



**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: April 3, 2014
Report Date: May 15, 2014

Prepared For

Mr. Bill Gross
W.H. Gross Construction Company
P.O. Box 365
Kingsland, GA 31548

Prepared By

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

May 15, 2014

Mr. Bill Gross
W.H. Gross Construction Company
P.O. Box 365
Kingsland, GA 31548

Re: Market Study for Romana-Riley Lofts in Savannah, Georgia

Dear Mr. Gross:

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 age 55 and older earning 50 and 60 percent of the AMI, or less.

We previously completed a market study of Romana-Riley Lofts for Georgia Department of Community Affairs in June 2013.

The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

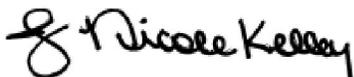
This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and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

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

Respectfully submitted,



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



J. Nicole Kelley
Manager
Novogradac & Company LLP



Brendan Kelly
Real Estate Analyst

ASSUMPTIONS AND LIMITING CONDITIONS

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

author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

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

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

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

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 of land 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 age 55 and older (HFOP). The Subject will consist of 27 new construction units and 30 historic rehabilitation and adaptive reuse units in a building that formerly operated as a school. Both buildings will be elevator-serviced. The new construction building will consist of brick and fiber cement siding while the historic building consists of a brick exterior. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2014 LIHTC	2014 HUD
						Maximum Allowable Gross Rent	Fair Market Rents
<i>50% AMI</i>							
1BR/1BA	640	9	\$422	\$126	\$548	\$548	\$725
2BR/1BA	864	3	\$507	\$151	\$658	\$658	\$860
2BR/1BA	916	1	\$507	\$151	\$658	\$658	\$860
2BR/1BA	1,005	2	\$507	\$151	\$658	\$658	\$860
<i>60% AMI</i>							
1BR/1BA	640	11	\$532	\$126	\$658	\$658	\$725
2BR/1BA	864	14	\$639	\$151	\$790	\$790	\$860
2BR/1BA	916	5	\$639	\$151	\$790	\$790	\$860
2BR/1BA	1,005	<u>12</u>	\$639	\$151	\$790	\$790	\$860
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 in terms of amenities.

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 neighborhood commercial uses, places of worship, and single-family homes in fair to good condition. There is a Chatham Area Transit bus stop adjacent to the Subject site. The Memorial University Medical Center and local police department are located within two miles of the Subject site. 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 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 include single-family homes in fair to good condition, a multifamily building in fair condition, a vacant commercial building, and churches. Overall, the Subject will be a conforming use in the neighborhood and the site appears appropriate for senior multifamily rental units.

Positive attributes of the site include a walkable neighborhood and an adjacent bus line. There are no major negative attributes of the site.

3. Market Area Definition: 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 historic area of Savannah that consists of predominantly older residential and commercial uses. This area differs in character to the southern Savannah area, which is suburban in nature. Several 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, Southwest Bypass, and Harry Truman Parkway, several property managers indicated that residents come from throughout Chatham County. Per GA DCA's 2014 market

study guidelines, GA DCA does not take into account leakage from the PMA. The farthest PMA boundary is approximately 4.1 miles from the Subject.

4. Community Demographic Data:

The PMA is expected to experience strong senior population and household growth from 2013 through 2018. Senior population growth in the PMA is expected to increase at an annual rate of 2.9 percent from 2013 through 2018, 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 2018. Owner-occupied housing units dominate the housing market in the PMA. However, the 38.5 percent renter-occupied number is significantly higher than the national average of 13.0 percent for senior households. The Subject will target senior households earning \$16,440 to \$28,080. Approximately 39 percent of renter households in the PMA earned incomes between \$10,000 and \$29,999 in 2013. For the projected market entry date of June 2016, this percentage is projected to remain the same. As the senior population and number of households increase, there is expected to be a greater number of lower-income senior renters seeking affordable housing.

According to www.RealtyTrac.com, one in every 988 homes in Savannah, GA was under foreclosure, as of March 2014. Nationally, one in every 1,121 homes was under foreclosure and one in every 1,068 homes in Georgia was under foreclosure. As indicated, Savannah has a higher foreclosure rate than Georgia and the nation, as a whole. The median list price for a home in Savannah is \$175,000 compared to \$159,000 in Georgia and \$185,000 in the nation. Overall, it appears that the local market is faring slightly worse than the nation as a whole in terms of foreclosure and growth in home prices. We witnessed few abandoned homes in the Subject's immediate neighborhood.

5. Economic Data:

The largest employers in Savannah are in the manufacturing, education, health care/social assistance, and government sectors. Employment in the PMA is greatest in the accommodation/food services, health care/social assistance, retail trade, and educational services sectors, which together account for 54.9 percent of the total employment in the PMA. This is significantly higher than the nation as a whole. The MSA experienced a significant

decrease in total employment between 2008 and 2010, when total employment decreased 6.9 percent. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment than the MSA from 2008 to 2010. The MSA experienced strong employment growth in 2011 and 2012 but slightly decreased in 2013. The unemployment rate in the MSA has remained at rate above the nation since 2011. As of December 2013, the unemployment rate in the MSA was 0.2 percentage points above that of the nation. However, the MSA experienced a moderate decrease in unemployment of 1.4 percentage points between December 2012 and December 2013.

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	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1 BR @ 50% AMI	9	160	0	160	5.6%	5 months	\$692	\$439-\$1,074	\$422
2 BR @ 50% AMI	6	94	0	94	6.4%	5 months	\$809	\$477-\$1,156	\$507
50% AMI Overall	15	253	0	253	5.9%	5 months	\$692-\$809	\$439-\$1,156	\$422-\$507
1 BR @ 60% AMI	11	136	41	95	11.6%	5 months	\$709	\$439-\$1,074	\$532
2 BR @ 60% AMI	31	80	5	75	41.4%	5 months	\$846	\$552-\$1,156	\$639
60% AMI Overall	42	216	46	170	24.8%	5 months	\$709-\$846	\$439-\$1,156	\$532-\$639
1 BR Overall	20	235	41	194	10.3%	5 months	\$692	\$439-\$1,074	\$422-\$532
2 BR Overall	37	138	5	133	27.8%	5 months	\$846	\$477-\$1,156	\$507-\$639
Overall	57	373	46	327	17.5%	5 months	\$692-\$846	\$439-\$1,156	\$422-\$639

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 data is considered good. We have included three senior LIHTC properties, two of which are located in the PMA. Sheppard Station is located in Pooler, GA. 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 comparable senior properties offer unrestricted units. We have supplemented the market rate data with one conventional property in the PMA and two located just outside of the PMA, The Fountains 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 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 of the AMI. Its one-bedroom 50 percent AMI rents and 60 percent AMI rents are the same; therefore, the surveyed minimum rents are the same at the 50 and 60 percent AMI levels.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$422	\$439	\$1,074	\$692	64%
2 BR @ 50%	\$507	\$477	\$1,156	\$809	60%
1 BR @ 60%	\$532	\$439	\$1,074	\$709	33%
2 BR @ 60%	\$639	\$552	\$1,156	\$846	32%

The Subject’s proposed 50 and 60 percent AMI rents will have a significant rent advantage over the surveyed average rents in the market. The Subject will be in excellent condition 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 of the range and appear to be feasible in the market given the low vacancy rates and presence of waiting lists at the comparable properties.

8. Absorption/Stabilization Estimate:

We were able to obtain absorption information from several LIHTC and market rate properties in Savannah. Several of these properties have been used as comparables in our report.

ABSORPTION

Comparable Property	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Savannah Gardens III	LIHTC/Market	Family	2012	95	12
Sustainable Fellwood III	LIHTC	Senior	2012	100	30
Sustainable Fellwood II	LIHTC/Market/PBRA	Family	2011	110	18
Savannah Gardens I	LIHTC	Family	2010	115	11
Sustainable Fellwood I	LIHTC/Market/PBRA	Family	2009	110	18
Sheppard Station	LIHTC	Senior	2009	65	12
Ashley Midtown Phase II	LIHTC/PBRA	Family	2008	38	12
The Fountains At Chatham Parkway	Market	Family	2007-2008	352	29
AVERAGE					18

As illustrated in the previous table, the properties constructed between 2007 and 2012 reported absorption rates of 11 to 30 units per month, with an average of 18 units per month. Sustainable Fellwood III is the newest senior LIHTC property in the market. This property experienced an absorption rate of 30 units per month. Sustainable Fellwood III benefits from being a subsequent phase of an existing development and it offers project-based rental assistance for 44 percent of its units, which the Subject will not. Based upon this information, we would expect the Subject to experience a slower absorption pace when compared to Sustainable Fellwood III. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 12 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. Approximately 38.6 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 13.0 percent. Further, there are no planned or proposed senior LIHTC developments in the Subject's PMA. The Subject's strengths include its location and age/condition. The Subject's primary weaknesses are its somewhat small unit sizes, lack of washer/dryer connections, and its bisected site. The Subject site is bisected by the intersection of E. Anderson Street and Waters Avenue. Tenants living in the new construction building will be required to cross this intersection to utilize the Subject's amenities and visit the property manager. Both of these roads are moderately trafficked. Therefore, the bifurcation of the site may impact operations and

marketing. Additionally, the Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market. While the two-bedroom captures are higher, we believe there is sufficient demand for the two-bedroom units. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 1.5 percent. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. We believe that the Subject's proposed rents are reasonable and achievable.

Summary Table:

Development Name:	Romana - Riley Lofts	Total # Units: 57
Location:	SEC East Henry Street & Waters Avenue; SWC East Anderson Street & Waters Avenue Savannah, GA 31404	# LIHTC Units: 57
PMA Boundary:	North: Savannah River; West: Interstate 516/Highway 17; South: Derenne Avenue/Highway 21; East: Wilmington River	
	Farthest Boundary Distance to Subject:	4.1 miles

Rental Housing Stock (found on pages 98)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	4	542	9	98.3%
Market-Rate Housing	2	236	4	98.3%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
LIHTC	2	306	5	98.4%
Stabilized Comps	4	542	9	98.3%
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
9	1BR at 50% AMI	1	640	\$422	\$692	\$1.08	64%	\$1,045	\$1.18
3	2BR at 50% AMI	1	864	\$507	\$809	\$0.94	60%	\$1,127	\$1.18
1	2BR at 50% AMI	1	916	\$507	\$809	\$0.88	60%	\$1,127	\$1.18
2	2BR at 50% AMI	1	1,005	\$507	\$809	\$0.80	60%	\$1,127	\$1.18
11	1BR at 60% AMI	1	640	\$532	\$709	\$1.11	33%	\$1,045	\$1.18
14	2BR at 60% AMI	1	864	\$639	\$846	\$0.98	32%	\$1,127	\$1.18
5	2BR at 60% AMI	1	916	\$639	\$846	\$0.92	32%	\$1,127	\$1.18
12	2BR at 60% AMI	1	1,005	\$639	\$846	\$0.84	32%	\$1,127	\$1.18

Demographic Data (found on page 30)

	2013		Jun-16		2018	
Renter Households	5,023	38.50%	5,357	38.60%	5,597	38.70%
Income-Qualified Renter HHs (LIHTC)	993	19.77%	1,059	19.77%	1,107	19.77%

Targeted Income-Qualified Renter Household Demand (found on pages 43-58)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	44	38	N/Ap	N/Ap	65
Existing Households (Overburdened + Substandard)	N/Ap	280	236	N/Ap	N/Ap	409
Homeowner conversion (Seniors)	N/Ap	5	6	N/Ap	N/Ap	10
Total Primary Market Demand						
Less Comparable/Competitive Supply	N/Ap	0	46	N/Ap	N/Ap	46
Adjusted Income-qualified Renter HHs**	N/Ap	329	234	N/Ap	N/Ap	438

Capture Rates (found on page 57)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	5.90%	24.80%	N/Ap	N/Ap	17.50%

*Includes LIHTC and unrestricted (when applicable)

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 and 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 27 new construction units and 30 historic rehabilitation and adaptive reuse units in a building that formerly operated as a school. Both buildings will be elevator-serviced. The new construction building will consist of brick and fiber cement siding while the historic building consists of a brick exterior. The Subject site is bisected by the intersection of E. Anderson Street and Waters Avenue. Tenants living in the new construction building will be required to cross this intersection to utilize the Subject's amenities and visit the property manager. Both of these roads are moderately trafficked. Therefore, the bifurcation of the site may impact operations and marketing.

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.

Property Profile Report

Romana - Riley Lofts

Comp #	Subject
Effective Rent Date	4/2/2014
Location	SEC East Henry Street & Waters Avenue; SWC East Anderson Street & Waters Avenue Savannah, GA 31404 Chatham County (verified)
Units	57
Vacant Units	N/A
Vacancy Rate	N/A
Type	Conversion (age-restricted)
Year Built / Renovated	Proposed
Tenant Characteristics	Seniors ages 55 and older (HFOP)



Market

Program	@50%, @60%	Leasing Pace	N/A
Annual Turnover Rate	N/A	Change in Rent	N/A
Units/Month Absorbed	N/A	Concession	
Section 8 Tenants	N/A		

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Conversion	9	640	\$422	\$0	@50%	n/a	N/A	N/A	yes
1	1	Conversion	11	640	\$532	\$0	@60%	n/a	N/A	N/A	yes
2	1	Conversion	3	864	\$507	\$0	@50%	n/a	N/A	N/A	yes
2	1	Conversion	1	916	\$507	\$0	@50%	n/a	N/A	N/A	yes
2	1	Conversion	2	1,005	\$507	\$0	@50%	n/a	N/A	N/A	yes
2	1	Conversion	14	864	\$639	\$0	@60%	n/a	N/A	N/A	yes
2	1	Conversion	5	916	\$639	\$0	@60%	n/a	N/A	N/A	yes
2	1	Conversion	12	1,005	\$639	\$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	Intercom Limited Access
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	Exterior covered porch w/seating in central area
Comments			
<p>The property will be located at the southeast corner of the intersection of East Henry Street and Waters Avenue. The site also includes a small parcel of land 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 age 55 and older (HFOP). The Subject will consist of 27 new construction units and 30 historic rehabilitation and adaptive reuse units in a building that formerly operated as a school. Both buildings will be elevator-serviced. The new construction building will consist of brick and fiber cement siding while the historic building consists of a brick exterior. The existing building is vacant. The property's projected utility allowance estimates are \$126 and \$151 for the one and two-bedroom units, respectively.</p>			

- Scope of Renovations:** The Subject will consist of new construction units as well as adaptive reuse units. The Subject's sponsor estimates that the total construction cost will equate to approximately \$70,000 per unit.
- Current Rents:** The Subject will be a combination of new construction and the adaptive reuse of a historic school 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:** According to the sponsor, the Subject will enter the market in June 2016.
- Conclusion:** The Subject will consist of new construction and the adaptive reuse of a historic school building. We believe that the Subject will be in excellent condition following construction. We 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:

Brendan Kelly visited the site on April 3, 2014.

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 from the site primarily include single-family homes in fair to good condition, a multifamily building in fair condition, a vacant commercial building, and churches. The multifamily building did not offer signage with contact information. We also researched this property online but could not find information. Therefore, information for this property is not available. Views are considered average. The Subject site has frontage along East Henry Street, Waters Avenue, and East Anderson Street will provide the Subject with 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. The single-family homes in the Subject's neighborhood are historical in nature and are in fair to good condition. Residential uses in the immediate neighborhood appeared to be well-occupied. There are few commercial uses in the Subject's immediate neighborhood.

Positive/Negative Attributes of Site: Positive attributes of the site include a walkable neighborhood and an adjacent bus line. There is one negative attribute of the site. The Subject site is bisected by the intersection of E. Anderson Street and Waters Avenue. Tenants living in the new construction building will be required to cross this intersection to utilize the Subject's amenities and visit the property manager. Both of these roads are moderately trafficked. Therefore, the bifurcation of the site may impact operations and marketing.

3. Physical Proximity to Locational Amenities:

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 neighborhood commercial uses, places of worship, and single-family homes in fair to good condition. There is a Chatham Area Transit bus stop adjacent to the Subject site. The Memorial University Medical Center and local police department are located within two miles of the Subject site. 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 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)



Green space and concrete pad on Subject site



Subject (vacant SW corner lot)



Parking lot and single-family homes adjacent to existing building



Multifamily building immediately west of Subject building



Single-family homes in Subject's neighborhood



Single-family homes south of Subject along E. Anderson St.



Vacant commercial building west of Subject



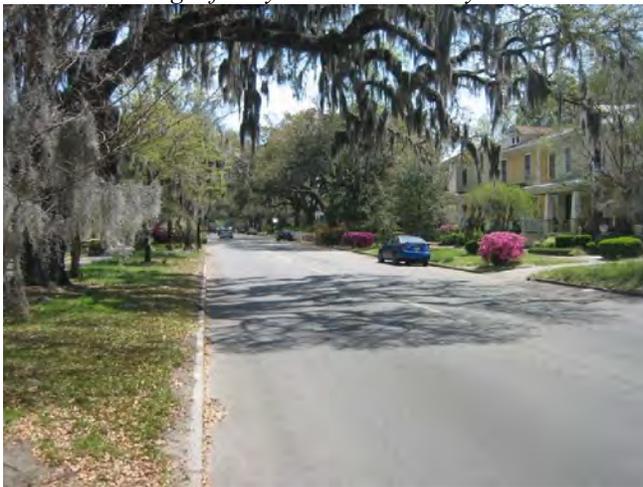
Single-family home on E. Henry St.



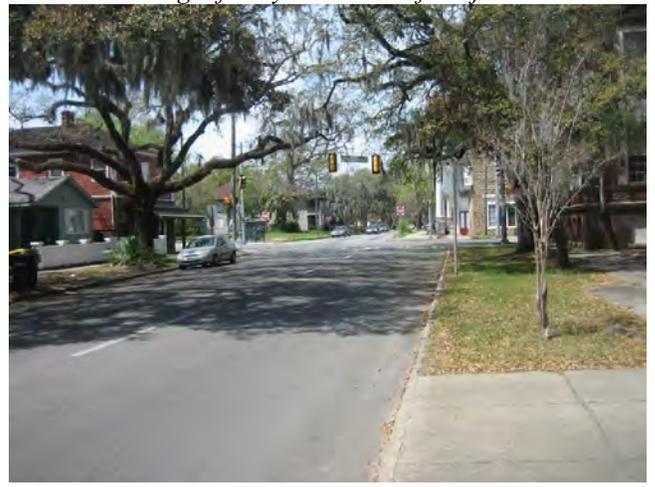
Single-family home on E. Henry St.



Single-family home east of Subject



View east on E. Anderson St.



View west on E. Anderson St.



View east on E. Henry St.



View west on E. Henry St.



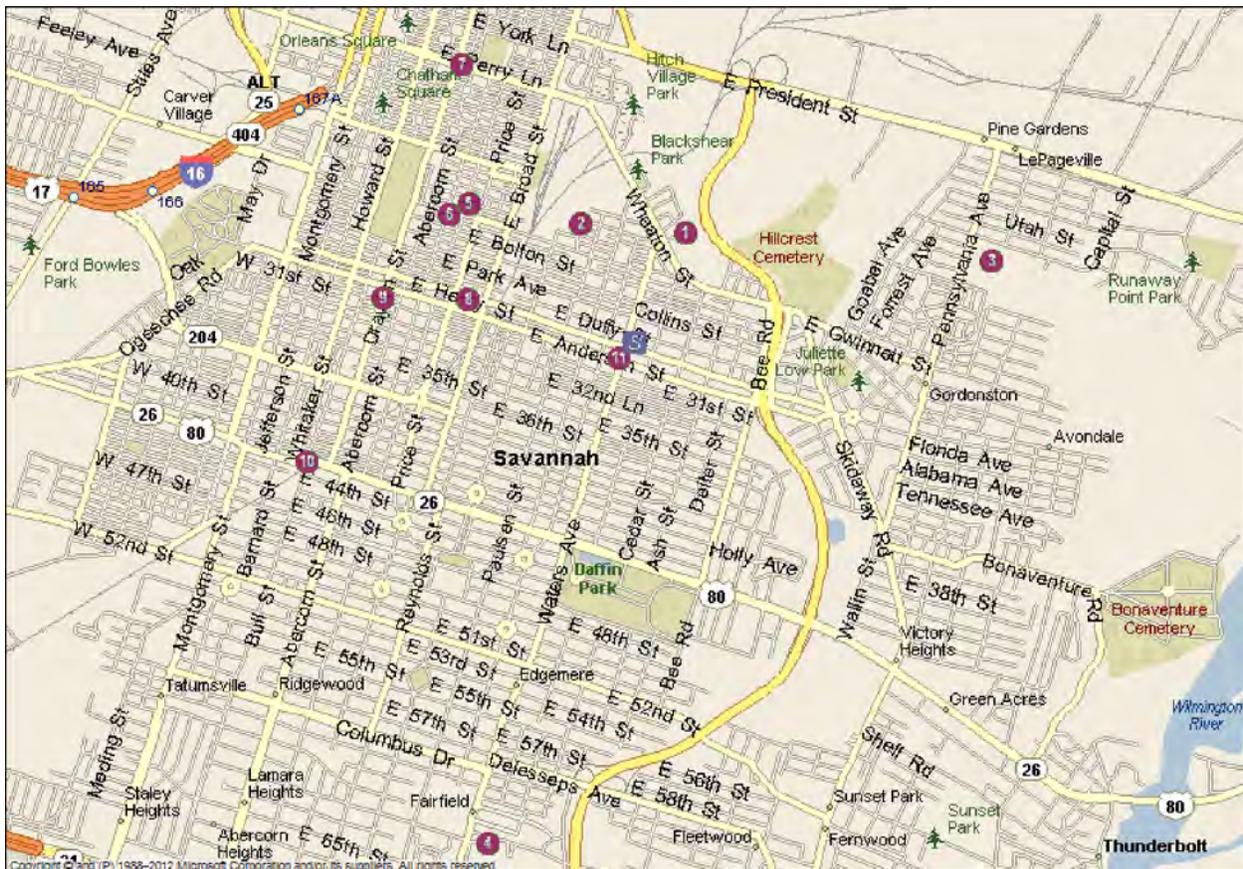
View north on Waters Ave.



View south on Waters Ave.

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	1.9 miles
5	Kroger (grocery store and pharmacy)	1.1 miles
6	CVS Pharmacy	1.1 miles
7	Downtown Savannah (employment center)	1.6 miles
8	Live Oak Public Library	0.6 miles
9	Savannah Police Department	1.2 miles
10	Senior Citizens Inc. (senior center)	1.7 miles
11	Bus Stop	Adjacent

6. Description of Land Uses:

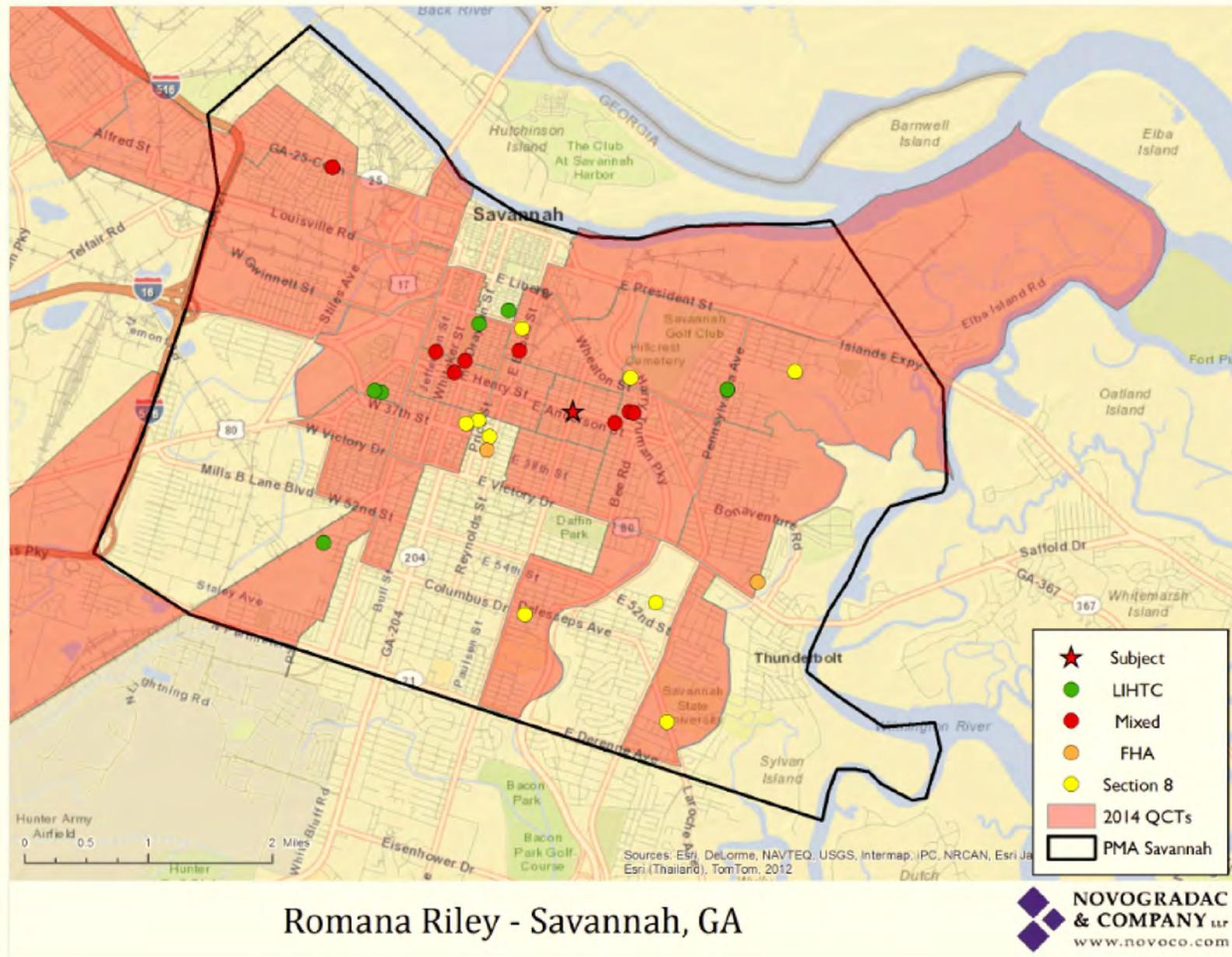
The Subject parcels are partially improved with a vacant school building that will be adapted and renovated into multifamily units. Accessory uses include a parking lot. Immediate surrounding land uses primarily include single-family homes in fair to good condition, a multifamily building in fair condition,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

7. Existing Assisted Rental Housing Property Map:

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

QCT LIST

Property	Address	City	State	Type	Tenancy	Map Color	Included/ Excluded	Reason for Exclusion	Distance from Subject	
Rose of Sharon	322 E. Taylor St.	Savannah	GA	LIHTC/FHA	Elderly	Green	Included	N/Ap	1.4 miles	
East Huntingdon Street Housing	E. Huntingdon Street	Savannah	GA	LIHTC	Family		Excluded	Only 14 units	1.1 miles	
Savannah Gardens I	515 Pennsylvania Ave.	Savannah	GA	LIHTC/FHA	Family		Excluded	Tenancy not comparable	1.6 miles	
Savannah Gardens III	515 Pennsylvania Ave.	Savannah	GA	LIHTC	Family		Excluded	Tenancy not comparable	1.6 miles	
Heritage Place	700 W. 35th St.	Savannah	GA	LIHTC	Family		Excluded	Tenancy not comparable	1.8 miles	
Heritage Corner & Heritage Row	824 W. 35th St.	Savannah	GA	LIHTC	Family		Excluded	Tenancy not comparable	1.9 miles	
Montgomery Landing	714 W. 57th St.	Savannah	GA	LIHTC	Family		Excluded	Tenancy not comparable	2.8 miles	
Sister's Court	222 E. 37th St.	Savannah	GA	LIHTC/HOME	Elderly		Excluded	Dissimilar AMI levels.	1.3 miles	
Savannah Gardens V	515 Pennsylvania Ave.	Savannah	GA	LIHTC	Family		Excluded	Proposed	1.6 miles	
Savannah Gardens II	515 Pennsylvania Ave.	Savannah	GA	LIHTC/HUD 202	Elderly		Red	Excluded	Subsidized	1.6 miles
Savannah Gardens IV	515 Pennsylvania Ave.	Savannah	GA	LIHTC/Market	Family			Excluded	Tenancy not comparable	1.6 miles
Sustainable Fellwood I	1300 Bay St.	Savannah	GA	LIHTC/PHA/Market	Family			Excluded	Tenancy not comparable	3.3 miles
Sustainable Fellwood II	1300 Bay St.	Savannah	GA	LIHTC/PHA/Market	Family			Excluded	Tenancy not comparable	3.3 miles
Sustainable Fellwood III	1300 Bay St.	Savannah	GA	LIHTC/PHA/Market	Elderly			Included	N/Ap	3.2 miles
Ashley Midtown I	1518 E. Park Ave.	Savannah	GA	LIHTC/PHA/Market	Family			Excluded	Tenancy not comparable	0.6 miles
Ashley Midtown II	1519 E. Park Ave.	Savannah	GA	LIHTC/PHA/Market	Family	Excluded		Tenancy not comparable	0.6 miles	
SNAP I, II, III	1 W. Henry St.	Savannah	GA	LIHTC/Section 8/FHA	Family	Excluded		Rent subsidized; tenancy not comparable	1.0 miles	
Telfair Arms	17 E. Park Ave.	Savannah	GA	LIHTC/Section 8/FHA	Elderly	Excluded		Subsidized	1.1 miles	
Green Growth 1	709 E Broad St.	Savannah	GA	Market/HoDAG	Family	Excluded		More comparable properties available.	1.1 miles	
Courtney Station Apartments	285 W. Park Ave.	Savannah	GA	Market/HoDAG	Family	Excluded		Could not obtain information.	1.3 miles	
Veranda at Midtown	1415 Henry St.	Savannah	GA	Market/PBRA/FHA	Elderly	Included		N/Ap	0.4 miles	
Cars V Inc	1915 E. 51st Street	Savannah	GA	Section 8	Disabled	Yellow		Excluded	Rent subsidized; tenancy not comparable	2.4 miles
Chatham Assoc For Res Sev Inc I	1300 Richardson St.	Savannah	GA	Section 8	Disabled			Excluded	Rent subsidized; tenancy not comparable	0.8 miles
Chatham Assoc For Res Sev Inc II	1221 E. 59th St.	Savannah	GA	Section 8	Disabled			Excluded	Rent subsidized; tenancy not comparable	1.8 miles
Georgia Infirmary A/ Habersham Place	410 E. 35th St.	Savannah	GA	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	1.0 miles	
Georgia Infirmary B/ Habersham Place	512 Hamilton Ct.	Savannah	GA	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	1.0 miles	
Ponderosa Forest Apts	4920 Laroche Ave.	Savannah	GA	Section 8	Family		Excluded	Rent subsidized; tenancy not comparable	3.2 miles	
Presidential Plaza I	2800 Capital St.	Savannah	GA	Section 8	Family		Excluded	Rent subsidized; tenancy not comparable	2.4 miles	
Presidential Plaza II	2800 Capital St.	Savannah	GA	Section 8/FHA	Family		Excluded	Rent subsidized; tenancy not comparable	2.4 miles	
St. Johns Villa Apartments	506 Blair St.	Savannah	GA	Section 8	Elderly		Excluded	Subsidized	1.1 miles	
Thomas Francis Williams Court Apts	1900 Lincoln St.	Savannah	GA	Section 8/FHA	Elderly		Excluded	Subsidized	1.1 miles	
Jasmine Place	2323 Downing St.	Savannah	GA	Market/FHA	Family		Orange	Excluded	Tenancy not comparable	2.5 miles
East Broad Apts	533 E. 38th St.	Savannah	GA	FHA	Family			Excluded	Tenancy not comparable	1.1 miles
Romana-Riley Lofts	1318 Waters Ave.	Savannah	GA	LIHTC	Elderly			Blue	SUBJECT	-



Romana Riley - Savannah, GA

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

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

**9. 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.

10. Environmental Concerns:

None visible upon site inspection.

11. Conclusion:

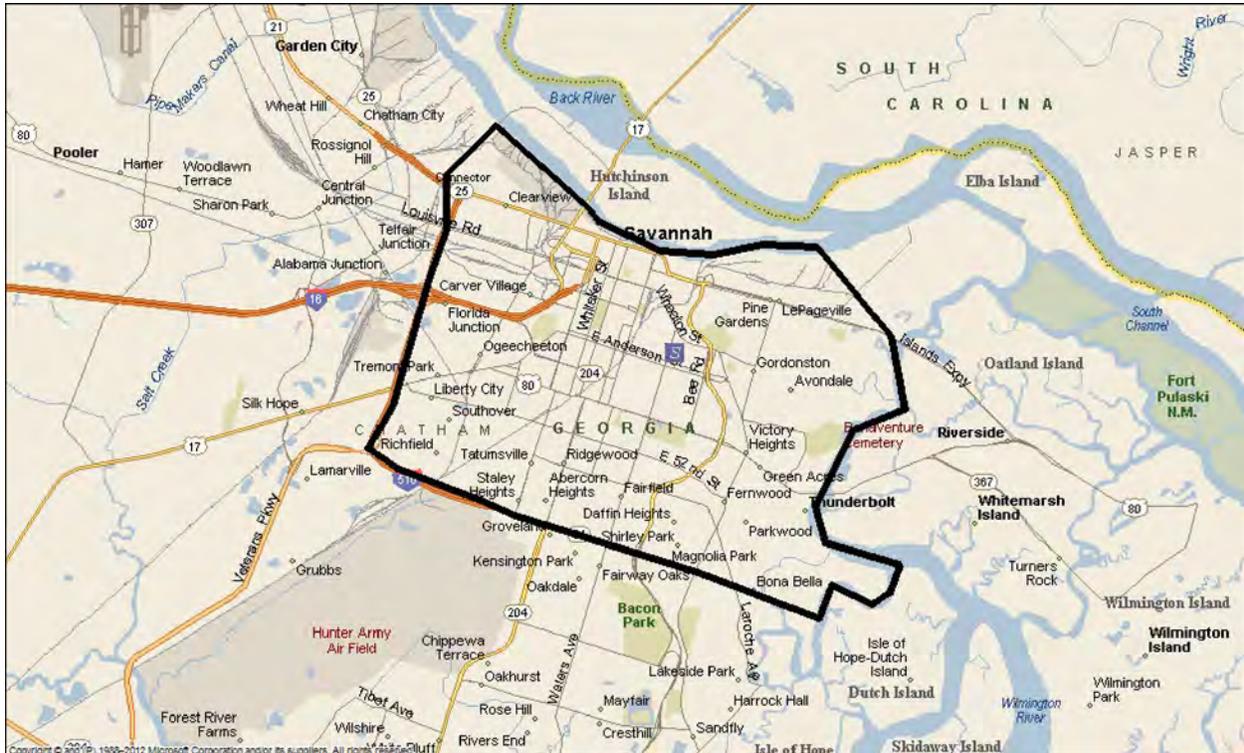
The Subject parcels are located at the intersection of Waters Avenue and East Anderson Street. Immediate surrounding land uses primarily include single-family homes in fair to good condition, a multifamily building in fair condition, a vacant commercial building, and churches. The Subject will be a compatible 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



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 historic area of Savannah that consists of predominantly older residential and commercial uses. This area differs in character to

the southern Savannah area, which is suburban in nature. Several 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, Southwest Bypass, and Harry Truman Parkway, several property managers indicated that residents come from throughout Chatham County. Per GA DCA's 2014 market study guidelines, GA DCA does not take into account leakage from the PMA. The farthest PMA boundary is approximately 4.1 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 the MSA, the PMA and nationally from 1990 through 2018.

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	90,423	-	257,957	-	248,709,873	-
2000	84,347	-0.7%	292,995	1.4%	281,421,906	1.3%
2013	84,267	0.0%	362,277	1.8%	315,444,544	0.9%
Projected Mkt Entry June 2016	86,649	1.0%	378,149	1.5%	322,101,707	0.7%
2018	88,350	1.0%	389,486	1.5%	326,856,823	0.7%

Source: ESRI Demographics 2013, Novogradac & Company LLP, March 2014

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	21,719	-	52,077	-	52,389,754	-
2000	18,479	-1.5%	59,353	1.4%	59,266,437	1.3%
2013	20,365	0.8%	88,097	3.7%	83,746,996	3.1%
Projected Mkt Entry June 2016	22,100	2.9%	97,003	3.5%	89,865,898	2.5%
2018	23,339	2.9%	103,365	3.5%	94,236,542	2.5%

Source: ESRI Demographics 2013, Novogradac & Company LLP, March 2014

POPULATION BY AGE GROUP

Age Cohort	PMA				
	1990	2000	2013	Projected Mkt Entry June 2016	2018
0-4	7,426	5,876	5,659	5,821	5,937
5-9	6,962	6,401	5,172	5,202	5,223
10-14	6,761	6,349	4,666	4,864	5,006
15-19	6,989	6,782	7,059	7,186	7,276
20-24	7,276	7,558	10,572	10,269	10,053
25-29	7,086	6,104	6,721	6,821	6,892
30-34	6,864	5,366	5,610	5,797	5,931
35-39	6,135	5,623	4,372	4,762	5,040
40-44	5,272	5,651	4,352	4,314	4,286
45-49	4,244	5,283	4,571	4,531	4,502
50-54	3,689	4,875	5,149	4,985	4,867
55-59	3,660	3,693	5,032	5,219	5,353
60-64	4,003	3,185	4,637	4,888	5,067
65-69	4,324	2,894	3,516	3,940	4,243
70-74	3,765	2,856	2,510	3,004	3,356
75-79	2,920	2,558	1,802	2,068	2,258
80-84	1,857	1,809	1,365	1,412	1,445
85+	1,190	1,484	1,503	1,570	1,617
Total	90,423	84,347	84,268	86,650	88,352

Source: ESRI Demographics 2013, Novogradac & Company LLP, March 2014

NUMBER OF ELDERLY AND NON-ELDERLY

Year	PMA			Savannah, GA MSA		
	Total Population	Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
1990	90,423	68,704	21,719	257,961	205,884	52,077
2000	84,347	65,868	18,479	293,000	233,647	59,353
2013	84,268	63,903	20,365	362,277	274,180	88,097
Projected Mkt Entry June 2016	86,650	64,551	22,100	378,149	281,146	97,003
2018	88,352	65,013	23,339	389,486	286,121	103,365

Source: ESRI Demographics 2013, Novogradac & Company LLP, March 2014

Total population in the PMA is projected to increase at a 1.0 percent annual rate from 2013 to 2018, a growth rate below that of the MSA but above the nation as a whole during the same time period. The slow projected growth in the general population is typical of densely populated urban areas such as the PMA. However, senior population growth in the PMA is expected to increase at an annual rate of 2.9 percent from 2013 through 2018, 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 2018. In 2013, approximately 39 percent of the PMA's population is 24 years old or younger. The PMA demonstrates a 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	34,210	-	94,939	-
2000	33,603	-0.2%	111,910	1.8%
2013	32,348	-0.3%	137,816	1.7%
Projected Mkt Entry June 2016	33,424	1.1%	144,288	1.6%
2018	34,193	1.1%	148,910	1.6%

Source: ESRI Demographics 2013, Novogradac & Company LLP, March 2014

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>
2000	13,138	-	38,687	-
2013	13,037	-0.1%	53,100	2.8%
Projected Mkt Entry June 2016	13,872	2.2%	58,250	3.3%
2018	14,468	2.2%	61,929	3.3%

Source: ESRI Demographics 2013, Novogradac & Company LLP, April 2014

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	-
2013	2.42	-0.1%	2.53	0.0%	2.57	0.0%
Projected Mkt Entry June 2016	2.41	-0.1%	2.53	0.0%	2.57	0.0%
2018	2.41	-0.1%	2.52	0.0%	2.57	0.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, March 2014

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 2.2 percent annually between 2013 and 2018 in the PMA is higher than the projected general household growth during the same time period. Senior household growth in the PMA and MSA will increase at a rate greater than households of all ages over the next several years. The average household size in the PMA is projected to decline slightly in the PMA with a nominal annual change of 0.1 percent. The average household sizes in the MSA and nation are projected to remain stable through 2018.

2b. Households by Tenure

The following table illustrates senior household growth by tenure from 2000 through 2018.

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied Units	Percentage Owner- Occupied	Renter-Occupied Units	Percentage Renter- Occupied
2000	8,673	66.0%	4,465	34.0%
2013	8,014	61.5%	5,023	38.5%
Projected Mkt Entry				
June 2016	8,514	61.4%	5,357	38.6%
2018	8,872	61.3%	5,597	38.7%

Source: ESRI Demographics 2013, Novogradac & Company LLP, March 2014

Owner-occupied housing units dominate the housing market in the PMA. However, the 38.5 percent renter-occupied number is significantly higher than the national average of 13 percent for senior households.

2c. Households by Income

The following table depicts senior household income distribution in 2013, market entry, and 2018 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA (AGE 55+)

Income Cohort	2013		Projected Mkt Entry June 2016		2018	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,419	18.6%	2,630	19.0%	2,781	19.2%
\$10,000-19,999	2,904	22.3%	3,094	22.3%	3,229	22.3%
\$20,000-29,999	2,153	16.5%	2,287	16.5%	2,382	16.5%
\$30,000-39,999	1,338	10.3%	1,422	10.2%	1,482	10.2%
\$40,000-49,999	1,024	7.9%	1,089	7.8%	1,135	7.8%
\$50,000-59,999	843	6.5%	895	6.5%	933	6.4%
\$60,000-74,999	791	6.1%	831	6.0%	859	5.9%
\$75,000-99,999	639	4.9%	663	4.8%	680	4.7%
\$100,000-124,999	344	2.6%	356	2.6%	364	2.5%
\$125,000-149,999	210	1.6%	216	1.6%	220	1.5%
\$150,000-199,999	175	1.3%	185	1.3%	192	1.3%
\$200,000+	197	1.5%	206	1.5%	212	1.5%
Total	13,037	100.0%	13,872	100.0%	14,468	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, March 2014

The Subject will target senior households earning \$16,440 to \$28,080. As the previous table illustrates, approximately 39 percent of renter households in the PMA earned incomes between \$10,000 and \$29,999 in 2013. For the projected market entry date of June 2016, this percentage is projected to remain the same.

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		2013		2018	
	Total Renter Households	Percent	Total Renter Households	Percent	Total Renter Households	Percent
1 person	2,429	54.4%	2,762	55.0%	3,093	55.3%
2 persons	1,321	29.6%	1,095	21.8%	1,223	21.9%
3 persons	375	8.4%	477	9.5%	516	9.2%
4 persons	153	3.4%	299	6.0%	340	6.1%
5+ persons	187	4.2%	389	7.7%	425	7.6%
Total	4,465	100.0%	5,023	100.0%	5,597	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, March 2014

The largest senior renter household cohort has remained a one-person household since 2000, followed by two and three-person households. These three cohorts are projected to remain the largest through 2018. In 2013, the one and two-person households accounted for approximately 77 percent of renter households in the PMA. The Subject will target one and 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 household populations will be based on households who are 62 years and older and HFOP populations will be based on households who are 55 years or older according to the census.

Conclusion

The PMA is expected to experience strong senior population and household growth from 2013 through 2018. Senior population growth in the PMA is expected to increase at an annual rate of 2.9 percent from 2013 through 2018, 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 2018. Owner-occupied housing units dominate the housing market in the PMA. However, the 38.5 percent renter-occupied number is significantly higher than the national average of 13.0 percent for senior households. The Subject will target senior households earning \$16,440 to \$28,080. Approximately 39 percent of renter households in the PMA earned incomes between \$10,000 and \$29,999 in 2013. For the projected market entry date of June 2016, this percentage is projected to remain the same. As the senior population and number of households increase, there is expected to be a greater number of lower-income senior renters seeking affordable housing.

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 Georgia/South Carolina border. The city is home to the headquarters of JCB Inc., a manufacturer of heavy construction and agricultural equipment, and Gulfstream Aerospace Corporation, a manufacturer of business aircraft. Savannah's location on the Atlantic coast provides for both a thriving tourism industry as well as 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 it to accommodate larger shipping vessels. Working with the U.S. Army Corps of Engineers, the Savannah Harbor Expansion Project received the last of all required federal and state regulatory approvals in 2013. The project is currently ready to move to construction. In addition to the port, both Norfolk Southern Railroad and CSX 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.

Total Jobs in Chatham County, GA

Year	Total Employment	% Change
2004	116,546	-
2005	119,776	2.70%
2006	127,586	6.12%
2007	126,657	-0.73%
2008	120,313	-5.27%
2009	119,531	-0.65%
2010	121,444	1.58%
2011	123,936	2.01%
2012	126,503	2.03%
2013	125,864	-0.51%
2014 YTD Average	127,982	1.65%
Feb-13	126,503	-
Feb-14	128,523	1.57%

Source: U.S. Bureau of Labor Statistics

YTD as of February 2014

As the table above illustrates, total employment in Chatham County declined precipitously between 2007 and 2009, partially as a result of the national recession. Total employment increased between 2010 and 2012. However, total employment remained below pre-recession levels. Total employment in the county decreased again in 2013. From February 2013 to February 2014, total employment increased 1.57 percent. The employment gains experienced

over the past several years signal that the county has recovered from the recession. As of February 2014, total employment was higher than pre-recession levels.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the county as of September 2013.

September 2013 Covered Employment Chatham County, Georgia		
	Number	Percent
Total All Industries	118,961	-
Good producing	17,550	-
Natural Resources and Mining	109	0.09%
Construction	4,444	3.74%
Manufacturing	12,997	10.93%
Service-Providing	101,411	-
Trade, Transportation, and utilities	30,344	25.51%
Information	1,240	1.04%
Financial Activities	5,238	4.40%
Professional and business services	17,635	14.82%
Educational and health services	21,709	18.25%
Leisure and hospitality	20,930	17.59%
Other services	3,959	3.33%
Unclassified	356	0.30%

Source: Bureau of Labor Statistics, 2014

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.

2013 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Accommodation/Food Services	5,747	16.3%	10,849,114	7.6%
Health Care/Social Assistance	5,440	15.5%	20,080,547	14.0%
Retail Trade	4,109	11.7%	16,592,605	11.6%
Educational Services	4,019	11.4%	12,979,314	9.1%
Other Services (excl Publ Adm)	2,178	6.2%	7,850,739	5.5%
Construction	2,169	6.2%	8,291,595	5.8%
Manufacturing	1,639	4.7%	15,162,651	10.6%
Public Administration	1,613	4.6%	6,713,073	4.7%
Transportation/Warehousing	1,567	4.5%	5,898,791	4.1%
Admin/Support/Waste Mgmt Svcs	1,567	4.5%	6,316,579	4.4%
Prof/Scientific/Tech Services	1,369	3.9%	9,808,289	6.8%
Arts/Entertainment/Recreation	901	2.6%	3,151,821	2.2%
Wholesale Trade	770	2.2%	3,628,118	2.5%
Finance/Insurance	693	2.0%	6,884,133	4.8%
Information	605	1.7%	2,577,845	1.8%
Real Estate/Rental/Leasing	562	1.6%	2,627,562	1.8%
Utilities	190	0.5%	1,107,105	0.8%
Agric/Forestry/Fishing/Hunting	58	0.2%	1,800,354	1.3%
Mining	0	0.0%	868,282	0.6%
Mgmt of Companies/Enterprises	0	0.0%	97,762	0.1%
Total Employment	35,196	100.0%	143,286,279	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, March 2014

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, and educational services are overrepresented in the PMA when compared to the nation, while the manufacturing, professional/scientific/tech services, finance/insurance, and agricultural/forestry/fishing/hunting sectors 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 10 largest employers.

MAJOR EMPLOYERS

Savannah, GA

#	Company	Industry	Number of Employees
1	Gulfstream Aerospace Corporation	Manufacturing	9,260
2	Savannah-Chatham County Board of Education	Education	4,808
3	Ft. Stewart/Hunter Army Airfield	Government	4,637
4	Memorial University Medical Center	Healthcare	4,600
5	St. Joseph's/Candler Health System	Healthcare	3,170
6	City of Savannah	Government	2,795
7	Savannah College of Art & Design	Education	1,750
8	Chatham County	Government	1,600
9	Georgia Ports Authority	Shipping Terminal	988
10	Armstrong Atlantic State University	Education	602

Source: Savannah Economic Development Authority, March 2014

As illustrated, eight of the top 10 major employers in Savannah are in relatively stable industries: education, healthcare, and government. However, the largest employer, Gulfstream Aerospace Corporation, is in the manufacturing sector. The manufacturing sector is unstable in times of economic uncertainty. With Savannah being a port city, several companies involving cargo handling are also significant employers in the region.

Expansions/Contractions

The following table illustrates business closures and layoffs within the city of Savannah from January 2010 to April 2014, according to the Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) filings. No filings during 2014 were reported.

SAVANNAH, GEORGIA LAYOFFS/CLOSURES 2010-YTD 2014

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

Source: Georgia Department of Labor, April 2014

As illustrated in the previous table, the city of Savannah experienced 10 WARN filings from 2010 to 2014 for a total of 1,952 jobs affected.

We have conducted additional research to determine recently announced business expansions and economic developments within metropolitan Savannah. On October 24, 2013, the U.S. House of Representatives passed the Water Resources Reform and Development Act. One provision of this act authorizes funding for the Savannah Harbor Expansion Project, which will accommodate larger ships that will soon transit the expanded Panama Canal. According to a press release, Representative Rob Woodall of the Seventh District of Georgia calls this expansion project “the largest economic development and job creation initiative in the State,” noting that the newly passed bill is a “win for taxpayers and a catalyst for long-term economic growth.” The port, the second largest on the East Coast, is already a vital piece of the local and state economy; this expansion project has the potential to create a multitude of jobs across disciplines relating to the harbor and its expansion. In a January, 2014 article of GPB News, the expansion of Savannah Port is expected to begin in June 2014.

Several business expansions were announced in since 2013, detailed as follows:

- Nordoc Cold Storage announced an expansion of its storage and blast facility in April 2014, which will double the capacity and add 135 jobs to the current facility. Construction is expected to be complete by the first quarter of 2015.
- Chatham County Jail recently (January, 2014) finished an extensive \$71 million renovation which added 400,000 square feet to the existing facility and nearly doubles the number of inmate bed (to 2,360). Chatham County approximates that 32 new positions will be formed due to the expansion.
- Airframe parts supplier LMI Aerospace announced an expansion in July 2013 that will result in 100 new jobs. LMI supplies the nearby Gulfstream aircraft plant as well as the large Boeing plant in North Charleston, South Carolina.
- Intercat, Inc., a manufacturer of additives for the petroleum refining industry announced a \$45 million expansion in June 2013, which will include 25 new jobs.
- Arizona Chemical, a bio-refiner of pine chemicals, announced in February 2013 the construction of a new science and technology center on its existing campus in Savannah. The current center employs 51 chemists, and the company expects to hire 10 to 20 more. The median salary for chemists at this firm is \$80,000. The company has a total of 202 employees in Savannah.
- Gulfstream, Savannah’s largest employer, continues to expand. In January 2013, the company leased a 70,000 square foot building to accommodate 400 employees, 100 of them new hires. In 2006, Gulfstream announced a seven-year \$300 million expansion that would create 1,100 new jobs. That was accomplished in half the time and employment rose by 1,500 jobs. In late 2010, another seven-year \$500 million expansion was announced that would include 1,000 new employees. Just over two years later, the actual number of new employees was 1,700. With a five year backlog in plane orders, it appears that Gulfstream will be busy in the foreseeable future.

The tourism industry plays a major role in the Savannah area. The Savannah Convention and Visitor's Bureau reported approximately 12.4 million visitors in 2012, up 2.5 percent from 2011. Approximately 7.0 million were overnight visitors with the rest being day-trippers. Hotel room and occupancy rates were up from the previous year. Visitor spending was approximately \$2 billion in 2012 and the area's lodging, dining, entertainment, and visitor-related transportation sectors employed over 17,000 people.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Savannah, GA MSA and nation from 2002 to December 2013.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Savannah, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	143,053	-	4.0%	-	136,485,000	-	5.8%	-
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	169,661	-1.2%	5.5%	1.6%	145,362,000	-0.5%	5.8%	1.2%
2009	160,900	-5.2%	8.4%	2.9%	139,877,000	-3.8%	9.3%	3.5%
2010	159,983	-0.6%	9.1%	0.7%	139,064,000	-0.6%	9.6%	0.3%
2011	162,566	1.6%	9.0%	-0.1%	139,869,000	0.6%	8.9%	-0.7%
2012	166,905	2.7%	8.3%	-0.7%	142,469,000	1.9%	8.1%	-0.8%
2013 YTD Average*	166,519	-0.2%	9.1%	0.8%	143,929,333	1.0%	7.4%	-0.7%
Dec-2012	168,509	-	8.1%	-	143,060,000	-	7.6%	-
Dec-2013	165,250	-1.9%	6.7%	-1.4%	144,423,000	1.0%	6.5%	-1.1%

Source: U.S. Bureau of Labor Statistics April 2014

*2013 data is through Dec

Total employment grew every year between 2002 and 2007 in the MSA. The MSA experienced a significant decrease in total employment between 2008 and 2010, when total employment decreased 6.9 percent. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment than the MSA from 2008 to 2010. The MSA experienced strong employment growth in 2011 and 2012 but slightly decreased in 2013. Total employment in the MSA remains below pre-recession levels.

The unemployment rate in the MSA was lower than that of the nation from 2002 through 2010. However, the unemployment rate in the MSA has remained at rate above the nation since 2011. As of December 2013, the unemployment rate in the MSA was 0.2 percentage points above that of the nation. However, the MSA experienced a moderate decrease in unemployment of 1.4 percentage points between December 2012 and December 2013. As of December 2013, the MSA was experiencing its lowest unemployment level since 2008.

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, GA

#	Company	Industry	Number of Employees
1	Gulfstream Aerospace Corporation	Manufacturing	9,260
2	Savannah-Chatham County Board of Education	Education	4,808
3	Ft. Stewart/Hunter Army Airfield	Government	4,637
4	Memorial University Medical Center	Healthcare	4,600
5	St. Joseph's/Candler Health System	Healthcare	3,170
6	City of Savannah	Government	2,795
7	Savannah College of Art & Design	Education	1,750
8	Chatham County	Government	1,600
9	Georgia Ports Authority	Shipping Terminal	988
10	Armstrong Atlantic State University	Education	602

Source: Savannah Economic Development Authority, March 2014

Conclusion

The largest employers in Savannah are in the manufacturing, education, health care/social assistance, and government sectors. Employment in the PMA is greatest in the accommodation/food services, health care/social assistance, retail trade, and educational services sectors, which together account for 54.9 percent of the total employment in the PMA. This is significantly higher than the nation as a whole. The MSA experienced a significant decrease in total employment between 2008 and 2010, when total employment decreased 6.9 percent. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment than the MSA from 2008 to 2010. The MSA experienced strong employment growth in 2011 and 2012 but slightly decreased in 2013. The unemployment rate in the MSA has remained at rate above the nation since 2011. As of December 2013, the unemployment rate in the MSA was 0.2 percentage points above that of the nation. However, the MSA experienced a moderate decrease in unemployment of 1.4 percentage points between December 2012 and December 2013.

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 2016, the anticipated date of market entry, as the base year for the analysis. Therefore, 2013 household population estimates are inflated to 2016 by interpolation of the difference between 2013 estimates and 2016 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 2016. This number takes the overall growth from 2013 to 2016 and applies it

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

3B. Demand from Existing Households

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

The second source **(2b.)** is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source **(2c.)** is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

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

3C. Secondary Market Area

Per the 2014 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

3D. Other

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

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2012 to the present.

ADDITIONS TO SUPPLY

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2012 and 2013.
- Vacancies in projects placed in service prior to 2012 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 from 2012 to present. As the following

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

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

There have been several LIHTC properties that have been allocated and/or placed-in-service in 2012 and 2013.

- 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. It consists of 46 LIHTC units at 60 percent AMI, 44 LIHTC/PBRA units, and 10 market rate units. We have included this property as a comparable in this report. The property stabilized in 2012 and is currently 99 percent occupied with a lengthy waiting list. We have deducted the 46 LIHTC units at 60 percent AMI without subsidy from the Demand Analysis.
- Savannah Gardens IV was allocated tax credits in 2012 and will target families/general households. This property will not directly compete with the Subject.
- Savannah Gardens V was allocated tax credits in 2013 and will target families/general households. This property will not directly compete with the Subject.

Competitive Supply 2012 - Present

Property Name	Year Built/Proposed	Number of Competitive	
		Units	Comments
Sustainable Fellwood III	2012	46	Removed 46, 60% units.

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated, placed in service, or stabilizing between 2012 and present.

Additions To Supply (Cumulative)/Existing Units	Number of Competitive		Overall
	50%	60%	
One Bedroom	0	41	41
Two Bedroom	0	5	5
Total	0	46	46

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

#	Comparable Property	Rent Structure	Location	Tenancy	Total Units	Occupied Units	Occupancy Rate
1	Rose Of Sharon	LIHTC	Savannah	Senior	206	202	98.10%
2	Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	100	99	99.00%
3	Veranda At Midtown	Market	Savannah	Senior	100	98	98.00%

The previous table illustrates senior occupancy in the PMA, not including subsidized properties. Overall, vacancy is considered low. Therefore, we believe a PMA occupancy rate of 95 percent or higher 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 previous calculations and derived capture rates are illustrated in the following tables.

Renter Household Income Distribution 2013-2018							
Romana-Riley Lofts							
PMA							
	2013		Projected Mkt Entry June 2016		2018		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	1,394	27.8%	1,523	28.4%	1,614	28.8%	13.6%
\$10,000-19,999	1,255	25.0%	1,327	24.8%	1,378	24.6%	8.9%
\$20,000-29,999	656	13.1%	701	13.1%	734	13.1%	10.5%
\$30,000-39,999	521	10.4%	543	10.1%	558	10.0%	6.6%
\$40,000-49,999	352	7.0%	372	6.9%	386	6.9%	8.9%
\$50,000-59,999	238	4.7%	255	4.8%	267	4.8%	10.9%
\$60,000-74,999	206	4.1%	223	4.2%	235	4.2%	12.6%
\$75,000-99,999	126	2.5%	129	2.4%	131	2.3%	3.8%
\$100,000-124,999	112	2.2%	116	2.2%	118	2.1%	5.3%
\$125,000-149,999	66	1.3%	71	1.3%	75	1.3%	13.2%
\$150,000-199,999	45	0.9%	44	0.8%	43	0.8%	-6.3%
\$200,000+	51	1.0%	54	1.0%	57	1.0%	9.1%
Total	5,023	100.0%	5,357	100.0%	5,597	100.0%	10.3%

Renter Household Income Distribution Projected Market Entry June 2016			
Romana-Riley Lofts			
	PMA		Change 2013 to Prj Mkt Entry June 2016
	Projected Mkt Entry June 2016		
	#	%	#
\$0-9,999	1,523	28.4%	95
\$10,000-19,999	1,327	24.8%	83
\$20,000-29,999	701	13.1%	44
\$30,000-39,999	543	10.1%	34
\$40,000-49,999	372	6.9%	23
\$50,000-59,999	255	4.8%	16
\$60,000-74,999	223	4.2%	14
\$75,000-99,999	129	2.4%	8
\$100,000-124,999	116	2.2%	7
\$125,000-149,999	71	1.3%	4
\$150,000-199,999	44	0.8%	3
\$200,000+	54	1.0%	3
Total	5,357	100.0%	335

Tenure Prj Mkt Entry June 2016	
Renter	38.6%
Owner	61.4%
Total	100.0%

Renter Household Size for Prj Mkt Entry June 2016		
Size	Number	Percentage
1 Person	2,955	55.2%
2 Person	1,170	21.8%
3 Person	500	9.3%
4 Person	323	6.0%
5+ Person	410	7.7%
Total	5,357	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	6,090	35.3%
2 Person	4,569	26.5%
3 Person	2,643	15.3%
4 Person	1,825	10.6%
5+ Person	2,114	12.3%
Total	17,241	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$16,440		
Maximum Income Limit			\$23,400 2		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry June 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	95.17			
\$10,000-19,999	82.93	24.8%	3,559	35.6%	30
\$20,000-29,999	43.84	13.1%	3,400	34.0%	15
\$30,000-39,999	33.92	10.1%		0.0%	0
\$40,000-49,999	23.25	6.9%		0.0%	0
\$50,000-59,999	15.93	4.8%		0.0%	0
\$60,000-74,999	13.94	4.2%		0.0%	0
\$75,000-99,999	8.06	2.4%		0.0%	0
\$100,000-124,999	7.22	2.2%		0.0%	0
\$125,000-149,999	4.46	1.3%		0.0%	0
\$150,000-199,999	2.74	0.8%		0.0%	0
\$200,000+	3.40	1.0%		0.0%	0
	335	100.0%			44
Percent of renter households within limits versus total number of renter households					13.27%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$16,440		
Maximum Income Limit			\$23,400 2		
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2016		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,523			
\$10,000-19,999	1,327	24.8%	3,559	36%	472
\$20,000-29,999	701	13.1%	3,400	34%	239
\$30,000-39,999	543	10.1%	0	0%	0
\$40,000-49,999	372	6.9%	0	0%	0
\$50,000-59,999	255	4.8%	0	0%	0
\$60,000-74,999	223	4.2%	0	0%	0
\$75,000-99,999	129	2.4%	0	0%	0
\$100,000-124,999	116	2.2%	0	0%	0
\$125,000-149,999	71	1.3%	0	0%	0
\$150,000-199,999	44	0.8%	0	0%	0
\$200,000+	54	1.0%	0	0%	0
	5,357	100.0%			711
Percent of renter households within limits versus total number of renter households					13.27%

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

2013 Median Income

Change from 2013 to Prj Mrkt Entry June 2016

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%		
\$25,110		
\$27,745		
\$2,635		
10.5%		
1.7%		
1.7%	Two year adjustment	1.0000
\$23,400		
\$23,400		
2		
50%		
\$548		
\$548.00		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry June 2016

Income Target Population	50%
New Renter Households PMA	335
Percent Income Qualified	13.3%
New Renter Income Qualified Households	44

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

Demand from Existing Households 2013

Demand from Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	5,357
Income Qualified	13.3%
Income Qualified Renter Households	711
Percent Rent Overburdened Prj Mrkt Entry June 2016	38.1%
Rent Overburdened Households	271

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	711
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	9

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

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	8,514
Rural Versus Urban	0.06%
Senior Demand Converting from Homeownership	5

Total Demand

Total Demand from Existing Households		285
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		285
Total New Demand		44
Total Demand (New Plus Existing Households)		329

Demand from Seniors Who Convert from Homeownership	5
Percent of Total Demand From Homeownership Conversion	1.6%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	55.2%	181
Two Persons	21.8%	72
Three Persons	9.3%	31
Four Persons	6.0%	20
Five Persons	7.7%	25
Total	100.0%	329

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	145
Of two-person households in 1BR units	20%	14
Of one-person households in 2BR units	20%	36
Of two-person households in 2BR units	80%	57
Of three-person households in 2BR units	60%	18
Of three-person households in 3BR units	40%	12
Of four-person households in 3BR units	80%	16
Of five-person households in 3BR units	70%	18
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	30%	8
Total Demand		329
Check		OK

Total Demand by Bedroom	50%
1 BR	160
2 BR	94
Total Demand	253

Additions To Supply 2013 to Prj Mrkt Entry June 2016	50%
1 BR	0
2 BR	0
Total	0

Net Demand	50%
1 BR	160
2 BR	94
Total	253

Developer's Unit Mix	50%
1 BR	9
2 BR	6
Total	15

Capture Rate Analysis	50%
1 BR	5.6%
2 BR	6.4%
Total	5.9%

60%AMI

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

Percent of AMI Level		60%			
Minimum Income Limit		\$19,740			
Maximum Income Limit		\$28,080		2	
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry June 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	95.17			
\$10,000-19,999	82.93	24.8%	259	2.6%	2
\$20,000-29,999	43.84	13.1%	8,080	80.8%	35
\$30,000-39,999	33.92	10.1%		0.0%	0
\$40,000-49,999	23.25	6.9%		0.0%	0
\$50,000-59,999	15.93	4.8%		0.0%	0
\$60,000-74,999	13.94	4.2%		0.0%	0
\$75,000-99,999	8.06	2.4%		0.0%	0
\$100,000-124,999	7.22	2.2%		0.0%	0
\$125,000-149,999	4.46	1.3%		0.0%	0
\$150,000-199,999	2.74	0.8%		0.0%	0
\$200,000+	3.40	1.0%		0.0%	0
	335	100.0%			38
Percent of renter households within limits versus total number of renter households					11.22%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$19,740			
Maximum Income Limit		\$28,080		2	
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2016		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,523			
\$10,000-19,999	1,327	24.8%	259	3%	34
\$20,000-29,999	701	13.1%	8,080	81%	567
\$30,000-39,999	543	10.1%	0	0%	0
\$40,000-49,999	372	6.9%	0	0%	0
\$50,000-59,999	255	4.8%	0	0%	0
\$60,000-74,999	223	4.2%	0	0%	0
\$75,000-99,999	129	2.4%	0	0%	0
\$100,000-124,999	116	2.2%	0	0%	0
\$125,000-149,999	71	1.3%	0	0%	0
\$150,000-199,999	44	0.8%	0	0%	0
\$200,000+	54	1.0%	0	0%	0
	5,357	100.0%			601
Percent of renter households within limits versus total number of renter households					11.22%

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

2013 Median Income

Change from 2013 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%		
\$25,110		
\$27,745		
\$2,635		
10.5%		
1.7%		
1.7%	Two year adjustment	1.0000
\$28,080		
\$28,080		
\$2		
60%		
\$658		
\$658.00		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry June 2016

Income Target Population	60%
New Renter Households PMA	335
Percent Income Qualified	11.2%
New Renter Income Qualified Households	38

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

Demand from Existing Households 2013

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	5,357
Income Qualified	11.2%
Income Qualified Renter Households	601
Percent Rent Overburdened Prj Mrkt Entry June 2016	38.1%
Rent Overburdened Households	229

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	601
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	7

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

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	8,514
Rural Versus Urban	0.07%
Senior Demand Converting from Homeownership	6

Total Demand

Total Demand from Existing Households		242
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		242
Total New Demand		38
Total Demand (New Plus Existing Households)		280

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?	Yes

By Bedroom Demand

One Person	55.2%	154
Two Persons	21.8%	61
Three Persons	9.3%	26
Four Persons	6.0%	17
Five Persons	7.7%	21
Total	100.0%	280

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	124
Of two-person households in 1BR units	20%	12
Of one-person households in 2BR units	20%	31
Of two-person households in 2BR units	80%	49
Of three-person households in 2BR units	60%	16
Of three-person households in 3BR units	40%	10
Of four-person households in 3BR units	80%	13
Of five-person households in 3BR units	70%	15
Of four-person households in 4BR units	20%	3
Of five-person households in 4BR units	30%	6
Total Demand		280
Check		OK

Total Demand by Bedroom	60%
1 BR	136
2 BR	80
Total Demand	216

Additions To Supply 2013 to Prj Mrkt Entry June 2016	60%
1 BR	41
2 BR	5
Total	46

Net Demand	60%
1 BR	95
2 BR	75
Total	170

Developer's Unit Mix	60%
1 BR	11
2 BR	31
Total	42

Capture Rate Analysis	60%
1 BR	11.6%
2 BR	41.4%
Total	24.8%

Overall

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$16,440			
Maximum Income Limit			\$28,080 2			
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry June 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	Count	Percentage			Count	Percentage
\$0-9,999	95.17	28.4%		0.0%	0	
\$10,000-19,999	82.93	24.8%	3,559	35.6%	30	
\$20,000-29,999	43.84	13.1%	8,080	80.8%	35	
\$30,000-39,999	33.92	10.1%		0.0%	0	
\$40,000-49,999	23.25	6.9%		0.0%	0	
\$50,000-59,999	15.93	4.8%		0.0%	0	
\$60,000-74,999	13.94	4.2%		0.0%	0	
\$75,000-99,999	8.06	2.4%		0.0%	0	
\$100,000-124,999	7.22	2.2%		0.0%	0	
\$125,000-149,999	4.46	1.3%		0.0%	0	
\$150,000-199,999	2.74	0.8%		0.0%	0	
\$200,000+	3.40	1.0%		0.0%	0	
	335	100.0%			65	
Percent of renter households within limits versus total number of renter households						19.40%

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$16,440			
Maximum Income Limit			\$28,080 2			
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2016		Income Brackets	Percent within Cohort	Households within Bracket	
	Count	Percentage			Count	Percentage
\$0-9,999	1,523	28.4%	0	0%	0	
\$10,000-19,999	1,327	24.8%	3,559	36%	472	
\$20,000-29,999	701	13.1%	8,080	81%	567	
\$30,000-39,999	543	10.1%	0	0%	0	
\$40,000-49,999	372	6.9%	0	0%	0	
\$50,000-59,999	255	4.8%	0	0%	0	
\$60,000-74,999	223	4.2%	0	0%	0	
\$75,000-99,999	129	2.4%	0	0%	0	
\$100,000-124,999	116	2.2%	0	0%	0	
\$125,000-149,999	71	1.3%	0	0%	0	
\$150,000-199,999	44	0.8%	0	0%	0	
\$200,000+	54	1.0%	0	0%	0	
	5,357	100.0%			1,039	
Percent of renter households within limits versus total number of renter households						19.40%

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

2013 Median Income

Change from 2013 to Prj Mrkt Entry June 2016

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%	
\$25,110	
\$27,745	
\$2,635	
10.5%	
1.7%	
1.7%	Two year adjustment 1.0000
\$28,080	
\$28,080	
2	
Overall	
\$548	
\$548.00	

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry June 2016

	Overall
Income Target Population	
New Renter Households PMA	335
Percent Income Qualified	19.4%
New Renter Income Qualified Households	65

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

Demand from Existing Households 2013

Demand from Rent Overburdened Households

	Overall
Income Target Population	
Total Existing Demand	5,357
Income Qualified	19.4%
Income Qualified Renter Households	1,039
Percent Rent Overburdened Prj Mrkt Entry June 2016	38.1%
Rent Overburdened Households	396

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,039
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	13

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

Senior Households Converting from Homeownership

	Overall
Income Target Population	
Total Senior Homeowners	8,514
Rural Versus Urban	0.12%
Senior Demand Converting from Homeownership	10

Total Demand

Total Demand from Existing Households		419
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		419
Total New Demand		65
Total Demand (New Plus Existing Households)		484

Demand from Seniors Who Convert from Homeownership	10
Percent of Total Demand From Homeownership Conversion	2.1%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	55.2%	267
Two Persons	21.8%	106
Three Persons	9.3%	45
Four Persons	6.0%	29
Five Persons	7.7%	37
Total	100.0%	484

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	214
Of two-person households in 1BR units	20%	21
Of one-person households in 2BR units	20%	53
Of two-person households in 2BR units	80%	85
Of three-person households in 2BR units	60%	27
Of three-person households in 3BR units	40%	18
Of four-person households in 3BR units	80%	23
Of five-person households in 3BR units	70%	26
Of four-person households in 4BR units	20%	6
Of five-person households in 4BR units	30%	11
Total Demand		484
Check		OK

Total Demand by Bedroom	Overall
1 BR	235
2 BR	138
Total Demand	373

Additions To Supply 2013 to Prj Mrkt Entry June 2016	Overall
1 BR	41
2 BR	5
Total	46

Net Demand	Overall
1 BR	194
2 BR	133
Total	327

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

Capture Rate Analysis	Overall
1 BR	10.3%
2 BR	27.8%
Total	17.5%

Conclusions

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

- The number of senior households 55+ in the PMA is expected to increase 6.4 percent between 2013 and June 2016.
- We removed Sustainable Fellwood III's 46 units restricted at 60 percent AMI from the demand analysis. This property is 99 percent occupied with a waiting list. Therefore, we believe the capture rates are conservative.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from outside of the PMA 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
1 BR @ 50% AMI	9	160	0	160	5.6%	5 months	\$692	\$439-\$1,074	\$422
2 BR @ 50% AMI	6	94	0	94	6.4%	5 months	\$809	\$477-\$1,156	\$507
50% AMI Overall	15	253	0	253	5.9%	5 months	\$692-\$809	\$439-\$1,156	\$422-\$507
1 BR @ 60% AMI	11	136	41	95	11.6%	5 months	\$709	\$439-\$1,074	\$532
2 BR @ 60% AMI	31	80	5	75	41.4%	5 months	\$846	\$552-\$1,156	\$639
60% AMI Overall	42	216	46	170	24.8%	5 months	\$709-\$846	\$439-\$1,156	\$532-\$639
1 BR Overall	20	235	41	194	10.3%	5 months	\$692	\$439-\$1,074	\$422-\$532
2 BR Overall	37	138	5	133	27.8%	5 months	\$846	\$477-\$1,156	\$507-\$639
Overall	57	373	46	327	17.5%	5 months	\$692-\$846	\$439-\$1,156	\$422-\$639

Demand and Net Demand

	HH at 50% AMI (\$16,440 to \$23,400)	HH at 60% AMI (\$19,590 to \$28,080)	All Tax Credit Households
Demand from New Households (age and income appropriate)	44	38	65
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	9	7	13
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	271	229	396
PLUS	+	+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0	0
Sub Total	324	274	474
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	5	6	10
Equals Total Demand	329	280	484
Less	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	46	46
Equals Net Demand	329	234	438

As the analysis illustrates, the Subject's 50 percent capture rates range from 5.6 to 6.4 percent, with an overall capture rate of 5.9 percent. The Subject's 60 percent AMI capture rates range from 11.6 to 41.4 percent, with an overall capture rate of 24.8 percent. The overall capture rate for the Subject's 50 and 60 percent units is 17.5 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 data is considered good. We have included three senior LIHTC properties, two of which are located in the PMA. Sheppard Station is located in Pooler, GA. 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 comparable senior properties offer unrestricted units. We have supplemented the market rate data with one conventional property in the PMA and two located just outside of the PMA, The Fountains 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 LIHTC and market rate data is considered good.

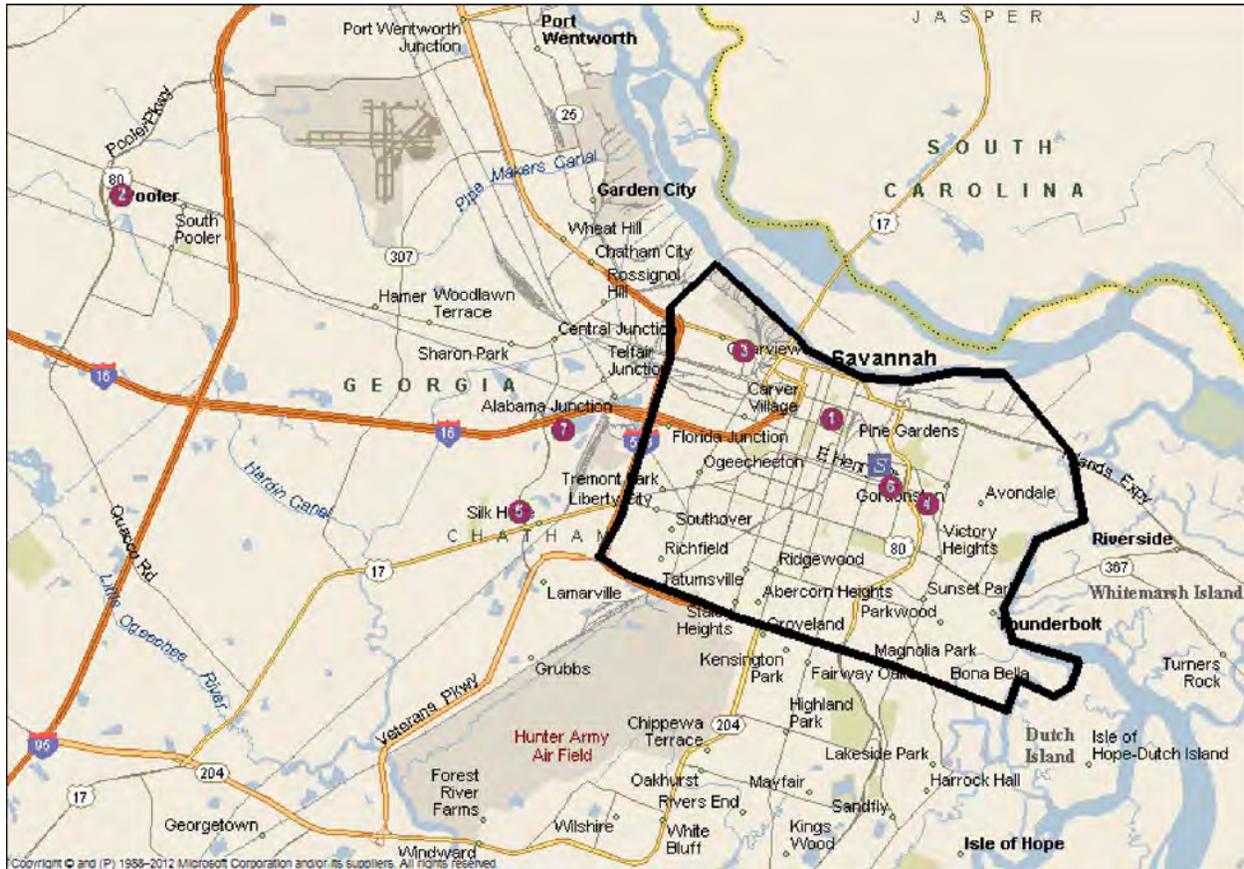
Excluded Properties

The following table illustrates properties within the PMA that have been excluded from our analysis.

EXCLUDED PROPERTIES

Property	City	Type	Tenancy	Reason for Exclusion
East Huntingdon Street Housing	Savannah	LIHTC	Family	Only 14 units
Savannah Gardens I	Savannah	LIHTC/FHA	Family	Tenancy not comparable
Savannah Gardens III	Savannah	LIHTC	Family	Tenancy not comparable
Heritage Place	Savannah	LIHTC	Family	Tenancy not comparable
Heritage Corner & Heritage Row	Savannah	LIHTC	Family	Tenancy not comparable
Montgomery Landing	Savannah	LIHTC	Family	Tenancy not comparable
Sister's Court	Savannah	LIHTC/HOME	Elderly	Dissimilar AMI levels.
Savannah Gardens V	Savannah	LIHTC	Family	Proposed
Savannah Gardens II	Savannah	LIHTC/HUD 202	Elderly	Subsidized
Savannah Gardens IV	Savannah	LIHTC/Market	Family	Tenancy not comparable
Sustainable Fellwood I	Savannah	LIHTC/PHA/Market	Family	Tenancy not comparable
Sustainable Fellwood II	Savannah	LIHTC/PHA/Market	Family	Tenancy not comparable
Ashley Midtown I	Savannah	LIHTC/PHA/Market	Family	Tenancy not comparable
Ashley Midtown II	Savannah	LIHTC/PHA/Market	Family	Tenancy not comparable
SNAPI, II, III	Savannah	LIHTC/Section 8/FHA	Family	Rent subsidized; tenancy not comparable
Telfair Arms	Savannah	LIHTC/Section 8/FHA	Elderly	Subsidized
Green Growth I	Savannah	Market/HoDAG	Family	More comparable properties available.
Courtney Station Apartments	Savannah	Market/HoDAG	Family	Could not obtain information.
Cars V Inc	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Chatham Assoc For Res Sev Inc I	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Chatham Assoc For Res Sev Inc II	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Georgia Infirmary A/ Habersham Place	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Georgia Infirmary B/ Habersham Place	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Ponderosa Forest Apts	Savannah	Section 8	Family	Rent subsidized; tenancy not comparable
Presidential Plaza I	Savannah	Section 8	Family	Rent subsidized; tenancy not comparable
Presidential Plaza II	Savannah	Section 8/FHA	Family	Rent subsidized; tenancy not comparable
St. Johns Villa Apartments	Savannah	Section 8	Elderly	Subsidized
Thomas Francis Williams Court Apts	Savannah	Section 8/FHA	Elderly	Subsidized
Jasmine Place	Savannah	Market/FHA	Family	Tenancy not comparable
East Broad Apts	Savannah	FHA	Family	Tenancy not comparable

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Tenancy	Type	Distance
1	Rose Of Sharon	Savannah	Senior	LIHTC	1.4 miles
2	Sheppard Station	Pooler	Senior	LIHTC/Market	12.9 miles
3	Sustainable Fellwood III	Savannah	Senior	LIHTC/Market	3.2 miles
4	Chelsea At Five Points	Savannah	Family	Market	1.1 miles
5	Springs At Chatham Parkway	Savannah	Family	Market	5.5 miles
6	Veranda At Midtown	Savannah	Senior	Market	0.4 miles
7	Walden At Chatham Center	Savannah	Family	Market	6.3 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 SEC East Henry Street Savannah, GA 31404 Chatham County	n/a	Conversion (age-restricted) Proposed	LIHTC	1BR / 1BA	9	15.80%	@50%	\$422	640	no		N/A	N/A					
					1BR / 1BA	11	19.30%	@60%	\$532	640	no		N/A	N/A					
					2BR / 1BA	3	5.30%	@50%	\$507	864	no		N/A	N/A					
					2BR / 1BA	1	1.80%	@50%	\$507	916	no		N/A	N/A					
					2BR / 1BA	2	3.50%	@50%	\$507	1,005	no		N/A	N/A					
					2BR / 1BA	14	24.60%	@60%	\$639	864	no		N/A	N/A					
					2BR / 1BA	5	8.80%	@60%	\$639	916	no		N/A	N/A					
					2BR / 1BA	12	21.10%	@60%	\$639	1,005	no		N/A	N/A					
										57	100%							N/A	N/A
					1	Rose Of Sharon 322 East Taylor Street Savannah, GA 31401 Chatham County	1.4 miles	Highrise (age-restricted) (12 stories) 1972 / 2007	LIHTC	Studio / 1BA	44	21.40%	@60%	\$409	418	no	Yes	0	0.00%
										1BR / 1BA	140	68.00%	@60%	\$461	602	no	Yes	4	2.90%
					1BR / 1BA	22	10.70%	@60%	\$461	627	no	Yes	0	0.00%					
						206	100%						4	1.90%					
2	Sheppard Station 215 Brighton Woods Dr Pooler, GA 31322 Chatham County	12.9 miles	Lowrise (age-restricted) (3 stories) 2009	LIHTC/Mkt	1BR / 1BA	25	38.50%	@50%	\$439	815	yes	Yes	0	0.00%					
					1BR / 1BA	1	1.50%	@60%	\$439	815	no	Yes	0	0.00%					
					1BR / 1BA	7	10.80%	Market	\$489	815	n/a	Yes	0	0.00%					
					2BR / 1BA	24	36.90%	@50%	\$477	1,000	yes	Yes	0	0.00%					
					2BR / 1BA	2	3.10%	@60%	\$552	1,000	no	Yes	0	0.00%					
					2BR / 1BA	6	9.20%	Market	\$552	1,000	n/a	Yes	0	0.00%					
						65	100%						0	0.00%					
3	Sustainable Fellwood III Exley Street Savannah, GA 31415 Chatham County	3.2 miles	Midrise (age-restricted) (4 stories) 2012	LIHTC/Mkt	1BR / 1BA	41	41.00%	@60%	\$557	732	yes	No	0	0.00%					
					1BR / 1BA	37	37.00%	@60%	N/A	732	n/a	Yes	0	0.00%					
					1BR / 1BA	7	7.00%	Market	\$614	732	n/a	No	1	14.30%					
					2BR / 2BA	5	5.00%	@60%	\$657	951	yes	No	0	0.00%					
					2BR / 2BA	7	7.00%	@60%	N/A	951	n/a	Yes	0	0.00%					
					2BR / 2BA	3	3.00%	Market	\$742	951	n/a	No	0	0.00%					
						100	100%						1	1.00%					
4	Chelsea At Five Points 1910 Skidaway Rd Savannah, GA 31404 Chatham County	1.1 miles	Garden (2 stories) 1947 / 1983	Market	1BR / 1BA	24	17.60%	Market	\$600	700	n/a	Yes	1	4.20%					
					2BR / 1BA	112	82.40%	Market	\$650	850	n/a	Yes	1	0.90%					
						136	100%						2	1.50%					
5	The Fountains At Chatham Parkway 1699 Chatham Parkway Savannah, GA 31405 Chatham County	5.5 miles	Garden (2 stories) 2007-2008	Market	Studio / 1BA	44	12.50%	Market	\$897	575	n/a	No	0	0.00%					
					1BR / 1BA	44	12.50%	Market	\$946	741	n/a	No	N/A	N/A					
					1BR / 1BA	44	12.50%	Market	\$986	801	n/a	No	N/A	N/A					
					1BR / 1BA	22	6.20%	Market	\$1,029	830	n/a	No	N/A	N/A					
					1BR / 1BA	22	6.20%	Market	\$1,074	888	n/a	No	0	0.00%					
					2BR / 2BA	44	12.50%	Market	\$1,156	957	n/a	No	N/A	N/A					
					2BR / 2BA	22	6.20%	Market	\$1,096	1,055	n/a	No	N/A	N/A					
					2BR / 2BA	44	12.50%	Market	\$1,081	1,090	n/a	No	N/A	N/A					
					3BR / 2BA	33	9.40%	Market	\$1,241	1,291	n/a	No	N/A	N/A					
					3BR / 2BA	33	9.40%	Market	\$1,514	1,371	n/a	No	N/A	N/A					
						352	100%						5	1.40%					
6	Veranda At Midtown 1414 East Anderson Street Savannah, GA 31404 Chatham County	0.4 miles	Midrise (age-restricted) (4 stories) 2005	Market	1BR / 1BA	2	2.00%	Market	\$639	659	n/a	Yes	0	0.00%					
					1BR / 1BA	6	6.00%	Market	\$639	664	n/a	Yes	1	16.70%					
					1BR / 1BA	3	3.00%	Market	\$639	736	n/a	Yes	0	0.00%					
					1BR / 1BA	2	2.00%	PBRA	N/A	654	n/a	Yes	0	0.00%					
					1BR / 1BA	7	7.00%	PBRA	N/A	659	n/a	Yes	0	0.00%					
					1BR / 1BA	27	27.00%	PBRA	N/A	664	n/a	Yes	0	0.00%					
					1BR / 1BA	12	12.00%	PBRA	N/A	673	n/a	Yes	0	0.00%					
					1BR / 1BA	5	5.00%	PBRA	N/A	696	n/a	Yes	0	0.00%					
					1BR / 1BA	20	20.00%	PBRA	N/A	736	n/a	Yes	0	0.00%					
					2BR / 1BA	16	16.00%	PBRA	N/A	918	n/a	Yes	1	6.20%					
						100	100%						2	2.00%					
7	Walden At Chatham Center 100 Walden Lane Savannah, GA 31406 Bryan County	6.3 miles	Garden (3 stories) 2003	Market	1BR / 1BA	N/A	N/A	Market	\$1,066	834	n/a	No	2	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,124	1,131	n/a	No	1	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,322	1,358	n/a	No	2	N/A					
						236	100%						5	2.10%					

UNIT MATRIX REPORT

	Romana - Riley Lofts	Rose Of Sharon	Sheppard Station	Sustainable Fellwood III	Chelsea At Five Points	The Fountains 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) (3 stories)	Midrise (age-restricted) (4 stories)	Garden (2 stories)	Garden (2 stories)	Midrise (age-restricted) (4 stories)	Garden (3 stories)
Year Built / Renovated	Proposed	1972 / 2007	2009	2012	1947 / 1983	2007-2008	2005	2003
Market (Conv.)/Subsidy Type	LIHTC	LIHTC	LIHTC/Market	LIHTC/Market	Market	Market	Market	Market
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	yes	yes	yes	no	yes	no
In-Unit Amenities								
Balcony/Patio	yes	no	yes	yes	no	yes	yes	yes
Blinds	yes	no	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	no	no	no	no	no
Carpet/Hardwood	no	no	no	no	yes	no	no	no
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
Ceiling Fan	no	no	no	no	no	no	yes	yes
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
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/Community Room	yes	yes	yes	yes	no	yes	yes	yes
Elevators	yes	yes	yes	yes	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	N/A
Security								
In-Unit Alarm	no	no	yes	no	no	no	no	no
Intercom	yes	yes	no	yes	no	no	no	no
Limited Access	yes	yes	no	yes	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	Exterior covered porch w/seating in central area	n/a	Horseshoe pit, shuffleboard, library, garden	n/a	n/a	Outdoor auditorium	Library	Dog park, putting green

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

Effective Rent Date:	Apr-14	Units Surveyed:	1195	Weighted Occupancy:	98.40%
		Market Rate	824	Market Rate	98.30%
		Tax Credit	371	Tax Credit	98.70%

One Bedroom One Bath

Two Bedrooms One Bath

	Property	Average	Property	Average	
RENT	The Fountains At Chatham Parkway	\$1,074	The Fountains At Chatham Parkway	\$1,156	
	Walden At Chatham Center	\$1,066	Walden At Chatham Center	\$1,124	
	The Fountains At Chatham Parkway	\$1,029	The Fountains At Chatham Parkway	\$1,096	
	The Fountains At Chatham Parkway	\$986	The Fountains At Chatham Parkway	\$1,081	
	The Fountains At Chatham Parkway	\$946	Sustainable Fellwood III * (M)	\$742	
	Veranda At Midtown	\$639	Sustainable Fellwood III * (60%)	\$657	
	Veranda At Midtown	\$639	Chelsea At Five Points (1BA)	\$650	
	Veranda At Midtown	\$639	Romana - Riley Lofts * (60%)	\$639	
	Sustainable Fellwood III * (M)	\$614	Romana - Riley Lofts * (60%)	\$639	
	Chelsea At Five Points	\$600	Romana - Riley Lofts * (60%)	\$639	
	Sustainable Fellwood III * (60%)	\$557	Sheppard Station * (1BA 60%)	\$552	
	Romana - Riley Lofts * (60%)	\$532	Sheppard Station * (1BA M)	\$552	
	Sheppard Station * (M)	\$489	Romana - Riley Lofts * (50%)	\$507	
	Rose Of Sharon * (60%)	\$461	Romana - Riley Lofts * (50%)	\$507	
	Rose Of Sharon * (60%)	\$461	Romana - Riley Lofts * (50%)	\$507	
	Sheppard Station * (50%)	\$439	Sheppard Station * (1BA 50%)	\$477	
	Sheppard Station * (60%)	\$439			
	Romana - Riley Lofts * (50%)	\$422			
	SQUARE FOOTAGE	The Fountains At Chatham Parkway	888	Walden At Chatham Center	1,131
		Walden At Chatham Center	834	The Fountains At Chatham Parkway	1,090
The Fountains At Chatham Parkway		830	The Fountains At Chatham Parkway	1,055	
Sheppard Station * (50%)		815	Romana - Riley Lofts * (50%)	1,005	
Sheppard Station * (60%)		815	Romana - Riley Lofts * (60%)	1,005	
Sheppard Station * (M)		815	Sheppard Station * (1BA 50%)	1,000	
The Fountains At Chatham Parkway		801	Sheppard Station * (1BA 60%)	1,000	
The Fountains At Chatham Parkway		741	Sheppard Station * (1BA M)	1,000	
Veranda At Midtown		736	The Fountains 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 At Five Points		700	Romana - Riley Lofts * (50%)	916	
Veranda At Midtown		664	Romana - Riley Lofts * (60%)	916	
Veranda At Midtown		659	Romana - Riley Lofts * (50%)	864	
Romana - Riley Lofts * (50%)		640	Romana - Riley Lofts * (60%)	864	
Romana - Riley Lofts * (60%)		640	Chelsea At Five Points (1BA)	850	
Rose Of Sharon * (60%)		627			
Rose Of Sharon * (60%)		602			
RENT PER SQUARE FOOT		Walden At Chatham Center	\$1.28	The Fountains At Chatham Parkway	\$1.21
		The Fountains At Chatham Parkway	\$1.28	The Fountains At Chatham Parkway	\$1.04
	The Fountains At Chatham Parkway	\$1.24	Walden At Chatham Center	\$0.99	
	The Fountains At Chatham Parkway	\$1.23	The Fountains At Chatham Parkway	\$0.99	
	The Fountains At Chatham Parkway	\$1.21	Sustainable Fellwood III * (M)	\$0.78	
	Veranda At Midtown	\$0.97	Chelsea At Five Points (1BA)	\$0.76	
	Veranda At Midtown	\$0.96	Romana - Riley Lofts * (60%)	\$0.74	
	Veranda At Midtown	\$0.87	Romana - Riley Lofts * (60%)	\$0.70	
	Chelsea At Five Points	\$0.86	Sustainable Fellwood III * (60%)	\$0.69	
	Sustainable Fellwood III * (M)	\$0.84	Romana - Riley Lofts * (60%)	\$0.64	
	Romana - Riley Lofts * (60%)	\$0.83	Romana - Riley Lofts * (50%)	\$0.59	
	Rose Of Sharon * (60%)	\$0.77	Sheppard Station * (1BA 60%)	\$0.55	
	Sustainable Fellwood III * (60%)	\$0.76	Sheppard Station * (1BA M)	\$0.55	
	Rose Of Sharon * (60%)	\$0.74	Romana - Riley Lofts * (50%)	\$0.55	
	Romana - Riley Lofts * (50%)	\$0.66	Romana - Riley Lofts * (50%)	\$0.50	
	Sheppard Station * (M)	\$0.60	Sheppard Station * (1BA 50%)	\$0.48	
	Sheppard Station * (50%)	\$0.54			
	Sheppard Station * (60%)	\$0.54			

PROPERTY PROFILE REPORT

Rose Of Sharon

Effective Rent Date	3/27/2014
Location	322 East Taylor Street Savannah, GA 31401 Chatham County
Distance	1.4 miles
Units	206
Vacant Units	4
Vacancy Rate	1.9%
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 62+, most over the age of 65.
Contact Name	Karen
Phone	912-234-5417



Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	76%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Increased 3% to 4%
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	\$511	\$0	@60%	Yes	0	0.0%	no	None
1	1	Highrise (12 stories)	140	602	\$587	\$0	@60%	Yes	4	2.9%	no	None
1	1	Highrise (12 stories)	22	627	\$587	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$511	\$0	\$511	-\$102	\$409
1BR / 1BA	\$587	\$0	\$587	-\$126	\$461

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

There is a waiting list of 20 households for the subsidized units. The LIHTC units without subsidy do not have a waiting list. According to management, 76 percent of the unsubsidized LIHTC units are filled by voucher holders.

Rose Of Sharon, continued

Trend Report

Vacancy Rates

3Q10	2Q12	2Q13	1Q14
5.3%	2.4%	4.4%	1.9%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	6.2%	\$567	\$0	\$567	\$441
2012	2	3.1%	\$567	\$17	\$550	\$424
2013	2	3.7%	\$567	\$0	\$567	\$441
2014	1	2.5%	\$587	\$0	\$587	\$461

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	2.3%	\$495	\$0	\$495	\$393
2012	2	0.0%	\$495	\$17	\$478	\$376
2013	2	6.8%	\$495	\$0	\$495	\$393
2014	1	0.0%	\$511	\$0	\$511	\$409

Trend: Comments

- 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.
- 1Q14** There is a waiting list of 20 households for the subsidized units. The LIHTC units without subsidy do not have a waiting list. According to management, 76 percent of the unsubsidized LIHTC units are filled by voucher holders.

Photos



PROPERTY PROFILE REPORT

Sheppard Station

Effective Rent Date	4/02/2014
Location	215 Brighton Woods Dr Pooler, GA 31322 Chatham County
Distance	12.9 miles
Units	65
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Seniors age 55 and older; average age 65-70.
Contact Name	Gina
Phone	912-748-0495



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	10%
Units/Month Absorbed	12
HCV Tenants	3%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased 2% to 13%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	25	815	\$439	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	1	815	\$439	\$0	@60%	Yes	0	0.0%	no	None
1	1	Lowrise (3 stories)	7	815	\$489	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Lowrise (3 stories)	24	1,000	\$477	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	2	1,000	\$552	\$0	@60%	Yes	0	0.0%	no	None
2	1	Lowrise (3 stories)	6	1,000	\$552	\$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	\$439	\$0	\$439	\$0	\$439	1BR / 1BA	\$439	\$0	\$439	\$0	\$439
2BR / 1BA	\$477	\$0	\$477	\$0	\$477	2BR / 1BA	\$552	\$0	\$552	\$0	\$552
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$489	\$0	\$489	\$0	\$489						
2BR / 1BA	\$552	\$0	\$552	\$0	\$552						

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

The property maintains a 500 household waiting list.

Sheppard Station, continued

Trend Report

Vacancy Rates

2Q12	1Q13	2Q13	2Q14
0.0%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$427	\$0	\$427	\$427
2013	1	0.0%	\$427	\$0	\$427	\$427
2013	2	0.0%	\$427	\$0	\$427	\$427
2014	2	0.0%	\$439	\$0	\$439	\$439

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$462	\$0	\$462	\$462
2013	1	0.0%	\$462	\$0	\$462	\$462
2013	2	0.0%	\$462	\$0	\$462	\$462
2014	2	0.0%	\$477	\$0	\$477	\$477

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$427	\$0	\$427	\$427
2013	1	0.0%	\$427	\$0	\$427	\$427
2013	2	0.0%	\$427	\$0	\$427	\$427
2014	2	0.0%	\$439	\$0	\$439	\$439

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$462	\$0	\$462	\$462
2013	1	0.0%	\$462	\$0	\$462	\$462
2013	2	0.0%	\$462	\$0	\$462	\$462
2014	2	0.0%	\$552	\$0	\$552	\$552

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$489	\$0	\$489	\$489
2013	1	0.0%	\$489	\$0	\$489	\$489
2013	2	0.0%	\$489	\$0	\$489	\$489
2014	2	0.0%	\$489	\$0	\$489	\$489

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$539	\$0	\$539	\$539
2013	1	0.0%	\$539	\$0	\$539	\$539
2013	2	0.0%	\$539	\$0	\$539	\$539
2014	2	0.0%	\$552	\$0	\$552	\$552

Trend: Comments

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.

2Q14 The property maintains a 500 household waiting list.

Sheppard Station, continued

Photos



PROPERTY PROFILE REPORT

Sustainable Fellwood III

Effective Rent Date	4/01/2014
Location	Exley Street Savannah, GA 31415 Chatham County
Distance	3.2 miles
Units	100
Vacant Units	1
Vacancy Rate	1.0%
Type	Midrise (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	Karen
Phone	912-480-4611



Market Information

Program	@60%, @60% (Project Based Rental)
Annual Turnover Rate	10%
Units/Month Absorbed	30
HCV Tenants	10%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 1% to 6%
Concession	Half off first month's rent

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	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)	41	732	\$619	\$26	@60%	No	0	0.0%	yes	None
1	1	Midrise (4 stories)	37	732	N/A	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	7	732	\$678	\$28	Market	No	1	14.3%	N/A	None
2	2	Midrise (4 stories)	5	951	\$732	\$31	@60%	No	0	0.0%	yes	None
2	2	Midrise (4 stories)	7	951	N/A	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
2	2	Midrise (4 stories)	3	951	\$820	\$34	Market	No	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$619	\$0 - \$26	\$593	-\$36	\$557	1BR / 1BA	\$678	\$28	\$650	-\$36	\$614
2BR / 2BA	\$732	\$0 - \$31	\$701	-\$44	\$657	2BR / 2BA	\$820	\$34	\$786	-\$44	\$742

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

Intercom (Phone)
Limited Access

Services

None

Property

Business Center/Computer Lab
Elevators
Off-Street Parking
Recreation Areas

Clubhouse/Meeting
Exercise Facility
On-Site Management

Premium

None

Other

None

Comments

Management indicated that the annual turnover rate and percentage of voucher holders are below 10 percent. There is a lengthy waiting list for the subsidized units.

Sustainable Fellwood III, continued

Trend Report

Vacancy Rates

1Q13	2Q13	4Q13	2Q14
5.0%	0.0%	0.0%	1.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$583	\$0	\$583	\$547
2013	2	0.0%	\$583	\$0	\$583	\$547
2013	4	0.0%	\$583	\$0	\$583	\$547
2014	2	0.0%	\$619	\$0 - \$26	\$593	\$557

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$702	\$0	\$702	\$658
2013	2	0.0%	\$702	\$0	\$702	\$658
2013	4	0.0%	\$702	\$0	\$702	\$658
2014	2	0.0%	\$732	\$0 - \$31	\$701	\$657

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$639	\$0	\$639	\$603
2013	2	0.0%	\$639	\$0	\$639	\$603
2013	4	0.0%	\$639	\$0	\$639	\$603
2014	2	14.3%	\$678	\$28	\$650	\$614

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$739	\$0	\$739	\$695
2013	2	0.0%	\$739	\$0	\$739	\$695
2013	4	0.0%	\$739	\$0	\$739	\$695
2014	2	0.0%	\$820	\$34	\$786	\$742

Trend: Comments

- 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.
- 4Q13** The contact noted that the property is an age-restricted property for seniors over the age of 62. The contact indicated that there is not currently a waiting list, nor are there any vacancies. The contact stated that the annual turnover rate is almost zero. The property does accept housing choice vouchers, but the contact could not provide an estimate for the number of tenants that currently use vouchers.
- Management reported that there is a waiting list but could not estimate the number of households on the waiting list.
- 2Q14** Management indicated that the annual turnover rate and percentage of voucher holders are below 10 percent. There is a lengthy waiting list for the subsidized units.

Photos



PROPERTY PROFILE REPORT

Chelsea At Five Points

Effective Rent Date	4/01/2014
Location	1910 Skidaway Rd Savannah, GA 31404 Chatham County
Distance	1.1 miles
Units	136
Vacant Units	2
Vacancy Rate	1.5%
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	Varied tenancy from Savannah. 40% seniors.
Contact Name	Dawson
Phone	912-232-6640



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	12%
Leasing Pace	A few weeks.
Annual Chg. in Rent	Increased 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	Yes	1	4.2%	N/A	None
2	1	Garden (2 stories)	112	850	\$650	\$0	Market	Yes	1	0.9%	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

Comments

The waiting list consists of two to three households.

Chelsea At Five Points, continued

Trend Report

Vacancy Rates

2Q12	2Q13	4Q13	2Q14
4.4%	3.7%	0.7%	1.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$590	\$0	\$590	\$590
2013	2	0.0%	\$600	\$0	\$600	\$600
2013	4	0.0%	\$600	\$0	\$600	\$600
2014	2	4.2%	\$600	\$0	\$600	\$600

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$625	\$0	\$625	\$625
2013	2	4.5%	\$650	\$0	\$650	\$650
2013	4	0.9%	\$650	\$0	\$650	\$650
2014	2	0.9%	\$650	\$0	\$650	\$650

Trend: Comments

- 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.
- 4Q13** The contact stated that they do accept housing choice vouchers and 25 tenants currently use them. The property does not maintain a waiting list.
- 2Q14** The waiting list consists of two to three households.

Photos



PROPERTY PROFILE REPORT

The Fountains At Chatham Parkway

Effective Rent Date	3/26/2014
Location	1699 Chatham Parkway Savannah, GA 31405 Chatham County
Distance	5.5 miles
Units	352
Vacant Units	5
Vacancy Rate	1.4%
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	N/A
Tenant Characteristics	Singles, couples, seniors, and families from Savannah and Chatham County.
Contact Name	Kiwanda
Phone	912-236-3771



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	29
HCV Tenants	0%
Leasing Pace	A few weeks.
Annual Chg. in Rent	Rents change daily.
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	44	575	\$868	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	44	741	\$917	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	44	801	\$957	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	22	830	\$1,000	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	22	888	\$1,045	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	44	957	\$1,127	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	22	1,055	\$1,067	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	44	1,090	\$1,052	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	33	1,291	\$1,212	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	33	1,371	\$1,485	\$0	Market	No	N/A	N/A	N/A	None

The Fountains At Chatham Parkway, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$868	\$0	\$868	\$29	\$897
1BR / 1BA	\$917 - \$1,045	\$0	\$917 - \$1,045	\$29	\$946 - \$1,074
2BR / 2BA	\$1,052 - \$1,127	\$0	\$1,052 - \$1,127	\$29	\$1,081 - \$1,156
3BR / 2BA	\$1,212 - \$1,485	\$0	\$1,212 - \$1,485	\$29	\$1,241 - \$1,514

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

Management uses LRO Multifamily Housing Product Suite; therefore, rents change daily according to lease terms and availability. The annual turnover rate was not available.

The property was formerly known as Springs at Chatham Parkway. It is currently undergoing a multimillion dollar renovation to the clubhouse, pool, building exterior, and some unit interiors. The exact cost and scope of renovation could not be provided.

The Fountains At Chatham Parkway, continued

Trend Report

Vacancy Rates

2Q12	2Q13	4Q13	1Q14
5.4%	6.8%	2.8%	1.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$840 - \$957	\$0	\$840 - \$957	\$869 - \$986
2013	2	5.3%	\$805 - \$995	\$0	\$805 - \$995	\$834 - \$1,024
2013	4	N/A	\$890 - \$1,045	\$0	\$890 - \$1,045	\$919 - \$1,074
2014	1	N/A	\$917 - \$1,045	\$0	\$917 - \$1,045	\$946 - \$1,074

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$991 - \$1,012	\$0	\$991 - \$1,012	\$1,020 - \$1,041
2013	2	7.3%	\$850 - \$1,065	\$0	\$850 - \$1,065	\$879 - \$1,094
2013	4	N/A	\$999 - \$1,145	\$0	\$999 - \$1,145	\$1,028 - \$1,174
2014	1	N/A	\$1,052 - \$1,127	\$0	\$1,052 - \$1,127	\$1,081 - \$1,156

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$1,091 - \$1,192	\$0	\$1,091 - \$1,192	\$1,120 - \$1,221
2013	2	7.6%	\$1,080 - \$1,360	\$0	\$1,080 - \$1,360	\$1,109 - \$1,389
2013	4	N/A	\$1,099 - \$1,265	\$0	\$1,099 - \$1,265	\$1,128 - \$1,294
2014	1	N/A	\$1,212 - \$1,485	\$0	\$1,212 - \$1,485	\$1,241 - \$1,514

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$743	\$0	\$743	\$772
2013	2	9.1%	\$760	\$0	\$760	\$789
2013	4	0.0%	\$868 - \$967	\$0	\$868 - \$967	\$897 - \$996
2014	1	0.0%	\$868	\$0	\$868	\$897

Trend: Comments

- 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.
- 4Q13** The contact stated that the property uses LRO Multifamily Housing Product Suite; rents change daily according to lease terms and availability. The contact further stated that the property does not accept Housing Choice vouchers. No utilities are included; residents pay a trash fee in addition to their utility bills.
- 1Q14** Management uses LRO Multifamily Housing Product Suite; therefore, rents change daily according to lease terms and availability. The annual turnover rate was not available.
- The property was formerly known as Springs at Chatham Parkway. It is currently undergoing a multimillion dollar renovation to the clubhouse, pool, building exterior, and some unit interiors. The exact cost and scope of renovation could not be provided.

The Fountains At Chatham Parkway, continued

Photos



PROPERTY PROFILE REPORT

Veranda At Midtown

Effective Rent Date	3/26/2014
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	Jamica
Phone	912-236-0683



Market Information

Program	Market, PBRA
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
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	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	6	664	\$675	\$0	Market	Yes	1	16.7%	N/A	None
1	1	Midrise (4 stories)	3	736	\$675	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	2	654	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	7	659	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	27	664	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	12	673	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	5	696	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	20	736	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
2	1	Midrise (4 stories)	16	918	N/A	\$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	-\$36	\$639	1BR / 1BA	N/A	\$0	N/A	-\$36	N/A
						2BR / 1BA	N/A	\$0	N/A	-\$44	N/A

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

There is a waiting list of approximately 20 households for the market rate units. None of the market rate units are filled with voucher holders. The PBRA waiting list is approximately two years in length and is maintained by the local housing authority.

Veranda At Midtown, continued

Trend Report

Vacancy Rates

3Q10	2Q12	2Q13	1Q14
2.0%	2.0%	2.0%	2.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	18.2%	\$675	\$0	\$675	\$639
2012	2	9.1%	\$675	\$0	\$675	\$639
2013	2	9.1%	\$675	\$0	\$675	\$639
2014	1	9.1%	\$675	\$0	\$675	\$639

Trend: PBRA

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$637	\$0	\$637	\$601
2012	2	0.0%	\$637	\$0	\$637	\$601
2013	2	0.0%	\$637	\$0	\$637	\$601
2014	1	0.0%	N/A	\$0	N/A	N/A

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$710	\$0	\$710	\$666
2012	2	6.2%	\$710	\$0	\$710	\$666
2013	2	6.2%	\$710	\$0	\$710	\$666
2014	1	6.2%	N/A	\$0	N/A	N/A

Trend: Comments

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
1Q14	There is a waiting list of approximately 20 households for the market rate units. None of the market rate units are filled with voucher holders. The PBRA waiting list is approximately two years in length and is maintained by the local housing authority.

Photos



PROPERTY PROFILE REPORT

Walden At Chatham Center

Effective Rent Date 4/01/2014
Location 100 Walden Lane
 Savannah, GA 31406
 Bryan County
Distance 6.3 miles
Units 236
Vacant Units 5
Vacancy Rate 2.1%
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 Varied tenancy from Savannah.
Contact Name Taylor
Phone 912-238-8596



Market Information

Program Market
Annual Turnover Rate 35%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Within one to two weeks
Annual Chg. in Rent Rents change daily.
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	834	\$1,037	\$0	Market	No	2	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,131	\$1,095	\$0	Market	No	1	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,358	\$1,293	\$0	Market	No	2	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,037	\$0	\$1,037	\$29	\$1,066
2BR / 2BA	\$1,095	\$0	\$1,095	\$29	\$1,124
3BR / 2BA	\$1,293	\$0	\$1,293	\$29	\$1,322

Walden At Chatham Center, continued

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 uses the Yieldstar program. Therefore, management could only provide a range of rents for each bedroom type. We illustrated the average rents in the rent grid. The one-bedroom units range in size from 642 square feet to 1,013 square feet, with an average of 834 square feet. Given the limited information provided by management, we illustrated the average one-bedroom unit size in the rent grid. The two and three-bedroom units are 1,131 square feet and 1,358 square feet, respectively.

Storage lockers at \$60 per month. Garage parking is \$75 and \$125 per month for the small and large garages.

Trend Report

Vacancy Rates

2Q12	2Q13	4Q13	2Q14
2.5%	3.0%	1.6%	2.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	5.6%	\$825 - \$940	\$0	\$825 - \$940	\$854 - \$969
2013	2	2.2%	\$822 - \$970	\$0	\$822 - \$970	\$851 - \$999
2013	4	2.2%	\$784 - \$970	\$0	\$784 - \$970	\$813 - \$999
2014	2	N/A	\$1,037	\$0	\$1,037	\$1,066

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.8%	\$1,068 - \$1,075	\$0	\$1,068 - \$1,075	\$1,097 - \$1,104
2013	2	2.5%	\$1,094 - \$1,279	\$0	\$1,094 - \$1,279	\$1,123 - \$1,308
2013	4	1.7%	\$1,056 - \$1,090	\$0	\$1,056 - \$1,090	\$1,085 - \$1,119
2014	2	N/A	\$1,095	\$0	\$1,095	\$1,124

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$1,273 - \$1,278	\$0	\$1,273 - \$1,278	\$1,302 - \$1,307
2013	2	8.3%	\$1,294 - \$1,360	\$0	\$1,294 - \$1,360	\$1,323 - \$1,389
2013	4	0.0%	\$1,294 - \$1,360	\$0	\$1,294 - \$1,360	\$1,323 - \$1,389
2014	2	N/A	\$1,293	\$0	\$1,293	\$1,322

Trend: Comments

- 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.
- 4Q13** Rents vary based upon availability as management uses the Yieldstar program. The one-bedroom units with 642 square feet range in rent from \$740 to \$827 based upon availability. The one-bedroom units with 797 square feet range in rent from \$795 to \$875 based upon availability. The rents listed are averages. The contact was unable to provide rents for the two larger one-bedroom apartments as there are currently none available. The contact provided an estimate for rents on these units.
- The two-bedroom units with 1,131 square feet range in rent from \$1,043 to \$1,075. The two-bedroom units with 1,211 square feet range in rent from \$1,073 to \$1,107. The rents listed are averages. The contact was unable to provide rents on either type of three-bedroom unit because there are currently none available. The contact was able to provide an estimate of rents on each type of three-bedroom units.
- 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.
- 2Q14** The property uses the Yieldstar program. Therefore, management could only provide a range of rents for each bedroom type. We illustrated the average rents in the rent grid. The one-bedroom units range in size from 642 square feet to 1,013 square feet, with an average of 834 square feet. Given the limited information provided by management, we illustrated the average one-bedroom unit size in the rent grid. The two and three-bedroom units are 1,131 square feet and 1,358 square feet, respectively.
- Storage lockers at \$60 per month. Garage parking is \$75 and \$125 per month for the small and large garages.

Photos



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

Housing Choice Vouchers

TENANTS WITH VOUCHERS

Comparable Property	Rent Structure	Location	Tenancy	Housing Choice Voucher Tenants
Rose Of Sharon	LIHTC	Savannah	Senior	76%
Sheppard Station	LIHTC/Market	Pooler	Senior	3%
Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	10%
Chelsea At Five Points	Market	Savannah	Family	12%
The Fountains At Chatham Parkway	Market	Savannah	Family	0%
Veranda At Midtown	Market	Savannah	Senior	0%
Walden At Chatham Center	Market	Savannah	Family	0%

As illustrated in the previous table, Housing Choice Voucher (HCV) reliance is low with the exception of Rose of Sharon, which has voucher usage of 76 percent. Rose of Sharon was constructed in 1972 and renovated in 2007. It is inferior to the proposed Subject in terms of age and condition. Sheppard Station and Sustainable Fellwood III, both of which are senior LIHTC properties constructed between 2009 and 2012, have voucher usage of 10 percent or less. Rose of Sharon is considered to be an outlier. We expect the Subject to have voucher usage consistent with that reflected by the two newer senior comparables.

Waiting Lists

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

WAITING LISTS

Comparable Property	Rent Structure	Location	Tenancy	Length of Waiting List
Rose Of Sharon	LIHTC	Savannah	Senior	20 HHs for subsidized units; none for LIHTC units.
Sheppard Station	LIHTC/Market	Pooler	Senior	500+ HHs
Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	Lengthy waiting list for subsidized units.
Chelsea At Five Points	Market	Savannah	Family	2-3 HHs
The Fountains At Chatham Parkway	Market	Savannah	Family	None
Veranda At Midtown	Market	Savannah	Senior	20 HHs for market rate; lengthy waiting list for subsidized units
Walden At Chatham Center	Market	Savannah	Family	None

As the previous table illustrates, five of the seven comparables maintain waiting lists. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong

senior rental market. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.

Lease Up History

We were able to obtain absorption information from several LIHTC and market rate properties in Savannah. Several of these properties have been used as comparables in our report.

ABSORPTION

Comparable Property	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Savannah Gardens III	LIHTC/Market	Family	2012	95	12
Sustainable Fellwood III	LIHTC	Senior	2012	100	30
Sustainable Fellwood II	LIHTC/Market/PBRA	Family	2011	110	18
Savannah Gardens I	LIHTC	Family	2010	115	11
Sustainable Fellwood I	LIHTC/Market/PBRA	Family	2009	110	18
Sheppard Station	LIHTC	Senior	2009	65	12
Ashley Midtown Phase II	LIHTC/PBRA	Family	2008	38	12
The Fountains At Chatham Parkway	Market	Family	2007-2008	352	29
AVERAGE					18

As illustrated in the previous table, the properties constructed between 2007 and 2012 reported absorption rates of 11 to 30 units per month, with an average of 18 units per month. Sustainable Fellwood III is the newest senior LIHTC property in the market. This property experienced an absorption rate of 30 units per month. Sustainable Fellwood III benefits from being a subsequent phase of an existing development and it offers project-based rental assistance for 44 percent of its units, which the Subject will not. Based upon this information, we would expect the Subject to experience a slower absorption pace when compared to Sustainable Fellwood III. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 12 units per month, which equates to an absorption period of approximately five months for the Subject to reach 93 percent occupancy.

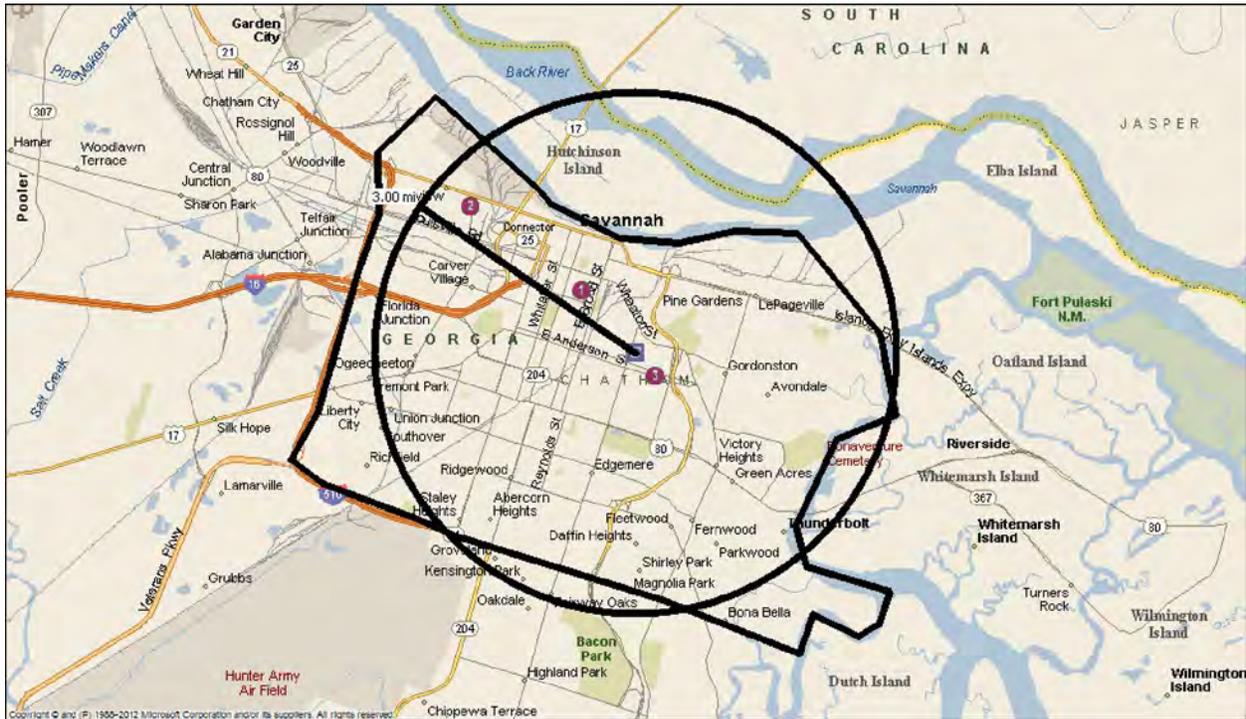
Phased Developments

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

#	Comparable Property	Rent Structure	Location	Tenancy	Distance
1	Rose Of Sharon	LIHTC	Savannah	Senior	1.4 miles
2	Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	3.2 miles
3	Veranda At Midtown	Market	Savannah	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.

UNIT MATRIX REPORT

	Romana - Riley Lofts	Rose Of Sharon	Sheppard Station	Sustainable Fellwood III	Chelsea At Five Points	The Fountains 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) (3 stories)	Midrise (age-restricted) (4 stories)	Garden (2 stories)	Garden (2 stories)	Midrise (age-restricted) (4 stories)	Garden (3 stories)
Year Built / Renovated	Proposed	1972 / 2007	2009	2012	1947 / 1983	2007-2008	2005	2003
Market (Conv.)/Subsidy Type	LIHTC	LIHTC	LIHTC/Market	LIHTC/Market	Market	Market	Market	Market
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	yes	yes	yes	no	yes	no
In-Unit Amenities								
Balcony/Patio	yes	no	yes	yes	no	yes	yes	yes
Blinds	yes	no	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	no	no	no	no	no
Carpet/Hardwood	no	no	no	no	yes	no	no	no
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
Ceiling Fan	no	no	no	no	no	no	yes	yes
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
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/Community Room	yes	yes	yes	yes	no	yes	yes	yes
Elevators	yes	yes	yes	yes	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	N/A
Security								
In-Unit Alarm	no	no	yes	no	no	no	no	no
Intercom	yes	yes	no	yes	no	no	no	no
Limited Access	yes	yes	no	yes	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	Exterior covered porch w/seating in central area	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 a business center/computer lab and an 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 age 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 unrestricted family properties.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Comparable Property	Rent Structure	Location	Tenancy	Total Units	Vacant Units	Vacancy Rate
Rose Of Sharon*	LIHTC	Savannah	Senior	206	4	1.90%
Sheppard Station	LIHTC/Market	Pooler	Senior	65	0	0.00%
Sustainable Fellwood III*	LIHTC/Market	Savannah	Senior	100	1	1.00%
Chelsea At Five Points*	Market	Savannah	Family	136	2	1.50%
The Fountains At Chatham Parkway	Market	Savannah	Family	352	5	1.40%
Veranda At Midtown*	Market	Savannah	Senior	100	2	2.00%
Walden At Chatham Center	Market	Savannah	Family	236	5	2.10%
Total				1,195	19	1.60%

*Properties located in PMA.

The comparable properties reported vacancy rates of zero to 2.1 percent, with an average of 1.6 percent. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 1.5 percent. Overall, the market is performing well. Based on the strong performance of the comparables, we expect the Subject to maintain a vacancy rate of five percent or less following stabilization.

7. Properties Under Construction and Proposed

There are two LIHTC properties proposed or under construction in the PMA.

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

1. Savannah Gardens IV will be located 1.6 miles from the Subject.
2. Mercy Housing is the sponsor for Savannah Gardens IV.
3. The property will offer 114 units.
4. The property will consist of one, two, and three-bedroom units.
5. The property will offer units restricted at 50 and 60 percent AMI as well as unrestricted units.
6. Construction is expected to be complete by December 2014.

7. According to the property manager at Savannah Gardens I, II, and III, the proposed rents are not yet available. Management expects marketing and pre-leasing to begin in the summer of 2014.

Savannah Gardens V was allocated tax credits in 2013 and will target families/general households.

1. Savannah Gardens V will be located 1.6 miles from the Subject.
2. Mercy Housing is the sponsor for Savannah Gardens IV.
3. The property will offer 76 units.
4. The property will consist of one, two, and three-bedroom units.
5. The property will offer units restricted at 50 and 60 percent AMI as well as unrestricted units.
6. Construction is expected to begin in 2014 and be complete by December 2015.
7. According to the property manager at Savannah Gardens I, II, and III, the proposed rents are not yet available.

It should be noted that the existing three phases of Savannah Gardens currently have a waiting list of 100 households. Management expects the proposed units at phases IV and V to be partially filled by households on the waiting list. Because these properties will target families, we do not believe that they 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	LIHTC	Slightly Inferior	Slightly Inferior	Similar	Inferior	Inferior	-30
2	Sheppard Station	LIHTC/Market	Slightly Superior	Superior	Inferior	Similar	Superior	15
3	Sustainable Fellwood III	LIHTC/Market	Similar	Superior	Slightly Inferior	Similar	Superior	15
4	Chelsea 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	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)	\$422	\$507
LIHTC Maximum (Net)	\$422	\$507
Sheppard Station	\$439	\$477
Average (excluding Subject)	\$439	\$477

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR
Romana - Riley Lofts (Subject)	\$532	\$639
LIHTC Maximum (Net)	\$532	\$639
Sustainable Fellwood III	\$557	\$657
Rose Of Sharon	\$461	-
Sheppard Station	\$439	\$552
Average (excluding Subject)	\$486	\$605

Sheppard Station was constructed in 2009 and is similar to the proposed Subject in terms of age and condition. The Subject will offer a superior location when compared to Sheppard Station. However, Sheppard Station is slightly superior to superior to the proposed Subject in terms of amenities and unit size. Sheppard Station’s rents at 50 percent AMI are at the maximum allowable levels while its rents at 60 percent AMI are below the maximum allowable levels, despite the property being 100 percent occupied with a lengthy waiting list. Further, its one-bedroom 60 percent rents are understated as they are set at the same level as the one-bedroom 50 percent rents. Sheppard Station’s one and two-bedroom 60 percent rents are more than \$100 lower than the one and two-bedroom 60 percent rents at Sustainable Fellwood III, a new senior LIHTC comparable. Overall, we believe Sheppard Station’s 60 percent rents are artificially low and not indicative of achievable rents.

The Subject will be slightly superior to 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 is superior to the proposed Subject in terms of in-unit amenities and unit sizes but slightly inferior in terms of location. It is currently 99 percent occupied with a lengthy waiting list. Sustainable Fellwood III is achieving maximum allowable 60 percent rents. Therefore, we believe the Subject’s proposed rents are reasonable and achievable.

Overall, there is strong demand for senior LIHTC housing in the local market. We believe that the Subject’s rents are feasible as proposed despite its somewhat small unit sizes and lack of washer/dryer connections. Additionally, the Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market. While the two-bedroom captures are higher, we believe there is sufficient demand for the two-bedroom units.

Analysis of “Market Rents”

Per DCA’s market study guidelines, “average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not “Achievable unrestricted market rent.” In an urban market

with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comps, but many market rate comps with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comps. In a small rural market there may be neither tax credit comps nor market rate comps with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market.”

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

The overall average and the maximum and minimum adjusted rents for the market properties surveyed are illustrated in the table below in comparison with net rents for the Subject. Sheppard Station is the only comparable property that offers units at 50 percent of the AMI. Its one-bedroom 50 percent AMI rents and 60 percent AMI rents are the same; therefore, the surveyed minimum rents are the same at the 50 and 60 percent AMI levels.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$422	\$439	\$1,074	\$692	64%
2 BR @ 50%	\$507	\$477	\$1,156	\$809	60%
1 BR @ 60%	\$532	\$439	\$1,074	\$709	33%
2 BR @ 60%	\$639	\$552	\$1,156	\$846	32%

The Subject’s proposed 50 and 60 percent AMI rents will have a significant rent advantage over the surveyed average rents in the market. The Subject will be in excellent condition 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 of the range and appear to be feasible in the market given the low vacancy rates and presence of waiting lists at the comparable properties.

9. LIHTC Competition – DCA Funded Properties within the PMA

There are two LIHTC properties proposed or under construction in the PMA.

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

1. Savannah Gardens IV will be located 1.6 miles from the Subject.
2. Mercy Housing is the sponsor for Savannah Gardens IV.
3. The property will offer 114 units.
4. The property will consist of one, two, and three-bedroom units.
5. The property will offer units restricted at 50 and 60 percent AMI as well as unrestricted units.
6. Construction is expected to be complete by December 2014.

7. According to the property manager at Savannah Gardens I, II, and III, the proposed rents are not yet available. Management expects marketing and pre-leasing to begin in the summer of 2014.

Savannah Gardens V was allocated tax credits in 2013 and will target families/general households.

1. Savannah Gardens V will be located 1.6 miles from the Subject.
2. Mercy Housing is the sponsor for Savannah Gardens IV.
3. The property will offer 76 units.
4. The property will consist of one, two, and three-bedroom units.
5. The property will offer units restricted at 50 and 60 percent AMI as well as unrestricted units.
6. Construction is expected to begin in 2014 and be complete by December 2015.
7. According to the property manager at Savannah Gardens I, II, and III, the proposed rents are not yet available.

It should be noted that the existing three phases of Savannah Gardens currently have a waiting list of 100 households. Management expects the proposed units at phases IV and V to be partially filled by households on the waiting list. Because these properties will target families, we do not believe that they will directly compete with the Subject.

The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 1.5 percent. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. Based upon the strong performance of the senior LIHTC comparables in the PMA, we believe there is adequate demand for the proposed Subject.

10. Rental Trends in the PMA

The table below depicts senior household growth by tenure from 2000 through 2018.

PMA TENURE PATTERNS OF SENIORS 55+				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	8,673	66.0%	4,465	34.0%
2013	8,014	61.5%	5,023	38.5%
Projected Mkt Entry				
June 2016	8,514	61.4%	5,357	38.6%
2018	8,872	61.3%	5,597	38.7%

Source: ESRI Demographics 2013, Novogradac & Company LLP, March 2014

Owner-occupied housing units dominate the housing market in the PMA. However, the 38.5 percent renter-occupied number is significantly higher than the national average of 13.0 percent for senior households.

Historical Vacancy

The following table illustrates the historical vacancy trends at the comparable properties.

HISTORICAL VACANCY TRENDS

Comparable Property	Rent Structure	Tenancy	Total Units	2QTR 2012	2QTR 2013	2QTR 2014
Rose Of Sharon	LIHTC	Senior	206	2.40%	4.40%	1.90%
Sheppard Station	LIHTC/Market	Senior	65	0.00%	0.00%	0.00%
Sustainable Fellwood III	LIHTC/Market	Senior	100	10.00%	0.00%	1.00%
Chelsea At Five Points	Market	Family	136	4.40%	3.70%	1.50%
The Fountains At Chatham Parkway	Market	Family	352	5.40%	6.80%	1.40%
Veranda At Midtown	Market	Senior	100	2.00%	2.00%	2.00%
Walden At Chatham Center	Market	Family	236	2.50%	3.00%	2.10%

As illustrated in the previous table, vacancy rates at the comparable properties have generally decreased over 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	LIHTC	Savannah	Senior	Increased 3-4%.
Sheppard Station	LIHTC/Market	Pooler	Senior	Increased 2-13%.
Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	Increased 1-6%.
Chelsea At Five Points	Market	Savannah	Family	Increased 4%.
The Fountains At Chatham Parkway	Market	Savannah	Family	Rents change daily.
Veranda At Midtown	Market	Savannah	Senior	None
Walden At Chatham Center	Market	Savannah	Family	Rents change daily.

Four of the seven comparables reported rent growth over the past year, including three of the four senior properties. The rents at The Fountains at Chatham Parkway and Walden at Chatham Center change on a daily basis depending on occupancy. We anticipate that the Subject will be able to achieve moderate rent growth in the short term based upon the newest LIHTC comparables.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to www.RealtyTrac.com, one in every 988 homes in Savannah, GA was in foreclosure, as of March 2014. Nationally, one in every 1,121 homes was in foreclosure and one in every 1,068 homes in Georgia was in foreclosure. As indicated, Savannah has a higher foreclosure rate than Georgia and the nation, as a whole. The median list price for a home in Savannah is \$175,000 compared to \$159,000 in Georgia and \$185,000 in the nation. Overall, it appears that the local market is faring slightly worse than the nation as a whole in terms of foreclosure and growth in home prices. We witnessed few abandoned homes in the Subject's immediate neighborhood.

12. Primary Housing Void

The comparable senior properties are two percent vacant or less and all maintain waiting lists. Based on the demand analysis, performance of the comparable properties, and conversations with local property managers, we believe there is demand for additional senior housing in the local market.

13. Affect of Subject on Other Affordable Units in Market

The comparable senior properties are two percent vacant or less and all maintain waiting lists. We do not believe that the Subject will negatively impact the performance of the comparable senior properties.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Approximately 38.6 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 13.0 percent. Further, there are no planned or proposed senior LIHTC developments in the Subject's PMA. The Subject's strengths include its location and age/condition. The Subject's primary weaknesses are its somewhat small unit sizes, lack of washer/dryer connections, and its bisected site. The Subject site is bisected by the intersection of E. Anderson Street and Waters Avenue. Tenants living in the new construction building will be required to cross this intersection to utilize the Subject's amenities and visit the property manager. Both of these roads are moderately trafficked. Therefore, the bifurcation of the site may impact operations and marketing. Additionally, the Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market. While the two-bedroom captures are higher, we believe there is sufficient demand for the two-bedroom units. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 1.5 percent. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. We believe that the Subject's proposed rents are reasonable and achievable.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

We were able to obtain absorption information from several LIHTC and market rate properties in Savannah. Several of these properties have been used as comparables in our report.

ABSORPTION

Comparable Property	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Savannah Gardens III	LIHTC/Market	Family	2012	95	12
Sustainable Fellwood III	LIHTC	Senior	2012	100	30
Sustainable Fellwood II	LIHTC/Market/PBRA	Family	2011	110	18
Savannah Gardens I	LIHTC	Family	2010	115	11
Sustainable Fellwood I	LIHTC/Market/PBRA	Family	2009	110	18
Sheppard Station	LIHTC	Senior	2009	65	12
Ashley Midtown Phase II	LIHTC/PBRA	Family	2008	38	12
The Fountains At Chatham Parkway	Market	Family	2007-2008	352	29
AVERAGE					18

As illustrated in the previous table, the properties constructed between 2007 and 2012 reported absorption rates of 11 to 30 units per month, with an average of 18 units per month. Sustainable Fellwood III is the newest senior LIHTC property in the market. This property experienced an absorption rate of 30 units per month. Sustainable Fellwood III benefits from being a subsequent phase of an existing development and it offers project-based rental assistance for 44 percent of its units, which the Subject will not. Based upon this information, we would expect the Subject to experience a slower absorption pace when compared to Sustainable Fellwood III. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 12 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 2,795 vouchers. The Housing Choice Voucher waiting list is currently closed. Ms. Coleman reported that there are over 11,000 households on the waiting list. The following table illustrates the current payment standards.

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

The Subject's gross LIHTC rents are below the payment standards.

Planning

We spoke with Gary Plumbley, Development Services Planner with the Savannah Metropolitan Planning Commission, in regards to planned, proposed, or recently completed residential development in the Subject's neighborhood. Mr. Plumbley was unaware of any proposed or recently completed market rate multifamily or single-family developments in the Subject's neighborhood. The proposed affordable housing developments in the PMA were detailed earlier in the report.

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

K. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- The PMA is expected to experience strong senior population and household growth from 2013 through 2018. Senior population growth in the PMA is expected to increase at an annual rate of 2.9 percent from 2013 through 2018, 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 2018. Owner-occupied housing units dominate the housing market in the PMA. However, the 38.5 percent renter-occupied number is significantly higher than the national average of 13.0 percent for senior households. The Subject will target senior households earning \$16,440 to \$28,080. Approximately 39 percent of renter households in the PMA earned incomes between \$10,000 and \$29,999 in 2013. For the projected market entry date of June 2016, this percentage is projected to remain the same. As the senior population and number of households increase, there is expected to be a greater number of lower-income senior renters seeking affordable housing.
- The largest employers in Savannah are in the manufacturing, education, health care/social assistance, and government sectors. Employment in the PMA is greatest in the accommodation/food services, health care/social assistance, retail trade, and educational services sectors, which together account for 54.9 percent of the total employment in the PMA. This is significantly higher than the nation as a whole. The MSA experienced a significant decrease in total employment between 2008 and 2010, when total employment decreased 6.9 percent. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment than the MSA from 2008 to 2010. The MSA experienced strong employment growth in 2011 and 2012 but slightly decreased in 2013. The unemployment rate in the MSA has remained at rate above the nation since 2011. As of December 2013, the unemployment rate in the MSA was 0.2 percentage points above that of the nation. However, the MSA experienced a moderate decrease in unemployment of 1.4 percentage points between December 2012 and December 2013.
- The Subject's 50 percent capture rates range from 5.6 to 6.4 percent, with an overall capture rate of 5.9 percent. The Subject's 60 percent AMI capture rates range from 11.6 to 41.4 percent, with an overall capture rate of 24.8 percent. The overall capture rate for the Subject's 50 and 60 percent units is 17.5 percent. Therefore, we believe there is adequate demand for the Subject.
- The properties constructed between 2007 and 2012 reported absorption rates of 11 to 30 units per month, with an average of 18 units per month. Sustainable Fellwood III is the newest senior LIHTC property in the market. This property experienced an absorption rate of 30 units per month. Sustainable Fellwood III benefits from being a subsequent phase of an existing development and it offers project-based rental assistance for 44 percent of its units, which the Subject will not. Based upon this information, we would expect the Subject to experience a slower absorption pace when compared to Sustainable Fellwood III. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 12 units per month, which equates to an absorption period of approximately five months for the Subject to reach 93 percent occupancy.

- The comparable properties reported vacancy rates of zero to 2.1 percent, with an average of 1.6 percent. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 1.5 percent. Overall, the market is performing well. Based on the strong performance of the comparables, we expect the Subject to maintain a vacancy rate of five percent or less following stabilization.
- Five of the seven comparables maintain waiting lists. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Approximately 38.6 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 13.0 percent. Further, there are no planned or proposed senior LIHTC developments in the Subject's PMA. The Subject's strengths include its location and age/condition. The Subject's primary weaknesses are its somewhat small unit sizes, lack of washer/dryer connections, and its bisected site. The Subject site is bisected by the intersection of E. Anderson Street and Waters Avenue. Tenants living in the new construction building will be required to cross this intersection to utilize the Subject's amenities and visit the property manager. Both of these roads are moderately trafficked. Therefore, the bifurcation of the site may impact operations and marketing. Additionally, the Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market. While the two-bedroom captures are higher, we believe there is sufficient demand for the two-bedroom units. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 1.5 percent. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. We believe that the Subject's proposed rents are reasonable and achievable.

Recommendations

- We have no recommendations for the proposed Subject development.

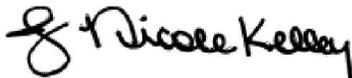
L. SIGNED STATEMENT REQUIREMENTS

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



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

5-15-2014
Date



J. Nicole Kelley
Manager
Novogradac & Company LLP

5-15-2014
Date

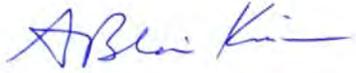


Brendan Kelly
Real Estate Analyst

5-15-2014
Date

M. MARKET STUDY REPRESENTATION

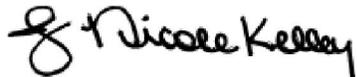
Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

5-15-2014

Date



J. Nicole Kelley
Manager
Novogradac & Company LLP

5-15-2014

Date



Brendan Kelly
Real Estate Analyst

5-15-2014

Date

N. QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI

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)
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. 1201073262 – State of Michigan
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

BRENDAN KELLY

I. Education

Pennsylvania State University, University Park, PA
Bachelor of Science in Finance

Education requirements successfully completed for the Appraisal Institute and CCIM Institute:

Appraisal Principals, June 2008
Appraisal Procedures, August 2008
15-Hour National USPAP Course, November 2008
General Appraiser Income Approach I, November 2008
Real Estate Finance Statistics and Valuation Modeling, January 2009
CI101: Financial Analysis for Commercial Investment Real Estate, March 2010
CI104: Investment Analysis for Commercial Investment Real Estate, November 2011

II. Professional Experience

Independent Real Estate Analyst, May 2010 - Present
Real Estate Analyst, Novogradac & Company LLP, November 2007 – April 2010
Research Assistant, Novogradac & Company LLP, April 2006 – November 2007

III. Real Estate Assignments

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

- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies according to HUD guidelines.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Work assignments completed in various states include: Alaska, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Utah, Washington, West Virginia, Wisconsin, Wyoming, and Virginia.