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CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET CONDITIONS AND
PROJECT EVALUATION SUMMARY**

OF:

**TOWNE PARK
COMMONS**

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

TOWNE PARK COMMONS

Towne Park Drive W
Rincon, Effingham County, Georgia 31326

Effective Date: April 22, 2017
Report Date: May 19, 2017

Prepared for:
Mr. Jeff Rice
Towne Park Commons, LP
2600 E South Boulevard, Suite 225
Montgomery, AL 36116

Assignment Code: AEP600V.065

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



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May 19, 2017
Mr. Jeff Rice
Towne Park Commons, LP
2600 E South Boulevard, Suite 225
Montgomery, AL 36116

Re: Market Study - Update for Towne Park Commons, located in Rincon, Effingham County, Georgia

Dear Mr. Rice:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Rincon, Effingham County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We previously completed a market study for this property dated May 25, 2016.

The purpose of this market study is to assess the viability of the proposed 60-unit family LIHTC project. It will be a newly constructed affordable LIHTC project, with 60 revenue generating units. All 60 will be restricted to households earning 50 and 60 percent of the Area Median Income (AMI) or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

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

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

MR. JEFF RICE
TOWNE PARK COMMONS, LP
MAY 19, 2017
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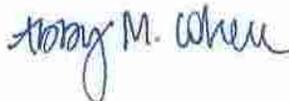
This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. This report was completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

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

Respectfully submitted,
Novogradac & Company LLP



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP
Blair.Kincer@novoco.com



Abby M. Cohen
Principal
Abby.Cohen@novoco.com



Brian Neukam
Manager
Brian.Neukam@novoco.com



Meg Southern
Junior Analyst
Meg.Southern@novoco.com

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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Towne Park Commons will be a newly constructed family property located in Rincon, Effingham County, Georgia, which will consist of 10 one and two-story, townhome-style residential buildings and one, one-story community building.

The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowances.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance	Gross Rent	2016 LIHTC Maximum Allowable	HUD Fair Market
				<i>50% AMI</i>			
1BR	750	5	\$435	\$93	\$528	\$595	\$775
2BR	1,050	7	\$505	\$126	\$631	\$715	\$897
3BR	1,250	6	\$570	\$169	\$739	\$825	\$1,208
				<i>60% AMI</i>			
1BR	750	13	\$495	\$93	\$588	\$714	\$775
2BR	1,050	15	\$560	\$126	\$686	\$858	\$897
3BR	1,250	<u>14</u>	\$645	\$169	\$814	\$990	\$1,208
Total		60					

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

All of the Subject's rents at the 50 and 60 percent AMI levels are below the 2016 LIHTC maximum allowable levels. The Subject's amenity package is considered generally similar to superior property amenities in comparison to the LIHTC and market-rate comparable properties and slightly inferior to slightly superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties. The Subject will offer hand rails, a courtyard, a covered porch, computer training, and aerobics classes, which many of the comparables lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market.

2. Site Description/Evaluation

The Subject site is bordered by wooded land to the north. Further north of the Subject site are retail uses including Lowe's Home Improvement, Walgreens, several fast food restaurants, and other smaller retailers. Uses south of the Subject site include Effingham Parc, followed by wooded land and a neighborhood consisting of single-family homes. The single-family homes appeared to be in fair to good condition. Uses east of the Subject site include undeveloped land, office uses, and retail uses. Immediately west of the Subject site is wooded land and a set of railroad tracks. According to Effingham Parc's management, the rail line is active and noise from passing trains can be heard on the west side of the property. Despite the nearby rail line, management indicated that the noise has not negatively impacted the performance of the property. Currently, Effingham Parc is 94.6 percent occupied. Overall, the commercial buildings in the Subject's neighborhood appeared to be 95 percent occupied. There are few residential uses in the Subject's immediate neighborhood. The surrounding uses are in good to excellent condition. Crime indices in the PMA are significantly below the MSA and national averages. Observations of the PMA as well as the Subject's immediate neighborhood, and interviews with market participants do not reflect local crime perceptions or problems.

3. Market Area Definition

The PMA is defined by the Effingham County/Screven County line to the north, the Effingham County/Bulloch County line to the west, Interstates 16 and 95 to the south and Georgia/South Carolina border to the east. This area includes the cities of Rincon, Guyton, Springfield, Eden, Bloomingdale, Clio and Pooler. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 24.2 miles
East: 6.5 miles
South: 13.3 miles
West: 21.0 miles

The PMA was defined based on interviews with the local housing authority, property managers at comparable properties. According to management at Veranda Village, Goshen Crossing I, and Goshen Crossing II, most tenants are from Rincon, Savannah, or other cities in Effingham County. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2017 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 24.2 miles.

4. Community Demographic Data

The population in the PMA and the SMA increased significantly from 2000 to 2010, though the rate of growth slowed from 2010 to 2017. The rate of population and household growth is projected to increase through 2021. The current population of the PMA is 90,723 and is expected to be 95,971 in 2019. Renter households are concentrated in the lowest income cohorts, with 34.4 percent of renters in the PMA earning between \$10,000 and \$39,999 annually. Overall, population growth has been positive and the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

According to *RealtyTrac* statistics, one in every 1,588 housing units nationwide was in some stage of foreclosure as of April 2017. The town of Rincon is experiencing a foreclosure rate of one in every 667 homes, while Effingham County is experiencing foreclosure rate of one in every 881 homes and Georgia experienced one foreclosure in every 1,898 housing units. Overall, Rincon is experiencing a higher foreclosure rate than the county, the state, and the nation. Overall, it appears that the local market is faring worse than the state and the nation as a whole in terms of foreclosure rates. The Subject's neighborhood does not have a significant amount of abandoned or vacancy structures that would impact the marketability of the Subject.

5. Economic Data

Employment in the PMA is concentrated in four industries, which represent approximately 46.4 percent of total local employment. Two of those educational services and health care/social assistance, are resilient during periods of economic downturn. Furthermore, the county has added jobs in the manufacturing and transportation/warehousing industries.

Overall, the MSA has experienced moderate to strong total employment growth from 2011 through December 2016. As of February 2016, total employment in the MSA was 3.3 percent greater than its pre-recession peak, while national employment was 3.9 percent above its pre-recession peak. The unemployment rate in the MSA as of December 2016 was 4.9 percent, 40 basis points higher than the national unemployment rate but significantly lower than the 2011 peak of 9.9 percent. Overall, employment growth and the declining unemployment rate indicate that the MSA has recovered from the most recent national recession and is in an expansionary phase, though the SMA lags the national pace of job growth

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

6. Project-Specific Affordability and Demand Analysis

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
1BR at 50% AMI	\$18,103	\$25,400	5	201	0	201	2.5%	\$435
1BR at 60% AMI	\$20,160	\$30,480	13	257	0	257	5.1%	\$495
1BR Overall	\$18,103	\$30,480	18	279	0	279	6.4%	-
2BR at 50% AMI	\$21,634	\$28,600	7	225	0	225	3.1%	\$505
2BR at 60% AMI	\$23,520	\$34,320	15	289	0	289	5.2%	\$560
2BR Overall	\$21,634	\$34,320	22	313	0	313	7.0%	-
3BR at 50% AMI	\$25,337	\$34,300	6	159	0	159	3.8%	\$570
3BR at 60% AMI	\$27,909	\$41,160	14	204	0	204	6.9%	\$645
3BR Overall	\$25,337	\$41,160	20	221	0	221	9.0%	-
50% AMI Overall	\$18,103	\$34,300	18	584	0	584	3.1%	-
60% AMI Overall	\$20,160	\$41,160	42	749	0	749	5.6%	-
Overall	\$18,103	\$41,160	60	814	0	814	7.4%	-

We believe these calculated capture rates are reasonable, particularly as these calculations do not consider demand from outside the PMA or standard rental household turnover. Capture rates are within Georgia DCA threshold at each AMI level and overall.

7. Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight “true” comparable properties containing 1,242 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good. We used four LIHTC properties located between 0.8 and 16.7 miles from the Subject. All of the comparable LIHTC properties are located in the PMA and were built between 2005 and 2014.

The availability of market rate data is considered good. The Subject is located in Rincon, and there are several market rate properties in the area. We have included four conventional properties in our analysis of the competitive market. Additionally, one of the LIHTC properties is mixed-income and offers unrestricted market rate units. The market rate properties are located between 0.1 and 5.0 miles from the Subject site. These comparables were built between 1988 and 2009. Three of the four market rate comparables were built in 2008 or 2009. Other market rate properties were excluded based on proximity, unit types, and age/condition

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

The overall average and the maximum and minimum adjusted rents for the market properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$435	\$440	\$895	\$643	48%
2 BR @ 50%	\$505	\$468	\$1,170	\$759	50%
3 BR @ 50%	\$570	\$523	\$1,365	\$814	43%
1 BR @ 60%	\$495	\$495	\$895	\$698	41%
2 BR @ 60%	\$560	\$560	\$1,170	\$833	49%
3 BR @ 60%	\$645	\$640	\$1,365	\$907	41%

As illustrated the Subject’s proposed 50 percent rents are within the range of the comparables. The Subject’s 60 percent rents are below the range of the comparables for all unit types. Rice Creek Apartments is achieving the highest one-, two-, and three-bedroom unrestricted rents in the market. The Subject will be inferior to Rice Creek Apartments as a market rate property. Rice Creek Apartments was built in 2009 and exhibits good condition, which is slightly inferior to the anticipated condition of the Subject upon completion. This development is also similar to the Subject’s design. Rice Creek Apartments is located 3.8 miles from the Subject site and offers a similar location. However, Rice Creek Apartments offers slightly superior property amenities including a car wash, a parking garage, central laundry facility, and a swimming pool. Rice Creek Apartments offers similar in-unit amenities, but offers superior unit size in comparison to the Subject.

The Subject will be most similar to Effingham Parc as a market rate property. Effingham Parc was constructed in 2008 and exhibits good condition, which is considered slightly inferior to the anticipated condition of the Subject upon completion. Effingham Parc offers slightly superior property amenities and similar in-unit amenities in comparison the Subject. It is located 0.1 miles from the Subject site and offers a similar location. Effingham Parc’s unit sizes are slightly inferior to the Subject’s unit sizes. The one-, two-, and three-bedroom rents at Effingham Parc are between 90 and 115 percent higher than the Subject’s highest 60 percent AMI rents. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

8. Absorption/Stabilization Estimate

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

ABSORPTION				
Property Name	Occupancy Type	Year Built	Number of Units	Units Absorbed / Month
Goshen Crossing II	LIHTC	2014	60	60
Rice Creek Apartments	Market	2009	240	16
The Village At Rice Hope	Market	2008	200	27
Average				34

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Goshen Crossing II is the most recently completed LIHTC property in the PMA. This property experienced an absorption pace of 60 units per month, significantly faster than the market rate properties constructed in 2008 and 2009. Goshen Crossing II is the second phase of the Goshen Crossing development. Some of this property's units were filled from the waiting list at Goshen Crossing I. Based on the absorption paces reported by the comparable properties and the full occupancy and waiting lists reported at the LIHTC comparables, we anticipate that the Subject will absorb 30 units per month, for an absorption period of one to two months to reach 93 percent occupancy.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are all currently fully-occupied and report extensive waiting lists. These factors indicate demand for affordable housing. The Subject will offer generally slightly inferior to slightly superior property amenities in comparison to the LIHTC and market-rate comparable properties and generally similar to superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties. The Subject will offer hand rails, a courtyard, a covered porch, computer training, and aerobics classes, which many of the comparables lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered similar to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be similar to slightly superior to the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by the full occupancy and waiting lists at the LIHTC comparable properties, we believe that the Subject is feasible as proposed. We do not believe that it will negatively impact the performance of the existing comparable family properties and that it will perform well.

TOWNE PARK COMMONS – RINCON, GEORGIA – MARKET STUDY

Summary Table:

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

Development Name:	Towne Park Commons	Total # Units:	60
Location:	Towne Park Drive W	# LIHTC Units:	60
	Rincon, GA 31326		
PMA Boundary:	North: Effingham County/Scriven County line; South: Interstates 16 and 95; East: Georgia/South Carolina border;		
West: Effingham County/Bulloch County Line	Farthest Boundary Distance to Subject:	24.2 miles	

Rental Housing Stock (found on page 61)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	20	2,300	66	97.1%
Market-Rate Housing	9	1,627	62	96.2%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	3	182	N/Ap	N/Av
LIHTC	8	491	0	100.0%
Stabilized Comps	20	2,300	66	97.1%
Properties in Construction & Lease Up	0	N/Ap	N/Ap	N/Ap

*Only includes properties in PMA

Subject Development					Average Market Rent*			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
5	1BR at 50% AMI	1	750	\$435	\$643	\$0.86	48%	\$892	\$1.27
7	2BR at 50% AMI	2	1,050	\$505	\$759	\$0.72	50%	\$1,049	\$1.10
6	3BR at 50% AMI	2	1,250	\$570	\$816	\$0.65	43%	\$1,196	\$1.09
13	1BR at 60% AMI	1	750	\$495	\$698	\$0.93	41%	\$892	\$1.27
15	2BR at 60% AMI	2	1,050	\$560	\$833	\$0.79	49%	\$1,049	\$1.10
14	3BR at 60% AMI	2	1,250	\$645	\$908	\$0.73	41%	\$1,196	\$1.09

Demographic Data (found on page 26)

	2010		2017		July 2019	
Renter Households	7,459	100.0%	10,200	31.4%	10,873	31.7%
Income-Qualified Renter HHs (LIHTC)	1,943	26.1%	2,657	26.1%	2,833	26.1%

Targeted Income-Qualified Renter Household Demand (found on pages 40 to 57)

Type of Demand	30%	50%	60%	Market-rate	Other:___	Overall*
Renter Household Growth	-	47	106	-	-	102
Existing Households (Overburdened + Substandard)	-	655	796	-	-	876
Homeowner conversion (Seniors)	-	0	0	-	-	0
Total Primary Market Demand	-	702	901	-	-	979
Less Comparable/Competitive Supply	-	0	0	-	-	0
Adjusted Income-qualified Renter HHs**	-	702	901	-	-	979

Capture Rates (found on page 57)

Targeted Population	30%	50%	60%	Market-rate	Other:___	Overall
Capture Rate:	-	3.1%	5.6%	-	-	7.4%

*Includes LIHTC and unrestricted (when applicable)

**Not adjusted for demand by bedroom-type.

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- 1. Project Address and Development Location:** The Subject site is located at Towne Park Drive W in Rincon, Effingham County, Georgia 31326. The Subject site is currently vacant.
- 2. Construction Type:** The Subject will consist of 10 one and two-story townhome-style residential buildings and one, one-story community building. The Subject will be new construction.
- 3. Occupancy Type:** Families.
- 4. Special Population Target:** None.
- 5. Number of Units by Bedroom Type and AMI Level:** See following property profile.
- 6. Unit Size, Number of Bedrooms and Structure Type:** See following property profile.
- 7. Rents and Utility Allowances:** See following property profile.
- 8. Existing or Proposed Project-Based Rental Assistance:** See following property profile.
- 9. Proposed Development Amenities:** See following property profile.

TOWNE PARK COMMONS – RINCON, GEORGIA – MARKET STUDY

Towne Park Commons												
Location	620 Towne Park Drive W Rincon, GA 31326 Effingham County											
Units Type	60 Townhouse											
Year Built / Renovated	Proposed											
Tenant Characteristics	Families											
Market												
Program	@50%, @60%					Leasing Pace	n/a					
Annual Turnover Rate	N/A					Change in Rent (Past Year)	n/a					
Units/Month Absorbed	n/a					Concession						
Section 8 Tenants	N/A											
Utilities												
A/C	not included – central					Other Electric	not included					
Cooking	not included – electric					Water	not included					
Water Heat	not included – electric					Sewer	not included					
Heat	not included – electric					Trash Collection	included					
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Townhouse	5	750	\$435	\$0	@50%	N/A	N/A	N/A	no	
1	1	Townhouse	13	750	\$495	\$0	@60%	N/A	N/A	N/A	no	
2	2	Townhouse	7	1,050	\$505	\$0	@50%	N/A	N/A	N/A	no	
2	2	Townhouse	15	1,050	\$560	\$0	@60%	N/A	N/A	N/A	no	
3	2	Townhouse	6	1,250	\$570	\$0	@50%	N/A	N/A	N/A	no	
3	2	Townhouse	14	1,250	\$645	\$0	@60%	N/A	N/A	N/A	no	
Amenities												
In-Unit	Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Hand Rails Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup					Security	none					
Property	Parking spaces: 152 Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Courtyard Exercise Facility Off-Street Parking On-Site Management Picnic Area Playground					Premium	none					
Services	none					Other	Covered porch, computer training, aerobics classes					
Comments												
Adult education includes computer training and aerobics classes. Hand rails will be included as in-unit amenities. The property will not offer any security features. Utility allowances are \$93 for one-bedroom units, \$126 for two-bedroom units, and \$169 for three-bedroom units.												

- 10. Scope of Renovations:** The Subject will be new construction.
- 11. Placed in Service Date:** Construction on the Subject is expected to begin in July 2018 and be completed in July 2019.
- Conclusion:** The Subject will be an excellent-quality brick and fiber cement siding townhome-style apartment complex, comparable to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

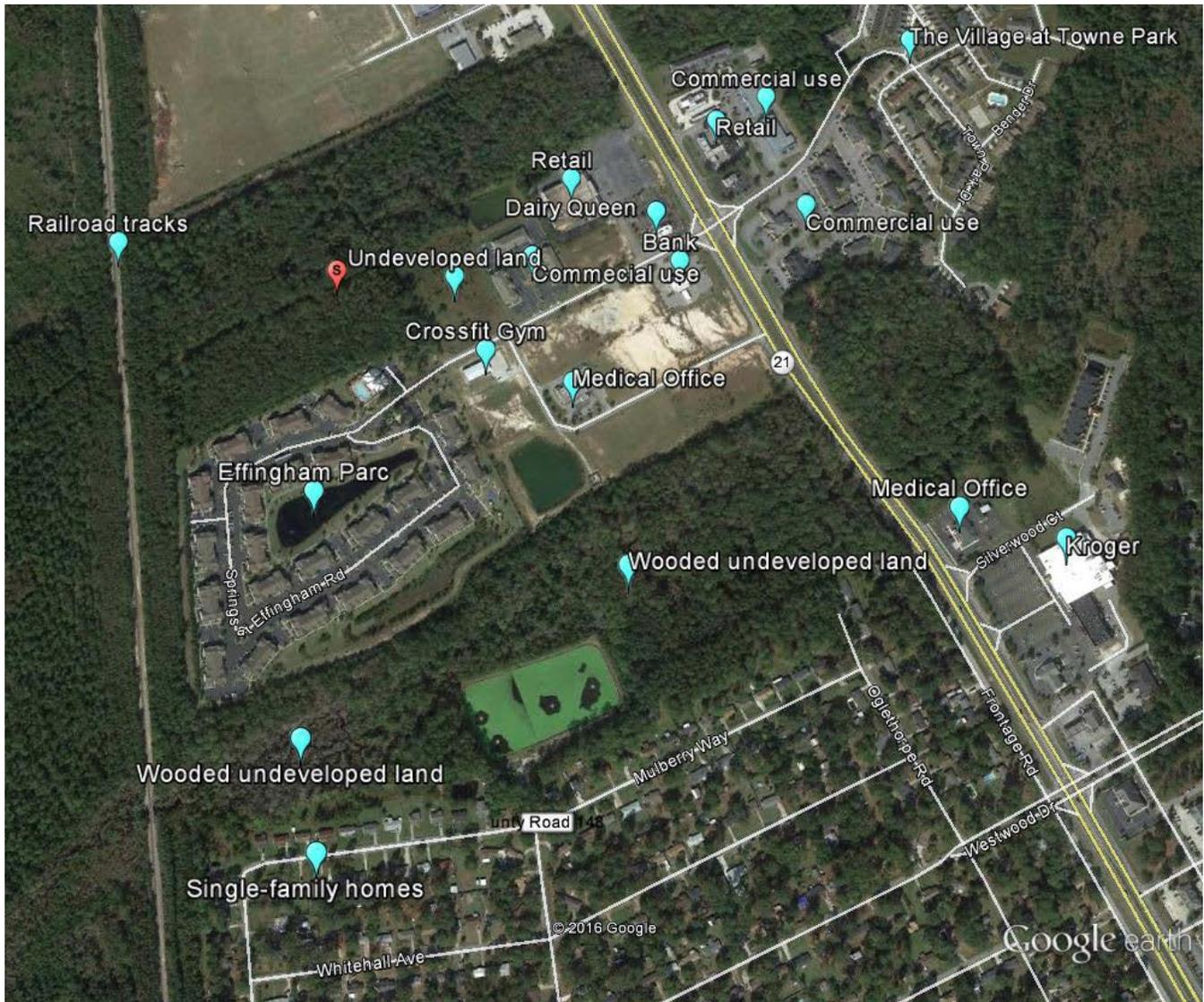
C. SITE EVALUATION

1. **Date of Site Visit and Name of Inspector:** Abby Cohen visited the site on April 22, 2017.

2. **Physical Features of the Site:** The following illustrates the physical features of the site.
 - Frontage:** The Subject site has frontage along the north side of Towne Park West Drive.

 - Visibility/Views:** The site has average access and visibility from Towne Park West Drive. Towne Park West Drive is a lightly-trafficked two-lane road that provides access to South Columbia Avenue, approximately 0.25 miles east of the Subject site. South Columbia Avenue (GA Highway 21) is the primary commercial corridor in Rincon. Views from the Subject site include wooded land, Effingham Parc (market rate apartment complex used as a comparable in this report), retail and office uses, and vacant undeveloped land. The residential and commercial buildings in the Subject's neighborhoods are in good to excellent condition. Overall, views are considered good.

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



Source: Google Earth, April 2017.

Uses east of the Subject site include undeveloped land, office uses, and retail uses. The Subject site is bordered by wooded land to the north. Further north of the Subject site are retail uses including Lowe’s Home Improvement, Walgreens, several fast food restaurants, and other smaller retailers. Uses south of the Subject site include Effingham Parc, followed by wooded land and a neighborhood consisting of single-family homes. The single-family homes appeared to be in fair to good condition. Immediately west of the Subject site is wooded land and a set of railroad tracks. According to Effingham Parc’s management, the rail line is active and noise from passing trains can be heard on the west side of the property. Despite the nearby rail line, management indicated that the noise has not negatively impacted the performance of the property. Currently, Effingham Parc is 94.6 percent occupied. Overall, the commercial buildings in the Subject’s neighborhood

appeared to be 95 percent occupied. There are few residential uses in the Subject's immediate neighborhood. The surrounding uses are in good to excellent condition.

Positive/Negative Attributes of Site:

Positive attributes of the Subject site include its excellent access to retail and commercial uses along South Columbia Avenue. Additionally, the uses in the Subject's immediate neighborhood are in good to excellent condition. Potentially negative attributes of the Subject site include its close proximity to an active rail line and its somewhat limited visibility. As mentioned previously, the rail line is active and noise from passing trains can be heard from the Subject site. However, Effingham Parc has not been negatively impacted by its location adjacent to the railroad tracks. Therefore, we do not believe that the Subject will be negatively impacted by its proximity to the railroad tracks.

3. Physical Proximity to Locational Amenities:

The Subject site is located less than 0.25 miles west of the intersection of Towne Park West Drive and South Columbia Avenue. South Columbia Avenue is the primary commercial corridor in Rincon. The Subject will be located within 1.5 miles of most locational amenities except public schools and a hospital. The schools and hospital are located between 2.4 and 10.6 miles from the Subject site. We do not believe the Subject's distance from public schools and a hospital will negatively impact its performance. Four of the five rent comparables are located similar distances from schools and a hospital as the proposed Subject and are currently fully occupied. Effingham County does not offer fixed-route bus service. The Subject is projected to have a positive impact on the local neighborhood.

4. Pictures of Site and Adjacent Uses:

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



Subject site



Subject site



Subject site



Effingham Parc adjacent to the Subject site (used as a comparable)



Bank in Subject's neighborhood



Grocery store in Subject's neighborhood (vacant)



Commercial use in the Subject's neighborhood



Adjacent vacant land north of the Subject



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood
(vacant)



Adjacent use east of the Subject



View east on Towne Park Drive West



View west on Towne Park Drive West



Walgreens Pharmacy in the Subject's neighborhood



Walmart in the Subject's neighborhood



Car dealership in the Subject's neighborhood



Fast food restaurant in the Subject's neighborhood



Fast food restaurant in the Subject's neighborhood



Crossfit gym in the Subject's neighborhood



Office space in the Subject's neighborhood



Medical center in the Subject's neighborhood



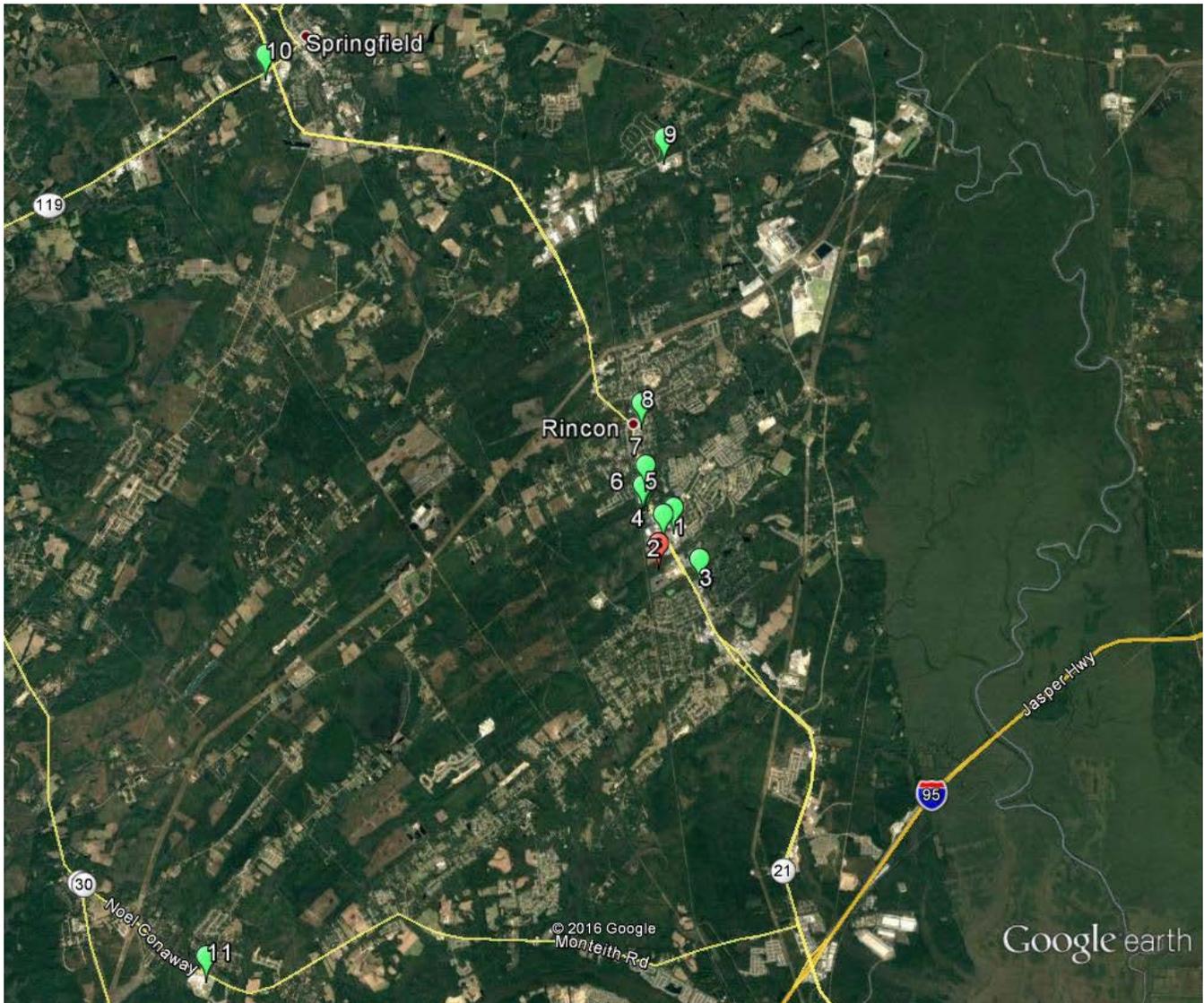
Bank in the Subject's neighborhood



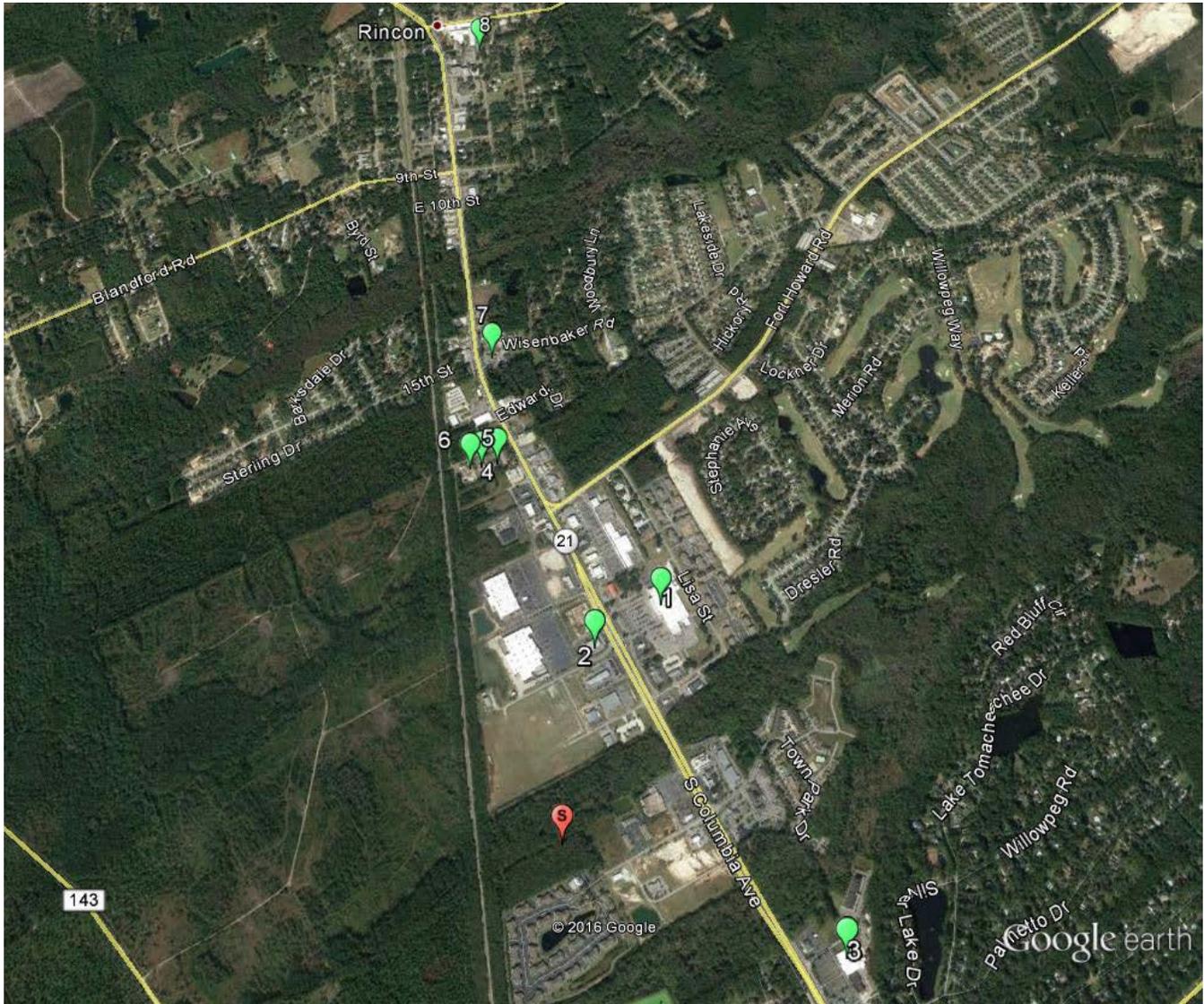
Grocery store and gas station in the Subject's neighborhood

5. Proximity to Locational Amenities:

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



Source: Google Earth April 2017.



Source: Google Earth April 2017.

LOCATIONAL AMENITIES

Number	Service or Amenity	Distance from Subject
1	Walmart Supercenter	0.8 miles
2	Walgreens Pharmacy	0.8 miles
3	Kroger	1.0 miles
4	Rincon Library	1.3 miles
5	Rincon Police Department	1.3 miles
6	Rincon Fire Department	1.3 miles
7	Rincon City Hall	1.5 miles
8	Rincon Elementary School	2.4 miles
9	Ebenezer Middle School	7.4 miles
10	Effingham Hospital	10.1 miles
11	South Effingham High School	10.9 miles

6. Description of Land Uses

The Subject site is bordered by wooded land to the north. Further north of the Subject site are retail uses including Lowe’s Home Improvement, Walgreens, several fast food restaurants, and other smaller retailers. Uses south of the Subject site include Effingham Parc, followed by wooded land and a neighborhood consisting of single-family homes. The single-family homes appeared to be in fair to good condition. Uses east of the Subject site include undeveloped land, office uses, and retail uses. Immediately west of the Subject site is wooded land and a set of railroad tracks. According to Effingham Parc’s management, the rail line is active and noise from passing trains can be heard on the west side of the property.

7. Crime:

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

2017 CRIME INDICES

	PMA	Savannah, GA MSA
Total Crime*	54	153
Personal Crime*	32	123
Murder	47	221
Rape	42	82
Robbery	32	205
Assault	31	86
Property Crime*	57	157
Burglary	58	164
Larceny	58	157
Motor Vehicle Theft	48	146

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

*Unweighted aggregations

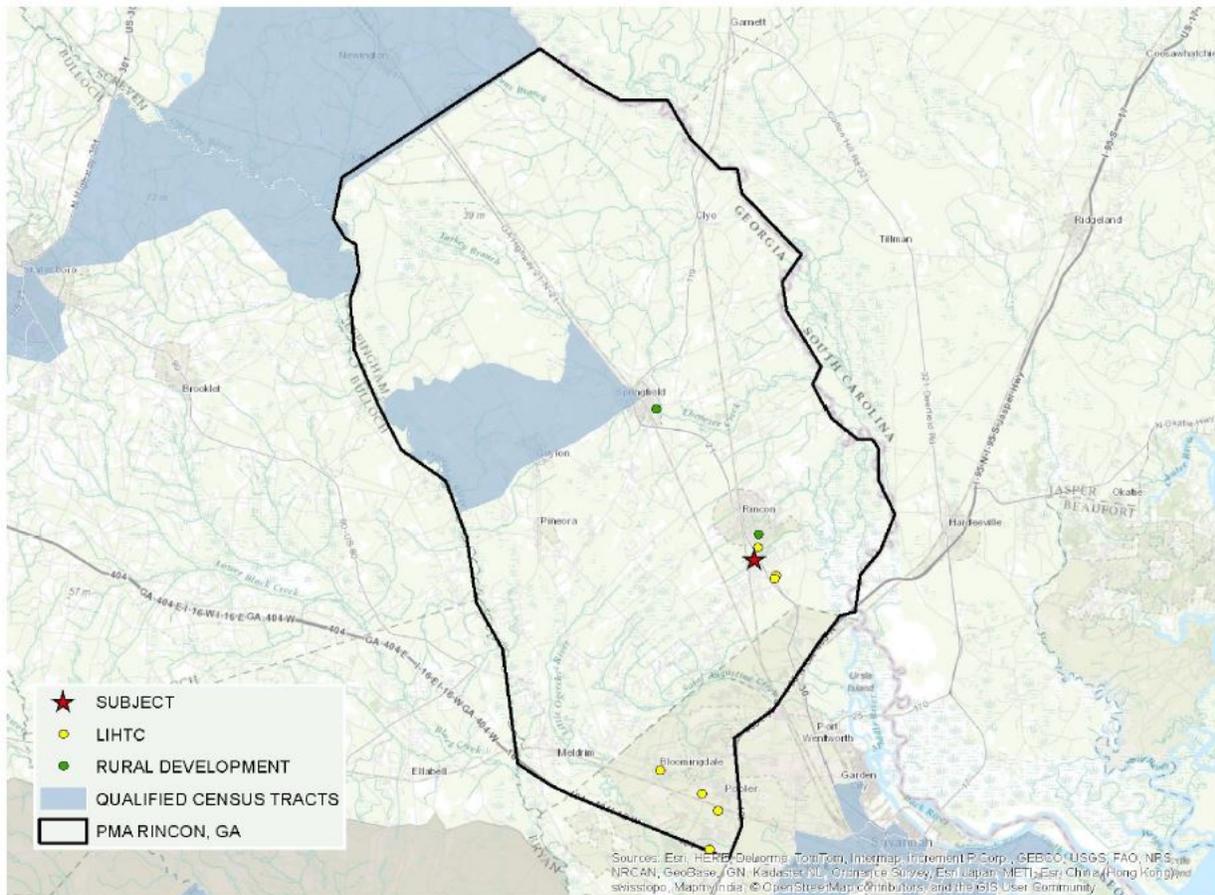
As illustrated in the previous table, the most recent data indicates that total crime, personal crime, and property crime indices in the PMA are significantly below the MSA and national averages. Observations of the PMA as well as the Subject’s immediate neighborhood, and interviews with market participants do not reflect local crime perceptions or problems. The Subject will not offer any security features, similar to several of the comparables.

8. Existing Assisted Rental Housing Property Map:

The following map and list identifies all assisted rental housing properties in the PMA.

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Map Color
Towne Park Commons	LIHTC	Rincon	Family	60	Star
Goshen Crossing I	LIHTC	Rincon	Family	60	Yellow
Goshen Crossing II	LIHTC	Rincon	Family	60	
Harmony Greene	LIHTC	Pooler	Family	50	
Pinewood Village	LIHTC	Pooler	Senior	64	
Veranda Village	LIHTC/Market	Rincon	Family	96	
Sheppard Station	LIHTC/Market	Pooler	Senior	69	
Fair Oaks Land Apartments	LIHTC/RD	Rincon	Family	44	
Magnolia Lane	LIHTC/RD	Bloomington	Family	48	
Spring Hollow Apartments	Rural Development	Springfield	Family	53	
Willowpeg Lane Apartments	Rural Development	Rincon	Family	48	
Willowpeg Village Apartments	Rural Development	Rincon	Family	81	Green



Rincon, GA



9. Road, Infrastructure or Proposed Improvements:

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

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

The Subject site is accessed via Towne Park West Drive, a lightly-trafficked two-lane road that provides access to South Columbia

Avenue. South Columbia Avenue is located approximately 0.25 miles east of the Subject site and is the primary commercial corridor in Rincon. Overall, the site has average access and visibility from Towne Park West Drive.

11. Conclusion:

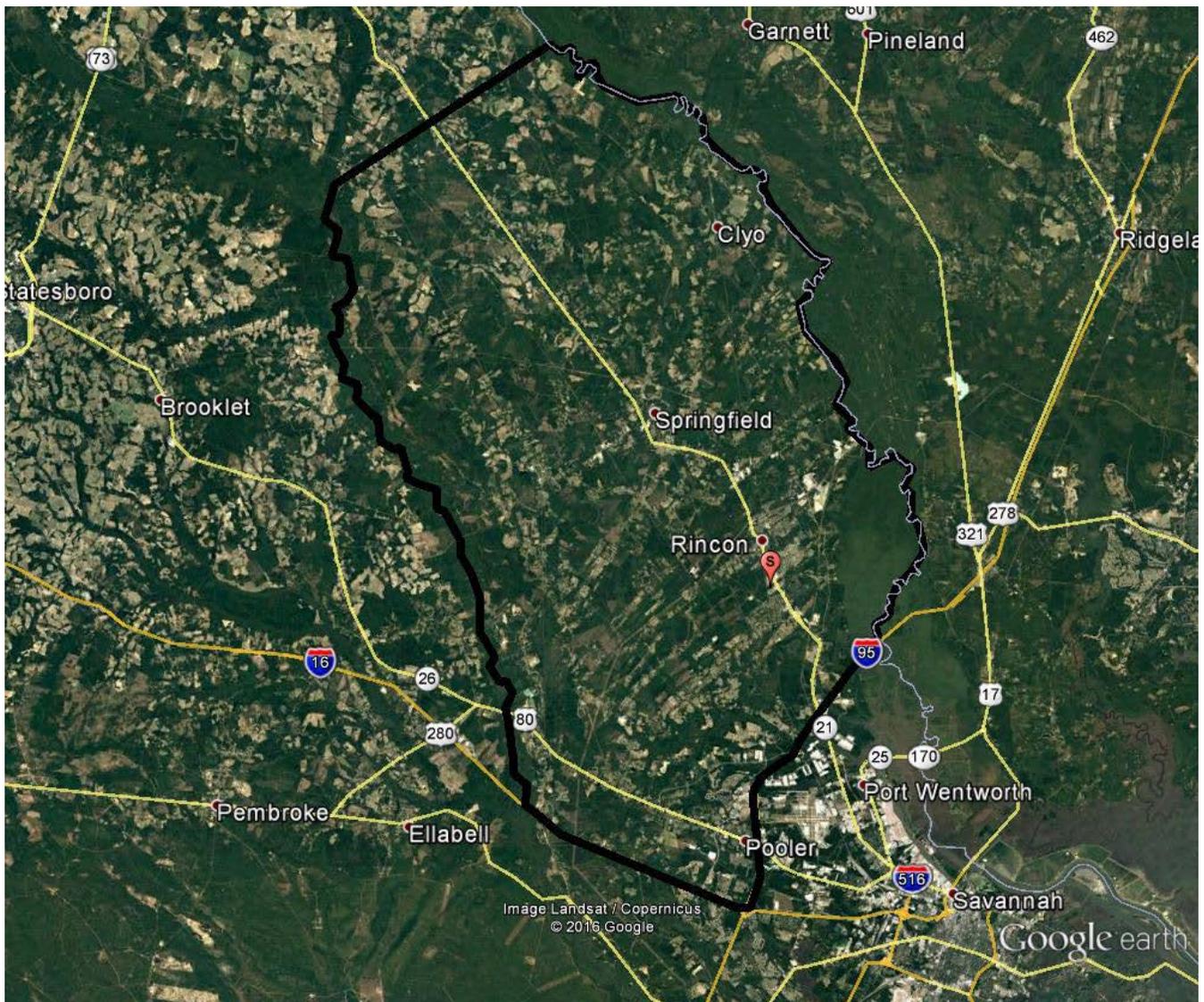
The Subject site is bordered by wooded land to the north. Further north of the Subject site are retail uses including Lowe's Home Improvement, Walgreens, several fast food restaurants, and other smaller retailers. Uses south of the Subject site include Effingham Parc, followed by wooded land and a neighborhood consisting of single-family homes. The single-family homes appeared to be in fair to good condition. Uses east of the Subject site include undeveloped land, office uses, and retail uses. Immediately west of the Subject site is wooded land and a set of railroad tracks. According to Effingham Parc's management, the rail line is active and noise from passing trains can be heard on the west side of the property. Despite the nearby rail line, management indicated that the noise has not negatively impacted the performance of the property. Currently, Effingham Parc is 94.6 percent occupied. Overall, the commercial buildings in the Subject's neighborhood appeared to be 95 percent occupied. There are few residential uses in the Subject's immediate neighborhood. The surrounding uses are in good to excellent condition. Crime indices in the PMA are significantly below the MSA and national averages. Observations of the PMA as well as the Subject's immediate neighborhood, and interviews with market participants do not reflect local crime perceptions or problems.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



Source: Google Earth, April 2017.

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

The PMA is defined by the Effingham County/Screven County line to the north, the Effingham County/Bulloch County line to the west, Interstates 16 and 95 to the south and Georgia/South Carolina border to the east.

This area includes the cities of Rincon, Guyton, Springfield, Eden, Bloomingdale, Clyo and Pooler. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 24.2 miles
East: 6.5 miles
South: 13.3 miles
West: 21.0 miles

The PMA was defined based on interviews with the local housing authority, property managers at comparable properties. According to management at Veranda Village, Goshen Crossing I, and Goshen Crossing II, most tenants are from Rincon, Savannah, or other cities in Effingham County. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2017 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 24.2 miles.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group within the population in the MSA, the PMA and nationally from 2000 through 2021.

1a. Total Population

The following table illustrates the total population within the PMA, SMA and nation from 2000 through 2021.

Year	POPULATION					
	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	45,960	-	292,894	-	281,421,906	-
2010	77,128	6.8%	347,611	1.9%	308,745,538	1.0%
2017	90,723	1.0%	381,794	0.6%	323,580,626	0.3%
Projected Mkt Entry July 2019	95,971	2.3%	396,809	1.6%	330,453,372	0.8%
2021	101,219	2.3%	411,824	1.6%	337,326,118	0.8%

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

Between 2010 and 2017, there was approximately 1.0 percent annual growth in the PMA, which is greater than the MSA and national population growth. Total population in the PMA is projected to increase at a 2.3 percent annual rate from 2017 to 2021, a growth rate above that of the MSA and nation as a whole during the same time period. The strong population growth in the PMA is a positive indication for new affordable housing such as the Subject.

1b. Total Population by Age Group

The following table illustrates the total population within the PMA and SMA and nation from 2000 to 2021.

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2017	Projected Mkt Entry July 2019	2021
0-4	3,448	5,666	6,407	6,761	7,115
5-9	3,776	5,874	6,545	6,943	7,341
10-14	3,893	5,942	6,588	7,064	7,539
15-19	3,487	5,569	5,853	6,245	6,637
20-24	2,649	4,824	5,683	5,580	5,477
25-29	3,081	6,040	6,619	6,816	7,012
30-34	3,468	5,961	7,422	7,929	8,435
35-39	4,248	5,996	6,925	7,793	8,661
40-44	4,040	5,726	6,699	7,059	7,418
45-49	3,376	6,015	6,210	6,372	6,533
50-54	2,822	5,296	6,299	6,195	6,090
55-59	2,176	4,237	5,658	5,824	5,989
60-64	1,657	3,497	4,564	4,961	5,357
65-69	1,238	2,514	3,718	4,017	4,315
70-74	998	1,631	2,498	2,904	3,309
75-79	743	1,085	1,490	1,777	2,063
80-84	493	721	863	992	1,120
85+	367	534	680	744	807
Total	45,960	77,128	90,721	95,970	101,218

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

POPULATION BY AGE GROUP

Age Cohort	Savannah, GA MSA				
	2000	2010	2017	Projected Mkt Entry July 2019	2021
0-4	20,316	24,397	25,289	26,180	27,071
5-9	21,766	23,127	25,140	25,831	26,521
10-14	21,869	22,259	24,194	25,513	26,832
15-19	21,437	25,654	25,746	26,727	27,708
20-24	22,164	29,851	30,527	30,189	29,850
25-29	21,488	27,551	29,257	29,427	29,597
30-34	20,655	23,776	28,379	29,630	30,881
35-39	22,965	22,254	24,856	27,229	29,602
40-44	22,871	21,921	23,530	24,698	25,865
45-49	20,020	24,006	22,894	23,200	23,506
50-54	18,022	23,654	24,352	23,801	23,250
55-59	13,752	20,625	24,246	24,179	24,111
60-64	11,097	18,194	21,424	22,767	24,110
65-69	9,551	13,313	18,385	19,587	20,789
70-74	8,909	9,425	13,122	15,167	17,211
75-79	7,370	7,098	8,720	10,084	11,447
80-84	4,741	5,448	5,826	6,391	6,956
85+	3,901	5,058	5,907	6,212	6,517
Total	292,894	347,611	381,794	396,809	411,824

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

The largest age cohorts in the PMA are between 35 and 39 and 40 and 44, which indicate the presence of families.

2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, (d) Renter Households by Size within the population in the MSA, the PMA and nationally from 2000 through 2017.

2a. Total Number of Households and Average Household Size

The following tables illustrate the total number of households and average household size within the PMA, SMA and nation from 2000 through 2021.

HOUSEHOLDS

Year	PMA		Savannah, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	16,223	-	111,061	-	105,480,101	-
2010	27,778	7.1%	131,868	1.9%	116,716,292	1.1%
2017	32,470	1.0%	143,036	0.5%	121,786,233	0.3%
Projected Mkt Entry July 2019	34,336	2.3%	148,349	1.5%	124,240,251	0.8%
2021	36,202	2.3%	153,662	1.5%	126,694,268	0.8%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Savannah, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.79	-	2.56	-	2.59	-
2010	2.70	-0.3%	2.53	-0.1%	2.58	-0.1%
2017	2.73	0.1%	2.57	0.1%	2.59	0.0%
Projected Mkt Entry July 2019	2.73	0.1%	2.58	0.1%	2.59	0.1%
2021	2.74	0.1%	2.58	0.1%	2.60	0.1%

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

Similar to population trends, total household growth in the PMA is projected to increase at a faster rate than household growth in both the MSA and nation through 2021. Between 2010 and 2017, the number of households in the PMA increased 1.0 percent annually. The number of households in the PMA is expected to increase at a faster rate of 2.3 percent through 2021. The average household size in the PMA was 2.73 persons in 2017 and is expected to slightly increase through 2021. The Subject will target one to five-person households.

2b. Households by Tenure

The table below depicts household growth by tenure from 2000 through 2021.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	13,350	82.3%	2,873	17.7%
2017	22,270	68.6%	10,200	31.4%
Projected Mkt Entry July 2019	23,464	68.3%	10,873	31.7%
2021	24,657	68.1%	11,545	31.9%

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

As the table above indicates, the majority of households in the Subject’s PMA are owner-occupied. However, the percentage of renter-occupied units is expected to increase slightly through 2021. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there are a similar percentage of renters in the PMA as the nation.

2c. Household Income

The following table depicts renter household income in the PMA in 2017, market entry, and 2021.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry July 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	569	5.6%	577	5.3%	584	5.1%
\$10,000-19,999	1,180	11.6%	1,161	10.7%	1,142	9.9%
\$20,000-29,999	1,340	13.1%	1,348	12.4%	1,355	11.7%
\$30,000-39,999	985	9.7%	1,084	10.0%	1,183	10.3%
\$40,000-49,999	941	9.2%	929	8.5%	918	7.9%
\$50,000-59,999	1,046	10.3%	1,073	9.9%	1,100	9.5%
\$60,000-74,999	1,216	11.9%	1,294	11.9%	1,372	11.9%
\$75,000-99,999	1,280	12.5%	1,427	13.1%	1,574	13.6%
\$100,000-124,999	862	8.4%	991	9.1%	1,120	9.7%
\$125,000-149,999	323	3.2%	412	3.8%	502	4.3%
\$150,000-199,999	202	2.0%	249	2.3%	297	2.6%
\$200,000+	257	2.5%	327	3.0%	398	3.4%
Total	10,200	100.0%	10,873	100.0%	11,545	100.0%

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - Savannah, GA MSA

Income Cohort	2017		Projected Mkt Entry July 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	7,883	13.1%	8,176	13.1%	8,469	13.1%
\$10,000-19,999	8,379	14.0%	8,691	14.0%	9,002	14.0%
\$20,000-29,999	8,102	13.5%	8,403	13.5%	8,705	13.5%
\$30,000-39,999	6,643	11.1%	6,890	11.1%	7,138	11.1%
\$40,000-49,999	6,331	10.6%	6,567	10.6%	6,803	10.6%
\$50,000-59,999	4,416	7.4%	4,580	7.4%	4,745	7.4%
\$60,000-74,999	5,448	9.1%	5,651	9.1%	5,854	9.1%
\$75,000-99,999	4,988	8.3%	5,173	8.3%	5,359	8.3%
\$100,000-124,999	3,062	5.1%	3,175	5.1%	3,289	5.1%
\$125,000-149,999	1,806	3.0%	1,873	3.0%	1,941	3.0%
\$150,000-199,999	1,289	2.1%	1,337	2.1%	1,385	2.1%
\$200,000+	1,620	2.7%	1,680	2.7%	1,740	2.7%
Total	59,966	100.0%	62,198	100.0%	64,430	100.0%

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

The Subject will target tenants earning between \$18,103 and \$41,160. As the table above depicts, approximately 34.4 percent of renter households in the PMA are earning incomes between \$10,000 and \$39,999, which is comparable to the 38.6 percent of renter households in the SMA in 2017. For the projected market entry date of July 2019, these percentages are projected to remain similar. This bodes well for the Subject, as renters in these income cohorts will be income-qualified for tenancy at the Subject.

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

The following table illustrates household size for all households in 2017, 2019 and 2021. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2017		Projected Mkt Entry July 2019		2021	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
1 Person	3,059	30%	3,253	30%	3,448	30%
2 Persons	2,384	23%	2,512	23%	2,639	23%
3 Persons	1,791	18%	1,911	18%	2,030	18%
4 Persons	1,702	17%	1,833	17%	1,965	17%
5+ Persons	1,264	12%	1,363	13%	1,463	13%
Total Households	10,200	100%	10,873	100%	11,545	100%

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

The Subject will target households of one to five persons. Approximately 88 percent of renter households in the PMA contain up to five persons.

Conclusion

The population in the PMA and the SMA increased significantly from 2000 to 2010, though the rate of growth slowed from 2010 to 2017. The rate of population and household growth is projected to increase through 2021. The current population of the PMA is 90,723 and is expected to be 95,971 in 2019. Renter households are concentrated in the lowest income cohorts, with 34.4 percent of renters in the PMA earning between \$10,000 and \$39,999 annually. Overall, population growth has been positive and the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

F. EMPLOYMENT TRENDS

Employment Trends

1. Total Jobs

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

Year	Total Employment	% Change
2006	26,165	-
2007	27,560	5.3%
2008	27,683	0.4%
2009	26,247	-5.2%
2010	23,310	-11.2%
2011	23,251	-0.3%
2012	23,796	2.3%
2013	24,319	2.2%
2014	24,641	1.3%
2015	25,368	3.0%
2016 YTD Average	28,916	14.0%
Dec-15	25,775	-
Dec-16	27,181	5.5%

Source: U.S. Bureau of Labor Statistics

As illustrated in the table above, Effingham County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2008. Effingham County began to exhibit employment growth by 2010; the employment growth has been moderate and has yet to reach pre-recessionary levels. Overall, total employment in Effingham County increased 5.5 percent from December 2015 to December 2016.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Effingham County as of January 2017.

**January 2017 Covered Employment
Effingham County, Georgia**

	Number	Percent
Total, all industries	6,546	-
Goods-producing	-	-
Natural resources and mining	138	2.1%
Construction	464	7.1%
Manufacturing	1,373	21.0%
Service-providing	-	-
Trade, transportation, and utilities	1,746	26.7%
Information	22	0.3%
Financial activities	298	4.6%
Professional and business services	834	12.7%
Education and health services	478	7.3%
Leisure and hospitality	736	11.2%
Other services	406	6.2%
Unclassified	51	0.8%

Source: Bureau of Labor Statistics, 2017

Trade, transportation, and utilities is the largest industry in Effingham County, followed by manufacturing. These industries are particularly vulnerable in economic downturns and are historically volatile industries, with the exception of utilities. The following table illustrates employment by industry for the PMA as of 2017 (most recent year available).

2017 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	6,332	14.9%	15,499,826	10.2%
Retail Trade	5,075	12.0%	17,169,304	11.3%
Healthcare/Social Assistance	4,170	9.8%	21,304,508	14.1%
Educational Services	4,093	9.7%	14,359,370	9.5%
Transportation/Warehousing	3,433	8.1%	6,128,217	4.0%
Construction	3,193	7.5%	9,342,539	6.2%
Accommodation/Food Services	3,174	7.5%	11,574,403	7.6%
Public Administration	2,693	6.4%	7,093,689	4.7%
Prof/Scientific/Tech Services	2,167	5.1%	10,269,978	6.8%
Other Services (excl Publ Adm)	1,967	4.6%	7,463,834	4.9%
Admin/Support/Waste Mgmt Svcs	1,381	3.3%	6,511,707	4.3%
Finance/Insurance	1,358	3.2%	6,942,986	4.6%
Wholesale Trade	776	1.8%	4,066,471	2.7%
Real Estate/Rental/Leasing	746	1.8%	2,946,196	1.9%
Arts/Entertainment/Recreation	604	1.4%	3,416,474	2.3%
Information	552	1.3%	2,862,063	1.9%
Utilities	514	1.2%	1,344,219	0.9%
Agric/Forestry/Fishing/Hunting	132	0.3%	2,253,044	1.5%
Mgmt of Companies/Enterprises	23	0.1%	89,612	0.1%
Mining	12	0.0%	749,242	0.5%
Total Employment	42,395	100.0%	151,387,682	100.0%

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

The largest industries in the PMA are manufacturing, healthcare/social assistance, retail trade and educational services. These industries account for 46.4 percent of total employment within the PMA. The percentage of manufacturing jobs in the PMA is significantly larger than that of the nation. The transportation/warehousing industry is also over represented in the PMA. Industries under-represented in the PMA includes healthcare/social assistance, professional/scientific/tech services, information, and arts/entertainment/recreation.

3. Major Employers

The table below shows the largest employers in Effingham County, GA.

MAJOR EMPLOYERS			
#	Company	Industry	Number of Employees
1	Georgia-Pacific Corp	Manufacturing	1000-4,999
2	Walmart Supercenter	Retail	250-499
3	Effingham County Human Rsrc	Public Administration	250-499
4	Effingham Hospital Care Ctr	Healthcare/Social Assistance	250-499
5	Edwards Interiors	Manufacturing	100-249
6	Felty Enterprises	Transportation/warehousing	100-249
7	Effingham County High School	Educational services	100-249
8	Lowe's Home Improvement	Retail	100-249
9	Effingham County Sheriffs Office	Public Administration	100-249
10	Sampco of Georgia	Manufacturing	100-249

Source: Georgia Department of Labor, April 2017

Georgia-Pacific, a paper products manufacturing company, is one of the largest employers in Effingham County. Other major employers include companies in the retail, public administration, healthcare, and educational services industries. While healthcare, education, and public administration are historically stable industries, manufacturing is historically unstable, especially during times of recession

Expansions/Contractions

There have been no layoffs and closures of significance that have occurred or been announced since January 1, 2014 in Effingham County according to the Georgia Department of Economic Development.

EXPANSIONS/NEW ADDITIONS- EFFINGHAM COUNTY, GA - 2014-2017

Company Name	Industry	Jobs
EFACEC	Manufacturing	200
PortFresh	Transportation/warehousing	75
Koerner Distributor Inc	Transportation/warehousing	70
DRT America LLC	Manufacturing	40

As illustrated, there were several additions in a variety of industries including manufacturing, transportation/warehousing, and film. The county’s largest employer, EFACEC, opened its Rincon plant in 2010. EFACEC recently changed its name to Georgia Transformer and came under new ownership in November 2014. Georgia Transformer preserved more than 200 existing jobs at the transformer plant in Rincon and is projected to bring up to 200 additional jobs to the facility through 2018. Between 2014 and 2017, there were more than 385 jobs added in Effingham, which is a positive sign for the local economy.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the SMA from 2001 to December 2016.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Savannah, GA MSA			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2001	138,215	-	-19.6%	136,933,000	-	-8.0%
2002	142,209	2.9%	-17.3%	136,485,000	-0.3%	-8.3%
2003	145,054	2.0%	-15.7%	137,736,000	0.9%	-7.5%
2004	152,921	5.4%	-11.1%	139,252,000	1.1%	-6.4%
2005	158,112	3.4%	-8.1%	141,730,000	1.8%	-4.8%
2006	164,431	4.0%	-4.4%	144,427,000	1.9%	-3.0%
2007	172,008	4.6%	0.0%	146,047,000	1.1%	-1.9%
2008	170,941	-0.6%	-0.6%	145,363,000	-0.5%	-2.3%
2009	161,731	-5.4%	-6.0%	139,878,000	-3.8%	-6.0%
2010	151,157	-6.5%	-12.1%	139,064,000	-0.6%	-6.6%
2011	153,244	1.4%	-10.9%	139,869,000	0.6%	-6.0%
2012	157,542	2.8%	-8.4%	142,469,000	1.9%	-4.3%
2013	159,180	1.0%	-7.5%	143,929,000	1.0%	-3.3%
2014	161,326	1.3%	-6.2%	146,305,000	1.7%	-1.7%
2015	165,960	2.9%	-3.5%	148,833,000	1.7%	0.0%
2016 YTD Average*	173,380	4.5%	-	151,435,833	1.7%	-
Dec-2015	168,410	-	-	149,703,000	-	-
Dec-2016	177,707	5.5%	-	151,798,000	1.4%	-

Source: U.S. Bureau of Labor Statistics April 2017

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Savannah, GA MSA			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2001	3.5%	-	0.0%	4.7%	-	0.1%
2002	4.2%	0.7%	0.7%	5.8%	1.0%	1.2%
2003	4.2%	0.0%	0.7%	6.0%	0.2%	1.4%
2004	4.1%	-0.1%	0.6%	5.5%	-0.5%	0.9%
2005	4.4%	0.3%	0.9%	5.1%	-0.5%	0.5%
2006	3.9%	-0.5%	0.4%	4.6%	-0.5%	0.0%
2007	3.8%	-0.1%	0.3%	4.6%	0.0%	0.0%
2008	5.5%	1.7%	2.0%	5.8%	1.2%	1.2%
2009	8.5%	3.0%	5.0%	9.3%	3.5%	4.7%
2010	9.8%	1.3%	6.3%	9.6%	0.3%	5.0%
2011	9.9%	0.1%	6.4%	9.0%	-0.7%	4.3%
2012	9.0%	-0.9%	5.5%	8.1%	-0.9%	3.5%
2013	8.0%	-1.0%	4.5%	7.4%	-0.7%	2.8%
2014	7.0%	-1.0%	3.5%	6.2%	-1.2%	1.6%
2015	5.6%	-1.5%	2.1%	5.3%	-0.9%	0.7%
2016 YTD Average*	5.0%	-0.6%	-	4.9%	-0.4%	-
Dec-2015	4.9%	-	-	4.8%	-	-
Dec-2016	4.9%	0.0%	-	4.5%	-0.3%	-

Source: U.S. Bureau of Labor Statistics April 2017

Between 2001 and 2007, total employment in the SMA exhibited positive growth, with a pre-recession peak occurring in 2007. The SMA reported a 6.5 percent contraction in total employment in 2010 at which time the national labor market had already begun to stabilize. Overall, the SMA experienced total employment losses of 12.5 percent compared to 4.9 percent nationally. However, as of December 2016, both the MSA

and the nation have surpassed their pre-recession employment highs, though the SMA reached its pre-recession employment levels two years later than the nation. Furthermore, the total employment growth in the MSA during the 12 month period preceding December 2016 was over twice the percent of employment growth in the nation during the same time period. It should be noted that due to the smaller total employment pool in the MSA, employment variations may appear more significant on a percentage basis.

Historically, the MSA has reported a lower unemployment rate relative to the nation. Unemployment in the SMA began increasing during 2008, at the onset of the national recession. The MSA maintained a lower unemployment rate throughout the recession relative to the nation. However, unemployment in the MSA remained slightly higher than the nation from 2010 to 2016. The most recent data show unemployment in the MSA was 4.9 percent, compared to 4.5 percent in the nation. Given that total employment in the MSA has surpassed its pre-recession levels, increased employment growth and decreased unemployment, it appears the MSA has recovered, which is a positive sign for rental housing demand in the area.

5. Map of Site and Major Employment Concentrations

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



Source: Google Earth, April 2017.

MAJOR EMPLOYERS

#	Company	Industry	Number of Employees
1	Georgia-Pacific Corp	Manufacturing	1,000-4,999
2	Walmart Supercenter	Retail	250-499
3	Effingham County Human Rsrc	Public Administration	250-499
4	Effingham Hospital Care Ctr	Healthcare/Social Assistance	250-499
5	Edwards Interiors	Manufacturing	100-249
6	Felty Enterprises	Transportation/warehousing	100-249
7	Effingham County High School	Educational services	100-249
8	Lowe's Home Improvement	Retail	100-249
9	Effingham County Sheriffs Office	Public Administration	100-249
10	Sampco of Georgia	Manufacturing	100-249

Source: Georgia Department of Labor, April 2017

6. Conclusion

Employment in the PMA is concentrated in four industries, which represent approximately 46.4 percent of total local employment. Two of those educational services and health care/social assistance, are resilient during periods of economic downturn. Furthermore, the county has added jobs in the manufacturing and transportation/warehousing industries.

Overall, the MSA has experienced moderate to strong total employment growth from 2011 through December 2016. As of February 2016, total employment in the MSA was 3.3 percent greater than its pre-recession peak, while national employment was 3.9 percent above its pre-recession peak. The unemployment rate in the MSA as of December 2016 was 4.9 percent, 40 basis points higher than the national unemployment rate but significantly lower than the 2011 peak of 9.9 percent. Overall, employment growth and the declining unemployment rate indicate that the MSA has recovered from the most recent national recession and is in an expansionary phase, though the SMA lags the national pace of job growth since the most recent national recession. The growing local economy is a positive indicator of demand for rental housing and the Subject's proposed units.

G. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

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

1. Income Restrictions

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

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

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

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

2. Affordability

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

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	50% AMI		60% AMI		Overall	
1BR	\$18,103	\$25,400	\$20,160	\$30,480	\$18,103	\$30,480
2BR	\$21,634	\$28,600	\$23,520	\$34,320	\$21,634	\$34,320
3BR	\$25,337	\$34,300	\$27,909	\$41,160	\$25,337	\$41,160

3. Demand

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

3a. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized 2019, the anticipated date of market entry, as the base year for the analysis. Therefore, 2017 household population estimates are inflated to 2019 by interpolation of the difference between 2017 estimates and 2019 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2019. This number takes the overall growth from 2017 to 2019 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3b. Demand from Existing Households

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

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

3c. Demand from Elderly Homeowners likely to Convert to Rentership

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

3d. Other

Per the 2017 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

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

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

4. New Demand, Capture Rates and Stabilization Conclusions

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2014 to the present.

Additions to Supply

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

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2014 through the present.
- Vacancies in projects placed in service prior to 2014 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2014 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

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

According to Georgia DCA allocation lists there have been no new LIHTC projects in the Subject’s PMA since 2014. The newest family market rate in the PMA, The Columns at Coldbrook Station, was constructed in 2015 and has reached lease up. There are no additional market rate properties under construction or proposed in the Subject’s PMA. Therefore, we have not deducted any units from our analysis.

PMA Occupancy

Per DCA’s guidelines, we have determined the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. We have provided a combined average occupancy level for the PMA based on the total competitive units in the PMA.

PMA OCCUPANCY

Property Name	Program	Location	Tenancy	# of Units	Occupancy
Towne Park Commons	LIHTC	Rincon	Family	60	N/A
Goshen Crossing I	LIHTC	Rincon	Family	60	100.0%
Goshen Crossing II	LIHTC	Rincon	Family	60	100.0%
Harmony Greene	LIHTC	Pooler	Family	50	100.0%
Veranda Village	LIHTC/Market	Rincon	Family	96	100.0%
Effingham Parc	Market	Rincon	Family	352	94.0%
Rice Creek Apartments	Market	Port Wentworth	Family	240	100.0%
The Georgian	Market	Rincon	Family	184	100.0%
The Village at Rice Hope	Market	Port Wentworth	Family	200	94.0%
The Columns at Coldbrook Station	Market	Port Wentworth	Family	252	77.4%
The Carlyle at Godley Station	Market	Pooler	Family	N/Av	N/Av
Two Addison Place	Market	Pooler	Family	325	N/Av
Blandford Village	Market	Rincon	Family	14	N/Av
Barn at Goshen	Market	Rincon	Family	20	N/Av
Weisenbaker Place	Market	Rincon	Family	40	N/Av
Average PMA Occupancy					96.2%

The average occupancy rate of competitive developments in the PMA is 96.2 percent.

Rehab Developments and PBRA

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

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

5. Capture Rates

The above calculations and derived capture rates are illustrated in the following tables. Note that the demographic data used in the following tables, including tenure patterns, household size and income distribution through the projected market entry date of 2019 were illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry July 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	569	5.6%	577	5.3%	584	5.1%
\$10,000-19,999	1,180	11.6%	1,161	10.7%	1,142	9.9%
\$20,000-29,999	1,340	13.1%	1,348	12.4%	1,355	11.7%
\$30,000-39,999	985	9.7%	1,084	10.0%	1,183	10.3%
\$40,000-49,999	941	9.2%	929	8.5%	918	7.9%
\$50,000-59,999	1,046	10.3%	1,073	9.9%	1,100	9.5%
\$60,000-74,999	1,216	11.9%	1,294	11.9%	1,372	11.9%
\$75,000-99,999	1,280	12.5%	1,427	13.1%	1,574	13.6%
\$100,000-124,999	862	8.4%	991	9.1%	1,120	9.7%
\$125,000-149,999	323	3.2%	412	3.8%	502	4.3%
\$150,000-199,999	202	2.0%	249	2.3%	297	2.6%
\$200,000+	257	2.5%	327	3.0%	398	3.4%
Total	10,200	100.0%	10,873	100.0%	11,545	100.0%

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

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 50%

Minimum Income Limit		\$18,103		Maximum Income Limit		\$34,300	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Change in Households PMA 2017 to Prj Mrkt Entry July 2019						
\$0-9,999	8	1.1%		0.0%	0		
\$10,000-19,999	-19	-2.8%	1,896	19.0%	-4		
\$20,000-29,999	8	1.1%	9,999	100.0%	8		
\$30,000-39,999	99	14.8%	4,300	43.0%	43		
\$40,000-49,999	-12	-1.7%		0.0%	0		
\$50,000-59,999	27	4.0%		0.0%	0		
\$60,000-74,999	78	11.6%		0.0%	0		
\$75,000-99,999	147	21.9%		0.0%	0		
\$100,000-124,999	129	19.2%		0.0%	0		
\$125,000-149,999	89	13.3%		0.0%	0		
\$150,000-199,999	47	7.0%		0.0%	0		
\$200,000+	70	10.4%		0.0%	0		
Total	673	100.0%		7.0%	47		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 50%

Minimum Income Limit		\$18,103		Maximum Income Limit		\$34,300	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	569	5.6%		0.0%	0		
\$10,000-19,999	1,180	11.6%	1,896	19.0%	224		
\$20,000-29,999	1,340	13.1%	9,999	100.0%	1,340		
\$30,000-39,999	985	9.7%	4,300	43.0%	423		
\$40,000-49,999	941	9.2%		0.0%	0		
\$50,000-59,999	1,046	10.3%		0.0%	0		
\$60,000-74,999	1,216	11.9%		0.0%	0		
\$75,000-99,999	1,280	12.5%		0.0%	0		
\$100,000-124,999	862	8.4%		0.0%	0		
\$125,000-149,999	323	3.2%		0.0%	0		
\$150,000-199,999	202	2.0%		0.0%	0		
\$200,000+	257	2.5%		0.0%	0		
Total	10,200	100.0%		19.5%	1,987		

ASSUMPTIONS - 50%

Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	10%	80%	10%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	0%	70%	30%
5+	0%	0%	0%	30%	70%

Demand from New Renter Households 2017 to July 2019

Income Target Population	50%
New Renter Households PMA	673
Percent Income Qualified	7.0%
New Renter Income Qualified Households	47

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	10,200
Income Qualified	19.5%
Income Qualified Renter Households	1,987
Percent Rent Overburdened Prj Mrkt Entry July 2019	32.7%
Rent Overburdened Households	649

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,987
Percent Living in Substandard Housing	0.3%
Households Living in Substandard Housing	6

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	0
Rural Versus Urban	0.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	655
Total New Demand	47
Total Demand (New Plus Existing Households)	702

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

By Bedroom Demand

One Person	29.9%	210
Two Persons	23.1%	162
Three Persons	17.6%	123
Four Persons	16.9%	118
Five Persons	12.5%	88
Total	100.0%	702

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	21
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	168
Of two-person households in 1BR units	20%	32
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	21
Of two-person households in 2BR units	80%	130
Of three-person households in 2BR units	60%	74
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	49
Of four-person households in 3BR units	70%	83
Of five-person households in 3BR units	30%	26
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	36
Of five-person households in 4BR units	35%	31
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	35%	31
Total Demand		702

Total Demand (Subject Unit Types)			Additions to Supply		Net Demand
1 BR	201	-	0	=	201
2 BR	225	-	0	=	225
3 BR	159	-	0	=	159
Total	584		0		584

Developer's Unit Mix			Net Demand		Capture Rate
1 BR	5	/	201	=	2.5%
2 BR	7	/	225	=	3.1%
3 BR	6	/	159	=	3.8%
Total	18		584		3.1%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60%

Minimum Income Limit		\$20,160		Maximum Income Limit		\$41,160	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Change in Households PMA 2017 to Prj Mrkt Entry July 2019						
\$0-9,999	8	1.1%		0.0%	0		
\$10,000-19,999	-19	-2.8%		0.0%	0		
\$20,000-29,999	8	1.1%	9,839	98.4%	8		
\$30,000-39,999	99	14.8%	9,999	100.0%	99		
\$40,000-49,999	-12	-1.7%	1,160	11.6%	-1		
\$50,000-59,999	27	4.0%		0.0%	0		
\$60,000-74,999	78	11.6%		0.0%	0		
\$75,000-99,999	147	21.9%		0.0%	0		
\$100,000-124,999	129	19.2%		0.0%	0		
\$125,000-149,999	89	13.3%		0.0%	0		
\$150,000-199,999	47	7.0%		0.0%	0		
\$200,000+	70	10.4%		0.0%	0		
Total	673	100.0%		15.7%	106		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 60%

Minimum Income Limit		\$20,160		Maximum Income Limit		\$41,160	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	569	5.6%		0.0%	0		
\$10,000-19,999	1,180	11.6%		0.0%	0		
\$20,000-29,999	1,340	13.1%	9,839	98.4%	1,319		
\$30,000-39,999	985	9.7%	9,999	100.0%	985		
\$40,000-49,999	941	9.2%	1,160	11.6%	109		
\$50,000-59,999	1,046	10.3%		0.0%	0		
\$60,000-74,999	1,216	11.9%		0.0%	0		
\$75,000-99,999	1,280	12.5%		0.0%	0		
\$100,000-124,999	862	8.4%		0.0%	0		
\$125,000-149,999	323	3.2%		0.0%	0		
\$150,000-199,999	202	2.0%		0.0%	0		
\$200,000+	257	2.5%		0.0%	0		
Total	10,200	100.0%		23.6%	2,412		

ASSUMPTIONS - 60%

ASSUMPTIONS - 60%						
Tenancy	Family		% of Income towards Housing			35%
Rural/Urban	Urban		Maximum # of Occupants			5
Persons in Household	0BR	1BR	2BR	3BR	4BR+	
1	10%	80%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	30%	70%	

Demand from New Renter Households 2017 to July 2019

Income Target Population	60%
New Renter Households PMA	673
Percent Income Qualified	15.7%
New Renter Income Qualified Households	106

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	10,200
Income Qualified	23.6%
Income Qualified Renter Households	2,412
Percent Rent Overburdened Prj Mrkt Entry July 2019	32.7%
Rent Overburdened Households	788

Demand from Living in Substandard Housing

Income Qualified Renter Households	2,412
Percent Living in Substandard Housing	0.3%
Households Living in Substandard Housing	8

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	0
Rural Versus Urban	0.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	796
Total New Demand	106
Total Demand (New Plus Existing Households)	901

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

By Bedroom Demand

One Person	29.9%	270
Two Persons	23.1%	208
Three Persons	17.6%	158
Four Persons	16.9%	152
Five Persons	12.5%	113
Total	100.0%	901

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	27
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	216
Of two-person households in 1BR units	20%	42
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	27
Of two-person households in 2BR units	80%	167
Of three-person households in 2BR units	60%	95
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	63
Of four-person households in 3BR units	70%	106
Of five-person households in 3BR units	30%	34
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	46
Of five-person households in 4BR units	35%	40
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	35%	40
Total Demand		901

Total Demand (Subject Unit Types)			Additions to Supply		Net Demand
1 BR	257	-	0	=	257
2 BR	289	-	0	=	289
3 BR	204	-	0	=	204
Total	749		0		749

Developer's Unit Mix			Net Demand		Capture Rate
1 BR	13	/	257	=	5.1%
2 BR	15	/	289	=	5.2%
3 BR	14	/	204	=	6.9%
Total	42		749		5.6%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$18,103		Maximum Income Limit		\$41,160	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Change in Households PMA 2017 to Prj Mrkt Entry July 2019						
\$0-9,999	8	1.1%		0.0%	0		
\$10,000-19,999	-19	-2.8%	1,896	19.0%	-4		
\$20,000-29,999	8	1.1%	9,999	100.0%	8		
\$30,000-39,999	99	14.8%	9,999	100.0%	99		
\$40,000-49,999	-12	-1.7%	1,160	11.6%	-1		
\$50,000-59,999	27	4.0%		0.0%	0		
\$60,000-74,999	78	11.6%		0.0%	0		
\$75,000-99,999	147	21.9%		0.0%	0		
\$100,000-124,999	129	19.2%		0.0%	0		
\$125,000-149,999	89	13.3%		0.0%	0		
\$150,000-199,999	47	7.0%		0.0%	0		
\$200,000+	70	10.4%		0.0%	0		
Total	673	100.0%		15.2%	102		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$18,103		Maximum Income Limit		\$41,160	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	569	5.6%		0.0%	0		
\$10,000-19,999	1,180	11.6%	1,896	19.0%	224		
\$20,000-29,999	1,340	13.1%	9,999	100.0%	1,340		
\$30,000-39,999	985	9.7%	9,999	100.0%	985		
\$40,000-49,999	941	9.2%	9,999	11.6%	109		
\$50,000-59,999	1,046	10.3%	1,160	0.0%	0		
\$60,000-74,999	1,216	11.9%		0.0%	0		
\$75,000-99,999	1,280	12.5%		0.0%	0		
\$100,000-124,999	862	8.4%		0.0%	0		
\$125,000-149,999	323	3.2%		0.0%	0		
\$150,000-199,999	202	2.0%		0.0%	0		
\$200,000+	257	2.5%		0.0%	0		
Total	10,200	100.0%		26.1%	2,657		

ASSUMPTIONS - Overall

ASSUMPTIONS - Overall						
Tenancy	Family	% of Income towards Housing				35%
Rural/Urban	Urban	Maximum # of Occupants				5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	10%	80%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	30%	70%	

Demand from New Renter Households 2017 to July 2019

Income Target Population	Overall
New Renter Households PMA	673
Percent Income Qualified	15.2%
New Renter Income Qualified Households	102

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	10,200
Income Qualified	26.1%
Income Qualified Renter Households	2,657
Percent Rent Overburdened Prj Mrkt Entry July 2019	32.7%
Rent Overburdened Households	868

Demand from Living in Substandard Housing

Income Qualified Renter Households	2,657
Percent Living in Substandard Housing	0.3%
Households Living in Substandard Housing	8

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	0
Rural Versus Urban	0.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	876
Total New Demand	102
Total Demand (New Plus Existing Households)	979

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

By Bedroom Demand

One Person	29.9%	293
Two Persons	23.1%	226
Three Persons	17.6%	172
Four Persons	16.9%	165
Five Persons	12.5%	123
Total	100.0%	979

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	29
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	234
Of two-person households in 1BR units	20%	45
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	29
Of two-person households in 2BR units	80%	181
Of three-person households in 2BR units	60%	103
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	69
Of four-person households in 3BR units	70%	116
Of five-person households in 3BR units	30%	37
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	50
Of five-person households in 4BR units	35%	43
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	35%	43
Total Demand		979

Total Demand (Subject Unit Types)			Additions to Supply			Net Demand
1 BR	279	-	0	=	279	
2 BR	313	-	0	=	313	
3 BR	221	-	0	=	221	
Total	814		0		814	

Developer's Unit Mix			Net Demand		Capture Rate
1 BR	18	/	279	=	6.4%
2 BR	22	/	313	=	7.0%
3 BR	20	/	221	=	9.0%
Total	60		814		7.4%

Conclusions

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of households in the PMA is expected to increase 2.3 percent between 2017 and projected market entry July 2019.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

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

DEMAND AND NET DEMAND

DCA Conclusion Tables (Family)	HH at 50% AMI (\$17,589 to \$34,300)	HH at 60% AMI (\$19,131 to \$41,160)	Overall
Demand from New Households (age and income appropriate)	47	106	102
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	6	8	8
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	649	788	868
Sub Total	702	901	979
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0	0
Equals Total Demand	702	901	979
Less	-	-	-
Competitive New Supply	0	0	0
Equals Net Demand	702	901	979

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR at 50% AMI	\$18,103	\$25,400	5	201	0	201	2.5%	One to two months	\$643	\$440	\$895	\$435
1BR at 60% AMI	\$20,160	\$30,480	13	257	0	257	5.1%	One to two months	\$698	\$495	\$895	\$495
1BR Overall	\$18,103	\$30,480	18	279	0	279	6.4%	One to two months	-	-	-	-
2BR at 50% AMI	\$21,634	\$28,600	7	225	0	225	3.1%	One to two months	\$759	\$468	\$1,170	\$505
2BR at 60% AMI	\$23,520	\$34,320	15	289	0	289	5.2%	One to two months	\$833	\$560	\$1,170	\$560
2BR Overall	\$21,634	\$34,320	22	313	0	313	7.0%	One to two months	-	-	-	-
3BR at 50% AMI	\$25,337	\$34,300	6	159	0	159	3.8%	One to two months	\$814	\$523	\$1,365	\$570
3BR at 60% AMI	\$27,909	\$41,160	14	204	0	204	6.9%	One to two months	\$907	\$640	\$1,365	\$645
3BR Overall	\$25,337	\$41,160	20	221	0	221	9.0%	One to two months	-	-	-	-
50% AMI Overall	\$18,103	\$34,300	18	584	0	584	3.1%	One to two months	-	-	-	-
60% AMI Overall	\$20,160	\$41,160	42	749	0	749	5.6%	One to two months	-	-	-	-
Overall	\$18,103	\$41,160	60	814	0	814	7.4%	One to two months	-	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 2.5 to 3.8 percent, with an overall capture rate of 3.1 percent. The Subject’s 60 percent AMI capture rates range from 5.1 to 6.9 percent, with an overall capture rate of 5.6 percent. The overall capture rate for the project is 7.4 percent. Capture rates are within Georgia DCA thresholds at each AMI level and overall. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight “true” comparable properties containing 1,242 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good. We used four LIHTC properties located between 0.8 and 16.7 miles from the Subject. All of the comparable LIHTC properties are located in the PMA and were built between 2005 and 2014.

The availability of market rate data is considered good. The Subject is located in Rincon, and there are several market rate properties in the area. We have included four conventional properties in our analysis of the competitive market. Additionally, one of the LIHTC properties is mixed-income and offers unrestricted market rate units. The market rate properties are located between 0.1 and 5.0 miles from the Subject site. These comparables were built between 1988 and 2009. Three of the four market rate comparables were built in 2008 or 2009. Other market rate properties were excluded based on proximity, unit types, and age/condition.

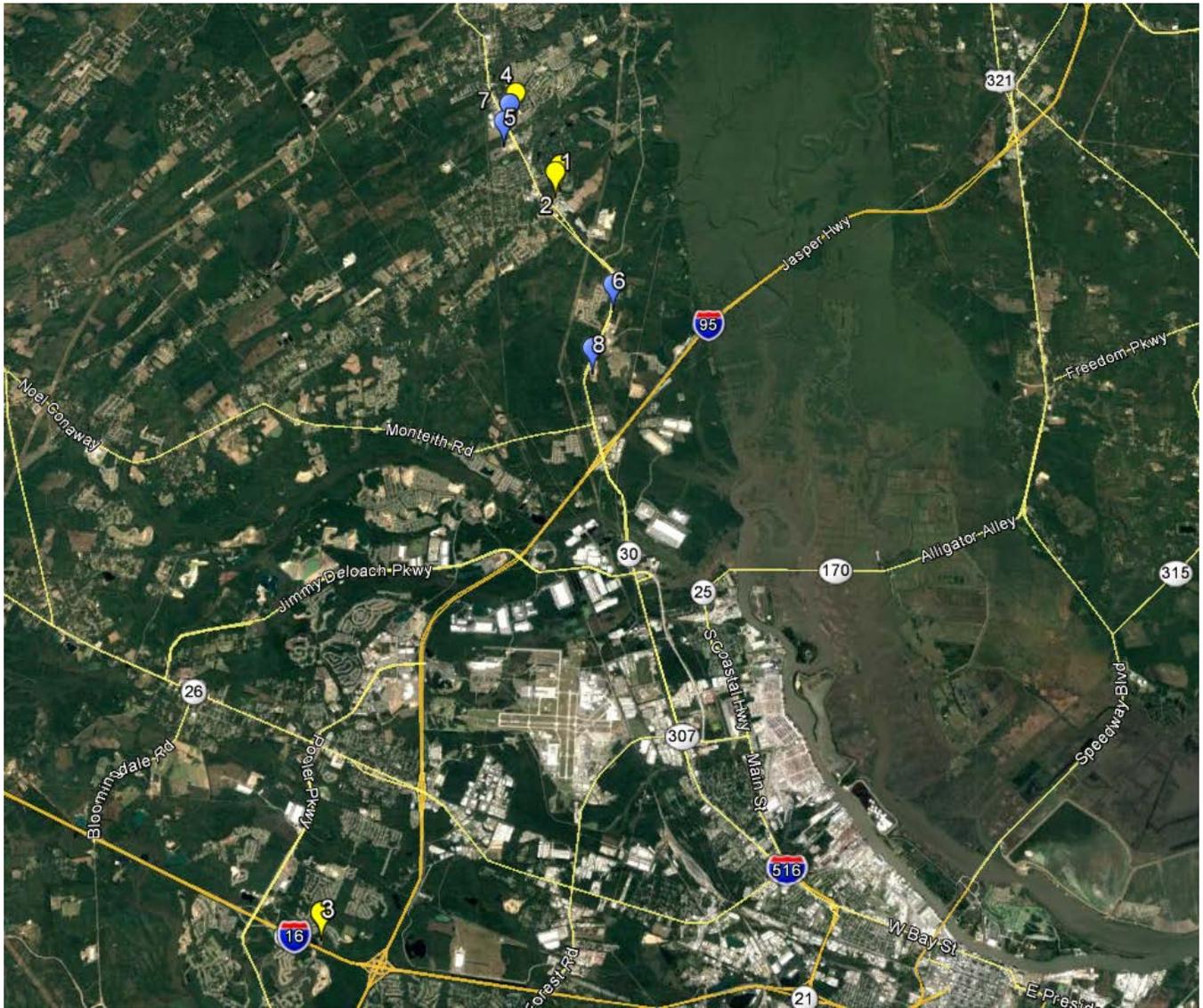
Excluded Properties

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

EXCLUDED PROPERTIES

Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
Towne Park Commons	LIHTC	Rincon	Family	60	-
Pinewood Village	LIHTC	Pooler	Senior	64	Tenancy
Sheppard Station	LIHTC/Market	Pooler	Senior	69	Tenancy
Fair Oaks Land Apartments	LIHTC/RD	Rincon	Family	44	Subsidized
Magnolia Lane	LIHTC/RD	Bloomingtondale	Family	48	Subsidized
Spring Hollow Apartments	Rural Development	Springfield	Family	53	Subsidized
Willowpeg Lane Apartments	Rural Development	Rincon	Family	48	Subsidized
Willowpeg Village Apartments	Rural Development	Rincon	Family	81	Subsidized
The Columns at Coldbrook Station	Market	Port Wentworth	Family	252	In absorption
Blandford Village	Market	Rincon	Family	14	Inferior age/condition
Barn at Goshen	Market	Rincon	Family	20	Inferior age/condition
Weisenbaker Place	Market	Rincon	Family	40	Inferior age/condition

Comparable Rental Property Map



Source: Google Earth, April 2017.

COMPARABLE PROPERTIES

#	Property Name	Type	Distance from Subject
1	Goshen Crossing I	LIHTC	2.0 miles
2	Goshen Crossing II	LIHTC	2.2 miles
3	Harmony Greene	LIHTC	16.7 miles
4	Veranda Village	LIHTC, Market	0.8 miles
5	Effingham Parc	Market	0.1 miles
6	Rice Creek Apartments	Market	3.8 miles
7	The Georgian	Market	1.1 miles
8	The Village At Rice Hope	Market	5.0 miles

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

TOWNE PARK COMMONS – RINCON, GEORGIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate			
Subject	Towne Park Commons 620 Towne Park Drive W Rincon, GA 31326 Effingham County	n/a	Townhouse Proposed	LIHTC	1BR / 1BA	5	8.3%	@50%	\$435	750	no	N/A	N/A	N/A			
					1BR / 1BA	13	21.7%	@60%	\$495	750	no	N/A	N/A	N/A			
					2BR / 2BA	7	11.7%	@50%	\$505	1,050	no	N/A	N/A	N/A			
					2BR / 2BA	15	25.0%	@60%	\$560	1,050	no	N/A	N/A	N/A			
					3BR / 2BA	6	10.0%	@50%	\$570	1,250	no	N/A	N/A	N/A			
					3BR / 2BA	14	23.3%	@60%	\$645	1,250	no	N/A	N/A	N/A			
					60	100.0%										N/A	N/A
1	Goshen Crossing I 121 Goshen Commercial Park Drive Rincon, GA 31326 Effingham County	2 miles	Garden (3 stories) 2012	LIHTC	1BR / 1BA	2	3.3%	@50%	\$470	770	no	Yes	0	0.0%			
					1BR / 1BA	10	16.7%	@60%	\$505	770	no	Yes	0	0.0%			
					2BR / 2BA	6	10.0%	@50%	\$555	1,150	no	Yes	0	0.0%			
					2BR / 2BA	30	50.0%	@60%	\$575	1,150	no	Yes	0	0.0%			
					3BR / 2BA	2	3.3%	@50%	\$620	1,250	no	Yes	0	0.0%			
					3BR / 2BA	10	16.7%	@60%	\$650	1,250	no	Yes	0	0.0%			
					60	100.0%										0	0.0%
2	Goshen Crossing II 120 Goshen Commercial Park Drive Rincon, GA 31326 Effingham County	2.2 miles	Garden (3 stories) 2014	LIHTC	1BR / 1BA	2	3.3%	@50%	\$440	770	no	Yes	0	0.0%			
					1BR / 1BA	10	16.7%	@60%	\$500	770	no	Yes	0	0.0%			
					2BR / 2BA	6	10.0%	@50%	\$510	1,150	no	Yes	0	0.0%			
					2BR / 2BA	30	50.0%	@60%	\$565	1,150	no	Yes	0	0.0%			
					3BR / 2BA	2	3.3%	@50%	\$575	1,250	no	Yes	0	0.0%			
					3BR / 2BA	10	16.7%	@60%	\$650	1,250	no	Yes	0	0.0%			
					60	100.0%										0	0.0%
3	Harmony Greene 201 Harmony Boulevard Pooler, GA 31322 Chatham County	16.7 miles	Townhouse (2 stories) 2012	LIHTC	2BR / 2BA	10	20.0%	@50%	\$468	1,130	no	Yes	0	0.0%			
					2BR / 2BA	N/A	N/A	@60%	\$573	1,130	no	Yes	0	N/A			
					3BR / 2BA	30	60.0%	@50%	\$523	1,405	no	Yes	0	0.0%			
					3BR / 2BA	N/A	N/A	@60%	\$643	1,405	no	Yes	0	N/A			
					4BR / 2BA	10	20.0%	@50%	\$630	1,575	no	Yes	0	0.0%			
					4BR / 2BA	N/A	N/A	@60%	\$770	1,575	no	Yes	0	N/A			
					50	100.0%										0	0.0%
4	Veranda Village 501 Lisa Street Rincon, GA 31326 Effingham County	0.8 miles	Garden (2 stories) 2005	LIHTC, Market	1BR / 1BA	4	4.2%	@30%	\$248	783	yes	Yes	0	0.0%			
					1BR / 1BA	22	22.9%	@50%	\$465	783	yes	Yes	0	0.0%			
					1BR / 1BA	2	2.1%	@60%	\$495	783	no	Yes	0	0.0%			
					1BR / 1BA	4	4.2%	Market	\$530	783	n/a	Yes	0	0.0%			
					2BR / 2BA	5	5.2%	@30%	\$298	1,025	yes	Yes	0	0.0%			
					2BR / 2BA	36	37.5%	@50%	\$545	1,025	yes	Yes	0	0.0%			
					2BR / 2BA	2	2.1%	@60%	\$560	1,025	no	Yes	0	0.0%			
					2BR / 2BA	5	5.2%	Market	\$640	1,025	n/a	Yes	0	0.0%			
					3BR / 2BA	1	1.0%	@30%	\$335	1,180	yes	Yes	0	0.0%			
					3BR / 2BA	12	12.5%	@50%	\$610	1,180	yes	Yes	0	0.0%			
					3BR / 2BA	2	2.1%	@60%	\$640	1,180	no	Yes	0	0.0%			
					3BR / 2BA	1	1.0%	Market	\$715	1,180	n/a	Yes	0	0.0%			
					96	100.0%										0	0.0%
					5	Effingham Parc 617 Towne Park West Drive Rincon, GA 31326 Effingham County	0.1 miles	Garden (2 stories) 2008	Market	Studio / 1BA	N/A	N/A	Market	\$777	575	n/a	No
1BR / 1BA	N/A	N/A	Market	\$885						697	n/a	No	N/A	N/A			
2BR / 2BA	N/A	N/A	Market	\$1,170						899	n/a	No	N/A	N/A			
3BR / 2BA	N/A	N/A	Market	\$1,336						1,291	n/a	No	N/A	N/A			
352	100.0%															19	5.4%
6	Rice Creek Apartments 9001 Highway 21 Port Wentworth, GA 31407 Chatham County	3.8 miles	Garden (3 stories) 2009	Market	1BR / 1BA	N/A	N/A	Market	\$855	857	n/a	No	2	N/A			
					1BR / 1BA	N/A	N/A	Market	\$895	921	n/a	No	1	N/A			
					2BR / 2BA	N/A	N/A	Market	\$1,010	1,131	n/a	No	1	N/A			
					2BR / 2BA	N/A	N/A	Market	\$1,030	1,155	n/a	No	1	N/A			
					2BR / 2BA	N/A	N/A	Market	\$944	1,161	n/a	No	0	N/A			
					2BR / 2BA	N/A	N/A	Market	\$994	1,186	n/a	No	0	N/A			
					3BR / 2BA	N/A	N/A	Market	\$1,125	1,344	n/a	No	0	N/A			
					3BR / 2BA	N/A	N/A	Market	\$1,365	1,362	n/a	No	1	N/A			
240	100.0%										6	2.5%					
7	The Georgian 105 Lisa St Rincon, GA 31326 Effingham County	1.1 miles	Garden (2 stories) 1988	Market	Studio / 1BA	4	2.2%	Market	\$660	650	n/a	No	0	0.0%			
					1BR / 1BA	76	41.3%	Market	\$690	750	n/a	No	4	5.3%			
					1.5BR / 1BA	12	6.5%	Market	\$760	900	n/a	No	1	8.3%			
					2BR / 1BA	80	43.5%	Market	\$805	950	n/a	No	2	2.5%			
					3BR / 2BA	12	6.5%	Market	\$895	1,250	n/a	No	1	8.3%			
184	100.0%										8	4.3%					
8	The Village At Rice Hope 203 Magnolia Boulevard Port Wentworth, GA 31407 Chatham County	5 miles	Midrise (4 stories) 2008	Market	1BR / 1BA	N/A	N/A	Market	\$867	801	n/a	No	1	N/A			
					2BR / 1BA	N/A	N/A	Market	\$933	933	n/a	No	1	N/A			
					2BR / 2BA	N/A	N/A	Market	\$1,024	1,065	n/a	No	1	N/A			
					3BR / 2BA	N/A	N/A	Market	\$1,053	1,245	n/a	No	1	N/A			
200	100.0%										4	2.0%					

TOWNE PARK COMMONS – RINCON, GEORGIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date:		May-17	Units Surveyed:	1,242	Weighted Occupancy:	97.0%
			Market Rate	976	Market Rate	96.2%
			Tax Credit	266	Tax Credit	100.0%
One Bedroom One Bath		Two Bedrooms Two Bath		Three Bedrooms Two Bath		
RENT	Property	Average	Property	Average	Property	Average
	Rice Creek Apartments	\$895	Effingham Parc	\$1,170	Rice Creek Apartments	\$1,365
	Effingham Parc	\$885	Rice Creek Apartments	\$1,030	Effingham Parc	\$1,336
	The Village At Rice Hope	\$867	The Village At Rice Hope	\$1,024	Rice Creek Apartments	\$1,125
	Rice Creek Apartments	\$855	Rice Creek Apartments	\$1,010	The Village At Rice Hope	\$1,053
	The Georgian	\$690	Rice Creek Apartments	\$994	The Georgian	\$895
	Veranda Village * (M)	\$530	Rice Creek Apartments	\$944	Veranda Village * (M)	\$715
	Goshen Crossing I * (60%)	\$505	The Georgian (1BA)	\$805	Goshen Crossing I * (60%)	\$650
	Goshen Crossing II * (60%)	\$500	Veranda Village * (M)	\$640	Goshen Crossing II * (60%)	\$650
	Towne Park Commons * (60%)	\$495	Goshen Crossing I * (60%)	\$575	Towne Park Commons * (60%)	\$645
	Veranda Village * (60%)	\$495	Harmony Greene * (60%)	\$573	Harmony Greene * (60%)	\$643
	Goshen Crossing I * (50%)	\$470	Goshen Crossing II * (60%)	\$565	Veranda Village * (60%)	\$640
	Veranda Village * (50%)	\$465	Towne Park Commons * (60%)	\$560	Goshen Crossing I * (50%)	\$620
	Goshen Crossing II * (50%)	\$440	Veranda Village * (60%)	\$560	Veranda Village * (50%)	\$610
	Towne Park Commons * (50%)	\$435	Goshen Crossing I * (50%)	\$555	Goshen Crossing II * (50%)	\$575
	Veranda Village * (30%)	\$248	Veranda Village * (50%)	\$545	Towne Park Commons * (50%)	\$570
			Goshen Crossing II * (50%)	\$510	Harmony Greene * (50%)	\$523
			Towne Park Commons * (50%)	\$505	Veranda Village * (30%)	\$335
			Harmony Greene * (50%)	\$468		
			Veranda Village * (30%)	\$298		
SQUARE FOOTAGE	Rice Creek Apartments	921	Rice Creek Apartments	1,186	Harmony Greene * (50%)	1,405
	Rice Creek Apartments	857	Rice Creek Apartments	1,161	Harmony Greene * (60%)	1,405
	The Village At Rice Hope	801	Rice Creek Apartments	1,155	Rice Creek Apartments	1,362
	Veranda Village * (30%)	783	Goshen Crossing I * (50%)	1,150	Rice Creek Apartments	1,344
	Veranda Village * (50%)	783	Goshen Crossing I * (60%)	1,150	Effingham Parc	1,291
	Veranda Village * (60%)	783	Goshen Crossing II * (50%)	1,150	Goshen Crossing I * (50%)	1,250
	Veranda Village * (M)	783	Goshen Crossing II * (60%)	1,150	Goshen Crossing I * (60%)	1,250
	Goshen Crossing I * (50%)	770	Rice Creek Apartments	1,131	Goshen Crossing II * (50%)	1,250
	Goshen Crossing I * (60%)	770	Harmony Greene * (50%)	1,130	Goshen Crossing II * (60%)	1,250
	Goshen Crossing II * (50%)	770	Harmony Greene * (60%)	1,130	Towne Park Commons * (50%)	1,250
	Goshen Crossing II * (60%)	770	The Village At Rice Hope	1,065	Towne Park Commons * (60%)	1,250
	Towne Park Commons * (50%)	750	Towne Park Commons * (50%)	1,050	The Georgian	1,250
	Towne Park Commons * (60%)	750	Towne Park Commons * (60%)	1,050	The Village At Rice Hope	1,245
	The Georgian	750	Veranda Village * (30%)	1,025	Veranda Village * (30%)	1,180
	Effingham Parc	697	Veranda Village * (50%)	1,025	Veranda Village * (50%)	1,180
			Veranda Village * (60%)	1,025	Veranda Village * (60%)	1,180
			Veranda Village * (M)	1,025	Veranda Village * (M)	1,180
			The Georgian (1BA)	950		
			Effingham Parc	899		
RENT PER SQUARE FOOT	Effingham Parc	\$1.27	Effingham Parc	\$1.30	Effingham Parc	\$1.03
	The Village At Rice Hope	\$1.08	The Village At Rice Hope	\$0.96	Rice Creek Apartments	\$1.00
	Rice Creek Apartments	\$1.00	Rice Creek Apartments	\$0.89	The Village At Rice Hope	\$0.85
	Rice Creek Apartments	\$0.97	Rice Creek Apartments	\$0.89	Rice Creek Apartments	\$0.84
	The Georgian	\$0.92	The Georgian (1BA)	\$0.85	The Georgian	\$0.72
	Veranda Village * (M)	\$0.68	Rice Creek Apartments	\$0.84	Veranda Village * (M)	\$0.61
	Towne Park Commons * (60%)	\$0.66	Rice Creek Apartments	\$0.81	Veranda Village * (60%)	\$0.54
	Goshen Crossing I * (60%)	\$0.66	Veranda Village * (M)	\$0.62	Goshen Crossing I * (60%)	\$0.52
	Goshen Crossing II * (60%)	\$0.65	Veranda Village * (60%)	\$0.55	Goshen Crossing II * (60%)	\$0.52
	Veranda Village * (60%)	\$0.63	Towne Park Commons * (60%)	\$0.53	Veranda Village * (50%)	\$0.52
	Goshen Crossing I * (50%)	\$0.61	Veranda Village * (50%)	\$0.53	Towne Park Commons * (60%)	\$0.52
	Veranda Village * (50%)	\$0.59	Harmony Greene * (60%)	\$0.51	Goshen Crossing I * (50%)	\$0.50
	Towne Park Commons * (50%)	\$0.58	Goshen Crossing I * (60%)	\$0.50	Goshen Crossing II * (50%)	\$0.46
	Goshen Crossing II * (50%)	\$0.57	Goshen Crossing II * (60%)	\$0.49	Harmony Greene * (60%)	\$0.46
	Veranda Village * (30%)	\$0.32	Goshen Crossing I * (50%)	\$0.48	Towne Park Commons * (50%)	\$0.46
			Towne Park Commons * (50%)	\$0.48	Harmony Greene * (50%)	\$0.37
			Goshen Crossing II * (50%)	\$0.44	Veranda Village * (30%)	\$0.28
			Harmony Greene * (50%)	\$0.41		
			Veranda Village * (30%)	\$0.29		

PROPERTY PROFILE REPORT

Goshen Crossing I

Effective Rent Date	4/17/2017
Location	121 Goshen Commercial Park Drive Rincon, GA 31326 Effingham County
Distance	2 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Goshen Crossing II, Veranda Village
Tenant Characteristics	Mostly from Rincon and Springfield, a few from Savannah
Contact Name	Jessica
Phone	912-826-0180



Market Information

Program	@50%, @60%
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	3%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 2 to 4%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	2	770	\$470	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	10	770	\$505	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	6	1,150	\$555	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	30	1,150	\$575	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	2	1,250	\$620	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	10	1,250	\$650	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$470	\$0	\$470	\$0	\$470	1BR / 1BA	\$505	\$0	\$505	\$0	\$505
2BR / 2BA	\$555	\$0	\$555	\$0	\$555	2BR / 2BA	\$575	\$0	\$575	\$0	\$575
3BR / 2BA	\$620	\$0	\$620	\$0	\$620	3BR / 2BA	\$650	\$0	\$650	\$0	\$650

Goshen Crossing I, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

Patrol

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Playground

Clubhouse/Meeting
Central Laundry
On-Site Management

Premium

None

Other

Walking trail

Comments

The waiting list is approximately five months long. Management could not provide the absorption rate.

Goshen Crossing I, continued

Photos



PROPERTY PROFILE REPORT

Goshen Crossing II

Effective Rent Date	4/17/2017
Location	120 Goshen Commercial Park Drive Rincon, GA 31326 Effingham County
Distance	2.2 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2014 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Goshen Crossing, Veranda Village
Tenant Characteristics	Mostly from Rincon and Springfield, a few from Savannah
Contact Name	Stacy
Phone	912-826-7125



Market Information

Program	@50%, @60%
Annual Turnover Rate	15%
Units/Month Absorbed	60
HCV Tenants	5%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 2 to 5%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	2	770	\$440	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	10	770	\$500	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	6	1,150	\$510	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	30	1,150	\$565	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	2	1,250	\$575	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	10	1,250	\$650	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$440	\$0	\$440	\$0	\$440	1BR / 1BA	\$500	\$0	\$500	\$0	\$500
2BR / 2BA	\$510	\$0	\$510	\$0	\$510	2BR / 2BA	\$565	\$0	\$565	\$0	\$565
3BR / 2BA	\$575	\$0	\$575	\$0	\$575	3BR / 2BA	\$650	\$0	\$650	\$0	\$650

Goshen Crossing II, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

Patrol

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Playground

Clubhouse/Meeting
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The waiting list is approximately three to six months long. The property experienced an absorption pace of 60 units per month, or one month. Units are sometimes filled from the waiting list at Goshen Crossing I, the property's sister property.

Goshen Crossing II, continued

Photos



PROPERTY PROFILE REPORT

Harmony Greene

Effective Rent Date	4/10/2017
Location	201 Harmony Boulevard Pooler, GA 31322 Chatham County
Distance	16.7 miles
Units	50
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mostly families from Pooler and Chatham County
Contact Name	Jessica
Phone	912-450-9400



Market Information

Program	@50%, @60%
Annual Turnover Rate	6%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Townhouse (2 stories)	10	1,130	\$510	\$0	@50%	Yes	0	0.0%	no	None
2	2	Townhouse (2 stories)	N/A	1,130	\$615	\$0	@60%	Yes	0	N/A	no	None
3	2	Townhouse (2 stories)	30	1,405	\$580	\$0	@50%	Yes	0	0.0%	no	None
3	2	Townhouse (2 stories)	N/A	1,405	\$700	\$0	@60%	Yes	0	N/A	no	None
4	2	Townhouse (2 stories)	10	1,575	\$630	\$0	@50%	Yes	0	0.0%	no	None
4	2	Townhouse (2 stories)	N/A	1,575	\$770	\$0	@60%	Yes	0	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$510	\$0	\$510	-\$39	\$471	2BR / 2BA	\$615	\$0	\$615	-\$39	\$576
3BR / 2BA	\$580	\$0	\$580	-\$48	\$532	3BR / 2BA	\$700	\$0	\$700	-\$48	\$652
4BR / 2BA	\$630	\$0	\$630	-\$71	\$559	4BR / 2BA	\$770	\$0	\$770	-\$71	\$699

Harmony Greene, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Microwave
Refrigerator

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Business Center/Computer Lab
Courtyard
Off-Street Parking
Picnic Area

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

Library

Comments

The waiting list consists of more than 500 households. The property accepts Housing Choice Vouchers.

Harmony Greene, continued

Photos



PROPERTY PROFILE REPORT

Veranda Village

Effective Rent Date	4/07/2017
Location	501 Lisa Street Rincon, GA 31326 Effingham County
Distance	0.8 miles
Units	96
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Rice Creek, The Georgian, The Springs
Tenant Characteristics	Tenants from Effingham, Savannah area, Statesboro
Contact Name	Megan
Phone	912-826-6476



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased up to 3 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	4	783	\$248	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	22	783	\$465	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	2	783	\$495	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	4	783	\$530	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	5	1,025	\$298	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	36	1,025	\$545	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	2	1,025	\$560	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	5	1,025	\$640	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	1	1,180	\$335	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	12	1,180	\$610	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	2	1,180	\$640	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	1	1,180	\$715	\$0	Market	Yes	0	0.0%	N/A	None

Veranda Village, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$248	\$0	\$248	\$0	\$248	1BR / 1BA	\$465	\$0	\$465	\$0	\$465
2BR / 2BA	\$298	\$0	\$298	\$0	\$298	2BR / 2BA	\$545	\$0	\$545	\$0	\$545
3BR / 2BA	\$335	\$0	\$335	\$0	\$335	3BR / 2BA	\$610	\$0	\$610	\$0	\$610
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$495	\$0	\$495	\$0	\$495	1BR / 1BA	\$530	\$0	\$530	\$0	\$530
2BR / 2BA	\$560	\$0	\$560	\$0	\$560	2BR / 2BA	\$640	\$0	\$640	\$0	\$640
3BR / 2BA	\$640	\$0	\$640	\$0	\$640	3BR / 2BA	\$715	\$0	\$715	\$0	\$715

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Exterior Storage
Oven
Walk-In Closet

Security

None

Services

None

Property

Basketball Court
Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area

Premium

None

Other

Walking trail, gazebo,

Comments

The waiting list for the LIHTC units contains approximately 50 households.

Veranda Village, continued

Photos



PROPERTY PROFILE REPORT

Effingham Parc

Effective Rent Date	4/07/2017
Location	617 Towne Park West Drive Rincon, GA 31326 Effingham County
Distance	0.1 miles
Units	352
Vacant Units	19
Vacancy Rate	5.4%
Type	Garden (2 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Rice Creek and Rice Hope
Tenant Characteristics	Employees of Gulfstream, many from Rincon or moved to the area for jobs
Contact Name	Laura
Phone	912-826-1999



Market Information

Program	Market
Annual Turnover Rate	14%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Change daily, upward trending
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	N/A	575	\$777	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	N/A	697	\$873	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	N/A	899	\$1,157	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,291	\$1,322	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$777	\$0	\$777	\$15	\$792
1BR / 1BA	\$873	\$0	\$873	\$12	\$885
2BR / 2BA	\$1,157	\$0	\$1,157	\$12	\$1,169
3BR / 2BA	\$1,322	\$0	\$1,322	\$12	\$1,334

Effingham Parc, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Security

Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Picnic Area
Swimming Pool

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Playground

Premium

None

Other

Media room, jogging trail,

Comments

The property offers both attached and detached garages. Rents range based on whether the unit includes garage parking. Detached garages rent for \$100 per space per month.

Effingham Parc, continued

Photos



PROPERTY PROFILE REPORT

Rice Creek Apartments

Effective Rent Date	4/07/2017
Location	9001 Highway 21 Port Wentworth, GA 31407 Chatham County
Distance	3.8 miles
Units	240
Vacant Units	6
Vacancy Rate	2.5%
Type	Garden (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Springs at Effingham, Village at Rice Hope
Tenant Characteristics	Mostly from Port Wentworth, Rincon, and Savannah
Contact Name	Tara
Phone	912-963-0900



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	16
HCV Tenants	0%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Increased up to 17 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	857	\$855	\$0	Market	No	2	N/A	N/A	None
1	1	Garden (3 stories)	N/A	921	\$895	\$0	Market	No	1	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,131	\$1,010	\$0	Market	No	1	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,155	\$1,030	\$0	Market	No	1	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,161	\$944	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,186	\$994	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,344	\$1,125	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,362	\$1,365	\$0	Market	No	1	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$855 - \$895	\$0	\$855 - \$895	\$0	\$855 - \$895
2BR / 2BA	\$944 - \$1,030	\$0	\$944 - \$1,030	\$0	\$944 - \$1,030
3BR / 2BA	\$1,125 - \$1,365	\$0	\$1,125 - \$1,365	\$0	\$1,125 - \$1,365

Rice Creek Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Walk-In Closet

Security

Intercom (Buzzer)
Limited Access
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Picnic Area
Swimming Pool

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Playground

Premium

None

Other

Dog park

Comments

The property does not accept Housing Choice Vouchers.

Rice Creek Apartments, continued

Photos



PROPERTY PROFILE REPORT

The Georgian

Effective Rent Date	4/07/2017
Location	105 Lisa St Rincon, GA 31326 Effingham County
Distance	1.1 miles
Units	184
Vacant Units	8
Vacancy Rate	4.3%
Type	Garden (2 stories)
Year Built/Renovated	1988 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Springs at Effingham, Rice Creek, Rice Hope
Tenant Characteristics	Majority from Rincon; some from out of state moving for employment
Contact Name	Glenda
Phone	912-826-2963



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased up to 6 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	4	650	\$660	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	76	750	\$690	\$0	Market	No	4	5.3%	N/A	None
1.5	1	Garden (2 stories)	12	900	\$760	\$0	Market	No	1	8.3%	N/A	None
2	1	Garden (2 stories)	80	950	\$805	\$0	Market	No	2	2.5%	N/A	None
3	2	Garden (2 stories)	12	1,250	\$895	\$0	Market	No	1	8.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$660	\$0	\$660	\$0	\$660
1BR / 1BA	\$690	\$0	\$690	\$0	\$690
1.5BR / 1BA	\$760	\$0	\$760	\$0	\$760
2BR / 1BA	\$805	\$0	\$805	\$0	\$805
3BR / 2BA	\$895	\$0	\$895	\$0	\$895

The Georgian, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven

Security

None

Services

None

Property

Exercise Facility
Central Laundry
On-Site Management
Swimming Pool

Garage
Off-Street Parking
Playground
Tennis Court

Premium

None

Other

None

Comments

Garage parking is \$70 per month. Storage lockers are \$70 per month.

The Georgian, continued

Photos



PROPERTY PROFILE REPORT

The Village At Rice Hope

Effective Rent Date	4/07/2017
Location	203 Magnolia Boulevard Port Wentworth, GA 31407 Chatham County
Distance	5 miles
Units	200
Vacant Units	4
Vacancy Rate	2.0%
Type	Midrise (4 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Rice Creek, The Georgian
Tenant Characteristics	Mostly from Port Wentworth, Rincon, and Savannah
Contact Name	Amanda
Phone	912-210-5707



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	27
HCV Tenants	0%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Increased up to 7 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	N/A	801	\$900	\$0	Market	No	1	N/A	N/A	None
2	1	Midrise (4 stories)	N/A	933	\$975	\$0	Market	No	1	N/A	N/A	None
2	2	Midrise (4 stories)	N/A	1,065	\$1,066	\$0	Market	No	1	N/A	N/A	None
3	2	Midrise (4 stories)	N/A	1,245	\$1,110	\$0	Market	No	1	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$900	\$0	\$900	-\$33	\$867
2BR / 1BA	\$975	\$0	\$975	-\$39	\$936
2BR / 2BA	\$1,066	\$0	\$1,066	-\$39	\$1,027
3BR / 2BA	\$1,110	\$0	\$1,110	-\$48	\$1,062

The Village At Rice Hope, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Walk-In Closet
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer

Security

Patrol

Services

None

Property

Business Center/Computer Lab
Elevators
Central Laundry
On-Site Management
Playground

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

Billiards, dog park

Comments

According to management, rents change daily. Exterior storage is \$40 per month.

The Village At Rice Hope, continued

Photos



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

Housing Choice Vouchers

We spoke to Anton Shaw, Director of Policy & Administration with the Georgia Department of Community Affairs. Mr. Shaw indicated 129 Housing Choice Vouchers are in use in Effingham County. According to the Mr. Shaw, the waiting list for vouchers is currently closed. Currently, there are 178 applicants on the county’s wait list. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS		
Property Name	Occupancy Type	Housing Choice Voucher Tenants
Goshen Crossing I	LIHTC	N/A
Goshen Crossing II	LIHTC	3%
Harmony Greene	LIHTC	5%
Veranda Village	LIHTC, Market	15%
Effingham Parc	Market	5%
Rice Creek Apartments	Market	0%
The Georgian	Market	0%
The Village At Rice Hope	Market	0%
Average		4%

Housing Choice Voucher usage in this market ranges from zero to 15 percent. All of the comparable properties have a low reliance on tenants with vouchers, averaging four percent occupancy by tenant with vouchers. Thus, it appears that the Subject will not need to rely on voucher residents in order to maintain a high occupancy level. We believe the Subject would maintain a voucher usage of 15 percent or less.

Lease Up History

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

ABSORPTION				
Property Name	Occupancy Type	Year Built	Number of Units	Units Absorbed / Month
Goshen Crossing II	LIHTC	2014	60	60
Rice Creek Apartments	Market	2009	240	16
The Village At Rice Hope	Market	2008	200	27
Average				34

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Goshen Crossing II is the most recently completed LIHTC property in the PMA. This property experienced an absorption pace of 60 units per month, significantly faster than the market rate properties constructed in 2008 and 2009. Goshen Crossing II is the second phase of the Goshen Crossing development. Some of this property’s units were filled from the waiting list at Goshen Crossing I. Based on the absorption paces reported by the comparable properties and the full occupancy and waiting lists reported at the LIHTC comparables, we anticipate that the Subject will absorb 30 units per month, for an absorption period of one to two months to reach 93 percent occupancy.

Phased Developments

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

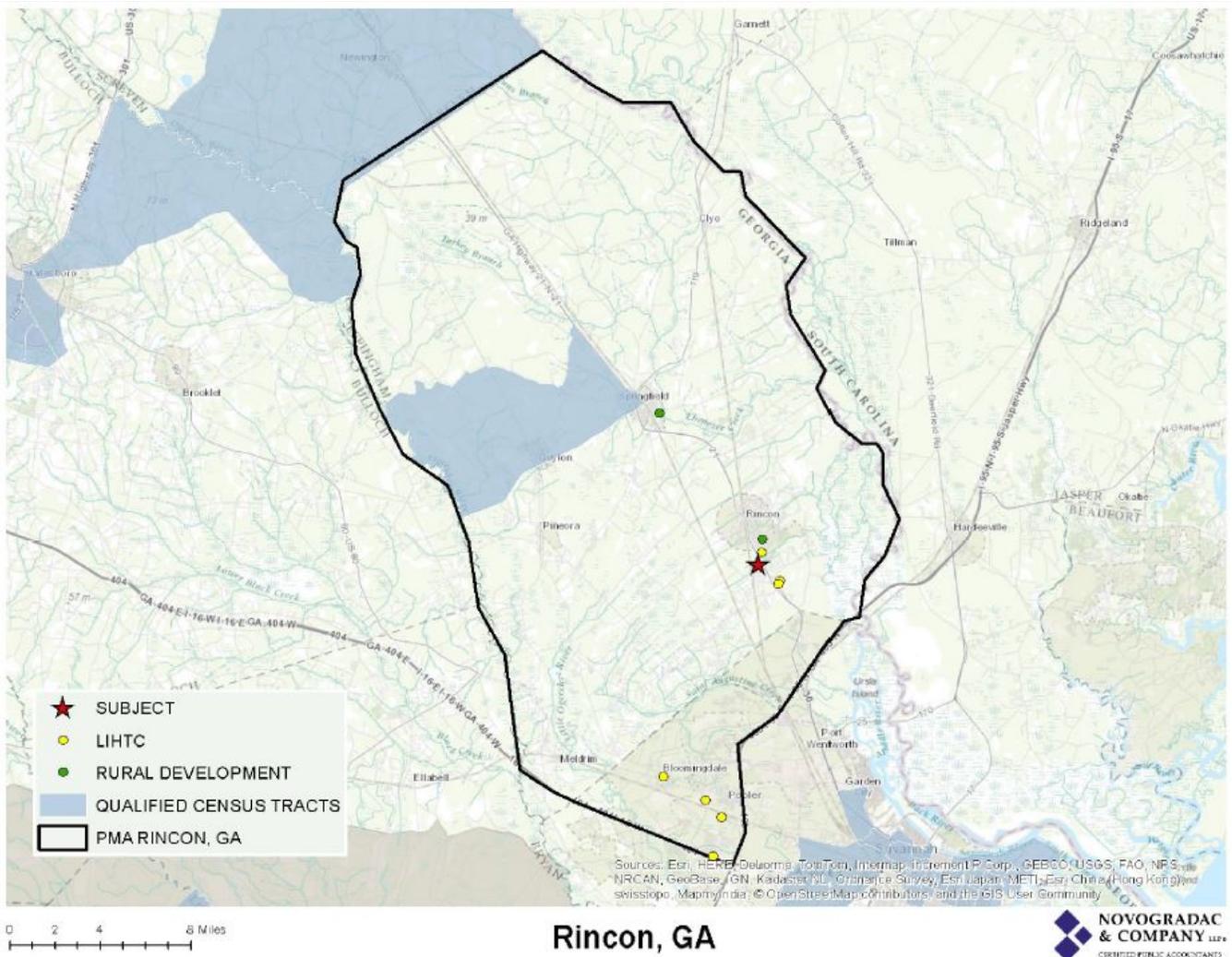
Rural Areas

The Subject is located in a rural area; however, existing competitive rental supply is sufficient from which to draw conclusions.

3. Competitive Project Map

COMPETITIVE PROJECTS

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Map Color	
Towne Park Commons	LIHTC	Rincon	Family	60	N/A	Star	
Goshen Crossing I	LIHTC	Rincon	Family	60	100.0%	Yellow	
Goshen Crossing II	LIHTC	Rincon	Family	60	100.0%		
Harmony Greene	LIHTC	Pooler	Family	50	100.0%		
Pinewood Village	LIHTC	Pooler	Senior	64	100.0%		
Veranda Village	LIHTC/Market	Rincon	Family	96	100.0%		
Sheppard Station	LIHTC/Market	Pooler	Senior	69	100.0%		
Fair Oaks Land Apartments	LIHTC/RD	Rincon	Family	44	N/Av		
Magnolia Lane	LIHTC/RD	Bloomington	Family	48	100.0%		
Spring Hollow Apartments	Rural Development	Springfield	Family	53	N/Av		Green
Willowpeg Lane Apartments	Rural Development	Rincon	Family	48	N/Av		
Willowpeg Village Apartments	Rural Development	Rincon	Family	81	N/Av		



4. Amenities

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

AMENITY MATRIX									
	Towne Park Commons	Goshen Crossing I	Goshen Crossing II	Harmony Greene	Veranda Village	Effingham Parc	Rice Creek Apartments	The Georgian	The Village At Rice Hope
Property Type	Townhouse	Garden (3 stories)	Garden (3 stories)	Townhouse (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (3 stories)	Garden (2 stories)	Midrise (4 stories)
Year Built / Renovated	Proposed	2012	2014	2012	2005	2008	2009	1988	2008
Market (Conv.)/Subsidy Type	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC, Market	Market	Market	Market	Market
Utility Adjustments									
Cooking	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no
Water	no	no	no	yes	no	no	no	no	yes
Sewer	no	no	no	yes	no	no	no	no	yes
Trash Collection	yes	yes	yes	yes	yes	no	yes	yes	yes
In-Unit Amenities									
Balcony/Patio	no	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	no	no	yes	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	no	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	yes	yes	no	yes	yes	yes	yes
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hand Rails	yes	no	no	no	no	no	no	no	no
Microwave	yes	yes	yes	yes	no	yes	yes	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	yes	yes	yes	no	yes	yes	yes	no	yes
Washer/Dryer	no	no	no	no	no	no	no	no	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	no	yes
Property Amenities									
Basketball Court	no	no	no	no	yes	no	no	no	no
Business Center/Computer Lab	yes	yes	yes	yes	yes	yes	yes	no	yes
Car Wash	no	no	no	no	no	yes	yes	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	yes	no	yes
Courtyard	yes	no	no	yes	no	no	no	no	no
Elevators	no	no	no	no	no	no	no	no	yes
Exercise Facility	yes	yes	yes	no	yes	yes	yes	yes	yes
Garage	no	no	no	no	no	yes	yes	yes	no
Central Laundry	no	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	no	yes	yes	yes	yes	no	yes
Playground	yes	yes	yes	yes	yes	yes	yes	yes	yes
Swimming Pool	no	no	no	no	no	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	no	no	yes	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	\$100.00	N/A	N/A
Security									
Intercom (Buzzer)	no	no	no	no	no	no	yes	no	no
Limited Access	no	no	no	no	no	no	yes	no	no
Patrol	no	yes	yes	no	no	no	no	no	yes
Perimeter Fencing	no	no	no	no	no	yes	yes	no	no
Other Amenities									
Other	Covered porch, computer training, aerobics classes	Walking trail	n/a	Library	Walking trail, gazebo, pavilion	Media room, jogging trail, dog park	Dog park	n/a	Billiards, dog park

The Subject will offer slightly inferior to slightly superior property amenities in comparison to the LIHTC and market-rate comparable properties and generally similar to superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties. The Subject will offer hand rails, a courtyard, a covered porch, computer training, and aerobics classes, which many of the comparables lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market.

5. Comparable Tenancy

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

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property Name	Occupancy Type	Total Units	Vacant Units	Vacancy Rates
Goshen Crossing I	LIHTC	60	0	0.0%
Goshen Crossing II	LIHTC	60	0	0.0%
Harmony Greene	LIHTC	50	0	0.0%
Veranda Village	LIHTC, Market	96	0	0.0%
Effingham Parc	Market	352	19	5.4%
Rice Creek Apartments	Market	240	6	2.5%
The Georgian	Market	184	8	4.3%
The Village At Rice Hope	Market	<u>200</u>	<u>4</u>	<u>2.0%</u>
Total LIHTC		266	0	0.0%
Total Market Rate		976	37	3.8%
Overall Total		1,242	37	3.0%

Overall vacancy in the market is moderate at 3.0 percent. Total LIHTC vacancy is lower, as all of the LIHTC comparables are fully occupied. Additionally, all of the LIHTC comparables maintain lengthy waiting lists. Waiting lists at the LIHTC comparables are as long as six months in length.

The vacancy rates among the market-rate comparable properties range from zero to 5.4 percent, averaging 3.8 percent, which is considered moderate. However, the property has historically operated with a low vacancy rate. The low to moderate vacancy rates among the other market-rate comparable properties indicates that there is demand for rental housing in the Subject's PMA. As a newly constructed property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less.

7. Properties Under Construction and Proposed

According to Georgia DCA allocation lists, there have been no new LIHTC properties allocated in the Subject's PMA since 2013. Our research into market rate properties revealed no new market properties proposed or under construction within the PMA.

8. Rental Advantage

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

SIMILARITY MATRIX

#	Property Name	Program	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Goshen Crossing I	LIHTC	Slightly Inferior	Similar	Similar	Similar	Similar	-5
2	Goshen Crossing II	LIHTC	Slightly Inferior	Similar	Similar	Similar	Similar	-5
3	Harmony Greene	LIHTC	Slightly Inferior	Inferior	Similar	Similar	Superior	-5
4	Veranda Village	LIHTC, Market	Similar	Inferior	Similar	Slightly Inferior	Similar	-15
5	Effingham Parc	Market	Slightly Superior	Similar	Similar	Slightly Inferior	Slightly Inferior	-5
6	Rice Creek Apartments	Market	Slightly Superior	Similar	Similar	Slightly Inferior	Superior	10
7	The Georgian	Market	Slightly Inferior	Inferior	Similar	Inferior	Slightly Inferior	-30
8	The Village At Rice Hope	Market	Similar	Similar	Similar	Slightly Inferior	Similar	-5

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

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

LIHTC RENT COMPARISON - @50%

Property Name	1BR	2BR	3BR
Towne Park Commons (Subject)	\$435	\$505	\$570
LIHTC Maximum (Net)	\$503	\$598	\$681
Goshen Crossing I	\$470	\$555	\$620
Goshen Crossing II	\$440	\$510	\$575
Harmony Greene	-	\$468	\$523
Veranda Village	\$465	\$545	\$610
Average (excluding Subject)	\$458	\$520	\$582

LIHTC RENT COMPARISON - @60%

Property Name	1BR	2BR	3BR
Towne Park Commons (Subject)	\$495	\$560	\$645
LIHTC Maximum (Net)	\$622	\$741	\$846
Goshen Crossing I	\$505	\$575	\$650
Goshen Crossing II	\$500	\$565	\$650
Harmony Greene	-	\$573	\$643
Veranda Village	\$495	\$560	\$640
Average (excluding Subject)	\$500	\$568	\$646

Only one of the LIHTC comparables, Veranda Village, reports rents at maximum allowable levels at 50 percent AMI. This is in keeping with our interviews with local property managers at the comparable properties who reported that maximum allowable rents are not achievable within the market. The average rents being achieved at the comparables are indicative of this, with average LIHTC rents for all bedroom types at 50 and 60 percent AMI are well below the LIHTC maximum allowable rents. The Subject will be most similar to Goshen Crossing II upon completion. Goshen Crossing II is located 2.2 miles south of the Subject in the PMA. It was constructed in 2014 and is in excellent condition. It is currently fully occupied with a waiting list between three and six months in length. The Subject will be similar to Goshen Crossing II in terms of location, age/condition, unit amenities, unit sizes, and common area amenities. The Subject will be slightly superior to Goshen Crossing II in terms of property amenities because it will offer a courtyard and a picnic area, which Goshen Crossing II lacks. Overall, the Subject is similar to Goshen Crossing II. Therefore, we believe the Subject would achieve rents similar to those at Goshen Crossing II. The Subject’s LIHTC rents are feasible as proposed.

Analysis of “Market Rents”

Per DCA’s market study guidelines, “average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not ‘Achievable unrestricted market rent.’ In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comps, but many market-rate comps with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market-rate comps. In a small rural market there may be neither tax credit comps nor market-rate comps with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market.”

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

The overall average and the maximum and minimum adjusted rents for the market properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$435	\$440	\$895	\$643	48%
2 BR @ 50%	\$505	\$468	\$1,170	\$759	50%
3 BR @ 50%	\$570	\$523	\$1,365	\$814	43%
1 BR @ 60%	\$495	\$495	\$895	\$698	41%
2 BR @ 60%	\$560	\$560	\$1,170	\$833	49%
3 BR @ 60%	\$645	\$640	\$1,365	\$907	41%

As illustrated the Subject’s proposed 50 percent rents are within the range of the comparables. The Subject’s 60 percent rents are below the range of the comparables for all unit types. Rice Creek Apartments is achieving the highest one-, two-, and three-bedroom unrestricted rents in the market. The Subject will be inferior to Rice Creek Apartments as a market rate property. Rice Creek Apartments was built in 2009 and exhibits good condition, which is slightly inferior to the anticipated condition of the Subject upon completion. This development is also similar to the Subject’s design. Rice Creek Apartments is located 3.8 miles from

the Subject site and offers a similar location. However, Rice Creek Apartments offers slightly superior property amenities including a car wash, a parking garage, central laundry facility, and a swimming pool. Rice Creek Apartments offers similar in-unit amenities, but offers superior unit size in comparison to the Subject.

The Subject will be most similar to Effingham Parc as a market rate property. Effingham Parc was constructed in 2008 and exhibits good condition, which is considered slightly inferior to the anticipated condition of the Subject upon completion. Effingham Parc offers slightly superior property amenities and similar in-unit amenities in comparison the Subject. It is located 0.1 miles from the Subject site and offers a similar location. Effingham Parc’s unit sizes are slightly inferior to the Subject’s unit sizes. The one-, two-, and three-bedroom rents at Effingham Parc are between 90 and 115 percent higher than the Subject’s highest 60 percent AMI rents. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

9. LIHTC Competition – DCA Funded Properties within the PMA

According to the Georgia Department of Community Affairs, there were no properties awarded LIHTC in the PMA since 2013. Capture rates for the Subject are considered low for all bedroom types and AMI levels. If allocated, the Subject will be slightly superior to superior to the existing LIHTC housing stock. The average LIHTC vacancy rate is healthy as none of the LIHTC comparables reported any vacant units. All of the LIHTC comparables maintain waiting lists. Based upon the strong performance of the LIHTC comparables in the PMA, we believe there is adequate demand for the proposed Subject. We do not believe that the addition of the Subject to the market will impact the two new LIHTC properties or the existing LIHTC properties that are in overall good condition and currently performing well.

10. Rental Trends in the PMA

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

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	13,350	82.3%	2,873	17.7%
2017	22,270	68.6%	10,200	31.4%
Projected Mkt Entry July 2019	23,464	68.3%	10,873	31.7%
2021	24,657	68.1%	11,545	31.9%

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

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

Historical Vacancy

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

HISTORICAL VACANCY									
Comparable Property	Type	Total Units	2QTR 2010	3QTR 2010	2QTR 2014	3QTR 2014	1QTR 2015	2QTR 2016	2QTR 2017
Towne Park Commons	LIHTC	60	N/A						
Goshen Crossing I	LIHTC	60	N/A	N/A	N/A	N/A	N/A	0.0%	0.0%
Goshen Crossing II	LIHTC	60	N/A	N/A	N/A	N/A	N/A	0.0%	0.0%
Harmony Greene	LIHTC, Market	50	N/A	N/A	N/A	N/A	0.0%	0.0%	0.0%
Veranda Village	Market	96	2.1%	N/A	N/A	0.0%	N/A	0.0%	0.0%
Effingham Parc	Market	352	N/A	30.1%	2.6%	N/A	N/A	6.0%	5.4%
Rice Creek Apartments	Market	240	N/A	16.7%	N/A	N/A	N/A	0.0%	2.5%
The Georgian	Market	184	N/A	20.1%	N/A	N/A	N/A	0.0%	4.3%
The Village At Rice Hope	Market	200	N/A	N/A	N/A	N/A	N/A	6.0%	2.0%

As illustrated in the table, we were able to obtain historical vacancy rates at all of the comparable properties for several quarters in the past seven years. In general, the comparable properties experienced decreasing vacancy from 2010 through the second quarter of 2017. Additionally, vacancy rates have generally decreased in the past year. Vacancy rates at the LIHTC comparables have remained low since 2015. Effingham Parc experienced the greatest decrease in vacancy, reaching vacancy rates of 5.4 percent by the second quarter of 2017. Among the market-rate comparable properties, Veranda Village and the Village at Rice Hope have maintained the lowest vacancy rates. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low to moderate vacancy rates, indicate demand for affordable rental housing in the Subject’s market.

Change in Rental Rates

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

RENT GROWTH		
Comparable Property	Rent Structure	Rent Growth
Goshen Crossing I	LIHTC	Increased two to four percent
Goshen Crossing II	LIHTC	Increased two to five percent
Harmony Greene	LIHTC	None
Veranda Village	LIHTC, Market	Increased up to three percent
Effingham Parc	Market	Change daily, upward trending
Rice Creek Apartments	Market	Increased up to 17 percent
The Georgian	Market	Increased up to six percent
The Village At Rice Hope	Market	Increased up to seven percent

The LIHTC properties have reported growth of up to five percent in the past year. The market rate properties reported rent growth as well, some increasing by as much as 17 percent. The one mixed-income property reported rent increases of up to three percent. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 1,588 housing units nationwide was in some stage of foreclosure as of April 2017. The town of Rincon is experiencing a foreclosure rate of one in every 667 homes, while Effingham County is experiencing foreclosure rate of one in every 881 homes and Georgia

experienced one foreclosure in every 1,898 housing units. Overall, Rincon is experiencing a higher foreclosure rate than the county, the state, and the nation. Overall, it appears that the local market is faring worse than the state and the nation as a whole in terms of foreclosure rates. The Subject's neighborhood does not have a significant amount of abandoned or vacancy structures that would impact the marketability of the Subject.

12. Primary Housing Void

All but one of the LIHTC properties offer one-, two-, and three-bedroom units. All LIHTC properties are fully-occupied and maintain lengthy waiting lists, and have historically low vacancy rate. Goshen Crossing II, the newest LIHTC property in the PMA, maintains a waiting list of three to six months. Veranda Village, the only mixed-income comparable, maintains a waiting list of more than 500 households. These waiting lists indicate demand for affordable housing in the market. As such, we believe that the Subject will fill a void in the market by providing one-, two-, and three-bedroom units restricted to households earning 50 or 60 percent of the AMI or less.

13. Effect of Subject on Other Affordable Units in Market

There are no proposed LIHTC developments in the PMA. The comparable LIHTC properties are all currently fully-occupied and report waiting lists. Therefore, we do not believe that the Subject will negatively impact the performance of the existing comparable family properties.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are all currently fully-occupied and report extensive waiting lists. These factors indicate demand for affordable housing. The Subject will offer generally slightly inferior to slightly superior property amenities in comparison to the LIHTC and market-rate comparable properties and generally similar to superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties. The Subject will offer hand rails, a courtyard, a covered porch, computer training, and aerobics classes, which many of the comparables lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered similar to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be similar to slightly superior to the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by the full occupancy and waiting lists at the LIHTC comparable properties, we believe that the Subject is feasible as proposed. We do not believe that it will negatively impact the performance of the existing comparable family properties and that it will perform well.

I. ABSORPTION AND STABILIZATION RATES

ABSORPTION & STABILIZATION RATE

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

ABSORPTION				
Property Name	Occupancy Type	Year Built	Number of Units	Units Absorbed / Month
Goshen Crossing II	LIHTC	2014	60	60
Rice Creek Apartments	Market	2009	240	16
The Village At Rice Hope	Market	2008	200	<u>27</u>
Average				34

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Goshen Crossing II is the most recently completed LIHTC property in the PMA. This property experienced an absorption pace of 60 units per month, significantly faster than the market rate properties constructed in 2008 and 2009. Goshen Crossing II is the second phase of the Goshen Crossing development. Some of this property’s units were filled from the waiting list at Goshen Crossing I. Based on the absorption paces reported by the comparable properties and the full occupancy and waiting lists reported at the LIHTC comparables, we anticipate that the Subject will absorb 30 units per month, for an absorption period of one to two months to reach 93 percent occupancy.

J. INTERVIEWS

Georgia Department of Community Affairs, Waycross Regional Office

We spoke to Anton Shaw, Director of Policy & Administration with the Georgia Department of Community Affairs. Mr. Shaw indicated 129 Housing Choice Vouchers are in use in Effingham County. According to the Mr. Shaw, the waiting list for vouchers is currently closed. Currently, there are 178 applicants on the county’s wait list. The payment standards for Effingham County are listed below.

PAYMENT STANDARDS	
Unit Type	Standard
One-bedroom	\$778
Two-bedroom	\$922
Three-bedroom	\$1,230

Source: Georgia Department of Community Affairs, April 2017

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

Planning

According to Ms. Charlene Middleton with the Rincon Planning and Permits Department, there are no currently planned, proposed, or under construction in Rincon.

Effingham County Industrial Development Authority

We spoke with Ms. Chelsey McNicoll, Existing Industry Program Manager with the Effingham County Industrial Development Authority. She told us that there have been two recent developments in the county that have impacted the local economy. DRT, which is a manufacturing company, recently expanded its facility and plans to add more than 40 jobs. PortFresh, has recently constructed a logistics facility in the county and added approximately 75 new jobs to the area.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

The population in the PMA and the SMA increased significantly from 2000 to 2010, though the rate of growth slowed from 2010 to 2017. The rate of population and household growth is projected to increase through 2021. The current population of the PMA is 90,723 and is expected to be 95,971 in 2019. Renter households are concentrated in the lowest income cohorts, with 34.4 percent of renters in the PMA earning between \$10,000 and \$39,999 annually. Overall, population growth has been positive and the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

Employment Trends

Employment in the PMA is concentrated in four industries, which represent approximately 46.4 percent of total local employment. Two of those educational services and health care/social assistance, are resilient during periods of economic downturn. Furthermore, the county has added jobs in the manufacturing and transportation/warehousing industries.

Overall, the MSA has experienced moderate to strong total employment growth from 2011 through December 2016. As of February 2016, total employment in the MSA was 3.3 percent greater than its pre-recession peak, while national employment was 3.9 percent above its pre-recession peak. The unemployment rate in the MSA as of December 2016 was 4.9 percent, 40 basis points higher than the national unemployment rate but significantly lower than the 2011 peak of 9.9 percent. Overall, employment growth and the declining unemployment rate indicate that the MSA has recovered from the most recent national recession and is in an expansionary phase, though the SMA lags the national pace of job growth since the most recent national recession. The growing local economy is a positive indicator of demand for rental housing and the Subject's proposed units.

Capture Rates

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
1BR at 50% AMI	\$18,103	\$25,400	5	201	0	201	2.5%	\$435
1BR at 60% AMI	\$20,160	\$30,480	13	257	0	257	5.1%	\$495
1BR Overall	\$18,103	\$30,480	18	279	0	279	6.4%	-
2BR at 50% AMI	\$21,634	\$28,600	7	225	0	225	3.1%	\$505
2BR at 60% AMI	\$23,520	\$34,320	15	289	0	289	5.2%	\$560
2BR Overall	\$21,634	\$34,320	22	313	0	313	7.0%	-
3BR at 50% AMI	\$25,337	\$34,300	6	159	0	159	3.8%	\$570
3BR at 60% AMI	\$27,909	\$41,160	14	204	0	204	6.9%	\$645
3BR Overall	\$25,337	\$41,160	20	221	0	221	9.0%	-
50% AMI Overall	\$18,103	\$34,300	18	584	0	584	3.1%	-
60% AMI Overall	\$20,160	\$41,160	42	749	0	749	5.6%	-
Overall	\$18,103	\$41,160	60	814	0	814	7.4%	-

We believe these calculated capture rates are reasonable, particularly as these calculations do not consider demand from outside the PMA or standard rental household turnover. Capture rates are within Georgia DCA threshold at each AMI level and overall.

Absorption

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

ABSORPTION				
Property Name	Occupancy Type	Year Built	Number of Units	Units Absorbed / Month
Goshen Crossing II	LIHTC	2014	60	60
Rice Creek Apartments	Market	2009	240	16
The Village At Rice Hope	Market	2008	200	<u>27</u>
Average				34

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Goshen Crossing II is the most recently completed LIHTC property in the PMA. This property experienced an absorption pace of 60 units per month, significantly faster than the market rate properties constructed in 2008 and 2009. Goshen Crossing II is the second phase of the Goshen Crossing development. Some of this property's units were filled from the waiting list at Goshen Crossing I. Based on the absorption paces reported by the comparable properties and the full occupancy and waiting lists reported at the LIHTC comparables, we anticipate that the Subject will absorb 30 units per month, for an absorption period of one to two months to reach 93 percent occupancy.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property Name	Occupancy Type	Total Units	Vacant Units	Vacancy Rates
Goshen Crossing I	LIHTC	60	0	0.0%
Goshen Crossing II	LIHTC	60	0	0.0%
Harmony Greene	LIHTC	50	0	0.0%
Veranda Village	LIHTC, Market	96	0	0.0%
Effingham Parc	Market	352	19	5.4%
Rice Creek Apartments	Market	240	6	2.5%
The Georgian	Market	184	8	4.3%
The Village At Rice Hope	Market	<u>200</u>	<u>4</u>	<u>2.0%</u>
Total LIHTC		266	0	0.0%
Total Market Rate		976	37	3.8%
Overall Total		1,242	37	3.0%

Overall vacancy in the market is moderate at 3.0 percent. Total LIHTC vacancy is lower, as all of the LIHTC comparables are fully occupied. Additionally, all of the LIHTC comparables maintain lengthy waiting lists. Waiting lists at the LIHTC comparables are as long as six months in length.

The vacancy rates among the market-rate comparable properties range from zero to 5.4 percent, averaging 3.8 percent, which is considered moderate. However, the property has historically operated with a low vacancy rate. The low to moderate vacancy rates among the other market-rate comparable properties indicates that there is demand for rental housing in the Subject's PMA. As a newly constructed property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less.

Strengths of the Subject

Strengths of the Subject will include its proximity to local amenities, its superior age and condition in comparison to the LIHTC and market-rate comparables, and its in-unit amenity package. Upon completion, the Subject will offer hand rails, which many of the comparables lack. The Subject will be considered similar to superior to all of the comparables with respect to in-unit amenities. As the demand analysis found earlier in this report will indicate, there is adequate demand for the Subject based on our calculations for the 50 and 60 percent AMI units.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are all currently fully-occupied and report extensive waiting lists. These factors indicate demand for affordable housing. The Subject will offer generally slightly inferior to slightly superior property amenities in comparison to the LIHTC and market-rate comparable properties and generally similar to superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties. The Subject will offer hand rails, a courtyard, a covered porch, computer training, and aerobics classes, which many of the comparables lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered similar to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be similar to slightly superior to the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by the full occupancy and waiting lists at the LIHTC comparable properties, we believe that the Subject is feasible as proposed. We do not believe that it will negatively impact the performance of the existing comparable family properties and that it will perform well.

Recommendations

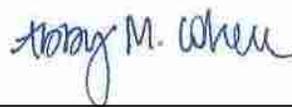
We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

I affirm that I (or one of the persons signing below) 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.



H. Blair Kincer, MAI
Partner
Blair.Kincer@novoco.com



Abby M. Cohen
Principal
Abby.Cohen@novoco.com



Brian Neukam
Manager
Brian.Neukam@novoco.com



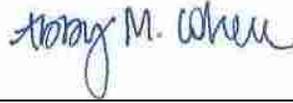
Meg Southern
Junior Analyst
Meg.Southern@novoco.com

M. MARKET STUDY REPRESENTATION

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



H. Blair Kincer, MAI
Partner
Blair.Kincer@novoco.com



Abby M. Cohen
Principal
Abby.Cohen@novoco.com



Brian Neukam
Manager
Brian.Neukam@novoco.com



Meg Southern
Junior Analyst
Meg.Southern@novoco.com

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

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

firm, or professional organizations of which the market analyst is a member be identified without written consent of the market analyst.

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

ADDENDUM B
Subject and Neighborhood Photographs

Photographs of Subject Site and Surrounding Uses



Subject site



Subject site



Subject site



Effingham Parc adjacent to the Subject site (used as a comparable)



Bank in Subject's neighborhood



Grocery store in Subject's neighborhood (vacant)



Commercial use in the Subject's neighborhood



Adjacent vacant land north of the Subject



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood
(vacant)



Adjacent use east of the Subject



View east on Towne Park Drive West



View west on Towne Park Drive West



Walgreens Pharmacy in the Subject's neighborhood



Walmart in the Subject's neighborhood



Car dealership in the Subject's neighborhood



Fast food restaurant in the Subject's neighborhood



Fast food restaurant in the Subject's neighborhood



Crossfit gym in the Subject's neighborhood



Office space in the Subject's neighborhood



Medical center in the Subject's neighborhood



Bank in the Subject's neighborhood



Grocery store and gas station in the Subject's neighborhood

ADDENDUM C
Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

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

III. Professional Experience

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

IV. Professional Training

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

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

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

V. Real Estate Assignments – Examples

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

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

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

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA
Bachelor of Arts

II. Licensing and Professional Affiliation

Certified General Appraiser, MD License #40032823
Certified General Appraiser, NC License #A8127
Certified General Appraiser, NJ License #42RG00255000
Certified General Appraiser, SC License #7487

Candidate for Designation in the Appraisal Institute
Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. Professional Training

7-Hour National USPAP Update, January 2017
Business Practices and Ethics, January 2017
General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
IRS Valuation Summit, October 2014
15-Hour National USPAP Equivalent, April 2013
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Publications

Co-authored "Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions," Novogradac Journal of Tax Credits, March 2016

VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, September 2015- Present

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

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

REAL ESTATE ASSIGNMENTS

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

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Meg Southern

I. Education

University of South Carolina – Columbia, SC Master of Arts,
Public History

College of William and Mary – Williamsburg, VA
Bachelor of Arts, Anthropology and History

II. Professional Experience

Junior Analyst, Novogradac & Company LLP, September 2016 – Present Contract
Researcher, Historic Columbia, May 2014 - September 2016

III. Research Assignments

A representative sample of work on various types of projects:

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

ADDENDUM D
Summary Matrix

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate					
Subject	Towne Park Commons 620 Towne Park Drive W Rincon, GA 31326 Effingham County	n/a	Townhouse Proposed	LIHTC	1BR / 1BA	5	8.3%	@50%	\$435	750	no	N/A	N/A	N/A					
					1BR / 1BA	13	21.7%	@60%	\$495	750	no	N/A	N/A	N/A					
					2BR / 2BA	7	11.7%	@50%	\$505	1,050	no	N/A	N/A	N/A					
					2BR / 2BA	15	25.0%	@60%	\$560	1,050	no	N/A	N/A	N/A					
					3BR / 2BA	6	10.0%	@50%	\$570	1,250	no	N/A	N/A	N/A					
					3BR / 2BA	14	23.3%	@60%	\$645	1,250	no	N/A	N/A	N/A					
					60	100.0%							N/A	N/A					
1	Goshen Crossing I 121 Goshen Commercial Park Drive Rincon, GA 31326 Effingham County	2 miles	Garden (3 stories) 2012	LIHTC	1BR / 1BA	2	3.3%	@50%	\$470	770	no	Yes	0	0.0%					
					1BR / 1BA	10	16.7%	@60%	\$505	770	no	Yes	0	0.0%					
					2BR / 2BA	6	10.0%	@50%	\$555	1,150	no	Yes	0	0.0%					
					2BR / 2BA	30	50.0%	@60%	\$575	1,150	no	Yes	0	0.0%					
					3BR / 2BA	2	3.3%	@50%	\$620	1,250	no	Yes	0	0.0%					
					3BR / 2BA	10	16.7%	@60%	\$650	1,250	no	Yes	0	0.0%					
					60	100.0%							0	0.0%					
2	Goshen Crossing II 120 Goshen Commercial Park Drive Rincon, GA 31326 Effingham County	2.2 miles	Garden (3 stories) 2014	LIHTC	1BR / 1BA	2	3.3%	@50%	\$440	770	no	Yes	0	0.0%					
					1BR / 1BA	10	16.7%	@60%	\$500	770	no	Yes	0	0.0%					
					2BR / 2BA	6	10.0%	@50%	\$510	1,150	no	Yes	0	0.0%					
					2BR / 2BA	30	50.0%	@60%	\$565	1,150	no	Yes	0	0.0%					
					3BR / 2BA	2	3.3%	@50%	\$575	1,250	no	Yes	0	0.0%					
					3BR / 2BA	10	16.7%	@60%	\$650	1,250	no	Yes	0	0.0%					
					60	100.0%							0	0.0%					
3	Harmony Greene 201 Harmony Boulevard Pooler, GA 31322 Chatham County	16.7 miles	Townhouse (2 stories) 2012	LIHTC	2BR / 2BA	10	20.0%	@50%	\$468	1,130	no	Yes	0	0.0%					
					2BR / 2BA	N/A	N/A	@60%	\$573	1,130	no	Yes	0	N/A					
					3BR / 2BA	30	60.0%	@50%	\$523	1,405	no	Yes	0	0.0%					
					3BR / 2BA	N/A	N/A	@60%	\$643	1,405	no	Yes	0	N/A					
					4BR / 2BA	10	20.0%	@50%	\$630	1,575	no	Yes	0	0.0%					
					4BR / 2BA	N/A	N/A	@60%	\$770	1,575	no	Yes	0	N/A					
					50	100.0%							0	0.0%					
4	Veranda Village 501 Lisa Street Rincon, GA 31326 Effingham County	0.8 miles	Garden (2 stories) 2005	LIHTC, Market	1BR / 1BA	4	4.2%	@30%	\$248	783	yes	Yes	0	0.0%					
					1BR / 1BA	22	22.9%	@50%	\$465	783	yes	Yes	0	0.0%					
					1BR / 1BA	2	2.1%	@60%	\$495	783	no	Yes	0	0.0%					
					1BR / 1BA	4	4.2%	Market	\$530	783	n/a	Yes	0	0.0%					
					2BR / 2BA	5	5.2%	@30%	\$298	1,025	yes	Yes	0	0.0%					
					2BR / 2BA	36	37.5%	@50%	\$545	1,025	yes	Yes	0	0.0%					
					2BR / 2BA	2	2.1%	@60%	\$560	1,025	no	Yes	0	0.0%					
					2BR / 2BA	5	5.2%	Market	\$640	1,025	n/a	Yes	0	0.0%					
					3BR / 2BA	1	1.0%	@30%	\$335	1,180	yes	Yes	0	0.0%					
					3BR / 2BA	12	12.5%	@50%	\$610	1,180	yes	Yes	0	0.0%					
					3BR / 2BA	2	2.1%	@60%	\$640	1,180	no	Yes	0	0.0%					
					3BR / 2BA	1	1.0%	Market	\$715	1,180	n/a	Yes	0	0.0%					
										96	100.0%							0	0.0%
					5	Effingham Parc 617 Towne Park West Drive Rincon, GA 31326 Effingham County	0.1 miles	Garden (2 stories) 2008	Market	Studio / 1BA	N/A	N/A	Market	\$777	575	n/a	No	N/A	N/A
1BR / 1BA	N/A	N/A	Market	\$885						697	n/a	No	N/A	N/A					
2BR / 2BA	N/A	N/A	Market	\$1,170						899	n/a	No	N/A	N/A					
3BR / 2BA	N/A	N/A	Market	\$1,336						1,291	n/a	No	N/A	N/A					
					352	100.0%							19	5.4%					
6	Rice Creek Apartments 9001 Highway 21 Port Wentworth, GA 31407 Chatham County	3.8 miles	Garden (3 stories) 2009	Market	1BR / 1BA	N/A	N/A	Market	\$855	857	n/a	No	2	N/A					
					1BR / 1BA	N/A	N/A	Market	\$895	921	n/a	No	1	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,010	1,131	n/a	No	1	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,030	1,155	n/a	No	1	N/A					
					2BR / 2BA	N/A	N/A	Market	\$944	1,161	n/a	No	0	N/A					
					2BR / 2BA	N/A	N/A	Market	\$994	1,186	n/a	No	0	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,125	1,344	n/a	No	0	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,365	1,362	n/a	No	1	N/A					
										240	100.0%							6	2.5%
7	The Georgian 105 Lisa St Rincon, GA 31326 Effingham County	1.1 miles	Garden (2 stories) 1988	Market	Studio / 1BA	4	2.2%	Market	\$660	650	n/a	No	0	0.0%					
					1BR / 1BA	76	41.3%	Market	\$690	750	n/a	No	4	5.3%					
					1.5BR / 1BA	12	6.5%	Market	\$760	900	n/a	No	1	8.3%					
					2BR / 1BA	80	43.5%	Market	\$805	950	n/a	No	2	2.5%					
					3BR / 2BA	12	6.5%	Market	\$895	1,250	n/a	No	1	8.3%					
					184	100.0%							8	4.3%					
8	The Village At Rice Hope 203 Magnolia Boulevard Port Wentworth, GA 31407 Chatham County	5 miles	Midrise (4 stories) 2008	Market	1BR / 1BA	N/A	N/A	Market	\$867	801	n/a	No	1	N/A					
					2BR / 1BA	N/A	N/A	Market	\$933	933	n/a	No	1	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,024	1,065	n/a	No	1	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,053	1,245	n/a	No	1	N/A					
					200	100.0%							4	2.0%					