



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

STONE VALLEY APARTMENTS
SEC Canton-Ball Ground Highway & Coy M. Holcomb Street
Ball Ground, Cherokee County, Georgia 30107

Effective Date: May 15, 2013
Report Date: May 24, 2013

Prepared For

Mr. Steve Johnson
Dewar Properties, Inc.
2409 Bemiss Road
Valdosta, GA 31602

Prepared By

Novogradac & Company LLP
2325 Lakeview Parkway
Suite 450
Alpharetta, Georgia 30009
678.867.2333



**NOVOGRADAC
& COMPANY LLP**
CERTIFIED PUBLIC ACCOUNTANTS

May 24, 2013

Mr. Steve Johnson
Dewar Properties, Inc.
2409 Bemiss Road
Valdosta, GA 31602

Re: Market Study for Stone Valley Apartments in Ball Ground, Georgia

Dear Mr. Johnson:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Ball Ground, Cherokee 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 Stone Valley Apartments, a proposed family development consisting of 64 revenue units and two non-rental units. Units will be restricted to general households earning 50 and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

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

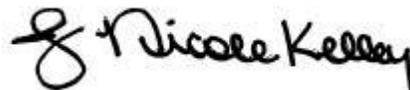
Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company, LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,



H. Blair Kincer, MAI, CRE
Partner
Novogradac & Company LLP

5-24-2013
Date



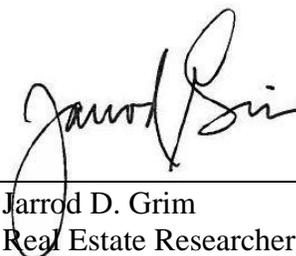
Nicole Kelly
Manager
Novogradac & Company LLP

5-24-2013
Date



Kristina V. Garcia
Real Estate Analyst
Novogradac & Company LLP

5-24-2013
Date



Jarrod D. Grim
Real Estate Researcher
Novogradac & Company LLP

5-24-2013
Date

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 10
C. SITE EVALUATION 13
D. MARKET AREA 24
 Primary Market Area 25
E. COMMUNITY DEMOGRAPHIC DATA..... 28
F. EMPLOYMENT TRENDS 34
G. PROJECT-SPECIFIC DEMAND ANALYSIS 44
H. COMPETITIVE RENTAL ANALYSIS 60
I. ABSORPTION AND STABILIZATION RATES.....74
J. INTERVIEWS..... 76
K. CONCLUSIONS AND RECOMMENDATIONS 78
L. SIGNED STATEMENT REQUIREMENTS..... 82

Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Stone Valley Apartments (Subject) site is located south of Coy M. Holcomb Street and east of Canton-Ball Ground Highway (also known as State Route 5 Business) in Ball Ground, Cherokee County, GA. The Subject will target general households and will consist of two-story walk-up garden-style buildings. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

Per GA DCA's QAP clarification question and answer round, 2013 utility allowances have been released; as a result, applicants must use 2013 rent and income limits in areas that are using 2013 utility allowance schedules.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>						
1BR/1BA	2	\$462	\$125	\$587	\$622	\$737
2BR/2BA	4	\$565	\$159	\$724	\$746	\$874
3BR/2BA	4	\$632	\$200	\$832	\$862	\$1,158
<i>60% AMI</i>						
1BR/1BA	6	\$462	\$125	\$587	\$747	\$737
2BR/2BA	28	\$565	\$159	\$724	\$895	\$874
3BR/2BA	20	\$632	\$200	\$832	\$1,035	\$1,158
<i>Manager's Unit</i>						
3BR/2BA	2	N/A	N/A	N/A	N/A	N/A
Total	66					

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

None of the units will operate with additional project-based subsidy.

The Subject will offer the following amenities: balcony/patio, blinds, carpeting, central air conditioning, dishwasher, refrigerator, stove, ceiling fan, garbage disposal, microwave, washer/dryer connections, business center/computer lab, clubhouse/meeting room/community room, exercise facility, central laundry facility, off-street parking, on-site management, picnic area, playground, and swimming pool. The Subject will be competitive in the

market as it offers attractive amenities such as a swimming pool, business center/computer lab, and exercise facility.

2. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will face limited competition as there are no LIHTC properties in the PMA. According to interviews with realtors and property managers, there is demand for family-oriented housing in Ball Ground but there is a lack of supply. The Subject is in a highly visible location in a newly developing neighborhood that is located off a major thoroughfare. It will offer new construction with large unit sizes and an extensive amenity package with swimming pool. Further, the Subject will provide affordable housing that is closer to employment centers. Given the lack of direct competition and the Subject's advantage over surveyed rents in the market, we believe that the Subject will offer value as proposed.

3. Site Description/Evaluation:

The Subject site is cleared and improved with a circular paved road through the center of the site. The Subject site is located on the eastern side of Canton Ball Ground Highway, the south side of Coy M. Holcomb Street, and the west side of Valley Street. The southern side of the site is bordered by a Chevron gas station and food mart. The newly constructed Ball Ground Elementary School is located just north of the Subject site. The neighborhood composition includes a mix of vacant land, residential, institutional and commercial uses. Single family homes vary from average to excellent condition and are well occupied. Commercial uses in the Subject's neighborhood are approximately 90 percent occupied and in good condition. The site has good access from Coy M. Holcomb Street that provides access to Canton-Ball Ground Highway immediately to the west and Valley Street immediately to the east. Visibility is considered excellent from Canton-Ball Ground Highway, Coy M. Holcomb Street, and Valley Street. Views are considered good and consist of vacant wooded land to the east, a Chevron gas station to the south, vacant land to the north, and Canton-Ball Ground Highway and the Lantern Walk Subdivision to the west. Proximity to local amenities are all within a few miles and considered average. Overall, the Subject will be a conforming use in the neighborhood and the site appears appropriate for family duplex style apartment units.

4. Market Area Definition:

The majority of the PMA is encompassed within a seven mile radius of the Subject site. The PMA generally encompasses the northeast portion of Cherokee County and

the southeast portion of Pickens County. The PMA is defined by the northeastern border of Pickens County to the north; Cumming Highway and Canton Highway to the south; Cherokee and Pickens county lines to the east; and, Reinhardt College Parkway, Interstate 575, Refuge Road, and Fincher Road to the west. The PMA is irregular in shape and the farthest point in the PMA is 11.6 miles northeast of the Subject site along Steve Tate Highway. Overall, we believe that the PMA is conservative. We have generally excluded Jasper and Canton as property managers in these areas indicated that the Subject will not directly compete with these properties. The following table illustrates a location comparison among these areas.

LOCATION COMPARISON

Location	Population	Median HH Income	Number of HHs	Median Rent	Distance from Ball Ground
Ball Ground (Subject)	1,325	\$60,486	532	\$1,026	N/Ap
Jasper	3,684	\$32,423	1,484	\$697	14 miles
Canton	22,958	\$43,076	8,204	\$789	11 miles

Source: US Census Bureau, ACS 2010 estimates, 5/2013.

As the previous table demonstrates, Ball Ground is the smallest area of analysis, in terms of population. However, Ball Ground is maintaining the highest median household income and median gross rents, indicating that there is a lack of supply of affordable multifamily rental housing in Ball Ground. Due to the lack of multifamily rental housing in the PMA, we have included comparables in Jasper and Canton.

5. Community Demographic Data:

Both the population and household numbers for the PMA and MSA are rising at rates higher than the nation. By 2012, the populations for the PMA and MSA were outgrowing the nation by over two and one percentage points, respectively. By 2017, these rates of growth will decrease. The population by age is concentrated in the young children to middle-aged cohorts. With the Subject targeting low-income families in the PMA, these numbers bode well for its success.

Household growth rates in the PMA and MSA are outpacing the nation by two to three percentage points as of 2012. Again, these growth rates are projected to slow slightly by 2017. The average household size in the PMA, MSA, and nation are all remaining stable at approximately 2.7 persons per household for the foreseeable future. The larger household sizes bode well for the Subject, which will consist of one, two, and three-bedroom units.

Tenure patterns in the PMA favor owner-occupied housing. However, the lack of renter households in the PMA is more an indicator of the lack of available rental options in the PMA.

In 2012, 28 percent of households earned \$29,999 or below in the PMA compared to 30 percent in the MSA and nation. The Subject will be targeting lower income families falling within this range, so this data indicates a favorable market for the Subject.

According to RealtyTrac, there are currently 101 properties in Ball Ground that are in some stage of foreclosure. In April 2013, the number of properties receiving a foreclosure filing was 19 percent lower than the previous month and 48 percent lower than the same time last year. Cherokee County experienced a foreclosure rate in April 2013 that was 11 percent lower than March 2013 and 44 percent lower than April 2012. Georgia saw foreclosure decreases that were five percent lower than the previous month and 42 percent lower than the same time last year. By this comparison, Cherokee County is showing a better rate of foreclosure decreases compared to the state. We do not anticipate any tenants to sell homes in order to move to the Subject, however the former homeowners who lost their homes may be attracted to the rental units of the Subject. Per our site visit, we did not see many abandoned or vacant structures in the Subject site's immediate neighborhood.

The Subject site is located in a highly visible area with new development.

6. Economic Data:

Cherokee County posted strong employment growth in 2005 and 2006, but total employment decreased significantly in 2008 and 2009 due to the impact of the nation-wide recession and continuing economic downturn. Average annual employment estimates roughly reflect the year-over-year change in total employment, which increased by 2.98 percent from September 2011 to September 2012. The unemployment rate in the MSA was 7.9 percent in March 2013, according to the Georgia Department of Labor's statistics. This places the MSA slightly above the national unemployment rate of 7.6 percent in March 2013. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

In the Primary Market Area, the largest industries are construction, retail trade, educational services, and manufacturing. The largest sector in Cherokee County, according to the Bureau of Labor Statistics, is the trade, transportation and utilities industry followed by the leisure and hospitality industry, and subsequently education and health services. Together these account for almost 57 percent of those employed in Cherokee County. Education and Health Services are historically considered to be stable employers and could provide some additional stability to the local economy during a recession. The trade-transportation-utilities, retail trade, construction, and manufacturing, leisure and hospitality industries are historically somewhat unstable sectors. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

Heath Tippens, Project Manager at the Cherokee Office of Economic Development has reported several announcements for expansions and relocations in 2013. The table is referenced in the Employment Trends section and highlights jobs produced by expansions or relocations. However the Office of Economic Development was only able to give the jobs created by expansion. They are currently in the process of interviewing local companies with more than 20 employees. Of the 15 employers they interviewed, 67 percent plan to expand in the next three years.

7. Project-Specific Affordability And Demand Analysis:

The following table summarizes the Subject's capture rates.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR @ 50% AMI	2	73	0	73	2.73%	12 months	\$634	\$527-\$820	\$462
2BR @ 50% AMI	4	80	0	80	4.97%	12 months	\$697	\$557-\$950	\$565
3BR @ 50% AMI	4	72	0	72	5.57%	12 months	\$794	\$606-\$1,291	\$632
1BR @ 60% AMI	6	106	0	106	5.64%	12 months	\$636	\$527-\$820	\$462
2BR @ 60% AMI	28	117	0	117	23.98%	12 months	\$707	\$557-\$950	\$565
3BR @ 60% AMI	20	104	0	104	19.21%	12 months	\$809	\$606-\$1,291	\$632
Project Overall	64	330	0	330	19.39%	12 months	-	\$527-\$1,291	-

The Subject's capture rates at the 50 percent AMI level will range from 2.73 to 5.57 percent, with an overall capture rate of 4.4. The Subject's 60 percent AMI capture rates range from 5.64 to 23.98 percent, with an overall capture rate of 16.5 percent. While the capture rates are high, the PMA is considered to be conservative. There are no family LIHTC properties in the PMA and therefore the Subject will face limited direct competition. Given the Subject's age/condition, amenity package, and location, the Subject will be well-positioned in the Ball Ground submarket.

8. Competitive Rental Analysis:

There are no LIHTC or unrestricted properties in the PMA; therefore, we do not anticipate that the Subject will face direct competition. We have included six family LIHTC properties in Jasper and Canton —River Ridge at Canton, Mountainside Manor, Laurels at Greenwood, Canterbury Ridge, The Homestead, and Alexander Ridge - as they are the closest most comparable submarket to Ball Ground. These properties are located within 14 miles of the Subject site. The property manager at Mountainside Manor (family LIHTC in Jasper) indicated that the Subject would not directly compete with properties in Canton or Jasper. There is limited unrestricted data in Jasper therefore; we have included three unrestricted properties in Canton in order to provide some comparison of unrestricted rents in the larger region. We have also interviewed local realtors in order to obtain information on private rentals. Because neither LIHTC property offers units restricted at 50 percent AMI, we have included the two family LIHTC properties in Canton that offer units at this income restriction: Alexander Ridge and Laurels at Greenwood. These properties are located within 14 miles of the Subject site. Overall, the availability of unrestricted and LIHTC data is limited and therefore the Subject will face limited competition in the PMA. Since Canton is not considered a competitive area, we have limited the number of comparables from Canton that are used in the study.

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.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @50% AMI	\$462	\$527	\$820	\$634	37%
2 BR @50% AMI	\$565	\$557	\$950	\$697	23%
3 BR @50% AMI	\$632	\$606	\$1,291	\$794	26%
1 BR @60% AMI	\$462	\$527	\$820	\$636	38%
2 BR @60% AMI	\$565	\$557	\$950	\$707	25%
3 BR @60% AMI	\$632	\$606	\$1,291	\$809	28%

As illustrated, the Subject’s proposed 50 and 60 percent AMI rents are below the range of the surveyed rents in the market. The Subject will have a 23 percent or greater advantage over the surveyed average rents in the market. Therefore, we believe the Subject will offer value as it will consist of new construction, large unit sizes, an extensive amenity package, and a highly visible location.

9. Absorption/Stabilization Estimate:

There are no LIHTC properties in the PMA. Mountainside Manor is located in Jasper and is the newest LIHTC comparable and it opened in 2005. Management at Mountainside Manor could not report absorption information as management has turned over since the property opened. Riverview Apartments is the newest unrestricted property. It is located in Canton and opened in 2009. Management reported that the property stabilized at a rate of 10 to 11 units per month. The Subject will offer new construction with affordable rents in a market with limited direct competition. Therefore, we conservatively estimate that the Subject will stabilize within one year given that it will be the first LIHTC property in Ball Ground. This equates to a stabilization rate of five units per month in order to reach 93 percent occupancy.

Summary Table:

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

Development Name:	Stone Valley Apartments	Total # Units:	66
Location:	Canton-Ball Ground Highway	# LIHTC Units:	64
	Ball Ground, GA		
PMA Boundary:	Northeastern border of Pickens County to the north; Cumming Highway and Canton Highway to the south; Cherokee and Pickens county lines to the east; Reinhardt College Parkway, Interstate 575, Refuge Road, and Fincher Road to the west		
	Farthest Boundary Distance to Subject:		11.6 miles

Rental Housing Stock (found on pages 93)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	0	0	0	N/Ap
Market-Rate Housing	0	0	0	N/Ap
<i>Assisted/Subsidized Housing not to include LIHTC</i>	0	0	0	N/Ap
LIHTC	0	0	0	N/Ap
Stabilized Comps	0	0	0	N/Ap
Properties in Construction & Lease Up	0	0	0	N/Ap

*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	1BR at 50% AMI	1	815	\$462	\$634	\$0.78	37%	\$800	\$0.96
4	2BR at 50% AMI	2	1,105	\$565	\$697	\$0.66	23%	\$930	\$0.82
4	3BR at 50% AMI	2	1,272	\$632	\$794	\$0.60	26%	\$1,271	\$0.72
6	1BR at 60% AMI	1	815	\$462	\$636	\$0.78	38%	\$800	\$0.96
28	2BR at 60% AMI	2	1,105	\$565	\$707	\$0.66	25%	\$930	\$0.82
20	3BR at 60% AMI	2	1,272	\$632	\$809	\$0.60	28%	\$1,271	\$0.72

Demographic Data (found on page 31, 55)

	2000		2012		2015	
Renter Households	1,300	17.40%	2,127	19.90%	2,128	19.37%
Income-Qualified Renter HHs (LIHTC)	477	36.70%	781	36.70%	781	36.70%

Targeted Income-Qualified Renter Household Demand (found on pages 48-55)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	0	0	N/Ap	N/Ap	1
Existing Households (Overburdened + Substandard)	N/Ap	244	354	N/Ap	N/Ap	356
Homeowner conversion (Seniors)	N/Ap	0	0	N/Ap	N/Ap	0
Total Primary Market Demand		244	354	N/Ap	N/Ap	357
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
Adjusted Income-qualified Renter HHs**	N/Ap	244	354	N/Ap	N/Ap	357

Capture Rates (found on page 50,53,56)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	4.40%	16.50%	N/Ap	N/Ap	19.40%

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:

Stone Valley Apartments (Subject) site is located south of Coy M. Holcomb Street and east of Canton-Ball Ground Highway (also known as State Route 5 Business) in Ball Ground, Cherokee County, GA.

Construction Type:

The Subject will be the new construction of two-story, walk-up garden-style units with brick, stone and cementitious siding and one community building.

Occupancy Type:

General households.

Special Population Target:

None.

Number of Units by Bedroom Type and AMI Level:

See following property profile.

Unit Size:

See following property profile.

Structure Type:

See following property profile.

Rents and Utility Allowances:

See following property profile.

Existing or Proposed

Project Based Rental Assistance:

None of the units will operate with Project-Based Rental Assistance.

Proposed Development Amenities: See following property profile.

Property Profile Report

Stone Valley Apartments

Effective Rent Date 6/6/2012
Location SEC Canton-ball Ground Hwy
 & Coy M. Holcomb St
 Ball Ground, GA 30107
 Cherokee County
Units 66
Vacant Units N/A
Vacancy Rate N/A
Type Garden
 (2 stories)
Year Built / Renovated 2015 / n/a



Market

Program	@50%, @60%, Non-Rental	Leasing Pace	N/A
Annual Turnover Rate	N/A	Change in Rent (Past Year)	N/A
Units/Month Absorbed	N/A	Concession	
Section 8 Tenants	N/A		

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restricti on	Waiting List	Vacant	Vacancy Rate	Max rent?	Range
1	1	Garden	2	815	\$462	\$0	@50%	N/A	N/A	N/A	no	
1	1	Garden	6	600	\$462	\$0	@60%	N/A	N/A	N/A	no	
2	2	Garden	4	1,105	\$565	\$0	@50%	N/A	N/A	N/A	no	
2	2	Garden	28	1,105	\$565	\$0	@60%	N/A	N/A	N/A	no	
3	2	Garden	4	1,272	\$632	\$0	@50%	N/A	N/A	N/A	no	
3	2	Garden	20	1,272	\$632	\$0	@60%	N/A	N/A	N/A	no	
3	2	Garden	2	1,272	N/A	\$0	Non-	N/A	N/A	N/A	N/A	

Amenities

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

Comments

This is a proposed new construction property that will target general households. Proposed gross rents for one, two, and three-bedroom units are \$587, \$724, and \$832, respectively. The utility allowances for the one, two, and three-bedroom units are \$125, \$159, and \$200, respectively.

Scope of Renovations:	The Subject will be new construction.
Current Rents:	The Subject will be new construction. Therefore, there are no current rents to report.
Current Occupancy:	The Subject will be new construction.
Current Tenant Income:	The Subject will be new construction. Therefore, there are no current tenant incomes to report.
Placed in Service Date:	The Subject is projected to enter the market in 2015.
Conclusion:	The Subject will be an excellent-quality brick, stone and cementitious siding two-story, walk-up garden-style complex. 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:

Kristina Garcia visited the site on May 15, 2013.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

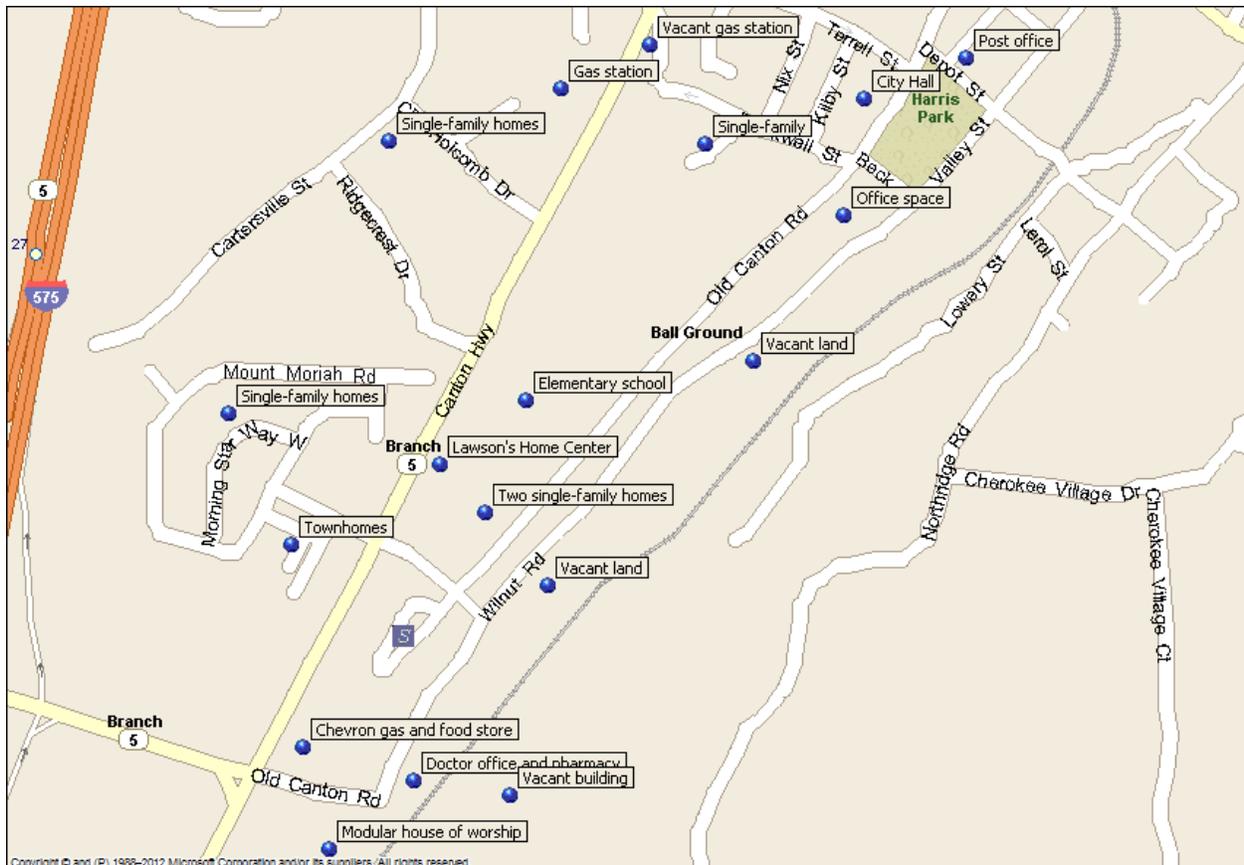
The Subject site has frontage along the east side of Canton-Ball Ground Highway, the south side of Coy M. Holcomb Street, and the west side of Valley Street.

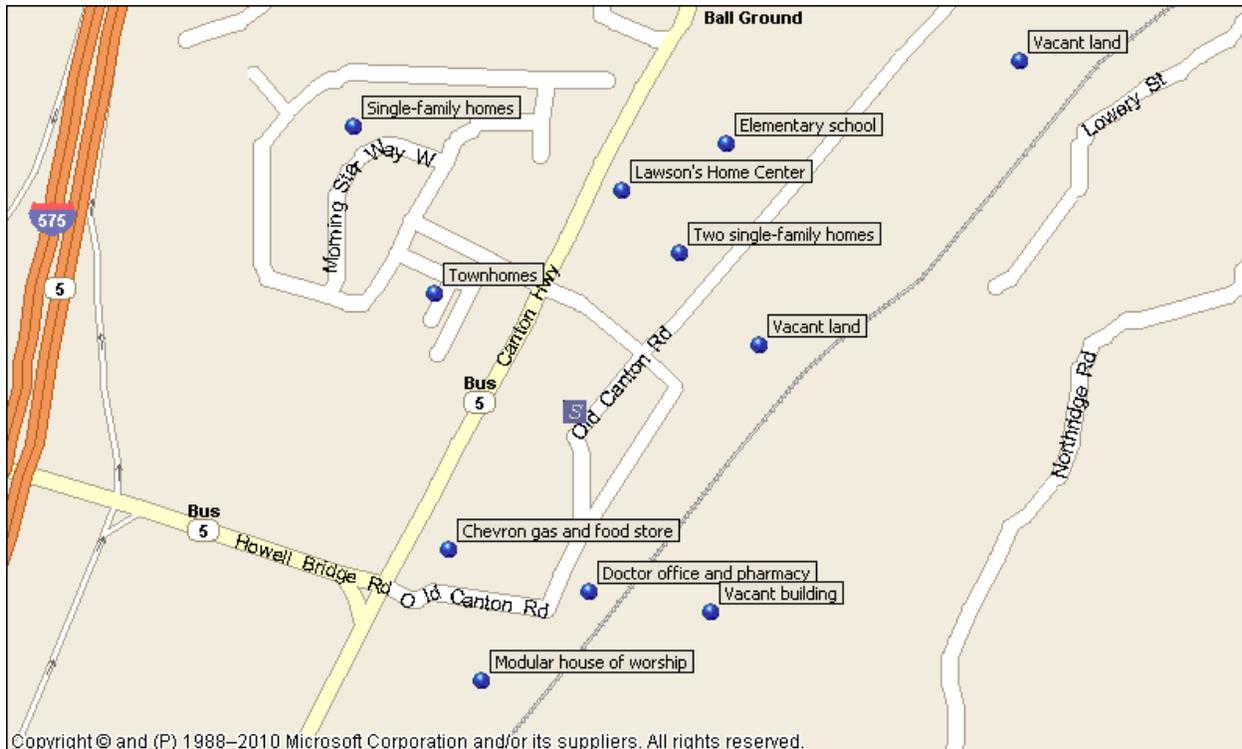
Visibility/Views:

Visibility is considered excellent from Canton-Ball Ground Highway, Coy M. Holcomb Street, and Valley Street. Views are of a Chevron gas station and food market, vacant land, and the Lantern Walk Subdivision with single-family homes and townhomes. Visibility is considered excellent and views are considered good.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.





Uses east of the Subject site include vacant wooded land that is bordered by a railroad tracks and a physician's office and drug store. Uses west of the Subject site on the west side of Canton Ball Ground Highway include the Lantern Walk subdivision which includes townhomes and carriage-style single-family homes in excellent condition. Uses to the north include single-family homes in fair to good condition and the newly constructed Ball Ground Elementary School. The surrounding uses are generally in good condition. Single-family homes are in fair to average condition and well occupied. Commercial uses are in fair to average condition and approximately 90 percent occupied.

Positive/Negative Attributes of Site: Positive attributes are that the site is within walking distance to Ball Ground Elementary School and that it has excellent visibility and access to Canton-Ball Ground Highway, a major thoroughfare for the city of Ball Ground. While the Subject is within close proximity to railroad tracks, there is only light to moderate use of the railroad so we do not believe that it will negatively impact the Subject. There do not appear to be any negative attributes of the site.

3. Physical Proximity to Locational Amenities:

The Subject is well situated near all necessary amenities including roads, transportation, amenities, employment, and community services. The site is located close to downtown Ball Ground which is a central point for many services in the city. Ball Ground is a growing community of nearly 1,500 residents located just north of the City of Canton at exit 27 on I-575.

4. Pictures of Site and Adjacent Uses:



Subject site facing west toward Canton-Ball Ground Hwy



Subject site facing north toward Coy M. Holcomb Street



Subject site facing south toward Chevron



Subject site facing south from Coy M. Holcomb Street



View North from interior of Subject site toward rear access to Elementary School



View west from Coy M. Holcomb Street - Subject on left



View East from Coy M. Holcomb Street - Subject on right



Ball Ground Elementary School



Pharmacy and Physician's office



Chevron gas station and food mart



House of worship – modular building



Townhomes in Lantern Walk Subdivision



Single-family home in Lantern Walk Subdivision



Lawson's Home Center and realtor office.



Single-family home on Canton-Ball Ground Highway



Office uses north of Subject site



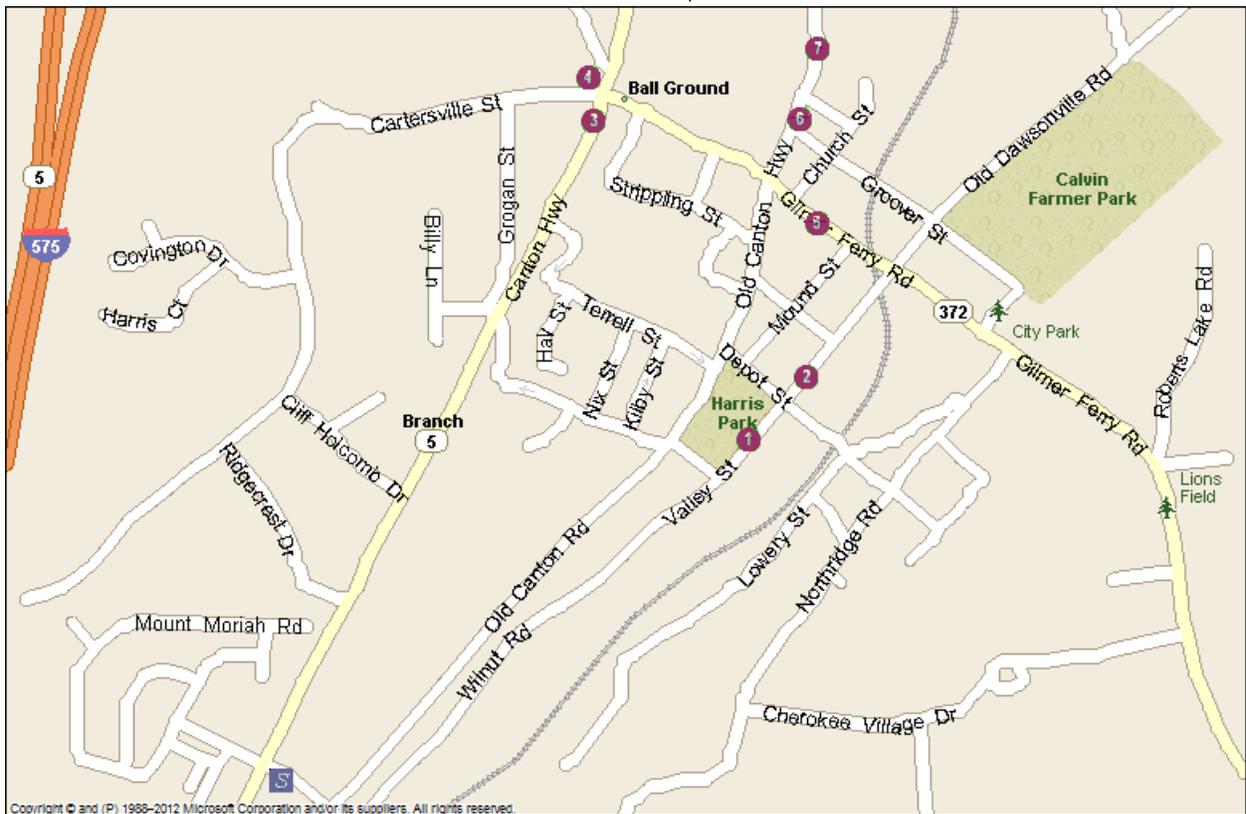
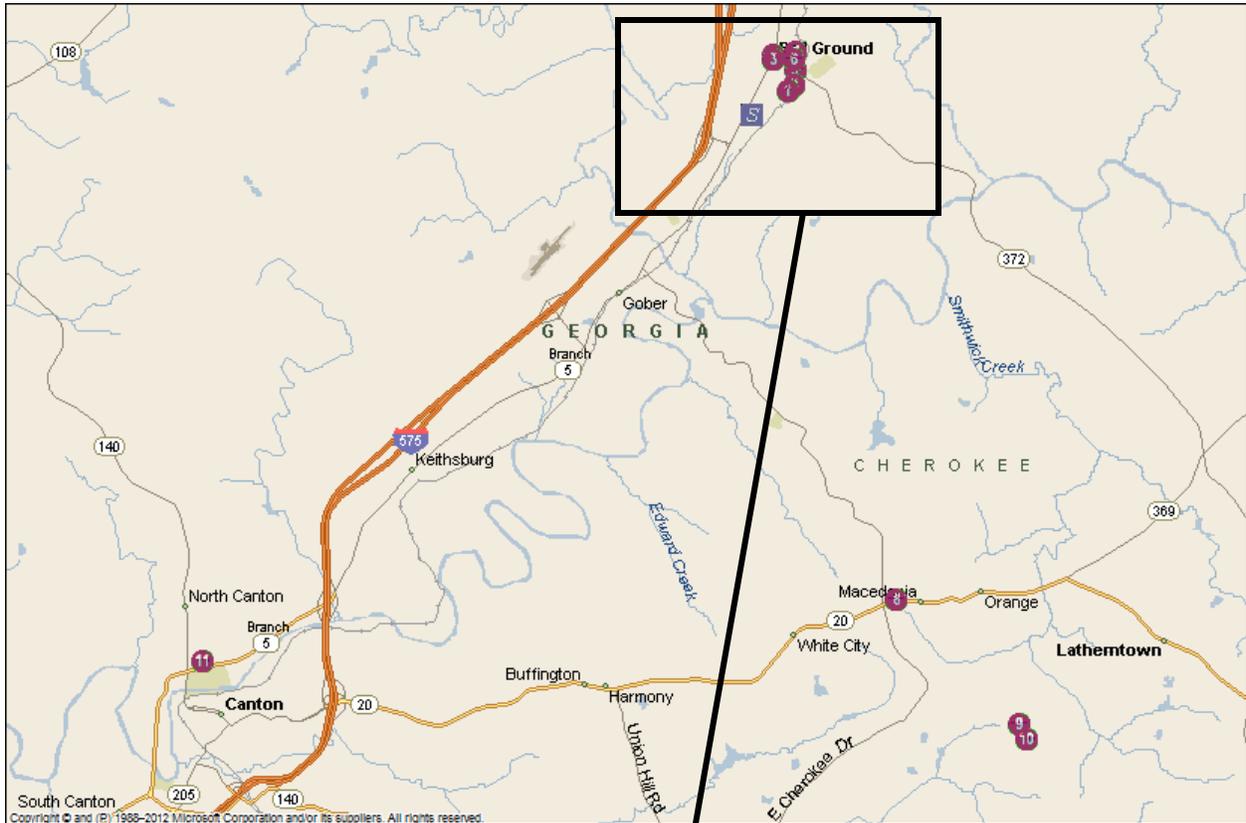
City Hall north of Subject site

5. Proximity to Locational Amenities:

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

LOCATIONAL AMENITIES

Map #	Service or Amenity	Miles From Subject
1	Ball Ground Police Department	0.64
2	Post Office	0.72
3	Regions Bank	0.81
4	Chevron gas station	0.83
5	Ball Ground Pharmacy	0.85
6	Ball Ground Public Library	0.92
7	Ball Ground Elementary School	0.98
8	Kroger grocery store	5.47
9	Creekview High School	7.25
10	Creekview Middle School	7.42
11	Northside Hospital - Cherokee	8.2



6. Description of Land Uses:

The Subject site is bordered by Canton-Ball Ground Highway to the west, Coy M. Holcomb Street to the north and Valley Street to the east. Uses east of the Subject site include vacant wooded land that is bordered by a privately-owned, inactive railroad track, vacant building, a physician’s office, and drug store. Uses west of the Subject site on the west side of Canton Ball Ground Highway include the Lantern Walk subdivision which includes townhomes and carriage-style single-family homes in excellent condition. Uses to the north include single-family homes in fair to good condition and the newly constructed Ball Ground Elementary School. The surrounding uses are generally in good condition. Single-family homes are in fair to average condition and well occupied. Commercial uses are in fair to average condition and approximately 90.0 percent occupied. The Subject will be a consistent use with the existing land uses and will be considered an improvement to the neighborhood.

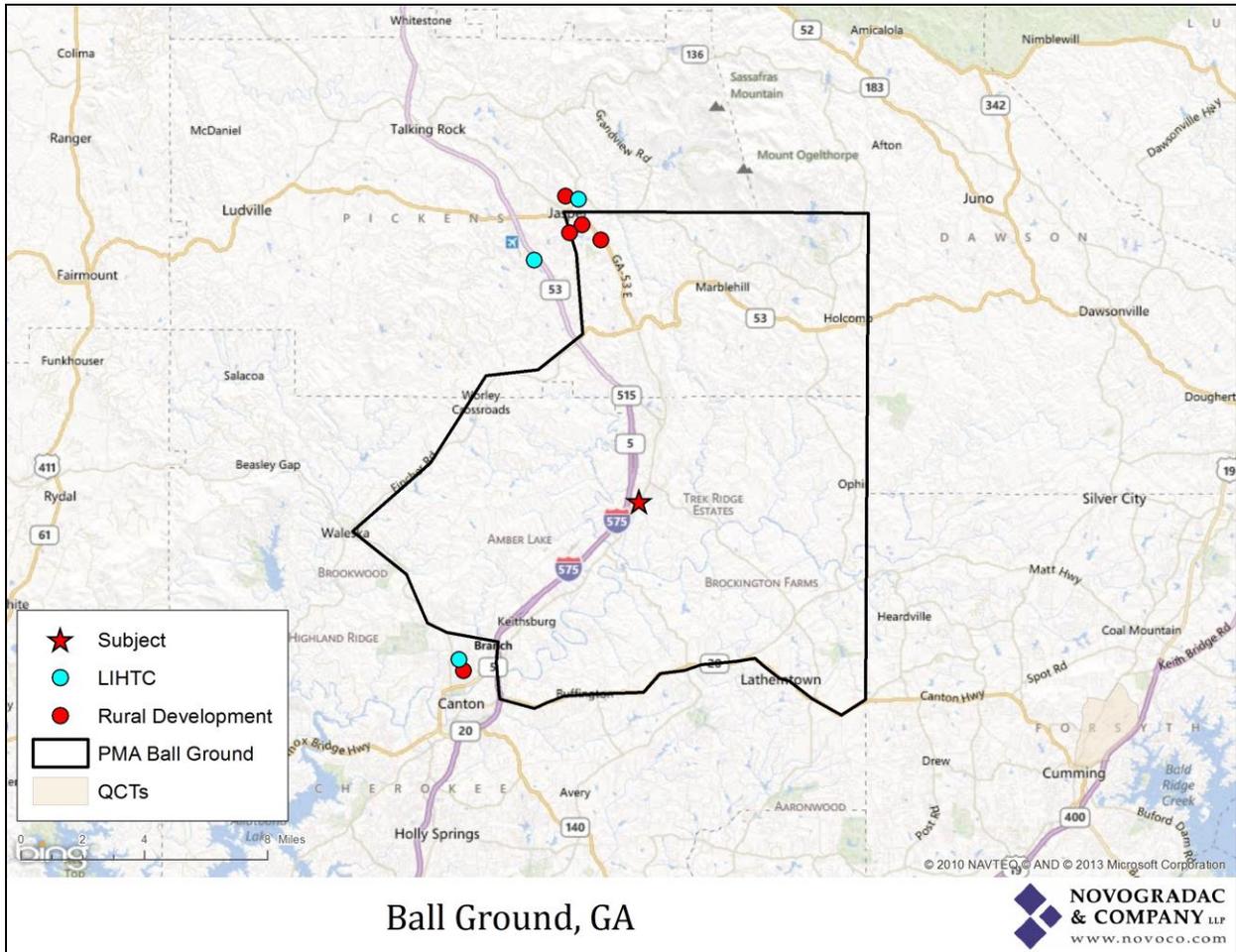
7. Multifamily Residential within Two Miles:

There are no multifamily properties within two miles of the Subject site. Overall, the Ball Ground submarket lacks multifamily housing.

8. Existing Assisted Rental Housing Property Map:

There are three USDA Rural Development properties in the PMA: Brooks Run, Brookshollow Apartments, and Fairfield Apartments.

Property Name	Address	City	State	Map Color	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
Stone Valley Apts	1942 SR-5 Bus/Canton Hwy	Ball Ground	GA	Blue	LIHTC	Family	SUBJECT	Subject	N/Ap
Lakeview Apartments	383 Lakeview Dr	Canton	GA	Red	RD	Family	Excluded	Rent Subsidized	9.4
Brooks Run	1600 E Church St	Jasper	GA	Red	RD/LIHTC	Family	Excluded	Rent Subsidized	8.07
Brookshollow Apartments	100 Brooks Hollow Dr	Jasper	GA	Red	RD/LIHTC	Elderly	Excluded	Rent Subsidized & Senior	8.74
Fairfield Apartments	691 S Main St	Jasper	GA	Red	RD/LIHTC	Family	Excluded	Rent Subsidized	8.66
Forest Glen	504 Indian Forest Rd	Jasper	GA	Red	RD	Family	Excluded	Rent Subsidized	9.59
The Homestead	102 Library Lane	Jasper	GA	Cyan	LIHTC	Family	Included	N/Ap	9.52
Mountainside Manor Apts	264 Bill Hasty Blvd	Jasper	GA	Cyan	LIHTC	Family	Included	N/Ap	8.24
River Ridge At Canton	100 River Ridge Dr.	Canton	GA	Cyan	LIHTC	Family	Included	N/Ap	8.53



**9. Road/Infrastructure
Proposed Improvements:**

We witnessed no road/infrastructure improvements during our site inspection.

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

The Subject site is accessed via Coy M. Holcomb Street that provides access to Canton-Ball Ground Highway immediately to the west and Valley Street immediately to the east. The Subject site is near the intersection of Howell Bridge Road and Interstate 575. Interstate 575 provides access to the northern portions of Georgia. Visibility is considered excellent from Canton-Ball Ground Highway, Coy M. Holcomb Street, and Valley Street. Overall, access and visibility are considered excellent.

11. Environmental Concerns:

None visible upon site inspection.

12. Detrimental Influences:

The vacant building is visible from the Subject site, but it's also behind the new pharmacy building. We do not anticipate that the Subject's performance will be significantly impacted as there are closer surrounding uses in average to good condition. The Subject site is located near the railroad tracks, which experience light to moderate train traffic. There are residential and commercial uses that are well-occupied along the railroad track; therefore, we do not believe that it will have a major impact on the Subject. However, we assume that the Subject will offer adequate sound and/or visual barriers.

13. Conclusion:

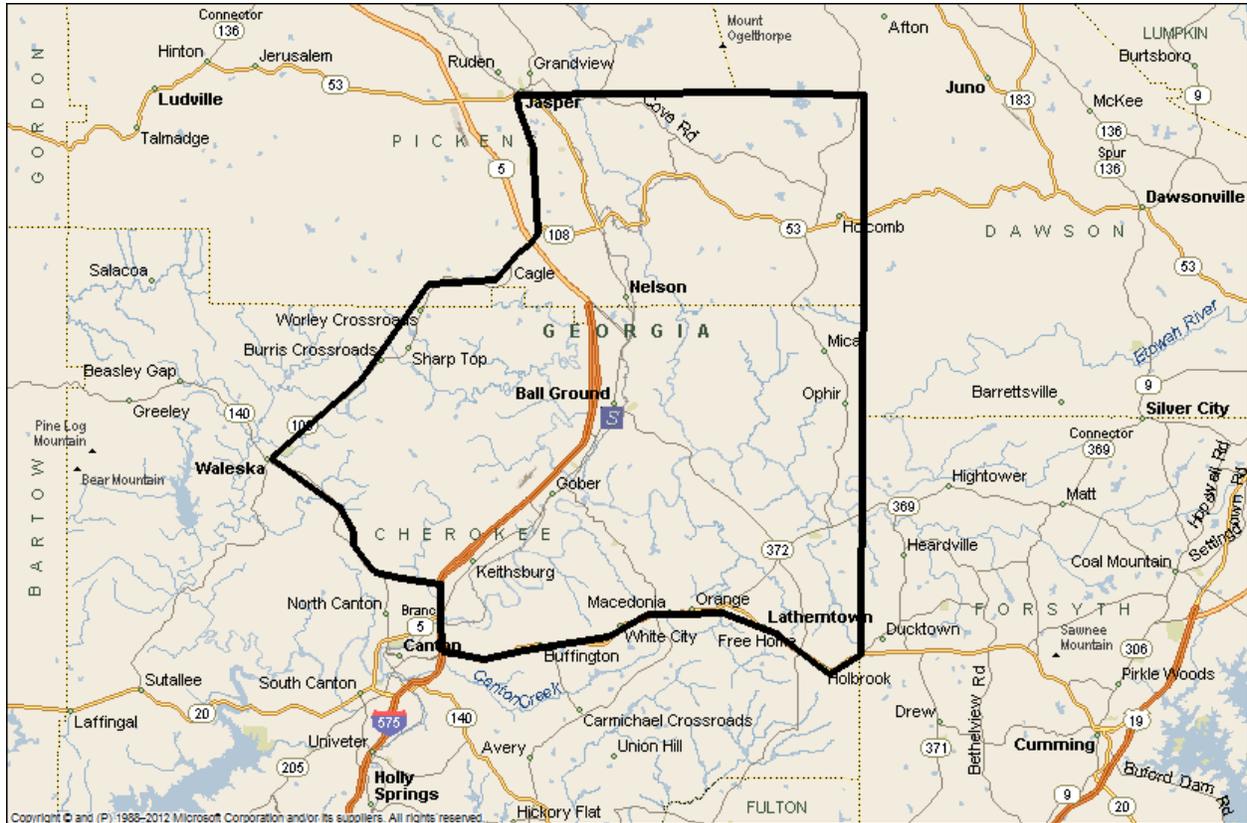
The Subject site is located on the eastern side of Canton Ball Ground Highway, the south side of Coy M. Holcomb Street, and the west side of Valley Street. The neighborhood composition includes a mix of vacant land, residential, institutional and commercial uses. Single family homes vary from average to excellent condition and are well occupied. Commercial uses in the Subject's neighborhood are approximately 90 percent occupied and in good condition. The Subject site has excellent access and exposure. The Subject is expected to be an improvement within the immediate neighborhood.

D. MARKET AREA

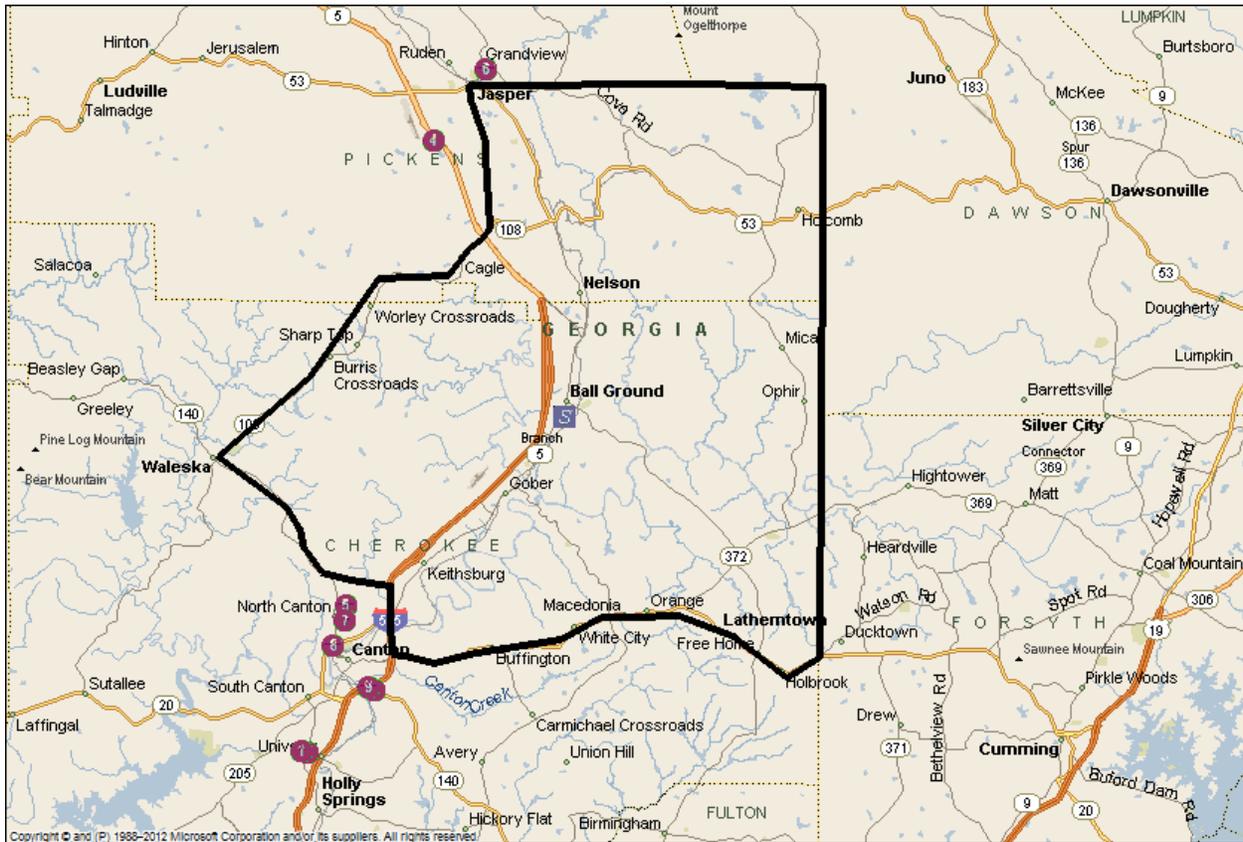
PRIMARY MARKET AREA

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



Primary Market Area Map – Comparable Properties



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Alexander Ridge Apartments	Canton	@50%, @60%, Market	13.7 miles
2	Canterbury Ridge Apartments	Canton	@60%	13.6 miles
3	Laurels At Greenwood	Canton	@50%, @60%, Market	11.1 miles
4	Mountainside Manor	Jasper	@60%, Market	9.8 miles
5	River Ridge At Canton	Canton	@60%, Market	9.1 miles
6	The Homestead	Jasper	@60%	13.5 miles
7	Lancaster Ridge	Canton	Market	9.5 miles
8	Riverview Apartments	Canton	Market	9.4 miles
9	Walden Crossing Apartments	Canton	Market	10.8 miles

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 MSA are areas of growth or contraction.

The PMA generally encompasses the northeast portion of Cherokee County and the southeast portion of Pickens County. Overall, the PMA is defined as follows:

North – Dawson County border and running west to Route 53 in Jasper

South – Cumming Highway and Canton Highway

East – Cherokee and Pickens county lines

West – Reinhardt College Parkway, Interstate 575, Refuge Road, and Fincher Road

The majority of the PMA is enclosed within seven miles of the Subject site. The area was defined based upon the site visit and upon interviews with the local market participants including property managers at comparable properties. The farthest point in the PMA is 11.6 miles of the Subject site along Steven Tate Highway. The property manager at a family LIHTC property in Jasper, Mountainside Manor, reported that the majority of tenants come from north Georgia and commute to Canton for employment. Further, the Subject site is located in close proximity to Interstate 575 which provides excellent access north towards Jasper and south towards Canton and the north Atlanta suburb market. Overall, we have estimated that approximately 15 percent of tenants will come from outside the PMA. However, per DCA requirements, our demand estimates assume all demand is generated from within the boundaries of 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 and (b) Population by Age Group within population in MSA, the PMA and nationally from 1990 through 2017.

TOTAL POPULATION

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Annual Change	Number	Annual	Number	Annual Change
1990	14,660	-	3,069,425	-	248,709,873	-
2000	19,922	3.6%	4,247,981	3.8%	281,421,906	1.3%
2012	29,152	3.8%	5,365,250	2.1%	313,129,017	0.9%
Projected Mkt Entry July 2015	29,847	0.8%	5,536,624	1.1%	319,643,343	0.7%
2017	30,311	0.8%	5,650,874	1.1%	323,986,227	0.7%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

POPULATION BY AGE IN 2012

Age Cohort	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	1,841	6.3%	386,189	7.2%	20,415,489	6.5%
5-9	2,052	7.0%	398,544	7.4%	20,496,335	6.5%
10-14	2,065	7.1%	390,931	7.3%	20,608,360	6.6%
15-19	1,772	6.1%	366,876	6.8%	21,328,197	6.8%
20-24	1,472	5.0%	353,357	6.6%	22,231,483	7.1%
25-29	1,463	5.0%	384,032	7.2%	21,411,989	6.8%
30-34	1,696	5.8%	405,906	7.6%	20,901,024	6.7%
35-39	2,047	7.0%	407,955	7.6%	19,629,034	6.3%
40-44	2,182	7.5%	416,885	7.8%	20,893,964	6.7%
45-49	2,204	7.6%	394,964	7.4%	21,716,328	6.9%
50-54	2,123	7.3%	369,221	6.9%	22,516,442	7.2%
55-59	1,968	6.8%	316,763	5.9%	20,601,036	6.6%
60-64	2,069	7.1%	270,760	5.0%	17,970,604	5.7%
65-69	1,650	5.7%	186,454	3.5%	13,541,826	4.3%
70-74	1,166	4.0%	122,172	2.3%	9,905,564	3.2%
75-79	637	2.2%	82,671	1.5%	7,436,063	2.4%
80-84	426	1.5%	56,871	1.1%	5,709,226	1.8%
85+	319	1.1%	54,699	1.0%	5,816,053	1.9%
Total	29,152	100.0%	5,365,250	100.0%	313,129,017	100.0%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

Population growth in the PMA outpaced that of the MSA and nation in 2012. Through 2015 and 2017, population growth will slow significantly, with the MSA outpacing the PMA and nation.

The largest age cohorts in the PMA are those ages five to 14 and those ages 40 to 54, which bodes well for the Subject as this indicates the prevalence of families in the PMA.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual Change</i>
1990	5,356	-	1,140,843	-	91,947,410	-
2000	7,481	4.0%	1,561,144	3.7%	105,991,193	1.5%
2012	10,710	3.5%	1,970,820	2.1%	118,208,713	0.9%
Projected Mkt Entry July 2015	10,993	0.9%	2,038,817	1.2%	120,882,784	0.8%
2017	11,182	0.9%	2,084,149	1.2%	122,665,498	0.8%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

AVERAGE HOUSEHOLD SIZE

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.66	-	2.67	-	2.58	-
2012	2.71	0.2%	2.68	0.0%	2.58	0.0%
Projected Mkt Entry July 2015	2.71	-0.1%	2.67	-0.1%	2.58	0.0%
2017	2.70	-0.1%	2.67	-0.1%	2.58	0.0%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

Similar to population trends, household growth rates in the PMA outpaced that of the MSA and nation in 2012. By 2015 and 2017, all these rates are projected to slow slightly, but the MSA will outpace the PMA. Average household size in the PMA, MSA, and nation are projected to remain fairly stagnant between 2012 and 2017. However, the large household size in the PMA and MSA compared to the nation bodes well for the Subject's larger bedroom types.

2b. Households by Tenure

The table below depicts household growth by tenure from 2000 through 2017.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	6,181	82.6%	1,300	17.4%
2012	8,583	80.1%	2,127	19.9%
Projected Mkt Entry				
July 2015	8,865	80.63%	2,128	19.37%
2017	9,053	81.0%	2,129	19.0%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

Tenure patterns in the PMA indicate a breakdown favoring owner-occupied housing as compared to renter-occupied. The percentage of renter-occupied households in the PMA is less than that of the national average in 2000 of approximately one third. However, the percent renter population is projected to remain fairly consistent through 2017 and in a market such as Ball Ground, the lack of renter households is more an indicator of a lack of rental housing in the area as there are limited to no rental options in the PMA.

2c. Households by Income

The following table depicts household income in 2012, projected market entry date in July 2015 and 2017 for the PMA.

Income Cohort	2012		Projected Mkt Entry July 2015		2017	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	718	6.7%	746	6.8%	766	6.8%
\$10,000-19,999	1,123	10.5%	1,127	10.3%	1,130	10.1%
\$20,000-29,999	1,144	10.7%	1,179	10.7%	1,202	10.7%
\$30,000-39,999	1,091	10.2%	1,124	10.2%	1,146	10.2%
\$40,000-49,999	1,106	10.3%	1,102	10.0%	1,098	9.8%
\$50,000-59,999	880	8.2%	887	8.1%	891	8.0%
\$60,000-74,999	1,085	10.1%	1,113	10.1%	1,131	10.1%
\$75,000-99,999	1,460	13.6%	1,495	13.6%	1,517	13.6%
\$100,000-124,999	816	7.6%	856	7.8%	882	7.9%
\$125,000-149,999	414	3.9%	436	4.0%	450	4.0%
\$150,000-199,999	504	4.7%	512	4.7%	517	4.6%
\$200,000+	369	3.4%	418	3.8%	451	4.0%
Total	10,710	100.0%	10,993	100.0%	11,182	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, May 2013

In 2012, 28 percent of households earned \$29,999 or below compared to 30 percent in the MSA and nation. The Subject will be targeting lower income families falling within this range, so this data indicates a favorable market 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.

	2000		2012		Projected Mkt Entry July 2015		2017	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	378	29.1%	639	30.0%	639	30.0%	639	30.0%
With 2 Persons	425	32.7%	486	22.8%	484	22.8%	483	22.7%
With 3 Persons	191	14.7%	363	17.1%	365	17.1%	366	17.2%
With 4 Persons	133	10.2%	315	14.8%	314	14.8%	314	14.7%
With 5+ Persons	173	13.3%	324	15.2%	326	15.3%	328	15.4%
Total Renter Households	1,300	100.0%	2,127	100.0%	2,128	100.0%	2,129	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, May 2013

As of 2012, an overwhelming 70 percent of renter households in the PMA contained three persons or less. This number is projected to stay relatively stable by the market entry date of the Subject. The Subject will be targeting low-income families in the area ranging in household size from one to five households. Therefore, this data indicates a sizeable market for the Subject to target.

CONCLUSION

Both the population and household numbers for the PMA and MSA grew at rates higher than the nation. By 2012, the populations for the PMA and MSA were outgrowing the nation by one to two percentage points annually. By 2015, growth in these areas will have slowed significantly. The population by age is concentrated in the young children to middle-aged cohorts. With the Subject targeting low-income families in the PMA, these numbers bode well for its success.

Household growth rates in the PMA and MSA are outpacing the nation by two to three percentage points as of 2012. Again, these rates are projected to slow significantly by 2017. The average household size in the PMA, MSA, and nation are all remaining stable at approximately 2.7 persons per household for the foreseeable future. The larger household sizes bode well for the Subject, which will consist of one, two, and three-bedroom units.

Tenure patterns in the PMA favor owner-occupied housing. However, the lack of renter households in the PMA is more an indicator of the lack of available rental options in the PMA.

In 2012, 28 percent of households earned \$29,999 or below compared to 30 percent in the MSA and nation. The Subject will be targeting lower income families falling within this range, so this data indicates a favorable market for the Subject.

According to RealtyTrac, there are currently 101 properties in Ball Ground that are in some stage of foreclosure. In April 2013, the number of properties receiving a foreclosure filing was 19 percent lower than the previous month and 48 percent lower than the same time last year. Cherokee County experienced a foreclosure rate in April 2013 that was 11 percent lower than March 2013 and 44 percent lower than April 2012. Georgia saw foreclosure decreases that were five percent lower than the previous month and 42 percent lower than the same time last year. By this comparison, Cherokee County is showing a better rate of foreclosure decreases compared to the state. We do not anticipate any tenants to sell homes in order to move to the Subject, however the former homeowners who lost their homes may be attracted to the rental units of the Subject. Per our site visit, we did not see many abandoned or vacant structures in the Subject site's

immediate neighborhood. The Subject site is located in a highly visible area with new development.

F. EMPLOYMENT TRENDS

Employment Trends

In this section of the report we will provide an assessment of current and forecasted economic conditions and employment characteristics, including an analysis of recent trends and how they relate to demand for additional new rental housing. Economic data will focus on the PMA and Cherokee County, Georgia. Examining economic data will provide a picture of the general health of the community and its ability to support new multifamily construction.

Consistent with national trends, the greater MSA and PMA areas have undergone economic contractions over 2009 that continued into 2011 and are just starting to turn around and show positive growth. Various historically stable industries have experienced layoffs.

1. Total Jobs

The following table illustrates the total jobs (also known as “covered employment”) in Cherokee County. The most recent county data from the Bureau of Labor Statistics is the 3rd Quarter of 2012.

TOTAL JOBS IN CHEROKEE COUNTY

Year	Total Employment	% Change
2002	36,941	-
2003	38,403	3.81%
2004	39,687	3.24%
2005	42,877	7.44%
2006	46,811	8.40%
2007	48,155	2.79%
2008	46,963	-2.54%
2009	44,360	-5.87%
2010	43,563	-1.83%
2011	44,123	1.27%
2012 YTD Average*	44,360	3.73%
Sep-11	44,467	-
Sep-12	45,834	2.98%

Source: U.S. Bureau of Labor Statistics

*YTD as of Sept 12

Cherokee County posted strong employment growth in 2005 and 2006 but total employment decreased significantly in 2008 and 2009 due to the impact of the nation-wide recession and continuing economic downturn. Average annual employment estimates roughly reflect the year-over-year change in total employment, which increased by 2.98 percent from September 2011 to September 2012. The increase in employment has caused a decrease in the unemployment rate in the MSA. This places the MSA above the national unemployment rate of 7.6 percent in March 2013. With peak employment in the county occurring in 2006, as of September 2012, Cherokee County is five percent below peak employment. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the County as of third quarter 2011. The most recent county data from the Bureau of Labor Statistics is the 3rd Quarter of 2012.

SEPT 2011 EMPLOYMENT JOBS BY INDUSTRY
Cherokee County

Industry	Number Employed	Percent Employed
Public Administration*	-	-
Trade, Transportation, and Utilities	9,505	26.26%
Leisure and Hospitality	6,277	17.35%
Education and Health Services	4,803	13.27%
Professional and Business Services	4,732	13.08%
Manufacturing	3,728	10.30%
Construction	2,881	7.96%
Financial Activities	1,822	5.03%
Other Services	1,542	4.26%
Information	456	1.26%
Unclassified	309	0.85%
Natural Resources and Mining	134	0.37%
Total Employment	36,189	100.00%

*Monthly data is not available

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

The largest sector in Cherokee County, according to the Bureau of Labor Statistics, is the trade, transportation and utilities industry followed by the leisure and hospitality industry, and subsequently education and health services. Together these account for almost 57 percent of those employed in Cherokee County. Education and Health Services are historically considered to be stable employers and could provide some additional stability to the local economy during a recession. The trade-transportation-utilities and leisure and hospitality industries are historically somewhat unstable sectors. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

2010 EMPLOYMENT BY INDUSTRY

Occupation	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Construction	1,678	13.52%	8,872,843	6.52%
Retail Trade	1,653	13.32%	15,464,986	11.37%
Educational Services	1,436	11.57%	14,168,096	10.42%
Manufacturing	1,268	10.22%	13,047,475	9.59%
Health Care/Social Assistance	977	7.87%	18,891,157	13.89%
Other Services (excl Publ Adm)	649	5.23%	6,679,783	4.91%
Finance/Insurance	617	4.97%	6,883,526	5.06%
Accommodation/Food Services	570	4.59%	9,114,767	6.70%
Public Administration	568	4.58%	6,916,821	5.09%
Prof/Scientific/Tech Services	530	4.27%	8,520,310	6.26%
Admin/Support/Waste Mgmt Svcs	435	3.51%	5,114,479	3.76%
Transportation/Warehousing	415	3.34%	5,487,029	4.03%
Wholesale Trade	396	3.19%	4,407,788	3.24%
Real Estate/Rental/Leasing	367	2.96%	2,825,263	2.08%
Information	239	1.93%	3,158,778	2.32%
Agric/Forestry/Fishing/Hunting	198	1.60%	1,790,318	1.32%
Arts/Entertainment/Recreation	160	1.29%	2,628,374	1.93%
Utilities	152	1.22%	1,115,793	0.82%
Mining	88	0.71%	723,991	0.53%
Mgmt of Companies/Enterprises	13	0.10%	202,384	0.15%
Total Employment	12,409	100.0%	136,013,961	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2013

*Industry data current as of 2010. Other projections current as of 2010.

The largest industries in the PMA are construction, retail trade, educational services, and manufacturing. Together, these three industries comprise almost half of employment in the PMA. Construction and retail trade are overrepresented in the PMA when compared to the nation. The percent employed in the construction industry in the PMA doubles the percentage of the nation. Although the health care/social services industry is a somewhat prevalent industry in the PMA, there are a smaller percentage of workers employed in this industry than in the nation and is the most underrepresented industry in the PMA when compared to the nation.

3. Major Employers

The diversification of the Cherokee County economic base is indicated by the following list of the Cherokee County’s ten largest employers.

MAJOR EMPLOYERS

Cherokee County, GA

Employer	Industry	Number Employed
Cherokee County School District	Educational Services	4,658
Cherokee County Government	Public Administration	1,130
Publix Super Market	Retail Trade	950
Pilgrim's Pride	Manufacturing	825
Kroger Company	Retail Trade	775
Northside Hospital	Health Care/Social Assistance	730
Chart Inc	Manufacturing	552
Meyn America	Manufacturing	250
Universal Alloy	Manufacturing	245

Source: Cherokee County of Economic Development, 9/2012

Aside from the school district and local county government, the largest employers in Cherokee County match the previous tables with manufacturing and retail trade dominating employment within the county.

Expansions

The Cherokee Office of Economic Development has reported several announcements for expansions in 2013. Heath Tippens, Project Manager at the Cherokee Office of Economic Development, stated this was the most recent information available. The following table details these expansions.

2012 CHEROKEE COUNTY EXPANSIONS

Company	Industry	Number of Jobs	Year
Chart	Stainless Steel Cylinders; BioMedical	100	2013
International Thermostat	Carbon Capture Technologies	100	2013
Universal Alloy	Aerospace Extrusion Production	60	2013
FactoryMation	Industrial Automation Equipment	35	2013
Awnex Inc.	Commerical Awning, Canopies, Signs	30	2013
BEMD Co.	Precision Machining	30	2013
BizChair.com - Bellnick Inc	Online Retailer of Office Furniture	25	2013
Piolax	Plastic and Metal Fastening Products	15	2013
Vision Stairway & Millwork	Custom Stairs	15	2013

Source: Cherokee County Office of Economic Development, 4/2013

While this announced job growth is notable, it does not reflect actual jobs added to the market in 2013. Mr. Tippens noted that Cherokee County has been very fortunate in seeing job growth and not having employment contractions in 2013. Cherokee County is considered part of the Metropolitan Atlanta area, so we included the WARN filing chart for Metro Atlanta. The table does not have any contractions for Cherokee County from 2010 to 2012. Judging from the information provided however, it would appear Cherokee County has had total growth in employment overall.

Stone Valley Apartments, Ball Ground, GA; Market Study

WARN NOTICES Metro Atlanta - 2010 to 2012

Company	City	County	Number	Impact Date
Cenveo	Chamble	Dekalb	44	3/21/2013
Menlo	Suwanee	Gwinnett	144	3/21/2013
Dawn Food Products, Inc.	Douglasville	Douglas	70	3/18/2013
Pinnacle Airlines, Inc/Atlanta Airport	Atlanta	Fulton	391	3/6/2013
Unilever	Atlanta	Fulton	125	3/6/2013
Allstate Insurance Company	Atlanta	Fulton	46	3/1/2013
Yp Southeast Advertising	Tucker	Dekalb	32	2/28/2013
Mercury Insurance Group	Atlanta	Fulton	42	2/21/2013
Avon	Suwanee	Gwinnett	250	2/14/2013
Georgia State University	Atlanta	Fulton	30	2/5/2013
Pinnacle Airlines, Inc - Hartsfield Jackson Airport	Atlanta	Fulton	31	1/10/2013
Lockheed Martin Corp	Marietta	Cobb	500	1/9/2013
Bway Corporation	Lithonia	Dekalb	65	1/7/2013
Webmd	Atlanta	Fulton	62	12/11/2012
Hms Host	Lawrenceville	Gwinnett	92	12/4/2012
Emerson/Closetmaid	Ocala	Cobb/Cherokee	3	12/4/2012
Golden Living Southeast Billing Office	Conyers	Rockdale	53	11/2/2012
Jacobson Staffing Company	Forest Park	Clayton	90	10/30/2012
Gardner Denver, Inc	Peachtree City	Fayette	64	11/2/2012
Suntrust Bank	Atlanta	Fulton	75	10/2/2012
Bank Of America	College Pk	Fulton	42	9/25/2012
Ricoh	Duluth	Gwinnett	76	9/10/2012
Web Industries, Inc.	Suwanee	Gwinnett	42	9/7/2012
G4S Govt Solutions (Ft. Gillem)	Forest Pk	Clayton	26	8/10/2012
Siemens Healthcare Diagnostics	Atlanta	Fulton	113	8/9/2012
The Atlanta Journal-Constitution/Cox Enterprises, Inc.	Douglasville	Douglas	50	8/2/2012
Cbe Group	Atlanta	Fulton	67	7/30/2012
Jackson National Life Insurance Company	Marietta	Cobb	112	7/23/2012
Video Products Distributors, Inc.	Suwanee	Gwinnett	93	7/12/2012
Xanodyne Pharmaceuticals	Newport Kentucky	Out Of State	4	7/10/2012
The Atlanta Journal-Constitution/Cox Enterprises	Roswell	Fulton	110	7/10/2012
Meda Pharmaceuticals	Marietta	Cobb	22	7/2/2012
South Fulton Medical Center	East Point	Fulton	80	6/27/2012
The Atlanta Journal-Constitution	Atlanta	Fulton	108	6/12/2012
Ccs Medical/ Mp Total Care Medical	Lawrenceville	Gwinnett	104	6/5/2012
The Atlanta Journal Constitution	Smyrna	Cobb	102	5/8/2012
Eyewonder	Atlanta	Fulton	17	5/7/2012
Waste Management	Alpharetta	Fulton	62	5/4/2012
The Atlanta Journal Constitution	Kennesaw	Cobb	150	4/17/2012
Best Buy	Fayetteville	Fayette	58	4/16/2012
The Wendy's Company	Atlanta	Fulton	195	4/2/2012
Dal Global Services	Atlanta	Fulton	170	3/20/2012
Grainger	Alpharetta	Fulton	68	3/16/2012
Bank Of America	College Park	Fulton	57	3/16/2012
Crescent Hotel & Resorts, LLC	Atlanta	Fulton	42	3/2/2012
Maximus	Atlanta	Fulton	25	3/1/2012
Seimens Healthcare	Atlanta	Fulton	28	3/1/2012
Medline Industries	Lithia Springs	Douglas	40	3/1/2012
The Atlanta Journal Constitution	Conyers	Rockdale	80	2/9/2012
Concessions International/Paschals	Atlanta	Fulton	530	2/6/2012
Cox Communications	Atlanta	Dekalb	133	1/27/2012
The Atlanta Journal Constitution	Fayetteville	Fayette	70	1/10/2012
Ryder	Lawrenceville	Gwinnett	34	1/9/2012
Bloomingdale's	Atlanta	Dekalb	141	1/4/2012
2012 Total			3,490	
2013 Total			1,770	
2012 and 2013 Total			5,260	

*Metro Atlanta includes the following counties: Cherokee, Clayton, Cobb, DeKalb, Douglass, Fayette, Fulton, Gwinnett, Henry, and Rockdale
Source: Georgia Department of Labor, 5/2013

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2002 to 2013 (through March).

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
2002	2,330,487	-	4.9%	-	136,485,000	-	5.8%	-
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	2,578,276	-1.0%	6.2%	1.6%	145,362,000	-0.5%	5.8%	1.2%
2009	2,431,178	-5.7%	9.8%	3.6%	139,877,000	-3.8%	9.3%	3.5%
2010	2,403,960	-1.1%	10.1%	0.3%	139,064,000	-0.6%	9.6%	0.3%
2011	2,439,327	1.5%	9.8%	-0.3%	139,869,000	0.6%	8.9%	-0.7%
2012	2,495,153	2.3%	8.8%	-1.0%	142,469,000	1.9%	8.1%	-0.8%
2013 YTD Average*	2,523,716	1.1%	10.1%	1.3%	142,180,000	-0.2%	8.1%	0.0%
Mar-2012	2,477,563	-	8.9%	-	141,412,000	-	8.4%	-
Mar-2013	2,525,019	1.9%	7.9%	-1.0%	142,698,000	0.9%	7.6%	-0.8%

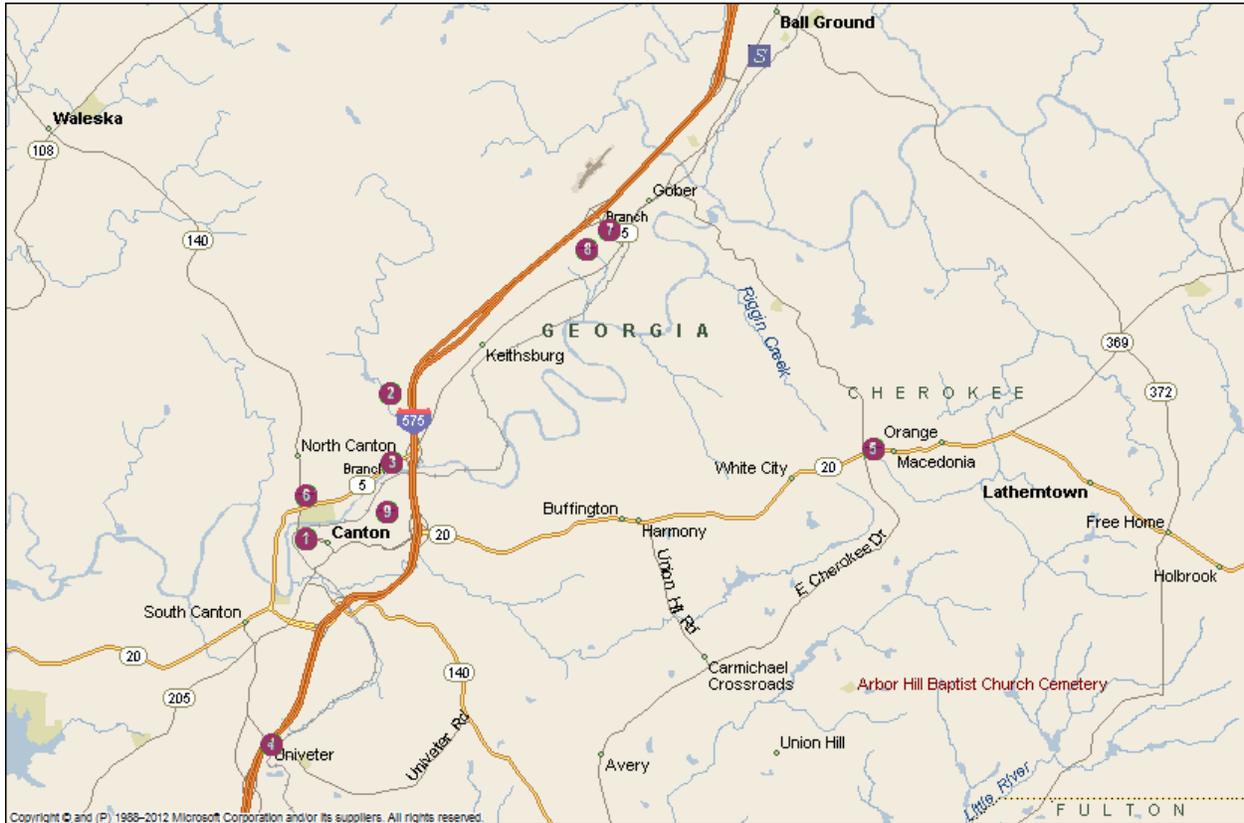
Source: U.S. Bureau of Labor Statistics December 2012

*2013 data is through Mar

From 2002 through 2007, total MSA employment increased steadily. In 2009, total MSA employment decreased by 5.7 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. The MSA however has begun to show total employment growth in 2011 of 1.5 percent and employment growth of 2.3 percent in 2012. The YTD average growth is 1.1 percent for 2013, which is greater than the national change. Between March 2012 and March 2013, total employment in the MSA increased and the unemployment rate decreased. The unemployment rate in the MSA was still slightly higher than that of the nation during this timeframe; however, the total employment growth percentage was higher than that of the nation.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Cherokee County. The Cherokee County School District and government have multiple sites throughout the area. The location depicted on the map denotes their administrative headquarters. The employment for Publix and Kroger grocery stores includes a number of stores throughout Cherokee County. The location denoted on the map below is the closest Publix and Kroger to the Subject.



**MAJOR EMPLOYERS
Cherokee County, GA**

Map #	Employer	Industry	Number Employed
1	Cherokee County School District	Educational Services	4,658
2	Cherokee County Government	Public Administration	1,130
3	Publix Super Market	Retail Trade	950
4	Pilgrim's Pride	Manufacturing	825
5	Kroger Company	Retail Trade	775
6	Northside Hospital - Cherokee	Health Care/Social Assistance	730
7	Chart Inc	Manufacturing	552
8	Meyn America	Manufacturing	250
9	Universal Alloy	Manufacturing	245

Source: Cherokee County of Economic Development, 9/2012

Conclusion

Employment in the PMA is concentrated in retail trade, construction, manufacturing, and educational services. Together, these industries comprise almost 50 percent of employment in the PMA. The major employers in Cherokee County are reflected in this concentration. Construction and retail trade are all overrepresented in the PMA when compared to the nation, while the health care/social assistance industry is underrepresented.

As the housing market recovers, the housing demand for affordable units in the market is expected to increase. The Subject is new construction and will be restricted to households earning 50 and 60 percent of the AMI; therefore, we do not believe the instability of the economy will have a significant impact on the success of the Subject.

PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. INCOME RESTRICTIONS

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

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

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

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

2. AFFORDABILITY

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

3. DEMAND

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

3A. DEMAND FROM NEW HOUSEHOLDS

The number of new households entering the market is the first level of demand calculated. We have utilized 2015, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to 2015 by interpolation of the difference between 2012 estimates and 2017 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2015. This number takes the overall growth from 2012 to 2017 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 per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

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

Per the 2013 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

3D. OTHER

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

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 2011 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 2011 to present and those that will be constructed through 2013 that are considered directly competitive. There have been no family LIHTC allocations in the PMA and no family LIHTC properties have entered the market in the past two years.

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. There are no family LIHTC or

conventional properties in the PMA. We interviewed realtors who manage single listings for private rentals.

Rehab Developments and PBRA

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

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

Capture Rates

The above calculations and derived capture rates are illustrated in the following tables.

Renter Household Income Distribution 2012 to Projected Market Entry July 2015						
Stone Valley Apartments						
PMA						
	2012		Projected Mkt Entry July 2015		Percent Growth	
	#	%	#	%		
\$0-9,999	222	10.4%	220	10.3%	-0.9%	
\$10,000-19,999	347	16.3%	339	15.9%	-2.4%	
\$20,000-29,999	318	15.0%	325	15.3%	2.1%	
\$30,000-39,999	369	17.3%	368	17.3%	-0.4%	
\$40,000-49,999	287	13.5%	291	13.7%	1.3%	
\$50,000-59,999	205	9.7%	204	9.6%	-0.7%	
\$60,000-74,999	111	5.2%	108	5.1%	-3.2%	
\$75,000-99,999	132	6.2%	138	6.5%	4.4%	
\$100,000-124,999	37	1.7%	39	1.8%	4.7%	
\$125,000-149,999	1	0.0%	3	0.1%	69.4%	
\$150,000-199,999	80	3.8%	75	3.5%	-5.7%	
\$200,000+	18	0.8%	19	0.9%	6.5%	
Total	2,127	100.0%	2,128	100.0%	0.1%	

Renter Household Income Distribution Projected Market Entry July 2015			
Stone Valley Apartments			
	Projected Mkt Entry July 2015		Change 2012 to Prj Mkt Entry July 2015
	#	%	#
\$0-9,999	220	10.3%	0
\$10,000-19,999	339	15.9%	0
\$20,000-29,999	325	15.3%	0
\$30,000-39,999	368	17.3%	0
\$40,000-49,999	291	13.7%	0
\$50,000-59,999	204	9.6%	0
\$60,000-74,999	108	5.1%	0
\$75,000-99,999	138	6.5%	0
\$100,000-124,999	39	1.8%	0
\$125,000-149,999	3	0.1%	0
\$150,000-199,999	75	3.5%	0
\$200,000+	19	0.9%	0
Total	2,128	100.0%	1

Tenure Prj Mkt Entry July 2015	
Renter	19.4%
Owner	80.6%
Total	100.0%

Renter Household Size for Prj Mkt Entry July 2015		
Size	Number	Percentage
1 Person	639	30.0%
2 Person	484	22.8%
3 Person	365	17.1%
4 Person	314	14.8%
5+ Person	326	15.3%
Total	2,128	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	378	29.1%
2 Person	425	32.7%
3 Person	191	14.7%
4 Person	133	10.2%
5+ Person	173	13.3%
Total	1,300	100.0%

50% AMI

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

Percent of AMI Level		50%			
Minimum Income Limit		\$20,126			
Maximum Income Limit		\$35,820		3	
Income Category	New Renter Households - Total Change in Households PMA 2012 to Pj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	0.12			
\$10,000-19,999	0.19	15.9%		0.0%	0
\$20,000-29,999	0.18	15.3%	9,873	98.7%	0
\$30,000-39,999	0.21	17.3%	5,820	58.2%	0
\$40,000-49,999	0.16	13.7%		0.0%	0
\$50,000-59,999	0.11	9.6%		0.0%	0
\$60,000-74,999	0.06	5.1%		0.0%	0
\$75,000-99,999	0.08	6.5%		0.0%	0
\$100,000-124,999	0.02	1.8%		0.0%	0
\$125,000-149,999	0.00	0.1%		0.0%	0
\$150,000-199,999	0.04	3.5%		0.0%	0
\$200,000+	0.01	0.9%		0.0%	0
		1	100.0%		0
Percent of renter households within limits versus total number of renter households					25.14%

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

Percent of AMI Level		50%			
Minimum Income Limit		\$20,126			
Maximum Income Limit		\$35,820		3	
Income Category	Total Renter Households PMA Pj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	220			
\$10,000-19,999	339	15.9%	\$0	0%	0
\$20,000-29,999	325	15.3%	\$9,873	99%	321
\$30,000-39,999	368	17.3%	\$5,820	58%	214
\$40,000-49,999	291	13.7%	\$0	0%	0
\$50,000-59,999	204	9.6%	\$0	0%	0
\$60,000-74,999	108	5.1%	\$0	0%	0
\$75,000-99,999	138	6.5%	\$0	0%	0
\$100,000-124,999	39	1.8%	\$0	0%	0
\$125,000-149,999	3	0.1%	\$0	0%	0
\$150,000-199,999	75	3.5%	\$0	0%	0
\$200,000+	19	0.9%	\$0	0%	0
		2,128	100.0%		535
Percent of renter households within limits versus total number of renter households					25.14%

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

2012 Median Income

Change from 2012 to Pj Mrkt Entry July 2015

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$45,780		
\$49,772		
\$3,992		
8.0%		
0.6%		
0.6%	Two year adjustment	1.0000
\$35,820		
\$35,820		
3		
50%		
\$587		
\$587.00		

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 2012 to Prj Mrkt Entry July 2015

Income Target Population		50%
New Renter Households PMA		1
Percent Income Qualified		25.1%
New Renter Income Qualified Households		0

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

Demand from Existing Households 2012

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		2,128
Income Qualified		25.1%
Income Qualified Renter Households		535
Percent Rent Overburdened Prj Mrkt Entry July 2015		45.0%
Rent Overburdened Households		241

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		535
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		3

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		244
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		244
Total New Demand		0
Total Demand (New Plus Existing Households)		244

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

By Bedroom Demand

One Person	30.0%	73
Two Persons	22.8%	56
Three Persons	17.1%	42
Four Persons	14.8%	36
Five Persons	15.3%	37
Total	100.0%	244

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	85%	62
Of two-person households in 1BR units	20%	11
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	15%	11
Of two-person households in 2BR units	80%	44
Of three-person households in 2BR units	60%	25
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	17
Of four-person households in 3BR units	80%	29
Of five-person households in 3BR units	70%	26
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	7
Of five-person households in 4BR units	30%	11
Total Demand		244

Total Demand by Bedroom	50%
1 BR	73
2 BR	80
3 BR	72
Total Demand	226

Additions To Supply 2012 to Prj Mrkt Entry July 2015	50%
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand	50%
1 BR	73
2 BR	80
3 BR	72
Total	226

Developer's Unit Mix	50%
1 BR	2
2 BR	4
3 BR	4
Total	10

Capture Rate Analysis	50%
1 BR	2.7%
2 BR	5.0%
3 BR	5.6%
Total	4.4%

60%AMI

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

Percent of AMI Level			60%			
Minimum Income Limit			\$20,126			
Maximum Income Limit			\$43,020		5	
Income Category	New Renter Households - Total Change in Households PMA 2012 to Pj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket	
\$0-9,999	0.12	10.3%		0.0%	0	
\$10,000-19,999	0.19	15.9%		0.0%	0	
\$20,000-29,999	0.18	15.3%	9,873	98.7%	0	
\$30,000-39,999	0.21	17.3%	9,999	100.0%	0	
\$40,000-49,999	0.16	13.7%	3,020	30.2%	0	
\$50,000-59,999	0.11	9.6%		0.0%	0	
\$60,000-74,999	0.06	5.1%		0.0%	0	
\$75,000-99,999	0.08	6.5%		0.0%	0	
\$100,000-124,999	0.02	1.8%		0.0%	0	
\$125,000-149,999	0.00	0.1%		0.0%	0	
\$150,000-199,999	0.04	3.5%		0.0%	0	
\$200,000+	0.01	0.9%		0.0%	0	
	1	100.0%			0	
Percent of renter households within limits versus total number of renter households					36.48%	

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

Percent of AMI Level			60%			
Minimum Income Limit			\$20,126			
Maximum Income Limit			\$43,020		\$5	
Income Category	Total Renter Households PMA Pj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket	
\$0-9,999	220	10.3%	\$0	0%	0	
\$10,000-19,999	339	15.9%	\$0	0%	0	
\$20,000-29,999	325	15.3%	\$9,873	99%	321	
\$30,000-39,999	368	17.3%	\$9,999	100%	368	
\$40,000-49,999	291	13.7%	\$3,020	30%	88	
\$50,000-59,999	204	9.6%	\$0	0%	0	
\$60,000-74,999	108	5.1%	\$0	0%	0	
\$75,000-99,999	138	6.5%	\$0	0%	0	
\$100,000-124,999	39	1.8%	\$0	0%	0	
\$125,000-149,999	3	0.1%	\$0	0%	0	
\$150,000-199,999	75	3.5%	\$0	0%	0	
\$200,000+	19	0.9%	\$0	0%	0	
	2,128	100.0%			776	
Percent of renter households within limits versus total number of renter households					36.48%	

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

2012 Median Income

Change from 2012 to Pj Mrkt Entry July 2015

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$45,780		
\$49,772		
\$3,992		
8.0%		
0.6%		
0.6%	Two year adjustment	1.0000
\$43,020		
\$43,020		
5		
60%		
\$587		
\$587.00		

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 2012 to Prj Mrkt Entry July 2015

Income Target Population		60%
New Renter Households PMA		1
Percent Income Qualified		21.4%
New Renter Income Qualified Households		0

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

Demand from Existing Households 2012

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		2,128
Income Qualified		36.5%
Income Qualified Renter Households		776
Percent Rent Overburdened Prj Mrkt Entry July 2015		45.0%
Rent Overburdened Households		349

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		776
Percent Living in Substandard Housing		0.5%
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		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		354
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		354
Total New Demand		0
Total Demand (New Plus Existing Households)		354

By Bedroom Demand

One Person	30.0%	106
Two Persons	22.8%	81
Three Persons	17.1%	61
Four Persons	14.8%	52
Five Persons	15.3%	54
Total	100.0%	354

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	85%	90
Of two-person households in 1BR units	20%	16
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	15%	16
Of two-person households in 2BR units	80%	64
Of three-person households in 2BR units	60%	36
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	24
Of four-person households in 3BR units	80%	42
Of five-person households in 3BR units	70%	38
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	10
Of five-person households in 4BR units	30%	16
Total Demand		354

Total Demand by Bedroom	60%
1 BR	106
2 BR	117
3 BR	104
Total Demand	327

Additions To Supply 2012 to Prj Mrkt Entry July 2015	60%
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand	60%
1 BR	106
2 BR	117
3 BR	104
Total	327

Developer's Unit Mix	60%
1 BR	6
2 BR	28
3 BR	20
Total	54

Capture Rate Analysis	60%
1 BR	5.6%
2 BR	24.0%
3 BR	19.2%
Total	16.5%

Overall

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$20,126			
Maximum Income Limit		\$43,020	5		
Income Category	New Renter Households - Total Change in Households PMA 2012 to Pj Mrkt Entry July 2015	Income Brackets	Percent within Cohort	Renter Households within Bracket	
				\$0-9,999	0.34
\$10,000-19,999	0.51	15.6%	0.0%	0	
\$20,000-29,999	0.51	15.5%	9,873	98.7%	0
\$30,000-39,999	0.56	17.2%	9,999	100.0%	1
\$40,000-49,999	0.45	13.8%	3,020	30.2%	0
\$50,000-59,999	0.31	9.5%		0.0%	0
\$60,000-74,999	0.16	4.9%		0.0%	0
\$75,000-99,999	0.22	6.7%		0.0%	0
\$100,000-124,999	0.06	1.9%		0.0%	0
\$125,000-149,999	0.01	0.2%		0.0%	0
\$150,000-199,999	0.11	3.4%		0.0%	0
\$200,000+	0.03	0.9%		0.0%	0
		3	100.0%		1
Percent of renter households within limits versus total number of renter households					36.65%

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$20,126			
Maximum Income Limit		\$43,020	\$5		
Income Category	Total Renter Households PMA Pj Mrkt Entry July 2015	Income Brackets	Percent within Cohort	Households within Bracket	
				\$0-9,999	220
\$10,000-19,999	333	15.6%	\$0	0%	0
\$20,000-29,999	330	15.5%	\$9,873	99%	325
\$30,000-39,999	367	17.2%	\$9,999	100%	367
\$40,000-49,999	293	13.8%	\$3,020	30%	89
\$50,000-59,999	203	9.5%	\$0	0%	0
\$60,000-74,999	105	4.9%	\$0	0%	0
\$75,000-99,999	142	6.7%	\$0	0%	0
\$100,000-124,999	40	1.9%	\$0	0%	0
\$125,000-149,999	5	0.2%	\$0	0%	0
\$150,000-199,999	73	3.4%	\$0	0%	0
\$200,000+	20	0.9%	\$0	0%	0
		2,130	100.0%		781
Percent of renter households within limits versus total number of renter households					36.65%

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

2012 Median Income

Change from 2012 to Pj Mrkt Entry July 2015

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Family
Rural
35%
\$45,780
\$49,772
\$3,992
8.0%
0.6%
0.6%
Two year adjustment
1.0000
\$35,820
\$35,820
\$5
Overall
\$587
\$587.00

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 2012 to Prj Mrkt Entry July 2015

	Overall
Income Target Population	3
New Renter Households PMA	36.7%
Percent Income Qualified	1
New Renter Income Qualified Households	

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

Demand from Existing Households 2012

Demand from Rent Overburdened Households

	Overall
Income Target Population	2,130
Total Existing Demand	36.7%
Income Qualified	781
Income Qualified Renter Households	45.0%
Percent Rent Overburdened Prj Mrkt Entry July 2015	351
Rent Overburdened Households	

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	781
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	4

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

Senior Households Converting from Homeownership

	Overall
Income Target Population	0
Total Senior Homeowners	5.0%
Rural Versus Urban	0
Senior Demand Converting from Homeownership	

Total Demand

Total Demand from Existing Households		356
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		356
Total New Demand		1
Total Demand (New Plus Existing Households)		357

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

By Bedroom Demand

One Person	30.0%	107
Two Persons	22.8%	81
Three Persons	17.1%	61
Four Persons	14.8%	53
Five Persons	15.3%	55
Total	100.0%	357

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	85%	91
Of two-person households in 1BR units	20%	16
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	15%	16
Of two-person households in 2BR units	80%	65
Of three-person households in 2BR units	60%	37
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	24
Of four-person households in 3BR units	80%	42
Of five-person households in 3BR units	70%	38
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	11
Of five-person households in 4BR units	30%	16
Total Demand		357

Total Demand by Bedroom	Overall
1 BR	107
2 BR	118
3 BR	105
Total Demand	330

Additions To Supply 2012 to Prj Mrkt Entry July 2015	Overall
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand	Overall
1 BR	107
2 BR	118
3 BR	105
Total	330

Developer's Unit Mix	Overall
1 BR	8
2 BR	32
3 BR	24
Total	64

Capture Rate Analysis	Overall
1 BR	7.5%
2 BR	27.2%
3 BR	22.9%
Total	19.4%

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR @ 50% AMI	2	73	0	73	2.73%	12 months	\$634	\$527-\$820	\$462
2BR @ 50% AMI	4	80	0	80	4.97%	12 months	\$697	\$557-\$950	\$565
3BR @ 50% AMI	4	72	0	72	5.57%	12 months	\$794	\$606-\$1,291	\$632
1BR @ 60% AMI	6	106	0	106	5.64%	12 months	\$636	\$527-\$820	\$462
2BR @ 60% AMI	28	117	0	117	23.98%	12 months	\$707	\$557-\$950	\$565
3BR @ 60% AMI	20	104	0	104	19.21%	12 months	\$809	\$606-\$1,291	\$632
Project Overall	64	330	0	330	19.39%	12 months	-	\$527-\$1,291	-

Demand and Net Demand

	HH at 50% AMI (min to max income)	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)	0	0		1
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	3	4		4
PLUS	+	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	241	349		351
PLUS	+	+	+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0		0
Sub Total	244	354	0	357
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0		0
Equals Total Demand	244	354	0	357
Less	-	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	0	0	0
Equals Net Demand	244	354	0	357

The Subject's capture rates at the 50 percent AMI level will range from 2.73 to 5.57 percent, with an overall capture rate of 4.4. The Subject's 60 percent AMI capture rates range from 5.64 to 23.98 percent, with an overall capture rate of 16.5 percent. While the capture rates are high, the PMA is considered to be very conservative as it encompasses Ball Ground and the immediate surrounding area. There are no family LIHTC properties in the PMA and therefore the Subject will face limited direct competition. Given the Subject's age/condition, amenity package, and location, the Subject will be well-positioned in the Ball Ground submarket.

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 nine comparable properties containing 1,794 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. Again, none of these properties are located in the PMA. As a result, we do not believe the Subject will have any direct competition. However, we believe these properties provide an indication of the likely performance of the Subject. 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 LIHTC or unrestricted properties in the PMA; therefore, we do not anticipate that the Subject will face direct competition. We have included two family LIHTC properties in Jasper—Mountainside Manor and The Homestead—as Jasper is the closest most comparable submarket to Ball Ground. These properties are all located within 14 miles of the Subject site. The property manager at Mountainside Manor (family LIHTC in Jasper) indicated that the Subject would not directly compete with properties in Canton or Jasper. There is limited unrestricted data in Jasper therefore, we have included three unrestricted properties in Canton in order to provide some comparison of unrestricted rents in the larger region. We have also interviewed local realtors in order to obtain information on private rentals. Because neither LIHTC property offers units restricted at 50 percent AMI, we have included the three family LIHTC properties in Canton that offer units at this income restriction: River Ridge, Alexander Ridge and Laurels at Greenwood. These properties are located within 14 miles of the Subject site. Overall, the availability of unrestricted and LIHTC data is limited and therefore the Subject will face limited competition in the PMA. We have excluded several properties in Canton as they are located outside of the PMA. The following table illustrates the occupancies at these properties.

OVERALL VACANCY

Property name	Rent Structure	Location	Total Units	Vacant Units	Vacancy Rate
Alexander Ridge Apartments	@50%, @60%, Market	Canton	272	25	9.20%
Canterbury Ridge Apartments	@60%	Canton	212	6	2.80%
Laurels At Greenwood	@50%, @60%, Market	Canton	174	35	20.10%
Mountainside Manor	@60%, Market	Jasper	176	11	6.20%
River Ridge At Canton	@60%, Market	Canton	356	5	1.40%
The Homestead	@60%	Jasper	57	5	8.77%
Lancaster Ridge	Market	Canton	145	9	6.20%
Riverview Apartments	Market	Canton	138	19	13.80%
Walden Crossing Apartments	Market	Canton	264	16	6.10%
LIHTC Overall			269	11	4.09%
LIHTC/Market Overall			978	76	7.77%
Market Overall			547	44	8.04%
Total			1,794	131	7.30%

*None of the properties are located in the PMA

General Market Overview/Included/Excluded Properties

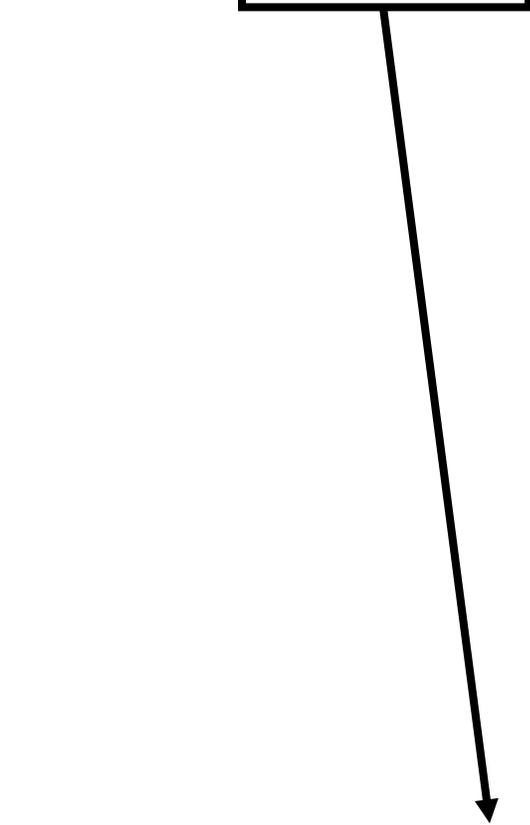
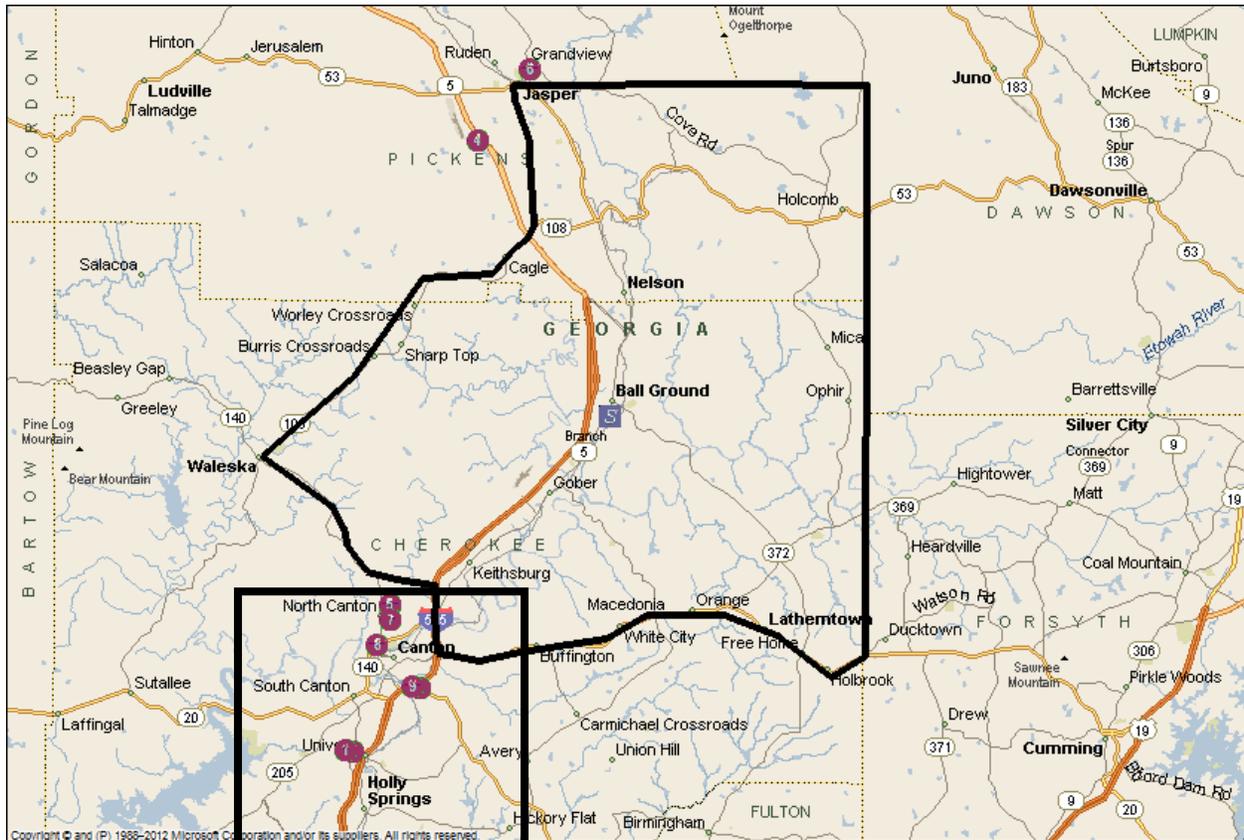
There are three USDA Rural Development properties in the PMA. The following table illustrates the occupancy of properties located in Jasper and Canton, some of which have been included as comparables.

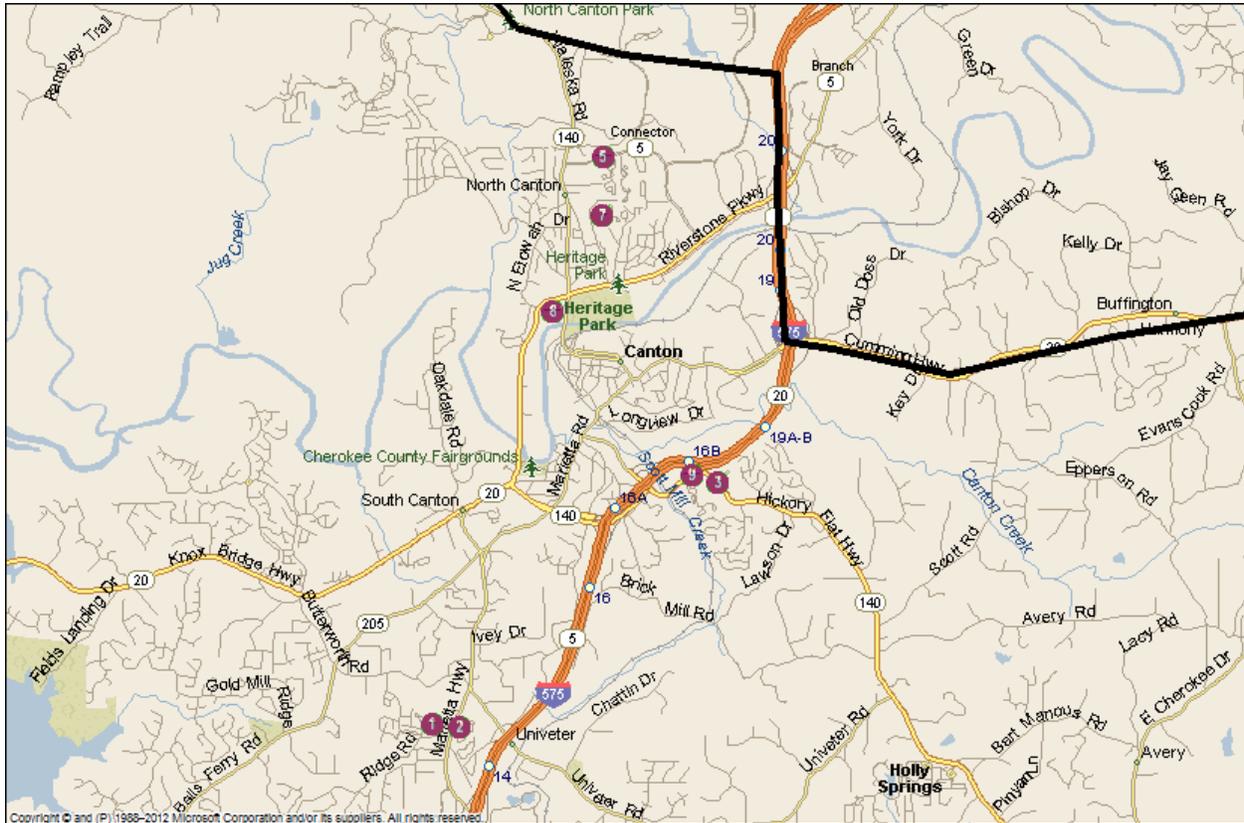
INCLUDED & EXCLUDED PROPERTIES

Property name	Rent Structure	Location	Included/Excluded
Alexander Ridge Apartments	@50%, @60%, Market	Canton	Included
Canterbury Ridge Apartments	@60%	Canton	Included
Laurels At Greenwood	@50%, @60%, Market	Canton	Included
Mountainside Manor	@60%, Market	Jasper	Included
River Ridge At Canton	@60%, Market	Canton	Included
The Homestead	@60%	Jasper	Included
Lancaster Ridge	Market	Canton	Included
Riverview Apartments	Market	Canton	Included
Walden Crossing Apartments	Market	Canton	Included
Canton Mill Lofts	@60%	Canton	Excluded, unusual floor plans
Brooks Run	USDA Rural Development	Jasper	Excluded, subsidized rent
Brookshollow Apartments	USDA Rural Development	Jasper	Excluded, subsidized rent
Fairfield Apartments	USDA Rural Development	Jasper	Excluded, subsidized rent

As the previous table demonstrates, surrounding submarkets are underperforming overall in terms of vacancy rates. The most comparable properties to the PMA in Jasper and Canton are maintaining higher overall occupancy rates, which is in part due to their unit mix, age/condition, and location. We have included the most comparable properties in terms of location and unit distribution. None of the properties in the previous table are located in the PMA.

Comparable Rental Property Map





COMPARABLE PROPERTIES

#	Property Name	Address	City	Type	Distance from Subject
1	Alexander Ridge Apartments	3145 Ridge Road	Canton	@50%, @60%, Market	13.7 miles
2	Canterbury Ridge Apartments	101 Canterbury Ridge	Canton	@60%	13.6 miles
3	Laurels At Greenwood	1215 Hickory Flat Hwy	Canton	@50%, @60%, Market	11.1 miles
4	Mountainside Manor	264 Bill Hasty Blvd	Jasper	@60%, Market	9.8 miles
5	River Ridge At Canton	100 River Ridge Drive	Canton	@60%, Market	9.1 miles
6	The Homestead	102 Library Lane	Jasper	@60%	13.5 miles
7	Lancaster Ridge	800 Hickory Knoll Dr.	Canton	Market	9.5 miles
8	Riverview Apartments	59 Anderson Avenue	Canton	Market	9.4 miles
9	Walden Crossing Apartments	100 Walden Crossing Dr	Canton	Market	10.8 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Built / Reno	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate					
	Stone Valley Apartments SEC Canton-ball Ground Hwy & Coy M. Holcomb St Ball Ground, GA 30107 Cherokee County	n/a	Garden (2 stories) 2015 / n/a	@50%, @60%, Non-Rental	1BR / 1BA	2	3.00%	@50%	\$462	815	no	No	N/A	N/A					
					1BR / 1BA	6	9.10%	@60%	\$462	600	no	N/A	N/A						
					2BR / 2BA	4	6.10%	@50%	\$565	1,105	no	N/A	N/A						
					2BR / 2BA	28	42.40%	@60%	\$565	1,105	no	N/A	N/A						
					3BR / 2BA	4	6.10%	@50%	\$632	1,272	no	N/A	N/A						
					3BR / 2BA	20	30.30%	@60%	\$632	1,272	no	N/A	N/A						
					3BR / 2BA	2	3.00%	Non-Rental	N/A	1,272	n/a	N/A	N/A						
					66	100%						N/A	N/A						
1	Alexander Ridge Apartments 3145 Ridge Road Canton, GA 30014 Cherokee County	13.7 miles	Garden (4 stories) 1999 / n/a	@50%, @60%, Market	1BR / 1BA	N/A	N/A	@50%	\$585	801	yes	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	@60%	\$645	801	yes	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$685	801	no	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	@50%	\$665	1,002	yes	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	@60%	\$720	1,002	yes	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$794	1,002	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	@50%	\$750	1,200	yes	No	N/A	N/A					
					272	100%						N/A	N/A						
2	Canterbury Ridge Apartments 101 Canterbury Ridge Canton, GA 30114 Cherokee County	13.6 miles	Garden 1999 / n/a	@60%	1BR / 1BA	42	19.80%	@60%	\$585	654	no	No	N/A	N/A					
					1BR / 1BA	42	19.80%	@60%	\$605	821	no	No	N/A	N/A					
					2BR / 2BA	42	19.80%	@60%	\$681	1,106	no	No	N/A	N/A					
					2BR / 2BA	43	20.30%	@60%	\$709	1,187	no	No	N/A	N/A					
					3BR / 2BA	43	20.30%	@60%	\$773	1,338	no	No	N/A	N/A					
										212	100%						6	2.80%	
										37	21.30%	@50%	\$557	933	no	Yes	N/A	N/A	
3	Laurels At Greenwood 1215 Hickory Flat Hwy Canton, GA 30115 Cherokee County	11.1 miles	Garden (3 stories) 2001 / n/a	@50%, @60%, Market	2BR / 2BA	31	17.80%	@60%	\$608	933	no	Yes	N/A	N/A					
					2BR / 2BA	21	12.10%	Market	\$668	933	n/a	Yes	N/A	N/A					
					3BR / 2BA	35	20.10%	@50%	\$643	1,149	no	Yes	N/A	N/A					
					3BR / 2BA	36	20.70%	@60%	\$694	1,149	no	Yes	N/A	N/A					
					3BR / 2BA	14	8.00%	Market	\$749	1,149	n/a	Yes	N/A	N/A					
										174	100%						35	20.10%	
										19	10.80%	@60%	\$527	1,011	no	Yes, 2HH	0	0.00%	
4	Mountainside Manor 264 Bill Hasty Blvd Jasper, GA 30143 Pickens County	9.8 miles	Garden (3 stories) 2005 / n/a	@60%, Market	1BR / 1BA	5	2.80%	Market	\$576	1,011	n/a	Yes, 2HH	0	0.00%					
					2BR / 2BA	46	26.10%	@60%	\$625	1,245	no	No	3	6.50%					
					2BR / 2BA	14	8.00%	Market	\$669	1,245	n/a	No	2	14.30%					
					3BR / 2BA	76	43.20%	@60%	\$655	1,382	no	No	6	7.90%					
					3BR / 2BA	16	9.10%	Market	\$745	1,382	n/a	No	0	0.00%					
										176	100%						11	6.20%	
										128	36.00%	@60%	\$547	720	no	No	1	0.80%	
5	River Ridge At Canton 100 River Ridge Drive Canton, GA 30114 Cherokee County	9.1 miles	Garden (3 stories) 2003 / n/a	@60%, Market	1BR / 1BA	32	9.00%	Market	\$592	722	n/a	No	0	0.00%					
					2BR / 2BA	128	36.00%	@60%	\$635	1,106	no	No	2	1.60%					
					2BR / 2BA	32	9.00%	Market	\$710	1,106	n/a	No	2	6.20%					
					3BR / 2BA	29	8.10%	@60%	\$736	1,270	no	Yes, 2-3 HH	0	0.00%					
					3BR / 2BA	7	2.00%	Market	\$821	1,270	n/a	Yes, 2-3 HH	0	0.00%					
										356	100%						5	1.40%	
										24	16.60%	Market	\$592	850	n/a	No	2	8.30%	
6	The Homestead 102 Library Lane Jasper, GA 30143 Pickens County	13.5 miles	Townhouse (2 stories) 2000 / n/a	@60%	2BR / 2BA	N/A	N/A	@60%	N/A	975	no	No	N/A	N/A					
					3BR / 2.5BA	N/A	N/A	@60%	N/A	1,240	no	No	N/A	N/A					
										57	100%						N/A	N/A	
										24	16.60%	Market	\$683	960	n/a	No	3	3.30%	
										2BR / 2BA	N/A	N/A	Market	\$700	960	n/a	No	N/A	N/A
										2BR / 2BA	N/A	N/A	Market	\$665	960	n/a	No	N/A	N/A
										3BR / 2BA	30	20.70%	Market	\$745	1,140	n/a	No	4	13.30%
					145	100%							9	6.20%					
8	Riverview Apartments 59 Anderson Avenue Canton, GA 30114 Cherokee County	9.4 miles	Midrise (4 stories) 2009 / n/a	Market	1BR / 1BA	57	41.30%	Market	\$540	560	n/a	None	N/A	N/A					
					1BR / 1BA	3	2.20%	Market	\$621	750	n/a	None	N/A	N/A					
					1BR / 1BA	8	5.80%	Market	\$686	780	n/a	None	N/A	N/A					
					1BR / 1BA	2	1.40%	Market	\$636	860	n/a	None	N/A	N/A					
					1BR / 1BA	1	0.70%	Market	\$681	1,000	n/a	None	N/A	N/A					
					2BR / 1BA	60	43.50%	Market	\$626	768	n/a	None	N/A	N/A					
					2BR / 2BA	1	0.70%	Market	\$766	1,082	n/a	None	N/A	N/A					
					2BR / 2BA	2	1.40%	Market	\$866	1,200	n/a	None	N/A	N/A					
					3BR / 2BA	4	2.90%	Market	\$1,291	2,755	n/a	None	N/A	N/A					
					138	100%							19	13.80%					
9	Walden Crossing Apartments 100 Walden Crossing Dr Canton, GA 30115 Cherokee County	10.8 miles	Garden (4 stories) 2002 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$720	732	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$760	916	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$820	1,013	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$950	1,157	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,033	1,425	n/a	No	N/A	N/A					
					264	100%							16	6.10%					

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

Effective Rent Date:	Jun-12	Units Surveyed:	1,794	Weighted Occupancy:	N/A
		Market Rate	547	Market Rate	92.00%
		Tax Credit	1,247	Tax Credit	N/A

One Bedroom One Bath

Two Bedrooms Two Bath

Three Bedrooms Two Bath

	Property	Average	Property	Average	Property	Average	
RENT	Walden Crossing Apartments	\$820	Walden Crossing Apartments	\$950	Riverview Apartments	\$1,291	
	Walden Crossing Apartments	\$760	Riverview Apartments	\$866	Walden Crossing Apartments	\$1,033	
	Walden Crossing Apartments	\$720	Alexander Ridge Apartments * (M)	\$794	Alexander Ridge Apartments * (M)	\$850	
	Riverview Apartments	\$686	Riverview Apartments	\$766	River Ridge At Canton * (M)	\$821	
	Alexander Ridge Apartments * (M)	\$685	Alexander Ridge Apartments * (60%)	\$720	Alexander Ridge Apartments * (60%)	\$820	
	Riverview Apartments	\$681	River Ridge At Canton * (M)	\$710	Canterbury Ridge Apartments * (60%)	\$773	
	Alexander Ridge Apartments * (60%)	\$645	Canterbury Ridge Apartments * (60%)	\$709	Alexander Ridge Apartments * (50%)	\$750	
	Riverview Apartments	\$636	Lancaster Ridge	\$700	Laurels At Greenwood * (M)	\$749	
	Riverview Apartments	\$621	Lancaster Ridge	\$683	Mountainside Manor * (M)	\$745	
	Canterbury Ridge Apartments * (60%)	\$605	Canterbury Ridge Apartments * (60%)	\$681	Lancaster Ridge	\$745	
	River Ridge At Canton * (M)	\$592	Mountainside Manor * (M)	\$669	River Ridge At Canton * (60%)	\$736	
	Lancaster Ridge	\$592	Laurels At Greenwood * (M)	\$668	Laurels At Greenwood * (60%)	\$694	
	Alexander Ridge Apartments * (50%)	\$585	Alexander Ridge Apartments * (50%)	\$665	Mountainside Manor * (60%)	\$655	
	Canterbury Ridge Apartments * (60%)	\$585	Lancaster Ridge	\$665	Laurels At Greenwood * (50%)	\$643	
	Mountainside Manor * (M)	\$576	River Ridge At Canton * (60%)	\$635	Stone Valley Apartments * (50%)	\$632	
	River Ridge At Canton * (60%)	\$547	Mountainside Manor * (60%)	\$625	Stone Valley Apartments * (60%)	\$632	
	Riverview Apartments	\$540	Laurels At Greenwood * (60%)	\$608	The Homestead * (2.5BA 60%)	\$606	
	Mountainside Manor * (60%)	\$527	The Homestead * (60%)	\$570			
		Stone Valley Apartments * (50%)	\$462	Stone Valley Apartments * (50%)	\$565		
		Stone Valley Apartments * (60%)	\$462	Stone Valley Apartments * (60%)	\$565		
			Laurels At Greenwood * (50%)	\$557			

SQUARE FOOTAGE

Walden Crossing Apartments	1,013	Mountainside Manor * (60%)	1,245	Riverview Apartments	2,755
Mountainside Manor * (60%)	1,011	Mountainside Manor * (M)	1,245	Walden Crossing Apartments	1,425
Mountainside Manor * (M)	1,011	Riverview Apartments	1,200	Mountainside Manor * (60%)	1,382
Riverview Apartments	1,000	Canterbury Ridge Apartments * (60%)	1,187	Mountainside Manor * (M)	1,382
Walden Crossing Apartments	916	Walden Crossing Apartments	1,157	Canterbury Ridge Apartments * (60%)	1,338
Riverview Apartments	860	Canterbury Ridge Apartments * (60%)	1,106	Stone Valley Apartments * (50%)	1,272
Lancaster Ridge	850	River Ridge At Canton * (60%)	1,106	Stone Valley Apartments * (60%)	1,272
Canterbury Ridge Apartments * (60%)	821	River Ridge At Canton * (M)	1,106	River Ridge At Canton * (60%)	1,270
Stone Valley Apartments * (50%)	815	Stone Valley Apartments * (50%)	1,105	River Ridge At Canton * (M)	1,270
Alexander Ridge Apartments * (50%)	801	Stone Valley Apartments * (60%)	1,105	The Homestead * (2.5BA 60%)	1,240
Alexander Ridge Apartments * (60%)	801	Riverview Apartments	1,082	Alexander Ridge Apartments * (50%)	1,200
Alexander Ridge Apartments * (M)	801	Alexander Ridge Apartments * (50%)	1,002	Alexander Ridge Apartments * (60%)	1,200
Riverview Apartments	780	Alexander Ridge Apartments * (60%)	1,002	Alexander Ridge Apartments * (M)	1,200
Riverview Apartments	750	Alexander Ridge Apartments * (M)	1,002	Laurels At Greenwood * (50%)	1,149
Walden Crossing Apartments	732	The Homestead * (60%)	975	Laurels At Greenwood * (60%)	1,149
River Ridge At Canton * (M)	722	Lancaster Ridge	960	Laurels At Greenwood * (M)	1,149
River Ridge At Canton * (60%)	720	Lancaster Ridge	960	Lancaster Ridge	1,140
Canterbury Ridge Apartments * (60%)	654	Lancaster Ridge	960		
Stone Valley Apartments * (60%)	600	Laurels At Greenwood * (50%)	933		
Riverview Apartments	560	Laurels At Greenwood * (60%)	933		
		Laurels At Greenwood * (M)	933		

RENT PER SQUARE FOOT

Walden Crossing Apartments	\$0.98	Walden Crossing Apartments	\$0.82	Walden Crossing Apartments	\$0.72
Riverview Apartments	\$0.96	Alexander Ridge Apartments * (M)	\$0.79	Alexander Ridge Apartments * (M)	\$0.71
Canterbury Ridge Apartments * (60%)	\$0.89	Lancaster Ridge	\$0.73	Alexander Ridge Apartments * (60%)	\$0.68
Riverview Apartments	\$0.88	Riverview Apartments	\$0.72	Lancaster Ridge	\$0.65
Alexander Ridge Apartments * (M)	\$0.86	Alexander Ridge Apartments * (60%)	\$0.72	Laurels At Greenwood * (M)	\$0.65
Walden Crossing Apartments	\$0.83	Laurels At Greenwood * (M)	\$0.72	River Ridge At Canton * (M)	\$0.65
Riverview Apartments	\$0.83	Lancaster Ridge	\$0.71	Alexander Ridge Apartments * (50%)	\$0.62
River Ridge At Canton * (M)	\$0.82	Riverview Apartments	\$0.71	Laurels At Greenwood * (60%)	\$0.60
Walden Crossing Apartments	\$0.81	Lancaster Ridge	\$0.69	River Ridge At Canton * (60%)	\$0.58
Alexander Ridge Apartments * (60%)	\$0.81	Alexander Ridge Apartments * (50%)	\$0.66	Canterbury Ridge Apartments * (60%)	\$0.58
Stone Valley Apartments * (60%)	\$0.77	Laurels At Greenwood * (60%)	\$0.65	Laurels At Greenwood * (50%)	\$0.56
River Ridge At Canton * (60%)	\$0.76	River Ridge At Canton * (M)	\$0.64	Mountainside Manor * (M)	\$0.54
Riverview Apartments	\$0.74	Canterbury Ridge Apartments * (60%)	\$0.62	Stone Valley Apartments * (50%)	\$0.50
Canterbury Ridge Apartments * (60%)	\$0.74	Canterbury Ridge Apartments * (60%)	\$0.60	Stone Valley Apartments * (60%)	\$0.50
Alexander Ridge Apartments * (50%)	\$0.73	Laurels At Greenwood * (50%)	\$0.60	The Homestead * (2.5BA 60%)	\$0.49
Lancaster Ridge	\$0.70	The Homestead * (60%)	\$0.58	Mountainside Manor * (60%)	\$0.47
Riverview Apartments	\$0.68	River Ridge At Canton * (60%)	\$0.57	Riverview Apartments	\$0.47
Mountainside Manor * (M)	\$0.57	Mountainside Manor * (M)	\$0.54		
Stone Valley Apartments * (50%)	\$0.57	Stone Valley Apartments * (50%)	\$0.51		
Mountainside Manor * (60%)	\$0.52	Stone Valley Apartments * (60%)	\$0.51		
		Mountainside Manor * (60%)	\$0.50		

PROPERTY PROFILE REPORT

Alexander Ridge Apartments

Effective Rent Date	5/13/2013
Location	3145 Ridge Road Canton, GA 30014 Cherokee County
Distance	13.7 miles
Units	272
Vacant Units	25
Vacancy Rate	9.2%
Type	Garden (4 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Canterbury Ridge, River Ridge, Walden Crossing
Tenant Characteristics	Mixed tenancy coming from surrounding counties
Contact Name	Heather
Phone	(770) 479-5970



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	3%
Leasing Pace	One week
Annual Chg. in Rent	No
Concession	\$300 off 1st month's rent 2/3BR units

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	N/A	801	\$565	\$0	@50%	No	N/A	N/A	yes	None
1	1	Garden (4 stories)	N/A	801	\$625	\$0	@60%	No	N/A	N/A	yes	None
1	1	Garden (4 stories)	N/A	801	\$665	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (4 stories)	N/A	1,002	\$670	\$25	@50%	No	N/A	N/A	yes	None
2	2	Garden (4 stories)	N/A	1,002	\$725	\$25	@60%	No	N/A	N/A	yes	None
2	2	Garden (4 stories)	N/A	1,002	\$799	\$25	Market	No	N/A	N/A	N/A	None
3	2	Garden (4 stories)	N/A	1,200	\$755	\$25	@50%	No	N/A	N/A	yes	None
3	2	Garden (4 stories)	N/A	1,200	\$825	\$25	@60%	No	N/A	N/A	yes	None
3	2	Garden (4 stories)	N/A	1,200	\$855	\$25	Market	No	N/A	N/A	N/A	None

Alexander Ridge Apartments, continued

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	\$20	\$585	1BR / 1BA	\$625	\$0	\$625	\$20	\$645
2BR / 2BA	\$670	\$25	\$645	\$20	\$665	2BR / 2BA	\$725	\$25	\$700	\$20	\$720
3BR / 2BA	\$755	\$25	\$730	\$20	\$750	3BR / 2BA	\$825	\$25	\$800	\$20	\$820

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$665	\$0	\$665	\$20	\$685
2BR / 2BA	\$799	\$25	\$774	\$20	\$794
3BR / 2BA	\$855	\$25	\$830	\$20	\$850

Amenities

In-Unit

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

Blinds
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Washer/Dryer hookup

Security

In-Unit Alarm
Limited Access
Perimeter Fencing

Services

None

Property

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

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The contact was unable to provide vacancy by unit type data but reported a 91 percent occupancy rate. She was unsure of the annual turnover rate, but an October 2012 interview reported 25 percent, which we will assume is relatively still current.

Alexander Ridge Apartments, continued

Trend Report

Vacancy Rates

3Q11	2Q12	4Q12	2Q13
5.5%	9.6%	8.1%	9.2%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$555	\$0	\$555	\$575
2012	2	N/A	\$557	\$0	N/A	N/A
2012	4	N/A	\$557	\$0	\$557	\$577
2013	2	N/A	\$565	\$0	\$565	\$585

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$667	\$0	\$667	\$687
2012	2	N/A	\$665	\$0	N/A	N/A
2012	4	N/A	\$665	\$0	\$665	\$685
2013	2	N/A	\$670	\$25	\$645	\$665

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$750	\$0	\$750	\$770
2012	2	N/A	\$750	\$0	N/A	N/A
2012	4	N/A	\$750	\$0	\$750	\$770
2013	2	N/A	\$755	\$25	\$730	\$750

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$625	\$0	\$625	\$645
2012	2	N/A	\$625	\$0	N/A	N/A
2012	4	N/A	\$625	\$0	\$625	\$645
2013	2	N/A	\$625	\$0	\$625	\$645

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$725	\$0	\$725	\$745
2012	2	N/A	\$725	\$0	N/A	N/A
2012	4	N/A	\$725	\$0	\$725	\$745
2013	2	N/A	\$725	\$25	\$700	\$720

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$825	\$0	\$825	\$845
2012	2	N/A	\$799	\$0	N/A	N/A
2012	4	N/A	\$799	\$25	\$774	\$794
2013	2	N/A	\$825	\$25	\$800	\$820

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$675	\$0	\$675	\$695
2012	2	N/A	\$655	\$0	N/A	N/A
2012	4	N/A	\$655	\$0	\$655	\$675
2013	2	N/A	\$665	\$0	\$665	\$685

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$775	\$0	\$775	\$795
2012	2	N/A	\$799	\$0	N/A	N/A
2012	4	N/A	\$799	\$0	\$799	\$819
2013	2	N/A	\$799	\$25	\$774	\$794

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$875	\$0	\$875	\$895
2012	2	N/A	\$855	\$0	N/A	N/A
2012	4	N/A	\$855	\$25	\$830	\$850
2013	2	N/A	\$855	\$25	\$830	\$850

Alexander Ridge Apartments, continued

Trend: Comments

- 3Q11** The contact stated that demand for one and three-bedroom units is very high. The property is currently 97 percent leased.
- 2Q12** Nick at the property was not able to give us the individual vacancies per floor plan and restrictions, but he was able to provide total vacancies per floor plan. There are 7 one bedrooms vacant, 3 two-bedroom units vacant, and 16 threee-bedroom units vacant. When we asked him why he thought there were so many total vacancies (26) as opposed to when we spoke last year, and why there were so many in the 3 bedroom floor plan he stated the following.
- Nick stated overall, he has had to "clean house" lately service notices and evictions. In addition he has seen a lot of people either move out lately to get a good deal on a home, or they are moving out due to financial hardship.
- In reference to the three-bedroom floor plan, he stated they just have not been seeing the tenants and foot traffic looking for this floor plan, and that they generally always come in for the 1 and 2 bedrooms. He stated the 50% restrictions level is what everyone is looking for, but he only has one building at this level, and that the 60% may be a bit above demand for the income levels of the area.
- He stated they are hoping with school letting out, that they will see some more 3 bedroom traffic.
- 4Q12** The contact was unable to provide vacancy by unit type data but suggested a large number of available units in the three bedroom units which are currently offered at a discount.
- 2Q13** The contact was unable to provide vacancy by unit type data but reported a 91 percent occupancy rate. She was unsure of the annual turnover rate, but an October 2012 interview reported 25 percent, which we will assume is relatively still current.

PROPERTY PROFILE REPORT

Canterbury Ridge Apartments

Effective Rent Date	5/20/2013
Location	101 Canterbury Ridge Canton, GA 30114 Cherokee County
Distance	13.6 miles
Units	212
Vacant Units	6
Vacancy Rate	2.8%
Type	Garden
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Alexander Ridge and River Ridge
Tenant Characteristics	N/A
Contact Name	Rianna
Phone	770.720.8076



Market Information

Program	@60%
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	3%
Leasing Pace	N/A
Annual Chg. in Rent	same
Concession	N/A

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	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	42	654	\$605	N/A	@60%	No	N/A	N/A	no	None
1	1	Garden	42	821	\$625	N/A	@60%	No	N/A	N/A	no	None
2	2	Garden	42	1,106	\$705	N/A	@60%	No	N/A	N/A	no	None
2	2	Garden	43	1,187	\$733	N/A	@60%	No	N/A	N/A	no	None
3	2	Garden	43	1,338	\$805	N/A	@60%	No	N/A	N/A	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$605 - \$625	\$0	N/A	-\$20	N/A
2BR / 2BA	\$705 - \$733	\$0	N/A	-\$24	N/A
3BR / 2BA	\$805	\$0	N/A	-\$32	N/A

Canterbury Ridge Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Hand Rails
Refrigerator
Washer/Dryer hookup

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

Security

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

Services

None

Property

Car Wash
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

Information for this property was obtained as a tenant since management was unwilling to speak with us. They confirmed that rent levels for the 2 br units but were unable to provide rent levels for the 1 and 3 br units. Since rents have remained the same for the 2 br units we have made the assumption that the rents have not changed for the one or three bedroom units either. Management reported no one or three bedroom units are available and indicated that there are 6 two bedroom units available. The property appears to use a pricing system that would only provide pricing for units that are available for rent. Management was unwilling to quote rents unless units are available for occupancy.

Canterbury Ridge Apartments, continued

Trend Report

Vacancy Rates

2Q05	2Q06	2Q12	2Q13
3.8%	4.7%	5.2%	2.8%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$605 - \$630	\$0	\$605 - \$630	\$585 - \$610
2006	2	5.9%	\$605 - \$625	\$0	\$605 - \$625	\$585 - \$605
2012	2	N/A	\$605 - \$625	\$0	N/A	N/A
2013	2	N/A	\$605 - \$625	\$0	N/A	N/A

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$707 - \$730	\$0	\$707 - \$730	\$683 - \$706
2006	2	5.9%	\$705 - \$730	\$0	\$705 - \$730	\$681 - \$706
2012	2	N/A	\$705 - \$730	\$0	N/A	N/A
2013	2	N/A	\$705 - \$733	\$0	N/A	N/A

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$805	\$0	\$805	\$773
2006	2	0.0%	\$805	\$0	\$805	\$773
2012	2	N/A	\$805	\$0	N/A	N/A
2013	2	N/A	\$805	\$0	N/A	N/A

Trend: Comments

2Q05	Currently there are no concessions
2Q06	Canterbury Ridge Apartments currently has a 95 percent occupancy rate which is higher than the 90 percent occupancy rate of a year ago. Rents on the larger one-bedroom and smaller two-bedroom units have decreased by 0.8 percent and 0.3 percent, respectively. Management noted that the property has been 99 percent to 100 percent occupied until this month.
2Q12	Canterbury Ridge Apartments currently has a 5 percent vacancy rate which is right about in line with the vacancy of last year. We were not able to get the individual break down on vacancy, but Kevia provided there were 11 total of the 212, and that the rents were NOT at the max allowable. they are a 100% IIHTC property and rents have stayed the same.
2Q13	Information for this property was obtained as a tenant since management was unwilling to speak with us. They confirmed that rent levels for the 2 br units but were unable to provide rent levels for the 1 and 3 br units. Since rents have remained the same for the 2 br units we have made the assumption that the rents have not changed for the one or three bedroom units either. Management reported no one or three bedroom units are available and indicated that there are 6 two bedroom units available. The property appears to use a pricing system that would only provide pricing for units that are available for rent. Management was unwilling to quote rents unless units are available for occupancy.

PROPERTY PROFILE REPORT

Laurels At Greenwood

Effective Rent Date	5/13/2013
Location	1215 Hickory Flat Hwy Canton, GA 30115 Cherokee County
Distance	11.1 miles
Units	174
Vacant Units	35
Vacancy Rate	20.1%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Waldon Crossing Apartments
Tenant Characteristics	Major Employer of tenants is Wal-Mart and Home Depot; 75% work in Canton; 20% work in Kennesaw; 4% out of state relocations
Contact Name	Giselle
Phone	770.720.1444



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	1%
Leasing Pace	5 days
Annual Chg. in Rent	Decrease 2%
Concession	\$200 off 1st month's rent, all units

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	37	933	\$614	\$17	@50%	Yes	N/A	N/A	no	None
2	2	Garden (3 stories)	31	933	\$665	\$17	@60%	Yes	N/A	N/A	no	None
2	2	Garden (3 stories)	21	933	\$725	\$17	Market	Yes	N/A	N/A	N/A	None
3	2	Garden (3 stories)	35	1,149	\$714	\$17	@50%	Yes	N/A	N/A	no	None
3	2	Garden (3 stories)	36	1,149	\$765	\$17	@60%	Yes	N/A	N/A	no	None
3	2	Garden (3 stories)	14	1,149	\$820	\$17	Market	Yes	N/A	N/A	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$614	\$17	\$597	-\$40	\$557	2BR / 2BA	\$665	\$17	\$648	-\$40	\$608
3BR / 2BA	\$714	\$17	\$697	-\$54	\$643	3BR / 2BA	\$765	\$17	\$748	-\$54	\$694
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
2BR / 2BA	\$725	\$17	\$708	-\$40	\$668						
3BR / 2BA	\$820	\$17	\$803	-\$54	\$749						

Laurels At Greenwood, continued

Amenities

In-Unit

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

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

Security

Patrol
Perimeter Fencing

Services

None

Property

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

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

Premium

None

Other

Gazebo

Comments

The property manager noted that only one tenant had a Housing Choice Voucher. She was only able to comment only on an overall vacancy of 20 percent, not by specific unit type. She noted that many tenants leave the property to buy houses. Rents were decreased by about two percent to remain competitive. Rents are maximum allowable levels. The waiting list is less than ten people.

Laurels At Greenwood, continued

Trend Report

Vacancy Rates

2Q06	2Q07	2Q12	2Q13
0.0%	10.3%	4.6%	20.1%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	0.0%	\$650	\$0	\$650	\$610
2007	2	N/A	\$650	\$0	\$650	\$610
2012	2	N/A	\$577	\$0	N/A	N/A
2013	2	N/A	\$614	\$17	\$597	\$557

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	0.0%	\$750	\$0	\$750	\$696
2007	2	N/A	\$750	\$0	\$750	\$696
2012	2	N/A	\$655	\$0	N/A	N/A
2013	2	N/A	\$714	\$17	\$697	\$643

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$595	\$0	N/A	N/A
2013	2	N/A	\$665	\$17	\$648	\$608

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$675	\$0	N/A	N/A
2013	2	N/A	\$765	\$17	\$748	\$694

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	0.0%	\$689	\$0	\$689	\$649
2007	2	N/A	\$689	\$0	\$689	\$649
2012	2	N/A	\$625	\$0	N/A	N/A
2013	2	N/A	\$725	\$17	\$708	\$668

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	0.0%	\$799	\$0	\$799	\$745
2007	2	N/A	\$799	\$0	\$799	\$745
2012	2	N/A	\$725	\$0	N/A	N/A
2013	2	N/A	\$820	\$17	\$803	\$749

Trend: Comments

2Q06 Laurels at Greenwood is a LIHTC/market-rate property featuring two- and three-bedroom units. The property has a total of six buildings, five of which are three-story garden-style buildings and one is a four-story walk-up garden-style building. The four-story building is handicapped accessible equipped with two elevators. The property has 25, two-bedroom and 44, three-bedroom units which are handicap accessible, meaning on the ground level and/or in the four-story building elevator-serviced building. In addition, the property has four, two-bedroom and five, three-bedroom handicap equipped units, meaning the units are equipped with hand rails, pull chords, and other special amenities. All of the handicap equipped units are in the four-story elevator-serviced building and are LIHTC units. Of the total nine handicap equipped units, only two are being rented by handicap persons. The remaining handicap equipped units as well as all of the handicap accessible units are being leased by non-handicap persons. In addition, there is one single-story non-residential building, the clubhouse, containing the community room and kitchen, swimming pool, business center, and leasing office.

The property is currently 100 percent pre-leased, similar to the previously reported occupancy in May 2005. Management reported that the company took over management of the property in October 2004 at which point the property was approximately 76 percent occupied. By December 2004 the property was 79 percent occupied 93 percent by April 2005, 98 percent by December 2005, and 100 percent in March 2006. Currently, the property is 100 percent pre-leased and management indicated the property has generally been 100 percent pre-leased/occupied since January 2006. Strong customer service skills, marketing campaigns, and quick responses to maintenance requests were the primary reasons sighted for the increased occupancy. There is a waiting list for all units and all restrictions totaling approximately 14 households with an estimated waiting period of 30 days.

Management indicated that the Canton area rental market has uncommonly high turnover with residents moving back and forth between properties forcing management companies to offer lower rents and oftentimes concessions. This property no longer offers concessions, however there are few fees associated with moving into the property, which has appeal. There is a \$200 deposit and \$40 application fee, whereas many properties require one month's rent as a deposit.

From when the management company took over the property, through April 2005 (when occupancy was at 93 percent), rental rates were not changed. During this period, all two-bedroom units rented for \$599 and three-bedroom units for \$685. Between June/July 2005, rents increased by nine percent for the two-bedroom units and ten percent for the three-bedroom units. Two-bedroom units rented for \$655 per month and three-bedroom units for \$755 per month. Again, similar to the previous rental rates, all units, both LIHTC and market-rate units were rented at the aforementioned rents. In May 2006, the rents were decreased slightly to \$630 for the two-bedroom units and \$730 for the three-bedroom units. This represents a decrease of 3.8 percent for the two-bedroom units and 3.3 percent for the three-bedroom units. The rental structure was changed again June 14, 2006. Currently the rents for LIHTC units differ from those charged for the market-rate units. Market-rate units increased in rent by approximately 9.5 percent while units restricted to 50 percent of the AMI increased by three percent and units restricted to 54 percent of the AMI increased by 4.5 percent. Management reported that in the past six months the property has rarely offered a concession, but instead adjusts rents based on the competition and demand. Previously the property offered one half of a month for free with a 12-month lease; however for the past six months the property has not offered any concessions. The property generally tries to keep the rents similar to those charged by their primary competitors, Alexander Ridge and Canterbury Ridge. Management indicated that there is a \$30 per month increase in rent upon renewal. Section 8 vouchers are accepted, however currently there are no residents utilizing a Section 8 voucher.

The City of Canton operates a free public transit bus system. There is a bus stop directly in front of the property along Hickory Flat Highway and operates Monday through Friday from 9am to 5pm and Saturday 9am to 4pm. The property is located on bus route two, which includes stops at local retail and medical facilities as well as transportation to the Cobb County Transit Bus Stop which operates an express bus from downtown Atlanta to the Canton area. There are a total of 348 parking spaces at the property, equaling slightly less than two spaces per unit. Market-rate units include a microwave. Approximately 17 percent of the units are equipped with a washer and dryer for which residents pay an additional \$30 per month. All units have washer/dryer connections and the property has a central laundry facility with 13 washing machines and 13 dryers.

Residents are primarily from the Canton/Atlanta area. Approximately 75 percent of the residents work in the Canton area, many at Wal-Mart and Home Depot located two exits north along Interstate 575 from the property. Twenty percent work in the Kennesaw area. Six of the residents relocated to the property from out of state, from Florida, Pennsylvania, and Texas. One Hurricane Katrina evacuee lives at the property and has is likely to remain at the property for the foreseeable future. The property is home primarily to families; however, there are several seniors (approximately five percent) and young professionals (less than five percent).

2Q07 This property does not accept Section 8 Tenants.

2Q12 The property manager, who was extremely brief, stated she did not know how many total housing choice vouchers they had, or a estimated percentage. She said she could not think of any that they currently had, but do accept them.

She stated they have 8 vacancies, solely in the 3 bedroom floor plan, but could not identify at what restriction level. She says they have them on lower pricing and they are starting to lease now.

2Q13 The property manager noted that only one tenant had a Housing Choice Voucher. She was only able to comment only on an overall vacancy of 20 percent, not by specific unit type. She noted that many tenants leave the property to buy houses. Rents were decreased by about two percent to remain competitive. Rents are maximum allowable levels. The waiting list is less than ten people.

PROPERTY PROFILE REPORT

Mountainside Manor

Effective Rent Date	5/13/2013
Location	264 Bill Hasty Blvd Jasper, GA 30143 Pickens County
Distance	9.8 miles
Units	176
Vacant Units	11
Vacancy Rate	6.2%
Type	Garden (3 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Subsidized properties and private rentals
Tenant Characteristics	Families and singles; Majority from Pickens, Cherokee, Gilmer, and Gordon County
Contact Name	Christy
Phone	(678) 454-4050



Market Information

Program	@60%, Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	1%
Leasing Pace	One week
Annual Chg. in Rent	1% inc on TC units, 5% dec on mkt 1&2
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 (3 stories)	19	1,011	\$560	\$0	@60%	Yes, 2HH	0	0.0%	no	None
1	1	Garden (3 stories)	5	1,011	\$609	\$0	Market	Yes, 2HH	0	0.0%	N/A	None
2	2	Garden (3 stories)	46	1,245	\$665	\$0	@60%	No	3	6.5%	no	None
2	2	Garden (3 stories)	14	1,245	\$709	\$0	Market	No	2	14.3%	N/A	None
3	2	Garden (3 stories)	76	1,382	\$709	\$0	@60%	No	6	7.9%	no	None
3	2	Garden (3 stories)	16	1,382	\$799	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$560	\$0	\$560	-\$33	\$527	1BR / 1BA	\$609	\$0	\$609	-\$33	\$576
2BR / 2BA	\$665	\$0	\$665	-\$40	\$625	2BR / 2BA	\$709	\$0	\$709	-\$40	\$669
3BR / 2BA	\$709	\$0	\$709	-\$54	\$655	3BR / 2BA	\$799	\$0	\$799	-\$54	\$745

Mountainside Manor, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Exterior Storage
Oven
Washer/Dryer hookup

Blinds
Dishwasher
Garbage Disposal
Refrigerator

Security

None

Services

None

Property

Basketball Court
Car Wash
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Business Center/Computer Lab
Clubhouse/Meeting
Central Laundry
On-Site Management
Playground
Tennis Court

Premium

None

Other

None

Comments

The property manager was unsure if tax-credit rents were at maximum allowable levels, however further inspection shows they are not. There are about three units turned over every month.

Mountainside Manor, continued

Trend Report

Vacancy Rates

2Q12	2Q13
6.8%	6.2%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$549	\$0	\$549	\$516
2013	2	0.0%	\$560	\$0	\$560	\$527

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	13.0%	\$649	\$0	\$649	\$609
2013	2	6.5%	\$665	\$0	\$665	\$625

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	7.9%	\$665	\$0	\$665	\$611
2013	2	7.9%	\$709	\$0	\$709	\$655

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$649	\$0	\$649	\$616
2013	2	0.0%	\$609	\$0	\$609	\$576

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$749	\$0	\$749	\$709
2013	2	14.3%	\$709	\$0	\$709	\$669

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$799	\$0	\$799	\$745
2013	2	0.0%	\$799	\$0	\$799	\$745

Trend: Comments

- 2Q12** The property manager reported that the property competes with private rental single-family homes in Jasper and surrounding areas. Turnover is higher than usual because tenants are employed in manufacturing and have lost their jobs. Tenants have moved out to find employment in other markets, to rent cheaper single-family home units, or consolidated households. The contact indicated that the majority of tenants from north Georgia are commuting to Canton. Management indicated that the property has a locational advantage being located adjacent to a hospital, which is a major employer. Therefore, tenants have convenient access to the facility. The property offers 24 garages that rent for \$50 per month. All are leased and there is a waiting list. The majority of turnover is due to tenants not being able to afford rent. Typically demand is higher for the one- and two-bedroom units.
- 2Q13** The property manager was unsure if tax-credit rents were at maximum allowable levels, however further inspection shows they are not. There are about three units turned over every month.

PROPERTY PROFILE REPORT

River Ridge At Canton

Effective Rent Date	5/13/2013
Location	100 River Ridge Drive Canton, GA 30114 Cherokee County
Distance	9.1 miles
Units	356
Vacant Units	5
Vacancy Rate	1.4%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	2/01/2003
Leasing Began	1/01/2003
Last Unit Leased	9/01/2005
Major Competitors	Alexander Ridge
Tenant Characteristics	Mix of blue collar families, approx. 20% students, but those students are working adults as well
Contact Name	Victoria
Phone	678.493.8280



Market Information

Program	@60%, Market
Annual Turnover Rate	17%
Units/Month Absorbed	N/A
HCV Tenants	14%
Leasing Pace	2 weeks
Annual Chg. in Rent	Increase 2%-3% on all units, dec 1% mkt
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 (3 stories)	128	720	\$580	\$0	@60%	No	1	0.8%	no	None
1	1	Garden (3 stories)	32	722	\$625	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	128	1,106	\$675	\$0	@60%	No	2	1.6%	no	None
2	2	Garden (3 stories)	32	1,106	\$750	\$0	Market	No	2	6.2%	N/A	None
3	2	Garden (3 stories)	29	1,270	\$790	\$0	@60%	Yes, 2-3	0	0.0%	no	None
3	2	Garden (3 stories)	7	1,270	\$875	\$0	Market	Yes, 2-3	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$580	\$0	\$580	-\$33	\$547	1BR / 1BA	\$625	\$0	\$625	-\$33	\$592
2BR / 2BA	\$675	\$0	\$675	-\$40	\$635	2BR / 2BA	\$750	\$0	\$750	-\$40	\$710
3BR / 2BA	\$790	\$0	\$790	-\$54	\$736	3BR / 2BA	\$875	\$0	\$875	-\$54	\$821

River Ridge At Canton, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Oven
Walk-In Closet

Security

In-Unit Alarm
Limited Access
Patrol
Perimeter Fencing

Services

None

Property

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

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Playground

Premium

None

Other

Billiards, Game Room,

Comments

The contact reported that tax-credits rents are not at maximum allowable levels, as they want to remain competitive. There are 30 garage parking spaces that rent at \$75 per month.

River Ridge At Canton, continued

Trend Report

Vacancy Rates

1Q07	3Q07	2Q12	2Q13
0.8%	7.0%	16.9%	1.4%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$565	\$47	\$518	\$485
2013	2	0.8%	\$580	\$0	\$580	\$547

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$665	\$55	\$610	\$570
2013	2	1.6%	\$675	\$0	\$675	\$635

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$785	\$65	\$720	\$666
2013	2	0.0%	\$790	\$0	\$790	\$736

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$675	\$0	\$675	\$642
2007	3	N/A	\$675	\$56	\$619	\$586
2012	2	N/A	\$610	\$51	\$559	\$526
2013	2	0.0%	\$625	\$0	\$625	\$592

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$778	\$0	\$778	\$738
2007	3	N/A	\$778	\$65	\$713	\$673
2012	2	N/A	\$750	\$63	\$687	\$647
2013	2	6.2%	\$750	\$0	\$750	\$710

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$881	\$0	\$881	\$827
2007	3	N/A	\$881	\$73	\$808	\$754
2012	2	N/A	\$885	\$74	\$811	\$757
2013	2	0.0%	\$875	\$0	\$875	\$821

Trend: Comments

- 1Q07** Property does accept Section 8 Tenants however; contact could not specify how many tenants were utilizing vouchers at the time.
- 3Q07** The contact stated that there is enough affordable housing to meet the demand in this area.
- 2Q12** The contact reported a summer promotion consisting of the first free month's rent will continue through July. The occupancy at the property is significantly lower than most of the properties in the area. The contact noted that a nationally publicized event occurred at the property at the beginning of December 2011 which had a negative impact at the property. She noted an increase in renter traffic and occupancy has shown slight improvement over the last month. The contact expects to see an even bigger increase in traffic as the school year approaches.
- 2Q13** The contact reported that tax-credits rents are not at maximum allowable levels, as they want to remain competitive. There are 30 garage parking spaces that rent at \$75 per month.

PROPERTY PROFILE REPORT

The Homestead

Effective Rent Date	5/16/2013
Location	102 Library Lane Jasper, GA 30143 Pickens County
Distance	13.5 miles
Units	57
Vacant Units	N/A
Vacancy Rate	N/A
Type	Townhouse (2 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	The tenants are mostly families with an average household size of 4.
Contact Name	Sandra
Phone	(706) 253-4663



Market Information

Program	@60%
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	2 weeks
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Townhouse (2 stories)	N/A	975	\$610	N/A	@60%	N/A	N/A	N/A	no	None
3	2.5	Townhouse (2 stories)	N/A	1,240	\$660	N/A	@60%	N/A	N/A	N/A	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$610	\$0	N/A	-\$40	N/A
3BR / 2.5BA	\$660	\$0	N/A	-\$54	N/A

Amenities

In-Unit	Security	Services
Balcony/Patio	Perimeter Fencing	None
Carpeting		
Coat Closet		
Garbage Disposal		
Refrigerator		
Blinds		
Central A/C		
Dishwasher		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Basketball Court	None	None
On-Site Management		
Off-Street Parking		

The Homestead, continued

Comments

The rents listed are current according to the rents listed on the property's application. When we last surveyed this property in May 2012, management reported vacancy of 8.8 percent.

The Homestead, continued

Trend Report

Vacancy Rates

3Q04	2Q12	2Q13
19.3%	8.8%	N/A

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$610	\$0	N/A	N/A
2013	2	N/A	\$610	\$0	N/A	N/A

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$660	\$0	N/A	N/A
2013	2	N/A	\$660	\$0	N/A	N/A

Trend: Comments

- 3Q04** The Homestead is a LIHTC property with 57 units. The property is currently 80% occupied with no waiting list. The only concession currently being offered is a \$575 rate on the 3 bedroom. A vacant unit can be leased out within 2 weeks.
- 2Q12** Per the interview, associates at the property did not have the exact break down of the vacant units, and could only provide that there were 5 total vacancies. The complex's units are townhome style and not garden style and the AMI level is 60 percent and the rents are not at the maximum allowable currently.
- No concessions per floor plan, but if you qualify credit wise, they will reduce the security deposit.
- 2Q13** The rents listed are current according to the rents listed on the property's application. When we last surveyed this property in May 2012, management reported vacancy of 8.8 percent.

PROPERTY PROFILE REPORT

Lancaster Ridge

Effective Rent Date	5/10/2013
Location	800 Hickory Knoll Dr. Canton, GA 30114 Cherokee County
Distance	9.5 miles
Units	145
Vacant Units	9
Vacancy Rate	6.2%
Type	Garden (3 stories)
Year Built/Renovated	1994 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	River Ridge, Canton Mill Lofts, Canterbury Apts
Tenant Characteristics	Most are from Canton
Contact Name	Haleema
Phone	773-354-5572



Market Information

Program	Market
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	5 Days
Annual Chg. in Rent	8% increase for 2bed
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	24	850	\$625	\$0	Market	No	2	8.3%	N/A	None
2	2	Garden (3 stories)	91	960	\$723	\$0	Market	No	3	3.3%	N/A	AVG*
2	2	Garden (3 stories)	N/A	960	\$740	\$0	Market	No	N/A	N/A	N/A	HIGH*
2	2	Garden (3 stories)	N/A	960	\$705	\$0	Market	No	N/A	N/A	N/A	LOW*
3	2	Garden (3 stories)	30	1,140	\$799	\$0	Market	No	4	13.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$625	\$0	\$625	-\$33	\$592
2BR / 2BA	\$705 - \$740	\$0	\$705 - \$740	-\$40	\$665 - \$700
3BR / 2BA	\$799	\$0	\$799	-\$54	\$745

Lancaster Ridge, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Vaulted Ceilings
Washer/Dryer

Blinds
Central A/C
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Walk-In Closet
Washer/Dryer hookup

Security

Perimeter Fencing

Services

None

Property

Clubhouse/Meeting
On-Site Management
Swimming Pool

Off-Street Parking
Playground

Premium

None

Other

None

Comments

The manager noted that on May 25, 2013, the property will start using Yieldstar. They are predicting that rental rates will increase as they have a high occupancy rate. Three tenants have Housing Choice Vouchers and about four units are vacated each month. She noted that they rarely have one and three-bedroom units available. Price ranges for two-bedroom units are because of the view and location throughout the property. The contact noted that the prior manager would change rental rates depending on current vacancy, hence the higher rental rates during the previous interview.

Lancaster Ridge, continued

Trend Report

Vacancy Rates

3Q07	2Q12	3Q12	2Q13
4.2%	7.6%	7.6%	6.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	4.2%	\$655	\$0	\$655	\$622
2012	3	4.2%	\$655	\$0	\$655	\$622
2013	2	8.3%	\$625	\$0	\$625	\$592

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	9.9%	\$705	\$0	\$705	\$665
2012	3	9.9%	\$705	\$0	\$705	\$665
2013	2	N/A	\$705 - \$740	\$0	\$705 - \$740	\$665 - \$700

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	3.3%	\$829	\$0	\$829	\$775
2012	3	3.3%	\$829	\$0	\$829	\$775
2013	2	13.3%	\$799	\$0	\$799	\$745

Trend: Comments

3Q07	The contact stated that there is enough affordable housing to meet the demand in this area. Currently, the playground is being redone and old equipment is being replaced.
2Q12	Formerly Hickory Knoll, Lancaster Ridge is now managed by Dominion and is no longer a LIHTC property.
3Q12	N/A
2Q13	The manager noted that on May 25, 2013, the property will start using Yieldstar. They are predicting that rental rates will increase as they have a high occupancy rate. Three tenants have Housing Choice Vouchers and about four units are vacated each month. She noted that they rarely have one and three-bedroom units available. Price ranges for two-bedroom units are because of the view and location throughout the property. The contact noted that the prior manager would change rental rates depending on current vacancy, hence the higher rental rates during the previous interview.

PROPERTY PROFILE REPORT

Riverview Apartments

Effective Rent Date	5/17/2013
Location	59 Anderson Avenue Canton, GA 30114 Cherokee County Intersection: N Etowah Dr
Distance	9.4 miles
Units	138
Vacant Units	19
Vacancy Rate	13.8%
Type	Midrise (4 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	River Ridge
Tenant Characteristics	Hospital
Contact Name	Carmen Hoo-Wolf
Phone	678-880-8437



Market Information

Program	Market
Annual Turnover Rate	22%
Units/Month Absorbed	10 - 11
HCV Tenants	0%
Leasing Pace	1 - 2 weeks
Annual Chg. in Rent	None
Concession	\$350 off first month's rent

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	57	560	\$549	\$29	Market	None	N/A	N/A	N/A	None
1	1	Midrise (4 stories)	3	750	\$630	\$29	Market	None	N/A	N/A	N/A	None
1	1	Midrise (4 stories)	8	780	\$695	\$29	Market	None	N/A	N/A	N/A	None
1	1	Midrise (4 stories)	2	860	\$645	\$29	Market	None	N/A	N/A	N/A	None
1	1	Midrise (4 stories)	1	1,000	\$690	\$29	Market	None	N/A	N/A	N/A	None
2	1	Midrise (4 stories)	60	768	\$635	\$29	Market	None	N/A	N/A	N/A	None
2	2	Midrise (4 stories)	1	1,082	\$775	\$29	Market	None	N/A	N/A	N/A	None
2	2	Midrise (4 stories)	2	1,200	\$875	\$29	Market	None	N/A	N/A	N/A	None
3	2	Midrise (4 stories)	4	2,755	\$1,300	\$29	Market	None	N/A	N/A	N/A	None

Riverview Apartments, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$549 - \$695	\$29	\$520 - \$666	\$20	\$540 - \$686
2BR / 1BA	\$635	\$29	\$606	\$20	\$626
2BR / 2BA	\$775 - \$875	\$29	\$746 - \$846	\$20	\$766 - \$866
3BR / 2BA	\$1,300	\$29	\$1,271	\$20	\$1,291

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Carpeting
Coat Closet
Exterior Storage
Microwave
Pull Cords
Vaulted Ceilings
Whirlpool Tub
Washer/Dryer hookup

Blinds
Carpet/Hardwood
Central A/C
Dishwasher
Ceiling Fan
Oven
Refrigerator
Walk-In Closet
Washer/Dryer

Security

Intercom (Phone)
Limited Access
Video Surveillance

Services

None

Property

Business Center/Computer Lab
Courtyard
Exercise Facility
Central Laundry

Clubhouse/Meeting
Elevators
Jacuzzi

Premium

None

Other

Climate Controlled Storage

Comments

The property manager reported that the property was last 90 percent occupied or more in April 2013. There has been higher than typical turnover at the property due to skips as well as tenants moving out of state (Texas, Colorado, etc). While the property has good visibility and is walkable to amenities (restaurants and gas station), the property does not compete with properties such as Walden Crossing because Walden Crossing offers a superior amenity package. The concession is effective as of May 15, 2013 and therefore few tenants, if any, have benefited from the concession.

Riverview Apartments, continued

Trend Report

Vacancy Rates

2Q12	3Q12	2Q13
2.9%	2.9%	13.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$609 - \$680	\$0	\$609 - \$680	\$629 - \$700
2012	3	N/A	\$609 - \$680	\$0	\$609 - \$680	\$629 - \$700
2013	2	N/A	\$549 - \$695	\$29	\$520 - \$666	\$540 - \$686

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$705	\$0	\$705	\$725
2012	3	N/A	\$705	\$0	\$705	\$725
2013	2	N/A	\$635	\$29	\$606	\$626

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$770 - \$870	\$0	\$770 - \$870	\$790 - \$890
2012	3	N/A	\$770 - \$870	\$0	\$770 - \$870	\$790 - \$890
2013	2	N/A	\$775 - \$875	\$29	\$746 - \$846	\$766 - \$866

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$1,500	\$0	\$1,500	\$1,520
2012	3	N/A	\$1,500	\$0	\$1,500	\$1,520
2013	2	N/A	\$1,300	\$29	\$1,271	\$1,291

Trend: Comments

- 2Q12** Buildings are interior buildings. Property manager stated they have 4 vacancies currently, either in the 2x1 or the 1x1 560 sq feet, but was not able to get the breakdown. She stated that the rents have been stable since she has been there in 2010 and generally takes them a week to two weeks to lease a unit.
- She was not able to provide an annual turnover rate.
Their tenants come from all over, Canton, Cherokee county, (out of state) as they do a lot of online leasing as well as from Atlanta for relocation.
- She stated that due to their facility being new and offering amenities that others just cant, that they dont have many major competitors and stay around 95% occupied and up. They are currently around 97%
- 3Q12** The property manager attributed the property's high occupancy rate to new amenities and a lack of major competitors, and she reported that the property historically has maintained at least a 95 percent occupancy rate.
- 2Q13** The property manager reported that the property was last 90 percent occupied or more in April 2013. There has been higher than typical turnover at the property due to skips as well as tenants moving out of state (Texas, Colorado, etc). While the property has good visibility and is walkable to amenities (restaurants and gas station), the property does not compete with properties such as Walden Crossing because Walden Crossing offers a superior amenity package. The concession is effective as of May 15, 2013 and therefore few tenants, if any, have benefited from the concession.

PROPERTY PROFILE REPORT

Walden Crossing Apartments

Effective Rent Date	5/13/2013
Location	100 Walden Crossing Dr Canton, GA 30115 Cherokee County Intersection: Hickory Flat Highway
Distance	10.8 miles
Units	264
Vacant Units	16
Vacancy Rate	6.1%
Type	Garden (4 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Heritage Park
Tenant Characteristics	Diverse; many tenants work at the Cherokee Sheriff's Department
Contact Name	Tammy
Phone	866-638-4612



Market Information

Program	Market
Annual Turnover Rate	55%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	3-5 days
Annual Chg. in Rent	slight increase
Concession	N/A

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	N/A	732	\$700	\$0	Market	N/A	N/A	N/A	N/A	None
1	1	Garden (4 stories)	N/A	916	\$740	\$0	Market	N/A	N/A	N/A	N/A	None
1	1	Garden (4 stories)	N/A	1,013	\$800	\$0	Market	N/A	N/A	N/A	N/A	None
2	2	Garden (4 stories)	N/A	1,157	\$930	\$0	Market	N/A	N/A	N/A	N/A	AVG*
3	2	Garden (4 stories)	N/A	1,425	\$1,013	\$0	Market	N/A	N/A	N/A	N/A	AVG*

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$700 - \$800	\$0	\$700 - \$800	\$20	\$720 - \$820
2BR / 2BA	\$930	\$0	\$930	\$20	\$950
3BR / 2BA	\$1,013	\$0	\$1,013	\$20	\$1,033

Walden Crossing Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Pull Cords
Skylights
Vaulted Ceilings
Washer/Dryer hookup

Blinds
Carpet/Hardwood
Central A/C
Dishwasher
Ceiling Fan
Oven
Refrigerator
Trash Compactor
Walk-In Closet

Security

None

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Jacuzzi
On-Site Management
Playground
Tennis Court

Car Wash
Exercise Facility
Central Laundry
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

Contact would only give out rents and would not comment on other information. Two-bedroom units range between \$920 and \$940 and three-bedrooms range between \$985 and \$1,040.

Walden Crossing Apartments, continued

Trend Report

Vacancy Rates

2Q12	3Q12	2Q13
6.1%	6.1%	6.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$675 - \$795	\$0	\$675 - \$795	\$695 - \$815
2012	3	N/A	\$675 - \$795	\$0	\$675 - \$795	\$695 - \$815
2013	2	N/A	\$700 - \$800	\$0	\$700 - \$800	\$720 - \$820

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$775	\$0	\$775	\$795
2012	3	N/A	\$775	\$0	\$775	\$795
2013	2	N/A	\$930	\$0	\$930	\$950

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$1,055	\$0	\$1,055	\$1,075
2012	3	N/A	\$1,055	\$0	\$1,055	\$1,075
2013	2	N/A	\$1,013	\$0	\$1,013	\$1,033

Trend: Comments

2Q12 Tammy provided that the unit make up was not able to be identified by seniors, students, families etc. She stated they truly have an eclectic mix of all ages and families, seniors, which is due to their location, which is kind of off the main path, they arent located by a major manufacturing plant, military base or school that would cause a large concentration of a certain type of tenant.

She stated generally the tenants are coming from all over, Canton, Jasper, Ball Ground, and out of state,

Tenant pays water sewage and trash on a seperate bill.

3Q12 N/A

2Q13 Contact would only give out rents and would not comment on other information. Two-bedroom units range between \$920 and \$940 and three-bedrooms range between \$985 and \$1,040.

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

Housing Choice Vouchers

TENANTS WITH VOUCHERS

Comparable Property	Type	Location	Housing Choice Voucher Tenants
Alexander Ridge Apartments	LIHTC/Market	Canton	3%
Canterbury Ridge Apartments	LIHTC	Canton	3%
Laurels At Greenwood	LIHTC/Market	Canton	1%
Mountainside Manor	LIHTC/Market	Jasper	1%
River Ridge At Canton	LIHTC/Market	Canton	14%
The Homestead	LIHTC	Jasper	5%
Lancaster Ridge	Market	Canton	2%
Riverview Apartments	Market	Canton	0%
Walden Crossing Apartments	Market	Canton	0%

As illustrated in the table, the majority of LIHTC comparable properties are maintaining low HCV rates at five percent or less. Therefore, we anticipate that the Subject will not need to rely on HCV tenants in order to maintain a stable occupancy rate.

Lease Up History

There are no LIHTC properties in the PMA. Mountainside Manor is located in Jasper and is the newest LIHTC comparable and it opened in 2005. Management at Mountainside Manor could not report absorption information as management has turned over since the property opened. Riverview Apartments is the newest unrestricted property. It is located in Canton and opened in 2009. Management reported that the property stabilized at a rate of 10 to 11 units per month. The Subject will offer new construction with affordable rents in a market with limited direct competition. Therefore, we conservatively estimate that the Subject will stabilize within one year given that it will be the first LIHTC property in Ball Ground. This equates to a stabilization rate of five units per month in order to reach 93 percent occupancy.

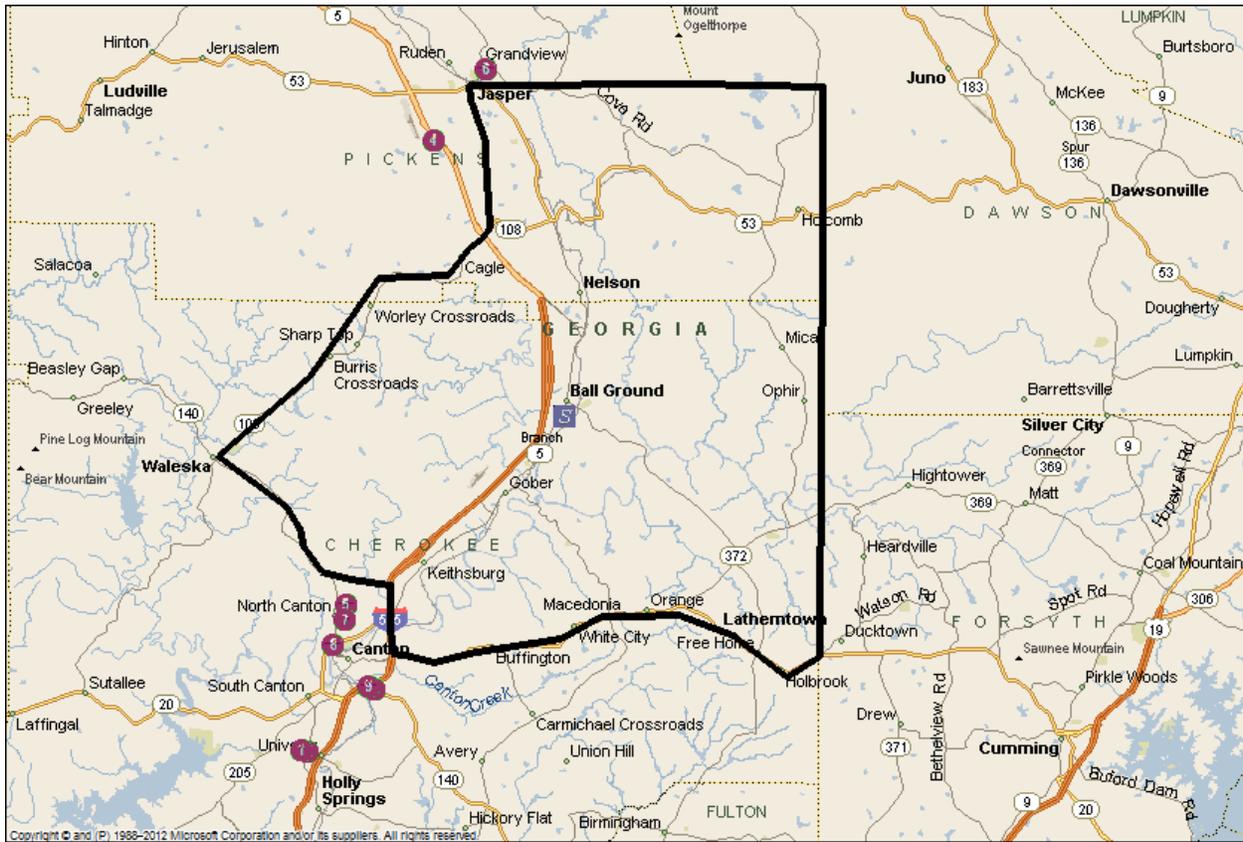
Phased Developments

The Subject is not a phase of an existing development.

Rural Areas

The Subject is located in Ball Ground, which is a part of the Atlanta MSA. However, there is a lack of unrestricted and LIHTC housing (multifamily housing in general) in the PMA. Therefore, we have included the most comparable properties in neighboring submarkets—Jasper and Canton—in order to conduct the Supply Analysis.

3. COMPETITIVE PROJECT MAP



There are no family LIHTC properties in the PMA; therefore, the Subject will face limited competition. There are family LIHTC properties in Jasper and Canton; however, management at LIHTC properties in both areas indicated that these are disparate markets. The property manager reported at Mountainside Manor, a family LIHTC property in Jasper, indicated that the majority of the Subject’s demand will come from households in north Georgia who commute south for employment and from tenants employed farther south who are looking for more affordable housing.

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 pink, 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 pink.

UNIT MATRIX REPORT

	Stone Valley Apartments	Alexander Ridge Apartments	Canterbury Ridge Apartments	Laurels At Greenwood	Mountainside Manor	River Ridge At Canton	The Homestead	Lancaster Ridge	Riverview Apartments	Walden Crossing Apartments
Comp #	Subject	1	2	3	4	5	6	7	8	9
Property Information										
Property Type	Garden (2 stories)	Garden (4 stories)	Garden	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Townhouse (2 stories)	Garden (3 stories)	Midrise (4 stories)	Garden (4 stories)
Year Built / Renovated Market (Conv.)/Subsidy Type	2015 / n/a @50%, @60%, Non-Rental	1999 / n/a @50%, @60%, Market	1999 / n/a @60%	2001 / n/a @50%, @60%, Market	2005 / n/a @60%, Market	2003 / n/a @60%, Market	2000 / n/a @60%	1994 / n/a Market	2009 / n/a Market	2002 / n/a Market
Utility Adjustments										
Cooking	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	yes	yes	yes	yes	yes	no	no
Sewer	no	no	yes	yes	yes	yes	yes	yes	no	no
Trash Collection	yes	no	yes	yes	yes	yes	yes	yes	no	no
In-Unit Amenities										
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	no	no	no	no	no	yes	yes
Carpet/Hardwood	no	no	no	no	no	no	no	no	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	yes	no	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	yes	yes	yes	no	no	yes	yes	yes
Ceiling Fan	yes	yes	no	yes	no	no	no	yes	yes	yes
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Microwave	yes	yes	no	yes	no	no	no	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Skylights	no	no	no	no	no	no	no	no	no	yes
Vaulted Ceilings	no	no	no	no	no	no	no	yes	yes	yes
Walk-In Closet	no	no	yes	yes	no	yes	no	yes	yes	yes
Whirlpool Tub	no	no	no	no	no	no	no	no	yes	no
Washer/Dryer	no	no	no	no	no	no	no	yes	yes	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities										
Basketball Court	no	no	no	no	yes	no	yes	no	no	no
Business Center/Computer Lab	yes	yes	no	yes	yes	yes	no	no	yes	yes
Car Wash	no	no	yes	no	yes	yes	no	no	no	yes
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Courtyard	no	no	no	no	no	no	no	no	yes	no
Elevators	no	no	no	yes	no	no	no	no	yes	no
Exercise Facility	yes	yes	yes	yes	yes	yes	no	no	yes	yes
Garage	no	no	no	no	no	yes	no	no	no	no
Jacuzzi	no	no	no	no	no	no	no	no	yes	yes
Central Laundry	yes	yes	yes	yes	yes	yes	no	no	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	yes	yes	yes	no	no	no	yes
Playground	yes	yes	yes	yes	yes	yes	no	yes	no	yes
Swimming Pool	yes	yes	yes	yes	yes	yes	no	yes	no	yes
Tennis Court	no	no	no	no	yes	no	no	no	no	yes
Garage Fee	N/A	N/A	N/A	N/A	\$50.00	\$75.00	N/A	N/A	N/A	N/A
Services										
Security										
In-Unit Alarm	no	yes	yes	no	no	yes	no	no	no	no
Intercom (Buzzer)	no	no	yes	no	no	no	no	no	no	no
Intercom (Phone)	no	no	no	no	no	no	no	no	yes	no
Limited Access	no	yes	yes	no	no	yes	no	no	yes	no
Patrol	no	no	no	yes	no	yes	no	no	no	no
Perimeter Fencing	no	yes	yes	yes	no	yes	yes	yes	no	no
Video Surveillance	no	no	no	no	no	no	no	no	yes	no
Premium Amenities										
Other Amenities										
Other	n/a	n/a	n/a	Gazebo	n/a	Billiards, Game Room, Walking Trail	n/a	n/a	Climate Controlled Storage Units avail to rent	n/a

The Subject will offer a competitive amenity package with the exception of two of the family market rate properties in Canton: Riverview Apartments and Walden Crossing. These properties offer amenities that are rare in the market such as in-unit washer/dryers, hardwood flooring, and vaulted ceilings among others. The Subject will be competitive with the LIHTC comparables in terms of common area amenities and will be superior to Homestead Apartments, which offers a minimal common area amenity package.

5. The Subject will target family households. Therefore, per DCA’s guidelines, senior properties were not included.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property name	Rent Structure	Location	Total Units	Vacant Units	Vacancy Rate
Alexander Ridge Apartments	@50%, @60%, Market	Canton	272	25	9.20%
Canterbury Ridge Apartments	@60%	Canton	212	6	2.80%
Laurels At Greenwood	@50%, @60%, Market	Canton	174	35	20.10%
Mountainside Manor	@60%, Market	Jasper	176	11	6.20%
River Ridge At Canton	@60%, Market	Canton	356	5	1.40%
The Homestead	@60%	Jasper	57	5	8.77%
Lancaster Ridge	Market	Canton	145	9	6.20%
Riverview Apartments	Market	Canton	138	19	13.80%
Walden Crossing Apartments	Market	Canton	264	16	6.10%
LIHTC Overall			269	11	4.09%
LIHTC/Market Overall			978	76	7.77%
Market Overall			547	44	8.04%
Total			1,794	131	7.30%

*None of the properties are located in the PMA

The Subject will face limited direct competition as none of the comparables are located in the PMA.

Vacancy among the LIHTC properties is at four percent while that of the unrestricted properties is at eight percent. Properties with LIHTC and market rate units have a vacancy rate at almost eight percent. Management at LIHTC properties such as Mountainside Manor indicated that there have been job losses and cuts in overtime work among factory jobs in the region, which has affected occupancy at the property. Property managers reported that the Subject will likely attract tenants from north Georgia who commute south for work and from tenants located south of Ball Ground who are looking for more affordable housing. The Subject will offer new construction with large unit sizes, an extensive amenity package, and a highly visible location within walking distance to locational amenities. Therefore, we believe the Subject will be well-positioned a submarket (Ball Ground) that lacks multifamily housing as a whole.

Laurels at Greenwood and Riverview are maintaining the highest vacancy rates of the comparables. These properties are both located in Canton. Laurels at Greenwood was built in 2001 and therefore will be inferior to the Subject in terms of age/condition but will be competitive in terms of amenity package. The property is located in Canton, which is a separate submarket with several LIHTC properties. Tenants who have moved from the property have

bought houses. Over half of the Subject’s units are one- and two-bedroom units and the Subject at 66 units will be much smaller than Laurels at Greenwood, which consists of 174 units.

Riverview is located in Canton as well. Riverview was built in 2009 and offers one-, two- and three-bedroom units at market rate. Lower occupancy levels have been due to tenants moving out of state. The Subject will be superior to this property in terms of affordability, age/condition, unit sizes, common area amenities, and location. Further, the Subject will offer a greater variety of units (one, two, and three-bedroom units at 50 and 60 percent AMI). The two aforementioned properties are out of the Primary Market Area and we not be considered a strong competitor to the Subject. Therefore, we believe that the Subject will perform better than Riverview in terms of occupancy. Overall, we believe that the Subject will maintain a vacancy rate of seven percent, or less, once stabilized.

7. Properties Under Construction and Proposed

There are no new LIHTC or market rate properties that have been proposed or under construction in the PMA.

8. Rental Advantage

The following table illustrates the Subject’s similarity to the comparable properties.

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Age / Condition	Unit Size	Overall Comparison
1	Alexander Ridge Apartments	@50%, @60%, Market	Similar	Similar	Inferior	Slightly Inferior	-5
2	Canterbury Ridge	@60%	Similar	Similar	Inferior	Slightly Superior	5
3	Laurels At Greenwood	@50%, @60%, Market	Similar	Similar	Inferior	Inferior	-10
4	Mountainside Manor	@60%, Market	Similar	Similar	Slightly Inferior	Slightly Inferior	-5
5	River Ridge At Canton	@60%, Market	Slightly Superior	Similar	Inferior	Inferior	-5
6	The Homestead	@60%	Inferior	Similar	Inferior	Inferior	-25
7	Lancaster Ridge	Market	Slightly Inferior	Similar	Inferior	Slightly Inferior	-10
8	Riverview Apartments	Market	Superior	Superior	Similar	Inferior	20
9	Walden Crossing	Market	Superior	Superior	Inferior	Slightly Inferior	15

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

The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following tables. It should be noted that although rents have been adjusted for concessions, if present, and differences in utility structure there may also be some differences in LIHTC rents due to placed in service dates. Nationally, 84 percent of counties, including Cherokee and Pickens counties as they are both within the Atlanta MSA, saw a decrease in the 2013 AMI level due to decreased income limits in approximately 50 percent of counties nationwide. Existing projects will be held harmless. New projects coming online in 2013 or later will be restricted by the lower limits. The Subject is projected to be completed in 2015. As a result, LIHTC projects with earlier placed in service dates are permitted to base rent and income levels on the higher AMI levels from prior years.

Additionally, we inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

LIHTC Rent Comparison - @50%

Property Name	1BR	2BR	3BR
Stone Valley Apartments (Subject)	\$462	\$565	\$632
LIHTC Maximum (Net)	\$497	\$587	\$662
Alexander Ridge Apartments	\$585	\$665	\$750
Laurels At Greenwood	-	\$557	\$643
Average (excluding Subject)	\$585	\$611	\$697

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR	3BR
Stone Valley Apartments (Subject)	\$462	\$565	\$632
LIHTC Maximum (Net)	\$622	\$736	\$835
Alexander Ridge Apartments	\$645	\$720	\$820
Canterbury Ridge Apartments	\$605	\$705	\$805
	\$625	\$730	
River Ridge At Canton	\$547	\$635	\$736
Laurels At Greenwood	-	\$608	\$694
Mountainside Manor	\$527	\$625	\$655
The Homestead	-	\$610	\$660
Average (excluding Subject)	\$590	\$662	\$728

The Subject’s rents are set below the maximum allowable levels at 50 and 60 percent AMI. The 50 percent AMI rents at Alexander Ridge appear to be above the maximum allowable rents. We attribute this to the earlier placed in service date and differing utility allowance adjustments.

The Subject will offer new construction with large unit sizes in a PMA that has no direct competition. The Subject’s one, two, and three-bedroom rents at 50 percent AMI are within the range of the comparables. The two comparables with rents at 50 percent AMI – Alexander Ridge and Laurels at Greenwood - are located in Canton, which is a separate submarket. These properties are maintaining occupancy rates of 91 and 80 percent, respectively. They were built in 1999 and 2001 and therefore will be inferior when compared to the Subject in terms of age. These properties also offer a large number of units (both greater than 150) and are located in a submarket with several LIHTC properties. They offer an amenity package that will be competitive with that of the Subject; however, the Subject will offer superior unit sizes and a location with high visibility as well as surrounding uses that are in excellent condition.

The Subject’s proposed rents at 60 percent AMI are at the same level as those at 50 percent AMI. The Subject will only offer 20 of these units and the Subject’s proposed three-bedroom unit sizes are large. As demonstrated in the demographic analysis, the average household size in the PMA is approximately 2.7 persons, which indicates demand for the Subject’s larger unit sizes. Mountainside Manor is located in Jasper and was built in 2005. The property manager at this property indicated that demand for the Subject would come from households in north Georgia who commute south for employment and those who work in higher rent areas who are looking for more affordable housing. Ball Ground, although smaller than Jasper, will have a location advantage over Jasper given its closer proximity to employment centers farther south towards the

central Atlanta metropolitan area. Moutainside Manor is currently 94 percent occupied; therefore, its rents have been accepted in the market.

Homestead is a family LIHTC property in Jasper that is currently 91 percent occupied. The Subject will be superior to this property in terms of age as well as location. Based upon site inspection, Homestead has a locational disadvantage due to its lack of visibility as well as its surrounding uses. Per the property manager, the presence of older, HUD subsidized multifamily properties in the property's immediate neighborhood limits the property's marketability.

Overall, we believe that the Subject's proposed rents are achievable given the lack of competition in Ball Ground as well as the Subject's new construction, highly visible location, unit sizes, and amenity package. With the proposed rents, we anticipate that the Subject will maintain a vacancy rate of seven percent, or less, once stabilized.

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.

Due to the lack of multifamily housing in the PMA, we interviewed local realtors. We spoke with Judy Cochran from the rental division for Talking Rock Realty in Ball Ground. Ms. Cochran indicated that there is demand for multifamily and affordable housing in Ball Ground that targets families as the market is family-oriented. Ms. Cochran indicated that Talking Rock Realty manages private rental units. Many of the units they handle are single-family homes that are available for rent. Rent for a two-bedroom unit is around \$900 and three-bedroom rents range between \$950 and \$1,100. Ms. Cochran also reported that mobile home communities rent three-bedroom units for \$450-\$500 depending on the size and quality of the mobile home. She noted that of the three mobile home communities in the area, many are in foreclosure. Many people work in Alpharetta or northern Fulton County and choose to live in Cherokee County due to the cheaper housing. The Subject's proposed rents are below these unrestricted units in the market and therefore will have a rent advantage

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @50% AMI	\$462	\$527	\$820	\$634	37%
2 BR @50% AMI	\$565	\$557	\$950	\$697	23%
3 BR @50% AMI	\$632	\$606	\$1,291	\$794	26%
1 BR @60% AMI	\$462	\$527	\$820	\$636	38%
2 BR @60% AMI	\$565	\$557	\$950	\$707	25%
3 BR @60% AMI	\$632	\$606	\$1,291	\$809	28%

*Per GA DCA guidelines, "market" rents include surveyed LIHTC rents in the market.

As illustrated, the Subject's proposed 50 and 60 percent AMI rents are below or on the low end of the range of the surveyed rents in the market. The Subject will have a 23 percent or greater advantage over the surveyed average rents in the market. Therefore, we believe the Subject will offer value as it will consist of new construction, large unit sizes, an extensive amenity package, and a highly visible location. Further, there is limited existing multifamily rental housing in Ball Ground and the surrounding areas. Interviews with local realtors reported a void in the market for affordable housing. 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 family properties allocated in the PMA within 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

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	6,181	82.6%	1,300	17.4%
2012	8,583	80.1%	2,127	19.9%
Projected Mkt Entry July 2015	8,865	80.63%	2,128	19.37%
2017	9,053	81.0%	2,129	19.0%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

Tenure patterns in the PMA indicate a breakdown favoring owner-occupied housing as compared to renter-occupied. The percentage of renter-occupied households in the PMA is less than that of the national average in 2000 of approximately one third. However, the percent renter population is projected to remain consistent in the PMA. As stated earlier, interviews with local realtors indicated a void in the market for affordable rental housing. The lack of renter households is more an indicator of a lack of rental housing in the area as there are limited to no rental options in the PMA.

Change in Rental Rates

The following table illustrates rental rate trends among the comparables.

RENT GROWTH			
Comparable Property	Rent Structure	Location	Rent Growth
Alexander Ridge Apartments	@50%, @60%, Market	Canton	None
Canterbury Ridge Apartments	@60%	Canton	None
Laurels At Greenwood	@50%, @60%, Market	Canton	Decrease 2%
Mountainside Manor	@60%, Market	Jasper	1% increase on LIHTC units, 5% decrease on market 1&2 bedrooms
River Ridge At Canton	@60%, Market	Canton	2%-3% increase on all units, 1% decrease on market 3 bedrooms
The Homestead	@60%	Jasper	None
Lancaster Ridge	Market	Canton	8% increase for 2 bedrooms
Riverview Apartments	Market	Canton	None
Walden Crossing Apartments	Market	Canton	1-2% increase

Rent growth is mixed in the market. We do not anticipate that the Subject will experience significant rent growth in the near term.

11. Impact of Foreclosed, Abandoned and Vacant Structures

The Subject is located in Ball Ground within zip code 30107. According to RealtyTrac, there are currently 101 properties in Ball Ground that are in some stage of foreclosure. In April 2013, the number of properties receiving a foreclosure filing was 19 percent lower than the previous month and 48 percent lower than the same time last year. Cherokee County experienced a foreclosure rate in April 2013 that was 11 percent lower than March 2013 and 44 percent lower than April 2012. Georgia saw foreclosure decreases that were five percent lower than the previous month and 42 percent lower than the same time last year. By this comparison, Cherokee County is showing a better rate of foreclosure decreases compared to the state. We do not anticipate any tenants to sell homes in order to move to the Subject, however the former homeowners who lost their homes may be attracted to the rental units of the Subject. Per our site visit, we did not see many abandoned or vacant structures in the Subject site's immediate neighborhood. The Subject site is located in a highly visible area with new development.

12. Primary Housing Void

There are no LIHTC and unrestricted comparables in the PMA. Discussions with local realtors indicated a demand for affordable multifamily rentals. The Subject would fulfill the need for good quality, affordable multifamily rental units in Ball Ground.

13. Effect of Subject on Other Affordable Units in Market

There are no LIHTC and unrestricted comparables in the PMA. The property manager at Mountainside Manor (family LIHTC property in Jasper) indicated that the Subject would not directly compete with LIHTC properties in Jasper and Canton. Further, the Subject will be on the smaller side with only 66 units. Therefore, we do not believe that the Subject will have a long term impact on the existing comparable properties.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. There are no LIHTC properties in the PMA. LIHTC vacancy is lower than unrestricted vacancy in the market and the Subject will face limited direct competition as there is a lack of multifamily rental housing as a whole in Ball Ground and the surrounding area. The Subject will offer new construction with large unit sizes, an extensive

amenity package, and a highly visible location in a newly developing neighborhood that is located off a major thoroughfare. Further, the Subject will provide affordable housing that is closer to employment centers. Given the lack of direct competition and the Subject's advantage over surveyed rents in the market, we believe that the Subject will offer value as proposed.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

There are no LIHTC properties in the PMA. Mountainside Manor is located in Jasper and is the newest LIHTC comparable and it opened in 2005. Management at Mountainside Manor could not report absorption information as management has turned over since the property opened. Riverview Apartments is the newest unrestricted property. It is located in Canton and opened in 2009. Management reported that the property stabilized at a rate of 10 to 11 units per month. The Subject will offer new construction with affordable rents in a market with limited direct competition. Therefore, we conservatively estimate that the Subject will stabilize within one year given that it will be the first LIHTC property in Ball Ground. This equates to a stabilization rate of five units per month in order to reach 93 percent occupancy.

J. INTERVIEWS

Housing Authority

We attempted to reach on numerous occasions an official at the Georgia Department of Community Affairs. Unfortunately our calls were not returned. Based on a previous interview, our team spoke with Nancy Dove, Director at the Rental Assistance Division (Northern Region), and correspondent for the Cherokee County Housing Authority. She stated they were the only department that issues vouchers for the area. Ms. Dove stated that the waiting list has been closed since July 13th of 2007, and at that time of closure they took 50 applications. She said they have issued all of those 50 vouchers from 2007 and is hopeful that the wait list will reopen, but there is currently no set date.

Their voucher program is under guidelines of a “Live or Work Preference” where in order to be able to apply for vouchers; one must either live or work in the Cherokee County area. Due to this, most of their tenants are coming from Cherokee County, or any nearby counties that are close enough to where they can commute daily to work to Cherokee County.

Ms. Dove also stated that their office just took over the Cherokee County Region as of May 1st 2012, as it was previously handled by the Carrolton Regional Office. Due to this, she was unable to provide any information on potential new affordable housing projects in the area. She did however comment that there is a strong demand for two, three and four-bedroom multi-family housing in the area, both affordable and family.

The current payment standard for Cherokee County can be found in the following table:

Payment Standards	
0BR	\$757
1BR	\$820
2BR	\$912
3BR	\$1,110

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

Planning

Initially we contacted Jeff Watkins, Director of the Cherokee County Department of Planning and Zoning. While unable to comment on any new or proposed multifamily housing near the Subject, he referred us to speak to a planning official in Canton. We interviewed Steve Green, Zoning Administrator for Canton, GA. Mr. Green stated that there was not much development going on around the subject area. A 16 unit multifamily project that was started in 2003 is finally expected to be completed in late 2013. The site is led by developer Ken Vanderhoff and is located at 491-493 Hospital Road on 1.1 acres.

Economic Development

The Cherokee Office of Economic Development has reported several announcements for expansions and relocations in 2012. Heath Tippens, Project Manager at the Cherokee Office of Economic Development stated this was the most recent information available. The table is referenced in the Employment Trends section and highlights jobs produced by expansions or relocations. However The Office of Economic Development was only able to give the jobs

created by expansion. They are currently in the process of interviewing local companies with more than 20 employees. Of the 15 employers they interviewed, 67 percent plan to expand in the next three years.

Additionally, the Northside Hospital – Cherokee is building a new \$250 million hospital at Highway 20 and Route 140. The \$70 million Outlet Shoppes at Atlanta is expected to open July 18, 2013 in Woodstock. Developed by the Horizon Group, the 370,000 square foot retail destination is expected to generate \$130 million in annual sales and provide 1,200 permanent jobs and 1,600 seasonal jobs.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- Both the population and household numbers for the PMA and MSA grew at rates higher than the nation. By 2012, the populations for the PMA and MSA were outgrowing the nation by one to two percentage points annually. By 2015, growth in these areas will have slowed significantly. The population by age is concentrated in the young children to middle-aged cohorts. With the Subject targeting low-income families in the PMA, these numbers bode well for its success.

Household growth rates in the PMA and MSA are outpacing the nation by two to three percentage points as of 2012. Again, these rates are projected to slow significantly by 2017. The average household size in the PMA, MSA, and nation are all remaining stable at approximately 2.7 persons per household for the foreseeable future. The larger household sizes bode well for the Subject, which will consist of one, two, and three-bedroom units.

Tenure patterns in the PMA favor owner-occupied housing. However, the lack of renter households in the PMA is more an indicator of the lack of available rental options in the PMA.

In 2012, 28 percent of households earned \$29,999 or below compared to 30 percent in the MSA and nation. The Subject will be targeting lower income families falling within this range, so this data indicates a favorable market for the Subject.

According to RealtyTrac, there are currently 101 properties in Ball Ground that are in some stage of foreclosure. In April 2013, the number of properties receiving a foreclosure filing was 19 percent lower than the previous month and 48 percent lower than the same time last year. Cherokee County experienced a foreclosure rate in April 2013 that was 11 percent lower than March 2013 and 44 percent lower than April 2012. Georgia saw foreclosure decreases that were five percent lower than the previous month and 42 percent lower than the same time last year. By this comparison, Cherokee County is showing a better rate of foreclosure decreases compared to the state. We do not anticipate any tenants to sell homes in order to move to the Subject, however the former homeowners who lost their homes may be attracted to the rental units of the Subject. Per our site visit, we did not see many abandoned or vacant structures in the Subject site's immediate neighborhood. The Subject site is located in a highly visible area with new development.

- From 2002 through 2007, total MSA employment increased steadily. In 2009, total MSA employment decreased by 5.7 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. The MSA however has begun to show total employment growth in 2011 of 1.5 percent and employment growth of 2.3 percent in 2012. The YTD average growth is 1.1 percent for 2013, which is greater than the national change. Between March 2012 and March 2013, total employment in the MSA increased and the unemployment rate decreased. The unemployment rate in the MSA was still slightly

higher than that of the nation during this timeframe; however, the total employment growth percentage was higher than that of the nation.

In the Primary Market Area, the largest industries are construction, retail trade, educational services, and manufacturing. The largest sector in Cherokee County, according to the Bureau of Labor Statistics, is the trade, transportation and utilities industry followed by the leisure and hospitality industry, and subsequently education and health services. Together these account for almost 57 percent of those employed in Cherokee County. Education and Health Services are historically considered to be stable employers and could provide some additional stability to the local economy during a recession. The trade-transportation-utilities, retail trade, construction, and manufacturing, leisure and hospitality industries are historically somewhat unstable sectors. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

The Cherokee Office of Economic Development has reported several announcements for expansions and relocations in 2012. Heath Tippens, Project Manager at the Cherokee Office of Economic Development stated this was the most recent information available. The table is referenced in the Employment Trends section and highlights jobs produced by expansions or relocations. However The Office of Economic Development was only able to give the jobs created by expansion. They are currently in the process of interviewing local companies with more than 20 employees. Of the 15 employers they interviewed, 67 percent plan to expand in the next three years.

- The Subject's capture rates at the 50 percent AMI level will range from 2.73 to 5.57 percent, with an overall capture rate of 4.4. The Subject's 60 percent AMI capture rates range from 5.64 to 23.98 percent, with an overall capture rate of 16.5 percent. While the capture rates are high, the PMA is considered to be very conservative as it encompasses Ball Ground and the immediate surrounding area. There are no family LIHTC properties in the PMA and therefore the Subject will face limited direct competition. Given the Subject's age/condition, amenity package, and location, the Subject will be well-positioned in the Ball Ground submarket.
- There are no LIHTC properties in the PMA. Mountainside Manor is located in Jasper and is the newest LIHTC comparable and it opened in 2005. Management at Mountainside Manor could not report absorption information as management has turned over since the property opened. Riverview Apartments is the newest unrestricted property. It is located in Canton and opened in 2009. Management reported that the property stabilized at a rate of 10 to 11 units per month. The Subject will offer new construction with affordable rents in a market with limited direct competition. Therefore, we conservatively estimate that the Subject will stabilize within one year given that it will be the first LIHTC property in Ball Ground. This equates to a stabilization rate of five units per month in order to reach 93 percent occupancy.
- The Subject will face limited competition as none of the comparables are located in the PMA.

Vacancy among the LIHTC properties is at four percent while that of the unrestricted properties is at eight percent. Properties with LIHTC and market rate units have a vacancy rate at almost eight percent. Management at LIHTC properties such as Mountainside Manor indicated that there have been job losses and cuts in overtime work among factory jobs in the region, which has affected occupancy at the property. The property manager reported that the Subject will likely attract tenants from north Georgia who commute south for work and from tenants located south of Ball Ground who are looking for more affordable housing. The Subject will offer new construction with large unit sizes, an extensive amenity package, and a highly visible location within walking distance to locational amenities. Therefore, we believe the Subject will be well-positioned a submarket (Ball Ground) that lacks multifamily housing as a whole.

Laurels at Greenwood and Riverview are maintaining the highest vacancy rates of the comparables. These properties are both located in Canton. Laurels at Greenwood was built in 2001 and therefore will be inferior to the Subject in terms of age/condition but will be competitive in terms of amenity package. The property is located in Canton, which is a separate submarket with several LIHTC properties. Tenants who have moved from the property have bought houses. Over half of the Subject's units are one- and two-bedroom units and the Subject at 66 units will be much smaller than Laurels at Greenwood, which consists of 174 units.

Riverview is located in Canton as well. The Homestead was built in 2009 and offers one-, two- and three-bedroom units at market rate. The Subject will be superior to this property in terms of affordability, age/condition, unit sizes, common area amenities, and location. Further, the Subject will offer a greater variety of units (one, two, and three-bedroom units at 50 and 60 percent AMI). Therefore, we believe that the Subject will perform better than Riverview in terms of occupancy. Overall, we believe that the Subject will maintain a vacancy rate of seven percent, or less, once stabilized.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. There are no LIHTC properties in the PMA. LIHTC vacancy is lower than unrestricted vacancy in the market and the Subject will face limited direct competition as there is a lack of multifamily rental housing as a whole in Ball Ground and the surrounding area. The Subject will offer new construction with large unit sizes, an extensive amenity package, and a highly visible location in a newly developing neighborhood that is located off a major thoroughfare. Further, the Subject will provide affordable housing that is closer to employment centers. Given the lack of direct competition and the Subject's advantage over surveyed rents in the market, we believe that the Subject will offer value as proposed.

Recommendations

- We believe that the Subject is feasible as proposed.

L. SIGNED STATEMENT REQUIREMENTS

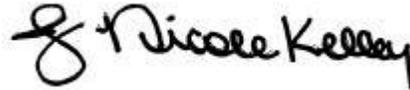
I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project as shown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



H. Blair Kincer, MAI, CRE
Partner
Novogradac & Company LLP

5-24-2013

Date



Nicole Kelly
Manager
Novogradac & Company LLP

5-24-2013

Date



Kristina V. Garcia
Real Estate Analyst
Novogradac & Company LLP

5-24-2013

Date



Jarrod D. Grim
Real Estate Researcher
Novogradac & Company LLP

5-24-2013

Date

M. MARKET STUDY REPRESENTATION

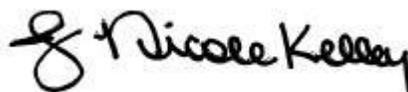
Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



H. Blair Kincer, MAI, CRE
Partner
Novogradac & Company LLP

5-24-2013

Date



Nicole Kelly
Manager
Novogradac & Company LLP

5-24-2013

Date



Kristina V. Garcia
Real Estate Analyst
Novogradac & Company LLP

5-24-2013

Date



Jarrod D. Grim
Real Estate Researcher
Novogradac & Company LLP

5-24-2013

Date

N. QUALIFICATIONS

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
H. BLAIR KINCER, MAI**

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Suma 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)
Past Member Frostburg Housing Authority
Certified General Real Estate Appraiser – State of Connecticut
Certified General Real Estate Appraiser – State of Maryland
Certified General Real Estate Appraiser – State of Michigan
Certified General Real Estate Appraiser – State of Mississippi
Certified General Real Estate Appraiser – State of New York
Certified General Real Estate Appraiser – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser – State of South Carolina
Certified General Real Estate Appraiser – State of Tennessee
Certified General Real Estate Appraiser – Commonwealth of Virginia
Certified General Real Estate Appraiser – State of Washington
Certified General Real Estate Appraiser – 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. Since 1995 have focused on the affordable housing industry.
- 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.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

STATEMENT OF PROFESSIONAL QUALIFICATIONS NICOLE KELLEY

I. Education

Auburn University, Auburn, Alabama
Bachelor of Science in Business Administration: International Business
Auburn University, Auburn, Alabama
Master of Business Administration (MBA)

II. Professional Experience

Manager, Novogradac & Company LLP (July 2012-Present)
Real Estate Analyst, Novogradac & Company LLP (October 2009-June 2012)
Real Estate Researcher, Novogradac & Company LLP (May 2006-September 2009)

III. Professional Training and Continuing Education

Member, National Council of Affordable Housing Market Analysts (NCAHMA) Member, Women in Affordable Housing Network (WAHN)
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.
- Conducted market studies for senior and family projects in Alabama, Arizona, California, Florida, Georgia, Guam, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Washington, Wisconsin, and Wyoming.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit and Special Needs properties in various states.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.

STATEMENT OF PROFESSIONAL QUALIFICATIONS KRISTINA V. GARCIA

I. Education

Emory University, Atlanta, Georgia
Bachelor of Arts

II. Professional Experience

Real Estate Analyst, Novogradac & Company LLP (April 2007 – Present)

III. Assignments

- Conducts 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.
- Assists with appraisals of existing and proposed Low-Income Housing Tax Credit properties, Rural Development properties, and Section 8 properties.
- Conducts Rent Comparability Studies according to HUD guidelines.

REPRESENTATIVE SAMPLE OF ENGAGEMENTS

Market Study Experience—Proposed LIHTC New Construction and Rehabilitation Developments:

Analyst has conducted research for market studies within the following states and U.S. territories:

- | | | | | |
|--------------|-----------------|------------------|------------------|-----------------|
| • Alabama | • Guam | • Michigan | • Oklahoma | • Texas |
| • Arizona | • Illinois | • Mississippi | • Pennsylvania | • Utah |
| • Arkansas | • Indiana | • New York | • Puerto Rico | • Virginia |
| • California | • Kentucky | • New Jersey | • Rhode Island | • Washington |
| • Florida | • Louisiana | • North Carolina | • South Carolina | • West Virginia |
| • Georgia | • Massachusetts | • North Dakota | • Tennessee | |

HUD Rent Comparability Study Experience:

Analyst has conducted rent comparability studies within the following states:

- Alabama • Florida • Georgia • New York • South Carolina • Texas • Tennessee

Appraisal Research Experience:

Analyst has conducted research for appraisals within the following states:

- Alabama • Florida • Georgia • Louisiana • New York • South Carolina • Virginia

Miscellaneous Housing Studies:

- Conducted research for a comprehensive citywide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Conducted research for comprehensive neighborhood housing market analysis for the New

Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency regarding housing needs and economic trends Pre- and Post- Hurricane Katrina

- Conducted research for mixed-use HOPE VI redevelopment plan for Tindall Heights Macon Housing Authority's Tindall Heights Public Housing

STATEMENT OF PROFESSIONAL QUALIFICATIONS JARROD D. GRIM

I. Education

Rutgers, The State University of New Jersey, New Brunswick, NJ
Master of City and Regional Planning

The Pennsylvania State University, University Park, PA
Bachelor of Science in Geography

II. Professional Experience

Real Estate Researcher, *Novogradac & Company LLP*, November 2012 – Present

Graduate Assistant, *National Center for Neighborhood and Brownfields Redevelopment*,
September 2011 – June 2012

Performance Analysis Intern, *New York City Department of Housing Preservation and
Development*, July 2011 – August 2011

Middle School Science Teacher, *Teach For America*, June 2008 – May 2010

III. Real Estate Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing market studies and appraisals of proposed and existing Low-Income Housing Tax credit (LIHTC) properties
- Conduct preliminary property screenings, market analysis, comparable rent surveys, and demand analysis of competitive LIHTC properties and market rate properties operating in the target market area
- Analyze and research economic trends such as unemployment, average wages, median income levels, and demand for low income housing in the target market area.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and housing choice voucher information
- Evaluated investment properties for agents by performing cap rate analyses, income and disposition projections, and broker price opinions