



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

**Townview Manor
8099 N Main Street
Jonesboro, Clayton County, Georgia**

**Effective Date: April 23, 2015
Report Date: May 6, 2015**

Prepared For

**Mr. Dennis Waters
BSR Trust Management, LLC
105 Tallapoosa Street
Montgomery, AL 36104**

Prepared By

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May 6, 2015

Mr. Dennis Waters
BSR Trust Management, LLC
105 Tallapoosa Street
Montgomery, AL 36104

Re: Market Study for Townview Manor located in Jonesboro, Georgia

Dear Mr. Waters:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Nashville, 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 proposed Housing for Older Persons (HFOP) development Townview Manor consisting of 60 revenue generating units. Units will be age-restricted to seniors age 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, both 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.

Mr. Waters
BSR Trust Management, LLC
May 6, 2015
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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.

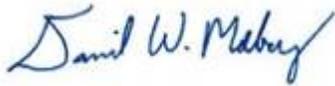
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1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client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

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

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

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Townview Manor will be a newly constructed senior property located in Jonesboro, Georgia, which will consist of one three-story, elevator-serviced, lowrise building.

The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowances.

PROPOSED RENTS							
Unit Type	Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC	HUD Fair
						Maximum Allowable Gross Rent	Market Rents
<i>50% AMI</i>							
1BR/1BA	750	8	\$420	\$148	\$568	\$640	\$773
2BR/2BA	950	12	\$480	\$182	\$662	\$767	\$916
<i>60% AMI</i>							
1BR/1BA	750	13	\$480	\$148	\$628	\$768	\$773
2BR/2BA	950	27	\$585	\$182	\$767	\$921	\$916
Total		60					

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

The Subject will offer the following amenities: blinds, carpeting, central air conditioning, dishwashers, ceiling fans, garbage disposals, ovens, refrigerators, washer dryer hook-ups, a business center/computer lab, a clubhouse/community room, elevators, exercise facility, central laundry, off-street parking, on-site management, and picnic area. Overall, the Subject’s amenities will be competitive with those offered at the comparable properties.

2. Site Description/Evaluation:

The Subject site is located on the west side of N Main Street near the intersection of Fayetteville Road. The Subject site is currently wooded land. North and west of the Subject site are commercial retail uses, which include a Bank of America, Rite-Aid Pharmacy, and Kroger Grocery Store. The commercial uses north and west of the Subject site exhibit average to good condition. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Somewhat Walkable” by *Walkscore* with a rating of 55. The Subject site is considered a desirable building site for senior rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in

average to good condition and the site has good proximity to locational amenities, which are within four miles of the Subject site.

3. Market Area Definition:

The PMA is defined as portions of Clayton, Fulton, Fayette, and Henry County. The area is south of the city of Atlanta. This area is generally defined as the area south of Interstate 285 and Forest Parkway, east of Old National Highway and Fayetteville Road, north of McDonough Road, and west of Interstate 675. This area was defined based on interviews with a member of the Jonesboro Planning Department, the local housing authority, and the Clayton County Planning and Zoning Commission. Furthermore, the determination of this market area was influenced by conversations with surveyed property managers, who reported that the majority of rental traffic originates primarily from the city limits.

We do believe the Subject will experience leakage from outside the PMA boundaries; however, per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject site is approximately 8.5 miles.

4. Community Demographic Data:

The senior population, age 55 and older, in the PMA experienced a significantly larger percentage increase from 2000 to 2010. The senior population in the PMA is expected to continue to increase through 2019, albeit at a slightly slower rate. The senior population in the PMA increased faster than the senior population in the MSA and nation from 2010 to 2015. Through 2019, the senior population in the MSA is expected to increase slightly faster than the PMA and nation. The total number of senior households in the PMA increased significantly from 2000 to 2010. From 2010 to 2015, the rate of senior household growth slowed; however, the growth rate from 2015 to 2019 is expected to increase. The senior household growth in the PMA was higher than the senior household growth in the nation since 2010.

Senior households earning under \$30,000 in the PMA comprise 63.8 percent of all income cohorts. The Subject will target households earning between \$17,040 and \$32,760, therefore, the Subject should be well-positioned to service this market. It should be noted that the area median

income (AMI) in Clayton County has declined in 2010, 2013, and 2014. In 2015, the AMI increased 6.1 percent, but remains below the 2012 AMI level.

Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target demographic. We believe the expected senior population and household growth in the PMA bodes well for the Subject's proposed units.

5. Economic Data:

Transportation/warehousing, health care/social assistance, and retail trade are the largest industries within the PMA. Combined they represent approximately 35.5 percent of total employment within the PMA. The health care industry has historically been stable and growing in the past decade. The area has a significant concentration in transportation/warehousing. The Hartsfield-Jackson Atlanta International Airport is located in Clayton County and is approximately 9.1 miles north of the Subject site. The airport is the busiest passenger airport in the world and is a major economic driver in the region. The area is reliant on the transportation/warehousing industry.

Clayton County is located south of the city of Atlanta. According to the February 2015 *Reis* report, Atlanta has been a major growth area for the state of Georgia. There has been strong economic growth, which has led to increased residential development. According to *Reis*, Atlanta has a concentration of employment in professional and business services, retail trade and consumer services, and government.

According to the website *KaiserPermanente.org*, the company recently opened the Kaiser Permanente Southwood Comprehensive Medical Center in Jonesboro, GA. The company invested \$45 million to renovate and expand its facility, which is located 3.9 miles east of the Subject site. The facility nearly doubled in size as a result of the expansion.

As of December 2014, total employment in the MSA remains approximately two percent below the peak total employment of 2007. In comparison, total employment in the nation is 0.8 percent above the 2007 pre-recession peak total employment. From December 2013 to December 2014, total employment in the nation outpaced the total employment growth in the MSA. In terms of

unemployment rates, the unemployment rate in the MSA has remained elevated since the national recession in comparison to the unemployment rate in the nation. Currently, the unemployment rate in the MSA is one percentage point above the unemployment rate in the nation. Overall, the local economy appears to be healthy.

6. Project-Specific Affordability And Demand Analysis:

Our demand analysis indicates that there are 701 income qualified renter households in the PMA. The following table indicates the capture rates for the Subject’s units.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR/1BA @50%	\$17,040-\$23,900	8	301	0	301	2.7%
2BR/2BA @50%	\$19,860-\$27,300	12	196	0	196	6.1%
Overall @50%	\$17,040-\$27,300	20	498	0	498	4.0%
1BR/1BA @60%	\$18,840-\$28,680	13	361	0	361	3.6%
2BR/2BA @60%	\$23,010-\$32,760	27	235	0	235	11.5%
Overall @60%	\$18,840-\$32,760	40	596	0	596	6.7%
1BR/1BA - Overall	\$17,040-\$28,680	21	425	0	425	4.9%
2BR/2BA - Overall	\$19,860-\$32,760	39	276	0	276	14.1%
Overall	\$17,040-\$32,760	60	701	0	701	8.6%

All capture rates are within DCA threshold requirements and indicate demand for the Subject. Overall, we recommend the Subject as proposed.

7. Competitive Rental Analysis:

The availability of LIHTC data in the PMA is good; however, there are only two senior LIHTC properties in the PMA. We have included two additional family LIHTC properties, located in Jonesboro. The availability of market rate data is considered good. We have included four conventional properties that offer one and two-bedroom units. Additionally, Valley Hill Senior Apartments is a mixed-income property with market rate units. All of the comparable properties are located within the PMA, between 0.4 and 6.6 miles from the Subject site. The comparable properties were built between 1975 and 2006. There is a limited number of new construction LIHTC and market rate properties in the area. Ashton Walk Senior Apartments, which was built in 2006 and included as a comparable property, is the most recent LIHTC property built within the PMA. Overall, we believe the properties we have used in our analysis are the most comparable.

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 Market Rents

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$420	\$497	\$648	\$578	27%
2 BR @ 50%	\$480	\$524	\$792	\$679	29%
1 BR @ 60%	\$480	\$497	\$648	\$578	17%
2 BR @ 60%	\$585	\$524	\$792	\$679	14%

As illustrated the Subject’s proposed 50 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. The Subject’s proposed one and two-bedroom 50 percent rents are below the surveyed minimum. The Subject’s proposed one-bedroom 60 percent rents are below the surveyed minimum. Valley Hill Senior Apartments is achieving the highest one-bedroom market rents in the market, which are similar to their 60 percent one-bedroom units. Additionally, the lowest rents in the market are being achieved by a market rate property, The Crossroads Apartments. The Crossroads is the oldest comparable property, built in 1975, and exhibits the most inferior condition in comparison to the proposed Subject.

The Subject, as a market rate property, will be most similar to Valley Hill Senior Apartments, which offers unrestricted market rate units. Valley Hill Senior Apartments is exhibiting a vacancy rate of zero percent and is age-restricted, similar to the Subject. Valley Hill Senior Apartments is achieving the highest one-bedroom rents in the market, which are more than 35 percent higher than the proposed one-bedroom rents at the Subject. The overall market rate vacancy rate is 1.6 percent, which indicates a

supply constrained market. The two-bedroom market rate units at Valley Hill Senior Apartments offer an 18 percent advantage over the proposed rents at the Subject.

The Subject will be superior to Tara Bridge as a market rate property. Tara Bridge is achieving the highest two-bedroom rents in the market. Tara Bridge was built in 1988 and is exhibiting a vacancy rate of 2.3 percent. Tara Bridge is located within one mile of the Subject site and offers a similar location. The two-bedroom rents at Tara Bridge are more than 27 percent higher than the proposed 60 percent rents at the Subject. 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.

Since all of the comparable properties were built prior to 2012, they have been "held harmless" to the recent decrease in AMI and have a higher maximum allowable gross rent level than the Subject, which will be completed in 2017. When rents are "held harmless" a property owner is not required to decrease rents in light of a decrease in the AMI. Instead, the property may continue operating with rent restrictions based upon the higher AMI level prior to the decrease.

The Subject's proposed rents at 50 and 60 percent of the AMI will be below the maximum allowable rent level at 50 and 60 percent AMI. Valley Hill Senior Apartments is achieving the hold harmless maximum allowable rent level in its 50 percent units. None of the comparable properties are achieving the hold harmless maximum allowable rent at the 60 percent AMI level. The Subject will exhibit excellent condition upon completion. The comparable LIHTC properties were built or renovated between 1998 and 2006. They exhibit average to good condition, which is inferior to slightly inferior to the anticipated condition of the proposed Subject. The Subject will offer a similar to slightly inferior in-unit amenity package in comparison to the LIHTC comparable properties. The Subject will lack exterior storage, coat closets, and walk-in closets, which some comparable properties offer. The Subject will offer a similar to slightly superior property amenity package. The comparable properties are all located within the PMA. The comparable properties offer generally similar locations in comparison to the Subject site. Additionally, the Subject's proposed unit sizes are within the range of the comparable

properties and the Subject's two-bedroom unit sizes, which are slightly smaller than the market average, are similar to the two senior LIHTC properties. Overall, we believe the Subject will be slightly superior to the comparable properties based on the anticipated excellent condition of the Subject.

The Subject's proposed 50 percent rents are significantly lower than Valley Hill Senior Apartments, which is located 3.8 miles north of the Subject site. Valley Hill Senior Apartments was built in 2000 and exhibits average to good condition. The property is exhibiting a vacancy rate of zero percent and the property manager indicated strong demand for affordable housing. Given the low overall vacancy rate and the performance of Valley Hill Senior Apartments, we believe the Subject's proposed 50 percent rents are reasonable. Additionally, we believe that the Subject could achieve the maximum allowable 50 percent rents.

The Subject's proposed rents at 60 percent of the AMI are set below the majority of the comparable properties. The Subject's one-bedroom 60 percent rents are \$134 to \$106 lower than the average of the comparable LIHTC properties. Both senior LIHTC properties reported strong demand for affordable one-bedroom LIHTC units. Ashton Walk Senior Apartments maintains a waiting list of 10 households for one-bedroom units only. Therefore, we believe that the Subject will be able to achieve the proposed rents in the one-bedroom 60 percent units. Additionally, we believe the Subject will be able to achieve the 2015 maximum allowable rents in the one-bedroom 60 percent units.

The Subject's proposed two-bedroom 60 percent rents are below all of the comparable properties. Ashton Walk Senior Apartments currently exhibiting an elevated two-bedroom vacancy rate. The property manager reported that tenants in the area were unable to afford the two-bedroom rents. According to *City-Data*, the median household income in the Subject's zip code is 42 percent higher than the median household income in Ashton Walk Senior Apartments zip code. Additionally, three of the seven vacant units are preleased. The Subject is considered slightly superior to Ashton Walk Senior Apartments, which was built in 2006 and exhibits good condition. The Subject's proposed rents are below this comparable property, which is considered reasonable given the slightly

elevated vacancy rate. Valley Hill Senior Apartments, which is located closer to the Subject site than Valley Hill Senior Apartments is currently exhibiting a vacancy rate of zero percent in its two-bedroom units, while achieving rents \$104 above the proposed rents at the Subject. Therefore, we believe the proposed 60 percent rent at the Subject is achievable. Additionally, we believe the Subject could achieve two-bedroom 60 percent rents similar to Pointe Clear Apartments and slightly below Ashton Walk Senior Apartments. Overall, we believe that the Subject's rents are feasible as proposed given the limited senior LIHTC supply and the performance of the LIHTC properties in the PMA.

8. Absorption/Stabilization Estimate:

None of the comparable properties were constructed recently. Additionally, we are unaware of any LIHTC properties built in the PMA since 2006. Therefore, we have extended our search for absorption data to neighboring Fulton, DeKalb, and Henry County. The properties are located within a 20 mile radius of the Subject site. We have excluded the areas close to Atlanta due to its dissimilar location with the Subject site. The following table illustrates six age-restricted LIHTC properties that were built since 2010 and were able to provide absorption information.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Betmar Village Apartments	LIHTC	Senior	2014	47	47
Hampton Court	LIHTC	Senior	2014	60	20
Baptist Gardens	LIHTC	Senior	2013	100	15
Gateway At East Point	LIHTC	Senior	2012	100	25
Heritage At McDonough	LIHTC	Senior	2011	105	18
Woodbridge At Parkway Village	LIHTC	Senior	2010	150	34

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The properties experienced absorption rates ranging from 15 to 47 units per month. Hampton Court is located 11.5 miles south of the Subject site. The Subject will offer a similar number of units in comparison to Hampton Court. Hampton Court experienced an absorption rate of 20 units per month during 2014 and was fully occupied within three months. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately three months for the Subject to reach 93 percent occupancy.

9. Overall Conclusion:

Based upon our market research, demand calculations and analysis, we believe there is adequate demand for the proposed Subject. The two senior LIHTC properties in the PMA are located 3.8 and 6.6 miles from the Subject site and are currently performing well. The average LIHTC vacancy rate is 2.2 percent, which indicates a supply constrained market. Additionally, the unrestricted market rate vacancy rate is 1.2 percent. The senior population (ages 55 and older) is projected to increase by 3.2 percent annually from 2014 to projected market entry in 2017 while the number of senior households is projected to increase by 3.6 percent annually over the same period. The Subject will be slightly superior to superior to the comparable LIHTC properties upon completion. The Subject will exhibit excellent condition and will offer a competitive amenity package. The Subject offers a good location in Jonesboro, which is similar to the majority of the comparable properties. The Subject's unit sizes are within the range of the comparable properties and are similar to the senior LIHTC properties. The Subject's proposed rents are below the comparable senior LIHTC properties.

A significant proportion of the Subject's units will be two-bedroom units. Ashton Walk Senior Apartments, which offers a similar proportion of two-bedroom units, is currently exhibiting an elevated vacancy rate in two-bedroom units. However, three of the seven vacant units are preleased. The Subject is considered slightly superior to Ashton Walk Senior Apartments, which was built in 2006 and exhibits good condition. The Subject's proposed rents are below this comparable property, which is considered reasonable given the slightly elevated vacancy rate. Valley Hill Senior Apartments is currently exhibiting a vacancy rate of zero percent. While the capture rate for two-bedroom units is elevated relative to the one-bedroom capture rates, we believe there is demand for two-bedroom units at the Subject's proposed rent level, which is below the comparable senior LIHTC properties. Given the low vacancy rate, we believe the Subject's proposed LIHTC rents are achievable in the market. Overall, given the low capture rates, strong senior population growth rate in the PMA, and performance of the comparable LIHTC properties, we believe the Subject is feasible as proposed. Additionally, we do not believe the construction of the Subject will impact the comparable affordable properties.

Summary Table:

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

Development Name:	Townview Manor	Total # Units:	60
Location:	8099 N Main Street	# LIHTC Units:	60
	Jonesboro, Clayton County, Georgia 30236		
PMA Boundary:	The area is south of the city of Atlanta. This area is generally known as the area south of Interstate 285 and Forest Parkway, east of Old National Highway and Fayetteville Road, north of McDonough Road, and west of Interstate 675.		
	Farthest Boundary Distance to Subject:		8.5

Rental Housing Stock (found on page 48)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	62	13,591	1,101	92.3%
Market-Rate Housing	47	11,511	1,022	91.1%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
LIHTC	15	2,080	79	96.2%
Stabilized Comps	8	1,445	23	98.4%
Properties in Construction & Lease Up	0	N/Ap	N/Ap	N/Ap

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 @ 50%	1	750	\$420	\$578	\$0.77	27%	\$675	\$0.90
12	2BR @ 50%	2	950	\$480	\$679	\$0.71	29%	\$775	\$0.82
13	1BR @ 60%	1	750	\$480	\$578	\$0.77	17%	\$675	\$0.90
27	2BR @ 60%	2	950	\$585	\$679	\$0.71	14%	\$775	\$0.82

Demographic Data (found on page 31 & 50)

	2010		2015		Jan-17	
Renter Households	7,174	29.10%	7,394	28.30%	8,001	28.70%
Income-Qualified Renter HHs (LIHTC)	2,263	31.55%	2,333	31.55%	2,524	31.55%

Targeted Income-Qualified Renter Household Demand (found on page 57)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	136	163	N/Ap	N/Ap	192
Existing Households (Overburdened + Substandard)	N/Ap	497	596	N/Ap	N/Ap	703
Homeowner conversion (Seniors)	N/Ap	11	12	N/Ap	N/Ap	13
Total Primary Market Demand	N/Ap	644	771	N/Ap	N/Ap	907
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
Adjusted Income-qualified Renter HHs**	N/Ap	644	771	N/Ap	N/Ap	907

Capture Rates (found on page 57)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	4.00%	6.70%	N/Ap	N/Ap	8.60%

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:	The Subject site is located at 8099 N Main Street, Jonesboro, Clayton County, Georgia 30236. The Subject site is currently vacant.
Construction Type:	The Subject will consist of one three-story, elevator-serviced, lowrise building.
Occupancy Type:	Seniors age 55 and older.
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:	The Subject will not operate with additional project-based rental assistance.
Proposed Development Amenities:	See following property profile.

Townview Manor

Location 8099 N Main Street
Jonesboro, GA 30236
Clayton County

Units 60

Type Various (age-restricted)

Year Built / Renovated 2017 / n/a

Tenant Characteristics Seniors 55+



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 (3 stories)	8	750	\$420	\$0	@50%	n/a	N/A	N/A	no
1	1	Lowrise (3 stories)	13	750	\$480	\$0	@60%	n/a	N/A	N/A	no
2	2	Lowrise (3 stories)	12	950	\$480	\$0	@50%	n/a	N/A	N/A	no
2	2	Lowrise (3 stories)	27	950	\$585	\$0	@60%	n/a	N/A	N/A	no

Amenities

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

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 expected to be completed by January 2017.
Conclusion:	The Subject will be an excellent-quality elevator-serviced lowrise apartment complex, comparable or superior to most of the inventory in the area. 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:

Sterling Battle visited the site on April 23, 2015.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

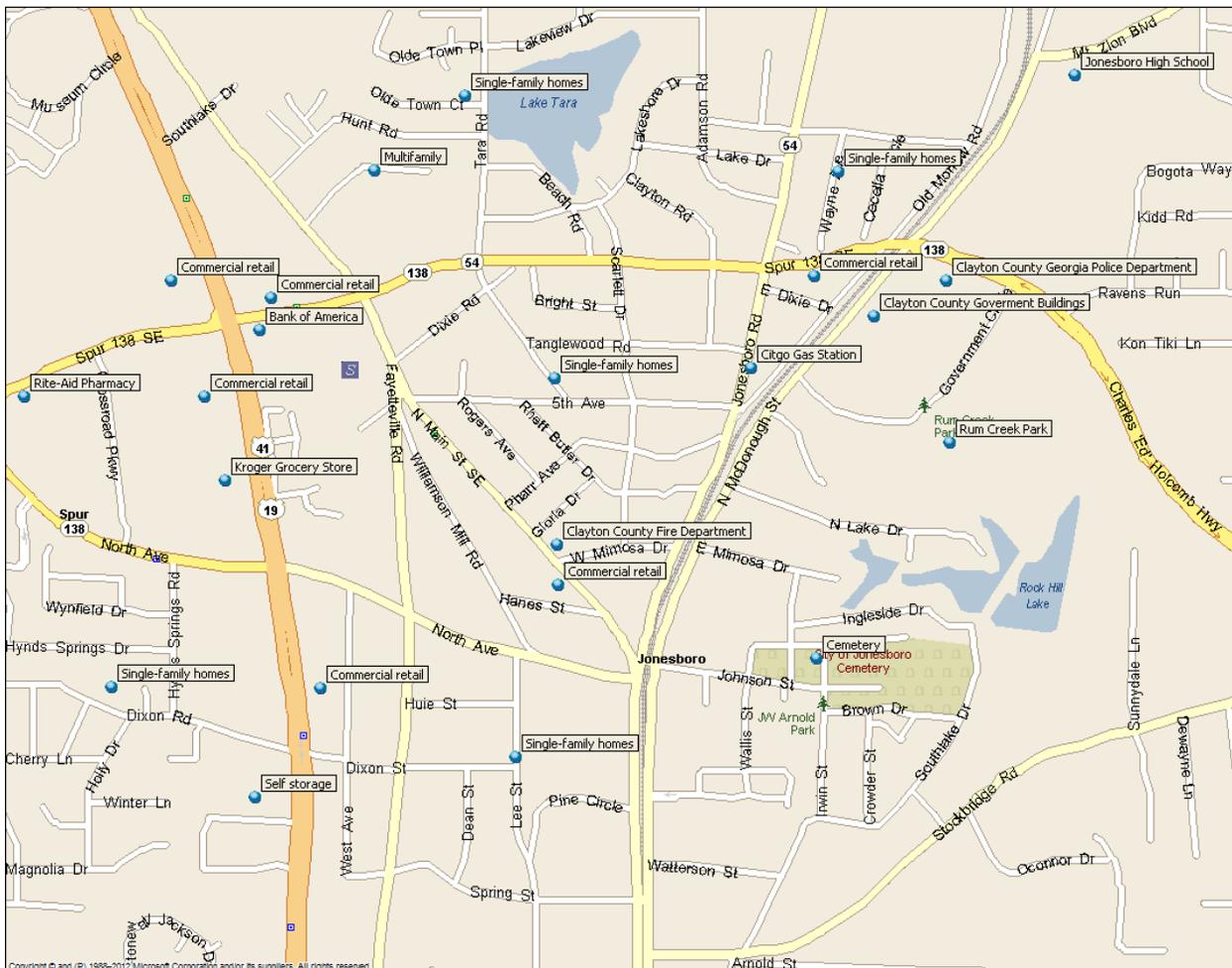
The Subject site has frontage along the west side of N Main Street.

Visibility/Views:

The Subject will be located on west side of N Main Street. Visibility and views from the site will be average to good and will include commercial retail uses along N Main Street and multifamily uses, which exhibit average to good condition.

Surrounding Uses:

The following map illustrates the surrounding land uses.



The Subject site is located on the west side of N Main Street near the intersection of Fayetteville Road. The Subject site is currently wooded land. North and west of the

Subject site are commercial retail uses, which include a Bank of America, Rite-Aid Pharmacy, and Kroger Grocery Store. The commercial uses north and west of the Subject site exhibit average to good condition. Commercial uses are concentrated along Highway 41 and Highway 19. Further north of the Subject site are multifamily and single-family home uses, which exhibit average to good condition. East of the Subject site are single-family homes in average to good condition. Further east of the Subject site are commercial uses and the Clayton County government buildings along N McDonough Street, which exhibit average to good condition. Rum Creek Park is located east of the Subject site. South of the Subject site are single-family homes and commercial uses, which exhibit average to good condition. The Clayton County Fire Department is located southeast of the Subject site. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Somewhat Walkable” by *Walkscore* with a rating of 55. The Subject site is considered a desirable building site for senior rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, which are within four miles of the Subject site.

Positive/Negative Attributes of Site: The Subject’s proximity to retail and other locational amenities as well as its surrounding uses, which are in good condition, are considered positive attributes. Additionally, the Subject site is within close proximity to Interstate 75, which provides convenient access to other employment centers.

3. Physical Proximity to Locational Amenities:

The Subject is located within 3.9 miles of all locational amenities. The Subject is located within one mile of a pharmacy, gas station, and grocery store.

4. Pictures of Site and Adjacent Uses:



Subject site



Subject site



View south along North Main Street



View north along North Main Street



View south along Fayetteville Road



View north along Fayetteville Road



Retail uses along North Main Street



Retail uses in Subject's neighborhood



Retail uses in Subject's neighborhood



Retail uses in Subject's neighborhood



Retail uses in Subject's neighborhood



Retail uses in Subject's neighborhood



Walgreens Pharmacy in Subject's neighborhood



Retail uses in Subject's neighborhood



CVS Pharmacy in Subject's neighborhood



Retail uses in Subject's neighborhood



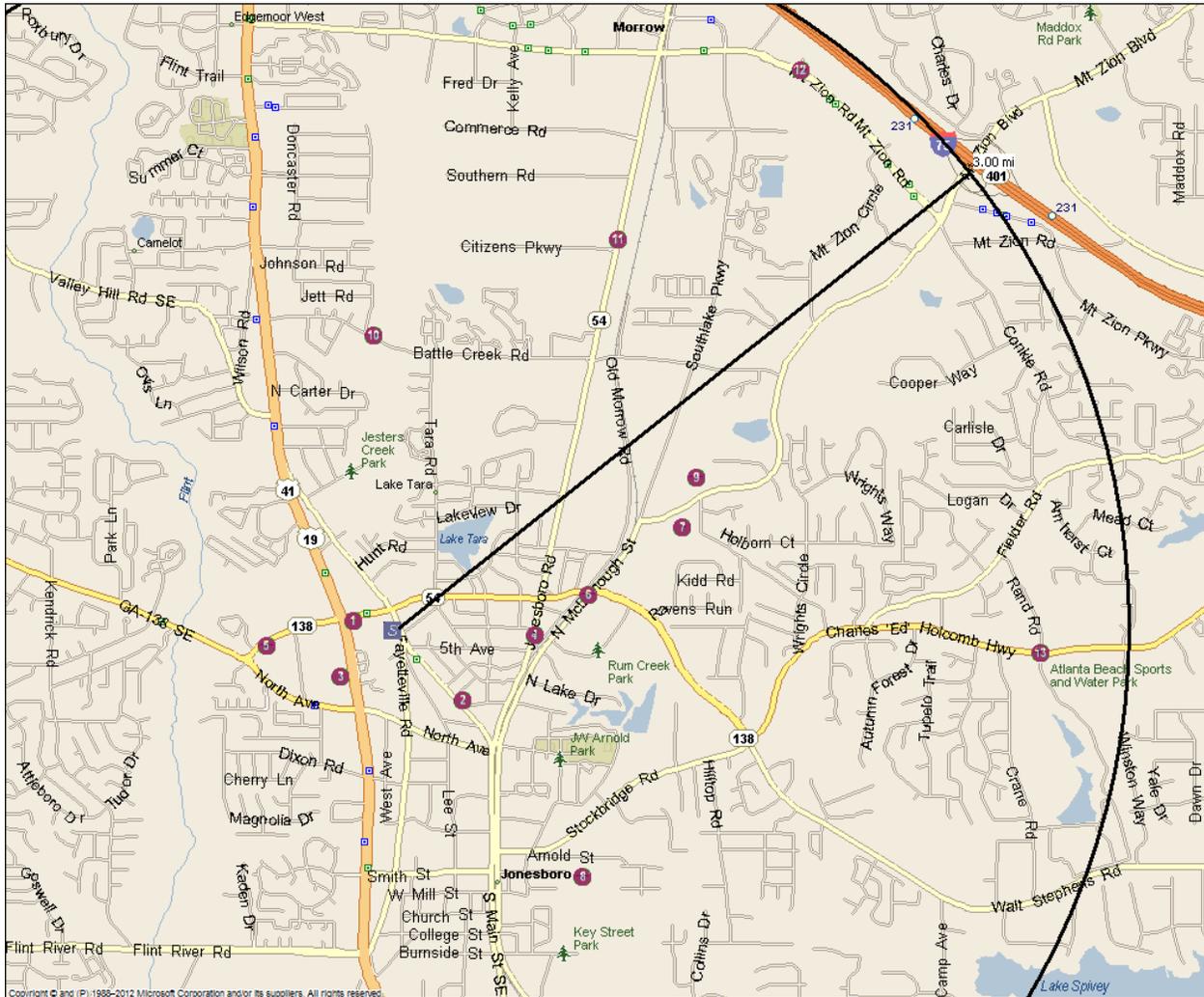
Single-family home within Subject's neighborhood



Single-family home within Subject's neighborhood

5. Proximity to Locational Amenities:

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



LOCATIONAL AMENITIES

Map Number	Service or Amenity	Miles From Subject
1	Bank of America	0.3 miles
2	Clayton County Fire Department	0.4 miles
3	Kroger Grocery Store	0.5 miles
4	Citgo Gas Station	0.6 miles
5	Rite-Aid Pharmacy	0.7 miles
6	Clayton County Georgia Police Department	1.0 miles
7	Jonesboro High School	1.3 miles
8	Jonesboro Middle School	1.7 miles
9	James Jackson Elementary School	1.9 miles
10	Clayton County Library	2.0 miles
11	US Post Office	2.3 miles
12	Atlanta Medical Center	3.7 miles
13	J. Charley Griswell Senior Center	3.9 miles

6. Description of Land Uses:

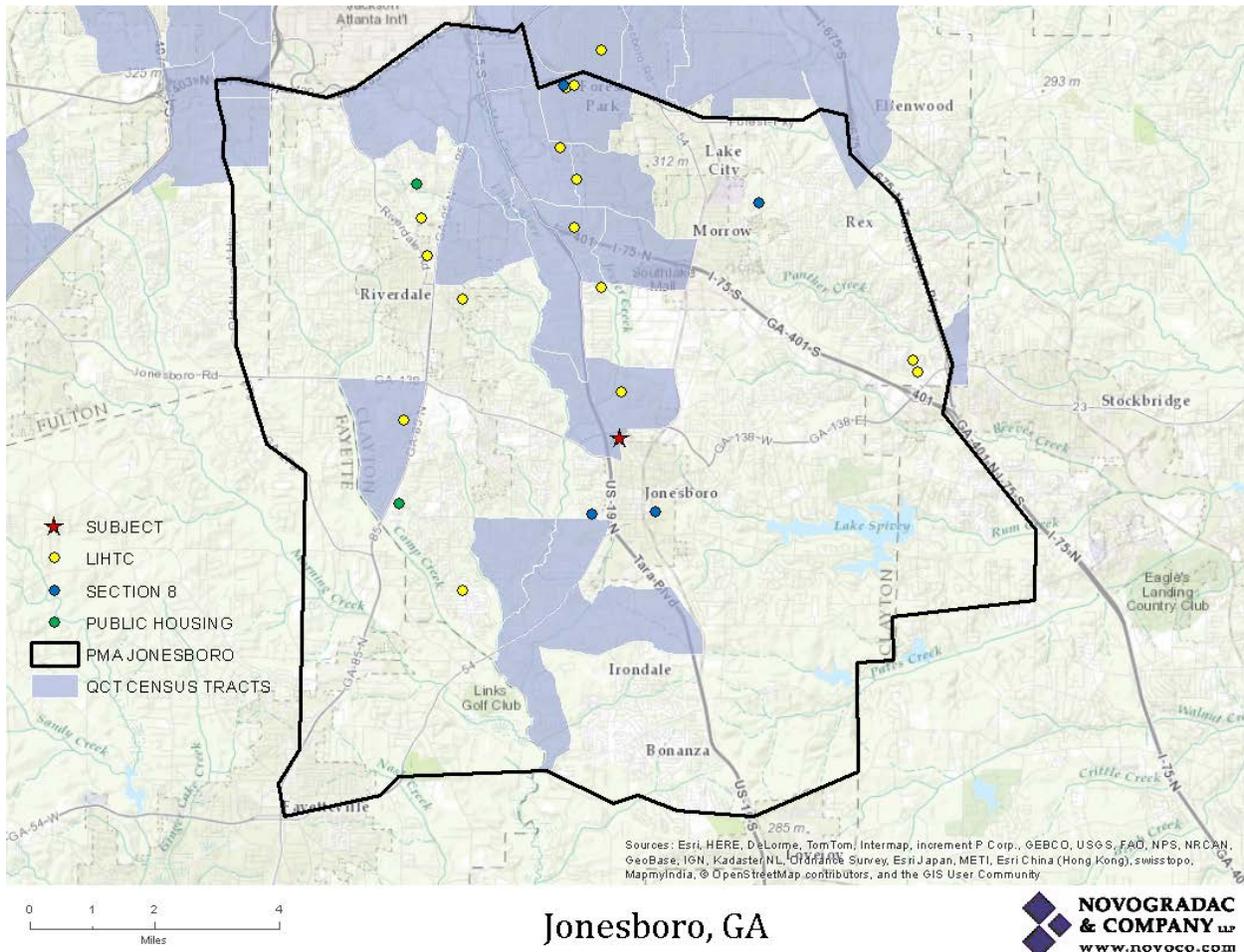
North and west of the Subject site are commercial retail uses, which include a Bank of America, Rite-Aid Pharmacy, and Kroger Grocery Store. The commercial uses north and west of the Subject site exhibit average to good condition. Commercial uses are concentrated along Highway 41 and Highway 19. Further north of the Subject site are multifamily and single-family home uses, which exhibit average to good condition. East of the Subject site are single-family homes in average to good condition. Further east of the Subject site are commercial uses and the Clayton County government buildings along N McDonough Street, which exhibit average to good condition. Rum Creek Park is located east of the Subject site. South of the Subject site are single-family homes and commercial uses, which exhibit average to good condition. The Clayton County Fire Department is located southeast of the Subject site. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Somewhat Walkable” by *Walkscore* with a rating of 55. The Subject site is considered a desirable building site for senior rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, which are within four miles of the Subject site.

7. Existing Assisted Rental Housing

Property Map:

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

Name	Address	City	State	Zip Code	Type	Map Color	Included/Excluded	Reason for Exclusion
Townview Manor	8099 N Main Street	Jonesboro	GA	30238	LIHTC	Red Star	N/Ap	N/Ap
Alexander Falls Apartments	950 Lake Ridge Parkway	Riverdale	GA	30296	LIHTC/Market	Yellow	Excluded	More comparable properties
Ashton Walk Senior Apartments	4950 Governors Drive	Forest Park	GA	30297	LIHTC	Yellow	Included	N/Ap
Breckenridge Apartments	5530 Old Dixie Highway	Forest Park	GA	30297	LIHTC	Yellow	Excluded	Disimilar unit types
Pebble Creek	9350 Thomas Road	Jonesboro	GA	30238	LIHTC	Yellow	Excluded	Unable to contact
Hyde Manor Apartments	3384 Mt. Zion Road	Stockbridge	GA	30281	LIHTC	Yellow	Excluded	More comparable properties
Hyde Park Apartments	3386 Mount Zion Road	Stockbridge	GA	30281	LIHTC	Yellow	Excluded	More comparable properties
Overlook Townhouses	834 Overlook Terrace	Atlanta	GA	30349	LIHTC	Yellow	Excluded	Unable to contact
Park At Mount Zion	701 Mt Zion Rd	Jonesboro	GA	30236	LIHTC	Yellow	Included	N/Ap
Pointe Clear Apartments	7545 Tara Road	Jonesboro	GA	30236	LIHTC	Yellow	Included	N/Ap
Regal Park	461 Old Dixie Way	Forest Park	GA	30297	LIHTC	Yellow	Excluded	More comparable properties
Riverdale Villa	755 King	Riverdale	GA	30274	LIHTC	Yellow	Excluded	Unable to contact
Taj Mahal Homes	514 Bridge Avenue	Forest Park	GA	30297	LIHTC	Yellow	Excluded	Unable to contact
Tracewood Apartments	482 Sylvia Drive	Forest Park	GA	30297	LIHTC	Yellow	Excluded	Unable to contact
Valley Hill Senior Apartments	430 Valley Hill Road	Riverdale	GA	30274	LIHTC/Market	Yellow	Included	N/Ap
Atlanta Advantages	4663 Waldrop Drive	Forest Park	GA	30297	LIHTC	Yellow	Excluded	Unable to contact
Pointe South Apartments	772 Pointe South Parkway	Jonesboro	GA	30238	Public Housing	Green	Excluded	Subsidized
Premiere Gardens	639 Garden Walk Boulevard	College Park	GA	30349	Public Housing	Green	Excluded	Subsidized
Governor's Terrace	4947 Governors Drive	Forest Park	GA	30297	Section 8	Blue	Excluded	Subsidized
Keystone Apartments	145 South McDonough Street	Jonesboro	GA	30236	Section 8	Blue	Excluded	Subsidized
Riverwood Apartments	681 Flint River Road	Jonesboro	GA	30236	Section 8	Blue	Excluded	Subsidized
Southwood Apartments	6001 Trammell Road	Morrow	GA	30260	Section 8	Blue	Excluded	Subsidized



Jonesboro, GA



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

We did not witness any road/infrastructure improvements during our field work.

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

The Subject site can be accessed from N Main Street, which is a three-lane road that provides access to State Route 138, north of the Subject site. Highway 19 and 41 are located 0.3 miles northeast of the Subject site. Interstate 75 is located approximately 3.3 miles north of the Subject site. Overall, access and visibility are considered good.

10. Environmental Concerns:

None visible upon site inspection.

11. Conclusion:

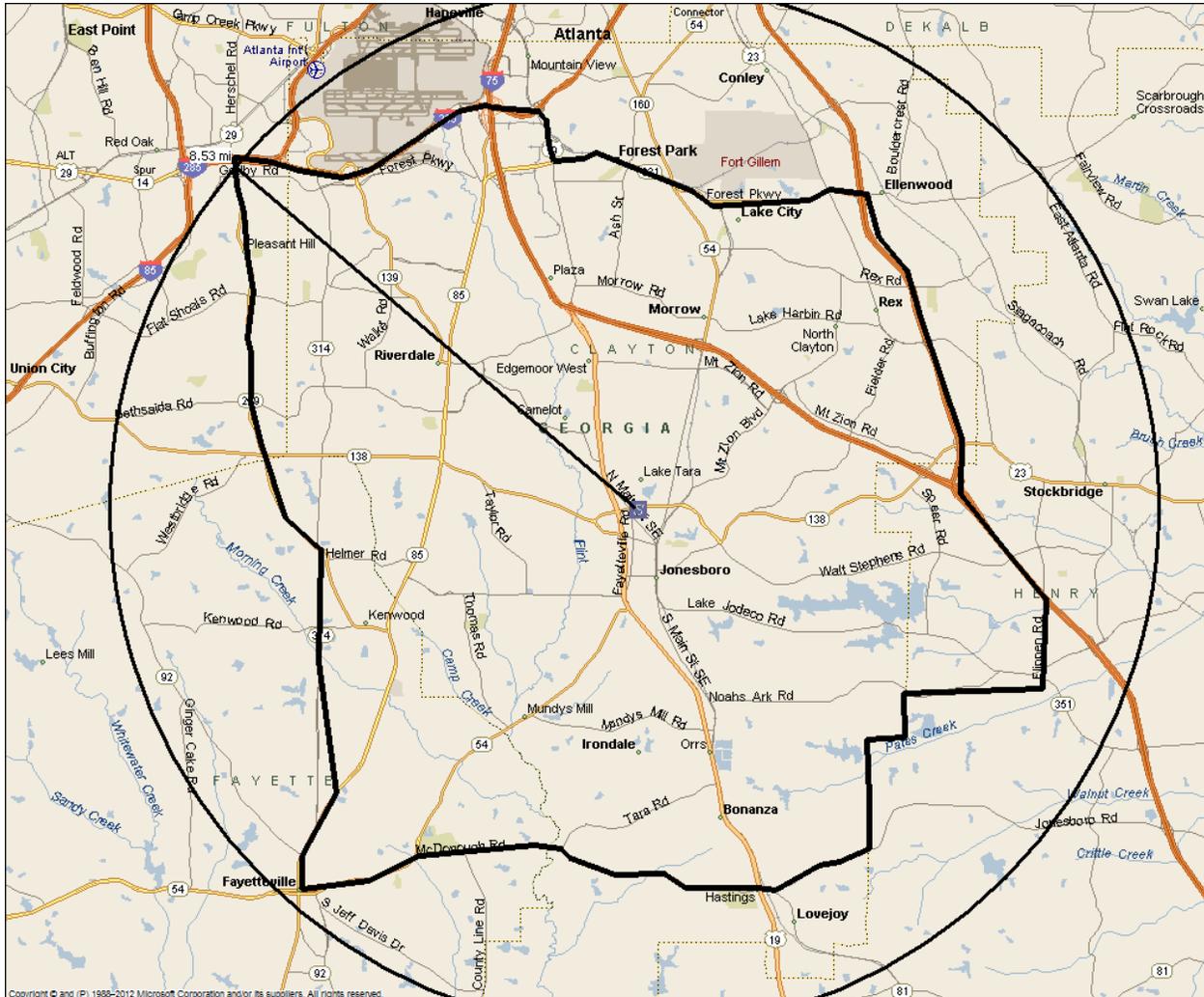
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D. MARKET AREA

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 Atlanta-Sandy Springs-Marietta, GA MSA are areas of growth or contraction.

The PMA is defined as portions of Clayton, Fulton, Fayette, and Henry County. The area is south of the city of Atlanta. This area is generally defined as the area south of Interstate 285 and Forest Parkway, east of Old National Highway and Fayetteville Road, north of McDonough Road, and

west of Interstate 675. This area was defined based on interviews with a member of the Jonesboro Planning Department, the local housing authority, and the Clayton County Planning and Zoning Commission. Furthermore, the determination of this market area was influenced by conversations with surveyed property managers, who reported that the majority of rental traffic originates primarily from the Clayton County.

We do believe the Subject will experience leakage from outside the PMA boundaries; however, per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject site is approximately 8.5 miles.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 2000 through 2019.

TOTAL POPULATION						
Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	216,981	-	4,263,438	-	281,421,906	-
2010	235,678	0.9%	5,286,728	2.4%	308,745,538	1.0%
2015	240,848	0.4%	5,467,379	0.7%	314,467,933	0.4%
Projected Mkt Entry January 2017	243,214	0.7%	5,588,633	1.5%	318,733,873	0.9%
2019	247,156	0.5%	5,790,724	1.2%	325,843,774	0.7%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

TOTAL SENIOR POPULATION (55+)						
Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	27,364	-	646,403	-	59,266,437	-
2010	39,295	4.4%	1,028,311	5.9%	76,750,713	3.0%
2015	45,868	3.2%	1,190,600	3.0%	83,352,075	1.6%
Projected Mkt Entry January 2017	48,647	4.0%	1,266,571	4.3%	87,269,080	3.1%
2019	53,278	3.2%	1,393,188	3.4%	93,797,421	2.5%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2015	Projected Mkt Entry January 2017	2019
0-4	17,933	19,353	18,781	18,913	19,132
5-9	18,905	18,614	18,304	18,165	17,932
10-14	18,086	18,235	17,844	17,796	17,716
15-19	15,958	18,432	17,545	17,491	17,401
20-24	15,938	18,027	19,695	19,157	18,261
25-29	19,693	18,240	19,492	20,309	21,670
30-34	19,682	17,476	17,586	18,060	18,849
35-39	19,459	18,110	16,185	16,484	16,983
40-44	17,123	17,438	17,221	16,379	14,975
45-49	14,507	17,023	16,313	16,112	15,777
50-54	12,332	15,435	16,013	15,701	15,180
55-59	8,392	12,698	14,071	14,283	14,635
60-64	5,903	9,985	11,297	11,817	12,684
65-69	4,585	6,378	8,531	9,087	10,014
70-74	3,338	4,086	5,172	5,988	7,347
75-79	2,547	2,913	3,224	3,656	4,376
80-84	1,493	1,820	2,027	2,167	2,399
85+	1,106	1,415	1,546	1,650	1,823
Total	216,980	235,678	240,847	243,212	247,154

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

Year	NUMBER OF ELDERLY AND NON-ELDERLY					
	PMA			Atlanta-Sandy Springs-Marietta, GA MSA		
	Total Population	Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
2000	216,980	189,616	27,364	4,263,438	3,617,035	646,403
2010	235,678	196,383	39,295	5,286,728	4,258,417	1,028,311
2015	240,847	194,979	45,868	5,467,379	4,276,779	1,190,600
Projected Mkt Entry January 2017	243,212	194,565	48,647	5,588,633	4,322,063	1,266,571
2019	247,154	193,876	53,278	5,790,724	4,397,536	1,393,188

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

The general population in the PMA increased from 2000 to 2015 and is expected to continue to increase through 2019. The general population in the PMA increased slightly slower than the general population in the MSA and the nation. The senior population, age 55 and older, in the PMA experienced a significantly larger percentage increase from 2000 to 2010. The senior population in the PMA is expected to continue to increase through 2019, albeit at a slightly slower rate. The senior population in the PMA increased faster than the senior population in the MSA and nation from 2010 to 2015. Through 2019, the senior population in the MSA is expected to increase slightly faster than the PMA and nation. We believe the strong growth of the senior population in the PMA is a positive indication of demand for the Subject's proposed age-restricted units. Approximately 20 percent of the population in the PMA will be age 55 and older by the projected market entry date of January 2017.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS						
Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	77,316	-	1,566,711	-	105,991,193	-
2010	83,454	0.8%	1,943,885	2.4%	116,716,292	1.0%
2015	85,148	0.4%	2,010,072	0.6%	118,979,182	0.4%
Projected Mkt Entry January 2017	86,036	0.7%	2,055,911	1.5%	120,661,324	0.9%
2019	87,517	0.6%	2,132,309	1.2%	123,464,895	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

TOTAL NUMBER OF HOUSEHOLDS 55+						
Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	16,728	-	396,452	-	36,970,817	-
2010	24,635	4.7%	612,737	5.5%	45,892,687	2.4%
2015	26,104	1.1%	684,282	2.2%	50,249,306	1.8%
Projected Mkt Entry January 2017	27,864	4.5%	736,656	5.1%	52,622,734	3.1%
2019	30,797	3.6%	823,945	4.1%	56,578,447	2.5%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.79	-	2.67	-	2.58	-
2010	2.79	0.0%	2.68	0.0%	2.58	0.0%
2015	2.79	0.0%	2.68	0.0%	2.58	0.0%
Projected Mkt Entry January 2017	2.79	0.0%	2.68	0.0%	2.58	0.0%
2019	2.79	0.0%	2.68	0.0%	2.57	0.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

The total number of senior households in the PMA increased significantly from 2000 to 2010. From 2010 to 2015, the rate of senior household growth slowed; however, the growth rate from 2015 to 2019 is expected to increase. The senior household growth in the PMA was higher than the senior household growth in the nation since 2010. Average household size in the PMA is currently 2.79 persons; this is expected to remain constant through 2019. Overall, the projected increase in senior households age 55 and older is a positive indicator for the proposed Subject's age-restricted units.

2b. Households by Tenure

The table below depicts senior household growth by tenure from 2000 through 2019.

TENURE PATTERNS - ELDERLY POPULATION (AGE 55+)								
Year	PMA				Atlanta-Sandy Springs-Marietta, GA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	-	-	-	-	-	-	-	-
2010	17,461	70.9%	7,174	29.1%	479,032	78.2%	133,705	21.8%
2015	18,710	71.7%	7,394	28.3%	531,280	77.6%	153,002	22.4%
Projected Mkt Entry January 2017	19,862	71.3%	8,001	28.7%	571,344	77.6%	165,311	22.4%
2019	21,783	70.7%	9,014	29.3%	638,118	77.4%	185,826	22.6%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

Owner-occupied housing units dominate the PMA and are slightly less dominant in the MSA. However, the percent of senior renter-occupied housing in the PMA is higher than the national average of approximately 13 percent. The percentage of renter-occupied units is expected to

decrease slightly through 2019, but the number of senior renter households is expected to increase.

2c. Households by Income

The following table depicts senior household income in 2015, the projected market entry January 2017, and 2019 for the PMA.

RENTER HOUSEHOLD INCOME DISTRIBUTION 55+ - PMA								
Income Cohort	2010		2015		Projected Mkt Entry January 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	657	9.2%	1,121	15.2%	1,321	16.5%	1,654	18.3%
\$10,000-19,999	1,156	16.1%	1,850	25.0%	2,121	26.5%	2,572	28.5%
\$20,000-29,999	1,142	15.9%	1,445	19.5%	1,589	19.9%	1,828	20.3%
\$30,000-39,999	1,175	16.4%	1,073	14.5%	1,116	13.9%	1,187	13.2%
\$40,000-49,999	676	9.4%	478	6.5%	493	6.2%	518	5.7%
\$50,000-59,999	606	8.4%	504	6.8%	477	6.0%	432	4.8%
\$60,000-74,999	606	8.4%	341	4.6%	334	4.2%	324	3.6%
\$75,000-99,999	488	6.8%	263	3.6%	256	3.2%	244	2.7%
\$100,000-124,999	370	5.2%	187	2.5%	167	2.1%	132	1.5%
\$125,000-149,999	126	1.8%	58	0.8%	61	0.8%	66	0.7%
\$150,000-199,999	93	1.3%	56	0.8%	50	0.6%	40	0.4%
\$200,000+	78	1.1%	17	0.2%	17	0.2%	16	0.2%
Total	7,174	100.0%	7,394	100.0%	8,001	100.0%	9,014	100.0%

Source: Ribbon Demographics 2015, Novogradac & Company LLP, April 2015

Senior households earning under \$30,000 in the PMA comprise 63.8 percent of all income cohorts. The Subject will target households earning between \$17,040 and \$32,760, therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in Clayton County has declined in 2010, 2013, and 2014. In 2015, the AMI increased 6.1 percent, but remains below the 2012 AMI level.

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		2010		2015		Projected Mkt Entry January 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	8,525	27.3%	11,105	30.1%	12,266	30.3%	12,448	30.4%	12,752	30.6%
With 2 Persons	8,509	27.2%	8,717	23.6%	9,510	23.5%	9,605	23.5%	9,764	23.4%
With 3 Persons	5,720	18.3%	6,520	17.6%	7,143	17.7%	7,226	17.7%	7,364	17.7%
With 4 Persons	4,681	15.0%	4,952	13.4%	5,396	13.3%	5,448	13.3%	5,535	13.3%
With 5+ Persons	3,805	12.2%	5,648	15.3%	6,131	15.2%	6,196	15.1%	6,304	15.1%
Total Renter Households	31,239	100.0%	36,942	100.0%	40,446	100.0%	40,923	100.0%	41,718	100.0%

Source: Ribbon Demographics 2015, Novogradac & Company LLP, April 2015

The household size with the largest percentage of households is one person households, followed by two person households. In general, households with one and two people are expected to remain stable. The Subject will be an age-restricted development with one and two-bedroom floor plans, so this large percentage of one and two person senior households bodes well for the proposed Subject.

Conclusion

The senior population, age 55 and older, in the PMA experienced a significantly larger percentage increase from 2000 to 2010. The senior population in the PMA is expected to continue to increase through 2019, albeit at a slightly slower rate. The senior population in the PMA increased faster than the senior population in the MSA and nation from 2010 to 2015. Through 2019, the senior population in the MSA is expected to increase slightly faster than the PMA and nation. The total number of senior households in the PMA increased significantly from 2000 to 2010. From 2010 to 2015, the rate of senior household growth slowed; however, the growth rate from 2015 to 2019 is expected to increase. The senior household growth in the PMA was higher than the senior household growth in the nation since 2010.

Senior households earning under \$30,000 in the PMA comprise 63.8 percent of all income cohorts. The Subject will target households earning between \$17,040 and \$32,760, therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in Clayton County has declined in 2010, 2013, and 2014. In 2015, the AMI increased 6.1 percent, but remains below the 2012 AMI level.

Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target demographic. We believe the expected senior population and household growth in the PMA bodes well for the Subject's proposed units.

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

The Subject site is located in Jonesboro, Clayton County, Georgia. The Subject, as proposed, will be a senior property with strict income limits. Therefore, we expect the majority of the tenants at the Subject will be retired or work part-time jobs. The following illustrates recent job growth and employment trends in the region.

Clayton County is located south of the city of Atlanta. According to the February 2015 *Reis* report, Atlanta has been a major growth area for the state of Georgia. There has been strong economic growth, which has led to increased residential development. According to *Reis*, Atlanta has a concentration of employment in professional and business services, retail trade and consumer services, and government.

The Hartsfield-Jackson Atlanta International Airport is located in Clayton County and is approximately 9.1 miles north of the Subject site. The airport is the busiest passenger airport in the world and is a major economic driver in the region. The area has a significant concentration in transportation/warehousing, due to the airport. Transportation/warehousing, health care/social assistance, and retail trade are the largest industries within the PMA. Combined they represent approximately 35.5 percent of total employment within the PMA. The health care industry has historically been stable and growing in the past decade.

According to the website *KaiserPermanente.org*, the company recently opened the Kaiser Permanente Southwood Comprehensive Medical Center in Jonesboro, GA. The company invested \$45 million to renovate and expand its facility, which is located 3.9 miles east of the Subject site. The facility nearly doubled in size as a result of the expansion.

Delta Tech Ops is the second largest employer in the region, trailing only Clayton County Public Schools. Fedex is also a top 10 employer in the region due to the Atlanta airport. Overall, we believe the Jonesboro and Clayton County region has a diverse employment based and is a healthy local economy.

1. Total Jobs

The following table illustrates the total jobs (also known as “covered employment”) in Clayton County. Note that the data below was the most recent data available.

Total Jobs in Clayton County, Georgia

Year	Total Employment	% Change
2005	125,150	-
2006	127,758	2.04%
2007	127,738	-0.02%
2008	128,167	0.33%
2009	125,296	-2.29%
2010	117,014	-7.08%
2011	112,701	-3.83%
2012	113,062	0.32%
2013	117,017	3.38%
2014	115,688	-1.15%
2015 YTD Average	118,492	2.37%
Feb-14	118,548	-
Feb-15	118,985	0.37%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2015

As illustrated in the table above, Clayton County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2008. Covered employment increased from 2009 to 2011. The covered employment increase in 2013 was the strongest increase since 2005. However, in 2014, covered employment decreased slightly. The 2015 year to date employment increase was positive and the February 2014 to February 2015 total jobs increase was positive, which indicates a growing economy. The local total employment remains below the pre-recession peak total employment.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Clayton County as of March 2014.

March 2014 Covered Employment Clayton County, Georgia

	Number	Percent
Total, all industries	96,295	-
Goods-producing	6,670	-
Natural resources and mining	79	0.08%
Construction	2,522	2.62%
Manufacturing	4,069	4.23%
Service-providing	89,625	-
Trade, transportation, and utilities	56,125	58.28%
Information	518	0.54%
Financial activities	2,895	3.01%
Professional and business services	9,695	10.07%
Education and health services	8,414	8.74%
Leisure and hospitality	10,195	10.59%
Other services	1,586	1.65%
Unclassified	197	0.20%

Source: Bureau of Labor Statistics, 2015

Trade, transportation, and utilities is the largest industry in Clayton County, which is related to the location of the Hartsfield-Jackson Atlanta International Airport, located in the northern portion of the county. Leisure and hospitality are the second largest percentage of total employment in Clayton County. Professional and business services are the next largest industry within Clayton County and has experienced significant declines since 2010, as previously mentioned. Educational and health services are the fourth largest industry and is typically considered a stable industry.

2014 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Transportation/Warehousing	14,583	13.7%	5,898,791	4.1%
Health Care/Social Assistance	11,992	11.3%	20,080,547	14.0%
Retail Trade	11,189	10.5%	16,592,605	11.6%
Educational Services	9,601	9.0%	12,979,314	9.1%
Accommodation/Food Services	8,723	8.2%	10,849,114	7.6%
Public Administration	6,763	6.4%	6,713,073	4.7%
Construction	6,608	6.2%	8,291,595	5.8%
Manufacturing	5,942	5.6%	15,162,651	10.6%
Other Services (excl Publ Adm)	5,645	5.3%	7,850,739	5.5%
Finance/Insurance	4,788	4.5%	6,884,133	4.8%
Admin/Support/Waste Mgmt Svcs	4,648	4.4%	6,316,579	4.4%
Prof/Scientific/Tech Services	4,419	4.2%	9,808,289	6.8%
Wholesale Trade	3,422	3.2%	3,628,118	2.5%
Real Estate/Rental/Leasing	3,054	2.9%	2,627,562	1.8%
Information	2,457	2.3%	2,577,845	1.8%
Arts/Entertainment/Recreation	1,231	1.2%	3,151,821	2.2%
Utilities	780	0.7%	1,107,105	0.8%
Agric/Forestry/Fishing/Hunting	181	0.2%	1,800,354	1.3%
Mgmt of Companies/Enterprises	173	0.2%	97,762	0.1%
Mining	86	0.1%	868,282	0.6%
Total Employment	106,285	100.0%	143,286,279	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, March 2015

Transportation/warehousing, health care/social assistance, and retail trade are the largest industries within the PMA. Combined they represent approximately 35.5 percent of total employment within the PMA. The health care industry has historically been stable and growing in the past decade. The area has a significant concentration in transportation/warehousing. The Hartsfield-Jackson Atlanta International Airport is located in Clayton County and is approximately 9.1 miles north of the Subject site. The airport is the busiest passenger airport in the world and is a major economic driver in the region. The PMA is overrepresented in the transportation/warehousing, accommodation/food services, public administration, and construction, relative to the nation. Comparatively, the health care/social assistance, retail trade, educational services, and manufacturing are underrepresented in the PMA.

3. Major Employers

The following table is a list of the top employers in Clayton County, GA.

2015 MAJOR EMPLOYERS - CLAYTON COUNTY, GA

#	Company	Industry	Employees
1	Clayton County Public School	Education	7,100
2	Delta Tech Ops	Aircraft MRO & Engine Maintenance	6,000
3	Southern Regional Medical Center	Hospital	2,100
4	Fresh Express Inc.	Food Distribution	1,100
5	Southern Company	Utilities	766
6	Clayton State University	Education	750
7	FedEx Ground	Transportation	750
8	Saia Motor Freight Line	Transportation	500
9	R+L Carriers	Transportation	430
10	TOTO USA	Plumbing Manufacturing	425
11	Avis Rent a Car	Car Rental	400

Source: Clayton County Georgia Economic Development, April 2015

The previous table illustrates the top 11 employers in Clayton County, Georgia. A variety of major employers are represented on the list. Clayton County Public School is the largest employer in the county. Delta Tech Ops, which is an aircraft MRO and engine maintenance company based at the Hartsfield-Jackson Atlanta International Airport is the second largest employer in the county. Clayton County Public School and Delta Tech Ops have a significantly higher number of employees than the remaining large employers. Several of the major employers are in the transportation industry. The top 11 employers represent 19 percent of the total employment in the PMA, which is considered significant.

Clayton County Chamber of Commerce

We attempted to contact the Clayton County Chamber of Commerce. However, our calls were not returned.

According to a Curbed article dated February 2015, the Metropolitan Atlanta Rapid Transit Authority (MARTA) has recently announced its plans to expand into Clayton County. Three buses began service in March, and seven more routes will be phased in by December. Through 2022, MARTA plans to connect Jonesboro to Atlanta via “high-capacity transit.” MARTA recently held a job fair in Jonesboro, which was heavily attended.

There have been a total of 472 announced layoffs in Clayton County since 2013. The majority of the layoffs are due to facility closures. The following table illustrates the Georgia Department of Labor Worker Adjustment and Retraining Notification (WARN) list for Clayton County since 2013.

CLAYTON COUNTY WARN NOTICES - 2013 to 2015

Date	Employer	City	County	Number of Employees	
				Affected	Type
3/31/2015	Kmart Distribution Center	Forest Park	Clayton	150	Closure
7/31/2014	InterFlex Group	College Park	Clayton	65	Facility Closure
2/4/2014	Target	Morrow	Clayton	102	N/A
12/3/2013	SP Recycling Southeast	Forest Park	Clayton	20	N/A
11/30/2013	JC's 5 Star Outlet	Forest Park	Clayton	135	Facility Closure

Source: Georgia Department of Labor, March 2015

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and nation from 2004 to December 2014.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Atlanta-Sandy Springs-Marietta, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	2,379,513	1.9%	4.7%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	2,456,221	3.2%	5.3%	0.5%	141,730,000	1.8%	5.1%	-0.4%
2006	2,535,341	3.2%	4.7%	-0.6%	144,427,000	1.9%	4.6%	-0.5%
2007	2,604,115	2.7%	4.5%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	2,578,276	-1.0%	6.2%	1.6%	145,362,000	-0.5%	5.8%	1.2%
2009	2,434,371	-5.6%	9.7%	3.6%	139,877,000	-3.8%	9.3%	3.5%
2010	2,400,160	-1.4%	10.1%	0.3%	139,064,000	-0.6%	9.6%	0.3%
2011	2,429,675	1.2%	9.8%	-0.3%	139,869,000	0.6%	8.9%	-0.7%
2012	2,477,843	2.0%	8.8%	-1.0%	142,469,000	1.9%	8.1%	-0.8%
2013	2,510,965	1.3%	7.9%	-0.9%	143,929,000	1.0%	7.4%	-0.7%
2014 YTD Average*	2,542,625	1.3%	7.1%	-0.8%	146,305,333	1.7%	6.2%	-1.2%
Dec-2013	2,543,811	-	6.8%	-	144,423,000	-	6.5%	-
Dec-2014	2,553,201	0.4%	6.4%	-0.4%	147,190,000	1.9%	5.4%	-1.1%

Source: U.S. Bureau of Labor Statistics April 2015

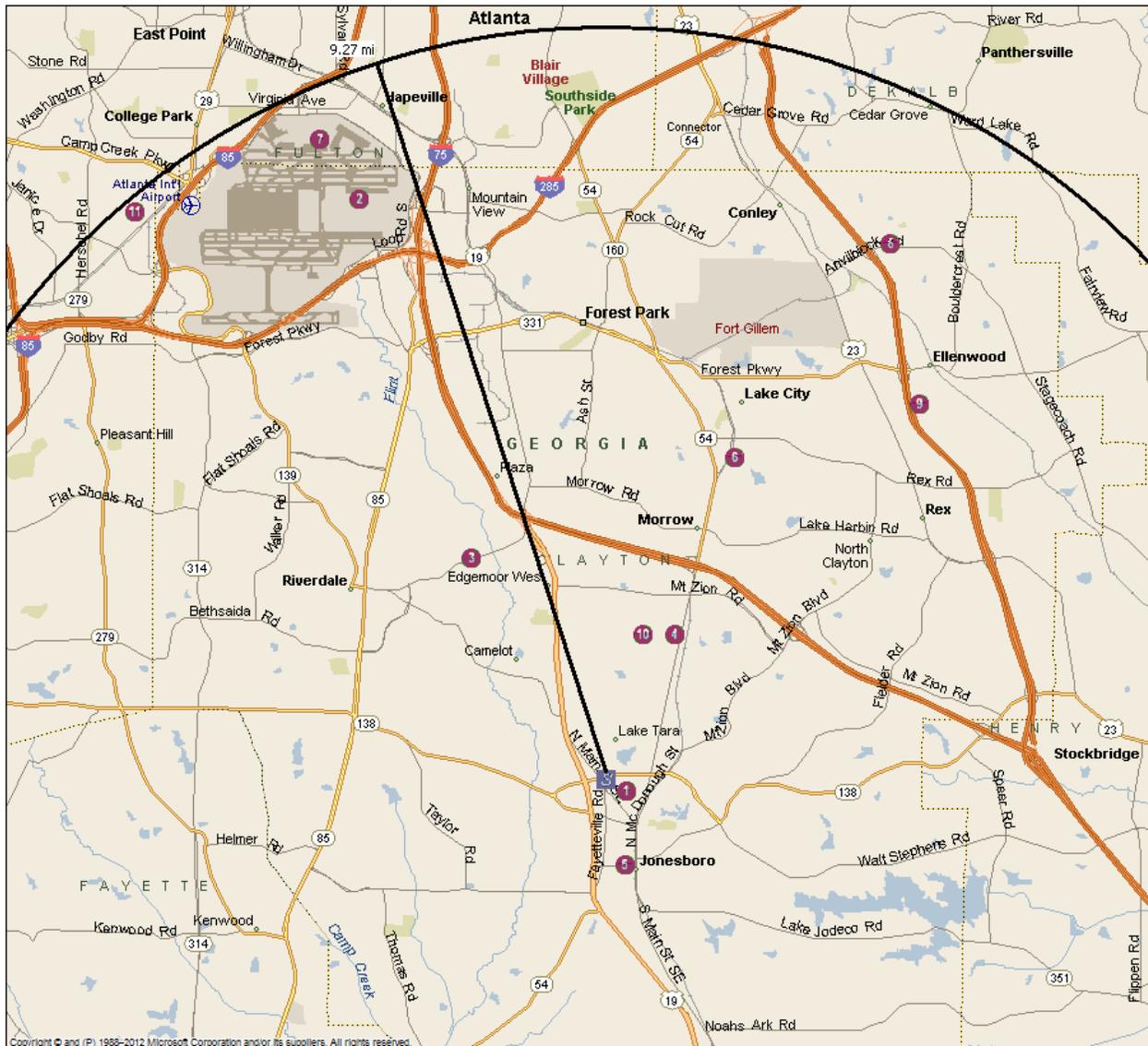
*2014 data is through Dec

As the previous table demonstrates, the local economy experienced strong growth prior to the national recession. During the national recession, the MSA was affected slightly more than the nation, with a total decline of eight percent compared to a national decline in total employment of 4.9 percent. Total employment growth in the MSA, since 2011, has outpaced the total employment growth in the nation. As of December 2014, total employment in the MSA remains approximately two percent below the peak total employment of 2007. In comparison, total employment in the nation is 0.8 percent above the 2007 pre-recession peak total employment. From December 2013 to December 2014, total employment in the nation outpaced the total employment growth in the MSA.

In terms of unemployment rates, the unemployment rate in the MSA has remained elevated since the national recession in comparison to the unemployment rate in the nation. Currently, the unemployment rate in the MSA is one percentage point above the unemployment rate in the nation. Overall, the local economy appears to be healthy.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Clayton County, Georgia.



2015 MAJOR EMPLOYERS - CLAYTON COUNTY, GA

#	Company	Industry	Employees
1	Clayton County Public School	Education	7,100
2	Delta Tech Ops	Aircraft MRO & Engine Maintenance	6,000
3	Southern Regional Medical Center	Hospital	2,100
4	Fresh Express Inc.	Food Distribution	1,100
5	Southern Company	Utilities	766
6	Clayton State University	Education	750
7	FedEx Ground	Transportation	750
8	Saia Motor Freight Line	Transportation	500
9	R+L Carriers	Transportation	430
10	TOTO USA	Plumbing Manufacturing	425
11	Avis Rent a Car	Car Rental	400

Source: Clayton County Georgia Economic Development, April 2015

Conclusion

Transportation/warehousing, health care/social assistance, and retail trade are the largest industries within the PMA. Combined they represent approximately 35.5 percent of total employment within the PMA. The health care industry has historically been stable and growing in the past decade. The area has a significant concentration in transportation/warehousing. The Hartsfield-Jackson Atlanta International Airport is located in Clayton County and is approximately 9.1 miles north of the Subject site. The airport is the busiest passenger airport in the world and is a major economic driver in the region. The area is reliant on the transportation/warehousing industry.

Clayton County is located south of the city of Atlanta. According to the February 2015 *Reis* report, Atlanta has been a major growth area for the state of Georgia. There has been strong economic growth, which has led to increased residential development. According to *Reis*, Atlanta has a concentration of employment in professional and business services, retail trade and consumer services, and government.

According to the website *KaiserPermanente.org*, the company recently opened the Kaiser Permanente Southwood Comprehensive Medical Center in Jonesboro, GA. The company invested \$45 million to renovate and expand its facility, which is located 3.9 miles east of the Subject site. The facility nearly doubled in size as a result of the expansion.

As of December 2014, total employment in the MSA remains approximately two percent below the peak total employment of 2007. In comparison, total employment in the nation is 0.8 percent above the 2007 pre-recession peak total employment. From December 2013 to December 2014, total employment in the nation outpaced the total employment growth in the MSA. In terms of unemployment rates, the unemployment rate in the MSA has remained elevated since the national recession in comparison to the unemployment rate in the nation. Currently, the unemployment rate in the MSA is one percentage point above the unemployment rate in the nation. Overall, the local economy appears to be healthy.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a 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 senior households. 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 January 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to January 2017 by interpolation of the difference between 2015 estimates and 2019 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 January 2017. This number takes the overall growth from 2015 to January 2017 and applies it to its respective income cohorts by percentage. This number does not reflect

lower income households losing population, as this may be a result of simple dollar value inflation.

3B. Demand from Existing Households

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

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

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

3C. Secondary Market Area

Per the 2015 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 2013 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 2013 and 2014.
- Vacancies in projects placed in service prior to 2013 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 2013 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.

According to the Georgia Department of Community Affairs allocation lists, no properties have been awarded tax credits within the PMA since 2013. Therefore, the Subject will face limited competition during its initial lease up. We have not deducted any units from the following demand analysis.

PMA Occupancy

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

PMA OCCUPANCY

Property Name	Occupancy	Type	Tenancy	Included/Excluded	Reason for Exclusion	Distance from Subject
Shadow Ridge Luxury Apartments	95%	LIHTC/Market	Family	Excluded	More comparable properties	4.2 miles
Ashton Walk Senior Apartments	95%	LIHTC	Senior	Included	N/Ap	6.6 miles
Breckenridge Apartments	96%	LIHTC	Family	Excluded	Dissimilar unit types	5.1 miles
Pebble Creek	N/A	LIHTC	Family	Excluded	Unable to contact	5.5 miles
Hyde Manor Apartments*	88%	LIHTC	Family	Excluded	More comparable properties	6.6 miles
Hyde Park Apartments	98%	LIHTC	Family	Excluded	More comparable properties	6.6 miles
Overlook Townhouses	N/A	LIHTC	Family	Excluded	Unable to contact	5.7 miles
Park At Mount Zion	100%	LIHTC	Family	Included	N/Ap	3.0 miles
Pointe Clear Apartments	97%	LIHTC	Family	Included	N/Ap	0.8 miles
Regal Park	99%	LIHTC	Family	Excluded	More comparable properties	4.1 miles
Riverdale Villa	N/A	LIHTC	Family	Excluded	Unable to contact	4.8 miles
Taj Mahal Homes	N/A	LIHTC	Family	Excluded	Unable to contact	6.6 miles
Tracewood Apartments	N/A	LIHTC	Family	Excluded	Unable to contact	4.7 miles
Valley Hill Senior Apartments	100%	LIHTC	Senior	Included	N/Ap	3.8 miles
Atlanta Advantages	N/A	LIHTC	Family	Excluded	Unable to contact	6.7 miles
Amberwood Apartments	N/A	Market	Family	Excluded	Unable to contact	5.0 miles
Ashford At Stone Ridge	97%	Market	Family	Excluded	More comparable properties	7.8 miles
Battle Creek Village	N/A	Market	Family	Excluded	Dissimilar unit types	1.8 miles
Brentwood Manor	N/A	Market	Family	Excluded	Unable to contact	4.7 miles
Briarhills Apartments	N/A	Market	Family	Excluded	Unable to contact	5.6 miles
Brooks Crossing	95%	Market	Family	Excluded	More comparable properties	3.3 miles
Cameron Landing	N/A	Market	Family	Excluded	Unable to contact	6.5 miles
Carrington Park	96%	Market	Family	Excluded	More comparable properties	5.1 miles
Century Lake	100%	Market	Family	Included	N/Ap	1.5 miles
Chateau Forest	N/A	Market	Family	Excluded	Unable to contact	4.9 miles
Fieldstone Glen	92%	Market	Family	Excluded	More comparable properties	5.0 miles
Flint River Crossing	85%	Market	Family	Excluded	Dissimilar unit types	3.0 miles
Forest Park Manor	N/A	Market	Family	Excluded	Unable to contact	7.8 miles
Garden At Lake Spivey	N/A	Market	Family	Excluded	Unable to contact	4.1 miles
Garden Walk Apartments	97%	Market	Family	Excluded	More comparable properties	6.8 miles
Harbor Town	N/A	Market	Family	Excluded	Unable to contact	4.2 miles
Harmony Pines	N/A	Market	Family	Excluded	Unable to contact	3.9 miles
Hidden Creek	100%	Market	Family	Excluded	More comparable properties	5.0 miles
Highland Manor	N/A	Market	Family	Excluded	Unable to contact	3.9 miles
Highland Vista	N/A	Market	Family	Excluded	Unable to contact	3.4 miles
Highland Willows	94%	Market	Family	Excluded	More comparable properties	5.5 miles
Indian Lake Apartments	N/A	Market	Family	Excluded	Unable to contact	2.9 miles
Legacy Apartments*	83%	Market	Family	Excluded	More comparable properties	7.7 miles
Lake of the Woods*	80%	Market	Family	Excluded	More comparable properties	6.1 miles
Lakeside Estates	N/A	Market	Family	Excluded	Unable to contact	6.6 miles
Laurel Park Apartments	90%	Market	Family	Excluded	More comparable properties	6.3 miles
Magnolia Woods	74%	Market	Family	Excluded	More comparable properties	4.7 miles
Marquis Grand Apartments	90%	Market	Family	Excluded	More comparable properties	3.0 miles
Meadow Springs Apartments	N/A	Market	Family	Excluded	Unable to contact	5.9 miles
Meadow View	N/A	Market	Family	Excluded	Unable to contact	6.0 miles
Monterey Village	N/A	Market	Family	Excluded	Unable to contact	3.1 miles
Park Walk Apartments	N/A	Market	Family	Excluded	Unable to contact	6.4 miles
Pinebrooke Apartments	100%	Market	Family	Included	N/Ap	4.4 miles
Pinewood Manor	100%	Market	Family	Excluded	More comparable properties	2.4 miles
Pointe South Apartments	90%	Market	Family	Excluded	More comparable properties	5.2 miles
Poplar Springs Apartments	95%	Market	Family	Excluded	More comparable properties	5.7 miles
Regal Pointe	N/A	Market	Family	Excluded	Unable to contact	4.4 miles
River's Edge	N/A	Market	Family	Excluded	Unable to contact	1.8 miles
Hampton Downs Apartments	89%	Market	Family	Excluded	More comparable properties	4.9 miles
Southlake Cove	N/A	Market	Family	Excluded	Unable to contact	1.9 miles
Tara Bridge	98%	Market	Family	Included	N/Ap	0.7 miles
The Crossroads Apartments	100%	Market	Family	Included	N/Ap	0.4 miles
The Evergreen	N/A	Market	Family	Excluded	Unable to contact	1.6 miles
The Marquis At Mount Zion	N/A	Market	Family	Excluded	Unable to contact	2.4 miles
Twelve Oaks	N/A	Market	Family	Excluded	Unable to contact	4.7 miles
Willow Way*	76%	Market	Family	Excluded	More comparable properties	6.4 miles
Willowick Apartments	N/A	Market	Family	Excluded	Unable to contact	5.5 miles
Total	93%					

*Units offline for rehabilitation

Rehab Developments and PBRA

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

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

Capture Rates

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

Renter Household Income Distribution 2015-2019							
Townview Manor							
PMA							
	2015		Projected Mkt Entry January 2017		2019		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	1,121	15.2%	1,321	16.5%	1,654	18.3%	32.2%
\$10,000-19,999	1,850	25.0%	2,121	26.5%	2,572	28.5%	28.1%
\$20,000-29,999	1,445	19.5%	1,589	19.9%	1,828	20.3%	21.0%
\$30,000-39,999	1,073	14.5%	1,116	13.9%	1,187	13.2%	9.6%
\$40,000-49,999	478	6.5%	493	6.2%	518	5.7%	7.8%
\$50,000-59,999	504	6.8%	477	6.0%	432	4.8%	-16.7%
\$60,000-74,999	341	4.6%	334	4.2%	324	3.6%	-5.1%
\$75,000-99,999	263	3.6%	256	3.2%	244	2.7%	-7.9%
\$100,000-124,999	187	2.5%	167	2.1%	132	1.5%	-42.3%
\$125,000-149,999	58	0.8%	61	0.8%	66	0.7%	12.2%
\$150,000-199,999	56	0.8%	50	0.6%	40	0.4%	-38.0%
\$200,000+	17	0.2%	17	0.2%	16	0.2%	-7.6%
Total	7,394	100.0%	8,001	100.0%	9,014	100.0%	18.0%

Renter Household Income Distribution 2015 to Projected Market Entry January 2017					
Townview Manor					
PMA					
	2015		Projected Mkt Entry January 2017		Percent Growth
	#	%	#	%	
\$0-9,999	1,121	15.2%	1,321	16.5%	15.1%
\$10,000-19,999	1,850	25.0%	2,121	26.5%	12.8%
\$20,000-29,999	1,445	19.5%	1,589	19.9%	9.0%
\$30,000-39,999	1,073	14.5%	1,116	13.9%	3.8%
\$40,000-49,999	478	6.5%	493	6.2%	3.1%
\$50,000-59,999	504	6.8%	477	6.0%	-5.7%
\$60,000-74,999	341	4.6%	334	4.2%	-1.9%
\$75,000-99,999	263	3.6%	256	3.2%	-2.8%
\$100,000-124,999	187	2.5%	167	2.1%	-12.6%
\$125,000-149,999	58	0.8%	61	0.8%	4.9%
\$150,000-199,999	56	0.8%	50	0.6%	-11.5%
\$200,000+	17	0.2%	17	0.2%	-2.7%
Total	7,394	100.0%	8,001	100.0%	7.6%

Tenure Prj Mrkt Entry January 2017	
Renter	28.7%
Owner	71.3%
Total	100.0%

Renter Household Size for Prj Mrkt Entry January 2017		
Size	Number	Percentage
1 Person	3,585	44.8%
2 Person	2,596	32.4%
3 Person	753	9.4%
4 Person	548	6.8%
5+ Person	519	6.5%
Total	8,001	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	8,525	27.3%
2 Person	8,509	27.2%
3 Person	5,720	18.3%
4 Person	4,681	15.0%
5+ Person	3,805	12.2%
Total	31,239	100.0%

50%AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$17,040		
Maximum Income Limit			\$27,300		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	January 2017			
\$0-9,999	1,321	16.5%			
\$10,000-19,999	2,121	26.5%	\$2,959	29.6%	628
\$20,000-29,999	1,589	19.9%	\$7,300	73.0%	1,160
\$30,000-39,999	1,116	13.9%			
\$40,000-49,999	493	6.2%			
\$50,000-59,999	477	6.0%			
\$60,000-74,999	334	4.2%			
\$75,000-99,999	256	3.2%			
\$100,000-124,999	167	2.1%			
\$125,000-149,999	61	0.8%			
\$150,000-199,999	50	0.6%			
\$200,000+	17	0.2%			
	8,001	100.0%			1,787
Percent of renter households within limits versus total number of renter households					22.34%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$17,040		
Maximum Income Limit			\$27,300		
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Change in Households PMA 2015 to Prj	Mrkt Entry January 2017			
\$0-9,999	100	16.5%			
\$10,000-19,999	161	26.5%	\$2,959	29.6%	48
\$20,000-29,999	121	19.9%	\$7,300	73.0%	88
\$30,000-39,999	85	13.9%			
\$40,000-49,999	37	6.2%			
\$50,000-59,999	36	6.0%			
\$60,000-74,999	25	4.2%			
\$75,000-99,999	19	3.2%			
\$100,000-124,999	13	2.1%			
\$125,000-149,999	5	0.8%			
\$150,000-199,999	4	0.6%			
\$200,000+	1	0.2%			
	608	100.0%			136
Percent of renter households within limits versus total number of renter households					22.34%

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
 2015 Median Income
 Change from 2015 to Prj Mrkt Entry January 2017
 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%
\$43,743
\$37,537
(\$6,206)
-14.2%
-2.4%
-2.4%
Two year adjustment
1.0000
\$27,300
\$27,300
2
50%
\$568
\$568

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry January 2017

Income Target Population		50%
New Renter Households PMA		608
Percent Income Qualified		22.3%
New Renter Income Qualified Households		136

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		8,001
Income Qualified		22.3%
Income Qualified Renter Households		1,787
Percent Rent Overburdened Prj Mrkt Entry January 2017		27.4%
Rent Overburdened Households		490

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,787
Percent Living in Substandard Housing		0.4%
Households Living in Substandard Housing		7

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		19,862
Rural Versus Urban	0.1%	
Senior Demand Converting from Homeownership		11

Total Demand

Total Demand from Existing Households		508
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		508
Total New Demand		136
Total Demand (New Plus Existing Households)		644

Demand from Seniors Who Convert from Homeownership		11
Percent of Total Demand From Homeownership Conversion		1.7%
Is this Demand over two percent of Total Demand?		No

By Bedroom Demand

One Person	44.8%	289
Two Persons	32.4%	209
Three Persons	9.4%	61
Four Persons	6.8%	44
Five Persons	6.5%	42
Total	100.0%	644

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	260
Of two-person households in 1BR units	20%	42
Of one-person households in 2BR units	10%	29
Of two-person households in 2BR units	80%	167
Of three-person households in 2BR units	60%	36
Of three-person households in 3BR units	40%	24
Of four-person households in 3BR units	80%	35
Of five-person households in 3BR units	70%	29
Of four-person households in 4BR units	20%	9
Of five-person households in 4BR units	30%	13
Total Demand		644
Check		OK
Total Demand by Bedroom		50%
1 BR		301
2 BR		196
Total Demand		498
Additions To Supply 2015 to Prj Mrkt Entry January 2017		50%
1 BR		0
2 BR		0
Total		0
Net Demand		50%
1 BR		301
2 BR		196
Total		498
Developer's Unit Mix		50%
1 BR		8
2 BR		12
Total		20
Capture Rate Analysis		50%
1 BR		2.7%
2 BR		6.1%
Total		4.0%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$18,840		
Maximum Income Limit			\$32,760		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	January 2017			
\$0-9,999	1,321	16.5%			
\$10,000-19,999	2,121	26.5%	\$1,159	11.6%	246
\$20,000-29,999	1,589	19.9%	\$9,999	100.0%	1,589
\$30,000-39,999	1,116	13.9%	\$2,760	27.6%	308
\$40,000-49,999	493	6.2%			
\$50,000-59,999	477	6.0%			
\$60,000-74,999	334	4.2%			
\$75,000-99,999	256	3.2%			
\$100,000-124,999	167	2.1%			
\$125,000-149,999	61	0.8%			
\$150,000-199,999	50	0.6%			
\$200,000+	17	0.2%			
	8,001	100.0%			2,142
Percent of renter households within limits versus total number of renter households					26.78%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$18,840		
Maximum Income Limit			\$32,760		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	100			
\$10,000-19,999	161	26.5%	\$1,159	11.6%	19
\$20,000-29,999	121	19.9%	\$9,999	100.0%	121
\$30,000-39,999	85	13.9%	\$2,760	27.6%	23
\$40,000-49,999	37	6.2%			
\$50,000-59,999	36	6.0%			
\$60,000-74,999	25	4.2%			
\$75,000-99,999	19	3.2%			
\$100,000-124,999	13	2.1%			
\$125,000-149,999	5	0.8%			
\$150,000-199,999	4	0.6%			
\$200,000+	1	0.2%			
	608	100.0%			163
Percent of renter households within limits versus total number of renter households					26.78%

Does the Project Benefit from Rent Subsidy? (Y/N) No
 Type of Housing (Family vs Senior) Senior
 Location of Subject (Rural versus Urban) Urban
 Percent of Income for Housing 40%
 2000 Median Income \$43,743
 2015 Median Income \$37,537
 Change from 2015 to Prj Mrkt Entry July 2015 (\$6,206)
 Total Percent Change -14.2%
 Average Annual Change -2.4%
 Inflation Rate -2.4%
 Maximum Allowable Income \$32,760
 Maximum Allowable Income Inflation Adjusted \$32,760
 Maximum Number of Occupants 2
 Rent Income Categories 60%
 Initial Gross Rent for Smallest Unit \$628
 Initial Gross Rent for Smallest Unit Inflation Adjusted \$628

Two year adjustment	1.0000
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Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry January 2017

Income Target Population	60%
New Renter Households PMA	608
Percent Income Qualified	26.8%
New Renter Income Qualified Households	163

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	8,001
Income Qualified	26.8%
Income Qualified Renter Households	2,142
Percent Rent Overburdened Prj Mrkt Entry January 2017	27.4%
Rent Overburdened Households	588

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	2,142
Percent Living in Substandard Housing	0.4%
Households Living in Substandard Housing	8

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

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	19,862
Rural Versus Urban	0.1%
Senior Demand Converting from Homeownership	12

Total Demand

Total Demand from Existing Households	608	
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households	608	
Total New Demand	163	
Total Demand (New Plus Existing Households)	771	

Demand from Seniors Who Convert from Homeownership	12
Percent of Total Demand From Homeownership Conversion	1.5%
Is this Demand over two percent of Total Demand?	No

By Bedroom Demand

One Person	44.8%	345
Two Persons	32.4%	250
Three Persons	9.4%	73
Four Persons	6.8%	53
Five Persons	6.5%	50
Total	100.0%	771

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	311
Of two-person households in 1BR units	20%	50
Of one-person households in 2BR units	10%	35
Of two-person households in 2BR units	80%	200
Of three-person households in 2BR units	60%	44
Of three-person households in 3BR units	40%	29
Of four-person households in 3BR units	80%	42
Of five-person households in 3BR units	70%	35
Of four-person households in 4BR units	20%	11
Of five-person households in 4BR units	30%	15
Total Demand		771
Check		OK
Total Demand by Bedroom		60%
1 BR		361
2 BR		235
Total Demand		596
Additions To Supply 2015 to Prj Mrkt Entry January 2017		60%
1 BR		0
2 BR		0
Total		0
Net Demand		60%
1 BR		361
2 BR		235
Total		596
Developer's Unit Mix		60%
1 BR		13
2 BR		27
Total		40
Capture Rate Analysis		60%
1 BR		3.6%
2 BR		11.5%
Total		6.7%

Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$17,040		
Maximum Income Limit			\$32,760		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	January 2017			
\$0-9,999	1,321	16.5%			
\$10,000-19,999	2,121	26.5%	\$2,959	29.6%	628
\$20,000-29,999	1,589	19.9%	\$9,999	100.0%	1,589
\$30,000-39,999	1,116	13.9%	\$2,760	27.6%	308
\$40,000-49,999	493	6.2%			
\$50,000-59,999	477	6.0%			
\$60,000-74,999	334	4.2%			
\$75,000-99,999	256	3.2%			
\$100,000-124,999	167	2.1%			
\$125,000-149,999	61	0.8%			
\$150,000-199,999	50	0.6%			
\$200,000+	17	0.2%			
	8,001	100.0%			2,524
Percent of renter households within limits versus total number of renter households					31.55%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$17,040		
Maximum Income Limit			\$32,760		
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Change in Households PMA 2015 to Prj	Mrkt Entry January 2017			
\$0-9,999	100	16.5%			
\$10,000-19,999	161	26.5%	\$2,959	29.6%	48
\$20,000-29,999	121	19.9%	\$9,999	100.0%	121
\$30,000-39,999	85	13.9%	\$2,760	27.6%	23
\$40,000-49,999	37	6.2%			
\$50,000-59,999	36	6.0%			
\$60,000-74,999	25	4.2%			
\$75,000-99,999	19	3.2%			
\$100,000-124,999	13	2.1%			
\$125,000-149,999	5	0.8%			
\$150,000-199,999	4	0.6%			
\$200,000+	1	0.2%			
	608	100.0%			192
Percent of renter households within limits versus total number of renter households					31.55%

Does the Project Benefit from Rent Subsidy? (Y/N) No
 Type of Housing (Family vs Senior) Senior
 Location of Subject (Rural versus Urban) Urban
 Percent of Income for Housing 40%
 2000 Median Income \$43,743
 2015 Median Income \$37,537
 Change from 2015 to Prj Mrkt Entry January 2017 (\$6,206)
 Total Percent Change -14.2%
 Average Annual Change -2.4%
 Inflation Rate -2.4%
 Maximum Allowable Income \$32,760
 Maximum Allowable Income Inflation Adjusted \$32,760
 Maximum Number of Occupants 2
 Rent Income Categories Overall
 Initial Gross Rent for Smallest Unit \$568
 Initial Gross Rent for Smallest Unit Inflation Adjusted \$568

No		
Senior		
Urban		
40%		
\$43,743		
\$37,537		
(\$6,206)		
-14.2%		
-2.4%		
-2.4%	Two year adjustment	1.0000
\$32,760		
\$32,760		
2		
Overall		
\$568		
\$568		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry January 2017

Income Target Population		Overall
New Renter Households PMA		608
Percent Income Qualified		31.5%
New Renter Income Qualified Households		192

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		8,001
Income Qualified		31.5%
Income Qualified Renter Households		2,524
Percent Rent Overburdened Prj Mrkt Entry January 2017		27.4%
Rent Overburdened Households		693

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		2,524
Percent Living in Substandard Housing		0.4%
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		19,862
Rural Versus Urban	0.1%	
Senior Demand Converting from Homeownership		13

Total Demand

Total Demand from Existing Households		715
Adjustment Factor - Leakage from SMA (use 115% for D)	100%	0
Adjusted Demand from Existing Households		715
Total New Demand		192
Total Demand (New Plus Existing Households)		907

Demand from Seniors Who Convert from Homeownership		13
Percent of Total Demand From Homeownership Conversion		1.4%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	44.8%	406
Two Persons	32.4%	294
Three Persons	9.4%	85
Four Persons	6.8%	62
Five Persons	6.5%	59
Total	100.0%	907

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	366
Of two-person households in 1BR units	20%	59
Of one-person households in 2BR units	10%	41
Of two-person households in 2BR units	80%	235
Of three-person households in 2BR units	60%	51
Of three-person households in 3BR units	40%	34
Of four-person households in 3BR units	80%	50
Of five-person households in 3BR units	70%	41
Of four-person households in 4BR units	20%	12
Of five-person households in 4BR units	30%	18
Total Demand		907
Check		OK

Total Demand by Bedroom	Overall
1 BR	425
2 BR	276
Total Demand	701

Additions To Supply 2015 to Prj Mrkt Entry January 2017	Overall
1 BR	0
2 BR	0
Total	0

Net Demand	Overall
1 BR	425
2 BR	276
Total	701

Developer's Unit Mix	Overall
1 BR	21
2 BR	39
Total	60

Capture Rate Analysis	Overall
1 BR	4.9%
2 BR	14.1%
Total	8.6%

Conclusions

We have conducted such an analysis to determine a base of demand for the proposed 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 3.6 percent between 2015 and 2019.
- 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 Subject's capture rates at the 50 percent AMI level will range from 2.7 to 6.1 percent, with an overall 50 percent capture rate of 4.0 percent. The Subject's capture rates at the 60 percent AMI level will range from 3.6 to 11.5 percent, with an overall 60 percent capture rate of 6.7 percent. The overall capture rates range from 4.9 to 14.1 percent, with an overall capture rate of 8.6 percent. Therefore, we believe there is adequate demand for the Subject. The following table illustrates the capture rate conclusions.

A significant proportion of the Subject's units will be two-bedroom units. Ashton Walk Senior Apartments, which offers a similar proportion of two-bedroom units, is currently exhibiting an elevated vacancy rate in two-bedroom units. However, three of the seven vacant units are preleased. The Subject is considered slightly superior to Ashton Walk Senior Apartments, which was built in 2006 and exhibits good condition. The Subject's proposed rents are below this comparable property, which is considered reasonable given the slightly elevated vacancy rate. Valley Hill Senior Apartments is currently exhibiting a vacancy rate of zero percent. Therefore, we believe there is adequate demand for the Subject as proposed.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market	Market Rents Band Min-Max	Proposed Rents
1BR/1BA @50%	\$17,040-\$23,900	8	301	0	301	2.7%	Three months	\$578	\$497-\$648	\$568
2BR/2BA @50%	\$19,860-\$27,300	12	196	0	196	6.1%	Three months	\$679	\$524-\$792	\$662
Overall @50%	\$17,040-\$27,300	20	498	0	498	4.0%	Three months	-	-	-
1BR/1BA @60%	\$18,840-\$28,680	13	361	0	361	3.6%	Three months	\$578	\$497-\$648	\$628
2BR/2BA @60%	\$23,010-\$32,760	27	235	0	235	11.5%	Three months	\$679	\$524-\$792	\$767
Overall @60%	\$18,840-\$32,760	40	596	0	596	6.7%	Three months	-	-	-
1BR/1BA - Overall	\$17,040-\$28,680	21	425	0	425	4.9%	Three months	\$578	\$497-\$648	-
2BR/2BA - Overall	\$19,860-\$32,760	39	276	0	276	14.1%	Three months	\$679	\$524-\$792	-
Overall	\$17,040-\$32,760	60	701	0	701	8.6%	Three months	-	-	-

Demand and Net Demand

	HH at 50% AMI (\$17,040 to \$27,300)	HH at 60% AMI (\$18,840 to \$32,760)	All Tax Credit Households
Demand from New Households (age and income appropriate)	136	163	192
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	7	8	10
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	490	588	693
PLUS	+	+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0	0
Sub Total	633	759	894
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	11	12	13
Equals Total Demand	644	771	907
Less	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	0	0
Equals Net Demand*	644	771	907

*Not adjusted for bedroom specific demand

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 “true” comparable properties containing 1,445 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 in the PMA is good; however, there are only two senior LIHTC properties in the PMA. We have included two additional family LIHTC properties, located in Jonesboro. The availability of market rate data is considered good. We have included four conventional properties that offer one and two-bedroom units. Additionally, Valley Hill Senior Apartments is a mixed-income property with market rate units. All of the comparable properties are located within the PMA, between 0.4 and 6.6 miles from the Subject site. The comparable properties were built between 1975 and 2006. There is a limited number of new construction LIHTC and market rate properties in the area. Ashton Walk Senior Apartments, which was built in 2006 and included as a comparable property, is the most recent LIHTC property built within the PMA. Overall, we believe the properties we have used in our analysis are the most comparable.

Excluded Properties

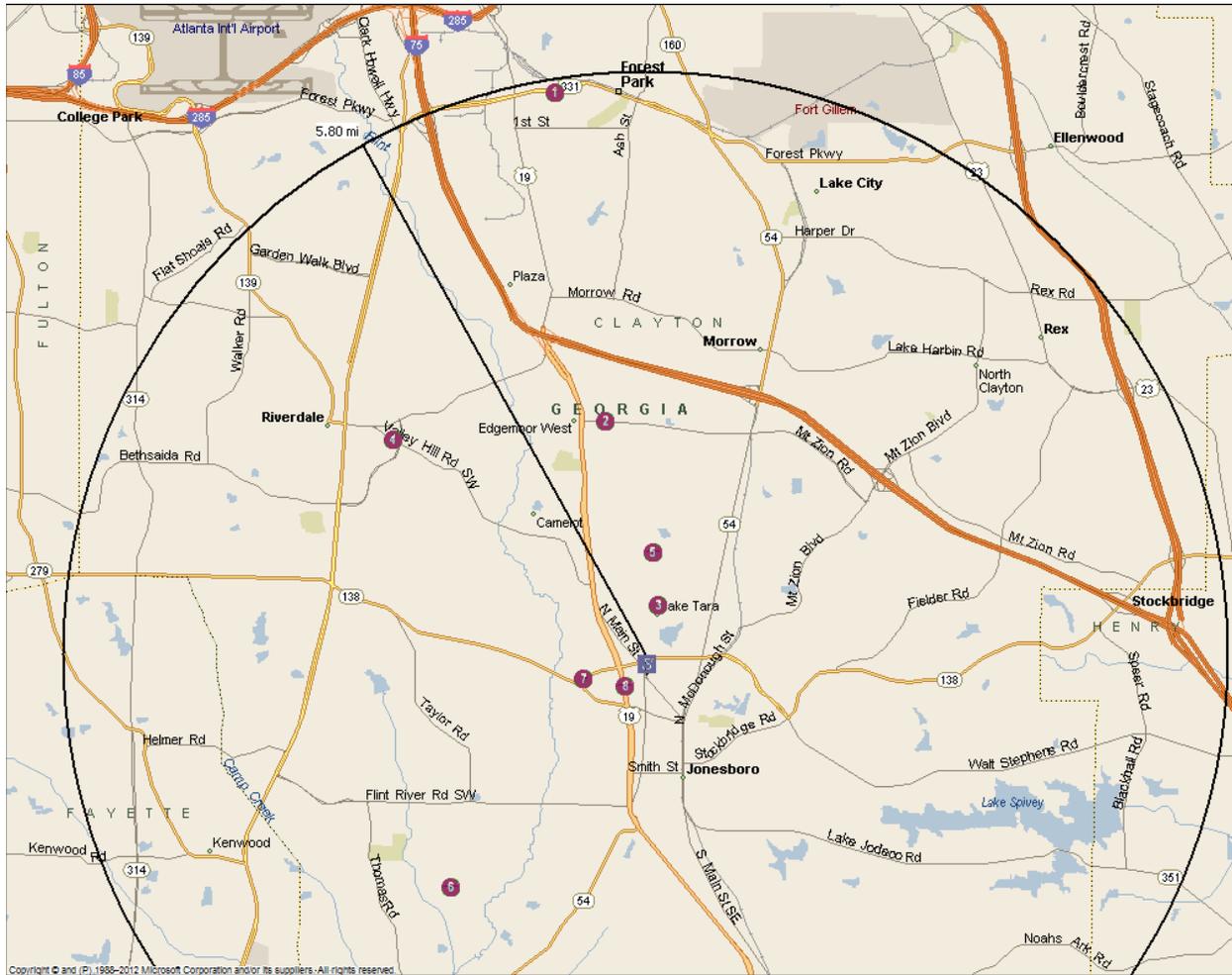
The following table illustrates properties within the PMA that have been excluded from our analysis along with their reason for exclusion.

EXCLUDED PROPERTIES

Property Name	Occupancy	Type	Tenancy	Reason for Exclusion	Distance from Subject
Shadow Ridge Luxury Apartments	95%	LIHTC/Market	Family	More comparable properties	4.2 miles
Breckenridge Apartments	96%	LIHTC	Family	Dissimilar unit types	5.1 miles
Pebble Creek	N/A	LIHTC	Family	Unable to contact	5.5 miles
Hyde Manor Apartments*	88%	LIHTC	Family	More comparable properties	6.6 miles
Hyde Park Apartments	98%	LIHTC	Family	More comparable properties	6.6 miles
Overlook Townhouses	N/A	LIHTC	Family	Unable to contact	5.7 miles
Regal Park	99%	LIHTC	Family	More comparable properties	4.1 miles
Riverdale Villa	N/A	LIHTC	Family	Unable to contact	4.8 miles
Taj Mahal Homes	N/A	LIHTC	Family	Unable to contact	6.6 miles
Tracewood Apartments	N/A	LIHTC	Family	Unable to contact	4.7 miles
Atlanta Advantages	N/A	LIHTC	Family	Unable to contact	6.7 miles
Amberwood Apartments	N/A	Market	Family	Unable to contact	5.0 miles
Ashford At Stone Ridge	97%	Market	Family	More comparable properties	7.8 miles
Battle Creek Village	N/A	Market	Family	Dissimilar unit types	1.8 miles
Brentwood Manor	N/A	Market	Family	Unable to contact	4.7 miles
Briarhills Apartments	N/A	Market	Family	Unable to contact	5.6 miles
Brooks Crossing	95%	Market	Family	More comparable properties	3.3 miles
Cameron Landing	N/A	Market	Family	Unable to contact	6.5 miles
Carrington Park	96%	Market	Family	More comparable properties	5.1 miles
Chateau Forest	N/A	Market	Family	Unable to contact	4.9 miles
Fieldstone Glen	92%	Market	Family	More comparable properties	5.0 miles
Flint River Crossing	85%	Market	Family	Dissimilar unit types	3.0 miles
Forest Park Manor	N/A	Market	Family	Unable to contact	7.8 miles
Garden At Lake Spivey	N/A	Market	Family	Unable to contact	4.1 miles
Garden Walk Apartments	97%	Market	Family	More comparable properties	6.8 miles
Harbor Town	N/A	Market	Family	Unable to contact	4.2 miles
Harmony Pines	N/A	Market	Family	Unable to contact	3.9 miles
Hidden Creek	100%	Market	Family	More comparable properties	5.0 miles
Highland Manor	N/A	Market	Family	Unable to contact	3.9 miles
Highland Vista	N/A	Market	Family	Unable to contact	3.4 miles
Highland Willows	94%	Market	Family	More comparable properties	5.5 miles
Indian Lake Apartments	N/A	Market	Family	Unable to contact	2.9 miles
Legacy Apartments*	83%	Market	Family	More comparable properties	7.7 miles
Lake of the Woods*	80%	Market	Family	More comparable properties	6.1 miles
Lakeside Estates	N/A	Market	Family	Unable to contact	6.6 miles
Laurel Park Apartments	90%	Market	Family	More comparable properties	6.3 miles
Magnolia Woods	74%	Market	Family	More comparable properties	4.7 miles
Marquis Grand Apartments	90%	Market	Family	More comparable properties	3.0 miles
Meadow Springs Apartments	N/A	Market	Family	Unable to contact	5.9 miles
Meadow View	N/A	Market	Family	Unable to contact	6.0 miles
Monterey Village	N/A	Market	Family	Unable to contact	3.1 miles
Park Walk Apartments	N/A	Market	Family	Unable to contact	6.4 miles
Pinewood Manor	100%	Market	Family	More comparable properties	2.4 miles
Pointe South Apartments	90%	Market	Family	More comparable properties	5.2 miles
Poplar Springs Apartments	95%	Market	Family	More comparable properties	5.7 miles
Regal Pointe	N/A	Market	Family	Unable to contact	4.4 miles
River's Edge	N/A	Market	Family	Unable to contact	1.8 miles
Hampton Downs Apartments	89%	Market	Family	More comparable properties	4.9 miles
Southlake Cove	N/A	Market	Family	Unable to contact	1.9 miles
The Evergreen	N/A	Market	Family	Unable to contact	1.6 miles
The Marquis At Mount Zion	N/A	Market	Family	Unable to contact	2.4 miles
Twelve Oaks	N/A	Market	Family	Unable to contact	4.7 miles
Willow Way*	76%	Market	Family	Unable to contact	6.4 miles
Willowick Apartments	N/A	Market	Family	Unable to contact	5.5 miles

*Units offline for rehabilitation

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Tenancy	Distance
1	Ashton Walk Senior Apartments	Forest Park	LIHTC	Senior	6.6 miles
2	Park At Mount Zion (fka Providence Place)	Jonesboro	LIHTC	Family	3.0 miles
3	Pointe Clear Apartments	Jonesboro	LIHTC	Family	0.8 miles
4	Valley Hill Senior Apartments	Riverdale	LIHTC/Market	Senior	3.8 miles
5	Century Lake	Jonesboro	Market	Family	1.5 miles
6	Pinebrooke Apartments	Riverdale	Market	Family	4.4 miles
7	Tara Bridge	Jonesboro	Market	Family	0.7 miles
8	The Crossroads Apartments	Jonesboro	Market	Family	0.4 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Townview Manor 8099 N Main Street Jonesboro, GA 30236 Clayton County	n/a	Lowrise (age-restricted) (3 stories) 2017 / n/a	@50% , @60%	1BR / 1BA	8	13.30%	@50%	\$420	750	no		N/A	N/A
					1BR / 1BA	13	21.70%	@60%	\$480	750	no		N/A	N/A
					2BR / 2BA	12	20.00%	@50%	\$480	950	no		N/A	N/A
					2BR / 2BA	27	45.00%	@60%	\$585	950	no		N/A	N/A
						60	100%						N/A	N/A
1	Ashton Walk Senior Apartments 4950 Governors Drive Forest Park, GA 30297 Clayton County	6.6 miles	Lowrise (age-restricted) (3 stories) 2006 / n/a	@60%	1BR / 1BA	66	44.00%	@60%	\$598	702	no	Yes	0	0.00%
					2BR / 2BA	84	56.00%	@60%	\$704	985	no	No	7	8.30%
						150	100%						7	4.70%
2	Park At Mount Zion (Ika Providence Place) 701 Mt Zion Rd Jonesboro, GA 30236 Clayton County	3 miles	Various (2 stories) 1985 / 2003	@60%	2BR / 1.5BA (Townhouse)	N/A	N/A	@60%	\$712	1,114	no	No	0	N/A
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$692	1,056	no	No	0	N/A
					3BR / 2BA (Garden)	N/A	N/A	@60%	\$752	1,216	no	No	0	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	@60%	\$837	1,404	no	No	0	N/A
						193	100%							0
3	Pointe Clear Apartments 7545 Tara Road Jonesboro, GA 30236 Clayton County	0.8 miles	Garden (3 stories) 1998 / n/a	@60%	1BR / 1BA	50	21.70%	@60%	\$596	804	no	No	N/A	N/A
					2BR / 2BA	100	43.50%	@60%	\$657	1,044	no	No	N/A	N/A
					3BR / 2BA	80	34.80%	@60%	\$768	1,244	no	No	N/A	N/A
						230	100%							52
4	Valley Hill Senior Apartments 430 Valley Hill Road Riverdale, GA 30274 Clayton County	3.8 miles	Duplex (age-restricted) 2000 / n/a	@50% , @60% , Market	1BR / 1BA	4	5.60%	@50%	\$505	595	yes	No	0	0.00%
					1BR / 1BA	48	66.70%	@60%	\$648	672	no	No	0	0.00%
					1BR / 1BA	14	19.40%	Market	\$648	672	n/a	No	0	0.00%
					2BR / 1BA	1	1.40%	@50%	\$671	860	yes	No	0	0.00%
					2BR / 1BA	3	4.20%	@60%	\$689	860	no	No	0	0.00%
					2BR / 1BA	2	2.80%	Market	\$689	860	n/a	No	0	0.00%
						72	100%							0
5	Century Lake 100 Chase Lake Drive Jonesboro, GA 30236 Clayton County	1.5 miles	Garden (2 stories) 1990 / n/a	Market	1BR / 1BA	76	21.00%	Market	\$565	950	n/a	Yes	0	0.00%
					2BR / 2BA	286	79.00%	Market	\$665	1,200	n/a	Yes	0	0.00%
						362	100%							0
6	Pinebrooke Apartments 9170 Dorsey Road Riverdale, GA 30274 Clayton County	4.4 miles	Various 1995 / 2014	Market	2BR / 2BA (One-story)	N/A	N/A	Market	\$619	858	n/a	Yes	0	N/A
					2BR / 2BA (Townhouse)	N/A	N/A	Market	\$629	1,093	n/a	Yes	0	N/A
					3BR / 2BA (One-story)	N/A	N/A	Market	\$700	1,048	n/a	Yes	0	N/A
					3BR / 2BA (Townhouse)	N/A	N/A	Market	\$710	1,309	n/a	No	5	N/A
					4BR / 2BA (Townhouse)	N/A	N/A	Market	\$755	1,358	n/a	Yes	0	N/A
						130	100%							5
7	Tara Bridge 1 Magnolia Circle Jonesboro, GA 30236 Clayton County	0.7 miles	Garden 1988 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$563	650	n/a	none	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$581	700	n/a	none	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$743	950	n/a	none	5	N/A
					2BR / 2BA	N/A	N/A	Market	\$792	1,000	n/a	none	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$757	850	n/a	none	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$829	1,200	n/a	none	N/A	N/A
						220	100%							5
8	The Crossroads Apartments 8050 Tara Boulevard Jonesboro, GA 30236 Clayton County	0.4 miles	Garden (2 stories) 1975 / n/a	Market	1BR / 1BA	38	28.40%	Market	\$497	800	n/a	Yes	0	0.00%
					2BR / 1BA	96	71.60%	Market	\$524	900	n/a	Yes	0	0.00%
						134	100%							0

Townview Manor, Jonesboro, GA; Market Study

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

Effective Rent Date:		Feb-15	Units Surveyed:		1491	Weighted Occupancy:		95.40%
			Market Rate		846	Market Rate		98.80%
			Tax Credit		645	Tax Credit		90.90%
One Bedroom One Bath			Two Bedrooms Two Bath					
	Property	Average	Property	Average	Property	Average	Property	Average
RENT	Valley Hill Senior Apartments * (60%)	\$648	Tara Bridge	\$792				
	Valley Hill Senior Apartments * (M)	\$648	Tara Bridge	\$757				
	Ashton Walk Senior Apartments * (60%)	\$598	Tara Bridge	\$743				
	Pointe Clear Apartments * (60%)	\$596	Ashton Walk Senior Apartments * (60%)	\$704				
	Tara Bridge	\$581	Park At Mount Zion (fka Providence Place) * (60%)	\$692				
	Century Lake	\$565	Valley Hill Senior Apartments * (1BA 60%)	\$689				
	Tara Bridge	\$563	Valley Hill Senior Apartments * (1BA M)	\$689				
	Valley Hill Senior Apartments * (50%)	\$505	Valley Hill Senior Apartments * (1BA 50%)	\$671				
	The Crossroads Apartments	\$497	Century Lake	\$665				
	Townview Manor * (60%)	\$480	Pointe Clear Apartments * (60%)	\$657				
	Townview Manor * (50%)	\$420	Pinebrooke Apartments	\$629				
			Pinebrooke Apartments	\$619				
			Townview Manor * (60%)	\$585				
		The Crossroads Apartments (1BA)	\$524					
		Townview Manor * (50%)	\$480					
SQUARE FOOTAGE	Century Lake	950	Century Lake	1,200				
	Pointe Clear Apartments * (60%)	804	Pinebrooke Apartments	1,093				
	The Crossroads Apartments	800	Park At Mount Zion (fka Providence Place) * (60%)	1,056				
	Townview Manor * (50%)	750	Pointe Clear Apartments * (60%)	1,044				
	Townview Manor * (60%)	750	Tara Bridge	1,000				
	Ashton Walk Senior Apartments * (60%)	702	Ashton Walk Senior Apartments * (60%)	985				
	Tara Bridge	700	Townview Manor * (50%)	950				
	Valley Hill Senior Apartments * (60%)	672	Townview Manor * (60%)	950				
	Valley Hill Senior Apartments * (M)	672	Tara Bridge	950				
	Tara Bridge	650	The Crossroads Apartments (1BA)	900				
	Valley Hill Senior Apartments * (50%)	595	Valley Hill Senior Apartments * (1BA 50%)	860				
			Valley Hill Senior Apartments * (1BA 60%)	860				
			Valley Hill Senior Apartments * (1BA M)	860				
		Pinebrooke Apartments	858					
		Tara Bridge	850					
RENT PER SQUARE FOOT	Valley Hill Senior Apartments * (60%)	\$0.96	Tara Bridge	\$0.89				
	Valley Hill Senior Apartments * (M)	\$0.96	Valley Hill Senior Apartments * (1BA 60%)	\$0.80				
	Tara Bridge	\$0.87	Valley Hill Senior Apartments * (1BA M)	\$0.80				
	Ashton Walk Senior Apartments * (60%)	\$0.85	Tara Bridge	\$0.79				
	Valley Hill Senior Apartments * (50%)	\$0.85	Tara Bridge	\$0.78				
	Tara Bridge	\$0.83	Valley Hill Senior Apartments * (1BA 50%)	\$0.78				
	Pointe Clear Apartments * (60%)	\$0.74	Pinebrooke Apartments	\$0.72				
	Townview Manor * (60%)	\$0.64	Ashton Walk Senior Apartments * (60%)	\$0.71				
	The Crossroads Apartments	\$0.62	Park At Mount Zion (fka Providence Place) * (60%)	\$0.66				
	Century Lake	\$0.59	Pointe Clear Apartments * (60%)	\$0.63				
	Townview Manor * (50%)	\$0.56	Townview Manor * (60%)	\$0.62				
			The Crossroads Apartments (1BA)	\$0.58				
			Pinebrooke Apartments	\$0.58				
		Century Lake	\$0.55					
		Townview Manor * (50%)	\$0.51					

PROPERTY PROFILE REPORT

Ashton Walk Senior Apartments

Effective Rent Date	3/11/2015
Location	4950 Governors Drive Forest Park, GA 30297 Clayton County
Distance	6.6 miles
Units	150
Vacant Units	7
Vacancy Rate	4.7%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Governor's Terrace, Normanberry Village
Tenant Characteristics	Seniors 55+
Contact Name	Diane
Phone	404-363-4595



Market Information

Program	@60%
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	25%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	66	702	\$625	\$0	@60%	Yes	0	0.0%	no	None
2	2	Lowrise (3 stories)	84	985	\$740	\$0	@60%	No	7	8.3%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$625	\$0	\$625	-\$27	\$598
2BR / 2BA	\$740	\$0	\$740	-\$36	\$704

Amenities

In-Unit

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

Carpeting
Dishwasher
Oven
Washer/Dryer

Security

Limited Access

Services

Adult Education
Shuttle Service

Property

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

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area

Premium

Medical Professional

Other

Walking Trails

Ashton Walk Senior Apartments, continued

Comments

The vacancy for the two bedroom units is high because the potential tenants in the area cannot afford the two-bedroom rent. The property manager reported strong demand for one-bedroom units in the area. Currently three of the vacant two-bedroom units have pending applications.

Ashton Walk Senior Apartments, continued

Trend Report

Vacancy Rates

2Q11	2Q12	1Q14	1Q15
12.0%	20.0%	4.0%	4.7%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	22.7%	\$625	\$26	\$599	\$572
2012	2	N/A	\$599	\$0	\$599	\$572
2014	1	0.0%	\$625	\$0	\$625	\$598
2015	1	0.0%	\$625	\$0	\$625	\$598

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	3.6%	\$740	\$0	\$740	\$704
2012	2	N/A	\$699	\$0	\$699	\$663
2014	1	7.1%	\$740	\$115	\$625	\$589
2015	1	8.3%	\$740	\$0	\$740	\$704

Trend: Comments

- 2Q11** The contact stated the rent increase in the two-bedroom units is due to market conditions. On average about two units turn over per month. The manager did think there was a demand for more senior housing and more tax credit properties in the area. There are currently 28 Housing Choice Coucher tenants.
- 2Q12** On average about two units turn over per month. The manager did think there was a demand for more senior housing and more tax credit properties in the area. However, the occupancy rate has decreased due to an income based property opening in Stockbridge. The manager did not know the name of the property. There are currently 28 Housing Choice Voucher tenants.
- 1Q14** Two years ago the property only had one bedroom units and then the property added two bedroom units. The vacancy for the two bedroom units is high because the potential tenants in the area cannot afford the two bedroom rent price. There is a rent special for the two bedroom at the one bedroom price if a tenant leases up until 3/31/14 and \$100 deposit instead of \$200. Demand has increased due to this rent special. There are 30 HCV tenants. In Fall 2013, the property resurfaced the parking lot.
- 1Q15** The vacancy for the two bedroom units is high because the potential tenants in the area cannot afford the two-bedroom rent. The property manager reported strong demand for one-bedroom units in the area. Currently three of the vacant two-bedroom units have pending applications.

PROPERTY PROFILE REPORT

Park At Mount Zion (fka Providence Place)

Effective Rent Date	3/04/2015
Location	701 Mt Zion Rd Jonesboro, GA 30236 Clayton County
Distance	3 miles
Units	193
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1985 / 2003
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Regal Park, Flint River Crossing, Windsor
Tenant Characteristics	None identified
Contact Name	Chanelle
Phone	(770) 968-0311



Market Information

Program	@60%
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Decreased two to 17 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	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse (2 stories)	N/A	1,114	\$695	\$0	@60%	No	0	N/A	no	None
2	2	Garden	N/A	1,056	\$675	\$0	@60%	No	0	N/A	no	None
3	2	Garden	N/A	1,216	\$735	\$0	@60%	No	0	N/A	no	None
3	2.5	Townhouse	N/A	1,404	\$820	\$0	@60%	No	0	N/A	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$695	\$0	\$695	\$17	\$712
2BR / 2BA	\$675	\$0	\$675	\$17	\$692
3BR / 2BA	\$735	\$0	\$735	\$17	\$752
3BR / 2.5BA	\$820	\$0	\$820	\$17	\$837

Park At Mount Zion (fka Providence Place), continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven
Walk-In Closet

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

Security

Limited Access

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The contact indicated that the property is in the process of being sold and changing management. The property accepts Housing Choice Vouchers, but the contact was unable to provide a percent of tenants using vouchers. The property manager was unable to provide details regarding the significant decrease in rents. The property was exhibiting a vacancy rate of zero percent in the second quarter of 2014, with the higher rent level. Therefore, we are unsure why the property decided to decrease rents; however, the impending sale of the property and change in management might have had an impact.

Park At Mount Zion (fka Providence Place), continued

Trend Report

Vacancy Rates

1Q10	2Q14	1Q15
20.7%	0.0%	0.0%

Trend: @60%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$700	\$51	\$649	\$666
2014	2	N/A	\$715	\$0	\$715	\$732
2015	1	N/A	\$695	\$0	\$695	\$712

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$680	\$51	\$629	\$646
2014	2	N/A	\$695	\$0	\$695	\$712
2015	1	N/A	\$675	\$0	\$675	\$692

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$795	\$0	\$795	\$812
2014	2	N/A	\$990	\$0	\$990	\$1,007
2015	1	N/A	\$820	\$0	\$820	\$837

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$765	\$66	\$699	\$716
2014	2	N/A	\$885	\$0	\$885	\$902
2015	1	N/A	\$735	\$0	\$735	\$752

Trend: Comments

- 1Q10** The contact indicated that management has lowered rents due to job loss among tenants, which has led to the property's very low occupancy rate. The combination of reduction in work hours and job cuts have affected the property's performance over the last year. In addition to the major competitors listed, Tower Court and Carrol Ridge Park are among the property's comparables. The leasing agent reported that tenants value the fitness center and computers the most. The fitness center includes eight machines. The two computers are located in the community room. Therefore, we have not included a business center in this property's amenities. The leasing agent could not comment on the value of the pool because the agent was not working at the property when the pool was open (from Memorial Day to Labor Day). Management also could not comment on the value of an afterschool program as the property does not offer one.
- 2Q14** This property is formerly known as Providence Place. The property is 100 percent occupied. The manger did not know annual turnover or the number of Section 8 Tenants.
- 1Q15** The contact indicated that the property is in the process of being sold and changing management. The property accepts Housing Choice Vouchers, but the contact was unable to provide a percent of tenants using vouchers. The property manager was unable to provide details regarding the significant decrease in rents. The property was exhibiting a vacancy rate of zero percent in the second quarter of 2014, with the higher rent level. Therefore, we are unsure why the property decided to decrease rents; however, the impending sale of the property and change in management might have had an impact.

PROPERTY PROFILE REPORT

Pointe Clear Apartments

Effective Rent Date 3/04/2015

Location 7545 Tara Road
Jonesboro, GA 30236
Clayton County
Intersection: Tara Road and O'Hara Drive

Distance 0.8 miles

Units 230

Vacant Units 52

Vacancy Rate 22.6%

Type Garden (3 stories)

Year Built/Renovated 1998 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Chase Village and Highland Grand

Tenant Characteristics Five percent seniors

Contact Name Phyllis

Phone 770-472-5228



Market Information

Program @60%

Annual Turnover Rate 21%

Units/Month Absorbed N/A

HCV Tenants 6%

Leasing Pace Within one month

Annual Chg. in Rent Increased nine to 13 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 included

Sewer included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	50	804	\$623	\$0	@60%	No	N/A	N/A	no	None
2	2	Garden (3 stories)	100	1,044	\$693	\$0	@60%	No	N/A	N/A	no	None
3	2	Garden (3 stories)	80	1,244	\$818	\$0	@60%	No	N/A	N/A	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$623	\$0	\$623	-\$27	\$596
2BR / 2BA	\$693	\$0	\$693	-\$36	\$657
3BR / 2BA	\$818	\$0	\$818	-\$50	\$768

Pointe Clear Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Ceiling Fan
Garbage Disposal
Oven
Vaulted Ceilings
Washer/Dryer hookup

Blinds
Carpeting
Coat Closet
Exterior Storage
Fireplace
Microwave
Refrigerator
Walk-In Closet

Security

Limited Access
Patrol
Perimeter Fencing

Services

None

Property

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

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

Evening sweep of property

Comments

The contact indicated that high vacancy was due to renovations and many units being offline currently. There are a total of 46 units offline as a result of the renovations. The adjusted vacancy rate is 3.3 percent. The contact reported that tenants come from the Clayton County area, as well as Fairburn, Peachtree, and Stone Mountain.

Pointe Clear Apartments, continued

Trend Report

Vacancy Rates

1Q10	3Q12	2Q14	1Q15
13.9%	23.9%	66.1%	22.6%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	8.0%	\$650	\$0	\$650	\$623
2012	3	N/A	\$550	\$13	\$537	\$510
2014	2	N/A	\$550	\$0	\$550	\$523
2015	1	N/A	\$623	\$0	\$623	\$596

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$665 - \$750	\$0	\$665 - \$750	\$629 - \$714
2012	3	N/A	\$585 - \$600	\$16 - \$17	\$569 - \$583	\$533 - \$547
2014	2	N/A	\$630 - \$650	\$0	\$630 - \$650	\$594 - \$614
2015	1	N/A	\$693	\$0	\$693	\$657

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	3.8%	\$950	\$0	\$950	\$900
2012	3	N/A	\$680	\$0	\$680	\$630
2014	2	N/A	\$750	\$0	\$750	\$700
2015	1	N/A	\$818	\$0	\$818	\$768

Trend: Comments

- 1Q10** The property is 86 percent occupied currently but is typically 92 percent occupied, which management estimated was last achieved in early January 2010. Layoffs in a variety of industries have caused occupancy to drop and the contact indicated that rents should be lowered in order to increase occupancy. Management reported that tenants use the exercise facility the most. It is difficult to compare swimming pool use as the pool is only open for a limited time during the year. The property does not offer a business center or afterschool program but the leasing agent reported that the lack of these amenities is not a detriment to the property as prospective and current tenants are more concerned with price advantage than specific amenities.
- 3Q12** The contact attributes low occupancy to slow economic conditions for many of the lower income families in the area. Many are still struggling to find work or are making less money in new jobs.
- 2Q14** As of March 31, 2014 the property switched management to Broad Management Group. There are a total of 152 vacancies due to evictions and move outs. There is a \$299 move-in fee on approved credit. Contact did not know annual turnover.
- 1Q15** The contact indicated that high vacancy was due to renovations and many units being offline currently. There are a total of 46 units offline as a result of the renovations. The adjusted vacancy rate is 3.3 percent. The contact reported that tenants come from the Clayton County area, as well as Fairburn, Peachtree, and Stone Mountain.

PROPERTY PROFILE REPORT

Valley Hill Senior Apartments

Effective Rent Date	3/09/2015
Location	430 Valley Hill Road Riverdale, GA 30274 Clayton County
Distance	3.8 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Duplex (age-restricted)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Walk
Tenant Characteristics	Tenants primarily come from all over Clayton County, average age is 60
Contact Name	Dorothy
Phone	770-210-0912



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	4%
Units/Month Absorbed	N/A
HCV Tenants	35%
Leasing Pace	Prelease
Annual Chg. in Rent	Two-bedrooms increased seven percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Duplex	4	595	\$532	\$0	@50%	No	0	0.0%	yes	None
1	1	Duplex	48	672	\$675	\$0	@60%	No	0	0.0%	no	None
1	1	Duplex	14	672	\$675	\$0	Market	No	0	0.0%	N/A	None
2	1	Duplex	1	860	\$707	\$0	@50%	No	0	0.0%	yes	None
2	1	Duplex	3	860	\$725	\$0	@60%	No	0	0.0%	no	None
2	1	Duplex	2	860	\$725	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$532	\$0	\$532	-\$27	\$505	1BR / 1BA	\$675	\$0	\$675	-\$27	\$648
2BR / 1BA	\$707	\$0	\$707	-\$36	\$671	2BR / 1BA	\$725	\$0	\$725	-\$36	\$689
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$675	\$0	\$675	-\$27	\$648						
2BR / 1BA	\$725	\$0	\$725	-\$36	\$689						

Valley Hill Senior Apartments, continued

Amenities

In-Unit

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

Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Walk-In Closet

Security

None

Services

None

Property

Business Center/Computer Lab
Central Laundry
On-Site Management

Clubhouse/Meeting
Off-Street Parking

Premium

None

Other

None

Comments

The contact indicated that many of the tenants have been living there since the development opened.

Valley Hill Senior Apartments, continued

Trend Report

Vacancy Rates

2Q11	2Q12	1Q14	1Q15
9.7%	5.6%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	\$620	\$0	\$620	\$593
2012	2	0.0%	\$620	\$0	\$620	\$593
2014	1	0.0%	\$630	\$0	\$630	\$603
2015	1	0.0%	\$532	\$0	\$532	\$505

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	\$725	\$0	\$725	\$689
2012	2	0.0%	\$725	\$0	\$725	\$689
2014	1	0.0%	\$725	\$0	\$725	\$689
2015	1	0.0%	\$707	\$0	\$707	\$671

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	N/A	\$640	\$0	\$640	\$613
2012	2	4.2%	\$640	\$0	\$640	\$613
2014	1	0.0%	\$630	\$0	\$630	\$603
2015	1	0.0%	\$675	\$0	\$675	\$648

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	N/A	\$735	\$0	\$735	\$699
2012	2	0.0%	\$735	\$0	\$735	\$699
2014	1	0.0%	\$725	\$0	\$725	\$689
2015	1	0.0%	\$725	\$0	\$725	\$689

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	N/A	\$650	\$0	\$650	\$623
2012	2	14.3%	\$650	\$0	\$650	\$623
2014	1	0.0%	\$630	\$0	\$630	\$603
2015	1	0.0%	\$675	\$0	\$675	\$648

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	N/A	\$745	\$0	\$745	\$709
2012	2	0.0%	\$745	\$0	\$745	\$709
2014	1	0.0%	\$725	\$0	\$725	\$689
2015	1	0.0%	\$725	\$0	\$725	\$689

Trend: Comments

- 2Q11** The contact reported a 90 percent occupancy rate, but was unable to provide a complete unit breakdown. However, there is currently a waiting list for the 50 percent units. The contact reported there is generally low turnover. The rent increase in the one-bedroom units is due to the utility allowance.
- 2Q12** Management reported they just started managing the property on April 1, 2012. There is currently a waiting list for the 50 percent units. In addition, rents have reportedly remained the same over the past year and the contact could not comment if a change in rental rates was planned.
- 1Q14** The property manager stated that there is a need for more affordable senior housing in the area. This property maintains a waiting list of approximately 20 households. The property manager stated that new management took over in April of 2012 and shortly after they made all their rents, regardless of AMI level, the same. The property manager stated that they could achieve higher rents but at the current rents, they lease the units quickly and it would likely take longer to lease vacant units if the rents were much higher.
- 1Q15** The contact indicated that many of the tenants have been living there since the development opened.

Photos



PROPERTY PROFILE REPORT

Century Lake

Effective Rent Date	3/04/2015
Location	100 Chase Lake Drive Jonesboro, GA 30236 Clayton County
Distance	1.5 miles
Units	362
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1990 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Battle Creek Townhomes
Tenant Characteristics	None identified
Contact Name	Cynthia
Phone	855-434-8042



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one month
Annual Chg. in Rent	None
Concession	Reduced rents.

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	76	950	\$565	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	286	1,200	\$665	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$565	\$0	\$565	\$0	\$565
2BR / 2BA	\$665	\$0	\$665	\$0	\$665

Amenities

In-Unit	Security	Services
Blinds	Limited Access	None
Central A/C	Perimeter Fencing	
Dishwasher		
Fireplace		
Oven		
Skylights		
Walk-In Closet		
Carpeting		
Coat Closet		
Ceiling Fan		
Garbage Disposal		
Refrigerator		
Vaulted Ceilings		
Washer/Dryer hookup		
Property	Premium	Other
Exercise Facility	None	None
Off-Street Parking		
Playground		
Tennis Court		
Central Laundry		
On-Site Management		
Swimming Pool		

Century Lake, continued

Comments

The contact was only able to provide rent, vacancy and waiting list information. The property maintains a waiting list approximately one month long.

Century Lake, continued

Trend Report

Vacancy Rates

2Q05	1Q15
3.9%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	2.6%	\$670	\$100	\$570	\$570
2015	1	0.0%	\$565	\$0	\$565	\$565

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	4.2%	\$770	\$121	\$649	\$649
2015	1	0.0%	\$665	\$0	\$665	\$665

Trend: Comments

2Q05 Century Lake is a garden style apartment community with 362 units and an occupancy rate of 97% base on vacancy by unit breakdown. The property manager claimed an occupancy rate of 92%. Approximately 30% of tenants are from Clayton County, 10% are from out of state, and 60% are from other parts of Georgia.

1Q15 The contact was only able to provide rent, vacancy and waiting list information. The property maintains a waiting list approximately one month long.

Pinebrooke Apartments, continued

Comments

Pinebrooke Apartments, formerly known as Fairway Pointe Apartments, is a mix of ranch style apartments and two to four-bedroom townhomes. Management reported that the property no has income restrictions on the property. The property currently has 17 vacant units, all of which are under renovations. All but five of these vacancies have been pre-leased. Management reported that the property's waiting list is approximately one year in length.

Pinebrooke Apartments, continued

Trend Report

Vacancy Rates

2Q06	1Q15
4.6%	3.8%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$655 - \$665	\$0	\$655 - \$665	\$619 - \$629

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$750 - \$760	\$0	\$750 - \$760	\$700 - \$710

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$820	\$0	\$820	\$755

Trend: Comments

2Q06 Fairway Pointe Apartments is a mix of ranch style apartments and 2-4 bdrm townhomes. They are a 100% tax credit property. Residents are responsible for all utilities except water, sewer & trash. Teh afterschool program is free to residents between the ages of 5-12 years old. They currently have some 2 and 3bdrms available but expect to have 2-3 4bdrms available by the end of summer.

1Q15 Pinebrooke Apartments, formerly known as Fairway Pointe Apartments, is a mix of ranch style apartments and two to four-bedroom townhomes. Management reported that the property no has income restrictions on the property. The property currently has 17 vacant units, all of which are under renovations. All but five of these vacancies have been pre-leased. Management reported that the property's waiting list is approximately one year in length.

Pinebrooke Apartments, continued

Photos



PROPERTY PROFILE REPORT

Tara Bridge

Effective Rent Date	3/06/2015
Location	1 Magnolia Circle Jonesboro, GA 30236 Clayton County
Distance	0.7 miles
Units	220
Vacant Units	5
Vacancy Rate	2.3%
Type	Garden
Year Built/Renovated	1988 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Aslan on the River
Tenant Characteristics	Mostly families from Clayton County
Contact Name	Ashley
Phone	770-478-3288



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within 10 days
Annual Chg. in Rent	None
Concession	\$99 move-in fee (normally fee is \$350)

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	N/A	650	\$546	\$0	Market	none	N/A	N/A	N/A	None
1	1	Garden	N/A	700	\$564	\$0	Market	none	N/A	N/A	N/A	None
2	2	Garden	N/A	950	\$758	\$32	Market	none	5	N/A	N/A	AVG
2	2	Garden	N/A	1,000	\$775	\$0	Market	none	N/A	N/A	N/A	HIGH
2	2	Garden	N/A	850	\$740	\$0	Market	none	N/A	N/A	N/A	LOW
3	2	Garden	N/A	1,200	\$812	\$0	Market	none	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$546 - \$564	\$0	\$546 - \$564	\$17	\$563 - \$581
2BR / 2BA	\$740 - \$775	\$0 - \$32	\$726 - \$775	\$17	\$743 - \$792
3BR / 2BA	\$812	\$0	\$812	\$17	\$829

Tara Bridge, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Fireplace
Microwave
Refrigerator
Washer/Dryer

Blinds
Central A/C
Dishwasher
Ceiling Fan
Garbage Disposal
Oven
Walk-In Closet
Washer/Dryer hookup

Security

In-Unit Alarm
Limited Access
Patrol
Perimeter Fencing

Services

None

Property

Car Wash
Exercise Facility
Off-Street Parking
Playground
Tennis Court

Clubhouse/Meeting
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

Tara Bridge is a garden style community with 220 units and an occupancy rate of about 97%. Management stated that she was only able to quote accurate pricing for units that are currently available due to the fact that they implement LRO pricing system. However, the contact was able to provide an estimate of what rents would be for one and three-bedrooms if they were available today. Contact stated that the concession was also only quoted for available two-bedroom units, and that there many be a different concession offered for one and three bedrooms if they were available.

Tara Bridge, continued

Trend Report

Vacancy Rates

4Q04	2Q05	1Q15
8.2%	10.0%	2.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$599 - \$650	\$0	\$599 - \$650	\$616 - \$667
2005	2	N/A	\$546 - \$564	\$0	\$546 - \$564	\$563 - \$581
2015	1	N/A	\$546 - \$564	\$0	\$546 - \$564	\$563 - \$581

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$654	\$0	\$654	\$671

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$669 - \$689	\$0	\$669 - \$689	\$686 - \$706
2005	2	N/A	\$599 - \$694	\$0	\$599 - \$694	\$616 - \$711
2015	1	N/A	\$740 - \$775	\$0 - \$32	\$726 - \$775	\$743 - \$792

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$799	\$0	\$799	\$816
2005	2	N/A	\$812	\$0	\$812	\$829
2015	1	N/A	\$812	\$0	\$812	\$829

Trend: Comments

- 4Q04** This is a market rate property located in the Clayton County submarket. The property is currently 92 percent leased and is not offering concessions. Utilities are all electric and paid for the resident excluding water/sewer and trash removal.
- 2Q05** Tara Bridge is a garden style community with 220 units and an occupancy rate of 90%. Concessions include a \$99 move-in fee (normal fee is \$350). No Section 8 vouchers are accepted. Approximately 75% of tenants are from Clayton County, 20% are from out of state, and 5% are from other parts of Georgia.
- 1Q15** Tara Bridge is a garden style community with 220 units and an occupancy rate of about 97%. Management stated that she was only able to quote accurate pricing for units that are currently available due to the fact that they implement LRO pricing system. However, the contact was able to provide an estimate of what rents would be for one and three-bedrooms if they were available today. Contact stated that the concession was also only quoted for available two-bedroom units, and that there may be a different concession offered for one and three bedrooms if they were available.

Photos



PROPERTY PROFILE REPORT

The Crossroads Apartments

Effective Rent Date	3/04/2015
Location	8050 Tara Boulevard Jonesboro, GA 30236 Clayton County
Distance	0.4 miles
Units	134
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1975 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Oak Run
Tenant Characteristics	Families from Clayton County
Contact Name	Andre
Phone	770-471-4003



Market Information

Program	Market
Annual Turnover Rate	54%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	\$299 first month rent

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	38	800	\$544	\$20	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	96	900	\$584	\$24	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$544	\$20	\$524	-\$27	\$497
2BR / 1BA	\$584	\$24	\$560	-\$36	\$524

Amenities

In-Unit
Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Oven
Walk-In Closet

Security
Patrol

Services
None

Property
Central Laundry
On-Site Management
Swimming Pool

Off-Street Parking
Playground

Premium
None

Other
None

The Crossroads Apartments, continued

Comments

The property maintains a waiting list of approximately two months. The property does not accept Housing Choice Vouchers. The contact did not know the percentage of seniors at the property, but indicated that the majority of the tenants come from Clayton County.

The Crossroads Apartments, continued

Trend Report

Vacancy Rates

2Q05	1Q15
7.5%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	7.9%	\$519	\$35	\$484	\$457
2015	1	0.0%	\$544	\$20	\$524	\$497

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	7.3%	\$539	\$37	\$502	\$466
2015	1	0.0%	\$584	\$24	\$560	\$524

Trend: Comments

2Q05 Harmony Crossroads is a garden style apartment community with 134 units and an occupancy rate of 93%. Units with washer and dryer connections rent for \$559. Concessions include a \$300 deposit and \$99 for the first month's rent. Section 8 vouchers are accepted. Approximately 70% of tenants are from Clayton County and the remaining 30% are from out of state. Rents on one bedroom apartments have increased by \$10 recently. Walk-in closets are only available on 1 bedroom apartments.

1Q15 The property maintains a waiting list of approximately two months. The property does not accept Housing Choice Vouchers. The contact did not know the percentage of seniors at the property, but indicated that the majority of the tenants come from Clayton County.

The Crossroads Apartments, continued

Photos



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

Housing Choice Vouchers

The following table illustrates the percentage of Housing Choice Voucher tenants at the comparable properties. Note that several of the comparable properties were unable to report the percentage of voucher tenants.

TENANTS WITH VOUCHERS			
Comparable Property	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Ashton Walk Senior Apartments	LIHTC	Senior	25%
Park At Mount Zion (fka Providence Place)	LIHTC	Family	N/A
Pointe Clear Apartments	LIHTC	Family	6%
Valley Hill Senior Apartments	LIHTC/Market	Senior	35%
Century Lake	Market	Family	N/A
Pinebrooke Apartments	Market	Family	13%
Tara Bridge	Market	Family	N/A
The Crossroads Apartments	Market	Family	0%
Average			16%

The voucher usage at the comparable properties ranges from zero to 35 percent. Voucher usage among the LIHTC properties ranges from six to 35 percent. The voucher usage at the comparable senior properties is 25 and 35 percent, respectively. The voucher usage as the comparable senior LIHTC properties is considered moderate. Given the high voucher usage at the senior LIHTC properties, relative to the rest of the market, we believe the Subject's units will operate with approximately 30 percent voucher usage or less.

Lease Up History

None of the comparable properties were constructed recently. Additionally, we are unaware of any LIHTC properties built in the PMA since 2006. Therefore, we have extended our search for absorption data to neighboring Fulton, DeKalb, and Henry County. The properties are located within a 20 mile radius of the Subject site. We have excluded the areas close to Atlanta due to its dissimilar location with the Subject site. The following table illustrates six age-restricted LIHTC properties that were built since 2010 and were able to provide absorption information.

ABSORPTION					
Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Betmar Village Apartments	LIHTC	Senior	2014	47	47
Hampton Court	LIHTC	Senior	2014	60	20
Baptist Gardens	LIHTC	Senior	2013	100	15
Gateway At East Point	LIHTC	Senior	2012	100	25
Heritage At McDonough	LIHTC	Senior	2011	105	18
Woodbridge At Parkway Village	LIHTC	Senior	2010	150	34

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The properties experienced absorption rates ranging from 15 to 47 units per month. Hampton Court is located 11.5 miles south of the Subject site. The Subject will offer a similar number of units in comparison to Hampton Court. Hampton Court experienced an absorption rate of 20 units per month during 2014 and was fully occupied within three months. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately three months for the Subject to reach 93 percent occupancy.

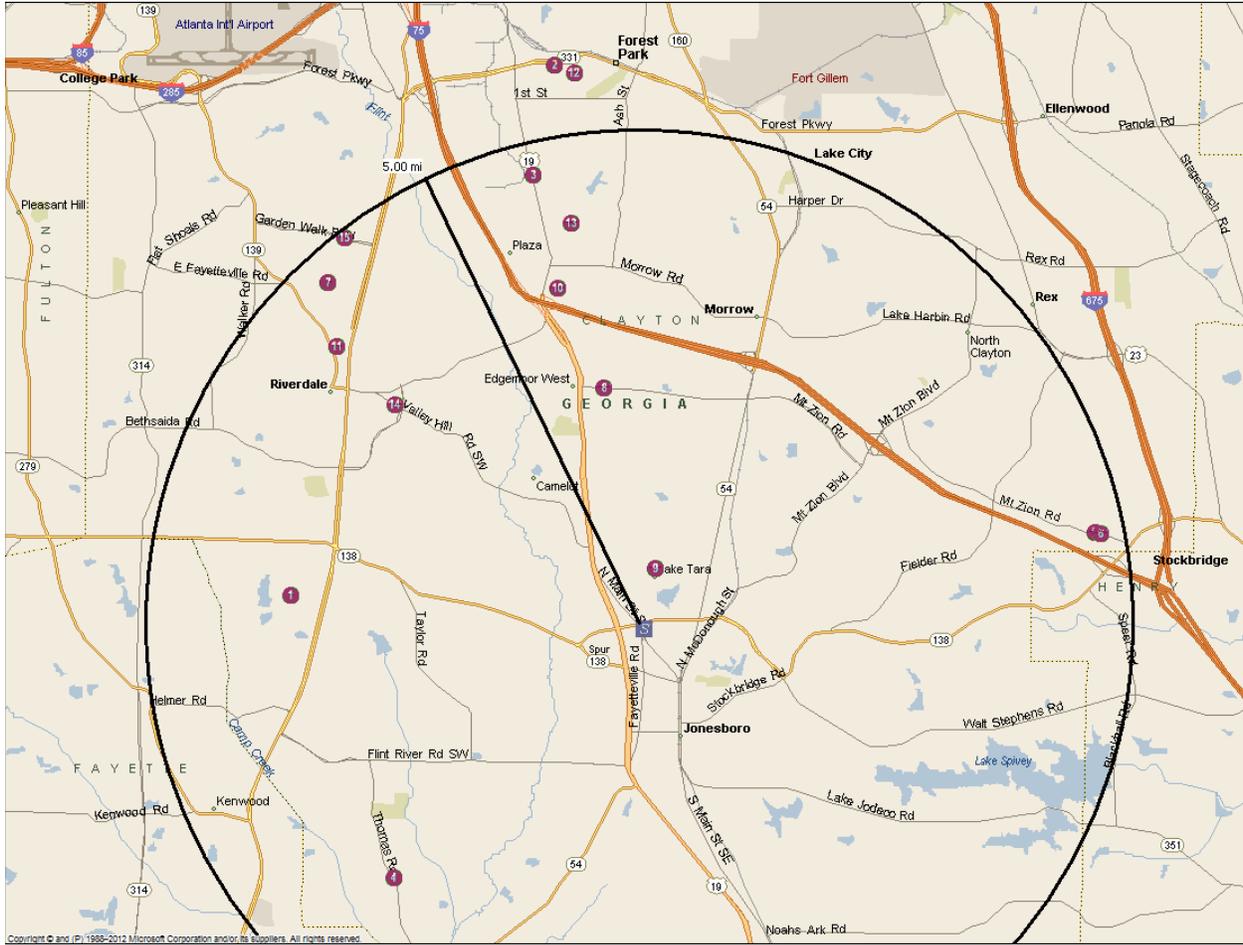
Phased Developments

The proposed Subject is not part of a phased development.

Rural Areas

The Subject is not located in a rural area.

3. Competitive Project Map



COMPETITIVE PROPERTIES

#	name	Type	Tenancy	Included/Excluded	Reason for Exclusion	Distance
S	Townview Manor	LIHTC	Senior	Subject	N/Ap	-
1	Alexander Falls Apartments	LIHTC/Market	Family	Excluded	More comparable properties	4.2 miles
2	Ashton Walk Senior Apartments	LIHTC	Senior	Included	N/Ap	6.6 miles
3	Breckenridge Apartments	LIHTC	Family	Excluded	More comparable properties	5.1 miles
4	Pebble Creek	LIHTC	Family	Excluded	More comparable properties	5.5 miles
5	Hyde Manor Apartments	LIHTC	Family	Excluded	More comparable properties	6.6 miles
6	Hyde Park Apartments	LIHTC	Family	Excluded	More comparable properties	6.6 miles
7	Overlook Townhouses	LIHTC	Family	Excluded	More comparable properties	5.7 miles
8	Park At Mount Zion	LIHTC	Family	Included	N/Ap	3.0 miles
9	Pointe Clear Apartments	LIHTC	Family	Included	N/Ap	0.8 miles
10	Regal Park	LIHTC	Family	Excluded	More comparable properties	4.1 miles
11	Riverdale Villa	LIHTC	Family	Excluded	More comparable properties	4.8 miles
12	Taj Mahal Homes	LIHTC	Family	Excluded	More comparable properties	6.6 miles
13	Tracewood Apartments	LIHTC	Family	Excluded	More comparable properties	4.7 miles
14	Valley Hill Senior Apartments	LIHTC	Senior	Included	N/Ap	3.8 miles
15	Atlanta Advantages	LIHTC	Family	Excluded	More comparable properties	6.7 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.

UNIT MATRIX REPORT

	Townview Manor	Ashton Walk Senior Apartments	Park At Mount Zion (fka Providence Place)	Pointe Clear Apartments	Valley Hill Senior Apartments	Century Lake	Pinebrooke Apartments	Tara Bridge	The Crossroads Apartments
Comp#	Subject	1	2	3	4	5	6	7	8
Property Information									
Property Type	Lowrise (age-restricted) (3 stories)	Lowrise (age-restricted) (3 stories)	Various (2 stories)	Garden (3 stories)	Duplex (age-restricted)	Garden (2 stories)	Various	Garden	Garden (2 stories)
Year Built / Renovated	2017 / n/a	2006 / n/a	1985 / 2003	1998 / n/a	2000 / n/a	1990 / n/a	1995 / 2014	1988 / n/a	1975 / n/a
Market (Conv./Subsidy Type)	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC/Market	Market	Market	Market	Market
Utility Adjustments									
Cooking	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no
Water	no	yes	no	yes	yes	no	yes	no	yes
Sewer	no	yes	no	yes	yes	no	yes	no	yes
Trash Collection	yes	yes	no	yes	yes	yes	yes	no	yes
In-Unit Amenities									
Balcony/Patio	no	no	yes	yes	no	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	yes	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	no	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	no	no	yes	yes	yes	no	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	no	yes	yes
Exterior Storage	no	no	no	yes	yes	no	yes	yes	no
Ceiling Fan	yes	no	no	yes	yes	yes	no	yes	yes
Fireplace	no	no	no	yes	no	yes	no	yes	no
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	no
Hand Rails	no	no	no	no	yes	no	no	no	no
Microwave	no	no	no	yes	no	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Skylights	no	no	no	no	no	yes	no	no	no
Vaulted Ceilings	no	no	no	yes	no	yes	no	no	no
Walk-In Closet	no	no	yes	yes	yes	yes	no	yes	yes
Washer/Dryer	no	yes	no	no	no	no	no	yes	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities									
Basketball Court	no	no	no	no	no	no	yes	no	no
Business Center/Computer Lab	yes	yes	no	no	yes	no	no	no	no
Car Wash	no	no	no	yes	no	no	no	yes	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	no	no	yes	no
Elevators	yes	yes	no	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	yes	no	yes	no	yes	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	yes	no	no	no	no	no
Playground	no	no	yes	yes	no	yes	yes	yes	yes
Swimming Pool	no	no	yes	yes	no	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	yes	no	yes	no
Security									
In-Unit Alarm	no	no	no	no	no	no	no	yes	no
Limited Access	no	yes	yes	yes	no	yes	no	yes	no
Patrol	no	no	no	yes	no	no	no	yes	yes
Perimeter Fencing	no	no	no	yes	no	yes	no	yes	no

The Subject will offer generally similar in-unit amenities in comparison to the LIHTC and market rate comparable properties and slightly superior property amenities. The in-unit amenities offered at Pointe Clear Apartments, Valley Hill Senior Apartments, Century Lake, and Tara Bridge are slightly superior in comparison to the proposed in-unit amenities at the Subject. The Subject will offer a business center/computer lab, community room, exercise facility, and picnic area, which several of the comparable properties will lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior LIHTC market.

5. Senior Tenancy

The Subject will target senior households aged 55 and older. We have included both senior LIHTC properties in the PMA as comparable properties. Additionally, we have included two multifamily LIHTC comparables and four market rate multifamily comparables. The following table illustrates the approximate percent of senior tenants at the surveyed properties.

SENIOR TENANCY	
Property	Percentage of Senior Tenants
Ashton Walk Senior Apartments	100%
Park At Mount Zion (fka Providence Place)	N/A
Pointe Clear Apartments	5%
Valley Hill Senior Apartments	100%
Century Lake	N/A
Pinebrooke Apartments	2%
Tara Bridge	N/A
The Crossroads Apartments	2%

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Ashton Walk Senior Apartments	LIHTC	Senior	150	7	4.7%
Park At Mount Zion (fka Providence Place)	LIHTC	Family	193	0	0.0%
Pointe Clear Apartments	LIHTC	Family	184	6	3.3%
Valley Hill Senior Apartments	LIHTC/Market	Senior	72	0	0.0%
Century Lake	Market	Family	362	0	0.0%
Pinebrooke Apartments	Market	Family	130	5	3.8%
Tara Bridge	Market	Family	220	5	2.3%
The Crossroads Apartments	Market	Family	134	0	0.0%
LIHTC Average			599	13	2.2%
Market Rate Average			846	10	1.2%
Total			1,445	23	1.6%

The overall average vacancy rate is 1.6 percent, which is considered low. Four of the comparable properties are exhibiting vacancy rates of zero percent. Ashton Walk Senior Apartments and Pointe Clear Apartments are exhibiting the highest vacancy rates among the affordable properties. It should be noted that Pointe Clear Apartments offers 230 total units; however, 46 units are offline due to renovations. The property has a total of six units that are vacant. Historically, the property has maintained a low vacancy rate. Ashton Walk Senior Apartments has seven vacant two-bedroom units at this time. However, there are three applications pending for two-bedroom units and the effective preleased rate is 2.7 percent, which is considered

healthy. The property manager indicated strong demand for one-bedroom senior affordable housing in the area. Additionally, the proposed Subject is considered superior to Ashton Walk Senior Apartments and the proposed rents are below Ashton Walk Senior Apartments. Therefore, the Subject will be more affordable and we believe there will be adequate demand for the two-bedroom units at the Subject. The average LIHTC vacancy rate is 2.2 percent, which indicates a supply constrained market and demand for affordable housing. Valley Hill Senior Apartments is an age-restricted property, which targets a similar tenancy in comparison to the proposed Subject. The property has maintained a low vacancy rate since 2014, but does not maintain a waiting list. The existing LIHTC supply is performing well with low vacancy rates. Further, the Subject will be on the low end of the range in terms of total number of units at the LIHTC properties. We believe that the Subject should maintain a vacancy rate of five percent, or less, once stabilized.

7. Properties Under Construction and Proposed

According to the Georgia Department of Community Affairs allocation lists, no properties have been awarded tax credits within the PMA since 2013. Therefore, the Subject will face limited competition during its initial lease up. We have not deducted any units from the following 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	Unit	Location	Age /	Unit Size	Overall
1	Ashton Walk Senior Apartments	LIHTC	Similar	Similar	Slightly Inferior	Slightly Inferior	Similar	-10
2	Park At Mount Zion (fka Providence Place)	LIHTC	Similar	Similar	Similar	Inferior	Slightly Superior	-5
3	Pointe Clear Apartments	LIHTC	Similar	Slightly Superior	Similar	Inferior	Slightly Superior	0
4	Valley Hill Senior Apartments	LIHTC	Slightly Inferior	Slightly Superior	Similar	Inferior	Similar	-10
5	Century Lake	Market	Slightly Inferior	Slightly Superior	Similar	Inferior	Slightly Superior	-5
6	Pinebrooke Apartments	Market	Slightly Inferior	Similar	Similar	Inferior	Similar	-15
7	Tara Bridge	Market	Slightly Inferior	Slightly Superior	Similar	Inferior	Similar	-10
8	The Crossroads Apartments	Market	Slightly Inferior	Similar	Similar	Inferior	Similar	-15

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

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

LIHTC Rent Comparison - @50%

Property Name	Tenancy	1BR	2BR
Townview Manor (Subject)	Senior	\$420	\$480
2015 LIHTC Maximum (Net)		\$492	\$585
Hold Harmless Maximum (Net)		\$545	\$650
Valley Hill Senior Apartments	Senior	\$505	\$671
Average (excluding Subject)		\$505	\$671
Achievable LIHTC Rent		\$492	\$585

LIHTC Rent Comparison - @60%

Property Name	Tenancy	1BR	2BR
Townview Manor (Subject)	Senior	\$480	\$585
2015 LIHTC Maximum (Net)		\$620	\$739
Hold Harmless Maximum (Net)		\$684	\$817
Ashton Walk Senior Apartments	Senior	\$598	\$704
Park At Mount Zion (fka Providence Place)	Family	-	\$712
			\$692
Pointe Clear Apartments	Family	\$596	\$657
Valley Hill Senior Apartments	Senior	\$648	\$689
Average (excluding Subject)		\$614	\$691
Achievable LIHTC Rent		\$620	\$690

Since all of the comparable properties were built prior to 2012, they have been “held harmless” to the recent decrease in AMI and have a higher maximum allowable gross rent level than the Subject, which will be completed in 2017. When rents are “held harmless” a property owner is not required to decrease rents in light of a decrease in the AMI. Instead, the property may continue operating with rent restrictions based upon the higher AMI level prior to the decrease.

The Subject’s proposed rents at 50 and 60 percent of the AMI will be below the maximum allowable rent level at 50 and 60 percent AMI. Valley Hill Senior Apartments is achieving the hold harmless maximum allowable rent level in its 50 percent units. None of the comparable properties are achieving the hold harmless maximum allowable rent at the 60 percent AMI level. The Subject will exhibit excellent condition upon completion. The comparable LIHTC properties were built or renovated between 1998 and 2006. They exhibit average to good condition, which is inferior to slightly inferior to the anticipated condition of the proposed Subject. The Subject will offer a similar to slightly inferior in-unit amenity package in comparison to the LIHTC comparable properties. The Subject will lack exterior storage, coat closets, and walk-in closets, which some comparable properties offer. The Subject will offer a similar to slightly superior property amenity package. The comparable properties are all located within the PMA. The comparable properties offer generally similar locations in comparison to the Subject site. Additionally, the Subject’s proposed unit sizes are within the range of the comparable properties and the Subject’s two-bedroom unit sizes, which are slightly smaller than the market average, are similar to the two senior LIHTC properties. Overall, we believe the Subject will be slightly superior to the comparable properties based on the anticipated excellent condition of the Subject.

The Subject’s proposed 50 percent rents are significantly lower than Valley Hill Senior Apartments, which is located 3.8 miles north of the Subject site. Valley Hill Senior Apartments was built in 2000 and exhibits average to good condition. The property is exhibiting a vacancy rate of zero percent and the property manager indicated strong demand for affordable housing.

Given the low overall vacancy rate and the performance of Valley Hill Senior Apartments, we believe the Subject's proposed 50 percent rents are reasonable. Additionally, we believe that the Subject could achieve the maximum allowable 50 percent rents.

The Subject's proposed rents at 60 percent of the AMI are set below the majority of the comparable properties. The Subject's one-bedroom 60 percent rents are \$134 to \$106 lower than the average of the comparable LIHTC properties. Both senior LIHTC properties reported strong demand for affordable one-bedroom LIHTC units. Ashton Walk Senior Apartments maintains a waiting list of 10 households for one-bedroom units only. Therefore, we believe that the Subject will be able to achieve the proposed rents in the one-bedroom 60 percent units. Additionally, we believe the Subject will be able to achieve the 2015 maximum allowable rents in the one-bedroom 60 percent units.

The Subject's proposed two-bedroom 60 percent rents are below all of the comparable properties. Ashton Walk Senior Apartments currently exhibiting an elevated two-bedroom vacancy rate. The property manager reported that tenants in the area were unable to afford the two-bedroom rents. According to *City-Data*, the median household income in the Subject's zip code is 42 percent higher than the median household income in Ashton Walk Senior Apartments zip code. Additionally, three of the seven vacant units are preleased. The Subject is considered slightly superior to Ashton Walk Senior Apartments, which was built in 2006 and exhibits good condition. The Subject's proposed rents are below this comparable property, which is considered reasonable given the slightly elevated vacancy rate. Valley Hill Senior Apartments, which is located closer to the Subject site than Valley Hill Senior Apartments is currently exhibiting a vacancy rate of zero percent in its two-bedroom units, while achieving rents \$104 above the proposed rents at the Subject. Therefore, we believe the proposed 60 percent rent at the Subject is achievable. Additionally, we believe the Subject could achieve two-bedroom 60 percent rents similar to Pointe Clear Apartments and slightly below Ashton Walk Senior Apartments. Overall, we believe that the Subject's rents are feasible as proposed given the limited senior LIHTC supply and the performance of the LIHTC properties in the PMA.

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 Market Rents

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$420	\$497	\$648	\$578	27%
2 BR @ 50%	\$480	\$524	\$792	\$679	29%
1 BR @ 60%	\$480	\$497	\$648	\$578	17%
2 BR @ 60%	\$585	\$524	\$792	\$679	14%

As illustrated the Subject's proposed 50 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. The Subject's proposed one and two-bedroom 50 percent rents are below the surveyed minimum. The Subject's proposed one-bedroom 60 percent rents are below the surveyed minimum. Valley Hill Senior Apartments is achieving the highest one-bedroom market rents in the market, which are similar to their 60 percent one-bedroom units. Additionally, the lowest rents in the market are being achieved by a market rate property, The Crossroads Apartments. The Crossroads is the oldest comparable property, built in 1975, and exhibits the most inferior condition in comparison to the proposed Subject.

The Subject, as a market rate property, will be most similar to Valley Hill Senior Apartments, which offers unrestricted market rate units. Valley Hill Senior Apartments is exhibiting a vacancy rate of zero percent and is age-restricted, similar to the Subject. Valley Hill Senior Apartments is achieving the highest one-bedroom rents in the market, which are more than 35 percent higher than the proposed one-bedroom rents at the Subject. The overall market rate vacancy rate is 1.6 percent, which indicates a supply constrained market. The two-bedroom market rate units at Valley Hill Senior Apartments offer an 18 percent advantage over the proposed rents at the Subject.

The Subject will be superior to Tara Bridge as a market rate property. Tara Bridge is achieving the highest two-bedroom rents in the market. Tara Bridge was built in 1988 and is exhibiting a vacancy rate of 2.3 percent. Tara Bridge is located within one mile of the Subject site and offers a similar location. The two-bedroom rents at Tara Bridge are more than 27 percent higher than the proposed 60 percent rents at the Subject. 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 – DCA Funded Properties within the PMA

According to the Georgia Department of Community Affairs allocation lists, no properties have been awarded tax credits within the PMA since 2013. Therefore, the Subject will face limited competition during its initial lease up. We have not deducted any units from the following demand analysis.

10. Senior Rental Trends in the PMA

The table below depicts senior household growth by tenure from 2000 through 2019.

TENURE PATTERNS - ELDERLY POPULATION (AGE55+)								
Year	PMA				Atlanta-Sandy Springs-Marietta, GA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	-	-	-	-	-	-	-	-
2010	17,461	70.9%	7,174	29.1%	479,032	78.2%	133,705	21.8%
2014	18,710	71.7%	7,394	28.3%	531,280	77.6%	153,002	22.4%
Projected Mkt Entry January 2017	20,246	71.2%	8,204	28.8%	584,699	77.5%	169,414	22.5%
2019	21,783	70.7%	9,014	29.3%	638,118	77.4%	185,826	22.6%

Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

Owner-occupied housing units dominate the PMA and are slightly less dominant in the MSA. However, the percent of senior renter-occupied housing in the PMA is higher than the national average of approximately 13 percent. The percentage of renter-occupied units is expected to decrease slightly through 2019, but the number of senior renter households is expected to increase.

Historical Vacancy

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

HISTORICAL VACANCY									
Comparable Property	Rent Structure	Tenancy	1QTR	2QTR	2QTR	1QTR	2QTR	1QTR	
			2010	2011	2012	2014	2014	2015	
Ashton Walk Senior Apartments	LIHTC	Senior	18.0%	12.0%	20.0%	4.0%	N/A	4.7%	
Park At Mount Zion (fka Providence Place)	LIHTC	Family	20.7%	N/A	N/A	N/A	0.0%	0.0%	
Pointe Clear Apartments*	LIHTC	Family	13.9%	N/A	N/A	N/A	66.1%	22.6%	
Valley Hill Senior Apartments	LIHTC/Market	Senior	0.0%	9.7%	5.6%	0.0%	N/A	0.0%	
Century Lake	Market	Family	N/A	N/A	N/A	N/A	N/A	0.0%	
Pinebrooke Apartments	Market	Family	N/A	N/A	N/A	N/A	N/A	3.8%	
Tara Bridge	Market	Family	N/A	N/A	N/A	N/A	N/A	2.3%	
The Crossroads Apartments	Market	Family	N/A	N/A	N/A	N/A	N/A	0.0%	

*Undergoing renovations since 2014

As illustrated in the table, we were able to obtain the historical vacancy rates at several of the comparable properties over the last five years. However, we were not able to obtain all the historical vacancy rates for each individual year. The LIHTC comparable properties exhibited elevated vacancy rates from 2010 to 2012. Since 2012, the properties have maintained low vacancy rates and demand in the area for affordable housing has increased, according to local property managers. We believe the low vacancy rates and waiting lists are indicative of a stronger rental market, which is illustrated by the decreasing vacancy rates at the comparable properties since 2010.

Change in Rental Rates

The following table illustrates rental rate increases as reported by the comparable properties.

RENT GROWTH			
Comparable Property	Rent Structure	Tenancy	Rent Growth
Ashton Walk Senior Apartments	LIHTC	Senior	None
Park At Mount Zion (fka Providence Place)	LIHTC	Family	Decreased two to 17 percent
Pointe Clear Apartments	LIHTC	Family	Increased nine to 13 percent
Valley Hill Senior Apartments	LIHTC/Market	Senior	Two-bedrooms increased seven percent
Century Lake	Market	Family	None
Pinebrooke Apartments	Market	Family	None
Tara Bridge	Market	Family	None
The Crossroads Apartments	Market	Family	None

The majority of the comparable properties reported stable rents. Pointe Clear Apartments reported strong rent growth ranging from nine to 13 percent and the two-bedroom units at Valley Hill Senior Apartments increased seven percent in the past year. Park At Mount Zion reported rent decreases ranging from two to 17 percent. The property manager was unable to provide details regarding the significant decrease in rents. The property was exhibiting a vacancy rate of zero percent in the second quarter of 2014, with the higher rent level. Therefore, we are unsure why the property decided to decrease rents; however, the impending sale of the property and change in management might have had an impact. Therefore, we believe the rent decrease is an outlier. The AMI in Clayton County peaked in 2010 and the maximum allowable rents at all of the LIHTC properties have been held harmless since. The AMI in Clayton County increased slightly in 2012. On March 6, 2015 HUD released the 2015 income limits, which reflect an increase in the Clayton County AMI. However, the 2015 AMI remains below the 2010 AMI; therefore, LIHTC properties will continue to be held harmless. The Subject's rents are slightly below the maximum allowable rent level and future increases in rent will not be directly dependent on growth in the Clayton County AMI.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac.com statistics, 100 properties in the Subject site's zip code are in some stage of foreclosure. This equates to approximately one foreclosure in every 1,040 housing units as of February 2015. Jonesboro is experiencing an elevated foreclosure rate of one foreclosure in every 791 housing units, which indicates a weaker housing market. Clayton County has a similar foreclosure rate of one in every 718 housing units, while Georgia experienced one in every 1,414 housing units, and the nation experienced one foreclosure in every 1,295 housing units. The foreclosure rate within the PMA is higher than the national average, but lower than the regional average. This indicates a slightly weaker local housing market. Of note, the foreclosure rate in Jonesboro is 34 percent lower than the foreclosure rate in February 2014.

12. Primary Housing Void

The average LIHTC vacancy rate is 2.2 percent, which indicates a supply constrained market. The average age-restricted vacancy rate is 3.2 percent, which is considered low. Ashton Walk Senior Apartments, a senior LIHTC property, maintains a waiting list for one-bedroom units. The property managers reported strong demand for affordable senior housing in the area. The Subject's units will help to fill the senior housing void in the market.

13. Affect of Subject on Other Affordable Units in Market

The Subject's units will be age-restricted to households age 55 and older. We are aware of two senior LIHTC properties in the PMA and according to the Georgia Department of Community Affairs, there are no LIHTC properties allocated within the PMA. Given the the low vacancy rates at the LIHTC properties coupled with the lack of new supply in the market since 2006, we do not believe that it will negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demand calculations and analysis, we believe there is adequate demand for the proposed Subject. The two senior LIHTC properties in the PMA are located 3.8 and 6.6 miles from the Subject site and are currently performing well. The average LIHTC vacancy rate is 2.2 percent, which indicates a supply constrained market. Additionally, the unrestricted market rate vacancy rate is 1.2 percent. The senior population (ages 55 and older) is projected to increase by 3.2 percent annually from 2014 to projected market entry in 2017 while the number of senior households is projected to increase by 3.6 percent annually over the same period. The Subject will be slightly superior to superior to the comparable LIHTC properties upon completion. The Subject will exhibit excellent condition and will offer a competitive amenity package. The Subject offers a good location in Jonesboro, which is similar to the majority of the comparable properties. The Subject's unit sizes are within the range of the comparable properties and are similar to the senior LIHTC properties. The Subject's proposed rents are below the comparable senior LIHTC properties.

A significant proportion of the Subject's units will be two-bedroom units. Ashton Walk Senior Apartments, which offers a similar proportion of two-bedroom units, is currently exhibiting an elevated vacancy rate in two-bedroom units. However, three of the seven vacant units are preleased. The Subject is considered slightly superior to Ashton Walk Senior Apartments, which was built in 2006 and exhibits good condition. The Subject's proposed rents are below this comparable property, which is considered reasonable given the slightly elevated vacancy rate. Valley Hill Senior Apartments is currently exhibiting a vacancy rate of zero percent. While the capture rate for two-bedroom units is elevated relative to the one-bedroom capture rates, we believe there is demand for two-bedroom units at the Subject's proposed rent level, which is below the comparable senior LIHTC properties.

Given the low vacancy rate, we believe the Subject's proposed LIHTC rents are achievable in the market. Overall, given the low capture rates, strong senior population growth rate in the PMA, and performance of the comparable LIHTC properties, we believe the Subject is feasible as proposed. Additionally, we do not believe the construction of the Subject will impact the comparable affordable properties.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

None of the comparable properties were constructed recently. Additionally, we are unaware of any LIHTC properties built in the PMA since 2006. Therefore, we have extended our search for absorption data to neighboring Fulton, DeKalb, and Henry County. The properties are located within a 20 mile radius of the Subject site. We have excluded the areas close to Atlanta due to its dissimilar location with the Subject site. The following table illustrates six age-restricted LIHTC properties that were built since 2010 and were able to provide absorption information.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Betmar Village Apartments	LIHTC	Senior	2014	47	47
Hampton Court	LIHTC	Senior	2014	60	20
Baptist Gardens	LIHTC	Senior	2013	100	15
Gateway At East Point	LIHTC	Senior	2012	100	25
Heritage At McDonough	LIHTC	Senior	2011	105	18
Woodbridge At Parkway Village	LIHTC	Senior	2010	150	34

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The properties experienced absorption rates ranging from 15 to 47 units per month. Hampton Court is located 11.5 miles south of the Subject site. The Subject will offer a similar number of units in comparison to Hampton Court. Hampton Court experienced an absorption rate of 20 units per month during 2014 and was fully occupied within three months. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately three months for the Subject to reach 93 percent occupancy.

J. INTERVIEWS

Jonesboro Housing Authority

We were unable to contact the Jonesboro Housing Authority. The Jonesboro Housing Authority does not maintain a webpage and we were unable to find any information online about the availability of Housing Choice Vouchers or the current payment standards.

Planning

We spoke with KC Krzic, Zoning Administrator with the Clayton County Planning and Zoning Division. According to Ms. Krzic, there are no multifamily projects proposed within the PMA. Based on our online research, there are no new market rate multifamily projects under construction within the PMA.

Clayton County Chamber of Commerce

We attempted to contact the Clayton County Chamber of Commerce. However, our calls were not returned.

According to a Curbed article dated February 2015, the Metropolitan Atlanta Rapid Transit Authority (MARTA) has recently announced its plans to expand into Clayton County. Three buses began service in March, and seven more routes will be phased in by December. Through 2022, MARTA plans to connect Jonesboro to Atlanta via “high-capacity transit.” MARTA recently held a job fair in Jonesboro, which was heavily attended.

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

K. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- The senior population, age 55 and older, in the PMA experienced a significantly larger percentage increase from 2000 to 2010. The senior population in the PMA is expected to continue to increase through 2019, albeit at a slightly slower rate. The senior population in the PMA increased faster than the senior population in the MSA and nation from 2010 to 2015. Through 2019, the senior population in the MSA is expected to increase slightly faster than the PMA and nation. The total number of senior households in the PMA increased significantly from 2000 to 2010. From 2010 to 2015, the rate of senior household growth slowed; however, the growth rate from 2015 to 2019 is expected to increase. The senior household growth in the PMA was higher than the senior household growth in the nation since 2010.

Senior households earning under \$30,000 in the PMA comprise 63.8 percent of all income cohorts. The Subject will target households earning between \$17,040 and \$32,760, therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in Clayton County has declined in 2010, 2013, and 2014. In 2015, the AMI increased 6.1 percent, but remains below the 2012 AMI level.

Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target demographic. We believe the expected senior population and household growth in the PMA bodes well for the Subject's proposed units.

- Transportation/warehousing, health care/social assistance, and retail trade are the largest industries within the PMA. Combined they represent approximately 35.5 percent of total employment within the PMA. The health care industry has historically been stable and growing in the past decade. The area has a significant concentration in transportation/warehousing. The Hartsfield-Jackson Atlanta International Airport is located in Clayton County and is approximately 9.1 miles north of the Subject site. The airport is the busiest passenger airport in the world and is a major economic driver in the region. The area is reliant on the transportation/warehousing industry.

Clayton County is located south of the city of Atlanta. According to the February 2015 *Reis* report on Atlanta has been a major growth area for the state of Georgia. There has been strong economic growth, which has led to increased residential development. Total employment in the Atlanta metro area is 1.4 percent above the 2007 peak total employment. According to *Reis*, Atlanta has a concentration of employment in professional and business services, retail trade and consumer services, and government.

According to the *KaiserPermanente.org*, the company opened the Kaiser Permanente Southwood Comprehensive Medical Center in Jonesboro, GA. The company invested \$45 million to renovate and expand its facility, which is located 3.9 miles east of the Subject site. The facility nearly doubled in size as a result of the expansion.

As of December 2014, total employment in the MSA remains approximately two percent below the peak total employment of 2007. In comparison, total employment in the nation

is 0.8 percent above the 2007 pre-recession peak total employment. From December 2013 to December 2014, total employment in the nation outpaced the total employment growth in the MSA. In terms of unemployment rates, the unemployment rate in the MSA has remained elevated since the national recession in comparison to the unemployment rate in the nation. Currently, the unemployment rate in the MSA is one percentage point above the unemployment rate in the nation. Overall, the local economy appears to be healthy.

- The Subject’s capture rates at the 50 percent AMI level will range from 2.7 to 6.1 percent, with an overall 50 percent capture rate of 4.0 percent. The Subject’s capture rates at the 60 percent AMI level will range from 3.6 to 11.5 percent, with an overall 60 percent capture rate of 6.7 percent. The overall capture rates range from 4.9 to 14.1 percent, with an overall capture rate of 8.6 percent. Therefore, we believe there is adequate demand for the Subject. The following table illustrates the capture rate conclusions.
- None of the comparable properties were constructed recently. Additionally, we are unaware of any LIHTC properties built in the PMA since 2006. Therefore, we have extended our search for absorption data to neighboring Fulton, DeKalb, and Henry County. The properties are located within a 20 mile radius of the Subject site. We have excluded the areas close to Atlanta due to its dissimilar location with the Subject site. The following table illustrates six age-restricted LIHTC properties that were built since 2010 and were able to provide absorption information.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
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Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The properties experienced absorption rates ranging from 15 to 47 units per month. Hampton Court is located 11.5 miles south of the Subject site. The Subject will offer a similar number of units in comparison to Hampton Court. Hampton Court experienced an absorption rate of 20 units per month during 2014 and was fully occupied within three months. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately three months for the Subject to reach 93 percent occupancy.

- The overall average vacancy rate is 1.6 percent, which is considered low. Four of the comparable properties are exhibiting vacancy rates of zero percent. Ashton Walk Senior Apartments and Pointe Clear Apartments are exhibiting the highest vacancy rates among the affordable properties. It should be noted that Pointe Clear Apartments offers 230 total units; however, 46 units are offline due to renovations. The property has a total of six units that are vacant. Historically, the property has maintained a low vacancy rate. Ashton Walk Senior Apartments has seven vacant two-bedroom units at this time. However,

there are three applications pending for two-bedroom units and the effective preleased rate is 2.7 percent. The property manager indicated strong demand for one-bedroom senior affordable housing in the area. The average LIHTC vacancy rate is 2.2 percent, which indicates a supply constrained market and demand for affordable housing. Valley Hill Senior Apartments is an age-restricted property, which targets a similar tenancy in comparison to the proposed Subject. The property has maintained a low vacancy rate since 2014, but does not maintain a waiting list. The existing LIHTC supply is performing well with low vacancy rates. Further, the Subject will be on the low end of the range in terms of total number of units at the LIHTC properties. We believe that the Subject should maintain a vacancy rate of five percent, or less, once stabilized.

- Based upon our market research, demand calculations and analysis, we believe there is adequate demand for the proposed Subject. The two senior LIHTC properties in the PMA are located 3.8 and 6.6 miles from the Subject site and are currently performing well. The average LIHTC vacancy rate is 2.2 percent, which indicates a supply constrained market. Additionally, the unrestricted market rate vacancy rate is 1.2 percent. The senior population (ages 55 and older) is projected to increase by 3.2 percent annually from 2014 to projected market entry in 2017 while the number of senior households is projected to increase by 3.6 percent annually over the same period. The Subject will be slightly superior to the comparable LIHTC properties upon completion. The Subject will exhibit excellent condition and will offer a competitive amenity package. The Subject offers a good location in Jonesboro, which is similar to the majority of the comparable properties. The Subject's unit sizes are within the range of the comparable properties and are similar to the senior LIHTC properties. The Subject's proposed rents are below the comparable senior LIHTC properties.

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Recommendations

- We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP
5-6-2015
Date



Edward R. Mitchell
Senior Real Estate Analyst
Novogradac & Company LLP
5-6-2015
Date



Daniel W. Mabry
Analyst
Novogradac & Company LLP
5-6-2015
Date

M. MARKET STUDY REPRESENTATION

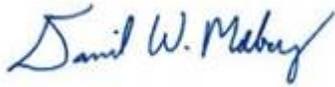
Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP
5-6-2015
Date



Edward R. Mitchell
Senior Real Estate Analyst
Novogradac & Company LLP
5-6-2015
Date



Daniel W. Mabry
Analyst
Novogradac & Company LLP
5-6-2015
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)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
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
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

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. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

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

H. Blair Kincer

Qualifications

Page 3

are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL

I. Education

Master of Science – Financial Planning
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
University of Alabama, Tuscaloosa, Alabama

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

II. Work History

Manager - Valuation; Novogradac & Company LLP; Atlanta, Georgia
Senior Real Estate Analyst; Novogradac & Company LLP; Atlanta, Georgia
Senior Appraiser; Valbridge Property Advisors; Atlanta, Georgia
Managing Partner; Consolidated Equity, Inc.; Atlanta, Georgia and Jacksonville, Florida
Senior Appraiser; Schultz, Carr, Bissette & Associates; Atlanta, Georgia
Disposition Manager; Resolution Trust Corporation (RTC); San Antonio & Dallas, Texas

III. Relevant Experience

- Managed and prepared market studies and appraisals throughout the U.S. for proposed family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties.
- Managed and prepared HUD rent comparability studies (RCS).
- Performed HUD MAP Quality Control market study and appraisal reviews.
- 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 projects, and recycling plants.

IV. Licensure

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
DANIEL W. MABRY**

I. Education

Marist College – Poughkeepsie, NY
Bachelor of Arts, Economics
Bachelor of Science, Business Administration

II. Professional Experience

Novogradac & Company LLP – July 2013 - Present
Real Estate Analyst

III. Real Estate Assignments

A representative sample of work on various types of projects:

- Prepared market studies for proposed new construction and existing Low Income Housing Tax Credit, Section 8, and market rate developments for use by real estate developers, governmental entities, and financial institutions. Property types included special needs and age restricted developments. Studies included property screenings, market and demographic analysis, comparable rent surveys, and supply and demand analysis.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, and market rate multifamily developments. Analysis includes property screenings, expense comparability analysis, demographic and economic analysis.
- Performed all aspects of data collection and data mining for use in market studies, feasibility studies, and appraisals.