



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

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

Effective Date: April 21, 2014

Report Date: May 29, 2014

Prepared For

**MACO Companies
110 North Main Street
Clarkton, MO 63837**

Prepared By

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May 29, 2014

Mr. Jason Maddox
Maco Companies
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Clarkton, MO 63837

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

To Whom It May Concern:

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

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

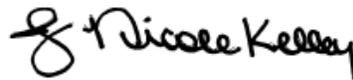
This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and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

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

Respectfully submitted,



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ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

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

PROPOSED RENTS

Unit Type	Sq. Ft.	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2014 LIHTC	HUD Fair Market Rents
						Maximum Allowable Gross Rent	
<i>50% AMI</i>							
1BR	708	8	\$391	\$134	\$525	\$525	\$612
2BR	955	5	\$455	\$175	\$630	\$630	\$730
<i>60% AMI</i>							
1BR	708	11	\$496	\$134	\$630	\$630	\$612
2BR	955	<u>24</u>	\$581	\$175	\$756	\$756	\$730
Total		48					

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

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

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

2. Site Description/Evaluation:

The Subject site is currently improved with a vacant school building that will be demolished in order to make way for the Subject. The Subject's neighborhood is located within blocks of the Augusta Riverwalk and is a very pedestrian-

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

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

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

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

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

3. Market Area Definition:

The boundaries of the PMA are as follows:

- North – Georgia-South Carolina state line
- South – Richmond-Burke county line

East – Georgia-South Carolina state line

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

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

4. Community Demographic Data:

In 2013, the population in the PMA was 239,569 and is projected to increase to 249,945 in 2018, at an annual rate of 0.9 percent. While this rate of growth is not profound, it is important to note that it slightly outpaces the projected population growth nationally, which is 0.7 percent. This increase can be partially attributed to the heavy reliance on healthcare-related employment in the PMA. A minority of senior households in the PMA are renter-occupied, a number expected to remain relatively stable into 2018. However, this is greater than the national average senior renter percentage. Approximately 11.1 percent of households on the PMA have annual earnings between \$20,000 and \$29,999. The Subject will target households earning from \$15,690 to \$26,880. Persons within these income cohorts are expected to create demand for the Subject.

5. Economic Data:

Total employment in the MSA has been on an upward trend since at least 1990 and currently sits at 239,875 as of December 2013. Employment seems to have begun recovering and is currently trending upward year to date, but overall employment in the MSA is still slightly lower than it was in 2008. This discrepancy is less than one percent, however, if the upward trend continues the MSA should see employment levels above pre-recession levels in the near future. Similar to what occurred for the nation, the unemployment rate increased significantly in 2008 and

2009 and reached a peak rate of 9.2 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of December 2013, the unemployment rate was above the unemployment rate of the US, but the rate of recovery currently outpaces the national average.

6. Project-Specific Affordability And Demand Analysis:

The Subject's capture rates at the 50 percent AMI level will range from 3.0 to 3.8 percent, with an overall capture rate of 3.4 percent. The Subject's 60 percent AMI capture rates range from 5.3 to 14.7 percent, with an overall capture rate of 9.4 percent. The overall capture rate for the project's 50 and 60 percent units is 8.4 percent. Therefore, we believe there is adequate demand for the Subject.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Units		Supply	Net Demand	Capture Rate
	Proposed	Total Demand			
1BR at 50% AMI	8	212	0	212	3.8%
2BR at 50% AMI	5	166	0	166	3.0%
Overall 50% AMI	13	377	0	377	3.4%
1BR at 60% AMI	11	208	12	196	5.3%
2BR at 60% AMI	24	163	30	133	14.7%
Overall 60% AMI	35	372	42	330	9.4%
1BR Overall	19	321	12	309	5.9%
2BR Overall	29	251	30	221	11.5%
Overall Project	48	573	42	531	8.4%

7. Competitive Rental Analysis:

The availability of LIHTC data is considered adequate. Due to the availability of senior LIHTC data in the market, we have included only senior LIHTC properties in the PMA and have excluded family LIHTC properties. We have included four senior LIHTC properties and four family market rate properties due to the lack of senior market rate data. All of the properties are located in the PMA and are within 7.1 miles of the Subject site. Of the market rate comparables, the closest properties represent older construction (1974 and 1984) and therefore we included two newer market rate properties located within six miles of the Subject site to demonstrate the performance of newer unrestricted properties in the market. Overall, we consider the availability of market data to be good.

When comparing the Subject's rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels

does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

Subject Comparison to Rents in the Market

@50%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$391	\$378	\$1,080	\$562	44%
2 BR	\$455	\$444	\$1,284	\$639	40%

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$496	\$456	\$1,080	\$625	26%
2 BR	\$581	\$484	\$1,284	\$694	19%

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

8. Absorption/Stabilization Estimate:

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

ABSORPTION

Property name	Type	Tenancy	Year Built	Units Absorbed / Month
Legacy At Walton Oaks	LIHTC/ACC/PBRA	Senior	2011	37
Terraces At Edinburgh	LIHTC	Senior	2010	24
The Glen At Alexander	Market	Family	2003	18

Senior LIHTC vacancy in the market is low at 1.0 percent and all of the senior LIHTC comparable properties are maintaining waiting lists. The Subject will offer new construction and a competitive amenity package. Legacy at Walton Oaks is the newest LIHTC property in the market; however, it also offers ACC and PBRA units. Therefore, we anticipate that the Subject will stabilize at a slightly slower pace than Legacy at Walton Oaks and a rate similar to that of Terraces at Edinburgh. We estimate that the Subject will reach 93 percent occupancy within three months of opening if management pre-leases units. This equates to an absorption rate of 15 units or more, which takes into consideration the newest allocation, Legacy at

Walton Oaks II, which will be completed prior to the Subject.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. While there was one new senior allocation in 2013, it will be Phase II of Legacy at Walton Oaks, the replacement housing for a public housing property. Given that senior LIHTC vacancy in the market is low at 1.0 percent and all of the senior LIHTC properties are maintaining waiting lists with low to moderate HCV rates and no concessions, we believe there is enough demand to support both the Subject and the new allocation. The Subject will offer new construction in a neighborhood with amenities within walking distance of the Subject. While the Subject's in-unit amenity package will be somewhat inferior when compared to some of the senior LIHTC properties, the Subject will offer a competitive property amenities package and unit sizes. Further, all but one of the senior LIHTC properties are achieving maximum allowable rents and the only property not achieving maximum rents is 100 percent occupied with a lengthy waiting list. This indicates that this property is not testing the market as there are only four vacant units at all four senior LIHTC comparables. Overall, we believe that the Subject is feasible as proposed and will fill a void in the market for affordable senior housing.

Summary Table:

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

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

Rental Housing Stock (found on page 61)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	8	1,035	35	96.6%
Market-Rate Housing	4	640	31	95.2%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
LIHTC	4	395	4	99.0%
Stabilized Comps	8	1,035	35	96.6%
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
8	1BR at 50% AMI	1	708	\$391	\$562	\$0.79	44%	\$1,080	\$1.11
5	2BR at 50% AMI	1	955	\$455	\$639	\$0.67	40%	\$1,284	\$1.09
11	1BR at 60% AMI	1	708	\$496	\$625	\$0.88	46%	\$1,080	\$1.11
24	2BR at 60% AMI	1	955	\$581	\$694	\$0.73	19%	\$1,284	\$1.09

Demographic Data (found on pages 29 and 54)

	2000		2013		2016	
Renter Households	6,485	23.80%	9,662	26.20%	10,416	26.00%
Income-Qualified Renter HHs	1,161	17.90%	1,729	17.90%	1,864	17.90%

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

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	88	87	N/Ap	N/Ap	134
Existing Households (Overburdened + Substandard)	N/Ap	371	366	N/Ap	N/Ap	565
Homeowner conversion (Seniors)	N/Ap	9	9	N/Ap	N/Ap	13
Total Primary Market Demand	N/Ap	468	462	N/Ap	N/Ap	712
Less Comparable/Competitive Supply	N/Ap	0	42	N/Ap	N/Ap	42
Adjusted Income-qualified Renter HHs**	N/Ap	468	420	N/Ap	N/Ap	670

Capture Rates (found on page 58)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	3.40%	9.4%	N/Ap	N/Ap	8.40%

*Includes LIHTC and unrestricted (when applicable)

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

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:	The Subject site is located at the southeast corner of Telfair Street and 11 th Street in Augusta, Richmond County, Georgia.
Construction Type:	The Subject will consist of one newly constructed, four-story, elevator-serviced low rise building with a brick and fiber cement exterior.
Occupancy Type:	Seniors ages 55 and older (HFOP).
Special Population Target:	None.
Number of Units by Bedroom Type and AMI Level:	See following property profile.
Unit Size:	See following property profile.
Structure Type:	See following property profile.
Rents and Utility Allowances:	See following property profile.
Existing or Proposed Project Based Rental Assistance:	None of the units will have Project-Based Rental Assistance.
Proposed Development Amenities:	See following property profile.

Davidson Senior Manor, Augusta, GA; Market Study

Davidson Senior Manor

Comp #	Subject
Effective Rent Date	3/28/2014
Location	SEC Telfair St & 11th St Augusta, GA 30901 Richmond County (verified)
Distance	n/a
Units	48
Type	Lowrise (age-restricted) (4 stories)
Year Built / Renovated	2015 / n/a
Tenant Characteristics	Seniors ages 55 and older (HFOP)



Market

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Lowrise (4 stories)	8	708	\$391	\$0	@50%	n/a	N/A	N/A	no
1	1	Lowrise (4 stories)	11	708	\$496	\$0	@60%	n/a	N/A	N/A	no
2	1	Lowrise (4 stories)	5	955	\$455	\$0	@50%	n/a	N/A	N/A	no
2	1	Lowrise (4 stories)	24	955	\$581	\$0	@60%	n/a	N/A	N/A	no

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Hand Rails Oven Pull Cords Refrigerator	Security	none
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management	Premium	none
Services	none	Other	none

Comments

The property is a proposed senior LIHTC property that will target seniors ages 55 and older (HFOP). The property's proposed net rents are listed in the rent grid. The property's proposed utility allowances for the one and two-bedroom units are \$134 and \$175, respectively. The property's proposed gross 50 percent AMI rents are \$525 and \$630. The property's proposed gross 60 percent AMI rents are \$630 and \$756 for the one and two-bedroom units, respectively.

Scope of Renovations:	The Subject will be new construction.
Current Rents:	The Subject will be new construction.
Current Occupancy:	The Subject will be new construction.
Current Tenant Income:	The Subject will be new construction.
Placed in Service Date:	The Subject is projected to enter the market in second quarter 2016.
Conclusion:	The Subject will be an excellent-quality brick and fiber cement siding four-story elevator-serviced low rise building. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

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

Ed Mitchel visited the site on April 15, 2014.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

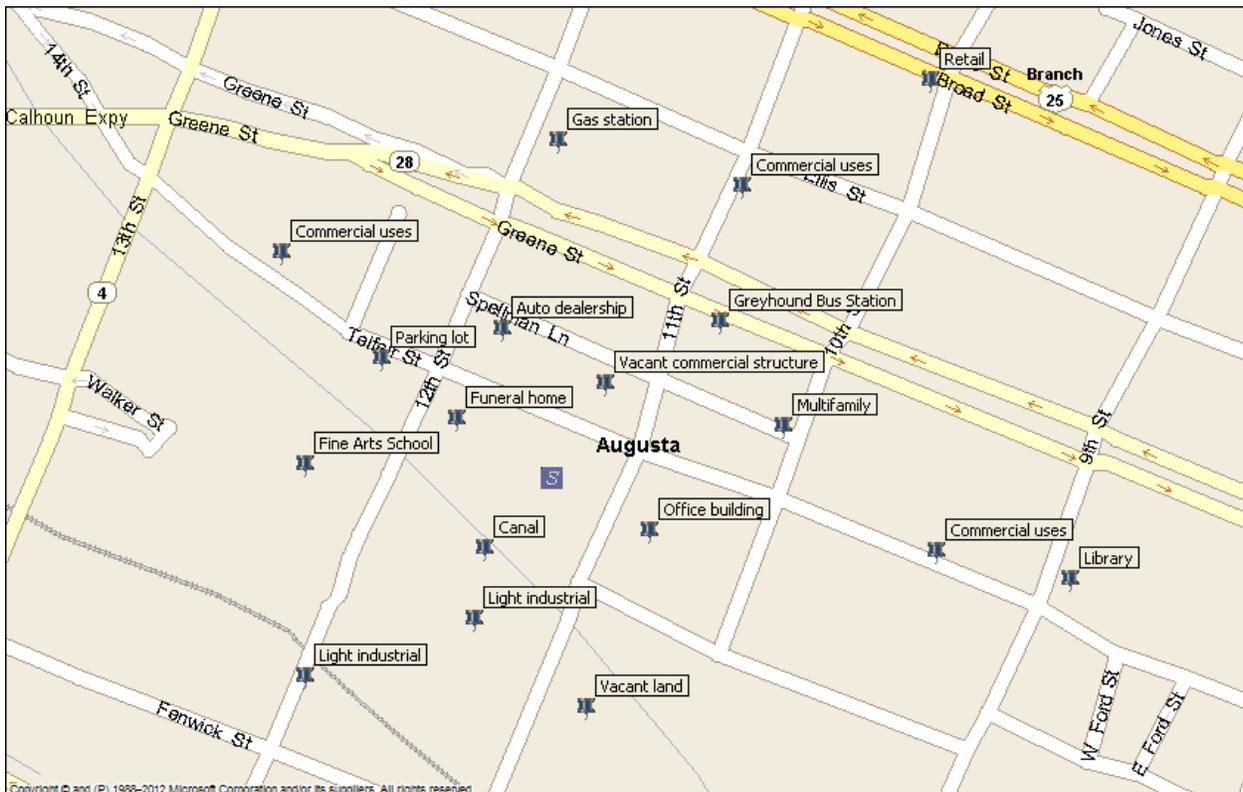
The Subject site has frontage along Telfair Street and 11th Street.

Visibility/Views:

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

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



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

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

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

3. Physical Proximity to Locational Amenities:

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

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

4. Pictures of Site and Adjacent Uses:



Subject site from east (Building to be demolished)



Subject site parking lot



Subject site main entrance (Building to be demolished)



Subject site from south



View south along 11th Street



View north along 11th Street



View west along Telfair Street



View east along Telfair Street



View north toward auto dealership



View north toward vacant commercial building



View east toward parking lot



View east toward office building



View south toward light industrial



Canal adjacent to south



Funeral home adjacent to west



Church to north



Multifamily to north



Retail to north



Greyhound bus station to north



Office building to east



Church to east



Library to east



Office to the east



Vacant land to south



Light industrial to south



Light industrial to south



Commercial to south



Fine Arts School to northeast



House of worship and multifamily northeast



Auto repair facility east



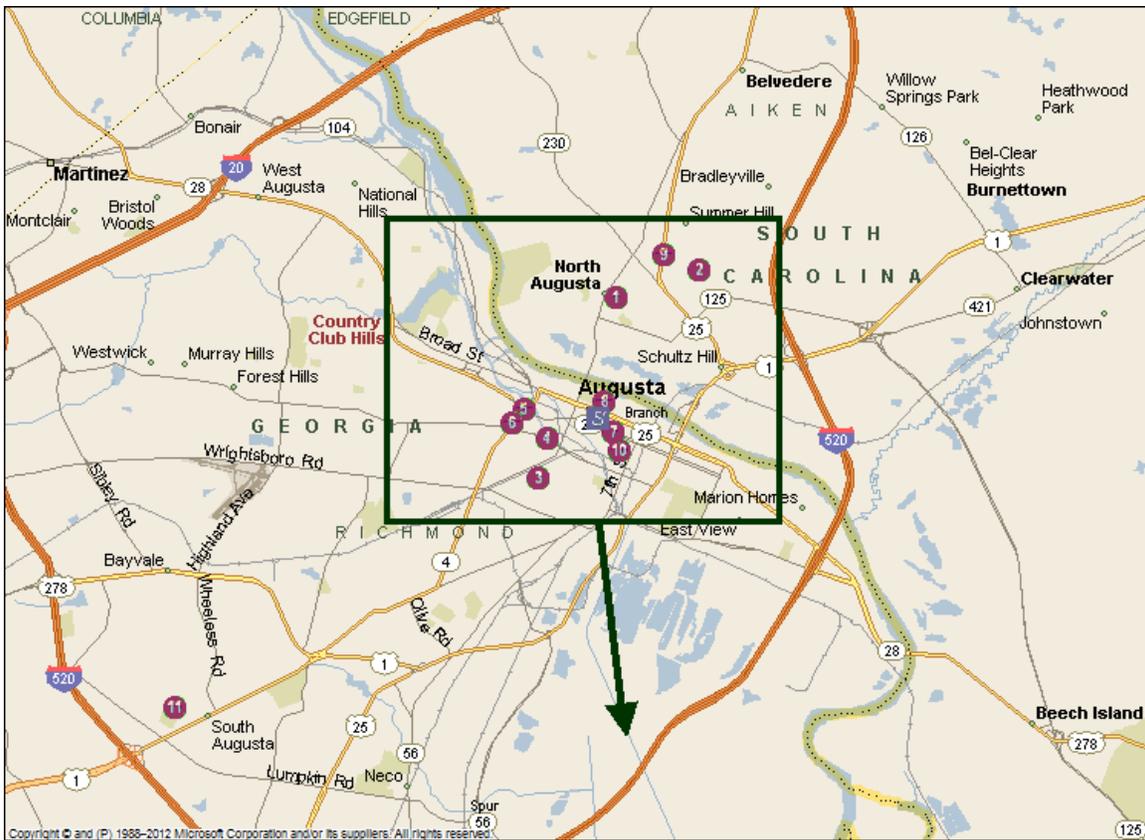
Gas station to southeast

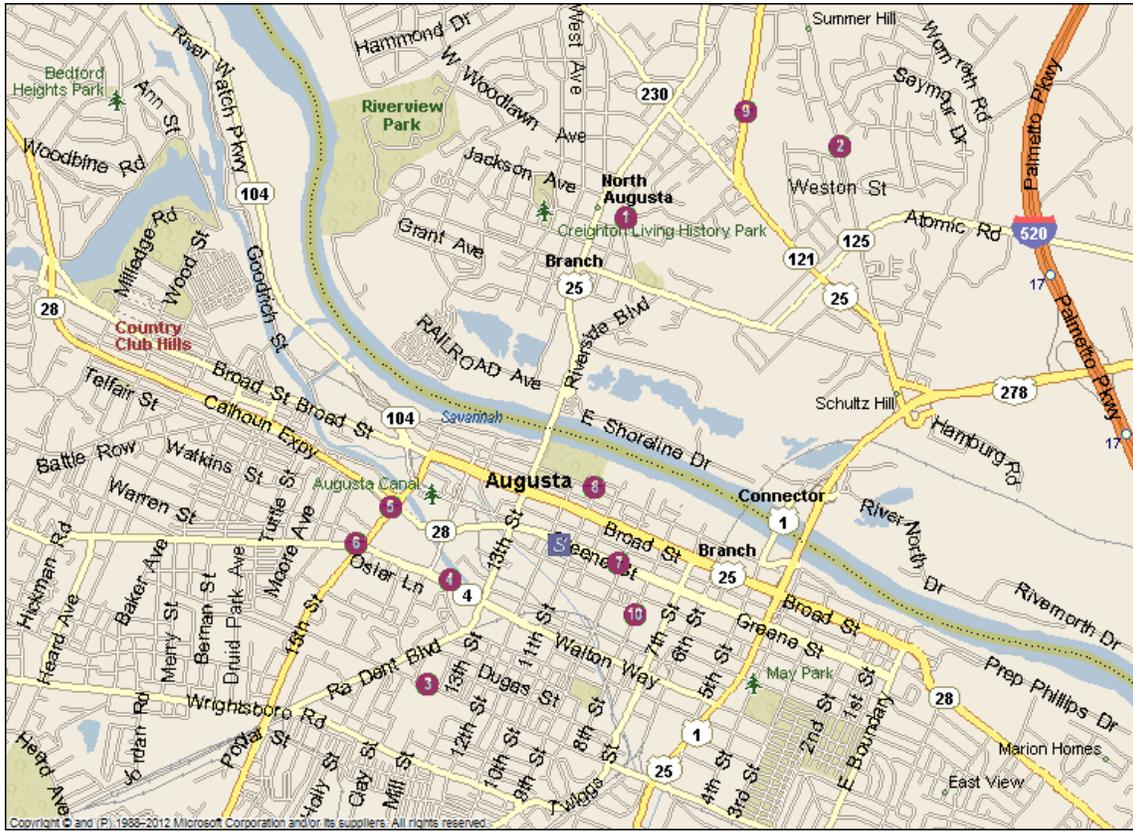


Retail to north

5. Proximity to Locational Amenities:

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





LOCATIONAL AMENITIES

Map#	Service/Amenity	Distance from Subject
1	North Augusta Elementary School	1.4 miles
2	North Augusta Middle School	1.4 miles
3	Lucy Craft Laney High School	0.7 miles
4	University Hospital	0.3 miles
5	Kroger Supermarket	0.7 miles
6	Rite Aid Pharmacy	1.1 miles
7	Augusta-Richmond County Library	0.3 miles
8	Wells Fargo	0.3 miles
9	Walmart	2.0 miles
10	Post Office-Augusta	0.4 miles
11	Henry Brigham Senior Center	5.9 miles

6. Description of Land Uses:

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

7. Multifamily Residential within Two Miles:

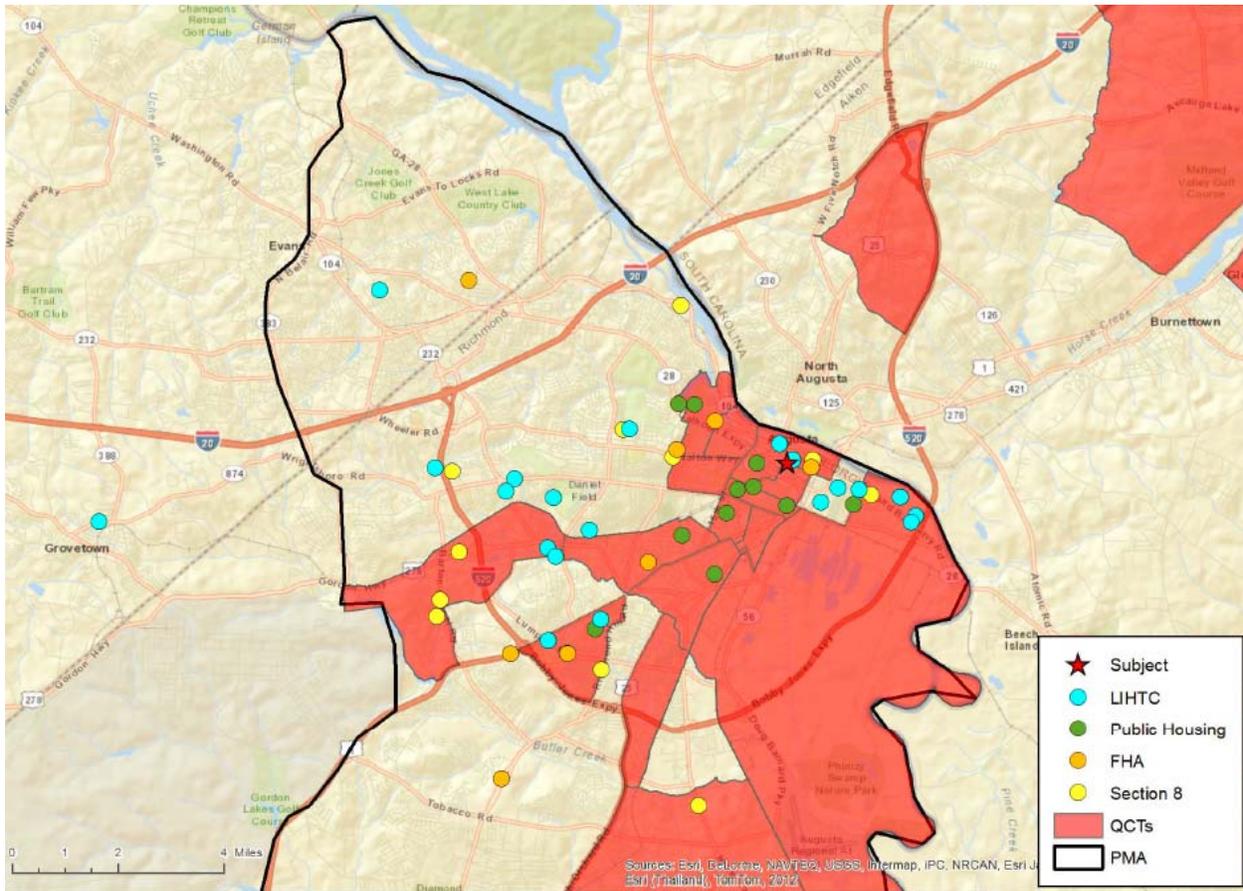
Multifamily uses within two miles of the Subject site offer a wide range of ages/conditions with market rate and subsidized properties that were built in the 1960s to new construction LIHTC properties that were built within the past five years. We have included the most comparable properties to the Subject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

8. Existing Assisted Rental Housing Property Map:

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

SUBSIDIZED PROPERTIES IN PMA

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



Augusta, GA



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

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

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

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

11. Environmental Concerns:

None visible upon site inspection.

Detrimental Influences:

There are no significant detrimental influences.

12. Conclusion:

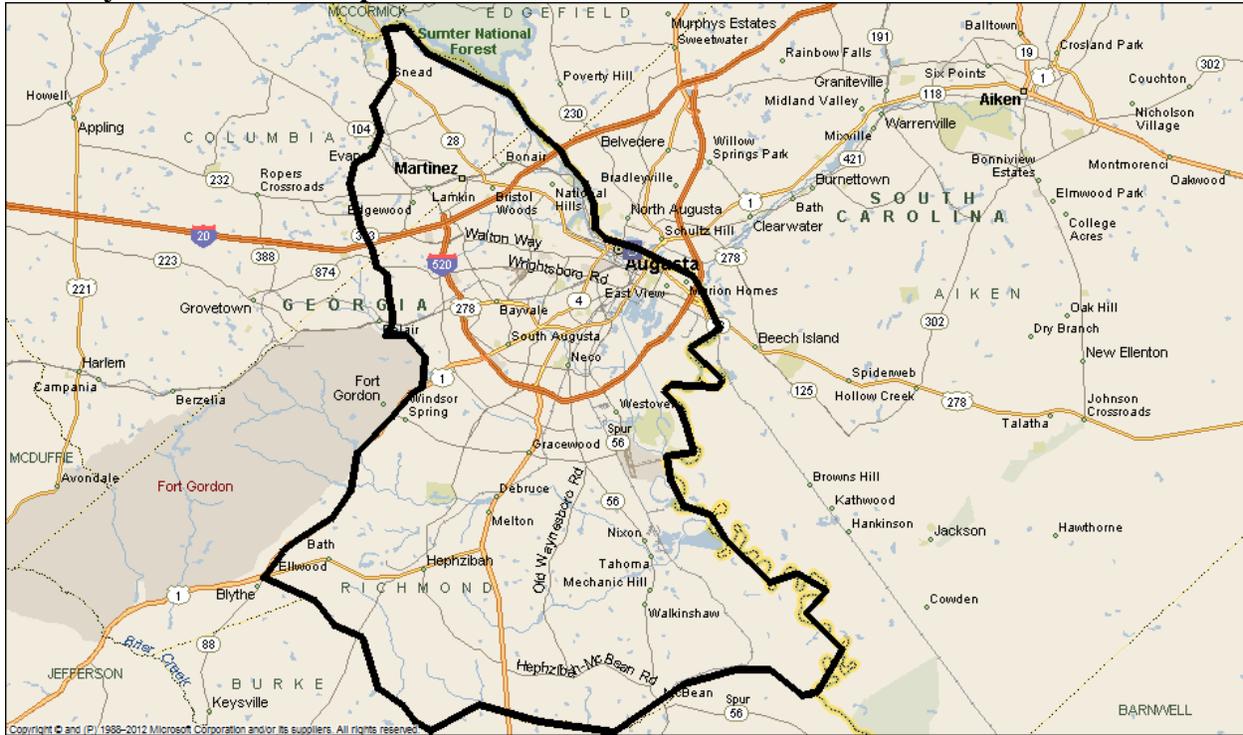
The Subject is located within blocks of the Augusta riverwalk and its neighborhood contains a variety of uses. The majority of uses in the Subject's neighborhood are older and therefore the Subject will be an improvement to the neighborhood as a new construction property. Retail is estimated to be 80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

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Augusta-Richmond County, GA MSA are areas of growth or contraction.

The boundaries of the PMA are as follows:

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

The PMA includes Augusta and portions of Martinez and Hephzibah. The area was defined based on interviews with the local housing authority, property managers at comparable properties, and boundaries such as state lines and highways. Many property managers indicated that a significant portion of their tenants come from out of the PMA and out of state. We would

account for leakage from outside the PMA; however, per GA DCA 2013 market study guidelines, GA DCA does not take into account demand from outside of the PMA.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Augusta-Richmond County, GA MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly (only show this for HFOP/elderly) within population in MSA, the PMA and nationally from 2000 through 2014.

TOTAL POPULATION						
Year	PMA		Augusta-Richmond County, GA-SC MS		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	210,892	-	443,144	-	248,709,873	-
2000	228,694	0.8%	508,022	1.5%	281,421,906	1.3%
2013	239,569	0.4%	584,143	1.1%	315,444,544	0.9%
Projected Mkt Entry July 2016	245,800	0.9%	603,134	1.1%	322,291,911	0.7%
2018	249,954	0.9%	615,795	1.1%	326,856,823	0.7%

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

TOTAL SENIOR POPULATION (55+)						
Year	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	37,103	-	80,843	-	52,389,754	-
2000	43,698	1.8%	99,500	2.3%	59,266,437	1.3%
2013	61,513	3.1%	155,504	4.2%	83,746,996	3.1%
Projected Mkt Entry July 2016	66,583	2.7%	169,444	3.0%	90,040,724	2.5%
2018	69,963	2.7%	178,737	3.0%	94,236,542	2.5%

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

POPULATION BY AGE IN 2013

Age Cohort	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	16,513	6.9%	38,551	6.6%	20,027,834	6.3%
5-9	16,173	6.8%	38,913	6.7%	20,305,969	6.4%
10-14	15,904	6.6%	38,794	6.6%	20,664,258	6.6%
15-19	15,985	6.7%	39,370	6.7%	21,217,478	6.7%
20-24	18,069	7.5%	41,696	7.1%	22,842,251	7.2%
25-29	18,493	7.7%	41,001	7.0%	21,494,659	6.8%
30-34	16,491	6.9%	38,601	6.6%	21,041,804	6.7%
35-39	14,069	5.9%	34,643	5.9%	19,423,837	6.2%
40-44	14,381	6.0%	36,584	6.3%	20,789,809	6.6%
45-49	15,011	6.3%	38,202	6.5%	21,274,128	6.7%
50-54	16,965	7.1%	42,284	7.2%	22,615,522	7.2%
55-59	16,385	6.8%	40,366	6.9%	21,155,463	6.7%
60-64	14,249	5.9%	35,932	6.2%	18,575,616	5.9%
65-69	10,497	4.4%	27,814	4.8%	14,286,322	4.5%
70-74	7,386	3.1%	19,632	3.4%	10,422,155	3.3%
75-79	5,359	2.2%	13,590	2.3%	7,612,501	2.4%
80-84	3,922	1.6%	9,646	1.7%	5,754,938	1.8%
85+	3,715	1.6%	8,524	1.5%	5,940,001	1.9%
Total	239,567	100.0%	584,143	100.0%	315,444,545	100.0%

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

NUMBER OF ELDERLY AND NON-ELDERLY

Year	Total Population	PMA		Augusta-Richmond County, GA-SC MSA		
		Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
1990	210,892	173,789	37,103	443,143	362,300	80,843
2000	228,694	184,996	43,698	508,021	408,521	99,500
2013	239,567	178,054	61,513	584,143	428,639	155,504
Projected Mkt Entry July 2016	245,799	179,216	66,583	603,134	433,690	169,444
2018	249,954	179,991	69,963	615,795	437,058	178,737

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

As can be seen in the above charts, the population of elderly residents in the MSA has experienced moderate growth in the past decade and is expected to continue growing into 2018. Growth in senior populations in the PMA was 3.1 percent in 2013, which is the same as the national average and below that of the MSA. Seniors 55+ are expected to comprise 28 percent of the MSA population by 2016.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Augusta-Richmond County, GA-SC MSA	
	Number	Annual Change	Number	Annual Change
1990	78,077	-	158,829	-
2000	87,183	1.2%	189,504	1.9%
2013	94,697	0.7%	223,533	1.4%
Projected Mkt Entry July 2016	97,513	1.0%	231,539	1.2%
2018	99,390	1.0%	236,876	1.2%

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

TOTAL NUMBER OF SENIOR HOUSEHOLDS (55+)

Year	PMA		Augusta-Richmond County, GA-SC MSA	
	Number	Annual Change	Number	Annual Change
1990	-	-	-	-
2000	27,252	-	63,528	-
2013	36,851	2.7%	94,826	3.7%
Projected Mkt Entry July 2016	40,072	2.9%	103,282	3.0%
2018	42,219	2.9%	108,919	3.0%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.55	-	2.59	-	2.58	-
2013	2.48	-0.2%	2.54	-0.2%	2.57	0.0%
Projected Mkt Entry July 2016	2.47	-0.1%	2.53	-0.1%	2.57	0.0%
2018	2.47	-0.1%	2.53	-0.1%	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. Both of these numbers are higher than the national average of 0.7 percent, however. As seen in the population trends, senior household growth in the PMA and MSA will increase at a rate greater than the general population over the next two years. Average household size is projected to decline slightly in the PMA with a nominal annual change of -0.1 percent annually. Average household size in the MSA is expected to decrease at a rate similar to the PMA, while the nation is projected to remain stable through 2018.

2b. Households by Tenure

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

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	20,767	76.2%	6,485	23.8%
2013	27,189	73.8%	9,662	26.2%
Projected Mkt Entry July 2016	29,656	74.00%	10,416	26.00%
2018	31,301	74.1%	10,918	25.9%

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

Owner-occupied housing dominates the housing market in the PMA for residents 55 and older and is projected to stand at 74 percent at the time of market entry. However, this number is smaller than the national average, which is projected to stand at 80.1 percent at the time of market entry. Renter Occupied units is projected to remain relatively stable through 2018 while increasing slightly in total renter-occupied units.

2c. Households by Income

The following table depicts household income in 2013, 2016 and 2018 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2013		Projected Mkt Entry July 2016		2018	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	9,749	10.3%	9,553	9.8%	9,422	9.5%
\$10,000-19,999	12,830	13.5%	12,609	12.9%	12,462	12.5%
\$20,000-29,999	10,496	11.1%	10,475	10.7%	10,461	10.5%
\$30,000-39,999	10,099	10.7%	10,227	10.5%	10,313	10.4%
\$40,000-49,999	9,290	9.8%	9,213	9.4%	9,162	9.2%
\$50,000-59,999	8,154	8.6%	8,489	8.7%	8,713	8.8%
\$60,000-74,999	10,025	10.6%	10,338	10.6%	10,547	10.6%
\$75,000-99,999	10,421	11.0%	11,243	11.5%	11,791	11.9%
\$100,000-124,999	5,722	6.0%	6,372	6.5%	6,805	6.8%
\$125,000-149,999	2,573	2.7%	3,026	3.1%	3,328	3.3%
\$150,000-199,999	2,528	2.7%	2,763	2.8%	2,919	2.9%
\$200,000+	2,811	3.0%	3,205	3.3%	3,468	3.5%
Total	94,697	100.0%	97,513	100.0%	99,390	100.0%

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

An estimated 39.3 percent of senior households in the PMA are projected to earn between \$20,000 and \$59,999 per year at the time of market entry, a number expected to slightly increase to 38.9 percent by 2018. As the Demand Analysis will later demonstrate, there is adequate income-qualified demand for the Subject in the PMA.

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

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

	2000		2013		Projected Mkt Entry July 2016		2018	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	3,291	50.8%	5,619	58.2%	6,049	58.1%	6,335	58.0%
With 2 Persons	2,151	33.2%	2,125	22.0%	2,327	22.3%	2,462	22.5%
With 3 Persons	535	8.2%	782	8.1%	837	8.0%	874	8.0%
With 4 Persons	217	3.3%	568	5.9%	600	5.8%	621	5.7%
With 5+ Persons	291	4.5%	569	5.9%	603	5.8%	627	5.7%
Total Renter Households	6,485	100.0%	9,662	100.0%	10,416	100.0%	10,918	100.0%

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

At the time of market entry, 80.4 percent of renter households in the PMA are projected to consist of one or two people, which bodes well for the Subject’s one and two-bedroom units.

2e and f. Elderly and HFOP

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

CONCLUSION

In 2013, the population in the PMA was 239,569 and is projected to increase to 249,945 in 2018, at an annual rate of 0.9 percent. While this rate of growth is not profound, it is important to note that it slightly outpaces the projected population growth nationally, which is 0.7 percent. This increase can be partially attributed to the heavy reliance on healthcare-related employment in the PMA.

A minority of senior households in the PMA are renter-occupied, a number expected to remain relatively stable into 2018. However, this is greater than the national average senior renter percentage. Approximately 11.1 percent of households on the PMA have annual earnings between \$20,000 and \$29,999. The Subject will target households earning from \$15,690 to \$26,880. Persons within these income cohorts are expected to create demand for the Subject.

F. EMPLOYMENT TRENDS

Employment Trends

Total employment in the MSA has been on an upward trend since at least 1990 and currently sits at 259,000 as of February. Employment seems to have begun recovering and is currently trending upward year to date, but overall employment in the MSA is still slightly lower than it was in 2008. This discrepancy is less than one percent, however, if the upward trend continues the MSA should see employment levels above pre-recession levels in the near future.

Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 9.2 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. While there has been some degree of recovery in the past few years, as of December 2013 the MSA unemployment rate is still 0.7 percent higher than the national average.

1. Total Jobs

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

Total Jobs in Richmond County, GA		
Year	Total Employment	% Change
2004	84,974	-
2005	84,304	-0.79%
2006	84,482	0.21%
2007	84,554	0.09%
2008	82,034	-3.07%
2009	78,333	-4.72%
2010	79,503	1.47%
2011	79,847	0.43%
2012	80,169	0.40%
2013	79,936	-0.29%
2014 YTD Average	79,477	-0.58%
Feb-13	80,169	-
Feb-14	79,528	-0.81%

Source: U.S. Bureau of Labor Statistics

YTD as of February 2014

Overall, total employment decreased from 2004. The county suffered job losses during the economic recession in 2008 and 2009 and most recently in 2013 and February of 2014. The county has yet to fully stabilize in terms of job growth, but added retail and residential developments should spark job growth during the current year.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the County as of third quarter 2013.

September 2013 Covered Employment Richmond County, Georgia		
	Number	Percent
Total All Industries	74,973	-
Good producing	11,460	-
Natural Resources and Mining	305	0.41%
Construction	3,798	5.07%
Manufacturing	7,357	9.81%
Service-Providing	63,513	-
Trade, Transportation, and utilities	15,094	20.13%
Information	2,103	2.81%
Financial Activities	2,880	3.84%
Professional and business services	12,729	16.98%
Educational and health services	17,250	23.01%
Leisure and hospitality	10,703	14.28%
Other services	2,658	3.55%
Unclassified	96	0.13%

Source: Bureau of Labor Statistics, 2014

For the third quarter in Richmond County, the industries with the highest total jobs were trade, transportation, and utilities, professional and business services, and educational and health services. These three industries dominated comprised of 60 percent of the total employment in all industries. All three industries are service-providing, which is has a significantly larger number of jobs than the goods producing sector.

2013 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	232	0.2%	1,800,354	1.3%
Mining	209	0.2%	868,282	0.6%
Construction	5,293	5.1%	8,291,595	5.8%
Manufacturing	7,418	7.2%	15,162,651	10.6%
Wholesale Trade	2,297	2.2%	3,628,118	2.5%
Retail Trade	11,810	11.4%	16,592,605	11.6%
Transportation/Warehousing	3,000	2.9%	5,898,791	4.1%
Utilities	2,536	2.5%	1,107,105	0.8%
Information	1,845	1.8%	2,577,845	1.8%
Finance/Insurance	2,715	2.6%	6,884,133	4.8%
Real Estate/Rental/Leasing	2,149	2.1%	2,627,562	1.8%
Prof/Scientific/Tech Services	4,094	4.0%	9,808,289	6.8%
Mgmt of Companies/Enterprises	208	0.2%	97,762	0.1%
Admin/Support/Waste Mgmt Svcs	4,640	4.5%	6,316,579	4.4%
Educational Services	12,173	11.8%	12,979,314	9.1%
Health Care/Social Assistance	21,678	21.0%	20,080,547	14.0%
Arts/Entertainment/Recreation	2,205	2.1%	3,151,821	2.2%
Accommodation/Food Services	8,398	8.1%	10,849,114	7.6%
Other Services (excl Publ Adm)	4,740	4.6%	7,850,739	5.5%
Public Administration	5,743	5.6%	6,713,073	4.7%
Total Employment	103,383	100.0%	143,286,279	100.0%

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

The largest industries in the PMA are health care/social assistance, retail trade and educational services. Together these three industries comprise 44.2 percent of employment in the PMA. Health Care/Social Assistance and Utilities are overrepresented in the PMA when compared to the nation, while Finance/Insurance, Transportation/Warehousing and Prof/Scientific/Tech Services are underrepresented in the PMA when compared to the nation.

3. Major Employers

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

Augusta Major Employers

Company Name	Industry	Number of Employees
U.S. Army Signal Center & Fort Gordon	Government	19,844
Georgia Health Sciences University	Education	4,656
Richmond County School System	Education	4,418
University Hospital	Health Care	3,200
Georgia Health Sciences Hospitals	Health Care	3,054
Augusta-Richmond County	Government	2,612
VA Medical Centers	Health Care	2,082
East Central Regional Hospital	Health Care	1,488
Doctors Hospital	Health Care	1,210
EZ GO Textron	Manufacturing	1,277
Total		43,841

Source: Augusta Economic Development Authority 4/2014

Five of the top 10 employers in the Augusta metro area are in the healthcare industry. The five health care employers account for 25 percent of the total employees in the largest employers' list. Government also has a high proportion of employees in Augusta because there is a large military presence in the area. Healthcare, education, and government are all stable industries and have provided a boost to the local economy as manufacturing has decreased in the area.

Expansions/Contractions

After the recession, the Economic Development Authority reported that there are two new manufacturing plants that have finished construction in the area. Starbucks Coffee Company built a processing facility in Augusta which will begin operations in summer of 2014 and will employ approximately 140 people. Rockwood Color Pigment and Services, which makes coloring agents for concretes and plastics, plans to open its facility by the end of 2014, which employs approximately 100 people. Cabela's Inc., a water sport retail facility, opened its facility in March and hired approximately 90 full-time, part-time, and season employees. These facts and figures were confirmed with news reports.

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Company	Effective Date	Announced Layoffs
Mobility Transit Services, LLC	7/30/2013	68
Comcast	3/4/2013	79
Proctor and Gamble	1/11/2013	130
G4S Government Solutions Inc.	8/10/2012	31
General Dynamics Information Technology	7/3/2012	70
Food Lion	2/24/2012	120
Northrop Grumman	2/17/2012	10
Lap World Services	10/5/2011	113
Boral Bricks Inc.	9/20/2011	69
Teleperformance	2/25/2011	248
Total		938

Source: Georgia's Workforce Development 4/2104

As illustrated in the above table, Augusta-Richmond County lost 938 jobs in from 2012-2014. While the announced expansions will mitigate these losses to some extent, there will be a net loss of jobs.

4. Employment and Unemployment Trends

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

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Augusta-Richmond County, GA-SC MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	225,737	-	5.0%	-	136,485,000	-	5.8%	-
2003	230,446	2.1%	5.0%	0.0%	137,736,000	0.9%	6.0%	0.2%
2004	236,638	2.7%	5.4%	0.4%	139,252,000	1.1%	5.5%	-0.5%
2005	238,272	0.7%	6.0%	0.6%	141,730,000	1.8%	5.1%	-0.4%
2006	239,079	0.3%	5.9%	-0.1%	144,427,000	1.9%	4.6%	-0.5%
2007	242,838	1.6%	5.5%	-0.4%	146,047,000	1.1%	4.6%	0.0%
2008	242,358	-0.2%	6.3%	0.8%	145,362,000	-0.5%	5.8%	1.2%
2009	235,741	-2.7%	9.2%	2.9%	139,877,000	-3.8%	9.3%	3.5%
2010	235,174	-0.2%	9.2%	0.0%	139,064,000	-0.6%	9.6%	0.3%
2011	241,022	2.5%	9.1%	-0.1%	139,869,000	0.6%	8.9%	-0.7%
2012	240,699	-0.1%	8.8%	-0.3%	142,469,000	1.9%	8.1%	-0.8%
2013 YTD Average*	240,955	0.1%	9.3%	0.5%	143,929,333	1.0%	7.4%	-0.7%
Dec-2012	242,950	-	8.6%	-	143,060,000	-	7.6%	-
Dec-2013	239,875	-1.3%	7.2%	-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

The Augusta-Richmond County, GA-SC MSA experienced moderate employment growth prior to the advent of the recession in 2008. From 2008 through 2010 the MSA experienced total employment declines, which negated the growth experienced in the previous four years. Since 2011 the MSA has begun to once again add to its total employment numbers however, total

employment in the MSA is slightly below the 2008 level. Additionally, although unemployment has historically been equivalent to or above national levels, the 2008 figures indicate that the region was not impacted as heavily by the recession as the rest of the nation. The unemployment rate for the MSA was outpaced by the national average. The MSA continues to experience the effects of the recession, however, with the rate of reemployment lagging sluggishly behind the nation as a whole. While there has been some degree of recovery in the past few years, as of December 2013 the MSA unemployment rate is still 0.7 percent higher than the national average.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Richmond County.



Augusta Major Employers

Map #	Company Name	Industry
1	U.S. Army Signal Center & Fort Gordon	Government
2	Georgia Health Sciences University	Education
3	Richmond County School System	Education
4	University Hospital	Health Care
5	Georgia Health Sciences Hospitals	Health Care
6	Augusta-Richmond County	Government
7	VA Medical Centers	Health Care
8	East Central Regional Hospital	Health Care
9	Doctors Hospital	Health Care
10	EZ GO Textron	Manufacturing
11	Employment Center	Government

Source: Augusta Economic Development Authority 4/2014

Conclusion

Total employment in the MSA has been on an upward trend since at least 1990 and currently sits at 239,875 as of December 2013. Employment seems to have begun recovering and is currently trending upward year to date, but overall employment in the MSA is still slightly lower than it was in 2008. This discrepancy is less than one percent, however, if the upward trend continues the MSA should see employment levels above pre-recession levels in the near future.

Similar to what occurred for the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 9.2 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of December 2013, the unemployment rate was above the unemployment rate of the US, but the rate of recovery currently outpaces the national average.

PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. INCOME RESTRICTIONS

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

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

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

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

2. AFFORDABILITY

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

3. DEMAND

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

3A. DEMAND FROM NEW HOUSEHOLDS

The number of new households entering the market is the first level of demand calculated. We have utilized 2016, the anticipated date of market entry, as the base year for the analysis. Therefore, 2012 household population estimates are inflated to 2016 by interpolation of the difference between 2012 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 2012 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.

One recent senior LIHTC property was allocated in the Subject’s PMA in 2013. Legacy at Walton Oaks Phase II will be developed, built and managed through the joint efforts of Walton Communities and the Augusta Housing Authority. Phase I of this property is included as a comparable in our analysis. This senior development will consist of 62 one- and two-bedroom units. The units serve moderate-income families earning 50 and 60 percent or less of the area median income. Ten units will be restricted to seniors at 50 percent of the AMI and 52 units will be restricted to seniors at 60 percent of the AMI. Additionally, 20 units will have an additional project based rental assistance subsidy and tenants will pay 30 percent of their income on rent. This property will directly compete with the proposed Subject. We have removed all of the LIHTC units at this property from the demand analysis.

Below is the unit mix for the second phase of Legacy at Walton Oaks.

Rent Type	Bedrooms	Baths	Units	SF	Max Gross Rent	Proposed Gross Rent	Utility Allowance	PBRA Subsidy
50% AMI	1	1	10	800	\$533	\$0	\$0	PHA PBRA
60% AMI	1	1	10	800	\$639	\$0	\$0	PHA PBRA
60% AMI	1	1	12	800	\$639	\$636	\$136	
60% AMI	2	2	30	1,150	\$768	\$760	\$178	

Given that 20 of the units at Legacy Walton Oaks Phase II will operate with an additional subsidy and tenants will pay 30 percent of their income on rent, we have not removed these units from the demand analysis.

Property Name	Type	Year Built/Proposed	Number of Competitive Units
Legacy At Walton Oaks II	Senior LIHTC	Proposed 2015	42

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	50%	60%	Overall
One Bedroom	0	12	12
Two Bedroom	0	30	30
Total	0	42	42

PMA OCCUPANCY

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

PMA OCCUPANCY

Property name	Rent Structure	Tenancy	Total Units	Vacant Units	Occupancy
Augusta Spring Apartments	LIHTC/HOME	Senior	200	4	98.0%
Legacy At Walton Oaks	LIHTC/ACC/PBRA	Senior	75	0	100.0%
Linden Square	LIHTC/Market	Senior	48	0	100.0%
Terraces At Edinburgh	LIHTC	Senior	72	0	100.0%
Century Hills	Market	Family	200	8	96.0%
Oak Hill Apartments	Market	Family	120	3	97.5%
River Ridge	Market	Family	104	19	81.7%
The Glen At Alexander	Market	Family	216	1	99.5%
Overall Vacancy LIHTC			395	4	99.0%
Overall Vacancy Market			640	31	95.2%
Overall Vacancy			1,035	35	96.6%

The overall occupancy rate at the comparable properties is stable at 96.6 percent.

Rehab Developments and PBRA

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

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

Capture Rates

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

Davidson Senior Manor, Augusta, GA; Market Study

Renter Household Income Distribution 2013 to Projected Market Entry July 2016						
Davidson Senior Manor						
PMA						
	2013		Projected Mkt Entry July 2016		Percent	
	#	%	#	%	Growth	
\$0-9,999	1,938	20.1%	2,000	19.2%	3.1%	
\$10,000-19,999	2,013	20.8%	2,070	19.9%	2.8%	
\$20,000-29,999	1,325	13.7%	1,415	13.6%	6.4%	
\$30,000-39,999	889	9.2%	981	9.4%	9.4%	
\$40,000-49,999	732	7.6%	775	7.4%	5.5%	
\$50,000-59,999	624	6.5%	681	6.5%	8.4%	
\$60,000-74,999	580	6.0%	640	6.1%	9.4%	
\$75,000-99,999	661	6.8%	745	7.2%	11.3%	
\$100,000-124,999	360	3.7%	436	4.2%	17.3%	
\$125,000-149,999	169	1.7%	216	2.1%	21.9%	
\$150,000-199,999	150	1.6%	183	1.8%	18.1%	
\$200,000+	221	2.3%	274	2.6%	19.3%	
Total	9,662	100.0%	10,416	100.0%	7.2%	

Renter Household Income Distribution Projected Market Entry July 2016			
Davidson Senior Manor			
	PMA		
	Projected Mkt Entry July 2016		Change 2013 to Prj Mrkt Entry July 2016
	#	%	#
\$0-9,999	2,000	19.2%	145
\$10,000-19,999	2,070	19.9%	150
\$20,000-29,999	1,415	13.6%	102
\$30,000-39,999	981	9.4%	71
\$40,000-49,999	775	7.4%	56
\$50,000-59,999	681	6.5%	49
\$60,000-74,999	640	6.1%	46
\$75,000-99,999	745	7.2%	54
\$100,000-124,999	436	4.2%	32
\$125,000-149,999	216	2.1%	16
\$150,000-199,999	183	1.8%	13
\$200,000+	274	2.6%	20
Total	10,416	100.0%	754

Tenure Prj Mrkt Entry July 2016	
Renter	26.0%
Owner	74.0%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2016		
Size	Number	Percentage
1 Person	6,049	58.1%
2 Person	2,327	22.3%
3 Person	837	8.0%
4 Person	600	5.8%
5+ Person	603	5.8%
Total	10,416	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	10,329	30.9%
2 Person	9,201	27.5%
3 Person	5,913	17.7%
4 Person	4,331	12.9%
5+ Person	3,705	11.1%
Total	33,478	100.0%

50% AMI

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

Percent of AMI Level			50%			
Minimum Income Limit			\$15,750			
Maximum Income Limit			\$22,400 Two			
Income Category	New Renter Households - Total Change in Households PMA 2013 to Pj Mrkt Entry July 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	\$0-9,999	144.73			19.2%	
\$10,000-19,999	149.84	19.9%	4,249	42.5%	64	
\$20,000-29,999	102.42	13.6%	2,400	24.0%	25	
\$30,000-39,999	71.02	9.4%		0.0%	0	
\$40,000-49,999	56.08	7.4%		0.0%	0	
\$50,000-59,999	49.31	6.5%		0.0%	0	
\$60,000-74,999	46.31	6.1%		0.0%	0	
\$75,000-99,999	53.93	7.2%		0.0%	0	
\$100,000-124,999	31.53	4.2%		0.0%	0	
\$125,000-149,999	15.63	2.1%		0.0%	0	
\$150,000-199,999	13.24	1.8%		0.0%	0	
\$200,000+	19.84	2.6%		0.0%	0	
754			100.0%		88	
Percent of renter households within limits versus total number of renter households					11.71%	

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

Percent of AMI Level			50%			
Minimum Income Limit			\$15,750			
Maximum Income Limit			\$22,400 Two			
Income Category	Total Renter Households PMA Pj Mrkt Entry July 2016		Income Brackets	Percent within Cohort	Households within Bracket	
	\$0-9,999	2,000			19.2%	\$0
\$10,000-19,999	2,070	19.9%	\$4,249	42%	880	
\$20,000-29,999	1,415	13.6%	\$2,400	24%	340	
\$30,000-39,999	981	9.4%	\$0	0%	0	
\$40,000-49,999	775	7.4%	\$0	0%	0	
\$50,000-59,999	681	6.5%	\$0	0%	0	
\$60,000-74,999	640	6.1%	\$0	0%	0	
\$75,000-99,999	745	7.2%	\$0	0%	0	
\$100,000-124,999	436	4.2%	\$0	0%	0	
\$125,000-149,999	216	2.1%	\$0	0%	0	
\$150,000-199,999	183	1.8%	\$0	0%	0	
\$200,000+	274	2.6%	\$0	0%	0	
10,416			100.0%		1,219	
Percent of renter households within limits versus total number of renter households					11.71%	

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 Pj Mrkt Entry July 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%
\$36,801
\$41,842
\$5,041
13.7%
2.3%
2.3%
Two year adjustment
1,0000
\$22,400
\$22,400
Two
50%
\$525
\$525.00

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		50%
New Renter Households PMA		754
Percent Income Qualified		11.7%
New Renter Income Qualified Households		88

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		10,416
Income Qualified		11.7%
Income Qualified Renter Households		1,219
Percent Rent Overburdened Prj Mrkt Entry July 2016		29.9%
Rent Overburdened Households		365

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,219
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		6

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		29,656
Rural Versus Urban	0.0%	
Senior Demand Converting from Homeownership		9

Total Demand

Total Demand from Existing Households		380
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		380
Total New Demand		88
Total Demand (New Plus Existing Households)		469

Demand from Seniors Who Convert from Homeownership		9
Percent of Total Demand From Homeownership Conversion		1.9%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	58.1%	272
Two Persons	22.3%	105
Three Persons	8.0%	38
Four Persons	5.8%	27
Five Persons	5.8%	27
Total	100.0%	469

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	191
Of two-person households in 1BR units	20%	21
Of one-person households in 2BR units	30%	82
Of two-person households in 2BR units	80%	84
Of three-person households in 2BR units	60%	23
Of three-person households in 3BR units	40%	15
Of four-person households in 3BR units	80%	22
Of five-person households in 3BR units	70%	19
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	8

Total Demand 469

Check OK

Total Demand by Bedroom 50%

1 BR 212

2 BR 166

Total Demand 377

Additions To Supply 2013 to Prj Mrkt Entry July 2016 50%

0 BR 0

1 BR 0

2 BR 0

3 BR 0

4 BR 0

5 BR 0

Total 0

Net Demand 50%

1 BR 212

2 BR 166

Total 377

Developer's Unit Mix 50%

1 BR 8

2 BR 5

Total 13

Capture Rate Analysis 50%

1 BR 3.8%

2 BR 3.0%

Total 3.4%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$18,900		
Maximum Income Limit			\$26,880 Two		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Pj Mrkt Entry July 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	144.73			
\$10,000-19,999	149.84	19.9%	1,099	11.0%	16
\$20,000-29,999	102.42	13.6%	6,880	68.8%	70
\$30,000-39,999	71.02	9.4%		0.0%	0
\$40,000-49,999	56.08	7.4%		0.0%	0
\$50,000-59,999	49.31	6.5%		0.0%	0
\$60,000-74,999	46.31	6.1%		0.0%	0
\$75,000-99,999	53.93	7.2%		0.0%	0
\$100,000-124,999	31.53	4.2%		0.0%	0
\$125,000-149,999	15.63	2.1%		0.0%	0
\$150,000-199,999	13.24	1.8%		0.0%	0
\$200,000+	19.84	2.6%		0.0%	0
	754	100.0%			87
Percent of renter households within limits versus total number of renter households					11.53%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$18,900		
Maximum Income Limit			\$26,880 Two		
Income Category	Total Renter Households PMA Pj Mrkt Entry July 2016		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	2,000			
\$10,000-19,999	2,070	19.9%	\$1,099	11%	228
\$20,000-29,999	1,415	13.6%	\$6,880	69%	974
\$30,000-39,999	981	9.4%	\$0	0%	0
\$40,000-49,999	775	7.4%	\$0	0%	0
\$50,000-59,999	681	6.5%	\$0	0%	0
\$60,000-74,999	640	6.1%	\$0	0%	0
\$75,000-99,999	745	7.2%	\$0	0%	0
\$100,000-124,999	436	4.2%	\$0	0%	0
\$125,000-149,999	216	2.1%	\$0	0%	0
\$150,000-199,999	183	1.8%	\$0	0%	0
\$200,000+	274	2.6%	\$0	0%	0
	10,416	100.0%			1,201
Percent of renter households within limits versus total number of renter households					11.53%

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 Pj Mrkt Entry July 2015

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Senior
Urban
40%
\$36,801
\$41,842
\$5,041
13.7%
2.3%
2.3%
Two year adjustment
1,0000
\$26,880
\$26,880
Two
60%
\$630
\$630.00

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		60%
New Renter Households PMA		754
Percent Income Qualified		11.5%
New Renter Income Qualified Households		87

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		10,416
Income Qualified		11.5%
Income Qualified Renter Households		1,201
Percent Rent Overburdened Prj Mrkt Entry July 2016		29.9%
Rent Overburdened Households		360

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,201
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		6

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		29,656
Rural Versus Urban	0.0%	
Senior Demand Converting from Homeownership		9

Total Demand

Total Demand from Existing Households		375
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		375
Total New Demand		87
Total Demand (New Plus Existing Households)		462

Demand from Seniors Who Convert from Homeownership		9
Percent of Total Demand From Homeownership Conversion		1.9%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	58.1%	268
Two Persons	22.3%	103
Three Persons	8.0%	37
Four Persons	5.8%	27
Five Persons	5.8%	27
Total	100.0%	462

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	188
Of two-person households in 1BR units	20%	21
Of one-person households in 2BR units	30%	80
Of two-person households in 2BR units	80%	83
Of three-person households in 2BR units	60%	22
Of three-person households in 3BR units	40%	15
Of four-person households in 3BR units	80%	21
Of five-person households in 3BR units	70%	19
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	8

Total Demand 462

Check OK

Total Demand by Bedroom 60%

1 BR 208

2 BR 163

Total Demand 372

Additions To Supply 2013 to Prj Mrkt Entry July 2016 60%

0 BR 0

1 BR 12

2 BR 30

3 BR 0

4 BR 0

5 BR 0

Total 42

Net Demand 60%

1 BR 196

2 BR 133

Total 330

Developer's Unit Mix 60%

1 BR 11

2 BR 24

Total 35

Capture Rate Analysis 60%

1 BR 5.6%

2 BR 18.0%

Total 10.6%

Overall

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$15,750			
Maximum Income Limit			\$26,880 Two			
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry July 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	\$0-9,999	144.73			19.2%	
\$10,000-19,999	149.84	19.9%	4,249	42.5%	64	
\$20,000-29,999	102.42	13.6%	6,880	68.8%	70	
\$30,000-39,999	71.02	9.4%		0.0%	0	
\$40,000-49,999	56.08	7.4%		0.0%	0	
\$50,000-59,999	49.31	6.5%		0.0%	0	
\$60,000-74,999	46.31	6.1%		0.0%	0	
\$75,000-99,999	53.93	7.2%		0.0%	0	
\$100,000-124,999	31.53	4.2%		0.0%	0	
\$125,000-149,999	15.63	2.1%		0.0%	0	
\$150,000-199,999	13.24	1.8%		0.0%	0	
\$200,000+	19.84	2.6%		0.0%	0	
	754	100.0%			134	
Percent of renter households within limits versus total number of renter households					17.79%	

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$15,750			
Maximum Income Limit			\$26,880 Two			
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2016		Income Brackets	Percent within Cohort	Households within Bracket	
	\$0-9,999	2,000			19.2%	\$0
\$10,000-19,999	2,070	19.9%	\$4,249	42%	880	
\$20,000-29,999	1,415	13.6%	\$6,880	69%	974	
\$30,000-39,999	981	9.4%	\$0	0%	0	
\$40,000-49,999	775	7.4%	\$0	0%	0	
\$50,000-59,999	681	6.5%	\$0	0%	0	
\$60,000-74,999	640	6.1%	\$0	0%	0	
\$75,000-99,999	745	7.2%	\$0	0%	0	
\$100,000-124,999	436	4.2%	\$0	0%	0	
\$125,000-149,999	216	2.1%	\$0	0%	0	
\$150,000-199,999	183	1.8%	\$0	0%	0	
\$200,000+	274	2.6%	\$0	0%	0	
	10,416	100.0%			1,853	
Percent of renter households within limits versus total number of renter households					17.79%	

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 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%
\$36,801
\$41,842
\$5,041
13.7%
2.3%
2.3%
\$26,880
\$26,880
Two
Overall
\$525
\$525.00

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		Overall
New Renter Households PMA		754
Percent Income Qualified		17.8%
New Renter Income Qualified Households		134

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

Demand from Existing Households 2013

Demand from Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		10,416
Income Qualified		17.8%
Income Qualified Renter Households		1,853
Percent Rent Overburdened Prj Mrkt Entry July 2016		29.9%
Rent Overburdened Households		555

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,853
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		10

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

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		29,656
Rural Versus Urban	0.0%	
Senior Demand Converting from Homeownership		13

Total Demand

Total Demand from Existing Households		578
Adjustment Factor - Leakage from SMA (use 115% for DCA)	100%	0
Adjusted Demand from Existing Households		578
Total New Demand		134
Total Demand (New Plus Existing Households)		712

Demand from Seniors Who Convert from Homeownership		13
Percent of Total Demand From Homeownership Conversion		1.9%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	58.1%	413
Two Persons	22.3%	159
Three Persons	8.0%	57
Four Persons	5.8%	41
Five Persons	5.8%	41
Total	100.0%	712

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	289
Of two-person households in 1BR units	20%	32
Of one-person households in 2BR units	30%	124
Of two-person households in 2BR units	80%	127
Of three-person households in 2BR units	60%	34
Of three-person households in 3BR units	40%	23
Of four-person households in 3BR units	80%	33
Of five-person households in 3BR units	70%	29
Of four-person households in 4BR units	20%	8
Of five-person households in 4BR units	30%	12
Total Demand		712
Check		OK

Total Demand by Bedroom Overall

1 BR	321
2 BR	<u>251</u>
Total Demand	573

Additions To Supply 2013 to Prj Mrkt Entry July 2016 Overall

0 BR	0
1 BR	12
2 BR	30
3 BR	0
4 BR	0
5 BR	0
Total	42

Net Demand Overall

1 BR	309
2 BR	221
Total	531

Developer's Unit Mix Overall

1 BR	19
2 BR	29
Total	48

Capture Rate Analysis Overall

1 BR	6.1%
2 BR	13.1%
Total	9.0%

Conclusions

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

- The number of senior households in the PMA is expected to increase 2.9 percent between 2013 and 2016.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.
- The demand analysis only allows for two percent of the demand to derive from senior homeownership conversion.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR at 50% AMI	8	212	0	212	3.8%	3 Months	\$562	\$378 - \$1,080	\$391
2BR at 50% AMI	5	166	0	166	3.0%	3 Months	\$639	\$444 - \$1,282	\$455
Overall 50% AMI	13	377	0	377	3.4%	3 Months	\$546 - \$624	\$378 - \$1,282	\$391 - \$455
1BR at 60% AMI	11	208	12	196	5.3%	3 Months	\$625	\$456 - \$1,080	\$496
2BR at 60% AMI	24	163	30	133	14.7%	3 Months	\$694	\$484 - \$1,282	\$581
Overall 60% AMI	35	372	42	330	9.4%	3 Months	\$612 - \$684	\$456 - \$1,282	\$496 - \$581
1BR Overall	19	321	12	309	5.9%	3 Months	\$562 - \$625	\$378 - \$1,080	\$391 - \$496
2BR Overall	29	251	30	221	11.5%	3 Months	\$639 - \$694	\$444 - \$1,282	\$450 - \$576
Overall Project	48	573	42	531	8.4%	3 Months	\$562 - \$694	\$387 - \$1,282	\$981 - \$576

Demand and Net Demand

	HH at 50% AMI (\$15,690 - \$22,400)	HH at 60% AMI (\$18,840 - \$26,880)	All Tax Credit Households
Demand from New Households (age and income appropriate)	88	87	134
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	6	6	10
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	365	360	555
PLUS	+	+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0	0
Sub Total	460	453	699
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	9	9	13
Equals Total Demand	469	462	712
Less	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	42	42
Equals Net Demand	469	420	670

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 3.0 to 3.8 percent, with an overall capture rate of 3.4 percent. The Subject’s 60 percent AMI capture rates range from 5.3 to 14.7 percent, with an overall capture rate of 9.4 percent. The overall capture rate for the project’s 50 and 60 percent units is 8.4 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 eight comparable properties containing 1,035 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered adequate. Due to the availability of senior LIHTC data in the market, we have included only senior LIHTC properties in the PMA and have excluded family LIHTC properties. We have included four senior LIHTC properties and four family market rate properties due to the lack of senior market rate data. All of the properties are located in the PMA and are within 7.1 miles of the Subject site. Of the market rate comparables, the closest properties represent older construction (1974 and 1984) and therefore we included two newer market rate properties located within six miles of the Subject site to demonstrate the performance of newer unrestricted properties in the market. Overall, we consider the availability of market data to be good.

Excluded Properties

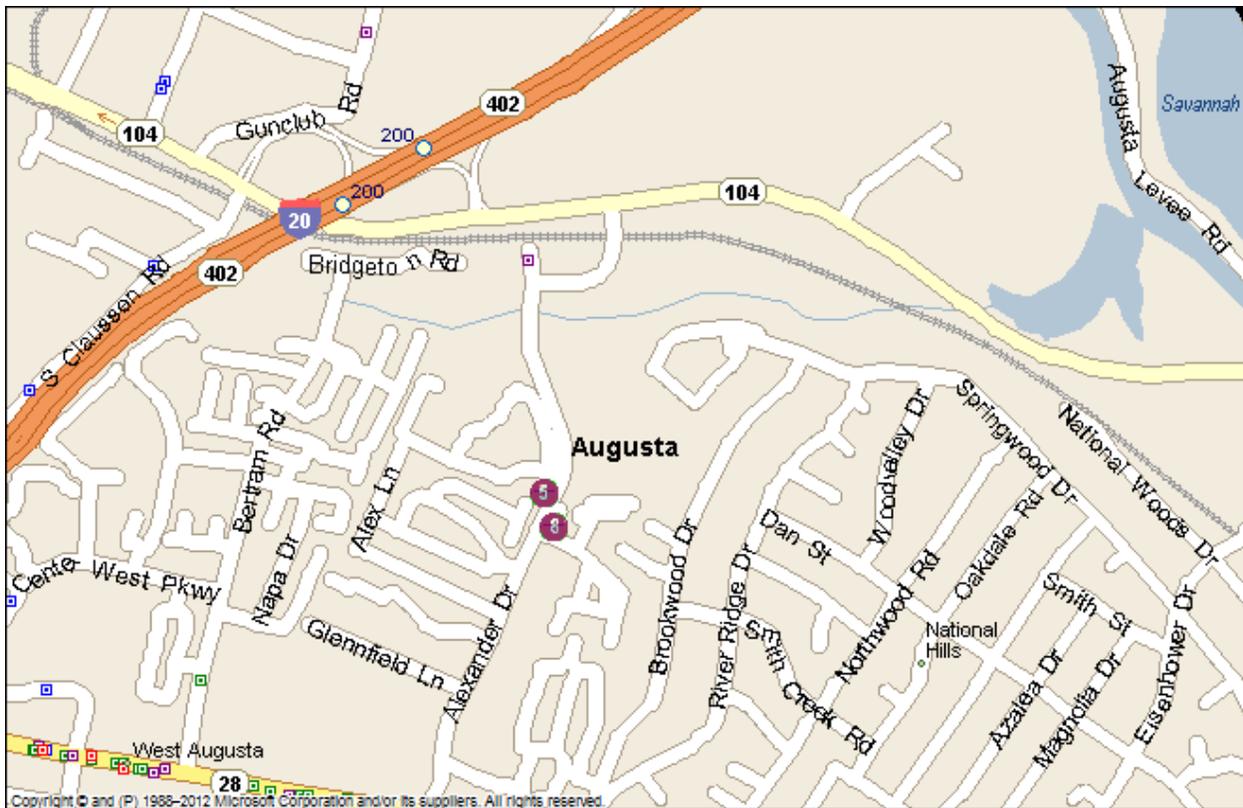
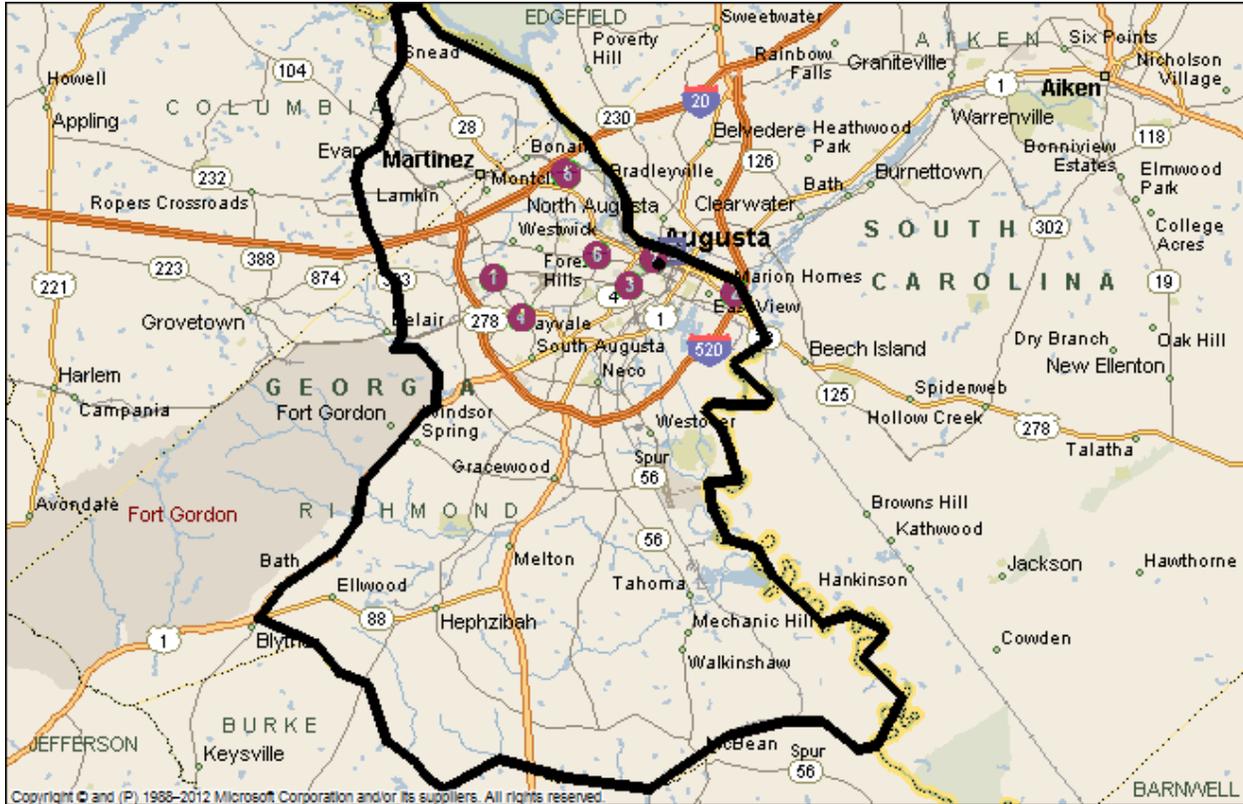
The following table illustrates properties within the PMA that have been excluded from our analysis along with their reason for exclusion.

Davidson Senior Manor, Augusta, GA; Market Study

EXCLUDED PROPERTIES

Property	City	Type	Tenancy	Included/Excluded	Reason for Exclusion
Dogwood Terrace	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Ervin Towers	Augusta	Public Housing	Elderly and Disabled	Excluded	Tenants pay 30% of income
Olmsted Homes	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Gilbert Manor	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Powell Apartments	Augusta	Public Housing	Elderly and Disabled	Excluded	Tenants pay 30% of income
Peabody Apartments	Augusta	Public Housing	Elderly and Disabled	Excluded	Tenants pay 30% of income
MM Scott	Augusta	Public Housing	Elderly and Disabled	Excluded	Tenancy not comparable and tenants pay 30% of income
Cherry Tree Crossing	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Oak Pointe	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Allen Homes	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Jennings Place	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Overlook Apartments	Augusta	Public Housing	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Shadowood Apartments	Augusta	Section 8	Elderly	Excluded	Tenants pay 30% of income
Bon Air Apartments	Augusta	Section 8	Senior	Excluded	Tenants pay 30% of income
Lynndale Group Homes	Augusta	Section 8	Disabled	Excluded	Tenancy not comparable and tenants pay 30% of income
Lynndale West Apartments	Augusta	Section 8	Disabled	Excluded	Tenancy not comparable and tenants pay 30% of income
Trinity Manor Apartments	Augusta	Section 8	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Independent Living Horizons I-V	Augusta	Section 8	Disabled	Excluded	Tenancy not comparable and tenants pay 30% of income
Independent Living Horizons VI	Augusta	Section 8	Elderly	Excluded	Tenants pay 30% of income
Augusta Manor	Augusta	Section 8	Elderly	Excluded	Tenants pay 30% of income
Ashton Richmond Summit	Augusta	Section 8	Elderly	Excluded	Tenants pay 30% of income
Augusta Properties	Augusta	Section 8	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Mount Zion	Augusta	Section 8	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
SG Noble Garden of Hope	Augusta	Section 8	Elderly	Excluded	Tenants pay 30% of income
St Johns Towers	Augusta	Section 8	Elderly	Excluded	Tenants pay 30% of income
Villa Marie Apartments	Augusta	Section 8	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Richmond Villas	Hephzibah	Section 8	Family	Excluded	Tenancy not comparable and tenants pay 30% of income
Center West Villas	Augusta	FHA	Family	Excluded	Tenancy not comparable
Unihealth Post-Acute Care	Augusta	FHA	Nursing Home	Excluded	Nursing Home
Blair House	Augusta	FHA	Nursing Home	Excluded	Nursing Home
Villa Marie Apartments	Augusta	FHA	Family	Excluded	Tenants pay 30% of income
Shadowood Apartments	Augusta	FHA	Family	Excluded	Tenants pay 30% of income
Augusta Properties	Augusta	FHA	Family	Excluded	Tenancy not comparable
The Parc at Flowing Wells	Augusta	FHA	Family	Excluded	Tenancy not comparable
Ridgecrest Apartments	Martinez	FHA	Family	Excluded	Tenants pay 30% of income
Richmond Summit	Hephzibah	FHA	Elderly	Excluded	Tenants pay 30% of income
Cedarwood	Augusta	LIHTC	Family	Excluded	Tenants pay 30% of income
Woodlake Club	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Forest Brook Apartments	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Glenwood II	Augusta	LIHTC	Family	Excluded	Management unavailable
Westwood Club	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Maxwell House	Augusta	HOME/Shelter+Care/PBRA	Family	Excluded	Tenancy not comparable
Wedgewood Park	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Vineyards of Grovetown	Grovetown	LIHTC	Family	Excluded	Tenancy not comparable
Magnolia Park	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Governor Park Townhomes	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Ridgewood Place	Augusta	LIHTC	Family	Excluded	Information not available
Olde Towne Apartments	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
East Augusta Townhomes	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
405 Hale Street	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Walton Oaks Family II	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Crest at Edinburgh	Augusta	LIHTC	Family	Excluded	Tenancy not comparable
Legacy at Walton Oaks II	Augusta	LIHTC	Senior	Excluded	New allocation and not yet complete
Bailey Place	Augusta	Market	Family	Excluded	More comparable properties available
Broadway Apartments	Augusta	Market	Family	Excluded	More comparable properties available
Cedar Grove Apartments	Augusta	Market	Family	Excluded	More comparable properties available
Fleming Apartments	Augusta	Market	Family	Excluded	More comparable properties available
Forest Ridge Apartments	Augusta	Market	Family	Excluded	More comparable properties available
Georgian Place	Augusta	Market	Family	Excluded	More comparable properties available
High Point Crossing	Augusta	Market	Family	Excluded	More comparable properties available
Lenox Apartments	Augusta	Market	Family	Excluded	More comparable properties available
Meadow Wood Place	Augusta	Market	Family	Excluded	More comparable properties available
Providence Place	Augusta	Market	Family	Excluded	More comparable properties available
Ridgecrest Apartments	Augusta	Market	Family	Excluded	More comparable properties available
The Preserve At Longpoint	Augusta	Market	Family	Excluded	More comparable properties available
Woodhaven Apartments	Augusta	Market	Family	Excluded	More comparable properties available
Yorktown Apartments	Augusta	Market	Family	Excluded	More comparable properties available
Davidson Manor	Augusta	LIHTC	Senior	SUBJECT	SUBJECT

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property	City	Tenancy	Program	Distance to Subject
S	Davidson Senior Manor	Augusta	Senior	LIHTC	N/Ap
1	Augusta Spring Apartments	Augusta	Senior	LIHTC/HOME	6.0 miles
2	Legacy At Walton Oaks	Augusta	Senior	LIHTC/ACC/PBRA	3.1 miles
3	Linden Square	Augusta	Senior	LIHTC/Market	1.7 miles
4	Terraces At Edinburgh	Augusta	Senior	LIHTC	7.1 miles
5	Century Hills	Augusta	Family	Market	5.0 miles
6	Oak Hill Apartments	Augusta	Family	Market	2.6 miles
7	River Ridge	Augusta	Family	Market	0.6 miles
8	The Glen At Alexander	Augusta	Family	Market	5.0 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Davidson Senior Manor SEC Telfair St & 11th St Augusta, GA 30901 Richmond County	n/a	Lowrise (age-restricted) (4 stories) 2015 / n/a	@50%, @60%	1BR / 1BA	8	16.70%	@50%	\$391	708	no		N/A	N/A
					1BR / 1BA	11	22.90%	@60%	\$496	708	no	N/A	N/A	
					2BR / 1BA	5	10.40%	@50%	\$455	955	no	N/A	N/A	
					2BR / 1BA	24	50.00%	@60%	\$581	955	no	N/A	N/A	
						48	100%					N/A	N/A	
1	Augusta Spring Apartments 1730 Sibley Road Augusta, GA 30909 Richmond County	6 miles	One-story (age-restricted) 1996 and 2002 / n/a	@50%, @50% (HOME), @60%, @60% (HOME)	1BR / 1BA	4	2.00%	@50%	\$409	660	yes	Yes	0	0.00%
					1BR / 1BA	36	18.00%	@50%	\$409	660	yes	Yes	2	5.60%
					1BR / 1BA	6	3.00%	@60%	\$518	660	yes	Yes	0	0.00%
					1BR / 1BA	54	27.00%	@60%	\$456	660	no	Yes	0	0.00%
					2BR / 1BA	37	18.50%	@50%	\$477	840	yes	Yes	0	0.00%
					2BR / 1BA	4	2.00%	@50%	\$477	840	yes	Yes	0	0.00%
					2BR / 1BA	53	26.50%	@60%	\$608	840	yes	Yes	2	3.80%
					2BR / 1BA	6	3.00%	@60%	\$484	840	yes	Yes	0	0.00%
						200	100%						4	2.00%
						11	14.70%	@50%	N/A	800	no	Yes	0	0.00%
2	Legacy At Walton Oaks I 602 Fairhope St Augusta, GA 30901 Richmond County	3.1 miles	Lowrise (age-restricted) (3 stories) 2011 / n/a	@50% (ACC), @60% PBRA	1BR / 1BA	10	13.30%	@60%	\$539	800	yes	No	0	0.00%
					1BR / 1BA	24	32.00%	PBRA	N/A	800	no	Yes	0	0.00%
					2BR / 2BA	1	1.30%	@50%	N/A	1,150	no	Yes	0	0.00%
					2BR / 2BA	27	36.00%	@60%	\$649	1,150	yes	No	0	0.00%
					2BR / 2BA	2	2.70%	PBRA	N/A	1,150	no	Yes	0	0.00%
						75	100%						0	0.00%
3	Linden Square 1425 Lee Beard Way Augusta, GA 30901 Richmond County	1.7 miles	Lowrise (age-restricted) (2 stories) 2003 / n/a	@50%, @60%, Market	1BR / 1BA	14	29.20%	@50%	\$425	663	no	Yes	0	0.00%
					1BR / 1BA	14	29.20%	@60%	\$486	663	no	Yes	0	0.00%
					1BR / 1BA	8	16.70%	Market	\$511	663	no	Yes	0	0.00%
					2BR / 1BA	6	12.50%	@50%	\$496	890	no	Yes	0	0.00%
					2BR / 1BA	4	8.30%	@60%	\$566	890	no	Yes	0	0.00%
					2BR / 1BA	2	4.20%	Market	\$591	890	no	Yes	0	0.00%
						48	100%						0	0.00%
4	Terraces At Edinburgh 3265 Milledgeville Road Augusta, GA 30909 Richmond County	7.1 miles	One-story (age-restricted) 2010 / n/a	@50%, @60%	1BR / 1BA	7	9.70%	@50%	\$378	891	yes	Yes	0	0.00%
					1BR / 1BA	11	15.30%	@60%	\$485	891	yes	Yes	0	0.00%
					2BR / 2BA	22	30.60%	@50%	\$444	1,103	yes	Yes	0	0.00%
					2BR / 2BA	32	44.40%	@60%	\$558	1,103	yes	Yes	0	0.00%
						72	100%						0	0.00%
5	Century Hills 1035 Alexander Dr Augusta, GA 30909 Richmond County	5 miles	Various (2 stories) 2003 / n/a	Market	1BR / 1BA (Garden)	14	7.00%	Market	\$799	824	n/a	No	N/A	N/A
					1BR / 1BA (Garden)	48	24.00%	Market	\$819	909	n/a	Yes	N/A	N/A
					1.5BR / 1BA (Loft)	24	12.00%	Market	\$849	1,094	n/a	Yes	N/A	N/A
					2BR / 2BA (Garden)	43	21.50%	Market	\$929	1,166	n/a	Yes	N/A	N/A
					2BR / 2BA (Garden)	43	21.50%	Market	\$969	1,261	n/a	Yes	N/A	N/A
					3BR / 2BA (Garden)	28	14.00%	Market	\$1,059	1,403	n/a	No	N/A	N/A
						200	100%						8	4.00%
						76	63.30%	Market	\$552	705	n/a	N/A	1	1.30%
6	Oak Hill Apartments 817 Hickman Street Augusta, GA 30904 Richmond County	2.6 miles	Garden (3 stories) 1974 / n/a	Market	2BR / 1BA	44	36.70%	Market	\$652	1,020	n/a	N/A	2	4.50%
						120	100%					3	2.50%	
						52	50.00%	Market	\$516	850	no	no	N/A	N/A
7	River Ridge 505 13th Street Augusta, GA 30901 Richmond County	0.6 miles	Garden (3 stories) 1984 / 2012	Market	2BR / 2BA	52	50.00%	Market	\$516	900	no	no	N/A	N/A
					2BR / 2BA	52	50.00%	Market	\$516	900	no	no	N/A	N/A
						104	100%					19	18.30%	
8	The Glen At Alexander 1040 Alexander Drive Augusta, GA 30909 Richmond County	5 miles	Garden (3 stories) 2003 / 2014	Market	1BR / 1BA	26	12.00%	Market	\$1,080	975	n/a	Yes	0	0.00%
					2BR / 2BA	130	60.20%	Market	\$1,284	1,175	n/a	Yes	1	0.80%
					3BR / 2BA	60	27.80%	Market	\$1,178	1,350	n/a	Yes	0	0.00%
						216	100%					1	0.50%	

PROPERTY PROFILE REPORT

Augusta Spring Apartments

Effective Rent Date 3/25/2014

Location 1730 Sibley Road
Augusta, GA 30909
Richmond County
Intersection: Sibley Rd and Woodcrest Dr

Distance 6 miles

Units 200

Vacant Units 4

Vacancy Rate 2.0%

Type One-story (age-restricted)

Year Built/Renovated 1996 and 2002 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Terrace at Edinburgh, Walton Ridge, Walton Terrace

Tenant Characteristics Seniors ages 62 and over; Avg age 70; Majority from within Waynesboro; Some from N Augusta and out-of-state

Contact Name Nicole

Phone 706-733-9200



Market Information

Program @50%, @50% (HOME), @60%, @60%

Annual Turnover Rate 10%

Units/Month Absorbed 8

HCV Tenants 15%

Leasing Pace Pre-leased

Annual Chg. in Rent Slightly increased

Concession None

Utilities

A/C included -- central

Cooking included -- electric

Water Heat included -- electric

Heat included -- electric

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
1	1	One-story	4	660	\$543	\$0	@50%	Yes	0	0.0%	yes	None
1	1	One-story	36	660	\$543	\$0	@50% (HOME)	Yes	2	5.6%	yes	None
1	1	One-story	6	660	\$652	\$0	@60%	Yes	0	0.0%	yes	None
1	1	One-story	54	660	\$590	\$0	@60% (HOME)	Yes	0	0.0%	no	None
2	1	One-story	37	840	\$652	\$0	@50%	Yes	0	0.0%	yes	None
2	1	One-story	4	840	\$652	\$0	@50% (HOME)	Yes	0	0.0%	yes	None
2	1	One-story	53	840	\$783	\$0	@60%	Yes	2	3.8%	yes	None
2	1	One-story	6	840	\$659	\$0	@60% (HOME)	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$543	\$0	\$543	-\$134	\$409	1BR / 1BA	\$590 - \$652	\$0	\$590 - \$652	-\$134	\$456 - \$518
2BR / 1BA	\$652	\$0	\$652	-\$175	\$477	2BR / 1BA	\$659 - \$783	\$0	\$659 - \$783	-\$175	\$484 - \$608

Augusta Spring Apartments, continued

Amenities

In-Unit

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

Blinds
Central A/C
Dishwasher
Hand Rails
Pull Cords
Trash Compactor

Security

Patrol

Services

None

Property

Clubhouse/Meeting
Exercise Facility
Off-Street Parking

Courtyard
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The property has two phases. There are four vacant units and two of them are pre-leased in phase 1 and there are two vacant units in phase 2. There are approximately 15 applicants for one bedroom units in phase 1 and approximately 3 applicants on the waiting list for two bedrooms in phase 2. The manager stated that there needs to be more affordable senior housing and conventional senior housing because many potential tenants are over the income limit.

Augusta Spring Apartments, continued

Trend Report

Vacancy Rates

3Q09	2Q10	1Q13	1Q14
0.0%	0.5%	2.0%	2.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$505 - \$515	\$0	\$505 - \$515	\$371 - \$381
2010	2	N/A	\$520	\$0	\$520	\$386
2013	1	2.5%	\$543	\$0	\$543	\$409
2014	1	5.0%	\$543	\$0	\$543	\$409

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$595 - \$615	\$0	\$595 - \$615	\$420 - \$440
2010	2	N/A	\$614 - \$625	\$0	\$614 - \$625	\$439 - \$450
2013	1	2.4%	\$649 - \$652	\$0 - \$46	\$606 - \$649	\$431 - \$474
2014	1	0.0%	\$652	\$0	\$652	\$477

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$531 - \$590	\$0	\$531 - \$590	\$397 - \$456
2010	2	N/A	\$558 - \$624	\$0	\$558 - \$624	\$424 - \$490
2013	1	1.7%	\$580 - \$652	\$0	\$580 - \$652	\$446 - \$518
2014	1	0.0%	\$590 - \$652	\$0	\$590 - \$652	\$456 - \$518

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$595 - \$690	\$0	\$595 - \$690	\$420 - \$515
2010	2	N/A	\$635 - \$707	\$0	\$635 - \$707	\$460 - \$532
2013	1	1.7%	\$649 - \$783	\$0 - \$57	\$649 - \$726	\$474 - \$551
2014	1	3.4%	\$659 - \$783	\$0	\$659 - \$783	\$484 - \$608

Trend: Comments

- 3Q09** Management reported that there is a need for additional age restricted LIHTC units in the market. Management further noted that there is demand for both 50 and 60 percent AMI units.
- 2Q10** The property contact said that demand remains strong for senior housing in the Augusta market. The property maintains a wait list that averages six months for all unit types.
- 1Q13** All of the property's vacant units are pre-leased and tenants will move in on March 1, 2013. The property maintains a waiting list that is four to six months in length. The contact indicated that the majority of income-restricted properties in the area have waiting lists that are equivalent or one to two years in length. In general, demand for senior housing in the local area is strong, particularly for market rate properties. The property manager noted that the property has to turn down applicants due to the income restrictions and if the applicants are voucher holders, they typically qualify and desire the one-bedroom units at the 50 percent AMI level. However, the 50 percent AMI level units are rarely open and there are only 40 units at the property.
- The contact also noted that the property's inclusion of utilities in the rent provides a competitive advantage. Management lost approximately four tenants to the Edinburgh development when the project delivered as it offered lower rental rates. However, its rents do not include utilities. Thus, the property manager indicated that the gross rent at Edinburgh is not significantly less than at Augusta Spring.
- Lastly, the property was constructed in two phases and Phase 1 was financed with both tax credits and HOME. The Phase 1 rents for one-bedroom and two-bedroom units at 60 percent are significantly below the maximum allowable. According to the property manager, the maximum rent is \$616 for the one-bedroom and \$692 for the two-bedroom. Phase 2 was financed with tax credits and only those units have a dishwasher and washer/dryer hookups.
- 1Q14** The property has two phases. There are four vacant units and two of them are pre-leased in phase 1 and there are two vacant units in phase 2. There are approximately 15 applicants for one bedroom units in phase 1 and approximately 3 applicants on the waiting list for two bedrooms in phase 2. The manager stated that there needs to be more affordable senior housing and conventional senior housing because many potential tenants are over the income limit.

Photos



PROPERTY PROFILE REPORT

Legacy At Walton Oaks I

Effective Rent Date	4/02/2014
Location	602 Fairhope St Augusta, GA 30901 Richmond County
Distance	3.1 miles
Units	75
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	N/A
Leasing Began	10/25/2011
Last Unit Leased	12/31/2011
Major Competitors	Linden Square, Bon Air, Richmond Summit
Tenant Characteristics	Seniors ages 55 and older (HFOP)
Contact Name	Betty
Phone	706.504.0263



Market Information

Program	@50% (ACC), @60%, PBRA
Annual Turnover Rate	20%
Units/Month Absorbed	37
HCV Tenants	0%
Leasing Pace	1-3 weeks
Annual Chg. in Rent	Increased 0.6 percent
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)	11	800	N/A	\$0	@50% (ACC)	Yes	0	0.0%	no	None
1	1	Lowrise (3 stories)	10	800	\$539	\$0	@60%	No	0	0.0%	yes	None
1	1	Lowrise (3 stories)	24	800	N/A	\$0	PBRA	Yes	0	0.0%	no	None
2	2	Lowrise (3 stories)	1	1,150	N/A	\$0	@50% (ACC)	Yes	0	0.0%	no	None
2	2	Lowrise (3 stories)	27	1,150	\$649	\$0	@60%	No	0	0.0%	yes	None
2	2	Lowrise (3 stories)	2	1,150	N/A	\$0	PBRA	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	N/A	\$0	N/A	\$0	N/A	1BR / 1BA	\$539	\$0	\$539	\$0	\$539
2BR / 2BA	N/A	\$0	N/A	\$0	N/A	2BR / 2BA	\$649	\$0	\$649	\$0	\$649
PBRA	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	N/A	\$0	N/A	\$0	N/A						
2BR / 2BA	N/A	\$0	N/A	\$0	N/A						

Legacy At Walton Oaks I, continued

Amenities

In-Unit

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

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

Security

Intercom (Buzzer)
Limited Access
Perimeter Fencing

Services

Adult Education
Shuttle Service

Property

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

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

Premium

Medical Professional

Other

None

Comments

The property is at 100 percent occupancy and has a wait list of four applicants. There were fifteen move outs last year due to illness, death, eviction, and relocation. The property does not accept tenant-based section 8 vouchers. Contact stated that due to AARP's top ranking of Augusta for age-friendly city, many seniors are moving to Augusta from outside the state of Georgia. Augusta is also known as a very affordable housing community and based on these on these factors, the contact said that more affordable housing will be needed for seniors.

Legacy At Walton Oaks I, continued

Trend Report

Vacancy Rates

2Q10	3Q10	2Q13	2Q14
N/A	N/A	4.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$400	\$0	\$400	\$400
2010	3	N/A	\$400	\$0	\$400	\$400
2013	2	0.0%	N/A	\$0	N/A	N/A
2014	2	0.0%	N/A	\$0	N/A	N/A

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$576	\$0	\$576	\$576
2010	3	N/A	\$576	\$0	\$576	\$576
2013	2	0.0%	N/A	\$0	N/A	N/A
2014	2	0.0%	N/A	\$0	N/A	N/A

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$445	\$0	\$445	\$445
2010	3	N/A	\$445	\$0	\$445	\$445
2013	2	0.0%	\$536	\$0	\$536	\$536
2014	2	0.0%	\$539	\$0	\$539	\$539

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$525	\$0	\$525	\$525
2010	3	N/A	\$525	\$0	\$525	\$525
2013	2	11.1%	\$646	\$0	\$646	\$646
2014	2	0.0%	\$649	\$0	\$649	\$649

Trend: PBRA

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$520	\$0	\$520	\$520
2010	3	N/A	\$520	\$0	\$520	\$520
2013	2	0.0%	N/A	\$0	N/A	N/A
2014	2	0.0%	N/A	\$0	N/A	N/A

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$625	\$0	\$625	\$625
2010	3	N/A	\$625	\$0	\$625	\$625
2013	2	0.0%	N/A	\$0	N/A	N/A
2014	2	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

- 2Q10** Legacy at Walton Oaks is a proposed senior (55+) housing community to be located in Augusta, Georgia. The project as proposed will include 12 units of replacement public housing, as well as 26 units of project-based rental assistance. The property when complete will provide a range of support services to residents, such as shuttle transportation, field trips and continuing education.
- 3Q10** Legacy at Walton Oaks is a proposed senior (55+) housing community to be located in Augusta, Georgia. The project as proposed will include 12 units of replacement public housing, as well as 26 units with project-based Section 8 rental assistance and 37 units of LIHTC housing. The property when complete will provide a range of support services to residents, such as shuttle transportation, scheduled trips and continuing education.
- 2Q13** The property manager reported that the property typically maintains a high occupancy rate and that vacant units typically lease within one week with the exception of corner units, which are more difficult to lease. Management does not accept Housing Choice Vouchers as the property offers project-based subsidy. This property is one phase of the Walton Oaks development. Walton Oaks I is a family LIHTC property and Walton Oaks II is another family phase that is projected to break ground in September 2013. The contact estimated the absorption period and indicated that the property stabilized rapidly.
- 2Q14** The property is at 100 percent occupancy and has a wait list of four applicants. There were fifteen move outs last year due to illness, death, eviction, and relocation. The property does not accept tenant-based section 8 vouchers. Contact stated that due to AARP's top ranking of Augusta for age-friendly city, many seniors are moving to Augusta from outside the state of Georgia. Augusta is also known as a very affordable housing community and based on these on these factors, the contact said that more affordable housing will be needed for seniors.

Photos



PROPERTY PROFILE REPORT

Linden Square

Effective Rent Date	3/25/2014
Location	1425 Lee Beard Way Augusta, GA 30901 Richmond County
Distance	1.7 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (2 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Augusta Spring, Maxwell House
Tenant Characteristics	20% employed; Majority from Augusta or out-of-state moving to be with family; Avg age is 62; None from N Augusta
Contact Name	Alice Wells
Phone	(706) 722-0017



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	23%
Units/Month Absorbed	3
HCV Tenants	19%
Leasing Pace	Immediate
Annual Chg. in Rent	+6-8%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (2 stories)	14	663	\$464	\$0	@50%	Yes	0	0.0%	no	None
1	1	Lowrise (2 stories)	14	663	\$525	\$0	@60%	Yes	0	0.0%	no	None
1	1	Lowrise (2 stories)	8	663	\$550	\$0	Market	Yes	0	0.0%	no	None
2	1	Lowrise (2 stories)	6	890	\$555	\$0	@50%	Yes	0	0.0%	no	None
2	1	Lowrise (2 stories)	4	890	\$625	\$0	@60%	Yes	0	0.0%	no	None
2	1	Lowrise (2 stories)	2	890	\$650	\$0	Market	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$464	\$0	\$464	-\$39	\$425	1BR / 1BA	\$525	\$0	\$525	-\$39	\$486
2BR / 1BA	\$555	\$0	\$555	-\$59	\$496	2BR / 1BA	\$625	\$0	\$625	-\$59	\$566
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$550	\$0	\$550	-\$39	\$511						
2BR / 1BA	\$650	\$0	\$650	-\$59	\$591						

Linden Square, continued

Amenities

In-Unit

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

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

Security

Limited Access

Services

None

Property

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

Clubhouse/Meeting
Exercise Facility
Off-Street Parking

Premium

None

Other

Hair salon, shuffleboard

Comments

The property is 100 percent occupied with 85 applicants on the waiting list. The turnover was due to illness, relocation, and tenants passing away. The manager stated that there needs to be more affordable properties in the area.

Linden Square, continued

Trend Report

Vacancy Rates

2Q10	2Q13	1Q14	2Q14
0.0%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$425	\$0	\$425	\$386
2013	2	0.0%	\$457	\$0	\$457	\$418
2014	1	0.0%	\$464	\$0	\$464	\$425
2014	2	0.0%	\$464	\$0	\$464	\$425

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$500	\$0	\$500	\$441
2013	2	0.0%	\$545	\$0	\$545	\$486
2014	1	0.0%	\$555	\$0	\$555	\$496
2014	2	0.0%	\$555	\$0	\$555	\$496

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$470	\$0	\$470	\$431
2013	2	0.0%	\$500	\$0	\$500	\$461
2014	1	0.0%	\$525	\$0	\$525	\$486
2014	2	0.0%	\$525	\$0	\$525	\$486

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$575	\$0	\$575	\$516
2013	2	0.0%	\$600	\$0	\$600	\$541
2014	1	0.0%	\$625	\$0	\$625	\$566
2014	2	0.0%	\$625	\$0	\$625	\$566

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$515	\$0	\$515	\$476
2013	2	0.0%	\$530	\$0	\$530	\$491
2014	1	0.0%	\$550	\$0	\$550	\$511
2014	2	0.0%	\$550	\$0	\$550	\$511

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$620	\$0	\$620	\$561
2013	2	0.0%	\$635	\$0	\$635	\$576
2014	1	0.0%	\$650	\$0	\$650	\$591
2014	2	0.0%	\$650	\$0	\$650	\$591

Trend: Comments

- 2Q10** The contact reported 20 households on the current waiting list. She noted strong demand for affordable senior housing in the area. The name of the street the property was formerly known as Linden Street prior to its renaming as Lee Beard Way.
- 2Q13** The property manager reported that there is a waiting list and currently there are eight-section 8 tenants.
- 1Q14** The property is 100 percent occupied with 85 applicants on the waiting list. The turnover was due to illness, relocation, and majority death. The manager stated that there needs to be more affordable properties in the area and that rents need to be lower as well.
- 2Q14** The property is 100 percent occupied with 85 applicants on the waiting list. The turnover was due to illness, relocation, and tenants passing away. The manager stated that there needs to be more affordable properties in the area.

Photos



PROPERTY PROFILE REPORT

Terraces At Edinburgh

Effective Rent Date 4/01/2014

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

Distance 7.1 miles

Units 72

Vacant Units 0

Vacancy Rate 0.0%

Type One-story (age-restricted)

Year Built/Renovated 2010 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Augusta Spring Apartments

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

Contact Name Stacey

Phone 706-504-9114



Market Information

Program @50%, @60%

Annual Turnover Rate N/A

Units/Month Absorbed 24

HCV Tenants 20%

Leasing Pace Pre-leased

Annual Chg. in Rent None

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water not included

Sewer not included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	7	891	\$378	\$0	@50%	Yes	0	0.0%	yes	None
1	1	One-story	11	891	\$485	\$0	@60%	Yes	0	0.0%	yes	None
2	2	One-story	22	1,103	\$444	\$0	@50%	Yes	0	0.0%	yes	None
2	2	One-story	32	1,103	\$558	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$378	\$0	\$378	\$0	\$378	1BR / 1BA	\$485	\$0	\$485	\$0	\$485
2BR / 2BA	\$444	\$0	\$444	\$0	\$444	2BR / 2BA	\$558	\$0	\$558	\$0	\$558

Terraces At Edinburgh, continued

Amenities

In-Unit

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

Blinds
Central A/C
Dishwasher
Oven
Vaulted Ceilings

Security

None

Services

None

Property

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

Clubhouse/Meeting
Central Laundry
Off-Street Parking

Premium

None

Other

Covered pavillion, gardens,

Comments

The property manager has been working at this property for two months and did not know annual turnover. The waiting list has approximately ten applicants. Utility allowances are \$164 and \$208 for the one and two-bedroom units respectively.

Terraces At Edinburgh, continued

Trend Report

Vacancy Rates

2Q08	1Q13	2Q14
N/A	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$373	\$0	\$373	\$373
2013	1	0.0%	\$378	\$0	\$378	\$378
2014	2	0.0%	\$378	\$0	\$378	\$378

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$440	\$0	\$440	\$440
2013	1	0.0%	\$444	\$0	\$444	\$444
2014	2	0.0%	\$444	\$0	\$444	\$444

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$447	\$0	\$447	\$447
2013	1	0.0%	\$485	\$0	\$485	\$485
2014	2	0.0%	\$485	\$0	\$485	\$485

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$483	\$0	\$483	\$483
2013	1	0.0%	\$552	\$0	\$552	\$552
2014	2	0.0%	\$558	\$0	\$558	\$558

Trend: Comments

2Q08 This is a Subject property.

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

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

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

2Q14 The property manager has been working at this property for two months and did not know annual turnover. The waiting list has approximately ten applicants. Utility allowances are \$164 and \$208 for the one and two-bedroom units respectively.

Photos



PROPERTY PROFILE REPORT

Century Hills

Effective Rent Date	3/27/2014
Location	1035 Alexander Dr Augusta, GA 30909 Richmond County
Distance	5 miles
Units	200
Vacant Units	8
Vacancy Rate	4.0%
Type	Various (2 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Most are from Augusta; few out of state. Some students
Contact Name	Amy
Phone	706.733.0064



Market Information

Program	Market
Annual Turnover Rate	86%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	10-30 days
Annual Chg. in Rent	1-3% increase
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	14	824	\$799	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	48	909	\$819	\$0	Market	Yes	N/A	N/A	N/A	None
1.5	1	Loft (3 stories)	24	1,094	\$849	\$0	Market	Yes	N/A	N/A	N/A	None
2	2	Garden (2 stories)	43	1,166	\$929	\$0	Market	Yes	N/A	N/A	N/A	None
2	2	Garden (2 stories)	43	1,261	\$969	\$0	Market	Yes	N/A	N/A	N/A	None
3	2	Garden (2 stories)	28	1,403	\$1,059	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$799 - \$819	\$0	\$799 - \$819	\$0	\$799 - \$819
1.5BR / 1BA	\$849	\$0	\$849	\$0	\$849
2BR / 2BA	\$929 - \$969	\$0	\$929 - \$969	\$0	\$929 - \$969
3BR / 2BA	\$1,059	\$0	\$1,059	\$0	\$1,059

Century Hills, continued

Amenities

In-Unit

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

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

Security

Limited Access
Perimeter Fencing

Services

None

Property

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

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

Premium

None

Other

None

Comments

The property has very high turnover due to a significant number students and military. The property does not accept Section 8 tenants. There are currently ten vacancies not including pre-leased units. Manager could not state which units are vacant. The manager expects an increased occupancy due to more traffic in the past two and half months.

Century Hills, continued

Trend Report

Vacancy Rates

2Q10	2Q13	1Q14	2Q14
2.0%	1.5%	4.0%	4.0%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	4.2%	\$804	\$0	\$804	\$804
2013	2	0.0%	\$849	\$0	\$849	\$849
2014	1	N/A	\$849	\$0	\$849	\$849
2014	2	N/A	\$849	\$0	\$849	\$849

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	1.6%	\$758	\$0	\$758	\$758
2013	2	1.6%	\$799 - \$819	\$0	\$799 - \$819	\$799 - \$819
2014	1	N/A	\$799 - \$819	\$0	\$799 - \$819	\$799 - \$819
2014	2	N/A	\$799 - \$819	\$0	\$799 - \$819	\$799 - \$819

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	1.2%	\$888 - \$908	\$0	\$888 - \$908	\$888 - \$908
2013	2	1.2%	\$949 - \$969	\$0	\$949 - \$969	\$949 - \$969
2014	1	N/A	\$929 - \$969	\$0	\$929 - \$969	\$929 - \$969
2014	2	N/A	\$929 - \$969	\$0	\$929 - \$969	\$929 - \$969

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	3.6%	\$1,034	\$0	\$1,034	\$1,034
2013	2	3.6%	\$1,059	\$0	\$1,059	\$1,059
2014	1	N/A	\$1,059	\$0	\$1,059	\$1,059
2014	2	N/A	\$1,059	\$0	\$1,059	\$1,059

Trend: Comments

- 2Q10** Management stated that rents change daily based on occupancy and are calculated using "Yield Star". The rents given are base rents that may have added premiums from \$10 to \$58 based on the prospective tenant's lease-term, desired floor, and move-in date.
- 2Q13** The contact mentioned that five student households have been asked to be placed on a waitlist for July and August. Leasing pace varies based on unit type and seasonality, however, most units are leased between 10 and 30 days from vacancy. The property does not accept Housing Choice Vouchers.
- 1Q14** The property has very high turnover due to a majority of the tenants being students and military. The property does not accept Section 8 tenants. There are currently ten vacancies not including pre-leased units. Manager could not state which units are vacant. The manager expects an increased occupancy due to more traffic in the past two and half months.
- 2Q14** The property has very high turnover due to a significant number students and military. The property does not accept Section 8 tenants. There are currently ten vacancies not including pre-leased units. Manager could not state which units are vacant. The manager expects an increased occupancy due to more traffic in the past two and half months.

Photos



Oak Hill Apartments, continued

Comments

The property currently has three available units and contact would not comment on annual turnover and wait list.

Oak Hill Apartments, continued

Trend Report

Vacancy Rates

4Q11	4Q12	2Q13	2Q14
1.3%	4.2%	4.2%	2.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	1.3%	\$510	\$0	\$510	\$537
2012	4	N/A	\$510	\$0	\$510	\$537
2013	2	N/A	\$510	\$0	\$510	\$537
2014	2	1.3%	\$525	\$0	\$525	\$552

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$620	\$0	\$620	\$647
2013	2	N/A	\$620	\$0	\$620	\$647
2014	2	4.5%	\$625	\$0	\$625	\$652

Trend: Comments

- 4Q11** The contact said that 45 percent of the residents are students. There are another 30 percent who are researchers that have a two-year commitment for their work, which creates a higher than typical turnover.
- 4Q12** The contact stated that the second-floor units are the most desirable.
- 2Q13** The contact stated that demand regularly fluctuates. The property manager would not comment or report Housing Choice Vouchers or competition.
- 2Q14** The property currently has three available units and contact would not comment on annual turnover and wait list.

Photos



PROPERTY PROFILE REPORT

River Ridge

Effective Rent Date 4/02/2014

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

Distance 0.6 miles

Units 104

Vacant Units 19

Vacancy Rate 18.3%

Type Garden (3 stories)

Year Built/Renovated 1984 / 2012

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Hicman Arms, Springhouse Apartments & Ramblewood

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

Contact Name Tam

Phone (706) 250-5154



Market Information

Program Market

Annual Turnover Rate N/A

Units/Month Absorbed N/A

HCV Tenants N/A

Leasing Pace 1-2 weeks

Annual Chg. in Rent 15% increase

Concession none

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water included

Sewer included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	52	850	\$575	\$0	Market	no	N/A	N/A	no	None
2	2	Garden (3 stories)	52	900	\$575	\$0	Market	no	N/A	N/A	no	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$575	\$0	\$575	-\$59	\$516

Amenities

In-Unit

Blinds
Carpeting
Dishwasher
Refrigerator
Washer/Dryer hookup

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

Security

None

Services

None

Property

Central Laundry

Premium

None

Other

None

River Ridge, continued

Comments

Contact did not know of annual turnover or whether the property accepts Section 8 tenants. There are a total of 19 vacancies due to evictions and relocations.

River Ridge, continued

Trend Report

Vacancy Rates

2Q13	2Q14
38.5%	18.3%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	38.5%	\$500 - \$575	\$0	\$500 - \$575	\$441 - \$516
2014	2	N/A	\$575	\$0	\$575	\$516

Trend: Comments

- 2Q13** The property manager reported that the complex was renovated in 2012 and they have made updates to many of the units. Asking rents have increased for the renovated units. The general market conditions are inconsistent, with periods of moderate demand to low demand.
- 2Q14** Contact did not know of annual turnover or whether the property accepts Section 8 tenants. There are a total of 19 vacancies due to evictions and relocations.

Photos



PROPERTY PROFILE REPORT

The Glen At Alexander

Effective Rent Date 3/27/2014
Location 1040 Alexander Drive
 Augusta, GA 30909
 Richmond County
Distance 5 miles
Units 216
Vacant Units 1
Vacancy Rate 0.5%
Type Garden (3 stories)
Year Built/Renovated 2003 / 2014
Marketing Began 9/01/2003
Leasing Began 9/01/2003
Last Unit Leased 9/01/2004
Major Competitors None Identified.
Tenant Characteristics From Augusta, North Augusta, and Aiken areas.
Contact Name Beth
Phone 706-738-6205



Market Information

Program Market
Annual Turnover Rate N/A
Units/Month Absorbed 18
HCV Tenants 0%
Leasing Pace Within one week.
Annual Chg. in Rent Rents fluctuate daily.
Concession None.

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	26	975	\$1,053	\$0	Market	Yes	0	0.0%	N/A	AVG
2	2	Garden (3 stories)	130	1,175	\$1,257	\$0	Market	Yes	1	0.8%	N/A	AVG
3	2	Garden (3 stories)	60	1,350	\$1,151	\$0	Market	Yes	0	0.0%	N/A	AVG

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,053	\$0	\$1,053	\$27	\$1,080
2BR / 2BA	\$1,257	\$0	\$1,257	\$27	\$1,284
3BR / 2BA	\$1,151	\$0	\$1,151	\$27	\$1,178

The Glen At Alexander, continued

Amenities

In-Unit

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

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

Security

Limited Access

Services

Afterschool Program

Property

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

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

Premium

None

Other

None

Comments

The property's rent prices fluctuate on a daily basis with the use of Yieldstar. For the past two years the property has been going through renovations including adding a dog park, adding outdoor kitchen/grilling area, renovations to the media and yoga room, repainting of the entire property and upgrading four apartments a month with new appliances, flooring, countertops, and lighting. There are approximately five applicants on the waiting list. Manager did not know annual turnover and the property does not accept section 8 tenants. Renovated units rent for approximately \$100 more per month. Rents presented reflect the average for non-renovated units.

The Glen At Alexander, continued

Trend Report

Vacancy Rates

2Q11	2Q13	1Q14	2Q14
1.9%	3.2%	0.5%	0.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	\$910	\$0	\$910	\$937
2013	2	3.8%	\$983	\$0	\$983	\$1,010
2014	1	0.0%	\$1,053	\$0	\$1,053	\$1,080
2014	2	0.0%	\$1,053	\$0	\$1,053	\$1,080

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	2.3%	\$1,045	\$0	\$1,045	\$1,072
2013	2	3.8%	\$1,045	\$0	\$1,045	\$1,072
2014	1	0.8%	\$1,257	\$0	\$1,257	\$1,284
2014	2	0.8%	\$1,257	\$0	\$1,257	\$1,284

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	1.7%	\$1,140	\$0	\$1,140	\$1,167
2013	2	1.7%	\$1,140	\$0	\$1,140	\$1,167
2014	1	0.0%	\$1,151	\$0	\$1,151	\$1,178
2014	2	0.0%	\$1,151	\$0	\$1,151	\$1,178

Trend: Comments

- 2Q11** Management reported that the property operates with minimal vacancy and that they do not offer any concessions. The property does not operate with a waiting list.
- 2Q13** The property was formerly known as Century Glen Apartments. According to the contact, the property uses YieldStar to determine rents based on demand. The contact indicated that winter months are very slow, but leasing pace picks up in the spring.
- 1Q14** The property's rent prices fluctuate on a daily basis with the use of Yieldstar. For the past two years the property has been going through renovations including adding a dog park, adding outdoor kitchen/grilling area, renovations to the media and yoga room, repainting of the entire property and upgrading four apartments a month. There are approximately five applicants on the waiting list. Manager did not know annual turnover and the property does not accept section 8 tenants.
- 2Q14** The property's rent prices fluctuate on a daily basis with the use of Yieldstar. For the past two years the property has been going through renovations including adding a dog park, adding outdoor kitchen/grilling area, renovations to the media and yoga room, repainting of the entire property and upgrading four apartments a month with new appliances, flooring, countertops, and lighting. There are approximately five applicants on the waiting list. Manager did not know annual turnover and the property does not accept section 8 tenants. Renovated units rent for approximately \$100 more per month. Rents presented reflect the average for non-renovated units.

Photos



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

Housing Choice Vouchers

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

TENANTS WITH VOUCHERS		
Comparable Property	Type	Housing Choice Voucher Tenants
Augusta Spring Apartments	LIHTC/HOME	15%
Legacy At Walton Oaks	LIHTC/ACC/PBRA	0%
Linden Square	LIHTC/Market	19%
Terraces At Edinburgh	LIHTC	20%
Century Hills	Market	0%
Oak Hill Apartments	Market	N/A
River Ridge	Market	N/A
The Glen At Alexander	Market	0%

As illustrated in the table, HCV rates at the comparable properties is low to moderate, ranging from zero to 20 percent for the LIHTC properties. The local market does not appear to be dependent on voucher tenants.

Waiting Lists

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

WAITING LISTS			
Comparable Property	Type	Tenancy	Details
Augusta Spring Apartments	LIHTC	Senior	15 HH fro 1BR and 3 HH for 2BR
Legacy At Walton Oaks	LIHTC	Senior	4 HH
Linden Square	LIHTC	Senior	85 HH
Terraces At Edinburgh	LIHTC	Senior	8-10 HH
Century Hills	Market	Family	Yes - for 1 and 2BR units
Oak Hill Apartments	Market	Family	None
River Ridge	Market	Family	None
The Glen At Alexander	Market	Family	Aprox. 5 HH

All of the senior LIHTC comparable properties are maintaining a waiting list, which indicates that there is demand for additional LIHTC housing in the market. In addition, the two newer market rate properties are maintaining waiting lists.

Lease Up History

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

ABSORPTION

Property name	Type	Tenancy	Year Built	Units Absorbed / Month
Legacy At Walton Oaks	LIHTC/ACC/PBRA	Senior	2011	37
Terraces At Edinburgh	LIHTC	Senior	2010	24
The Glen At Alexander	Market	Family	2003	18

Senior LIHTC vacancy in the market is low at 1.0 percent and all of the senior LIHTC comparable properties are maintaining waiting lists. The Subject will offer new construction and a competitive amenity package. Legacy at Walton Oaks is the newest LIHTC property in the market; however, it also offers ACC and PBRA units. Therefore, we anticipate that the Subject will stabilize at a slightly slower pace than Legacy at Walton Oaks and a rate similar to that of Terraces at Edinburgh. We estimate that the Subject will reach 93 percent occupancy within three months of opening if management pre-leases units. This equates to an absorption rate of 15 units or more, which takes into consideration the newest allocation, Legacy at Walton Oaks II, which will be completed prior to the Subject.

Phased Developments

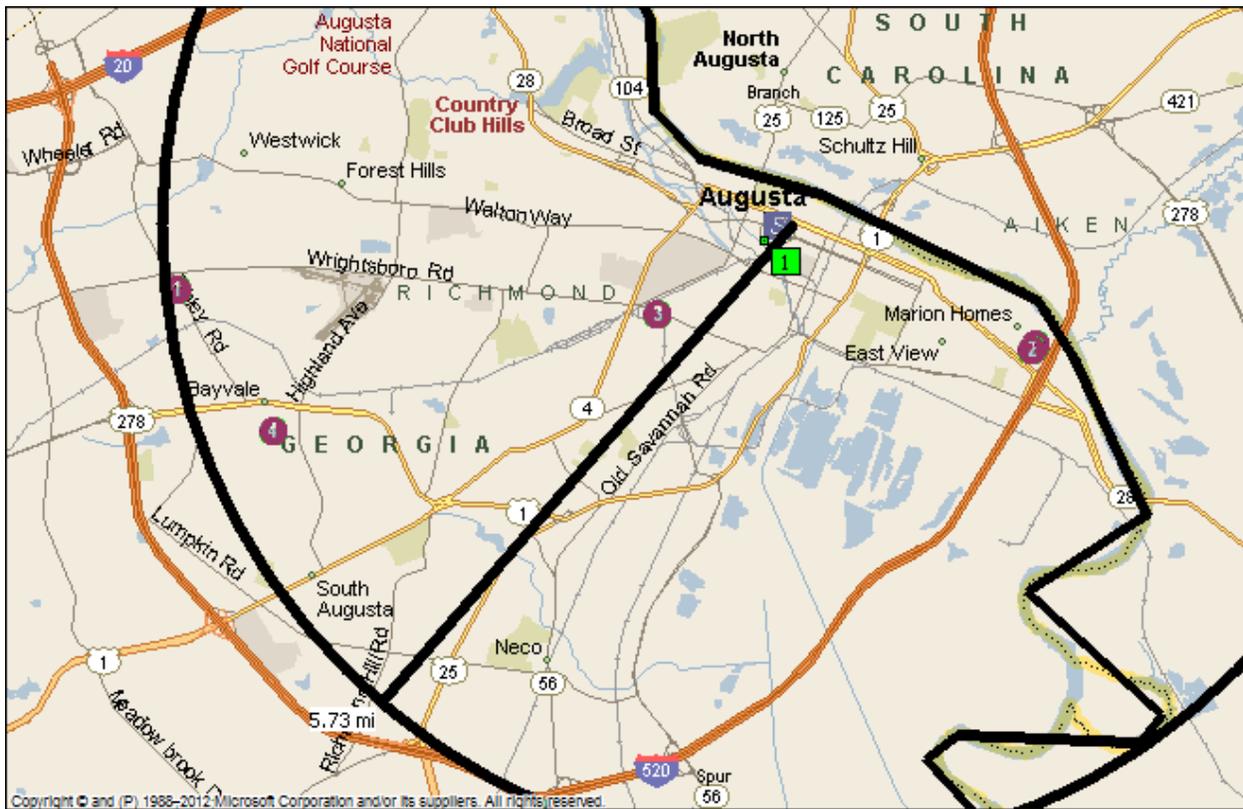
The Subject is not a phase of an existing development.

Rural Areas

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

3. COMPETITIVE PROJECT MAP

Davidson Senior Manor, Augusta, GA; Market Study



COMPETITIVE PROJECT MAP

#	Property	City	Program	Tenancy	Distance to Subject
S	Davidson Senior Manor	Augusta	LIHTC	Senior	N/Ap
1	Augusta Spring Apartments	Augusta	LIHTC/HOME	Senior	6.0 miles
2	Legacy At Walton Oaks	Augusta	LIHTC/ACC/PBRA	Senior	3.1 miles
3	Linden Square	Augusta	LIHTC/Market	Senior	1.7 miles
4	Terraces At Edinburgh	Augusta	LIHTC	Senior	7.1 miles
5	Legacy At Walton Oaks II (Proposed)	Augusta	LIHTC/PBRA	Senior	3.1 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.

Davidson Senior Manor, Augusta, GA; Market Study

UNIT MATRIX REPORT

	Davidson Senior Manor	Augusta Spring Apartments	Legacy At Walton Oaks I	Linden Square	Terraces At Edinburgh	Century Hills	Oak Hill Apartments	River Ridge	The Glen At Alexander
Comp#	Subject	1	2	3	4	5	6	7	8
Property Information									
Property Type	Lowrise (age-restricted) (4 stories)	One-story (age-restricted)	Garden (age-restricted)	Lowrise (age-restricted) (2 stories)	One-story (age-restricted)	Various (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)
Year Built / Renovated	2015 / n/a	1996 and 2002 / n/a	2011 / n/a	2003 / n/a	2010 / n/a	2003 / n/a	1974 / n/a	1984 / 2012	2003 / n/a
Market (Conv.)/Subsidy Type	LIHTC	LIHTC/Home	LIHTC/ACC/PBRA		LIHTC/Market	LIHTC	Market	Market	Market
Utility Adjustments									
Cooking	no	yes	no	no	no	no	no	no	no
Water Heat	no	yes	no	no	no	no	no	no	no
Heat	no	yes	no	no	no	no	no	no	no
Other Electric	no	yes	no	no	no	no	no	no	no
Water	no	yes	no	yes	no	no	no	yes	no
Sewer	no	yes	no	yes	no	no	no	yes	no
Trash Collection	yes	yes	yes	yes	yes	yes	no	yes	no
In-Unit Amenities									
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	yes	no	no	yes	yes	yes	no
Carpet/Hardwood	no	no	no	no	no	no	yes	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	yes	yes	yes	no	no	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	yes	no	no	no
Ceiling Fan	no	no	yes	no	no	yes	yes	no	yes
Garbage Disposal	yes	yes	yes	yes	no	yes	yes	no	yes
Hand Rails	yes	yes	yes	no	yes	yes	no	no	no
Microwave	yes	no	yes	no	no	yes	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	yes	no	yes	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Trash Compactor	no	yes	no	no	no	yes	no	no	no
Vaulted Ceilings	no	no	no	no	yes	yes	no	no	no
Walk-In Closet	no	no	yes	yes	no	yes	no	yes	yes
Washer/Dryer	no	no	no	no	no	yes	no	no	yes
Washer/Dryer hookup	no	yes	yes	yes	yes	yes	no	yes	no

Davidson Senior Manor, Augusta, GA; Market Study

UNIT MATRIX REPORT

	Davidson Senior Manor	Augusta Spring Apartments	Legacy At Walton Oaks I	Linden Square	Terraces At Edinburgh	Century Hills	Oak Hill Apartments	River Ridge	The Glen At Alexander
Comp#	Subject	1	2	3	4	5	6	7	8
Property Information									
Property Type	Lowrise (age-restricted) (4 stories)	One-story (age-restricted)	Garden (age-restricted)	Lowrise (age-restricted) (2 stories)	One-story (age-restricted)	Various (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)
Year Built / Renovated	2015 / n/a	1996 and 2002 / n/a	2011 / n/a	2003 / n/a	2010 / n/a	2003 / n/a	1974 / n/a	1984 / 2012	2003 / n/a
Market (Conv.)/Subsidy Type	LIHTC	LIHTC/Home	LIHTC/ACC/PBRA		LIHTC/Market	LIHTC	Market	Market	Market
Property Amenities									
Basketball Court	no	no	no	no	no	no	no	no	yes
Business Center/Computer Lab	yes	no	yes	yes	yes	yes	no	no	yes
Car Wash	no	no	no	no	no	yes	no	no	yes
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	no	no	yes
Concierge	no	no	no	no	no	no	no	no	yes
Courtyard	no	yes	yes	no	no	no	no	no	no
Elevators	no	no	yes	yes	no	no	no	no	no
Exercise Facility	yes	yes	yes	yes	yes	yes	no	no	yes
Garage	no	no	no	no	no	yes	no	no	yes
Jacuzzi	no	no	no	no	no	yes	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	no
Neighborhood Network	no	no	yes	no	no	no	no	no	no
Non-shelter Services	no	no	no	no	yes	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	no	no	yes
On-Site Management	yes	yes	yes	yes	yes	yes	no	no	yes
Picnic Area	no	no	yes	no	no	yes	no	no	yes
Playground	no	no	no	no	no	yes	no	no	yes
Recreation Areas	no	no	yes	no	no	no	no	no	no
Service Coordination	no	no	yes	no	no	no	no	no	no
Swimming Pool	no	no	no	no	no	yes	yes	no	yes
Tennis Court	no	no	no	no	no	yes	no	no	yes
Garage Fee	N/A	N/A	N/A	N/A	N/A	\$75.00	N/A	N/A	\$100.00
Services									
Adult Education	no	no	yes	no	no	no	no	no	no
Afterschool Program	no	no	no	no	no	no	no	no	yes
Shuttle Service	no	no	yes	no	no	no	no	no	no
Security									
Intercom (Buzzer)	no	no	yes	no	no	no	no	no	no
Limited Access	no	no	yes	yes	no	yes	no	no	yes
Patrol	no	yes	no	no	no	no	no	no	no
Perimeter Fencing	no	no	yes	no	no	yes	no	no	no
Premium Amenities									
Medical Professional	no	no	yes	no	no	no	no	no	no
Other Amenities									
Other	n/a	n/a	n/a	Hair salon, shuffleboard	Covered pavillion, gardens, walking trail	n/a	n/a	n/a	n/a

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

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

6. Vacancy

The following table illustrates the vacancy rates in the market.

VACANCY					
Property name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Augusta Spring Apartments	LIHTC/HOME	Senior	200	4	2.00%
Legacy At Walton Oaks	LIHTC/ACC/PBRA	Senior	75	0	0.00%
Linden Square	LIHTC/Market	Senior	48	0	0.00%
Terraces At Edinburgh	LIHTC	Senior	72	0	0.00%
Century Hills	Market	Family	200	8	4.00%
Oak Hill Apartments	Market	Family	120	3	2.50%
River Ridge	Market	Family	104	19	18.30%
The Glen At Alexander	Market	Family	216	1	0.50%
Overall Vacancy LIHTC			395	4	1.01%
Overall Vacancy Market			640	31	4.84%
Overall Vacancy			1,035	35	3.40%

As illustrated, the senior LIHTC properties are outperforming the market rate properties. Overall senior LIHTC vacancy is low at approximately one percent with three of the four senior LIHTC properties 100 percent occupied. The market rate properties have an overall vacancy rate of less than one percent. Of the market rate properties only one is reporting an elevated vacancy rate. Approximately 60 percent of the vacant market rate units are at River Ridge. Management at this property stated that the high vacancy rate was due to several recent evictions and relocations. This property reported a vacancy rate of 38.5 percent in the second quarter of 2013 after it had just undergone renovations. Management reported that the renovated units leased quickly. Therefore, while the vacancy rate at this property is higher than what is considered healthy, we do not believe this property’s vacancy rate is indicative of typical market vacancy and that the vacancies at this property are likely due to seasonality and lease expirations. Further, the other older market rate property, Oak Hill, is maintaining a low vacancy rate.

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

7. Properties Under Construction and Proposed

According to Georgia Department of Community Affairs’ (GA DCA’s) 2012 and 2013 LIHTC allocation lists, there was one senior LIHTC allocation in the PMA in 2013. Legacy at Walton Oaks Phase II will be developed, built and managed through the joint efforts of Walton Communities and the Augusta Housing Authority. Phase I of this property is included as a comparable in our analysis. This senior development will consist of 62 one- and two-bedroom units. The units serve moderate-income families earning 50 and 60 percent or less of the area median income. Ten units will be restricted to seniors at 50 percent of the AMI and 52 units will

Davidson Senior Manor, Augusta, GA; Market Study

be restricted to seniors at 60 percent of the AMI. Additionally, 20 units will have an additional project based rental assistance subsidy and tenants will pay 30 percent of their income on rent. This property will directly compete with the proposed Subject. We have removed all of the LIHTC units at this property from the demand analysis.

Below is the unit mix for the second phase of Legacy at Walton Oaks.

Rent Type	Bedrooms	Baths	Units	SF	Max Gross Rent	Proposed Gross Rent	Utility Allowance	PBRA Subsidy
50% AMI	1	1	10	800	\$533	\$0	\$0	PHA PBRA
60% AMI	1	1	10	800	\$639	\$0	\$0	PHA PBRA
60% AMI	1	1	12	800	\$639	\$636	\$136	
60% AMI	2	2	30	1,150	\$768	\$760	\$178	

Given that 20 of the units at Legacy Walton Oaks Phase II will operate with an additional subsidy and tenants will pay 30 percent of their income on rent, we have not removed these units from the demand analysis.

8. Rental Advantage

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

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Augusta Spring Apartments	LIHTC/HOME	Similar	Slightly Superior	Slightly Inferior	Slightly Inferior	Inferior	-15
2	Legacy At Walton Oaks	LIHTC/ACC/PBRA	Superior	Slightly Superior	Slightly Inferior	Similar	Similar	10
3	Linden Square	LIHTC/Market	Similar	Slightly Superior	Slightly Inferior	Slightly Inferior	Slightly Inferior	-10
4	Terraces At Edinburgh	LIHTC	Similar	Slightly Superior	Slightly Inferior	Similar	Slightly Superior	5
5	Century Hills	Market	Superior	Superior	Slightly	Slightly	Superior	30
6	Oak Hill Apartments	Market	Inferior	Similar	Similar	Inferior	Similar	-20
7	River Ridge	Market	Inferior	Similar	Similar	Inferior	Slightly Inferior	-25
8	The Glen At Alexander	Market	Superior	Superior	Slightly	Slightly	Superior	20

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

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

Davidson Senior Manor, Augusta, GA; Market Study

LIHTC Rent Comparison - @50%

Property Name	1BR	2BR
Davidson Senior Manor (Subject)	\$391	\$455
LIHTC Maximum (Net)	\$391	\$455
Augusta Spring Apartments	\$409	\$477
Linden Square	\$425	\$496
Terraces At Edinburgh	\$378	\$444
Average (excluding Subject)	\$405	\$473

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR
Davidson Senior Manor (Subject)	\$496	\$581
LIHTC Maximum (Net)	\$496	\$681
Augusta Spring Apartments	\$518	\$608
Legacy At Walton Oaks	\$539	\$649
Linden Square	\$486	\$566
Terraces At Edinburgh	\$485	\$558
Average (excluding Subject)	\$496	\$572

The Subject's proposed rents are set at maximum allowable levels. Several of the senior LIHTC properties appear to be achieving rents above the maximum allowable levels. This is likely due to differing utility allowances. Further, due to HERA Hold Harmless, the income and rent limits are held harmless at the highest level the project has reached since it was placed in service. Given that the AMI in Richmond County has declined since 2012, LIHTC properties may be eligible to achieve higher maximum rents.

Linden Square is the only senior LIHTC property that did not report rents at maximum allowable levels. While the Terraces at Edinburgh's rents appear to be below maximum allowable levels, this is likely due to differing utility allowances as the property manager stated their rents are at maximum allowable levels. Linden Square is 100 percent occupied with an 85 household waiting list. Given the waiting list at this property as well as all the senior LIHTC properties coupled with the overall senior LIHTC vacancy rate of 1.0 percent, it appears that Linden Square is not adequately testing their rents and maximum rents are achievable. Overall, the Subject will be slightly superior when compared to Linden Square, superior to Augusta Springs, and slightly inferior to Terraces at Edinburgh. Given that these properties are both well occupied and maintain waiting lists, we believe that the Subject's 50 percent AMI rents at maximum allowable levels are feasible as proposed.

As previously detailed, management at the Terraces at Edinburgh reported maximum allowable rents. We attribute the slight discrepancy to differences in utility allowances. While the Subject will be slightly inferior to Legacy at Walton Oaks and Terraces at Edinburgh, we believe that the maximum allowable rents are achievable in the market due to Augusta Spring's performance as well as strong demand for senior LIHTC housing in the market. Given that three of the four senior LIHTC properties are achieving maximum rents at 60 percent of the AMI and the only senior LIHTC property with rents below maximum allowable levels is 100 percent occupied with an extensive waiting list, we believe that the Subject's proposed rents are achievable.

Analysis of “Market Rents”

Per DCA’s market study guidelines, “average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not “Achievable unrestricted market rent.” In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comps, but many market rate comps with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comps. In a small rural market there may be neither tax credit comps nor market rate comps with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market.”

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

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

Subject Comparison to Rents in the Market

@50%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$391	\$378	\$1,080	\$562	44%
2 BR	\$455	\$444	\$1,284	\$639	40%

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$496	\$456	\$1,080	\$625	26%
2 BR	\$581	\$484	\$1,284	\$694	19%

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

The Subject will be most similar to the senior LIHTC properties in the market. These properties are maintaining an overall vacancy rate of 1.0 percent and therefore are not testing the market. Two of the market rate properties are maintaining rents that are competitive with LIHTC rents: River Ridge and Oak Hill. These properties were built in the 1970s and 1980s and have not undergone major renovations; therefore, they will be significantly inferior when compared to the Subject in terms of age/condition. In terms of market position, the Subject’s 50 percent AMI rents will be among the lowest in the market and the Subject’s 60 percent AMI rents will fall between River Ridge, an older market rate property, and the newer, highly-amenitized family market rate properties (The Glen at Alexander and Century Hills). Further, the Subject’s proposed rents will fall below Oak Hill, an older market rate property that is considered

significantly inferior to the Subject. When compared to the senior LIHTC properties, the Subject 60 percent AMI rents would be positioned between Terraces at Edinburgh and Linden Square’s LIHTC rents and Legacy at Walton Oaks and Linden Square’s market rents.

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

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

9. LIHTC Competition – Recent Allocations within Two Miles

According to information on Georgia Department of Community Affairs LIHTC allocation lists, there has been one senior LIHTC property in the PMA in the past two years. Legacy at Walton Oaks Phase II will be developed, built and managed through the joint efforts of Walton Communities and the Augusta Housing Authority. Phase I of this property is included as a comparable in our analysis. This senior development will consist of 62 one- and two-bedroom units. The units serve moderate-income families earning 50 and 60 percent or less of the area median income. Ten units will be restricted to seniors at 50 percent of the AMI and 52 units will be restricted to seniors at 60 percent of the AMI. Additionally, 20 units will have an additional project based rental assistance subsidy and tenants will pay 30 percent of their income on rent. This property will directly compete with the proposed Subject.

Below is the unit mix for the second phase of Legacy at Walton Oaks.

Rent Type	Bedrooms	Baths	Units	SF	Max Gross Rent	Proposed Gross Rent	Utility Allowance	PBRA Subsidy
50% AMI	1	1	10	800	\$533	\$0	\$0	PHA PBRA
60% AMI	1	1	10	800	\$639	\$0	\$0	PHA PBRA
60% AMI	1	1	12	800	\$639	\$636	\$136	
60% AMI	2	2	30	1,150	\$768	\$760	\$178	

Given that 20 of the units at Legacy Walton Oaks Phase II will operate with an additional subsidy and tenants will pay 30 percent of their income on rent, we do not believe these units will compete with the Subject. Therefore, there are a total of 42 additional LIHTC units entering the market within the next year. Given the low vacancy rates at the senior LIHTC properties coupled with the waiting lists present at all the senior LIHTC properties and the reported demand for additional senior LIHTC properties, we believe there is sufficient demand to support the Subject and the newly allocated Legacy at Walton Oaks II.

10. Rental Trends in the PMA

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

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	53,705	61.6%	33,478	38.4%
2013	52,677	55.6%	42,020	44.4%
Projected Mkt Entry July 2016	54,679	56.06%	42,834	43.94%
2018	56,013	56.4%	43,377	43.6%

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

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	20,767	76.2%	6,485	23.8%
2013	27,189	73.8%	9,662	26.2%
Projected Mkt Entry July 2016	29,656	74.00%	10,416	26.00%
2018	31,301	74.1%	10,918	25.9%

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

Owner-occupied housing dominates the housing market in the PMA for residents 55 and older and is projected to stand at 74 percent at the time of market entry. However, this number is smaller than the national average, which is projected to stand at 80.1 percent at the time of market entry. This difference is significant, as it means renter occupied units for seniors in the PMA are 24.6 percent more prevalent in the PMA than for the nation at large. This rate is expected to remain fairly stable through 2018.

Historical Vacancy

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

CHANGE IN VACANCY RATES

Comparable Property	Type	Total Units	2QTR 2013	2QTR 2014
Augusta Spring Apartments	LIHTC/HOME	200	N/A	2.00%
Legacy At Walton Oaks	LIHTC/ACC/PBRA	75	4.00%	0.00%
Linden Square	LIHTC/Market	48	0.00%	0.00%
Terraces At Edinburgh	LIHTC	72	N/A	0.00%
Century Hills	Market	200	1.50%	4.00%
Oak Hill Apartments	Market	120	4.20%	2.50%
River Ridge	Market	104	38.50%	18.30%
The Glen At Alexander	Market	216	3.20%	0.50%

As illustrated in the table, the LIHTC vacancy in the local market has remained low over the last year. Additionally, three of the four senior LIHTC properties implemented rental increases. The

market rate properties have also experienced relatively stable occupancies with one market rate property, River Ridge, experiencing a significant decrease in its vacancy rate. However, the high vacancy rate at this property during the second quarter of 2013 was due to re-leasing vacant units after its renovations. Overall, the rental vacancy in the market appears to be stable.

Change in Rental Rates

Add typical section/table on increase/decrease in rental rates

11. Impact of Foreclosed, Abandoned and Vacant Structures

Per RealtyTrac's February 2014 data, an estimated 13.77 percent of homes are vacant in Augusta. The median sales price is \$89,900 as of February 2014, which represents a nine percent year over year decrease. The median list price in the city is \$94,550, which is a one percent year over year increase since February 2013. The foreclosure rates in Augusta as of February 2014 is one in every 954 housing units, which is slightly lower than that of the county (one in every 871 housing units) and many times lower than that of the state (one in every 1011 housing units). This rate is also significantly lower than the national rate of one in every 1170 housing units. This extremely low foreclosure rate speaks toward the inherent economic stability of the city and bodes well for the Subject property. Given the very low rate of foreclosed properties in the region and corroboration from the local Chamber of Commerce about the lack of vacant buildings in the Subject's vicinity, we believe the impact of foreclosed, abandoned and vacant structures to be negligible.

12. Primary Housing Void

The senior LIHTC supply in the PMA generally represents new construction as the majority of the senior LIHTC comparable properties were built in 2002 and later. One of the senior LIHTC comparable properties serves as replacement housing for a public housing property. The remaining two senior LIHTC comparables comprise a total of 320 units, which is a small number compared to family properties in the PMA. There has been one new senior allocation in the past two years which will be Phase II of Legacy at Walton Oaks, the replacement housing for a public housing property. Overall senior LIHTC vacancy is low at 1.0 percent and the Subject will only add 48 units to the market. We anticipate that the Subject will fill a void for latent senior LIHTC demand as evidenced

13. Effect of Subject on Other Affordable Units in Market

The Subject will offer 48 units and will be on the lower end of the range in terms of property size. Therefore, the Subject is adding a relatively low number of units to the market. Senior LIHTC vacancy is low at 1.0 percent and all of the senior LIHTC comparable properties are maintaining waiting lists. Therefore, we believe that the Subject will not have a long term impact on other affordable units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. While there was one new senior allocation in 2013, it will be Phase II of Legacy at Walton Oaks, the replacement housing for a public housing property. Given that senior LIHTC vacancy in the market is low at 1.0 percent and all of the senior LIHTC properties are maintaining waiting lists with low to moderate HCV rates and no concessions, we believe there is enough demand to support both the Subject and the new allocation. The Subject will offer new construction in a neighborhood with amenities within

walking distance of the Subject. While the Subject's in-unit amenity package will be somewhat inferior when compared to some of the senior LIHTC properties, the Subject will offer a competitive property amenities package and unit sizes. Further, all but one of the senior LIHTC properties are achieving maximum allowable rents and the only property not achieving maximum rents is 100 percent occupied with a lengthy waiting list. This indicates that this property is not testing the market as there are only four vacant units at all four senior LIHTC comparables. Overall, we believe that the Subject is feasible as proposed and will fill a void in the market for affordable senior housing.

I. ABSORPTION & STABILIZATION RATES

Lease Up History

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

ABSORPTION

Property name	Type	Tenancy	Year Built	Units Absorbed / Month
Legacy At Walton Oaks	LIHTC/ACC/PBRA	Senior	2011	37
Terraces At Edinburgh	LIHTC	Senior	2010	24
The Glen At Alexander	Market	Family	2003	18

Senior LIHTC vacancy in the market is low at 1.0 percent and all of the senior LIHTC comparable properties are maintaining waiting lists. The Subject will offer new construction and a competitive amenity package. Legacy at Walton Oaks is the newest LIHTC property in the market; however, it also offers ACC and PBRA units. Therefore, we anticipate that the Subject will stabilize at a slightly slower pace than Legacy at Walton Oaks and a rate similar to that of Terraces at Edinburgh. We estimate that the Subject will reach 93 percent occupancy within three months of opening if management pre-leases units. This equates to an absorption rate of 15 units or more, which takes into consideration the newest allocation, Legacy at Walton Oaks II, which will be completed prior to the Subject.

J. INTERVIEWS

Georgia Department of Community Affairs, Carrollton Regional Office

According to Pamala Holt, Application Specialist of the Housing Authority of Augusta, the department currently has 4,880 applicants on the waiting list. The list has been closed since February 10, 2011 and has not been purged in over two years due to staff budget cuts. There currently 4,000 voucher holders in Augusta-Richmond County. There is high demand of two- and three-bedroom units. There is no specified date of when the list will be reopened. Below are the current payment standards for Augusta-Richmond County.

PAYMENT STANDARDS

Number of Bedrooms	Payment Standard
1	\$673
2	\$761
3	\$1,020
4	\$1,120

Source: Housing Authority of Augusta 4/2014

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

Planning

We interviewed Louis Schmidt from the Augusta Planning and Development Department. Ms. Collins stated that the most current apartment developments are in the table below.

Name	Address	Unit #	Site Plan Approval Date
Augusta Place Apartments	3731 Peach Orchard Rd	252 Units	9/1/2013
Fort Gordon Place Apartments	3032 Tabacco Rd	252 Units	9/1/2013
Helena Springs Apartments	1332 Flowing Wells Rd	250 Units	9/1/2013
Adderman Point Townhomes	1035 Stevens Creek Rd	42 Units	9/1/2013

These developments are still in the planning stages or are under construction. None of these developments will compete with the Subject’s units directly as these are not age-restricted.

One recent senior LIHTC property was allocated in the Subject’s PMA in 2013. Legacy at Walton Oaks Phase II will be developed, built and managed through the joint efforts of Walton Communities and the Augusta Housing Authority. Phase I of this property is included as a comparable in our analysis. This senior development will consist of 62 one- and two-bedroom units. The units serve moderate-income families earning 50 and 60 percent or less of the area median income. Ten units will serve at the 50 percent AMI level and 52 units will serve at the 60 percent AMI levels. Twenty units will have an additional project based rental assistance subsidy and tenants will pay 30 percent of their income on rent. This property will directly compete with the proposed Subject. We have removed all of the LIHTC units at this property from the demand analysis.

Below is the unit mix for the second phase of Legacy at Walton Oaks.

Rent Type	Bedrooms	Baths	Units	SF	Max Gross Rent	Proposed Gross Rent	Utility Allowance	PBRA Subsidy
50% AMI	1	1	10	800	\$533	\$0	\$0	PHA PBRA
60% AMI	1	1	10	800	\$639	\$0	\$0	PHA PBRA
60% AMI	1	1	12	800	\$639	\$636	\$136	
60% AMI	2	2	30	1,150	\$768	\$760	\$178	

Development Authority of Augusta

We contacted Laurie Davis, operations manager at the Development Authority of Augusta. She mentioned the Starbucks and Rockwood Pigment manufacturing facilities as the two biggest industrial openings in Augusta that will create a approximately 250 new jobs. The Cabela’s retail site also added nearly 100 hundred jobs and this ongoing expansion should boost the local economy.

Senior Center

The only senior center in the Augusta area is the Henry Brigham Senior Services Center, operated by the city and located 5.9 miles from the Subject property, although it is not a full-time senior center. The facility operates as a Senior Center Monday through Friday from 8 a.m. to 3 p.m. The facility is not used exclusively as a senior center, hosting other city functions during the evening and on weekends (such as town hall meetings, community meetings or other civic activities requiring ample space) and is available to be rented out by the general public during these times as well. Activities offered at the center include senior fitness, health and nutrition classes daily, weekly Bingo tournaments and bi-weekly bridge and card tournaments.

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

K. CONCLUSIONS AND RECOMMENDATIONS

- In 2013, the population in the PMA was 239,569 and is projected to increase to 249,945 in 2018, at an annual rate of 0.9 percent. While this rate of growth is not profound, it is important to note that it slightly outpaces the projected population growth nationally, which is 0.7 percent. This increase can be partially attributed to the heavy reliance on healthcare-related employment in the PMA. A minority of senior households in the PMA are renter-occupied, a number expected to remain relatively stable into 2018. However, this is greater than the national average senior renter percentage. Approximately 11.1 percent of households on the PMA have annual earnings between \$20,000 and \$29,999. The Subject will target households earning from \$15,690 to \$26,880. Persons within these income cohorts are expected to create demand for the Subject.
- Total employment in the MSA has been on an upward trend since at least 1990 and currently sits at 239,875 as of December 2013. Employment seems to have begun recovering and is currently trending upward year to date, but overall employment in the MSA is still slightly lower than it was in 2008. This discrepancy is less than one percent, however, if the upward trend continues the MSA should see employment levels above pre-recession levels in the near future. Similar to what occurred for the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 9.2 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of December 2013, the unemployment rate was above the unemployment rate of the US, but the rate of recovery currently outpaces the national average.
- The Subject’s capture rates at the 50 percent AMI level will range from 3.0 to 3.8 percent, with an overall capture rate of 3.4 percent. The Subject’s 60 percent AMI capture rates range from 5.3 to 14.7 percent, with an overall capture rate of 9.4 percent. The overall capture rate for the project’s 50 and 60 percent units is 8.4 percent. Therefore, we believe there is adequate demand for the Subject.
- We were able to obtain absorption information from three comparable properties, illustrated following.

ABSORPTION

Property name	Type	Tenancy	Year Built	Units Absorbed / Month
Legacy At Walton Oaks	LIHTC/ACC/PBRA	Senior	2011	37
Terraces At Edinburgh	LIHTC	Senior	2010	24
The Glen At Alexander	Market	Family	2003	18

Senior LIHTC vacancy in the market is low at 1.0 percent and all of the senior LIHTC comparable properties are maintaining waiting lists. The Subject will offer new construction and a competitive amenity package. Legacy at Walton Oaks is the newest LIHTC property in the market; however, it also offers ACC and PBRA units. Therefore, we anticipate that the Subject will stabilize at a slightly slower pace than Legacy at Walton Oaks and a rate similar to that of Terraces at Edinburgh. We estimate that the Subject will reach 93 percent occupancy within three months of opening if management pre-leases units. This equates to an absorption rate of 15 units or more, which takes into

consideration the newest allocation, Legacy at Walton Oaks II, which will be completed prior to the Subject.

- Overall senior LIHTC vacancy is low at approximately one percent with three of the four senior LIHTC properties 100 percent occupied. The market rate properties have an overall vacancy rate of less than one percent. Of the market rate properties only one is reporting an elevated vacancy rate. Approximately 60 percent of the vacant market rate units are at River Ridge. Management at this property stated that the high vacancy rate was due to several recent evictions and relocations. This property reported a vacancy rate of 38.5 percent in the second quarter of 2013 after it had just undergone renovations. Management reported that the renovated units leased quickly. Therefore, while the vacancy rate at this property is higher than what is considered healthy, we do not believe this property's vacancy rate is indicative of typical market vacancy and that the vacancies at this property are likely due to seasonality and lease expirations. Further, the other older market rate property, Oak Hill, is maintaining a low vacancy rate.
- Of the 395 senior LIHTC units in the market, there are only four vacancies. Further, all of the senior LIHTC properties are maintaining waiting lists; and, at 48 units, the Subject will be on the smaller end of the range in terms of property size. Therefore, we believe that the Subject will maintain a vacancy rate of five percent, or less, once stabilized.
- All of the senior LIHTC comparable properties are maintaining a waiting list, which indicates that there is demand for additional LIHTC housing in the market. In addition, the two newer market rate properties are maintaining waiting lists.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. Senior LIHTC vacancy in the market is low at 1.0 percent and all of the senior LIHTC properties are maintaining waiting lists with low to moderate HCV rates and no concessions. The Subject will offer new construction in a neighborhood with amenities within walking distance of the Subject. While the Subject's in-unit amenity package will be somewhat inferior when compared to some of the senior LIHTC properties, the Subject will offer a competitive property amenities package and unit sizes. Further, all but one of the senior LIHTC properties are achieving maximum allowable rents and the only property not achieving maximum rents is 100 percent occupied with a lengthy waiting list. This indicates that this property is not testing the market as there are only four vacant units at all four senior LIHTC comparables. Overall, we believe that the Subject is feasible as proposed and will fill a void in the market for affordable senior housing.

Recommendations

- We believe that the Subject is feasible as proposed and we recommend no changes to the development scheme.

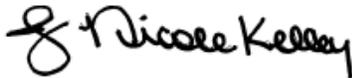
L. SIGNED STATEMENT REQUIREMENTS

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



H. Blair Kincer, MAI, CRE
LEED Certified Associate
Partner
Novogradac & Company LLP
5-29-14

Date



J. Nicole Kelley
Manager
Novogradac & Company LLP
5-29-14

Date



Jill A. Conable
Senior Real Estate Analyst
Novogradac & Company LLP
5-29-14

Date



Edward R. Mitchell
Senior Real Estate Analyst
Novogradac & Company LLP
5-29-14

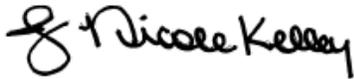
Date

M. MARKET STUDY REPRESENTATION

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



H. Blair Kincer, MAI, CRE
LEED Certified Associate
Partner
Novogradac & Company LLP
5-29-14
Date



J. Nicole Kelley
Manager
Novogradac & Company LLP
5-29-14
Date



Jill A. Conable
Senior Real Estate Analyst
Novogradac & Company LLP
5-29-14
Date



Edward R. Mitchell
Senior Real Estate Analyst
Novogradac & Company LLP
5-29-14
Date

N. QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

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

III. Professional Experience

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

IV. Professional Training

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

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

V. Real Estate Assignments – Examples

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

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

H. Blair Kincer

Qualifications

Page 3

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

J. Nicole Kelley

I. Education

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

II. Professional Experience

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

III. Professional Training and Continuing Education

Member, National Council of Affordable Housing Market Analysts (NCAHMA)
Member, Women in Affordable Housing Network (WAHN)
Successfully completed "Introduction to Commercial Real Estate Analysis" and
"Financial Analysis for Commercial Real Estate Investment"

IV. Real Estate Assignments

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

- Conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Prepared a comprehensive city wide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Prepared a comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. The study focused on the housing and economic trends Pre- and Post- Hurricane Katrina and overall housing needs in that neighborhood.
- Conducted market studies for senior and family projects in Alabama, Arizona, California, Florida, Georgia, Guam, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Washington, Wisconsin, and Wyoming.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit and Special Needs properties in various states.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

JILL A. CONABLE

I. Education

Kennesaw State University, Kennesaw, Georgia
Bachelor of Sciences

II. Professional Experience

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

III. Professional Affiliations and Continuing Education

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

Successful completion of Appraisal Institute courses as follows:

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

III. Assignments

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

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

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL

I. Education

University of Alabama, Tuscaloosa, Alabama
Master of Science – Financial Planning (05/2014)

University of Alabama, Tuscaloosa, Alabama
Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation

University of Alabama, Tuscaloosa, Alabama
Bachelor of Science – Human Environmental Science

San Antonio College, San Antonio, Texas
Associate of Arts – Real Estate Management

II. Professional Experience

Analyst; Novogradac & Company LLP (September 2013 – Present)
Senior Appraiser; Valbridge Property Advisors
Managing Partner; Consolidated Equity, Inc.
Appraiser; Schultz, Carr, Bissette
Disposition Manager; Resolution Trust Corporation (RTC)

III. Assignments

- Currently conducts market feasibility studies and appraisals of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way corridors, and recycling plants.

IV. Licensure

- State Certified General Real Property Appraiser (Georgia)
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation