



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

**ROMANA-RILEY LOFTS
SEC East Henry Street & Waters Avenue; SWC East Anderson
Street & Waters Avenue
Savannah, Chatham County, Georgia 31404**

Effective Date: May 7, 2013

Report Date: June 12, 2013

Prepared For

W.H. Gross Construction Company

Prepared By

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June 12, 2013

W.H. Gross Construction Company

Re: Market Study for Romana-Riley Lofts to be located in Savannah, Chatham County, Georgia

To Whom It May Concern:

At your request, Novogradac & Company LLP performed a market study of the senior rental market in the Savannah, Chatham 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 Romana-Riley Lofts, a proposed Housing for Older Persons (HFOP) development that will consist of 57 units. The units will be restricted to senior households ages 55 and older earning 50 and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

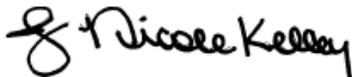
This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and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

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

Respectfully submitted,



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ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the

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10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Romana-Riley Lofts (the Subject) will be located at the southeast corner of the intersection of East Henry Street and Waters Avenue. The site also includes a small parcel located at the southwest corner of the intersection of East Anderson Street and Waters Avenue in Savannah, Chatham County, Georgia. The Subject will target seniors ages 55 and older (HFOP). The Subject will consist of 32 new construction units and 25 historic rehabilitation and adaptive reuse units in a building that formerly operated as a school. Both buildings will be elevator-serviced and the new construction building will consist of brick and fiber cement siding while the historic building will consist only of brick siding. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

PROPOSED RENTS

Unit Type	Number of Units	Unit Size (SF)	Asking Rent	Utility Allowance (1)	Gross Rent	2013 LIHTC Maximum Allowable Gross Rent	2013 HUD Fair Market Rents
<i>50% AMI</i>							
1BR/1BA	3	650	\$425	\$137	\$562	\$562	\$734
2BR/2BA	4	864	\$511	\$164	\$675	\$675	\$870
2BR/2BA	2	966	\$511	\$164	\$675	\$675	\$870
<i>60% AMI</i>							
1BR/1BA	17	650	\$538	\$137	\$675	\$675	\$734
2BR/2BA	21	864	\$646	\$164	\$810	\$810	\$870
2BR/2BA	10	966	\$646	\$164	\$810	\$810	\$870
Total	57						

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

The Subject will offer the following amenities: blinds, carpeting, central air conditioning, dishwasher, oven, refrigerator, garbage disposal, hand rails, and pull cords. With regards to community amenities, the Subject will offer a clubhouse/community room, elevators, exercise facility, business center/computer lab, on-site management, off-street parking, and central laundry facilities. The Subject will be competitive with the comparable properties.

2. Site Description/Evaluation:

The Subject site is located at the intersection of Waters Avenue and East Anderson Street in a mixed-use neighborhood that includes Live Oak Public Library, small commercial uses, places of worship and older single-family

homes in fair condition. There is a Chatham Area Transit bus stop directly adjacent to the Subject. The Memorial University Medical Center is located 1.9 miles from the Subject, and the local police department and fire department are 1.1 and 1.2 miles away respectively. All locational amenities are located within 2.1 miles of the Subject site, which can be attributed to the Subject's central location near Savannah's historic area.

The Subject site consists of two parcels. The primary, larger parcel is bound by Waters Avenue to the west, East Henry Street to the north, and East Anderson Street to the south. This parcel will consist of the residential units. Another smaller parcel located south of East Anderson Street and west of Waters Avenue will offer the off-street parking for the Subject. The Subject site is currently improved with the former Romana Riley elementary school that is currently vacant. The Subject site is in a predominantly residential neighborhood and immediate surrounding uses primarily consist of single-family homes and churches. The homes are generally in average to good condition and are well-occupied. Views of the Subject will include single-family homes in average to good condition on East Henry Street, Waters Avenue, Live Oak Street, and East Anderson Street. Overall, the Subject will be a conforming use in the neighborhood and the site appears appropriate for senior multifamily units. According to walkscore.com, the Subject site ranks as 58 on a scale of zero to 100 in terms of pedestrian access to amenities such as local groceries, restaurants, and Live Oak Park, among other uses.

Positive attributes of the site include that it is located in a walkable neighborhood and is located on the bus line. There are no major negative attributes of the site.

3. Market Area Definition:

The PMA is defined by Bay Street/East President Street to the north, Highway 516 to the south and west, and the border with Whitmarsh Island to the east. This area includes the majority of the City of Savannah. The area was defined based on interviews with local market participants as well as property managers at comparable properties. Based upon site inspection, the Subject site is located in the heart of the Savannah area that consists of predominantly older uses. This area differs in character to the southern Savannah area, which is more suburban in nature. Many property managers indicated that a significant portion of

their tenants come from the immediate Savannah area. Due to access provided by thoroughfares such as Interstate 16, Highway 21, the Southwest Bypass, and Harry Truman Parkway, several property managers indicated that residents come from throughout Chatham County. Per GA DCA's 2013 market study guidelines, GA DCA does not take into account leakage from the PMA. The farthest PMA boundary is approximately 4.2 miles from the Subject.

4. Community Demographic

Data:

The Subject is located in Savannah, Chatham County, GA. In 2012, the senior population in the PMA was 18,840 and is projected to increase to 21,810 by 2017 at an annual rate of 3.2 percent. In addition to the positive growth trends, the strong presence of senior renter households in the PMA demonstrates strong demand for the Subject. The Subject will target senior households earning \$16,860 to \$28,800. As illustrated above, the household income for seniors in the PMA is skewed strongly towards the lower income brackets. Approximately 58 percent of senior households in the area earn less than \$29,999.

Per RealtyTrac's March 2013 data, an estimated 18.6 percent of homes are vacant in Savannah. The median list price is \$147,400 as of March 2013, which represents a seven percent year over year decrease. The median sales price in the city is \$180,000, which is a two percent year over year decrease since March 2013. The foreclosure rate in Savannah as of April 2013 is one in every 1,253 housing units, which is slightly higher than that of the county (one in every 1,410 housing units) but, it is significantly lower than that of the state (one in every 283 housing units) and nation (one in every 418 housing units). We witnessed no abandoned or vacant homes in the Subject's neighborhood.

5. Economic Data:

Total employment in the MSA has been steadily increasing since 2011. As of December 2012, employment is at its highest level since 2008. Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 9.1 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; however, the high rate of growth in total employment during this time indicates a recovery in the MSA in line with the nation. The largest employers in the PMA are the accommodation/food

services, health care/social assistance, retail trade, and educational services industries. Lower skilled employees in these industries are likely to have incomes in line with the Subject's income restrictions.

Savannah lost 1,952 jobs between 2010 and 2013. In 2013, there have been two layoffs so far, accounting for a loss of 247 jobs. However, the Savannah region has seen a number of manufacturing businesses expanding their operations, which bodes well for recovery in the local economy, as manufacturing is typically one of the more volatile sectors.

The largest industries in the PMA are accommodation/food services, health care/social assistance, retail trade, and educational services. Together, these four industries comprise 54.9 percent of employment in the PMA. Accommodation/food services, health care/social assistance, educational services, other services, and admin/support/waste management services are overrepresented in the PMA when compared to the nation, while manufacturing, professional/scientific/tech services, wholesale trade, and finance/insurance are overrepresented in the nation when compared to the PMA.

6. Project-Specific Affordability And Demand Analysis:

The following table illustrates the Subject's capture rates.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR at 50% AMI	3	99	0	99	3.0%
2BR at 50% AMI	6	102	0	102	5.9%
50% AMI Overall	9	201	0	201	4.5%
1BR at 60% AMI	17	80	80	39	43.6%
2BR at 60% AMI	31	83	83	78	39.8%
60% AMI Overall	48	163	163	117	41.1%
1BR Overall	20	144	144	103	19.5%
2BR Overall	37	149	149	144	25.7%
Overall	57	292	292	246	23.1%

As the previous table demonstrates, the Subject's capture rates are within GA DCA's capture rate threshold.

7. Competitive Rental Analysis:

The availability of senior LIHTC is considered good. We have included three senior LIHTC comparable properties in the PMA and one, Sheppard Station, which is located outside of the PMA in Pooler. Because Pooler is considered

part of the larger Savannah market, we believe that Sheppard Station is a good indicator of achievable senior LIHTC and unrestricted rents in the market. Due to the availability of senior LIHTC data, we have excluded family LIHTC properties in the PMA. Three of the senior comparable properties offer unrestricted units and we have supplemented the market rate data with one conventional property in the PMA and two located just outside the PMA—Springs at Chatham Parkway and Walden at Chatham Center—in order to provide achievable rents for newer unrestricted properties in the market that do not target students. Overall, the availability of senior LIHTC and market rate data is considered 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 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. Sheppard Station is the only comparable property that offers units at 50 percent AMI. Its 50 percent AMI rents and 60 percent AMI rents are the same; therefore, the surveyed average rents are the same at the 50 and 60 percent AMI levels.

SUBJECT COMPARISON TO RENTS IN THE MARKET

Unit Type	Subject Proposed Rents	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1BR at 50% AMI	\$425	\$428	\$1,013	\$676	59%
2BR at 50% AMI	\$511	\$478	\$1,376	\$871	70%
1BR at 60% AMI	\$538	\$428	\$1,013	\$676	26%
2BR at 60% AMI	\$646	\$478	\$1,376	\$871	35%

The Subject’s rents at 50 and 60 percent AMI will have a significant advantage (26 percent or more) over the surveyed average rents in the market. The Subject will offer new construction and conversion units and will offer a competitive common area amenity package as well as a

competitive location. Overall, the Subject's proposed rents are on the lower end to the middle of the range and appear to be feasible in the market given the low vacancy rates and presence of waiting lists at the senior comparable properties.

8. Absorption/Stabilization Estimate:

The following table illustrates absorption rates at the newest comparable properties.

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Savannah Gardens III	@50%, @60%, Market	Family	2012	95	13 (initial)
Sustainable Fellwood III	@60%, @60% (PBRA), Market	Senior	2012	100	30
Sustainable Fellwood II	@60%, @60% (PBRA), Market, PHA	Family	2011	110	18
Savannah Gardens I	@30%, @50%, @60%	Family	2010	115	11
Sustainable Fellwood I	@60%, @60% (Public Housing), Market	Family	2009	110	18
Ashley Midtown Phase II	@30% (PHA), @60%	Family	2008	38	11-13
Springs At Chatham Parkway	Market	Family	2007-2008	352	29
AVERAGE					18

Savannah Gardens III (family LIHTC) opened in 2012 and is currently stabilizing. The property is currently 82 percent occupied and 84 percent leased, which equates to an initial stabilization rate of 13 units per month. Sustainable Fellwood III is the most recent senior addition to supply in the market. The property stabilized in 2012 at a rate of 30 units per month; however, this property benefits from being a subsequent phase of an existing development and, it offers project-based rental assistance, which the Subject will not. The Subject's rents and AMI levels are projected to remain the same. However, should the Subject have to release 100 percent of its units, we anticipate that the Subject will stabilize at a slightly slower rate of 10 units per month, which equates to an absorption period of approximately five months for the Subject to reach 93 percent occupancy.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The Subject's strengths include its location, design, and age/condition. Approximately 58 percent of senior households in the area earn less than \$29,999. The Subject will target senior households earning \$16,860 to \$28,800, indicating that household income for seniors in the PMA is skewed strongly towards the lower income brackets. Further, 37 percent of the seniors in the PMA will be renters as of the Subject's market entry date, which is considerably higher

than the national rate at 13 percent. The senior LIHTC properties in the market are maintaining an overall vacancy rate of 2.4 percent and they are maintaining waiting lists, indicating that there is latent demand for senior LIHTC housing in the market. The Subject will offer an excellent-quality product and will only offer 57 units (the smallest among the senior LIHTC properties in Savannah); therefore, 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:	Romana-Riley Lofts	Total # Units: 57
Location:	SEC East Henry Street & Waters Avenue; SWC East Anderson Street & Waters Avenue	# LIHTC Units: 57
	Savannah, GA	
PMA Boundary:	North: Bay Street/East President Street; West: Highway 516; South: Highway 516; East: Whitmarsh Island	
	Farthest Boundary Distance to Subject:	<u>4.2 miles</u>

Rental Housing Stock (found on page 88)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	4	542	16	97.0%
Market-Rate Housing	2	236	7	97.0%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
LIHTC	2	306	9	97.1%
Stabilized Comps	4	542	16	97.0%
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap

*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
3	1BR at 50% AMI	1	650	\$425	\$676	\$1.04	59%	\$995	\$1.12
4	2BR at 50% AMI	2	864	\$511	\$871	\$1.01	70%	\$1,279	\$1.06
2	2BR at 50% AMI	2	966	\$511	\$871	\$0.90	70%	\$1,279	\$1.06
17	1BR at 60% AMI	1	650	\$538	\$676	\$1.04	26%	\$995	\$1.12
21	2BR at 60% AMI	2	864	\$646	\$871	\$1.01	35%	\$1,279	\$1.06
10	2BR at 60% AMI	2	966	\$646	\$871	\$0.90	35%	\$1,279	\$1.06

Demographic Data (found on page 91)

	2000		2012		2015	
Renter Households	4,303	34.10%	4,598	36.80%	4,935	36.95%
Income-Qualified Renter HHs (LIHTC)	792	18.40%	846	18.40%	908	18.40%

Targeted Income-Qualified Renter Household Demand (found on pages 42-61)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	44	36	N/Ap	N/Ap	64
Existing Households (Overburdened + Substandard)	N/Ap	265	214	N/Ap	N/Ap	384
Homeowner conversion (Seniors)	N/Ap	6	5	N/Ap	N/Ap	9
Total Primary Market Demand	N/Ap	315	255	N/Ap	N/Ap	457
Less Comparable/Competitive Supply	N/Ap	0	46	N/Ap	N/Ap	46
Adjusted Income-qualified Renter HHs**	N/Ap	315	204	N/Ap	N/Ap	411

Capture Rates (found on page 4)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	4.50%	41.10%	N/Ap	N/Ap	23.10%

*Includes LIHTC and unrestricted (when applicable)

**May differ slightly from Demand Analysis due to rounding

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION**Project Address and Development Location:**

The Subject site consists of two parcels: one located at the southeast corner of East Henry Street & Waters Avenue and, the other located at the southwest corner of East Anderson Street and Waters Avenue in Savannah, Chatham County, Georgia. The Subject site has frontage on Waters Avenue, East Henry Street, and East Anderson Street.

Construction Type:

The Subject will consist of one converted, elevator-serviced brick building and one new construction, elevator-serviced brick and vinyl building.

Occupancy Type:

HFOP – 55+.

Special Population Target:

None.

Number of Units by Bedroom Type and AMI Level:

See following property profile.

Unit Size:

See following property profile.

Structure Type:

See following property profile.

Rents and Utility Allowances:

See following property profile.

Existing or Proposed Project Based Rental Assistance:

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

Proposed Development Amenities:

See following property profile.

Romana - Riley Lofts

Comp# Subject
Effective Rent Date 4/15/2013
Location SEC East Henry Street & Waters Avenue; SWC East Anderson Street & Waters Avenue Savannah, GA 31404 Chatham County (verified)
Distance n/a
Units 57
Vacant Units N/A
Vacancy Rate N/A
Type Conversion (age-restricted)
Year Built / Renovated 2015 / n/a
Tenant Characteristics Seniors ages 55 and older (HFOP)



Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Conversion	3	650	\$425	\$0	@50%	n/a	N/A	N/A	yes
1	1	Conversion	17	650	\$538	\$0	@60%	n/a	N/A	N/A	yes
2	2	Conversion	4	864	\$511	\$0	@50%	n/a	N/A	N/A	yes
2	2	Conversion	2	966	\$511	\$0	@50%	n/a	N/A	N/A	yes
2	2	Conversion	21	864	\$646	\$0	@60%	n/a	N/A	N/A	yes
2	2	Conversion	10	966	\$646	\$0	@60%	n/a	N/A	N/A	yes

Amenities			
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Hand Rails Oven Pull Cords Refrigerator	Security	none
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management	Premium	none
Services	none	Other	none
Comments			
<p>The property will consist of new construction units as well as the rehabilitation and conversion of a vacant school building into loft units. The utility allowances are \$137 and \$164 for the one and two-bedroom units. The property's proposed gross rents at 50 percent AMI will be \$562 and \$675 for the one and two-bedroom units, respectively. The property's gross rents at 60 percent AMI will be \$675 to \$810 for its one and two-bedroom units, respectively.</p>			

Scope of Renovations: The Subject will consist of new construction units as well as renovated and converted units. The Subject’s sponsor estimates that the total construction cost will equate to over \$70,000 per unit.

Current Rents: The Subject will be a combination of new construction and adaptive reuse of a historic building, which is currently vacant. Therefore, there are no current rents to report.

Current Occupancy: Not applicable.

Current Tenant Income: Not applicable.

Placed in Service Date: We anticipate that the Subject will enter the market by second quarter 2015.

Conclusion: The Subject will consist of new construction and the extensive adaptive reuse of a historic building. Therefore, we believe that the Subject will be in excellent condition and assume that the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

1. Date of Site Visit and

Name of Site Inspector:

Kristina Garcia visited the site on May 7, 2013.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

The Subject site has frontage on Waters Avenue, East Henry Street, and East Anderson Street.

Visibility/Views:

The site has excellent access and visibility from Waters Avenue, East Henry Street, and East Anderson Street. Views of the Subject primarily include single-family homes in average to good condition and churches. Views are considered average. The Subject site's frontage on East Henry Street, Waters Avenue, and East Anderson Street will give the Subject good visibility as these are well-trafficked neighborhood thoroughfares.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The surrounding uses are generally in average condition. Single-family homes are historical in nature, are in average to good condition, and are well-occupied. Overall, commercial uses are in average to good condition and

approximately 85 to 90 percent occupied.

Positive/Negative Attributes of Site:

Positive attributes of the site include that it is located in a walkable neighborhood and is located on the bus line. There are no major negative attributes of the site.

3. Physical Proximity to Locational Amenities:

The Subject is located at the intersection of Waters Avenue and East Anderson Street in a mixed-use neighborhood that includes Live Oak Public Library, small commercial uses, places of worship and older single-family homes in fair condition. There is a Chatham Area Transit bus stop directly adjacent to the Subject. The Memorial University Medical Center is located 1.9 miles from the Subject, and the local police department and fire department are 1.1 and 1.2 miles away respectively. All locational amenities are located within 2.1 miles of the Subject site, which can be attributed to the Subject's central location near Savannah's historic area.

Overall, the Subject will have good visibility on Waters Avenue and the community presents a good location for an affordable multifamily development. The Subject is projected to have a positive impact on the local neighborhood.

4. Pictures of Site and Adjacent Uses:



Subject (existing building)



Subject (existing building)



Subject (existing building)



Subject (existing building)



Greenspace and concrete pad on Subject site



Subject (existing building)



Parking lot and single-family homes adjacent to existing building



View of East Henry Street



View of East Anderson



Side road adjacent to Subject site



View of East Anderson



View of single-family homes



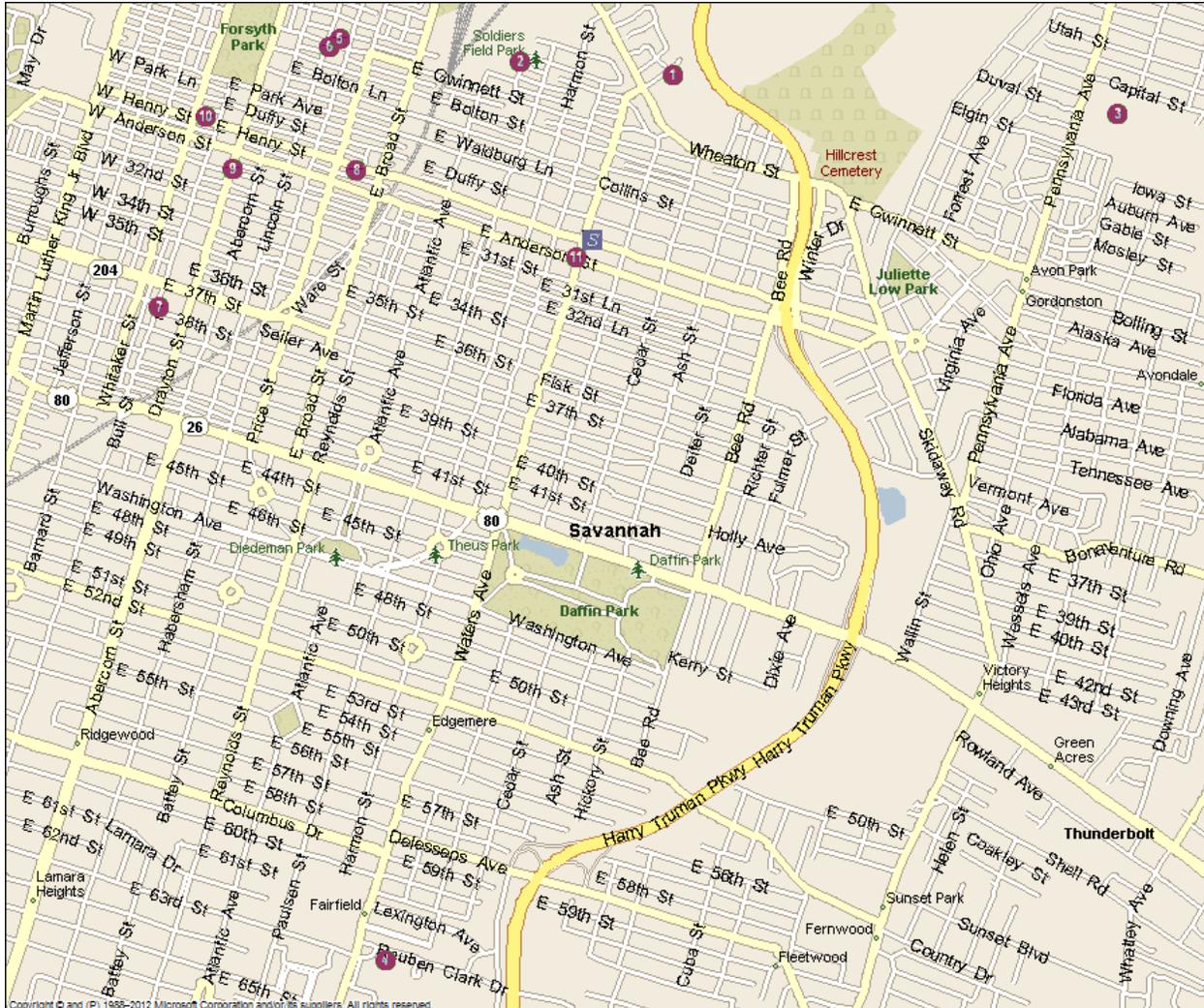
Small commercial uses



Bus stop and vacant parcel on Anderson Street

5. Proximity to Locational Amenities:

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



Distances from Local Services

Map #	Service/Amenity	Distance from Subject
1	Frank W. Spencer Elementary School	0.5 miles
2	Hubert Middle School	0.7 miles
3	Savannah High School	2.1 miles
4	Memorial University Medical Center (Hospital and Employment Center)	1.9 miles
5	Kroger Supermarket	1.1 miles
6	CVC Pharmacy	1.1 miles
7	Bank of America	1.5 miles
8	Live Oak Public Library	0.6 miles
9	Savannah Police Department	1.2 miles
10	Savannah Fire Station	1.1 miles
11	Chatham Area Transit Bus Stop	0.0 miles

6. Description of Land Uses:

The Subject parcels are partially improved with a vacant school building that will be adapted and renovated into multifamily units. Accessory uses include a parking lot. Immediate surrounding land uses primarily consist of single-family homes in good to excellent condition as well as churches. Overall, the Subject is a conforming use in the neighborhood and the site appears appropriate for senior multifamily units.

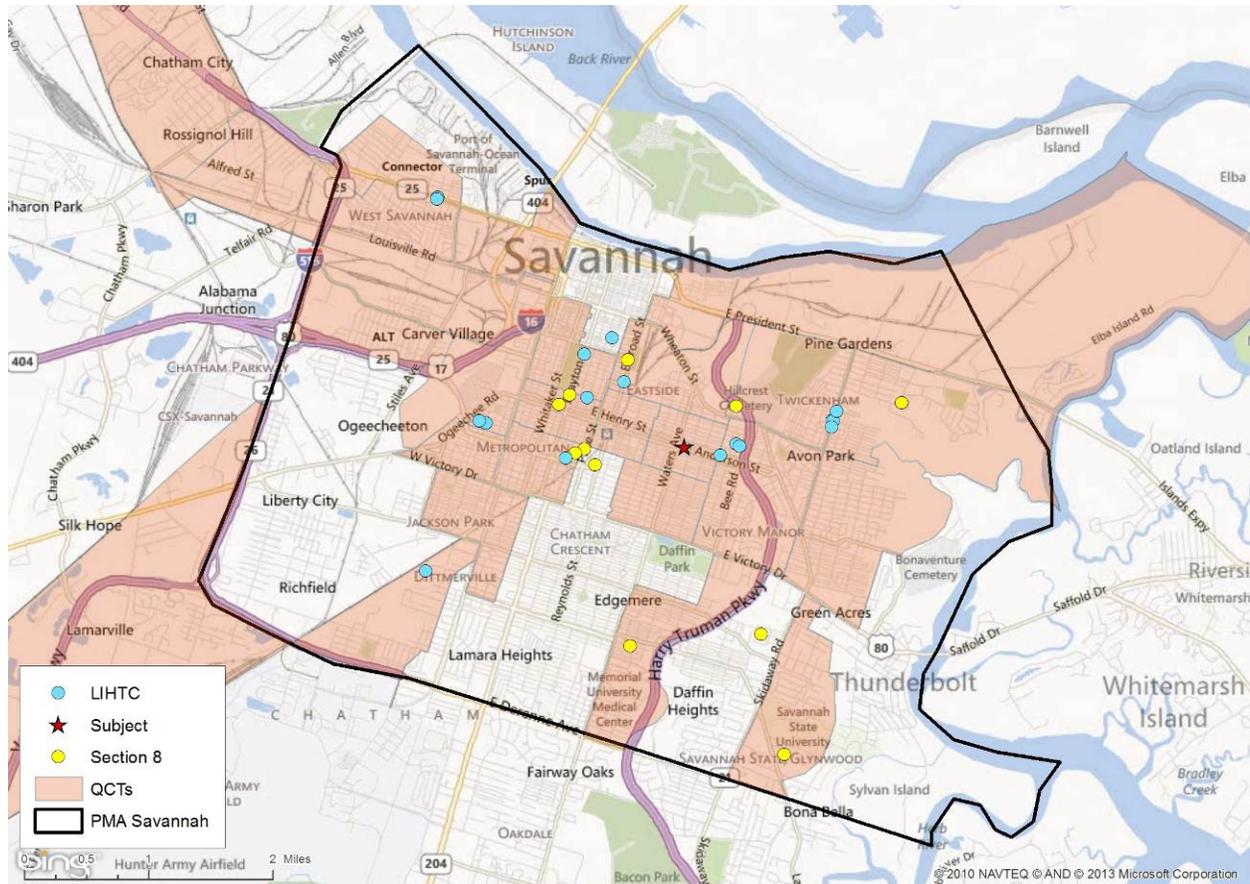
7. Multifamily Residential within Two Miles:

A two-mile radius from the Subject incorporates the majority of the PMA. The multifamily housing stock within two miles incorporates several LIHTC, market rate, and government subsidized housing developments and they range in age/condition and design from historic buildings to new construction garden-style buildings. We have included the most comparable properties to the Subject.

8. Existing Assisted Rental Housing Property Map:

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

Property	City	Type	Tenancy	Map Color	Included/Excluded	Reason for Exclusion	Distance from Subject	
Cars V Inc	Savannah	Section 8	Disabled	Yellow	Excluded	Rent subsidized; tenancy not comparable	2.0 miles	
Chatham Assoc For Res Sev Inc I	Savannah	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	1.0 miles	
Chatham Assoc For Res Sev Inc II	Savannah	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	3.4 miles	
Georgia Infirmary A/ Habersham Place	Savannah	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	2.6 miles	
Georgia Infirmary B/ Habersham Place	Savannah	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	2.6 miles	
Ponderosa Forest Apts	Savannah	Section 8	Family		Excluded	Rent Subsidized	2.8 miles	
Presidential Plaza I	Savannah	Section 8	Family		Excluded	Rent Subsidized	1.0 miles	
Presidential Plaza II	Savannah	Section 8/FHA	Family		Excluded	Rent Subsidized	1.0 miles	
SNAP I, II, III	Savannah	LIHTC/Section 8/FHA	Family		Excluded	Rent Subsidized	2.5 miles	
St. Johns Villa Apartments	Savannah	Section 8	Elderly		Excluded	Rent subsidized; tenancy not comparable	2.1 miles	
Thomas Francis Williams Court Apts	Savannah	Section 8/FHA	Elderly		Excluded	Rent subsidized; tenancy not comparable	2.8 miles	
Telfair Arms	Savannah	LIHTC/Section 8/FHA	Elderly		Excluded	Rent subsidized; tenancy not comparable	2.7 miles	
Savannah Hope VI Apartments	Savannah	FHA	Family (Moderate Income)		Excluded	Tenancy not comparable	2.7 miles	
Victory Apts	Savannah	FHA	Family (Moderate Income)		Excluded	Tenancy not comparable	2.5 miles	
East Broad Apartments	Savannah	FHA	Family (Moderate Income)		Excluded	Tenancy not comparable	1.1 miles	
Green Growth I	Savannah	Market, HoDAG	Family		Cyan	Excluded	More comparable properties available	2.1 miles
Courtney Station Apartments	Savannah	Market, HoDAG	Family			Excluded	Management unavailable	3.1 miles
Sisters Court	Savannah	LIHTC	Elderly			Excluded	Tenancy not comparable	2.9 miles
Veranda at Midtown	Savannah	Market, PBRA, FHA	Elderly			Excluded	Tenancy not comparable	1.2 miles
Rose of Sharon	Savannah	LIHTC/FHA	Elderly			Excluded	Tenancy not comparable	2.5 miles
East Huntingdon Street Housing	Savannah	LIHTC	Family	Excluded		Only 14 units	2.0 miles	
Savannah Gardens I	Savannah	LIHTC	Family	Included		Included	0.0 miles	
Savannah Gardens II	Savannah	LIHTC, HUD 202	Senior	Excluded		Tenancy not comparable	0.0 miles	
Savannah Gardens III	Savannah	LIHTC	Family	Included		Included	0.0 miles	
Savannah Gardens IV	Savannah	LIHTC, Market	Family	Excluded		Proposed	Adjacent	
Sustainable Fellwood I	Savannah	LIHTC/PHA/Market	Family	Included		Included	4.4 miles	
Sustainable Fellwood II	Savannah	LIHTC/PHA/Market	Family	Included		Included	4.4 miles	
Sustainable Fellwood III	Savannah	LIHTC/PHA/Market	Family	Included		Included	4.4 miles	
Heritage Place	Savannah	LIHTC	Family	Included		Included	3.4 miles	
Heritage Corner & Heritage Row	Savannah	LIHTC	Family	Included		Included	4.2 miles	
Montgomery Landing	Savannah	LIHTC	Family	Included		Included	4.9 miles	
Ashley Midtown I	Savannah	LIHTC/PHA/Market	Family	Included		Included	1.3 miles	
Ashley Midtown II	Savannah	LIHTC/PHA/Market	Family	Included		Included	1.3 miles	
Romana Riley	Savannah	LIHTC, Market	Senior	Blue		SUBJECT	SUBJECT	SUBJECT



Savannah, GA



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

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

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

The Subject site is accessed via Waters Avenue, East Anderson Street, and East Henry Street. These are two-lane neighborhood thoroughfares that are moderately to heavily trafficked. Overall, the Subject’s access and visibility are considered excellent.

11. Environmental Concerns:

None visible upon site inspection.

Detrimental Influences:

There are no significant detrimental influences.

12. Conclusion:

The Subject parcels are located at the intersection of Waters Avenue and East Anderson Street. Immediate land uses include single-family homes and churches. Residential and commercial uses are generally in average to good

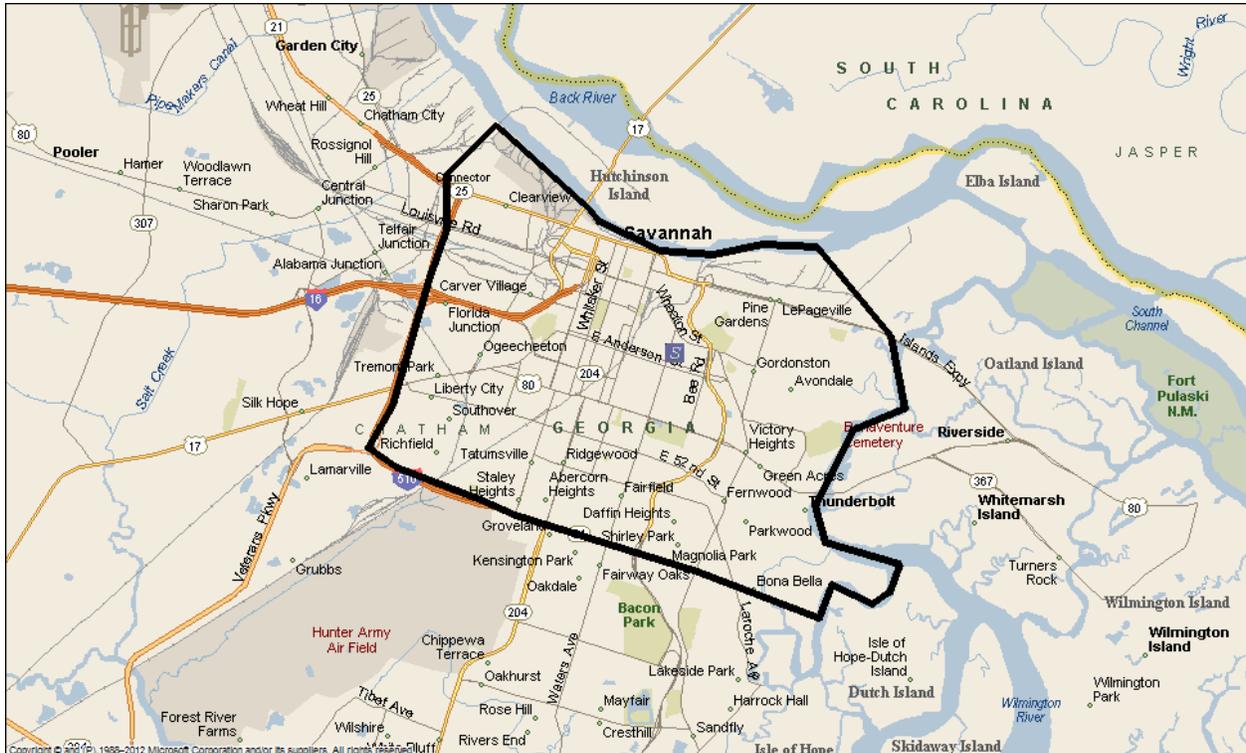
condition. The Subject is a compatible use within the immediate neighborhood.

D. MARKET AREA

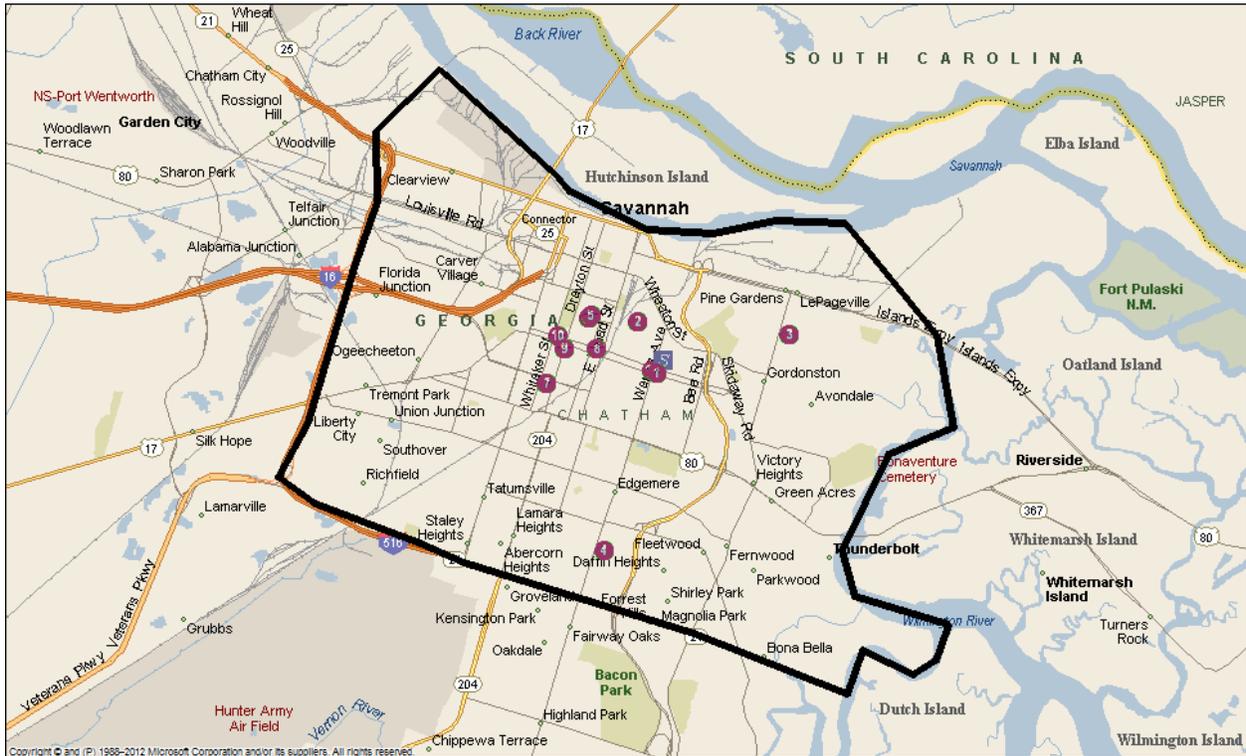
PRIMARY MARKET AREA

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

Primary Market Area Map



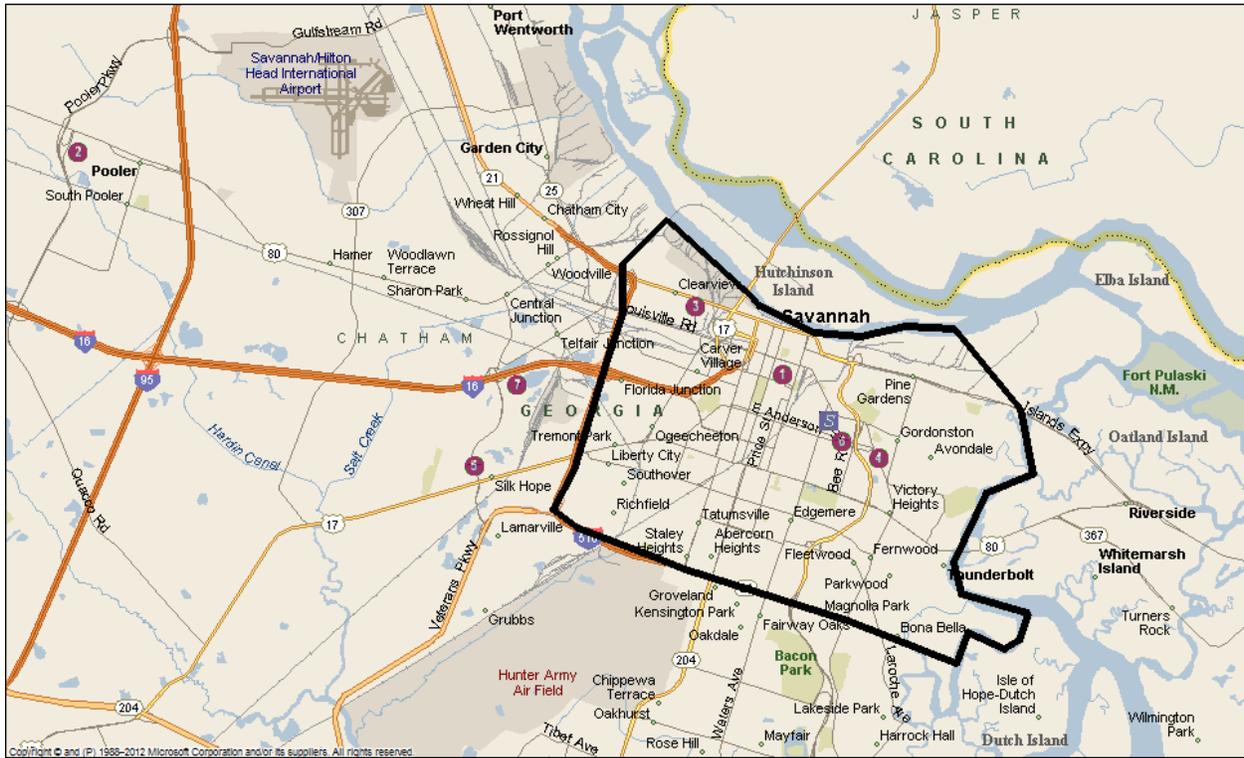
Primary Market Area Map - Locational Amenities



Distances from Local Services

Map #	Service/Amenity	Distance from Subject
1	Frank W. Spencer Elementary School	0.5 miles
2	Hubert Middle School	0.7 miles
3	Savannah High School	2.1 miles
4	Memorial University Medical Center (Hospital and Employment Center)	1.9 miles
5	Kroger Supermarket	1.1 miles
6	CVC Pharmacy	1.1 miles
7	Bank of America	1.5 miles
8	Live Oak Public Library	0.6 miles
9	Savannah Police Department	1.2 miles
10	Savannah Fire Station	1.1 miles
11	Chatham Area Transit Bus Stop	0.0 miles

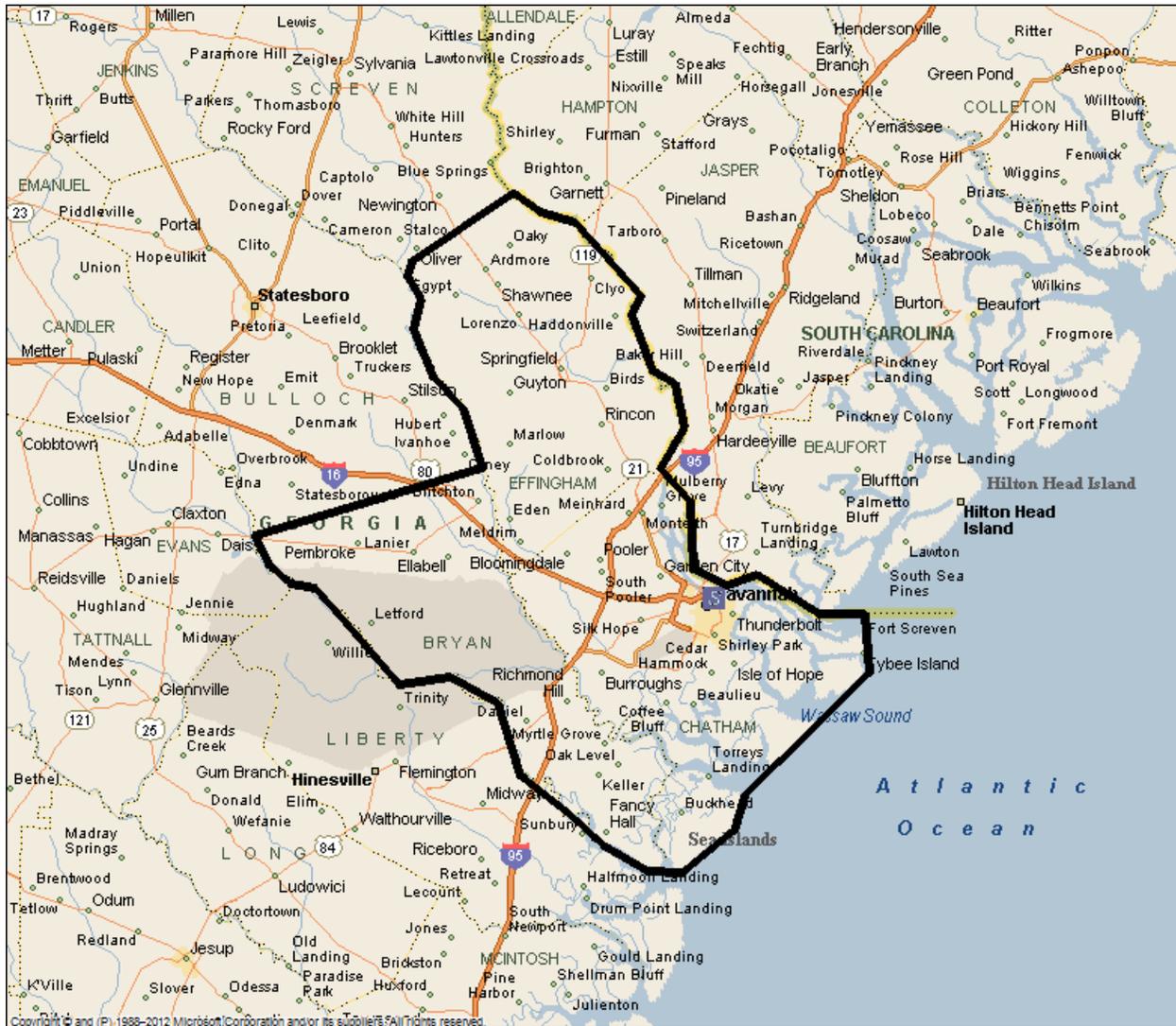
Primary Market Area Map Comparable – Comparable Properties



COMPARABLE PROPERTIES

#	Property Name	City	Type	Tenancy	Distance
1	Rose Of Sharon	Savannah	@ 60%	Senior	1.4 miles
2	Sheppard Station	Pooler	@ 50%, @ 60%, Market	Senior	15.2 miles
3	Sustainable Fellwood III	Savannah	@ 60%, @ 60% (PBRA), Market	Senior	3.3 miles
4	Chelsea Apartments At Five Points	Savannah	Market	Family	1.1 miles
5	Springs At Chatham Parkway	Savannah	Market	Family	5.9 miles
6	Veranda At Midtown	Savannah	Market, PBRA	Senior	0.4 miles
7	Walden At Chatham Center	Savannah	Market	Family	6.8 miles

Secondary 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 Savannah, GA MSA are areas of growth or contraction. The Savannah, GA MSA is comprised of Bryan, Chatham, and Effingham counties.

The boundaries of the PMA are as follows:

- North – Savannah River
- South- Derenne Avenue/Highway 21
- East- Wilmington River
- West- Interstate 516/Highway 17

This area includes the majority of the City of Savannah. The area was defined based on interviews with local market participants as well as property managers at comparable properties. Based upon site inspection, the Subject site is located in the heart of the Savannah area that

consists of predominantly older uses. This area differs in character to the southern Savannah area, which is more suburban in nature. Many property managers indicated that a significant portion of their tenants come from the immediate Savannah area. Due to access provided by thoroughfares such as Interstate 16, Highway 21, the Southwest Bypass, and Harry Truman Parkway, several property managers indicated that residents come from throughout Chatham County. Per GA DCA's 2013 market study guidelines, GA DCA does not take into account leakage from the PMA. The farthest PMA boundary is approximately 4.2 miles from the Subject.

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

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 2000 through 2016.

TOTAL POPULATION

Year	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	84,651	-	257,957	-	248,709,873	-
2000	79,641	-0.6%	292,995	1.4%	281,421,906	1.3%
2012	77,939	-0.2%	358,556	1.8%	313,129,017	0.9%
Projected Mkt Entry July 2015	80,193	1.0%	375,725	1.6%	319,643,343	0.7%
2017	81,695	1.0%	387,171	1.6%	323,986,227	0.7%

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

TOTAL SENIOR POPULATION (55+)

Year	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	20,806	-	52,077	-	52,389,754	-
2000	17,517	-1.6%	59,353	1.4%	59,266,437	1.3%
2012	18,840	0.6%	85,130	3.5%	80,980,372	3.0%
Projected Mkt Entry July 2015	20,622	3.2%	94,207	3.6%	86,780,928	2.4%
2017	21,810	3.2%	100,259	3.6%	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 July	2017
0-4	6,928	5,510	5,400	5,516	5,593
5-9	6,498	6,055	4,703	4,806	4,874
10-14	6,360	6,006	4,233	4,362	4,448
15-19	6,289	6,307	6,386	6,389	6,391
20-24	6,371	7,004	9,429	9,295	9,205
25-29	6,604	5,788	6,334	6,512	6,630
30-34	6,454	5,100	5,154	5,291	5,383
35-39	5,805	5,351	3,927	4,144	4,288
40-44	4,996	5,384	4,102	3,981	3,900
45-49	4,042	4,979	4,463	4,395	4,349
50-54	3,499	4,641	4,967	4,881	4,824
55-59	3,478	3,516	4,691	4,942	5,109
60-64	3,809	3,040	4,324	4,649	4,865
65-69	4,139	2,752	3,140	3,660	4,006
70-74	3,607	2,693	2,237	2,617	2,871
75-79	2,822	2,427	1,713	1,892	2,012
80-84	1,804	1,703	1,320	1,351	1,372
85+	1,147	1,386	1,415	1,511	1,575
Total	84,652	79,642	77,938	80,192	81,695

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

NUMBER OF ELDERLY AND NON-ELDERLY

Year	PMA			Savannah, GA MSA		
	Total Population	Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
1990	84,652	63,846	20,806	257,961	205,884	52,077
2000	79,642	62,125	17,517	293,000	233,647	59,353
2012	77,938	59,098	18,840	358,556	273,426	85,130
Projected Mkt Entry July 2015	80,192	59,570	20,622	375,725	281,518	94,207
2017	81,695	59,885	21,810	387,171	286,912	100,259

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

Total population in the PMA is projected to increase at a 1.0 percent annual rate over the next three years, below that of the Savannah, GA MSA and nation during the same period. The slow projected growth in the general population, as well as the slight decline in total population over the past decade is typical of densely population urban areas, such as the PMA. However, senior population growth in the PMA is expected to increase at a rate of 3.2 percent over the next three years, which is considered robust. Senior population growth in the PMA will remain below that of the MSA, but will be greater than the national rate through 2017. The age distribution is fairly even in both the PMA and MSA, but both skew towards younger cohorts. The PMA does demonstrate a slightly larger 15 to 24 age population when compared to other age cohorts. The presence of a younger population in the PMA is likely due to the draw of Savannah College of Art & Design (SCAD), Savannah Technical College and Savannah State University.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Savannah, GA MSA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	32,490	-	94,939	-
2000	32,031	-0.1%	111,910	1.8%
2012	30,551	-0.4%	135,796	1.7%
Projected Mkt Entry July 2015	31,671	1.2%	143,192	1.8%
2017	32,417	1.2%	148,123	1.8%

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

TOTAL NUMBER OF SENIOR HOUSEHOLDS (55+)

Year	PMA		Savannah, GA MSA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	-	-	-	-
2000	12,608	-	38,687	-
2012	12,506	-0.1%	52,987	3.0%
Projected Mkt Entry July 2015	13,352	2.3%	64,630	7.3%
2017	13,917	2.3%	72,392	7.3%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.44	-	2.54	-	2.58	-
2011	2.42	-0.1%	2.53	0.0%	2.58	0.0%
Projected Mkt Entry July 2015	2.41	-0.1%	2.53	-0.1%	2.57	0.0%
2016	2.41	-0.1%	2.53	-0.1%	2.57	0.0%

Source: ESRI Demographics 2011, Novogradac & Company LLP, April 2013

Similar to population trends, total household growth in the PMA is projected to increase at a rate below that of the MSA. However, projected senior household growth of 2.3 percent annually in the PMA is higher than projected general household growth. 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 in the PMA is projected to decline slightly in the PMA with a nominal annual change of 0.1 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 senior household growth by tenure from 2000 through 2017.

PMA TENURE PATTERNS OF SENIORS 55+				
Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	8,305	65.9%	4,303	34.1%
2012	7,907	63.2%	4,598	36.8%
Projected Mkt Entry				
July 2015	8,417	63.05%	4,935	36.95%
2017	8,757	62.9%	5,159	37.1%

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

Owner-occupied housing units in the PMA among the senior population make up the majority of housing units at approximately 63 percent in 2012. However, the 37 percent renter-occupied number is significantly higher than the national average of 13 percent.

2c. Households by Income

The following table depicts senior household income in 2012, 2015 and 2017 for the PMA.

Income Cohort	HOUSEHOLD INCOME DISTRIBUTION - PMA (AGE 55+)					
	2012		Projected Mkt Entry		2017	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,348	18.8%	2,565	19.2%	2,710	19.5%
\$10,000-19,999	2,825	22.6%	3,019	22.6%	3,148	22.6%
\$20,000-29,999	2,044	16.3%	2,177	16.3%	2,265	16.3%
\$30,000-39,999	1,293	10.3%	1,384	10.4%	1,445	10.4%
\$40,000-49,999	967	7.7%	1,030	7.7%	1,071	7.7%
\$50,000-59,999	790	6.3%	841	6.3%	875	6.3%
\$60,000-74,999	765	6.1%	803	6.0%	828	6.0%
\$75,000-99,999	616	4.9%	639	4.8%	655	4.7%
\$100,000-124,999	316	2.5%	327	2.5%	335	2.4%
\$125,000-149,999	191	1.5%	196	1.5%	200	1.4%
\$150,000-199,999	152	1.2%	162	1.2%	169	1.2%
\$200,000+	200	1.6%	209	1.6%	215	1.5%
Total	12,506	100.0%	13,352	100.0%	13,917	100.0%

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

The Subject will target senior households earning \$16,860 to \$28,800. As illustrated above, the household income for seniors in the PMA is skewed strongly towards the lower income brackets. Approximately 58 percent of senior households in the area earn less than \$29,999. This large swath of the demographic falls within the targeted market for the Subject.

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

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION OF SENIORS 55+

Household Size	2000		2012		2017	
	Total Renter Households	Percent	Total Renter Households	Percent	Total Renter Households	Percent
1 person	2,376	55.2%	2,594	56.4%	2,929	56.8%
2 persons	1,242	28.9%	995	21.6%	1,119	21.7%
3 persons	353	8.2%	447	9.7%	487	9.4%
4 persons	141	3.3%	252	5.5%	292	5.7%
5+ persons	191	4.4%	309	6.7%	332	6.4%
Total	4,303	100.0%	4,598	100.0%	5,159	100.0%

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

The largest senior renter household cohort has remained a one person household since the year 2000, followed by two and three-person households. These three cohorts are projected to remain the largest through 2017. In 2012, the one and two-person households accounted for 78 percent of renter households. The Subject will target one to two-person households. Therefore, the strong presence of one to two-person renter households in the PMA bodes well for the Subject's 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

Overall, demographic indicators are strong for the Subject's units. Senior population and general households in the PMA are projected to increase at a rate slightly greater than the nation through market entry and 2016. In addition to the positive growth trends, the strong presence of senior renter households in the PMA demonstrates strong demand for the Subject. The Subject will target senior households earning \$16,860 to \$28,800. As illustrated above, the household income for seniors in the PMA is skewed strongly towards the lower income brackets. Approximately 57 percent of senior households in the area earn less than \$29,999.

F. EMPLOYMENT TRENDS

Employment Trends

The Savannah MSA is comprised of Bryan, Chatham, and Effingham Counties, and is the third largest metropolitan area in the state of Georgia. Savannah is located approximately 20 miles inland from the Atlantic Ocean and immediately south of South Carolina in the southeastern part of the state. The Subject is located in downtown Savannah whose economy is characterized as diverse, with manufacturing, health care and social assistance, education, government, and retail trade accounting for a large percentage of the employment base. As will be demonstrated, the Savannah MSA was significantly affected by the national recession, as several of its main industries, retail and tourism in particular, have been hit by a reduction in consumer spending.

Savannah's location on the coast also provides for both a thriving tourism industry as well the fourth largest port in the United States. According to the Savannah Area Chamber of Commerce, the Port of Savannah is the fastest growing port in the United States. The Savannah Harbor Expansion Project will further expand the port enabling the port to accommodate larger shipping vessels. Construction on the project is scheduled to be completed by 2013. In addition to the port, both the Norfolk Southern Railroad and CSK Transportation have terminals in Savannah providing the city with both port and rail capabilities. Savannah also has excellent access to major interstates, including Interstate 95, which runs south to Miami, Florida and north to the Maine-Canada border.

1. Total Jobs

The following table illustrates the total jobs (also known as "covered employment") in Chatham County.

COVERED EMPLOYMENT		
Chatham County		
Year	Total Employment	% Change
2002	122,630	
2003	124,415	1.43%
2004	127,641	2.53%
2005	131,315	2.80%
2006	135,028	2.75%
2007	137,617	1.88%
2008	135,882	-1.28%
2009	128,953	-5.37%
2010	127,689	-0.99%
2011	129,844	1.66%
2012 YTD Average*	132,323	1.87%
Sep-11	130,101	-
Sep-12	133,888	2.83%

Source: U.S. Bureau of Labor Statistics

*YTD as of Sept 11

As the table above illustrates, total employment in Chatham County declined precipitously between 2008 and 2010 as a result of the national recession. The following year saw an increase

of 1.66 percent, accounting for less than a quarter of the employment losses suffered between 2008 and 2010. From September 2011 to September 2012 total employment increased by 1.87 percent. The employment gains in 2011 and 2012 year to date signal that the county may be slowly recovering from the recession.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the county as of September 2012.

SEPT 2012 EMPLOYMENT JOBS BY INDUSTRY

Chatham County		
Industry	Number Employed	Percent Employed
Trade,Transportation, and Utilities	30,189	26.03%
Education and Health Services	21,181	18.26%
Leisure and Hospitality	19,640	16.93%
Professional and Business Services	16,561	14.28%
Manufacturing	13,179	11.36%
Financial Activities	5,073	4.37%
Construction	4,720	4.07%
Other Services	3,693	3.18%
Information	1,303	1.12%
Unclassified	335	0.29%
Natural Resources and Mining	104	0.09%
Public Administration*	-	-
Total Employment	115,978	100.00%

*Monthly data is not available

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

The largest sector in Chatham County, according to the Bureau of Labor Statistics, is the Trade, Transportation, and Utilities industry. Overall, the county's employment base seems to be fairly diversified. It should be noted that differences in the total jobs and total jobs by industry are due to rounding

2010 EMPLOYMENT BY INDUSTRY				
Occupation	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Accommodation/Food Services	5,731	16.33%	9,114,767	6.70%
Health Care/Social Assistance	5,429	15.47%	18,891,157	13.89%
Retail Trade	4,102	11.69%	15,464,986	11.37%
Educational Services	4,010	11.42%	14,168,096	10.42%
Other Services (excl Publ Adm)	2,173	6.19%	6,679,783	4.91%
Construction	2,163	6.16%	8,872,843	6.52%
Manufacturing	1,635	4.66%	13,047,475	9.59%
Public Administration	1,606	4.58%	6,916,821	5.09%
Transportation/Warehousing	1,560	4.44%	5,487,029	4.03%
Admin/Support/Waste Mgmt Svcs	1,557	4.44%	5,114,479	3.76%
Prof/Scientific/Tech Services	1,364	3.89%	8,520,310	6.26%
Arts/Entertainment/Recreation	901	2.57%	2,628,374	1.93%
Wholesale Trade	770	2.19%	4,407,788	3.24%
Finance/Insurance	689	1.96%	6,883,526	5.06%
Information	605	1.72%	3,158,778	2.32%
Real Estate/Rental/Leasing	560	1.60%	2,825,263	2.08%
Utilities	190	0.54%	1,115,793	0.82%
Agric/Forestry/Fishing/Hunting	58	0.17%	1,790,318	1.32%
Mining	0	0.00%	723,991	0.53%
Mgmt of Companies/Enterprises	0	0.00%	202,384	0.15%
Total Employment	35,103	100.0%	136,013,961	100.0%

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

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

The largest industries in the PMA are accommodation/food services, health care/social assistance, retail trade, and educational services. Together, these four industries comprise 54.9 percent of employment in the PMA. Accommodation/food services, health care/social assistance, educational services, other services, and admin/support/waste management services are overrepresented in the PMA when compared to the nation, while manufacturing, professional/scientific/tech services, wholesale trade, and finance/insurance are overrepresented in the nation when compared to the PMA.

3. Major Employers

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

#	Firm/Institution	Industry	Number of Employees
1	Memorial University Medical Center	Healthcare	5,000-9,999
2	Savannah-Chatham Board of Education	Education	5,000-9,999
3	Gulfstream Aerospace Corporation	Manufacturing	5,000-9,999
4	Wal-Mart	Retail	1,000-4,999
5	St. Joseph's/Candler	Healthcare	1,000-4,999
6	SSA Cooper	Transportation/Warehousing	1,000-4,999
7	Kroger	Retail	1,000-4,999
8	Marine Terminal Corporation	Transportation/Warehousing	1,000-4,999
9	Fort Stewart/Hunter Army Airfield	Government	1,000-4,999
10	City of Savannah	Government	1,000-4,999
TOTAL			22,000-64,990

Source: Georgia Department of Labor 4/2013

As illustrated, five of the top 10 major employers in the Savannah economy are in relatively stable industries: education, healthcare, and government. Also represented above are the manufacturing, retail, and transportation/warehousing industries. With Savannah being a port city, several companies involving cargo handling are also significant employers in the region.

Expansions/Contractions

The table below illustrates recent announcements regarding job creation over the next five years.

Expansions		
Company	Industry	Jobs Created
Firth Rixson	Manufacturing - Aerospace	120
Gulfstream	Manufacturing - Aerospace	800
Mistubishi Power Systems	Manufacturing - Turbines	500
EFACEC	Manufacturing - Power Plants	200
JCB	Manufacturing - Construction Equipment	90
Total		1,710

Source: Savannah Area Chamber of Commerce, April 2013

The Savannah region has seen a number of manufacturing businesses expanding their operations, which bodes well for recovery in the local economy, as manufacturing is typically one of the more volatile sectors.

SAVANNAH, GEORGIA LAYOFFS/CLOSURES 2010-2013

Effective Date	Company	City	Estimated Number Affected
3/8/2010	Decrane Aerospace Precision Patterns	Savannah	90
6/28/2010	Midcoast Aviation DBA Savannah Air Center	Savannah	359
7/22/2010	Cahaba Govt Benefit Administrators, LLC.	Savannah	155
6/3/2011	Citi Trends, Inc. (Savannah Distribution Center)	Savannah	107
7/6/2011	CSC Applied Technology Group	Savannah	444
7/15/2011	Memorial Health	Savannah	228
12/5/2011	Premier Warehousing Ventures, LLC.	Savannah	108
5/31/2012	Sodexo Inc.	Savannah	214
1/4/2013	Roadlink Workforce Solutions	Savannah	42
4/5/2013	Veolia Transportation	Savannah	205
Total 2010			604
Total 2011			887
Total 2012			214
Total 2013			247
Total			1,952

Source: Georgia Department of Labor, April 2013

As illustrated in the above table, Savannah lost 1,952 jobs between 2010 and 2013. In 2013 there have been two layoffs so far, accounting for a loss of 247 jobs.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Savannah, GA MSA from 2001 through December 2012.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Savannah, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2001	139,002	-	3.4%	-	136,933,000	-	4.7%	-
2002	143,053	2.9%	4.0%	0.6%	136,485,000	-0.3%	5.8%	1.1%
2003	144,751	1.2%	4.1%	0.1%	137,736,000	0.9%	6.0%	0.2%
2004	153,284	5.9%	4.1%	0.0%	139,252,000	1.1%	5.5%	-0.5%
2005	159,349	4.0%	4.3%	0.2%	141,730,000	1.8%	5.1%	-0.4%
2006	164,833	3.4%	3.9%	-0.4%	144,427,000	1.9%	4.6%	-0.5%
2007	171,639	4.1%	3.9%	0.0%	146,047,000	1.1%	4.6%	0.0%
2008	169,948	-1.0%	5.5%	1.6%	145,362,000	-0.5%	5.8%	1.2%
2009	160,475	-5.6%	8.4%	2.9%	139,877,000	-3.8%	9.3%	3.5%
2010	158,933	-1.0%	9.1%	0.7%	139,064,000	-0.6%	9.6%	0.3%
2011	159,790	0.5%	9.0%	-0.1%	139,869,000	0.6%	8.9%	-0.7%
2012 YTD Average*	162,670	1.8%	9.1%	0.1%	142,469,083	1.9%	8.1%	-0.8%
Dec-2011	159,879	-	8.7%	-	140,681,000	-	8.3%	-
Dec-2012	166,197	4.0%	8.2%	-0.5%	143,060,000	1.7%	7.6%	-0.7%

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

*2012 data is through Dec

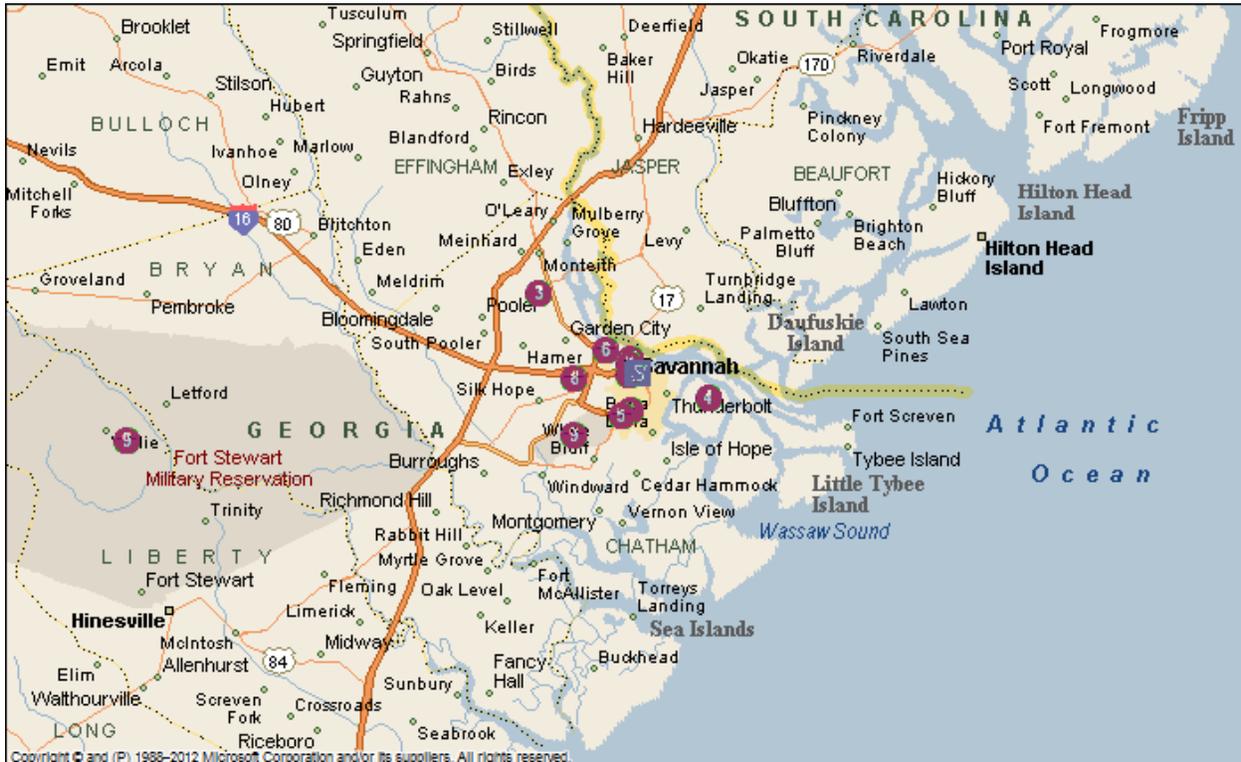
The MSA posted employment growth from 2002 to 2007 but growth halted in 2008 due to the impact of the national recession. However, total employment growth increased by 0.5 percent in 2011, and has continued to increase through the past 12 months of statistical data. From December 2011 to December 2012, total employment in the MSA increased by 4.0 percent, a rate more than double that of the nation, which experienced an increase of 1.7 percent during the same period. The MSA experienced a decline in the unemployment rate from 2011 through the last 12 months of statistical data. The recent decline in the unemployment rate in the MSA is slightly less than the decrease in the unemployment rate experienced by the nation during the same period. As of December 2012, the MSA's unemployment rate of 8.2 percent remains 60 basis points higher than the national rate of 7.6 percent. The local economy appears to be recovering from the recent recession, as indicated by the recent trends of total employment growth and unemployment decline in the MSA from 2011 through December 2012.

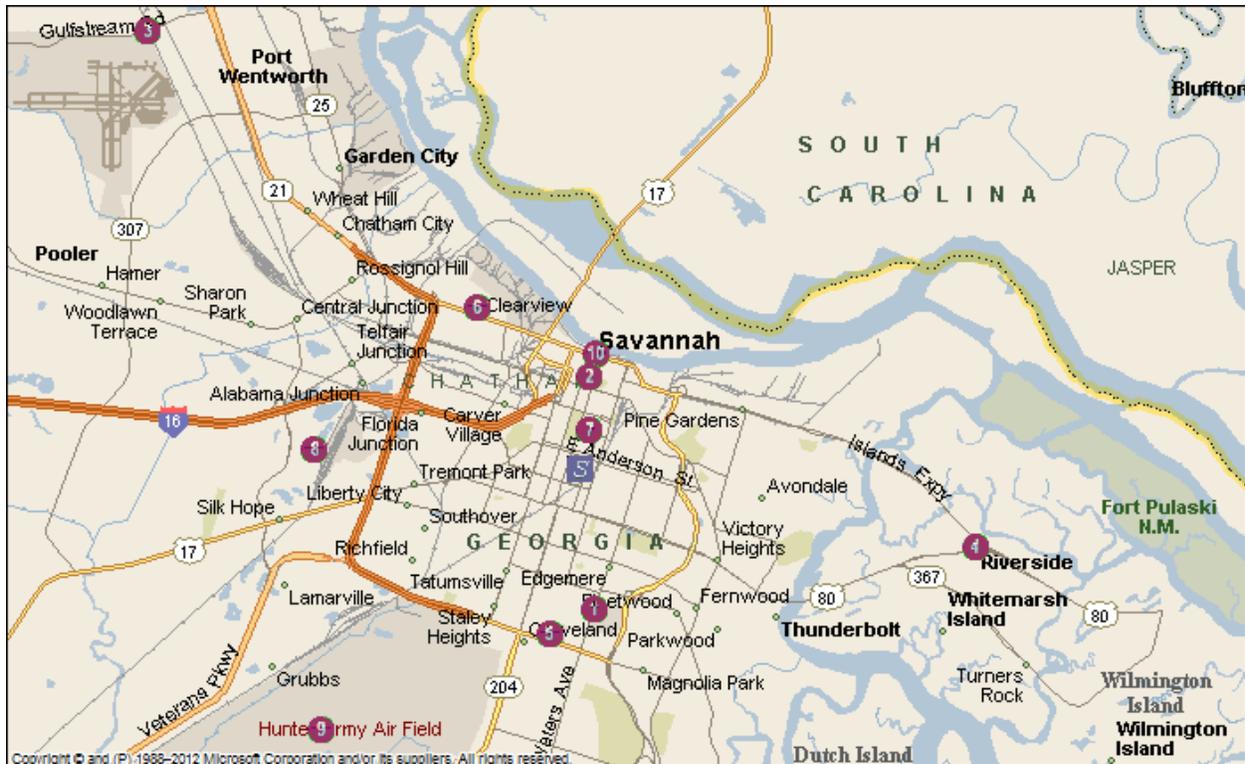
5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in the Savannah Metro area.

MAJOR EMPLOYERS Savannah Metropolitan Area

#	Firm/Institution	Industry	Number of Employees
1	Memorial University Medical Center	Healthcare	5,000-9,999
2	Savannah-Chatham Board of Education	Education	5,000-9,999
3	Gulfstream Aerospace Corporation	Manufacturing	5,000-9,999
4	Wal-Mart	Retail	1,000-4,999
5	St. Joseph's/Candler	Healthcare	1,000-4,999
6	SSA Cooper	Transportation/Warehousing	1,000-4,999
7	Kroger	Retail	1,000-4,999
8	Marine Terminal Corporation	Transportation/Warehousing	1,000-4,999
9	Fort Stewart/Hunter Army Airfield	Government	1,000-4,999
10	City of Savannah	Government	1,000-4,999
TOTAL			22,000-64,990





As illustrated above, the major employers are located throughout the Savannah region, with a heavy concentration in the downtown area.

Conclusion

Total employment in the MSA has been steadily increasing since 2011. As of December 2012, employment is at its highest level since 2008. Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 9.1 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; however, the high rate of growth in total employment during this time indicates a recovery in the MSA in line with the nation. The largest employers in the PMA are the accommodation/food services, health care/social assistance, retail trade, and educational services industries. Lower skilled employees in these industries are likely to have incomes in line with the Subject's income restrictions.

G. 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 40 percent of its household income at the appropriate AMI level.

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

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

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

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, 2010 household population estimates are inflated to 2014 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 2012. This number takes the overall growth from 2010 to 2015 and applies it

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

3B. DEMAND FROM EXISTING HOUSEHOLDS

Demand for existing households is estimated by summing three sources of potential tenants. The first source **(2a.)** is tenants who are rent overburdened. These are households who are paying over 35 percent for family households and 40 percent for senior households of their income in housing costs. This data is interpolated using CHAS data based on appropriate income levels.

The second source **(2b.)** is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source **(2c.)** is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA.

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

We believe that there will be leakage from the PMA. However, per GA DCA's 2013 market study guidelines, GA DCA does not take into account demand from outside the PMA boundaries. Therefore, we have not factored these households into the Demand Analysis.

3D. OTHER

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

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed from 2011 to the present.

ADDITIONS TO SUPPLY

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of the 2013 GA 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 and 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.

There have been several LIHTC properties that have been allocated and/or placed-in-service in 2011 and 2012.

Three family LIHTC properties were allocated or placed-in-service in 2011 and 2012: Savannah Gardens III, Savannah Gardens IV, and Sustainable Fellwood II. Sustainable Fellwood II has stabilized and Savannah Gardens III is currently stabilizing. Construction on Savannah Gardens IV has yet to begin. These properties will target families/general households and therefore will not compete directly with the Subject.

Sustainable Fellwood III is a senior LIHTC property in the PMA that was placed in service in 2012 and will directly compete with the Subject. We have included this property as a comparable in this report. The property stabilized in 2012 and is currently 100 percent occupied with a waiting list. We have deducted these 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	Location	Tenancy	Total Units	Occupied Units	Occupancy Rate
Rose Of Sharon	@60%	Savannah	Senior	206	197	96%
Sustainable Fellwood III	@60%, @60% (PBRA), Market	Savannah	Senior	100	100	100%
Chelsea Apartments At Five Points	Market	Savannah	Family	136	131	96%
Veranda At Midtown	Market, PBRA	Savannah	Family	100	98	98%
Overall Vacancy				542	526	97%

The previous table illustrates occupancy in the PMA, not including subsidized properties. Overall, vacancy is low and was reported to be typically low. Therefore, we believe a PMA occupancy rate of five percent or less is reasonable.

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.

None of the Subject's units will operate with PBRA and the Subject is proposed; therefore, there are no existing tenants. We have conducted the Demand Analysis based upon the 57 units proposed at the Subject.

Capture Rates

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

Renter Household Income Distribution 2011 to Projected Market Entry July 2015						
Romana Riley						
PMA						
	2011		Projected Mkt Entry July 2015		Percent	
	#	%	#	%	Growth	
\$0-9,999	1,323	28.0%	1,468	28.9%	9.9%	
\$10,000-19,999	1,193	25.2%	1,270	25.0%	6.0%	
\$20,000-29,999	566	12.0%	607	12.0%	6.8%	
\$30,000-39,999	492	10.4%	514	10.1%	4.2%	
\$40,000-49,999	338	7.1%	358	7.0%	5.5%	
\$50,000-59,999	230	4.9%	247	4.9%	7.0%	
\$60,000-74,999	200	4.2%	219	4.3%	8.3%	
\$75,000-99,999	123	2.6%	124	2.4%	1.0%	
\$100,000-124,999	105	2.2%	108	2.1%	2.3%	
\$125,000-149,999	62	1.3%	68	1.3%	8.8%	
\$150,000-199,999	44	0.9%	41	0.8%	-6.5%	
\$200,000+	50	1.1%	53	1.1%	6.0%	
Total	4,726	100.0%	5,077	100.0%	6.9%	

Renter Household Income Distribution Projected Market Entry July 2015			
Romana Riley			
	PMA		
	Projected Mkt Entry July 2015		Change 2011 to Prj Mkt Entry July 2015
	#	%	#
\$0-9,999	1,468	28.9%	101
\$10,000-19,999	1,270	25.0%	88
\$20,000-29,999	607	12.0%	42
\$30,000-39,999	514	10.1%	36
\$40,000-49,999	358	7.0%	25
\$50,000-59,999	247	4.9%	17
\$60,000-74,999	219	4.3%	15
\$75,000-99,999	124	2.4%	9
\$100,000-124,999	108	2.1%	7
\$125,000-149,999	68	1.3%	5
\$150,000-199,999	41	0.8%	3
\$200,000+	53	1.1%	4
Total	5,077	100.0%	351

Tenure Prj Mkt Entry July 2015	
Renter	36.1%
Owner	63.9%
Total	100.0%

Renter Household Size for Prj Mkt Entry July 2015		
Size	Number	Percentage
1 Person	6,634	37.2%
2 Person	4,747	26.6%
3 Person	2,848	16.0%
4 Person	1,732	9.7%
5+ Person	1,861	10.4%
Total	17,821	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	6,183	36.0%
2 Person	4,547	26.5%
3 Person	2,592	15.1%
4 Person	1,777	10.3%
5+ Person	2,078	12.1%
Total	17,177	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$16,860		
Maximum Income Limit			\$24,000		
Income Category	New Renter Households - Total Change in Households PMA 2011 to Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	101.49			
\$10,000-19,999	87.78	25.0%	3,139	31.4%	28
\$20,000-29,999	41.94	12.0%	4,000	40.0%	17
\$30,000-39,999	35.51	10.1%		0.0%	0
\$40,000-49,999	24.72	7.0%		0.0%	0
\$50,000-59,999	17.09	4.9%		0.0%	0
\$60,000-74,999	15.10	4.3%		0.0%	0
\$75,000-99,999	8.57	2.4%		0.0%	0
\$100,000-124,999	7.44	2.1%		0.0%	0
\$125,000-149,999	4.69	1.3%		0.0%	0
\$150,000-199,999	2.87	0.8%		0.0%	0
\$200,000+	3.68	1.1%		0.0%	0
	351	100.0%			44
Percent of renter households within limits versus total number of renter households					12.63%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$16,860		
Maximum Income Limit			\$24,000		
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,468			
\$10,000-19,999	1,270	25.0%	\$3,139	31%	399
\$20,000-29,999	607	12.0%	\$4,000	40%	243
\$30,000-39,999	514	10.1%	\$0	0%	0
\$40,000-49,999	358	7.0%	\$0	0%	0
\$50,000-59,999	247	4.9%	\$0	0%	0
\$60,000-74,999	219	4.3%	\$0	0%	0
\$75,000-99,999	124	2.4%	\$0	0%	0
\$100,000-124,999	108	2.1%	\$0	0%	0
\$125,000-149,999	68	1.3%	\$0	0%	0
\$150,000-199,999	41	0.8%	\$0	0%	0
\$200,000+	53	1.1%	\$0	0%	0
	5,077	100.0%			641
Percent of renter households within limits versus total number of renter households					12.63%

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

2011 Median Income

Change from 2011 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%		
\$25,126		
\$28,738		
\$3,612		
14.4%		
2.4%		
2.4%	Two year adjustment	1.0000
\$24,000		
\$24,000		
\$2		
50%		
\$562		
\$562.00		

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%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2011 to Prj Mrkt Entry July 2015

Income Target Population		50%
New Renter Households PMA		351
Percent Income Qualified		12.6%
New Renter Income Qualified Households		44

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

Demand from Existing Households 2011

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		5,077
Income Qualified		12.6%
Income Qualified Renter Households		641
Percent Rent Overburdened Prj Mrkt Entry July 2015		40.0%
Rent Overburdened Households		257

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		641
Percent Living in Substandard Housing		1.2%
Households Living in Substandard Housing		8

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		8968
Rural Versus Urban	0.1%	
Senior Demand Converting from Homeownership		6

Total Demand

Total Demand from Existing Households		271
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		271
Total New Demand		44
Total Demand (New Plus Existing Households)		315

Demand from Seniors Who Convert from Homeownership		6
Percent of Total Demand From Homeownership Conversion		2.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	37.2%	117
Two Persons	26.6%	84
Three Persons	16.0%	50
Four Persons	9.7%	31
Five Persons	10.4%	33
Total	100.0%	315

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	82
Of two-person households in 1BR units	20%	17
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%	35
Of two-person households in 2BR units	80%	67
Of three-person households in 2BR units	60%	30
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	20
Of four-person households in 3BR units	80%	24
Of five-person households in 3BR units	70%	23
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%	6
Of five-person households in 4BR units	30%	10
Total Demand		315

Total Demand by Bedroom	50%
1 BR	99
2 BR	102
Total Demand	201

Additions To Supply 2011 to Prj Mrkt Entry July 2015	50%
1 BR	0
2 BR	0
Total	0

Net Demand	50%
1 BR	99
2 BR	102
Total	201

Developer's Unit Mix	50%
1 BR	3
2 BR	6
Total	9

Capture Rate Analysis	50%
1 BR	3.0%
2 BR	5.9%
Total	4.5%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$20,250		
Maximum Income Limit			\$28,800		
Income Category	New Renter Households - Total Change in Households PMA 2011 to Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	101.49			
\$10,000-19,999	87.78	25.0%		0.0%	0
\$20,000-29,999	41.94	12.0%	8,550	85.5%	36
\$30,000-39,999	35.51	10.1%		0.0%	0
\$40,000-49,999	24.72	7.0%		0.0%	0
\$50,000-59,999	17.09	4.9%		0.0%	0
\$60,000-74,999	15.10	4.3%		0.0%	0
\$75,000-99,999	8.57	2.4%		0.0%	0
\$100,000-124,999	7.44	2.1%		0.0%	0
\$125,000-149,999	4.69	1.3%		0.0%	0
\$150,000-199,999	2.87	0.8%		0.0%	0
\$200,000+	3.68	1.1%		0.0%	0
	351	100.0%			36
Percent of renter households within limits versus total number of renter households					10.22%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$20,250		
Maximum Income Limit			\$28,800		
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,468			
\$10,000-19,999	1,270	25.0%	\$0	0%	0
\$20,000-29,999	607	12.0%	\$8,550	86%	519
\$30,000-39,999	514	10.1%	\$0	0%	0
\$40,000-49,999	358	7.0%	\$0	0%	0
\$50,000-59,999	247	4.9%	\$0	0%	0
\$60,000-74,999	219	4.3%	\$0	0%	0
\$75,000-99,999	124	2.4%	\$0	0%	0
\$100,000-124,999	108	2.1%	\$0	0%	0
\$125,000-149,999	68	1.3%	\$0	0%	0
\$150,000-199,999	41	0.8%	\$0	0%	0
\$200,000+	53	1.1%	\$0	0%	0
	5,077	100.0%			519
Percent of renter households within limits versus total number of renter households					10.22%

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

2011 Median Income

Change from 2011 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%		
\$25,126		
\$28,738		
\$3,612		
14.4%		
2.4%		
2.4%	Two year adjustment	1.0000
\$28,800		
\$28,800		
\$2		
60%		
\$675		
\$675.00		

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%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2011 to Prj Mrkt Entry July 2015

Income Target Population		60%
New Renter Households PMA		351
Percent Income Qualified		10.2%
New Renter Income Qualified Households		36

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

Demand from Existing Households 2011

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		5,077
Income Qualified		10.2%
Income Qualified Renter Households		519
Percent Rent Overburdened Prj Mrkt Entry July 2015		40.0%
Rent Overburdened Households		208

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		519
Percent Living in Substandard Housing		1.2%
Households Living in Substandard Housing		6

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		8968
Rural Versus Urban	0.1%	
Senior Demand Converting from Homeownership		5

Total Demand

Total Demand from Existing Households		219
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		219
Total New Demand		36
Total Demand (New Plus Existing Households)		255

Demand from Seniors Who Convert from Homeownership		5
Percent of Total Demand From Homeownership Conversion		2.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	37.2%	95
Two Persons	26.6%	68
Three Persons	16.0%	41
Four Persons	9.7%	25
Five Persons	10.4%	27
Total	100.0%	255

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	66
Of two-person households in 1BR units	20%	14
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%	28
Of two-person households in 2BR units	80%	54
Of three-person households in 2BR units	60%	24
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	16
Of four-person households in 3BR units	80%	20
Of five-person households in 3BR units	70%	19
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%	5
Of five-person households in 4BR units	30%	8
Total Demand		255

Total Demand by Bedroom	60%
1 BR	80
2 BR	83
Total Demand	163

Additions To Supply 2011 to Prj Mrkt Entry July 2015	60%
1 BR	41
2 BR	5
Total	46

Net Demand	60%
1 BR	39
2 BR	78
Total	117

Developer's Unit Mix	60%
1 BR	17
2 BR	31
Total	48

Capture Rate Analysis	60%
1 BR	43.6%
2 BR	39.8%
Total	41.1%

Overall

Calculation of Potential Household Demand by Income Cohort by % of AMI			Overall		
Percent of AMI Level					
Minimum Income Limit			\$16,860		
Maximum Income Limit			\$28,800		
Income Category	New Renter Households - Total Change in Households PMA 2011 to Pjg Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	101.49	28.9%		0.0%	0
\$10,000-19,999	87.78	25.0%	3,139	31.4%	28
\$20,000-29,999	41.94	12.0%	8,800	88.0%	37
\$30,000-39,999	35.51	10.1%		0.0%	0
\$40,000-49,999	24.72	7.0%		0.0%	0
\$50,000-59,999	17.09	4.9%		0.0%	0
\$60,000-74,999	15.10	4.3%		0.0%	0
\$75,000-99,999	8.57	2.4%		0.0%	0
\$100,000-124,999	7.44	2.1%		0.0%	0
\$125,000-149,999	4.69	1.3%		0.0%	0
\$150,000-199,999	2.87	0.8%		0.0%	0
\$200,000+	3.68	1.1%		0.0%	0
	351	100.0%			64
Percent of renter households within limits versus total number of renter households					18.37%

Calculation of New Renter Household Demand by Income Cohort by % of AMI			Overall		
Percent of AMI Level					
Minimum Income Limit			\$16,860		
Maximum Income Limit			\$28,800		
Income Category	Total Renter Households PMA Pjg Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,468	28.9%	\$0	0%	0
\$10,000-19,999	1,270	25.0%	\$3,139	31%	399
\$20,000-29,999	607	12.0%	\$8,800	88%	534
\$30,000-39,999	514	10.1%	\$0	0%	0
\$40,000-49,999	358	7.0%	\$0	0%	0
\$50,000-59,999	247	4.9%	\$0	0%	0
\$60,000-74,999	219	4.3%	\$0	0%	0
\$75,000-99,999	124	2.4%	\$0	0%	0
\$100,000-124,999	108	2.1%	\$0	0%	0
\$125,000-149,999	68	1.3%	\$0	0%	0
\$150,000-199,999	41	0.8%	\$0	0%	0
\$200,000+	53	1.1%	\$0	0%	0
	5,077	100.0%			933
Percent of renter households within limits versus total number of renter households					18.37%

Does the Project Benefit from Rent Subsidy? (Y/N)	No
Type of Housing (Family vs Senior)	Senior
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	40%
2000 Median Income	\$25,126
2011 Median Income	\$28,738
Change from 2011 to Pjg Mrkt Entry July 2015	\$3,612
Total Percent Change	14.4%
Average Annual Change	2.4%
Inflation Rate	2.4%
Maximum Allowable Income	\$28,800
Maximum Allowable Income Inflation Adjusted	\$28,800
Maximum Number of Occupants	2
Rent Income Categories	Overall
Initial Gross Rent for Smallest Unit	\$562
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$562.00

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2011 to Prj Mrkt Entry July 2015

	Overall
Income Target Population	
New Renter Households PMA	351
Percent Income Qualified	18.4%
New Renter Income Qualified Households	64

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

Demand from Existing Households 2011

Demand from Rent Overburdened Households

	Overall
Income Target Population	
Total Existing Demand	5,077
Income Qualified	18.4%
Income Qualified Renter Households	933
Percent Rent Overburdened Prj Mrkt Entry July 2015	40.0%
Rent Overburdened Households	373

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	933
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	11

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

Senior Households Converting from Homeownership

	Overall
Income Target Population	
Total Senior Homeowners	8968
Rural Versus Urban	0.1%
Senior Demand Converting from Homeownership	9

Total Demand

Total Demand from Existing Households		393
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		393
Total New Demand		64
Total Demand (New Plus Existing Households)		458

Demand from Seniors Who Convert from Homeownership	9
Percent of Total Demand From Homeownership Conversion	2.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	37.2%	170
Two Persons	26.6%	122
Three Persons	16.0%	73
Four Persons	9.7%	45
Five Persons	10.4%	48
Total	100.0%	458

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	119
Of two-person households in 1BR units	20%	24
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%	51
Of two-person households in 2BR units	80%	98
Of three-person households in 2BR units	60%	44
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	29
Of four-person households in 3BR units	80%	36
Of five-person households in 3BR units	70%	33
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%	9
Of five-person households in 4BR units	30%	14
Total Demand		458

Total Demand by Bedroom	Overall
1 BR	144
2 BR	149
Total Demand	292

Additions To Supply 2011 to Prj Mrkt Entry July 2015	Overall
1 BR	41
2 BR	5
Total	46

Net Demand	Overall
1 BR	103
2 BR	144
Total	246

Developer's Unit Mix	Overall
1 BR	20
2 BR	37
Total	57

Capture Rates	Overall
1 BR	19.5%
2 BR	25.7%
Total	23.1%

Conclusions

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR at 50% AMI	3	99	0	99	3.0%	5 months	\$676	\$428 - \$1,013	\$425
2BR at 50% AMI	6	102	0	102	5.9%	5 months	\$871	\$478 - \$1,376	\$511
50% AMI Overall	9	201	0	201	4.5%	5 months	\$676 - \$871	\$428 - \$1,376	\$425 - \$511
1BR at 60% AMI	17	80	80	39	43.6%	5 months	\$676	\$428 - \$1,013	\$538
2BR at 60% AMI	31	83	83	78	39.8%	5 months	\$871	\$478 - \$1,376	\$646
60% AMI Overall	48	163	163	117	41.1%	5 months	\$676 - \$871	\$428 - \$1,376	\$538 - \$646
1BR Overall	20	144	144	103	19.5%	5 months	\$676	\$428 - \$1,013	\$425 - \$538
2BR Overall	37	149	149	144	25.7%	5 months	\$871	\$478 - \$1,376	\$511 - \$646
Overall	57	292	292	246	23.1%	5 months	\$676 - \$871	\$428 - \$1,376	\$425 - \$646

Demand and Net Demand

	HH at 50% AMI (\$16,860 - \$24,000)	HH at 60% AMI (\$20,250 - \$28,800)	All Tax Credit Households
Demand from New Households (age and income appropriate)	44	36	64
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	8	6	11
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	257	208	373
Sub Total	309	250	449
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	6	5	9
Equals Total Demand	315	255	458
Less	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market between 2010 and the present	0	46	46
Equals Net Demand	315	209	412

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 3.0 to 5.9 percent, with an overall capture rate of 4.5 percent. The Subject's 60 percent AMI capture rates range from 39.8 to 43.6 percent, with an overall capture rate of 41.1 percent. The overall capture rate for the project's 50 and 60 percent units is 23.1 percent. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes seven comparable properties containing 1,195 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 senior LIHTC is considered good. We have included three senior LIHTC comparable properties in the PMA and one, Sheppard Station, which is located outside of the PMA in Pooler. Because Pooler is considered part of the larger Savannah market, we believe that Sheppard Station is a good indicator of achievable senior LIHTC and unrestricted rents in the market. Due to the availability of senior LIHTC data, we have excluded family LIHTC properties in the PMA. Three of the senior comparable properties offer unrestricted units and we have supplemented the market rate data with one conventional property in the PMA and two located just outside the PMA—Springs at Chatham Parkway and Walden at Chatham Center—in order to provide achievable rents for newer unrestricted properties in the market that do not target students. Overall, the availability of senior LIHTC and market rate data is considered good.

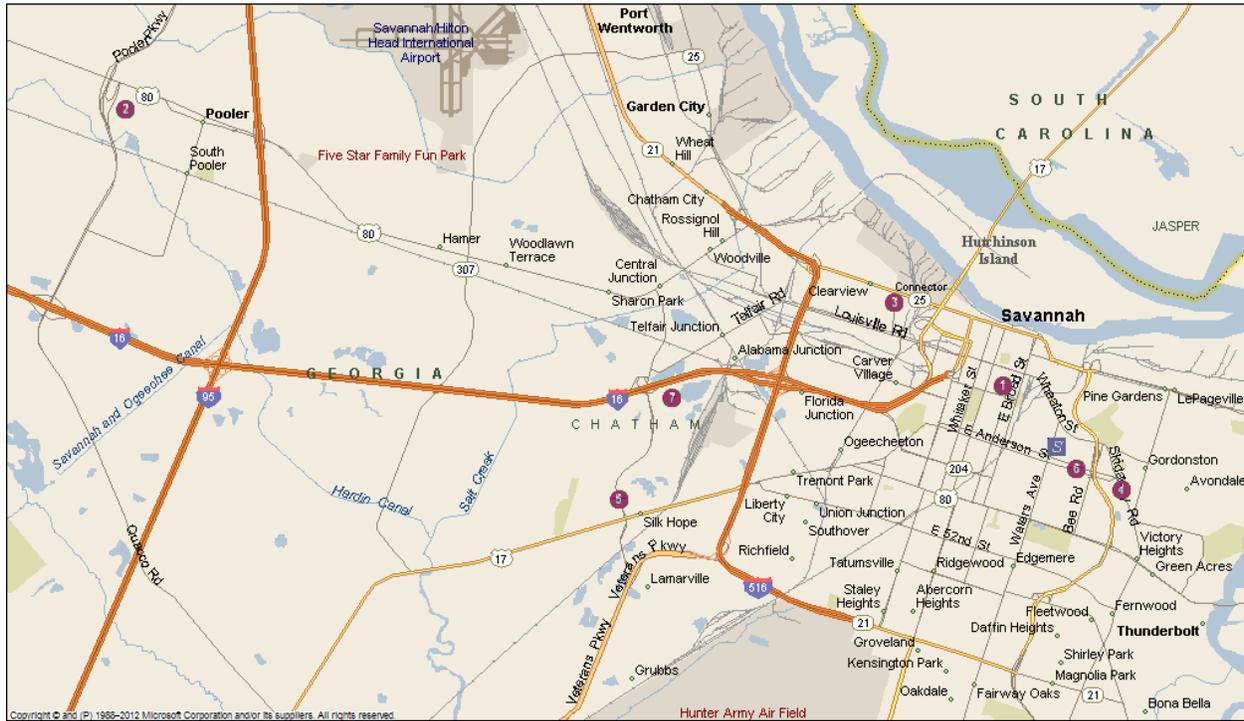
General Market Overview/Included/Excluded Properties

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

GENERAL MARKET OVERVIEW

Property	Address	City	State	Type	Tenancy	Included/Excluded	Reason for Exclusion
Cars V Inc	1915 E 51st Street	Savannah	GA	Section 8	Disabled	Excluded	Rent subsidized; tenancy not comparable
Chatham Assoc For Res Sev Inc I	1300 Richardson St	Savannah	GA	Section 8	Disabled	Excluded	Rent subsidized; tenancy not comparable
Chatham Assoc For Res Sev Inc II	1221 E 59th St	Savannah	GA	Section 8	Disabled	Excluded	Rent subsidized; tenancy not comparable
Georgia Infirmary A/ Habersham Place	410 E 35th St	Savannah	GA	Section 8	Disabled	Excluded	Rent subsidized; tenancy not comparable
Georgia Infirmary B/ Habersham Place	512 Hamilton Ct	Savannah	GA	Section 8	Disabled	Excluded	Rent subsidized; tenancy not comparable
Ponderosa Forest Apts	4920 Laroche Ave	Savannah	GA	Section 8	Family	Excluded	Rent Subsidized
Presidential Plaza I	2800 Capital St	Savannah	GA	Section 8	Family	Excluded	Rent Subsidized
Presidential Plaza II	2800 E Capital St	Savannah	GA	Section 8	Family	Excluded	Rent Subsidized
SNAP I, II, III	1 W Henry St	Savannah	GA	LIHTC/Section 8	Family	Excluded	Rent Subsidized
St. Johns Villa Apartments	506 Blair Street	Savannah	GA	Section 8	Elderly	Excluded	Rent subsidized; tenancy not comparable
Thomas Francis Williams Court Apts	1900 Lincoln St	Savannah	GA	Section 8	Elderly	Excluded	Rent subsidized; tenancy not comparable
Telfair Arms	17 E Park Ave	Savannah	GA	LIHTC/Section 8	Elderly	Excluded	Rent subsidized; tenancy not comparable
Green Growth 1	709 E Broad St	Savannah	GA	Market, HoDAG	Family	Excluded	More comparable properties available
Courtney Station Apartments	285 Park Ave	Savannah	GA	Market, HoDAG	Family	Excluded	Management unavailable
Veranda at Midtown	1415 Henry St	Savannah	GA	Market, PBRA	Elderly	Included	Included
Rose of Sharon	322 East Taylor St	Savannah	GA	LIHTC	Elderly	Included	Included
East Huntingdon Street Housing	East Huntingdon Street	Savannah	GA	LIHTC	Family	Excluded	Only 14 units
Savannah Gardens I	515 Pennsylvania Ave	Savannah	GA	LIHTC	Family	Included	Included
Savannah Gardens II	510 Pennsylvania Ave	Savannah	GA	LIHTC, HUD 202	Senior	Excluded	Tenancy not comparable
Savannah Gardens III	500 Pennsylvania Ave	Savannah	GA	LIHTC	Family	Excluded	Tenancy not comparable
Savannah Gardens IV	514 Pennsylvania Ave	Savannah	GA	LIHTC, Market	Family	Excluded	Proposed
Sustainable Fellwood I	1300 Bay Street	Savannah	GA	LIHTC/PHA/Market	Family	Excluded	Tenancy not comparable
Sustainable Fellwood II	1300 Bay Street	Savannah	GA	LIHTC/PHA/Market	Family	Excluded	Tenancy not comparable
Sustainable Fellwood III	1301 Bay Street	Savannah	GA	LIHTC/PHA/Market	Senior	Included	Included
Heritage Place	700 W 35th St	Savannah	GA	LIHTC	Family	Excluded	Tenancy not comparable
Heritage Corner & Heritage Row	824 W 35th St & 642 W 41st St	Savannah	GA	LIHTC	Family	Excluded	Tenancy not comparable
Montgomery Landing	714 W 57th St	Savannah	GA	LIHTC	Family	Excluded	Tenancy not comparable
Ashley Midtown I	1518 E Park Ave	Savannah	GA	LIHTC/PHA/Market	Family	Excluded	Tenancy not comparable
Ashley Midtown II	1519 E Park Ave	Savannah	GA	LIHTC/PHA/Market	Family	Excluded	Tenancy not comparable

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Tenancy	Distance
1	Rose Of Sharon	Savannah	@ 60%	Senior	1.4 miles
2	Sheppard Station	Pooler	@ 50% , @ 60% , Market	Senior	15.2 miles
3	Sustainable Fellwood III	Savannah	@ 60% , @ 60% (PBRA) , Market	Senior	3.3 miles
4	Chelsea Apartments At Five Points	Savannah	Market	Family	1.1 miles
5	Springs At Chatham Parkway	Savannah	Market	Family	5.9 miles
6	Veranda At Midtown	Savannah	Market, PBRA	Senior	0.4 miles
7	Walden At Chatham Center	Savannah	Market	Family	6.8 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate	
Subject	Romana - Riley Lofts	n/a	Conversion (age-restricted) 2015 / n/a	@50%, @60%	1BR / 1BA	3	5.30%	@50%	\$425	650	yes		N/A	N/A	
	SEC East Henry Street & Waters Avenue; SWC East Anderson Street & Waters Avenue				1BR / 1BA	17	29.80%	@60%	\$538	650	yes		N/A	N/A	
	Savannah, GA 31404 Chatham County					2BR / 2BA	4	7.00%	@50%	\$511	864	yes		N/A	N/A
						2BR / 2BA	2	3.50%	@50%	\$511	966	yes		N/A	N/A
						2BR / 2BA	21	36.80%	@60%	\$646	864	yes		N/A	N/A
						2BR / 2BA	10	17.50%	@60%	\$646	966	yes		N/A	N/A
						57	100%						N/A	N/A	
1	Rose Of Sharon	1.4 miles	Highrise (age-restricted) (12 stories) 1972 / 2007	@60%	Studio / 1BA	44	21.40%	@60%	\$391	418	n/a	23 HHs total	3	6.80%	
	322 East Taylor Street				1BR / 1BA	140	68.00%	@60%	\$428	602	n/a	23 HHs total	4	2.90%	
	Savannah, GA 31401				1BR / 1BA	22	10.70%	@60%	\$428	627	n/a	23 HHs total	2	9.10%	
	Chatham County					206	100%						9	4.40%	
2	Sheppard Station	15.2 miles	Lowrise (age-restricted) 2009 / n/a	@50%, @60%, Market	1BR / 1BA	25	38.50%	@50%	\$443	815	n/a	Yes	0	0.00%	
	215 Brighton Woods Dr Pooler, GA 31322 Chatham County				1BR / 1BA	1	1.50%	@60%	\$443	815	no	Yes	0	0.00%	
					1BR / 1BA	7	10.80%	Market	\$505	815	n/a	Yes	0	0.00%	
					2BR / 1BA	24	36.90%	@50%	\$478	1,000	n/a	Yes	0	0.00%	
					2BR / 1BA	2	3.10%	@60%	\$478	1,000	no	Yes	0	0.00%	
					2BR / 1BA	6	9.20%	Market	\$555	1,000	n/a	Yes	0	0.00%	
						65	100%						0	0.00%	
3	Sustainable Fellwood III	3.3 miles	Lowrise (age-restricted) (4 stories) 2012 / n/a	@60%, @60% (Project Based Rental Assistance - PBRA), Market	1BR / 1BA	41	41.00%	@60%	\$545	732	no	Yes	0	0.00%	
	Exley Street Savannah, GA 31415 Chatham County				1BR / 1BA	37	37.00%	@60%	N/A	732	n/a	Yes	0	0.00%	
					1BR / 1BA	7	7.00%	Market	\$601	732	n/a	Yes	0	0.00%	
					2BR / 2BA	5	5.00%	@60%	\$654	951	no	Yes	0	0.00%	
					2BR / 2BA	7	7.00%	@60%	N/A	951	n/a	Yes	0	0.00%	
					2BR / 2BA	3	3.00%	Market	\$691	951	n/a	Yes	0	0.00%	
						100	100%						0	0.00%	
4	Chelsea Apartments At Five Points	1.1 miles	Garden (2 stories) 1947 / 1983	Market	1BR / 1BA	24	17.60%	Market	\$600	700	n/a	No	0	0.00%	
	1910 Skidaway Rd Savannah, GA 31404 Chatham County				2BR / 1BA	112	82.40%	Market	\$650	850	n/a	No	5	4.50%	
						136	100%						5	3.70%	
5	Springs At Chatham Parkway	5.9 miles	Garden (2 stories) 2007-2008 / n/a	Market	Studio / 1BA	44	12.50%	Market	\$776	575	n/a	No	4	9.10%	
	1699 Chatham Parkway Savannah, GA 31405 Chatham County				1BR / 1BA	44	12.50%	Market	\$821	741	n/a	No	1	2.30%	
					1BR / 1BA	44	12.50%	Market	\$887	801	n/a	No	1	2.30%	
					1BR / 1BA	22	6.20%	Market	\$947	830	n/a	No	5	22.70%	
					1BR / 1BA	22	6.20%	Market	\$1,011	888	n/a	No	0	0.00%	
					2BR / 2BA	44	12.50%	Market	\$866	957	n/a	No	6	13.60%	
					2BR / 2BA	22	6.20%	Market	\$991	1,055	n/a	No	1	4.50%	
					2BR / 2BA	44	12.50%	Market	\$1,081	1,090	n/a	No	1	2.30%	
					3BR / 2BA	33	9.40%	Market	\$1,096	1,291	n/a	No	3	9.10%	
					3BR / 2BA	33	9.40%	Market	\$1,376	1,371	n/a	No	2	6.10%	
						352	100%						24	6.80%	
6	Veranda At Midtown	0.4 miles	Midrise (age-restricted) (4 stories) 2005 / n/a	Market, PBRA	1BR / 1BA	2	2.00%	Market	\$637	659	n/a	No	0	0.00%	
	1414 East Anderson Street Savannah, GA 31404 Chatham County				1BR / 1BA	6	6.00%	Market	\$637	664	n/a	No	1	16.70%	
					1BR / 1BA	3	3.00%	Market	\$637	736	n/a	No	0	0.00%	
					1BR / 1BA	2	2.00%	PBRA	\$599	654	n/a	Yes	0	0.00%	
					1BR / 1BA	7	7.00%	PBRA	\$599	659	n/a	Yes	0	0.00%	
					1BR / 1BA	27	27.00%	PBRA	\$599	664	n/a	Yes	0	0.00%	
					1BR / 1BA	12	12.00%	PBRA	\$599	673	n/a	Yes	0	0.00%	
					1BR / 1BA	5	5.00%	PBRA	\$599	696	n/a	Yes	0	0.00%	
					1BR / 1BA	20	20.00%	PBRA	\$599	736	n/a	Yes	0	0.00%	
					2BR / 1BA	16	16.00%	PBRA	\$662	918	n/a	Yes	1	6.20%	
						100	100%						2	2.00%	
7	Walden At Chatham Center	6.8 miles	Garden (3 stories) 2003 / n/a	Market, Non-Rental	1BR / 1BA	16	6.80%	Market	\$986	1,013	n/a	No	1	6.20%	
	100 Walden Lane Savannah, GA 31406 Bryan County				2BR / 2BA	80	33.90%	Market	\$1,110	1,131	n/a	No	2	2.50%	
					2BR / 2BA	38	16.10%	Market	\$1,295	1,211	n/a	No	1	2.60%	
					2BR / 2BA	2	0.80%	Non-Rental	N/A	1,131	n/a	No	0	0.00%	
					3BR / 2BA	16	6.80%	Market	\$1,310	1,358	n/a	No	1	6.20%	
					3BR / 2BA	8	3.40%	Market	\$1,376	1,418	n/a	No	1	12.50%	
						236	100%						7	3.00%	

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

Effective Rent Date:	Apr-13	Units Surveyed:	1195	Weighted Occupancy:	96.10%
		Market Rate	824	Market Rate	95.40%
		Tax Credit	371	Tax Credit	97.60%

One Bedroom One Bath

Two Bedrooms Two Bath

	Property	Average	Property	Average
RENT	Springs At Chatham Parkway	\$1,011	Walden At Chatham Center	\$1,295
	Walden At Chatham Center	\$986	Walden At Chatham Center	\$1,110
	Springs At Chatham Parkway	\$947	Springs At Chatham Parkway	\$1,081
	Springs At Chatham Parkway	\$887	Springs At Chatham Parkway	\$991
	Springs At Chatham Parkway	\$821	Springs At Chatham Parkway	\$866
	Veranda At Midtown	\$637	Sustainable Fellwood III * (M)	\$691
	Veranda At Midtown	\$637	Veranda At Midtown (1BA)	\$662
	Veranda At Midtown	\$637	Sustainable Fellwood III * (60%)	\$654
	Sustainable Fellwood III * (M)	\$601	Chelsea Apartments At Five Points (1BA)	\$650
	Chelsea Apartments At Five Points	\$600	Romana - Riley Lofts * (60%)	\$646
	Veranda At Midtown	\$599	Romana - Riley Lofts * (60%)	\$646
	Veranda At Midtown	\$599	Sheppard Station * (1BA M)	\$555
	Veranda At Midtown	\$599	Romana - Riley Lofts * (50%)	\$511
	Veranda At Midtown	\$599	Romana - Riley Lofts * (50%)	\$511
	Veranda At Midtown	\$599	Sheppard Station * (1BA 50%)	\$478
	Veranda At Midtown	\$599	Sheppard Station * (1BA 60%)	\$478
	Sustainable Fellwood III * (60%)	\$545		
	Romana - Riley Lofts * (60%)	\$538		
	Sheppard Station * (M)	\$505		
	Sheppard Station * (50%)	\$443		
	Sheppard Station * (60%)	\$443		
	Rose Of Sharon * (60%)	\$428		
	Rose Of Sharon * (60%)	\$428		
	Romana - Riley Lofts * (50%)	\$425		
	SQUARE FOOTAGE	Walden At Chatham Center	1,013	Walden At Chatham Center
Springs At Chatham Parkway		888	Walden At Chatham Center	1,131
Springs At Chatham Parkway		830	Springs At Chatham Parkway	1,090
Sheppard Station * (50%)		815	Springs At Chatham Parkway	1,055
Sheppard Station * (60%)		815	Sheppard Station * (1BA 50%)	1,000
Sheppard Station * (M)		815	Sheppard Station * (1BA 60%)	1,000
Springs At Chatham Parkway		801	Sheppard Station * (1BA M)	1,000
Springs At Chatham Parkway		741	Romana - Riley Lofts * (50%)	966
Veranda At Midtown		736	Romana - Riley Lofts * (60%)	966
Veranda At Midtown		736	Springs At Chatham Parkway	957
Sustainable Fellwood III * (60%)		732	Sustainable Fellwood III * (60%)	951
Sustainable Fellwood III * (M)		732	Sustainable Fellwood III * (M)	951
Chelsea Apartments At Five Points		700	Veranda At Midtown (1BA)	918
Veranda At Midtown		696	Romana - Riley Lofts * (50%)	864
Veranda At Midtown		673	Romana - Riley Lofts * (60%)	864
Veranda At Midtown		664	Chelsea Apartments At Five Points (1BA)	850
Veranda At Midtown		664		
Veranda At Midtown		659		
Veranda At Midtown		659		
Veranda At Midtown		654		
Romana - Riley Lofts * (50%)		650		
Romana - Riley Lofts * (60%)		650		
Rose Of Sharon * (60%)		627		
Rose Of Sharon * (60%)		602		
RENT PER SQUARE FOOT		Springs At Chatham Parkway	\$1.14	Walden At Chatham Center
	Springs At Chatham Parkway	\$1.14	Springs At Chatham Parkway	\$0.99
	Springs At Chatham Parkway	\$1.11	Walden At Chatham Center	\$0.98
	Springs At Chatham Parkway	\$1.11	Springs At Chatham Parkway	\$0.94
	Walden At Chatham Center	\$0.97	Springs At Chatham Parkway	\$0.90
	Veranda At Midtown	\$0.97	Chelsea Apartments At Five Points (1BA)	\$0.76
	Veranda At Midtown	\$0.96	Romana - Riley Lofts * (60%)	\$0.75
	Veranda At Midtown	\$0.92	Sustainable Fellwood III * (M)	\$0.73
	Veranda At Midtown	\$0.91	Veranda At Midtown (1BA)	\$0.72
	Veranda At Midtown	\$0.90	Sustainable Fellwood III * (60%)	\$0.69
	Veranda At Midtown	\$0.89	Romana - Riley Lofts * (60%)	\$0.67
	Veranda At Midtown	\$0.87	Romana - Riley Lofts * (50%)	\$0.59
	Veranda At Midtown	\$0.86	Sheppard Station * (1BA M)	\$0.56
	Chelsea Apartments At Five Points	\$0.86	Romana - Riley Lofts * (50%)	\$0.53
	Romana - Riley Lofts * (60%)	\$0.83	Sheppard Station * (1BA 50%)	\$0.48
	Sustainable Fellwood III * (M)	\$0.82	Sheppard Station * (1BA 60%)	\$0.48
	Veranda At Midtown	\$0.81		
	Sustainable Fellwood III * (60%)	\$0.74		
	Rose Of Sharon * (60%)	\$0.71		
	Rose Of Sharon * (60%)	\$0.68		
	Romana - Riley Lofts * (50%)	\$0.65		
	Sheppard Station * (M)	\$0.62		
	Sheppard Station * (50%)	\$0.54		
	Sheppard Station * (60%)	\$0.54		

PROPERTY PROFILE REPORT

Rose Of Sharon

Effective Rent Date	4/12/2013
Location	322 East Taylor Street Savannah, GA 31401 Chatham County
Distance	1.4 miles
Units	206
Vacant Units	9
Vacancy Rate	4.4%
Type	Highrise (age-restricted) (12 stories)
Year Built/Renovated	1972 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Sister's Court, Williams Court, Sheppard Station
Tenant Characteristics	Seniors
Contact Name	Tanya
Phone	912-234-5417



Market Information

Program	@60%
Annual Turnover Rate	17%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	3 weeks
Annual Chg. in Rent	None
Concession	None

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- gas
Heat	included -- gas
Other Electric	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
0	1	Highrise (12 stories)	44	418	\$495	\$0	@60%	23 HHs	3	6.8%	N/A	None
1	1	Highrise (12 stories)	140	602	\$567	\$0	@60%	23 HHs	4	2.9%	N/A	None
1	1	Highrise (12 stories)	22	627	\$567	\$0	@60%	23 HHs	2	9.1%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$495	\$0	\$495	-\$104	\$391
1BR / 1BA	\$567	\$0	\$567	-\$139	\$428

Rose Of Sharon, continued

Amenities

In-Unit

Cable/Satellite/Internet
Central A/C
Oven
Refrigerator

Carpeting
Hand Rails
Pull Cords

Security

Intercom (Buzzer)
Limited Access
Video Surveillance

Services

None

Property

Clubhouse/Meeting
Central Laundry
Off-Street Parking
Service Coordination

Elevators
Non-shelter Services
On-Site Management

Premium

Hairdresser / Barber

Other

None

Comments

Rents have remained stable over the past year and management does not anticipate that rents will increase in the near future. The property offers 43 project based Section 8 units and that these units have a lengthy waiting list. In addition to this project-based subsidy, an estimated half of the remaining tenants are using portable Housing Choice Vouchers.

Rose Of Sharon, continued

Trend Report

Vacancy Rates

2Q06	3Q10	2Q12	2Q13
0.0%	5.3%	2.4%	4.4%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	N/A	\$567	\$0	\$567	\$428
2010	3	6.2%	\$567	\$0	\$567	\$428
2012	2	3.1%	\$567	\$17	\$550	\$411
2013	2	3.7%	\$567	\$0	\$567	\$428

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	N/A	\$495	\$0	\$495	\$391
2010	3	2.3%	\$495	\$0	\$495	\$391
2012	2	0.0%	\$495	\$17	\$478	\$374
2013	2	6.8%	\$495	\$0	\$495	\$391

Trend: Comments

2Q06 N/A

3Q10 The property manager indicated that the property offers 43 project based Section 8 units and that these units have a lengthy waiting list. The contact reported that tenants cannot afford a higher rent and that seniors are not attracted to the highrise structure of the property. The majority of the current vacancies are due to turnover as a result of death.

2Q12 The contact was new and was unsure of annual turnover rate and leasing pace. The contact indicated that the property offers 43 project based Section 8 units and that these units have a lengthy waiting list. In addition to this project-based subsidy, an estimated half of the remaining tenants are using portable Housing Choice Vouchers.

2Q13 Rents have remained stable over the past year and management does not anticipate that rents will increase in the near future. The property offers 43 project based Section 8 units and that these units have a lengthy waiting list. In addition to this project-based subsidy, an estimated half of the remaining tenants are using portable Housing Choice Vouchers.

PROPERTY PROFILE REPORT

Sheppard Station

Effective Rent Date 4/25/2013
Location 215 Brighton Woods Dr
 Pooler, GA 31322
 Chatham County
Distance 15.2 miles
Units 65
Vacant Units 0
Vacancy Rate 0.0%
Type Lowrise (age-restricted)
Year Built/Renovated 2009 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None
Tenant Characteristics Seniors aged 55 and older; average age 65-70
Contact Name Gina
Phone (912) 748-0495



Market Information

Program @50%, @60%, Market
Annual Turnover Rate 15%
Units/Month Absorbed 12
HCV Tenants N/A
Leasing Pace Immediately
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	Lowrise	25	815	\$427	\$0	@50%	Yes	0	0.0%	N/A	None
1	1	Lowrise	1	815	\$427	\$0	@60%	Yes	0	0.0%	no	None
1	1	Lowrise	7	815	\$489	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Lowrise	24	1,000	\$462	\$0	@50%	Yes	0	0.0%	N/A	None
2	1	Lowrise	2	1,000	\$462	\$0	@60%	Yes	0	0.0%	no	None
2	1	Lowrise	6	1,000	\$539	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$427	\$0	\$427	\$16	\$443	1BR / 1BA	\$427	\$0	\$427	\$16	\$443
2BR / 1BA	\$462	\$0	\$462	\$16	\$478	2BR / 1BA	\$462	\$0	\$462	\$16	\$478
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$489	\$0	\$489	\$16	\$505						
2BR / 1BA	\$539	\$0	\$539	\$16	\$555						

Sheppard Station, continued

Amenities

In-Unit

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

Blinds
Central A/C
Exterior Storage
Oven
Refrigerator
Washer/Dryer hookup

Security

In-Unit Alarm

Services

None

Property

Business Center/Computer Lab
Elevators
Off-Street Parking
Picnic Area
Service Coordination

Clubhouse/Meeting
Exercise Facility
On-Site Management
Recreation Areas

Premium

None

Other

Horseshoe pit, shuffleboard,

Comments

Management was unaware of the number of tenants using Housing Choice Vouchers, although they are accepted at the property. There are over 500 households on the waiting list.

Sheppard Station, continued

Trend Report

Vacancy Rates

2Q10	2Q12	1Q13	2Q13
0.0%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$400	\$0	\$400	\$416
2012	2	0.0%	\$427	\$0	\$427	\$443
2013	1	0.0%	\$427	\$0	\$427	\$443
2013	2	0.0%	\$427	\$0	\$427	\$443

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$435	\$0	\$435	\$451
2012	2	0.0%	\$462	\$0	\$462	\$478
2013	1	0.0%	\$462	\$0	\$462	\$478
2013	2	0.0%	\$462	\$0	\$462	\$478

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$400	\$0	\$400	\$416
2012	2	0.0%	\$427	\$0	\$427	\$443
2013	1	0.0%	\$427	\$0	\$427	\$443
2013	2	0.0%	\$427	\$0	\$427	\$443

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$435	\$0	\$435	\$451
2012	2	0.0%	\$462	\$0	\$462	\$478
2013	1	0.0%	\$462	\$0	\$462	\$478
2013	2	0.0%	\$462	\$0	\$462	\$478

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$460	\$0	\$460	\$476
2012	2	0.0%	\$489	\$0	\$489	\$505
2013	1	0.0%	\$489	\$0	\$489	\$505
2013	2	0.0%	\$489	\$0	\$489	\$505

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$510	\$0	\$510	\$526
2012	2	0.0%	\$539	\$0	\$539	\$555
2013	1	0.0%	\$539	\$0	\$539	\$555
2013	2	0.0%	\$539	\$0	\$539	\$555

Trend: Comments

- 2Q10** Management reported that there is demand for additional senior housing in the area, particularly outside of Savannah. The property manager indicated that there is a trend for seniors to move outside the city in order to find more quiet areas. Management could not report whether tenants can afford higher rents. The property is owned by the Gateway Companies and managed by Ambling Management.
- 2Q12** The contact stated that they have no vacancies and the waiting list is two years long.
- 1Q13** The property manager reported that there are hundreds of households on the waiting list. Despite the property's high occupancy rate and lengthy waiting list, management has not increased rents over the past year. When asked about demand for senior LIHTC housing in surrounding markets including Hinesville, management reported that tenants would not likely move to Hinesville for affordable housing; but, Hinesville does have demand for its own senior LIHTC housing due to retired personnel from the base.
- 2Q13** Management was unaware of the number of tenants using Housing Choice Vouchers, although they are accepted at the property. There are over 500 households on the waiting list.

PROPERTY PROFILE REPORT

Sustainable Fellwood III

Effective Rent Date	4/25/2013
Location	Exley Street Savannah, GA 31415 Chatham County
Distance	3.3 miles
Units	100
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (4 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	3/15/2012
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Seniors 62+
Contact Name	Charlotte
Phone	912.544.0190



Market Information

Program	@60%, @60% (Project Based Rental)
Annual Turnover Rate	N/A
Units/Month Absorbed	30
HCV Tenants	21%
Leasing Pace	Prelease
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (4 stories)	41	732	\$583	\$0	@60%	Yes	0	0.0%	no	None
1	1	Lowrise (4 stories)	37	732	N/A	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
1	1	Lowrise (4 stories)	7	732	\$639	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Lowrise (4 stories)	5	951	\$702	\$0	@60%	Yes	0	0.0%	no	None
2	2	Lowrise (4 stories)	7	951	N/A	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
2	2	Lowrise (4 stories)	3	951	\$739	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$583	\$0	\$583	-\$38	\$545	1BR / 1BA	\$639	\$0	\$639	-\$38	\$601
2BR / 2BA	\$702	\$0	\$702	-\$48	\$654	2BR / 2BA	\$739	\$0	\$739	-\$48	\$691

Sustainable Fellwood III, continued

Amenities

In-Unit

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

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

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
On-Site Management

Clubhouse/Meeting
Off-Street Parking
Recreation Areas

Premium

None

Other

None

Comments

Management reported that there is a waiting list but could not estimate the number of households on the waiting list.

Sustainable Fellwood III, continued

Trend Report

Vacancy Rates

2Q12	1Q13	2Q13
10.0%	5.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$583	\$0	\$583	\$545
2013	1	N/A	\$583	\$0	\$583	\$545
2013	2	0.0%	\$583	\$0	\$583	\$545

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$702	\$0	\$702	\$654
2013	1	N/A	\$702	\$0	\$702	\$654
2013	2	0.0%	\$702	\$0	\$702	\$654

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$639	\$0	\$639	\$601
2013	1	N/A	\$639	\$0	\$639	\$601
2013	2	0.0%	\$639	\$0	\$639	\$601

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$739	\$0	\$739	\$691
2013	1	N/A	\$739	\$0	\$739	\$691
2013	2	0.0%	\$739	\$0	\$739	\$691

Trend: Comments

- 2Q12** Management indicated that the property began accepting applications on March 15 and is currently 90 percent occupied. Management reported that there is a strong need for LIHTC units targeting senior residents.
- 1Q13** The property stabilized in 2012 and is currently maintaining a 95 percent occupancy rate. Management reported that there is a waiting list but could not estimate the number of households on the waiting list. When asked about demand for senior LIHTC housing demand in surrounding markets including Hinesville, management reported that tenants from the Savannah area are not likely to move to areas such as Hinesville as there is a lack of public transportation, upon which tenants at Sustainable Fellwood rely. Further, seniors in Hinesville who are ex-military would not likely qualify for LIHTC housing.
- 2Q13** Management reported that there is a waiting list but could not estimate the number of households on the waiting list.

PROPERTY PROFILE REPORT

Chelsea Apartments At Five Points

Effective Rent Date	4/30/2013
Location	1910 Skidaway Rd Savannah, GA 31404 Chatham County
Distance	1.1 miles
Units	136
Vacant Units	5
Vacancy Rate	3.7%
Type	Garden (2 stories)
Year Built/Renovated	1947 / 1983
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Kingstown, Alhambra
Tenant Characteristics	20% seniors, families from the Savannah area
Contact Name	Dawson
Phone	(912) 232-6640



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	18%
Leasing Pace	1 week to 1 month
Annual Chg. in Rent	Increased 2-4%
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	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)	24	700	\$600	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	112	850	\$650	\$0	Market	No	5	4.5%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$600	\$0	\$600	\$0	\$600
2BR / 1BA	\$650	\$0	\$650	\$0	\$650

Amenities

In-Unit	Security	Services
Blinds Central A/C Oven Carpet/Hardwood Dishwasher Refrigerator	Video Surveillance	None
Property	Premium	Other
Central Laundry On-Site Management Swimming Pool Off-Street Parking Picnic Area	None	None

Chelsea Apartments At Five Points, continued

Comments

Contact stated that the property offers standard and upgraded two-bedroom units. Rents shown are for standard units, which represent the majority of units, but upgraded units rent for \$700 and include new carpet, paint and updated kitchens. Contact further stated that the property accepts Housing Choice vouchers and there are currently 25 tenants utilizing vouchers.

Chelsea Apartments At Five Points, continued

Trend Report

Vacancy Rates

4Q09	2Q10	2Q12	2Q13
11.0%	9.6%	4.4%	3.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	4.2%	\$579	\$0	\$579	\$579
2010	2	0.0%	\$589	\$0	\$589	\$589
2012	2	N/A	\$590	\$0	\$590	\$590
2013	2	0.0%	\$600	\$0	\$600	\$600

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	12.5%	\$619	\$0	\$619	\$619
2010	2	11.6%	\$649	\$30	\$619	\$619
2012	2	N/A	\$625	\$0	\$625	\$625
2013	2	4.5%	\$650	\$0	\$650	\$650

Trend: Comments

- 4Q09** The contact refused to comment on market characteristics. Despite the high two-bedroom vacancy rate, management is not offering a concession but two-bedroom rents have decreased by seven percent since March 2009. The property has historically maintained a high two-bedroom vacancy rate as the two-bedroom units comprise the majority of the property. Occupancy increased from 84 percent to 89 percent from March 2009 to November 2009.
- 2Q10** The contact could not report annual turnover or number of tenants with housing choice vouchers. The last interview reported that 45 percent of the tenant used housing choice vouchers.
- 2Q12** The contact could not verify which unit types were vacant, but said that they were between 95 and 96 percent occupied. The contact also noted that these new levels of high occupancy have become the new normal for them.
- 2Q13** Contact stated that the property offers standard and upgraded two-bedroom units. Rents shown are for standard units, which represent the majority of units, but upgraded units rent for \$700 and include new carpet, paint and updated kitchens. Contact further stated that the property accepts Housing Choice vouchers and there are currently 25 tenants utilizing vouchers.

PROPERTY PROFILE REPORT

Springs At Chatham Parkway

Effective Rent Date	4/30/2013
Location	1699 Chatham Parkway Savannah, GA 31405 Chatham County
Distance	5.9 miles
Units	352
Vacant Units	24
Vacancy Rate	6.8%
Type	Garden (2 stories)
Year Built/Renovated	2007-2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None disclosed
Tenant Characteristics	Tenants from Savannah and Chatham Co.; Residents range from students to retired
Contact Name	Jen
Phone	912-236-3771



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	29
HCV Tenants	0%
Leasing Pace	1-3 weeks
Annual Chg. in Rent	Varies (Yieldstar)
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
0	1	Garden (2 stories)	44	575	\$760	\$0	Market	No	4	9.1%	N/A	None
1	1	Garden (2 stories)	44	741	\$805	\$0	Market	No	1	2.3%	N/A	None
1	1	Garden (2 stories)	44	801	\$871	\$0	Market	No	1	2.3%	N/A	None
1	1	Garden (2 stories)	22	830	\$931	\$0	Market	No	5	22.7%	N/A	None
1	1	Garden (2 stories)	22	888	\$995	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	44	957	\$850	\$0	Market	No	6	13.6%	N/A	None
2	2	Garden (2 stories)	22	1,055	\$975	\$0	Market	No	1	4.5%	N/A	None
2	2	Garden (2 stories)	44	1,090	\$1,065	\$0	Market	No	1	2.3%	N/A	None
3	2	Garden (2 stories)	33	1,291	\$1,080	\$0	Market	No	3	9.1%	N/A	None
3	2	Garden (2 stories)	33	1,371	\$1,360	\$0	Market	No	2	6.1%	N/A	None

Springs At Chatham Parkway, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$760	\$0	\$760	\$16	\$776
1BR / 1BA	\$805 - \$995	\$0	\$805 - \$995	\$16	\$821 - \$1,011
2BR / 2BA	\$850 - \$1,065	\$0	\$850 - \$1,065	\$16	\$866 - \$1,081
3BR / 2BA	\$1,080 - \$1,360	\$0	\$1,080 - \$1,360	\$16	\$1,096 - \$1,376

Amenities

In-Unit

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

Blinds
 Central A/C
 Exterior Storage
 Microwave
 Refrigerator

Security

Limited Access
 Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
 Clubhouse/Meeting
 Garage
 Off-Street Parking
 Picnic Area
 Wi-Fi

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

Premium

None

Other

Outdoor auditorium

Comments

Contact stated that the property uses Yieldstar Price Optimizer; rents change daily according to lease terms and availability. Contact further stated that the property does not accept Housing Choice vouchers. No utilities are included; residents pay a \$9 per month trash fee in addition to their utility bills.

Springs At Chatham Parkway, continued

Trend Report

Vacancy Rates

1Q10	2Q10	2Q12	2Q13
23.0%	15.2%	5.4%	6.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$795 - \$825	\$133 - \$138	\$662 - \$687	\$678 - \$703
2010	2	N/A	\$831 - \$864	\$139 - \$144	\$692 - \$720	\$708 - \$736
2012	2	N/A	\$840 - \$957	\$0	\$840 - \$957	\$856 - \$973
2013	2	5.3%	\$805 - \$995	\$0	\$805 - \$995	\$821 - \$1,011

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$890 - \$925	\$148 - \$154	\$742 - \$771	\$758 - \$787
2010	2	N/A	\$1,005 - \$1,055	\$168 - \$176	\$837 - \$879	\$853 - \$895
2012	2	N/A	\$991 - \$1,012	\$0	\$991 - \$1,012	\$1,007 - \$1,028
2013	2	7.3%	\$850 - \$1,065	\$0	\$850 - \$1,065	\$866 - \$1,081

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$1,155 - \$1,300	\$193 - \$217	\$962 - \$1,083	\$978 - \$1,099
2010	2	N/A	\$1,267 - \$1,400	\$211 - \$233	\$1,056 - \$1,167	\$1,072 - \$1,183
2012	2	N/A	\$1,091 - \$1,192	\$0	\$1,091 - \$1,192	\$1,107 - \$1,208
2013	2	7.6%	\$1,080 - \$1,360	\$0	\$1,080 - \$1,360	\$1,096 - \$1,376

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	11.4%	\$670	\$112	\$558	\$574
2010	2	N/A	\$671	\$112	\$559	\$575
2012	2	N/A	\$743	\$0	\$743	\$759
2013	2	9.1%	\$760	\$0	\$760	\$776

Trend: Comments

- 1Q10** The contact could not give a unit breakdown for all the vacant units, but did indicate the property was 77 percent occupied. The contact reported that the vacancy increased significantly in November 2009 when there was a large military deployment. The property is 25 percent occupied by the military. The contact reported that the larger one bedroom (830 square feet) does not have a dining area. There are six people on the waiting list for the summer months.
- 2Q10** Management could not give a unit breakdown for all the vacant units, but did indicate the property was 84.94 percent occupied and 89.77 percent leased. The contact reported that the market was improving, and that the recent concession had really helped the property's traffic. Management had been reluctant to lower prices, and offer more flexible leasing terms like its competitors as many tenants had recently transferred. There are seven households on the waiting list. The property had several garages, but could not indicate how many garages, and that these garages were approximately 75 percent leased. Prices for the garages range from \$75 for one-car garages, to \$100 for two-car garages. The property does not accept housing choice vouchers.
- 2Q12** Contact did not know the vacancies per unit type, but stated that they are 94.6 percent occupied, which is normal for them. They recently decreased the rents for the garages, which are now \$50 for the one-car garage and \$85 for the two-car garage.
- 2Q13** Contact stated that the property uses Yieldstar Price Optimizer; rents change daily according to lease terms and availability. Contact further stated that the property does not accept Housing Choice vouchers. No utilities are included; residents pay a \$9 per month trash fee in addition to their utility bills.

PROPERTY PROFILE REPORT

Veranda At Midtown

Effective Rent Date	4/30/2013
Location	1414 East Anderson Street Savannah, GA 31404 Chatham County
Distance	0.4 miles
Units	100
Vacant Units	2
Vacancy Rate	2.0%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Rose of Sharon
Tenant Characteristics	Seniors ages 62+; Average age is 65
Contact Name	Andre
Phone	(912) 236-0683



Market Information

Program	Market, PBRA
Annual Turnover Rate	12%
Units/Month Absorbed	Could not report
HCV Tenants	0%
Leasing Pace	Within 30 days
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	2	659	\$675	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (4 stories)	6	664	\$675	\$0	Market	No	1	16.7%	N/A	None
1	1	Midrise (4 stories)	3	736	\$675	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (4 stories)	2	654	\$637	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	7	659	\$637	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	27	664	\$637	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	12	673	\$637	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	5	696	\$637	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	20	736	\$637	\$0	PBRA	Yes	0	0.0%	N/A	None
2	1	Midrise (4 stories)	16	918	\$710	\$0	PBRA	Yes	1	6.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	PBRA	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$675	\$0	\$675	-\$38	\$637	1BR / 1BA	\$637	\$0	\$637	-\$38	\$599
						2BR / 1BA	\$710	\$0	\$710	-\$48	\$662

Veranda At Midtown, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Ceiling Fan
Hand Rails
Pull Cords
Washer/Dryer hookup

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Oven
Refrigerator

Security

Limited Access

Services

None

Property

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area

Elevators
Central Laundry
On-Site Management
Theatre

Premium

None

Other

Library

Comments

The contact indicated that there is a waiting list for the PBRA units that is maintained by the local housing authority.

Veranda At Midtown, continued

Trend Report

Vacancy Rates

4Q08	3Q10	2Q12	2Q13
0.0%	2.0%	2.0%	2.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$650	\$0	\$650	\$612
2010	3	18.2%	\$675	\$0	\$675	\$637
2012	2	9.1%	\$675	\$0	\$675	\$637
2013	2	9.1%	\$675	\$0	\$675	\$637

Trend: PBRA

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$637	\$0	\$637	\$599
2010	3	0.0%	\$637	\$0	\$637	\$599
2012	2	0.0%	\$637	\$0	\$637	\$599
2013	2	0.0%	\$637	\$0	\$637	\$599

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$710	\$0	\$710	\$662
2010	3	0.0%	\$710	\$0	\$710	\$662
2012	2	6.2%	\$710	\$0	\$710	\$662
2013	2	6.2%	\$710	\$0	\$710	\$662

Trend: Comments

4Q08 N/A

3Q10 Management reported that the unrestricted units are not difficult to lease; the current vacancies are due to regular turnover. The contact indicated that there is demand for additional senior affordable units in the market. The waiting list for the PBRA units is managed by the housing authority and is estimated to be a two to three year wait. Management does accept Housing Choice Vouchers for the 11 units that do not operate with subsidy; however, currently none of the current tenants in those units are using vouchers.

2Q12 The contact indicated that there is a waiting list for the PBRA units that is maintained by the local housing authority.

2Q13 N/A

PROPERTY PROFILE REPORT

Walden At Chatham Center

Effective Rent Date	4/24/2013
Location	100 Walden Lane Savannah, GA 31406 Bryan County
Distance	6.8 miles
Units	236
Vacant Units	7
Vacancy Rate	3.0%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Springs at Chatham, Fenwick, Avala, Savannah Qtrs
Tenant Characteristics	Mixed tenancy from GA and N. Carolina. 12% are military families, also some students from SCAD
Contact Name	Cathy, Susan
Phone	912-238-8596



Market Information

Program	Market, Non-Rental
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	With seven days, sometimes up to 10
Annual Chg. in Rent	Varies (Yieldstar)
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)	23	642	\$822	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	43	797	\$908	\$0	Market	No	1	2.3%	N/A	None
1	1	Garden (3 stories)	8	883	\$950	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	16	1,013	\$970	\$0	Market	No	1	6.2%	N/A	AVG*
1	1	Garden (3 stories)	1	642	N/A	\$0	Non-Rental	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	1	797	N/A	\$0	Non-Rental	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	80	1,131	\$1,094	\$0	Market	No	2	2.5%	N/A	None
2	2	Garden (3 stories)	38	1,211	\$1,279	\$0	Market	No	1	2.6%	N/A	None
2	2	Garden (3 stories)	2	1,131	N/A	\$0	Non-Rental	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	16	1,358	\$1,294	\$0	Market	No	1	6.2%	N/A	None
3	2	Garden (3 stories)	8	1,418	\$1,360	\$0	Market	No	1	12.5%	N/A	None

Walden At Chatham Center, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$822 - \$970	\$0	\$822 - \$970	\$16	\$838 - \$986	1BR / 1BA	N/A	\$0	N/A	\$16	N/A
2BR / 2BA	\$1,094 - \$1,279	\$0	\$1,094 - \$1,279	\$16	\$1,110 - \$1,295	2BR / 2BA	N/A	\$0	N/A	\$16	N/A
3BR / 2BA	\$1,294 - \$1,360	\$0	\$1,294 - \$1,360	\$16	\$1,310 - \$1,376						

Amenities

In-Unit

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

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

Security

Patrol

Services

None

Property

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

Car Wash
 Exercise Facility
 Central Laundry
 On-Site Management
 Playground

Premium

None

Other

Dog park, putting green

Comments

The property is 97 percent occupied and 100 percent leased. Rents vary based upon availability as management uses the Yieldstar program. Based upon our interview in second quarter 2012, rents have remained relatively stable or increased. The one-bedroom units with 1,013 square feet range in rents from \$944 to \$995 based upon availability. The rent listed is an average. The contact reported that the property leases two sizes of garages for \$75 per month and \$125 per month. The exterior storage units rent for \$60 per month.

Walden At Chatham Center, continued

Trend Report

Vacancy Rates

1Q10	2Q10	2Q12	2Q13
1.7%	3.8%	2.5%	3.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	2.2%	\$725 - \$925	\$0	\$725 - \$925	\$741 - \$941
2010	2	N/A	\$735 - \$925	\$0	\$735 - \$925	\$751 - \$941
2012	2	5.6%	\$825 - \$940	\$0	\$825 - \$940	\$841 - \$956
2013	2	2.2%	\$822 - \$970	\$0	\$822 - \$970	\$838 - \$986

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$895 - \$925	\$0	\$895 - \$925	\$911 - \$941
2010	2	N/A	\$925 - \$955	\$0	\$925 - \$955	\$941 - \$971
2012	2	0.8%	\$1,068 - \$1,075	\$0	\$1,068 - \$1,075	\$1,084 - \$1,091
2013	2	2.5%	\$1,094 - \$1,279	\$0	\$1,094 - \$1,279	\$1,110 - \$1,295

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	8.3%	\$1,095 - \$1,150	\$0	\$1,095 - \$1,150	\$1,111 - \$1,166
2010	2	N/A	\$1,170 - \$1,185	\$0	\$1,170 - \$1,185	\$1,186 - \$1,201
2012	2	0.0%	\$1,273 - \$1,278	\$0	\$1,273 - \$1,278	\$1,289 - \$1,294
2013	2	8.3%	\$1,294 - \$1,360	\$0	\$1,294 - \$1,360	\$1,310 - \$1,376

Trend: Non-Rental

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	N/A	\$0	N/A	N/A
2012	2	0.0%	N/A	\$0	N/A	N/A
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	0.0%	N/A	\$0	N/A	N/A
2012	2	0.0%	N/A	\$0	N/A	N/A
2013	2	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

1Q10 There are six people on the waiting list.

2Q10 There are six people on the waiting list. The contact could not report turnover or leasing pace, but our previous interview indicated an annual turnover rate of 51 percent, and a 1-3 week leasing pace. The property does not accept housing choice vouchers. The contact reported that the property leases two sizes of garages for \$75 per month and \$125 per month; all are currently 100 percent leased. The exterior storage units rent for \$60 per month, and are 100 percent leased. One of the two bedroom non-rental units is a hospitality suite that the property rents out for \$90 per night. The other non-rental units are model units.

2Q12 The contact reported that the property leases two sizes of garages for \$75 per month and \$125 per month. The exterior storage units rent for \$60 per month. Contact stated that they do not currently have a waiting list, but will start one in August/September since they have quite a few tenants who are students at SCAD. The special for students is \$100 (or half) off of the move-in fee. The contact also stated that there are no official concessions at the moment, but there are a variety of discounts on specific vacant units. The contact also noted that having only six vacancies is normal for them.

2Q13 The property is 97 percent occupied and 100 percent leased. Rents vary based upon availability as management uses the Yieldstar program. Based upon our interview in second quarter 2012, rents have remained relatively stable or increased. The one-bedroom units with 1,013 square feet range in rents from \$944 to \$995 based upon availability. The rent listed is an average. The contact reported that the property leases two sizes of garages for \$75 per month and \$125 per month. The exterior storage units rent for \$60 per month.

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

Housing Choice Vouchers

TENANTS WITH VOUCHERS

Comparable Property	Rent Structure	Location	Tenancy	Housing Choice
Rose Of Sharon	@60%	Savannah	Senior	50%
Sheppard Station	@50%, @60%, Market	Pooler	Senior	N/A
Sustainable Fellwood III	@60%, @60% (PBRA), Market	Savannah	Senior	21%
Chelsea Apartments At Five Points	Market	Savannah	Family	18%
Springs At Chatham Parkway	Market	Savannah	Family	0%
Veranda At Midtown	Market, PBRA	Savannah	Senior	0%
Walden At Chatham Center	Market	Savannah	Family	0%

As illustrated in the table, Housing Choice Voucher (HCV) reliance is moderate among the LIHTC properties with the exception of Rose of Sharon, which is maintaining a 50 percent HCV rate. Rose of Sharon is considered an outlier and will be significantly inferior to the Subject in terms of age/condition. We do not believe that the Subject will rely on HCVs in order to maintain a stable occupancy rate.

Waiting Lists

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

WAITING LISTS

Comparable Property	Type	Location	Tenancy	Waiting Lists
Rose Of Sharon	LIHTC	Savannah	Senior	Waiting list of 23 HHs total
Sheppard Station	LIHTC	Pooler	Senior	Waiting list of 500+ HHs
Sustainable Fellwood III	LIHTC	Savannah	Senior	General waiting list for all units
Chelsea Apartments At Five Points	Market	Savannah	Family	None
Springs At Chatham Parkway	Market	Savannah	Family	None
Veranda At Midtown	Market, PBRA	Savannah	Senior	Waiting list for PBRA units
Walden At Chatham Center	Market	Savannah	Family	None

The senior properties are maintaining waiting lists, which indicates that there is latent demand for affordable senior housing in the PMA.

Lease Up History

We were able to obtain absorption information from several comparable properties as illustrated in the following table.

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Savannah Gardens III	@ 50%, @ 60%, Market	Family	2012	95	13 (initial)
Sustainable Fellwood III	@ 60%, @ 60% (PBRA), Market	Senior	2012	100	30
Sustainable Fellwood II	@ 60%, @ 60% (PBRA), Market, PHA	Family	2011	110	18
Savannah Gardens I	@ 30%, @ 50%, @ 60%	Family	2010	115	11
Sustainable Fellwood I	@ 60%, @ 60% (Public Housing), Market	Family	2009	110	18
Ashley Midtown Phase II	@ 30% (PHA), @ 60%	Family	2008	38	11-13
Springs At Chatham Parkway	Market	Family	2007-2008	352	29
AVERAGE					18

Savannah Gardens III (family LIHTC) opened in 2012 and is currently stabilizing. The property is currently 82 percent occupied and 84 percent leased, which equates to an initial stabilization rate of 13 units per month. Sustainable Fellwood III is the most recent senior addition to supply in the market. The property stabilized in 2012 at a rate of 30 units per month; however, this property benefits from being a subsequent phase of an existing development and, it offers project-based rental assistance, which the Subject will not. The Subject's rents and AMI levels are projected to remain the same. However, should the Subject have to release 100 percent of its units, we anticipate that the Subject will stabilize at a slightly slower rate of 10 units per month, which equates to an absorption period of approximately five months for the Subject to reach 93 percent occupancy.

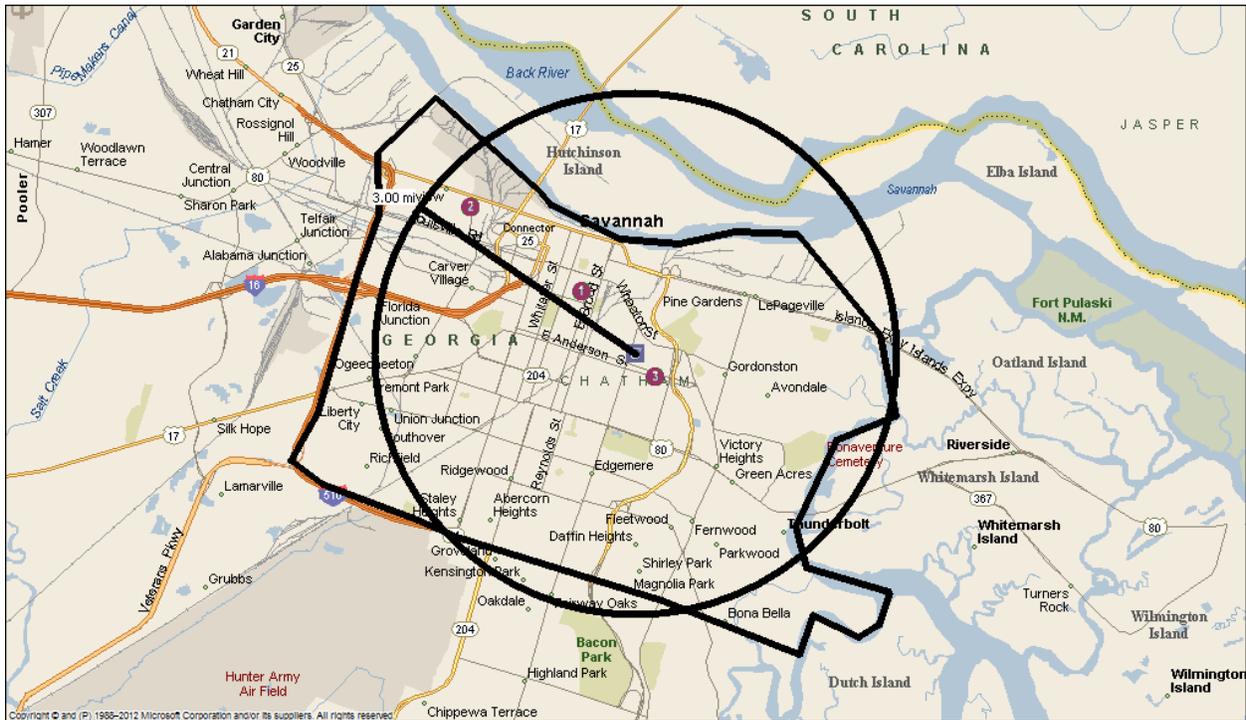
Phased Developments

The Subject is not part of a phased development.

Rural Areas

The Subject is not located in a rural area. There is adequate LIHTC and market rate multifamily data.

3. COMPETITIVE PROJECT MAP



COMPETITIVE PROJECTS MAP

#	Property Name	City	Type	Tenancy	Distance
1	Rose Of Sharon	Savannah	@60%	Senior	1.4 miles
2	Sustainable Fellwood III	Savannah	@60%, @60% (PBRA), Market	Senior	3.3 miles
3	Veranda At Midtown	Savannah	Market, PBRA	Senior	0.4 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

	Romana - Riley Lofts	Rose Of Sharon	Sheppard Station	Sustainable Fellwood III	Chelsea Apartments At Five Points	Springs At Chatham Parkway	Veranda At Midtown	Walden At Chatham Center
Comp #	Subject	1	2	3	4	5	6	7
Property Information								
Property Type	Conversion (age-restricted)	Highrise (age-restricted) (12 stories)	Lowrise (age-restricted)	Lowrise (age-restricted) (4 stories)	Garden (2 stories)	Garden (2 stories)	Midrise (age-restricted) (4 stories)	Garden (3 stories)
Year Built / Renovated	2015 / n/a	1972 / 2007	2009 / n/a	2012 / n/a	1947 / 1983	2007-2008 / n/a	2005 / n/a	2003 / n/a
Market (Conv./Subsidy Type)	@50%, @60%	@60%	Market	@50%, @60%, Project Based Rental Assistance - PBRA),	@60%, @60%	Market	Market, PBRA	Market, Non-Rental
Utility Adjustments								
Cooking	no	yes	no	no	no	no	no	no
Water Heat	no	yes	no	no	no	no	no	no
Heat	no	yes	no	no	no	no	no	no
Other Electric	no	yes	no	no	no	no	no	no
Water	no	yes	no	yes	no	no	yes	no
Sewer	no	yes	no	yes	no	no	yes	no
Trash Collection	yes	yes	no	yes	yes	no	yes	no
In-Unit Amenities								
Balcony/Patio	yes	no	yes	yes	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	no	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	no	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	no	yes	yes	no
Garbage Disposal	no	no	no	yes	no	yes	yes	yes
Hand Rails	yes	yes	yes	yes	no	no	yes	no
Microwave	no	no	no	no	no	yes	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	yes	no	no	yes	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	no	no	no	no	no	no	yes
Washer/Dryer	no	no	yes	yes	no	no	no	no
Washer/Dryer hookup	no	no	yes	yes	no	yes	yes	yes

COMMON AREA AMENITIES

Comp#	Romana -	Rose Of	Sheppard Station	Sustainable	Chelsea	Springs At	Veranda At	Walden At
	Riley Lofts	Sharon	2	Fellwood III	At Five	Chatham	Midtown	Chatham
	Subject	1	2	3	Points	Parkway	6	Center
					4	5		7
Property Amenities								
Business								
Center/Computer Lab	yes	no	yes	yes	no	yes	no	yes
Car Wash	no	no	no	no	no	yes	no	yes
Clubhouse/Meeting								
Room/Community Room	yes	yes	yes	yes	no	yes	yes	yes
Elevators	yes	yes	yes	no	no	no	yes	no
Exercise Facility	yes	no	yes	yes	no	yes	yes	yes
Garage	no	no	no	no	no	yes	no	yes
Central Laundry	yes	yes	no	no	yes	yes	yes	yes
Non-shelter Services	no	yes	no	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	no	yes	no	yes	yes	yes	yes
Playground	no	no	no	no	no	no	no	yes
Recreation Areas	no	no	yes	yes	no	no	no	no
Service Coordination	no	yes	yes	no	no	no	no	no
Swimming Pool	no	no	no	no	yes	yes	no	yes
Theatre	no	no	no	no	no	no	yes	no
Wi-Fi	no	no	no	no	no	yes	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	\$50.00	N/A	\$125.00
Services								
Security								
In-Unit Alarm	no	no	yes	no	no	no	no	no
Intercom (Buzzer)	no	yes	no	no	no	no	no	no
Limited Access	no	yes	no	no	no	yes	yes	no
Patrol	no	no	no	no	no	no	no	yes
Perimeter Fencing	no	no	no	no	no	yes	no	no
Video Surveillance	no	yes	no	no	yes	no	no	no
Premium Amenities								
Hairdresser / Barber	no	yes	no	no	no	no	no	no
Other Amenities								
Other	n/a	n/a	Horseshoe pit, shuffleboard, library, garden	n/a	n/a	Outdoor auditorium	Library	Dog park, putting green

The Subject will be slightly inferior to the comparables that offer washer/dryer connections and inferior when compared to those that offer washer/dryers. The Subject's common area amenity package will be competitive as the Subject will offer business center/computer lab and exercise facility. Three of the comparables offer swimming pools but these are family market rate properties and therefore this amenity is not typical for senior LIHTC properties in the market.

5. The Subject will target senior households aged 55 and older. We have included all senior unsubsidized properties in the PMA. In order to supplement the market rate data, we have also included family unrestricted properties.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Location	Tenancy	Total Units	Vacant Units	Vacancy Rate
Rose Of Sharon*	@60%	Savannah	Senior	206	9	4.40%
Sheppard Station	@50%, @60%, Market	Pooler	Senior	65	0	0.00%
Sustainable Fellwood III*	@60%, @60% (PBRA), Market	Savannah	Senior	100	0	0.00%
Chelsea Apartments At Five Points*	Market	Savannah	Family	136	5	3.70%
Springs At Chatham Parkway	Market	Savannah	Family	352	24	6.80%
Veranda At Midtown*	Market, PBRA	Savannah	Senior	100	2	2.00%
Walden At Chatham Center	Market	Savannah	Senior	236	7	3.00%
Overall Vacancy				1,195	47	3.9%
Overall Vacancy in PMA				542	16	3.0%
Overall LIHTC Vacancy				371	9	2.4%
Overall LIHTC Vacancy in PMA				306	9	2.9%
Overall Market Rate Vacancy				824	38	4.6%
Overall Market Rate Vacancy in PMA				236	7	3.0%

*Properties located in the PMA

As illustrated, the vacancy rate among the comparable properties is low at less than four percent. The senior LIHTC comparable properties are outperforming the market as their overall vacancy rate is at approximately three percent. The market rate properties are maintaining higher vacancy rates than the LIHTC properties; however, they remain within a stable range of seven percent or less.

The vacant units among the comparable properties are concentrated at two properties: Rose of Sharon (senior LIHTC) and Springs at Chatham Parkway (family market rate property). Rose of Sharon is a senior LIHTC high rise property that consists of a large number of units (206) and they are all studio or one-bedroom units. Despite its renovation in 2007, the property maintains a disadvantage in terms of curb appeal as it was built in 1972. The property is currently maintaining a stable occupancy rate and management is leasing its vacant units from the property's 23-household waiting list.

The majority of vacancies are at Springs at Chatham Parkway. Springs at Chatham Parkway is the largest comparable property (352 units) and it offers studio, one, two, and three-bedroom units. The property offers the second highest rents among the comparable properties and therefore has a rent disadvantage. This property's rents are well above those that are proposed for the Subject.

Sustainable Fellwood III is the newest senior addition to the LIHTC supply in the market and the property stabilized rapidly in 2012, indicating that there is latent demand for senior affordable housing in Savannah. We anticipate that the Subject will maintain a vacancy rate of five percent, or less, once stabilized.

7. Properties Under Construction and Proposed

Savannah Gardens IV was allocated tax credits in 2012 and will target families/general households.

1. Savannah Gardens IV will be located adjacent at 514 Pennsylvania Avenue in Savannah.
2. Mercy Housing is the sponsor for Savannah Gardens IV.
3. The property will offer 114 units.
4. The 114 units will consist of one, two, and three-bedrooms.
5. Phase IV will offer units that are restricted at 50 and 60 percent AMI as well as unrestricted units.
6. The property is projected to enter the market by 2014.
7. Rents at the property will be set below the maximum allowable levels.

Because the property will target families, we do not believe that it will 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	Rose Of Sharon	@60%	Slightly Inferior	Slightly Inferior	Similar	Inferior	Inferior	-30
2	Sheppard Station	@50%, @60%, Market	Slightly Superior	Superior	Inferior	Similar	Superior	15
3	Sustainable Fellwood III	@60%, @60% (PBRA), Market	Similar	Superior	Slightly inferior	Similar	Superior	15
4	Chelsea Apartments At Five Points	Market	Slightly Inferior	Inferior	Slightly inferior	Inferior	Slightly Superior	-25
5	Springs At Chatham Parkway	Market	Superior	Slightly Superior	Slightly inferior	Similar	Superior	20
6	Veranda At Midtown	Market, PBRA	Similar	Slightly Superior	Similar	Slightly Inferior	Similar	0
7	Walden At Chatham Center	Market	Superior	Slightly Superior	Slightly inferior	Slightly Inferior	Superior	15

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

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

LIHTC Rent Comparison - @50%

Property Name	1BR	2BR
Romana - Riley Lofts (Subject)	\$425	\$511
LIHTC Maximum (Net)	\$425	\$511
Sheppard Station	\$443	\$478
Average (excluding Subject)	\$443	\$478

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR
Romana - Riley Lofts (Subject)	\$538	\$646
LIHTC Maximum (Net)	\$538	\$646
Sustainable Fellwood III	\$545	\$654
Rose Of Sharon	\$428	
Sheppard Station	\$443	\$478
Average (excluding Subject)	\$472	\$566

Senior LIHTC occupancy rates are high with an average of 98 percent. Therefore, we do not believe that the comparables are testing the market. Sheppard Station offers new construction with a competitive amenity package and its rents at 50 percent of AMI are at the maximum allowable levels while its rents at 60 percent AMI are below the maximum allowable levels—despite its 100 percent occupancy rate and lengthy waiting list—which is estimated to be several hundred households long. Further, its rents at 60 percent AMI are understated as they are set at the same levels as the 50 percent AMI rents. Sheppard Station offers a similar product as the new construction senior LIHTC properties, yet its rents are lower than these properties by \$100 or more.

The Subject will be superior to Rose of Sharon in terms of common area amenities, in-unit features, age/condition, and unit sizes. Therefore, we believe that the Subject should achieve rents above this property.

The Subject will offer a similar age/condition and common area amenity package when compared to Sustainable Fellwood III. Sustainable Fellwood III will be superior to the Subject in terms of in-unit amenities and unit sizes but slightly inferior in terms of location. The property is currently 100 percent occupied with over 500 households on the waiting list. Therefore, the demand for senior LIHTC housing in the market is high. Overall, we believe that the Subject's rents are feasible as proposed despite the Subject's smaller unit sizes and lack of washer/dryer connections.

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. Sheppard Station is the only comparable property that offers units at 50 percent AMI. Its 50 percent AMI rents and 60 percent AMI rents are the same; therefore, the surveyed average rents are the same at the 50 and 60 percent AMI levels.

SUBJECT COMPARISON TO RENTS IN THE MARKET

Unit Type	Subject Proposed Rents	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1BR at 50% AMI	\$425	\$428	\$1,013	\$676	59%
2BR at 50% AMI	\$511	\$478	\$1,376	\$871	70%
1BR at 60% AMI	\$538	\$428	\$1,013	\$676	26%
2BR at 60% AMI	\$646	\$478	\$1,376	\$871	35%

The Subject's rents at 50 and 60 percent AMI will have a significant advantage (26 percent or more) over the surveyed average rents in the market. The Subject will offer new construction and conversion units and will offer a competitive common area amenity package as well as a competitive location. Overall, the Subject's proposed rents are on the lower end to the middle of the range and appear to be feasible in the market given the low vacancy rates and presence of waiting lists at the senior comparable properties.

9. LIHTC Competition – Recent Allocations within Two Miles

Three family LIHTC properties were allocated or placed-in-service in 2011 and 2012: Savannah Gardens III, Savannah Gardens IV, and Sustainable Fellwood II. Sustainable Fellwood II (family LIHTC) has stabilized and Savannah Gardens III (family LIHTC) is currently stabilizing. Construction on Savannah Gardens IV (family LIHTC) has yet to begin. These properties will target families/general households and therefore will not compete directly with the Subject.

Sustainable Fellwood III is a senior LIHTC property in the PMA that was placed in service in 2012 and will directly compete with the Subject. We have included this property as a comparable in this report. The property stabilized in 2012 and is currently 100 percent occupied with a waiting list. We have deducted these units from the Demand Analysis.

10. Rental Trends in the PMA

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

PMA TENURE PATTERNS OF SENIORS 55+				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	8,305	65.9%	4,303	34.1%
2012	7,907	63.2%	4,598	36.8%
Projected Mkt Entry				
July 2015	8,417	63.05%	4,935	36.95%
2017	8,757	62.9%	5,159	37.1%

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

Owner-occupied housing units in the PMA among the senior population make up the majority of housing units at approximately 63 percent in 2012. However, the 37 percent renter-occupied number is significantly higher than the national average of 13 percent.

Historical Vacancy

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

HISTORICAL VACANCY RATES						
Comparable Property	Type	Total Units	2QTR and 3QTR 2010	2QTR 2012	2QTR 2013	
Rose Of Sharon	Highrise	206	5.30%	2.40%	4.40%	
Sheppard Station	Lowrise	65	0.00%	0.00%	0.00%	
Sustainable Fellwood III*	Lowrise	100	N/A	10.00%	0.00%	
Chelsea Apartments At Five Points	Garden	136	9.60%	4.40%	3.70%	
Springs At Chatham Parkway	Garden	352	15.20%	5.40%	6.80%	
Veranda At Midtown	Midrise	100	2.00%	2.00%	2.00%	
Walden At Chatham Center	Garden	236	3.80%	2.50%	3.00%	
AVERAGE		1,195	-	3.80%	2.80%	

*Stabilizing in 2012

As illustrated in the table, the average vacancy among the comparable properties has remained low in the past three years. This indicates that the market is stable and has successfully absorbed additions to supply while maintaining low vacancy rates.

Change in Rental Rates

The following table illustrates changes in rent among the comparable properties, where applicable.

RENT GROWTH

Comparable Property	Rent Structure	Location	Tenancy	Rent Growth
Rose Of Sharon	@ 60%	Savannah	Senior	None
Sheppard Station	@ 50%, @ 60%, Market	Pooler	Senior	None
Sustainable Fellwood III	@ 60%, @ 60% (PBRA), Market	Savannah	Senior	None
Chelsea Apartments At Five Points	Market	Savannah	Family	Increased 2-4%
Springs At Chatham Parkway	Market	Savannah	Family	Varies (Yieldstar)
Veranda At Midtown	Market, PBRA	Savannah	Senior	None
Walden At Chatham Center	Market	Savannah	Senior	Varies (Yieldstar)

There has been limited rent growth among the comparable properties over the past year. Therefore, we do not believe that the Subject will experience rent growth in the near future.

11. Impact of Foreclosed, Abandoned and Vacant Structures

Per RealtyTrac's March 2013 data, an estimated 18.6 percent of homes are vacant in Savannah. The median list price is \$147,400 as of March 2013, which represents a seven percent year over year decrease. The median sales price in the city is \$180,000, which is a two percent year over year decrease since March 2013. The foreclosure rate in Savannah as of April 2013 is one in every 1,253 housing units, which is slightly higher than that of the county (one in every 1,410 housing units) but, it is significantly lower than that of the state (one in every 283 housing units) and nation (one in every 418 housing units). We witnessed no abandoned homes in the Subject's immediate neighborhood and retail appeared to be 95 percent occupied.

12. Primary Housing Void

Overall vacancy at the senior comparable properties is low at less than three percent and the properties are maintaining waiting lists. Therefore, there appears to be demand for additional senior LIHTC housing in the market. Further, the Subject will be the smallest senior LIHTC property among the comparables as the Subject will only offer 57 units.

13. Effect of Subject on Other Affordable Units in Market

The Subject will only offer 57 units in a market that is maintaining very low senior LIHTC vacancy. Further, the senior LIHTC properties are maintaining waiting lists and we anticipate that the Subject will pull demand from these waiting lists.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The Subject's strengths include its location, design, and age/condition. Approximately 58 percent of senior households in the area earn less than \$29,999. The Subject will target senior households earning \$16,860 to \$28,800, indicating that household income for seniors in the PMA is skewed strongly towards the lower income brackets. Further, 37 percent of the seniors in the PMA will be renters as of the Subject's market entry date, which is considerably higher than the national rate at 13 percent. The senior LIHTC properties in the market are maintaining an overall vacancy rate of 2.4 percent and they are maintaining waiting lists, indicating that there is latent demand for senior LIHTC housing in the market. The Subject will offer an excellent-quality product and will only offer 57 units (the smallest among the senior LIHTC properties in Savannah); therefore, we believe that the Subject is feasible as proposed.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

The following table illustrates absorption rates at the newest comparable properties.

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Savannah Gardens III	@50%, @60%, Market	Family	2012	95	13 (initial)
Sustainable Fellwood III	@60%, @60% (PBRA), Market	Senior	2012	100	30
Sustainable Fellwood II	@60%, @60% (PBRA), Market, PHA	Family	2011	110	18
Savannah Gardens I	@30%, @50%, @60%	Family	2010	115	11
Sustainable Fellwood I	@60%, @60% (Public Housing), Market	Family	2009	110	18
Ashley Midtown Phase II	@30% (PHA), @60%	Family	2008	38	11-13
Springs At Chatham Parkway	Market	Family	2007-2008	352	29
AVERAGE					18

Savannah Gardens III (family LIHTC) opened in 2012 and is currently stabilizing. The property is currently 82 percent occupied and 84 percent leased, which equates to an initial stabilization rate of 13 units per month. Sustainable Fellwood III is the most recent senior addition to supply in the market. The property stabilized in 2012 at a rate of 30 units per month; however, this property benefits from being a subsequent phase of an existing development and, it offers project-based rental assistance, which the Subject will not. The Subject's rents and AMI levels are projected to remain the same. However, should the Subject have to release 100 percent of its units, we anticipate that the Subject will stabilize at a slightly slower rate of 10 units per month, which equates to an absorption period of approximately five months for the Subject to reach 93 percent occupancy.

J. INTERVIEWS

Savannah's Assisted Housing Programs Department

According to Lynn Coleman, Director of the Housing Authority of Savannah's Assisted Housing Programs Department, the Housing Authority is currently authorized to issue 2,770 vouchers. There are currently 2,641 vouchers in circulation at this time. The Housing Authority's waiting list was briefly opened between March 1st and March 15th. The waiting list is now closed again. The contact reported that there are currently over 11,000 households on the waiting list. The current payment standards for the Housing Authority of Savannah's Housing Choice Vouchers can be found in the following table.

Payment Standards	
1BR	\$795
2BR	\$886
3BR	\$1,175
4BR	\$1,238

Subject's gross LIHTC rents are below the payment standard.

Planning

We interviewed Gary Plumbley, Development Services Planner with the Savannah Metropolitan Planning Commission, in order to find out the status of any planned, proposed, or recently completed residential development in the Subject's neighborhood. Mr. Plumbley was unaware of any proposed or recently completed multifamily or single-family development in the Subject's neighborhood.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- The Subject is located in Savannah, Chatham County, GA. In 2012, the senior population in the PMA was 18,840 and is projected to increase to 21,810 by 2017 at an annual rate of 3.2 percent. In addition to the positive growth trends, the strong presence of senior renter households in the PMA demonstrates strong demand for the Subject. The Subject will target senior households earning \$16,860 to \$28,800. As illustrated above, the household income for seniors in the PMA is skewed strongly towards the lower income brackets. Approximately 58 percent of senior households in the area earn less than \$29,999.
- Total employment in the MSA has been steadily increasing since 2011. As of December 2012, employment is at its highest level since 2008. Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 9.1 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; however, the high rate of growth in total employment during this time indicates a recovery in the MSA in line with the nation. The largest employers in the PMA are the accommodation/food services, health care/social assistance, retail trade, and educational services industries. Lower skilled employees in these industries are likely to have incomes in line with the Subject's income restrictions.
- The Subject's capture rates at the 50 percent AMI level are 3.0 to 5.9 percent with an overall capture rate at 4.5 percent. The Subject's capture rates at 60 percent AMI are 39.8 to 43.6 percent with an overall capture rate of 41.1 percent. The overall capture rate is 23.1 percent, which is below GA DCA's threshold of 30 percent.
- Savannah Gardens III (family LIHTC) opened in 2012 and is currently stabilizing. The property is currently 82 percent occupied and 84 percent leased, which equates to an initial stabilization rate of 13 units per month. Sustainable Fellwood III is the most recent senior addition to supply in the market. The property stabilized in 2012 at a rate of 30 units per month; however, this property benefits from being a subsequent phase of an existing development and, it offers project-based rental assistance, which the Subject will not. The Subject's rents and AMI levels are projected to remain the same. However, should the Subject have to release 100 percent of its units, we anticipate that the Subject will stabilize at a slightly slower rate of 10 units per month, which equates to an absorption period of approximately five months for the Subject to reach 93 percent occupancy.
- The vacancy rate among the comparable properties is low at less than four percent. The senior LIHTC comparable properties are outperforming the market as their overall vacancy rate is at approximately three percent. The market rate properties are maintaining higher vacancy rates than the LIHTC properties; however, they remain within a stable range of seven percent or less.

The vacant units among the comparable properties are concentrated at two properties: Rose of Sharon (senior LIHTC) and Springs at Chatham Parkway (family market rate property). Rose of Sharon is a senior LIHTC high rise property that consists of a large number of units (206) and they are all studio or one-bedroom units. Despite its renovation in 2007, the property maintains a disadvantage in terms of curb appeal as it was built in 1972. The property is currently maintaining a stable occupancy rate and management is leasing its vacant units from the property's 23-household waiting list.

The majority of vacancies are at Springs at Chatham Parkway. Springs at Chatham Parkway is the largest comparable property (352 units) and it offers studio, one, two, and three-bedroom units. The property offers the second highest rents among the comparable properties and therefore has a rent disadvantage. This property's rents are well above those that are proposed for the Subject.

Sustainable Fellwood III is the newest senior addition to the LIHTC supply in the market and the property stabilized rapidly in 2012, indicating that there is latent demand for senior affordable housing in Savannah. We anticipate 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 as proposed. The Subject's strengths include its location, design, and age/condition. Approximately 58 percent of senior households in the area earn less than \$29,999. The Subject will target senior households earning \$16,860 to \$28,800, indicating that household income for seniors in the PMA is skewed strongly towards the lower income brackets. Further, 37 percent of the seniors in the PMA will be renters as of the Subject's market entry date, which is considerably higher than the national rate at 13 percent. The senior LIHTC properties in the market are maintaining an overall vacancy rate of 2.4 percent and they are maintaining waiting lists, indicating that there is latent demand for senior LIHTC housing in the market. The Subject will offer an excellent-quality product and will only offer 57 units (the smallest among the senior LIHTC properties in Savannah); therefore, we believe that the Subject is feasible as proposed.

L. SIGNED STATEMENT REQUIREMENTS

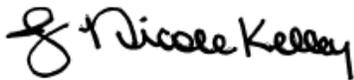
I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project as shown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



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

6-12-2013

Date



J. Nicole Kelley
Manager
Novogradac & Company LLP

6-12-2013

Date



Kristina V. Garcia
Real Estate Analyst
Novogradac & Company LLP

6-7-2013

Date

M. MARKET STUDY REPRESENTATION

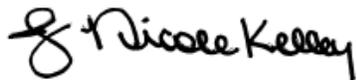
Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



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

6-12-2013

Date



J. Nicole Kelley
Manager
Novogradac & Company LLP

6-12-2013

Date



Kristina V. Garcia
Real Estate Analyst
Novogradac & Company LLP

6-12-2013

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