



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

**Peyton Ridge
NEC of Smyrna Church Road and Leonard Bridge Road
Chatsworth, Murray County, Georgia**

**Effective Date: May 26, 2015
Report Date: June 10, 2015**

Prepared For

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June 10, 2015

Mr. Michael Sherard
Southport Financial Services
C/O SP Chatsworth LLC
2430 Estancia Blvd., Suite 101
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Re: Market Study for Peyton Ridge located in Chatsworth, Georgia

Dear Mr. Sherard:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Chatsworth, 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 multifamily development, Peyton Ridge, consisting of 77 revenue generating units. Units will be restricted to households 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.

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.

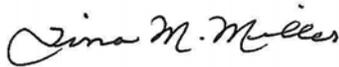
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ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

The Subject, Peyton Ridge, will be located on the northeast corner of Smyrna Church Road and Leonard Bridge Road, in Chatsworth, Murray County, Georgia. The proposed development will target families earning 50 and 60 percent of AMI or below. The Subject will offer 77 one, two and three-bedroom, garden-style, walkup, apartment units.

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

PROPOSED RENTS

Unit Type	Number of Units	Unit Size (SF)	Asking Rent	Utility Allowance (1)	Gross Rent	2014 LIHTC	2014 HUD
						Maximum Allowable Gross Rent (2)	Fair Market Rents
<i>50% AMI</i>							
1BR/1BA	5	700	\$340	\$91	\$431	\$431	\$457
2BR/2BA	6	1,000	\$400	\$117	\$517	\$517	\$616
3BR/2BA	5	1,175	\$449	\$144	\$593	\$596	\$776
<i>60% AMI</i>							
2BR/2BA	30	1,000	\$446	\$117	\$563	\$621	\$616
3BR/2BA	31	1,175	\$494	\$144	\$638	\$716	\$776
Total	77						

Notes (1) Utility estimates provided by the Developer.

Notes (2) Per the Georgia DCA 2015 guidelines, the market study analyst must use the maximum rent and income limits from the same year as the utility allowance. The Georgia DCA utility allowance is effective as of 7/1/2014; therefore, we have utilized the 2014 maximum income and rent limits.

The Subject will offer the following amenities: blinds, carpeting, central air-conditioning, coat closet, dishwasher, ceiling fan, garbage disposal, microwaves, oven, refrigerator, walk-in closet and washer/dryer hook-ups, as well as common area amenities including, a business center/computer lab, clubhouse/meeting room/community room, courtyard, exercise facility, central laundry, off-street parking, on-site management, picnic area, playground, and recreation areas.

2. Site Description/Evaluation:

The Subject site is located east of Smyrna Church Road and north of Leonard Bridge Road. Immediate uses surrounding the site consist of vacant land, single-family homes, and retail in average condition. Smaller commercial developments and retail shopping centers are located northwest along Highway 411. Retail appeared to be 80 percent occupied. The area south of the Subject, along Leonard Bridge Road and Smyrna Church Road is

undeveloped land. Southwest of the Subject site, there are single-family homes. According to trulia.com, these homes are overall in average condition with a median sales price of \$76,000. Overall, the Subject site is considered a desirable building site for rental housing. The uses surrounding the Subject are in average condition and the site has good proximity to retail and other commercial uses.

3. Market Area Definition:

The PMA is defined by the Chattahoochee National Forest to the west, north, and east. The southern boundary of the PMA is the southern border of both Whitfield and Murray County. 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 this area. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. Due to the Subject's rural location, we believe that the PMA is reasonable. The furthest PMA boundary from the Subject is approximately 14.1 miles.

4. Community Demographic Data:

The general population in the PMA experienced a significant population increase from 2000 through 2010 due to the rapid outward expansion of the Atlanta suburbs, and the building boom of the early 2000s which resulted in significant increases in textile jobs. From 2010 through 2015, population in the PMA increased slightly, and is projected to continue to increase slightly into 2019. The projected growth will be similar to the MSA and below the nation. The total number of households in the PMA increased from 2000 to 2010. From 2010 through 2015, households in the PMA continued to increase, but at a slower rate. Household growth in the PMA is projected to increase slightly, at a similar rate to the MSA and below the nation. Renter households earning below \$30,000 in the PMA comprise 61.7 percent of all income cohorts. Overall, the demographic data illustrates a growing population with household incomes in line with the Subject's targeted income levels. We believe the expected population and household growth in the PMA bodes well for the Subject's proposed units.

5. Economic Data:

Manufacturing, retail trade and health care/social assistance are the largest industries within the PMA. Combined, they represent approximately 53 percent of total employment

within the PMA. It should be noted that the percentage of persons employed in the manufacturing sector in the PMA is more than three times greater than the national average. While the health care/social assistance sector has historically been stable, the manufacturing and retail trade sectors are more susceptible to economic downturns. From 2005 to 2006, total employment in the MSA increased at a faster rate than total employment in the nation. From 2007 through 2009, total employment decreased in the MSA due to the national recession. The area was heavily impacted by a declining manufacturing sector, which is the largest industry in the PMA. According to ESRI data, manufacturing decreased at a rate of 2.4 percent annually between 2000 and 2015, with a total of 6,030 manufacturing job losses over the 15 year period. The MSA experienced a significant increase in total employment in 2010 while the nation experienced a decline during the same time frame. From 2011 through 2013, total employment in the MSA decreased while the nation experienced increases in total employment during this time period. However, in 2014, year-to-date 2015 and year-over-year, total employment in the MSA increased at a faster rate than the nation. The unemployment rate in the MSA was equal to or below the nation from 2005 through 2007. During the national recession, the unemployment rate in the MSA increased substantially, and was well above the nation. Since 2012, the unemployment rate in the MSA has steadily declined, at a faster rate than the nation. Overall, the local economy appears weaker than the national economy. Total employment in the MSA is 12.8 percent below peak total employment in 2006, while total employment in the nation is 1.1 percent above the pre-recession peak total employment.

6. Project-Specific Affordability And Demand Analysis:

Our demand analysis indicates that there are 799 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% AMI	\$14,777 to \$18,400	5	154	0	154	3.2%
2BR/2BA @ 50% AMI	\$17,726 to \$20,700	6	209	0	209	2.9%
3BR/2BA @ 50% AMI	\$20,331 to \$24,800	5	195	0	195	2.6%
Overall 50% AMI	\$14,777 to \$24,800	13	558	0	558	2.9%
2BR/2BA @ 60% AMI	\$19,303 to \$24,840	30	194	0	194	15.5%
3BR/2BA @ 60% AMI	\$21,874 to \$29,760	31	181	0	181	17.1%
Overall 60% AMI	\$19,303 to \$29,760	64	375	0	375	16.3%
Overall 1BR Units	\$14,777 to \$18,400	5	221	0	221	2.3%
Overall 2BR Units	\$17,726 to \$24,840	36	299	0	299	12.0%
Overall 3BR Units	\$20,331 to \$29,760	36	279	0	279	12.9%
Total Overall Units	\$14,777 to \$29,760	77	799	0	799	9.6%

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 is considered adequate. There are three multi-family LIHTC properties located within the PMA that target the family tenancy. Linwood Place is a LIHTC property located in Chatsworth, located only 2.5 miles from the Subject; however, Linwood Place is restricted to seniors and therefore, has been excluded in our analysis. We have included five market rate properties located between 14.7 and 23.2 miles from the Subject, as well as three mixed-income properties with market rate units located between 16.2 and 24.0 miles from the Subject. We consider the availability of market data to be good.

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

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%	\$340	\$345	\$725	\$538	37%
2 BR @ 50%	\$400	\$390	\$828	\$632	37%
3 BR @ 50%	\$449	\$430	\$938	\$679	34%
2 BR @ 60%	\$446	\$425	\$828	\$672	34%
3 BR @ 60%	\$494	\$699	\$938	\$777	36%

As illustrated the Subject’s proposed rents at 50 and 60 percent of the AMI are well below the surveyed average when compared to the comparables, both LIHTC and market rate. Furthermore, the Subject’s proposed one-bedroom rent at 50 percent and its three-bedroom rent at 60 percent, are below the minimum market rent.

The Subject will be most similar to Dawnville Ridge which offers units at 50 and 60 percent AMI, as well as unrestricted units. Dawnville Ridge is currently 99 percent occupied and maintains a waiting list for its 50 percent units.

The Subject will also be similar to Park Canyon Apartments, a market rate property. This property will offer similar in-unit and common area amenities as the Subject. The rents at Park Canyon Apartments are more than 60 percent higher than the Subject’s proposed rents.

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.

8. Absorption/Stabilization Estimate:

Absorption data was not available for the comparables. Furthermore, we searched the nearby counties but were unable to find any developments that could provide their absorption information. Therefore, we will base our estimate of absorption on population and household trends in the region. Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Through the market entry, the total population in the PMA is projected to increase by 1,650 individuals. Additionally, the number of households is projected to increase 355 households over the same period of analysis. As detailed in the demand analysis contained within this report, a significant portion of the families in the PMA will be income-eligible to reside at the Subject. As a result, we believe that the Subject could lease

a total of seven units per month, or an absorption period of approximately 11 months until stabilization.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are performing well, with a weighted vacancy rate of 1.4 percent. Additionally, a majority of the comparable LIHTC properties maintain waiting lists. Fieldstone Apartments, a LIHTC and HOME funded property, reported the highest vacancy rate, at 5.4 percent. However, the property is a small development and reported just three vacant units. The manager reported that the property is currently maintaining a waiting list of 1.5 years and the vacant units will be filled from the waiting list. It should be noted that the manager at Fieldstone noted that the development has a high turnover rate and typically operates with higher vacancies; however, it appears to be property specific as the remaining comparables reported low vacancy rates. Dawnville Meadows is the most similar LIHTC property and is 99 percent occupied with a waiting list for its 50 percent units. The Subject offers a generally similar in-unit amenities package. The Subject will, however, offer a slightly superior common area amenities package, as the Subject includes a business center/computer lab, courtyard, exercise facility, picnic area, and recreation areas, as the majority of the comparables do not offer these common area amenities. Additionally, the Subject's security features are slightly superior to the comparables. Overall, the Subject will be similar to slightly superior to the comparables in terms of amenities. As new construction, the Subject will be in excellent condition upon completion and will be considered superior in terms of condition to all of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly superior to superior to the comparable properties. Due to the low vacancy rates at the comparables, the waiting lists present in the market, and the reported demand for additional affordable housing in the Subject's market area, we believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

Summary Table:

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

Development Name:	Peyton Ridge	Total # Units:	77
Location:	NEC of Smyrna Church Rd & Leonard Bridge Rd Chatsworth, Murray County, GA	# LIHTC Units:	77
PMA Boundary:	The area bounded by the Chattahoochee National Forest to the west, north, and east, and the Whitfield and Murray County borders to the south.		
	Farthest Boundary Distance to Subject:		14.1

Rental Housing Stock (found on page 41)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	22	1,728	35	98%
Market-Rate Housing	10	999	20	98%
Assisted/Subsidized Housing not to include LIHTC	9	423	4	99%
LIHTC	3	306	4	99%
Stabilized Comps	22	1,728	35	98%
Properties in Construction & Lease Up	N/Ap	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
5	1BR at 50% AMI	1	700	\$340	\$538	\$0.75	38%	\$725	\$1.30
6	2BR at 50% AMI	2	1,000	\$400	\$632	\$0.60	38%	\$828	\$0.98
5	3BR at 50% AMI	2	1,175	\$449	\$679	\$0.50	34%	\$938	\$0.83
30	2BR at 60% AMI	2	1,000	\$446	\$672	\$0.63	33%	\$828	\$0.98
31	3BR at 60% AMI	2	1,175	\$494	\$777	\$0.58	36%	\$938	\$0.83

Demographic Data (found on page 28)

	2010		2015		Jan-17	
Renter Households	11,411	37.30%	12,292	39.80%	12,363	39.90%
Income-Qualified Renter HHs (LIHTC)	3,448	30.22%	4,085	33.23%	4,130	33.40%

Targeted Income-Qualified Renter Household Demand (found on pages 42-49)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	16	15	N/Ap	N/Ap	24
Existing Households (Overburdened + Substandard)	N/Ap	593	552	N/Ap	N/Ap	851
Homeowner conversion (Seniors)	N/Ap	0	0	N/Ap	N/Ap	0
Total Primary Market Demand	N/Ap	609	567	N/Ap	N/Ap	875
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
Adjusted Income-qualified Renter HHs**	N/Ap	609	567	N/Ap	N/Ap	875

Capture Rates (found on page 42-49)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	2.90%	16.30%	N/Ap	N/Ap	9.60%

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- Project Address and Development Location:** The Subject site is located on the northeast corner of Smyrna Church Road and Leonard Bridge Road, Chatsworth, Murray County, Georgia 30705. The site is currently vacant land.
- Construction Type:** The Subject will consist of garden-style, walkup residential buildings and a clubhouse.
- Occupancy Type:** Family households.
- 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:** All of the units are expected to operate with income restrictions at 50 and 60 percent of AMI. There is not expected to be any rental assistance at the property.
- Proposed Development Amenities:** See following property profile.

Peyton Ridge

Location NEC Of Smyrna Church Road And Leonard Bridge Road Chatsworth, GA 30705 Murray County County

Distance n/a

Units 77

Type Garden (2 stories)

Year Built / Renovated 2017

Tenant Characteristics Family households



Utilities

A/C	not included -- central	Other Electric	not included
Cooking	not included -- electric	Water	included
Water Heat	not included -- electric	Sewer	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	Garden (2 stories)	5	700	\$340	\$0	@50%	n/a	N/A	N/A	yes
2	2	Garden (2 stories)	6	1,000	\$400	\$0	@50%	n/a	N/A	N/A	yes
2	2	Garden (2 stories)	30	1,000	\$446	\$0	@60%	n/a	N/A	N/A	no
3	2	Garden (2 stories)	5	1,175	\$449	\$0	@50%	n/a	N/A	N/A	no
3	2	Garden (2 stories)	31	1,175	\$494	\$0	@60%	n/a	N/A	N/A	no

Amenities

In-Unit	Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Hand Rails Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Limited Access Perimeter Fencing Video Surveillance
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Courtyard Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Recreation Areas	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 garden-style 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:

Kristen Kolaski visited the site on May 26, 2015.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

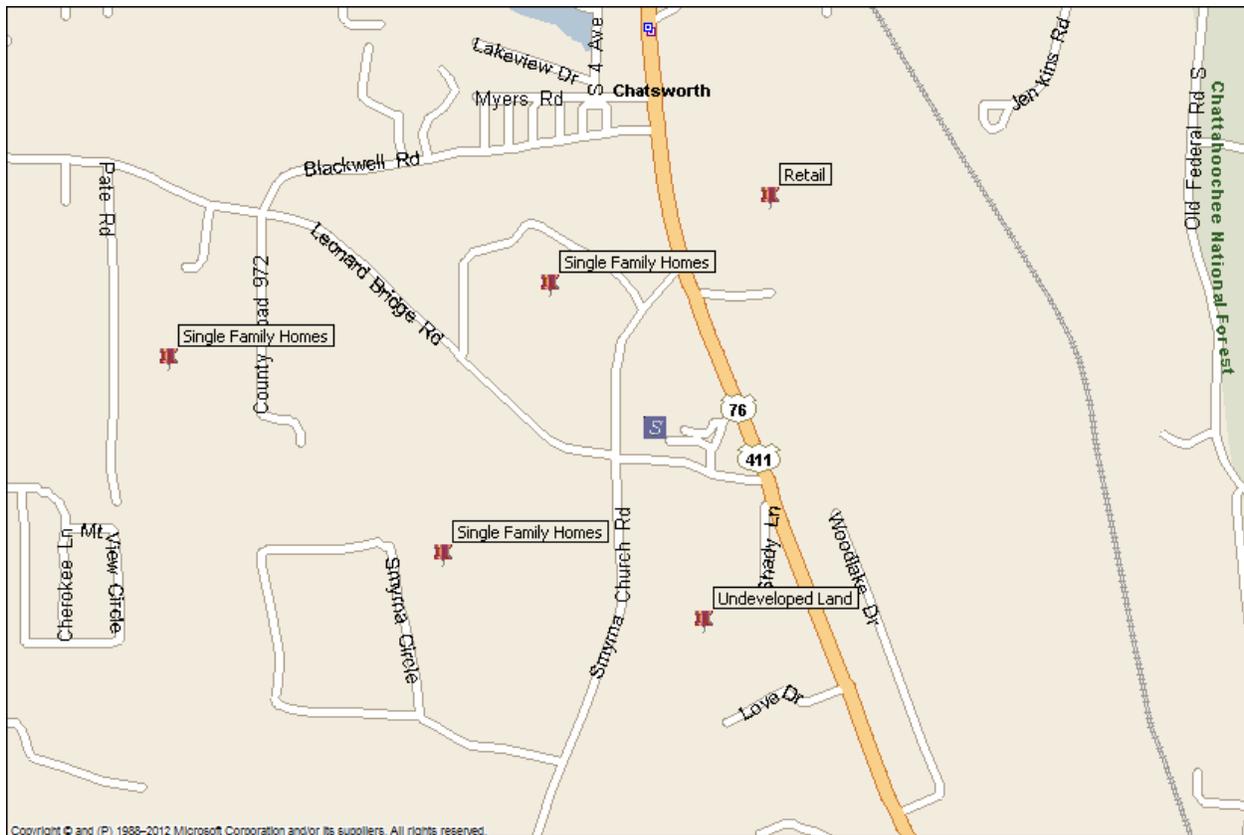
The Subject site has frontage along the east side of Smyrna Church Road and the north side of Leonard Bridge Road.

Visibility/Views:

The Subject will be located on the eastern side of Smyrna Church Road and the northern side of Leonard Bridge Road. Visibility and views from the site will be average.

Surrounding Uses:

The following map illustrates the surrounding land uses.



The condition of the immediate surrounding uses is average. The retail shopping centers and single-family homes have not been updated in recent years.

Positive/Negative Attributes of Site:

The Subject's proximity to retail and other locational amenities as well as its surrounding uses, which are in average condition, are considered positive attributes. The Subject site is located within three miles of all local amenities and services, and is proximate to US Highway

411 and Interstate 75, which provides convenient access to other employment centers.

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

The Subject is located within three miles of all locational amenities. Nearby amenities include Murray County High School, Murray Medical Center, Chatsworth-Murray County Library, several places of worship and a community center.

4. Pictures of Site and Adjacent Uses:



Subject site



Subject site



Subject site



Subject site



View south along Smyrna Church Road



View north along Smyrna Church Road



View east along Leonard Bridge Road



View west along Leonard Bridge Road



Neighborhood uses



Neighborhood uses



Neighborhood uses



Neighborhood uses



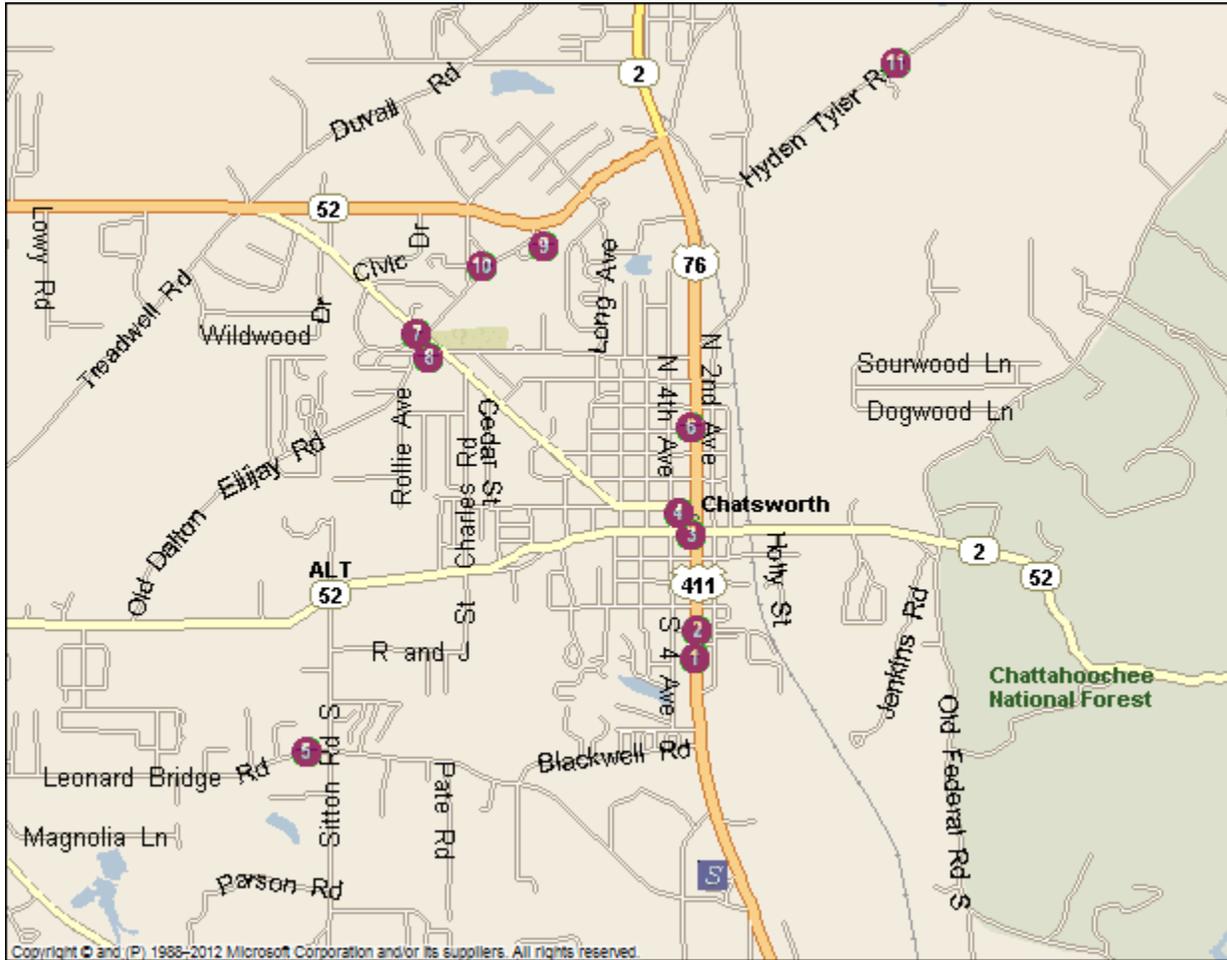
Typical single-family



Typical single-family

5. Proximity to Locational Amenities:

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



Locational Amenities

Map #	Amenity	Distance from Subject
1	MAPCO Gas Station	0.8 miles
2	Save-A-Lot	0.9 miles
3	Wells Fargo	1.2 miles
4	Post Office-Chatsworth	1.3 miles
5	Coker Elementary School	1.5 miles
6	Corner Drugs	1.6 miles
7	Murray County High School	2.2 miles
8	Chatsworth-Murray County Library	2.2 miles
9	Gladden Middle School	2.3 miles
10	Murray Medical Center	2.4 miles
11	Murray County Community Center	3.0 miles

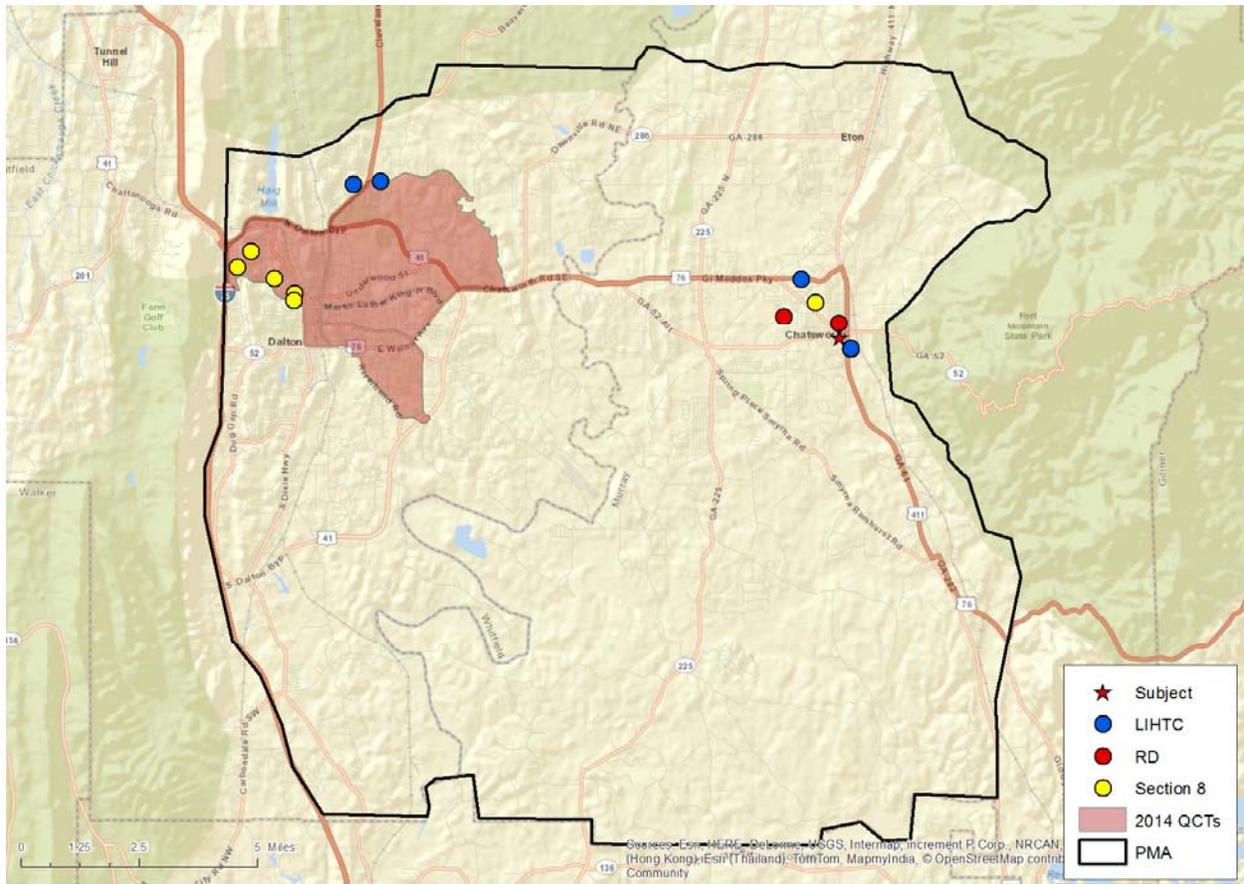
6. Description of Land Uses:

The Subject site is located east of Smyrna Church Road and north of Leonard Bridge Road. Immediate uses surrounding the site consist of vacant land, single family homes, and retail in average condition. Smaller commercial developments and retail shopping centers are located northwest along Highway 411. Retail appeared to be 80 percent occupied. The area south of the Subject, along Leonard Bridge Road and Smyrna Church Road is undeveloped land. Southwest of the Subject site, there are single-family homes. According to trulia.com, these homes are overall in average condition with a median sales price of \$76,000. The Subject site is considered “car dependent” by WalkScore with a rating of 22. The uses surrounding the Subject are in average condition. Despite its low WalkScore, there are retail/commercial uses located along US Highway 411 and local amenities are within three 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	Mileage from Subject	Type	Map	Included/ Excluded	Reason for Exclusion
Cohutta Shadows	506 S 2nd Ave	Chatsworth	GA	0.9 miles	Rural Development		Excluded	Subsidized
Cohutta View Apts	1337 Old Dalton-Ellijay Road	Chatsworth	GA	2.1 miles	Rural Development		Excluded	Subsidized
Kinnamon Part LLP	300 N 5th ave	Chatsworth	GA	1.4 miles	Rural Development		Excluded	Subsidized
Oran Housing Inc	735 W Chestnut St	Chatsworth	GA	2.0 miles	Section 8 (Disabled)		Excluded	Subsidized
Mountain Woods	1016 Ponderosa Lane	Dalton	GA	12.6 miles	Section 8		Excluded	Subsidized
The Cliffs Apartments	816 Shugart Road	Dalton	GA	13.3 miles	Section 8		Excluded	Subsidized
Courtyard Apts	506 Davis Street	Dalton	GA	12.1 miles	Section 8		Excluded	Subsidized
Whitfield Commons	519 Hawthorne St	Dalton	GA	12.0 miles	Section 8 (Senior)		Excluded	Subsidized
Whitfield Place	1320 Winton place	Dalton	GA	13.1 miles	Section 8 (Senior)		Excluded	Subsidized
Fieldstone Apartments	400 S 2nd Ave	Chatsworth	GA	0.9 miles	LIHTC/HOME		Included	N/Ap
Linwood Place	300 Civic Drive	Chatsworth	GA	2.5 miles	LIHTC (Senior)		Excluded	Senior Tenancy
Dawnville Meadows Apts	161 Dawnville Road	Dalton	GA	11.0 miles	LIHTC/Market		Included	N/Ap
Autumn Ridge Apts	850 Autumn Court	Dalton	GA	11.3 miles	LIHTC/Market		Included	N/Ap



Chatsworth, 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 property has access from Smyrna Church Road and Leonard Bridge Road from Highway 411. The site has average visibility from Highway 411, but very good visibility from Smyrna Church Road and Leonard Bridge Road.

10. Environmental Concerns:

None visible upon site inspection.

11. Conclusion:

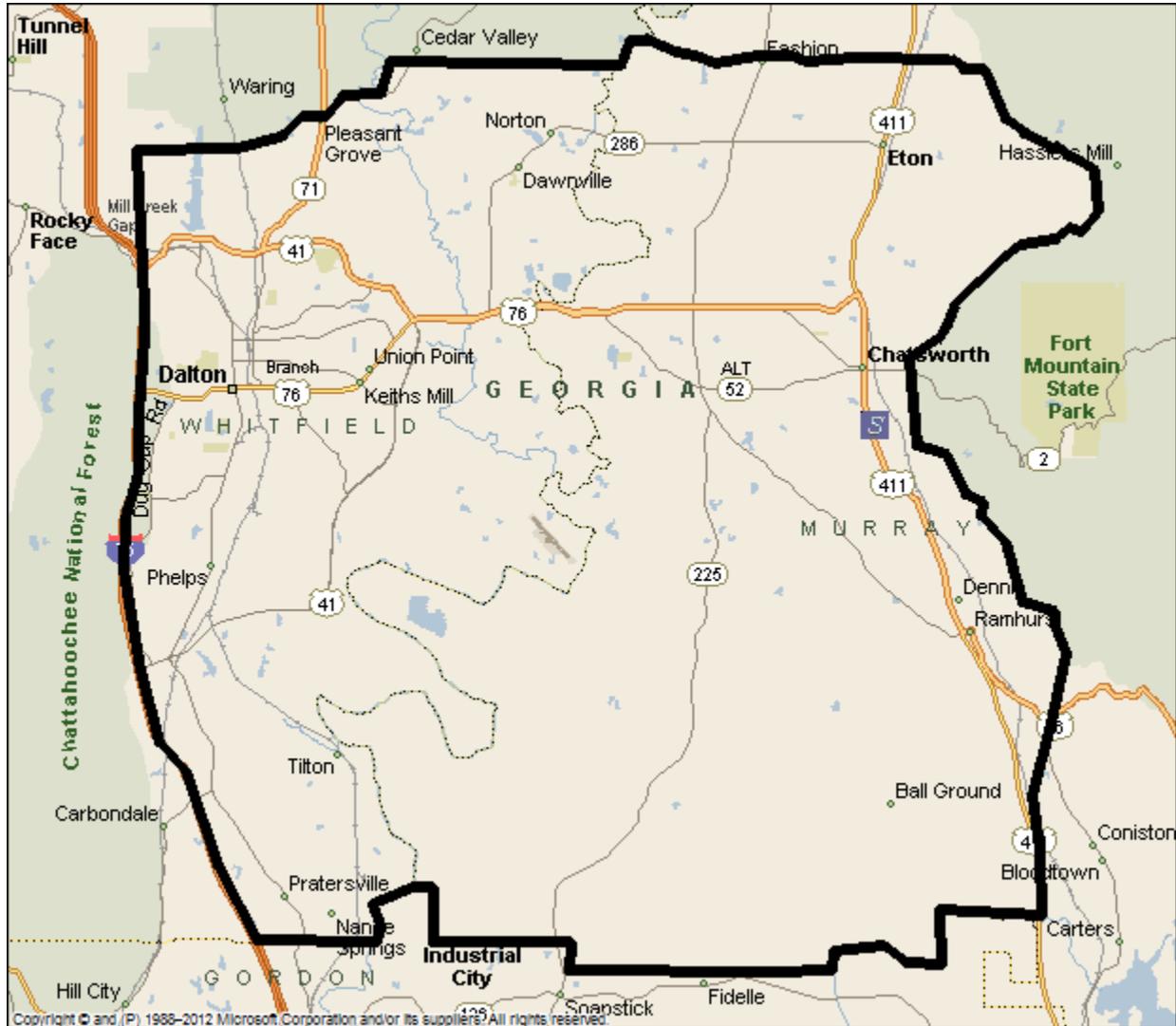
The Subject site is located on the northeast corner of Smyrna Church Road and Leonard Bridge Road. Immediate uses surrounding the site consist of vacant land, single family homes, and retail in average condition. Smaller commercial developments and retail shopping centers are located northwest along Highway 411. Retail appeared to be 80 percent occupied. The Subject site is considered “car dependent” by WalkScore with a rating of 22. The Subject site is considered a desirable building site. The Subject is located in a residential neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, which are within three miles of the Subject site.

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 Dalton, GA MSA are areas of growth or contraction.

The PMA is defined by the Chattahoochee National Forest to the west, north, and east. The southern boundary of the PMA is the southern border of both Whitfield and Murray County.

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 this area.

While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. Due to the Subject's rural location, we believe that the PMA is reasonable. The furthest PMA boundary from the Subject is approximately 14.1 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 the 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 and (b) Population by Age Group in the PMA, the MSA, and the nation from 2000 through 2019. It should be noted that the developer has listed October 2016 as the anticipated completion date for the Subject. However, for this analysis, we have assumed a January 2017 opening date as Georgia DCA guidelines stipulate that the demographic data should reflect 2015, 2017 and 2019 projections.

TOTAL POPULATION

Year	PMA		Dalton, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	77,990	-	119,836	-	281,421,906	-
2010	90,419	1.6%	142,227	1.9%	308,745,538	1.0%
2015	91,638	0.3%	144,673	0.3%	314,467,933	0.4%
Projected Mkt Entry January 2017	92,069	0.3%	145,548	0.4%	318,733,873	0.9%
2019	92,786	0.3%	147,006	0.3%	325,843,774	0.7%

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

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2015	Projected Mkt	2019
0-4	6,594	7,516	7,374	7,402	7,449
5-9	5,956	7,465	7,305	7,250	7,159
10-14	5,583	7,018	7,151	7,138	7,116
15-19	5,661	6,838	6,417	6,479	6,581
20-24	5,865	6,101	6,406	6,178	5,798
25-29	6,361	6,095	6,464	6,509	6,583
30-34	6,317	6,080	6,135	6,194	6,293
35-39	6,108	6,284	5,928	6,042	6,232
40-44	5,432	6,469	6,222	6,043	5,745
45-49	4,894	6,186	6,065	5,947	5,751
50-54	4,602	5,520	5,788	5,718	5,601
55-59	3,680	4,627	5,131	5,215	5,354
60-64	2,944	4,211	4,341	4,499	4,762
65-69	2,450	3,333	3,760	3,839	3,970
70-74	2,091	2,423	2,756	2,980	3,354
75-79	1,530	1,898	1,898	2,059	2,328
80-84	995	1,303	1,332	1,362	1,411
85+	926	1,052	1,165	1,216	1,302
Total	77,989	90,419	91,638	92,070	92,789

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

The general population in the PMA experienced a significant population increase from 2000 through 2010. Growth during this period is attributable to the rapid outward expansion of the Atlanta suburbs, particularly along the Interstate 75 corridor between Atlanta and Chattanooga. In addition, the building boom of the early 2000s resulted in significant increases in textile jobs in the Subject’s area. From 2010 through 2015, population in the PMA increased slightly, and is projected to continue to increase slightly into 2019. The projected growth will be similar to the MSA and below the nation. The largest age cohorts in the PMA as of 2015 are the zero to 14 age cohorts, which indicates the presence of families. We believe the growth in population in the PMA is a positive indication of demand for the Subject’s proposed units.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Dalton, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	27,397	-	42,714	-	105,991,193	-
2010	30,605	1.2%	49,260	1.5%	116,716,292	1.0%
2015	30,861	0.2%	49,888	0.2%	118,979,182	0.4%
Projected Mkt Entry January 2017	30,960	0.2%	50,119	0.3%	120,661,324	0.9%
2019	31,126	0.2%	50,505	0.2%	123,464,895	0.8%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Dalton, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.81	-	2.78	-	2.58	-
2010	2.92	0.4%	2.86	0.3%	2.58	0.0%
2015	2.93	0.1%	2.87	0.1%	2.58	0.0%
Projected Mkt Entry January 2017	2.94	0.1%	2.88	0.1%	2.58	0.0%
2019	2.94	0.1%	2.89	0.1%	2.57	0.0%

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

The total number of households in the PMA increased 1.2 percent from 2000 to 2010. From 2010 through 2015, households in the PMA increased slightly, similar to the MSA during this time frame, and slightly below the nation. From 2015 through 2019, households in the PMA are projected to continue to increase slightly, at a similar rate to the MSA and below the nation. Average household size in the PMA is 2.93 persons as of 2015. Average household size is expected to increase slightly into 2019, to 2.94 persons. The Subject will offer one, two and three-bedroom units targeting family households. The average household size in the PMA bodes well for the Subject’s proposed units.

2b. Households by Tenure

The table below depicts tenure patterns for the PMA and the MSA from 2000 through 2019.

TENURE PATTERNS - TOTAL POPULATION

Year	PMA				Dalton, GA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	17,647	64.4%	9,750	35.6%	29,591	69.3%	13,123	30.7%
2010	19,194	62.7%	11,411	37.3%	33,062	67.1%	16,198	32.9%
2015	18,569	60.2%	12,292	39.8%	32,273	64.7%	17,615	35.3%
Projected Mkt Entry January 2017	18,598	60.1%	12,363	39.9%	32,385	64.6%	17,735	35.4%
2019	18,646	59.9%	12,480	40.1%	32,571	64.5%	17,934	35.5%

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

Owner-occupied housing units dominate the PMA and are slightly more dominant in the MSA. However, the percent of renter-occupied housing in the PMA is higher than the national average of approximately 36.4 percent. The percentage of renter-occupied units is expected to increase slightly through 2019.

2c. Households by Income

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2015		Projected Mkt Entry January 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,827	14.9%	1,902	15.4%	2,026	16.2%
\$10,000-19,999	3,159	25.7%	3,204	25.9%	3,280	26.3%
\$20,000-29,999	2,494	20.3%	2,516	20.4%	2,553	20.5%
\$30,000-39,999	1,664	13.5%	1,658	13.4%	1,650	13.2%
\$40,000-49,999	966	7.9%	961	7.8%	952	7.6%
\$50,000-59,999	729	5.9%	711	5.7%	680	5.4%
\$60,000-74,999	623	5.1%	608	4.9%	583	4.7%
\$75,000-99,999	431	3.5%	417	3.4%	394	3.2%
\$100,000-124,999	169	1.4%	160	1.3%	147	1.2%
\$125,000-149,999	83	0.7%	83	0.7%	81	0.7%
\$150,000-199,999	70	0.6%	68	0.6%	65	0.5%
\$200,000+	77	0.6%	74	0.6%	68	0.5%
Total	12,292	100.0%	12,363	100.0%	12,480	100.0%

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

Renter households earning below \$30,000 in the PMA comprise 61.7 percent of all income cohorts. To reside at the Subjects, tenants must earn between \$14,777 and \$29,760. Therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in Murray County declined in 2011 and 2014. The decline of 8.5 percent in 2014 is due to the AMI being based on historical ACS survey data, which currently includes the years during the national recession.

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

	2010		2015		Projected Mkt Entry January 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	3,060	26.8%	3,238	26.3%	3,259	26.4%	3,294	26.4%
With 2 Persons	2,630	23.1%	2,806	22.8%	2,812	22.7%	2,824	22.6%
With 3 Persons	1,958	17.2%	2,128	17.3%	2,144	17.3%	2,170	17.4%
With 4 Persons	1,719	15.1%	1,865	15.2%	1,872	15.1%	1,883	15.1%
With 5+ Persons	2,044	17.9%	2,256	18.4%	2,276	18.4%	2,310	18.5%
Total Renter Households	11,411	100.0%	12,292	100.0%	12,363	100.0%	12,480	100.0%

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

The household size with the largest percentage of households is one person households, followed by two person households. In general, the percentage of households with one and two people are expected to decrease slightly; however, the number of one and two person households is projected to increase. The Subject will offer one, two and three-bedroom units which will allow for up to five person households.

Conclusion

The general population in the PMA experienced a significant population increase from 2000 through 2010 due to the rapid outward expansion of the Atlanta suburbs, and the building boom of the early 2000s which resulted in significant increases in textile jobs. From 2010 through 2015, population in the PMA increased slightly, and is projected to continue to increase slightly into 2019. The projected growth will be similar to the MSA and below the nation. The total number of households in the PMA increased from 2000 to 2010. From 2010 through 2015, households in the PMA continued to increase, but at a slower rate. Household growth in the PMA is projected to increase slightly, at a similar rate to the MSA and below the nation. Renter households earning below \$30,000 in the PMA comprise 61.7 percent of all income cohorts. Overall, the demographic data illustrates a growing population with household incomes in line with the Subject’s targeted income levels. We believe the expected population and household growth in the PMA bodes well for the Subject’s proposed units.

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

The Subject is located in Chatsworth, Murray County, Georgia. The Subject, as proposed, will be a multifamily property targeting family households with income limits. The following illustrates recent job growth and employment trends in the region.

1. Total Jobs

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

Total Jobs in Murray County, Georgia		
Year	Total Employment	% Change
2005	20,013	-
2006	20,512	2.43%
2007	20,115	-1.98%
2008	18,915	-6.34%
2009	17,163	-10.21%
2010	14,812	-15.87%
2011	14,689	-0.84%
2012	14,295	-2.75%
2013	14,107	-1.33%
2014	14,447	2.35%
2015 YTD Average	14,761	2.13%
Mar-14	14,425	-
Mar-15	14,782	2.42%

Source: U.S. Bureau of Labor Statistics

YTD as of March 2015

As illustrated in the table above, Murray County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2007 with its first employment decrease of the decade. The area was heavily impacted by a declining manufacturing sector, which is the largest industry in the PMA. According to ESRI data, manufacturing decreased at a rate of 2.4 percent annually between 2000 and 2015, with a total of 6,030 manufacturing job losses over the 15 year period. Covered employment increased from 2013 to 2015. From March 2014 to March 2015, covered employment increased 2.4 percent. 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 Murray County as of March 2015.

March 2015 Covered Employment Murray County, Georgia

	Number	Percent
Total, all industries	8,020	-
Goods-producing	4,496	-
Natural resources and mining	89	1.11%
Construction	96	1.20%
Manufacturing	4,311	53.75%
Service-providing	3,524	-
Trade, transportation, and utilities	1,466	18.28%
Information	-	-
Financial activities	208	2.59%
Professional and business services	585	7.29%
Education and health services	469	5.85%
Leisure and hospitality	695	8.67%
Other services	85	1.06%
Unclassified	-	-

Source: Bureau of Labor Statistics, 2015

Manufacturing is the largest industry in Murray County. Trade, transportation, and utilities are the second largest percentage of total employment in Murray County. These industries are particularly vulnerable in economic downturns and are historically volatile industries, with the exception of utilities. However, 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
Manufacturing	11,064	33.6%	15,162,651	10.6%
Retail Trade	3,710	11.3%	16,592,605	11.6%
Health Care/Social Assistance	2,785	8.5%	20,080,547	14.0%
Educational Services	2,530	7.7%	12,979,314	9.1%
Construction	2,061	6.3%	8,291,595	5.8%
Accommodation/Food Services	1,966	6.0%	10,849,114	7.6%
Other Services (excl Publ Adm)	1,583	4.8%	7,850,739	5.5%
Transportation/Warehousing	1,103	3.3%	5,898,791	4.1%
Wholesale Trade	1,068	3.2%	3,628,118	2.5%
Public Administration	1,023	3.1%	6,713,073	4.7%
Prof/Scientific/Tech Services	879	2.7%	9,808,289	6.8%
Admin/Support/Waste Mgmt Svcs	766	2.3%	6,316,579	4.4%
Finance/Insurance	646	2.0%	6,884,133	4.8%
Agric/Forestry/Fishing/Hunting	523	1.6%	1,800,354	1.3%
Real Estate/Rental/Leasing	445	1.4%	2,627,562	1.8%
Arts/Entertainment/Recreation	309	0.9%	3,151,821	2.2%
Information	239	0.7%	2,577,845	1.8%
Utilities	142	0.4%	1,107,105	0.8%
Mining	55	0.2%	868,282	0.6%
Mgmt of Companies/Enterprises	38	0.1%	97,762	0.1%
Total Employment	32,935	100.0%	143,286,279	100.0%

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

Manufacturing, retail trade and health care/social assistance are the largest industries within the PMA. Combined, they represent approximately 53 percent of total employment within the PMA. It should be noted that the percentage of persons employed in the manufacturing sector in the PMA is more than three times greater than the national average. While the health care/social assistance sector has historically been stable, the manufacturing and retail trade sectors are more susceptible to economic downturns. The PMA is overrepresented in the manufacturing and construction sectors. Comparatively, the health care/social assistance, professional/scientific/tech services, administrative/support/waste management services, finance/insurance, information and arts/entertainment/recreation sectors are underrepresented in the PMA.

3. Major Employers

The following table is a list of the top employers in the Dalton, GA MSA. It should be noted that the number of persons employed was not available.

MAJOR EMPLOYERS
Dalton, GA MSA

Company	Industry
Collins & Aikman Floorcoverings, Inc.	Manufacturing
Dalton City School System	Education
Hamilton Medical Center, Inc.	Healthcare
Mohawk Carpet Distribution LP	Manufacturing
Murray County School System	Education
Murray Fabrics Plant	Manufacturing
O'Reilly Automotive, Inc.	Manufacturing
Shaw Industries Group, Inc.	Manufacturing
Shaw Industries, Inc.	Manufacturing
Whitfield County School System	Education

Source: Georgia Department of Labor, 05/2015

Six of the top 10 employers in the MSA are in the manufacturing industry. Murray County is home to many carpet manufacturers for various global carpet companies.

Chatsworth Economic Development Commission

According to an article published on npr.org, titled *New Carpet Factories Help Cushion Blows from Recession Losses*, and dated September 3, 2013, the Dalton area has lost 17,000 manufacturing jobs over the past decade. The entire state is looking to add approximately 7,000 manufacturing jobs over the next decade. Roger Tutterow, a professor of economics at Mercer University, in a recent article on The Daily Citizen, said that he sees signs of a gradual recovery and is very cautiously optimistic. He said that since 2010 there has been a gradual come back in the manufacturing industry.

According to an article published by Georgia Trend, titled *Dalton/Whitfield County: Positioning to Maintain Momentum*, and dated September 2014, the area was heavily impacted by the recession due to the large presence of carpeting and flooring manufacturers. However, there has been a resurgence in the flooring industry resulting in 15 new projects in the area. These projects, which include Mohawk Industries and Engineered Floors discussed below, will result in more than \$500 million in new capital investments and add approximately 2,019 new jobs to the local economy.

Mattex, a Dubai and Saudi Arabian carpet backing producer, has expanded its operations in Georgia by building an extrusion manufacturing plant in Murray County. The company will invest \$60 million and create 200 jobs over the next three years in its U.S. headquarters and its first manufacturing facility outside the Middle East. The company, which is building the facility in order to be closer to its North American markets, opened its Chatsworth location in 2014.

Mohawk Industries, a global flooring manufacturer, will convert a manufacturing facility in Dalton, creating 210 new jobs and investing approximately \$40 million into the conversion project over the next two years.

Engineered Floors, a carpet manufacturer, will open two new carpet plants that should employ 2,400 people in northwest Georgia. The company will invest \$450 million in the two new plants. One factory would be built in nearby Whitefield County that will create 1,000 jobs and another in Murray County that would create 1,400 jobs. There is no timetable yet on the construction of the two plants.

PolyTech Fibers, a Georgia based polyester fiber manufacturer, is building a new 80,000-square-foot facility on US Highway 411 in Chatsworth, approximately 0.8 miles from the Subject site. The company expects to invest more than \$12 million and will add 114 jobs to the local economy by 2017.

According to the Georgia Department of Economic Development, there have been no WARN notice listings since 2012 in Murray County.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and the nation from 2005 to March 2015.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Dalton, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2005	63,338	-	4.8%	-	141,730,000	-	5.1%	-
2006	65,305	3.1%	4.4%	-0.4%	144,427,000	1.9%	4.6%	-0.5%
2007	65,016	-0.4%	4.6%	0.2%	146,047,000	1.1%	4.6%	0.0%
2008	61,724	-5.1%	7.6%	3.0%	145,362,000	-0.5%	5.8%	1.2%
2009	55,644	-9.8%	12.8%	5.3%	139,877,000	-3.8%	9.3%	3.5%
2010	56,790	2.1%	12.4%	-0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	56,526	-0.5%	12.4%	0.0%	139,869,000	0.6%	8.9%	-0.7%
2012	55,149	-2.4%	11.2%	-1.2%	142,469,000	1.9%	8.1%	-0.8%
2013	54,513	-1.2%	10.0%	-1.2%	143,929,000	1.0%	7.4%	-0.7%
2014	55,758	2.3%	8.4%	-1.7%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	56,890	2.0%	7.3%	-1.0%	147,101,667	0.5%	5.8%	-0.4%
Mar-2014	55,679	-	8.5%	-	145,090,000	-	6.8%	-
Mar-2015	56,962	2.3%	7.0%	-1.5%	147,635,000	1.8%	5.6%	-1.2%

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

*2015 data is through March

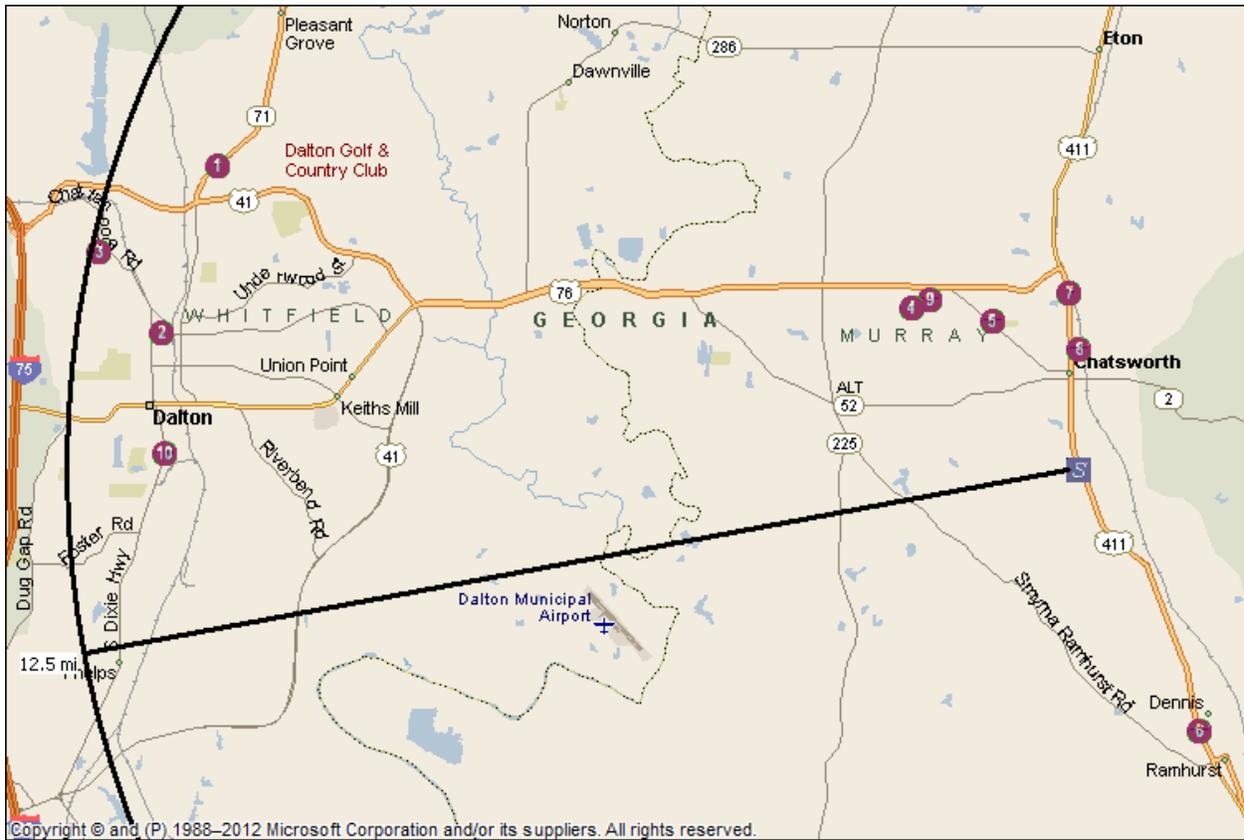
From 2005 to 2006, total employment in the MSA increased at a faster rate than total employment in the nation. From 2007 through 2009, total employment decreased in the MSA due to the national recession. The MSA experienced a significant increase in total employment in 2010 while the nation experienced a decline during the same time frame. From 2011 through 2013, total employment in the MSA decreased while the nation experienced increases in total employment during this time period. Based on ESRI data, the area was affected by a declining manufacturing presence. Manufacturing declined 2.4 percent annually between 2000 and 2015, with a total of 6,030 manufacturing job losses over the 15 year period. However, in 2014 and year-to-date 2015, total employment increased at a faster rate than the nation. Furthermore, from March 2014 to March 2015, the MSA also a greater increase in total employment than that of the nation. Overall, the local economy appears weaker than the national economy. Total

employment in the MSA is 12.8 percent below peak total employment in 2006, while total employment in the nation is 1.1 percent above the pre-recession peak total employment.

The unemployment rate in the MSA was equal to or below the nation from 2005 through 2007. During the national recession, the unemployment rate in the MSA increased substantially, and was well above the nation. Since 2012, the unemployment rate in the MSA has steadily declined, at a faster rate than the nation. From March 2014 through March 2015, the unemployment rate in the MSA declined 1.5 percent while the nation experienced a decline of 1.2 percent over the same time frame. Overall, the local economy appears weaker than the national economy. However, we do not expect the slightly underperforming local economy to affect the performance of the Subject. There are many new jobs being added to the local economy that should help improve the market.

5. Map of Site and Major Employment Concentrations

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



MAJOR EMPLOYERS

Dalton, GA MSA

#	Company	Industry
1	Collins & Aikman Floorcoverings, Inc.	Manufacturing
2	Dalton City School System	Education
3	Hamilton Medical Center, Inc.	Healthcare
4	Mohawk Carpet Distribution LP	Manufacturing
5	Murray County School System	Education
6	Murray Fabrics Plant	Manufacturing
7	O'Reilly Automotive, Inc.	Manufacturing
8	Shaw Industries Group, Inc.	Manufacturing
9	Shaw Industries, Inc.	Manufacturing
10	Whitfield County School System	Education

Source: Georgia Department of Labor, 05/2015

Conclusion

Manufacturing, retail trade and health care/social assistance are the largest industries within the PMA. It should be noted that the percentage of persons employed in the manufacturing sector in the PMA is more than three times greater than the national average. Combined, they represent approximately 53 percent of total employment within the PMA. While the health care/social assistance sector has historically been stable, the manufacturing and retail trade sectors are more susceptible to economic downturns. From 2005 to 2006, total employment in the MSA increased at a faster rate than total employment in the nation. From 2007 through 2009, total employment decreased in the MSA due to the national recession. The area was heavily impacted by a declining manufacturing sector, which is the largest industry in the PMA. According to ESRI data, manufacturing decreased at a rate of 2.4 percent annually between 2000 and 2015, with a total of 6,030 manufacturing job losses over the 15 year period. The MSA experienced a significant increase in total employment in 2010 while the nation experienced a decline during the same time frame. From 2011 through 2013, total employment in the MSA decreased while the nation experienced increases in total employment during this time period. However, in 2014, year-to-date 2015 and year-over-year, total employment in the MSA increased at a faster rate than the nation. The unemployment rate in the MSA was equal to or below the nation from 2005 through 2007. During the national recession, the unemployment rate in the MSA increased substantially, and was well above the nation. Since 2012, the unemployment rate in the MSA has steadily declined, at a faster rate than the nation. Overall, the local economy appears weaker than the national economy. Overall, the local economy appears weaker than the national economy. Total employment in the MSA is 12.8 percent below peak total employment in 2006, while total employment in the nation is 1.1 percent above the pre-recession peak total employment.

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.

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. There have been no recent developments of properties in the PMA that will be competitive with the Subject property.

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
Cohutta Shadows	99%	RD	Family	Excluded	Does not reflect market rents
Cohutta View Apartments	97%	RD	Family	Excluded	Does not reflect market rents
Kinnamom Part LLP	N/A	RD	Family	Excluded	Does not reflect market rents
Oran Housing Inc	N/A	Section 8	Disabled	Excluded	Rents based on income
Mountain Woods	N/A	Section 8	Family	Excluded	Rents based on income
The Cliffs Apartments	N/A	Section 8	Family	Excluded	Rents based on income
Courtyard Apartments	N/A	Section 8	Family	Excluded	Rents based on income
Whitfield Commons	100%	Section 8	Senior	Excluded	Rents based on income
Whitfield Place	100%	Section 8	Senior	Excluded	Rents based on income
Autumn Ridge	100%	LIHTC/Market	Family	Included	N/A
Dawnville Meadows	99%	LIHTC/Market	Family	Included	N/A
Fieldstone Apartments	95%	LIHTC/HOME	Family	Included	N/A
Arbordale Apartments	N/A	Market	Family	Excluded	Could not reach
Austin Place Apartments	100%	Market	Family	Included	N/A
Cedar Hill Apartments	N/A	Market	Family	Excluded	Could not reach
Chalet Valley Apartments	N/A	Market	Family	Excluded	Could not reach
Dalton Beach Club	99%	Market	Family	Included	N/A
Ellijay East Apartments	98%	Market/RD	Family	Included	N/A
Legacy of Dalton Apartments	98%	Market	Family	Included	N/A
Park Canyon Apartments	99%	Market	Family	Included	N/A
Park Place Apartments	95%	Market	Family	Included	N/A
Westwood Apartments	N/A	Market	Family	Excluded	Could not reach
Average	98%				

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							
Peyton Ridge							
PMA							
	2015		Projected Mkt Entry January 2017		2019		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	1,827	14.9%	1,902	15.4%	2,026	16.2%	9.8%
\$10,000-19,999	3,159	25.7%	3,204	25.9%	3,280	26.3%	3.7%
\$20,000-29,999	2,494	20.3%	2,516	20.4%	2,553	20.5%	2.3%
\$30,000-39,999	1,664	13.5%	1,658	13.4%	1,650	13.2%	-0.9%
\$40,000-49,999	966	7.9%	961	7.8%	952	7.6%	-1.4%
\$50,000-59,999	729	5.9%	711	5.7%	680	5.4%	-7.3%
\$60,000-74,999	623	5.1%	608	4.9%	583	4.7%	-6.9%
\$75,000-99,999	431	3.5%	417	3.4%	394	3.2%	-9.3%
\$100,000-124,999	169	1.4%	160	1.3%	147	1.2%	-15.0%
\$125,000-149,999	83	0.7%	83	0.7%	81	0.7%	-2.1%
\$150,000-199,999	70	0.6%	68	0.6%	65	0.5%	-7.8%
\$200,000+	77	0.6%	74	0.6%	68	0.5%	-12.1%
Total	12,292	100.0%	12,363	100.0%	12,480	100.0%	0

Renter Household Income Distribution 2015 to Projected Market Entry January 2017					
Peyton Ridge					
PMA					
	2015		Projected Mkt Entry January 2017		Percent Growth
	#	%	#	%	
\$0-9,999	1,827	14.9%	1,902	15.4%	3.9%
\$10,000-19,999	3,159	25.7%	3,204	25.9%	1.4%
\$20,000-29,999	2,494	20.3%	2,516	20.4%	0.9%
\$30,000-39,999	1,664	13.5%	1,658	13.4%	-0.3%
\$40,000-49,999	966	7.9%	961	7.8%	-0.5%
\$50,000-59,999	729	5.9%	711	5.7%	-2.6%
\$60,000-74,999	623	5.1%	608	4.9%	-2.5%
\$75,000-99,999	431	3.5%	417	3.4%	-3.3%
\$100,000-124,999	169	1.4%	160	1.3%	-5.1%
\$125,000-149,999	83	0.7%	83	0.7%	-0.8%
\$150,000-199,999	70	0.6%	68	0.6%	-2.8%
\$200,000+	77	0.6%	74	0.6%	-4.2%
Total	12,292	100.0%	12,363	100.0%	0.6%

Tenure Prj Mrkt Entry January 2017	
Renter	39.9%
Owner	60.1%
Total	100.0%

Renter Household Size for Prj Mrkt Entry January 2017		
Size	Number	Percentage
1 Person	3,259	26.4%
2 Person	2,812	22.7%
3 Person	2,144	17.3%
4 Person	1,872	15.1%
5+ Person	2,276	18.4%
Total	12,363	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	2,365	24.3%
2 Person	2,338	24.0%
3 Person	1,714	17.6%
4 Person	1,410	14.5%
5+ Person	1,924	19.7%
Total	9,750	100.0%

50%AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$14,777		
Maximum Income Limit			\$24,800		
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	10.84	15.4%		0.0%	0
\$10,000-19,999	18.27	25.9%	5,222	52.2%	10
\$20,000-29,999	14.35	20.4%	4,800	48.0%	7
\$30,000-39,999	9.46	13.4%		0.0%	0
\$40,000-49,999	5.48	7.8%		0.0%	0
\$50,000-59,999	4.05	5.7%		0.0%	0
\$60,000-74,999	3.47	4.9%		0.0%	0
\$75,000-99,999	2.38	3.4%		0.0%	0
\$100,000-124,999	0.91	1.3%		0.0%	0
\$125,000-149,999	0.47	0.7%		0.0%	0
\$150,000-199,999	0.39	0.6%		0.0%	0
\$200,000+	0.42	0.6%		0.0%	0
	70	100.0%			16
Percent of renter households within limits versus total number of renter households					23.31%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$14,777		
Maximum Income Limit			\$24,800		
Income Category	Total Renter Households PMA Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,902	15.4%		0.0%	0
\$10,000-19,999	3,204	25.9%	5,222	52.2%	1,673
\$20,000-29,999	2,516	20.4%	4,800	48.0%	1,208
\$30,000-39,999	1,658	13.4%		0.0%	0
\$40,000-49,999	961	7.8%		0.0%	0
\$50,000-59,999	711	5.7%		0.0%	0
\$60,000-74,999	608	4.9%		0.0%	0
\$75,000-99,999	417	3.4%		0.0%	0
\$100,000-124,999	160	1.3%		0.0%	0
\$125,000-149,999	83	0.7%		0.0%	0
\$150,000-199,999	68	0.6%		0.0%	0
\$200,000+	74	0.6%		0.0%	0
	12,363	100.0%			2,881
Percent of renter households within limits versus total number of renter households					23.31%

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		
Family		
Rural		
35%		
\$36,507		
\$36,824		
\$317		
0.9%		
0.0%		
0.0%	Two year adjustment	1.0000
\$24,800		
\$24,800		
5		
50%		
\$431		
\$431.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	70%	30%	0%	0%	0%	100%
2	0%	30%	70%	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		70
Percent Income Qualified		23.3%
New Renter Income Qualified Households		16

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		12,363
Income Qualified		23.3%
Income Qualified Renter Households		2,881
Percent Rent Overburdened Prj Mrkt Entry January 2017		20.2%
Rent Overburdened Households		583

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		2,881
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		50%
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		594
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		594
Total New Demand		16
Total Demand (New Plus Existing Households)		610

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	26.4%	161
Two Persons	22.7%	139
Three Persons	17.3%	106
Four Persons	15.1%	92
Five Persons	18.4%	112
Total	100.0%	610

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	113
Of two-person households in 1BR units	30%	42
Of one-person households in 2BR units	30%	48
Of two-person households in 2BR units	70%	97
Of three-person households in 2BR units	60%	63
Of three-person households in 3BR units	40%	42
Of four-person households in 3BR units	80%	74
Of five-person households in 3BR units	70%	79
Of four-person households in 4BR units	20%	18
Of five-person households in 4BR units	30%	34
Total Demand		610
Check		OK

Total Demand by Bedroom		50%
1 BR		154
2 BR		209
3 BR		195
Total Demand		558

Additions To Supply 2015 to Prj Mrkt Entry January 2017		50%
1 BR		0
2 BR		0
3 BR		0
Total		0

Net Demand		50%
1 BR		154
2 BR		209
3 BR		195
Total		558

Developer's Unit Mix		50%
1 BR		5
2 BR		6
3 BR		5
Total		16

Capture Rate Analysis		50%
1 BR		3.2%
2 BR		2.9%
3 BR		2.6%
Total		2.9%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$19,303		
Maximum Income Limit			\$29,760		
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	10.84			
\$10,000-19,999	18.27	25.9%	696	7.0%	1
\$20,000-29,999	14.35	20.4%	9,760	97.6%	14
\$30,000-39,999	9.46	13.4%		0.0%	0
\$40,000-49,999	5.48	7.8%		0.0%	0
\$50,000-59,999	4.05	5.7%		0.0%	0
\$60,000-74,999	3.47	4.9%		0.0%	0
\$75,000-99,999	2.38	3.4%		0.0%	0
\$100,000-124,999	0.91	1.3%		0.0%	0
\$125,000-149,999	0.47	0.7%		0.0%	0
\$150,000-199,999	0.39	0.6%		0.0%	0
\$200,000+	0.42	0.6%		0.0%	0
	70	100.0%			15
Percent of renter households within limits versus total number of renter households					21.67%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$19,303		
Maximum Income Limit			\$29,760		
Income Category	Total Renter Households PMA Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,902			
\$10,000-19,999	3,204	25.9%	696	7.0%	223
\$20,000-29,999	2,516	20.4%	9,760	97.6%	2,456
\$30,000-39,999	1,658	13.4%		0.0%	0
\$40,000-49,999	961	7.8%		0.0%	0
\$50,000-59,999	711	5.7%		0.0%	0
\$60,000-74,999	608	4.9%		0.0%	0
\$75,000-99,999	417	3.4%		0.0%	0
\$100,000-124,999	160	1.3%		0.0%	0
\$125,000-149,999	83	0.7%		0.0%	0
\$150,000-199,999	68	0.6%		0.0%	0
\$200,000+	74	0.6%		0.0%	0
	12,363	100.0%			2,679
Percent of renter households within limits versus total number of renter households					21.67%

Does the Project Benefit from Rent Subsidy? (Y/N)	No	
Type of Housing (Family vs Senior)	Family	
Location of Subject (Rural versus Urban)	Rural	
Percent of Income for Housing	35%	
2000 Median Income	\$36,507	
2015 Median Income	\$36,824	
Change from 2015 to Prj Mrkt Entry January 2017	\$317	
Total Percent Change	0.9%	
Average Annual Change	0.0%	
Inflation Rate	0.0%	
Maximum Allowable Income	\$29,760	
Maximum Allowable Income Inflation Adjusted	\$29,760	
Maximum Number of Occupants	5	
Rent Income Categories	60%	
Initial Gross Rent for Smallest Unit	\$563	
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$563.00	
	Two year adjustment	1.0000

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	70%	30%	0%	0%	0%	100%
2	0%	30%	70%	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		70
Percent Income Qualified		21.7%
New Renter Income Qualified Households		15

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		12,363
Income Qualified		21.7%
Income Qualified Renter Households		2,679
Percent Rent Overburdened Prj Mrkt Entry January 2017		20.2%
Rent Overburdened Households		543

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		2,679
Percent Living in Substandard Housing		0.4%
Households Living in Substandard Housing		9

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		552
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		552
Total New Demand		15
Total Demand (New Plus Existing Households)		567

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	26.4%	149
Two Persons	22.7%	129
Three Persons	17.3%	98
Four Persons	15.1%	86
Five Persons	18.4%	104
Total	100.0%	567

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	105
Of two-person households in 1BR units	30%	39
Of one-person households in 2BR units	30%	45
Of two-person households in 2BR units	70%	90
Of three-person households in 2BR units	60%	59
Of three-person households in 3BR units	40%	39
Of four-person households in 3BR units	80%	69
Of five-person households in 3BR units	70%	73
Of four-person households in 4BR units	20%	17
Of five-person households in 4BR units	30%	31
Total Demand		567
Check		OK

Total Demand by Bedroom		60%
2 BR		194
3 BR		181
Total Demand		375

Additions To Supply 2015 to Prj Mrkt Entry January 2017		60%
2 BR		0
3 BR		0
Total		0

Net Demand		60%
2 BR		194
3 BR		181
Total		375

Developer's Unit Mix		60%
2 BR		30
3 BR		31
Total		61

Capture Rate Analysis		60%
2 BR		15.5%
3 BR		17.1%
Total		16.3%

Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$14,777		
Maximum Income Limit			\$29,760		
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	10.84			
\$10,000-19,999	18.27	25.9%	5,222	52.2%	10
\$20,000-29,999	14.35	20.4%	9,760	97.6%	14
\$30,000-39,999	9.46	13.4%		0.0%	0
\$40,000-49,999	5.48	7.8%		0.0%	0
\$50,000-59,999	4.05	5.7%		0.0%	0
\$60,000-74,999	3.47	4.9%		0.0%	0
\$75,000-99,999	2.38	3.4%		0.0%	0
\$100,000-124,999	0.91	1.3%		0.0%	0
\$125,000-149,999	0.47	0.7%		0.0%	0
\$150,000-199,999	0.39	0.6%		0.0%	0
\$200,000+	0.42	0.6%		0.0%	0
	70	100.0%			24
Percent of renter households within limits versus total number of renter households					33.40%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$14,777		
Maximum Income Limit			\$29,760		
Income Category	Total Renter Households PMA Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,902			
\$10,000-19,999	3,204	25.9%	5,222	52.2%	1,673
\$20,000-29,999	2,516	20.4%	9,760	97.6%	2,456
\$30,000-39,999	1,658	13.4%		0.0%	0
\$40,000-49,999	961	7.8%		0.0%	0
\$50,000-59,999	711	5.7%		0.0%	0
\$60,000-74,999	608	4.9%		0.0%	0
\$75,000-99,999	417	3.4%		0.0%	0
\$100,000-124,999	160	1.3%		0.0%	0
\$125,000-149,999	83	0.7%		0.0%	0
\$150,000-199,999	68	0.6%		0.0%	0
\$200,000+	74	0.6%		0.0%	0
	12,363	100.0%			4,130
Percent of renter households within limits versus total number of renter households					33.40%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

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		
Family		
Rural		
35%		
\$36,507		
\$36,824		
\$317		
0.9%		
0.0%		
0.0%	Two year adjustment	1.0000
\$29,760		
\$29,760		
\$5		
Overall		
\$431		
\$431.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	70%	30%	0%	0%	0%	100%
2	0%	30%	70%	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

	Overall
Income Target Population	
New Renter Households PMA	70
Percent Income Qualified	33.4%
New Renter Income Qualified Households	24

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

	Overall
Income Target Population	
Total Existing Demand	12,363
Income Qualified	33.4%
Income Qualified Renter Households	4,130
Percent Rent Overburdened Prj Mrkt Entry January 2017	20.2%
Rent Overburdened Households	836

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	4,130
Percent Living in Substandard Housing	0.4%
Households Living in Substandard Housing	15

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

Senior Households Converting from Homeownership

	Overall
Income Target Population	
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households		851
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		851
Total New Demand		24
Total Demand (New Plus Existing Households)		874

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	26.4%	230
Two Persons	22.7%	199
Three Persons	17.3%	152
Four Persons	15.1%	132
Five Persons	18.4%	161
Total	100.0%	874

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	161
Of two-person households in 1BR units	30%	60
Of one-person households in 2BR units	30%	69
Of two-person households in 2BR units	70%	139
Of three-person households in 2BR units	60%	91
Of three-person households in 3BR units	40%	61
Of four-person households in 3BR units	80%	106
Of five-person households in 3BR units	70%	113
Of four-person households in 4BR units	20%	26
Of five-person households in 4BR units	30%	48
Total Demand		874
Check		OK

Total Demand by Bedroom	Overall
1 BR	221
2 BR	299
3 BR	279
Total Demand	799

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

Net Demand	Overall
1 BR	221
2 BR	299
3 BR	279
Total	799

Developer's Unit Mix	Overall
1 BR	5
2 BR	36
3 BR	36
Total	77

Capture Rate Analysis	Overall
1 BR	2.3%
2 BR	12.0%
3 BR	12.9%
Total	9.6%

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 households in the PMA is expected to increase 0.3 percent between 2015 and the market entry date of January 2017.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR/1BA @ 50% AMI	\$14,777 to \$18,400	5	154	0	154	3.2%	11 months	\$538	\$345 to \$725	\$340
2BR/2BA @ 50% AMI	\$17,726 to \$20,700	6	209	0	209	2.9%	11 months	\$632	\$390 to \$828	\$400
3BR/2BA @ 50% AMI	\$20,331 to \$24,800	5	195	0	195	2.6%	11 months	\$679	\$430 to \$938	\$449
Overall 50% AMI	\$14,777 to \$24,800	13	558	0	558	2.9%	11 months	-	-	-
2BR/2BA @ 60% AMI	\$19,303 to \$24,840	30	194	0	194	15.5%	11 months	\$672	\$425 to \$828	\$446
3BR/2BA @ 60% AMI	\$21,874 to \$29,760	31	181	0	181	17.1%	11 months	\$777	\$699 to \$938	\$494
Overall 60% AMI	\$19,303 to \$29,760	64	375	0	375	16.3%	11 months	-	-	-
Overall 1BR Units	\$14,777 to \$18,400	5	221	0	221	2.3%	11 months	-	-	-
Overall 2BR Units	\$17,726 to \$24,840	36	299	0	299	12.0%	11 months	-	-	-
Overall 3BR Units	\$20,331 to \$29,760	36	279	0	279	12.9%	11 months	-	-	-
Total Overall Units	\$14,777 to \$29,760	77	799	0	799	9.6%	11 months	-	-	-

Demand and Net Demand			
	HH at 50% AMI (\$14,777 to \$24,800)	HH at 60% AMI (\$19,303 to \$29,760)	All Tax Credit Households
Demand from New Households (age and income appropriate)	16	15	24
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	10	9	15
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	583	543	836
=	=	=	=
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0	0
Sub Total	610	567	874
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
Equals Total Demand	610	567	874
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	610	567	874

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 2.6 to 3.2 percent, with an overall capture rate of 2.9 percent. The Subject’s capture rates at the 60 percent AMI level will range from 15.5 to 17.1 percent, with an overall capture rate of 16.3 percent. The overall capture rate for the project’s 50 and 60 percent units is 9.6 percent. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes nine “true” comparable properties containing 947 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

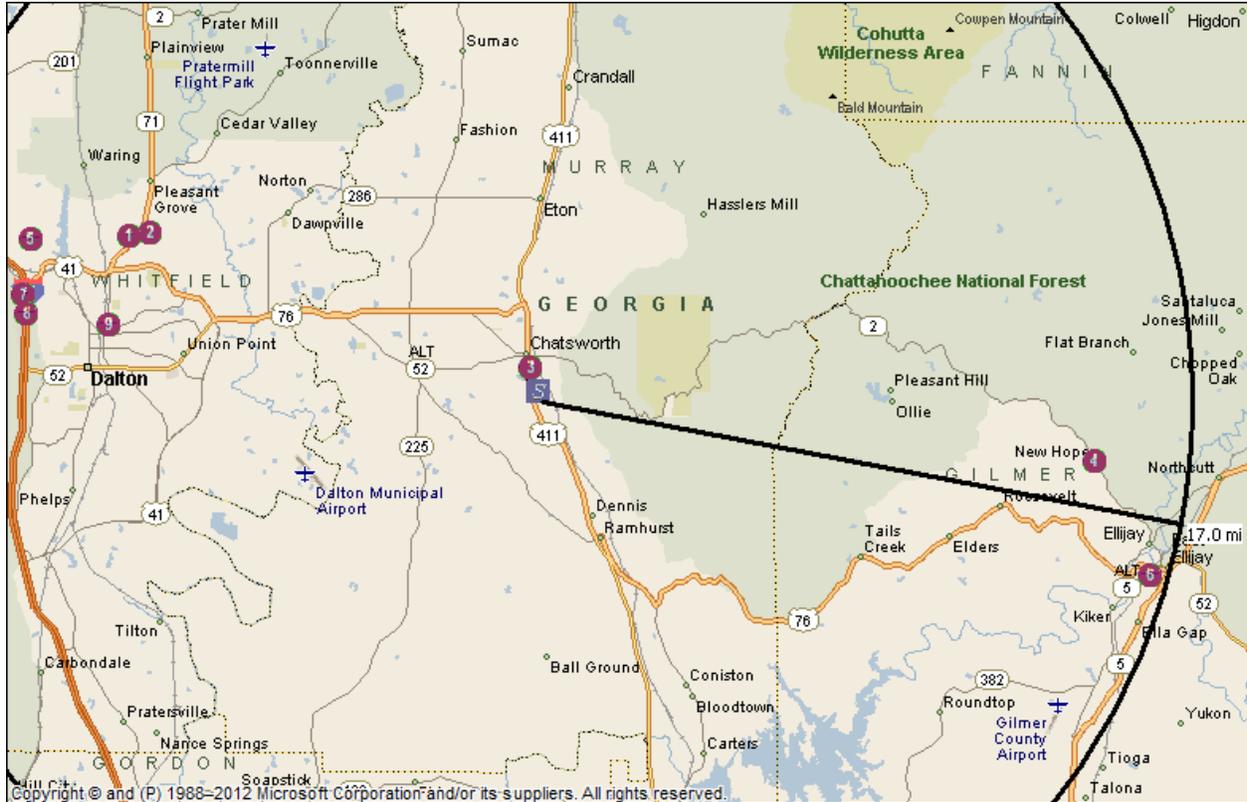
The availability of LIHTC data is considered adequate. There are three multi-family LIHTC properties located within the PMA that target the family tenancy. Linwood Place is a LIHTC property located in Chatsworth, located only 2.5 miles from the Subject; however, Linwood Place is restricted to seniors and therefore, has been excluded in our analysis. We have included five market rate properties located between 14.7 and 23.2 miles from the Subject, as well as three mixed-income properties with market rate units located between 16.2 and 24.0 miles from the Subject. We consider the availability of market data to be good.

Excluded Properties

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

EXCLUDED PROPERTIES							
Name	Address	City	State	Mileage from Subject	Type	Included/ Excluded	Reason for Exclusion
Cohutta Shadows	506 S 2nd Ave	Chatsworth	GA	0.9 miles	Rural Development	Excluded	Subsidized
Cohutta View Apts	1337 Old Dalton-Ellijay Road	Chatsworth	GA	2.1 miles	Rural Development	Excluded	Subsidized
Kinnamon Part LLP	300 N 5th ave	Chatsworth	GA	1.4 miles	Rural Development	Excluded	Subsidized
The Courtyard Apartments	2188 Leonard Bridge Rd	Chatsworth	GA	2.0 miles	N/A	Excluded	Could Not Contact
Oran Housing Inc	735 W Chestnut St	Chatsworth	GA	2.0 miles	Section 8 (Disabled)	Excluded	Subsidized
Emerald Palms	113 N Tibbs Road	Dalton	GA	17.0 miles	N/A	Excluded	Could Not Contact
Cedar Hill	812 Cascade Drive	Dalton	GA	17.0 miles	N/A	Excluded	Could Not Contact
Westwood Apartments	712 W Tyler Street	Dalton	GA	16.8 miles	N/A	Excluded	Could Not Contact
Arbordale Apartments	804 N Tibbs Road	Dalton	GA	18.1 miles	N/A	Excluded	Could Not Contact
Wood Valley	411 College Drive	Dalton	GA	18.4 miles	Market	Excluded	Could Not Contact
Chalet Valley Apartments	1809 Shadow Lane	Dalton	GA	17.6 miles	Market	Excluded	Could Not Contact
Mountain Woods	1016 Ponderosa Lane	Dalton	GA	12.6 miles	Section 8	Excluded	Subsidized
The Cliffs Apartments	816 Shugart Road	Dalton	GA	13.3 miles	Section 8	Excluded	Subsidized
Courtyard Apts	506 Davis Street	Dalton	GA	12.1 miles	Section 8	Excluded	Subsidized
Whitfield Commons	519 Hawthorne St	Dalton	GA	12.0 miles	Section 8 (Senior)	Excluded	Subsidized
Whitfield Place	1320 Winton place	Dalton	GA	13.1 miles	Section 8 (Senior)	Excluded	Subsidized
Linwood Place	300 Civic Drive	Chatsworth	GA	2.5 miles	LIHTC (Senior)	Excluded	Senior Tenancy

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Autumn Ridge	Dalton	LIHTC/Market	16.2 miles
2	Dawnville Meadows	Dalton	LIHTC/Market	16.3 miles
3	Fieldstone Apartments	Chatsworth	LIHTC/HOME	1.3 miles
4	Austin Place Apartments	Ellijay	Market	23.2 miles
5	Dalton Beach Club	Dalton	Market	18.3 miles
6	Ellijay East Apartments	Ellijay	Market/RD	24.0 miles
7	Legacy Of Dalton Apartments	Dalton	Market	18.0 miles
8	Park Canyon Apartments	Dalton	Market	18.5 miles
9	Park Place Apartments	Dalton	Market	14.7 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	Peyton Ridge NEC. Of Smyrna Church Road And Leonard Bridge Road Chatsworth, GA 30705 Murray County	n/a	Garden (2 stories) 2017 / n/a	@50%, @60%	1BR / 1BA	5	6.50%	@50%	\$340	700	yes		N/A	N/A	
					2BR / 2BA	6	7.80%	@50%	\$400	1,000	yes	N/A	N/A		
					2BR / 2BA	30	39.00%	@60%	\$446	1,000	no	N/A	N/A		
					3BR / 2BA	5	6.50%	@50%	\$449	1,175	no	N/A	N/A		
					3BR / 2BA	31	40.30%	@60%	\$494	1,175	no	N/A	N/A		
						77	100%							N/A	N/A
1	Autumn Ridge 850 Autumn Court Dalton, GA 30721 Whitfield County	16.2 miles	Garden (2 stories) 2004 / n/a	@30%, @50%, @60%, Market	1BR / 1BA	N/A	N/A	@50%	\$419	892	no	Yes	0	N/A	
					1BR / 1BA	N/A	N/A	@60%	\$520	892	no	Yes	0	N/A	
					1BR / 1BA	N/A	N/A	Market	\$725	892	n/a	Yes	0	N/A	
					2BR / 2BA	N/A	N/A	@50%	\$496	1,208	no	Yes	0	N/A	
					2BR / 2BA	N/A	N/A	@60%	\$618	1,208	no	Yes	0	N/A	
					2BR / 2BA	N/A	N/A	Market	\$828	1,208	n/a	Yes	0	N/A	
					3BR / 2BA	N/A	N/A	@30%	\$279	1,486	no	Yes	0	N/A	
					3BR / 2BA	N/A	N/A	@50%	\$560	1,486	no	Yes	0	N/A	
					3BR / 2BA	N/A	N/A	@60%	\$701	1,486	no	Yes	0	N/A	
					3BR / 2BA	N/A	N/A	Market	\$938	1,486	n/a	Yes	0	N/A	
	130	100%									0	0.00%			
2	Dawnville Meadows 161 Dawnville Road Dalton, GA 30721 Whitfield County	16.3 miles	Garden (2 stories) 2000 / n/a	@50%, @60%, Market	2BR / 2BA	4	3.30%	@50%	\$488	950	yes	no	0	0.00%	
					2BR / 2BA	60	50.00%	@60%	\$612	950	no	No	0	0.00%	
					2BR / 2BA	16	13.30%	Market	\$625	950	n/a	no	0	0.00%	
					3BR / 2BA	2	1.70%	@50%	\$558	1,250	yes	no	0	0.00%	
					3BR / 2BA	30	25.00%	@60%	\$699	1,250	no	No	1	3.30%	
					3BR / 2BA	8	6.70%	Market	\$725	1,250	n/a	no	0	0.00%	
	120	100%									1	0.80%			
3	Fieldstone Apartments 400 South 2nd Avenue Chatsworth, GA 30705 Murray County	1.3 miles	Various (2 stories) 1999 / n/a	@50% (HOME)	1BR / 1BA (Garden)	16	28.60%	@50%	\$345	749	yes	Yes	1	6.20%	
					2BR / 1BA (Garden)	20	35.70%	@50%	\$390	889	yes	Yes	1	5.00%	
					3BR / 2BA (Garden)	20	35.70%	@50%	\$430	1,111	yes	Yes	1	5.00%	
	56	100%									3	5.40%			
4	Austin Place Apartments 3017 Chatsworth Highway Ellijay, GA 30540 Gilmer County	23.2 miles	Various (2 stories) 1998 / n/a	Market	1BR / 1BA (Garden)	8	30.80%	Market	\$550	725	n/a	Yes	0	0.00%	
					2BR / 1.5BA (Townhouse)	18	69.20%	Market	\$600	1,100	n/a	Yes	0	0.00%	
						26	100%								0
5	Dalton Beach Club 1902 Brady Drive Dalton, GA 30720 Whitfield County	18.3 miles	Townhouse 1985 / n/a	Market	2BR / 1.5BA	155	100.00%	Market	\$713	1,150	n/a	Yes	1	0.60%	
					2BR / 1.5BA (Garden)	N/A	N/A	Market	\$723	1,150	n/a	Yes	0	N/A	
					2BR / 1.5BA	N/A	N/A	Market	\$703	1,150	n/a	Yes	0	N/A	
						155	100%								1
6	Ellijay East Apartments 188 Eric Simpson Dr Ellijay, GA 30540 Gilmer County	24 miles	Various (2 stories) 1991 / n/a	Market, RD (RRAP)	1BR / 1BA (Garden)	6	13.30%	Market	\$410	644	n/a	Yes	0	0.00%	
					1BR / 1BA (Garden)	2	4.40%	RD	\$410	644	n/a	Yes	0	0.00%	
					2BR / 1.5BA (Townhouse)	25	55.60%	Market	\$425	920	n/a	Yes	1	4.00%	
					2BR / 1.5BA (Townhouse)	12	26.70%	RD	\$425	920	n/a	Yes	0	0.00%	
						45	100%								1
7	Legacy Of Dalton Apartments 2111 Club Drive Dalton, GA 30720 Whitfield County	18 miles	Garden 1971 / n/a	Market	1BR / 1BA	81	51.30%	Market	\$639	800	n/a	No	N/A	N/A	
					2BR / 2BA	53	33.50%	Market	\$744	1,100	n/a	No	N/A	N/A	
					3BR / 2BA	24	15.20%	Market	\$824	1,300	n/a	No	N/A	N/A	
						158	100%								3
8	Park Canyon Apartments 100 Park Canyon Drive Dalton, GA 30720 Whitfield County	18.5 miles	Garden 1988 / n/a	Market	1BR / 1BA	23	13.50%	Market	\$526	453	n/a	No	0	0.00%	
					1BR / 1BA	11	6.40%	Market	\$526	490	n/a	No	0	0.00%	
					1BR / 1BA	37	21.60%	Market	\$611	680	n/a	5 HH	0	0.00%	
					1BR / 1BA	50	29.20%	Market	\$646	728	n/a	No	0	0.00%	
					2BR / 1.5BA	34	19.90%	Market	\$727	960	n/a	No	0	0.00%	
					2BR / 1.5BA	16	9.40%	Market	\$767	1,064	n/a	No	1	6.20%	
						171	100%								1
9	Park Place Apartments 510 Underwood St Dalton, GA 30721 Whitfield County	14.7 miles	Townhouse (2 stories) 2001 / n/a	Market	2BR / 1.5BA	86	100.00%	Market	\$645	1,125	n/a	No	4	4.70%	
						86	100%							4	4.70%

Peyton Ridge, Chatsworth, GA; Market Study

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

Effective Rent Date:		May-15		Units Surveyed:		947		Weighted Occupancy:		98.50%		
Market Rate		641		Market Rate		98.40%		Tax Credit		98.70%		
Tax Credit		306		Tax Credit		306		Tax Credit		306		
One Bedroom One Bath				Two Bedrooms Two Bath				Three Bedrooms Two Bath				
	Property	Average	Property	Average	Property	Average	Property	Average	Property	Average		
RENT	Autumn Ridge * (M)	\$725	Autumn Ridge * (M)	\$828	Autumn Ridge * (M)	\$938	Autumn Ridge * (M)	\$938	Autumn Ridge * (M)	\$938		
	Park Canyon Apartments	\$646	Park Canyon Apartments (1.5BA)	\$767	Legacy Of Dalton Apartments	\$824	Legacy Of Dalton Apartments	\$824	Legacy Of Dalton Apartments	\$824		
	Legacy Of Dalton Apartments	\$639	Legacy Of Dalton Apartments	\$744	Dawnville Meadows * (M)	\$725	Dawnville Meadows * (M)	\$725	Dawnville Meadows * (M)	\$725		
	Park Canyon Apartments	\$611	Park Canyon Apartments (1.5BA)	\$727	Autumn Ridge * (60%)	\$701	Autumn Ridge * (60%)	\$701	Autumn Ridge * (60%)	\$701		
	Austin Place Apartments	\$550	Dalton Beach Club (1.5BA)	\$723	Dawnville Meadows * (60%)	\$699	Dawnville Meadows * (60%)	\$699	Dawnville Meadows * (60%)	\$699		
	Park Canyon Apartments	\$526	Dalton Beach Club (1.5BA)	\$713	Autumn Ridge * (50%)	\$560	Autumn Ridge * (50%)	\$560	Autumn Ridge * (50%)	\$560		
	Park Canyon Apartments	\$526	Dalton Beach Club (1.5BA)	\$703	Dawnville Meadows * (50%)	\$558	Dawnville Meadows * (50%)	\$558	Dawnville Meadows * (50%)	\$558		
	Autumn Ridge * (60%)	\$520	Park Place Apartments (1.5BA)	\$645	Peyton Ridge * (60%)	\$494	Peyton Ridge * (60%)	\$494	Peyton Ridge * (60%)	\$494		
	Autumn Ridge * (50%)	\$419	Dawnville Meadows * (M)	\$625	Peyton Ridge * (50%)	\$449	Peyton Ridge * (50%)	\$449	Peyton Ridge * (50%)	\$449		
	Ellijay East Apartments	\$410	Autumn Ridge * (60%)	\$618	Fieldstone Apartments * (50%)	\$430	Fieldstone Apartments * (50%)	\$430	Fieldstone Apartments * (50%)	\$430		
	Ellijay East Apartments	\$410	Dawnville Meadows * (60%)	\$612	Autumn Ridge * (30%)	\$279	Autumn Ridge * (30%)	\$279	Autumn Ridge * (30%)	\$279		
	Fieldstone Apartments * (50%)	\$345	Austin Place Apartments (1.5BA)	\$600								
	Peyton Ridge * (50%)	\$340	Autumn Ridge * (50%)	\$496								
			Dawnville Meadows * (50%)	\$488								
			Peyton Ridge * (60%)	\$446								
			Ellijay East Apartments (1.5BA)	\$425								
			Ellijay East Apartments (1.5BA)	\$425								
			Peyton Ridge * (50%)	\$400								
			Fieldstone Apartments * (1BA 50%)	\$390								
	SQUARE FOOTAGE	Autumn Ridge * (50%)	892	Autumn Ridge * (50%)	1,208	Autumn Ridge * (30%)	1,486	Autumn Ridge * (30%)	1,486	Autumn Ridge * (30%)	1,486	
		Autumn Ridge * (60%)	892	Autumn Ridge * (60%)	1,208	Autumn Ridge * (50%)	1,486	Autumn Ridge * (50%)	1,486	Autumn Ridge * (50%)	1,486	
		Autumn Ridge * (M)	892	Autumn Ridge * (M)	1,208	Autumn Ridge * (60%)	1,486	Autumn Ridge * (60%)	1,486	Autumn Ridge * (60%)	1,486	
		Legacy Of Dalton Apartments	800	Dalton Beach Club (1.5BA)	1,150	Autumn Ridge * (M)	1,486	Autumn Ridge * (M)	1,486	Autumn Ridge * (M)	1,486	
		Fieldstone Apartments * (50%)	749	Dalton Beach Club (1.5BA)	1,150	Legacy Of Dalton Apartments	1,300	Legacy Of Dalton Apartments	1,300	Legacy Of Dalton Apartments	1,300	
		Park Canyon Apartments	728	Dalton Beach Club (1.5BA)	1,150	Dawnville Meadows * (50%)	1,250	Dawnville Meadows * (50%)	1,250	Dawnville Meadows * (50%)	1,250	
Austin Place Apartments		725	Park Place Apartments (1.5BA)	1,125	Dawnville Meadows * (60%)	1,250	Dawnville Meadows * (60%)	1,250	Dawnville Meadows * (60%)	1,250		
Peyton Ridge * (50%)		700	Austin Place Apartments (1.5BA)	1,100	Dawnville Meadows * (M)	1,250	Dawnville Meadows * (M)	1,250	Dawnville Meadows * (M)	1,250		
Park Canyon Apartments		680	Legacy Of Dalton Apartments	1,100	Peyton Ridge * (50%)	1,175	Peyton Ridge * (50%)	1,175	Peyton Ridge * (50%)	1,175		
Ellijay East Apartments		644	Park Canyon Apartments (1.5BA)	1,064	Peyton Ridge * (60%)	1,175	Peyton Ridge * (60%)	1,175	Peyton Ridge * (60%)	1,175		
Ellijay East Apartments		644	Peyton Ridge * (50%)	1,000	Fieldstone Apartments * (50%)	1,111	Fieldstone Apartments * (50%)	1,111	Fieldstone Apartments * (50%)	1,111		
Park Canyon Apartments		490	Peyton Ridge * (60%)	1,000								
Park Canyon Apartments		453	Park Canyon Apartments (1.5BA)	960								
			Dawnville Meadows * (50%)	950								
			Dawnville Meadows * (60%)	950								
			Dawnville Meadows * (M)	950								
			Ellijay East Apartments (1.5BA)	920								
			Ellijay East Apartments (1.5BA)	920								
			Fieldstone Apartments * (1BA 50%)	889								
RENT PER SQUARE FOOT		Park Canyon Apartments	\$1.16	Park Canyon Apartments (1.5BA)	\$0.76	Legacy Of Dalton Apartments	\$0.63	Legacy Of Dalton Apartments	\$0.63	Legacy Of Dalton Apartments	\$0.63	
		Park Canyon Apartments	\$1.07	Park Canyon Apartments (1.5BA)	\$0.72	Autumn Ridge * (M)	\$0.63	Autumn Ridge * (M)	\$0.63	Autumn Ridge * (M)	\$0.63	
		Park Canyon Apartments	\$0.90	Autumn Ridge * (M)	\$0.69	Dawnville Meadows * (M)	\$0.58	Dawnville Meadows * (M)	\$0.58	Dawnville Meadows * (M)	\$0.58	
		Park Canyon Apartments	\$0.89	Legacy Of Dalton Apartments	\$0.68	Dawnville Meadows * (60%)	\$0.56	Dawnville Meadows * (60%)	\$0.56	Dawnville Meadows * (60%)	\$0.56	
		Autumn Ridge * (M)	\$0.81	Dawnville Meadows * (M)	\$0.66	Autumn Ridge * (60%)	\$0.47	Autumn Ridge * (60%)	\$0.47	Autumn Ridge * (60%)	\$0.47	
		Legacy Of Dalton Apartments	\$0.80	Dawnville Meadows * (60%)	\$0.64	Dawnville Meadows * (50%)	\$0.45	Dawnville Meadows * (50%)	\$0.45	Dawnville Meadows * (50%)	\$0.45	
	Austin Place Apartments	\$0.76	Dalton Beach Club (1.5BA)	\$0.63	Peyton Ridge * (60%)	\$0.42	Peyton Ridge * (60%)	\$0.42	Peyton Ridge * (60%)	\$0.42		
	Ellijay East Apartments	\$0.64	Dalton Beach Club (1.5BA)	\$0.62	Fieldstone Apartments * (50%)	\$0.39	Fieldstone Apartments * (50%)	\$0.39	Fieldstone Apartments * (50%)	\$0.39		
	Ellijay East Apartments	\$0.64	Dalton Beach Club (1.5BA)	\$0.61	Peyton Ridge * (50%)	\$0.38	Peyton Ridge * (50%)	\$0.38	Peyton Ridge * (50%)	\$0.38		
	Autumn Ridge * (60%)	\$0.58	Park Place Apartments (1.5BA)	\$0.57	Autumn Ridge * (50%)	\$0.38	Autumn Ridge * (50%)	\$0.38	Autumn Ridge * (50%)	\$0.38		
	Peyton Ridge * (50%)	\$0.49	Austin Place Apartments (1.5BA)	\$0.55	Autumn Ridge * (30%)	\$0.19	Autumn Ridge * (30%)	\$0.19	Autumn Ridge * (30%)	\$0.19		
	Autumn Ridge * (50%)	\$0.47	Dawnville Meadows * (50%)	\$0.51								
	Fieldstone Apartments * (50%)	\$0.46	Autumn Ridge * (60%)	\$0.51								
			Ellijay East Apartments (1.5BA)	\$0.46								
			Ellijay East Apartments (1.5BA)	\$0.46								
			Peyton Ridge * (60%)	\$0.45								
			Fieldstone Apartments * (1BA 50%)	\$0.44								
			Autumn Ridge * (50%)	\$0.41								
			Peyton Ridge * (50%)	\$0.40								

PROPERTY PROFILE REPORT

Autumn Ridge

Effective Rent Date	5/21/2015
Location	850 Autumn Court Dalton, GA 30721 Whitfield County
Distance	16.2 miles
Units	130
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Dawnville Meadows
Tenant Characteristics	Families and couples from the surrounding area
Contact Name	Meledia
Phone	706.226.0404



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Pre-leased to 1 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	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)	N/A	892	\$381	\$0	@50%	Yes	0	N/A	no	None
1	1	Garden (2 stories)	N/A	892	\$482	\$0	@60%	Yes	0	N/A	no	None
1	1	Garden (2 stories)	N/A	892	\$687	\$0	Market	Yes	0	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,208	\$448	\$0	@50%	Yes	0	N/A	no	None
2	2	Garden (2 stories)	N/A	1,208	\$570	\$0	@60%	Yes	0	N/A	no	None
2	2	Garden (2 stories)	N/A	1,208	\$780	\$0	Market	Yes	0	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,486	\$221	\$0	@30%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,486	\$502	\$0	@50%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,486	\$643	\$0	@60%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,486	\$880	\$0	Market	Yes	0	N/A	N/A	None

Autumn Ridge, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
3BR / 2BA	\$221	\$0	\$221	\$58	\$279	1BR / 1BA	\$381	\$0	\$381	\$38	\$419
						2BR / 2BA	\$448	\$0	\$448	\$48	\$496
						3BR / 2BA	\$502	\$0	\$502	\$58	\$560
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$482	\$0	\$482	\$38	\$520	1BR / 1BA	\$687	\$0	\$687	\$38	\$725
2BR / 2BA	\$570	\$0	\$570	\$48	\$618	2BR / 2BA	\$780	\$0	\$780	\$48	\$828
3BR / 2BA	\$643	\$0	\$643	\$58	\$701	3BR / 2BA	\$880	\$0	\$880	\$58	\$938

Amenities

In-Unit

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

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

Security

Patrol

Services

Afterschool Program

Property

Basketball Court
 Exercise Facility
 Off-Street Parking
 Playground

Clubhouse/Meeting
 Central Laundry
 On-Site Management
 Swimming Pool

Premium

None

Other

None

Comments

Manager stated that three bedrooms are in highest demand because of the large number of families in Dalton. Contact did not know annual turnover. The waiting list is about three months. The contact noted that the strong occupancy at the property has been consistent over the past few years. She noted that Autumn Ridge is one of the nicest properties in the Dalton area, so there is always demand for the units.

Autumn Ridge, continued

Trend Report

Vacancy Rates

4Q04	2Q13	2Q14	2Q15
64.6%	0.0%	6.2%	0.0%

Trend: @30%

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$266	\$0	\$266	\$324
2013	2	N/A	\$221	\$0	\$221	\$279
2014	2	N/A	\$221	\$0	\$221	\$279
2015	2	N/A	\$221	\$0	\$221	\$279

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$401	\$0	\$401	\$439
2013	2	N/A	\$381	\$0	\$381	\$419
2014	2	N/A	\$381	\$0	\$381	\$419
2015	2	N/A	\$381	\$0	\$381	\$419

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$476	\$0	\$476	\$524
2013	2	N/A	\$448	\$0	\$448	\$496
2014	2	N/A	\$448	\$0	\$448	\$496
2015	2	N/A	\$448	\$0	\$448	\$496

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$538	\$0	\$538	\$596
2013	2	N/A	\$502	\$0	\$502	\$560
2014	2	N/A	\$502	\$0	\$502	\$560
2015	2	N/A	\$502	\$0	\$502	\$560

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$499	\$0	\$499	\$537
2013	2	N/A	\$482	\$0	\$482	\$520
2014	2	N/A	\$482	\$0	\$482	\$520
2015	2	N/A	\$482	\$0	\$482	\$520

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$594	\$0	\$594	\$642
2013	2	N/A	\$570	\$0	\$570	\$618
2014	2	N/A	\$570	\$0	\$570	\$618
2015	2	N/A	\$570	\$0	\$570	\$618

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$674	\$0	\$674	\$732
2013	2	N/A	\$643	\$0	\$643	\$701
2014	2	N/A	\$643	\$0	\$643	\$701
2015	2	N/A	\$643	\$0	\$643	\$701

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$545	\$0	\$545	\$583
2013	2	N/A	\$670	\$0	\$670	\$708
2014	2	N/A	\$687	\$0	\$687	\$725
2015	2	N/A	\$687	\$0	\$687	\$725

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$645	\$0	\$645	\$693
2013	2	N/A	\$760	\$0	\$760	\$808
2014	2	N/A	\$780	\$0	\$780	\$828
2015	2	N/A	\$780	\$0	\$780	\$828

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$715	\$0	\$715	\$773
2013	2	N/A	\$860	\$0	\$860	\$918
2014	2	N/A	\$880	\$0	\$880	\$938
2015	2	N/A	\$880	\$0	\$880	\$938

Autumn Ridge, continued

Trend: Comments

- 4Q04** N/A
- 2Q13** The contact stated the waiting list is currently 15 to 20 households in length.
- 2Q14** Manager stated that three bedrooms are in highest demand because of the large number of families in Dalton. Contact did not know annual turnover. The waiting list is about 10 to 15 households. The contact noted that the strong occupancy at the property has been consistent over the past few years. She noted that Autumn Ridge is one of the nicest properties in the Dalton area, so there is always demand for the units.
- 2Q15** Manager stated that three bedrooms are in highest demand because of the large number of families in Dalton. Contact did not know annual turnover. The waiting list is about three months. The contact noted that the strong occupancy at the property has been consistent over the past few years. She noted that Autumn Ridge is one of the nicest properties in the Dalton area, so there is always demand for the units.

PROPERTY PROFILE REPORT

Dawnville Meadows

Effective Rent Date	5/21/2015
Location	161 Dawnville Road Dalton, GA 30721 Whitfield County
Distance	16.3 miles
Units	120
Vacant Units	1
Vacancy Rate	0.8%
Type	Garden (2 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None disclosed
Tenant Characteristics	Mostly families with a range of ages from 20's to 60's
Contact Name	Stella
Phone	706.278.5855



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	1-2 weeks
Annual Chg. in Rent	Increased 2% to 10%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	4	950	\$488	\$0	@50%	no	0	0.0%	yes	None
2	2	Garden (2 stories)	60	950	\$612	\$0	@60%	No	0	0.0%	no	None
2	2	Garden (2 stories)	16	950	\$625	\$0	Market	no	0	0.0%	N/A	None
3	2	Garden (2 stories)	2	1,250	\$558	\$0	@50%	no	0	0.0%	yes	None
3	2	Garden (2 stories)	30	1,250	\$699	\$0	@60%	No	1	3.3%	no	None
3	2	Garden (2 stories)	8	1,250	\$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
2BR / 2BA	\$488	\$0	\$488	\$0	\$488	2BR / 2BA	\$612	\$0	\$612	\$0	\$612
3BR / 2BA	\$558	\$0	\$558	\$0	\$558	3BR / 2BA	\$699	\$0	\$699	\$0	\$699
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
2BR / 2BA	\$625	\$0	\$625	\$0	\$625						
3BR / 2BA	\$725	\$0	\$725	\$0	\$725						

Dawnville Meadows, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground
Volleyball Court

Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The property manager did not know annual turnover. Contact stated that the three bedroom units are in highest demand because larger families are looking to rent. The contact noted that the strong occupancy has been typical at the property over the past year or so. Rents decreased \$50-\$90 from a year ago for the market and 60 percent units. Tenants were having trouble affording the property's rent prices or potential tenants would be over or under qualified for the income limits.

Dawnville Meadows, continued

Trend Report

Vacancy Rates

4Q04	2Q13	2Q14	2Q15
4.7%	2.5%	5.0%	0.8%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	0.0%	\$440	\$0	\$440	\$440
2013	2	0.0%	\$488	\$0	\$488	\$488
2014	2	0.0%	\$488	\$0	\$488	\$488
2015	2	0.0%	\$488	\$0	\$488	\$488

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	0.0%	\$495	\$0	\$495	\$495
2013	2	0.0%	\$556	\$0	\$556	\$556
2014	2	0.0%	\$556	\$0	\$556	\$556
2015	2	0.0%	\$558	\$0	\$558	\$558

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	0.0%	\$535	\$0	\$535	\$535
2013	2	0.0%	\$610	\$0	\$610	\$610
2014	2	6.7%	\$575	\$0	\$575	\$575
2015	2	0.0%	\$612	\$0	\$612	\$612

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	N/A	\$605	\$0	\$605	\$605
2013	2	0.0%	\$697	\$0	\$697	\$697
2014	2	3.3%	\$650	\$0	\$650	\$650
2015	2	3.3%	\$699	\$0	\$699	\$699

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	18.8%	\$585	\$0	\$585	\$585
2013	2	12.5%	\$675	\$0	\$675	\$675
2014	2	0.0%	\$630	\$0	\$630	\$630
2015	2	0.0%	\$625	\$0	\$625	\$625

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	50.0%	\$685	\$0	\$685	\$685
2013	2	12.5%	\$800	\$0	\$800	\$800
2014	2	12.5%	\$710	\$0	\$710	\$710
2015	2	0.0%	\$725	\$0	\$725	\$725

Trend: Comments

4Q04 N/A

2Q13 Contact stated that income restricted units at the property are currently 100 percent occupied but they do not maintain a waiting list. Contact stated that the property accepts Housing Choice vouchers; approximately five percent of tenants currently utilize vouchers.

2Q14 The property manager did not know annual turnover. Contact stated that the three bedroom units are in highest demand because larger families are looking to rent. The contact noted that the strong occupancy has been typical at the property over the past year or so. Rents decreased \$50-\$90 from a year ago for the market and 60 percent units. Tenants were having trouble affording the property's rent prices or potential tenants would be over or under qualified for the income limits.

2Q15 N/A

PROPERTY PROFILE REPORT

Fieldstone Apartments

Effective Rent Date 5/21/2015
Location 400 South 2nd Avenue
 Chatsworth, GA 30705
 Murray County County
Distance 1.3 miles
Units 56
Vacant Units 3
Vacancy Rate 5.4%
Type Various (2 stories)
Year Built/Renovated 1999 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics Families
Contact Name Kathy
Phone 706.517.8625



Market Information

Program @50% (HOME)
Annual Turnover Rate 30%
Units/Month Absorbed N/A
HCV Tenants 21%
Leasing Pace 1 month or more
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	16	749	\$307	\$0	@50% (HOME)	Yes	1	6.2%	yes	None
2	1	Garden	20	889	\$342	\$0	@50% (HOME)	Yes	1	5.0%	yes	None
3	2	Garden	20	1,111	\$372	\$0	@50% (HOME)	Yes	1	5.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$307	\$0	\$307	\$38	\$345
2BR / 1BA	\$342	\$0	\$342	\$48	\$390
3BR / 2BA	\$372	\$0	\$372	\$58	\$430

Fieldstone Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Oven
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator

Security

None

Services

None

Property

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

Clubhouse/Meeting
Off-Street Parking
Picnic Area

Premium

None

Other

None

Comments

The waiting list is approximately 1.5 years or longer. The manager indicated that there are three vacant units that will be filled from the waiting list. The units most in demand are the three bedroom units due to many families looking to rent.

Fieldstone Apartments, continued

Trend Report

Vacancy Rates

2Q14	2Q15
12.5%	5.4%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	12.5%	\$307	\$0	\$307	\$345
2015	2	6.2%	\$307	\$0	\$307	\$345

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	10.0%	\$342	\$0	\$342	\$390
2015	2	5.0%	\$342	\$0	\$342	\$390

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	15.0%	\$372	\$0	\$372	\$430
2015	2	5.0%	\$372	\$0	\$372	\$430

Trend: Comments

- 2Q14** It takes more than a month to fill a vacant unit because many potential tenants are overqualified for the income limits, therefore, there seems to be demand for 60% AMI level units in the area. There are approximately eight applicants on the waiting list who want ground floor apartments. The units most in demand are the three bedroom units due to many families looking to rent. The property currently has seven vacant units due to natural turnover. The PM noted that two of the units have been leased, which equates to a leased occupancy rate of 91 percent.
- 2Q15** The waiting list is approximately 1.5 years or longer. The manager indicated that there are three vacant units that will be filled from the waiting list. The units most in demand are the three bedroom units due to many families looking to rent.

Photos



PROPERTY PROFILE REPORT

Austin Place Apartments

Effective Rent Date	5/21/2015
Location	3017 Chatsworth Highway Ellijay, GA 30540 Gilmer County County
Distance	23.2 miles
Units	26
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1998 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Families and couples from the surrounding area
Contact Name	John
Phone	706.273.2727



Market Information

Program	Market
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Two to Three Days
Annual Chg. in Rent	Increased 5% to 9%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	8	725	\$550	\$0	Market	Yes	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	18	1,100	\$600	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$550	\$0	\$550	\$0	\$550
2BR / 1.5BA	\$600	\$0	\$600	\$0	\$600

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Coat Closet		
Oven		
Walk-In Closet		
Blinds		
Central A/C		
Dishwasher		
Refrigerator		
Washer/Dryer hookup		
Property	Premium	Other
None	None	None

Austin Place Apartments, continued

Comments

The property is at 100 percent occupancy. There is a waiting list with approximately 60 applicants and the majority of the applicants are waiting for a two bedroom unit. The property does not accept Section 8 tenants. The contact noted that the strong occupancy has been typical over the past few years.

Austin Place Apartments, continued

Trend Report

Vacancy Rates

2Q14	2Q15
0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$525	\$0	\$525	\$525
2015	2	0.0%	\$550	\$0	\$550	\$550

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$550	\$0	\$550	\$550
2015	2	0.0%	\$600	\$0	\$600	\$600

Trend: Comments

2Q14 The property is at 100 percent occupancy. There is a waiting list with approximately 60 applicants and the majority of the applicants are waiting for a two bedroom unit. The property does not accept Section 8 tenants. The contact noted that the strong occupancy has been typical over the past few years.

2Q15 N/A

PROPERTY PROFILE REPORT

Dalton Beach Club

Effective Rent Date	5/27/2015
Location	1902 Brady Drive Dalton, GA 30720 Whitfield County
Distance	18.3 miles
Units	155
Vacant Units	1
Vacancy Rate	0.6%
Type	Townhouse
Year Built/Renovated	1985 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Mostly families, Avg household size is 3, Avg age is 30
Contact Name	Cheryl
Phone	706.279.1801



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 3% to 7%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse	155	1,150	\$665	\$0	Market	Yes	1	0.6%	N/A	AVG
2	1.5	Townhouse	N/A	1,150	\$675	\$0	Market	Yes	0	N/A	N/A	HIGH
2	1.5	Townhouse	N/A	1,150	\$655	\$0	Market	Yes	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$655 - \$675	\$0	\$655 - \$675	\$48	\$703 - \$723

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Fireplace
Oven
Walk-In Closet

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

Security

None

Services

None

Property

Off-Street Parking
Playground
Tennis Court

On-Site Management
Swimming Pool

Premium

None

Other

None

Dalton Beach Club, continued

Comments

Property formerly known as Brookside Village Apartments. Contact did not know annual turnover and the property does not accept Section 8 tenants. The manager report that there is a waiting list of approximately one month.

Dalton Beach Club, continued

Trend Report

Vacancy Rates

4Q04	1Q14	2Q15
19.4%	0.6%	0.6%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	19.4%	\$558	\$0	\$558	\$606
2014	1	N/A	\$615 - \$645	\$26 - \$36	\$589 - \$616	\$637 - \$664
2015	2	N/A	\$655 - \$675	\$0	\$655 - \$675	\$703 - \$723

Trend: Comments

4Q04 N/A

1Q14 Property formerly known as Brookside Village Apartments. There is a rent special of \$200 off first month's rent. Contact did not know annual turnover and the property does not accept Section 8 tenants.

2Q15 Property formerly known as Brookside Village Apartments. Contact did not know annual turnover and the property does not accept Section 8 tenants. The manager report that there is a waiting list of approximately one month.

PROPERTY PROFILE REPORT

Ellijay East Apartments

Effective Rent Date 5/22/2015
Location 188 Eric Simpson Dr
 Ellijay, GA 30540
 Gilmer County County
Distance 24 miles
Units 45
Vacant Units 1
Vacancy Rate 2.2%
Type Various (2 stories)
Year Built/Renovated 1991 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics N/A
Contact Name Kathy
Phone 706.635.3900



Market Information

Program Market, Rural Development (Rural Rental)
Annual Turnover Rate 15%
Units/Month Absorbed N/A
HCV Tenants 7%
Leasing Pace Two weeks
Annual Chg. in Rent Increased 1%
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	6	644	\$410	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden	2	644	\$410	\$0	Rural Development (Rural Rental Assistance Program - RRAP)	Yes	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	25	920	\$425	\$0	Market	Yes	1	4.0%	N/A	None
2	1.5	Townhouse (2 stories)	12	920	\$425	\$0	Rural Development (Rural Rental Assistance Program - RRAP)	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Rural	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$410	\$0	\$410	\$0	\$410	1BR / 1BA	\$410	\$0	\$410	\$0	\$410
2BR / 1.5BA	\$425	\$0	\$425	\$0	\$425	2BR / 1.5BA	\$425	\$0	\$425	\$0	\$425

Ellijay East Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Oven
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Microwave
Pull Cords
Walk-In Closet

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
On-Site Management

Clubhouse/Meeting
Central Laundry
Playground

Premium

None

Other

None

Comments

Of the 45 units at the property, 14 operate with Rural Rental Assistance (RRAP). Tenants in these units are paying 30 percent of their income towards rent. Management also noted that three of the 31 unsubsidized units are being rented by tenants with tenant based Housing Choice Vouchers. Therefore, tenants in these three units are also paying 30 percent of their income towards rent. The remaining 26 tenants are paying a minimum of the basic rents, which are \$410 and \$425 for a one- and two-bedroom unit, respectively. The contact said that there is also a 50% AMI tax credit overlay on eight of the units, and the remaining four units have a 60% overlay. We were unable to obtain detail on the LIHTC rents. There is currently a waiting list of 14 months for one-bedroom units. The waiting list for two-bedroom units contains two households.

Ellijay East Apartments, continued

Trend Report

Vacancy Rates

2Q14	2Q15
0.0%	2.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$405	\$0	\$405	\$405
2015	2	0.0%	\$410	\$0	\$410	\$410

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$420	\$0	\$420	\$420
2015	2	4.0%	\$425	\$0	\$425	\$425

Trend: Rural Development

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$405	\$0	\$405	\$405
2015	2	0.0%	\$410	\$0	\$410	\$410

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$420	\$0	\$420	\$420
2015	2	0.0%	\$425	\$0	\$425	\$425

Trend: Comments

- 2Q14** Of the 45 units at the property, 14 operate with Rural Rental Assistance (RRAP). Tenants in these units are paying 30 percent of their income towards rent. Management also noted that five of the 31 unsubsidized units are being rented by tenants with tenant based Section 8 vouchers. Therefore, tenants in these five units are also paying 30 percent of their income towards rent. The remaining 26 tenants are paying a minimum of the basic rents, which are \$405 and \$420 for a one- and two-bedroom unit. The contact said that there is also a 50% AMI tax credit overlay on eight of the units, and the remaining four units have a 60% overlay. We were unable to obtain detail on the LIHTC rents.
- 2Q15** Of the 45 units at the property, 14 operate with Rural Rental Assistance (RRAP). Tenants in these units are paying 30 percent of their income towards rent. Management also noted that three of the 31 unsubsidized units are being rented by tenants with tenant based Housing Choice Vouchers. Therefore, tenants in these three units are also paying 30 percent of their income towards rent. The remaining 26 tenants are paying a minimum of the basic rents, which are \$410 and \$425 for a one- and two-bedroom unit, respectively. The contact said that there is also a 50% AMI tax credit overlay on eight of the units, and the remaining four units have a 60% overlay. We were unable to obtain detail on the LIHTC rents. There is currently a waiting list of 14 months for one-bedroom units. The waiting list for two-bedroom units contains two households.

Photos



PROPERTY PROFILE REPORT

Legacy Of Dalton Apartments

Effective Rent Date	5/22/2015
Location	2111 Club Drive Dalton, GA 30720 Whitfield County
Distance	18 miles
Units	158
Vacant Units	3
Vacancy Rate	1.9%
Type	Garden
Year Built/Renovated	1971 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Mixed local tenancy including singles, couples and small families, and the average age is between 32-35.
Contact Name	Sandy
Phone	1.706.226.3012



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 4% to 7%
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	81	800	\$639	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden	53	1,100	\$744	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden	24	1,300	\$824	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$639	\$0	\$639	\$0	\$639
2BR / 2BA	\$744	\$0	\$744	\$0	\$744
3BR / 2BA	\$824	\$0	\$824	\$0	\$824

Legacy Of Dalton Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Walk-In Closet

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

Security

Patrol

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground
Tennis Court

Exercise Facility
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The property is 98 percent occupied with the two and three bedrooms having the most demand. Contact did not know the annual turnover and the property does not accept Section 8 tenants. The contact noted that the strong occupancy at the property has been typical over the past year or two.

Legacy Of Dalton Apartments, continued

Trend Report

Vacancy Rates

1Q13	1Q14	2Q14	2Q15
1.3%	1.9%	1.9%	1.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$630	\$71	\$559	\$559
2014	1	1.2%	\$604	\$0	\$604	\$604
2014	2	1.2%	\$604	\$0	\$604	\$604
2015	2	N/A	\$639	\$0	\$639	\$639

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	3.8%	\$730	\$66	\$664	\$664
2014	1	3.8%	\$694	\$0	\$694	\$694
2014	2	3.8%	\$694	\$0	\$694	\$694
2015	2	N/A	\$744	\$0	\$744	\$744

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$830	\$61	\$769	\$769
2014	1	0.0%	\$789	\$0	\$789	\$789
2014	2	0.0%	\$789	\$0	\$789	\$789
2015	2	N/A	\$824	\$0	\$824	\$824

Trend: Comments

1Q13	The contact reported occupancy has been strong during the past year at above 95 percent. The two vacant units are pre-leased. Current specials are running through February.
1Q14	The property is 98 percent occupied with the two and three bedrooms having the most demand. Contact did not know the annual turnover and the property does not accept section 8 tenants.
2Q14	The property is 98 percent occupied with the two and three bedrooms having the most demand. Contact did not know the annual turnover and the property does not accept Section 8 tenants. The contact noted that the strong occupancy at the property has been typical over the past year or two.
2Q15	N/A

PROPERTY PROFILE REPORT

Park Canyon Apartments

Effective Rent Date	5/22/2015
Location	100 Park Canyon Drive Dalton, GA 30720 Whitfield County
Distance	18.5 miles
Units	171
Vacant Units	1
Vacancy Rate	0.6%
Type	Garden
Year Built/Renovated	1988 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Mostly singles with an average household size of 1-2. The average age is 25-35.
Contact Name	Harla
Phone	866.978.3801



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Same Day to two weeks
Annual Chg. in Rent	Increased 2% to 4%
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	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	23	453	\$480	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden	11	490	\$480	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden	37	680	\$565	\$0	Market	5 HH	0	0.0%	N/A	None
1	1	Garden	50	728	\$600	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Garden	34	960	\$675	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Garden	16	1,064	\$715	\$0	Market	No	1	6.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$480 - \$600	\$0	\$480 - \$600	\$46	\$526 - \$646
2BR / 1.5BA	\$675 - \$715	\$0	\$675 - \$715	\$52	\$727 - \$767

Park Canyon Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Furnishing
Oven
Vaulted Ceilings
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Ceiling Fan
Hand Rails
Refrigerator
Walk-In Closet

Security

None

Services

None

Property

Basketball Court
Exercise Facility
Off-Street Parking
Swimming Pool

Clubhouse/Meeting
Jacuzzi
On-Site Management
Tennis Court

Premium

None

Other

None

Comments

The contact did not know annual turnover and the property does not accept Section 8 tenants. There are no rent specials. The units most in demand are the one-bedroom, 680 SF units.

Park Canyon Apartments, continued

Trend Report

Vacancy Rates

1Q05	1Q14	2Q15
14.6%	5.3%	0.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	N/A	\$400 - \$510	\$0	\$400 - \$510	\$446 - \$556
2014	1	7.4%	\$460 - \$580	\$0	\$460 - \$580	\$506 - \$626
2015	2	0.0%	\$480 - \$600	\$0	\$480 - \$600	\$526 - \$646

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	N/A	\$590 - \$625	\$0	\$590 - \$625	\$642 - \$677
2014	1	0.0%	\$665 - \$700	\$0	\$665 - \$700	\$717 - \$752
2015	2	2.0%	\$675 - \$715	\$0	\$675 - \$715	\$727 - \$767

Trend: Comments

1Q05	Park Canyon Apartments is a garden style market rate property with 171 units. The property is currently 85% occupied with no households currently awaiting available units. The tenant profile is made up mostly of singles with an average household size of 1-2.
1Q14	The contact did not know annual turnover and the property does not accept Section 8 tenants. There are no rent specials. The units most in demand are the one-bedroom, 680 SF units.
2Q15	N/A

PROPERTY PROFILE REPORT

Park Place Apartments

Effective Rent Date 5/28/2015
Location 510 Underwood St
 Dalton, GA 30721
 Whitfield County County
Distance 14.7 miles
Units 86
Vacant Units 4
Vacancy Rate 4.7%
Type Townhouse (2 stories)
Year Built/Renovated 2001 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics Families and Elderly
Contact Name Charlie
Phone 706.270.9979



Market Information

Program Market
Annual Turnover Rate N/A
Units/Month Absorbed N/A
HCV Tenants N/A
Leasing Pace 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
2	1.5	Townhouse (2 stories)	86	1,125	\$645	\$0	Market	No	4	4.7%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$645	\$0	\$645	\$0	\$645

Amenities

In-Unit

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

Carpeting
 Coat Closet
 Hand Rails
 Oven
 Washer/Dryer

Security

Video Surveillance

Services

None

Property

Central Laundry
 On-Site Management
 Recreation Areas

Off-Street Parking
 Playground

Premium

None

Other

None

Park Place Apartments, continued

Comments

Tenants can pay a rent of \$645 with a washer/dryer or \$620 without a washer/dryer. Only one of the six buildings has the option of adding a washer/dryer. The property also covers up to &75 of the tenants utilities while providing for water, sewer, trash. The property does not accept Section 8 tenants. The property manager did not know of annual turnover.

Park Place Apartments, continued

Trend Report

Vacancy Rates

2Q14	2Q15
9.3%	4.7%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	9.3%	\$645	\$0	\$645	\$645
2015	2	4.7%	\$645	\$0	\$645	\$645

Trend: Comments

- 2Q14** Tenants can pay a rent of \$645 with a washer/dryer or \$620 without a washer/dryer. Only one of the six buildings has the option of adding a washer/dryer. The property also covers up to &75 of the tenants utilities while providing for water, sewer, trash. There is a rent special of an additional week with a 12 month lease if the tenant pays a \$300 deposit. The property does not accept Section 8 tenants. The property manager did not know of annual turnover or the amount rents have changed in a year.
- 2Q15** Tenants can pay a rent of \$645 with a washer/dryer or \$620 without a washer/dryer. Only one of the six buildings has the option of adding a washer/dryer. The property also covers up to &75 of the tenants utilities while providing for water, sewer, trash. The property does not accept Section 8 tenants. The property manager did not know of annual turnover.

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.

TENANTS WITH VOUCHERS

Comparable Property	Type	Housing Choice Voucher Tenants
Autumn Ridge	LIHTC	5%
Dawnville Meadows	LIHTC	2%
Fieldstone Apartments	LIHTC/HOME	21%
Austin Place Apartments	Market	N/A
Dalton Beach Club	Market	N/A
Ellijay East Apartments	Market/RD	7%
Legacy Of Dalton Apartments	Market	N/A
Park Canyon Apartments	Market	N/A
Park Place Apartments	Market	N/A

Of the nine comparable properties surveyed, only four could provide the percentage of voucher tenants. Voucher usage among the LIHTC properties ranges from five to 21 percent. Only one of the market rate properties could provide the percentage of voucher tenants. Ellijay East Apartments reported that approximately seven percent of tenants are voucher tenants. The local market does not appear to be dependent on voucher tenants.

Lease Up History

Absorption data was not available for the comparables. Furthermore, we searched the nearby counties but were unable to find any developments that could provide their absorption information. Therefore, we will base our estimate of absorption on population and household trends in the region. Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Through the market entry, the total population in the PMA is projected to increase by 1,650 individuals. Additionally, the number of households is projected to increase 355 households over the same period of analysis. As detailed in the demand analysis contained within this report, a significant portion of the families in the PMA will be income-eligible to reside at the Subject. As a result, we believe that the Subject could lease a total of seven units per month, or an absorption period of approximately 11 months until stabilization.

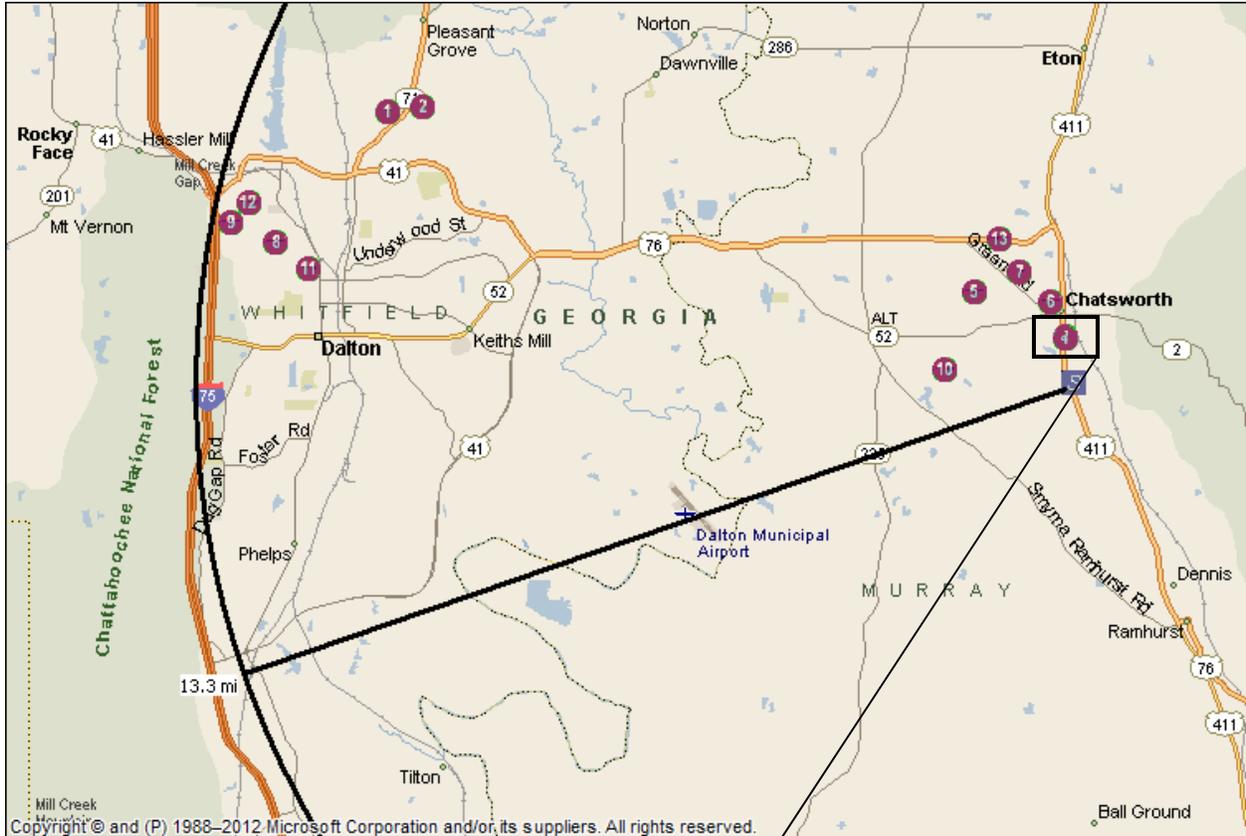
Phased Developments

The Subject is not part of a phased development.

Rural Areas

The Subject is located in a rural area.

3. Competitive Project Map



COMPETITIVE PROPERTIES

#	Property Name	City	Tenancy	Included/Excluded	Reason for Exclusion	Distance
S	Peyton Ridge	Chatsworth	Family	Subject	N/A	-
1	Autumn Ridge	Dalton	Family	Included	N/A	16.2 miles
2	Dawnville Meadows	Dalton	Family	Included	N/A	16.3 miles
3	Fieldstone Apartments	Chatsworth	Family	Included	N/A	1.3 miles
4	Cohutta Shadows	Chatsworth	Family	Excluded	Subsidized	0.9 miles
5	Cohutta View Apartments	Chatsworth	Family	Excluded	Subsidized	2.1 miles
6	Kinnamon Part	Chatsworth	Family	Excluded	Subsidized	1.4 miles
7	Oran Housing, Inc.	Chatsworth	Disabled	Excluded	Subsidized	2.0 miles
8	Mountain Woods Apartments	Dalton	Family	Excluded	Subsidized	12.6 miles
9	The Cliffs Apartments	Dalton	Family	Excluded	Subsidized	13.3 miles
10	The Courtyard Apartments	Chatsworth	Family	Excluded	Subsidized	2.0 miles
11	Whitfield Commons	Dalton	Senior	Excluded	Subsidized	12.0 miles
12	Whitfield Place	Dalton	Senior	Excluded	Subsidized	13.1 miles
13	Linwood Place	Chatsworth	Senior	Excluded	Senior tenancy	2.5 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										
Comp #	Peyton Ridge Subject	Autumn Ridge 1	Dawnville Meadows 2	Fieldsstone Apartments 3	Austin Place Apartments 4	Dalton Beach Club 5	Ellijay East Apartments 6	Legacy Of Dalton Apartments 7	Park Canyon Apartments 8	Park Place Apartments 9
Property Information										
Property Type	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Various (2 stories)	Various (2 stories)	Townhouse	Various (2 stories)	Garden	Garden	Townhouse (2 stories)
Year Built / Renovated	2017 / n/a	2004 / n/a	2000 / n/a	1999 / n/a	1998 / n/a	1985 / n/a	1991 / n/a	1971 / n/a	1988 / n/a	2001 / n/a
Market (Conv.)/Subsidy Type	@50%, @60%	@30%, @50%, @60%, Market	@50%, @60%, Market	@50% (HOME)	Market	Market	Market, Rural Development (RRAP)	Market	Market	Market
In-Unit Amenities										
Balcony/Patio	no	yes	yes	yes	yes	yes	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	no	yes	yes	yes	no	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	yes	no	no	no	yes	yes	no
Ceiling Fan	yes	yes	yes	no	no	yes	yes	yes	yes	no
Fireplace	no	no	no	no	no	yes	no	no	no	no
Furnishing	no	no	no	no	no	no	no	no	yes	no
Garbage Disposal	yes	yes	yes	yes	no	no	no	yes	no	no
Hand Rails	yes	no	no	no	no	yes	no	yes	yes	yes
Microwave	yes	no	no	no	no	no	yes	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	no	no	no	no	no	no	yes	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	no	yes	no
Walk-In Closet	yes	yes	no	no	yes	yes	yes	yes	yes	no
Washer/Dryer	no	no	no	no	no	no	no	no	no	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities										
Basketball Court	no	yes	no	no	no	no	no	no	yes	no
Business Center/Computer Lab	yes	no	no	yes	no	no	yes	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	no	no	yes	yes	yes	no
Courtyard	yes	no	no	no	no	no	no	no	no	no
Exercise Facility	yes	yes	no	no	no	no	yes	yes	yes	no
Jacuzzi	no	no	no	no	no	no	no	no	yes	no
Central Laundry	yes	yes	yes	yes	no	no	yes	no	no	yes
Off-Street Parking	yes	yes	yes	yes	no	yes	no	yes	yes	yes
On-Site Management	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Picnic Area	yes	no	no	yes	no	no	no	no	no	no
Playground	yes	yes	yes	yes	no	yes	yes	yes	no	yes
Recreation Areas	yes	no	no	no	no	no	no	no	no	yes
Swimming Pool	no	yes	yes	no	no	yes	no	yes	yes	no
Tennis Court	no	no	no	no	no	yes	no	yes	yes	no
Volleyball Court	no	no	yes	no	no	no	no	no	no	no
Services										
Afterschool Program	no	yes	no	no	no	no	no	no	no	no
Security										
Limited Access	yes	no	no	no	no	no	no	no	no	no
Patrol	no	yes	no	no	no	no	no	yes	no	no
Perimeter Fencing	yes	no	no	no	no	no	no	no	no	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	yes

The Subject offers a generally similar in-unit amenities package. The Subject will, however, offer a slightly superior common area amenities package, as the Subject includes a business center/computer lab, courtyard, exercise facility, picnic area, and recreation areas, as the majority of the comparables do not offer these common area amenities. Additionally, the Subject's

security features are slightly superior to the comparables. Overall, the Subject will be similar to slightly superior to the comparables in terms of amenities.

5. Senior Tenancy

The Subject will target family households. Therefore, per DCA’s guidelines, senior properties were not included.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Autumn Ridge*	LIHTC/Market	130	0	0.0%
Dawnville Meadows	LIHTC Units Only	96	1	1.0%
Dawnville Meadows	Market Rate Units Only	24	0	0.0%
Fieldstone Apartments	LIHTC/HOME	56	3	5.4%
Austin Place Apartments	Market	26	0	0.0%
Dalton Beach Club	Market	155	1	0.6%
Elijay East Apartments	Market/RD	45	1	2.2%
Legacy Of Dalton Apartments	Market	158	3	1.9%
Park Canyon Apartments	Market	171	1	0.6%
Park Place Apartments	Market	86	4	4.7%
LIHTC Average		282	4	1.4%
Market Rate Average		665	10	1.5%
Total		947	14	1.5%

*Could not provide a breakout of LIHTC and market rate units

As illustrated, vacancy rates in the market range from zero to 5.4 percent, averaging 1.5 percent. One of the comparable properties exhibits a vacancy rate above five percent. Fieldstone Apartments, a LIHTC and HOME funded property, reported a vacancy rate of 5.4 percent. However, the property is a small development and reported just three vacant units. The manager reported that the property is currently maintaining a waiting list of 1.5 years and the vacant units will be filled from the waiting list. The LIHTC properties surveyed reported vacancy rates ranging from zero to 5.4 percent, averaging 1.4 percent. The market rate properties surveyed reported vacancy rates ranging from zero to 4.7 percent, averaging 1.5 percent. Overall, we believe the conventional market is strong based on the low average vacancy rate. We anticipate that the Subject will maintain a vacancy rate of five percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable housing in the local market.

7. Properties Under Construction and Proposed

There are no new LIHTC or market rate properties that have been proposed or under construction in the PMA.

8. Rental Advantage

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

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Autumn Ridge	LIHTC/Market	Inferior	Slightly Inferior	Slightly Superior	Slightly Inferior	Slightly Superior	-10
2	Dawnville Meadows	LIHTC/Market	Slightly Inferior	Similar	Slightly Superior	Slightly Inferior	Similar	-5
3	Fieldstone Apartments	LIHTC/HOME	Slightly Inferior	Similar	Similar	Slightly Inferior	Slightly Inferior	-15
4	Austin Place Apartments	Market	Inferior	Slightly Inferior	Slightly Inferior	Inferior	Slightly Superior	-25
5	Dalton Beach Club	Market	Slightly Inferior	Similar	Slightly Superior	Inferior	Slightly Superior	-5
6	Elijay East Apartments	Market/RD	Slightly Inferior	Similar	Slightly Inferior	Inferior	Slightly Inferior	-25
7	Legacy Of Dalton Apartments	Market	Inferior	Similar	Slightly Superior	Inferior	Similar	-15
8	Park Canyon Apartments	Market	Similar	Similar	Slightly Superior	Inferior	Slightly Inferior	-10
9	Park Place Apartments	Market	Inferior	Slightly Inferior	Slightly Superior	Inferior	Slightly Superior	-15

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

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

LIHTC Rent Comparison - @50%

Property Name	1BR	2BR	3BR
Peyton Ridge (Subject)	\$340	\$400	\$449
LIHTC Maximum (Net)	\$340	\$400	\$452
Whitfield County Hold Harmless Rents (2010)	\$404	\$478	\$543
Autumn Ridge*	\$419	\$496	\$560
Dawnville Meadows*	n/a	\$488	\$558
Fieldstone Apartments	\$345	\$390	\$430
Average (excluding Subject)	\$382	\$458	\$516

*Located in Whitfield County

LIHTC Rent Comparison - @60%

Property Name	2BR	3BR
Peyton Ridge (Subject)	\$446	\$494
LIHTC Maximum (Net)	\$504	\$572
Whitfield County Hold Harmless Rents (2010)	\$597	\$681
Autumn Ridge*	\$618	\$701
Dawnville Meadows*	\$612	\$699
Average (excluding Subject)	\$615	\$700

*Located in Whitfield County

The Subject will offer garden-style units at both 50 and 60 percent of the AMI. Several of the comparables’ rents appear above the current maximum allowable levels as well as the Hold Harmless rents from 2010; this is most likely due to differing utility structures between properties. The Subject is most similar to Dawnville Meadows and Fieldstone Apartments. Dawnville Meadows is located in Dalton, in a slightly superior neighborhood than the Subject. It offers a generally similar in-unit amenities package; however, the Subject offers a slightly

superior common area amenities package. The Subject offers similar unit sizes as Dawnville Meadows, but as new construction, the Subject will be in slightly superior condition.

Fieldstone Apartments is located in Chatsworth, in a similar neighborhood as the Subject property. Fieldstone Apartments also offers a generally similar amenities package but a slightly inferior common area amenities package. The unit sizes at Fieldstone Apartments are slightly inferior to the Subject's proposed unit sizes, and as new construction, the Subject will be in slightly superior condition.

Dawnville Meadows is currently achieving rents above the maximum allowable level in Murray County, but is located in the county adjacent to the Subject's county with a higher maximum allowable level. Fieldstone Apartments is located in Chatsworth with rents set slightly below the maximum allowable level at 50 percent AMI. We believe that the Subject can achieve rents set at the maximum allowable level for its 50 percent units and we believe that the developer's proposed rents at 60 percent AMI are achievable.

It should be noted that the majority of the units at the Subject will be restricted to households earning 60 percent of AMI or less. According to the property manager at Fieldstone Apartments, the units at 60 percent AMI reflect the highest demand in the market.

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%	\$340	\$345	\$725	\$538	37%
2 BR @ 50%	\$400	\$390	\$828	\$632	37%
3 BR @ 50%	\$449	\$430	\$938	\$679	34%
2 BR @ 60%	\$446	\$425	\$828	\$672	34%
3 BR @60%	\$494	\$699	\$938	\$777	36%

As illustrated the Subject’s proposed rents at 50 and 60 percent of the AMI are well below the surveyed average when compared to the comparables, both LIHTC and market rate. Furthermore, the Subject’s proposed one-bedroom rent at 50 percent and its three-bedroom rent at 60 percent, are below the minimum market rent.

The Subject will be most similar to Dawnville Ridge which offers units at 50 and 60 percent AMI, as well as unrestricted units. Dawnville Ridge is currently 99 percent occupied and maintains a waiting list for its 50 percent units.

The Subject will also be similar to Park Canyon Apartments, a market rate property. This property will offer similar in-unit and common area amenities as the Subject. The rents at Park Canyon Apartments are more than 60 percent higher than the Subject’s proposed rents.

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

Based on DCA’s allocation lists, there have been no recent allocations in the PMA. However, there are four existing LIHTC properties in the PMA. Two of the properties, Autumn Ridge and Dawnville Meadows, are mixed-income developments located in Dalton. There is one LIHTC property in Chatsworth that targets family tenancy. All three of these properties have been included in our analysis. Additionally, Linwood Place is an age-restricted property located in Chatsworth, which has been excluded from our analysis due to the differing tenancy.

10. Rental Trends in the PMA

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

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	17,647	64.4%	9,750	35.6%
2010	19,194	62.7%	11,411	37.3%
2015	18,569	60.2%	12,292	39.8%
Projected Mkt Entry				
January 2017	18,598	60.1%	12,363	39.9%
2019	18,646	59.9%	12,480	40.1%

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

Owner-occupied housing units dominate the PMA. As of 2015, approximately 39.8 percent of households were renter-occupied, which is slightly higher than the national average of 36.4

percent. The percentage of renter-occupied housing units is projected to increase slightly into 2019.

Historical Vacancy

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

CHANGE IN VACANCY RATES

Comparable Property	Type	Total Units	1QTR 2013	2QTR 2013	1QTR 2014	2QTR 2014	2QTR 2015
Autumn Ridge	LIHTC/Market	130	N/A	0.0%	N/A	6.2%	0.0%
Dawnville Meadows	LIHTC/Market	120	N/A	2.5%	N/A	5.0%	0.8%
Fieldstone Apartments	LIHTC/HOME	56	N/A	N/A	N/A	12.5%	5.4%
Austin Place Apartments	Market	26	N/A	N/A	N/A	0.0%	0.0%
Dalton Beach Club	Market	155	N/A	N/A	0.6%	N/A	0.6%
Ellijay East Apartments	Market/RD	45	N/A	N/A	N/A	0.0%	2.2%
Legacy Of Dalton Apartments	Market	158	1.3%	N/A	1.9%	1.9%	1.9%
Park Canyon Apartments	Market	171	N/A	N/A	5.3%	N/A	0.6%
Park Place Apartments	Market	86	N/A	N/A	N/A	9.3%	4.7%

As illustrated in the table, there is limited historical occupancy information for the comparable properties. However, it is important to note that over the past year, the majority of properties reported declining vacancy rates. Fieldstone Apartments reported the highest vacancy rates, both historically and currently. According to the property manager, the property experiences a high turnover rate. The remaining comparable properties surveyed reported much lower vacancy rates. Thus, the high vacancy at Fieldstone appears to be property specific.

Change in Rental Rates

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

RENT GROWTH

Comparable Property	Rent Structure	Rent Growth
Autumn Ridge	LIHTC/Market	None
Dawnville Meadows	LIHTC/Market	Increased 2% to 10%
Fieldstone Apartments	LIHTC/HOME	None
Austin Place Apartments	Market	Increased 5% to 9%
Dalton Beach Club	Market	Increased 3% to 7%
Ellijay East Apartments	Market/RD	Increased 1%
Legacy Of Dalton Apartments	Market	Increased 4% to 7%
Park Canyon Apartments	Market	Increased 2% to 4%
Park Place Apartments	Market	None

Six of the comparable properties reported rent increases. The market rate properties reported increases ranging from one to nine percent, while one of the LIHTC comparables reported a rent increase of two percent on its LIHTC units and 10 percent on its market rate units.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac.com statistics, 30 properties in the Subject site’s zip code are in some stage of foreclosure. This equates to approximately one foreclosure in every 3,401 housing units as of April 2015. Dalton, where the majority of the comparable properties are located, is experiencing one foreclosure in every 1,557 housing units. Murray County has a similar

foreclosure rate to the Subject's zip code, at one in every 3,053 housing units, while the state of Georgia experienced one in every 971 housing units, and the nation experienced one foreclosure in every 1,049 housing units. The foreclosure rate within the Subject's zip code is well below the state and the nation, which indicates a healthy local housing market.

12. Primary Housing Void

The property manager at Fieldstone Apartments noted that units at 60 percent AMI units are in strong demand in the market. As Fieldstone Apartments offers units only at 50 percent AMI, she says she sees a strong demand for higher AMI levels, as there are a lot of potential tenants that are overqualified for the 50 percent AMI units. The Subject will offer units at both 50 and 60 percent AMI.

13. Affect of Subject on Other Affordable Units in Market

After speaking with property managers in the area, who reported a strong demand for affordable housing, particularly for larger unit types, which is what the Subject will offer, we believe that the Subject's units will have a minimal impact in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are performing well, with a weighted vacancy rate of 1.4 percent. Additionally, a majority of the comparable LIHTC properties maintain waiting lists. Fieldstone Apartments, a LIHTC and HOME funded property, reported the highest vacancy rate, at 5.4 percent. However, the property is a small development and reported just three vacant units. The manager reported that the property is currently maintaining a waiting list of 1.5 years and the vacant units will be filled from the waiting list. It should be noted that the manager at Fieldstone noted that the development has a high turnover rate and typically operates with higher vacancies; however, it appears to be property specific as the remaining comparables reported low vacancy rates. Dawnville Meadows is the most similar LIHTC property and is 99 percent occupied with a waiting list for its 50 percent units. The Subject offers a generally similar in-unit amenities package. The Subject will, however, offer a slightly superior common area amenities package, as the Subject includes a business center/computer lab, courtyard, exercise facility, picnic area, and recreation areas, as the majority of the comparables do not offer these common area amenities. Additionally, the Subject's security features are slightly superior to the comparables. Overall, the Subject will be similar to slightly superior to the comparables in terms of amenities. As new construction, the Subject will be in excellent condition upon completion and will be considered superior in terms of condition to all of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly superior to superior to the comparable properties. Due to the low vacancy rates at the comparables, the waiting lists present in the market, and the reported demand for additional affordable housing in the Subject's market area, we believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

Absorption data was not available for the comparables. Furthermore, we searched the nearby counties but were unable to find any developments that could provide their absorption information. Therefore, we will base our estimate of absorption on population and household trends in the region. Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Through the market entry, the total population in the PMA is projected to increase by 1,650 individuals. Additionally, the number of households is projected to increase 355 households over the same period of analysis. As detailed in the demand analysis contained within this report, a significant portion of the families in the PMA will be income-eligible to reside at the Subject. As a result, we believe that the Subject could lease a total of seven units per month, or an absorption period of approximately 11 months until stabilization.

J. INTERVIEWS

Chatsworth Housing Authority

According to Nancy Dove, Regional Housing Administrator of the Georgia Department of Community Affairs Athens Regional Office, Murray County does not have a waiting list and there are currently 22 tenants that it serves. Budget cuts have prevented the DCA from administering more vouchers and possessing a waiting list. The DCA also has a mandate from the Department of Justice to serve individuals who were housed in mental institutions. Tenants come from within the county and have to live in the county for a year before he or she can move to another county. Below are the payment standards for Murray County.

PAYMENT STANDARDS

Murray County, GA

Unit Type	Payment Standard
1BR	\$496
2BR	\$616
3BR	\$776

The Subject's proposed units at 50 percent of the AMI and its proposed three-bedroom rent at 60 percent of the AMI will be below the current payment standards. As such, voucher tenants will not be required to pay additional income towards rent for these units. The Subject's proposed one and two-bedroom rent at 60 percent of the AMI will be above the current payment standards. As such, voucher tenants will be required to pay the difference between the asking rent and the payment standard.

Planning

We contacted Dolley Flood, Planning Officer at the Chatsworth Planning Department. The representative stated that there is no application or approval of any developments within the city limits and nothing that has been completed or under construction

Chatsworth Chamber of Commerce

We spoke with Dinah Rowe, President and CEO of the Chatsworth-Murray County Chamber of Commerce. The representative mentioned the Mattex manufacturing facility opened in 2014. The company will hire approximately 200 employees over the next three years. Ms. Rowe also mentioned that Engineered Floors will open two new carpet plants that will employ 1,400 people in Murray County. The company will invest \$450 million into the two plants and there is no timetable for construction.

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

K. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- The general population in the PMA experienced a significant population increase from 2000 through 2010 due to the rapid outward expansion of the Atlanta suburbs, and the building boom of the early 2000s which resulted in significant increases in textile jobs. From 2010 through 2015, population in the PMA increased slightly, and is projected to continue to increase slightly into 2019. The projected growth will be similar to the MSA and below the nation. The total number of households in the PMA increased from 2000 to 2010. From 2010 through 2015, households in the PMA continued to increase, but at a slower rate. Household growth in the PMA is projected to increase slightly, at a similar rate to the MSA and below the nation. Renter households earning below \$30,000 in the PMA comprise 61.7 percent of all income cohorts. Overall, the demographic data illustrates a growing population with household incomes in line with the Subject's targeted income levels. We believe the expected population and household growth in the PMA bodes well for the Subject's proposed units.
- Manufacturing, retail trade and health care/social assistance are the largest industries within the PMA. Combined, they represent approximately 53 percent of total employment within the PMA. It should be noted that the percentage of persons employed in the manufacturing sector in the PMA is more than three times greater than the national average. While the health care/social assistance sector has historically been stable, the manufacturing and retail trade sectors are more susceptible to economic downturns. From 2005 to 2006, total employment in the MSA increased at a faster rate than total employment in the nation. From 2007 through 2009, total employment decreased in the MSA due to the national recession. The area was heavily impacted by a declining manufacturing sector, which is the largest industry in the PMA. According to ESRI data, manufacturing decreased at a rate of 2.4 percent annually between 2000 and 2015, with a total of 6,030 manufacturing job losses over the 15 year period. The MSA experienced a significant increase in total employment in 2010 while the nation experienced a decline during the same time frame. From 2011 through 2013, total employment in the MSA decreased while the nation experienced increases in total employment during this time period. However, in 2014, year-to-date 2015 and year-over-year, total employment in the MSA increased at a faster rate than the nation. The unemployment rate in the MSA was equal to or below the nation from 2005 through 2007. During the national recession, the unemployment rate in the MSA increased substantially, and was well above the nation. Since 2012, the unemployment rate in the MSA has steadily declined, at a faster rate than the nation. Overall, the local economy appears weaker than the national economy. Total employment in the MSA is 12.8 percent below peak total employment in 2006, while total employment in the nation is 1.1 percent above the pre-recession peak total employment.
- The Subject's capture rates at the 50 percent AMI level will range from 2.6 to 3.2 percent, with an overall capture rate of 2.9 percent. The Subject's capture rates at the 60 percent AMI level will range from 15.5 to 17.1 percent, with an overall capture rate of 16.3 percent. The overall capture rate for the project's 50 and 60 percent units is 9.6 percent. Therefore, we believe there is adequate demand for the Subject

- Absorption data was not available for the comparables. Furthermore, we searched the nearby counties but were unable to find any developments that could provide their absorption information. Therefore, we will base our estimate of absorption on population and household trends in the region. Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Through the market entry, the total population in the PMA is projected to increase by 1,650 individuals. Additionally, the number of households is projected to increase 355 households over the same period of analysis. As detailed in the demand analysis contained within this report, a significant portion of the families in the PMA will be income-eligible to reside at the Subject. As a result, we believe that the Subject could lease a total of seven units per month, or an absorption period of approximately 11 months until stabilization.
- Vacancy rates in the market range from zero to 5.4 percent, averaging 1.5 percent. One of the comparable properties exhibits a vacancy rate above five percent. Fieldstone Apartments, a LIHTC and HOME funded property, reported a vacancy rate of 5.4 percent. However, the property is a small development and reported just three vacant units. The manager reported that the property is currently maintaining a waiting list of 1.5 years and the vacant units will be filled from the waiting list. The LIHTC properties surveyed reported vacancy rates ranging from zero to 5.4 percent, averaging 1.4 percent. The market rate properties surveyed reported vacancy rates ranging from zero to 4.7 percent, averaging 1.5 percent. Overall, we believe the conventional market is strong based on the low average vacancy rate. We anticipate that the Subject will maintain a vacancy rate of five percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable housing in the local market.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are performing well, with a weighted vacancy rate of 1.4 percent. Additionally, a majority of the comparable LIHTC properties maintain waiting lists. Fieldstone Apartments, a LIHTC and HOME funded property, reported the highest vacancy rate, at 5.4 percent. However, the property is a small development and reported just three vacant units. The manager reported that the property is currently maintaining a waiting list of 1.5 years and the vacant units will be filled from the waiting list. It should be noted that the manager at Fieldstone noted that the development has a high turnover rate and typically operates with higher vacancies; however, it appears to be property specific as the remaining comparables reported low vacancy rates. Dawnville Meadows is the most similar LIHTC property and is 99 percent occupied with a waiting list for its 50 percent units. The Subject offers a generally similar in-unit amenities package. The Subject will, however, offer a slightly superior common area amenities package, as the Subject includes a business center/computer lab, courtyard, exercise facility, picnic area, and recreation areas, as the majority of the comparables do not offer these common area amenities. Additionally, the Subject's security features are slightly superior to the comparables. Overall, the Subject will be similar to slightly superior to the comparables in terms of amenities. As new construction, the Subject will be in excellent condition upon completion and will be considered superior in terms of condition to all of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly superior to superior to the comparable

properties. Due to the low vacancy rates at the comparables, the waiting lists present in the market, and the reported demand for additional affordable housing in the Subject's market area, we believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

Recommendations

- We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

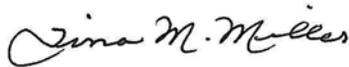
I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project as shown 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
6-10-2015
Date



Edward R. Mitchell
Manager
Novogradac & Company LLP
6-10-2015
Date



Tina M. Miller
Real Estate Analyst
6-10-2015
Date



Kristen A. Kolaski
Analyst
Novogradac & Company LLP
6-10-2015
Date

M. MARKET STUDY REPRESENTATION

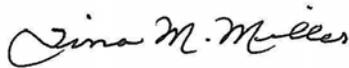
Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP
6-10-2015
Date



Edward R. Mitchell
Manager
Novogradac & Company LLP
6-10-2015
Date



Tina M. Miller
Real Estate Analyst
6-10-2015
Date



Kristen A. Kolaski
Analyst
Novogradac & Company LLP
6-10-2015
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 Affordable Housing Market Analysts (NCAHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. 31534 – State of Arizona
Certified General Real Estate Appraiser, No. CG100026242 – State of Colorado
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.

V. Real Estate Assignments – Examples

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

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

H. Blair Kincer

Qualifications

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- 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 reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, the reports can be used in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009 and in the ITC funding process.

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 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

- Georgia State Certified General Real Property Appraiser #4649
- Alabama State Certified General Real Property Appraiser #G01192
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation

STATEMENT OF QUALIFICATIONS

TINA M. MILLER

I. Education

Pennsylvania State University, University Park, PA
Bachelor of Science, Economics

II. Professional Experience

Independent Real Estate Analyst, T&T Consulting LLC
Real Estate Analyst, Novogradac & Company LLP
Asset Manager, National Housing Trust
Asset Manager, Volunteers of America
Analyst, Valuation & Information Group

III. Real Estate Assignments

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

- Examined market data to determine feasibility of proposed developments or renovations, and reasonability of proposed rents for LIHTC and Section 8 properties and HOME and HOPE VI funded properties.
- Analyzed reported unit mix, bedroom types, amenities, and rents at local properties to determine adequacy of proposed development schemes. When appropriate, provided recommendations based on interviews with property managers, planning/revitalization departments, the housing authority, and other organizations.
- Analyzed demographic and economic data, including historical and projected growth or contraction, unemployment rates, total employment, major employers, and employment by industry, to determine general economic health of the market.
- Assisted in appraisals of proposed new construction and existing LIHTC properties. Provided substantial assistance in determining highest and best use of the site as vacant and as improved, as is value and/or prospective values. In addition, provided substantial assistance in determining value of favorable financing and value of tax credits, when applicable.
- Examined budgeted expenses to determine reasonability of operating budget for proposed and existing affordable housing developments. Provided recommendations based on actual comparable operating expense data, and historical operating expenses of the project, when applicable.
- Assisted with Rent Comparability Studies, both as is and as renovated, for subsidized senior and family developments. Included detailed market analysis of amenities, unit size, age and condition, location, and occupancy rates at comparable properties to determine potential market rents.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

KRISTEN A. KOLASKI

I. Education

Bachelor of Science in Business Administration – Real Estate
Georgia State University, Atlanta, Georgia

II. Work History

Real Estate Analyst; Novogradac & Company LLP; Atlanta, Georgia
Senior Appraiser; Landauer Valuation & Advisory; Atlanta, Georgia
Associate Appraiser; MVC Valuation & Consulting; Oxford, Georgia
Research Associate; NPV Advisors; Atlanta, Georgia

III. Relevant Experience

- Over 5 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 throughout the southeast.
- Have conducted 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.

IV. Licensure

- Georgia State Licensed General Real Property Appraiser #343012
- Appraisal Institute – Practicing Affiliate