



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

**DAVIDSON SENIOR MANOR  
SEC Telfair Street & 11<sup>th</sup> Street  
Augusta, Richmond County, Georgia 30901**

**Effective Date: May 15, 2013  
Report Date: June 11, 2013**

*Prepared For*

**MACO Development Company LLC**

*Prepared By*

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

June 11, 2013

MACO Development Company LLC

**Re: Market Study for Davison Manor to be located in Augusta, Richmond County, Georgia**

To Whom It May Concern:

At your request, Novogradac & Company LLP performed a market study of the senior rental market in the Augusta, Richmond 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 Davidson Senior Manor, a proposed Housing for Older Persons (HFOP) development consisting of 48 units. Units will be restricted to senior households ages 55 and older earning 50 and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

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

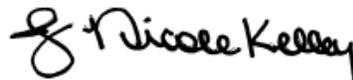
Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company, LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,



---

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



---

J. Nicole Kelley  
Manager  
Novogradac & Company LLP



---

Kristina V. Garcia  
Real Estate Analyst  
Novogradac & Company LLP



---

K. David Adamescu  
Real Estate Analyst  
Novogradac & Company LLP

## **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 .....	8
C. SITE EVALUATION .....	12
D. MARKET AREA .....	26
Primary Market Area .....	27
E. COMMUNITY DEMOGRAPHIC DATA.....	31
F. EMPLOYMENT TRENDS .....	37
G. PROJECT-SPECIFIC DEMAND ANALYSIS .....	45
3A. Demand from New Households .....	46
3B. Demand from Existing Households .....	47
3C. Secondary Market Area.....	47
3D. Other.....	47
Additions to Supply .....	47
H.    COMPETITIVE RENTAL ANALYSIS .....	60
K. CONCLUSIONS AND RECOMMENDATIONS .....	101
L. SIGNED STATEMENT REQUIREMENTS.....	104
M. MARKET STUDY REPRESENTATION .....	106
N. QUALIFICATIONS .....	108

Addendum

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

## EXECUTIVE SUMMARY AND CONCLUSIONS

### 1. Project Description:

Davidson Senior Manor (Subject) will be located at the southeast corner of the intersection of Telfair Street and 11<sup>th</sup> Street in Augusta, Richmond County, Georgia. The site is currently improved with a vacant school building that will be demolished to make way for the Subject. The Subject will target seniors ages 55 and older (HFOP) offer a newly constructed four-story, elevator-serviced building. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

### PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2013 LIHTC Maximum Allowable Gross Rent	2013 HUD Fair Market Rents
<i>50% AMI</i>							
1BR/1BA	708	3	\$397	\$136	\$533	\$533	\$619
2BR/2BA	955	5	\$462	\$178	\$640	\$640	\$738
<i>60% AMI</i>							
1BR/1BA	708	16	\$503	\$136	\$639	\$639	\$619
2BR/2BA	955	24	\$590	\$178	\$768	\$768	\$738
<b>Total</b>		<b>48</b>					

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

None of the units will operate with project-based rental assistance.

The Subject will offer the following amenities: balcony/patio, blinds, carpeting, refrigerator, stove, hand rails, pull cords, dishwashers, on-site management, off-street parking, business center/computer lab, clubhouse/meeting room, exercise facility, and central laundry facility. The Subject will be generally competitive in terms of common area amenities but will have a slight disadvantage without in-unit washer/dryer connections.

### 2. Site Description/Evaluation:

The Subject site is currently improved with a vacant school building that will be demolished in order to make way for the Subject. The Subject's neighborhood is located within blocks of the Augusta riverwalk and is a very pedestrian-friendly community with a variety of locational amenities within walking distance of the site. Per walkscore.com, the Subject site ranks as 92 on a scale from one to 100 in terms

of pedestrian access to restaurants, groceries, outdoor recreation areas, schools, and other uses. Uses in the Subject's neighborhood are typically older as this area is historic in nature. This will provide the Subject with a locational and marketing advantage. The majority of commercial uses are located along Broad Street to the north of the site and overall retail and commercial occupancy is estimated to be 80 percent.

Immediate surrounding uses of the Subject site include a canal to the south, a funeral home to the west, commercial uses to the north, and offices to the east.

The Subject is located on Telfair Street and is two blocks south of Greene Street and two blocks east of 13<sup>th</sup> Street. Greene Street is a major east-west thoroughfare through Augusta and experiences moderate traffic. Similarly, 13<sup>th</sup> Street is a major north-south thoroughfare that experiences moderate traffic and provides access to Highway 25/Broad Street approximately 0.4 miles north of the Subject site. Telfair Street is lined with commercial uses and office buildings and therefore the Subject will have good visibility due to the traffic that is generated by these uses.

The Subject is located in Augusta, GA on the 1100 block on Telfair St. in an older mixed-use neighborhood that includes Lucy Craft Laney High School, University Hospital, The Augusta-Richmond County Library, several places of worship and many small commercial uses. The local sheriff's office is located 1.6 miles away and the closest fire station is 0.4 miles away. All locational amenities are located within 2.0 miles of the Subject site with the exceptions of North Augusta Middle School, which is 3.5 miles away, and the Henry Brigham Senior Center, which is 5.9 miles away.

Overall, the Subject site is an excellent location for an affordable development. Further, as new construction, the Subject will be an improvement to the neighborhood.

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

The boundaries of the PMA are as follows:

North – Georgia-South Carolina state line

South – Richmond-Burke county line

East – Georgia-South Carolina state line

West – Fort Gordon Military Reservation; Highway 1; Highway 383

The PMA includes Augusta and portions of Martinez and Hephzibah. The area was defined based on interviews with the local housing authority, property managers at comparable properties, and boundaries such as state lines and highways. Many property managers indicated that a significant portion of their tenants come from out of the PMA and out of state. We would account for leakage from outside the PMA; however, per GA DCA 2013 market study guidelines, GA DCA does not take into account demand from outside of the PMA. The farthest boundary from the Subject site is 19.1 miles. This distance is mitigated by the fact that the closest PMA boundary to the Subject is 0.5 miles from the Subject site.

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

The Subject is located in Augusta, Richmond County, GA. In 2012, the population in the PMA was 239,057 and is projected to increase to 248,904 in 2017, at an annual rate of 0.8 percent. While this rate of growth is not profound, it is important to note that it slightly outpaces the projected population growth nationally, which is 0.7 percent. This increase can be partially attributed to the heavy reliance on healthcare-related employment in the PMA.

A minority of senior households in the PMA (25 percent) are renter-occupied, a number expected to remain stable into 2017. However, this is greater than the national average senior renter percentage. Approximately 12 percent of households on the PMA have annual earnings between \$20,000 and \$29,999. The Subject will target households earning from \$23,040 to \$27,300. Persons within these income cohorts are expected to create demand for the Subject.

Per RealtyTrac's March 2013 data, an estimated 14.6 percent of homes are vacant in Augusta. The median list price is \$105,900 as of March 2013, which represents a three percent year over year increase. The median sales price in the city is \$90,000, which is a one percent year over year increase since March 2012. The foreclosure rates in Augusta as of March 2013 is one in every 2,190 housing units, which is slightly lower than that of the county (one in every 2,025 housing units) and many times lower than that of the state (one in every 240 housing units). This rate is also significantly lower than the national rate of one in every 418 housing units. This extremely low foreclosure

rate speaks toward the inherent economic stability of the city and bodes well for the Subject property.

## 5. Economic Data:

Total employment in the MSA has been on an upward trend since at least 1990 and currently sits at 572,248 as of March 2013. Employment seems to have begun recovering and is currently trending upward year to date, but overall employment in the MSA is still slightly lower than it was in 2008. This discrepancy is less than one percent, however, if the upward trend continues the MSA should see employment levels above pre-recession levels in the near future.

Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 9.2 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of December 2012, the unemployment rate was above the unemployment rate of the US, but the rate of recovery currently outpaces the national average slightly.

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

The Subject's capture rates at the 50 percent AMI level will range from 2.4 to 5.2 percent, with an overall capture rate of 3.7 percent. The Subject's 60 percent AMI capture rates range from 11.9 to 23.1 percent, with an overall capture rate of 16.8 percent. The overall capture rate for the project's 50 and 60 percent units is 20.1 percent. Therefore, we believe there is adequate demand for the Subject.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR at 50% AMI	3	124	0	124	2.4%
2BR at 50% AMI	5	95	0	95	5.2%
<b>50% AMI Overall</b>	<b>8</b>	<b>219</b>	<b>0</b>	<b>219</b>	<b>3.7%</b>
1BR at 60% AMI	16	135	0	135	11.9%
2BR at 60% AMI	24	104	0	104	23.1%
<b>60% AMI Overall</b>	<b>40</b>	<b>238</b>	<b>0</b>	<b>238</b>	<b>16.8%</b>
1BR Overall	19	135	0	135	14.1%
2BR Overall	29	104	0	104	28.0%
<b>Overall</b>	<b>48</b>	<b>238</b>	<b>0</b>	<b>238</b>	<b>20.1%</b>

## 7. Competitive Rental Analysis:

The availability of LIHTC is considered adequate. Due to the availability of senior LIHTC data in the market, we have only included senior LIHTC properties in the PMA

and have excluded family LIHTC properties. We have included four senior LIHTC properties and five family market rate properties due to the lack of senior market rate data. All of the properties are located in the PMA and are within 7.1 miles of the Subject site with the majority within 3.4 miles. Of the market rate comparables, the closest properties represent older construction (1960s to 1980s) and therefore we included two newer market rate properties located within five miles of the Subject site to demonstrate the performance of newer unrestricted properties in the market. Overall, we consider the availability of market data to be good.

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 not 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 RENTS IN THE MARKET

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1BR at 50% AMI	\$397	\$378	\$935	\$542	37%
2BR at 50% AMI	\$462	\$428	\$1,070	\$625	35%
1BR at 60% AMI	\$503	\$444	\$935	\$593	18%
2BR at 60% AMI	\$590	\$443	\$1,070	\$667	13%

As the previous table demonstrates, the Subject's proposed rents are on the low end of the range of the surveyed comparable properties.

#### 8. Absorption/Stabilization

##### Estimate:

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

#### ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Legacy At Walton Oaks	@50% (ACC), @60%, PBRA	Senior	2011	75	12-24 (estimate)
Terraces At Edinburgh	@50%, @60%	Senior	2010	72	24

Senior LIHTC vacancy in the market is low at approximately 1.8 percent and all of the senior LIHTC comparable properties are maintaining waiting lists. The Subject will offer new construction and a competitive amenity package. Therefore, we anticipate that it will stabilize at a rate similar to that of the recent senior LIHTC additions to supply in Augusta. We estimate that the Subject will reach 93 percent occupancy within three months of opening if management pre-leases units. This equates to an absorption rate of 15 units or more, which is considered a conservative estimate given the absorption rates of Legacy at Walton Oaks and Terraces at Edinburgh.

**9. Overall Conclusion:**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. Senior LIHTC vacancy in the market is low at 1.8 percent and all of the senior LIHTC properties are maintaining waiting lists with low to moderate HCV rates and no concessions. The Subject will offer new construction in a neighborhood with amenities within walking distance of the Subject. The Subject's amenity package will be somewhat inferior when compared to some of the senior LIHTC properties; however, the Subject will offer a slightly superior amenity package and the senior LIHTC properties are not testing the market as there are only three vacant units at all three senior LIHTC comparables. Overall, we believe that the Subject is feasible as proposed.

### Summary Table:

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

Development Name:	<b>Davidson Manor</b>	Total # Units: <b>48</b>
Location:	Southeast corner of Telfair Street & 11th Street	# LIHTC Units: <b>48</b>
	Augusta, GA 30901	
PMA Boundary:	North: Georgia-South Carolina state line; South: Richmond-Burke county line; East: Georgia-South Carolina state line; West: Hwy 1/383	
	Farthest Boundary Distance to Subject:	<u>19.1 miles</u>

#### Rental Housing Stock (found on page 81)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	1,491	99	93.4%
Market-Rate Housing	4	992	52	94.8%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
<b>LIHTC</b>	4	395	7	98.2%
Stabilized Comps	8	1,387	59	95.7%
Properties in Construction & Lease Up	1	104	40	61.5%

\*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
3	1BR at 50% AMI	1	708	\$397	\$542	\$0.77	27%	\$975	\$1.63
5	2BR at 50% AMI	2	955	\$462	\$625	\$0.65	26%	\$1,395	\$1.64
16	1BR at 60% AMI	1	708	\$503	\$593	\$0.84	15%	\$975	\$1.63
24	2BR at 60% AMI	2	955	\$590	\$667	\$0.70	11%	\$1,395	\$1.64

#### Demographic Data (found on pages 35 and 95)

	2000		2012		2015	
Renter Households	6,749	23.90%	9,549	24.90%	10,315	24.81%
Income-Qualified Renter HHs	398	5.90%	563	5.90%	609	5.90%

#### Targeted Income-Qualified Renter Household Demand (found on page 59)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	38	41	N/Ap	N/Ap	41
Existing Households (Overburdened + Substandard)	N/Ap	226	245	N/Ap	N/Ap	245
Homeowner conversion (Seniors)	N/Ap	4	4	N/Ap	N/Ap	4
<b>Total Primary Market Demand</b>	<b>N/Ap</b>	<b>268</b>	<b>290</b>	<b>N/Ap</b>	<b>N/Ap</b>	<b>290</b>
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
<b>Adjusted Income-qualified Renter HHs**</b>	<b>N/Ap</b>	<b>268</b>	<b>290</b>	<b>N/Ap</b>	<b>N/Ap</b>	<b>290</b>

#### Capture Rates (found on page 59)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	3.70%	16.80%	N/Ap	N/Ap	20.10%

\*Includes LIHTC and unrestricted (when applicable)

\*\*May differ slightly from conclusion table in Demand Analysis due to rounding.

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

**Project Address and Development Location:**

The Subject site is located at the southeast corner of Telfair Street and 11<sup>th</sup> Street in Augusta, Richmond County, Georgia.

**Construction Type:**

The Subject will consist of one newly constructed, four-story, elevator-serviced low rise building with a brick and vinyl exterior.

**Occupancy Type:**

Seniors ages 55 and older (HFOP).

**Special Population Target:**

None.

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

See following property profile.

**Unit Size:**

See following property profile.

**Structure Type:**

See following property profile.

**Rents and Utility Allowances:**

See following property profile.

**Existing or Proposed**

**Project Based Rental Assistance:**

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

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

Davidson Senior Manor												
<b>Comp#</b>	Subject											
<b>Effective Rent Date</b>	5/15/2013											
<b>Location</b>	SEC Telfair St & 11th St Augusta, GA 30901 Richmond County (verified)											
<b>Distance</b>	n/a											
<b>Units</b>	48											
<b>Vacant Units</b>	N/A											
<b>Vacancy Rate</b>	N/A											
<b>Type</b>	Lowrise (age-restricted) (4 stories)											
<b>Year Built / Renovated</b>	2015 / n/a											
<b>Tenant Characteristics</b>	Seniors ages 55 and older (HFOP)											
												
(Vacant school building on site to be demolished)												
Utilities												
<b>A/C</b>	not included -- central				<b>Other Electric</b>				not included			
<b>Cooking</b>	not included -- electric				<b>Water</b>				not included			
<b>Water Heat</b>	not included -- electric				<b>Sewer</b>				not included			
<b>Heat</b>	not included -- electric				<b>Trash Collection</b>				included			
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Lowrise (4 stories)	3	708	\$397	\$0	@ 50%	n/a	N/A	N/A	yes	
1	1	Lowrise (4 stories)	16	708	\$503	\$0	@ 60%	n/a	N/A	N/A	yes	
2	2	Lowrise (4 stories)	5	955	\$462	\$0	@ 50%	n/a	N/A	N/A	yes	
2	2	Lowrise (4 stories)	24	955	\$590	\$0	@ 60%	n/a	N/A	N/A	yes	
Amenities												
<b>In-Unit</b>	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Hand Rails Oven Pull Cords Refrigerator				<b>Security</b>				none			
<b>Property</b>	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management				<b>Premium</b>				none			
<b>Services</b>	none				<b>Other</b>				none			
Comments												
The property is a proposed senior LIHTC property that will target seniors ages 55 and older (HFOP). The property's proposed net rents are listed in the rent grid. The property's proposed utility allowances for the one and two-bedroom units are \$136 and \$178, respectively. The property's proposed gross 50 percent AMI rents are \$533 and \$640. The property's proposed gross 60 percent AMI rents are \$639 and \$768 for the one and two-bedroom units, respectively. The site is currently improved with a vacant school building that will be demolished to make way for the Subject's new construction.												

<b>Scope of Renovations:</b>	The Subject will be new construction.
<b>Current Rents:</b>	The Subject will be new construction.
<b>Current Occupancy:</b>	The Subject will be new construction.
<b>Current Tenant Income:</b>	The Subject will be new construction.
<b>Placed in Service Date:</b>	The Subject is projected to enter the market in second quarter 2015.
<b>Conclusion:</b>	The Subject will be an excellent-quality brick and vinyl siding four-story elevator-serviced low rise building. 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:**

David Adamescu visited the site on May 15, 2013.

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

The following illustrates the physical features of the site.

*Frontage:*

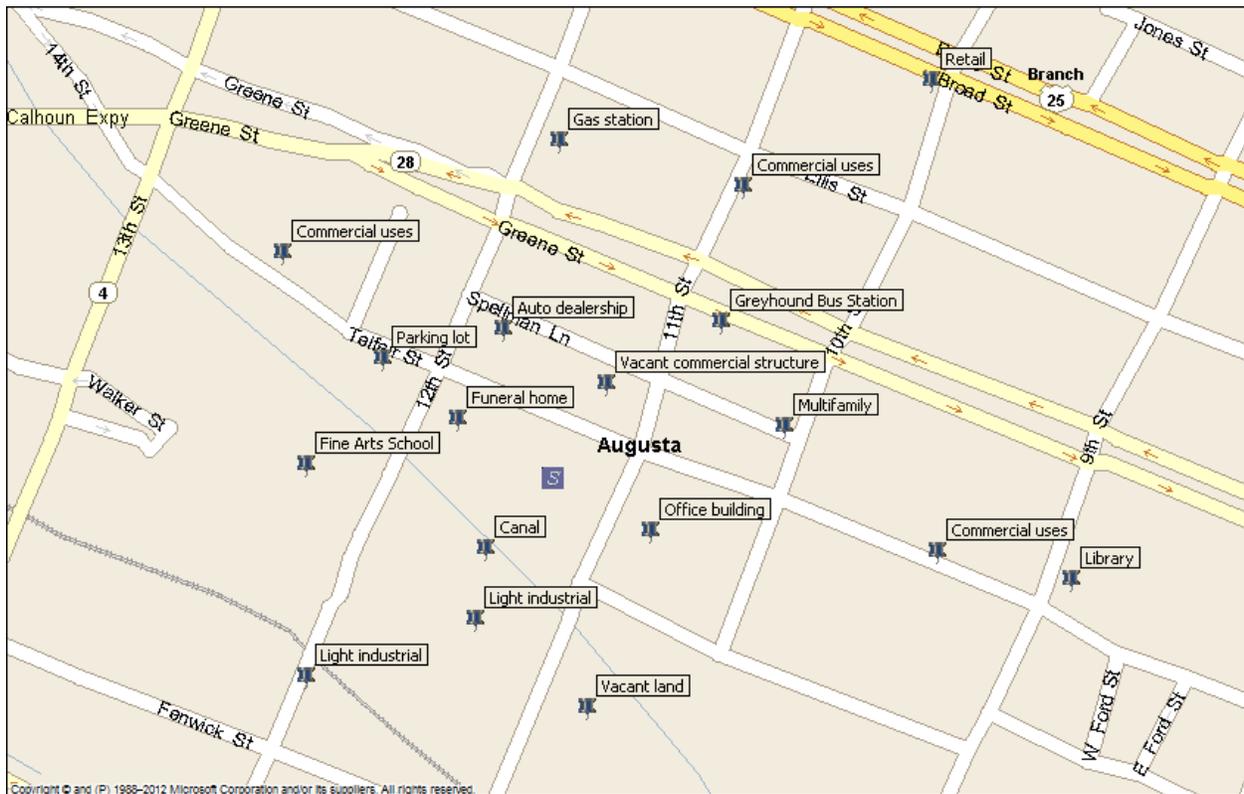
The Subject site has frontage along Telfair Street and 11<sup>th</sup> Street.

*Visibility/Views:*

The Subject is located on the southern side of Telfair Street and has views of auto-related retail, a funeral home, offices, a canal, a school, vacant commercial uses, and undeveloped land. The Subject's views are considered fair. Telfair Street is two blocks south of Greene Street, which is a major east-west thoroughfare through Augusta and experiences moderate traffic. Telfair Street is lined with commercial uses and office buildings and therefore the Subject will have good visibility due to the traffic that is generated by these uses.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



The Subject site is currently improved with a vacant school building that will be demolished in order to make way for

the Subject. The Subject's neighborhood is located within blocks of the Augusta riverwalk and is a very pedestrian-friendly community with a variety of locational amenities within walking distance of the site. Per walkscore.com, the Subject site ranks as 92 on a scale from one to 100 in terms of pedestrian access to restaurants, groceries, outdoor recreation areas, schools, and other uses. Uses in the Subject's neighborhood are typically older as this area is historic in nature. The majority of commercial uses are located along Broad Street to the north of the site and overall retail and commercial occupancy is estimated to be 80 percent.

*Positive/Negative Attributes of Site:* Negative attributes of the site include the vacant commercial buildings located in the neighborhood. However, the Subject site is located in a very pedestrian-friendly neighborhood and is walkable to various locational amenities including restaurants, retail, schools, and a library, among other uses.

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

The Subject is located in Augusta, GA on the 1100 block on Telfair St. in an older mixed-use neighborhood that includes Lucy Craft Laney High School, University Hospital, The Augusta-Richmond County Library, several places of worship and many small commercial uses. The local sheriff's office is located 1.6 miles away and the closest fire station is 0.4 miles away. All locational amenities are located within 2.0 miles of the Subject site with the exceptions of North Augusta Middle School, which is 3.5 miles away, and the Henry Brigham Senior Center, which is 5.9 miles away.

Overall, the Subject will be located close to many services near the center of Augusta and the community presents a good location for an affordable senior development. The Subject is projected to have a positive impact on the local neighborhood.

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



Subject site from east (Building to be demolished)



Subject site from north



Subject site main entrance (Building to be demolished)



Subject site from south



Subject site - Existing improvements in poor condition



Subject site sidewalk



Subject site main entrance



Subject site parking area



View south along 11<sup>th</sup> Street



View north along 11<sup>th</sup> Street



View west along Telfair Street



View east along Telfair Street



View north toward auto dealership



View north toward vacant commercial building



View east toward parking lot



View east toward office building



View south toward light industrial



Canal adjacent to south



Funeral home adjacent to west



Church to north



Multifamily to north



Retail to north



Greyhound bus station to north



Office building to east



Church to east



Library to east



Vacant commercial to east



Vacant land to south



Light industrial to south



Light industrial to south



Vacant commercial to south



John S. Davidson Fine Arts School to southwest



Parking lot to west



Auto repair facility to west



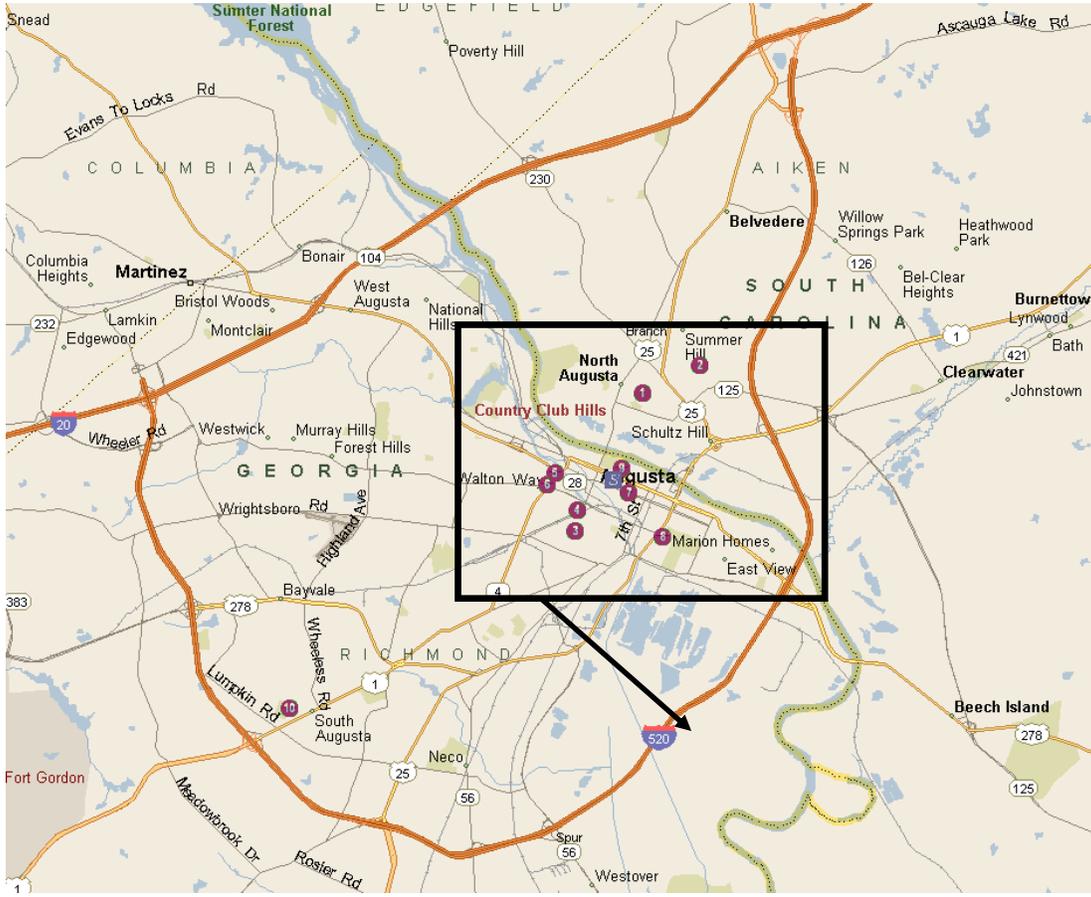
Gas station to northwest

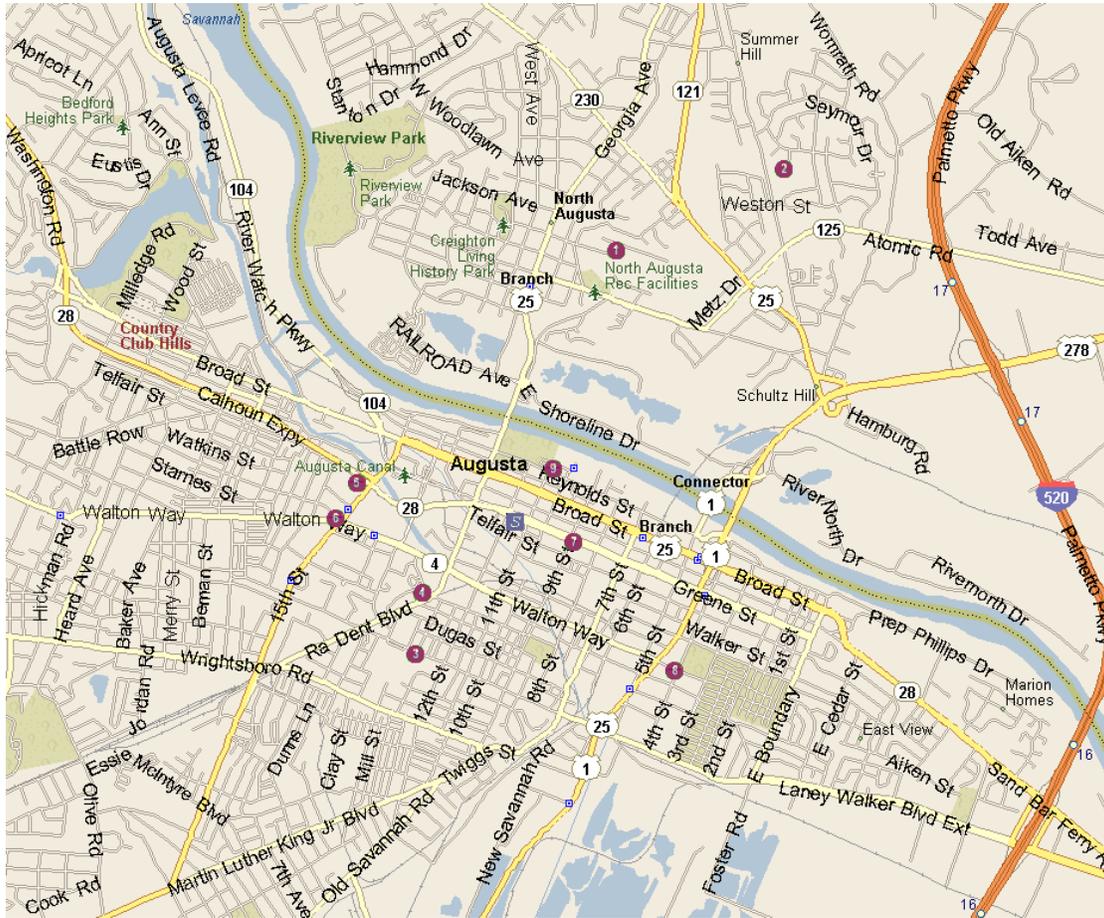


Retail to north

**5. Proximity to Locational Amenities:**

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





**LOCATIONAL AMENITIES**

Map #	Service/Amenity	Distance from Subject
1	North Augusta Elementary School	1.9 miles
2	North Augusta Middle School	3.5 miles
3	Lucy Craft Laney High School	0.9 miles
4	University Hospital	0.7 miles
5	Kroger Supermarket	0.8 miles
6	Rite Aid Pharmacy	1.1 miles
7	Augusta-Richmond County Library	0.3 miles
8	Richmond County Sheriff's Office	1.6 miles
9	Richmond County Fire Station	0.4 miles
10	Henry Brigham Senior Center	5.9 miles

**6. Description of Land Uses:**

Immediate surrounding uses of the Subject site include a canal to the south, a funeral home to the west, commercial uses to the north, and offices to the east. As new construction in an older neighborhood, the Subject will be an improvement to the area and will offer superior age/condition to the majority of uses in the neighborhood.

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

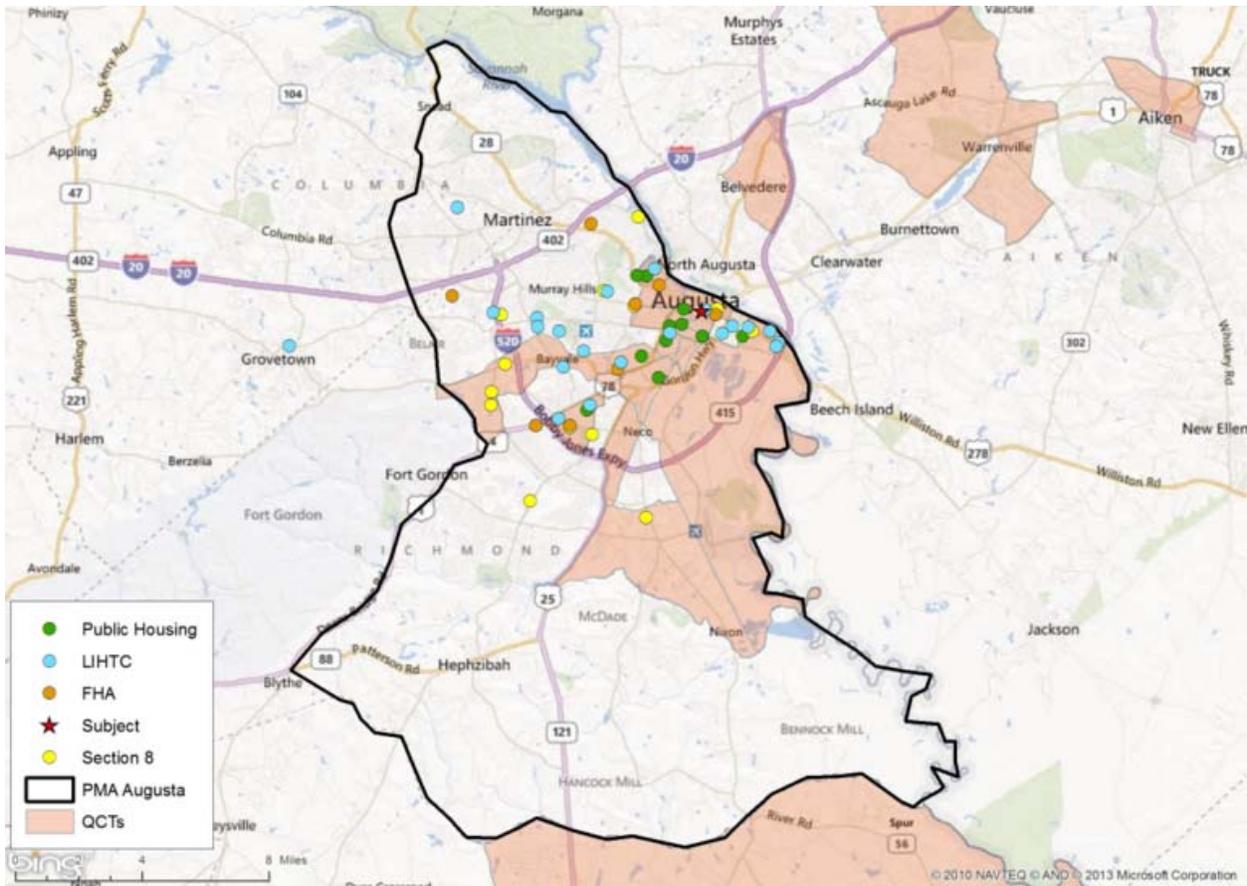
Multifamily uses within two miles of the Subject site offer a wide range of ages/conditions with market rate and subsidized properties that were built in the 1960s to new construction LIHTC properties that were built within the past five years. We have included the most comparable properties to the Subject in this report.

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

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

**SUBSIDIZED PROPERTIES IN PMA**

Property	City	Type	Tenancy	Map Color	Included/Excluded	Reason for Exclusion	
Dogwood Terrace	Augusta	Public Housing	Family	Green	Excluded	Tenancy not comparable and tenants pay 30% of income	
Ervin Towers	Augusta	Public Housing	Elderly and Disabled		Excluded	Tenants pay 30% of income	
Olmsted Homes	Augusta	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Gilbert Manor	Augusta	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Powell Apartments	Augusta	Public Housing	Elderly and Disabled		Excluded	Tenants pay 30% of income	
Peabody Apartments	Augusta	Public Housing	Elderly and Disabled		Excluded	Tenants pay 30% of income	
MM Scott	Augusta	Public Housing	Elderly and Disabled		Excluded	Tenancy not comparable and tenants pay 30% of income	
Cherry Tree Crossing	Augusta	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Oak Pointe	Augusta	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Allen Homes	Augusta	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Jennings Place	Augusta	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Overlook Apartments	Augusta	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Shadowood Apartments	Augusta	Section 8	Elderly		Yellow	Excluded	Tenants pay 30% of income
Bon Air Apartments	Augusta	Section 8	Senior			Excluded	Tenants pay 30% of income
Lynndale Group Homes	Augusta	Section 8	Disabled			Excluded	Tenancy not comparable and tenants pay 30% of income
Lynndale West Apartments	Augusta	Section 8	Disabled			Excluded	Tenancy not comparable and tenants pay 30% of income
Trinity Manor Apartments	Augusta	Section 8	Family			Excluded	Tenancy not comparable and tenants pay 30% of income
Independent Living Horizons I-V	Augusta	Section 8	Disabled			Excluded	Tenancy not comparable and tenants pay 30% of income
Independent Living Horizons VI	Augusta	Section 8	Elderly			Excluded	Tenants pay 30% of income
Augusta Manor	Augusta	Section 8	Elderly			Excluded	Tenants pay 30% of income
Ashton Richmond Summit	Augusta	Section 8	Elderly	Excluded		Tenants pay 30% of income	
Augusta Properties	Augusta	Section 8	Family	Excluded		Tenancy not comparable and tenants pay 30% of income	
Mount Zion	Augusta	Section 8	Family	Excluded		Tenancy not comparable and tenants pay 30% of income	
SG Noble Garden of Hope	Augusta	Section 8	Elderly	Excluded		Tenants pay 30% of income	
St Johns Towers	Augusta	Section 8	Elderly	Excluded		Tenants pay 30% of income	
Villa Marie Apartments	Augusta	Section 8	Family	Excluded		Tenancy not comparable and tenants pay 30% of income	
Richmond Villas	Hephzibah	Section 8	Family	Excluded		Tenancy not comparable and tenants pay 30% of income	
Center West Villas	Augusta	FHA	Family	Orange		Excluded	Tenancy not comparable
Unihealth Post-Acute Care Augu	Augusta	FHA	Nursing home			Excluded	Nursing home not comparable
Blair Huse	Augusta	FHA	Nursing home			Excluded	Nursing home not comparable
Villa Marie Apts	Augusta	FHA	Family			Excluded	Tenancy not comparable
Shadowood Apt	Augusta	FHA	Family			Excluded	Tenancy not comparable
Augusta Properties	Augusta	FHA	Family		Excluded	Tenancy not comparable	
The Parc At Flowing Wells	Augusta	FHA	Family		Excluded	Tenancy not comparable	
St John Towers	Augusta	FHA	Family		Excluded	Tenancy not comparable	
Cedarwood	Augusta	LIHTC	Family		Cyan	Excluded	Tenancy not comparable
Woodlake Club (Ika Stonegate Club Apartments)	Augusta	LIHTC	Family			Excluded	Tenancy not comparable
Forest Brook Apartments	Augusta	LIHTC	Family	Excluded		Tenancy not comparable	
Glenwood II	Augusta	LIHTC	Family	Excluded		Management unavailable	
Westwood Club	Augusta	LIHTC	Family	Excluded		Tenancy not comparable	
Maxwell House	Augusta	HOME/ShelterPlus Care/PBRA	Family	Excluded		Tenancy not comparable	
Wedgewood Park	Augusta	LIHTC	Family	Excluded		Tenancy not comparable	
Vineyards of Grovetown	Grovetown	LIHTC	Family	Excluded		Tenancy not comparable	
Magnolia Park	Augusta	LIHTC	Family	Excluded		Tenancy not comparable	
Governor Park Townhomes	Augusta	LIHTC	Family	Excluded		Tenancy not comparable	
Ridgewood Place	Augusta	LIHTC	Family	Excluded		Information not available	
Olde Towne Apartments	Augusta	LIHTC	Family	Excluded		Tenancy not comparable	
East Augusta Townhomes	Augusta	LIHTC	Family	Excluded		Tenancy not comparable	
405 Hale Street	Augusta	LIHTC	Family	Excluded		Information not available	
Linden Square	Augusta	LIHTC	Senior	Included		N/Ap	
Augusta Spring Apartments	Augusta	LIHTC	Senior	Included		N/Ap	
Terraces at Edinburgh	Augusta	LIHTC, PBRA, Market	Senior	Included		N/Ap	
Walton Oaks Family II	Augusta	LIHTC	Family	Excluded		Proposed and tenancy not comparable	
Underwood Homes Redevel I	Augusta	LIHTC	Family	Excluded		Tenancy not comparable	
Legacy at Walton Oaks (Underwood Senior)	Augusta	LIHTC	Senior	Included		N/Ap	
Crest at Edinburgh	Augusta	LIHTC	Family	Excluded	Tenancy not comparable		
Davidson Manor	Augusta	LIHTC	Senior	Blue	SUBJECT	SUBJECT	



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

We witnessed no infrastructure improvements in the Subject’s immediate neighborhood.

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

The Subject is located on Telfair Street and is two blocks south of Greene Street and two blocks east of 13<sup>th</sup> Street. Greene Street is a major east-west thoroughfare through Augusta and experiences moderate traffic. Similarly, 13<sup>th</sup> Street is a major north-south thoroughfare that experiences moderate traffic and provides access to Highway 25/Broad Street approximately 0.4 miles north of the Subject site. Telfair Street is lined with commercial uses and office buildings and therefore the Subject will have good visibility due to the traffic that is generated by these uses.

**11. Environmental Concerns:**

None visible upon site inspection.

**Detrimental Influences:**

There are no significant detrimental influences.

**12. Conclusion:**

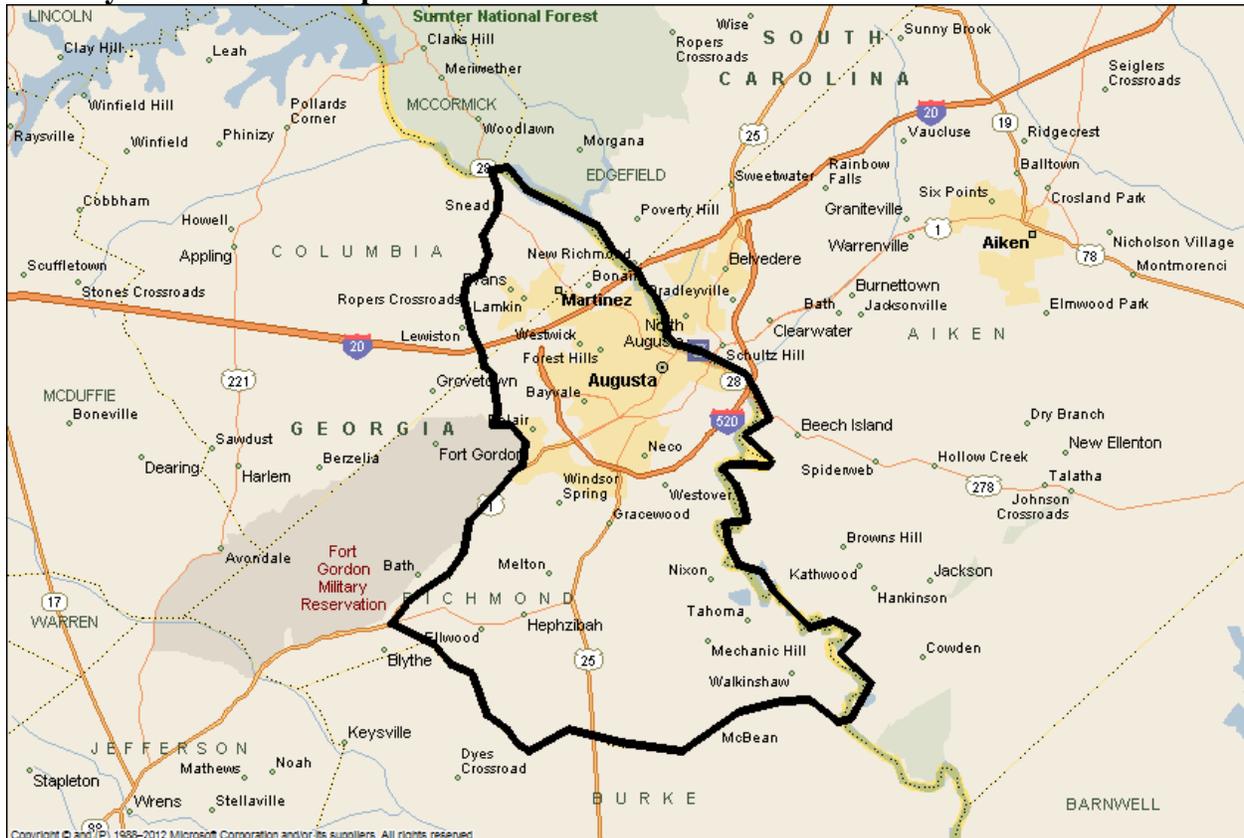
The Subject is located within blocks of the Augusta riverwalk and its neighborhood contains a variety of uses. The majority of uses in the Subject's neighborhood are older and therefore the Subject will be an improvement to the neighborhood as a new construction property. Retail is estimated to be 80 percent occupied. The Subject site will offer good visibility and curb appeal. Overall, the community presents a good location for an affordable, multifamily development and the Subject will have a positive impact on the local 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



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 Augusta-Richmond County, GA MSA are areas of growth or contraction.

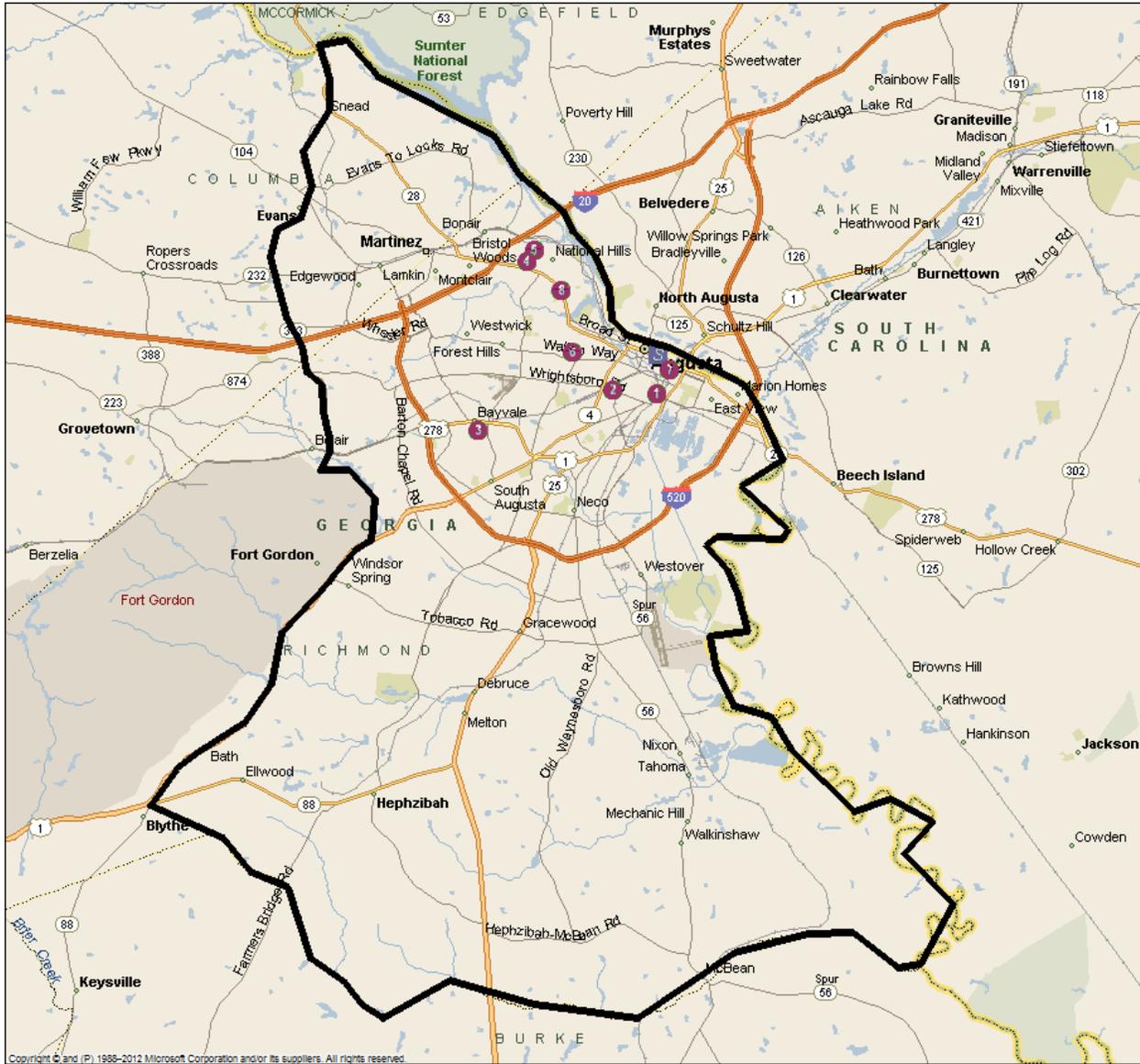
The boundaries of the PMA are as follows:

- North – Georgia-South Carolina state line
- South – Richmond-Burke county line
- East – Georgia-South Carolina state line
- West – Fort Gordon Military Reservation; Highway 1; Highway 383

The PMA includes Augusta and portions of Martinez and Hephzibah. The area was defined based on interviews with the local housing authority, property managers at comparable

properties, and boundaries such as state lines and highways. Many property managers indicated that a significant portion of their tenants come from out of the PMA and out of state. We would account for leakage from outside the PMA; however, per GA DCA 2013 market study guidelines, GA DCA does not take into account demand from outside of the PMA.

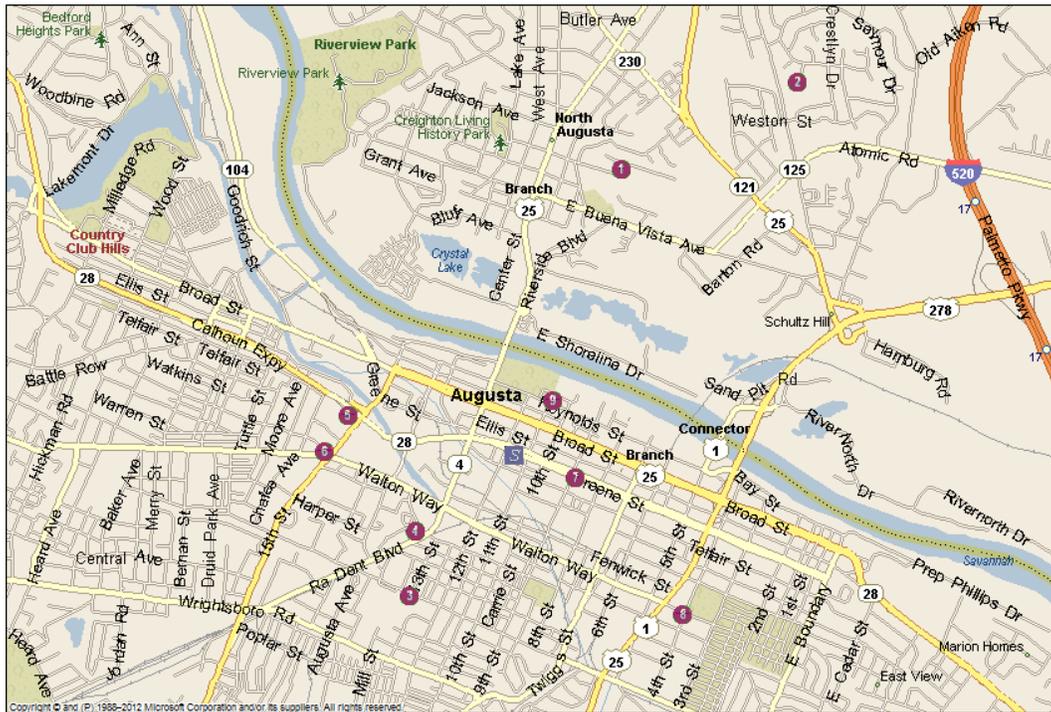
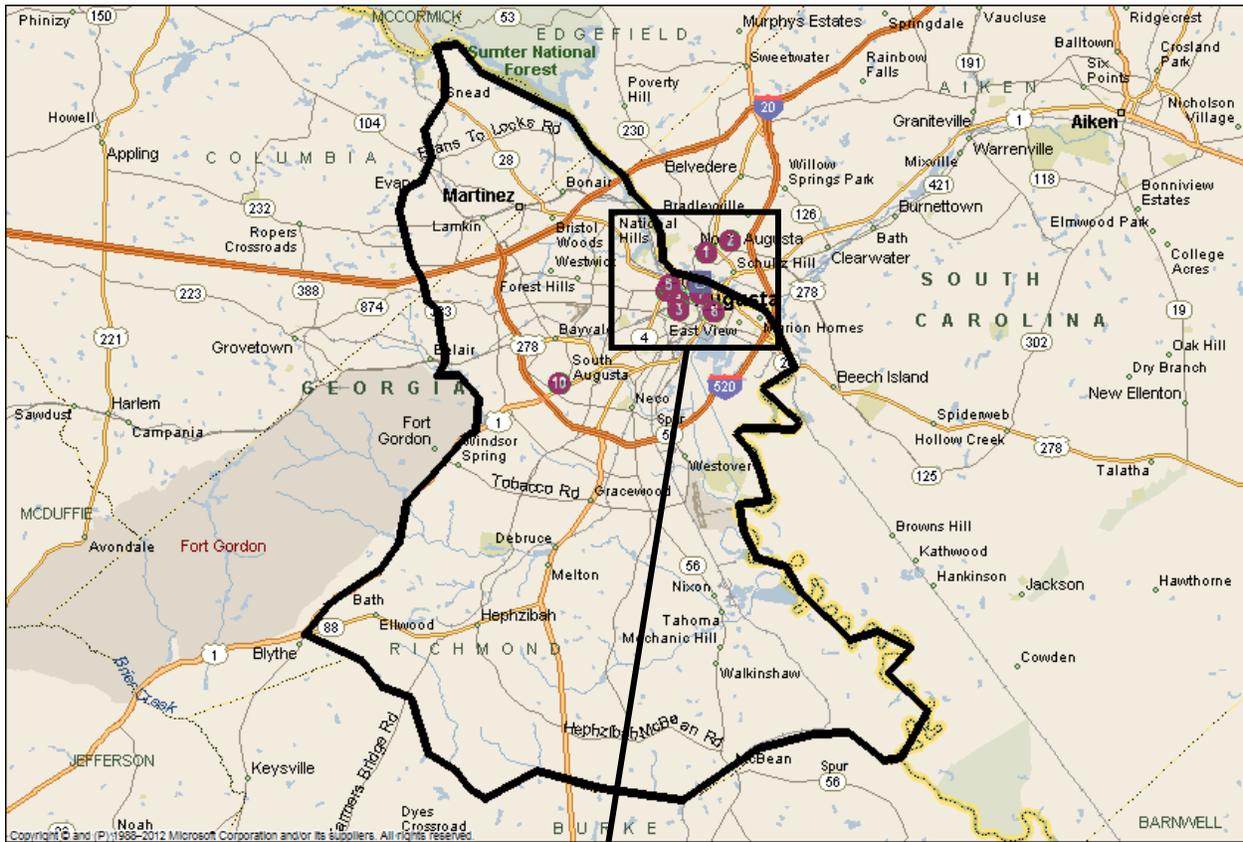
**Primary Market Area Map – Comparable Properties**



**COMPARABLE PROPERTIES**

#	Property Name	City	Type	Tenancy	Distance
1	Legacy At Walton Oaks	Augusta	@50% (ACC), @60%, PBRA	Senior	1.3 miles
2	Linden Square	Augusta	@50%, @60%, Market	Senior	1.7 miles
3	Terraces At Edinburgh	Augusta	@50%, @60%	Senior	7.1 miles
4	Century Glen Apartments	Augusta	Market	Family	5.0 miles
5	Century Hills	Augusta	Market	Family	5.0 miles
6	Oak Hill Apartments	Augusta	Market	Family	2.6 miles
7	River Ridge	Augusta	Market	Family	0.6 miles
8	The Greens On Washington	Augusta	Market	Family	3.4 miles

Primary Market Area Map – Locational Amenities



**LOCATIONAL AMENITIES**

<b>Map #</b>	<b>Service/Amenity</b>	<b>Distance from Subject</b>
1	North Augusta Elementary School	1.9 miles
2	North Augusta Middle School	3.5 miles
3	Lucy Craft Laney High School	0.9 miles
4	University Hospital	0.7 miles
5	Kroger Supermarket	0.8 miles
6	Rite Aid Pharmacy	1.1 miles
7	Augusta-Richmond County Library	0.3 miles
8	Richmond County Sheriff's Office	1.6 miles
9	Richmond County Fire Station	0.4 miles
10	Henry Brigham Senior Center	5.9 miles

## **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 Augusta-Richmond County, GA-SC MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

### 1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly (only show this for HFOP/elderly) within population in MSA, the PMA and nationally from 2000 through 2017.

TOTAL POPULATION						
Year	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	210,606	-	435,702	-	248,709,873	-
2000	228,327	0.8%	499,675	1.5%	281,421,906	1.3%
2012	239,056	0.4%	572,248	1.2%	313,129,017	0.9%
Projected Mkt Entry July 2015	244,964	0.8%	590,925	1.1%	319,643,343	0.7%
2017	248,902	0.8%	603,376	1.1%	323,986,227	0.7%

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

TOTAL SENIOR POPULATION (55+)						
Year	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	37,071	-	79,018	-	52,389,754	-
2000	43,647	1.8%	97,310	2.3%	59,266,437	1.3%
2012	59,570	3.0%	147,336	4.2%	80,980,372	3.0%
Projected Mkt Entry July 2015	64,438	2.7%	160,144	2.9%	86,780,928	2.4%
2017	67,683	2.7%	168,682	2.9%	90,647,966	2.4%

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

## POPULATION BY AGE GROUP

Age Cohort	PMA				
	1990	2000	2012	Projected Mkt Entry	2017
0-4	17,292	16,131	16,890	17,267	17,518
5-9	16,887	17,811	16,259	16,597	16,822
10-14	15,852	18,147	15,782	16,240	16,545
15-19	15,482	17,427	16,752	16,684	16,639
20-24	15,923	15,881	18,249	17,790	17,484
25-29	19,122	16,499	18,181	18,674	19,002
30-34	19,214	15,551	15,799	16,197	16,462
35-39	17,634	17,639	13,655	14,388	14,877
40-44	15,234	18,328	14,378	13,894	13,571
45-49	11,680	16,905	15,960	15,641	15,429
50-54	9,214	14,363	17,582	17,156	16,872
55-59	8,666	10,653	16,340	17,081	17,575
60-64	8,085	8,316	13,629	14,509	15,095
65-69	7,254	7,336	9,945	11,440	12,436
70-74	5,273	6,406	7,034	8,095	8,803
75-79	3,696	5,097	5,328	5,789	6,097
80-84	2,302	3,239	3,710	3,746	3,770
85+	1,795	2,600	3,584	3,778	3,907
<b>Total</b>	<b>210,605</b>	<b>228,329</b>	<b>239,057</b>	<b>244,965</b>	<b>248,904</b>

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

## NUMBER OF ELDERLY AND NON-ELDERLY

Year	PMA			Augusta-Richmond County, GA-SC MSA		
	Total Population	Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
1990	210,605	173,534	37,071	435,701	356,683	79,018
2000	228,329	184,682	43,647	499,673	402,363	97,310
2012	239,057	179,487	59,570	572,248	424,912	147,336
Projected Mkt Entry July 2015	244,965	180,527	64,438	590,925	430,781	160,144
2017	248,904	181,221	67,683	603,376	434,694	168,682

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

As can be seen in the above charts, the population of elderly residents in the MSA has experienced moderate growth in the past decade and is expected to continue growing into 2017. Growth in senior populations in the MSA was 2.7 percent in 2012, which is slightly below the national average of 3.0 percent but outpaces total population growth in the MSA. Seniors 55+ are expected to comprise 27.1 percent of the MSA population by the projected market entry date.

## 2. Household Trends

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

#### TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Augusta-Richmond County, GA-SC MSA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	77,980	-	156,127	-
2000	87,092	1.2%	186,249	1.9%
2012	93,574	0.6%	216,849	1.3%
Projected Mkt Entry July 2015	96,605	1.1%	225,475	1.3%
2017	98,625	1.1%	231,226	1.3%

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

#### TOTAL NUMBER OF SENIOR HOUSEHOLDS (55+)

Year	PMA		Augusta-Richmond County, GA-SC MSA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	-	-	-	-
2000	28,223	-	62,084	-
2012	38,322	2.9%	92,463	4.0%
Projected Mkt Entry	41,592	2.8%	110,954	6.7%
2017	43,773	2.8%	123,282	6.7%

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

#### AVERAGE HOUSEHOLD SIZE

Year	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.55	-	2.59	-	2.58	-
2012	2.51	-0.1%	2.56	-0.1%	2.58	0.0%
Projected Mkt Entry July 2015	2.49	-0.2%	2.54	-0.2%	2.58	0.0%
2017	2.48	-0.2%	2.53	-0.2%	2.58	0.0%

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

Similar to population trends, total household growth in the PMA is projected to increase at a rate below that of the MSA. Both of these numbers are higher than the national average of 0.7 percent, however. As seen in the population trends, senior household growth in the PMA and MSA will increase at a rate greater than the general population over the next three years. Average household size is projected to decline slightly in the PMA with a nominal annual change of -0.2 percent annually. Average household size in the MSA is expected to decrease at a rate similar to the PMA, while the nation is projected to remain stable through 2017.

## 2b. Households by Tenure

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

<b>PMA TENURE PATTERNS OF SENIORS 55+</b>				
<b>Year</b>	<b>Owner-Occupied</b>	<b>Percentage</b>	<b>Renter-Occupied</b>	<b>Percentage</b>
	<b>Units</b>	<b>Owner-Occupied</b>	<b>Units</b>	<b>Renter-Occupied</b>
2000	21,474	76.1%	6,749	23.9%
2012	28,772	75.1%	9,549	24.9%
Projected Mkt Entry				
July 2015	31,277	75.19%	10,315	24.81%
2017	32,947	75.3%	10,826	24.7%

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

Owner-occupied housing dominates the housing market in the PMA for residents 55 and older and is projected to stand at 75.2 percent at the time of market entry. However, this number is smaller than the national average, which is projected to stand at 80.1 percent at the time of market entry. This difference is significant, as it means renter occupied units for seniors in the PMA are 24.6 percent more prevalent in the PMA than for the nation at large. This rate is expected to remain fairly stable through 2017.

## 2c. Households by Income

The following table illustrates the number of households by income cohort in 2012, 2015, and 2017.

<b>Income Cohort</b>	<b>HOUSEHOLD INCOME DISTRIBUTION - PMA (AGE 55+)</b>					
	<b>2012</b>		<b>Projected Mkt Entry July 2015</b>		<b>2017</b>	
	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>
\$0-9,999	3,797	9.9%	3,932	9.5%	4,022	9.2%
\$10,000-19,999	6,086	15.9%	6,194	14.9%	6,265	14.3%
\$20,000-29,999	4,565	11.9%	4,858	11.7%	5,053	11.5%
\$30,000-39,999	4,047	10.6%	4,296	10.3%	4,462	10.2%
\$40,000-49,999	3,719	9.7%	3,902	9.4%	4,024	9.2%
\$50,000-59,999	2,881	7.5%	3,231	7.8%	3,464	7.9%
\$60,000-74,999	3,601	9.4%	3,940	9.5%	4,166	9.5%
\$75,000-99,999	3,858	10.1%	4,381	10.5%	4,729	10.8%
\$100,000-124,999	2,247	5.9%	2,628	6.3%	2,882	6.6%
\$125,000-149,999	1,010	2.6%	1,253	3.0%	1,415	3.2%
\$150,000-199,999	1,124	2.9%	1,294	3.1%	1,407	3.2%
\$200,000+	1,385	3.6%	1,684	4.0%	1,883	4.3%
<b>Total</b>	<b>38,322</b>	<b>100.0%</b>	<b>41,592</b>	<b>100.0%</b>	<b>43,773</b>	<b>100.0%</b>

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

An estimated 39.2 percent of senior households in the PMA are projected to earn between \$20,000 and \$59,999 per year at the time of market entry, a number expected to decline to 38.8 percent by 2017. As the Demand Analysis will later demonstrate, there is adequate income-qualified demand for the Subject in the PMA.

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

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

### RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

	2012		Projected Mkt Entry July 2015		2017	
	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	14,412	36.3%	14,900	36.7%	15,224	36.9%
With 2 Persons	10,197	25.7%	10,392	25.6%	10,523	25.5%
With 3 Persons	6,599	16.6%	6,734	16.6%	6,824	16.5%
With 4 Persons	4,495	11.3%	4,544	11.2%	4,577	11.1%
With 5+ Persons	4,040	10.2%	4,081	10.0%	4,109	10.0%
<b>Total Renter Households</b>	<b>39,743</b>	<b>100.0%</b>	<b>40,651</b>	<b>100.0%</b>	<b>41,257</b>	<b>100.0%</b>

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

At the time of market entry, 62.3 percent of renter households in the PMA are projected to consist of one or two people, which bodes well for the Subject's one and two-bedroom units.

### 2e and f. Elderly and HFOP

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

### CONCLUSION

The Subject is located in Augusta, Richmond County, GA. In 2012, the population in the PMA was 239,057 and is projected to increase to 248,904 in 2017, at an annual rate of 0.8 percent. While this rate of growth is not profound, it is important to note that it slightly outpaces the projected population growth nationally, which is 0.7 percent. This increase can be partially attributed to the heavy reliance on healthcare-related employment in the PMA.

A minority of senior households in the PMA (25 percent) are renter-occupied, a number expected to remain stable into 2017. However, this is greater than the national average senior renter percentage. Approximately 12 percent of households on the PMA have annual earnings between \$20,000 and \$29,999. The Subject will target households earning from \$23,040 to \$27,300. Persons within these income cohorts are expected to create demand for the Subject.

## **F. EMPLOYMENT TRENDS**

## Employment Trends

Total employment in the MSA has been on an upward trend since at least 1990 and currently sits at 572,248 as of March 2013. Employment seems to have begun recovering and is currently trending upward year to date, but overall employment in the MSA is still slightly lower than it was in 2008. This discrepancy is less than one percent, however, if the upward trend continues the MSA should see employment levels above pre-recession levels in the near future.

Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 9.2 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of December 2012, the unemployment rate was above the unemployment rate of the US, but the rate of recovery currently outpaces the national average slightly.

### 1. Total Jobs

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

#### COVERED EMPLOYMENT

Richmond County		
Year	Total Employment	% Change
2002	103,407	-
2003	104,085	0.65%
2004	104,392	0.29%
2005	105,357	0.92%
2006	103,938	-1.37%
2007	102,241	-1.66%
2008	101,082	-1.15%
2009	98,601	-2.52%
2010	97,612	-1.01%
2011	98,589	0.99%
2012 YTD Average*	97,997	-0.60%
Sep-11	97,723	-
Sep-12	98,300	0.59%

Source: U.S. Bureau of Labor Statistics

\*YTD as of Sept 12

The county experienced a period of total employment contractions between 2006 and 2010, which is consistent with national trends due to the recession. Total employment began to increase again in 2011 and according to year-over-year data, total employment has grown by less than one percent in the county. Therefore, it appears that the economic recovery has yet to take hold in the Augusta MSA.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the county as of third quarter 2012 (most recent data available).

<b>SEPT 2012 EMPLOYMENT JOBS BY INDUSTRY</b>		
<b>Richmond County</b>		
<b>Industry</b>	<b>Number Employed</b>	<b>Percent Employed</b>
Trade,Transportation, and Utilities	13,896	18.99%
Leisure and Hospitality	10,235	13.99%
Education and Health Services	17,576	24.02%
Professional and Business Services	11,791	16.11%
Construction	4,619	6.31%
Manufacturing	7,494	10.24%
Other Services	2,440	3.33%
Financial Activities	3,043	4.16%
Unclassified	151	0.21%
Natural Resources and Mining	315	0.43%
Information	1,609	2.20%
Public Administration*	-	0.00%
<b>Total Employment</b>	<b>73,169</b>	<b>100.00%</b>

\*Monthly data is not available

Source: U.S. Bureau of Labor Statistics 2012. Covered Employment

Trade, Transportation, and Utilities employs the largest number of workers in the PMA followed by leisure and hospitality and education and health services. Of these, leisure and hospitality is considered a somewhat volatile industry as it relies on tourism. In contrast, education and healthcare are considered stable industries.

2012 EMPLOYMENT BY INDUSTRY				
Occupation	MSA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	2,196	0.92%	1,790,318	1.32%
Mining	765	0.32%	723,991	0.53%
Construction	16,453	6.90%	8,872,843	6.52%
Manufacturing	23,641	9.92%	13,047,475	9.59%
Wholesale Trade	5,124	2.15%	4,407,788	3.24%
Retail Trade	27,125	11.38%	15,464,986	11.37%
Transportation/Warehousing	7,079	2.97%	5,487,029	4.03%
Utilities	10,050	4.22%	1,115,793	0.82%
Information	3,758	1.58%	3,158,778	2.32%
Finance/Insurance	6,465	2.71%	6,883,526	5.06%
Real Estate/Rental/Leasing	4,118	1.73%	2,825,263	2.08%
Prof/Scientific/Tech Services	9,926	4.16%	8,520,310	6.26%
Mgmt of Companies/Enterprises	339	0.14%	202,384	0.15%
Admin/Support/Waste Mgmt Svcs	10,754	4.51%	5,114,479	3.76%
Educational Services	26,041	10.92%	14,168,096	10.42%
Health Care/Social Assistance	41,481	17.40%	18,891,157	13.89%
Arts/Entertainment/Recreation	4,169	1.75%	2,628,374	1.93%
Accommodation/Food Services	15,535	6.52%	9,114,767	6.70%
Other Services (excl Publ Adm)	10,548	4.42%	6,679,783	4.91%
Public Administration	12,825	5.38%	6,916,821	5.09%
<b>Total Employment</b>	<b>238,392</b>	<b>100.0%</b>	<b>136,013,961</b>	<b>100.0%</b>

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

\*Industry data current as of 2012. Other projections current as of 2012.

The largest industries in the MSA are Health Care/Social Assistance, Retail Trade and Educational Services. Together these three industries comprise 39.7 percent of employment in the PMA. Health Care/Social Assistance and Utilities are overrepresented in the PMA when compared to the nation, while Finance/Insurance, Transportation/Warehousing and Prof/Scientific/Tech Services are underrepresented in the PMA when compared to the nation.

### 3. Major Employers

The reliance of the Augusta economic base on Healthcare and related services is indicated by the following list of the Augusta metro area's ten largest employers.

#	Firm/Institution	Industry
1	Medical College of Georgia	Education
2	University Hospital	Healthcare
3	MCG Health, Inc.	Healthcare
4	Gracewood State School and Hospital	Healthcare
5	Doctors Hospital of Augusta, LLC	Healthcare
6	Sitel Corporation	Business Services
7	Wal-Mart	Retail
8	International Paper Company	Manufacturing
9	Shivers Trading and Operating Co.	Publishing
10	Trinity Hospital of Augusta	Healthcare

Source: Augusta Metro Chamber of Commerce, 2013

Six of the top 10 employers in the MSA are in the Healthcare or Healthcare Services industry if the Medical College of Georgia is included. Higher income workers in these industries enhance the quality of the community as a whole. The manufacturing industry also has a heavy presence in the area, accounting for nearly 10 percent of the area's total employment. Although the heavy reliance on Health Care is currently a boon for the region, it also leaves the area exposed to economic fallout should the industry as a whole experience a downturn.

*Expansions/Contractions*

Despite the current recession, the Augusta Metro Chamber of Commerce reported that there are two new manufacturing plants being built in the area. Starbucks Coffee Company is currently building a processing facility in Augusta which will begin operations in 2014 and will employ approximately 150 people. Rockwood Color Pigment and Services, which makes coloring agents for concretes and plastics, will also be opening a new facility in 2013, which will employ approximately 100 people. These facts and figures were confirmed with news reports.

While these announced projects are notable, they do not reflect actual jobs added to the market recently. Additionally, the figures do not take into consideration closures and redundancies at other companies in the greater Augusta area.

In November of 2012, Proctor and Gamble laid off 160 employees at its Augusta facility. International Paper laid off 75 employees at its Augusta facility in January 2013, and Comcast will lay off 79 employees in Augusta in May 2013. These facts and figures were all reported by the Augusta Chronicle newspaper.

These reports in total account for a net loss of 69 employees in the Augusta area, but they do not encompass or speak to larger overall trends.

#### 4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Augusta-Richmond County, GA-SC MSA from 2002 to 2013 (through March).

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

Year	Augusta-Richmond County, GA-SC MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	225,737	-	5.0%	-	136,485,000	-	5.8%	-
2003	230,446	2.1%	5.0%	0.0%	137,736,000	0.9%	6.0%	0.2%
2004	236,638	2.7%	5.4%	0.4%	139,252,000	1.1%	5.5%	-0.5%
2005	238,272	0.7%	6.0%	0.6%	141,730,000	1.8%	5.1%	-0.4%
2006	239,079	0.3%	5.9%	-0.1%	144,427,000	1.9%	4.6%	-0.5%
2007	242,838	1.6%	5.5%	-0.4%	146,047,000	1.1%	4.6%	0.0%
2008	242,358	-0.2%	6.3%	0.8%	145,362,000	-0.5%	5.8%	1.2%
2009	235,741	-2.7%	9.2%	2.9%	139,877,000	-3.8%	9.3%	3.5%
2010	235,174	-0.2%	9.2%	0.0%	139,064,000	-0.6%	9.6%	0.3%
2011	241,022	2.5%	9.1%	-0.1%	139,869,000	0.6%	8.9%	-0.7%
2012	240,699	-0.1%	8.8%	-0.3%	142,469,000	1.9%	8.1%	-0.8%
2013 YTD Average*	241,451	0.3%	9.3%	0.5%	142,180,000	-0.2%	8.1%	0.0%
Mar-2012	242,037	-	8.5%	-	141,412,000	-	8.4%	-
Mar-2013	241,722	-0.1%	8.0%	-0.5%	142,698,000	0.9%	7.6%	-0.8%

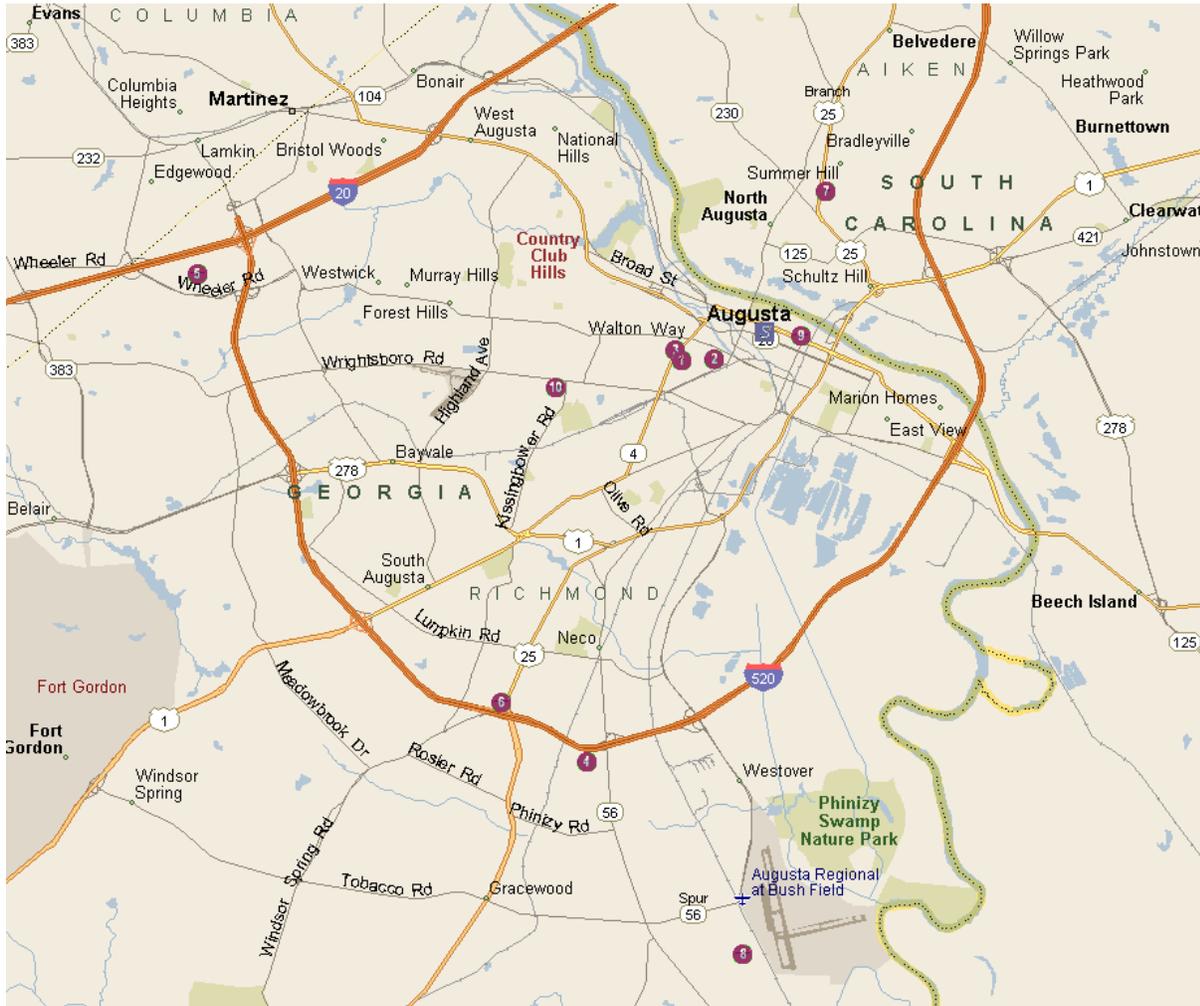
Source: U.S. Bureau of Labor Statistics December 2012

\*2013 data is through Mar

The Augusta-Richmond County, GA-SC MSA experienced moderate employment growth prior to the advent of the recession in 2008. From 2008 through 2010 the MSA experienced total employment declines, which negated the growth experienced in the previous four years. Since 2011 the MSA has begun to once again add to its total employment numbers however, total employment in the MSA is slightly below the 2008 level. Additionally, although unemployment has historically been equivalent to or above national levels, the 2008 figures indicate that the region was not impacted as heavily by the recession as the rest of the nation. The unemployment rate for the MSA was outpaced by the national average. The MSA continues to experience the effects of the recession, however, with the rate of reemployment lagging sluggishly behind the nation as a whole. While there has been some degree of recovery in the past few years, as of March 2013 the MSA unemployment rate is still 0.4 percent higher than the national average.

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

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



#	Firm/Institution	Industry
1	Medical College of Georgia	Education
2	University Hospital	Healthcare
3	MCG Health, Inc.	Healthcare
4	Gracewood State School and Hospital	Healthcare
5	Doctors Hospital of Augusta, LLC	Healthcare
6	Sitel Corporation	Business Services
7	Wal-Mart	Retail
8	International Paper Company	Manufacturing
9	Shivers Trading and Operating Co.	Publishing
10	Trinity Hospital of Augusta	Healthcare

### **Conclusion**

Total employment in the MSA has been on an upward trend since at least 1990 and currently sits at 572,248 as of March 2013. Employment seems to have begun recovering and is currently trending upward year to date, but overall employment in the MSA is still slightly lower than it was in 2008. This discrepancy is less than one percent, however, if the upward trend continues the MSA should see employment levels above pre-recession levels in the near future.

Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 9.2 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of December 2012, the unemployment rate was above the unemployment rate of the US, but the rate of recovery currently outpaces the national average slightly.

# **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, 2012 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 have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2011 and 2012.
- Vacancies in projects placed in service prior to 2011 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market in 2011 or 2012. As the following discussion

will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development.

There have been no senior LIHTC allocations in the PMA since 2010. Underwood Homes Redevelopment I (also known as Legacy at Walton Oaks or Walton Oaks I), was allocated in 2010 and is currently 96 percent occupied with a waiting list for the subsidized units. We have used this property as a comparable in this report. Because this property was allocated in 2010 and has stabilized, we have not deducted its units from the Demand Analysis.

### PMA OCCUPANCY

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

#### PMA OCCUPANCY

Property Name	Rent Structure	Tenancy	Total Units	Occupancy Rate
Legacy At Walton Oaks	@50% (ACC), @60%, PBRA	Senior	75	96%
Linden Square	@50%, @60%, Market	Senior	48	100%
Terraces At Edinburgh	@50%, @60%	Senior	72	100%
Century Glen Apartments	Market	Family	216	97%
Century Hills	Market	Family	200	99%
Oak Hill Apartments	Market	Family	120	96%
River Ridge*	Market	Family	104	62%
The Greens On Washington	Market	Family	456	92%
<b>Overall Vacancy</b>			<b>1,291</b>	<b>93%</b>
<b>Overall Vacancy (LIHTC)</b>			<b>195</b>	<b>98%</b>
<b>Overall Vacancy (Market Rate)</b>			<b>1,096</b>	<b>92%</b>

\*Re-leasing post renovations

The overall occupancy rate at the comparable properties is stable at 93 percent.

### 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					
Davidson Manor					
PMA					
	2012		Projected Mkt Entry July 2015		Percent Growth
	#	%	#	%	
\$0-9,999	1,983	20.8%	2,055	19.9%	3.5%
\$10,000-19,999	2,021	21.2%	2,091	20.3%	3.3%
\$20,000-29,999	1,332	13.9%	1,425	13.8%	6.5%
\$30,000-39,999	850	8.9%	941	9.1%	9.6%
\$40,000-49,999	712	7.5%	753	7.3%	5.4%
\$50,000-59,999	605	6.3%	661	6.4%	8.4%
\$60,000-74,999	554	5.8%	614	6.0%	9.9%
\$75,000-99,999	636	6.7%	719	7.0%	11.5%
\$100,000-124,999	338	3.5%	409	4.0%	17.4%
\$125,000-149,999	162	1.7%	207	2.0%	22.1%
\$150,000-199,999	141	1.5%	174	1.7%	18.8%
\$200,000+	215	2.3%	267	2.6%	19.3%
Total	9,549	100.0%	10,315	100.0%	7.4%

Renter Household Income Distribution Projected Market Entry July 2015			
Davidson Manor			
	PMA		
	Projected Mkt Entry July 2015		Change 2012 to Prj Mrkt Entry July 2015
	#	%	
\$0-9,999	2,055	19.9%	153
\$10,000-19,999	2,091	20.3%	155
\$20,000-29,999	1,425	13.8%	106
\$30,000-39,999	941	9.1%	70
\$40,000-49,999	753	7.3%	56
\$50,000-59,999	661	6.4%	49
\$60,000-74,999	614	6.0%	46
\$75,000-99,999	719	7.0%	53
\$100,000-124,999	409	4.0%	30
\$125,000-149,999	207	2.0%	15
\$150,000-199,999	174	1.7%	13
\$200,000+	267	2.6%	20
Total	10,315	100.0%	766

Tenure Prj Mrkt Entry July 2015	
Renter	24.8%
Owner	75.2%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2015		
Size	Number	Percentage
1 Person	6,066	58.8%
2 Person	2,245	21.8%
3 Person	825	8.0%
4 Person	563	5.5%
5+ Person	617	6.0%
Total	10,315	100.0%

Renter Household Size for 2012		
Size	Number	Percentage
1 Person	14,998	39.1%
2 Person	15,197	39.7%
3 Person	4,652	12.1%
4 Person	1,890	4.9%
5+ Person	1,585	4.1%
Total	38,322	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$19,200		
Maximum Income Limit			\$22,750		
Income Category	New Renter Households - Total Change in Households PMA 2012 to Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	152.63			
\$10,000-19,999	155.29	20.3%	799	8.0%	12
\$20,000-29,999	105.82	13.8%	2,750	27.5%	29
\$30,000-39,999	69.86	9.1%		0.0%	0
\$40,000-49,999	55.90	7.3%		0.0%	0
\$50,000-59,999	49.08	6.4%		0.0%	0
\$60,000-74,999	45.61	6.0%		0.0%	0
\$75,000-99,999	53.36	7.0%		0.0%	0
\$100,000-124,999	30.35	4.0%		0.0%	0
\$125,000-149,999	15.40	2.0%		0.0%	0
\$150,000-199,999	12.90	1.7%		0.0%	0
\$200,000+	19.80	2.6%		0.0%	0
	766	100.0%			42
Percent of renter households within limits versus total number of renter households					5.42%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$19,200		
Maximum Income Limit			\$22,750		
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	2,055			
\$10,000-19,999	2,091	20.3%	\$799	8%	167
\$20,000-29,999	1,425	13.8%	\$2,750	28%	392
\$30,000-39,999	941	9.1%	\$0	0%	0
\$40,000-49,999	753	7.3%	\$0	0%	0
\$50,000-59,999	661	6.4%	\$0	0%	0
\$60,000-74,999	614	6.0%	\$0	0%	0
\$75,000-99,999	719	7.0%	\$0	0%	0
\$100,000-124,999	409	4.0%	\$0	0%	0
\$125,000-149,999	207	2.0%	\$0	0%	0
\$150,000-199,999	174	1.7%	\$0	0%	0
\$200,000+	267	2.6%	\$0	0%	0
	10,315	100.0%			559
Percent of renter households within limits versus total number of renter households					5.42%

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 Prj 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
Senior
Urban
40%
\$39,495
\$44,894
\$5,399
13.7%
2.3%
2.3%
Two year adjustment
1.0000
\$22,750
\$22,750
2
50%
\$640
\$640.00

Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	70%	30%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	70%	30%	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		766
Percent Income Qualified		5.4%
New Renter Income Qualified Households		42

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		10,315
Income Qualified		5.4%
Income Qualified Renter Households		559
Percent Rent Overburdened Prj Mrkt Entry July 2015		40.0%
Rent Overburdened Households		224

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		559
Percent Living in Substandard Housing		0.6%
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		31277
Rural Versus Urban	0.0%	
Senior Demand Converting from Homeownership		4

Total Demand

Total Demand from Existing Households		231
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		231
Total New Demand		42
Total Demand (New Plus Existing Households)		272

Demand from Seniors Who Convert from Homeownership		4
Percent of Total Demand From Homeownership Conversion		1.5%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	58.8%	160
Two Persons	21.8%	59
Three Persons	8.0%	22
Four Persons	5.5%	15
Five Persons	6.0%	16
Total	100.0%	272

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	70%	112
Of two-person households in 1BR units	20%	12
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	30%	48
Of two-person households in 2BR units	80%	47
Of three-person households in 2BR units	70%	15
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	30%	7
Of four-person households in 3BR units	80%	12
Of five-person households in 3BR units	70%	11
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%	3
Of five-person households in 4BR units	30%	5
Total Demand		272
Total Demand by Bedroom		50%
1 BR		124
2 BR		95
Total Demand		219
Additions To Supply 2012 to Prj Mrkt Entry July 2015		50%
1 BR		0
2 BR		0
Total		0
Net Demand		50%
1 BR		124
2 BR		95
Total		219
Developer's Unit Mix		50%
1 BR		3
2 BR		5
Total		8
Capture Rate Analysis		50%
1 BR		2.4%
2 BR		5.2%
Total		3.7%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$23,040		
Maximum Income Limit			\$27,300		
Income Category	New Renter Households - Total Change in Households PMA 2012 to Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	152.63			
\$10,000-19,999	155.29	20.3%		0.0%	0
\$20,000-29,999	105.82	13.8%	4,260	42.6%	45
\$30,000-39,999	69.86	9.1%		0.0%	0
\$40,000-49,999	55.90	7.3%		0.0%	0
\$50,000-59,999	49.08	6.4%		0.0%	0
\$60,000-74,999	45.61	6.0%		0.0%	0
\$75,000-99,999	53.36	7.0%		0.0%	0
\$100,000-124,999	30.35	4.0%		0.0%	0
\$125,000-149,999	15.40	2.0%		0.0%	0
\$150,000-199,999	12.90	1.7%		0.0%	0
\$200,000+	19.80	2.6%		0.0%	0
	766	100.0%			45
Percent of renter households within limits versus total number of renter households					5.89%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$23,040		
Maximum Income Limit			\$27,300		
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	2,055			
\$10,000-19,999	2,091	20.3%	\$0	0%	0
\$20,000-29,999	1,425	13.8%	\$4,260	43%	607
\$30,000-39,999	941	9.1%	\$0	0%	0
\$40,000-49,999	753	7.3%	\$0	0%	0
\$50,000-59,999	661	6.4%	\$0	0%	0
\$60,000-74,999	614	6.0%	\$0	0%	0
\$75,000-99,999	719	7.0%	\$0	0%	0
\$100,000-124,999	409	4.0%	\$0	0%	0
\$125,000-149,999	207	2.0%	\$0	0%	0
\$150,000-199,999	174	1.7%	\$0	0%	0
\$200,000+	267	2.6%	\$0	0%	0
	10,315	100.0%			607
Percent of renter households within limits versus total number of renter households					5.89%

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 Prj 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		
Senior		
Urban		
40%		
\$39,495		
\$44,894		
\$5,399		
13.7%		
2.3%		
2.3%	Two year adjustment	1.0000
\$27,300		
\$27,300		
\$2		
60%		
\$768		
\$768.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	70%	30%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	70%	30%	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		766
Percent Income Qualified		5.9%
New Renter Income Qualified Households		45

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		10,315
Income Qualified		5.9%
Income Qualified Renter Households		607
Percent Rent Overburdened Prj Mrkt Entry July 2015		40.0%
Rent Overburdened Households		243

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		607
Percent Living in Substandard Housing		0.6%
Households Living in Substandard Housing		4

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		31277
Rural Versus Urban	0.0%	
Senior Demand Converting from Homeownership		4

Total Demand

Total Demand from Existing Households		251
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		251
Total New Demand		45
Total Demand (New Plus Existing Households)		296

Demand from Seniors Who Convert from Homeownership		4
Percent of Total Demand From Homeownership Conversion		1.5%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	58.8%	174
Two Persons	21.8%	64
Three Persons	8.0%	24
Four Persons	5.5%	16
Five Persons	6.0%	18
Total	100.0%	296

## To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	122
Of two-person households in 1BR units	20%	13
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	30%	52
Of two-person households in 2BR units	80%	52
Of three-person households in 2BR units	70%	17
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	30%	7
Of four-person households in 3BR units	80%	13
Of five-person households in 3BR units	70%	12
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%	3
Of five-person households in 4BR units	30%	5
Total Demand		296

Total Demand by Bedroom	60%
1 BR	135
2 BR	104
Total Demand	238

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

Net Demand	60%
1 BR	135
2 BR	104
Total	238

Developer's Unit Mix	60%
1 BR	16
2 BR	24
Total	40

Capture Rate Analysis	60%
1 BR	11.9%
2 BR	23.1%
Total	16.8%

Overall

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$23,040			
Maximum Income Limit		\$27,300			
Income Category	New Renter Households - Total Change in Households PMA 2012 to Proj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	152.63			
\$10,000-19,999	155.29	20.3%		0	
\$20,000-29,999	105.82	13.8%	4,260	42.6%	45
\$30,000-39,999	69.86	9.1%		0	
\$40,000-49,999	55.90	7.3%		0	
\$50,000-59,999	49.08	6.4%		0	
\$60,000-74,999	45.61	6.0%		0	
\$75,000-99,999	53.36	7.0%		0	
\$100,000-124,999	30.35	4.0%		0	
\$125,000-149,999	15.40	2.0%		0	
\$150,000-199,999	12.90	1.7%		0	
\$200,000+	19.80	2.6%		0	
	766	100.0%		45	
Percent of renter households within limits versus total number of renter households					5.89%

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$23,040			
Maximum Income Limit		\$27,300			
Income Category	Total Renter Households PMA Proj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	2,055			
\$10,000-19,999	2,091	20.3%	\$0	0%	0
\$20,000-29,999	1,425	13.8%	\$4,260	43%	607
\$30,000-39,999	941	9.1%	\$0	0%	0
\$40,000-49,999	753	7.3%	\$0	0%	0
\$50,000-59,999	661	6.4%	\$0	0%	0
\$60,000-74,999	614	6.0%	\$0	0%	0
\$75,000-99,999	719	7.0%	\$0	0%	0
\$100,000-124,999	409	4.0%	\$0	0%	0
\$125,000-149,999	207	2.0%	\$0	0%	0
\$150,000-199,999	174	1.7%	\$0	0%	0
\$200,000+	267	2.6%	\$0	0%	0
	10,315	100.0%			607
Percent of renter households within limits versus total number of renter households					5.89%

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 Proj 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
Senior
Urban
40%
\$39,495
\$44,894
\$5,399
13.7%
2.3%
2.3%
Two year adjustment
1,0000
\$27,300
\$27,300
2
Overall
\$768
\$768.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	70%	30%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	70%	30%	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	
New Renter Households PMA	766
Percent Income Qualified	5.9%
New Renter Income Qualified Households	45

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

Demand from Existing Households 2012

Demand from Rent Overburdened Households

	Overall
Income Target Population	
Total Existing Demand	10,315
Income Qualified	5.9%
Income Qualified Renter Households	607
Percent Rent Overburdened Prj Mrkt Entry July 2015	40.0%
Rent Overburdened Households	243

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	607
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	4

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

Senior Households Converting from Homeownership

	Overall
Income Target Population	
Total Senior Homeowners	31277
Rural Versus Urban	0.0%
Senior Demand Converting from Homeownership	4

Total Demand

Total Demand from Existing Households		251
Adjustment Factor - Leakage from SMA (use 115% for DCA)	100%	0
Adjusted Demand from Existing Households		251
Total New Demand		45
Total Demand (New Plus Existing Households)		296

Demand from Seniors Who Convert from Homeownership	4
Percent of Total Demand From Homeownership Conversion	1.5%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	58.8%	174
Two Persons	21.8%	64
Three Persons	8.0%	24
Four Persons	5.5%	16
Five Persons	6.0%	18
Total	100.0%	296

## To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	122
Of two-person households in 1BR units	20%	13
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	30%	52
Of two-person households in 2BR units	80%	52
Of three-person households in 2BR units	70%	17
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	30%	7
Of four-person households in 3BR units	80%	13
Of five-person households in 3BR units	70%	12
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%	3
Of five-person households in 4BR units	30%	5
Total Demand		296

Total Demand by Bedroom	Overall
1 BR	135
2 BR	104
Total Demand	238

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

Net Demand	Overall
1 BR	135
2 BR	104
Total	238

Developer's Unit Mix	Overall
1 BR	19
2 BR	29
Total	48

Capture Rate Analysis	Overall
1 BR	14.1%
2 BR	28.0%
Total	20.1%

## Conclusions

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates including not accounting for demand from outside the PMA and limiting senior homeownership conversion to two percent or less.

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 2.4 to 5.2 percent, with an overall capture rate of 3.7 percent. The Subject's 60 percent AMI capture rates range from 11.9 to 23.1 percent, with an overall capture rate of 16.8 percent. The overall capture rate for the project's 50 and 60 percent units is 20.1 percent. Therefore, we believe there is adequate demand for the Subject.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market	Market Rents Band Min-Max	Proposed Rents
1BR at 50% AMI	3	124	0	124	2.4%	3 months	\$542	\$378 - \$935	\$397
2BR at 50% AMI	5	95	0	95	5.2%	3 months	\$625	\$428 - \$1,070	\$462
<b>50% AMI Overall</b>	<b>8</b>	<b>219</b>	<b>0</b>	<b>219</b>	<b>3.7%</b>	3 months	\$542 - \$625	\$378 - \$1,070	\$397 - \$462
1BR at 60% AMI	16	135	0	135	11.9%	3 months	\$593	\$444 - \$935	\$503
2BR at 60% AMI	24	104	0	104	23.1%	3 months	\$667	\$443 - \$1,070	\$590
<b>60% AMI Overall</b>	<b>40</b>	<b>238</b>	<b>0</b>	<b>238</b>	<b>16.8%</b>	3 months	\$593 - \$667	\$444 - \$1,070	\$503 - \$590
1BR Overall	19	135	0	135	14.1%	3 months	\$542 - \$593	\$378 - \$935	\$397 - \$503
2BR Overall	29	104	0	104	28.0%	3 months	\$625 - \$667	\$428 - \$1,070	\$462 - \$590
<b>Overall</b>	<b>48</b>	<b>238</b>	<b>0</b>	<b>238</b>	<b>20.1%</b>	3 months	<b>\$542 - \$667</b>	<b>\$378 - \$1,070</b>	<b>\$397 - \$590</b>

## Demand and Net Demand

	HH at 50% AMI (min to max income)	HH at 60% AMI (min to max income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	42	45	45
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	3	4	4
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	224	243	243
<b>Sub Total</b>	<b>268</b>	<b>291</b>	<b>291</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	4	4	4
<b>Equals Total Demand</b>	<b>272</b>	<b>296</b>	<b>296</b>
<b>Less</b>	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	0	0
<b>Equals Net Demand</b>	<b>272</b>	<b>296</b>	<b>296</b>

## **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 1,491 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC is considered adequate. Due to the availability of senior LIHTC data in the market, we have included only senior LIHTC properties in the PMA and have excluded family LIHTC properties. We have included four senior LIHTC properties and five family market rate properties due to the lack of senior market rate data. All of the properties are located in the PMA and are within 7.1 miles of the Subject site with the majority within 3.4 miles. Of the market rate comparables, the closest properties represent older construction (1960s to 1980s) and therefore we included two newer market rate properties located within five miles of the Subject site to demonstrate the performance of newer unrestricted properties in the market. Overall, we consider the availability of market data to be good.

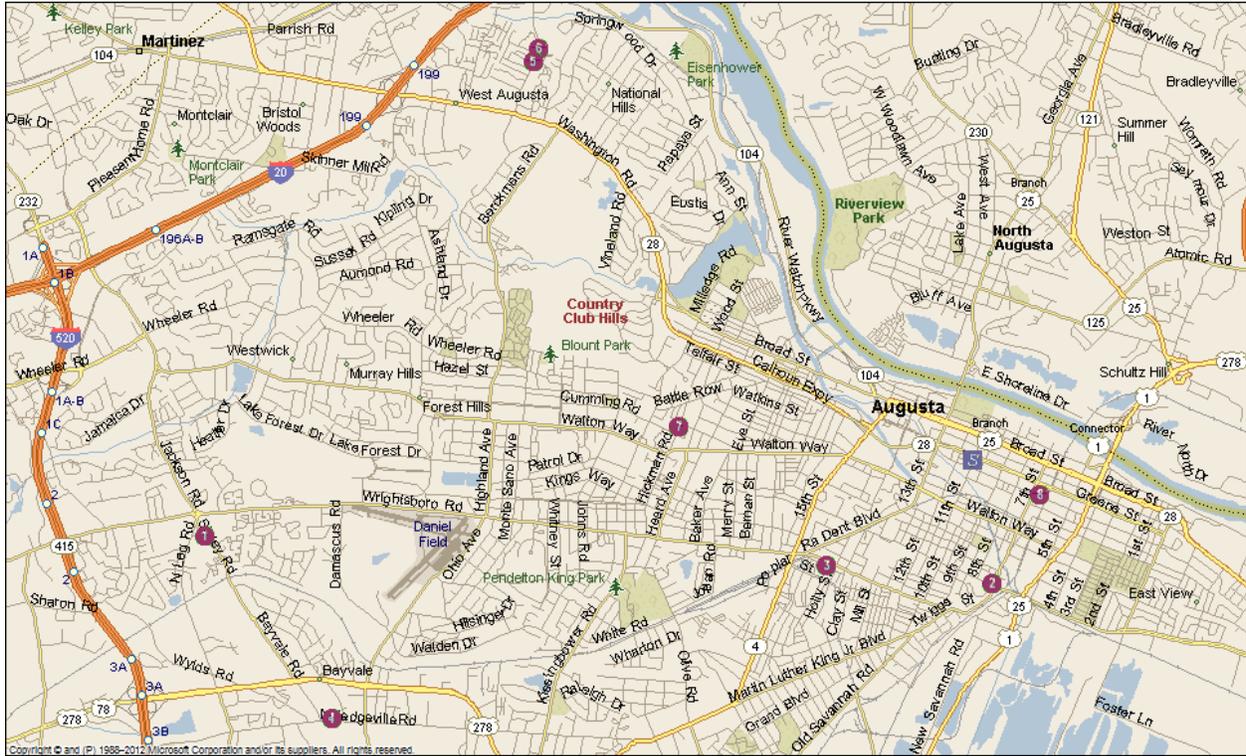
### **General Market Overview/Included/Excluded Properties**

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

GENERAL MARKET OVERVIEW

Property	City	Type	Tenancy	Included/Excluded	Reason for Exclusion
Dogwood Terrace	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Ervin Towers	Augusta	Public Housing	Elderly and Disabled	Excluded	Tenants pay 30% of income
Olmsted Homes	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Gilbert Manor	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Powell Apartments	Augusta	Public Housing	Elderly and Disabled	Excluded	Tenants pay 30% of income
Peabody Apartments	Augusta	Public Housing	Elderly and Disabled	Excluded	Tenants pay 30% of income
MM Scott	Augusta	Public Housing	Elderly and Disabled	Excluded	Tenancy not comparable and tenants pay 30% of income
Cherry Tree Crossing	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Oak Pointe	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Allen Homes	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Jennings Place	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Overlook Apartments	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Shadowood Apartments	Augusta	Section 8	Elderly	Excluded	Tenants pay 30% of income
Bon Air Apartments	Augusta	Section 8	Senior	Excluded	Tenants pay 30% of income
Lynndale Group Homes	Augusta	Section 8	Disabled	Excluded	Tenancy not comparable and tenants pay 30% of income
Lynndale West Apartments	Augusta	Section 8	Disabled	Excluded	Tenancy not comparable and tenants pay 30% of income
Trinity Manor Apartments	Augusta	Section 8	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Independent Living Horizons I-V	Augusta	Section 8	Disabled	Excluded	Tenancy not comparable and tenants pay 30% of income
Independent Living Horizons VI	Augusta	Section 8	Elderly	Excluded	Tenants pay 30% of income
Augusta Manor	Augusta	Section 8	Elderly	Excluded	Tenants pay 30% of income
Ashton Richmond Summit	Augusta	Section 8	Elderly	Excluded	Tenants pay 30% of income
Augusta Properties	Augusta	Section 8	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Mount Zion	Augusta	Section 8	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
SG Noble Garden of Hope	Augusta	Section 8	Elderly	Excluded	Tenants pay 30% of income
St Johns Towers	Augusta	Section 8	Elderly	Excluded	Tenants pay 30% of income
Villa Marie Apartments	Augusta	Section 8	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Richmond Villas	Hephzibah	Section 8	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Center West Villas	Augusta	FHA	Family	Excluded	Tenancy not comparable
Unihealth Post-Acute Care Augu	Augusta	FHA	Nursing home	Excluded	Nursing home
Blair Huse	Augusta	FHA	Nursing home	Excluded	Nursing homes
Villa Marie Apts	Augusta	FHA	Family	Excluded	Tenancy not comparable
Shadowood Apt	Augusta	FHA	Family	Excluded	Tenancy not comparable
Augusta Properties	Augusta	FHA	Family	Excluded	Tenancy not comparable
The Parc At Flowing Wells	Augusta	FHA	Family	Excluded	Tenancy not comparable
St John Towers	Augusta	FHA	Family	Excluded	Tenancy not comparable
Cedarwood	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Woodlake Club (aka Stonegate Club Apartments)	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Forest Brook Apartments	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Glenwood II	Augusta	LIHTC	Family	Excluded	Management unavailable
Westwood Club	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Maxwell House	Augusta	HOME/Shelter+Care/PBRA	Family	Excluded	Tenancy not comparable
Wedgewood Park	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Vineyards of Grovetown	Grovetown	LIHTC	Family	Excluded	Tenancy not comparable
Magnolia Park	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Governor Park Townhomes	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Ridgewood Place	Augusta	LIHTC	Family	Excluded	Information not available
Olde Towne Apartments	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
East Augusta Townhomes	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
405 Hale Street	Augusta	LIHTC	Family	Excluded	Information not available
Linden Square	Augusta	LIHTC	Senior	Included	N/Ap
Augusta Spring Apartments	Augusta	LIHTC	Senior	Included	N/Ap
Terraces at Edinburgh	Augusta	LIHTC, PBRA, Market	Senior	Included	N/Ap
Walton Oaks Family II (aka Underwood Homes)	Augusta	LIHTC	Family	Excluded	Proposed and tenancy not comparable
Underwood Homes Redev I	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Crest at Edinburgh	Augusta	LIHTC	Family	Excluded	Tenancy not comparable

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Tenancy	Distance
1	Augusta Spring Apartments	Augusta	@50%, @50% (HOME), @60%, @60% (HOME)	Senior	6.0 miles
2	Legacy At Walton Oaks	Augusta	@50% (ACC), @60%, PBRA	Senior	1.3 miles
3	Linden Square	Augusta	@50%, @60%, Market	Senior	1.7 miles
4	Terraces At Edinburgh	Augusta	@50%, @60%	Senior	7.1 miles
5	Century Glen Apartments	Augusta	Market	Family	5.0 miles
6	Century Hills	Augusta	Market	Family	5.0 miles
7	Oak Hill Apartments	Augusta	Market	Family	2.6 miles
8	River Ridge	Augusta	Market	Family	0.6 miles
9	The Greens On Washington	Augusta	Market	Family	3.4 miles

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

**SUMMARY MATRIX**

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Davidson Senior Manor	n/a	Lowrise (age-restricted) (4 stories)	@50%, @60%	1BR / 1BA	3	6.20%	@50%	\$397	708	yes		N/A	N/A
	SEC Telfair St & 11th St				1BR / 1BA	16	33.30%	@60%	\$503	708	yes		N/A	N/A
	Augusta, GA 30901 Richmond County				2BR / 2BA	5	10.40%	@50%	\$462	955	yes		N/A	N/A
					2BR / 2BA	24	50.00%	@60%	\$590	955	yes		N/A	N/A
						48	100%						N/A	N/A
1	Augusta Spring Apartments	6 miles	One-story (age-restricted) 1996 and 2002 / n/a	@50%, @50% (HOME), @60%, @60% (HOME)	1BR / 1BA	4	2.00%	@50%	\$407	660	yes	Yes	0	0.00%
1730 Sibley Road Augusta, GA 30909 Richmond County	1BR / 1BA	36	18.00%	@50%	\$407	660	yes	Yes	1	2.80%				
	1BR / 1BA	6	3.00%	@60%	\$516	660	yes	Yes	1	16.70%				
	1BR / 1BA	54	27.00%	@60%	\$444	660	no	Yes	0	0.00%				
	2BR / 1BA	37	18.50%	@50%	\$428	840	yes	Yes	1	2.70%				
	2BR / 1BA	4	2.00%	@50%	\$471	840	no	Yes	0	0.00%				
	2BR / 1BA	53	26.50%	@60%	\$548	840	yes	Yes	1	1.90%				
	2BR / 1BA	6	3.00%	@60%	\$471	840	no	Yes	0	0.00%				
		200	100%						4	2.00%				
2	Legacy At Walton Oaks	1.3 miles	Garden (age-restricted) 2011 / n/a	@50% (ACC), @60%, PBRA	1BR / 1BA	11	14.70%	@50%	N/A	800	no	Yes	0	0.00%
602 Fairhope St Augusta, GA 30901 Richmond County	1BR / 1BA	10	13.30%	@60%	\$536	800	yes	No	0	0.00%				
	1BR / 1BA	24	32.00%	PBRA	N/A	800	no	Yes	0	0.00%				
	2BR / 2BA	1	1.30%	@50%	N/A	1,150	no	Yes	0	0.00%				
	2BR / 2BA	27	36.00%	@60%	\$646	1,150	yes	No	3	11.10%				
	2BR / 2BA	2	2.70%	PBRA	N/A	1,150	no	Yes	0	0.00%				
		75	100%						3	4.00%				
3	Linden Square	1.7 miles	Lowrise (age-restricted) (2 stories) 2003 / n/a	@50%, @60%, Market	1BR / 1BA	14	29.20%	@50%	\$419	663	yes	Yes	0	0.00%
1425 Lee Beard Way Augusta, GA 30901 Richmond County	1BR / 1BA	14	29.20%	@60%	\$462	663	yes	Yes	0	0.00%				
	1BR / 1BA	8	16.70%	Market	\$492	663	yes	Yes	0	0.00%				
	2BR / 1BA	6	12.50%	@50%	\$488	890	yes	Yes	0	0.00%				
	2BR / 1BA	4	8.30%	@60%	\$543	890	yes	Yes	0	0.00%				
	2BR / 1BA	2	4.20%	Market	\$578	890	yes	Yes	0	0.00%				
		48	100%						0	0.00%				
4	Terraces At Edinburgh	7.1 miles	One-story (age-restricted) 2010 / n/a	@50%, @60%	1BR / 1BA	7	9.70%	@50%	\$378	891	yes	Yes	0	0.00%
3265 Milledgeville Road Augusta, GA 30909 Richmond County	1BR / 1BA	11	15.30%	@60%	\$485	891	yes	Yes	0	0.00%				
	2BR / 2BA	22	30.60%	@50%	\$444	1,103	yes	Yes	0	0.00%				
	2BR / 2BA	32	44.40%	@60%	\$552	1,103	yes	Yes	0	0.00%				
		72	100%						0	0.00%				
5	Century Glen Apartments	5 miles	Garden (3 stories) 2003 / n/a	Market	1BR / 1BA	26	12.00%	Market	\$935	983	n/a	No	1	3.80%
1040 Alexander Drive Augusta, GA 30909 Richmond County	2BR / 2BA	130	60.20%	Market	\$1,070	1,175	n/a	No	5	3.80%				
	2BR / 2BA	N/A	N/A	Market	\$981	1,175	n/a	No	0	N/A				
	3BR / 2BA	60	27.80%	Market	\$1,165	1,350	n/a	No	1	1.70%				
		216	100%						7	3.20%				
6	Century Hills	5 miles	Various (2 stories) 2003 / n/a	Market	1BR / 1BA (Garden)	14	7.00%	Market	\$819	824	n/a	Yes	0	0.00%
1035 Alexander Dr Augusta, GA 30909 Richmond County	1BR / 1BA (Garden)	48	24.00%	Market	\$799	909	n/a	Yes	1	2.10%				
	1.5BR / 1BA (Loft)	24	12.00%	Market	\$849	1,094	n/a	Yes	0	0.00%				
	2BR / 2BA (Garden)	43	21.50%	Market	\$949	1,166	n/a	Yes	1	2.30%				
	2BR / 2BA (Garden)	43	21.50%	Market	\$969	1,261	n/a	Yes	0	0.00%				
	3BR / 2BA (Garden)	28	14.00%	Market	\$1,059	1,403	n/a	No	1	3.60%				
		200	100%						3	1.50%				
7	Oak Hill Apartments	2.6 miles	Garden (3 stories) 1974 / n/a	Market	1BR / 1BA	76	63.30%	Market	\$535	705	n/a	No	N/A	N/A
817 Hickman Street Augusta, GA 30904 Richmond County	2BR / 1BA	44	36.70%	Market	\$645	N/A	n/a	No	N/A	N/A				
		120	100%						5	4.20%				
8	River Ridge	0.6 miles	Garden (3 stories) 1984 / 2012	Market	2BR / 2BA	52	50.00%	Market	\$443	850	yes	no	25	48.10%
505 13th Street Augusta, GA 30901 Richmond County	2BR / 2BA	52	50.00%	Market	\$518	900	yes	no	15	28.80%				
		104	100%						40	38.50%				
9	The Greens On Washington	3.4 miles	Garden (2 stories) 1968 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$499	585	n/a	No	N/A	N/A
2425 Washington Road Augusta, GA 30901 Richmond County	1.5BR / 1BA	N/A	N/A	Market	\$520	858	n/a	No	N/A	N/A				
	2BR / 1BA	N/A	N/A	Market	\$551	858	n/a	No	N/A	N/A				
	2BR / 1BA	N/A	N/A	Market	\$581	1,010	n/a	No	N/A	N/A				
	2BR / 2BA	N/A	N/A	Market	\$621	1,010	n/a	No	N/A	N/A				
	3BR / 2BA	N/A	N/A	Market	\$779	1,200	n/a	No	N/A	N/A				
	456	100%						37	8.10%					

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

Effective Rent Date:	May-13	Units Surveyed:	1491	Weighted Occupancy:	93.40%
		Market Rate	1096	Market Rate	91.60%
		Tax Credit	395	Tax Credit	98.20%

**One Bedroom One Bath**

**Two Bedrooms Two Bath**

	Property	Average	Property	Average	
<b>RENT</b>	Century Glen Apartments	\$935	Century Glen Apartments	\$1,070	
	Century Hills	\$819	Century Glen Apartments	\$981	
	Century Hills	\$799	Century Hills	\$969	
	Legacy At Walton Oaks * (60%)	\$536	Century Hills	\$949	
	Oak Hill Apartments	\$535	Legacy At Walton Oaks * (60%)	\$646	
	Augusta Spring Apartments * (60%)	\$516	Oak Hill Apartments (IBA)	\$645	
	<b>Davidson Senior Manor * (60%)</b>	<b>\$503</b>	The Greens On Washington	\$621	
	The Greens On Washington	\$499	<b>Davidson Senior Manor * (60%)</b>	<b>\$590</b>	
	Linden Square * (M)	\$492	Linden Square * (IBA M)	\$578	
	Terraces At Edinburgh * (60%)	\$485	Terraces At Edinburgh * (60%)	\$552	
	Linden Square * (60%)	\$462	Augusta Spring Apartments * (IBA 60%)	\$548	
	Augusta Spring Apartments * (60%)	\$444	Linden Square * (IBA 60%)	\$543	
	Linden Square * (50%)	\$419	River Ridge	\$518	
	Augusta Spring Apartments * (50%)	\$407	Linden Square * (IBA 50%)	\$488	
	Augusta Spring Apartments * (50%)	\$407	Augusta Spring Apartments * (IBA 50%)	\$471	
	<b>Davidson Senior Manor * (50%)</b>	<b>\$397</b>	Augusta Spring Apartments * (IBA 60%)	\$471	
	Terraces At Edinburgh * (50%)	\$378	<b>Davidson Senior Manor * (50%)</b>	<b>\$462</b>	
			Terraces At Edinburgh * (50%)	\$444	
			River Ridge	\$443	
			Augusta Spring Apartments * (IBA 50%)	\$428	
	<b>SQUARE FOOTAGE</b>	Century Glen Apartments	983	Century Hills	1,261
		Century Hills	909	Century Glen Apartments	1,175
		Terraces At Edinburgh * (50%)	891	Century Glen Apartments	1,175
		Terraces At Edinburgh * (60%)	891	Century Hills	1,166
		Century Hills	824	Legacy At Walton Oaks * (60%)	1,150
		Legacy At Walton Oaks * (60%)	800	Terraces At Edinburgh * (50%)	1,103
		<b>Davidson Senior Manor * (50%)</b>	<b>708</b>	Terraces At Edinburgh * (60%)	1,103
		<b>Davidson Senior Manor * (60%)</b>	<b>708</b>	The Greens On Washington	1,010
		Oak Hill Apartments	705	<b>Davidson Senior Manor * (50%)</b>	<b>955</b>
		Linden Square * (50%)	663	<b>Davidson Senior Manor * (60%)</b>	<b>955</b>
		Linden Square * (60%)	663	River Ridge	900
		Linden Square * (M)	663	Linden Square * (IBA 50%)	890
		Augusta Spring Apartments * (50%)	660	Linden Square * (IBA 60%)	890
		Augusta Spring Apartments * (50%)	660	Linden Square * (IBA M)	890
		Augusta Spring Apartments * (60%)	660	River Ridge	850
Augusta Spring Apartments * (60%)		660	Augusta Spring Apartments * (IBA 50%)	840	
The Greens On Washington		585	Augusta Spring Apartments * (IBA 50%)	840	
			Augusta Spring Apartments * (IBA 60%)	840	
			Augusta Spring Apartments * (IBA 60%)	840	
			Oak Hill Apartments (IBA)	N/A	
<b>RENT PER SQUARE FOOT</b>		Century Hills	\$0.99	Century Glen Apartments	\$0.91
		Century Glen Apartments	\$0.95	Century Glen Apartments	\$0.83
		Century Hills	\$0.88	Century Hills	\$0.81
		The Greens On Washington	\$0.85	Century Hills	\$0.77
		Augusta Spring Apartments * (60%)	\$0.78	Augusta Spring Apartments * (IBA 60%)	\$0.65
		Oak Hill Apartments	\$0.76	Linden Square * (IBA M)	\$0.65
		Linden Square * (M)	\$0.74	<b>Davidson Senior Manor * (60%)</b>	<b>\$0.62</b>
		<b>Davidson Senior Manor * (60%)</b>	<b>\$0.71</b>	The Greens On Washington	\$0.61
		Linden Square * (60%)	\$0.70	Linden Square * (IBA 60%)	\$0.61
		Augusta Spring Apartments * (60%)	\$0.67	River Ridge	\$0.58
		Legacy At Walton Oaks * (60%)	\$0.67	Legacy At Walton Oaks * (60%)	\$0.56
		Linden Square * (50%)	\$0.63	Augusta Spring Apartments * (IBA 50%)	\$0.56
		Augusta Spring Apartments * (50%)	\$0.62	Augusta Spring Apartments * (IBA 60%)	\$0.56
		Augusta Spring Apartments * (50%)	\$0.62	Linden Square * (IBA 50%)	\$0.55
		<b>Davidson Senior Manor * (50%)</b>	<b>\$0.56</b>	River Ridge	\$0.52
	Terraces At Edinburgh * (60%)	\$0.54	Augusta Spring Apartments * (IBA 50%)	\$0.51	
	Terraces At Edinburgh * (50%)	\$0.42	Terraces At Edinburgh * (60%)	\$0.50	
			<b>Davidson Senior Manor * (50%)</b>	<b>\$0.48</b>	
			Terraces At Edinburgh * (50%)	\$0.40	
			Oak Hill Apartments (IBA)	\$0.00	

# PROPERTY PROFILE REPORT

## Legacy At Walton Oaks

<b>Effective Rent Date</b>	5/17/2013
<b>Location</b>	602 Fairhope St Augusta, GA 30901 Richmond County
<b>Distance</b>	1.3 miles
<b>Units</b>	75
<b>Vacant Units</b>	3
<b>Vacancy Rate</b>	4.0%
<b>Type</b>	Garden (age-restricted)
<b>Year Built/Renovated</b>	2011 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Linden Square, Bon Air, Richmond Summit
<b>Tenant Characteristics</b>	Seniors ages 55 and older (HFOP)
<b>Contact Name</b>	Property Manager
<b>Phone</b>	(706) 993-1271



### Market Information

<b>Program</b>	@50% (ACC), @60%, PBRA
<b>Annual Turnover Rate</b>	8%
<b>Units/Month Absorbed</b>	12-24 (estimate)
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	1-3 weeks
<b>Annual Chg. in Rent</b>	Increased
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	11	800	N/A	\$0	@50% (ACC)	Yes	0	0.0%	no	None
1	1	Garden	10	800	\$536	\$0	@60%	No	0	0.0%	yes	None
1	1	Garden	24	800	N/A	\$0	PBRA	Yes	0	0.0%	no	None
2	2	Garden	1	1,150	N/A	\$0	@50% (ACC)	Yes	0	0.0%	no	None
2	2	Garden	27	1,150	\$646	\$0	@60%	No	3	11.1%	yes	None
2	2	Garden	2	1,150	N/A	\$0	PBRA	Yes	0	0.0%	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	N/A	\$0	N/A	-\$25	N/A	1BR / 1BA	\$536	\$0	\$536	-\$25	\$511
2BR / 2BA	N/A	\$0	N/A	-\$25	N/A	2BR / 2BA	\$646	\$0	\$646	-\$25	\$621
PBRA	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	N/A	\$0	N/A	-\$25	N/A						
2BR / 2BA	N/A	\$0	N/A	-\$25	N/A						

## Legacy At Walton Oaks, continued

### Amenities

#### In-Unit

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

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

#### Security

Intercom (Buzzer)  
Limited Access  
Perimeter Fencing

#### Services

Adult Education  
Shuttle Service

#### Property

Business Center/Computer Lab  
Courtyard  
Exercise Facility  
Neighborhood Network  
On-Site Management  
Recreation Areas

Clubhouse/Meeting  
Elevators  
Central Laundry  
Off-Street Parking  
Picnic Area  
Service Coordination

#### Premium

Medical Professional

#### Other

None

### Comments

The property manager reported that the property typically maintains a high occupancy rate and that vacant units typically lease within one week with the exception of corner units, which are more difficult to lease. Management does not accept Housing Choice Vouchers as the property offers project-based subsidy. This property is one phase of the Walton Oaks development. Walton Oaks I is a family LIHTC property and Walton Oaks II is another family phase that is projected to break ground in September 2013. The contact estimated the absorption period and indicated that the property stabilized rapidly.

# Legacy At Walton Oaks, continued

## Trend Report

### Vacancy Rates

<b>2Q10</b>	<b>3Q10</b>	<b>2Q13</b>
N/A	N/A	4.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$400	\$0	\$400	\$375
2010	3	N/A	\$400	\$0	\$400	\$375
2013	2	0.0%	N/A	\$0	N/A	N/A

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$576	\$0	\$576	\$551
2010	3	N/A	\$576	\$0	\$576	\$551
2013	2	0.0%	N/A	\$0	N/A	N/A

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$445	\$0	\$445	\$420
2010	3	N/A	\$445	\$0	\$445	\$420
2013	2	0.0%	\$536	\$0	\$536	\$511

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$525	\$0	\$525	\$500
2010	3	N/A	\$525	\$0	\$525	\$500
2013	2	11.1%	\$646	\$0	\$646	\$621

### Trend: PBRA

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$520	\$0	\$520	\$495
2010	3	N/A	\$520	\$0	\$520	\$495
2013	2	0.0%	N/A	\$0	N/A	N/A

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$625	\$0	\$625	\$600
2010	3	N/A	\$625	\$0	\$625	\$600
2013	2	0.0%	N/A	\$0	N/A	N/A

### Trend: Comments

- 2Q10** Legacy at Walton Oaks is a proposed senior (55+) housing community to be located in Augusta, Georgia. The project as proposed will include 12 units of replacement public housing, as well as 26 units of project-based rental assistance. The property when complete will provide a range of support services to residents, such as shuttle transportation, field trips and continuing education.
- 3Q10** Legacy at Walton Oaks is a proposed senior (55+) housing community to be located in Augusta, Georgia. The project as proposed will include 12 units of replacement public housing, as well as 26 units with project-based Section 8 rental assistance and 37 units of LIHTC housing. The property when complete will provide a range of support services to residents, such as shuttle transportation, scheduled trips and continuing education.
- 2Q13** The property manager reported that the property typically maintains a high occupancy rate and that vacant units typically lease within one week with the exception of corner units, which are more difficult to lease. Management does not accept Housing Choice Vouchers as the property offers project-based subsidy. This property is one phase of the Walton Oaks development. Walton Oaks I is a family LIHTC property and Walton Oaks II is another family phase that is projected to break ground in September 2013. The contact estimated the absorption period and indicated that the property stabilized rapidly.

# PROPERTY PROFILE REPORT

## Linden Square

<b>Effective Rent Date</b>	5/20/2013
<b>Location</b>	1425 Lee Beard Way Augusta, GA 30901 Richmond County
<b>Distance</b>	1.7 miles
<b>Units</b>	48
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Lowrise (age-restricted) (2 stories)
<b>Year Built/Renovated</b>	2003 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Augusta Spring, Maxwell House
<b>Tenant Characteristics</b>	20% employed; Majority from Augusta or out-of-state moving to be with family; Avg age is 62; None from N Augusta
<b>Contact Name</b>	Alice Wells
<b>Phone</b>	(706) 722-0017



### Market Information

<b>Program</b>	@50%, @60%, Market
<b>Annual Turnover Rate</b>	20%
<b>Units/Month Absorbed</b>	3
<b>HCV Tenants</b>	16%
<b>Leasing Pace</b>	Immediate
<b>Annual Chg. in Rent</b>	+6-8%
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (2 stories)	14	663	\$457	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (2 stories)	14	663	\$500	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Lowrise (2 stories)	8	663	\$530	\$0	Market	Yes	0	0.0%	yes	None
2	1	Lowrise (2 stories)	6	890	\$545	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Lowrise (2 stories)	4	890	\$600	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Lowrise (2 stories)	2	890	\$635	\$0	Market	Yes	0	0.0%	yes	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$457	\$0	\$457	-\$63	\$394	<b>1BR / 1BA</b>	\$500	\$0	\$500	-\$63	\$437
<b>2BR / 1BA</b>	\$545	\$0	\$545	-\$82	\$463	<b>2BR / 1BA</b>	\$600	\$0	\$600	-\$82	\$518
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
<b>1BR / 1BA</b>	\$530	\$0	\$530	-\$63	\$467						
<b>2BR / 1BA</b>	\$635	\$0	\$635	-\$82	\$553						

## Linden Square, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Garbage Disposal  
Pull Cords  
Walk-In Closet

Blinds  
Central A/C  
Dishwasher  
Oven  
Refrigerator  
Washer/Dryer hookup

#### Security

Limited Access

#### Services

None

#### Property

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

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking

#### Premium

None

#### Other

Hair salon, shuffleboard

### Comments

The property manager reported that there is a waiting list and currently there are eight-section 8 tenants.

## Linden Square, continued

### Trend Report

#### Vacancy Rates

3Q09	1Q10	2Q10	2Q13
0.0%	0.0%	0.0%	0.0%

#### Trend: @50%

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$405	\$0	\$405	\$342
2010	1	0.0%	\$425	\$0	\$425	\$362
2010	2	0.0%	\$425	\$0	\$425	\$362
2013	2	0.0%	\$457	\$0	\$457	\$394

##### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$475	\$0	\$475	\$393
2010	1	0.0%	\$500	\$0	\$500	\$418
2010	2	0.0%	\$500	\$0	\$500	\$418
2013	2	0.0%	\$545	\$0	\$545	\$463

#### Trend: @60%

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$445	\$0	\$445	\$382
2010	1	0.0%	\$470	\$0	\$470	\$407
2010	2	0.0%	\$470	\$0	\$470	\$407
2013	2	0.0%	\$500	\$0	\$500	\$437

##### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$555	\$0	\$555	\$473
2010	1	0.0%	\$575	\$0	\$575	\$493
2010	2	0.0%	\$575	\$0	\$575	\$493
2013	2	0.0%	\$600	\$0	\$600	\$518

#### Trend: Market

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$505	\$0	\$505	\$442
2010	1	0.0%	\$515	\$0	\$515	\$452
2010	2	0.0%	\$515	\$0	\$515	\$452
2013	2	0.0%	\$530	\$0	\$530	\$467

##### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$605	\$0	\$605	\$523
2010	1	0.0%	\$620	\$0	\$620	\$538
2010	2	0.0%	\$620	\$0	\$620	\$538
2013	2	0.0%	\$635	\$0	\$635	\$553

#### Trend: Comments

- 3Q09** Management reported that the senior LIHTC market is strong and there is a need for additional age restricted LIHTC units in the area.
- 1Q10** The contact reported 19 households on the current waiting list. She noted strong demand for senior housing in the area and did not know of any independent senior living properties in the Augusta area.
- 2Q10** The contact reported 20 households on the current waiting list. She noted strong demand for affordable senior housing in the area. The name of the street the property was formerly known as Linden Street prior to its renaming as Lee Beard Way.
- 2Q13** The property manager reported that there is a waiting list and currently there are eight-section 8 tenants.

# PROPERTY PROFILE REPORT

## Terraces At Edinburgh

**Effective Rent Date** 2/22/2013

**Location** 3265 Milledgeville Road  
Augusta, GA 30909  
Richmond County  
Intersection: Milledgeville Rd and Bayvale Rd

**Distance** 7.1 miles

**Units** 72

**Vacant Units** 0

**Vacancy Rate** 0.0%

**Type** One-story (age-restricted)

**Year Built/Renovated** 2010 / N/A

**Marketing Began** N/A

**Leasing Began** N/A

**Last Unit Leased** N/A

**Major Competitors** Augusta Spring Apartments

**Tenant Characteristics** Seniors aged 55 years or older, primarily from the local Augusta area.

**Contact Name** Cheryl

**Phone** 706-504-9114



### Market Information

**Program** @50%, @60%

**Annual Turnover Rate** 7%

**Units/Month Absorbed** 24

**HCV Tenants** 25%

**Leasing Pace** Pre-leased

**Annual Chg. in Rent** See comments

**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** not included

**Sewer** not included

**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	7	891	\$378	\$0	@50%	Yes	0	0.0%	yes	None
1	1	One-story	11	891	\$485	\$0	@60%	Yes	0	0.0%	yes	None
2	2	One-story	22	1,103	\$444	\$0	@50%	Yes	0	0.0%	yes	None
2	2	One-story	32	1,103	\$552	\$0	@60%	Yes	0	0.0%	yes	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$378	\$0	\$378	-\$25	\$353	1BR / 1BA	\$485	\$0	\$485	-\$25	\$460
2BR / 2BA	\$444	\$0	\$444	-\$25	\$419	2BR / 2BA	\$552	\$0	\$552	-\$25	\$527

## Terraces At Edinburgh, continued

### Amenities

#### In-Unit

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

Blinds  
Central A/C  
Dishwasher  
Oven  
Vaulted Ceilings

#### Security

None

#### Services

None

#### Property

Business Center/Computer Lab  
Exercise Facility  
Non-shelter Services  
On-Site Management

Clubhouse/Meeting  
Central Laundry  
Off-Street Parking

#### Premium

None

#### Other

Covered pavillion, gardens,

### Comments

The property maintains a waiting list of over 100 households; however, only five households have paid application fees. The application fee is \$50. The property manager indicated that the need for affordable housing in the area is strong, particularly for senior developments that are restricted to individuals 55 years of age or older. The contact noted that the majority of the traffic at the property are tenants aged 57 to 62. Thus, the property manager indicated that absorption and occupancy levels would be stronger for a development restricted at 55 years of age, rather than 62.

In terms of year-over-year rent changes, the rents for the one-bedroom units at 60 percent AMI increased 0.2 percent; however, the rents for the one-bedroom units at 50 percent AMI did not change. The two-bedroom rents for the units restricted at the 50 and 60 percent AMI decreased 0.2 percent. The property is financed through the ARRA tax credit program.

Lastly, all of the units have a washer/dryer hookup and only the one-bedroom units have vaulted ceilings. Storage space is available on the patio.

# Terraces At Edinburgh, continued

## Trend Report

### Vacancy Rates

2Q08	1Q13
N/A	0.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$373	\$0	\$373	\$348
2013	1	0.0%	\$378	\$0	\$378	\$353

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$440	\$0	\$440	\$415
2013	1	0.0%	\$444	\$0	\$444	\$419

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$447	\$0	\$447	\$422
2013	1	0.0%	\$485	\$0	\$485	\$460

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$483	\$0	\$483	\$458
2013	1	0.0%	\$552	\$0	\$552	\$527

## Trend: Comments

2Q08 This is a Subject property.

1Q13 The property maintains a waiting list of over 100 households; however, only five households have paid application fees. The application fee is \$50. The property manager indicated that the need for affordable housing in the area is strong, particularly for senior developments that are restricted to individuals 55 years of age or older. The contact noted that the majority of the traffic at the property are tenants aged 57 to 62. Thus, the property manager indicated that absorption and occupancy levels would be stronger for a development restricted at 55 years of age, rather than 62.

In terms of year-over-year rent changes, the rents for the one-bedroom units at 60 percent AMI increased 0.2 percent; however, the rents for the one-bedroom units at 50 percent AMI did not change. The two-bedroom rents for the units restricted at the 50 and 60 percent AMI decreased 0.2 percent. The property is financed through the ARRA tax credit program.

Lastly, all of the units have a washer/dryer hookup and only the one-bedroom units have vaulted ceilings. Storage space is available on the patio.

# PROPERTY PROFILE REPORT

## Century Glen Apartments

**Effective Rent Date** 4/23/2013  
**Location** 1040 Alexander Drive  
 Augusta, GA 30909  
 Richmond County  
**Distance** 5 miles  
**Units** 216  
**Vacant Units** 7  
**Vacancy Rate** 3.2%  
**Type** Garden (3 stories)  
**Year Built/Renovated** 2003 / N/A  
**Marketing Began** 9/01/2003  
**Leasing Began** 9/01/2003  
**Last Unit Leased** 9/01/2004  
**Major Competitors** None Identified.  
**Tenant Characteristics** From Augusta, North Augusta, and Aiken areas.  
**Contact Name** Beth  
**Phone** 706-738-6205



### Market Information

**Program** Market  
**Annual Turnover Rate** 28%  
**Units/Month Absorbed** 18  
**HCV Tenants** 0%  
**Leasing Pace** Within one week.  
**Annual Chg. in Rent** Rents fluctuate daily.  
**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** not included  
**Sewer** not included  
**Trash Collection** not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	26	983	\$910	\$0	Market	No	1	3.8%	N/A	AVG
2	2	Garden (3 stories)	130	1,175	\$1,045	\$0	Market	No	5	3.8%	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,175	\$956	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (3 stories)	60	1,350	\$1,140	\$0	Market	No	1	1.7%	N/A	AVG

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$910	\$0	\$910	\$0	\$910
2BR / 2BA	\$956 - \$1,045	\$0	\$956 - \$1,045	\$0	\$956 - \$1,045
3BR / 2BA	\$1,140	\$0	\$1,140	\$0	\$1,140

## Century Glen Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Oven  
Walk-In Closet

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

**Security**

Limited Access

**Services**

Afterschool Program

**Property**

Basketball Court  
Car Wash  
Concierge  
Garage  
On-Site Management  
Playground  
Tennis Court

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

**Premium**

None

**Other**

None

### Comments

The property uses YieldStar to determine rents based on demand. The contact indicated that winter months are very slow, but leasing pace picks up in the spring.

# Century Glen Apartments, continued

## Trend Report

### Vacancy Rates

1Q10	2Q10	2Q11	2Q13
4.6%	0.0%	1.9%	3.2%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$900	\$0	\$900	\$900
2010	2	0.0%	\$910	\$0	\$910	\$910
2011	2	0.0%	\$910	\$0	\$910	\$910
2013	2	3.8%	\$910	\$0	\$910	\$910

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	6.2%	\$1,045	\$86	\$959	\$959
2010	2	0.0%	\$1,045	\$0	\$1,045	\$1,045
2011	2	2.3%	\$1,045	\$0	\$1,045	\$1,045
2013	2	N/A	\$956 - \$1,045	\$0	\$956 - \$1,045	\$956 - \$1,045

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	3.3%	\$1,140	\$0	\$1,140	\$1,140
2010	2	0.0%	\$1,140	\$0	\$1,140	\$1,140
2011	2	1.7%	\$1,140	\$0	\$1,140	\$1,140
2013	2	1.7%	\$1,140	\$0	\$1,140	\$1,140

## Trend: Comments

- 1Q10** This property was f.k.a. Masters Glen Apartments. The contact reported overall occupancy has improved in the past six weeks and was typically at or near 92 percent during the past year.
- 2Q10** The property contact said that the property is currently fully occupied. Management at the property is not currently offering any rent concessions, other than a preferred employer discount of three percent. The property contact could not estimate the percentage of residents that were senior citizens.
- 2Q11** Management reported that the property operates with minimal vacancy and that they do not offer any concessions. The property does not operate with a waiting list.
- 2Q13** The property uses YieldStar to determine rents based on demand. The contact indicated that winter months are very slow, but leasing pace picks up in the spring.

# PROPERTY PROFILE REPORT

## Century Hills

**Effective Rent Date** 4/26/2013  
**Location** 1035 Alexander Dr  
 Augusta, GA 30909  
 Richmond County  
**Distance** 5 miles  
**Units** 200  
**Vacant Units** 3  
**Vacancy Rate** 1.5%  
**Type** Various (2 stories)  
**Year Built/Renovated** 2003 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None Identified  
**Tenant Characteristics** Most are from Augusta; few out of state. Some students  
**Contact Name** Amy  
**Phone** 706.733.0064



### Market Information

**Program** Market  
**Annual Turnover Rate** 40%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 0%  
**Leasing Pace** 10-30 days  
**Annual Chg. in Rent** Weekly changes, 1-3% annually.  
**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** not included  
**Sewer** not included  
**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	14	824	\$819	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	48	909	\$799	\$0	Market	Yes	1	2.1%	N/A	None
1.5	1	Loft (3 stories)	24	1,094	\$849	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	43	1,166	\$949	\$0	Market	Yes	1	2.3%	N/A	None
2	2	Garden (2 stories)	43	1,261	\$969	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	28	1,403	\$1,059	\$0	Market	No	1	3.6%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$799 - \$819	\$0	\$799 - \$819	-\$25	\$774 - \$794
1.5BR / 1BA	\$849	\$0	\$849	-\$25	\$824
2BR / 2BA	\$949 - \$969	\$0	\$949 - \$969	-\$25	\$924 - \$944
3BR / 2BA	\$1,059	\$0	\$1,059	-\$25	\$1,034

## Century Hills, continued

### Amenities

#### In-Unit

Balcony/Patio  
Cable/Satellite/Internet  
Central A/C  
Dishwasher  
Ceiling Fan  
Hand Rails  
Oven  
Refrigerator  
Vaulted Ceilings  
Washer/Dryer

Blinds  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Microwave  
Pull Cords  
Trash Compactor  
Walk-In Closet  
Washer/Dryer hookup

#### Security

Limited Access  
Perimeter Fencing

#### Services

None

#### Property

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

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

#### Premium

None

#### Other

None

### Comments

The property mentioned that five student households have been asked to be placed on a waitlist for July and August. Leasing pace varies based on unit type and seasonality, however, most units are leased between 10 and 30 days from vacancy. The property does not accept Housing Choice Vouchers.

## Century Hills, continued

### Trend Report

#### Vacancy Rates

4Q06	4Q07	2Q10	2Q13
3.0%	5.0%	2.0%	1.5%

### Trend: Market

#### 1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	0.0%	\$924	\$0	\$924	\$899
2010	2	4.2%	\$804	\$0	\$804	\$779
2013	2	0.0%	\$849	\$0	\$849	\$824

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	N/A	\$735 - \$799	\$0	\$735 - \$799	\$710 - \$774
2007	4	1.6%	\$740 - \$824	\$0	\$740 - \$824	\$715 - \$799
2010	2	1.6%	\$758	\$0	\$758	\$733
2013	2	1.6%	\$799 - \$819	\$0	\$799 - \$819	\$774 - \$794

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	N/A	\$953	\$0	\$953	\$928
2007	4	9.3%	\$985	\$0	\$985	\$960
2010	2	1.2%	\$888 - \$908	\$0	\$888 - \$908	\$863 - \$883
2013	2	1.2%	\$949 - \$969	\$0	\$949 - \$969	\$924 - \$944

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	0.1%	\$1,070	\$0	\$1,070	\$1,045
2007	4	3.6%	\$1,135	\$0	\$1,135	\$1,110
2010	2	3.6%	\$1,034	\$0	\$1,034	\$1,009
2013	2	3.6%	\$1,059	\$0	\$1,059	\$1,034

### Trend: Comments

4Q06	Century Hills is a market rate property offering one-, two-, and three-bedroom units. The property currently has six vacancies, but management is not offering concessions. The property does not accept Section 8 vouchers. Management stated that cable and trash are included in the rents. According to management, most tenants are from the Augusta area; however, there are a few tenants who have moved from out of state for business purposes.
4Q07	N/A
2Q10	Management stated that rents change daily based on occupancy and are calculated using "Yield Star". The rents given are base rents that may have added premiums from \$10 to \$58 based on the prospective tenant's lease-term, desired floor, and move-in date.
2Q13	The property mentioned that five student households have been asked to be placed on a waitlist for July and August. Leasing pace varies based on unit type and seasonality, however, most units are leased between 10 and 30 days from vacancy. The property does not accept Housing Choice Vouchers.

# PROPERTY PROFILE REPORT

## Oak Hill Apartments

**Effective Rent Date** 5/20/2013  
**Location** 817 Hickman Street  
 Augusta, GA 30904  
 Richmond County  
**Distance** 2.6 miles  
**Units** 120  
**Vacant Units** 5  
**Vacancy Rate** 4.2%  
**Type** Garden (3 stories)  
**Year Built/Renovated** 1974 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** N/A  
**Tenant Characteristics** Many student residents  
**Contact Name** Nancy  
**Phone** 706-733-9717



### Market Information

**Program** Market  
**Annual Turnover Rate** 40%  
**Units/Month Absorbed** N/A  
**HCV Tenants** N/A  
**Leasing Pace** Pre-lease to 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** not included  
**Sewer** not included  
**Trash Collection** not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	76	705	\$510	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	44	N/A	\$620	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$510	\$0	\$510	\$0	\$510
2BR / 1BA	\$620	\$0	\$620	\$0	\$620

### Amenities

#### In-Unit

Balcony/Patio  
 Cable/Satellite/Internet  
 Carpeting  
 Dishwasher  
 Garbage Disposal  
 Refrigerator

Blinds  
 Carpet/Hardwood  
 Central A/C  
 Ceiling Fan  
 Oven

#### Security

None

#### Services

None

#### Property

Central Laundry

Swimming Pool

#### Premium

None

#### Other

None

## **Oak Hill Apartments, continued**

### **Comments**

The contact stated that demand comes and goes. Would not comment or report vacancy rate, change in rents, concessions or competition.

## Oak Hill Apartments, continued

### Trend Report

#### Vacancy Rates

4Q11	4Q12	2Q13
1.3%	4.2%	4.2%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	1.3%	\$510	\$0	\$510	\$510
2012	4	N/A	\$510	\$0	\$510	\$510
2013	2	N/A	\$510	\$0	\$510	\$510

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$620	\$0	\$620	\$620
2013	2	N/A	\$620	\$0	\$620	\$620

### Trend: Comments

- 4Q11** The contact said that 45 percent of the residents are students. There are another 30 percent who are researchers that have a two-year commitment for their work, which creates a higher than typical turnover.
- 4Q12** The contact stated that the second-floor units are the most desirable.
- 2Q13** The contact stated that demand comes and goes. Would not comment or report vacancy rate, change in rents, concessions or competition.

# PROPERTY PROFILE REPORT

## River Ridge

**Effective Rent Date** 5/21/2013

**Location** 505 13th Street  
Augusta, GA 30901  
Richmond County  
Intersection: Telfair Street & 13th

**Distance** 0.6 miles

**Units** 104

**Vacant Units** 40

**Vacancy Rate** 38.5%

**Type** Garden (3 stories)

**Year Built/Renovated** 1984 / 2012

**Marketing Began** N/A

**Leasing Began** N/A

**Last Unit Leased** N/A

**Major Competitors** Hicman Arms, Springhouse Apartments & Ramblewood

**Tenant Characteristics** mix of people (students, couples, singles) from general area

**Contact Name** Tam

**Phone** (706) 250-5154



### Market Information

**Program** Market

**Annual Turnover Rate** N/A

**Units/Month Absorbed** N/A

**HCV Tenants** N/A

**Leasing Pace** 1-2 weeks

**Annual Chg. in Rent** +8-10%

**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	Garden (3 stories)	52	850	\$500	\$0	Market	no	25	48.1%	yes	None
2	2	Garden (3 stories)	52	900	\$575	\$0	Market	no	15	28.8%	yes	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$500 - \$575	\$0	\$500 - \$575	-\$82	\$418 - \$493

### Amenities

#### In-Unit

Blinds  
Carpeting  
Dishwasher  
Refrigerator  
Washer/Dryer hookup

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

#### Security

None

#### Services

None

#### Property

Central Laundry

#### Premium

None

#### Other

None

## **River Ridge, continued**

### **Comments**

The property manager reported that the complex was renovated in 2012 and they have made updates to many of the units. Asking rents have increased for the renovated units. The general market conditions are inconsistent, with periods of moderate demand to low demand.

# PROPERTY PROFILE REPORT

## The Greens On Washington

**Effective Rent Date** 4/26/2013  
**Location** 2425 Washington Road  
 Augusta, GA 30901  
 Richmond County  
**Distance** 3.4 miles  
**Units** 456  
**Vacant Units** 37  
**Vacancy Rate** 8.1%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 1968 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None identified.  
**Tenant Characteristics** Primarily drawn from Augusta.  
**Contact Name** Sheila  
**Phone** 706-733-2795



### Market Information

**Program** Market  
**Annual Turnover Rate** N/A  
**Units/Month Absorbed** N/A  
**HCV Tenants** 25%  
**Leasing Pace** Within three weeks.  
**Annual Chg. in Rent** None.  
**Concession** None.

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	585	\$537	\$0	Market	No	N/A	N/A	N/A	None
1.5	1	Garden (2 stories)	N/A	858	\$558	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (2 stories)	N/A	858	\$608	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (2 stories)	N/A	1,010	\$638	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,010	\$678	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,200	\$848	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$537	\$0	\$537	-\$63	\$474
1.5BR / 1BA	\$558	\$0	\$558	-\$63	\$495
2BR / 1BA	\$608 - \$638	\$0	\$608 - \$638	-\$82	\$526 - \$556
2BR / 2BA	\$678	\$0	\$678	-\$82	\$596
3BR / 2BA	\$848	\$0	\$848	-\$94	\$754

## The Greens On Washington, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Refrigerator

Blinds  
Central A/C  
Ceiling Fan  
Oven  
Walk-In Closet

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Playground

Exercise Facility  
Off-Street Parking  
Picnic Area  
Swimming Pool

**Premium**

None

**Other**

None

### Comments

This property is completely closed. The contact indicated that it would be undergoing renovations over the next year, which may involve demolition of existing units.

# The Greens On Washington, continued

## Trend Report

### Vacancy Rates

1Q10	2Q10	2Q11	2Q13
21.9%	11.8%	8.1%	8.1%

## Trend: Market

### 1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$558	\$0	\$558	\$495
2011	2	N/A	\$558	\$0	\$558	\$495
2013	2	N/A	\$558	\$0	\$558	\$495

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$525	\$0	\$525	\$462
2010	2	N/A	\$537	\$0	\$537	\$474
2011	2	N/A	\$537	\$0	\$537	\$474
2013	2	N/A	\$537	\$0	\$537	\$474

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$565	\$0	\$565	\$483
2010	2	N/A	\$608 - \$638	\$25 - \$27	\$583 - \$611	\$501 - \$529
2011	2	N/A	\$608 - \$638	\$0	\$608 - \$638	\$526 - \$556
2013	2	N/A	\$608 - \$638	\$0	\$608 - \$638	\$526 - \$556

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$635	\$0	\$635	\$553
2010	2	N/A	\$678	\$28	\$650	\$568
2011	2	N/A	\$678	\$0	\$678	\$596
2013	2	N/A	\$678	\$0	\$678	\$596

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$795	\$0	\$795	\$701
2010	2	N/A	\$848	\$17	\$831	\$737
2011	2	N/A	\$848	\$0	\$848	\$754
2013	2	N/A	\$848	\$0	\$848	\$754

## Trend: Comments

- 1Q10** The contact reported working at this property in September of 2009 and noted occupancy has been low since that time ranging between 76 and 80 percent. She stated several applicants do not pass background and credit checks and there have been some evictions in the past six months due to behavioral issues and late rent payments or non payments.
- 2Q10** The property contact said there are several floorplans in addition to those previously noted at the property. The property has two types of one-bedroom units, three types of two-bedroom units and one type of three-bedroom unit. There is a current concession for two-bedroom units of two weeks (1/2 month) free. There is an additional concession for three-bedroom units of \$200 off the first months rent. The contact was unwilling to share any information about the number of seniors residing at the property.
- 2Q11** Management was unable to report the specific number of each unit type or vacancy by unit type. Management reported that there are no rent concessions at the current time; however, management is waiving security deposits for new tenants. The property does not currently operate with a waiting list.
- 2Q13** This property is completely closed. The contact indicated that it would be undergoing renovations over the next year, which may involve demolition of existing units.

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

### Housing Choice Vouchers

The following table illustrates the percent Housing Choice Voucher (HCV) rate at the comparable properties, as reported by property managers.

#### TENANTS WITH VOUCHERS

Comparable Property	Type	Tenancy	Housing Choice Voucher Tenants
Augusta Spring Apartments	@50%, @50% (HOME), @60%, @60% (HOME)	Senior	25%
Legacy At Walton Oaks	@50% (ACC), @60%, PBRA	Senior	0%
Linden Square	@50%, @60%, Market	Senior	16%
Terraces At Edinburgh	@50%, @60%	Senior	25%
Century Glen Apartments	Market	Family	0%
Century Hills	Market	Family	0%
Oak Hill Apartments	Market	Family	N/A
River Ridge	Market	Family	N/A
The Greens On Washington	Market	Family	25%

As illustrated in the table, HCV rates at the comparable properties is low to moderate, ranging from zero to 25 percent for the LIHTC properties. The local market does not appear to be dependent on voucher tenants.

### Waiting Lists

The following table illustrates the presence of waiting lists at the comparable properties, where applicable.

#### WAITING LISTS

Comparable Property	Type	Tenancy	Waiting Lists
Augusta Spring Apartments	@50%, @50% (HOME), @60%, @60% (HOME)	Senior	Waiting list for all units (4-6 months)
Legacy At Walton Oaks	@50% (ACC), @60%, PBRA	Senior	Waiting list for subsidized units
Linden Square	@50%, @60%, Market	Senior	Waiting list for all units
Terraces At Edinburgh	@50%, @60%	Senior	Waiting list of 100+ HHs
Century Glen Apartments	Market	Family	None
Century Hills	Market	Family	Waiting list for 1BR and 2BR units
Oak Hill Apartments	Market	Family	None
River Ridge	Market	Family	None
The Greens On Washington	Market	Family	None

All of the senior LIHTC comparable properties are maintaining waiting lists, which indicates that there is demand for additional LIHTC housing in the market.

### Lease Up History

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

**ABSORPTION**

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Legacy At Walton Oaks	@50% (ACC), @60%, PBRA	Senior	2011	75	12-24 (estimate)
Terraces At Edinburgh	@50%, @60%	Senior	2010	72	24

Senior LIHTC vacancy in the market is low at approximately 1.8 percent and all of the senior LIHTC comparable properties are maintaining waiting lists. The Subject will offer new construction and a competitive amenity package. Therefore, we anticipate that it will stabilize at a rate similar to that of the recent senior LIHTC additions to supply in Augusta. We estimate that the Subject will reach 93 percent occupancy within three months of opening if management pre-releases units. This equates to an absorption rate of 15 units or more, which is considered a conservative estimate given the absorption rates of Legacy at Walton Oaks and Terraces at Edinburgh.

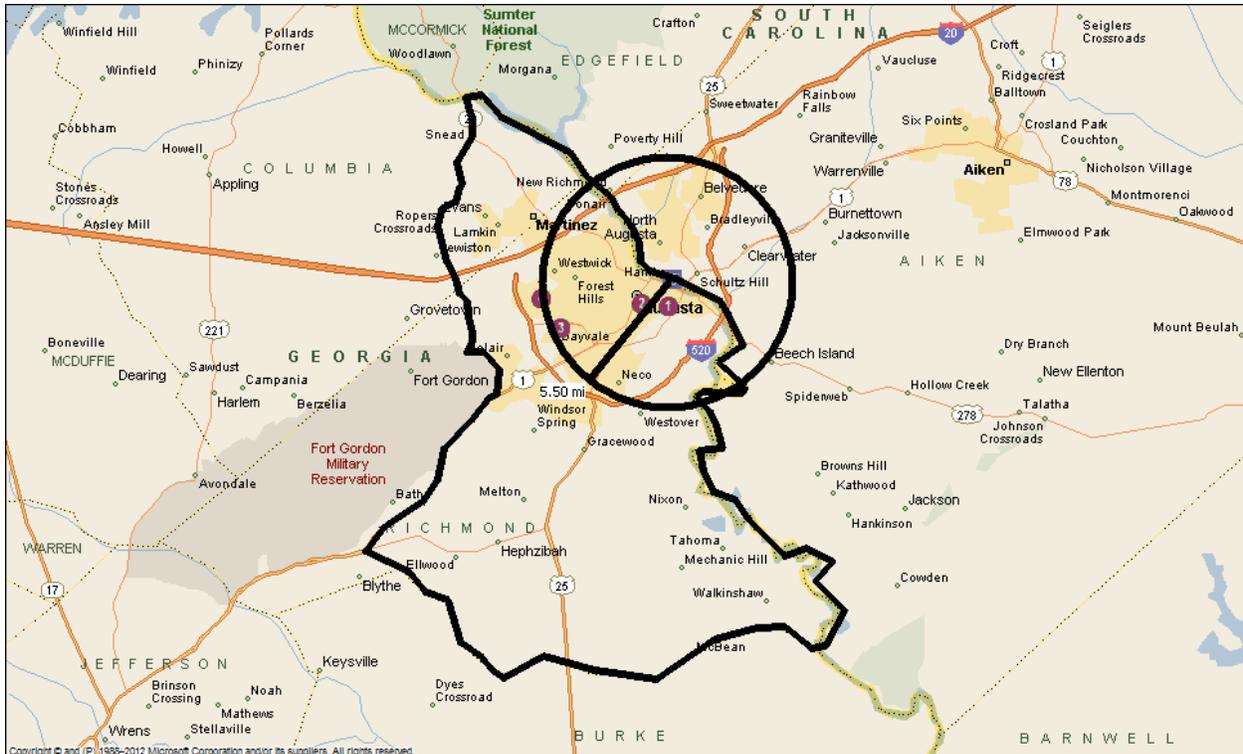
**Phased Developments**

The Subject is not a phase of an existing development.

**Rural Areas**

The Subject is not located in a rural market. There is adequate market rate and senior LIHTC supply in the market to use for comparison. We have included nine multifamily rental properties in the PMA as comparables in this report.

**3. COMPETITIVE PROJECT MAP**



COMPETITIVE PROJECT MAP

#	Property Name	City	Type	Tenancy	Distance
1	Legacy At Walton Oaks	Augusta	@50% (ACC), @60%, PBRA	Senior	1.3 miles
2	Linden Square	Augusta	@50%, @60%, Market	Senior	1.7 miles
3	Terraces At Edinburgh	Augusta	@50%, @60%	Senior	7.1 miles
4	Augusta Spring Apartments	Augusta	@50%, @50% (HOME), @60%, @60% (HOME)	Senior	6.0 miles

4. Amenities

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

IN-UNIT AMENITIES

Comp#	Davidson Senior Manor	Augusta Spring Apartments	Legacy At Walton Oaks	Linden Square	Terraces At Edinburgh	Century Glen Apartments	Century Hills	Oak Hill Apartments	River Ridge	The Greens On Washington
Comp#	Subject	1	2	3	4	5	6	7	8	9
<b>Property Information</b>										
Property Type	Lowrise (age-restricted) (4 stories)	One-story (age-restricted)	Garden (age-restricted)	Lowrise (age-restricted) (2 stories)	One-story (age-restricted)	Garden (3 stories)	Various (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (2 stories)
Year Built / Renovated	2015 / n/a	1996 and 2002 / n/a	2011 / n/a	2003 / n/a	2010 / n/a	2003 / n/a	2003 / n/a	1974 / n/a	1984 / 2012	1968 / n/a
Market (Conv./Subsidy Type)	@50%, @60%	@50%, @50% (HOME), @60% (HOME)	@50% (ACC), @60% (PBRA)	@50%, @60%, Market	@50%, @60%	Market	Market	Market	Market	Market
<b>Utility Adjustments</b>										
Cooking	no	yes	no	no	no	no	no	no	no	no
Water Heat	no	yes	no	no	no	no	no	no	no	no
Heat	no	yes	no	no	no	no	no	no	no	no
Other Electric	no	yes	no	no	no	no	no	no	no	no
Water	no	yes	no	yes	no	no	no	no	yes	yes
Sewer	no	yes	no	yes	no	no	no	no	yes	yes
Trash Collection	yes	yes	yes	yes	yes	no	yes	no	yes	yes
<b>In-Unit Amenities</b>										
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	yes	no	no	no
Garbage Disposal	no	yes	yes	yes	no	yes	yes	yes	no	yes
Hand Rails	yes	yes	yes	no	yes	no	yes	no	no	no
Microwave	no	no	yes	no	no	yes	yes	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	yes	no	no	yes	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	no	yes	yes	no	yes	yes	no	yes	yes
Washer/Dryer	no	no	no	no	no	yes	yes	no	no	no
Washer/Dryer hookup	no	yes	yes	yes	yes	no	yes	no	yes	no

COMMON AREA AMENITIES

Comp #	Davidson Senior Manor Subject	Augusta Spring Apartments 1	Legacy At Walton Oaks 2	Linden Square 3	Terraces At Edinburgh 4	Century Glen Apartments 5	Century Hills 6	Oak Hill Apartments 7	River Ridge 8	The Greens On Washington 9
<b>Property Amenities</b>										
Basketball Court	no	no	no	no	no	yes	no	no	no	no
Business Center/Computer Lab	yes	no	yes	yes	yes	yes	yes	no	no	no
Car Wash	no	no	no	no	no	yes	yes	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Concierge	no	no	no	no	no	yes	no	no	no	no
Courtyard	no	yes	yes	no	no	no	no	no	no	no
Elevators	no	no	yes	yes	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Garage	no	no	no	no	no	yes	yes	no	no	no
Jacuzzi	no	no	no	no	no	no	yes	no	no	no
Central Laundry	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Neighborhood Network	no	no	yes	no	no	no	no	no	no	no
Non-shelter Services	no	no	no	no	yes	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	no	no	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Picnic Area	no	no	yes	no	no	yes	yes	no	no	yes
Playground	no	no	no	no	no	yes	yes	no	no	yes
Recreation Areas	no	no	yes	no	no	no	no	no	no	no
Service Coordination	no	no	yes	no	no	no	no	no	no	no
Swimming Pool	no	no	no	no	no	yes	yes	yes	no	yes
Tennis Court	no	no	no	no	no	yes	yes	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	\$100.00	\$75.00	N/A	N/A	N/A
<b>Services</b>										
Adult Education	no	no	yes	no	no	no	no	no	no	no
After-school Program	no	no	no	no	no	yes	no	no	no	no
Shuttle Service	no	no	yes	no	no	no	no	no	no	no
<b>Security</b>										
Intercom (Buzzer)	no	no	yes	no	no	no	no	no	no	no
Limited Access	no	no	yes	yes	no	yes	yes	no	no	no
Patrol	no	yes	no	no	no	no	no	no	no	no
Perimeter Fencing	no	no	yes	no	no	no	yes	no	no	no
<b>Premium Amenities</b>										
Medical Professional	no	no	yes	no	no	no	no	no	no	no
<b>Other Amenities</b>										
Other	n/a	n/a	n/a	Hair salon, shuffleboard	Covered pavillion, gardens, walking trail	n/a	n/a	n/a	n/a	n/a

In terms of in-unit amenities, the Subject will be slightly inferior to the comparable properties that offer in-unit washer/dryer connections and/or in-unit washer/dryers. In terms of common area amenities, the Subject will be similar to Linden Square (senior LIHTC), Terraces at Edinburgh (senior LIHTC), and The Greens on Washington (family market rate property). The Subject will be inferior to Legacy at Walton Oaks (senior LIHTC), Century Glen (family market rate property), and Century Hills (family market rate property). Augusta Springs (senior LIHTC), Oak Hill (family market rate), and River Ridge (family market rate) will be inferior to the Subject.

5. The Subject will target senior households aged 55 and older. We have included all senior properties in the PMA. Due to the lack of senior market rate properties in the PMA, we have also included family market rate properties. Because there is adequate senior LIHTC data in Augusta, we have excluded the family LIHTC properties.

## 6. Vacancy

The following table illustrates the vacancy rates in the market.

### OVERALL VACANCY

Property name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Augusta Spring Apartments	@50%, @50% (HOME), @60%, @60% (HOME)	Senior	200	4	2.00%
Legacy At Walton Oaks	@50% (ACC), @60%, PBRA	Senior	75	3	4.00%
Linden Square	@50%, @60%, Market	Senior	48	0	0.00%
Terraces At Edinburgh	@50%, @60%	Senior	72	0	0.00%
Century Glen Apartments	Market	Family	216	7	3.20%
Century Hills	Market	Family	200	3	1.50%
Oak Hill Apartments	Market	Family	120	5	4.20%
River Ridge*	Market	Family	104	40	38.50%
The Greens On Washington	Market	Family	456	37	8.10%
<b>Overall Vacancy (All Properties)</b>			<b>1,491</b>	<b>99</b>	<b>6.64%</b>
<b>Overall Vacancy (Stabilized Properties)</b>			<b>1387</b>	<b>59</b>	<b>4.25%</b>
<b>LIHTC Vacancy</b>			<b>395</b>	<b>7</b>	<b>1.77%</b>
<b>Market Rate Vacancy (Stabilized Properties)</b>			<b>992</b>	<b>52</b>	<b>5.24%</b>

\*Property is undergoing re-absorption period post renovations.

As illustrated, the LIHTC properties are outperforming the market rate properties. Overall LIHTC vacancy is low at less than two percent while that of the stabilized market rate properties is approximately five percent. Approximately 40 percent of the vacant market rate units are at River Ridge. River Ridge is located within a mile of the Subject site. The property was built in 1984 and underwent renovations in 2012. The property is currently re-leasing its units post renovations and therefore the property's vacancy rate is not indicative of typical market vacancy as other older market rate properties are maintaining low vacancy rates.

Of the 395 senior LIHTC units in the market, there are only seven vacancies. Further, the senior LIHTC properties are maintaining waiting lists; and, at 48 units, the Subject will be the on the smaller end of the range in terms of property size. Therefore, we believe that the Subject will maintain a vacancy rate of five percent, or less, once stabilized.

## 7. Properties Under Construction and Proposed

According to Georgia Department of Community Affairs' (GA DCA's) 2011 and 2012 LIHTC allocation lists, there are no proposed senior LIHTC allocations in the PMA. Walton Oaks II was allocated in 2012 and will offer 106 units. The property will target families and therefore will not directly compete with the Subject.

## 8. Rental Advantage

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

**Similarity Matrix**

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Augusta Spring Apartments	@ 50%, @ 50% (HOME), @ 60%, @ 60% (HOME)	Slightly inferior	Slightly superior	Slightly inferior	Inferior	Inferior	-25
2	Legacy At Walton Oaks	@ 50% (ACC), @ 60%, PBRA	Superior	Slightly superior	Slightly inferior	Similar	Superior	20
3	Linden Square	@ 50%, @ 60%, Market	Similar	Slightly superior	Slightly inferior	Slightly inferior	Slightly inferior	-10
4	Terraces At Edinburgh	@ 50%, @ 60%	Similar	Slightly superior	Slightly inferior	Similar	Superior	10
5	Century Glen Apartments	Market	Superior	Superior	Slightly superior	Slightly inferior	Superior	30
6	Century Hills	Market	Superior	Superior	Slightly superior	Slightly inferior	Superior	30
7	Oak Hill Apartments	Market	Inferior	Similar	Similar	Inferior	Similar	-20
8	River Ridge	Market	Inferior	Similar	Similar	Inferior	Similar	-20
9	The Greens On Washington	Market	Similar	Similar	Similar	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 table.

**LIHTC Rent Comparison - @50%**

Property Name	1BR	2BR
Davidson Senior Manor (Subject)	\$397	\$462
<b>LIHTC Maximum (Net)</b>	<b>\$397</b>	<b>\$462</b>
Linden Square	\$419	\$488
Augusta Spring Apartments	\$407	\$428 - \$471
Terraces At Edinburgh	\$378	\$444
<b>Average (excluding Subject)</b>	<b>\$393</b>	<b>\$458</b>

**LIHTC Rent Comparison - @60%**

Property Name	1BR	2BR
Davidson Senior Manor (Subject)	\$503	\$590
<b>LIHTC Maximum (Net)</b>	<b>\$503</b>	<b>\$590</b>
Legacy At Walton Oaks	\$536	\$646
Augusta Spring Apartments	\$444 - \$516	\$471 - \$548
Terraces At Edinburgh	\$485	\$552
Linden Square	\$462	\$543
<b>Average (excluding Subject)</b>	<b>\$474</b>	<b>\$548</b>

The Subject's proposed rents are set at the maximum allowable levels. The senior LIHTC properties appear to be achieving rents at the maximum allowable levels or near the maximum allowable levels. The senior LIHTC properties are maintaining an overall vacancy rate of 1.8 percent with waiting lists. Overall, the Subject will be slightly superior when compared to Linden Square and inferior when compared to Terraces at Edinburgh. However, Linden Square is achieving higher rents at the 50 percent AMI level than Terraces at Edinburgh, indicating that Terraces at Edinburgh is not testing the market. The Subject's proposed rents at 50 percent AMI are below those at Linden Square, which is currently 100 percent occupied and therefore its rents have been accepted in the market. We believe that the Subject's 50 percent AMI rents are feasible as proposed.

Legacy at Walton Oaks appears to be achieving 60 percent AMI rents that are above the maximum allowable levels. We attribute this to differences in utility allowances. The Subject will have a disadvantage when compared to Legacy at Walton Oaks in terms of unit sizes and amenities; therefore, we believe that the Subject should achieve rents below this property.

The Subject will also have a disadvantage when compared to Terraces at Edinburgh in terms of amenity package and unit sizes. The property is 100 percent occupied with a waiting list and therefore its rents have been accepted in the market. The property manager reported that the property's rents are set at the maximum allowable levels, indicating that the property cannot charge higher rents even if they were achievable.

Linden Square is achieving the lowest rents at 60 percent AMI. The Subject will be superior to this property in terms of age/condition, unit sizes, and unit features. The Subject will be similar to this property in terms of common area amenities and location. Overall, we believe that the Subject should achieve rents above this property.

Augusta Spring offers a large number of units (200) and is achieving maximum allowable rents for its non-HOME units. The property was built in two phases and Phase I is achieving lower rents in part because of age/condition and amenities (they lack dishwashers and washer/dryer connections) and in part because the HOME rents at Phase I are understated, despite also being restricted at 50 and 60 percent of AMI. The property will be slightly inferior to the Subject in terms of common area amenities, slightly superior in terms of in-unit amenities, inferior in age/condition, and inferior in terms of unit sizes. Therefore, we believe that the Subject should achieve rents above this property, which is currently 98 percent occupied with a waiting list.

While the Subject will be inferior to Legacy at Walton Oaks and Terraces at Edinburgh, we believe that the maximum allowable rents are achievable in the market due to Augusta Spring's performance as well as strong demand for senior LIHTC housing in the market. The strength of the demand is evidenced by very low senior LIHTC vacancy, the presence of waiting lists at the senior LIHTC properties, and the Subject's new construction product.

### **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 not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels,

we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

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

**SUBJECT COMPARISON TO RENTS IN THE MARKET**

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1BR at 50% AMI	\$397	\$378	\$935	\$542	37%
2BR at 50% AMI	\$462	\$428	\$1,070	\$625	35%
1BR at 60% AMI	\$503	\$444	\$935	\$593	18%
2BR at 60% AMI	\$590	\$443	\$1,070	\$667	13%

As illustrated the Subject's proposed 50 and 60 percent AMI rents are on the low end of the range and well below the surveyed average rents at the comparable properties, both LIHTC and market rate.

The Subject will be most similar to the senior LIHTC properties in the market. These properties are maintaining an overall vacancy rate of 1.8 percent and therefore are not testing the market. Two of the market rate properties are maintaining rents that are competitive with LIHTC rents: River Ridge and The Greens on Washington. These properties were built in the 1960s and 1980s and have not undergone major renovations; therefore, they will be significantly inferior when compared to the Subject in terms of age/condition. In terms of market position, the Subject will fall between the older market rate properties (Oak Hill, River Ridge, and Greens on Washington) and the newer, highly-amenitized family market rate properties (Century Glen and Century Hills). When compared to the senior LIHTC properties, the Subject would be positioned between Linden Square and Legacy at Walton Oaks or Terraces at Edinburgh.

Linden Square offers market rate units; however, the rents for these units are understated as they are at comparable levels to (or lower than) the 60 percent AMI rents at Legacy at Walton Oaks and Terraces at Edinburgh. Therefore, they do not appear to be indicative of achievable unrestricted senior rents in the market.

The Subject's proposed rents have a significant advantage over the surveyed average rents in the market. Overall, we believe that the Subject's proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

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

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

### **10. Rental Trends in the PMA**

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

## TENURE PATTERNS - TOTAL POPULATION

Year	PMA				Augusta-Richmond County, GA-SC MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	-	-	-	-	128,804	69.2%	57,445	30.8%
2012	53,831	57.5%	39,743	42.5%	144,548	66.7%	72,301	33.3%
Projected Mkt Entry July 2015	55,953	57.9%	40,651	42.1%	151,320	67.1%	74,156	32.9%
2017	57,368	58.2%	41,257	41.8%	155,834	67.4%	75,392	32.6%

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

## TENURE PATTERNS - ELDERLY POPULATION (AGE 55+)

Year	PMA				Augusta-Richmond County, GA-SC MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	-	-	-	-	50,124	80.7%	11,960	19.3%
2012	28,772	75.1%	9,549	24.9%	74,290	80.7%	18,172	19.3%
Projected Mkt Entry July 2015	31,277	75.2%	10,315	24.8%	91,329	80.7%	19,625	19.3%
2017	32,947	75.3%	10,826	24.7%	102,688	80.7%	20,594	19.3%

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

Owner-occupied housing dominates the housing market in the PMA for residents 55 and older and is projected to stand at 75.2 percent at the time of market entry. However, this number is smaller than the national average, which is projected to stand at 80.1 percent at the time of market entry. This difference is significant, as it means renter occupied units for seniors in the PMA are 24.6 percent more prevalent in the PMA than for the nation at large. This rate is expected to remain fairly stable through 2017.

*Change in Rental Rates*

The following table illustrates changes in rent at the comparable properties over the past year, where applicable.

## RENT GROWTH

Comparable Property	Rent Structure	Tenancy	Rent Growth
Legacy At Walton Oaks	@50% (ACC), @60%, PBRA	Senior	Increased over the past year
Linden Square	@50%, @60%, Market	Senior	Increased 6-8%
Terraces At Edinburgh	@50%, @60%	Senior	Increased 0-0.2%
Century Glen Apartments	Market	Family	Rents fluctuate daily
Century Hills	Market	Family	Rents change weekly; Increased 1-3%
Oak Hill Apartments	Market	Family	None
River Ridge	Market	Family	Increased 8-10%
The Greens On Washington	Market	Family	None

Five of the comparable properties reported rent increases over the past year. The Subject's rents are set at the maximum allowable levels and therefore rent increases at the Subject will be directly dependent upon AMGI growth in the MSA.

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

Per RealtyTrac's March 2013 data, an estimated 14.6 percent of homes are vacant in Augusta. The median list price is \$105,900 as of March 2013, which represents a three percent year over year increase. The median sales price in the city is \$90,000, which is a one percent year over year increase since March 2012. The foreclosure rates in Augusta as of March 2013 is one in every 2,190 housing units, which is slightly lower than that of the county (one in every 2,025 housing units) and many times lower than that of the state (one in every 240 housing units). This

rate is also significantly lower than the national rate of one in every 418 housing units. This extremely low foreclosure rate speaks toward the inherent economic stability of the city and bodes well for the Subject property. Given the very low rate of foreclosed properties in the region and corroboration from the local Chamber of Commerce about the lack of vacant buildings in the Subject's vicinity, we believe the impact of foreclosed, abandoned and vacant structures to be negligible.

## **12. Primary Housing Void**

The senior LIHTC supply in the PMA generally represents new construction as the senior LIHTC comparable properties were built in 2003 and later. One of the senior LIHTC comparable properties serves as replacement housing for a public housing property. The remaining two senior LIHTC comparables comprise a total of 120 units, which is a small number compared to family properties in the PMA. Overall senior LIHTC vacancy is low and the Subject will only add 48 units to the market. We anticipate that the Subject will fill a void for latent senior LIHTC demand as evidenced

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

The Subject will offer 48 units and will be on the lower end of the range in terms of property size. Therefore, the Subject is adding a relatively low number of units to the market. Senior LIHTC vacancy is low at 1.8 percent and all of the senior LIHTC comparable properties are maintaining waiting lists. Therefore, we believe that the Subject will not have a long term impact on other affordable units in the market.

## **Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. Senior LIHTC vacancy in the market is low at 1.8 percent and all senior LIHTC properties are maintaining waiting lists with low to moderate HCV rates and no concessions. The Subject will offer new construction in a neighborhood with amenities within walking distance of the Subject. The Subject's amenity package will be somewhat inferior when compared to some of the senior LIHTC properties; however, the Subject will offer a slightly superior amenity package and the senior LIHTC properties are not testing the market as there are only three vacant units at all three senior LIHTC comparables. Overall, we believe that the Subject is feasible as proposed.

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

**Stabilization/Absorption Rate**

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

**ABSORPTION**

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Legacy At Walton Oaks	@50% (ACC), @60%, PBRA	Senior	2011	75	12-24 (estimate)
Terraces At Edinburgh	@50%, @60%	Senior	2010	72	24

Senior LIHTC vacancy in the market is low at approximately 1.8 percent and all of the senior LIHTC comparable properties are maintaining waiting lists. The Subject will offer new construction and a competitive amenity package. Therefore, we anticipate that it will stabilize at a rate similar to that of the recent senior LIHTC additions to supply in Augusta. We estimate that the Subject will reach 93 percent occupancy within three months of opening if management pre-leases units. This equates to an absorption rate of 15 units or more, which is considered a conservative estimate given the absorption rates of Legacy at Walton Oaks and Terraces at Edinburgh.

## **J. INTERVIEWS**

### Housing Authority

The Housing Authority of the City of Augusta (HACA) has issued a total of 5,519 vouchers in a combination of Rental Choice Housing and site based assistance programs. The 5,519 total vouchers consist of 3,328 Housing Choice Vouchers (which includes 42 Project Based vouchers at The Highlands West and 44 Project Based vouchers at Maxwell House Apartments), 2,064 Georgia HAP Administrators Program vouchers, 92 Project Based-Moderate Rehabilitation Program vouchers and 35 Veterans Affairs Supportive Housing (VASH) vouchers. They are not currently accepting new applications.

Additionally, the website lists the following payment standards:

Housing Choice Voucher Payment Standards	
0BR	\$568
1BR	\$616
2BR	\$692
3BR	\$927
4BR	\$974
5BR	\$1,120
6BR	\$1,266
7BR	\$1,412

Source: Housing Authority of the City of Augusta, 2013

The Subject's gross rents will be below the payment standards.

### Planning

We interviewed Lois Schmidt from the Augusta Planning and Development Department. Ms. Schmidt stated that the most major projects ongoing in the region are the ongoing construction of the Starbucks Coffee Co. manufacturing facility, scheduled to begin operation in 2014, and the Rockwood Pigmentation manufacturing facility, scheduled to begin operation in late 2013 or early 2014. Ms. Schmidt also stated that a complete list of scheduled projects was available online. We searched the database for relevant projects that may have been overlooked, but all relevant project proposals submitted within the past 2 years were not approved for construction.

### Chamber of Commerce

We interviewed Laurie Davis with the Augusta Metro Chamber of Commerce. Ms. Davis reiterated that the most major recent events in the area regarding employment and the economic outlook are the ongoing construction projects associated with the Starbuck Coffee Co. manufacturing facility and the Rockwood Pigmentation manufacturing facility. Like Ms. Schmidt, she was unaware of any additional projects slated to occur in the immediate future in the Augusta area.

### Senior Center

The only senior center in the Augusta area is the Henry Brigham Senior Services Center, operated by the city and located 5.9 miles from the Subject property, although it is not a full-time senior center. The facility operates as a Senior Center Monday through Friday from 8 a.m. to 3 p.m. The facility is not used exclusively as a senior center, hosting other city functions during the evening and on weekends (such as town hall meetings, community meetings or other civic

activities requiring ample space) and is available to be rented out by the general public during these times as well.

Activities offered at the center include senior fitness, health and nutrition classes daily, weekly Bingo tournaments and bi-weekly bridge and card tournaments.

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

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS

- The Subject is located in Augusta, Richmond County, GA. In 2012, the population in the PMA was 239,057 and is projected to increase to 248,904 in 2017, at an annual rate of 0.8 percent. While this rate of growth is not profound, it is important to note that it slightly outpaces the projected population growth nationally, which is 0.7 percent. This increase can be partially attributed to the heavy reliance on healthcare-related employment in the PMA.

A minority of senior households in the PMA (25 percent) are renter-occupied, a number expected to remain stable into 2017. However, this is greater than the national average senior renter percentage. Approximately 12 percent of households on the PMA have annual earnings between \$20,000 and \$29,999. The Subject will target households earning from \$23,040 to \$27,300. Persons within these income cohorts are expected to create demand for the Subject.

- Total employment in the MSA has been on an upward trend since at least 1990 and currently sits at 572,248 as of March 2013. Employment seems to have begun recovering and is currently trending upward year to date, but overall employment in the MSA is still slightly lower than it was in 2008. This discrepancy is less than one percent, however, if the upward trend continues the MSA should see employment levels above pre-recession levels in the near future.

Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 9.2 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of December 2012, the unemployment rate was above the unemployment rate of the US, but the rate of recovery currently outpaces the national average slightly.

- The Subject's capture rates at the 50 percent AMI level will range from 2.4 to 5.2 percent, with an overall capture rate of 3.7 percent. The Subject's 60 percent AMI capture rates range from 11.9 to 23.1 percent, with an overall capture rate of 16.8 percent. The overall capture rate for the project's 50 and 60 percent units is 20.1 percent. Therefore, we believe there is adequate demand for the Subject.
- We were able to obtain absorption information from two comparable properties, illustrated following.

### ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Legacy At Walton Oaks	@50% (ACC), @60%, PBRA	Senior	2011	75	12-24 (estimate)
Terraces At Edinburgh	@50%, @60%	Senior	2010	72	24

Senior LIHTC vacancy in the market is low at approximately 1.8 percent and all of the senior LIHTC comparable properties are maintaining waiting lists. The Subject will offer new construction and a competitive amenity package. Therefore, we anticipate that it will

stabilize at a rate similar to that of the recent senior LIHTC additions to supply in Augusta. We estimate that the Subject will reach 93 percent occupancy within three months of opening if management pre-leases units. This equates to an absorption rate of 15 units or more, which is considered a conservative estimate given the absorption rates of Legacy at Walton Oaks and Terraces at Edinburgh.

- The LIHTC properties are outperforming the market rate properties. Overall LIHTC vacancy is low at less than two percent while that of the stabilized market rate properties is approximately five percent. Approximately 40 percent of the vacant market rate units are at River Ridge. River Ridge is located within a mile of the Subject site. The property was built in 1984 and underwent renovations in 2012. The property is currently re-leasing its units post renovations and therefore the property's vacancy rate is not indicative of typical market vacancy as other older market rate properties are maintaining low vacancy rates.

Of the 395 senior LIHTC units in the market, there are only seven vacancies. Further, the senior LIHTC properties are maintaining waiting lists; and, at 48 units, the Subject will be the on the smaller end of the range in terms of property size. Therefore, we believe that the Subject will maintain a vacancy rate of five percent, or less, once stabilized.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. Senior LIHTC vacancy in the market is low at 1.8 percent and all senior LIHTC properties are maintaining waiting lists with low to moderate HCV rates and no concessions. The Subject will offer new construction in a neighborhood with amenities within walking distance of the Subject. The Subject's amenity package will be somewhat inferior when compared to some of the senior LIHTC properties; however, the Subject will offer a slightly superior amenity package and the senior LIHTC properties are not testing the market as there are only three vacant units at all three senior LIHTC comparables. Overall, we believe that the Subject is feasible 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.



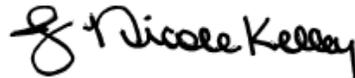
---

H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP

6-11-2013

---

Date



---

J. Nicole Kelley  
Manager  
Novogradac & Company LLP

6-11-2013

---

Date



---

Kristina V. Garcia  
Real Estate Analyst  
Novogradac & Company LLP

6-11-2013

---

Date



---

K. David Adamescu  
Real Estate Analyst  
Novogradac & Company LLP

6-11-2013

---

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.



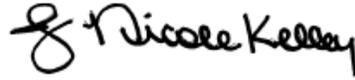
---

H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP

---

6-11-2013

Date



---

J. Nicole Kelley  
Manager  
Novogradac & Company LLP

---

6-11-2013

Date



---

Kristina V. Garcia  
Real Estate Analyst  
Novogradac & Company LLP

---

6-11-2013

Date



---

K. David Adamescu  
Real Estate Analyst  
Novogradac & Company LLP

---

6-11-2013

Date

## **N. QUALIFICATIONS**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## H. BLAIR KINCER, MAI, CRE

### I. Education

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

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

### II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)  
Member, The Counselors of Real Estate (CRE)  
Member, National Council of Affordable Housing Market Analysts (NCAHMA)  
Past Member Frostburg Housing Authority

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

### III. Professional Experience

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

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

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

Obtained the MAI designation in 1998 and maintained continuing education requirements since.

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

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

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.

**H. Blair Kincer**

**Qualifications**

**Page 3**

- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

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

#### **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