

**A MARKET CONDITIONS AND  
PROJECT EVALUATION SUMMARY  
OF:  
RIVERS EDGE  
APARTMENTS**

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

# **RIVERS EDGE APARTMENTS**

1395 Winder Highway  
Dacula, Gwinnett County, Georgia 30019

Effective Date: April 30, 2020  
Report Date: July 30, 2020

Prepared for:  
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Developer  
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July 30, 2020

Prepared for:  
Mr. Tallal B. Shakarchi  
Developer  
Birge & Held Affordable  
8902 N Meridian Street, Suite 205  
Indianapolis, IN 46260

Re: Application Market Study for Rivers Edge Apartments, located in Dacula, Gwinnett County, Georgia

Dear Mr. Shakarchi:

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

The purpose of this market study is to assess the viability of the proposed 156-unit family LIHTC project. It will be a newly constructed affordable LIHTC project, with 156 revenue generating units, restricted to households earning 60 percent of the Area Median Income (AMI) or less. It should be noted that we previously completed an application market study and appraisal for the Subject property in June 2019. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

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

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

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

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

assessment of the low-income housing rental market. This report is completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

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

In the wake of the COVID-19 pandemic there has been significant turmoil and uncertainty. Governments across the globe are taking dramatic efforts to reduce the strain on health care systems. These efforts result in extensive impacts on economic activity. However, governments are also implementing significant economic stimulus packages to help with the economic impact. At this point it is unclear how long it will be before the emergency restrictions are lifted or loosened or how the stimulus packages will blunt the impact from the emergency measures. Further it is unclear as to how these measures will impact the housing market. However, some trends are clear:

- Clients and market participants throughout the country report April collections that were better than expected for all types of multi-family properties. Particularly for affordable housing.
- Based upon various conversations with market participants and published articles and webinars many believe that multi-family real estate will be impacted but significantly less so than other sectors. Further, the impact is expected to be shorter lived. Many view multi-family as a safer haven during this period of uncertainty.
- Novogradac maintains a proprietary database of operating results from our surveys of affordable and market rate properties. The database was implemented in 2005 and contains over 100,000 individual properties. The national occupancy rate for two-bedroom, 60 percent LIHTC properties dipped slightly during the Great Recession, but began a rebound after 2009. In 2008, the occupancy rate was at 96.3 percent and it dropped less than one percentage point during the slowdown, dropping to 95.4 percent in 2009 before beginning a gradual increase that slowed between 2016 and 2018 but continued through 2019. We do not suggest this prior recession will be the same as the current economic situation but this data supports the point made above and illustrates the resilience in the affordable housing sector.
- States are starting to plan the reopening over the next several weeks to a month. As of May 5, Georgia has loosened stay at home restrictions with the exception of those 65 and older and other at-risk individuals and has allowed many non-essential businesses to re-open. That should open various job segments creating more stability and demand.
- The Subject will likely avoid impact as it is affordable housing, which is somewhat insulated from economic drop. Additionally, construction on the Subject is not anticipated to be completed until April 2022, which is considered outside of the primary window from the pandemic.
- Finally, there have been transactions that were started prior to shutdown that have recently closed without adjustment.

MR. TALLAL B. SHAKARCHI  
BIRGE & HELD AFFORDABLE  
JULY 30, 2020

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

Respectfully submitted,  
Novogradac Consulting LLP



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# **A. TABLE OF CONTENTS**

# TABLE OF CONTENTS

|           |                                                                 |           |
|-----------|-----------------------------------------------------------------|-----------|
| <b>A.</b> | <b>Table of Contents .....</b>                                  | <b>1</b>  |
| <b>B.</b> | <b>Executive Summary .....</b>                                  | <b>2</b>  |
|           | Executive Summary.....                                          | 3         |
| <b>C.</b> | <b>Project Description.....</b>                                 | <b>9</b>  |
|           | Project Description.....                                        | 10        |
| <b>D.</b> | <b>Site Evaluation.....</b>                                     | <b>13</b> |
| <b>E.</b> | <b>Market Area .....</b>                                        | <b>25</b> |
|           | Primary Market Area .....                                       | 26        |
| <b>F.</b> | <b>Community Demographic Data .....</b>                         | <b>28</b> |
|           | Community Demographic Data .....                                | 29        |
| <b>G.</b> | <b>Employment Trends.....</b>                                   | <b>35</b> |
| <b>H.</b> | <b>Project-Specific Affordability and Demand Analysis .....</b> | <b>45</b> |
| <b>I.</b> | <b>Existing Competitive Rental Environment.....</b>             | <b>55</b> |
| <b>J.</b> | <b>Absorption and Stabilization Rates.....</b>                  | <b>73</b> |
|           | Absorption and Stabilization Rates.....                         | 74        |
| <b>K.</b> | <b>Interviews .....</b>                                         | <b>75</b> |
| <b>L.</b> | <b>Conclusions and Recommendations .....</b>                    | <b>79</b> |
|           | Conclusions .....                                               | 80        |
| <b>M.</b> | <b>Signed Statement Requirements.....</b>                       | <b>84</b> |
|           | <b>ADDENDUM A</b>                                               |           |
|           | <b>ADDENDUM B</b>                                               |           |
|           | <b>ADDENDUM C</b>                                               |           |
|           | <b>ADDENDUM D</b>                                               |           |

## **B. EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

### 1. Project Description

Rivers Edge Apartments will be a newly constructed family property located at 1395 Winder Highway in Dacula, Gwinnett County, Georgia, which will consist of six, three-story garden-style residential buildings in addition to one community building.

The following table illustrates the proposed unit mix.

| PROPOSED RENTS |                |                 |             |                       |            |                                         |                            |
|----------------|----------------|-----------------|-------------|-----------------------|------------|-----------------------------------------|----------------------------|
| Unit Type      | Unit Size (SF) | Number of Units | Asking Rent | Utility Allowance (1) | Gross Rent | 2019 LIHTC Maximum Allowable Gross Rent | 2020 HUD Fair Market Rents |
|                |                |                 |             | @60%                  |            |                                         |                            |
| 1BR / 1BA      | 720            | 72              | \$785       | \$109                 | \$894      | \$897                                   | \$1,025                    |
| 2BR / 2BA      | 927            | 72              | \$950       | \$126                 | \$1,076    | \$1,077                                 | \$1,167                    |
| 3BR / 2BA      | 1,160          | 12              | \$1,050     | \$151                 | \$1,201    | \$1,243                                 | \$1,489                    |
|                |                | <b>156</b>      |             |                       |            |                                         |                            |

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

The proposed rents for the Subject’s one, two, and three-bedroom units at 60 percent AMI are set below the maximum allowable rents. The Subject will offer slightly superior to superior in-unit amenities in comparison the LIHTC comparable properties as it will offer in-unit washers and dryers, which all of the LIHTC comparables lack, though it will not offer exterior storage, which some of the LIHTC comparables offer. The Subject will offer similar property amenities in comparison to the LIHTC comparables as it will offer an exercise facility, playground, and swimming pool, similar to all of the LIHTC comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

### 2. Site Description/Evaluation

The Subject site is located at 1395 Winder Highway in Dacula, Gwinnett County, Georgia, 30019. The Subject site has good visibility and accessibility from the southeast side of Winder Highway. The Subject site is currently wooded land proposed for construction of a low income multifamily residential development. Surrounding uses consist of wooded land, light industrial, and single-family uses. Based on our inspection of the neighborhood, retail uses appeared to be 95 percent occupied. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 17 out of 100. The total crime indices in the PMA are generally below that of the MSA and the nation. The Subject site is considered a desirable building site for rental housing as it is proximate to many retail, commercial and light industrial employment centers. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, which are within four miles of the Subject site.

### 3. Market Area Definition

The PMA is defined by Braselton Highway, Old Peachtree Road, Mt. Moriah road, and Carl Bethlehem Road to the north, Ozora Road and Chandler Road to the south, the Gwinnett County line and Loganville Highway to the east, and Lawrenceville-Suwanee Road to the west. This area includes the city of Dacula, as well as portions of the cities of Lawrenceville, Auburn, and Winder. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

- North: 6 miles
- East: 9 miles
- South: 6 miles
- West: 5 miles

The PMA is defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Many property managers indicated that a significant portion of their tenants come from outside of Gwinnett County. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2020 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately nine miles. The SMA is defined as the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area (MSA), which consists of 30 counties in northwest Georgia and encompasses 8,726 square miles.

#### **4. Community Demographic Data**

Population growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced population growth greater than the overall nation during the same time period. Population growth in the PMA slowed between 2010 and 2019; however, it increased at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to decrease slightly to 1.8 percent through 2024, which is greater than the growth rates projected for the MSA and nation as a whole. Household growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced household growth greater than the overall nation during the same time period. Household growth in the PMA slowed between 2010 and 2019; however, it increased at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to decrease slightly to 1.8 percent through 2024, but will remain above the MSA and the overall nation. The current population of the PMA is 173,179 and is expected to be 181,700 in 2022. The current number of households in the PMA is 53,978 and is expected to be 56,609 in 2022. Renter households are concentrated in the lowest income cohorts, with 33.3 percent of renters in the PMA earning incomes between \$30,000 and \$59,999. The Subject will target households earning between \$30,651 and \$51,660; therefore, the Subject should be well-positioned to service this market. Overall, since population and households are projected to increase, there is strong demand for the Subjects affordable units, as evidenced by the strong performance of LIHTC comparables in the area.

According to *RealtyTrac* statistics, one in every 2,893 housing units nationwide was in some stage of foreclosure as of March 2020. The city of Dacula is experiencing a foreclosure rate of one in every 1,582 homes, while Gwinnett County is experiencing foreclosure rate of one in every 2,134 homes and Georgia experienced one foreclosure in every 2,210 housing units. Overall, Dacula is experiencing a slightly higher foreclosure rate to Gwinnett County, the state of Georgia, and the nation. However, the Subject's neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

#### **5. Economic Data**

The largest industries in the PMA are retail trade and healthcare/social assistance. Relative to the overall nation, the PMA features comparatively greater employment in the retail trade, construction, and finance/insurance industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, manufacturing, and educational services industries. The large share of PMA employment in retail trade is notable as this industry is historically volatile and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. It should be noted that UPS national headquarters are located in Norcross, which is outside of the Subject's PMA. This accounts for the larger percentage of trade/transportation/utilities jobs in the county in comparison to the PMA. Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in every year between 2004 and 2007. The effects of the recession were particularly pronounced in the MSA, which suffered a 5.9 percent contraction in employment growth (2007-2010), well above the 5.0 percent contraction reported by the nation as a whole (2007-2010). Employment in the MSA

recovered and surpassed pre-recessionary levels in 2015, one year after the nation. Employment growth in the MSA exceeded the nation in every year but one since 2011. As of February 2020, total employment in the MSA is increasing at an annualized rate of 2.2 percent, compared to a 1.2 percent increase by the nation as a whole. Several employers announced expansions in the region, which is positive for the local economy, while there have been a limited number of WARN notices filed in comparison. Overall, the economy appears to be in an expansionary phase that has been ongoing since 2010. This suggests that demand for all housing types should be trending positively as the areas employment base grows. The growing local economy is a positive indicator of demand for rental housing and the Subject’s proposed units. We note that COVID-19 may slow down growth in total employment; however, we do not believe that the PMA is more prone to recessionary impacts from the emergency measures.

## 6. Project-Specific Affordability and Demand Analysis

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

**CAPTURE RATE ANALYSIS CHART**

| Unit Type    | Minimum Income | Maximum Income | Units Proposed | Total Demand | Supply | Net Demand | Capture Rate | Proposed Rents |
|--------------|----------------|----------------|----------------|--------------|--------|------------|--------------|----------------|
| 1BR @60%     | \$30,651       | \$38,280       | 72             | 276          | 16     | 260        | 27.7%        | \$785          |
| 2BR @60%     | \$36,891       | \$43,080       | 72             | 455          | 12     | 443        | 16.3%        | \$950          |
| 3BR @60%     | \$41,177       | \$51,660       | 12             | 311          | 2      | 309        | 3.9%         | \$1,050        |
| @60% Overall | \$30,651       | \$51,660       | 156            | 1,041        | 30     | 1,011      | 15.4%        | -              |

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

## 7. Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent structure. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes nine “true” comparable properties containing 1,677 units.

The availability of LIHTC data is considered good; there are eight LIHTC properties in the PMA, seven of which target families. We utilized four affordable developments located between 2.4 and 3.5 miles from the Subject site, all of which are located within the PMA. All of the comparable properties target the general population and offer generally similar unit types in comparison to the Subject.

The availability of market rate data is considered average. The Subject is located in Dacula and there are several market rate properties in the area. We included five market rate properties located between 3.3 and 7.0 miles from the Subject site, three of which are located within the PMA. These comparables were built or renovated between 1971 and 2017. 1760 Apartment Homes and Hawthorne At Sugarloaf are located outside of the PMA in Lawrenceville and each are 7.0 miles from the Subject site. These are reasonable proxies for the Subject as they are among the most proximate market rate developments in the area that agreed to participate in our rental survey. Overall, we believe the market rate properties we used in our analysis are the most comparable. Other market rate properties were excluded based on proximity, condition, and unit mix.

When comparing the Subject’s rents to the average comparable rent, we do not include surveyed rents at lower AMI levels given that this artificially lowers the average surveyed rent. Including rents at lower AMI

levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers rents at the 50 and 60 percent of AMI levels, and there is a distinct difference at comparable properties between rents at the two AMI levels, we do not include the 50 percent of AMI rents in the average comparable rent for the 60 percent of AMI comparison.

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

| <b>SUBJECT COMPARISON TO MARKET RENTS</b> |                              |                     |                     |                         |                               |
|-------------------------------------------|------------------------------|---------------------|---------------------|-------------------------|-------------------------------|
| <b>Unit Type</b>                          | <b>Subject Proposed Rent</b> | <b>Surveyed Min</b> | <b>Surveyed Max</b> | <b>Surveyed Average</b> | <b>Subject Rent Advantage</b> |
| 1BR @60%                                  | \$785                        | \$777               | \$1,330             | \$1,066                 | 36%                           |
| 2BR @60%                                  | \$950                        | \$930               | \$1,487             | \$1,189                 | 25%                           |
| 3BR @60%                                  | \$1,050                      | \$1,066             | \$1,780             | \$1,307                 | 24%                           |

As illustrated the Subject’s proposed 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market-rate.

Hawthorne At Sugarloaf is achieving the highest one-bedroom unrestricted rents in the market. The Subject will be similar to Hawthorne At Sugarloaf. Hawthorne At Sugarloaf was built in 2007 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject. Hawthorne At Sugarloaf is located 7.0 miles from the Subject and offers a superior location. Hawthorne At Sugarloaf offers similar property amenities when compared to the Subject as it lacks a business center, which the Subject will offer, though it offers a theatre, which the Subject will not offer. Hawthorne At Sugarloaf offers inferior in-unit amenities in comparison to the Subject as it lacks in-unit washers and dryers, which the Subject will offer. This property offers superior unit sizes when compared to the proposed Subject. The lowest one-bedroom unrestricted rents at Hawthorne At Sugarloaf are approximately 36 percent higher than the Subject’s one-bedroom rents at 60 percent of AMI.

1760 Apartment Homes is achieving the highest two and three-bedroom unrestricted rents in the market. The Subject will be inferior to 1760 Apartment Homes. 1760 Apartment Homes was built in 2017 and exhibits excellent condition, which is similar to the anticipated excellent condition of the Subject. 1760 Apartment Homes is located 7.0 miles from the Subject and offers a superior location. 1760 Apartment Homes offers similar property amenities when compared to the Subject as it lacks a playground, which the Subject will offer, though it offers a jacuzzi and hot tub, which the Subject will not offer. 1760 Apartment Homes offers similar in-unit amenities in comparison to the Subject. This property offers superior unit sizes when compared to the proposed Subject. The lowest two and three-bedroom unrestricted rents at 1760 Apartment Homes are approximately 57 and 70 percent higher than the Subject’s two and three-bedroom rents at 60 percent of AMI.

**8. Absorption/Stabilization Estimate**

We were able to obtain absorption data from one of the comparables. We also included recent absorption data from properties in Gwinnett County and neighboring DeKalb County. Information regarding the absorption periods of these properties is illustrated in the following table.

**ABSORPTION**

| Property Name                | Rent Structure | Year Built | Number of Units | Units Absorbed / Month |
|------------------------------|----------------|------------|-----------------|------------------------|
| 1760 Apartment Homes*        | Market         | 2017       | 239             | 13                     |
| The Point on Scott           | Market         | 2016       | 250             | 13                     |
| The Reserve at Decatur       | Market         | 2016       | 298             | 14                     |
| Columbia Mill                | LIHTC          | 2014       | 100             | 20                     |
| Retreat at Edgewood Phase II | LIHTC          | 2012       | 40              | 12                     |
| Retreat at Edgewood          | LIHTC          | 2011       | 100             | 20                     |
| <b>Average</b>               |                |            | <b>171</b>      | <b>15</b>              |

\*Utilized as a comparable

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. 1760 Apartment Homes is the most recently completed apartment property we surveyed. 1760 Apartment Homes was built in 2017 in Lawrenceville, approximately seven miles from the Subject site. The property experienced an absorption rate of 13 units per month upon opening. The LIHTC comparables surveyed demonstrate absorption rates ranging from 12 to 20 units a month, with an average of 17 units per month. Overall, the comparables averaged an absorption rate of 15 units per month. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Dacula, we anticipate that the Subject will absorb 15 units per month, for an absorption period of nine to ten months.

**9. Overall Conclusion**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC and mixed-income comparables demonstrate an average vacancy of 0.3 percent, which is considered very low. Oaks At New Hope is the only LIHTC development reporting vacant units. Our contact at Oaks At New Hope stated that two of the vacant units are pre-leased. Additionally, all of the LIHTC and mixed-income comparables maintain waiting lists, with one over 500 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area. The Subject’s proposed rents offer a significant rental advantage of 24 to 36 percent over the average market rents. The Subject will offer slightly superior to superior in-unit amenities in comparison the LIHTC comparable properties as it will offer in-unit washers and dryers, which all of the LIHTC comparables lack, though it will not offer exterior storage, which some of the LIHTC comparables offer. The Subject will offer similar property amenities in comparison to the LIHTC comparables as it will offer an exercise facility, playground, and swimming pool, similar to all of the LIHTC comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be superior in terms of condition to the comparable LIHTC and mixed-income properties. In general, the Subject will be similar to superior to the comparable LIHTC properties. Given the Subject’s anticipated superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy rate, and waiting lists at the LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void of affordable housing in the market and will perform well.

**RIVERS EDGE APARTMENTS – DACULA, GEORGIA – MARKET STUDY**

| Summary Table:<br>(must be completed by the analyst and included in the executive summary) |                |                                                                                                                                                                                                                      |              |                      |                      |        |           |                                        |        |         |
|--------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------|----------------------|--------|-----------|----------------------------------------|--------|---------|
| Development Name:                                                                          |                | Rivers Edge Apartments                                                                                                                                                                                               |              |                      |                      |        |           | Total # Units:                         |        | 156     |
| Location:                                                                                  |                | 1395 Winder Highway Dacula, GA 30019                                                                                                                                                                                 |              |                      |                      |        |           | # LIHTC Units:                         |        | 156     |
| PMA Boundary:                                                                              |                | North: Braselton Highway, Old Peachtree Road, Mt. Moriah Road, and Carl Bethlehem Road; South: Ozora Road and Chandler Road; East: the Gwinnett County line and Loganville Highway; West: Lawrenceville Suwanee Road |              |                      |                      |        |           | Farthest Boundary Distance to Subject: |        | 9 miles |
| Rental Housing Stock (found on page 61)                                                    |                |                                                                                                                                                                                                                      |              |                      |                      |        |           |                                        |        |         |
| Type                                                                                       | # Properties*  | Total Units                                                                                                                                                                                                          | Vacant Units | Average Occupancy    |                      |        |           |                                        |        |         |
| All Rental Housing                                                                         | 21             | 1,743                                                                                                                                                                                                                | 13           | 99.3%                |                      |        |           |                                        |        |         |
| Market-Rate Housing                                                                        | 8              | 503                                                                                                                                                                                                                  | 9            | 98.2%                |                      |        |           |                                        |        |         |
| <i>Assisted/Subsidized Housing not to include LIHTC</i>                                    | 5              | 156                                                                                                                                                                                                                  | 0            | 100.0%               |                      |        |           |                                        |        |         |
| LIHTC                                                                                      | 8              | 1,084                                                                                                                                                                                                                | 4            | 99.6%                |                      |        |           |                                        |        |         |
| Stabilized Comps                                                                           | 21             | 1,743                                                                                                                                                                                                                | 13           | 99.3%                |                      |        |           |                                        |        |         |
| Properties in Construction & Lease Up                                                      | 1              | 240                                                                                                                                                                                                                  | N/A          | N/A                  |                      |        |           |                                        |        |         |
| *Only includes properties in PMA                                                           |                |                                                                                                                                                                                                                      |              |                      |                      |        |           |                                        |        |         |
| Subject Development                                                                        |                |                                                                                                                                                                                                                      |              |                      | Average Market Rent* |        |           | Highest Unadjusted Comp Rent           |        |         |
| # Units                                                                                    | # Bedrooms     | # Baths                                                                                                                                                                                                              | Size (SF)    | Proposed Tenant Rent | Per Unit             | Per SF | Advantage | Per Unit                               | Per SF |         |
| 72                                                                                         | 1BR at 60% AMI | 1                                                                                                                                                                                                                    | 720          | \$785                | \$1,066              | \$1.48 | 36%       | \$1,330                                | \$1.77 |         |
| 72                                                                                         | 2BR at 60% AMI | 2                                                                                                                                                                                                                    | 927          | \$950                | \$1,189              | \$1.28 | 25%       | \$1,487                                | \$1.57 |         |
| 12                                                                                         | 3BR at 60% AMI | 2                                                                                                                                                                                                                    | 1,160        | \$1,050              | \$1,307              | \$1.13 | 24%       | \$1,780                                | \$1.70 |         |
| Capture Rates (found on page 59)                                                           |                |                                                                                                                                                                                                                      |              |                      |                      |        |           |                                        |        |         |
| Targeted Population                                                                        |                |                                                                                                                                                                                                                      |              | @60%                 | -                    | -      | -         | -                                      | -      |         |
| Capture Rate:                                                                              |                |                                                                                                                                                                                                                      |              | 15.4%                | -                    | -      | -         | -                                      | -      |         |

\*Includes LIHTC and unrestricted (when applicable)

## **C. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

- |                                                                 |                                                                                                                                                         |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Project Address and Development Location:</b>             | The Subject site is located at 1395 Winder Highway in Dacula, Gwinnett County, Georgia 30019. The Subject site is currently wooded land.                |
| <b>2. Construction Type:</b>                                    | The Subject will consist of six, three-story garden-style residential buildings and one non-residential building. The Subject will be new construction. |
| <b>3. Occupancy Type:</b>                                       | Families.                                                                                                                                               |
| <b>4. Special Population Target:</b>                            | None.                                                                                                                                                   |
| <b>5. Number of Units by Bedroom Type and AMI Level:</b>        | See following property profile.                                                                                                                         |
| <b>6. Unit Size, Number of Bedrooms and Structure Type:</b>     | See following property profile.                                                                                                                         |
| <b>7. Rents and Utility Allowances:</b>                         | See following property profile.                                                                                                                         |
| <b>8. Existing or Proposed Project-Based Rental Assistance:</b> | See following property profile.                                                                                                                         |
| <b>9. Proposed Development Amenities:</b>                       | See following property profile.                                                                                                                         |

RIVERS EDGE APARTMENTS – DACULA, GEORGIA – MARKET STUDY

| Rivers Edge Apartments                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                |                    |       |           |         |                         |                                              |                                                                                     |                                                   |              |           |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------|-----------|---------|-------------------------|----------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------|--------------|-----------|--|
| <b>Location</b>                                                                                                                                                                                                                                                                                                     | 1395 Winder Highway<br>Dacula, GA 30019<br>Gwinnett County                                                                                                                                                     |                    |       |           |         |                         |                                              |  |                                                   |              |           |  |
| <b>Units Type</b>                                                                                                                                                                                                                                                                                                   | 156<br>Garden<br>(3 stories)                                                                                                                                                                                   |                    |       |           |         |                         |                                              |                                                                                     |                                                   |              |           |  |
| <b>Year Built / Renovated</b>                                                                                                                                                                                                                                                                                       | 2022 / n/a                                                                                                                                                                                                     |                    |       |           |         |                         |                                              |                                                                                     |                                                   |              |           |  |
| Market                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                |                    |       |           |         |                         |                                              |                                                                                     |                                                   |              |           |  |
| <b>Program Annual Turnover Rate</b>                                                                                                                                                                                                                                                                                 | @60%                                                                                                                                                                                                           |                    |       | n/a       |         |                         | <b>Leasing Pace</b>                          | n/a                                                                                 |                                                   |              |           |  |
| <b>Units/Month Absorbed Section 8 Tenants</b>                                                                                                                                                                                                                                                                       | n/a                                                                                                                                                                                                            |                    |       | n/a       |         |                         | <b>Change in Rent (Past Year) Concession</b> | n/a                                                                                 |                                                   |              |           |  |
| Utilities                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                |                    |       |           |         |                         |                                              |                                                                                     |                                                   |              |           |  |
| <b>A/C</b>                                                                                                                                                                                                                                                                                                          | not included -- central                                                                                                                                                                                        |                    |       |           |         | <b>Other Electric</b>   |                                              |                                                                                     | not included                                      |              |           |  |
| <b>Cooking</b>                                                                                                                                                                                                                                                                                                      | not included -- electric                                                                                                                                                                                       |                    |       |           |         | <b>Water</b>            |                                              |                                                                                     | not included                                      |              |           |  |
| <b>Water Heat</b>                                                                                                                                                                                                                                                                                                   | not included -- electric                                                                                                                                                                                       |                    |       |           |         | <b>Sewer</b>            |                                              |                                                                                     | not included                                      |              |           |  |
| <b>Heat</b>                                                                                                                                                                                                                                                                                                         | not included -- electric                                                                                                                                                                                       |                    |       |           |         | <b>Trash Collection</b> |                                              |                                                                                     | included                                          |              |           |  |
| Unit Mix (face rent)                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                |                    |       |           |         |                         |                                              |                                                                                     |                                                   |              |           |  |
| Beds                                                                                                                                                                                                                                                                                                                | Baths                                                                                                                                                                                                          | Type               | Units | Size (SF) | Rent    | Concession (monthly)    | Restriction                                  | Waiting List                                                                        | Vacant                                            | Vacancy Rate | Max rent? |  |
| 1                                                                                                                                                                                                                                                                                                                   | 1                                                                                                                                                                                                              | Garden (3 stories) | 72    | 720       | \$785   | \$0                     | @60%                                         | n/a                                                                                 | n/a                                               | n/a          | no        |  |
| 2                                                                                                                                                                                                                                                                                                                   | 2                                                                                                                                                                                                              | Garden (3 stories) | 72    | 927       | \$950   | \$0                     | @60%                                         | n/a                                                                                 | n/a                                               | n/a          | no        |  |
| 3                                                                                                                                                                                                                                                                                                                   | 2                                                                                                                                                                                                              | Garden (3 stories) | 12    | 1,160     | \$1,050 | \$0                     | @60%                                         | n/a                                                                                 | n/a                                               | n/a          | no        |  |
| Amenities                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                |                    |       |           |         |                         |                                              |                                                                                     |                                                   |              |           |  |
| <b>In-Unit</b>                                                                                                                                                                                                                                                                                                      | Balcony/Patio<br>Blinds<br>Carpeting<br>Central A/C<br>Coat Closet<br>Dishwasher<br>Ceiling Fan<br>Garbage Disposal<br>Microwave<br>Oven<br>Refrigerator<br>Walk-In Closet<br>Washer/Dryer                     |                    |       |           |         | <b>Security</b>         |                                              |                                                                                     | Perimeter Fencing<br>Video Surveillance           |              |           |  |
| <b>Property</b>                                                                                                                                                                                                                                                                                                     | Business Center/Computer Lab<br>Carport (fee: \$10.00)<br>Clubhouse/Meeting Room/Community Room<br>Exercise Facility<br>Off-Street Parking<br>On-Site Management<br>Playground<br>Sport Court<br>Swimming Pool |                    |       |           |         | <b>Premium</b>          |                                              |                                                                                     | none                                              |              |           |  |
| <b>Services</b>                                                                                                                                                                                                                                                                                                     | Computer Tutoring<br>Daycare<br>Tutoring                                                                                                                                                                       |                    |       |           |         | <b>Other</b>            |                                              |                                                                                     | Library, Art/Activity Center,<br>Community Garden |              |           |  |
| Comments                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                |                    |       |           |         |                         |                                              |                                                                                     |                                                   |              |           |  |
| The proposed Subject will consist of six, three-story garden style residential buildings and one non-residential building. Construction in proposed to begin November 2020 and be completed April 2022. The utility allowances are \$109, \$126, and \$151 for the one, two, and three-bedroom units, respectively. |                                                                                                                                                                                                                |                    |       |           |         |                         |                                              |                                                                                     |                                                   |              |           |  |

- 10. Scope of Renovations:** The Subject will be new construction.
- 11. Placed in Service Date:** Construction on the Subject is expected to begin in November 2020 and be completed in April 2022.
- Conclusion:** The Subject will be an excellent-quality brick and vinyl siding three-story walk-up, garden-style apartment complex, comparable or superior to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical deterioration.

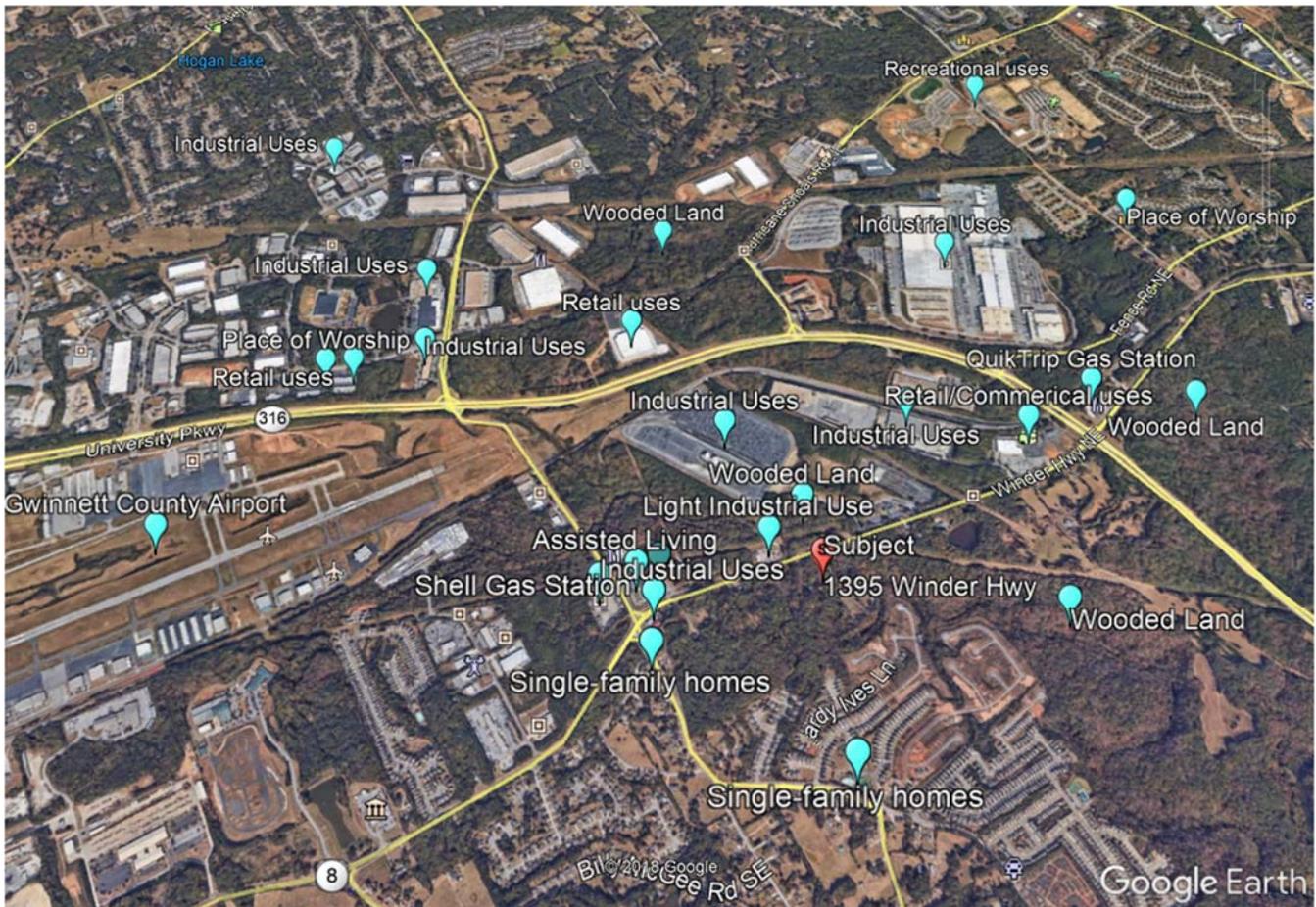
## **D.SITE EVALUATION**

1. **Date of Site Visit and Name of Inspector:** Brian Neukam visited the site on April 30, 2020.
2. **Physical Features of the Site:** The following illustrates the physical features of the site.

**Frontage:** The Subject site has frontage along the southeast side of Winder Highway.

**Visibility/Views:** The Subject site will have good visibility along the southeast side of Winder Highway. Views consist of wooded areas to the north, south, east and west.

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



Source: Google Earth, April 2020.

The Subject site is located on the southeast side of Winder Highway. The Subject site is currently vacant land. Land uses to the north, east, south, and west of the Subject site consist of wooded land. Based on our inspection of the neighborhood, retail appeared to be 95 percent occupied. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 17 out of 100. The Subject site is considered a desirable building site for rental

housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition, and the site is located in proximity to locational amenities, which are within four miles of the Subject site.

**Positive/Negative Attributes of Site:**

Positive attributes include proximity to retail and commercial uses. The Subject also provides proximity to many employment centers in the retail, industrial, and manufacturing sectors. A negative attribute of the subject could be the Subject's close proximity to the Gwinnett County Airport, a municipal airport with no commercial service. However, as the residential uses in the immediate area have historically exhibited high occupancy levels, we do not believe the noise from the airport would impact the marketability of the Subject.

**3. Physical Proximity to Locational Amenities:**

The Subject site is located within four miles of all locational amenities.

**4. Pictures of Site and Adjacent Uses:**

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

Photographs of Subject Site and Surrounding Uses



View of Subject site



View of Subject site



View of Subject site



View of Subject site



View west along Winder Highway



View east along Winder Highway



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood



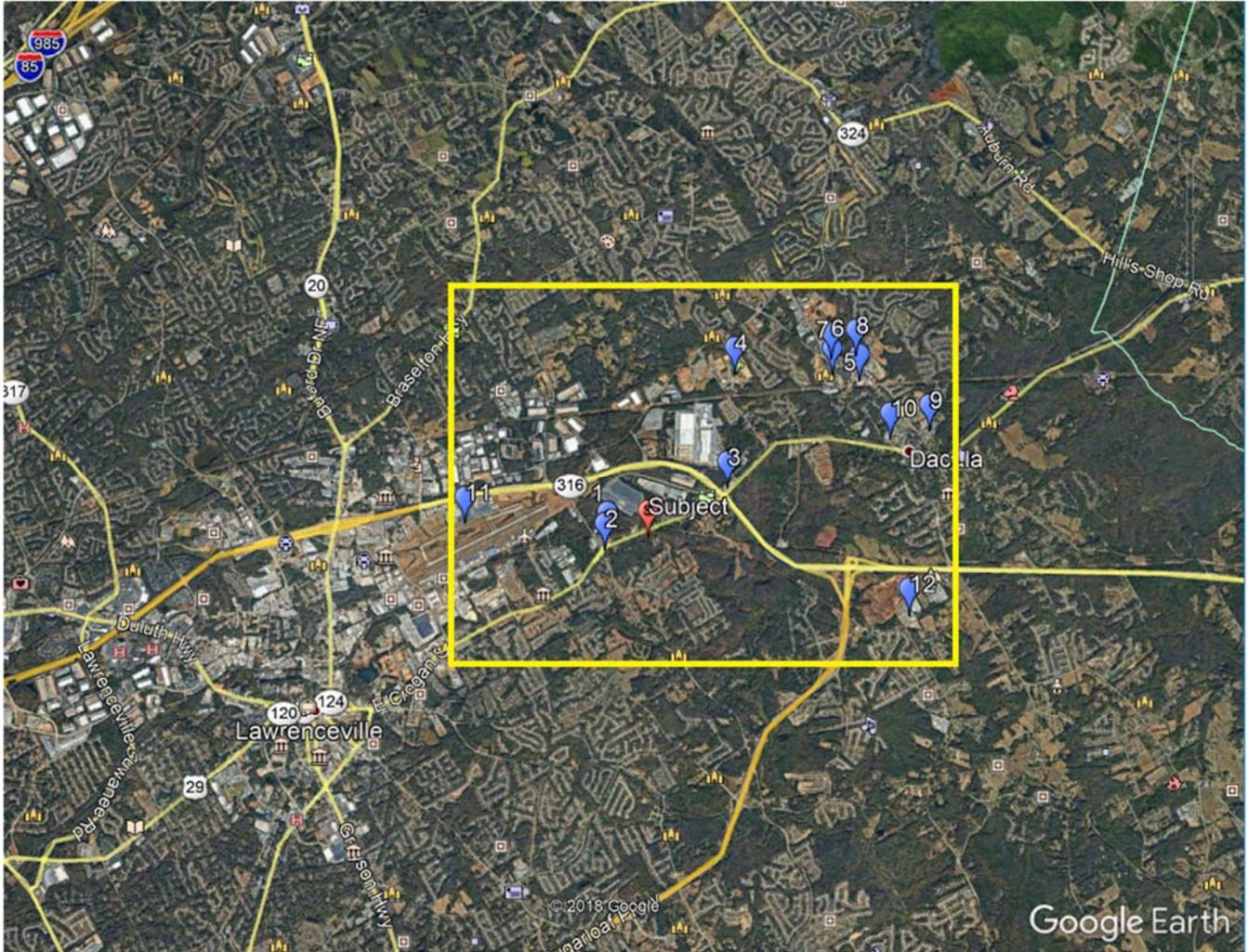
Single-family residence in Subject's neighborhood



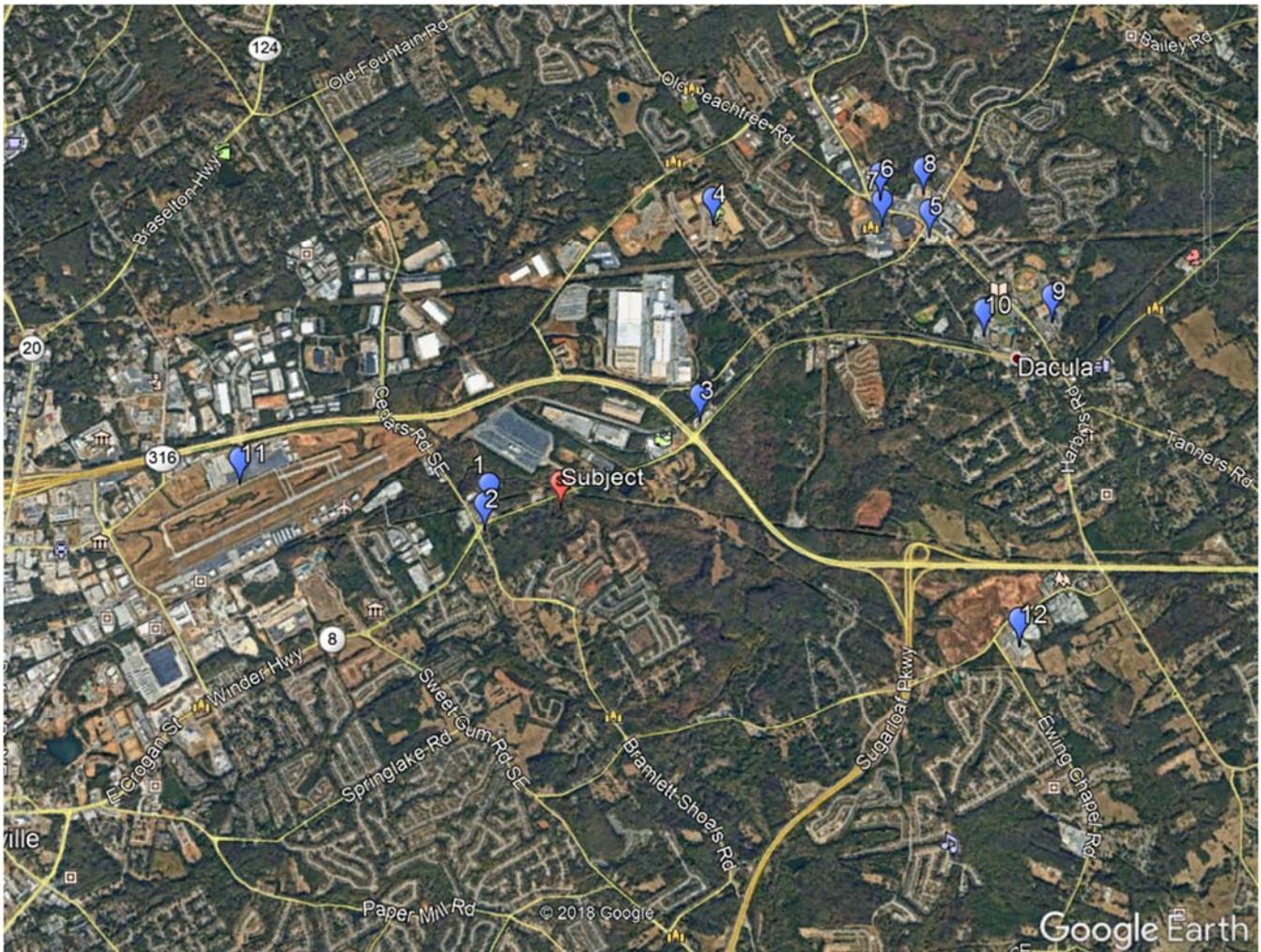
Assisted living in Subject's neighborhood

5. Proximity to Locational Amenities:

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



Source: Google Earth, April 2020.



Source: Google Earth, April 2020.

**LOCATIONAL AMENITIES**

| Map # | Service or Amenity       | Distance from Subject (Driving) |
|-------|--------------------------|---------------------------------|
| 1     | Dollar General           | 0.3 miles                       |
| 2     | Shell Gas Station        | 0.4 miles                       |
| 3     | Quik Trip Gas Station    | 0.9 miles                       |
| 4     | Rabbit Hill Park         | 2.2 miles                       |
| 5     | US Postal Service        | 2.5 miles                       |
| 6     | Walgreens Pharmacy       | 2.6 miles                       |
| 7     | Dacula Park and Ride     | 2.7 miles                       |
| 8     | Kroger/Urgent Care       | 2.7 miles                       |
| 9     | Dacula Middle School     | 2.9 miles                       |
| 10    | Dacula High School       | 2.9 miles                       |
| 11    | Gwinnett County Airport  | 3.2 miles                       |
| 12    | Alcova Elementary School | 3.9 miles                       |

**6. Description of Land Uses**

The Subject site is located on the southeast side of Winder Highway. The Subject site is currently wooded land that is proposed to be multifamily housing. Directly north of the Subject site is wooded

land. Land uses farther north of the Subject consist of light manufacturing and warehousing facilities in average condition. West of the Subject site is wooded land. Land uses farther west include a Dollar General, Hope Assisted Living, and a gas station, all in average to good condition. Other land uses farther west include The Gwinnett County Airport and single-family homes in average condition. Directly south of the Subject is wooded land. Land uses farther south of the subject include new construction single family homes. East of the Subject is wooded land. Farther east of the Subject is more wooded land. Based on our inspection of the neighborhood, retail appeared to be 95 percent occupied. The Subject site is considered “Car-Dependent” by *Walkscore* with a rating of 17 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities and employment centers, which are within four miles of the Subject site.

**7. Crime:**

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

**2019 CRIME INDICES**

|                        | PMA       | Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area |
|------------------------|-----------|-----------------------------------------------------------------|
| <b>Total Crime*</b>    | <b>67</b> | <b>139</b>                                                      |
| <b>Personal Crime*</b> | <b>36</b> | <b>130</b>                                                      |
| Murder                 | 47        | 155                                                             |
| Rape                   | 42        | 88                                                              |
| Robbery                | 44        | 163                                                             |
| Assault                | 32        | 118                                                             |
| <b>Property Crime*</b> | <b>71</b> | <b>140</b>                                                      |
| Burglary               | 77        | 147                                                             |
| Larceny                | 67        | 134                                                             |
| Motor Vehicle Theft    | 86        | 178                                                             |

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

\*Unweighted aggregations

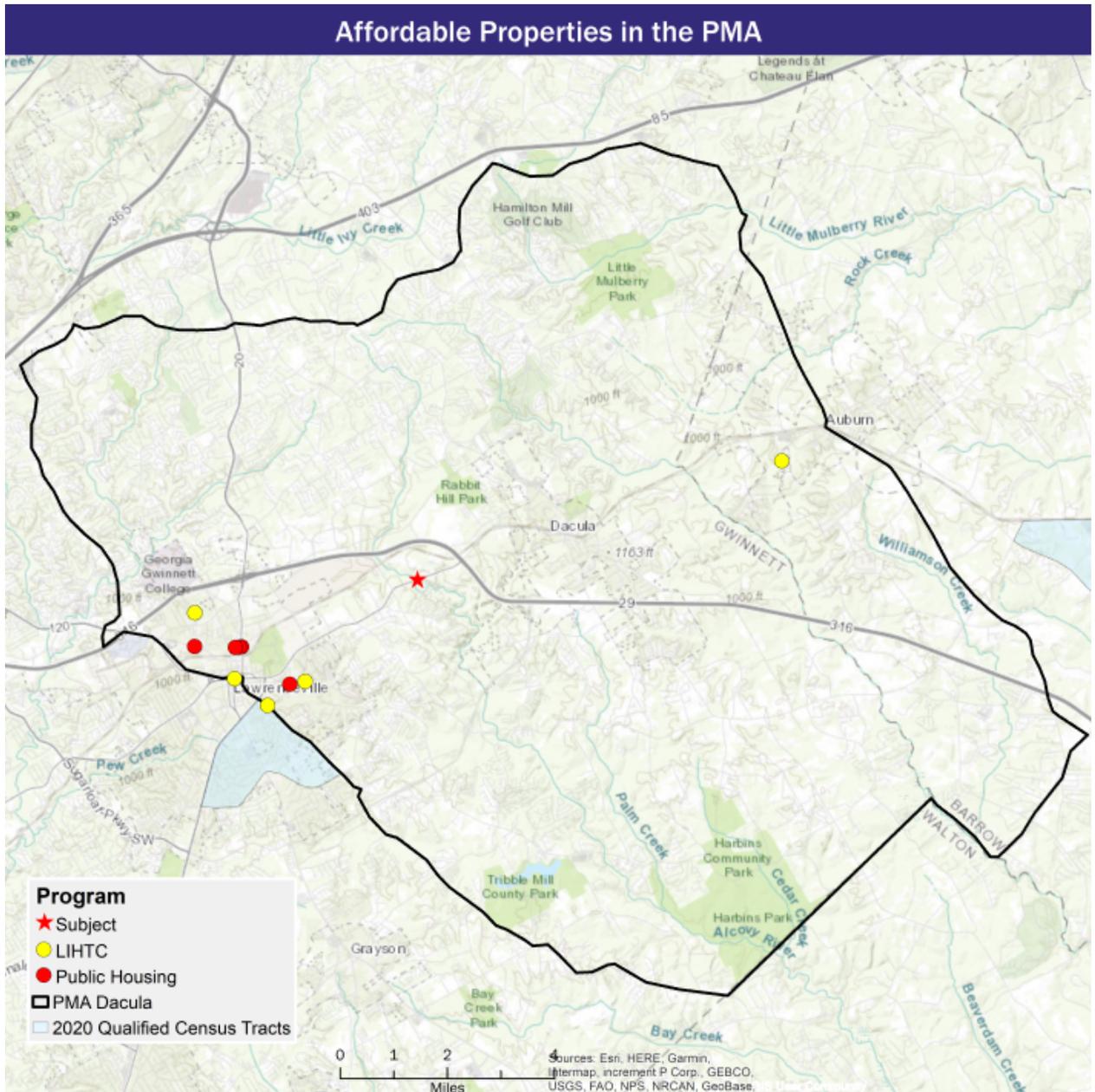
The total crime indices in the PMA are generally below that of the MSA and the nation. The Subject will offer perimeter fencing and video surveillance. Eight of the nine comparables offer some form of security. As such, we believe the Subject’s security offerings will be market-oriented.

**8. Existing Assisted Rental Housing Property Map:**

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

AFFORDABLE PROPERTIES IN THE PMA

| Property Name                 | Program        | Location      | Tenancy       | # of Units | Distance from Subject | Map Color   |     |
|-------------------------------|----------------|---------------|---------------|------------|-----------------------|-------------|-----|
| <b>Rivers Edge Apartments</b> | <b>LIHTC</b>   | <b>Dacula</b> | <b>Family</b> | <b>156</b> | -                     | <b>Star</b> |     |
| Mullberry Place               | LIHTC          | Lawrenceville | Family        | 224        | 2.4 miles             | Yellow      |     |
| Oaks At New Hope              | LIHTC          | Lawrenceville | Family        | 140        | 3.0 miles             |             |     |
| Autry Pines Senior Village    | LIHTC          | Auburn        | Senior        | 64         | 5.9 miles             |             |     |
| Farmington Hills Phase I      | LIHTC          | Winder        | Family        | 72         | 9.6 miles             |             |     |
| Farmington Hills Phase II     | LIHTC          | Winder        | Family        | 72         | 9.6 miles             |             |     |
| Greens At Hillcrest I         | LIHTC          | Lawrenceville | Family        | 176        | 3.5 miles             |             |     |
| Greens At Hillcrest II        | LIHTC          | Lawrenceville | Family        | 146        | 3.5 miles             |             |     |
| Magnolia Village              | LIHTC          | Lawrenceville | Family        | 190        | 3.2 miles             |             |     |
| Glenn Edge Apartments         | Public Housing | Lawrenceville | Family        | 50         | 3.1 miles             |             | Red |
| Grady Holt                    | Public Housing | Lawrenceville | Family        | 26         | 3.5 miles             |             |     |
| Floyd Braswell                | Public Housing | Lawrenceville | Family        | 20         | 3.1 miles             |             |     |
| New Memorial                  | Public Housing | Lawrenceville | Family        | 20         | 3.1 miles             |             |     |
| Rich Martin Apartments        | Public Housing | Lawrenceville | Family        | 40         | 2.7 miles             |             |     |



**9. Road, Infrastructure or Proposed Improvements:**

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

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

The Subject site can be accessed and has good visibility from the southeast side of Winder Highway. Winder Highway is a moderately trafficked roadway that traverses east/west and provides access to downtown Lawrenceville, approximately 3.5 miles southwest of the Subject site. Winder Highway connects to Highway 316 approximately 0.7 miles east of the subject. Highway 316 provides access to Athens, Georgia approximately 36 miles to the east. Highway 316 also connects to the Subject neighborhood to Interstate 85 approximately 11 miles to the west. Interstate 85

connects to Greenville, South Carolina approximately 111 miles to the northeast of the Subject and Atlanta, Georgia approximately 35 miles southwest of the Subject. Overall, access and visibility are considered good.

**11. Conclusion:**

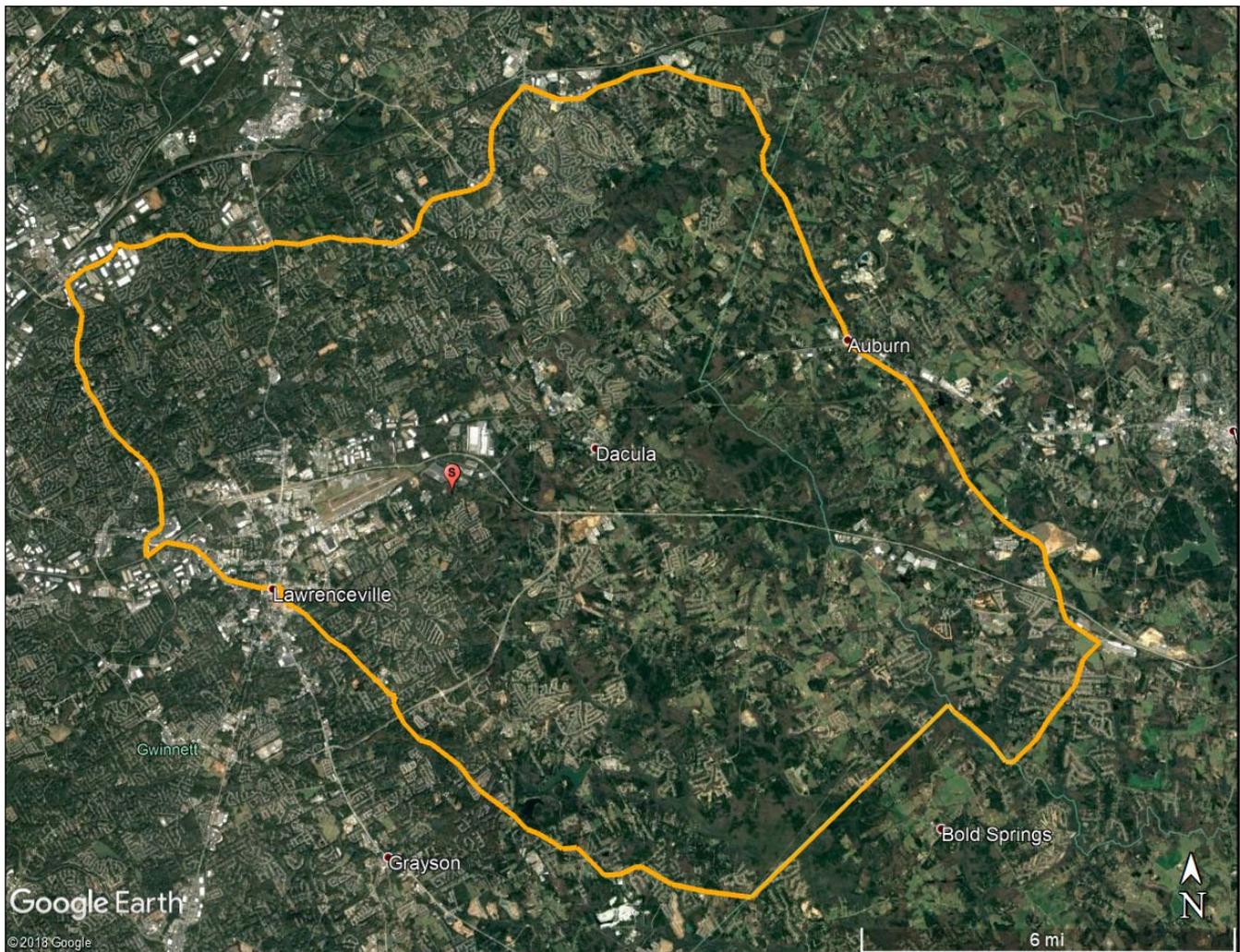
The Subject site is located at 1395 Winder Highway in Dacula, Gwinnett County, Georgia, 30019. The Subject site has good visibility and accessibility from the southeast side of Winder Highway. The Subject site is currently wooded land proposed for construction of a low income multifamily residential development. Surrounding uses consist of wooded land, light industrial, and single-family uses. Based on our inspection of the neighborhood, retail uses appeared to be 95 percent occupied. The Subject site is considered “Car-Dependent” by *Walkscore* with a rating of 17 out of 100. The total crime indices in the PMA are generally below that of the MSA and the nation. The Subject site is considered a desirable building site for rental housing as it is proximate to many retail, commercial and light industrial employment centers. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, which are within four miles of the Subject site.

## **E. MARKET AREA**

## PRIMARY MARKET AREA

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

### Primary Market Area Map



Source: Google Earth, April 2020.

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

The PMA is defined by Braselton Highway, Old Peachtree Road, Mt. Moriah road, and Carl Bethlehem Road to the north, Ozora Road and Chandler Road to the south, the Gwinnett County line and Loganville Highway to the east, and Lawrenceville-Suwanee Road to the west. This area includes the city of Dacula, as well as portions of the cities of Lawrenceville, Auburn, and Winder. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 6 miles  
East: 9 miles  
South: 6 miles  
West: 5 miles

The PMA is defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Many property managers indicated that a significant portion of their tenants come from outside of Gwinnett County. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2020 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately nine miles. The SMA is defined as the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area (MSA), which consists of 30 counties in northwest Georgia and encompasses 8,726 square miles.

# **F. COMMUNITY DEMOGRAPHIC DATA**

## COMMUNITY DEMOGRAPHIC DATA

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

### 1. Population Trends

The following tables illustrate (a) Total Population and (b) Population by Age Group within the population in the MSA, the PMA and nationally from 2000 through 2024.

#### 1a. Total Population

The following table illustrates the total population within the PMA, MSA and nation from 2000 through 2024.

| Year                              | PMA     |               | Atlanta-Sandy Springs-Roswell,<br>GA Metropolitan Statistical Area |               | USA         |               |
|-----------------------------------|---------|---------------|--------------------------------------------------------------------|---------------|-------------|---------------|
|                                   | Number  | Annual Change | Number                                                             | Annual Change | Number      | Annual Change |
| 2000                              | 84,985  | -             | 4,240,804                                                          | -             | 281,250,431 | -             |
| 2010                              | 146,942 | 7.3%          | 5,286,728                                                          | 2.5%          | 308,745,538 | 1.0%          |
| 2019                              | 173,179 | 1.9%          | 5,986,262                                                          | 1.4%          | 332,417,793 | 0.8%          |
| Projected Mkt Entry<br>April 2022 | 181,700 | 1.8%          | 6,233,670                                                          | 1.5%          | 339,606,188 | 0.8%          |
| 2024                              | 188,671 | 1.8%          | 6,436,095                                                          | 1.5%          | 345,487,602 | 0.8%          |

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

Population growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced population growth greater than the overall nation during the same time period. Population growth in the PMA slowed between 2010 and 2019; however, it increased at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to decrease slightly to 1.8 percent through 2024, which is greater than the growth rates projected for the MSA and nation as a whole. Overall, we believe that population growth in the PMA and MSA is a positive indication for demand for the Subject’s proposed units.

#### 1b. Total Population by Age Group

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

**POPULATION BY AGE GROUP**

| Age Cohort   | PMA           |                |                |                                   |                |
|--------------|---------------|----------------|----------------|-----------------------------------|----------------|
|              | 2000          | 2010           | 2019           | Projected Mkt<br>Entry April 2022 | 2024           |
| 0-4          | 6,946         | 10,580         | 11,590         | 12,347                            | 12,966         |
| 5-9          | 7,327         | 12,933         | 12,632         | 13,070                            | 13,428         |
| 10-14        | 6,792         | 13,204         | 13,686         | 13,886                            | 14,050         |
| 15-19        | 5,724         | 12,295         | 12,577         | 12,865                            | 13,100         |
| 20-24        | 4,523         | 8,402          | 11,022         | 10,861                            | 10,730         |
| 25-29        | 6,698         | 8,723          | 13,438         | 13,453                            | 13,466         |
| 30-34        | 8,367         | 10,039         | 12,270         | 15,057                            | 17,337         |
| 35-39        | 9,347         | 12,199         | 12,436         | 13,754                            | 14,833         |
| 40-44        | 8,230         | 13,045         | 12,488         | 12,872                            | 13,187         |
| 45-49        | 6,260         | 12,944         | 13,011         | 12,505                            | 12,091         |
| 50-54        | 4,857         | 10,427         | 12,000         | 11,916                            | 11,848         |
| 55-59        | 3,121         | 7,437          | 11,215         | 10,991                            | 10,807         |
| 60-64        | 2,124         | 5,369          | 8,848          | 9,631                             | 10,271         |
| 65-69        | 1,582         | 3,530          | 6,547          | 7,414                             | 8,124          |
| 70-74        | 1,226         | 2,325          | 4,349          | 5,044                             | 5,613          |
| 75-79        | 853           | 1,612          | 2,511          | 3,100                             | 3,581          |
| 80-84        | 563           | 1,075          | 1,426          | 1,678                             | 1,885          |
| 85+          | 443           | 803            | 1,136          | 1,256                             | 1,354          |
| <b>Total</b> | <b>84,983</b> | <b>146,942</b> | <b>173,182</b> | <b>181,701</b>                    | <b>188,671</b> |

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

**POPULATION BY AGE GROUP**

| Age Cohort   | Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area |                  |                  |                                   |                  |
|--------------|-----------------------------------------------------------------|------------------|------------------|-----------------------------------|------------------|
|              | 2000                                                            | 2010             | 2019             | Projected Mkt<br>Entry April 2022 | 2024             |
| 0-4          | 316,900                                                         | 380,735          | 385,594          | 402,539                           | 416,403          |
| 5-9          | 324,231                                                         | 394,306          | 399,707          | 408,979                           | 416,566          |
| 10-14        | 312,353                                                         | 390,992          | 411,242          | 420,278                           | 427,671          |
| 15-19        | 289,356                                                         | 378,372          | 395,799          | 406,783                           | 415,770          |
| 20-24        | 289,793                                                         | 341,650          | 393,640          | 398,801                           | 403,023          |
| 25-29        | 362,507                                                         | 377,057          | 459,751          | 458,083                           | 456,719          |
| 30-34        | 379,658                                                         | 386,120          | 430,822          | 476,323                           | 513,551          |
| 35-39        | 394,076                                                         | 417,987          | 424,488          | 449,269                           | 469,545          |
| 40-44        | 357,821                                                         | 415,233          | 402,125          | 420,849                           | 436,169          |
| 45-49        | 305,207                                                         | 411,635          | 419,005          | 408,025                           | 399,042          |
| 50-54        | 265,159                                                         | 364,330          | 398,245          | 404,298                           | 409,251          |
| 55-59        | 185,162                                                         | 301,331          | 389,800          | 386,815                           | 384,373          |
| 60-64        | 130,306                                                         | 252,453          | 334,576          | 356,388                           | 374,234          |
| 65-69        | 101,281                                                         | 170,690          | 272,622          | 296,308                           | 315,688          |
| 70-74        | 82,781                                                          | 114,130          | 203,614          | 226,500                           | 245,224          |
| 75-79        | 65,290                                                          | 81,144           | 124,334          | 152,607                           | 175,739          |
| 80-84        | 42,487                                                          | 57,082           | 72,799           | 86,940                            | 98,510           |
| 85+          | 36,415                                                          | 51,481           | 68,099           | 73,884                            | 78,617           |
| <b>Total</b> | <b>4,240,783</b>                                                | <b>5,286,728</b> | <b>5,986,262</b> | <b>6,233,670</b>                  | <b>6,436,095</b> |

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

The largest age cohorts in the PMA are between ten and 14 and 25 and 29, which indicates the presence of families.

## 2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, and (d) Renter Households by Size within the population in the MSA, the PMA and nationally from 2000 through 2024.

### Total Number of Households and Average Household Size

The following tables illustrate the total number of households and average household size within the PMA, MSA and nation from 2000 through 2024.

#### HOUSEHOLDS

| Year                              | PMA    |               | Atlanta-Sandy Springs-Roswell,<br>GA Metropolitan Statistical Area |               | USA         |               |
|-----------------------------------|--------|---------------|--------------------------------------------------------------------|---------------|-------------|---------------|
|                                   | Number | Annual Change | Number                                                             | Annual Change | Number      | Annual Change |
| 2000                              | 27,968 | -             | 1,551,771                                                          | -             | 105,409,439 | -             |
| 2010                              | 45,816 | 6.4%          | 1,943,884                                                          | 2.5%          | 116,716,296 | 1.1%          |
| 2019                              | 53,978 | 1.9%          | 2,195,127                                                          | 1.4%          | 125,168,557 | 0.8%          |
| Projected Mkt Entry<br>April 2022 | 56,609 | 1.8%          | 2,284,378                                                          | 1.5%          | 127,600,110 | 0.7%          |
| 2024                              | 58,761 | 1.8%          | 2,357,402                                                          | 1.5%          | 129,589,563 | 0.7%          |

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

#### AVERAGE HOUSEHOLD SIZE

| Year                              | PMA    |               | Atlanta-Sandy Springs-Roswell,<br>GA Metropolitan Statistical Area |               | USA    |               |
|-----------------------------------|--------|---------------|--------------------------------------------------------------------|---------------|--------|---------------|
|                                   | Number | Annual Change | Number                                                             | Annual Change | Number | Annual Change |
| 2000                              | 2.93   | -             | 2.68                                                               | -             | 2.59   | -             |
| 2010                              | 3.14   | 0.7%          | 2.67                                                               | 0.0%          | 2.58   | -0.1%         |
| 2019                              | 3.15   | 0.0%          | 2.69                                                               | 0.1%          | 2.59   | 0.1%          |
| Projected Mkt Entry<br>April 2022 | 3.16   | 0.0%          | 2.69                                                               | 0.0%          | 2.60   | 0.1%          |
| 2024                              | 3.16   | 0.0%          | 2.69                                                               | 0.0%          | 2.60   | 0.1%          |

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

Between 2000 and 2010, the total number of households in the PMA increased at a rate of 6.4 percent per annum, which exceeded the MSA and nation as a whole over the same time period. Household growth in the PMA slowed between 2010 and 2019; however, it increased at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to decrease slightly to 1.8 percent through 2024, but will remain above the MSA and the overall nation. The average household size in the PMA is larger than the MSA and nation. Through 2024, all three areas of analysis are projected to remain relatively stable. Overall, we believe that household growth in the PMA and MSA is a positive indication of demand for the Subject’s proposed units.

### Households by Tenure

The table below depicts household growth by tenure from 2000 through 2024.

TENURE PATTERNS PMA

| Year                              | Owner-Occupied<br>Units | Percentage<br>Owner-Occupied | Renter-Occupied<br>Units | Percentage<br>Renter-Occupied |
|-----------------------------------|-------------------------|------------------------------|--------------------------|-------------------------------|
| 2000                              | 24,093                  | 86.1%                        | 3,875                    | 13.9%                         |
| 2019                              | 45,255                  | 83.8%                        | 8,723                    | 16.2%                         |
| Projected Mkt Entry<br>April 2022 | 47,746                  | 84.3%                        | 8,863                    | 15.7%                         |
| 2024                              | 49,784                  | 84.7%                        | 8,977                    | 15.3%                         |

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

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

**2c. Household Income**

The following table depicts renter household income in the PMA in 2019, market entry, and 2024.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

| Income Cohort     | 2019         |               | Projected Mkt Entry April 2022 |               | 2024         |               |
|-------------------|--------------|---------------|--------------------------------|---------------|--------------|---------------|
|                   | Number       | Percentage    | Number                         | Percentage    | Number       | Percentage    |
| \$0-9,999         | 603          | 6.9%          | 591                            | 6.7%          | 581          | 6.5%          |
| \$10,000-19,999   | 982          | 11.3%         | 947                            | 10.7%         | 918          | 10.2%         |
| \$20,000-29,999   | 1,386        | 15.9%         | 1,398                          | 15.8%         | 1,408        | 15.7%         |
| \$30,000-39,999   | 1,121        | 12.9%         | 1,112                          | 12.5%         | 1,104        | 12.3%         |
| \$40,000-49,999   | 885          | 10.1%         | 872                            | 9.8%          | 861          | 9.6%          |
| \$50,000-59,999   | 898          | 10.3%         | 921                            | 10.4%         | 940          | 10.5%         |
| \$60,000-74,999   | 933          | 10.7%         | 950                            | 10.7%         | 963          | 10.7%         |
| \$75,000-99,999   | 833          | 9.5%          | 884                            | 10.0%         | 926          | 10.3%         |
| \$100,000-124,999 | 432          | 5.0%          | 455                            | 5.1%          | 473          | 5.3%          |
| \$125,000-149,999 | 259          | 3.0%          | 288                            | 3.2%          | 311          | 3.5%          |
| \$150,000-199,999 | 216          | 2.5%          | 239                            | 2.7%          | 257          | 2.9%          |
| \$200,000+        | 175          | 2.0%          | 208                            | 2.3%          | 235          | 2.6%          |
| <b>Total</b>      | <b>8,723</b> | <b>100.0%</b> | <b>8,863</b>                   | <b>100.0%</b> | <b>8,977</b> | <b>100.0%</b> |

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, April 2020

**RENTER HOUSEHOLD INCOME DISTRIBUTION - Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area**

| Income Cohort     | 2019           |               | Projected Mkt Entry April 2022 |               | 2024           |               |
|-------------------|----------------|---------------|--------------------------------|---------------|----------------|---------------|
|                   | Number         | Percentage    | Number                         | Percentage    | Number         | Percentage    |
| \$0-9,999         | 94,956         | 12.1%         | 93,947                         | 11.7%         | 93,121         | 11.4%         |
| \$10,000-19,999   | 112,094        | 14.3%         | 109,565                        | 13.6%         | 107,496        | 13.1%         |
| \$20,000-29,999   | 109,706        | 14.0%         | 108,445                        | 13.5%         | 107,414        | 13.1%         |
| \$30,000-39,999   | 99,854         | 12.7%         | 99,539                         | 12.4%         | 99,281         | 12.1%         |
| \$40,000-49,999   | 82,057         | 10.4%         | 82,819                         | 10.3%         | 83,442         | 10.2%         |
| \$50,000-59,999   | 63,585         | 8.1%          | 65,631                         | 8.2%          | 67,305         | 8.2%          |
| \$60,000-74,999   | 70,002         | 8.9%          | 73,130                         | 9.1%          | 75,689         | 9.2%          |
| \$75,000-99,999   | 64,648         | 8.2%          | 69,528                         | 8.6%          | 73,521         | 9.0%          |
| \$100,000-124,999 | 35,249         | 4.5%          | 39,030                         | 4.8%          | 42,124         | 5.1%          |
| \$125,000-149,999 | 18,802         | 2.4%          | 21,698                         | 2.7%          | 24,068         | 2.9%          |
| \$150,000-199,999 | 17,905         | 2.3%          | 20,762                         | 2.6%          | 23,099         | 2.8%          |
| \$200,000+        | 16,753         | 2.1%          | 20,674                         | 2.6%          | 23,882         | 2.9%          |
| <b>Total</b>      | <b>785,611</b> | <b>100.0%</b> | <b>804,768</b>                 | <b>100.0%</b> | <b>820,442</b> | <b>100.0%</b> |

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, April 2020

The Subject will target tenants earning between \$30,651 and \$51,660. As the table above depicts, approximately 33.3 percent of renter households in the PMA are earning incomes between \$30,000 and \$59,999, which is greater than the 31.2 percent of renter households in the MSA in 2019. For the projected market entry date of April 2022, these percentages are projected to slightly decrease to 32.7 percent and 30.9 percent for the PMA and MSA, respectively.

**Renter Households by Number of Persons in the Household**

The following table illustrates household size for all households in 2019, 2022 and 2024. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

**RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA**

| Household Size          | 2019         |             | Projected Mkt Entry April 2022 |             | 2024         |             |
|-------------------------|--------------|-------------|--------------------------------|-------------|--------------|-------------|
|                         | Number       | Percentage  | Number                         | Percentage  | Number       | Percentage  |
| 1 Person                | 2,464        | 28.2%       | 2,490                          | 28.1%       | 2,511        | 28.0%       |
| 2 Persons               | 2,033        | 23.3%       | 2,014                          | 22.7%       | 1,998        | 22.3%       |
| 3 Persons               | 1,480        | 17.0%       | 1,506                          | 17.0%       | 1,528        | 17.0%       |
| 4 Persons               | 1,163        | 13.3%       | 1,197                          | 13.5%       | 1,224        | 13.6%       |
| 5+ Persons              | 1,583        | 18.1%       | 1,656                          | 18.7%       | 1,716        | 19.1%       |
| <b>Total Households</b> | <b>8,723</b> | <b>100%</b> | <b>8,863</b>                   | <b>100%</b> | <b>8,977</b> | <b>100%</b> |

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, April 2020

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

**Conclusion**

Population growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced population growth greater than the overall nation during the same time period. Population growth in the PMA slowed between 2010 and 2019; however, it increased at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to decrease slightly to 1.8 percent through 2024, which is greater than the growth rates projected for the MSA and nation as a whole. Household growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced household growth greater than the overall nation during the same time period. Household growth in the PMA slowed between 2010 and 2019; however, it increased at a faster rate than the MSA and

nation. According to ESRI demographic projections, annualized PMA growth is expected to decrease slightly to 1.8 percent through 2024, but will remain above the MSA and the overall nation. The current population of the PMA is 173,179 and is expected to be 181,700 in 2022. The current number of households in the PMA is 53,978 and is expected to be 56,609 in 2022. Renter households are concentrated in the lowest income cohorts, with 33.3 percent of renters in the PMA earning incomes between \$30,000 and \$59,999. The Subject will target households earning between \$30,651 and \$51,660; therefore, the Subject should be well-positioned to service this market. Overall, since population and households are projected to increase, there is strong demand for the Subjects affordable units, as evidenced by the strong performance of LIHTC comparables in the area.

## **G. EMPLOYMENT TRENDS**

## Employment Trends

The PMA and Gwinnett County appear to be diverse with low-paying jobs in the education, retail trade, manufacturing, and government sectors, which are expected to generate demand for affordable housing in the PMA. Employment levels decreased during the national recession but have surpassed pre-recession highs and appear to be in an expansionary phase.

### 1. Covered Employment

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

| COVERED EMPLOYMENT       |                  |          |
|--------------------------|------------------|----------|
| Gwinnett County, Georgia |                  |          |
| Year                     | Total Employment | % Change |
| 2008                     | 402,076          | -        |
| 2009                     | 380,094          | -5.8%    |
| 2010                     | 379,794          | -0.1%    |
| 2011                     | 389,936          | 2.6%     |
| 2012                     | 400,458          | 2.6%     |
| 2013                     | 408,130          | 1.9%     |
| 2014                     | 416,344          | 2.0%     |
| 2015                     | 427,813          | 2.7%     |
| 2016                     | 445,552          | 4.0%     |
| 2017                     | 461,911          | 3.5%     |
| 2018                     | 470,913          | 1.9%     |
| 2019 YTD Average         | 470,440          | 1.8%     |
| Feb-18                   | 470,343          | -        |
| Feb-19                   | 472,055          | 0.4%     |

Source: U.S. Bureau of Labor Statistics  
YTD as of Mar 2019

As illustrated in the table above, Gwinnett County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2008 with its first employment decrease of the decade. Employment growth quickly rebounded and Gwinnett County exhibited employment growth each year since 2010. Total employment in Gwinnett County surpassed its pre-recessionary high in 2013 and continues to increase.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Gwinnett County as of February 2018.

| <b>TOTAL JOBS BY INDUSTRY</b>             |                |                |
|-------------------------------------------|----------------|----------------|
| <b>Gwinnett County, Georgia - Q2 2018</b> |                |                |
|                                           | <b>Number</b>  | <b>Percent</b> |
| <b>Total, all industries</b>              | <b>315,156</b> | <b>-</b>       |
| Goods-producing                           | 49,044         | -              |
| Natural resources and mining              | 366            | 0.1%           |
| Construction                              | 20,779         | 6.6%           |
| Manufacturing                             | 27,899         | 8.9%           |
| Service-providing                         | 266,112        | -              |
| Trade, transportation, and utilities      | 87,819         | 27.9%          |
| Information                               | 8,225          | 2.6%           |
| Financial activities                      | 20,808         | 6.6%           |
| Professional and business services        | 66,379         | 21.1%          |
| Education and health services             | 36,072         | 11.4%          |
| Leisure and hospitality                   | 36,698         | 11.6%          |
| Other services                            | 8,940          | 2.8%           |
| Unclassified                              | 1,171          | 0.4%           |

Source: Bureau of Labor Statistics, 2019

Trade, transportation, and utilities and professional and business services are the largest industries in Gwinnett County, followed by leisure and hospitality, education and health services, and manufacturing. The following table illustrates employment by industry for the PMA as of 2019.

2019 EMPLOYMENT BY INDUSTRY

| Industry                       | PMA             |                  | USA                |                  |
|--------------------------------|-----------------|------------------|--------------------|------------------|
|                                | Number Employed | Percent Employed | Number Employed    | Percent Employed |
| Retail Trade                   | 11,761          | 13.7%            | 17,127,172         | 10.7%            |
| Healthcare/Social Assistance   | 9,458           | 11.0%            | 22,612,482         | 14.1%            |
| Manufacturing                  | 8,311           | 9.7%             | 16,057,876         | 10.0%            |
| Educational Services           | 7,623           | 8.9%             | 14,565,802         | 9.1%             |
| Construction                   | 6,301           | 7.3%             | 11,245,975         | 7.0%             |
| Prof/Scientific/Tech Services  | 6,271           | 7.3%             | 11,744,228         | 7.3%             |
| Accommodation/Food Services    | 5,020           | 5.8%             | 11,738,765         | 7.3%             |
| Finance/Insurance              | 4,714           | 5.5%             | 7,377,311          | 4.6%             |
| Transportation/Warehousing     | 4,663           | 5.4%             | 7,876,848          | 4.9%             |
| Admin/Support/Waste Mgmt Svcs  | 4,208           | 4.9%             | 6,106,184          | 3.8%             |
| Wholesale Trade                | 3,938           | 4.6%             | 4,183,931          | 2.6%             |
| Other Services                 | 3,651           | 4.2%             | 8,141,078          | 5.1%             |
| Public Administration          | 3,553           | 4.1%             | 7,828,907          | 4.9%             |
| Information                    | 2,409           | 2.8%             | 3,157,650          | 2.0%             |
| Real Estate/Rental/Leasing     | 2,147           | 2.5%             | 3,204,043          | 2.0%             |
| Arts/Entertainment/Recreation  | 1,304           | 1.5%             | 3,332,132          | 2.1%             |
| Utilities                      | 363             | 0.4%             | 1,276,400          | 0.8%             |
| Mgmt of Companies/Enterprises  | 170             | 0.2%             | 237,307            | 0.1%             |
| Agric/Forestry/Fishing/Hunting | 80              | 0.1%             | 1,915,709          | 1.2%             |
| Mining                         | 0               | 0.0%             | 819,151            | 0.5%             |
| <b>Total Employment</b>        | <b>85,945</b>   | <b>100.0%</b>    | <b>160,548,951</b> | <b>100.0%</b>    |

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

Employment in the PMA is concentrated in the retail trade, healthcare/social assistance, and manufacturing industries, which collectively comprise 34.4 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the retail trade, construction, and finance/insurance industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, manufacturing, and educational services industries. It should be noted that UPS national headquarters are located in Norcross, which is outside of the Subject’s PMA. This accounts for the larger percentage of trade/transportation/utilities jobs in the county in comparison to the PMA.

### 3. Major Employers

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

**MAJOR EMPLOYERS - GWINNETT COUNTY, GA**

| Rank          | Employer Name                  | Industry                     | # Of Employees |
|---------------|--------------------------------|------------------------------|----------------|
| 1             | Gwinnett County Public Schools | Educational Services         | 21,531         |
| 2             | Gwinnett County Government     | Government                   | 5,308          |
| 3             | Gwinnett Health Care System    | Healthcare/Social Assistance | 4,260          |
| 4             | Publix                         | Retail                       | 4,169          |
| 5             | Walmart                        | Retail                       | 3,425          |
| 6             | State of Georgia               | Public Administration        | 2,582          |
| 7             | Kroger                         | Retail                       | 2,219          |
| 8             | US Postal Service              | Government                   | 2,223          |
| 9             | Pruitt Health                  | Healthcare/Social Assistance | 1,699          |
| 10            | Primerica                      | Insurance/Financial Services | 1,654          |
| <b>Totals</b> |                                |                              | <b>49,070</b>  |

Source: Gwinnett County Board of Commissioners, retrieved April 2020.

Gwinnett County Public School System is the largest employer, employing over 21,000 employees. Other major employers are concentrated in the government, healthcare/social assistance, and retail sectors. Many of these employers provide employment for a broad range of workers, including skilled, unskilled, and service occupations.

**Expansions/Contractions**

The following table illustrates the layoffs and closures of significance that occurred or were announced since January 2017 in Gwinnett County according to the Georgia Department of Economic Development, Workforce Division’s Worker Adjustment and Retraining Notifications (WARN) filings.

**WARN LISTINGS - GWINNETT COUNTY, GA - 2017- YTD 2020**

| Company                                  | Industry                      | Employees Affected | Layoff Date |
|------------------------------------------|-------------------------------|--------------------|-------------|
| Harlem Globetrotters International, Inc. | Entertainment                 | 175                | 4/20/2020   |
| Larson-Juhl US LLC                       | Manufacturing                 | 71                 | 3/31/2020   |
| Crestline Hotels & Resorts               | Hospital                      | 48                 | 3/27/2020   |
| Nestle U.S.A.                            | Food Services                 | 111                | 10/18/2019  |
| Mayfield Dairy                           | Manufacturing                 | 108                | 9/16/2018   |
| Corix                                    | Utilities                     | 53                 | 12/30/2017  |
| Ricoh Logistics Corporation              | Transportation/Warehousing    | 50                 | 9/29/2017   |
| Sodexo                                   | Admin/Support/Waste Mgmt Svcs | 63                 | 8/31/2017   |
| NexxLinx                                 | Information                   | 236                | 5/21/2017   |
| Siemens Healthineers                     | Healthcare/Social Assistance  | 70                 | 3/31/2017   |
| <b>Total</b>                             |                               | <b>985</b>         |             |

Source: Georgia Department of Labor, retrieved April 2020

As the preceding table demonstrates there have been a total of ten major layoffs reported in Gwinnett County since January 1, 2017, resulting in the loss of 985 jobs. However, the number of jobs affected is modest given the size of the regional economy.

We utilized the Partnership Gwinnett website to find the following business expansions in Gwinnett County announced in 2017 through 2020, most of which are located on lands identified through the Gwinnett County Village Community Improvement District (CID) initiative, an organization that works to promote redevelopment and infrastructure development in the area.

- Sonic Automotive plans to locate a dealership and regional headquarters for EchoPark Automotive in Gwinnett County, creating 130 new jobs and investing \$20 million in the project, Gov. Brian Kemp announced on February 24, 2020.

- On January 21, 2020, MueKo Machinery announced its plan for its US headquarters in Suwanee, Georgia. MueKo plans to bring 20-30 new jobs to Gwinnett County over the next few years.
- On October 30, 2019, Doosan Industrial Vehicle announced the expansion of their North American Headquarters in Buford. The expansion will add approximately 25 jobs.
- Primerica, Inc. announced the opening of the Primerica Technology Innovation Center on October 29, 2019. The 38,000 square foot facility will add over 200 employees.
- Barco, a manufacturer of electronics, announced an expansion of its operations in Gwinnett on August 23, 2019. The company will be adding 50 new jobs.
- On August 1, 2019, Rivacold, a manufacturer of refrigeration systems, announced it will create 140 jobs with a new manufacturing facility in Buford.
- On July 10, 2019, Amazon announced a new fulfillment center in Gwinnett County, creating 1,000 new jobs.
- A Circle K was recently developed at the intersection of Hurricane Shoals and Old Peachtree Road in Dacula.
- A joint venture between Renaissance Bank and Starbucks was recently completed in the Subject's PMA at the intersection of Dacula Road and Fence Road.
- A private school, Harbins Preparatory, opened in 2019 in the Subject's PMA on Harbins Road, south of 316. Harbins Preparatory currently enrolls Pre-K and Kindergarten students; their 1<sup>st</sup> grade classroom opened for the 2019-2020 school year.
- Elma Electronic, Inc. announced on May 29, 2019 that they will be creating a manufacturing facility in Gwinnett County. The facility will add 93 new jobs to the area.
- On April 11, 2019, Elemaster U.S., a global mechatronics services provider, announced a new manufacturing facility in Duluth. The facility will added 20 jobs in 2019 and will add 50 additional jobs by 2020.
- OS National LLC announced on April 9, 2019 that they will be adding 1,000 jobs and invest more than \$15 million in their headquarters in Gwinnett County.
- CarMax plans to create more than 300 new jobs in Peachtree Corners when the car retailer opens a new customer experience center in the city this summer, Gov. Brian Kemp's office announced March 5, 2019.
- Academy Sports + Outdoors announced March 5, 2019 that it plans to open a new store near Interstate 985 in Buford, creating approximately 60 jobs. The new store opened in September 2019.
- CMX Cinemas opened CMX CinéBistro Peachtree Corners in March 2019. It has long been viewed by city officials as the major anchor for the Town Center development, which is across Peachtree Parkway from The Forum shopping center.
- First American Bank and Trust held a groundbreaking February 14, 2019 for its new branch, which will be located at the corner of West Crogan and Culver streets in Lawrenceville. The bank was founded in 1928 and currently has offices in Oconee, Clarke, Barrow and Rabun counties. Lawrenceville officials previously said the branch is expected to initially employ 10 people.
- German Grocery Store, Lidl, opened January 30, 2019 on Stone Mountain Highway, Snellville, GA.
- Southlawn, a 32-acre, \$200 million mixed-use development, broke ground in late July of 2018 in Lawrenceville. The development will include more than 15,000 square feet of retail space, 600-plus residences (single-family homes and townhomes that will not directly compete with the Subject as they will be market rate), and a town green that will connect with Lawrenceville's City Hall, police station, and downtown. The development will be completed in phases over the next three to five years.
- Gezolan, a Swiss manufacturing company, opened a 60,000-square-foot facility off Hamilton Mill Road in Buford in June 2018, representing a \$12 million investment.
- Assurant, Inc., a global leader in risk management solutions, opened a technical support center in Duluth in May 2018, which created 335 new jobs and represented a \$2.2 million investment.

- GEBHARDT Logistic Solutions Inc., a market leader in storage and transport solutions for retail and trade industries, announced the expansion of its operations and relocation to Gwinnett County, metro Atlanta, Georgia. GEBHARDT’s 30,000-square-foot facility, located at 1650 Horizon Parkway Northeast approximately 4.4 miles north of the Subject site, will serve as a headquarters for the company’s North American production and services for storage and transport solutions. The facility will house four full-time employees and 10 to 20 part-time employees including sales managers, customer service managers, engineers, logisticians and a general manager. The company seeks to actively increase its number of full-time employees as it expands into the North American market.
- Convergent Technologies, a worldwide leader in service-based systems integration, announced the expansion of its operations in Gwinnett County. The expansion created 150 existing jobs, a projected 33 percent increase in new jobs in the coming years, and \$1 million in capital investment for the community. Convergent’s 25,000-square-foot facility is located at 1955 Evergreen Boulevard, approximately ten miles south of the Subject site.
- AZZ Inc., a provider of specialty electrical equipment and highly engineered services, announced in June 2017 plans to expand and relocate the company’s specialty welding operation to a new 180,000 square-foot facility located at 560 Horizon Drive, 4.5 miles southwest of the Subject site. At the time of the announcement, there was no information for how many jobs the relocation is expected to add to the local economy.
- Carcoustics, a supplier to the automobile industry, plans to invest \$6 million to construct a 130,000 square-foot manufacturing facility that will produce acoustic and thermal components for the automobile industry. Over the next five years, the company intends to create 200 jobs at the facility.

#### **4. Employment and Unemployment Trends**

The following table details employment and unemployment trends for Atlanta-Sandy Springs-Roswell, GA MSA from 2004 to February 2020.

**EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

|                   | <u>Atlanta-Sandy Springs-Roswell, GA Metropolitan</u> |          |                        | <u>USA</u>       |          |                        |
|-------------------|-------------------------------------------------------|----------|------------------------|------------------|----------|------------------------|
|                   | <u>Statistical Area</u>                               |          |                        |                  |          |                        |
|                   | Total Employment                                      | % Change | Differential from peak | Total Employment | % Change | Differential from peak |
| 2004              | 2,382,163                                             | -        | -20.3%                 | 139,252,000      | -        | -11.6%                 |
| 2005              | 2,445,674                                             | 2.7%     | -18.2%                 | 141,730,000      | 1.8%     | -10.0%                 |
| 2006              | 2,538,141                                             | 3.8%     | -15.1%                 | 144,427,000      | 1.9%     | -8.3%                  |
| 2007              | 2,618,825                                             | 3.2%     | -12.4%                 | 146,047,000      | 1.1%     | -7.3%                  |
| 2008              | 2,606,822                                             | -0.5%    | -12.8%                 | 145,363,000      | -0.5%    | -7.7%                  |
| 2009              | 2,452,057                                             | -5.9%    | -18.0%                 | 139,878,000      | -3.8%    | -11.2%                 |
| 2010              | 2,440,037                                             | -0.5%    | -18.4%                 | 139,064,000      | -0.6%    | -11.7%                 |
| 2011              | 2,486,895                                             | 1.9%     | -16.8%                 | 139,869,000      | 0.6%     | -11.2%                 |
| 2012              | 2,545,474                                             | 2.4%     | -14.9%                 | 142,469,000      | 1.9%     | -9.6%                  |
| 2013              | 2,572,589                                             | 1.1%     | -14.0%                 | 143,929,000      | 1.0%     | -8.6%                  |
| 2014              | 2,611,988                                             | 1.5%     | -12.6%                 | 146,305,000      | 1.7%     | -7.1%                  |
| 2015              | 2,672,682                                             | 2.3%     | -10.6%                 | 148,833,000      | 1.7%     | -5.5%                  |
| 2016              | 2,786,479                                             | 4.3%     | -6.8%                  | 151,436,000      | 1.7%     | -3.9%                  |
| 2017              | 2,892,848                                             | 3.8%     | -3.2%                  | 153,337,000      | 1.3%     | -2.7%                  |
| 2018              | 2,941,061                                             | 1.7%     | -1.6%                  | 155,761,000      | 1.6%     | -1.1%                  |
| 2019              | 2,989,672                                             | 1.7%     | 0.0%                   | 157,538,000      | 1.1%     | 0.0%                   |
| 2020 YTD Average* | 3,027,549                                             | 1.3%     | -                      | 156,726,000      | -0.5%    | -                      |
| Feb-2019          | 2,968,061                                             | -        | -                      | 156,167,000      | -        | -                      |
| Feb-2020          | 3,033,757                                             | 2.2%     | -                      | 158,017,000      | 1.2%     | -                      |

Source: U.S. Bureau of Labor Statistics, April 2020

**UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

|                   | <u>Atlanta-Sandy Springs-Roswell, GA Metropolitan</u> |        |                        | <u>USA</u>        |        |                        |
|-------------------|-------------------------------------------------------|--------|------------------------|-------------------|--------|------------------------|
|                   | <u>Statistical Area</u>                               |        |                        |                   |        |                        |
|                   | Unemployment Rate                                     | Change | Differential from peak | Unemployment Rate | Change | Differential from peak |
| 2004              | 4.8%                                                  | -      | 1.5%                   | 5.5%              | -      | 1.9%                   |
| 2005              | 5.4%                                                  | 0.6%   | 2.1%                   | 5.1%              | -0.5%  | 1.4%                   |
| 2006              | 4.7%                                                  | -0.7%  | 1.4%                   | 4.6%              | -0.5%  | 1.0%                   |
| 2007              | 4.4%                                                  | -0.2%  | 1.2%                   | 4.6%              | 0.0%   | 1.0%                   |
| 2008              | 6.2%                                                  | 1.7%   | 2.9%                   | 5.8%              | 1.2%   | 2.1%                   |
| 2009              | 9.9%                                                  | 3.8%   | 6.7%                   | 9.3%              | 3.5%   | 5.6%                   |
| 2010              | 10.3%                                                 | 0.4%   | 7.0%                   | 9.6%              | 0.3%   | 6.0%                   |
| 2011              | 9.9%                                                  | -0.4%  | 6.6%                   | 9.0%              | -0.7%  | 5.3%                   |
| 2012              | 8.8%                                                  | -1.1%  | 5.6%                   | 8.1%              | -0.9%  | 4.4%                   |
| 2013              | 7.8%                                                  | -1.0%  | 4.5%                   | 7.4%              | -0.7%  | 3.7%                   |
| 2014              | 6.7%                                                  | -1.1%  | 3.5%                   | 6.2%              | -1.2%  | 2.5%                   |
| 2015              | 5.7%                                                  | -1.0%  | 2.5%                   | 5.3%              | -0.9%  | 1.6%                   |
| 2016              | 5.1%                                                  | -0.6%  | 1.9%                   | 4.9%              | -0.4%  | 1.2%                   |
| 2017              | 4.5%                                                  | -0.6%  | 1.3%                   | 4.4%              | -0.5%  | 0.7%                   |
| 2018              | 3.8%                                                  | -0.7%  | 0.5%                   | 3.9%              | -0.4%  | 0.2%                   |
| 2019              | 3.3%                                                  | -0.5%  | 0.0%                   | 3.7%              | -0.2%  | 0.0%                   |
| 2020 YTD Average* | 3.3%                                                  | 0.0%   | -                      | 4.1%              | 0.4%   | -                      |
| Feb-2019          | 3.6%                                                  | -      | -                      | 4.1%              | -      | -                      |
| Feb-2020          | 3.3%                                                  | -0.3%  | -                      | 3.8%              | -0.3%  | -                      |

Source: U.S. Bureau of Labor Statistics, April 2020

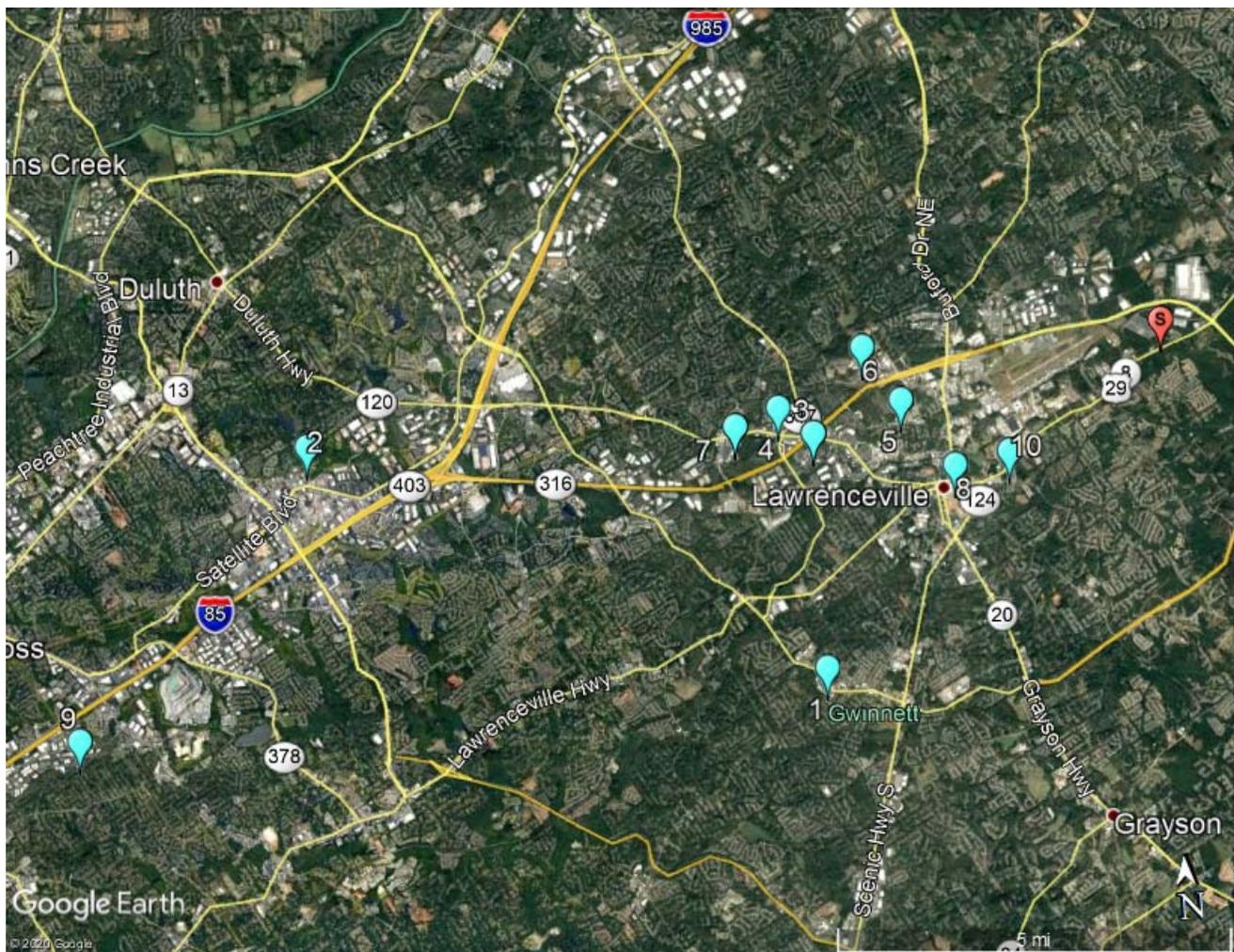
Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in every year between 2004 and 2007. The effects of the

recession were particularly pronounced in the MSA, which suffered a 6.9 percent contraction in employment growth (2007-2010), well above the 4.9 percent contraction reported by the nation as a whole (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, one year after the nation. Employment growth in the MSA exceeded the nation in every year but one since 2011. As of February 2020, total employment in the MSA is increasing at an annualized rate of 2.2 percent, compared to a 1.2 percent increase by the nation as a whole.

The MSA experienced a higher average unemployment rate relative to the overall nation during the years preceding the recession. The effects of the recession were more pronounced in the MSA, which experienced a 5.9 percentage point increase in unemployment, compared to only a 5.0 percentage point increase across the overall nation. Since 2011, the MSA generally experienced a higher unemployment rate compared to the overall nation until 2017. According to the most recent labor statistics, the unemployment rate in the MSA is 3.3 percent, slightly lower than the current national unemployment rate of 3.8 percent. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase. This suggests that demand for affordable housing should be trending positively as the areas employment base grows.

### 5. Map of Site and Major Employment Concentrations

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



Source: Google Earth, April 2020.

**MAJOR EMPLOYERS - GWINNETT COUNTY, GA**

| Rank          | Employer Name                  | Industry                     | # Of Employees |
|---------------|--------------------------------|------------------------------|----------------|
| 1             | Gwinnett County Public Schools | Educational Services         | 21,531         |
| 2             | Gwinnett County Government     | Government                   | 5,308          |
| 3             | Gwinnett Health Care System    | Healthcare/Social Assistance | 4,260          |
| 4             | Publix                         | Retail                       | 4,169          |
| 5             | Walmart                        | Retail                       | 3,425          |
| 6             | State of Georgia               | Public Administration        | 2,582          |
| 7             | Kroger                         | Retail                       | 2,219          |
| 8             | US Postal Service              | Government                   | 2,223          |
| 9             | Pruitt Health                  | Healthcare/Social Assistance | 1,699          |
| 10            | Primerica                      | Insurance/Financial Services | 1,654          |
| <b>Totals</b> |                                |                              | <b>49,070</b>  |

Source: Gwinnett County Board of Commissioners, retrieved April 2020.

**6. Conclusion**

The largest industries in the PMA are retail trade and healthcare/social assistance. Relative to the overall nation, the PMA features comparatively greater employment in the retail trade, construction, and finance/insurance industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, manufacturing, and educational services industries. The large share of PMA employment in retail trade is notable as this industry is historically volatile and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. It should be noted that UPS national headquarters are located in Norcross, which is outside of the Subject’s PMA. This accounts for the larger percentage of trade/transportation/utilities jobs in the county in comparison to the PMA. Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in every year between 2004 and 2007. The effects of the recession were particularly pronounced in the MSA, which suffered a 5.9 percent contraction in employment growth (2007-2010), well above the 5.0 percent contraction reported by the nation as a whole (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, one year after the nation. Employment growth in the MSA exceeded the nation in every year but one since 2011. As of February 2020, total employment in the MSA is increasing at an annualized rate of 2.2 percent, compared to a 1.2 percent increase by the nation as a whole. Several employers announced expansions in the region, which is positive for the local economy, while there have been a limited number of WARN notices filed in comparison. Overall, the economy appears to be in an expansionary phase that has been ongoing since 2010. This suggests that demand for all housing types should be trending positively as the areas employment base grows. The growing local economy is a positive indicator of demand for rental housing and the Subject’s proposed units. We note that COVID-19 may slow down growth in total employment; however, we do not believe that the PMA is more prone to recessionary impacts from the emergency measures.

# **H. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS**

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

### 1. Income Restrictions

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

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

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

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

### 2. Affordability

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

| FAMILY INCOME LIMITS |                          |                          |
|----------------------|--------------------------|--------------------------|
| Unit Type            | Minimum Allowable Income | Maximum Allowable Income |
|                      | @60%                     |                          |
| 1BR                  | \$30,651                 | \$38,280                 |
| 2BR                  | \$36,891                 | \$43,080                 |
| 3BR                  | \$41,177                 | \$51,660                 |

### 3. Demand

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

### **Demand from New Households**

The number of new households entering the market is the first level of demand calculated. We utilized 2022, the anticipated date of market entry, as the base year for the analysis. Therefore, 2019 household population estimates are inflated to 2022 by interpolation of the difference between 2019 estimates and 2024 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2022. This number takes the overall growth from 2019 to 2022 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

### **Demand from Existing Households**

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

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

### **Demand from Elderly Homeowners likely to Convert to Rentership**

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

### **3d. Other**

Per the 2020 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we do not account for leakage from outside the PMA boundaries in our demand analysis.

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

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

### **Net Demand**

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2017 to the present.

### **Additions to Supply**

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

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

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development. According to Georgia Department of Community Affairs LIHTC allocation lists, there have been two developments allocated within the Subject’s PMA since 2017.

- Mulberry Place was allocated in 2019 for the acquisition/rehabilitation of 224 units targeting families in Lawrenceville, approximately 2.3 mile southwest of the Subject. Upon completion, the property will offer 224 two and three bedroom units restricted to 60 percent of the AMI. The renovations will occur with tenants in place and no additional units will be presented to the market. Thus, we have not deducted this property’s units in our demand analysis.
- Legends of Peachtree Shoals was allocated in 2019 for the new construction of 240 units targeting families in Dacula, approximately 2.0 miles northeast of the Subject. Upon completion, the property will offer 240 one, two and three-bedroom units restricted to 30, 40, 50, 60, 70, and 80 percent of the AMI. The 16 one-bedroom, 12 two-bedroom, and two, three-bedroom units at 60 percent AMI will compete directly with the Subject and these units have been deducted in our demand analysis.

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated or are not yet stabilized. Note that this table may illustrate non-competitive units and competitive properties that are not deducted from our demand analysis.

| ADDITIONS TO SUPPLY |           |
|---------------------|-----------|
| Unit Type           | 60% AMI   |
| 1BR                 | 16        |
| 2BR                 | 12        |
| 3BR                 | 2         |
| <b>Total</b>        | <b>30</b> |

**Rehab Developments and PBRA**

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

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

**Capture Rates**

The above calculations and derived capture rates are illustrated in the following tables. Note that the demographic data used in the following tables, including tenure patterns, household size and income distribution through the projected market entry date of 2022 are illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

| Income Cohort     | 2019          |                   | Projected Mkt Entry April 2022 |                   | 2024          |                   |
|-------------------|---------------|-------------------|--------------------------------|-------------------|---------------|-------------------|
|                   | <i>Number</i> | <i>Percentage</i> | <i>Number</i>                  | <i>Percentage</i> | <i>Number</i> | <i>Percentage</i> |
| \$0-9,999         | 603           | 6.9%              | 591                            | 6.7%              | 581           | 6.5%              |
| \$10,000-19,999   | 982           | 11.3%             | 947                            | 10.7%             | 918           | 10.2%             |
| \$20,000-29,999   | 1,386         | 15.9%             | 1,398                          | 15.8%             | 1,408         | 15.7%             |
| \$30,000-39,999   | 1,121         | 12.9%             | 1,112                          | 12.5%             | 1,104         | 12.3%             |
| \$40,000-49,999   | 885           | 10.1%             | 872                            | 9.8%              | 861           | 9.6%              |
| \$50,000-59,999   | 898           | 10.3%             | 921                            | 10.4%             | 940           | 10.5%             |
| \$60,000-74,999   | 933           | 10.7%             | 950                            | 10.7%             | 963           | 10.7%             |
| \$75,000-99,999   | 833           | 9.5%              | 884                            | 10.0%             | 926           | 10.3%             |
| \$100,000-124,999 | 432           | 5.0%              | 455                            | 5.1%              | 473           | 5.3%              |
| \$125,000-149,999 | 259           | 3.0%              | 288                            | 3.2%              | 311           | 3.5%              |
| \$150,000-199,999 | 216           | 2.5%              | 239                            | 2.7%              | 257           | 2.9%              |
| \$200,000+        | 175           | 2.0%              | 208                            | 2.3%              | 235           | 2.6%              |
| <b>Total</b>      | <b>8,723</b>  | <b>100.0%</b>     | <b>8,863</b>                   | <b>100.0%</b>     | <b>8,977</b>  | <b>100.0%</b>     |

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, April 2020

**60% AMI**

**NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%**

| Minimum Income Limit |                                                                                                | \$30,651      |                 | Maximum Income Limit     |                                        | \$51,660 |      |
|----------------------|------------------------------------------------------------------------------------------------|---------------|-----------------|--------------------------|----------------------------------------|----------|------|
| Income Category      | New Renter Households - Total Change<br>in Households PMA 2019 to Prj Mrkt<br>Entry April 2022 |               | Income Brackets | Percent within<br>Cohort | Renter<br>Households<br>within Bracket |          |      |
|                      | \$0-9,999                                                                                      | -12           |                 |                          | -8.7%                                  | \$0      | 0.0% |
| \$10,000-19,999      | -35                                                                                            | -25.2%        | \$0             | 0.0%                     | 0                                      |          |      |
| \$20,000-29,999      | 12                                                                                             | 8.7%          | \$0             | 0.0%                     | 0                                      |          |      |
| \$30,000-39,999      | -9                                                                                             | -6.7%         | \$9,348         | 93.5%                    | -9                                     |          |      |
| \$40,000-49,999      | -13                                                                                            | -9.4%         | \$9,999         | 100.0%                   | -13                                    |          |      |
| \$50,000-59,999      | 23                                                                                             | 16.5%         | \$1,660         | 16.6%                    | 4                                      |          |      |
| \$60,000-74,999      | 17                                                                                             | 11.8%         | \$0             | 0.0%                     | 0                                      |          |      |
| \$75,000-99,999      | 51                                                                                             | 36.6%         | \$0             | 0.0%                     | 0                                      |          |      |
| \$100,000-124,999    | 23                                                                                             | 16.1%         | \$0             | 0.0%                     | 0                                      |          |      |
| \$125,000-149,999    | 29                                                                                             | 20.5%         | \$0             | 0.0%                     | 0                                      |          |      |
| \$150,000-199,999    | 23                                                                                             | 16.1%         | \$0             | 0.0%                     | 0                                      |          |      |
| \$200,000+           | 33                                                                                             | 23.6%         | \$0             | 0.0%                     | 0                                      |          |      |
| <b>Total</b>         | <b>140</b>                                                                                     | <b>100.0%</b> |                 | <b>-13.0%</b>            | <b>-18</b>                             |          |      |

**POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%**

| Minimum Income Limit |                                  | \$30,651      |                 | Maximum Income Limit     |                              | \$51,660 |      |
|----------------------|----------------------------------|---------------|-----------------|--------------------------|------------------------------|----------|------|
| Income Category      | Total Renter Households PMA 2019 |               | Income Brackets | Percent within<br>Cohort | Households<br>within Bracket |          |      |
|                      | \$0-9,999                        | 603           |                 |                          | 6.9%                         | \$0      | 0.0% |
| \$10,000-19,999      | 982                              | 11.3%         | \$0             | 0.0%                     | 0                            |          |      |
| \$20,000-29,999      | 1,386                            | 15.9%         | \$0             | 0.0%                     | 0                            |          |      |
| \$30,000-39,999      | 1,121                            | 12.9%         | \$9,348         | 93.5%                    | 1,048                        |          |      |
| \$40,000-49,999      | 885                              | 10.1%         | \$9,999         | 100.0%                   | 885                          |          |      |
| \$50,000-59,999      | 898                              | 10.3%         | \$1,660         | 16.6%                    | 149                          |          |      |
| \$60,000-74,999      | 933                              | 10.7%         | \$0             | 0.0%                     | 0                            |          |      |
| \$75,000-99,999      | 833                              | 9.5%          | \$0             | 0.0%                     | 0                            |          |      |
| \$100,000-124,999    | 432                              | 5.0%          | \$0             | 0.0%                     | 0                            |          |      |
| \$125,000-149,999    | 259                              | 3.0%          | \$0             | 0.0%                     | 0                            |          |      |
| \$150,000-199,999    | 216                              | 2.5%          | \$0             | 0.0%                     | 0                            |          |      |
| \$200,000+           | 175                              | 2.0%          | \$0             | 0.0%                     | 0                            |          |      |
| <b>Total</b>         | <b>8,723</b>                     | <b>100.0%</b> |                 | <b>23.9%</b>             | <b>2,082</b>                 |          |      |

**ASSUMPTIONS - @60%**

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

**Demand from New Renter Households 2019 to April 2022**

|                                               |            |
|-----------------------------------------------|------------|
| Income Target Population                      | @60%       |
| New Renter Households PMA                     | 140        |
| Percent Income Qualified                      | -13.0%     |
| <b>New Renter Income Qualified Households</b> | <b>-18</b> |

**Demand from Existing Households 2019**

**Demand from Rent Overburdened Households**

|                                                     |              |
|-----------------------------------------------------|--------------|
| Income Target Population                            | @60%         |
| Total Existing Demand                               | 8,723        |
| Income Qualified                                    | 23.9%        |
| Income Qualified Renter Households                  | 2,082        |
| Percent Rent Overburdened Prj Mrkt Entry April 2022 | 50.2%        |
| <b>Rent Overburdened Households</b>                 | <b>1,044</b> |

**Demand from Living in Substandard Housing**

|                                                 |           |
|-------------------------------------------------|-----------|
| Income Qualified Renter Households              | 2,082     |
| Percent Living in Substandard Housing           | 0.7%      |
| <b>Households Living in Substandard Housing</b> | <b>15</b> |

**Senior Households Converting from Homeownership**

|                                                    |          |
|----------------------------------------------------|----------|
| Income Target Population                           | @60%     |
| Total Senior Homeowners                            | 0        |
| Rural Versus Urban                                 | 2.0%     |
| <b>Senior Demand Converting from Homeownership</b> | <b>0</b> |

**Total Demand**

|                                                    |              |
|----------------------------------------------------|--------------|
| Total Demand from Existing Households              | 1,059        |
| Total New Demand                                   | -18          |
| <b>Total Demand (New Plus Existing Households)</b> | <b>1,041</b> |

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

**By Bedroom Demand**

|               |               |              |
|---------------|---------------|--------------|
| One Person    | 28.1%         | 292          |
| Two Persons   | 22.7%         | 237          |
| Three Persons | 17.0%         | 177          |
| Four Persons  | 13.5%         | 141          |
| Five Persons  | 18.7%         | 195          |
| <b>Total</b>  | <b>100.0%</b> | <b>1,041</b> |

**To place Person Demand into Bedroom Type Units**

|                                            |     |     |
|--------------------------------------------|-----|-----|
| Of one-person households in studio units   | 0%  | 0   |
| Of two-person households in studio units   | 0%  | 0   |
| Of three-person households in studio units | 0%  | 0   |
| Of four-person households in studio units  | 0%  | 0   |
| Of five-person households in studio units  | 0%  | 0   |
| Of one-person households in 1BR units      | 70% | 205 |
| Of two-person households in 1BR units      | 30% | 71  |
| Of three-person households in 1BR units    | 0%  | 0   |
| Of four-person households in 1BR units     | 0%  | 0   |
| Of five-person households in 1BR units     | 0%  | 0   |
| Of one-person households in 2BR units      | 30% | 88  |
| Of two-person households in 2BR units      | 70% | 166 |
| Of three-person households in 2BR units    | 60% | 106 |
| Of four-person households in 2BR units     | 40% | 56  |
| Of five-person households in 2BR units     | 20% | 39  |
| Of one-person households in 3BR units      | 0%  | 0   |
| Of two-person households in 3BR units      | 0%  | 0   |
| Of three-person households in 3BR units    | 40% | 71  |
| Of four-person households in 3BR units     | 60% | 84  |
| Of five-person households in 3BR units     | 80% | 156 |
| Of one-person households in 4BR units      | 0%  | 0   |
| Of two-person households in 4BR units      | 0%  | 0   |
| Of three-person households in 4BR units    | 0%  | 0   |
| Of four-person households in 4BR units     | 0%  | 0   |
| Of five-person households in 4BR units     | 0%  | 0   |
| Of one-person households in 5BR units      | 0%  | 0   |
| Of two-person households in 5BR units      | 0%  | 0   |
| Of three-person households in 5BR units    | 0%  | 0   |
| Of four-person households in 5BR units     | 0%  | 0   |
| Of five-person households in 5BR units     | 0%  | 0   |

**Total Demand 1,041**

|              | Total Demand (Subject Unit Types) |   | Additions to Supply |   | Net Demand   |
|--------------|-----------------------------------|---|---------------------|---|--------------|
| 0 BR         | -                                 | - | -                   | = | -            |
| 1 BR         | 276                               | - | 16                  | = | 260          |
| 2 BR         | 455                               | - | 12                  | = | 443          |
| 3 BR         | 311                               | - | 2                   | = | 309          |
| 4 BR         | -                                 | - | -                   | = | -            |
| 5 BR         | -                                 | - | -                   | = | -            |
| <b>Total</b> | <b>1,041</b>                      |   | <b>30</b>           |   | <b>1,011</b> |

|              | Developer's Unit Mix |   | Net Demand   | Capture Rate |              |
|--------------|----------------------|---|--------------|--------------|--------------|
| 0 BR         | -                    | / | -            | =            | -            |
| 1 BR         | 72                   | / | 260          | =            | 27.7%        |
| 2 BR         | 72                   | / | 443          | =            | 16.3%        |
| 3 BR         | 12                   | / | 309          | =            | 3.9%         |
| 4 BR         | -                    | / | -            | =            | -            |
| 5 BR         | -                    | / | -            | =            | -            |
| <b>Total</b> | <b>156</b>           |   | <b>1,011</b> |              | <b>15.4%</b> |

#### 4. Capture Rate Analysis Chart

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

- The number of households in the PMA is expected to increase 1.8 percent between 2019 and 2022.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

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

#### DEMAND AND NET DEMAND

| DCA Conclusion Tables (Family)                                                                      | HH at @60% AMI<br>(\$30,651 to<br>\$51,660) |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------|
| Demand from New Households<br>(age and income appropriate)                                          | -18                                         |
| <b>PLUS</b>                                                                                         | <b>+</b>                                    |
| Demand from Existing Renter<br>Households - Substandard<br>Housing                                  | 15                                          |
| <b>PLUS</b>                                                                                         | <b>+</b>                                    |
| Demand from Existing Renter<br>Households - Rent Overburdened<br>Households                         | 1,044                                       |
| Sub Total                                                                                           | 1,041                                       |
| Demand from Existing Households<br>- Elderly Homeowner Turnover<br>(Limited to 2% where applicable) | 0                                           |
| <b>Equals Total Demand</b>                                                                          | <b>1,041</b>                                |
| <b>Less</b>                                                                                         | <b>-</b>                                    |
| Competitive New Supply                                                                              | 30                                          |
| <b>Equals Net Demand</b>                                                                            | <b>1,011</b>                                |

CAPTURE RATE ANALYSIS CHART

| Unit Type    | Minimum Income | Maximum Income | Units Proposed | Total Demand | Supply | Net Demand | Capture Rate | Average Market Rents | Minimum Market Rent | Maximum Market Rent | Proposed Rents |
|--------------|----------------|----------------|----------------|--------------|--------|------------|--------------|----------------------|---------------------|---------------------|----------------|
| 1BR @60%     | \$30,651       | \$38,280       | 72             | 276          | 16     | 260        | 27.7%        | \$1,066              | \$777               | \$1,330             | \$785          |
| 2BR @60%     | \$36,891       | \$43,080       | 72             | 455          | 12     | 443        | 16.3%        | \$1,189              | \$930               | \$1,487             | \$950          |
| 3BR @60%     | \$41,177       | \$51,660       | 12             | 311          | 2      | 309        | 3.9%         | \$1,307              | \$1,066             | \$1,780             | \$1,050        |
| @60% Overall | \$30,651       | \$51,660       | 156            | 1,041        | 30     | 1,011      | 15.4%        | -                    | -                   | -                   | -              |

As the analysis illustrates, the Subject’s capture rates at the 60 percent AMI capture rates range from 3.9 to 27.7 percent, with an overall capture rate of 15.4 percent. Therefore, we believe there is adequate demand for the Subject. All capture rates are within Georgia DCA thresholds.

# **I. EXISTING COMPETITIVE RENTAL ENVIRONMENT**

### **Survey of Comparable Projects**

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent structure. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes nine “true” comparable properties containing 1,677 units.

The availability of LIHTC data is considered good; there are eight LIHTC properties in the PMA, seven of which target families. We utilized four affordable developments located between 2.4 and 3.5 miles from the Subject site, all of which are located within the PMA. All of the comparable properties target the general population and offer generally similar unit types in comparison to the Subject.

The availability of market rate data is considered average. The Subject is located in Dacula and there are several market rate properties in the area. We included five market rate properties located between 3.3 and 7.0 miles from the Subject site, three of which are located within the PMA. These comparables were built or renovated between 1971 and 2017. 1760 Apartment Homes and Hawthorne At Sugarloaf are located outside of the PMA in Lawrenceville and each are 7.0 miles from the Subject site. These are reasonable proxies for the Subject as they are among the most proximate market rate developments in the area that agreed to participate in our rental survey. Overall, we believe the market rate properties we used in our analysis are the most comparable. Other market rate properties were excluded based on proximity, condition, and unit mix.

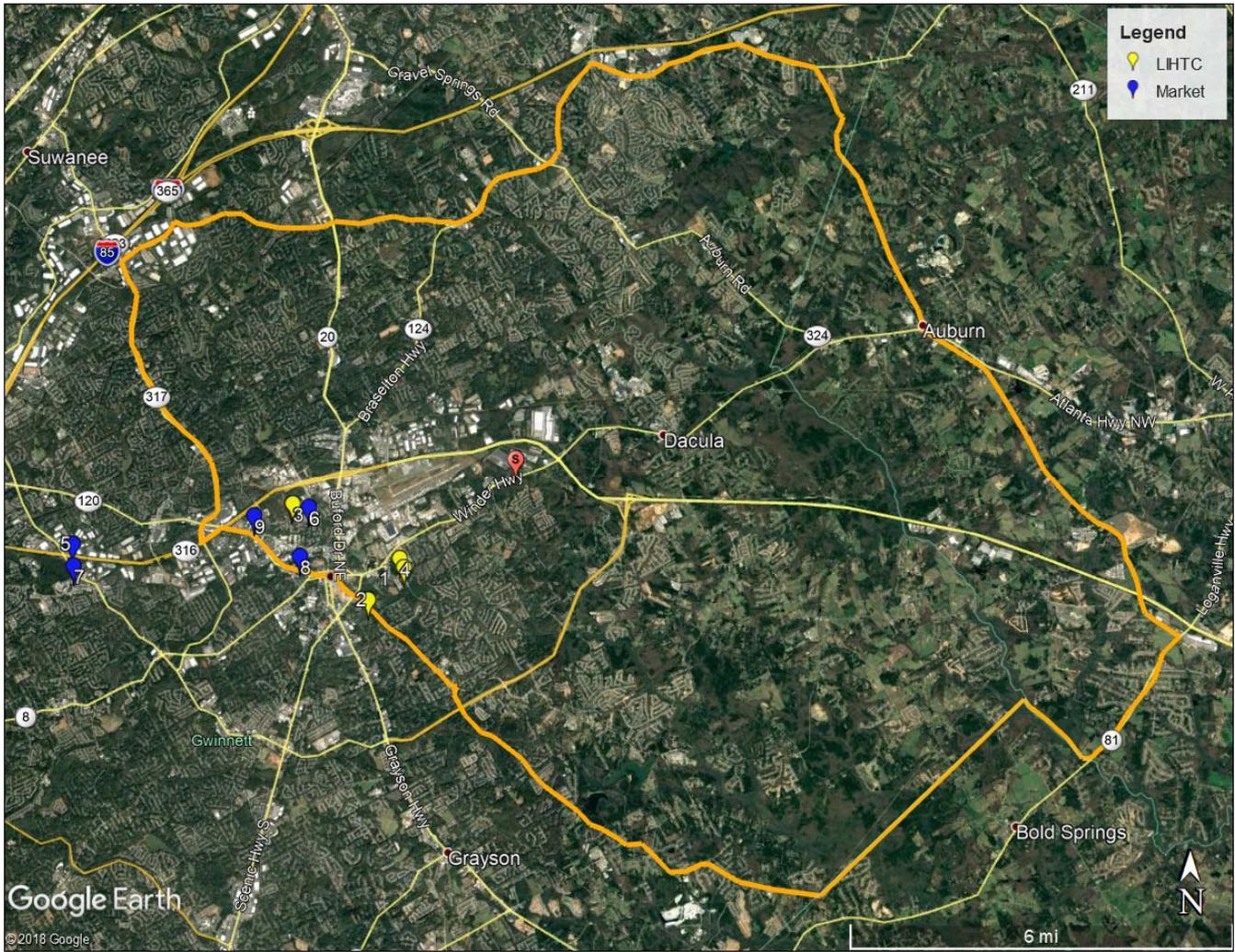
## Excluded Properties

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

### EXCLUDED PROPERTIES

| Property Name                 | Program        | Location      | Tenancy       | # of Units | Reason for Exclusion                    |
|-------------------------------|----------------|---------------|---------------|------------|-----------------------------------------|
| <b>Rivers Edge Apartments</b> | <b>LIHTC</b>   | <b>Dacula</b> | <b>Family</b> | <b>156</b> | -                                       |
| Autry Pines Senior Village    | LIHTC          | Auburn        | Senior        | 64         | Dissimilar tenancy                      |
| Farmington Hills Phase I      | LIHTC          | Winder        | Family        | 72         | Closer comparables                      |
| Farmington Hills Phase II     | LIHTC          | Winder        | Family        | 72         | Closer comparables                      |
| Greens At Hillcrest I         | LIHTC          | Lawrenceville | Family        | 176        | No 60 percent units                     |
| Glenn Edge Apartments         | Public Housing | Lawrenceville | Family        | 50         | Subsidized                              |
| Grady Holt                    | Public Housing | Lawrenceville | Family        | 26         | Subsidized                              |
| Floyd Braswell                | Public Housing | Lawrenceville | Family        | 20         | Subsidized                              |
| New Memorial                  | Public Housing | Lawrenceville | Family        | 20         | Subsidized                              |
| Rich Martin Apartments        | Public Housing | Lawrenceville | Family        | 40         | Subsidized                              |
| 136 Corbin Street             | Market         | Lawrenceville | Family        | 8          | Inferior condition, low number of units |
| Carolina Apartments           | Market         | Lawrenceville | Family        | 82         | Unable to contact                       |
| Hampton Square                | Market         | Lawrenceville | Family        | 17         | Inferior condition, low number of units |
| Ridgewood Apartments          | Market         | Lawrenceville | Family        | 52         | Unable to contact                       |
| Saint Lawrence Apartments     | Market         | Lawrenceville | Family        | 50         | Unable to contact                       |

1. Comparable Rental Property Map



Source: Google Earth, April 2020.

COMPARABLE PROPERTIES

| #        | Comparable Property           | City          | Rent Structure | Distance to Subject |
|----------|-------------------------------|---------------|----------------|---------------------|
| <b>S</b> | <b>Rivers Edge Apartments</b> | <b>Dacula</b> | <b>LIHTC</b>   | <b>-</b>            |
| 1        | Greens At Hillcrest II        | Lawrenceville | LIHTC          | 3.5 miles           |
| 2        | Magnolia Village*             | Lawrenceville | LIHTC/Market   | 3.2 miles           |
| 3        | Mulberry Place                | Lawrenceville | LIHTC          | 2.4 miles           |
| 4        | Oaks At New Hope              | Lawrenceville | LIHTC          | 3.0 miles           |
| 5        | 1760 Apartment Homes*         | Lawrenceville | Market         | 7.0 miles           |
| 6        | Bluestone Manor               | Lawrenceville | Market         | 3.3 miles           |
| 7        | Hawthorne At Sugarloaf*       | Lawrenceville | Market         | 7.0 miles           |
| 8        | Knollwood Park                | Lawrenceville | Market         | 3.6 miles           |
| 9        | SYNC At Ten Oaks              | Lawrenceville | Market         | 4.1 miles           |

\*Located outside PMA

RIVERS EDGE APARTMENTS – DACULA, GEORGIA – MARKET STUDY

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

SUMMARY MATRIX

| Comp #         | Property Name                                                                                      | Distance to Subject | Type / Built / Renovated                     | Rent Structure     | Unit Description | #          | %     | Size (SF) | Restriction | Rent (Adj) | Max Rent? | Waiting List? | Vacant Units | Vacancy Rate |
|----------------|----------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------|--------------------|------------------|------------|-------|-----------|-------------|------------|-----------|---------------|--------------|--------------|
| <b>Subject</b> | Rivers Edge Apartments<br>1395 Winder Highway<br>Dacula, GA 30019<br>Gwinnett County               | -                   | Garden<br>3-stories<br>2022 / n/a<br>Family  | @60%               | 1BR / 1BA        | 72         | 46.2% | 720       | @60%        | \$785      | No        | N/A           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 72         | 46.2% | 927       | @60%        | \$950      | No        | N/A           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 12         | 7.7%  | 1,160     | @60%        | \$1,050    | No        | N/A           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    |                  | <b>156</b> |       |           |             |            |           |               |              |              |
| 1              | Greens At Hillcrest II<br>850 Hillcrest Greens Drive<br>Lawrenceville, GA 30045<br>Gwinnett County | 3.5 miles           | Various<br>3-stories<br>2002 / n/a<br>Family | @60%               | 2BR / 2BA        | 40         | 27.4% | 993       | @60%        | \$935      | Yes       | No            | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 30         | 20.6% | 1,110     | @60%        | \$935      | Yes       | No            | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 40         | 27.4% | 1,110     | @60%        | \$1,070    | Yes       | No            | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 36         | 24.7% | 1,363     | @60%        | \$1,070    | Yes       | No            | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    |                  | <b>146</b> |       |           |             |            |           |               |              |              |
| 2              | Magnolia Village<br>287 East Crogan Street<br>Lawrenceville, GA 30046<br>Gwinnett County           | 3.2 miles           | Garden<br>3-stories<br>2002 / n/a<br>Family  | @50%, @60%, Market | 1BR / 1BA        | 19         | 10.0% | 975       | @50%        | \$682      | Yes       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1BA        | 8          | 4.2%  | 975       | @60%        | \$836      | Yes       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1BA        | 9          | 4.7%  | 975       | Market      | \$920      | N/A       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 47         | 24.7% | 1,175     | @50%        | \$809      | Yes       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 47         | 24.7% | 1,175     | @60%        | \$994      | Yes       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 24         | 12.6% | 1,175     | Market      | \$1,065    | N/A       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 20         | 10.5% | 1,375     | @50%        | \$933      | No        | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 8          | 4.2%  | 1,375     | @60%        | \$1,146    | Yes       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 8          | 4.2%  | 1,375     | Market      | \$1,190    | N/A       | Yes           | 0            | 0.0%         |
|                | <b>190</b>                                                                                         |                     |                                              |                    |                  |            |       |           |             |            | 0         | 0.0%          |              |              |
| 3              | Mulberry Place<br>158 Paper Mill Road<br>Lawrenceville, GA 30046<br>Gwinnett County                | 2.4 miles           | Garden<br>3-stories<br>2003 / n/a<br>Family  | @60%               | 2BR / 2BA        | 168        | 75.0% | 1,094     | @60%        | \$980      | Yes       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 56         | 25.0% | 1,280     | @60%        | \$1,115    | Yes       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | <b>224</b>       |            |       |           |             |            |           | 0             | 0.0%         |              |
| 4              | Oaks At New Hope<br>239 New Hope Road<br>Lawrenceville, GA 30046<br>Gwinnett County                | 3.0 miles           | Garden<br>3-stories<br>2003 / 2019<br>Family | @60%               | 1BR / 1BA        | 32         | 22.9% | 822       | @60%        | \$777      | Yes       | Yes           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 58         | 41.4% | 1,086     | @60%        | \$930      | Yes       | Yes           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 24         | 17.1% | 1,209     | @60%        | \$1,066    | Yes       | Yes           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 4BR / 3BA        | 26         | 18.6% | 1,460     | @60%        | \$1,175    | Yes       | Yes           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | <b>140</b>       |            |       |           |             |            | 2         | 1.4%          |              |              |
| 5              | 1760 Apartment Homes<br>1760 Lakes Parkway<br>Lawrenceville, GA 30043<br>Gwinnett County           | 7.0 miles           | Midrise<br>4-stories<br>2017 / n/a<br>Family | Market             | 1BR / 1BA        | 125        | 52.3% | 807       | Market      | \$1,286    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 99         | 41.4% | 1,204     | Market      | \$1,487    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 15         | 6.3%  | 1,366     | Market      | \$1,780    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    |                  | <b>239</b> |       |           |             |            |           |               |              |              |
| 6              | Bluestone Manor<br>59 Hurricane Shoals Road<br>Lawrenceville, GA 30046<br>Gwinnett County          | 3.3 miles           | Duplex<br>1-stories<br>1971 / n/a<br>Family  | Market             | 1BR / 1BA        | 2          | 4.2%  | 850       | Market      | \$915      | N/A       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 2BR / 1BA        | 39         | 81.3% | 950       | Market      | \$1,010    | N/A       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 7          | 14.6% | 1,050     | Market      | \$1,115    | N/A       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | <b>48</b>        |            |       |           |             |            |           | 0             | 0.0%         |              |
| 7              | Hawthorne At Sugarloaf<br>4975 Sugarloaf Parkway<br>Lawrenceville, GA 30044<br>Gwinnett County     | 7.0 miles           | Various<br>3-stories<br>2007 / n/a<br>Family | Market             | 1BR / 1BA        | N/A        | N/A   | 691       | Market      | \$1,069    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1BA        | N/A        | N/A   | 890       | Market      | \$1,190    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1BA        | N/A        | N/A   | 890       | Market      | \$1,330    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | N/A        | N/A   | 1,186     | Market      | \$1,402    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | N/A        | N/A   | 1,375     | Market      | \$1,414    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | N/A        | N/A   | 1,324     | Market      | \$1,460    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | N/A        | N/A   | 1,491     | Market      | \$1,615    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | N/A        | N/A   | 1,540     | Market      | \$1,755    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | <b>260</b>       |            |       |           |             |            | 7         | 2.7%          |              |              |
| 8              | Knollwood Park<br>255 Honeysuckle Circle<br>Lawrenceville, GA 30045<br>Gwinnett County             | 3.6 miles           | Garden<br>3-stories<br>1998 / 2018<br>Family | Market             | 2BR / 2BA        | 90         | 63.4% | 1,082     | Market      | \$1,078    | No        | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 52         | 36.6% | 1,304     | Market      | \$1,280    | No        | No            | 1            | 1.9%         |
|                |                                                                                                    |                     |                                              |                    | <b>142</b>       |            |       |           |             |            |           | 3             | 2.1%         |              |
| 9              | SYNC At Ten Oaks<br>405 Philip Blvd.<br>Lawrenceville, GA 30046<br>Gwinnett County                 | 4.1 miles           | Various<br>3-stories<br>2007 / n/a<br>Family | Market             | 1BR / 1BA        | N/A        | N/A   | 763       | Market      | \$1,087    | N/A       | N/A           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1BA        | N/A        | N/A   | 768       | Market      | \$1,110    | N/A       | N/A           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1BA        | N/A        | N/A   | 799       | Market      | \$1,104    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1.5BA      | N/A        | N/A   | 864       | Market      | \$1,164    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | N/A        | N/A   | 1,023     | Market      | \$1,267    | N/A       | N/A           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | N/A        | N/A   | 1,060     | Market      | \$1,280    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2.5BA      | N/A        | N/A   | 1,092     | Market      | \$1,330    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2.5BA      | N/A        | N/A   | 1,152     | Market      | \$1,460    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | N/A        | N/A   | 1,247     | Market      | \$1,484    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    |                  |            |       |           |             | <b>288</b> |           |               |              |              |

## RIVERS EDGE APARTMENTS – DACULA, GEORGIA – MARKET STUDY

| RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market. |                                      |                                      |                                      |                      |                                      |                |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|----------------------|--------------------------------------|----------------|
|                                                                                                               |                                      | Units Surveyed: 1,677                | Weighted Occupancy: 97.9%            |                      |                                      |                |
|                                                                                                               |                                      | Market Rate 977                      | Market Rate 96.6%                    |                      |                                      |                |
|                                                                                                               |                                      | Tax Credit 700                       | Tax Credit 99.7%                     |                      |                                      |                |
|                                                                                                               |                                      | One Bedroom One Bath                 |                                      | Two Bedroom Two Bath |                                      |                |
|                                                                                                               |                                      | Property                             | Average                              | Property             | Average                              |                |
|                                                                                                               |                                      | Three Bedroom Two Bath               |                                      | Property             |                                      |                |
|                                                                                                               |                                      | Property                             | Average                              | Property             | Average                              |                |
| <b>RENT</b>                                                                                                   | Hawthorne At Sugarloaf (Market)      | \$1,330                              | 1760 Apartment Homes (Market)        | \$1,487              | 1760 Apartment Homes (Market)        | \$1,780        |
|                                                                                                               | 1760 Apartment Homes (Market)        | \$1,286                              | Hawthorne At Sugarloaf (Market)      | \$1,460              | Hawthorne At Sugarloaf (Market)      | \$1,755        |
|                                                                                                               | Hawthorne At Sugarloaf (Market)      | \$1,190                              | SYNC At Ten Oaks (Market)(2.5BA)     | \$1,460              | Hawthorne At Sugarloaf (Market)      | \$1,615        |
|                                                                                                               | SYNC At Ten Oaks (Market)(1.5BA)     | \$1,164                              | Hawthorne At Sugarloaf (Market)      | \$1,414              | SYNC At Ten Oaks (Market)            | \$1,484        |
|                                                                                                               | SYNC At Ten Oaks (Market)            | \$1,110                              | Hawthorne At Sugarloaf (Market)      | \$1,402              | Knollwood Park (Market)              | \$1,280        |
|                                                                                                               | SYNC At Ten Oaks (Market)            | \$1,104                              | SYNC At Ten Oaks (Market)(2.5BA)     | \$1,330              | Magnolia Village (Market)            | \$1,190        |
|                                                                                                               | SYNC At Ten Oaks (Market)            | \$1,087                              | SYNC At Ten Oaks (Market)            | \$1,280              | Magnolia Village (@60%)              | \$1,146        |
|                                                                                                               | Hawthorne At Sugarloaf (Market)      | \$1,069                              | SYNC At Ten Oaks (Market)            | \$1,267              | Bluestone Manor (Market)             | \$1,115        |
|                                                                                                               | Magnolia Village (Market)            | \$920                                | Knollwood Park (Market)              | \$1,078              | Mulberry Place (@60%)                | \$1,115        |
|                                                                                                               | Bluestone Manor (Market)             | \$915                                | Magnolia Village (Market)            | \$1,065              | Greens At Hillcrest II (@60%)        | \$1,070        |
|                                                                                                               | Magnolia Village (@60%)              | \$836                                | Bluestone Manor (Market)(1BA)        | \$1,010              | Greens At Hillcrest II (@60%)        | \$1,070        |
|                                                                                                               | <b>Rivers Edge Apartments (@60%)</b> | <b>\$785</b>                         | Magnolia Village (@60%)              | \$994                | Oaks At New Hope (@60%)              | \$1,066        |
|                                                                                                               | Oaks At New Hope (@60%)              | \$777                                | Mulberry Place (@60%)                | \$980                | <b>Rivers Edge Apartments (@60%)</b> | <b>\$1,050</b> |
|                                                                                                               | Magnolia Village (@50%)              | \$682                                | <b>Rivers Edge Apartments (@60%)</b> | <b>\$950</b>         | Magnolia Village (@50%)              | \$933          |
|                                                                                                               |                                      |                                      | Greens At Hillcrest II (@60%)        | \$935                |                                      |                |
|                                                                                                               |                                      | Greens At Hillcrest II (@60%)        | \$935                                |                      |                                      |                |
|                                                                                                               |                                      | Oaks At New Hope (@60%)              | \$930                                |                      |                                      |                |
|                                                                                                               |                                      | Magnolia Village (@50%)              | \$809                                |                      |                                      |                |
| <b>SQUARE FOOTAGE</b>                                                                                         | Magnolia Village (@50%)              | 975                                  | Hawthorne At Sugarloaf (Market)      | 1,375                | Hawthorne At Sugarloaf (Market)      | 1,540          |
|                                                                                                               | Magnolia Village (@60%)              | 975                                  | Hawthorne At Sugarloaf (Market)      | 1,324                | Hawthorne At Sugarloaf (Market)      | 1,491          |
|                                                                                                               | Magnolia Village (Market)            | 975                                  | 1760 Apartment Homes (Market)        | 1,204                | Magnolia Village (@50%)              | 1,375          |
|                                                                                                               | Hawthorne At Sugarloaf (Market)      | 890                                  | Hawthorne At Sugarloaf (Market)      | 1,186                | Magnolia Village (@60%)              | 1,375          |
|                                                                                                               | Hawthorne At Sugarloaf (Market)      | 890                                  | Magnolia Village (Market)            | 1,175                | Magnolia Village (Market)            | 1,375          |
|                                                                                                               | SYNC At Ten Oaks (Market)(1.5BA)     | 864                                  | Magnolia Village (@50%)              | 1,175                | 1760 Apartment Homes (Market)        | 1,366          |
|                                                                                                               | Bluestone Manor (Market)             | 850                                  | Magnolia Village (@60%)              | 1,175                | Greens At Hillcrest II (@60%)        | 1,363          |
|                                                                                                               | Oaks At New Hope (@60%)              | 822                                  | SYNC At Ten Oaks (Market)(2.5BA)     | 1,152                | Knollwood Park (Market)              | 1,304          |
|                                                                                                               | 1760 Apartment Homes (Market)        | 807                                  | Greens At Hillcrest II (@60%)        | 1,110                | Mulberry Place (@60%)                | 1,280          |
|                                                                                                               | SYNC At Ten Oaks (Market)            | 799                                  | Mulberry Place (@60%)                | 1,094                | SYNC At Ten Oaks (Market)            | 1,247          |
|                                                                                                               | SYNC At Ten Oaks (Market)            | 768                                  | SYNC At Ten Oaks (Market)(2.5BA)     | 1,092                | Oaks At New Hope (@60%)              | 1,209          |
|                                                                                                               | SYNC At Ten Oaks (Market)            | 763                                  | Oaks At New Hope (@60%)              | 1,086                | <b>Rivers Edge Apartments (@60%)</b> | <b>1,160</b>   |
|                                                                                                               | <b>Rivers Edge Apartments (@60%)</b> | <b>720</b>                           | Knollwood Park (Market)              | 1,082                | Greens At Hillcrest II (@60%)        | 1,110          |
|                                                                                                               | Hawthorne At Sugarloaf (Market)      | 691                                  | SYNC At Ten Oaks (Market)            | 1,060                | Bluestone Manor (Market)             | 1,050          |
|                                                                                                               |                                      |                                      | SYNC At Ten Oaks (Market)            | 1,023                |                                      |                |
|                                                                                                               |                                      | Greens At Hillcrest II (@60%)        | 993                                  |                      |                                      |                |
|                                                                                                               |                                      | Bluestone Manor (Market)(1BA)        | 950                                  |                      |                                      |                |
|                                                                                                               |                                      | <b>Rivers Edge Apartments (@60%)</b> | <b>927</b>                           |                      |                                      |                |
| <b>RENT PER SQUARE FOOT</b>                                                                                   | 1760 Apartment Homes (Market)        | \$1.59                               | SYNC At Ten Oaks (Market)(2.5BA)     | \$1.27               | 1760 Apartment Homes (Market)        | \$1.30         |
|                                                                                                               | Hawthorne At Sugarloaf (Market)      | \$1.55                               | SYNC At Ten Oaks (Market)            | \$1.24               | SYNC At Ten Oaks (Market)            | \$1.19         |
|                                                                                                               | Hawthorne At Sugarloaf (Market)      | \$1.49                               | 1760 Apartment Homes (Market)        | \$1.24               | Hawthorne At Sugarloaf (Market)      | \$1.14         |
|                                                                                                               | SYNC At Ten Oaks (Market)            | \$1.45                               | SYNC At Ten Oaks (Market)(2.5BA)     | \$1.22               | Hawthorne At Sugarloaf (Market)      | \$1.08         |
|                                                                                                               | SYNC At Ten Oaks (Market)            | \$1.42                               | SYNC At Ten Oaks (Market)            | \$1.21               | Bluestone Manor (Market)             | \$1.06         |
|                                                                                                               | SYNC At Ten Oaks (Market)            | \$1.38                               | Hawthorne At Sugarloaf (Market)      | \$1.18               | Knollwood Park (Market)              | \$0.98         |
|                                                                                                               | SYNC At Ten Oaks (Market)(1.5BA)     | \$1.35                               | Hawthorne At Sugarloaf (Market)      | \$1.10               | Greens At Hillcrest II (@60%)        | \$0.96         |
|                                                                                                               | Hawthorne At Sugarloaf (Market)      | \$1.34                               | Bluestone Manor (Market)(1BA)        | \$1.06               | <b>Rivers Edge Apartments (@60%)</b> | <b>\$0.91</b>  |
|                                                                                                               | <b>Rivers Edge Apartments (@60%)</b> | <b>\$1.09</b>                        | Hawthorne At Sugarloaf (Market)      | \$1.03               | Oaks At New Hope (@60%)              | \$0.88         |
|                                                                                                               | Bluestone Manor (Market)             | \$1.08                               | <b>Rivers Edge Apartments (@60%)</b> | <b>\$1.02</b>        | Mulberry Place (@60%)                | \$0.87         |
|                                                                                                               | Oaks At New Hope (@60%)              | \$0.95                               | Knollwood Park (Market)              | \$1.00               | Magnolia Village (Market)            | \$0.87         |
|                                                                                                               | Magnolia Village (Market)            | \$0.94                               | Greens At Hillcrest II (@60%)        | \$0.94               | Magnolia Village (@60%)              | \$0.83         |
|                                                                                                               | Magnolia Village (@60%)              | \$0.86                               | Magnolia Village (Market)            | \$0.91               | Greens At Hillcrest II (@60%)        | \$0.79         |
|                                                                                                               | Magnolia Village (@50%)              | \$0.70                               | Mulberry Place (@60%)                | \$0.90               | Magnolia Village (@50%)              | \$0.68         |
|                                                                                                               |                                      |                                      | Oaks At New Hope (@60%)              | \$0.86               |                                      |                |
|                                                                                                               |                                      | Magnolia Village (@60%)              | \$0.85                               |                      |                                      |                |
|                                                                                                               |                                      | Greens At Hillcrest II (@60%)        | \$0.84                               |                      |                                      |                |
|                                                                                                               |                                      | Magnolia Village (@50%)              | \$0.69                               |                      |                                      |                |

# PROPERTY PROFILE REPORT

## Greens At Hillcrest II

|                        |                                                                          |
|------------------------|--------------------------------------------------------------------------|
| Effective Rent Date    | 4/27/2020                                                                |
| Location               | 850 Hillcrest Greens Drive<br>Lawrenceville, GA 30045<br>Gwinnett County |
| Distance               | 3.5 miles                                                                |
| Units                  | 146                                                                      |
| Vacant Units           | 0                                                                        |
| Vacancy Rate           | 0.0%                                                                     |
| Type                   | Various (3 stories)                                                      |
| Year Built/Renovated   | 2002 / N/A                                                               |
| Marketing Began        | N/A                                                                      |
| Leasing Began          | N/A                                                                      |
| Last Unit Leased       | N/A                                                                      |
| Major Competitors      | Herrington Mill, Mulberry Place, Ashton Creek                            |
| Tenant Characteristics | Mixed Tenancy                                                            |
| Contact Name           | Katrina                                                                  |
| Phone                  | 770-513-8338                                                             |



### Market Information

|                      |                  |
|----------------------|------------------|
| Program              | @60%             |
| Annual Turnover Rate | 17%              |
| Units/Month Absorbed | N/A              |
| HCV Tenants          | 10%              |
| Leasing Pace         | Within two weeks |
| Annual Chg. in Rent  | Kept at max      |
| Concession           | None             |
| Waiting List         | 20 Households    |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type                  | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 2    | 2     | Garden (3 stories)    | 40    | 993       | \$935   | \$0                  | @60%        | No           | 0      | 0.0%         | yes       | None  |
| 2    | 2     | Townhouse (2 stories) | 30    | 1,110     | \$935   | \$0                  | @60%        | No           | 0      | 0.0%         | yes       | None  |
| 3    | 2     | Garden (3 stories)    | 40    | 1,110     | \$1,070 | \$0                  | @60%        | No           | 0      | 0.0%         | yes       | None  |
| 3    | 2     | Townhouse (2 stories) | 36    | 1,363     | \$1,070 | \$0                  | @60%        | No           | 0      | 0.0%         | yes       | None  |

### Unit Mix

| @60%      | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|
| 2BR / 2BA | \$935     | \$0   | \$935       | \$0        | \$935     |
| 3BR / 2BA | \$1,070   | \$0   | \$1,070     | \$0        | \$1,070   |

Amenities

|                                                                                                                                     |                                                                                           |                           |                                        |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------|----------------------------------------|
| <b>In-Unit</b><br>Balcony/Patio<br>Carpeting<br>Coat Closet<br>Exterior Storage<br>Oven<br>Vaulted Ceilings<br>Washer/Dryer hookup  | Blinds<br>Central A/C<br>Dishwasher<br>Garbage Disposal<br>Refrigerator<br>Walk-In Closet | <b>Security</b><br>Patrol | <b>Services</b><br>Afterschool Program |
| <b>Property</b><br>Business Center/Computer Lab<br>Exercise Facility<br>Non-shelter Services<br>On-Site Management<br>Swimming Pool | Clubhouse/Meeting Room/Community<br>Central Laundry<br>Off-Street Parking<br>Playground   | <b>Premium</b><br>None    | <b>Other</b><br>None                   |

Comments

The contact had no additional comments.

Photos



# PROPERTY PROFILE REPORT

## Magnolia Village

|                        |                                                                      |
|------------------------|----------------------------------------------------------------------|
| Effective Rent Date    | 4/20/2020                                                            |
| Location               | 287 East Crogan Street<br>Lawrenceville, GA 30046<br>Gwinnett County |
| Distance               | 3.2 miles                                                            |
| Units                  | 190                                                                  |
| Vacant Units           | 0                                                                    |
| Vacancy Rate           | 0.0%                                                                 |
| Type                   | Garden (3 stories)                                                   |
| Year Built/Renovated   | 2002 / N/A                                                           |
| Marketing Began        | N/A                                                                  |
| Leasing Began          | N/A                                                                  |
| Last Unit Leased       | N/A                                                                  |
| Major Competitors      | Mulberry Place                                                       |
| Tenant Characteristics | Mixed Tenancy                                                        |
| Contact Name           | Angela                                                               |
| Phone                  | 770-237-3910                                                         |



### Market Information

|                      |                     |
|----------------------|---------------------|
| Program              | @50%, @60%, Market  |
| Annual Turnover Rate | 25%                 |
| Units/Month Absorbed | 8                   |
| HCV Tenants          | 5%                  |
| Leasing Pace         | Within one week     |
| Annual Chg. in Rent  | Kept at max         |
| Concession           | None                |
| Waiting List         | Yes; 500 households |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type               | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1    | 1     | Garden (3 stories) | 19    | 975       | \$667   | \$0                  | @50%        | Yes          | 0      | 0.0%         | yes       | None  |
| 1    | 1     | Garden (3 stories) | 8     | 975       | \$821   | \$0                  | @60%        | Yes          | 0      | 0.0%         | yes       | None  |
| 1    | 1     | Garden (3 stories) | 9     | 975       | \$905   | \$0                  | Market      | Yes          | 0      | 0.0%         | N/A       | None  |
| 2    | 2     | Garden (3 stories) | 47    | 1,175     | \$794   | \$0                  | @50%        | Yes          | 0      | 0.0%         | yes       | None  |
| 2    | 2     | Garden (3 stories) | 47    | 1,175     | \$979   | \$0                  | @60%        | Yes          | 0      | 0.0%         | yes       | None  |
| 2    | 2     | Garden (3 stories) | 24    | 1,175     | \$1,050 | \$0                  | Market      | Yes          | 0      | 0.0%         | N/A       | None  |
| 3    | 2     | Garden (3 stories) | 20    | 1,375     | \$918   | \$0                  | @50%        | Yes          | 0      | 0.0%         | no        | None  |
| 3    | 2     | Garden (3 stories) | 8     | 1,375     | \$1,131 | \$0                  | @60%        | Yes          | 0      | 0.0%         | yes       | None  |
| 3    | 2     | Garden (3 stories) | 8     | 1,375     | \$1,175 | \$0                  | Market      | Yes          | 0      | 0.0%         | N/A       | None  |

## Magnolia Village, continued

### Unit Mix

| @50%      | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent | @60%      | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|-----------|-----------|-------|-------------|------------|-----------|
| 1BR / 1BA | \$667     | \$0   | \$667       | \$15       | \$682     | 1BR / 1BA | \$821     | \$0   | \$821       | \$15       | \$836     |
| 2BR / 2BA | \$794     | \$0   | \$794       | \$15       | \$809     | 2BR / 2BA | \$979     | \$0   | \$979       | \$15       | \$994     |
| 3BR / 2BA | \$918     | \$0   | \$918       | \$15       | \$933     | 3BR / 2BA | \$1,131   | \$0   | \$1,131     | \$15       | \$1,146   |
| Market    | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |           |           |       |             |            |           |
| 1BR / 1BA | \$905     | \$0   | \$905       | \$15       | \$920     |           |           |       |             |            |           |
| 2BR / 2BA | \$1,050   | \$0   | \$1,050     | \$15       | \$1,065   |           |           |       |             |            |           |
| 3BR / 2BA | \$1,175   | \$0   | \$1,175     | \$15       | \$1,190   |           |           |       |             |            |           |

### Amenities

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

### Comments

Over the past year, rents for all affordable units have increased to 2019 maximum allowable levels. Market rate unit rents increased two to six percent since the first quarter of 2019.

Photos



# PROPERTY PROFILE REPORT

## Mulberry Place

|                        |                                                                   |
|------------------------|-------------------------------------------------------------------|
| Effective Rent Date    | 4/27/2020                                                         |
| Location               | 158 Paper Mill Road<br>Lawrenceville, GA 30046<br>Gwinnett County |
| Distance               | 2.4 miles                                                         |
| Units                  | 224                                                               |
| Vacant Units           | 0                                                                 |
| Vacancy Rate           | 0.0%                                                              |
| Type                   | Garden (3 stories)                                                |
| Year Built/Renovated   | 2003 / N/A                                                        |
| Marketing Began        | N/A                                                               |
| Leasing Began          | N/A                                                               |
| Last Unit Leased       | 1/07/2007                                                         |
| Major Competitors      | Magnolia Village                                                  |
| Tenant Characteristics | Mixed tenancy, majority families, some seniors                    |
| Contact Name           | Charlotte                                                         |
| Phone                  | 678-407-9151                                                      |



### Market Information

|                      |                        |
|----------------------|------------------------|
| Program              | @60%                   |
| Annual Turnover Rate | 38%                    |
| Units/Month Absorbed | N/A                    |
| HCV Tenants          | 23%                    |
| Leasing Pace         | Pre-leased to one week |
| Annual Chg. in Rent  | Increased to max       |
| Concession           | None                   |
| Waiting List         | Yes; 25 households     |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type               | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 2    | 2     | Garden (3 stories) | 168   | 1,094     | \$980   | \$0                  | @60%        | Yes          | 0      | 0.0%         | yes       | None  |
| 3    | 2     | Garden (3 stories) | 56    | 1,280     | \$1,115 | \$0                  | @60%        | Yes          | 0      | 0.0%         | yes       | None  |

### Unit Mix

| @60%      | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|
| 2BR / 2BA | \$980     | \$0   | \$980       | \$0        | \$980     |
| 3BR / 2BA | \$1,115   | \$0   | \$1,115     | \$0        | \$1,115   |

## Mulberry Place, continued

### Amenities

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

### Comments

The contact reported that the property is charging maximum allowable rents and stated that there is a strong demand for affordable housing in the area.

Photos



# PROPERTY PROFILE REPORT

## Oaks At New Hope

|                        |                                                                 |
|------------------------|-----------------------------------------------------------------|
| Effective Rent Date    | 4/27/2020                                                       |
| Location               | 239 New Hope Road<br>Lawrenceville, GA 30046<br>Gwinnett County |
| Distance               | 3 miles                                                         |
| Units                  | 140                                                             |
| Vacant Units           | 2                                                               |
| Vacancy Rate           | 1.4%                                                            |
| Type                   | Garden (3 stories)                                              |
| Year Built/Renovated   | 2003 / 2019                                                     |
| Marketing Began        | 1/01/2003                                                       |
| Leasing Began          | 3/01/2003                                                       |
| Last Unit Leased       | 11/01/2003                                                      |
| Major Competitors      | Alexander Mill, The View at Sugarloaf                           |
| Tenant Characteristics | Mixed Tenancy                                                   |
| Contact Name           | Marya                                                           |
| Phone                  | 770-963-6877                                                    |



### Market Information

|                      |                     |
|----------------------|---------------------|
| Program              | @60%                |
| Annual Turnover Rate | 25%                 |
| Units/Month Absorbed | 18                  |
| HCV Tenants          | 30%                 |
| Leasing Pace         | Within one month    |
| Annual Chg. in Rent  | Kept at max         |
| Concession           | None                |
| Waiting List         | Yes; ten households |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type               | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1    | 1     | Garden (3 stories) | 32    | 822       | \$777   | \$0                  | @60%        | Yes          | N/A    | N/A          | yes       | None  |
| 2    | 2     | Garden (3 stories) | 58    | 1,086     | \$930   | \$0                  | @60%        | Yes          | N/A    | N/A          | yes       | None  |
| 3    | 2     | Garden (3 stories) | 24    | 1,209     | \$1,066 | \$0                  | @60%        | Yes          | N/A    | N/A          | yes       | None  |
| 4    | 3     | Garden (3 stories) | 26    | 1,460     | \$1,175 | \$0                  | @60%        | Yes          | N/A    | N/A          | yes       | None  |

### Unit Mix

| @60%      | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|
| 1BR / 1BA | \$777     | \$0   | \$777       | \$0        | \$777     |
| 2BR / 2BA | \$930     | \$0   | \$930       | \$0        | \$930     |
| 3BR / 2BA | \$1,066   | \$0   | \$1,066     | \$0        | \$1,066   |
| 4BR / 3BA | \$1,175   | \$0   | \$1,175     | \$0        | \$1,175   |

Amenities

| In-Unit                          |                     | Security           | Services            |
|----------------------------------|---------------------|--------------------|---------------------|
| Blinds                           | Carpeting           | Limited Access     | Afterschool Program |
| Central A/C                      | Coat Closet         | Perimeter Fencing  |                     |
| Dishwasher                       | Ceiling Fan         | Video Surveillance |                     |
| Garbage Disposal                 | Microwave           |                    |                     |
| Oven                             | Refrigerator        |                    |                     |
| Walk-In Closet                   | Washer/Dryer hookup |                    |                     |
| Property                         |                     | Premium            | Other               |
| Business Center/Computer Lab     | Car Wash            | None               | None                |
| Clubhouse/Meeting Room/Community | Courtyard           |                    |                     |
| Exercise Facility                | Off-Street Parking  |                    |                     |
| On-Site Management               | Picnic Area         |                    |                     |
| Playground                       | Recreation Areas    |                    |                     |
| Swimming Pool                    |                     |                    |                     |

Comments

This property was formerly known as Ashton Creek Apartments. The contact noted that the property is currently undergoing a renovation, which will include unit upgrades including new cabinets, countertops, appliances, lighting, hardware, security system, flooring, and plumbing. The renovation will also include new landscaping, playground, clubhouse, game room, picnic area, and swimming pool. The two vacant units are being processed from the waiting list.

Photos



# PROPERTY PROFILE REPORT

## 1760 Apartment Homes

|                        |                                                                  |
|------------------------|------------------------------------------------------------------|
| Effective Rent Date    | 4/20/2020                                                        |
| Location               | 1760 Lakes Parkway<br>Lawrenceville, GA 30043<br>Gwinnett County |
| Distance               | 7 miles                                                          |
| Units                  | 239                                                              |
| Vacant Units           | 4                                                                |
| Vacancy Rate           | 1.7%                                                             |
| Type                   | Midrise (4 stories)                                              |
| Year Built/Renovated   | 2017 / N/A                                                       |
| Marketing Began        | 1/01/2017                                                        |
| Leasing Began          | 4/01/2017                                                        |
| Last Unit Leased       | 1/01/2018                                                        |
| Major Competitors      | District of Duluth, Sugarloaf Summit                             |
| Tenant Characteristics | Mixed tenancy, mainly young professionals                        |
| Contact Name           | Jared                                                            |
| Phone                  | 877-443-0965                                                     |



### Market Information

|                      |                             |
|----------------------|-----------------------------|
| Program              | Market                      |
| Annual Turnover Rate | 35%                         |
| Units/Month Absorbed | 21                          |
| HCV Tenants          | 0%                          |
| Leasing Pace         | Within one month            |
| Annual Chg. in Rent  | Changes daily               |
| Concession           | \$200 of first month's rent |
| Waiting List         | None                        |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type                | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|---------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1    | 1     | Midrise (4 stories) | 125   | 807       | \$1,271 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 2    | 2     | Midrise (4 stories) | 99    | 1,204     | \$1,472 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 3    | 2     | Midrise (4 stories) | 15    | 1,366     | \$1,765 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |

### Unit Mix

| Market    | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|
| 1BR / 1BA | \$1,271   | \$0   | \$1,271     | \$15       | \$1,286   |
| 2BR / 2BA | \$1,472   | \$0   | \$1,472     | \$15       | \$1,487   |
| 3BR / 2BA | \$1,765   | \$0   | \$1,765     | \$15       | \$1,780   |

## 1760 Apartment Homes, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpet/Hardwood  
Coat Closet  
Exterior Storage(\$45.00)  
Garbage Disposal  
Oven  
Walk-In Closet  
Washer/Dryer hookup

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

#### Security

Intercom (Buzzer)  
Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

Business Center/Computer Lab  
Clubhouse/Meeting Room/Community  
Elevators  
Garage(\$150.00)  
Picnic Area  
Swimming Pool

Car Wash  
Courtyard  
Exercise Facility  
On-Site Management  
Recreation Areas

#### Premium

None

#### Other

Outdoor Movie Screen, Car

### Comments

Garage parking is available for \$150 per month. Exterior storage is available for \$45 to \$60 per month. The property does not accept Housing Choice Vouchers.

Photos



# PROPERTY PROFILE REPORT

## Bluestone Manor

|                        |                                                                        |
|------------------------|------------------------------------------------------------------------|
| Effective Rent Date    | 4/20/2020                                                              |
| Location               | 59 Hurricane Shoals Road<br>Lawrenceville, GA 30046<br>Gwinnett County |
| Distance               | 3.3 miles                                                              |
| Units                  | 48                                                                     |
| Vacant Units           | 0                                                                      |
| Vacancy Rate           | 0.0%                                                                   |
| Type                   | Duplex                                                                 |
| Year Built/Renovated   | 1971 / N/A                                                             |
| Marketing Began        | N/A                                                                    |
| Leasing Began          | N/A                                                                    |
| Last Unit Leased       | N/A                                                                    |
| Major Competitors      | Knollwood Park                                                         |
| Tenant Characteristics | Mixed tenancy; mostly families and young adults                        |
| Contact Name           | Melissa                                                                |
| Phone                  | 770-910-7440                                                           |



### Market Information

|                      |                                          |
|----------------------|------------------------------------------|
| Program              | Market                                   |
| Annual Turnover Rate | 15%                                      |
| Units/Month Absorbed | N/A                                      |
| HCV Tenants          | 0%                                       |
| Leasing Pace         | Pre-leased to within one week            |
| Annual Chg. in Rent  | Increased one to two percent             |
| Concession           | N/A                                      |
| Waiting List         | Yes, several households on waiting list. |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type   | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1    | 1     | Duplex | 2     | 850       | \$900   | \$0                  | Market      | Yes          | 0      | 0.0%         | N/A       | None  |
| 2    | 1     | Duplex | 39    | 950       | \$995   | \$0                  | Market      | Yes          | 0      | 0.0%         | N/A       | None  |
| 3    | 2     | Duplex | 7     | 1,050     | \$1,100 | \$0                  | Market      | Yes          | 0      | 0.0%         | N/A       | None  |

### Unit Mix

| Market    | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|
| 1BR / 1BA | \$900     | \$0   | \$900       | \$15       | \$915     |
| 2BR / 1BA | \$995     | \$0   | \$995       | \$15       | \$1,010   |
| 3BR / 2BA | \$1,100   | \$0   | \$1,100     | \$15       | \$1,115   |

## Bluestone Manor, continued

### Amenities

|                    |                     |          |          |
|--------------------|---------------------|----------|----------|
| In-Unit            |                     | Security | Services |
| Blinds             | Carpeting           | None     | None     |
| Central A/C        | Coat Closet         |          |          |
| Dishwasher         | Garbage Disposal    |          |          |
| Microwave          | Oven                |          |          |
| Refrigerator       | Washer/Dryer hookup |          |          |
| Property           |                     | Premium  | Other    |
| Courtyard          | Central Laundry     | None     | None     |
| Off-Street Parking | On-Site Management  |          |          |
| Picnic Area        | Playground          |          |          |

### Comments

The contact indicated that there is a strong demand for multifamily housing in the area.

# PROPERTY PROFILE REPORT

## Hawthorne At Sugarloaf

|                        |                                                                      |
|------------------------|----------------------------------------------------------------------|
| Effective Rent Date    | 4/20/2020                                                            |
| Location               | 4975 Sugarloaf Parkway<br>Lawrenceville, GA 30044<br>Gwinnett County |
| Distance               | 7 miles                                                              |
| Units                  | 260                                                                  |
| Vacant Units           | 7                                                                    |
| Vacancy Rate           | 2.7%                                                                 |
| Type                   | Various (3 stories)                                                  |
| Year Built/Renovated   | 2007 / N/A                                                           |
| Marketing Began        | N/A                                                                  |
| Leasing Began          | 8/01/2007                                                            |
| Last Unit Leased       | N/A                                                                  |
| Major Competitors      | The James                                                            |
| Tenant Characteristics | Mixed tenancy, Most come from locally                                |
| Contact Name           | Susie                                                                |
| Phone                  | 833-280-6344                                                         |



### Market Information

|                      |                                        |
|----------------------|----------------------------------------|
| Program              | Market                                 |
| Annual Turnover Rate | 23%                                    |
| Units/Month Absorbed | 22                                     |
| HCV Tenants          | N/A                                    |
| Leasing Pace         | Pre-lease; one to two weeks            |
| Annual Chg. in Rent  | Increased or decreased by less than 5% |
| Concession           | None                                   |
| Waiting List         | One household                          |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type                  | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1    | 1     | Garden (3 stories)    | N/A   | 691       | \$1,054 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 1    | 1     | Garden (3 stories)    | N/A   | 890       | \$1,175 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 1    | 1     | Townhouse (3 stories) | N/A   | 890       | \$1,315 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 2    | 2     | Garden (3 stories)    | N/A   | 1,186     | \$1,387 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 2    | 2     | Garden (3 stories)    | N/A   | 1,375     | \$1,399 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 2    | 2     | Townhouse (3 stories) | N/A   | 1,324     | \$1,445 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 3    | 2     | Garden (3 stories)    | N/A   | 1,491     | \$1,600 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 3    | 2     | Townhouse (3 stories) | N/A   | 1,540     | \$1,740 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |

### Unit Mix

| Market    | Face Rent         | Conc. | Concd. Rent       | Util. Adj. | Adj. Rent         |
|-----------|-------------------|-------|-------------------|------------|-------------------|
| 1BR / 1BA | \$1,054 - \$1,315 | \$0   | \$1,054 - \$1,315 | \$15       | \$1,069 - \$1,330 |
| 2BR / 2BA | \$1,387 - \$1,445 | \$0   | \$1,387 - \$1,445 | \$15       | \$1,402 - \$1,460 |
| 3BR / 2BA | \$1,600 - \$1,740 | \$0   | \$1,600 - \$1,740 | \$15       | \$1,615 - \$1,755 |

## Hawthorne At Sugarloaf, continued

### Amenities

#### In-Unit

Balcony/Patio  
Cable/Satellite/Internet  
Central A/C  
Dishwasher  
Oven  
Walk-In Closet

Blinds  
Carpeting  
Coat Closet  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

#### Security

In-Unit Alarm  
Intercom (Buzzer)  
Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

Car Wash  
Exercise Facility  
Central Laundry  
On-Site Management  
Swimming Pool

Clubhouse/Meeting Room/Community  
Garage  
Off-Street Parking  
Playground  
Theatre

#### Premium

None

#### Other

Billiards and Free DVD Library

### Comments

The contact only provided vacancy and directed all other questions the the property website.

Photos



# PROPERTY PROFILE REPORT

## Knollwood Park

|                        |                                                                      |
|------------------------|----------------------------------------------------------------------|
| Effective Rent Date    | 4/20/2020                                                            |
| Location               | 255 Honeysuckle Circle<br>Lawrenceville, GA 30045<br>Gwinnett County |
| Distance               | 3.6 miles                                                            |
| Units                  | 142                                                                  |
| Vacant Units           | 3                                                                    |
| Vacancy Rate           | 2.1%                                                                 |
| Type                   | Garden (3 stories)                                                   |
| Year Built/Renovated   | 1998 / 2018                                                          |
| Marketing Began        | N/A                                                                  |
| Leasing Began          | N/A                                                                  |
| Last Unit Leased       | N/A                                                                  |
| Major Competitors      | Ashton Creek, Greens at Hillcrest                                    |
| Tenant Characteristics | Mixed tenancy, majority families from Gwinnett County                |
| Contact Name           | Thulma                                                               |
| Phone                  | 770-277-8078                                                         |



### Market Information

|                      |                |
|----------------------|----------------|
| Program              | Market         |
| Annual Turnover Rate | 50%            |
| Units/Month Absorbed | N/A            |
| HCV Tenants          | 0%             |
| Leasing Pace         | Within 10 days |
| Annual Chg. in Rent  | None reported  |
| Concession           | None           |
| Waiting List         | None           |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type               | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 2    | 2     | Garden (3 stories) | 90    | 1,082     | \$1,130 | \$0                  | Market      | No           | N/A    | N/A          | no        | None  |
| 3    | 2     | Garden (3 stories) | 52    | 1,304     | \$1,345 | \$0                  | Market      | No           | 1      | 1.9%         | no        | None  |

### Unit Mix

| Market    | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|
| 2BR / 2BA | \$1,130   | \$0   | \$1,130     | -\$52      | \$1,078   |
| 3BR / 2BA | \$1,345   | \$0   | \$1,345     | -\$65      | \$1,280   |

## Knollwood Park, continued

### Amenities

| In-Unit                          |                              | Security | Services |
|----------------------------------|------------------------------|----------|----------|
| Blinds                           | Carpeting                    | Patrol   | None     |
| Central A/C                      | Coat Closet                  |          |          |
| Dishwasher                       | Ceiling Fan                  |          |          |
| Garbage Disposal                 | Oven                         |          |          |
| Refrigerator                     | Walk-In Closet               |          |          |
| Washer/Dryer hookup              |                              |          |          |
| Property                         |                              | Premium  | Other    |
| Basketball Court                 | Business Center/Computer Lab | None     | None     |
| Clubhouse/Meeting Room/Community | Exercise Facility            |          |          |
| Central Laundry                  | Off-Street Parking           |          |          |
| On-Site Management               | Picnic Area                  |          |          |
| Playground                       |                              |          |          |

### Comments

The base rents are shown in the profile. The property began renovations in October 2018. The renovations include new cabinets, countertops, appliances, flooring, lighting, and fixtures. Renovated units rent for \$100 more per month. The contact reported a strong demand for rental housing in the area.

Photos



# PROPERTY PROFILE REPORT

## SYNC At Ten Oaks

|                        |                                                                |
|------------------------|----------------------------------------------------------------|
| Effective Rent Date    | 4/20/2020                                                      |
| Location               | 405 Philip Blvd.<br>Lawrenceville, GA 30046<br>Gwinnett County |
| Distance               | 4.1 miles                                                      |
| Units                  | 288                                                            |
| Vacant Units           | 19                                                             |
| Vacancy Rate           | 6.6%                                                           |
| Type                   | Various (3 stories)                                            |
| Year Built/Renovated   | 2007 / N/A                                                     |
| Marketing Began        | N/A                                                            |
| Leasing Began          | N/A                                                            |
| Last Unit Leased       | N/A                                                            |
| Major Competitors      | The Preserve at Legacy Park, Madison Apartments                |
| Tenant Characteristics | Mixed tenancy; mostly from Lawrenceville                       |
| Contact Name           | Reann                                                          |
| Phone                  | 770-225-0561                                                   |



### Market Information

|                      |                   |
|----------------------|-------------------|
| Program              | Market            |
| Annual Turnover Rate | 33%               |
| Units/Month Absorbed | N/A               |
| HCV Tenants          | 0%                |
| Leasing Pace         | Within two months |
| Annual Chg. in Rent  | None              |
| Concession           | None              |
| Waiting List         | One household     |

### Utilities

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

### Unit Mix (face rent)

| Beds | Baths | Type                  | Units | Size (SF) | Rent    | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1    | 1     | Garden (3 stories)    | N/A   | 763       | \$1,072 | \$0                  | Market      | N/A          | N/A    | N/A          | N/A       | None  |
| 1    | 1     | Garden (3 stories)    | N/A   | 768       | \$1,095 | \$0                  | Market      | N/A          | N/A    | N/A          | N/A       | None  |
| 1    | 1     | Garden (3 stories)    | N/A   | 799       | \$1,089 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 1    | 1.5   | Townhouse (2 stories) | N/A   | 864       | \$1,149 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 2    | 2     | Garden (3 stories)    | N/A   | 1,023     | \$1,252 | \$0                  | Market      | N/A          | N/A    | N/A          | N/A       | None  |
| 2    | 2     | Garden (3 stories)    | N/A   | 1,060     | \$1,265 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 2    | 2.5   | Townhouse (2 stories) | N/A   | 1,092     | \$1,315 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 2    | 2.5   | Townhouse (2 stories) | N/A   | 1,152     | \$1,445 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |
| 3    | 2     | Garden (3 stories)    | N/A   | 1,247     | \$1,469 | \$0                  | Market      | No           | N/A    | N/A          | N/A       | None  |



Photos



## 2. Housing Choice Vouchers

We attempted to contact a representative with the Georgia Department of Community Affairs (DCA) regarding the Housing Choice Voucher program in Gwinnet County. As of the date of this report, we have not heard back. However, in July 2019 we spoke with Mr. David Samloff, Director of Operations with DCA, who stated the Housing Choice Voucher wait list was closed. The contact was unable to provide the number of households on the waiting list. The waiting list was last opened on February 1, 2016 and closed on February 7, 2016. Georgia Department of Community Affairs is allocated over 16,000 vouchers for the 159 counties it serves in Georgia. There were 1,833 vouchers in use in Gwinnett County. The following table illustrates voucher usage at the comparables.

### TENANTS WITH VOUCHERS

| Property Name           | Rent Structure | Housing Choice Voucher Tenants |
|-------------------------|----------------|--------------------------------|
| Greens At Hillcrest II  | LIHTC          | 10%                            |
| Magnolia Village*       | LIHTC/ Market  | 5%                             |
| Mulberry Place          | LIHTC          | 23%                            |
| Oaks At New Hope        | LIHTC          | 30%                            |
| 1760 Apartment Homes*   | Market         | 0%                             |
| Bluestone Manor         | Market         | 0%                             |
| Hawthorne At Sugarloaf* | Market         | 0%                             |
| Knollwood Park          | Market         | 0%                             |
| SYNC At Ten Oaks        | Market         | 0%                             |

\*Located outside of the PMA

Housing Choice Voucher usage in this market ranges from zero to 30 percent. The LIHTC properties reported having small to moderate shares of Housing Choice Voucher tenants, while none of the market-rate properties reported Housing Choice Voucher usage. Overall, it appears the local LIHTC market moderately relies upon voucher tenants. As a LIHTC property, we anticipate the Subject will operate with a voucher user of approximately 25 percent.

## 3. Phased Developments

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

### Lease Up History

We were able to obtain absorption data from one of the comparables. We also included recent absorption data from properties in Gwinnett County and neighboring DeKalb County. Information regarding the absorption periods of these properties is illustrated in the following table.

### ABSORPTION

| Property Name                | Rent Structure | Year Built | Number of Units | Units Absorbed / Month |
|------------------------------|----------------|------------|-----------------|------------------------|
| 1760 Apartment Homes*        | Market         | 2017       | 239             | 13                     |
| The Point on Scott           | Market         | 2016       | 250             | 13                     |
| The Reserve at Decatur       | Market         | 2016       | 298             | 14                     |
| Columbia Mill                | LIHTC          | 2014       | 100             | 20                     |
| Retreat at Edgewood Phase II | LIHTC          | 2012       | 40              | 12                     |
| Retreat at Edgewood          | LIHTC          | 2011       | 100             | 20                     |
| <b>Average</b>               |                |            | <b>171</b>      | <b>15</b>              |

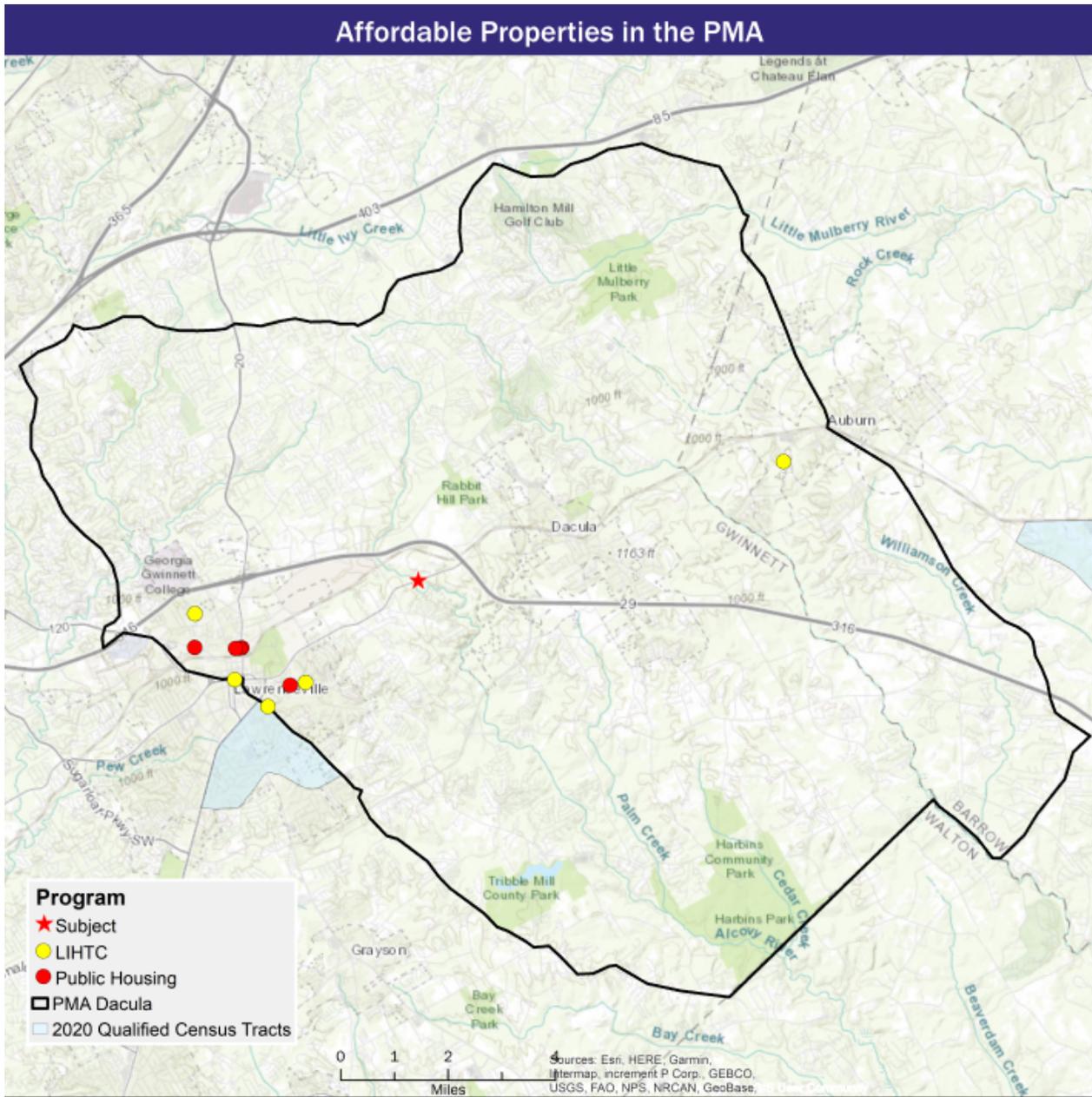
\*Utilized as a comparable

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. 1760 Apartment Homes is the most recently completed apartment property we surveyed. 1760 Apartment Homes was built in 2017 in Lawrenceville, approximately seven miles from the Subject site. The property experienced an absorption rate of 13 units per month upon opening. The LIHTC comparables surveyed demonstrate absorption rates ranging from 12 to 20 units a month, with an average of 17 units per month. Overall, the comparables averaged an absorption rate of 15 units per month. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Dacula, we anticipate that the Subject will absorb 15 units per month, for an absorption period of nine to ten months.

#### 4. Competitive Project Map

##### COMPETITIVE PROJECTS

| Property Name                 | Program        | Location      | Tenancy       | # of Units | Occupancy | Map Color   |
|-------------------------------|----------------|---------------|---------------|------------|-----------|-------------|
| <b>Rivers Edge Apartments</b> | <b>LIHTC</b>   | <b>Dacula</b> | <b>Family</b> | <b>156</b> | -         | <b>Star</b> |
| Mullberry Place               | LIHTC          | Lawrenceville | Family        | 224        | 100.0%    |             |
| Oaks At New Hope              | LIHTC          | Lawrenceville | Family        | 140        | 98.6%     |             |
| Autry Pines Senior Village    | LIHTC          | Auburn        | Senior        | 64         | 100.0%    |             |
| Farmington Hills Phase I      | LIHTC          | Winder        | Family        | 72         | 100.0%    |             |
| Farmington Hills Phase II     | LIHTC          | Winder        | Family        | 72         | 100.0%    |             |
| Greens At Hillcrest I         | LIHTC          | Lawrenceville | Family        | 176        | 98.9%     |             |
| Greens At Hillcrest II        | LIHTC          | Lawrenceville | Family        | 146        | 100.0%    |             |
| Magnolia Village              | LIHTC          | Lawrenceville | Family        | 190        | 100.0%    |             |
| Glenn Edge Apartments         | Public Housing | Lawrenceville | Family        | 50         | 100.0%    |             |
| Grady Holt                    | Public Housing | Lawrenceville | Family        | 26         | 100.0%    |             |
| Floyd Braswell                | Public Housing | Lawrenceville | Family        | 20         | 100.0%    |             |
| New Memorial                  | Public Housing | Lawrenceville | Family        | 20         | 100.0%    |             |
| Rich Martin Apartments        | Public Housing | Lawrenceville | Family        | 40         | 100.0%    |             |



## 5. Amenities

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

RIVERS EDGE APARTMENTS – DACULA, GEORGIA – MARKET STUDY

AMENITY MATRIX

| Subject                  | Greens At Hillcrest II | Magnolia Village | Mulberry Place | Oaks At New Hope | 1760 Apartment Homes | Bluestone Manor | Hawthorne At Sugarloaf | Knollwood Park | SYNC At Ten Oaks |           |
|--------------------------|------------------------|------------------|----------------|------------------|----------------------|-----------------|------------------------|----------------|------------------|-----------|
| <b>Rent Structure</b>    | LIHTC                  | LIHTC            | LIHTC/Market   | LIHTC            | LIHTC                | Market          | Market                 | Market         | Market           |           |
| <b>Building</b>          |                        |                  |                |                  |                      |                 |                        |                |                  |           |
| Property Type            | Garden                 | Various          | Garden         | Garden           | Garden               | Midrise         | Duplex                 | Various        | Garden           | Various   |
| # of Stories             | 3-stories              | 3-stories        | 3-stories      | 3-stories        | 3-stories            | 4-stories       | 1-stories              | 3-stories      | 3-stories        | 3-stories |
| Year Built               | 2021                   | 2002             | 2002           | 2003             | 2003                 | 2017            | 1971                   | 2007           | 1998             | 2007      |
| Year Renovated           | n/a                    | n/a              | n/a            | n/a              | 2019                 | n/a             | n/a                    | n/a            | 2018             | n/a       |
| Elevators                | no                     | no               | no             | no               | no                   | yes             | no                     | no             | no               | no        |
| Courtyard                | no                     | no               | no             | no               | yes                  | yes             | yes                    | no             | no               | yes       |
| <b>Utility Structure</b> |                        |                  |                |                  |                      |                 |                        |                |                  |           |
| Cooking                  | no                     | no               | no             | no               | no                   | no              | no                     | no             | no               | no        |
| Water Heat               | no                     | no               | no             | no               | no                   | no              | no                     | no             | no               | no        |
| Heat                     | no                     | no               | no             | no               | no                   | no              | no                     | no             | no               | no        |
| Other Electric           | no                     | no               | no             | no               | no                   | no              | no                     | no             | no               | no        |
| Water                    | no                     | no               | no             | no               | no                   | no              | no                     | no             | yes              | no        |
| Sewer                    | no                     | no               | no             | no               | no                   | no              | no                     | no             | yes              | no        |
| Trash                    | yes                    | yes              | no             | yes              | yes                  | no              | no                     | no             | yes              | no        |
| <b>Unit Amenities</b>    |                        |                  |                |                  |                      |                 |                        |                |                  |           |
| Balcony/Patio            | yes                    | yes              | yes            | yes              | no                   | yes             | no                     | yes            | no               | yes       |
| Blinds                   | yes                    | yes              | yes            | yes              | yes                  | yes             | yes                    | yes            | yes              | yes       |
| Cable/Satellite          | no                     | no               | no             | no               | no                   | no              | no                     | yes            | no               | no        |
| Carpeting                | yes                    | yes              | yes            | yes              | yes                  | no              | yes                    | yes            | yes              | no        |
| Hardwood                 | no                     | no               | no             | no               | no                   | yes             | no                     | no             | no               | yes       |
| Central A/C              | yes                    | yes              | yes            | yes              | yes                  | yes             | yes                    | yes            | yes              | yes       |
| Ceiling Fan              | yes                    | no               | no             | yes              | yes                  | yes             | no                     | no             | yes              | yes       |
| Coat Closet              | yes                    | yes              | yes            | yes              | yes                  | yes             | yes                    | yes            | yes              | yes       |
| Exterior Storage         | no                     | yes              | yes            | yes              | no                   | yes             | no                     | no             | no               | yes       |
| Vaulted Ceilings         | no                     | yes              | no             | no               | no                   | no              | no                     | no             | no               | no        |
| Walk-In Closet           | yes                    | yes              | yes            | yes              | yes                  | yes             | no                     | yes            | yes              | yes       |
| Washer/Dryer             | yes                    | no               | no             | no               | no                   | yes             | no                     | no             | no               | no        |
| W/D Hookup               | yes                    | yes              | yes            | yes              | yes                  | yes             | yes                    | yes            | yes              | yes       |
| <b>Kitchen</b>           |                        |                  |                |                  |                      |                 |                        |                |                  |           |
| Dishwasher               | yes                    | yes              | yes            | yes              | yes                  | yes             | yes                    | yes            | yes              | yes       |
| Disposal                 | yes                    | yes              | yes            | yes              | yes                  | yes             | yes                    | yes            | yes              | yes       |
| Microwave                | yes                    | no               | no             | yes              | yes                  | yes             | yes                    | no             | no               | yes       |
| Oven                     | yes                    | yes              | yes            | yes              | yes                  | yes             | yes                    | yes            | yes              | yes       |
| Refrigerator             | yes                    | yes              | yes            | yes              | yes                  | yes             | yes                    | yes            | yes              | yes       |
| <b>Community</b>         |                        |                  |                |                  |                      |                 |                        |                |                  |           |
| Business Center          | yes                    | yes              | no             | yes              | yes                  | yes             | no                     | no             | yes              | yes       |
| Community Room           | yes                    | yes              | yes            | yes              | yes                  | yes             | no                     | yes            | yes              | yes       |
| Central Laundry          | no                     | yes              | yes            | yes              | no                   | no              | yes                    | yes            | yes              | yes       |
| On-Site Mgmt             | yes                    | yes              | yes            | yes              | yes                  | yes             | yes                    | yes            | yes              | yes       |
| <b>Recreation</b>        |                        |                  |                |                  |                      |                 |                        |                |                  |           |
| Basketball Court         | no                     | no               | yes            | no               | no                   | no              | no                     | no             | yes              | no        |
| Exercise Facility        | yes                    | yes              | yes            | yes              | yes                  | yes             | no                     | yes            | yes              | yes       |
| Playground               | yes                    | yes              | yes            | yes              | yes                  | no              | yes                    | yes            | yes              | no        |
| Swimming Pool            | yes                    | yes              | yes            | yes              | yes                  | yes             | no                     | yes            | no               | yes       |
| Picnic Area              | no                     | no               | yes            | yes              | yes                  | yes             | yes                    | no             | yes              | yes       |
| Sport Court              | yes                    | no               | yes            | no               | no                   | no              | no                     | no             | no               | no        |
| Tennis Court             | no                     | no               | yes            | no               | no                   | no              | no                     | no             | no               | no        |
| Theatre                  | no                     | no               | no             | no               | no                   | no              | no                     | yes            | no               | no        |
| Recreational Area        | no                     | no               | no             | no               | yes                  | yes             | no                     | no             | no               | no        |
| Daycare                  | yes                    | no               | no             | no               | no                   | no              | no                     | no             | no               | no        |
| Non-Shelter              | no                     | yes              | no             | no               | no                   | no              | no                     | no             | no               | no        |
| <b>Security</b>          |                        |                  |                |                  |                      |                 |                        |                |                  |           |
| In-Unit Alarm            | no                     | no               | no             | yes              | no                   | no              | no                     | yes            | no               | no        |
| Intercom (Buzzer)        | no                     | no               | no             | no               | no                   | yes             | no                     | yes            | no               | no        |
| Limited Access           | no                     | no               | yes            | no               | yes                  | yes             | no                     | yes            | no               | yes       |
| Patrol                   | no                     | yes              | yes            | yes              | no                   | yes             | no                     | yes            | yes              | no        |
| Perimeter Fencing        | yes                    | no               | yes            | no               | yes                  | yes             | no                     | yes            | no               | yes       |
| Video Surveillance       | yes                    | no               | no             | no               | yes                  | no              | no                     | no             | no               | no        |
| <b>Parking</b>           |                        |                  |                |                  |                      |                 |                        |                |                  |           |
| Carport                  | yes                    | no               | no             | no               | no                   | no              | no                     | no             | no               | no        |
| Carport Fee              | \$10                   | \$0              | \$0            | \$0              | \$0                  | \$0             | \$0                    | \$0            | \$0              | \$0       |
| Garage                   | no                     | no               | no             | no               | no                   | yes             | no                     | yes            | no               | no        |
| Garage Fee               | \$0                    | \$0              | \$0            | \$0              | \$0                  | \$0             | \$0                    | \$0            | \$0              | \$0       |
| Off-Street Parking       | yes                    | yes              | yes            | yes              | yes                  | no              | yes                    | yes            | yes              | yes       |

The Subject will offer slightly superior to superior in-unit amenities in comparison the LIHTC comparable properties as it will offer in-unit washers and dryers, which all of the LIHTC comparables lack, though it will not offer exterior storage, which some of the LIHTC comparables offer. The Subject will offer similar property amenities in comparison to the LIHTC comparables as it will offer an exercise facility, playground, and swimming pool, similar to all of the LIHTC comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

## 6. Comparable Tenancy

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

### Vacancy

The following table illustrates the vacancy rates in the market.

| OVERALL VACANCY          |                |              |              |              |
|--------------------------|----------------|--------------|--------------|--------------|
| Property Name            | Rent Structure | Total Units  | Vacant Units | Vacancy Rate |
| Greens At Hillcrest II   | LIHTC          | 146          | 0            | 0.0%         |
| Magnolia Village*        | LIHTC/ Market  | 190          | 0            | 0.0%         |
| Mulberry Place           | LIHTC          | 224          | 0            | 0.0%         |
| Oaks At New Hope         | LIHTC          | 140          | 2            | 1.4%         |
| 1760 Apartment Homes*    | Market         | 239          | 4            | 1.7%         |
| Bluestone Manor          | Market         | 48           | 0            | 0.0%         |
| Hawthorne At Sugarloaf*  | Market         | 260          | 7            | 2.7%         |
| Knollwood Park           | Market         | 142          | 3            | 2.1%         |
| SYNC At Ten Oaks         | Market         | 288          | 19           | 6.6%         |
| <b>Total LIHTC</b>       |                | <b>700</b>   | <b>2</b>     | <b>0.3%</b>  |
| <b>Total Market Rate</b> |                | <b>977</b>   | <b>33</b>    | <b>3.4%</b>  |
| <b>Overall Total</b>     |                | <b>1,677</b> | <b>35</b>    | <b>2.1%</b>  |

\*Located outside of the PMA

Overall vacancy in the market is low at 2.1 percent. The LIHTC and mixed-income comparables demonstrate an average vacancy of 0.3 percent, which is considered very low. Oaks At New Hope is the only LIHTC development reporting vacant units. Our contact at Oaks At New Hope stated that two of the vacant units are pre-leased. Additionally, all of the LIHTC and mixed-income comparables maintain waiting lists, with one over 500 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area.

The vacancy rates among the market rate comparable properties range from zero to 6.6 percent, averaging 3.4 percent, which is considered low. SYNC At Ten Oaks reported the highest vacancy rate among market rate comparables at 6.6 percent. According to our contact at SYNC At Ten Oaks, current vacancy rates are slightly elevated, and the property typically operates at two percent vacancy. Excluding SYNC At Ten Oaks, which appears to be an outlier, vacancy rates among the market rate comparables range from zero to 2.7 percent, with an average of 2.0 percent. The low vacancy rates among the other market rate comparables indicates strong demand for conventional housing in the area. Further, three of the market-rate comparables maintain waiting lists. Based on the low vacancy rates among LIHTC and market-rate comparables, as well as the presence of waiting lists in the market, we believe there is sufficient demand for additional affordable housing in the market. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

## 7. Properties Under Construction and Proposed

We spoke with Ms. Brittni Nix, City Planner at the City of Dacula Planning and Development Department, who informed us there aren't any planned, proposed, or under construction multifamily developments within

Dacula’s city limits, which is only a portion of the Subject’s PMA. Additionally, we conducted online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and CoStar’s proposed and new construction report. According to our research, there are two multifamily developments currently planned, proposed, or under construction in the Subject’s PMA. Mulberry Place was allocated in 2019 for the acquisition/rehabilitation of 224 units targeting families in Lawrenceville, approximately 2.3 mile southwest of the Subject. Upon completion, the property will offer 224 two and three bedroom units restricted to 60 percent of the AMI. The renovations will occur with tenants in place and no additional units will be presented to the market. Thus, we have not deducted this property’s units in our demand analysis. Legends of Peachtree Shoals was allocated in 2019 for the new construction of 240 units targeting families in Dacula, approximately 2.0 miles northeast of the Subject. Upon completion, the property will offer 240 one, two and three-bedroom units restricted to 30, 40, 50, 60, 70, and 80 percent of the AMI. The 16 one-bedroom, 12 two-bedroom, and two, three-bedroom units at 60 percent AMI will compete directly with the Subject and these units have been deducted in our demand analysis.

### 8. Rental Advantage

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

**SIMILARITY MATRIX**

| # | Property Name          | Program      | Tenancy | Property Amenities | Unit Features     | Location          | Age / Condition | Unit Sizes        | Overall Comparison |
|---|------------------------|--------------|---------|--------------------|-------------------|-------------------|-----------------|-------------------|--------------------|
| 1 | Greens At Hillcrest II | LIHTC        | Family  | Similar            | Slightly Inferior | Superior          | Inferior        | Slightly Superior | 0                  |
| 2 | Magnolia Village       | LIHTC/Market | Family  | Similar            | Inferior          | Slightly Superior | Inferior        | Slightly Superior | -10                |
| 3 | Mulberry Place         | LIHTC        | Family  | Similar            | Slightly Inferior | Slightly Superior | Inferior        | Similar           | -10                |
| 4 | Oaks At New Hope       | LIHTC        | Family  | Similar            | Inferior          | Slightly Superior | Inferior        | Similar           | -15                |
| 5 | 1760 Apartment Homes   | Market       | Family  | Similar            | Similar           | Superior          | Similar         | Superior          | 20                 |
| 6 | Bluestone Manor        | Market       | Family  | Inferior           | Inferior          | Slightly Superior | Inferior        | Similar           | -25                |
| 7 | Hawthorne At Sugarloaf | Market       | Family  | Similar            | Inferior          | Superior          | Inferior        | Superior          | 0                  |
| 8 | Knollwood Park         | Market       | Family  | Slightly Inferior  | Inferior          | Superior          | Inferior        | Similar           | -15                |
| 9 | SYNC At Ten Oaks       | Market       | Family  | Slightly Inferior  | Slightly Inferior | Slightly Superior | Inferior        | Similar           | -15                |

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

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

**LIHTC RENT COMPARISON @60%**

| Property Name                        | County          | 1BR          | 2BR          | 3BR            | Rents at Max? |
|--------------------------------------|-----------------|--------------|--------------|----------------|---------------|
| <b>Rivers Edge Apartments</b>        | <b>Gwinnett</b> | <b>\$785</b> | <b>\$950</b> | <b>\$1,050</b> | <b>No</b>     |
| <b>2019 LIHTC Maximum Rent (Net)</b> | <b>Gwinnett</b> | <b>\$788</b> | <b>\$951</b> | <b>\$1,092</b> |               |
| Greens At Hillcrest II               | Gwinnett        | -            | \$935        | \$1,070        | Yes           |
| Magnolia Village                     | Gwinnett        | \$836        | \$994        | \$1,146        | Yes           |
| Mulberry Place                       | Gwinnett        | -            | \$980        | \$1,115        | Yes           |
| Oaks At New Hope                     | Gwinnett        | \$777        | \$930        | \$1,066        | Yes           |
| <b>Average</b>                       |                 | <b>\$807</b> | <b>\$960</b> | <b>\$1,099</b> |               |

The AMI in Gwinnett County in 2019 is the highest level the county has ever experienced. Therefore, none of the comparable properties are “held harmless.” All of the comparables will operate with the same maximum allowable income and rent limits as the Subject’s proposed income and rent limits.

All of the LIHTC and mixed-income properties report achieving rents at the 2019 maximum allowable levels for their one, two, and three-bedroom units at 60 percent of AMI. However, the rents at these properties appear to be slightly above or below the maximum allowable levels. This is most likely due to differences in these properties utility structures and allowances from the Subject’s proposed utility structure. The LIHTC and mixed-income comparables demonstrate an average vacancy of 0.3 percent, which is considered very low. Additionally, all of the LIHTC and mixed-income comparables maintain waiting lists, with one over 500 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates maximum allowable rents are achievable in the area.

Mullberry Place is located 2.4 miles from the Subject in a slightly superior location. Mullberry Place was built in 2003 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Mullberry Place offers similar property amenities and slightly inferior in-unit amenities to the proposed Subject as it lacks in-unit washers and dryers, which the Subject will offer though it offers exterior storage, which the Subject will not offer. In terms of unit sizes, Mullberry Place is similar to the Subject. Overall, Mullberry Place is inferior to the Subject. Mullberry Place is currently fully-occupied with a waiting list that consists of 25 households, indicating strong demand for the property’s affordable units. Therefore, we believe the Subject’s proposed rents, which are below the rents currently achieved at Mullberry Place, are reasonable and achievable.

All of the comparables report achieving 2019 maximum allowable LIHTC net rents for their units restricted to 60 percent of the AMI. Further, all of the properties report low vacancy rates and maintain waiting lists, indicating strong demand for their affordable units. The strong performance of comparable LIHTC properties indicates that maximum allowable rents are sustainable in the market. As such, we believe the Subject’s rents, which are below the maximum allowable rents for one, two, and three-bedroom units at 60 percent AMI, are reasonable and achievable as proposed.

#### **Analysis of “Market Rents”**

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

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

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

**SUBJECT COMPARISON TO MARKET RENTS**

| Unit Type | Subject Proposed Rent | Surveyed Min | Surveyed Max | Surveyed Average | Subject Rent Advantage |
|-----------|-----------------------|--------------|--------------|------------------|------------------------|
| 1BR @60%  | \$785                 | \$777        | \$1,330      | \$1,066          | 36%                    |
| 2BR @60%  | \$950                 | \$930        | \$1,487      | \$1,189          | 25%                    |
| 3BR @60%  | \$1,050               | \$1,066      | \$1,780      | \$1,307          | 24%                    |

As illustrated the Subject’s proposed 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market-rate.

Hawthorne At Sugarloaf is achieving the highest one-bedroom unrestricted rents in the market. The Subject will be similar to Hawthorne At Sugarloaf. Hawthorne At Sugarloaf was built in 2007 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject. Hawthorne At Sugarloaf is located 7.0 miles from the Subject and offers a superior location. Hawthorne At Sugarloaf offers similar property amenities when compared to the Subject as it lacks a business center, which the Subject will offer, though it offers a theatre, which the Subject will not offer. Hawthorne At Sugarloaf offers inferior in-unit amenities in comparison to the Subject as it lacks in-unit washers and dryers, which the Subject will offer. This property offers superior unit sizes when compared to the proposed Subject. The lowest one-bedroom unrestricted rents at Hawthorne At Sugarloaf are approximately 36 percent higher than the Subject’s one-bedroom rents at 60 percent of AMI.

1760 Apartment Homes is achieving the highest two and three-bedroom unrestricted rents in the market. The Subject will be inferior to 1760 Apartment Homes. 1760 Apartment Homes was built in 2017 and exhibits excellent condition, which is similar to the anticipated excellent condition of the Subject. 1760 Apartment Homes is located 7.0 miles from the Subject and offers a superior location. 1760 Apartment Homes offers similar property amenities when compared to the Subject as it lacks a playground, which the Subject will offer, though it offers a jacuzzi and hot tub, which the Subject will not offer. 1760 Apartment Homes offers similar in-unit amenities in comparison to the Subject. This property offers superior unit sizes when compared to the proposed Subject. The lowest two and three-bedroom unrestricted rents at 1760 Apartment Homes are approximately 57 and 70 percent higher than the Subject’s two and three-bedroom rents at 60 percent of AMI.

**9. LIHTC Competition – DCA Funded Properties within the PMA**

Capture rates for the Subject are considered low to moderate for all bedroom types and AMI levels. If allocated, the Subject will be similar to superior to the existing LIHTC housing stock. The LIHTC and mixed-income comparables demonstrate an average vacancy of 0.3 percent, which is considered very low. Oaks At New Hope is the only LIHTC development reporting vacant units. Our contact at Oaks At New Hope stated that two of the vacant units are pre-leased. Additionally, all of the LIHTC and mixed-income comparables maintain waiting lists, with one over 500 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area.

According to Georgia Department of Community Affairs LIHTC allocation lists, there have been two developments allocated within the Subject’s PMA since 2017. Mulberry Place was allocated in 2019 for the acquisition/rehabilitation of 224 units targeting families in Lawrenceville, approximately 2.3 mile southwest of the Subject. Upon completion, the property will offer 224 two and three bedroom units restricted to 60 percent of the AMI. The renovations will occur with tenants in place and no additional units will be presented to the market. Thus, we have not deducted this property’s units in our demand analysis. Legends of Peachtree Shoals was allocated in 2019 for the new construction of 240 units targeting families in Dacula, approximately 2.0 miles northeast of the Subject. Upon completion, the property will offer 240 one,

two and three-bedroom units restricted to 30, 40, 50, 60, 70, and 80 percent of the AMI. The 16 one-bedroom, 12 two-bedroom, and two, three-bedroom units at 60 percent AMI will compete directly with the Subject and these units have been deducted in our demand analysis.

Given the low vacancy rates and presence of waiting lists among the LIHTC properties in the market, it appears that there is strong demand for additional LIHTC housing in the market. We do not believe that the addition of the Subject to the market will impact the two newly allocated developments or the existing LIHTC properties that are in overall good condition and currently performing well.

### 10. Rental Trends in the PMA

The table below depicts household growth by tenure from 2000 through 2023.

TENURE PATTERNS PMA

| Year                           | Owner-Occupied Units | Percentage Owner-Occupied | Renter-Occupied Units | Percentage Renter-Occupied |
|--------------------------------|----------------------|---------------------------|-----------------------|----------------------------|
| 2000                           | 24,093               | 86.1%                     | 3,875                 | 13.9%                      |
| 2019                           | 45,255               | 83.8%                     | 8,723                 | 16.2%                      |
| Projected Mkt Entry April 2022 | 47,746               | 84.3%                     | 8,863                 | 15.7%                      |
| 2024                           | 49,784               | 84.7%                     | 8,977                 | 15.3%                      |

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

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

### Historical Vacancy

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

| Comparable Property    | Total Units | 2017 Q2 | 2017 Q3 | 2017 Q4 | 2018 Q4 | 2019 Q1 | 2019 Q2 | 2019 Q3 | 2019 Q4 | 2020 Q1 | 2020 Q2 |
|------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Rivers Edge Apartments | 156         | N/A     |
| Greens At Hillcrest II | 146         | N/A     | N/A     | N/A     | 8.2%    | 4.8%    | 0.7%    | 0.0%    | 0.0%    | N/A     | 0.0%    |
| Magnolia Village       | 190         | N/A     | 0.0%    | 0.0%    | 1.1%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    |
| Mulberry Place         | 224         | 0.0%    | N/A     | 2.2%    | 2.7%    | 1.8%    | 0.4%    | 0.4%    | N/A     | 0.4%    | 0.0%    |
| Oaks At New Hope       | 140         | 0.0%    | N/A     | N/A     | 3.6%    | 3.6%    | 3.6%    | 3.6%    | 3.6%    | 0.0%    | 1.4%    |
| 1760 Apartment Homes   | 239         | N/A     | 52.3%   | N/A     | 2.5%    | 6.7%    | 8.8%    | 8.8%    | N/A     | N/A     | 1.7%    |
| Bluestone Manor        | 48          | N/A     | N/A     | N/A     | N/A     | N/A     | 0.0%    | 0.0%    | N/A     | N/A     | 0.0%    |
| Hawthorne At Sugarloaf | 260         | N/A     | 0.8%    | N/A     | 6.5%    | 1.2%    | 0.4%    | 0.4%    | 0.4%    | N/A     | 2.7%    |
| Knollwood Park         | 142         | N/A     | N/A     | 4.9%    | 8.5%    | 5.6%    | 0.0%    | 1.4%    | N/A     | N/A     | 2.1%    |
| SYNC At Ten Oaks       | 288         | N/A     | N/A     | N/A     | 4.9%    | 3.5%    | 2.4%    | 2.1%    | 2.1%    | N/A     | 6.6%    |

As illustrated in the table, we were able to obtain historical vacancy rates at several of the comparable properties for several quarters in the past three years. In general, vacancy rates at the comparable properties have remained low since 2017. SYNC At Ten Oaks reported the highest vacancy rate among market rate comparables at 6.6 percent. According to our contact at SYNC At Ten Oaks, current vacancy rates are slightly elevated, and the property typically operates at two percent vacancy. Excluding SYNC At Ten Oaks, which appears to be an outlier, vacancy rates among the market rate comparables range from zero to 2.7 percent, with an average of 2.0 percent. Overall, we believe that the current performance of the LIHTC

comparable properties, as well as their historically low to moderate vacancy rates, indicate demand for affordable rental housing in the Subject’s market.

**Change in Rental Rates**

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

| RENT GROWTH             |                |                                        |
|-------------------------|----------------|----------------------------------------|
| Property Name           | Rent Structure | Rent Growth                            |
| Greens At Hillcrest II  | LIHTC          | Kept at max                            |
| Magnolia Village*       | LIHTC/ Market  | Kept at max                            |
| Mulberry Place          | LIHTC          | Kept at max                            |
| Oaks At New Hope        | LIHTC          | Kept at max                            |
| 1760 Apartment Homes*   | Market         | Changes daily                          |
| Bluestone Manor         | Market         | Increased one to two percent           |
| Hawthorne At Sugarloaf* | Market         | Increased or decreased by less than 5% |
| Knollwood Park          | Market         | None                                   |
| SYNC At Ten Oaks        | Market         | None                                   |

\*Located outside of the PMA

All of the surveyed affordable properties report increasing rents to 2019 maximum allowable levels. The market rate properties reported rent growth of up to five percent. We anticipate that the Subject would be able to achieve moderate rent growth in the future as a LIHTC property, limited by the increase in AMI growth.

**11. Impact of Foreclosed, Abandoned and Vacant Structures**

According to *RealtyTrac* statistics, one in every 2,893 housing units nationwide was in some stage of foreclosure as of March 2020. The city of Dacula is experiencing a foreclosure rate of one in every 1,582 homes, while Gwinnett County is experiencing foreclosure rate of one in every 2,134 homes and Georgia experienced one foreclosure in every 2,210 housing units. Overall, Dacula is experiencing a slightly higher foreclosure rate to Gwinnett County, the state of Georgia, and the nation. However, the Subject’s neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

**12. Effect of Subject on Other Affordable Units in Market**

According to Georgia Department of Community Affairs LIHTC allocation lists, there have been two developments allocated within the Subject’s PMA since 2017. Mulberry Place was allocated in 2019 for the acquisition/rehabilitation of 224 units targeting families in Lawrenceville, approximately 2.3 mile southwest of the Subject. Upon completion, the property will offer 224 two and three bedroom units restricted to 60 percent of the AMI. The renovations will occur with tenants in place and no additional units will be presented to the market. Thus, we have not deducted this property’s units in our demand analysis. Legends of Peachtree Shoals was allocated in 2019 for the new construction of 240 units targeting families in Dacula, approximately 2.0 miles northeast of the Subject. Upon completion, the property will offer 240 one, two and three-bedroom units restricted to 30, 40, 50, 60, 70, and 80 percent of the AMI. The 16 one-bedroom, 12 two-bedroom, and two, three-bedroom units at 60 percent AMI will compete directly with the Subject and these units have been deducted in our demand analysis.

The LIHTC and mixed-income comparables demonstrate an average vacancy of 0.3 percent, which is considered very low. Oaks At New Hope is the only LIHTC development reporting vacant units. Our contact at Oaks At New Hope stated that two of the vacant units are pre-leased. Additionally, all of the LIHTC and mixed-income comparables maintain waiting lists, with one over 500 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong

demand for affordable housing in the area. We believe there is adequate demand for the addition of the Subject within the market. In summary, the performance of the comparable LIHTC properties and the existence of waiting lists for affordable units indicate that the Subject will not negatively impact the two newly allocated developments or the existing affordable rental units in the market.

### **Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC and mixed-income comparables demonstrate an average vacancy of 0.3 percent, which is considered very low. Oaks At New Hope is the only LIHTC development reporting vacant units. Our contact at Oaks At New Hope stated that two of the vacant units are pre-leased. Additionally, all of the LIHTC and mixed-income comparables maintain waiting lists, with one over 500 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area. The Subject's proposed rents offer a significant rental advantage of 24 to 36 percent over the average market rents. The Subject will offer slightly superior to superior in-unit amenities in comparison the LIHTC comparable properties as it will offer in-unit washers and dryers, which all of the LIHTC comparables lack, though it will not offer exterior storage, which some of the LIHTC comparables offer. The Subject will offer similar property amenities in comparison to the LIHTC comparables as it will offer an exercise facility, playground, and swimming pool, similar to all of the LIHTC comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be superior in terms of condition to the comparable LIHTC and mixed-income properties. In general, the Subject will be similar to superior to the comparable LIHTC properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy rate, and waiting lists at the LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void of affordable housing in the market and will perform well.

# **J. ABSORPTION AND STABILIZATION RATES**

## ABSORPTION AND STABILIZATION RATES

We were able to obtain absorption data from one of the comparables. We also included recent absorption data from properties in Gwinnett County and neighboring DeKalb County. Information regarding the absorption periods of these properties is illustrated in the following table.

### ABSORPTION

| Property Name                | Rent Structure | Year Built | Number of Units | Units Absorbed / Month |
|------------------------------|----------------|------------|-----------------|------------------------|
| 1760 Apartment Homes*        | Market         | 2017       | 239             | 13                     |
| The Point on Scott           | Market         | 2016       | 250             | 13                     |
| The Reserve at Decatur       | Market         | 2016       | 298             | 14                     |
| Columbia Mill                | LIHTC          | 2014       | 100             | 20                     |
| Retreat at Edgewood Phase II | LIHTC          | 2012       | 40              | 12                     |
| Retreat at Edgewood          | LIHTC          | 2011       | 100             | 20                     |
| <b>Average</b>               |                |            | <b>171</b>      | <b>15</b>              |

\*Utilized as a comparable

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. 1760 Apartment Homes is the most recently completed apartment property we surveyed. 1760 Apartment Homes was built in 2017 in Lawrenceville, approximately seven miles from the Subject site. The property experienced an absorption rate of 13 units per month upon opening. The LIHTC comparables surveyed demonstrate absorption rates ranging from 12 to 20 units a month, with an average of 17 units per month. Overall, the comparables averaged an absorption rate of 15 units per month. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Dacula, we anticipate that the Subject will absorb 15 units per month, for an absorption period of nine to ten months.

## **K. INTERVIEWS**

### Georgia Department of Community Affairs

We attempted to contact a representative with the Georgia Department of Community Affairs (DCA) regarding the Housing Choice Voucher program in Gwinnett County. As of the date of this report, we have not heard back. However, in July 2019 we spoke with Mr. David Samloff, Director of Operations with DCA, who stated the Housing Choice Voucher wait list was closed. The contact was unable to provide the number of households on the waiting list. The waiting list was last opened on February 1, 2016 and closed on February 7, 2016. Georgia Department of Community Affairs is allocated over 16,000 vouchers for the 159 counties it serves in Georgia. There were 1,833 vouchers in use in Gwinnett County. The 2020 payment standards for Gwinnett County are detailed in the table below.

| PAYMENT STANDARDS |          |
|-------------------|----------|
| Unit Type         | Standard |
| One-Bedroom       | \$1,127  |
| Two-Bedroom       | \$1,283  |
| Three-Bedroom     | \$1,637  |

Source: Georgia Department of Community Affairs, April 2020

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

### Planning

We spoke with Ms. Brittini Nix, City Planner at the City of Dacula Planning and Development Department, who informed us there aren’t any planned, proposed, or under construction multifamily developments within Dacula’s city limits, which is only a portion of the Subject’s PMA. Additionally, we conducted online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and CoStar’s proposed and new construction report. According to our research, there are two multifamily developments currently planned, proposed, or under construction in the Subject’s PMA.

- Mulberry Place was allocated in 2019 for the acquisition/rehabilitation of 224 units targeting families in Lawrenceville, approximately 2.3 mile southwest of the Subject. Upon completion, the property will offer 224 two and three bedroom units restricted to 60 percent of the AMI. The renovations will occur with tenants in place and no additional units will be presented to the market. Thus, we have not deducted this property’s units in our demand analysis.
- Legends of Peachtree Shoals was allocated in 2019 for the new construction of 240 units targeting families in Dacula, approximately 2.0 miles northeast of the Subject. Upon completion, the property will offer 240 one, two and three-bedroom units restricted to 30, 40, 50, 60, 70, and 80 percent of the AMI. The 16 one-bedroom, 12 two-bedroom, and two, three-bedroom units at 60 percent AMI will compete directly with the Subject and these units have been deducted in our demand analysis.

### Dacula Planning and Development Department

We utilized the Partnership Gwinnett website to find the following business expansions in Gwinnett County announced in 2017 through 2020, most of which are located on lands identified through the Gwinnett County Village Community Improvement District (CID) initiative, an organization that works to promote redevelopment and infrastructure development in the area.

- Sonic Automotive plans to locate a dealership and regional headquarters for EchoPark Automotive in Gwinnett County, creating 130 new jobs and investing \$20 million in the project, Gov. Brian Kemp announced on February 24, 2020.
- On January 21, 2020, MueKo Machinery announced its plan for its US headquarters in Suwanee, Georgia. MueKo plans to bring 20-30 new jobs to Gwinnett County over the next few years.

- On October 30, 2019, Doosan Industrial Vehicle announced the expansion of their North American Headquarters in Buford. The expansion will add approximately 25 jobs.
- Primerica, Inc. announced the opening of the Primerica Technology Innovation Center on October 29, 2019. The 38,000 square foot facility will add over 200 employees.
- Barco, a manufacturer of electronics, announced an expansion of its operations in Gwinnett on August 23, 2019. The company will be adding 50 new jobs.
- On August 1, 2019, Rivacold, a manufacturer of refrigeration systems, announced it will create 140 jobs with a new manufacturing facility in Buford.
- On July 10, 2019, Amazon announced a new fulfillment center in Gwinnett County, creating 1,000 new jobs.
- A Circle K was recently developed at the intersection of Hurricane Shoals and Old Peachtree Road in Dacula.
- A joint venture between Renaissance Bank and Starbucks was recently completed in the Subject's PMA at the intersection of Dacula Road and Fence Road.
- A private school, Harbins Preparatory, opened in 2019 in the Subject's PMA on Harbins Road, south of 316. Harbins Preparatory currently enrolls Pre-K and Kindergarten students; their 1<sup>st</sup> grade classroom opened for the 2019-2020 school year.
- Elma Electronic, Inc. announced on May 29, 2019 that they will be creating a manufacturing facility in Gwinnett County. The facility will add 93 new jobs to the area.
- On April 11, 2019, Elemaster U.S., a global mechatronics services provider, announced a new manufacturing facility in Duluth. The facility will added 20 jobs in 2019 and will add 50 additional jobs by 2020.
- OS National LLC announced on April 9, 2019 that they will be adding 1,000 jobs and invest more than \$15 million in their headquarters in Gwinnett County.
- CarMax plans to create more than 300 new jobs in Peachtree Corners when the car retailer opens a new customer experience center in the city this summer, Gov. Brian Kemp's office announced March 5, 2019.
- Academy Sports + Outdoors announced March 5, 2019 that it plans to open a new store near Interstate 985 in Buford, creating approximately 60 jobs. The new store opened in September 2019.
- CMX Cinemas opened CMX CinéBistro Peachtree Corners in March 2019. It has long been viewed by city officials as the major anchor for the Town Center development, which is across Peachtree Parkway from The Forum shopping center.
- First American Bank and Trust held a groundbreaking February 14, 2019 for its new branch, which will be located at the corner of West Crogan and Culver streets in Lawrenceville. The bank was founded in 1928 and currently has offices in Oconee, Clarke, Barrow and Rabun counties. Lawrenceville officials previously said the branch is expected to initially employ 10 people.
- German Grocery Store, Lidl, opened January 30, 2019 on Stone Mountain Highway, Snellville, GA.
- Southlawn, a 32-acre, \$200 million mixed-use development, broke ground in late July of 2018 in Lawrenceville. The development will include more than 15,000 square feet of retail space, 600-plus residences (single-family homes and townhomes that will not directly compete with the Subject as they will be market rate), and a town green that will connect with Lawrenceville's City Hall, police station, and downtown. The development will be completed in phases over the next three to five years.
- Gezolan, a Swiss manufacturing company, opened a 60,000-square-foot facility off Hamilton Mill Road in Buford in June 2018, representing a \$12 million investment.
- Assurant, Inc., a global leader in risk management solutions, opened a technical support center in Duluth in May 2018, which created 335 new jobs and represented a \$2.2 million investment.
- GEBHARDT Logistic Solutions Inc., a market leader in storage and transport solutions for retail and trade industries, announced the expansion of its operations and relocation to Gwinnett County,

metro Atlanta, Georgia. GEBHARDT's 30,000-square-foot facility, located at 1650 Horizon Parkway Northeast approximately 4.4 miles north of the Subject site, will serve as a headquarters for the company's North American production and services for storage and transport solutions. The facility will house four full-time employees and 10 to 20 part-time employees including sales managers, customer service managers, engineers, logisticians and a general manager. The company seeks to actively increase its number of full-time employees as it expands into the North American market.

- Convergent Technologies, a worldwide leader in service-based systems integration, announced the expansion of its operations in Gwinnett County. The expansion created 150 existing jobs, a projected 33 percent increase in new jobs in the coming years, and \$1 million in capital investment for the community. Convergent's 25,000-square-foot facility is located at 1955 Evergreen Boulevard, approximately ten miles south of the Subject site.
- AZZ Inc., a provider of specialty electrical equipment and highly engineered services, announced in June 2017 plans to expand and relocate the company's specialty welding operation to a new 180,000 square-foot facility located at 560 Horizon Drive, 4.5 miles southwest of the Subject site. At the time of the announcement, there was no information for how many jobs the relocation is expected to add to the local economy.
- Carcoustics, a supplier to the automobile industry, plans to invest \$6 million to construct a 130,000 square-foot manufacturing facility that will produce acoustic and thermal components for the automobile industry. Over the next five years, the company intends to create 200 jobs at the facility.

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

# **L. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS

### Demographics

Population growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced population growth greater than the overall nation during the same time period. Population growth in the PMA slowed between 2010 and 2019; however, it increased at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to decrease slightly to 1.8 percent through 2024, which is greater than the growth rates projected for the MSA and nation as a whole. Household growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced household growth greater than the overall nation during the same time period. Household growth in the PMA slowed between 2010 and 2019; however, it increased at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to decrease slightly to 1.8 percent through 2024, but will remain above the MSA and the overall nation. The current population of the PMA is 173,179 and is expected to be 181,700 in 2022. The current number of households in the PMA is 53,978 and is expected to be 56,609 in 2022. Renter households are concentrated in the lowest income cohorts, with 33.3 percent of renters in the PMA earning incomes between \$30,000 and \$59,999. The Subject will target households earning between \$30,651 and \$51,660; therefore, the Subject should be well-positioned to service this market. Overall, since population and households are projected to increase, there is strong demand for the Subjects affordable units, as evidenced by the strong performance of LIHTC comparables in the area.

### Employment Trends

The largest industries in the PMA are retail trade and healthcare/social assistance. Relative to the overall nation, the PMA features comparatively greater employment in the retail trade, construction, and finance/insurance industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, manufacturing, and educational services industries. The large share of PMA employment in retail trade is notable as this industry is historically volatile and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. It should be noted that UPS national headquarters are located in Norcross, which is outside of the Subject's PMA. This accounts for the larger percentage of trade/transportation/utilities jobs in the county in comparison to the PMA. Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in every year between 2004 and 2007. The effects of the recession were particularly pronounced in the MSA, which suffered a 5.9 percent contraction in employment growth (2007-2010), well above the 5.0 percent contraction reported by the nation as a whole (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, one year after the nation. Employment growth in the MSA exceeded the nation in every year but one since 2011. As of February 2020, total employment in the MSA is increasing at an annualized rate of 2.2 percent, compared to a 1.2 percent increase by the nation as a whole. Several employers announced expansions in the region, which is positive for the local economy, while there have been a limited number of WARN notices filed in comparison. Overall, the economy appears to be in an expansionary phase that has been ongoing since 2010. This suggests that demand for all housing types should be trending positively as the areas employment base grows. The growing local economy is a positive indicator of demand for rental housing and the Subject's proposed units. We note that COVID-19 may slow down growth in total employment; however, we do not believe that the PMA is more prone to recessionary impacts from the emergency measures.

### Capture Rates

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

**CAPTURE RATE ANALYSIS CHART**

| Unit Type    | Minimum Income | Maximum Income | Units Proposed | Total Demand | Supply | Net Demand | Capture Rate | Proposed Rents |
|--------------|----------------|----------------|----------------|--------------|--------|------------|--------------|----------------|
| 1BR @60%     | \$30,651       | \$38,280       | 72             | 276          | 16     | 260        | 27.7%        | \$785          |
| 2BR @60%     | \$36,891       | \$43,080       | 72             | 455          | 12     | 443        | 16.3%        | \$950          |
| 3BR @60%     | \$41,177       | \$51,660       | 12             | 311          | 2      | 309        | 3.9%         | \$1,050        |
| @60% Overall | \$30,651       | \$51,660       | 156            | 1,041        | 30     | 1,011      | 15.4%        | -              |

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

**Absorption**

We were able to obtain absorption data from one of the comparables. We also included recent absorption data from properties in Gwinnett County and neighboring DeKalb County. Information regarding the absorption periods of these properties is illustrated in the following table.

**ABSORPTION**

| Property Name                | Rent Structure | Year Built | Number of Units | Units Absorbed / Month |
|------------------------------|----------------|------------|-----------------|------------------------|
| 1760 Apartment Homes*        | Market         | 2017       | 239             | 13                     |
| The Point on Scott           | Market         | 2016       | 250             | 13                     |
| The Reserve at Decatur       | Market         | 2016       | 298             | 14                     |
| Columbia Mill                | LIHTC          | 2014       | 100             | 20                     |
| Retreat at Edgewood Phase II | LIHTC          | 2012       | 40              | 12                     |
| Retreat at Edgewood          | LIHTC          | 2011       | 100             | 20                     |
| <b>Average</b>               |                |            | <b>171</b>      | <b>15</b>              |

\*Utilized as a comparable

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. 1760 Apartment Homes is the most recently completed apartment property we surveyed. 1760 Apartment Homes was built in 2017 in Lawrenceville, approximately seven miles from the Subject site. The property experienced an absorption rate of 13 units per month upon opening. The LIHTC comparables surveyed demonstrate absorption rates ranging from 12 to 20 units a month, with an average of 17 units per month. Overall, the comparables averaged an absorption rate of 15 units per month. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Dacula, we anticipate that the Subject will absorb 15 units per month, for an absorption period of nine to ten months.

**Vacancy Trends**

The following table illustrates the vacancy rates in the market.

**OVERALL VACANCY**

| Property Name            | Rent Structure | Total Units  | Vacant Units | Vacancy Rate |
|--------------------------|----------------|--------------|--------------|--------------|
| Greens At Hillcrest II   | LIHTC          | 146          | 0            | 0.0%         |
| Magnolia Village*        | LIHTC/ Market  | 190          | 0            | 0.0%         |
| Mulberry Place           | LIHTC          | 224          | 0            | 0.0%         |
| Oaks At New Hope         | LIHTC          | 140          | 2            | 1.4%         |
| 1760 Apartment Homes*    | Market         | 239          | 4            | 1.7%         |
| Bluestone Manor          | Market         | 48           | 0            | 0.0%         |
| Hawthorne At Sugarloaf*  | Market         | 260          | 7            | 2.7%         |
| Knollwood Park           | Market         | 142          | 3            | 2.1%         |
| SYNC At Ten Oaks         | Market         | 288          | 19           | 6.6%         |
| <b>Total LIHTC</b>       |                | <b>700</b>   | <b>2</b>     | <b>0.3%</b>  |
| <b>Total Market Rate</b> |                | <b>977</b>   | <b>33</b>    | <b>3.4%</b>  |
| <b>Overall Total</b>     |                | <b>1,677</b> | <b>35</b>    | <b>2.1%</b>  |

\*Located outside of the PMA

Overall vacancy in the market is low at 2.1 percent. The LIHTC and mixed-income comparables demonstrate an average vacancy of 0.3 percent, which is considered very low. Oaks At New Hope is the only LIHTC development reporting vacant units. Our contact at Oaks At New Hope stated that two of the vacant units are pre-leased. Additionally, all of the LIHTC and mixed-income comparables maintain waiting lists, with one over 500 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area.

The vacancy rates among the market rate comparable properties range from zero to 6.6 percent, averaging 3.4 percent, which is considered low. SYNC At Ten Oaks reported the highest vacancy rate among market rate comparables at 6.6 percent. According to our contact at SYNC At Ten Oaks, current vacancy rates are slightly elevated, and the property typically operates at two percent vacancy. Excluding SYNC At Ten Oaks, which appears to be an outlier, vacancy rates among the market rate comparables range from zero to 2.7 percent, with an average of 2.0 percent. The low vacancy rates among the other market rate comparables indicates strong demand for conventional housing in the area. Further, three of the market-rate comparables maintain waiting lists. Based on the low vacancy rates among LIHTC and market-rate comparables, as well as the presence of waiting lists in the market, we believe there is sufficient demand for additional affordable housing in the market. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

**Strengths of the Subject**

The Subject will be the newest LIHTC development in the PMA and exhibit excellent condition upon completion. The amenity packages proposed for the Subject are also considered to be strengths. The Subject will offer in-unit washers and dryers, which many of the comparables lack. As the demand analysis in this report indicates, there is ample demand for the Subject based on our calculations for the 60 percent AMI units. Therefore, we believe the Subject will be well received in the market given its competitive advantage over the existing housing stock and reported strong demand at the comparable properties.

**Conclusion**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC and mixed-income comparables demonstrate an average vacancy of 0.3 percent, which is considered very low. Oaks At New Hope is the only LIHTC development reporting vacant units. Our contact at Oaks At New Hope stated that two of the vacant units are pre-leased. Additionally, all of the LIHTC and mixed-income comparables maintain waiting lists, with one over 500 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area. The Subject’s proposed

rents offer a significant rental advantage of 24 to 36 percent over the average market rents. The Subject will offer slightly superior to superior in-unit amenities in comparison the LIHTC comparable properties as it will offer in-unit washers and dryers, which all of the LIHTC comparables lack, though it will not offer exterior storage, which some of the LIHTC comparables offer. The Subject will offer similar property amenities in comparison to the LIHTC comparables as it will offer an exercise facility, playground, and swimming pool, similar to all of the LIHTC comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be superior in terms of condition to the comparable LIHTC and mixed-income properties. In general, the Subject will be similar to superior to the comparable LIHTC properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy rate, and waiting lists at the LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void of affordable housing in the market and will perform well.

### **Recommendations**

We recommend the Subject as proposed.

# **M. SIGNED STATEMENT REQUIREMENTS**

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

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

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



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H. Blair Kincer, MAI  
Partner  
Novogradac Consulting LLP

July 30, 2020



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Brian Neukam  
Manager  
Novogradac Consulting LLP

July 30, 2020



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Travis Jorgenson  
Analyst  
Novogradac Consulting LLP

July 30, 2020

**ADDENDUM A**  
**Assumptions and Limiting Conditions**

## **ASSUMPTIONS AND LIMITING CONDITIONS**

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

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

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

**ADDENDUM B**  
**Subject and Neighborhood Photographs**

**Photographs of Subject Site and Surrounding Uses**



View of Subject site



View of Subject site



View of Subject site



View of Subject site



View west along Winder Highway



View east along Winder Highway



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood



Assisted living in Subject's neighborhood

**ADDENDUM C**  
**Qualifications**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## H. BLAIR KINCER, MAI, CRE

### I. Education

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

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

### II. Licensing and Professional Affiliation

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

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

### III. Professional Experience

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

#### **IV. Professional Training**

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

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

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

#### **V. Real Estate Assignments – Examples**

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

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

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

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS  
BRIAN NEUKAM**

**EDUCATION**

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

**State of Georgia Certified General Real Property Appraiser No.329471**

**State of North Carolina Certified General Appraiser No. 8284**

**State of South Carolina Certified General Appraiser No. 7493**

**PROFESSIONAL TRAINING**

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

**EXPERIENCE**

**Novogradac & Company LLP, Manager, December 2016-present**

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

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

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

**REAL ESTATE ASSIGNMENTS**

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

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

**ADDENDUM D**  
Summary Matrix

**SUMMARY MATRIX**

| Comp #         | Property Name                                                                                      | Distance to Subject | Type / Built / Renovated                     | Rent Structure     | Unit Description | #   | %     | Size (SF) | Restriction | Rent (Adj) | Max Rent? | Waiting List? | Vacant Units | Vacancy Rate |
|----------------|----------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------|--------------------|------------------|-----|-------|-----------|-------------|------------|-----------|---------------|--------------|--------------|
| <b>Subject</b> | Rivers Edge Apartments<br>1395 Winder Highway<br>Dacula, GA 30019<br>Gwinnett County               | -                   | Garden<br>3-stories<br>2022 / n/a<br>Family  | @60%               | 1BR / 1BA        | 72  | 46.2% | 720       | @60%        | \$785      | No        | N/A           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 72  | 46.2% | 927       | @60%        | \$950      | No        | N/A           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 12  | 7.7%  | 1,160     | @60%        | \$1,050    | No        | N/A           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | <b>156</b>       |     |       |           |             |            |           |               |              |              |
| 1              | Greens At Hillcrest II<br>850 Hillcrest Greens Drive<br>Lawrenceville, GA 30045<br>Gwinnett County | 3.5 miles           | Various<br>3-stories<br>2002 / n/a<br>Family | @60%               | 2BR / 2BA        | 40  | 27.4% | 993       | @60%        | \$935      | Yes       | No            | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 30  | 20.6% | 1,110     | @60%        | \$935      | Yes       | No            | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 40  | 27.4% | 1,110     | @60%        | \$1,070    | Yes       | No            | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 36  | 24.7% | 1,363     | @60%        | \$1,070    | Yes       | No            | 0            | 0.0%         |
| <b>146</b>     |                                                                                                    |                     |                                              |                    |                  |     |       |           |             |            |           |               |              |              |
| 2              | Magnolia Village<br>287 East Crogan Street<br>Lawrenceville, GA 30046<br>Gwinnett County           | 3.2 miles           | Garden<br>3-stories<br>2002 / n/a<br>Family  | @50%, @60%, Market | 1BR / 1BA        | 19  | 10.0% | 975       | @50%        | \$682      | Yes       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1BA        | 8   | 4.2%  | 975       | @60%        | \$836      | Yes       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1BA        | 9   | 4.7%  | 975       | Market      | \$920      | N/A       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 47  | 24.7% | 1,175     | @50%        | \$809      | Yes       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 47  | 24.7% | 1,175     | @60%        | \$994      | Yes       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 24  | 12.6% | 1,175     | Market      | \$1,065    | N/A       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 20  | 10.5% | 1,375     | @50%        | \$933      | No        | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 8   | 4.2%  | 1,375     | @60%        | \$1,146    | Yes       | Yes           | 0            | 0.0%         |
| <b>190</b>     |                                                                                                    |                     |                                              |                    |                  |     |       |           |             |            |           |               |              |              |
| 3              | Mulberry Place<br>158 Paper Mill Road<br>Lawrenceville, GA 30046<br>Gwinnett County                | 2.4 miles           | Garden<br>3-stories<br>2003 / n/a<br>Family  | @60%               | 2BR / 2BA        | 168 | 75.0% | 1,094     | @60%        | \$980      | Yes       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 56  | 25.0% | 1,280     | @60%        | \$1,115    | Yes       | Yes           | 0            | 0.0%         |
| <b>224</b>     |                                                                                                    |                     |                                              |                    |                  |     |       |           |             |            |           |               |              |              |
| 4              | Oaks At New Hope<br>239 New Hope Road<br>Lawrenceville, GA 30046<br>Gwinnett County                | 3.0 miles           | Garden<br>3-stories<br>2003 / 2019<br>Family | @60%               | 1BR / 1BA        | 32  | 22.9% | 822       | @60%        | \$777      | Yes       | Yes           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 58  | 41.4% | 1,086     | @60%        | \$930      | Yes       | Yes           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 24  | 17.1% | 1,209     | @60%        | \$1,066    | Yes       | Yes           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 4BR / 3BA        | 26  | 18.6% | 1,460     | @60%        | \$1,175    | Yes       | Yes           | N/A          | N/A          |
| <b>140</b>     |                                                                                                    |                     |                                              |                    |                  |     |       |           |             |            |           |               |              |              |
| 5              | 1760 Apartment Homes<br>1760 Lakes Parkway<br>Lawrenceville, GA 30043<br>Gwinnett County           | 7.0 miles           | Midrise<br>4-stories<br>2017 / n/a<br>Family | Market             | 1BR / 1BA        | 125 | 52.3% | 807       | Market      | \$1,286    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | 99  | 41.4% | 1,204     | Market      | \$1,487    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 15  | 6.3%  | 1,366     | Market      | \$1,780    | N/A       | No            | N/A          | N/A          |
| <b>239</b>     |                                                                                                    |                     |                                              |                    |                  |     |       |           |             |            |           |               |              |              |
| 6              | Bluestone Manor<br>59 Hurricane Shoals Road<br>Lawrenceville, GA 30046<br>Gwinnett County          | 3.3 miles           | Duplex<br>1-stories<br>1971 / n/a<br>Family  | Market             | 1BR / 1BA        | 2   | 4.2%  | 850       | Market      | \$915      | N/A       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 2BR / 1BA        | 39  | 81.3% | 950       | Market      | \$1,010    | N/A       | Yes           | 0            | 0.0%         |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 7   | 14.6% | 1,050     | Market      | \$1,115    | N/A       | Yes           | 0            | 0.0%         |
| <b>48</b>      |                                                                                                    |                     |                                              |                    |                  |     |       |           |             |            |           |               |              |              |
| 7              | Hawthorne At Sugarloaf<br>4975 Sugarloaf Parkway<br>Lawrenceville, GA 30044<br>Gwinnett County     | 7.0 miles           | Various<br>3-stories<br>2007 / n/a<br>Family | Market             | 1BR / 1BA        | N/A | N/A   | 691       | Market      | \$1,069    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1BA        | N/A | N/A   | 890       | Market      | \$1,190    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1BA        | N/A | N/A   | 890       | Market      | \$1,330    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | N/A | N/A   | 1,186     | Market      | \$1,402    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | N/A | N/A   | 1,375     | Market      | \$1,414    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | N/A | N/A   | 1,324     | Market      | \$1,460    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | N/A | N/A   | 1,491     | Market      | \$1,615    | N/A       | No            | N/A          | N/A          |
| 3BR / 2BA      | N/A                                                                                                | N/A                 | 1,540                                        | Market             | \$1,755          | N/A | No    | N/A       | N/A         |            |           |               |              |              |
| <b>260</b>     |                                                                                                    |                     |                                              |                    |                  |     |       |           |             |            |           |               |              |              |
| 8              | Knollwood Park<br>255 Honeysuckle Circle<br>Lawrenceville, GA 30045<br>Gwinnett County             | 3.6 miles           | Garden<br>3-stories<br>1998 / 2018<br>Family | Market             | 2BR / 2BA        | 90  | 63.4% | 1,082     | Market      | \$1,078    | No        | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | 52  | 36.6% | 1,304     | Market      | \$1,280    | No        | No            | 1            | 1.9%         |
| <b>142</b>     |                                                                                                    |                     |                                              |                    |                  |     |       |           |             |            |           |               |              |              |
| 9              | SYNC At Ten Oaks<br>405 Philip Blvd.<br>Lawrenceville, GA 30046<br>Gwinnett County                 | 4.1 miles           | Various<br>3-stories<br>2007 / n/a<br>Family | Market             | 1BR / 1BA        | N/A | N/A   | 763       | Market      | \$1,087    | N/A       | N/A           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1BA        | N/A | N/A   | 768       | Market      | \$1,110    | N/A       | N/A           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1BA        | N/A | N/A   | 799       | Market      | \$1,104    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 1BR / 1.5BA      | N/A | N/A   | 864       | Market      | \$1,164    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | N/A | N/A   | 1,023     | Market      | \$1,267    | N/A       | N/A           | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2BA        | N/A | N/A   | 1,060     | Market      | \$1,280    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2.5BA      | N/A | N/A   | 1,092     | Market      | \$1,330    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 2BR / 2.5BA      | N/A | N/A   | 1,152     | Market      | \$1,460    | N/A       | No            | N/A          | N/A          |
|                |                                                                                                    |                     |                                              |                    | 3BR / 2BA        | N/A | N/A   | 1,247     | Market      | \$1,484    | N/A       | No            | N/A          | N/A          |
| <b>288</b>     |                                                                                                    |                     |                                              |                    |                  |     |       |           |             |            |           |               |              |              |
| <b>19</b>      |                                                                                                    |                     |                                              |                    |                  |     |       |           |             |            |           |               |              |              |
| <b>6.6%</b>    |                                                                                                    |                     |                                              |                    |                  |     |       |           |             |            |           |               |              |              |