



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

**HAMPTON COURT  
South Hampton Road  
Hampton, Henry County, Georgia**

**Effective Date: June 20, 2011  
Report Date: June 23, 2011**

*Prepared For*

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**NOVOGRADAC  
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CERTIFIED PUBLIC ACCOUNTANTS

June 23, 2011

Mr. Jay Collins  
Potemkin Development, Inc.  
PO Box 56  
Fort Valley, Georgia

**Re: Market Study for Hampton Court in Hampton, Georgia**

Dear Mr. Collins:

At your request, Novogradac & Company LLP performed a market study of the senior rental market in the Hampton, Henry County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the construction of Hampton Court, a proposed Housing for Older Persons (HFOP) development consisting of 60 units. Units will be restricted to senior households ages 55 and older earning 50 and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the 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.

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

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company, LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,



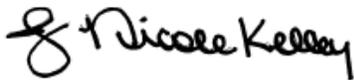
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## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant 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 consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. 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.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. 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.
6. 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.
7. 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. 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 consultant 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.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. 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 appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. 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.
12. 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.
13. 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 appraisal report.
14. 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 conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. 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 consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant 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.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. 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 appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

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Addendum

## **A. EXECUTIVE SUMMARY AND CONCLUSION**

**EXECUTIVE SUMMARY AND CONCLUSIONS**

**1. Project Description:**

Hampton Court, the Subject, will be a newly constructed senior LIHTC property located on South Hampton Road in Hampton, Henry County, Georgia. The Subject will consist of single story brick and hardiplank buildings. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

**PROPOSED RENTS**

Unit Type	Number of Units	Square Footage	Asking Rent	Utility Allowance (1)	Gross Rent	2011 LIHTC	2011 HUD
						Maximum Allowable Gross Rent	Fair Market Rents
				<i>50% AMI</i>			
2BR	9	1,200	\$465	\$195	\$660	\$768	\$881
				<i>60% AMI</i>			
2BR	51	1,200	\$465	\$195	\$660	\$922	\$881
<b>Total</b>	<b>60</b>						

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

The Subject will offer the following in unit amenities: balconies/patios, central air conditioning, carpeting, blinds, dishwashers, garbage disposals, microwaves, ovens, refrigerators, hand rails, pull cords, and washer/dryer connections. Community amenities will include: a business center/computer lab, a community room, an exercise facility, off-street parking, on-site management, walking trails, community gardens, perimeter fencing, and recreation areas. The Subject’s proposed amenities package will be competitive with the comparables.

**2. Site Description/Evaluation:**

The Subject is located on the east side of Hampton at the intersection of Hampton Locust Grove Road and South Hampton Road. The site is currently vacant wooded land. Adjacent parcels to the south, east and west are also vacant wooded land. The adjacent parcel to the north across Hampton Locust Grove Road consists of single family homes in average condition. The neighborhood is generally comprised of scattered single family homes in average condition and wooded land. There is no retail or commercial within the immediate neighborhood. The closest retail concentration is in downtown Hampton and along East Main Street, approximately one mile west of the

Subject site. The public library is located at the intersection of McDonough Street and Hampton Locust Grove, which will be desirable for senior tenants. The site will be accessed via South Hampton Road by way of Locust Grove Road and SR 20, both of which experience light to moderate traffic flow. Access and visibility are considered average. We recommend signage off SR 20 for more exposure. All locational amenities, with the exception of the senior center, are located within 10.3 miles of the Subject site. The closest senior center to the site is located 14.8 miles away in Griffin. Overall, while the site is somewhat removed from the more developed areas of Hampton, it appears to be a predominantly residential neighborhood that will be well suited for senior housing.

### **3. Market Area Definition:**

The Subject's PMA is defined as State Route 138 to the north, Newnan Road (State Route 16) to the south, Interstate 75 to the east, and Highway 85 South to the west.

The Subject's PMA encompasses portions of Henry, Clayton, Spalding, and Fayette Counties. Because the Subject will target seniors, we have relied most heavily on comments from property managers at local senior properties and family properties with a high percentage of senior tenants when concluding to our PMA boundaries. Management at Glenco Trace, a senior LIHTC property in Griffin, Georgia indicated that there is tenant exchange between western Henry County and northern Spalding County due to Highway 19, which allows for easy access between the two areas. Further management indicated that tenants in the Griffin area would likely move to Hampton if a new senior LIHTC property were built. Therefore, we have included Griffin and areas of northern Spalding County in our PMA. Property managers in the Sotckbridge/McDonough areas indicated that there is little tenant exchange between these areas and Hampton as Stockbridge and McDonough are significantly more developed than Hampton. Therefore, we have defined the eastern border of our PMA as Interstate 75 and we have not included these areas on our PMA. State Route 19 runs north from the Subject to Clayton County. Because Hampton is easily accessible from Clayton County via Route 19, property managers indicated that the Subject could likely draw tenants from the southern portion of the county. Therefore, we have included southern Clayton County and the southern portion of the City of Jonesboro in our PMA. We have defined the northern border of our

PMA as State Route 138 as the area north of this boundary is more metropolitan and the Subject is less likely to draw tenants from this area. Overall, we anticipate that 85 percent of the Subject's tenants will come from within the PMA boundaries.

The furthest PMA boundary from the Subject site is 12.1 miles.

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

##### **Data:**

The Subject will be located in Hampton, Georgia, in Henry County. The senior population in this PMA is projected to increase from 41,832 in 2010 to 51,124 in 2015. The projected growth from 2013 to 2015, within the PMA, is only one point less MSA. Similar to the population growth, the total number of households in the PMA is also projected to increase over the next five years. In 2010, there were 21,652 senior households, and in 2015 there are projected to be 26,988 senior households. Again, a growth rate is strong, but slightly less than the MSA. In 2010, 14.9 percent of the population earned incomes above \$100,000. Owner-occupied housing units dominate the housing market in the PMA, however, the number of renter households in the PMA is projected to remain relatively stable over the next five years. The rental rate of the comparable properties have all remained stable, with Glenco Trace Apartments even increasing their rents by \$20 in early 2011.

According to RealtyTrac's May 2011 foreclosure research, there were approximately 82 foreclosed homes in Hampton. This equates to a foreclosure rate of one in every 155 housing units. Henry County had a foreclosure rate of one in every 203 housing units; Georgia had a foreclosure rate of one in every 387 housing units; the US had a foreclosure rate of one in every 601 housing units in May 2011. Therefore, the foreclosure rate in Hampton was higher than Henry County, Georgia, and the nation. However, we did not witness any abandoned homes in the neighborhood. The foreclosure rate should not be a problem.

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

The city of Hampton is a relatively rural community, approximately 28 miles southeast of Atlanta. Total covered employment in Henry County increased from 2000 to 2008, but decreased in 2009 by 7.09 percent. However, as of September 2010, the county's employment increased by 3.03 percent. In addition, the YTD average was 2.92

percent. This indicates that the total employment in Henry County is very strong. This increasing employment is positive indicator for the Henry County economy.

The MSA posted strong employment growth from 2003 to 2007 but total employment gains halted in 2008 due to the impact of the recession. Average annual employment decreased by 7.9 percent from 2008 to 2010. Over the same period, the unemployment rate in the MSA increased by 5.6 percentage points. YTD employment only decreased 0.4 percent, while the nation had a 0.6 percent increase. Unemployment in the MSA surpassed the nation in 2009 and has remained above the national average through YTD 2011. The MSA's unemployment has not increased from April 2010 through April 2011, which is less than the nation's decrease of 0.3 percentage points. Employment may continue to decline, but may be somewhat offset by the announced expansions of Philips-Van Hausen, Inline Plastics, Millard Refrigerated Services, De Wafelbakkers and Whirlpool. The expansions could add over 632 jobs to the local economy. However, these expansions are contingent upon the performance of the local economy and employers' ability to obtain financing.

In addition, the Atlanta Motor Speedway is located in Hampton. The Atlanta Motor Speedway is one of the country's top sports, corporate, family and entertainment facilities. Annual racing events at the Atlanta Motor Speedway include two NASCAR Sprint Cup races, and the NASCAR Nationwide Series. The Atlanta Motor Speedway highlights the talent of up-and-coming drivers with Friday Night Drags during June, July, August and September, and Winter Flurry races in Legends, Bandolero and Thunder Roadsters. The Richard Petty Driving Experience also takes place at the Atlanta Motor Speedway. The Atlanta Motor Speedway track is used not only for racing but also for corporate events, weddings, concerts and other special events.

According to Georgia Department of Labor's WARN notices, an average of 258 jobs were lost in 2010 to 2011. Job loss among the aforementioned employers is consistent with national trends. Major layoffs have occurred in all industries, but predominantly in the retail and manufacturing fields. The local economy seems to be improving with not as many jobs being lost and unemployment remaining the same.

## 6. Project-Specific Affordability And Demand Analysis:

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

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
2BR 50%	\$19,800-\$27,350	9	154	0	154	5.8%
2BR 60%	\$19,800-\$32,820	51	263	0	263	19.4%
<b>Overall Project</b>	<b>\$19,800-\$32,820</b>	<b>60</b>	<b>263</b>	<b>0</b>	<b>263</b>	<b>22.8%</b>

Our demand analysis indicates that there are approximately 549 income qualified renter households in the PMA. While the 60 percent and overall capture rates are considered moderate, we believe there is adequate demand for the Subject. Vacancy rates among the two senior LIHTC comparables are low and both properties have waiting lists. Additionally, the Subject's proposed 50 and 60 percent AMI rents are among the lowest in the market. The Subject's unit mix will consist of 60 two-bedroom units. Of the senior comparables, Grier Senior Manor offers the highest percentage of two-bedroom units. Fifty percent of the units at this property are two-bedroom units. The Subject's proposed 50 and 60 percent AMI two-bedroom rents are significantly below the current one-bedroom rents at Grier Senior Manor and this property only has one unit that is vacant and not pre-leased. Given the significant rent advantage in the market, we believe the Subject's two-bedroom units will lease well and we believe there is adequate demand for the Subject as proposed.

## 7. Competitive Rental Analysis:

There is only one senior LIHTC property located in the Subject's PMA. Glenco Trace is located 10.8 miles south of the Subject site in Griffin. This property was built in 2000 and offers one- and two-bedroom units to seniors 55 and older. We have included this property as a comparable in our analysis. We have also included the senior LIHTC property Grier Senior Manor as a comparable. This property is located 9.6 miles from the Subject in McDonough and is located just east of the Subject's PMA. The family LIHTC comparable St. Phillip Villas has also been included as a comparable. Although this property targets families, management reported a senior tenancy of 50 percent and it is located in the Subject's PMA. There are two additional family LIHTC properties that are located in Jonesboro between 15.9 and 17.8 miles from the Subject site. Because these properties are located more than 15

miles from the Subject site and target families, we have excluded them as comparables in our analysis. Overall, the availability of LIHTC data, and senior LIHTC data in particular, in the PMA is considered limited as there is only one senior LIHTC property in the Subject's PMA and there are no LIHTC properties in Hampton. We have included three market rate properties in our analysis. All three comparables target families, are located in Hampton, and were built between 2000 and 2002. Overall, the availability of market rate data in the Subject's PMA is considered good. It should be noted that there are no market rate comparables in the area that specifically target seniors; however, management at all three family market rate comparables reported small senior tenancies of three to five percent.

As proposed, the Subject will offer 60 two-bedroom units at 50 and 60 percent AMI. Of the LIHTC properties, the senior property Grier Senior Manor offers the largest percentage of two-bedroom units in the market. Of the 64 units at this property, 50 percent are two-bedroom units. Currently, the property has three vacant units, one of which is a one-bedroom unit and two of which are two-bedroom units. According to management, the one-bedroom unit and one of the two-bedroom units are pre-leased, indicating that both bedroom types lease well and are desirable among seniors in the market. The Subject's proposed two-bedroom 50 and 60 percent AMI rents of \$465 are significantly below the current one-bedroom 50 and 60 percent rents of \$552 and \$607 at Grier Senior Manor, giving the Subject a sizeable rent advantage in the market. Additionally, the one-bedroom 50 and 60 percent AMI units at Grier Senior Manor offer a rent per square foot of \$0.84 to \$0.92 while the Subject's units will offer a rent per square foot of \$0.39. This differential is significant and further indicates the positive price value relationship of the Subject. Overall, given the Subject's rental advantage, we believe that its 60 proposed two-bedroom units will lease well in the local market.

At 1,200 square feet, the Subject's proposed two-bedroom units will be the largest units in the market. The two-bedroom units at both senior LIHTC comparables are 300 square feet smaller than the Subject's proposed units. The large unit sizes at the Subject are not typical for a senior property and will give the Subject an advantage in the local market.

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison. The Subject’s proposed 50 and 60 percent AMI two-bedroom rents will have a significant rent advantage of 48 to 53 percent over the average market rents and they will be similar to below the minimum observed market rents. As new construction, the Subject will be superior to the majority of the existing housing stock in terms of age and condition and it will offer a competitive amenities package. The one weakness of the Subject when compared to the comparables is its location, which is further from retail and amenities than the comparables. However, the Subject’s low rents negate its inferior location. Overall, the Subject will have a significant rental advantage in the market and we believe that it will be successful as proposed.

**8. Absorption/Stabilization Estimate:**

All of the comparables were built prior to 2005 and none were able to report absorption. However, we were able to obtain absorption information for two senior properties located in Byron and Perry Georgia. Absorption information for these properties is found in the following table.

**Absorption**

Property Name	Year Built	Location	Type	Tenancy	Total # of Units	Units Absorbed Per Month	Absorption Pace
Cameron Court	2009	Perry	LIHTC	Senior	64	7	10 months
Heathrow Senior Village	2006	Byron	LIHTC	Senior	51	9	6 months

The most recent allocation, Cameron Court, had a leasing pace of seven units per month. This property targets seniors and offers one-, two-, and three-bedroom units. The Subject will offer all two-bedroom units. Of the units at Cameron Court, 88 percent are two- and three-bedroom units. Therefore, this property is a good indicator of how well larger bedroom types lease at age restricted properties.

There are two senior properties proposed in Henry County, Heritage at McDonough and Shoal Creek Manor. The following tables illustrate their proposed rents and unit mix.

**Heritage at McDonough**

<b>Unit Mix</b>	<b>Number of Units</b>	<b>Proposed Rent</b>
1BR 50%	4	\$350
2BR 50%	4	\$450
1BR 50%	4	\$535
2BR 50%	4	\$635
1BR 60%	43	\$575
2BR 60%	46	\$675
<b>Total Units</b>	<b>105</b>	

**Shoal Creek Manor**

<b>Unit Mix</b>	<b>Number of Units</b>	<b>Proposed Rent</b>
2BR 50%	14	\$447
2BR 60%	52	\$447
<b>Total Units</b>	<b>66</b>	

Although these properties are located outside the PMA and there will be limited tenant exchange between the two areas, we have taken them into account when concluding to an absorption pace for the Subject. Both properties offer units at 50 and 60 percent AMI and will be located within 10.9 miles of the Subject site. These properties are scheduled to enter the market in late 2011 and early 2012. While the Subject's rents will be well below the rents at Heritage at McDonough, they will be generally similar to the rents at Shoal Creek Manor. When taking the addition of these properties into the market into account, we have conservatively estimated an absorption pace of five units per month for the Subject's units. At this pace the 60 unit Subject will reach a stabilized absorption of 93 percent within 12 months.

**9. Overall Conclusion:**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. LIHTC vacancy in the local market is low at less than three percent. Of the three vacant senior LIHTC units, two are pre-leased and both senior LIHTC properties have waiting lists. The Subject's proposed LIHTC rents are among the lowest in the market and yield a significant price value relationship for the Subject. As proposed, the Subject will consist of all two-bedroom units. Of the senior properties, Grier Senior Manor has the

highest percentage of two-bedroom units at 50 percent of its total unit mix. The Subject's proposed 50 and 60 percent two-bedroom rents are significantly below the current one-bedroom 50 and 60 percent AMI rents at Grier Senior Manor. Additionally, the one-bedroom rents at Grier Senior Manor have a rent per square foot between \$0.84 and \$0.92 while the Subject has a rent per square foot of \$0.39. Because the Subject's proposed two-bedroom rents are below the current one-bedroom rents at Grier Senior Manor, (which has only one unit that is vacant and not pre-leased) we believe that the Subject's 60 two-bedroom units will lease well in the local market.

Although there are no senior LIHTC properties in the PMA that are proposed or under construction, there are two senior LIHTC properties located east of the Subject's PMA that are currently under construction. Shoal Creek Manor and Heritage at McDonough are located within 10.9 miles of the Subject site. These properties are located east of Interstate 75 and property managers in the area reported that they have little tenant exchange with Hampton and other areas located west of the interstate. They indicated that areas west of Interstate 75 are regarded as a different submarket and tenants in the Stockbridge/McDonough areas are not likely to move to Hampton. Therefore, we do not believe that the addition of the Subject to the market will impact the performance of these properties as they will draw tenants from different areas. Overall, our market analysis indicates a need for additional senior LIHTC housing. This need is illustrated by the low vacancy rates and waiting lists at the comparables. Additionally, there are no senior rental properties (LIHTC, subsidized, or conventional) within 10 miles of the Subject, indicating that the Subject will face limited competition in its immediate market area. The Subject will offer a new construction design and will have rents similar to below the existing and proposed senior LIHTC comparables. Therefore, we believe that it will be successful in the local market and will help to fill the current senior housing void.

### Summary Table:

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

Development Name:	Hampton Court	Total # Units: 60
Location:	S Hampton Road, Hampton, GA	# LIHTC Units: <b>60</b>
PMA Boundary:	North: SR 138; South: Newnan Road (SR 16); East: Interstate 75; West: Highway 85 South	
	Farthest Boundary Distance to Subject:	12.1 miles

#### RENTAL HOUSING STOCK (found on page 90)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	6	913	61	93.3%
Market-Rate Housing*	5	745	57	92.4%
Assisted/Subsidized Housing not to include LIHTC	0	0	0	N/Ap
<b>LIHTC</b>	<b>3</b>	<b>168</b>	<b>3</b>	<b>97.6%</b>
Stabilized Comps	6	913	61	93.3%
Properties in Construction & Lease Up	0	0	0	N/Ap

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
9	2BR 50%	2	1,200	\$465	\$689	\$0.62	48%	\$975	\$0.74
51	2BR 60%	2	1,200	\$465	\$713	\$0.65	53%	\$975	\$0.74
				\$	\$	\$	%	\$	\$
				\$	\$	\$	%	\$	\$

\*Some comparables have both LIHTC and market rate units

\*\*Based on average SF of all comps

#### DEMOGRAPHIC DATA (found on pages 32, 56, 95)

	2000		2010		2013	
Renter Households	2,069	14.66%	3,226	14.90%	3,699	14.88%
Income-Qualified Renter HHs (LIHTC)	308	14.9%	481	14.9%	556	14.9%
Income-Qualified Renter HHs (MR) (if applicable)	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap

#### TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on pages 50, 53,56)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall
Renter Household Growth		142	242			242
Existing Households (Overburdened + Substandard)		196	333			333
Homeowner conversion (Seniors)		42	74			74
Secondary Market Area Demand		36	61			61
Less Comparable/Competitive Supply		0	0			0
<b>Net Income-qualified Renter HHs***</b>		<b>416</b>	<b>710</b>			<b>710</b>

#### CAPTURE RATES (found on pages 51, 54, 57)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate		5.8%	19.4%			22.8%

\*\*\*Does not match demand analysis as this does not take into account bedroom types and persons per household.

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

**Project Address and Development Location:**

The Subject site is located on South Hampton Road, near the intersection with Hampton Locust Grove Road in Hampton, Henry County, Georgia.

**Construction Type:**

The Subject will be a newly constructed LIHTC property that will consist of 10 single story residential buildings and one non-residential building. All buildings will have a brick and hardiplank exterior.

**Occupancy Type:**

HFOP (55+).

**Special Population Target:**

None.

**Number of Units by Bedroom Type and AMI Level:**

**See following property profile.**

**Unit Size:**

**See following property profile.**

**Structure Type:**

**See following property profile.**

**Rents and Utility Allowances:**

**See following property profile.**

**Existing or Proposed**

**Project Based Rental Assistance:** None of the units will have Project-Based Rental Assistance.

**Proposed Development Amenities:** **See following property profile.**

## Hampton Court, Hampton, GA; Market Study

Hampton Court											
<b>Comp #</b>	Subject										
<b>Effective Rent Date</b>	6/17/2011										
											
<b>Location</b>	South Hampton Rd Hampton, GA 30228 Henry County (verified)										
<b>Units</b>	60										
<b>Vacant Units</b>	N/A										
<b>Vacancy Rate</b>	N/A										
<b>Type</b>	n/a (age-restricted)										
<b>Year Built / Renovated</b>	2013										
Market											
<b>Program</b>	50%, 60%			<b>Leasing Pace</b>				n/a			
<b>Annual Turnover Rate</b>	N/A			<b>Change in Rent (Past Year)</b>				n/a			
<b>Units/Month Absorbed</b>	n/a			<b>Concession</b>							
<b>Section 8 Tenants</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?
2	2		9	1,200	\$465	\$0	50%	n/a	N/A	N/A	no
2	2		51	1,200	\$465	\$0	60%	n/a	N/A	N/A	no
Amenities											
<b>In-Unit</b>	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Garbage Disposal Hand Rails Microwave Oven Pull Cords Refrigerator Washer/Dryer hookup			<b>Security</b>				Perimeter Fencing			
<b>Property</b>	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Recreation Areas			<b>Premium</b>				none			
<b>Services</b>	none			<b>Other</b>				Community gardens			
Comments											
The Subject's proposed 50 and 60 percent AMI net rents are \$465 and the Subject's utility allowance will be \$195. Therefore, the Subject's gross rents will be \$660 per unit.											

<b>Scope of Renovations:</b>	<b>N/Ap.</b>
<b>Current Rents:</b>	<b>N/Ap.</b>
<b>Current Occupancy:</b>	<b>N/Ap.</b>
<b>Current Tenant Income:</b>	<b>N/Ap.</b>
<b>Placed in Service Date:</b>	Construction on the Subject is expected to be completed by July 2013.
<b>Conclusion:</b>	The Subject will be an excellent quality brick and hardiplank development consisting of single story buildings. The Subject's single story design will appeal to its targeted senior tenancy. Additionally, the Subject's two-bedroom units will be the largest in the market and they will be 300 square feet larger than the two-bedroom units at both senior LIHTC comparables. The Subject will also offer an extensive in unit amenities package that will include dishwashers, and washer/dryer connections. These amenities will also add to the Subject's marketability. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

## **C. SITE EVALUATION**

**1. Date of Site Visit and Name of Site Inspector:**

Michalena Sukenik visited the site on June 20, 2011.

**2. Physical Features of the Site:**

The following illustrates the physical features of the site.

*Frontage:*

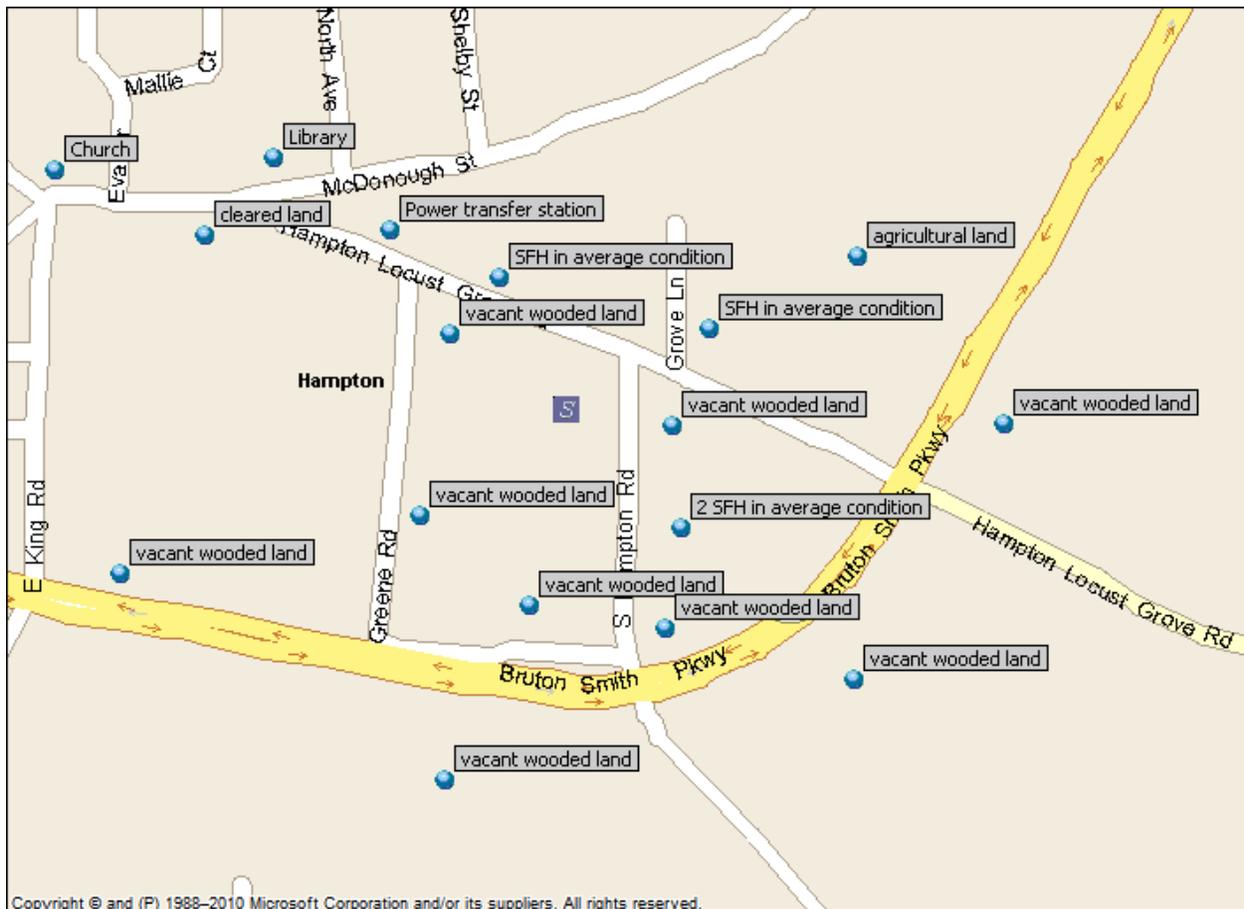
The Subject site has frontage along South Hampton Road, Hampton Locust Grove Road and Highway 20.

*Visibility/Views:*

The site is currently vacant wooded land. Visibility is limited to Hampton Locust Grove Road and South Hampton Road, which are lightly trafficked roadways. We recommend signage along SR 20 at the intersection of South Hampton Road for additional exposure. Views are of vacant wooded land and single family homes in average condition. Overall, visibility and views are considered average.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



Adjacent parcels to the south, east and west are also vacant wooded land. The adjacent parcel to the north across Hampton Locust Grove Road consists of single family homes in average condition. The neighborhood is generally comprised of scattered single family homes in average condition and wooded land. There is no retail or commercial within the immediate neighborhood. The closest retail concentration is in downtown Hampton and along East Main Street, approximately one mile west of the Subject site. The public library is located at the intersection of McDonough Street and Hampton Locust Grove, which will be desirable for senior tenants.

*Positive/Negative Attributes of Site:* Positive attributes consist of a quiet residential setting. There are no real negative attributes of the site. There is a power transfer station along Hampton Locust Grove Road; however this is not visible from the Subject site.

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

The Subject site is located on South Hampton Road near the intersection with Hampton Locust Grove Road. The property is easily accessible and is located east of Bruton Smith Parkway and west of Main Street and Highway 41/19. It is located about seven miles east of Interstate 75. Additionally, all amenities are less than 12 miles away. The closest Grocer is approximately one mile from the site. Wal-Mart, a national retail chain, is 9.9 miles from the site. The Atlanta Motor Speedway, an employment center, is also located about five miles to the west of the Subject site. Additional employment can be found in McDonough about 10 miles from the Subject's Hampton location. Overall, access and traffic flow are considered average.

4. Pictures of Site and Adjacent Uses:



Subject site



Subject site



View east on Hampton Locust Grove



View west on Hampton Locust Grove



View east on Highway 20



View north on South Hampton



View south on South Hampton



Vacant land east



Single family home north



Single family home east



Vacant land north



Library northwest



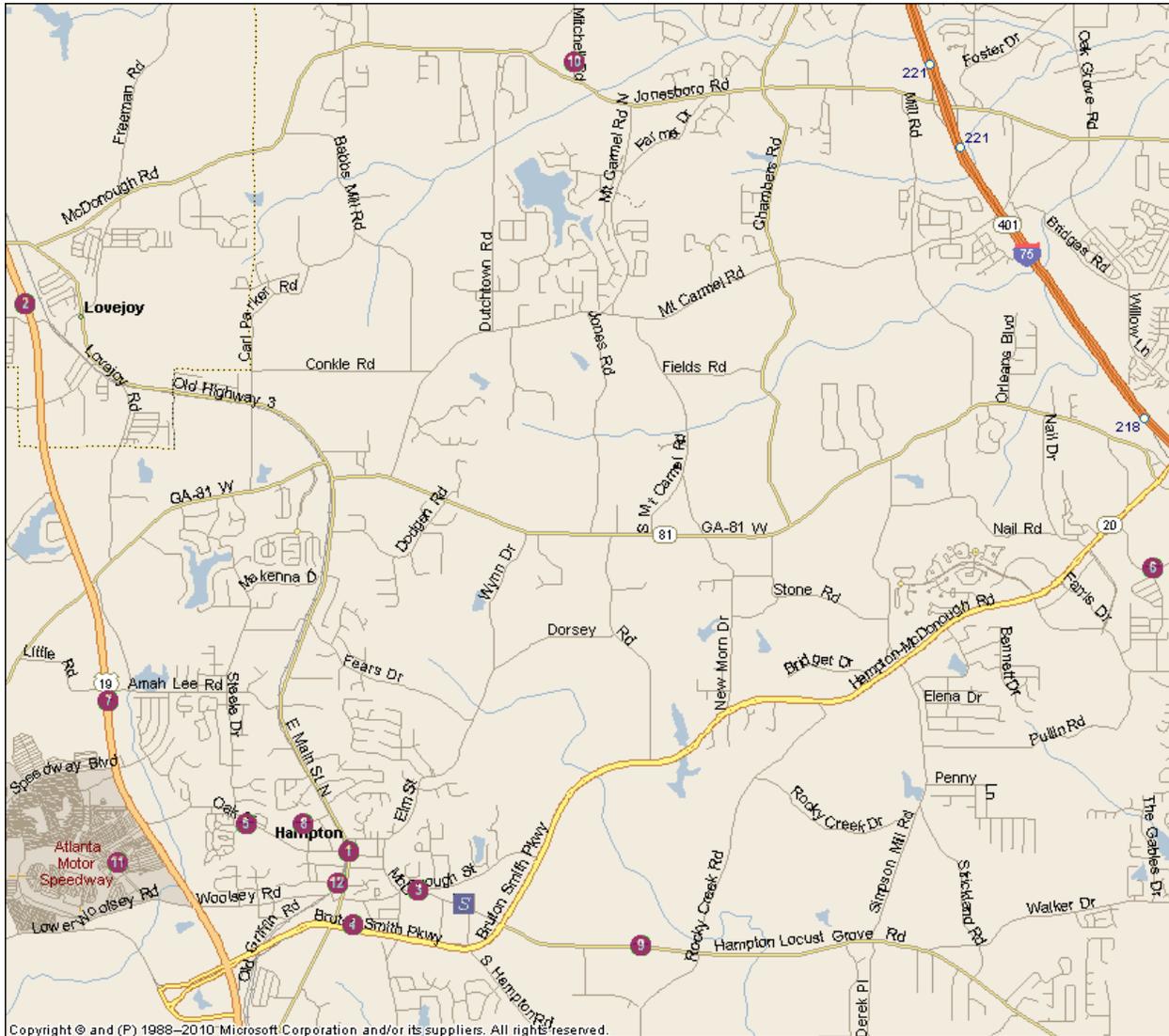
Power transfer station northwest



Vacant land west

**5. Proximity to Locational Amenities:**

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



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**Locational Amenities**

Map#	Amenity	Type of Service	Distance from Subject
1	Family Food Mart	Grocer	1.0 miles
2	Wal-Mart Supercenter	Retail	9.9 miles
3	Forston Public Library	Library	0.4 miles
4	Hampton Police Department	Police	1.6 miles
5	Fred's Pharmacy	Pharmacy	2.3 miles
6	McDonough Fire Station	Fire	6.4 miles
7	Executive Medical Health Care	Hospital	6.1 miles
8	Hampton Elementary School	Elementary School	1.7 miles
9	Hampton Middle School	Middle School	1.9 miles
10	Dutchtown High School	High School	12.0 miles
11	Atlanta Motor Speedway	Employment Center	5.0 miles
12	Hampton Senior Center	Senior Center	1.1 miles
N/A	N/A	Public Transportation	N/A

**6. Description of Land Uses:**

Adjacent parcels to the south, east and west are also vacant wooded land. The adjacent parcel to the north across Hampton Locust Grove Road consists of single family homes in average condition. The neighborhood is generally comprised of scattered single family homes in average condition and wooded land. There is no retail or commercial within the immediate neighborhood. The closest retail concentration is in downtown Hampton and along East Main Street, approximately one mile west of the Subject site. The public library is located at the intersection of McDonough Street and Hampton Locust Grove, which will be desirable for senior tenants. There is limited multifamily in the area. Overall, while the site is somewhat removed from the more developed areas of Hampton, it appears to be a predominantly residential neighborhood that will be well suited for senior housing.

**7. Multifamily Residential within Two Miles:**

There are no multifamily uses within two miles of the Subject site.

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

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

Name	Address	City	State	Type	Tenancy	Map Color	Included /Excluded	Reason for Exclusion	Distance from Subject
<b>Hampton Court</b>	<b>S Hampton St</b>	<b>Hampton</b>	<b>GA</b>	<b>LIHTC</b>	<b>Senior</b>		-	<b>Subject-proposed</b>	-
Glencoe Trace	1624 Hallmark Dr	Griffin	GA	LIHTC	Senior		Included	-	10.8 miles
St. Phillip Villas	829 N Hill St	Griffin	GA	LIHTC	Family		Included	-	14.6 miles
Pointe South Apartments	772 Pointe South Pkwy	Jonesboro	GA	LIHTC	Family		Excluded	Only offers 3BR townhomes	17.8 miles
Williamsburg South	240 Flint River Rd	Jonesboro	GA	LIHTC	Family		Excluded	Closer, more comparable properties available	15.9 miles
Keystone Apts	145 S McDonough St	Jonesboro	GA	Section 8	Family		Excluded	Rent subsidy on all units	14.8 miles
Rexmill Square	636 North Ave	Jonesboro	GA	Section 8	Family		Excluded	Rent subsidy on all units	16.3 miles
Rexmill Square II	636 North Ave	Jonesboro	GA	Section 8	Family		Excluded	Rent subsidy on all units	16.3 miles
Riverwood Section 1	681 Flint River Rd	Jonesboro	GA	Section 8	Family		Excluded	Rent subsidy on all units	16.4 miles
Riverwood Townhouses 2	682 Flint River Rd	Jonesboro	GA	Section 8	Family		Excluded	Rent subsidy on all units	16.4 miles
Riverwood Townhouses 3	683 Flint River Rd	Jonesboro	GA	Section 8	Family		Excluded	Rent subsidy on all units	16.4 miles
Northside Hills	615 Northside Dr	Griffin	GA	Section 8	Family		Excluded	Rent subsidy on all units	12.2 miles
St. George's Court	110 N 10th St	Griffin	GA	Section 8	Senior		Excluded	Rent subsidy on all units	12.8 miles

**9. Road/Infrastructure**

**Proposed Improvements:**

We did not witness any road/infrastructure improvements during our site inspection.

**10. Access, Ingress/Egress and Visibility of site:**

The site will be accessed via South Hampton Road by way of Locust Grove Road and SR 20, both of which experience light to moderate traffic flow. Ingress/egress of the site will be from South Hampton Road and will be considered average. Access and visibility are considered average. We recommend signage off SR 20 for more exposure.

**11. Environmental Concerns:**

None visible upon site inspection.

**Detrimental Influences:**

There are no significant detrimental influences.

**12. Conclusion:**

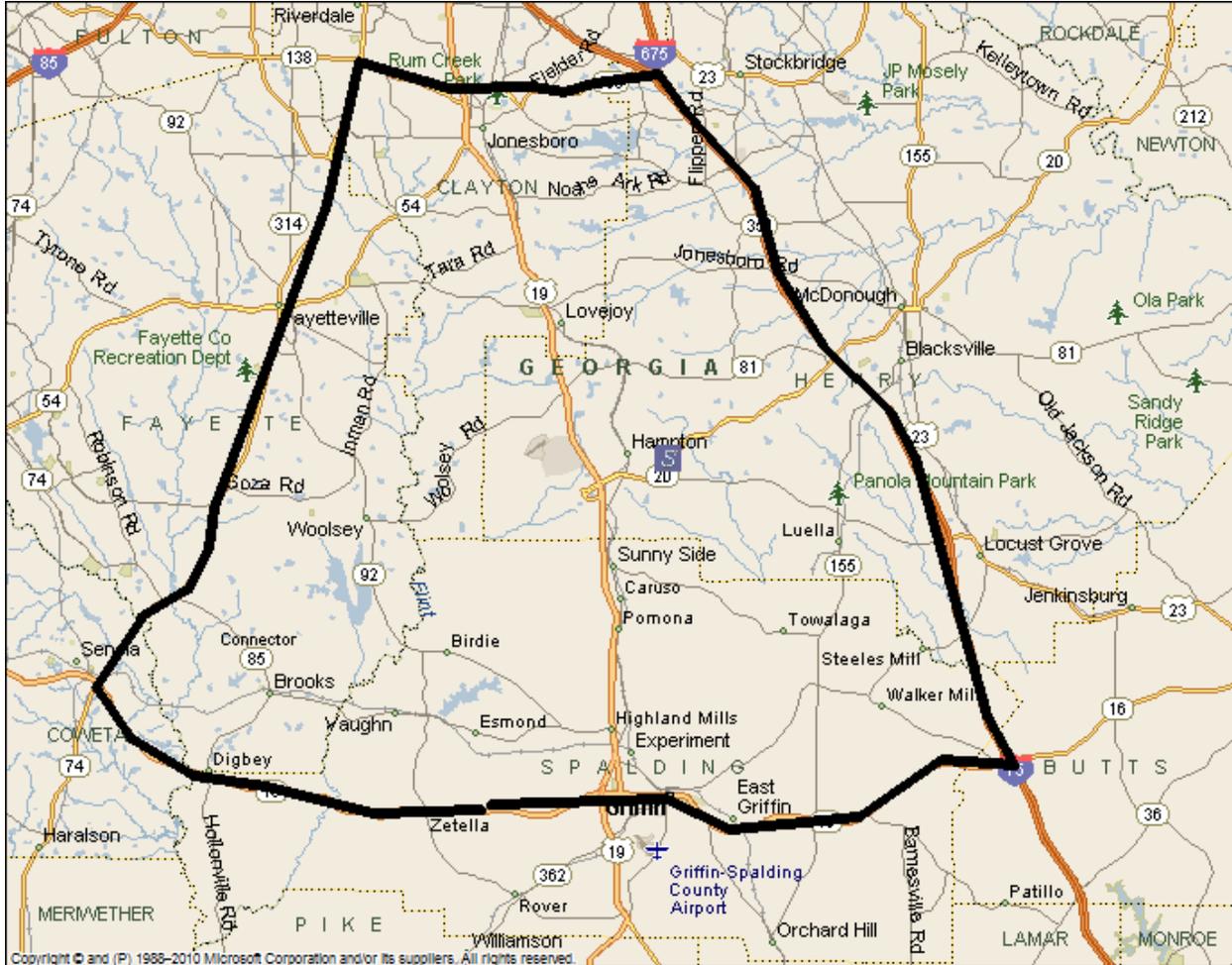
The Subject is located on the east side of Hampton at the intersection of Hampton Locust Grove Road and South Hampton Road. The site is currently vacant wooded land. Adjacent parcels to the south, east and west are also vacant wooded land. The adjacent parcel to the north across Hampton Locust Grove Road consists of single family homes in average condition. The neighborhood is generally comprised of scattered single family homes in average condition and wooded land. There is no retail or commercial within the immediate neighborhood. The closest retail concentration is in downtown Hampton and along East Main Street, approximately one mile west of the Subject site. The public library is located at the intersection of McDonough Street and Hampton Locust Grove, which will be desirable for senior tenants. The site will be accessed via South Hampton Road by way of Locust Grove Road and SR 20, both of which experience light to moderate traffic flow. Access and visibility are considered average. We recommend signage off SR 20 for more exposure. All locational amenities, with the exception of the senior center, are located within 10.3 miles of the Subject site. The closest senior center to the site is located 14.8 miles away in Griffin. Overall, while the site is somewhat removed from the more developed areas of Hampton, it appears to be a predominantly residential neighborhood that will be well suited for senior housing.

## **D. MARKET AREA**

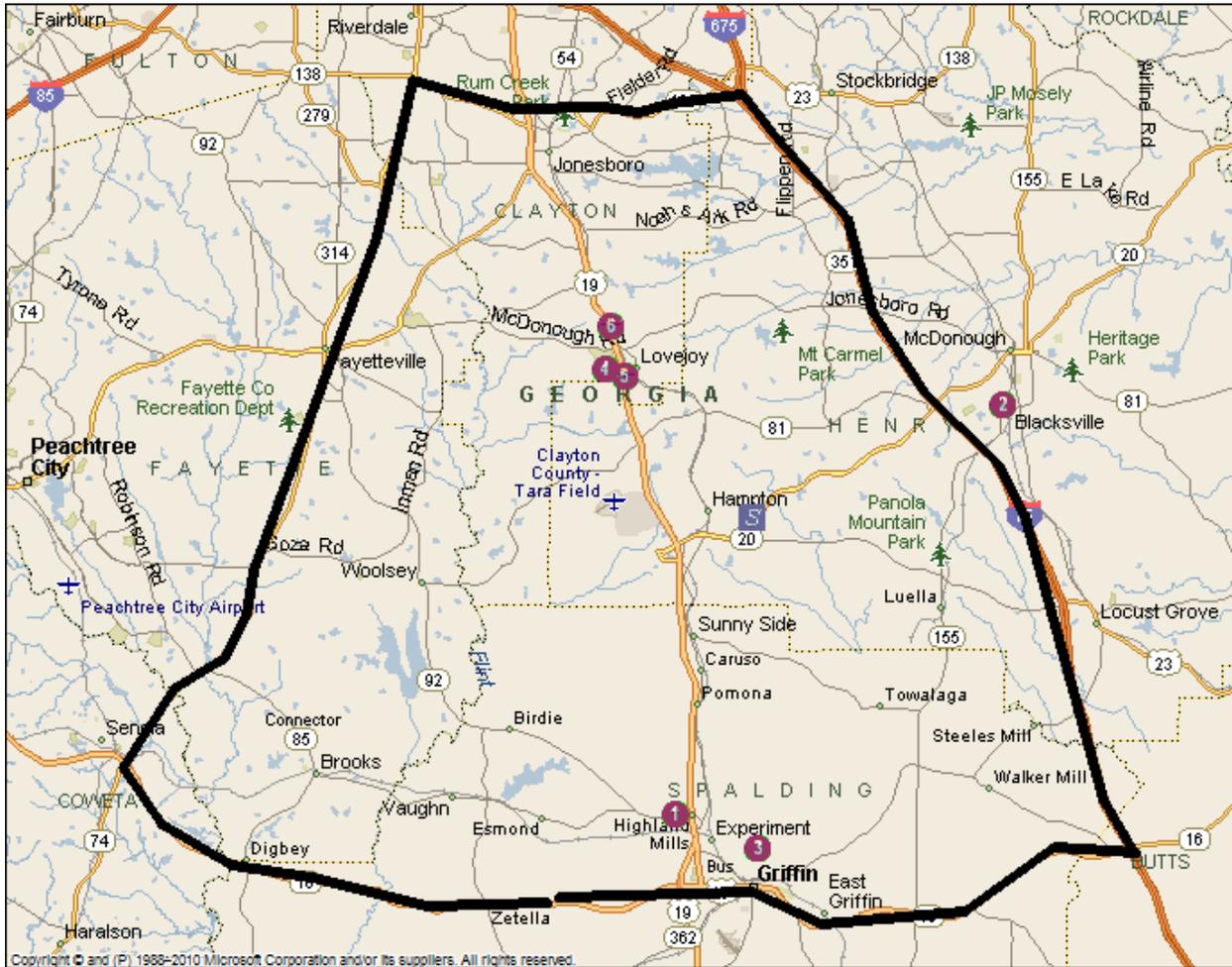
**PRIMARY MARKET AREA**

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

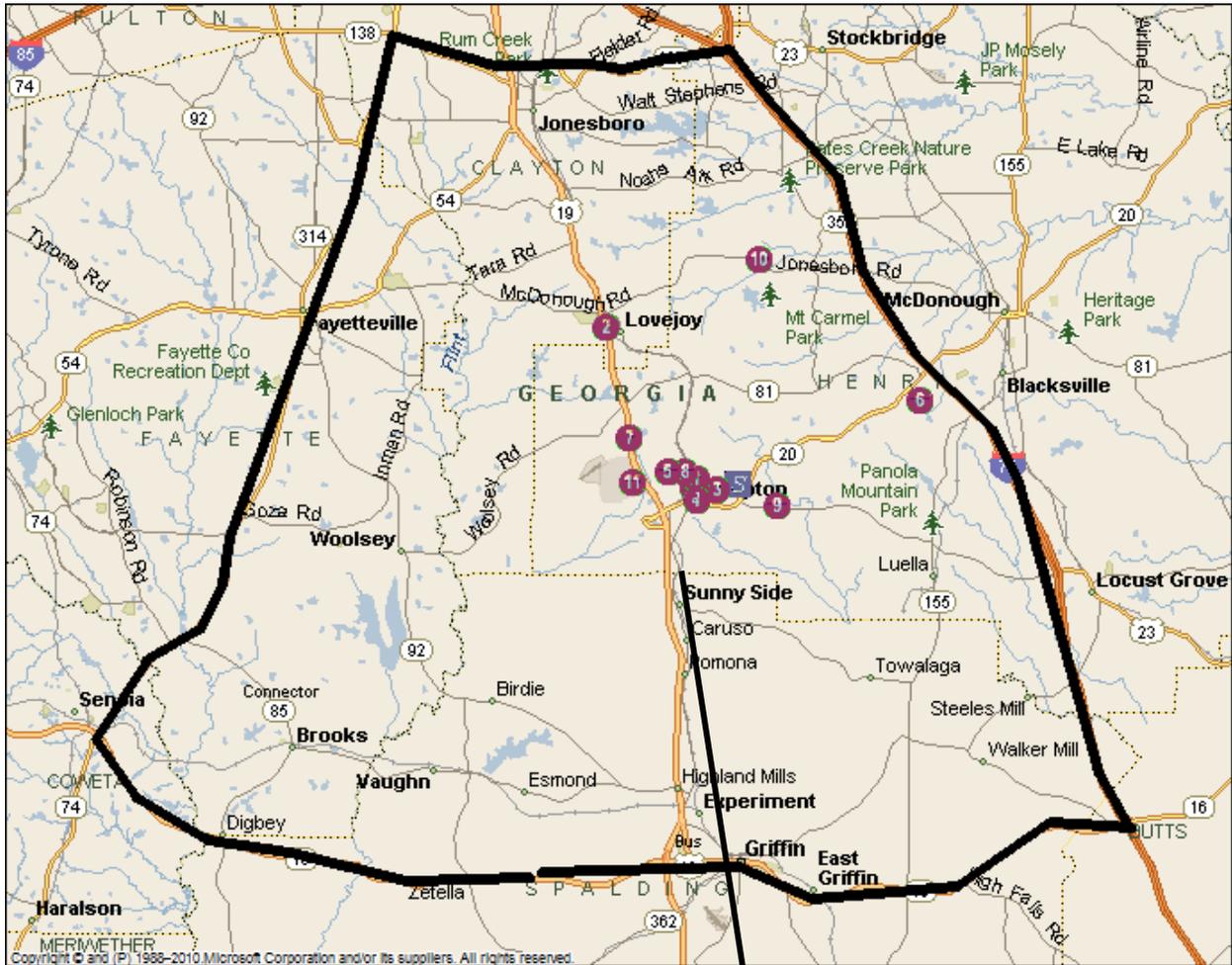
**Primary Market Area Map**

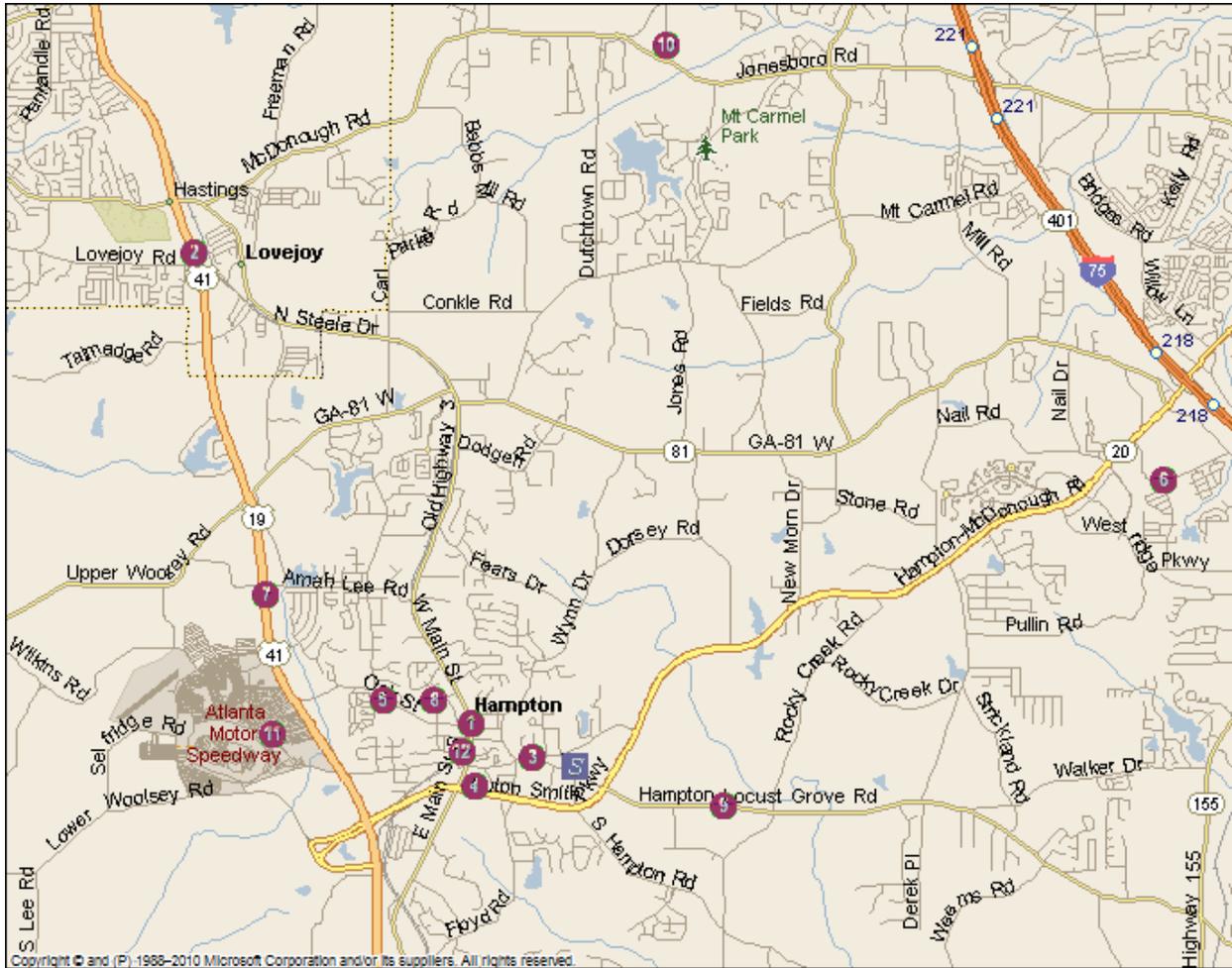


Comparable Properties



Locational Amenities





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-Marietta MSA are areas of growth or contraction.

The boundaries of the PMA are as follows:

- North – State Route 138
- South- Newnan Road (State Route 16)
- East-Interstate 75
- West- Highway 85 South

The Subject’s PMA encompasses portions of Henry, Clayton, Spalding, and Fayette Counties. Because the Subject will target seniors, we have relied most heavily on comments from property managers at local senior properties and family properties with a high percentage of senior tenants when concluding to our PMA boundaries. Management at Glenco Trace, a senior LIHTC property in Griffin, Georgia indicated that there is tenant exchange between western Henry County and northern Spalding County due to Highway 19, which allows for easy access between the two areas. Further management indicated that tenants in the Griffin area would likely move to Hampton if a new senior LIHTC property were built. Therefore, we have included Griffin and

areas of northern Spalding County in our PMA. Property managers in the Sotckbridge/McDonough areas indicated that there is little tenant exchange between these areas and Hampton as Stockbridge and McDonough are significantly more developed than Hampton. Therefore, we have defined the eastern border of our PMA as Interstate 75 and we have not included these areas on our PMA. State Route 19 runs north from the Subject to Clayton County. Because Hampton is easily accessible from Clayton County via Route 19, property managers indicated that the Subject could likely draw tenants from the southern portion of the county. Therefore, we have included southern Clayton County and the southern portion of the City of Jonesboro in our PMA. We have defined the northern border of our PMA as State Route 138 as the area north of this boundary is more metropolitan and the Subject is less likely to draw tenants from this area. Overall, we anticipate that 85 percent of the Subject's tenants will come from within the PMA boundaries.

## **E. COMMUNITY DEMOGRAPHIC DATA**

**COMMUNITY DEMOGRAPHIC DATA**

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Raleigh-Cary, NC MSA 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 MSA.

**1. Population Trends**

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 2000 through 2015.

**SENIOR POPULATION, 55+**

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA	
	Number	Annual Change	Number	Annual Change
2000	23,385	-	642,888	-
2010	41,832	7.7%	1,087,544	6.7%
Prj Mrkt Entry				
July 2013	47,407	4.4%	1,227,883	4.3%
2015	51,124	4.4%	1,321,442	4.3%

Source: ESRI Demographics 2010, Novogradac & Company LLP, June 2011

**POPULATION BY AGE IN 2010**

Age Cohort	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	15,273	7.5%	417,914	7.4%	21,296,740	6.8%
5-9	15,371	7.5%	401,365	7.2%	20,832,961	6.7%
10-14	15,271	7.5%	388,707	6.9%	20,369,284	6.5%
15-19	14,778	7.2%	379,557	6.8%	21,883,995	7.0%
20-24	11,969	5.9%	379,685	6.8%	21,459,235	6.9%
25-29	13,457	6.6%	445,783	7.9%	21,517,303	6.9%
30-34	13,793	6.7%	417,120	7.4%	19,852,007	6.4%
35-39	14,993	7.3%	430,250	7.7%	20,531,543	6.6%
40-44	15,644	7.7%	430,608	7.7%	21,232,056	6.8%
45-49	16,689	8.2%	441,258	7.9%	23,163,948	7.4%
50-54	15,331	7.5%	391,389	7.0%	22,315,436	7.2%
55-59	12,792	6.3%	324,138	5.8%	19,742,941	6.3%
60-64	10,479	5.1%	261,583	4.7%	16,544,050	5.3%
65-69	6,845	3.3%	173,893	3.1%	12,081,110	3.9%
70-74	4,415	2.2%	116,523	2.1%	9,033,665	2.9%
75-79	3,226	1.6%	86,177	1.5%	7,339,326	2.4%
80-84	2,125	1.0%	63,573	1.1%	5,947,153	1.9%
85+	1,950	1.0%	61,657	1.1%	6,070,110	2.0%
<b>Total</b>	<b>204,401</b>	<b>100.0%</b>	<b>5,611,180</b>	<b>100.0%</b>	<b>311,212,863</b>	<b>100.0%</b>

Source: ESRI Demographics 2010, Novogradac & Company LLP, June 2011

## Hampton Court, Hampton, GA; Market Study

### Number of Elderly and Non-Elderly - PMA

Year	PMA			Secondary Area (SMA, MSA, City, Village, etc)		
	Total Population	Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
1990	107,484	99,504	7,980	3,069,425	2,818,072	251,353
2000	150,007	138,670	11,337	4,247,981	3,921,325	326,656
2010	204,401	185,840	18,561	5,611,180	5,109,357	501,823
Prj Mrkt Entry July 2013	216,268	194,290	21,977	5,952,596	5,364,915	587,681
2015	224,179	199,924	24,255	6,180,206	5,535,287	644,919

Source: ESRI Demographics 2010, Novogradac & Company LLP, June 2011

Projected annual population growth in the PMA and MSA from 2010 to 2013 is strong and is expected to increase by 4.4 percent annually through the year 2015. From 2000 to 2010, the population increase by 7.7 percent. The largest age cohorts in the PMA include persons aged 45 to 49. It is followed by persons aged 40 to 44 with a high concentration of persons ages 0 to 14. The prevalence of these age groups in conjunction suggests that the PMA has a considerable family population. About 10 percent of the population is elderly within the PMA.

## 2. Household Trends

### 2a. Total Number of Households, Average Household Size

#### HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	14,109	-	387,483	-
2010	21,652	5.2%	576,461	4.8%
Prj Mrkt Entry July 2013	24,853	4.9%	668,278	5.3%
2015	26,988	4.9%	729,489	5.3%

Source: ESRI Demographics 2010, Novogradac & Company LLP, June 2011

#### AVERAGE HOUSEHOLD SIZE

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	2.92	-	2.65	-	2.63	-
2000	2.87	-0.2%	2.68	0.1%	2.59	-0.1%
2010	2.88	0.1%	2.72	0.2%	2.59	0.0%
Prj Mrkt Entry July 2013	2.89	0.0%	2.73	0.0%	2.59	0.0%
2015	2.89	0.0%	2.73	0.0%	2.60	0.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, June 2011

Similar to population trends, annual household growth in the PMA was strong at 5.2 percent annually in 2010. It was greater than the MSA's growth. There is a projected increase of 4.9 percent annually through the years 2013 and 2015. However, the projected growth in the MSA is slightly higher at 5.3 percent. The average household size in the PMA, at 2.88, is slightly higher than the MSA and the nation. It is expected to increase by one point throughout 2015.

### 2b. Households by Tenure

The table below depicts household growth by tenure from 1990 through 2015.

**TENURE PATTERNS PMA (AGES 55+)**

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
1990	-	-	-	-
2000	12,042	85.34%	2,069	14.66%
2010	18,430	85.10%	3,226	14.90%
Prj Mrkt Entry				
July 2013	21,154	85.12%	3,699	14.88%
2015	22,970	85.13%	4,013	14.87%

0

As the table illustrates, households within the PMA are predominately owner-occupied residences. While only slight, the percentage of owner-occupied homes is expected to increase, and the percentage of renter-occupied homes is projected to decrease by three points through 2015.

**2c. Households by Income**

The following table depicts household income in 2010 for the PMA and MSA.

**HOUSEHOLD INCOME OF SENIORS 55+ IN 2010**

Income Cohort	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA
	Number	Percentage	Number	Percentage	Percentage
\$0-9,999	2,047	9.5%	52,495	9.1%	24.0%
\$10,000-19,999	2,315	10.7%	65,935	11.4%	23.3%
\$20,000-29,999	2,592	12.0%	64,560	11.2%	15.0%
\$30,000-39,999	2,434	11.2%	60,567	10.5%	10.3%
\$40,000-49,999	2,185	10.1%	53,468	9.3%	7.2%
\$50,000-59,999	1,819	8.4%	44,977	7.8%	5.2%
\$60,000-74,999	2,090	9.7%	54,316	9.4%	4.1%
\$75,000-99,999	2,943	13.6%	70,101	12.2%	4.7%
\$100,000+	3,231	14.9%	110,041	19.1%	6.3%
<b>Total</b>	<b>21,656</b>	<b>100.0%</b>	<b>576,461</b>	<b>100.0%</b>	<b>100.0%</b>

Source: ESRI Demographics 2010, Novogradac & Company LLP, June 2011

The largest income cohort was above \$100,000 in the PMA and MSA 2010. This is far greater than the national senior earnings, in which 24 percent of seniors earn less than \$9,999. However, 32.2 percent of senior households earn less than \$29,999 within the PMA. These incomes are in line with those of the Subject property.

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

The following table illustrates the number of persons per household among renter households.

**Renter Households by Number of Persons - PMA (Ages 55+)**

	2000		2010		Prj Mrkt Entry July 2013		2015	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,072	51.8%	1,651	51.2%	1,894	51.2%	2,056	51.2%
With 2 Persons	533	25.8%	843	26.1%	952	25.7%	1,025	25.5%
With 3 Persons	227	11.0%	338	10.5%	385	10.4%	417	10.4%
With 4 Persons	97	4.7%	171	5.3%	201	5.4%	221	5.5%
With 5+ Persons	140	6.7%	223	6.9%	265	7.2%	293	7.3%
Total Renter Households	2,069	100.0%	3,226	100.0%	3,699	100.0%	4,013	100.0%

Source: Ribbon Demographics 2007, Novogradac & Company LLP, June 2011

The largest renter household cohort has remained a one person household from the year 2000 and is expected to continue through 2015. This cohort accounted for 51.2 percent of the population in 2010. It is expected to remain the same through 2015.

**2e and f. Elderly and HFOP**

Per DCA's guidelines, elderly households populations will be based on households who are 62 years and older and HFOP populations will be based on households who are 55 years or older according to the census.

**CONCLUSION**

The PMA and MSA have demonstrated that they are areas of growth. The population and the number of households are both expected to increase from 2011 to 2015. The largest age cohorts are in the 40 to 49 age range and zero to 14, which account for 38.4 percent of the population. The elderly accounts for approximately 10 percent of the population. Households and household size are expected to increase in the PMA. In 2010, 85.1 percent of the units in the PMA were owner occupied. The largest income cohort was above \$100,000. One person households accounted for 27.1 percent of the population in 2010, which is expected to remain the same. However, 23.4 percent of the senior population belongs to a two person household. This bodes well for the Subject.

## **F. EMPLOYMENT TRENDS**

**Employment Trends**

The following section provides an analysis of the economic characteristics within the market area. Data such as employment, unemployment, expansions, and major employers will be studied to determine if the Primary Market Area (PMA) and the Atlanta-Sandy Spring-Marietta (MSA) are areas of growth or contraction.

Consistent with national trends, the greater MSA and PMA areas have undergone economic contractions over 2008 that are continuing into 2011. Various industries including retail, manufacturing and even historically stable industries such as healthcare and education have experienced layoffs.

**1. Total Jobs**

The following table illustrates the total jobs (also known as “covered employment”) in Henry County.

**COVERED EMPLOYMENT IN HENRY COUNTY**

Year	Total Employment	% Change
2001	33,623	
2002	36,351	7.50%
2003	38,561	5.73%
2004	40,530	4.86%
2005	42,426	4.47%
2006	45,422	6.60%
2007	48,663	6.66%
2008	49,520	1.73%
2009	46,242	-7.09%
2010 YTD Average*	47,632	2.92%
Sep-09	45,942	-
Sep-10	47,376	3.03%

Source: U.S. Bureau of Labor Statistics

\*YTD as of Sept 10

Employment levels in Henry County increased from 2000 to 2008, but have decreased in 2009 by 7.09 percent. As of September 2010, the county’s employment seemed to increase by 3.03 percent. In addition, the YTD average was 2.92 percent. This indicates that the total employment in Henry County is very strong. This increasing employment is positive indicator for the Henry County economy.

**2. Total Jobs by Industry**

The following table illustrates the total jobs by employment sectors within the County as of second quarter 2010.

2010 Q2 EMPLOYMENT JOBS BY INDUSTRY

Henry County, GA

Industry	Number Employed	Percent Employed
Construction	404	11.78%
Education and Health Services	388	11.31%
Financial Activities	370	10.79%
Information	32	0.93%
Leisure and Hospitality	385	11.22%
Manufacturing	85	2.48%
Natural Resources and Mining	12	0.35%
Other Services	256	7.46%
Professional and Business Services	542	15.80%
Public Administration*	-	0.00%
Trade, Transportation, and Utilities	831	24.23%
Unclassified	125	3.64%
<b>Total Employment</b>	<b>3,430</b>	<b>100.00%</b>

\*Monthly data is not available

Source: U.S. Bureau of Labor Statistics 2010. Covered Employment

The largest industry in the county is trade, transportation and utilities followed by professional and business services. Construction, Education and Health Services and Leisure and Hospitality also have a high percentage of people employed within the county. Although the Leisure and Hospitality industries are usually less stable, the Atlanta Motor Speedway is located in Hampton and adds half a billion dollars to the region each year. It should be noted that monthly data was not available for the Public Administration industry.

3. Major Employers

The diversification of the Atlanta economic base is indicated by the following list of the Atlanta metro area's ten largest employers.

#	Firm/Institution	Industry	Number of Employees
1	Henry County Schools	Education Services	4,573
2	Henry County Government	Government	1,687
3	Henry County Medical Center	Healthcare	1,561
4, 5, 6	Wal-Mart Stores, Inc.	Retail Trade	1,055
7	Federal Aviation Administration	Public Administration	725
8	Georgia Power Customer Care Center	Communications	650
9	Symcor Inc.	Financial	520
10	Briggs and Stratton Corp.	Manufacturer	450
11	Southern States LLC	Manufacturer	350
12	Carter's Inc.	Retail Trade	300
13	Atlanta Motor Speedway	Entertainment	N/Av
<b>TOTAL</b>			<b>11,871</b>

Source: Henry County Chamber of Commerce, 1/2011.

The Public School System, County Government, and the Medical Center are the top three employers. These three industries employ approximately 7,821 people within the county. These

are historically stable industries. Four of the top 10 employers in the MSA are from the retail trade and manufacturing sectors. Lower skilled employees in these industries are likely to have incomes in line with the Subject’s income restrictions. Other industries are also heavily represented in the major employers in the MSA including public administration, telecommunications, and finance. The major employers account for approximately a small percent of the total employment within the county. The fact that the major employers account for such a low percentage of the total employment within the county as well as the major employers operating within a diverse mixture of industries is a good indicator of a strong economy. It should be noted that the total employment for The Atlanta Motor Speedway was not provided. The Atlanta Motor Speedway is a huge draw to the area. It offers a 1.54-mile long quad oval track and seating for 124,000. It is situated on 870 acres and is one of the country’s top sports, corporate, family and entertainment facilities. Annual racing events at the Atlanta Motor Speedway include two NASCAR Sprint Cup races, and the NASCAR Nationwide Series. It adds half a billion dollars to the region each year.

*Expansions/Contractions*

Despite the past recession, the Henry County Development Authority has reported several announcements for expansions in recent months. The following table details these expansions.

<b>Henry County Expansions</b>						
Name	Industry	Announcement Date	Projected Completion Date	Jobs Added	Description	
Phillips-Van Heusen	Apparel Manufacturer	9/29/2010	early 2013	150	Relocating to McDonough from Austell, GA	
Inline Plastics Corp.	Plastic Manufacturer	7/10/2009	7/15/2010	120	Project completed in 2010	
Millard Refrigerated Services	Warehouse	6/22/2010	N/Av	N/Av	Adding 83,00 sq ft. to existing plant	
De Wafelbakkers	Food Processing	4/22/2010	late 2013	242	Expanding to McDonough from Arkansas	
Whirlpool Corp.	Appliance Manufacturer	N/Av	11/6/2009	120	Project completed in 2009	

Source: Henry County Development Authority

While this announced job growth is notable, it does not reflect actual jobs added to the market in 2011. Additionally, this figure does not take into consideration closures and redundancies at other companies in the MSA. The following table illustrates closures and layoffs within the MSA in 2010 and 2011 (actual and announced).

<b>BUSINESS CLOSURES AND LAYOFFS WITHIN THE MSA</b>						
Effective Date	Company	City	Product	Number Affected	Reason	Closure/Layoff
1/14/2011	Cardinal Health	McDonough	Surgical Instrument Manufacturer	156	Economic Conditions	CL
1/5/2011	BJ's Wholesale Club Inc.	McDonough	Retail Chain	67	Economic Conditions	CL
11/22/2010	Asten Johnson	Jonesboro	Paper Manufacturer	35	Economic Conditions	CL

Source: Georgia Department of Labor, June 2011

As illustrated in the above table, the MSA lost 258 jobs from 2010 to 2011. The announced expansions (632 new jobs) may mitigate these losses to some extent.

**4. Employment and Unemployment Trends**

The following table details employment and unemployment trends for the Atlanta-Sandy Springs-Marietta, GA MSA from 2000 to 2011 (through April).

**EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

Year	Atlanta-Sandy Springs-Marietta, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2000	2,304,515	-	3.1%	-	136,891,000	-	4.2%	-
2001	2,335,175	1.3%	3.6%	0.5%	136,933,000	0.0%	4.0%	-0.2%
2002	2,330,487	-0.2%	4.9%	1.3%	136,485,000	-0.3%	4.7%	0.7%
2003	2,334,092	0.2%	4.8%	-0.1%	137,736,000	0.9%	5.8%	1.1%
2004	2,379,513	1.9%	4.7%	-0.1%	139,252,000	1.1%	6.0%	0.2%
2005	2,456,221	3.2%	5.3%	0.6%	141,730,000	1.8%	5.5%	-0.5%
2006	2,535,341	3.2%	4.7%	-0.6%	144,427,000	1.9%	5.1%	-0.4%
2007	2,589,484	2.1%	4.6%	-0.1%	146,047,000	1.1%	4.6%	-0.5%
2008	2,565,229	-0.9%	6.2%	1.6%	145,362,000	-0.5%	4.6%	0.0%
2009	2,438,096	-5.0%	9.7%	3.5%	139,877,000	-3.8%	5.8%	1.2%
2010	2,390,486	-2.0%	10.2%	0.5%	139,064,000	-0.6%	9.3%	3.5%
2011 YTD Average*	2,380,347	-0.4%	10.2%	0.0%	138,218,000	-0.6%	9.6%	0.3%
Apr-2010	2,405,323	-	9.7%	-	139,302,000	-	9.6%	-
Apr-2011	2,389,008	-0.7%	9.7%	0.0%	139,661,000	0.3%	9.6%	0.0%

Source: U.S. Bureau of Labor Statistics, Novogradac & Company LLP, June 2011

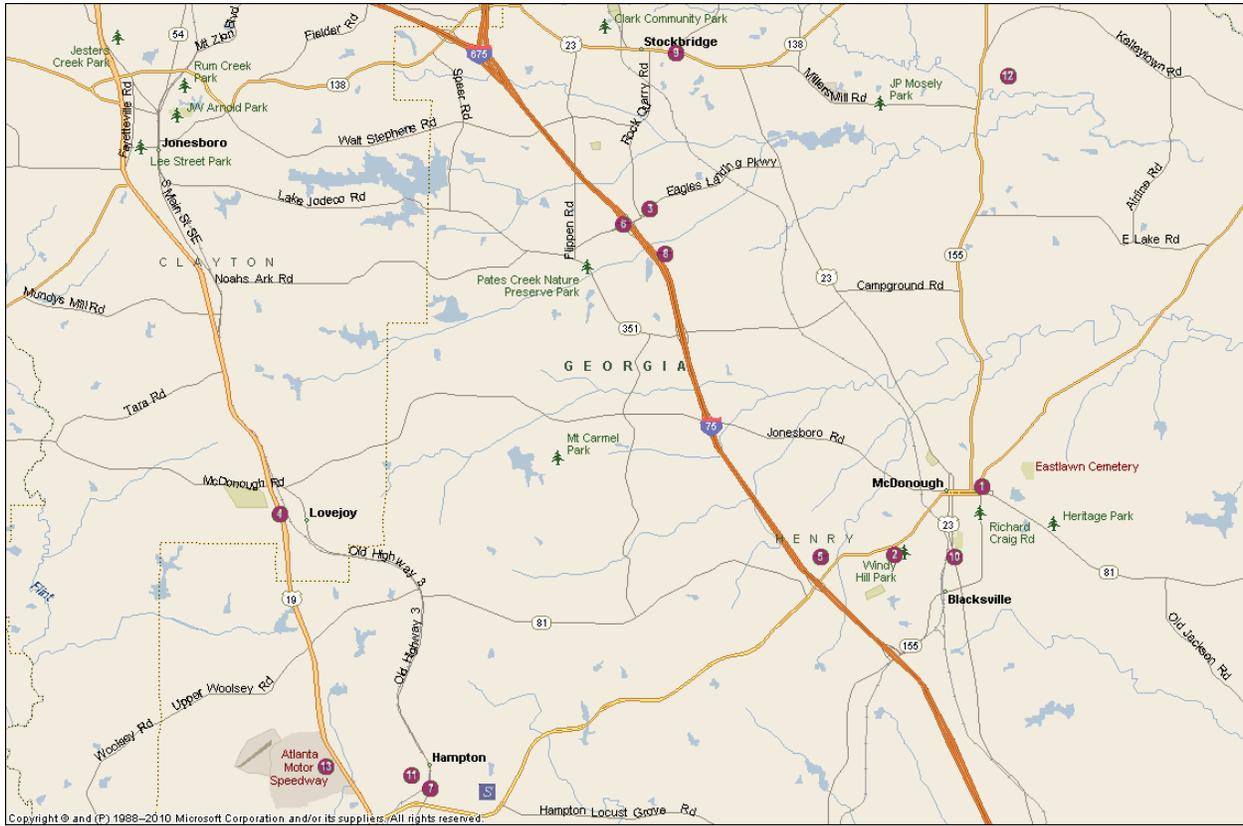
\*2011 data is through Annual

The MSA experienced fairly strong employment growth in 2003 and 2007. Conversely, the it experienced total employment declines in 2008 and 2010 which negated the growth experienced in the previous few years. Additionally, although unemployment has historically been equivalent to or below national levels, the 2011 YTD figures indicate the unemployment rate is six points higher in the MSA. Unemployment increased from 2008 to 2010 by a total of 5.1 percent. Additionally, it is important to note that the 2011 YTD data is an average for the whole year through April 2011. However, YTD figures show that unemployment has stabilized and has not increased thus far. Year over form April 2010 to April 2011 show the unemployment has remained the same as well. The area’s unemployment rate increased substantially in 2009 by 3.5 percent, but then slowed to 0.5 percent in 2010. The national unemployment rate increased by a similar percent of 4.7, during the same period. Nationally, the YTD unemployment average has increased by three points.

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

The following map and table details the largest employers in Henry County.

## Hampton Court, Hampton, GA; Market Study



#	Firm/Institution	Industry	Number of Employees
1	Henry County Schools	Education Services	4,573
2	Henry County Government	Government	1,687
3	Henry County Medical Center	Healthcare	1,561
4, 5, 6	Wal-Mart Stores, Inc.	Retail Trade	1,055
7	Federal Aviation Administration	Public Administration	725
8	Georgia Power Customer Care Center	Communications	650
9	Symcor Inc.	Financial	520
10	Briggs and Stratton Corp.	Manufacturer	450
11	Southern States LLC	Manufacturer	350
12	Carter's Inc.	Retail Trade	300
13	Atlanta Motor Speedway	Entertainment	N/Av
<b>TOTAL</b>			<b>11,871</b>

Source: Henry County Chamber of Commerce, 1/2011.

### Conclusion

Both the population and number of households in the PMA and MSA have experienced strong growth. This strong growth is projected to continue in the future and is likely due to the area's close proximity to Atlanta as well as the comparatively cheaper, more affordable housing. Population growth projections in the PMA from projected market entry date onward are increasing by 4.4 percent annually. As the area continues to grow, the need for quality, affordable housing will also increase, which bodes well for the Subject. Henry County's top employers only small percent of the area's total employment which is indicative of a diverse economy which is not overly dependent on a single business or industry. It should be noted that although the Atlanta Motor Speedway was not listed as a major employer by the Henry County Chamber of Commerce, it is a huge draw to the area and adds half a billion dollars to the region each year.

The Atlanta-Sandy Springs-Marietta MSA and Henry County have improving economies with the loss of total employment slowing and unemployment stabilizing. Total employment in the county has increased every year, with the exception being 2009. Total covered employment in Henry County increased by 3.03 percent in September 2010. This should have a positive economic impact on the county. Total employment in the MSA increased from 2003 to 2007, while total employment has decreased from 2008 to 2011. The YTD figures show the MSA has a greater unemployment than the nation by only six points. There have been three notable closures with 258 jobs lost within the PMA. However, there have been five expansions which could potentially add 632 jobs to the area. The local economy appears to be stabilizing, and the relatively low-paying jobs offered in the retail trade and transportation/warehousing sectors are expected to generate demand for affordable housing in the PMA.

# **PROJECT-SPECIFIC 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 senior 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). However, very few senior households have more than two persons. Therefore, we have used a maximum household size of two persons in our analysis.

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

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

### **2. AFFORDABILITY**

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

### **3. DEMAND**

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated in the following tables.

#### **3A. DEMAND FROM NEW HOUSEHOLDS**

The number of new households entering the market is the first level of demand calculated. We have utilized 2013, the anticipated date of market entry, as the base year for the analysis. Therefore, 2010 household population estimates are inflated to 2012 by interpolation of the difference between 2010 estimates and 2015 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. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2015. This number takes the overall growth from 2000 to 2015 and applies it

to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

**3B. DEMAND FROM EXISTING HOUSEHOLDS**

Demand for existing households is estimated by summing three sources of potential tenants. The first source (2a.) 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 CHAS data based on appropriate income levels.

The second source (2b.) 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. The third source (2c.) is those 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 we have lowered the demand from seniors who convert to homeownership to be at or below 20 percent.

Property managers in the area reported that while more than 50 percent of their seniors were previous homeowners, only 10 percent sold homes to move to their properties. Most seniors had previously sold their homes and moved to the properties from other rental developments or were living with family members. Overall, we have accounted for 10 percent senior homeownership conversion in our demand analysis.

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

**3C. SECONDARY MARKET AREA**

To accommodate for the secondary market area, the Demand from Existing Qualified Households within the primary market area will be multiplied by 115% to account for demand from the secondary market area. We believe this is reasonable given the Subject's targeted senior tenancy. Additionally, property managers indicated that approximately 15 percent of their tenants were from other parts of the state or out of state and had moved in order to be closer to family.

**3D. OTHER**

DCA does not consider household turnover to be a source of market demand.

**4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS**

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 from 2000 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 additions to supply allocated since 2000 to present and those that will be constructed through 2013 that are considered directly competitive. While

there are two senior LIHTC properties in Henry County that are under construction, neither is in the Subject’s PMA. Shoal Creek Manor is located east of the PMA in Locust Grove and will be 10.9 miles from the Subject and Heritage at McDonough is located 9.0 miles from the Subject site and it is also east of the PMA. Shoal Creek Manor will offer two-bedroom units at 50 and 60 percent AMI and Heritage at McDonough will offer one- and two-bedroom units at 50 and 60 percent AMI. These properties will be discussed in further detail in the supply section of our analysis. Because neither property is located in the Subject’s PMA, we have not deducted these units from our demand analysis.

The following table indicates competitive properties that have been built in the PMA since 2000. Because the Subject will target seniors, we have not included family properties in the following table.

**ADDITIONS TO SUPPLY SINCE 2000**

Property Name	Type	Year Built/Proposed	Units Competitive with Subject	Comments
Grier Senior Manor	LIHTC/Market	2005	0	Units have rents more than 20% above the Subject's proposed rents
Glenco Trace	LIHTC	2000	0	Only offers 35% and 40% units

Although Grier Senior Manor offers two-bedroom units at 50 and 60 percent AMI as well as unrestricted market rate units, the rents for all of its two-bedroom units are more than 20 percent above the Subject’s proposed rents and are therefore not considered to be competitive. Therefore, we have not removed any units at this property from our demand analysis. All of the units at the senior LIHTC property Glenco Trace are set at 35 and 40 percent AMI. The Subject’s units will be set at 50 and 60 percent AMI. Therefore, we have not removed any of the units at this property from our demand analysis.

**PMA OCCUPANCY**

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

PMA OCCUPANCY

Property Name	City	Occupancy Rate	Type	Tenancy	Distance from Subject	Included /Excluded	Reason for Exclusion
Glencoe Trace	Griffin	100.00%	LIHTC	Senior	10.8 miles	Included	-
St. Phillip Villas	Griffin	98.3%	LIHTC	Family	14.6 miles	Included	-
Pointe South Apartments	Jonesboro	88.0%	LIHTC	Family	17.8 miles	Excluded	Only offers 3BR townhomes
Williamsburg South	Jonesboro	91.0%	LIHTC	Family	15.9 miles	Excluded	Closer, more comparable properties available
Keystone Apts	Jonesboro	99.0%	Section 8	Family	14.8 miles	Excluded	Rent subsidy on all units
Rexmill Square	Jonesboro	100.0%	Section 8	Family	16.3 miles	Excluded	Rent subsidy on all units
Rexmill Square II	Jonesboro	100.0%	Section 8	Family	16.3 miles	Excluded	Rent subsidy on all units
Riverwood Section 1	Jonesboro	96.0%	Section 8	Family	16.4 miles	Excluded	Rent subsidy on all units
Riverwood Townhouses 2	Jonesboro	96.0%	Section 8	Family	16.4 miles	Excluded	Rent subsidy on all units
Riverwood Townhouses 3	Jonesboro	96.0%	Section 8	Family	16.4 miles	Excluded	Rent subsidy on all units
Northside Hills	Griffin	100.0%	Section 8	Family	12.2 miles	Excluded	Rent subsidy on all units
St. George's Court	Griffin	100.0%	Section 8	Senior	12.8 miles	Excluded	Rent subsidy on all units
Lakeside Villas	Hampton	93.2%	Market	Family	9.2 miles	Included	-
Villas at Hampton	Hampton	92.9%	Market	Family	9.0 miles	Included	-
Walden Landing	Hampton	90.1%	Market	Family	10.1 miles	Included	-
<b>Average</b>		<b>96.03%</b>					

**NET SUPPLY**

The following Competitive Analysis chart may be used to determine the Net Supply number of each bedroom and income category when considering the deduction of properties in the net supply in cases where, for instance, the property is on the edge of the PMA, is a market rate property, or otherwise only partially fulfills the need for units that will be filled by the proposed subject. All properties determined to be competitive with the proposed development will be included in the Competitive Analysis and assigned a Comparability Factor to be used in determining Net Supply in the PMA.

The total Comparability Factor will be applied to each bedroom type for all income segments to determine the number of units to be allocated to the existing property. Total market supply will be comprised of the weighted units supply from the comparable existing properties and all units new to the market area since 2000.

With regards to affordability, we believe the following percent differentials are warranted.

<b>Rent Differential</b>	<b>Adjustment Applied</b>
0-5%	1.00
6-10%	0.75
11-15%	0.50
16-20%	0.25
20%+	0.00

Because the Subject will target seniors, we have only included those comparables that also target senior tenants.

<b>Competitive Property Analysis</b>			
Glenco Trace - Comparable 1		Percent	Comments
1	Location	1.00	Superior location
2	Affordability	0.00	Does not offer same AMI levels
3	Property Type	1.00	Similar amenities
4	Quality	0.50	Inferior condition
Comparability Factor		0.000	

<b>Competitive Property Analysis</b>			
Grier Senior Manor - Comparable 2		Percent	Comments
1	Location	1.00	Superior location
2	Affordability	0.00	Less affordable
3	Property Type	1.00	Smilar amenities
4	Quality	0.75	Slightly inferior condition
Comparability Factor		0.000	

Because both properties have a comparability factor of zero, we have not removed any units at these properties from our analysis.

**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.

Renter Household Income Distribution 2000 to Projected Market Entry July 2013								
Heritage Court								
PMA								
	2000		2010		Prj Mrkt Entry July 2013		Percent	
	#	%	#	%	#	%	Growth	
\$0-9,999	666	32.2%	869	26.9%	926	25.0%	6.1%	
\$10,000-19,999	438	21.2%	634	19.6%	697	18.9%	9.1%	
\$20,000-29,999	266	12.9%	387	12.0%	420	11.4%	7.8%	
\$30,000-39,999	221	10.7%	356	11.0%	409	11.1%	12.9%	
\$40,000-49,999	180	8.7%	377	11.7%	484	13.1%	22.1%	
\$50,000-59,999	113	5.5%	197	6.1%	237	6.4%	17.1%	
\$60,000-74,999	60	2.9%	103	3.2%	113	3.0%	8.8%	
\$75,000-99,999	63	3.0%	145	4.5%	174	4.7%	17.0%	
\$100,000+	61	3.0%	159	4.9%	239	6.4%	33.5%	
Total	2,069	100.0%	3,226	100.0%	3,699	100.0%	12.8%	

Renter Household Income Distribution Projected Market Entry July 2013			
Heritage Court			
PMA			
	Prj Mrkt Entry July 2013		Change 2000 to Prj Mrkt Entry July 2013
	#	%	#
\$0-9,999	926	25.0%	408
\$10,000-19,999	697	18.9%	307
\$20,000-29,999	420	11.4%	185
\$30,000-39,999	409	11.1%	180
\$40,000-49,999	484	13.1%	213
\$50,000-59,999	237	6.4%	105
\$60,000-74,999	113	3.0%	50
\$75,000-99,999	174	4.7%	77
\$100,000+	239	6.4%	105
Total	3,699	100.0%	1,630

Tenure Prj Mrkt Entry July 2013	
Renter	14.9%
Owner	85.1%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2013		
Size	Number	Percentage
1	1,894	51.2%
2	952	25.7%
3	385	10.4%
4	201	5.4%
5+	265	7.2%
Total	3,699	100.0%

Renter Household Size for 2000 55+		
Size	Number	Percentage
1	1,072	51.8%
2	533	25.8%
3	227	11.0%
4	97	4.7%
5+	140	6.7%
Total	2,069	100.0%

50% AMI

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			50%		
Minimum Income Limit			\$19,800		
Maximum Income Limit			\$27,350 2 Persons		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mrkt Entry July 2013		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Count	Percentage			
\$0-9,999	408	25.0%		0.0%	0
\$10,000-19,999	307	18.9%	199	2.0%	6
\$20,000-29,999	185	11.4%	7,350	73.5%	136
\$30,000-39,999	180	11.1%		0.0%	0
\$40,000-49,999	213	13.1%		0.0%	0
\$50,000-59,999	105	6.4%		0.0%	0
\$60,000-74,999	50	3.0%		0.0%	0
\$75,000-99,999	77	4.7%		0.0%	0
\$100,000+	105	6.4%		0.0%	0
	1,630	100.0%			142
Percent of renter households within limits versus total number of renter households					8.72%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			50%		
Minimum Income Limit			\$19,800		
Maximum Income Limit			\$27,350 2 Persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2013		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
\$0-9,999	926	25.0%	0	0.0%	0
\$10,000-19,999	697	18.9%	199	2.0%	14
\$20,000-29,999	420	11.4%	7,350	73.5%	309
\$30,000-39,999	409	11.1%	0	0.0%	0
\$40,000-49,999	484	13.1%	0	0.0%	0
\$50,000-59,999	237	6.4%	0	0.0%	0
\$60,000-74,999	113	3.0%	0	0.0%	0
\$75,000-99,999	174	4.7%	0	0.0%	0
\$100,000+	239	6.4%	0	0.0%	0
	3,699	100.0%			323
Percent of renter households within limits versus total number of renter households					8.72%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry July 2013 Median Income

Change from 2000 to Prj Mrkt Entry July 2013

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Rural		
40%		
\$49,527		
\$71,023		
\$21,496		
43.4%		
7.2%		
7.2%	Two year adjustment	1.0000
\$27,350		
\$27,350		
2 Persons		
50%		
\$660		
\$660.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2000 to Prj Mrkt Entry July 2013

Income Target Population		50%
New Renter Households PMA		1,630
Percent Income Qualified		8.7%
New Renter Income Qualified Households		142

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		3,699
Income Qualified		8.7%
Income Qualified Renter Households		323
Percent Rent Overburdened Prj Mrkt Entry July 2013		60.0%
Rent Overburdened Households		194

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		323
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		2

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		21154
Rural Versus Urban	0.2%	
Senior Demand Converting from Homeownership		42

Total Demand

Total Demand from Existing Households		238
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%	36
Adjusted Demand from Existing Households		273
Total New Demand		142
Total Demand (New Plus Existing Households)		416

Demand from Seniors Who Convert from Homeownership		42
Percent of Total Demand From Homeownership Conversion		10.2%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	51.2%	213
Two Persons	25.7%	107
Three Persons	10.4%	43
Four Persons	5.4%	23
Five Persons	7.2%	30
Total	100.0%	416

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	170
Of two-person households in 1BR units	20%	21
Of one-person households in 2BR units	20%	43
Of two-person households in 2BR units	80%	86
Of three-person households in 2BR units	60%	26
Of three-person households in 3BR units	40%	17
Of four-person households in 3BR units	80%	18
Of five-person households in 3BR units	70%	21
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	9

Total Demand 416

Check OK

Total Demand by Bedroom 50%

2 BR 154

Total Demand 154

Additions To Supply 2000 to Prj Mrkt Entry July 2013 50%

2 BR 0

Total 0

Net Demand 50%

2 BR 154

Total 154

Developer's Unit Mix 50%

2 BR 9

Total 9

Capture Rate Analysis 50%

2 BR 5.8%

Total 5.8%

60%AMI

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level		60%				
Minimum Income Limit		\$19,800				
Maximum Income Limit		\$32,820 2 Persons				
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mrkt Entry July 2013		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	Count	Percentage			Count	Percentage
\$0-9,999	408	25.0%		0.0%	0	
\$10,000-19,999	307	18.9%	199	2.0%	6	
\$20,000-29,999	185	11.4%	9,999	100.0%	185	
\$30,000-39,999	180	11.1%	2,820	28.2%	51	
\$40,000-49,999	213	13.1%		0.0%	0	
\$50,000-59,999	105	6.4%		0.0%	0	
\$60,000-74,999	50	3.0%		0.0%	0	
\$75,000-99,999	77	4.7%		0.0%	0	
\$100,000+	105	6.4%		0.0%	0	
	1,630	100.0%			242	
Percent of renter households within limits versus total number of renter households					14.85%	

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level		60%				
Minimum Income Limit		\$19,800				
Maximum Income Limit		\$32,820 2 Persons				
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2013		Income Brackets	Percent within Cohort	Households within Bracket	
	Count	Percentage			Count	Percentage
\$0-9,999	926	25.0%	0	0.0%	0	
\$10,000-19,999	697	18.9%	199	2.0%	14	
\$20,000-29,999	420	11.4%	9,999	100.0%	420	
\$30,000-39,999	409	11.1%	2,820	28.2%	115	
\$40,000-49,999	484	13.1%	0	0.0%	0	
\$50,000-59,999	237	6.4%	0	0.0%	0	
\$60,000-74,999	113	3.0%	0	0.0%	0	
\$75,000-99,999	174	4.7%	0	0.0%	0	
\$100,000+	239	6.4%	0	0.0%	0	
	3,699	100.0%			549	
Percent of renter households within limits versus total number of renter households					14.85%	

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry July 2013 Median Income

Change from 2000 to Prj Mrkt Entry July 2013

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Rural		
40%		
\$49,527		
\$71,023		
\$21,496		
43.4%		
7.2%		
7.2%	Two year adjustment	1.0000
\$32,820		
\$32,820		
2 Persons		
60%		
\$660		
\$660.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2000 to Prj Mrkt Entry July 2013

Income Target Population		60%
New Renter Households PMA		1,630
Percent Income Qualified		14.9%
New Renter Income Qualified Households		242

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		3,699
Income Qualified		14.9%
Income Qualified Renter Households		549
Percent Rent Overburdened Prj Mrkt Entry July 2013		60.0%
Rent Overburdened Households		330

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		549
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		3

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		21154
Rural Versus Urban	0.4%	
Senior Demand Converting from Homeownership		74

Total Demand

Total Demand from Existing Households		407
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%	61
Adjusted Demand from Existing Households		468
Total New Demand		242
Total Demand (New Plus Existing Households)		710

Demand from Seniors Who Convert from Homeownership		74
Percent of Total Demand From Homeownership Conversion		10.4%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	51.2%	364
Two Persons	25.7%	183
Three Persons	10.4%	74
Four Persons	5.4%	39
Five Persons	7.2%	51
Total	100.0%	710

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	291
Of two-person households in 1BR units	20%	37
Of one-person households in 2BR units	20%	73
Of two-person households in 2BR units	80%	146
Of three-person households in 2BR units	60%	44
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%	30
Of four-person households in 3BR units	80%	31
Of five-person households in 3BR units	70%	36
Of four-person households in 4BR units	20%	8
Of five-person households in 4BR units	30%	15
Total Demand		710
Check		OK

Total Demand by Bedroom	60%
2 BR	263
Total Demand	263

Additions To Supply 2000 to Prj Mrkt Entry July 2013	60%
2 BR	0
Total	0

Net Demand	60%
2 BR	263
Total	263

Developer's Unit Mix	60%
2 BR	51
Total	51

Capture Rate Analysis	60%
2 BR	19.4%
Total	19.4%

**Overall**

**Calculation of Potential Household Demand by Income Cohort by % of AMI**

Percent of AMI Level		Overall			
Minimum Income Limit		\$19,800			
Maximum Income Limit		\$32,820 2 Persons			
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mrkt Entry July 2013		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Households	%			
\$0-9,999	408	25.0%		0.0%	0
\$10,000-19,999	307	18.9%	199	2.0%	6
\$20,000-29,999	185	11.4%	9,999	100.0%	185
\$30,000-39,999	180	11.1%	2,820	28.2%	51
\$40,000-49,999	213	13.1%		0.0%	0
\$50,000-59,999	105	6.4%		0.0%	0
\$60,000-74,999	50	3.0%		0.0%	0
\$75,000-99,999	77	4.7%		0.0%	0
\$100,000+	105	6.4%		0.0%	0
	1,630	100.0%			242
Percent of renter households within limits versus total number of renter households					14.85%

**Calculation of New Renter Household Demand by Income Cohort by % of AMI**

Percent of AMI Level		Overall			
Minimum Income Limit		\$19,800			
Maximum Income Limit		\$32,820 2 Persons			
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2013		Income Brackets	Percent within Cohort	Households within Bracket
	Households	%			
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\$10,000-19,999	697	18.9%	199	2.0%	14
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\$40,000-49,999	484	13.1%	0	0.0%	0
\$50,000-59,999	237	6.4%	0	0.0%	0
\$60,000-74,999	113	3.0%	0	0.0%	0
\$75,000-99,999	174	4.7%	0	0.0%	0
\$100,000+	239	6.4%	0	0.0%	0
	3,699	100.0%			549
Percent of renter households within limits versus total number of renter households					14.85%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry July 2013 Median Income

Change from 2000 to Prj Mrkt Entry July 2013

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Rural		
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\$49,527		
\$71,023		
\$21,496		
43.4%		
7.2%		
7.2%	Two year adjustment	1.0000
\$32,820		
\$32,820		
2 Persons		
Overall		
\$660		
\$660.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2000 to Prj Mrkt Entry July 2013

Income Target Population		Overall
New Renter Households PMA		1,630
Percent Income Qualified		14.9%
New Renter Income Qualified Households		242

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		3,699
Income Qualified		14.9%
Income Qualified Renter Households		549
Percent Rent Overburdened Prj Mrkt Entry July 2013		60.0%
Rent Overburdened Households		330

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		549
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		3

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		21154
Rural Versus Urban	0.4%	
Senior Demand Converting from Homeownership		74

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Total Demand from Existing Households		407
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%	61
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Percent of Total Demand From Homeownership Conversion		10.4%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	51.2%	364
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Three Persons	10.4%	74
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Five Persons	7.2%	51
Total	100.0%	710

To place Person Demand into Bedroom Type Units

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Of three-person households in 2BR units	60%	44
Of three-person households in 3BR units	40%	30
Of four-person households in 3BR units	80%	31
Of five-person households in 3BR units	70%	36
Of four-person households in 4BR units	20%	8
Of five-person households in 4BR units	30%	15
Total Demand		710
Check		OK

Total Demand by Bedroom	Overall
2 BR	263
Total Demand	263

Additions To Supply 2000 to Prj Mrkt Entry July 2013	Overall
2 BR	0
Total	0

Net Demand	Overall
2 BR	263
Total	263

Developer's Unit Mix	Overall
2 BR	60
Total	60

Capture Rate Analysis	Overall
2 BR	22.8%
Total	22.8%

## **Conclusions**

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

- The number of senior households in the PMA is expected to increase 4.9 percent between 2010 and 2013. This growth is significantly above general household growth, which is projected to grow 1.9 percent between 2010 and 2013. The strong senior growth is a positive indicator for the Subject given its targeted senior tenancy.
- 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.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
2BR 50%	\$19,800-\$27,350	9	154	0	154	5.8%	12 months	\$689	\$461-\$865	\$465
2BR 60%	\$19,800-\$32,820	51	263	0	263	19.4%	12 months	\$713	\$486-\$865	\$465
<b>Overall Project</b>	<b>\$19,800-\$32,820</b>	<b>60</b>	<b>263</b>	<b>0</b>	<b>263</b>	<b>22.8%</b>	12 months	-	<b>\$461-\$865</b>	-

Demand and Net Demand

	HH at 50% AMI (min to max income)	HH at 60% AMI (min to max income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	142	242	242
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	2	3	3
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	194	330	330
<b>PLUS</b>	+	+	+
<b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>	<b>36</b>	<b>61</b>	<b>61</b>
<b>Sub Total</b>	<b>373</b>	<b>636</b>	<b>636</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	42	74	74
<b>Equals Total Demand</b>	<b>416</b>	<b>710</b>	<b>710</b>
<b>Less</b>	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market between 2000 and the present	0	0	0
<b>Equals Net Demand</b>	<b>416</b>	<b>710</b>	<b>710</b>

As the analysis illustrates, the Subject's capture rate at the 50 percent AMI level is 5.8 percent and the capture rate at the 60 percent AMI level is 19.4 percent. The overall capture rate for the project's 50 and 60 percent units is 22.8 percent. While the 60 percent and overall capture rates are considered moderate, we believe there is adequate demand for the Subject. Vacancy rates among the two senior LIHTC comparables are low and both properties have waiting lists. Additionally, the Subject's proposed 50 and 60 percent AMI rents are among the lowest in the market. The Subject's unit mix will consist of 60 two-bedroom units. Of the senior comparables, Grier Senior Manor offers the highest percentage of two-bedroom units. Fifty percent of the units at this property are two-bedroom units. The Subject's proposed 50 and 60 percent AMI two-bedroom rents are significantly below the current one-bedroom rents at Grier Senior Manor and this property only has one unit that is vacant and not pre-leased. Given the significant rent advantage in the market, we believe the Subject's two-bedroom units will lease well and we believe there is adequate demand for the Subject as proposed.

## **H. COMPETITIVE RENTAL ANALYSIS**

### **Survey of Comparable Projects**

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 11 “true” comparable properties containing 2,401 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

There is only one senior LIHTC property located in the Subject’s PMA. Glenco Trace is located 10.8 miles south of the Subject site in Griffin. This property was built in 2000 and offers one- and two-bedroom units to seniors 55 and older. We have included this property as a comparable in our analysis. We have also included the senior LIHTC property Grier Senior Manor as a comparable. This property is located 9.6 miles from the Subject in McDonough and is located just east of the Subject’s PMA. The family LIHTC comparable St. Phillip Villas has also been included as a comparable. Although this property targets families, management reported a senior tenancy of 50 percent and it is located in the Subject’s PMA. There are two additional family LIHTC properties that are located in Jonesboro between 15.9 and 17.8 miles from the Subject site. Because these properties are located more than 15 miles from the Subject site and target families, we have excluded them as comparables in our analysis. Overall, the availability of LIHTC data, and senior LIHTC data in particular, in the PMA is considered limited as there is only one senior LIHTC comparable in the Subject’s PMA and there are no LIHTC properties located in Hampton. We have included three market rate properties in our analysis. All three comparables target families, are located in Hampton, and were built between 2000 and 2002. Overall, the availability of market rate data in the Subject’s PMA is considered good. It should be noted that there are no market rate comparables in the area that specifically target seniors; however, management at all three family market rate comparables reported small senior tenancies of three to five percent.

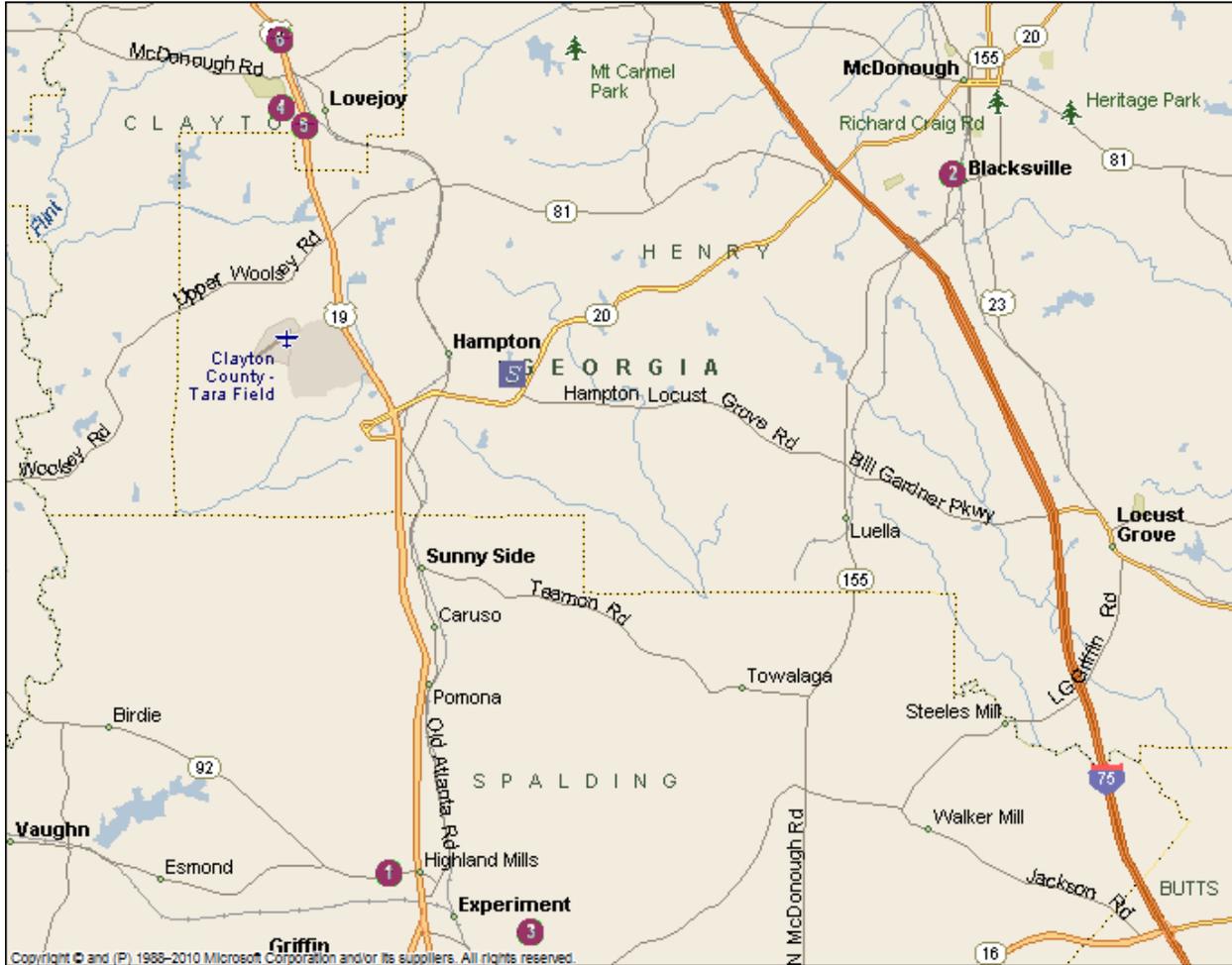
### **General Market Overview/Included/Excluded Properties**

The following table illustrates properties that are within the PMA or a similar market areas. The table highlights vacancy. Some of these properties have been included as “true comparables.”

PMA OCCUPANCY

Property Name	City	Occupancy Rate	Type	Tenancy	Distance from Subject	Included /Excluded	Reason for Exclusion
Glencoe Trace	Griffin	100.00%	LIHTC	Senior	10.8 miles	Included	-
St. Phillip Villas	Griffin	98.3%	LIHTC	Family	14.6 miles	Included	-
Pointe South Apartments	Jonesboro	88.0%	LIHTC	Family	17.8 miles	Excluded	Only offers 3BR townhomes
Williamsburg South	Jonesboro	91.0%	LIHTC	Family	15.9 miles	Excluded	Closer, more comparable properties available
Keystone Apts	Jonesboro	99.0%	Section 8	Family	14.8 miles	Excluded	Rent subsidy on all units
Rexmill Square	Jonesboro	100.0%	Section 8	Family	16.3 miles	Excluded	Rent subsidy on all units
Rexmill Square II	Jonesboro	100.0%	Section 8	Family	16.3 miles	Excluded	Rent subsidy on all units
Riverwood Section 1	Jonesboro	96.0%	Section 8	Family	16.4 miles	Excluded	Rent subsidy on all units
Riverwood Townhouses 2	Jonesboro	96.0%	Section 8	Family	16.4 miles	Excluded	Rent subsidy on all units
Riverwood Townhouses 3	Jonesboro	96.0%	Section 8	Family	16.4 miles	Excluded	Rent subsidy on all units
Northside Hills	Griffin	100.0%	Section 8	Family	12.2 miles	Excluded	Rent subsidy on all units
St. George's Court	Griffin	100.0%	Section 8	Senior	12.8 miles	Excluded	Rent subsidy on all units
Lakeside Villas	Hampton	93.2%	Market	Family	9.2 miles	Included	-
Villas at Hampton	Hampton	92.9%	Market	Family	9.0 miles	Included	-
Walden Landing	Hampton	90.1%	Market	Family	10.1 miles	Included	-
<b>Average</b>		<b>96.03%</b>					

Comparable Rental Property Map



**COMPARABLE PROPERTIES**

#	Property Name	City	Type	Distance
1	Glenco Trace	Griffin	LIHTC	10.8 miles
2	Grier Senior Manor	McDonough	LIHTC/Market	9.6 miles
3	St Phillip Villas	Griffin	LIHTC/Market	14.6 miles
4	Lakeside Villas	Hampton	Market	9.2 miles
5	Villas At Hampton	Hampton	Market	9.0 miles
6	Walden Landing	Hampton	Market	10.1 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate								
Subject	Hampton Court South Hampton Rd Hampton, GA 30228 Henry County	n/a	Single Story (age-restricted) 2013	50%, 60%	2BR / 2BA 2BR / 2BA	9	15.00%	50%	\$465	1,200	no		N/A	N/A								
						51	85.00%		60%	\$465	1,200		no	N/A	N/A							
						60	100%							N/A	N/A							
1	Glenco Trace Apts. 1624 Hallmark Drive Griffin, GA 30223 Spalding County	10.8 miles	Garden (age-restricted) 2000	35%, 40%	1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA	42	58.30%	35%	\$279	750	no	10 HH	0	0.00%								
						14	19.40%		40%	\$305	750		yes	10 HH	0	0.00%						
						12	16.70%		35%	\$319	900		yes	10 HH	0	0.00%						
						4	5.60%		40%	\$336	900		yes	10 HH	0	0.00%						
						72	100%								0	0.00%						
2	Grier Senior Manor 391 Old Griffin Rd McDonough, GA 30253 Henry County	9.6 miles	Lowrise (age-restricted) (2 stories) 2005	30%, 50%, 60%, Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA	3	4.70%	30%	\$280	657	yes	6 mo-1 yr	0	0.00%								
						16	25.00%		50%	\$552	657		yes	6 mo - 1 yr	0	0.00%						
						5	7.80%		60%	\$607	657		yes	6 mo - 1 yr	1	20.00%						
						8	12.50%		Market	\$650	657		n/a	1 HH	0	0.00%						
						3	4.70%		30%	\$324	900		yes	6 mo - 1 yr	0	0.00%						
						16	25.00%		50%	\$652	900		yes	6 mo - 1 yr	1	6.20%						
						5	7.80%		60%	\$677	900		yes	6 mo - 1 yr	1	20.00%						
						8	12.50%		Market	\$754	900		n/a	2 HH	0	0.00%						
						64	100%								3	4.70%						
						3	St Phillip Villas 829 N Hill Street Griffin, GA 30223 Spalding County		14.6 miles	Garden (2 stories) 2002	50%, 60%, Market		1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2BA	4	6.70%	50%	\$375	975	no	None	0	0.00%
														4	6.70%		60%	\$400	975		no	None
4	6.70%	Market	\$445	975	n/a			None				0		0.00%								
12	20.00%	50%	\$461	1,175	no			None				1		8.30%								
20	33.30%	60%	\$486	1,175	no			None				0		0.00%								
4	6.70%	Market	\$531	1,175	n/a			None				0		0.00%								
4	6.70%	50%	\$547	1,350	no			None				0		0.00%								
4	6.70%	60%	\$572	1,350	no			None				0		0.00%								
4	6.70%	Market	\$617	1,350	n/a			None				0		0.00%								
60	100%											1		1.70%								
4	Lakeside Villas 1992 Lovejoy Rd Hampton, GA 30228 Henry County	9.2 miles	Garden (3 stories) 2002	Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA			N/A				N/A		Market	\$540		691	n/a	No		N/A	N/A
						N/A	N/A	Market	\$607	880	n/a	No	N/A		N/A							
						N/A	N/A	Market	\$659	880	n/a	No	N/A		N/A							
						N/A	N/A	Market	\$678	1,177	n/a	No	N/A		N/A							
						N/A	N/A	Market	\$720	1,309	n/a	No	N/A		N/A							
						N/A	N/A	Market	\$805	1,309	n/a	No	N/A		N/A							
						N/A	N/A	Market	\$791	1,479	n/a	No	N/A		N/A							
						N/A	N/A	Market	\$47	1,479	n/a	No	N/A		N/A							
						250	100%						17		6.80%							
						5	Villas At Hampton 12227 Tara Blvd. Hampton, GA 30228 Henry County	9.0 miles	Garden (3 stories) 2000	Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	N/A	N/A		Market	\$575	691	n/a		No	N/A	N/A
												N/A	N/A			Market	\$643	880			n/a	No
N/A	N/A	Market	\$715	880	n/a							No	N/A	N/A								
N/A	N/A	Market	\$771	1,177	n/a							No	N/A	N/A								
N/A	N/A	Market	\$835	1,305	n/a							No	N/A	N/A								
N/A	N/A	Market	\$865	1,305	n/a							No	0	N/A								
N/A	N/A	Market	\$882	1,460	n/a							No	N/A	N/A								
N/A	N/A	Market	\$1,021	1,460	n/a							No	0	N/A								
224	100%												16	7.10%								
6	Walden Landing 110115 Tara Blvd Hampton, GA 30228 Bibb County	10.1 miles	Midrise (4 stories) 2000	Market	1BR / 1BA 1BR / 1BA 1.5BR / 1BA 2BR / 2BA 3BR / 2BA							N/A	N/A	Market		\$595	90	n/a	No		N/A	N/A
												92	37.90%			Market	\$599	824			n/a	No
						N/A	N/A	Market	\$765	1,094	n/a	No	N/A		N/A							
						108	44.40%	Market	\$719	1,166	n/a	No	N/A		N/A							
						43	17.70%	Market	\$819	1,403	n/a	No	N/A		N/A							
243	100%						24	9.90%														

**RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market**

Effective Rent Date:	Jun-11	Units Surveyed:	913	Weighted Occupancy:	93.30%
		Market Rate	717	Market Rate	92.10%
		Tax Credit	196	Tax Credit	98.00%

**Two Bedrooms Two Bath**

	Property	Average	Property	Average	Property	Average
<b>RENT</b>	Villas At Hampton	\$865				
	Villas At Hampton	\$835				
	Lakeside Villas	\$805				
	Villas At Hampton	\$771				
	Grier Senior Manor * (M)	\$754				
	Lakeside Villas	\$720				
	Walden Landing	\$719				
	Lakeside Villas	\$678				
	Grier Senior Manor * (60%)	\$677				
	Grier Senior Manor * (50%)	\$652				
	St Phillip Villas * (M)	\$531				
	St Phillip Villas * (60%)	\$486				
	<b>Hampton Court * (50%)</b>	<b>\$465</b>				
	<b>Hampton Court * (60%)</b>	<b>\$465</b>				
	St Phillip Villas * (50%)	\$461				
	Glenco Trace Apts. * (1BA 40%)	\$336				
	Grier Senior Manor * (30%)	\$324				
Glenco Trace Apts. * (1BA 35%)	\$319					
<b>SQUARE FOOTAGE</b>	Lakeside Villas	1,309				
	Lakeside Villas	1,309				
	Villas At Hampton	1,305				
	Villas At Hampton	1,305				
	<b>Hampton Court * (50%)</b>	<b>1,200</b>				
	<b>Hampton Court * (60%)</b>	<b>1,200</b>				
	Lakeside Villas	1,177				
	Villas At Hampton	1,177				
	St Phillip Villas * (50%)	1,175				
	St Phillip Villas * (60%)	1,175				
	St Phillip Villas * (M)	1,175				
	Walden Landing	1,166				
	Glenco Trace Apts. * (1BA 35%)	900				
	Glenco Trace Apts. * (1BA 40%)	900				
	Grier Senior Manor * (30%)	900				
	Grier Senior Manor * (50%)	900				
	Grier Senior Manor * (60%)	900				
Grier Senior Manor * (M)	900					
<b>RENT PER SQUARE FOOT</b>	Grier Senior Manor * (M)	\$0.84				
	Grier Senior Manor * (60%)	\$0.75				
	Grier Senior Manor * (50%)	\$0.72				
	Villas At Hampton	\$0.66				
	Villas At Hampton	\$0.66				
	Villas At Hampton	\$0.64				
	Walden Landing	\$0.62				
	Lakeside Villas	\$0.61				
	Lakeside Villas	\$0.58				
	Lakeside Villas	\$0.55				
	St Phillip Villas * (M)	\$0.45				
	St Phillip Villas * (60%)	\$0.41				
	St Phillip Villas * (50%)	\$0.39				
	<b>Hampton Court * (50%)</b>	<b>\$0.39</b>				
	<b>Hampton Court * (60%)</b>	<b>\$0.39</b>				
	Glenco Trace Apts. * (1BA 40%)	\$0.37				
	Grier Senior Manor * (30%)	\$0.36				
Glenco Trace Apts. * (1BA 35%)	\$0.35					

# PROPERTY PROFILE REPORT

## Glenco Trace Apts.

**Effective Rent Date** 6/15/2011  
**Location** 1624 Hallmark Drive  
 Griffin, GA 30223  
 Spalding County  
**Distance** 10.8 miles  
**Units** 72  
**Vacant Units** 0  
**Vacancy Rate** 0.0%  
**Type** Garden (age-restricted)  
**Year Built/Renovated** 2000 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** St. George's Court  
**Tenant Characteristics** Seniors 62+, 20% previous homeowners,  
 Average age of 70; Griffin and out-of-state  
**Contact Name** Theresa  
**Phone** 770-228-9115



### Market Information

**Program** @35%, @40%  
**Annual Turnover Rate** 15%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 3%  
**Leasing Pace** 5 days  
**Annual Chg. in Rent** 6-7% increase  
**Concession** none

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** included  
**Sewer** included  
**Trash Collection** 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	42	750	\$309	\$0	@35%	10 HH	0	0.0%	no	None
1	1	Garden	14	750	\$335	\$0	@40%	10 HH	0	0.0%	yes	None
2	1	Garden	12	900	\$363	\$0	@35%	10 HH	0	0.0%	yes	None
2	1	Garden	4	900	\$380	\$0	@40%	10 HH	0	0.0%	yes	None

### Unit Mix

@35%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@40%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$309	\$0	\$309	-\$30	\$279	1BR / 1BA	\$335	\$0	\$335	-\$30	\$305
2BR / 1BA	\$363	\$0	\$363	-\$44	\$319	2BR / 1BA	\$380	\$0	\$380	-\$44	\$336

## Glenco Trace Apts., continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Pull Cords  
Washer/Dryer hookup

Blinds  
Central A/C  
Dishwasher  
Ceiling Fan  
Hand Rails  
Refrigerator

#### Security

None

#### Services

None

#### Property

Clubhouse/Meeting  
Off-Street Parking  
Picnic Area

Central Laundry  
On-Site Management

#### Premium

None

#### Other

Library, Gazebo, Shuffle

### Comments

There are currently 10 people on the waiting list. The rents increased \$20 on the 1st of the year. The contact stated that there is a need for 60 percent units, and more of a need for one-bedroom units. However, two-bedroom units would be desirable if their rents were affordable. Most tenants are from the city of Griffin and surrounding areas.

# Glenco Trace Apts., continued

## Trend Report

### Vacancy Rates

4Q07	2Q09	3Q10	2Q11
0.0%	0.0%	0.0%	0.0%

### Trend: @35%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$289	\$0	\$289	\$259
2010	3	0.0%	\$289	\$0	\$289	\$259
2011	2	0.0%	\$309	\$0	\$309	\$279

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$343	\$0	\$343	\$299
2010	3	0.0%	\$343	\$0	\$343	\$299
2011	2	0.0%	\$363	\$0	\$363	\$319

### Trend: @40%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$315	\$0	\$315	\$285
2010	3	0.0%	\$315	\$0	\$315	\$285
2011	2	0.0%	\$335	\$0	\$335	\$305

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$360	\$0	\$360	\$316
2010	3	0.0%	\$360	\$0	\$360	\$316
2011	2	0.0%	\$380	\$0	\$380	\$336

## Trend: Comments

- 4Q07** The contact stated that the need for affordable housing is not being adequately met in this area. The wait list is very long, with an estimated wait of one year.
- 2Q09** The contact stated that the need for affordable housing is not being adequately met in this area. The wait list is very long, with an estimated wait of one year. The contact confirmed that the rents are set at 35 and 40 percent of AMI with the following maximum income restrictions for one-person households: \$17,430 and \$19,920.
- 3Q10** There are currently 10 people on the waiting list. The rents have not been increased in the past year, but the property is currently working to increase rents and potentially increase the rent restrictions.
- 2Q11** There are currently 10 people on the waiting list. The rents increased \$20 on the 1st of the year. The contact stated that there is a need for 60 percent units, and more of a need for one-bedroom units. However, two-bedroom units would be desirable if their rents were affordable. Most tenants are from the city of Griffin and surrounding areas.

# PROPERTY PROFILE REPORT

## Grier Senior Manor

<b>Effective Rent Date</b>	6/15/2011
<b>Location</b>	391 Old Griffin Rd Mcdonough, GA 30253 Henry County
<b>Distance</b>	9.6 miles
<b>Units</b>	64
<b>Vacant Units</b>	3
<b>Vacancy Rate</b>	4.7%
<b>Type</b>	Lowrise (age-restricted) (2 stories)
<b>Year Built/Renovated</b>	2005 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None
<b>Tenant Characteristics</b>	seniors 55+; 20 percent previous homeowners; average age is 68; almost all are retired
<b>Contact Name</b>	N/A
<b>Phone</b>	770.288.2311



### Market Information

<b>Program</b>	@30%, @50%, @60%, Market
<b>Annual Turnover Rate</b>	5%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	20%
<b>Leasing Pace</b>	N/A
<b>Annual Chg. in Rent</b>	Increase of 1%
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<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?	Range
1	1	Lowrise (2 stories)	3	657	\$280	\$0	@30%	6 mo-1 yr	0	0.0%	yes	None
1	1	Lowrise (2 stories)	16	657	\$552	\$0	@50%	6 mo - 1	0	0.0%	yes	None
1	1	Lowrise (2 stories)	5	657	\$607	\$0	@60%	6 mo - 1	1	20.0%	yes	None
1	1	Lowrise (2 stories)	8	657	\$650	\$0	Market	1 HH	0	0.0%	N/A	None
2	2	Lowrise (2 stories)	3	900	\$324	\$0	@30%	6 mo - 1	0	0.0%	yes	None
2	2	Lowrise (2 stories)	16	900	\$652	\$0	@50%	6 mo - 1	1	6.2%	yes	None
2	2	Lowrise (2 stories)	5	900	\$677	\$0	@60%	6 mo - 1	1	20.0%	yes	None
2	2	Lowrise (2 stories)	8	900	\$754	\$0	Market	2 HH	0	0.0%	N/A	None

## Grier Senior Manor, continued

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$280	\$0	\$280	\$0	\$280	1BR / 1BA	\$552	\$0	\$552	\$0	\$552
2BR / 2BA	\$324	\$0	\$324	\$0	\$324	2BR / 2BA	\$652	\$0	\$652	\$0	\$652
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$607	\$0	\$607	\$0	\$607	1BR / 1BA	\$650	\$0	\$650	\$0	\$650
2BR / 2BA	\$677	\$0	\$677	\$0	\$677	2BR / 2BA	\$754	\$0	\$754	\$0	\$754

### Amenities

#### In-Unit

Balcony/Patio  
 Carpeting  
 Hand Rails  
 Pull Cords  
 Washer/Dryer hookup

Blinds  
 Central A/C  
 Oven  
 Refrigerator

#### Security

Limited Access  
 Perimeter Fencing

#### Services

None

#### Property

Business Center/Computer Lab  
 Courtyard  
 Exercise Facility  
 Off-Street Parking  
 Recreation Areas

Clubhouse/Meeting  
 Elevators  
 Central Laundry  
 On-Site Management

#### Premium

None

#### Other

None

### Comments

Management indicated that the property is 97 percent leased. The property is usually 98 to 100 occupied, but recently had seniors go into nursing homes. Management believes there is sufficient demand in the McDonough areas to support a senior community and felt there was as much need for one and two bedroom units. Most tenants are from eastern Henry County such as Stockbridge and McDonough.

# Grier Senior Manor, continued

## Trend Report

### Vacancy Rates

<b>2Q10</b>	<b>2Q11</b>
1.6%	4.7%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$269	\$0	\$269	\$269
2011	2	0.0%	\$280	\$0	\$280	\$280

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$312	\$0	\$312	\$312
2011	2	0.0%	\$324	\$0	\$324	\$324

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$536	\$0	\$536	\$536
2011	2	0.0%	\$552	\$0	\$552	\$552

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$633	\$0	\$633	\$633
2011	2	6.2%	\$652	\$0	\$652	\$652

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$589	\$0	\$589	\$589
2011	2	20.0%	\$607	\$0	\$607	\$607

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	20.0%	\$656	\$0	\$656	\$656
2011	2	20.0%	\$677	\$0	\$677	\$677

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$629	\$0	\$629	\$629
2011	2	0.0%	\$650	\$0	\$650	\$650

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$729	\$0	\$729	\$729
2011	2	0.0%	\$754	\$0	\$754	\$754

### Trend: Comments

- 2Q10** Management indicated that the property remains 98 to 100 percent occupied and vacancies are filled from the waiting list. Management indicated that while there is less demand for the market rate units than the LIHTC units the market rate units typically remain full and there is a short waiting list for these units. Management also reported that several tenants have been over income qualified for the 60 percent AMI units and have either rented a market rate unit or have been put on the market rate waiting list. Management believes there is sufficient demand in the Stockbridge and McDonough areas to support a market rate community that is restricted to seniors 55 and older.
- 2Q11** Management indicated that the property is 97 percent leased. The property is usually 98 to 100 occupied, but recently had seniors go into nursing homes. Management believes there is sufficient demand in the McDonough areas to support a senior community and felt there was as much need for one and two bedroom units. Most tenants are from eastern Henry County such as Stockbridge and McDonough.

# PROPERTY PROFILE REPORT

## St Phillip Villas

<b>Effective Rent Date</b>	6/21/2011
<b>Location</b>	829 N Hill Street Griffin, GA 30223 Spalding County
<b>Distance</b>	14.6 miles
<b>Units</b>	60
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	1.7%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	2002 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Griffin Crossing, Pine Hill Apts, and Marian Point
<b>Tenant Characteristics</b>	50% or more seniors; Majority generally from Griffin and surrounding areas
<b>Contact Name</b>	Melinda
<b>Phone</b>	770.229.4008



### Market Information

<b>Program</b>	@50%, @60%, Market
<b>Annual Turnover Rate</b>	40%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	15%
<b>Leasing Pace</b>	Pre-leased
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- gas
<b>Water Heat</b>	not included -- gas
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<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?	Range
1	1	Garden (2 stories)	4	975	\$425	\$0	@50%	None	0	0.0%	no	None
1	1	Garden (2 stories)	4	975	\$450	\$0	@60%	None	0	0.0%	no	None
1	1	Garden (2 stories)	4	975	\$495	\$0	Market	None	0	0.0%	N/A	None
2	2	Garden (2 stories)	12	1,175	\$525	\$0	@50%	None	1	8.3%	no	None
2	2	Garden (2 stories)	20	1,175	\$550	\$0	@60%	None	0	0.0%	no	None
2	2	Garden (2 stories)	4	1,175	\$595	\$0	Market	None	0	0.0%	N/A	None
3	2	Garden (2 stories)	4	1,350	\$625	\$0	@50%	None	0	0.0%	no	None
3	2	Garden (2 stories)	4	1,350	\$650	\$0	@60%	None	0	0.0%	no	None
3	2	Garden (2 stories)	4	1,350	\$695	\$0	Market	None	0	0.0%	N/A	None

## St Phillip Villas, continued

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$425	\$0	\$425	-\$50	\$375	1BR / 1BA	\$450	\$0	\$450	-\$50	\$400
2BR / 2BA	\$525	\$0	\$525	-\$64	\$461	2BR / 2BA	\$550	\$0	\$550	-\$64	\$486
3BR / 2BA	\$625	\$0	\$625	-\$78	\$547	3BR / 2BA	\$650	\$0	\$650	-\$78	\$572

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$495	\$0	\$495	-\$50	\$445
2BR / 2BA	\$595	\$0	\$595	-\$64	\$531
3BR / 2BA	\$695	\$0	\$695	-\$78	\$617

### Amenities

#### In-Unit

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

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

#### Security

Perimeter Fencing

#### Services

None

#### Property

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

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

#### Premium

None

#### Other

None

### Comments

The rents in the grid were provided by apartments.lanecompany.com. We were unable to contact management at this property after multiple phone calls and messages. In our previous survey of this property in May 2009 the property was 95 percent occupied with a 100 percent leased occupancy. There was a short waiting list for the one-bedroom units.

# St Phillip Villas, continued

## Trend Report

### Vacancy Rates

2Q09	2Q10	3Q10	2Q11
6.7%	N/A	1.7%	1.7%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$425	\$0	\$425	\$375
2010	2	N/A	\$425	\$0	\$425	\$375
2010	3	0.0%	\$425	\$0	\$425	\$375
2011	2	0.0%	\$425	\$0	\$425	\$375

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	25.0%	\$525	\$0	\$525	\$461
2010	2	N/A	\$525	\$0	\$525	\$461
2010	3	8.3%	\$525	\$0	\$525	\$461
2011	2	8.3%	\$525	\$0	\$525	\$461

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	25.0%	\$625	\$0	\$625	\$547
2010	2	N/A	\$625	\$0	\$625	\$547
2010	3	0.0%	\$625	\$0	\$625	\$547
2011	2	0.0%	\$625	\$0	\$625	\$547

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$450	\$0	\$450	\$400
2010	2	N/A	\$450	\$0	\$450	\$400
2010	3	0.0%	\$450	\$0	\$450	\$400
2011	2	0.0%	\$450	\$0	\$450	\$400

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$550	\$0	\$550	\$486
2010	2	N/A	\$550	\$0	\$550	\$486
2010	3	0.0%	\$550	\$0	\$550	\$486
2011	2	0.0%	\$550	\$0	\$550	\$486

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$650	\$0	\$650	\$572
2010	2	N/A	\$650	\$0	\$650	\$572
2010	3	0.0%	\$650	\$0	\$650	\$572
2011	2	0.0%	\$650	\$0	\$650	\$572

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$595	\$0	\$595	\$545
2010	2	N/A	\$500	\$0	\$500	\$450
2010	3	0.0%	\$495	\$0	\$495	\$445
2011	2	0.0%	\$495	\$0	\$495	\$445

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$595	\$0	\$595	\$531
2010	2	N/A	\$575	\$0	\$575	\$511
2010	3	0.0%	\$595	\$0	\$595	\$531
2011	2	0.0%	\$595	\$0	\$595	\$531

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$695	\$0	\$695	\$617
2010	2	N/A	\$675	\$0	\$675	\$597
2010	3	0.0%	\$695	\$0	\$695	\$617
2011	2	0.0%	\$695	\$0	\$695	\$617

## St Phillip Villas, continued

### Trend: Comments

2Q09	The contact reported that the property is typically 100 percent occupied. This occupancy rate was last achieved in April 2009. The property experienced four move outs in the past month due to layoffs at Caterpillar, Panasonic, and Weyerhaeuser. However, the property is currently 100 percent leased.
2Q10	The rents in the grid were provided by apartments.lanecompany.com. We were unable to contact management at this property after multiple phone calls and messages. In our previous survey of this property in May 2009 the property was 95 percent occupied with a 100 percent leased occupancy. There was a short waiting list for the one-bedroom units.
3Q10	N/A
2Q11	N/A

# PROPERTY PROFILE REPORT

## Lakeside Villas

<b>Effective Rent Date</b>	6/10/2011
<b>Location</b>	1992 Lovejoy Rd Hampton, GA 30228 Henry County
<b>Distance</b>	9.2 miles
<b>Units</b>	250
<b>Vacant Units</b>	17
<b>Vacancy Rate</b>	6.8%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2002 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None listed
<b>Tenant Characteristics</b>	mostly families, a few silgles and seniors
<b>Contact Name</b>	877-344-1059
<b>Phone</b>	Clark



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	50%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	N/A
<b>Annual Chg. in Rent</b>	Same
<b>Concession</b>	Reduced Rents

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<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?	Range
1	1	Garden (3 stories)	N/A	691	\$644	\$54	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	880	\$729	\$72	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	880	\$809	\$100	Market	N/A	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,177	\$829	\$87	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,309	\$879	\$95	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,309	\$975	\$106	Market	N/A	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,479	\$979	\$110	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,479	\$1,079	\$954	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$644 - \$809	\$54 - \$100	\$590 - \$709	-\$50	\$540 - \$659
2BR / 2BA	\$829 - \$975	\$87 - \$106	\$742 - \$869	-\$64	\$678 - \$805
3BR / 2BA	\$979 - \$1,079	\$110 - \$954	\$125 - \$869	-\$78	\$47 - \$791

## Lakeside Villas, continued

### Amenities

#### In-Unit

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

Blinds  
Carpeting  
Coat Closet  
Ceiling Fan  
Refrigerator

#### Security

None

#### Services

None

#### Property

Business Center/Computer Lab  
Courtyard  
Central Laundry  
On-Site Management  
Playground  
Swimming Pool

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Picnic Area  
Recreation Areas

#### Premium

None

#### Other

car care/detailing center

### Comments

The contact was unable to provide the exact vacancy rate per unit type, but noted the property was 93 percent occupied. Management would not comment on senior ratios. The most expensive one, two, and three-bedroom units have attached garages.

# PROPERTY PROFILE REPORT

## Villas At Hampton

**Effective Rent Date** 6/16/2011  
**Location** 12227 Tara Blvd.  
 Hampton, GA 30228  
 Henry County  
**Distance** 9 miles  
**Units** 224  
**Vacant Units** 16  
**Vacancy Rate** 7.1%  
**Type** Garden (3 stories)  
**Year Built/Renovated** 2000 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Lakeside Villas, Walden Run  
**Tenant Characteristics** mostly families from Henry County or transfers for employment  
**Contact Name** Property Manager  
**Phone** 888-507-3494



### Market Information

**Program** Market  
**Annual Turnover Rate** 57%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 0%  
**Leasing Pace** 1 week to 1 month  
**Annual Chg. in Rent** None  
**Concession** Rent specials for vacant units

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	691	\$669	\$44	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	880	\$749	\$56	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	880	\$839	\$74	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,177	\$849	\$14	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,305	\$899	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,305	\$929	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,460	\$1,019	\$59	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,460	\$1,099	\$0	Market	No	0	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$669 - \$839	\$44 - \$74	\$625 - \$765	-\$50	\$575 - \$715
2BR / 2BA	\$849 - \$929	\$0 - \$14	\$835 - \$929	-\$64	\$771 - \$865
3BR / 2BA	\$1,019 - \$1,099	\$0 - \$59	\$960 - \$1,099	-\$78	\$882 - \$1,021

## Villas At Hampton, continued

### Amenities

**In-Unit**

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

Blinds  
Carpeting  
Coat Closet  
Ceiling Fan  
Refrigerator  
Washer/Dryer hookup

**Security**

Limited Access

**Services**

None

**Property**

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

Clubhouse/Meeting  
Neighborhood Network  
On-Site Management  
Swimming Pool

**Premium**

None

**Other**

None

### Comments

Management stated that 93 percent occupancy is typical. Most tenants come from within Henry County or are job transfers.

# PROPERTY PROFILE REPORT

## Walden Landing

<b>Effective Rent Date</b>	6/15/2011
<b>Location</b>	110115 Tara Blvd Hampton, GA 30228 Bibb County
<b>Distance</b>	10.1 miles
<b>Units</b>	243
<b>Vacant Units</b>	24
<b>Vacancy Rate</b>	9.9%
<b>Type</b>	Midrise (4 stories)
<b>Year Built/Renovated</b>	2000 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None listed
<b>Tenant Characteristics</b>	mostly families and maybe 5-10 percent seniors
<b>Contact Name</b>	Augustine
<b>Phone</b>	770-471-4411



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	50%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	N/A
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	Reduced Rents

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	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)	N/A	90	\$675	\$100	Market	N/A	N/A	N/A	N/A	None
1	1	Midrise (4 stories)	92	824	\$640	\$61	Market	No	N/A	N/A	N/A	None
1.5	1	Midrise (4 stories)	N/A	1,094	\$745	\$0	Market	No	N/A	N/A	N/A	None
2	2	Midrise (4 stories)	108	1,166	\$825	\$126	Market	No	N/A	N/A	N/A	None
3	2	Midrise (4 stories)	43	1,403	\$925	\$126	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$640 - \$675	\$61 - \$100	\$575 - \$579	\$20	\$595 - \$599
1.5BR / 1BA	\$745	\$0	\$745	\$20	\$765
2BR / 2BA	\$825	\$126	\$699	\$20	\$719
3BR / 2BA	\$925	\$126	\$799	\$20	\$819

## Walden Landing, continued

### Amenities

#### In-Unit

Balcony/Patio  
Cable/Satellite/Internet  
Central A/C  
Dishwasher  
Garbage Disposal  
Refrigerator  
Walk-In Closet

Blinds  
Carpeting  
Coat Closet  
Ceiling Fan  
Oven  
Vaulted Ceilings  
Washer/Dryer hookup

#### Security

In-Unit Alarm  
Limited Access  
Perimeter Fencing

#### Services

None

#### Property

Business Center/Computer Lab  
Exercise Facility  
Central Laundry  
On-Site Management  
Playground  
Tennis Court

Clubhouse/Meeting  
Garage  
Off-Street Parking  
Picnic Area  
Swimming Pool  
Wi-Fi

#### Premium

None

#### Other

None

### Comments

Management does not accept housing choice vouchers. The contact was unable provide vacancy by unit type but did note that there are availablites in all bedroom types. There are 92 one-bedroom units in total. Occupancy is currently at 90 percent, but the contact noted the property usually maintains a 95 percent occupancy in the fall/winter seasons. Tenants are form Clayton and Henry County.

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

Housing Choice Vouchers

TENANTS WITH VOUCHERS

Comparable Property	Type	Tenancy	Housing Choice Voucher Tenants
Glenco Trace Apts.	LIHTC	Senior	3%
Grier Senior Manor	LIHTC/Market	Senior	20%
St Phillip Villas	LIHTC/Market	Family	15%
Lakeside Villas	Market	Family	0%
Villas At Hampton	Market	Family	0%
Walden Landing	Market	Family	0%
<b>Average</b>			<b>6%</b>

As illustrated, only the three LIHTC properties reported having voucher tenants. Voucher tenancy at these properties ranges from three to 20 percent. Overall, it does not appear that the local market is dependent on voucher tenants and we do not believe that the Subject will be dependent on voucher tenants.

Lease Up History

All of the comparables were built prior to 2005 and none were able to report absorption. However, we were able to obtain absorption information for two senior properties located in Byron and Perry Georgia. Absorption information for these properties is found in the following table.

Absorption

Property Name	Year Built	Location	Type	Tenancy	Total # of	Units Absorbed	Absorption
					Units	Per Month	Pace
Cameron Court	2009	Perry	LIHTC	Senior	64	7	10 months
Heathrow Senior Village	2006	Byron	LIHTC	Senior	51	9	6 months

The most recent allocation, Cameron Court, had a leasing pace of seven units per month. This property targets seniors and offers one-, two-, and three-bedroom units. The Subject will offer all two-bedroom units. Of the units at Cameron Court, 88 percent are two- and three-bedroom units. Therefore, this property is a good indicator of how well larger bedroom types lease at age restricted properties.

There are two senior properties proposed in Henry County, Heritage at McDonough and Shoal Creek Manor. The following tables illustrate their proposed rents and unit mix.

**Heritage at McDonough**

<b>Unit Mix</b>	<b>Number of Units</b>	<b>Proposed Rent</b>
1BR 50%	4	\$350
2BR 50%	4	\$450
1BR 50%	4	\$535
2BR 50%	4	\$635
1BR 60%	43	\$575
2BR 60%	46	\$675
<b>Total Units</b>	<b>105</b>	

**Shoal Creek Manor**

<b>Unit Mix</b>	<b>Number of Units</b>	<b>Proposed Rent</b>
2BR 50%	14	\$447
2BR 60%	52	\$447
<b>Total Units</b>	<b>66</b>	

Although these properties are located outside the PMA and there will be limited tenant exchange between the two areas, we have taken them into account when concluding to an absorption pace for the Subject. Both properties offer units at 50 and 60 percent AMI and will be located within 10.9 miles of the Subject site. These properties are scheduled to enter the market in late 2011 and early 2012. While the Subject’s rents will be well below the rents at Heritage at McDonough, they will be generally similar to the rents at Shoal Creek Manor. When taking the addition of these properties into the market into account, we have conservatively estimated an absorption pace of five units per month for the Subject’s units. At this pace the 60 unit Subject will reach a stabilized absorption of 93 percent within 12 months.

**Phased Developments**

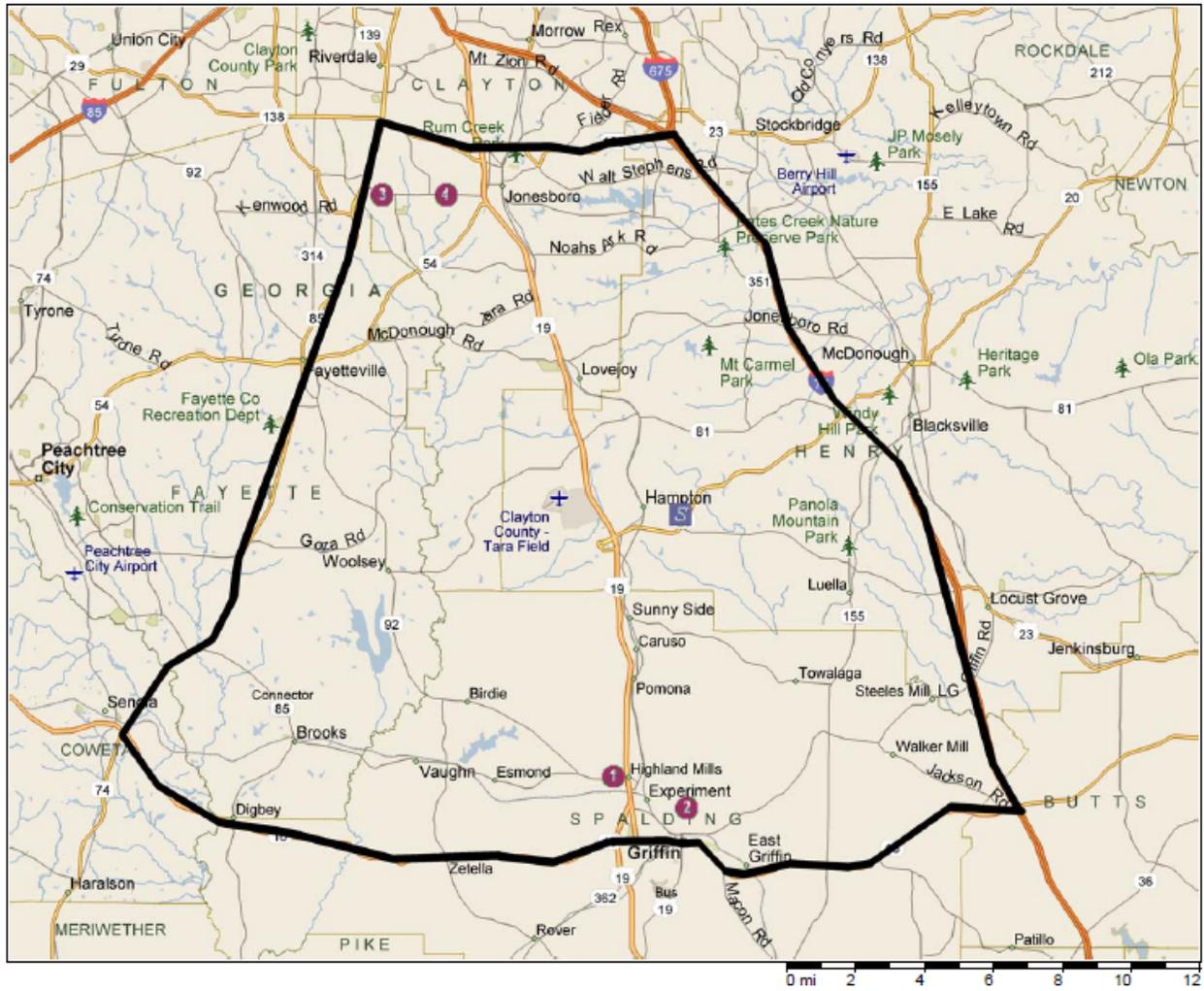
N/Ap.

**Rural Areas**

There are a sufficient number of comparables in the Subject’s PMA and just outside the PMA. Therefore, it was not necessary to include classified listings in our rental survey.

**3. COMPETITIVE PROJECT MAP**

## Hampton Court, Hampton, GA; Market Study



### LIHTC IN THE PMA

#	Property Name	City	Type	Distance
1	Glenco Trace	Griffin	LIHTC	10.8 miles
2	Grier Senior Manor	McDonough	LIHTC/Market	9.6 miles
3	Pointe South Apts	Jonesboro	LIHTC	17.8 miles
4	Williamsburg South	Jonesboro	LIHTC	15.9 miles

4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in red, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the red.

UNIT MATRIX REPORT

	Hampton Court	Glenco Trace Apts.	Grier Senior Manor	St Phillip Villas	Lakeside Villas	Villas At Hampton	Walden Landing
Comp #	Subject	1	2	3	4	5	6
<b>Property Information</b>							
Property Type	(age-restricted)	Garden (age-restricted)	Lowrise (age-restricted) (2 stories)	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)	Midrise (4 stories)
Year Built / Renovated	2013	2000	2005	2002	2002	2000	2000
Market (Conv.)/Subsidy Type	50%, 60%	35%, 40%	30%, 50%, 60%, Market	50%, 60%, Market	Market	Market	Market
<b>In-Unit Amenities</b>							
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	yes	no	yes	yes	yes	yes
Dishwasher	yes	yes	no	yes	yes	yes	yes
Exterior Storage	no	yes	no	yes	no	no	no
Ceiling Fan	no	yes	no	no	yes	yes	yes
Garbage Disposal	yes	yes	no	yes	no	no	yes
Hand Rails	yes	yes	yes	no	no	no	no
Microwave	yes	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	yes
Walk-In Closet	no	no	no	yes	yes	yes	yes
Washer/Dryer hookup	yes	yes	yes	yes	no	yes	yes
<b>Property Amenities</b>							
Basketball Court	no	no	no	yes	no	no	no
Business Center/Computer Lab	yes	no	yes	yes	yes	yes	yes
Clubhouse/Meeting							
Room/Community Room	yes	yes	yes	yes	yes	yes	yes
Courtyard	no	no	yes	no	yes	no	no
Elevators	no	no	yes	no	no	no	no
Exercise Facility	yes	no	yes	yes	yes	yes	yes
Garage	no	no	no	no	no	no	yes
Central Laundry	yes	yes	yes	yes	yes	no	yes
Neighborhood Network	no	no	no	no	no	yes	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	yes	no	yes	yes	no	yes
Playground	no	no	no	yes	yes	yes	yes
Recreation Areas	yes	no	yes	no	yes	no	no
Swimming Pool	no	no	no	no	yes	yes	yes
Tennis Court	no	no	no	no	no	no	yes
Wi-Fi	no	no	no	no	no	no	yes
<b>Services</b>							
<b>Security</b>							
In-Unit Alarm	no	no	no	no	no	no	yes
Limited Access	no	no	yes	no	no	yes	yes
Perimeter Fencing	yes	no	yes	yes	no	no	yes
<b>Premium Amenities</b>							
<b>Other Amenities</b>							
Other	Community gardens	Library, Gazebo, Shuffle Board	n/a	n/a	car care/detailing center	n/a	n/a

The Subject will offer an extensive in unit amenities package that will be generally similar to the majority of the comparables. The senior LIHTC property Grier Senior Manor does not offer dishwashers, garbage disposals, or microwaves in its units. Therefore, the Subject’s unit amenities will be superior to those at Grier Senior Manor. The Subject will also offer an extensive community amenities package. The market rate comparables all offer swimming pools and Walden Landing also offers tennis courts. Neither of the senior LIHTC comparables offers these amenities and property managers indicated that these amenities are not as important to senior tenants and are typically less utilized by seniors. Therefore, we do not believe that the lack of these amenities will impact the Subject’s ability to compete in the market. The Subject’s community amenities will be superior to those at the senior LIHTC comparable Glenco Trace as this property does not offer a business center/computer lab or an exercise facility, both of which will be offered at the Subject. The Subject’s community amenities will be generally similar to those at the senior LIHTC property Grier Senior Manor. Overall, the Subject’s in unit and community amenities will be competitive in the local market.

**5. Selection of Comparables**

The Subject will target senior households aged 55 and older. We have included all senior properties in the PMA. Due to the lack of senior properties, we have also included family properties. The following table illustrates the percent of senior tenants at the family properties included.

**Percent Seniors at Family Comparables**

Property Name	Type	Percent Seniors
St Phillip Villas	LIHTC/Market	50%
Lakeside Villas	Market	5%
Villas At Hampton	Market	3%
Walden Landing	Market	5%

**6. Vacancy**

The following table illustrates the vacancy rates in the market.

**OVERALL VACANCY**

Property name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Glenco Trace Apts.	LIHTC	Senior	72	0	0.00%
Grier Senior Manor	LIHTC/Market	Senior	64	3	4.70%
St Phillip Villas	LIHTC/Market	Family	60	1	1.70%
Lakeside Villas	Market	Family	250	17	6.80%
Villas At Hampton	Market	Family	224	16	7.10%
Walden Landing	Market	Family	243	24	9.90%
<b>LIHTC Vacancy</b>			<b>168</b>	<b>4</b>	<b>2.38%</b>
<b>Market Rate Vacancy</b>			<b>745</b>	<b>57</b>	<b>7.65%</b>
<b>Overall Vacancy</b>			<b>913</b>	<b>61</b>	<b>6.70%</b>

LIHTC vacancy in the market is low at 2.38 percent, indicating a strong rental market. Management at the senior LIHTC property Grier Senior Manor indicated that two of the four vacancies are pre-leased and that the recent move outs are due to tenants moving into nursing homes. The current vacancies are being filled from the property’s waiting list, which has an

estimated wait time of six months to one year. The senior LIHTC property Glenco Trace reported that the property does not currently have any vacancies and the property has a 10 household waiting list. Management at Glenco Trace also reported sufficient demand for additional senior units. Although St. Phillip Villas is a family LIHTC property, management reported that 50 percent of their tenants are seniors. The property has only one vacant one-bedroom unit and management reported that the property typically leases units as soon as they become available. There are two senior LIHTC properties under construction east of the Subject's PMA in Locust Grove and McDonough. These properties are scheduled to be completed in late 2011 and early 2012. Given their locations, we believe that these properties will draw tenants from the McDonough/Stockbridge area as well as other areas east of Interstate 75 whereas the Subject will draw tenants from the smaller areas west of Interstate 75 such as Hampton, Lovejoy, and Griffin. Therefore, we believe that there is sufficient demand in the Subject's PMA for an additional senior LIHTC property and we believe that the Subject will maintain a stabilized vacancy rate of five percent or less.

The vacancy rates among the three conventional rental properties are moderate and range from 6.80 to 9.90 percent. These properties range in size from 224 to 250 units and will be significantly larger than the Subject, which will contain 60 units. Additionally, the rents at these properties are well above the Subject's proposed rents giving the Subject a rental advantage. Overall, we believe that the Subject will outperform the conventional rental properties and will maintain a vacancy rate more in line with the LIHTC comparables. As previously stated, we believe that the Subject will maintain a stabilized vacancy rate of five percent or less.

**7. Properties Under Construction and Proposed**

There are no new LIHTC or market rate properties that have been proposed or under construction in the PMA. However, there are two senior LIHTC properties that are under construction east of the Subject's PMA in Locust Grove and McDonough. Details on these properties can be found on the following pages.

**Shoal Creek Manor:** This property is located outside the PMA and is 10.9 miles from the Subject site.

1. **Address:** 116 Locust Grove Road, Locust Grove, Georgia
2. **Owner:** Shoal Creek Manor, LP
3. **Number of units:** 66
4. **Unit Configuration and Rent Structure:**

<b>Shoal Creek Manor</b>		
<b>Unit Mix</b>	<b>Number of Units</b>	<b>Proposed Rent</b>
2BR 50%	14	\$447
2BR 60%	52	\$447
<b>Total Units</b>	<b>66</b>	

5. **Estimated date of market entry:** December 2011

**Heritage at McDonough:** This property is located outside the PMA and is 9.0 miles from the Subject site.

1. **Address:** Bridges Road and Brisendine Street, McDonough, Georgia
2. **Owner:** Nu Rock
3. **Number of units:** 105
4. **Unit Configuration and Rent Structure:**

Heritage at McDonough		
Unit Mix	Number of Units	Proposed Rent
1BR 50%	4	\$350
2BR 50%	4	\$450
1BR 50%	4	\$535
2BR 50%	4	\$635
1BR 60%	43	\$575
2BR 60%	46	\$675
<b>Total Units</b>	<b>105</b>	

5. **Estimated date of market entry:** Early 2012

**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	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Glenco Trace Apts.	LIHTC	Superior	Similar	Superior	Inferior	Inferior	0
2	Grier Senior Manor	LIHTC/Market	Similar	Superior	Superior	Similar	Inferior	10
3	St Phillip Villas	LIHTC/Market	Similar	Similar	Similar	Slightly Inferior	Similar	-5
4	Lakeside Villas	Market	Superior	Similar	Superior	Slightly Inferior	Superior	25
5	Villas At Hampton	Market	Superior	Similar	Superior	Inferior	Superior	20
6	Walden Landing	Market	Superior	Similar	Superior	Inferior	Similar	10

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

The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following table. Although we attempted to contact management of St. Phillip Villas via phone and while in the field, we were unable to reach management. Therefore, rents and vacancy for this property are from the property’s website.

**LIHTC Rent Comparison - @50%**

<b>Property Name</b>	<b>Tenancy</b>	<b>2BR</b>
Hampton Court (Subject)	Senior	\$465
<b>LIHTC Maximum (Net)</b>	-	\$576
Grier Senior Manor	Senior	\$652
St Phillip Villas	Family	\$461
<b>Average (excluding Subject)</b>	-	<b>\$557</b>

**LIHTC Rent Comparison - @60%**

<b>Property Name</b>	<b>Tenancy</b>	<b>2BR</b>
Hampton Court (Subject)	Senior	\$465
<b>LIHTC Maximum (Net)</b>	-	\$730
Grier Senior Manor	Senior	\$677
St Phillip Villas	Family	\$486
<b>Average (excluding Subject)</b>	-	<b>\$582</b>

As illustrated, the Subject’s proposed 50 and 60 percent AMI rents will be significantly below the current rents at Grier Senior Manor and they will be similar to below the rents at St. Phillip Villas. Grier Senior Manor is located in McDonough and offers a superior location when compared the to the Subject’s location. Grier Senior Manor is located within closer proximity to retail and other locational amenities and McDonough is a larger city than Hampton. Therefore, it is reasonable to assume that Grier Senior Manor can achieve rents above the Subject. St. Phillip Villas has a generally similar location when compared to the Subject but the Subject’s new construction design will be superior St. Phillip Villas. Because 50 percent of the tenants at this property are seniors, these rents are affordable to senior tenants in the area. Given the Subject’s new construction design, it is reasonable to assume that it could achieve rents above those at St. Phillip Villas. Overall, we believe that the Subject’s proposed rents will be achievable when compared to the current rents at the LIHTC properties.

All 60 of the Subject’s units will be two-bedroom units. Of the LIHTC properties, the senior property Grier Senior Manor offers the largest percentage of two-bedroom units in the market. Of the 64 units at this property, 50 percent are two-bedroom units. Currently, the property has three vacant units, one of which is a one-bedroom unit and two of which are two-bedroom units. According to management the one-bedroom unit and one of the two-bedroom units are pre-leased, indicating that both bedroom types lease well and are desirable among seniors in the market. The Subject’s proposed two-bedroom 50 and 60 percent AMI rents of \$465 are significantly below the current one-bedroom 50 and 60 percent rents of \$552 and \$607 at Grier Senior Manor, giving the Subject a sizeable rent advantage in the market. Additionally, because 50 percent of the tenants at the property are seniors, these rents are affordable to senior tenants. Additionally, the one-bedroom units at Grier Senior Manor offer a rent per square foot of \$0.84 to \$0.92 while the Subject’s units will offer a rent per square foot of \$0.39. This differential is significant and further indicates the positive price value relationship of the Subject. Overall, given the Subject’s rental advantage, we believe that its 60 proposed two-bedroom units will lease well in the local market.

**Analysis of “Market Rents”**

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

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

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

**Subject Comparison To Market Rents**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
2 BR 50%	\$465	\$461	\$865	\$689	48%
2 BR 60%	\$465	\$486	\$865	\$713	53%

As illustrated, the Subject’s proposed 50 and 60 percent AMI rents are significantly below the average market rents and they are similar to below the observed market minimums. As new construction, the Subject will be superior to the majority of the existing housing stock in terms of age and condition and it will offer a competitive amenities package. The one weakness of the Subject when compared to the comparables is its location, which is further from retail and amenities than the comparables. However, the Subject’s low rents negate its inferior location. Overall, the Subject will have a significant rental advantage in the market and we believe that it will be successful as proposed.

**9. LIHTC Competition – Recent Allocations within 10 Miles**

According to information on Georgia Department of Community Affairs LIHTC allocation lists, there have been no senior properties allocated in the PMA in the past two years; however, one senior property was allocated in 2009 that is within 10 miles of the Subject site. The senior property Heritage at McDonough is located east of the Subject’s PMA and is 9.0 miles from the Subject site. This property is currently under construction and is scheduled to enter the market in early 2012. The table below illustrates its proposed unit mix and rents.

**Heritage at McDonough**

<b>Unit Mix</b>	<b>Number of Units</b>	<b>Proposed Rent</b>
1BR 50%	4	\$350
2BR 50%	4	\$450
1BR 50%	4	\$535
2BR 50%	4	\$635
1BR 60%	43	\$575
2BR 60%	46	\$675
<b>Total Units</b>	<b>105</b>	

There is also one senior LIHTC property that is proposed in Locust Grove that is 10.9 miles from the Subject site. Shoal Creek Manor is also located east of the Subject’s PMA. The proposed rents and unit mix for this property are illustrated in the following table.

**Shoal Creek Manor**

<b>Unit Mix</b>	<b>Number of Units</b>	<b>Proposed Rent</b>
2BR 50%	14	\$447
2BR 60%	52	\$447
<b>Total Units</b>	<b>66</b>	

Although these properties are located within 10.9 miles from the Subject, they are outside the PMA boundaries and are located in McDonough and Locust Grove. The Subject is not expected to draw tenants from the McDonough area as this area is larger and more developed than Hampton. Additionally, Locust Grove is located east of Interstate 75 and tenants in this area typically come from other areas east of Interstate 75 such as Stockbridge, McDonough, and Blacksville. Therefore, any tenant exchange between the Hampton and the areas east of Interstate 75 will be limited. Therefore, we do not believe that the addition of the Subject to the market will impact the performance of Heritage at McDonough or Shoal Creek Manor. Given the low vacancy rates and waiting lists at the two senior LIHTC comparables and the one family LIHTC comparable, we believe there is sufficient demand for the Subject in addition to these properties.

**10. Rental Trends in the PMA**

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

**TENURE PATTERNS PMA (AGES 55+)**

<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
1990	-	-	-	-
2000	12,042	85.34%	2,069	14.66%
2010	18,430	85.10%	3,226	14.90%
<b>Prj Mkt Entry</b>				
July 2013	21,154	85.12%	3,699	14.88%
2015	22,970	85.13%	4,013	14.87%

0

Owner-occupied housing units dominate the housing market in the PMA. Nationally, approximately 86 percent of seniors are homeowners and 14 percent are renters. The PMA has a higher percentage of renter households than the nation as a whole, which is largely due to the limited multifamily housing options in the PMA. Even though the PMA has a higher portion of owner households than the national average, the owner-occupied market still does not promote affordable housing choices for low and moderate-income people.

*Historical Vacancy*

Property managers at the LIHTC properties indicated that vacancy is typically less than five percent and the senior property managers reported that they typically have waiting lists. The conventional property managers reported typical vacancies of seven to 10 percent. As previously mentioned, these properties are significantly larger than the Subject and offer rents well above the Subject’s rents. Therefore, we believe that the Subject will perform similarly to the LIHTC comparables and will maintain a stabilized vacancy rate of five percent or less.

*Change in Rental Rates*

**RENT GROWTH**

<b>Comparable Property</b>	<b>Rent Structure</b>	<b>Tenancy</b>	<b>Rent Growth</b>
Glenco Trace	LIHTC	Senior	Increase of 6-7%
Grier Senior Manor	LIHTC/Market	Senior	Increase of 1%
St Phillip Villas	LIHTC/Market	Family	None
Lakeside Villas	Market	Family	Same
Villas At Hampton	Market	Family	None
Walden Landing	Market	Family	None

Both senior LIHTC comparables reported rental increases over the past year. The Subject’s rents are well below the maximum allowable level and will be among the lowest in the market. Therefore, it is possible that the Subject will experience rental increases following stabilization.

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

According to www.RealtyTrac.com, Georgia had 10,503 foreclosures listed in May 2011. This equates to one in every 387 housing units. RealtyTrac’s estimates demonstrate that Henry County had one in every 174 housing units file for foreclosure in May 2011. Hampton reported the third highest number of foreclosures in the county at 82 units. Stockbridge reported 110 foreclosures and McDonough reported 153 foreclosures. The foreclosure rate is much higher in Hampton, than Henry County, Georgia and the nation. Nationally one in every 605 housing units received a foreclosure filing in May 2011. There were no abandoned or vacant structures near the Subject. The foreclosure rate should not impact the need for senior housing.

**12. Primary Housing Void**

The two senior LIHTC properties in the market have vacancy rates between zero and four percent and management at the senior property Grier Senior Manor reported that two of the three vacant units have applications pending. Further, both properties have waiting lists. The low vacancy rates and waiting lists at these properties indicate a housing void in the market and a need for additional LIHTC housing targeting seniors. While there are two senior LIHTC properties that are under construction within 10.9 miles of the Subject site, these properties are located outside the Subject’s PMA and are east of Interstate 75. Property managers at the

comparables east of Interstate 75 reported that their tenants rarely come from areas west of the interstate such as Hampton, Lovejoy, and Griffin. Instead, their tenants are typically from the Stockbridge/McDonough area, which is larger and more developed than the areas west of the interstate. Therefore, we do not believe that the addition of the Subject to the market will impact the performance of these two senior properties. Our analysis indicates that there is sufficient demand for affordable senior housing in the Subject's PMA and we believe that the Subject will help to fill the current senior housing void.

### **13. Affect of Subject on Other Affordable Units in Market**

As previously mentioned, vacancy among the senior LIHTC comparables is low and both properties have waiting lists. Therefore, we do not believe that the addition of the Subject to the market will impact the performance of these comparables as there appears to be sufficient demand for additional senior rental units in the area. While there are two senior LIHTC properties that are under construction within 10.9 miles of the Subject site, these properties are located outside the Subject's PMA and are east of Interstate 75. Property managers at the comparables east of Interstate 75 reported that their tenants rarely come from areas west of the interstate such as Hampton, Lovejoy, and Griffin. Instead, their tenants are typically from the Stockbridge/McDonough area, which is larger and more developed than the areas west of the interstate. Therefore, we do not believe that the addition of the Subject to the market will impact the performance of these two senior properties.

### **Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. LIHTC vacancy in the local market is low at less than three percent. Of the three vacant senior LIHTC units, two are pre-leased and both senior LIHTC properties have waiting lists. The Subject's proposed LIHTC rents are among the lowest in the market and yield a significant price value relationship for the Subject. As proposed, the Subject will consist of all two-bedroom units. Of the senior properties, Grier Senior Manor has the highest percentage of two-bedroom units at 50 percent of its total unit mix. The Subject's proposed 50 and 60 percent two-bedroom rents are significantly below the current one-bedroom 50 and 60 percent AMI rents at Grier Senior Manor. Additionally, the one-bedroom 50 and 60 percent AMI rents at Grier Senior Manor have a rent per square foot between \$0.84 and \$0.92 while the Subject has a rent per square foot of \$0.39. Because the Subject's proposed two-bedroom rents are below the current one-bedroom rents at Grier Senior Manor, (which has only one unit that is vacant and not pre-leased) we believe that the Subject's 60 two-bedroom units will lease well in the local market.

Although there are no senior LIHTC properties in the PMA that are proposed or under construction, there are two senior LIHTC properties located east of the Subject's PMA that are currently under construction. Shoal Creek Manor and Heritage at McDonough are located within 10.9 miles of the Subject site. These properties are located east of Interstate 75 and property managers in the area reported that they have little tenant exchange with Hampton and other areas located west of the interstate. They indicated that areas west of Interstate 75 are regarded as a different submarket and tenants in the Stockbridge/McDonough areas are not likely to move to Hampton. Therefore, we do not believe that the addition of the Subject to the market will impact the performance of these properties as they will draw tenants from different areas. Overall, our market analysis indicates a need for additional senior LIHTC housing. This need is illustrated by the low vacancy rates and waiting lists at the comparables. Additionally, there are no senior

rental properties (LIHTC, subsidized, or conventional) within 10 miles of the Subject, indicating that the Subject will face limited competition in its immediate market area. The Subject will offer a new construction design and will have rents similar to below the existing and proposed senior LIHTC comparables. Therefore, we believe that it will be successful in the local market and will help to fill the current senior housing void.

## **I. ABSORPTION & STABILIZATION RATES**

**Stabilization/Absorption Rate**

All of the comparables were built prior to 2005 and none were able to report absorption. However, we were able to obtain absorption information for two senior properties located in Byron and Perry Georgia. Absorption information for these properties is found in the following table.

**Absorption**

Property Name	Year Built	Location	Type	Tenancy	Total # of Units	Units Absorbed Per Month	Absorption Pace
Cameron Court	2009	Perry	LIHTC	Senior	64	7	10 months
Heathrow Senior Village	2006	Byron	LIHTC	Senior	51	9	6 months

The most recent allocation, Cameron Court, had a leasing pace of seven units per month. This property targets seniors and offers one-, two-, and three-bedroom units. The Subject will offer all two-bedroom units. Of the units at Cameron Court, 88 percent are two- and three-bedroom units. Therefore, this property is a good indicator of how well larger bedroom types lease at age restricted properties.

There are two senior properties proposed in Henry County, Heritage at McDonough and Shoal Creek Manor. The following tables illustrate their proposed rents and unit mix.

**Heritage at McDonough**

Unit Mix	Number of Units	Proposed Rent
1BR 50%	4	\$350
2BR 50%	4	\$450
1BR 50%	4	\$535
2BR 50%	4	\$635
1BR 60%	43	\$575
2BR 60%	46	\$675
<b>Total Units</b>	<b>105</b>	

**Shoal Creek Manor**

Unit Mix	Number of Units	Proposed Rent
2BR 50%	14	\$447
2BR 60%	52	\$447
<b>Total Units</b>	<b>66</b>	

Although these properties are located outside the PMA and there will be limited tenant exchange between the two areas, we have taken them into account when concluding to an absorption pace for the Subject. Both properties offer units at 50 and 60 percent AMI and will be located within 10.9 miles of the Subject site. These properties are scheduled to enter the market in late 2011 and early 2012. While the Subject's rents will be well below the rents at Heritage at McDonough, they will be generally similar to the rents at Shoal Creek Manor. When taking the addition of these properties into the market into account, we have conservatively estimated an absorption pace of five units per month for the Subject's units. At this pace the 60 unit Subject will reach a stabilized absorption of 93 percent within 12 months.

## **J. INTERVIEWS**

**Georgia Department of Community Affairs, Carrollton Regional Office**

We were unable to reach anyone from the Georgia Department of Community Affairs Jonesboro Office or the Hampton Housing Authority. Our phone calls and emails were not returned. According to HUD, there are 43 housing vouchers under contract in Hampton. In addition, the Georgia Department of Community Affairs website lists the current payment standards for Henry County.

<b>Payment Standards</b>	
1BR	\$757
2BR	\$820
3BR	\$912
4BR	\$1,110

Payment standards for the county are 110 percent of FMR. The Subject’s gross rents at 50 and 60 percent AMI are well below the payment standard.

**Planning**

We interviewed Denise Pope from the Henry County Planning and Zoning Department. She noted that there is currently a McDonald’s in the planning review stages that is slated to be built off Route 138 West. There is also a Tractor Supply Company under review which is projected to be built off Route 81 East. There is cleared land near the Subject site that appeared to be in the early stages of construction; however, Ms. Pope was unaware of any projects planned or underway near the Subject site.

**Hampton City Hall**

We spoke with Andy Pippin, City Manager with the City of Hampton. According to Mr. Pippin, there is adequate demand in the Hampton area for the Subject’s 60 proposed senior units. Mr. Pippin was aware of both proposed senior LIHTC properties in Henry County and he indicated that because these properties will be located in the Locust Grove and McDonough areas, they will have limited tenant exchange with Hampton. Mr. Pippin indicated that the city is rapidly expanding and that currently Hampton has the highest per capita senior population in Henry County. Additionally, there are no age restricted properties within 10 miles of the Subject so the Subject will face limited competition in the immediate market area. Mr. Pippin’s comments are supported by our supply, demand, and demographic analyses, which also indicate adequate demand for the Subject’s proposed units.

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

## **K. CONCLUSIONS AND RECOMMENDATIONS**

**CONCLUSIONS**

- Both the senior population and number of senior households in the PMA and MSA have experienced strong growth. This strong growth is projected to continue in the future and is likely due to the area's close proximity to Atlanta as well as the comparatively cheaper, more affordable housing. At least 61.9 percent of seniors in the PMA are currently earning wages below the area median income of \$64,937. As the area continues to grow, the need for quality, affordable housing will also increase, which bodes well for the Subject. Henry County's top employers only account for 25 percent of the area's total employment which is indicative of a diverse economy which is not overly dependent on a single business or industry.
- The Atlanta-Sandy Springs-Marietta MSA and Henry County have stabilizing economies. Total employment in the county substantially decreased in 2009, but then increased again in 2010. As of September 2010, total covered employment in Henry County had increased by 3.03 percent. This bodes well for the Subject. Total employment in the MSA increased from 2003 to 2007. However, unemployment decreased from 2008 to 2010. The 2011 YTD average only shows 0.4 percent employment loss in the MSA. Unemployment increased 2008 to 2010, but has not increased TYD (as of April 2011). However, the adjusted population growth is still considered strong and total employment losses are slowing. The local economy appears stabilizing, and the relatively low-paying jobs offered in the manufacturing, retail trade and transportation/warehousing sectors are expected to generate demand for affordable housing in the PMA.

The Atlanta Motor Speedway, is a huge draw to the area. It is 25 miles south of Atlanta and offers a 1.54-mile long quad oval track and seating for 124,000. A majestic structure situated on 870 acres, the Atlanta Motor Speedway is one of the country's top sports, corporate, family and entertainment facilities. Annual racing events at the Atlanta Motor Speedway include two NASCAR Sprint Cup races, and the NASCAR Nationwide Series. The Atlanta Motor Speedway highlights the talent of up-and-coming drivers with Friday Night Drags during June, July, August and September, and Winter Flurry races in Legends, Bandolero and Thunder Roadsters. The Richard Petty Driving Experience also takes place at the Atlanta Motor Speedway. The Atlanta Motor Speedway track is used not only for racing events but also for corporate events, weddings, concerts and more. It adds half a billion dollars to the region each year.

- The Subject's capture rate at the 50 percent AMI level is 5.8 percent and the capture rate at the 60 percent AMI level is 19.4 percent. The overall capture rate for the project's 50 and 60 percent units is 22.8 percent. While the 60 percent and overall capture rates are considered moderate, we believe there is adequate demand for the Subject. Vacancy rates among the two senior LIHTC comparables are low and both properties have waiting lists. Additionally, the Subject's proposed 50 and 60 percent AMI rents are among the lowest in the market. The Subject's unit mix will consist of 60 two-bedroom units. Of the senior comparables, Grier Senior Manor offers the highest percentage of two-bedroom units. Fifty percent of the units at this property are two-bedroom units. The Subject's proposed 50 and 60 percent AMI two-bedroom rents are significantly below the current one-bedroom rents at Grier Senior Manor and this property only has one unit that

## Hampton Court, Hampton, GA; Market Study

is vacant and not pre-leased. Given the significant rent advantage in the market, we believe the Subject's two-bedroom units will lease well and we believe there is adequate demand for the Subject as proposed.

- All of the comparables were built prior to 2005 and none were able to report absorption. However, we were able to obtain absorption information for two senior properties located in Byron and Perry Georgia. Absorption information for these properties is found in the following table.

### Absorption

Property Name	Year Built	Location	Type	Tenancy	Total # of Units	Units Absorbed Per Month	Absorption Pace
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The most recent allocation, Cameron Court, had a leasing pace of seven units per month. This property targets seniors and offers one-, two-, and three-bedroom units. The Subject will offer all two-bedroom units. Of the units at Cameron Court, 88 percent are two- and three-bedroom units. Therefore, this property is a good indicator of how well larger bedroom types lease at age restricted properties.

There are two senior properties proposed in Henry County, Heritage at McDonough and Shoal Creek Manor. The following tables illustrate their proposed rents and unit mix.

#### Heritage at McDonough

Unit Mix	Number of Units	Proposed Rent
1BR 50%	4	\$350
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<b>Total Units</b>	<b>105</b>	

#### Shoal Creek Manor

Unit Mix	Number of Units	Proposed Rent
2BR 50%	14	\$447
2BR 60%	52	\$447
<b>Total Units</b>	<b>66</b>	

Although these properties are located outside the PMA, we have taken them into account when concluding to an absorption pace for the Subject. Both properties offer units at 50 and 60 percent AMI and will be located within 10.9 miles of the Subject site. These properties are scheduled to enter the market in late 2011 and early 2012. While the Subject's rents will be well below the rents at Heritage at McDonough, they will be generally similar to the rents at Shoal Creek Manor. When taking the addition of these properties into the market into account, we have conservatively estimated an absorption

pace of five units per month for the Subject's units. At this pace the 60 unit Subject will reach a stabilized absorption of 93 percent within 12 months.

- LIHTC vacancy in the market is low at 2.38 percent, indicating a strong rental market. Management at the senior LIHTC property Grier Senior Manor indicated that two of the four vacancies are pre-leased and that the recent move outs are due to tenants moving into nursing homes. The current vacancies are being filled from the property's waiting list, which has an estimated wait time of six months to one year. The senior LIHTC property Glenco Trace reported that the property does not currently have any vacancies and the property has a 10 household waiting list. Management at Glenco Trace also reported sufficient demand for additional senior units. Although St. Phillip Villas is a family LIHTC property, management reported that 50 percent of their tenants are seniors. The property has only one vacant one-bedroom unit and management reported that the property typically leases units as soon as they become available. There are two senior LIHTC properties under construction east of the Subject's PMA in Locust Grove and McDonough. These properties are scheduled to be completed in late 2011 and early 2012. Given their locations, we believe that these properties will draw tenants from the McDonough/Stockbridge area as well as other areas east of Interstate 75 whereas the Subject will draw tenants from the smaller areas west of Interstate 75 such as Hampton, Lovejoy, and Griffin. Therefore, we believe that there is sufficient demand in the Subject's PMA for an additional senior LIHTC property and we believe that the Subject will maintain a stabilized vacancy rate of five percent or less.

The vacancy rates among the three conventional rental properties are moderate and range from 6.80 to 9.90 percent. These properties range in size from 224 to 250 units and will be significantly larger than the Subject, which will contain 60 units. Additionally, the rents at these properties are well above the Subject's proposed rents giving the Subject a rental advantage. Overall, we believe that the Subject will outperform the conventional rental properties and will maintain a vacancy rate more in line with the LIHTC comparables. As previously stated, we believe that the Subject will maintain a stabilized vacancy rate of five percent or less.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. LIHTC vacancy in the local market is low at less than three percent. Of the three vacant senior LIHTC units, two are pre-leased and both senior LIHTC properties have waiting lists. The Subject's proposed LIHTC rents are among the lowest in the market and yield a significant price value relationship for the Subject. As proposed, the Subject will consist of all two-bedroom units. Of the senior properties, Grier Senior Manor has the highest percentage of two-bedroom units at 50 percent of its total unit mix. The Subject's proposed 50 and 60 percent two-bedroom rents are significantly below the current one-bedroom 50 and 60 percent AMI rents at Grier Senior Manor. Additionally, the one-bedroom rents at Grier Senior Manor have a rent per square foot between \$0.84 and \$0.92 while the Subject has a rent per square foot of \$0.39. Because the Subject's proposed two-bedroom rents are below the current one-bedroom rents at Grier Senior Manor, (which has only one unit that is vacant and not pre-leased) we believe that the Subject's 60 two-bedroom units will lease well in the local market.

Although there are no senior LIHTC properties in the PMA that are proposed or under construction, there are two senior LIHTC properties located east of the Subject's PMA that are currently under construction. Shoal Creek Manor and Heritage at McDonough are located within 10.9 miles of the Subject site. These properties are located east of Interstate 75 and property managers in the area reported that they have little tenant exchange with Hampton and other areas located west of the interstate. They indicated that areas west of Interstate 75 are regarded as a different submarket and tenants in the Stockbridge/McDonough areas are not likely to move to Hampton. Therefore, we do not believe that the addition of the Subject to the market will impact the performance of these properties as they will draw tenants from different areas. Overall, our market analysis indicates a need for additional senior LIHTC housing. This need is illustrated by the low vacancy rates and waiting lists at the comparables. Additionally, there are no senior rental properties (LIHTC, subsidized, or conventional) within 10 miles of the Subject, indicating that the Subject will face limited competition in its immediate market area. The Subject will offer a new construction design and will have rents similar to below the existing and proposed senior LIHTC comparables. Therefore, we believe that it will be successful in the local market and will help to fill the current senior housing void.

### **Recommendations**

- We recommend the Subject as proposed.

## **L. SIGNED STATEMENT REQUIREMENTS**

I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can (cannot) support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



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H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP

6-23-2011

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Date



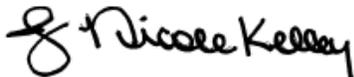
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Michalena M. Sukenik  
Principal  
Novogradac & Company LLP

6-23-2011

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Date



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J. Nicole Kelley  
Real Estate Analyst  
Novogradac & Company LLP

6-23-2011

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Date

## **M. MARKET STUDY REPRESENTATION**

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



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H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP

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6-23-2011  
Date

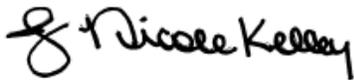


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Michalena M. Sukenik  
Principal  
Novogradac & Company LLP

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6-23-2011  
Date



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J. Nicole Kelley  
Real Estate Analyst  
Novogradac & Company LLP

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6-23-2011  
Date

## **N. 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)  
Member, National Council of Affordable Housing Market Analysts (NCAHMA)  
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. 31534 – State of Arizona  
Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut  
Certified General Real Estate Appraiser, No. CG100026242 – State of Colorado  
Certified General Real Estate Appraiser, No. 4206 – State of Kentucky  
Certified General Real Estate Appraiser, No. 1326 – State of Maryland  
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi  
Certified General Real Estate Appraiser, No. 46000039124 – State of New York  
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina  
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania  
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina  
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee  
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia  
Certified General Real Estate Appraiser, No. 1101008 – State of Washington  
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

### 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.

#### **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.

**H. Blair Kincer**

**Qualifications**

**Page 3**

- 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.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **MICHALENA M. SUKENIK**

### **I. Education**

Union College, Schenectady, New York  
Bachelor of Arts in Cultural Anthropology  
Union College Study Abroad, St. Lucy, Barbados

### **II. Professional Experience**

Principal, Novogradac & Company LLP (Start date: September 2002 - present)  
Dallas / Fort Worth and Atlanta Research Manager, CoStar Group, Inc.  
Senior Research Analyst / Newswire Editor, CoStar Group, Inc.

### **III. Professional Training and Continuing Education**

Member, National Council of Affordable Housing Market Analysts (NCAHMA)  
Attended HUD Community Development Block Grant (CDBG) 30<sup>th</sup> Anniversary Conference, September 13-14, 2004, Washington, DC  
Successfully completed "Introduction to Commercial Real Estate Analysis" and "Financial Analysis for Commercial Real Estate Investment"

### **IV. Real Estate Assignments**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- 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.
- Prepared a comprehensive city wide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Prepared a comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. The study focused on the housing and economic trends Pre- and Post- Hurricane Katrina and overall housing needs in that neighborhood.
- Assisted in preparing an approved HUD Consolidated Plan for the City of Gainesville, GA; which included a housing and homeless needs assessment, market analysis, non-housing needs analysis, and a strategic plan, which conformed to 24CFR Part 91, Consolidated Plan Regulations for the ensuing five-year period (2004-2009).
- Assisted in preparing a comprehensive senior housing study in Seattle, Washington for the Seattle Housing Authority. This study evaluated the Seattle Housing Authority's affordable senior housing project for their position within the entire city's senior housing market. The research involved analysis of the senior population by neighborhood, income, household size, racial composition, and tenure.
- Conducted market studies for senior projects in Alabama, Alaska, Arizona, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Washington, and Wisconsin.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit properties.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **NICOLE KELLEY**

### **I. Education**

Auburn University, Auburn, Alabama  
Bachelor of Science in Business Administration  
Auburn University, Auburn, Alabama  
Master of Business Administration

### **II. Professional Experience**

Analyst, Novogradac & Company LLP (Start Date: May 2006 – Present)  
Intern, Bullock Mannelly Partners  
Graduate Assistant, Auburn University College of Business

### **III. Research Assignments**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted with market studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Market analysis includes preliminary property screenings, market analysis, comparable rent surveys, and demand analysis.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit properties.
- Assisted in the preparation of Rent Comparability Studies according to HUD guidelines.