

MARKET STUDY

BON AIR
2101 Walton Way
Augusta, Georgia 30904
CBRE, Inc. File No. CB23US036418-1

Nick Boehm
REDWOOD HOUSING
3101 Bee Caves Road, Suite 220
Austin, Texas 78746

www.cbre.com/valuation

CBRE

May 17, 2023

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Austin, Texas 78746

RE: Market study of Bon Air
2101 Walton Way
Augusta, Georgia 30904
CBRE, Inc. File No. CB23US036418-1

Dear Mr. Boehm:

At your request and authorization, CBRE, Inc. has prepared an application market study of the above referenced property.

The purpose of this market study is to assess the viability of the existing 202-unit Section 8/LIHTC senior multifamily development known as Bon Air Apartments that is proposed for LIHTC renovations. Following renovations using the LIHTC program, the property will continue to be restricted to households earning 60 percent of the Area Median Income (AMI), or less. In addition, all 202 units will continue to benefit from a HAP contract post renovation.

The following scope of work is provided by The Georgia Department of Community Affairs (DCA):

- Executive Summary
- Project Description
- Site Evaluation
- Market Area
- Community Demographic Area
- Employment Trends
- Project-Specific Affordability & Demand Analysis
- Competitive Rental Analysis (Existing Competitive Rental Environment)
- Absorption & Stabilization Rates
- Interviews
- Conclusions & Recommendations

Nick Boehm
May 17, 2023

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

The authors of this report certify that there exists no identity of interest between the analysts and the entity for which the report is prepared, the applicant or its principals (general partners, members, etc.). The recommendations and conclusions are based solely on the professional opinions and best efforts of the analysts. The report was written according to DCA's market study requirements, the information included is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. DCA may rely on the representation made in the market study.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



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Executive Summary

Project Description

The subject is a 202-unit multi-family high-rise located at 2101 Walton Way in Augusta, Georgia. The property consists of a single six-story residential apartment building. The improvements were constructed in 1923, renovated with LIHTCs at 2007 and are located on an 8.938-acre site. The property will be renovated with greater than \$95,000 per unit with an estimated completion date of April 2025. The property offers 26 studio and 176 one-bedroom units and targets seniors 62 and older.

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

PROPOSED RENTS									
Type	No. of Units	Unit Size (SF)	Unit Occ.	Net LIHTC Rents \$/Unit	Utility Allowance \$/Unit	Gross LIHTC Rents \$/Unit	CBRE's	CBRE's	Net Rent Per SF
							Achievable As Is Market Rents \$/Unit	Proposed Post Renovation Market Rents \$/Unit	
Studio/1BA 60%/HAP	26	439 SF	96%	\$778	\$0	\$778	\$915	\$1,060	\$2.41
1BR/1BA 60%/HAP	176	850 SF	98%	\$834	\$0	\$834	\$1,015	\$1,150	\$1.35
Total/Average:	202	797 SF	98%	-----				\$1,138	\$1.43

Compiled by CBRE

The subject's units will continue to operate with a Section 8 project-based subsidy post renovation covering all 202 units. Tenants in these units will pay 30 percent of their income towards rent, not to exceed the LIHTC rent limits. Following renovations, the subject's amenity package is considered to be similar to slightly inferior in-unit amenities in comparison to the LIHTC comparables and slightly inferior to inferior to the market-rate comparable properties and generally inferior project amenities. The subject's units offer refrigerators, range/oven, and dishwasher, but does not offer a private balcony/patio or garbage disposal, which the majority of comparables include. Further, the subject offers a clubhouse and central laundry but does not offer an exercise facility or barbeque area which the majority of the comparables include. Following renovations, the subject will add a library, free laundry, life alert system, fitness center, business center, service coordinator and non-shelter services. Overall, we believe that the proposed amenities will allow the subject to effectively compete in the market.

Total costs have been estimated at greater than \$95,000 per unit total according to the developer. The scope of renovation will include the following: updated landscaping, new kitchen appliances, countertops and cabinets, flooring, windows, and painting. In addition, the following amenities will be added: free wireless internet, free laundry, life alert system, microwaves, library, fitness center, business center, service coordinator and non-shelter services. Given the scope of the renovation, the in-unit and project amenities are expected to be competitive with the majority of existing communities in the market area.

Site Description/Evaluation

The subject's site is well suited for multifamily dwelling units. The subject is well situated in central Augusta with surrounding multifamily, retail, and commercial uses. The subject has frontage along the north side of Walton Way, the south side of Cumming Road and the west side of Hickman Road. There is good visibility and access. The subject's site has a gradually sloping topography with higher elevation to west and is irregularly shaped. The surrounding uses are in average condition and the site has good proximity to locational amenities which are generally within 1.4 miles from the subject. The project is in a higher crime area according to Trulia.com relative to greater Augusta-Richmond County. Street noise was not noted to be a nuisance by the appraiser during the site inspection, nor were any factors observed in the subject's immediate vicinity that would negatively affect the perceived quality of the neighborhood. We are not aware of any road or infrastructure improvements planned or under construction in the PMA. The subject site is considered comparable to existing communities in the market area with similar access to community amenities and services.

Market Area Definition

We have defined the subject's primary market area (PMA) as the area south of the Savannah River, north and west of Interstate 520 and east of Interstate 20 and Interstate 520.

Richmond County is a county located in the U.S. state of Georgia. As of the 2010 census, the population was 200,549. It is one of the original counties of Georgia, created February 5, 1777. Following an election in 1995, the city of Augusta (the county seat) consolidated governments with Richmond County. The consolidated entity is known as Augusta-Richmond County, or simply Augusta. Richmond County is included in the Augusta-Richmond County, GA-SC Metropolitan Statistical Area. The counties area is approximately 329 square miles and reported a population of 206,607 in 2020 according to the U.S. Census Bureau. The boundaries of the PMA are approximately 4.2 miles to the west, 3.7 miles to the north, 3.2 mile to the east, and approximately 5.3 miles to the south of the subject property. The PMA was defined based on interviews with the property managers at comparable properties and the subject's property manager. We have not considered leakage outside the PMA within our analysis.

Community Demographic Data

The population and number of senior households grew in the PMA between 2010 and 2022, and are expected to continue to grow over the next five years. The senior population of the PMA was 27,113 in 2022 and is expected to grow to 27,494 by 2027.

Renter households are concentrated in the lowest income cohorts, with 65.2% percent of renters in the PMA earning less than \$35,000 annually. The subject will target senior households earning between \$23,340 and \$35,580 for its LIHTC units without the current Section 8 subsidies in place and \$0 to \$35,580 assuming the current Section 8 subsidies are in place. The subject will continue to benefit from its Section 8 Subsidy which subsidizes all 202 of the subject's units. The demographics as well as the subject's current waiting list and historical occupancy suggest significant demand for affordable rental housing in the market.

According to RealtyTrac.com, foreclosures account for 0.11% of properties in Augusta, GA. We did not observe a significant amount of abandoned or boarded up structures in the neighborhood that would impact the marketability of the subject.

Economic Data

The highest employment sectors are health care/social assistance, retail trade and accommodation/food services. Together, these industries comprise 40.5% of all jobs in the PMA.

Many of Augusta’s largest employers are associated with the public, healthcare and education industries. These are stable employment industries and provide a consistent base of employment.

The Augusta-Richmond County, GA-SC, MSA experienced increases in employment overall from 2010 to 2023. Increases occurred in 2013, 2015, 2016, 2017 and 2020. The unemployment rate in the Augusta-Richmond County, GA-SC MSA peaked in 2011 at 11.6% but has gradually decreased to a current unemployment rate of 3.5% in March 2023. This is compared to the national unemployment rate of 3.5% in March 2023 and 3.1% unemployment rate in Georgia during the same period.

According to the Department of Labor, the following companies issued layoffs since January 2018.

EMPLOYMENT CONTRACTIONS - WARN NOTICES				
Augusta Area - 2018 to Present				
Company Name	Location	County	Notice Date	# Affected
CWU Inc Augusta	Augusta	Richmond	4/1/2022	68
PF Changs China Bistro	Augusta	Richmond	9/18/2020	75
Bloomin Brands	Augusta	Richmond	3/15/2020	245
The Family Y of the CSRA	Augusta	Richmond	3/25/2020	221
Beasley Media Group	Augusta	Richmond	4/1/2020	25
Resolute Forest Products	Augusta	Richmond	1/13/2020	150
Ryder System	Augusta	Richmond	1/13/2020	50
Cerner Corporation	Augusta	Richmond	3/31/2019	129
Textron	Augusta	Richmond	1/23/2018	60
Georgia Pacific	Augusta	Richmond	4/30/2018	55
Solo Cup Operating Corporation	Augusta	Richmond	12/31/2018	139

Source: Georgia Department of Labor

We are not aware of any major expansions/additions. Overall, the city of Augusta, GA appears to be performing generally similarly or slightly superior to the state of Georgia and nation. As such, we expect this economy will have continued demand for workforce and affordable housing for the foreseeable future.

Project-Specific Affordability and Demand Analysis

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

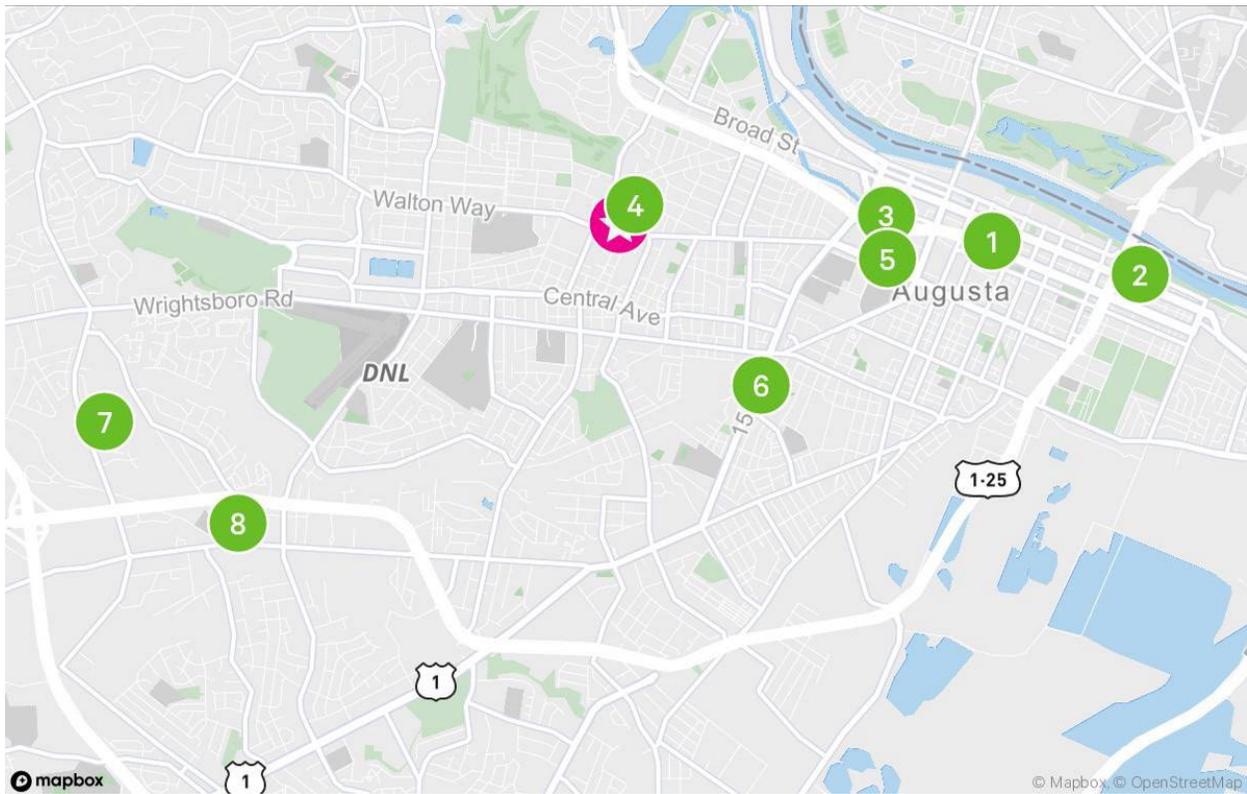
CAPTURE RATE ANALYSIS CHART

Unit Type	Units Proposed	Income Limits		Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min	Market Rents Band Max	Proposed Rents
Studio 60% AMI/HAP	26	\$0	\$31,140	469	0	469	5.5%	7 Months	\$1,035	\$563	\$1,170	\$778
Studio 60% AMI	26	\$23,340	\$31,140	160	0	160	16.2%	9 Months	\$1,035	\$563	\$1,170	\$778
1BR/1BA 60% AMI/HAP	176	\$0	\$35,580	773	0	773	22.8%	7 Months	\$1,027	\$563	\$1,441	\$834
1BR/1BA 60% AMI	176	\$25,020	\$35,580	265	0	265	66.5%	9 Months	\$1,027	\$563	\$1,441	\$834
Overall - With Subsidy	202	0	\$35,580	1242	0	1242	16.3%	7 Months				
Overall - Without Subsidy	202	\$23,340	\$35,580	425	0	425	47.5%	9 Months				

Per Georgia DCA guidelines, capture rates below 30% for projects in urban markets such as the PMA are considered acceptable. Given the subject’s low capture rate of 16.3% the project is considered acceptable. Further, the strong waiting lists, occupancy, and low capture rate indicate the strong need for additional affordable housing in this market, particularly subsidized housing such as the subject property.

Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We identified the following comparable properties.



COMPARABLE RENTAL PROPERTIES

Map ID	Project Name	Year Built	Total Units	Occ. Rate	Distance to Subject	Waiting List	Target Market
1	Cobb House Apartments	1917	21	94%	2.3 Miles	No	Market
2	Broadway Apartments	1917	40	88%	3.2 Miles	No	Market
3	Enterprise Mill	1855/1999	60	93%	1.6 Miles	No	Market
4	Terraces at Summerville	1972	120	96%	0.1 Miles	No	Market
5	Canalside	2015	106	94%	1.7 Miles	No	Market
6	Legacy at Walton Green Senior LIHTC	2018	170	99%	1.3 Miles	Yes	Low Income Seniors (60% AMI)
7	Gardens at Harvest Point	2018	256	100%	3.4 Miles	Yes	Low Income Seniors (60% AMI)
8	The Terraces at Edinburgh	2010	72	100%	3.0 Miles	Yes	Low Income Seniors (60% AMI)

Compiled by CBRE

The availability of senior oriented, non-subsidized LIHTC properties in the subject’s PMA is considered adequate. As such, we have included three affordable senior properties within the PMA. Additionally the availability of comparable market rate developments is considered adequate. As such, we have included five market rate developments within the PMA.

We note the subject is currently benefiting from a Section 8 contract which subsidizes all 202 of the units. As such, all of the tenants contribute 30% of their income as rent.

SUBJECT COMPARISON TO COMPARABLE RENTS - MARKET RENTS					
Unit Type	Subject Proposed			Surveyed Average	Rent Advantage
	LIHTC Rent	Surveyed Minimum	Surveyed Maximum		
Studio - 60% AMI	\$778	\$563	\$1,170	\$1,035	33%
1BR/1BA - 60% AMI	\$834	\$563	\$1,441	\$1,027	23%

Compiled by CBRE

The proposed 60% AMI rents are well below the surveyed average of the rent comparables for each bedroom type. The proposed rents indicate an 23% to 33% rent advantage to comparable properties (market rate and affordable). This emphasizes the strong demand for affordable housing in this market.

Absorption/Stabilization Estimate

We have calculated the absorption to 93 percent occupancy, per DCA guidelines.

The subject is a proposed renovation of an existing Section 8/LIHTC property. According the provided rent roll, dated March 25, 2023, the property is 98% occupied with a waiting list, which is typical for the subject property and properties with this level of subsidy. Given the level of subsidy in place, and expected in the future, we have assumed the existing tenants would remain in place, or be relocated to new units and utilize a tenant relocation plan. Based on the current and historical occupancy, as well as the current waiting list, we have assumed the subject would achieve stabilization upon completion of the proposed renovations.

We were only able to locate one multifamily development that was recently developed that was willing to provide us with absorption information. Millhouse Station is located at 636 11th Street in Augusta, Georgia just west of the subject. Millhouse Stations is a market rate development that opened in the summer of 2021 and offers 155 studio, one and two-bedroom units. The property is currently 51% occupied and conversations with the property manager indicated that the property was leasing approximately 20 units per month since its opening.

If the property were to be 100% vacant with no tenant relocation plan upon completion of construction, we believe the property would achieve a stabilized occupancy within seven-months including the current Section 8 subsidies and nine-months if there were no Section 8 subsidies.

Overall Conclusion

Based upon our research, the overall market, demographics, and demand figures, we believe there is strong support for the subject as proposed. The affordable properties are currently 97% to 100% occupied with an average of 99.5%. The conventional comparables indicate an average of 92.1%. The subject’s proposed renovation will allow the subject to continue to compete within the

market by offering in-unit and community amenities that are in-line with market standards. The renovation will greatly improve the overall quality of the subject and allow the subject to continue to provide affordable housing in an area that is in high demand. We believe the market **can** support subject and will help fill a void in the market. In addition, the subject will have no issue maintaining at least a 93% occupancy rate.

Summary Table

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

Development Name:	<u>Bon Air</u>	Total # Units:	<u>202</u>
Location:	<u>2101 Walton Way, Augusta, Georgia</u>	# LIHTC Units:	<u>202</u>
PMA Boundary:	<u>North Savannah River</u>		
	<u>South Interstate 520</u>		
	<u>East Interstate 520</u>		
	<u>West Interstate 520/Interstate 20</u>		

RENTAL HOUSING STOCK found on page 43

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	28	3,196	55	98.3%
Market-Rate Housing	14	1,626	9	99.5%
Assisted/Subsidized Housing not to include LIHTC	4	1,626	9	99.5%
LIHTC	10	1,227	9	99.3%
Stabilized Comps	27	3,196	55	98.3%
Properties under Construction & Lease-Up	6	903	77	N/A

*Only includes properties in PMA

# Units	Subject Development				Average Market Rent			Highest Unadjusted Comp Rent	
	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
Studio/1BA 60%/HAP	1	1	439	\$778	\$681	\$0.92	33%	\$1,170	\$1.18
1BR/1BA 60%/HAP	2	1	850	\$834	\$681	\$0.92	23%	\$1,441	\$1.18

DEMOGRAPHIC DATA

(found on page) 28-32

	2022		Market Entry (2025)		2027	
Renter Households	10,645	59.7%	10,745	61.4%	8,610	63.1%
Income-Qualified Renter HH (LIHTC)	2,510	23.6%	2,534	23.6%	2,031	23.6%

Targeted Income-Qualified Renter Housing Demand

(found on page) 38-49

Type of Demand	30%	50%	60%	Market Rate	Other: 60%/Sec. 8	Overall
Renter Household Growth	N/A	N/A	16	N/A	-147	-147
Existing Households (Overburden + Substandard)	N/A	N/A	852	N/A	2681	2681
Homeowner conversion (seniors)	N/A	N/A	0	N/A	0	0
Total Primary Market Demand	N/A	N/A	867	N/A	2534	2534
Less Comparable/Competitive Supply	N/A	N/A	0	N/A	0	0
Adjusted Income-qualified Renter HHs	N/A	N/A	867	N/A	2534	2534

CAPTURE RATES

(found on page) 49

Targeted Population	30%	50%	60%	Market Rate	Other:	Overall
Capture Rate	N/A	N/A	47.5%	N/A	16.3%	16.3%

PROJECT DESCRIPTION

Project Address and Development Location

The subject is located at 2101 Walton Way, Augusta, Georgia, 30904

Construction Type

The subject consists of one six-story residential buildings. The buildings have brick exteriors and pitched roofs. The subject was originally constructed in 1923.

Occupancy Type

Seniors

Special Population Target

Seniors

Number of Units by Bedroom Type and AMI Level

See subject profile

Unit Size, Number of Bedrooms and Structure Type

See subject profile

Rents and Utility Allowances

See subject profile

Existing or Proposed Project-Based Rental Assistance

The subject is currently subsidized by a Section 8/HAP contract which covers all 135 of the subject's units. Following the proposed renovations, the subject will continue to benefit from the HAP contract

Proposed Development Amenities

See subject profile

PROPERTY PROFILE – POST RENOVATION

Property Name	Bon Air
Address	2101 Walton Way Augusta, GA 30904
County	Richmond
Govt./Tax ID	0344088030, 0344088000, 0344088020, 0344148000
Net Rentable Area (NRA)	159,000 sf
Condition	Good
Land Area Net	8.938 ac/ 389,339 sf
Year Built/Renovated	1923/ 2007
Total # of Units	202 Unit
Average Unit Size	585 sf
Average Rent/Unit	\$1,002
Average Rent/SF	\$1.26
Construction Class/ Type	C/ Average
Exterior Finish	Brick
Floor Count	6
Parking Type/ Ratio	Surface/ 1.15:1,000 sf
Property Features	Age Restricted, Elevators, Fire Sprinklered, Flat Roofs, Gated / Controlled Access, Ground-level Retail, HAP Contract, Historical Property, Individual Split Systems, Interior Corridors, Interior Stairwells, LIHTC (Low Income Housing Tax Credit), On-Site Management, Surface Parking
Project Amenities	Laundry Facility, On-Site Security
Unit Amenities	8-Foot Ceilings, Dishwasher, Garbage Disposal, Laminate Countertops, Microwave Oven, Range / Oven, Refrigerator, Vinyl Flooring



Quoted Terms			
Occupancy	99%	Utilities Included in Rent	Water, Sewer, Trash, Electricity and Gas
Tenant Profile	Low Income	Rent Premiums	None
Lease Term	12 Mo(s).	Concessions	None
Survey Date	05/2023	Owner	N/A
Verification	N/A	Management	N/A

Scope of Renovations

Renovations will reportedly have costs of \$95,000 per unit. According to information provided by the developer, the scope of renovations will include, but will not be limited to: updated landscaping, new kitchen appliances, countertops and cabinets, flooring, windows, and painting. In addition, the following amenities will be added: free wireless internet, microwaves, library, fitness center, free laundry, life alert system, business center, service coordinator and non-shelter services. Given the scope of the renovation, the in-unit and project amenities are expected to be competitive with the majority of existing communities in the market area.

Current Rents

Based on the 3/25/2023 rent roll, the current rents are the subject are contract rents based on its Section 8 agreement, with tenants paying 30% of their income as rent.

CURRENT RENTS						
Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
Studio/1BA	439	26	\$895	\$25	\$454	\$241
1BR/1BA	850	176	\$1,120	\$0	\$228	\$177

Current Occupancy

According to the 3/25/2023 rent roll, the project is currently 98.5% occupied. The project has a waiting list.

Current Tenant Income

Most of the current tenants at the subject have incomes that would be too low to qualify for the subject

Placed in Service Date

The subject was originally built in 1923 and renovated in 2007. The renovations will occur with tenants in place. Therefore, buildings will be placed back in service on a rolling basis. Renovations are expected to be complete by April 2025.

Conclusion

Post renovation, the subject will consist of good quality brick and siding buildings that will be comparable to most of the inventory in the PMA. Following the renovation, the subject will not suffer from deferred maintenance, or any kind of obsolescence.

Site Evaluation

PROJECT DESCRIPTION

1. Date of Site Visit and Name of Inspector: Melissa Blakely, MAI inspected the site on Friday, May 12, 2023

SITE SUMMARY

Physical Description

Gross Site Area	8.94 Acres	389,339 Sq. Ft.
Net Site Area	8.94 Acres	389,339 Sq. Ft.
Primary Road Frontage	Walton Way	
Excess Land Area	None	
Surplus Land Area	None	
Topography	Rolling	
Zoning District	B-1 Neighborhood Business Zone	
Flood Map Panel No. & Date	13245C0110G	15-Nov-19
Flood Zone	Zone X (Unshaded)	
Adjacent Land Uses	Commercial and residential uses	
Earthquake Zone	N/A	

Comparative Analysis

Rating

Visibility	Average
Functional Utility	Assumed adequate
Traffic Volume	Average
Adequacy of Utilities	Assumed adequate
Landscaping	Assumed excellent
Drainage	Assumed adequate

Utilities

Adequacy

Water	Augusta Utilities Department	Yes
Sewer	Augusta Utilities Department	Yes
Natural Gas	Georgia Power Company	Yes
Electricity	Georgia Power Company	Yes
Telephone	Various	Yes
Mass Transit	Augusta Transit System	Yes

Other

Yes

No

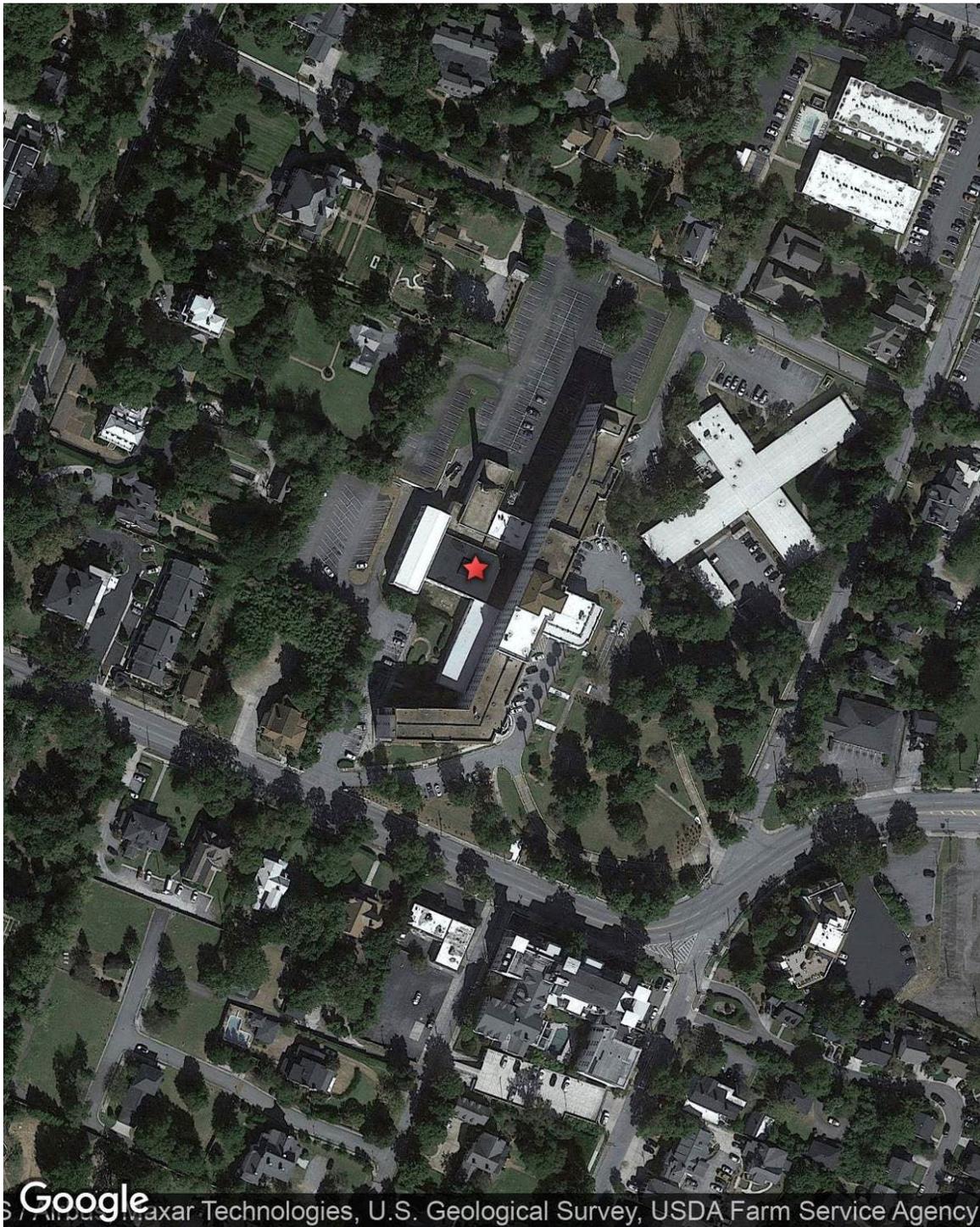
Unknown

Detrimental Easements			X
Encroachments			X
Deed Restrictions	X		
Reciprocal Parking Rights		X	

Source: Various sources compiled by CBRE

The subject currently has low income housing tax credits and will continue to following renovations.

Subject Aerial & Plat Map



Aerial View



Parcel Map

SITE AND IMMEDIATE SURROUNDING AREA

The subject has frontage along the north side of Walton way and the south side of Cumming Road. The area is a predominately residential with some retail and commercial development. To the north, south and west of the subject are single-family homes in average condition. To the east of the subject are retail and commercial establishments in average condition.

POSITIVE/NEGATIVE ATTRIBUTES OF SITE

We are not aware of any negative attributes. The subject is located within close proximity to locational amenities.

PHYSICAL PROXIMITY TO LOCATIONAL AMENITIES

The subject is located within 1.4 miles of most locational amenities/employers as will be discussed further.

PICTURES OF SITE AND ADJACENT USES



Subject signage



Subject exterior



Subject exterior



Subject exterior



Subject exterior



Subject exterior



Entrance



Manager's Office



Subject exterior



Subject exterior



Hallway



Hallway



Bedroom



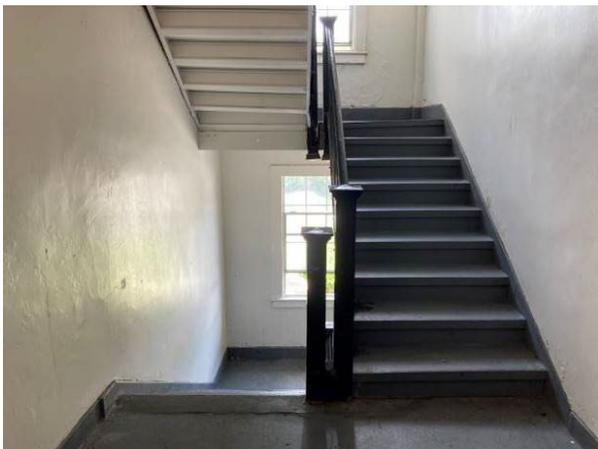
Closet



Bathroom



Bathroom



Stairwell



Hallway



Elevator



Bedroom



Kitchen



Living Room



Bedroom



Kitchen



Kitchen



Ballroom



Terrace room



Entryway



Entryway



Ballroom



Hallway



Balcony



Balcony



Ballroom



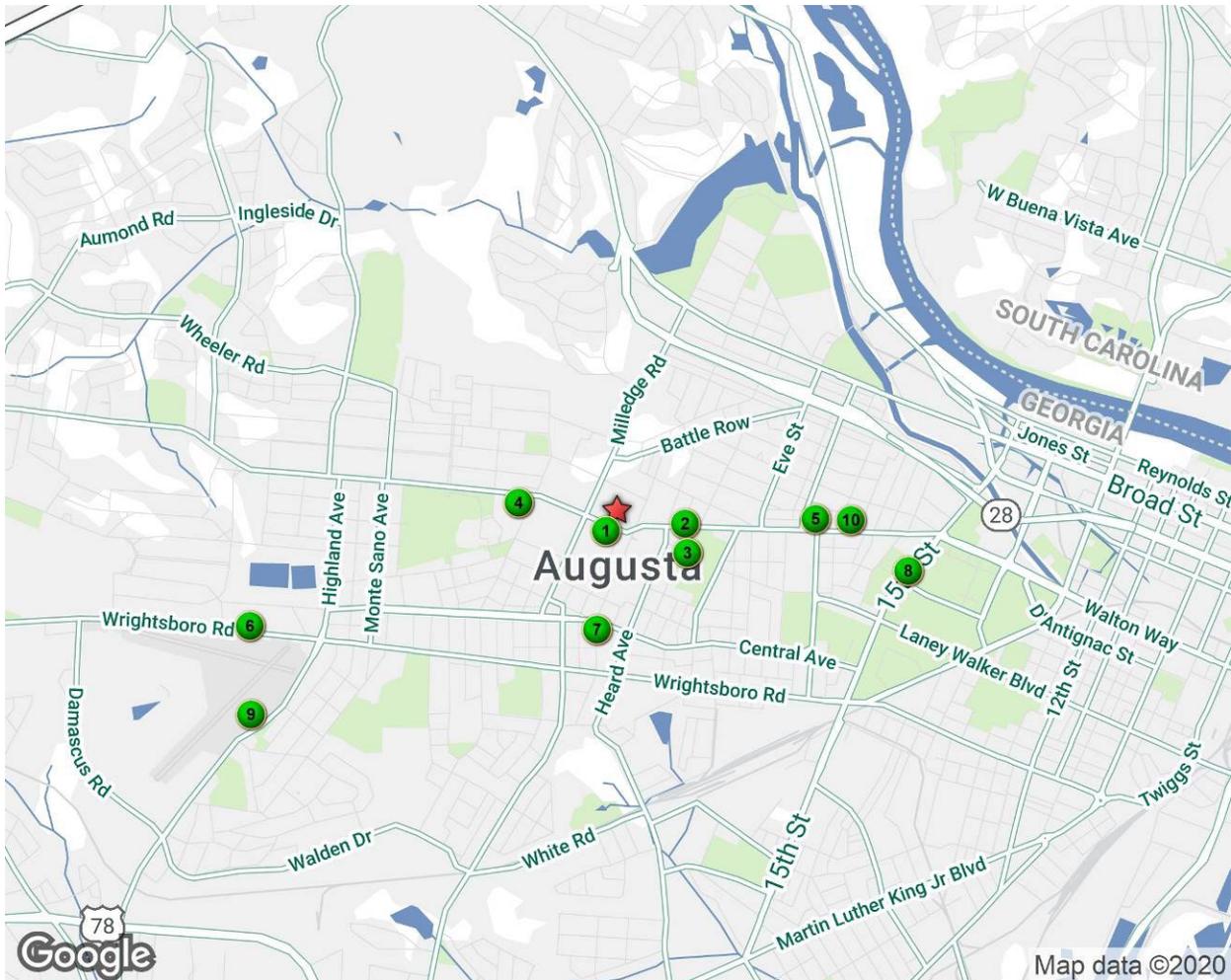
Central laundry room



Maintenance area

AMENITIES

The following table and map illustrate the subject’s proximity to amenities and services.



AMENITIES

#	Company	Distance
1	Bus Stop	Adjacent
2	Sunoco Gas Station	0.2 Miles
3	Academy of Richmond County	0.2 Miles
4	Augusta University Summerville Campus	0.2 Miles
5	Family Dollar	0.4 Miles
6	Richmond Sheriff's Department	0.8 Miles
7	Cardinal Health	0.4 Miles
8	Augusta University Medical Center	1.2 Miles
9	Augusta Fire Department	1.4 Miles
10	Security Federal Bank	1.0 Miles

DESCRIPTION OF LAND USES

The subject's site is located in central Augusta, which is in eastern Georgia. The subject is surrounded by single-family residential uses, retail and commercial developments. South, north and west of the subject are single-family homes in average condition. East of the subject are retail developments in average condition. The site is considered a desirable location for multifamily uses, with many amenities within walking distance.

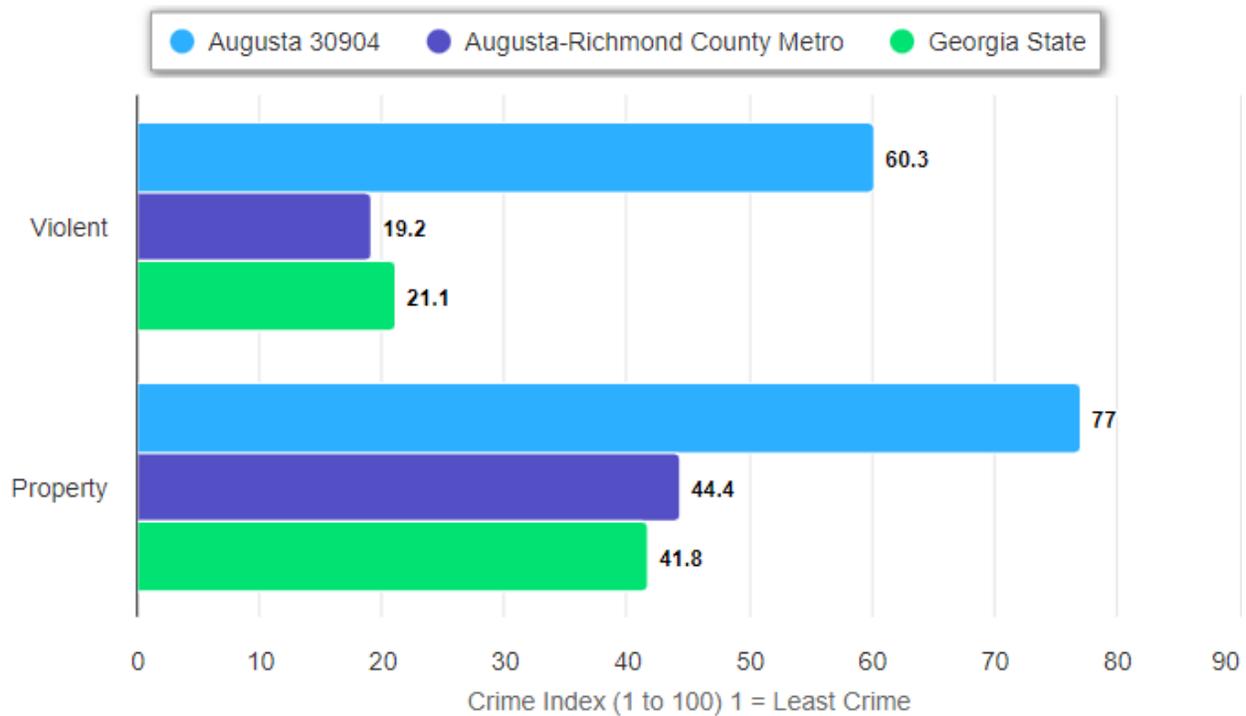
According to walkscore.com the subject's site has a walk score of 57 which is considered somewhat walkable, and a bike score of 39 which is considered somewhat bike-able.

NUISANCES/CRIME RATES

Street noise was not noted to be a nuisance by the appraiser during the site inspection, nor were any factors observed in the subject’s immediate vicinity that would negatively affect the perceived quality of the neighborhood.

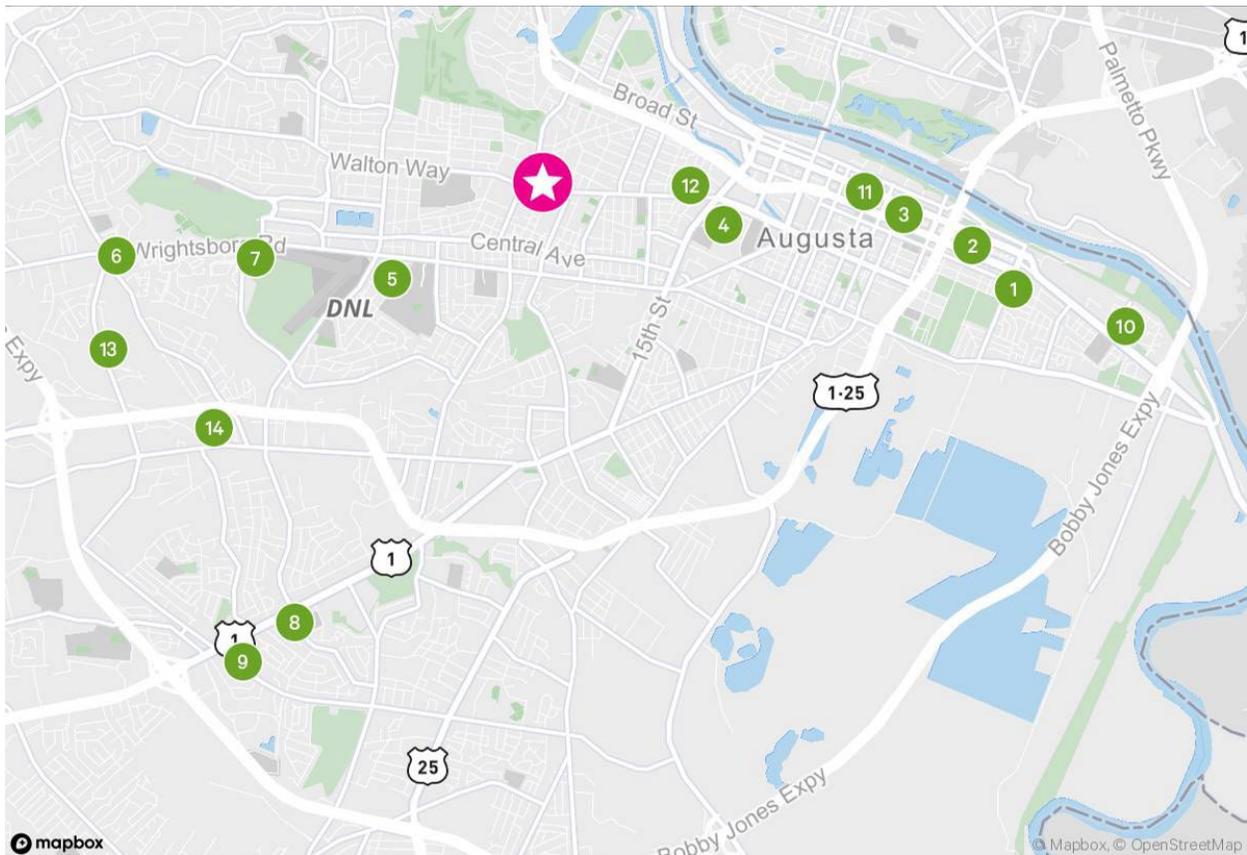
In terms of crime, according to Trulia.com, the subject’s zip code experiences **moderate to high crime** relative to greater Augusta-Richmond County Metro.

According to bestplaces.com, the subject’s zip code has higher property crime rates which compared to the state of Georgia and higher property crime rates when compared to the United States. The subject’s zip code reported a higher violent crime rate when compared to the state of Georgia and United States.



Source: Bestplaces.com

EXISTING ASSISTED RENTAL HOUSING PROPERTY MAP



ASSISTED/SUBSIDIZED PROPERTIES IN THE PMA

	Property Name	Program	Tenancy	Occupancy
1	River Glen Apartments	Section 8	Family	100.0%
2	East Augusta Commons	LIHTC	Family	97.0%
3	St. Johns Towers	Section 8	Senior	100.0%
4	Linden Square Apartments	LIHTC	Family	100.0%
5	Freedoms Path at Augusta	LIHTC	Senior	100.0%
6	Forest Brook Apartments	LIHTC	Family	99.0%
7	Augusta Springs Senior	LIHTC	Senior	100.0%
8	Progressive Cedarwood	LIHTC	Family	99.0%
9	Shadowood Apartments	Section 8	Family	100.0%
10	Walton Oaks Family	LIHTC	Family	100.0%
11	Richmond Summit Apartments	Section 8	Senior	98.5%
12	Legacy at Walton Green Senior	LIHTC	Senior	99.0%
13	Gardens at Harvest Point	LIHTC	Senior	100.0%
14	The Terrace at Edinburgh	LIHTC	Senior	100.0%

Compiled by CBRE

ROAD, INFRASTRUCTURE, OR PROPOSED IMPROVEMENTS

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

ACCESS, INGRESS-EGRESS AND VISIBILITY OF SITE:

Comparative Analysis	<u>Rating</u>
Visibility	Average
Functional Utility	Assumed adequate
Traffic Volume	Average
Adequacy of Utilities	Assumed adequate
Landscaping	Assumed excellent
Drainage	Assumed adequate

The subject has average access, visibility and ingress/egress for a multifamily site. Access to the site is provided by Walton Way which is accessed by Interstate 20 to the west.

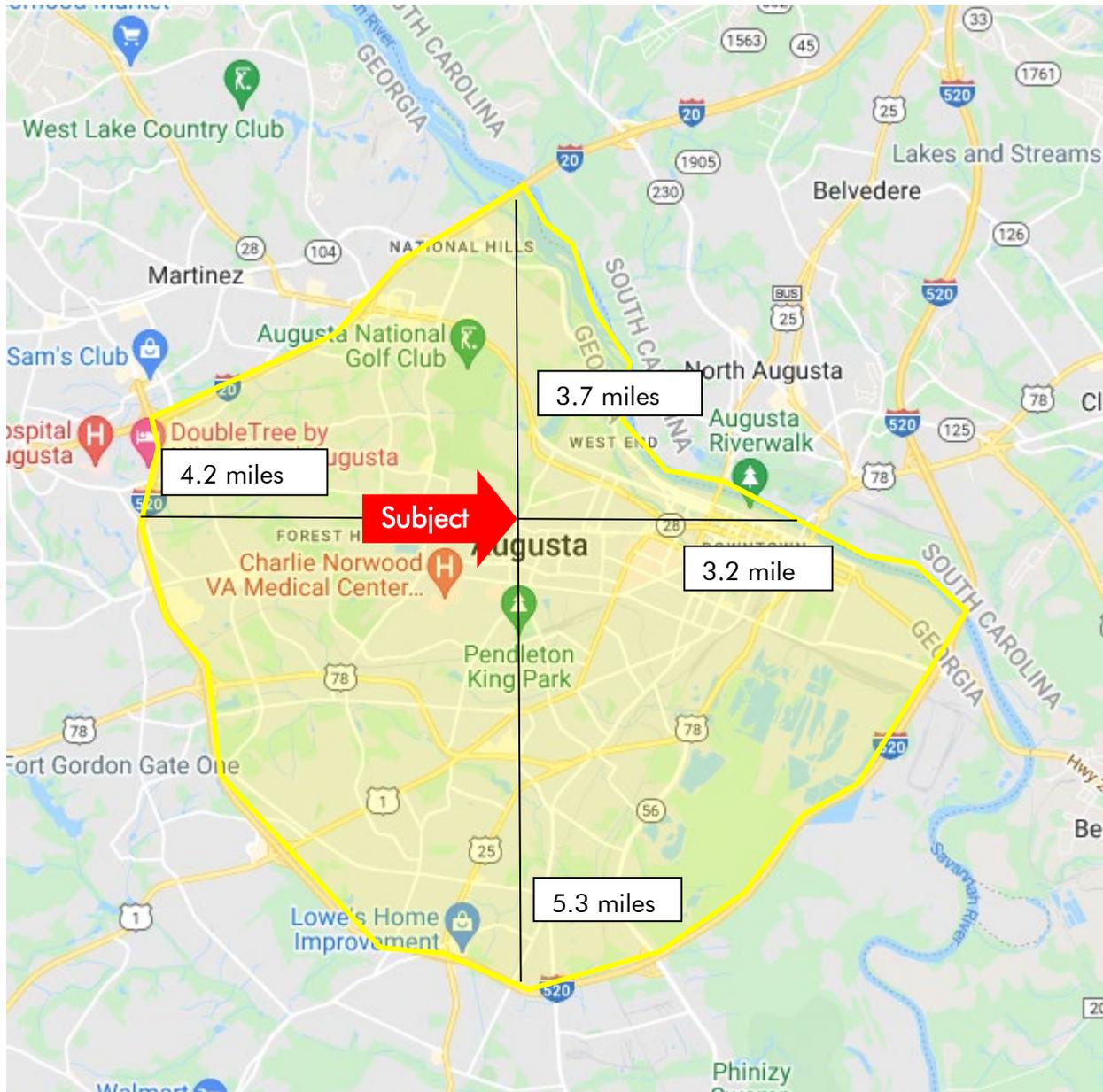
CONCLUSION

The subject site is well located and afforded average access and average visibility from roadway frontage. There are no known detrimental uses in the immediate vicinity other than above average crime rates. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.

Market Area

PRIMARY MARKET AREA (PMA)

The following map illustrates the subject's PMA.



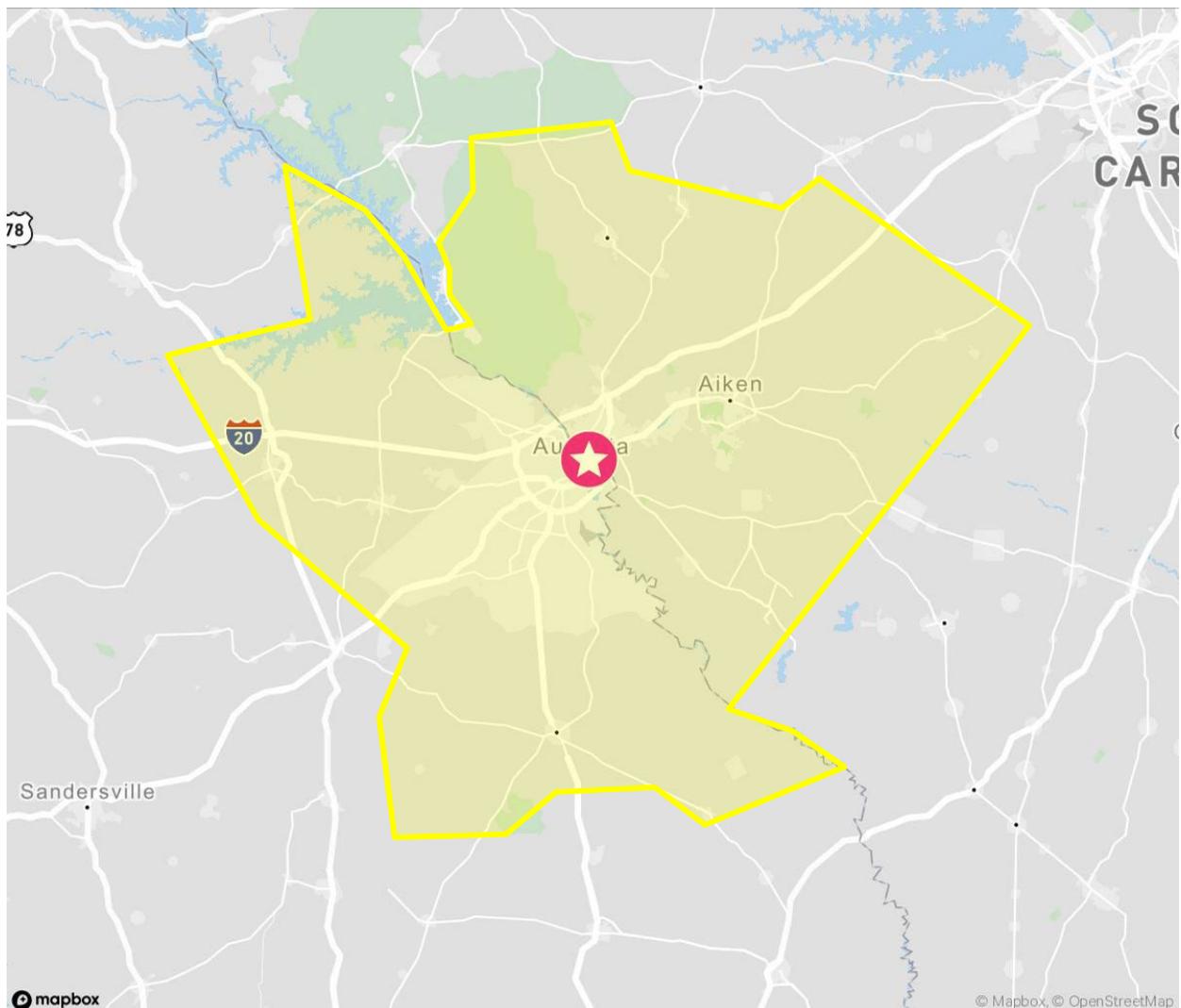
We have defined the subject's primary market area (PMA) as the area south of the Savannah River, north and west of Interstate 520 and east of Interstate 20 and Interstate 520.

Richmond County is a county located in the U.S. state of Georgia. As of the 2010 census, the population was 200,549. It is one of the original counties of Georgia, created February 5, 1777. Following an election in 1995, the city of Augusta (the county seat) consolidated governments with Richmond County. The consolidated entity is known as Augusta-Richmond County, or simply

Augusta. Richmond County is included in the Augusta-Richmond County, GA-SC Metropolitan Statistical Area. The counties area is approximately 329 square miles and reported a population of 206,607 in 2020 according to the U.S. Census Bureau. The boundaries of the PMA are approximately 4.2 miles to the west, 3.7 miles to the north, 3.2 mile to the east, and approximately 5.3 miles to the south of the subject property. The PMA was defined based on interviews with the property managers at comparable properties and the subject's property manager. We have not considered leakage outside the PMA within our analysis.

SECONDARY MARKET AREA (SMA)

We have defined the secondary market area as the Augusta-Richmond County, GA-SC Metropolitan Statistical Area.



Community Demographic Data

This section of the report provides the demographic information for the subject's PMA, giving historical data as well as current data and estimates. The subject property will be renovated with a proposed completion date of April 2025. Our projections are based on current data, such as census data, ESRI, and American Community Survey as prepared by Claritas. We have also utilized US Census data.

POPULATION TRENDS

The following table illustrates population projections from 2000 through 2027.

SELECTED NEIGHBORHOOD DEMOGRAPHICS			
2101 Walton Way Augusta, GA	PMA	Augusta- Richmond County- GA-SC MSA	Georgia
Population			
2027 Total Population	95,027	635,868	11,223,497
2027 Total Senior Population	29,020	194,185.88	3,427,511
2022 Total Population	95,332	622,275	10,940,545
2022 Total Senior Population	28,925	188,804	3,319,468
2010 Total Population	96,189	564,873	9,687,653
2000 Total Population	102,705	508,032	8,186,453
Growth 2022 - 2027	-0.06%	0.43%	0.51%
Growth 2010 - 2022	-0.07%	0.81%	1.02%
Growth 2000 - 2010	-0.65%	1.07%	1.70%
Households			
2027 Total Households	43,081	250,193	4,229,425
2027 Total Senior Households	20,002	116,160	1,963,650
2022 Total Households	42,833	243,757	4,113,426
2022 Total Senior Households	19,733	112,296	1,895,005
2010 Total Households	41,883	215,526	3,585,584
2000 Total Households	43,221	188,052	3,006,369
Growth 2022 - 2027	0.12%	0.52%	0.56%
Growth 2010 - 2022	0.19%	1.03%	1.15%
Growth 2000 - 2010	-0.31%	1.37%	1.78%
2022 Median Household Income	\$42,729	\$61,473	\$67,470
2022 Average Household Income	\$67,872	\$87,575	\$98,333
2022 Per Capita Income	\$30,470	\$34,570	\$37,086
2022 Median Value of Owner Occupied Housing Units	\$161,369	\$198,719	\$240,612
2022 Pop 25+ College Graduates	17,802	124,203	2,557,467
Age 25+ Percent College Graduates - 2022	27.2%	28.9%	34.6%

Source: ESRI

As illustrated, total population decreased between 2000 and 2022 in the PMA and increased in the MSA. The population in the state of Georgia increased at a faster rate than the MSA. The

number of households in the PMA has decreased from 2000 to 2022. The number of households is expected to increase in the PMA from 2022 to 2027.

The senior population and household growth in the PMA indicate the need for affordable housing and continued demand for the subject’s units.

POPULATION BY AGE GROUP				
PMA	2010	2022	Projected Market Entry - December 2025	2027
Age 0-4	6,865	5,953	5,856	6,035
Age 5-9	5,686	5,646	5,554	5,502
Age 10-14	4,876	5,256	5,170	5,216
Age 15-19	5,931	5,062	4,979	5,511
Age 20-24	8,222	6,030	5,931	6,354
Age 25-29	7,929	6,901	6,788	6,212
Age 30-34	5,942	7,092	6,976	6,051
Age 35-39	4,839	6,149	6,048	6,241
Age 40-44	4,949	4,905	4,825	5,929
Age 45-49	5,830	4,461	4,388	4,934
Age 50-54	6,242	4,793	4,715	4,552
Age 55-59	5,934	5,397	5,309	4,854
Age 60-64	4,922	5,625	5,533	5,206
Age 65-69	3,704	5,041	4,959	5,183
Age 70-74	2,829	4,040	3,974	4,381
Age 75-79	2,565	2,891	2,844	3,486
Age 80-84	1,992	2,026	1,993	2,254
85 and Older	1,755	2,093	2,059	2,130
Median Age	35.10	37.20	37.62	38.30

Source: ESRI

The largest cohorts in the PMA are ages 30-34, 25-29 and 35-39, which indicate a presence of families.

TOTAL NUMBER OF HOUSEHOLDS AND AVERAGE HOUSEHOLD SIZE

AVERAGE HOUSEHOLD SIZE			
	PMA	Augusta-Richmond County, GA-SC MSA	Georgia
Year			
2027 Household Size	2.15	2.33	2.58
2025 Household Size - Projected Market Entry	2.23	2.52	2.63
2022 Household Size	2.23	2.52	2.63
2010 Household Size	2.31	2.62	2.71
2000 Household Size	2.40	2.75	2.79

Source: ESRI

We have assumed the household size remains similar to the 2022 estimate in order to estimate our market entry date of April 2025. The average household size is slightly smaller in the PMA as compared to the MSA and the state of Georgia.

HOUSEHOLDS BY TENURE

SENIOR TENURE PATTERNS PMA (55+)				
Year	Owner Occupied Units	Percentage Owner Occupied	Renter-Occupied Units	Percentage Renter Occupied
2027	12,730	36.9%	8,610	63.1%
2025 Projected Market Entry	12,557	38.6%	8,086	61.4%
2022	12,668	40.3%	8,016	59.7%
2010	13,197	44.5%	6,518	55.5%
2000	11,606	49.1%	4,567	50.9%

Source: ESRI

As the table illustrates, households within the PMA live primarily in renter occupied housing units. The proportion of owner occupied housing units in the PMA and SMA have decreased since 2000. In 2022, 59.7% of the housing units in the PMA were renter-occupied. This trend is expected to increase, with approximately 63.1% of the population in the PMA residing in renter-occupied housing units in 2027. This trend bodes well for the subject's housing units.

HOUSEHOLD BY INCOME

The following table illustrates household income distribution in the PMA.

Income Cohort	SENIOR RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA					
	2022		Projected Market Entry - December 2025		2027	
	Number	Percentage	Number	Percentage	Number	Percentage
<\$15000	2,321	21.8%	2,226	20.7%	2,132	19.7%
\$15000-\$24999	1,670	15.7%	1,627	15.1%	1,583	14.6%
\$25000-\$34999	1,339	12.6%	1,330	12.4%	1,321	12.2%
\$35000-\$49999	1,611	15.1%	1,609	15.0%	1,607	14.8%
\$50000-\$74999	1,604	15.1%	1,682	15.7%	1,760	16.2%
\$75000-\$99999	776	7.3%	815	7.6%	854	7.9%
\$100000-\$149999	680	6.4%	747	7.0%	814	7.5%
\$150000-\$199999	183	1.7%	208	1.9%	232	2.1%
\$200000+	460	4.3%	501	4.7%	542	5.0%
Total	10,645	100%	10,745	100%	10,845	100%

We have utilized the household growth rate between 2022 and 2027 in order to project the 2025 figures above for our projected market entry date.

The largest portion of residents in the PMA earn between less than \$15,000. In addition, 65.2% of the renter population earn less than \$34,999 in the subject's PMA. This suggests a strong demand for affordable housing, and particularly subsidized housing.

SENIOR RENTER HOUSEHOLDS BY NUMBER OF PERSONS – PMA

SENIOR RENTER HOUSEHOLD BY NUMBER OF PERSONS - PMA						
	2010		2022		Projected Market Entry - 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	2,039	37%	3,938	37%	1,961	37%
With 2 Persons	1,950	31%	3,300	31%	1,594	31%
With 3 Persons	895	15%	1,597	15%	1,953	15%
With 4 Persons	652	9%	958	9%	1,148	9%
With 5+ Persons	408	8%	852	8%	1,444	8%
Total Renter	5,944		10,645		10,745	

Source: American Fact Finder, U.S. Census Bureau, 2010-2021

The table above represents the best data available for this market. We have applied the percentages in 2022, the most recent available, to our 2025 projected market entry data. As illustrated, the majority of households (83%) reside in one, two and three person households.

CONCLUSIONS

The subject's demographics bode well for the strong demand for affordable housing in this market. The PMA has the largest percentage of the population earning less than \$15,000 per year. The number of senior households and population figures have increased in the past, and are expected to grow in the future. The PMA also has a high percentage of renter occupied housing units. Based on the tax credit rent restrictions, the subject will target incomes between \$0 and \$35,580 assuming the current Section 8 subsidies are in place and \$23,340 to \$35,580 without the current Section 8 subsidies in place. However, all rentable units will continue to benefit from a Section 8 subsidy post renovation with all tenants contributing rent based on their income.

Employment Trends

The following table illustrates labor force and total employment in Augusta-Richmond County, GA-SC, MSA from 2010 to March 2023.

AUGUSTA-RICHMOND COUNTY, GA-SC MSA			
Year	Labor Force	% Change	Employment
2010	258,129	-1.7%	228,702
2011	257,447	-0.3%	227,583
2012	257,605	0.1%	229,268
2013	260,565	1.1%	232,424
2014	255,064	-2.1%	231,598
2015	257,977	1.1%	236,823
2016	262,633	1.8%	242,936
2017	267,653	1.9%	248,114
2018	269,692	0.8%	252,971
2019	267,767	-0.7%	251,433
2020	272,597	1.8%	259,240
2021	268,644	-1.5%	251,451
2022	263,807	-1.8%	253,782
Jan-23	260,328	-1.3%	249,915
Feb-23	262,267	0.7%	251,776
Mar-23	262,160	0.0%	251,936

Source St. Louis Federal Reserve, 5/2023

The Augusta-Richmond County, GA-SC, MSA experienced increases in employment overall from 2010 to 2023. Increases occurred in 2013, 2015, 2016, 2017 and 2020.

TOTAL JOBS BY INDUSTRY

EMPLOYMENT BY INDUSTRY			
2101 Walton Way Augusta, GA	PMA	Augusta- Richmond County- GA-SC MSA	Georgia
2022 Emp Civ Pop 16+ by Industry	39,550	268,742	5,182,794
Agric/Forestry/Fishing/Hunting/Mining	0.23%	0.96%	0.90%
Construction	6.43%	7.86%	6.97%
Manufacturing	7.87%	11.33%	10.25%
Wholesale Trade	1.85%	1.63%	2.80%
Retail Trade	11.51%	11.68%	10.61%
Transportation/Warehousing/Utilities	4.79%	6.57%	8.00%
Information	2.02%	1.55%	2.28%
Finance/Insurance/Real Estate/Rental/Leasing	4.42%	4.40%	6.62%
Prof/Scientific/Tech Services	5.69%	6.22%	8.40%
Mgmt of Companies/Enterprises	0.03%	0.01%	0.07%
Admin/Support/Waste Mgmt Svcs	6.19%	4.95%	4.57%
Educational Services	9.12%	8.74%	9.03%
Health Care/Social Assistance	18.63%	16.23%	12.04%
Arts/Entertainment/Recreation	1.70%	1.18%	1.35%
Accommodation/Food Services	10.30%	6.68%	6.71%
Other Services (excl Publ Adm)	4.89%	4.48%	4.61%
Public Administration	4.33%	5.54%	4.79%

Source: ESRI

As illustrated, the highest employment sectors are health care/social assistance, retail trade and accommodation/food services. Together, these industries comprise 40.5% of all jobs in the PMA.

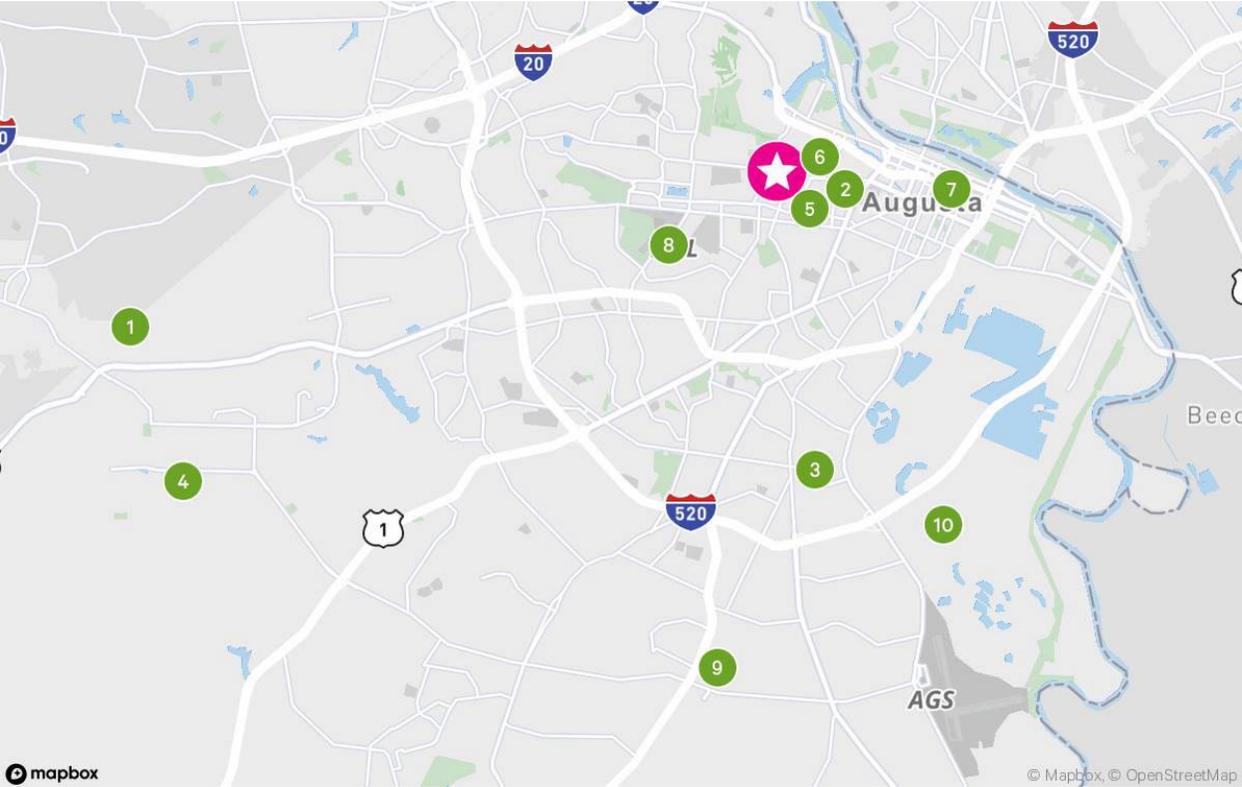
MAJOR EMPLOYERS

The following table depicts the largest employers in Augusta.

MAJOR EMPLOYERS			
#	Company	Industry	Number of Employees
1	Cyber Center of Excellence and Fort	Military	25,264
2	Augusta University	Education	4,656
3	Richmond County School System	Education	4,418
4	NSA Augusta	Government	4,000
5	University Hospital	Health Care	3,200
6	Augusta University Hospitals	Health Care	3,054
7	Augusta-Richmond County	Municipal Services	2,612
8	VA Medical Centers	Health Care	2,082
9	East Regional Hospital	Health Care	1,488
10	EZ Go Textron	Manufacturing	1,277

Source: Augusta Economic Development

The following map illustrates the top employers the subject’s area.



Many of Augusta’s largest employers are associated with the public, healthcare and education industries. These are stable employment industries and provide a consistent base of employment in Augusta.

WARN NOTICES

According to the Department of Labor, the following companies issued layoffs since January 2018.

EMPLOYMENT CONTRACTIONS - WARN NOTICES				
Augusta Area - 2018 to Present				
Company Name	Location	County	Notice Date	# Affected
Davids Bridal	Augusta	Richmond	1/1/2023	24
CWU Inc Augusta	Augusta	Richmond	4/1/2022	68
PF Changs China Bistro	Augusta	Richmond	9/18/2020	75
Bloomin Brands	Augusta	Richmond	3/15/2020	245
The Family Y of the CSRA	Augusta	Richmond	3/25/2020	221
Beasley Media Group	Augusta	Richmond	4/1/2020	25
Resolute Forest Products	Augusta	Richmond	1/13/2020	150
Ryder System	Augusta	Richmond	1/13/2020	50
Cerner Corporation	Augusta	Richmond	3/31/2019	129
Textron	Augusta	Richmond	1/23/2018	60
Georgia Pacific	Augusta	Richmond	4/30/2018	55
Solo Cup Operating Corporation	Augusta	Richmond	12/31/2018	139

Source: Georgia Department of Labor

Augusta is widely known as one of the best locations for national and regional corporate headquarters, health care and life sciences, manufacturing, energy, customer service centers, major retail investments, and hospitality ventures. As a result, corporations from the U.K, Germany, Australia, France, Canada, and elsewhere have chosen to make a base here.

Cyber has more recently taken its place at the table, fueling much of Augusta’s economic activity in the past several years. In addition, Amazon has plans for two separate distribution warehouses off of I-20 in Columbia County; the first is set to open in July, and the second was announced in spring 2021.

Other key components driving Augusta’s economy include Augusta University, Georgia’s research university and home to the state’s medical school; Savannah River Site, home of the Savannah River National Lab; and Plant Vogtle, an expanding nuclear facility. These two large energy projects provide 12,000 and 6,000 jobs respectively.

As the region’s single largest employer, the U.S. Army Cyber Center of Excellence and Fort Gordon employ about 25,200 workers. Augusta University and its associated health system employ another nearly 8,000 people.

Manufacturing is a major growth sector; Augusta’s top 10 largest manufacturers employ about 5,600 workers. Meanwhile, other major corporations specialize in customer-service-based work.

UNEMPLOYMENT TRENDS

AUGUSTA-RICHMOND COUNTY, GA-SC MSA		
Year	Unemployment	Unemployment Rate
2009	27,044	10.3%
2010	29,427	11.4%
2011	29,864	11.6%
2012	28,337	11.0%
2013	28,141	10.8%
2014	23,466	9.2%
2015	21,154	8.2%
2016	19,697	7.5%
2017	19,539	7.3%
2018	16,721	6.2%
2019	16,334	6.1%
2020	13,357	4.9%
2021	17,193	6.4%
2022	10,025	3.8%
Jan-23	10,413	4.0%
Feb-23	10,486	4.0%
Mar-23	10,224	3.9%

Source St. Louis Federal Reserve, 5/2023

The unemployment rate in the Augusta-Richmond County, GA-SC MSA peaked in 2011 at 11.6% but has gradually decreased to a current unemployment rate of 3.9% in March 2023. This is compared to the national unemployment rate of 3.5% in March 2023 and 3.1% unemployment rate in Georgia during the same period.

CONCLUSIONS

Overall, Augusta appears to be performing generally similarly to the state of Georgia and nation. As such, we expect this economy will have continued demand for workforce and affordable housing for the foreseeable future.

Unemployment in the MSA is currently 3.9% (March 2023) which is slightly higher than the state and national rates in the same period. public, healthcare and education industries. These are stable employment industries and provide a consistent base of employment in Augusta. health care/social assistance, retail trade and accommodation/food services.

Project Specific Affordability and Demand Analysis

Based on the guidelines provide by the Georgia DCA, we analyzed the potential number of qualified households that the subject property would likely capture.

Income Restrictions

The subject's maximum income limits are as follows by bedroom type:

SENIOR INCOME LIMITS				
Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	60% AMI		60% AMI/Section 8	
Studio/1BA	\$23,340	\$31,140	\$0	\$31,140
1BR/1BA	\$25,020	\$35,580	\$0	\$35,580

According to DCA guidelines, the maximum allowable Area Median Income (AMI) level per household for all bedroom types will be based on a standard of 1.5 persons per bedroom for family developments rounded up to the next whole number.

The minimum income limits are calculated assuming that the maximum gross rent a senior household will pay is 40 percent of its household income at the appropriate AMI level.

Affordability

According to DCA guidelines, our analysis assumes families pay no more than 35% of their income towards rent, and seniors pay no more than 40% of their income towards rent. We have utilized these guidelines to calculate the minimum income levels for the subject property. Post-renovation, the subject will continue to be subsidized by a Section 8 contract whereby tenants will contribute 30% of their income towards rent, with some tenants having no income.

Demand

The demand for the subject will be derived from three sources: a) new households in the market area, b) existing households, rent overburdened, or in substandard housing, and c) elderly homeowners likely to convert to renters (if relevant).

Demand from New Households

The first component of the demand analysis is the number of new households entering the market, or new units required in the market area due to projected household growth from migration into the market and growth from existing households in the market. The estimated date of completion is April 2025; therefore, we have utilized this date as the base year for the analysis. Therefore, 2022 household population estimates are inflated to 2025 based on historical trends. This change in households is considered the gross potential demand for the subject property. The

gross potential demand is then adjusted or discounted for income eligibility and renter tenure, resulting in a net demand number.

Demand from Existing Households

The second source of demand is projected from rent over-burdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed development. We have assumed that the rent-overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their income toward gross rent; and households in substandard housing should be determined based on age, income bands and tenure that apply.

Elderly Homeowners likely to convert to renters

Due to the subject targeting senior tenants, we have utilized senior homeowners converting to renters.

Net Demand, Capture Rates and Stabilization Conclusions

The overall demand components added together (demand from new households, demand from existing renter households in substandard housing, demand from existing renter households that are rent overburdened and demand from the secondary market area) less the supply of competitive vacant and/or units constructed in the past 2 years. Comparable units (vacant or occupied) funded, under construction or placed in service in 2020 and 2022 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2022 which have not reached stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of the supply.

Additions to Supply

Per DCA’s guidelines we have deducted all 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. The supply needs to include all competitive units in properties that have not yet reached stabilized occupancy, including those recently funded by DCA, proposed for funding for a bond allocation from DCA, and existing or planned conventional rental properties. While there is an affordable development in the PMA that is currently under development, there are no developments which meet the criteria as competitive to the subject. The following table depicts the multifamily developments in the PMA.

UNDER CONSTRUCTION AND PROPOSED						
Project Name	Location	Type	Tenants	Number of Units	Status	Year Complete
The Standard	1112 Greene Street	Market Rate	Family	140	Under Construction	2023
King Mill	Goodrich St and Broad St	Market Rate	Family	240	Under Construction	2023
753 Broad Street	753 Broad Street	Market Rate	Family	68	Proposed	N/A
Archer Green	3112 Damascus Road	Market Rate	Family	240	Proposed	N/A
Kendrick Place	20 Kendrick Place	LIHTC	Family	64	Proposed	N/A

Compiled by CBRE

PMA Occupancy

Per DCA’s guidelines, the following table outlines the average occupancy rate based on all available competitive conventional and affordable (including LIHTC) properties in the PMA.

OVERALL PMA OCCUPANCY			
Property Name	Program	Tenancy	Occupancy
Cobb House Apartments*	Market	Family	94%
Broadway Apartments*	Market	Family	93%
Enterprise Mill*	Market	Family	93%
Terraces at Summerville*	Market	Family	96%
Canalside*	Market	Family	94%
Maxwell House Apartments	Market	Family	95.0%
The Downtowner	Market	Family	98.1%
Azalea Park Apartments	Market	Family	98.0%
Aspire Richmond Hill	Market	Family	95.0%
Cedar Ridge	Market	Family	100.0%
Annaberg Apartments	Market	Family	100.0%
Helios Apartments	Market	Family	98.0%
Aumond Villa	Market	Family	100.0%
River Glen Apartments	Section 8	Family	100%
East Augusta Commons	LIHTC	Family	97%
St. Johns Towers	Section 8	Senior	100%
Linden Square Apartments	LIHTC	Family	100%
Freedoms Path at Augusta	LIHTC	Senior	100%
Forest Brook Apartments	LIHTC	Family	99%
Augusta Springs Senior	LIHTC	Senior	100%
Progressive Cedarwood	LIHTC	Family	99%
Shadowood Apartments	Section 8	Family	100%
Walton Oaks Family	LIHTC	Family	100%
Bon Air Apartments	Section 8	Senior	100%
Legacy at Walton Green Senior*	LIHTC	Senior	99%
Gardens at Harvest Point*	LIHTC	Senior	100%
The Terrace at Edinburgh*	LIHTC	Senior	100%
Millhouse Station	Market	Family	50%
Weighted Average			98.2%
Compiled by CBRE			

* Utilized as a comparable

The overall average indicated is 95.9%. We note that one of the properties is operating below 93% are undergoing renovations or recently completed and are still undergoing absorption.

Rehab Developments and PBRA

According the DCA guidelines, “Capture rate calculations for proposed rehab developments 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 provided by the applicant and will be included in the study as an addendum. Tenants who are income qualified to remain in the property at the proposed stabilized renovated rents will be deducted from the property unit count prior to determining the applicable capture rates. If the developer intends to relocate all of the tenants in the property as part of the renovation process, then the property will be evaluated as if it is New

Construction. Units that are subsidized with PBRA or whose rents are more than 20% lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10% of the total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30% 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.”

All of the subject’s 202 rentable units will benefit from a Section 8 contract subsidy and therefore these units are presumed leasable.

Capture Rates

As previously illustrated, the renter household income distribution for the PMA is as follows:

SENIOR RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA						
Income Cohort	2022		Projected Market Entry - April 2025		2027	
	Number	Percentage	Number	Percentage	Number	Percentage
<\$15000	2,321	21.8%	2,226	20.7%	2,132	19.7%
\$15000-\$24999	1,670	15.7%	1,627	15.1%	1,583	14.6%
\$25000-\$34999	1,339	12.6%	1,330	12.4%	1,321	12.2%
\$35000-\$49999	1,611	15.1%	1,609	15.0%	1,607	14.8%
\$50000-\$74999	1,604	15.1%	1,682	15.7%	1,760	16.2%
\$75000-\$99999	776	7.3%	815	7.6%	854	7.9%
\$100000-\$149999	680	6.4%	747	7.0%	814	7.5%
\$150000-\$199999	183	1.7%	208	1.9%	232	2.1%
\$200000+	460	4.3%	501	4.7%	542	5.0%
Total	10,645	100%	10,745	100%	10,845	100%

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITH SUBSIDY			
Minimum Income Limit	\$0	Maximum Income Limit	\$35,580

Income Cohort	New Renter Households - Total Change in Households PMA 2022 to Prj Mrkt Entry April 2025		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Number	Percentage			
<\$15000	-94	-94%	\$15,000	100%	94
\$15000-\$24999	-44	-43%	\$9,999	100%	44
\$25000-\$34999	-9	-9%	\$9,999	100%	9
\$35000-\$49999	-2	-2%	\$14,999	4%	0
\$50000-\$74999	78	78%			
\$75000-\$99999	39	39%			
\$100000-\$149999	67	67%			
\$150000-\$199999	24	24%			
\$200000+	41	41%			
Total	100	100%			147

ASSUMPTIONS - 60% AMI WITH SUBSIDY			
Tenancy	Senior	% of Income Toward Housing	40%
Urban/Rural	Urban	Maximum # of Occupants	2
Person in Household	Studio	1BR	
1	50%	50%	
2	0%	100%	

Demand from New Renter Households 2022 to Prj Mrkt Entry April 2025		
Income Target Population	60% - With Subsidy	
New Renter Households PMA		100
Percent Income Qualified		-147%
		-147
Demand from Existing Households in 2022		
Demand from Rent Overburdened Households		
Income Target Population	60% - With Subsidy	
Total Existing Demand		10,745
Income Qualified		49%
Income Qualified Renter Households		5,245
Percent Rent Overburdened Prj Mrkt Entry April 2025		51%
Rent Overburdened Households		2,668
Demand from Living in Substandard Household		
Income Qualified Renter Households		5,245
Percent Living in Substandard Housing		0.25%
Households Living in Substandard Housing		13
Total Demand		
Total Demand from Existing Households		2,681
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		2681
Total New Demand		-147
Total Demand (New Plus Existing Households)		2,534
Demand from Seniors Who Convert from Homeownership		25
Percent of Total Demand From Homeownership Conversion		1%
Is this Demand Over 2 percent of Total Demand?		No
By Bedroom Demand		
One Person	37%	938
Two Persons	31%	786
Three Persons	15%	380
Four Persons	9%	228
Five Persons	8%	203
Total	100%	2,534

Capture Rate: 60% - Subsidy in Place

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	50%	469
Of one-person households in 1BR units	50%	393
Of two-person households in 1BR units	100%	380
Total Demand		1,242

Total Demand (Subject Unit Type)		Less Additions to Supply	Net Demand
Studio	469	0	469
1BR	773	0	773
Total	1,242		1,242

Developer's Unit Mix		Divided by Net Demand	Capture Rate
Studio	26	469	5.5%
1BR	176	773	22.8%
Total	202	1242	16.3%

CAPTURE RATE – 60% ABSENT SUBSIDY

EXISTING RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITHOUT SUBSIDY

Minimum Income Limit	\$23,340	Maximum Income Limit		\$35,580	
Income Cohort	Total Change in Households PMA 2022 to Prj Mrkt Entry		Income Brackets	Percent within Cohort	Renter Households within Bracket
	April 2025				
<\$15000	2,226	21%			
\$15000-\$24999	1,627	15%	\$1,659	17%	270
\$25000-\$34999	1,330	12%	\$9,999	100%	1330
\$35000-\$49999	1,609	15%	\$14,999	4%	62
\$50000-\$74999	1,682	16%			
\$75000-\$99999	815	8%			
\$100000-\$149999	747	7%			
\$150000-\$199999	208	2%			
\$200000+	501	5%			
Total	10,745	100%			1662

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITHOUT SUBSIDY

Minimum Income Limit	\$23,340	Maximum Income Limit		\$35,580	
Income Cohort	New Renter Households - Total Change in Households PMA 2022 to Prj Mrkt Entry		Income Brackets	Percent within Cohort	Renter Households within Bracket
	April 2025				
<\$15000	-94	-94%			
\$15000-\$24999	-44	-43%	\$1,659	17%	7
\$25000-\$34999	-9	-9%	\$9,999	100%	9
\$35000-\$49999	-2	-2%	\$14,999	4%	0
\$50000-\$74999	78	78%			
\$75000-\$99999	39	39%			
\$100000-\$149999	67	67%			
\$150000-\$199999	24	24%			
\$200000+	41	41%			
Total	100	100%			17

ASSUMPTIONS - 60% AMI WITHOUT SUBSIDY

Tenancy	Senior	% of Income Toward Housing	40%
Urban/Rural	Urban	Maximum # of Occupants	3
	Person in Household	Studio	1BR
	1	50%	50%
	2	0%	100%

Demand from New Renter Households 2022 to Prj Mrkt Entry April 2025		
Income Target Population	60% - Without Subsidy	
New Renter Households PMA		100
Percent Income Qualified		15%
		16
Demand from Existing Households in 2022		
Demand from Rent Overburdened Households		
Income Target Population	60% - Without Subsidy	
Total Existing Demand		10,745
Income Qualified		15%
Income Qualified Renter Households		1,662
Percent Rent Overburdened Prj Mrkt Entry April 2025		51%
Rent Overburdened Households		848
Demand from Living in Substandard Household		
Income Qualified Renter Households		1,662
Percent Living in Substandard Housing		0.25%
Households Living in Substandard Housing		4
Total Demand		
Total Demand from Existing Households		852
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		852
Total New Demand		16
Total Demand (New Plus Existing Households)		867
Demand from Seniors Who Convert from Homeownership		9
Percent of Total Demand From Homeownership Conversion		1%
Is this Demand Over 2 percent of Total Demand?	No	
By Bedroom Demand		
One Person	37%	321
Two Persons	31%	269
Three Persons	15%	130
Four Persons	9%	78
Five Persons	8%	69
Total	100%	867

Capture Rate: 60% - Absent Subsidy

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	50%	160
Of one-person households in 1BR units	50%	134
Of two-person households in 1BR units	100%	130
Total Demand		425

Total Demand (Subject Unit Type)		Less Additions to Supply	Net Demand
Studio	160	0	160
1BR	265	0	265
Total	425		425

Developer's Unit Mix		Divided by Net Demand	Capture Rate
Studio	26	160	16.2%
1BR	176	265	66.5%
Total	202	425	47.5%

Conclusions

The subject property (as subsidized) indicates an overall capture rate of 16.3% with bedroom types ranging from 5.5% for studio units and 22.8% for one-bedroom units.

Without subsidy, the capture rates are higher but still considered reasonable with an overall capture rate of 47.5%, a studio capture rate of 16.2% and a one-bedroom capture rate of 66.5%.

DEMAND AND NET DEMAND		
	HH at 60% AMI - Absent Subsidy (\$23,340 to \$35,580 income)	HH at 60% AMI - With Subsidy (\$0 to \$35,580 income)
Demand from New Households (age and income appropriate)	16	-147
PLUS Demand from Existing Renter Households - Substandard Housing	4	13
PLUS Demand from Existing Renter Households - Rent Overburdened Households	848	2,668
PLUS Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0
Subtotal	867	2,534
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0
Equals Total Demand	867	2,534
Less		
Competitive New Supply	64	64
Equals Net Demand	803	2,470

CAPTURE RATE ANALYSIS CHART

Unit Type	Units Proposed	Income Limits		Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min	Market Rents Band Max	Proposed Rents
Studio 60% AMI/HAP	26	\$0	\$31,140	469	0	469	5.5%	7 Months	\$1,035	\$563	\$1,170	\$778
Studio 60% AMI	26	\$23,340	\$31,140	160	0	160	16.2%	9 Months	\$1,035	\$563	\$1,170	\$778
1BR/1BA 60% AMI/HAP	176	\$0	\$35,580	773	0	773	22.8%	7 Months	\$1,027	\$563	\$1,441	\$834
1BR/1BA 60% AMI	176	\$25,020	\$35,580	265	0	265	66.5%	9 Months	\$1,027	\$563	\$1,441	\$834
Overall - With Subsidy	202	0	\$35,580	1242	0	1242	16.3%	7 Months				
Overall - Without Subsidy	202	\$23,340	\$35,580	425	0	425	47.5%	9 Months				

Competitive Rental Analysis

Survey of Comparable Projects

We performed a competitive rental analysis of the local market. We surveyed both market rate and affordable housing rental properties.

We have included a total of eight comparables, three of which are senior LIHTC properties and five are market rate properties. All of the comparables are located within the PMA and within 3.4 miles in generally similar locations.

To locate comparable properties we utilized the CBRE database, CoStar, Axiometrics, www.Rent.com, and www.Apartments.com as well as physically driving the market area and speaking to local property managers. Additionally, we identified comparable properties through discussions with area property managers regarding competition among properties.

The LIHTC comparables were built between 2010 and 2018. The market rate comparables were built between 1855 and 2015.

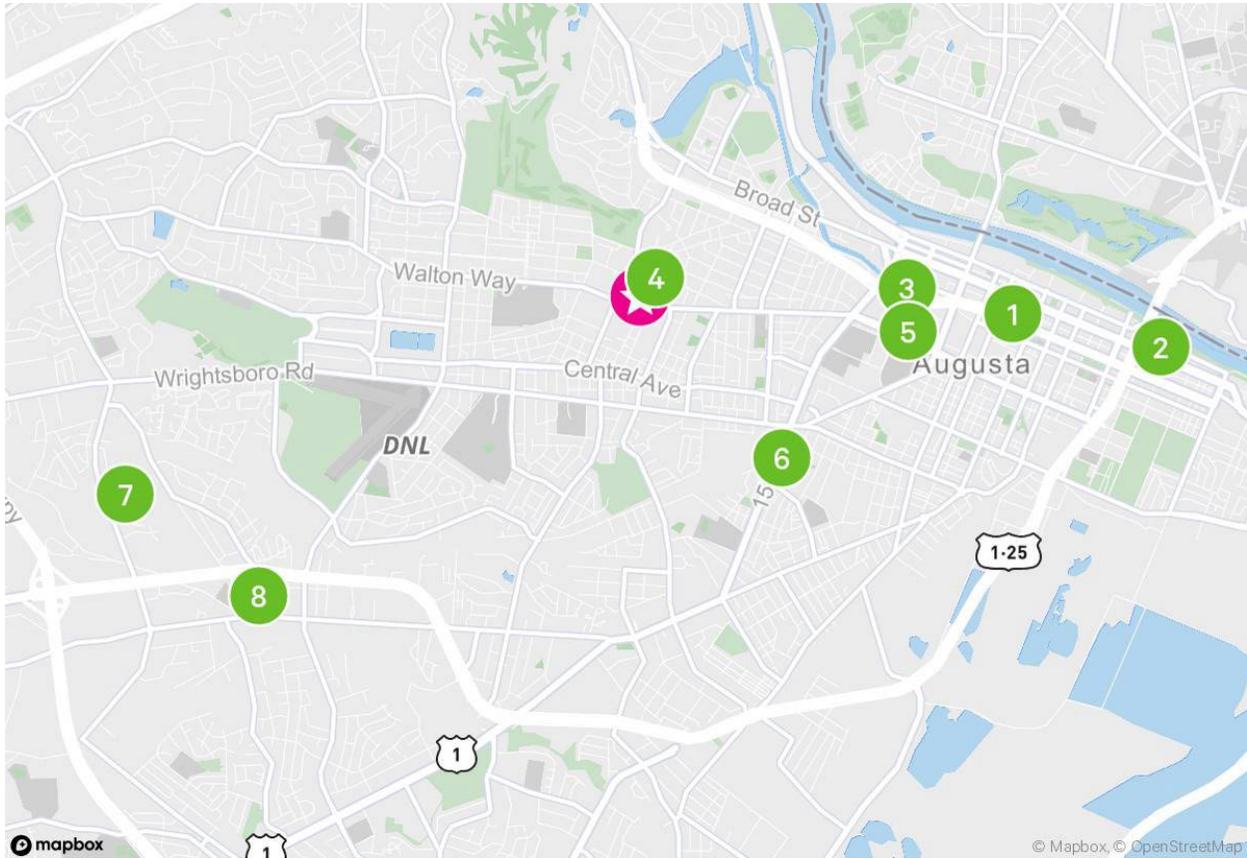
Unit sizes are reported on a net basis for comparable properties, which is the typical basis reported within the apartment industry.

Excluded Properties

The following table illustrates properties that have been excluded from our analysis.

EXCLUDED PROPERTIES			
Project Name	Type	Tenancy	Reason for Exclusion
Maxwell House Apartments	Market	Family	More Comparable Properties
The Downtowner	Market	Family	More Comparable Properties
Azalea Park Apartments	Market	Family	More Comparable Properties
Aspire Richmond Hill	Market	Family	More Comparable Properties
Cedar Ridge	Market	Family	More Comparable Properties
Annaberg Apartments	Market	Family	More Comparable Properties
Helios Apartments	Market	Family	More Comparable Properties
Aumond Villa	Market	Family	More Comparable Properties
River Glen Apartments	Section 8	Family	Subsidized Rents
East Augusta Commons	LIHTC	Family	Subsidized Rents
St. Johns Towers	Section 8	Senior	Subsidized Rents
Linden Square Apartments	LIHTC	Family	Subsidized Rents
Freedoms Path at Augusta	LIHTC	Senior	Subsidized Rents
Forest Brook Apartments	LIHTC	Family	Subsidized Rents
Augusta Springs Senior	LIHTC	Senior	Subsidized Rents
Progressive Cedarwood	LIHTC	Family	Subsidized Rents
Shadowood Apartments	Section 8	Family	Subsidized Rents
Walton Oaks Family	LIHTC	Family	Subsidized Rents
Richmond Summit	Section 8	Senior	Subsidized Rents
Millhouse Station	Market	Family	Subsidized Rents

Compiled by CBRE



SUMMARY OF COMPARABLE APARTMENT RENTALS

Comp. No.	Property Name	Location	YOC / Reno'd	Occ.	No. Units	Type	Distance from Subj
1	Cobb House Apartments	1001 Green Street Augusta, GA	1917	94%	21	Market	2.3 Miles
2	Broadway Apartments	335 Broad Street Augusta, GA	1917	93%	40	Market	3.2 Miles
3	Enterprise Mill	1450 Greene Street Augusta, GA	1855 / 1999	100%	60	Market	1.6 Miles
4	Terraces at Summerville	817 Hickman Rd Augusta, GA	1972	80%	120	Market	0.1 Miles
5	Canalside	1399 Walton Way Augusta, GA	2015	94%	106	Market	1.7 Miles
6	Legacy at Walton Green Senior LIHTC - Ph I & III	1550 Fifteenth Street Augusta, GA	2018	99%	170	LIHTC	1.3 Miles
7	Gardens at Harvest Point	1901 Harvest Point Way Augusta, GA	2018	100%	256	LIHTC	3.4 Miles
8	The Terrace at Edinburgh - Senior LIHTC	2515 Kennedy Drive Augusta, GA	2010	100%	72	LIHTC	3.0 Miles
Subj.	Bon Air	2101 Walton Way, Augusta, Georgia	Proposed 2025	-	202		---

Compiled by CBRE

Complete comparable write-ups have been included within the addenda of this report.

Housing Choice Vouchers

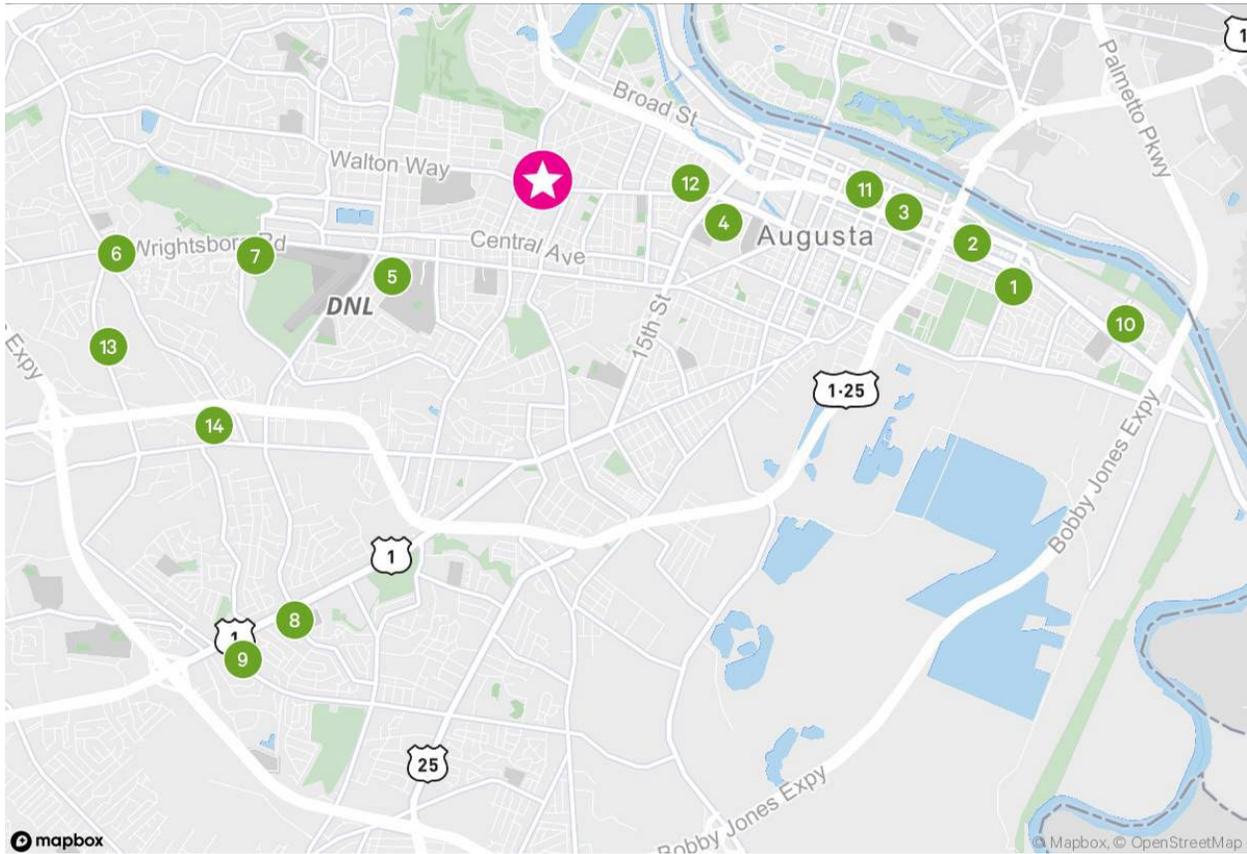
We attempted to contact a representative from the Augusta Housing Authority regarding housing choice vouchers and as of the date of this report, our messages have not received a reply.

Rural Area

The subject is not located within a rural area.

Competitive Property Map

EXISTING ASSISTED RENTAL HOUSING PROPERTY MAP IN PMA



ASSISTED/SUBSIDIZED PROPERTIES IN THE PMA

	Property Name	Program	Tenancy	Occupancy
1	River Glen Apartments	Section 8	Family	100.0%
2	East Augusta Commons	LIHTC	Family	97.0%
3	St. Johns Towers	Section 8	Senior	100.0%
4	Linden Square Apartments	LIHTC	Family	100.0%
5	Freedoms Path at Augusta	LIHTC	Senior	100.0%
6	Forest Brook Apartments	LIHTC	Family	99.0%
7	Augusta Springs Senior	LIHTC	Senior	100.0%
8	Progressive Cedarwood	LIHTC	Family	99.0%
9	Shadowood Apartments	Section 8	Family	100.0%
10	Walton Oaks Family	LIHTC	Family	100.0%
11	Richmond Summit Apartments	Section 8	Senior	98.5%
12	Legacy at Walton Green Senior	LIHTC	Senior	99.0%
13	Gardens at Harvest Point	LIHTC	Senior	100.0%
14	The Terrace at Edinburgh	LIHTC	Senior	100.0%

Compiled by CBRE

Amenities

The subject's amenity package is considered to be similar to slightly inferior in-unit amenities in comparison to the LIHTC comparables and slightly inferior to inferior to the market-rate comparable properties and generally inferior project amenities. The subject's units offer refrigerators, range/oven, and dishwasher but does not offer a private balcony/patio or garbage disposal, which the majority of comparables include. Further, the subject offers an exercise club house, service coordination and central laundry but does not offer an exercise facility or barbeque area which the majority of the comparables include. Following renovations, the subject will add a library, fitness center, business center, service coordinator and non-shelter services. Following renovations, the subject will offer similar or slightly superior in-unit and project amenities.

Comparable Tenancy

The subject targets seniors. All of the market rate comparables target families and as there is a limited number of market rate senior developments in the PMA that do not offer additional non-shelter services such as meal service, housekeeping and transportation. The affordable comparables utilized all target senior households similar to the subject.

Vacancy

The following table illustrates the vacancy rates in the market.

SUMMARY OF COMPARABLE APARTMENT RENTALS				
Comp. No.	Name	Location	Development Type	Occupancy
1	Cobb House Apartments	1001 Green Street, Augusta, GA	Market Rate	94%
2	Broadway Apartments	335 Broad Street, Augusta, GA	Market Rate	93%
3	Enterprise Mill	1450 Greene Street, Augusta, GA	Market Rate	100%
4	Terraces at Summerville	817 Hickman Rd, Augusta, GA	Market Rate	80%
5	Canalside	1399 Walton Way, Augusta, GA	Market Rate	94%
6	Legacy at Walton Green Senior LIHTC - Ph I & III	1550 Fifteenth Street, Augusta, GA	Senior LIHTC	99%
7	Gardens at Harvest Point	1901 Harvest Point Way, Augusta, GA	Senior LIHTC	100%
8	The Terrace at Edinburgh - Senior LIHTC	2515 Kennedy Drive, Augusta, GA	Senior LIHTC	100%
Subject	Bon Air	2101 Walton Way, Augusta, Georgia	LIHTC/Section 8	-

Compiled by CBRE

Comparables 1-5 represent conventional market rate properties, and Comparables 6 through 8 represent senior LIHTC properties.

The affordable properties range between 99% and 100%, and average 99.7%.

The market rate properties range between 88% and 99%, and average 93.8%. Given the level of subsidy, the current waiting list at the subject property, limited turnover as part of the renovation, as well as the recent and current occupancy rates, we do not expect the property to have occupancy issues as proposed.

Given that the subject is an existing property that is 98% occupied, we do not believe that the subject will impact the performance of the existing affordable properties if allocated.

Properties Under Construction and Proposed

Based on our research from CoStar, Axiometrics, and conversations with the local planning department. The following table provides a summary of our findings.

We are aware of six developments in the PMA. Two of the developments are under construction and four are proposed. Four of the developments are market rate and one is affordable. None of the developments will compete directly with the subject as they all target families and the subject targets senior households.

Average Market Rent

The rentals utilized represent the best data available for comparison with the subject. Comparables 1-5 represent conventional market rate properties, and comparables 6-8 represent senior LIHTC properties.

DISCUSSION/ANALYSIS OF RENT COMPARABLES

Rent Comparable One

This comparable rental represents the Cobb House Apartments, a 21-unit walk-up-style property at 1001 Green Street, Augusta, GA. The improvements were originally constructed in 1917 and were considered in average condition at the time of our research. The structure's exterior walls depict brick veneer construction components and the average unit size is 776 square feet. Project/unit amenities include the following: courtyard, laundry facility, flat roofs, gated / controlled access, individual split systems, 9-foot ceilings, dishwasher, granite countertops, plank flooring, range / oven, refrigerator, stainless steel appliances. According to the unit mix and asking rates for this property, the average base rental rate is \$1.29 per square foot monthly (\$999/unit), based upon typical lease terms of 12 months. No rent premiums were reported. Utilities included with the rent are trash & pest control and no concessions are currently offered. The property is currently 94% leased. Rental is located in historic downtown Augusta along

Green Street. Originally constructed in 1917, the property was completely renovated in the late 1980s and again in 2016. The building is three stories with controlled access. Unit amenities include a refrigerator, stove, dishwasher, disposal and carpeting. The property includes two laundry rooms, but no washer/dryer connections. There are no utilities included in the monthly rental rates. Currently, the property is 94% occupied. Units are sub-metered for water and sewer with the tenant responsible for usage. Trash and pest control are included in the monthly rental rates. Due to occupancy, no concessions are currently being offered.

Upon renovation, the subject's units will be considered slightly superior with respect to age/condition, superior with respect to amenities, and similar with respect to location. Overall, this comparable will be considered similar.

Rent Comparable Two

This comparable rental represents the Broadway Apartments, a 40-unit walk-up-style property at 335 Broad Street, Augusta, GA. The improvements were originally constructed in 1917 and were considered in average condition at the time of our research. The structure's exterior walls depict brick veneer construction components and the average unit size is 1,034 square feet. Project/unit amenities include the following: barbeque area, courtyard, flat roofs, gated / controlled access, individual split systems, on-site management, surface parking, carpeted flooring, ceiling fans, dishwasher, granite countertops, plank flooring, range / oven, refrigerator, stainless steel appliances, tub / shower combo. According to the unit mix and asking rates for this property, the average base rental rate is \$1.06 per square foot monthly (\$1,091/unit), based upon typical lease terms of 12 months. No rent premiums were reported. Utilities included with the rent are trash & pest control and no concessions are currently offered. The property is currently 88% leased. This property is located along a major thoroughfare in the "Old Town" section of Augusta. While the property was originally constructed in 1917, it was renovated extensively in the late 1980s and again in 2018. Currently, the property is 88% occupied. Management indicated the COVID-19 Pandemic along with a few management changes have impacted occupancy at the property. The property is in good condition. Units feature stainless steel appliances, granite countertops, hardwood, and carpeted floors. Units are sub-metered for water and sewer with the tenant responsible for usage. Trash and pest control are included in the monthly rental rates.

Upon renovation, the subject's units will be considered slightly superior with respect to age/condition, superior with respect to amenities, and slightly inferior with respect to location. Overall, this comparable will be considered similar.

Rent Comparable Three

This comparable rental represents the Enterprise Mill Apartments, a 60-unit lofts-styl property at 1450 Greene Street, Augusta, GA. The improvements were originally constructed in 1855 and were considered in good condition at the time of our research. The structure's exterior walls depict brick construction components and the average unit size is 1,003 square feet. Project/unit

amenities include the following: barbeque area, business center, clubhouse, fitness center, laundry facility, on-site security, gated / controlled access, individual split systems, on-site management, surface parking, dishwasher, microwave oven, washer / dryer connections. According to the unit mix and asking rates for this property, the average base rental rate is \$1.28 per square foot monthly (\$1,017/unit), based upon typical lease terms of 12 months. No rent premiums were reported. No utilities are included with the rent and no concessions are currently offered. The property is currently 93% leased. The residential component includes 60 residential units with approximately 60,194 square feet of rentable area. The apartment component comprises a predominant mix of studio, one and two bedroom units, plus two three-bedroom layouts, with modern design and average quality finishes/fixtures and average amenity packages, including w/d connections, dishwasher, 24 hour security/controlled access, fitness center and conference center. Currently, the property is 93% occupied. Units are sub-metered for water and sewer with the tenant responsible for usage. No concessions are currently being offered.

Upon renovation, the subject's units will be considered similar with respect to age/condition, superior with respect to amenities, and inferior with respect to location. Overall, this comparable will be considered inferior.

Rent Comparable Four

This comparable rental represents the Terraces at Summerville Apartments, a 120-unit garden-style property at 817 Hickman Road, Augusta, GA. The improvements were originally constructed in 1972 and were considered in average condition at the time of our research. The structure's exterior walls depict brick construction components and the average unit size is 821 square feet. Project/unit amenities include the following: barbeque area, fitness center, laundry facility, pool, tennis court, flat roofs, individual split systems, on-site management, surface parking, 8-foot ceilings, carpeted flooring, ceiling fans, dishwasher, granite countertops, microwave oven, plank flooring, private patios / balconies, range / oven, refrigerator, stainless steel appliances. According to the unit mix and asking rates for this property, the average base rental rate is \$1.19 per square foot monthly (\$972/unit), based upon typical lease terms of 6 months. Rent premiums were reported as units with a balcony. Utilities included with the rent are trash and pest control and no concessions are currently offered. The property is currently 96% leased. This comparable represents a 120-unit garden-style apartment property, located along a secondary street in an affluent neighborhood area near Walton Way. The property, identified as Terraces at Summerville, was developed in 1972 and is currently 96% occupied. This property was formally Oak Hill apartments. The property offers one- and two-bedroom floor plans, with an average unit size of 821 square feet. Quoted rent range includes a premium for units with a balcony. Management employs a RUBS for reimbursement of water and sewer. Trash removal and pest control are included in the monthly rental rates. The property was recently renovated with gourmet kitchens that are home to stainless steel, efficient kitchen appliances, washer and dryer units, plank flooring, granite countertops, built-in microwaves, and brushed nickel fixtures. No concessions are currently being offered.

Upon renovation, the subject's units will be considered similar with respect to age/condition, similar with respect to amenities, and inferior with respect to location. Overall, this comparable will be considered slightly inferior.

Rent Comparable Five

This comparable rental represents the Canalside Apartments, a 106-unit garden-style property at 1399 Walton Way, Augusta, GA. The improvements were originally constructed in 2015 and were considered in good condition at the time of our research. The structure's exterior walls depict brick veneer construction components and the average unit size is 675 square feet. Project/unit amenities include the following: barbeque area, fitness center, outdoor fireplace, flat roofs, gated / controlled access, on-site management, surface parking, carpeted flooring, ceiling fans, dishwasher, garbage disposal, granite countertops, microwave oven, range / oven, refrigerator with icemaker, stainless steel appliances, vinyl flooring, washer / dryer. According to the unit mix and asking rates for this property, the average base rental rate is \$1.86 per square foot monthly (\$1,247/unit), based upon typical lease terms of 6 months. Rent premiums are discussed further below. Utilities included with the rent are trash & pest control and no concessions are currently offered. The property is currently 94% leased. This comparable represents a 106-unit apartment property, with surface parking, located across from University Hospital on a narrow 2.5-acre plat at the corner of Walton and St. Sebastian Ways in Augusta, Georgia. The property, identified as Canalside, was developed in 2015. The property achieved stabilization in early summer 2016 and is now operating at a stabilized occupancy of 94%. Management indicated the first move-in occurred in June 2015. The property charges the following premiums for floor level and views: \$10 (1st floor), no charge for 2nd floor, \$20 (3rd floor), \$30 (4th floor), and \$20 (canal view). Additional storage units lease for \$50 per month. The comparable offers one- and two-bedroom floor plans, with an average unit size of 669 square feet. The subject units are individually metered for water/sewer and electric, with a third party (APEX) responsible for billing tenants for their respective usage (sub-metered water/sewer). Trash and pest control are included in the quoted rents. Management is not currently offering any concessions.

Upon renovation, the subject's units will be considered superior with respect to age/condition, similar with respect to amenities, and inferior with respect to location. Overall, this comparable will be considered similar.

Rent Comparable Six

This comparable rental represents the Legacy at Walton Green Senior LIHTC Apartments, a 170-unit subsidized-style property at 1550 Fifteenth Street, Augusta, GA. The improvements were originally constructed in 2018 and were considered in good condition at the time of our research. The structure's exterior walls depict brick veneer construction components and the average unit size is 887 square feet. Project/unit amenities include the following: clubhouse, courtyard, fitness center, laundry facility, age restricted, gated / controlled access, lihtc (low income housing tax

credit), pitched roofs, 9-foot ceilings, black appliances, carpeted flooring, dishwasher, double-pane windows, garbage disposal, granite countertops, microwave oven, plank flooring, private patios / balconies, range / oven, refrigerator. According to the unit mix and asking rates for this property, the average base rental rate is \$0.89 per square foot monthly (\$793/unit), based upon typical lease terms of 12 months. Rent premiums are discussed further below. Utilities included with the rent are trash removal and pest control and no concessions are currently offered. The property is currently 99% leased. This comparable represents Phase I an 80-unit senior (55+) and Phase III a 90-unit family apartment community located in Augusta, Georgia. Phase I was developed in 2018 and leased to a stabilized occupancy position by October 31, 2018. Phase III was completed in 2020. The property is partially rent and income restricted to residents earning 60% of the area median income or less (LIHTC, public housing, and market rate). Phase II is proposed and has not been constructed yet. Phase III consists of a mixture of market rate and income restricted units and all one-bedroom, one-bath. Quoted rent range on select floor plans includes a premium for units with no patio. The survey is indicative of tax credit units and market rate units only. The public housing rental rates were not provided as they are not relevant indicators of either market or tax credit rental rates. Monthly rental rates are inclusive of trash removal and pest control. Residents are responsible for payment of all other utilities separately which are metered. Pest control is included in the monthly rental rate. No concessions are currently being offered.

Upon renovation, the subject's units will be considered similar with respect to age/condition, superior with respect to amenities, and similar with respect to location. Overall, this comparable will be considered slightly inferior.

Rent Comparable Seven

This comparable rental represents the Gardens at Harvest Point Apartments, a 256-unit garden-style property at 1901 Harvest Point Way, Augusta, GA. The improvements were originally constructed in 2018 and were considered in average condition at the time of our research. The structure's exterior walls depict brick veneer construction components and the average unit size is 1,113 square feet. Project/unit amenities include the following: clubhouse, dog park / run, fitness center, laundry facility, pool, theater, gated / controlled access, lihtc (low income housing tax credit), carpeted flooring, dishwasher, garbage disposal, laminate countertops, private patios / balconies, range / oven, refrigerator, vinyl flooring, washer / dryer connections. According to the unit mix and asking rates for this property, the average base rental rate is \$0.72 per square foot monthly (\$802/unit), based upon typical lease terms of 12 months. No rent premiums were reported. Utilities included with the rent are water, sewer, trash and no concessions are currently offered. The property is currently 100% leased. The property is subject to LIHTC pricing restrictions and rents to residents earning 60% of the area median income. Community amenities include a fitness center, clubhouse, business center, laundry facility, and leasing office. Units feature washer/dryer connections and fully-equipped kitchens with black appliances. Water, sewer and trash are included in the quoted rental rates.

Upon renovation, the subject's units will be considered superior with respect to age/condition, superior with respect to amenities, and similar with respect to location. Overall, this comparable will be considered slightly inferior.

Rent Comparable Eight

This comparable rental represents The Terrace at Edinburgh - Senior LIHTC Apartments, a 72-unit subsidized-style property at 2515 Kennedy Drive, Augusta, GA. The improvements were originally constructed in 2010 and were considered in average condition at the time of our research. The structure's exterior walls depict vinyl siding construction components and the average unit size is 1,113 square feet. Project/unit amenities include the following: barbeque area, business center, clubhouse, fitness center, laundry facility, age restricted, individual split systems, lihtc (low income housing tax credit), pitched roofs, black appliances, dishwasher, plank flooring, private patios / balconies, range / oven, refrigerator, washer / dryer connections. According to the unit mix and asking rates for this property, the average base rental rate is \$0.51 per square foot monthly (\$562/unit), based upon typical lease terms of 12 months. No rent premiums were reported. Utilities included with the rent are trash removal and no concessions are currently offered. The property is currently 100% leased. This comparable represents a 72 unit apartment property located on Kennedy Drive in Augusta, GA. The property, identified as The Terrace at Edinburgh, was developed in 2010 and is currently 100% occupied with a waitlist. The property is subject to LIHTC pricing restrictions and rents to residents earning 50% and 60% of the area median income. Community amenities include a fitness center, clubhouse, business center, laundry facility, and leasing office. Units feature washer/dryer connections and fully-equipped kitchens with black appliances. Trash removal is included with rent. Water/sewer is individually metered with the tenant responsible for usage. Management is not currently offering concessions.

Upon renovation, the subject's units will be considered superior with respect to age/condition, superior with respect to amenities, and similar with respect to location. Overall, this comparable will be considered slightly inferior.

MARKET RENT ESTIMATE

In order to estimate the market rates for the various floor plans, the subject unit types have been compared with similar units in the comparable projects.

Per DCA's market study guidelines, "average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not 'Achievable unrestricted market rent.'

The following is a discussion of each unit type.

**SUMMARY OF COMPARABLE RENTALS
STUDIO AND ONE BEDROOM UNITS**

Comparable	Plan Type	Size (SF)	Rental Rates	
			\$/Mo.	\$/SF
The Terrace at Edinburgh - Senior LIHTC	1BR/1BA - 60% AMI	1,000 SF	\$563	\$0.56
Legacy at Walton Green Senior LIHTC - Ph I & III	1BR/1BA - 60% AMI	766 SF	\$667	\$0.87
Gardens at Harvest Point	1BR/1BA @ 60% AMI	788 SF	\$736	\$0.93
Subject (CBRE Achievable LIHTC Rent)	Studio/1BA	439 SF	\$778	\$0.00
Subject (Maximum Allowable LIHTC Rent)	Studio/1BA	439 SF	\$778	\$0.00
Subject (CBRE Achievable LIHTC Rent)	1BR/1BA	850 SF	\$834	\$0.00
Subject (Maximum Allowable LIHTC Rent)	1BR/1BA	850 SF	\$834	\$0.00
Legacy at Walton Green Senior LIHTC - Ph I & III	1BR/1BA - MKT	766 SF	\$870	\$1.14
Enterprise Mill	Studio	503 SF	\$900	\$1.79
Broadway Apartments	1BR/1BA	612 SF	\$915	\$1.50
Subject (CBRE As Is Market Rents)	Studio/1BA	439 SF	\$915	\$2.08
Subject (CBRE As Is Market Rents)	1BR/1BA	850 SF	\$1,025	\$1.19
Cobb House Apartments	1BR/1BA	650 SF	\$1,026	\$1.58
Cobb House Apartments	1BR/1BA	800 SF	\$1,040	\$1.30
Canalside	Studio/1BA	517 SF	\$1,170	\$2.26
Subject (CBRE Post Renovation Market Rents)	Studio/1BA	439 SF	\$1,070	\$2.17
Enterprise Mill	1BR,1BA Flat	667 SF	\$1,125	\$1.69
Enterprise Mill	1BR,1BA Loft	720 SF	\$1,125	\$1.56
Subject (CBRE Post Renovation Market Rents)	1BR/1BA	850 SF	\$1,150	\$1.19
Canalside	1BR/1BA	589 SF	\$1,155	\$1.96
Canalside	1BR/1BA	567 SF	\$1,156	\$2.04
Canalside	1BR/1BA	610 SF	\$1,182	\$1.94
Terraces at Summerville	1BR/1BA	705 SF	\$1,189	\$1.69
Canalside	1BR/1BA	674 SF	\$1,200	\$1.78
Canalside	1BR/1BA	780 SF	\$1,441	\$1.85

Compiled by CBRE

The comparables indicate an average market rent of \$1,027 per unit, considering the affordable and market rate units.

MARKET RENT CONCLUSIONS

The subject represents a property currently subsidized by a Section 8 contract and will continue to be subsidized following the completion of the planned renovation. These contract rents are based on market levels; therefore, we have not considered the restricted rents within our estimation of market rent.

The following table illustrates the current HAP contract rents.

MARKET RENT CONCLUSIONS - AS IS									
No. Units	Unit Type	Unit Size	Total SF	Monthly Rent			Annual Rent		Annual Total
				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF	
26	Studio/1BA	439 SF	11,414 SF	\$915	\$2.08	\$23,790	\$10,980	\$25.01	\$285,480
176	1BR/1BA	850 SF	149,600 SF	\$1,025	\$1.21	\$180,400	\$12,300	\$14.47	\$2,164,800
202		797 SF	161,014 SF	\$1,011	\$1.27	\$204,190	\$12,130	\$15.22	\$2,450,280

Compiled by CBRE

The following table assumes the completion of the planned renovation.

MARKET RENT CONCLUSIONS - AS RENOVATED									
No. Units	Unit Type	Unit Size	Total SF	Monthly Rent			Annual Rent		Annual Total
				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF	
26	Studio/1BA	439 SF	11,414 SF	\$1,070	\$2.44	\$27,820	\$12,840	\$29.25	\$333,840
176	1BR/1BA	850 SF	149,600 SF	\$1,150	\$1.35	\$202,400	\$13,800	\$16.24	\$2,428,800
202		797 SF	161,014 SF	\$1,140	\$1.43	\$230,220	\$13,676	\$17.16	\$2,762,640

Compiled by CBRE

The table above reflects the expected HAP contract rents post renovation, which we believe also reflect market rents.

Rental Advantage

The following table illustrates the subject's proposed LIHTC rents to the comparable properties.

SUBJECT COMPARISON TO COMPARABLE RENTS - MARKET RENTS					
Unit Type	Subject Proposed				
	LIHTC Rent	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Rent Advantage
Studio - 60% AMI	\$778	\$563	\$1,170	\$1,035	33%
1BR/1BA - 60% AMI	\$834	\$563	\$1,441	\$1,027	23%

Compiled by CBRE

The proposed 60% AMI rents are well below the surveyed average of the rent comparables for each bedroom type. The proposed rents indicate a 23% to 33% rent advantage to comparable properties (market rate and affordable). This emphasizes the strong demand for affordable housing in this market.

DCA Funded Projects within PMA

According to the DCA Program Awards Database, there have been two projects funded within the PMA over the previous three years. Kenrcik place is still in the planning stages and has not yet begun construction. The development received funding in 2021 and is to be located at 20 Kenrcik Place in Augusta, GA. The development will offer 64 affordable units targeted towards families and a completion date was not yet available. The development will not directly compete with the subject as it does not target seniors.

Rental Trends in the PMA

The following table illustrates tenure patterns in the PMA.

SENIOR TENURE PATTERNS PMA (55+)				
Year	Owner Occupied Units	Percentage Owner Occupied	Renter-Occupied Units	Percentage Renter Occupied
2027	12,730	36.9%	8,610	63.1%
2025 Projected Market Entry	12,557	38.6%	8,086	61.4%
2022	12,668	40.3%	8,016	59.7%
2010	13,197	44.5%	6,518	55.5%
2000	11,606	49.1%	4,567	50.9%

Source: ESRI

As illustrated, the number of senior renter occupied housing units is greater than the senior owner-occupied housing units. The proportion of renter occupied housing units has increase since 2000, a trend that is expected to continue through 2027.

METROPOLITAN AUGUSTA - GA APARTMENT MARKET OVERVIEW

Recent Performance

The following table summarizes historical and projected performance for the overall metropolitan Augusta - GA apartment market, as reported by CoStar.

AUGUSTA - GA APARTMENT MARKET (CLASS B & C)								
Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Asking Rent (\$/Unit / Mo.)	Asking Rent Change	Net Absorption (Units)	Transaction Price Per Area (Units)
2017	21,866	174	19,927	91.1%	\$819	3.35%	449	\$47,755
2018	22,146	280	20,072	90.6%	\$848	3.58%	144	\$59,547
2019	22,486	340	20,521	91.3%	\$877	3.46%	450	\$94,840
2020	22,495	9	21,156	94.0%	\$924	5.27%	636	\$91,268
Q1 2021	22,495	0	21,251	94.5%	\$946	2.42%	94	\$99,505
Q2 2021	22,495	0	21,162	94.1%	\$971	2.60%	-89	\$79,231
Q3 2021	22,650	155	21,209	93.6%	\$1,004	3.43%	48	\$112,409
Q4 2021	23,164	514	21,040	90.8%	\$1,026	2.19%	-169	\$116,977
2021	23,164	669	21,040	90.8%	\$1,026	11.07%	-116	\$116,977
Q1 2022	23,164	0	21,074	91.0%	\$1,053	2.67%	34	\$88,186
Q2 2022	23,398	234	21,161	90.4%	\$1,070	1.62%	87	\$147,167
Q3 2022	23,728	330	21,030	88.6%	\$1,078	0.68%	-131	\$202,764
Q4 2022	23,728	0	20,952	88.3%	\$1,075	-0.29%	-78	\$33,313
2022	23,728	564	20,952	88.3%	\$1,075	4.73%	-88	\$33,313
2023*	24,214	486	21,159	87.4%	\$1,097	2.05%	208	\$0
2024*	24,220	6	21,336	88.1%	\$1,115	1.68%	175	\$0
2025*	24,398	178	21,521	88.2%	\$1,141	2.34%	185	\$0
2026*	24,643	245	21,694	88.0%	\$1,167	2.24%	173	\$0
2027*	24,892	249	21,877	87.9%	\$1,186	1.61%	184	\$0

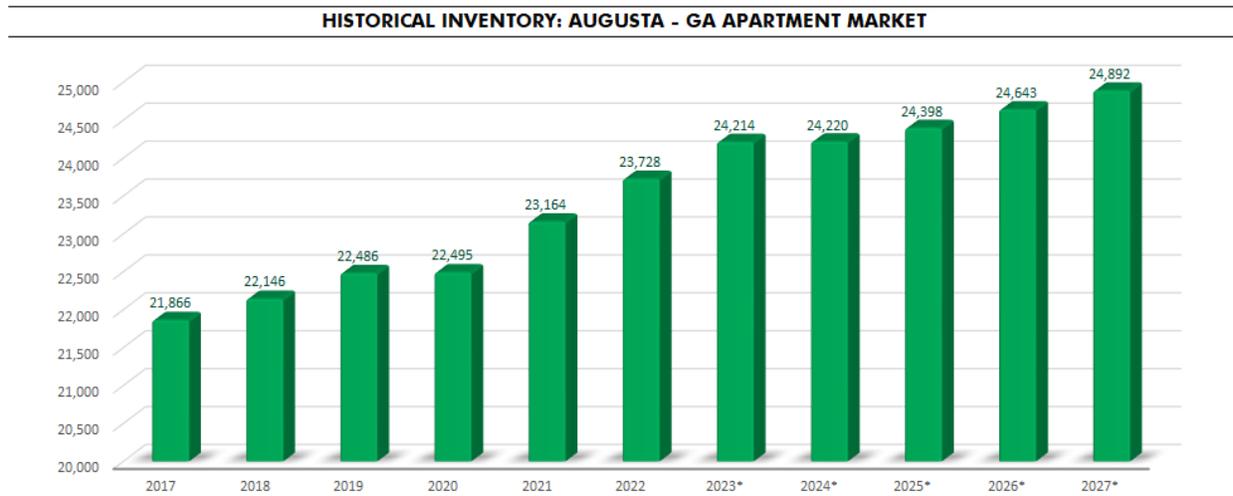
* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

The Augusta - GA apartment market consists of approximately 23,728 units of apartment space. The following observations are noted from the table above:

- As of 4th Quarter 2022, there were approximately 20,952 units of occupied apartment space, resulting in an occupancy rate of 88.3% for the metro area. This reflects a decrease from the previous quarter's occupancy of 88.6%, and a decrease from an occupancy rate of 90.8% from the prior year.
- The area experienced negative 78 units of net absorption for the current quarter. This indicates an improvement from the previous quarter's negative 131 units of net absorption, and an improvement from the negative 116 units of net absorption from the prior year.
- The area had zero completions for the current quarter, which indicates a decrease from the previous quarter's completions of positive 330 units, and indicates a decline from completions of positive 669 units from the prior year.
- The area achieved average asking rent of \$1,075 per unit, which indicates a decrease from the previous quarter's asking rent of \$1,078 per unit, and an increase from the asking rent of \$1,026 per unit from the prior year.

Historical Inventory – Market

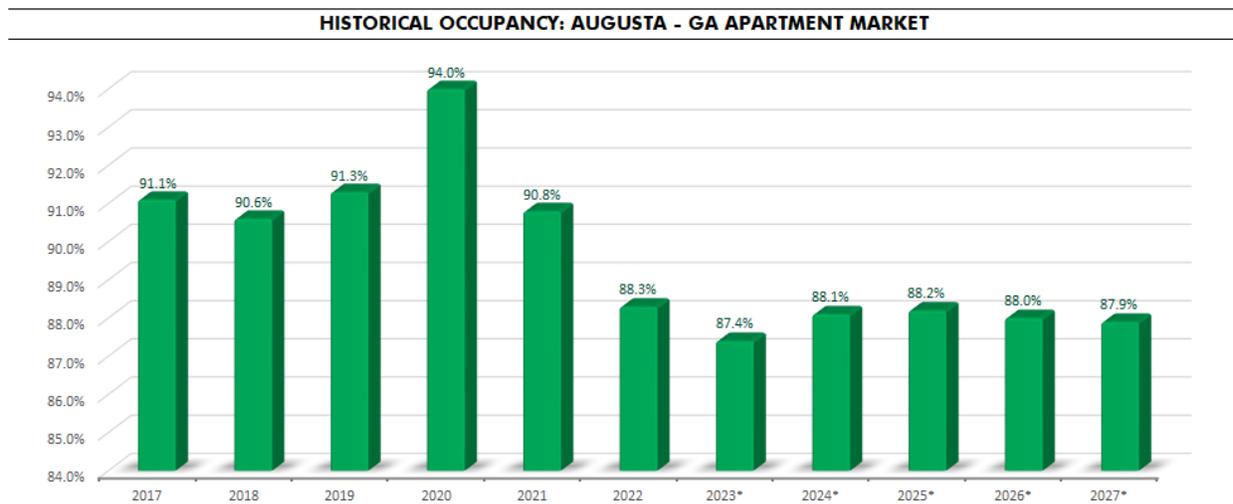


* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

Inventory is projected to be 23,728 units at the end of the current year, which represents an increase from the previous year’s inventory of 23,164 units. Inventory for next year is projected to be 24,214 units, reflecting an increase from the current year.

Historical Occupancy - Market

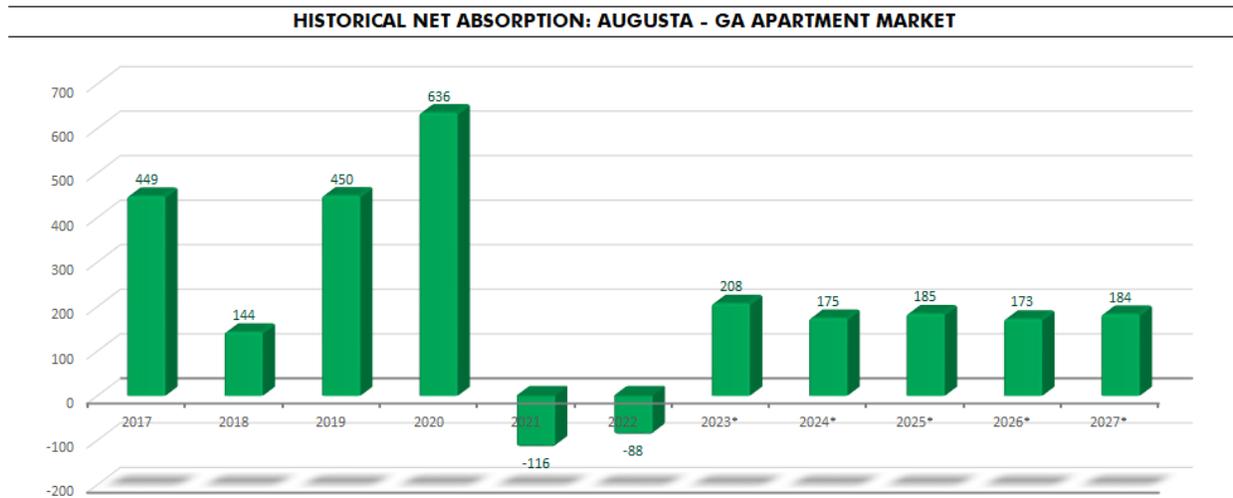


* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

At the end of the current year, the occupancy rate is projected to be 88.3%, which reflects a decrease from the 90.8% occupancy rate at the end of the prior year. Occupancy for next year is projected to be 87.4%, reflecting a decrease from the current year.

Historical Net Absorption - Market

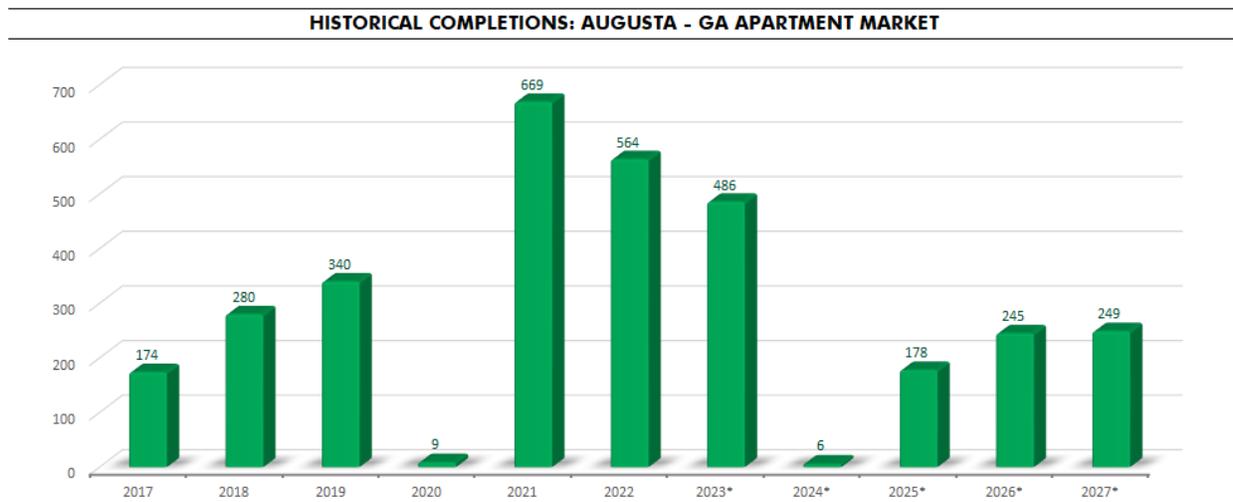


* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

At the end of the current year, the area is projected to experience negative 88 units of net absorption, which indicates an improvement from the negative 116 units of net absorption for the previous year. The area is projected to experience positive 208 units of net absorption as of the end of next year, which indicates an improvement from the current year.

Historical Completions - Market

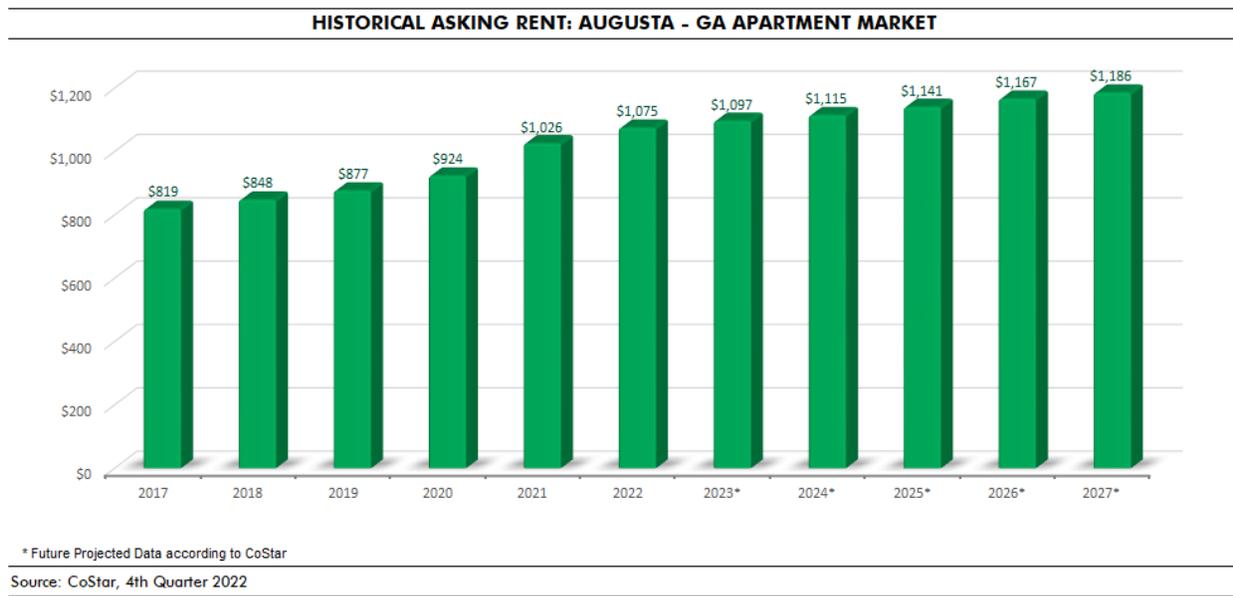


* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

The area is projected to achieve completions of positive 564 units for the current year, which indicates a decline from the previous year's completions of positive 669 units. The area is projected to experience completions of positive 486 units as of the end of next year, which indicates a decline from the current year.

Historical Asking Rent - Market



The area is projected to achieve average asking rent of \$1,075 per unit at the end of the current year, which indicates an increase from the previous year’s asking rent of \$1,026 per unit. The area is projected to achieve asking rent of \$1,097 per unit by the end of next year, indicating an increase from the current year.

SUBMARKET SNAPSHOT

The following table summarizes the supply of apartment units for each submarket within the Augusta - GA market as of 4th Quarter 2022.

AUGUSTA - GA APARTMENT SUBMARKET SNAPSHOT (CLASS B & C)				
Submarket	Inventory (Units)	Completions* (Units)	Asking Rent (\$/Unit / Mo.)	Occupancy
Burke County	8	0	\$516	93.9%
Central Augusta	12,996	390	\$1,036	86.6%
Columbia County	3,253	134	\$1,253	88.3%
Edgefield County	64	0	\$619	95.5%
McDuffie County	208	0	\$748	94.9%
North Augusta	1,843	40	\$1,176	90.0%
Outlying Aiken County	2,266	0	\$1,171	92.1%
South Richmond County	3,090	0	\$919	91.2%

*Completions include trailing 4 quarters
Source: CoStar, 4th Quarter

Central Augusta Submarket

Important characteristics of the Central Augusta apartment market are summarized below:

CENTRAL AUGUSTA APARTMENT SUBMARKET (CLASS B & C)							
Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Asking Rent (\$/Unit / Mo.)	Asking Rent Change	Net Absorption (Units)
2017	12,214	0	11,089	90.8%	\$790	4.04%	61
2018	12,214	0	10,988	90.0%	\$815	3.17%	-101
2019	12,442	228	11,186	89.9%	\$846	3.90%	198
2020	12,451	9	11,621	93.3%	\$901	6.48%	435
Q1 2021	12,451	0	11,679	93.8%	\$919	1.98%	58
Q2 2021	12,451	0	11,585	93.0%	\$944	2.75%	-94
Q3 2021	12,606	155	11,704	92.8%	\$980	3.75%	119
Q4 2021	12,606	0	11,583	91.9%	\$997	1.77%	-121
2021	12,606	155	11,583	91.9%	\$997	10.65%	-38
Q1 2022	12,606	0	11,576	91.8%	\$1,020	2.25%	-7
Q2 2022	12,706	100	11,525	90.7%	\$1,041	2.05%	-51
Q3 2022	12,996	290	11,359	87.4%	\$1,040	-0.02%	-166
Q4 2022	12,996	0	11,249	86.6%	\$1,036	-0.39%	-110
2022	12,996	390	11,249	86.6%	\$1,036	3.93%	-334
2023*	13,130	134	11,321	86.2%	\$1,054	1.73%	72
2024*	13,132	2	11,389	86.7%	\$1,072	1.65%	67
2025*	13,215	83	11,465	86.8%	\$1,096	2.30%	76
2026*	13,330	115	11,525	86.5%	\$1,120	2.19%	61
2027*	13,447	117	11,599	86.3%	\$1,138	1.57%	74

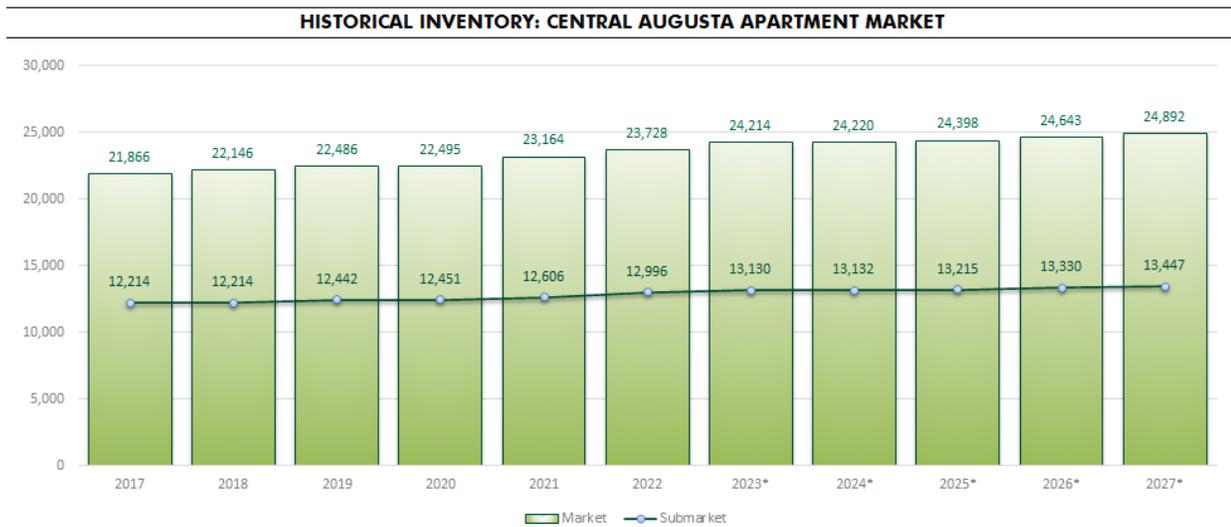
*Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

The Central Augusta apartment submarket consists of approximately 12,996 units of apartment space. The current submarket inventory represents approximately 54.8% of the overall market inventory. The following observations were noted from the table above:

- As of 4th Quarter 2022, there were approximately 11,249 units of occupied apartment space, resulting in an occupancy rate of 86.6% for the submarket. This reflects a decrease from the previous quarter's occupancy of 87.4%, and a decrease from an occupancy rate of 91.9% from the prior year. The submarket occupancy is below the 88.3% market occupancy.
- The submarket experienced negative 110 units of net absorption for the current quarter. This indicates an improvement from the previous quarter's negative 166 units of net absorption, and a decline from the negative 38 units of net absorption from a year ago. Overall, the submarket has experienced negative 334 units of net absorption for the current year-to-date period. The submarket's current net absorption of negative 110 units is below the overall market net absorption of negative 78 units.
- The submarket had zero completions for the current quarter, which indicates a decrease from the previous quarter's completions of positive 290 units, and no change from the zero completions from the prior year.
- The submarket achieved average asking rent of \$1,036 per unit, which indicates a decrease from the previous quarter's asking rent of \$1,040 per unit, and an increase from the asking rent of \$997 per unit from the prior year. The submarket's current asking rent of \$1,036 per unit is below the overall market asking rent of \$1,075 per unit.

Historical Inventory - Submarket

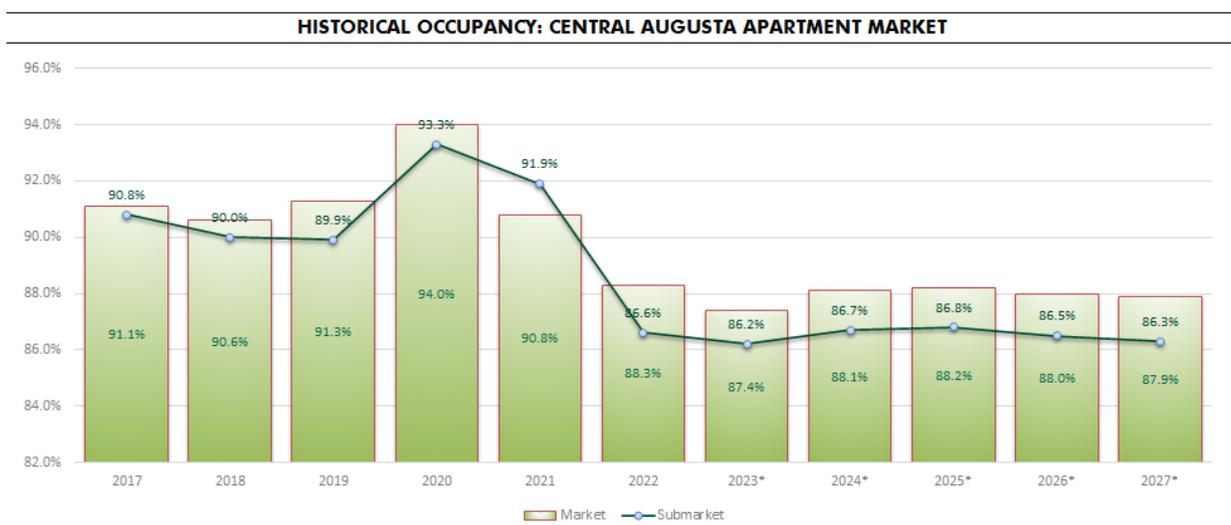


* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

Submarket Inventory is projected to be 12,996 units at the end of the current year, which represents an increase from the previous year’s submarket inventory of 12,606 units. Inventory for next year is projected to be 13,130 units, reflecting an increase from the current year.

Historical Occupancy - Submarket

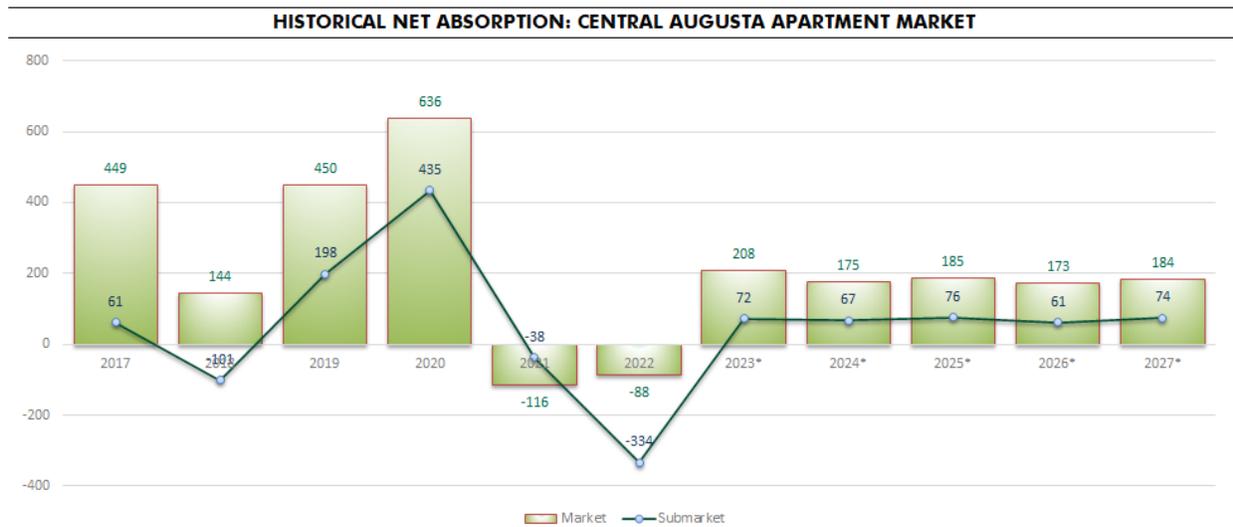


* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

Submarket occupancy is projected to be 86.6% at the end of the current year, which represents a decrease from the previous year’s submarket occupancy of 91.9%. Submarket occupancy for next year is projected to be 86.2%, reflecting a decrease from the current year.

Historical Net Absorption - Submarket

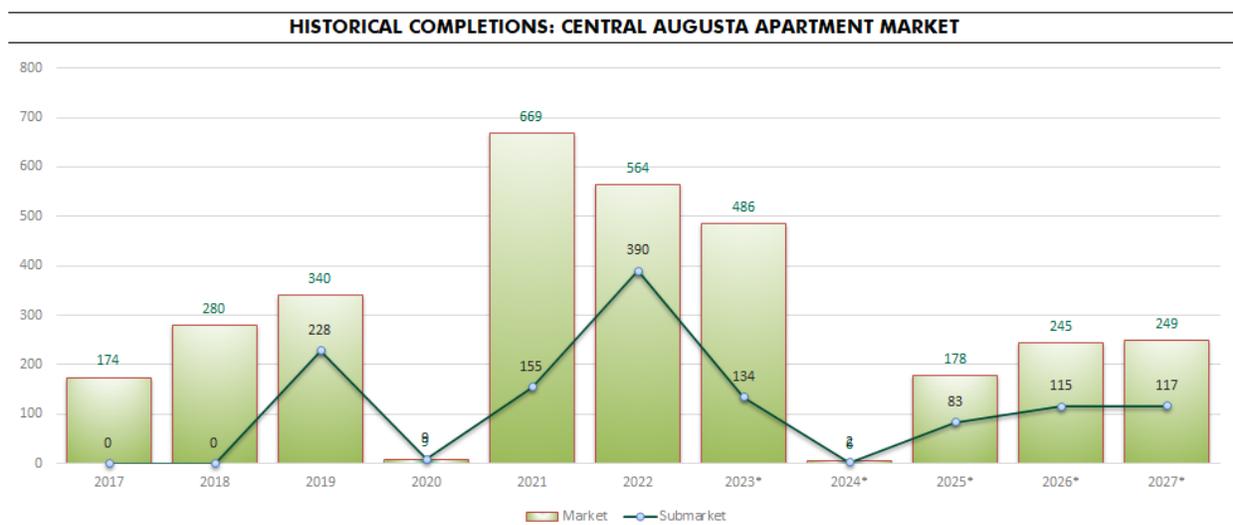


* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

Net absorption in the submarket is projected to be negative 334 units at the end of the current year, reflecting a decline from the previous year’s net absorption of negative 38 units. Net absorption for next year is projected to be positive 72 units, indicating an improvement from the current year.

Historical Completions - Submarket



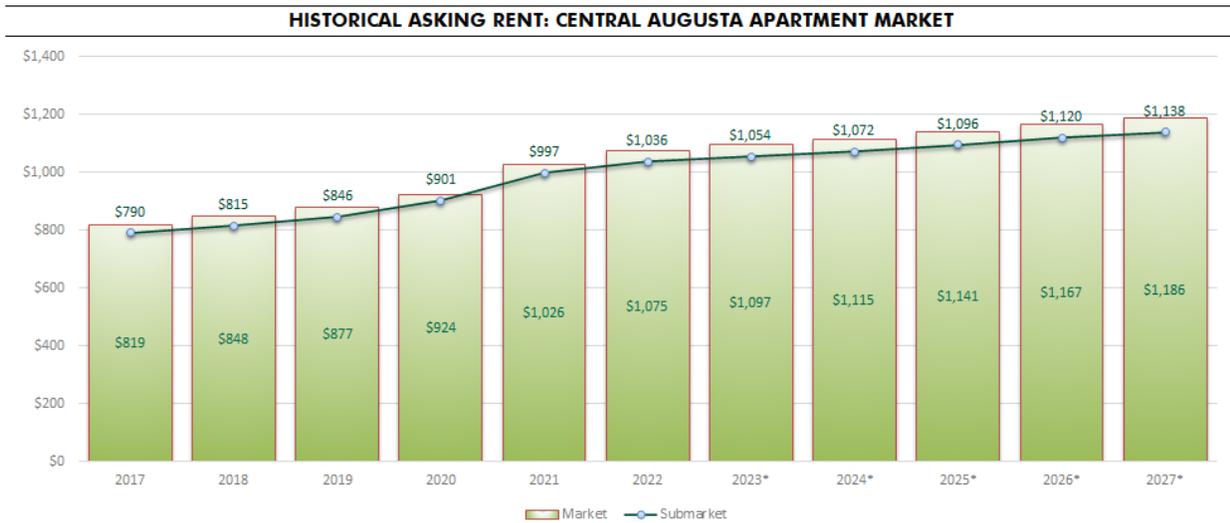
* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

The submarket is projected to achieve completions of positive 390 units at the end of the current year, which indicates an improvement from the previous year’s completions of positive 155 units.

The submarket is projecting completions of positive 134 units for next year, which indicates a decline from the current year.

Historical Asking Rent - Submarket



* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

The submarket is projected to achieve average asking of \$1,036 per unit at the end of the current year, which represents an increase from the previous year’s asking rent of \$997 per unit. The submarket is projected to achieve average asking rent of \$1,054 per unit, reflecting an increase from the current year.

Impact of Foreclosed, abandoned, and vacant, single and multifamily homes, and commercial properties in the PMA

According to RealtyTrac.com, foreclosures account for 0.11% of properties in Augusta, GA. We did not observe a significant amount of abandoned or boarded up structures in the neighborhood that would impact the marketability of the subject.

Primary Housing Void

Several subsidizes properties indicated that they maintain waiting lists. The subject has a waiting list that is just under a year. The higher presence of waiting lists and high occupancy at comparable properties indicate a strong demand for affordable housing in this market. In addition, the strong demographics of renter households earning lower incomes suggests a strong demand for affordable housing.

Effect of Subject on Other Affordable Units in PMA

As previously mentioned, we do not expect the subject’s renovation to impact the long term success of other affordable units within the subject’s PMA given the high occupancy, waiting lists, and low income demographics, and increasing renter household tenure patterns.

Conclusion

In conclusion, the strong demographics of the subject's market (low income and high renter tenure patterns, the vacancy trends, rental trends, limited proposed new construction, and waiting lists all indicate the strong demand for affordable housing in this market. The subject represents an existing Section 8 contract property with 202 subsidized units with a waiting list. Several of the affordable properties maintain waiting lists.

The subject will offer similar amenities (or slightly superior) following the renovation, and will be considered similar or superior with respect to age/condition. The subject's location is considered similar to slightly inferior to the competitors. Overall, the property will be considered competitive in this market.

Overall, we believe there is strong demand for the subject's units and it will perform well in this market and not negatively impact any other affordable properties in this market.

Absorption & Stabilization

We have calculated the absorption to 93 percent occupancy, per DCA guidelines.

The subject is a proposed renovation of an existing Section 8/LIHTC property. According to the provided rent roll, dated February 25, 2022, the property is 98% occupied with a waiting list, which is typical for the subject property and properties with this level of subsidy. Given the level of subsidy in place, and expected in the future, we have assumed the existing tenants would remain in place, or be relocated to new units and utilize a tenant relocation plan. Based on the current and historical occupancy, as well as the current waiting list, we have assumed the subject would achieve stabilization upon completion of the proposed renovations.

We were only able to contact one multifamily development that was recently developed that was willing to provide us with absorption information. Millhouse Station is located at 636 11th Street in Augusta, Georgia just west of the subject. Millhouse Stations is a market rate development that opened in the summer of 2021 and offers 155 studio, one and two-bedroom units. The property is currently 51% occupied and conversations with the property manager indicated that the property was leasing approximately 20 units per month since its opening.

If the property were to be 100% vacant with no tenant relocation plan upon completion of construction, we believe the property would achieve a stabilized occupancy within seven-months including the current Section 8 subsidies and nine-months if there were no Section 8 subsidies.

Interviews

Augusta Public Housing Authority

We attempted to contact the Augusta Public Housing Authority regarding Section 8 housing choice vouchers; however, as of the date of this report, our calls have not been returned.

Planning

We contacted Lois Schmidt, a planner with the city of Augusta planning and development department regarding information on any planned or proposed multifamily developments in the subject's PMA. She provided us with information regarding multifamily developments and indicated that Augusta has been a desirable location for multifamily development with an uptick of multifamily development occurring from 2018 through 2022.

Augusta Metro Chamber of Commerce

We attempted to contact the Augusta Metro Chamber of Commerce for an interview, but our calls and emails were not returned.

Conclusions and Recommendations

Based upon our research, the overall market, demographics, and demand figures, we believe there is strong support for the subject as proposed. The affordable properties are currently 97% to 100% occupied with an average of 99.5%. The conventional comparables indicate an average of 95.9%. The subject's proposed renovation, will allow the subject to continue to compete within the market by offering in-unit and community amenities that are in-line with market standards. The renovation will greatly improve the overall quality of the subject and allow the subject to continue to provide affordable housing in an area that is in high demand. We believe the market **can** support subject and will help fill a void in the market. In addition, the subject will have no issue maintaining at least a 93% occupancy rate.

Signed Statement Requirements

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

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



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Market Study Representation

DCA may rely on the representation made in the market study provided, and indicate that the document is assignable to other lenders that are parties to the DCA loan transaction.

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

ADDENDA

Addendum A

RENT COMPARABLE DATA SHEETS

Property Name Cobb House Apartments
 Address 1001 Green Street
 Augusta, GA 30901
 United States

Government Tax Agency Richmond
 Govt./Tax ID 0364326000

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	12	57%	650	\$945	\$1.45
1BR/1BA	6	29%	800	\$955	\$1.19
2BR/2BA	3	14%	1,230	\$1,300	\$1.06
Totals/Avg	21			\$999	\$1.29



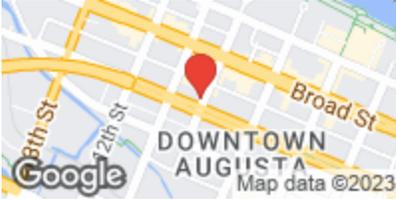
Improvements

Land Area	0.750 ac	Status	Existing
Net Rentable Area (NRA)	16,290 sf	Year Built	1917
Total # of Units	21 Unit	Year Renovated	N/A
Average Unit Size	776 sf	Condition	Average
Floor Count	3	Exterior Finish	Brick Veneer
Property Features	Flat Roofs, Gated / Controlled Access, Individual Split Systems		
Project Amenities	Courtyard, Laundry Facility		
Unit Amenities	9-Foot Ceilings, Dishwasher, Granite Countertops, Plank Flooring, Range / Oven, Refrigerator, Stainless Steel Appliances		

Rental Survey

Occupancy	94%	Utilities Included in Rent	Trash & Pest Control
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Mixed	Concessions	None
Survey Date	04/2022	Owner	N/A
Survey Notes	Property Contact: Katie (706) 737-4548	Management	Intermark Properties (Tammy)

Map & Comments



Rental is located in historic downtown Augusta along Green Street. Originally constructed in 1917, the property was completely renovated in the late 1980s and again in 2016. The building is three stories with controlled access. Unit amenities include a refrigerator, stove, dishwasher, disposal and carpeting. The property includes two laundry rooms, but no washer/dryer connections. There are no utilities included in the monthly rental rates. Currently, the property is 94% occupied. Units are sub-metered for water and sewer with the tenant responsible for usage. Trash and pest control are included in the monthly rental rates. Due to occupancy, no concessions are currently being offered.

Neighborhood: Downtown Augusta
Cross Streets: Ellis Street and 10th Street

Property Name Broadway Apartments
 Address 335 Broad Street
 Augusta, GA 30901
 United States

Government Tax Agency Richmond
 Govt./Tax ID 0472076000

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	8	20%	612	\$915	\$1.50
2BR/2BA	10	25%	1,060	\$1,120	\$1.06
2BR/2BA	11	28%	1,125	\$1,198	\$1.06
2BR/2BA	11	28%	1,225	\$1,235	\$1.01
Totals/Avg	40			\$1,132	\$1.10



Improvements

Land Area	1.630 ac	Status	Existing
Net Rentable Area (NRA)	41,346 sf	Year Built	1917
Total # of Units	40 Unit	Year Renovated	N/A
Average Unit Size	1,034 sf	Condition	Average
Floor Count	3	Exterior Finish	Brick Veneer
Property Features	Flat Roofs, Gated / Controlled Access, Individual Split Systems, On-Site Management, Surface Parking		
Project Amenities	Barbeque Area, Courtyard		
Unit Amenities	Carpeted Flooring, Ceiling Fans, Dishwasher, Granite Countertops, Plank Flooring, Range / Oven, Refrigerator, Stainless Steel Appliances, Tub / Shower Combo		

Rental Survey

Occupancy	93%	Utilities Included in Rent	Trash & Pest Control
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Mixed	Concessions	None
Survey Date	04/2023	Owner	N/A
Survey Notes	Property Contact: (706)737-4548	Management	Intermark Properties (Tammy)

Map & Comments



This property is located along a major thoroughfare in the "Old Town" section of Augusta. While the property was originally constructed in 1917, it was renovated extensively in the late 1980s and again in 2018. Currently, the property is 88% occupied. Management indicated the COVID-19 Pandemic along with a few management changes have impacted occupancy at the property. The property is in good condition. Units feature stainless steel appliances, granite countertops, hardwood, and carpeted floors. Units are sub-metered for water and sewer with the tenant responsible for usage. Trash and pest control are included in the monthly rental rates.

Neighborhood: Olde Town

Cross Street: Reynolds Street and 4th Street

Property Name Enterprise Mill
 Address 1450 Greene Street
 Augusta, GA 30901
 United States

Government Tax Agency Richmond
 Govt./Tax ID 0363101040

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	6	10%	503	\$900	\$1.79
1BR,1BA Flat	20	33%	667	\$1,125	\$1.69
1BR,1BA Loft	9	15%	720	\$1,125	\$1.56
2BR,1BA Flat	14	23%	924	\$1,295	\$1.40
2BR,1BA Loft	9	15%	1,014	\$1,295	\$1.28
3BR,2BA Flat	2	3%	1,398	\$1,820	\$1.30
Totals/Avg	60			\$1,191	\$1.50



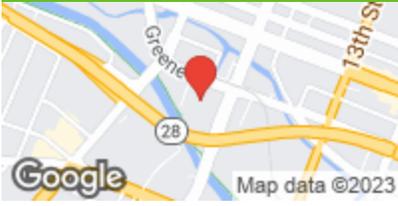
Improvements

Land Area	9.960 ac	Status	Existing
Net Rentable Area (NRA)	60,194 sf	Year Built	1855
Total # of Units	60 Unit	Year Renovated	1999
Average Unit Size	1,003 sf	Condition	Good
Floor Count	N/A	Exterior Finish	Brick
Property Features	Gated / Controlled Access, Individual Split Systems, On-Site Management, Surface Parking		
Project Amenities	Barbeque Area, Business Center, Clubhouse, Fitness Center, Laundry Facility, On-Site Security		
Unit Amenities	Ceiling Fans, Dishwasher, Hardwood Flooring, Laminate Countertops, Microwave Oven, Range / Oven, Refrigerator, Stainless Steel Appliances, Tile Backsplash, Tub / Shower Combo, Washer / Dryer Connections		

Rental Survey

Occupancy	100%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	Renovated Units
Tenant Profile	mixed	Concessions	None
Survey Date	04/2023	Owner	N/A
Survey Notes	Contact: Jamie 706-306-6754	Management	N/A

Map & Comments



The residential component includes 60 residential units with approximately 60,194 square feet of rentable area. The apartment component comprises a predominant mix of studio, one and two bedroom units, plus two three-bedroom layouts, with modern design and average quality finishes/fixtures and average amenity packages, including w/d connections, dishwasher, 24 hour security/controlled access, fitness center and conference center. Currently, the property is 100% occupied. Management indicated the property has been continuously renovating the property. Quoted rent range includes a premium for renovated units. Units are sub-metered for water and sewer with the tenant responsible for usage. No concessions are currently being offered.

Neighborhood: Harrisburg

Cross Streets: St. Sebastian Way and Greene Street

Property Name Terraces at Summerville
 Address 817 Hickman Rd
 Augusta, GA 30904
 United States

Government Tax Agency Richmond
 Govt./Tax ID Multiple

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	76	63%	705	\$1,189	\$1.69
2BR/1BA	44	37%	1,020	\$1,329	\$1.30
Totals/Avg	120			\$1,240	\$1.51



Improvements

Land Area	2.140 ac	Status	Existing
Gross Building Area (GBA)	98,460 sf	Year Built	1972
Total # of Units	120 Unit	Year Renovated	N/A
Average Unit Size	821 sf	Condition	Average
Floor Count	2	Exterior Finish	Brick
Property Features	N/A		
Project Amenities	Barbeque Area, Fitness Center, Pool, Tennis Court		
Unit Amenities	Carpeted Flooring, Ceiling Fans, Dishwasher, Granite Countertops, Microwave Oven, Plank Flooring, Private Patios / Balconies, Range / Oven, Refrigerator with Icemaker, Stainless Steel Appliances, Washer / Dryer, Washer / Dryer Connections		

Rental Survey

Occupancy	80%	Utilities Included in Rent	Trash and Pest control
Lease Term	6 - 12 Mo(s).	Rent Premiums	None
Tenant Profile	Middle Income	Concessions	See Comments
Survey Date	04/2023	Owner	N/A
Survey Notes	Property Contact: 706-309-4004	Management	Brookside Properties Inc

Map & Comments



This comparable represents a 120-unit garden-style apartment property, located along a secondary street in an affluent neighborhood area near Walton Way. The property, identified as Terraces at Summerville, was developed in 1972 and is currently 80% occupied. A recent management change has attributed to the slight decline in occupancy.

This property was formally Oak Hill apartments. The property offers one- and two-bedroom floor plans, with an average unit size of 821 square feet. Management employs a RUBS for reimbursement of water and sewer. Trash removal and pest control are included in the monthly rental rates. The property was recently renovated with gourmet kitchens that are home to stainless steel, efficient kitchen appliances, washer and dryer units, plank flooring, granite countertops, built-in microwaves, and brushed nickel fixtures. As a concession, management is offering a reduced rate of \$959 when leasing a one-bedroom floor plan.

Cross Streets: Milledge Road & Walton Way
Neighborhood: Harrisburg

Property Name Canalside
 Address 1399 Walton Way
 Augusta, GA 30901
 United States

Government Tax Agency Richmond
 Govt./Tax ID 0461010020

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio/1BA	4	4%	517	\$1,170	\$2.26
1BR/1BA	4	4%	567	\$1,245	\$2.20
1BR/1BA	40	38%	589	\$1,247	\$2.12
1BR/1BA	32	30%	610	\$1,255	\$2.06
1BR/1BA	4	4%	674	\$1,285	\$1.91
1BR/1BA	6	6%	780	\$1,441	\$1.85
2BR/2BA	12	11%	967	\$1,806	\$1.87
2BR/2BA	4	4%	1,148	\$1,850	\$1.61
Totals/Avg	106			\$1,345	\$2.01



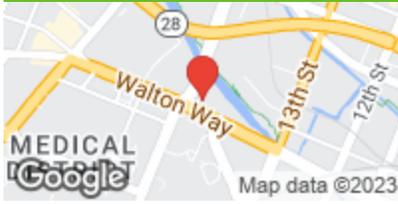
Improvements

Land Area	2.530 ac	Status	Existing
Net Rentable Area (NRA)	71,568 sf	Year Built	2015
Total # of Units	106 Unit	Year Renovated	N/A
Average Unit Size	675 sf	Condition	Good
Floor Count	4	Exterior Finish	Brick Veneer
Property Features	Flat Roofs, Gated / Controlled Access, On-Site Management, Surface Parking		
Project Amenities	Barbeque Area, Fitness Center, Outdoor Fireplace		
Unit Amenities	Carpeted Flooring, Ceiling Fans, Dishwasher, Garbage Disposal, Granite Countertops, Microwave Oven, Range / Oven, Refrigerator with Icemaker, Stainless Steel Appliances, Vinyl Flooring, Washer / Dryer		

Rental Survey

Occupancy	94%	Utilities Included in Rent	Trash & Pest Control
Lease Term	6 - 12 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Middle Income Groups	Concessions	None
Survey Date	04/2023	Owner	Lat Purser & Associates, Inc.
Survey Notes	Contact: 833-365-0636	Management	My Niche

Map & Comments



This comparable represents a 106-unit apartment property, with surface parking, located across from University Hospital on a narrow 2.5-acre plat at the corner of Walton and St. Sebastian Ways in Augusta, Georgia. The property, identified as Canalside, was developed in 2015. The property achieved stabilization in early summer 2016 and is now operating at a stabilized occupancy of 94%. Management indicated the first move-in occurred in June 2015. The property charges the following premiums for floor level and views: \$10 (1st floor), no charge for 2nd floor, \$20 (3rd floor), \$30 (4th floor), and \$20 (canal view). Additional storage units lease for \$50 per month. The comparable offers one- and two-bedroom floor plans, with an average unit size of 669 square feet. The subject units are individually metered for water/sewer and electric, with a third party (APEX) responsible for billing tenants for their respective usage (sub-metered water/sewer). Trash and pest control are included in the quoted rents. Management is not currently offering any concessions.

Cross Streets: Walton Way & St. Sebastian Way
Neighborhood: Downtown Augusta

Property Name Legacy at Walton Green Senior LIHTC - Ph I & III
 Address 1550 Fifteenth Street
 Augusta, GA 30901
 United States

Government Tax Agency Richmond
 Govt./Tax ID 0582089000

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA - 60% AMI	74	44%	766	\$667	\$0.87
1BR/1BA - MKT	30	18%	766	\$870	\$1.14
2BR/2BA - 60% AMI	30	18%	986-1,170	\$808	\$0.75
2BR/2BA - Market	36	21%	986-1,170	\$975	\$0.90
Totals/Avg	170			\$793	\$0.89



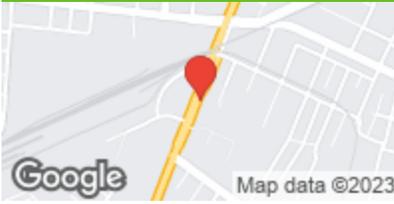
Improvements

Land Area	1.470 ac	Status	Existing
Net Rentable Area (NRA)	150,812 sf	Year Built	2018
Total # of Units	170 Unit	Year Renovated	N/A
Average Unit Size	887 sf	Condition	Good
Floor Count	4	Exterior Finish	Brick Veneer
Property Features	Age Restricted, Gated / Controlled Access, LIHTC (Low Income Housing Tax Credit), Pitched Roofs		
Project Amenities	Clubhouse, Courtyard, Fitness Center, Laundry Facility		
Unit Amenities	9-Foot Ceilings, Black Appliances, Carpeted Flooring, Dishwasher, Double-Pane Windows, Garbage Disposal, Granite Countertops, Microwave Oven, Plank Flooring, Private Patios / Balconies, Range / Oven, Refrigerator, Washer / Dryer Connections		

Rental Survey

Occupancy	99%	Utilities Included in Rent	Trash removal and pest control
Lease Term	12 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Mixed	Concessions	None
Survey Date	04/2023	Owner	Walton Communities
Survey Notes	Property Contact: 706-842-7909	Management	Walton Communities

Map & Comments



This comparable represents Phase I an 80-unit senior (55+) and Phase III a 90-unit family apartment community located in Augusta, Georgia. Phase I was developed in 2018 and leased to a stabilized occupancy position by October 31, 2018. Phase III was completed in 2020. The property is partially rent and income restricted to residents earning 60% of the area median income or less (LIHTC, public housing, and market rate). Phase II is proposed and has not been constructed yet. Phase III consists of a mixture of market rate and income restricted units and all one-bedroom, one-bath. Quoted rent range on select floor plans includes a premium for units with no patio. The survey is indicative of tax credit units and market rate units only. The public housing rental rates were not provided as they are not relevant indicators of either market or tax credit rental rates. Monthly rental rates are inclusive of trash removal and pest control. Residents are responsible for payment of all other utilities separately which are metered. Pest control is included in the monthly rental rate. No concessions are currently being offered.

Cross Streets: 15th Street & Wrightsboro Road
Neighborhood: Turpin Hill

Property Name Gardens at Harvest Point
 Address 1901 Harvest Point Way
 Augusta, GA 30909
 United States

Government Tax Agency Richmond
 Govt./Tax ID 0550002000

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA @ 60% AMI	64	25%	788	\$736	\$0.93
2BR/2BA @ 60% AMI	128	50%	1,140	\$881	\$0.77
3BR/2BA @ 60% AMI	64	25%	1,385	\$1,006	\$0.73
Totals/Avg	256			\$876	\$0.79



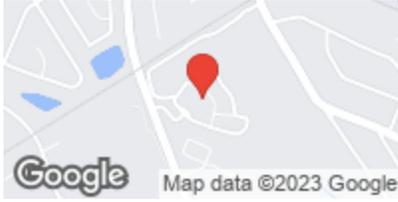
Improvements

Land Area	30.153 ac	Status	Existing
Net Rentable Area (NRA)	284,992 sf	Year Built	2018
Total # of Units	256 Unit	Year Renovated	N/A
Average Unit Size	1,113 sf	Condition	Average
Floor Count	3	Exterior Finish	Brick Veneer
Property Features	Gated / Controlled Access, LIHTC (Low Income Housing Tax Credit)		
Project Amenities	Clubhouse, Dog Park / Run, Fitness Center, Laundry Facility, Pool, Theater		
Unit Amenities	Carpeted Flooring, Dishwasher, Garbage Disposal, Laminate Countertops, Private Patios / Balconies, Range / Oven, Refrigerator, Vinyl Flooring, Washer / Dryer Connections		

Rental Survey

Occupancy	100%	Utilities Included in Rent	Water, Sewer, Trash
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	LIHTC	Concessions	None
Survey Date	04/2023	Owner	Miller-Valentine Group
Survey Notes	Property Contact: 706-869-5525	Management	Miller-Valentine Group

Map & Comments



This comparable represents a 256-unit garden style apartment property, located Harvest Point Way in Augusta, Georgia. The property, identified as Gardens at Harvest Point, was developed in 2018 and is currently 100% occupied. The property is subject to LIHTC pricing restrictions and rents to residents earning 60% of the area median income. Community amenities include a fitness center, clubhouse, business center, laundry facility, and leasing office. Units feature washer/dryer connections and fully-equipped kitchens with black appliances. Water, sewer and trash are included in the quoted rental rates. No concessions are currently being offered.

Property Name The Terrace at Edinburgh - Senior LIHTC
 Address 2515 Kennedy Drive
 Augusta, GA 30909
 United States

Government Tax Agency Richmond
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA - 50% AMI	7	10%	1,000	\$456	\$0.46
1BR/1BA - 60% AMI	11	15%	1,000	\$563	\$0.56
2BR/1BA - 50% AMI	32	44%	1,150	\$531	\$0.46
2BR/1BA - 60% AMI	22	31%	1,150	\$640	\$0.56
Totals/Avg	72			\$562	\$0.51



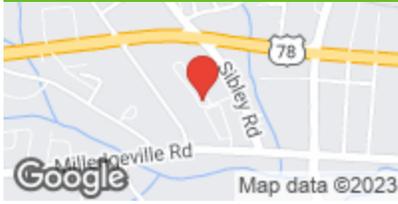
Improvements

Land Area	2.340 ac	Status	Existing
Net Rentable Area (NRA)	80,100 sf	Year Built	2010
Total # of Units	72 Unit	Year Renovated	N/A
Average Unit Size	1,113 sf	Condition	Average
Floor Count	1	Exterior Finish	Vinyl Siding
Property Features	Age Restricted, Individual Split Systems, LIHTC (Low Income Housing Tax Credit), Pitched Roofs		
Project Amenities	Barbeque Area, Business Center, Clubhouse, Fitness Center, Laundry Facility		
Unit Amenities	Black Appliances, Dishwasher, Plank Flooring, Private Patios / Balconies, Range / Oven, Refrigerator, Washer / Dryer Connections		

Rental Survey

Occupancy	100%	Utilities Included in Rent	Trash Removal
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Senior, Low-Income	Concessions	None
Survey Date	04/2023	Owner	The Vantage Group
Survey Notes	Property Contact: Robin 706-504-9114	Management	The Vantage Group

Map & Comments



This comparable represents a 72 unit apartment property located on Kennedy Drive in Augusta, GA. The property, identified as The Terrace at Edinburgh, was developed in 2010 and is currently 100% occupied with a waitlist. The property is subject to LIHTC pricing restrictions and rents to residents earning 50% and 60% of the area median income. Community amenities include a fitness center, clubhouse, business center, laundry facility, and leasing office. Units feature washer/dryer connections and fully-equipped kitchens with black appliances. Trash removal is included with rent. Water/sewer is individually metered with the tenant responsible for usage. Management is not currently offering concessions.

Cross Streets: Milledgeville Road & Sibley Road
Neighborhood: Central Augusta

Addendum B

CLIENT CONTRACT INFORMATION

Addendum C

QUALIFICATIONS

Matt Hummel, MAI, AI-GRS

Director, Kansas City, MO

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Experience

Matt Hummel, MAI, AI-GRS, is a Director and Practice Leader for the CBRE Valuation & Advisory Services National Affordable Group. Mr. Hummel and his team of experienced and specialized appraisal professionals provide comprehensive valuations on complex real estate. Products and services offered extend beyond real property valuation and include market/feasibility studies, Rent Comparability Studies, consulting services, site inspections and due diligence support.

Mr. Hummel has extensive experience and specializes in performing market feasibility studies, appraisals, and consulting services for a broad cross-section of clients in the low-income housing tax credit industry, including developers, lenders, syndicators and state agencies at the national level. Additional areas of expertise include the valuation and analysis of USDA Rural Development properties and those applying for FHA financing through U.S. Department of Housing and Urban Development's MAP program.

Prior to joining CBRE, Mr. Hummel was a manager at Novogradac & Company LLP.

Professional Affiliations/ Accreditations

Appraisal Institute Designated Member (MAI)

State of Kansas Certified General Real Estate Appraiser No. G-2959
State of Arizona Certified General Real Estate Appraiser No. 1005370
State of California Certified General Real Estate Appraiser No. 3002505
State of Missouri Certified General Real Estate Appraiser No. 2014030618
State of Texas Certified General Real Estate Appraiser No. TX1380146-G
State of Illinois Certified General Real Estate Appraiser No. 553.002534
State of Iowa Certified General Real Estate Appraiser No. CG03581
State of Georgia Certified General Real Estate Appraiser No. 394283
State of New York Certified General Real Estate Appraiser No. 46000053122
State of New Jersey Certified General Real Estate Appraiser No. 42RG00277700
State of South Carolina Certified General Real Estate Appraiser No. 7974
State of North Carolina Certified General Real Estate Appraiser No. A8555
State of Virginia Certified General Real Estate Appraiser No. 4001017803
State of Kentucky Certified General Real Estate Appraiser No. 5566
State of Tennessee Certified General Real Estate Appraiser No. 5994
State of Connecticut Certified General Real Estate Appraiser No. RCG.0002066

Education

Rockhurst University – Kansas City, Missouri

- Master of Business Administration - Concentration in Management and International

University of Missouri-Columbia, Missouri

- Bachelor of Business Administration - Finance and Banking

Speaking Engagements

Mississippi Housing Corporation Panel Speaker
Indiana Housing Corporation Panel Speaker
Washington Housing Conference Panel Speaker

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09/30/2023

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