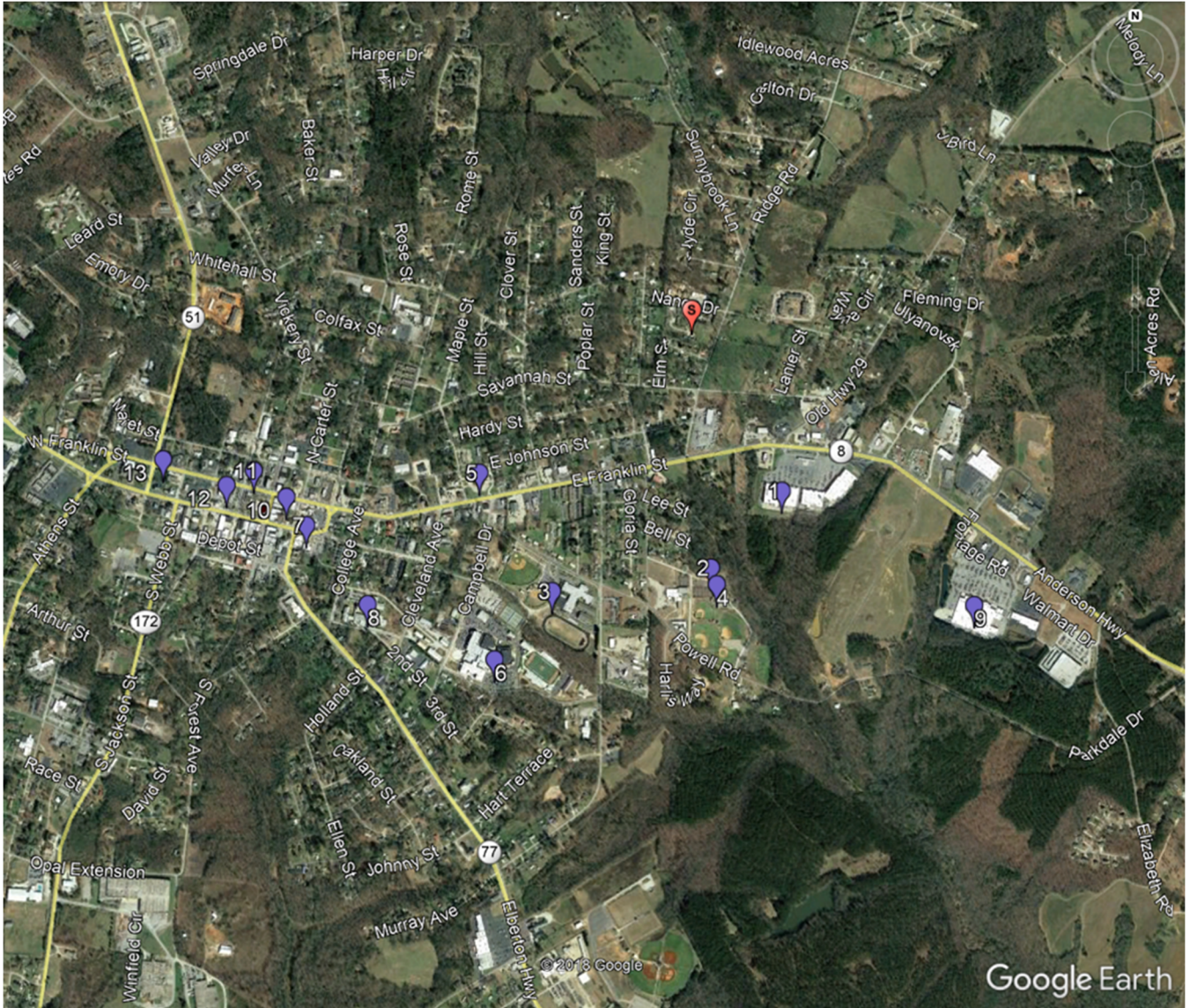
Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood

5. Proximity to Locational Amenities:

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



Source: Google Earth, April 2021.

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Ingles	0.4 miles
2	Hart Senior Center	0.5 miles
3	Hart County Middle School	0.6 miles
4	Hart County Park	0.6 miles
5	Northeast Georgia Park	0.6 miles
6	Hart County High School	0.8 miles
7	Hartwell Fire Department	0.9 miles
8	Hartwell Elementary School	0.9 miles
9	Walmart	0.9 miles
10	Hartwell Police Department	1.0 miles
11	U.S. Post Office	1.0 miles
12	CVS	1.1 miles
13	Reddy Urgent Care	1.2 miles

6. Description of Land Uses

The Subject site is located on the south side of Nancy Drive and the west side of Ridge Road. Adjacent north of the Subject site are commercial uses and single-family homes in average condition. Farther north are single-family homes in average condition and vacant land. Adjacent east of the Subject site is a single-family home in average condition. Farther east are single-family homes in average condition and Juniper Court Apartments, a mixed-income senior property, which was excluded as a comparable for the purposes of this report due to its dissimilar tenancy. Adjacent south and west of the Subject site are single-family homes in average condition and East Orchard Senior, the Subject’s sister property. Farther south are single-family homes in average condition and commercial uses concentrated along E Franklin Street. Farther west are single-family homes in average condition. There are a limited number of retail uses in the Subject’s immediate neighborhood. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 25 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within 1.0 mile of the Subject site.

7. Crime:

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

2020 CRIME INDICES

	PMA	SMA
Total Crime*	72	102
Personal Crime*	66	109
Murder	93	112
Rape	85	93
Robbery	20	51
Assault	87	138
Property Crime*	73	101
Burglary	95	124
Larceny	70	97
Motor Vehicle Theft	40	79

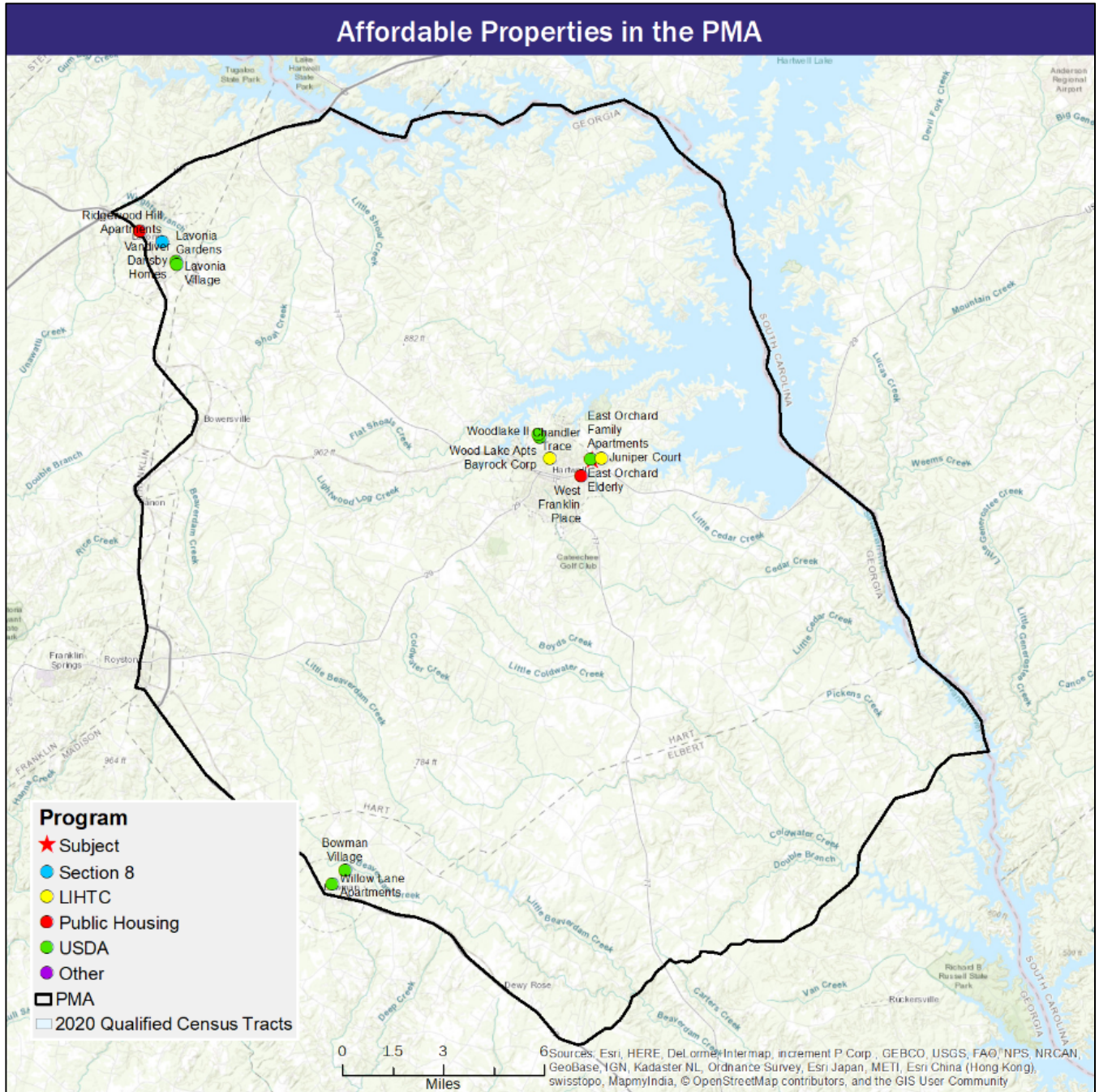
Source: Esri Demographics 2020, Novogradac Consulting LLP, May 2021

Total crime indices in the PMA are below the surrounding SMA. The PMA features crime indices below the overall nation, while the SMA features crime indices similar to the overall nation. The Subject does not offer any security features. Of the eleven comparables, seven do not offer any security features and are similar to the subject. The comparables that do not offer security features demonstrate a weighted vacancy of 0.3 percent. Further, the Subject has historically performed well. Thus, the Subject offers generally similar security features to the comparable properties, which are performing well. The Subject’s security features appear to be market-oriented.

8. Existing Assisted Rental Housing Property Map: The following map and list identifies all assisted rental housing properties in the PMA.

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Distance from Subject	Map Color
East Orchard Family Apartments	LIHTC	Hartwell	Family	24	-	Star
Chandler Trace	LIHTC, Market	Hartwell	Senior	52	1.0 mile	Yellow
Juniper Court	LIHTC, Market	Hartwell	Senior	52	0.2 miles	Yellow
West Franklin Place	Public Housing	Hartwell	Family	180	0.5 miles	Red
Vandiver Dansby Homes	Public Housing	Lavonia	Family	180	12.4 miles	Red
Bowman Village	Rural Development	Bowman	Senior	24	11.8 miles	Green
East Orchard Elderly	Rural Development, LIHTC	Hartwell	Senior	24	0.1 mile	Green
Lavonia Gardens	Rural Development	Lavonia	Family	24	11.3 miles	Green
Lavonia Village	Rural Development	Lavonia	Family	24	11.3 miles	Green
Willow Lane Apartments	Rural Development	Bowman	Family	18	12.2 miles	Green
Wood Lake Apts Bayrock Corp	Rural Development	Hartwell	Family	30	1.4 miles	Green
Woodlake II	Rural Development	Hartwell	Family	30	1.5 miles	Green
Ridgewood Hill Apartments	Section 8	Lavonia	Family	24	11.8 miles	Blue



9. Road, Infrastructure or Proposed Improvements:

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

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

The Subject site can be accessed from Nancy Drive, which is a lightly trafficked two-lane street that traverses east/west and connects to Ridge Road approximately 0.1 miles to the east of the Subject. Ridge Road provides access to Highway 29 approximately 0.4 miles to the south. Highway 29 provides access to Athens, GA approximately 40 miles southwest of the Subject as well as Anderson, SC and

Greenville, SC approximately 20 and 45 miles to the northeast, respectively. Additionally, Interstate 85 is located approximately 15 miles northwest of the Subject. Overall, access and visibility are considered average.

11. Conclusion:

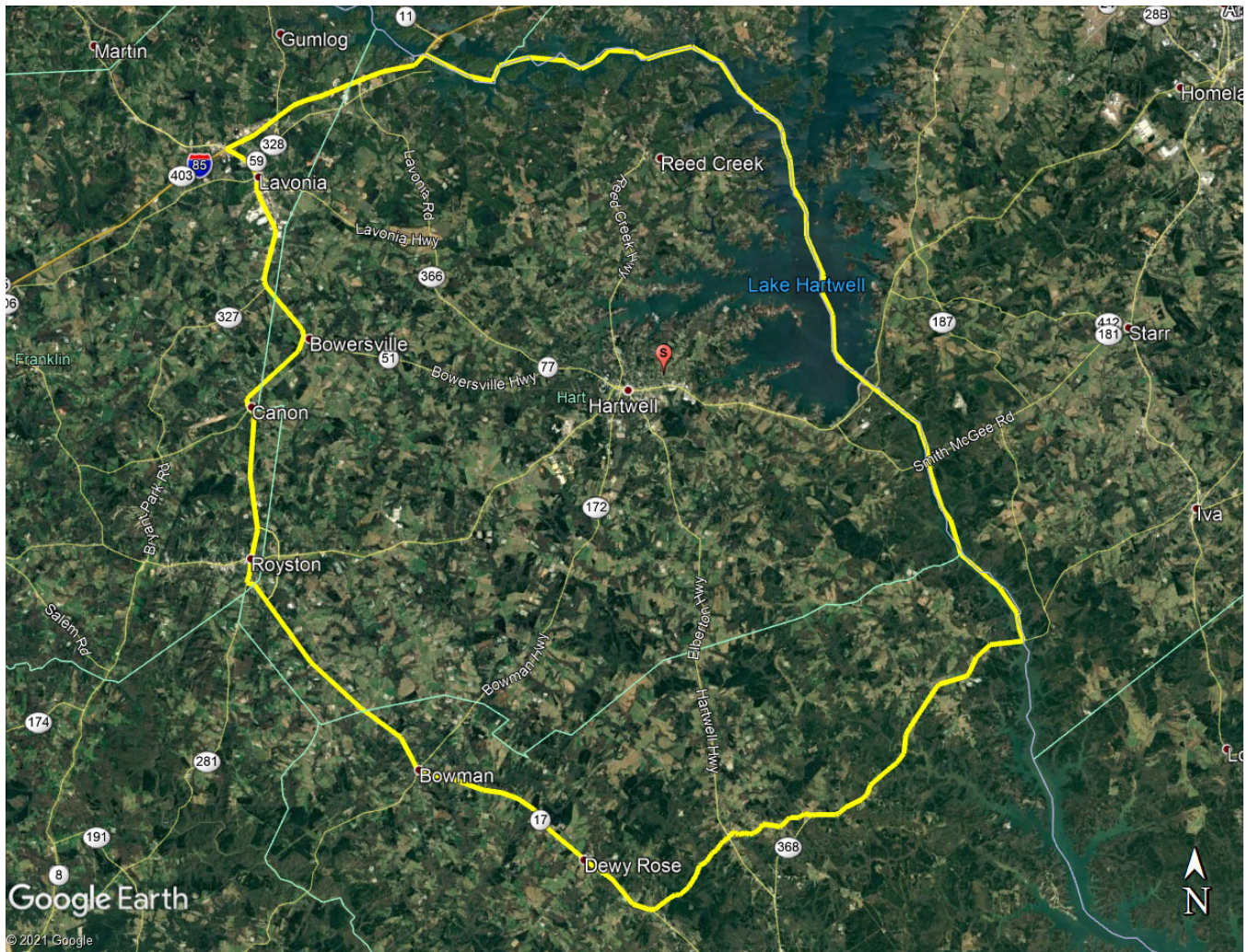
The Subject site is located on the south side of Nancy Drive and the west side of Ridge Road. The Subject site has good visibility and accessibility from Nancy Drive and Ridge Road. Surrounding uses consist of commercial, single-family uses, and multifamily developments, as well as vacant land. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by *Walkscore* with a rating of 25 out of 100. Crime indices in the Subject’s area are below the SMA and the nation. The Subject site is considered a desirable building site for rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within 1.0 mile of the Subject site.

E. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



Source: Google Earth, May 2021.

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

The PMA is defined by the South Carolina state border to the north and east, Anderson Highway and Bowman Highway to the south, and State Route 17 to the west. This area includes portions of the City of Hartwell and portions of the Cities of Lavonia and Royston. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 9 miles
East: 7 miles
South: 14 miles
West: 12 miles

The PMA is defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Many property managers indicated that a significant portion of their tenants come from within the Hart County area though some come from out of state. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2021 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 14 miles. The SMA (Secondary Market Area) is defined as Hart, Elbert, Madison, Franklin, and Stephens Counties in Georgia, and Anderson County in South Carolina. The SMA encompasses 2,123 square miles.

F. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

1. Population Trends

The following tables illustrate Total Population and Population by Age Group within the population in the SMA, the PMA and nationally from 2000 through 2025.

Total Population

The following table illustrates the total population within the PMA, SMA and nation from 2000 through 2025.

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	27,354	-	282,862	-	280,304,282	-
2010	30,353	1.1%	308,884	0.9%	308,745,538	1.0%
2020	32,156	0.6%	337,373	0.9%	333,793,107	0.8%
Projected Mkt Entry May 2023	32,656	0.5%	345,169	0.8%	340,722,406	0.7%
2025	33,038	0.5%	351,130	0.8%	346,021,282	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, May 2021

Between 2010 and 2020 there was approximately 0.6 percent annual population growth in the PMA, which lagged both the SMA and national population growth. Through market entry and 2025, population is expected to grow at a rate of 0.5 percent per annum. Overall, we believe that population growth in the PMA and SMA is a positive indication of demand for the Subject's proposed units.

Total Population by Age Group

The following table illustrates the total population within the PMA and SMA and nation from 2000 to 2024.

POPULATION BY AGE GROUP

PMA					
Age Cohort	2000	2010	2020	Projected Mkt Entry May 2023	2025
0-4	1,808	1,880	1,771	1,772	1,772
5-9	1,926	1,849	1,910	1,879	1,856
10-14	1,997	1,930	1,934	1,986	2,026
15-19	1,752	1,968	1,670	1,821	1,937
20-24	1,536	1,663	1,583	1,526	1,483
25-29	1,747	1,590	1,964	1,714	1,522
30-34	1,893	1,588	1,993	1,924	1,872
35-39	2,065	1,846	1,842	1,959	2,048
40-44	2,064	2,008	1,700	1,800	1,876
45-49	1,881	2,196	1,972	1,881	1,811
50-54	1,836	2,239	2,171	2,119	2,080
55-59	1,490	2,093	2,325	2,278	2,242
60-64	1,333	2,150	2,377	2,436	2,481
65-69	1,274	1,720	2,242	2,355	2,442
70-74	952	1,304	1,897	1,993	2,066
75-79	831	1,067	1,313	1,549	1,730
80-84	497	678	776	905	1,003
85+	465	584	719	760	791
Total	27,347	30,353	32,159	32,657	33,038

Source: Esri Demographics 2020, Novogradac Consulting LLP, May 2021

POPULATION BY AGE GROUP

SMA					
Age Cohort	2000	2010	2020	Projected Mkt Entry May 2023	2025
0-4	18,652	19,560	19,121	19,256	19,359
5-9	19,864	19,905	20,378	20,351	20,331
10-14	20,286	20,935	20,631	21,424	22,031
15-19	18,912	21,004	19,549	20,652	21,495
20-24	16,632	17,988	18,590	17,952	17,464
25-29	18,295	17,063	21,079	19,229	17,814
30-34	19,616	17,678	21,057	21,047	21,039
35-39	21,796	19,633	20,156	21,346	22,256
40-44	21,825	20,695	19,777	20,502	21,057
45-49	20,202	22,891	21,456	21,210	21,021
50-54	19,391	22,851	22,492	22,429	22,380
55-59	15,883	20,738	24,297	23,762	23,352
60-64	13,040	19,866	23,854	24,599	25,168
65-69	11,370	15,612	21,211	22,688	23,817
70-74	9,764	11,880	17,715	18,904	19,813
75-79	8,127	8,947	11,846	14,033	15,706
80-84	5,143	6,170	7,307	8,477	9,371
85+	4,054	5,468	6,857	7,310	7,656
Total	282,852	308,884	337,373	345,169	351,130

Source: Esri Demographics 2020, Novogradac Consulting LLP, May 2021

The largest age cohorts in the PMA are between 55 to 59 and 60 to 64, which indicates the presence of seniors. However, as illustrated earlier in this report, general population growth in the PMA is projected to increase by 0.5 percent annually over the next five years. Further, the age cohorts between five and 14 and 25 and 34 are expected to increase significantly through market entry and 2025.

2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, (d) Renter Households by Size within the population in the SMA, the PMA and nationally from 2000 through 2025.

Total Number of Households and Average Household Size

The following tables illustrate the total number of households and average household size within the PMA, SMA and nation from 2000 through 2025.

HOUSEHOLDS						
Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	10,572	-	110,625	-	105,081,032	-
2010	12,188	1.5%	121,306	1.0%	116,716,293	1.1%
2020	13,034	0.7%	132,165	0.9%	126,083,847	0.8%
Projected Mkt Entry May 2023	13,250	0.6%	135,280	0.8%	128,676,145	0.7%
2025	13,416	0.6%	137,662	0.8%	130,658,491	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, May 2021

AVERAGE HOUSEHOLD SIZE						
Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.53	-	2.51	-	2.59	-
2010	2.43	-0.4%	2.50	0.0%	2.57	-0.1%
2020	2.41	-0.1%	2.51	0.0%	2.58	0.0%
Projected Mkt Entry May 2023	2.41	0.0%	2.51	0.0%	2.58	0.0%
2025	2.41	0.0%	2.51	0.0%	2.59	0.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, May 2021

Household growth in the PMA grew at a rate of 0.7 percent per year between 2010 and 2020, which lagged the SMA and the nation during the same time period. Over the next five years, the household growth in the PMA and SMA is expected to increase at a 0.6 and 0.8 percent annual rate, respectively. The average household size in the PMA is smaller than the national average at 2.41 persons in 2020. Over the next five years, the average household size is projected to remain relatively similar.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2025.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	8,133	76.9%	2,439	23.1%
2020	9,433	72.4%	3,601	27.6%
Projected Mkt Entry May 2023	9,572	72.2%	3,678	27.8%
2025	9,679	72.1%	3,737	27.9%

Source: Esri Demographics 2020, Novogradac Consulting LLP, May 2021

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a larger percentage of owners in the PMA than the nation. This percentage is projected to increase over the next five years. This bodes well for the Subject’s proposed units.

Household Income

The following table depicts renter household income in the PMA in 2020, market entry, and 2025.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2020		Projected Mkt Entry May 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	653	18.1%	637	17.3%	624	16.7%
\$10,000-19,999	937	26.0%	900	24.5%	871	23.3%
\$20,000-29,999	497	13.8%	512	13.9%	523	14.0%
\$30,000-39,999	282	7.8%	275	7.5%	269	7.2%
\$40,000-49,999	318	8.8%	326	8.9%	332	8.9%
\$50,000-59,999	259	7.2%	258	7.0%	258	6.9%
\$60,000-74,999	175	4.9%	182	5.0%	188	5.0%
\$75,000-99,999	203	5.6%	225	6.1%	241	6.4%
\$100,000-124,999	117	3.2%	139	3.8%	155	4.1%
\$125,000-149,999	38	1.1%	51	1.4%	61	1.6%
\$150,000-199,999	69	1.9%	94	2.6%	113	3.0%
\$200,000+	53	1.5%	81	2.2%	102	2.7%
Total	3,601	100.0%	3,678	100.0%	3,737	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, May 2021

RENTER HOUSEHOLD INCOME DISTRIBUTION - SMA

Income Cohort	2020		Projected Mkt Entry May 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	6,028	15.8%	5,844	15.0%	5,703	14.4%
\$10,000-19,999	7,474	19.6%	7,112	18.2%	6,835	17.2%
\$20,000-29,999	5,503	14.4%	5,309	13.6%	5,160	13.0%
\$30,000-39,999	4,669	12.3%	4,523	11.6%	4,412	11.1%
\$40,000-49,999	3,196	8.4%	3,278	8.4%	3,341	8.4%
\$50,000-59,999	2,722	7.1%	2,829	7.3%	2,911	7.3%
\$60,000-74,999	2,196	5.8%	2,412	6.2%	2,578	6.5%
\$75,000-99,999	2,363	6.2%	2,588	6.6%	2,760	7.0%
\$100,000-124,999	1,369	3.6%	1,564	4.0%	1,713	4.3%
\$125,000-149,999	898	2.4%	1,218	3.1%	1,463	3.7%
\$150,000-199,999	883	2.3%	1,194	3.1%	1,432	3.6%
\$200,000+	811	2.1%	1,143	2.9%	1,396	3.5%
Total	38,112	100.0%	39,014	100.0%	39,704	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, May 2021

The Subject will target tenants earning between \$23,006 and \$40,380 for its LIHTC units. As the table above depicts, approximately 21.6 percent of renter households in the PMA are earning incomes between \$20,000 and \$39,999, which is less than the 26.7 percent of renter households in the SMA in 2020. For the projected market entry date of May 2023, these percentages are projected to slightly decrease to 21.4 percent and 25.2 percent for the PMA and SMA, respectively.

Renter Households by Number of Persons in the Household

The following table illustrates household size for all households in 2020, market entry and 2025. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2020		Projected Mkt Entry May 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	1,544	42.9%	1,577	42.9%	1,602	42.9%
2 Persons	847	23.5%	860	23.4%	870	23.3%
3 Persons	484	13.4%	494	13.4%	502	13.4%
4 Persons	481	13.4%	499	13.6%	513	13.7%
5+ Persons	245	6.8%	248	6.7%	250	6.7%
Total Households	3,601	100%	3,678	100%	3,737	100%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, May 2021

The majority of renter households in the PMA are one to three-person households.

Conclusion

Between 2010 and 2020 there was approximately 0.6 percent annual population growth in the PMA, which lagged both the SMA and national population growth. Over the next five years, population growth in the PMA is projected to increase at a 0.5 percent annual rate, which lags the SMA and national projections. The current population of the PMA is 32,156 and is expected to be 33,038 in 2025. The current number of households in the PMA is 13,034 and is expected to be 13,416 in 2025. Renter households are concentrated in the lowest income cohorts, with 21.6 percent of renters in the PMA earning between \$20,000 and \$39,999 annually. The Subject will target households earning between \$23,006 and \$40,380 for its LIHTC units. Therefore, the Subject should be well-positioned to service this market. Overall, the projected growth in the population and households along with the high concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

G. EMPLOYMENT TRENDS

Employment Trends

The PMA and Hart County are economically reliant on manufacturing, healthcare/social assistance, and retail trade. The healthcare/social assistance industry is historically stable during economic downturns. However, the manufacturing and retail trade industries are prone to contraction during recessionary periods. Employment levels decreased during the national recession but have grown since then and were approaching pre-recession highs prior to the COVID-19 pandemic.

1. Covered Employment

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

COVERED EMPLOYMENT		
Hart County, GA		
2007	Total Employment	% Change
2008	9,678	-3.9%
2009	9,011	-6.9%
2010	9,709	7.7%
2011	9,887	1.8%
2012	9,690	-2.0%
2013	9,527	-1.7%
2014	9,588	0.6%
2015	9,635	0.5%
2016	10,414	8.1%
2017	10,845	4.1%
2018	11,313	4.3%
2019	11,195	-1.0%
2020 YTD AVG	10,757	-3.9%
Dec-19	10,865	-
Dec-20	10,836	-0.3%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2020

As illustrated in the table above, Hart County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2008. Employment has grown overall since the national recession, and total employment in Hart County has decreased 0.3 percent from December 2019 to December 2020. However, it is important to note that recent data reflects the impact from the COVID-19 pandemic, which is discussed and analyzed in further detail following in this section.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Hart County as of the fourth quarter of 2019.

TOTAL JOBS BY INDUSTRY		
Hart County, GA - Q4 2019		
	Number	Percent
Total, all industries	5,187	-
Goods-producing	2,149	-
Natural resources and mining	95	1.8%
Construction	248	4.8%
Manufacturing	1,806	34.8%
Service-providing	3,038	-
Trade, transportation, and utilities	1,158	22.3%
Information	0	0.0%
Financial activities	161	3.1%
Professional and business services	432	8.3%
Education and health services	482	9.3%
Leisure and hospitality	660	12.7%
Other services	75	1.4%
Unclassified	0	0.0%

Source: Bureau of Labor Statistics, 2019

Manufacturing is the largest industry in Hart County, followed by trade, transportation, and utilities, leisure and hospitality, and education and health services. The health, education, and utilities industries are historically stable industries and are relatively stable in economic downturns. While the manufacturing, trade and transportation, and leisure and hospitality industries are susceptible to economic downturns. The following table illustrates employment by industry for the PMA as of 2020 (most recent year available).

2020 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	2,916	27.6%	15,550,554	10.6%
Healthcare/Social Assistance	1,288	12.2%	22,313,586	15.1%
Retail Trade	1,130	10.7%	14,356,334	9.7%
Educational Services	765	7.2%	14,320,448	9.7%
Construction	761	7.2%	10,829,187	7.4%
Accommodation/Food Services	561	5.3%	8,202,612	5.6%
Public Administration	553	5.2%	7,071,492	4.8%
Agric/Forestry/Fishing/Hunting	545	5.2%	1,852,333	1.3%
Transportation/Warehousing	385	3.6%	6,959,787	4.7%
Other Services	344	3.3%	6,772,309	4.6%
Admin/Support/Waste Mgmt Svcs	289	2.7%	5,786,624	3.9%
Prof/Scientific/Tech Services	288	2.7%	12,049,828	8.2%
Wholesale Trade	181	1.7%	3,744,789	2.5%
Finance/Insurance	178	1.7%	7,169,665	4.9%
Utilities	118	1.1%	1,274,383	0.9%
Information	98	0.9%	2,723,217	1.8%
Real Estate/Rental/Leasing	88	0.8%	3,082,197	2.1%
Mining	52	0.5%	729,605	0.5%
Arts/Entertainment/Recreation	25	0.2%	2,329,497	1.6%
Mgmt of Companies/Enterprises	0	0.0%	210,175	0.1%
Total Employment	10,565	100.0%	147,328,622	100.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, May 2021

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and retail trade industries, which collectively comprise 50.5 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. This has been evident during the COVID-19 pandemic. The manufacturing industry has experienced a negative impact on demand, production, and revenues over the past several months. Many manufacturing jobs are on-site and cannot be carried out remotely. Additionally, slowed economic activity as a result of the shutdown has reduced demand for industrial products in the United States and globally. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing, agriculture/forestry/fishing/hunting, and retail trade industries. Conversely, the PMA is underrepresented in the professional/scientific/technical services, accommodation/food services, and finance/insurance industries.

3. Major Employers

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

MAJOR EMPLOYERS HART COUNTY, GEORGIA		
Employer Name	Industry	# Of Employees
Tenneco Inc.	Manufacturing	500 to 999
Pharma Tech Industries	Healthcare/Social Assistance	250 to 499
Motes Chicken Farm	Agric/Forestry/Fishing/Hunting	250 to 499
Royston, LLC.	Manufacturing	250 to 499
Walmart Supercenter	Retail Trade	100 to 249
Fun Spot Trampolines	Retail Trade	100 to 249
Ingles Market	Retail Trade	100 to 249
Whitworth Detention Center	Public Administration	100 to 249
Ritz Instrument Transformers	Manufacturing	100 to 249
Hart EMC	Healthcare/Social Assistance	100 to 249

Source: Georgia Department of Labor, May 2021.

The largest employers in the county are concentrated in the manufacturing, healthcare, and retail industries. The large share of employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during recessionary periods. However, the county also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods.

Expansions/Contractions

We reviewed publications by the Georgia Department of Economic Development WARN (Worker Adjustment and Retraining Notification Act) notices since 2015. There has been one announced layoff within Hart County since 2015, as of September 2019. Tenneco announced the closing of its Hartwell plant in May 2019, affecting 564 employees. While these job losses are significant, there have been 750 jobs created through existing company expansions as detailed above since 2016.

We recently contacted the Hart County Industrial Building Authority (IBA), to inquire about recent business expansions or contractions in the region. The following lists recent announced employment increases according to the Hart County IBA:

- On December 8, 2020, Nestle Purina PetCare Company announced it will invest \$550 million to expand its Hartwell pet food manufacturing facility, creating up to 130 jobs in Hart County. The expansion comes just one year after the factory's grand opening in November 2019.
- On September 27, 2017, Nestle Purina announced that it was investing \$320 million in Hart County to build a manufacturing and distribution facility. The company plans to hire 240 full time workers through 2022.
- On April 27, 2017, Lake Foods announced a 130-job expansion in Hart County. The company invested \$8 million to double their workforce. Their 62,000 square foot facility is located in Hart County's Industrial Park.
- In September 2016, Ritz Instrument Transformers announced plans to create 50 new jobs and invest \$8 million in Hart County through 2021.
- In January 2016, LINDE+WIEMANN announced 200 new jobs and a \$35 million investment in Hart County to expand its automotive parts manufacturing plant in the area.

As discussed, there has been one recent WARN notice filed in Hart County, resulting in 564 job losses. However, employment expansions in recent years, totaling 850 jobs, have offset these losses.

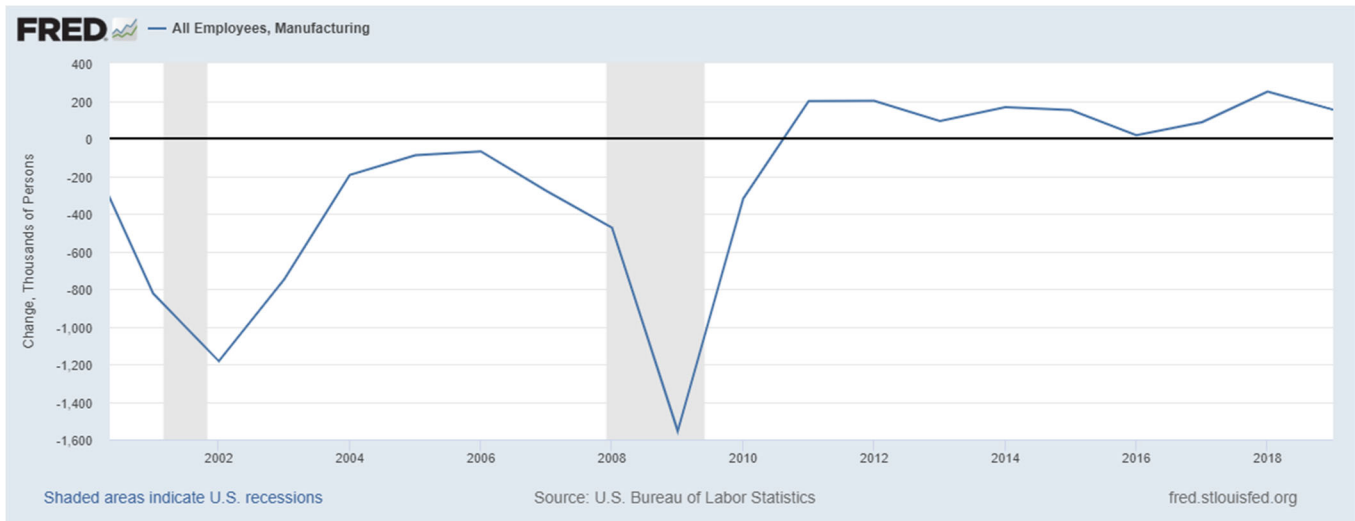
Manufacturing Sector Trends

In recent years, manufacturing in the U.S. has grown at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Unfortunately, U.S. manufacturing has struggled with the onset of globalization and increased foreign manufacturing. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. However, as global markets have become more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation.

U.S. manufacturing output growth is expected to increase modestly through 2021. The Manufacturers Alliance for Productivity and Innovation (MAPI), a non-profit organization that produces research and projections for the manufacturing industry, publishes periodic economic forecasts. According to their March 2018 publication, U.S. manufacturing is expected to grow at an average of 2.8 percent through 2021.

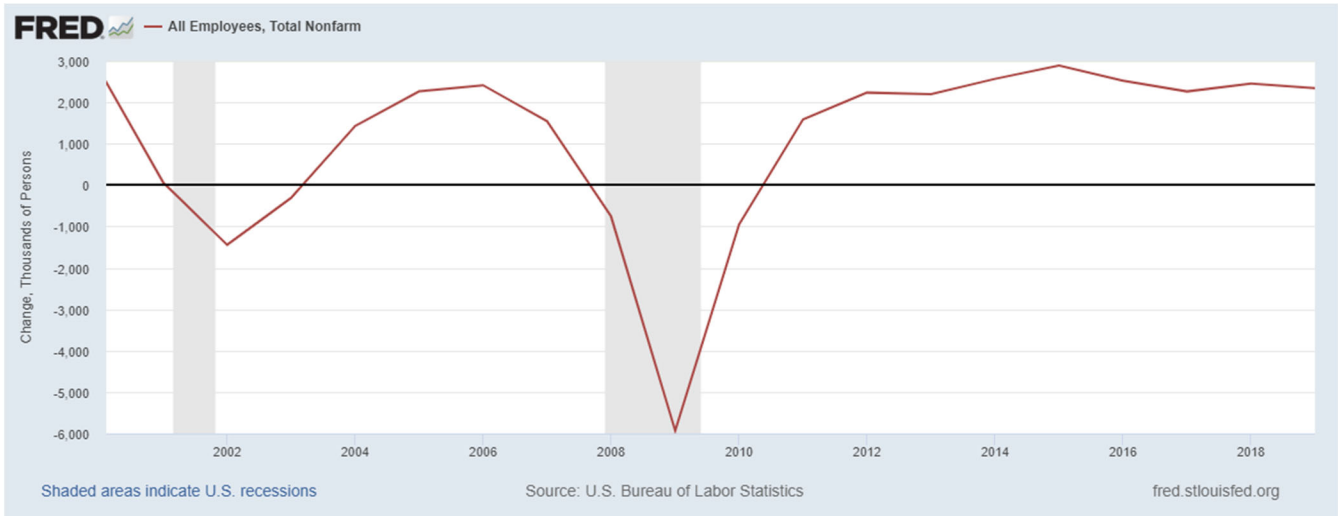
Although recent employment growth in the U.S. manufacturing sector bodes well for Hart County, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for close to 10 percent of the U.S. economy and as a major source of employment for the Hart County manufacturing employment should continue to be monitored closely.

The following graphs details total employment trends in both manufacturing and all industries (non-farm) in the nation since 2000.

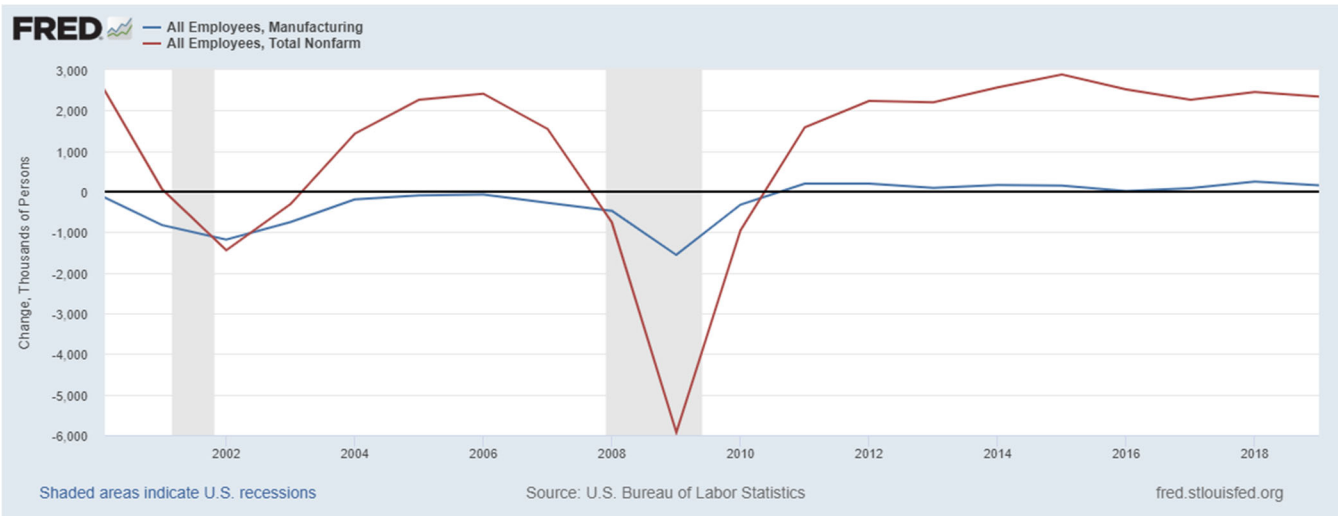


Source: Federal Reserve Bank of St. Louis, 1/2020.

Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.



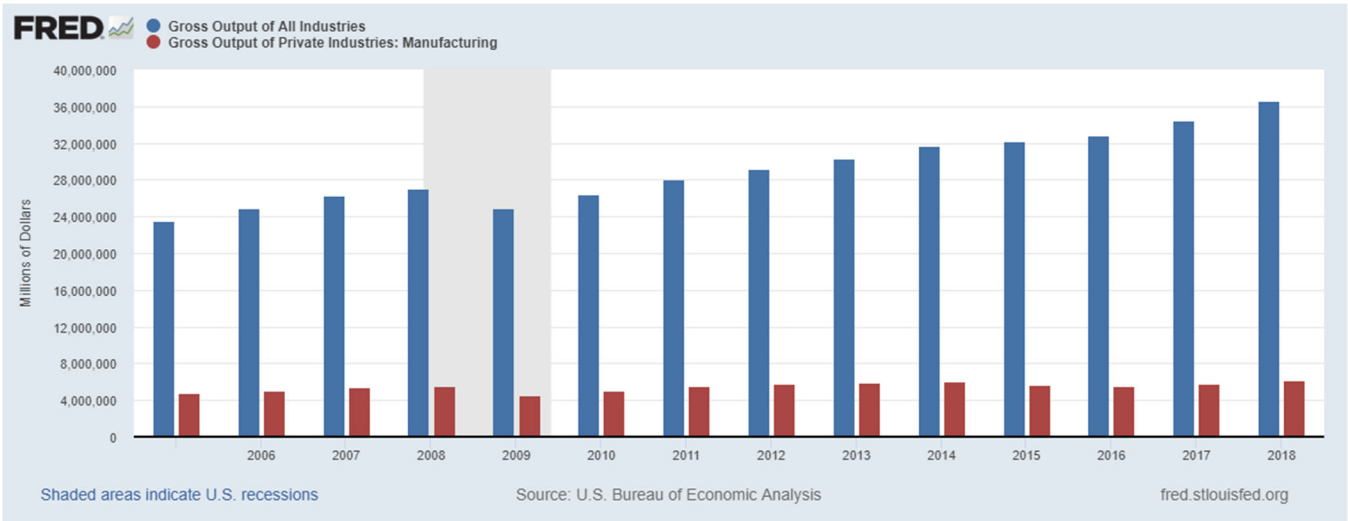
Source: Federal Reserve Bank of St. Louis, 1/2020.
 Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.



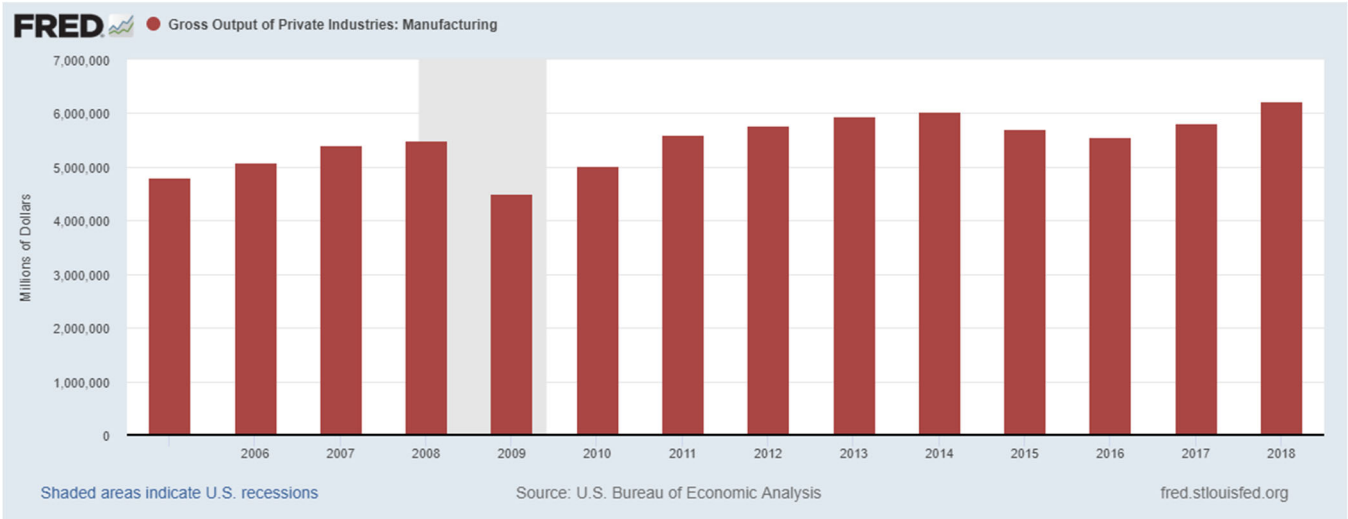
Source: Federal Reserve Bank of St. Louis, 1/2020.
 Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.

Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the most recent recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. Since the most recent recession, total employment in non-farm industries has steady increased, though the manufacturing sector has experienced a slower recovery than other non-farm industries.

The following charts illustrate U.S. manufacturing gross output compared to that across all industries since 2005.



Source: Federal Reserve Bank of St. Louis, 1/2020.
Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 1/2020.
Note: Shaded area indicates U.S. recessions.

As illustrated by the previous graphs, manufacturing constitutes approximately 17 percent of the gross output of all private industries and experienced five years of consistent growth starting in 2009. Manufacturing output also surpassed pre-recessionary output levels in 2011, three years following the most recent national recession. However, manufacturing output decreased for both 2015 and 2016.

While the rebound in manufacturing output is noteworthy, this has not necessarily turned into job creation for the national economy. Since the most recent recession, job creation in the manufacturing sector continues to lag the overall economy. According to a November 18, 2016 article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth- a trend that is likely to continue through the coming years. As illustrated in the following graph, national employment in the manufacturing sector has been steadily declining since the 1980s, while production has increased. Overall, we believe it is reasonable to assume that the Hartwell area, similar to the rest of the nation, will continue to be negatively impacted by automation in the manufacturing sector, leading to a continued decline in manufacturing employment.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the SMA from 2004 to December 2020.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	SMA			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2004	133,220	-	-5.1%	139,252,000	-	-11.6%
2005	133,551	0.2%	-4.8%	141,730,000	1.8%	-10.0%
2006	136,945	2.5%	-2.4%	144,427,000	1.9%	-8.3%
2007	138,071	0.8%	-1.6%	146,047,000	1.1%	-7.3%
2008	136,479	-1.2%	-2.8%	145,363,000	-0.5%	-7.7%
2009	128,796	-5.6%	-8.2%	139,878,000	-3.8%	-11.2%
2010	124,151	-3.6%	-11.5%	139,064,000	-0.6%	-11.7%
2011	125,512	1.1%	-10.6%	139,869,000	0.6%	-11.2%
2012	126,329	0.7%	-10.0%	142,469,000	1.9%	-9.6%
2013	127,898	1.2%	-8.9%	143,929,000	1.0%	-8.6%
2014	129,250	1.1%	-7.9%	146,305,000	1.7%	-7.1%
2015	130,685	1.1%	-6.9%	148,833,000	1.7%	-5.5%
2016	134,373	2.8%	-4.3%	151,436,000	1.7%	-3.9%
2017	137,201	2.1%	-2.2%	153,337,000	1.3%	-2.7%
2018	138,955	1.3%	-1.0%	155,761,000	1.6%	-1.1%
2019	140,339	1.0%	0.0%	157,538,000	1.1%	0.0%
2020 YTD Average*	135,005	-3.8%	-	147,794,750	-6.2%	-
Dec-2019	140,063	-	-	158,504,000	-	-
Dec-2020	134,790	-3.8%	-	149,613,000	-5.6%	-

Source: U.S. Bureau of Labor Statistics, May 2021

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	SMA			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2004	6.8%	-	3.9%	5.5%	-	1.9%
2005	7.2%	0.4%	4.3%	5.1%	-0.5%	1.4%
2006	6.6%	-0.7%	3.6%	4.6%	-0.5%	1.0%
2007	5.9%	-0.7%	2.9%	4.6%	0.0%	1.0%
2008	7.3%	1.4%	4.4%	5.8%	1.2%	2.1%
2009	12.0%	4.6%	9.0%	9.3%	3.5%	5.6%
2010	12.0%	0.0%	9.0%	9.6%	0.3%	6.0%
2011	10.9%	-1.1%	7.9%	9.0%	-0.7%	5.3%
2012	9.3%	-1.5%	6.4%	8.1%	-0.9%	4.4%
2013	7.7%	-1.6%	4.8%	7.4%	-0.7%	3.7%
2014	6.5%	-1.2%	3.5%	6.2%	-1.2%	2.5%
2015	5.7%	-0.7%	2.8%	5.3%	-0.9%	1.6%
2016	4.9%	-0.8%	1.9%	4.9%	-0.4%	1.2%
2017	4.2%	-0.7%	1.3%	4.4%	-0.5%	0.7%
2018	3.5%	-0.7%	0.6%	3.9%	-0.4%	0.2%
2019	3.0%	-0.6%	0.0%	3.7%	-0.2%	0.0%
2020 YTD Average*	5.9%	3.0%	-	8.1%	4.4%	-
Dec-2019	2.7%	-	-	3.4%	-	-
Dec-2020	5.4%	2.7%	-	6.5%	3.1%	-

Source: U.S. Bureau of Labor Statistics, May 2021

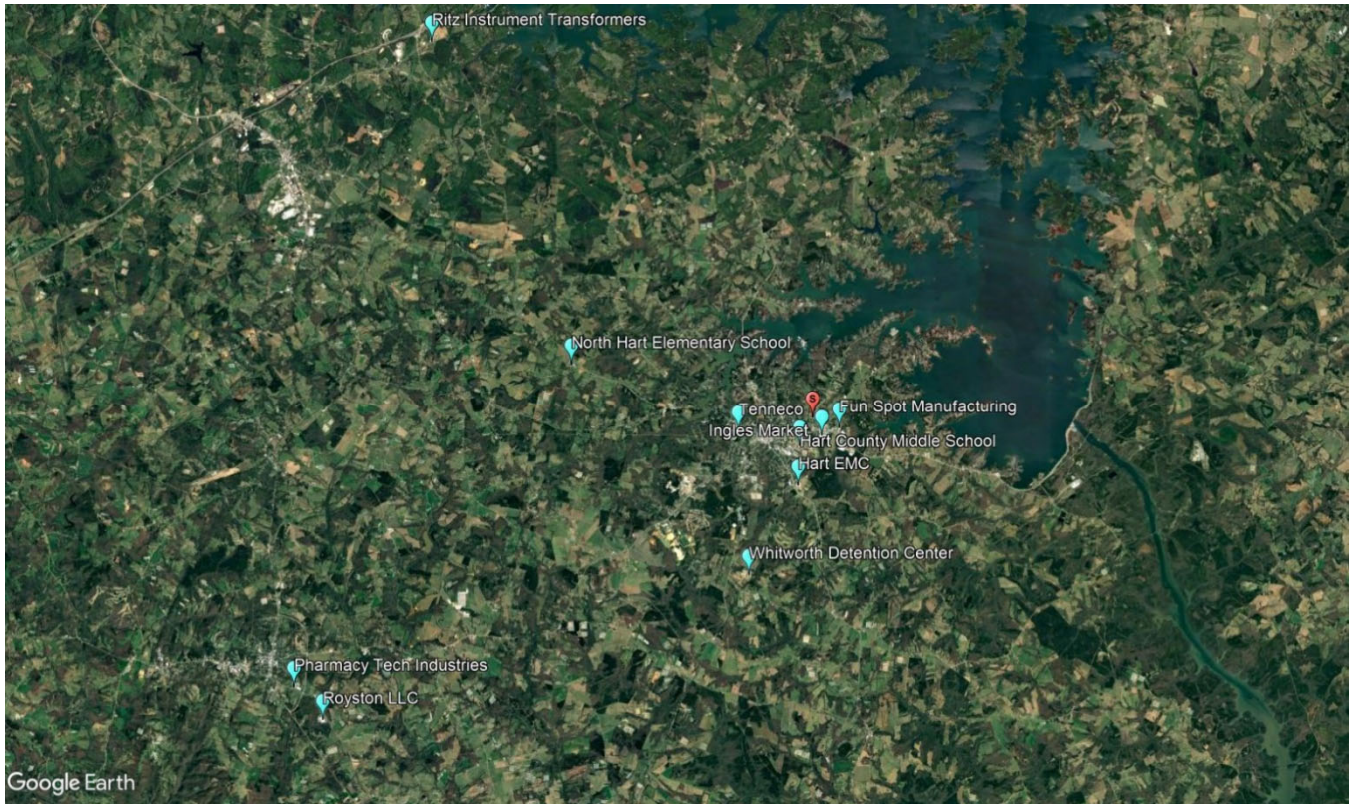
Prior to the national recession, average employment growth in the SMA generally trailed the nation. Annual job growth in the SMA lagged the nation in all but one year between 2005 and 2007. The effects of the recession were particularly pronounced in the SMA, which suffered a 10.4 percent contraction in employment (2008-2010), well above the 4.9 percent contraction reported by the nation as a whole (2007-2010).

Employment in the SMA recovered and surpassed pre-recessionary levels in 2018, four years after the overall nation. Due to the COVID-19 pandemic, employment totals in the 12-month period prior to December 2020 saw a significant decrease of 3.8 percent, compared to a decrease of 5.6 percent experienced by the nation over the same length of time. Employment growth is expected to be limited in the coming months as a result of the COVID-19 pandemic. As of May 2021, Governor Brian Kemp issued a new order in late April which further rolled back the few remaining restrictions. Effective May 1, 2021, social distancing will be “strongly encouraged” instead of required. Tables no longer need to be spaced out at restaurants and bars, and workers no longer need to wear masks. Specific requirements for gyms, movie theaters and salons, and other industries, were lifted. However, return to full economic potential is unlikely while the global health crisis continues.

The SMA experienced a higher average unemployment rate relative to the overall nation during the years preceding the recession. The effects of the recession were more pronounced in the SMA, which experienced a 6.0 percentage point increase in unemployment, compared to only a 5.0 percentage point increase across the overall nation. Since 2012, the SMA generally experienced a higher unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the SMA is 5.4 percent, lower than the current national unemployment rate of 6.5 percent. As a result of the COVID-19 pandemic and stay-at-home orders, record national unemployment claims began in March 2020 and will likely continue in the near future. We anticipate the unemployment rate in the SMA will remain elevated in the coming months.

5. Map of Site and Major Employment Concentrations

The following map and table detail the largest employers in Hart County, Georgia.



Source: Google Earth, May 2021.

MAJOR EMPLOYERS HART COUNTY, GEORGIA

Employer Name	Industry	# Of Employees
Tenneco Inc.	Manufacturing	500 to 999
Pharma Tech Industries	Healthcare/Social Assistance	250 to 499
Motes Chicken Farm	Agric/Forestry/Fishing/Hunting	250 to 499
Royston, LLC.	Manufacturing	250 to 499
Walmart Supercenter	Retail Trade	100 to 249
Fun Spot Trampolines	Retail Trade	100 to 249
Ingles Market	Retail Trade	100 to 249
Whitworth Detention Center	Public Administration	100 to 249
Ritz Instrument Transformers	Manufacturing	100 to 249
Hart EMC	Healthcare/Social Assistance	100 to 249

Source: Georgia Department of Labor, May 2021.

6. Conclusion

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and retail trade industries, which collectively comprise 50.5 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. This has been evident during the COVID-19 pandemic. The manufacturing industry has experienced a negative impact on demand, production, and revenues over the past several

months. Many manufacturing jobs are on-site and cannot be carried out remotely. Additionally, slowed economic activity as a result of the shutdown has reduced demand for industrial products in the United States and globally. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing, agriculture/forestry/fishing/hunting, and retail trade industries. Conversely, the PMA is underrepresented in the professional/scientific/technical services, accommodation/food services, and finance/insurance industries.

Prior to the national recession, average employment growth in the SMA generally trailed the nation. Annual job growth in the SMA lagged the nation in all but one year between 2005 and 2007. The effects of the recession were particularly pronounced in the SMA, which suffered a 10.4 percent contraction in employment (2008-2010), well above the 4.9 percent contraction reported by the nation as a whole (2007-2010). Employment in the SMA recovered and surpassed pre-recessionary levels in 2018, four years after the overall nation. Due to the COVID-19 pandemic, employment totals in the 12-month period prior to December 2020 saw a significant decrease of 3.8 percent, compared to a decrease of 5.6 percent experienced by the nation over the same length of time. Employment growth is expected to be limited in the coming months as a result of the COVID-19 pandemic. As of May 2021, Governor Brian Kemp issued a new order in late April which further rolled back the few remaining restrictions. Effective May 1, 2021, social distancing will be “strongly encouraged” instead of required. Tables no longer need to be spaced out at restaurants and bars, and workers no longer need to wear masks. Specific requirements for gyms, movie theaters and salons, and other industries, were lifted. However, return to full economic potential is unlikely while the global health crisis continues.

The SMA experienced a higher average unemployment rate relative to the overall nation during the years preceding the recession. The effects of the recession were more pronounced in the SMA, which experienced a 6.0 percentage point increase in unemployment, compared to only a 5.0 percentage point increase across the overall nation. Since 2012, the SMA generally experienced a higher unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the SMA is 5.4 percent, lower than the current national unemployment rate of 6.5 percent. As a result of the COVID-19 pandemic and stay-at-home orders, record national unemployment claims began in March 2020 and will likely continue in the near future. We anticipate the unemployment rate in the SMA will remain elevated in the coming months.

Beginning in March 2020, the international pandemic caused by the COVID-19 coronavirus resulted in governments across the globe taking dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. Consequently, over the past year there has been a sharp and dramatic increase in layoffs due to the economic restrictions related to the emergency response. Governments have passed significant economic stimulus packages to help in offsetting the economic impact. Local governments have begun to lift or loosen restrictions and the stimulus passed thus far has blunted some of the impact from the emergency measures. It remains unclear as to how these measures will impact the housing market long term. However, based on the data available through 12 months, which indicates some multifamily real estate transactions have continued to close without repricing and rent collection losses during this period have declined less than projected, the governmental response has offset a significant portion of the economic losses presented by the emergency. There is evidence that, despite the significant level of recent layoffs, many other area employers are hiring. Overall, we anticipate that the elevated layoff pace will subside now that economic restrictions have been loosened in the Subject's market area though a return to full economic potential is unlikely while the global health crisis continues. We believe that the Subject's affordable operations will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments).

H. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its household income at the appropriate AMI level.

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

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

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

2. Affordability

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

FAMILY INCOME LIMITS				
Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@50%		@60%	
1BR	-	-	\$20,229	\$29,880
2BR	\$23,006	\$28,050	\$23,006	\$33,660
3BR	-	-	\$25,749	\$40,380

3. Demand

The demand for the Subject will be derived from three sources: new households, existing households and elderly homeowners likely to convert to rentership. These calculations are illustrated in the following tables.

Demand from New Households

The number of new households entering the market is the first level of demand calculated. We utilized 2023, the anticipated date of market entry, as the base year for the analysis. Therefore, 2020 household population estimates are inflated to 2023 by interpolation of the difference between 2020 estimates and 2025 projections. This change in households is considered the gross potential demand for the Subject property. This

number is adjusted for income eligibility and renter tenure. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2023. This number takes the overall growth from 2020 to 2023 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

Demand from Existing Households

Demand for existing households is estimated by summing two sources of potential tenants. The first source is tenants who are rent overburdened. These are households who are paying over 35 percent for family households and 40 percent for senior households of their income in housing costs. This data is interpolated using ACS data based on appropriate income levels.

The second source is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. In general, we will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject.

Demand from Elderly Homeowners likely to Convert to Rentership

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

3d. Other

Per the 2021 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we do not account for leakage from outside the PMA boundaries in our demand analysis.

DCA does not consider household turnover to be a source of market demand. Therefore, we do not account for household turnover in our demand analysis.

We calculated all of our capture rates based on household size. DCA guidelines indicate that properties with over 20 percent of their proposed units in three and four-bedroom units need to be adjusted to considered larger household sizes. Our capture rates incorporate household size adjustments for all of the Subject's units.

Net Demand

The following pages will outline the overall demand components added together less the supply of competitive developments awarded and/or constructed or placed in service from 2018 to the present.

Additions to Supply

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we deduct the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that were funded, are under construction, or are in properties that have not yet reached stabilized occupancy
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or are in properties that have not yet reached stabilized occupancy. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development.

COMPETITIVE SUPPLY 2018 - PRESENT

Property Name	Program	Location	Tenancy	Status	# of Competitive
East Orchard Elderly	Rural Development, LIHTC	Hartwell	Senior	Proposed renovations	0

- East Orchard Elderly, the Subject’s sister property, was allocated in 2020 for the acquisition/rehabilitation of 24 LIHTC units targeting families. Renovations are scheduled to begin in November 2021 and be completed in May 2022. This property is located adjacent east of the Subject in Hartwell. The property offers 24 one-bedroom units restricted to the 60 percent AMI level. All of the units will continue to operate with rental subsidies and tenants will continue to pay 30 percent of their income towards rent, not to exceed maximum allowable levels. This property targets different tenancy than the Subject and will not be considered directly competitive. As such, no units are deducted in our demand analysis.

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated or are not yet stabilized.

ADDITIONS TO SUPPLY

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	Unrestricted	Overall
0BR						0
1BR						0
2BR						0
3BR						0
4BR						0
5BR						0
Total	0	0	0	0	0	0

Rehab Developments and PBRA

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

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

Capture Rates

The above calculations and derived capture rates are illustrated in the following tables. Note that the demographic data used in the following tables, including tenure patterns, household size and income distribution through the projected market entry date of 2023 are illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2020		Projected Mkt Entry May 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	653	18.1%	637	17.3%	624	16.7%
\$10,000-19,999	937	26.0%	900	24.5%	871	23.3%
\$20,000-29,999	497	13.8%	512	13.9%	523	14.0%
\$30,000-39,999	282	7.8%	275	7.5%	269	7.2%
\$40,000-49,999	318	8.8%	326	8.9%	332	8.9%
\$50,000-59,999	259	7.2%	258	7.0%	258	6.9%
\$60,000-74,999	175	4.9%	182	5.0%	188	5.0%
\$75,000-99,999	203	5.6%	225	6.1%	241	6.4%
\$100,000-124,999	117	3.2%	139	3.8%	155	4.1%
\$125,000-149,999	38	1.1%	51	1.4%	61	1.6%
\$150,000-199,999	69	1.9%	94	2.6%	113	3.0%
\$200,000+	53	1.5%	81	2.2%	102	2.7%
Total	3,601	100.0%	3,678	100.0%	3,737	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, May 2021

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$23,006		Maximum Income Limit		\$28,050	
Income Category	New Renter Households - Total Change in Households PMA 2020 to Prj Mrkt Entry May 2023		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	-16			-21.3%	\$0	0.0%
\$10,000-19,999	-37	-48.5%	\$0	0.0%	0		
\$20,000-29,999	15	19.1%	\$5,044	50.4%	7		
\$30,000-39,999	-7	-9.6%	\$0	0.0%	0		
\$40,000-49,999	8	10.3%	\$0	0.0%	0		
\$50,000-59,999	-1	-0.7%	\$0	0.0%	0		
\$60,000-74,999	7	9.6%	\$0	0.0%	0		
\$75,000-99,999	22	27.9%	\$0	0.0%	0		
\$100,000-124,999	22	27.9%	\$0	0.0%	0		
\$125,000-149,999	13	16.9%	\$0	0.0%	0		
\$150,000-199,999	25	32.4%	\$0	0.0%	0		
\$200,000+	28	36.0%	\$0	0.0%	0		
Total	77	100.0%		9.6%	7		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$23,006		Maximum Income Limit		\$28,050	
Income Category	Total Renter Households PMA 2020		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	653			18.1%	\$0	0.0%
\$10,000-19,999	937	26.0%	\$0	0.0%	0		
\$20,000-29,999	497	13.8%	\$5,044	50.4%	251		
\$30,000-39,999	282	7.8%	\$0	0.0%	0		
\$40,000-49,999	318	8.8%	\$0	0.0%	0		
\$50,000-59,999	259	7.2%	\$0	0.0%	0		
\$60,000-74,999	175	4.9%	\$0	0.0%	0		
\$75,000-99,999	203	5.6%	\$0	0.0%	0		
\$100,000-124,999	117	3.2%	\$0	0.0%	0		
\$125,000-149,999	38	1.1%	\$0	0.0%	0		
\$150,000-199,999	69	1.9%	\$0	0.0%	0		
\$200,000+	53	1.5%	\$0	0.0%	0		
Total	3,601	100.0%		7.0%	251		

ASSUMPTIONS - @50%

Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Rural		Maximum # of Occupants		5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	80%	20%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	30%	70%	0%	
5+	0%	0%	0%	100%	0%	

Demand from New Renter Households 2020 to May 2023

Income Target Population	@50%
New Renter Households PMA	77
Percent Income Qualified	9.6%
New Renter Income Qualified Households	7

Demand from Existing Households 2020

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	3,601
Income Qualified	7.0%
Income Qualified Renter Households	251
Percent Rent Overburdened Prj Mrkt Entry May 2023	45.0%
Rent Overburdened Households	113

Demand from Living in Substandard Housing

Income Qualified Renter Households	251
Percent Living in Substandard Housing	1.5%
Households Living in Substandard Housing	4

Senior Households Converting from Homeownership

Income Target Population	@50%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	117
Total New Demand	7
Total Demand (New Plus Existing Households)	124

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

By Bedroom Demand

One Person	42.9%	53
Two Persons	23.4%	29
Three Persons	13.4%	17
Four Persons	13.6%	17
Five Persons	6.7%	8
Total	100.0%	124

EAST ORCHARD FAMILY APARTMENTS– HARTWELL, GEORGIA – MARKET STUDY

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
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Of one-person households in 1BR units	80%	43
Of two-person households in 1BR units	20%	6
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
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Of one-person households in 2BR units	20%	11
Of two-person households in 2BR units	80%	23
Of three-person households in 2BR units	60%	10
Of four-person households in 2BR units	30%	5
Of five-person households in 2BR units	0%	0
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Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	7
Of four-person households in 3BR units	70%	12
Of five-person households in 3BR units	100%	8
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Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	0%	0
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Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		124

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	49	-	0	=	49
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	49		0		49

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	-	/	-	=	-
2 BR	5	/	49	=	10.2%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	5		49		10.2%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$20,229		Maximum Income Limit		\$40,380	
Income Category	New Renter Households - Total Change in Households PMA 2020 to Prj Mrkt Entry May 2023		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	-16			-21.3%	\$0	0.0%
\$10,000-19,999	-37	-48.5%	\$0	0.0%	0		
\$20,000-29,999	15	19.1%	\$9,770	97.7%	14		
\$30,000-39,999	-7	-9.6%	\$9,999	100.0%	-7		
\$40,000-49,999	8	10.3%	\$380	3.8%	0		
\$50,000-59,999	-1	-0.7%	\$0	0.0%	0		
\$60,000-74,999	7	9.6%	\$0	0.0%	0		
\$75,000-99,999	22	27.9%	\$0	0.0%	0		
\$100,000-124,999	22	27.9%	\$0	0.0%	0		
\$125,000-149,999	13	16.9%	\$0	0.0%	0		
\$150,000-199,999	25	32.4%	\$0	0.0%	0		
\$200,000+	28	36.0%	\$0	0.0%	0		
Total	77	100.0%		9.5%	7		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$20,229		Maximum Income Limit		\$40,380	
Income Category	Total Renter Households PMA 2020		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	653			18.1%	\$0	0.0%
\$10,000-19,999	937	26.0%	\$0	0.0%	0		
\$20,000-29,999	497	13.8%	\$9,770	97.7%	486		
\$30,000-39,999	282	7.8%	\$9,999	100.0%	282		
\$40,000-49,999	318	8.8%	\$380	3.8%	12		
\$50,000-59,999	259	7.2%	\$0	0.0%	0		
\$60,000-74,999	175	4.9%	\$0	0.0%	0		
\$75,000-99,999	203	5.6%	\$0	0.0%	0		
\$100,000-124,999	117	3.2%	\$0	0.0%	0		
\$125,000-149,999	38	1.1%	\$0	0.0%	0		
\$150,000-199,999	69	1.9%	\$0	0.0%	0		
\$200,000+	53	1.5%	\$0	0.0%	0		
Total	3,601	100.0%		21.7%	780		

ASSUMPTIONS - @60%

Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Rural		Maximum # of Occupants		5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	80%	20%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	30%	70%	0%	
5+	0%	0%	0%	100%	0%	

Demand from New Renter Households 2020 to May 2023

Income Target Population	@60%
New Renter Households PMA	77
Percent Income Qualified	9.5%
New Renter Income Qualified Households	7

Demand from Existing Households 2020

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	3,601
Income Qualified	21.7%
Income Qualified Renter Households	780
Percent Rent Overburdened Prj Mrkt Entry May 2023	45.0%
Rent Overburdened Households	351

Demand from Living in Substandard Housing

Income Qualified Renter Households	780
Percent Living in Substandard Housing	1.5%
Households Living in Substandard Housing	12

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	363
Total New Demand	7
Total Demand (New Plus Existing Households)	370

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

By Bedroom Demand

One Person	42.9%	159
Two Persons	23.4%	87
Three Persons	13.4%	50
Four Persons	13.6%	50
Five Persons	6.7%	25
Total	100.0%	370

EAST ORCHARD FAMILY APARTMENTS– HARTWELL, GEORGIA – MARKET STUDY

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
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Of one-person households in 1BR units	80%	127
Of two-person households in 1BR units	20%	17
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
<hr/>		
Of one-person households in 2BR units	20%	32
Of two-person households in 2BR units	80%	69
Of three-person households in 2BR units	60%	30
Of four-person households in 2BR units	30%	15
Of five-person households in 2BR units	0%	0
<hr/>		
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	20
Of four-person households in 3BR units	70%	35
Of five-person households in 3BR units	100%	25
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Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	0%	0
<hr/>		
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		370

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	144	-	0	=	144
2 BR	146	-	0	=	146
3 BR	80	-	0	=	80
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	370		0		370

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	6	/	144	=	4.2%
2 BR	11	/	146	=	7.5%
3 BR	1	/	80	=	1.2%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	18		370		4.9%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$20,229		Maximum Income Limit		\$40,380	
Income Category	New Renter Households - Total Change in Households PMA 2020 to Prj Mrkt Entry May 2023		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	-16			-21.3%	\$0	0.0%
\$10,000-19,999	-37	-48.5%	\$0	0.0%	0		
\$20,000-29,999	15	19.1%	\$9,770	97.7%	14		
\$30,000-39,999	-7	-9.6%	\$9,999	100.0%	-7		
\$40,000-49,999	8	10.3%	\$380	3.8%	0		
\$50,000-59,999	-1	-0.7%	\$0	0.0%	0		
\$60,000-74,999	7	9.6%	\$0	0.0%	0		
\$75,000-99,999	22	27.9%	\$0	0.0%	0		
\$100,000-124,999	22	27.9%	\$0	0.0%	0		
\$125,000-149,999	13	16.9%	\$0	0.0%	0		
\$150,000-199,999	25	32.4%	\$0	0.0%	0		
\$200,000+	28	36.0%	\$0	0.0%	0		
Total	77	100.0%		9.5%	7		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$20,229		Maximum Income Limit		\$40,380	
Income Category	Total Renter Households PMA 2020		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	653			18.1%	\$0	0.0%
\$10,000-19,999	937	26.0%	\$0	0.0%	0		
\$20,000-29,999	497	13.8%	\$9,770	97.7%	486		
\$30,000-39,999	282	7.8%	\$9,999	100.0%	282		
\$40,000-49,999	318	8.8%	\$380	3.8%	12		
\$50,000-59,999	259	7.2%	\$0	0.0%	0		
\$60,000-74,999	175	4.9%	\$0	0.0%	0		
\$75,000-99,999	203	5.6%	\$0	0.0%	0		
\$100,000-124,999	117	3.2%	\$0	0.0%	0		
\$125,000-149,999	38	1.1%	\$0	0.0%	0		
\$150,000-199,999	69	1.9%	\$0	0.0%	0		
\$200,000+	53	1.5%	\$0	0.0%	0		
Total	3,601	100.0%		21.7%	780		

ASSUMPTIONS - Overall

ASSUMPTIONS - Overall						
Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Rural		Maximum # of Occupants		5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	80%	20%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	30%	70%	0%	
5+	0%	0%	0%	100%	0%	

Demand from New Renter Households 2020 to May 2023

Income Target Population	Overall
New Renter Households PMA	77
Percent Income Qualified	9.5%
New Renter Income Qualified Households	7

Demand from Existing Households 2020

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	3,601
Income Qualified	21.7%
Income Qualified Renter Households	780
Percent Rent Overburdened Prj Mrkt Entry May 2023	45.0%
Rent Overburdened Households	351

Demand from Living in Substandard Housing

Income Qualified Renter Households	780
Percent Living in Substandard Housing	1.5%
Households Living in Substandard Housing	12

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	363
Total New Demand	7
Total Demand (New Plus Existing Households)	370

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

By Bedroom Demand

One Person	42.9%	159
Two Persons	23.4%	87
Three Persons	13.4%	50
Four Persons	13.6%	50
Five Persons	6.7%	25
Total	100.0%	370

EAST ORCHARD FAMILY APARTMENTS– HARTWELL, GEORGIA – MARKET STUDY

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	127
Of two-person households in 1BR units	20%	17
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	20%	32
Of two-person households in 2BR units	80%	69
Of three-person households in 2BR units	60%	30
Of four-person households in 2BR units	30%	15
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	20
Of four-person households in 3BR units	70%	35
Of five-person households in 3BR units	100%	25
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	0%	0
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		370

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	144	-	0	=	144
2 BR	146	-	0	=	146
3 BR	80	-	0	=	80
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	370		0		370

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	6	/	144	=	4.2%
2 BR	16	/	146	=	11.0%
3 BR	1	/	80	=	1.2%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	23		370		6.2%

CAPTURE RATE ANALYSIS CHART

Our demand analysis is used to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of households in the PMA is expected to increase 0.6 percent annually between 2020 and 2023.
- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The following table illustrates demand and net demand for the Subject’s units. Note that these capture rates are not based on appropriate bedroom types, as calculated previously.

DEMAND AND NET DEMAND

DCA Conclusion Tables (Family)	HH at @50% AMI (\$23,006 to \$28,050)	HH at @60% AMI (\$20,229 to \$40,380)	All Tax Credit Households
Demand from New Households (age and income appropriate)	7	7	7
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	4	12	12
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	113	351	351
Sub Total	124	370	370
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0	0
Equals Total Demand	124	370	370
Less	-	-	-
Competitive New Supply	0	0	0
Equals Net Demand	124	370	370

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR at 60% AMI	\$20,229	\$29,880	6	144	0	144	4.2%	\$763	\$430	\$1,137	\$475
2BR at 50% AMI	\$23,006	\$28,050	5	49	0	49	10.2%	\$835	\$460	\$1,382	\$540
2BR at 60% AMI	\$23,006	\$33,660	11	146	0	146	7.5%	\$910	\$517	\$1,382	\$540
2BR Overall	\$23,006	\$33,660	16	146	0	146	11.0%	-	-	-	-
3BR at 60% AMI	\$25,749	\$40,380	1	80	0	80	1.2%	\$1,011	\$615	\$1,493	\$565
@50% Overall	\$23,006	\$28,050	5	49	0	49	10.2%	-	-	-	-
@60% Overall	\$20,229	\$40,380	18	370	0	370	4.9%	-	-	-	-
Overall	\$20,229	\$40,380	23	370	0	370	6.2%	-	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will be 10.2 percent. The Subject’s 60 percent AMI capture rates range from 1.2 to 7.5 percent, with an overall capture rate of 4.9 percent. The overall capture rate for the project’s 50 and 60 percent units is 6.2 percent. It should be noted that, as all tenants are expected to income-qualify post renovation, this analysis is purely hypothetical. Therefore, we believe there is adequate demand for the Subject. All capture rates are within Georgia DCA thresholds.

I. COMPETITIVE RENTAL ENVIRONMENT

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent structure. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eleven “true” comparable properties containing 1,308 units.

The availability of LIHTC data is considered limited; there no existing family LIHTC properties in the PMA. We included six LIHTC and mixed-income properties in our analysis. None of the comparable LIHTC and mixed-income properties are located within the PMA. The LIHTC and mixed-income properties are located between 13.4 and 37.2 miles from the Subject site in the cities of Toccoa, Royston, Commerce, and Cornelia. All of the LIHTC and mixed-income properties are located in similar locations compared to the Subject site in terms of median rent, median household income, and median home value. These properties were built or renovated between 2000 and 2018. These comparables are reasonable proxies for the Subject as they are among the most proximate non-subsidized family LIHTC developments in the area.

The availability of market rate data is also limited. The Subject is located in Hartwell and there are a limited amount of market rate properties in the area. We include five conventional properties in our analysis of the competitive market. All of the market rate properties are located outside of the PMA between 18.8 and 20.3 miles from the Subject site in Anderson, South Carolina. All of the market rate comparables are located in slightly superior locations compared to the Subject site in terms of median rent, median household income, and median home value. These comparables were built or renovated between 2003 and 2019. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on proximity, unit count, and condition.

Of note, despite the challenges in interviewing property managers in-person due to the office restrictions related to COVID-19, we were able to personally interview all of the comparables utilized in this report over the phone. All of the comparable properties were interviewed since April 2021. Ten of the eleven surveyed property managers reported that market demand has not softened as a result of the COVID-19 pandemic and state and local stay-at-home orders. Olde Town At Bailey Court reported a slight decrease in leasing pace during the COVID-19 pandemic, as the time required to turn units has increased during this time. However, none of the remaining comparable properties reported a similar trend.

A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

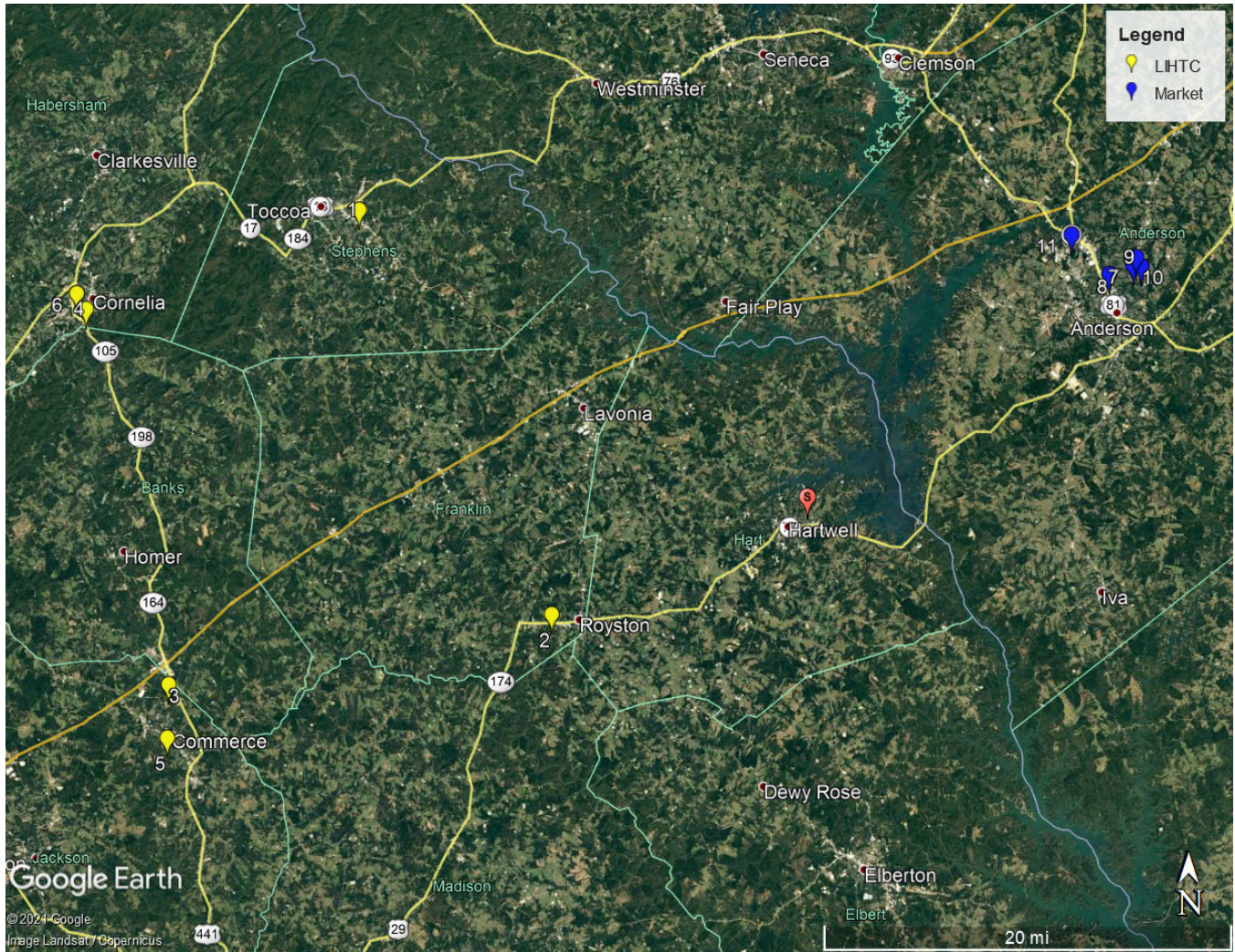
Excluded Properties

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

EXCLUDED PROPERTIES					
Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
Chandler Trace	LIHTC, Market	Hartwell	Senior	52	Dissimilar tenancy
Juniper Court	LIHTC, Market	Hartwell	Senior	52	Dissimilar tenancy
West Franklin Place	Public Housing	Hartwell	Family	180	Subsidized rents
Vandiver Dansby Homes	Public Housing	Lavonia	Family	180	Subsidized rents
Bowman Village	Rural Development	Bowman	Senior	24	Dissimilar tenancy, subsidized rents
East Orchard Elderly	Rural Development, LIHTC	Hartwell	Senior	24	Dissimilar tenancy, subsidized rents
Lavonia Gardens	Rural Development	Lavonia	Family	24	Subsidized rents
Lavonia Village	Rural Development	Lavonia	Family	24	Subsidized rents
Willow Lane Apartments	Rural Development	Bowman	Family	18	Subsidized rents
Wood Lake Apts Bayrock Corp	Rural Development	Hartwell	Family	30	Subsidized rents
Woodlake II	Rural Development	Hartwell	Family	30	Subsidized rents
Ridgewood Hill Apartments	Section 8	Lavonia	Family	24	Subsidized rents
466 N Leard St	Market	Hartwell	Family	51	Manufactured homes
Maret St Duplexes	Market	Hartwell	Family	22	Unable to contact

Juniper Court Apartments is a mixed-income senior property in average condition located 0.2 mile east of the Subject in Hartwell. This property is currently fully occupied and consists of 52 one and two-bedroom units restricted to senior households earning 50 and 60 percent of the AMI, or less, as well as unrestricted market rate units. The one and two-bedroom units at the 50 percent AMI level are \$377 and \$430, respectively. The one and two-bedroom units at the 60 percent AMI level are \$387 and \$445, respectively. The one and two-bedroom unrestricted market rate units are \$445 and \$465, respectively. Juniper Court Apartments was excluded as a comparable for the purposes of this report due to its dissimilar tenancy.

1. Comparable Rental Property Map



Source: Google Earth, May 2021.

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	East Orchard Family Apartments	Hartwell	LIHTC	-
1	Fern Point Apartments*	Toccoa	LIHTC	26.3 miles
2	Heather Highlands*	Royston	LIHTC	13.4 miles
3	Heritage Crossing*	Commerce	LIHTC/ Market	32.2 miles
4	Heritage Gardens*	Cornelia	LIHTC/ Market	36.5 miles
5	Heritage Hills Apartments*	Commerce	LIHTC	33.0 miles
6	Peaks Of Cornelia*	Cornelia	LIHTC/ Market	37.2 miles
7	Ashton Park Apartments*	Anderson	Market	20.0 miles
8	Olde Town At Bailey Court*	Anderson	Market	18.8 miles
9	Shadow Creek Apartments*	Anderson	Market	20.3 miles
10	Tanglewood Apartments*	Anderson	Market	20.3 miles
11	The Hamptons (FKA Hamptons Apartments)*	Anderson	Market	18.7 miles

*Located outside PMA

EAST ORCHARD FAMILY APARTMENTS- HARTWELL, GEORGIA – MARKET STUDY

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

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	East Orchard Family Apartments 110 Nancy Drive Hartwell, GA 30643 Hart County		Townhouse 2-stories 1990 / 2023 Family	@50%, @60%	1BR / 1BA	6	25.0%	658	@60%	\$475	No	N/A	N/A	N/A
					2BR / 1BA	5	20.8%	855	@50%	\$540	No	N/A	N/A	N/A
					2BR / 1BA	11	45.8%	855	@60%	\$540	No	N/A	N/A	N/A
					3BR / 1BA	1	4.2%	905	@60%	\$565	No	N/A	N/A	N/A
					3BR / 1BA	1	4.2%	905	Non-Rental	\$0	N/A	N/A	N/A	N/A
					<u>24</u>							N/A	N/A	
1	Fern Point Apartments 280 Fern Point Drive Toccoa, GA 30577 Stephens County	26.3 miles	Garden 2-stories 2012 / n/a Family	@50%, @60%	1BR / 1BA	2	4.2%	775	@50%	\$470	No	Yes	0	0.0%
					1BR / 1BA	8	16.7%	775	@60%	\$520	No	Yes	0	0.0%
					2BR / 2BA	4	8.3%	1,162	@50%	\$522	No	Yes	0	0.0%
					2BR / 2BA	24	50.0%	1,162	@60%	\$617	No	Yes	0	0.0%
					3BR / 2BA	2	4.2%	1,260	@50%	\$595	No	Yes	0	0.0%
					<u>8</u>							0	0.0%	
					<u>48</u>							0	0.0%	
2	Heather Highlands 10 Ed Smith Way Royston, GA 30662 Franklin County	13.4 miles	Garden 2-stories 2015 / n/a Family	@50%, @60%	1BR / 1BA	2	5.0%	850	@50%	\$400	No	Yes	0	0.0%
					1BR / 1BA	6	15.0%	850	@60%	\$430	No	Yes	0	0.0%
					2BR / 2BA	4	10.0%	1,100	@50%	\$460	No	Yes	0	0.0%
					2BR / 2BA	20	50.0%	1,100	@60%	\$517	No	Yes	0	0.0%
					3BR / 2BA	2	5.0%	1,250	@50%	\$510	No	Yes	0	0.0%
					<u>5</u>							0	0.0%	
					<u>1</u>			Non-Rental	-	N/A	N/A	N/A	N/A	
					<u>40</u>							0	0.0%	
3	Heritage Crossing 100 Crossing Place Commerce, GA 30529 Jackson County	32.2 miles	Garden 2-stories 2002 / n/a Family	@50%, @60%, Market	1BR / 1BA	5	4.2%	975	@50%	\$646	Yes	Yes	0	0.0%
					1BR / 1BA	4	3.3%	975	@60%	\$798	Yes	Yes	0	0.0%
					1BR / 1BA	3	2.5%	975	Market	\$850	N/A	Yes	0	0.0%
					2BR / 2BA	30	25.0%	1,175	@50%	\$773	Yes	Yes	0	0.0%
					2BR / 2BA	28	23.3%	1,175	@60%	\$955	Yes	Yes	0	0.0%
					<u>12</u>			Market	\$990	N/A	Yes	0	0.0%	
					<u>2</u>			Non-Rental	\$0	N/A	No	N/A	N/A	
					<u>14</u>			@50%	\$880	Yes	Yes	0	0.0%	
					<u>15</u>			@60%	\$1,090	Yes	Yes	0	0.0%	
					<u>7</u>			Market	\$1,190	N/A	No	0	0.0%	
					<u>120</u>							0	0.0%	
4	Heritage Gardens 110 Heritage Gardens Drive Cornelia, GA 30531 Habersham County	36.5 miles	Garden 4-stories 1998 / 2006 Family	@30%, @50%, @60%, Market	1BR / 1BA	2	2.5%	856	@30%	\$290	No	Yes	0	0.0%
					1BR / 1BA	11	13.8%	856	@50%	\$501	No	Yes	1	9.1%
					1BR / 1BA	3	3.8%	856	@60%	\$626	No	Yes	0	0.0%
					1BR / 1BA	4	5.0%	856	Market	\$675	N/A	No	0	0.0%
					2BR / 2BA	5	6.3%	1,074	@30%	\$340	No	Yes	0	0.0%
					<u>18</u>			@50%	\$584	No	Yes	0	0.0%	
					<u>9</u>			@60%	\$703	No	Yes	0	0.0%	
					<u>8</u>			Market	\$810	N/A	No	0	0.0%	
					<u>2</u>			@30%	\$380	No	Yes	0	0.0%	
					<u>11</u>			@50%	\$655	No	Yes	0	0.0%	
					<u>3</u>			@60%	\$795	No	Yes	0	0.0%	
					<u>4</u>			Market	\$910	N/A	No	0	0.0%	
					<u>80</u>							1	1.3%	
5	Heritage Hills Apartments 100 Heritage Hills Drive Commerce, GA 30529 Jackson County	33.0 miles	Garden 2-stories 2000 / n/a Family	@50%, @60%	1BR / 1BA	5	6.3%	900	@50%	\$663	No	Yes	0	0.0%
					1BR / 1BA	5	6.3%	900	@60%	\$815	No	Yes	0	0.0%
					2BR / 2BA	25	31.3%	1,075	@50%	\$794	No	Yes	0	0.0%
					2BR / 2BA	25	31.3%	1,075	@60%	\$976	No	Yes	0	0.0%
					3BR / 2BA	10	12.5%	1,275	@50%	\$906	No	Yes	0	0.0%
					<u>10</u>			@60%	\$1,116	No	Yes	0	0.0%	
					<u>80</u>							0	0.0%	
6	Peaks Of Cornelia 771 Level Grove Road Cornelia, GA 30531 Habersham County	37.2 miles	Garden 2-stories 2018 / n/a Family	@50%, @60%, Market	1BR / 1BA	3	3.8%	700	@50%	\$465	No	Yes	0	0.0%
					1BR / 1BA	7	8.8%	700	@60%	\$567	No	Yes	0	0.0%
					1BR / 1BA	2	2.5%	700	Market	\$678	N/A	Yes	0	0.0%
					2BR / 2BA	8	10.0%	1,050	@50%	\$535	No	Yes	0	0.0%
					2BR / 2BA	26	32.5%	1,050	@60%	\$659	No	Yes	0	0.0%
					<u>6</u>			Market	\$768	N/A	Yes	0	0.0%	
					<u>6</u>			@50%	\$596	No	Yes	0	0.0%	
					<u>18</u>			@60%	\$740	No	Yes	0	0.0%	
					<u>4</u>			Market	\$864	N/A	Yes	0	0.0%	
					<u>80</u>							0	0.0%	
7	Ashton Park Apartments 50 Braeburn Drive Anderson, SC 29621 Anderson County	20.0 miles	Garden 3-stories 2006 / n/a Family	Market	1BR / 1BA	54	25.0%	850	Market	\$1,137	N/A	No	1	1.9%
					2BR / 2BA	54	25.0%	1,085	Market	\$1,305	N/A	No	0	0.0%
					2BR / 2BA	54	25.0%	1,188	Market	\$1,382	N/A	No	0	0.0%
					3BR / 2BA	54	25.0%	1,450	Market	\$1,493	N/A	No	0	0.0%
					<u>216</u>							1	0.5%	
8	Olde Town At Bailey Court 106 Concord Avenue Anderson, SC 29621 Anderson County	18.8 miles	Garden 2-stories 1964 / 2003 Family	Market	1BR / 1BA	17	17.0%	650	Market	\$715	N/A	No	0	0.0%
					2BR / 1BA	21	21.0%	1,100	Market	\$990	N/A	No	0	0.0%
					2BR / 1BA	51	51.0%	800	Market	\$836	N/A	No	1	2.0%
					2BR / 1BA	9	9.0%	925	Market	\$875	N/A	No	0	0.0%
					<u>2</u>			Market	\$950	N/A	No	0	0.0%	
					<u>100</u>							1	1.0%	
9	Shadow Creek Apartments 100 Shadow Creek Lane Anderson, SC 29621 Anderson County	20.3 miles	Garden 3-stories 1999 / 2019 Family	Market	1BR / 1BA	36	18.8%	804	Market	\$1,077	N/A	Yes	0	0.0%
					2BR / 2BA	132	68.8%	1,098	Market	\$1,174	N/A	Yes	0	0.0%
					3BR / 2BA	24	12.5%	1,224	Market	\$1,367	N/A	Yes	0	0.0%
					<u>192</u>							0	0.0%	
10	Tanglewood Apartments 2418 Marchbanks Avenue Anderson, SC 29621 Anderson County	20.3 miles	Garden 2-stories 1976 / 2007 Family	Market	1BR / 1BA	40	23.8%	615	Market	\$928	N/A	No	1	2.5%
					2BR / 1.5BA	112	66.7%	925	Market	\$1,035	N/A	No	1	0.9%
					3BR / 2BA	16	9.5%	1,150	Market	\$1,288	N/A	No	0	0.0%
					<u>168</u>							2	1.2%	
11	The Hamptons (FKA Hamptons Apartments) 100 Hudson Circle Anderson, SC 29625 Anderson County	18.7 miles	Garden 3-stories 2003 / n/a Family	Market	1BR / 1BA	22	12.0%	679	Market	\$800	N/A	Yes	0	0.0%
					1BR / 1BA	22	12.0%	821	Market	\$830	N/A	Yes	0	0.0%
					2BR / 2BA	54	29.4%	807	Market	\$877	N/A	Yes	0	0.0%
					2BR / 2BA	54	29.4%	1,029	Market	\$912	N/A	Yes	0	0.0%
					<u>32</u>			Market	\$1,020	N/A	Yes	0	0.0%	
					<u>184</u>							0	0.0%	

EAST ORCHARD FAMILY APARTMENTS- HARTWELL, GEORGIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed:	1,308	Weighted Occupancy:	99.6%		
	Market Rate	860	Market Rate	99.5%		
	Tax Credit	448	Tax Credit	99.8%		
One Bedroom One Bath		Average	Two Bedroom One Bath	Average	Three Bedroom One Bath	
Property			Property		Property	
RENT	Ashton Park Apartments (Market)	\$1,137	Ashton Park Apartments (Market)(2BA)	\$1,382	Ashton Park Apartments (Market)(2BA)	\$1,493
	Shadow Creek Apartments (Market)	\$1,077	Ashton Park Apartments (Market)(2BA)	\$1,305	Shadow Creek Apartments (Market)(2BA)	\$1,367
	Tanglewood Apartments (Market)	\$928	Shadow Creek Apartments (Market)(2BA)	\$1,174	Tanglewood Apartments (Market)(2BA)	\$1,288
	Heritage Crossing (Market)	\$850	Tanglewood Apartments (Market)(1.5BA)	\$1,035	Heritage Crossing (Market)(2BA)	\$1,190
	The Hamptons (FKA Hamptons Apartments) (Market)	\$830	Heritage Crossing (Market)(2BA)	\$990	Heritage Hills Apartments (@60%)(2BA)	\$1,116
	Heritage Hills Apartments (@60%)	\$815	Old Town At Bailey Court (Market)	\$990	Heritage Crossing (@60%)(2BA)	\$1,090
	The Hamptons (FKA Hamptons Apartments) (Market)	\$800	Heritage Hills Apartments (@60%)(2BA)	\$976	The Hamptons (FKA Hamptons Apartments) (Market)(2BA)	\$1,020
	Heritage Crossing (@60%)	\$798	Heritage Crossing (@60%)(2BA)	\$955	Old Town At Bailey Court (Market)	\$950
	Old Town At Bailey Court (Market)	\$715	The Hamptons (FKA Hamptons Apartments) (Market)(2BA)	\$912	Heritage Gardens (Market)(2BA)	\$910
	Peaks Of Cornelia (Market)	\$678	The Hamptons (FKA Hamptons Apartments) (Market)(2BA)	\$877	Heritage Hills Apartments (@50%)(2BA)	\$906
	Heritage Gardens (Market)	\$675	Old Town At Bailey Court (Market)	\$875	Heritage Crossing (@50%)(2BA)	\$880
	Heritage Hills Apartments (@50%)	\$663	Old Town At Bailey Court (Market)	\$836	Peaks Of Cornelia (Market)(2BA)	\$864
	Heritage Crossing (@50%)	\$646	Heritage Gardens (Market)(2BA)	\$810	Heritage Gardens (@60%)(2BA)	\$795
	Heritage Gardens (@60%)	\$626	Heritage Hills Apartments (@50%)(2BA)	\$794	Peaks Of Cornelia (@60%)(2BA)	\$740
	Peaks Of Cornelia (@60%)	\$567	Heritage Crossing (@50%)(2BA)	\$773	Fern Point Apartments (@60%)(2BA)	\$710
	Fern Point Apartments (@60%)	\$520	Peaks Of Cornelia (Market)(2BA)	\$768	Heritage Gardens (@50%)(2BA)	\$665
	Heritage Gardens (@50%)	\$501	Heritage Gardens (@60%)(2BA)	\$703	Heather Highlands (@60%)(2BA)	\$615
	East Orchard Family Apartments (@60%)	\$475	Peaks Of Cornelia (@60%)(2BA)	\$659	Peaks Of Cornelia (@50%)(2BA)	\$596
	Fern Point Apartments (@50%)	\$470	Fern Point Apartments (@60%)(2BA)	\$617	Fern Point Apartments (@50%)(2BA)	\$595
	Peaks Of Cornelia (@50%)	\$465	Heritage Gardens (@50%)(2BA)	\$584	East Orchard Family Apartments (@60%)	\$565
	Heather Highlands (@60%)	\$430	East Orchard Family Apartments (@50%)	\$540	Heather Highlands (@50%)(2BA)	\$510
	Heather Highlands (@50%)	\$400	East Orchard Family Apartments (@60%)	\$540	Heritage Gardens (@30%)(2BA)	\$380
	Heritage Gardens (@30%)	\$290	Peaks Of Cornelia (@50%)(2BA)	\$535	East Orchard Family Apartments (Non-Rental)	\$0
			Fern Point Apartments (@50%)(2BA)	\$522		
			Heather Highlands (@60%)(2BA)	\$517		
			Heather Highlands (@50%)(2BA)	\$460		
			Heritage Gardens (@30%)(2BA)	\$340		
SQUARE FOOTAGE	Heritage Crossing (@50%)	975	Ashton Park Apartments (Market)(2BA)	1,188	Ashton Park Apartments (Market)(2BA)	1,450
	Heritage Crossing (@60%)	975	Heritage Crossing (Market)(2BA)	1,175	The Hamptons (FKA Hamptons Apartments) (Market)(2BA)	1,434
	Heritage Crossing (Market)	975	Heritage Crossing (Non-Rental)(2BA)	1,175	Heritage Crossing (@50%)(2BA)	1,350
	Heritage Hills Apartments (@50%)	900	Heritage Crossing (@50%)(2BA)	1,175	Heritage Crossing (Market)(2BA)	1,350
	Heritage Hills Apartments (@60%)	900	Heritage Crossing (@60%)(2BA)	1,175	Heritage Crossing (@60%)(2BA)	1,350
	Heritage Gardens (@60%)	856	Fern Point Apartments (@60%)(2BA)	1,162	Heritage Gardens (Market)(2BA)	1,304
	Heritage Gardens (@50%)	856	Fern Point Apartments (@50%)(2BA)	1,162	Heritage Gardens (@50%)(2BA)	1,304
	Heritage Gardens (Market)	856	Heather Highlands (@50%)(2BA)	1,100	Heritage Gardens (@60%)(2BA)	1,304
	Heritage Gardens (@30%)	856	Heather Highlands (@60%)(2BA)	1,100	Heritage Gardens (@30%)(2BA)	1,304
	Ashton Park Apartments (Market)	850	Old Town At Bailey Court (Market)	1,100	Heritage Hills Apartments (@50%)(2BA)	1,275
	Heather Highlands (@60%)	850	Shadow Creek Apartments (Market)(2BA)	1,098	Heritage Hills Apartments (@60%)(2BA)	1,275
	Heather Highlands (@50%)	850	Ashton Park Apartments (Market)(2BA)	1,085	Fern Point Apartments (@60%)(2BA)	1,260
	The Hamptons (FKA Hamptons Apartments) (Market)	821	Heritage Hills Apartments (@50%)(2BA)	1,075	Fern Point Apartments (@50%)(2BA)	1,260
	Shadow Creek Apartments (Market)	804	Heritage Hills Apartments (@60%)(2BA)	1,075	Heather Highlands (Non-Rental)(2BA)	1,250
	Fern Point Apartments (@60%)	775	Heritage Gardens (Market)(2BA)	1,074	Heather Highlands (@50%)(2BA)	1,250
	Fern Point Apartments (@50%)	775	Heritage Gardens (@60%)(2BA)	1,074	Heather Highlands (@60%)(2BA)	1,250
	Peaks Of Cornelia (@50%)	700	Heritage Gardens (@50%)(2BA)	1,074	Shadow Creek Apartments (Market)(2BA)	1,224
	Peaks Of Cornelia (@60%)	700	Heritage Gardens (@30%)(2BA)	1,074	Peaks Of Cornelia (@60%)(2BA)	1,200
	Peaks Of Cornelia (Market)	700	Peaks Of Cornelia (@50%)(2BA)	1,050	Peaks Of Cornelia (@50%)(2BA)	1,200
	The Hamptons (FKA Hamptons Apartments) (Market)	679	Peaks Of Cornelia (@60%)(2BA)	1,050	Peaks Of Cornelia (Market)(2BA)	1,200
	East Orchard Family Apartments (@60%)	658	Peaks Of Cornelia (Market)(2BA)	1,050	Tanglewood Apartments (Market)(2BA)	1,150
	Old Town At Bailey Court (Market)	650	The Hamptons (FKA Hamptons Apartments) (Market)(2BA)	1,029	Old Town At Bailey Court (Market)	925
	Tanglewood Apartments (Market)	615	Tanglewood Apartments (Market)(1.5BA)	925	East Orchard Family Apartments (@60%)	905
			Old Town At Bailey Court (Market)	925	East Orchard Family Apartments (Non-Rental)	905
			East Orchard Family Apartments (@60%)	855		
			East Orchard Family Apartments (@50%)	855		
			The Hamptons (FKA Hamptons Apartments) (Market)(2BA)	807		
			Old Town At Bailey Court (Market)	800		
RENT PER SQUARE FOOT	Tanglewood Apartments (Market)	\$1.51	Ashton Park Apartments (Market)(2BA)	\$1.20	Tanglewood Apartments (Market)(2BA)	\$1.12
	Shadow Creek Apartments (Market)	\$1.34	Ashton Park Apartments (Market)(2BA)	\$1.16	Shadow Creek Apartments (Market)(2BA)	\$1.12
	Ashton Park Apartments (Market)	\$1.34	Tanglewood Apartments (Market)(1.5BA)	\$1.12	Ashton Park Apartments (Market)(2BA)	\$1.03
	The Hamptons (FKA Hamptons Apartments) (Market)	\$1.18	The Hamptons (FKA Hamptons Apartments) (Market)(2BA)	\$1.09	Old Town At Bailey Court (Market)	\$1.03
	Old Town At Bailey Court (Market)	\$1.10	Shadow Creek Apartments (Market)(2BA)	\$1.07	Heritage Crossing (Market)(2BA)	\$0.88
	The Hamptons (FKA Hamptons Apartments) (Market)	\$1.01	Old Town At Bailey Court (Market)	\$1.05	Heritage Hills Apartments (@60%)(2BA)	\$0.88
	Peaks Of Cornelia (Market)	\$0.97	Old Town At Bailey Court (Market)	\$0.95	Heritage Crossing (@60%)(2BA)	\$0.81
	Heritage Hills Apartments (@60%)	\$0.91	Heritage Hills Apartments (@60%)(2BA)	\$0.91	Peaks Of Cornelia (Market)(2BA)	\$0.72
	Heritage Crossing (Market)	\$0.87	Old Town At Bailey Court (Market)	\$0.90	The Hamptons (FKA Hamptons Apartments) (Market)(2BA)	\$0.71
	Heritage Crossing (@60%)	\$0.82	The Hamptons (FKA Hamptons Apartments) (Market)(2BA)	\$0.89	Heritage Hills Apartments (@50%)(2BA)	\$0.71
	Peaks Of Cornelia (@60%)	\$0.81	Heritage Crossing (Market)(2BA)	\$0.84	Heritage Gardens (Market)(2BA)	\$0.70
	Heritage Gardens (Market)	\$0.79	Heritage Crossing (@60%)(2BA)	\$0.81	Heritage Crossing (@50%)(2BA)	\$0.65
	Heritage Hills Apartments (@50%)	\$0.74	Heritage Gardens (Market)(2BA)	\$0.75	East Orchard Family Apartments (@60%)	\$0.62
	Heritage Gardens (@60%)	\$0.73	Heritage Hills Apartments (@50%)(2BA)	\$0.74	Peaks Of Cornelia (@60%)(2BA)	\$0.62
	East Orchard Family Apartments (@60%)	\$0.72	Peaks Of Cornelia (Market)(2BA)	\$0.73	Heritage Gardens (@60%)(2BA)	\$0.61
	Fern Point Apartments (@60%)	\$0.67	Heritage Crossing (@50%)(2BA)	\$0.66	Fern Point Apartments (@60%)(2BA)	\$0.56
	Peaks Of Cornelia (@50%)	\$0.66	Heritage Gardens (@60%)(2BA)	\$0.65	Heritage Gardens (@50%)(2BA)	\$0.50
	Heritage Crossing (@50%)	\$0.66	East Orchard Family Apartments (@60%)	\$0.63	Peaks Of Cornelia (@50%)(2BA)	\$0.50
	Fern Point Apartments (@50%)	\$0.61	East Orchard Family Apartments (@50%)	\$0.63	Heather Highlands (@60%)(2BA)	\$0.49
	Heritage Gardens (@50%)	\$0.59	Peaks Of Cornelia (@60%)(2BA)	\$0.63	Fern Point Apartments (@50%)(2BA)	\$0.47
	Heather Highlands (@60%)	\$0.51	Heritage Gardens (@50%)(2BA)	\$0.54	Heather Highlands (@50%)(2BA)	\$0.41
	Heather Highlands (@50%)	\$0.47	Fern Point Apartments (@60%)(2BA)	\$0.53	Heritage Gardens (@30%)(2BA)	\$0.29
	Heritage Gardens (@30%)	\$0.34	Peaks Of Cornelia (@50%)(2BA)	\$0.51	East Orchard Family Apartments (Non-Rental)	\$0.00
			Heather Highlands (@60%)(2BA)	\$0.47		
			Fern Point Apartments (@50%)(2BA)	\$0.45		
			Heather Highlands (@50%)(2BA)	\$0.42		
			Heritage Gardens (@30%)(2BA)	\$0.32		

PROPERTY PROFILE REPORT

Fern Point Apartments

Effective Rent Date	5/06/2021
Location	280 Fern Point Drive Toccoa, GA 30577 Stephens County
Distance	26.3 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Heather Highlands
Tenant Characteristics	Mostly families; 10 percent seniors
Contact Name	Anna
Phone	706-886-0349



Market Information

Program	@50%, @60%
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Stable
Concession	None
Waiting List	Yes; 20 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	775	\$425	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	8	775	\$475	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	4	1,162	\$470	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	24	1,162	\$565	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	2	1,260	\$530	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	8	1,260	\$645	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$425	\$0	\$425	\$45	\$470	1BR / 1BA	\$475	\$0	\$475	\$45	\$520
2BR / 2BA	\$470	\$0	\$470	\$52	\$522	2BR / 2BA	\$565	\$0	\$565	\$52	\$617
3BR / 2BA	\$530	\$0	\$530	\$65	\$595	3BR / 2BA	\$645	\$0	\$645	\$65	\$710

Fern Point Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Walking trail
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Playground			

Comments

The property accepts Housing Choice Vouchers. However, at this time there are no tenants currently utilizing these vouchers. The contact stated that she believes demand for affordable housing in the area is very high, as management sees a high volume of prospective tenants.

Photos



PROPERTY PROFILE REPORT

Heather Highlands

Effective Rent Date	5/05/2021
Location	10 Ed Smith Way Royston, GA 30662 Franklin County
Distance	13.4 miles
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2015 / N/A
Marketing Began	10/01/2015
Leasing Began	10/01/2015
Last Unit Leased	2/01/2016
Major Competitors	None identified
Tenant Characteristics	Families from Royston; a few seniors
Contact Name	Whitleigh
Phone	762-847-7900



Market Information

Program	@50%, @60%, Non-Rental
Annual Turnover Rate	30%
Units/Month Absorbed	10
HCV Tenants	3%
Leasing Pace	Within one week
Annual Chg. in Rent	Stable
Concession	None
Waiting List	Yes; 60+ households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	850	\$355	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	6	850	\$385	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	4	1,100	\$408	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	20	1,100	\$465	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	2	1,250	\$445	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	5	1,250	\$550	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	1	1,250	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$355	\$0	\$355	\$45	\$400	1BR / 1BA	\$385	\$0	\$385	\$45	\$430
2BR / 2BA	\$408	\$0	\$408	\$52	\$460	2BR / 2BA	\$465	\$0	\$465	\$52	\$517
3BR / 2BA	\$445	\$0	\$445	\$65	\$510	3BR / 2BA	\$550	\$0	\$550	\$65	\$615
Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
3BR / 2BA	N/A	\$0	N/A	\$65	N/A						

Heather Highlands, continued

Amenities

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

Comments

The contact reported the rents are not at the maximum allowable levels to keep the units more affordable. The contact stated that there is strong demand for affordable housing in the area. During the COVID-19 pandemic, management reported no significant impact to traffic, collections, or occupancy.

Photos



PROPERTY PROFILE REPORT

Heritage Crossing

Effective Rent Date	4/30/2021
Location	100 Crossing Place Commerce, GA 30529 Jackson County
Distance	32.2 miles
Units	120
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy from Commerce area
Contact Name	Ally
Phone	706-335-2394



Market Information

Program	@50%, @60%, Market, Non-Rental
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	Within a week
Annual Chg. in Rent	Increased up to five percent
Concession	None
Waiting List	Yes; ten households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	5	975	\$646	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	4	975	\$798	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	3	975	\$850	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	30	1,175	\$773	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	28	1,175	\$955	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	12	1,175	\$990	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	2	1,175	\$0	\$0	Non-Rental	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	14	1,350	\$880	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	15	1,350	\$1,090	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	7	1,350	\$1,190	\$0	Market	No	0	0.0%	N/A	None

Heritage Crossing, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$646	\$0	\$646	\$0	\$646	1BR / 1BA	\$798	\$0	\$798	\$0	\$798
2BR / 2BA	\$773	\$0	\$773	\$0	\$773	2BR / 2BA	\$955	\$0	\$955	\$0	\$955
3BR / 2BA	\$880	\$0	\$880	\$0	\$880	3BR / 2BA	\$1,090	\$0	\$1,090	\$0	\$1,090
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$850	\$0	\$850	\$0	\$850	2BR / 2BA	N/A	\$0	N/A	\$0	N/A
2BR / 2BA	\$990	\$0	\$990	\$0	\$990						
3BR / 2BA	\$1,190	\$0	\$1,190	\$0	\$1,190						

Amenities

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

Comments

The contact reported strong demand for affordable housing in the area and did not report any significant impact to the property as a result of the COVID-19 pandemic.

PROPERTY PROFILE REPORT

Heritage Gardens

Effective Rent Date	5/04/2021
Location	110 Heritage Gardens Drive Cornelia, GA 30531 Habersham County
Distance	36.5 miles
Units	80
Vacant Units	1
Vacancy Rate	1.3%
Type	Garden (4 stories)
Year Built/Renovated	1998 / 2006
Marketing Began	N/A
Leasing Began	10/01/2006
Last Unit Leased	N/A
Major Competitors	Pine Forest, The Peaks, and Demorest Apts
Tenant Characteristics	Mixed tenancy with majority families; ten percent seniors
Contact Name	Haley
Phone	706-778-1814



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	25%
Units/Month Absorbed	9
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased up to seven percent
Concession	None
Waiting List	Yes; 100 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	2	856	\$290	\$0	@30%	Yes	0	0.0%	no	None
1	1	Garden (4 stories)	11	856	\$501	\$0	@50%	Yes	1	9.1%	no	None
1	1	Garden (4 stories)	3	856	\$626	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (4 stories)	4	856	\$675	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (4 stories)	5	1,074	\$340	\$0	@30%	Yes	0	0.0%	no	None
2	2	Garden (4 stories)	18	1,074	\$584	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (4 stories)	9	1,074	\$703	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (4 stories)	8	1,074	\$810	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (4 stories)	2	1,304	\$380	\$0	@30%	Yes	0	0.0%	no	None
3	2	Garden (4 stories)	11	1,304	\$655	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (4 stories)	3	1,304	\$795	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (4 stories)	4	1,304	\$910	\$0	Market	No	0	0.0%	N/A	None

Heritage Gardens, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$290	\$0	\$290	\$0	\$290	1BR / 1BA	\$501	\$0	\$501	\$0	\$501
2BR / 2BA	\$340	\$0	\$340	\$0	\$340	2BR / 2BA	\$584	\$0	\$584	\$0	\$584
3BR / 2BA	\$380	\$0	\$380	\$0	\$380	3BR / 2BA	\$655	\$0	\$655	\$0	\$655
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$626	\$0	\$626	\$0	\$626	1BR / 1BA	\$675	\$0	\$675	\$0	\$675
2BR / 2BA	\$703	\$0	\$703	\$0	\$703	2BR / 2BA	\$810	\$0	\$810	\$0	\$810
3BR / 2BA	\$795	\$0	\$795	\$0	\$795	3BR / 2BA	\$910	\$0	\$910	\$0	\$910

Amenities

In-Unit	Security	Services
Balcony/Patio	Perimeter Fencing	None
Carpeting		
Coat Closet		
Ceiling Fan		
Microwave		
Refrigerator		
Washer/Dryer hookup		
	Premium	Other
Property	None	None
Basketball Court		
Clubhouse/Meeting Room/Community		
Central Laundry		
On-Site Management		
Playground		
	Business Center/Computer Lab	
	Exercise Facility	
	Off-Street Parking	
	Picnic Area	
	Swimming Pool	

Comments

The property accepts Housing Choice Vouchers; however, no tenants are using them at this time. The vacant unit is being processed from the waiting list. The property manager reported the rents are not at the maximum allowable levels in order to keep units more affordable. The contact reported no significant impact to collections, occupancy, or traffic during the COVID-19 pandemic. She also stated that demand for affordable housing in the area is high.

Photos



PROPERTY PROFILE REPORT

Heritage Hills Apartments

Effective Rent Date	4/30/2021
Location	100 Heritage Hills Drive Commerce, GA 30529 Jackson County
Distance	33 miles
Units	80
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Jackson Place, Mount Olive
Tenant Characteristics	Tenants from Commerce and Jackson County
Contact Name	Ally
Phone	(706) 335-9550



Market Information

Program	@50%, @60%
Annual Turnover Rate	60%
Units/Month Absorbed	N/A
HCV Tenants	1%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Increased up to five percent
Concession	None
Waiting List	Yes; ten households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	5	900	\$663	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	5	900	\$815	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	25	1,075	\$794	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	25	1,075	\$976	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	10	1,275	\$906	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	10	1,275	\$1,116	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$663	\$0	\$663	\$0	\$663	1BR / 1BA	\$815	\$0	\$815	\$0	\$815
2BR / 2BA	\$794	\$0	\$794	\$0	\$794	2BR / 2BA	\$976	\$0	\$976	\$0	\$976
3BR / 2BA	\$906	\$0	\$906	\$0	\$906	3BR / 2BA	\$1,116	\$0	\$1,116	\$0	\$1,116

Heritage Hills Apartments, continued

Amenities

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

Comments

The property manager reported the rents are not at the maximum allowable levels. However, the contact stated higher rents are achievable and reported no issues to occupancy or collections due to the COVID-19 pandemic. Further, the contact stated the demand for affordable housing in the area is high.

PROPERTY PROFILE REPORT

Peaks Of Cornelia

Effective Rent Date	5/04/2021
Location	771 Level Grove Road Cornelia, GA 30531 Habersham County
Distance	37.2 miles
Units	80
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Patricia
Phone	706-778-6000



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	9%
Units/Month Absorbed	20
HCV Tenants	5%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Stable
Concession	None
Waiting List	Yes; 200 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	3	700	\$420	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	7	700	\$522	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	2	700	\$633	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	8	1,050	\$483	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	26	1,050	\$607	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	6	1,050	\$716	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	6	1,200	\$531	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	18	1,200	\$675	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	4	1,200	\$799	\$0	Market	Yes	0	0.0%	N/A	None

Peaks Of Cornelia, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$420	\$0	\$420	\$45	\$465	1BR / 1BA	\$522	\$0	\$522	\$45	\$567
2BR / 2BA	\$483	\$0	\$483	\$52	\$535	2BR / 2BA	\$607	\$0	\$607	\$52	\$659
3BR / 2BA	\$531	\$0	\$531	\$65	\$596	3BR / 2BA	\$675	\$0	\$675	\$65	\$740

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$633	\$0	\$633	\$45	\$678
2BR / 2BA	\$716	\$0	\$716	\$52	\$768
3BR / 2BA	\$799	\$0	\$799	\$65	\$864

Amenities

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

Comments

The property manager reported the rents are not at the maximum allowable levels. However, the contact stated higher rents are achievable. Further, the contact reported no significant impact to collections, occupancy, or phone traffic during the COVID-19 pandemic. The contact noted a high demand for affordable housing in the area.

Photos



PROPERTY PROFILE REPORT

Ashton Park Apartments

Effective Rent Date	4/22/2021
Location	50 Braeburn Drive Anderson, SC 29621 Anderson County
Distance	20 miles
Units	216
Vacant Units	1
Vacancy Rate	0.5%
Type	Garden (3 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Walden Oaks and Shadow Creek
Tenant Characteristics	Approximately 40 percent students, mix from the local area, some out of state
Contact Name	Tanya
Phone	864-367-0143



Market Information

Program	Market
Annual Turnover Rate	11%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Fluctuates daily
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	54	850	\$1,092	\$0	Market	No	1	1.9%	N/A	None
2	2	Garden (3 stories)	54	1,085	\$1,253	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	54	1,188	\$1,330	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	54	1,450	\$1,428	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,092	\$0	\$1,092	\$45	\$1,137
2BR / 2BA	\$1,253 - \$1,330	\$0	\$1,253 - \$1,330	\$52	\$1,305 - \$1,382
3BR / 2BA	\$1,428	\$0	\$1,428	\$65	\$1,493

Ashton Park Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C		
Coat Closet	Exterior Storage(\$70.00)		
Ceiling Fan	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	Dog Park
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$120.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Theatre		
Volleyball Court	Wi-Fi		

Comments

This property does not accept Housing Choice Vouchers. The property utilizes Yieldstar and rents change daily. The contact stated there has not been any issues caused by the COVID-19 pandemic or the ensuing economic downturn during the past three months, and that there is a demand for rental housing in the area. Garages rent for \$90, \$125, or \$135, depending on size.

Photos



PROPERTY PROFILE REPORT

Olde Town At Bailey Court

Effective Rent Date	4/26/2021
Location	106 Concord Avenue Anderson, SC 29621 Anderson County
Distance	18.8 miles
Units	100
Vacant Units	1
Vacancy Rate	1.0%
Type	Garden (2 stories)
Year Built/Renovated	1964 / 2003
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Raintree Apts, Tanglewood Apts
Tenant Characteristics	Majority singles, approximately 30 percent seniors. Most of the tenants are from Anderson.
Contact Name	Erin
Phone	864-224-2271



Market Information

Program	Market
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Within two months
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	17	650	\$715	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	21	1,100	\$990	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	51	800	\$836	\$0	Market	No	1	2.0%	N/A	None
2	1	Garden (2 stories)	9	925	\$875	\$0	Market	No	0	0.0%	N/A	None
3	1	Garden (2 stories)	2	925	\$950	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$715	\$0	\$715	\$0	\$715
2BR / 1BA	\$836 - \$990	\$0	\$836 - \$990	\$0	\$836 - \$990
3BR / 1BA	\$950	\$0	\$950	\$0	\$950

Olde Town At Bailey Court, continued

Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Ceiling Fan	Oven	Patrol	
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area			

Comments

The contact stated units are taking longer to lease due to COVID-19 restrictions, but otherwise the property has not been negatively impacted by the pandemic and the ensuing economic downturn.

Photos



PROPERTY PROFILE REPORT

Shadow Creek Apartments

Effective Rent Date	4/30/2021
Location	100 Shadow Creek Lane Anderson, SC 29621 Anderson County
Distance	20.3 miles
Units	192
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1999 / 2019
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Tanglewood
Tenant Characteristics	Mixed with majority families; five percent seniors
Contact Name	Erica
Phone	864-224-8803



Market Information

Program	Market
Annual Turnover Rate	31%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased three percent
Concession	None
Waiting List	Yes; unknown length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	36	804	\$1,032	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	132	1,098	\$1,122	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	24	1,224	\$1,302	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,032	\$0	\$1,032	\$45	\$1,077
2BR / 2BA	\$1,122	\$0	\$1,122	\$52	\$1,174
3BR / 2BA	\$1,302	\$0	\$1,302	\$65	\$1,367

Shadow Creek Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Garage(\$80.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Recreation Areas	Swimming Pool		

Comments

The property manager reported a strong demand for rental housing in the area. The property is currently renovating units as they become vacant. Approximately 120 units have been renovated as of the date of this interview. Renovated units rent for a premium of \$130 compared to non-renovated units. The rents portrayed in the profile above reflect renovated units. Renovations include new flooring, appliances, and light fixtures. Overall, the contact did not report any significant impact to the property as a result of the COVID-19 pandemic.

Photos



PROPERTY PROFILE REPORT

Tanglewood Apartments

Effective Rent Date	4/26/2021
Location	2418 Marchbanks Avenue Anderson, SC 29621 Anderson County
Distance	20.3 miles
Units	168
Vacant Units	2
Vacancy Rate	1.2%
Type	Garden (2 stories)
Year Built/Renovated	1976 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Raintree, Ashton Park
Tenant Characteristics	Majority families; some graduate students and seniors from Greenville and Hartwell
Contact Name	Marie
Phone	864-226-5254



Market Information

Program	Market
Annual Turnover Rate	14%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Inc. 14-18% since 4Q20
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	40	615	\$868	\$0	Market	No	1	2.5%	N/A	None
2	1.5	Garden (2 stories)	112	925	\$968	\$0	Market	No	1	0.9%	N/A	None
3	2	Garden (2 stories)	16	1,150	\$1,208	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$868	\$0	\$868	\$60	\$928
2BR / 1.5BA	\$968	\$0	\$968	\$67	\$1,035
3BR / 2BA	\$1,208	\$0	\$1,208	\$80	\$1,288

Tanglewood Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Hand Rails		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Car Wash	None	None
Clubhouse/Meeting Room/Community	Central Laundry		
Off-Street Parking	On-Site Management		
Recreation Areas	Sport Court		
Swimming Pool	Tennis Court		
Volleyball Court			

Comments

The property is typically 96 to 100 percent occupied. The contact reported no impact to operations during the COVID-19 pandemic. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

The Hamptons (FKA Hamptons Apartments)

Effective Rent Date	4/30/2021
Location	100 Hudson Circle Anderson, SC 29625 Anderson County
Distance	18.7 miles
Units	184
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Station 153 and Walden Oaks
Tenant Characteristics	Mixed tenancy with majority families; 15 percent seniors
Contact Name	Donna
Phone	864-224-6811



Market Information

Program	Market
Annual Turnover Rate	52%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to within two weeks
Annual Chg. in Rent	Increased up to two percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	22	679	\$755	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	22	821	\$785	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	54	807	\$825	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	54	1,029	\$860	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	32	1,434	\$955	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$755 - \$785	\$0	\$755 - \$785	\$45	\$800 - \$830
2BR / 2BA	\$825 - \$860	\$0	\$825 - \$860	\$52	\$877 - \$912
3BR / 2BA	\$955	\$0	\$955	\$65	\$1,020

The Hamptons (FKA Hamptons Apartments), continued

Amenities

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

Comments

The property does not accept Housing Choice Vouchers. According to the property manager, the property has experienced no significant impact from the COVID-19 pandemic. Further, the contact stated the demand for rental housing in the area is high.

Photos



2. Housing Choice Vouchers

We spoke with Mary de la Vaux, Special Assistant at the Georgia Department of Community Affairs. Ms. de la Vaux reported that eleven Housing Choice Vouchers are currently administered in Hart County. Additionally, the waiting list for vouchers was last open on April 26, 2021, and is currently closed. There are currently six households on the waiting list for Hart County.

TENANTS WITH VOUCHERS

Property Name	Rent Structure	Housing Choice Voucher Tenants
Fern Point Apartments*	LIHTC	0%
Heather Highlands*	LIHTC	3%
Heritage Crossing*	LIHTC/ Market	2%
Heritage Gardens*	LIHTC/ Market	0%
Heritage Hills Apartments*	LIHTC	1%
Peaks Of Cornelia*	LIHTC/ Market	5%
Ashton Park Apartments*	Market	0%
Olde Town At Bailey Court*	Market	5%
Shadow Creek Apartments*	Market	N/A
Tanglewood Apartments*	Market	0%
The Hamptons (FKA Hamptons Apartments)*	Market	0%

*Located outside of the PMA

Housing Choice Voucher usage among the comparables ranges from zero to five percent. One of the market rate properties reported current voucher usage. All but two of the LIHTC properties reported voucher usage, with an average utilization of three percent. Based on the performance of the LIHTC comparables, we expect the Subject will operate with voucher usage of approximately ten percent or less.

3. Phased Developments

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

Lease Up History

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

ABSORPTION

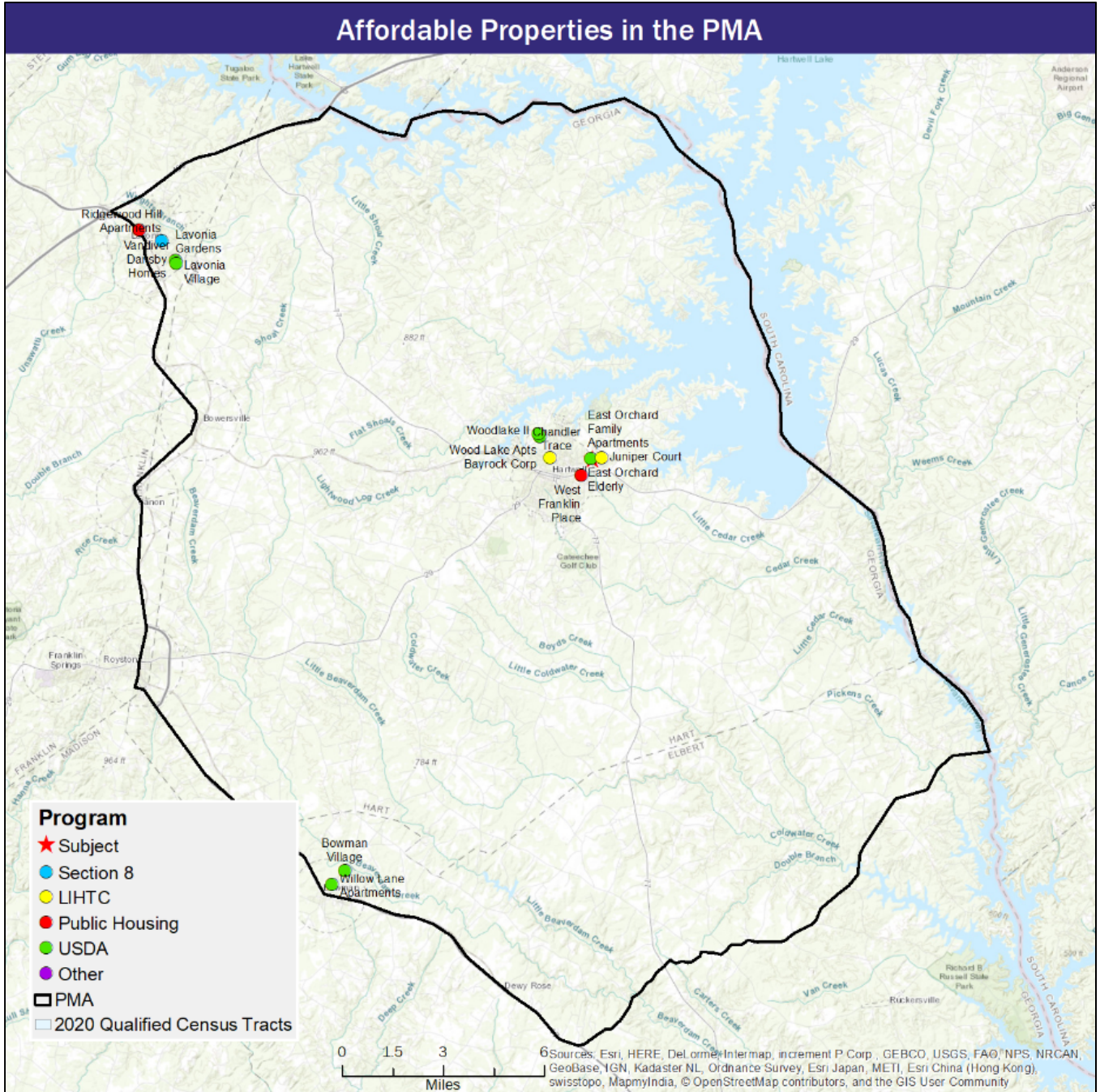
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Peaks of Cornelia	LIHTC/Market	Family	2018	80	20
Heritage Gardens	LIHTC/Market	Family	2006	80	9
Heather Highlands	LIHTC	Family	2015	40	10

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Overall, the comparables averaged an absorption rate of 13 units per month. We placed the most weight on Peaks of Cornelia as it is the most recently constructed LIHTC property in the area. The Subject is a proposed rehabilitation of an existing 24-unit family USDA Rural Development (RD) property. Post-renovations, all tenants will reportedly continue to income qualify at the Subject property. Therefore, it is likely there will be minimal turnover post-renovation. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Hartwell, we anticipate that the Subject would experience an absorption pace of 15 units per month, for an absorption period of two to three months if it were hypothetically vacant. It should be noted that rehabilitation on the Subject is not anticipated to be completed until May 2023, which is considered outside of the primary window from the COVID-19 pandemic.

4. Competitive Project Map

COMPETITIVE PROJECTS

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Map Color
East Orchard Family Apartments	LIHTC	Hartwell	Family	24	100.0%	Star
Chandler Trace	LIHTC, Market	Hartwell	Senior	52	100.0%	Yellow
Juniper Court	LIHTC, Market	Hartwell	Senior	52	100.0%	Yellow
West Franklin Place	Public Housing	Hartwell	Family	180	99.4%	Red
Vandiver Dansby Homes	Public Housing	Lavonia	Family	180	100.0%	Red
Bowman Village	Rural Development	Bowman	Senior	24	95.8%	Green
East Orchard Elderly	Rural Development, LIHTC	Hartwell	Senior	24	95.8%	Green
Lavonia Gardens	Rural Development	Lavonia	Family	24	100.0%	Green
Lavonia Village	Rural Development	Lavonia	Family	24	100.0%	Green
Willow Lane Apartments	Rural Development	Bowman	Family	18	94.4%	Green
Wood Lake Apts Bayrock Corp	Rural Development	Hartwell	Family	30	93.3%	Green
Woodlake II	Rural Development	Hartwell	Family	30	96.7%	Green
Ridgewood Hill Apartments	Section 8	Lavonia	Family	24	100.0%	Blue



5. Amenities

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

AMENITY MATRIX

	Subject	Fern Point Apartments	Heather Highlands	Heritage Crossing	Heritage Gardens	Heritage Hills Apartments	Peaks Of Cornelia	Ashton Park Apartments	Olde Town At Bailey Court	Shadow Creek Apartments	Tanglewood Apartments	The Hamptons (FKA Hamptons Apartments)
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/	LIHTC/	LIHTC	LIHTC/	Market	Market	Market	Market	Market
Building												
Property Type	Townhouse	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden
# of Stories	2-stories	2-stories	2-stories	2-stories	4-stories	2-stories	2-stories	3-stories	2-stories	3-stories	2-stories	3-stories
Year Built	1990	2012	2015	2002	1998	2000	2018	2006	1964	1999	1976	2003
Year Renovated	2023	n/a	n/a	n/a	2006	n/a	n/a	n/a	2003	2019	2007	n/a
Utility Structure												
Cooking	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	no	yes	yes	yes	no	no	yes	no	no	no
Sewer	yes	no	no	yes	yes	yes	no	no	yes	no	no	no
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Accessibility												
Grab Bars	no	no	no	no	no	no	no	no	no	no	no	no
Hand Rails	yes	no	no	no	no	no	no	no	no	no	yes	no
Pull Cords	no	no	no	no	no	no	no	no	no	no	no	no
Unit Amenities												
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Hardwood	no	no	no	no	no	no	no	no	yes	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	no	no	yes	no	yes	yes	yes	yes	yes	no
Coat Closet	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	no	no	no	no	no	no	yes	no	no	yes	yes
Fireplace	no	no	no	no	no	no	no	no	no	yes	no	no
Vaulted Ceilings	no	no	no	no	no	no	no	no	no	yes	no	no
Walk-In Closet	no	no	no	yes	yes	yes	no	yes	yes	yes	yes	yes
Washer/Dryer	no	no	no	no	no	no	yes	no	no	no	no	no
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen												
Dishwasher	yes	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes
Disposal	no	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes
Microwave	yes	yes	yes	no	yes	no	yes	yes	no	yes	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community												
Business Center	yes	yes	no	no	yes	no	yes	yes	no	yes	no	no
Community Room	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central Laundry	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation												
Basketball Court	no	no	no	no	yes	yes	no	no	no	no	yes	no
Exercise Facility	no	yes	yes	yes	yes	no	yes	yes	no	no	no	yes
Playground	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	no	no
Swimming Pool	no	no	no	yes	yes	yes	yes	yes	no	yes	yes	yes
Picnic Area	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	yes
Sport Court	no	no	no	yes	no	no	no	no	no	no	yes	no
Tennis Court	no	no	no	no	no	no	no	no	no	no	yes	no
Theatre	no	no	no	no	no	no	no	yes	no	no	no	yes
Recreational Area	no	no	yes	no	no	no	yes	no	no	yes	yes	yes
Volleyball Court	no	no	no	no	no	no	no	yes	no	no	yes	no
WiFi	no	no	no	no	no	no	no	yes	no	no	no	no
Adult Education	no	no	no	yes	no	no	no	no	no	no	no	no
Security												
In-Unit Alarm	no	no	no	no	no	no	no	yes	no	no	no	no
Intercom (Buzzer)	no	no	no	no	no	no	no	no	yes	no	no	no
Limited Access	no	no	no	yes	no	no	no	no	yes	no	no	no
Patrol	no	no	no	no	no	no	no	no	yes	no	no	no
Perimeter Fencing	no	no	no	yes	yes	no	no	no	no	no	no	no
Parking												
Garage	no	no	no	no	no	no	no	yes	no	yes	no	no
Garage Fee	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$120	\$0	\$80	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The Subject will offer slightly inferior to slightly superior in-unit amenities in comparison to the LIHTC and market rate comparable properties as it will offer exterior storage and balconies/patios, which some of the comparables lack, though the Subject will not offer in-unit washers/dryers, which one of the comparables offers. The Subject will offer inferior to similar property amenities in comparison to the LIHTC and market rate

comparable properties as it will offer a business center, which some of the comparables lack, though it will not offer an exercise facility or swimming pool, which many of the comparables offer. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

6. Comparable Tenancy

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

Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Fern Point Apartments*	LIHTC	48	0	0.0%
Heather Highlands*	LIHTC	40	0	0.0%
Heritage Crossing*	LIHTC/ Market	120	0	0.0%
Heritage Gardens*	LIHTC/ Market	80	1	1.3%
Heritage Hills Apartments*	LIHTC	80	0	0.0%
Peaks Of Cornelia*	LIHTC/ Market	80	0	0.0%
Ashton Park Apartments*	Market	216	1	0.5%
Olde Town At Bailey Court*	Market	100	1	1.0%
Shadow Creek Apartments*	Market	192	0	0.0%
Tanglewood Apartments*	Market	168	2	1.2%
The Hamptons (FKA Hamptons Apartments)*	Market	184	0	0.0%
Total LIHTC		448	1	0.2%
Total Market Rate		860	4	0.5%
Overall Total		1,308	5	0.4%

*Located outside of the PMA

Overall vacancy among the comparables is very low at 0.4 percent. The overall vacancy among the LIHTC and mixed-income comparables is lower, at 0.2 percent. All but one of the LIHTC and mixed-income comparables are fully-occupied. Management at Heritage Gardens reported that the vacant unit is being processed from the waiting list, consisting of 100 households in length. Additionally, all of the LIHTC and mixed-income comparables maintain waiting lists ranging from ten to 200 households in length.

The vacancy rates among the market rate comparable properties is also very low at 0.5 percent. The low vacancy rates among the other market rate comparable properties indicates that there is demand for rental housing in the Subject's area. As a newly renovated property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Given that the Subject is an existing property that is typically fully-occupied, we do not believe that the Subject will impact the performance of the existing affordable properties if allocated. It should be noted that the Subject will not be completed until May 2023, which is considered outside the primary window of the COVID-19 pandemic.

7. Properties Under Construction and Proposed

We made numerous attempts to contact the Hart County Building Permitting Department. However, as of the date of this report, our calls have not been returned. We conducted additional online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and a CoStar new construction report. According to our research, there are no multifamily developments currently planned, proposed, or under construction in the Subject's PMA.

8. Rental Advantage

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

SIMILARITY MATRIX

#	Property Name	Program	Tenancy	Property Amenities	Unit Features	Location	Age / Condition	Unit Sizes	Overall Comparison
1	Fern Point Apartments	LIHTC	Family	Slightly Superior	Slightly Inferior	Similar	Similar	Slightly Superior	5
2	Heather Highlands	LIHTC	Family	Slightly Superior	Slightly Inferior	Similar	Similar	Slightly Superior	5
3	Heritage Crossing	LIHTC/Market	Family	Superior	Slightly Inferior	Similar	Slightly Inferior	Superior	10
4	Heritage Gardens	LIHTC/Market	Family	Superior	Slightly Inferior	Similar	Slightly Inferior	Similar	0
5	Heritage Hills Apartments	LIHTC	Family	Slightly Superior	Slightly Inferior	Similar	Slightly Inferior	Similar	-5
6	Peaks Of Cornelia	LIHTC/Market	Family	Superior	Slightly Superior	Similar	Slightly Superior	Similar	20
7	Ashton Park Apartments	Market	Family	Superior	Similar	Slightly Superior	Slightly Inferior	Similar	10
8	Olde Town At Bailey Court	Market	Family	Similar	Slightly Inferior	Slightly Superior	Slightly Inferior	Similar	-5
9	Shadow Creek Apartments	Market	Family	Superior	Slightly Inferior	Slightly Superior	Slightly Inferior	Similar	5
10	Tanglewood Apartments	Market	Family	Slightly Superior	Similar	Slightly Superior	Slightly Inferior	Similar	5
11	The Hamptons (FKA Hamptons Apartments)	Market	Family	Superior	Similar	Slightly Superior	Slightly Inferior	Slightly Superior	15

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

The Subject’s location is considered a rural area as determined by USDA. Therefore, the Subject is eligible to use the national non-metropolitan rent and income limits, which are higher than the published rent and income limits for Hart County. The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following table.

LIHTC RENT COMPARISON @50%

Property Name	County	Tenancy	2BR	Rents at Max?
East Orchard Family Apartments	Hart	Family	\$540	No
2020 National Non-Metro LIHTC Maximum Rent (Net)	-		\$570	
2020 LIHTC Maximum Rent (Net)	Jackson		\$681	
Fern Point Apartments	Stephens	Family	\$522	No
Heather Highlands	Franklin	Family	\$460	No
Heritage Crossing	Jackson	Family	\$773	Yes
Heritage Gardens	Habersham	Family	\$584	No
Heritage Hills Apartments	Jackson	Family	\$794	No
Peaks Of Cornelia	Habersham	Family	\$535	No
Average			\$611	

LIHTC RENT COMPARISON @60%

East Orchard Family Apartments	County	Tenancy	1BR	2BR	3BR	Rents at Max?
2020 National Non-Metro LIHTC Maximum Rent (Net)	Hart	Family	\$475	\$540	\$565	No
2020 LIHTC Maximum Rent (Net)	-		\$585	\$710	\$786	
	Jackson		\$698	\$844	\$940	
Fern Point Apartments	Stephens	Family	\$520	\$617	\$710	No
Heather Highlands	Franklin	Family	\$430	\$517	\$615	No
Heritage Crossing	Jackson	Family	\$798	\$955	\$1,090	Yes
Heritage Gardens	Habersham	Family	\$626	\$703	\$795	No
Heritage Hills Apartments	Jackson	Family	\$815	\$976	\$1,116	No
Peaks Of Cornelia	Habersham	Family	\$567	\$659	\$740	No
Average			\$626	\$738	\$844	

The Subject property will be held to the 2020 National Non-Metro maximum allowable levels. The Subject’s proposed 50 and 60 percent AMI rents are set below the 2020 National Non-Metro maximum allowable levels. The comparable LIHTC properties are located in Stephens, Franklin, Jackson, and Habersham Counties and were built between 2000 and 2018. The Subject and the comparables located in Stephens, Franklin, and Habersham Counties are held to the National Non-Metro maximum allowable levels. However, Heritage Crossing is located in Jackson County and is held to Jackson County maximum allowable levels. Heritage Crossing reported rents at the maximum allowable levels at 50 and 60 percent AMI. However, the rents at these properties appear to be above the maximum allowable levels. This is most likely due to differences in this property’s utility allowance from the Subject’s proposed utility allowance.

Heritage Gardens is located 36.5 miles from the Subject in Cornelia and offers a similar location in terms of median rent, median household income, and median home value. This property was constructed in 1998, renovated in 2006 and exhibits average condition, which is considered slightly inferior to the anticipated good condition of the Subject upon completion. Heritage Gardens offers superior property amenities to the Subject as it offers an exercise facility and swimming pool, which the Subject will not offer. This property offers slightly inferior in-unit amenities compared to the Subject as it lacks exterior storage, which the Subject will offer. In terms of unit sizes, this property is similar to the Subject. Management at Heritage Gardens reported that the vacant unit is being processed from the waiting list, consisting of 100 households in length, indicating a strong demand for affordable housing in the market. Overall, Heritage Gardens is similar to the Subject, as proposed. Thus, we believe the Subject’s 50 and 60 percent AMI rents for the one, two and three-bedroom units are achievable as proposed with upward potential. It should be noted that there will be no rent increase post renovation. Additionally, the Subject is currently fully occupied and has historically maintained a low vacancy rate.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the Subject, we conclude that the Subject’s proposed LIHTC rental rates are below the achievable market rates for the Subject’s area. The table below illustrates the comparison of the market rents.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR @ 60%	\$475	\$430	\$1,137	\$763	\$750	58%
2BR @ 50%	\$540	\$460	\$1,382	\$835	\$850	57%
2BR @ 60%	\$540	\$517	\$1,382	\$910	\$850	57%
3BR @ 60%	\$565	\$615	\$1,493	\$1,011	\$950	68%

Olde Town At Bailey Court is a market rate property that is located 18.8 miles from the Subject in Anderson, South Carolina, in a slightly superior location in terms of median rent, median household income, and median

home value. Olde Town At Bailey Court was built in 1964, renovated in 2003 and exhibits average condition, which is slightly inferior to the anticipated good condition of the Subject upon completion. Olde Town At Bailey Court offers similar property amenities compared to the Subject and slightly inferior in-unit amenities compared to the Subject as it lacks balconies/patios and exterior storage, which the Subject will offer. In terms of unit sizes, Olde Town At Bailey Court is similar to the Subject. Overall, Olde Town At Bailey Court is slightly inferior to the proposed Subject.

The Hamptons is a market rate property that is located 18.7 miles from the Subject in Anderson, South Carolina in a slightly superior location in terms of median rent, median household income, and median home value. The Hamptons was built in 2003 and exhibits average condition, which is slightly inferior to the anticipated good condition of the Subject upon completion. The Hamptons offers superior property amenities when compared to the Subject as it offers an exercise facility and a swimming pool, which the Subject will not offer, though it will not offer a business center, which the Subject will offer. This property offers similar in-unit amenities when compared to the Subject. In terms of unit sizes, The Hamptons is slightly superior to the proposed Subject. Overall, The Hamptons is superior to the Subject, as proposed.

Overall, we believe that the Subject can achieve rents above those currently achieved at Old Town At Bailey Court and below those currently achieved at The Hamptons. Thus, we conclude to market rents of **\$750, \$850, and \$950** for the Subject’s one, two, and three-bedroom units, respectively. The Subject’s proposed LIHTC rents will offer a significant rent advantage ranging from 57 to 68 percent below achievable market rents.

9. Rental Trends in the PMA

The table below depicts household growth by tenure from 2000 through 2025.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	8,133	76.9%	2,439	23.1%
2020	9,433	72.4%	3,601	27.6%
Projected Mkt Entry August 2023	9,585	72.2%	3,685	27.8%
2025	9,679	72.1%	3,737	27.9%

Source: Esri Demographics 2020, Novogradac Consulting LLP, May 2021

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a larger percentage of owners in the PMA than the nation. This percentage is projected to increase over the next five years. This bodes well for the Subject’s proposed units.

Historical Vacancy

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

HISTORICAL VACANCY											
Property Name	Program	Total Units	2016 Q1	2018 Q2	2018 Q4	2019 Q2	2019 Q3	2020 Q1	2020 Q2	2020 Q4	2021 Q2
East Orchard Family Apartments	LIHTC	24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fern Point Apartments	LIHTC	48	N/A	0.0%	N/A	4.2%	2.1%	N/A	N/A	0.0%	0.0%
Heather Highlands	LIHTC	40	N/A	0.0%	5.0%	2.5%	0.0%	N/A	N/A	0.0%	0.0%
Heritage Crossing	LIHTC/ Market	120	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%
Heritage Gardens	LIHTC/ Market	80	N/A	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	1.3%
Heritage Hills Apartments	LIHTC	80	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%
Peaks Of Cornelia	LIHTC/ Market	80	N/A	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	0.0%
Ashton Park Apartments	Market	216	6.0%	2.8%	4.6%	6.0%	5.6%	6.5%	6.9%	2.3%	0.5%
Olde Town At Bailey Court	Market	100	0.0%	N/A	N/A	N/A	N/A	0.0%	5.0%	N/A	1.0%
Shadow Creek Apartments	Market	192	N/A	1.6%	0.5%	4.2%	5.2%	N/A	N/A	0.0%	0.0%
Tanglewood Apartments	Market	168	1.8%	0.0%	1.2%	N/A	4.2%	4.2%	N/A	0.0%	1.2%
The Hamptons (FKA Hamptons Apartments)	Market	184	N/A	3.8%	N/A	4.9%	0.5%	N/A	2.2%	0.5%	0.0%

The historical vacancy rates at all of the comparable properties for several quarters in the past five years are illustrated in the previous table. In general, the comparable properties have experienced low to moderate vacancy levels from 2016 through the second quarter of 2021. However, vacancy rates did spike in the second quarter of 2020, which can be attributed to the COVID-19 pandemic, before generally stabilizing to lower vacancy levels in the past year. Overall, we believe that the current performance of the LIHTC comparable properties indicate demand for affordable rental housing in the Subject’s market.

Change in Rental Rates

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

RENT GROWTH		
Property Name	Rent Structure	Rent Growth
Fern Point Apartments*	LIHTC	Stable
Heather Highlands*	LIHTC	Stable
Heritage Crossing*	LIHTC/ Market	Increased up to five percent
Heritage Gardens*	LIHTC/ Market	Increased up to seven percent
Heritage Hills Apartments*	LIHTC	Increased up to five percent annually
Peaks Of Cornelia*	LIHTC/ Market	Stable
Ashton Park Apartments*	Market	Fluctuates daily
Olde Town At Bailey Court*	Market	Changes daily
Shadow Creek Apartments*	Market	Increased three percent
Tanglewood Apartments*	Market	Inc. 14-18% since 4Q20
The Hamptons (FKA Hamptons Apartments)*	Market	Increased up to two percent

*Located outside of the PMA

Three of the LIHTC properties report increasing rents in the past year. All of the market rate properties reported rent growth. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

10. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 11,396 housing units nationwide was in some stage of foreclosure as of March 2021 and Georgia experienced one foreclosure in every 11,330 housing units. It should be noted that foreclosure data was not available for Hart County or the city of Hartwell. However, the Subject’s neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

11. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject are considered low for all bedroom types and AMI levels. If allocated, the Subject will be slightly inferior to slightly superior to the existing LIHTC housing stock. All but one of the LIHTC comparables are fully-occupied. Management at Heritage Gardens reported that the vacant unit is being processed from the waiting list, consisting of 100 households in length. Additionally, all of the LIHTC and mixed-income comparables maintain waiting lists ranging from ten to 200 households in length, indicating strong demand for affordable housing in the area. Therefore, we believe there is strong demand for the Subject as proposed. East Orchard Elderly, the Subject’s sister property, is the only property that was allocated in the Subject’s PMA since 2018. This property was allocated in 2020 for the acquisition/rehabilitation of 24 LIHTC units targeting families. Renovations are scheduled to begin in November 2021 and be completed in May 2022. This property is located adjacent east of the Subject in Hartwell. The property offers 24 one-bedroom units restricted to the 60 percent AMI level. All of the units will continue to operate with rental subsidies and tenants will continue to pay 30 percent of their income towards rent, not to exceed maximum allowable levels. This property targets different tenancy than the Subject and will not be considered directly

competitive. As such, no units are deducted in our demand analysis. We do not believe that the addition of the Subject to the market will impact the lone recent allocation or the existing LIHTC properties that are in overall good condition and currently performing well.

12. Effect of Subject on Other Affordable Units in Market

As previously noted, there is one recently allocated LIHTC development in the PMA. The generally low vacancy rates among both the LIHTC and market rate properties illustrates unmet demand for affordable housing in the area. Further, all of the LIHTC comparables reported maintaining waiting lists ranging from ten to 200 households. In summary, the performance of the comparable LIHTC properties, the existence of waiting lists for affordable units, and the Subject's low capture rates all indicate that the Subject will not negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Management at Heritage Gardens reported that the vacant unit is being processed from the waiting list, consisting of 100 households in length. The remaining LIHTC comparable properties reported full occupancy, and all of the comparables maintain waiting lists ranging from ten to 200 households in length. These factors indicate demand for affordable housing. The Subject will offer slightly inferior to slightly superior in-unit amenities in comparison to the LIHTC and market rate comparable properties as it will offer exterior storage and balconies/patios, which some of the comparables lack, though the Subject will not offer in-unit washers/dryers, which one of the comparables offers. The Subject will offer inferior to similar property amenities in comparison to the LIHTC and market rate comparable properties as it will offer a business center, which some of the comparables lack, though it will not offer an exercise facility or swimming pool, which many of the comparables offer. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered slightly inferior to slightly superior in terms of condition to the majority of the comparable properties. Given the Subject's strong current performance, its anticipated good condition upon completion of renovations, and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible and will perform well. Further, we believe that the Subject's affordable operations will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments). The timing of the Subject's construction will further insulate it from the current COVID-19 pandemic. The Subject is scheduled to be complete in May 2023, which is considered outside the primary window of the pandemic.

J. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

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

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Peaks of Cornelia	LIHTC/Market	Family	2018	80	20
Heritage Gardens	LIHTC/Market	Family	2006	80	9
Heather Highlands	LIHTC	Family	2015	40	10

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Overall, the comparables averaged an absorption rate of 13 units per month. We placed the most weight on Peaks of Cornelia as it is the most recently constructed LIHTC property in the area. The Subject is a proposed rehabilitation of an existing 24-unit family USDA Rural Development (RD) property. Post-renovations, all tenants will reportedly continue to income qualify at the Subject property. Therefore, it is likely there will be minimal turnover post-renovation. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Hartwell, we anticipate that the Subject would experience an absorption pace of 15 units per month, for an absorption period of two to three months if it were hypothetically vacant. It should be noted that rehabilitation on the Subject is not anticipated to be completed until May 2023, which is considered outside of the primary window from the COVID-19 pandemic.

K. INTERVIEWS

Georgia Department of Community Affairs

We spoke with Mary de la Vaux, Special Assistant at the Georgia Department of Community Affairs. Ms. de la Vaux reported that eleven Housing Choice Vouchers are currently administered in Hart County. Additionally, the waiting list for vouchers was last open on April 26, 2021, and is currently closed. There are currently six households on the waiting list for Hart County.

PAYMENT STANDARDS	
Unit Type	Payment Standard
One-Bedroom	\$559
Two-Bedroom	\$735
Three-Bedroom	\$914

Source: Georgia Department of Community Affairs, effective January 2021

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

Planning

We made numerous attempts to contact the Hart County Building Permitting Department. However, as of the date of this report, our calls have not been returned. We conducted additional online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and a CoStar new construction report. According to our research, there are no new multifamily development currently planned, proposed, or under construction in the Subject’s PMA. However, there is one multifamily development set to undergo renovation in the Subject’s PMA. East Orchard Elderly, the Subject’s sister property, was allocated in 2020 for the acquisition/rehabilitation of 24 LIHTC units targeting families. Renovations are scheduled to begin in November 2021 and be completed in May 2022. This property is located adjacent east of the Subject in Hartwell. The property offers 24 one-bedroom units restricted to the 60 percent AMI level. All of the units will continue to operate with rental subsidies and tenants will continue to pay 30 percent of their income towards rent, not to exceed maximum allowable levels. This property targets different tenancy than the Subject and will not be considered directly competitive. As such, no units are deducted in our demand analysis.

Hart County Industrial Building Authority

We recently contacted the Hart County Industrial Building Authority (IBA), to inquire about recent business expansions or contractions in the region. The following lists recent announced employment increases according to the Hart County IBA:

- On December 8, 2020, Nestle Purina PetCare Company announced it will invest \$550 million to expand its Hartwell pet food manufacturing facility, creating up to 130 jobs in Hart County. The expansion comes just one year after the factory's grand opening in November 2019.
- On September 27, 2017, Nestle Purina announced that it was investing \$320 million in Hart County to build a manufacturing and distribution facility. The company plans to hire 240 full time workers through 2022.
- On April 27, 2017, Lake Foods announced a 130-job expansion in Hart County. The company invested \$8 million to double their workforce. Their 62,000 square foot facility is located in Hart County’s Industrial Park.
- In September 2016, Ritz Instrument Transformers announced plans to create 50 new jobs and invest \$8 million in Hart County through 2021.
- In January 2016, LINDE+WIEMANN announced 200 new jobs and a \$35 million investment in Hart County to expand its automotive parts manufacturing plant in the area.

As discussed, there has been one recent WARN notice filed in Hart County, resulting in 564 job losses. However, employment expansions in recent years, totaling 850 jobs, have offset these losses.

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

L. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

Between 2010 and 2020 there was approximately 0.6 percent annual population growth in the PMA, which lagged both the SMA and national population growth. Over the next five years, population growth in the PMA is projected to increase at a 0.5 percent annual rate, which lags the SMA and national projections. The current population of the PMA is 32,156 and is expected to be 33,038 in 2025. The current number of households in the PMA is 13,034 and is expected to be 13,416 in 2025. Renter households are concentrated in the lowest income cohorts, with 21.6 percent of renters in the PMA earning between \$20,000 and \$39,999 annually. The Subject will target households earning between \$23,006 and \$40,380 for its LIHTC units. Therefore, the Subject should be well-positioned to service this market. Overall, the projected growth in the population and households along with the high concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

Employment Trends

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and retail trade industries, which collectively comprise 50.5 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. This has been evident during the COVID-19 pandemic. The manufacturing industry has experienced a negative impact on demand, production, and revenues over the past several months. Many manufacturing jobs are on-site and cannot be carried out remotely. Additionally, slowed economic activity as a result of the shutdown has reduced demand for industrial products in the United States and globally. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing, agriculture/forestry/fishing/hunting, and retail trade industries. Conversely, the PMA is underrepresented in the professional/scientific/technical services, accommodation/food services, and finance/insurance industries.

Prior to the national recession, average employment growth in the SMA generally trailed the nation. Annual job growth in the SMA lagged the nation in all but one year between 2005 and 2007. The effects of the recession were particularly pronounced in the SMA, which suffered a 10.4 percent contraction in employment (2008-2010), well above the 4.9 percent contraction reported by the nation as a whole (2007-2010). Employment in the SMA recovered and surpassed pre-recessionary levels in 2018, four years after the overall nation. Due to the COVID-19 pandemic, employment totals in the 12-month period prior to December 2020 saw a significant decrease of 3.8 percent, compared to a decrease of 5.6 percent experienced by the nation over the same length of time. Employment growth is expected to be limited in the coming months as a result of the COVID-19 pandemic. As of May 2021, Governor Brian Kemp issued a new order in late April which further rolled back the few remaining restrictions. Effective May 1, 2021, social distancing will be “strongly encouraged” instead of required. Tables no longer need to be spaced out at restaurants and bars, and workers no longer need to wear masks. Specific requirements for gyms, movie theaters and salons, and other industries, were lifted. However, return to full economic potential is unlikely while the global health crisis continues.

The SMA experienced a higher average unemployment rate relative to the overall nation during the years preceding the recession. The effects of the recession were more pronounced in the SMA, which experienced a 6.0 percentage point increase in unemployment, compared to only a 5.0 percentage point increase across the overall nation. Since 2012, the SMA generally experienced a higher unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the SMA is 5.4 percent, lower than the current national unemployment rate of 6.5 percent. As a result of the COVID-19 pandemic and stay-at-home orders, record national unemployment claims began in March 2020 and will likely continue in the near future. We anticipate the unemployment rate in the SMA will remain elevated in the coming months.

Beginning in March 2020, the international pandemic caused by the COVID-19 coronavirus resulted in governments across the globe taking dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. Consequently, over the past year there has been a sharp and dramatic increase in layoffs due to the economic restrictions related to the emergency response. Governments have passed significant economic stimulus packages to help in offsetting the economic impact. Local governments have begun to lift or loosen restrictions and the stimulus passed thus far has blunted some of the impact from the emergency measures. It remains unclear as to how these measures will impact the housing market long term. However, based on the data available through 12 months, which indicates some multifamily real estate transactions have continued to close without repricing and rent collection losses during this period have declined less than projected, the governmental response has offset a significant portion of the economic losses presented by the emergency. There is evidence that, despite the significant level of recent layoffs, many other area employers are hiring. Overall, we anticipate that the elevated layoff pace will subside now that economic restrictions have been loosened in the Subject's market area though a return to full economic potential is unlikely while the global health crisis continues. We believe that the Subject's affordable operations will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments).

Capture Rates

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
1BR at 60% AMI	\$20,229	\$29,880	6	144	0	144	4.2%	\$475
2BR at 50% AMI	\$23,006	\$28,050	5	49	0	49	10.2%	\$540
2BR at 60% AMI	\$23,006	\$33,660	11	146	0	146	7.5%	\$540
2BR Overall	\$23,006	\$33,660	16	146	0	146	11.0%	-
3BR at 60% AMI	\$25,749	\$40,380	1	80	0	80	1.2%	\$565
@50% Overall	\$23,006	\$28,050	5	49	0	49	10.2%	-
@60% Overall	\$20,229	\$40,380	18	370	0	370	4.9%	-
Overall	\$20,229	\$40,380	23	370	0	370	6.2%	-

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

Absorption

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

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Peaks of Cornelia	LIHTC/Market	Family	2018	80	20
Heritage Gardens	LIHTC/Market	Family	2006	80	9
Heather Highlands	LIHTC	Family	2015	40	10

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Overall, the comparables averaged an absorption rate of 13 units per month. We placed the most weight on Peaks of Cornelia as it is the most recently constructed LIHTC property in the area. The Subject is a proposed rehabilitation of an existing 24-unit family USDA Rural Development (RD) property. Post-renovations, all tenants will reportedly continue

to income qualify at the Subject property. Therefore, it is likely there will be minimal turnover post-renovation. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Hartwell, we anticipate that the Subject would experience an absorption pace of 15 units per month, for an absorption period of two to three months if it were hypothetically vacant. It should be noted that rehabilitation on the Subject is not anticipated to be completed until May 2023, which is considered outside of the primary window from the COVID-19 pandemic.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Fern Point Apartments*	LIHTC	48	0	0.0%
Heather Highlands*	LIHTC	40	0	0.0%
Heritage Crossing*	LIHTC/ Market	120	0	0.0%
Heritage Gardens*	LIHTC/ Market	80	1	1.3%
Heritage Hills Apartments*	LIHTC	80	0	0.0%
Peaks Of Cornelia*	LIHTC/ Market	80	0	0.0%
Ashton Park Apartments*	Market	216	1	0.5%
Olde Town At Bailey Court*	Market	100	1	1.0%
Shadow Creek Apartments*	Market	192	0	0.0%
Tanglewood Apartments*	Market	168	2	1.2%
The Hamptons (FKA Hamptons Apartments)*	Market	184	0	0.0%
Total LIHTC		448	1	0.2%
Total Market Rate		860	4	0.5%
Overall Total		1,308	5	0.4%

*Located outside of the PMA

Overall vacancy among the comparables is very low at 0.4 percent. The overall vacancy among the LIHTC and mixed-income comparables is lower, at 0.2 percent. All but one of the LIHTC and mixed-income comparables are fully-occupied. Management at Heritage Gardens reported that the vacant unit is being processed from the waiting list, consisting of 100 households in length. Additionally, all of the LIHTC and mixed-income comparables maintain waiting lists ranging from ten to 200 households in length.

The vacancy rates among the market rate comparable properties is also very low at 0.5 percent. The low vacancy rates among the other market rate comparable properties indicates that there is demand for rental housing in the Subject’s area. As a newly renovated property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Given that the Subject is an existing property that is typically fully-occupied, we do not believe that the Subject will impact the performance of the existing affordable properties if allocated. It should be noted that the Subject will not be completed until May 2023, which is considered outside the primary window of the COVID-19 pandemic.

Strengths of the Subject

Upon completion of renovations, the Subject will be in good condition and will be considered slightly inferior to slightly superior in terms of condition to the majority of the comparable properties. As the demand analysis indicated, there is adequate demand for the Subject based on our calculations for the 50 and 60 percent AMI units. Further, the Subject is typically fully-occupied. All tenants are anticipated to income-qualify for the Subject post-renovation. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the market.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Management at Heritage Gardens reported that the vacant unit is being processed from the waiting list, consisting of 100 households in length. The remaining LIHTC comparable properties reported full occupancy, and all of the comparables maintain waiting lists ranging from ten to 200 households in length. These factors indicate demand for affordable housing. The Subject will offer slightly inferior to slightly superior in-unit amenities in comparison to the LIHTC and market rate comparable properties as it will offer exterior storage and balconies/patios, which some of the comparables lack, though the Subject will not offer in-unit washers/dryers, which one of the comparables offers. The Subject will offer inferior to similar property amenities in comparison to the LIHTC and market rate comparable properties as it will offer a business center, which some of the comparables lack, though it will not offer an exercise facility or swimming pool, which many of the comparables offer. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered slightly inferior to slightly superior in terms of condition to the majority of the comparable properties. Given the Subject's strong current performance, its anticipated good condition upon completion of renovations, and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible and will perform well. Further, we believe that the Subject's affordable operations will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments). The timing of the Subject's construction will further insulate it from the current COVID-19 pandemic. The Subject is scheduled to be complete in May 2023, which is considered outside the primary window of the pandemic.

Recommendations

We recommend the Subject as proposed.

M. SIGNED STATEMENT REQUIREMENTS

I affirm that I (or one of the persons signing below) made a physical inspection of the market area and the Subject property and that information has been used in the full study of the need and demand for the proposed units. The report is written according to DCA's market study requirements, the information included is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.

DCA may rely on the representation made in the market study. The document is assignable to other lenders.



H. Blair Kincer, MAI, CRE
LEED Green Associate
Partner
Novogradac Consulting LLP

May 19, 2021



Brian Neukam
Manager
Brian.Neukam@novoco.com

May 19, 2021



Brinton Noble
Analyst
Brinton.Noble@novoco.com

May 19, 2021



Taylor Zubek
Junior Analyst
Taylor.Zubek@novoco.com

May 19, 2021

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

ADDENDUM B
Subject and Neighborhood Photographs

Photographs of Subject Site and Surrounding Uses



View of Subject



View of Subject



View west along Nancy Drive



View east along Nancy Drive



View north along Ridge Road



View south along Ridge Road



Office at Subject property



Playground at Subject property



Typical bedroom at Subject property



Typical bathroom at Subject property



Typical kitchen at Subject property



Typical bedroom at Subject property



Typical bathroom at Subject property



Typical kitchen at Subject property



Ingles in the Subject's neighborhood



CVS Pharmacy in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Walmart in the Subject's neighborhood



Medical use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood

ADDENDUM C

Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No. RZ4162 – State of Florida
Certified General Real Estate Appraiser, No. CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

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

IV. Professional Training

Have presented at and attended various industry conferences regarding the HTC, RETC, NMTC and LIHTC and various market analysis and valuation issues.

Obtained the MAI designation in 1998, maintaining continuing education requirements since. Registered as completing additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings: Commercial
- 3) Valuation of Sustainable Buildings: Residential

V. Real Estate Assignments – Examples

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

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered

(LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No.329471

State of North Carolina Certified General Appraiser No. 8284

State of South Carolina Certified General Appraiser No. 7493

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, December 2016-present

Novogradac & Company LLP, Senior Real Estate Analyst, September 2015- December 2016

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

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

REAL ESTATE ASSIGNMENTS

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

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Brinton Noble

I. Education

Clemson University - Clemson, SC
Bachelor of Science in Economics

II. Professional Experience

Analyst, Novogradac & Company LLP, December 2019 – Present
Junior Analyst, Novogradac & Company LLP, January 2019 – December 2019
Substitute Teacher, Fayetteville-Manlius School District, September 2017 - October 2018
Intern to the Assistant Superintendent of Business Administration, Fayetteville-Manlius School District, May 2016 - June 2016

III. Research Assignments

A representative sample of work on various types of projects:

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS TAYLOR ZUBEK

I. Education

Georgia Southern University – Statesboro, GA
Bachelor of Business Administration – Management, Minor in Finance

II. Professional Experience

Junior Analyst, *Novogradac & Company LLP* – February 2020 – Present

III. Research Assignments

A representative sample of work on various types of projects:

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

ADDENDUM D

Summary Matrix

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	East Orchard Family Apartments 110 Nancy Drive Hartwell, GA 30643 Hart County	-	Townhouse 2-stories 1990 / 2023 Family	@50%, @60%	1BR / 1BA 2BR / 1BA 2BR / 1BA 3BR / 1BA 3BR / 1BA	6 5 11 1 1	25.0% 20.8% 45.8% 4.2% 4.2%	658 855 855 905 905	@60% @50% @60% @60% Non-Rental	\$475 \$540 \$540 \$565 \$50	No No No No N/A	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A
1	Fern Point Apartments 280 Fern Point Drive Toccoa, GA 30577 Stephens County	26.3 miles	Garden 2-stories 2012 / n/a Family	@50%, @60%	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	2 8 4 24 2 8	4.2% 16.7% 8.3% 50.0% 4.2% 16.7%	775 775 1,162 1,162 1,260 1,260	@50% @60% @50% @60% @50% @60%	\$470 \$520 \$522 \$617 \$595 \$710	No No No No Yes No	Yes Yes Yes Yes Yes Yes	0 0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
2	Heather Highlands 10 Ed Smith Way Royston, GA 30662 Franklin County	13.4 miles	Garden 2-stories 2015 / n/a Family	@50%, @60%	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2BA	2 6 4 20 2 5 1	5.0% 15.0% 10.0% 50.0% 5.0% 12.5% 2.5%	850 850 1,100 1,100 1,250 1,250 1,250	@50% @60% @50% @60% @50% @60% Non-Rental	\$400 \$430 \$460 \$517 \$510 \$615 -	No No No No No No N/A	Yes Yes Yes Yes Yes Yes N/A	0 0 0 0 0 0 N/A	0.0% 0.0% 0.0% 0.0% 0.0% 0.0% N/A
3	Heritage Crossing 100 Crossing Place Commerce, GA 30529 Jackson County	32.2 miles	Garden 2-stories 2002 / n/a Family	@50%, @60%, Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2BA	5 1 3 30 28 12 2 14 15 7	4.2% 3.3% 2.5% 25.0% 23.3% 10.0% 1.7% 11.7% 12.5% 5.8%	975 975 975 1,175 1,175 1,175 1,175 1,350 1,350 1,350	@50% @60% Market @50% @60% Market Non-Rental @50% @60% Market	\$646 \$798 \$850 \$773 \$955 \$990 \$0 \$880 \$1,090 \$1,190	Yes Yes N/A Yes Yes Yes N/A Yes Yes No	Yes Yes Yes Yes Yes Yes No Yes Yes No	0 0 0 0 0 0 N/A 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% 0.0% N/A 0.0% 0.0% 0.0%
4	Heritage Gardens 110 Heritage Gardens Drive Cornelia, GA 30531 Habersham County	36.5 miles	Garden 4-stories 1998 / 2006 Family	@30%, @50%, @60%, Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2BA	2 11 3 4 5 18 9 8 2 11 3 4	2.5% 13.8% 3.8% 5.0% 6.3% 22.5% 11.3% 10.0% 2.5% 13.8% 3.8% 5.0%	856 856 856 856 1,074 1,074 1,074 1,074 1,304 1,304 1,304 1,304	@30% @50% @60% Market @30% @50% @60% Market @30% @50% @60% Market	\$290 \$501 \$626 \$675 \$340 \$584 \$703 \$810 \$380 \$655 \$795 \$910	No No No N/A No No No N/A No No No N/A	Yes Yes Yes No Yes Yes Yes No Yes Yes Yes No	0 1 0 0 0 0 0 0 0 0 0 0	0.0% 9.1% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
5	Heritage Hills Apartments 100 Heritage Hills Drive Commerce, GA 30529 Jackson County	33.0 miles	Garden 2-stories 2000 / n/a Family	@50%, @60%	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	5 5 25 25 10 10	6.3% 6.3% 31.3% 31.3% 12.5% 12.5%	900 900 1,075 1,075 1,275 1,275	@50% @60% @50% @60% @50% @60%	\$663 \$815 \$794 \$976 \$906 \$1,116	No No No No No No	Yes Yes Yes Yes Yes Yes	0 0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
6	Peaks Of Cornelia 771 Level Grove Road Cornelia, GA 30531 Habersham County	37.2 miles	Garden 2-stories 2018 / n/a Family	@50%, @60%, Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2BA	3 7 2 8 26 6 6 18 4	3.8% 8.8% 2.5% 10.0% 32.5% 7.5% 7.5% 22.5% 5.0%	700 700 700 1,050 1,050 1,050 1,200 1,200 1,200	@50% @60% Market @50% @60% Market @50% @60% Market	\$465 \$567 \$678 \$535 \$659 \$768 \$596 \$740 \$864	No No N/A Yes No N/A No No N/A	Yes Yes Yes Yes Yes Yes Yes Yes Yes	0 0 0 0 0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
7	Ashton Park Apartments 50 Braeburn Drive Anderson, SC 29621 Anderson County	20.0 miles	Garden 3-stories 2006 / n/a Family	Market	1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	54 54 54 54	25.0% 25.0% 25.0% 25.0%	850 1,085 1,188 1,450	Market Market Market Market	\$1,137 \$1,305 \$1,382 \$1,493	N/A N/A N/A N/A	No No No No	1 0 0 0	1.9% 0.0% 0.0% 0.0%
8	Olde Town At Bailey Court 106 Concord Avenue Anderson, SC 29621 Anderson County	18.8 miles	Garden 2-stories 1964 / 2003 Family	Market	1BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA 3BR / 1BA	17 21 51 9 2	17.0% 21.0% 51.0% 9.0% 2.0%	650 1,100 800 925 925	Market Market Market Market Market	\$715 \$990 \$836 \$875 \$950	N/A N/A N/A N/A N/A	No No No No No	0 0 1 0 0	0.0% 0.0% 2.0% 0.0% 0.0%
9	Shadow Creek Apartments 100 Shadow Creek Lane Anderson, SC 29621 Anderson County	20.3 miles	Garden 3-stories 1999 / 2019 Family	Market	1BR / 1BA 2BR / 2BA 3BR / 2BA	36 132 24	18.8% 68.8% 12.5%	804 1,098 1,224	Market Market Market	\$1,077 \$1,174 \$1,367	N/A N/A N/A	Yes Yes Yes	0 0 0	0.0% 0.0% 0.0%
10	Tanglewood Apartments 2418 Marchbanks Avenue Anderson, SC 29621 Anderson County	20.3 miles	Garden 2-stories 1976 / 2007 Family	Market	1BR / 1BA 2BR / 1.5BA 3BR / 2BA	40 112 16	23.8% 66.7% 9.5%	615 925 1,150	Market Market Market	\$928 \$1,035 \$1,288	N/A N/A N/A	No No No	1 1 0	2.5% 0.9% 0.0%
11	The Hamptons (FKA Hamptons Apartments) 100 Hudson Circle Anderson, SC 29625 Anderson County	18.7 miles	Garden 3-stories 2003 / n/a Family	Market	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	22 22 54 54 32	12.0% 12.0% 29.4% 29.4% 17.4%	679 821 807 1,029 1,434	Market Market Market Market Market	\$800 \$830 \$877 \$912 \$1,020	N/A N/A N/A N/A N/A	Yes Yes Yes Yes Yes	0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0%
						24							0	0.0%
						48							0	0.0%
						40							0	0.0%
						120							1	1.3%
						80							0	0.0%
						80							0	0.0%
						80							0	0.0%
						216							1	0.5%
						100							1	1.0%
						192							0	0.0%
						168							2	1.2%
						184							0	0.0%