



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

**FOREST HEIGHTS APARTMENTS  
1048 Columbia Drive  
Decatur, DeKalb County, Georgia 30083**

**Effective Date: April 27, 2012  
Report Date: May 10, 2012**

*Prepared For*

**Columbia Residential  
Mr. James Grauley  
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**NOVOGRADAC  
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CERTIFIED PUBLIC ACCOUNTANTS

May 10, 2012

Columbia Residential  
Mr. James Grauley  
1718 Peachtree Street  
Suite 684  
Atlanta, Georgia 30309

**Re: Market Study for Forest Heights Apartments in Decatur, Georgia**

Dear Mr. Grauley:

At your request, Novogradac & Company LLP performed a market study of the senior rental market in the Decatur, DeKalb 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 Forest Heights Apartments, a proposed Elderly (62+) development consisting of 80 units. Units will be restricted to senior households ages 62 and older earning 50 and 60 percent of the AMI or less in addition to nine unrestricted units. Of the Subject's 71 restricted units, 48 units will operate with an additional PBRA subsidy and six will operate with an additional PHA subsidy. 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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Partner  
Novogradac & Company LLP



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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.

TABLE OF CONTENTS

A. EXECUTIVE SUMMARY AND CONCLUSION ..... 1  
B. PROJECT DESCRIPTION ..... 11  
C. SITE EVALUATION ..... 15  
D. MARKET AREA ..... 27  
    Primary Market Area ..... 28  
E. COMMUNITY DEMOGRAPHIC DATA..... 31  
F. EMPLOYMENT TRENDS ..... 36  
G. PROJECT-SPECIFIC DEMAND ANALYSIS ..... 45  
H. COMPETITIVE RENTAL ANALYSIS ..... 65  
I. ABSORPTION AND STABILIZATION RATES.....85  
J. INTERVIEWS..... 86  
K. CONCLUSIONS AND RECOMMENDATIONS ..... 108  
L. SIGNED STATEMENT REQUIREMENTS..... 112

Addendum

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

**EXECUTIVE SUMMARY AND CONCLUSIONS**

**1. Project Description:**

Forest Heights will be an 80 unit elderly property located at 1048 South Columbia Drive in Decatur, DeKalb County, Georgia. The Subject will be a re-development of an existing family LIHTC property that has been vacant for over one year. The existing improvements will be demolished and the Subject will be a newly constructed property consisting of four one-story buildings duplex-style buildings, one two-story low rise building with an additional terrace level on half of the building and one one-story community building. 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 Feet	Asking Rent	Utility Allowance (1)	Gross Rent	2012 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI/PBRA</i>							
1BR	4	767	\$628	\$129	\$757	\$650	\$757
2BR	2	1,000	\$677	\$165	\$842	\$780	\$842
<i>50% AMI/PHA</i>							
1BR	5	767	\$200	\$0	\$200	\$650	\$757
2BR	1	1,000	\$200	\$0	\$200	\$780	\$842
<i>60% AMI/PBRA</i>							
1BR	42	767	\$628	\$129	\$757	\$780	\$757
<i>60% AMI-LIHTC</i>							
1BR	15	767	\$579	\$129	\$708	\$780	\$757
2BR	2	1,000	\$704	\$165	\$869	\$936	\$842
<i>UNRESTRICTED</i>							
1BR	4	767	\$800	\$0	\$800	N/A	\$757
2BR	5	1,000	\$950	\$0	\$950	N/A	\$842
<b>Total</b>	<b>80</b>						

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

The Subject is a redevelopment of an existing family LIHTC property that will be demolished. The Subject will be a newly constricted elderly property restricted to seniors age 62 and older. Of the 80 total units proposed at the Subject, nine will be unrestricted, 17 will be restricted to tenants at 60 percent of the AMI, 54 will operate with an additional PBRA or PH subsidy and tenants will pay 30 percent of their income on rent.

The Subject will offer the following amenities: balcony/patio, central air conditioning, oven, stove, refrigerator, dishwasher, washer/dryer connections, carpeting, blinds, hand rails, pull cords, exercise facility,

computer lab, central laundry facility, non-shelter services, community center, elevators, security features, tenant garden, recreation areas, and off-street parking. Overall, the Subject will be competitive with the comparable properties.

**2. Site Description/Evaluation:**

The Subject site is located on the north side of South Columbia Drive, with buildings located immediately east and immediately west of Forrest Boulevard. The site is currently improved with 12, two-story, garden apartment buildings that will be demolished. There is significant commercial development located east and south east of the Subjects site and single-family uses north, south and west of the Subject site. Adjacent to the Subject site to the east is a Sherwin Williams paint store and a Head Start Center followed by a Super Wal-Mart and a retail strip center. Further east is a variety of high-density commercial developments that are in good condition and approximately 90 to 95 percent occupied. Immediately north, south and west of the Subject site are detached older single-family homes that vary in condition from good to average. The Subject is accessible from South Columbia Drive, a moderately trafficked road that provides access to Memorial Drive to the southeast. Memorial Drive is a heavily trafficked major east-west corridor that provides access to Interstate 285 to the east and Interstate 20 to the west. Additional access is via Forrest Boulevard and Walker Drive, lightly trafficked residential roadways that border the Subject site. Overall, the Subject site has excellent access and exposure and is within walking distance to a variety of retail and commercial uses including a Super Wal-Mart. The Subject's location on the peripheral of a residential neighborhood within close proximity to retail and services will be well suited for senior housing and is compatible with the surrounding land uses.

**3. Market Area Definition:**

The Subject's PMA is defined as U.S. Route 78 to the north, Interstate 20 to the south, Interstate 285 to the east and Howard Street NE and U.S. Route 78 to the west.

The Subject's PMA encompasses cities of Decatur, Avondale Estates, and portions of East Atlanta. Because the Subject will target seniors, we have relied most heavily on comments from property managers at local senior when concluding to our PMA boundaries. According to the property manager at Magnolia Circle, approximately 40

to 50 percent of the tenants come from out-of-state to be closer to their adult children. The remainder of the tenants are from south DeKalb County. Magnolia Circle's property manager also indicated that they did not compete with Antioch Manor as few of their tenants are from the Stone Mountain area or from the areas east of Wesley Chapel Road. The property manager at Retreat at Madison also indicated that some tenants come from other states such as Alabama. The remaining tenants come from south Atlanta, downtown specifically, and the Decatur/Stone Mountain/Lithonia area. She stated that the Subject would likely pull tenants from Decatur and the areas west of Interstate 285. Therefore, we have defined the eastern border of our PMA as Interstate 285. Because Decatur is easily accessible via Memorial Drive, property managers indicated that the Subject could likely draw tenants from the eastern portions of Atlanta. Therefore, we have included the eastern portions of Atlanta in our PMA. We have defined the northern border of our PMA as U.S. Route 78 due to area traffic patterns and the Subject is less likely to draw tenants from north of this heavily trafficked roadway. 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 4.3 miles.

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

The PMA and MSA have demonstrated that they are areas of growth. The senior population and the number of households with a senior householder are both projected to remain relatively stable from 2010 to 2015. While renter-occupied households are in the minority, the percent of renter-occupied households is projected to increase through 2015. The percent of senior renters nationally is approximately 13 percent. The PMA has a higher percent renter population than the nation. The largest income cohort was between \$10,000 and \$19,999, which is considered to be very low income. This bodes well for the Subject's subsidized units. In March, 2011, there were 17 foreclosures in the Subject's zip code and 227 in Decatur. We did not witness any boarded or abandoned homes in the Subject's neighborhood during our field inspection.

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

Overall, it appears as if Decatur and the MSA were affected by the current national economic recession. The MSA's

economy has had significant job losses and rising unemployment occurred from 2008-2009. Since 2008, the MSA has lost a larger percentage of jobs than the U.S. as a whole. The year to date data indicates that the pace of jobs lost in the MSA is beginning to reverse and there was job growth in 2011.

The county and MSA demonstrated steady business and employment growth from 2003 to 2007 but consistent with national trends, total employment in the area has decreased while the unemployment rate has increased. In 2009 DeKalb County experienced its highest employment loss of 5.61 percent. As of September 2011, DeKalb County had begun to gain jobs, with a 0.83 percent increase. The Subject will target senior households, most of whom will be retired. DeKalb County is part of the Atlanta-Sandy Springs-Marietta, GA MSA. Total employment in the MSA increased 2.7 percent for the twelve-month period ending in February 2012. By contrast, national employment increased only 1.9 percent for the same time period. As of February 2012, the unemployment rate in the MSA was at 2.7 percent which is well below the nation at 8.7 percent. As a result of the recent employment trends, we believe the MSA is starting to recover from the effects of the recession and illustrates that this area is recovering from the national recession slightly faster than the nation.

The largest industry in the PMA is healthcare/social assistance followed by educational services and retail trade. These three industries are the highest in the nation as well.

Overall, it appears as if Decatur and the MSA were affected by the current national economic recession. The MSA's economy has had significant job losses and rising unemployment occurred from 2008-2009. Since 2008, the MSA has lost about the same percent of jobs than the U.S. as a whole. The year to date data indicates that the pace of jobs lost in the MSA is slowing; however, improving at a faster pace than the nation as a whole.

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

Of the Subject's 71 restricted units, 48 units will operate with an additional PBRA subsidy and six will operate with an additional PHA subsidy. Pursuant to GA DCA's guidelines, these units are assumed leasable and therefore the capture rate is zero percent. The following table

illustrates capture rates for the Subject’s units that do not operate with an additional subsidy.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units	Total	Supply	Net Demand	Capture Rate
		Proposed	Demand			
1BR 50%/PBRA	\$0 - \$27,750	4	N/Ap	N/Ap	N/Ap	N/Ap
2BR 50%/PBRA	\$0 - \$31,200	2	N/Ap	N/Ap	N/Ap	N/Ap
1BR 50%/PHA	\$0 - \$27,750	5	N/Ap	N/Ap	N/Ap	N/Ap
2BR 50%/PHA	\$0 - \$31,200	1	N/Ap	N/Ap	N/Ap	N/Ap
1BR 60%/BPRA	\$0 - \$33,300	42	N/Ap	N/Ap	N/Ap	N/Ap
1BR 60%	\$21,240-\$33,300	15	370	10	360	4.2%
2BR 60%	\$21,240-\$33,300	2	150	30	120	1.7%
1BR Market	\$24,000-\$51,975	4	555	0	555	0.7%
2BR Market	\$24,000-\$51,975	5	225	0	225	2.2%
Overall	\$21,240-\$51,975	26	873	40	833	3.1%

\*Pursuant to GA DCA’s guidelines, subsidized units are assumed leasable and therefore the capture rate is zero percent.

Our demand analysis indicates that there are approximately 873 income qualified renter households in the PMA. In addition to a low overall capture rate, capture rates for both the 60 percent AMI and the market rate units are low. The Subject will be the only senior property in the PMA to offer LIHTC or market rate rents. Vacancy rates among the three senior LIHTC comparables are low and all maintain a waiting list. Additionally, the Subject’s proposed 60 percent AMI rents are among the lowest in the market. The Subject’s market rate rents are at the high end of the range of the comparable properties. However, the most comparable property, Antioch Manor Estates, is achieving the highest rents in the market and is 100 percent occupied with a length waiting list. The Subject will be superior to this property in terms of location and unit size. In addition the Subject will be new construction, nine years newer than Antioch Manor Estates. Given the significant LIHTC rent advantage in the market, the limited competition, and the superior product of the Subject we believe the units will lease well and we believe there is adequate demand for the Subject as proposed.

**7. Competitive Rental Analysis:**

There are no senior LIHTC properties located in the PMA. Due to the lack of comparable senior LIHTC data in the PMA, we utilized three senior LIHTC properties located in similar market areas just outside of the PMA. The Retreat at Madison Place, a senior LIHTC property, is located approximately 3.5 miles from the Subject. This property was constructed in 2007 and is in excellent condition. Antioch Manor Estates was constructed in 2005, is in good condition, and is located 6.8 miles from the Subject site. Magnolia Circle is located 5.0 miles from the Subject site

and is in good condition. Overall, the availability of senior LIHTC data in the market is limited.

We have included three conventional rental properties in addition to the market rate units at Antioch Manor Estates and Magnolia Circle in our analysis. While two of these, Spring Chase II (a subsidized and market rate property) and Clairmont Crest, are located outside of the PMA, they target seniors and they are less than 5.0 miles from the Subject. Due to the lack of senior market rate properties in the Subject's PMA, we utilized one general tenancy property that is located 1.3 miles from the Subject, Maple Walk Apartments. While the property manager at Maple Walk stated that they have very few senior tenants, because it is indicative of the overall multifamily performance in the Subject's neighborhood. Overall, the availability of senior market rate data is also considered limited.

As proposed, the Subject will offer a total of 80 units of which 71 will be restricted to tenants earning 50 and 60 percent of the AMI and nine will be market rate. All of the Subject's 50 percent AMI units and 42 of the Subject's 60 percent AMI units will offer an additional subsidy and tenants will pay 30 percent of their income on rents. Antioch Manor Estates is achieving the maximum allowable rents at the 50 percent AMI level.

The Subject will offer 17 units at 60 percent of the AMI that have no additional subsidy. The Subject's proposed one and two-bedroom rents at 60 percent of the AMI are among the lowest in the market and well below the maximum allowable level. Magnolia Circle's 60 percent AMI rents are similar to the proposed Subject's 60 percent AMI rents. Magnolia Circle is currently offering the lowest rents in the market and is 96 percent occupied with a 157 household waiting list. All of the vacant units at this property are pre-leased. Magnolia Circle was constructed in 2003 and will be slightly inferior to the Subject in terms of age and condition. Additionally, the Subject will offer a slightly superior property amenities package. Therefore, it is reasonable to assume that the Subject can achieve higher rents than Magnolia Circle. The remaining comparables are achieving rents well above the Subject's proposed rents and are well occupied with waiting lists. Given that the Subject will be generally superior to all of the comparables, we believe the Subject's proposed rents are achievable.

The Subject's proposed market rents are at the high end of the range when compared to the market rents at comparable properties. Clairmont Crest, a senior market rate property that is 95 percent occupied, is achieving rents similar to the Subject's proposed rents. This property was constructed in 1985 and will be inferior to the Subject in terms of age and condition and amenities; however, it offers a slightly superior location. The Subject is most similar to Antioch Manor Estates, a LIHTC, PBRA, and market rate property that is 100 percent occupied with an extensive waiting list. Antioch Manor Estates is achieving rents above both the proposed one- and two-bedroom rents at the Subject. The Subject will offer a slightly superior location and superior unit sizes when compared to this property. Based on the rents currently being achieved at Antioch Manor Estates and Clairmont Crest, we believe the proposed market rate rents at the Subject are achievable.

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 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate rents. The Subject's proposed LIHTC rents are below the average but higher than the surveyed minimum. This is considered reasonable given that there are very few newly constructed market rate properties and the Subject will be generally superior to the market rate inventory. The Subject's market rate units are above the surveyed minimum; however, they are below the surveyed maximum. The Subject will be superior to all of the comparables in terms of age and condition and superior to the majority of the comparables in terms of in-unit and property amenities.

Of the comparables that offer market rents, the Subject will be most comparable to Antioch Manor Estates, a mixed income property that was constructed in 2005. Antioch Manor Estates is currently achieving the highest market

rents and is 100 percent occupied with a lengthy waiting list. The Subject will offer a slightly superior location and superior unit sizes when compared to Antioch Manor Estates. The Subject’s proposed market rents are 4.0 percent lower than this property’s one-bedroom market rents and 21.0 to 25.0 percent lower than their two-bedroom rents.

Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

**8. Absorption/Stabilization Estimate:**

We were able to obtain absorption information from three comparable properties, illustrated following.

**ABSORPTION**

Comparable Property	Type	Opened	# Of Units	Units Absorbed Per Month
Retreat At Madison Place	LIHTC	2007	160	14
Antioch Manor Estates	LIHTC	2005	120	24
Magnolia Circle	LIHTC	2003	84	14

Antioch Manor Estates began occupancy in August 2005 and was 100 percent leased by January 2006, a five month absorption period. The average monthly absorption, including preleasing, was 24 units. The property currently maintains a waiting list of approximately 1,000 people; however, an additional phase is getting ready to open and the new units will likely be filled from the waiting list. Magnolia Circle opened in 2003 and was 100 percent occupied within six months for an absorption pace of 14 units per month. The Retreat at Madison Place began leasing in January 2007, the most recent construction, and reached stabilization by December 2007, a lease-up period of 11 months. With a 93.5 percent occupancy, 152 units were absorbed over this 11 month period. The resulting average monthly absorption is 14 units. Based on the absorption pace reported by these properties, the waiting lists at all LIHTC comparables, the additional subsidy for the majority of the Subject’s units, and the strong demand for affordable housing in Decatur, we anticipate that the Subject will absorb 12 to 14 units per month, for an absorption period of five to six 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. Further, all of the senior LIHTC properties are maintaining a waiting list. The overall market vacancy is also low at 3.5 percent, indicating a healthy market. All of the property managers at the senior comparables reported additional demand for affordable senior housing, particularly in the Subject's location which was reported to have limited senior housing options by the comparable properties. The Subject's proposed LIHTC rents are among the lowest in the market and yield a significant price value relationship for the Subject. The Subject's proposed market rents, while at the high end of the range, are reasonable. The most comparable senior property offers higher rents than the Subject's proposed rents and is 100 percent occupied with a waiting list.

There is only one senior LIHTC property under construction or proposed in the PMA, Allen Wilson Phase II. However, all of the units at this property will offer an additional subsidy and they will not compete with the Subject's LIHTC and market units. Additionally, Antioch Manor Estates has two additional phases that received allocation Phase II, recently completed construction and began leasing its units and Phase III has not begun construction. These properties are located approximately two miles outside of the Subject's PMA and will not compete with the proposed Subject. 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 two miles of the Subject and no conventional or LIHTC properties within the Subject's PMA, indicating that the Subject will face limited competition in its immediate market area. The Subject will offer a new construction design and will offer a competitive amenities package, large units and will have LIHTC rents that are among the lowest in the market. 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:	Forest Heights	Total # Units:	80
Location:	1048 South Columbia Drive, Decatur, GA	# LIHTC Units:	17
		# PBRA/PHA	54
		# Market Units	9
PMA Boundary:	U.S. Route 78 to the north, Interstate 20 to the south, Interstate 285 to the east, and Howard Street and U.S. Route 78 to the west		
	Farthest Boundary Distance to Subject:		4.2 miles

**Rental Housing Stock (found on pages 89-94)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	6	745	26	96.5%
Market-Rate Housing	3	381	19	95.0%
Assisted/Subsidized Housing not to include LIHTC	N/Ap	N/Ap	N/Ap	N/Ap
LIHTC	3	364	7	98.1%
Stabilized Comps	6	745	26	96.5%
Properties in Construction & Lease Up	N/Ap	0	0	N/Ap

# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Average Market Rent			Highest Unadjusted Comp Rent	
					Per Unit	Per SF	Advantage	Per Unit	Per SF
4	1BR (50%/PBRA)	1	767	\$628/BOI	\$647	\$0.84	N/Ap	\$975	\$1.63
2	2BR (50%/PBRA)	2	1,000	\$677/BOI	\$813	\$0.81	N/Ap	\$1,395	\$1.64
5	1BR (50%/PHA)	1	767	\$200/BOI	\$647	\$0.84	N/Ap	\$975	\$1.63
1	2BR (50%/PHA)	2	1,000	\$200/BOI	\$813	\$0.81	N/Ap	\$1,395	\$1.64
42	1BR (60%/PBRA)	1	767	\$628/BOI	\$673	\$0.88	N/Ap	\$975	\$1.63
15	1BR (60%)	1	767	\$579	\$673	\$0.88	16%	\$975	\$1.63
2	2BR (60%)	2	1,000	\$704	\$841	\$0.84	19%	\$1,395	\$1.64
4	1BR (MKT)	1	767	\$800	\$707	\$0.92	-12%	\$975	\$1.63
5	2BR (MKT)	2	1,000	\$950	\$904	\$0.90	-5%	\$1,395	\$1.64

**Demographic Data (found on pages 32 -34 )**

	2000		2010		2014	
Renter Households	2,934	32.30%	4,210	32.30%	4,967	32.30%
Income-Qualified Renter HHs (LIHTC)	528	18.00%	758	18.00%	894	18.00%
Income-Qualified Renter HHs (MR) (if applicable)	921	31.40%	1,322	31.40%	1,560	31.40%

**Targeted Income-Qualified Renter Household Demand (found on pages 53-60)**

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall**
Renter Household Growth	N/Ap	N/Ap	208	349	N/Ap	399
Existing Households (Overburdened + Substandard)	N/Ap	N/Ap	197	331	N/Ap	379
Homeowner conversion (Seniors)	N/Ap	N/Ap	136	136	N/Ap	136
Less Comparable/Competitive Supply	N/Ap	N/Ap	40	0	N/Ap	40
<b>Net Income-qualified Renter HHs*</b>	N/Ap	N/Ap	501	816	N/Ap	<b>874</b>

**Capture Rates (found on pages 55, 58, 61, 62)**

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	N/Ap	3.50%	1.20%	N/Ap	3.10%

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

\*\* Includes LIHTC and unrestricted

\*\*\* Per DCA Guidelines units operating with additional subsidy are assumed leasable and capture rates are not required.

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

<b>Project Address and Development Location:</b>	The Subject is located at 1048 S. Columbia Drive in Decatur, DeKalb County, Georgia.
<b>Construction Type:</b>	The Subject will consists of four one-story duplex style buildings, one two and three-story split elevator serviced low-rise building, and one one-story community building. All of the structures will have brick and Hardee-plank siding.
<b>Occupancy Type:</b>	Elderly – 62+
<b>Special Population Target:</b>	five percent handicapped, two percent visually impaired.
<b>Number of Units by Bedroom Type and AMI Level:</b>	<b>See following property profile.</b>
<b>Unit Size:</b>	<b>See following property profile.</b>
<b>Structure Type:</b>	<b>See following property profile.</b>
<b>Rents and Utility Allowances:</b>	<b>See following property profile.</b>
<b>Existing or Proposed Project Based Rental Assistance:</b>	Units will be restricted to elderly households ages 62 and older earning 50 and 60 percent of the AMI or less in addition to nine unrestricted units. Of the Subject’s 71 restricted units, 48 units will operate with an additional PBRA subsidy and six will operate with an additional PHA subsidy.
<b>Proposed Development Amenities:</b>	<b>See following property profile.</b>

# Forest Heights, Decatur, GA; Market Study

## Forest Heights Apartments

**Comp #** Subject  
**Effective Rent Date** 4/20/2012  
  
**Location** 1048 Columbia Drive  
 Decatur, GA 30030  
 Dekalb County  
 (verified)  
**Units** 80  
**Type** Various (age-restricted)  
**Year Built / Renovated** 2014 / n/a  
**Contact Name** Jakob Von Trapp  
**Phone** 404-419-1422



## Market

**Program** @50% (Project Based Rental Assistance - PBRA), @50% (Public Housing), @60%, @60% (Project Based Rental Assistance - PBRA), Market

## Utilities

<b>A/C</b>	not included -- central	<b>Other Electric</b>	not included
<b>Cooking</b>	not	<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	Max rent?
1	1		4	767	\$628	\$0	@50% (Project Based Rental Assistance - PBRA)	yes
1	1	N/A	5	767	\$200	\$0	@50% (Public Housing)	no
1	1		15	767	\$579	\$0	@60%	no
1	1		42	767	\$628	\$0	@60% (Project Based Rental Assistance - PBRA)	no
1	1	N/A	8	767	\$800	\$0	Market	N/A
2	2		2	1,000	\$677	\$0	@50% (Project Based Rental Assistance - PBRA)	yes
2	2		1	1,000	\$200	\$0	@50% (Public Housing)	no
2	2		2	1,000	\$704	\$0	@60%	no
2	2	N/A	1	1,000	\$950	\$0	Market	N/A

<b>Amenities</b>			
<b>In-Unit</b>	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Hand Rails Oven Pull Cords Refrigerator Vaulted Ceilings Walk-In Closet Washer/Dryer hookup	<b>Security</b>	In-Unit Alarm Limited Access Patrol Perimeter Fencing Video Surveillance
<b>Property</b>	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Courtyard Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Service Coordination	<b>Premium</b>	none
<b>Services</b>	Social and recreational programs planned and overseen by the community manager	<b>Other</b>	none

**Comments**

This is a proposed LIHTC, Public Housing and market rate senior property that will be restricted to seniors age 55 and older. The existing structures on the site will be demolished. The LIHTC only units will have a utility allowance of \$129 for a one-bedroom unit and \$165 for a two-bedroom unit. Gross rents will be \$708 for a one-bedroom at 60 percent of the AMI and \$869 for a two-bedroom at 60 percent of the AMI.

**Placed in Service Date:** The Subject will be placed in service in November 2014.

**Conclusion:** The Subject will be an excellent -quality brick and Hardee-plank siding one-story duplex and three-story low-rise apartment complex, comparable to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

## **C. SITE EVALUATION**

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

Jill Conable visited the site on April 26, 2012.

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

The following illustrates the physical features of the site.

*Frontage:*

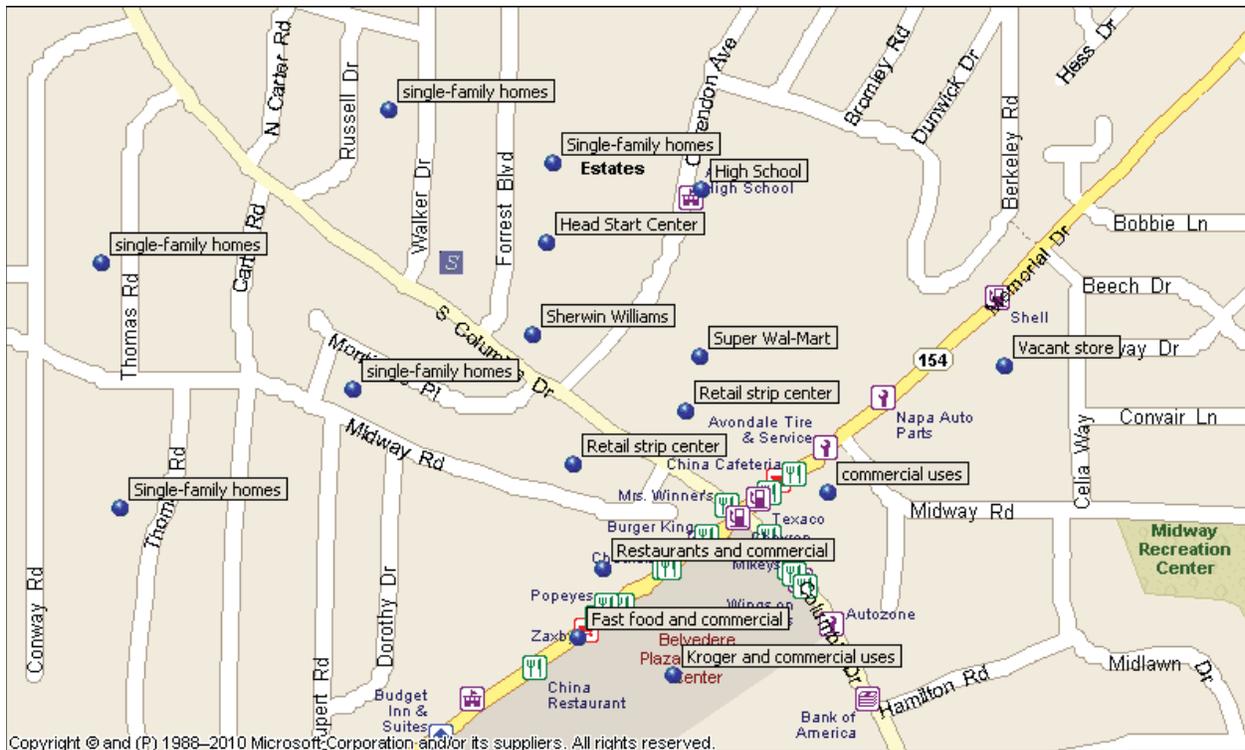
The Subject has frontage along the north side of South Columbia Drive, the east and west side of Forest Boulevard and the east side of Walker Drive.

*Visibility/Views:*

The Subject site has excellent visibility from South Columbia Drive, Walker Drive, and Forrest Boulevard. Views to the south and west consist of single-family homes in good to average condition. The view to the north is vacant wooded land and a single-family home in average condition. Views to the east are of single-family homes in good to average condition, a Sherwin Williams paint store and the back of a Head Start Center that includes a playground. The Head Start Center and the Sherwin Williams are partially obscured by a fence and a tree border. Views are considered average.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



The Subject site is located within a mixed use area that is

dominated by single-family homes and commercial uses. Commercial uses are concentrated primarily to the east and southeast of the Subject site, at the intersection of Memorial Drive and Columbia Drive. The Subject is located at the entry and across from residential neighborhoods with single-family homes in fair to good condition. Immediately Adjacent to the Subject site is a Sherwin Williams Paint Store followed by a new Super Wal-Mart and additional low and high density commercial uses. Commercial uses are well occupied and in good condition.

*Positive/Negative Attributes of Site:* There are no negative attributes of the site that were visible from our site inspection. Positive attributes include the Subject's close proximity to commercial uses including a Super Wal-Mart. In addition, the Subject site is adjacent to a bus stop and single-family homes in good to average condition.

### 3. Physical Proximity to Locational Amenities:

The Subject is located approximately three miles from Interstate 285 via Columbia Drive and Glenwood Road. The Subject is also located approximately three miles from Interstate 20 via Columbia Drive. All amenities and community services are located within four miles from the Subject site.

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



Subject site



Subject site



Subject site



Subject site



Rear of buildings



Subject site facing west



Exterior of Building



Interior of unit



View of kitchen counter



Typical bedroom



Typical living room



Drywall and electrical damage



Typical kitchen



Stairwell of Subject



Typical family room



View southeast on Columbia Drive from Subject



View west on Columbia Drive from Subject



View of Sherwin Williams from Subject site



Super Wal-Mart



Burger King



Kroger retail center



Intersection of Columbia Drive and Memeorial Drive



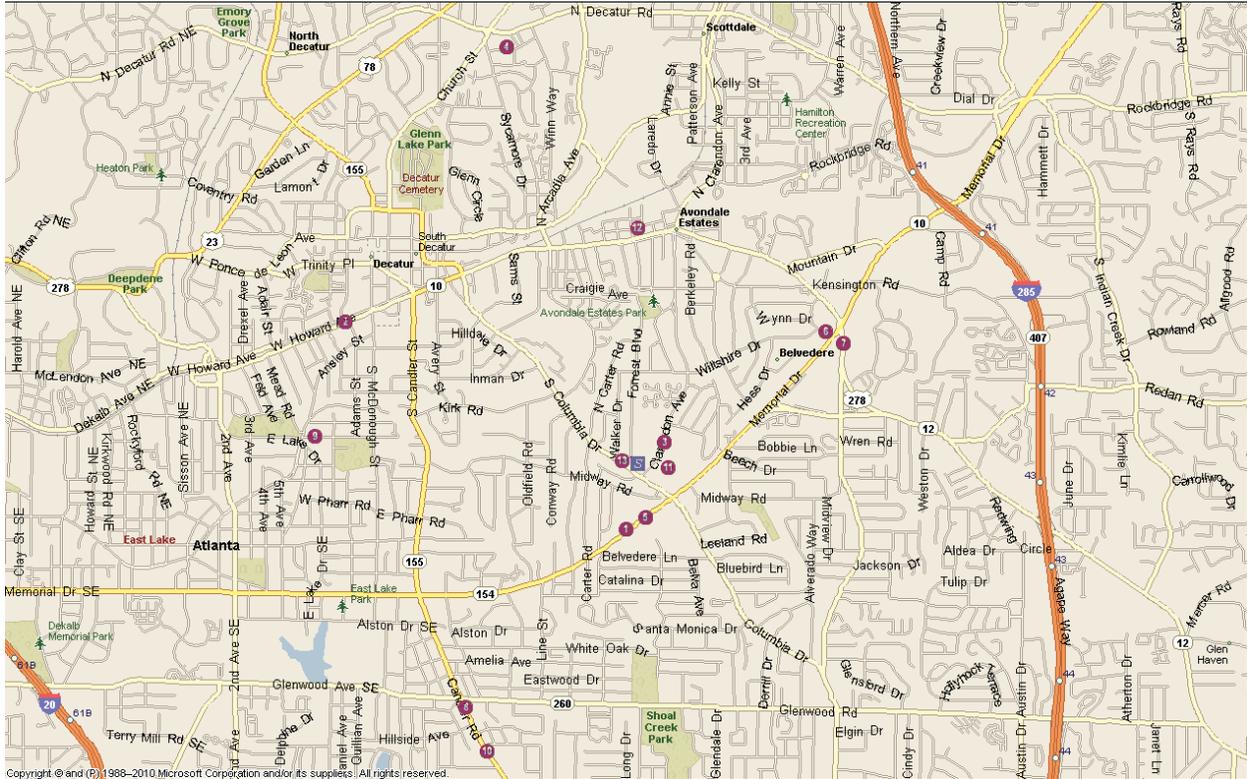
Strip retail center on Columbia Drive just northwest of Memorial Drive



Single family home west of Subject

**5. Proximity to Locational Amenities:**

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



**LOCATIONAL AMENITIES**

Map Number	Service or Amenity	Miles From Subject
1	Hooper Alexander Elementary School	0.6 miles
2	Renfroe Middle School	2.1 miles
3	Avondale High School	0.3 miles
4	Dekalb Medical Center	3.6 miles
5	Kroger Grocery	0.4 miles
6	Rite Aid Pharmacy	1.5 miles
7	Dekalb County Public Library	1.5 miles
8	Dekalb County Police Department	2.5 miles
9	Decatur Fire Department	2.9 miles
10	South Dekalb Senior Center	2.7 miles
11	Wal-Mart Supercenter	6.8 miles
12	US Postal Service-Avondale Estates Branch	3.0 miles
13	MARTA Transit Bus Stop Line 21 Memorial Drive	0.4 miles

**6. Description of Land Uses:**

There is significant commercial development located east and south east of the Subjects site and single-family uses north, south and west of the Subject site. Adjacent to the Subject site to the east is a Sherwin Williams paint store and a Head Start Center followed by a Super Wal-Mart and a retail strip center. Further east is a variety of high-density

commercial developments that are in good condition and approximately 90 to 95 percent occupied. Immediately north, south and west of the Subject site are detached older single-family homes that vary in condition from good to average. Overall, the Subject's location on the peripheral of a residential neighborhood within close proximity to retail and services will be well suited for senior housing and is compatible with the surrounding land uses.

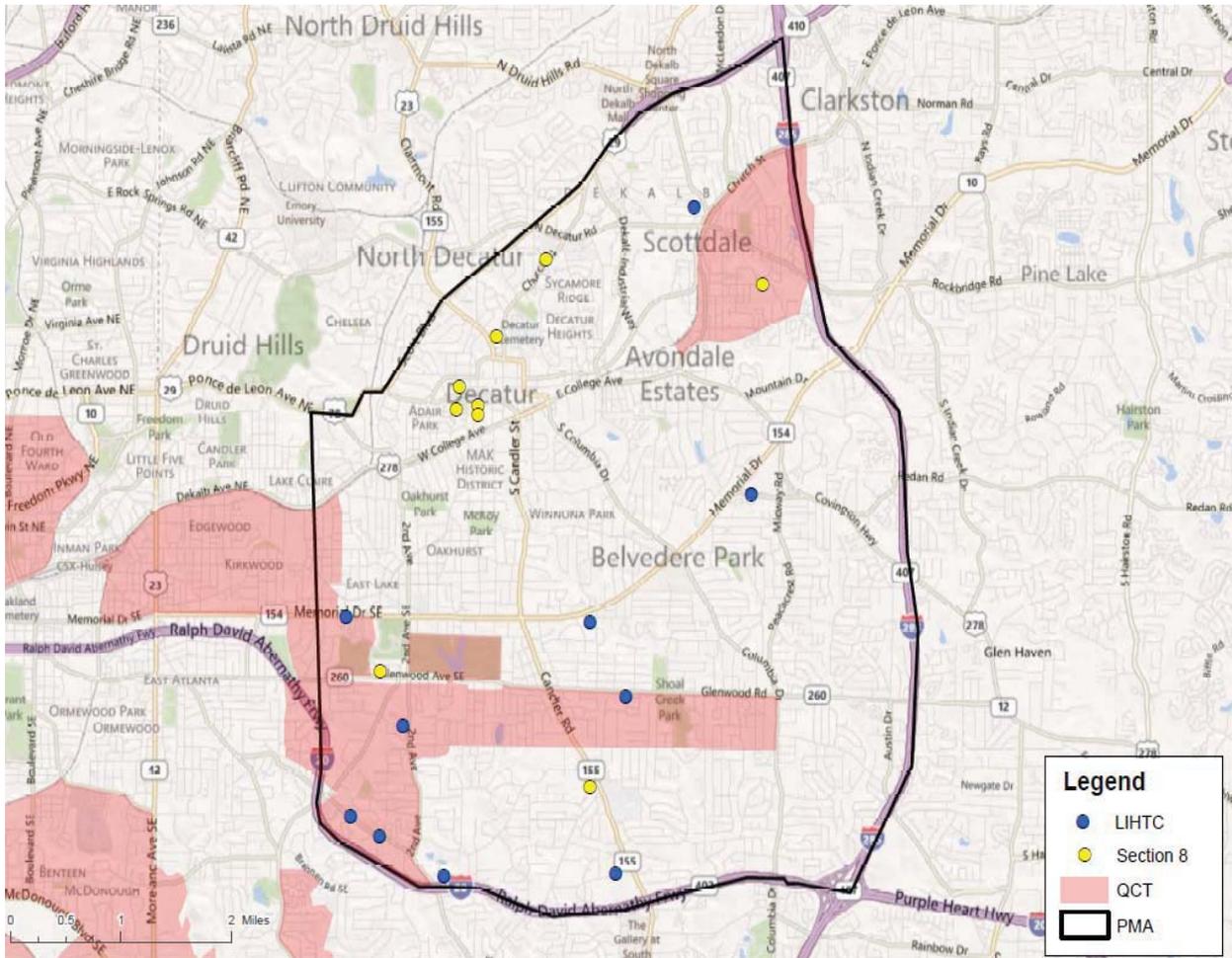
#### **7. Multifamily Residential within Two Miles:**

There are no senior comparable properties within two miles of the Subject site. Several multifamily rental properties are located in the Subject's neighborhood. Royal Manor, Sol Luna, and Ridgewood Apartments are market rate properties located approximately one mile northeast of the Subject site. These properties were constructed in the 1970's and management at these properties indicated that they have very few senior tenants. We have not included these properties as comparables due to their minimal senior tenancy and their inferior age and conditions. Brittany Place and Delano Place are both family LIHTC properties located less than 1.5 miles from the Subject site. Both of the property managers at these properties stated that they have few senior tenants as seniors tended to prefer senior only properties over the family properties. Maple Walk Apartments, located 1.3 miles northeast of the Subject is a market rate property in good condition that was constructed in 1985. We have included this property as a comparable due to good condition and proximity to the Subject.

#### **8. Existing Assisted Rental Housing**

##### **Property Map:**

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



Decatur, GA

### Affordable Properties and QCTs



Name	Occupancy Rate	Address	Tenancy	Type	Map Color	Reason for Exclusion	Distance	
Clairmont Oaks	N/A	441 Clairmont Avenue	Elderly	Section 236	Yellow	Subsidized	2.5 miles	
Allen Wilson Phase 2 (aka Oliver House)	Under Construction	1450 Commerce Dr	HFOP	Section 8		Subsidized	2.8 miles	
Allen Wilson Terrace Phase 1	100%	Commerce Drive & Robin Street	Family	Section 8		Tenancy and Subsidized	1.9 miles	
Candler Forrest Apartments	96%	2145 Candler Road	Family	Section 8		Tenancy and Subsidized	3.3 miles	
Park Trace Apartments	100%	700 Atlanta Ave	Elderly	Section 8		Subsidized	2.7 miles	
Oak Forest	N/A	338 Hutton Drive	Family	Section 8		Subsidized	4.6 miles	
Christian Towers	N/A	1438 Church St. Decatur	Elderly	Section 8		Subsidized	3.2 miles	
Gateway Manor	100%	421 West Trinity Place	Elderly	Section 8		Subsidized	2.7 miles	
Villages at East Lake	94%	460 East Lake Boulevard	Family	Section 8		Tenancy and Subsidized	3.5 miles	
Delano Place	96%	1570 Delano Drive	Family	LIHTC		Blue	Differing Tenancy	1.4 miles
Robins Landing Apartments	94%	3529 Robins Landing Way	Family	LIHTC			Differing Tenancy	2.3 miles
Sycamore Chase FKA Maple Glen Apartments	78%	3117 Cedar Brook Drive	Family	LIHTC			Differing Tenancy	3.2 miles
Whispering Pines	97%	2790 Kelly Lake Road	Family	LIHTC/Market			Differing Tenancy	4.2 miles
Gresham House	69%	2520 Flat Shoals Road	Family	LIHTC/Market			Differing Tenancy	6.4 miles
Columbia Village	100%	100 Jessica Ave	Family	LIHTC			Differing Tenancy	3.7 miles
Columbia Mill	N/A	2229 Flat Shoals Rd	Family	LIHTC	Differing Tenancy		7.0 miles	
Vinyards at Flat Shoals	94%	2125 Flat Shoals Rd	Family	LIHTC	Differing Tenancy		7.1 miles	
Brittany Place	83%	3246 Covington Drive	Family	LIHTC	Differing Tenancy		1.2 miles	
Courtyards at Glenview	85%	2035 Memorial Drive	Family	LIHTC	Differing Tenancy		3.5 miles	

### 9. Road/Infrastructure Proposed Improvements:

There were no road or infrastructure improvements ongoing at the time of our site inspection. According to the

local planning department, there are no immediate proposed improvements.

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

The Subject is accessible from South Columbia Drive, a moderately trafficked road that provides access to Memorial Drive to the southeast. Memorial Drive is a heavily trafficked major east-west corridor that provides access to Interstate 285 to the east and Interstate 20 to the west. Additional access is via Forrest Boulevard and Walker Drive, lightly trafficked residential roadways that border the Subject site. The Subject has excellent access. The Subject site is visible from South Columbia Drive, Forrest Boulevard, and Walker Drive. Visibility is considered excellent.

**11. Environmental Concerns:**

None visible upon site inspection.

**Detrimental Influences:**

There are no significant detrimental influences.

**12. Conclusion:**

The Subject site is located on the north side of South Columbia Drive, with buildings located immediately east and immediately west of Forrest Boulevard. The site is currently improved with 12, two-story, garden apartment buildings that will be demolished. There is significant commercial development located east and south east of the Subjects site and single-family uses north, south and west of the Subject site. Adjacent to the Subject site to the east is a Sherwin Williams paint store and a Head Start Center followed by a Super Wal-Mart and a retail strip center. Further east is a variety of high-density commercial developments that are in good condition and approximately 90 to 95 percent occupied. Immediately north, south and west of the Subject site are detached older single-family homes that vary in condition from good to average. The Subject is accessible from South Columbia Drive, a moderately trafficked road that provides access to Memorial Drive to the southeast. Memorial Drive is a heavily trafficked major east-west corridor that provides access to Interstate 285 to the east and Interstate 20 to the west. Additional access is via Forrest Boulevard and Walker Drive, lightly trafficked residential roadways that border the Subject site. Overall, the Subject site has excellent access and exposure and is within walking distance to a variety of retail and commercial uses including a Super Wal-Mart. The Subject's location on the peripheral of a residential neighborhood within close proximity to retail and services will be well suited for

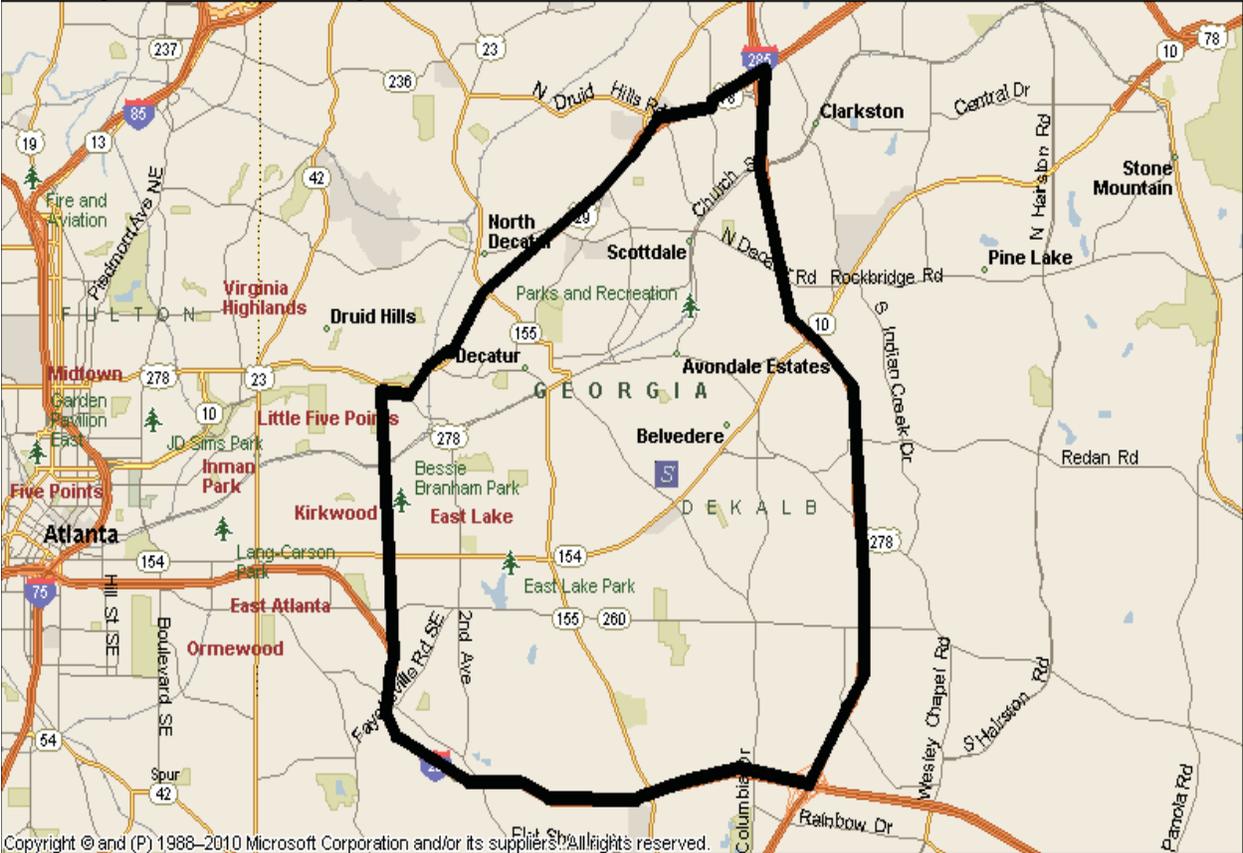
senior housing and is compatible with the surrounding land uses.

## **D. MARKET AREA**

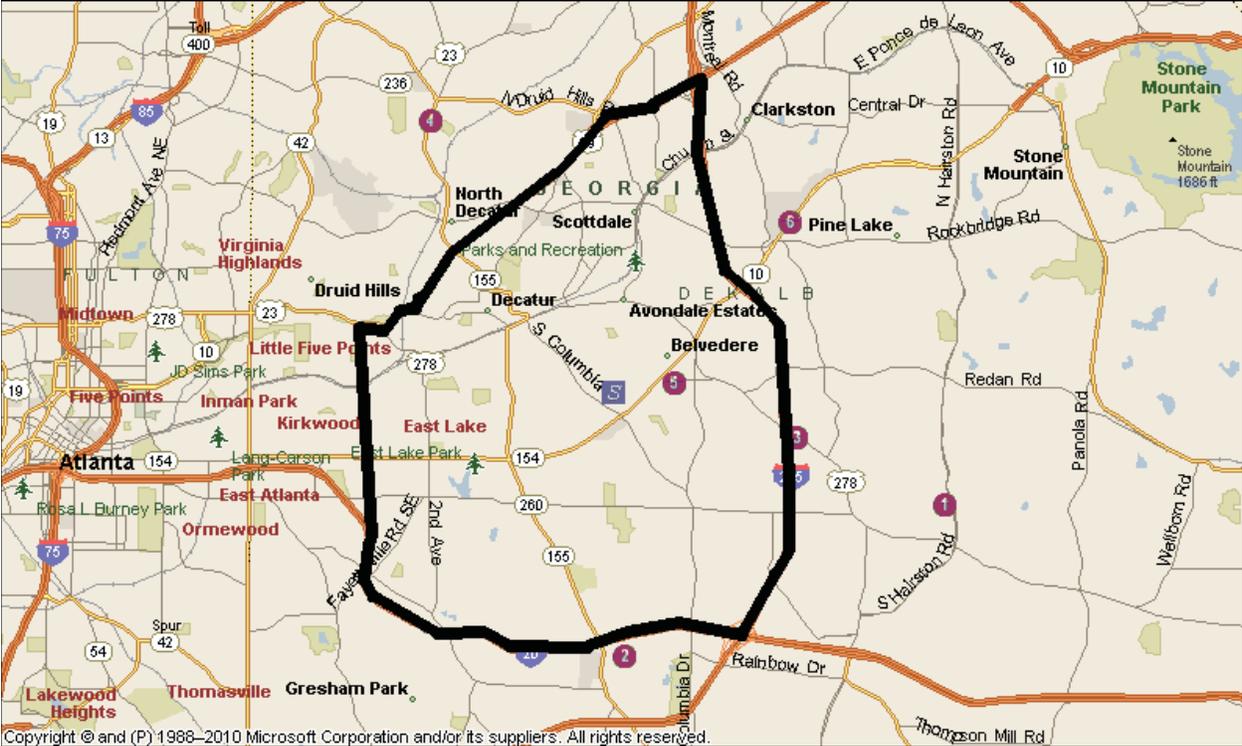
**PRIMARY MARKET AREA**

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.

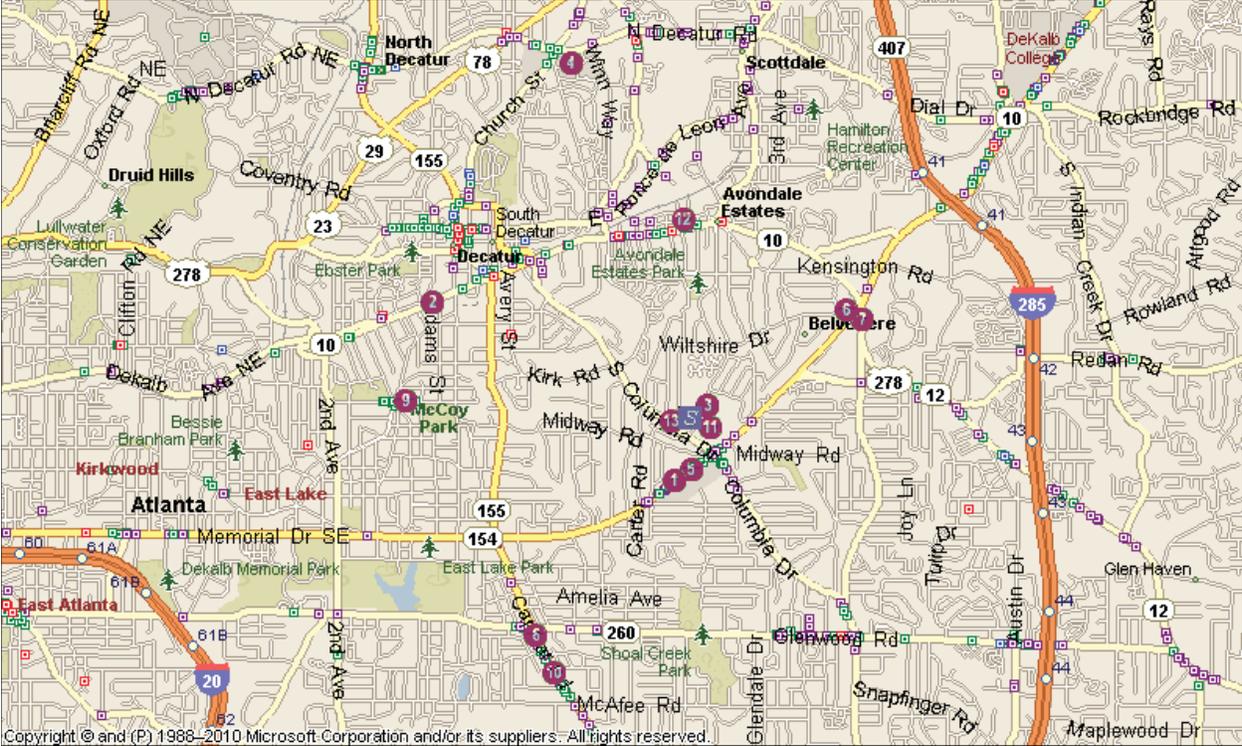
**Primary Market Area Map**



Comparable Map



Locational Amenities Map



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 Marietta MSA are areas of growth or contraction.

The boundaries of the PMA are as follows:

North – U.S. Route 78

South- Interstate 20

East-Interstate 285

West-Howard Street NE and U.S. Route 78

The PMA is defined by all of the area west of Interstate 285, south of U.S. Route 78, east of Howard Street NE, and north of Interstate 20. This area includes the Cities of Decatur, Avondale Estates, and portions of East Atlanta. The area was defined based on interviews with the local housing authority and property managers at comparable properties. According to the property manager at Magnolia Circle, approximately 40 to 50 percent of the tenants come from out-of-state to be closer to their adult children. The remainders of the tenants are from south DeKalb County. Magnolia Circle's property manager also indicated that they did not compete with Antioch Manor as few of their tenants are from the Stone Mountain area or from the areas east of Wesley Chapel Road. The property manager at Retreat at Madison also indicated that some tenants come from other states such as Alabama. The remaining tenants come from south Atlanta, downtown specifically, and the Decatur/Stone Mountain/Lithonia area. She stated that the Subject would likely pull tenants from Decatur and the areas west of Interstate 285. Therefore, we have defined the eastern border of our PMA as Interstate 285. Because Decatur is easily accessible via Memorial Drive, property managers indicated that the Subject could likely draw tenants from the eastern portions of Atlanta. Therefore, we have included the eastern portions of Atlanta in our PMA. We have defined the northern border of our PMA as U.S. Route 78 due to area traffic patterns and the Subject is less likely to draw tenants from north of this heavily trafficked roadway. We believe that the majority of the tenants will come from metro Atlanta, DeKalb County specifically, and out-of-state. Because of this, we believe the Subject will have significant age from outside the PMA.

## **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 Atlanta-Sandy Springs-Marietta, GA 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, 62+**

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	11,831	-	404,858	-
2010	15,501	3.0%	658,773	6.1%
Prj Mrkt Entry				
November 2014	17,857	3.5%	803,382	5.1%
2015	18,220	3.5%	825,630	5.1%

Source: ESRI Demographics 2010, Novogradac & Company LLP, April 2012

**POPULATION BY AGE IN 2010**

Age Cohort	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
0-4	7,681	6.7%	417,914	7.4%	21,296,740	6.8%
5-9	7,353	6.4%	401,365	7.2%	20,832,961	6.7%
10-14	6,920	6.0%	388,707	6.9%	20,369,284	6.5%
15-19	8,182	7.1%	379,557	6.8%	21,883,995	7.0%
20-24	9,959	8.7%	379,685	6.8%	21,459,235	6.9%
25-29	9,843	8.5%	445,783	7.9%	21,517,303	6.9%
30-34	8,246	7.2%	417,120	7.4%	19,852,007	6.4%
35-39	8,118	7.1%	430,250	7.7%	20,531,543	6.6%
40-44	8,103	7.0%	430,608	7.7%	21,232,056	6.8%
45-49	8,326	7.2%	441,258	7.9%	23,163,948	7.4%
50-54	7,883	6.8%	391,389	7.0%	22,315,436	7.2%
55-59	6,745	5.9%	324,138	5.8%	19,742,941	6.3%
60-64	5,676	4.9%	261,583	4.7%	16,544,050	5.3%
65-69	3,657	3.2%	173,893	3.1%	12,081,110	3.9%
70-74	2,655	2.3%	116,523	2.1%	9,033,665	2.9%
75-79	1,985	1.7%	86,177	1.5%	7,339,326	2.4%
80-84	1,726	1.5%	63,573	1.1%	5,947,153	1.9%
85+	2,072	1.8%	61,657	1.1%	6,070,110	2.0%
<b>Total</b>	<b>115,131</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, April 2012

**Number of Elderly and Non-Elderly - PMA**

Year	Total Population	PMA		Secondary Area (SMA, MSA, City, Village, etc)		
		Non-Elderly	Elderly (62+)	Total Population	Non-Elderly	Elderly (62+)
1990	104,430	92,797	11,633	3,069,425	2,758,709	310,716
2000	108,441	96,610	11,831	4,247,981	3,843,123	404,858
2010	115,130	99,629	15,501	5,611,180	4,952,407	658,773
Prj Mrkt Entry November 2014	118,292	100,434	17,857	6,104,336	5,300,953	803,382
2015	118,778	100,558	18,220	6,180,206	5,354,576	825,630

Source: ESRI Demographics 2010, Novogradac & Company LLP, April 2012

Projected annual senior population growth in the PMA from 2010 to 2014 is slower than the projected growth in the MSA. In 2010 the population over 65 was 10.5 percent of the overall population which is greater when compared to the MSA where the population over 65 is only 8.9 percent of the overall population, but less than compared to the nation where 13.0 percent of the population is over 65.

**2. Household Trends**

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

**HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 62+**

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA	
	Number	Annual Change	Number	Annual Change
2000	7,621	-	248,490	-
2010	8,613	1.3%	344,012	3.8%
Prj Mrkt Entry November 2014	9,905	3.5%	425,300	5.5%
2015	10,103	3.5%	437,806	5.5%

Source: ESRI Demographics 2010, Novogradac & Company LLP, April 2012

Similar to senior population trends, annual senior household growth in the PMA has experienced growth as of 2010, but this growth was below the MSA. There is a projected increase of 3.5 percent annually through November 2014.

**2b. Households by Tenure**

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

**TENURE PATTERNS PMA (AGES 62+)**

Year	Owner-Occupied	Percentage Owner-	Renter-Occupied	Percentage Renter-
	Units	Occupied	Units	Occupied
1990	-	-	-	-
2000	5,663	74.30%	1,959	25.70%
2009	6,056	70.32%	2,556	29.68%
Prj Mrkt Entry November 2014	6,821	68.89%	3,084	31.11%
2014	6,938	68.67%	3,165	31.33%

As the table illustrates, households within the PMA are predominately owner-occupied residences. The percentage of owner-occupied homes is expected to decrease slightly, and the subsequently the percentage of renter-occupied homes is projected to increase through

November 2014. The percentage of renter occupied homes in the PMA is more than double that of the nation where senior renter occupied homes is only 13 percent.

**2c. Households by Income**

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

**HOUSEHOLD INCOME OF SENIORS 62+ IN 2010**

Income Cohort	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Percentage</i>
\$0-9,999	1,181	13.7%	38,216	11.1%	11.9%
\$10,000-19,999	1,615	18.7%	52,112	15.1%	17.4%
\$20,000-29,999	1,392	16.2%	47,357	13.8%	15.6%
\$30,000-39,999	989	11.5%	40,003	11.6%	12.3%
\$40,000-49,999	752	8.7%	33,714	9.8%	9.8%
\$50,000-59,999	593	6.9%	26,533	7.7%	7.3%
\$60,000-74,999	689	8.0%	24,575	7.1%	7.0%
\$75,000-99,999	621	7.2%	31,716	9.2%	8.0%
\$100,000+	781	9.1%	49,786	14.5%	10.7%
<b>Total</b>	<b>8,613</b>	<b>100.0%</b>	<b>344,012</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Ribbon Demographics 2007, Novogradac & Company LLP, April 2012

**PMA HOUSEHOLD INCOME OF SENIORS 62+ IN 2010 BY TENURE**

Income Cohort	Renter Households		Owner Households	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0-9,999	688	26.9%	493	8.1%
\$10,000-19,999	669	26.2%	946	15.6%
\$20,000-29,999	426	16.7%	966	15.9%
\$30,000-39,999	262	10.2%	728	12.0%
\$40,000-49,999	189	7.4%	563	9.3%
\$50,000-59,999	128	5.0%	465	7.7%
\$60,000-74,999	64	2.5%	625	10.3%
\$75,000-99,999	58	2.3%	563	9.3%
\$100,000+	73	2.8%	708	11.7%
<b>Total</b>	<b>2,556</b>	<b>100.0%</b>	<b>6,056</b>	<b>100.0%</b>

Source: Ribbon Demographics 2007, Novogradac & Company LLP, April 2012

The largest income cohort of seniors over 62 was between \$10,000 and \$19,999. The Subject will target households earning below \$52,000. Approximately 87 percent of senior renters are earning below \$52,000. This bodes well for the Subject.

**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 62+)**

	2000		2010		Prj Mrkt Entry November 2014		2015	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,326	67.7%	1,689	66.1%	2,031	65.9%	2,083	65.8%
With 2 Persons	364	18.6%	463	18.1%	521	16.9%	530	16.8%
With 3 Persons	145	7.4%	208	8.2%	269	8.7%	278	8.8%
With 4 Persons	36	1.8%	75	2.9%	94	3.0%	96	3.0%
With 5+ Persons	88	4.5%	121	4.7%	169	5.5%	176	5.6%
Total Renter Households	1,959	100.0%	2,556	100.0%	3,084	100.0%	3,165	100.0%

Source: Ribbon Demographics 2007, Novogradac & Company LLP, April 2012

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 66.1 percent of the population in 2010.

**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 senior population and the number of households with a senior householder are both projected to realize a stable growth from 2010 to 2015. In 2010, the percentage of senior renter-occupied units in the PMA was 29.7 percent, more than double that of the nation, and this is expected to increase through 2015. These are positive indicators for the Subject.

## **F. EMPLOYMENT TRENDS**

**Employment Trends**

Decatur is located in and is the county seat of DeKalb County, which lies in north central Georgia and is bordered by the following Georgia counties: Gwinnett County to the north, Henry and Clayton Counties to the south, Rockdale County to the east, and Fulton County to the west. Decatur encompasses approximately 4.2 square miles, and is an intown suburb of Atlanta. There is large percentage of the workforce employed in the healthcare/social assistance, educational services, and retail trade industries.

**1. Total Jobs**

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

TOTAL JOBS IN DEKALB COUNTY		
Year	Total Employment	% Change
2001	305,903	-
2002	297,974	-2.59%
2003	293,576	-1.48%
2004	290,263	-1.13%
2005	291,014	0.26%
2006	280,917	-3.47%
2007	297,698	5.97%
2008	296,746	-0.32%
2009	280,087	-5.61%
2010	272,990	-2.53%
2011 YTD Average*	272,834	-0.06%
Sep-10	271,524	-
Sep-11	273,788	0.83%

Source: U.S. Bureau of Labor Statistics

\* YTD as of Sept 2011

As the table above illustrates total employment in DeKalb County has declined since 2008 which is a result of the national recession. From September 2010 to September 2011 total employment grew by 0.83 percent, which signals that the county may be slowly recovering from the recession.

**2. Total Jobs by Industry**

The following table illustrates the total jobs by employment sectors within the PMA and nation in 2011.

**SEPT 2011 EMPLOYMENT JOBS BY INDUSTRY**

**DeKalb County**

<b>Industry</b>	<b>Number Employed</b>	<b>Percent Employed</b>
Trade, Transportation, and Utilities	55,752	24.68%
Education and Health Services	52,370	23.18%
Professional and Business Services	41,534	18.38%
Leisure and Hospitality	23,702	10.49%
Financial Activities	13,443	5.95%
Manufacturing	12,729	5.63%
Construction	9,115	4.03%
Information	8,781	3.89%
Other Services	7,270	3.22%
Unclassified	1,091	0.48%
Natural Resources and Mining	129	0.06%
Public Administration*	-	-
<b>Total Employment</b>	<b>225,916</b>	<b>100.00%</b>

\*Monthly data is not available

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

The previous table illustrates the total jobs by industry offered within the county. The largest sectors in DeKalb County, according to the Bureau of Labor Statistics, are in the trade, transportation and utilities industries. It should be noted that monthly data was not available for the Public Administration industry.

2010 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Health Care/Social Assistance	6,394	14.4%	18,891,157	13.9%
Educational Services	6,041	13.6%	14,168,096	10.4%
Retail Trade	4,270	9.6%	15,464,986	11.4%
Accommodation/Food Services	3,723	8.4%	9,114,767	6.7%
Prof/Scientific/Tech Services	3,628	8.1%	8,520,310	6.3%
Public Administration	2,780	6.2%	6,916,821	5.1%
Other Services (excl Publ Adm)	2,633	5.9%	6,679,783	4.9%
Transportation/Warehousing	2,511	5.6%	5,487,029	4.0%
Admin/Support/Waste Mgmt Svcs	2,369	5.3%	5,114,479	3.8%
Manufacturing	2,101	4.7%	13,047,475	9.6%
Construction	1,742	3.9%	8,872,843	6.5%
Information	1,669	3.7%	3,158,778	2.3%
Finance/Insurance	1,541	3.5%	6,883,526	5.1%
Real Estate/Rental/Leasing	1,054	2.4%	2,825,263	2.1%
Wholesale Trade	1,022	2.3%	4,407,788	3.2%
Arts/Entertainment/Recreation	705	1.6%	2,628,374	1.9%
Utilities	254	0.6%	1,115,793	0.8%
Mgmt of Companies/Enterprises	54	0.1%	202,384	0.1%
Agric/Forestry/Fishing/Hunting	46	0.1%	1,790,318	1.3%
Mining	0	0.0%	723,991	0.5%
<b>Total Employment</b>	<b>44,537</b>	<b>100.0%</b>	<b>136,013,961</b>	<b>100.0%</b>

Source: ESRI Demographics 2010, Novogradac & Company LLP, April 2012

In the PMA, educational services, healthcare, and retail trade sectors comprise 37.5 percent of the area industry and healthcare alone comprises of 14.4 percent of employment. Those same sectors comprise 35.7 percent nationally. It is notable that the PMA has a relatively low concentration of construction and manufacturing employment, which are typically more volatile industries. These industries tend to offer a wide range of high and low paying jobs, which is evidence of the need for affordable housing in the PMA.

3. Major Employers

The following table lists the most recent available list of major employers in Decatur.

MAJOR EMPLOYERS

Decatur, GA

#	Employer	Industry	Number Employed
1	DeKalb County Government	Government	1,200
2	Emory University Health Systems	Healthcare	600
3	Decatur Board of Education	Education	489
4	Agnes Scott College	Education	375
5	DeVry University	Education	290
6	U.S. Postal Service	Government	200
7	City of Decatur	Government	200
8	Decatur Hospital	Healthcare	150
9	Columbia Theological Seminary	Non-profit/Religious	100
10	Wells Fargo Bank	Finance	45
11	McCurdy Candler	Legal	25
	<b>Total</b>		<b>3,674</b>

Source: City of Decatur, April 2012

As the table above illustrates, the City of Decatur’s major employers are almost all in the services industries. Education services, government, and healthcare services are all represented among Decatur’s top employers. While the economy does not appear to be very diverse, the major employers are primarily contained in stable industries such as education services, healthcare services, and government and therefore we do not believe this will negatively affect the Subject

The following table lists the major employers in the Atlanta-Sandy Springs- Marietta, GA MSA

**MAJOR EMPLOYERS**  
**Atlanta-Sandy Springs-Marietta, GA MSA**

<b>Employer</b>	<b>Industry</b>	<b>Number Employed</b>
Delta Air Lines, Inc.	Transportation	25,000
Wal-Mart Stores, Inc.	Retail	23,600
Gwinnett County Public Schools	Education	20,821
AT&T Inc.	Telecommunications	20,325
Emory University	Education	19,873
Cobb County School District	Education	15,211
DeKalb County School System	Education	13,890
Fulton County Schools	Education	11,894
United States Postal Service	Government	10,258
WellStar Health System, Inc.	Healthcare	9,067
The Home Depot, Inc.	Retail	9,000
Clayton County Public Schools	Education	8,200
Children’s Healthcare of Atlanta	Healthcare	7,572
Georgia Institute of Technology	Education	7,566
DeKalb County Government	Government	7,188
Lockheed Martin Aeronautics	Defense	7,091

Source: *Atlanta Business Chronicle*, Novogradac & Company LLP, March 2012

As seen in the previous table, the top employers within the MSA are concentrated in the education, government, retail and transportation industries. The largest employer in the MSA, Delta Air Lines, maintains its world headquarters in the MSA, in addition to operating its largest hub at Hartsfield-Jackson Atlanta International Airport (ATL). Other major employers in include the majority of countywide public education systems within the MSA.

The largest employers in the MSA are the transportation, education, and retail sectors. Lower skilled employees in these industries are likely to have incomes in line with the Subject’s income restrictions. Despite the area’s strong foundation in historically stable industries such as education and public administration, these sectors have also experienced layoffs as a result of the recession. Further, the prevalence of the retail trade industry in the Atlanta area exposes the local economy to the lingering effects of the recession.

*Expansions/Contractions*

The following table lists some of these expansions in the larger metropolitan Atlanta area. It should be noted that the following table is not a comprehensive list.

**BUSINESS EXPANSIONS\***  
**Atlanta-Sandy Springs-Marietta, GA MSA**

<b>Year</b>	<b>Employer</b>	<b>Industry</b>	<b>Location</b>	<b>Jobs</b>
2012	PointClear	Technology	Atlanta	10
2012	Fresenius Medical	Healthcare	Kennesaw	120
2011	ThyssenKrupp	Information	Alpharetta	110
2011	FedEx Ground	Distribution	Norcross	315
2011	Macy's	Retail	Johns Creek	150
2011	Cadiallac Jack	Information	Duluth	40
2010	Hewlett-Packard	Information	Alpharetta	1,000
2010	Vesta	Call Centers	Alpharetta	500
2010	SKC, Inc.	Manufacturing	Covington	120
2010	Novelis, Inc.	Manufacturing	Atlanta	80
2010	Phillips-Van Buren	Distribution	McDonough	150
2010	Callaway Black Group	Branch Office	Atlanta	30
2010	Chart Industries	Manufacturing	Atlanta	80
2010	CT&T	Branch Office & Showroom	Atlanta	40
2010	Endeavor Telecom	Headquarters	Atlanta	120
<b>Total</b>				<b>2,865</b>

Source: GA Department of Labor

\*List is not comprehensive

As the previous table demonstrates, expansions in the metropolitan Atlanta market have been in various industries that have been affected by the economic downturn including retail and manufacturing. However, these industries have adapted to the current market including Macy's, which is expanding its e-commerce department.

**DEKALB COUNTY BUSINESS CLOSURES/LAYOFFS**

<b>Company Name</b>	<b>City</b>	<b># of Jobs Affected</b>	<b>Date</b>
Cox Communications	Atlanta	133	1/27/2012
Bloomingdale's	Atlanta	141	1/4/2012
<b>Total 2012 Job Losses YTD</b>		<b>274</b>	
Netspend Corp	Atlanta	80	12/6/2011
Kmart	Doraville	70	10/31/2011
CCP North America	Stone Mountain	45	10/19/2011
Decatur Hotel	Decatur	55	8/4/2011
<b>Total 2011 Job Losses</b>		<b>250</b>	

Source: GA Department of Labor 05/2012

As illustrated in the above table, Decatur County lost 250 jobs in 2011 and 274 jobs as of May 2012.

#### 4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2000 to 2011.

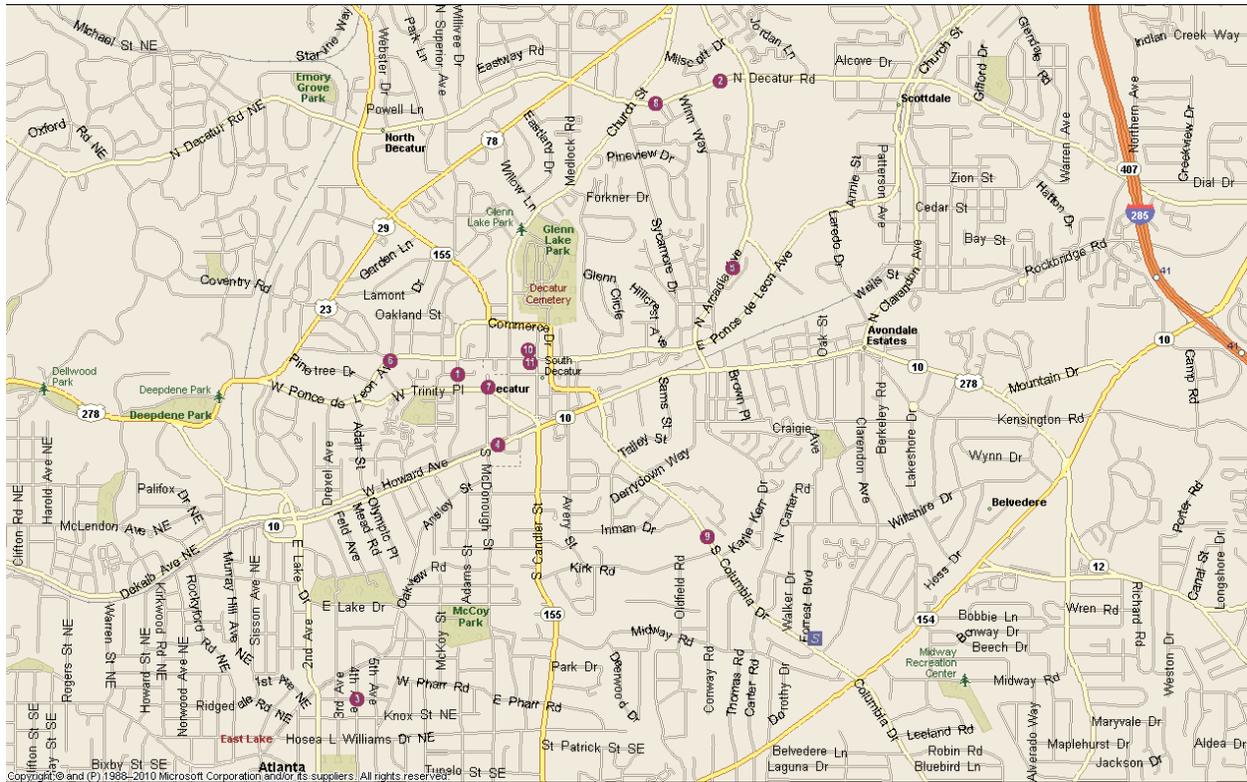
EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)									
Year	Atlanta-Sandy Springs-Marietta, GA MSA				USA				
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change	
2001	2,335,175	-	3.6%	-	136,933,000	-	4.7%	-	
2002	2,330,487	-0.2%	4.9%	1.3%	136,485,000	-0.3%	5.8%	1.1%	
2003	2,334,092	0.2%	4.8%	-0.1%	137,736,000	0.9%	6.0%	0.2%	
2004	2,379,513	1.9%	4.7%	-0.1%	139,252,000	1.1%	5.5%	-0.5%	
2005	2,456,221	3.2%	5.3%	0.6%	141,730,000	1.8%	5.1%	-0.4%	
2006	2,535,341	3.2%	4.7%	-0.6%	144,427,000	1.9%	4.6%	-0.5%	
2007	2,604,115	2.7%	4.6%	-0.1%	146,047,000	1.1%	4.6%	0.0%	
2008	2,582,627	-0.8%	6.2%	1.6%	145,362,000	-0.5%	5.8%	1.2%	
2009	2,424,779	-6.1%	9.8%	3.6%	139,877,000	-3.8%	9.3%	3.5%	
2010	2,388,182	-1.5%	10.2%	0.4%	139,064,000	-0.6%	9.6%	0.3%	
2011	2,427,996	1.7%	9.6%	-0.6%	139,869,000	0.6%	8.9%	-0.7%	
2012 YTD Average*	2,462,527	1.4%	10.2%	0.6%	140,314,000	0.3%	8.8%	-0.2%	
Feb-2011	2,404,227	-	9.9%	-	138,093,000	-	9.5%	-	
Feb-2012	2,468,607	2.7%	9.0%	-0.9%	140,684,000	1.9%	8.7%	-0.8%	

Source: U.S. Bureau of Labor Statistics, Novogradac & Company LLP, April 2012  
 \*2012 data is through Feb

From 2002 through 2007, total MSA employment increased steadily. In 2008, total MSA employment decreased by 6.1 percent, compared to a national employment decrease of 3.8 percent for the same period of study. This is a result of the economic downturn that began in late 2008.

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

The following map and table details the largest employers in Decatur.



### MAJOR EMPLOYERS

Decatur, GA

#	Employer	Industry	Number Employed
1	DeKalb County Government	Government	1,200
2	Emory University Health Systems	Healthcare	600
3	Decatur Board of Education	Education	489
4	Agnes Scott College	Education	375
5	DeVry University	Education	290
6	U.S. Postal Service	Government	200
7	City of Decatur	Government	200
8	Decatur Hospital	Healthcare	150
9	Columbia Theological Seminary	Non-profit/Religious	100
10	Wells Fargo Bank	Finance	45
11	McCurdy Candler	Legal	25
<b>Total</b>			<b>3,674</b>

Source: City of Decatur, April 2012

**Conclusion**

Employment in the PMA is concentrated in the educational services, healthcare, and retail trade sectors. This is typical of downtown business districts. Overall the Atlanta economy has been more adversely affected by the current national recession than the nation as a whole. The Atlanta MSA has reported job losses of approximately 6.1 percent in 2009 versus 3.8 percent in the nation. However, there has been job growth of 2.7 percent as of February 2012. The unemployment rate in the MSA as of February 2012 is lower than the national unemployment rate. Overall, the area has been severely impacted by the national foreclosure crisis, housing market downturn, and recession and will likely be on par or lag slightly with national trends in terms of recovery in the near term.

## **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. Of the Subject's 71 restricted units, 48 units will operate with an additional PBRA subsidy and six will operate with an additional PHA subsidy. Pursuant to GA DCA's guidelines, these units are assumed leasable and therefore the capture rate is zero percent.

### **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 40 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. We have utilized a maximum income of \$51,975 for the market rate units. We based the market rate maximum income on discussions with property managers at comparable properties. The majority of the property managers at the senior properties indicated that their market rate tenants earned an income between \$31,200 and \$64,800 per month. The property manager at Magnolia Circle, a mixed income property, stated that the average income of their tenants in their market rate units is approximately \$50,400 per month. We have utilized 80 percent of the annual median income for DeKalb County which is slightly higher than the average of \$50,400 per month that was reported by Magnolia Circle.

### **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 2014, the anticipated date of market entry, as the base year for the analysis. Therefore, 2010 household population estimates are inflated to 2014 by interpolation of the difference between 2010 estimates and 2014 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 2014. This number takes the overall growth from 2000 to 2014 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.

We interviewed several property managers at senior developments in the area. Most property managers reported that between 25 and 50 percent of their tenants were previous homeowners. Because of the previous economic recession, it has become increasingly difficult for seniors to sell their homes. Therefore, we have conservatively estimated senior homeownership conversion at 10 percent 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.

While we believe that the majority of the Subject's tenants will come from within the PMA, we have accounted for 15 percent leakage from outside the PMA boundaries. We believe this is warranted given the number of seniors who have moved to senior properties in the area from out of state in order to be closer to family members. Management at Magnolia Circle and Antioch Manor estimated that approximately 40 to 50 percent of tenants at their properties have moved

from outside the local area and the property manager at Retreat at Madison Place stated that approximately 10 percent of their tenants came from out of state.

**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 2010 to present and those that will be constructed through 2013 that are considered directly competitive. There was one senior LIHTC property and one family LIHTC property allocated in the Subject’s PMA in 2011. The following table details these properties.

**ADDITIONS TO SUPPLY SINCE 2010**

Property Name	Type	Year Built/Proposed	Competitive with Subject	Number of Units	Comments
Columbia Mill	Family LIHTC	2013	0	100	Family tenancy
Allen Wilson Phase II	Senior LIHTC/PH	2013	0	80	All units will be subsidized

Columbia Mill will offer 20 units set aside at 50 percent of the AMI, 60 units set aside at 60 percent of the AMI, and 20 market rate units. This property will be located approximately 7.0 miles southwest of the Subject site and will target families and is therefore not considered competitive with the Subject. Allen Wilson Phase II will be located approximately 2.8 miles northwest of the Subject site. While this property will target seniors, all of its units will be subsidized and tenants will pay 30 percent of their income on rent and are therefore not considered to be competitive. Therefore, we have not removed any of the units at these properties 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**

<b>Name</b>	<b>Occupancy Rate</b>	<b>Tenancy</b>	<b>Type</b>	<b>Reason for Exclusion</b>	<b>Distance</b>
Clairmont Oaks	N/Av	Elderly	Section 236	Subsidized	2.5 miles
Allen Wilson Terrace Phase I	100%	Family	Section 8	Differing tenancy and Subsidized	1.9 miles
Candler Forrest Apartments	96%	Family	Section 8	Differing tenancy and Subsidized	3.3 miles
Park Trace Apartments	100%	Elderly	Section 8	Subsidized	2.7 miles
Oak Forest	N/Av	Family	Section 8	Subsidized	4.6 miles
Christian Towers	N/Av	Elderly	Section 8	Subsidized	3.2 miles
Gateway Manor	100%	Elderly	Section 8	Subsidized	2.7 miles
Villages at East Lake	94%	Family	Section 8	Differing tenancy and Subsidized	3.5 miles
Delano Place	96%	Family	LIHTC	Differing Tenancy	1.4 miles
Robins Landing Apartments	94%	Family	LIHTC	Differing Tenancy	2.3 miles
Sycamore Chase FKA Maple Glen Apartments	78%	Family	LIHTC	Differing Tenancy	3.2 miles
Whispering Pines	97%	Family	LIHTC/Market	Differing Tenancy	4.2 miles
Gresham House	N/Av	Family	LIHTC/Market	Differing Tenancy	6.4 miles
Columbia Village	100%	Family	LIHTC	Differing Tenancy	3.7 miles
Columbia Mill	N/Av	Family	LIHTC	Differing Tenancy	7.0 miles
Vinyards at Flat Shoals	94%	Family	LIHTC	Differing Tenancy	7.1 miles
Brittany Place	83%	Family	LIHTC	Differing Tenancy	1.2 miles
Courtyards at Glenview	85%	Family	LIHTC	Differing Tenancy	3.5 miles
Sol Luna	N/Av	Family	Market	Differing tenancy/age and condition	1.0 miles
Royal Manor	92%	Family	Market	Differing tenancy/age and condition	1.0 miles
Brittany Place	N/Av	Family	LIHTC/Market	Differing Tenancy/age and condition	1.2 miles
Archstone Decatur Crossing	94%	Family	Market	Differing Tenancy	2.5 miles
Maple Walk	98%	Family	Market	Included	1.3 miles
Southern Pines	90%	Family	Market	Differing tenancy/age and condition	2.4 miles
<b>Average</b>	<b>94%</b>				
<b>Senior Average</b>	<b>99%</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 2010.

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

<b>Competitive Property Analysis</b>			
Antioch Manor Estates		Percent	Comments
1	Location	0.00	Outside of PMA
2	Affordability	1.00	Similar
3	Property Type	1.00	Similar
4	Quality	1.00	Similar
Comparability Factor		0.000	

<b>Competitive Property Analysis</b>			
Spring Chase		Percent	Comments
1	Location	0.00	Outside of PMA
2	Affordability	1.00	Similar
3	Property Type	1.00	Similar
4	Quality	1.00	Similar
Comparability Factor		0.000	

<b>Competitive Property Analysis</b>			
Retreat at Madison Place		Percent	Comments
1	Location	0.25	Border of PMA
2	Affordability	1.00	Similar
3	Property Type	1.00	Similar
4	Quality	1.00	Similar
Comparability Factor		0.250	

<b>Competitive Property Analysis</b>			
Magnolia Circle		Percent	Comments
1	Location	0.00	Outside of PMA
2	Affordability	1.00	Similar
3	Property Type	1.00	Similar
4	Quality	1.00	Similar
Comparability Factor		0.000	

<b>Competitive Property Analysis</b>			
Maple Walk		Percent	Comments
1	Location	1.00	Similar
2	Affordability	1.00	Similar
3	Property Type	0.00	Family
4	Quality	0.25	Inferior
Comparability Factor		0.000	

<b>Competitive Property Analysis</b>			
Clairmont Crest		Percent	Comments
1	Location	0.00	Outside of PMA
2	Affordability	1.00	Similar
3	Property Type	1.00	Similar
4	Quality	0.50	Slightly Inferior
Comparability Factor		0.000	

Antioch Manor, Spring Chase, Magnolia Circle and Claremont Crest are all located outside of the PMA and will not compete with the Subject. Maple Walk is located within the Subject's PMA; however, this property was constructed in 1985 and will be inferior to a newly constructed property. Additionally, Maple Walk targets families and will not compete with the Subject. We have used Maple Walk as a comparable because it is indicative of the overall multifamily performance in the Subject's neighborhood. The Retreat at Madison Place, a senior LIHTC property, is located just outside of the PMA and the property manager stated that they do get some seniors from Decatur. Therefore we have deducted 25.0 percent of this property's comparable units from the demand.

**Competitive Property Analysis**

Property Name	Total Number of Units*	Comparability Factor	Units to be Deducted from Demand
Retreat at Madison Place	160	0.25	40

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area built since 2010.

Additions To Supply (Cumulative)/Existing Units	50%	60%	Overall
One Bedroom	0	10	10
Two Bedroom	0	30	30
Total	0	40	40

**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. The Subject's 54 subsidized units fall under this category.

**Capture Rates**

The above calculations and derived capture rates are illustrated in the following tables. Per GA DCA's guidelines, subsidized units are assumed leasable and therefore the capture rate is zero percent for these units.

# Forest Heights, Decatur, GA; Market Study

Renter Household Income Distribution 2000 to Projected Market Entry November 2014									
Forest Heights									
PMA									
	2000		2010		Pj Mrkt Entry November 2014		Percent		
	#	%	#	%	#	%	Growth		
\$0-9,999	626	32.0%	688	26.9%	784	25.4%	12.3%		
\$10,000-19,999	572	29.2%	609	26.2%	758	24.6%	11.8%		
\$20,000-29,999	300	15.3%	426	16.7%	502	16.3%	15.2%		
\$30,000-39,999	175	8.9%	262	10.2%	391	12.7%	33.0%		
\$40,000-49,999	115	5.9%	189	7.4%	238	7.7%	20.4%		
\$50,000-59,999	67	3.4%	128	5.0%	129	4.2%	0.8%		
\$60,000-74,999	34	1.8%	64	2.5%	77	2.5%	16.5%		
\$75,000-99,999	35	1.8%	58	2.3%	77	2.5%	25.2%		
\$100,000+	34	1.8%	73	2.8%	128	4.1%	43.0%		
<b>Total</b>	<b>1,959</b>	<b>100.0%</b>	<b>2,556</b>	<b>100.0%</b>	<b>3,084</b>	<b>100.0%</b>	<b>17.1%</b>		

Renter Household Income Distribution Projected Market Entry November 2014				
Forest Heights				
PMA				
	Pj Mrkt Entry November 2014		Change 2000 to Pj Mrkt Entry November 2014	
	#	%	#	
\$0-9,999	784	25.4%	286	
\$10,000-19,999	758	24.6%	277	
\$20,000-29,999	502	16.3%	183	
\$30,000-39,999	391	12.7%	143	
\$40,000-49,999	238	7.7%	87	
\$50,000-59,999	129	4.2%	47	
\$60,000-74,999	77	2.5%	28	
\$75,000-99,999	77	2.5%	28	
\$100,000+	128	4.1%	47	
<b>Total</b>	<b>3,084</b>	<b>100.0%</b>	<b>1,125</b>	

Tenure Pj Mrkt Entry November 2014	
Renter	31.1%
Owner	68.9%
<b>Total</b>	<b>100.0%</b>

Renter Household Size for Pj Mrkt Entry November 2014		
Size	Number	Percentage
1	2,031	65.9%
2	521	16.9%
3	269	8.7%
4	94	3.0%
5+	169	5.5%
<b>Total</b>	<b>3,084</b>	<b>100.0%</b>

Renter Household Size for 2000 62+		
Size	Number	Percentage
1	1,326	67.7%
2	364	18.6%
3	145	7.4%
4	36	1.8%
5+	88	4.5%
<b>Total</b>	<b>1,959</b>	<b>100.0%</b>

60% AMI

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

Percent of AMI Level		60%			
Minimum Income Limit		\$21,240			
Maximum Income Limit		\$33,300 Two			
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mrkt Entry November 2014		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Count	Percentage			
\$0-9,999	286	25.4%		0.0%	0
\$10,000-19,999	277	24.6%		0.0%	0
\$20,000-29,999	183	16.3%	8,759	87.6%	161
\$30,000-39,999	143	12.7%	3,300	33.0%	47
\$40,000-49,999	87	7.7%		0.0%	0
\$50,000-59,999	47	4.2%		0.0%	0
\$60,000-74,999	28	2.5%		0.0%	0
\$75,000-99,999	28	2.5%		0.0%	0
\$100,000+	47	4.1%		0.0%	0
	1,125	100.0%			208
Percent of renter households within limits versus total number of renter households					18.45%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$21,240			
Maximum Income Limit		\$33,300 Two			
Income Category	Total Renter Households PMA Prj Mrkt Entry November 2014		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
\$0-9,999	784	25.4%	0	0.0%	0
\$10,000-19,999	758	24.6%	0	0.0%	0
\$20,000-29,999	502	16.3%	8,759	87.6%	440
\$30,000-39,999	391	12.7%	3,300	33.0%	129
\$40,000-49,999	238	7.7%	0	0.0%	0
\$50,000-59,999	129	4.2%	0	0.0%	0
\$60,000-74,999	77	2.5%	0	0.0%	0
\$75,000-99,999	77	2.5%	0	0.0%	0
\$100,000+	128	4.1%	0	0.0%	0
	3,084	100.0%			569
Percent of renter households within limits versus total number of renter households					18.45%

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 November 2014 Median Income

Change from 2000 to Prj Mrkt Entry November 2014

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

Yes		
Senior		
Urban		
40%		
\$38,533		
\$59,571		
\$21,038		
54.6%		
9.1%		
9.1%	Two year adjustment	1,0000
\$33,300		
\$33,300		
Two		
60%		
\$708		
\$708.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	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 November 2014

Income Target Population	60%
New Renter Households PMA	1,125
Percent Income Qualified	18.4%
New Renter Income Qualified Households	208

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	3,084
Income Qualified	18.4%
Income Qualified Renter Households	569
Percent Rent Overburdened Prj Mrkt Entry November 2014	34.0%
Rent Overburdened Households	193

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	569
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	4

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

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	6821
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	136

Total Demand

Total Demand from Existing Households		333
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%	50
Adjusted Demand from Existing Households		383
Total New Demand		208
Total Demand (New Plus Existing Households)		591

Demand from Seniors Who Convert from Homeownership	136
Percent of Total Demand From Homeownership Conversion	10.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	65.9%	389
Two Persons	16.9%	100
Three Persons	8.7%	52
Four Persons	3.0%	18
Five Persons	5.5%	32
Total	100.0%	591

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	350
Of two-person households in 1BR units	20%	20
Of one-person households in 2BR units	10%	39
Of two-person households in 2BR units	80%	80
Of three-person households in 2BR units	60%	31
Of three-person households in 3BR units	40%	21
Of four-person households in 3BR units	80%	14
Of five-person households in 3BR units	70%	23
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	30%	10

Total Demand 591

Check OK

Total Demand by Bedroom 60%

1 BR 370

2 BR 150

Total Demand 520

Additions To Supply 2000 to Prj Mrkt Entry November 2014 60%

1 BR 10

2 BR 30

Total 40

Net Demand 60%

1 BR 360

2 BR 120

Total 480

Developer's Unit Mix 60%

1 BR 15

2 BR 2

Total 17

Capture Rate Analysis 60%

1 BR 4.2%

2 BR 1.7%

Total 3.5%

Market

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

Percent of AMI Level			Market		
Minimum Income Limit			\$24,000		
Maximum Income Limit			\$51,975 Two		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mrkt Entry November 2014		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	286			
\$10,000-19,999	277	24.6%		0.0%	0
\$20,000-29,999	183	16.3%	5,999	60.0%	110
\$30,000-39,999	143	12.7%	9,999	100.0%	143
\$40,000-49,999	87	7.7%	9,999	100.0%	87
\$50,000-59,999	47	4.2%	\$1,975	19.8%	9
\$60,000-74,999	28	2.5%		0.0%	0
\$75,000-99,999	28	2.5%		0.0%	0
\$100,000+	47	4.1%		0.0%	0
	1,125	100.0%			349
Percent of renter households within limits versus total number of renter households					30.98%

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

Percent of AMI Level			Market		
Minimum Income Limit			\$24,000		
Maximum Income Limit			\$51,975 Two		
Income Category	Total Renter Households PMA Prj Mrkt Entry November 2014		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	784			
\$10,000-19,999	758	24.6%	0	0.0%	0
\$20,000-29,999	502	16.3%	5,999	60.0%	301
\$30,000-39,999	391	12.7%	9,999	100.0%	391
\$40,000-49,999	238	7.7%	9,999	100.0%	238
\$50,000-59,999	129	4.2%	1,975	19.8%	26
\$60,000-74,999	77	2.5%	0	0.0%	0
\$75,000-99,999	77	2.5%	0	0.0%	0
\$100,000+	128	4.1%	0	0.0%	0
	3,084	100.0%			955
Percent of renter households within limits versus total number of renter households					30.98%

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 November 2014 Median Income

Change from 2000 to Prj Mrkt Entry November 2014

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

Yes		
Senior		
Urban		
40%		
\$38,533		
\$59,571		
\$21,038		
54.6%		
9.1%		
9.1%	Two year adjustment	1.0000
\$51,975		
\$51,975		
Two		
Market		
\$800		
\$800.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	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 November 2014

Income Target Population		Market
New Renter Households PMA		1,125
Percent Income Qualified		31.0%
New Renter Income Qualified Households		349

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

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population		Market
Total Existing Demand		3,084
Income Qualified		31.0%
Income Qualified Renter Households		955
Percent Rent Overburdened Prj Mrkt Entry November 2014		34.0%
Rent Overburdened Households		325

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		955
Percent Living in Substandard Housing		0.6%
Households Living in Substandard Housing		6

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

Senior Households Converting from Homeownership

Income Target Population		Market
Total Senior Homeowners		6821
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		136

Total Demand

Total Demand from Existing Households		467
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%	70
Adjusted Demand from Existing Households		537
Total New Demand		349
Total Demand (New Plus Existing Households)		886

Demand from Seniors Who Convert from Homeownership		136
Percent of Total Demand From Homeownership Conversion		10.0%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	65.9%	583
Two Persons	16.9%	150
Three Persons	8.7%	77
Four Persons	3.0%	27
Five Persons	5.5%	49
Total	100.0%	886

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	525
Of two-person households in 1BR units	20%	30
Of one-person households in 2BR units	10%	58
Of two-person households in 2BR units	80%	120
Of three-person households in 2BR units	60%	46
Of three-person households in 3BR units	40%	31
Of four-person households in 3BR units	80%	22
Of five-person households in 3BR units	70%	34
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	15
Total Demand		886
Check		OK

Total Demand by Bedroom Market

1 BR	555
2 BR	225
Total Demand	780

Additions To Supply 2000 to Prj Mrkt Entry November 2014 Market

0 BR	0
1 BR	0
2 BR	0
3 BR	0
4 BR	0
5 BR	0
Total	0

Net Demand Market

1 BR	555
2 BR	225
Total	780

Developer's Unit Mix Market

1 BR	4
2 BR	5
Total	9

Capture Rate Analysis Market

1 BR	0.7%
2 BR	2.2%
Total	1.2%

Overall

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$21,240			
Maximum Income Limit			\$51,975 Two			
Income Category	New Renter Households - Total Change in Households PMA 2000 to Pj Mrkt Entry November 2014		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	Count	Percentage			Count	Percentage
\$0-9,999	286	25.4%		0.0%	0	
\$10,000-19,999	277	24.6%		0.0%	0	
\$20,000-29,999	183	16.3%	8,759	87.6%	161	
\$30,000-39,999	143	12.7%	9,999	100.0%	143	
\$40,000-49,999	87	7.7%	9,999	100.0%	87	
\$50,000-59,999	47	4.2%	\$1,975	19.8%	9	
\$60,000-74,999	28	2.5%		0.0%	0	
\$75,000-99,999	28	2.5%		0.0%	0	
\$100,000+	47	4.1%		0.0%	0	
	1,125	100.0%			399	
Percent of renter households within limits versus total number of renter households					35.48%	

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$21,240			
Maximum Income Limit			\$51,975 Two			
Income Category	Total Renter Households PMA Pj Mrkt Entry November 2014		Income Brackets	Percent within Cohort	Households within Bracket	
	Count	Percentage			Count	Percentage
\$0-9,999	784	25.4%	0	0.0%	0	
\$10,000-19,999	758	24.6%	0	0.0%	0	
\$20,000-29,999	502	16.3%	8,759	87.6%	440	
\$30,000-39,999	391	12.7%	9,999	100.0%	391	
\$40,000-49,999	238	7.7%	9,999	100.0%	238	
\$50,000-59,999	129	4.2%	1,975	19.8%	26	
\$60,000-74,999	77	2.5%	0	0.0%	0	
\$75,000-99,999	77	2.5%	0	0.0%	0	
\$100,000+	128	4.1%	0	0.0%	0	
	3,084	100.0%			1,094	
Percent of renter households within limits versus total number of renter households					35.48%	

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

Pj Mrkt Entry November 2014 Median Income

Change from 2000 to Pj Mrkt Entry November 2014

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

Yes		
Senior		
Urban		
40%		
\$38,533		
\$59,571		
\$21,038		
54.6%		
9.1%		
9.1%	Two year adjustment	1.0000
\$51,975		
\$51,975		
Two		
Overall		
\$708		
\$708.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	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 November 2014

Income Target Population		Overall
New Renter Households PMA		1,125
Percent Income Qualified		35.5%
New Renter Income Qualified Households		399

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

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		3,084
Income Qualified		35.5%
Income Qualified Renter Households		1,094
Percent Rent Overburdened Prj Mrkt Entry November 2014		34.0%
Rent Overburdened Households		372

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,094
Percent Living in Substandard Housing		0.6%
Households Living in Substandard Housing		7

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

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		6821
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		136

Total Demand

Total Demand from Existing Households		515
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%	77
Adjusted Demand from Existing Households		593
Total New Demand		399
Total Demand (New Plus Existing Households)		992

Demand from Seniors Who Convert from Homeownership		136
Percent of Total Demand From Homeownership Conversion		10.0%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	65.9%	653
Two Persons	16.9%	168
Three Persons	8.7%	87
Four Persons	3.0%	30
Five Persons	5.5%	54
Total	100.0%	992

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	588
Of two-person households in 1BR units	20%	34
Of one-person households in 2BR units	10%	65
Of two-person households in 2BR units	80%	134
Of three-person households in 2BR units	60%	52
Of three-person households in 3BR units	40%	35
Of four-person households in 3BR units	80%	24
Of five-person households in 3BR units	70%	38
Of four-person households in 4BR units	20%	6
Of five-person households in 4BR units	30%	16
<b>Total Demand</b>		<b>992</b>
Check		OK

Total Demand by Bedroom Overall

1 BR	621
2 BR	251
<b>Total Demand</b>	<b>873</b>

Additions To Supply 2000 to Prj Mrkt Entry November 2014 Overall

1 BR	10
2 BR	30
<b>Total</b>	<b>40</b>

Net Demand Overall

1 BR	611
2 BR	221
<b>Total</b>	<b>833</b>

Developer's Unit Mix Overall

1 BR	19
2 BR	7
<b>Total</b>	<b>26</b>

Capture Rate Analysis Overall

1 BR	3.1%
2 BR	3.2%
<b>Total</b>	<b>3.1%</b>

### **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 3.5 percent between 2010 and 2013. This growth is significantly above general household growth, which is projected to grow 0.6 percent between 2010 and 2014. 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
1BR 50%/PBRA	\$0 - \$27,750	4	N/Ap	N/Ap	N/Ap	N/Ap	6 months	\$647	\$470-\$834	BOI
2BR 50%/PBRA	\$0 - \$31,200	2	N/Ap	N/Ap	N/Ap	N/Ap	6 months	\$813	\$557-\$1,217	BOI
1BR 50%/PHA	\$0 - \$27,750	5	N/Ap	N/Ap	N/Ap	N/Ap	6 months	\$647	\$470-\$834	BOI
2BR 50%/PHA	\$0 - \$31,200	1	N/Ap	N/Ap	N/Ap	N/Ap	6 months	\$813	\$557-\$1,217	BOI
1BR 60%/BPRA	\$0 - \$33,300	42	N/Ap	N/Ap	N/Ap	N/Ap	6 months	\$661	\$470-\$834	BOI
1BR 60%	\$21,240-\$33,300	15	370	10	360	4.2%	6 months	\$661	\$470-\$834	\$579
2BR 60%	\$21,240-\$33,300	2	150	30	120	1.7%	6 months	\$810	\$557-\$1,217	\$704
1BR Market	\$24,000-\$51,975	4	555	0	555	0.7%	6 months	\$661	\$470-\$834	\$800
2BR Market	\$24,000-\$51,975	5	225	0	225	2.2%	6 months	\$810	\$557-\$1,217	\$950
Overall	\$21,240-\$51,975	26	873	40	833	3.1%	6 months	-	\$470-\$1,217	-

\*Pursuant to GA DCA's guidelines, subsidized units are assumed leasable and therefore the capture rate is zero percent.

Demand and Net Demand

	HH at 60% AMI (min to max income)	HH > 60% AMI (min to max income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	208	349	399
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	4	6	7
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	193	325	372
<b>PLUS</b>	+	+	+
<b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>	<b>50</b>	<b>70</b>	<b>77</b>
<b>Sub Total</b>	<b>455</b>	<b>750</b>	<b>855</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	136	136	136
<b>Equals Total Demand</b>	<b>591</b>	<b>886</b>	<b>992</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	40	0	40
<b>Equals Net Demand</b>	<b>551</b>	<b>886</b>	<b>952</b>

As the analysis illustrates, the Subject's capture rates at the 60 percent AMI level will range from 1.7 to 4.2 percent, with an overall capture rate of 3.5 percent. The Subject's market rate capture rates range from 0.7 to 2.2 percent, with an overall capture rate of 1.2 percent. The overall capture rate for the project's 60 percent AMI and market rate units is 3.1 percent. Therefore, we believe there is adequate demand for the Subject.

## **H. COMPETITIVE RENTAL ANALYSIS**

### **Survey of Comparable Projects**

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes six “true” comparable properties containing 745 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 are no senior LIHTC properties located in the PMA. Due to the lack of comparable senior LIHTC data in the PMA, we utilized three senior LIHTC properties located in similar market areas just outside of the PMA. The Retreat at Madison Place, a senior LIHTC property, is located approximately 3.5 miles from the Subject. This property was constructed in 2007 and is in excellent condition. Antioch Manor Estates was constructed in 2005, is in good condition, and is located 6.8 miles from the Subject site. Magnolia Circle is located 5.0 miles from the Subject site and is in good condition. Overall, the availability of senior LIHTC data in the market is limited.

We have also used three conventional rental properties in addition to the market rate units at Antioch Manor Estates and Magnolia Circle in our analysis. While two of these, Spring Chase II (a market rate and subsidized property) and Clairmont Crest, are located outside of the PMA, they target seniors and they are less than 5.0 miles from the Subject. Due to the lack of senior market rate properties in the Subjects PMA, we utilized one general tenancy property that is located 1.3 miles from the Subject, Maple Walk Apartments. While the property manager at Maple Walk stated that they have very few senior tenants, because it is indicative of the overall multifamily performance in the Subject’s neighborhood. Overall, the availability of senior market rate data is also considered limited.

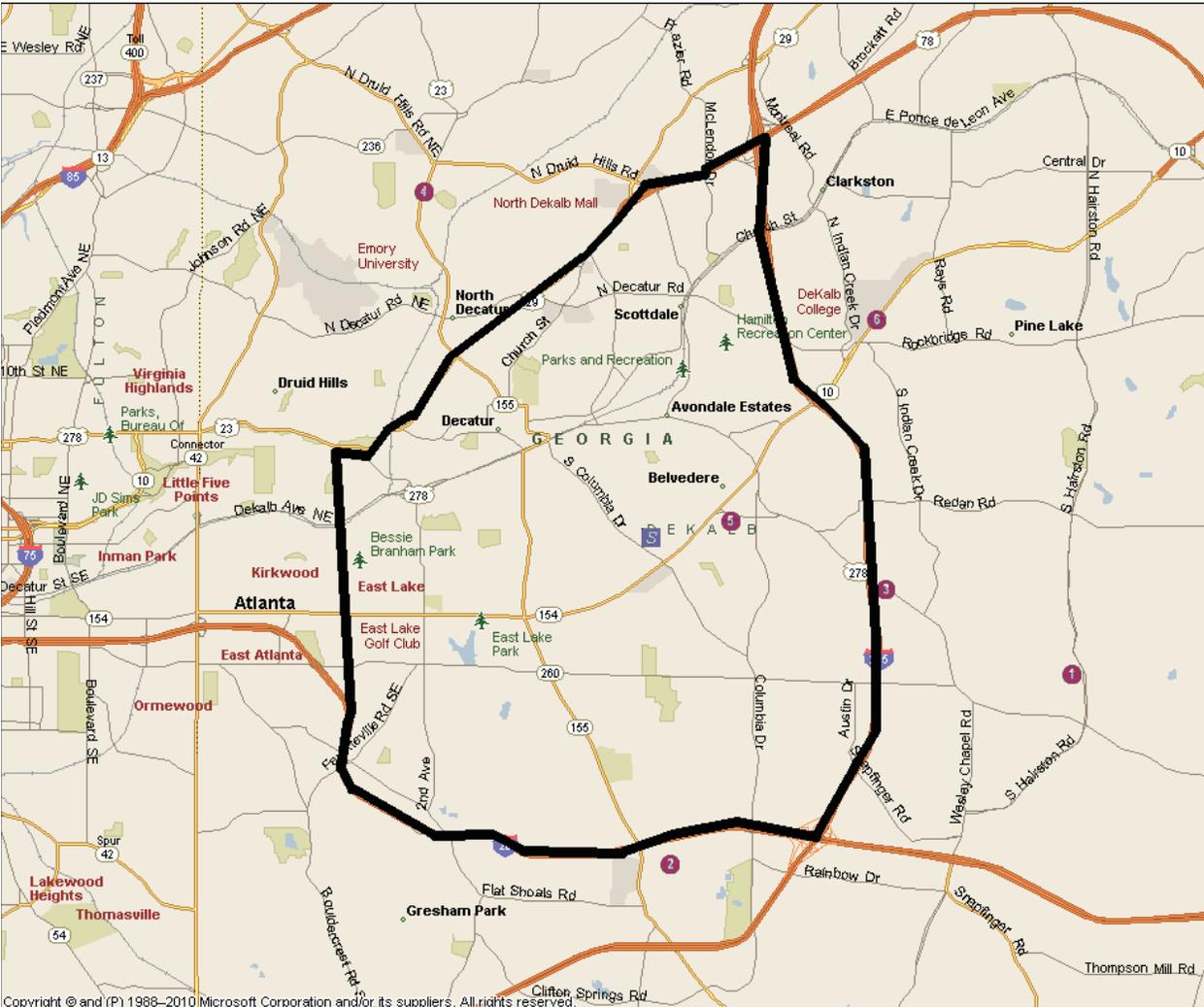
### **General Market Overview/Included/Excluded Properties**

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**

Name	Occupancy Rate	Tenancy	Type	Reason for Exclusion	Distance
Clairmont Oaks	N/Av	Elderly	Section 236	Subsidized	2.5 miles
Allen Wilson Terrace Phase I	100%	Family	Section 8	Differing tenancy and Subsidized	1.9 miles
Candler Forrest Apartments	96%	Family	Section 8	Differing tenancy and Subsidized	3.3 miles
Park Trace Apartments	100%	Elderly	Section 8	Subsidized	2.7 miles
Oak Forest	N/Av	Family	Section 8	Subsidized	4.6 miles
Christian Towers	N/Av	Elderly	Section 8	Subsidized	3.2 miles
Gateway Manor	100%	Elderly	Section 8	Subsidized	2.7 miles
Villages at East Lake	94%	Family	Section 8	Differing tenancy and Subsidized	3.5 miles
Delano Place	96%	Family	LIHTC	Differing Tenancy	1.4 miles
Robins Landing Apartments	94%	Family	LIHTC	Differing Tenancy	2.3 miles
Sycamore Chase FKA Maple Glen Apartments	78%	Family	LIHTC	Differing Tenancy	3.2 miles
Whispering Pines	97%	Family	LIHTC/Market	Differing Tenancy	4.2 miles
Gresham House	N/Av	Family	LIHTC/Market	Differing Tenancy	6.4 miles
Columbia Village	100%	Family	LIHTC	Differing Tenancy	3.7 miles
Columbia Mill	N/Av	Family	LIHTC	Differing Tenancy	7.0 miles
Vinyards at Flat Shoals	94%	Family	LIHTC	Differing Tenancy	7.1 miles
Brittany Place	83%	Family	LIHTC	Differing Tenancy	1.2 miles
Courtyards at Glenview	85%	Family	LIHTC	Differing Tenancy	3.5 miles
Sol Luna	N/Av	Family	Market	Differing tenancy/age and condition	1.0 miles
Royal Manor	92%	Family	Market	Differing tenancy/age and condition	1.0 miles
Brittany Place	N/Av	Family	LIHTC/Market	Differing Tenancy/age and condition	1.2 miles
Archstone Decatur Crossing	94%	Family	Market	Differing Tenancy	2.5 miles
Maple Walk	98%	Family	Market	Included	1.3 miles
Southern Pines	90%	Family	Market	Differing tenancy/age and condition	2.4 miles
<b>Average</b>	<b>94%</b>				
<b>Senior Average</b>	<b>99%</b>				

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property	City	Tenancy	Program	Distance
S	Forest Heights Apartments	Decatur	Senior	PBRA/PH/LIHTC/Market	N/Ap
1	Antioch Manor Estates	Stone Mountain	Senior	LIHTC/Market	6.8 miles
2	Magnolia Circle	Decatur	Senior	LIHTC/Market	5.0 miles
3	Retreat At Madison Place	Decatur	Senior	LIHTC	3.5 miles
4	Clairmont Crest	Decatur	Senior	Market	4.8 miles
5	Maple Walk Apartments	Decatur	Family	Market	1.3 miles
6	Spring Chase II	Stone Mountain	Senior	Market, Section 8	3.5 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	Forest Heights Apartments 1048 Columbia Drive Decatur, GA 30030 DeKalb County	n/a	Various (age-restricted) 2014 / n/a	@50% (Project Based Rental Assistance - PBRA), @50% (Public Housing), @60%, @60% (Project Based Rental Assistance - PBRA), Market	1BR / 1BA	4	5.00%	@50%	\$628	767	yes	N/A	N/A	N/A
					1BR / 1BA	5	6.20%	@50%	\$200	767	no	N/A	N/A	N/A
					1BR / 1BA	15	18.80%	@60%	\$579	767	no	N/A	N/A	N/A
					1BR / 1BA	42	52.50%	@60%	\$628	767	no	N/A	N/A	N/A
					1BR / 1BA	8	10.00%	Market	\$800	767	n/a	N/A	N/A	N/A
					2BR / 2BA	2	2.50%	@50%	\$677	1,000	yes	N/A	N/A	N/A
					2BR / 2BA	1	1.30%	@50%	\$200	1,000	no	N/A	N/A	N/A
					2BR / 2BA	2	2.50%	@60%	\$704	1,000	no	N/A	N/A	N/A
					2BR / 2BA	1	1.30%	Market	\$950	1,000	n/a	N/A	N/A	N/A
										80	100%			
1	Antioch Manor Estates 4711 Bishop Ming Blvd. Stone Mountain, GA 30088 DeKalb County	6.8 miles	Garden (age-restricted) (3 stories) 2005 / n/a	@30%, @50%, @60%, Market	Studio / 1BA	2	1.70%	@30%	\$278	450	yes	Yes	0	0.00%
					Studio / 1BA	2	1.70%	@60%	\$606	450	no	Yes	0	0.00%
					Studio / 1BA	2	1.70%	Market	\$666	450	n/a	Yes	0	0.00%
					1BR / 1BA	5	4.20%	@30%	\$274	600	yes	Yes	0	0.00%
					1BR / 1BA	20	16.70%	@50%	\$550	600	yes	Yes	0	0.00%
					1BR / 1BA	15	12.50%	@60%	\$624	600	no	Yes	0	0.00%
					1BR / 1BA	8	6.70%	Market	\$834	600	n/a	Yes	0	0.00%
					2BR / 1BA	6	5.00%	@30%	\$320	800	yes	Yes	0	0.00%
					2BR / 1BA	26	21.70%	@50%	\$652	800	yes	Yes	0	0.00%
					2BR / 1BA	13	10.80%	@60%	\$727	800	no	Yes	0	0.00%
					2BR / 1BA	3	2.50%	Market	\$1,167	800	n/a	Yes	0	0.00%
					2BR / 2BA	1	0.80%	@30%	\$320	850	yes	Yes	0	0.00%
					2BR / 2BA	3	2.50%	@50%	\$652	850	yes	Yes	0	0.00%
					2BR / 2BA	3	2.50%	@60%	\$737	850	no	Yes	0	0.00%
2BR / 2BA	11	9.20%	Market	\$1,217	850	n/a	Yes	0	0.00%					
					120	100%						0	0.00%	
2	Magnolia Circle 100 Dash Lewis Dr  Decatur, GA 30034 DeKalb County	5 miles	Garden (age-restricted) (2 stories)  2003 / n/a	60%, Market	1BR / 1BA	14	16.70%	@50%	\$535	690	no	153 HH total	0	0.00%
					1BR / 1BA	12	14.30%	@60%	\$555	760	no	153 HH Total	0	0.00%
					1BR / 1BA	6	7.10%	Market	\$690	690	n/a	20 HH Total	0	0.00%
					2BR / 2BA	21	25.00%	@50%	\$637	1,000	no	153 HH Total	0	0.00%
					2BR / 2BA	20	23.80%	@60%	\$657	1,030	no	153 HH Total	2	10.00%
					2BR / 2BA	11	13.10%	Market	\$772	1,000	n/a	20 HH Total	1	9.10%
					84	100%						3	3.60%	
3	Retreat At Madison Place (fka Ashton Grove) 3907 Redwing Circle Decatur, GA 30032 DeKalb County	3.5 miles	Garden (age-restricted)  (4 stories) 2007 / n/a	60%	1BR / 1BA	40	25.00%	@60%	\$669	697	no	6HH	0	0.00%
					2BR / 2BA	120	75.00%	@60%	\$746	987	no	None	4	3.30%
						160	100%					4	2.50%	
4	Clairmont Crest 1861 Clairmont Road Decatur, GA 30033 DeKalb County	4.8 miles	Midrise (age-restricted) (5 stories) 1985 / n/a	Market, Non-Rental	Studio / 1BA	11	5.50%	Market	\$692	500	n/a	No	0	0.00%
					Studio / 1BA	2	1.00%	Non-Rental	N/A	N/A	n/a	0	0.00%	
					1BR / 1BA	131	65.50%	Market	\$760	700	n/a	No	10	7.60%
					1BR / 1BA	10	5.00%	Market	\$780	800	n/a	No	0	0.00%
					1BR / 1BA	1	0.50%	Non-Rental	N/A	N/A	n/a	0	0.00%	
					2BR / 2BA	30	15.00%	Market	\$882	1,100	n/a	yes	0	0.00%
					2BR / 2BA	6	3.00%	Market	\$937	1,300	n/a	Yes	0	0.00%
					2BR / 2BA	9	4.50%	Market	\$1,042	1,400	n/a	yes	0	0.00%
						200	100%					10	5.00%	
						100	100%					2	2.00%	
5	Maple Walk Apartments 1150 Maple Walk Circle Decatur, GA 30032 DeKalb County	1.3 miles	Garden (2 stories) 1985 / n/a	Market	2BR / 2BA	100	100.00%	Market	\$655	1,050	n/a	None	2	2.00%
						100	100%					2	2.00%	
6	Spring Chase II 4947 Memorial Drive Stone Mountain, GA 30083 DeKalb County	3.5 miles	Midrise (age-restricted) (3 stories) 2002 / n/a	Market, Section 8	1BR / 1BA	N/A	N/A	Market	\$470	602	n/a	None	N/A	N/A
					1BR / 1BA	N/A	N/A	Section 8	N/A	602	n/a	Yes	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$557	907	n/a	None	N/A	N/A
					2BR / 2BA	N/A	N/A	Section 8	N/A	907	n/a	Yes	N/A	N/A
					81	100%						7	8.60%	

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

Effective Rent Date:	Apr-12	Units Surveyed:	745	Weighted Occupancy:	96.50%
		Market Rate	381	Market Rate	95.00%
		Tax Credit	364	Tax Credit	98.10%

**One Bedroom One Bath**

**Two Bedrooms Two Bath**

	Property	Average	Property	Average	Property	Average	
<b>RENT</b>	Antioch Manor Estates * (M)	\$834	Antioch Manor Estates * (M)	\$1,217			
	<b>Forest Heights Apartments * (M)</b>	<b>\$800</b>	Clairmont Crest	\$1,042			
	Clairmont Crest	\$780	<b>Forest Heights Apartments * (M)</b>	<b>\$950</b>			
	Clairmont Crest	\$760	Clairmont Crest	\$937			
			Clairmont Crest	\$882			
	Magnolia Circle * (M)	\$690	Magnolia Circle * (M)	\$772			
	Retreat At Madison Place (fka Ashton Grove) * (60%)	\$669	Retreat At Madison Place (fka Ashton Grove) * (60%)	\$746			
	Antioch Manor Estates * (60%)	\$624	Antioch Manor Estates * (60%)	\$737			
	<b>Forest Heights Apartments * (60%)</b>	<b>\$579</b>	<b>Forest Heights Apartments * (60%)</b>	<b>\$704</b>			
	Magnolia Circle * (60%)	\$555	Magnolia Circle * (60%)	\$657			
	Antioch Manor Estates * (50%)	\$550	Maple Walk Apartments	\$655			
	Magnolia Circle * (50%)	\$535	Antioch Manor Estates * (50%)	\$652			
	Spring Chase II	\$470	Magnolia Circle * (50%)	\$637			
	Antioch Manor Estates * (30%)	\$274	Spring Chase II	\$557			
			Antioch Manor Estates * (30%)	\$320			
	<b>SQUARE FOOTAGE</b>	Clairmont Crest	800	Clairmont Crest	1,400		
				Clairmont Crest	1,300		
				Clairmont Crest	1,100		
			Maple Walk Apartments	1,050			
<b>Forest Heights Apartments * (60%)</b>		<b>767</b>	Magnolia Circle * (60%)	1,030			
<b>Forest Heights Apartments * (M)</b>		<b>767</b>					
Magnolia Circle * (60%)		760					
Clairmont Crest		700	<b>Forest Heights Apartments * (60%)</b>	<b>1,000</b>			
Retreat At Madison Place (fka Ashton Grove) * (60%)		697	<b>Forest Heights Apartments * (M)</b>	<b>1,000</b>			
Magnolia Circle * (50%)		690	Magnolia Circle * (50%)	1,000			
Magnolia Circle * (M)		690	Magnolia Circle * (M)	1,000			
Spring Chase II		602	Retreat At Madison Place (fka Ashton Grove) * (60%)	987			
Antioch Manor Estates * (30%)		600	Spring Chase II	907			
Antioch Manor Estates * (50%)		600	Antioch Manor Estates * (30%)	850			
Antioch Manor Estates * (60%)		600	Antioch Manor Estates * (50%)	850			
Antioch Manor Estates * (M)		600	Antioch Manor Estates * (60%)	850			
			Antioch Manor Estates * (M)	850			

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

Effective Rent Date:	Apr-12	Units Surveyed:	745	Weighted Occupancy:	96.50%
		Market Rate	381	Market Rate	95.00%
		Tax Credit	364	Tax Credit	98.10%

**One Bedroom One Bath**

**Two Bedrooms Two Bath**

RENT PER SQUARE FOOT	One Bedroom One Bath		Two Bedrooms Two Bath	
	Property	Average	Property	Average
	Antioch Manor Estates * (M)	\$1.39	Antioch Manor Estates * (M)	\$1.43
	Clairmont Crest	\$1.09	<b>Forest Heights Apartments * (M)</b>	<b>\$0.95</b>
	<b>Forest Heights Apartments * (M)</b>	<b>\$1.04</b>	Antioch Manor Estates * (60%)	\$0.87
	Antioch Manor Estates * (60%)	\$1.04	Clairmont Crest	\$0.80
	Magnolia Circle * (M)	\$1.00	Magnolia Circle * (M)	\$0.77
			Antioch Manor Estates * (50%)	\$0.77
	Clairmont Crest	\$0.98	Retreat At Madison Place (fka Ashton Grove) * (60%)	\$0.76
	Retreat At Madison Place (fka Ashton Grove) * (60%)	\$0.96	Clairmont Crest	\$0.74
	Antioch Manor Estates * (50%)	\$0.92	Clairmont Crest	\$0.72
	Spring Chase II	\$0.78	<b>Forest Heights Apartments * (60%)</b>	<b>\$0.70</b>
	Magnolia Circle * (50%)	\$0.78	Magnolia Circle * (60%)	\$0.64
	<b>Forest Heights Apartments * (60%)</b>	<b>\$0.75</b>	Magnolia Circle * (50%)	\$0.64
	Magnolia Circle * (60%)	\$0.73	Maple Walk Apartments	\$0.62
	Antioch Manor Estates * (30%)	\$0.46	Spring Chase II	\$0.61
			Antioch Manor Estates * (30%)	\$0.38

UNIT MATRIX REPORT

IBR / IBA	Forest Heights Apartments	Antioch Manor Estates	Magnolia Circle	Retreat At Madison Place (Ika Ashton Grove)	Clairmont Crest	Maple Walk Apartments	Spring Chase II
Comp #	Subject	1	2	3	4	5	6
Distance from Subject	n/a	6.8 miles	5 miles	3.5 miles	4.8 miles	1.3 miles	3.5 miles
<b>Unit Types</b>							
Market							
Bath/Bedroom	IBR / IBA	IBR / IBA	IBR / IBA	--	IBR / IBA	--	IBR / IBA
Base Rent/Month	\$800	\$975	\$720	--	\$790 - \$810	--	\$500
Unit GLA (SF)	767	600	690	--	700 - 800	--	602
Adjusted Utility Base Rent	\$800	\$834	\$690	--	\$760 - \$780	--	\$470
<b>@50%</b>							
Bath/Bedroom	IBR / IBA	IBR / IBA	IBR / IBA	--	--	--	--
Base Rent/Month	\$200 - \$757	\$691	\$565	--	--	--	--
Unit GLA (SF)	767	600	690	--	--	--	--
Adjusted Utility Base Rent	\$200 - \$757	\$550	\$535	--	--	--	--
<b>@60%</b>							
Bath/Bedroom	IBR / IBA	IBR / IBA	IBR / IBA	IBR / IBA	--	--	--
Base Rent/Month	\$579 - \$757	\$765	\$585	\$699	--	--	--
Unit GLA (SF)	767	600	760	697	--	--	--
Adjusted Utility Base Rent	\$579 - \$757	\$624	\$555	\$669	--	--	--
<b>Property Information</b>							
Property Type	Various (age-restricted)	Garden (age-restricted) (3 stories)	Garden (age-restricted) (2 stories)	Garden (age-restricted) (4 stories)	Midrise (age-restricted) (5 stories)	Garden (2 stories)	Midrise (age-restricted) (3 stories)
Year Built	2014 / n/a	2005 / n/a	2003 / n/a	2007 / n/a	1985 / n/a	1985 / n/a	2002 / n/a
Market (Conv)/Subsidy Type	@50% (Project Based Rental Assistance - PBRA), @50% (Public Housing), @60%, @60% (Project Based Rental Assistance - PBRA), Market	@30%, @50%, @60%, Market	60%, Market	60%	Market, Non-Rental	Market	Market, Section 8
<b>Unit Information</b>							
Total Units	74	48	32	40	142	0	N/A
Vacant	N/A	0	0	0	10	0	N/A
Vacancy Rate	N/A	0.00%	0.00%	0.00%	7.00%	N/A	N/A
<b>Utilities</b>							
A/C	central	central	central	central	wall	central	central
Cooking	tenant	landlord	tenant	tenant	tenant	tenant	tenant
Water Heat	gas	electric	electric	electric	electric	gas	electric
Heat	tenant	landlord	tenant	tenant	tenant	tenant	tenant
Other Electric	gas	electric	electric	electric	electric	gas	electric
Water	tenant	landlord	tenant	tenant	tenant	tenant	tenant
Sewer	tenant	landlord	tenant	tenant	tenant	tenant	tenant
Trash Collection	landlord	landlord	landlord	landlord	landlord	landlord	landlord
<b>In-Unit Amenities</b>							
Balcony/Patio	yes	yes	yes	no	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	no	yes	yes
Coat Closet	yes	yes	yes	yes	yes	no	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	no	yes	no	no	no
Fireplace	no	no	no	no	no	yes	no
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes
Hand Rails	yes	yes	yes	yes	yes	no	yes
Microwave	no	yes	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	yes	no	no	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	yes	no	no	no	no	no	no
Walk-In Closet	yes	yes	no	no	yes	yes	yes
Washer/Dryer	no	no	no	no	no	no	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>							
Business Center/Computer Lab	yes	yes	yes	yes	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	no	yes
Concierge	no	yes	no	no	no	no	no
Courtyard	yes	yes	no	no	no	no	no
Elevators	yes	yes	no	yes	yes	no	yes
Exercise Facility	yes	yes	yes	yes	yes	yes	yes
Garage	no	no	no	no	yes	no	no
Central Laundry	yes	yes	yes	yes	yes	no	yes
Non-shelter Services	no	yes	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	no	yes	no	yes	no
Recreation Areas	no	no	no	no	no	no	yes
Service Coordination	yes	yes	no	no	no	no	no
Swimming Pool	no	no	no	no	yes	yes	no
Theatre	no	no	no	yes	no	no	no
Garage Fee	--	--	--	--	\$25.00	--	--
<b>Services</b>							
Adult Education	no	no	no	yes	no	no	no
Computer Tutoring	no	yes	no	no	no	no	no
Shuttle Service	no	yes	no	yes	yes	no	no
<b>Security</b>							
In-Unit Alarm	yes	yes	no	no	no	no	no
Limited Access	yes	yes	no	yes	yes	no	yes
Patrol	yes	no	yes	no	yes	no	no
Perimeter Fencing	yes	no	yes	no	no	no	no
Video Surveillance	yes	yes	no	no	no	no	no
<b>Premium Amenities</b>							
Hairdresser / Barber	no	yes	no	no	yes	no	no
Housekeeping	no	yes	no	no	no	no	no
Medical Professional	no	yes	no	no	yes	no	no
<b>Other Amenities</b>							
Other	n/a	Gazebo, library, dining room, TV and game room	Social Director, Arts & Crafts Room	Walking trails, game room, health seminars	n/a	n/a	Flower bed, gazebo

UNIT MATRIX REPORT

2BR / 2BA	Forest Heights Apartments	Antioch Manor Estates	Magnolia Circle	Retreat At Madison Place (Ika Ashton Grove)	Clairmont Crest	Maple Walk Apartments	Spring Chase II
Comp #	Subject	1	2	3	4	5	6
Distance from Subject	n/a	6.8 miles	5 miles	3.5 miles	4.8 miles	1.3 miles	3.5 miles
<b>Unit Types</b>							
<b>Market</b>							
Bath/Bedroom	2BR / 2BA	2BR / 2BA	2BR / 2BA	--	2BR / 2BA	2BR / 2BA	2BR / 2BA
Base Rent/Month	\$950	\$1,395	\$815	--	\$925 - \$1,085	\$655	\$600
Unit GLA (SF)	1,000	850	1,000	--	1,100 - 1,400	1,050	907
Adjusted Utility Base Rent	\$950	\$1,217	\$772	--	\$882 - \$1,042	\$655	\$557
<b>@50%</b>							
Bath/Bedroom	2BR / 2BA	2BR / 2BA	2BR / 2BA	--	--	--	--
Base Rent/Month	\$200 - \$842	\$830	\$680	--	--	--	--
Unit GLA (SF)	1,000	850	1,000	--	--	--	--
Adjusted Utility Base Rent	\$200 - \$842	\$652	\$637	--	--	--	--
<b>@60%</b>							
Bath/Bedroom	2BR / 2BA	2BR / 2BA	2BR / 2BA	2BR / 2BA	--	--	--
Base Rent/Month	\$704	\$915	\$700	\$789	--	--	--
Unit GLA (SF)	1,000	850	1,030	987	--	--	--
Adjusted Utility Base Rent	\$704	\$737	\$657	\$746	--	--	--
<b>Property Information</b>							
<b>Property Type</b>	Various (age-restricted)	Garden (age-restricted) (3 stories)	Garden (age-restricted) (2 stories)	Garden (age-restricted) (4 stories)	Midrise (age-restricted) (5 stories)	Garden (2 stories)	Midrise (age-restricted) (3 stories)
<b>Year Built</b>	2014 / n/a	2005 / n/a	2003 / n/a	2007 / n/a	1985 / n/a	1985 / n/a	2002 / n/a
<b>Market (Conv)/Subsidy Type</b>	@50% (Project Based Rental Assistance - PBRA), @50% (Public Housing), @60%, @60% (Project Based Rental Assistance - PBRA), Market	@30%, @50%, @60%, Market	60%, Market	60%	Market, Non-Rental	Market	Market, Section 8
<b>Unit Information</b>							
<b>Total Units</b>	6	18	52	120	45	100	N/A
<b>Vacant</b>	N/A	0	3	4	0	2	N/A
<b>Vacancy Rate</b>	N/A	0.00%	5.80%	3.30%	0.00%	2.00%	N/A
<b>Utilities</b>							
<b>A/C</b>	central	central	central	central	wall	central	central
<b>Cooking</b>	tenant	landlord	tenant	tenant	tenant	tenant	tenant
<b>Water Heat</b>	gas	landlord	gas	gas	electric	gas	gas
<b>Heat</b>	tenant	landlord	tenant	tenant	tenant	tenant	tenant
<b>Other Electric</b>	tenant	landlord	tenant	tenant	tenant	tenant	tenant
<b>Water</b>	tenant	landlord	landlord	landlord	landlord	tenant	landlord
<b>Sewer</b>	tenant	landlord	landlord	landlord	landlord	tenant	landlord
<b>Trash Collection</b>	landlord	landlord	landlord	landlord	landlord	landlord	landlord
<b>In-Unit Amenities</b>							
<b>Balcony/Patio</b>	yes	yes	yes	no	no	yes	yes
<b>Blinds</b>	yes	yes	yes	yes	yes	yes	yes
<b>Carpeting</b>	yes	yes	yes	yes	yes	yes	yes
<b>Central A/C</b>	yes	yes	yes	yes	no	yes	yes
<b>Coat Closet</b>	yes	yes	yes	yes	yes	no	no
<b>Dishwasher</b>	yes	yes	yes	yes	yes	yes	yes
<b>Ceiling Fan</b>	yes	yes	no	yes	no	no	no
<b>Fireplace</b>	no	no	no	no	no	yes	no
<b>Garbage Disposal</b>	yes	yes	yes	yes	yes	yes	yes
<b>Hand Rails</b>	yes	yes	yes	yes	yes	no	yes
<b>Microwave</b>	no	yes	no	no	no	no	no
<b>Oven</b>	yes	yes	yes	yes	yes	yes	yes
<b>Pull Cords</b>	yes	yes	yes	yes	no	no	yes
<b>Refrigerator</b>	yes	yes	yes	yes	yes	yes	yes
<b>Vaulted Ceilings</b>	yes	no	no	no	no	no	no
<b>Walk-In Closet</b>	yes	yes	no	no	yes	yes	yes
<b>Washer/Dryer</b>	no	no	no	no	no	no	yes
<b>Washer/Dryer hookup</b>	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>							
<b>Business Center/Computer Lab</b>	yes	yes	yes	yes	no	no	no
<b>Clubhouse/Meeting Room/Community Room</b>	yes	yes	yes	yes	yes	no	yes
<b>Concierge</b>	no	yes	no	no	no	no	no
<b>Courtyard</b>	yes	yes	no	no	no	no	no
<b>Elevators</b>	yes	yes	no	yes	yes	no	yes
<b>Exercise Facility</b>	yes	yes	no	yes	yes	no	yes
<b>Garage</b>	no	no	no	no	yes	no	no
<b>Central Laundry</b>	yes	yes	yes	yes	yes	no	yes
<b>Non-shelter Services</b>	no	yes	no	no	no	no	no
<b>Off-Street Parking</b>	yes	yes	yes	yes	yes	yes	yes
<b>On-Site Management</b>	yes	yes	yes	yes	yes	yes	yes
<b>Picnic Area</b>	yes	yes	no	yes	no	yes	no
<b>Recreation Areas</b>	no	no	no	no	no	no	yes
<b>Service Coordination</b>	yes	yes	no	no	no	no	no
<b>Swimming Pool</b>	no	no	no	no	yes	yes	no
<b>Theatre</b>	no	no	no	yes	no	no	no
<b>Garage Fee</b>	--	--	--	--	\$25.00	--	--
<b>Services</b>							
<b>Adult Education</b>	no	no	no	yes	no	no	no
<b>Computer Tutoring</b>	no	yes	no	no	no	no	no
<b>Shuttle Service</b>	no	yes	no	yes	yes	no	no
<b>Security</b>							
<b>In-Unit Alarm</b>	yes	yes	no	no	no	no	no
<b>Limited Access</b>	yes	yes	no	yes	yes	no	yes
<b>Patrol</b>	yes	no	yes	no	yes	no	no
<b>Perimeter Fencing</b>	yes	no	yes	no	no	no	no
<b>Video Surveillance</b>	yes	yes	no	no	no	no	no
<b>Premium Amenities</b>							
<b>Hairdresser / Barber</b>	no	yes	no	no	yes	no	no
<b>Housekeeping</b>	no	yes	no	no	no	no	no
<b>Medical Professional</b>	no	yes	no	no	yes	no	no
<b>Other Amenities</b>							
<b>Other</b>	n/a	Gazebo, library, dining room, TV and game room	Social Director, Arts & Crafts Room	Walking trails, game room, health seminars	n/a	n/a	Flower bed, gazebo

# PROPERTY PROFILE REPORT

## Antioch Manor Estates

**Effective Rent Date** 4/30/2012

**Location** 4711 Bishop Ming Blvd.  
Stone Mountain, GA 30088  
DeKalb County

**Distance** 6.8 miles

**Units** 120

**Vacant Units** 0

**Vacancy Rate** 0.0%

**Type** Garden (age-restricted) (3 stories)

**Year Built/Renovated** 2005 / N/A

**Marketing Began** 10/01/2004

**Leasing Began** 8/01/2005

**Last Unit Leased** 1/01/2006

**Major Competitors** Retreat at Madison, Spring Chase II

**Tenant Characteristics** Dekalb Cty residents 55 and older, average age is 70, 50% previous homeowners or moved from living with children

**Contact Name** Melissa Williams

**Phone** 770-322-8839



### Market Information

**Program** @30%, @50%, @60%, Market

**Annual Turnover Rate** 10%

**Units/Month Absorbed** 24

**HCV Tenants** 8%

**Leasing Pace** Prelease

**Annual Chg. in Rent** None

**Concession** None

### Utilities

**A/C** included -- central

**Cooking** included -- electric

**Water Heat** included -- gas

**Heat** included -- electric

**Other Electric** included

**Water** included

**Sewer** included

**Trash Collection** included

## Antioch Manor Estates, continued

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	2	450	\$387	\$0	@30%	Yes	0	0.0%	yes	None
0	1	Garden (3 stories)	2	450	\$715	\$0	@60%	Yes	0	0.0%	no	None
0	1	Garden (3 stories)	2	450	\$775	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	5	600	\$415	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	20	600	\$691	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	15	600	\$765	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	8	600	\$975	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (3 stories)	6	800	\$498	\$0	@30%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	26	800	\$830	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	13	800	\$905	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	3	800	\$1,345	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	1	850	\$498	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	3	850	\$830	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	3	850	\$915	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	11	850	\$1,395	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$387	\$0	\$387	-\$109	\$278	1BR / 1BA	\$691	\$0	\$691	-\$141	\$550
1BR / 1BA	\$415	\$0	\$415	-\$141	\$274	2BR / 1BA	\$830	\$0	\$830	-\$178	\$652
2BR / 1BA	\$498	\$0	\$498	-\$178	\$320	2BR / 2BA	\$830	\$0	\$830	-\$178	\$652
2BR / 2BA	\$498	\$0	\$498	-\$178	\$320						
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$715	\$0	\$715	-\$109	\$606	Studio / 1BA	\$775	\$0	\$775	-\$109	\$666
1BR / 1BA	\$765	\$0	\$765	-\$141	\$624	1BR / 1BA	\$975	\$0	\$975	-\$141	\$834
2BR / 1BA	\$905	\$0	\$905	-\$178	\$727	2BR / 1BA	\$1,345	\$0	\$1,345	-\$178	\$1,167
2BR / 2BA	\$915	\$0	\$915	-\$178	\$737	2BR / 2BA	\$1,395	\$0	\$1,395	-\$178	\$1,217

## Antioch Manor Estates, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Ceiling Fan  
Hand Rails  
Oven  
Refrigerator  
Washer/Dryer hookup

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Microwave  
Pull Cords  
Walk-In Closet

#### Security

In-Unit Alarm  
Limited Access  
Video Surveillance

#### Services

Computer Tutoring  
Shuttle Service

#### Property

Business Center/Computer Lab  
Concierge  
Elevators  
Central Laundry  
Off-Street Parking  
Picnic Area

Clubhouse/Meeting  
Courtyard  
Exercise Facility  
Non-shelter Services  
On-Site Management  
Service Coordination

#### Premium

Hairdresser / Barber  
Housekeeping  
Medical Professional

#### Other

Gazebo, library, dining

### Comments

The contact estimated that the waiting list currently has 1,000 households combined for all units. According to management, there is significant demand for additional senior housing in the area. There are two additional phases to this property which will consist of three types of senior housing Antioch Villas, Antioch Summit, and Antioch Gardens. The Gardens and the Summit East and West are three-story elevator serviced structures. The Villas feature clusters of four to five one-story town homes. The villas and the summit have recently opened and are currently in lease up.

# Antioch Manor Estates, continued

## Trend Report

### Vacancy Rates

3Q10	4Q10	1Q11	2Q12
1.7%	0.0%	0.0%	0.0%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$415	\$0	\$415	\$274
2010	4	0.0%	\$415	\$0	\$415	\$274
2011	1	0.0%	\$415	\$0	\$415	\$274
2012	2	0.0%	\$415	\$0	\$415	\$274

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$498	\$0	\$498	\$320
2010	4	0.0%	\$498	\$0	\$498	\$320
2011	1	0.0%	\$498	\$0	\$498	\$320
2012	2	0.0%	\$498	\$0	\$498	\$320

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$498	\$0	\$498	\$320
2010	4	0.0%	\$498	\$0	\$498	\$320
2011	1	0.0%	\$498	\$0	\$498	\$320
2012	2	0.0%	\$498	\$0	\$498	\$320

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$373	\$0	\$373	\$264
2010	4	0.0%	\$373	\$0	\$373	\$264
2011	1	0.0%	\$387	\$0	\$387	\$278
2012	2	0.0%	\$387	\$0	\$387	\$278

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	5.0%	\$691	\$0	\$691	\$550
2010	4	0.0%	\$691	\$0	\$691	\$550
2011	1	0.0%	\$691	\$0	\$691	\$550
2012	2	0.0%	\$691	\$0	\$691	\$550

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	3.8%	\$830	\$0	\$830	\$652
2010	4	0.0%	\$830	\$0	\$830	\$652
2011	1	0.0%	\$830	\$0	\$830	\$652
2012	2	0.0%	\$830	\$0	\$830	\$652

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$830	\$0	\$830	\$652
2010	4	0.0%	\$830	\$0	\$830	\$652
2011	1	0.0%	\$830	\$0	\$830	\$652
2012	2	0.0%	\$830	\$0	\$830	\$652

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$646	\$0	\$646	\$537
2010	4	0.0%	\$646	\$0	\$646	\$537
2011	1	0.0%	\$646	\$0	\$646	\$537

## Antioch Manor Estates, continued

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$765	\$0	\$765	\$624
2010	4	0.0%	\$765	\$0	\$765	\$624
2011	1	0.0%	\$765	\$0	\$765	\$624
2012	2	0.0%	\$765	\$0	\$765	\$624

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$905	\$0	\$905	\$727
2010	4	0.0%	\$905	\$0	\$905	\$727
2011	1	0.0%	\$905	\$0	\$905	\$727
2012	2	0.0%	\$905	\$0	\$905	\$727

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$915	\$0	\$915	\$737
2010	4	0.0%	\$915	\$0	\$915	\$737
2011	1	0.0%	\$915	\$0	\$915	\$737
2012	2	0.0%	\$915	\$0	\$915	\$737

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$715	\$0	\$715	\$606
2010	4	0.0%	\$715	\$0	\$715	\$606
2011	1	0.0%	\$715	\$0	\$715	\$606
2012	2	0.0%	\$715	\$0	\$715	\$606

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$975	\$0	\$975	\$834
2010	4	0.0%	\$975	\$0	\$975	\$834
2011	1	0.0%	\$975	\$0	\$975	\$834
2012	2	0.0%	\$975	\$0	\$975	\$834

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$1,345	\$0	\$1,345	\$1,167
2010	4	0.0%	\$1,345	\$0	\$1,345	\$1,167
2011	1	0.0%	\$1,345	\$0	\$1,345	\$1,167
2012	2	0.0%	\$1,345	\$0	\$1,345	\$1,167

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$1,395	\$0	\$1,395	\$1,217
2010	4	0.0%	\$1,395	\$0	\$1,395	\$1,217
2011	1	0.0%	\$1,395	\$0	\$1,395	\$1,217
2012	2	0.0%	\$1,395	\$0	\$1,395	\$1,217

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$775	\$0	\$775	\$666
2010	4	0.0%	\$775	\$0	\$775	\$666
2011	1	0.0%	\$775	\$0	\$775	\$666
2012	2	0.0%	\$775	\$0	\$775	\$666

### Trend: Comments

- 3Q10** The contact estimated that the waiting list currently has 1,000 names for all units. The property currently has 12 LIHTC/PBRA units, according to the property manager. Construction on Antioch Manor Phase II and III has not begun because funding is unavailable. According to management, there is significant demand for additional senior housing in the area.
- 4Q10** The contact estimated that the waiting list currently has 1,000 households combined for all units. Construction on Antioch Manor Phase II and III has not begun because funding is unavailable. According to management, there is significant demand for additional senior housing in the area.
- 1Q11** The contact estimated that the waiting list currently has 1,000 households combined for all units. Construction on Antioch Manor Phase II and III has begun, and is estimated to be completed by January 2012. According to management, there is significant demand for additional senior housing in the area.
- 2Q12** The contact estimated that the waiting list currently has 1,000 households combined for all units. According to management, there is significant demand for additional senior housing in the area. There are two additional phases to this property which will consist of three types of senior housing Antioch Villas, Antioch Summit, and Antioch Gardens. The Gardens and the Summit East and West are three-story elevator serviced structures. The Villas feature clusters of four to five one-story town homes. The villas and the summit have recently opened and are currently in lease up.

# PROPERTY PROFILE REPORT

## Magnolia Circle

**Effective Rent Date** 5/02/2012

**Location** 100 Dash Lewis Dr  
Decatur, GA 30034  
DeKalb County

**Distance** 5 miles

**Units** 84

**Vacant Units** 3

**Vacancy Rate** 3.6%

**Type** Garden (age-restricted) (2 stories)

**Year Built/Renovated** 2003 / N/A

**Marketing Began** N/A

**Leasing Began** 7/01/2003

**Last Unit Leased** N/A

**Major Competitors** None

**Tenant Characteristics** 62+; 25% out of state; 25% prev. homeowners;  
Many from Panola Rd (Decatur) and Evans Mill Rd (Lithonia) area

**Contact Name** Deborah Dent

**Phone** 404-243-1553



### Market Information

**Program** 60%, Market

**Annual Turnover Rate** 3%

**Units/Month Absorbed** 14

**HCV Tenants** 20%

**Leasing Pace** less than one week to fill

**Annual Chg. in Rent** None

**Concession** None

### Utilities

**A/C** not included -- central

**Cooking** not included -- electric

**Water Heat** not included -- electric

**Heat** not included -- electric

**Other Electric** not included

**Water** included

**Sewer** included

**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	14	690	\$565	\$0	@50%	153 HH	0	0.0%	no	None
1	1	Garden (2 stories)	12	760	\$585	\$0	@60%	153 HH	0	0.0%	no	None
1	1	Garden (2 stories)	6	690	\$720	\$0	Market	20 HH	0	0.0%	N/A	None
2	2	Garden (2 stories)	21	1,000	\$680	\$0	@50%	153 HH	0	0.0%	no	None
2	2	Garden (2 stories)	20	1,030	\$700	\$0	@60%	153 HH	2	10.0%	no	None
2	2	Garden (2 stories)	11	1,000	\$815	\$0	Market	20 HH	1	9.1%	N/A	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$565	\$0	\$565	-\$30	\$535	1BR / 1BA	\$585	\$0	\$585	-\$30	\$555
2BR / 2BA	\$680	\$0	\$680	-\$43	\$637	2BR / 2BA	\$700	\$0	\$700	-\$43	\$657
<b>Market</b>	<b>Face Rent</b>	<b>Conc.</b>	<b>Concd. Rent</b>	<b>Util.</b>	<b>Adj. Rent</b>						
1BR / 1BA	\$720	\$0	\$720	-\$30	\$690						
2BR / 2BA	\$815	\$0	\$815	-\$43	\$772						

## Magnolia Circle, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Garbage Disposal  
Oven  
Refrigerator

Blinds  
Central A/C  
Dishwasher  
Hand Rails  
Pull Cords  
Washer/Dryer hookup

#### Security

Patrol  
Perimeter Fencing

#### Services

None

#### Property

Business Center/Computer Lab  
Central Laundry  
On-Site Management

Clubhouse/Meeting  
Off-Street Parking

#### Premium

None

#### Other

Social Director, Arts & Crafts

### Comments

The property manager stated that their market rate tenant's income ranges from \$33,600 to \$63,600 with an average income of \$50,400. She stated that there is high demand for additional senior units in the county, particularly at the 50 percent AMI level and for subsidized units. The majority of tenants rely on SSI and an estimated 25 percent previously owned homes. While the property manager could not detail the waiting list by AMI levels, she stated that there were more that qualified at 50 percent of the AMI on the 153 household waiting list.

## Magnolia Circle, continued

### Trend Report

#### Vacancy Rates

1Q10	2Q10	3Q10	2Q12
0.0%	0.0%	0.0%	3.6%

#### Trend: @50%

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$565	\$0	\$565	\$535
2010	2	0.0%	\$565	\$0	\$565	\$535
2010	3	0.0%	\$565	\$0	\$565	\$535
2012	2	0.0%	\$565	\$0	\$565	\$535

##### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$680	\$0	\$680	\$637
2010	2	0.0%	\$680	\$0	\$680	\$637
2010	3	0.0%	\$680	\$0	\$680	\$637
2012	2	0.0%	\$680	\$0	\$680	\$637

#### Trend: @60%

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$585	\$0	\$585	\$555
2010	2	0.0%	\$585	\$0	\$585	\$555
2010	3	0.0%	\$585	\$0	\$585	\$555
2012	2	0.0%	\$585	\$0	\$585	\$555

##### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$700	\$0	\$700	\$657
2010	2	0.0%	\$700	\$0	\$700	\$657
2010	3	0.0%	\$700	\$0	\$700	\$657
2012	2	10.0%	\$700	\$0	\$700	\$657

#### Trend: Market

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$720	\$0	\$720	\$690
2010	2	0.0%	\$720	\$0	\$720	\$690
2010	3	0.0%	\$720	\$0	\$720	\$690
2012	2	0.0%	\$720	\$0	\$720	\$690

##### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$815	\$0	\$815	\$772
2010	2	0.0%	\$815	\$0	\$815	\$772
2010	3	0.0%	\$815	\$0	\$815	\$772
2012	2	9.1%	\$815	\$0	\$815	\$772

#### Trend: Comments

- 1Q10** Rents and occupancy have not changed since the last interview in May 2009. The property manager reported that there is a great demand for an additional senior community in the area. The property manager also indicated that lower AMI levels have the greatest demand. This property regularly turns people away who can not afford the rents at 50 percent AMI.
- 2Q10** The property manager reported that rents have not changed since at least 2006 and that tenants cannot afford higher rents. Management indicated that there is high demand for additional senior units in the area (estimated at 500) at the 50 percent AMI level. The majority of tenants rely on SSI and an estimated 25 percent previously owned homes.
- 3Q10** N/A
- 2Q12** The property manager stated that their market rate tenant's income ranges from \$33,600 to \$63,600 with an average income of \$50,400. She stated that there is high demand for additional senior units in the county, particularly at the 50 percent AMI level and for subsidized units. The majority of tenants rely on SSI and an estimated 25 percent previously owned homes. While the property manager could not detail the waiting list by AMI levels, she stated that there were more that qualified at 50 percent of the AMI on the 153 household waiting list.

# PROPERTY PROFILE REPORT

## Retreat At Madison Place (fka Ashton Grove)

<b>Effective Rent Date</b>	4/30/2012
<b>Location</b>	3907 Redwing Circle Decatur, GA 30032 DeKalb County
<b>Distance</b>	3.5 miles
<b>Units</b>	160
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	2.5%
<b>Type</b>	Garden (age-restricted) (4 stories)
<b>Year Built/Renovated</b>	2007 / 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>	The contact could not report the major competitors
<b>Tenant Characteristics</b>	Most btwn 55-62; 60%+ previous homeowners; tenants from downtown ATL, Decatur, Stn Mtn, Lithonia; 10% out of state (AL, NY, CA), 5% employed
<b>Contact Name</b>	Ashley
<b>Phone</b>	(404) 289-8393



### Market Information

<b>Program</b>	60%
<b>Annual Turnover Rate</b>	38%
<b>Units/Month Absorbed</b>	14.4
<b>HCV Tenants</b>	11%
<b>Leasing Pace</b>	2BR's take much longer
<b>Annual Chg. in Rent</b>	9% increase 2BR units
<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>	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 (4 stories)	40	697	\$699	\$0	@60%	6HH	0	0.0%	no	None
2	2	Garden (4 stories)	120	987	\$789	\$0	@60%	None	4	3.3%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$699	\$0	\$699	-\$30	\$669
2BR / 2BA	\$789	\$0	\$789	-\$43	\$746

## Retreat At Madison Place (fka Ashton Grove), continued

### Amenities

#### In-Unit

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Oven  
Refrigerator

Carpeting  
Coat Closet  
Ceiling Fan  
Hand Rails  
Pull Cords  
Washer/Dryer hookup

#### Security

Limited Access

#### Services

Adult Education  
Shuttle Service

#### Property

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

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Picnic Area

#### Premium

None

#### Other

Walking trails, game room,

### Comments

The one bedroom units typically lease within one week from the waiting list. The two bedrooms take between 30 and 60 days to lease. Management estimated five moveouts each month. Of these five, an estimated three each month are due to financial reasons; mainly that the supporting family/family member can no longer support the senior's rent. Therefore, several seniors have moved out to live with family members.

## Retreat At Madison Place (fka Ashton Grove), continued

### Trend Report

#### Vacancy Rates

2Q10	4Q10	1Q11	2Q12
7.5%	7.5%	8.7%	2.5%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$670	\$0	\$670	\$640
2010	4	0.0%	\$685	\$0	\$685	\$655
2011	1	0.0%	\$699	\$0	\$699	\$669
2012	2	0.0%	\$699	\$0	\$699	\$669

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	10.0%	\$779	\$32	\$747	\$704
2010	4	10.0%	\$789	\$33	\$756	\$713
2011	1	11.7%	\$789	\$60	\$729	\$686
2012	2	3.3%	\$789	\$0	\$789	\$746

### Trend: Comments

- 2Q10** The contact reported that there has been strong steady demand, but a lot of unqualified traffic. The higher vacancy is a result of the seniors depending on supplemental income from family members who have lost jobs or income. There is a demand in the area for additional affordable housing, especially with one bedroom units and at lower AMI levels.
- 4Q10** The contact reported that there has been strong steady demand, but a lot of unqualified traffic for the two-bedroom units. The higher vacancy is a result of the seniors depending on supplemental income from family members who have lost jobs or income. There is a demand in the area for additional affordable housing, especially in regard to one-bedroom units and lower AMI levels. Rents at this property have increased between 1.0 and 2.0 percent since 2009.
- 1Q11** The one bedroom units typically lease within one week from the waiting list. The two bedrooms take between 30 and 60 days to lease. Three of the vacant two bedrooms are leased. Management estimated five moveouts each month. Of these five, an estimated three each month are due to financial reasons; mainly that the supporting family/family member can no longer support the senior's rent. Therefore, several seniors have moved out to live with family members.
- 2Q12** The one bedroom units typically lease within one week from the waiting list. The two bedrooms take between 30 and 60 days to lease. Management estimated five moveouts each month. Of these five, an estimated three each month are due to financial reasons; mainly that the supporting family/family member can no longer support the senior's rent. Therefore, several seniors have moved out to live with family members.

# PROPERTY PROFILE REPORT

## Clairmont Crest

<b>Effective Rent Date</b>	4/27/2012
<b>Location</b>	1861 Clairmont Road Decatur, GA 30033 DeKalb County
<b>Distance</b>	4.8 miles
<b>Units</b>	200
<b>Vacant Units</b>	10
<b>Vacancy Rate</b>	5.0%
<b>Type</b>	Midrise (age-restricted) (5 stories)
<b>Year Built/Renovated</b>	1985 / 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>	Clairmont Place, Williamsburg
<b>Tenant Characteristics</b>	Seniors 50+, average age is 72; 50% previous homeowners
<b>Contact Name</b>	Leasing Agent
<b>Phone</b>	404-325-9077



### Market Information

<b>Program</b>	Market, Non-Rental
<b>Annual Turnover Rate</b>	18%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	60 Days
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- wall
<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
0	1	Midrise (5 stories)	11	500	\$710	\$0	Market	No	0	0.0%	N/A	None
0	1	Midrise (5 stories)	2	N/A	N/A	\$0	Non-Rental	N/A	0	0.0%	N/A	None
1	1	Midrise (5 stories)	131	700	\$790	\$0	Market	No	10	7.6%	N/A	None
1	1	Midrise (5 stories)	10	800	\$810	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (5 stories)	1	N/A	N/A	\$0	Non-Rental	N/A	0	0.0%	N/A	None
2	2	Midrise (5 stories)	30	1,100	\$925	\$0	Market	yes	0	0.0%	N/A	None
2	2	Midrise (5 stories)	6	1,300	\$980	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Midrise (5 stories)	9	1,400	\$1,085	\$0	Market	yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$710	\$0	\$710	-\$18	\$692	Studio / 1BA	N/A	\$0	N/A	-\$18	N/A
1BR / 1BA	\$790 - \$810	\$0	\$790 - \$810	-\$30	\$760 - \$780	1BR / 1BA	N/A	\$0	N/A	-\$30	N/A
2BR / 2BA	\$925 - \$1,085	\$0	\$925 - \$1,085	-\$43	\$882 - \$1,042						

## Clairmont Crest, continued

### Amenities

#### In-Unit

Blinds  
Coat Closet  
Garbage Disposal  
Oven  
Walk-In Closet

Carpeting  
Dishwasher  
Hand Rails  
Refrigerator  
Washer/Dryer hookup

#### Security

Limited Access  
Patrol

#### Services

Shuttle Service

#### Property

Clubhouse/Meeting  
Exercise Facility  
Central Laundry  
On-Site Management

Elevators  
Garage  
Off-Street Parking  
Swimming Pool

#### Premium

Hairdresser / Barber  
Medical Professional

#### Other

None

### Comments

Management reported high demand for senior housing in the area and believes there is a need for additional senior housing. The current occupancy rate for Clairmont Crest is 95 percent and 10 vacancies. There are 26 households on a waiting list for the two bedroom units. There are no concession being offered. There are 56 covered parking spaces for \$25 per month all of which are leased.

# Clairmont Crest, continued

## Trend Report

### Vacancy Rates

4Q10	1Q11	4Q11	2Q12
3.5%	3.5%	5.0%	5.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	3.6%	\$770	\$0	\$770	\$740
2011	1	N/A	\$790	\$0	\$790	\$760
2011	4	N/A	\$790	\$0	\$790	\$760
2012	2	7.1%	\$790 - \$810	\$0	\$790 - \$810	\$760 - \$780

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$905	\$0	\$905	\$862
2011	1	N/A	\$925	\$0	\$925	\$882
2011	4	N/A	\$925	\$0	\$925	\$882
2012	2	0.0%	\$925 - \$1,085	\$0	\$925 - \$1,085	\$882 - \$1,042

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	10.5%	\$690	\$0	\$690	\$672
2011	1	N/A	\$710	\$0	\$710	\$692
2011	4	N/A	\$710	\$0	\$710	\$692
2012	2	0.0%	\$710	\$0	\$710	\$692

### Trend: Non-Rental

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	N/A	\$0	N/A	N/A
2011	1	0.0%	N/A	\$0	N/A	N/A
2011	4	0.0%	N/A	\$0	N/A	N/A
2012	2	0.0%	N/A	\$0	N/A	N/A

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	N/A	\$0	N/A	N/A
2011	1	0.0%	N/A	\$0	N/A	N/A
2011	4	0.0%	N/A	\$0	N/A	N/A
2012	2	0.0%	N/A	\$0	N/A	N/A

## Trend: Comments

- 4Q10** Management explained that occupancy has improved due to an increase in the number of applications in November.
- 1Q11** Occupancy has remained stable since December 2010. Clairmont Crest charges \$25 per month for their garage parking. They have approximately 40 spaces in a covered parking deck, and all of these spaces are leased. Management indicated there is a waiting list for the spaces.
- 4Q11** Management reported high demand for senior housing in the area and believes there is a need for additional senior housing. The current occupancy rate for Clairmont Crest is 95 percent and 10 vacancies. Rents have increased by \$20 a unit type within the past year. Management estimates the annual turnover rate at two percent. There is a six month waiting list for two-bedroom units, the number of households on the list was unavailable. There are no concession being offered. Management was unable to comment on any further questions concerning demand.
- 2Q12** Management reported high demand for senior housing in the area and believes there is a need for additional senior housing. The current occupancy rate for Clairmont Crest is 95 percent and 10 vacancies. There are 26 households on a waiting list for the two bedroom units. There are no concession being offered. There are 56 covered parking spaces for \$25 per month all of which are leased.

# PROPERTY PROFILE REPORT

## Maple Walk Apartments

**Effective Rent Date** 4/27/2012  
**Location** 1150 Maple Walk Circle  
 Decatur, GA 30032  
 DeKalb County  
**Distance** 1.3 miles  
**Units** 100  
**Vacant Units** 2  
**Vacancy Rate** 2.0%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 1985 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None  
**Tenant Characteristics** N/A  
**Contact Name** Ann  
**Phone** (404) 288-5599



### Market Information

**Program** Market  
**Annual Turnover Rate** 60%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 0%  
**Leasing Pace** One Week  
**Annual Chg. in Rent** None  
**Concession** None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	100	1,050	\$655	\$0	Market	None	2	2.0%	N/A	AVG*

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$655	\$0	\$655	\$0	\$655

### Amenities

#### In-Unit

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

Blinds  
 Central A/C  
 Fireplace  
 Oven  
 Walk-In Closet

#### Security

None

#### Services

None

#### Property

Off-Street Parking  
 Picnic Area

On-Site Management  
 Swimming Pool

#### Premium

None

#### Other

None

### Comments

The contact stated that they would accept Housing Choice Vouchers on a case by case basis, but that none of the tenants were currently using them.

## Maple Walk Apartments, continued

### Trend Report

#### Vacancy Rates

1Q08	2Q09	2Q12
6.0%	3.0%	2.0%

### Trend: Market

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	6.0%	\$745	\$65	\$680	\$680
2009	2	3.0%	\$665	\$13	\$652	\$652
2012	2	2.0%	\$655	\$0	\$655	\$655

### Trend: Comments

- 1Q08** The contact reported that the asking rent currently ranges from \$665 to \$695, which are discounts from the standard rent of \$745. The discounted rents have been offered since January 2008 and will be offered for an undetermined length of time. The contact stated that the discounted rents, \$665 and \$695, may potentially become the new standard rents. The contact could not comment on change in rents over the past year or tenant characteristics. The property does not offer a central laundry facility.
- 2Q09** Rental rates have decreased by 10.7 percent since our previous interview. Management noted the current rental rates have been offered as concessioned rents since January 2008. The property decided to permanently change rental rates to the current \$665 rent instead of continuing to offer a concession. There is a current concession of \$499 for the first month's rent.
- 2Q12** The contact stated that they would accept Housing Choice Vouchers on a case by case basis, but that none of the tenants were currently using them.

# PROPERTY PROFILE REPORT

## Spring Chase II

<b>Effective Rent Date</b>	4/27/2012
<b>Location</b>	4947 Memorial Drive Stone Mountain, GA 30083 DeKalb County
<b>Distance</b>	3.5 miles
<b>Units</b>	81
<b>Vacant Units</b>	7
<b>Vacancy Rate</b>	8.6%
<b>Type</b>	Midrise (age-restricted) (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>	N/A
<b>Tenant Characteristics</b>	Seniors 55+
<b>Contact Name</b>	Kendra
<b>Phone</b>	404-299-0532



### Market Information

<b>Program</b>	Market, Section 8
<b>Annual Turnover Rate</b>	15%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	1 week
<b>Annual Chg. in Rent</b>	None
<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>	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	Midrise (3 stories)	N/A	602	\$500	\$0	Market	None	N/A	N/A	N/A	None
1	1	Midrise (3 stories)	N/A	602	N/A	\$0	Section 8	Yes	N/A	N/A	N/A	None
2	2	Midrise (3 stories)	N/A	907	\$600	\$0	Market	None	N/A	N/A	N/A	None
2	2	Midrise (3 stories)	N/A	907	N/A	\$0	Section 8	Yes	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Section 8	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$500	\$0	\$500	-\$30	\$470	1BR / 1BA	N/A	\$0	N/A	-\$30	N/A
2BR / 2BA	\$600	\$0	\$600	-\$43	\$557	2BR / 2BA	N/A	\$0	N/A	-\$43	N/A

## Spring Chase II, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Dishwasher  
Hand Rails  
Pull Cords  
Walk-In Closet  
Washer/Dryer hookup

Blinds  
Central A/C  
Garbage Disposal  
Oven  
Refrigerator  
Washer/Dryer

#### Security

Limited Access

#### Services

None

#### Property

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Recreation Areas

Elevators  
Central Laundry  
On-Site Management

#### Premium

None

#### Other

Flower bed, gazebo

### Comments

The contact could not comment on the number of Housing Choice Voucher tenants residing at the property, or vacancy by unit type. The property manager stated that they had recently had several move outs but that the unit were leased.

# Spring Chase II, continued

## Trend Report

### Vacancy Rates

<b>2Q10</b>	<b>3Q10</b>	<b>2Q11</b>	<b>2Q12</b>
8.6%	2.5%	7.4%	8.6%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$500 - \$550	\$0	\$500 - \$550	\$470 - \$520
2010	3	N/A	\$500 - \$550	\$0	\$500 - \$550	\$470 - \$520
2011	2	N/A	\$530 - \$555	\$0	\$530 - \$555	\$500 - \$525
2012	2	N/A	\$500	\$0	\$500	\$470

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$600 - \$650	\$0	\$600 - \$650	\$557 - \$607
2010	3	N/A	\$600 - \$650	\$0	\$600 - \$650	\$557 - \$607
2011	2	N/A	\$630 - \$700	\$0	\$630 - \$700	\$587 - \$657
2012	2	N/A	\$600	\$0	\$600	\$557

### Trend: Section 8

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	N/A	\$0	N/A	N/A
2010	3	N/A	N/A	\$0	N/A	N/A
2011	2	N/A	N/A	\$0	N/A	N/A
2012	2	N/A	N/A	\$0	N/A	N/A

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	N/A	\$0	N/A	N/A
2010	3	N/A	N/A	\$0	N/A	N/A
2011	2	N/A	N/A	\$0	N/A	N/A
2012	2	N/A	N/A	\$0	N/A	N/A

### Trend: Comments

- 2Q10** The contact indicated there are 44 section 8/HAP payment units, but could not provide the unit mix. Senior tenants are permitted to use the swimming pool, picnic areas, playgrounds and other amenities offered at Spring Chase I. The contact could not indicate how many tenants were previous homeowners, or information on turnover, leasing pace, number of housing choice vouchers, or absorption.
- 3Q10** Management indicated there are 44 section 8/HAP payment units, but could not provide the unit mix. Senior tenants are permitted to use the swimming pool, picnic areas, playgrounds and other amenities offered at Spring Chase I. The contact could not indicate how many tenants were previous homeowners, or information on turnover, leasing pace, number of housing choice vouchers, or absorption.
- 2Q11** The contact could not comment on the number of Housing Choice Voucher tenants residing at the property, vacancy by unit type, or why vacancy has increased since the last interview in August 2010. The largest rent increases occurred among the two-bedroom units.
- 2Q12** The contact could not comment on the number of Housing Choice Voucher tenants residing at the property, or vacancy by unit type. The property manager stated that they had recently had several move outs but that the unit were leased.

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

**Housing Choice Vouchers**

**TENANTS WITH VOUCHERS**

Comparable Property	Type	Tenancy	Housing Choice Voucher Tenants
Antioch Manor Estates	LIHTC	Senior	8%
Magnolia Circle	LIHTC	Senior	20%
Retreat At Madison Place	LIHTC	Senior	11%
Clairmont Crest	Market	Senior	0%
Maple Walk Apartments	Market	Family	0%
Spring Chase II	Market	Senior	0%
<b>Average</b>			<b>7%</b>

As illustrated in the table, all of the senior LIHTC properties reported having voucher tenants. The average number of voucher tenants at the LIHTC properties is 13 percent and the overall market average is seven percent. The majority of the Subject’s units will operate with an additional subsidy. Of the Subject’s 80 units, 26 will be straight LIHTC with no subsidy. Overall, we assume that the Subject’s unsubsidized units will have a voucher tenancy similar to the senior average of 13 percent and an overall voucher reliance of approximately five percent. The local market does not appear to be dependent on voucher tenants.

**Lease Up History**

We were able to obtain absorption information from three comparable properties, illustrated following.

**ABSORPTION**

Comparable Property	Type	Opened	# Of Units	Units Absorbed Per Month
Retreat At Madison Place	LIHTC	2007	160	14
Antioch Manor Estates	LIHTC	2005	120	24
Magnolia Circle	LIHTC	2003	84	14

Antioch Manor Estates began occupancy in August 2005 and was 100 percent leased by January 2006, a five month absorption period. The average monthly absorption, including preleasing, was 24 units. The property currently maintains a waiting list of approximately 1,000 people; however, an additional phase is getting ready to open and the new units will likely be filled from the waiting list. Magnolia Circle opened in 2003 and was 100 percent occupied within six months for an absorption pace of 14 units per month. The Retreat at Madison Place began leasing in January 2007, the most recent construction, and reached stabilization by December 2007, a lease-up period of 11 months. With a 935 percent occupancy, 152 units were absorbed over this 11 month period. The resulting average monthly absorption is 14 units. Based on the absorption pace reported by these properties, the waiting lists at all LIHTC comparables, the additional subsidy for the majority of the Subject’s units, and the strong demand for affordable housing in Decatur, we anticipate that the Subject will absorb 12 to 14 units per month, for an absorption period of five to six months.

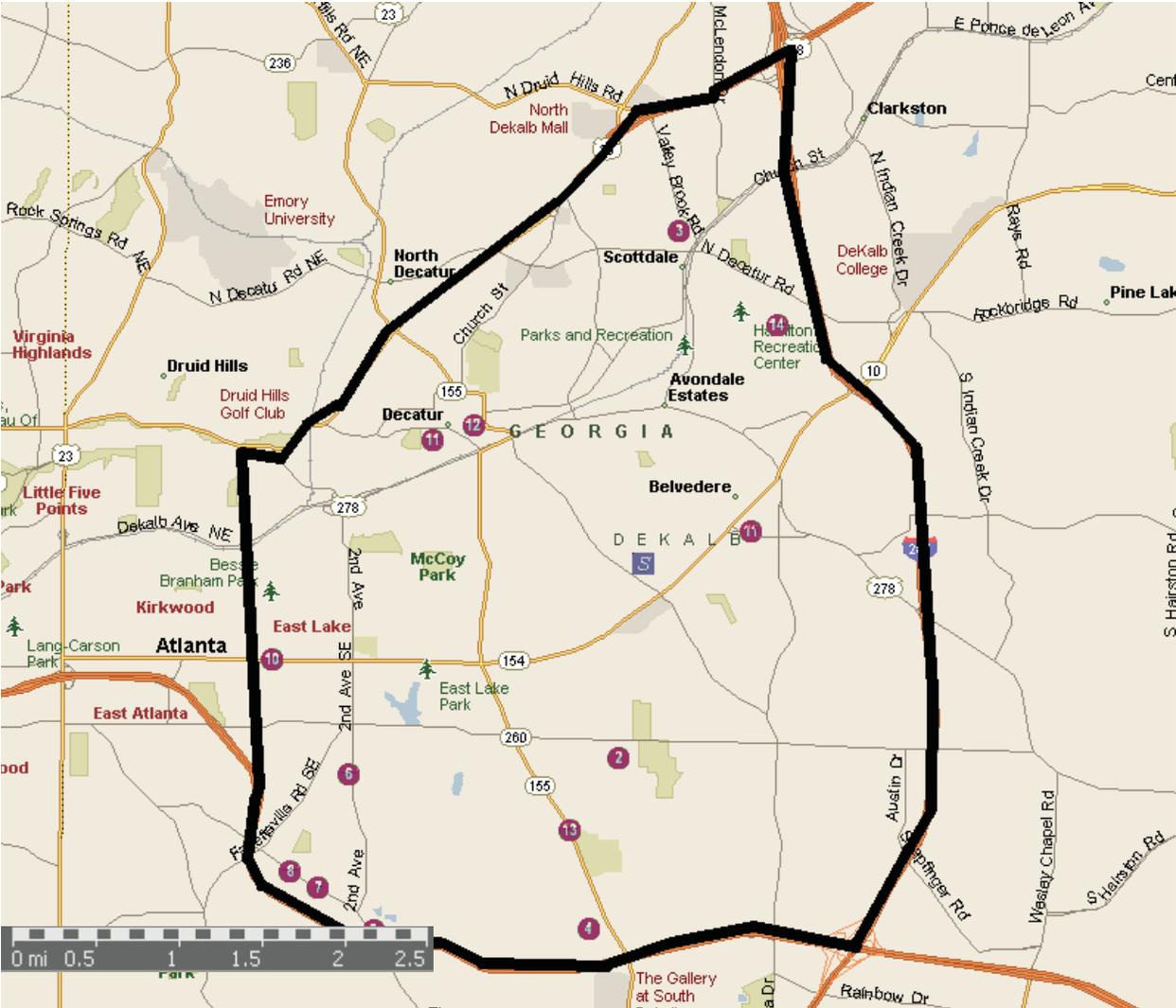
**Phased Developments**

This is not applicable to the Subject.

**Rural Areas**

The Subject is not in a rural area, as defined by USDA.

**3. COMPETITIVE PROJECT MAP**



**LIHTC In The PMA**

#	Property Name	City	Tenancy	Type	Distance
1	Delano Place	Decatur	Family	LIHTC	1.4 miles
2	Robins Landing Apartments	Decatur	Family	LIHTC	2.3 miles
3	Sycamore Chase FKA Maple Glen Apartments	Decatur	Family	LIHTC	3.2 miles
4	Whispering Pines	Decatur	Family	LIHTC/Market	4.2 miles
5	Gresham House	Decatur	Family	LIHTC/Market	6.4 miles
6	Columbia Village	Decatur	Family	LIHTC	3.7 miles
7	Columbia Mill	Atlanta	Family	LIHTC	7.0 miles
8	Vinyards at Flat Shoals	Atlanta	Family	LIHTC	7.1 miles
9	Brittany Place	Decatur	Family	LIHTC	1.2 miles
10	Courtyards at Glenview	Atlanta	Family	LIHTC	3.5 miles
11	Allen Wilson Phase 2 (aka Oliver House)	Decatur	HFOP	LIHTC/PH	2.8 miles
12	Allen Wilson Terrace Phase I	Decatur	Family	LIHTC/PH	1.9 miles
13	Candler Forrest Apartments	Decatur	Family	LIHTC/PBRA	3.3 miles
14	Oak Forest	Scottsdale	Family	LIHTC/PH	4.6 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.

# Forest Heights, Decatur, GA; Market Study

## UNIT MATRIX REPORT

	Forest Heights Apartments	Antioch Manor Estates	Magnolia Circle	Retreat At Madison Place (fka Ashton	Clairmont Crest	Maple Walk Apartments	Spring Chase II
Comp #	Subject	1	2	3	4	5	6
<b>Property Information</b>							
Property Type	Various (age-restricted)	Garden (age-restricted) (3 stories)	Garden (age-restricted) (2 stories)	Garden (age-restricted) (4 stories)	Midrise (age-restricted) (5 stories)	Garden (2 stories)	Midrise (age-restricted) (3 stories)
Year Built / Renovated	2014 / n/a	2005 / n/a	2003 / n/a	2007 / n/a	1985 / n/a	1985 / n/a	2002 / n/a
Market (Conv.)/Subsidy Type	LHHC/Market/PBR A/PH	@30%, @50%, @60%, Market	60%, Market	60%	Market, Non-Rental	Market	Market, Section 8
<b>Utility Adjustments</b>							
Cooking	no	yes	no	no	no	no	no
Water Heat	no	yes	no	no	no	no	no
Heat	no	yes	no	no	no	no	no
Other Electric	no	yes	no	no	no	no	no
Water	no	yes	yes	yes	yes	no	yes
Sewer	no	yes	yes	yes	yes	no	yes
Trash Collection	yes	yes	yes	yes	yes	yes	yes
<b>In-Unit Amenities</b>							
Balcony/Patio	yes	yes	yes	no	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	no	yes	yes
Coat Closet	yes	yes	yes	yes	yes	no	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	no	yes	no	no	no
Fireplace	no	no	no	no	no	yes	no
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes
Hand Rails	yes	yes	yes	yes	yes	no	yes
Microwave	no	yes	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	yes	no	no	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	yes	no	no	no	no	no	no
Walk-In Closet	yes	yes	no	no	yes	yes	yes
Washer/Dryer	no	no	no	no	no	no	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>							
Business Center/Computer Lab	yes	yes	yes	yes	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	no	yes
Concierge	no	yes	no	no	no	no	no
Courtyard	yes	yes	no	no	no	no	no
Elevators	yes	yes	no	yes	yes	no	yes
Exercise Facility	yes	yes	no	yes	yes	no	yes
Garage	no	no	no	no	yes	no	no
Central Laundry	yes	yes	yes	yes	yes	no	yes
Non-shelter Services	no	yes	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	no	yes	no	yes	no
Playground	no	no	no	no	no	no	no
Recreation Areas	no	no	no	no	no	no	yes
Service Coordination	yes	yes	no	no	no	no	no
Swimming Pool	no	no	no	no	yes	yes	no
Theatre	no	no	no	yes	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	\$25.00	N/A	N/A
<b>Services</b>							
Adult Education	no	no	no	yes	no	no	no
Computer Tutoring	no	yes	no	no	no	no	no
Shuttle Service	no	yes	no	yes	yes	no	no
<b>Security</b>							
In-Unit Alarm	yes	yes	no	no	no	no	no
Limited Access	yes	yes	no	yes	yes	no	yes
Patrol	yes	no	yes	no	yes	no	no
Perimeter Fencing	yes	no	yes	no	no	no	no
Video Surveillance	yes	yes	no	no	no	no	no
<b>Premium Amenities</b>							
Hairdresser / Barber	no	yes	no	no	yes	no	no
Housekeeping	no	yes	no	no	no	no	no
Medical Professional	no	yes	no	no	yes	no	no

The Subject will offer an extensive amenities package that will be generally similar to superior to the majority of the comparables.

**5. Selection of Comparables**

The Subject will target senior households aged 55 and older. There are no senior properties in the PMA; therefore, we have included senior properties that are located outside of the Subject’s PMA in similar market areas. Additionally, we have included one family market rate property in the Subject’s PMA, Maple Walk. The property manager at Maple Walk indicated that approximately 10 percent of their tenants were age 55 or older.

**6. Vacancy**

The following table illustrates the vacancy rates in the market.

<b>OVERALL VACANCY</b>					
<b>Property name</b>	<b>Rent Structure</b>	<b>Tenancy</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Vacancy Rate</b>
Antioch Manor Estates	@30%, @50%,	Senior	120	0	0.00%
Magnolia Circle	60%, Market	Senior	84	3	3.60%
Retreat At Madison Place	60%	Senior	160	4	2.50%
Clairmont Crest	Market, Non-	Senior	200	10	5.00%
Maple Walk Apartments	Market	Family	100	2	2.00%
Spring Chase II	Market, Section 8	Senior	81	7	8.60%
<b>Total</b>			<b>745</b>	<b>26</b>	<b>3.50%</b>
<b>LIHTC Total</b>			<b>364</b>	<b>7</b>	<b>1.92%</b>
<b>Market Total</b>			<b>381</b>	<b>19</b>	<b>4.99%</b>

The comparables have an average vacancy rate of 3.5 percent, which is considered healthy. The average vacancy rate among the three LIHTC properties with senior units is even lower at 2.0 percent. Spring Chase II, a senior market rate property with half of its units offering additional subsidy, is exhibiting the highest vacancy rate at 8.6 percent. The property manager at Spring Chase II stated that they had recently had several move outs but that the vacant units were leased. This property maintains a wait list on its subsidized units. All of the senior LIHTC properties maintain lengthy waiting lists and maintain occupancies between 96 and 100 percent. The conventional properties have vacancy rates between 2.0 and 8.6 percent. The closest property, Maple Walk Apartments has the lowest vacancy rate of the conventional rate properties at 2.0 percent. While this property caters to families, the property manager stated that the area was in need of an affordable senior property. Overall, the senior LIHTC market appears to be healthy and the Subject’s LIHTC rents are among the lowest of the LIHTC properties. The Subject’s market rate rents are below the rents at Antioch Manor Estates, a mixed income property similar to the proposed Subject that is 100 percent occupied and well established. Additionally, senior households in the PMA are projected to grow at rate of 3.5 percent annually from 2010 to 2014. This positive growth indicates that there will likely be an increased demand for affordable senior housing. Given the low vacancy among the senior LIHTC comparables, we believe that the Subject will maintain a stabilized vacancy rate of five percent or less.

**7. Properties Under Construction and Proposed**

There are two properties under construction or proposed in the PMA, which are listed below.

**ADDITIONS TO SUPPLY SINCE 2010**

Property Name	Type	Year Built/Proposed	Competitive with Subject	Number of Units	Comments
Columbia Mill	Family LIHTC	2013	0	100	Family tenancy
Allen Wilson Phase II	Senior LIHTC/PH	2013	0	80	All units will be subsidized

**Columbia Mill:**

1. **Address:** 2229 Flat Shoals Road, Atlanta, Georgia
2. **Owner:** Columbia Residential
3. **Number of units:** 100
4. **Unit Configuration and Rent Structure:**

Columbia Mill		
Unit Mix	Number of Units	Proposed Rent
1BR 50%	11	\$528
1BR 60%	34	\$630
1BR Market	11	\$695
2BR 50%	6	\$625
2BR 60%	18	\$720
2BR Market	6	\$910
3BR 50%	3	\$691
3BR 60%	8	\$840
3BR Market	3	\$1,010

5. **Estimated date of market entry:** June 2013
6. This property will target families and is located approximately 7.0 miles south of the Subject.

**Allen Wilson Phase II:**

1. **Address:** 1450 Commerce Drive, Decatur, Georgia
2. **Owner:** Decatur Housing Authority
3. **Number of units:** 80
4. **Unit Configuration and Rent Structure:**

Allen Wilson Phase II		
Unit Mix	Number of Units	Rent
1BR 50%/PH	11	BOI
2BR 50%/PH	2	BOI
1BR 60%/PH	61	BOI
2BR 60%/PH	6	BOI

5. **Estimated date of market entry:** June 2014
6. This elderly property will be 100 percent subsidized and located 2.8 miles from the Subject.

In addition to Allen Wilson Phase II and Columbia Mill, Antioch Manor Estates which is located approximately two miles outside of the Subject’s PMA, has two additional phase that were allocated. Both phases are senior and they will consist of three types of senior housing Antioch Villas, Antioch Summit, and Antioch Gardens. The Gardens and the Summit East and West are

three-story elevator serviced structures. The Villas feature clusters of four to five one-story town homes. The villas and the summit have recently opened and are currently in lease up. We have not excluded these two phases from the supply as they are located well outside of the primary market area.

**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	Antioch Manor Estates	LIHTC/Market	Similar	Similar	Slightly Inferior	Similar	Inferior	-10
2	Magnolia Circle	LIHTC/Market	Slightly Inferior	Similar	Similar	Slightly Inferior	Similar	-10
3	Retreat At Madison Place (fka Ashton Grove)	LIHTC/Market	Similar	Similar	Similar	Similar	Similar	0
4	Clairmont Crest	Market, Non-Rental	Slightly Inferior	Slightly Inferior	Slightly Superior	Inferior	Similar	-15
5	Maple Walk Apartments	Market	Inferior	Slightly Inferior	Similar	Inferior	Inferior	-35
6	Spring Chase II	Market, Section 8	Slightly Inferior	Slightly Inferior	Slightly Inferior	Slightly Inferior	Inferior	-30

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

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

**LIHTC Rent Comparison - @50%**

Property Name	1BR	2BR
Forest Heights Apartments (Subject)	BOI	BOI
<b>LIHTC Maximum (Net)</b>	<b>\$650</b>	<b>\$780</b>
Antioch Manor Estates	\$690	\$780
Magnolia Circle	\$565	\$680
<b>Average (excluding Subject)</b>	<b>\$628</b>	<b>\$730</b>

**LIHTC Rent Comparison - @60%**

Property Name	1BR	2BR
Forest Heights Apartments (Subject)	\$579	\$704
<b>LIHTC Maximum (Net)</b>	<b>\$651</b>	<b>\$771</b>
Antioch Manor Estates	\$624	\$727
Retreat At Madison Place (fka Ashton Grove)	\$669	\$746
Magnolia Circle	\$555	\$657
<b>Average (excluding Subject)</b>	<b>\$616</b>	<b>\$717</b>

All of the Subject’s 50 percent AMI units and 42 of the Subject’s 60 percent AMI units will offer an additional subsidy and tenants will pay 30 percent of their income on rents. The previous tables include the LIHTC unassisted rents at the comparable properties. Antioch Manor Estates appears to be achieving the maximum allowable rents at the 50 percent AMI level. The Subject will offer 17 units at 60 percent of the AMI that have no additional subsidy. The above rents proposed at the Subject at this AMI level are well below the maximum allowable rents. The Subject’s proposed one and two-bedroom rents

at 60 percent of the AMI are among the lowest in the market. Magnolia Circle’s 60 percent AMI rents are similar to the proposed Subject’s 60 percent AMI rents. Magnolia Circle is currently offering the lowest rents in the market and is 96 percent occupied with a 157 household waiting list. Of this properties three vacant units, all are pre-leased. Magnolia Circle was constructed in 2003 and will be slightly inferior to the Subject in terms of age and condition. Additionally, the Subject will offer a slightly superior property amenities package. Therefore, it is reasonable to assume that the Subject can achieve higher rents than Magnolia Circle.

The Subject will be most similar to The Retreat at Madison Place, the newest senior LIHTC property. The 60 percent AMI rents at The Retreat at Madison Place are well above the Subject’s proposed rents. The Retreat at Madison Place is currently 97.0 percent occupied and maintains a waiting list for its one-bedroom units. The property manager stated that there was a need for additional affordable senior housing for one-bedroom units in Decatur, particularly in the Subject’s location. The property manager stated that the one-bedroom units leased quickly while it was harder to lease the two-bedroom units due primarily to unqualified traffic for the two-bedroom units. In addition, the two-bedroom rents at this property have increased approximately eight percent since we last surveyed in March of 2011, while the one-bedroom rents have remained stable over the same time period. This may contribute to the slower leasing pace for the two-bedroom units. The following table compares the Subject’s proposed rents at 60 percent AMI to the current 60 percent rents at The Retreat at Madison Place.

**Subject Comparison with The Retreat at Madison Place (60% AMI)**

<b>Unit Type</b>	<b>Subject Rent</b>	<b>Square Feet</b>	<b>The Retreat at Madison Place Rent</b>	<b>Square Feet</b>	<b>Subject Rent Advantage</b>
1 BR	\$579	767	\$669	697	13%
2 BR	\$704	1,000	\$746	987	6%

All of the LIHTC properties are well occupied and are maintaining waiting lists and the Subject will be the newest senior LIHTC property in the market. The Subject’s proposed rents at 60 percent of the AMI are between 6.0 and 13.0 percent lower than the most similar property, The Retreat at Madison Place which is 97 percent occupied and maintaining a waiting list. The Subject will offer a competitive amenity package, superior unit sizes and an excellent location. We believe that the Subject is feasible as proposed, particularly with its public housing and PBRA subsidy, which is in high demand among senior households in the PMA.

The Subject will offer nine unrestricted units. The following table details the market rental rates at the comparable properties in comparison to the Subject’s proposed market rents.

**Market Rent Comparison**

Property Name	1BR	2BR
Forest Heights Apartments (Subject)	\$800	\$950
		\$1,217
Antioch Manor Estates	\$834	\$1,167
	\$780	\$1,042
	\$760	\$937
Clairmont Crest		\$882
Magnolia Circle	\$690	\$772
Maple Walk Apartments	N/Ap	\$655
Spring Chase II	\$470	\$557
<b>Average (excluding Subject)</b>	<b>\$707</b>	<b>\$904</b>

The Subject’s proposed market rents are at the high end of the range when compared to the market rents at comparable properties. Spring Chase II is a mixed income property offering subsidized units in addition to market rate units and the market rents at this property are kept artificially low in order to accommodate senior tenants that do not qualify for the subsidized units. Maple Walk Apartments is located within the Subject’s neighborhood; however, this property targets families and is inferior to the Subject in terms of age, condition, in-unit amenities, property amenities and unit sizes. Therefore, it is reasonable that the Subject can achieve higher rents than Maple Walk Apartments. Clairmont Crest, a senior market rate property that is 95 percent occupied, is achieving rents similar to the Subject’s proposed rents. This property was constructed in 1985 and will be inferior to the Subject in terms of age and condition and amenities; however, it offers a slightly superior location. The Subject is most similar to Antioch Manor Estates, a LIHTC, PBRA, and market rate property that is 100 percent occupied with an extensive waiting list. Antioch Manor Estates is achieving rents above both the proposed one-and two-bedroom rents at the Subject. The Subject will offer a slightly superior location and superior unit sizes when compared to this property. Based on the rents currently being achieved at Antioch Manor Estates and Clairmont Crest, we believe the proposed market rate rents at the Subject are achievable.

**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.

It should be noted that the Subject’s 50 percent AMI units will operate with an additional subsidy and therefore tenants will pay 30 percent of their income on rent. The market rents are not comparable to subsidized units and the rent advantage at the 50 percent AMI level is not applicable.

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**

**@50%**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	BOI	\$470	\$834	\$647	N/Ap
2 BR	BOI	\$557	\$1,217	\$813	N/Ap

**@60%**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$579	\$470	\$834	\$673	16%
2 BR	\$704	\$557	\$1,217	\$841	19%

**Market**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$800	\$470	\$834	\$707	-12%
2 BR	\$950	\$557	\$1,217	\$904	-5%

As illustrated the Subject’s proposed 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. The Subject’s proposed LIHTC rents are higher than the surveyed minimum. This is considered reasonable given that there are very few newly constructed market rate properties and the Subject will be generally superior to the market rate inventory. The Subject’s market rate units are above the surveyed minimum; however, they are below the surveyed maximum. The Subject will be a superior to all of the comparables in terms of age and condition and superior to the majority of the comparables in terms of in-unit and property amenities. Of the comparables that offer market rents, the Subject will be most comparable to Antioch Manor Estates, a mixed income property that was constructed in 2005. Antioch Manor Estates is currently achieving the highest market rents and is 100 percent occupied with a lengthy waiting list. The Subject will offer a slightly superior location and superior unit sizes when compared to Antioch Manor Estates. The Subject’s proposed market rents are 4.0 percent lower than this property’s one-bedroom market rents and 21.0 to 25.0 percent lower than their two-bedroom rents.

Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

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

According to information on Georgia Department of Community Affairs LIHTC allocation lists, there have been no senior or family properties allocated within two miles of the Subject in the past two years.

**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 62+)**

Year	Owner-Occupied Units	Percentage Owner- Occupied	Renter-Occupied Units	Percentage Renter- Occupied
1990	-	-	-	-
2000	5,663	74.30%	1,959	25.70%
2009	6,056	70.32%	2,556	29.68%
Prj Mrkt Entry				
November 2014	6,821	68.89%	3,084	31.11%
2014	6,938	68.67%	3,165	31.33%

As the table illustrates, households within the PMA are predominately owner-occupied residences. The percentage of owner-occupied homes is expected to decrease slightly, and the subsequently the percentage of renter-occupied homes is projected to increase through November 2014. The percentage of renter occupied homes in the PMA is more than double that of the nation where senior renter occupied homes is only 13 percent.

*Historical Vacancy*

The following table illustrates the historical vacancy at the comparable properties when available.

**Historical Vacancy**

Comparable Property	Rent Structure	1QTR 2010	2QTR 2010	3QTR 2010	4QTR 2010	1QTR 2011	Current Vacancy
<b>Antioch Manor Estates</b>	PBRA/LIHTC/Market	3.30%	0.00%	1.70%	0.00%	0.00%	0.00%
<b>Magnolia Circle</b>	LIHTC/Market	0.00%	0.00%	0.00%	N/A	N/A	3.60%
<b>Retreat At Madison Place</b>	LIHTC	3.80%	7.50%	N/A	7.50%	8.70%	2.50%
<b>Clairmont Crest</b>	Market	3.30%	2.80%	8.00%	3.50%	3.50%	5.00%
<b>Maple Walk Apartments</b>	Market	N/A	N/A	N/A	N/A	N/A	2.00%
<b>Spring Chase II</b>	Market/Section 8	N/A	8.60%	2.50%	N/A	N/A	8.60%
<b>Average</b>		<b>2.6%</b>	<b>3.8%</b>	<b>3.0%</b>	<b>3.7%</b>	<b>4.1%</b>	<b>3.10%</b>

As illustrated in the table, the average vacancy in the local market has remained relatively stable over the past two years with an average vacancy rate ranging from 2.6 to 4.1 percent which is considered healthy. In addition, property managers at the senior LIHTC properties reported that they typically retain waiting lists for their affordable units.

*Change in Rental Rates*

**Rent Growth**

Comparable Property	Rent Structure	Tenancy	Rent Growth
Antioch Manor Estates	PBRA/LIHTC/Market	Senior	None
Magnolia Circle	LIHTC/Market	Senior	None
Retreat At Madison Place	LIHTC	Senior	9% increase for 2BR
Clairmont Crest	Market	Senior	None
Maple Walk Apartments	Market	Family	None
Spring Chase II	Market/Section 8	Senior	5-6% decrease

The retreat at Madison Place reported a rent increase on its two-bedroom units, while the remaining LIHTC properties stated that they had not experienced a rental rate increase in over a year. Spring Chase II, a market rate property, reported a decrease in its rental rates. The property manager stated that they tried to increase their rents but that several of their tenants could not afford it and they lowered their rents back to the original rates. As previously mentioned, Spring Chase II offers both subsidized units and market rate units and the rents at this property are kept artificially low in addition this property is owned by the DeKalb Housing Authority. The majority of the Subject’s units will offer an additional subsidy and tenants will pay 30 percent of their income on rent. The Subject’s 60 percent of the AMI 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, in March 2012 one out of every 361 housing units received a foreclosure filing in the state of Georgia. However, in DeKalb County, one out of every 300 housing units received a foreclosure filing in March 2012. DeKalb County has significantly more foreclosures than the state and the nation. As of March 2012, there were 227 foreclosures listed in Decatur. We did not witness any abandoned or vacant structures in the Subject’s neighborhood.

**12. Primary Housing Void**

There are no senior LIHTC properties in the PMA. The three senior LIHTC properties that are located just outside of the PMA have vacancy rates between zero and four percent and management at all of these properties reported a continued demand for additional affordable senior housing, particularly in the Subject’s area where there is a lack of senior housing. Further, all of the senior LIHTC properties maintain 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 is one senior LIHTC properties under construction in the PMA, Allen Wilson Phase II, all of these units will be subsidized. Therefore, we do not believe that the addition of the Subject to the market will impact the performance of this senior property. 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 all maintain 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 is one senior LIHTC properties under construction in the PMA, Allen Wilson Phase II, all of these units will be subsidized. Therefore, we do not believe that the addition of the Subject to the market will impact the performance of this senior property. Therefore, we do not believe that the addition of the Subject to the market will impact the performance at this property.

### **Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will offer rents restricted at 50 and 60 percent of the AMI in addition to market rate units. Of the Subject's 80 units, 54 will operate with an additional subsidy and tenants will pay 30 percent of their income on rent. LIHTC vacancy in the local market is low at less than three percent. Further, all of the senior LIHTC properties are maintaining a waiting list. The overall market vacancy is also low at 3.5 percent, indicating a healthy market. All of the property managers at the senior comparables reported additional demand for affordable senior housing, particularly in the Subject's location which was reported to have limited senior housing options by the comparable properties. The Subject's proposed LIHTC rents are among the lowest in the market and yield a significant price value relationship for the Subject. The Subject's proposed market rents, while at the high end of the range, are reasonable. The most comparable senior property offers higher rents than the Subject's proposed rents and is 100 percent occupied with a waiting list.

There is only one senior LIHTC property under construction or proposed in the PMA, Allen Wilson Phase II. However, all of the units at this property will offer an additional subsidy and they will not compete with the Subject's LIHTC and market units. Additionally, Antioch Manor Estates has two additional phases that received allocation Phase II, recently completed construction and began leasing its units and Phase III has not begun construction. These properties are located approximately two miles outside of the Subject's PMA and will not compete with the proposed Subject. Overall, our market analysis indicates a need for additional senior LIHTC housing. Additionally, there are no senior rental properties (LIHTC, subsidized, or conventional) within two miles of the Subject and no conventional or LIHTC properties within the Subject's PMA, indicating that the Subject will face limited competition in its immediate market area. The Subject will offer a new construction design and will offer a competitive amenities package. 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**

We were able to obtain absorption information from three comparable properties, illustrated following.

**ABSORPTION**

Comparable Property	Type	Opened	# Of Units	Units Absorbed Per Month
Retreat At Madison Place	LIHTC	2007	160	14
Antioch Manor Estates	LIHTC	2005	120	24
Magnolia Circle	LIHTC	2003	84	14

Antioch Manor Estates began occupancy in August 2005 and was 100 percent leased by January 2006, a five month absorption period. The average monthly absorption, including preleasing, was 24 units. The property currently maintains a waiting list of approximately 1,000 people; however, an additional phase is getting ready to open and the new units will likely be filled from the waiting list. Magnolia Circle opened in 2003 and was 100 percent occupied within six months for an absorption pace of 14 units per month. The Retreat at Madison Place began leasing in January 2007, the most recent construction, and reached stabilization by December 2007, a lease-up period of 11 months. With a 95 percent occupancy, 152 units were absorbed over this 11 month period. The resulting average monthly absorption is 14 units. Based on the absorption pace reported by these properties, the waiting lists at all LIHTC comparables, the additional subsidy for the majority of the Subject’s units, and the strong demand for affordable housing in Decatur, we anticipate that the Subject will absorb 12 to 14 units per month, for an absorption period of five to six months.

## **J. INTERVIEWS**

**Decatur Housing Authority**

According to Paula Swenson, Finance & Housing Assistance Director of the Decatur Housing Authority, there are approximately 574 housing choice vouchers issued in Decatur. The following table illustrates the payment standard for the Housing Choice Voucher program in the Decatur, effective December 1, 2011.

<b>Payment Standards</b>	
1BR	\$757
2BR	\$842

**Planning**

We interviewed Amanda Thompson, Planning Director for the City of Decatur, who indicated that there were no new multifamily or commercial developments proposed or under construction, nor were there any developments that had recently delivered in the City.

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS

- The PMA and MSA have demonstrated that they are areas of growth. The senior population and the number of households with a senior householder are both projected to remain increase from 2010 to 2015. In 2010, the percentage of senior renter-occupied units in the PMA was 30.82 percent, more than double than that of the nation, and this is expected to increase through 2015. These are positive indicators for the Subject.
- Employment in the PMA is concentrated in the educational services, healthcare, and retail trade sectors. This is typical of downtown business districts. Total employment in the MSA increased 2.7 percent for the twelve-month period ending in February 2012. By contrast, national employment increased only 1.9 percent for the same time period. As of February 2012, the unemployment rate in the MSA was at 2.7 percent which is well below the nation at 8.7 percent. As a result of the recent employment trends, we believe the MSA is starting to recover from the effects of the recession and illustrates that this area is recovering from the national recession slightly faster than the nation.
- The largest industry in the PMA is healthcare/social assistance followed by educational services and retail trade. These three industries are the highest in the nation as well.
- Overall, it appears as if Decatur and the MSA were affected by the current national economic recession. The MSA's economy has had significant job losses and rising unemployment occurred from 2008-2009. Since 2008, the MSA has lost about the same percent of jobs than the U.S. as a whole. The year to date data indicates that the pace of jobs lost in the MSA is slowing; however, improving at a faster pace than the nation as a whole.
- Overall the Atlanta economy has been more adversely affected by the current national recession than the nation as a whole. The Atlanta MSA has reported job losses of approximately 6.1 percent in 2009 versus 3.8 percent in the nation. However, there has been job growth of 2.1 percent as of December 2011. The unemployment rate in the MSA as of December 2011 is lower than the national unemployment rate. Overall, the area has been severely impacted by the national foreclosure crisis, housing market downturn, and recession and will likely be on par or lag slightly with national trends in terms of recovery in the near term.
- The Subject's capture rates at the 60 percent AMI level will range from 1.7 to 4.2 percent, with an overall capture rate of 3.5 percent. The Subject's market rate capture rates range from 0.7 to 2.2 percent, with an overall capture rate of 1.2 percent. The overall capture rate for the project's 60 percent AMI and market rate units is 3.1 percent. Therefore, we believe there is adequate demand for the Subject.
- We were able to obtain absorption information from three comparable properties, illustrated following.

**ABSORPTION**

Comparable Property	Type	Opened	# Of Units	Units Absorbed Per Month
Antioch Manor Estates	LIHTC	2005	120	24
Magnolia Circle	LIHTC	2003	84	14
Retreat At Madison Place (fka Ashton Grove)	LIHTC	2007	160	14

Antioch Manor Estates began occupancy in August 2005 and was 100 percent leased by January 2006, a five month absorption period. The average monthly absorption, including preleasing, was 24 units. The property currently maintains a waiting list of approximately 1,000 people; however, an additional phase is getting ready to open and the new units will likely be filled from the waiting list. Magnolia Circle opened in 2003 and was 100 percent occupied within six months for an absorption pace of 14 units per month. The Retreat at Madison Place began leasing in January 2007, the most recent construction, and reached stabilization by December 2007, a lease-up period of 11 months. With a 95 percent occupancy, 152 units were absorbed over this 11 month period. The resulting average monthly absorption is 13 units. Based on the absorption pace reported by these properties, the waiting lists at all LIHTC comparables, the additional subsidy for the majority of the Subject’s units, and the strong demand for affordable housing in Decatur, we anticipate that the Subject will absorb 12 to 14 units per month, for an absorption period of five to six months.

- The comparables have an average vacancy rate of 3.5 percent, which is considered healthy. The average vacancy rate among the three LIHTC properties with senior units is even lower at 2.0 percent. Spring Chase II, a senior market rate property with half of its units offering additional subsidy, is exhibiting the highest vacancy rate at 8.6 percent. The property manager at Spring Chase II stated that they had recently had several move outs but that the vacant units were leased. This property maintains a wait list on its subsidized units. All of the senior LIHTC properties maintain lengthy waiting lists and maintain occupancies between 96 and 100 percent. The conventional properties have vacancy rates between 2.0 and 8.6 percent. The closest property, Maple Walk Apartments has the lowest vacancy rate of the conventional rate properties at 2.0 percent. While this property caters to families, the property manager stated that the area was in need of an affordable senior property. Overall, the senior LIHTC market appears to be healthy and the Subject’s LIHTC rents are among the lowest of the LIHTC properties. The Subject’s market rate rents are below the rents at Antioch Manor Estates, a mixed income property similar to the proposed Subject that is 100 percent occupied and well established. Additionally, senior households in the PMA are projected to grow at rate of 3.5 percent annually from 2010 to 2014. This positive growth indicates that there will likely be an increased demand for affordable senior housing. Given the low vacancy among the senior LIHTC comparables, 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. The Subject will offer rents restricted at 50 and 60 percent of the AMI in addition to market rate units. Of the Subject’s 80 units, 54 will operate with an additional subsidy and tenants will pay 30 percent of their income on rent. LIHTC vacancy in the local market is low at less than three percent. Further, all of

the senior LIHTC properties are maintaining a waiting list. The overall market vacancy is also low at 3.5 percent, indicating a healthy market. All of the property managers at the senior comparables reported additional demand for affordable senior housing, particularly in the Subject's location which was reported to have limited senior housing options by the comparable properties. The Subject's proposed LIHTC rents are among the lowest in the market and yield a significant price value relationship for the Subject. The Subject's proposed market rents, while at the high end of the range, are reasonable. The most comparable senior property offers higher rents than the Subject's proposed rents and is 100 percent occupied with a waiting list.

- There is only one senior LIHTC property under construction or proposed in the PMA, Allen Wilson Phase II. However, all of the units at this property will offer an additional subsidy and they will not compete with the Subject's LIHTC and market units. Additionally, Antioch Manor Estates has two additional phases that received allocation Phase II, recently completed construction and began leasing its units and Phase III has not begun construction. These properties are located approximately two miles outside of the Subject's PMA and will not compete with the proposed Subject. 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 two miles of the Subject and no conventional or LIHTC properties within the Subject's PMA. The Subject will offer a new construction design and will offer a competitive amenities package and will have LIHTC rents that are among the lowest in the market. 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

5-22-2012

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Date



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Michalena M. Sukenik  
Principal  
Novogradac & Company LLP

5-22-2012

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Date



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Jill Conable  
Real Estate Analyst  
Novogradac & Company LLP

5-22-2012

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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

5-22-2012

Date



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Michalena M. Sukenik  
Principal  
Novogradac & Company LLP

5-22-2012

Date



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Jill Conable  
Real Estate Analyst  
Novogradac & Company LLP

5-22-2012

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

## JILL A. CONABLE

### I. Education

Kennesaw State University, Kennesaw, Georgia  
Bachelor of Sciences

### II. Professional Experience

Analyst, Novogradac & Company LLP (June 2011 – Present)  
Analyst, Province Valuation Group (February 1997 – June 2011)

### III. Professional Affiliations and Continuing Education

Member – Appraisal Institute Georgia  
Member – Assisted Living Federation of America (ALFA)  
Member – Georgia Chapter – Assisted Living Federation of America (GA/ALFA)

Successful completion of Appraisal Institute courses as follows:

Course 110 -Appraisal Principles  
Course 120 -Appraisal Procedures  
Course 1410 -15-Hour National USPAP

### III. Assignments

- Conducted and assisted with market feasibility studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Market analysis typically includes: physical inspection of site and market, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted with appraisals of existing and proposed Low-Income Housing Tax Credit properties, Rural Development properties, and Section 8 properties.
- Performed demographic and geo-coded analyses to determine favorable locations for health care facilities, made pricing recommendations, and analyzed competitors.
- Analysis of all types of health care and senior housing including retirement homes, hospitals, medical office buildings, assisted living facilities, nursing homes and continuing care retirement communities. Analyses included economic feasibility studies, market and marketability studies and valuation studies (real estate and business) in the following U.S. territories:

Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Washington, Wisconsin, and Wyoming.

- Assisted in appraisals and market studies of health care facilities for the U.S. Department of Housing and Urban Development (HUD).