

# MARKET STUDY

Property:  
Trinity Walk Phase III  
1111 Oakview Road  
Decatur, DeKalb County, Georgia 30030



Type of Property:  
Affordable Multifamily Development  
Family  
Demolition / New Construction

Date of Report:  
May 22, 2017

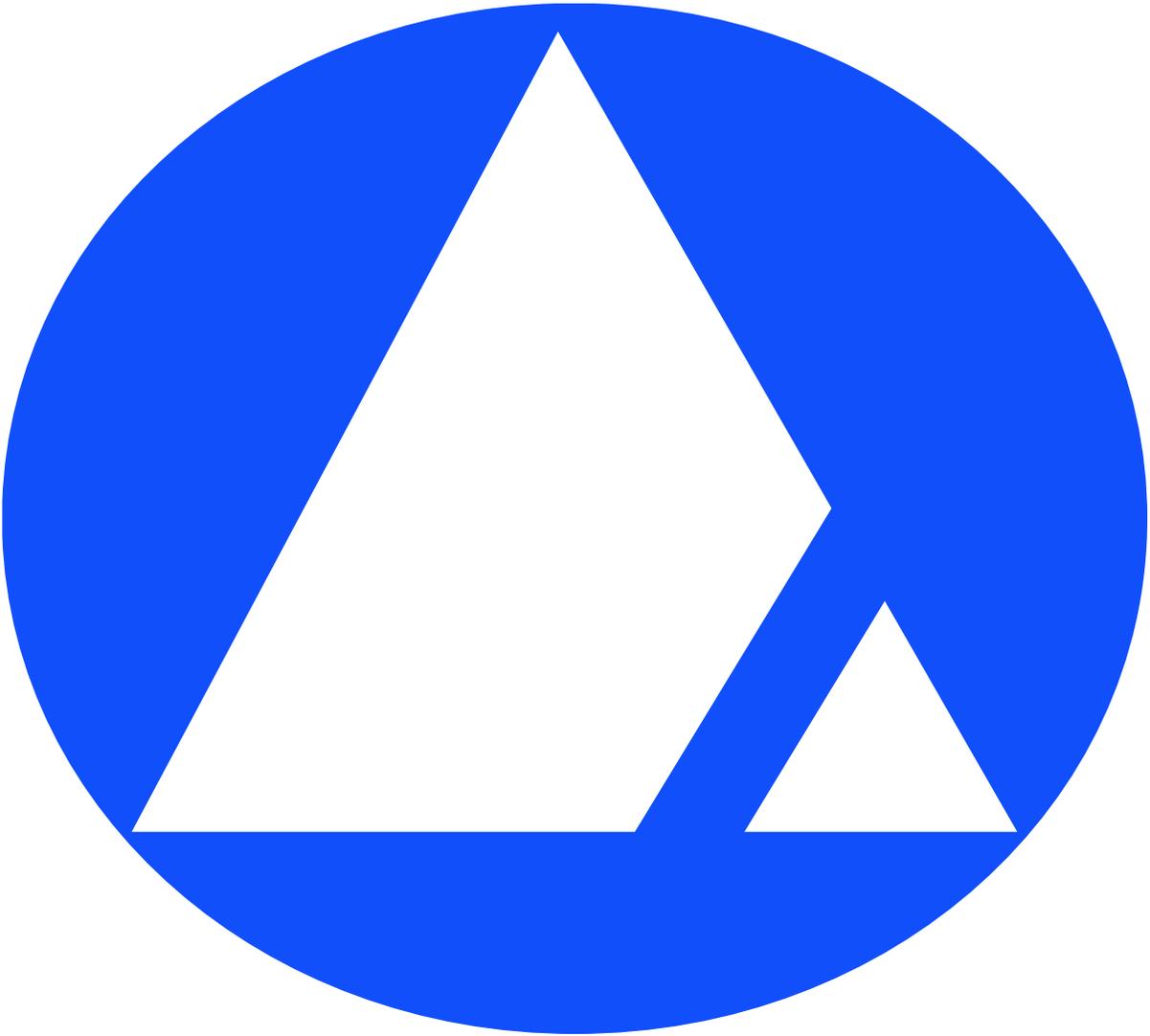
Effective Date:  
May 15, 2017

Date of Site Visit:  
April 29, 2016

Prepared For:  
Mr. Doug Faust  
Decatur Housing Authority  
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May 22, 2017

Mr. Doug Faust  
Decatur Housing Authority  
750 Commerce Drive #110  
Decatur, Georgia 30030

Re: Trinity Walk Phase III

Dear Mr. Doug Faust:

The subject property, known as Trinity Walk Phase III, is a proposed new construction affordable multifamily project to be located at the southwest corner of Maxwell Street and Oakview Road (1111 Oakview Road) in Decatur, DeKalb County, Georgia. The subject property is proposed to consist of 34 revenue-producing units to be constructed with tax credit financing in 1 three-story walk-up wood framed building. The subject property is an open age community.

The subject property is proposed to consist of 34 revenue-producing units including 1 and 2-bedroom garden apartment units. A total of 7 units are proposed to be income restricted to 50% of AMI; a total of 20 units are proposed to be income restricted to 60% of AMI; a total of 7 units are proposed to be set aside as market rate units; no units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing. The term of the restrictions associated with the proposed tax credit financing is 30 years.

The scope of this assignment consists of a comprehensive market analysis for the subject property. The market study was completed in accordance with DCA and National Council for Housing Market Analyst (NCHMA) guidelines and the Uniform Standards of Professional Practice (USPAP). The completion of this report involved a site visit, interviews with local property managers, and the collection of market data through discussions with persons knowledgeable of the local real estate market.

The purpose, intended use, and function of the report is to assess the marketability of the subject property for tax credit application purposes. This report should not be used for any other purposes without the express written permission of Allen & Associates Consulting.

The report has been generated for the benefit of our client Decatur Housing Authority. DCA is named as additional user of the report. No other person or entity may use the report for any reason whatsoever without our express written permission.

A summary of our findings and conclusions is found in the following pages. The conclusions reported are based on the conditions that exist as of the effective date of this report. These factors are subject to change and may alter, or otherwise affect the findings and conclusions presented in this report.

To the best of our knowledge, this report presents an accurate evaluation of market conditions for the subject property as of the effective date of this report. While the analysis that follows is based upon information obtained from sources believed to be reliable, no guarantee is made of its accuracy.

Feel free to contact us with any questions or comments.

Respectfully submitted:  
ALLEN & ASSOCIATES CONSULTING

A handwritten signature in blue ink, appearing to read "Jeff Carroll".

Jeff Carroll

## EXECUTIVE SUMMARY

The following is a summary of our key findings and conclusions with respect to the subject property:

### Project Description

The subject property, known as Trinity Walk Phase III, is a proposed new construction affordable multifamily project to be located at the southwest corner of Maxwell Street and Oakview Road (1111 Oakview Road) in Decatur, DeKalb County, Georgia. The subject property is proposed to consist of 34 revenue-producing units to be constructed with tax credit financing in 1 three-story walk-up wood framed building. The subject property is an open age community.

### Proposed Unit Mix

The subject property is proposed to consist of 34 revenue-producing units including 1 and 2-bedroom garden apartment units. A total of 7 units are proposed to be income restricted to 50% of AMI; a total of 20 units are proposed to be income restricted to 60% of AMI; a total of 7 units are proposed to be set aside as market rate units; no units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing. The term of the restrictions associated with the proposed tax credit financing is 30 years.

| Unit Type / Income Limit / Rent Limit      | Proposed Unit Configuration |            | Units | Gross Rent | UA    | Net Rent |
|--------------------------------------------|-----------------------------|------------|-------|------------|-------|----------|
|                                            | HOME                        | Subsidized |       |            |       |          |
| 1BR-1BA-700sf / 50% of AMI / 50% of AMI    | No                          | No         | 6     | \$632      | \$112 | \$520    |
| 1BR-1BA-700sf / 60% of AMI / 60% of AMI    | No                          | No         | 15    | \$757      | \$112 | \$645    |
| 1BR-1BA-700sf / Market Rate / Market Rate  | No                          | No         | 6     | \$1,112    | \$112 | \$1,000  |
| 2BR-2BA-1000sf / 50% of AMI / 50% of AMI   | No                          | No         | 1     | \$756      | \$137 | \$619    |
| 2BR-2BA-1000sf / 60% of AMI / 60% of AMI   | No                          | No         | 5     | \$906      | \$137 | \$769    |
| 2BR-2BA-1000sf / Market Rate / Market Rate | No                          | No         | 1     | \$1,637    | \$137 | \$1,500  |
| Total/Average                              |                             |            | 34    | \$845      | \$117 | \$728    |

### Site Description

The subject property includes an irregular-shaped parcel consisting of approximately 0.807 acres and approximately 400 feet of road frontage.

A total of 26 parking spaces are planned for this development (24 regular / 2 accessible / 0.76 spaces per unit). Privately-owned parking areas are found at the subject property. The site plan meets all municipal parking requirements. We normally see 1.0 to 1.5 spaces per unit for projects like the subject. In our opinion, the proposed parking appears a bit light for the subject property.

### Additional Considerations:

|               |                                                               |
|---------------|---------------------------------------------------------------|
| Zoning        | RM-43. Legal, conforming use.                                 |
| Environmental | New construction. No suspected environmental conditions.      |
| Topography    | Site is flat. No issues detected.                             |
| Flood         | Zone X. Outside the 100-year flood zone.                      |
| DDA Status    | DeKalb County. Not designated as a Difficult to Develop Area. |
| QCT Status    | Tract 227.00. Not designated as a Qualified Census Tract.     |
| Access        | Good. Located near a moderately-traveled road.                |
| Visibility    | Good. Site visible from nearby roads.                         |

In our opinion, the site is suitable for development.

### Neighborhood Description

In our opinion, the subject property has a very good location relative to competing properties with respect to neighborhood characteristics.

In our opinion, the subject property has a good location relative to competing properties with respect to area amenities.

Additional Considerations:

|                 |                                              |
|-----------------|----------------------------------------------|
| Crime           | Lower crime rates than market average.       |
| Schools         | Higher graduation rates than market average. |
| Average Commute | Shorter commute than market average.         |

In our opinion, the neighborhood is suitable for development.

Primary Market Area

We defined the primary market area by generating a 5-minute drive time zone around the subject property. We also considered existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

The primary market area includes a population of 54,647 persons and covers a total of 14.6 square miles, making it 4.3 miles across on average.

We estimate that up to 20 percent of demand will come from areas outside of the primary market area.

Demographic Characteristics

We anticipate moderate population and household growth for the market area. Renter households are anticipated to increase modestly as well. Finally, we anticipate that rents will grow with CPI over the next few years. Additional details follow:

|                   |                                                                                                               |
|-------------------|---------------------------------------------------------------------------------------------------------------|
| Population        | Market area population currently stands at 54,647 and is projected to grow 1.1 percent this year.             |
| Households        | Market area households currently stand at 23,478 and is projected to grow 1.0 percent this year.              |
| Renter Households | Market area renter households currently stand at 9,895 and is projected to grow 1.0 percent this year.        |
| Renter Tenure     | Market area renter tenure currently stands at 42.1 percent.                                                   |
| Rent Growth       | Market area rents have grown 2.71% annually over the past 10 years.                                           |
| Med HH Income     | Median household incomes for the area stand at \$69,700 and have grown 0.39% annually over the past 10 years. |

Regional Economic Outlook

We anticipate moderate economic growth for the region. Additional details follow:

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Est Employment     | Regional establishment employment currently stands at 488,785 and is projected to grow 1.3 percent this year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Civ Employment     | Regional civilian employment currently stands at 364,904 and is projected to grow 0.9 percent this year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Empl by Industry   | Regional Establishment Employment stood at 482,426 in 2016. The data suggests that Health Care and Social Assistance is the largest employment category accounting for 11.2% of total regional employment. Retail Trade is the second largest category accounting for 9.0% of total employment. Administrative and Waste Services is the third largest category accounting for 8.4% of total employment. Professional and Technical Services is the fourth largest category accounting for 8.2% of total employment. Other Services is the fifth largest category accounting for 7.4% of total employment. |
| Top Employers      | The top employers include: (1) Emory University (10000 employees); (2) Emory University Hospital (9000 employees) and; (3) Dekalb Medical Ctr Pharmacy (3775 employees).                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Layoffs/Expansions | Major employers are currently hiring; none reported any pending layoffs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

### Supply Analysis

Our analysis includes a total of 34 confirmed market area properties consisting of 4,402 units. The occupancy rate for these units currently stands at 92 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

The following tables summarize our findings for this market area:

| Grand Total  |            |       |        |           |
|--------------|------------|-------|--------|-----------|
| Project Type | Properties | Units | Vacant | Occupancy |
| Market Rate  | 14         | 2,324 | 188    | 92%       |
| Restricted   | 11         | 296   | 88     | 70%       |
| Subsidized   | 9          | 1,782 | 96     | 95%       |
| Total        | 34         | 4,402 | 372    | 92%       |

| Stabilized   |            |       |        |           |
|--------------|------------|-------|--------|-----------|
| Family       |            |       |        |           |
| Project Type | Properties | Units | Vacant | Occupancy |
| Market Rate  | 13         | 1,965 | 78     | 96%       |
| Restricted   | 7          | 198   | 6      | 97%       |
| Subsidized   | 4          | 857   | 14     | 98%       |
| Total        | 24         | 3,020 | 98     | 97%       |

| Elderly      |            |       |        |           |
|--------------|------------|-------|--------|-----------|
| Project Type | Properties | Units | Vacant | Occupancy |
| Market Rate  | 0          | 178   | 8      | 96%       |
| Restricted   | 2          | 17    | 1      | 94%       |
| Subsidized   | 4          | 799   | 25     | 97%       |
| Total        | 6          | 994   | 34     | 97%       |

| Pipeline     |            |       |        |           |
|--------------|------------|-------|--------|-----------|
| Family       |            |       |        |           |
| Project Type | Properties | Units | Vacant | Occupancy |
| Market Rate  | 1          | 175   | 96     | 45%       |
| Restricted   | 1          | 10    | 10     | 0%        |
| Subsidized   | 1          | 111   | 42     | 62%       |
| Total        | 3          | 296   | 148    | 50%       |

| Elderly      |            |       |        |           |
|--------------|------------|-------|--------|-----------|
| Project Type | Properties | Units | Vacant | Occupancy |
| Market Rate  | 0          | 6     | 6      | 0%        |
| Restricted   | 1          | 71    | 71     | 0%        |
| Subsidized   | 0          | 15    | 15     | 0%        |
| Total        | 1          | 92    | 92     | 0%        |

### Most Comparable Properties

An overview of the market rate comparables selected for purposes of our analysis follows. The properties we consider to be the best comparables are highlighted for the reader's reference.

| Key | Property                   | Units | Occupancy | Built | Renovated | Rents       | Type   | Miles to Sub |
|-----|----------------------------|-------|-----------|-------|-----------|-------------|--------|--------------|
| 002 | Alexan 1133                | 167   | 91%       | 2016  | na        | Market Rate | Family | 1.13         |
| 008 | Archstone Decatur Crossing | 180   | 98%       | 2000  | na        | Market Rate | Family | 1.93         |
| 076 | Parkway Grand Apartments   | 303   | 93%       | 2001  | na        | Market Rate | Family | 0.80         |
| 078 | Place on Ponce             | 234   | 96%       | 2014  | na        | Market Rate | Family | 1.03         |

An overview of the restricted rent comparables selected for purposes of our analysis follows. The properties we consider

to be the best comparables are highlighted for the reader's reference.

| Key | Property                    | Units | Occupancy | Built | Renovated | Rents      | Type   | Miles to Sub |
|-----|-----------------------------|-------|-----------|-------|-----------|------------|--------|--------------|
| 014 | Avalon Ridge                | 222   | 98%       | 2008  | na        | Restricted | Family | 6.83         |
| 034 | Columbia Mill Apartments    | 100   | 97%       | 2013  | na        | Restricted | Family | 2.15         |
| 036 | Columbia Parkside at Mechar | 156   | 94%       | 2011  | na        | Restricted | Family | 5.66         |
| 040 | Columbia Village Apartments | 100   | 97%       | 1999  | na        | Restricted | Family | 1.47         |
| 081 | Retreat at Edgewood 1       | 100   | 99%       | 2010  | na        | Restricted | Family | 2.09         |
| 082 | Retreat at Edgewood 2       | 40    | 98%       | 2011  | na        | Restricted | Family | 2.04         |

### Achievable Rents

In the following table we present our concluded achievable rents and rent advantage for the subject property:

| Unit Type / Income Limit / Rent Limit      | Achievable Rents |            |  | Units | Achievable | Proposed | Advantage |
|--------------------------------------------|------------------|------------|--|-------|------------|----------|-----------|
|                                            | HOME             | Subsidized |  |       |            |          |           |
| 1BR-1BA-700sf / 50% of AMI / 50% of AMI    | No               | No         |  | 6     | \$541      | \$520    | 3.9%      |
| 1BR-1BA-700sf / 60% of AMI / 60% of AMI    | No               | No         |  | 15    | \$672      | \$645    | 4.0%      |
| 1BR-1BA-700sf / Market Rate / Market Rate  | No               | No         |  | 6     | \$1,050    | \$1,000  | 4.8%      |
| 2BR-2BA-1000sf / 50% of AMI / 50% of AMI   | No               | No         |  | 1     | \$648      | \$619    | 4.5%      |
| 2BR-2BA-1000sf / 60% of AMI / 60% of AMI   | No               | No         |  | 5     | \$805      | \$769    | 4.5%      |
| 2BR-2BA-1000sf / Market Rate / Market Rate | No               | No         |  | 1     | \$1,550    | \$1,500  | 3.2%      |
| Total / Average                            |                  |            |  | 34    | \$760      | \$728    | 4.2%      |

Our analysis suggests an average achievable rent of \$760 for the subject property. This is compared with an average proposed rent of \$728, yielding an achievable rent advantage of 4.2 percent. Overall, the subject property appears to be priced at or below achievable rents for the area.

### NCHMA Demand Analysis

In the following tables we present our concluded demand, capture rate, penetration rate and absorption period estimates for the subject property using the NCHMA demand methodology:

| Unit Type / Rent Type / Income Limit | Vac Units at Market Entry | Gross Demand | Vacant & Pipeline Units | Capture Rate Gross | Capture Rate Net | Penetration Rate | Absorption Pd (Mos) |
|--------------------------------------|---------------------------|--------------|-------------------------|--------------------|------------------|------------------|---------------------|
| 1-Bedroom / Restricted / 50% of AMI  | 6                         | 432          | 0                       | 1.4%               | 1.4%             | 2.1%             | <1                  |
| 1-Bedroom / Restricted / 60% of AMI  | 15                        | 518          | 3                       | 2.9%               | 2.9%             | 10.0%            | 2                   |
| 1-Bedroom / Market Rate              | 6                         | 2,354        | 74                      | 0.3%               | 0.3%             | 26.7%            | 1                   |
| 2-Bedroom / Restricted / 50% of AMI  | 1                         | 201          | 0                       | 0.5%               | 0.5%             | 6.0%             | <1                  |
| 2-Bedroom / Restricted / 60% of AMI  | 5                         | 175          | 8                       | 2.9%               | 3.0%             | 45.1%            | 2                   |
| 2-Bedroom / Market Rate              | 1                         | 1,983        | 84                      | 0.1%               | 0.1%             | 55.4%            | <1                  |
| Project-Wide Gross Capture Rate      |                           |              |                         | 0.7%               |                  |                  |                     |
| Project-Wide Net Capture Rate        |                           |              |                         | 0.7%               |                  |                  |                     |
| Project-Wide Penetration Rate        |                           |              |                         | 38.6%              |                  |                  |                     |
| Stabilized Occupancy                 |                           |              |                         | 97%                |                  |                  |                     |
| Project-Wide Absorption Period       |                           |              |                         | 2 mos              |                  |                  |                     |

In our opinion, the estimated project-level capture rate suggests an appropriate number of units for the subject property. The unit level capture rates suggest an appropriate mix of units for the subject property.

In our opinion, the estimated project-level penetration rate suggest an appropriate number of units for the subject property. The unit-level penetration rates suggest an appropriate mix of units for the subject property.

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 2 months of absorption and an average absorption rate of 15.8 units per month for this project. In our opinion, the absorption period suggests an appropriate number and mix of units for the subject property.

It is important to note that this analysis does not account for pent-up demand, pre-leasing efforts or rent concessions. In our opinion, an effective pre-leasing effort could result in a month-for-month reduction in the estimated absorption period for this project. In addition, any concessions or rent subsidies not accounted for already in this analysis could cut capture

rates and absorption periods significantly.

DCA Demand Analysis

In the following table we present our concluded capture rate and absorption period estimates for the subject property using the DCA demand methodology:

|                                          |       |
|------------------------------------------|-------|
| Project-Wide Capture Rate - Subsidized   | 0.0%  |
| Project-Wide Capture Rate - LIHTC Units  | 4.7%  |
| Project-Wide Capture Rate - Market Units | 0.7%  |
| Project-Wide Capture Rate - All Units    | 1.7%  |
| Project-Wide Absorption Period (Months)  | 2 mos |

Conclusion

In conclusion, the subject property appears to be feasible from a market standpoint. The units appear to be priced appropriately and we anticipate a rapid lease-up after construction.

Because of the demonstrated depth of demand in this area, we do not believe the construction of this property will have an adverse impact on existing projects in the market area. In addition, we do not anticipate that the proposed development will compete with single family home sales (by third party or by foreclosure) in the area.

Trinity Walk Phase III  
 1111 Oakview Road  
 Decatur, Georgia 30030

|                                                                                                | Sub | 50%      | 60%      | 80% | Mkt       | Tot       |
|------------------------------------------------------------------------------------------------|-----|----------|----------|-----|-----------|-----------|
| Minimum Income                                                                                 |     | \$21,669 | \$25,954 |     | \$38,126  | \$21,669  |
| Maximum Income                                                                                 |     | \$31,400 | \$37,680 |     | \$250,000 | \$250,000 |
| Proposed Units                                                                                 |     | 7        | 20       |     | 7         | 34        |
| New Rental Households<br>(+)                                                                   |     | 35       | 41       |     | 178       | 310       |
| Existing Households -<br>Overburdened<br>(+)                                                   |     | 181      | 211      |     | 918       | 1,598     |
| Existing Households -<br>Substandard Housing<br>(+)                                            |     | 56       | 65       |     | 284       | 494       |
| Elderly Households -<br>Likely to Convert to<br>Rental Housing<br>(=)                          |     |          |          |     |           |           |
| Gross Demand<br>(-)                                                                            |     | 272      | 317      |     | 1,380     | 2,403     |
| Supply of Vacant<br>Competing, Pipeline &<br>Newly-Constructed Units<br>In Past 2 Years<br>(=) |     |          | 11       |     | 373       | 384       |
| Net Demand                                                                                     |     | 272      | 306      |     | 1,007     | 2,019     |
| Proposed Units (Vacant<br>at Market Entry)                                                     |     | 7        | 20       |     | 7         | 34        |
| Capture Rate                                                                                   |     | 2.6%     | 6.5%     |     | 0.7%      | 1.7%      |
| Absorption Period<br>(Months)                                                                  |     | 2 mos    | 2 mos    |     | 2 mos     | 2 mos     |

## Summary Table:

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

|                   |                                                                                                      |                   |
|-------------------|------------------------------------------------------------------------------------------------------|-------------------|
| Development Name: | Trinity Walk III                                                                                     | Total # Units: 34 |
| Location:         | 1111 Oakview Road, Decatur, Georgia                                                                  | # LIHTC Units: 27 |
| PMA Boundary:     | 5-minute drive time in Decatur, Dekalb County, Georgia including 54647 persons and 14.6 square miles |                   |
|                   | Farthest Boundary Distance to Subject:                                                               | 2.5 miles         |

### RENTAL HOUSING STOCK (found on page 81-89)

| Type                                                    | # Properties | Total Units | Vacant Units | Average Occupancy |
|---------------------------------------------------------|--------------|-------------|--------------|-------------------|
| All Rental Housing                                      | 34           | 4402        | 372          | 92%               |
| Market-Rate Housing                                     | 14           | 2324        | 188          | 92%               |
| <i>Assisted/Subsidized Housing not to include LIHTC</i> | 9            | 1782        | 96           | 95%               |
| <b>LIHTC</b>                                            | <b>11</b>    | <b>296</b>  | <b>88</b>    | <b>70%</b>        |
| Stabilized Comps                                        | 7            | 198         | 6            | 97%               |
| Properties in Construction & Lease Up                   | 1            | 10          | 10           | 0%                |

| 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 |
| There are 6 unique unit types at the subject property. See pages 98-127 of the report for further details. |            |         |           |                      |                     |        |           |                              |        |
|                                                                                                            |            |         |           | \$                   | \$                  | \$     | %         | \$                           | \$     |

### DEMOGRAPHIC DATA (found on page 63-70)

|                                                  | 2012 |  | 2017 |  | 2019  |  |
|--------------------------------------------------|------|--|------|--|-------|--|
| Renter Households                                | 8555 |  | 9895 |  | 10100 |  |
| Income-Qualified Renter HHs (LIHTC)              | 1647 |  | 1905 |  | 1944  |  |
| Income-Qualified Renter HHs (MR) (if applicable) | 2220 |  | 2568 |  | 2621  |  |

### TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 151-166)

| Type of Demand                              | 30% | 50%        | 60%        | Market-rate | Other: __ | Overall     |
|---------------------------------------------|-----|------------|------------|-------------|-----------|-------------|
| Renter Household Growth                     |     | 35         | 41         | 178         |           | 310         |
| Existing Households (Overburd + Substand)   |     | 237        | 276        | 1202        |           | 2092        |
| Homeowner conversion (Seniors)              |     |            |            |             |           |             |
| <b>Total Primary Market Demand</b>          |     | <b>272</b> | <b>317</b> | <b>1380</b> |           | <b>2403</b> |
| Less Comparable/Competitive Supply          |     |            | 11         | 373         |           | 384         |
| <b>Adjusted Income-qualified Renter HHs</b> |     | <b>272</b> | <b>306</b> | <b>1007</b> |           | <b>2019</b> |

**CAPTURE RATES (found on page 166)**

| <b>Targeted Population</b> | <b>30%</b> | <b>50%</b> | <b>60%</b> | <b>Market-rate</b> | <b>Other: __</b> | <b>Overall</b> |
|----------------------------|------------|------------|------------|--------------------|------------------|----------------|
| Capture Rate               |            | 2.6%       | 6.5%       | 0.7%               |                  | 1.7%           |

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## PROJECT OVERVIEW

### Project Description

The subject property, known as Trinity Walk Phase III, is a proposed new construction affordable multifamily project to be located at the southwest corner of Maxwell Street and Oakview Road (1111 Oakview Road) in Decatur, DeKalb County, Georgia. The subject property is proposed to consist of 34 revenue-producing units to be constructed with tax credit financing in 1 three-story walk-up wood framed building. The subject property is an open age community.

Select project details are summarized below:

| Project Description |                        |
|---------------------|------------------------|
| Property Name       | Trinity Walk Phase III |
| Street Number       | 1111                   |
| Street Name         | Oakview                |
| Street Type         | Road                   |
| City                | Decatur                |
| County              | DeKalb County          |
| State               | Georgia                |
| Zip                 | 30030                  |
| Units               | 34                     |
| Year Built          | 2017                   |
| Project Rent        | Restricted             |
| Project Type        | Family                 |
| Project Status      | Prop Const             |
| Financing Type      | Tax Credit             |
| Latitude            | 33.7579                |
| Longitude           | -84.3040               |

### Construction and Lease-Up Schedule

We anticipate a 12-month construction period for this project. Assuming a June 1, 2018 closing, this yields a date of completion of June 1, 2019. Our demand analysis (found later in this report) suggests a 2-month absorption period. This yields a date of stabilization of August 1, 2019.

### Unit Configuration

The subject property is proposed to consist of 34 revenue-producing units including 1 and 2-bedroom garden apartment units. A total of 7 units are proposed to be income restricted to 50% of AMI; a total of 20 units are proposed to be income restricted to 60% of AMI; a total of 7 units are proposed to be set aside as market rate units; no units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing. The term of the restrictions associated with the proposed tax credit financing is 30 years.

| Proposed Unit Configuration |     |       |             |              |            |            |            |             |            |          |
|-----------------------------|-----|-------|-------------|--------------|------------|------------|------------|-------------|------------|----------|
| BR                          | BA  | SF    | Unit Type   | Income Limit | Rent Limit | HOME Units | Subs Units | Total Units | Gross Rent | Net Rent |
| 1                           | 1.0 | 700   | Garden/Flat | 50%          | 50%        | No         | No         | 6           | \$632      | \$520    |
| 1                           | 1.0 | 700   | Garden/Flat | 60%          | 60%        | No         | No         | 15          | \$757      | \$645    |
| 1                           | 1.0 | 700   | Garden/Flat | Mar          | Mar        | No         | No         | 6           | \$1,112    | \$1,000  |
| 2                           | 2.0 | 1,000 | Garden/Flat | 50%          | 50%        | No         | No         | 1           | \$756      | \$619    |
| 2                           | 2.0 | 1,000 | Garden/Flat | 60%          | 60%        | No         | No         | 5           | \$906      | \$769    |
| 2                           | 2.0 | 1,000 | Garden/Flat | Mar          | Mar        | No         | No         | 1           | \$1,637    | \$1,500  |
| Total/Average               |     | 762   |             |              |            |            |            | 34          | \$845      | \$728    |

## Income & Rent Limits

The subject property is operated subject to certain income restrictions. The following table gives the applicable income limits for this area:

| Income Limits |            |            |            |            |            |            |
|---------------|------------|------------|------------|------------|------------|------------|
| HH Size       | 20% of AMI | 30% of AMI | 40% of AMI | 50% of AMI | 60% of AMI | 80% of AMI |
| 1.0 Person    | \$9,760    | \$14,640   | \$19,520   | \$24,400   | \$29,280   | \$39,050   |
| 2.0 Person    | \$11,160   | \$16,740   | \$22,320   | \$27,900   | \$33,480   | \$44,650   |
| 3.0 Person    | \$12,560   | \$18,840   | \$25,120   | \$31,400   | \$37,680   | \$50,250   |
| 4.0 Person    | \$13,940   | \$20,910   | \$27,880   | \$34,850   | \$41,820   | \$55,800   |
| 5.0 Person    | \$15,060   | \$22,590   | \$30,120   | \$37,650   | \$45,180   | \$60,250   |
| 6.0 Person    | \$16,180   | \$24,270   | \$32,360   | \$40,450   | \$48,540   | \$64,750   |
| 7.0 Person    | \$17,300   | \$25,950   | \$34,600   | \$43,250   | \$51,900   | \$69,200   |
| 8.0 Person    | \$18,420   | \$27,630   | \$36,840   | \$46,050   | \$55,260   | \$73,700   |

Source: HUD; State Housing Finance Agency

The income limits found above were based (in part) on HUD's published median household income for the area. The table below shows how this statistic has increased/decreased over the past several years:

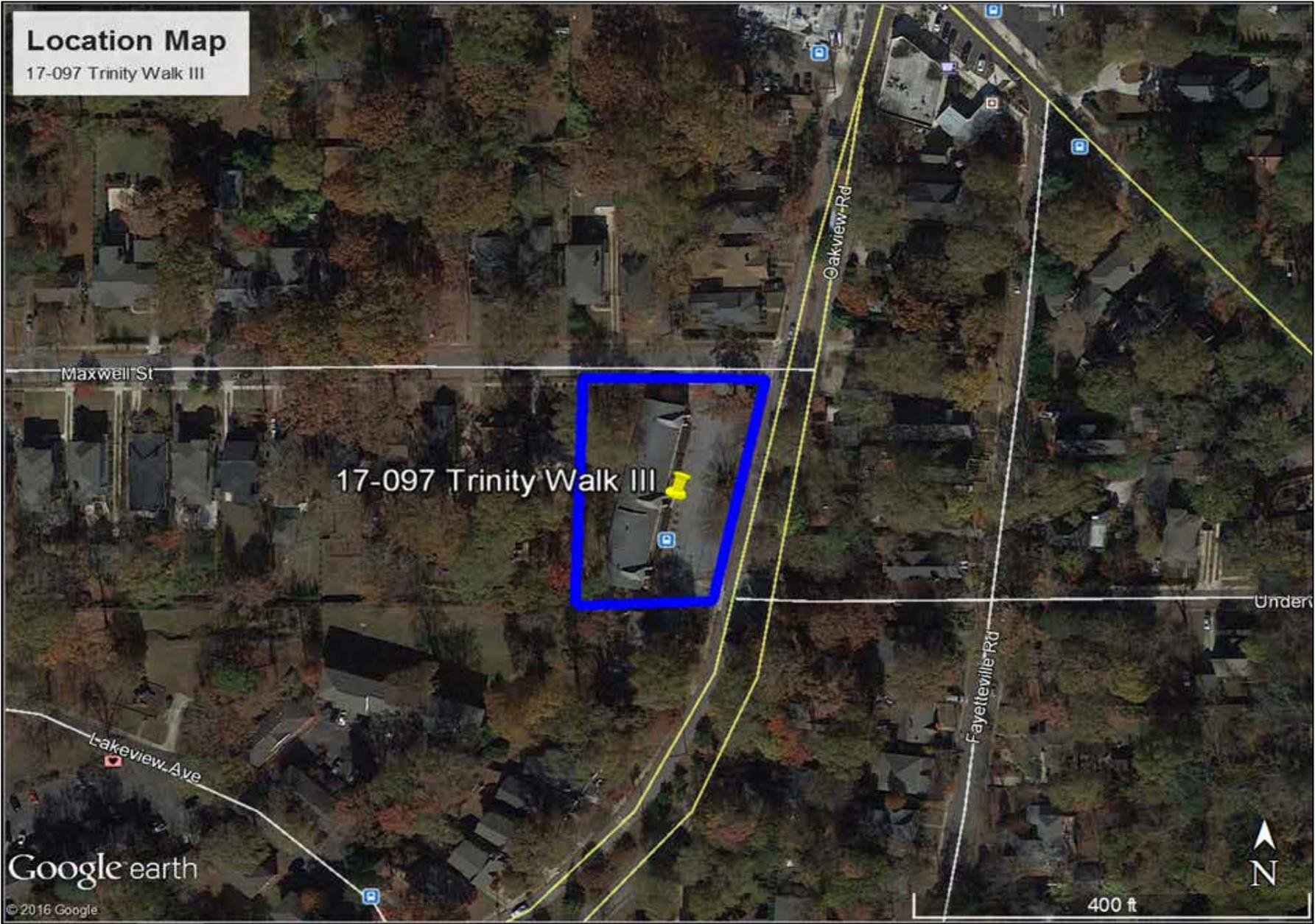
| Historical Median Income |          |        |
|--------------------------|----------|--------|
| Year                     | \$       | Change |
| 2008                     | \$69,200 | 3.1%   |
| 2009                     | \$71,700 | 3.6%   |
| 2010                     | \$71,800 | 0.1%   |
| 2011                     | \$68,300 | -4.9%  |
| 2012                     | \$69,300 | 1.5%   |
| 2013                     | \$66,300 | -4.3%  |
| 2014                     | \$64,400 | -2.9%  |
| 2015                     | \$68,300 | 6.1%   |
| 2016                     | \$67,500 | -1.2%  |

Source: HUD

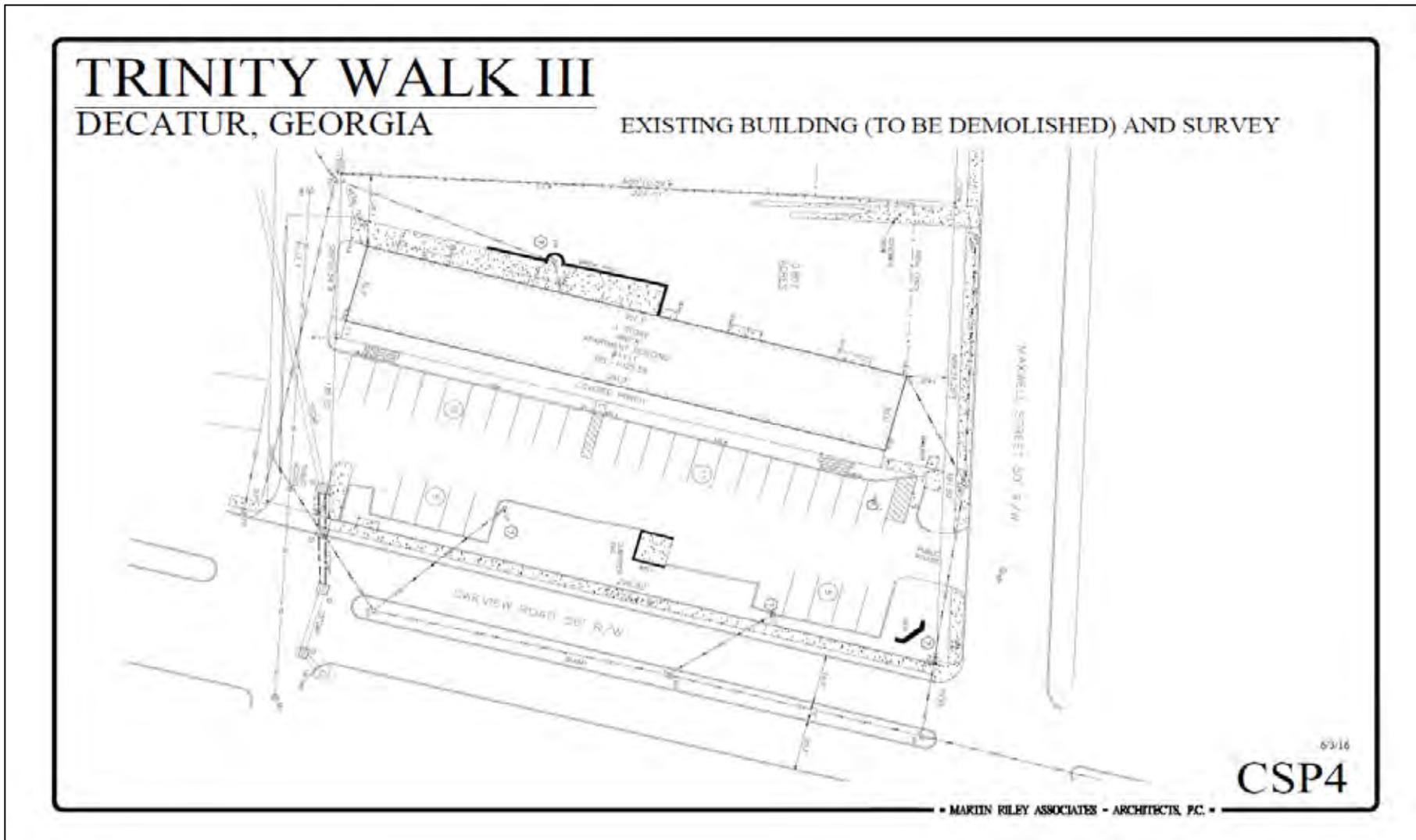
The following table sets forth the gross fair market rents (net fair market rents + tenant-paid utilities) that would apply to any Section 8 voucher recipients or any units benefiting from HOME financing at the subject property:

| Fair Market Rents |            |
|-------------------|------------|
| Unit Type         | Gross Rent |
| 0 Bedroom         | \$818      |
| 1 Bedroom         | \$858      |
| 2 Bedroom         | \$990      |
| 3 Bedroom         | \$1,299    |
| 4 Bedroom         | \$1,599    |

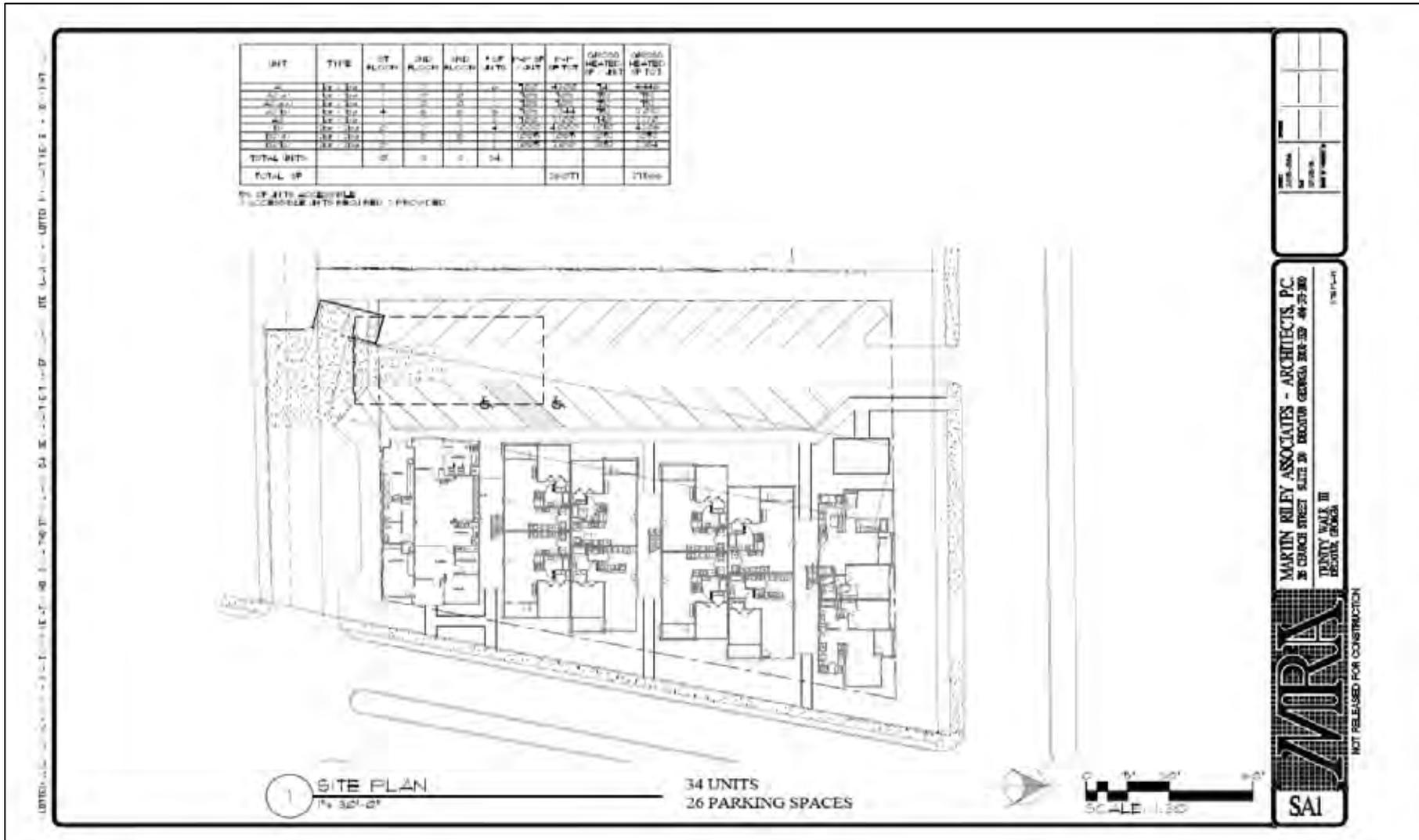
Source: HUD



## Survey



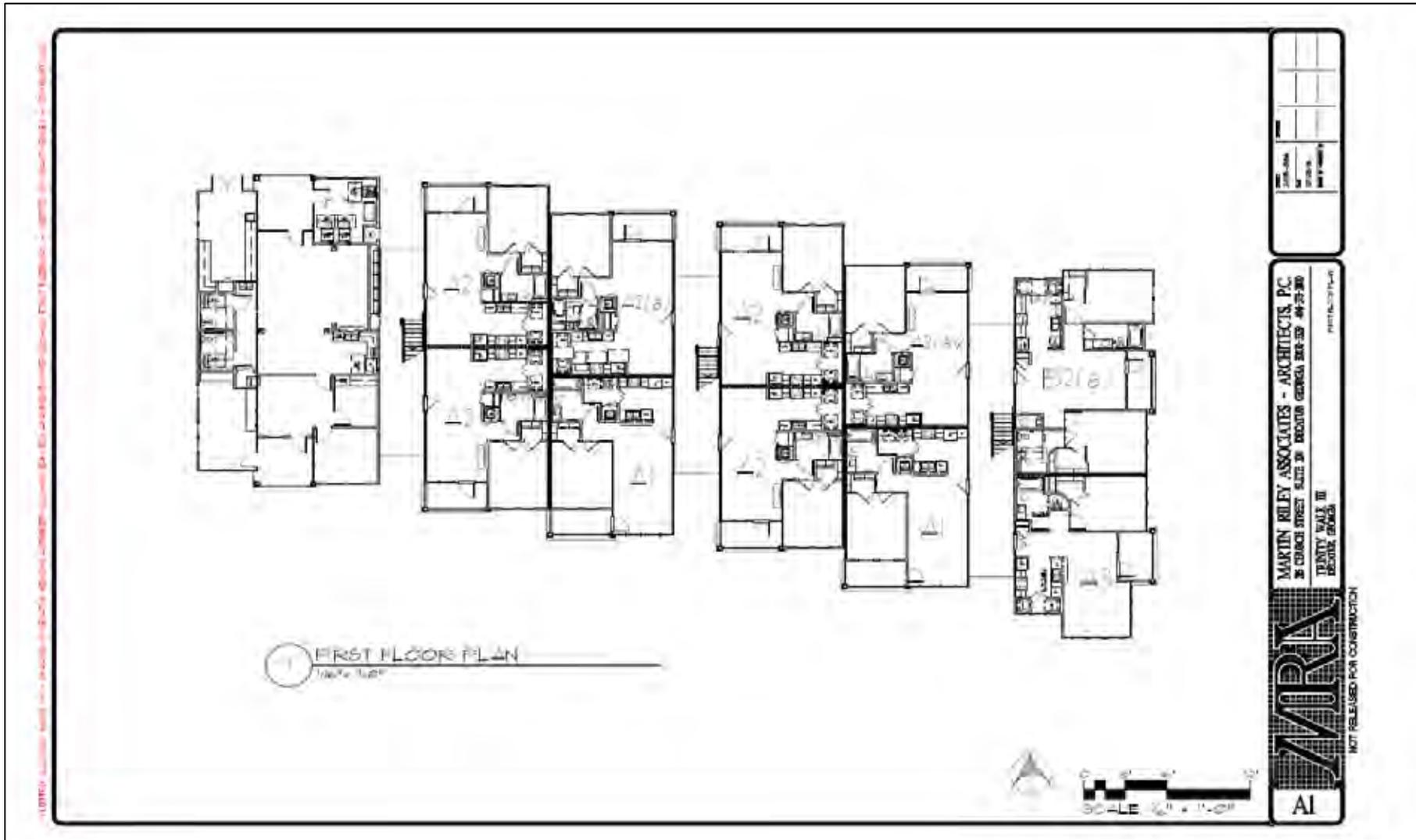
# Site Plan



# Building Plans

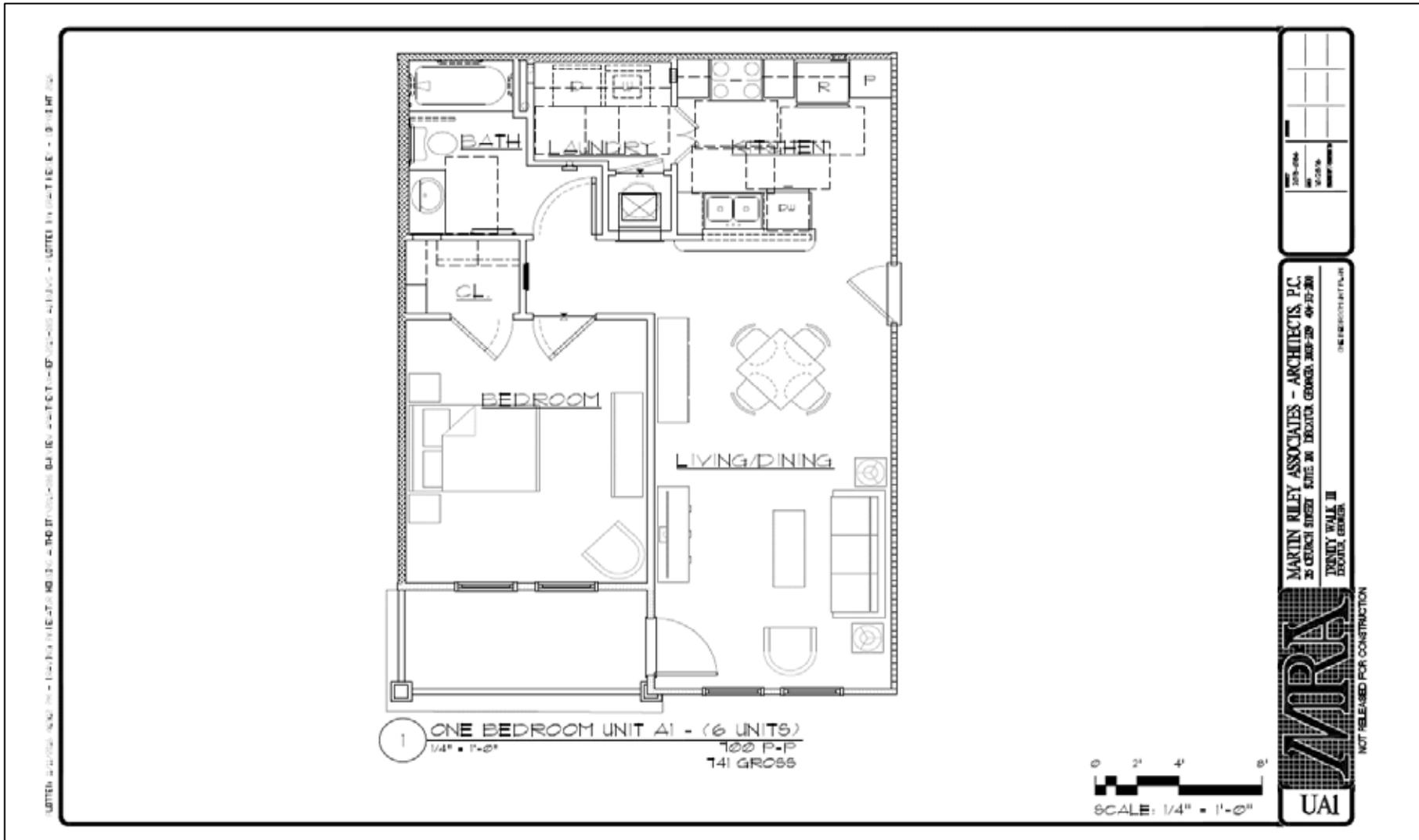


# Building Plans (Continued)





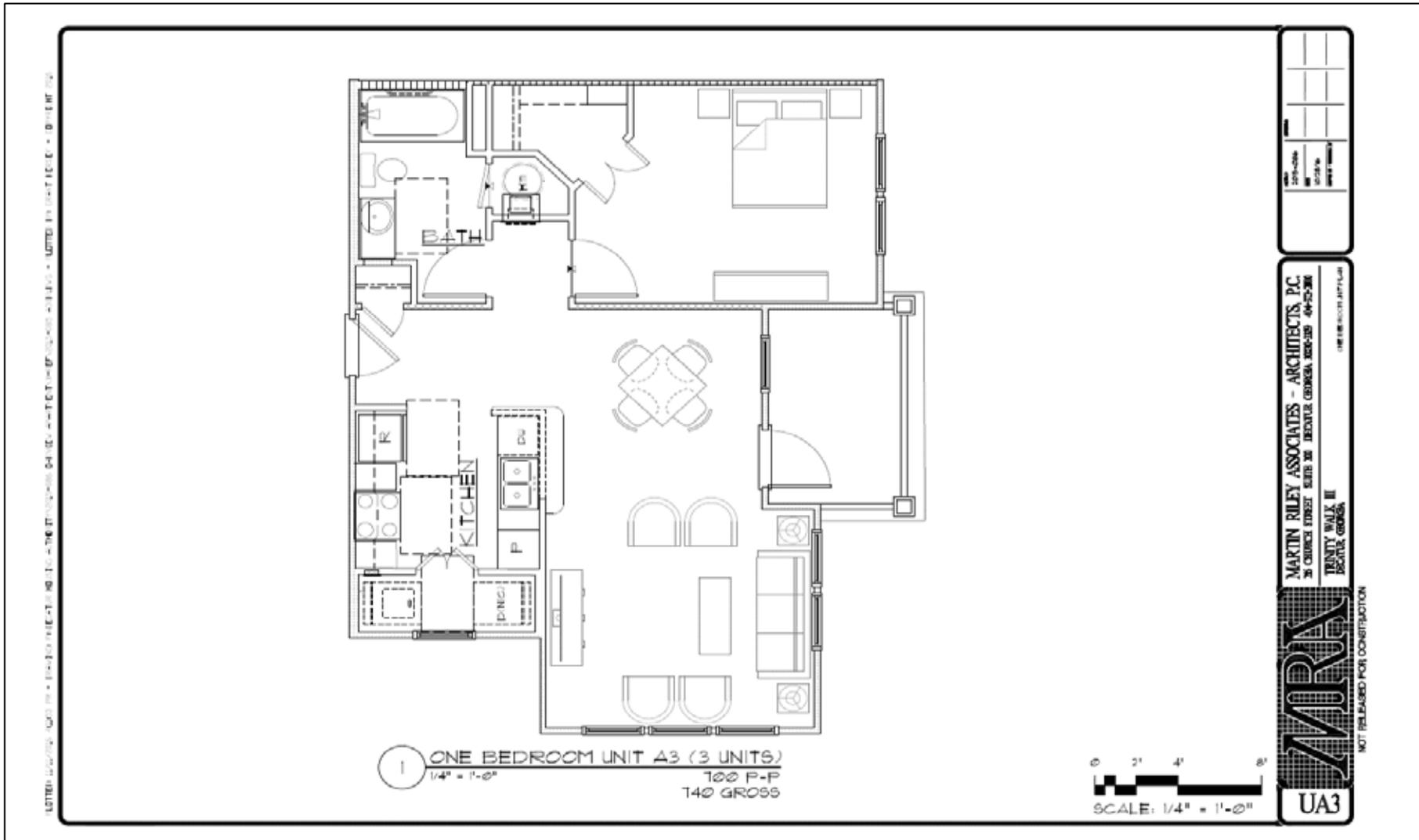
# Unit Plans



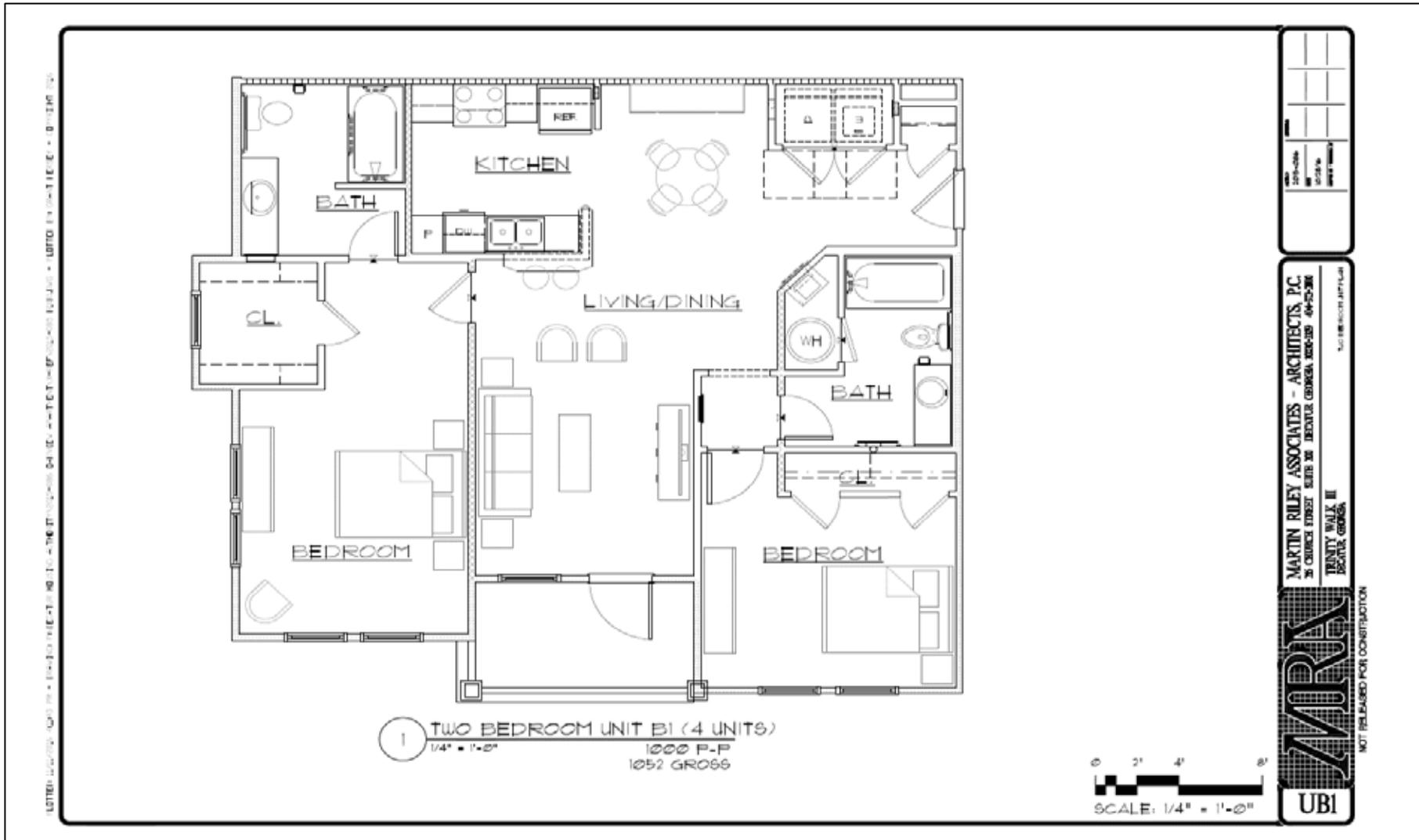




## Unit Plans (Continued)



## Unit Plans (Continued)







## IMPROVEMENT DESCRIPTION & ANALYSIS

Our improvement analysis includes an evaluation of the following factors with respect to the subject property: (1) Building Features; (2) Unit Features; (3) Project Amenities, (4) Utility Configuration; and (5) Useful Life Analysis.

### **Building Features**

The subject property is proposed to consist of 34 revenue-producing units in 1 residential building and 0 non-residential buildings. The development is proposed to include approximately 25,900 square feet of net rentable area and 27,884 square feet of gross building area. The subject property includes 3 floors.

Additional information regarding the subject property's proposed major building systems is found below.

#### Foundation - Concrete Slab, Basements, Crawl Spaces, etc.

The subject property is proposed to include slab on grade foundations.

#### Structural Frame - Floor, Wall, Roof Structural Systems, etc.

The subject property is proposed to be constructed with wood frame surfaced with plywood. Floor/ceiling assemblies are proposed to consist of wood joists & plywood or concrete subfloors. Roof assemblies are proposed to consist of wood trusses & plywood sheathing.

#### Exterior Wall - Exterior Finishes, Doors, Windows, Exterior Stairs, etc.

The subject is proposed to include fiber cement & masonry veneer, single hung vinyl double pane windows, steel clad insulated six-panel unit entry doors, and sliding glass patio doors.

#### Roof - Sheathing, Coverings, Warranties, Gutters & Downspouts, Soffit & Fascia, etc.

The subject is proposed to include gabled asphalt shingle roofs.

#### Vertical Transportation - Elevator, Interior Stair Systems

The subject property is not proposed to include elevators.

#### Plumbing - Sanitary, Storm, Sewer, Fixtures, Domestic Hot Water

Domestic water piping is proposed to be constructed of CPVC pipe and fittings. Wastewater lines consist of PVC pipe and fittings. Potable hot water is proposed to be supplied via individual electric hot water heaters.

#### HVAC - Heating, Air Conditioning, Ventilation

The subject property is proposed to include individual interior-mounted electric heat, individual exterior-mounted a/c compressors with interior-mounted air handlers.

#### Electrical and Communications - Distribution, Aluminum Wiring, etc.

Buildings are proposed to receive electrical power from exterior pad-mounted transformers. Electrical service to units is proposed to consist of 120/240V AC with 100 amps available for each panel. Electrical wiring is proposed to consist of copper. Properly grounded, three-prong outlets are proposed in each dwelling unit. The outlets located in the wet areas are proposed to be Ground Fault Circuit Interrupter (GFCI) outlets. Surface-mounted fluorescent & LED fixtures are proposed.

#### Fire Suppression

The subject property is proposed to be equipped with an NFPA-13 fully automatic fire suppression (sprinkler) system. In addition, hard-wired smoke detectors with battery backup are proposed in each bedroom area.

### **Unit Features**

The subject property is proposed to contain 34 revenue-producing units including 32 regular units and 2 accessible units, including 41 bedrooms, 41 full bathrooms and 0 half bathrooms.

Additional information regarding the subject property's proposed unit features is found below.

Walls / Ceilings / Interior Doors

Subject property units are proposed to include 9 foot ceilings, painted gypsum wallboard & ceilings, wood hollow-core flat panel interior doors and wood hollow-core flat panel closet doors.

Floor Covering

Floor covering is proposed to consist of luxury vinyl plank in the entryways, bathrooms, and kitchens along with wall-to-wall carpeting in the living areas and bedrooms.

Kitchens

Kitchens are proposed to include electric four-top ranges, range hoods, frost-free refrigerators, composite wood cabinets, granite countertops and stainless steel sinks.

Bathrooms

Bathrooms are proposed to include composite wood vanities, cultured marble countertops, porcelain sinks & toilets, along with fiberglass tubs & surrounds.

**Project Amenities**

A discussion of the development's proposed project amenities is found below.

Site & Common Area Amenities

A business/computer center, community center, gazebo/patio, and playground are proposed for the subject property.

Parking

Open parking is proposed for the subject property.

Laundry

A central laundry and washer/dryer hookups are proposed for the subject property.

Security

No security amenities are proposed for the subject property.

Services

An after school program is proposed for the subject property.

Tables comparing the subject property's proposed amenities to that of the most comparable properties are found at the end of this section.

**Utility Configuration**

The subject property is proposed to include electric heat, electric cooking and electric hot water. All utilities - with the exception of trash - are proposed to be paid by the resident.

The sponsor has proposed a utility configuration change as part of the planned renovation. All utilities - with the exception of trash - are proposed to be paid by the resident.

In the table that follows we compare the subject's proposed utility allowances (also known as tenant paid utilities) to the estimated allowances using the HUD Utility Schedule Model:

| Utility Allowances |     |       |             |             |             |      |      |       |       |        |
|--------------------|-----|-------|-------------|-------------|-------------|------|------|-------|-------|--------|
| BR                 | BA  | SF    | Unit Type   | Inc Lmt     | Rnt Lmt     | HOME | Subs | Units | UA    | HUD UA |
| 1                  | 1.0 | 700   | Garden/Flat | 50% of AMI  | 50% of AMI  | No   | No   | 6     | \$112 | \$118  |
| 1                  | 1.0 | 700   | Garden/Flat | 60% of AMI  | 60% of AMI  | No   | No   | 15    | \$112 | \$118  |
| 1                  | 1.0 | 700   | Garden/Flat | Market Rate | Market Rate | No   | No   | 6     | \$112 | \$118  |
| 2                  | 2.0 | 1,000 | Garden/Flat | 50% of AMI  | 50% of AMI  | No   | No   | 1     | \$137 | \$175  |
| 2                  | 2.0 | 1,000 | Garden/Flat | 60% of AMI  | 60% of AMI  | No   | No   | 5     | \$137 | \$175  |
| 2                  | 2.0 | 1,000 | Garden/Flat | Market Rate | Market Rate | No   | No   | 1     | \$137 | \$175  |
| Total/Average      |     |       |             |             |             |      |      | 34    | \$117 | \$130  |

The HUD utility allowances are a good measure of the energy costs for a given property. Our analysis suggests that the proposed utility allowances are lower than those established using the HUD model.

Tables comparing the subject property's utility configuration to that of the most comparable properties are found at the end of this section. Outputs from the HUD Utility Schedule Model are also found there.

### Useful Life Analysis

We anticipate a useful/economic life of 50 years for this development, assuming that appropriate replacement reserves are established for this property.

In the course of completing this study, we rated the condition of the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). We also evaluated the actual and effective ages of the subject and select comparables. A table summarizing our findings is found below:

|     |                                     | Actual Age   Effective Age   Condition |               |                    | Rank       |               |                    |
|-----|-------------------------------------|----------------------------------------|---------------|--------------------|------------|---------------|--------------------|
|     |                                     | Rating                                 |               |                    |            |               |                    |
| Key | Project Name                        | Actual Age                             | Effective Age | Property Condition | Actual Age | Effective Age | Property Condition |
| Sub | Trinity Walk Phase III              | 2017                                   | 2017          | 4.50               | 1          | 1             | 1                  |
| 002 | Alexan 1133                         | 2016                                   | 2015          | 4.50               | 2          | 2             | 1                  |
| 008 | Archstone Decatur Crossing          | 2000                                   | 2000          | 4.00               | 10         | 9             | 4                  |
| 014 | Avalon Ridge                        | 2008                                   | 2005          | 4.00               | 8          | 8             | 4                  |
| 034 | Columbia Mill Apartments            | 2013                                   | 2011          | 4.00               | 4          | 4             | 4                  |
| 036 | Columbia Parkside at Mechanicsville | 2011                                   | 2010          | 4.00               | 5          | 5             | 4                  |
| 040 | Columbia Village Apartments         | 1999                                   | 2000          | 4.00               | 11         | 9             | 4                  |
| 076 | Parkway Grand Apartments            | 2001                                   | 2000          | 4.00               | 9          | 9             | 4                  |
| 078 | Place on Ponce                      | 2014                                   | 2015          | 4.50               | 3          | 2             | 1                  |
| 081 | Retreat at Edgewood 1               | 2010                                   | 2010          | 4.00               | 7          | 5             | 4                  |
| 082 | Retreat at Edgewood 2               | 2011                                   | 2010          | 4.00               | 5          | 5             | 4                  |

Source: Allen & Associates; Sponsor

**Amenities**

|     |                                     | Site & Common Area Amenities |          |                   |                   |                 |                  |          |                |              |                 |             |            |      |         |                 |             |            |      |       |              |               |
|-----|-------------------------------------|------------------------------|----------|-------------------|-------------------|-----------------|------------------|----------|----------------|--------------|-----------------|-------------|------------|------|---------|-----------------|-------------|------------|------|-------|--------------|---------------|
| Key | Project Name                        | Ball Field                   | BBQ Area | Billiards Game Rm | Business Comp Ctr | Car Care Center | Community Center | Elevator | Fitness Center | Gazebo Patio | Hot Tub Jacuzzi | Herb Garden | Horseshoes | Lake | Library | Movie Media Ctr | Picnic Area | Playground | Pool | Sauna | Sports Court | Walking Trail |
| Sub | Trinity Walk Phase III              | no                           | no       | no                | yes               | no              | yes              | no       | no             | yes          | no              | no          | no         | no   | no      | no              | no          | yes        | no   | no    | no           | no            |
| 002 | Alexan 1133                         | no                           | yes      | yes               | yes               | no              | yes              | yes      | yes            | no           | no              | no          | no         | no   | no      | no              | yes         | no         | yes  | no    | no           | no            |
| 008 | Archstone Decatur Crossing          | no                           | yes      | no                | yes               | yes             | yes              | no       | yes            | no           | no              | no          | no         | no   | no      | no              | yes         | no         | yes  | no    | no           | no            |
| 014 | Avalon Ridge                        | no                           | yes      | no                | yes               | no              | yes              | no       | yes            | yes          | no              | no          | no         | no   | no      | no              | yes         | yes        | yes  | no    | no           | no            |
| 034 | Columbia Mill Apartments            | no                           | yes      | no                | yes               | no              | yes              | no       | yes            | yes          | no              | no          | no         | no   | no      | no              | yes         | yes        | no   | no    | yes          | no            |
| 036 | Columbia Parkside at Mechanicsville | no                           | yes      | no                | yes               | no              | no               | no       | yes            | no           | no              | no          | no         | no   | yes     | no              | yes         | yes        | no   | no    | no           | no            |
| 040 | Columbia Village Apartments         | no                           | no       | no                | yes               | no              | yes              | no       | no             | no           | no              | no          | no         | no   | no      | no              | no          | yes        | no   | no    | yes          | no            |
| 076 | Parkway Grand Apartments            | no                           | no       | no                | yes               | yes             | yes              | no       | yes            | no           | no              | no          | no         | no   | no      | no              | no          | yes        | yes  | no    | yes          | no            |
| 078 | Place on Ponce                      | no                           | yes      | yes               | no                | no              | yes              | yes      | yes            | no           | no              | yes         | no         | no   | no      | no              | yes         | no         | yes  | no    | no           | no            |
| 081 | Retreat at Edgewood 1               | no                           | yes      | no                | yes               | no              | yes              | no       | yes            | yes          | no              | no          | no         | no   | yes     | no              | yes         | yes        | no   | no    | no           | no            |
| 082 | Retreat at Edgewood 2               | no                           | yes      | no                | yes               | no              | yes              | no       | yes            | yes          | no              | no          | no         | no   | yes     | no              | yes         | yes        | no   | no    | no           | no            |

|     |                                     | Unit Amenities |              |           |           |               | Kitchen Amenities |       |              |          |            | Air Conditioning |         |            |              | Heat |         |            |            |                 |      |
|-----|-------------------------------------|----------------|--------------|-----------|-----------|---------------|-------------------|-------|--------------|----------|------------|------------------|---------|------------|--------------|------|---------|------------|------------|-----------------|------|
| Key | Project Name                        | Blinds         | Ceiling Fans | Carpeting | Fireplace | Patio Balcony | Storage           | Stove | Refrigerator | Disposal | Dishwasher | Microwave        | Central | Wall Units | Window Units | None | Central | Wall Units | Baseboards | Boiler Radiator | None |
| Sub | Trinity Walk Phase III              | yes            | yes          | yes       | no        | yes           | no                | yes   | yes          | yes      | yes        | yes              | yes     | no         | no           | no   | yes     | no         | no         | no              | no   |
| 002 | Alexan 1133                         | yes            | yes          | yes       | no        | some          | no                | yes   | yes          | yes      | yes        | yes              | yes     | no         | no           | no   | yes     | no         | no         | no              | no   |
| 008 | Archstone Decatur Crossing          | yes            | no           | yes       | some      | yes           | yes               | yes   | yes          | yes      | yes        | some             | yes     | no         | no           | no   | yes     | no         | no         | no              | no   |
| 014 | Avalon Ridge                        | yes            | yes          | yes       | no        | yes           | yes               | yes   | yes          | yes      | yes        | no               | yes     | no         | no           | no   | yes     | no         | no         | no              | no   |
| 034 | Columbia Mill Apartments            | yes            | yes          | yes       | no        | some          | no                | yes   | yes          | yes      | yes        | no               | yes     | no         | no           | no   | yes     | no         | no         | no              | no   |
| 036 | Columbia Parkside at Mechanicsville | yes            | yes          | yes       | no        | some          | no                | yes   | yes          | yes      | yes        | yes              | yes     | no         | no           | no   | yes     | no         | no         | no              | no   |
| 040 | Columbia Village Apartments         | yes            | yes          | yes       | no        | yes           | no                | yes   | yes          | yes      | yes        | no               | yes     | no         | no           | no   | yes     | no         | no         | no              | no   |
| 076 | Parkway Grand Apartments            | yes            | yes          | yes       | no        | yes           | yes               | yes   | yes          | yes      | yes        | no               | yes     | no         | no           | no   | yes     | no         | no         | no              | no   |
| 078 | Place on Ponce                      | yes            | no           | yes       | no        | yes           | yes               | yes   | yes          | yes      | yes        | yes              | yes     | no         | no           | no   | yes     | no         | no         | no              | no   |
| 081 | Retreat at Edgewood 1               | yes            | yes          | yes       | no        | yes           | no                | yes   | yes          | yes      | yes        | no               | yes     | no         | no           | no   | yes     | no         | no         | no              | no   |
| 082 | Retreat at Edgewood 2               | yes            | yes          | yes       | no        | yes           | no                | yes   | yes          | no       | yes        | no               | yes     | no         | no           | no   | yes     | no         | no         | no              | no   |

|     |                                     | Parking |                 |                  |              |      | Laundry |           |             | Security     |                   |                  |            |                 | Services         |              |           |            |             |               |       |                |
|-----|-------------------------------------|---------|-----------------|------------------|--------------|------|---------|-----------|-------------|--------------|-------------------|------------------|------------|-----------------|------------------|--------------|-----------|------------|-------------|---------------|-------|----------------|
| Key | Project Name                        | Garage  | Covered Parking | Assigned Parking | Open Parking | None | Central | W/D Units | W/D Hookups | Call Buttons | Controlled Access | Courtesy Officer | Monitoring | Security Alarms | Security Patrols | After School | Concierge | Hair Salon | Health Care | House-keeping | Meals | Transportation |
| Sub | Trinity Walk Phase III              | no      | no              | no               | yes          | no   | yes     | no        | yes         | no           | no                | no               | no         | no              | no               | yes          | na        | na         | na          | na            | na    | na             |
| 002 | Alexan 1133                         | no      | no              | no               | no           | yes  | yes     | yes       | no          | no           | yes               | no               | no         | no              | no               | na           | na        | na         | na          | na            | na    | na             |
| 008 | Archstone Decatur Crossing          | no      | no              | no               | yes          | no   | yes     | no        | yes         | no           | yes               | no               | no         | no              | no               | no           | no        | no         | no          | no            | no    | no             |
| 014 | Avalon Ridge                        | no      | no              | no               | yes          | no   | yes     | no        | no          | no           | no                | yes              | no         | no              | yes              | yes          | no        | no         | no          | no            | no    | no             |
| 034 | Columbia Mill Apartments            | no      | no              | no               | yes          | no   | yes     | no        | yes         | no           | yes               | no               | yes        | no              | no               | no           | no        | no         | no          | no            | no    | no             |
| 036 | Columbia Parkside at Mechanicsville | no      | no              | no               | yes          | no   | yes     | no        | yes         | no           | no                | no               | no         | no              | yes              | no           | no        | no         | no          | no            | no    | no             |
| 040 | Columbia Village Apartments         | no      | no              | no               | yes          | no   | yes     | no        | yes         | no           | yes               | yes              | no         | no              | no               | no           | no        | no         | no          | no            | no    | no             |
| 076 | Parkway Grand Apartments            | no      | no              | no               | yes          | no   | yes     | no        | yes         | no           | yes               | no               | no         | no              | no               | no           | no        | no         | no          | no            | no    | no             |
| 078 | Place on Ponce                      | no      | no              | no               | no           | yes  | no      | yes       | no          | no           | yes               | no               | no         | no              | no               | na           | na        | na         | na          | na            | na    | na             |
| 081 | Retreat at Edgewood 1               | no      | no              | no               | yes          | no   | no      | yes       | no          | no           | no                | yes              | no         | yes             | no               | no           | no        | no         | no          | no            | no    | no             |
| 082 | Retreat at Edgewood 2               | no      | no              | no               | yes          | no   | no      | yes       | no          | no           | yes               | yes              | no         | yes             | no               | no           | no        | no         | no          | no            | no    | no             |

Source: Allen & Associates; Sponsor

|     |                                     | Utilities   |                 |               |                    |                  |               |          |               |       |       |       |            |                 |               |                    |                  |               |          |               |       |       |       |     |
|-----|-------------------------------------|-------------|-----------------|---------------|--------------------|------------------|---------------|----------|---------------|-------|-------|-------|------------|-----------------|---------------|--------------------|------------------|---------------|----------|---------------|-------|-------|-------|-----|
| Key | Project Name                        | Tenant-Paid |                 |               |                    |                  |               |          |               |       |       |       | Owner-Paid |                 |               |                    |                  |               |          |               |       |       |       |     |
|     |                                     | Heat / Gas  | Heat / Electric | Cooking / Gas | Cooking / Electric | Other / Electric | AC / Electric | HW / Gas | HW / Electric | Water | Sewer | Trash | Heat / Gas | Heat / Electric | Cooking / Gas | Cooking / Electric | Other / Electric | AC / Electric | HW / Gas | HW / Electric | Water | Sewer | Trash |     |
| Sub | Trinity Walk Phase III              | no          | yes             | no            | yes                | yes              | yes           | no       | yes           | yes   | yes   | yes   | no         | no              | no            | no                 | no               | no            | no       | no            | no    | no    | no    | yes |
| 002 | Alexan 1133                         | no          | yes             | no            | yes                | yes              | yes           | no       | yes           | yes   | yes   | yes   | yes        | no              | no            | no                 | no               | no            | no       | no            | no    | no    | no    | no  |
| 008 | Archstone Decatur Crossing          | no          | yes             | no            | yes                | yes              | yes           | no       | yes           | yes   | yes   | yes   | yes        | no              | no            | no                 | no               | no            | no       | no            | no    | no    | no    | no  |
| 014 | Avalon Ridge                        | no          | yes             | no            | yes                | yes              | yes           | no       | yes           | yes   | yes   | yes   | no         | no              | no            | no                 | no               | no            | no       | no            | no    | no    | no    | yes |
| 034 | Columbia Mill Apartments            | no          | yes             | no            | yes                | yes              | yes           | no       | yes           | yes   | yes   | yes   | no         | no              | no            | no                 | no               | no            | no       | no            | no    | no    | no    | yes |
| 036 | Columbia Parkside at Mechanicsville | no          | yes             | no            | yes                | yes              | yes           | no       | yes           | yes   | yes   | yes   | no         | no              | no            | no                 | no               | no            | no       | no            | no    | no    | no    | yes |
| 040 | Columbia Village Apartments         | no          | yes             | no            | yes                | yes              | yes           | no       | yes           | yes   | yes   | yes   | no         | no              | no            | no                 | no               | no            | no       | no            | no    | no    | no    | yes |
| 076 | Parkway Grand Apartments            | no          | yes             | no            | yes                | yes              | yes           | no       | yes           | yes   | yes   | yes   | yes        | no              | no            | no                 | no               | no            | no       | no            | no    | no    | no    | no  |
| 078 | Place on Ponce                      | no          | yes             | no            | yes                | yes              | yes           | no       | yes           | yes   | yes   | yes   | yes        | no              | no            | no                 | no               | no            | no       | no            | no    | no    | no    | no  |
| 081 | Retreat at Edgewood 1               | no          | yes             | no            | yes                | yes              | yes           | no       | yes           | yes   | yes   | yes   | no         | no              | no            | no                 | no               | no            | no       | no            | no    | no    | no    | yes |
| 082 | Retreat at Edgewood 2               | no          | yes             | no            | yes                | yes              | yes           | no       | yes           | yes   | yes   | yes   | no         | no              | no            | no                 | no               | no            | no       | no            | no    | no    | no    | yes |

Source: Allen & Associates; Sponsor

| HUD Utility Schedule Model Output |           |           |           |           |           |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
|                                   | 0 Bedroom | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom |
| Heat - Gas                        | 15        | 16        | 17        | 18        | 20        |
| Heat - Elec                       | 8         | 10        | 12        | 14        | 19        |
| Cooking - Gas                     | 1         | 2         | 2         | 3         | 4         |
| Cooking - Elec                    | 4         | 4         | 6         | 8         | 10        |
| Other Electric                    | 14        | 17        | 23        | 30        | 36        |
| Air Conditioning                  | 6         | 8         | 11        | 16        | 22        |
| Hot Water-Gas                     | 3         | 4         | 5         | 7         | 8         |
| Hot Water-Elec                    | 9         | 10        | 13        | 16        | 19        |
| Water                             | 11        | 13        | 21        | 35        | 48        |
| Sewer                             | 51        | 56        | 89        | 138       | 187       |
| Trash                             | 0         | 0         | 0         | 0         | 0         |

Source: Local Utility Providers; HUD

## SITE DESCRIPTION & ANALYSIS

Our assessment of the site included an evaluation of the following factors with respect to the subject property: (1) Survey; (2) Site Plan; (3) Nuisances, Hazards, Detrimental Influences & Environmental; (4) Topography; (5) Flood Zone; (6) Difficult to Develop Area Status; (7) Qualified Census Tract Status; and (8) Traffic Patterns, Access & Visibility.

### Survey

A survey for the subject property was provided to the analyst for review. Current surveys should be evaluated to ascertain whether there are any easements encumbering the subject property. Our review/inspection suggested that the site is currently encumbered by standard utility easements that do not adversely affect its marketability and that the site is serviced by municipal utilities.

### Site Plan

A site plan for the subject property was provided to the analyst for review. Site plans are necessary to analyze the site improvements, parking configuration, internal traffic flow, location of building improvements and landscaping improvements for the subject property. Our review did not identify any problem areas with respect to the subject property. A summary of the development's site features is found below.

#### Acres / Lot Shape / Frontage

The subject property includes an irregular-shaped parcel consisting of approximately 0.807 acres and approximately 400 feet of road frontage.

#### Zoning

According to the sponsor, the subject property is currently zoned RM-43. It is our understanding that the subject is an approved, legal, conforming use under this classification.

#### Parking / Streets / Curbs / Sidewalks

A total of 26 parking spaces are planned for this development (24 regular / 2 accessible / 0.76 spaces per unit). Privately-owned parking areas are found at the subject property. The site plan meets all municipal parking requirements. We normally see 1.0 to 1.5 spaces per unit for projects like the subject. In our opinion, the proposed parking appears a bit light for the subject property.

The East Lake MARTA Intermodal Station, which is located approximately 0.9 miles from the subject property, is served by the MARTA Rail East-West Blue Line, plus 3 MARTA Bus routes - Route #2, Route #34 and Route #123 - qualifies as a Transit Hub. The train and buses operate every day of the week. There are paved public sidewalks the entire distance from the site to the MARTA station.

#### Dumpsters / Dumpster Enclosures

The subject is proposed to include 1 publicly-owned dumpster along with 1 privately-owned wood enclosure.

#### Landscaping / Perimeter Fence / Retaining Walls / Entry Sign

Trees, shrubs & lawns are found at the subject property. A perimeter fence is not found at the subject property. Retaining walls are not found at this property. Two unlighted entry signs are found at this property.

#### Stormwater Management / Site Lighting / Water Service / Wastewater Service

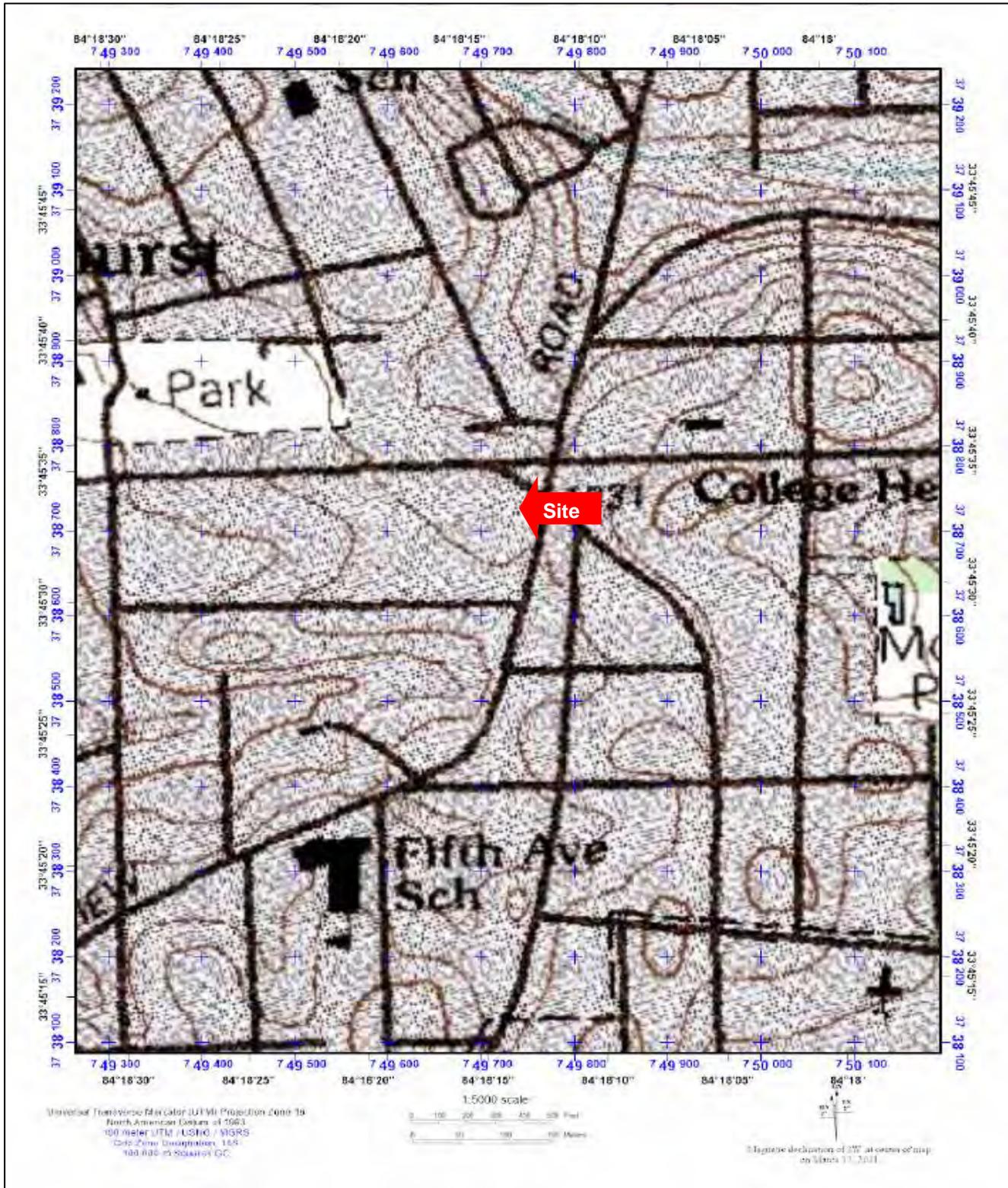
Stormwater management consists of catch basins and concrete pipe connecting to a public system. Site lighting consists of publicly-owned HID poles. Domestic water service to buildings consists of ductile iron pipe connecting to a public system. Wastewater service to buildings consists of PVC pipe connecting to a public system.

### Nuisances, Hazards, Detrimental Influences & Environmental

We did not observe any nuisances, hazards, detrimental influences or recognized environmental conditions on our inspection of the subject property. Nevertheless, we recommend that the sponsor obtain a comprehensive environmental assessment from a qualified professional.

## Topography

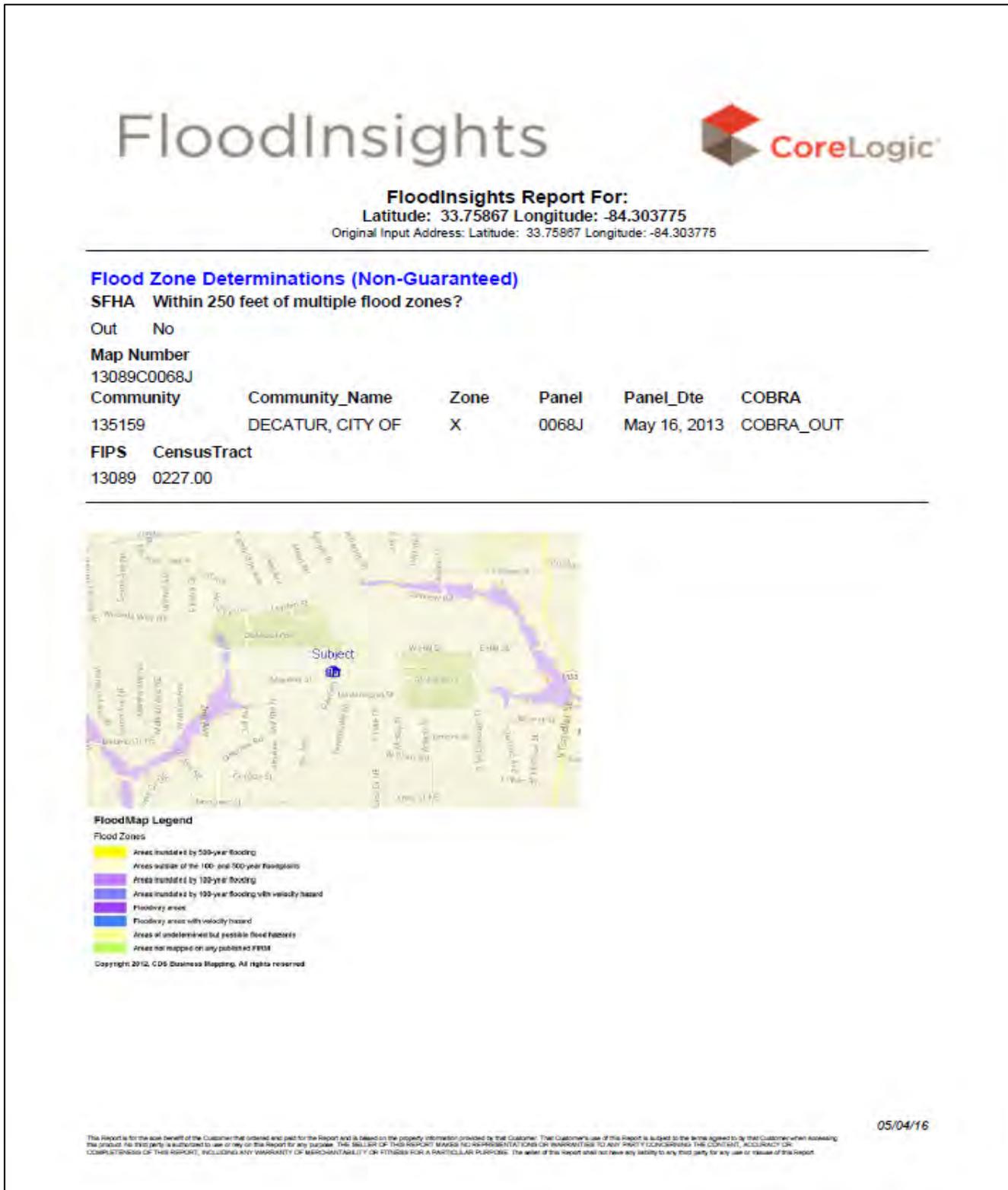
The USGS map showing the topography of the subject property and surrounding area is found below:



The topographic map shows that the site is flat and drains to neighboring properties to the southwest. In our opinion, there do not appear to be any topographic issues with respect to the subject property.

## Flood Zone

The map showing the location of the subject property relative to nearby areas prone to flooding (identified in purple) is found below:



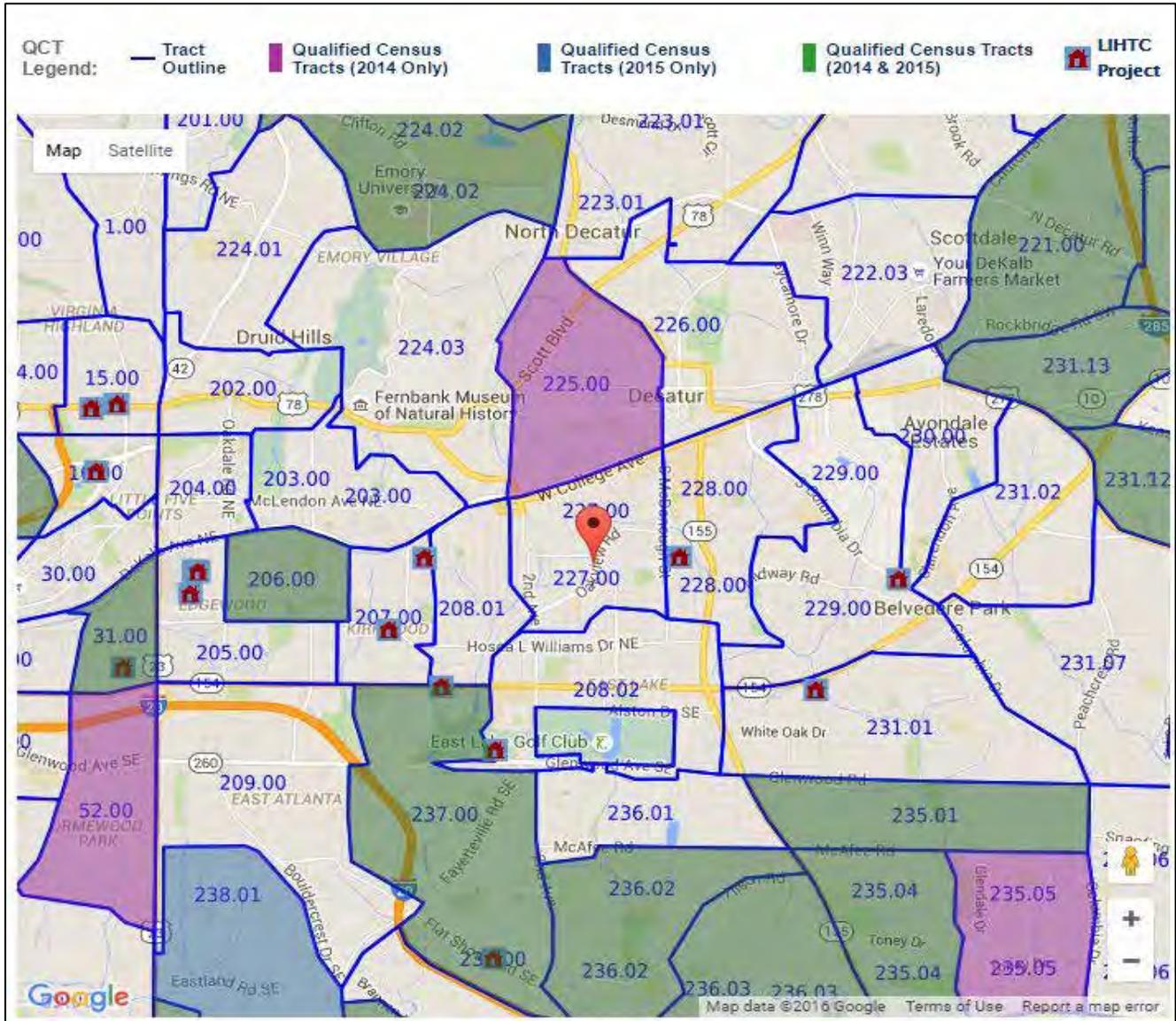
According to FEMA map number 13089C0068J dated May 16, 2013, the subject property is located in Zone X. This is an area that is identified as being located outside the 100-year flood zone.

### Difficult to Develop Area Status

The subject property is located in DeKalb County, Georgia - an area that is not designated as a Difficult to Develop Area. Consequently, the subject property does not appear to qualify for special DDA funding under state and federal programs.

### Qualified Census Tract Status

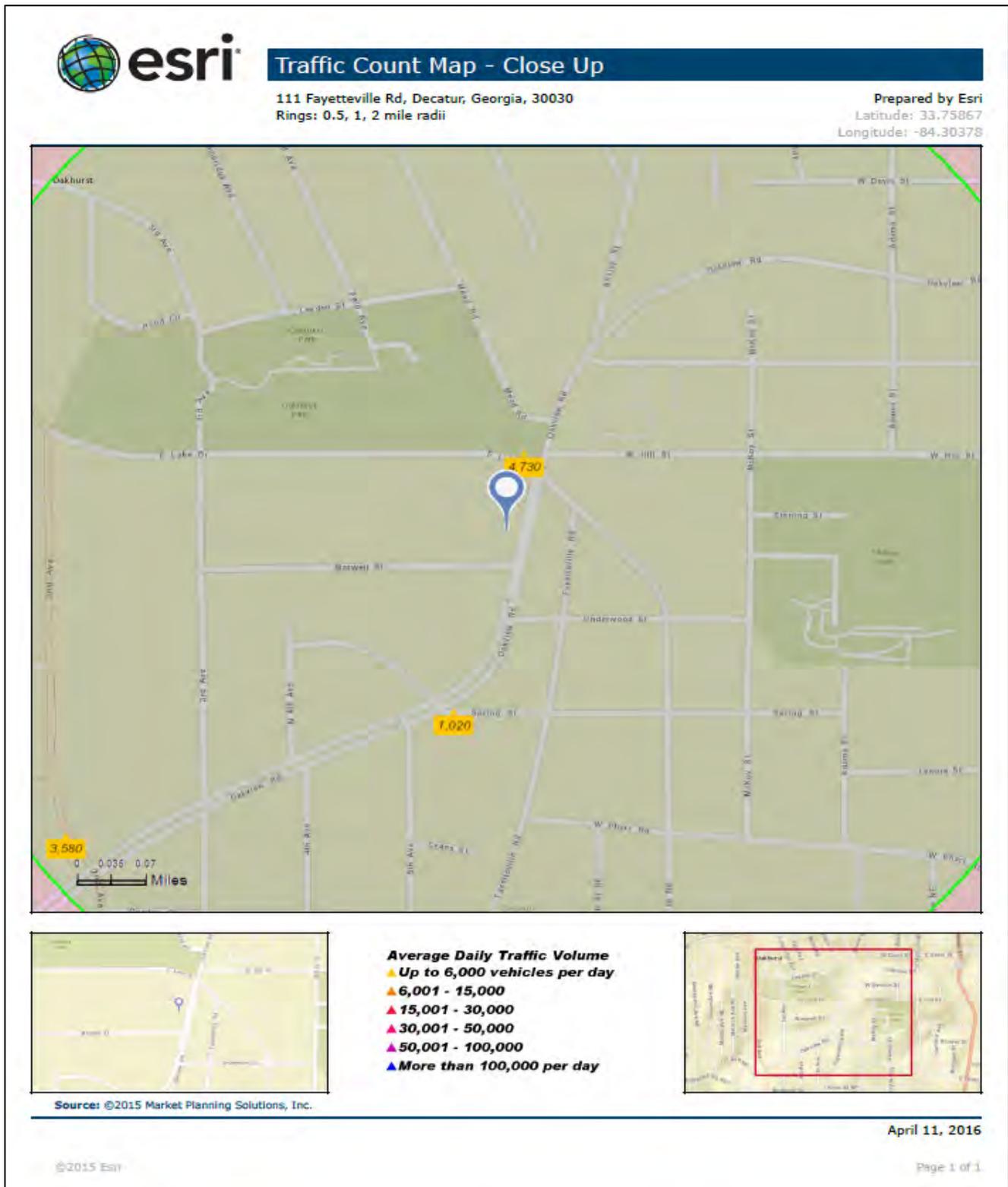
The federal government has identified census tracts throughout the United States that include high concentrations of low-income households and substandard housing units. These areas, known as Qualified Census Tracts, qualify for special funding under various state and federal programs. A QCT map showing the location of the subject property is found below:



The subject property is located in Census Tract 227.00 - an area that is not designated as a Qualified Census Tract. Consequently, the subject property does not appear to qualify for special QCT funding under state and federal programs.

# Traffic Patterns, Access & Visibility

A traffic map identifying the subject property is found below:



### Access

The subject property is located at the southwest corner of Maxwell Street and Oakview Road (1111 Oakview Road) in Decatur, DeKalb County, Georgia. Oakview Road is a moderately-travelled north-south road carrying a limited volume of traffic flow and providing access to the subject property. Maxwell Street is a moderately-travelled east-west road carrying a limited volume of traffic flow and providing access to the subject property. We did not note any road or infrastructure improvements in the immediate vicinity of the subject property. In our opinion, therefore, access is fair to good by virtue of the location of the subject property relative to existing streets and thoroughfares.

### Visibility

The subject property is visible from Maxwell Street and Oakview Road with significant frontage and a modest volume of drive-by traffic. Consequently, in our opinion visibility is fair to good by virtue of the exposure of the subject property to existing traffic volumes.

In the course of completing this study, we rated the access and visibility for the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). A table summarizing our findings is found below:

| Access & Visibility |                                     |        |            |        |            |  |
|---------------------|-------------------------------------|--------|------------|--------|------------|--|
| Rating              |                                     |        |            | Rank   |            |  |
| Key                 | Project Name                        | Access | Visibility | Access | Visibility |  |
| Sub                 | Trinity Walk Phase III              | 2.50   | 2.50       | 8      | 7          |  |
| 002                 | Alexan 1133                         | 4.00   | 4.00       | 1      | 1          |  |
| 008                 | Archstone Decatur Crossing          | 3.00   | 3.00       | 5      | 6          |  |
| 014                 | Avalon Ridge                        | 3.00   | 3.50       | 5      | 4          |  |
| 034                 | Columbia Mill Apartments            | 3.00   | 3.25       | 5      | 5          |  |
| 036                 | Columbia Parkside at Mechanicsville | 4.00   | 4.00       | 1      | 1          |  |
| 040                 | Columbia Village Apartments         | 2.50   | 2.50       | 8      | 7          |  |
| 076                 | Parkway Grand Apartments            | 3.50   | 2.50       | 4      | 7          |  |
| 078                 | Place on Ponce                      | 4.00   | 4.00       | 1      | 1          |  |
| 081                 | Retreat at Edgewood 1               | 2.50   | 2.50       | 8      | 7          |  |
| 082                 | Retreat at Edgewood 2               | 2.50   | 2.50       | 8      | 7          |  |

Source: Allen & Associates

## NEIGHBORHOOD DESCRIPTION & ANALYSIS

### Neighborhood

Our assessment of the neighborhood includes an evaluation of the following factors with respect to the subject property: (1) Life Cycle; (2) Surrounding Properties; (3) Economic Characteristics; (4) Crime Rates; (5) Educational Attainment; and (6) Commuting Patterns.

#### Life Cycle

Neighborhoods are sometimes thought to evolve through four distinct stages:

- Growth – A period during which the area gains public favor and acceptance.
- Stability – A period of equilibrium without marked gains or losses.
- Decline – A period of diminishing demand.
- Revitalization – A period of renewal, redevelopment, modernization, and increasing demand.

Based on our evaluation of the neighborhood, the subject property is located in an area that appears to be in the stability stage of its life cycle. Modest population growth is anticipated for the next several years.

#### Surrounding Properties

The subject property is located in Decatur, Georgia. The immediate area consists of residential.

Single family in good condition surrounds the subject property. In our opinion, neighboring land uses appear to be complimentary to the use of the subject property. The condition of the neighboring properties appears to be complimentary as well.

Surrounding property uses are summarized in the table found below:

| Surrounding Properties |               |           |
|------------------------|---------------|-----------|
| Direction              | Use           | Condition |
| North                  | Single Family | Good      |
| South                  | Single Family | Good      |
| East                   | Single Family | Good      |
| West                   | Single Family | Good      |

Source: Allen & Associates

#### Economic Characteristics

The subject property is located in an area with average household incomes of \$103,021 (in 2015 dollars); this is compared with \$38,213 for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with median cash rents of \$721 (in 2015 dollars); this is compared with \$822 for the most comparable properties included in this analysis.

Finally, the subject property is located in an area with median single family home values of \$358,500 (in 2015 dollars); this is compared with \$209,109 for the most comparable properties included in this analysis.

#### Crime Rates

The subject property is located in an area with personal crime rates of 10.7%. Personal crime includes offenses such as rape, murder, robbery and assault. Our research suggests that the average personal crime rate for the most comparable properties stands at 42.1%.

In addition, the subject property is located in an area with property crime rates of 11.1%. Property crimes include offenses such as burglary, larceny and theft. Our research suggests that the average property crime rate for the most comparable properties stands at 40.6%.

Please note: The crime statistics included in this analysis are historical area-wide figures. These statistics make no consideration for changing demographics or the implementation of an affirmative crime prevention program at the subject property.

Educational Attainment

The subject property is located in an area with high school graduation rates of 84.6%; this is compared with 83.7% for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with college graduation rates of 56.4%; this is compared with 34.9% for the most comparable properties included in this analysis.

Commuting Patterns

The subject property is located in an area with an average drive to work of 28.0 minutes; this is compared with 30.9 minutes for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with an average of 1.55 vehicles per household; this is compared with 1.18 vehicles per household for the most comparable properties included in this analysis.

Conclusion

In our opinion, the subject property has a very good location relative to competing properties with respect to neighborhood characteristics.

**Proximity to Area Amenities**

Our assessment included an evaluation of the proximity of various amenities to the subject and the most comparable properties. We looked at the following amenities in our analysis: (1) Banks; (2) Grocery; (3) Emergency Clinics; (4) Pharmacies; and (5) Discount Stores.

A listing of some of the area amenities is found below. An amenity map is found in the following pages:

| Proximity to Area Amenities |                                    |           |
|-----------------------------|------------------------------------|-----------|
| Amenity                     | Name                               | Miles     |
| Bank                        | Wells Fargo Bank                   | 1.3 mi NE |
| Grocery                     | Shields Produce & Grocery          | 1.2 mi NE |
| Emergency Clinic            | Oscar Medical Center               | 1.7 mi SE |
| Pharmacy                    | Rite Aid Pharmacy                  | 0.9 mi SE |
| Discount Store              | Family Dollar                      | 1.9 mi SW |
| Elementary School           | Oakhurst Elementary School         | 0.4 mi N  |
| Middle School               | Renfroe Middle School              | 0.7 mi NE |
| High School                 | Decatur High School                | 0.9 mi N  |
| Bus Stop                    | East Lake MARTA Intermodal Station | 0.9 mi NE |

Source: Google Maps

Wells Fargo Bank, Shields Produce, Rite Aid, and Family Dollar are all located less than 2.0 miles away from the subject property. Oscar Medical Center is located 1.7 miles away.

### Number of Area Amenities

We utilized Microsoft Streets & Trips to evaluate the subject and the most comparable properties with respect to the number of amenities in the immediate area.

- Microsoft Streets & Trips identified 13 banks within 2.0 miles of the subject property. The subject is ranked 6 out of the 11 properties included in this analysis.
- A total of 16 grocery stores are in the vicinity of the subject property. The subject is ranked 5 for the area.
- A total of 0 hospital are in the vicinity of the subject property. The subject is ranked 8 for the area.
- A total of 6 pharmacies are in the vicinity of the subject property. The subject is ranked 8 for the area.
- A total of 34 shopping centers are in the vicinity of the subject property. The subject is ranked 8 for the area.

### Nearest Area Amenities

We utilized Microsoft Streets & Trips to evaluate the subject and the most comparable properties with respect to the nearest area amenities.

- According to Microsoft Streets & Trips, the nearest bank is 1.08 miles away from the subject property. The subject is ranked 9 out of the 11 properties included in this analysis.
- The nearest grocery store is 0.04 miles away from the subject property. The subject is ranked 1 for the area.
- The nearest hospital is 2.37 miles away from the subject property. The subject is ranked 9 for the area.
- The nearest pharmacy is 1.03 miles away from the subject property. The subject is ranked 10 for the area.
- The nearest shopping center is 0.62 miles away from the subject property. The subject is ranked 10 for the area.

### Conclusion

In our opinion, the subject property has a good location relative to competing properties with respect to area amenities.

Tables comparing the subject property's proximity to area amenities to that of the most comparable properties is found on the next page. Maps showing the proximity of the subject property to area amenities and area employers is also found in the following pages.

In the course of completing this study, we rated the neighborhood and the proximity to area amenities for the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). The tables on the following pages give these ratings.

Neighborhood Ratings

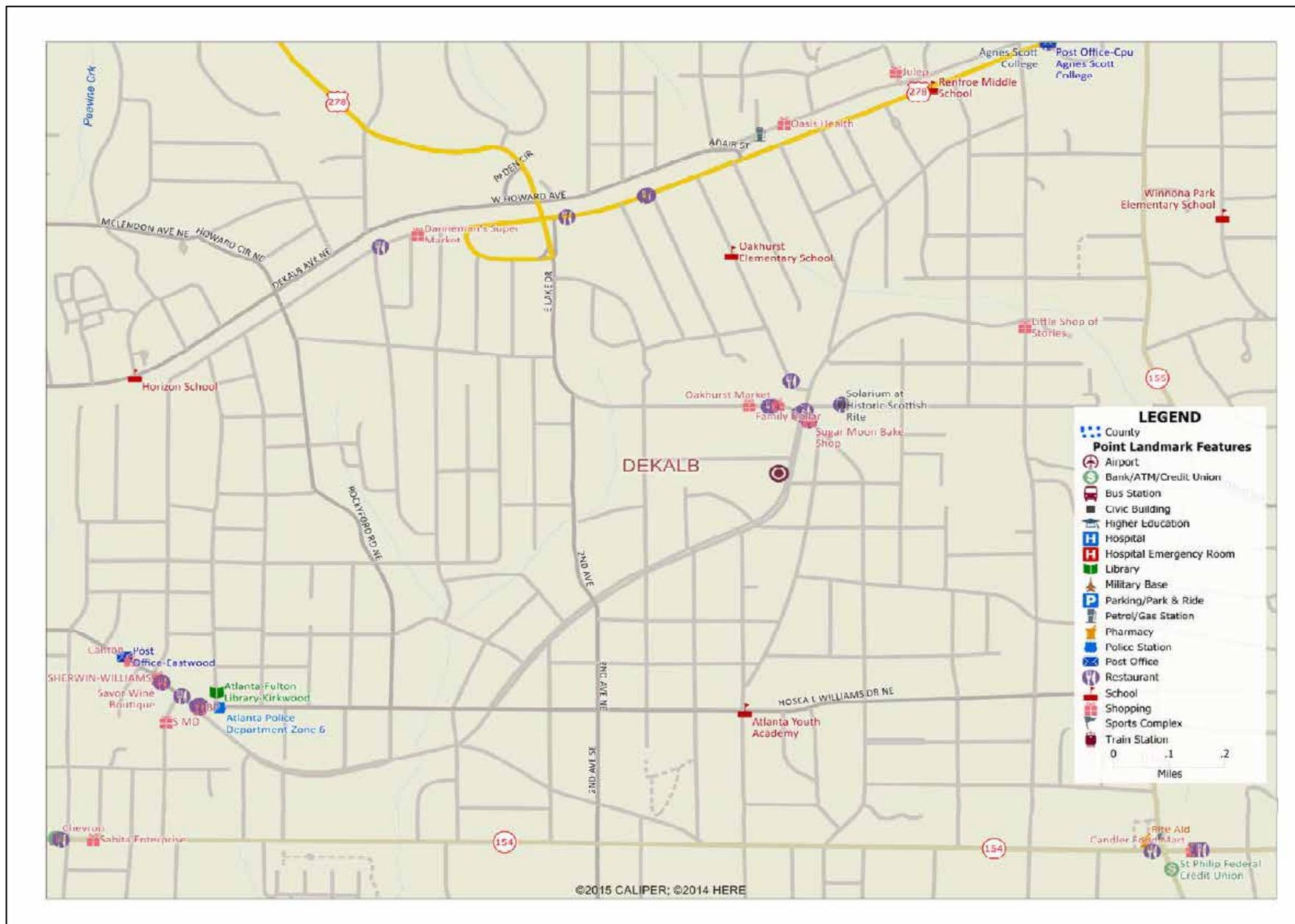
|     |                                     | Rating               |                      |                     |                |                |                     |                    |                 | Rank (1 = Property with Highest Rating) |                      |                     |                |                |                     |                    |                 | Final Rating<br>(1-5 Scale) |         |  |
|-----|-------------------------------------|----------------------|----------------------|---------------------|----------------|----------------|---------------------|--------------------|-----------------|-----------------------------------------|----------------------|---------------------|----------------|----------------|---------------------|--------------------|-----------------|-----------------------------|---------|--|
|     |                                     | Surrounding Area     |                      |                     |                | Crime Rates    |                     | Education          |                 | Commute                                 | Surrounding Area     |                     |                |                | Crime Rates         |                    | Education       |                             | Commute |  |
| Key | Project Name                        | Avg HH Income (2015) | Med Cash Rent (2015) | Med SF Value (2015) | Personal Crime | Property Crime | High School or More | Bachelor's or More | Average Commute | Avg HH Income (2015)                    | Med Cash Rent (2015) | Med SF Value (2015) | Personal Crime | Property Crime | High School or More | Bachelor's or More | Average Commute |                             |         |  |
| Sub | Trinity Walk Phase III              | \$103,021            | \$721                | \$358,500           | 10.7%          | 11.1%          | 84.6%               | 56.4%              | 28.01           | 2                                       | 7                    | 1                   | 3              | 3              | 4                   | 3                  | 2               | 4.50                        |         |  |
| 002 | Alexan 1133                         | \$9,008              | \$386                | \$246,300           | 12.4%          | 22.9%          | 77.6%               | 27.8%              | 30.31           | 10                                      | 10                   | 4                   | 5              | 5              | 10                  | 7                  | 4               | 4.20                        |         |  |
| 008 | Archstone Decatur Crossing          | \$46,250             | \$1,016              | \$207,100           | 10.4%          | 34.6%          | 93.3%               | 58.0%              | 35.89           | 3                                       | 5                    | 6                   | 2              | 8              | 2                   | 2                  | 11              | 4.30                        |         |  |
| 014 | Avalon Ridge                        | \$21,146             | \$813                | \$73,600            | 28.0%          | 0.8%           | 80.2%               | 7.4%               | 35.54           | 8                                       | 6                    | 11                  | 8              | 1              | 8                   | 11                 | 10              | 4.10                        |         |  |
| 034 | Columbia Mill Apartments            | \$21,818             | \$716                | \$158,600           | 4.0%           | 8.6%           | 79.2%               | 29.8%              | 31.12           | 6                                       | 8                    | 9                   | 1              | 2              | 9                   | 6                  | 6               | 4.20                        |         |  |
| 036 | Columbia Parkside at Mechanicsville | \$18,359             | \$620                | \$275,000           | 31.5%          | 17.2%          | 80.4%               | 19.4%              | 31.13           | 9                                       | 9                    | 3                   | 9              | 4              | 7                   | 9                  | 7               | 4.10                        |         |  |
| 040 | Columbia Village Apartments         | \$21,500             | \$1,064              | \$91,700            | 18.7%          | 41.2%          | 85.7%               | 11.7%              | 30.00           | 7                                       | 2                    | 10                  | 7              | 9              | 3                   | 10                 | 3               | 4.20                        |         |  |
| 076 | Parkway Grand Apartments            | \$111,300            | \$1,188              | \$302,900           | 11.8%          | 25.2%          | 100.0%              | 83.5%              | 23.50           | 1                                       | 1                    | 2                   | 4              | 7              | 1                   | 1                  | 1               | 4.50                        |         |  |
| 078 | Place on Ponce                      | \$9,008              | \$386                | \$246,300           | 12.4%          | 22.9%          | 77.6%               | 27.8%              | 30.31           | 10                                      | 10                   | 4                   | 5              | 5              | 10                  | 7                  | 4               | 4.20                        |         |  |
| 081 | Retreat at Edgewood 1               | \$29,464             | \$1,064              | \$170,100           | 161.5%         | 131.2%         | 81.2%               | 31.0%              | 31.83           | 4                                       | 2                    | 7                   | 150            | 150            | 5                   | 4                  | 8               | 2.00                        |         |  |
| 082 | Retreat at Edgewood 2               | \$29,464             | \$1,064              | \$170,100           | 161.5%         | 131.2%         | 81.2%               | 31.0%              | 31.83           | 4                                       | 2                    | 7                   | 150            | 150            | 5                   | 4                  | 8               | 2.00                        |         |  |

Proximity to Area Amenities

|     |                                     | Rating                              |         |          |          |                 |                            |         |          | Rank (1 = Property with Highest Rating) |         |          |          |                 |                            |         |          | Final Rating<br>(1-5 Scale) |
|-----|-------------------------------------|-------------------------------------|---------|----------|----------|-----------------|----------------------------|---------|----------|-----------------------------------------|---------|----------|----------|-----------------|----------------------------|---------|----------|-----------------------------|
|     |                                     | Number within 2.0 miles of Property |         |          |          |                 | Nearest to Property, Miles |         |          | Number within 2.0 miles of Property     |         |          |          |                 | Nearest to Property, Miles |         |          |                             |
| Key | Project Name                        | Banks                               | Grocery | Hospital | Pharmacy | Shopping Center | Shopping Center            | Grocery | Hospital | Banks                                   | Grocery | Hospital | Pharmacy | Shopping Center | Shopping Center            | Grocery | Hospital |                             |
| Sub | Trinity Walk Phase III              | 13                                  | 16      | 0        | 6        | 34              | 0.6                        | 0.0     | 2.4      | 6                                       | 5       | 8        | 8        | 8               | 10                         | 1       | 9        | 3.00                        |
| 002 | Alexan 1133                         | 19                                  | 16      | 6        | 8        | 50              | 0.1                        | 0.2     | 1.2      | 2                                       | 5       | 1        | 5        | 5               | 2                          | 3       | 2        | 4.50                        |
| 008 | Archstone Decatur Crossing          | 16                                  | 18      | 2        | 9        | 74              | 0.2                        | 0.2     | 0.7      | 4                                       | 4       | 5        | 4        | 2               | 3                          | 2       | 1        | 4.00                        |
| 014 | Avalon Ridge                        | 6                                   | 9       | 0        | 4        | 13              | 0.6                        | 0.7     | 2.1      | 9                                       | 10      | 8        | 10       | 11              | 9                          | 10      | 8        | 2.00                        |
| 034 | Columbia Mill Apartments            | 3                                   | 9       | 0        | 4        | 14              | 0.3                        | 0.7     | 4.3      | 10                                      | 10      | 8        | 10       | 10              | 4                          | 11      | 11       | 2.10                        |
| 036 | Columbia Parkside at Mechanicsville | 36                                  | 48      | 4        | 12       | 88              | 0.7                        | 0.4     | 1.3      | 1                                       | 1       | 4        | 1        | 1               | 11                         | 5       | 3        | 3.80                        |
| 040 | Columbia Village Apartments         | 3                                   | 14      | 0        | 5        | 23              | 0.5                        | 0.5     | 4.0      | 10                                      | 8       | 8        | 9        | 9               | 8                          | 8       | 10       | 2.30                        |
| 076 | Parkway Grand Apartments            | 15                                  | 14      | 6        | 7        | 36              | 0.3                        | 0.6     | 1.6      | 5                                       | 8       | 1        | 7        | 7               | 4                          | 9       | 5        | 3.50                        |
| 078 | Place on Ponce                      | 18                                  | 15      | 6        | 8        | 48              | 0.0                        | 0.3     | 1.3      | 3                                       | 7       | 1        | 5        | 6               | 1                          | 4       | 4        | 4.30                        |
| 081 | Retreat at Edgewood 1               | 11                                  | 26      | 2        | 10       | 58              | 0.3                        | 0.4     | 1.8      | 7                                       | 2       | 5        | 2        | 3               | 6                          | 6       | 6        | 3.90                        |
| 082 | Retreat at Edgewood 2               | 11                                  | 26      | 2        | 10       | 58              | 0.3                        | 0.4     | 1.8      | 7                                       | 2       | 5        | 2        | 3               | 6                          | 6       | 6        | 3.90                        |

Source: US Census; Claritas; Google Maps

## Proximity to Area Amenities



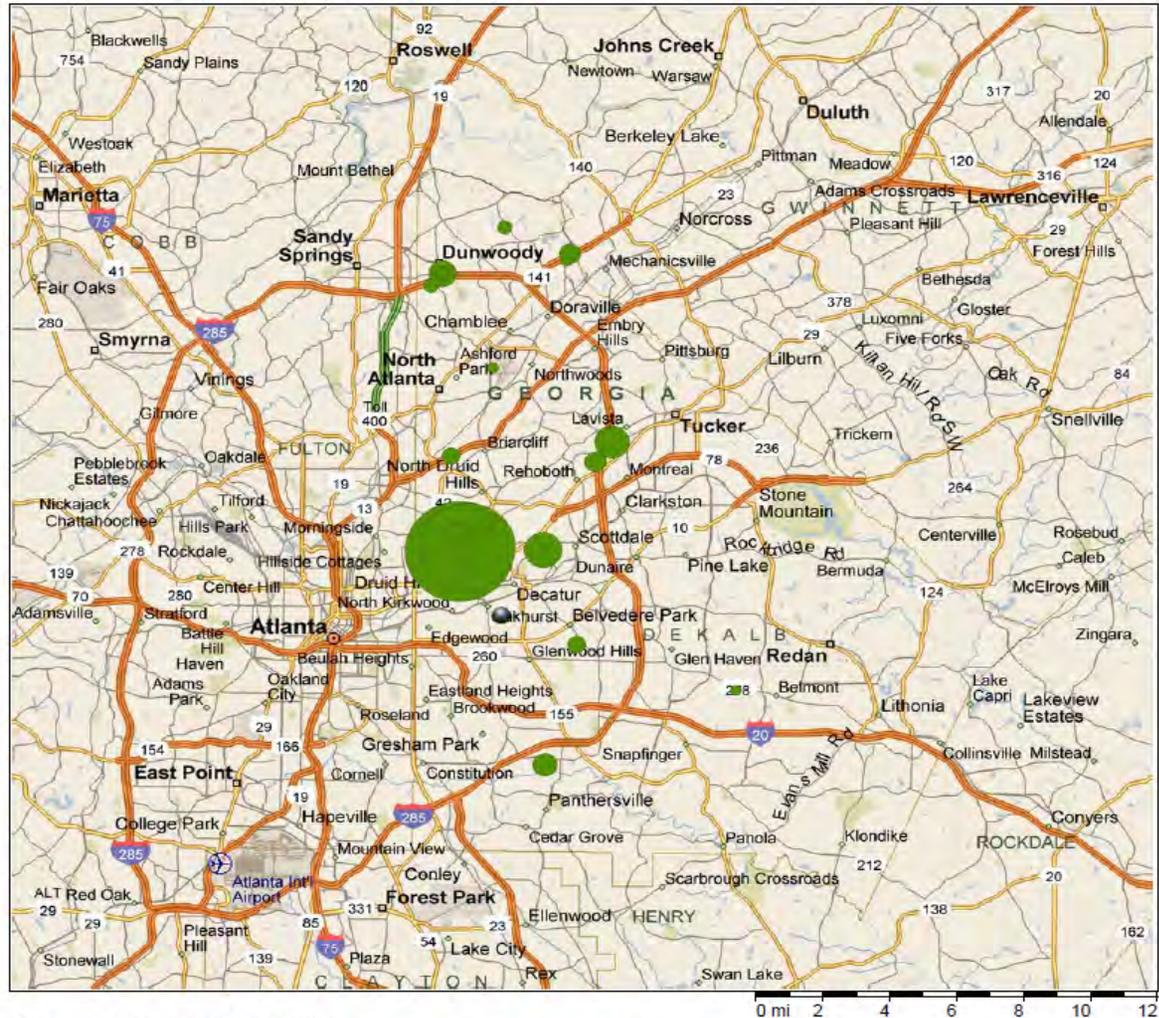
# Proximity to Area Employers



Location Employee Size Actual by Latitude & Longitude



## Proximity to Area Employers



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## SUBJECT PROPERTY PHOTOS

Photos of the subject property and the surrounding area are found below:



Subject Property



Looking North From Entrance



Looking South From Entrance



Looking East From Entrance



Looking West From Entrance

# MARKET AREA

## Overview

Market areas are influenced by a variety of interrelated factors. These factors include site location, economic, and demographic characteristics (tenure, income, rent levels, etc.), local transportation patterns, physical boundaries (rivers, streams, topography, etc.), census geographies, and the location of comparable and/or potentially competing communities.

In areas where the county seat is the largest city, centrally located, and draws from the entire county, the county may be the market area. In the case where there are potentially competing communities in one county, the market area may be part of the county. In fact, the market area could include portions of adjacent counties. In this case, a combination of county subdivisions may be used to define the market area. In urban or suburban areas, the market area will be adjacent to the site extending to all locations of similar character with residents or potential residents likely to be interested in the project. In this case, county subdivisions, townships, or a combination of census tracts may be used to define the market area.

Allen & Associates recently conducted a series of property management interviews to better understand market areas and resident moving patterns for multifamily properties. Our study suggested that markets may be classified into the following general categories: urban, suburban and rural. Renters in urban markets are typically willing to move 5 to 10 minutes when looking for a new apartment. Our research also shows that renters in suburban markets are normally willing to move 10 to 15 minutes when looking for a new place to live. Renters in rural markets are typically willing to move 15 to 20 minutes when looking for a new apartment. We considered these general guidelines in our evaluation of the subject property.

Our study suggested that secondary market areas were generally a function of whether the proposed development was family or elderly. Our research suggested that secondary market demand for family properties ranged from 10 to 30 percent. Secondary market demand for elderly properties ranged from 10 to 50 percent. Although seniors move less frequently than younger renters, they are often willing to move longer distances when looking for housing. We considered these general secondary market guidelines in our evaluation of the subject property.

Our primary and secondary market area definitions are found below.

## Primary Market Area

We defined the primary market area by generating a 5-minute drive time zone around the subject property. We also considered existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

Primary market area, drive time and existing multifamily maps are found in the following pages. The primary market area included all or part of the following census tracts:

| Census Tract | County        | State   |
|--------------|---------------|---------|
| 13089020200  | DeKalb County | Georgia |
| 13089020300  | DeKalb County | Georgia |
| 13089020400  | DeKalb County | Georgia |
| 13089020500  | DeKalb County | Georgia |
| 13089020600  | DeKalb County | Georgia |
| 13089020700  | DeKalb County | Georgia |
| 13089020801  | DeKalb County | Georgia |
| 13089020802  | DeKalb County | Georgia |
| 13089020900  | DeKalb County | Georgia |
| 13089022203  | DeKalb County | Georgia |
| 13089022301  | DeKalb County | Georgia |
| 13089022403  | DeKalb County | Georgia |
| 13089022500  | DeKalb County | Georgia |
| 13089022600  | DeKalb County | Georgia |
| 13089022700  | DeKalb County | Georgia |
| 13089022800  | DeKalb County | Georgia |
| 13089022900  | DeKalb County | Georgia |
| 13089023000  | DeKalb County | Georgia |
| 13089023101  | DeKalb County | Georgia |
| 13089023102  | DeKalb County | Georgia |

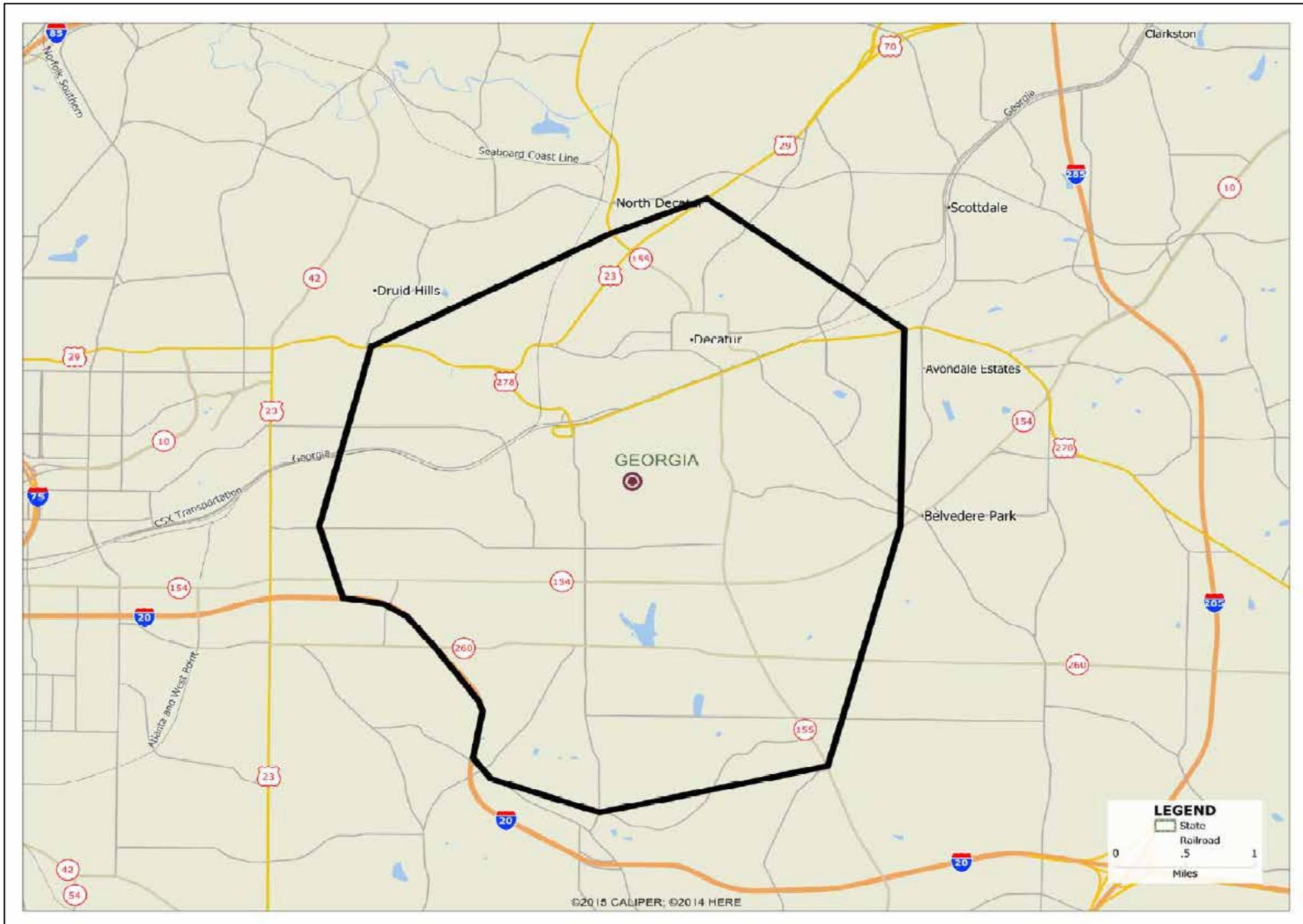
|             |               |         |
|-------------|---------------|---------|
| 13089023501 | DeKalb County | Georgia |
| 13089023504 | DeKalb County | Georgia |
| 13089023601 | DeKalb County | Georgia |
| 13089023602 | DeKalb County | Georgia |
| 13089023603 | DeKalb County | Georgia |
| 13089023700 | DeKalb County | Georgia |
| 13089980000 | DeKalb County | Georgia |

The primary market area includes a population of 54,647 persons and covers a total of 14.6 square miles, making it 4.3 miles across on average.

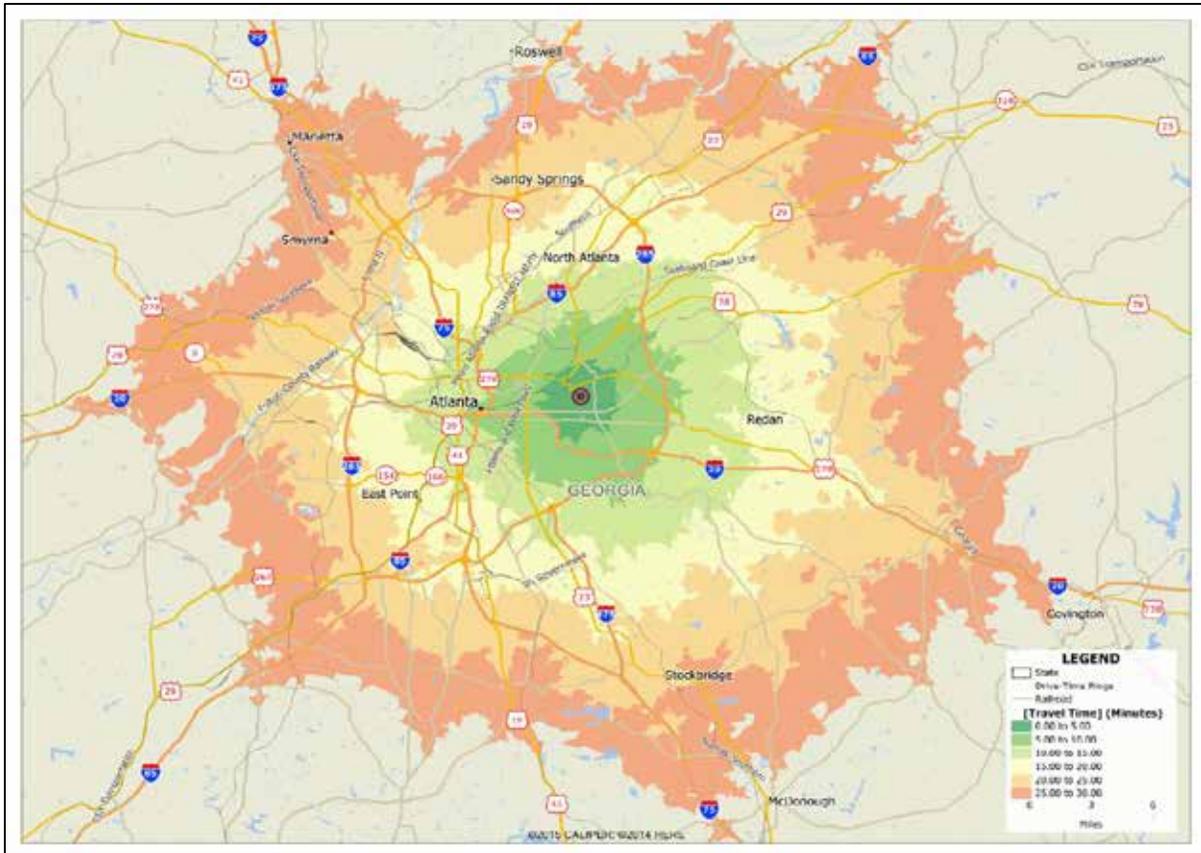
**Secondary Market Area**

We estimate that up to 20 percent of demand will come from areas outside of the primary market area.

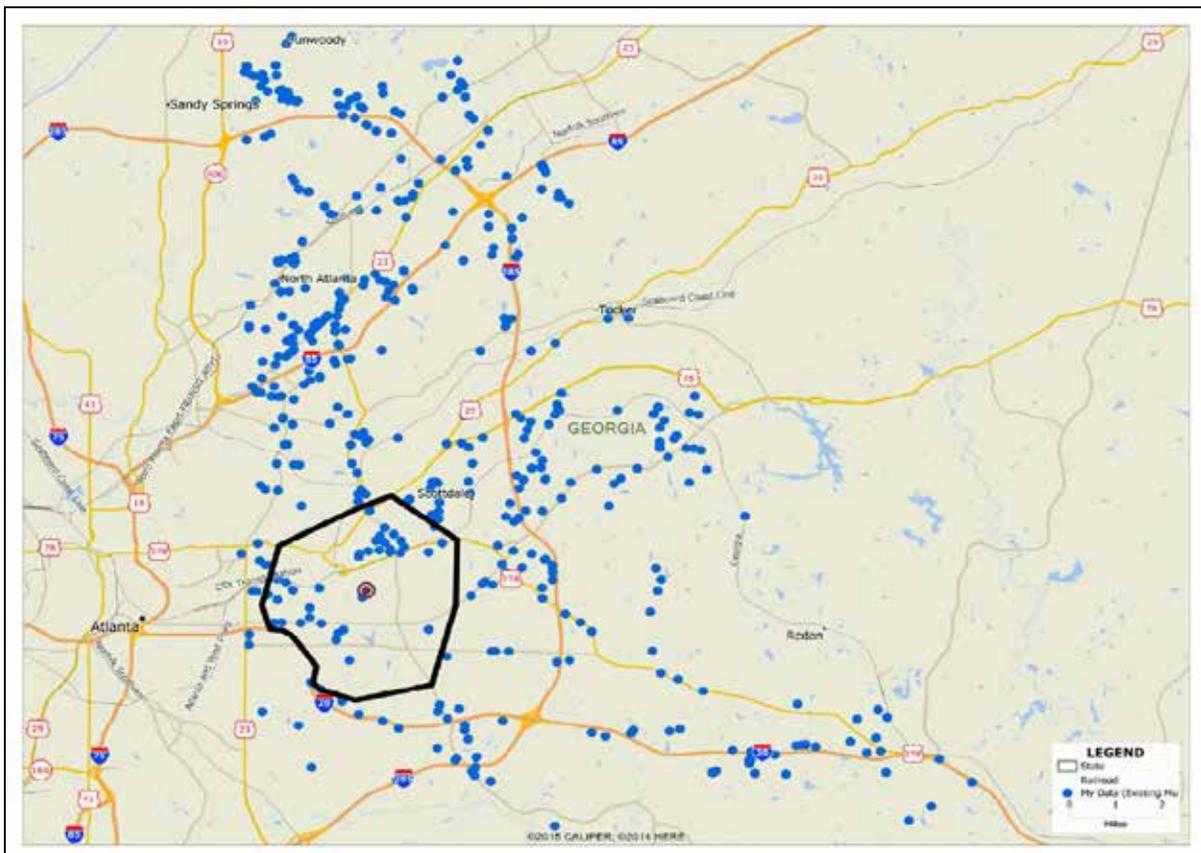
# Market Area



## Drive Time



## Existing Multifamily



## ECONOMIC OUTLOOK

In this section we conduct an overview of the local and national economy. We begin our outlook for the US economy.

### US Economic Outlook

We anticipate modest economic growth for the United States the next several years. Although robust growth does not appear to be on the horizon, we do not anticipate a recession in the immediate future, either. In the discussion below we develop a forecast of the US Economy through 2021.

Our evaluation begins with a Real Gross Domestic Product (Real GDP) forecast for the nation. We use this projection, in turn, to drive employment forecasts for the United States.

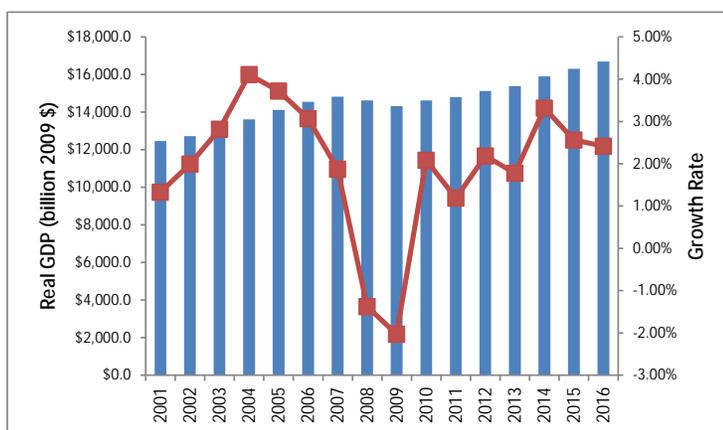
#### Real Gross Domestic Product

Real GDP is a measure of economic output in constant dollars. Increases in Real GDP reflect growth in the economic base as well as increases in productivity.

The table and graph below show Real GDP for the United States since 2000. The data set comes from the Bureau of Economic Analysis (BEA) via Woods & Pool Economics.

| Gross Domestic Product |            |             |
|------------------------|------------|-------------|
| Year                   | Real GDP   | Growth Rate |
| 2000                   | \$12,300.9 | -           |
| 2001                   | \$12,464.6 | 1.33%       |
| 2002                   | \$12,712.9 | 1.99%       |
| 2003                   | \$13,071.0 | 2.82%       |
| 2004                   | \$13,608.2 | 4.11%       |
| 2005                   | \$14,114.8 | 3.72%       |
| 2006                   | \$14,548.2 | 3.07%       |
| 2007                   | \$14,820.6 | 1.87%       |
| 2008                   | \$14,617.1 | -1.37%      |
| 2009                   | \$14,320.1 | -2.03%      |
| 2010                   | \$14,618.1 | 2.08%       |
| 2011                   | \$14,792.3 | 1.19%       |
| 2012                   | \$15,116.0 | 2.19%       |
| 2013                   | \$15,384.3 | 1.78%       |
| 2014                   | \$15,895.0 | 3.32%       |
| 2015                   | \$16,302.8 | 2.57%       |
| 2016                   | \$16,696.6 | 2.42%       |

Source: W&P Economics



Real GDP grew from \$12.301 trillion in 2000 to \$14.821 trillion in 2007, before dropping to \$14.617 trillion in 2008. Real GDP dipped further to \$14.320 trillion in 2009. Since then Real GDP has grown to \$16.697 trillion.

Forecasts for Real GDP growth vary. Woods & Poole Economics (W&P) projects 2.24% growth through 2017, followed by 2.25% through 2020. The Congressional Budget Office (CBO) projects 2.70% growth in 2016, followed by 2.50% percent growth in 2017, dropping off to 1.90% growth in 2018, 1.90% in 2019 and 1.90% in 2020. Finally, the Federal Reserve (FED) projects 2.20% growth in 2016, followed by 2.10% percent growth in 2017, dropping off to 2.00% growth in 2018, 2.00% in 2019 and 2.00% in 2020 as shown below.

| Real GDP Growth Forecasts |       |       |       |           |
|---------------------------|-------|-------|-------|-----------|
| Year                      | W&P   | CBO   | FED   | Concluded |
| 2012                      | 2.19% | 2.19% | 2.19% | 2.19%     |
| 2013                      | 1.78% | 1.78% | 1.78% | 1.78%     |
| 2014                      | 3.32% | 3.32% | 3.32% | 3.32%     |
| 2015                      | 2.57% | 2.57% | 2.57% | 2.57%     |
| 2016                      | 2.42% | 2.70% | 2.20% | 2.40%     |
| 2017                      | 2.35% | 1.70% | 2.00% | 2.00%     |
| 2018                      | 2.30% | 1.70% | 2.00% | 1.95%     |
| 2019                      | 2.27% | 1.70% | 1.80% | 1.90%     |
| 2020                      | 2.24% | 1.70% | 1.80% | 1.95%     |
| 2021                      | 2.22% | 1.90% | 1.80% | 2.00%     |

Source: W&P Economics, Congressional Budget Office; Federal Reserve

The CBO has a history of underestimating the cost of government programs and overestimating tax revenues. Consequently, we discount their projection. Taking this into consideration, we conclude 2.00% growth in 2017, followed by 1.95% percent in 2018, 1.90% in 2019, 1.95% in 2020, and 2.00% in 2021. We refer to this as our "base projection" in the discussion that follows.

#### Establishment Employment

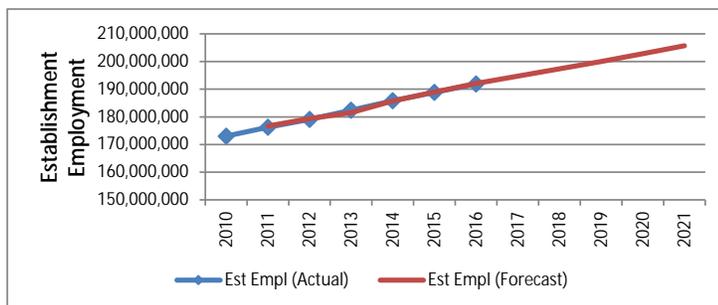
The Bureau of Labor Statistics (BLS) tracks employment two different ways: (1) Establishment Employment (sometimes referred to as At-Place Employment) which consists of a survey of employers in a specific geographic area, regardless of where the employees at the surveyed establishment actually live; and (2) Civilian Employment (sometimes referred to as Resident Employment) which

consists of a survey of households in a specific geographic area, regardless of where the surveyed participants actually work. We begin our analysis with Establishment Employment.

The table and graph below show Establishment Employment and Real GDP for the United States since 2000. The data set comes from the Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

| Establishment Employment Forecast |            |             |
|-----------------------------------|------------|-------------|
| Year                              | Real GDP   | Est Emp     |
| 2010                              | \$14,618.1 | 173,034,656 |
| 2011                              | \$14,792.3 | 176,278,657 |
| 2012                              | \$15,116.0 | 179,081,633 |
| 2013                              | \$15,384.3 | 182,390,004 |
| 2014                              | \$15,895.0 | 185,798,752 |
| 2015                              | \$16,302.8 | 188,866,185 |
| 2016                              | \$16,696.6 | 191,870,817 |
| 2017                              | \$17,030.6 | 194,720,687 |
| 2018                              | \$17,362.7 | 197,381,066 |
| 2019                              | \$17,692.6 | 200,023,526 |
| 2020                              | \$18,037.6 | 202,798,571 |
| 2021                              | \$18,398.3 | 205,700,233 |

Source: W&P, Texas A&M; Allen & Assoc



Establishment Employment grew from 173.0 million in 2010 to 191.9 million in 2016.

The accompanying graph illustrates the relationship between Establishment Employment and Real GDP. We used historic data to develop a statistical relationship between the two variables. Applying our base projection to Real GDP (discussed previously) and utilizing the statistical relationship between GDP and employment yielded our base projection for Establishment Employment. Our base projection shows Real GDP growing from \$16.697 trillion in 2016 to \$18.398 trillion in 2021. This, in turn, will result in Establishment Employment growing from 191.9 million to 205.7 million over this time period.

#### Employment by Industry

The Bureau of Labor Statistics (BLS) tracks Establishment Employment by major industry. In the table below we present the breakdown for 2011 and 2016. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

| Industry                                                   | Establishment Employment |          |             |            |      |
|------------------------------------------------------------|--------------------------|----------|-------------|------------|------|
|                                                            | 2011                     | % Growth | 2016        | % of Total | Rank |
| Farm Employment                                            | 2,639,000                | 1.1%     | 2,667,173   | 1.4%       | 18   |
| Forestry, Fishing, Related Activities And Other Employment | 853,920                  | 11.7%    | 953,934     | 0.5%       | 22   |
| Mining Employment                                          | 1,240,266                | 38.9%    | 1,722,328   | 0.9%       | 21   |
| Utilities Employment                                       | 575,375                  | 2.6%     | 590,545     | 0.3%       | 23   |
| Construction Employment                                    | 8,776,659                | 15.5%    | 10,138,681  | 5.3%       | 10   |
| Manufacturing Employment                                   | 12,387,089               | 6.4%     | 13,181,121  | 6.9%       | 5    |
| Wholesale Trade Employment                                 | 6,162,477                | 8.0%     | 6,655,862   | 3.5%       | 12   |
| Retail Trade Employment                                    | 17,954,676               | 8.5%     | 19,480,105  | 10.2%      | 3    |
| Transportation And Warehousing Employment                  | 5,686,093                | 9.9%     | 6,246,945   | 3.3%       | 13   |
| Information Employment                                     | 3,230,252                | 3.6%     | 3,347,556   | 1.7%       | 16   |
| Finance And Insurance Employment                           | 9,751,659                | 5.9%     | 10,329,240  | 5.4%       | 9    |
| Real Estate And Rental And Lease Employment                | 7,936,305                | 6.5%     | 8,451,566   | 4.4%       | 11   |
| Professional And Technical Services Employment             | 11,971,803               | 10.0%    | 13,163,271  | 6.9%       | 6    |
| Management Of Companies And Enterprises Employment         | 2,080,990                | 16.7%    | 2,429,328   | 1.3%       | 19   |
| Administrative And Waste Services Employment               | 10,753,928               | 12.2%    | 12,064,723  | 6.3%       | 7    |
| Educational Services Employment                            | 4,121,793                | 12.4%    | 4,633,039   | 2.4%       | 14   |
| Health Care And Social Assistance Employment               | 19,416,573               | 12.0%    | 21,737,582  | 11.3%      | 1    |
| Arts, Entertainment, And Recreation Employment             | 3,873,517                | 10.5%    | 4,278,859   | 2.2%       | 15   |
| Accommodation And Food Services Employment                 | 12,344,614               | 12.8%    | 13,919,698  | 7.3%       | 4    |
| Other Services, Except Public Administration Employment    | 10,232,668               | 9.6%     | 11,217,480  | 5.8%       | 8    |
| Federal Civilian Government Employment                     | 2,917,996                | -3.7%    | 2,810,987   | 1.5%       | 17   |
| Federal Military Employment                                | 2,081,004                | -4.7%    | 1,984,091   | 1.0%       | 20   |
| State And Local Government Employment                      | 19,290,000               | 3.0%     | 19,866,703  | 10.4%      | 2    |
| Establishment Employment                                   | 176,278,657              | 8.8%     | 191,870,817 | 100.0%     |      |

Source: W&P Economics

The data suggests that Health Care and Social Assistance is the largest employment category accounting for 11.3% of total US employment. State and Local Government is the second largest category accounting for 10.4% of total employment. Retail Trade is the third largest category accounting for 10.2% of total employment. Accommodation and Food Services is the fourth largest category accounting for 7.3% of total employment. Manufacturing is the fifth largest category accounting for 6.9% of total employment.

The data also suggests that while Establishment Employment grew 8.8% between 2011 and 2016, Manufacturing Employment increased 6.4% from 12.3 million to 13.1 million. This slow growth has been underway for the past couple of decades and is driven by globalization as well as US corporate tax rates and regulations imposed on US manufacturers. This is worth watching: Manufacturing Employment is the backbone of any nation's economy.

Earnings by Industry

The Bureau of Labor Statistics (BLS) tracks Average Earnings by major industry. In the table below we present the breakdown for 2016. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

| Average Earnings                                           |                 |      |
|------------------------------------------------------------|-----------------|------|
| Industry                                                   | Earnings        | Rank |
| Farm Employment                                            | \$38,585        | 15   |
| Forestry, Fishing, Related Activities And Other Employment | \$30,941        | 19   |
| Mining Employment                                          | \$97,878        | 5    |
| Utilities Employment                                       | \$126,829       | 1    |
| Construction Employment                                    | \$53,566        | 12   |
| Manufacturing Employment                                   | \$70,877        | 8    |
| Wholesale Trade Employment                                 | \$74,038        | 6    |
| Retail Trade Employment                                    | \$29,486        | 20   |
| Transportation And Warehousing Employment                  | \$53,357        | 13   |
| Information Employment                                     | \$98,487        | 4    |
| Finance And Insurance Employment                           | \$65,576        | 9    |
| Real Estate And Rental And Lease Employment                | \$25,119        | 22   |
| Professional And Technical Services Employment             | \$72,660        | 7    |
| Management Of Companies And Enterprises Employment         | \$105,808       | 2    |
| Administrative And Waste Services Employment               | \$32,642        | 17   |
| Educational Services Employment                            | \$35,310        | 16   |
| Health Care And Social Assistance Employment               | \$48,417        | 14   |
| Arts, Entertainment, And Recreation Employment             | \$25,610        | 21   |
| Accommodation And Food Services Employment                 | \$22,451        | 23   |
| Other Services, Except Public Administration Employment    | \$31,696        | 18   |
| Federal Civilian Government Employment                     | \$99,314        | 3    |
| Federal Military Employment                                | \$61,587        | 11   |
| State And Local Government Employment                      | \$61,682        | 10   |
| <b>Average Earnings</b>                                    | <b>\$50,559</b> |      |

Source: W&P Economics

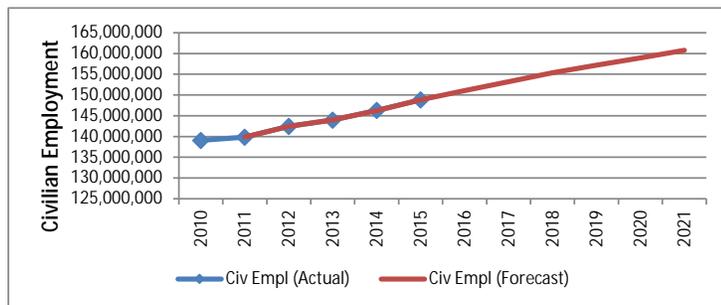
The data suggests that Utilities is the highest paid industry averaging \$126,829 per employee. Management is the second highest paid industry averaging \$105,808 per employee. Federal Civilian Government is the third highest paid profession averaging \$99,314 per employee. Information Technology is the fourth highest paid industry averaging \$98,487 per employee. Mining is the fifth highest paid category averaging \$97,878 per employee. These figures are compared with US Average Earnings of \$50,559 per employee.

Civilian Employment

In this section we take a look at Civilian Employment. The table and graph below show Civilian Employment and Establishment Employment for the United States since 2010. The data set comes from the Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS) via Texas A&M Real Estate Center and Woods & Pool Economics.

| Civilian Employment Forecast |             |             |
|------------------------------|-------------|-------------|
| Year                         | Est Emp     | Civ Emp     |
| 2010                         | 173,034,656 | 139,064,000 |
| 2011                         | 176,278,657 | 139,869,000 |
| 2012                         | 179,081,633 | 142,469,000 |
| 2013                         | 182,390,004 | 143,929,000 |
| 2014                         | 185,798,752 | 146,305,000 |
| 2015                         | 188,866,185 | 148,834,000 |
| 2016                         | 191,870,817 | 151,436,000 |
| 2017                         | 194,720,687 | 153,232,000 |
| 2018                         | 197,381,066 | 155,353,000 |
| 2019                         | 200,023,526 | 157,213,000 |
| 2020                         | 202,798,571 | 158,947,000 |
| 2021                         | 205,700,233 | 160,778,000 |

Source: W&P, Texas A&M; Allen & Assoc



Civilian Employment grew from 139.1 million in 2010 to 151.4 million.

The accompanying graph illustrates the relationship between Civilian Employment and Establishment Employment. We used historic data to develop a statistical relationship between the two variables. Utilizing the statistical relationship between the two measures and our forecast for Establishment Employment yielded our base projection for Civilian Employment. Our base projection shows Establishment Employment growing from 191.9 million in 2016 to 205.7 million in 2021. This, in turn, will result in Civilian Employment growing from 151.4 million to 160.8 million over this time period.

Labor Force and Unemployment

In this section we take a look at Labor Force and Unemployment. The table below shows Civilian Employment, Unemployment and Labor Force statistics for the United States since 2010. The data set comes from the Bureau of Labor Statistics (BLS) via Texas A&M Real Estate Center and Woods & Pool Economics.

| Year | Civ Emp     | Unemp      | Lab Force   | Unemp Rate |
|------|-------------|------------|-------------|------------|
| 2010 | 139,064,000 | 14,767,858 | 153,831,858 | 9.6%       |
| 2011 | 139,869,000 | 13,664,480 | 153,533,480 | 8.9%       |
| 2012 | 142,469,000 | 12,557,115 | 155,026,115 | 8.1%       |
| 2013 | 143,929,000 | 11,501,886 | 155,430,886 | 7.4%       |
| 2014 | 146,305,000 | 9,670,480  | 155,975,480 | 6.2%       |
| 2015 | 148,834,000 | 9,670,480  | 158,504,480 | 6.1%       |
| 2016 | 151,436,000 | 9,670,480  | 161,106,480 | 6.0%       |

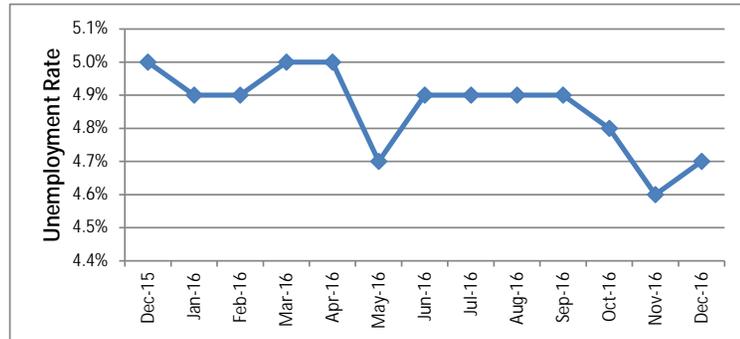
Source: Texas A&M Real Estate Center; Allen & Associates

Unemployment fell from 14.8 million in 2010 to 9.7 million in 2016. The Unemployment Rate fell from 9.6% in 2010 to 6.0% in 2016. The Labor Force grew from 153.8 million in 2010 to 161.1 million in 2016.

The table and graph below show the Unemployment Rate for the United States for the past 12 months.

| Month  | Unemp Rate |
|--------|------------|
| Dec-15 | 5.0%       |
| Jan-16 | 4.9%       |
| Feb-16 | 4.9%       |
| Mar-16 | 5.0%       |
| Apr-16 | 5.0%       |
| May-16 | 4.7%       |
| Jun-16 | 4.9%       |
| Jul-16 | 4.9%       |
| Aug-16 | 4.9%       |
| Sep-16 | 4.9%       |
| Oct-16 | 4.8%       |
| Nov-16 | 4.6%       |
| Dec-16 | 4.7%       |

Source: TAMU; Allen & Assoc



The Unemployment Rate for the United States came in at 5.0% in December 2015 and 4.7% in December 2016.

### Conclusion

Our findings for the base projection are summarized below.

|                              | 2015        | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Real GDP (billion 2005 \$)   | \$16,302.8  | \$16,696.6  | \$17,030.6  | \$17,362.7  | \$17,692.6  | \$18,037.6  | \$18,398.3  |
| Establishment Employment     | 188,866,185 | 191,870,817 | 194,720,687 | 197,381,066 | 200,023,526 | 202,798,571 | 205,700,233 |
| Civilian Employment          | 148,834,000 | 151,436,000 | 153,232,000 | 155,353,000 | 157,213,000 | 158,947,000 | 160,778,000 |
| Real GDP Growth %            |             | 2.42%       | 2.00%       | 1.95%       | 1.90%       | 1.95%       | 2.00%       |
| Est Employment Growth %      |             | 1.59%       | 1.49%       | 1.37%       | 1.34%       | 1.39%       | 1.43%       |
| Civilian Employment Growth % |             | 1.75%       | 1.19%       | 1.38%       | 1.20%       | 1.10%       | 1.15%       |

Source: W&P Economics, Texas A&M Real Estate Center; Allen & Associates

Our base projection assumes Real GDP growth of 2.0% in 2017, 1.95% in 2018, 1.90% in 2019, 1.95% in 2020, and 2.0% in 2021. Given this projection, we anticipate Establishment Employment of 194.7 million in 2017 and 205.7 million in 2021. In addition, we anticipate Civilian Employment of 153.2 million in 2017 and 160.8 million in 2021.

We also evaluated an optimistic growth scenario. Our findings are summarized below.

|                              | 2015        | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Real GDP (billion 2005 \$)   | \$16,302.8  | \$16,696.6  | \$17,364.5  | \$17,885.4  | \$18,332.6  | \$18,745.1  | \$19,120.0  |
| Establishment Employment     | 188,866,185 | 191,870,817 | 197,617,804 | 201,695,699 | 205,230,485 | 208,513,428 | 211,493,234 |
| Civilian Employment          | 148,834,000 | 151,436,000 | 151,055,380 | 156,298,339 | 159,536,763 | 162,179,372 | 164,685,727 |
| Real GDP Growth %            |             | 2.42%       | 4.00%       | 3.00%       | 2.50%       | 2.25%       | 2.00%       |
| Est Employment Growth %      |             | 1.59%       | 3.00%       | 2.06%       | 1.75%       | 1.60%       | 1.43%       |
| Civilian Employment Growth % |             | 1.75%       | -0.25%      | 3.47%       | 2.07%       | 1.66%       | 1.55%       |

Source: W&P Economics, Texas A&M Real Estate Center; Allen & Associates

Our optimistic projection assumes Real GDP growth of 4.0% in 2017, 3.0% in 2018, 2.50% in 2019, 2.25% in 2020, and 2.0% in 2021. Given this projection, we anticipate Establishment Employment of 197.6 million in 2017 and 211.5 million in 2021. In addition, we anticipate Civilian Employment of 151.1 million in 2017 and 164.7 million in 2021.

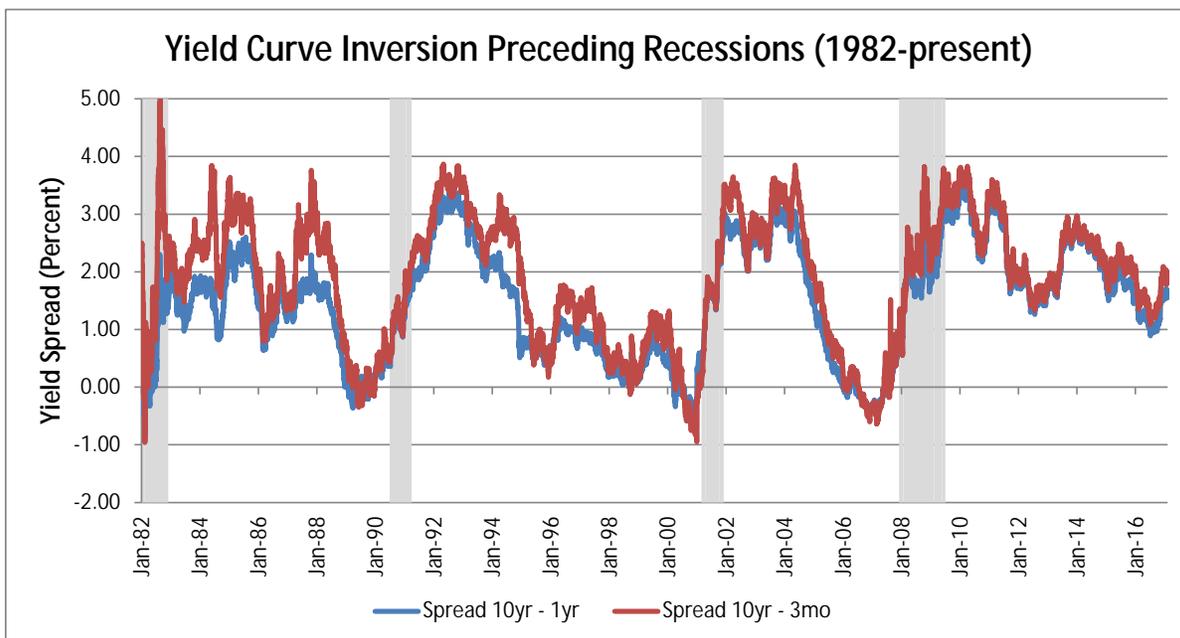
Finally, we evaluated a pessimistic recession scenario. Our findings are summarized below.

|                              | Recession Scenario |             |             |             |             |             |             |
|------------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                              | 2015               | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        |
| Real GDP (billion 2005 \$)   | \$16,302.8         | \$16,696.6  | \$16,362.7  | \$16,199.1  | \$16,199.1  | \$16,361.1  | \$16,688.3  |
| Establishment Employment     | 188,866,185        | 191,870,817 | 188,926,453 | 187,727,669 | 187,835,863 | 189,241,254 | 191,973,033 |
| Civilian Employment          | 148,834,000        | 151,436,000 | 157,586,187 | 154,230,953 | 152,416,838 | 151,517,198 | 151,495,964 |
| Real GDP Growth %            |                    | 2.42%       | -2.00%      | -1.00%      | 0.00%       | 1.00%       | 2.00%       |
| Est Employment Growth %      |                    | 1.59%       | -1.53%      | -0.63%      | 0.06%       | 0.75%       | 1.44%       |
| Civilian Employment Growth % |                    | 1.75%       | 4.06%       | -2.13%      | -1.18%      | -0.59%      | -0.01%      |

Source: W&P Economics, Texas A&M Real Estate Center; Allen & Associates

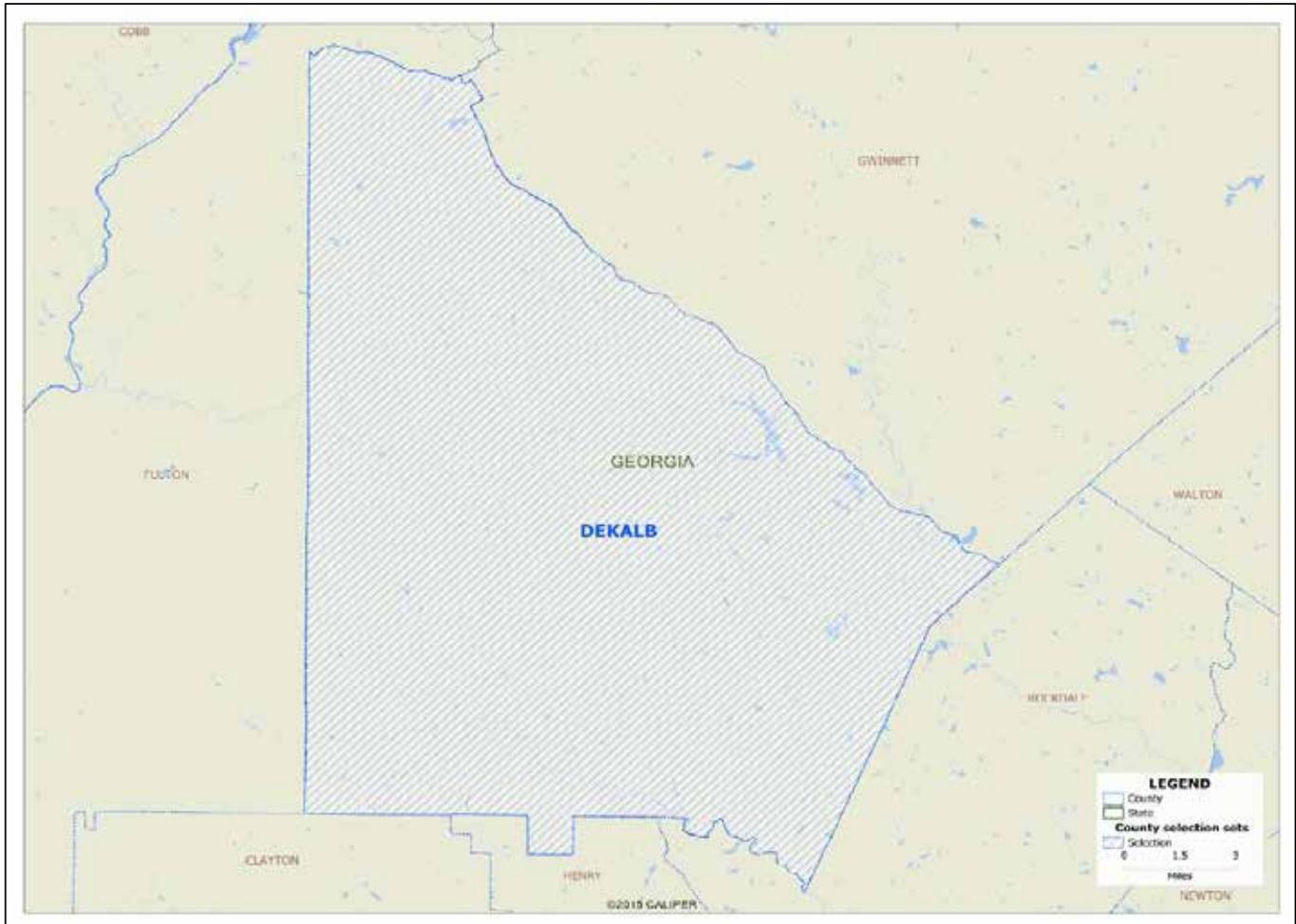
Our recession scenario assumes Real GDP growth of -2.0% in 2017, -1.0% in 2018, 0.0% in 2019, 1.0% in 2020, and 2.0% in 2021. Given this projection, we anticipate Establishment Employment of 188.9 million in 2017 and 192.0 million in 2021. In addition, we anticipate Civilian Employment of 157.6 million in 2017 and 151.5 million in 2021.

In our opinion, the recession scenario is unlikely. Recessions are almost always preceded by several months of an inverted yield curve (short term interest rates are higher than long term rates) as depicted in the graph below. Long term rates exceed short term rates today. This suggests that we are not facing a recession in the immediate future. Although growth is slow now, an economic contraction does not appear to be on the immediate horizon.



## Regional Economic Outlook

In this section we conduct an analysis of the regional economy. For purposes of this analysis, we define the Region as DeKalb County, Georgia. A map depicting the Region is found below.



We anticipate moderate economic growth accompanied by modest population growth for the Region over the next several years. The employment base is anticipated to increase over this time period as well. In the discussion below we develop a forecast of the regional economy through 2021.

Our evaluation utilized the base projection for the US economy (developed in the previous section) to drive a base regional economic forecast. Our analysis is found below.

## Employment by Industry

The Bureau of Labor Statistics (BLS) tracks Establishment Employment by major industry. In the table below we present the breakdown for 2016 and compare the regional percent distribution to the US percent distribution. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

| Industry                                                   | Establishment Employment |        |        |
|------------------------------------------------------------|--------------------------|--------|--------|
|                                                            | 2016                     | Reg %  | US %   |
| Farm Employment                                            | 29                       | 0.0%   | 1.4%   |
| Forestry, Fishing, Related Activities And Other Employment | 251                      | 0.1%   | 0.5%   |
| Mining Employment                                          | 653                      | 0.1%   | 0.9%   |
| Utilities Employment                                       | 1,029                    | 0.2%   | 0.3%   |
| Construction Employment                                    | 22,443                   | 4.7%   | 5.3%   |
| Manufacturing Employment                                   | 15,507                   | 3.2%   | 6.9%   |
| Wholesale Trade Employment                                 | 16,217                   | 3.4%   | 3.5%   |
| Retail Trade Employment                                    | 43,606                   | 9.0%   | 10.2%  |
| Transportation And Warehousing Employment                  | 21,492                   | 4.5%   | 3.3%   |
| Information Employment                                     | 15,805                   | 3.3%   | 1.7%   |
| Finance And Insurance Employment                           | 26,671                   | 5.5%   | 5.4%   |
| Real Estate And Rental And Lease Employment                | 26,516                   | 5.5%   | 4.4%   |
| Professional And Technical Services Employment             | 39,342                   | 8.2%   | 6.9%   |
| Management Of Companies And Enterprises Employment         | 7,461                    | 1.5%   | 1.3%   |
| Administrative And Waste Services Employment               | 40,331                   | 8.4%   | 6.3%   |
| Educational Services Employment                            | 29,354                   | 6.1%   | 2.4%   |
| Health Care And Social Assistance Employment               | 54,022                   | 11.2%  | 11.3%  |
| Arts, Entertainment, And Recreation Employment             | 13,819                   | 2.9%   | 2.2%   |
| Accommodation And Food Services Employment                 | 27,115                   | 5.6%   | 7.3%   |
| Other Services, Except Public Administration Employment    | 35,717                   | 7.4%   | 5.8%   |
| Federal Civilian Government Employment                     | 10,492                   | 2.2%   | 1.5%   |
| Federal Military Employment                                | 2,188                    | 0.5%   | 1.0%   |
| State And Local Government Employment                      | 32,366                   | 6.7%   | 10.4%  |
| Establishment Employment                                   | 482,426                  | 100.0% | 100.0% |

Source: W&P Economics

Regional Establishment Employment stood at 482,426 in 2016. The data suggests that Health Care and Social Assistance is the largest employment category accounting for 11.2% of total regional employment. Retail Trade is the second largest category accounting for 9.0% of total employment. Administrative and Waste Services is the third largest category accounting for 8.4% of total employment. Professional and Technical Services is the fourth largest category accounting for 8.2% of total employment. Other Services is the fifth largest category accounting for 7.4% of total employment.

Economists generally classify employment two ways: basic and non-basic. Basic employment, which is considered to be the engine of a local economy, includes industries that rely on external factors to fuel demand. For instance, mining, logging and manufacturers are frequently considered basic employers. Goods for these industries are shipped outside the location where they are produced. Non-basic employers depend largely on local demand and usually employ local workers. For example, grocery stores and restaurants are sometimes considered non-basic employers.

The Location Quotient (LQ) technique is the most common method of identifying basic industries for a given economy. The LQ technique compares the share of workers in each industry of a given economy with that of a larger reference economy. If the number of workers in the given economy is greater than that of the reference economy, these are considered to be basic industries because they fill needs beyond those of the reference community.

In the table above we highlight the basic industries for the Region. The distribution of employment in these industries exceeds that for the United States. These basic industries represent about 267,000 employees or about 55.3% of total regional employment. These are the industries that drive the regional economy.

### Earnings by Industry

The Bureau of Labor Statistics (BLS) tracks Average Earnings by major industry. In the table below we present the breakdown for 2016. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

| Average Earnings                                           |           |      |
|------------------------------------------------------------|-----------|------|
| Industry                                                   | Earnings  | Rank |
| Farm Employment                                            | \$17,517  | 20   |
| Forestry, Fishing, Related Activities And Other Employment | \$12,263  | 22   |
| Mining Employment                                          | \$46,478  | 13   |
| Utilities Employment                                       | \$156,110 | 1    |
| Construction Employment                                    | \$52,680  | 9    |
| Manufacturing Employment                                   | \$61,385  | 7    |
| Wholesale Trade Employment                                 | \$79,338  | 5    |
| Retail Trade Employment                                    | \$28,564  | 17   |
| Transportation And Warehousing Employment                  | \$40,652  | 14   |
| Information Employment                                     | \$85,697  | 4    |
| Finance And Insurance Employment                           | \$49,511  | 12   |
| Real Estate And Rental And Lease Employment                | \$12,700  | 21   |
| Professional And Technical Services Employment             | \$51,659  | 11   |
| Management Of Companies And Enterprises Employment         | \$126,272 | 2    |
| Administrative And Waste Services Employment               | \$30,751  | 16   |
| Educational Services Employment                            | \$62,317  | 6    |
| Health Care And Social Assistance Employment               | \$52,579  | 10   |
| Arts, Entertainment, And Recreation Employment             | \$11,092  | 23   |
| Accommodation And Food Services Employment                 | \$21,284  | 19   |
| Other Services, Except Public Administration Employment    | \$22,926  | 18   |
| Federal Civilian Government Employment                     | \$106,166 | 3    |
| Federal Military Employment                                | \$34,688  | 15   |
| State And Local Government Employment                      | \$57,942  | 8    |
| Average Earnings                                           | \$46,111  |      |

Source: W&P Economics

The data suggests that Utilities is the highest paid industry averaging \$156,110 per employee. Management of Companies is the second highest paid industry averaging \$126,272 per employee. Federal Civilian Government is the third highest paid profession averaging \$106,166 per employee. Information Technology is the fourth highest paid industry averaging \$85,697 per employee. Wholesale trade is the fifth highest paid category averaging \$79,338 per employee. These figures are compared with regional Average Earnings of \$46,111 per employee.

The highlighted industries represent basic industries for the Region. Average Earnings for these basic industries comes to \$54,522 or 18.2% higher than average for the Region.

### Top Employers

The table below gives a listing of the Region's top employers. The data comes from InfoUSA and includes a primary industry description for each employer.

| Top Employers               |           |          |                                          |               |
|-----------------------------|-----------|----------|------------------------------------------|---------------|
| Name                        | Employees | SIC Code | Industry Description                     | Location Type |
| Emory University            | 10,000    | 8221-01  | Schools-Universities & Colleges Academic | Headquarter   |
| Emory University Hospital   | 9,000     | 8062-02  | Hospitals                                | -             |
| Dekalb Medical Ctr Pharmacy | 3,775     | 5912-05  | Pharmacies                               | -             |
| Dekalb County Police Info   | 3,500     | 9121-03  | Government Offices-County                | -             |
| Allscripts                  | 2,800     | 5734-16  | Medical Software                         | Branch        |
| Georgia Perimeter College   | 2,500     | 8221-01  | Schools-Universities & Colleges Academic | Subsidiary    |
| US Disease Control Ctr      | 2,500     | 8742-13  | Marketing Programs & Services            | Subsidiary    |
| Granite Pro Inc             | 2,000     | 5084-99  | Misc Indstrl Equip & Supls NEC (Whls)    | -             |

Source: InfoUSA

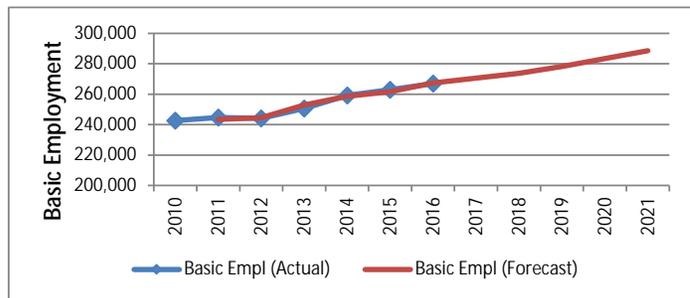
The top employers include: (1) Emory University (10000 employees); (2) Emory University Hospital (9000 employees) and; (3) Dekalb Medical Ctr Pharmacy (3775 employees).

### Basic Employment

In this section we generate a Basic Employment forecast for the Region using base US Establishment Employment and Civilian Employment forecasts. The table and graph below show employment for the Region and the United States since 2010. The data set comes from the Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

| Basic Employment Forecast |             |             |           |
|---------------------------|-------------|-------------|-----------|
| Year                      | US Est Empl | US Civ Empl | Basic Emp |
| 2010                      | 173,034,656 | 139,064,000 | 242,644   |
| 2011                      | 176,278,657 | 139,869,000 | 244,733   |
| 2012                      | 179,081,633 | 142,469,000 | 244,043   |
| 2013                      | 182,390,004 | 143,929,000 | 250,649   |
| 2014                      | 185,798,752 | 146,305,000 | 259,142   |
| 2015                      | 188,866,185 | 148,834,000 | 262,986   |
| 2016                      | 191,870,817 | 151,436,000 | 267,000   |
| 2017                      | 194,720,687 | 153,232,000 | 270,599   |
| 2018                      | 197,381,066 | 155,353,000 | 273,735   |
| 2019                      | 200,023,526 | 157,213,000 | 278,121   |
| 2020                      | 202,798,571 | 158,947,000 | 283,359   |
| 2021                      | 205,700,233 | 160,778,000 | 288,607   |

Source: W&P Economics; Allen & Assoc



Basic Employment increased from 242,644 in 2010 to 267,000 in 2016.

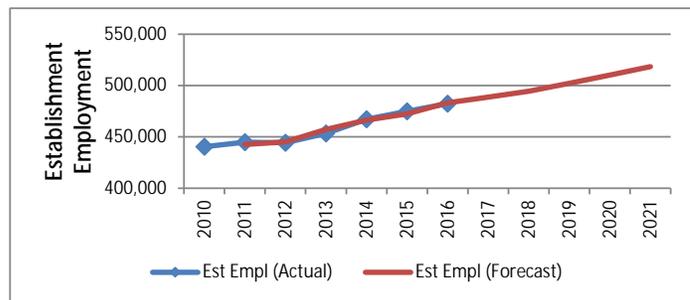
The accompanying graph illustrates the relationship between Basic Employment for the Region and US Establishment and US Civilian Employment. We used historic data to develop a statistical relationship between the variables. Utilizing this statistical relationship and our base projections for US Establishment and US Civilian Employment yielded our base projection for Basic Employment for the Region. Our projection shows US Establishment Employment growing from 191.9 million in 2016 to 205.7 million in 2021. US Civilian Employment is projected to grow from 151.4 million in 2016 to 160.8 million in 2021. This, in turn, will result in Basic Employment for the Region increasing from 267,000 to 288,607 over this time period.

### Establishment Employment

In this section we generate an Establishment Employment forecast for the Region using base US Establishment Employment and Civilian Employment forecasts. The table and graph below show employment for the Region and the United States since 2010. The data set comes from the Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

| Establishment Employment Forecast |             |             |          |
|-----------------------------------|-------------|-------------|----------|
| Year                              | US Est Empl | US Civ Empl | Est Empl |
| 2010                              | 173,034,656 | 139,064,000 | 440,433  |
| 2011                              | 176,278,657 | 139,869,000 | 444,900  |
| 2012                              | 179,081,633 | 142,469,000 | 444,397  |
| 2013                              | 182,390,004 | 143,929,000 | 453,480  |
| 2014                              | 185,798,752 | 146,305,000 | 467,150  |
| 2015                              | 188,866,185 | 148,834,000 | 474,829  |
| 2016                              | 191,870,817 | 151,436,000 | 482,426  |
| 2017                              | 194,720,687 | 153,232,000 | 488,785  |
| 2018                              | 197,381,066 | 155,353,000 | 494,615  |
| 2019                              | 200,023,526 | 157,213,000 | 502,141  |
| 2020                              | 202,798,571 | 158,947,000 | 510,334  |
| 2021                              | 205,700,233 | 160,778,000 | 518,430  |

Source: W&P Economics; Allen & Assoc



Establishment Employment increased from 440,433 in 2010 to 482,426 in 2016.

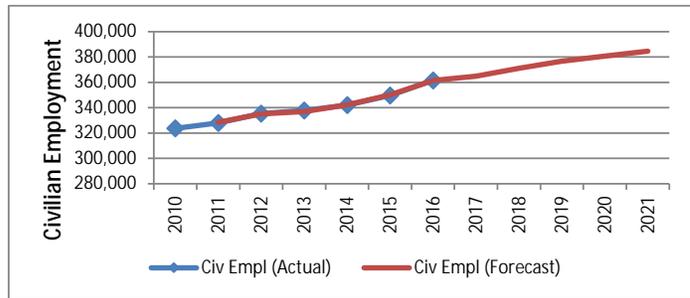
The accompanying graph illustrates the relationship between Establishment Employment for the Region and US Establishment and US Civilian Employment. We used historic data to develop a statistical relationship between the variables. Utilizing this statistical relationship and our base projections for US Establishment and US Civilian Employment yielded our base projection for Establishment Employment for the Region. Our projection shows US Establishment Employment growing from 191.9 million in 2016 to 205.7 million in 2021; US Civilian Employment is projected to grow from 151.4 million in 2016 to 160.8 million in 2021. This, in turn, will result in Establishment Employment for the Region increasing from 482,426 to 518,430 over this time period.

### Civilian Employment

In this section we generate a Civilian Employment forecast for the Region using base US Establishment Employment and Civilian Employment forecasts. The table and graph below show employment for the Region and the United States since 2010. The data set comes from the Bureau of Labor Statistics (BLS) via the Texas A&M Real Estate Center.

| Year | US Est Empl | US Civ Empl | Civ Emp |
|------|-------------|-------------|---------|
| 2010 | 173,034,656 | 139,064,000 | 323,687 |
| 2011 | 176,278,657 | 139,869,000 | 327,936 |
| 2012 | 179,081,633 | 142,469,000 | 335,451 |
| 2013 | 182,390,004 | 143,929,000 | 337,823 |
| 2014 | 185,798,752 | 146,305,000 | 342,178 |
| 2015 | 188,866,185 | 148,834,000 | 349,618 |
| 2016 | 191,870,817 | 151,436,000 | 361,628 |
| 2017 | 194,720,687 | 153,232,000 | 364,904 |
| 2018 | 197,381,066 | 155,353,000 | 371,234 |
| 2019 | 200,023,526 | 157,213,000 | 376,790 |
| 2020 | 202,798,571 | 158,947,000 | 380,769 |
| 2021 | 205,700,233 | 160,778,000 | 384,647 |

Source: Texas A&M Real Estate Center; Allen & Assoc



Civilian Employment increased from 323,687 in 2010 to 361,628 in 2016

The accompanying graph illustrates the relationship between Civilian Employment for the Region and US Establishment and US Civilian Employment. We used historic data to develop a statistical relationship between the variables. Utilizing this statistical relationship and our base projections for US Establishment and US Civilian Employment yielded our base projection for Civilian Employment for the Region. Our projection shows US Establishment Employment growing from 191.9 million in 2016 to 205.7 million in 2021; US Civilian Employment is projected to grow from 151.4 million in 2016 to 160.8 million in 2021. This, in turn, will result in Civilian Employment for the Region increasing from 361,628 to 384,647 over this time period.

### Labor Force and Unemployment

In this section we take a look at Labor Force and Unemployment. The table below shows Civilian Employment, Unemployment and Labor Force statistics for the Region since 2010. The data set comes from the Bureau of Labor Statistics (BLS) via the Texas A&M Real Estate Center.

| Year | Civ Emp | Unemp  | Lab Force | Unemp Rate |
|------|---------|--------|-----------|------------|
| 2010 | 323,687 | 39,314 | 363,001   | 10.8%      |
| 2011 | 327,936 | 38,667 | 366,603   | 10.5%      |
| 2012 | 335,451 | 34,746 | 370,197   | 9.4%       |
| 2013 | 337,823 | 31,073 | 368,896   | 8.4%       |
| 2014 | 342,178 | 26,630 | 368,808   | 7.2%       |
| 2015 | 349,618 | 22,052 | 371,670   | 5.9%       |
| 2016 | 361,628 | 20,143 | 381,771   | 5.3%       |

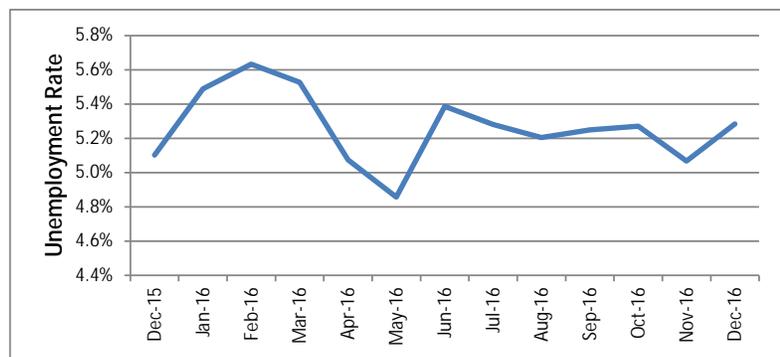
Source: Texas A&M Real Estate Center; Allen & Associates

Unemployment decreased from 39,314 in 2010 to 20,143 in 2016. The Unemployment Rate decreased from 10.8% in 2010 to 5.3% in 2016.

The table and graph below show the Unemployment Rate for the Region for the past 12 months.

| Month  | Unemp Rate |
|--------|------------|
| Dec-15 | 5.1%       |
| Jan-16 | 5.5%       |
| Feb-16 | 5.6%       |
| Mar-16 | 5.5%       |
| Apr-16 | 5.1%       |
| May-16 | 4.9%       |
| Jun-16 | 5.4%       |
| Jul-16 | 5.3%       |
| Aug-16 | 5.2%       |
| Sep-16 | 5.2%       |
| Oct-16 | 5.3%       |
| Nov-16 | 5.1%       |
| Dec-16 | 5.3%       |

Source: TAMU; Allen & Assoc



The Unemployment Rate for the Region came in at 5.1% in December 2015 and 5.3% in December 2016.

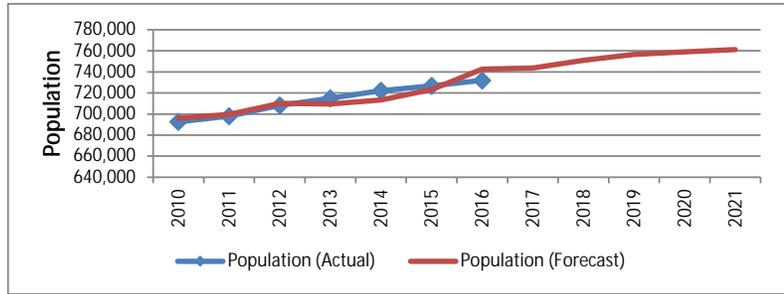
### Population

In this section we generate a Population forecast for the Region using our base Civilian Employment forecast. The table and graph below show Civilian Employment and Population for the Region since 2010. The data set comes from the Bureau of Labor Statistics (BLS) via the Texas A&M Real Estate Center and the US Census Bureau.

Population Forecast

| Year | Civ Emp | Pop     |
|------|---------|---------|
| 2010 | 323,687 | 692,574 |
| 2011 | 327,936 | 697,953 |
| 2012 | 335,451 | 708,304 |
| 2013 | 337,823 | 714,935 |
| 2014 | 342,178 | 722,161 |
| 2015 | 349,618 | 726,816 |
| 2016 | 361,628 | 732,012 |
| 2017 | 364,904 | 743,674 |
| 2018 | 371,234 | 750,970 |
| 2019 | 376,790 | 756,605 |
| 2020 | 380,769 | 759,014 |
| 2021 | 384,647 | 761,190 |

Source: TAMU US Census; Allen & Assoc



Population increased from 692,574 in 2010 to 732,012 in 2016. Population increased to 692,574 in 2010 to 732,012 in 2016.

The accompanying graph illustrates the change in Regional Population over time. We used the historic data to develop a statistical relationship between Civilian Employment and Population. Utilizing the statistical relationship and our base Regional Civilian Employment projection yielded our base Regional Population forecast. Our projection shows Regional Population increasing from 732,012 in 2016 to 761,190 in 2021.

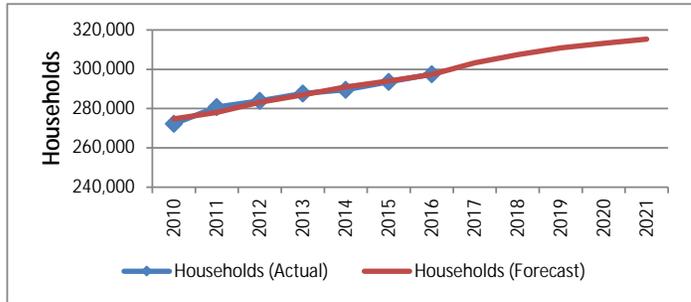
### Households

In this section we generate a Regional Household forecast using our base Regional Population projection. The table and graph below show Regional Households since 2010. The data set comes from the US Census Bureau via Woods & Pool Economics.

Household Forecast

| Year | Pop     | Pop/HH | HH      |
|------|---------|--------|---------|
| 2010 | 692,574 | 2.544  | 272,208 |
| 2011 | 697,953 | 2.486  | 280,801 |
| 2012 | 708,304 | 2.494  | 283,966 |
| 2013 | 714,935 | 2.486  | 287,615 |
| 2014 | 722,161 | 2.495  | 289,489 |
| 2015 | 726,816 | 2.475  | 293,647 |
| 2016 | 732,012 | 2.461  | 297,488 |
| 2017 | 743,674 | 2.453  | 303,208 |
| 2018 | 750,970 | 2.443  | 307,398 |
| 2019 | 756,605 | 2.433  | 310,939 |
| 2020 | 759,014 | 2.424  | 313,177 |
| 2021 | 761,190 | 2.414  | 315,337 |

Source: W&P Economics; Allen & Assoc



Households increased from 272,208 in 2010 to 297,488 in 2016. Households increased to 272,208 in 2010 to 297,488 in 2016. Population per Household decreased from 2.544 in 2010 to 2.461 in 2016.

For projection purposes, we decreased Population per Household from 2.461 in 2016 to 2.414 in 2021. Our base projection shows Population increasing from 732,012 in 2016 to 761,190 in 2021. This, in turn, will result in Households increasing from 297,488 in 2016 to 315,337 in 2021.

## Building Permits

In this section we look at Building Permits. The table and graph below show historical data for the Region since 2000. The data set comes from the US Census.

| Building Permits |          |            |           |       |
|------------------|----------|------------|-----------|-------|
| Year             | 1 Family | 2-4 Family | 5+ Family | Total |
| 2000             | 4,266    | 0          | 1,879     | 6,145 |
| 2001             | 4,719    | 14         | 2,842     | 7,575 |
| 2002             | 4,134    | 4          | 3,099     | 7,237 |
| 2003             | 3,931    | 0          | 1,175     | 5,106 |
| 2004             | 3,761    | 0          | 2,958     | 6,719 |
| 2005             | 3,347    | 10         | 2,979     | 6,336 |
| 2006             | 2,867    | 8          | 1,471     | 4,346 |
| 2007             | 2,122    | 8          | 2,782     | 4,912 |
| 2008             | 768      | 0          | 3,053     | 3,821 |
| 2009             | 295      | 0          | 28        | 323   |
| 2010             | 354      | 0          | 78        | 432   |
| 2011             | 295      | 0          | 285       | 580   |
| 2012             | 208      | 96         | 369       | 673   |
| 2013             | 336      | 0          | 876       | 1,212 |
| 2014             | 485      | 0          | 746       | 1,231 |
| 2015             | 900      | 0          | 1,267     | 2,167 |

Source: US Census

Building Permits for the Region increased from 6,145 in 2000 to 6,719 in 2004, before decreasing to 323 in 2009 and increasing to 2,167 in 2015.

## Conclusion

Our findings for the base projection are summarized below.

| Base Projection              |         |         |         |         |         |         |         |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|
|                              | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    |
| Real GDP Growth %            |         | 2.42%   | 2.00%   | 1.95%   | 1.90%   | 1.95%   | 2.00%   |
| Basic Employment             | 262,986 | 267,000 | 270,599 | 273,735 | 278,121 | 283,359 | 288,607 |
| Establishment Employment     | 474,829 | 482,426 | 488,785 | 494,615 | 502,141 | 510,334 | 518,430 |
| Civilian Employment          | 349,618 | 361,628 | 364,904 | 371,234 | 376,790 | 380,769 | 384,647 |
| Population                   | 726,816 | 732,012 | 743,674 | 750,970 | 756,605 | 759,014 | 761,190 |
| Households                   | 293,647 | 297,488 | 303,208 | 307,398 | 310,939 | 313,177 | 315,337 |
| Basic Employment Growth %    |         | 1.5%    | 1.3%    | 1.2%    | 1.6%    | 1.9%    | 1.9%    |
| Est Employment Growth %      |         | 1.6%    | 1.3%    | 1.2%    | 1.5%    | 1.6%    | 1.6%    |
| Civilian Employment Growth % |         | 3.4%    | 0.9%    | 1.7%    | 1.5%    | 1.1%    | 1.0%    |
| Population Growth %          |         | 0.7%    | 1.6%    | 1.0%    | 0.8%    | 0.3%    | 0.3%    |
| Household Growth %           |         | 1.3%    | 1.9%    | 1.4%    | 1.2%    | 0.7%    | 0.7%    |

Source: W&P Economics, Texas A&M Real Estate Center, US Census, Claritas; Allen & Associates

Our base projection assumes Real GDP growth of 2.0% in 2017, 1.95% in 2018, 1.90% in 2019, 1.95% in 2020, and 2.0% in 2021. Given this projection, we anticipate Establishment Employment for the Region to increase from 488,785 in 2017 to 518,430 in 2021. Over this same time period we anticipate Civilian Employment for the Region to increase from 364,904 to 384,647. Finally, we anticipate Population for the Region to increase from 743,674 to 761,190.

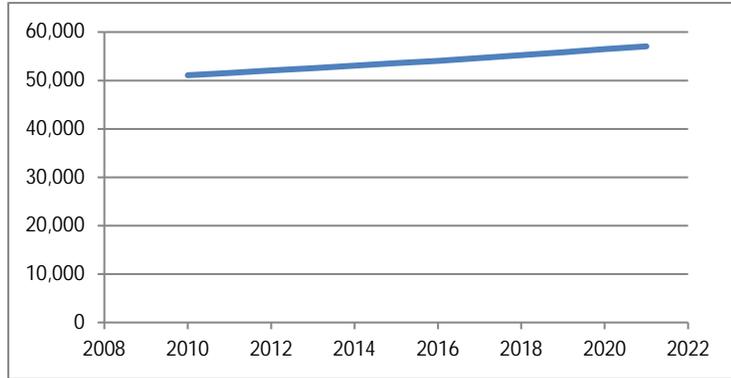
## DEMOGRAPHIC CHARACTERISTICS

### Population

In the table below we give the 2010-2021 ESRI population projection for the Market Area. The data set comes from ESRI.

| Population Forecast |            |          |
|---------------------|------------|----------|
| Year                | Population | Growth % |
| 2010                | 51,083     | -        |
| 2011                | 51,577     | 1.0%     |
| 2012                | 52,071     | 1.0%     |
| 2013                | 52,566     | 0.9%     |
| 2014                | 53,060     | 0.9%     |
| 2015                | 53,554     | 0.9%     |
| 2016                | 54,048     | 0.9%     |
| 2017                | 54,647     | 1.1%     |
| 2018                | 55,247     | 1.1%     |
| 2019                | 55,846     | 1.1%     |
| 2020                | 56,446     | 1.1%     |
| 2021                | 57,045     | 1.1%     |

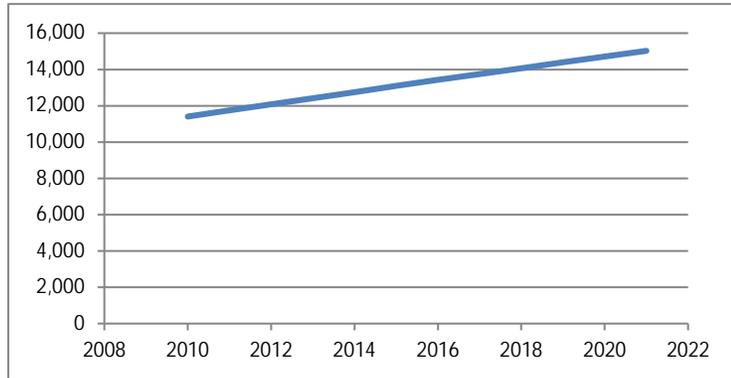
Source: ESRI; Allen & Associates



In the table below we give the 2010-2021 ESRI 55+ population projection for the Market Area.

| 55+ Population Forecast |            |          |
|-------------------------|------------|----------|
| Year                    | Population | Growth % |
| 2010                    | 11,405     | -        |
| 2011                    | 11,742     | 3.0%     |
| 2012                    | 12,079     | 2.9%     |
| 2013                    | 12,416     | 2.8%     |
| 2014                    | 12,753     | 2.7%     |
| 2015                    | 13,090     | 2.6%     |
| 2016                    | 13,427     | 2.6%     |
| 2017                    | 13,747     | 2.4%     |
| 2018                    | 14,067     | 2.3%     |
| 2019                    | 14,386     | 2.3%     |
| 2020                    | 14,706     | 2.2%     |
| 2021                    | 15,026     | 2.2%     |

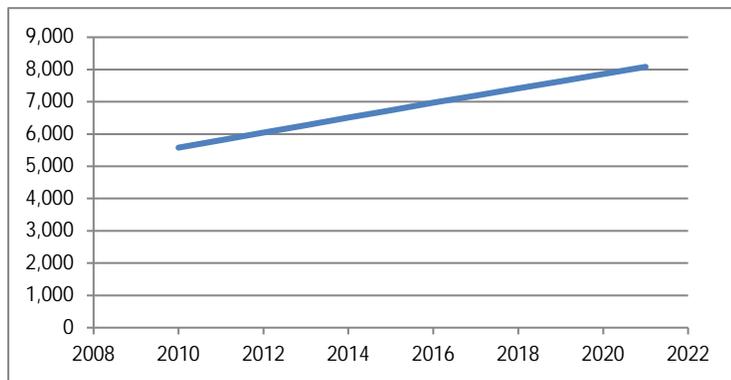
Source: ESRI; Allen & Associates



In the table below we give the 2010-2021 ESRI 65+ population projection for the Market Area.

| 65+ Population Forecast |            |          |
|-------------------------|------------|----------|
| Year                    | Population | Growth % |
| 2010                    | 5,579      | -        |
| 2011                    | 5,811      | 4.1%     |
| 2012                    | 6,042      | 4.0%     |
| 2013                    | 6,274      | 3.8%     |
| 2014                    | 6,505      | 3.7%     |
| 2015                    | 6,737      | 3.6%     |
| 2016                    | 6,968      | 3.4%     |
| 2017                    | 7,191      | 3.2%     |
| 2018                    | 7,414      | 3.1%     |
| 2019                    | 7,637      | 3.0%     |
| 2020                    | 7,860      | 2.9%     |
| 2021                    | 8,083      | 2.8%     |

Source: ESRI; Allen & Associates

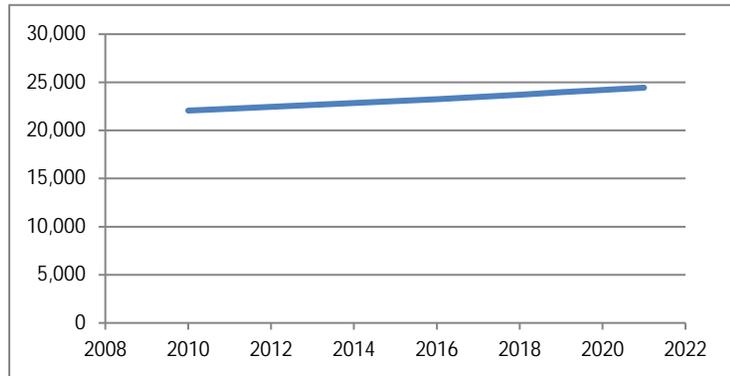


## Households

In the table below we give the 2010-2021 ESRI household projection for the Market Area. The data set comes from ESRI.

| Year | Households | Growth % |
|------|------------|----------|
| 2010 | 22,063     | -        |
| 2011 | 22,259     | 0.9%     |
| 2012 | 22,454     | 0.9%     |
| 2013 | 22,650     | 0.9%     |
| 2014 | 22,846     | 0.9%     |
| 2015 | 23,041     | 0.9%     |
| 2016 | 23,237     | 0.8%     |
| 2017 | 23,478     | 1.0%     |
| 2018 | 23,719     | 1.0%     |
| 2019 | 23,960     | 1.0%     |
| 2020 | 24,201     | 1.0%     |
| 2021 | 24,442     | 1.0%     |

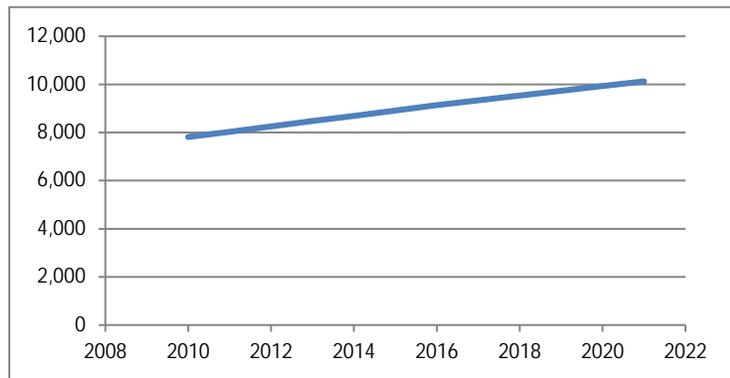
Source: ESRI; Allen & Associates



In the table below we give the 2010-2021 ESRI 55+ household projection for the Market Area.

| Year | Households | Growth % |
|------|------------|----------|
| 2010 | 7,815      | -        |
| 2011 | 8,035      | 2.8%     |
| 2012 | 8,255      | 2.7%     |
| 2013 | 8,475      | 2.7%     |
| 2014 | 8,695      | 2.6%     |
| 2015 | 8,915      | 2.5%     |
| 2016 | 9,135      | 2.5%     |
| 2017 | 9,333      | 2.2%     |
| 2018 | 9,531      | 2.1%     |
| 2019 | 9,729      | 2.1%     |
| 2020 | 9,927      | 2.0%     |
| 2021 | 10,125     | 2.0%     |

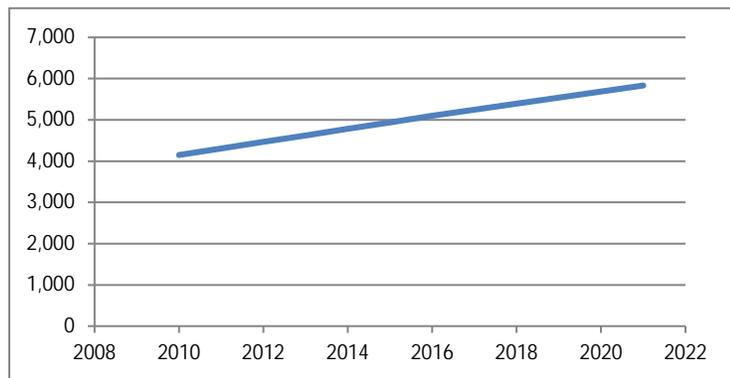
Source: ESRI; Allen & Associates



In the table below we give the 2010-2021 ESRI 65+ household projection for the Market Area.

| Year | Households | Growth % |
|------|------------|----------|
| 2010 | 4,148      | -        |
| 2011 | 4,306      | 3.8%     |
| 2012 | 4,464      | 3.7%     |
| 2013 | 4,623      | 3.5%     |
| 2014 | 4,781      | 3.4%     |
| 2015 | 4,939      | 3.3%     |
| 2016 | 5,097      | 3.2%     |
| 2017 | 5,244      | 2.9%     |
| 2018 | 5,391      | 2.8%     |
| 2019 | 5,539      | 2.7%     |
| 2020 | 5,686      | 2.7%     |
| 2021 | 5,833      | 2.6%     |

Source: ESRI; Allen & Associates

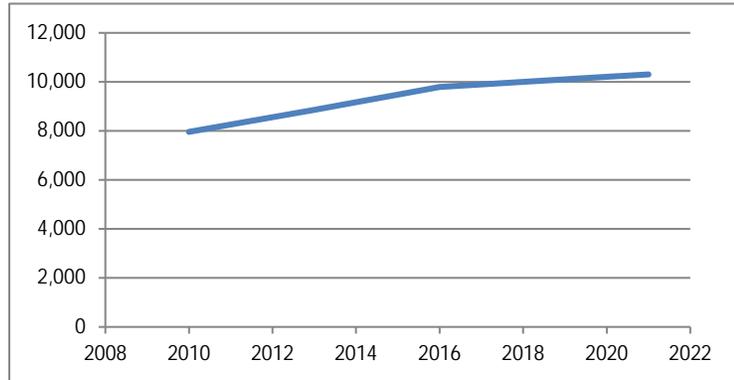


## Renter Households

In the table below we give the 2010-2021 ESRI renter household projection for the Market Area. The data set comes from ESRI.

| Renter Household Forecast |            |          |
|---------------------------|------------|----------|
| Year                      | Households | Growth % |
| 2010                      | 7,959      | -        |
| 2011                      | 8,255      | 3.7%     |
| 2012                      | 8,555      | 3.6%     |
| 2013                      | 8,859      | 3.5%     |
| 2014                      | 9,166      | 3.5%     |
| 2015                      | 9,478      | 3.4%     |
| 2016                      | 9,793      | 3.3%     |
| 2017                      | 9,895      | 1.0%     |
| 2018                      | 9,998      | 1.0%     |
| 2019                      | 10,100     | 1.0%     |
| 2020                      | 10,202     | 1.0%     |
| 2021                      | 10,304     | 1.0%     |

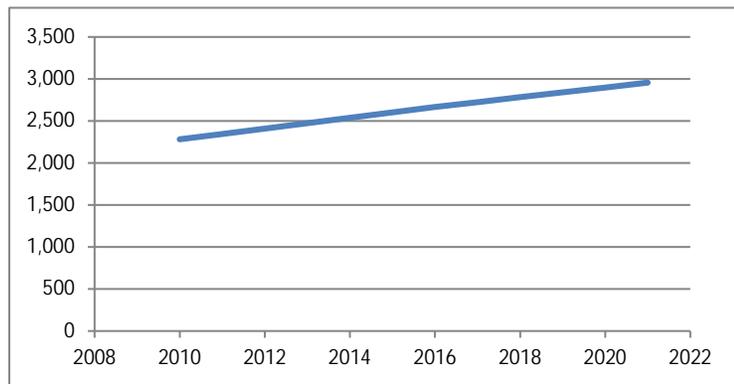
Source: ESRI; Allen & Associates



In the table below we give the 2010-2021 ESRI 55+ renter household projection for the Market Area.

| 55+ Renter Household Forecast |            |          |
|-------------------------------|------------|----------|
| Year                          | Households | Growth % |
| 2010                          | 2,282      | -        |
| 2011                          | 2,346      | 2.8%     |
| 2012                          | 2,410      | 2.7%     |
| 2013                          | 2,475      | 2.7%     |
| 2014                          | 2,539      | 2.6%     |
| 2015                          | 2,603      | 2.5%     |
| 2016                          | 2,667      | 2.5%     |
| 2017                          | 2,725      | 2.2%     |
| 2018                          | 2,783      | 2.1%     |
| 2019                          | 2,841      | 2.1%     |
| 2020                          | 2,899      | 2.0%     |
| 2021                          | 2,957      | 2.0%     |

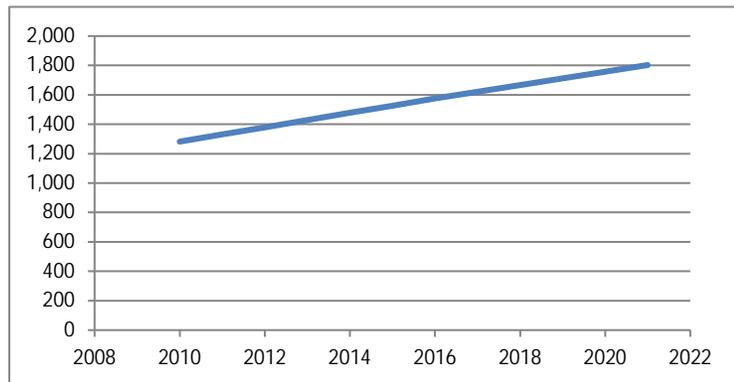
Source: ESRI; Allen & Associates



In the table below we give the 2010-2021 ESRI 65+ renter household projection for the Market Area.

| 65+ Renter Household Forecast |            |          |
|-------------------------------|------------|----------|
| Year                          | Households | Growth % |
| 2010                          | 1,282      | -        |
| 2011                          | 1,331      | 3.8%     |
| 2012                          | 1,380      | 3.7%     |
| 2013                          | 1,429      | 3.5%     |
| 2014                          | 1,478      | 3.4%     |
| 2015                          | 1,526      | 3.3%     |
| 2016                          | 1,575      | 3.2%     |
| 2017                          | 1,621      | 2.9%     |
| 2018                          | 1,666      | 2.8%     |
| 2019                          | 1,712      | 2.7%     |
| 2020                          | 1,757      | 2.7%     |
| 2021                          | 1,803      | 2.6%     |

Source: ESRI; Allen & Associates



## Household Income

The following table shows the current distribution of household incomes for the Market Area. The data set comes from ESRI and Ribbon Demographics.

| 2017 \$   |           | 2017 Households |          |          |          |          |            |        |
|-----------|-----------|-----------------|----------|----------|----------|----------|------------|--------|
| Min       | Max       | 1 Person        | 2 Person | 3 Person | 4 Person | 5 Person | 6 + Person | Total  |
| \$0       | \$9,999   | 1,689           | 700      | 296      | 61       | 77       | 48         | 2,871  |
| \$10,000  | \$19,999  | 1,594           | 621      | 307      | 203      | 101      | 60         | 2,886  |
| \$20,000  | \$29,999  | 1,329           | 788      | 398      | 158      | 69       | 38         | 2,781  |
| \$30,000  | \$39,999  | 956             | 532      | 354      | 160      | 79       | 39         | 2,118  |
| \$40,000  | \$49,999  | 600             | 433      | 201      | 213      | 99       | 65         | 1,611  |
| \$50,000  | \$59,999  | 562             | 386      | 184      | 145      | 49       | 27         | 1,353  |
| \$60,000  | \$74,999  | 572             | 677      | 264      | 201      | 152      | 97         | 1,963  |
| \$75,000  | \$99,999  | 558             | 942      | 366      | 204      | 76       | 46         | 2,193  |
| \$100,000 | \$124,999 | 382             | 783      | 369      | 220      | 64       | 25         | 1,843  |
| \$125,000 | \$149,999 | 199             | 396      | 210      | 219      | 35       | 14         | 1,074  |
| \$150,000 | \$199,999 | 193             | 521      | 273      | 161      | 36       | 13         | 1,198  |
| \$200,000 | more      | 206             | 691      | 268      | 333      | 70       | 21         | 1,588  |
| Total     |           | 8,840           | 7,470    | 3,489    | 2,277    | 908      | 495        | 23,478 |

The following table shows the current distribution of 55+ household incomes for the Market Area.

| 2017 \$   |           | 2017 Households |          |          |          |          |            |       |
|-----------|-----------|-----------------|----------|----------|----------|----------|------------|-------|
| Min       | Max       | 1 Person        | 2 Person | 3 Person | 4 Person | 5 Person | 6 + Person | Total |
| \$0       | \$9,999   | 849             | 250      | 111      | 20       | 45       | 22         | 1,297 |
| \$10,000  | \$19,999  | 959             | 497      | 111      | 31       | 43       | 20         | 1,662 |
| \$20,000  | \$29,999  | 736             | 449      | 116      | 33       | 28       | 13         | 1,375 |
| \$30,000  | \$39,999  | 343             | 255      | 181      | 40       | 36       | 20         | 875   |
| \$40,000  | \$49,999  | 291             | 192      | 85       | 78       | 21       | 12         | 678   |
| \$50,000  | \$59,999  | 201             | 181      | 74       | 41       | 23       | 15         | 535   |
| \$60,000  | \$74,999  | 260             | 231      | 117      | 52       | 40       | 20         | 719   |
| \$75,000  | \$99,999  | 175             | 311      | 114      | 28       | 25       | 16         | 668   |
| \$100,000 | \$124,999 | 130             | 203      | 88       | 34       | 22       | 7          | 483   |
| \$125,000 | \$149,999 | 70              | 126      | 46       | 14       | 22       | 7          | 285   |
| \$150,000 | \$199,999 | 67              | 117      | 52       | 9        | 7        | 2          | 254   |
| \$200,000 | more      | 64              | 303      | 60       | 53       | 13       | 6          | 499   |
| Total     |           | 4,146           | 3,117    | 1,154    | 433      | 323      | 160        | 9,333 |

The following table shows the current distribution of 65+ household incomes for the Market Area.

| 2017 \$   |           | 2017 Households |          |          |          |          |            |       |
|-----------|-----------|-----------------|----------|----------|----------|----------|------------|-------|
| Min       | Max       | 1 Person        | 2 Person | 3 Person | 4 Person | 5 Person | 6 + Person | Total |
| \$0       | \$9,999   | 603             | 120      | 35       | 12       | 11       | 4          | 785   |
| \$10,000  | \$19,999  | 682             | 362      | 83       | 26       | 34       | 16         | 1,203 |
| \$20,000  | \$29,999  | 443             | 302      | 77       | 23       | 21       | 11         | 878   |
| \$30,000  | \$39,999  | 221             | 141      | 120      | 25       | 14       | 8          | 528   |
| \$40,000  | \$49,999  | 189             | 119      | 51       | 26       | 12       | 7          | 403   |
| \$50,000  | \$59,999  | 101             | 93       | 47       | 18       | 16       | 12         | 288   |
| \$60,000  | \$74,999  | 129             | 115      | 74       | 17       | 21       | 13         | 370   |
| \$75,000  | \$99,999  | 57              | 139      | 61       | 11       | 13       | 9          | 291   |
| \$100,000 | \$124,999 | 50              | 81       | 48       | 19       | 10       | 3          | 211   |
| \$125,000 | \$149,999 | 25              | 46       | 6        | 4        | 3        | 1          | 86    |
| \$150,000 | \$199,999 | 26              | 21       | 9        | 5        | 3        | 2          | 67    |
| \$200,000 | more      | 22              | 73       | 20       | 10       | 6        | 3          | 133   |
| Total     |           | 2,549           | 1,613    | 632      | 196      | 165      | 88         | 5,244 |

Source: ESRI & Ribbon Demographics

## Renter Household Income

The following table shows the current distribution of renter household incomes for the Market Area. The data set comes from ESRI and Ribbon Demographics.

| 2017 \$   |           | 2017 Households |          |          |          |          |            |       |
|-----------|-----------|-----------------|----------|----------|----------|----------|------------|-------|
| Min       | Max       | 1 Person        | 2 Person | 3 Person | 4 Person | 5 Person | 6 + Person | Total |
| \$0       | \$9,999   | 1,176           | 498      | 208      | 45       | 60       | 37         | 2,024 |
| \$10,000  | \$19,999  | 1,045           | 265      | 157      | 152      | 63       | 40         | 1,723 |
| \$20,000  | \$29,999  | 715             | 408      | 215      | 98       | 25       | 13         | 1,473 |
| \$30,000  | \$39,999  | 556             | 246      | 188      | 117      | 44       | 25         | 1,174 |
| \$40,000  | \$49,999  | 222             | 195      | 84       | 73       | 63       | 42         | 680   |
| \$50,000  | \$59,999  | 214             | 146      | 111      | 38       | 18       | 9          | 536   |
| \$60,000  | \$74,999  | 174             | 310      | 94       | 53       | 77       | 50         | 758   |
| \$75,000  | \$99,999  | 135             | 273      | 145      | 29       | 17       | 14         | 613   |
| \$100,000 | \$124,999 | 98              | 165      | 86       | 60       | 25       | 7          | 440   |
| \$125,000 | \$149,999 | 32              | 24       | 30       | 115      | 10       | 4          | 214   |
| \$150,000 | \$199,999 | 40              | 33       | 15       | 23       | 11       | 1          | 123   |
| \$200,000 | more      | 40              | 46       | 17       | 19       | 12       | 2          | 137   |
| Total     |           | 4,444           | 2,609    | 1,349    | 823      | 425      | 245        | 9,895 |

The following table shows the current distribution of 55+ renter household incomes for the Market Area.

| 2017 \$   |           | 2017 Households |          |          |          |          |            |       |
|-----------|-----------|-----------------|----------|----------|----------|----------|------------|-------|
| Min       | Max       | 1 Person        | 2 Person | 3 Person | 4 Person | 5 Person | 6 + Person | Total |
| \$0       | \$9,999   | 450             | 77       | 38       | 8        | 29       | 11         | 613   |
| \$10,000  | \$19,999  | 475             | 138      | 25       | 13       | 11       | 2          | 664   |
| \$20,000  | \$29,999  | 291             | 106      | 20       | 11       | 4        | 1          | 433   |
| \$30,000  | \$39,999  | 116             | 45       | 52       | 18       | 14       | 7          | 252   |
| \$40,000  | \$49,999  | 75              | 36       | 26       | 20       | 4        | 2          | 163   |
| \$50,000  | \$59,999  | 38              | 8        | 27       | 10       | 4        | 2          | 89    |
| \$60,000  | \$74,999  | 65              | 50       | 20       | 7        | 12       | 3          | 157   |
| \$75,000  | \$99,999  | 38              | 30       | 19       | 9        | 6        | 4          | 106   |
| \$100,000 | \$124,999 | 49              | 13       | 16       | 14       | 7        | 2          | 101   |
| \$125,000 | \$149,999 | 22              | 10       | 12       | 6        | 5        | 2          | 57    |
| \$150,000 | \$199,999 | 17              | 8        | 6        | 3        | 2        | 0          | 36    |
| \$200,000 | more      | 24              | 8        | 8        | 5        | 7        | 2          | 54    |
| Total     |           | 1,660           | 531      | 270      | 124      | 103      | 37         | 2,725 |

The following table shows the current distribution of 65+ renter household incomes for the Market Area.

| 2017 \$   |           | 2017 Households |          |          |          |          |            |       |
|-----------|-----------|-----------------|----------|----------|----------|----------|------------|-------|
| Min       | Max       | 1 Person        | 2 Person | 3 Person | 4 Person | 5 Person | 6 + Person | Total |
| \$0       | \$9,999   | 343             | 22       | 13       | 4        | 4        | 0          | 386   |
| \$10,000  | \$19,999  | 382             | 98       | 14       | 11       | 8        | 0          | 514   |
| \$20,000  | \$29,999  | 163             | 47       | 6        | 7        | 1        | 1          | 225   |
| \$30,000  | \$39,999  | 76              | 18       | 49       | 7        | 2        | 1          | 153   |
| \$40,000  | \$49,999  | 48              | 32       | 8        | 6        | 3        | 1          | 98    |
| \$50,000  | \$59,999  | 20              | 2        | 13       | 8        | 2        | 1          | 47    |
| \$60,000  | \$74,999  | 37              | 23       | 9        | 5        | 5        | 0          | 80    |
| \$75,000  | \$99,999  | 15              | 9        | 12       | 4        | 2        | 0          | 42    |
| \$100,000 | \$124,999 | 15              | 5        | 8        | 2        | 3        | 1          | 34    |
| \$125,000 | \$149,999 | 6               | 2        | 1        | 3        | 2        | 1          | 14    |
| \$150,000 | \$199,999 | 8               | 2        | 3        | 2        | 0        | 0          | 15    |
| \$200,000 | more      | 7               | 1        | 0        | 4        | 2        | 1          | 14    |
| Total     |           | 1,120           | 262      | 136      | 62       | 34       | 6          | 1,621 |

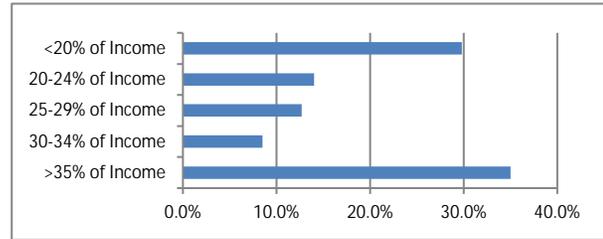
Source: ESRI & Ribbon Demographics

## Overburdened Renter Households

The following tables give overburdened renter household data for the Market Area. The data set comes from the U.S. Census Bureau.

| Overburdened Renter Households    |               |
|-----------------------------------|---------------|
|                                   | % of Total    |
| <20% of Income Spent on Housing   | 29.8%         |
| 20-24% of Income Spent on Housing | 14.0%         |
| 25-29% of Income Spent on Housing | 12.7%         |
| 30-34% of Income Spent on Housing | 8.5%          |
| >35% of Income Spent on Housing   | 35.0%         |
| <b>Total</b>                      | <b>100.0%</b> |

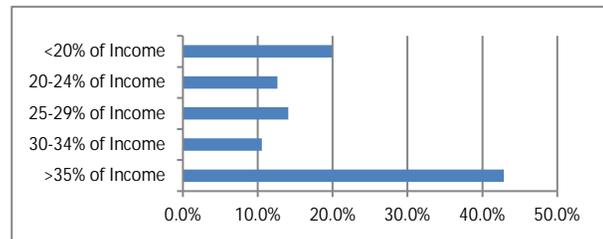
Source: U.S. Census Bureau



Our research suggests that 35.0 percent of the renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 43.5 percent of the renter households are overburdened to 30 percent of income.

| 55+ Overburdened Renter Households |               |
|------------------------------------|---------------|
|                                    | % of Total    |
| <20% of Income Spent on Housing    | 19.9%         |
| 20-24% of Income Spent on Housing  | 12.6%         |
| 25-29% of Income Spent on Housing  | 14.1%         |
| 30-34% of Income Spent on Housing  | 10.5%         |
| >35% of Income Spent on Housing    | 42.9%         |
| <b>Total</b>                       | <b>100.0%</b> |

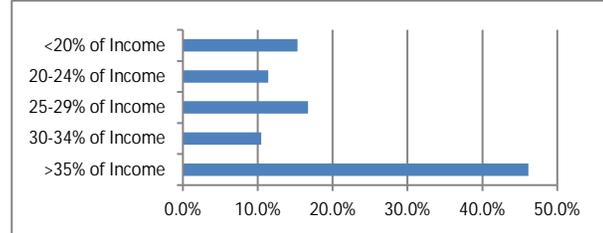
Source: U.S. Census Bureau



Our research suggests that 42.9 percent of the 55+ renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 53.4 percent of the 55+ renter households are overburdened to 30 percent of income.

| 65+ Overburdened Renter Households |               |
|------------------------------------|---------------|
|                                    | % of Total    |
| <20% of Income Spent on Housing    | 15.3%         |
| 20-24% of Income Spent on Housing  | 11.4%         |
| 25-29% of Income Spent on Housing  | 16.7%         |
| 30-34% of Income Spent on Housing  | 10.5%         |
| >35% of Income Spent on Housing    | 46.1%         |
| <b>Total</b>                       | <b>100.0%</b> |

Source: U.S. Census Bureau



Our research suggests that 46.1 percent of the 65+ renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 56.6 percent of the 65+ renter households are overburdened to 30 percent of income.

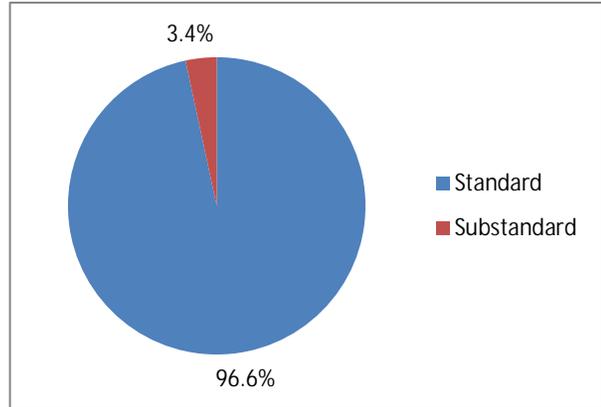
### Owner Substandard Units

The U.S. Census Bureau defines substandard housing units as follows: (1) Units without complete plumbing; or (2) Units with 1.00 or more persons per room.

The following tables give owner substandard housing unit data for occupied housing units in the nation, state, region and market area. The data comes from the U.S. Census Bureau:

| Owner Substandard Units       |            |
|-------------------------------|------------|
|                               | % of Total |
| 1.00 persons per room or less | 96.6%      |
| 1.01 to 1.50 persons per room | 1.9%       |
| 1.51 persons per room or more | 1.0%       |
| Complete Plumbing             | 99.5%      |
| 1.00 persons per room or less | 0.5%       |
| 1.01 to 1.50 persons per room | 0.0%       |
| 1.51 persons per room or more | 0.0%       |
| Lacking Complete Plumbing     | 0.5%       |
| Standard                      | 96.6%      |
| Substandard                   | 3.4%       |
| Total                         | 100.0%     |

Source: U.S. Census Bureau



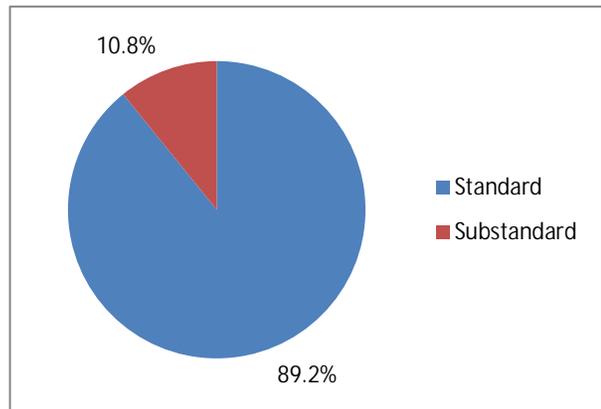
Our research suggests that 3.4 percent of occupied owner housing units in the market area are substandard.

### Renter Substandard Units

The following tables give renter substandard housing unit data for occupied housing units in the nation, state, region and market area. The data comes from the U.S. Census Bureau:

| Renter Substandard Units      |            |
|-------------------------------|------------|
|                               | % of Total |
| 1.00 persons per room or less | 89.2%      |
| 1.01 to 1.50 persons per room | 6.6%       |
| 1.51 persons per room or more | 3.6%       |
| Complete Plumbing             | 99.4%      |
| 1.00 persons per room or less | 0.5%       |
| 1.01 to 1.50 persons per room | 0.0%       |
| 1.51 persons per room or more | 0.1%       |
| Lacking Complete Plumbing     | 0.6%       |
| Standard                      | 89.2%      |
| Substandard                   | 10.8%      |
| Total                         | 100.0%     |

Source: U.S. Census Bureau



Our research suggests that 10.8 percent of renter owner housing units in the market area are substandard.

## Owner Movership

The following tables give owner household movership data for the market area with an estimated breakout by household size. The data comes from the U.S. Census Bureau and the American Housing Survey:

| Owner Movership, by Size |          |          |          |          |          |          |           |       |
|--------------------------|----------|----------|----------|----------|----------|----------|-----------|-------|
| Market Area              |          |          |          |          |          |          |           |       |
|                          | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7+ Person | Total |
| Owner to Owner           | 3.2%     | 5.0%     | 6.5%     | 6.4%     | 6.9%     | 7.5%     | 8.7%      | 5.3%  |
| Owner to Renter          | 3.0%     | 2.8%     | 5.1%     | 4.8%     | 4.7%     | 7.2%     | 11.0%     | 3.9%  |
| Owner Movership Rate     | 6.2%     | 7.8%     | 11.6%    | 11.2%    | 11.7%    | 14.7%    | 19.7%     | 9.2%  |

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an owner movership rate of 9.2 percent.

| Elderly Owner Movership, by Size |          |          |          |          |          |          |           |       |
|----------------------------------|----------|----------|----------|----------|----------|----------|-----------|-------|
| AHS Survey                       |          |          |          |          |          |          |           |       |
|                                  | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7+ Person | Total |
| Owner to Owner                   | 2.0%     | 2.8%     | 2.3%     | 1.6%     | 3.1%     | 1.0%     | 3.7%      | 2.4%  |
| Owner to Renter                  | 1.7%     | 0.8%     | 1.4%     | 2.1%     | 0.6%     | 2.6%     | 0.0%      | 1.2%  |
| Owner Movership Rate             | 3.7%     | 3.7%     | 3.7%     | 3.7%     | 3.7%     | 3.7%     | 3.7%      | 3.7%  |

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an elderly owner movership rate of 3.7 percent.

## Renter Movership

The following tables give renter household movership data for the market area with an estimated breakout by household size. The data comes from the U.S. Census Bureau and the American Housing Survey:

| Renter Movership, by Size |          |          |          |          |          |          |           |       |
|---------------------------|----------|----------|----------|----------|----------|----------|-----------|-------|
| Market Area               |          |          |          |          |          |          |           |       |
|                           | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7+ Person | Total |
| Renter to Renter          | 10.5%    | 23.5%    | 33.2%    | 39.9%    | 40.4%    | 43.7%    | 67.5%     | 23.8% |
| Renter to Owner           | 2.6%     | 9.6%     | 9.8%     | 12.4%    | 13.7%    | 10.6%    | 12.5%     | 7.5%  |
| Renter Movership Rate     | 13.1%    | 33.2%    | 43.0%    | 52.4%    | 54.0%    | 54.3%    | 80.0%     | 31.4% |

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests a renter movership rate of 31.4 percent.

| Elderly Renter Movership, by Size |          |          |          |          |          |          |           |       |
|-----------------------------------|----------|----------|----------|----------|----------|----------|-----------|-------|
| AHS Survey                        |          |          |          |          |          |          |           |       |
|                                   | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7+ Person | Total |
| Renter to Renter                  | 7.4%     | 6.6%     | 7.2%     | 7.6%     | 6.0%     | 7.8%     | 0.0%      | 7.1%  |
| Renter to Owner                   | 0.6%     | 1.4%     | 0.7%     | 0.4%     | 2.0%     | 0.2%     | 8.0%      | 0.9%  |
| Renter Movership Rate             | 8.0%     | 8.0%     | 8.0%     | 8.0%     | 8.0%     | 8.0%     | 8.0%      | 8.0%  |

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an elderly renter movership rate of 8.0 percent.

## SUPPLY ANALYSIS

In conducting our analysis, we began by attempting to compile a list of every multifamily property with 10 or more units in the market area. We included conventionally-financed multifamily communities as well as properties financed by the local housing authority and the state housing finance agency in our listing. We even included properties financed by and/or subsidized by USDA and/or HUD. Finally, we included properties that are either proposed or currently under construction. The result was a listing of projects with 10 or more units - whether existing, under construction, or proposed - for this area. Our rental property inventory listing is found in the pages that follow.

A map showing the location of the properties included in the rental property inventory is found in the pages that follow. Properties identified with red pushpins have 100 percent market rate units (market rate properties), properties identified with yellow pushpins have a mixture of market rate / restricted / subsidized units (restricted properties), and properties identified with blue pushpins have 100 percent project-based rental assistance (subsidized properties).

After accounting for any unconfirmed properties and any properties that are located outside the defined market area, we arrived at a list of confirmed market area properties. This was the listing of properties upon which our analysis is based. In our opinion, the properties included on this list give a credible picture of market conditions as of the effective date of this report. This listing is found in the pages that follow.

Our next step was to compile a master list of unrestricted market rate rent comparables from the listing of confirmed properties. We eliminated any properties which were either under construction, being renovated, in lease up, or which were unstabilized for one reason or another. We identified market rate properties of similar age and condition to the subject property. If we were unable to identify a sufficient number of market rate comparables in the market area, we included market rate properties from outside the market area. If we were still unable to identify a sufficient number of market rate comparables, we included rent restricted properties - provided, however, that the rents charged at these properties were below statutory limits and similar to the rents charged at the market rate properties in the market area (suggesting that these rent restricted properties were *de facto* market rate properties).

Finally, we compiled a master list of restricted rent comparables from the listing of confirmed properties. We used the same approach described above for unrestricted market rate properties.

The resulting master lists of rent comparables and accompanying locator maps are found in this section as well. Detailed write-ups for the properties included on these lists are found in the Appendix. We include write-ups for *all* of the rent comparables identified on our master lists, regardless of whether they ended up being selected as one of the *best* rent comparables. We did this for two reasons: (1) To be transparent; and (2) To provide the reader with context regarding our selection process.

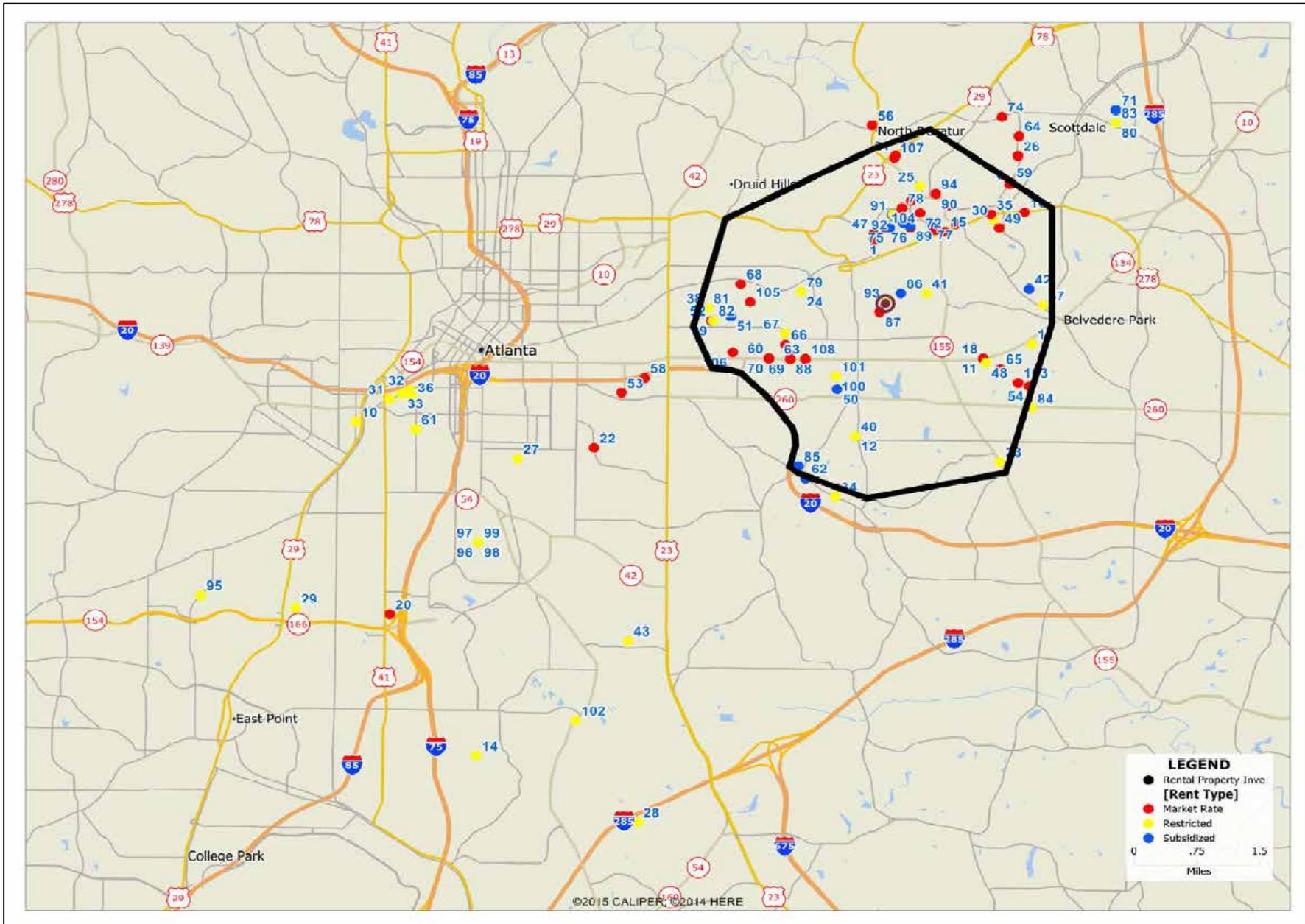
The balance of this section includes a breakdown of confirmed market area properties by rent type, project status, year built, and financing source. We also include a rent, unit mix, and amenity summary for confirmed market area properties. Finally, we provide summary of vouchers, concessions, and waiting lists for the properties included in this report.

Rental Property Inventory

| Key | Project                                 | Latitude | Longitude | Built | Renovated | Rent Type   | Occ Type | Status           | Financing    | Tot Units | Vac Units | Occupancy |
|-----|-----------------------------------------|----------|-----------|-------|-----------|-------------|----------|------------------|--------------|-----------|-----------|-----------|
| 001 | Adair Oaks Apartments                   | 33.7698  | -84.3065  | 1969  | 2014      | Market Rate | Family   | Stabilized       | Conventional | 64        | 0         | 100.0%    |
| 002 | Alexan 1133                             | 33.7772  | -84.2987  | 2016  | na        | Market Rate | Family   | Stabilized       | Conventional | 167       | 15        | 91.0%     |
| 003 | Allen Wilson Phase 1                    | 33.7721  | -84.2989  | 2011  | na        | Subsidized  | Family   | Stabilized       | Tax Credit   | 40        | 0         | 100.0%    |
| 004 | Allen Wilson Phase 2                    | 33.7724  | -84.2989  | 2012  | na        | Subsidized  | Elderly  | Stabilized       | Tax Credit   | 80        | 0         | 100.0%    |
| 005 | Allen Wilson Phase 3                    | 33.7730  | -84.3003  | 2014  | na        | Subsidized  | Family   | Stabilized       | Tax Credit   | 71        | 1         | 98.6%     |
| 006 | Allen Wilson Terrace Apartments         | 33.7721  | -84.2989  | 1941  | na        | Subsidized  | Family   | Demolished/Burnt | PHA          | 200       | 11        | 94.5%     |
| 007 | Arbors of East Atlanta Apartments       | 33.7474  | -84.3283  | 1962  | 2007      | Market Rate | Family   | Stabilized       | Conventional | 124       | 10        | 91.9%     |
| 008 | Archstone Decatur Crossing              | 33.7803  | -84.2782  | 2000  | na        | Market Rate | Family   | Stabilized       | Conventional | 180       | 3         | 98.3%     |
| 009 | Arlo (The)                              | 33.7716  | -84.2937  | 2016  | na        | Market Rate | Family   | Lease Up         | Conventional | 240       | 99        | 58.8%     |
| 010 | Ashley Terrace at West End              | 33.7355  | -84.4141  | 2001  | na        | Restricted  | Family   | Stabilized       | Tax Credit   | 112       | 0         | 100.0%    |
| 011 | Ashton Place Apartments                 | 33.7474  | -84.2837  | 1972  | na        | Market Rate | Family   | Condominiums     | Conventional | 144       | 51        | 64.6%     |
| 012 | Atlanta Housing Authority               | 33.7328  | -84.3103  | 2004  | na        | Market Rate | Family   | Non-Inventory    | Other        | 0         | 0         | 0.0%      |
| 013 | Atlantic Star Ice House Lofts           | 33.7727  | -84.2894  | 1926  | 1999      | Market Rate | Family   | Stabilized       | Conventional | 98        | 6         | 93.9%     |
| 014 | Avalon Ridge                            | 33.6725  | -84.3891  | 2008  | na        | Restricted  | Family   | Stabilized       | Bond         | 222       | 5         | 97.7%     |
| 015 | Avery Glen Apartments                   | 33.7713  | -84.2917  | 1993  | na        | Market Rate | Family   | Stabilized       | Conventional | 118       | 0         | 100.0%    |
| 016 | Avondale Station Apartments             | 33.7750  | -84.2751  | 1954  | 2011      | Market Rate | Family   | Stabilized       | Conventional | 212       | 8         | 96.2%     |
| 017 | Belvedere Pointe Apartments             | 33.7502  | -84.2737  | 1955  | 1995      | Restricted  | Family   | Unconfirmed      | Tax Credit   | 24        | 2         | 91.7%     |
| 018 | Blue Sky Condominiums                   | 33.7474  | -84.2837  | 1972  | na        | Market Rate | Family   | Condominiums     | Conventional | 144       | 51        | 64.6%     |
| 019 | Braden Fellman Group Investments        | 33.7762  | -84.2908  | na    | na        | Market Rate | Family   | Non-Inventory    | Conventional | 0         | 0         | 0.0%      |
| 020 | Brookside Park                          | 33.6992  | -84.4070  | 2004  | na        | Market Rate | Family   | Stabilized       | Bond         | 198       | 7         | 96.5%     |
| 021 | Brownstones at Decatur                  | 33.7857  | -84.3019  | na    | na        | Market Rate | Family   | Non-Inventory    | Conventional | 0         | 0         | 0.0%      |
| 022 | Burnett at Grant Park Apartments        | 33.7306  | -84.3646  | 2006  | na        | Market Rate | Family   | Stabilized       | Conventional | 54        | 0         | 100.0%    |
| 023 | Candler Forrest Apartments              | 33.7279  | -84.2803  | 2005  | na        | Restricted  | Family   | Stabilized       | Tax Credit   | 99        | 3         | 97.0%     |
| 024 | CFI at Presley Woods Apartments         | 33.7600  | -84.3216  | na    | na        | Market Rate | Family   | Duplicate        | Conventional | 0         | 0         | 0.0%      |
| 025 | Clairmont Oaks Apartments               | 33.7799  | -84.2969  | 1975  | 1995      | Restricted  | Elderly  | Stabilized       | HUD          | 296       | 14        | 95.3%     |
| 026 | Clarion Apartments                      | 33.7856  | -84.2765  | 1989  | na        | Market Rate | Family   | Stabilized       | Conventional | 217       | 6         | 97.2%     |
| 027 | Columbia at Peoplestown Apartments      | 33.7285  | -84.3805  | 2002  | na        | Restricted  | Family   | Stabilized       | Tax Credit   | 99        | 2         | 98.0%     |
| 028 | Columbia at South River Gardens         | 33.6599  | -84.3555  | 2011  | na        | Restricted  | Family   | Stabilized       | Tax Credit   | 124       | 4         | 96.8%     |
| 029 | Columbia at Sylvan Hills                | 33.7003  | -84.4266  | 2008  | na        | Restricted  | Family   | Stabilized       | Bond         | 191       | 10        | 94.8%     |
| 030 | Columbia Avondale Sr                    | 33.7736  | -84.2817  | 2016  | na        | Restricted  | Elderly  | Prop Const       | Tax Credit   | 92        | 92        | 0.0%      |
| 031 | Columbia Mechanicsville Crossing        | 33.7398  | -84.4070  | 2009  | na        | Restricted  | Family   | Stabilized       | Tax Credit   | 163       | 3         | 98.2%     |
| 032 | Columbia Mechanicsville Family          | 33.7415  | -84.4029  | 2007  | na        | Restricted  | Family   | Stabilized       | Tax Credit   | 174       | 23        | 86.8%     |
| 033 | Columbia Mechanicsville Station         | 33.7409  | -84.4046  | 2009  | na        | Restricted  | Family   | Stabilized       | Tax Credit   | 163       | 0         | 100.0%    |
| 034 | Columbia Mill Apartments                | 33.7214  | -84.3145  | 2013  | na        | Restricted  | Family   | Stabilized       | Tax Credit   | 100       | 3         | 97.0%     |
| 035 | Columbia Park                           | 33.7746  | -84.2822  | 2009  | na        | Market Rate | Family   | Non-Inventory    | Tax Credit   | 0         | 0         | 0.0%      |
| 036 | Columbia Parkside at Mechanicsville     | 33.7401  | -84.4024  | 2011  | na        | Restricted  | Family   | Stabilized       | Tax Credit   | 156       | 9         | 94.2%     |
| 037 | Columbia Senior Residences at Forrest H | 33.7574  | -84.2713  | 2014  | na        | Restricted  | Elderly  | Stabilized       | Tax Credit   | 80        | 1         | 98.8%     |
| 038 | Columbia Townhomes at Edgewood 1        | 33.7569  | -84.3409  | 2010  | na        | Restricted  | Family   | Duplicate        | Tax Credit   | 100       | 100       | 0.0%      |
| 039 | Columbia Townhomes at Edgewood 2        | 33.7546  | -84.3399  | 2011  | na        | Restricted  | Family   | Duplicate        | Tax Credit   | 40        | 40        | 0.0%      |
| 040 | Columbia Village Apartments             | 33.7328  | -84.3103  | 1999  | na        | Restricted  | Family   | Stabilized       | Tax Credit   | 100       | 3         | 97.0%     |
| 041 | Columns at East Hill Apartments         | 33.7597  | -84.2956  | 1961  | 1995      | Restricted  | Family   | Unstabilized     | Tax Credit   | 28        | 0         | 100.0%    |
| 042 | Community Housing                       | 33.7605  | -84.2742  | na    | na        | Subsidized  | Family   | Special Needs    | HUD          | 10        | 0         | 100.0%    |
| 043 | Constitution Avenue Apartments          | 33.6942  | -84.3575  | 2006  | na        | Restricted  | Family   | Stabilized       | Tax Credit   | 166       | 8         | 95.2%     |
| 044 | Courtyards at Glenview Apartments       | 33.7473  | -84.3207  | 1970  | 1995      | Restricted  | Family   | Duplicate        | Tax Credit   | 175       | 24        | 86.3%     |
| 045 | Decatur Christian Towers                | 33.7756  | -84.3007  | 2013  | na        | Market Rate | Family   | Duplicate        | Conventional | 0         | 0         | 0.0%      |
| 046 | Decatur Housing Authority               | 33.7721  | -84.2989  | 1992  | na        | Market Rate | Family   | Duplicate        | Other        | 0         | 0         | 0.0%      |
| 047 | Decatur Town Houses                     | 33.7710  | -84.3065  | 1970  | na        | Market Rate | Family   | Condominiums     | Conventional | 0         | 0         | 0.0%      |
| 048 | Delano Place Apartments                 | 33.7466  | -84.2832  | 1965  | 2000      | Restricted  | Family   | Unconfirmed      | Tax Credit   | 50        | 2         | 96.0%     |
| 049 | Derry Down Quads                        | 33.7720  | -84.2804  | 1960  | na        | Market Rate | Family   | Unconfirmed      | Conventional | 0         | 0         | 0.0%      |
| 050 | East Lake Highrise Resident             | 33.7417  | -84.3141  | 2000  | na        | Subsidized  | Elderly  | Stabilized       | PHA          | 149       | 0         | 100.0%    |
| 051 | Edgewood Court Apartments               | 33.7554  | -84.3361  | 1951  | 1981      | Subsidized  | Family   | Stabilized       | HUD          | 204       | 6         | 97.1%     |
| 052 | Edgewood Townhomes Phase 2              | 33.7546  | -84.3402  | 2010  | na        | Market Rate | Family   | Duplicate        | Tax Credit   | 0         | 0         | 0.0%      |
| 053 | Enso Apartments                         | 33.7410  | -84.3589  | 2011  | na        | Market Rate | Family   | Stabilized       | Conventional | 325       | 20        | 93.8%     |
| 054 | Falcon Crest Apartments                 | 33.7422  | -84.2742  | 1969  | na        | Market Rate | Family   | Unconfirmed      | Conventional | 136       | 64        | 52.9%     |
| 055 | Flournoy Properties Courtyards          | 33.7473  | -84.3207  | na    | na        | Market Rate | Family   | Duplicate        | Tax Credit   | 0         | 0         | 0.0%      |
| 056 | Gables Montclair Apartments             | 33.7915  | -84.3068  | 2001  | na        | Market Rate | Family   | Stabilized       | Conventional | 180       | 2         | 98.9%     |
| 057 | Gateway Manor Apartments                | 33.7737  | -84.3007  | 1969  | na        | Subsidized  | Family   | Demolish/Burnt   | HUD          | 88        | 5         | 94.3%     |
| 058 | Glenwood East Apartments                | 33.7438  | -84.3541  | 2009  | na        | Market Rate | Family   | Stabilized       | Conventional | 236       | 7         | 97.0%     |
| 059 | Grayson Park                            | 33.7806  | -84.2780  | 2000  | na        | Market Rate | Family   | Duplicate        | Conventional | 0         | 0         | 0.0%      |
| 060 | Harbor Vines Apartments                 | 33.7474  | -84.3283  | 1965  | 2007      | Market Rate | Family   | Duplicate        | Conventional | 0         | 0         | 0.0%      |

Rental Property Inventory

| Key | Project                           | Latitude | Longitude | Built | Renovated | Rent Type   | Occ Type | Status         | Financing    | Tot Units | Vac Units | Occupancy |
|-----|-----------------------------------|----------|-----------|-------|-----------|-------------|----------|----------------|--------------|-----------|-----------|-----------|
| 061 | Heritage Station Phase 1          | 33.7341  | -84.4017  | 2007  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 220       | 3         | 98.6%     |
| 062 | Highlands at East Lake Apartments | 33.7248  | -84.3206  | 1972  | 2003      | Subsidized  | Family   | Stabilized     | Tax Credit   | 250       | 2         | 99.2%     |
| 063 | Element (The)                     | 33.7473  | -84.3207  | 1970  | 2017      | Market Rate | Family   | Rehabilitation | Tax Credit   | 175       | 96        | 45.1%     |
| 064 | Jackson Square Apartments         | 33.7894  | -84.2763  | 1998  | na        | Market Rate | Family   | Stabilized     | Conventional | 380       | 14        | 96.3%     |
| 065 | Kingstown Apartments              | 33.7455  | -84.2802  | 1970  | 2005      | Market Rate | Family   | Stabilized     | Conventional | 49        | 0         | 100.0%    |
| 066 | Kirkwood Apartments               | 33.7501  | -84.3248  | 1967  | na        | Market Rate | Family   | Unconfirmed    | Conventional | 0         | 0         | 0.0%      |
| 067 | Kirkwood Gardens Apartments       | 33.7522  | -84.3249  | 1960  | 2005      | Restricted  | Family   | Unconfirmed    | Tax Credit   | 43        | 0         | 100.0%    |
| 068 | La France Street Lofts            | 33.7615  | -84.3341  | na    | na        | Market Rate | Family   | Condominiums   | Conventional | 0         | 0         | 0.0%      |
| 069 | Memorial East Apartments          | 33.7473  | -84.3239  | 1961  | na        | Market Rate | Family   | Unconfirmed    | Conventional | 48        | 0         | 100.0%    |
| 070 | Memorial SBFLLC                   | 33.7474  | -84.3283  | 1965  | 2007      | Market Rate | Family   | Duplicate      | Conventional | 0         | 0         | 0.0%      |
| 071 | Mills Creeks Crossing             | 33.7943  | -84.2562  | na    | na        | Subsidized  | Family   | Construction   | Bond         | 100       | 100       | 0.0%      |
| 072 | N G One West Court                | 33.7749  | -84.2969  | 2012  | na        | Market Rate | Family   | Non-Inventory  | Conventional | 0         | 0         | 0.0%      |
| 073 | Oakview Apartments                | 33.7737  | -84.3007  | 1960  | na        | Subsidized  | Family   | Unstabilized   | PHA          | 49        | 1         | 98.0%     |
| 074 | Park Summit                       | 33.7930  | -84.2799  | 1990  | na        | Market Rate | Family   | Stabilized     | Conventional | 148       | 1         | 99.3%     |
| 075 | Park Trace Apartments             | 33.7720  | -84.3032  | 1984  | na        | Subsidized  | Elderly  | Stabilized     | HUD          | 169       | 8         | 95.3%     |
| 076 | Parkway Grand Apartments          | 33.7721  | -84.3041  | 2001  | na        | Market Rate | Family   | Stabilized     | Conventional | 303       | 21        | 93.1%     |
| 077 | Philips Towers Decatur            | 33.7725  | -84.2945  | 1972  | 2005      | Subsidized  | Elderly  | Stabilized     | HUD          | 220       | 11        | 95.0%     |
| 078 | Place on Ponce                    | 33.7758  | -84.3006  | 2014  | na        | Market Rate | Family   | Stabilized     | Conventional | 234       | 10        | 95.7%     |
| 079 | Presley Woods Apartments          | 33.7600  | -84.3216  | 1996  | 2003      | Restricted  | Family   | Stabilized     | Tax Credit   | 40        | 1         | 97.5%     |
| 080 | Reserve at Mills Creek            | 33.7919  | -84.2562  | na    | na        | Subsidized  | Elderly  | Prop Const     | Tax Credit   | 99        | 99        | 0.0%      |
| 081 | Retreat at Edgewood 1             | 33.7569  | -84.3409  | 2010  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 100       | 1         | 99.0%     |
| 082 | Retreat at Edgewood 2             | 33.7546  | -84.3399  | 2011  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 40        | 1         | 97.5%     |
| 083 | Retreat at Mills Creek            | 33.7919  | -84.2562  | na    | na        | Restricted  | Elderly  | Prop Const     | Tax Credit   | 80        | 80        | 0.0%      |
| 084 | Robins Landing Apartments         | 33.7380  | -84.2736  | 1968  | 2000      | Restricted  | Family   | Stabilized     | Bond         | 304       | 17        | 94.4%     |
| 085 | Safety Net (The) Apartments       | 33.7272  | -84.3222  | na    | 2008      | Subsidized  | Family   | Special Needs  | Other        | 35        | 35        | 0.0%      |
| 086 | Shepherd Center                   | 33.7597  | -84.3009  | na    | na        | Subsidized  | Family   | Special Needs  | HUD          | 14        | 0         | 100.0%    |
| 087 | Spring Pointe Apartments          | 33.7562  | -84.3053  | 1965  | 1994      | Market Rate | Family   | Stabilized     | Conventional | 67        | 1         | 98.5%     |
| 088 | Sugar Creek Apartments            | 33.7473  | -84.3239  | na    | na        | Market Rate | Family   | Duplicate      | Conventional | 0         | 0         | 0.0%      |
| 089 | Swanton Heights Apartments        | 33.7724  | -84.2989  | 1970  | na        | Subsidized  | Family   | Stabilized     | Other        | 93        | 2         | 97.8%     |
| 090 | Tobie Grant Manor Apartments      | 33.7785  | -84.2936  | 1966  | na        | Market Rate | Family   | Demolish/Burnt | PHA          | 0         | 0         | 0.0%      |
| 091 | Trinity Walk Phase 1              | 33.7745  | -84.3027  | 2016  | na        | Subsidized  | Family   | Construction   | Tax Credit   | 69        | 0         | 100.0%    |
| 092 | Trinity Walk Phase 2              | 33.7746  | -84.3025  | 2017  | na        | Restricted  | Family   | Construction   | Tax Credit   | 52        | 52        | 0.0%      |
| 093 | Trinity Walk Phase III            | 33.7579  | -84.3040  | 2017  | na        | Restricted  | Family   | Prop Const     | Tax Credit   | 34        | 34        | 0.0%      |
| 094 | Village at Mills Creek            | 33.7785  | -84.2936  | 2014  | na        | Market Rate | Elderly  | Duplicate      | Tax Credit   | 0         | 0         | 0.0%      |
| 095 | Village Highlands                 | 33.7028  | -84.4463  | 2005  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 256       | 0         | 100.0%    |
| 096 | Villages at Carver Phase 1        | 33.7127  | -84.3886  | 2001  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 220       | 25        | 88.6%     |
| 097 | Villages at Carver Phase 2        | 33.7127  | -84.3886  | 2002  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 66        | 4         | 93.9%     |
| 098 | Villages at Carver Phase 3        | 33.7127  | -84.3886  | 2003  | na        | Restricted  | Family   | Stabilized     | Bond         | 216       | 30        | 86.1%     |
| 099 | Villages at Carver Phase 5        | 33.7127  | -84.3886  | 2007  | na        | Restricted  | Family   | Stabilized     | Bond         | 165       | 15        | 90.9%     |
| 100 | Villages of East Lake Phase 1     | 33.7440  | -84.3144  | 1997  | na        | Restricted  | Family   | Stabilized     | Bond         | 182       | 2         | 98.9%     |
| 101 | Villages of East Lake Phase 2     | 33.7440  | -84.3144  | 1998  | na        | Restricted  | Family   | Stabilized     | Bond         | 360       | 3         | 99.2%     |
| 102 | Vineyards Of Browns Mill          | 33.6792  | -84.3684  | 2005  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 209       | 0         | 100.0%    |
| 103 | White Oak Apartments              | 33.7429  | -84.2765  | 1989  | na        | Market Rate | Family   | Stabilized     | Conventional | 16        | 1         | 93.8%     |
| 104 | Woodberry Village Apartments      | 33.7721  | -84.3041  | 2001  | na        | Market Rate | Family   | Duplicate      | Conventional | 0         | 0         | 0.0%      |
| 105 | AR2 Lofts Condominiums            | 33.7581  | -84.3322  | 2008  | na        | Market Rate | Family   | Condominiums   | Conventional | 0         | 0         | 0.0%      |
| 106 | Garden View                       | 33.7486  | -84.3358  | 1969  | na        | Market Rate | Family   | Unconfirmed    | Conventional | 17        | 1         | 94.1%     |
| 107 | Pines On Scott                    | 33.7853  | -84.3022  | 1960  | na        | Market Rate | Family   | Stabilized     | Conventional | 59        | 0         | 100.0%    |
| 108 | Ivy Park Apartments               | 33.7473  | -84.3207  | 1970  | 2014      | Market Rate | Family   | Duplicate      | Tax Credit   | 175       | 2         | 98.9%     |



Rental Property Inventory, Unconfirmed

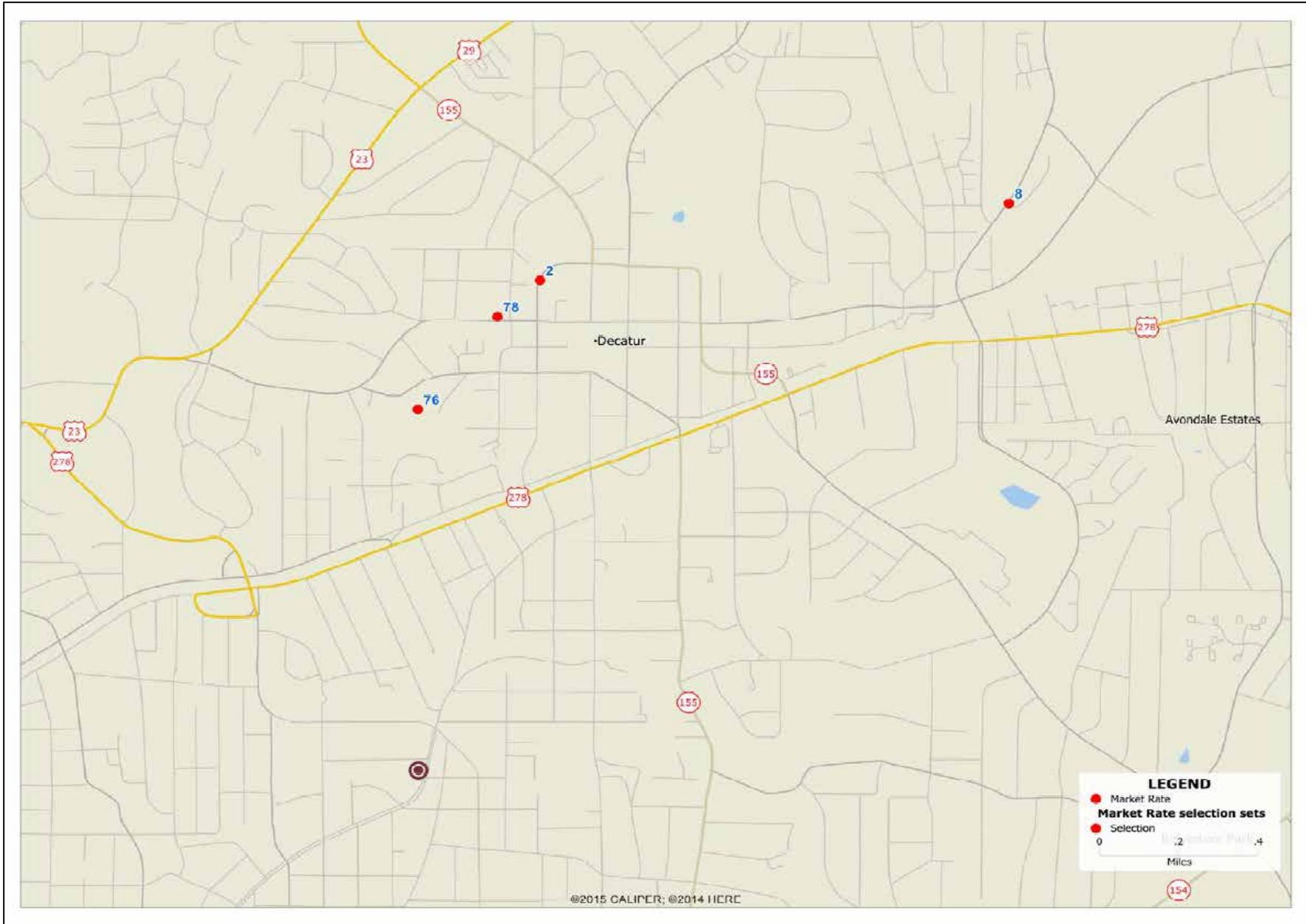
| Key | Project                     | Latitude | Longitude | Built | Renovated | Rent Type   | Occ Type | Status      | Financing    | Tot Units | Vac Units | Occupancy |
|-----|-----------------------------|----------|-----------|-------|-----------|-------------|----------|-------------|--------------|-----------|-----------|-----------|
| 017 | Belvedere Pointe Apartments | 33.7502  | -84.2737  | 1955  | 1995      | Restricted  | Family   | Unconfirmed | Tax Credit   | 24        | 2         | 91.7%     |
| 048 | Delano Place Apartments     | 33.7466  | -84.2832  | 1965  | 2000      | Restricted  | Family   | Unconfirmed | Tax Credit   | 50        | 2         | 96.0%     |
| 049 | Derry Down Quads            | 33.7720  | -84.2804  | 1960  | na        | Market Rate | Family   | Unconfirmed | Conventional | 0         | 0         | 0.0%      |
| 054 | Falcon Crest Apartments     | 33.7422  | -84.2742  | 1969  | na        | Market Rate | Family   | Unconfirmed | Conventional | 136       | 64        | 52.9%     |
| 066 | Kirkwood Apartments         | 33.7501  | -84.3248  | 1967  | na        | Market Rate | Family   | Unconfirmed | Conventional | 0         | 0         | 0.0%      |
| 067 | Kirkwood Gardens Apartments | 33.7522  | -84.3249  | 1960  | 2005      | Restricted  | Family   | Unconfirmed | Tax Credit   | 43        | 0         | 100.0%    |
| 069 | Memorial East Apartments    | 33.7473  | -84.3239  | 1961  | na        | Market Rate | Family   | Unconfirmed | Conventional | 48        | 0         | 100.0%    |
| 106 | Garden View                 | 33.7486  | -84.3358  | 1969  | na        | Market Rate | Family   | Unconfirmed | Conventional | 17        | 1         | 94.1%     |

Rental Property Inventory, Confirmed, Inside Market Area

| Key | Project                                 | Latitude | Longitude | Built | Renovated | Rent Type   | Occ Type | Status         | Financing    | Tot Units | Vac Units | Occupancy |
|-----|-----------------------------------------|----------|-----------|-------|-----------|-------------|----------|----------------|--------------|-----------|-----------|-----------|
| 001 | Adair Oaks Apartments                   | 33.7698  | -84.3065  | 1969  | 2014      | Market Rate | Family   | Stabilized     | Conventional | 64        | 0         | 100.0%    |
| 002 | Alexan 1133                             | 33.7772  | -84.2987  | 2016  | na        | Market Rate | Family   | Stabilized     | Conventional | 167       | 15        | 91.0%     |
| 003 | Allen Wilson Phase 1                    | 33.7721  | -84.2989  | 2011  | na        | Subsidized  | Family   | Stabilized     | Tax Credit   | 40        | 0         | 100.0%    |
| 004 | Allen Wilson Phase 2                    | 33.7724  | -84.2989  | 2012  | na        | Subsidized  | Elderly  | Stabilized     | Tax Credit   | 80        | 0         | 100.0%    |
| 005 | Allen Wilson Phase 3                    | 33.7730  | -84.3003  | 2014  | na        | Subsidized  | Family   | Stabilized     | Tax Credit   | 71        | 1         | 98.6%     |
| 007 | Arbors of East Atlanta Apartments       | 33.7474  | -84.3283  | 1962  | 2007      | Market Rate | Family   | Stabilized     | Conventional | 124       | 10        | 91.9%     |
| 008 | Archstone Decatur Crossing              | 33.7803  | -84.2782  | 2000  | na        | Market Rate | Family   | Stabilized     | Conventional | 180       | 3         | 98.3%     |
| 013 | Atlantic Star Ice House Lofts           | 33.7727  | -84.2894  | 1926  | 1999      | Market Rate | Family   | Stabilized     | Conventional | 98        | 6         | 93.9%     |
| 015 | Avery Glen Apartments                   | 33.7713  | -84.2917  | 1993  | na        | Market Rate | Family   | Stabilized     | Conventional | 118       | 0         | 100.0%    |
| 016 | Avondale Station Apartments             | 33.7750  | -84.2751  | 1954  | 2011      | Market Rate | Family   | Stabilized     | Conventional | 212       | 8         | 96.2%     |
| 023 | Candler Forrest Apartments              | 33.7279  | -84.2803  | 2005  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 99        | 3         | 97.0%     |
| 025 | Clairmont Oaks Apartments               | 33.7799  | -84.2969  | 1975  | 1995      | Restricted  | Elderly  | Stabilized     | HUD          | 296       | 14        | 95.3%     |
| 030 | Columbia Avondale Sr                    | 33.7736  | -84.2817  | 2016  | na        | Restricted  | Elderly  | Prop Const     | Tax Credit   | 92        | 92        | 0.0%      |
| 037 | Columbia Senior Residences at Forrest H | 33.7574  | -84.2713  | 2014  | na        | Restricted  | Elderly  | Stabilized     | Tax Credit   | 80        | 1         | 98.8%     |
| 040 | Columbia Village Apartments             | 33.7328  | -84.3103  | 1999  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 100       | 3         | 97.0%     |
| 050 | East Lake Highrise Resident             | 33.7417  | -84.3141  | 2000  | na        | Subsidized  | Elderly  | Stabilized     | PHA          | 149       | 0         | 100.0%    |
| 051 | Edgewood Court Apartments               | 33.7554  | -84.3361  | 1951  | 1981      | Subsidized  | Family   | Stabilized     | HUD          | 204       | 6         | 97.1%     |
| 063 | Element (The)                           | 33.7473  | -84.3207  | 1970  | 2017      | Market Rate | Family   | Rehabilitation | Tax Credit   | 175       | 96        | 45.1%     |
| 065 | Kingstown Apartments                    | 33.7455  | -84.2802  | 1970  | 2005      | Market Rate | Family   | Stabilized     | Conventional | 49        | 0         | 100.0%    |
| 075 | Park Trace Apartments                   | 33.7720  | -84.3032  | 1984  | na        | Subsidized  | Elderly  | Stabilized     | HUD          | 169       | 8         | 95.3%     |
| 076 | Parkway Grand Apartments                | 33.7721  | -84.3041  | 2001  | na        | Market Rate | Family   | Stabilized     | Conventional | 303       | 21        | 93.1%     |
| 077 | Philips Towers Decatur                  | 33.7725  | -84.2945  | 1972  | 2005      | Subsidized  | Elderly  | Stabilized     | HUD          | 220       | 11        | 95.0%     |
| 078 | Place on Ponce                          | 33.7758  | -84.3006  | 2014  | na        | Market Rate | Family   | Stabilized     | Conventional | 234       | 10        | 95.7%     |
| 079 | Presley Woods Apartments                | 33.7600  | -84.3216  | 1996  | 2003      | Restricted  | Family   | Stabilized     | Tax Credit   | 40        | 1         | 97.5%     |
| 081 | Retreat at Edgewood 1                   | 33.7569  | -84.3409  | 2010  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 100       | 1         | 99.0%     |
| 082 | Retreat at Edgewood 2                   | 33.7546  | -84.3399  | 2011  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 40        | 1         | 97.5%     |
| 087 | Spring Pointe Apartments                | 33.7562  | -84.3053  | 1965  | 1994      | Market Rate | Family   | Stabilized     | Conventional | 67        | 1         | 98.5%     |
| 089 | Swanton Heights Apartments              | 33.7724  | -84.2989  | 1970  | na        | Subsidized  | Family   | Stabilized     | Other        | 93        | 2         | 97.8%     |
| 091 | Trinity Walk Phase 1                    | 33.7745  | -84.3027  | 2016  | na        | Subsidized  | Family   | Construction   | Tax Credit   | 69        | 0         | 100.0%    |
| 092 | Trinity Walk Phase 2                    | 33.7746  | -84.3025  | 2017  | na        | Restricted  | Family   | Construction   | Tax Credit   | 52        | 52        | 0.0%      |
| 100 | Villages of East Lake Phase 1           | 33.7440  | -84.3144  | 1997  | na        | Restricted  | Family   | Stabilized     | Bond         | 182       | 2         | 98.9%     |
| 101 | Villages of East Lake Phase 2           | 33.7440  | -84.3144  | 1998  | na        | Restricted  | Family   | Stabilized     | Bond         | 360       | 3         | 99.2%     |
| 103 | White Oak Apartments                    | 33.7429  | -84.2765  | 1989  | na        | Market Rate | Family   | Stabilized     | Conventional | 16        | 1         | 93.8%     |
| 107 | Pines On Scott                          | 33.7853  | -84.3022  | 1960  | na        | Market Rate | Family   | Stabilized     | Conventional | 59        | 0         | 100.0%    |

Master List of Market Rate Comparables

| Key | Project                    | Latitude | Longitude | Built | Renovated | Rent Type   | Occ Type | Status     | Financing    | Tot Units | Vac Units | Occupancy |
|-----|----------------------------|----------|-----------|-------|-----------|-------------|----------|------------|--------------|-----------|-----------|-----------|
| 002 | Alexan 1133                | 33.7772  | -84.2987  | 2016  | na        | Market Rate | Family   | Stabilized | Conventional | 167       | 15        | 91.0%     |
| 008 | Archstone Decatur Crossing | 33.7803  | -84.2782  | 2000  | na        | Market Rate | Family   | Stabilized | Conventional | 180       | 3         | 98.3%     |
| 076 | Parkway Grand Apartments   | 33.7721  | -84.3041  | 2001  | na        | Market Rate | Family   | Stabilized | Conventional | 303       | 21        | 93.1%     |
| 078 | Place on Ponce             | 33.7758  | -84.3006  | 2014  | na        | Market Rate | Family   | Stabilized | Conventional | 234       | 10        | 95.7%     |



Master List of Restricted Rent Comparables

| Key | Project                             | Latitude | Longitude | Built | Renovated | Rent Type  | Occ Type | Status     | Financing  | Tot Units | Vac Units | Occupancy |
|-----|-------------------------------------|----------|-----------|-------|-----------|------------|----------|------------|------------|-----------|-----------|-----------|
| 014 | Avalon Ridge                        | 33.6725  | -84.3891  | 2008  | na        | Restricted | Family   | Stabilized | Bond       | 222       | 5         | 97.7%     |
| 034 | Columbia Mill Apartments            | 33.7214  | -84.3145  | 2013  | na        | Restricted | Family   | Stabilized | Tax Credit | 100       | 3         | 97.0%     |
| 036 | Columbia Parkside at Mechanicsville | 33.7401  | -84.4024  | 2011  | na        | Restricted | Family   | Stabilized | Tax Credit | 156       | 9         | 94.2%     |
| 040 | Columbia Village Apartments         | 33.7328  | -84.3103  | 1999  | na        | Restricted | Family   | Stabilized | Tax Credit | 100       | 3         | 97.0%     |
| 081 | Retreat at Edgewood 1               | 33.7569  | -84.3409  | 2010  | na        | Restricted | Family   | Stabilized | Tax Credit | 100       | 1         | 99.0%     |
| 082 | Retreat at Edgewood 2               | 33.7546  | -84.3399  | 2011  | na        | Restricted | Family   | Stabilized | Tax Credit | 40        | 1         | 97.5%     |



## Rental Property Inventory, Confirmed, Inside Market Area, by Rent Type

The following tables and graphs provide a summary of the confirmed market area properties included in this analysis broken out by rent type:

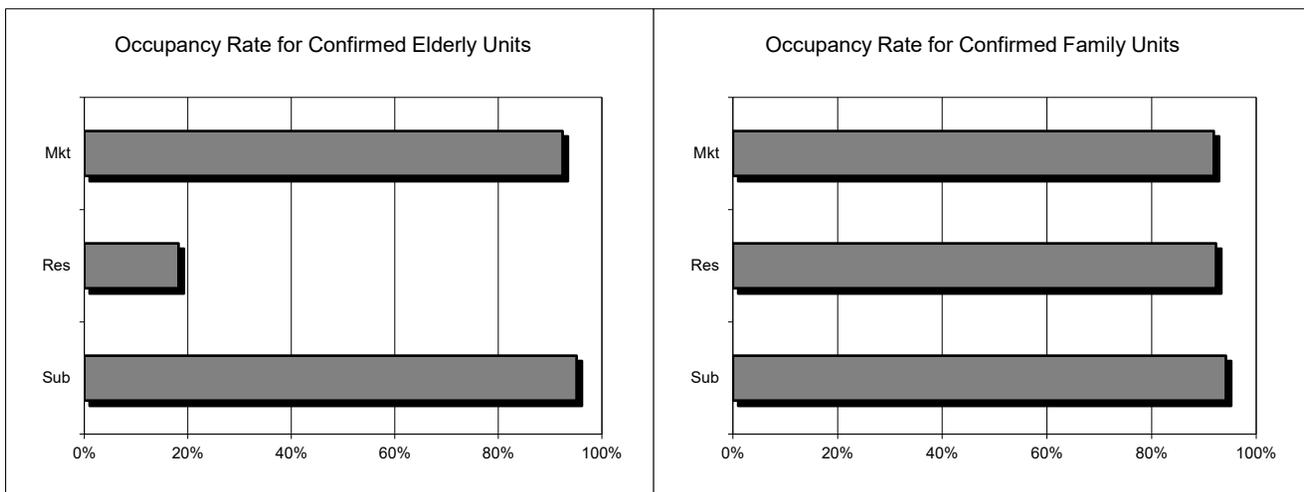
| Rental Property Inventory, Confirmed, Inside Market Area |          |           |           |
|----------------------------------------------------------|----------|-----------|-----------|
| Total Properties                                         |          |           |           |
|                                                          | Elderly  | Family    | Total     |
| Market Rate                                              |          | 14        | 14        |
| Restricted                                               | 3        | 8         | 11        |
| Subsidized                                               | 4        | 5         | 9         |
| <b>Total</b>                                             | <b>7</b> | <b>27</b> | <b>34</b> |

| Total Units  |              |              |              |
|--------------|--------------|--------------|--------------|
|              | Elderly      | Family       | Total        |
| Market Rate  | 184          | 2,140        | 2,324        |
| Restricted   | 88           | 208          | 296          |
| Subsidized   | 814          | 968          | 1,782        |
| <b>Total</b> | <b>1,086</b> | <b>3,316</b> | <b>4,402</b> |

| Vacant Units |            |            |            |
|--------------|------------|------------|------------|
|              | Elderly    | Family     | Total      |
| Market Rate  | 14         | 174        | 188        |
| Restricted   | 72         | 16         | 88         |
| Subsidized   | 40         | 56         | 96         |
| <b>Total</b> | <b>126</b> | <b>246</b> | <b>372</b> |

| Occupancy Rate |            |            |            |
|----------------|------------|------------|------------|
|                | Elderly    | Family     | Total      |
| Market Rate    | 92%        | 92%        | 92%        |
| Restricted     | 18%        | 92%        | 70%        |
| Subsidized     | 95%        | 94%        | 95%        |
| <b>Total</b>   | <b>88%</b> | <b>93%</b> | <b>92%</b> |

Source: Allen & Associates



Our analysis includes a total of 34 confirmed market area properties consisting of 4,402 units. The occupancy rate for these units currently stands at 92 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

Confirmed market area properties break down by rent type and tenure as shown in the tables above.

## Rental Property Inventory, Confirmed, Inside Market Area, by Project Status

The following tables and graphs provide a summary of the confirmed market area properties included in this analysis broken out by project status:

### Rental Property Inventory, Confirmed, Inside Market Area

| Elderly          |     |     |     |     | Family           |     |     |     |     |
|------------------|-----|-----|-----|-----|------------------|-----|-----|-----|-----|
| Total Properties |     |     |     |     | Total Properties |     |     |     |     |
|                  | Sub | Res | Mkt | Tot |                  | Sub | Res | Mkt | Tot |
| Stabilized       | 4   | 2   |     | 6   | Stabilized       | 4   | 7   | 13  | 24  |
| Lease Up         |     |     |     |     | Lease Up         |     |     |     |     |
| Construction     |     |     |     |     | Construction     | 1   | 1   |     | 2   |
| Rehabilitation   |     |     |     |     | Rehabilitation   |     |     | 1   | 1   |
| Prop Const       |     | 1   |     | 1   | Prop Const       |     |     |     |     |
| Prop Rehab       |     |     |     |     | Prop Rehab       |     |     |     |     |
| Unstabilized     |     |     |     |     | Unstabilized     |     |     |     |     |
| Subtotal         |     | 1   |     | 1   | Subtotal         | 1   | 1   | 1   | 3   |
| Total            | 4   | 3   |     | 7   | Total            | 5   | 8   | 14  | 27  |

| Total Units    |     |     |     |       | Total Units    |     |     |       |       |
|----------------|-----|-----|-----|-------|----------------|-----|-----|-------|-------|
|                | Sub | Res | Mkt | Tot   |                | Sub | Res | Mkt   | Tot   |
| Stabilized     | 799 | 17  | 178 | 994   | Stabilized     | 857 | 198 | 1,965 | 3,020 |
| Lease Up       |     |     |     |       | Lease Up       |     |     |       |       |
| Construction   |     |     |     |       | Construction   | 111 | 10  |       | 121   |
| Rehabilitation |     |     |     |       | Rehabilitation |     |     | 175   | 175   |
| Prop Const     | 15  | 71  | 6   | 92    | Prop Const     |     |     |       |       |
| Prop Rehab     |     |     |     |       | Prop Rehab     |     |     |       |       |
| Unstabilized   |     |     |     |       | Unstabilized   |     |     |       |       |
| Subtotal       | 15  | 71  | 6   | 92    | Subtotal       | 111 | 10  | 175   | 296   |
| Total          | 814 | 88  | 184 | 1,086 | Total          | 968 | 208 | 2,140 | 3,316 |

| Vacant Units   |     |     |     |     | Vacant Units   |     |     |     |     |
|----------------|-----|-----|-----|-----|----------------|-----|-----|-----|-----|
|                | Sub | Res | Mkt | Tot |                | Sub | Res | Mkt | Tot |
| Stabilized     | 25  | 1   | 8   | 34  | Stabilized     | 14  | 6   | 78  | 98  |
| Lease Up       |     |     |     |     | Lease Up       |     |     |     |     |
| Construction   |     |     |     |     | Construction   | 42  | 10  |     | 52  |
| Rehabilitation |     |     |     |     | Rehabilitation |     |     | 96  | 96  |
| Prop Const     | 15  | 71  | 6   | 92  | Prop Const     |     |     |     |     |
| Prop Rehab     |     |     |     |     | Prop Rehab     |     |     |     |     |
| Unstabilized   |     |     |     |     | Unstabilized   |     |     |     |     |
| Subtotal       | 15  | 71  | 6   | 92  | Subtotal       | 42  | 10  | 96  | 148 |
| Total          | 40  | 72  | 14  | 126 | Total          | 56  | 16  | 174 | 246 |

Source: Allen & Associates

Our survey includes a total of 30 stabilized market area properties consisting of 4,014 units standing at 97 percent occupancy.

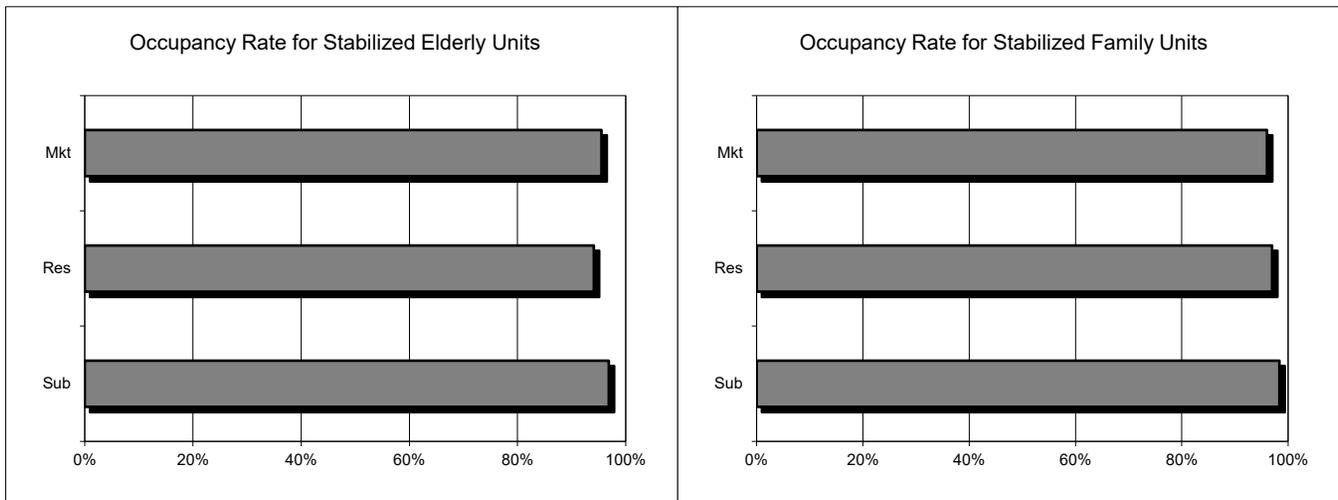
Our survey also includes a total of 4 market area properties consisting of 388 units that are not yet stabilized. Unstabilized units (also referred to as pipeline units) include vacant units in lease up, construction, rehabilitation, proposed new construction, and units with proposed renovation plans.

Rental Property Inventory, Confirmed, Inside Market Area

| Elderly        |     |     |     |     | Family         |     |     |     |     |
|----------------|-----|-----|-----|-----|----------------|-----|-----|-----|-----|
| Occupancy Rate |     |     |     |     | Occupancy Rate |     |     |     |     |
|                | Sub | Res | Mkt | Tot |                | Sub | Res | Mkt | Tot |
| Stabilized     | 97% | 94% | 96% | 97% | Stabilized     | 98% | 97% | 96% | 97% |
| Lease Up       |     |     |     |     | Lease Up       |     |     |     |     |
| Construction   |     |     |     |     | Construction   | 62% | 0%  |     | 57% |
| Rehabilitation |     |     |     |     | Rehabilitation |     |     | 45% | 45% |
| Prop Const     | 0%  | 0%  | 0%  | 0%  | Prop Const     |     |     |     |     |
| Prop Rehab     |     |     |     |     | Prop Rehab     |     |     |     |     |
| Unstabilized   |     |     |     |     | Unstabilized   |     |     |     |     |
| Subtotal       | 0%  | 0%  | 0%  | 0%  | Subtotal       | 62% | 0%  | 45% | 50% |
| Total          | 95% | 18% | 92% | 88% | Total          | 94% | 92% | 92% | 93% |

Source: Allen & Associates

Occupancies of stabilized market area properties broken out by occupancy type (elderly or family) and rent type (subsidized, restricted or market rate) are found below:



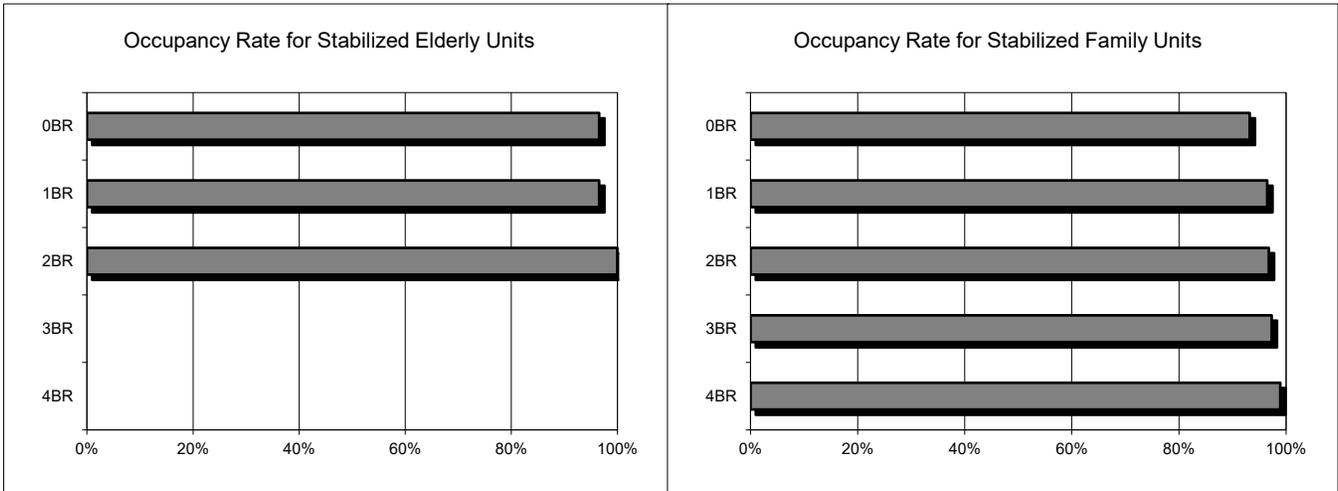
Our research suggests the following occupancy levels for the 994 stabilized elderly units in this market area:

- Subsidized, 97 percent (799 units in survey)
- Restricted, 94 percent (17 units in survey)
- Market Rate, 96 percent (178 units in survey)

Our research suggests the following occupancy levels for the 3,020 stabilized family units in this market area:

- Subsidized, 98 percent (857 units in survey)
- Restricted, 97 percent (198 units in survey)
- Market Rate, 96 percent (1965 units in survey)

Occupancy rates for stabilized market area properties broken out by occupancy type (elderly or family) and unit type are found below (supporting data is found in the pages that follow):



Our research suggests the following occupancy levels for the 994 stabilized elderly units in this market area:

- 0-Bedroom, 97 percent (317 units in survey)
- 1-Bedroom, 97 percent (667 units in survey)
- 2-Bedroom, 100 percent (10 units in survey)
- 3-Bedroom, not applicable (0 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Our research suggests the following occupancy levels for the 3,020 stabilized family units in this market area:

- 0-Bedroom, 93 percent (133 units in survey)
- 1-Bedroom, 96 percent (656 units in survey)
- 2-Bedroom, 97 percent (1499 units in survey)
- 3-Bedroom, 97 percent (638 units in survey)
- 4-Bedroom, 99 percent (94 units in survey)

Rental Property Inventory, Confirmed, Inside Market Area, 0-Bedroom Units

| Elderly                         |     |     |     |     |     |     |     |     |     |
|---------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total Properties with Unit Type |     |     |     |     |     |     |     |     |     |
|                                 | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                      | 4   |     |     |     |     |     |     | 1   | 5   |
| Lease Up                        |     |     |     |     |     |     |     |     |     |
| Construction                    |     |     |     |     |     |     |     |     |     |
| Rehabilitation                  |     |     |     |     |     |     |     |     |     |
| Prop Const                      |     |     |     |     |     |     |     |     |     |
| Prop Rehab                      |     |     |     |     |     |     |     |     |     |
| Unstabilized                    |     |     |     |     |     |     |     |     |     |
| Subtotal                        |     |     |     |     |     |     |     |     |     |
| Total                           | 4   |     |     |     |     |     |     | 1   | 5   |

| Family                          |     |     |     |     |     |     |     |     |     |
|---------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total Properties with Unit Type |     |     |     |     |     |     |     |     |     |
|                                 | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                      | 1   |     |     |     | 1   |     |     | 2   | 4   |
| Lease Up                        |     |     |     |     |     |     |     |     |     |
| Construction                    |     |     |     |     |     |     |     |     |     |
| Rehabilitation                  |     |     |     |     |     |     |     |     |     |
| Prop Const                      |     |     |     |     |     |     |     |     |     |
| Prop Rehab                      |     |     |     |     |     |     |     |     |     |
| Unstabilized                    |     |     |     |     |     |     |     |     |     |
| Subtotal                        |     |     |     |     |     |     |     |     |     |
| Total                           | 1   |     |     |     | 1   |     |     | 2   | 4   |

| Total Units    |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     | 268 |     |     |     |     |     |     | 49  | 317 |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          | 268 |     |     |     |     |     |     | 49  | 317 |

| Total Units    |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     | 20  |     |     |     | 20  |     |     | 93  | 133 |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          | 20  |     |     |     | 20  |     |     | 93  | 133 |

| Vacant Units   |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     | 9   |     |     |     |     |     |     | 2   | 11  |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          | 9   |     |     |     |     |     |     | 2   | 11  |

| Vacant Units   |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     |     |     |     |     | 1   |     |     | 8   | 9   |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          |     |     |     |     | 1   |     |     | 8   | 9   |

| Occupancy Rate |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     | 97% |     |     |     |     |     |     | 96% | 97% |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          | 97% |     |     |     |     |     |     | 96% | 97% |

| Occupancy Rate |      |     |     |     |     |     |     |     |     |
|----------------|------|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub  | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     | 100% |     |     |     | 95% |     |     | 91% | 93% |
| Lease Up       |      |     |     |     |     |     |     |     |     |
| Construction   |      |     |     |     |     |     |     |     |     |
| Rehabilitation |      |     |     |     |     |     |     |     |     |
| Prop Const     |      |     |     |     |     |     |     |     |     |
| Prop Rehab     |      |     |     |     |     |     |     |     |     |
| Unstabilized   |      |     |     |     |     |     |     |     |     |
| Subtotal       |      |     |     |     |     |     |     |     |     |
| Total          | 100% |     |     |     | 95% |     |     | 91% | 93% |

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 1-Bedroom Units

| Elderly                                                                                |     |     |     |     |     |     |     |     |     |
|----------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total Properties with Unit Type                                                        |     |     |     |     |     |     |     |     |     |
|                                                                                        | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                                                                             | 6   |     |     |     |     | 1   |     | 2   | 9   |
| Lease Up<br>Construction<br>Rehabilitation<br>Prop Const<br>Prop Rehab<br>Unstabilized | 1   |     |     |     |     | 1   |     | 1   | 3   |
| Subtotal                                                                               | 1   |     |     |     |     | 1   |     | 1   | 3   |
| Total                                                                                  | 7   |     |     |     |     | 2   |     | 3   | 12  |

| Family                                                                                 |     |     |     |     |     |     |     |     |     |
|----------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total Properties with Unit Type                                                        |     |     |     |     |     |     |     |     |     |
|                                                                                        | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                                                                             | 6   |     |     |     |     | 1   |     | 2   | 12  |
| Lease Up<br>Construction<br>Rehabilitation<br>Prop Const<br>Prop Rehab<br>Unstabilized | 2   |     |     |     |     |     | 1   | 1   | 3   |
| Subtotal                                                                               | 2   |     |     |     |     |     | 1   | 1   | 4   |
| Total                                                                                  | 8   |     |     |     |     | 1   | 3   | 13  | 25  |

| Total Units                                                                            |     |     |     |     |     |     |     |     |     |
|----------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                                                                        | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                                                                             | 528 |     |     |     |     | 15  |     | 124 | 667 |
| Lease Up<br>Construction<br>Rehabilitation<br>Prop Const<br>Prop Rehab<br>Unstabilized | 12  |     |     |     |     | 60  |     | 2   | 74  |
| Subtotal                                                                               | 12  |     |     |     |     | 60  |     | 2   | 74  |
| Total                                                                                  | 540 |     |     |     |     | 75  |     | 126 | 741 |

| Total Units                                                                            |     |     |     |     |     |     |     |     |     |
|----------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                                                                        | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                                                                             | 90  |     |     |     |     | 3   |     | 36  | 527 |
| Lease Up<br>Construction<br>Rehabilitation<br>Prop Const<br>Prop Rehab<br>Unstabilized | 49  |     |     |     |     |     | 1   | 95  | 50  |
| Subtotal                                                                               | 49  |     |     |     |     |     | 1   | 95  | 145 |
| Total                                                                                  | 139 |     |     |     |     | 3   | 37  | 622 | 801 |

| Vacant Units                                                                           |     |     |     |     |     |     |     |     |     |
|----------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                                                                        | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                                                                             | 16  |     |     |     |     | 1   |     | 6   | 23  |
| Lease Up<br>Construction<br>Rehabilitation<br>Prop Const<br>Prop Rehab<br>Unstabilized | 12  |     |     |     |     | 60  |     | 2   | 74  |
| Subtotal                                                                               | 12  |     |     |     |     | 60  |     | 2   | 74  |
| Total                                                                                  | 28  |     |     |     |     | 61  |     | 8   | 97  |

| Vacant Units                                                                           |     |     |     |     |     |     |     |     |     |
|----------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                                                                        | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                                                                             |     |     |     |     |     | 2   |     | 21  | 23  |
| Lease Up<br>Construction<br>Rehabilitation<br>Prop Const<br>Prop Rehab<br>Unstabilized | 25  |     |     |     |     |     | 1   | 53  | 26  |
| Subtotal                                                                               | 25  |     |     |     |     |     | 1   | 53  | 79  |
| Total                                                                                  | 25  |     |     |     |     | 3   |     | 74  | 102 |

| Occupancy Rate                                                                         |     |     |     |     |     |     |     |     |     |
|----------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                                                                        | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                                                                             | 97% |     |     |     |     | 93% |     | 95% | 97% |
| Lease Up<br>Construction<br>Rehabilitation<br>Prop Const<br>Prop Rehab<br>Unstabilized | 0%  |     |     |     |     | 0%  |     | 0%  | 0%  |
| Subtotal                                                                               | 0%  |     |     |     |     | 0%  |     | 0%  | 0%  |
| Total                                                                                  | 95% |     |     |     |     | 19% |     | 94% | 87% |

| Occupancy Rate                                                                         |      |     |     |     |     |      |     |     |     |
|----------------------------------------------------------------------------------------|------|-----|-----|-----|-----|------|-----|-----|-----|
|                                                                                        | Sub  | 20% | 30% | 40% | 50% | 60%  | 80% | Mkt | Tot |
| Stabilized                                                                             | 100% |     |     |     |     | 100% |     | 96% | 96% |
| Lease Up<br>Construction<br>Rehabilitation<br>Prop Const<br>Prop Rehab<br>Unstabilized | 49%  |     |     |     |     | 0%   |     | 44% | 48% |
| Subtotal                                                                               | 49%  |     |     |     |     | 0%   |     | 44% | 46% |
| Total                                                                                  | 82%  |     |     |     |     | 100% |     | 92% | 87% |

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 2-Bedroom Units

| Elderly                                    |     |     |     |     |     |     |     |     |     |
|--------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total Properties with Unit Type            |     |     |     |     |     |     |     |     |     |
|                                            | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                                 | 1   |     |     |     |     | 1   |     | 1   | 3   |
| Lease Up<br>Construction<br>Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const<br>Prop Rehab<br>Unstabilized   | 1   |     |     |     |     | 1   |     | 1   | 3   |
| Subtotal                                   | 1   |     |     |     |     | 1   |     | 1   | 3   |
| Total                                      | 2   |     |     |     |     | 2   |     | 2   | 6   |

| Family                                     |     |     |     |     |     |     |     |     |     |
|--------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total Properties with Unit Type            |     |     |     |     |     |     |     |     |     |
|                                            | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                                 | 9   |     |     |     | 1   | 3   |     | 15  | 28  |
| Lease Up<br>Construction<br>Rehabilitation | 2   |     |     |     |     | 1   |     | 1   | 3   |
| Prop Const<br>Prop Rehab<br>Unstabilized   |     |     |     |     |     |     |     |     | 1   |
| Subtotal                                   | 2   |     |     |     |     | 1   |     | 1   | 4   |
| Total                                      | 11  |     |     |     | 1   | 4   |     | 16  | 32  |

| Total Units                                |     |     |     |     |     |     |     |     |     |
|--------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                            | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                                 | 3   |     |     |     |     | 2   |     | 5   | 10  |
| Lease Up<br>Construction<br>Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const<br>Prop Rehab<br>Unstabilized   | 3   |     |     |     |     | 11  |     | 4   | 18  |
| Subtotal                                   | 3   |     |     |     |     | 11  |     | 4   | 18  |
| Total                                      | 6   |     |     |     |     | 13  |     | 9   | 28  |

| Total Units                                |     |     |     |     |     |     |     |       |       |
|--------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-------|-------|
|                                            | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt   | Tot   |
| Stabilized                                 | 403 |     |     |     | 11  | 67  |     | 1,018 | 1,499 |
| Lease Up<br>Construction<br>Rehabilitation | 43  |     |     |     |     | 7   |     | 80    | 50    |
| Prop Const<br>Prop Rehab<br>Unstabilized   |     |     |     |     |     |     |     |       | 80    |
| Subtotal                                   | 43  |     |     |     |     | 7   |     | 80    | 130   |
| Total                                      | 446 |     |     |     | 11  | 74  |     | 1,098 | 1,629 |

| Vacant Units                               |     |     |     |     |     |     |     |     |     |
|--------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                            | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                                 |     |     |     |     |     |     |     |     |     |
| Lease Up<br>Construction<br>Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const<br>Prop Rehab<br>Unstabilized   | 3   |     |     |     |     | 11  |     | 4   | 18  |
| Subtotal                                   | 3   |     |     |     |     | 11  |     | 4   | 18  |
| Total                                      | 3   |     |     |     |     | 11  |     | 4   | 18  |

| Vacant Units                               |     |     |     |     |     |     |     |     |     |
|--------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                            | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                                 | 6   |     |     |     |     | 1   |     | 41  | 48  |
| Lease Up<br>Construction<br>Rehabilitation | 13  |     |     |     |     | 7   |     | 43  | 20  |
| Prop Const<br>Prop Rehab<br>Unstabilized   |     |     |     |     |     |     |     |     | 43  |
| Subtotal                                   | 13  |     |     |     |     | 7   |     | 43  | 63  |
| Total                                      | 19  |     |     |     |     | 8   |     | 84  | 111 |

| Occupancy Rate                             |      |     |     |     |     |      |     |      |      |
|--------------------------------------------|------|-----|-----|-----|-----|------|-----|------|------|
|                                            | Sub  | 20% | 30% | 40% | 50% | 60%  | 80% | Mkt  | Tot  |
| Stabilized                                 | 100% |     |     |     |     | 100% |     | 100% | 100% |
| Lease Up<br>Construction<br>Rehabilitation |      |     |     |     |     |      |     |      |      |
| Prop Const<br>Prop Rehab<br>Unstabilized   | 0%   |     |     |     |     | 0%   |     | 0%   | 0%   |
| Subtotal                                   | 0%   |     |     |     |     | 0%   |     | 0%   | 0%   |
| Total                                      | 50%  |     |     |     |     | 15%  |     | 56%  | 36%  |

| Occupancy Rate                             |     |     |     |     |      |     |     |     |     |
|--------------------------------------------|-----|-----|-----|-----|------|-----|-----|-----|-----|
|                                            | Sub | 20% | 30% | 40% | 50%  | 60% | 80% | Mkt | Tot |
| Stabilized                                 | 99% |     |     |     | 100% | 99% |     | 96% | 97% |
| Lease Up<br>Construction<br>Rehabilitation | 70% |     |     |     |      | 0%  |     | 46% | 60% |
| Prop Const<br>Prop Rehab<br>Unstabilized   |     |     |     |     |      |     |     |     | 46% |
| Subtotal                                   | 70% |     |     |     |      | 0%  |     | 46% | 52% |
| Total                                      | 96% |     |     |     | 100% | 89% |     | 92% | 93% |

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 3-Bedroom Units

| Elderly                         |     |     |     |     |     |     |     |     |     |
|---------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total Properties with Unit Type |     |     |     |     |     |     |     |     |     |
|                                 | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                      |     |     |     |     |     |     |     |     |     |
| Lease Up                        |     |     |     |     |     |     |     |     |     |
| Construction                    |     |     |     |     |     |     |     |     |     |
| Rehabilitation                  |     |     |     |     |     |     |     |     |     |
| Prop Const                      |     |     |     |     |     |     |     |     |     |
| Prop Rehab                      |     |     |     |     |     |     |     |     |     |
| Unstabilized                    |     |     |     |     |     |     |     |     |     |
| Subtotal                        |     |     |     |     |     |     |     |     |     |
| Total                           |     |     |     |     |     |     |     |     |     |

| Family                          |     |     |     |     |     |     |     |     |     |
|---------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total Properties with Unit Type |     |     |     |     |     |     |     |     |     |
|                                 | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                      | 9   |     |     |     | 2   | 4   |     | 9   | 24  |
| Lease Up                        |     |     |     |     |     |     |     |     |     |
| Construction                    | 2   |     |     |     |     | 1   |     |     | 3   |
| Rehabilitation                  |     |     |     |     |     |     |     |     |     |
| Prop Const                      |     |     |     |     |     |     |     |     |     |
| Prop Rehab                      |     |     |     |     |     |     |     |     |     |
| Unstabilized                    |     |     |     |     |     |     |     |     |     |
| Subtotal                        | 2   |     |     |     |     | 1   |     |     | 3   |
| Total                           | 11  |     |     |     | 2   | 5   |     | 9   | 27  |

| Total Units    |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     |     |     |     |     |     |     |     |     |     |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          |     |     |     |     |     |     |     |     |     |

| Total Units    |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     | 279 |     |     |     | 7   | 48  |     | 304 | 638 |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   | 19  |     |     |     |     | 2   |     |     | 21  |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       | 19  |     |     |     |     | 2   |     |     | 21  |
| Total          | 298 |     |     |     | 7   | 50  |     | 304 | 659 |

| Vacant Units   |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     |     |     |     |     |     |     |     |     |     |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          |     |     |     |     |     |     |     |     |     |

| Vacant Units   |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     | 7   |     |     |     |     | 2   |     | 8   | 17  |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   | 4   |     |     |     |     | 2   |     |     | 6   |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       | 4   |     |     |     |     | 2   |     |     | 6   |
| Total          | 11  |     |     |     |     | 4   |     | 8   | 23  |

| Occupancy Rate |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     |     |     |     |     |     |     |     |     |     |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          |     |     |     |     |     |     |     |     |     |

| Occupancy Rate |     |     |     |     |      |     |     |     |     |
|----------------|-----|-----|-----|-----|------|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50%  | 60% | 80% | Mkt | Tot |
| Stabilized     | 97% |     |     |     | 100% | 96% |     | 97% | 97% |
| Lease Up       |     |     |     |     |      |     |     |     |     |
| Construction   | 79% |     |     |     |      | 0%  |     |     | 71% |
| Rehabilitation |     |     |     |     |      |     |     |     |     |
| Prop Const     |     |     |     |     |      |     |     |     |     |
| Prop Rehab     |     |     |     |     |      |     |     |     |     |
| Unstabilized   |     |     |     |     |      |     |     |     |     |
| Subtotal       | 79% |     |     |     |      | 0%  |     |     | 71% |
| Total          | 96% |     |     |     | 100% | 92% |     | 97% | 97% |

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 4-Bedroom Units

| Elderly                         |     |     |     |     |     |     |     |     |     |
|---------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total Properties with Unit Type |     |     |     |     |     |     |     |     |     |
|                                 | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                      |     |     |     |     |     |     |     |     |     |
| Lease Up                        |     |     |     |     |     |     |     |     |     |
| Construction                    |     |     |     |     |     |     |     |     |     |
| Rehabilitation                  |     |     |     |     |     |     |     |     |     |
| Prop Const                      |     |     |     |     |     |     |     |     |     |
| Prop Rehab                      |     |     |     |     |     |     |     |     |     |
| Unstabilized                    |     |     |     |     |     |     |     |     |     |
| Subtotal                        |     |     |     |     |     |     |     |     |     |
| Total                           |     |     |     |     |     |     |     |     |     |

| Total Units    |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     |     |     |     |     |     |     |     |     |     |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          |     |     |     |     |     |     |     |     |     |

| Vacant Units   |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     |     |     |     |     |     |     |     |     |     |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          |     |     |     |     |     |     |     |     |     |

| Occupancy Rate |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     |     |     |     |     |     |     |     |     |     |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          |     |     |     |     |     |     |     |     |     |

| Family                          |     |     |     |     |     |     |     |     |     |
|---------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total Properties with Unit Type |     |     |     |     |     |     |     |     |     |
|                                 | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized                      | 5   |     |     |     | 1   | 1   |     | 2   | 9   |
| Lease Up                        |     |     |     |     |     |     |     |     |     |
| Construction                    |     |     |     |     |     |     |     |     |     |
| Rehabilitation                  |     |     |     |     |     |     |     |     |     |
| Prop Const                      |     |     |     |     |     |     |     |     |     |
| Prop Rehab                      |     |     |     |     |     |     |     |     |     |
| Unstabilized                    |     |     |     |     |     |     |     |     |     |
| Subtotal                        |     |     |     |     |     |     |     |     |     |
| Total                           | 5   |     |     |     | 1   | 1   |     | 2   | 9   |

| Total Units    |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     | 65  |     |     |     | 3   | 3   |     | 23  | 94  |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          | 65  |     |     |     | 3   | 3   |     | 23  | 94  |

| Vacant Units   |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| Stabilized     | 1   |     |     |     |     |     |     |     | 1   |
| Lease Up       |     |     |     |     |     |     |     |     |     |
| Construction   |     |     |     |     |     |     |     |     |     |
| Rehabilitation |     |     |     |     |     |     |     |     |     |
| Prop Const     |     |     |     |     |     |     |     |     |     |
| Prop Rehab     |     |     |     |     |     |     |     |     |     |
| Unstabilized   |     |     |     |     |     |     |     |     |     |
| Subtotal       |     |     |     |     |     |     |     |     |     |
| Total          | 1   |     |     |     |     |     |     |     | 1   |

| Occupancy Rate |     |     |     |     |      |      |     |      |     |
|----------------|-----|-----|-----|-----|------|------|-----|------|-----|
|                | Sub | 20% | 30% | 40% | 50%  | 60%  | 80% | Mkt  | Tot |
| Stabilized     | 98% |     |     |     | 100% | 100% |     | 100% | 99% |
| Lease Up       |     |     |     |     |      |      |     |      |     |
| Construction   |     |     |     |     |      |      |     |      |     |
| Rehabilitation |     |     |     |     |      |      |     |      |     |
| Prop Const     |     |     |     |     |      |      |     |      |     |
| Prop Rehab     |     |     |     |     |      |      |     |      |     |
| Unstabilized   |     |     |     |     |      |      |     |      |     |
| Subtotal       |     |     |     |     |      |      |     |      |     |
| Total          | 98% |     |     |     | 100% | 100% |     | 100% | 99% |

Source: Allen & Associates

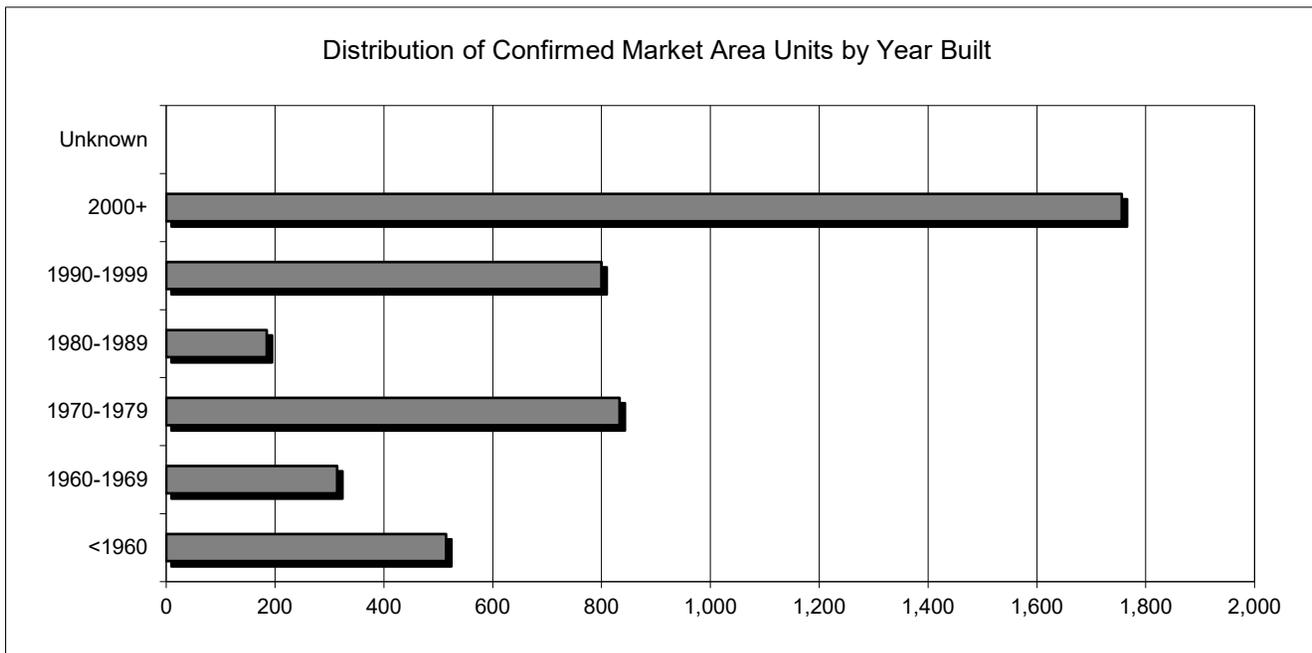
## Rental Property Inventory, Confirmed, Inside Market Area, by Year Built

The following tables and graph provide a summary of the confirmed market area properties included in this analysis broken out by year built:

| Rental Property Inventory, Confirmed, Inside Market Area |          |           |           |
|----------------------------------------------------------|----------|-----------|-----------|
| Total Properties                                         |          |           |           |
|                                                          | Elderly  | Family    | Total     |
| <1960                                                    |          | 3         | 3         |
| 1960-1969                                                |          | 4         | 4         |
| 1970-1979                                                | 2        | 3         | 5         |
| 1980-1989                                                | 1        | 1         | 2         |
| 1990-1999                                                |          | 5         | 5         |
| 2000+                                                    | 4        | 11        | 15        |
| Unknown                                                  |          |           |           |
| <b>Total</b>                                             | <b>7</b> | <b>27</b> | <b>34</b> |

| Total Units  |              |              |              |
|--------------|--------------|--------------|--------------|
|              | Elderly      | Family       | Total        |
| <1960        |              | 514          | 514          |
| 1960-1969    |              | 314          | 314          |
| 1970-1979    | 516          | 317          | 833          |
| 1980-1989    | 169          | 16           | 185          |
| 1990-1999    |              | 800          | 800          |
| 2000+        | 401          | 1,355        | 1,756        |
| Unknown      |              |              |              |
| <b>Total</b> | <b>1,086</b> | <b>3,316</b> | <b>4,402</b> |

Source: Allen & Associates



Our research suggests that of the 34 confirmed market area properties (4402 units) included in this report, 3 properties (514 units) were constructed before 1960, 4 properties (314 units) were constructed between 1960 and 1969, 5 properties (833 units) between 1970 and 1979, 2 properties (185 units) between 1980 and 1989, 5 properties (800 units) between 1990 and 1999, and 15 properties (1756 units) after 2000. In addition, 0 properties (0 units) had an unknown date of construction.

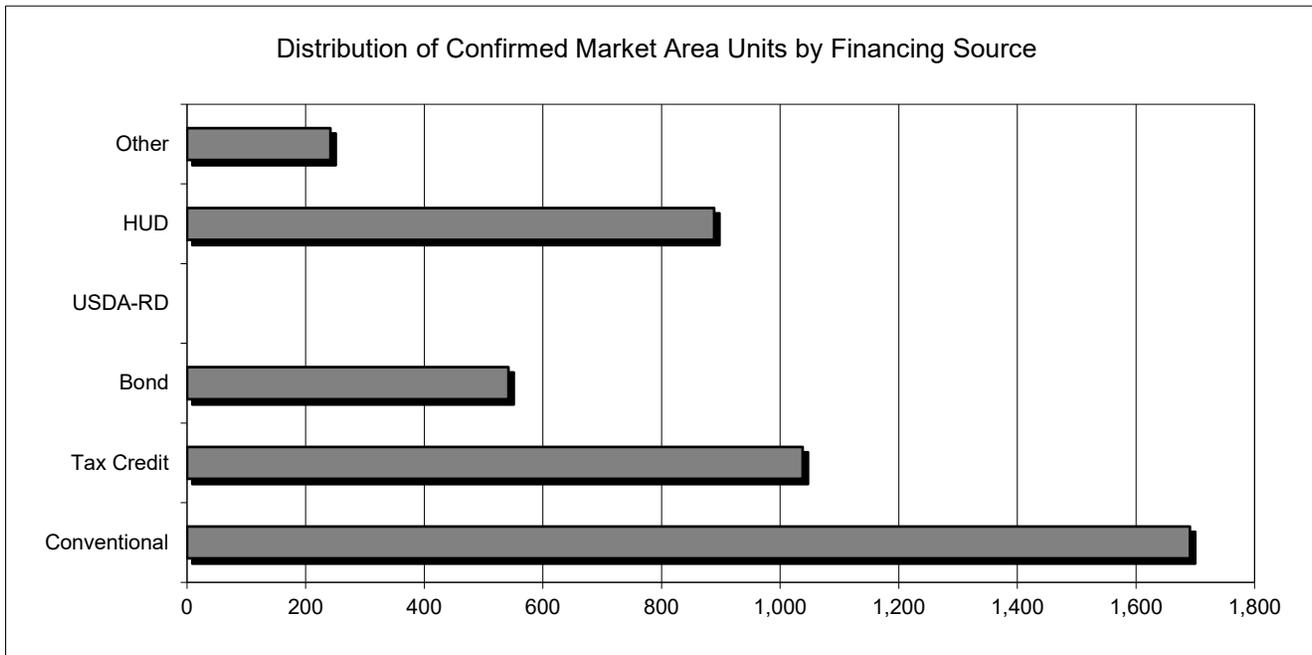
## Rental Property Inventory, Confirmed, Inside Market Area, by Financing Source

The following tables and graph provide a summary of the confirmed market area properties included in this analysis broken out by financing source:

| Rental Property Inventory, Confirmed, Inside Market Area |          |           |           |
|----------------------------------------------------------|----------|-----------|-----------|
| Total Properties                                         |          |           |           |
|                                                          | Elderly  | Family    | Total     |
| Conventional                                             |          | 13        | 13        |
| Tax Credit                                               | 3        | 10        | 13        |
| Bond                                                     |          | 2         | 2         |
| USDA-RD                                                  |          |           |           |
| HUD                                                      | 3        | 1         | 4         |
| Other                                                    | 1        | 1         | 2         |
| <b>Total</b>                                             | <b>7</b> | <b>27</b> | <b>34</b> |

| Total Units  |              |              |              |
|--------------|--------------|--------------|--------------|
|              | Elderly      | Family       | Total        |
| Conventional |              | 1,691        | 1,691        |
| Tax Credit   | 252          | 786          | 1,038        |
| Bond         |              | 542          | 542          |
| USDA-RD      |              |              |              |
| HUD          | 685          | 204          | 889          |
| Other        | 149          | 93           | 242          |
| <b>Total</b> | <b>1,086</b> | <b>3,316</b> | <b>4,402</b> |

Source: Allen & Associates



Our research suggests that of the 34 confirmed properties in the market area, 13 properties (consisting of 1691 units) are conventionally financed, 13 properties (consisting of 1038 units) include tax credit financing, 2 properties (consisting of 542 units) are bond financed, 0 properties (consisting of 0 units) are exclusively USDA-RD financed, and 4 properties (consisting of 889 units) are exclusively HUD financed.

The average project size for this market area is 129 units. The smallest projects are tax credit financed, averaging 80 units in size. The largest projects are bond financed, averaging 271 units in size.

## Rental Property Inventory, Confirmed, Inside Market Area, Rent Summary

The following tables and graphs provide a summary of the rents charged at confirmed market area properties broken out by unit type:

Rental Property Inventory, Confirmed, Inside Market Area

| Rents     |            |         |         |            |         |       |         |         |         |
|-----------|------------|---------|---------|------------|---------|-------|---------|---------|---------|
|           | Subsidized |         |         | Restricted |         |       | Market  |         |         |
|           | Min        | Max     | Avg     | Min        | Max     | Avg   | Min     | Max     | Avg     |
| 0-Bedroom | #####      | #####   | #####   | \$647      | \$647   | \$647 | \$600   | \$1,276 | \$1,012 |
| 1-Bedroom | \$544      | \$973   | \$713   | \$584      | \$764   | \$664 | \$549   | \$1,794 | \$1,019 |
| 2-Bedroom | \$558      | \$911   | \$727   | \$694      | \$902   | \$773 | \$650   | \$2,358 | \$1,216 |
| 3-Bedroom | \$623      | \$1,011 | \$825   | \$600      | \$968   | \$811 | \$745   | \$2,863 | \$1,306 |
| 4-Bedroom | \$844      | \$1,098 | \$1,011 | \$844      | \$1,059 | \$952 | \$1,299 | \$1,472 | \$1,386 |

Unit Size

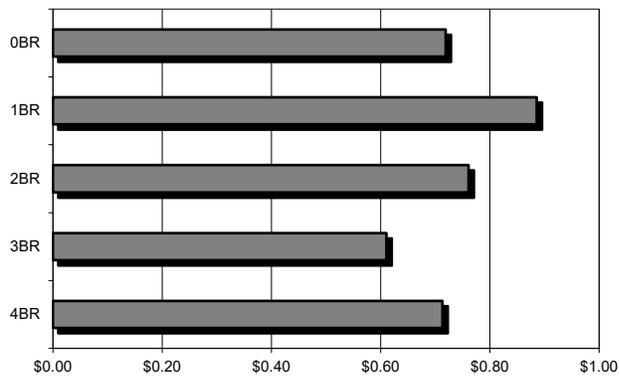
| Unit Size |            |       |       |            |       |       |        |       |       |
|-----------|------------|-------|-------|------------|-------|-------|--------|-------|-------|
|           | Subsidized |       |       | Restricted |       |       | Market |       |       |
|           | Min        | Max   | Avg   | Min        | Max   | Avg   | Min    | Max   | Avg   |
| 0-Bedroom | 231        | 900   | 564   | 900        | 900   | 900   | 550    | 790   | 659   |
| 1-Bedroom | 375        | 961   | 690   | 723        | 767   | 750   | 582    | 1,010 | 767   |
| 2-Bedroom | 690        | 1,284 | 1,028 | 940        | 1,172 | 1,015 | 862    | 1,287 | 1,061 |
| 3-Bedroom | 966        | 1,546 | 1,284 | 1,142      | 1,500 | 1,328 | 660    | 1,546 | 1,287 |
| 4-Bedroom | 1,219      | 1,650 | 1,456 | 1,334      | 1,334 | 1,334 | 1,650  | 1,731 | 1,691 |

Rent per Square Foot

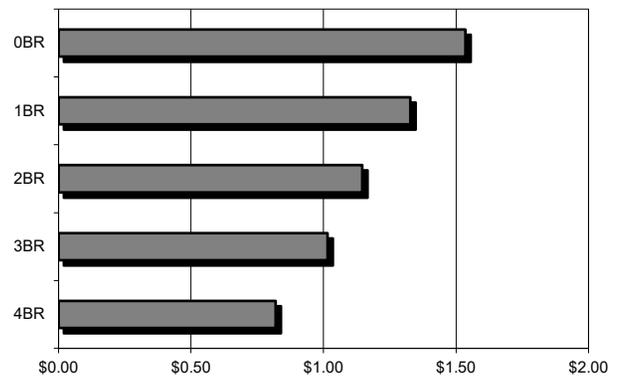
| Rent per Square Foot |            |        |        |            |        |        |        |        |        |
|----------------------|------------|--------|--------|------------|--------|--------|--------|--------|--------|
|                      | Subsidized |        |        | Restricted |        |        | Market |        |        |
|                      | Min        | Max    | Avg    | Min        | Max    | Avg    | Min    | Max    | Avg    |
| 0-Bedroom            | #####      | #####  | #####  | \$0.72     | \$0.72 | \$0.72 | \$1.09 | \$1.61 | \$1.54 |
| 1-Bedroom            | \$1.01     | \$1.45 | \$1.03 | \$0.81     | \$1.00 | \$0.89 | \$0.94 | \$1.78 | \$1.33 |
| 2-Bedroom            | \$0.71     | \$0.81 | \$0.71 | \$0.74     | \$0.77 | \$0.76 | \$0.75 | \$1.83 | \$1.15 |
| 3-Bedroom            | \$0.64     | \$0.65 | \$0.64 | \$0.53     | \$0.65 | \$0.61 | \$1.13 | \$1.85 | \$1.01 |
| 4-Bedroom            | \$0.67     | \$0.69 | \$0.69 | \$0.63     | \$0.79 | \$0.71 | \$0.79 | \$0.85 | \$0.82 |

Source: Allen & Associates

Rent per Square Foot for Restricted Units



Rent per Square Foot for Market Rate Units



Our research suggests the following average rent levels for confirmed restricted rent units:

- 0-Bedroom, \$0.72 per square foot
- 1-Bedroom, \$0.89 per square foot
- 2-Bedroom, \$0.76 per square foot
- 3-Bedroom, \$0.61 per square foot
- 4-Bedroom, \$0.71 per square foot

Our research suggests the following average rent levels for confirmed market rate units:

- 0-Bedroom, \$1.54 per square foot
- 1-Bedroom, \$1.33 per square foot
- 2-Bedroom, \$1.15 per square foot
- 3-Bedroom, \$1.01 per square foot
- 4-Bedroom, \$0.82 per square foot

A detailed listing of rents and floor areas for confirmed market area properties by unit type and income target is found in the following pages.

## Rental Property Inventory, Confirmed, Inside Market Area, Unit Mix Summary

In the tables and graphs found below we present a breakdown of unit mix for confirmed market area properties broken out by occupancy type (elderly or family):

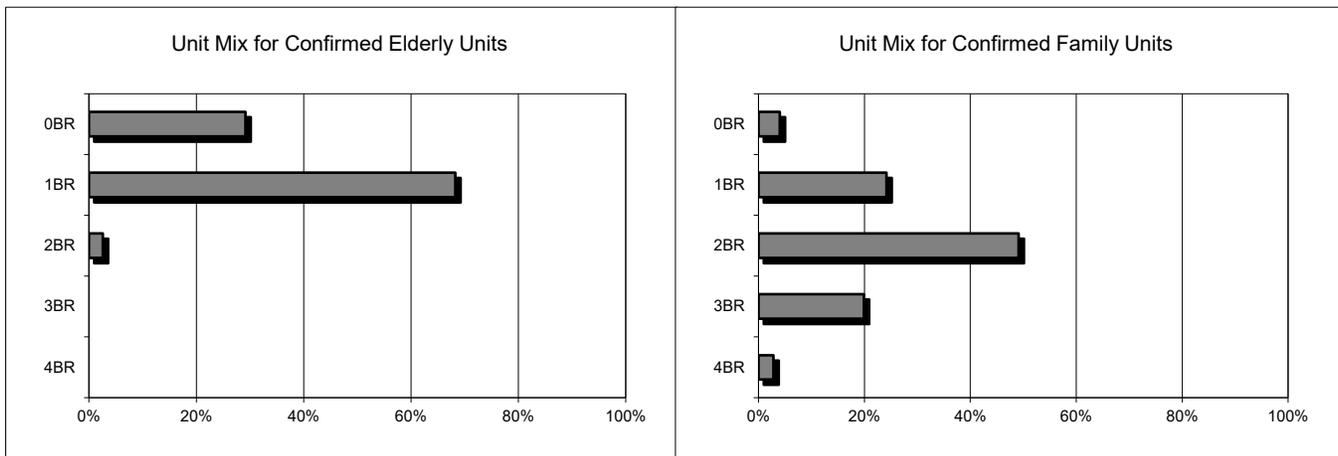
Rental Property Inventory, Confirmed, Inside Market Area, Unit Mix Summary

| Elderly      |            |           |            |              | Family       |            |            |              |              |
|--------------|------------|-----------|------------|--------------|--------------|------------|------------|--------------|--------------|
| Total Units  |            |           |            |              | Total Units  |            |            |              |              |
|              | Sub        | Res       | Mkt        | Tot          |              | Sub        | Res        | Mkt          | Tot          |
| 0-Bedroom    | 268        |           | 49         | 317          | 0-Bedroom    | 20         | 20         | 93           | 133          |
| 1-Bedroom    | 540        | 75        | 126        | 741          | 1-Bedroom    | 139        | 40         | 622          | 801          |
| 2-Bedroom    | 6          | 13        | 9          | 28           | 2-Bedroom    | 446        | 85         | 1,098        | 1,629        |
| 3-Bedroom    |            |           |            |              | 3-Bedroom    | 298        | 57         | 304          | 659          |
| 4-Bedroom    |            |           |            |              | 4-Bedroom    | 65         | 6          | 23           | 94           |
| <b>Total</b> | <b>814</b> | <b>88</b> | <b>184</b> | <b>1,086</b> | <b>Total</b> | <b>968</b> | <b>208</b> | <b>2,140</b> | <b>3,316</b> |

| Unit Mix     |             |             |             |             | Unit Mix     |             |             |             |             |
|--------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
|              | Sub         | Res         | Mkt         | Tot         |              | Sub         | Res         | Mkt         | Tot         |
| 0-Bedroom    | 33%         |             | 27%         | 29%         | 0-Bedroom    | 2%          | 10%         | 4%          | 4%          |
| 1-Bedroom    | 66%         | 85%         | 68%         | 68%         | 1-Bedroom    | 14%         | 19%         | 29%         | 24%         |
| 2-Bedroom    | 1%          | 15%         | 5%          | 3%          | 2-Bedroom    | 46%         | 41%         | 51%         | 49%         |
| 3-Bedroom    |             |             |             |             | 3-Bedroom    | 31%         | 27%         | 14%         | 20%         |
| 4-Bedroom    |             |             |             |             | 4-Bedroom    | 7%          | 3%          | 1%          | 3%          |
| <b>Total</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>Total</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

Source: Allen & Associates



Our research suggests the following unit mix for the 1,086 confirmed elderly units located in this market area:

- 0-Bedroom, 29 percent (317 units in survey)
- 1-Bedroom, 68 percent (741 units in survey)
- 2-Bedroom, 3 percent (28 units in survey)
- 3-Bedroom, not applicable (0 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Our research suggests the following unit mix for the 3,316 confirmed family units located in this market area:

- 0-Bedroom, 4 percent (133 units in survey)
- 1-Bedroom, 24 percent (801 units in survey)
- 2-Bedroom, 49 percent (1,629 units in survey)
- 3-Bedroom, 20 percent (659 units in survey)
- 4-Bedroom, 3 percent (94 units in survey)

## Rental Property Inventory, Confirmed, Inside Market Area, Amenity Summary

In the table found below we present a summary of amenities found at confirmed market area properties:

| Rental Property Inventory, Confirmed, Inside Market Area, Amenity Summary |      |                  |     |
|---------------------------------------------------------------------------|------|------------------|-----|
| Building Type                                                             |      | Air Conditioning |     |
| 1 Story                                                                   | 3%   | Central          | 97% |
| 2-4 Story                                                                 | 76%  | Wall Units       | 3%  |
| 5-10 Story                                                                | 18%  | Window Units     | 0%  |
| >10 Story                                                                 | 3%   | None             | 0%  |
| Project Amenities                                                         |      | Heat             |     |
| Ball Field                                                                | 0%   | Central          | 97% |
| BBQ Area                                                                  | 29%  | Wall Units       | 0%  |
| Billiards                                                                 | 12%  | Baseboards       | 3%  |
| Bus/Comp Ctr                                                              | 35%  | Radiators        | 0%  |
| Car Care Ctr                                                              | 6%   | None             | 0%  |
| Comm Center                                                               | 71%  | Parking          |     |
| Elevator                                                                  | 32%  | Garage           | 0%  |
| Fitness Center                                                            | 44%  | Covered          | 0%  |
| Gazebo                                                                    | 26%  | Assigned         | 0%  |
| Hot Tub/Jacuzzi                                                           | 0%   | Open             | 94% |
| Horseshoe Pit                                                             | 0%   | None             | 6%  |
| Lake                                                                      | 6%   | Laundry          |     |
| Library                                                                   | 15%  | Central          | 82% |
| Movie Theatre                                                             | 9%   | W/D Units        | 12% |
| Picnic Area                                                               | 35%  | W/D Hookups      | 50% |
| Playground                                                                | 41%  | Security         |     |
| Pool                                                                      | 41%  | Call Buttons     | 12% |
| Sauna                                                                     | 0%   | Cont Access      | 62% |
| Sports Court                                                              | 18%  | Courtesy Officer | 32% |
| Walking Trail                                                             | 0%   | Monitoring       | 15% |
| Unit Amenities                                                            |      | Security Alarms  | 15% |
| Blinds                                                                    | 100% | Security Patrols | 9%  |
| Ceiling Fans                                                              | 47%  | Services         |     |
| Upgraded Flooring                                                         | 91%  | After School     | 3%  |
| Fireplace                                                                 | 0%   | Concierge        | 0%  |
| Patio/Balcony                                                             | 56%  | Hair Salon       | 3%  |
| Storage                                                                   | 18%  | Health Care      | 0%  |
| Kitchen Amenities                                                         |      | Linens           | 0%  |
| Stove                                                                     | 100% | Meals            | 0%  |
| Refrigerator                                                              | 100% | Transportation   | 0%  |
| Disposal                                                                  | 53%  |                  |     |
| Dishwasher                                                                | 79%  |                  |     |
| Microwave                                                                 | 21%  |                  |     |

Source: Allen & Associates

Our research suggests that 3 percent of confirmed market area properties are 1 story in height, 76 percent are 2-4 stories in height, 18 percent are 5-10 stories in height, and 3 percent are over 10 stories in height. In addition, surveyed properties benefit from the following project amenities: 35 percent have a business/computer center, 71 percent have a community center, 44 percent have a fitness center, 41 percent have a playground, and 18 percent have a sports court.

Our research also suggests that the following unit amenities are present at surveyed properties: 100 percent have blinds, 91 percent have carpeting, 56 percent have patios/balconies, and 18 percent have outside storage. Surveyed properties also include the following kitchen amenities: 100 percent have a stove, 100 percent have a refrigerator, 53 percent have a disposal, 79 percent have a dishwasher, and 21 percent have a microwave.

In addition, 97 percent of confirmed market area properties have central heat while 97 percent have central air. Our research also suggests that 94 percent of surveyed properties have open parking. A total of 82 percent of area properties have central laundry facilities, while 50 percent have washer/dryer hookups, and 12 percent have washer/dryer units in each residential unit.

A total of 12 percent of confirmed market area properties have call buttons, 62 percent have controlled access, and 15 percent have security alarms.

It is also our understanding that the majority of confirmed market area properties provide cable access.

Finally, in the following pages we provide a summary of vouchers, concessions and waiting lists for the confirmed market area properties included in this report. We also include any absorption information we have uncovered as part of our research.

Rental Property Inventory, Confirmed, Inside Market Area

| Key | Project                                  | Latitude | Longitude | Built | Renovated | Rent Type   | Occ Type | Status         | Financing    | Tot Units | Vac Units | Occupancy | Concessions | Vouchers | Abs Rate | Waiting List |
|-----|------------------------------------------|----------|-----------|-------|-----------|-------------|----------|----------------|--------------|-----------|-----------|-----------|-------------|----------|----------|--------------|
| 001 | Adair Oaks Apartments                    | 33.7698  | -84.3065  | 1969  | 2014      | Market Rate | Family   | Stabilized     | Conventional | 64        | 0         | 100.0%    | 0%          | 0%       | -        | -            |
| 002 | Alexan 1133                              | 33.7772  | -84.2987  | 2016  | na        | Market Rate | Family   | Stabilized     | Conventional | 167       | 15        | 91.0%     | 0%          | 0%       | 22.00    | no           |
| 003 | Allen Wilson Phase 1                     | 33.7721  | -84.2989  | 2011  | na        | Subsidized  | Family   | Stabilized     | Tax Credit   | 40        | 0         | 100.0%    | -           | 0%       | -        | yes          |
| 004 | Allen Wilson Phase 2                     | 33.7724  | -84.2989  | 2012  | na        | Subsidized  | Elderly  | Stabilized     | Tax Credit   | 80        | 0         | 100.0%    | -           | 0%       | -        | yes          |
| 005 | Allen Wilson Phase 3                     | 33.7730  | -84.3003  | 2014  | na        | Subsidized  | Family   | Stabilized     | Tax Credit   | 71        | 1         | 98.6%     | -           | 0%       | -        | yes          |
| 007 | Arbors of East Atlanta Apartments        | 33.7474  | -84.3283  | 1962  | 2007      | Market Rate | Family   | Stabilized     | Conventional | 124       | 10        | 91.9%     | 0%          | 31%      | -        | no           |
| 008 | Archstone Decatur Crossing               | 33.7803  | -84.2782  | 2000  | na        | Market Rate | Family   | Stabilized     | Conventional | 180       | 3         | 98.3%     | 0%          | 0%       | -        | no           |
| 013 | Atlantic Star Ice House Lofts            | 33.7727  | -84.2894  | 1926  | 1999      | Market Rate | Family   | Stabilized     | Conventional | 98        | 6         | 93.9%     | 0%          | 0%       | -        | -            |
| 015 | Avery Glen Apartments                    | 33.7713  | -84.2917  | 1993  | na        | Market Rate | Family   | Stabilized     | Conventional | 118       | 0         | 100.0%    | 0%          | 0%       | -        | 17 people    |
| 016 | Avondale Station Apartments              | 33.7750  | -84.2751  | 1954  | 2011      | Market Rate | Family   | Stabilized     | Conventional | 212       | 8         | 96.2%     | 0%          | 0%       | -        | -            |
| 023 | Candler Forrest Apartments               | 33.7279  | -84.2803  | 2005  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 99        | 3         | 97.0%     | 0%          | 0%       | -        | 23 people    |
| 025 | Clairmont Oaks Apartments                | 33.7799  | -84.2969  | 1975  | 1995      | Restricted  | Elderly  | Stabilized     | HUD          | 296       | 14        | 95.3%     | 0%          | 0%       | -        | 25 people    |
| 030 | Columbia Avondale Sr                     | 33.7736  | -84.2817  | 2016  | na        | Restricted  | Elderly  | Prop Const     | Tax Credit   | 92        | 92        | 0.0%      | 0%          | 0%       | -        | -            |
| 037 | Columbia Senior Residences at Forrest Hi | 33.7574  | -84.2713  | 2014  | na        | Restricted  | Elderly  | Stabilized     | Tax Credit   | 80        | 1         | 98.8%     | 0%          | 0%       | -        | -            |
| 040 | Columbia Village Apartments              | 33.7328  | -84.3103  | 1999  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 100       | 3         | 97.0%     | 0%          | 17%      | -        | 500 people   |
| 050 | East Lake Highrise Resident              | 33.7417  | -84.3141  | 2000  | na        | Subsidized  | Elderly  | Stabilized     | PHA          | 149       | 0         | 100.0%    | 0%          | 0%       | -        | -            |
| 051 | Edgewood Court Apartments                | 33.7554  | -84.3361  | 1951  | 1981      | Subsidized  | Family   | Stabilized     | HUD          | 204       | 6         | 97.1%     | 0%          | 0%       | -        | 1 1/2 years  |
| 063 | Element (The)                            | 33.7473  | -84.3207  | 1970  | 2017      | Market Rate | Family   | Rehabilitation | Tax Credit   | 175       | 96        | 45.1%     | 0%          | 0%       | -        | no           |
| 065 | Kingstown Apartments                     | 33.7455  | -84.2802  | 1970  | 2005      | Market Rate | Family   | Stabilized     | Conventional | 49        | 0         | 100.0%    | 0%          | 16%      | -        | no           |
| 075 | Park Trace Apartments                    | 33.7720  | -84.3032  | 1984  | na        | Subsidized  | Elderly  | Stabilized     | HUD          | 169       | 8         | 95.3%     | 0%          | 0%       | -        | -            |
| 076 | Parkway Grand Apartments                 | 33.7721  | -84.3041  | 2001  | na        | Market Rate | Family   | Stabilized     | Conventional | 303       | 21        | 93.1%     | 0%          | 0%       | -        | no           |
| 077 | Philips Towers Decatur                   | 33.7725  | -84.2945  | 1972  | 2005      | Subsidized  | Elderly  | Stabilized     | HUD          | 220       | 11        | 95.0%     | 0%          | 0%       | -        | -            |
| 078 | Place on Ponce                           | 33.7758  | -84.3006  | 2014  | na        | Market Rate | Family   | Stabilized     | Conventional | 234       | 10        | 95.7%     | 0%          | 0%       | 10.60    | -            |
| 079 | Presley Woods Apartments                 | 33.7600  | -84.3216  | 1996  | 2003      | Restricted  | Family   | Stabilized     | Tax Credit   | 40        | 1         | 97.5%     | 0%          | 0%       | -        | 3 people     |
| 081 | Retreat at Edgewood 1                    | 33.7569  | -84.3409  | 2010  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 100       | 1         | 99.0%     | 0%          | 0%       | -        | 3 years      |
| 082 | Retreat at Edgewood 2                    | 33.7546  | -84.3399  | 2011  | na        | Restricted  | Family   | Stabilized     | Tax Credit   | 40        | 1         | 97.5%     | 0%          | 0%       | -        | 3 years      |
| 087 | Spring Pointe Apartments                 | 33.7562  | -84.3053  | 1965  | 1994      | Market Rate | Family   | Stabilized     | Conventional | 67        | 1         | 98.5%     | 0%          | 4%       | -        | no           |
| 089 | Swanton Heights Apartments               | 33.7724  | -84.2989  | 1970  | na        | Subsidized  | Family   | Stabilized     | Other        | 93        | 2         | 97.8%     | 0%          | 0%       | -        | 200 people   |
| 091 | Trinity Walk Phase 1                     | 33.7745  | -84.3027  | 2016  | na        | Subsidized  | Family   | Construction   | Tax Credit   | 69        | 0         | 100.0%    | 0%          | 0%       | -        | -            |
| 092 | Trinity Walk Phase 2                     | 33.7746  | -84.3025  | 2017  | na        | Restricted  | Family   | Construction   | Tax Credit   | 52        | 52        | 0.0%      | 0%          | 0%       | -        | -            |
| 100 | Villages of East Lake Phase 1            | 33.7440  | -84.3144  | 1997  | na        | Restricted  | Family   | Stabilized     | Bond         | 182       | 2         | 98.9%     | 0%          | 0%       | -        | 1500 people  |
| 101 | Villages of East Lake Phase 2            | 33.7440  | -84.3144  | 1998  | na        | Restricted  | Family   | Stabilized     | Bond         | 360       | 3         | 99.2%     | 0%          | 0%       | -        | 1500 people  |
| 103 | White Oak Apartments                     | 33.7429  | -84.2765  | 1989  | na        | Market Rate | Family   | Stabilized     | Conventional | 16        | 1         | 93.8%     | 9%          | 6%       | -        | no           |
| 107 | Pines On Scott                           | 33.7853  | -84.3022  | 1960  | na        | Market Rate | Family   | Stabilized     | Conventional | 59        | 0         | 100.0%    | 0%          | 0%       | -        | yes          |

## RENT COMPARABILITY ANALYSIS

In this section we develop restricted and unrestricted market rent conclusions for the subject property on an "as if complete & stabilized" basis. Our analysis begins with an evaluation of unrestricted market rents.

### Unrestricted Rent Analysis

In this section we develop an unrestricted market rent conclusion for the subject property units. Our analysis began by selecting comparable rentals to use to develop estimates of market rents for the units at the subject property, assuming that the subject was an unrestricted property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

#### Rental Property Inventory, by Unit Type

In the following pages we present an inventory of properties included in this analysis. Rents for these properties, broken out by unit type, were used in selecting the rent comparables used in this analysis.

The properties that we consider to be comparable to the subject property are highlighted in the tables found in the following pages. We attempted to select stabilized market rate properties as comparables for purposes of our rent comparability analysis.

Comparables with restricted rents are used when a sufficient number of market rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

#### Rent Comparables, Market Rate, Map

A map showing the location of the properties selected as comparables in this analysis is found in the following pages. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the select rent comparables are found in the Appendix to this report.

#### Rent Comparability Grids

Our analysis employed the use of rent comparability grids and resulted in an unrestricted market rent estimate for each of the subject's unit types. These grids and a narrative describing our rent adjustments are found in the following pages.

Rental Property Inventory, 1-Bedroom Units

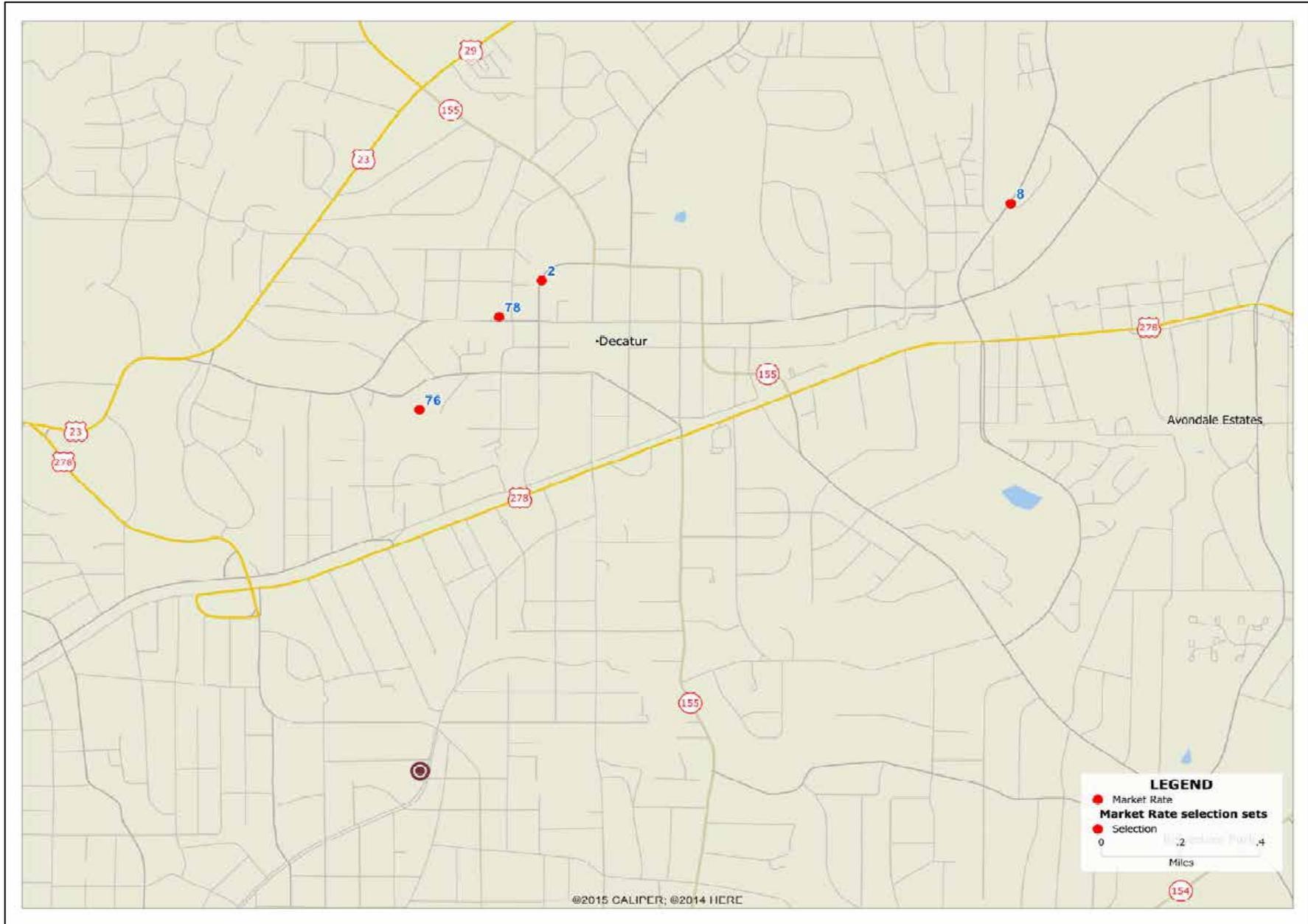
| Overview |                                   |       |           |             |          |            | Rents |     |     |     |     |     |     |         |
|----------|-----------------------------------|-------|-----------|-------------|----------|------------|-------|-----|-----|-----|-----|-----|-----|---------|
| Key      | Property Name                     | Built | Renovated | Rent Type   | Occ Type | Status     | Sub   | 20% | 30% | 40% | 50% | 60% | 80% | Mkt     |
| 001      | Adair Oaks Apartments             | 1969  | 2014      | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     |         |
| 002      | Alexan 1133                       | 2016  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,580 |
| 007      | Arbors of East Atlanta Apartments | 1962  | 2007      | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$695   |
| 008      | Archstone Decatur Crossing        | 2000  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,119 |
| 009      | Arlo (The)                        | 2016  | na        | Market Rate | Family   | Lease Up   |       |     |     |     |     |     |     | \$1,421 |
| 013      | Atlantic Star Ice House Lofts     | 1926  | 1999      | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,395 |
| 015      | Avery Glen Apartments             | 1993  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$895   |
| 016      | Avondale Station Apartments       | 1954  | 2011      | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$985   |
| 020      | Brookside Park                    | 2004  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$957   |
| 022      | Burnett at Grant Park Apartments  | 2006  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,143 |
| 026      | Clarion Apartments                | 1989  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$918   |
| 053      | Enso Apartments                   | 2011  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,389 |
| 056      | Gables Montclair Apartments       | 2001  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,387 |
| 058      | Glenwood East Apartments          | 2009  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,240 |
| 064      | Jackson Square Apartments         | 1998  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,041 |
| 065      | Kingstown Apartments              | 1970  | 2005      | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$595   |
| 074      | Park Summit                       | 1990  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,037 |
| 076      | Parkway Grand Apartments          | 2001  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$883   |
| 078      | Place on Ponce                    | 2014  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,794 |
| 087      | Spring Pointe Apartments          | 1965  | 1994      | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$549   |
| 103      | White Oak Apartments              | 1989  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     |         |
| 107      | Pines On Scott                    | 1960  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     |         |

Source: Allen & Associates

Rental Property Inventory, 2-Bedroom Units

| Overview |                                   |       |           |             |          |            | Rents |     |     |     |     |     |     |         |
|----------|-----------------------------------|-------|-----------|-------------|----------|------------|-------|-----|-----|-----|-----|-----|-----|---------|
| Key      | Property Name                     | Built | Renovated | Rent Type   | Occ Type | Status     | Sub   | 20% | 30% | 40% | 50% | 60% | 80% | Mkt     |
| 001      | Adair Oaks Apartments             | 1969  | 2014      | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,050 |
| 002      | Alexan 1133                       | 2016  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$2,158 |
| 007      | Arbors of East Atlanta Apartments | 1962  | 2007      | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$845   |
| 008      | Archstone Decatur Crossing        | 2000  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,492 |
| 009      | Arlo (The)                        | 2016  | na        | Market Rate | Family   | Lease Up   |       |     |     |     |     |     |     | \$1,879 |
| 013      | Atlantic Star Ice House Lofts     | 1926  | 1999      | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,652 |
| 015      | Avery Glen Apartments             | 1993  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,067 |
| 016      | Avondale Station Apartments       | 1954  | 2011      | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,080 |
| 020      | Brookside Park                    | 2004  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,209 |
| 022      | Burnett at Grant Park Apartments  | 2006  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,578 |
| 026      | Clarion Apartments                | 1989  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,082 |
| 053      | Enso Apartments                   | 2011  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,593 |
| 056      | Gables Montclair Apartments       | 2001  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$2,006 |
| 058      | Glenwood East Apartments          | 2009  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,542 |
| 064      | Jackson Square Apartments         | 1998  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,245 |
| 065      | Kingstown Apartments              | 1970  | 2005      | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$695   |
| 074      | Park Summit                       | 1990  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,349 |
| 076      | Parkway Grand Apartments          | 2001  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,035 |
| 078      | Place on Ponce                    | 2014  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$2,358 |
| 087      | Spring Pointe Apartments          | 1965  | 1994      | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$650   |
| 103      | White Oak Apartments              | 1989  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     |         |
| 107      | Pines On Scott                    | 1960  | na        | Market Rate | Family   | Stabilized |       |     |     |     |     |     |     | \$1,103 |

Source: Allen & Associates



### Rent Adjustments

Our analysis included a property management survey and a technique known as "statistical extraction" to help us identify the best adjustments to use. Statistical extraction, which is similar to the matched pair method, helped us derive the optimal adjustments for our particular data set.

Here's a hypothetical example to illustrate how we derived our rent adjustments. Assume that property managers tell us we should expect rent adjustments ranging from \$0.00 to \$0.50 per square foot for a particular market. Next, assume that we select 25 rent comparables with a sample variance of \$100. We employ a square foot rent adjustment of \$0.10 for each comparable resulting in an adjusted sample variance of \$90. This tells us that the assumed adjustment "explained" some of the variability in the data. We repeat this process for adjustments of \$0.20, \$0.30, \$0.40 and \$0.50 which yielded sample variances of \$80, \$70, \$65 and \$75, respectively. The \$0.40 square foot adjustment "explains" the most variance because any other adjustment yields a higher adjusted sample variance. Consequently, a \$0.40 rent adjustment is the best adjustment for purposes of this example. This is a simplified example because we actually adjusted for numerous variables simultaneously in our analysis.

Many adjustments (bedroom count, bathroom count and square footage) are highly interrelated. Statistical extraction helped us unravel the interrelationships between these variables. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is superior a "plus" adjustment is made. If the subject is inferior a "minus" adjustment is made.

We used the Excel Solver function to help us with our analysis. The Solver function was programmed to maximize the R-Squared for our data set. R-Squared is a measure of the amount of sample variance explained by a certain variable. An R-Squared of 100% means that all of a sample's variance is explained by a given variable; an R-Squared of 0% means that none of a sample's variance is explained by that variable. We evaluated a total of 22 variables (AC systems, heating systems, technology, bedrooms, bathrooms, square feet, visibility, access, neighborhood, area amenities, condition, effective age, project amenities, elevator, unit amenities, storage, kitchen amenities, parking, laundry, security, on-site management, on-site maintenance) in an effort to identify the mix of adjustments that explained the most variability found in our raw data.

A discussion of our surveyed and concluded adjustments is found below.

### *Concessions*

The first step in our analysis was to account for any concessions at the subject and the comparables. We considered the advertised street rent and concessions being offered and derived a net rent estimate for each comparable. Net rent, defined as advertised street rent minus monthly concessions, represents the cash rent paid by new residents at the various properties. This is the best measure of market value (prior to any other adjustments) for the comparables included in this analysis.

### *Tenant-Paid Utilities*

The next step in our analysis was to account for differences in tenant-paid utilities between the comparable properties and the subject. We used the HUD Utility Schedule Model to derive our adjustments. The HUD model includes a current utility rate survey for the area. In the event that the tenant-paid utilities associated with a particular property are higher or lower than the subject, adjustments were made to account for the differences. Adjustments reflect the difference between the tenant-paid utilities for the comparable property minus that for the subject.

### *Technology*

We accounted for technology (cable and internet access) offered in the rent for each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per month for cable; internet access was valued at \$0.

| Adjustment | Technology |       | Concluded |
|------------|------------|-------|-----------|
|            | Survey     | Range |           |
| Cable      | \$0        | \$30  | \$0       |
| Internet   | \$0        | \$30  | \$0       |

*Bedrooms*

Our analysis also included an adjustment for the number of bedrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$100 per bedroom.

| Bedrooms   |              |       |           |
|------------|--------------|-------|-----------|
| Adjustment | Survey Range |       | Concluded |
| Bedrooms   | \$20         | \$100 | \$100     |

*Bathrooms*

Our analysis also included an adjustment for the number of bathrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$100 per bathroom.

| Bathrooms  |              |       |           |
|------------|--------------|-------|-----------|
| Adjustment | Survey Range |       | Concluded |
| Bathrooms  | \$20         | \$100 | \$100     |

*Square Feet*

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.90 per square foot.

| Square Feet |              |        |           |
|-------------|--------------|--------|-----------|
| Adjustment  | Survey Range |        | Concluded |
| Square Feet | \$0.05       | \$1.00 | \$0.90    |

*Visibility*

We also accounted for differences in visibility at each of the comparables as compared to the subject property in our analysis. Based on our field review, we assigned a visibility rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$50 per point for differences in visibility ratings between the subject and the comparables.

| Visibility |              |      |           |
|------------|--------------|------|-----------|
| Adjustment | Survey Range |      | Concluded |
| Rating     | \$0          | \$50 | \$50      |

*Access*

Our analysis also included an adjustment for access at each of the comparables as compared to the subject property. Based on our field review, we assigned an access rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$50 per point for differences in access ratings between the subject and the comparables.

| Access     |              |      |           |
|------------|--------------|------|-----------|
| Adjustment | Survey Range |      | Concluded |
| Rating     | \$0          | \$50 | \$50      |

*Neighborhood*

We considered differences in neighborhood at each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local demographic and crime data (presented earlier in this report), we assigned a neighborhood rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in neighborhood ratings between the subject and the comparables.

| Neighborhood |              |      |           |
|--------------|--------------|------|-----------|
| Adjustment   | Survey Range |      | Concluded |
| Rating       | \$0          | \$50 | \$0       |

*Area Amenities*

We also accounted for area amenities for each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local amenity data (presented earlier in this report), we assigned a local amenity rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$50 per point for

differences in amenity ratings between the subject and the comparables.

| Area Amenities |              |      |           |
|----------------|--------------|------|-----------|
| Adjustment     | Survey Range |      | Concluded |
| Rating         | \$0          | \$50 | \$50      |

*Condition*

Our analysis also included an adjustment for the condition of each comparable as compared to the subject property. Based on our field review, we assigned a condition rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$50 per point for differences in condition ratings between the subject and the comparables.

| Condition  |              |      |           |
|------------|--------------|------|-----------|
| Adjustment | Survey Range |      | Concluded |
| Rating     | \$10         | \$50 | \$50      |

*Effective Age*

We considered differences in effective age in our analysis. Based on our field review, we estimated the effective age for each of the properties included in this analysis. Our estimates reflected the condition-adjusted age and remaining useful life of each property. Statistical extraction resulted in an adjustment of \$5.00 per year for differences in effective age between the subject and the comparables.

| Effective Age |              |        |           |
|---------------|--------------|--------|-----------|
| Adjustment    | Survey Range |        | Concluded |
| Rating        | \$1.00       | \$5.00 | \$5.00    |

*Project Amenities*

We considered the presence of various project amenities at the comparables as compared to the subject property. Project amenities include ball fields, BBQ areas, billiards, business/computer centers, car care centers, community centers, elevators, fitness centers, gazebos, hot tubs/Jacuzzis, horseshoe pits, lakes, libraries, movie theatres, picnic areas, playgrounds, pools, saunas, sports courts and walking trails. The survey range and our concluded adjustment for each amenity is summarized below.

| Project Amenities |              |       |           |
|-------------------|--------------|-------|-----------|
| Adjustment        | Survey Range |       | Concluded |
| Ball Field        | \$2          | \$10  | \$2       |
| BBQ Area          | \$2          | \$10  | \$10      |
| Billiards         | \$2          | \$10  | \$10      |
| Bus/Comp Ctrs     | \$2          | \$10  | \$2       |
| Car Care Center   | \$2          | \$10  | \$2       |
| Community Center  | \$2          | \$10  | \$2       |
| Elevator          | \$10         | \$100 | \$100     |
| Fitness Center    | \$2          | \$10  | \$2       |
| Gazebo            | \$2          | \$10  | \$2       |
| Hot Tub/Jacuzzi   | \$2          | \$10  | \$2       |
| Horseshoe Pit     | \$2          | \$10  | \$2       |
| Lake              | \$2          | \$10  | \$2       |
| Library           | \$2          | \$10  | \$2       |
| Movie Theatre     | \$2          | \$10  | \$2       |
| Picnic Area       | \$2          | \$10  | \$10      |
| Playground        | \$2          | \$10  | \$2       |
| Pool              | \$2          | \$10  | \$2       |
| Sauna             | \$2          | \$10  | \$2       |
| Sports Court      | \$2          | \$10  | \$2       |
| Walking Trail     | \$2          | \$10  | \$2       |

*Unit Amenities*

We considered the presence of various unit amenities at the comparables as compared to the subject property. Unit amenities include blinds, ceiling fans, carpeting/upgraded flooring, fireplaces, patios/balconies and storage. The survey range and our concluded adjustment for each amenity is summarized below.

| Unit Amenities |              |      |           |
|----------------|--------------|------|-----------|
| Adjustment     | Survey Range |      | Concluded |
| Blinds         | \$2          | \$10 | \$2       |
| Ceiling Fans   | \$2          | \$10 | \$2       |
| Carpeting      | \$2          | \$10 | \$2       |
| Fireplace      | \$2          | \$10 | \$2       |
| Patio/Balcony  | \$2          | \$10 | \$2       |
| Storage        | \$10         | \$30 | \$10      |

### *Kitchen Amenities*

We considered the presence of various kitchen amenities at the comparables as compared to the subject property. Kitchen amenities include stoves, refrigerators, disposals, dishwashers and microwaves. The survey range and our concluded adjustment for each amenity is summarized below.

| Kitchen Amenities |              |      |           |
|-------------------|--------------|------|-----------|
| Adjustment        | Survey Range |      | Concluded |
| Stove             | \$2          | \$10 | \$2       |
| Refrigerator      | \$2          | \$10 | \$2       |
| Disposal          | \$2          | \$10 | \$2       |
| Dishwasher        | \$2          | \$10 | \$2       |
| Microwave         | \$2          | \$10 | \$10      |

### *Parking*

We also adjusted for differing types of parking configurations. We classified parking five ways: (1) Garage, (2) Covered; (3) Assigned, (4) Open and (5) No parking offered. Statistical extraction resulted in an adjustment of \$20 per month for garages; covered parking was valued at \$10; assigned parking was valued at \$5; open parking was valued at \$0; no parking was valued at \$0.

| Parking    |              |       |           |
|------------|--------------|-------|-----------|
| Adjustment | Survey Range |       | Concluded |
| Garage     | \$20         | \$100 | \$20      |
| Covered    | \$10         | \$50  | \$10      |
| Assigned   | \$5          | \$25  | \$5       |
| Open       | \$0          | \$0   | \$0       |
| None       | \$0          | \$0   | \$0       |

### *Laundry*

We also evaluated differing types of laundry configurations. We classified laundry amenities three ways: (1) Central Laundry, (2) Washer/Dryer Units; and (3) Washer/Dryer Hookups. Our analysis resulted in an adjustment of \$5 per month for central laundries; washer/dryer units were valued at \$40; washer/dryer hookups were valued at \$5.

| Laundry     |              |      |           |
|-------------|--------------|------|-----------|
| Adjustment  | Survey Range |      | Concluded |
| Central     | \$5          | \$20 | \$5       |
| W/D Units   | \$10         | \$40 | \$40      |
| W/D Hookups | \$5          | \$20 | \$5       |

### *Security*

We considered the presence of various security amenities at the comparables as compared to the subject property. Security amenities include call buttons, controlled access, courtesy officers, monitoring, security alarms and security patrols. The survey range and our concluded adjustment for each amenity is summarized below.

| Security          |              |      |           |
|-------------------|--------------|------|-----------|
| Adjustment        | Survey Range |      | Concluded |
| Call Buttons      | \$2          | \$10 | \$2       |
| Controlled Access | \$2          | \$10 | \$2       |
| Courtesy Officer  | \$2          | \$10 | \$2       |
| Monitoring        | \$2          | \$10 | \$2       |
| Security Alarms   | \$2          | \$10 | \$2       |
| Security Patrols  | \$2          | \$10 | \$2       |

Rent Conclusion, 1BR-1BA-700sf

The development of our rent conclusion for the 1BR-1BA-700sf units is found below.

Our analysis included the evaluation of a total of 48 unit types found at 4 properties. We selected the 20 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 20 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

| Rent Conclusion   |                            |                                 |                 |             |          |                   |                 |               |      |
|-------------------|----------------------------|---------------------------------|-----------------|-------------|----------|-------------------|-----------------|---------------|------|
| Comparable        |                            |                                 | Unadjusted Rent |             |          | Adjusted Rent     |                 |               |      |
| Property-Unit Key | Property Name              | Unit Type                       | Street Rent     | Concessions | Net Rent | Gross Adjustments | Net Adjustments | Adjusted Rent | Rank |
| Sub-03            | Trinity Walk Phase III     | 1BR-1BA-700sf                   | \$1,000         | \$0         | \$1,000  | -                 | \$0             | \$1,000       | -    |
| 002-02            | Alexan 1133                | 0BR-1BA-650sf                   | \$1,457         | \$0         | \$1,457  | \$573             | -\$241          | \$1,216       | 19   |
| 002-03            | Alexan 1133                | 0BR-1BA-643sf                   | \$1,256         | \$0         | \$1,256  | \$579             | -\$235          | \$1,021       | 20   |
| 002-04            | Alexan 1133                | 1BR-1BA-681sf                   | \$1,225         | \$0         | \$1,225  | \$452             | -\$354          | \$871         | 7    |
| 002-05            | Alexan 1133                | 1BR-1BA-714sf                   | \$1,626         | \$0         | \$1,626  | \$448             | -\$384          | \$1,242       | 6    |
| 002-06            | Alexan 1133                | 1BR-1BA-723sf                   | \$1,400         | \$0         | \$1,400  | \$456             | -\$392          | \$1,008       | 8    |
| 002-07            | Alexan 1133                | 1BR-1BA-734sf                   | \$1,445         | \$0         | \$1,445  | \$466             | -\$402          | \$1,043       | 11   |
| 002-08            | Alexan 1133                | 1BR-1BA-746sf                   | \$1,572         | \$0         | \$1,572  | \$476             | -\$412          | \$1,160       | 12   |
| 002-09            | Alexan 1133                | 1BR-1BA-766sf                   | \$1,469         | \$0         | \$1,469  | \$494             | -\$430          | \$1,039       | 14   |
| 002-10            | Alexan 1133                | 1BR-1BA-769sf                   | \$1,655         | \$0         | \$1,655  | \$497             | -\$433          | \$1,222       | 15   |
| 002-11            | Alexan 1133                | 1BR-1BA-830sf                   | \$1,728         | \$0         | \$1,728  | \$552             | -\$488          | \$1,240       | 17   |
| 008-01            | Archstone Decatur Crossing | 1BR-1BA-595sf                   | \$1,109         | \$0         | \$1,109  | \$362             | \$102           | \$1,211       | 3    |
| 008-02            | Archstone Decatur Crossing | 1BR-1BA-602sf                   | \$1,124         | \$0         | \$1,124  | \$355             | \$95            | \$1,219       | 2    |
| 008-03            | Archstone Decatur Crossing | 1BR-1BA-911sf                   | \$1,124         | \$0         | \$1,124  | \$457             | -\$183          | \$941         | 9    |
| 076-01            | Parkway Grand Apartments   | 1BR-1BA-809sf                   | \$883           | \$0         | \$883    | \$316             | -\$54           | \$828         | 1    |
| 078-01            | Place on Ponce             | 1BR-1BA-696sf                   | \$1,581         | \$0         | \$1,581  | \$436             | -\$350          | \$1,231       | 5    |
| 078-02            | Place on Ponce             | 1BR-1BA-699sf                   | \$1,661         | \$0         | \$1,661  | \$433             | -\$353          | \$1,308       | 4    |
| 078-03            | Place on Ponce             | 1BR-1BA-731sf                   | \$1,757         | \$0         | \$1,757  | \$460             | -\$382          | \$1,375       | 10   |
| 078-04            | Place on Ponce             | 1BR-1BA-754sf                   | \$1,821         | \$0         | \$1,821  | \$481             | -\$403          | \$1,418       | 13   |
| 078-05            | Place on Ponce             | 1BR-1BA-790sf                   | \$1,919         | \$0         | \$1,919  | \$513             | -\$435          | \$1,484       | 16   |
| 078-06            | Place on Ponce             | 1BR-1BA-833sf                   | \$2,025         | \$0         | \$2,025  | \$552             | -\$474          | \$1,551       | 18   |
|                   |                            | Adjusted Rent, Minimum          |                 |             |          | \$828             |                 |               |      |
|                   |                            | Adjusted Rent, Maximum          |                 |             |          | \$1,551           |                 |               |      |
|                   |                            | Adjusted Rent, Average          |                 |             |          | \$1,181           |                 |               |      |
|                   |                            | Adjusted Rent, Modified Average |                 |             |          | \$1,180           |                 |               |      |
|                   |                            | Rent, Concluded                 |                 |             |          | \$1,050           |                 |               |      |

Our analysis suggests a rent of \$1,050 for the 1BR-1BA-700sf units at the subject property.

In our opinion, the 1BR-1BA-809sf units at Parkway Grand Apartments (Property # 076), the 1BR-1BA-602sf units at Archstone Decatur Crossing (Property # 008), the 1BR-1BA-699sf units at Place on Ponce (Property # 078) and the 1BR-1BA-681sf units at Alexan 1133 (Property # 002) are the best comparables for the 1BR-1BA-700sf units at the subject property.

| Comparable            | Subject                | 1                   | 2                          | 3                        | 4                        |       |       |        |
|-----------------------|------------------------|---------------------|----------------------------|--------------------------|--------------------------|-------|-------|--------|
| Property-Unit Key     | Sub-03                 | 002-04              | 008-02                     | 076-01                   | 078-02                   |       |       |        |
| Unit Type             | 1BR-1BA-700sf          | 1BR-1BA-681sf       | 1BR-1BA-602sf              | 1BR-1BA-809sf            | 1BR-1BA-699sf            |       |       |        |
| Property Name         | Trinity Walk Phase III | Alexan 1133         | Archstone Decatur Crossing | Parkway Grand Apartments | Place on Ponce           |       |       |        |
| Address               | 1111 Oakview Road      | 1133 Commerce Drive | 100 Grayson Place          | 100 Woodberry Place      | 220 W Ponce DeLeon Place |       |       |        |
| City                  | Decatur                | Decatur             | Decatur                    | Decatur                  | Decatur                  |       |       |        |
| State                 | Georgia                | Georgia             | Georgia                    | Georgia                  | Georgia                  |       |       |        |
| Miles to Subject      | 0.00                   | 1.13                | 1.93                       | 0.80                     | 1.03                     |       |       |        |
| Year Built            | 2017                   | 2016                | 2000                       | 2001                     | 2014                     |       |       |        |
| Year Rehab            | na                     | na                  | na                         | na                       | na                       |       |       |        |
| Project Rent          | Restricted             | Market Rate         | Market Rate                | Market Rate              | Market Rate              |       |       |        |
| Project Type          | Family                 | Family              | Family                     | Family                   | Family                   |       |       |        |
| Project Status        | Prop Const             | Stabilized          | Stabilized                 | Stabilized               | Stabilized               |       |       |        |
| Phone                 | na                     | (404) 371-6999      | (404) 298-1991             | (770) 987-8830           | 770-250-4452             |       |       |        |
| Effective Date        | 15-May-17              | 25-Apr-17           | 25-Apr-17                  | 26-Apr-17                | 02-May-17                |       |       |        |
| <b>Project Level</b>  |                        |                     |                            |                          |                          |       |       |        |
| Units                 | 34                     | 167                 | 180                        | 303                      | 234                      |       |       |        |
| Vacancy Rate          | 100%                   | 9%                  | 2%                         | 7%                       | 4%                       |       |       |        |
| <b>Unit Type</b>      |                        |                     |                            |                          |                          |       |       |        |
| Units                 | 6                      | 3                   | 28                         | 60                       | 20                       |       |       |        |
| Vacancy Rate          | 100%                   | 0%                  | 0%                         | 12%                      | 5%                       |       |       |        |
| Street Rent           | \$1,000                | \$1,225             | \$1,124                    | \$883                    | \$1,661                  |       |       |        |
| Concessions           | \$0                    | \$0                 | \$0                        | \$0                      | \$0                      |       |       |        |
| Net Rent              | \$1,000                | \$1,225             | \$1,124                    | \$883                    | \$1,661                  |       |       |        |
|                       | <b>Adj</b>             | <b>Data</b>         | <b>Data</b>                | <b>Data</b>              | <b>Data</b>              |       |       |        |
| Tenant-Paid Utilities | TPU                    | \$107               | \$118                      | \$11                     | \$116                    | \$9   | \$118 | \$11   |
| Cable                 | \$0                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Internet              | \$0                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Bedrooms              | \$100                  | 1                   | 1                          | 1                        | 1                        | \$0   | 1     | \$0    |
| Bathrooms             | \$100                  | 1.00                | 1.00                       | 1.00                     | 1.00                     | \$0   | 1.00  | \$0    |
| Square Feet           | \$0.90                 | 700                 | 681                        | 602                      | 809                      | -\$98 | 699   | \$1    |
| Visibility            | \$50                   | 2.50                | 4.00                       | 3.00                     | 2.50                     | \$0   | 4.00  | -\$75  |
| Access                | \$50                   | 2.50                | 4.00                       | 3.00                     | 3.50                     | -\$50 | 4.00  | -\$75  |
| Neighborhood          | \$0                    | 4.50                | 4.20                       | 4.30                     | 4.50                     | \$0   | 4.20  | \$0    |
| Area Amenities        | \$50                   | 3.00                | 4.50                       | 4.00                     | 3.50                     | -\$25 | 4.30  | -\$65  |
| Condition             | \$50                   | 4.50                | 4.50                       | 4.00                     | 4.00                     | \$25  | 4.50  | \$0    |
| Effective Age         | \$5.00                 | 2017                | 2015                       | 2000                     | 2000                     | \$85  | 2015  | \$10   |
| Ball Field            | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| BBQ Area              | \$10                   | no                  | yes                        | yes                      | no                       | -\$10 | yes   | -\$10  |
| Billiards             | \$10                   | no                  | yes                        | no                       | no                       | \$0   | yes   | -\$10  |
| Bus/Comp Center       | \$2                    | yes                 | yes                        | yes                      | yes                      | \$0   | no    | \$2    |
| Car Care Center       | \$2                    | no                  | no                         | yes                      | yes                      | -\$2  | no    | \$0    |
| Community Center      | \$2                    | yes                 | yes                        | yes                      | yes                      | \$0   | yes   | \$0    |
| Elevator              | \$100                  | no                  | yes                        | no                       | no                       | \$0   | yes   | -\$100 |
| Fitness Center        | \$2                    | no                  | yes                        | yes                      | yes                      | -\$2  | yes   | -\$2   |
| Gazebo                | \$2                    | yes                 | no                         | no                       | no                       | \$2   | no    | \$2    |
| Hot Tub/Jacuzzi       | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Horseshoe Pit         | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Lake                  | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Library               | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Movie Theatre         | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Picnic Area           | \$10                   | no                  | yes                        | yes                      | no                       | \$0   | yes   | -\$10  |
| Playground            | \$2                    | yes                 | no                         | no                       | yes                      | \$2   | no    | \$2    |
| Pool                  | \$2                    | no                  | yes                        | yes                      | yes                      | -\$2  | yes   | -\$2   |
| Sauna                 | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Sports Court          | \$2                    | no                  | no                         | no                       | yes                      | -\$2  | no    | \$0    |
| Walking Trail         | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Blinds                | \$2                    | yes                 | yes                        | yes                      | yes                      | \$0   | yes   | \$0    |
| Ceiling Fans          | \$2                    | yes                 | yes                        | no                       | yes                      | \$0   | no    | \$2    |
| Carpeting             | \$2                    | yes                 | yes                        | yes                      | yes                      | \$0   | yes   | \$0    |
| Fireplace             | \$2                    | no                  | no                         | some                     | no                       | -\$2  | no    | -\$2   |
| Patio/Balcony         | \$2                    | yes                 | some                       | yes                      | yes                      | \$0   | yes   | \$0    |
| Storage               | \$10                   | yes                 | yes                        | yes                      | yes                      | \$0   | yes   | \$0    |
| Stove                 | \$2                    | yes                 | yes                        | yes                      | yes                      | \$0   | yes   | \$0    |
| Refrigerator          | \$2                    | yes                 | yes                        | yes                      | yes                      | \$0   | yes   | \$0    |
| Disposal              | \$2                    | yes                 | yes                        | yes                      | yes                      | \$0   | yes   | \$0    |
| Dishwasher            | \$2                    | yes                 | yes                        | yes                      | yes                      | \$0   | yes   | \$0    |
| Microwave             | \$10                   | yes                 | yes                        | some                     | no                       | \$10  | yes   | \$0    |
| Garage                | \$20                   | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Covered               | \$10                   | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Assigned              | \$5                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Open                  | \$0                    | yes                 | no                         | yes                      | yes                      | \$0   | no    | \$0    |
| None                  | \$0                    | no                  | yes                        | no                       | no                       | \$0   | yes   | \$0    |
| Central               | \$5                    | yes                 | yes                        | yes                      | yes                      | \$0   | no    | \$5    |
| W/D Units             | \$40                   | no                  | yes                        | no                       | no                       | \$0   | yes   | -\$40  |
| W/D Hookups           | \$5                    | yes                 | no                         | yes                      | yes                      | \$0   | no    | \$5    |
| Call Buttons          | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Controlled Access     | \$2                    | no                  | yes                        | yes                      | yes                      | -\$2  | yes   | -\$2   |
| Courtesy Officer      | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Monitoring            | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Security Alarms       | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| Security Patrols      | \$2                    | no                  | no                         | no                       | no                       | \$0   | no    | \$0    |
| <b>Indicated Rent</b> | <b>\$1,050</b>         | <b>\$871</b>        | <b>\$1,219</b>             | <b>\$828</b>             | <b>\$1,308</b>           |       |       |        |

Rent Conclusion, 2BR-2BA-1000sf

The development of our rent conclusion for the 2BR-2BA-1000sf units is found below.

Our analysis included the evaluation of a total of 48 unit types found at 4 properties. We selected the 20 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 20 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

|                   |                            | Rent Conclusion |                 |             |          |                   |                 |               |      |
|-------------------|----------------------------|-----------------|-----------------|-------------|----------|-------------------|-----------------|---------------|------|
| Comparable        |                            |                 | Unadjusted Rent |             |          | Adjusted Rent     |                 |               |      |
| Property-Unit Key | Property Name              | Unit Type       | Street Rent     | Concessions | Net Rent | Gross Adjustments | Net Adjustments | Adjusted Rent | Rank |
|                   |                            |                 |                 |             |          |                   |                 |               |      |
| 002-13            | Alexan 1133                | 2BR-2BA-1067sf  | \$1,714         | \$0         | \$1,714  | \$528             | -\$398          | \$1,316       | 11   |
| 002-14            | Alexan 1133                | 2BR-2BA-964sf   | \$1,700         | \$0         | \$1,700  | \$500             | -\$306          | \$1,394       | 6    |
| 002-15            | Alexan 1133                | 2BR-2BA-1049sf  | \$2,199         | \$0         | \$2,199  | \$512             | -\$382          | \$1,817       | 7    |
| 002-16            | Alexan 1133                | 2BR-2BA-1055sf  | \$2,013         | \$0         | \$2,013  | \$518             | -\$388          | \$1,626       | 8    |
| 002-17            | Alexan 1133                | 2BR-2BA-1066sf  | \$2,068         | \$0         | \$2,068  | \$527             | -\$397          | \$1,671       | 10   |
| 002-18            | Alexan 1133                | 2BR-2BA-1087sf  | \$1,928         | \$0         | \$1,928  | \$546             | -\$416          | \$1,512       | 15   |
| 008-03            | Archstone Decatur Crossing | 1BR-1BA-911sf   | \$1,124         | \$0         | \$1,124  | \$549             | \$263           | \$1,387       | 16   |
| 008-04            | Archstone Decatur Crossing | 2BR-2BA-1100sf  | \$1,600         | \$0         | \$1,600  | \$390             | -\$50           | \$1,550       | 1    |
| 008-05            | Archstone Decatur Crossing | 2BR-2BA-1117sf  | \$1,390         | \$0         | \$1,390  | \$405             | -\$65           | \$1,325       | 2    |
| 008-06            | Archstone Decatur Crossing | 2BR-2BA-1266sf  | \$1,487         | \$0         | \$1,487  | \$539             | -\$199          | \$1,288       | 13   |
| 076-01            | Parkway Grand Apartments   | 1BR-1BA-809sf   | \$883           | \$0         | \$883    | \$596             | \$392           | \$1,274       | 20   |
| 076-02            | Parkway Grand Apartments   | 2BR-2BA-1181sf  | \$1,035         | \$0         | \$1,035  | \$415             | -\$85           | \$950         | 3    |
| 076-03            | Parkway Grand Apartments   | 2BR-2BA-1320sf  | \$1,043         | \$0         | \$1,043  | \$540             | -\$210          | \$833         | 14   |
| 078-07            | Place on Ponce             | 2BR-2BA-1025sf  | \$2,227         | \$0         | \$2,227  | \$488             | -\$344          | \$1,884       | 4    |
| 078-08            | Place on Ponce             | 2BR-2BA-1034sf  | \$2,376         | \$0         | \$2,376  | \$496             | -\$352          | \$2,024       | 5    |
| 078-09            | Place on Ponce             | 2BR-2BA-1061sf  | \$2,354         | \$0         | \$2,354  | \$520             | -\$376          | \$1,978       | 9    |
| 078-10            | Place on Ponce             | 2BR-2BA-1082sf  | \$2,236         | \$0         | \$2,236  | \$539             | -\$395          | \$1,841       | 12   |
| 078-11            | Place on Ponce             | 2BR-2BA-1095sf  | \$2,327         | \$0         | \$2,327  | \$551             | -\$407          | \$1,920       | 17   |
| 078-12            | Place on Ponce             | 2BR-2BA-1106sf  | \$2,441         | \$0         | \$2,441  | \$560             | -\$416          | \$2,024       | 18   |
| 078-13            | Place on Ponce             | 2BR-2BA-1145sf  | \$2,532         | \$0         | \$2,532  | \$596             | -\$452          | \$2,081       | 19   |

|                                 |         |
|---------------------------------|---------|
| Adjusted Rent, Minimum          | \$833   |
| Adjusted Rent, Maximum          | \$2,081 |
| Adjusted Rent, Average          | \$1,585 |
| Adjusted Rent, Modified Average | \$1,599 |
| Rent, Concluded                 | \$1,550 |

Our analysis suggests a rent of \$1,550 for the 2BR-2BA-1000sf units at the subject property.

In our opinion, the 2BR-2BA-1100sf units at Archstone Decatur Crossing (Property # 008), the 2BR-2BA-1181sf units at Parkway Grand Apartments (Property # 076), the 2BR-2BA-1025sf units at Place on Ponce (Property # 078) and the 2BR-2BA-964sf units at Alexan 1133 (Property # 002) are the best comparables for the 2BR-2BA-1000sf units at the subject property.

| Comparable            | Subject                | 1                   | 2                          | 3                        | 4                        |      |
|-----------------------|------------------------|---------------------|----------------------------|--------------------------|--------------------------|------|
| Property-Unit Key     | Sub-06                 | 002-14              | 008-04                     | 076-02                   | 078-07                   |      |
| Unit Type             | 2BR-2BA-1000sf         | 2BR-2BA-964sf       | 2BR-2BA-1100sf             | 2BR-2BA-1181sf           | 2BR-2BA-1025sf           |      |
| Property Name         | Trinity Walk Phase III | Alexan 1133         | Archstone Decatur Crossing | Parkway Grand Apartments | Place on Ponce           |      |
| Address               | 1111 Oakview Road      | 1133 Commerce Drive | 100 Grayson Place          | 100 Woodberry Place      | 220 W Ponce DeLeon Place |      |
| City                  | Decatur                | Decatur             | Decatur                    | Decatur                  | Decatur                  |      |
| State                 | Georgia                | Georgia             | Georgia                    | Georgia                  | Georgia                  |      |
| Miles to Subject      | 0.00                   | 1.13                | 1.93                       | 0.80                     | 1.03                     |      |
| Year Built            | 2017                   | 2016                | 2000                       | 2001                     | 2014                     |      |
| Year Rehab            | na                     | na                  | na                         | na                       | na                       |      |
| Project Rent          | Restricted             | Market Rate         | Market Rate                | Market Rate              | Market Rate              |      |
| Project Type          | Family                 | Family              | Family                     | Family                   | Family                   |      |
| Project Status        | Prop Const             | Stabilized          | Stabilized                 | Stabilized               | Stabilized               |      |
| Phone                 | na                     | (404) 371-6999      | (404) 298-1991             | (770) 987-8830           | 770-250-4452             |      |
| Effective Date        | 15-May-17              | 25-Apr-17           | 25-Apr-17                  | 26-Apr-17                | 02-May-17                |      |
| <b>Project Level</b>  |                        |                     |                            |                          |                          |      |
| Units                 | 34                     | 167                 | 180                        | 303                      | 234                      |      |
| Vacancy Rate          | 100%                   | 9%                  | 2%                         | 7%                       | 4%                       |      |
| <b>Unit Type</b>      |                        |                     |                            |                          |                          |      |
| Units                 | 1                      | 5                   | 28                         | 51                       | 15                       |      |
| Vacancy Rate          | 100%                   | 0%                  | 4%                         | 10%                      | 7%                       |      |
| Street Rent           | \$1,500                | \$1,700             | \$1,600                    | \$1,035                  | \$2,227                  |      |
| Concessions           | \$0                    | \$0                 | \$0                        | \$0                      | \$0                      |      |
| Net Rent              | \$1,500                | \$1,700             | \$1,600                    | \$1,035                  | \$2,227                  |      |
|                       | <b>Adj</b>             | <b>Data</b>         | <b>Data</b>                | <b>Data</b>              | <b>Data</b>              |      |
| Tenant-Paid Utilities | TPU                    | \$131               | \$175                      | \$44                     | \$175                    | \$44 |
| Cable                 | \$0                    | no                  | no                         | no                       | no                       | no   |
| Internet              | \$0                    | no                  | no                         | no                       | no                       | no   |
| Bedrooms              | \$100                  | 2                   | 2                          | 2                        | 2                        | 2    |
| Bathrooms             | \$100                  | 2.00                | 2.00                       | 2.00                     | 2.00                     | 2.00 |
| Square Feet           | \$0.90                 | 1000                | 964                        | 1100                     | 1181                     | 1025 |
| Visibility            | \$50                   | 2.50                | 4.00                       | 3.00                     | 2.50                     | 4.00 |
| Access                | \$50                   | 2.50                | 4.00                       | 3.00                     | 3.50                     | 4.00 |
| Neighborhood          | \$0                    | 4.50                | 4.20                       | 4.30                     | 4.50                     | 4.20 |
| Area Amenities        | \$50                   | 3.00                | 4.50                       | 4.00                     | 3.50                     | 4.30 |
| Condition             | \$50                   | 4.50                | 4.50                       | 4.00                     | 4.00                     | 4.50 |
| Effective Age         | \$5.00                 | 2017                | 2015                       | 2000                     | 2000                     | 2015 |
| Ball Field            | \$2                    | no                  | no                         | no                       | no                       | no   |
| BBQ Area              | \$10                   | no                  | yes                        | yes                      | no                       | yes  |
| Billiards             | \$10                   | no                  | yes                        | no                       | no                       | yes  |
| Bus/Comp Center       | \$2                    | yes                 | yes                        | yes                      | yes                      | no   |
| Car Care Center       | \$2                    | no                  | no                         | yes                      | yes                      | no   |
| Community Center      | \$2                    | yes                 | yes                        | yes                      | yes                      | yes  |
| Elevator              | \$100                  | no                  | yes                        | no                       | no                       | yes  |
| Fitness Center        | \$2                    | no                  | yes                        | yes                      | yes                      | yes  |
| Gazebo                | \$2                    | yes                 | no                         | no                       | no                       | no   |
| Hot Tub/Jacuzzi       | \$2                    | no                  | no                         | no                       | no                       | no   |
| Horseshoe Pit         | \$2                    | no                  | no                         | no                       | no                       | no   |
| Lake                  | \$2                    | no                  | no                         | no                       | no                       | no   |
| Library               | \$2                    | no                  | no                         | no                       | no                       | no   |
| Movie Theatre         | \$2                    | no                  | no                         | no                       | no                       | no   |
| Picnic Area           | \$10                   | no                  | yes                        | yes                      | no                       | yes  |
| Playground            | \$2                    | yes                 | no                         | no                       | yes                      | no   |
| Pool                  | \$2                    | no                  | yes                        | yes                      | yes                      | yes  |
| Sauna                 | \$2                    | no                  | no                         | no                       | no                       | no   |
| Sports Court          | \$2                    | no                  | no                         | no                       | yes                      | no   |
| Walking Trail         | \$2                    | no                  | no                         | no                       | no                       | no   |
| Blinds                | \$2                    | yes                 | yes                        | yes                      | yes                      | yes  |
| Ceiling Fans          | \$2                    | yes                 | yes                        | no                       | yes                      | no   |
| Carpeting             | \$2                    | yes                 | yes                        | yes                      | yes                      | yes  |
| Fireplace             | \$2                    | no                  | no                         | some                     | no                       | no   |
| Patio/Balcony         | \$2                    | yes                 | some                       | yes                      | yes                      | yes  |
| Storage               | \$10                   | yes                 | yes                        | yes                      | yes                      | yes  |
| Stove                 | \$2                    | yes                 | yes                        | yes                      | yes                      | yes  |
| Refrigerator          | \$2                    | yes                 | yes                        | yes                      | yes                      | yes  |
| Disposal              | \$2                    | yes                 | yes                        | yes                      | yes                      | yes  |
| Dishwasher            | \$2                    | yes                 | yes                        | yes                      | yes                      | yes  |
| Microwave             | \$10                   | yes                 | yes                        | some                     | no                       | yes  |
| Garage                | \$20                   | no                  | no                         | no                       | no                       | no   |
| Covered               | \$10                   | no                  | no                         | no                       | no                       | no   |
| Assigned              | \$5                    | no                  | no                         | no                       | no                       | no   |
| Open                  | \$0                    | yes                 | no                         | yes                      | yes                      | no   |
| None                  | \$0                    | no                  | yes                        | no                       | no                       | yes  |
| Central               | \$5                    | yes                 | yes                        | yes                      | yes                      | no   |
| W/D Units             | \$40                   | no                  | yes                        | no                       | no                       | yes  |
| W/D Hookups           | \$5                    | yes                 | no                         | yes                      | yes                      | no   |
| Call Buttons          | \$2                    | no                  | no                         | no                       | no                       | no   |
| Controlled Access     | \$2                    | no                  | yes                        | yes                      | yes                      | yes  |
| Courtesy Officer      | \$2                    | no                  | no                         | no                       | no                       | no   |
| Monitoring            | \$2                    | no                  | no                         | no                       | no                       | no   |
| Security Alarms       | \$2                    | no                  | no                         | no                       | no                       | no   |
| Security Patrols      | \$2                    | no                  | no                         | no                       | no                       | no   |
| <b>Indicated Rent</b> | <b>\$1,550</b>         | <b>\$1,394</b>      | <b>\$1,550</b>             | <b>\$950</b>             | <b>\$1,884</b>           |      |

### Unrestricted Market Rent Conclusion

Based on our evaluation of the rents at the select comparable properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were an unrestricted property:

| Unrestricted Market Rent Conclusion        |      |            |       |         |          |           |
|--------------------------------------------|------|------------|-------|---------|----------|-----------|
| Unit Type / Income Limit / Rent Limit      | HOME | Subsidized | Units | Market  | Proposed | Advantage |
| 1BR-1BA-700sf / 50% of AMI / 50% of AMI    | No   | No         | 6     | \$1,050 | \$520    | 50.5%     |
| 1BR-1BA-700sf / 60% of AMI / 60% of AMI    | No   | No         | 15    | \$1,050 | \$645    | 38.6%     |
| 1BR-1BA-700sf / Market Rate / Market Rate  | No   | No         | 6     | \$1,050 | \$1,000  | 4.8%      |
| 2BR-2BA-1000sf / 50% of AMI / 50% of AMI   | No   | No         | 1     | \$1,550 | \$619    | 60.1%     |
| 2BR-2BA-1000sf / 60% of AMI / 60% of AMI   | No   | No         | 5     | \$1,550 | \$769    | 50.4%     |
| 2BR-2BA-1000sf / Market Rate / Market Rate | No   | No         | 1     | \$1,550 | \$1,500  | 3.2%      |
| Total / Average                            |      |            | 34    | \$1,153 | \$728    | 36.8%     |

Our analysis suggests an average unrestricted market rent of \$1,153 for the subject property. This is compared with an average proposed rent of \$728, yielding an unrestricted market rent advantage of 36.8 percent. Overall, the subject property appears to be priced at or below unrestricted market rents for the area.

We selected a total of 4 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 94 percent.

Occupancy rates for the selected rent comparables are broken out below:

| Occupancy Rate, Select Comparables |            |            |            |            |            |            |            |        |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|--------|
|                                    | Subsidized | 20% of AMI | 30% of AMI | 40% of AMI | 50% of AMI | 60% of AMI | 80% of AMI | Market |
| 0-Bedroom                          |            |            |            |            |            |            |            |        |
| 1-Bedroom                          |            |            |            |            |            |            |            | 95%    |
| 2-Bedroom                          |            |            |            |            |            |            |            | 94%    |
| 3-Bedroom                          |            |            |            |            |            |            |            |        |
| 4-Bedroom                          |            |            |            |            |            |            |            |        |
| Total                              |            |            |            |            |            |            |            | 94%    |

Occupancy rates for all stabilized market area properties are broken out below:

| Occupancy Rate, Stabilized Properties |            |            |            |            |            |            |            |        |
|---------------------------------------|------------|------------|------------|------------|------------|------------|------------|--------|
|                                       | Subsidized | 20% of AMI | 30% of AMI | 40% of AMI | 50% of AMI | 60% of AMI | 80% of AMI | Market |
| 0-Bedroom                             | 97%        |            |            |            | 95%        |            |            | 93%    |
| 1-Bedroom                             | 97%        |            |            |            | 100%       | 94%        |            | 96%    |
| 2-Bedroom                             | 99%        |            |            |            | 100%       | 99%        |            | 96%    |
| 3-Bedroom                             | 97%        |            |            |            | 100%       | 96%        |            | 97%    |
| 4-Bedroom                             | 98%        |            |            |            | 100%       | 100%       |            | 100%   |
| Total                                 | 98%        |            |            |            | 98%        | 96%        |            | 96%    |

HUD conducts an annual rent survey to derive Fair Market Rent estimates for an area. Based on this, 2-bedroom rents for the area grew from \$824 to \$949 since 2008. This represents an average 1.9% annual increase over this period.

Fair market rent data for the area is found below:

| HUD Fair Market Rents |       |       |         |        |        |        |
|-----------------------|-------|-------|---------|--------|--------|--------|
| Year                  | Rent  |       |         | Change |        |        |
|                       | 1BR   | 2BR   | 3BR     | 1BR    | 2BR    | 3BR    |
| 2004                  | \$810 | \$944 | \$1,259 | -      | -      | -      |
| 2005                  | \$750 | \$834 | \$1,034 | -7.4%  | -11.7% | -17.9% |
| 2006                  | \$686 | \$763 | \$929   | -8.5%  | -8.5%  | -10.2% |
| 2007                  | \$700 | \$779 | \$948   | 2.0%   | 2.1%   | 2.0%   |
| 2008                  | \$741 | \$824 | \$1,003 | 5.9%   | 5.8%   | 5.8%   |
| 2009                  | \$789 | \$878 | \$1,069 | 6.5%   | 6.6%   | 6.6%   |
| 2010                  | \$820 | \$912 | \$1,110 | 3.9%   | 3.9%   | 3.8%   |
| 2011                  | \$792 | \$881 | \$1,072 | -3.4%  | -3.4%  | -3.4%  |
| 2012                  | \$757 | \$842 | \$1,025 | -4.4%  | -4.4%  | -4.4%  |
| 2013                  | \$737 | \$874 | \$1,158 | -2.6%  | 3.8%   | 13.0%  |
| 2014                  | \$756 | \$896 | \$1,187 | 2.6%   | 2.5%   | 2.5%   |
| 2015                  | \$773 | \$916 | \$1,213 | 2.2%   | 2.2%   | 2.2%   |
| 2016                  | \$820 | \$949 | \$1,253 | 6.1%   | 3.6%   | 3.3%   |

Source: HUD

## **Restricted Rent Analysis**

In this section we develop a restricted market rent conclusion and an achievable rent conclusion for the subject property units. Our analysis began by selecting comparable rentals to use to develop estimates of market rents for the units at the subject property, assuming that the subject was a restricted property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

### Rental Property Inventory, by Unit Type

In the following pages we present an inventory of properties included in this analysis. Rents for these properties, broken out by unit type, were used in selecting the rent comparables used in this analysis.

The properties that we consider to be comparable to the subject property are highlighted in the tables found in the following pages. We attempted to select stabilized restricted rent properties as comparables for purposes of our rent comparability analysis.

Comparables with market rents are used when a sufficient number of restricted rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

### Rent Comparables, Restricted Rent, Map

A map showing the location of the properties selected as comparables in this analysis is found in the following pages. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the select rent comparables are found in the Appendix to this report.

### Rent Comparability Grids

Our analysis employed the use of rent comparability grids and resulted in a restricted market rent estimate for each of the subject's unit types. These grids and a narrative describing our rent adjustments are found in the following pages.

Rental Property Inventory, 1-Bedroom Units

| Overview |                                           |       |           |            |          |            | Rents |     |     |     |       |       |     |         |
|----------|-------------------------------------------|-------|-----------|------------|----------|------------|-------|-----|-----|-----|-------|-------|-----|---------|
| Key      | Property Name                             | Built | Renovated | Rent Type  | Occ Type | Status     | Sub   | 20% | 30% | 40% | 50%   | 60%   | 80% | Mkt     |
| 010      | Ashley Terrace at West End                | 2001  | na        | Restricted | Family   | Stabilized | \$723 |     |     |     |       | \$723 |     | \$875   |
| 014      | Avalon Ridge                              | 2008  | na        | Restricted | Family   | Stabilized | \$675 |     |     |     |       | \$675 |     | \$839   |
| 023      | Candler Forrest Apartments                | 2005  | na        | Restricted | Family   | Stabilized |       |     |     |     |       |       |     |         |
| 025      | Clairmont Oaks Apartments                 | 1975  | 1995      | Restricted | Elderly  | Stabilized | \$900 |     |     |     |       |       |     | \$760   |
| 027      | Columbia at Peopletown Apartments         | 2002  | na        | Restricted | Family   | Stabilized |       |     |     |     |       |       |     |         |
| 028      | Columbia at South River Gardens           | 2011  | na        | Restricted | Family   | Stabilized | \$612 |     |     |     |       | \$612 |     |         |
| 029      | Columbia at Sylvan Hills                  | 2008  | na        | Restricted | Family   | Stabilized | \$717 |     |     |     |       |       |     | \$750   |
| 031      | Columbia Mechanicsville Crossing          | 2009  | na        | Restricted | Family   | Stabilized | \$865 |     |     |     |       |       |     | \$865   |
| 032      | Columbia Mechanicsville Family            | 2007  | na        | Restricted | Family   | Stabilized | \$790 |     |     |     | \$760 | \$790 |     | \$880   |
| 033      | Columbia Mechanicsville Station           | 2009  | na        | Restricted | Family   | Stabilized | \$865 |     |     |     |       |       |     | \$865   |
| 034      | Columbia Mill Apartments                  | 2013  | na        | Restricted | Family   | Stabilized |       |     |     |     | \$558 | \$687 |     | \$799   |
| 036      | Columbia Parkside at Mechanicsville       | 2011  | na        | Restricted | Family   | Stabilized | \$672 |     |     |     | \$672 | \$672 |     | \$880   |
| 037      | Columbia Senior Residences at Forrest Hil | 2014  | na        | Restricted | Elderly  | Stabilized | \$600 |     |     |     |       | \$636 |     | \$1,045 |
| 040      | Columbia Village Apartments               | 1999  | na        | Restricted | Family   | Stabilized |       |     |     |     |       |       |     |         |
| 043      | Constitution Avenue Apartments            | 2006  | na        | Restricted | Family   | Stabilized |       |     |     |     |       |       |     |         |
| 061      | Heritage Station Phase 1                  | 2007  | na        | Restricted | Family   | Stabilized | \$765 |     |     |     | \$592 | \$675 |     | \$950   |
| 079      | Presley Woods Apartments                  | 1996  | 2003      | Restricted | Family   | Stabilized |       |     |     |     |       |       |     |         |
| 081      | Retreat at Edgewood 1                     | 2010  | na        | Restricted | Family   | Stabilized | \$667 |     |     |     |       | \$667 |     |         |
| 082      | Retreat at Edgewood 2                     | 2011  | na        | Restricted | Family   | Stabilized |       |     |     |     | \$667 | \$667 |     | \$879   |
| 084      | Robins Landing Apartments                 | 1968  | 2000      | Restricted | Family   | Stabilized |       |     |     |     |       | \$575 |     |         |
| 095      | Village Highlands                         | 2005  | na        | Restricted | Family   | Stabilized |       |     |     |     |       | \$660 |     |         |
| 096      | Villages at Carver Phase 1                | 2001  | na        | Restricted | Family   | Stabilized | \$713 |     |     |     |       | \$713 |     | \$865   |
| 097      | Villages at Carver Phase 2                | 2002  | na        | Restricted | Family   | Stabilized |       |     |     |     |       |       |     |         |
| 098      | Villages at Carver Phase 3                | 2003  | na        | Restricted | Family   | Stabilized | \$700 |     |     |     |       | \$700 |     | \$890   |
| 099      | Villages at Carver Phase 5                | 2007  | na        | Restricted | Family   | Stabilized | \$717 |     |     |     |       | \$717 |     | \$970   |
| 100      | Villages of East Lake Phase 1             | 1997  | na        | Restricted | Family   | Stabilized |       |     |     |     |       |       |     |         |
| 101      | Villages of East Lake Phase 2             | 1998  | na        | Restricted | Family   | Stabilized |       |     |     |     |       |       |     | \$1,027 |
| 102      | Vineyards Of Browns Mill                  | 2005  | na        | Restricted | Family   | Stabilized |       |     |     |     |       | \$675 |     | \$840   |

Source: Allen & Associates

Rental Property Inventory, 2-Bedroom Units

| Overview |                                           |       |           |            |          |            | Rents   |     |       |     |       |       |     |         |
|----------|-------------------------------------------|-------|-----------|------------|----------|------------|---------|-----|-------|-----|-------|-------|-----|---------|
| Key      | Property Name                             | Built | Renovated | Rent Type  | Occ Type | Status     | Sub     | 20% | 30%   | 40% | 50%   | 60%   | 80% | Mkt     |
| 010      | Ashley Terrace at West End                | 2001  | na        | Restricted | Family   | Stabilized | \$827   |     |       |     |       | \$829 |     | \$999   |
| 014      | Avalon Ridge                              | 2008  | na        | Restricted | Family   | Stabilized | \$773   |     |       |     |       | \$773 |     | \$969   |
| 023      | Candler Forrest Apartments                | 2005  | na        | Restricted | Family   | Stabilized | \$743   |     |       |     |       | \$743 |     | \$775   |
| 025      | Clairmont Oaks Apartments                 | 1975  | 1995      | Restricted | Elderly  | Stabilized |         |     |       |     |       |       |     |         |
| 027      | Columbia at Peopletown Apartments         | 2002  | na        | Restricted | Family   | Stabilized |         |     |       |     | \$565 | \$673 |     | \$785   |
| 028      | Columbia at South River Gardens           | 2011  | na        | Restricted | Family   | Stabilized | \$686   |     |       |     |       | \$686 |     |         |
| 029      | Columbia at Sylvan Hills                  | 2008  | na        | Restricted | Family   | Stabilized | \$773   |     |       |     |       | \$773 |     | \$875   |
| 031      | Columbia Mechanicsville Crossing          | 2009  | na        | Restricted | Family   | Stabilized | \$999   |     |       |     |       |       |     | \$999   |
| 032      | Columbia Mechanicsville Family            | 2007  | na        | Restricted | Family   | Stabilized | \$845   |     |       |     | \$683 | \$845 |     | \$1,011 |
| 033      | Columbia Mechanicsville Station           | 2009  | na        | Restricted | Family   | Stabilized | \$1,012 |     |       |     |       |       |     | \$1,012 |
| 034      | Columbia Mill Apartments                  | 2013  | na        | Restricted | Family   | Stabilized |         |     |       |     | \$653 | \$809 |     | \$1,032 |
| 036      | Columbia Parkside at Mechanicsville       | 2011  | na        | Restricted | Family   | Stabilized | \$776   |     |       |     | \$776 | \$776 |     | \$1,055 |
| 037      | Columbia Senior Residences at Forrest Hil | 2014  | na        | Restricted | Elderly  | Stabilized | \$558   |     |       |     |       | \$758 |     | \$1,217 |
| 040      | Columbia Village Apartments               | 1999  | na        | Restricted | Family   | Stabilized | \$694   |     |       |     | \$694 | \$851 |     |         |
| 043      | Constitution Avenue Apartments            | 2006  | na        | Restricted | Family   | Stabilized | \$597   |     | \$276 |     | \$597 | \$670 |     |         |
| 061      | Heritage Station Phase 1                  | 2007  | na        | Restricted | Family   | Stabilized | \$925   |     |       |     | \$673 | \$773 |     | \$1,100 |
| 079      | Presley Woods Apartments                  | 1996  | 2003      | Restricted | Family   | Stabilized |         |     |       |     |       |       |     |         |
| 081      | Retreat at Edgewood 1                     | 2010  | na        | Restricted | Family   | Stabilized | \$764   |     |       |     |       | \$764 |     |         |
| 082      | Retreat at Edgewood 2                     | 2011  | na        | Restricted | Family   | Stabilized |         |     |       |     |       |       |     |         |
| 084      | Robins Landing Apartments                 | 1968  | 2000      | Restricted | Family   | Stabilized |         |     |       |     |       | \$619 |     |         |
| 095      | Village Highlands                         | 2005  | na        | Restricted | Family   | Stabilized |         |     |       |     |       | \$760 |     |         |
| 096      | Villages at Carver Phase 1                | 2001  | na        | Restricted | Family   | Stabilized | \$805   |     |       |     |       | \$805 |     | \$1,060 |
| 097      | Villages at Carver Phase 2                | 2002  | na        | Restricted | Family   | Stabilized | \$797   |     |       |     |       | \$812 |     | \$1,176 |
| 098      | Villages at Carver Phase 3                | 2003  | na        | Restricted | Family   | Stabilized | \$783   |     |       |     |       | \$783 |     | \$1,086 |
| 099      | Villages at Carver Phase 5                | 2007  | na        | Restricted | Family   | Stabilized | \$825   |     |       |     |       | \$825 |     | \$1,065 |
| 100      | Villages of East Lake Phase 1             | 1997  | na        | Restricted | Family   | Stabilized |         |     |       |     |       |       |     | \$1,019 |
| 101      | Villages of East Lake Phase 2             | 1998  | na        | Restricted | Family   | Stabilized |         |     |       |     |       |       |     | \$1,145 |
| 102      | Vineyards Of Browns Mill                  | 2005  | na        | Restricted | Family   | Stabilized |         |     |       |     |       | \$773 |     | \$920   |

Source: Allen & Associates



### Rent Adjustments

Our analysis included a property management survey and a technique known as "statistical extraction" to help us identify the best adjustments to use. Statistical extraction, which is similar to the matched pair method, helped us derive the optimal adjustments for our particular data set.

Here's a hypothetical example to illustrate how we derived our rent adjustments. Assume that property managers tell us we should expect rent adjustments ranging from \$0.00 to \$0.50 per square foot for a particular market. Next, assume that we select 25 rent comparables with a sample variance of \$100. We employ a square foot rent adjustment of \$0.10 for each comparable resulting in an adjusted sample variance of \$90. This tells us that the assumed adjustment "explained" some of the variability in the data. We repeat this process for adjustments of \$0.20, \$0.30, \$0.40 and \$0.50 which yielded sample variances of \$80, \$70, \$65 and \$75, respectively. The \$0.40 square foot adjustment "explains" the most variance because any other adjustment yields a higher adjusted sample variance. Consequently, a \$0.40 rent adjustment is the best adjustment for purposes of this example. This is a simplified example because we actually adjusted for numerous variables simultaneously in our analysis.

Many adjustments (bedroom count, bathroom count and square footage) are highly interrelated. Statistical extraction helped us unravel the interrelationships between these variables. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is superior a "plus" adjustment is made. If the subject is inferior a "minus" adjustment is made.

We used the Excel Solver function to help us with our analysis. The Solver function was programmed to maximize the R-Squared for our data set. R-Squared is a measure of the amount of sample variance explained by a certain variable. An R-Squared of 100% means that all of a sample's variance is explained by a given variable; an R-Squared of 0% means that none of a sample's variance is explained by that variable. We evaluated a total of 22 variables (AC systems, heating systems, technology, bedrooms, bathrooms, square feet, visibility, access, neighborhood, area amenities, condition, effective age, project amenities, elevator, unit amenities, storage, kitchen amenities, parking, laundry, security, on-site management, on-site maintenance) in an effort to identify the mix of adjustments that explained the most variability found in our raw data.

A discussion of our surveyed and concluded adjustments is found below.

### *Concessions*

The first step in our analysis was to account for any concessions at the subject and the comparables. We considered the advertised street rent and concessions being offered and derived a net rent estimate for each comparable. Net rent, defined as advertised street rent minus monthly concessions, represents the cash rent paid by new residents at the various properties. This is the best measure of market value (prior to any other adjustments) for the comparables included in this analysis.

### *Tenant-Paid Utilities*

The next step in our analysis was to account for differences in tenant-paid utilities between the comparable properties and the subject. We used the HUD Utility Schedule Model to derive our adjustments. The HUD model includes a current utility rate survey for the area. In the event that the tenant-paid utilities associated with a particular property are higher or lower than the subject, adjustments were made to account for the differences. Adjustments reflect the difference between the tenant-paid utilities for the comparable property minus that for the subject.

### *Technology*

We accounted for technology (cable and internet access) offered in the rent for each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per month for cable; internet access was valued at \$0.

| Adjustment | Technology |       | Concluded |
|------------|------------|-------|-----------|
|            | Survey     | Range |           |
| Cable      | \$0        | \$30  | \$0       |
| Internet   | \$0        | \$30  | \$0       |

*Bedrooms*

Our analysis also included an adjustment for the number of bedrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$100 per bedroom.

| Bedrooms   |              |       |           |
|------------|--------------|-------|-----------|
| Adjustment | Survey Range |       | Concluded |
| Bedrooms   | \$20         | \$100 | \$100     |

*Bathrooms*

Our analysis also included an adjustment for the number of bathrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$20 per bathroom.

| Bathrooms  |              |       |           |
|------------|--------------|-------|-----------|
| Adjustment | Survey Range |       | Concluded |
| Bathrooms  | \$20         | \$100 | \$20      |

*Square Feet*

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.15 per square foot.

| Square Feet |              |        |           |
|-------------|--------------|--------|-----------|
| Adjustment  | Survey Range |        | Concluded |
| Square Feet | \$0.05       | \$1.00 | \$0.15    |

*Visibility*

We also accounted for differences in visibility at each of the comparables as compared to the subject property in our analysis. Based on our field review, we assigned a visibility rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in visibility ratings between the subject and the comparables.

| Visibility |              |      |           |
|------------|--------------|------|-----------|
| Adjustment | Survey Range |      | Concluded |
| Rating     | \$0          | \$50 | \$0       |

*Access*

Our analysis also included an adjustment for access at each of the comparables as compared to the subject property. Based on our field review, we assigned an access rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in access ratings between the subject and the comparables.

| Access     |              |      |           |
|------------|--------------|------|-----------|
| Adjustment | Survey Range |      | Concluded |
| Rating     | \$0          | \$50 | \$0       |

*Neighborhood*

We considered differences in neighborhood at each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local demographic and crime data (presented earlier in this report), we assigned a neighborhood rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$30 per point for differences in neighborhood ratings between the subject and the comparables.

| Neighborhood |              |      |           |
|--------------|--------------|------|-----------|
| Adjustment   | Survey Range |      | Concluded |
| Rating       | \$0          | \$50 | \$30      |

*Area Amenities*

We also accounted for area amenities for each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local amenity data (presented earlier in this report), we assigned a local amenity rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for

differences in amenity ratings between the subject and the comparables.

| Area Amenities |              |      |           |
|----------------|--------------|------|-----------|
| Adjustment     | Survey Range |      | Concluded |
| Rating         | \$0          | \$50 | \$0       |

*Condition*

Our analysis also included an adjustment for the condition of each comparable as compared to the subject property. Based on our field review, we assigned a condition rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$10 per point for differences in condition ratings between the subject and the comparables.

| Condition  |              |      |           |
|------------|--------------|------|-----------|
| Adjustment | Survey Range |      | Concluded |
| Rating     | \$10         | \$50 | \$10      |

*Effective Age*

We considered differences in effective age in our analysis. Based on our field review, we estimated the effective age for each of the properties included in this analysis. Our estimates reflected the condition-adjusted age and remaining useful life of each property. Statistical extraction resulted in an adjustment of \$1.00 per year for differences in effective age between the subject and the comparables.

| Effective Age |              |        |           |
|---------------|--------------|--------|-----------|
| Adjustment    | Survey Range |        | Concluded |
| Rating        | \$1.00       | \$5.00 | \$1.00    |

*Project Amenities*

We considered the presence of various project amenities at the comparables as compared to the subject property. Project amenities include ball fields, BBQ areas, billiards, business/computer centers, car care centers, community centers, elevators, fitness centers, gazebos, hot tubs/Jacuzzis, horseshoe pits, lakes, libraries, movie theatres, picnic areas, playgrounds, pools, saunas, sports courts and walking trails. The survey range and our concluded adjustment for each amenity is summarized below.

| Project Amenities |              |       |           |
|-------------------|--------------|-------|-----------|
| Adjustment        | Survey Range |       | Concluded |
| Ball Field        | \$2          | \$10  | \$2       |
| BBQ Area          | \$2          | \$10  | \$2       |
| Billiards         | \$2          | \$10  | \$2       |
| Bus/Comp Ctrs     | \$2          | \$10  | \$2       |
| Car Care Center   | \$2          | \$10  | \$2       |
| Community Center  | \$2          | \$10  | \$10      |
| Elevator          | \$10         | \$100 | \$10      |
| Fitness Center    | \$2          | \$10  | \$2       |
| Gazebo            | \$2          | \$10  | \$2       |
| Hot Tub/Jacuzzi   | \$2          | \$10  | \$2       |
| Horseshoe Pit     | \$2          | \$10  | \$2       |
| Lake              | \$2          | \$10  | \$2       |
| Library           | \$2          | \$10  | \$2       |
| Movie Theatre     | \$2          | \$10  | \$2       |
| Picnic Area       | \$2          | \$10  | \$2       |
| Playground        | \$2          | \$10  | \$2       |
| Pool              | \$2          | \$10  | \$10      |
| Sauna             | \$2          | \$10  | \$2       |
| Sports Court      | \$2          | \$10  | \$4       |
| Walking Trail     | \$2          | \$10  | \$2       |

*Unit Amenities*

We considered the presence of various unit amenities at the comparables as compared to the subject property. Unit amenities include blinds, ceiling fans, carpeting/upgraded flooring, fireplaces, patios/balconies and storage. The survey range and our concluded adjustment for each amenity is summarized below.

| Unit Amenities |              |      |           |
|----------------|--------------|------|-----------|
| Adjustment     | Survey Range |      | Concluded |
| Blinds         | \$2          | \$10 | \$2       |
| Ceiling Fans   | \$2          | \$10 | \$2       |
| Carpeting      | \$2          | \$10 | \$2       |
| Fireplace      | \$2          | \$10 | \$2       |
| Patio/Balcony  | \$2          | \$10 | \$10      |
| Storage        | \$10         | \$30 | \$10      |

#### *Kitchen Amenities*

We considered the presence of various kitchen amenities at the comparables as compared to the subject property. Kitchen amenities include stoves, refrigerators, disposals, dishwashers and microwaves. The survey range and our concluded adjustment for each amenity is summarized below.

| Kitchen Amenities |              |      |           |
|-------------------|--------------|------|-----------|
| Adjustment        | Survey Range |      | Concluded |
| Stove             | \$2          | \$10 | \$2       |
| Refrigerator      | \$2          | \$10 | \$2       |
| Disposal          | \$2          | \$10 | \$4       |
| Dishwasher        | \$2          | \$10 | \$2       |
| Microwave         | \$2          | \$10 | \$2       |

#### *Parking*

We also adjusted for differing types of parking configurations. We classified parking five ways: (1) Garage, (2) Covered; (3) Assigned, (4) Open and (5) No parking offered. Statistical extraction resulted in an adjustment of \$20 per month for garages; covered parking was valued at \$10; assigned parking was valued at \$5; open parking was valued at \$0; no parking was valued at \$0.

| Parking    |              |       |           |
|------------|--------------|-------|-----------|
| Adjustment | Survey Range |       | Concluded |
| Garage     | \$20         | \$100 | \$20      |
| Covered    | \$10         | \$50  | \$10      |
| Assigned   | \$5          | \$25  | \$5       |
| Open       | \$0          | \$0   | \$0       |
| None       | \$0          | \$0   | \$0       |

#### *Laundry*

We also evaluated differing types of laundry configurations. We classified laundry amenities three ways: (1) Central Laundry, (2) Washer/Dryer Units; and (3) Washer/Dryer Hookups. Our analysis resulted in an adjustment of \$20 per month for central laundries; washer/dryer units were valued at \$10; washer/dryer hookups were valued at \$5.

| Laundry     |              |      |           |
|-------------|--------------|------|-----------|
| Adjustment  | Survey Range |      | Concluded |
| Central     | \$5          | \$20 | \$20      |
| W/D Units   | \$10         | \$40 | \$10      |
| W/D Hookups | \$5          | \$20 | \$5       |

#### *Security*

We considered the presence of various security amenities at the comparables as compared to the subject property. Security amenities include call buttons, controlled access, courtesy officers, monitoring, security alarms and security patrols. The survey range and our concluded adjustment for each amenity is summarized below.

| Security          |              |      |           |
|-------------------|--------------|------|-----------|
| Adjustment        | Survey Range |      | Concluded |
| Call Buttons      | \$2          | \$10 | \$2       |
| Controlled Access | \$2          | \$10 | \$2       |
| Courtesy Officer  | \$2          | \$10 | \$10      |
| Monitoring        | \$2          | \$10 | \$2       |
| Security Alarms   | \$2          | \$10 | \$3       |
| Security Patrols  | \$2          | \$10 | \$10      |

Rent Conclusion, 1BR-1BA-700sf

The development of our rent conclusion for the 1BR-1BA-700sf units is found below.

Our analysis included the evaluation of a total of 25 unit types found at 6 properties. We selected the 20 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 20 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

|                   |                                   | Rent Conclusion  |                 |             |          |                   |                 |               |      |
|-------------------|-----------------------------------|------------------|-----------------|-------------|----------|-------------------|-----------------|---------------|------|
| Property-Unit Key | Comparable<br>Property Name       | Unit Type        | Unadjusted Rent |             |          | Adjusted Rent     |                 |               |      |
|                   |                                   |                  | Street Rent     | Concessions | Net Rent | Gross Adjustments | Net Adjustments | Adjusted Rent | Rank |
| Sub-02            | Trinity Walk Phase III            | 1BR-1BA-700sf    | \$650           | \$0         | \$650    | -                 | \$0             | \$650         | -    |
| 014-02            | Avalon Ridge                      | 1BR-1BA-684sf    | \$675           | \$0         | \$675    | \$126             | \$50            | \$725         | 4    |
| 014-05            | Avalon Ridge                      | 2BR-2BA-877sf    | \$773           | \$0         | \$773    | \$340             | -\$30           | \$743         | 12   |
| 034-02            | Columbia Mill Apartments          | 1BR-1BA-767sf    | \$687           | \$0         | \$687    | \$78              | -\$14           | \$673         | 1    |
| 034-05            | Columbia Mill Apartments          | 2BR-2BA-1059sf   | \$809           | \$0         | \$809    | \$237             | -\$143          | \$666         | 7    |
| 034-07            | Columbia Mill Apartments          | 2BR-2BA-1192sf   | \$809           | \$0         | \$809    | \$260             | -\$160          | \$649         | 9    |
| 034-10            | Columbia Mill Apartments          | 3BR-2BA-1270sf   | \$951           | \$0         | \$951    | \$408             | -\$236          | \$716         | 16   |
| 036-03            | Columbia Parkside at Mechanicsvil | 1BR-1BA-780sf    | \$672           | \$0         | \$672    | \$89              | \$25            | \$697         | 2    |
| 036-04            | Columbia Parkside at Mechanicsvil | 1BR-1BA-780sf    | \$672           | \$0         | \$672    | \$89              | \$25            | \$697         | 2    |
| 036-08            | Columbia Parkside at Mechanicsvil | 2BR-2BA-1076sf   | \$776           | \$0         | \$776    | \$310             | -\$82           | \$694         | 10   |
| 036-09            | Columbia Parkside at Mechanicsvil | 2BR-2BA-1076sf   | \$776           | \$0         | \$776    | \$310             | -\$82           | \$694         | 10   |
| 036-12            | Columbia Parkside at Mechanicsvil | 2BR-2.5BA-1275sf | \$776           | \$0         | \$776    | \$350             | -\$122          | \$654         | 13   |
| 036-13            | Columbia Parkside at Mechanicsvil | 2BR-2.5BA-1275sf | \$776           | \$0         | \$776    | \$350             | -\$122          | \$654         | 13   |
| 036-16            | Columbia Parkside at Mechanicsvil | 3BR-2BA-1329sf   | \$872           | \$0         | \$872    | \$530             | -\$138          | \$734         | 19   |
| 036-17            | Columbia Parkside at Mechanicsvil | 3BR-2BA-1329sf   | \$872           | \$0         | \$872    | \$530             | -\$138          | \$734         | 19   |
| 040-03            | Columbia Village Apartments       | 2BR-2BA-1008sf   | \$851           | \$0         | \$851    | \$243             | -\$121          | \$730         | 8    |
| 040-06            | Columbia Village Apartments       | 3BR-2BA-1142sf   | \$968           | \$0         | \$968    | \$410             | -\$194          | \$774         | 17   |
| 081-02            | Retreat at Edgewood 1             | 1BR-1BA-753sf    | \$667           | \$0         | \$667    | \$156             | \$74            | \$741         | 5    |
| 081-04            | Retreat at Edgewood 1             | 2BR-2BA-1143sf   | \$764           | \$0         | \$764    | \$392             | -\$46           | \$718         | 15   |
| 081-06            | Retreat at Edgewood 1             | 2BR-2.5BA-1211sf | \$764           | \$0         | \$764    | \$413             | -\$67           | \$697         | 18   |
| 082-02            | Retreat at Edgewood 2             | 1BR-1BA-753sf    | \$667           | \$0         | \$667    | \$162             | \$76            | \$743         | 6    |
|                   | Adjusted Rent, Minimum            |                  |                 |             |          |                   | \$649           |               |      |
|                   | Adjusted Rent, Maximum            |                  |                 |             |          |                   | \$774           |               |      |
|                   | Adjusted Rent, Average            |                  |                 |             |          |                   | \$707           |               |      |
|                   | Adjusted Rent, Modified Average   |                  |                 |             |          |                   | \$706           |               |      |
|                   | Rent, Concluded                   |                  |                 |             |          |                   | \$710           |               |      |

Our analysis suggests a rent of \$710 for the 1BR-1BA-700sf units at the subject property.

In our opinion, the 1BR-1BA-767sf units at Columbia Mill Apartments (Property # 034), the 1BR-1BA-780sf units at Columbia Parkside at Mechanicsville (Property # 036), the 1BR-1BA-684sf units at Avalon Ridge (Property # 014) and the 1BR-1BA-753sf units at Retreat at Edgewood 1 (Property # 081) are the best comparables for the 1BR-1BA-700sf units at the subject property.

| Comparable            | Subject                | 1                      | 2                         | 3                                   | 4                         |            |             |            |             |            |
|-----------------------|------------------------|------------------------|---------------------------|-------------------------------------|---------------------------|------------|-------------|------------|-------------|------------|
| Property-Unit Key     | Sub-02                 | 014-02                 | 034-02                    | 036-04                              | 081-02                    |            |             |            |             |            |
| Unit Type             | 1BR-1BA-700sf          | 1BR-1BA-684sf          | 1BR-1BA-767sf             | 1BR-1BA-780sf                       | 1BR-1BA-753sf             |            |             |            |             |            |
| Property Name         | Trinity Walk Phase III | Avalon Ridge           | Columbia Mill Apartments  | Columbia Parkside at Mechanicsville | Retreat at Edgewood 1     |            |             |            |             |            |
| Address               | 1111 Oakview Road      | 183 Mount Zion Road SW | 2239 Flat Shoals Road, SE | 565 McDaniel Street SW              | 150 Hutchinson Street, NE |            |             |            |             |            |
| City                  | Decatur                | Atlanta                | Atlanta                   | Atlanta                             | Atlanta                   |            |             |            |             |            |
| State                 | Georgia                | Georgia                | Georgia                   | Georgia                             | Georgia                   |            |             |            |             |            |
| Miles to Subject      | 0.00                   | 6.83                   | 2.15                      | 5.66                                | 2.09                      |            |             |            |             |            |
| Year Built            | 2017                   | 2008                   | 2013                      | 2011                                | 2010                      |            |             |            |             |            |
| Year Rehab            | na                     | na                     | na                        | na                                  | na                        |            |             |            |             |            |
| Project Rent          | Restricted             | Restricted             | Restricted                | Restricted                          | Restricted                |            |             |            |             |            |
| Project Type          | Family                 | Family                 | Family                    | Family                              | Family                    |            |             |            |             |            |
| Project Status        | Prop Const             | Stabilized             | Stabilized                | Stabilized                          | Stabilized                |            |             |            |             |            |
| Phone                 | na                     | (404) 343-7200         | (404) 241-7441            | (404) 523-0230                      | (404) 577-9001            |            |             |            |             |            |
| Effective Date        | 15-May-17              | 28-Apr-17              | 27-Apr-17                 | 05-May-17                           | 30-Apr-17                 |            |             |            |             |            |
| <b>Project Level</b>  |                        |                        |                           |                                     |                           |            |             |            |             |            |
| Units                 | 34                     | 222                    | 100                       | 156                                 | 100                       |            |             |            |             |            |
| Vacancy Rate          | 100%                   | 2%                     | 3%                        | 6%                                  | 1%                        |            |             |            |             |            |
| <b>Unit Type</b>      |                        |                        |                           |                                     |                           |            |             |            |             |            |
| Units                 | 15                     | 13                     | 34                        | 19                                  | 11                        |            |             |            |             |            |
| Vacancy Rate          | 100%                   | 0%                     | 0%                        | 0%                                  | 9%                        |            |             |            |             |            |
| Street Rent           | \$650                  | \$675                  | \$687                     | \$672                               | \$667                     |            |             |            |             |            |
| Concessions           | \$0                    | \$0                    | \$0                       | \$0                                 | \$0                       |            |             |            |             |            |
| Net Rent              | \$650                  | \$675                  | \$687                     | \$672                               | \$667                     |            |             |            |             |            |
|                       | <b>Adj</b>             | <b>Data</b>            | <b>Data</b>               | <b>Adj</b>                          | <b>Data</b>               | <b>Adj</b> | <b>Data</b> | <b>Adj</b> | <b>Data</b> | <b>Adj</b> |
| Tenant-Paid Utilities | TPU                    | \$107                  | \$157                     | \$50                                | \$87                      | -\$20      | \$118       | \$11       | \$108       | \$1        |
| Cable                 | \$0                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Internet              | \$0                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Bedrooms              | \$100                  | 1                      | 1                         | \$0                                 | 1                         | \$0        | 1           | \$0        | 1           | \$0        |
| Bathrooms             | \$20                   | 1.00                   | 1.00                      | \$0                                 | 1.00                      | \$0        | 1.00        | \$0        | 1.00        | \$0        |
| Square Feet           | \$0.15                 | 700                    | 684                       | \$2                                 | 767                       | -\$10      | 780         | -\$12      | 753         | -\$8       |
| Visibility            | \$0                    | 2.50                   | 3.50                      | \$0                                 | 3.25                      | \$0        | 4.00        | \$0        | 2.50        | \$0        |
| Access                | \$0                    | 2.50                   | 3.00                      | \$0                                 | 3.00                      | \$0        | 4.00        | \$0        | 2.50        | \$0        |
| Neighborhood          | \$30                   | 4.50                   | 4.10                      | \$12                                | 4.20                      | \$9        | 4.10        | \$12       | 2.00        | \$75       |
| Area Amenities        | \$0                    | 3.00                   | 2.00                      | \$0                                 | 2.10                      | \$0        | 3.80        | \$0        | 3.90        | \$0        |
| Condition             | \$10                   | 4.50                   | 4.00                      | \$5                                 | 4.00                      | \$5        | 4.00        | \$5        | 4.00        | \$5        |
| Effective Age         | \$1.00                 | 2017                   | 2005                      | \$12                                | 2011                      | \$6        | 2010        | \$7        | 2010        | \$7        |
| Ball Field            | \$2                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| BBQ Area              | \$2                    | no                     | yes                       | -\$2                                | yes                       | -\$2       | yes         | -\$2       | yes         | -\$2       |
| Billiards             | \$2                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Bus/Comp Center       | \$2                    | yes                    | yes                       | \$0                                 | yes                       | \$0        | yes         | \$0        | yes         | \$0        |
| Car Care Center       | \$2                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Community Center      | \$10                   | yes                    | yes                       | \$0                                 | yes                       | \$0        | no          | \$10       | yes         | \$0        |
| Elevator              | \$10                   | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Fitness Center        | \$2                    | no                     | yes                       | -\$2                                | yes                       | -\$2       | yes         | -\$2       | yes         | -\$2       |
| Gazebo                | \$2                    | yes                    | yes                       | \$0                                 | yes                       | \$0        | no          | \$2        | yes         | \$0        |
| Hot Tub/Jacuzzi       | \$2                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Horseshoe Pit         | \$2                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Lake                  | \$2                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Library               | \$2                    | no                     | no                        | \$0                                 | no                        | \$0        | yes         | -\$2       | yes         | -\$2       |
| Movie Theatre         | \$2                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Picnic Area           | \$2                    | no                     | yes                       | -\$2                                | yes                       | -\$2       | yes         | -\$2       | yes         | -\$2       |
| Playground            | \$2                    | yes                    | yes                       | \$0                                 | yes                       | \$0        | yes         | \$0        | yes         | \$0        |
| Pool                  | \$10                   | no                     | yes                       | -\$10                               | no                        | \$0        | no          | \$0        | no          | \$0        |
| Sauna                 | \$2                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Sports Court          | \$4                    | no                     | no                        | \$0                                 | yes                       | -\$4       | no          | \$0        | no          | \$0        |
| Walking Trail         | \$2                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Blinds                | \$2                    | yes                    | yes                       | \$0                                 | yes                       | \$0        | yes         | \$0        | yes         | \$0        |
| Ceiling Fans          | \$2                    | yes                    | yes                       | \$0                                 | yes                       | \$0        | yes         | \$0        | yes         | \$0        |
| Carpeting             | \$2                    | yes                    | yes                       | \$0                                 | yes                       | \$0        | yes         | \$0        | yes         | \$0        |
| Fireplace             | \$2                    | no                     | no                        | -\$2                                | no                        | -\$2       | no          | -\$2       | no          | -\$2       |
| Patio/Balcony         | \$10                   | yes                    | yes                       | \$0                                 | some                      | \$10       | some        | \$10       | yes         | \$0        |
| Storage               | \$10                   | yes                    | yes                       | \$0                                 | yes                       | \$0        | yes         | \$0        | yes         | \$0        |
| Stove                 | \$2                    | yes                    | yes                       | \$0                                 | yes                       | \$0        | yes         | \$0        | yes         | \$0        |
| Refrigerator          | \$2                    | yes                    | yes                       | \$0                                 | yes                       | \$0        | yes         | \$0        | yes         | \$0        |
| Disposal              | \$4                    | yes                    | yes                       | \$0                                 | yes                       | \$0        | yes         | \$0        | yes         | \$0        |
| Dishwasher            | \$2                    | yes                    | yes                       | \$0                                 | yes                       | \$0        | yes         | \$0        | yes         | \$0        |
| Microwave             | \$2                    | yes                    | no                        | \$2                                 | no                        | \$2        | yes         | \$0        | no          | \$2        |
| Garage                | \$20                   | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Covered               | \$10                   | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Assigned              | \$5                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Open                  | \$0                    | yes                    | yes                       | \$0                                 | yes                       | \$0        | yes         | \$0        | yes         | \$0        |
| None                  | \$0                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Central               | \$20                   | yes                    | yes                       | \$0                                 | yes                       | \$0        | yes         | \$0        | no          | \$20       |
| W/D Units             | \$10                   | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | yes         | -\$10      |
| W/D Hookups           | \$5                    | yes                    | no                        | \$5                                 | yes                       | \$0        | yes         | \$0        | no          | \$5        |
| Call Buttons          | \$2                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | no          | \$0        |
| Controlled Access     | \$2                    | no                     | no                        | \$0                                 | yes                       | -\$2       | no          | \$0        | no          | \$0        |
| Courtesy Officer      | \$10                   | no                     | yes                       | -\$10                               | no                        | \$0        | no          | \$0        | yes         | -\$10      |
| Monitoring            | \$2                    | no                     | no                        | \$0                                 | yes                       | -\$2       | no          | \$0        | no          | \$0        |
| Security Alarms       | \$3                    | no                     | no                        | \$0                                 | no                        | \$0        | no          | \$0        | yes         | -\$3       |
| Security Patrols      | \$10                   | no                     | yes                       | -\$10                               | no                        | \$0        | yes         | -\$10      | no          | \$0        |
| <b>Indicated Rent</b> | <b>\$710</b>           | <b>\$725</b>           | <b>\$673</b>              | <b>\$697</b>                        | <b>\$741</b>              |            |             |            |             |            |

Rent Conclusion, 2BR-2BA-1000sf

The development of our rent conclusion for the 2BR-2BA-1000sf units is found below.

Our analysis included the evaluation of a total of 25 unit types found at 6 properties. We selected the 20 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 20 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

| Rent Conclusion   |                                   |                  |                 |             |          |                   |                 |               |      |
|-------------------|-----------------------------------|------------------|-----------------|-------------|----------|-------------------|-----------------|---------------|------|
| Comparable        |                                   |                  | Unadjusted Rent |             |          | Adjusted Rent     |                 |               |      |
| Property-Unit Key | Property Name                     | Unit Type        | Street Rent     | Concessions | Net Rent | Gross Adjustments | Net Adjustments | Adjusted Rent | Rank |
| Sub-05            | Trinity Walk Phase III            | 2BR-2BA-1000sf   | \$775           | \$0         | \$775    | -                 | \$0             | \$775         | -    |
| 014-02            | Avalon Ridge                      | 1BR-1BA-684sf    | \$675           | \$0         | \$675    | \$267             | \$191           | \$866         | 16   |
| 014-05            | Avalon Ridge                      | 2BR-2BA-877sf    | \$773           | \$0         | \$773    | \$187             | \$111           | \$884         | 8    |
| 034-02            | Columbia Mill Apartments          | 1BR-1BA-767sf    | \$687           | \$0         | \$687    | \$247             | \$127           | \$814         | 15   |
| 034-05            | Columbia Mill Apartments          | 2BR-2BA-1059sf   | \$809           | \$0         | \$809    | \$66              | -\$2            | \$807         | 2    |
| 034-07            | Columbia Mill Apartments          | 2BR-2BA-1192sf   | \$809           | \$0         | \$809    | \$83              | -\$19           | \$790         | 3    |
| 034-10            | Columbia Mill Apartments          | 3BR-2BA-1270sf   | \$951           | \$0         | \$951    | \$219             | -\$95           | \$857         | 10   |
| 036-03            | Columbia Parkside at Mechanicsvil | 1BR-1BA-780sf    | \$672           | \$0         | \$672    | \$232             | \$166           | \$838         | 13   |
| 036-04            | Columbia Parkside at Mechanicsvil | 1BR-1BA-780sf    | \$672           | \$0         | \$672    | \$232             | \$166           | \$838         | 13   |
| 036-08            | Columbia Parkside at Mechanicsvil | 2BR-2BA-1076sf   | \$776           | \$0         | \$776    | \$121             | \$59            | \$835         | 4    |
| 036-09            | Columbia Parkside at Mechanicsvil | 2BR-2BA-1076sf   | \$776           | \$0         | \$776    | \$121             | \$59            | \$835         | 4    |
| 036-12            | Columbia Parkside at Mechanicsvil | 2BR-2.5BA-1275sf | \$776           | \$0         | \$776    | \$161             | \$19            | \$795         | 6    |
| 036-13            | Columbia Parkside at Mechanicsvil | 2BR-2.5BA-1275sf | \$776           | \$0         | \$776    | \$161             | \$19            | \$795         | 6    |
| 036-16            | Columbia Parkside at Mechanicsvil | 3BR-2BA-1329sf   | \$872           | \$0         | \$872    | \$341             | \$3             | \$875         | 19   |
| 036-17            | Columbia Parkside at Mechanicsvil | 3BR-2BA-1329sf   | \$872           | \$0         | \$872    | \$341             | \$3             | \$875         | 19   |
| 040-03            | Columbia Village Apartments       | 2BR-2BA-1008sf   | \$851           | \$0         | \$851    | \$54              | \$20            | \$871         | 1    |
| 040-06            | Columbia Village Apartments       | 3BR-2BA-1142sf   | \$968           | \$0         | \$968    | \$221             | -\$53           | \$915         | 11   |
| 081-02            | Retreat at Edgewood 1             | 1BR-1BA-753sf    | \$667           | \$0         | \$667    | \$327             | \$215           | \$882         | 17   |
| 081-04            | Retreat at Edgewood 1             | 2BR-2BA-1143sf   | \$764           | \$0         | \$764    | \$203             | \$95            | \$859         | 9    |
| 081-06            | Retreat at Edgewood 1             | 2BR-2.5BA-1211sf | \$764           | \$0         | \$764    | \$224             | \$74            | \$838         | 12   |
| 082-02            | Retreat at Edgewood 2             | 1BR-1BA-753sf    | \$667           | \$0         | \$667    | \$333             | \$217           | \$884         | 18   |
|                   | Adjusted Rent, Minimum            |                  |                 |             |          | \$790             |                 |               |      |
|                   | Adjusted Rent, Maximum            |                  |                 |             |          | \$915             |                 |               |      |
|                   | Adjusted Rent, Average            |                  |                 |             |          | \$848             |                 |               |      |
|                   | Adjusted Rent, Modified Average   |                  |                 |             |          | \$847             |                 |               |      |
|                   | Rent, Concluded                   |                  |                 |             |          | \$850             |                 |               |      |

Our analysis suggests a rent of \$850 for the 2BR-2BA-1000sf units at the subject property.

In our opinion, the 2BR-2BA-1008sf units at Columbia Village Apartments (Property # 040), the 2BR-2BA-1059sf units at Columbia Mill Apartments (Property # 034), the 2BR-2BA-1076sf units at Columbia Parkside at Mechanicsville (Property # 036) and the 2BR-2BA-877sf units at Avalon Ridge (Property # 014) are the best comparables for the 2BR-2BA-1000sf units at the subject property.

| Comparable            | Subject                | 1                      | 2                         | 3                                   | 4                           |      |       |       |       |       |
|-----------------------|------------------------|------------------------|---------------------------|-------------------------------------|-----------------------------|------|-------|-------|-------|-------|
| Property-Unit Key     | Sub-05                 | 014-05                 | 034-05                    | 036-09                              | 040-03                      |      |       |       |       |       |
| Unit Type             | 2BR-2BA-1000sf         | 2BR-2BA-877sf          | 2BR-2BA-1059sf            | 2BR-2BA-1076sf                      | 2BR-2BA-1008sf              |      |       |       |       |       |
| Property Name         | Trinity Walk Phase III | Avalon Ridge           | Columbia Mill Apartments  | Columbia Parkside at Mechanicsville | Columbia Village Apartments |      |       |       |       |       |
| Address               | 1111 Oakview Road      | 183 Mount Zion Road SW | 2239 Flat Shoals Road, SE | 565 McDaniel Street SW              | 100 Jessica Avenue          |      |       |       |       |       |
| City                  | Decatur                | Atlanta                | Atlanta                   | Atlanta                             | Decatur                     |      |       |       |       |       |
| State                 | Georgia                | Georgia                | Georgia                   | Georgia                             | Georgia                     |      |       |       |       |       |
| Miles to Subject      | 0.00                   | 6.83                   | 2.15                      | 5.66                                | 1.47                        |      |       |       |       |       |
| Year Built            | 2017                   | 2008                   | 2013                      | 2011                                | 1999                        |      |       |       |       |       |
| Year Rehab            | na                     | na                     | na                        | na                                  | na                          |      |       |       |       |       |
| Project Rent          | Restricted             | Restricted             | Restricted                | Restricted                          | Restricted                  |      |       |       |       |       |
| Project Type          | Family                 | Family                 | Family                    | Family                              | Family                      |      |       |       |       |       |
| Project Status        | Prop Const             | Stabilized             | Stabilized                | Stabilized                          | Stabilized                  |      |       |       |       |       |
| Phone                 | na                     | (404) 343-7200         | (404) 241-7441            | (404) 523-0230                      | (404) 377-2445              |      |       |       |       |       |
| Effective Date        | 15-May-17              | 28-Apr-17              | 27-Apr-17                 | 05-May-17                           | 27-Apr-17                   |      |       |       |       |       |
| <b>Project Level</b>  |                        |                        |                           |                                     |                             |      |       |       |       |       |
| Units                 | 34                     | 222                    | 100                       | 156                                 | 100                         |      |       |       |       |       |
| Vacancy Rate          | 100%                   | 2%                     | 3%                        | 6%                                  | 3%                          |      |       |       |       |       |
| <b>Unit Type</b>      |                        |                        |                           |                                     |                             |      |       |       |       |       |
| Units                 | 5                      | 59                     | 8                         | 7                                   | 27                          |      |       |       |       |       |
| Vacancy Rate          | 100%                   | 2%                     | 0%                        | 14%                                 | 4%                          |      |       |       |       |       |
| Street Rent           | \$775                  | \$773                  | \$809                     | \$776                               | \$851                       |      |       |       |       |       |
| Concessions           | \$0                    | \$0                    | \$0                       | \$0                                 | \$0                         |      |       |       |       |       |
| Net Rent              | \$775                  | \$773                  | \$809                     | \$776                               | \$851                       |      |       |       |       |       |
| <b>Adj</b>            | <b>Data</b>            | <b>Data</b>            | <b>Adj</b>                | <b>Data</b>                         | <b>Adj</b>                  |      |       |       |       |       |
| Tenant-Paid Utilities | TPU                    | \$131                  | \$226                     | \$95                                | \$122                       | -\$9 | \$175 | \$44  | \$133 | \$2   |
| Cable                 | \$0                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Internet              | \$0                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Bedrooms              | \$100                  | 2                      | 2                         | \$0                                 | 2                           | \$0  | 2     | \$0   | 2     | \$0   |
| Bathrooms             | \$20                   | 2.00                   | 2.00                      | \$0                                 | 2.00                        | \$0  | 2.00  | \$0   | 2.00  | \$0   |
| Square Feet           | \$0.15                 | 1000                   | 877                       | \$18                                | 1059                        | -\$9 | 1076  | -\$11 | 1008  | -\$1  |
| Visibility            | \$0                    | 2.50                   | 3.50                      | \$0                                 | 3.25                        | \$0  | 4.00  | \$0   | 2.50  | \$0   |
| Access                | \$0                    | 2.50                   | 3.00                      | \$0                                 | 3.00                        | \$0  | 4.00  | \$0   | 2.50  | \$0   |
| Neighborhood          | \$30                   | 4.50                   | 4.10                      | \$12                                | 4.20                        | \$9  | 4.10  | \$12  | 4.20  | \$9   |
| Area Amenities        | \$0                    | 3.00                   | 2.00                      | \$0                                 | 2.10                        | \$0  | 3.80  | \$0   | 2.30  | \$0   |
| Condition             | \$10                   | 4.50                   | 4.00                      | \$5                                 | 4.00                        | \$5  | 4.00  | \$5   | 4.00  | \$5   |
| Effective Age         | \$1.00                 | 2017                   | 2005                      | \$12                                | 2011                        | \$6  | 2010  | \$7   | 2000  | \$17  |
| Ball Field            | \$2                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| BBQ Area              | \$2                    | no                     | yes                       | -\$2                                | yes                         | -\$2 | yes   | -\$2  | no    | \$0   |
| Billiards             | \$2                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Bus/Comp Center       | \$2                    | yes                    | yes                       | \$0                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| Car Care Center       | \$2                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Community Center      | \$10                   | yes                    | yes                       | \$0                                 | yes                         | \$0  | no    | \$10  | yes   | \$0   |
| Elevator              | \$10                   | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Fitness Center        | \$2                    | no                     | yes                       | -\$2                                | yes                         | -\$2 | yes   | -\$2  | no    | \$0   |
| Gazebo                | \$2                    | yes                    | yes                       | \$0                                 | yes                         | \$0  | no    | \$2   | no    | \$2   |
| Hot Tub/Jacuzzi       | \$2                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Horseshoe Pit         | \$2                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Lake                  | \$2                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Library               | \$2                    | no                     | no                        | \$0                                 | no                          | \$0  | yes   | -\$2  | no    | \$0   |
| Movie Theatre         | \$2                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Picnic Area           | \$2                    | no                     | yes                       | -\$2                                | yes                         | -\$2 | yes   | -\$2  | no    | \$0   |
| Playground            | \$2                    | yes                    | yes                       | \$0                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| Pool                  | \$10                   | no                     | yes                       | -\$10                               | no                          | \$0  | no    | \$0   | no    | \$0   |
| Sauna                 | \$2                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Sports Court          | \$4                    | no                     | no                        | \$0                                 | yes                         | -\$4 | no    | \$0   | yes   | -\$4  |
| Walking Trail         | \$2                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Blinds                | \$2                    | yes                    | yes                       | \$0                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| Ceiling Fans          | \$2                    | yes                    | yes                       | \$0                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| Carpeting             | \$2                    | yes                    | yes                       | \$0                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| Fireplace             | \$2                    | no                     | no                        | -\$2                                | no                          | -\$2 | no    | -\$2  | no    | \$0   |
| Patio/Balcony         | \$10                   | yes                    | yes                       | \$0                                 | some                        | \$10 | some  | \$10  | yes   | \$0   |
| Storage               | \$10                   | yes                    | yes                       | \$0                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| Stove                 | \$2                    | yes                    | yes                       | \$0                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| Refrigerator          | \$2                    | yes                    | yes                       | \$0                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| Disposal              | \$4                    | yes                    | yes                       | \$0                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| Dishwasher            | \$2                    | yes                    | yes                       | \$0                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| Microwave             | \$2                    | yes                    | no                        | \$2                                 | no                          | \$2  | yes   | \$0   | no    | \$2   |
| Garage                | \$20                   | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Covered               | \$10                   | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Assigned              | \$5                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Open                  | \$0                    | yes                    | yes                       | \$0                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| None                  | \$0                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Central               | \$20                   | yes                    | yes                       | \$0                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| W/D Units             | \$10                   | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| W/D Hookups           | \$5                    | yes                    | no                        | \$5                                 | yes                         | \$0  | yes   | \$0   | yes   | \$0   |
| Call Buttons          | \$2                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Controlled Access     | \$2                    | no                     | no                        | \$0                                 | yes                         | -\$2 | no    | \$0   | yes   | -\$2  |
| Courtesy Officer      | \$10                   | no                     | yes                       | -\$10                               | no                          | \$0  | no    | \$0   | yes   | -\$10 |
| Monitoring            | \$2                    | no                     | no                        | \$0                                 | yes                         | -\$2 | no    | \$0   | no    | \$0   |
| Security Alarms       | \$3                    | no                     | no                        | \$0                                 | no                          | \$0  | no    | \$0   | no    | \$0   |
| Security Patrols      | \$10                   | no                     | yes                       | -\$10                               | no                          | \$0  | yes   | -\$10 | no    | \$0   |
| <b>Indicated Rent</b> | <b>\$850</b>           | <b>\$884</b>           | <b>\$807</b>              | <b>\$835</b>                        | <b>\$871</b>                |      |       |       |       |       |

Restricted Market Rent Conclusion

Based on our evaluation of the rents at the select comparable properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were a restricted property:

| Restricted Market Rent Conclusion          |      |            |       |        |
|--------------------------------------------|------|------------|-------|--------|
| Unit Type / Income Limit / Rent Limit      | HOME | Subsidized | Units | Market |
| 1BR-1BA-700sf / 50% of AMI / 50% of AMI    | No   | No         | 6     | \$710  |
| 1BR-1BA-700sf / 60% of AMI / 60% of AMI    | No   | No         | 15    | \$710  |
| 1BR-1BA-700sf / Market Rate / Market Rate  | No   | No         | 6     | \$710  |
| 2BR-2BA-1000sf / 50% of AMI / 50% of AMI   | No   | No         | 1     | \$850  |
| 2BR-2BA-1000sf / 60% of AMI / 60% of AMI   | No   | No         | 5     | \$850  |
| 2BR-2BA-1000sf / Market Rate / Market Rate | No   | No         | 1     | \$850  |
| Total / Average                            |      |            | 34    | \$739  |

Our analysis suggests an average restricted market rent of \$739 for the subject property.

We selected a total of 6 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 97 percent.

The occupancy rate of the selected rent comparables is broken out in the tables below:

| Occupancy Rate, Select Comparables |            |            |            |            |            |            |            |        |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|--------|
|                                    | Subsidized | 20% of AMI | 30% of AMI | 40% of AMI | 50% of AMI | 60% of AMI | 80% of AMI | Market |
| 0-Bedroom                          |            |            |            |            |            |            |            |        |
| 1-Bedroom                          | 97%        |            |            |            | 100%       | 98%        |            | 92%    |
| 2-Bedroom                          | 99%        |            |            |            | 100%       | 98%        |            | 91%    |
| 3-Bedroom                          |            |            |            |            |            |            |            |        |
| 4-Bedroom                          |            |            |            |            |            |            |            |        |
| Total                              | 99%        |            |            |            | 100%       | 98%        |            | 92%    |

Occupancy rates for all stabilized market area properties are broken out below:

| Occupancy Rate, Stabilized Properties |            |            |            |            |            |            |            |        |
|---------------------------------------|------------|------------|------------|------------|------------|------------|------------|--------|
|                                       | Subsidized | 20% of AMI | 30% of AMI | 40% of AMI | 50% of AMI | 60% of AMI | 80% of AMI | Market |
| 0-Bedroom                             | 97%        |            |            |            | 95%        |            |            | 93%    |
| 1-Bedroom                             | 97%        |            |            |            | 100%       | 94%        |            | 96%    |
| 2-Bedroom                             | 99%        |            |            |            | 100%       | 99%        |            | 96%    |
| 3-Bedroom                             | 97%        |            |            |            | 100%       | 96%        |            | 97%    |
| 4-Bedroom                             | 98%        |            |            |            | 100%       | 100%       |            | 100%   |
| Total                                 | 98%        |            |            |            | 98%        | 96%        |            | 96%    |

Rents at rent restricted properties tend to move with median household incomes for an area. Given HUD's published median incomes, we derived 1, 2 and 3-bedroom 60% of AMI rent limits since 2004. According to our analysis, maximum 2-bedroom rents for the area declined from \$934 to \$911 since 2008. This represents an average 0.3% annual decrease over this period.

Maximum tax credit rent data for the area is found below:

| Maximum Tax Credit Rents, 60% of AMI |       |       |         |        |       |       |
|--------------------------------------|-------|-------|---------|--------|-------|-------|
| Year                                 | Rent  |       |         | Change |       |       |
|                                      | 1BR   | 2BR   | 3BR     | 1BR    | 2BR   | 3BR   |
| 2004                                 | \$776 | \$932 | \$1,076 | -      | -     | -     |
| 2005                                 | \$790 | \$948 | \$1,096 | 1.8%   | 1.7%  | 1.9%  |
| 2006                                 | \$766 | \$919 | \$1,062 | -3.0%  | -3.1% | -3.1% |
| 2007                                 | \$755 | \$906 | \$1,047 | -1.4%  | -1.4% | -1.4% |
| 2008                                 | \$778 | \$934 | \$1,080 | 3.0%   | 3.1%  | 3.2%  |
| 2009                                 | \$807 | \$968 | \$1,119 | 3.7%   | 3.6%  | 3.6%  |
| 2010                                 | \$808 | \$969 | \$1,120 | 0.1%   | 0.1%  | 0.1%  |
| 2011                                 | \$768 | \$922 | \$1,065 | -5.0%  | -4.9% | -4.9% |
| 2012                                 | \$780 | \$936 | \$1,081 | 1.6%   | 1.5%  | 1.5%  |
| 2013                                 | \$746 | \$895 | \$1,034 | -4.4%  | -4.4% | -4.3% |
| 2014                                 | \$724 | \$869 | \$1,005 | -2.9%  | -2.9% | -2.8% |
| 2015                                 | \$768 | \$922 | \$1,065 | 6.1%   | 6.1%  | 6.0%  |
| 2016                                 | \$759 | \$911 | \$1,053 | -1.2%  | -1.2% | -1.1% |

Source: HUD

**Achievable Rent Conclusion**

The next step in our analysis is to develop an achievable rent conclusion for the subject property. Achievable rents represent the absolute highest rent permissible for the area, considering market rents, program rent limits, and any other applicable rent restrictions on the subject property.

Our analysis begins by establishing the applicable program rent limits for the subject property. Program rent limits include any applicable LIHTC and FMR rent limits. LIHTC rent limits typically apply to units benefitting from tax credit and/or bond financing. The LIHTC rent limits for applicable units at the subject property follow:

| LIHTC Rent Limits                          |      |            |       |            |           |          |
|--------------------------------------------|------|------------|-------|------------|-----------|----------|
| Unit Type / Income Limit / Rent Limit      | HOME | Subsidized | Units | Gross Rent | Utilities | Net Rent |
| 1BR-1BA-700sf / 50% of AMI / 50% of AMI    | No   | No         | 6     | \$653      | \$112     | \$541    |
| 1BR-1BA-700sf / 60% of AMI / 60% of AMI    | No   | No         | 15    | \$784      | \$112     | \$672    |
| 1BR-1BA-700sf / Market Rate / Market Rate  | No   | No         | -     | -          | -         | -        |
| 2BR-2BA-1000sf / 50% of AMI / 50% of AMI   | No   | No         | 1     | \$785      | \$137     | \$648    |
| 2BR-2BA-1000sf / 60% of AMI / 60% of AMI   | No   | No         | 5     | \$942      | \$137     | \$805    |
| 2BR-2BA-1000sf / Market Rate / Market Rate | No   | No         | -     | -          | -         | -        |
| Total / Average                            |      |            | 27    | \$784      | \$118     | \$667    |

Our analysis suggests an average net LIHTC rent limit of \$667 for 27 applicable units at the subject property.

FMR rent limits typically apply to units benefitting from HOME funds. The FMR rent limits for applicable units at the subject property follow:

| FMR Rent Limits                            |      |            |       |            |           |          |
|--------------------------------------------|------|------------|-------|------------|-----------|----------|
| Unit Type / Income Limit / Rent Limit      | HOME | Subsidized | Units | Gross Rent | Utilities | Net Rent |
| 1BR-1BA-700sf / 50% of AMI / 50% of AMI    | No   | No         | -     | -          | -         | -        |
| 1BR-1BA-700sf / 60% of AMI / 60% of AMI    | No   | No         | -     | -          | -         | -        |
| 1BR-1BA-700sf / Market Rate / Market Rate  | No   | No         | -     | -          | -         | -        |
| 2BR-2BA-1000sf / 50% of AMI / 50% of AMI   | No   | No         | -     | -          | -         | -        |
| 2BR-2BA-1000sf / 60% of AMI / 60% of AMI   | No   | No         | -     | -          | -         | -        |
| 2BR-2BA-1000sf / Market Rate / Market Rate | No   | No         | -     | -          | -         | -        |
| Total / Average                            |      |            | -     | -          | -         | -        |

HOME funding is not proposed for the subject property.

Units benefitting exclusively from tax credits and/or bond financing are subject to LIHTC rent limits. Units benefitting from HOME funds in addition to tax credit and/or bond financing are subject to the lesser of LIHTC rent limits or FMR rent limits. Units benefitting from project-based rental assistance are normally limited to unrestricted market rent. With these parameters in mind, the following table sets forth the concluded program rent limits for applicable units at the subject property:

| Program Rent Limits                        |      |            |       |       |     |        |         |
|--------------------------------------------|------|------------|-------|-------|-----|--------|---------|
| Unit Type / Income Limit / Rent Limit      | HOME | Subsidized | Units | LIHTC | FMR | Market | Program |
| 1BR-1BA-700sf / 50% of AMI / 50% of AMI    | No   | No         | 6     | \$541 | -   | -      | \$541   |
| 1BR-1BA-700sf / 60% of AMI / 60% of AMI    | No   | No         | 15    | \$672 | -   | -      | \$672   |
| 1BR-1BA-700sf / Market Rate / Market Rate  | No   | No         | -     | -     | -   | -      | -       |
| 2BR-2BA-1000sf / 50% of AMI / 50% of AMI   | No   | No         | 1     | \$648 | -   | -      | \$648   |
| 2BR-2BA-1000sf / 60% of AMI / 60% of AMI   | No   | No         | 5     | \$805 | -   | -      | \$805   |
| 2BR-2BA-1000sf / Market Rate / Market Rate | No   | No         | -     | -     | -   | -      | -       |
| Total / Average                            |      |            | 27    | \$667 | -   | -      | \$667   |

Our analysis suggests an average program rent limit of \$667 for 27 applicable units at the subject property.

Now that we have established program rent limits, we are in a position to develop an achievable rent conclusion for

the subject property. Achievable rents represent the absolute highest rent permissible for the area, considering unrestricted and restricted market rents, program rent limits, and any other applicable rent restrictions on the subject property. The following table summarizes our findings:

| Achievable Rents                           |      |            |       |         |              |            |            |          |           |
|--------------------------------------------|------|------------|-------|---------|--------------|------------|------------|----------|-----------|
| Unit Type / Income Limit / Rent Limit      | HOME | Subsidized | Units | Program | Unrestricted | Restricted | Achievable | Proposed | Advantage |
| 1BR-1BA-700sf / 50% of AMI / 50% of AMI    | No   | No         | 6     | \$541   | \$1,050      | \$710      | \$541      | \$520    | 3.9%      |
| 1BR-1BA-700sf / 60% of AMI / 60% of AMI    | No   | No         | 15    | \$672   | \$1,050      | \$710      | \$672      | \$645    | 4.0%      |
| 1BR-1BA-700sf / Market Rate / Market Rate  | No   | No         | 6     | -       | \$1,050      | \$710      | \$1,050    | \$1,000  | 4.8%      |
| 2BR-2BA-1000sf / 50% of AMI / 50% of AMI   | No   | No         | 1     | \$648   | \$1,550      | \$850      | \$648      | \$619    | 4.5%      |
| 2BR-2BA-1000sf / 60% of AMI / 60% of AMI   | No   | No         | 5     | \$805   | \$1,550      | \$850      | \$805      | \$769    | 4.5%      |
| 2BR-2BA-1000sf / Market Rate / Market Rate | No   | No         | 1     | -       | \$1,550      | \$850      | \$1,550    | \$1,500  | 3.2%      |
| Total / Average                            |      |            | 34    | \$667   | \$1,153      | \$739      | \$760      | \$728    | 4.2%      |

Our analysis suggests an average achievable rent of \$760 for the subject property. This is compared with an average proposed rent of \$728, yielding an achievable rent advantage of 4.2 percent. Overall, the subject property appears to be priced at or below achievable rents for the area.

## DEMAND ANALYSIS

### Overview

In this section we evaluate demand for the subject property using the recommended demand methodology promulgated by the National Council of Housing Market Analysts (NCHMA). For purposes of this analysis, we define demand as the number of income-qualified renter households (by household size and unit type) that would qualify to live at the subject property at the lesser of the developer's proposed rents or achievable rents.

Our analysis begins by developing a breakdown of the number of renter households, by income, by size as of the date of market entry for this development. This breakdown, which utilizes demographic data presented earlier in this report, is presented below:

| 2017 \$ |    |           | Renter Households, by Income, by Size |          |          |          |          |           |        |
|---------|----|-----------|---------------------------------------|----------|----------|----------|----------|-----------|--------|
|         |    |           | 2019                                  |          |          |          |          |           |        |
| Min     |    | Max       | 1 Person                              | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person | Total  |
| \$0     | to | \$9,999   | 1,200                                 | 508      | 212      | 46       | 61       | 37        | 2,066  |
| \$0     | to | \$19,999  | 2,267                                 | 779      | 373      | 202      | 125      | 79        | 3,824  |
| \$0     | to | \$29,999  | 2,996                                 | 1,195    | 592      | 302      | 151      | 92        | 5,327  |
| \$0     | to | \$39,999  | 3,563                                 | 1,446    | 784      | 421      | 196      | 117       | 6,526  |
| \$0     | to | \$49,999  | 3,790                                 | 1,645    | 870      | 496      | 260      | 161       | 7,220  |
| \$0     | to | \$59,999  | 4,008                                 | 1,794    | 983      | 534      | 278      | 169       | 7,767  |
| \$0     | to | \$74,999  | 4,185                                 | 2,111    | 1,078    | 588      | 357      | 220       | 8,540  |
| \$0     | to | \$99,999  | 4,323                                 | 2,389    | 1,226    | 618      | 375      | 235       | 9,166  |
| \$0     | to | \$124,999 | 4,422                                 | 2,558    | 1,313    | 679      | 400      | 243       | 9,615  |
| \$0     | to | \$149,999 | 4,455                                 | 2,582    | 1,344    | 797      | 410      | 247       | 9,834  |
| \$0     | to | \$199,999 | 4,495                                 | 2,616    | 1,359    | 820      | 422      | 248       | 9,960  |
| \$0     | or | more      | 4,536                                 | 2,663    | 1,377    | 839      | 434      | 250       | 10,100 |

Source: ESRI & Ribbon Demographics

Our analysis includes an estimate of demand along with capture rate and penetration rate estimates. Capture rates were computed two ways: (1) On a gross basis (the number of proposed units divided by qualified demand) and (2) On a net basis (the number of proposed units divided by qualified demand minus competing & pipeline units). Penetration rates are defined as the number of proposed units plus competing & pipeline units divided by income-qualified demand. In the following pages we provide detailed listings of competing & pipeline units in the market area broken by unit type.





## Demand Estimate, 1-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 6 units, 6 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 35% income qualification ratio and 2-person households.

| Unit Details                 |                   |
|------------------------------|-------------------|
| Target Population            | Family Households |
| Unit Type                    | 1-Bedroom         |
| Rent Type                    | Restricted        |
| Income Limit                 | 50% of AMI        |
| Total Units                  | 6                 |
| Vacant Units at Market Entry | 6                 |

| Minimum Qualified Income   |          |
|----------------------------|----------|
| Net Rent                   | \$520    |
| Utilities                  | \$112    |
| Gross Rent                 | \$632    |
| Income Qualification Ratio | 35%      |
| Minimum Qualified Income   | \$1,806  |
| Months/Year                | 12       |
| Minimum Qualified Income   | \$21,669 |

| Renter Households, by Income, by Size |      |    |           |          |          |          |          |           |     |
|---------------------------------------|------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2019                                  |      |    |           |          |          |          |          |           |     |
|                                       | 2017 | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
|                                       | \$0  | to | \$9,999   | 1,200    | 508      | 212      | 46       | 61        | 37  |
|                                       | \$0  | to | \$19,999  | 2,267    | 779      | 373      | 202      | 125       | 79  |
|                                       | \$0  | to | \$29,999  | 2,996    | 1,195    | 592      | 302      | 151       | 92  |
|                                       | \$0  | to | \$39,999  | 3,563    | 1,446    | 784      | 421      | 196       | 117 |
|                                       | \$0  | to | \$49,999  | 3,790    | 1,645    | 870      | 496      | 260       | 161 |
|                                       | \$0  | to | \$59,999  | 4,008    | 1,794    | 983      | 534      | 278       | 169 |
|                                       | \$0  | to | \$74,999  | 4,185    | 2,111    | 1,078    | 588      | 357       | 220 |
|                                       | \$0  | to | \$99,999  | 4,323    | 2,389    | 1,226    | 618      | 375       | 235 |
|                                       | \$0  | to | \$124,999 | 4,422    | 2,558    | 1,313    | 679      | 400       | 243 |
|                                       | \$0  | to | \$149,999 | 4,455    | 2,582    | 1,344    | 797      | 410       | 247 |
|                                       | \$0  | to | \$199,999 | 4,495    | 2,616    | 1,359    | 820      | 422       | 248 |
|                                       | \$0  | or | more      | 4,536    | 2,663    | 1,377    | 839      | 434       | 250 |

| Maximum Allowable Income |          |          |          |          |          |           |  |
|--------------------------|----------|----------|----------|----------|----------|-----------|--|
|                          | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |  |
| Maximum Allowable Income | \$24,400 | \$27,900 | \$31,400 | \$34,850 | \$37,650 | \$40,450  |  |

| Size Qualified |          |          |          |          |          |           |
|----------------|----------|----------|----------|----------|----------|-----------|
|                | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Size Qualified | Yes      | Yes      | No       | No       | No       | No        |

| Demand Estimate         |          |          |          |          |          |           |
|-------------------------|----------|----------|----------|----------|----------|-----------|
|                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| HH Below Maximum Income | 2,559    | 1,091    | 0        | 0        | 0        | 0         |
| HH Below Minimum Income | 2,376    | 841      | 0        | 0        | 0        | 0         |
| Subtotal                | 182      | 250      | 0        | 0        | 0        | 0         |

Demand Estimate 432

Our analysis suggests demand for a total of 432 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 1-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 15 units, 15 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 35% income qualification ratio and 2-person households.

| Unit Details                 |                   |
|------------------------------|-------------------|
| Target Population            | Family Households |
| Unit Type                    | 1-Bedroom         |
| Rent Type                    | Restricted        |
| Income Limit                 | 60% of AMI        |
| Total Units                  | 15                |
| Vacant Units at Market Entry | 15                |

| Minimum Qualified Income   |          |
|----------------------------|----------|
| Net Rent                   | \$645    |
| Utilities                  | \$112    |
| Gross Rent                 | \$757    |
| Income Qualification Ratio | 35%      |
| Minimum Qualified Income   | \$2,163  |
| Months/Year                | 12       |
| Minimum Qualified Income   | \$25,954 |

| Renter Households, by Income, by Size |    |           |          |          |          |          |           |     |
|---------------------------------------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2019                                  |    |           |          |          |          |          |           |     |
| 2017                                  | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
| \$0                                   | to | \$9,999   | 1,200    | 508      | 212      | 46       | 61        | 37  |
| \$0                                   | to | \$19,999  | 2,267    | 779      | 373      | 202      | 125       | 79  |
| \$0                                   | to | \$29,999  | 2,996    | 1,195    | 592      | 302      | 151       | 92  |
| \$0                                   | to | \$39,999  | 3,563    | 1,446    | 784      | 421      | 196       | 117 |
| \$0                                   | to | \$49,999  | 3,790    | 1,645    | 870      | 496      | 260       | 161 |
| \$0                                   | to | \$59,999  | 4,008    | 1,794    | 983      | 534      | 278       | 169 |
| \$0                                   | to | \$74,999  | 4,185    | 2,111    | 1,078    | 588      | 357       | 220 |
| \$0                                   | to | \$99,999  | 4,323    | 2,389    | 1,226    | 618      | 375       | 235 |
| \$0                                   | to | \$124,999 | 4,422    | 2,558    | 1,313    | 679      | 400       | 243 |
| \$0                                   | to | \$149,999 | 4,455    | 2,582    | 1,344    | 797      | 410       | 247 |
| \$0                                   | to | \$199,999 | 4,495    | 2,616    | 1,359    | 820      | 422       | 248 |
| \$0                                   | or | more      | 4,536    | 2,663    | 1,377    | 839      | 434       | 250 |

| Maximum Allowable Income |          |          |          |          |          |           |  |
|--------------------------|----------|----------|----------|----------|----------|-----------|--|
|                          | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |  |
| Maximum Allowable Income | \$29,280 | \$33,480 | \$37,680 | \$41,820 | \$45,180 | \$48,540  |  |

| Size Qualified |          |          |          |          |          |           |
|----------------|----------|----------|----------|----------|----------|-----------|
|                | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Size Qualified | Yes      | Yes      | No       | No       | No       | No        |

| Demand Estimate         |          |          |          |          |          |           |
|-------------------------|----------|----------|----------|----------|----------|-----------|
|                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| HH Below Maximum Income | 2,923    | 1,270    | 0        | 0        | 0        | 0         |
| HH Below Minimum Income | 2,668    | 1,008    | 0        | 0        | 0        | 0         |
| Subtotal                | 255      | 262      | 0        | 0        | 0        | 0         |

Demand Estimate 518

Our analysis suggests demand for a total of 518 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 1-Bedroom, Market Rate

In this section we estimate demand for the 1-Bedroom / Market Rate / Market Rate units at the subject property. Our analysis assumes a total of 6 units, 6 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 35% income qualification ratio and 2-person households.

| Unit Details                 |                   |
|------------------------------|-------------------|
| Target Population            | Family Households |
| Unit Type                    | 1-Bedroom         |
| Rent Type                    | Market Rate       |
| Income Limit                 | Market Rate       |
| Total Units                  | 6                 |
| Vacant Units at Market Entry | 6                 |

| Minimum Qualified Income   |          |
|----------------------------|----------|
| Net Rent                   | \$1,000  |
| Utilities                  | \$112    |
| Gross Rent                 | \$1,112  |
| Income Qualification Ratio | 35%      |
| Minimum Qualified Income   | \$3,177  |
| Months/Year                | 12       |
| Minimum Qualified Income   | \$38,126 |

| Renter Households, by Income, by Size |      |    |           |          |          |          |          |           |     |
|---------------------------------------|------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2019                                  |      |    |           |          |          |          |          |           |     |
|                                       | 2017 | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
|                                       | \$0  | to | \$9,999   | 1,200    | 508      | 212      | 46       | 61        | 37  |
|                                       | \$0  | to | \$19,999  | 2,267    | 779      | 373      | 202      | 125       | 79  |
|                                       | \$0  | to | \$29,999  | 2,996    | 1,195    | 592      | 302      | 151       | 92  |
|                                       | \$0  | to | \$39,999  | 3,563    | 1,446    | 784      | 421      | 196       | 117 |
|                                       | \$0  | to | \$49,999  | 3,790    | 1,645    | 870      | 496      | 260       | 161 |
|                                       | \$0  | to | \$59,999  | 4,008    | 1,794    | 983      | 534      | 278       | 169 |
|                                       | \$0  | to | \$74,999  | 4,185    | 2,111    | 1,078    | 588      | 357       | 220 |
|                                       | \$0  | to | \$99,999  | 4,323    | 2,389    | 1,226    | 618      | 375       | 235 |
|                                       | \$0  | to | \$124,999 | 4,422    | 2,558    | 1,313    | 679      | 400       | 243 |
|                                       | \$0  | to | \$149,999 | 4,455    | 2,582    | 1,344    | 797      | 410       | 247 |
|                                       | \$0  | to | \$199,999 | 4,495    | 2,616    | 1,359    | 820      | 422       | 248 |
|                                       | \$0  | or | more      | 4,536    | 2,663    | 1,377    | 839      | 434       | 250 |

| Maximum Allowable Income |           |           |           |           |           |           |  |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|--|
|                          | 1 Person  | 2 Person  | 3 Person  | 4 Person  | 5 Person  | 6+ Person |  |
| Maximum Allowable Income | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 |  |

| Size Qualified |          |          |          |          |          |           |
|----------------|----------|----------|----------|----------|----------|-----------|
|                | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Size Qualified | Yes      | Yes      | No       | No       | No       | No        |

| Demand Estimate         |          |          |          |          |          |           |
|-------------------------|----------|----------|----------|----------|----------|-----------|
|                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| HH Below Maximum Income | 4,536    | 2,663    | 0        | 0        | 0        | 0         |
| HH Below Minimum Income | 3,450    | 1,396    | 0        | 0        | 0        | 0         |
| Subtotal                | 1,086    | 1,267    | 0        | 0        | 0        | 0         |

Demand Estimate 2,354

Our analysis suggests demand for a total of 2,354 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 2-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 2-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 1 units, 1 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 35% income qualification ratio and 3-person households.

| Unit Details                 |                   |
|------------------------------|-------------------|
| Target Population            | Family Households |
| Unit Type                    | 2-Bedroom         |
| Rent Type                    | Restricted        |
| Income Limit                 | 50% of AMI        |
| Total Units                  | 1                 |
| Vacant Units at Market Entry | 1                 |

| Minimum Qualified Income   |          |
|----------------------------|----------|
| Net Rent                   | \$619    |
| Utilities                  | \$137    |
| Gross Rent                 | \$756    |
| Income Qualification Ratio | 35%      |
| Minimum Qualified Income   | \$2,160  |
| Months/Year                | 12       |
| Minimum Qualified Income   | \$25,920 |

| Renter Households, by Income, by Size |      |    |           |          |          |          |          |           |     |
|---------------------------------------|------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2019                                  |      |    |           |          |          |          |          |           |     |
|                                       | 2017 | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
|                                       | \$0  | to | \$9,999   | 1,200    | 508      | 212      | 46       | 61        | 37  |
|                                       | \$0  | to | \$19,999  | 2,267    | 779      | 373      | 202      | 125       | 79  |
|                                       | \$0  | to | \$29,999  | 2,996    | 1,195    | 592      | 302      | 151       | 92  |
|                                       | \$0  | to | \$39,999  | 3,563    | 1,446    | 784      | 421      | 196       | 117 |
|                                       | \$0  | to | \$49,999  | 3,790    | 1,645    | 870      | 496      | 260       | 161 |
|                                       | \$0  | to | \$59,999  | 4,008    | 1,794    | 983      | 534      | 278       | 169 |
|                                       | \$0  | to | \$74,999  | 4,185    | 2,111    | 1,078    | 588      | 357       | 220 |
|                                       | \$0  | to | \$99,999  | 4,323    | 2,389    | 1,226    | 618      | 375       | 235 |
|                                       | \$0  | to | \$124,999 | 4,422    | 2,558    | 1,313    | 679      | 400       | 243 |
|                                       | \$0  | to | \$149,999 | 4,455    | 2,582    | 1,344    | 797      | 410       | 247 |
|                                       | \$0  | to | \$199,999 | 4,495    | 2,616    | 1,359    | 820      | 422       | 248 |
|                                       | \$0  | or | more      | 4,536    | 2,663    | 1,377    | 839      | 434       | 250 |

| Maximum Allowable Income |          |          |          |          |          |           |  |
|--------------------------|----------|----------|----------|----------|----------|-----------|--|
|                          | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |  |
| Maximum Allowable Income | \$24,400 | \$27,900 | \$31,400 | \$34,850 | \$37,650 | \$40,450  |  |

| Size Qualified |          |          |          |          |          |           |
|----------------|----------|----------|----------|----------|----------|-----------|
|                | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Size Qualified | Yes      | Yes      | Yes      | No       | No       | No        |

| Demand Estimate         |          |          |          |          |          |           |
|-------------------------|----------|----------|----------|----------|----------|-----------|
|                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| HH Below Maximum Income | 0        | 1,091    | 611      | 0        | 0        | 0         |
| HH Below Minimum Income | 0        | 1,008    | 493      | 0        | 0        | 0         |
| Subtotal                | 0        | 83       | 118      | 0        | 0        | 0         |

Demand Estimate 201

Our analysis suggests demand for a total of 201 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 2-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 2-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 5 units, 5 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 35% income qualification ratio and 3-person households.

| Unit Details                 |                   |
|------------------------------|-------------------|
| Target Population            | Family Households |
| Unit Type                    | 2-Bedroom         |
| Rent Type                    | Restricted        |
| Income Limit                 | 60% of AMI        |
| Total Units                  | 5                 |
| Vacant Units at Market Entry | 5                 |

| Minimum Qualified Income   |          |
|----------------------------|----------|
| Net Rent                   | \$769    |
| Utilities                  | \$137    |
| Gross Rent                 | \$906    |
| Income Qualification Ratio | 35%      |
| Minimum Qualified Income   | \$2,589  |
| Months/Year                | 12       |
| Minimum Qualified Income   | \$31,063 |

| Renter Households, by Income, by Size |      |    |           |          |          |          |          |           |     |
|---------------------------------------|------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2019                                  |      |    |           |          |          |          |          |           |     |
|                                       | 2017 | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
|                                       | \$0  | to | \$9,999   | 1,200    | 508      | 212      | 46       | 61        | 37  |
|                                       | \$0  | to | \$19,999  | 2,267    | 779      | 373      | 202      | 125       | 79  |
|                                       | \$0  | to | \$29,999  | 2,996    | 1,195    | 592      | 302      | 151       | 92  |
|                                       | \$0  | to | \$39,999  | 3,563    | 1,446    | 784      | 421      | 196       | 117 |
|                                       | \$0  | to | \$49,999  | 3,790    | 1,645    | 870      | 496      | 260       | 161 |
|                                       | \$0  | to | \$59,999  | 4,008    | 1,794    | 983      | 534      | 278       | 169 |
|                                       | \$0  | to | \$74,999  | 4,185    | 2,111    | 1,078    | 588      | 357       | 220 |
|                                       | \$0  | to | \$99,999  | 4,323    | 2,389    | 1,226    | 618      | 375       | 235 |
|                                       | \$0  | to | \$124,999 | 4,422    | 2,558    | 1,313    | 679      | 400       | 243 |
|                                       | \$0  | to | \$149,999 | 4,455    | 2,582    | 1,344    | 797      | 410       | 247 |
|                                       | \$0  | to | \$199,999 | 4,495    | 2,616    | 1,359    | 820      | 422       | 248 |
|                                       | \$0  | or | more      | 4,536    | 2,663    | 1,377    | 839      | 434       | 250 |

| Maximum Allowable Income |          |          |          |          |          |           |  |
|--------------------------|----------|----------|----------|----------|----------|-----------|--|
|                          | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |  |
| Maximum Allowable Income | \$29,280 | \$33,480 | \$37,680 | \$41,820 | \$45,180 | \$48,540  |  |

| Size Qualified |          |          |          |          |          |           |
|----------------|----------|----------|----------|----------|----------|-----------|
|                | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Size Qualified | Yes      | Yes      | Yes      | No       | No       | No        |

| Demand Estimate         |          |          |          |          |          |           |
|-------------------------|----------|----------|----------|----------|----------|-----------|
|                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| HH Below Maximum Income | 0        | 1,270    | 736      | 0        | 0        | 0         |
| HH Below Minimum Income | 0        | 1,220    | 611      | 0        | 0        | 0         |
| Subtotal                | 0        | 50       | 125      | 0        | 0        | 0         |

Demand Estimate 175

Our analysis suggests demand for a total of 175 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 2-Bedroom, Market Rate

In this section we estimate demand for the 2-Bedroom / Market Rate / Market Rate units at the subject property. Our analysis assumes a total of 1 units, 1 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 35% income qualification ratio and 3-person households.

| Unit Details                 |                   |
|------------------------------|-------------------|
| Target Population            | Family Households |
| Unit Type                    | 2-Bedroom         |
| Rent Type                    | Market Rate       |
| Income Limit                 | Market Rate       |
| Total Units                  | 1                 |
| Vacant Units at Market Entry | 1                 |

| Minimum Qualified Income   |          |
|----------------------------|----------|
| Net Rent                   | \$1,500  |
| Utilities                  | \$137    |
| Gross Rent                 | \$1,637  |
| Income Qualification Ratio | 35%      |
| Minimum Qualified Income   | \$4,677  |
| Months/Year                | 12       |
| Minimum Qualified Income   | \$56,126 |

| Renter Households, by Income, by Size |      |    |           |          |          |          |          |           |     |
|---------------------------------------|------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2019                                  |      |    |           |          |          |          |          |           |     |
|                                       | 2017 | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
|                                       | \$0  | to | \$9,999   | 1,200    | 508      | 212      | 46       | 61        | 37  |
|                                       | \$0  | to | \$19,999  | 2,267    | 779      | 373      | 202      | 125       | 79  |
|                                       | \$0  | to | \$29,999  | 2,996    | 1,195    | 592      | 302      | 151       | 92  |
|                                       | \$0  | to | \$39,999  | 3,563    | 1,446    | 784      | 421      | 196       | 117 |
|                                       | \$0  | to | \$49,999  | 3,790    | 1,645    | 870      | 496      | 260       | 161 |
|                                       | \$0  | to | \$59,999  | 4,008    | 1,794    | 983      | 534      | 278       | 169 |
|                                       | \$0  | to | \$74,999  | 4,185    | 2,111    | 1,078    | 588      | 357       | 220 |
|                                       | \$0  | to | \$99,999  | 4,323    | 2,389    | 1,226    | 618      | 375       | 235 |
|                                       | \$0  | to | \$124,999 | 4,422    | 2,558    | 1,313    | 679      | 400       | 243 |
|                                       | \$0  | to | \$149,999 | 4,455    | 2,582    | 1,344    | 797      | 410       | 247 |
|                                       | \$0  | to | \$199,999 | 4,495    | 2,616    | 1,359    | 820      | 422       | 248 |
|                                       | \$0  | or | more      | 4,536    | 2,663    | 1,377    | 839      | 434       | 250 |

| Maximum Allowable Income |           |           |           |           |           |           |  |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|--|
|                          | 1 Person  | 2 Person  | 3 Person  | 4 Person  | 5 Person  | 6+ Person |  |
| Maximum Allowable Income | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 |  |

| Size Qualified |          |          |          |          |          |           |
|----------------|----------|----------|----------|----------|----------|-----------|
|                | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Size Qualified | Yes      | Yes      | Yes      | No       | No       | No        |

| Demand Estimate         |          |          |          |          |          |           |
|-------------------------|----------|----------|----------|----------|----------|-----------|
|                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| HH Below Maximum Income | 4,536    | 2,663    | 1,377    | 0        | 0        | 0         |
| HH Below Minimum Income | 3,921    | 1,734    | 938      | 0        | 0        | 0         |
| Subtotal                | 615      | 929      | 439      | 0        | 0        | 0         |

Demand Estimate 1,983

Our analysis suggests demand for a total of 1,983 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, Restricted, 50% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 50% of AMI at the subject property.

| Renter Households, by Income, by Size |    |           |          |          |          |          |           |     |
|---------------------------------------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2019                                  |    |           |          |          |          |          |           |     |
| 2017                                  | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
| \$0                                   | to | \$9,999   | 1,200    | 508      | 212      | 46       | 61        | 37  |
| \$0                                   | to | \$19,999  | 2,267    | 779      | 373      | 202      | 125       | 79  |
| \$0                                   | to | \$29,999  | 2,996    | 1,195    | 592      | 302      | 151       | 92  |
| \$0                                   | to | \$39,999  | 3,563    | 1,446    | 784      | 421      | 196       | 117 |
| \$0                                   | to | \$49,999  | 3,790    | 1,645    | 870      | 496      | 260       | 161 |
| \$0                                   | to | \$59,999  | 4,008    | 1,794    | 983      | 534      | 278       | 169 |
| \$0                                   | to | \$74,999  | 4,185    | 2,111    | 1,078    | 588      | 357       | 220 |
| \$0                                   | to | \$99,999  | 4,323    | 2,389    | 1,226    | 618      | 375       | 235 |
| \$0                                   | to | \$124,999 | 4,422    | 2,558    | 1,313    | 679      | 400       | 243 |
| \$0                                   | to | \$149,999 | 4,455    | 2,582    | 1,344    | 797      | 410       | 247 |
| \$0                                   | to | \$199,999 | 4,495    | 2,616    | 1,359    | 820      | 422       | 248 |
| \$0                                   | or | more      | 4,536    | 2,663    | 1,377    | 839      | 434       | 250 |

| Demand Estimate, Restricted, 50% of AMI |          |          |          |          |          |           |
|-----------------------------------------|----------|----------|----------|----------|----------|-----------|
|                                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Maximum Income, 0BR                     | -        | -        | -        | -        | -        | -         |
| Maximum Income, 1BR                     | \$24,400 | \$27,900 | -        | -        | -        | -         |
| Maximum Income, 2BR                     | -        | \$27,900 | \$31,400 | -        | -        | -         |
| Maximum Income, 3BR                     | -        | -        | -        | -        | -        | -         |
| Maximum Income, 4BR                     | -        | -        | -        | -        | -        | -         |
| Maximum Allowable Income                | \$24,400 | \$27,900 | \$31,400 | -        | -        | -         |
| Minimum Income, 0BR                     | -        | -        | -        | -        | -        | -         |
| Minimum Income, 1BR                     | \$21,669 | \$21,669 | -        | -        | -        | -         |
| Minimum Income, 2BR                     | -        | \$25,920 | \$25,920 | -        | -        | -         |
| Minimum Income, 3BR                     | -        | -        | -        | -        | -        | -         |
| Minimum Income, 4BR                     | -        | -        | -        | -        | -        | -         |
| Minimum Qualified Income                | \$21,669 | \$21,669 | \$25,920 | -        | -        | -         |
| HH Below Upper Income                   | 2,559    | 1,091    | 611      | 0        | 0        | 0         |
| HH Below Lower Income                   | 2,376    | 841      | 493      | 0        | 0        | 0         |
| Subtotal                                | 182      | 250      | 118      | 0        | 0        | 0         |

Demand Estimate

550

Our analysis suggests demand for a total of 550 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate, Restricted, 60% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 60% of AMI at the subject property.

| Renter Households, by Income, by Size |    |           |          |          |          |          |           |     |
|---------------------------------------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2019                                  |    |           |          |          |          |          |           |     |
| 2017                                  | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
| \$0                                   | to | \$9,999   | 1,200    | 508      | 212      | 46       | 61        | 37  |
| \$0                                   | to | \$19,999  | 2,267    | 779      | 373      | 202      | 125       | 79  |
| \$0                                   | to | \$29,999  | 2,996    | 1,195    | 592      | 302      | 151       | 92  |
| \$0                                   | to | \$39,999  | 3,563    | 1,446    | 784      | 421      | 196       | 117 |
| \$0                                   | to | \$49,999  | 3,790    | 1,645    | 870      | 496      | 260       | 161 |
| \$0                                   | to | \$59,999  | 4,008    | 1,794    | 983      | 534      | 278       | 169 |
| \$0                                   | to | \$74,999  | 4,185    | 2,111    | 1,078    | 588      | 357       | 220 |
| \$0                                   | to | \$99,999  | 4,323    | 2,389    | 1,226    | 618      | 375       | 235 |
| \$0                                   | to | \$124,999 | 4,422    | 2,558    | 1,313    | 679      | 400       | 243 |
| \$0                                   | to | \$149,999 | 4,455    | 2,582    | 1,344    | 797      | 410       | 247 |
| \$0                                   | to | \$199,999 | 4,495    | 2,616    | 1,359    | 820      | 422       | 248 |
| \$0                                   | or | more      | 4,536    | 2,663    | 1,377    | 839      | 434       | 250 |

| Demand Estimate, Restricted, 60% of AMI |          |          |          |          |          |           |   |
|-----------------------------------------|----------|----------|----------|----------|----------|-----------|---|
|                                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |   |
| Maximum Income, 0BR                     | -        | -        | -        | -        | -        | -         | - |
| Maximum Income, 1BR                     | \$29,280 | \$33,480 | -        | -        | -        | -         | - |
| Maximum Income, 2BR                     | -        | \$33,480 | \$37,680 | -        | -        | -         | - |
| Maximum Income, 3BR                     | -        | -        | -        | -        | -        | -         | - |
| Maximum Income, 4BR                     | -        | -        | -        | -        | -        | -         | - |
| Maximum Allowable Income                | \$29,280 | \$33,480 | \$37,680 | -        | -        | -         | - |
| Minimum Income, 0BR                     | -        | -        | -        | -        | -        | -         | - |
| Minimum Income, 1BR                     | \$25,954 | \$25,954 | -        | -        | -        | -         | - |
| Minimum Income, 2BR                     | -        | \$31,063 | \$31,063 | -        | -        | -         | - |
| Minimum Income, 3BR                     | -        | -        | -        | -        | -        | -         | - |
| Minimum Income, 4BR                     | -        | -        | -        | -        | -        | -         | - |
| Minimum Qualified Income                | \$25,954 | \$25,954 | \$31,063 | -        | -        | -         | - |
| HH Below Upper Income                   | 2,923    | 1,270    | 736      | 0        | 0        | 0         | 0 |
| HH Below Lower Income                   | 2,668    | 1,008    | 611      | 0        | 0        | 0         | 0 |
| Subtotal                                | 255      | 262      | 125      | 0        | 0        | 0         | 0 |

Demand Estimate

642

Our analysis suggests demand for a total of 642 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate, Market Rate

In this section we account for income-band overlap and develop a demand estimate for the market rate units at the subject property.

| Renter Households, by Income, by Size |    |           |          |          |          |          |           |     |
|---------------------------------------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2019                                  |    |           |          |          |          |          |           |     |
| 2017                                  | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
| \$0                                   | to | \$9,999   | 1,200    | 508      | 212      | 46       | 61        | 37  |
| \$0                                   | to | \$19,999  | 2,267    | 779      | 373      | 202      | 125       | 79  |
| \$0                                   | to | \$29,999  | 2,996    | 1,195    | 592      | 302      | 151       | 92  |
| \$0                                   | to | \$39,999  | 3,563    | 1,446    | 784      | 421      | 196       | 117 |
| \$0                                   | to | \$49,999  | 3,790    | 1,645    | 870      | 496      | 260       | 161 |
| \$0                                   | to | \$59,999  | 4,008    | 1,794    | 983      | 534      | 278       | 169 |
| \$0                                   | to | \$74,999  | 4,185    | 2,111    | 1,078    | 588      | 357       | 220 |
| \$0                                   | to | \$99,999  | 4,323    | 2,389    | 1,226    | 618      | 375       | 235 |
| \$0                                   | to | \$124,999 | 4,422    | 2,558    | 1,313    | 679      | 400       | 243 |
| \$0                                   | to | \$149,999 | 4,455    | 2,582    | 1,344    | 797      | 410       | 247 |
| \$0                                   | to | \$199,999 | 4,495    | 2,616    | 1,359    | 820      | 422       | 248 |
| \$0                                   | or | more      | 4,536    | 2,663    | 1,377    | 839      | 434       | 250 |

| Demand Estimate, Market Rate |           |           |           |          |          |           |   |
|------------------------------|-----------|-----------|-----------|----------|----------|-----------|---|
|                              | 1 Person  | 2 Person  | 3 Person  | 4 Person | 5 Person | 6+ Person |   |
| Maximum Income, 0BR          | -         | -         | -         | -        | -        | -         | - |
| Maximum Income, 1BR          | \$250,000 | \$250,000 | -         | -        | -        | -         | - |
| Maximum Income, 2BR          | \$250,000 | \$250,000 | \$250,000 | -        | -        | -         | - |
| Maximum Income, 3BR          | -         | -         | -         | -        | -        | -         | - |
| Maximum Income, 4BR          | -         | -         | -         | -        | -        | -         | - |
| Maximum Allowable Income     | \$250,000 | \$250,000 | \$250,000 | -        | -        | -         | - |
| Minimum Income, 0BR          | -         | -         | -         | -        | -        | -         | - |
| Minimum Income, 1BR          | \$38,126  | \$38,126  | -         | -        | -        | -         | - |
| Minimum Income, 2BR          | \$56,126  | \$56,126  | \$56,126  | -        | -        | -         | - |
| Minimum Income, 3BR          | -         | -         | -         | -        | -        | -         | - |
| Minimum Income, 4BR          | -         | -         | -         | -        | -        | -         | - |
| Minimum Qualified Income     | \$38,126  | \$38,126  | \$56,126  | -        | -        | -         | - |
| HH Below Upper Income        | 4,536     | 2,663     | 1,377     | 0        | 0        | 0         | 0 |
| HH Below Lower Income        | 3,450     | 1,396     | 938       | 0        | 0        | 0         | 0 |
| Subtotal                     | 1,086     | 1,267     | 439       | 0        | 0        | 0         | 0 |

Demand Estimate 2,793

Our analysis suggests demand for a total of 2,793 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate, Project-Level

In this section we account for income-band overlap and develop a project-level demand estimate for the subject property.

| Renter Households, by Income, by Size |    |           |          |          |          |          |           |     |
|---------------------------------------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2019                                  |    |           |          |          |          |          |           |     |
| 2017                                  | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
| \$0                                   | to | \$9,999   | 1,200    | 508      | 212      | 46       | 61        | 37  |
| \$0                                   | to | \$19,999  | 2,267    | 779      | 373      | 202      | 125       | 79  |
| \$0                                   | to | \$29,999  | 2,996    | 1,195    | 592      | 302      | 151       | 92  |
| \$0                                   | to | \$39,999  | 3,563    | 1,446    | 784      | 421      | 196       | 117 |
| \$0                                   | to | \$49,999  | 3,790    | 1,645    | 870      | 496      | 260       | 161 |
| \$0                                   | to | \$59,999  | 4,008    | 1,794    | 983      | 534      | 278       | 169 |
| \$0                                   | to | \$74,999  | 4,185    | 2,111    | 1,078    | 588      | 357       | 220 |
| \$0                                   | to | \$99,999  | 4,323    | 2,389    | 1,226    | 618      | 375       | 235 |
| \$0                                   | to | \$124,999 | 4,422    | 2,558    | 1,313    | 679      | 400       | 243 |
| \$0                                   | to | \$149,999 | 4,455    | 2,582    | 1,344    | 797      | 410       | 247 |
| \$0                                   | to | \$199,999 | 4,495    | 2,616    | 1,359    | 820      | 422       | 248 |
| \$0                                   | or | more      | 4,536    | 2,663    | 1,377    | 839      | 434       | 250 |

| Demand Estimate, Project-Level |           |           |           |          |          |           |       |
|--------------------------------|-----------|-----------|-----------|----------|----------|-----------|-------|
|                                | 1 Person  | 2 Person  | 3 Person  | 4 Person | 5 Person | 6+ Person |       |
| Maximum Income, Subsidized     | -         | -         | -         | -        | -        | -         | -     |
| Maximum Income, 20% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Maximum Income, 30% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Maximum Income, 40% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Maximum Income, 50% of AMI     | \$24,400  | \$27,900  | \$31,400  | -        | -        | -         | -     |
| Maximum Income, 60% of AMI     | \$29,280  | \$33,480  | \$37,680  | -        | -        | -         | -     |
| Maximum Income, 80% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Maximum Income, Market Rate    | \$250,000 | \$250,000 | \$250,000 | -        | -        | -         | -     |
| Maximum Allowable Income       | \$250,000 | \$250,000 | \$250,000 | -        | -        | -         | -     |
| Minimum Income, Subsidized     | -         | -         | -         | -        | -        | -         | -     |
| Minimum Income, 20% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Minimum Income, 30% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Minimum Income, 40% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Minimum Income, 50% of AMI     | \$21,669  | \$21,669  | \$25,920  | -        | -        | -         | -     |
| Minimum Income, 60% of AMI     | \$25,954  | \$25,954  | \$31,063  | -        | -        | -         | -     |
| Minimum Income, 80% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Minimum Income, Market Rate    | \$38,126  | \$38,126  | \$56,126  | -        | -        | -         | -     |
| Minimum Qualified Income       | \$21,669  | \$21,669  | \$25,920  | -        | -        | -         | -     |
| HH Below Upper Income          | 4,536     | 2,663     | 1,377     | 0        | 0        | 0         | 0     |
| HH Below Lower Income          | 2,376     | 841       | 493       | 0        | 0        | 0         | 0     |
| Subtotal                       | 2,160     | 1,822     | 884       | 0        | 0        | 0         | 0     |
| Demand Estimate                |           |           |           |          |          |           | 4,865 |

Our analysis suggests project-level demand for a total of 4,865 size- and income-qualified units in the market area.

## Capture Rates

In this section, we summarize our demand conclusions and estimate the capture rate for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

| Subject Property Units (Total) |     |     |     |     |     |     |     |     |     |
|--------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| 0BR                            |     |     |     |     |     |     |     |     |     |
| 1BR                            |     |     |     |     | 6   | 15  |     | 6   | 27  |
| 2BR                            |     |     |     |     | 1   | 5   |     | 1   | 7   |
| 3BR                            |     |     |     |     |     |     |     |     |     |
| 4BR                            |     |     |     |     |     |     |     |     |     |
| Tot                            |     |     |     |     | 7   | 20  |     | 7   | 34  |

| Subject Property Units (Vacant at Market Entry) |     |     |     |     |     |     |     |     |     |
|-------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                                 | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| 0BR                                             |     |     |     |     |     |     |     |     |     |
| 1BR                                             |     |     |     |     | 6   | 15  |     | 6   | 27  |
| 2BR                                             |     |     |     |     | 1   | 5   |     | 1   | 7   |
| 3BR                                             |     |     |     |     |     |     |     |     |     |
| 4BR                                             |     |     |     |     |     |     |     |     |     |
| Tot                                             |     |     |     |     | 7   | 20  |     | 7   | 34  |

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Unit-level demand estimates are found in the body of the chart found below; project-level demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level demand may not add up to project-level demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level demand.

| Gross Demand |     |     |     |     |     |     |     |       |       |
|--------------|-----|-----|-----|-----|-----|-----|-----|-------|-------|
|              | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt   | Tot   |
| 0BR          |     |     |     |     |     |     |     |       |       |
| 1BR          |     |     |     |     | 432 | 518 |     | 2,354 | 3,304 |
| 2BR          |     |     |     |     | 201 | 175 |     | 1,983 | 2,359 |
| 3BR          |     |     |     |     |     |     |     |       |       |
| 4BR          |     |     |     |     |     |     |     |       |       |
| Tot          |     |     |     |     | 550 | 642 |     | 2,793 | 4,865 |

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the number of subject property units divided by gross demand. Underwriters often utilize capture rate limits of 10 to 25 percent using this methodology. Our estimates are presented below:

| Capture Rates (Subject Property Units / Gross Demand) |     |     |     |     |      |      |     |      |      |
|-------------------------------------------------------|-----|-----|-----|-----|------|------|-----|------|------|
|                                                       | Sub | 20% | 30% | 40% | 50%  | 60%  | 80% | Mkt  | Tot  |
| 0BR                                                   |     |     |     |     |      |      |     |      |      |
| 1BR                                                   |     |     |     |     | 1.4% | 2.9% |     | 0.3% | 0.8% |
| 2BR                                                   |     |     |     |     | 0.5% | 2.9% |     | 0.1% | 0.3% |
| 3BR                                                   |     |     |     |     |      |      |     |      |      |
| 4BR                                                   |     |     |     |     |      |      |     |      |      |
| Tot                                                   |     |     |     |     | 1.3% | 3.1% |     | 0.3% | 0.7% |

The next step in our analysis is to tabulate the number of vacant competing & pipeline units in the market area by

unit/income type. This information will be used to further refine our capture rate estimate for the subject property. A table showing the distribution of vacant competing & pipeline units is found below.

| Vacant Competing & Pipeline Units |     |     |     |     |     |     |     |     |     |
|-----------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                   | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| 0BR                               |     |     |     |     |     |     |     |     |     |
| 1BR                               |     |     |     |     |     | 3   |     | 74  | 77  |
| 2BR                               |     |     |     |     |     | 8   |     | 84  | 92  |
| 3BR                               |     |     |     |     |     |     |     |     |     |
| 4BR                               |     |     |     |     |     |     |     |     |     |
| Tot                               |     |     |     |     |     | 11  |     | 158 | 169 |

The next step in our analysis is to subtract the number of vacant competing & pipeline units from gross demand to arrive at a net demand estimate for the subject property units. As described earlier, unit-level net demand estimates are found in the body of the chart found below; project-level net demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level net demand may not add up to project-level net demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level net demand.

| Net Demand (Gross Demand - Vacant Competing & Pipeline Units) |     |     |     |     |     |     |     |       |       |
|---------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-------|-------|
|                                                               | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt   | Tot   |
| 0BR                                                           |     |     |     |     |     |     |     |       |       |
| 1BR                                                           |     |     |     |     | 432 | 515 |     | 2,280 | 3,227 |
| 2BR                                                           |     |     |     |     | 201 | 167 |     | 1,899 | 2,267 |
| 3BR                                                           |     |     |     |     |     |     |     |       |       |
| 4BR                                                           |     |     |     |     |     |     |     |       |       |
| Tot                                                           |     |     |     |     | 550 | 631 |     | 2,635 | 4,696 |

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the number of subject property units divided by net demand. Underwriters often utilize capture rate limits of 10 to 20 percent using this methodology. Our estimates are presented below:

| Capture Rates (Subject Property Units / Net Demand) |     |     |     |     |      |      |     |      |      |
|-----------------------------------------------------|-----|-----|-----|-----|------|------|-----|------|------|
|                                                     | Sub | 20% | 30% | 40% | 50%  | 60%  | 80% | Mkt  | Tot  |
| 0BR                                                 |     |     |     |     |      |      |     |      |      |
| 1BR                                                 |     |     |     |     | 1.4% | 2.9% |     | 0.3% | 0.8% |
| 2BR                                                 |     |     |     |     | 0.5% | 3.0% |     | 0.1% | 0.3% |
| 3BR                                                 |     |     |     |     |      |      |     |      |      |
| 4BR                                                 |     |     |     |     |      |      |     |      |      |
| Tot                                                 |     |     |     |     | 1.3% | 3.2% |     | 0.3% | 0.7% |

In our opinion, the estimated project-level capture rate suggests an appropriate number of units for the subject property. The unit level capture rates suggest an appropriate mix of units for the subject property.

## Penetration Rates

In this section, we summarize our demand conclusions and estimate the penetration rate for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

| Subject Property Units (Total) |     |     |     |     |     |     |     |     |     |
|--------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| 0BR                            |     |     |     |     |     |     |     |     |     |
| 1BR                            |     |     |     |     | 6   | 15  |     | 6   | 27  |
| 2BR                            |     |     |     |     | 1   | 5   |     | 1   | 7   |
| 3BR                            |     |     |     |     |     |     |     |     |     |
| 4BR                            |     |     |     |     |     |     |     |     |     |
| Tot                            |     |     |     |     | 7   | 20  |     | 7   | 34  |

| Subject Property Units (Vacant at Market Entry) |     |     |     |     |     |     |     |     |     |
|-------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                                 | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| 0BR                                             |     |     |     |     |     |     |     |     |     |
| 1BR                                             |     |     |     |     | 6   | 15  |     | 6   | 27  |
| 2BR                                             |     |     |     |     | 1   | 5   |     | 1   | 7   |
| 3BR                                             |     |     |     |     |     |     |     |     |     |
| 4BR                                             |     |     |     |     |     |     |     |     |     |
| Tot                                             |     |     |     |     | 7   | 20  |     | 7   | 34  |

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Unit-level demand estimates are found in the body of the chart found below; project-level demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level demand may not add up to project-level demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level demand.

| Gross Demand |     |     |     |     |     |     |     |       |       |
|--------------|-----|-----|-----|-----|-----|-----|-----|-------|-------|
|              | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt   | Tot   |
| 0BR          |     |     |     |     |     |     |     |       |       |
| 1BR          |     |     |     |     | 432 | 518 |     | 2,354 | 3,304 |
| 2BR          |     |     |     |     | 201 | 175 |     | 1,983 | 2,359 |
| 3BR          |     |     |     |     |     |     |     |       |       |
| 4BR          |     |     |     |     |     |     |     |       |       |
| Tot          |     |     |     |     | 550 | 642 |     | 2,793 | 4,865 |

The next step in our analysis is to tabulate the number of competing & pipeline units in the market area by unit/income type. This information will be used to derive our penetration rate estimate for the subject property. A table showing the distribution of competing & pipeline units is found below.

| Competing & Pipeline Units |     |     |     |     |     |     |     |       |       |
|----------------------------|-----|-----|-----|-----|-----|-----|-----|-------|-------|
|                            | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt   | Tot   |
| 0BR                        |     |     |     |     |     |     |     |       |       |
| 1BR                        |     |     |     |     | 3   | 37  |     | 622   | 662   |
| 2BR                        |     |     |     |     | 11  | 74  |     | 1,098 | 1,183 |
| 3BR                        |     |     |     |     |     |     |     |       |       |
| 4BR                        |     |     |     |     |     |     |     |       |       |
| Tot                        |     |     |     |     | 14  | 111 |     | 1,720 | 1,845 |

The next step in our analysis is to compute inclusive supply for the market area by unit/income type. Inclusive

supply will be taken into account in our penetration rate estimate for the subject property. For purposes of this estimate, inclusive supply consists of vacant subject property units plus competing & pipeline units.

| Inclusive Supply (Subject Property Units + Competing & Pipeline Units) |     |     |     |     |     |     |     |       |       |
|------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-------|-------|
|                                                                        | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt   | Tot   |
| 0BR                                                                    |     |     |     |     |     |     |     |       |       |
| 1BR                                                                    |     |     |     |     | 9   | 52  |     | 628   | 689   |
| 2BR                                                                    |     |     |     |     | 12  | 79  |     | 1,099 | 1,190 |
| 3BR                                                                    |     |     |     |     |     |     |     |       |       |
| 4BR                                                                    |     |     |     |     |     |     |     |       |       |
| Tot                                                                    |     |     |     |     | 21  | 131 |     | 1,727 | 1,879 |

The next step in our analysis is to compute the penetration rate for the project. For purposes of this computation, penetration rate is defined as inclusive supply divided by gross demand. Underwriters often utilize penetration rate limits of 40 to 50 percent using this methodology. Our estimates are presented below:

| Penetration Rates (Inclusive Supply / Gross Demand) |     |     |     |     |      |       |     |       |       |
|-----------------------------------------------------|-----|-----|-----|-----|------|-------|-----|-------|-------|
|                                                     | Sub | 20% | 30% | 40% | 50%  | 60%   | 80% | Mkt   | Tot   |
| 0BR                                                 |     |     |     |     |      |       |     |       |       |
| 1BR                                                 |     |     |     |     | 2.1% | 10.0% |     | 26.7% | 20.9% |
| 2BR                                                 |     |     |     |     | 6.0% | 45.1% |     | 55.4% | 50.4% |
| 3BR                                                 |     |     |     |     |      |       |     |       |       |
| 4BR                                                 |     |     |     |     |      |       |     |       |       |
| Tot                                                 |     |     |     |     | 3.8% | 20.4% |     | 61.8% | 38.6% |

In our opinion, the estimated project-level penetration rate suggest an appropriate number of units for the subject property. The unit-level penetration rates suggest an appropriate mix of units for the subject property.

## Absorption Period

In this section, we estimate the absorption period for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

| Subject Property Units (Total) |     |     |     |     |     |     |     |     |
|--------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
|                                | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt |
| 0BR                            |     |     |     |     |     |     |     |     |
| 1BR                            |     |     |     |     | 6   | 15  |     | 6   |
| 2BR                            |     |     |     |     | 1   | 5   |     | 1   |
| 3BR                            |     |     |     |     |     |     |     |     |
| 4BR                            |     |     |     |     |     |     |     |     |

| Subject Property Units (Vacant at Market Entry) |     |     |     |     |     |     |     |     |
|-------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
|                                                 | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt |
| 0BR                                             |     |     |     |     |     |     |     |     |
| 1BR                                             |     |     |     |     | 6   | 15  |     | 6   |
| 2BR                                             |     |     |     |     | 1   | 5   |     | 1   |
| 3BR                                             |     |     |     |     |     |     |     |     |
| 4BR                                             |     |     |     |     |     |     |     |     |

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Our analysis uses the unit-level demand estimates derived previously.

| Gross Demand |     |     |     |     |     |     |     |       |
|--------------|-----|-----|-----|-----|-----|-----|-----|-------|
|              | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt   |
| 0BR          |     |     |     |     |     |     |     |       |
| 1BR          |     |     |     |     | 432 | 518 |     | 2,354 |
| 2BR          |     |     |     |     | 201 | 175 |     | 1,983 |
| 3BR          |     |     |     |     |     |     |     |       |
| 4BR          |     |     |     |     |     |     |     |       |

The next step in our analysis is to apply an annual growth & movership rate to derive an annual rental household growth & movership estimate for the market area. Our estimates are found in the tables below.

| Annual Growth & Movership Rate |       |
|--------------------------------|-------|
| Growth                         | 1.0%  |
| Movership                      | 31.4% |
| Total                          | 32.4% |

| Growth & Movership Estimate |     |     |     |     |     |     |     |     |
|-----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
|                             | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt |
| 0BR                         |     |     |     |     |     |     |     |     |
| 1BR                         |     |     |     |     | 140 | 168 |     | 763 |
| 2BR                         |     |     |     |     | 65  | 57  |     | 642 |
| 3BR                         |     |     |     |     |     |     |     |     |
| 4BR                         |     |     |     |     |     |     |     |     |

The next step in our analysis is to account for secondary market area migration in our annual rental household growth & movership estimate for the market area. Our estimates are found in the tables below.

| Secondary Market Area |     |
|-----------------------|-----|
|                       | 20% |

Growth & Movership Estimate

|     | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 0BR |     |     |     |     |     |     |     |     |
| 1BR |     |     |     |     | 175 | 210 |     | 953 |
| 2BR |     |     |     |     | 81  | 71  |     | 803 |
| 3BR |     |     |     |     |     |     |     |     |
| 4BR |     |     |     |     |     |     |     |     |

The next step in our analysis is to estimate fair share, or the proportion of growth and movership that we would expect the subject property to capture. The fair share analysis is used extensively in single-family, multifamily, commercial, and retail market studies. The books entitled Market Analysis for Valuation Appraisals (1994, Appraisal Institute) and Market Analysis and Highest & Best Use (2005, Appraisal institute) provide a good overview of this technique and its application to a variety of property types.

Based on our review of the subject and competing properties, along with their relative conditions/locations, we arrive at the following fair share estimates for the various unit/income types at the subject property.

Competing Properties

|     | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 0BR | 1   |     |     |     | 1   |     |     | 2   |
| 1BR | 8   |     |     |     | 1   | 3   |     | 13  |
| 2BR | 11  |     |     |     | 1   | 4   |     | 16  |
| 3BR | 11  |     |     |     | 2   | 5   |     | 9   |
| 4BR | 5   |     |     |     | 1   | 1   |     | 2   |

Fair Share

|     | Sub | 20% | 30% | 40% | 50%   | 60%   | 80% | Mkt  |
|-----|-----|-----|-----|-----|-------|-------|-----|------|
| 0BR |     |     |     |     |       |       |     |      |
| 1BR |     |     |     |     | 50.0% | 40.0% |     | 5.0% |
| 2BR |     |     |     |     | 50.0% | 40.0% |     | 5.0% |
| 3BR |     |     |     |     |       |       |     |      |
| 4BR |     |     |     |     |       |       |     |      |

Applying the concluded fair share estimates to annual growth & movership and dividing by twelve yields the following monthly absorption rate estimates for the various unit/income types at the subject property.

Monthly Absorption Rate Estimate

|     | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 0BR |     |     |     |     |     |     |     |     |
| 1BR |     |     |     |     | 7.3 | 7.0 |     | 4.0 |
| 2BR |     |     |     |     | 3.4 | 2.4 |     | 3.3 |
| 3BR |     |     |     |     |     |     |     |     |
| 4BR |     |     |     |     |     |     |     |     |

The next step in our analysis is to estimate stabilized occupancy by unit/income type for the subject property. These estimates, which were based on data previously presented in the supply analysis and rent comparability analysis sections of this report, are found below.

Rental Property Inventory, Confirmed, Inside Market Area, Family, Stabilized Occupancy

|     | Sub  | 20% | 30% | 40% | 50%  | 60%  | 80% | Mkt  |
|-----|------|-----|-----|-----|------|------|-----|------|
| 0BR | 100% |     |     |     | 95%  |      |     | 91%  |
| 1BR | 100% |     |     |     | 100% | 94%  |     | 96%  |
| 2BR | 99%  |     |     |     | 100% | 99%  |     | 96%  |
| 3BR | 97%  |     |     |     | 100% | 96%  |     | 97%  |
| 4BR | 98%  |     |     |     | 100% | 100% |     | 100% |

| Occupancy Rate, Select Comparables |     |     |     |     |      |     |     |     |
|------------------------------------|-----|-----|-----|-----|------|-----|-----|-----|
|                                    | Sub | 20% | 30% | 40% | 50%  | 60% | 80% | Mkt |
| 0BR                                |     |     |     |     |      |     |     |     |
| 1BR                                | 97% |     |     |     | 100% | 98% |     | 95% |
| 2BR                                | 99% |     |     |     | 100% | 98% |     | 94% |
| 3BR                                |     |     |     |     |      |     |     |     |
| 4BR                                |     |     |     |     |      |     |     |     |

| Concluded Stabilized Occupancy Rate |     |     |     |     |     |     |     |     |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
|                                     | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt |
| 0BR                                 |     |     |     |     |     |     |     |     |
| 1BR                                 |     |     |     |     | 97% | 97% |     | 95% |
| 2BR                                 |     |     |     |     | 97% | 97% |     | 95% |
| 3BR                                 |     |     |     |     |     |     |     |     |
| 4BR                                 |     |     |     |     |     |     |     |     |

Applying the stabilized occupancy rate estimates to the number of vacant subject property units at market entry, yields the number of occupied units by unit/income type at stabilization as set forth below.

| Occupied Units at Stabilization |     |     |     |     |     |     |     |     |
|---------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
|                                 | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt |
| 0BR                             |     |     |     |     |     |     |     |     |
| 1BR                             |     |     |     |     | 6   | 15  |     | 6   |
| 2BR                             |     |     |     |     | 1   | 5   |     | 1   |
| 3BR                             |     |     |     |     |     |     |     |     |
| 4BR                             |     |     |     |     |     |     |     |     |

Dividing the number of occupied units at stabilization by the monthly absorption rate yields an absorption period estimate by unit/income type for the various units at the subject property. Underwriters often utilize absorption period limits of 12 to 18 months for projects similar to the subject property. Our absorption period estimates are found below.

| Absorption Period (Months to Stabilization) |     |     |     |     |     |     |     |     |
|---------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
|                                             | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt |
| 0BR                                         |     |     |     |     |     |     |     |     |
| 1BR                                         |     |     |     |     | <1  | 2   |     | 1   |
| 2BR                                         |     |     |     |     | <1  | 2   |     | <1  |
| 3BR                                         |     |     |     |     |     |     |     |     |
| 4BR                                         |     |     |     |     |     |     |     |     |

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 2 months of absorption and an average absorption rate of 15.8 units per month for this project. In our opinion, the absorption period suggests an appropriate number and mix of units for the subject property.

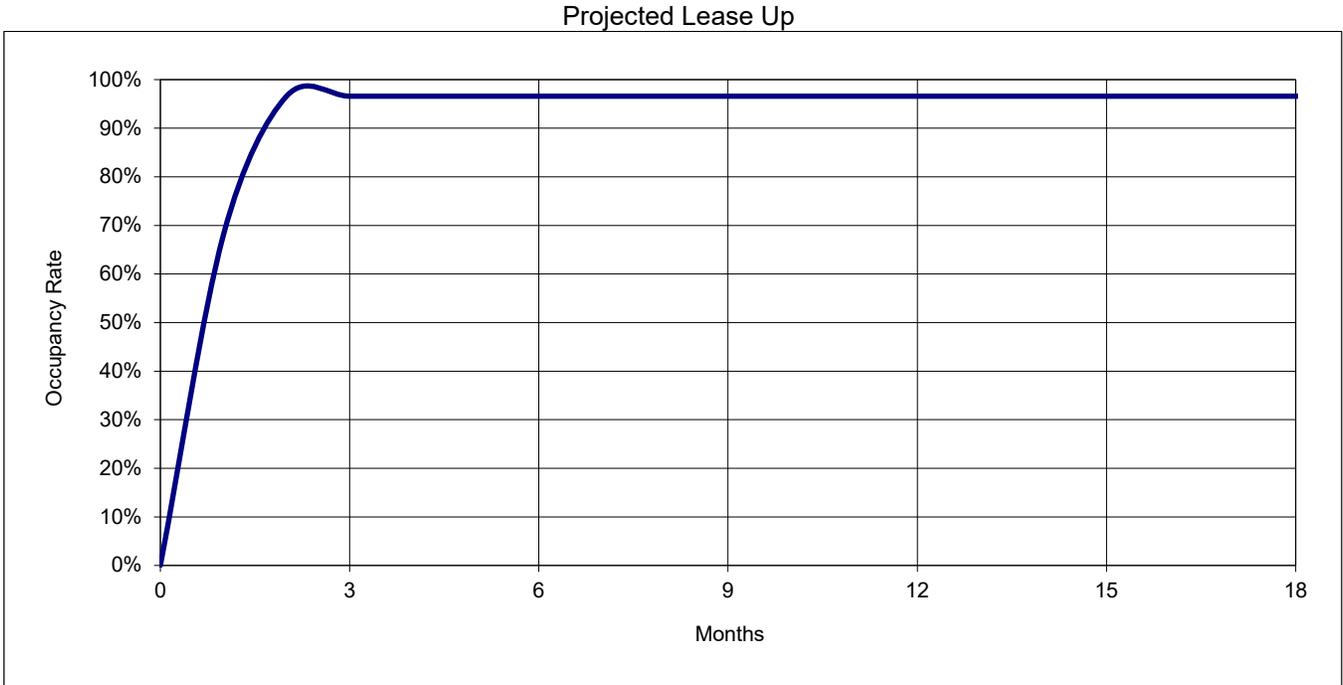
Absorption rates for multifamily properties depend on a variety of factors: (1) The competitive environment in which the property resides; (2) The pricing of the subject property units relative to competing units, (3) The presence of rent or income restrictions at the subject property; and (4) The availability of any rent concessions or rental assistance at the subject property. Subsidized properties normally lease up at a rate of 15-20 units per month. Unsubsidized properties with rent and income restrictions typically fill at a rate of 5-10 units per month. Market rate properties normally lease up at a rate of 10-15 units per month.

As part of our analysis, we inquired about the absorption history for every property we surveyed. The following list summarizes our findings:

| Key | Project                             | Built | Renovated | Rent Type   | Occ Type | Tot Units | Ab Rte |
|-----|-------------------------------------|-------|-----------|-------------|----------|-----------|--------|
| 002 | Alexan 1133                         | 2016  | na        | Market Rate | Family   | 167       | 22.0   |
| 009 | Arlo (The)                          | 2016  | na        | Market Rate | Family   | 240       | 15.7   |
| 034 | Columbia Mill Apartments            | 2013  | na        | Restricted  | Family   | 100       | 16.7   |
| 036 | Columbia Parkside at Mechanicsville | 2011  | na        | Restricted  | Family   | 156       | 39.0   |
| 053 | Enso Apartments                     | 2011  | na        | Market Rate | Family   | 325       | 29.5   |
| 078 | Place on Ponce                      | 2014  | na        | Market Rate | Family   | 234       | 10.6   |

## Absorption Analysis

In this section, we analyze the anticipated lease up for the subject property. We begin our analysis by taking the the absorption period conclusions from the previous section and restating them graphically as illustrated below.



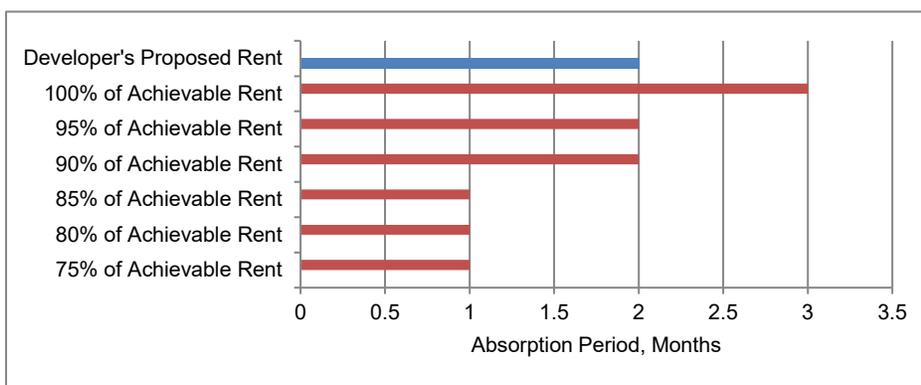
Our analysis suggests that the subject property will achieve 70 percent occupancy in 1 months, 80 percent occupancy in 1 months, and 90 percent occupancy in 1 months. We anticipate that the subject property will stabilize at 97 percent occupancy in 2 months.

It is important to note that this analysis does not account for pent-up demand, pre-leasing efforts or rent concessions. In our opinion, an effective pre-leasing effort could result in a month-for-month reduction in the estimated absorption period for this project. In addition, any concessions or rent subsidies not accounted for already in this analysis could cut capture rates and absorption periods significantly.

## Sensitivity Analysis

We also explored the relationship between rent level, capture rates, penetration rates, and absorption period. For purposes of this analysis, we forecasted demand and fill rates at 75%, 80%, 85%, 90%, 95% and 100% of achievable rent (derived earlier in this report). Our analysis is summarized below:

| Sensitivity Analysis      |              |                  |            |
|---------------------------|--------------|------------------|------------|
| Scenario                  | Capture Rate | Penetration Rate | Absorption |
| Developer's Proposed Rent | 0.7%         | 38.6%            | 2 months   |
| 100% of Achievable Rent   | 0.7%         | 39.3%            | 3 months   |
| 95% of Achievable Rent    | 0.7%         | 38.2%            | 2 months   |
| 90% of Achievable Rent    | 0.7%         | 37.6%            | 2 months   |
| 85% of Achievable Rent    | 0.7%         | 36.5%            | 1 months   |
| 80% of Achievable Rent    | 0.7%         | 35.4%            | 1 months   |
| 75% of Achievable Rent    | 0.6%         | 34.4%            | 1 months   |



Our analysis suggests the following relationship between rent levels and fill rates: At the developer's proposed rent we anticipate a 2-month absorption period; at 100% of achievable rent we anticipate a 3-month absorption period; at 75% of achievable rent we anticipate a 1-month absorption period.

## DCA DEMAND ANALYSIS

### Overview

In this section we evaluate demand for the subject property using the DCA demand methodology. For purposes of this analysis, we define DCA demand as the number of new income-qualified and existing income-qualified overburdened and substandard renter households that would qualify to live at the subject property at the lesser of achievable rents or the sponsor's proposed rents.

Our analysis begins by developing a breakdown of the number of renter households, by income, by size as of the date of market entry for this development. This breakdown, which utilizes demographic data presented earlier in this report, is presented below:

| 2017 \$ |    |           | Renter Households, by Income, by Size |          |          |          |          |           |       |
|---------|----|-----------|---------------------------------------|----------|----------|----------|----------|-----------|-------|
|         |    |           | 2015                                  |          |          |          |          |           |       |
| Min     | to | Max       | 1 Person                              | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person | Total |
| \$0     | to | \$9,999   | 1,126                                 | 477      | 199      | 43       | 57       | 35        | 1,938 |
| \$0     | to | \$19,999  | 2,127                                 | 731      | 350      | 189      | 118      | 74        | 3,588 |
| \$0     | to | \$29,999  | 2,811                                 | 1,122    | 556      | 283      | 141      | 86        | 5,000 |
| \$0     | to | \$39,999  | 3,344                                 | 1,357    | 736      | 395      | 184      | 110       | 6,124 |
| \$0     | to | \$49,999  | 3,556                                 | 1,544    | 816      | 465      | 244      | 151       | 6,776 |
| \$0     | to | \$59,999  | 3,761                                 | 1,684    | 922      | 501      | 261      | 159       | 7,289 |
| \$0     | to | \$74,999  | 3,927                                 | 1,981    | 1,012    | 552      | 335      | 207       | 8,014 |
| \$0     | to | \$99,999  | 4,057                                 | 2,242    | 1,151    | 580      | 352      | 220       | 8,602 |
| \$0     | to | \$124,999 | 4,150                                 | 2,400    | 1,233    | 637      | 375      | 228       | 9,023 |
| \$0     | to | \$149,999 | 4,180                                 | 2,423    | 1,261    | 748      | 385      | 231       | 9,228 |
| \$0     | to | \$199,999 | 4,218                                 | 2,455    | 1,275    | 770      | 396      | 233       | 9,346 |
| \$0     | or | more      | 4,257                                 | 2,499    | 1,292    | 788      | 407      | 235       | 9,478 |

Source: ESRI & Ribbon Demographics

Our analysis included demand and capture rate estimates. Capture rates were computed on a net basis (the number of proposed units divided by qualified demand minus competing, pipeline & newly-constructed units).





## Demand Estimate, 1-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 6 units, 6 of which are anticipated to be vacant on market entry in 2015. Our analysis assumes a 35% income qualification ratio and 2-person households.

| Unit Details                 |                   |
|------------------------------|-------------------|
| Target Population            | Family Households |
| Unit Type                    | 1-Bedroom         |
| Rent Type                    | Restricted        |
| Income Limit                 | 50% of AMI        |
| Total Units                  | 6                 |
| Vacant Units at Market Entry | 6                 |

| Minimum Qualified Income   |          |
|----------------------------|----------|
| Net Rent                   | \$520    |
| Utilities                  | \$112    |
| Gross Rent                 | \$632    |
| Income Qualification Ratio | 35%      |
| Minimum Qualified Income   | \$1,806  |
| Months/Year                | 12       |
| Minimum Qualified Income   | \$21,669 |

| Renter Households, by Income, by Size |    |           |          |          |          |          |           |     |
|---------------------------------------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2015                                  |    |           |          |          |          |          |           |     |
| 2017                                  | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
| \$0                                   | to | \$9,999   | 1,126    | 477      | 199      | 43       | 57        | 35  |
| \$0                                   | to | \$19,999  | 2,127    | 731      | 350      | 189      | 118       | 74  |
| \$0                                   | to | \$29,999  | 2,811    | 1,122    | 556      | 283      | 141       | 86  |
| \$0                                   | to | \$39,999  | 3,344    | 1,357    | 736      | 395      | 184       | 110 |
| \$0                                   | to | \$49,999  | 3,556    | 1,544    | 816      | 465      | 244       | 151 |
| \$0                                   | to | \$59,999  | 3,761    | 1,684    | 922      | 501      | 261       | 159 |
| \$0                                   | to | \$74,999  | 3,927    | 1,981    | 1,012    | 552      | 335       | 207 |
| \$0                                   | to | \$99,999  | 4,057    | 2,242    | 1,151    | 580      | 352       | 220 |
| \$0                                   | to | \$124,999 | 4,150    | 2,400    | 1,233    | 637      | 375       | 228 |
| \$0                                   | to | \$149,999 | 4,180    | 2,423    | 1,261    | 748      | 385       | 231 |
| \$0                                   | to | \$199,999 | 4,218    | 2,455    | 1,275    | 770      | 396       | 233 |
| \$0                                   | or | more      | 4,257    | 2,499    | 1,292    | 788      | 407       | 235 |

| Maximum Allowable Income |          |          |          |          |          |           |  |
|--------------------------|----------|----------|----------|----------|----------|-----------|--|
|                          | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |  |
| Maximum Allowable Income | \$24,400 | \$27,900 | \$31,400 | \$34,850 | \$37,650 | \$40,450  |  |

| Size Qualified |          |          |          |          |          |           |
|----------------|----------|----------|----------|----------|----------|-----------|
|                | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Size Qualified | Yes      | Yes      | No       | No       | No       | No        |

| Demand Estimate         |          |          |          |          |          |           |
|-------------------------|----------|----------|----------|----------|----------|-----------|
|                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| HH Below Maximum Income | 2,401    | 1,024    | 0        | 0        | 0        | 0         |
| HH Below Minimum Income | 2,230    | 790      | 0        | 0        | 0        | 0         |
| Subtotal                | 171      | 235      | 0        | 0        | 0        | 0         |

Demand Estimate 406

Our analysis suggests demand for a total of 406 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 1-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 15 units, 15 of which are anticipated to be vacant on market entry in 2015. Our analysis assumes a 35% income qualification ratio and 2-person households.

| Unit Details                 |                   |
|------------------------------|-------------------|
| Target Population            | Family Households |
| Unit Type                    | 1-Bedroom         |
| Rent Type                    | Restricted        |
| Income Limit                 | 60% of AMI        |
| Total Units                  | 15                |
| Vacant Units at Market Entry | 15                |

| Minimum Qualified Income   |          |
|----------------------------|----------|
| Net Rent                   | \$645    |
| Utilities                  | \$112    |
| Gross Rent                 | \$757    |
| Income Qualification Ratio | 35%      |
| Minimum Qualified Income   | \$2,163  |
| Months/Year                | 12       |
| Minimum Qualified Income   | \$25,954 |

| Renter Households, by Income, by Size |    |           |          |          |          |          |           |     |
|---------------------------------------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2015                                  |    |           |          |          |          |          |           |     |
| 2017                                  | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
| \$0                                   | to | \$9,999   | 1,126    | 477      | 199      | 43       | 57        | 35  |
| \$0                                   | to | \$19,999  | 2,127    | 731      | 350      | 189      | 118       | 74  |
| \$0                                   | to | \$29,999  | 2,811    | 1,122    | 556      | 283      | 141       | 86  |
| \$0                                   | to | \$39,999  | 3,344    | 1,357    | 736      | 395      | 184       | 110 |
| \$0                                   | to | \$49,999  | 3,556    | 1,544    | 816      | 465      | 244       | 151 |
| \$0                                   | to | \$59,999  | 3,761    | 1,684    | 922      | 501      | 261       | 159 |
| \$0                                   | to | \$74,999  | 3,927    | 1,981    | 1,012    | 552      | 335       | 207 |
| \$0                                   | to | \$99,999  | 4,057    | 2,242    | 1,151    | 580      | 352       | 220 |
| \$0                                   | to | \$124,999 | 4,150    | 2,400    | 1,233    | 637      | 375       | 228 |
| \$0                                   | to | \$149,999 | 4,180    | 2,423    | 1,261    | 748      | 385       | 231 |
| \$0                                   | to | \$199,999 | 4,218    | 2,455    | 1,275    | 770      | 396       | 233 |
| \$0                                   | or | more      | 4,257    | 2,499    | 1,292    | 788      | 407       | 235 |

| Maximum Allowable Income |          |          |          |          |          |           |  |
|--------------------------|----------|----------|----------|----------|----------|-----------|--|
|                          | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |  |
| Maximum Allowable Income | \$29,280 | \$33,480 | \$37,680 | \$41,820 | \$45,180 | \$48,540  |  |

| Size Qualified |          |          |          |          |          |           |
|----------------|----------|----------|----------|----------|----------|-----------|
|                | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Size Qualified | Yes      | Yes      | No       | No       | No       | No        |

| Demand Estimate         |          |          |          |          |          |           |
|-------------------------|----------|----------|----------|----------|----------|-----------|
|                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| HH Below Maximum Income | 2,743    | 1,193    | 0        | 0        | 0        | 0         |
| HH Below Minimum Income | 2,503    | 946      | 0        | 0        | 0        | 0         |
| Subtotal                | 239      | 246      | 0        | 0        | 0        | 0         |

Demand Estimate 486

Our analysis suggests demand for a total of 486 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 1-Bedroom, Market Rate

In this section we estimate demand for the 1-Bedroom / Market Rate / Market Rate units at the subject property. Our analysis assumes a total of 6 units, 6 of which are anticipated to be vacant on market entry in 2015. Our analysis assumes a 35% income qualification ratio and 2-person households.

| Unit Details                 |                   |
|------------------------------|-------------------|
| Target Population            | Family Households |
| Unit Type                    | 1-Bedroom         |
| Rent Type                    | Market Rate       |
| Income Limit                 | Market Rate       |
| Total Units                  | 6                 |
| Vacant Units at Market Entry | 6                 |

| Minimum Qualified Income   |          |
|----------------------------|----------|
| Net Rent                   | \$1,000  |
| Utilities                  | \$112    |
| Gross Rent                 | \$1,112  |
| Income Qualification Ratio | 35%      |
| Minimum Qualified Income   | \$3,177  |
| Months/Year                | 12       |
| Minimum Qualified Income   | \$38,126 |

| Renter Households, by Income, by Size |    |           |          |          |          |          |           |     |
|---------------------------------------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2015                                  |    |           |          |          |          |          |           |     |
| 2017                                  | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
| \$0                                   | to | \$9,999   | 1,126    | 477      | 199      | 43       | 57        | 35  |
| \$0                                   | to | \$19,999  | 2,127    | 731      | 350      | 189      | 118       | 74  |
| \$0                                   | to | \$29,999  | 2,811    | 1,122    | 556      | 283      | 141       | 86  |
| \$0                                   | to | \$39,999  | 3,344    | 1,357    | 736      | 395      | 184       | 110 |
| \$0                                   | to | \$49,999  | 3,556    | 1,544    | 816      | 465      | 244       | 151 |
| \$0                                   | to | \$59,999  | 3,761    | 1,684    | 922      | 501      | 261       | 159 |
| \$0                                   | to | \$74,999  | 3,927    | 1,981    | 1,012    | 552      | 335       | 207 |
| \$0                                   | to | \$99,999  | 4,057    | 2,242    | 1,151    | 580      | 352       | 220 |
| \$0                                   | to | \$124,999 | 4,150    | 2,400    | 1,233    | 637      | 375       | 228 |
| \$0                                   | to | \$149,999 | 4,180    | 2,423    | 1,261    | 748      | 385       | 231 |
| \$0                                   | to | \$199,999 | 4,218    | 2,455    | 1,275    | 770      | 396       | 233 |
| \$0                                   | or | more      | 4,257    | 2,499    | 1,292    | 788      | 407       | 235 |

| Maximum Allowable Income |           |           |           |           |           |           |           |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                          | 1 Person  | 2 Person  | 3 Person  | 4 Person  | 5 Person  | 6+ Person |           |
| Maximum Allowable Income | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 |

| Size Qualified |          |          |          |          |          |           |
|----------------|----------|----------|----------|----------|----------|-----------|
|                | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Size Qualified | Yes      | Yes      | No       | No       | No       | No        |

| Demand Estimate         |          |          |          |          |          |           |
|-------------------------|----------|----------|----------|----------|----------|-----------|
|                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| HH Below Maximum Income | 4,257    | 2,499    | 0        | 0        | 0        | 0         |
| HH Below Minimum Income | 3,237    | 1,310    | 0        | 0        | 0        | 0         |
| Subtotal                | 1,020    | 1,189    | 0        | 0        | 0        | 0         |

Demand Estimate 2,209

Our analysis suggests demand for a total of 2,209 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 2-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 2-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 1 units, 1 of which are anticipated to be vacant on market entry in 2015. Our analysis assumes a 35% income qualification ratio and 3-person households.

| Unit Details                 |                   |
|------------------------------|-------------------|
| Target Population            | Family Households |
| Unit Type                    | 2-Bedroom         |
| Rent Type                    | Restricted        |
| Income Limit                 | 50% of AMI        |
| Total Units                  | 1                 |
| Vacant Units at Market Entry | 1                 |

| Minimum Qualified Income   |          |
|----------------------------|----------|
| Net Rent                   | \$619    |
| Utilities                  | \$137    |
| Gross Rent                 | \$756    |
| Income Qualification Ratio | 35%      |
| Minimum Qualified Income   | \$2,160  |
| Months/Year                | 12       |
| Minimum Qualified Income   | \$25,920 |

| Renter Households, by Income, by Size |      |           |          |          |          |          |          |           |
|---------------------------------------|------|-----------|----------|----------|----------|----------|----------|-----------|
| 2015                                  |      |           |          |          |          |          |          |           |
|                                       | 2017 | \$        | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| \$0                                   | to   | \$9,999   | 1,126    | 477      | 199      | 43       | 57       | 35        |
| \$0                                   | to   | \$19,999  | 2,127    | 731      | 350      | 189      | 118      | 74        |
| \$0                                   | to   | \$29,999  | 2,811    | 1,122    | 556      | 283      | 141      | 86        |
| \$0                                   | to   | \$39,999  | 3,344    | 1,357    | 736      | 395      | 184      | 110       |
| \$0                                   | to   | \$49,999  | 3,556    | 1,544    | 816      | 465      | 244      | 151       |
| \$0                                   | to   | \$59,999  | 3,761    | 1,684    | 922      | 501      | 261      | 159       |
| \$0                                   | to   | \$74,999  | 3,927    | 1,981    | 1,012    | 552      | 335      | 207       |
| \$0                                   | to   | \$99,999  | 4,057    | 2,242    | 1,151    | 580      | 352      | 220       |
| \$0                                   | to   | \$124,999 | 4,150    | 2,400    | 1,233    | 637      | 375      | 228       |
| \$0                                   | to   | \$149,999 | 4,180    | 2,423    | 1,261    | 748      | 385      | 231       |
| \$0                                   | to   | \$199,999 | 4,218    | 2,455    | 1,275    | 770      | 396      | 233       |
| \$0                                   | or   | more      | 4,257    | 2,499    | 1,292    | 788      | 407      | 235       |

| Maximum Allowable Income |          |          |          |          |          |           |  |
|--------------------------|----------|----------|----------|----------|----------|-----------|--|
|                          | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |  |
| Maximum Allowable Income | \$24,400 | \$27,900 | \$31,400 | \$34,850 | \$37,650 | \$40,450  |  |

| Size Qualified |          |          |          |          |          |           |
|----------------|----------|----------|----------|----------|----------|-----------|
|                | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Size Qualified | Yes      | Yes      | Yes      | No       | No       | No        |

| Demand Estimate         |          |          |          |          |          |           |
|-------------------------|----------|----------|----------|----------|----------|-----------|
|                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| HH Below Maximum Income | 0        | 1,024    | 574      | 0        | 0        | 0         |
| HH Below Minimum Income | 0        | 946      | 463      | 0        | 0        | 0         |
| Subtotal                | 0        | 78       | 111      | 0        | 0        | 0         |

Demand Estimate 189

Our analysis suggests demand for a total of 189 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 2-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 2-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 5 units, 5 of which are anticipated to be vacant on market entry in 2015. Our analysis assumes a 35% income qualification ratio and 3-person households.

| Unit Details                 |                   |
|------------------------------|-------------------|
| Target Population            | Family Households |
| Unit Type                    | 2-Bedroom         |
| Rent Type                    | Restricted        |
| Income Limit                 | 60% of AMI        |
| Total Units                  | 5                 |
| Vacant Units at Market Entry | 5                 |

| Minimum Qualified Income   |          |
|----------------------------|----------|
| Net Rent                   | \$769    |
| Utilities                  | \$137    |
| Gross Rent                 | \$906    |
| Income Qualification Ratio | 35%      |
| Minimum Qualified Income   | \$2,589  |
| Months/Year                | 12       |
| Minimum Qualified Income   | \$31,063 |

| Renter Households, by Income, by Size |      |    |           |          |          |          |          |           |     |
|---------------------------------------|------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2015                                  |      |    |           |          |          |          |          |           |     |
|                                       | 2017 | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
|                                       | \$0  | to | \$9,999   | 1,126    | 477      | 199      | 43       | 57        | 35  |
|                                       | \$0  | to | \$19,999  | 2,127    | 731      | 350      | 189      | 118       | 74  |
|                                       | \$0  | to | \$29,999  | 2,811    | 1,122    | 556      | 283      | 141       | 86  |
|                                       | \$0  | to | \$39,999  | 3,344    | 1,357    | 736      | 395      | 184       | 110 |
|                                       | \$0  | to | \$49,999  | 3,556    | 1,544    | 816      | 465      | 244       | 151 |
|                                       | \$0  | to | \$59,999  | 3,761    | 1,684    | 922      | 501      | 261       | 159 |
|                                       | \$0  | to | \$74,999  | 3,927    | 1,981    | 1,012    | 552      | 335       | 207 |
|                                       | \$0  | to | \$99,999  | 4,057    | 2,242    | 1,151    | 580      | 352       | 220 |
|                                       | \$0  | to | \$124,999 | 4,150    | 2,400    | 1,233    | 637      | 375       | 228 |
|                                       | \$0  | to | \$149,999 | 4,180    | 2,423    | 1,261    | 748      | 385       | 231 |
|                                       | \$0  | to | \$199,999 | 4,218    | 2,455    | 1,275    | 770      | 396       | 233 |
|                                       | \$0  | or | more      | 4,257    | 2,499    | 1,292    | 788      | 407       | 235 |

| Maximum Allowable Income |          |          |          |          |          |           |  |
|--------------------------|----------|----------|----------|----------|----------|-----------|--|
|                          | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |  |
| Maximum Allowable Income | \$29,280 | \$33,480 | \$37,680 | \$41,820 | \$45,180 | \$48,540  |  |

| Size Qualified |          |          |          |          |          |           |
|----------------|----------|----------|----------|----------|----------|-----------|
|                | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Size Qualified | Yes      | Yes      | Yes      | No       | No       | No        |

| Demand Estimate         |          |          |          |          |          |           |
|-------------------------|----------|----------|----------|----------|----------|-----------|
|                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| HH Below Maximum Income | 0        | 1,193    | 691      | 0        | 0        | 0         |
| HH Below Minimum Income | 0        | 1,146    | 574      | 0        | 0        | 0         |
| Subtotal                | 0        | 47       | 117      | 0        | 0        | 0         |

Demand Estimate 164

Our analysis suggests demand for a total of 164 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 2-Bedroom, Market Rate

In this section we estimate demand for the 2-Bedroom / Market Rate / Market Rate units at the subject property. Our analysis assumes a total of 1 units, 1 of which are anticipated to be vacant on market entry in 2015. Our analysis assumes a 35% income qualification ratio and 3-person households.

| Unit Details                 |                   |
|------------------------------|-------------------|
| Target Population            | Family Households |
| Unit Type                    | 2-Bedroom         |
| Rent Type                    | Market Rate       |
| Income Limit                 | Market Rate       |
| Total Units                  | 1                 |
| Vacant Units at Market Entry | 1                 |

| Minimum Qualified Income   |          |
|----------------------------|----------|
| Net Rent                   | \$1,500  |
| Utilities                  | \$137    |
| Gross Rent                 | \$1,637  |
| Income Qualification Ratio | 35%      |
| Minimum Qualified Income   | \$4,677  |
| Months/Year                | 12       |
| Minimum Qualified Income   | \$56,126 |

| Renter Households, by Income, by Size |      |           |          |          |          |          |          |           |
|---------------------------------------|------|-----------|----------|----------|----------|----------|----------|-----------|
| 2015                                  |      |           |          |          |          |          |          |           |
|                                       | 2017 | \$        | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| \$0                                   | to   | \$9,999   | 1,126    | 477      | 199      | 43       | 57       | 35        |
| \$0                                   | to   | \$19,999  | 2,127    | 731      | 350      | 189      | 118      | 74        |
| \$0                                   | to   | \$29,999  | 2,811    | 1,122    | 556      | 283      | 141      | 86        |
| \$0                                   | to   | \$39,999  | 3,344    | 1,357    | 736      | 395      | 184      | 110       |
| \$0                                   | to   | \$49,999  | 3,556    | 1,544    | 816      | 465      | 244      | 151       |
| \$0                                   | to   | \$59,999  | 3,761    | 1,684    | 922      | 501      | 261      | 159       |
| \$0                                   | to   | \$74,999  | 3,927    | 1,981    | 1,012    | 552      | 335      | 207       |
| \$0                                   | to   | \$99,999  | 4,057    | 2,242    | 1,151    | 580      | 352      | 220       |
| \$0                                   | to   | \$124,999 | 4,150    | 2,400    | 1,233    | 637      | 375      | 228       |
| \$0                                   | to   | \$149,999 | 4,180    | 2,423    | 1,261    | 748      | 385      | 231       |
| \$0                                   | to   | \$199,999 | 4,218    | 2,455    | 1,275    | 770      | 396      | 233       |
| \$0                                   | or   | more      | 4,257    | 2,499    | 1,292    | 788      | 407      | 235       |

| Maximum Allowable Income |           |           |           |           |           |           |  |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|--|
|                          | 1 Person  | 2 Person  | 3 Person  | 4 Person  | 5 Person  | 6+ Person |  |
| Maximum Allowable Income | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 |  |

| Size Qualified |          |          |          |          |          |           |
|----------------|----------|----------|----------|----------|----------|-----------|
|                | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Size Qualified | Yes      | Yes      | Yes      | No       | No       | No        |

| Demand Estimate         |          |          |          |          |          |           |
|-------------------------|----------|----------|----------|----------|----------|-----------|
|                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| HH Below Maximum Income | 4,257    | 2,499    | 1,292    | 0        | 0        | 0         |
| HH Below Minimum Income | 3,679    | 1,628    | 880      | 0        | 0        | 0         |
| Subtotal                | 578      | 871      | 412      | 0        | 0        | 0         |

Demand Estimate 1,861

Our analysis suggests demand for a total of 1,861 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, Restricted, 50% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 50% of AMI at the subject property.

| Renter Households, by Income, by Size |    |           |          |          |          |          |           |     |
|---------------------------------------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2015                                  |    |           |          |          |          |          |           |     |
| 2017                                  | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
| \$0                                   | to | \$9,999   | 1,126    | 477      | 199      | 43       | 57        | 35  |
| \$0                                   | to | \$19,999  | 2,127    | 731      | 350      | 189      | 118       | 74  |
| \$0                                   | to | \$29,999  | 2,811    | 1,122    | 556      | 283      | 141       | 86  |
| \$0                                   | to | \$39,999  | 3,344    | 1,357    | 736      | 395      | 184       | 110 |
| \$0                                   | to | \$49,999  | 3,556    | 1,544    | 816      | 465      | 244       | 151 |
| \$0                                   | to | \$59,999  | 3,761    | 1,684    | 922      | 501      | 261       | 159 |
| \$0                                   | to | \$74,999  | 3,927    | 1,981    | 1,012    | 552      | 335       | 207 |
| \$0                                   | to | \$99,999  | 4,057    | 2,242    | 1,151    | 580      | 352       | 220 |
| \$0                                   | to | \$124,999 | 4,150    | 2,400    | 1,233    | 637      | 375       | 228 |
| \$0                                   | to | \$149,999 | 4,180    | 2,423    | 1,261    | 748      | 385       | 231 |
| \$0                                   | to | \$199,999 | 4,218    | 2,455    | 1,275    | 770      | 396       | 233 |
| \$0                                   | or | more      | 4,257    | 2,499    | 1,292    | 788      | 407       | 235 |

| Demand Estimate, Restricted, 50% of AMI |          |          |          |          |          |           |
|-----------------------------------------|----------|----------|----------|----------|----------|-----------|
|                                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Maximum Income, 0BR                     | -        | -        | -        | -        | -        | -         |
| Maximum Income, 1BR                     | \$24,400 | \$27,900 | -        | -        | -        | -         |
| Maximum Income, 2BR                     | -        | \$27,900 | \$31,400 | -        | -        | -         |
| Maximum Income, 3BR                     | -        | -        | -        | -        | -        | -         |
| Maximum Income, 4BR                     | -        | -        | -        | -        | -        | -         |
| Maximum Allowable Income                | \$24,400 | \$27,900 | \$31,400 | -        | -        | -         |
| Minimum Income, 0BR                     | -        | -        | -        | -        | -        | -         |
| Minimum Income, 1BR                     | \$21,669 | \$21,669 | -        | -        | -        | -         |
| Minimum Income, 2BR                     | -        | \$25,920 | \$25,920 | -        | -        | -         |
| Minimum Income, 3BR                     | -        | -        | -        | -        | -        | -         |
| Minimum Income, 4BR                     | -        | -        | -        | -        | -        | -         |
| Minimum Qualified Income                | \$21,669 | \$21,669 | \$25,920 | -        | -        | -         |
| HH Below Upper Income                   | 2,401    | 1,024    | 574      | 0        | 0        | 0         |
| HH Below Lower Income                   | 2,230    | 790      | 463      | 0        | 0        | 0         |
| Subtotal                                | 171      | 235      | 111      | 0        | 0        | 0         |

Demand Estimate

516

Our analysis suggests demand for a total of 516 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate, Restricted, 60% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 60% of AMI at the subject property.

| Renter Households, by Income, by Size |    |           |          |          |          |          |           |     |
|---------------------------------------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2015                                  |    |           |          |          |          |          |           |     |
| 2017                                  | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
| \$0                                   | to | \$9,999   | 1,126    | 477      | 199      | 43       | 57        | 35  |
| \$0                                   | to | \$19,999  | 2,127    | 731      | 350      | 189      | 118       | 74  |
| \$0                                   | to | \$29,999  | 2,811    | 1,122    | 556      | 283      | 141       | 86  |
| \$0                                   | to | \$39,999  | 3,344    | 1,357    | 736      | 395      | 184       | 110 |
| \$0                                   | to | \$49,999  | 3,556    | 1,544    | 816      | 465      | 244       | 151 |
| \$0                                   | to | \$59,999  | 3,761    | 1,684    | 922      | 501      | 261       | 159 |
| \$0                                   | to | \$74,999  | 3,927    | 1,981    | 1,012    | 552      | 335       | 207 |
| \$0                                   | to | \$99,999  | 4,057    | 2,242    | 1,151    | 580      | 352       | 220 |
| \$0                                   | to | \$124,999 | 4,150    | 2,400    | 1,233    | 637      | 375       | 228 |
| \$0                                   | to | \$149,999 | 4,180    | 2,423    | 1,261    | 748      | 385       | 231 |
| \$0                                   | to | \$199,999 | 4,218    | 2,455    | 1,275    | 770      | 396       | 233 |
| \$0                                   | or | more      | 4,257    | 2,499    | 1,292    | 788      | 407       | 235 |

| Demand Estimate, Restricted, 60% of AMI |          |          |          |          |          |           |
|-----------------------------------------|----------|----------|----------|----------|----------|-----------|
|                                         | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |
| Maximum Income, 0BR                     | -        | -        | -        | -        | -        | -         |
| Maximum Income, 1BR                     | \$29,280 | \$33,480 | -        | -        | -        | -         |
| Maximum Income, 2BR                     | -        | \$33,480 | \$37,680 | -        | -        | -         |
| Maximum Income, 3BR                     | -        | -        | -        | -        | -        | -         |
| Maximum Income, 4BR                     | -        | -        | -        | -        | -        | -         |
| Maximum Allowable Income                | \$29,280 | \$33,480 | \$37,680 | -        | -        | -         |
| Minimum Income, 0BR                     | -        | -        | -        | -        | -        | -         |
| Minimum Income, 1BR                     | \$25,954 | \$25,954 | -        | -        | -        | -         |
| Minimum Income, 2BR                     | -        | \$31,063 | \$31,063 | -        | -        | -         |
| Minimum Income, 3BR                     | -        | -        | -        | -        | -        | -         |
| Minimum Income, 4BR                     | -        | -        | -        | -        | -        | -         |
| Minimum Qualified Income                | \$25,954 | \$25,954 | \$31,063 | -        | -        | -         |
| HH Below Upper Income                   | 2,743    | 1,193    | 691      | 0        | 0        | 0         |
| HH Below Lower Income                   | 2,503    | 946      | 574      | 0        | 0        | 0         |
| Subtotal                                | 239      | 246      | 117      | 0        | 0        | 0         |

Demand Estimate

603

Our analysis suggests demand for a total of 603 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate, Market Rate

In this section we account for income-band overlap and develop a demand estimate for the market rate units at the subject property.

| Renter Households, by Income, by Size |    |           |          |          |          |          |           |     |
|---------------------------------------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2015                                  |    |           |          |          |          |          |           |     |
| 2017                                  | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
| \$0                                   | to | \$9,999   | 1,126    | 477      | 199      | 43       | 57        | 35  |
| \$0                                   | to | \$19,999  | 2,127    | 731      | 350      | 189      | 118       | 74  |
| \$0                                   | to | \$29,999  | 2,811    | 1,122    | 556      | 283      | 141       | 86  |
| \$0                                   | to | \$39,999  | 3,344    | 1,357    | 736      | 395      | 184       | 110 |
| \$0                                   | to | \$49,999  | 3,556    | 1,544    | 816      | 465      | 244       | 151 |
| \$0                                   | to | \$59,999  | 3,761    | 1,684    | 922      | 501      | 261       | 159 |
| \$0                                   | to | \$74,999  | 3,927    | 1,981    | 1,012    | 552      | 335       | 207 |
| \$0                                   | to | \$99,999  | 4,057    | 2,242    | 1,151    | 580      | 352       | 220 |
| \$0                                   | to | \$124,999 | 4,150    | 2,400    | 1,233    | 637      | 375       | 228 |
| \$0                                   | to | \$149,999 | 4,180    | 2,423    | 1,261    | 748      | 385       | 231 |
| \$0                                   | to | \$199,999 | 4,218    | 2,455    | 1,275    | 770      | 396       | 233 |
| \$0                                   | or | more      | 4,257    | 2,499    | 1,292    | 788      | 407       | 235 |

| Demand Estimate, Market Rate |           |           |           |          |          |           |
|------------------------------|-----------|-----------|-----------|----------|----------|-----------|
|                              | 1 Person  | 2 Person  | 3 Person  | 4 Person | 5 Person | 6+ Person |
| Maximum Income, 0BR          | -         | -         | -         | -        | -        | -         |
| Maximum Income, 1BR          | \$250,000 | \$250,000 | -         | -        | -        | -         |
| Maximum Income, 2BR          | \$250,000 | \$250,000 | \$250,000 | -        | -        | -         |
| Maximum Income, 3BR          | -         | -         | -         | -        | -        | -         |
| Maximum Income, 4BR          | -         | -         | -         | -        | -        | -         |
| Maximum Allowable Income     | \$250,000 | \$250,000 | \$250,000 | -        | -        | -         |
| Minimum Income, 0BR          | -         | -         | -         | -        | -        | -         |
| Minimum Income, 1BR          | \$38,126  | \$38,126  | -         | -        | -        | -         |
| Minimum Income, 2BR          | \$56,126  | \$56,126  | \$56,126  | -        | -        | -         |
| Minimum Income, 3BR          | -         | -         | -         | -        | -        | -         |
| Minimum Income, 4BR          | -         | -         | -         | -        | -        | -         |
| Minimum Qualified Income     | \$38,126  | \$38,126  | \$56,126  | -        | -        | -         |
| HH Below Upper Income        | 4,257     | 2,499     | 1,292     | 0        | 0        | 0         |
| HH Below Lower Income        | 3,237     | 1,310     | 880       | 0        | 0        | 0         |
| Subtotal                     | 1,020     | 1,189     | 412       | 0        | 0        | 0         |

Demand Estimate 2,621

Our analysis suggests demand for a total of 2,621 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate, Project-Level

In this section we account for income-band overlap and develop a project-level demand estimate for the subject property.

| Renter Households, by Income, by Size |    |           |          |          |          |          |           |     |
|---------------------------------------|----|-----------|----------|----------|----------|----------|-----------|-----|
| 2015                                  |    |           |          |          |          |          |           |     |
| 2017                                  | \$ | 1 Person  | 2 Person | 3 Person | 4 Person | 5 Person | 6+ Person |     |
| \$0                                   | to | \$9,999   | 1,126    | 477      | 199      | 43       | 57        | 35  |
| \$0                                   | to | \$19,999  | 2,127    | 731      | 350      | 189      | 118       | 74  |
| \$0                                   | to | \$29,999  | 2,811    | 1,122    | 556      | 283      | 141       | 86  |
| \$0                                   | to | \$39,999  | 3,344    | 1,357    | 736      | 395      | 184       | 110 |
| \$0                                   | to | \$49,999  | 3,556    | 1,544    | 816      | 465      | 244       | 151 |
| \$0                                   | to | \$59,999  | 3,761    | 1,684    | 922      | 501      | 261       | 159 |
| \$0                                   | to | \$74,999  | 3,927    | 1,981    | 1,012    | 552      | 335       | 207 |
| \$0                                   | to | \$99,999  | 4,057    | 2,242    | 1,151    | 580      | 352       | 220 |
| \$0                                   | to | \$124,999 | 4,150    | 2,400    | 1,233    | 637      | 375       | 228 |
| \$0                                   | to | \$149,999 | 4,180    | 2,423    | 1,261    | 748      | 385       | 231 |
| \$0                                   | to | \$199,999 | 4,218    | 2,455    | 1,275    | 770      | 396       | 233 |
| \$0                                   | or | more      | 4,257    | 2,499    | 1,292    | 788      | 407       | 235 |

| Demand Estimate, Project-Level |           |           |           |          |          |           |       |
|--------------------------------|-----------|-----------|-----------|----------|----------|-----------|-------|
|                                | 1 Person  | 2 Person  | 3 Person  | 4 Person | 5 Person | 6+ Person |       |
| Maximum Income, Subsidized     | -         | -         | -         | -        | -        | -         | -     |
| Maximum Income, 20% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Maximum Income, 30% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Maximum Income, 40% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Maximum Income, 50% of AMI     | \$24,400  | \$27,900  | \$31,400  | -        | -        | -         | -     |
| Maximum Income, 60% of AMI     | \$29,280  | \$33,480  | \$37,680  | -        | -        | -         | -     |
| Maximum Income, 80% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Maximum Income, Market Rate    | \$250,000 | \$250,000 | \$250,000 | -        | -        | -         | -     |
| Maximum Allowable Income       | \$250,000 | \$250,000 | \$250,000 | -        | -        | -         | -     |
| Minimum Income, Subsidized     | -         | -         | -         | -        | -        | -         | -     |
| Minimum Income, 20% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Minimum Income, 30% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Minimum Income, 40% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Minimum Income, 50% of AMI     | \$21,669  | \$21,669  | \$25,920  | -        | -        | -         | -     |
| Minimum Income, 60% of AMI     | \$25,954  | \$25,954  | \$31,063  | -        | -        | -         | -     |
| Minimum Income, 80% of AMI     | -         | -         | -         | -        | -        | -         | -     |
| Minimum Income, Market Rate    | \$38,126  | \$38,126  | \$56,126  | -        | -        | -         | -     |
| Minimum Qualified Income       | \$21,669  | \$21,669  | \$25,920  | -        | -        | -         | -     |
| HH Below Upper Income          | 4,257     | 2,499     | 1,292     | 0        | 0        | 0         | 0     |
| HH Below Lower Income          | 2,230     | 790       | 463       | 0        | 0        | 0         | 0     |
| Subtotal                       | 2,027     | 1,709     | 829       | 0        | 0        | 0         | 0     |
| Demand Estimate                |           |           |           |          |          |           | 4,565 |

Our analysis suggests project-level demand for a total of 4,565 size- and income-qualified units in the market area.

## Demand & Capture Rate Estimate

In this section, we derive our DCA demand and capture rate estimates for the subject property. Our analysis, which begins with the income-qualified renter household estimates developed above, is found below.

| Income Qualified Renter Households |     |     |     |     |     |     |     |       |       |
|------------------------------------|-----|-----|-----|-----|-----|-----|-----|-------|-------|
|                                    | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt   | Tot   |
| 0BR                                |     |     |     |     |     |     |     |       |       |
| 1BR                                |     |     |     |     | 406 | 486 |     | 2,209 | 3,101 |
| 2BR                                |     |     |     |     | 189 | 164 |     | 1,861 | 2,214 |
| 3BR                                |     |     |     |     |     |     |     |       |       |
| 4BR                                |     |     |     |     |     |     |     |       |       |
| Tot                                |     |     |     |     | 516 | 603 |     | 2,621 | 4,565 |

The next step in our analysis is to account for 2 years of growth to estimate the demand stemming from new income qualified rental households. Our estimates are found below.

Annual Renter Household Growth Rate  
3.4%

| New Rental Households |     |     |     |     |     |     |     |     |     |
|-----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                       | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| 0BR                   |     |     |     |     |     |     |     |     |     |
| 1BR                   |     |     |     |     | 28  | 33  |     | 150 | 211 |
| 2BR                   |     |     |     |     | 13  | 11  |     | 127 | 151 |
| 3BR                   |     |     |     |     |     |     |     |     |     |
| 4BR                   |     |     |     |     |     |     |     |     |     |
| Tot                   |     |     |     |     | 35  | 41  |     | 178 | 310 |

The next step in our analysis is to estimate existing demand stemming from income-qualified overburdened renter households in this market area. Our estimates are found below.

Overburdened Renter Households  
35.0%

| Existing Households - Rent Overburdened |     |     |     |     |     |     |     |     |       |
|-----------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-------|
|                                         | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot   |
| 0BR                                     |     |     |     |     |     |     |     |     |       |
| 1BR                                     |     |     |     |     | 142 | 170 |     | 773 | 1,086 |
| 2BR                                     |     |     |     |     | 66  | 57  |     | 652 | 775   |
| 3BR                                     |     |     |     |     |     |     |     |     |       |
| 4BR                                     |     |     |     |     |     |     |     |     |       |
| Tot                                     |     |     |     |     | 181 | 211 |     | 918 | 1,598 |

The next step in our analysis is to estimate existing demand stemming from income-qualified substandard renter households in this market area. Our estimates are found below.

Substandard Renter Households  
10.8%

## Existing Households - Substandard

|     | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 0BR |     |     |     |     |     |     |     |     |     |
| 1BR |     |     |     |     | 44  | 53  |     | 239 | 336 |
| 2BR |     |     |     |     | 20  | 18  |     | 202 | 240 |
| 3BR |     |     |     |     |     |     |     |     |     |
| 4BR |     |     |     |     |     |     |     |     |     |
| Tot |     |     |     |     | 56  | 65  |     | 284 | 494 |

The next step in our analysis is to account for elderly homeowners likely to convert to rental housing. This component may not comprise more than 2 percent of total demand. Our estimates are found below.

## Elderly Homeowners Likely to Convert to Rental Housing

|     | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 0BR |     |     |     |     |     |     |     |     |     |
| 1BR |     |     |     |     |     |     |     |     |     |
| 2BR |     |     |     |     |     |     |     |     |     |
| 3BR |     |     |     |     |     |     |     |     |     |
| 4BR |     |     |     |     |     |     |     |     |     |
| Tot |     |     |     |     |     |     |     |     |     |

The next step in our analysis is to tally up gross demand for the subject property. Our estimates are found below.

## Gross Demand

|     | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt   | Tot   |
|-----|-----|-----|-----|-----|-----|-----|-----|-------|-------|
| 0BR |     |     |     |     |     |     |     |       |       |
| 1BR |     |     |     |     | 214 | 256 |     | 1,163 | 1,632 |
| 2BR |     |     |     |     | 99  | 86  |     | 980   | 1,165 |
| 3BR |     |     |     |     |     |     |     |       |       |
| 4BR |     |     |     |     |     |     |     |       |       |
| Tot |     |     |     |     | 272 | 317 |     | 1,380 | 2,403 |

The next step in our analysis is to tabulate the number of vacant competing, pipeline & newly-constructed units in the market area by unit/income type. This information will be used to further refine our capture rate estimate for the subject property. A table showing the distribution of vacant competing, pipeline & newly-constructed units is found below.

## Vacant Competing, Pipeline &amp; Newly-Constructed Units

|     | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 0BR |     |     |     |     |     |     |     |     |     |
| 1BR |     |     |     |     |     | 3   |     | 211 | 214 |
| 2BR |     |     |     |     |     | 8   |     | 162 | 170 |
| 3BR |     |     |     |     |     |     |     |     |     |
| 4BR |     |     |     |     |     |     |     |     |     |
| Tot |     |     |     |     |     | 11  |     | 373 | 384 |

The next step in our analysis is to subtract the number of vacant competing, pipeline & newly-constructed units from gross demand to arrive at a net demand estimate for the subject property units. As described earlier, unit-level net demand estimates are found in the body of the chart found below; project-level net demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level net demand may not add up to project-level net demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level net demand.

| Net Demand (Gross Demand - Vacant Competing, Pipeline & Newly-Constructed Units) |     |     |     |     |     |     |     |       |       |
|----------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-------|-------|
|                                                                                  | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt   | Tot   |
| 0BR                                                                              |     |     |     |     |     |     |     |       |       |
| 1BR                                                                              |     |     |     |     | 214 | 253 |     | 952   | 1,418 |
| 2BR                                                                              |     |     |     |     | 99  | 78  |     | 818   | 995   |
| 3BR                                                                              |     |     |     |     |     |     |     |       |       |
| 4BR                                                                              |     |     |     |     |     |     |     |       |       |
| Tot                                                                              |     |     |     |     | 272 | 306 |     | 1,007 | 2,019 |

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the number of subject property units divided by net demand. Our estimates are presented below:

| Subject Property Units (Vacant at Market Entry) |     |     |     |     |     |     |     |     |     |
|-------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                                 | Sub | 20% | 30% | 40% | 50% | 60% | 80% | Mkt | Tot |
| 0BR                                             |     |     |     |     |     |     |     |     |     |
| 1BR                                             |     |     |     |     | 6   | 15  |     | 6   | 27  |
| 2BR                                             |     |     |     |     | 1   | 5   |     | 1   | 7   |
| 3BR                                             |     |     |     |     |     |     |     |     |     |
| 4BR                                             |     |     |     |     |     |     |     |     |     |
| Tot                                             |     |     |     |     | 7   | 20  |     | 7   | 34  |

| Capture Rates (Subject Property Units / Net Demand) |     |     |     |     |      |      |     |      |      |
|-----------------------------------------------------|-----|-----|-----|-----|------|------|-----|------|------|
|                                                     | Sub | 20% | 30% | 40% | 50%  | 60%  | 80% | Mkt  | Tot  |
| 0BR                                                 |     |     |     |     |      |      |     |      |      |
| 1BR                                                 |     |     |     |     | 2.8% | 5.9% |     | 0.6% | 1.9% |
| 2BR                                                 |     |     |     |     | 1.0% | 6.4% |     | 0.1% | 0.7% |
| 3BR                                                 |     |     |     |     |      |      |     |      |      |
| 4BR                                                 |     |     |     |     |      |      |     |      |      |
| Tot                                                 |     |     |     |     | 2.6% | 6.5% |     | 0.7% | 1.7% |

Our findings are summarized below.

|                                              |          |
|----------------------------------------------|----------|
| Project-Wide Capture Rate - Subsidized Units |          |
| Project-Wide Capture Rate - LIHTC Units      | 4.7%     |
| Project-Wide Capture Rate - Market Units     | 0.7%     |
| Project-Wide Capture Rate - All Units        | 1.7%     |
| Project-Wide Absorption Period (Months)      | 2 months |

**RENT COMPARABLES, MARKET RATE**

Project Information

|                    |                |
|--------------------|----------------|
| Property Name      | Alexan 1133    |
| Street Number      | 1133           |
| Street Name        | Commerce       |
| Street Type        | Drive          |
| City               | Decatur        |
| State              | Georgia        |
| Zip                | 30030          |
| Phone Number       | (404) 371-6999 |
| Year Built         | 2016           |
| Year Renovated     | na             |
| Minimum Lease      | 12             |
| Min. Security Dep. | \$100          |
| Other Fees         | \$99           |
| Waiting List       | no             |
| Project Rent       | Market Rate    |
| Project Type       | Family         |
| Project Status     | Stabilized     |
| Financing          | Conventional   |
| Vouchers           |                |
| Latitude           | 33.7772        |
| Longitude          | -84.2987       |
| Nearest Crossroads | na             |
| AAC Code           | 17-097 002     |

Photo



Location Map



Interview Notes

|                    |                           |
|--------------------|---------------------------|
| Person Interviewed | Ms. Hannah, Leasing Agent |
| Phone Number       | (404) 371-6999            |
| Interview Date     | 25-Apr-17                 |
| Interviewed By     | DS                        |

Property with over 25 different floor plans. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees.

Unit Configuration

| BR              | BA  | SF   | Unit Type   | Inc Limit | Rent Limit | HOME Units | Subs Units | Total Units | Vac Units | Street Rent | Disc | Net Rent | UA    | Gross Rent |
|-----------------|-----|------|-------------|-----------|------------|------------|------------|-------------|-----------|-------------|------|----------|-------|------------|
| 0               | 1.0 | 532  | Garden/Flat | Mar       | Mar        | No         | No         | 1           |           | \$1,440     |      | \$1,440  | \$103 | \$1,543    |
| 0               | 1.0 | 650  | Garden/Flat | Mar       | Mar        | No         | No         | 1           |           | \$1,457     |      | \$1,457  | \$103 | \$1,560    |
| 0               | 1.0 | 643  | Garden/Flat | Mar       | Mar        | No         | No         | 17          | 3         | \$1,256     |      | \$1,256  | \$103 | \$1,359    |
| 1               | 1.0 | 681  | Garden/Flat | Mar       | Mar        | No         | No         | 3           |           | \$1,225     |      | \$1,225  | \$118 | \$1,343    |
| 1               | 1.0 | 714  | Garden/Flat | Mar       | Mar        | No         | No         | 2           | 1         | \$1,626     |      | \$1,626  | \$118 | \$1,744    |
| 1               | 1.0 | 723  | Garden/Flat | Mar       | Mar        | No         | No         | 15          | 1         | \$1,400     |      | \$1,400  | \$118 | \$1,518    |
| 1               | 1.0 | 734  | Garden/Flat | Mar       | Mar        | No         | No         | 5           |           | \$1,445     |      | \$1,445  | \$118 | \$1,563    |
| 1               | 1.0 | 746  | Garden/Flat | Mar       | Mar        | No         | No         | 24          | 1         | \$1,572     |      | \$1,572  | \$118 | \$1,690    |
| 1               | 1.0 | 766  | Garden/Flat | Mar       | Mar        | No         | No         | 10          |           | \$1,469     |      | \$1,469  | \$118 | \$1,587    |
| 1               | 1.0 | 769  | Garden/Flat | Mar       | Mar        | No         | No         | 9           | 1         | \$1,655     |      | \$1,655  | \$118 | \$1,773    |
| 1               | 1.0 | 830  | Garden/Flat | Mar       | Mar        | No         | No         | 34          | 3         | \$1,728     |      | \$1,728  | \$118 | \$1,846    |
| 2               | 1.0 | 892  | Garden/Flat | Mar       | Mar        | No         | No         | 6           |           | \$1,777     |      | \$1,777  | \$175 | \$1,952    |
| 2               | 2.0 | 1067 | Garden/Flat | Mar       | Mar        | No         | No         | 4           |           | \$1,714     |      | \$1,714  | \$175 | \$1,889    |
| 2               | 2.0 | 964  | Garden/Flat | Mar       | Mar        | No         | No         | 5           |           | \$1,700     |      | \$1,700  | \$175 | \$1,875    |
| 2               | 2.0 | 1049 | Garden/Flat | Mar       | Mar        | No         | No         | 4           | 1         | \$2,199     |      | \$2,199  | \$175 | \$2,374    |
| 2               | 2.0 | 1055 | Garden/Flat | Mar       | Mar        | No         | No         | 5           |           | \$2,013     |      | \$2,013  | \$175 | \$2,188    |
| 2               | 2.0 | 1066 | Garden/Flat | Mar       | Mar        | No         | No         | 5           | 2         | \$2,068     |      | \$2,068  | \$175 | \$2,243    |
| 2               | 2.0 | 1087 | Garden/Flat | Mar       | Mar        | No         | No         | 4           |           | \$1,928     |      | \$1,928  | \$175 | \$2,103    |
| 2               | 2.0 | 1267 | Garden/Flat | Mar       | Mar        | No         | No         | 5           | 1         | \$2,485     |      | \$2,485  | \$175 | \$2,660    |
| 2               | 2.0 | 1270 | Garden/Flat | Mar       | Mar        | No         | No         | 4           |           | \$2,713     |      | \$2,713  | \$175 | \$2,888    |
| 2               | 2.0 | 1554 | Garden/Flat | Mar       | Mar        | No         | No         | 4           | 1         | \$3,260     |      | \$3,260  | \$175 | \$3,435    |
| Total / Average |     | 850  |             |           |            |            |            | 167         | 15        | \$1,705     |      | \$1,705  | \$132 | \$1,837    |

| Tenant-Paid Utilities |         |      |
|-----------------------|---------|------|
| Utility               | Comp    | Subj |
| Heat-Electric         | yes     | yes  |
| Cooking-Electric      | yes     | yes  |
| Other Electric        | yes     | yes  |
| Air Cond              | yes     | yes  |
| Hot Water-Electric    | yes     | yes  |
| Water                 | yes     | yes  |
| Sewer                 | yes     | yes  |
| Trash                 | yes     | no   |
| Comp vs. Subject      | Similar |      |

| Tenant-Paid Technology |         |      |
|------------------------|---------|------|
| Technology             | Comp    | Subj |
| Cable                  | yes     | yes  |
| Internet               | yes     | yes  |
| Comp vs. Subject       | Similar |      |

| Visibility         |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Visibility         | 4.00     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Access             |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Access             | 4.00     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Neighborhood       |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Neighborhood       | 4.20     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Proximity to Area Amenities |          |      |
|-----------------------------|----------|------|
| Rating (1-5 Scale)          | Comp     | Subj |
| Area Amenities              | 4.50     | 3.00 |
| Comp vs. Subject            | Superior |      |

| Condition          |         |      |
|--------------------|---------|------|
| Rating (1-5 Scale) | Comp    | Subj |
| Condition          | 4.50    | 4.50 |
| Comp vs. Subject   | Similar |      |

| Effective Age      |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Effective Age      | 2015     | 2017 |
| Comp vs. Subject   | Inferior |      |

| Site & Common Area Amenities |          |      |
|------------------------------|----------|------|
| Amenity                      | Comp     | Subj |
| Ball Field                   | no       | no   |
| BBQ Area                     | yes      | no   |
| Billiard/Game                | yes      | no   |
| Bus/Comp Ctr                 | yes      | yes  |
| Car Care Ctr                 | no       | no   |
| Comm Center                  | yes      | yes  |
| Elevator                     | yes      | no   |
| Fitness Ctr                  | yes      | no   |
| Gazebo/Patio                 | no       | yes  |
| Hot Tub/Jacuzzi              | no       | no   |
| Herb Garden                  | no       | no   |
| Horseshoes                   | no       | no   |
| Lake                         | no       | no   |
| Library                      | no       | no   |
| Movie/Media Ctr              | no       | no   |
| Picnic Area                  | yes      | no   |
| Playground                   | no       | yes  |
| Pool                         | yes      | no   |
| Sauna                        | no       | no   |
| Sports Court                 | no       | no   |
| Walking Trail                | no       | no   |
| Comp vs. Subject             | Superior |      |

| Unit Amenities   |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Blinds           | yes      | yes  |
| Ceiling Fans     | yes      | yes  |
| Faux Hardwood    | yes      | yes  |
| Fireplace        | no       | no   |
| Patio/Balcony    | some     | yes  |
| Storage          | no       | no   |
| Comp vs. Subject | Inferior |      |

| Kitchen Amenities |         |      |
|-------------------|---------|------|
| Amenity           | Comp    | Subj |
| Stove             | yes     | yes  |
| Refrigerator      | yes     | yes  |
| Disposal          | yes     | yes  |
| Dishwasher        | yes     | yes  |
| Microwave         | yes     | yes  |
| Comp vs. Subject  | Similar |      |

| Air Conditioning |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Window Units     | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Heat             |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Baseboards       | no      | no   |
| Boiler/Radiators | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Parking          |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Garage           | no       | no   |
| Covered Pkg      | no       | no   |
| Assigned Pkg     | no       | no   |
| Open             | no       | yes  |
| None             | yes      | no   |
| Comp vs. Subject | Inferior |      |

| Laundry          |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Central          | yes      | yes  |
| W/D Units        | yes      | no   |
| W/D Hookups      | no       | yes  |
| Comp vs. Subject | Superior |      |

| Security         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Call Buttons     | no       | no   |
| Cont Access      | yes      | no   |
| Courtesy Officer | no       | no   |
| Monitoring       | no       | no   |
| Security Alarms  | no       | no   |
| Security Patrols | no       | no   |
| Comp vs. Subject | Superior |      |

| Services         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| After School     | na       | yes  |
| Concierge        | na       | na   |
| Hair Salon       | na       | na   |
| Health Care      | na       | na   |
| Housekeeping     | na       | na   |
| Meals            | na       | na   |
| Transportation   | na       | na   |
| Comp vs. Subject | Inferior |      |

Alexan 1133 is an existing multifamily development located at 1133 Commerce Drive in Decatur, Georgia. The property, which consists of 167 apartment units, was originally constructed in 2016 with conventional financing. All units are set aside as market rate units. The property currently stands at 91 percent occupancy.

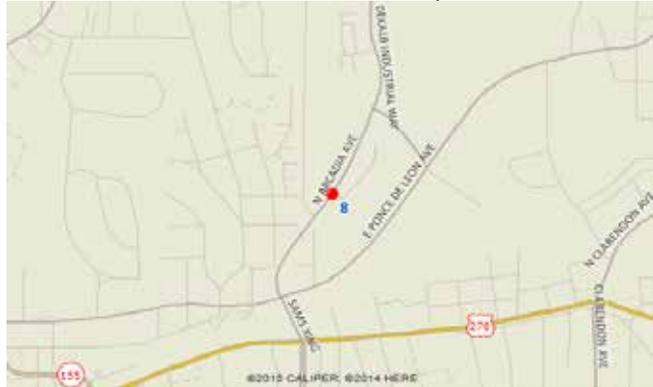
Project Information

|                    |                            |
|--------------------|----------------------------|
| Property Name      | Archstone Decatur Crossing |
| Street Number      | 100                        |
| Street Name        | Grayson                    |
| Street Type        | Place                      |
| City               | Decatur                    |
| State              | Georgia                    |
| Zip                | 30030                      |
| Phone Number       | (404) 298-1991             |
| Year Built         | 2000                       |
| Year Renovated     | na                         |
| Minimum Lease      | 12                         |
| Min. Security Dep. |                            |
| Other Fees         | \$325                      |
| Waiting List       | no                         |
| Project Rent       | Market Rate                |
| Project Type       | Family                     |
| Project Status     | Stabilized                 |
| Financing          | Conventional               |
| Vouchers           |                            |
| Latitude           | 33.7803                    |
| Longitude          | -84.2782                   |
| Nearest Crossroads | 211 N Arcadia Ave          |
| AAC Code           | 17-097 008                 |

Photo



Location Map



Interview Notes

|                    |                         |
|--------------------|-------------------------|
| Person Interviewed | Mr. Adriano, Management |
| Phone Number       | (404) 298-1991          |
| Interview Date     | 25-Apr-17               |
| Interviewed By     | DS                      |

Property uses Yield Star Rating System, which changes rent rates daily. Select units have garages. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees.

Unit Configuration

| BR              | BA  | SF   | Unit Type   | Inc Limit | Rent Limit | HOME Units | Subs Units | Total Units | Vac Units | Street Rent | Disc | Net Rent | UA    | Gross Rent |
|-----------------|-----|------|-------------|-----------|------------|------------|------------|-------------|-----------|-------------|------|----------|-------|------------|
| 1               | 1.0 | 595  | Garden/Flat | Mar       | Mar        | No         | No         | 28          | 1         | \$1,109     |      | \$1,109  | \$118 | \$1,227    |
| 1               | 1.0 | 602  | Garden/Flat | Mar       | Mar        | No         | No         | 28          |           | \$1,124     |      | \$1,124  | \$118 | \$1,242    |
| 1               | 1.0 | 911  | Garden/Flat | Mar       | Mar        | No         | No         | 28          |           | \$1,124     |      | \$1,124  | \$118 | \$1,242    |
| 2               | 2.0 | 1100 | Garden/Flat | Mar       | Mar        | No         | No         | 28          | 1         | \$1,600     |      | \$1,600  | \$175 | \$1,775    |
| 2               | 2.0 | 1117 | Garden/Flat | Mar       | Mar        | No         | No         | 28          | 1         | \$1,390     |      | \$1,390  | \$175 | \$1,565    |
| 2               | 2.0 | 1266 | Townhome    | Mar       | Mar        | No         | No         | 28          |           | \$1,487     |      | \$1,487  | \$175 | \$1,662    |
| 3               | 2.0 | 1384 | Garden/Flat | Mar       | Mar        | No         | No         | 12          |           | \$1,885     |      | \$1,885  | \$257 | \$2,142    |
| Total / Average |     | 962  |             |           |            |            |            | 180         | 3         | \$1,344     |      | \$1,344  | \$154 | \$1,498    |

| Tenant-Paid Utilities |         |      |
|-----------------------|---------|------|
| Utility               | Comp    | Subj |
| Heat-Electric         | yes     | yes  |
| Cooking-Electric      | yes     | yes  |
| Other Electric        | yes     | yes  |
| Air Cond              | yes     | yes  |
| Hot Water-Electric    | yes     | yes  |
| Water                 | yes     | yes  |
| Sewer                 | yes     | yes  |
| Trash                 | yes     | no   |
| Comp vs. Subject      | Similar |      |

| Tenant-Paid Technology |         |      |
|------------------------|---------|------|
| Technology             | Comp    | Subj |
| Cable                  | yes     | yes  |
| Internet               | yes     | yes  |
| Comp vs. Subject       | Similar |      |

| Visibility         |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Visibility         | 3.00     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Access             |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Access             | 3.00     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Neighborhood       |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Neighborhood       | 4.30     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Proximity to Area Amenities |          |      |
|-----------------------------|----------|------|
| Rating (1-5 Scale)          | Comp     | Subj |
| Area Amenities              | 4.00     | 3.00 |
| Comp vs. Subject            | Superior |      |

| Condition          |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Condition          | 4.00     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Effective Age      |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Effective Age      | 2000     | 2017 |
| Comp vs. Subject   | Inferior |      |

| Site & Common Area Amenities |          |      |
|------------------------------|----------|------|
| Amenity                      | Comp     | Subj |
| Ball Field                   | no       | no   |
| BBQ Area                     | yes      | no   |
| Billiard/Game                | no       | no   |
| Bus/Comp Ctr                 | yes      | yes  |
| Car Care Ctr                 | yes      | no   |
| Comm Center                  | yes      | yes  |
| Elevator                     | no       | no   |
| Fitness Ctr                  | yes      | no   |
| Gazebo/Patio                 | no       | yes  |
| Hot Tub/Jacuzzi              | no       | no   |
| Herb Garden                  | no       | no   |
| Horseshoes                   | no       | no   |
| Lake                         | no       | no   |
| Library                      | no       | no   |
| Movie/Media Ctr              | no       | no   |
| Picnic Area                  | yes      | no   |
| Playground                   | no       | yes  |
| Pool                         | yes      | no   |
| Sauna                        | no       | no   |
| Sports Court                 | no       | no   |
| Walking Trail                | no       | no   |
| Comp vs. Subject             | Superior |      |

| Unit Amenities   |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Blinds           | yes      | yes  |
| Ceiling Fans     | no       | yes  |
| Carpeting        | yes      | yes  |
| Fireplace        | some     | no   |
| Patio/Balcony    | yes      | yes  |
| Storage          | yes      | no   |
| Comp vs. Subject | Superior |      |

| Kitchen Amenities |          |      |
|-------------------|----------|------|
| Amenity           | Comp     | Subj |
| Stove             | yes      | yes  |
| Refrigerator      | yes      | yes  |
| Disposal          | yes      | yes  |
| Dishwasher        | yes      | yes  |
| Microwave         | some     | yes  |
| Comp vs. Subject  | Inferior |      |

| Air Conditioning |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Window Units     | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Heat             |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Baseboards       | no      | no   |
| Boiler/Radiators | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Parking          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Garage           | no      | no   |
| Covered Pkg      | no      | no   |
| Assigned Pkg     | no      | no   |
| Open             | yes     | yes  |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Laundry          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| W/D Units        | no      | no   |
| W/D Hookups      | yes     | yes  |
| Comp vs. Subject | Similar |      |

| Security         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Call Buttons     | no       | no   |
| Cont Access      | yes      | no   |
| Courtesy Officer | no       | no   |
| Monitoring       | no       | no   |
| Security Alarms  | no       | no   |
| Security Patrols | no       | no   |
| Comp vs. Subject | Superior |      |

| Services         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| After School     | no       | yes  |
| Concierge        | no       | na   |
| Hair Salon       | no       | na   |
| Health Care      | no       | na   |
| Housekeeping     | no       | na   |
| Meals            | no       | na   |
| Transportation   | no       | na   |
| Comp vs. Subject | Inferior |      |

Archstone Decatur Crossing is an existing multifamily development located at 100 Grayson Place in Decatur, Georgia. The property, which consists of 180 apartment units, was originally constructed in 2000 with conventional financing. All units are set aside as market rate units. The property currently stands at 98 percent occupancy.

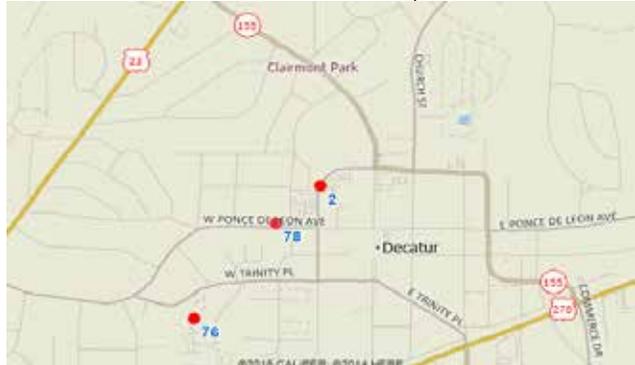
Project Information

|                    |                          |
|--------------------|--------------------------|
| Property Name      | Parkway Grand Apartments |
| Street Number      | 100                      |
| Street Name        | Woodberry                |
| Street Type        | Place                    |
| City               | Decatur                  |
| State              | Georgia                  |
| Zip                | 30034                    |
| Phone Number       | (770) 987-8830           |
| Year Built         | 2001                     |
| Year Renovated     | na                       |
| Minimum Lease      | 12                       |
| Min. Security Dep. | \$300                    |
| Other Fees         | \$200                    |
| Waiting List       | no                       |
| Project Rent       | Market Rate              |
| Project Type       | Family                   |
| Project Status     | Stabilized               |
| Financing          | Conventional             |
| Vouchers           |                          |
| Latitude           | 33.7721                  |
| Longitude          | -84.3041                 |
| Nearest Crossroads | na                       |
| AAC Code           | 17-097 076               |

Photo



Location Map



Interview Notes

|                    |                         |
|--------------------|-------------------------|
| Person Interviewed | Ms. Treddie, Management |
| Phone Number       | (770) 987-8830          |
| Interview Date     | 26-Apr-17               |
| Interviewed By     | DS                      |

Property operates under the "Yield Star" rental rate program which determines the price due to supply and demand. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees.

Unit Configuration

| BR              | BA  | SF    | Unit Type   | Inc Limit | Rent Limit | HOME Units | Subs Units | Total Units | Vac Units | Street Rent | Disc | Net Rent | UA    | Gross Rent |
|-----------------|-----|-------|-------------|-----------|------------|------------|------------|-------------|-----------|-------------|------|----------|-------|------------|
| 1               | 1.0 | 809   | Garden/Flat | Mar       | Mar        | No         | No         | 60          | 7         | \$883       |      | \$883    | \$116 | \$999      |
| 2               | 2.0 | 1181  | Garden/Flat | Mar       | Mar        | No         | No         | 51          | 5         | \$1,035     |      | \$1,035  | \$174 | \$1,209    |
| 2               | 2.0 | 1320  | Garden/Flat | Mar       | Mar        | No         | No         | 23          | 1         | \$1,043     |      | \$1,043  | \$174 | \$1,217    |
| 2               | 2.0 | 1500  | Townhome    | Mar       | Mar        | No         | No         | 22          | 1         | \$1,025     |      | \$1,025  | \$174 | \$1,199    |
| 3               | 2.0 | 1400  | Garden/Flat | Mar       | Mar        | No         | No         | 147         | 7         | \$1,242     |      | \$1,242  | \$254 | \$1,496    |
| Total / Average |     | 1,247 |             |           |            |            |            | 303         | 21        | \$1,105     |      | \$1,105  | \$201 | \$1,306    |

| Tenant-Paid Utilities |         |      |
|-----------------------|---------|------|
| Utility               | Comp    | Subj |
| Heat-Electric         | yes     | yes  |
| Cooking-Electric      | yes     | yes  |
| Other Electric        | yes     | yes  |
| Air Cond              | yes     | yes  |
| Hot Water-Electric    | yes     | yes  |
| Water                 | yes     | yes  |
| Sewer                 | yes     | yes  |
| Trash                 | yes     | no   |
| Comp vs. Subject      | Similar |      |

| Tenant-Paid Technology |         |      |
|------------------------|---------|------|
| Technology             | Comp    | Subj |
| Cable                  | yes     | yes  |
| Internet               | yes     | yes  |
| Comp vs. Subject       | Similar |      |

| Visibility         |         |      |
|--------------------|---------|------|
| Rating (1-5 Scale) | Comp    | Subj |
| Visibility         | 2.50    | 2.50 |
| Comp vs. Subject   | Similar |      |

| Access             |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Access             | 3.50     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Neighborhood       |         |      |
|--------------------|---------|------|
| Rating (1-5 Scale) | Comp    | Subj |
| Neighborhood       | 4.50    | 4.50 |
| Comp vs. Subject   | Similar |      |

| Proximity to Area Amenities |          |      |
|-----------------------------|----------|------|
| Rating (1-5 Scale)          | Comp     | Subj |
| Area Amenities              | 3.50     | 3.00 |
| Comp vs. Subject            | Superior |      |

| Condition          |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Condition          | 4.00     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Effective Age      |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Effective Age      | 2000     | 2017 |
| Comp vs. Subject   | Inferior |      |

| Site & Common Area Amenities |          |      |
|------------------------------|----------|------|
| Amenity                      | Comp     | Subj |
| Ball Field                   | no       | no   |
| BBQ Area                     | no       | no   |
| Billiard/Game                | no       | no   |
| Bus/Comp Ctr                 | yes      | yes  |
| Car Care Ctr                 | yes      | no   |
| Comm Center                  | yes      | yes  |
| Elevator                     | no       | no   |
| Fitness Ctr                  | yes      | no   |
| Gazebo/Patio                 | no       | yes  |
| Hot Tub/Jacuzzi              | no       | no   |
| Herb Garden                  | no       | no   |
| Horseshoes                   | no       | no   |
| Lake                         | no       | no   |
| Library                      | no       | no   |
| Movie/Media Ctr              | no       | no   |
| Picnic Area                  | no       | no   |
| Playground                   | yes      | yes  |
| Pool                         | yes      | no   |
| Sauna                        | no       | no   |
| Sports Court                 | yes      | no   |
| Walking Trail                | no       | no   |
| Comp vs. Subject             | Superior |      |

| Unit Amenities   |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Blinds           | yes      | yes  |
| Ceiling Fans     | yes      | yes  |
| Carpeting        | yes      | yes  |
| Fireplace        | no       | no   |
| Patio/Balcony    | yes      | yes  |
| Storage          | yes      | no   |
| Comp vs. Subject | Superior |      |

| Kitchen Amenities |          |      |
|-------------------|----------|------|
| Amenity           | Comp     | Subj |
| Stove             | yes      | yes  |
| Refrigerator      | yes      | yes  |
| Disposal          | yes      | yes  |
| Dishwasher        | yes      | yes  |
| Microwave         | no       | yes  |
| Comp vs. Subject  | Inferior |      |

| Air Conditioning |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Window Units     | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Heat             |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Baseboards       | no      | no   |
| Boiler/Radiators | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Parking          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Garage           | no      | no   |
| Covered Pkg      | no      | no   |
| Assigned Pkg     | no      | no   |
| Open             | yes     | yes  |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Laundry          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| W/D Units        | no      | no   |
| W/D Hookups      | yes     | yes  |
| Comp vs. Subject | Similar |      |

| Security         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Call Buttons     | no       | no   |
| Cont Access      | yes      | no   |
| Courtesy Officer | no       | no   |
| Monitoring       | no       | no   |
| Security Alarms  | no       | no   |
| Security Patrols | no       | no   |
| Comp vs. Subject | Superior |      |

| Services         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| After School     | no       | yes  |
| Concierge        | no       | na   |
| Hair Salon       | no       | na   |
| Health Care      | no       | na   |
| Housekeeping     | no       | na   |
| Meals            | no       | na   |
| Transportation   | no       | na   |
| Comp vs. Subject | Inferior |      |

Parkway Grand Apartments is an existing multifamily development located at 100 Woodberry Place in Decatur, Georgia. The property, which consists of 303 apartment units, was originally constructed in 2001 with conventional financing. All units are set aside as market rate units. The property currently stands at 93 percent occupancy.

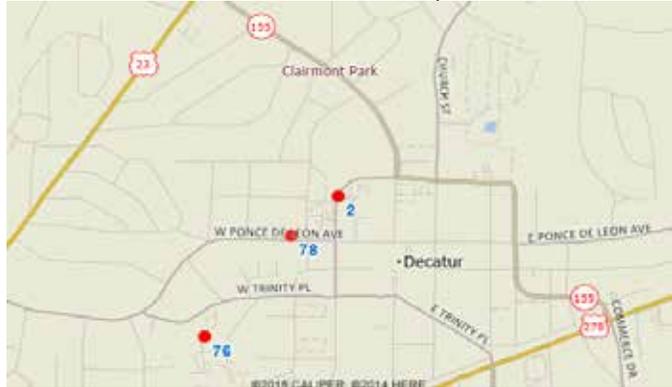
Project Information

|                    |                |
|--------------------|----------------|
| Property Name      | Place on Ponce |
| Street Number      | 220            |
| Street Name        | W Ponce DeLeon |
| Street Type        | Place          |
| City               | Decatur        |
| State              | Georgia        |
| Zip                | 30030          |
| Phone Number       | 770-250-4452   |
| Year Built         | 2014           |
| Year Renovated     | na             |
| Minimum Lease      | 12             |
| Min. Security Dep. | \$250          |
| Other Fees         | \$335          |
| Waiting List       | na             |
| Project Rent       | Market Rate    |
| Project Type       | Family         |
| Project Status     | Stabilized     |
| Financing          | Conventional   |
| Vouchers           |                |
| Latitude           | 33.7758        |
| Longitude          | -84.3006       |
| Nearest Crossroads | na             |
| AAC Code           | 17-097 078     |

Photo



Location Map



Interview Notes

|                    |                       |
|--------------------|-----------------------|
| Person Interviewed | Ms. Joana, Management |
| Phone Number       | 770-250-4452          |
| Interview Date     | 02-May-17             |
| Interviewed By     | DS                    |

1st building completed November, 2014 and second building completed 2015. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees.

Unit Configuration

| BR              | BA  | SF   | Unit Type   | Inc Limit | Rent Limit | HOME Units | Subs Units | Total Units | Vac Units | Street Rent | Disc | Net Rent | UA    | Gross Rent |
|-----------------|-----|------|-------------|-----------|------------|------------|------------|-------------|-----------|-------------|------|----------|-------|------------|
| 1               | 1.0 | 696  | Garden/Flat | Mar       | Mar        | No         | No         | 19          |           | \$1,581     |      | \$1,581  | \$118 | \$1,699    |
| 1               | 1.0 | 699  | Garden/Flat | Mar       | Mar        | No         | No         | 20          | 1         | \$1,661     |      | \$1,661  | \$118 | \$1,779    |
| 1               | 1.0 | 731  | Garden/Flat | Mar       | Mar        | No         | No         | 20          | 2         | \$1,757     |      | \$1,757  | \$118 | \$1,875    |
| 1               | 1.0 | 754  | Garden/Flat | Mar       | Mar        | No         | No         | 20          | 1         | \$1,821     |      | \$1,821  | \$118 | \$1,939    |
| 1               | 1.0 | 790  | Garden/Flat | Mar       | Mar        | No         | No         | 20          | 1         | \$1,919     |      | \$1,919  | \$118 | \$2,037    |
| 1               | 1.0 | 833  | Garden/Flat | Mar       | Mar        | No         | No         | 19          |           | \$2,025     |      | \$2,025  | \$118 | \$2,143    |
| 2               | 2.0 | 1025 | Garden/Flat | Mar       | Mar        | No         | No         | 15          | 1         | \$2,227     |      | \$2,227  | \$175 | \$2,402    |
| 2               | 2.0 | 1034 | Garden/Flat | Mar       | Mar        | No         | No         | 15          | 1         | \$2,376     |      | \$2,376  | \$175 | \$2,551    |
| 2               | 2.0 | 1061 | Garden/Flat | Mar       | Mar        | No         | No         | 15          |           | \$2,354     |      | \$2,354  | \$175 | \$2,529    |
| 2               | 2.0 | 1082 | Garden/Flat | Mar       | Mar        | No         | No         | 15          |           | \$2,236     |      | \$2,236  | \$175 | \$2,411    |
| 2               | 2.0 | 1095 | Garden/Flat | Mar       | Mar        | No         | No         | 15          | 1         | \$2,327     |      | \$2,327  | \$175 | \$2,502    |
| 2               | 2.0 | 1106 | Garden/Flat | Mar       | Mar        | No         | No         | 15          | 1         | \$2,441     |      | \$2,441  | \$175 | \$2,616    |
| 2               | 2.0 | 1145 | Garden/Flat | Mar       | Mar        | No         | No         | 16          | 1         | \$2,532     |      | \$2,532  | \$175 | \$2,707    |
| 3               | 2.0 | 1343 | Garden/Flat | Mar       | Mar        | No         | No         | 6           |           | \$2,662     |      | \$2,662  | \$257 | \$2,919    |
| 3               | 2.0 | 1343 | Garden/Flat | Mar       | Mar        | No         | No         | 4           |           | \$3,164     |      | \$3,164  | \$257 | \$3,421    |
| Total / Average |     | 924  |             |           |            |            |            | 234         | 10        | \$2,095     |      | \$2,095  | \$150 | \$2,245    |

| Tenant-Paid Utilities |         |      |
|-----------------------|---------|------|
| Utility               | Comp    | Subj |
| Heat-Electric         | yes     | yes  |
| Cooking-Electric      | yes     | yes  |
| Other Electric        | yes     | yes  |
| Air Cond              | yes     | yes  |
| Hot Water-Electric    | yes     | yes  |
| Water                 | yes     | yes  |
| Sewer                 | yes     | yes  |
| Trash                 | yes     | no   |
| Comp vs. Subject      | Similar |      |

| Tenant-Paid Technology |         |      |
|------------------------|---------|------|
| Technology             | Comp    | Subj |
| Cable                  | yes     | yes  |
| Internet               | yes     | yes  |
| Comp vs. Subject       | Similar |      |

| Visibility         |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Visibility         | 4.00     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Access             |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Access             | 4.00     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Neighborhood       |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Neighborhood       | 4.20     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Proximity to Area Amenities |          |      |
|-----------------------------|----------|------|
| Rating (1-5 Scale)          | Comp     | Subj |
| Area Amenities              | 4.30     | 3.00 |
| Comp vs. Subject            | Superior |      |

| Condition          |         |      |
|--------------------|---------|------|
| Rating (1-5 Scale) | Comp    | Subj |
| Condition          | 4.50    | 4.50 |
| Comp vs. Subject   | Similar |      |

| Effective Age      |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Effective Age      | 2015     | 2017 |
| Comp vs. Subject   | Inferior |      |

| Site & Common Area Amenities |          |      |
|------------------------------|----------|------|
| Amenity                      | Comp     | Subj |
| Ball Field                   | no       | no   |
| BBQ Area                     | yes      | no   |
| Billiard/Game                | yes      | no   |
| Bus/Comp Ctr                 | no       | yes  |
| Car Care Ctr                 | no       | no   |
| Comm Center                  | yes      | yes  |
| Elevator                     | yes      | no   |
| Fitness Ctr                  | yes      | no   |
| Gazebo/Patio                 | no       | yes  |
| Hot Tub/Jacuzzi              | no       | no   |
| Herb Garden                  | yes      | no   |
| Horseshoes                   | no       | no   |
| Lake                         | no       | no   |
| Library                      | no       | no   |
| Movie/Media Ctr              | no       | no   |
| Picnic Area                  | yes      | no   |
| Playground                   | no       | yes  |
| Pool                         | yes      | no   |
| Sauna                        | no       | no   |
| Sports Court                 | no       | no   |
| Walking Trail                | no       | no   |
| Comp vs. Subject             | Superior |      |

| Unit Amenities   |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Blinds           | yes      | yes  |
| Ceiling Fans     | no       | yes  |
| Faux Hardwood    | yes      | yes  |
| Fireplace        | no       | no   |
| Patio/Balcony    | yes      | yes  |
| Storage          | yes      | no   |
| Comp vs. Subject | Superior |      |

| Kitchen Amenities |         |      |
|-------------------|---------|------|
| Amenity           | Comp    | Subj |
| Stove             | yes     | yes  |
| Refrigerator      | yes     | yes  |
| Disposal          | yes     | yes  |
| Dishwasher        | yes     | yes  |
| Microwave         | yes     | yes  |
| Comp vs. Subject  | Similar |      |

| Air Conditioning |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Window Units     | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Heat             |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Baseboards       | no      | no   |
| Boiler/Radiators | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Parking          |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Garage           | no       | no   |
| Covered Pkg      | no       | no   |
| Assigned Pkg     | no       | no   |
| Open             | no       | yes  |
| None             | yes      | no   |
| Comp vs. Subject | Inferior |      |

| Laundry          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | no      | yes  |
| W/D Units        | yes     | no   |
| W/D Hookups      | no      | yes  |
| Comp vs. Subject | Similar |      |

| Security         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Call Buttons     | no       | no   |
| Cont Access      | yes      | no   |
| Courtesy Officer | no       | no   |
| Monitoring       | no       | no   |
| Security Alarms  | no       | no   |
| Security Patrols | no       | no   |
| Comp vs. Subject | Superior |      |

| Services         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| After School     | na       | yes  |
| Concierge        | na       | na   |
| Hair Salon       | na       | na   |
| Health Care      | na       | na   |
| Housekeeping     | na       | na   |
| Meals            | na       | na   |
| Transportation   | na       | na   |
| Comp vs. Subject | Inferior |      |

Place on Ponce is an existing multifamily development located at 220 W Ponce DeLeon Place in Decatur, Georgia. The property, which consists of 234 apartment units, was originally constructed in 2014 with conventional financing. All units are set aside as market rate units. The property currently stands at 96 percent occupancy.

**RENT COMPARABLES, RESTRICTED RENT**

Project Information

|                    |                |
|--------------------|----------------|
| Property Name      | Avalon Ridge   |
| Street Number      | 183            |
| Street Name        | Mount Zion     |
| Street Type        | Road SW        |
| City               | Atlanta        |
| State              | Georgia        |
| Zip                | 30354          |
| Phone Number       | (404) 343-7200 |
| Year Built         | 2008           |
| Year Renovated     | na             |
| Minimum Lease      | 12             |
| Min. Security Dep. | \$250          |
| Other Fees         | \$50           |
| Waiting List       | no             |
| Project Rent       | Restricted     |
| Project Type       | Family         |
| Project Status     | Stabilized     |
| Financing          | 2007           |
| Vouchers           | Bond           |
| Latitude           | 33.6725        |
| Longitude          | -84.3891       |
| Nearest Crossroads | na             |
| AAC Code           | 17-097 014     |

Photo



Location Map



Interview Notes

|                    |                           |
|--------------------|---------------------------|
| Person Interviewed | Ms. Keisha, Leasing Agent |
| Phone Number       | (404) 343-7200            |
| Interview Date     | 28-Apr-17                 |
| Interviewed By     | DS                        |

2007 Bonds awarded for new construction property with 89 units of project based rental assistance available to tenants. Tenants began moving in September, 2008. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees.

Unit Configuration

| BR              | BA  | SF   | Unit Type   | Inc Limit | Rent Limit | HOME Units | Subs Units | Total Units | Vac Units | Street Rent | Disc | Net Rent | UA    | Gross Rent |
|-----------------|-----|------|-------------|-----------|------------|------------|------------|-------------|-----------|-------------|------|----------|-------|------------|
| 1               | 1.0 | 684  | Garden/Flat | 60%       | 60%        | No         | Yes        | 9           |           | \$675       |      | \$675    | \$157 | \$832      |
| 1               | 1.0 | 684  | Garden/Flat | 60%       | 60%        | No         | No         | 13          |           | \$675       |      | \$675    | \$157 | \$832      |
| 1               | 1.0 | 684  | Garden/Flat | Mar       | Mar        | No         | No         | 2           |           | \$839       |      | \$839    | \$157 | \$996      |
| 2               | 2.0 | 877  | Garden/Flat | 60%       | 60%        | No         | Yes        | 50          |           | \$773       |      | \$773    | \$226 | \$999      |
| 2               | 2.0 | 877  | Garden/Flat | 60%       | 60%        | No         | No         | 59          | 1         | \$773       |      | \$773    | \$226 | \$999      |
| 2               | 2.0 | 877  | Garden/Flat | Mar       | Mar        | No         | No         | 13          | 2         | \$969       |      | \$969    | \$226 | \$1,195    |
| 3               | 2.0 | 1160 | Garden/Flat | 60%       | 60%        | No         | Yes        | 29          |           | \$853       |      | \$853    | \$300 | \$1,153    |
| 3               | 2.0 | 1160 | Garden/Flat | 60%       | 60%        | No         | No         | 36          |           | \$853       |      | \$853    | \$300 | \$1,153    |
| 3               | 2.0 | 1160 | Garden/Flat | Mar       | Mar        | No         | No         | 7           | 2         | \$1,150     |      | \$1,150  | \$300 | \$1,450    |
| 4               | 2.0 | 1346 | Garden/Flat | 60%       | 60%        | No         | Yes        | 1           |           | \$913       |      | \$913    | \$376 | \$1,289    |
| 4               | 2.0 | 1346 | Garden/Flat | 60%       | 60%        | No         | No         | 2           |           | \$913       |      | \$913    | \$376 | \$1,289    |
| 4               | 2.0 | 1346 | Garden/Flat | Mar       | Mar        | No         | No         | 1           |           | \$1,265     |      | \$1,265  | \$376 | \$1,641    |
| Total / Average |     | 956  |             |           |            |            |            | 222         | 5         | \$815       |      | \$815    | \$245 | \$1,060    |

| Tenant-Paid Utilities |         |      |
|-----------------------|---------|------|
| Utility               | Comp    | Subj |
| Heat-Electric         | yes     | yes  |
| Cooking-Electric      | yes     | yes  |
| Other Electric        | yes     | yes  |
| Air Cond              | yes     | yes  |
| Hot Water-Electric    | yes     | yes  |
| Water                 | yes     | yes  |
| Sewer                 | yes     | yes  |
| Trash                 | no      | no   |
| Comp vs. Subject      | Similar |      |

| Tenant-Paid Technology |         |      |
|------------------------|---------|------|
| Technology             | Comp    | Subj |
| Cable                  | yes     | yes  |
| Internet               | yes     | yes  |
| Comp vs. Subject       | Similar |      |

| Visibility         |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Visibility         | 3.50     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Access             |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Access             | 3.00     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Neighborhood       |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Neighborhood       | 4.10     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Proximity to Area Amenities |          |      |
|-----------------------------|----------|------|
| Rating (1-5 Scale)          | Comp     | Subj |
| Area Amenities              | 2.00     | 3.00 |
| Comp vs. Subject            | Inferior |      |

| Condition          |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Condition          | 4.00     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Effective Age      |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Effective Age      | 2005     | 2017 |
| Comp vs. Subject   | Inferior |      |

| Site & Common Area Amenities |          |      |
|------------------------------|----------|------|
| Amenity                      | Comp     | Subj |
| Ball Field                   | no       | no   |
| BBQ Area                     | yes      | no   |
| Billiard/Game                | no       | no   |
| Bus/Comp Ctr                 | yes      | yes  |
| Car Care Ctr                 | no       | no   |
| Comm Center                  | yes      | yes  |
| Elevator                     | no       | no   |
| Fitness Ctr                  | yes      | no   |
| Gazebo/Patio                 | yes      | yes  |
| Hot Tub/Jacuzzi              | no       | no   |
| Herb Garden                  | no       | no   |
| Horseshoes                   | no       | no   |
| Lake                         | no       | no   |
| Library                      | no       | no   |
| Movie/Media Ctr              | no       | no   |
| Picnic Area                  | yes      | no   |
| Playground                   | yes      | yes  |
| Pool                         | yes      | no   |
| Sauna                        | no       | no   |
| Sports Court                 | no       | no   |
| Walking Trail                | no       | no   |
| Comp vs. Subject             | Superior |      |

| Unit Amenities   |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Blinds           | yes      | yes  |
| Ceiling Fans     | yes      | yes  |
| Carpeting        | yes      | yes  |
| Fireplace        | no       | no   |
| Patio/Balcony    | yes      | yes  |
| Storage          | yes      | no   |
| Comp vs. Subject | Superior |      |

| Kitchen Amenities |          |      |
|-------------------|----------|------|
| Amenity           | Comp     | Subj |
| Stove             | yes      | yes  |
| Refrigerator      | yes      | yes  |
| Disposal          | yes      | yes  |
| Dishwasher        | yes      | yes  |
| Microwave         | no       | yes  |
| Comp vs. Subject  | Inferior |      |

| Air Conditioning |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Window Units     | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Heat             |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Baseboards       | no      | no   |
| Boiler/Radiators | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Parking          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Garage           | no      | no   |
| Covered Pkg      | no      | no   |
| Assigned Pkg     | no      | no   |
| Open             | yes     | yes  |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Laundry          |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Central          | yes      | yes  |
| W/D Units        | no       | no   |
| W/D Hookups      | no       | yes  |
| Comp vs. Subject | Inferior |      |

| Security         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Call Buttons     | no       | no   |
| Cont Access      | no       | no   |
| Courtesy Officer | yes      | no   |
| Monitoring       | no       | no   |
| Security Alarms  | no       | no   |
| Security Patrols | yes      | no   |
| Comp vs. Subject | Superior |      |

| Services         |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| After School     | yes     | yes  |
| Concierge        | no      | na   |
| Hair Salon       | no      | na   |
| Health Care      | no      | na   |
| Housekeeping     | no      | na   |
| Meals            | no      | na   |
| Transportation   | no      | na   |
| Comp vs. Subject | Similar |      |

Avalon Ridge is an existing multifamily development located at 183 Mount Zion Road SW in Atlanta, Georgia. The property, which consists of 222 apartment units, was originally constructed in 2008 . This property is currently operated as a rent restricted property. The property currently stands at 98 percent occupancy.

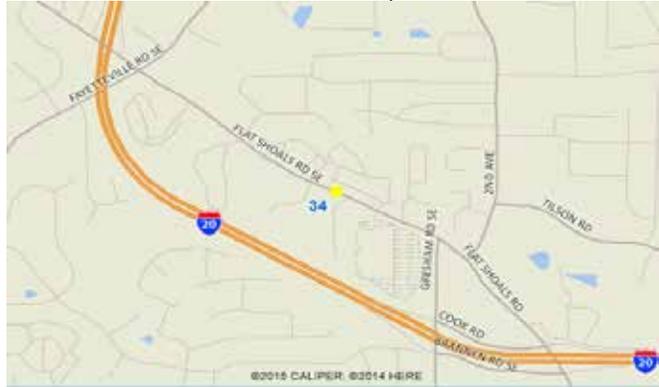
Project Information

|                    |                          |
|--------------------|--------------------------|
| Property Name      | Columbia Mill Apartments |
| Street Number      | 2239                     |
| Street Name        | Flat Shoals              |
| Street Type        | Road, SE                 |
| City               | Atlanta                  |
| State              | Georgia                  |
| Zip                | 30316                    |
| Phone Number       | (404) 241-7441           |
| Year Built         | 2013                     |
| Year Renovated     | na                       |
| Minimum Lease      | 12                       |
| Min. Security Dep. | \$300                    |
| Other Fees         | \$19                     |
| Waiting List       | no                       |
| Project Rent       | Restricted               |
| Project Type       | Family                   |
| Project Status     | Stabilized               |
| Financing          | 2011                     |
| Vouchers           | Tax Credit               |
| Latitude           | 15                       |
| Longitude          | 33.7214                  |
| Nearest Crossroads | -84.3145                 |
| AAC Code           | na                       |
|                    | 17-097                   |
|                    | 034                      |

Photo



Location Map



Interview Notes

|                    |                         |
|--------------------|-------------------------|
| Person Interviewed | Ms. Evanlyn, Management |
| Phone Number       | (404) 241-7441          |
| Interview Date     | 27-Apr-17               |
| Interviewed By     | DS                      |

2011 TC's awarded to demolish the current units and construct new units at this property without units of PBRA available to tenants.

Unit Configuration

| BR              | BA  | SF   | Unit Type   | Inc Limit | Rent Limit | HOME Units | Subs Units | Total Units | Vac Units | Street Rent | Disc | Net Rent | UA    | Gross Rent |
|-----------------|-----|------|-------------|-----------|------------|------------|------------|-------------|-----------|-------------|------|----------|-------|------------|
| 1               | 1.0 | 767  | Garden/Flat | 50%       | 50%        | yes        | No         | 11          |           | \$558       |      | \$558    | \$87  | \$645      |
| 1               | 1.0 | 767  | Garden/Flat | 60%       | 60%        | No         | No         | 34          |           | \$687       |      | \$687    | \$87  | \$774      |
| 1               | 1.0 | 767  | Garden/Flat | Mar       | Mar        | No         | No         | 11          |           | \$799       |      | \$799    | \$87  | \$886      |
| 2               | 2.0 | 1059 | Garden/Flat | 50%       | 50%        | yes        | No         | 6           |           | \$653       |      | \$653    | \$122 | \$775      |
| 2               | 2.0 | 1059 | Garden/Flat | 60%       | 60%        | No         | No         | 8           |           | \$809       |      | \$809    | \$122 | \$931      |
| 2               | 2.0 | 1059 | Garden/Flat | Mar       | Mar        | No         | No         | 4           |           | \$999       |      | \$999    | \$122 | \$1,121    |
| 2               | 2.0 | 1192 | Townhome    | 60%       | 60%        | No         | No         | 10          |           | \$809       |      | \$809    | \$125 | \$934      |
| 2               | 2.0 | 1192 | Townhome    | Mar       | Mar        | No         | No         | 2           |           | \$1,099     |      | \$1,099  | \$125 | \$1,224    |
| 3               | 2.0 | 1270 | Garden/Flat | 50%       | 50%        | yes        | No         | 3           |           | \$771       |      | \$771    | \$161 | \$932      |
| 3               | 2.0 | 1270 | Garden/Flat | 60%       | 60%        | No         | No         | 8           | 2         | \$951       |      | \$951    | \$161 | \$1,112    |
| 3               | 2.0 | 1270 | Garden/Flat | Mar       | Mar        | No         | No         | 3           | 1         | \$1,199     |      | \$1,199  | \$161 | \$1,360    |
| Total / Average |     | 941  |             |           |            |            |            | 100         | 3         | \$765       |      | \$765    | \$108 | \$873      |

| Tenant-Paid Utilities |         |      |
|-----------------------|---------|------|
| Utility               | Comp    | Subj |
| Heat-Electric         | yes     | yes  |
| Cooking-Electric      | yes     | yes  |
| Other Electric        | yes     | yes  |
| Air Cond              | yes     | yes  |
| Hot Water-Electric    | yes     | yes  |
| Water                 | yes     | yes  |
| Sewer                 | yes     | yes  |
| Trash                 | no      | no   |
| Comp vs. Subject      | Similar |      |

| Tenant-Paid Technology |         |      |
|------------------------|---------|------|
| Technology             | Comp    | Subj |
| Cable                  | yes     | yes  |
| Internet               | yes     | yes  |
| Comp vs. Subject       | Similar |      |

| Visibility         |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Visibility         | 3.25     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Access             |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Access             | 3.00     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Neighborhood       |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Neighborhood       | 4.20     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Proximity to Area Amenities |          |      |
|-----------------------------|----------|------|
| Rating (1-5 Scale)          | Comp     | Subj |
| Area Amenities              | 2.10     | 3.00 |
| Comp vs. Subject            | Inferior |      |

| Condition          |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Condition          | 4.00     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Effective Age      |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Effective Age      | 2011     | 2017 |
| Comp vs. Subject   | Inferior |      |

| Site & Common Area Amenities |          |      |
|------------------------------|----------|------|
| Amenity                      | Comp     | Subj |
| Ball Field                   | no       | no   |
| BBQ Area                     | yes      | no   |
| Billiard/Game                | no       | no   |
| Bus/Comp Ctr                 | yes      | yes  |
| Car Care Ctr                 | no       | no   |
| Comm Center                  | yes      | yes  |
| Elevator                     | no       | no   |
| Fitness Ctr                  | yes      | no   |
| Gazebo/Patio                 | yes      | yes  |
| Hot Tub/Jacuzzi              | no       | no   |
| Herb Garden                  | no       | no   |
| Horseshoes                   | no       | no   |
| Lake                         | no       | no   |
| Library                      | no       | no   |
| Movie/Media Ctr              | no       | no   |
| Picnic Area                  | yes      | no   |
| Playground                   | yes      | yes  |
| Pool                         | no       | no   |
| Sauna                        | no       | no   |
| Sports Court                 | yes      | no   |
| Walking Trail                | no       | no   |
| Comp vs. Subject             | Superior |      |

| Unit Amenities   |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Blinds           | yes      | yes  |
| Ceiling Fans     | yes      | yes  |
| Carpeting        | yes      | yes  |
| Fireplace        | no       | no   |
| Patio/Balcony    | some     | yes  |
| Storage          | no       | no   |
| Comp vs. Subject | Inferior |      |

| Kitchen Amenities |          |      |
|-------------------|----------|------|
| Amenity           | Comp     | Subj |
| Stove             | yes      | yes  |
| Refrigerator      | yes      | yes  |
| Disposal          | yes      | yes  |
| Dishwasher        | yes      | yes  |
| Microwave         | no       | yes  |
| Comp vs. Subject  | Inferior |      |

| Air Conditioning |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Window Units     | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Heat             |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Baseboards       | no      | no   |
| Boiler/Radiators | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Parking          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Garage           | no      | no   |
| Covered Pkg      | no      | no   |
| Assigned Pkg     | no      | no   |
| Open             | yes     | yes  |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Laundry          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| W/D Units        | no      | no   |
| W/D Hookups      | yes     | yes  |
| Comp vs. Subject | Similar |      |

| Security         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Call Buttons     | no       | no   |
| Cont Access      | yes      | no   |
| Courtesy Officer | no       | no   |
| Monitoring       | yes      | no   |
| Security Alarms  | no       | no   |
| Security Patrols | no       | no   |
| Comp vs. Subject | Superior |      |

| Services         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| After School     | no       | yes  |
| Concierge        | no       | na   |
| Hair Salon       | no       | na   |
| Health Care      | no       | na   |
| Housekeeping     | no       | na   |
| Meals            | no       | na   |
| Transportation   | no       | na   |
| Comp vs. Subject | Inferior |      |

Columbia Mill Apartments is an existing multifamily development located at 2239 Flat Shoals Road, SE in Atlanta, Georgia. The property, which consists of 100 apartment units, was originally constructed in 2013. This property is currently operated as a rent restricted property. The property currently stands at 97 percent occupancy.

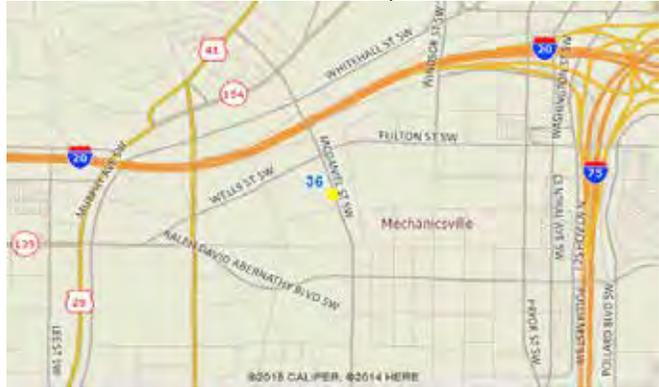
Project Information

|                    |                                     |            |  |
|--------------------|-------------------------------------|------------|--|
| Property Name      | Columbia Parkside at Mechanicsville |            |  |
| Street Number      | 565                                 |            |  |
| Street Name        | McDaniel                            |            |  |
| Street Type        | Street SW                           |            |  |
| City               | Atlanta                             |            |  |
| State              | Georgia                             |            |  |
| Zip                | 30312                               |            |  |
| Phone Number       | (404) 523-0230                      |            |  |
| Year Built         | 2011                                |            |  |
| Year Renovated     | na                                  |            |  |
| Minimum Lease      | 12                                  |            |  |
| Min. Security Dep. | \$300                               |            |  |
| Other Fees         | \$19                                |            |  |
| Waiting List       | 3 years                             |            |  |
| Project Rent       | Restricted                          |            |  |
| Project Type       | Family                              |            |  |
| Project Status     | Stabilized                          |            |  |
| Financing          | 2009                                | Tax Credit |  |
| Vouchers           |                                     |            |  |
| Latitude           | 33.7401                             |            |  |
| Longitude          | -84.4024                            |            |  |
| Nearest Crossroads | na                                  |            |  |
| AAC Code           | 17-097                              | 036        |  |

Photo



Location Map



Interview Notes

|                    |                              |  |  |
|--------------------|------------------------------|--|--|
| Person Interviewed | Ms. Maria Garcia, Management |  |  |
| Phone Number       | (404) 577-2833               |  |  |
| Interview Date     | 05-May-17                    |  |  |
| Interviewed By     | DS                           |  |  |

2009 TC's awarded for construction of this property with 40 units of project based rental assistance available to tenants. Contact was unable to provide rent rates for subsidized units, therefore the lowest TC rent rate within the unit size is reported.

Unit Configuration

| BR              | BA  | SF    | Unit Type   | Inc Limit | Rent Limit | HOME Units | Subs Units | Total Units | Vac Units | Street Rent | Disc | Net Rent | UA    | Gross Rent |
|-----------------|-----|-------|-------------|-----------|------------|------------|------------|-------------|-----------|-------------|------|----------|-------|------------|
| 1               | 1.0 | 780   | Garden/Flat | 50%       | 50%        | No         | No         | 8           |           | \$672       |      | \$672    | \$118 | \$790      |
| 1               | 1.0 | 780   | Garden/Flat | 60%       | 60%        | No         | Yes        | 11          | 1         | \$672       |      | \$672    | \$118 | \$790      |
| 1               | 1.0 | 780   | Garden/Flat | 60%       | 60%        | No         | No         | 9           |           | \$672       |      | \$672    | \$118 | \$790      |
| 1               | 1.0 | 780   | Garden/Flat | 60%       | 60%        | No         | No         | 19          |           | \$672       |      | \$672    | \$118 | \$790      |
| 1               | 1.0 | 780   | Garden/Flat | Mar       | Mar        | No         | No         | 9           | 2         | \$880       |      | \$880    | \$118 | \$998      |
| 2               | 2.0 | 1076  | Garden/Flat | 50%       | 50%        | No         | No         | 3           |           | \$776       |      | \$776    | \$175 | \$951      |
| 2               | 2.0 | 1076  | Garden/Flat | 60%       | 60%        | No         | Yes        | 6           | 1         | \$776       |      | \$776    | \$175 | \$951      |
| 2               | 2.0 | 1076  | Garden/Flat | 60%       | 60%        | No         | No         | 6           | 1         | \$776       |      | \$776    | \$175 | \$951      |
| 2               | 2.0 | 1076  | Garden/Flat | 60%       | 60%        | No         | No         | 7           | 1         | \$776       |      | \$776    | \$175 | \$951      |
| 2               | 2.0 | 1076  | Garden/Flat | Mar       | Mar        | No         | No         | 8           | 1         | \$1,010     |      | \$1,010  | \$175 | \$1,185    |
| 2               | 2.5 | 1275  | Townhome    | 60%       | 60%        | No         | Yes        | 17          |           | \$776       |      | \$776    | \$175 | \$951      |
| 2               | 2.5 | 1275  | Townhome    | 60%       | 60%        | No         | No         | 7           |           | \$776       |      | \$776    | \$175 | \$951      |
| 2               | 2.5 | 1275  | Townhome    | 60%       | 60%        | No         | No         | 15          |           | \$776       |      | \$776    | \$175 | \$951      |
| 2               | 2.5 | 1275  | Townhome    | Mar       | Mar        | No         | No         | 8           |           | \$1,100     |      | \$1,100  | \$175 | \$1,275    |
| 3               | 2.0 | 1329  | Garden/Flat | 60%       | 60%        | No         | Yes        | 6           |           | \$872       |      | \$872    | \$257 | \$1,129    |
| 3               | 2.0 | 1329  | Garden/Flat | 60%       | 60%        | No         | No         | 7           |           | \$872       |      | \$872    | \$257 | \$1,129    |
| 3               | 2.0 | 1329  | Garden/Flat | 60%       | 60%        | No         | No         | 7           | 2         | \$872       |      | \$872    | \$257 | \$1,129    |
| 3               | 2.0 | 1329  | Garden/Flat | Mar       | Mar        | No         | No         | 3           |           | \$1,205     |      | \$1,205  | \$257 | \$1,462    |
| Total / Average |     | 1,067 |             |           |            |            |            | 156         | 9         | \$800       |      | \$800    | \$167 | \$966      |

| Tenant-Paid Utilities |         |      |
|-----------------------|---------|------|
| Utility               | Comp    | Subj |
| Heat-Electric         | yes     | yes  |
| Cooking-Electric      | yes     | yes  |
| Other Electric        | yes     | yes  |
| Air Cond              | yes     | yes  |
| Hot Water-Electric    | yes     | yes  |
| Water                 | yes     | yes  |
| Sewer                 | yes     | yes  |
| Trash                 | no      | no   |
| Comp vs. Subject      | Similar |      |

| Tenant-Paid Technology |         |      |
|------------------------|---------|------|
| Technology             | Comp    | Subj |
| Cable                  | yes     | yes  |
| Internet               | yes     | yes  |
| Comp vs. Subject       | Similar |      |

| Visibility         |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Visibility         | 4.00     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Access             |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Access             | 4.00     | 2.50 |
| Comp vs. Subject   | Superior |      |

| Neighborhood       |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Neighborhood       | 4.10     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Proximity to Area Amenities |          |      |
|-----------------------------|----------|------|
| Rating (1-5 Scale)          | Comp     | Subj |
| Area Amenities              | 3.80     | 3.00 |
| Comp vs. Subject            | Superior |      |

| Condition          |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Condition          | 4.00     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Effective Age      |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Effective Age      | 2010     | 2017 |
| Comp vs. Subject   | Inferior |      |

| Site & Common Area Amenities |          |      |
|------------------------------|----------|------|
| Amenity                      | Comp     | Subj |
| Ball Field                   | no       | no   |
| BBQ Area                     | yes      | no   |
| Billiard/Game                | no       | no   |
| Bus/Comp Ctr                 | yes      | yes  |
| Car Care Ctr                 | no       | no   |
| Comm Center                  | no       | yes  |
| Elevator                     | no       | no   |
| Fitness Ctr                  | yes      | no   |
| Gazebo/Patio                 | no       | yes  |
| Hot Tub/Jacuzzi              | no       | no   |
| Herb Garden                  | no       | no   |
| Horseshoes                   | no       | no   |
| Lake                         | no       | no   |
| Library                      | yes      | no   |
| Movie/Media Ctr              | no       | no   |
| Picnic Area                  | yes      | no   |
| Playground                   | yes      | yes  |
| Pool                         | no       | no   |
| Sauna                        | no       | no   |
| Sports Court                 | no       | no   |
| Walking Trail                | no       | no   |
| Comp vs. Subject             | Superior |      |

| Unit Amenities   |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Blinds           | yes      | yes  |
| Ceiling Fans     | yes      | yes  |
| Carpeting        | yes      | yes  |
| Fireplace        | no       | no   |
| Patio/Balcony    | some     | yes  |
| Storage          | no       | no   |
| Comp vs. Subject | Inferior |      |

| Kitchen Amenities |         |      |
|-------------------|---------|------|
| Amenity           | Comp    | Subj |
| Stove             | yes     | yes  |
| Refrigerator      | yes     | yes  |
| Disposal          | yes     | yes  |
| Dishwasher        | yes     | yes  |
| Microwave         | yes     | yes  |
| Comp vs. Subject  | Similar |      |

| Air Conditioning |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Window Units     | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Heat             |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Baseboards       | no      | no   |
| Boiler/Radiators | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Parking          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Garage           | no      | no   |
| Covered Pkg      | no      | no   |
| Assigned Pkg     | no      | no   |
| Open             | yes     | yes  |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Laundry          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| W/D Units        | no      | no   |
| W/D Hookups      | yes     | yes  |
| Comp vs. Subject | Similar |      |

| Security         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Call Buttons     | no       | no   |
| Cont Access      | no       | no   |
| Courtesy Officer | no       | no   |
| Monitoring       | no       | no   |
| Security Alarms  | no       | no   |
| Security Patrols | yes      | no   |
| Comp vs. Subject | Superior |      |

| Services         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| After School     | no       | yes  |
| Concierge        | no       | na   |
| Hair Salon       | no       | na   |
| Health Care      | no       | na   |
| Housekeeping     | no       | na   |
| Meals            | no       | na   |
| Transportation   | no       | na   |
| Comp vs. Subject | Inferior |      |

Columbia Parkside at Mechanicsville is an existing multifamily development located at 565 McDaniel Street SW in Atlanta, Georgia. The property, which consists of 156 apartment units, was originally constructed in 2011 . This property is currently operated as a rent restricted property. The property currently stands at 94 percent occupancy.

Project Information

|                    |                             |
|--------------------|-----------------------------|
| Property Name      | Columbia Village Apartments |
| Street Number      | 100                         |
| Street Name        | Jessica                     |
| Street Type        | Avenue                      |
| City               | Decatur                     |
| State              | Georgia                     |
| Zip                | 30032                       |
| Phone Number       | (404) 377-2445              |
| Year Built         | 1999                        |
| Year Renovated     | na                          |
| Minimum Lease      | 12                          |
| Min. Security Dep. | \$300                       |
| Other Fees         | \$19                        |
| Waiting List       | 500 people                  |
| Project Rent       | Restricted                  |
| Project Type       | Family                      |
| Project Status     | Stabilized                  |
| Financing          | 1997                        |
| Vouchers           | Tax Credit                  |
| Latitude           | 17                          |
| Longitude          | 33.7328                     |
| Nearest Crossroads | -84.3103                    |
| AAC Code           | na                          |
|                    | 17-097                      |
|                    | 040                         |

Photo



Location Map



Interview Notes

|                    |                         |
|--------------------|-------------------------|
| Person Interviewed | Ms. Evanlyn, Management |
| Phone Number       | (904) 241-0700          |
| Interview Date     | 27-Apr-17               |
| Interviewed By     | DS                      |

1997 TC property with 30 units of PHA project based rental assistance available to tenants. Property has 2 additional 2BR non-rental units.

Unit Configuration

| BR              | BA  | SF    | Unit Type   | Inc Limit | Rent Limit | HOME Units | Subs Units | Total Units | Vac Units | Street Rent | Disc | Net Rent | UA    | Gross Rent |
|-----------------|-----|-------|-------------|-----------|------------|------------|------------|-------------|-----------|-------------|------|----------|-------|------------|
| 2               | 2.0 | 1008  | Garden/Flat | 50%       | 50%        | No         | Yes        | 10          |           | \$694       |      | \$694    | \$133 | \$827      |
| 2               | 2.0 | 1008  | Garden/Flat | 50%       | 50%        | No         | No         | 11          |           | \$694       |      | \$694    | \$133 | \$827      |
| 2               | 2.0 | 1008  | Garden/Flat | 60%       | 60%        | No         | No         | 27          | 1         | \$851       |      | \$851    | \$133 | \$984      |
| 3               | 2.0 | 1142  | Garden/Flat | 50%       | 50%        | No         | Yes        | 10          |           | \$776       |      | \$776    | \$180 | \$956      |
| 3               | 2.0 | 1142  | Garden/Flat | 50%       | 50%        | No         | No         | 6           |           | \$776       |      | \$776    | \$180 | \$956      |
| 3               | 2.0 | 1142  | Garden/Flat | 60%       | 60%        | No         | No         | 28          | 2         | \$968       |      | \$968    | \$180 | \$1,148    |
| 4               | 2.0 | 1334  | Garden/Flat | 50%       | 50%        | No         | Yes        | 2           |           | \$844       |      | \$844    | \$223 | \$1,067    |
| 4               | 2.0 | 1334  | Garden/Flat | 50%       | 50%        | No         | No         | 3           |           | \$844       |      | \$844    | \$223 | \$1,067    |
| 4               | 2.0 | 1334  | Garden/Flat | 60%       | 60%        | No         | No         | 3           |           | \$1,059     |      | \$1,059  | \$223 | \$1,282    |
| Total / Average |     | 1,093 |             |           |            |            |            | 100         | 3         | \$845       |      | \$845    | \$161 | \$1,006    |

| Tenant-Paid Utilities |         |      |
|-----------------------|---------|------|
| Utility               | Comp    | Subj |
| Heat-Electric         | yes     | yes  |
| Cooking-Electric      | yes     | yes  |
| Other Electric        | yes     | yes  |
| Air Cond              | yes     | yes  |
| Hot Water-Electric    | yes     | yes  |
| Water                 | yes     | yes  |
| Sewer                 | yes     | yes  |
| Trash                 | no      | no   |
| Comp vs. Subject      | Similar |      |

| Tenant-Paid Technology |         |      |
|------------------------|---------|------|
| Technology             | Comp    | Subj |
| Cable                  | yes     | yes  |
| Internet               | yes     | yes  |
| Comp vs. Subject       | Similar |      |

| Visibility         |         |      |
|--------------------|---------|------|
| Rating (1-5 Scale) | Comp    | Subj |
| Visibility         | 2.50    | 2.50 |
| Comp vs. Subject   | Similar |      |

| Access             |         |      |
|--------------------|---------|------|
| Rating (1-5 Scale) | Comp    | Subj |
| Access             | 2.50    | 2.50 |
| Comp vs. Subject   | Similar |      |

| Neighborhood       |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Neighborhood       | 4.20     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Proximity to Area Amenities |          |      |
|-----------------------------|----------|------|
| Rating (1-5 Scale)          | Comp     | Subj |
| Area Amenities              | 2.30     | 3.00 |
| Comp vs. Subject            | Inferior |      |

| Condition          |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Condition          | 4.00     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Effective Age      |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Effective Age      | 2000     | 2017 |
| Comp vs. Subject   | Inferior |      |

| Site & Common Area Amenities |         |      |
|------------------------------|---------|------|
| Amenity                      | Comp    | Subj |
| Ball Field                   | no      | no   |
| BBQ Area                     | no      | no   |
| Billiard/Game                | no      | no   |
| Bus/Comp Ctr                 | yes     | yes  |
| Car Care Ctr                 | no      | no   |
| Comm Center                  | yes     | yes  |
| Elevator                     | no      | no   |
| Fitness Ctr                  | no      | no   |
| Gazebo/Patio                 | no      | yes  |
| Hot Tub/Jacuzzi              | no      | no   |
| Herb Garden                  | no      | no   |
| Horseshoes                   | no      | no   |
| Lake                         | no      | no   |
| Library                      | no      | no   |
| Movie/Media Ctr              | no      | no   |
| Picnic Area                  | no      | no   |
| Playground                   | yes     | yes  |
| Pool                         | no      | no   |
| Sauna                        | no      | no   |
| Sports Court                 | yes     | no   |
| Walking Trail                | no      | no   |
| Comp vs. Subject             | Similar |      |

| Unit Amenities   |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Blinds           | yes     | yes  |
| Ceiling Fans     | yes     | yes  |
| Carpeting        | yes     | yes  |
| Fireplace        | no      | no   |
| Patio/Balcony    | yes     | yes  |
| Storage          | no      | no   |
| Comp vs. Subject | Similar |      |

| Kitchen Amenities |          |      |
|-------------------|----------|------|
| Amenity           | Comp     | Subj |
| Stove             | yes      | yes  |
| Refrigerator      | yes      | yes  |
| Disposal          | yes      | yes  |
| Dishwasher        | yes      | yes  |
| Microwave         | no       | yes  |
| Comp vs. Subject  | Inferior |      |

| Air Conditioning |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Window Units     | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Heat             |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Baseboards       | no      | no   |
| Boiler/Radiators | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Parking          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Garage           | no      | no   |
| Covered Pkg      | no      | no   |
| Assigned Pkg     | no      | no   |
| Open             | yes     | yes  |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Laundry          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| W/D Units        | no      | no   |
| W/D Hookups      | yes     | yes  |
| Comp vs. Subject | Similar |      |

| Security         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Call Buttons     | no       | no   |
| Cont Access      | yes      | no   |
| Courtesy Officer | yes      | no   |
| Monitoring       | no       | no   |
| Security Alarms  | no       | no   |
| Security Patrols | no       | no   |
| Comp vs. Subject | Superior |      |

| Services         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| After School     | no       | yes  |
| Concierge        | no       | na   |
| Hair Salon       | no       | na   |
| Health Care      | no       | na   |
| Housekeeping     | no       | na   |
| Meals            | no       | na   |
| Transportation   | no       | na   |
| Comp vs. Subject | Inferior |      |

Columbia Village Apartments is an existing multifamily development located at 100 Jessica Avenue in Decatur, Georgia. The property, which consists of 100 apartment units, was originally constructed in 1999 . This property is currently operated as a rent restricted property. The property currently stands at 97 percent occupancy.

Project Information

|                    |                              |            |
|--------------------|------------------------------|------------|
| Property Name      | Retreat at Edgewood 1        |            |
| Street Number      | 150                          |            |
| Street Name        | Hutchinson                   |            |
| Street Type        | Street, NE                   |            |
| City               | Atlanta                      |            |
| State              | Georgia                      |            |
| Zip                | 30309                        |            |
| Phone Number       | (404) 577-9001               |            |
| Year Built         | 2010                         |            |
| Year Renovated     | na                           |            |
| Minimum Lease      | 12                           |            |
| Min. Security Dep. | \$300                        |            |
| Other Fees         | \$19                         |            |
| Waiting List       | 3 years                      |            |
| Project Rent       | Restricted                   |            |
| Project Type       | Family                       |            |
| Project Status     | Stabilized                   |            |
| Financing          | 2009                         | Tax Credit |
| Vouchers           |                              |            |
| Latitude           | 33.7569                      |            |
| Longitude          | -84.3409                     |            |
| Nearest Crossroads | y St & 1304 & 144 Mayson Ave |            |
| AAC Code           | 17-097                       | 081        |

Photo



Location Map



Interview Notes

|                    |                        |  |
|--------------------|------------------------|--|
| Person Interviewed | Mr. Julius, Management |  |
| Phone Number       | (404) 577-9001         |  |
| Interview Date     | 30-Apr-17              |  |
| Interviewed By     | DS                     |  |

2009 TC's awarded for proposed construction of this scattered site property with 40 units of project based rental assistance available to tenants through the Atlanta Housing Authority. Kitchens, entry way and baths have ceramic tile but living areas and bedrooms have carpeting. All appliances are Energy Star. Children's health and dental programs.

Unit Configuration

| BR              | BA  | SF    | Unit Type   | Inc Limit | Rent Limit | HOME Units | Subs Units | Total Units | Vac Units | Street Rent | Disc | Net Rent | UA    | Gross Rent |
|-----------------|-----|-------|-------------|-----------|------------|------------|------------|-------------|-----------|-------------|------|----------|-------|------------|
| 1               | 1.0 | 753   | Garden/Flat | 50%       | 50%        | No         | Yes        | 9           |           | \$667       |      | \$667    | \$108 | \$775      |
| 1               | 1.0 | 753   | Garden/Flat | 60%       | 60%        | No         | No         | 11          | 1         | \$667       |      | \$667    | \$108 | \$775      |
| 2               | 2.0 | 1143  | Townhome    | 50%       | 50%        | No         | Yes        | 12          |           | \$764       |      | \$764    | \$166 | \$930      |
| 2               | 2.0 | 1143  | Townhome    | 60%       | 60%        | No         | No         | 22          |           | \$764       |      | \$764    | \$166 | \$930      |
| 2               | 2.5 | 1211  | Townhome    | 50%       | 50%        | No         | Yes        | 10          |           | \$764       |      | \$764    | \$166 | \$930      |
| 2               | 2.5 | 1211  | Townhome    | 60%       | 60%        | No         | No         | 16          |           | \$764       |      | \$764    | \$166 | \$930      |
| 3               | 2.0 | 1500  | Townhome    | 50%       | 50%        | No         | Yes        | 9           |           | \$847       |      | \$847    | \$228 | \$1,075    |
| 3               | 2.0 | 1500  | Townhome    | 60%       | 60%        | No         | No         | 11          |           | \$847       |      | \$847    | \$228 | \$1,075    |
| Total / Average |     | 1,154 |             |           |            |            |            | 100         | 1         | \$761       |      | \$761    | \$167 | \$928      |

| Tenant-Paid Utilities |         |      |
|-----------------------|---------|------|
| Utility               | Comp    | Subj |
| Heat-Electric         | yes     | yes  |
| Cooking-Electric      | yes     | yes  |
| Other Electric        | yes     | yes  |
| Air Cond              | yes     | yes  |
| Hot Water-Electric    | yes     | yes  |
| Water                 | yes     | yes  |
| Sewer                 | yes     | yes  |
| Trash                 | no      | no   |
| Comp vs. Subject      | Similar |      |

| Tenant-Paid Technology |         |      |
|------------------------|---------|------|
| Technology             | Comp    | Subj |
| Cable                  | yes     | yes  |
| Internet               | yes     | yes  |
| Comp vs. Subject       | Similar |      |

| Visibility         |         |      |
|--------------------|---------|------|
| Rating (1-5 Scale) | Comp    | Subj |
| Visibility         | 2.50    | 2.50 |
| Comp vs. Subject   | Similar |      |

| Access             |         |      |
|--------------------|---------|------|
| Rating (1-5 Scale) | Comp    | Subj |
| Access             | 2.50    | 2.50 |
| Comp vs. Subject   | Similar |      |

| Neighborhood       |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Neighborhood       | 2.00     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Proximity to Area Amenities |          |      |
|-----------------------------|----------|------|
| Rating (1-5 Scale)          | Comp     | Subj |
| Area Amenities              | 3.90     | 3.00 |
| Comp vs. Subject            | Superior |      |

| Condition          |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Condition          | 4.00     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Effective Age      |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Effective Age      | 2010     | 2017 |
| Comp vs. Subject   | Inferior |      |

| Site & Common Area Amenities |          |      |
|------------------------------|----------|------|
| Amenity                      | Comp     | Subj |
| Ball Field                   | no       | no   |
| BBQ Area                     | yes      | no   |
| Billiard/Game                | no       | no   |
| Bus/Comp Ctr                 | yes      | yes  |
| Car Care Ctr                 | no       | no   |
| Comm Center                  | yes      | yes  |
| Elevator                     | no       | no   |
| Fitness Ctr                  | yes      | no   |
| Gazebo/Patio                 | yes      | yes  |
| Hot Tub/Jacuzzi              | no       | no   |
| Herb Garden                  | no       | no   |
| Horseshoes                   | no       | no   |
| Lake                         | no       | no   |
| Library                      | yes      | no   |
| Movie/Media Ctr              | no       | no   |
| Picnic Area                  | yes      | no   |
| Playground                   | yes      | yes  |
| Pool                         | no       | no   |
| Sauna                        | no       | no   |
| Sports Court                 | no       | no   |
| Walking Trail                | no       | no   |
| Comp vs. Subject             | Superior |      |

| Unit Amenities   |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Blinds           | yes     | yes  |
| Ceiling Fans     | yes     | yes  |
| Carpet           | yes     | yes  |
| Fireplace        | no      | no   |
| Patio/Balcony    | yes     | yes  |
| Storage          | no      | no   |
| Comp vs. Subject | Similar |      |

| Kitchen Amenities |          |      |
|-------------------|----------|------|
| Amenity           | Comp     | Subj |
| Stove             | yes      | yes  |
| Refrigerator      | yes      | yes  |
| Disposal          | yes      | yes  |
| Dishwasher        | yes      | yes  |
| Microwave         | no       | yes  |
| Comp vs. Subject  | Inferior |      |

| Air Conditioning |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Window Units     | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Heat             |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Baseboards       | no      | no   |
| Boiler/Radiators | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Parking          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Garage           | no      | no   |
| Covered Pkg      | no      | no   |
| Assigned Pkg     | no      | no   |
| Open             | yes     | yes  |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Laundry          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | no      | yes  |
| W/D Units        | yes     | no   |
| W/D Hookups      | no      | yes  |
| Comp vs. Subject | Similar |      |

| Security         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Call Buttons     | no       | no   |
| Cont Access      | no       | no   |
| Courtesy Officer | yes      | no   |
| Monitoring       | no       | no   |
| Security Alarms  | yes      | no   |
| Security Patrols | no       | no   |
| Comp vs. Subject | Superior |      |

| Services         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| After School     | no       | yes  |
| Concierge        | no       | na   |
| Hair Salon       | no       | na   |
| Health Care      | no       | na   |
| Housekeeping     | no       | na   |
| Meals            | no       | na   |
| Transportation   | no       | na   |
| Comp vs. Subject | Inferior |      |

Retreat at Edgewood 1 is an existing multifamily development located at 150 Hutchinson Street, NE in Atlanta, Georgia. The property, which consists of 100 apartment units, was originally constructed in 2010 . This property is currently operated as a rent restricted property. The property currently stands at 99 percent occupancy.

Project Information

|                    |                       |
|--------------------|-----------------------|
| Property Name      | Retreat at Edgewood 2 |
| Street Number      | 37                    |
| Street Name        | Hutchinson            |
| Street Type        | Street                |
| City               | Atlanta               |
| State              | Georgia               |
| Zip                | 30307                 |
| Phone Number       | (404) 577-9001        |
| Year Built         | 2011                  |
| Year Renovated     | na                    |
| Minimum Lease      | 12                    |
| Min. Security Dep. | \$300                 |
| Other Fees         | \$19                  |
| Waiting List       | 3 years               |
| Project Rent       | Restricted            |
| Project Type       | Family                |
| Project Status     | Stabilized            |
| Financing          | 2010                  |
| Vouchers           | Tax Credit            |
| Latitude           | 33.7546               |
| Longitude          | -84.3399              |
| Nearest Crossroads | na                    |
| AAC Code           | 17-097 082            |

Photo



Location Map



Interview Notes

|                    |                        |
|--------------------|------------------------|
| Person Interviewed | Mr. Julius, Management |
| Phone Number       | (404) 577-9001         |
| Interview Date     | 30-Apr-17              |
| Interviewed By     | DS                     |

2010 TC's awarded for construction of this property without project based rental assistance. Tenants will share project amenities with Columbia Townhomes at Edgewood, Phase 1. Kitchens, entryway and baths have ceramic tile but living areas and bedrooms have carpeting. All appliances are Energy Star. Children's health and dental programs.

Unit Configuration

| BR              | BA  | SF   | Unit Type   | Inc Limit | Rent Limit | HOME Units | Subs Units | Total Units | Vac Units | Street Rent | Disc | Net Rent | UA    | Gross Rent |
|-----------------|-----|------|-------------|-----------|------------|------------|------------|-------------|-----------|-------------|------|----------|-------|------------|
| 1               | 1.0 | 753  | Garden/Flat | 50%       | 50%        | No         | No         | 3           |           | \$667       |      | \$667    | \$108 | \$775      |
| 1               | 1.0 | 753  | Garden/Flat | 60%       | 60%        | No         | No         | 25          | 1         | \$667       |      | \$667    | \$108 | \$775      |
| 1               | 1.0 | 753  | Garden/Flat | Mar       | Mar        | No         | No         | 2           |           | \$879       |      | \$879    | \$108 | \$987      |
| 3               | 2.0 | 1500 | Townhome    | 50%       | 50%        | No         | No         | 1           |           | \$847       |      | \$847    | \$228 | \$1,075    |
| 3               | 2.5 | 1500 | Townhome    | 60%       | 60%        | No         | No         | 8           |           | \$847       |      | \$847    | \$228 | \$1,075    |
| 3               | 2.5 | 1500 | Townhome    | Mar       | Mar        | No         | No         | 1           |           | \$1,131     |      | \$1,131  | \$228 | \$1,359    |
| Total / Average |     | 940  |             |           |            |            |            | 40          | 1         | \$730       |      | \$730    | \$138 | \$868      |

| Tenant-Paid Utilities |         |      |
|-----------------------|---------|------|
| Utility               | Comp    | Subj |
| Heat-Electric         | yes     | yes  |
| Cooking-Electric      | yes     | yes  |
| Other Electric        | yes     | yes  |
| Air Cond              | yes     | yes  |
| Hot Water-Electric    | yes     | yes  |
| Water                 | yes     | yes  |
| Sewer                 | yes     | yes  |
| Trash                 | no      | no   |
| Comp vs. Subject      | Similar |      |

| Tenant-Paid Technology |         |      |
|------------------------|---------|------|
| Technology             | Comp    | Subj |
| Cable                  | yes     | yes  |
| Internet               | yes     | yes  |
| Comp vs. Subject       | Similar |      |

| Visibility         |         |      |
|--------------------|---------|------|
| Rating (1-5 Scale) | Comp    | Subj |
| Visibility         | 2.50    | 2.50 |
| Comp vs. Subject   | Similar |      |

| Access             |         |      |
|--------------------|---------|------|
| Rating (1-5 Scale) | Comp    | Subj |
| Access             | 2.50    | 2.50 |
| Comp vs. Subject   | Similar |      |

| Neighborhood       |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Neighborhood       | 2.00     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Proximity to Area Amenities |          |      |
|-----------------------------|----------|------|
| Rating (1-5 Scale)          | Comp     | Subj |
| Area Amenities              | 3.90     | 3.00 |
| Comp vs. Subject            | Superior |      |

| Condition          |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Condition          | 4.00     | 4.50 |
| Comp vs. Subject   | Inferior |      |

| Effective Age      |          |      |
|--------------------|----------|------|
| Rating (1-5 Scale) | Comp     | Subj |
| Effective Age      | 2010     | 2017 |
| Comp vs. Subject   | Inferior |      |

| Site & Common Area Amenities |          |      |
|------------------------------|----------|------|
| Amenity                      | Comp     | Subj |
| Ball Field                   | no       | no   |
| BBQ Area                     | yes      | no   |
| Billiard/Game                | no       | no   |
| Bus/Comp Ctr                 | yes      | yes  |
| Car Care Ctr                 | no       | no   |
| Comm Center                  | yes      | yes  |
| Elevator                     | no       | no   |
| Fitness Ctr                  | yes      | no   |
| Gazebo/Patio                 | yes      | yes  |
| Hot Tub/Jacuzzi              | no       | no   |
| Herb Garden                  | no       | no   |
| Horseshoes                   | no       | no   |
| Lake                         | no       | no   |
| Library                      | yes      | no   |
| Movie/Media Ctr              | no       | no   |
| Picnic Area                  | yes      | no   |
| Playground                   | yes      | yes  |
| Pool                         | no       | no   |
| Sauna                        | no       | no   |
| Sports Court                 | no       | no   |
| Walking Trail                | no       | no   |
| Comp vs. Subject             | Superior |      |

| Unit Amenities   |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Blinds           | yes     | yes  |
| Ceiling Fans     | yes     | yes  |
| Carpet           | yes     | yes  |
| Fireplace        | no      | no   |
| Patio/Balcony    | yes     | yes  |
| Storage          | no      | no   |
| Comp vs. Subject | Similar |      |

| Kitchen Amenities |          |      |
|-------------------|----------|------|
| Amenity           | Comp     | Subj |
| Stove             | yes      | yes  |
| Refrigerator      | yes      | yes  |
| Disposal          | no       | yes  |
| Dishwasher        | yes      | yes  |
| Microwave         | no       | yes  |
| Comp vs. Subject  | Inferior |      |

| Air Conditioning |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Window Units     | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Heat             |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | yes     | yes  |
| Wall Units       | no      | no   |
| Baseboards       | no      | no   |
| Boiler/Radiators | no      | no   |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Parking          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Garage           | no      | no   |
| Covered Pkg      | no      | no   |
| Assigned Pkg     | no      | no   |
| Open             | yes     | yes  |
| None             | no      | no   |
| Comp vs. Subject | Similar |      |

| Laundry          |         |      |
|------------------|---------|------|
| Amenity          | Comp    | Subj |
| Central          | no      | yes  |
| W/D Units        | yes     | no   |
| W/D Hookups      | no      | yes  |
| Comp vs. Subject | Similar |      |

| Security         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| Call Buttons     | no       | no   |
| Cont Access      | yes      | no   |
| Courtesy Officer | yes      | no   |
| Monitoring       | no       | no   |
| Security Alarms  | yes      | no   |
| Security Patrols | no       | no   |
| Comp vs. Subject | Superior |      |

| Services         |          |      |
|------------------|----------|------|
| Amenity          | Comp     | Subj |
| After School     | no       | yes  |
| Concierge        | no       | na   |
| Hair Salon       | no       | na   |
| Health Care      | no       | na   |
| Housekeeping     | no       | na   |
| Meals            | no       | na   |
| Transportation   | no       | na   |
| Comp vs. Subject | Inferior |      |

Retreat at Edgewood 2 is an existing multifamily development located at 37 Hutchinson Street in Atlanta, Georgia. The property, which consists of 40 apartment units, was originally constructed in 2011. This property is currently operated as a rent restricted property. The property currently stands at 98 percent occupancy.

## INTERVIEWS

### Housing Authority

Our analysis included an interview with the local housing authority to identify any competing projects in the market area. All such projects have been accounted for in the supply analysis section of this report.

### Planning & Zoning

Our analysis included an interview with the local planning and zoning office to identify any approved projects in the pipeline at this time. All such projects have been accounted for in the supply analysis section of this report.

### Property Management

Our research also included an interview with management at each property included in this report to inquire about the local economy and housing market. Select notes from these interviews follow:

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|                                                                                                                                                                                            |                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Property Name: Alexan 1133                                                                                                                                                                 | Property Key: 002            |
| Person Interviewed: Ms. Hannah, Leasing Agent                                                                                                                                              | Phone Number: (404) 371-6999 |
| Notes: Property with over 25 different floor plans. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees. |                              |

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|                                                                                                                                                                                                                                                  |                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Property Name: Archstone Decatur Crossing                                                                                                                                                                                                        | Property Key: 008            |
| Person Interviewed: Mr. Adriano, Management                                                                                                                                                                                                      | Phone Number: (404) 298-1991 |
| Notes: Property uses Yield Star Rating System, which changes rent rates daily. Select units have garages. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees. |                              |

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|                                                                                                                                                                                                                                                                                                                |                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Property Name: Avalon Ridge                                                                                                                                                                                                                                                                                    | Property Key: 014            |
| Person Interviewed: Ms. Keisha, Leasing Agent                                                                                                                                                                                                                                                                  | Phone Number: (404) 343-7200 |
| Notes: 2007 Bonds awarded for new construction property with 89 units of project based rental assistance available to tenants. Tenants began moving in September, 2008. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees. |                              |

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|                                                                                                                                             |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Property Name: Columbia Mill Apartments                                                                                                     | Property Key: 034            |
| Person Interviewed: Ms. Evanlyn, Management                                                                                                 | Phone Number: (404) 241-7441 |
| Notes: 2011 TC's awarded to demolish the current units and construct new units at this property without units of PBRA available to tenants. |                              |

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|                                                                                                                                                                                                                                                                      |                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Property Name: Columbia Parkside at Mechanicsville                                                                                                                                                                                                                   | Property Key: 036            |
| Person Interviewed: Ms. Maria Garcia, Management                                                                                                                                                                                                                     | Phone Number: (404) 577-2833 |
| Notes: 2009 TC's awarded for construction of this property with 40 units of project based rental assistance available to tenants. Contact was unable to provide rent rates for subsidized units, therefore the lowest TC rent rate within the unit size is reported. |                              |

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|                                                                                                                                                    |                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Property Name: Columbia Village Apartments                                                                                                         | Property Key: 040            |
| Person Interviewed: Ms. Evanlyn, Management                                                                                                        | Phone Number: (904) 241-0700 |
| Notes: 1997 TC property with 30 units of PHA project based rental assistance available to tenants. Property has 2 additional 2BR non-rental units. |                              |

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|                                                                                                                                                                                                                                                                 |                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Property Name: Parkway Grand Apartments                                                                                                                                                                                                                         | Property Key: 076            |
| Person Interviewed: Ms. Treddie, Management                                                                                                                                                                                                                     | Phone Number: (770) 987-8830 |
| Notes: Property operates under the "Yield Star" rental rate program which determines the price due to supply and demand. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees. |                              |

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Property Name: Place on Ponce  
Person Interviewed: Ms. Joana, Management  
Notes: 1st building completed November, 2014 and second building completed 2015. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees.

Property Key: 078  
Phone Number: 770-250-4452

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Property Name: Retreat at Edgewood 1  
Person Interviewed: Mr. Julius, Management  
Notes: 2009 TC's awarded for proposed construction of this scattered site property with 40 units of project based rental assistance available to tenants through the Atlanta Housing Authority. Kitchens, entry way and baths have ceramic tile but living areas and bedrooms have carpeting. All appliances are Energy Star. Children's health and dental programs are a free service within the neighborhood through the Whiteford Community program. Contact advised in 2017, that there are no PHA units at this property, although we will

Property Key: 081  
Phone Number: (404) 577-9001

---

Property Name: Retreat at Edgewood 2  
Person Interviewed: Mr. Julius, Management  
Notes: 2010 TC's awarded for construction of this property without project based rental assistance. Tenants will share project amenities with Columbia Townhomes at Edgewood, Phase 1. Kitchens, entryway and baths have ceramic tile but living areas and bedrooms have carpeting. All appliances are Energy Star. Children's health and dental programs are a free service within the neighborhood through the Whiteford Community program.

Property Key: 082  
Phone Number: (404) 577-9001

## STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The title to the subject property is merchantable, and the property is free and clear of all liens and encumbrances, except as noted.
- No liability is assumed for matters legal in nature.
- Ownership and management are assumed to be in competent and responsible hands.
- No survey has been made by the appraiser. Dimensions are as supplied by others and are assumed to be correct.
- The report was prepared for the purpose so stated and should not be used for any other reason.
- All direct and indirect information supplied by the owner and their representatives concerning the subject property is assumed to be true and accurate.
- No responsibility is assumed for information supplied by others and such information is believed to be reliable and correct. This includes zoning and tax information provided by Municipal officials.
- The signatories shall not be required to give testimony or attend court or be at any governmental hearing with respect to the subject property unless prior arrangements have been made with the client.
- Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute.
- The legal description is assumed to be accurate.
- This report specifically assumes that there are no site, subsoil, or building contaminants present resulting from residual substances or construction materials, such as asbestos, radon gas, PCB, etc. Should any of these factors exist, the appraiser reserves the right to review these findings, review the value estimates, and change the estimates, if deemed necessary.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with
- This analysis specifically assumes that the subject property is operated as described in this report.
- This analysis specifically assumes that the subject property is constructed/rehabilitated as described in this report.
- This analysis specifically assumes that the subject property is financed as described in this report.
- This analysis specifically assumes the timing set forth in this report.

## CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Jeff Carroll (Allen & Associates Consulting) made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification. Debbie Rucker and Frank Victory (Allen & Associates Consulting) assisted in compiling the data used in this report.
- As of the date of this report, Jeff Carroll (Allen & Associates Consulting) has completed the continuing education program of the Appraisal Institute.
- Jeffrey B. Carroll is presently licensed in good standing as a Certified General Real Estate Appraiser in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina and Virginia, allowing him to appraise all types of real estate.

Respectfully submitted:

ALLEN & ASSOCIATES CONSULTING, INC.



Jeff Carroll

## DCA CERTIFICATION

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study 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. In addition, the document is assignable to other lenders that are parties to the DCA loan transaction, subject to prior written authorization by Allen & Associates Consulting.

To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in 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.



Jeff Carroll

## NCHMA MARKET STUDY INDEX

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

| <b>Executive Summary</b>           |                                                                                                                |                       |
|------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------|
| 1                                  | Executive Summary                                                                                              | Executive Summary     |
| <b>Scope of Work</b>               |                                                                                                                |                       |
| 2                                  | Scope of Work                                                                                                  | Letter of Transmittal |
| <b>Project Description</b>         |                                                                                                                |                       |
| 3                                  | Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting                            | Section 1             |
| 4                                  | Utilities (and utility sources) included in rent                                                               | Section 2             |
| 5                                  | Target market/population description                                                                           | Section 1             |
| 6                                  | Project description including unit features and community amenities                                            | Section 2             |
| 7                                  | Date of construction/preliminary completion                                                                    | Section 1             |
| 8                                  | If rehabilitation, scope of work, existing rents, and existing vacancies                                       | Section 1             |
| <b>Location</b>                    |                                                                                                                |                       |
| 9                                  | Concise description of the site and adjacent parcels                                                           | Sections 3 & 4        |
| 10                                 | Site photos/maps                                                                                               | Section 5             |
| 11                                 | Map of community services                                                                                      | Section 4             |
| 12                                 | Site evaluation/neighborhood including visibility, accessibility, and crime                                    | Section 4             |
| <b>Market Area</b>                 |                                                                                                                |                       |
| 13                                 | PMA description                                                                                                | Section 6             |
| 14                                 | PMA Map                                                                                                        | Section 6             |
| <b>Employment and Economy</b>      |                                                                                                                |                       |
| 15                                 | At-Place employment trends                                                                                     | Section 7             |
| 16                                 | Employment by sector                                                                                           | Section 7             |
| 17                                 | Unemployment rates                                                                                             | Section 7             |
| 18                                 | Area major employers/employment centers and proximity to site                                                  | Section 7             |
| 19                                 | Recent or planned employment expansions/reductions                                                             | Section 7             |
| <b>Demographic Characteristics</b> |                                                                                                                |                       |
| 20                                 | Population and household estimates and projections                                                             | Section 8             |
| 21                                 | Area building permits                                                                                          | Section 7             |
| 22                                 | Population and household characteristics including income, tenure, and size                                    | Section 8             |
| 23                                 | For senior or special needs projects, provide data specific to target market                                   | Section 8             |
| <b>Competitive Environment</b>     |                                                                                                                |                       |
| 24                                 | Comparable property profiles and photos                                                                        | Appendix              |
| 25                                 | Map of comparable properties                                                                                   | Section 10            |
| 26                                 | Existing rental housing evaluation including vacancy and rents                                                 | Section 9             |
| 27                                 | Comparison of subject property to comparable properties                                                        | Section 10            |
| 28                                 | Discussion of availability and cost of other affordable housing options including homeownership, if applicable | NA                    |
| 29                                 | Rental communities under construction, approved, or proposed                                                   | Section 9             |
| 30                                 | For senior or special needs populations, provide data specific to target market                                | Section 8             |

## NCHMA MARKET STUDY INDEX

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

| <b>Affordability, Demand, and Penetration Rate Analysis</b> |                                                                                   |                   |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------|
| 31                                                          | Estimate of demand                                                                | Section 11        |
| 32                                                          | Affordability analysis with capture rate                                          | Section 11        |
| 33                                                          | Penetration rate analysis with capture rate                                       | Section 11        |
| <b>Analysis/Conclusions</b>                                 |                                                                                   |                   |
| 34                                                          | Absorption rate and estimated stabilized occupancy for subject                    | Section 11        |
| 35                                                          | Evaluation of proposed rent levels including estimate of market/achievable rents. | Section 10        |
| 36                                                          | Precise statement of key conclusions                                              | Executive Summary |
| 37                                                          | Market strengths and weaknesses impacting project                                 | Executive Summary |
| 38                                                          | Product recommendations and/or suggested modifications to subject                 | Executive Summary |
| 39                                                          | Discussion of subject property's impact on existing housing                       | Executive Summary |
| 40                                                          | Discussion of risks or other mitigating circumstances impacting subject           | Executive Summary |
| 41                                                          | Interviews with area housing stakeholders                                         | Appendix          |
| <b>Other Requirements</b>                                   |                                                                                   |                   |
| 42                                                          | Certifications                                                                    | Appendix          |
| 43                                                          | Statement of qualifications                                                       | Appendix          |
| 44                                                          | Sources of data not otherwise identified                                          | NA                |

## MISCELLANEOUS

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## Summary

Founder of Allen & Associates Consulting, a development consulting firm specializing in affordable housing.

Founder of Tartan Residential, a firm specializing in the acquisition and development of affordable housing.

Co-founder of Delphin Properties, a firm specializing in the acquisition and development of manufactured home communities.

Wrote articles on affordable housing, development, property management, market feasibility, and financial analysis for Urban Land magazine, The Journal of Property Management, Community Management magazine, Merchandise magazine, HousingThink, and a publication of the Texas A&M Real Estate Research Center known as Terra Grande.

Conducted seminars on affordable housing, development, property management, market feasibility, and financial analysis for the American Planning Association, Community Management magazine, the Georgia Department of Community Affairs, the Manufactured Housing Institute, the National Association of State and Local Equity Funds, the Virginia Community Development Corporation, and the National Council of Affordable Housing Market Analysts.

Specialties: Specialties include affordable housing, low-income housing tax credits, tax-exempt bond transactions, multifamily, manufactured housing, development, development consulting, market studies, rent comparability studies, appraisals, capital needs assessments, and utility studies.

## Experience

President | Allen & Associates Consulting, Inc. | Charlotte, NC | 2000 - present

Founder of Allen & Associates Consulting, a real estate advisory firm specializing in affordable housing. Practice areas include low-income housing tax credits, tax-exempt bond transactions, HUD assisted and financed multifamily, USDA-RD assisted and financed properties, public housing, historic tax credits, conventional multifamily, and manufactured housing. Services include development consulting, rent comparability studies, market analysis, feasibility studies, appraisals, capital needs assessments, and utility studies. Performed over 3000 development consulting assignments in 46 states since 2000. Major projects include:

- Market Feasibility - Completed market studies for 13 proposed tax credit apartment developments on behalf of the Georgia Department of Community Affairs. The portfolio included 5 family and 8 senior communities. Our analysis identified the 4 best deals for the housing finance agency to consider funding.
- Valuation - Developed a disposition plan for a 30-property portfolio of apartments on behalf of a private owner. The 921-unit portfolio (located in MD, DE, PA and VA) was valued at \$23 million. Our client relied on our valuations and advice to maximize sales proceeds for the portfolio.
- Capital Needs Assessments - Completed capital needs assessments for an 8-property portfolio of RD-financed apartments on behalf of a private developer. The portfolio (located in FL) included 6

family and 2 senior communities. Our client utilized our assessments to develop a scope of work for the proposed acquisition and renovation of the 214-unit portfolio.

- Utility Allowance Studies - Completed utility allowance studies for a portfolio of tax credit apartments on behalf of a large national owner/developer. The portfolio (located in CT, DC, IL, IN, MA, NC, OH, PA and VA) included 31 properties. Our client utilized our research to maximize rents and net operating income for the portfolio.
- Underwriting - Conducted a financial review on behalf of a local housing authority for the proposed redevelopment of a vacant historic textile mill into loft apartments. Our client had been asked to issue \$4 million in tax-exempt bonds for the \$15 million project. Our assistance in underwriting the transaction resulted in the green light for the development.

President | Tartan Residential, Inc. | Charlotte, NC | 1997 - present

Founder of Tartan Residential, a firm specializing in the acquisition and development of affordable housing. Major projects include:

- Buchanan's Crossing Subdivision - A proposed 24-unit duplex development serving families in Kansas City. The property is planned to be built at an estimated cost of \$4.4 million. The project, located on the west side of N 65th Street, will be completely accessible with priority given to families with a member who has a mobility impairment. Construction began in early 2016.
- Davidson's Landing - A proposed 85-unit tax credit financed apartment community serving seniors in Kansas City. The property is planned to be built at an estimated cost of \$10 million. This project is currently in the early planning stages.

Co-Founder | Delphin Properties LLC | Charlotte, NC | 1998 - present

Co-founder of Delphin Properties, a firm specializing in the acquisition and development of manufactured home communities. Major projects include:

- Crystal Lakes - A 338-unit manufactured home community serving seniors in Fort Myers, Florida. Purchased the partially-constructed development, completed construction, and sold it for a \$1 million profit.
- Mahler's Glen - A 348-unit development originally planned as a manufactured home community serving families in Garner, North Carolina. Secured zoning and site plan approval, engineered the property (including a private wastewater treatment facility), and sold it to a national homebuilder for a \$2 million profit.
- Beacon Wood - A 363-unit development originally planned as a manufactured home community serving families in Crockery Township, Michigan. Secured zoning and site plan approval, engineered the property, and sold it to a regional homebuilder for a \$1 million profit.

Director of Development | Clayton, Williams & Sherwood, Inc. | Austin, TX | 1995 - 1997

Director of Development for Clayton, Williams & Sherwood, a privately-owned operator of manufactured home communities and apartment complexes. Major projects included:

- Multifamily Development - Managed the construction and lease-up of two apartment communities consisting of 564 units and valued at \$38 million. Each property leased up in excess of 25 units per month.
- Manufactured Home Community Development - Put together development plans for 4 manufactured home communities and 2 manufactured home subdivisions consisting of 2047 units and valued at \$63 million.

Assistant to the President | Southwest Property Trust | Dallas, TX | 1993 - 1995

Assistant to the President for Southwest Property Trust, a large apartment REIT. Provided support to management personnel operating a 12,000-unit apartment portfolio.

Investment Analyst/Manager | GE Capital | Dallas, TX | 1991 - 1993

Investment Analyst/Manager for GE Capital's Residential Construction Lending business. Assisted in the management of a \$500 million investment portfolio including 30 single family residential land development investments and 70 single family construction lines of credit.

Regional Manager | Clayton, Williams & Sherwood, Inc. | Newport Beach, CA | 1989 - 1991

Regional Manager for Clayton, Williams & Sherwood, a privately-owned operator of manufactured home communities and apartment complexes. Major projects included:

- Multifamily Management - Management of a 1200-unit apartment portfolio valued at over \$72 million. Implemented a portfolio-wide 10 percent rent increase while cutting operating expenses 3 percent resulting in a \$7 million increase in portfolio value.
- Manufactured Home Community Management - Management of a 1200-unit manufactured home community portfolio valued at over \$36 million. Implemented a 15 percent rent increase in a 500-unit community resulting in a \$4 million increase in property value.

## **Education**

Harvard Business School | MBA, General Management, Real Estate, Economics | 1986 - 1988

Graduated in 1988 with an MBA from Harvard Business School. Emphasis in General Management and Real Estate with a minor concentration in Economics.

Clemson University | BS, Engineering, Economics | 1978 - 1983

Graduated in 1983 with a BS in Engineering from Clemson University. Minor concentration in Economics. Honors included Dean's List and Alpha Lambda Delta honorary. Elected officer for Phi Delta Theta social fraternity. Awarded scholarship on Clemson's varsity wrestling team.

## **Certifications, Designations and Affiliations**

Mr. Carroll is a certified general appraiser, licensed to appraise real estate in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina and Virginia. Mr. Carroll is also a designated member of the Appraisal Institute (MAI).

Mr. Carroll is a peer-reviewed member of the National Council of Housing Market Analysts (NCHMA), where he served on the Executive Committee and chaired the Data and Ethics Committees.



# FY 2017 MULTIFAMILY TAX SUBSIDY PROJECT INCOME LIMITS SUMMARY

DeKalb County was subject to HUD's Hold Harmless Policy in 2007 and 2008.

[Section 3009\(a\)\(E\)\(i\) of the Housing and Economic Recovery Act of 2008 \(Public Law 110-289\)](#) provides a general "hold-harmless" policy for multifamily tax subsidy projects after calendar year 2008. Based on HUD's estimate of Median Family Income for FY2017, this "hold-harmless" policy was invoked for FY2017 MTSP Income Limits in **DeKalb County**. These "held-harmless" income limits are shown in the table below.

| DeKalb County, Georgia         |                               |                                                       |          |          |          |                 |          |          |          |          |
|--------------------------------|-------------------------------|-------------------------------------------------------|----------|----------|----------|-----------------|----------|----------|----------|----------|
| FY 2017 MTSP Income Limit Area | <a href="#">Median Income</a> | FY 2017 MTSP Income Limit Category                    | 1 Person | 2 Person | 3 Person | 4 Person        | 5 Person | 6 Person | 7 Person | 8 Person |
| DeKalb County                  | \$69,700                      | <a href="#">50 Percent HERA Special Income Limits</a> | \$25,900 | \$29,600 | \$33,300 | <b>\$36,950</b> | \$39,950 | \$42,900 | \$45,850 | \$48,800 |
|                                |                               | <a href="#">60 Percent HERA Special Income Limits</a> | \$31,080 | \$35,520 | \$39,960 | <b>\$44,340</b> | \$47,940 | \$51,480 | \$55,020 | \$58,560 |

Projects which have not used Income Limits prior to the publication of FY2017 Income Limits for determining income eligibility and maximum rents use the following income limits

| DeKalb County, Georgia         |                               |                                    |          |          |          |          |          |          |          |          |
|--------------------------------|-------------------------------|------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| FY 2017 MTSP Income Limit Area | <a href="#">Median Income</a> | FY 2017 MTSP Income Limit Category | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |

|               |          |                |          |          |          |                 |          |          |          |
|---------------|----------|----------------|----------|----------|----------|-----------------|----------|----------|----------|
| DeKalb County | \$69,700 | <u>50</u>      |          |          |          |                 |          |          |          |
|               |          | <u>Percent</u> | \$24,400 | \$27,900 | \$31,400 | <b>\$34,850</b> | \$37,650 | \$40,450 | \$43,250 |
|               |          | <u>Income</u>  |          |          |          |                 |          |          |          |
|               |          | <u>Limits</u>  |          |          |          |                 |          |          |          |
|               |          | <u>60</u>      |          |          |          |                 |          |          |          |
|               |          | <u>Percent</u> | \$29,280 | \$33,480 | \$37,680 | <b>\$41,820</b> | \$45,180 | \$48,540 | \$51,900 |
|               |          | <u>Income</u>  |          |          |          |                 |          |          |          |
|               |          | <u>Limits</u>  |          |          |          |                 |          |          |          |

**NOTE: Official MTSP Income limits, available in pdf and excel formats at this [link](#), may differ slightly from those calculated in the documentation system and should be used for ALL official purposes. Underlined headings in both the IL table link to detailed documentation concerning the calculations of the parameters listed here.**

**NOTE: Based on paragraph (a)(E)(i) of section 3009 of the Housing and Economic Recovery Act (HERA) of 2008 (Public Law 110-289), projects that used income limits based on the FY2009 publication should use the higher of the FY2009 or FY2011 income limits.**

### Determination of Maximum Income Limits

The following table outlines the maximum set of Income Limits for existing projects within DeKalb County to use based on the projects Placed in Service Date:

| DeKalb County, Georgia           |                                     |
|----------------------------------|-------------------------------------|
| Vintage of Maximum Income Limits |                                     |
| Placed In Service Date           | Maximum Income Limits               |
| On or before 12/31/2008          | <a href="#">FY2016 HERA Special</a> |
| 1/1/2009 to 5/13/2010            | <a href="#">FY2010</a>              |
| 5/14/2010 to 5/31/2011           | <a href="#">FY2010</a>              |
| 6/1/2011 to 11/30/2011           | <a href="#">FY2017</a>              |
| 12/01/2011 to 12/10/2012         | <a href="#">FY2017</a>              |
| 12/11/2012 to 12/17/2013         | <a href="#">FY2017</a>              |
| 12/18/2013 to 3/05/2015          | <a href="#">FY2017</a>              |
| 3/06/2015 to 3/27/2016           | <a href="#">FY2017</a>              |
| 3/28/2016 to 4/14/2017           | <a href="#">FY2017</a>              |
| 4/14/2017 to Present             | <a href="#">FY2017</a>              |

**NOTE: Official determinations of maximum income limits and all compliance issues are the purview of the State Housing Finance Agencies and the Internal Revenue Service. A list of state allocating agencies and their internet contact information is available [here](#).**

Select a different county or county equivalent: within Georgia.

Appling County  
Atkinson County  
Bacon County  
Baker County  
Baldwin County  
Banks County

Select County or County Equivalent

Update URL For bookmarking or E-Mailing

Press below to select a different state:

Select a new state

Or select a FY 2017 HUD Metropolitan Fair Market Rent Area's Income Limits:

Abilene, TX MSA

Select MTSP Income Limits Area

Prepared by the [Economic and Market Analysis Division](#), HUD.

Technical Problems or questions? [Contact Us](#).



# Rent & Income Limit Calculator ©

## Beta - Test Version

The Rent & Income Limit Calculator© has been updated for the FY 2017 HUD Income Limits and is being released in Beta form. The Rent & Income Limit Calculator© is still being tested for potential errors or calculation issues. **Before using the numbers from the Rent & Income Limit Calculator©, we strongly recommend that you check with the applicable state housing agency to verify that the state agrees with the numbers.**

If you would like to engage Novogradac & Company LLP to calculate the rent & income limits for your property, please contact Thomas Stagg at [thomas.stagg@novoco.com](mailto:thomas.stagg@novoco.com).

You can view demographic information and a detailed list of affordable housing properties in [compsMART+](#).

Click on the icons below to view historical charts.

### Program and Location Information

|                                                       |                                                                                                                                                                                             |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Affordable Housing Program</b>                     | <b>IRS Section 42 Low-Income Housing Tax Credit (LIHTC)</b>                                                                                                                                 |
| <b>Year (1)(2)</b>                                    | 2017 (effective 04/14/17)                                                                                                                                                                   |
| <b>State</b>                                          | GA                                                                                                                                                                                          |
| <b>County</b>                                         | DeKalb County                                                                                                                                                                               |
| <b>MSA</b>                                            | Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area                                                                                                                                        |
| <b>Persons / Bedroom</b>                              | 1.5 Person / Bedroom                                                                                                                                                                        |
| <b>4-person AMI </b>                                  | \$69,700                                                                                                                                                                                    |
| <b>National Non-Metropolitan Median Income (3)(4)</b> | \$55,200                                                                                                                                                                                    |
| <b>HERA Special (5)</b>                               | Not eligible                                                                                                                                                                                |
| <b>Hold Harmless (6)</b>                              | You have indicated that your project was placed in service on or after 04/14/2017 and is therefore eligible to have its income and rent limit held harmless beginning with the 2017 limits. |
| <b>Placed in Service Date (7)</b>                     | On or after 04/14/2017.                                                                                                                                                                     |

### HUD Published Income Limits for 2017 (with no adjustments)

Display Income Limits

Hide Income Limits

|    |        | Section 8 |          |           |          |          |
|----|--------|-----------|----------|-----------|----------|----------|
|    |        | HERA      |          |           |          |          |
|    |        | Special   | MTSP     | Extremely | Very     | Low      |
|    |        | 50%       | 50%      | Low       | Low      | Low      |
|    |        | Charts    |          |           |          |          |
| 1  | Person | \$25,900  | \$24,400 | \$14,650  | \$24,400 | \$39,050 |
| 2  | Person | \$29,600  | \$27,900 | \$16,750  | \$27,900 | \$44,600 |
| 3  | Person | \$33,300  | \$31,400 | \$20,420  | \$31,400 | \$50,200 |
| 4  | Person | \$36,950  | \$34,850 | \$24,600  | \$34,850 | \$55,750 |
| 5  | Person | \$39,950  | \$37,650 | \$28,780  | \$37,650 | \$60,250 |
| 6  | Person | \$42,900  | \$40,450 | \$32,960  | \$40,450 | \$64,700 |
| 7  | Person | \$45,850  | \$43,250 | \$37,140  | \$43,250 | \$69,150 |
| 8  | Person | \$48,800  | \$46,050 | \$41,320  | \$46,050 | \$73,600 |
| 9  | Person | \$51,750  | \$48,800 | N/A (10)  | \$48,800 | \$78,050 |
| 10 | Person | \$54,700  | \$51,600 | N/A (10)  | \$51,600 | \$82,500 |

|              |                                                                                   |          |          |                     |          |          |
|--------------|-----------------------------------------------------------------------------------|----------|----------|---------------------|----------|----------|
| 11<br>Person |  | \$57,650 | \$54,350 | N/A <sup>(10)</sup> | \$54,350 | \$86,950 |
| 12<br>Person |  | \$60,600 | \$57,150 | N/A <sup>(10)</sup> | \$57,150 | \$91,450 |

**LIHTC Income Limits for 2017**  
(Based on 2017 MTSP Income Limits)

|           | Charts                                                                            | 60.00% | 10.00% | 20.00% | 30.00% | 40.00% | 50.00% | 140.00% |
|-----------|-----------------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|---------|
| 1 Person  |  | 29,280 | 4,880  | 9,760  | 14,640 | 19,520 | 24,400 | 40,992  |
| 2 Person  |  | 33,480 | 5,580  | 11,160 | 16,740 | 22,320 | 27,900 | 46,872  |
| 3 Person  |  | 37,680 | 6,280  | 12,560 | 18,840 | 25,120 | 31,400 | 52,752  |
| 4 Person  |  | 41,820 | 6,970  | 13,940 | 20,910 | 27,880 | 34,850 | 58,548  |
| 5 Person  |  | 45,180 | 7,530  | 15,060 | 22,590 | 30,120 | 37,650 | 63,252  |
| 6 Person  |  | 48,540 | 8,090  | 16,180 | 24,270 | 32,360 | 40,450 | 67,956  |
| 7 Person  |  | 51,900 | 8,650  | 17,300 | 25,950 | 34,600 | 43,250 | 72,660  |
| 8 Person  |  | 55,260 | 9,210  | 18,420 | 27,630 | 36,840 | 46,050 | 77,364  |
| 9 Person  |  | 58,560 | 9,760  | 19,520 | 29,280 | 39,040 | 48,800 | 81,984  |
| 10 Person |  | 61,920 | 10,320 | 20,640 | 30,960 | 41,280 | 51,600 | 86,688  |
| 11 Person |  | 65,220 | 10,870 | 21,740 | 32,610 | 43,480 | 54,350 | 91,308  |
| 12 Person |  | 68,580 | 11,430 | 22,860 | 34,290 | 45,720 | 57,150 | 96,012  |

**LIHTC Rent Limits for 2017**  
(Based on 2017 MTSP/VI Income Limits)

| Bedrooms (People) | Charts                                                                              | 60.00% | 10.00% | 20.00% | 30.00% | 40.00% | 50.00% | FMR   | HOME Low Rent | HOME High Rent |
|-------------------|-------------------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|-------|---------------|----------------|
| Efficiency (1.0)  |    | 732    | 122    | 244    | 366    | 488    | 610    | 818   | 0             | 0              |
| 1 Bedroom (1.5)   |    | 784    | 130    | 261    | 392    | 523    | 653    | 858   | 0             | 0              |
| 2 Bedrooms (3.0)  |    | 942    | 157    | 314    | 471    | 628    | 785    | 990   | 0             | 0              |
| 3 Bedrooms (4.5)  |   | 1,087  | 181    | 362    | 543    | 725    | 906    | 1,299 | 0             | 0              |
| 4 Bedrooms (6.0)  |  | 1,213  | 202    | 404    | 606    | 809    | 1,011  | 1,599 | 0             | 0              |
| 5 Bedrooms (7.5)  |  | 1,339  | 223    | 446    | 669    | 893    | 1,116  |       | 0             | 0              |

**Before using the numbers from the Rent & Income Limit Calculator®, we strongly recommend that you check with the applicable state housing agency to verify that the state agrees with the numbers. The numbers round down to the nearest \$1.**

This Rent & Income Limit Calculator® does not calculate low-income housing tax credit (LIHTC) limits greater than 50% LIHTC or 60% LIHTC limits, depending on the minimum set-aside elected with the IRS on Form 8609 in accordance with Internal Revenue Code Section 42(i)(3)(A). In other words, if the 20/50 minimum set-aside was elected then 50% LIHTC is the maximum rent calculated and allowed to qualify as a tax credit unit; or if the 40/60 minimum set-aside was elected then 60% LIHTC is the maximum allowed to qualify as a tax credit unit.

[Revenue Ruling 89-24](#) require that the LIHTC rent & income levels start their calculations with the HUD published very low-income (VLI) amounts because the HUD published VLI amounts include certain HUD adjustments, such as high housing cost for high FMR areas to increase income, and state non-metropolitan median income to provide a floor for income limits. The result is that many counties have VLI amounts that are different than 50% of the AMI published by HUD (the 4-person AMGI we have shown above). The Novogradac Rent & Income Calculator® starts by default with the HUD published VLI amounts in accordance with [Revenue Ruling 89-24](#).

(1) The rent and income limits for each year are effective beginning with the effective date shown above. There is a grace period for 45 days to implement the new rent and income limits, which means that the old limits can be relied upon for 45 days after the effective date of the new limits. For example income limits effective 12/04/2012, can be relied on until 1/17/2013. For more information, see [Revenue Ruling 94-57](#).

[IRS LIHC Newsletter #48](#) and [IRS LIHC Newsletter #50](#) clarify that for projects placed in service during the 45-day grace period, the owner may choose the new or the old income limits. For example, if a project was placed in service on 1/8/2013 and the 2012 income limits are higher than the 2013 income limits, an owner may use the higher income limits from 2012 to income qualify tenants and set rents accordingly because the project was placed in service with the 45-day grace period.

**Please note, the Rent & Income Limit Calculator® does not apply a 45-day grace period automatically.** The user needs to indicate that the placed in service date and/or gross rent floor date occurred 45 days earlier (in the prior HUD Fiscal Year) if they want to apply the 45-day rule under [Revenue Ruling 94-57](#) that allows owners to rely on the prior year. Therefore, projects that were placed in service during the 45-day grace period, and want to use the prior year, should select that they were placed in service as of the prior year. For example, if a project placed in service on 1/8/2013, and the project wanted to use the 45-day grace period, the user should select that their project was in service prior to 12/4/2012. Similarly, projects that have a gross rent floor effective as of the carryover allocation date (or reservation letter date for bond projects) during the 45-day grace period, and want to use the prior year, should select that the gross rent floor was effective as of the prior year. For example, if a project received a carryover allocation letter on 1/8/2013, and the owner did not elect placed in service date as the gross rent floor, and the project wanted to use the 45-day grace period, the user should select that their gross rent floor was effective prior to 12/4/2012.

(2) For HUD FY 2013 HUD originally issued income limits on December 4, 2012 then issued revised income limits on December 11, 2012. In [IRS LIHC Newsletter #50](#), the IRS has stated that the effective date for the revised FY 2013 income limits is December 4, 2012. Based on this guidance, the Rent & Income Limit Calculator® uses December 4, 2013 for the effective date for the revised FY 2013 limits. Please see [IRS LIHC Newsletter #50](#) for more detail.

(3) An area may lose its rural area status. There is no clear guidance that a project is held harmless at the national non-metropolitan income limits when an area loses its rural status. The Rent & Income Limit Calculator® assumes that a project that is not indicated as rural in the current year was also not rural in the prior year, and therefore, does not receive hold harmless treatment based on the prior year national non-metro amount.

Please consult your state agency and tax advisor for further clarification.

(4) USDA may change their determination of what projects qualify as rural during the course of a year. Please periodically check with USDA to determine the continued rural eligibility of your project.

The national non-metropolitan median income has been adjusted for household size based on the family size adjustments outlined in the HUD Briefing Materials and as shown in each year's [HUD FAQ](#). The IRS did not specify whether or not to round to the nearest \$50, however, the Rent & Income Limit Calculator® will round to the nearest \$50 in accordance with the methodology referenced in HUD Briefing Materials.

(5) A project uses HERA Special if income was determined prior to 1/1/2009 and the project is in a HERA Special county. A project's income limits are held harmless at the prior year income limits if income was determined in the prior year or earlier and the income limits have decreased. Please note that the IRS has informally indicated that the

definition of "determined" for purposes of the HERA Special and MTSP Hold Harmless income limits means that a project was placed in service. Please see [IRS LIHC Newsletter #35](#) for more information about "determined" and projects with buildings that were placed in service before and after HUD income limit effective dates. Therefore, projects placed in service prior to 1/1/2009 are generally eligible for HERA Special. Please see footnote 7 for information about acquisition/rehabilitation projects.

(6) Internal Revenue Code Section 142(d)(2)(i) indicates that hold harmless applies on a calendar year. The Rent & Income Limit Calculator© assumes that "calendar year" in the hold harmless rule means the HUD Fiscal Year. For example, the 2009 calendar year means the HUD Fiscal Year from 3/19/2009 through 5/13/2010. In other words, the Rent & Income Limit Calculator© assumes that "calendar year" in the hold harmless rule means the highest income level achieved during any HUD Fiscal Year.

The Rent & Income Limit Calculator© assumes that a rural project will receive hold harmless treatment at the national non-metro amount based on the prior year national non-metro amount if the national non-metro median income were to fall from year to year. If a rural project qualifies for HERA Special and the HERA Special is higher than the national non-metro, then the HERA Special amount will be used. Please note that the IRS has not issued guidance that specifically allows hold harmless treatment at the national non-metro amount for rural projects, however, Internal Revenue Code 42(g)(4) by reference to Internal Revenue Code 142(d)(2)(E) implies that hold harmless treatment would apply at the national non-metro amount for rural projects. Please consult your tax advisor for further clarification.

(7) Please note that for acquisition/rehabilitation projects, the IRS guidance indicates that income and rent limits are determined at the later of the acquisition date or when management begins income-qualifying households in the project. For example, if a project was acquired in 2011, the rehabilitation was placed-in-service in 2012, and management began income-qualifying households in 2011 then the project would be considered placed in service in 2011 for income and rent purposes. If a project was acquired in 2011, the rehabilitation was placed-in-service in 2012, and management began income-qualifying households when the rehabilitation placed-in-service in 2012, then the project would be considered placed in service in 2012 for income and rent purposes. Please see [IRS LIHC Newsletter #35](#) for more detail. Please consult your tax advisor for further clarification.

(8) [Revenue Procedure 94-57](#) gives guidance on the gross rent floor election.

#### **Tax credit projects without bond financing:**

"The Internal Revenue Service will treat the gross rent floor in section 42(g)(2)(A) as taking effect on the date an Agency initially allocates a housing credit dollar amount to the building [generally referred to as the 42M letter] under section 42(h)(1). However, the Service will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that made the allocation to the building no later than the date on which the building is placed in service."

#### **Tax credit projects with bond financing:**

"The Service will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that issued the determination letter to the building no later than the date on which the building is placed in service."

(9) The Rent & Income Limit Calculator© assumes all buildings in a project have a rent floor effective date under [Revenue Procedure 94-57](#) in the same HUD Fiscal Year. However, if your buildings have rent floor effective dates under [Revenue Procedure 94-57](#) in different HUD Fiscal Years, then you should run the calculator separately for each group of buildings in a particular HUD Fiscal Year.

The Rent & Income Limit Calculator© assumes that different AMGI limits (40%, 35%, 30%, etc.) chosen by the user will also have a rent floor election under [Revenue Procedure 94-57](#) from the same HUD Fiscal Year that applies to the federal level of 50% or 60%.

(10) The Consolidated Appropriations Act of 2014 changed how the 30% income limit is calculated. The 30% limit, which is now called the extremely low income limit, is determined by taking the greater of the 30% income limit as calculated by HUD or the poverty level as determined by the Department of Health and Human Services, which is then capped at the 50% Very Low Income Limit ('VLI') published by HUD. HUD has only published the data up to 8 people. For household sizes above 8 people please visit the following website:  
[http://www.huduser.org/portal/datasets/il/il14/index\\_il2014.html](http://www.huduser.org/portal/datasets/il/il14/index_il2014.html)

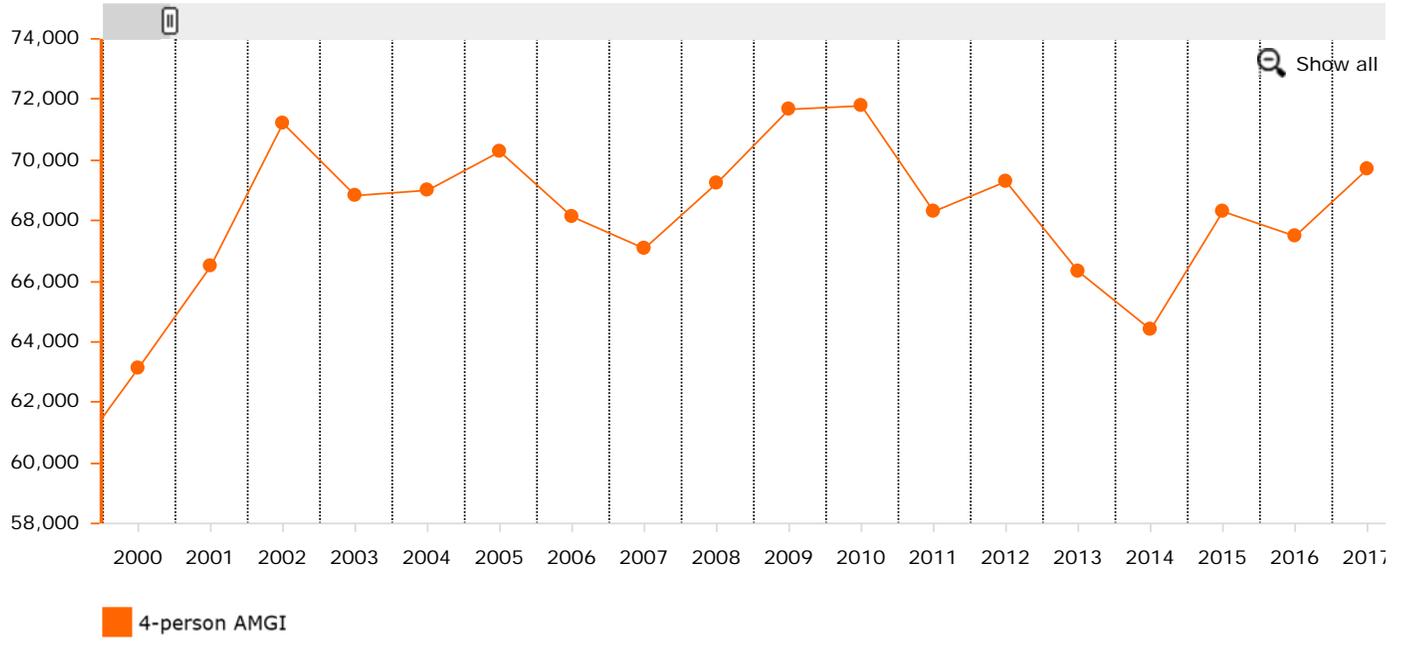
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Display:  4-person AMGI

**Average Increase (AMGI): 0.8%/year**

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