



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

**THE OVERLOOK AT WALKERS BEND  
Walkers Bend Parkway  
Covington, Newton County, Georgia**

**Effective Date: April 23, 2015**

**Report Date: May 6, 2015**

*Prepared For*

**Mr. Jason Maddox  
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*Prepared By*

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May 6, 2015

Mr. Jason Maddox  
Maco Companies  
111 North Main Street  
Clarkton, Missouri 63837

**Re: Market Study for The Overlook at Walkers Bend in Covington, Georgia**

Dear Mr. Maddox:

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

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

Respectfully submitted,



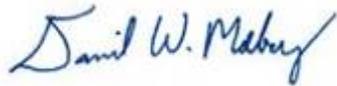
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## **ASSUMPTIONS AND LIMITING CONDITIONS**

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

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

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

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

TABLE OF CONTENTS

A. EXECUTIVE SUMMARY AND CONCLUSION ..... 1  
B. PROJECT DESCRIPTION ..... 11  
C. SITE EVALUATION ..... 15  
D. MARKET AREA ..... 27  
E. COMMUNITY DEMOGRAPHIC DATA..... 30  
F. EMPLOYMENT TRENDS ..... 36  
G. PROJECT-SPECIFIC DEMAND ANALYSIS ..... 45  
H. COMPETITIVE RENTAL ANALYSIS ..... 61  
I. ABSORPTION & STABILIZATION RATES ..... 113  
J. INTERVIEWS..... 115  
K. CONCLUSIONS AND RECOMMENDATIONS ..... 118  
L. SIGNED STATEMENT REQUIREMENTS..... 122  
M. MARKET STUDY REPRESENTATION ..... 124  
N. QUALIFICATIONS ..... 126

Addendum

## **A. EXECUTIVE SUMMARY AND CONCLUSION**

**EXECUTIVE SUMMARY AND CONCLUSIONS**

**1. Project Description:**

The Overlook at Walkers Bend will be a newly constructed elevator-serviced lowrise senior property located in Covington, Georgia. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowances.

<b>PROPOSED RENTS</b>						
Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2014 LIHTC	HUD Fair
					Maximum Allowable Gross Rent*	Market Rents
<i>50% AMI</i>						
1BR/1BA	9	\$425	\$161	\$586	\$604	\$756
2BR/1BA	6	\$505	\$205	\$710	\$725	\$896
<i>60% AMI</i>						
1BR/1BA	11	\$500	\$161	\$661	\$725	\$756
2BR/1BA	34	\$610	\$205	\$815	\$870	\$896
<b>Total</b>	<b>60</b>					

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

\*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 GA 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, dishwashers, ceiling fans, hand rails, microwaves, ovens, pull cords, refrigerators, washer dryer hook-ups, a business center/computer lab, a clubhouse/community room, elevators, an exercise facility, a central laundry facility, off-street parking, on-site management, picnic areas, and a library. Overall, the Subject’s amenities will be competitive with those offered at the comparable properties.

**2. Site Description/Evaluation:**

The Subject site is located east of Washington Street on Walkers Bend Parkway. The Walkers Bend development was originally conceived as a market oriented subdivision in the mid-2000s. The development failed during the recession and was acquired by the city of Covington. The city has focused development efforts towards attracting high quality subsidized and targeted-tenancy properties. Immediate uses surrounding the site consist of vacant land and single-family homes and townhomes in overall good to excellent condition. The family LIHTC property Village at Walkers Bend is located northeast of the site. This development was allocated tax credits in 2010 and is

currently 94 percent occupied. It contains 32 single-family homes and is in excellent condition. As a single-family home development targeting general households, Village at Walkers Bend will not compete with the Subject's age-restricted units upon completion. The Walker's Bend New Leaf Center, located directly east of the Subject site, is operated by the local Housing Authority and is utilized as transitional housing. There are 30 residential units, a commercial kitchen, retail, and community areas. The New Leaf Center also includes classroom and office space for the Housing and Financial Counseling Program, which provides job training and life skills counseling to residents of Covington. Smaller commercial developments and free standing retail are located west of the site along Washington Street. Downtown Covington is located approximately 1.2 miles northeast of the site. Downtown retail appeared to be 90 percent occupied. The area south of the Subject, along Flat Shoals Road, is characterized by new single-family home subdivisions and older commercial uses. These homes are overall in good to excellent condition and values range from \$150,000 to \$170,000. Overall, the Subject site is considered a desirable building site for senior rental housing. The uses surrounding the Subject are in good to excellent condition and the site has good proximity to downtown Covington and locational amenities.

Signage for the Subject will be placed along Washington Street, which will give the Subject good visibility. Views from the site consist of single-family homes in overall good condition and the LIHTC property, Village at Walkers Bend, which is in excellent condition. Overall, views from the site will be good.

**3. Market Area Definition:**

The PMA is defined by Walnut Grove Road and the Newton/Walton County line to the north, the Newton/Jasper County line and State Route 212 to the south, the Newton/Morgan County line to the east, and McDonough Highway to the west. This area includes Newton County and a portion of Rockdale County to the east. The area was defined based on interviews with the local property managers at comparable properties. Management at Harristown Park reported that the property has tenants from Covington as well as other areas of Newton County and from Conyers, which is located in eastern Rockdale County. Management reported that due the lack of senior housing in the area, tenants are willing to

move from outside Newton County and that it is likely that a new senior property could draw tenants from surrounding counties. Additionally, property managers at several of the family LIHTC properties indicated that their senior tenants have moved to the area from other parts of the state in order to be closer to their families. 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. The furthest PMA boundary from the Subject is 10.5 miles.

#### **4. Community Demographic Data:**

Overall, population growth in the PMA has been similar to the nation and less than the MSA since 2010. The senior population within the PMA has increased dramatically since 2000. The senior population increased slightly slower than the MSA and significantly faster than the nation from 2010 to 2014. Growth is expected to moderate within the PMA over the next five years. The senior population in the MSA will grow slightly faster than the PMA and nation. The strong senior population growth within the MSA bodes well for the Subject's age-restricted units. By age cohort in 2014, younger generations still comprise the majority. However, the target demographic for the Subject does comprise a higher percentage of the population in the PMA than the MSA.

Senior owner-occupied housing dominates the PMA with 82.1 percent in 2014. However, the 17.9 percent of senior renter-occupied housing is higher than the national average of just 13 percent. The percentage of senior renter-occupied units are expected to remain constant through 2019, but the total number of senior renter-occupied units is expected to increase, which bodes well for the Subject's age-restricted units.

Senior households earning under \$39,999 in the PMA comprise 70.2 percent of all income cohorts. The Subject will target senior households earning between \$17,580 and \$32,760, therefore, the Subject should be well-positioned to service this market.

According to RealtyTrac.com statistics, in Covington, GA, one in every 871 housing units are in some stage of foreclosure. Newton County has a similar foreclosure rate of one in every 895 housing units, while Georgia

experienced one in every 1,414 housing units, and the nation experienced one foreclosure in every 1,295 housing units. The foreclosure rate within the PMA is significantly above the national average, which indicates a weaker local housing market.

Senior renter households in the PMA with two persons or less represent 76.2 percent of such households in 2014. This percentage is projected to remain stable into the foreseeable future. The Subject will contain one and two-bedroom floor plans, so this large percentage bodes well for the proposed Subject. Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target.

## **5. Economic Data:**

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**6. Project-Specific Affordability And Demand Analysis:**

Our demand analysis indicates that there are 230 age and income qualified renter households in the PMA. The following table indicates the capture rates for the Subject’s units.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR/1BA @50%	\$17,580 - \$23,900	9	60	0	60	14.9%
2BR/1BA @50%	\$21,300 - \$27,300	6	102	0	102	5.9%
Overall @50%	\$17,580 - \$27,300	15	162	0	162	9.3%
1BR/1BA @60%	\$19,830 - \$28,680	11	65	0	65	16.8%
2BR/1BA @60%	\$24,450 - \$32,760	34	110	0	110	30.9%
Overall @60%	\$19,830 - \$32,760	45	176	0	176	25.6%
1BR/1BA Overall	\$17,580 - \$28,680	20	86	0	86	23.4%
2BR/1BA Overall	\$21,300 - \$32,760	40	144	0	144	27.8%
Overall	\$17,580 - \$32,760	60	230	0	230	26.1%

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 good; however, there is only one age-restricted property in the PMA. Harristown Park was allocated tax credits in 2009 and is located 1.2 miles from the Subject. This property targets senior tenants 55 and older and will directly compete with the Subject. Therefore, we have used it as a comparable in our analysis. The availability of age-restricted data is considered limited. We have used two family LIHTC properties from inside the PMA and two age-restricted LIHTC properties from outside the PMA as comparables in our analysis. These age-restricted comparables are located in Decatur and Stone Mountain, Georgia, approximately 25 to 28 miles from the Subject site.

The availability of market rate data is considered adequate, as seven of the comparable properties offer market rate data. These comparables were built or renovated between

1999 and 2011. Of the seven properties with market rate units, three are mixed income properties and four are conventional properties. We believe that the Subject will be more comparable to the mixed income properties in the area and we have therefore used them as comparables in our analysis. The mixed income properties are newer and exhibit slightly superior condition than the conventional market rate comparable properties.

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
<b>@50% AMI</b>					
1 BR	\$425	\$455	\$950	\$664	36%
2 BR	\$505	\$515	\$1,250	\$784	36%
<b>@60% AMI</b>					
1 BR	\$500	\$455	\$950	\$734	32%
2 BR	\$610	\$525	\$1,250	\$938	35%

As illustrated the Subject’s proposed rents are well below the surveyed average of the comparables. The Subject’s proposed 50 percent LIHTC rents are lower than the surveyed minimum market rent. The 60 percent AMI rents at Wellington Ridge, Retreat At Madison Place, and Arbor Lake Apartments are actually higher than several of the market rate properties and they all maintain stable occupancy.

As a tax credit property, the Subject will be most similar to Harristown Park, which is located in Covington. Harristown Park keeps their rents artificially low and their property manager indicated that higher rents would be

achievable given the strength of the local rental market. Additionally, Harristown Park is 100 percent occupied with an extensive waiting list. As a result, we believe that Harristown Park is not testing the market with regards to maximum achievable rents.

The Subject will be most similar to Somerset Apartments as a market rate property. This property will offer similar property amenities, superior in-unit features, slightly inferior location, inferior condition, and slightly superior unit sizes, in comparison to the proposed Subject. Somerset Apartments is achieving market rents 34 to 68 percent higher than the proposed rents at the Subject.

Overall, we believe that the Subject's proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

The Subject's proposed rents are below all of the rents at the comparables, with the exception of Harristown Park. Harristown Park is the newest property in the market and like the Subject, it targets senior tenants. It is also the only senior LIHTC property in the PMA. Harristown Park is 100 percent occupied and has an extensive waiting list. Harristown Park is not achieving maximum achievable LIHTC rents. The Subject will be generally similar to this property and management at Harristown Park indicated that rents \$40 to \$80 above the property's current rents would be achievable to senior tenants in the market. The biggest rent differential between the Subject and Harristown Park is in the two-bedroom 60 percent AMI units. While the Subject's proposed rents are \$30 lower to \$85 higher than the rents at Harristown Park, the Subject's proposed rents are \$0.01 lower to \$0.16 above the rents at Harristown Park on a rent per square foot basis. There is a greater differential between the Subject's proposed 60 percent rents and the 60 percent rents at Harristown Park. Harristown Park appears to be keeping their 50 and 60 percent rents similar, while the Subject's proposed 60 percent rents are below the overall average of 60 percent comparables, indicating that the Subject's proposed rents are achievable. The Subject's proposed rents are below all of the remaining senior comparables, which is reasonable given that these comparables are located outside the PMA in superior locations closer to Atlanta. Overall, the Subject's proposed rents appear reasonable when compared

to the rents at the comparables and particularly when taking into account the strong demand for senior LIHTC units in the PMA. This strong demand is illustrated by the 0.3 percent senior LIHTC weighted average vacancy rate and the extensive waiting list at the one senior LIHTC comparable within the PMA. Therefore, we believe that the Subject will be able to achieve maximum allowable rents based on the anticipated excellent condition and competitive amenities that will be offered.

**8. Absorption/Stabilization Estimate:**

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

**ABSORPTION**

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Harristown Park	LIHTC	Senior	2011	60	11
Retreat At Madison Place	LIHTC	Senior	2007	160	14
Antioch Manor Estates	LIHTC, Market	Senior	2005	120	24
Wellington Ridge	LIHTC	Family	2003	220	14
Arbor Lake Apartments	LIHTC, Market	Family	2001	250	21
<b>Average</b>				<b>810</b>	<b>17</b>

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Harristown Park represents the most recent construction and is considered most similar to the Subject in terms of size. Like the Subject, this property targets seniors and it began leasing units in the winter of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 11 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Harristown Park is 100 percent occupied and maintains an extensive waiting list, which indicates significant demand for senior housing in the PMA. Based on the absorption pace reported by this property, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Covington, we anticipate that the Subject will experience an absorption pace of 10 units per month, for an absorption period of six months.

**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 senior LIHTC comparables are performing well, with a weighted vacancy rate of 0.3 percent. Additionally, the one senior LIHTC comparable in the PMA is 100 percent occupied and maintains an extensive waiting list. Given the zero percent vacancy rate and significant waiting list, this property is not testing achievable LIHTC rents. Management at Harristown Park confirmed that the property could achieve higher rents and indicated that the Subject's proposed rents would be achievable to senior renters in the PMA. The Subject's proposed rents are below the rents at all of the comparables with the exception of Harristown Park. Harristown Park is the newest senior property in the market and it is the only senior LIHTC property in the PMA. Overall, we believe that the Subject's rents are achievable and that the Subject will offer value in the market. This is further illustrated by the significant rental advantage of 34 to 68 percent that the Subject's units will have over the average market rents. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is consistent with the senior LIHTC average and we recommend the Subject as proposed.

**The Overlook at Walkers Bend, Covington, GA; Market Study**

**Summary Table:**

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

Development Name:	<b>The Overlook at Walkers Bend</b>	Total # Units:	<b>60</b>
Location:	Walkers Bend Parkway	# LIHTC Units:	<b>60</b>
	Covington, GA		
PMA Boundary:	North: Walnut Grove Road and the Newton/Walton County line; South: The Newton/Jasper County lin and State Route 212; East: The Newton/Morgan County line; West: McDonough Highway		
	Farthest Boundary Distance to Subject:		10.5 miles

**Rental Housing Stock (found on page 58)**

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	1,736	69	96.0%
Market-Rate Housing	7	809	20	97.5%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
<b>LIHTC</b>	6	987	49	95.0%
Stabilized Comps	N/Ap	N/Ap	N/Ap	N/Ap
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap

\*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
9	1BR at 50% AMI	1	650	\$425	\$664	\$1.02	36%	\$950	\$1.16
6	2BR at 50% AMI	1	900	\$505	\$784	\$0.87	36%	\$1,250	\$1.10
11	1BR at 60% AMI	1	650	\$500	\$664	\$1.02	32%	\$950	\$1.16
34	2BR at 60% AMI	1	900	\$610	\$784	\$0.87	35%	\$1,250	\$1.10

**Demographic Data (found on page 33)**

	2010		2015		Dec-17	
Renter Households	2,231	17.20%	2,631	17.90%	2,885	17.90%
Income-Qualified Renter HHs (LIHTC)	561	25.15%	662	25.15%	726	25.15%

**Targeted Income-Qualified Renter Household Demand (found on pages 50 to 59)**

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	45	49	N/Ap	N/Ap	64
Existing Households (Overburdened + Substandard)	N/Ap	165	178	N/Ap	N/Ap	232
Homeowner conversion (Seniors)	N/Ap	4	4	N/Ap	N/Ap	6
<b>Total Primary Market Demand</b>	N/Ap	<b>213</b>	<b>231</b>	N/Ap	N/Ap	<b>302</b>
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
<b>Adjusted Income-qualified Renter HHs**</b>	N/Ap	<b>213</b>	<b>231</b>	N/Ap	N/Ap	<b>302</b>

**Capture Rates (found on page 61)**

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	9.30%	25.60%	N/Ap	N/Ap	26.10%

\*Includes LIHTC and unrestricted (when applicable)

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

<b>Project Address and Development Location:</b>	The Subject site is located on Walkers Bend Parkway in Covington, Newton County, Georgia.
<b>Construction Type:</b>	The Subject will consist of two three-story lowrise elevator serviced buildings. Both buildings will have a brick and hardi-board exterior.
<b>Occupancy Type:</b>	Senior (55+).
<b>Special Population Target:</b>	None.
<b>Number of Units by Bedroom Type and AMI Level:</b>	<b>See following property profile.</b>
<b>Unit Size:</b>	<b>See following property profile.</b>
<b>Structure Type:</b>	<b>See following property profile.</b>
<b>Rents and Utility Allowances:</b>	<b>See following property profile.</b>
<b>Existing or Proposed Project Based Rental Assistance:</b>	None of the units will operate with Project-Based Rental Assistance.
<b>Proposed Development Amenities:</b>	<b>See following property profile.</b>

**The Overlook at Walkers Bend, Covington, GA; Market Study**

**The Overlook At Walkers Bend**

**Location** Walkers Bend Parkway  
Covington, GA 30014  
Newton County  
(verified)

**Units** 60

**Type** Lowrise (age-restricted)  
(3 stories)

**Year Built / Renovated** 2017 / n/a



**Utilities**

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

**Unit Mix (face rent)**

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Lowrise (3 stories)	9	650	\$425	\$0	@50%	n/a	N/A	N/A	no
1	1	Lowrise (3 stories)	11	650	\$500	\$0	@60%	n/a	N/A	N/A	no
2	1	Lowrise (3 stories)	6	900	\$505	\$0	@50%	n/a	N/A	N/A	no
2	1	Lowrise (3 stories)	34	900	\$610	\$0	@60%	n/a	N/A	N/A	no

**Amenities**

<b>In-Unit</b>	Blinds Carpeting Central A/C Dishwasher Ceiling Fan Hand Rails Microwave Oven Pull Cords Refrigerator Washer/Dryer hookup	<b>Security</b>	none
<b>Property</b>	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area	<b>Premium</b>	none
<b>Services</b>	none	<b>Other</b>	Library

<b>Scope of Renovations:</b>	<b>The Subject will be new construction</b>
<b>Current Rents:</b>	<b>The Subject will be new construction</b>
<b>Current Occupancy:</b>	<b>The Subject will be new construction</b>
<b>Current Tenant Income:</b>	<b>The Subject will be new construction</b>
<b>Placed in Service Date:</b>	The Subject is expected to be completed by December 2017.
<b>Conclusion:</b>	The Subject will be an excellent-quality brick and hardi-board three-story elevator serviced, lowrise apartment complex, comparable to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

## **C. SITE EVALUATION**

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

Sterling Battle visited the site on April 23, 2015.

**2. Physical Features of the Site:**

The following illustrates the physical features of the site.

*Frontage:*

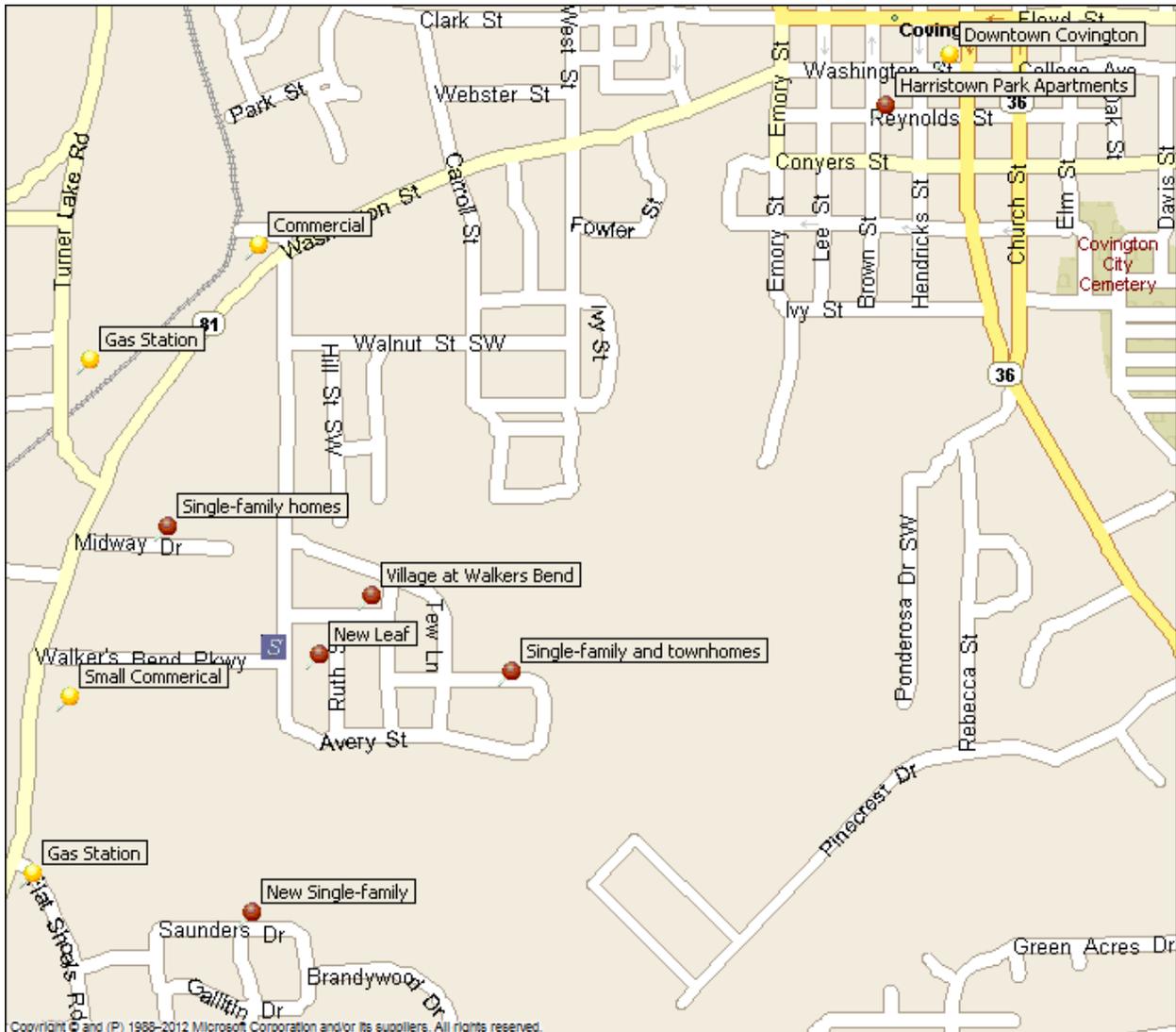
The Subject site has frontage along Walkers Bend Parkway and Avery Street.

*Visibility/Views:*

The Subject will be located along the eastern and western sides of Walkers Bend Parkway and the southern side of Avery Street. Visibility and views from the site will be good.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



The Subject site is located east of Washington Street on Walkers Bend Parkway. The Walkers Bend development was originally conceived as a market oriented subdivision in the mid-2000s. The development failed during the recession and was acquired by the city of Covington. The city has focused development efforts towards attracting high quality subsidized and targeted-tenancy properties. Immediate uses surrounding the site consist of vacant land and single-family homes and townhomes in overall good to excellent condition. The family LIHTC property Village at Walkers Bend is located northeast of the site. This development was allocated tax credits in 2010 and is currently 94 percent occupied. It contains 32 single-family homes and is in excellent condition. As a single-family home development targeting general households, Village at Walkers Bend will not compete with the Subject's age-restricted units upon completion. The Walker's Bend New Leaf Center, located directly east of the Subject site, is operated by the local Housing Authority and is utilized as transitional housing. There are 30 residential units, a commercial kitchen, retail, and community areas. The New Leaf Center also includes classroom and office space for the Housing and Financial Counseling Program, which provides job training and life skills counseling to residents of Covington. Smaller commercial developments and free standing retail are located west of the site along Washington Street. Downtown Covington is located approximately 1.2 miles northeast of the site. Downtown retail appeared to be 90 percent occupied. The area south of the Subject, along Flat Shoals Road, is characterized by new single-family home subdivisions and older commercial uses. These homes are overall in good to excellent condition and values range from \$150,000 to \$170,000. Overall, the Subject site is considered a desirable building site for senior rental housing. The uses surrounding the Subject are in good to excellent condition and the site has good proximity to downtown Covington and locational amenities.

*Positive/Negative Attributes of Site:* The Subject's proximity to retail and other locational amenities as well as its surrounding uses, which are in good to excellent condition, are considered positive attributes. We did not witness any negative attributes in the Subject's immediate neighborhood.

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

The Subject is located within 2.5 miles of all locational amenities. Additionally, it is within 35 miles of Atlanta, which offers several major employers.

**4. Pictures of Site and Adjacent Uses:**



Subject site



Subject site



Subject site



View north along Avery Street



View south along Avery Street



New Leaf Center, Support Living



Vacant Land for sale north of Subject site



The Village at Walker's Bend signage



The Village at Walker's Bend



The Village at Walker's Bend



The Village at Walker's Bend



The Village at Walker's Bend



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



View west along Walkers Bend Parkway



View west along Walkers Bend Parkway



Industrial uses along Walkers Bend Parkway



View north along Washington Street



View south along Washington Street



Commercial Retail



Commercial Retail



The Salvation Army Service Center



Laundromat and Dry Cleaner



Gas station



Self-Storage



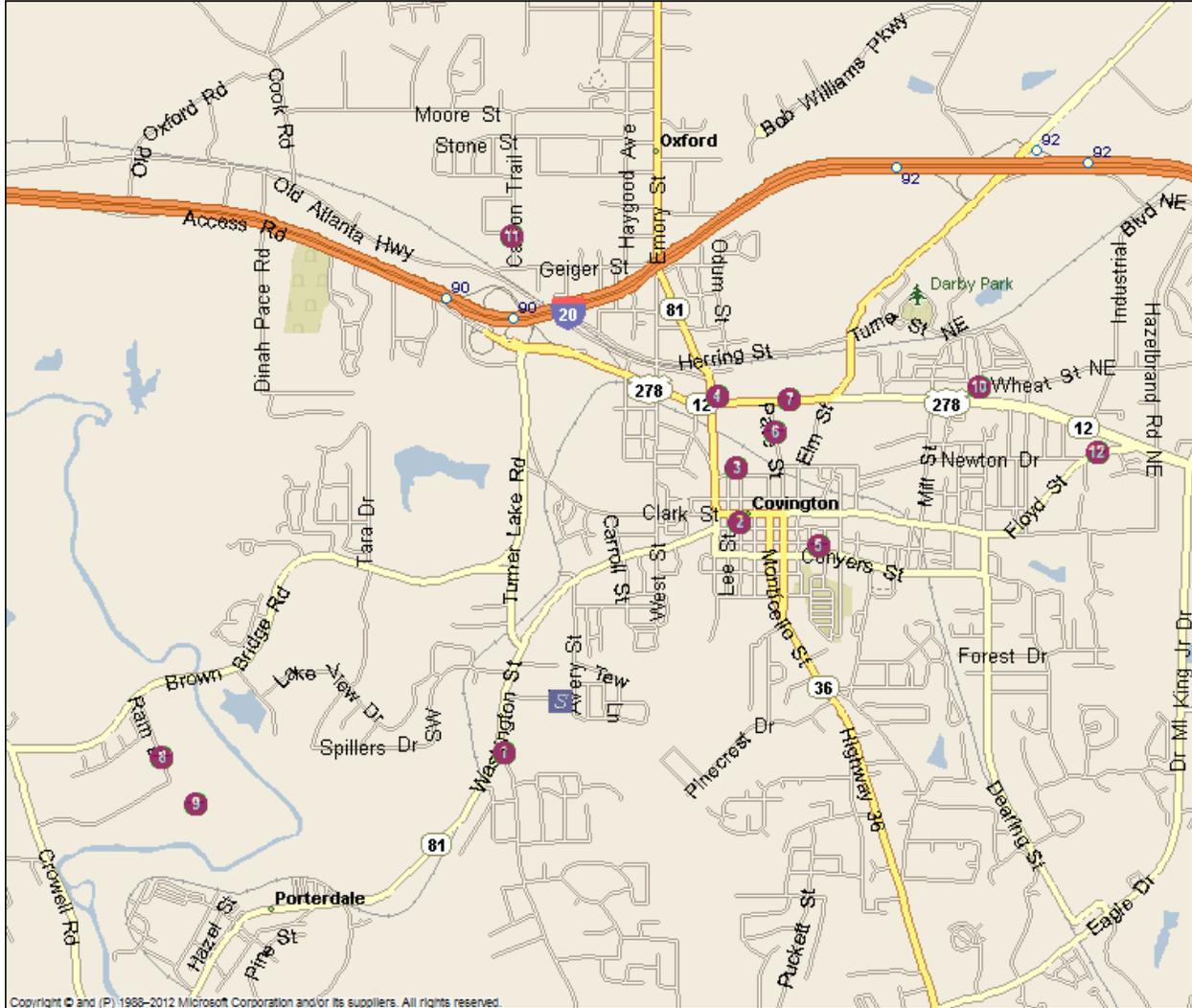
Downtown Covington



Ingles grocery store

**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	Shell	0.5 miles
2	United Bank	1.4 miles
3	Post Office-Covington	1.6 miles
4	Rite Aid	1.8 miles
5	Covington Police Department	1.8 miles
6	Covington Fire Department	1.8 miles
7	Kroger	2.0 miles
8	Newtown High School	2.6 miles
9	Porterdale Elementary School	2.8 miles
10	Newton Medical Center	2.8 miles
11	Cousins Middle School	3.0 miles
12	Covington Branch Library	3.4 miles

**6. Description of Land Uses:**

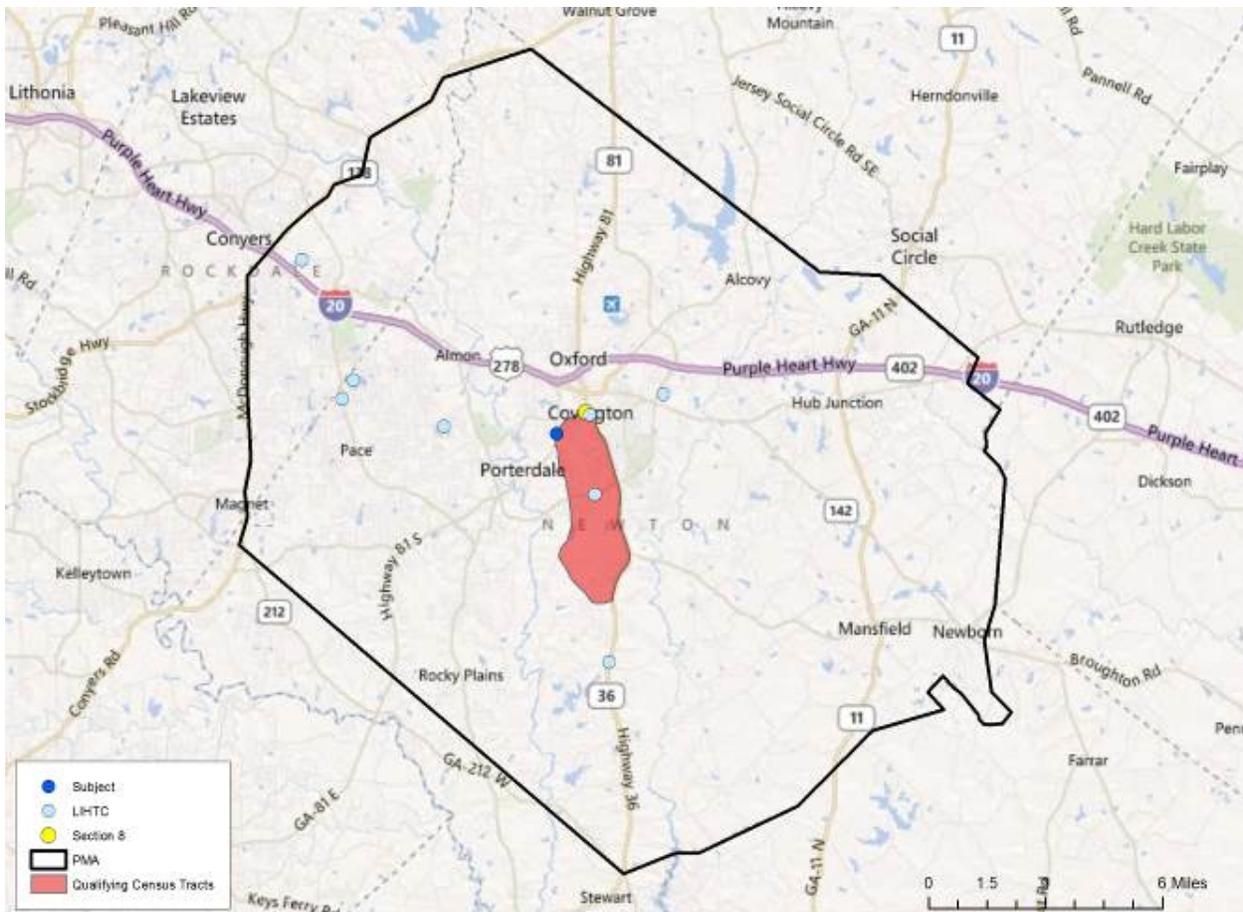
The Subject site is located east of Washington Street on Walkers Bend Parkway. The Walkers Bend development was originally conceived as a market oriented subdivision in the mid-2000s. The development failed during the recession and was acquired by the city of Covington. The city has focused development efforts towards attracting high quality subsidized and targeted-tenancy properties. Immediate uses surrounding the site consist of vacant land and single-family homes and townhomes in overall good to excellent condition. The family LIHTC property Village at Walkers Bend is located northeast of the site. This development was allocated tax credits in 2010 and is currently 94 percent occupied. It contains 32 single-family homes and is in excellent condition. As a single-family home development targeting general households, Village at Walkers Bend will not compete with the Subject's age-restricted units upon completion. The Walker's Bend New Leaf Center, located directly east of the Subject site, is operated by the local Housing Authority and is utilized as transitional housing. There are 30 residential units, a commercial kitchen, retail, and community areas. The New Leaf Center also includes classroom and office space for the Housing and Financial Counseling Program, which provides job training and life skills counseling to residents of Covington. Smaller commercial developments and free standing retail are located west of the site along Washington Street. Downtown Covington is located approximately 1.2 miles northeast of the site. Downtown retail appeared to be 90 percent occupied. The area south of the Subject, along Flat Shoals Road, is characterized by new single-family home subdivisions and older commercial uses. These homes are overall in good to excellent condition and values range from \$150,000 to \$170,000. Overall, the Subject site is considered a desirable building site for senior rental housing. The uses surrounding the Subject are in good to excellent condition and the site has good proximity to downtown Covington and locational amenities.

7. Existing Assisted Rental Housing

Property Map:

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

Property Name	Type	Tenancy	Included/Excluded	Reason for Exclusion	Distance from Subject	Map Color
The Overlook at Walkers Bend	LIHTC	Senior	Subject	N/Ap	-	Blue
Covington Square	Section 8	Senior	Excluded	All units subsidized	1.3 miles	Yellow
Wellington Ridge	LIHTC	Family	Included	N/Ap	3.8 miles	Light Blue
Magnolia Heights	LIHTC	Family	Included	N/Ap	3.2 miles	
Arbor Lake Apartments	LIHTC	Family	Included	N/Ap	3.7 miles	
Century Lakeside	LIHTC	Family	Excluded	More comparable LIHTC properties available	11.1 miles	
Orchard Cove	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.3 miles	
Salem Glen I, II, III	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.5 miles	
Harristown Park	LIHTC	Senior	Included	N/Ap	1.2 miles	
Village at Walkers Bend	LIHTC	Family	Excluded	Dissimilar unit types	0.1 miles	



Affordable Properties and QCTs, Covington, GA



**8. Road/Infrastructure**

**Proposed Improvements:**

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

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

The Subject site can be accessed from Washington Street, a highly trafficked roadway containing a variety of commercial and retail uses. Signage for the Subject will be placed along Washington Street, giving it good visibility. Overall, access and visibility are considered good.

**10. Environmental Concerns:**

None visible upon site inspection.

**11. Conclusion:**

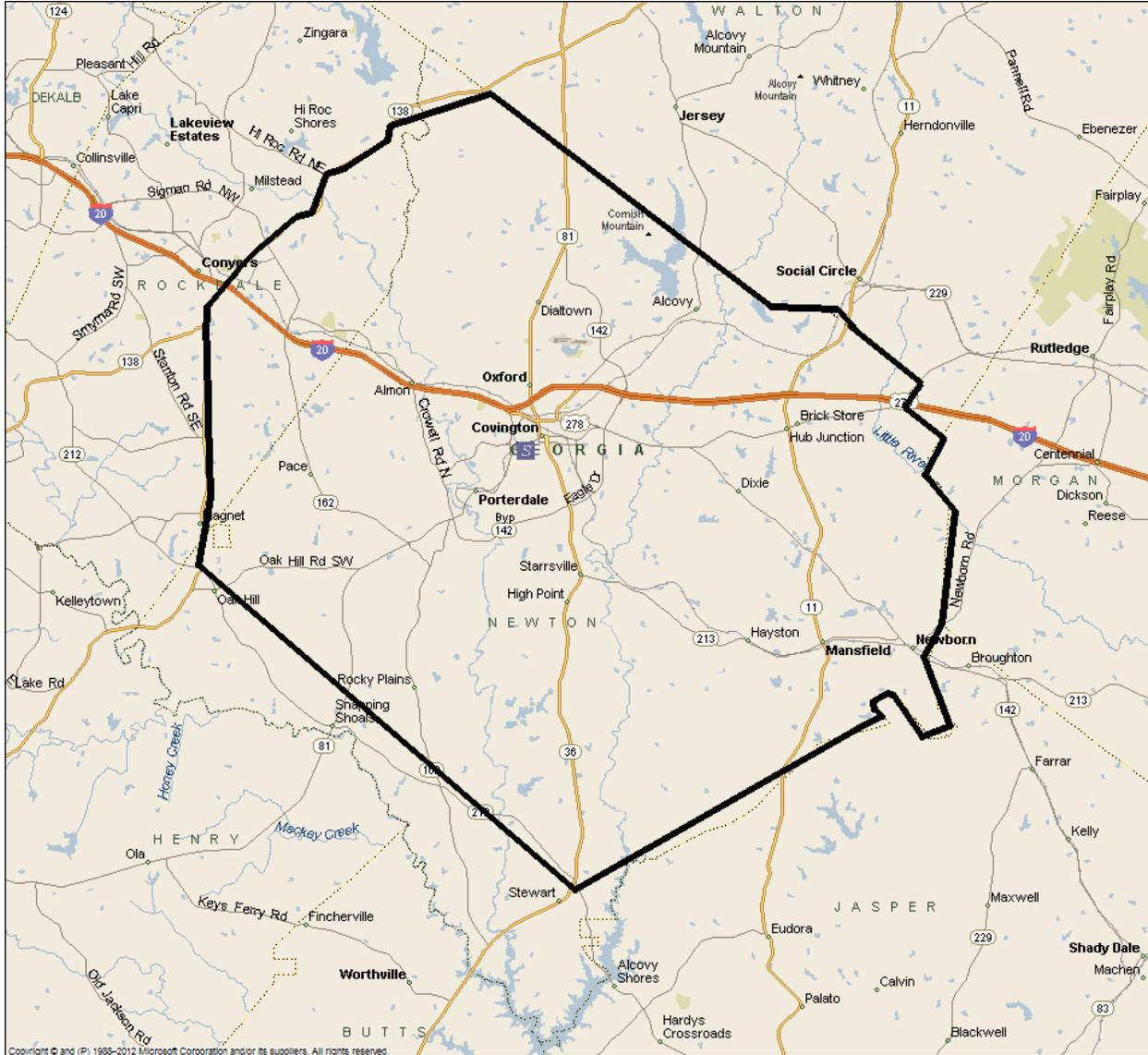
The Subject site is located at the intersection of Walkers Bend Parkway and Avery Street. Walkers Bend Parkway is accessed from Washington Street, a highly trafficked thoroughfare containing a variety of smaller retail and commercial development. The Subject site also has good proximity to downtown Covington, which contains a variety of retail and commercial uses. Overall retail occupancy in the area appeared to be 90 percent. Uses immediately surrounding the site consist of vacant land and newer single-family homes in good to excellent condition. The family LIHTC property Village at Walkers Bend is located northeast of the site. This development was allocated tax credits in 2010 and is currently 94 percent occupied. It contains 32 single-family homes and is in excellent condition. As a single-family home development targeting general households, Village at Walkers Bend will not compete with the Subject's age-restricted units upon completion. The Walker's Bend New Leaf Center is also located directly east of the Subject site and is in excellent condition. The mixed-use building is used as transitional housing by the local Housing Authority. Overall, the Subject site is considered desirable for a senior rental property.

## **D. MARKET AREA**

### PRIMARY MARKET AREA

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

### Primary Market Area Map



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

The boundaries of the PMA are as follows:

North – Walnut Grove Road and the Newtown/Walton County line

South- The Newton/Jasper County line and State Route 212

East- The Newton/Morgan County line

West- McDonough Highway

This area includes Newton County and a portion of Rockdale County to the east. The area was defined based on interviews with the local housing authority as well as local property managers at comparable properties. Management at Harristown Park reported that the property has tenants from Covington as well as other areas of Newton County and from Conyers, which is located in eastern Rockdale County. Management reported that due the lack of senior housing in the area, tenants are willing to move from outside Newton County and that it is likely that a new senior property could draw tenants from surrounding counties. Additionally, property managers at several of the family LIHTC properties indicated that their senior tenants have moved to the area from other parts of the state in order to be closer to their families. 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.

## **E. COMMUNITY DEMOGRAPHIC DATA**

**COMMUNITY DEMOGRAPHIC DATA**

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

**1. Population Trends**

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

<b>TOTAL POPULATION</b>						
<b>Year</b>	<b>PMA</b>		<b>Atlanta-Sandy Springs-Roswell, GA MSA</b>		<b>USA</b>	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	73,979	-	4,263,438	-	281,421,906	-
2010	113,279	5.3%	5,286,728	2.4%	308,745,538	1.0%
2015	115,418	0.4%	5,467,379	0.7%	314,467,933	0.4%
Projected Mkt Entry December 2017	118,491	1.1%	5,662,733	1.5%	321,340,837	0.9%
2019	120,505	0.9%	5,790,724	1.2%	325,843,774	0.7%

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

<b>TOTAL SENIOR POPULATION (55+)</b>						
<b>Year</b>	<b>PMA</b>		<b>Atlanta-Sandy Springs-Roswell, GA MSA</b>		<b>USA</b>	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	13,562	-	646,403	-	59,266,437	-
2010	23,193	7.1%	1,028,311	5.9%	83,352,075	4.1%
2015	26,021	2.3%	1,190,600	3.0%	83,352,075	0.0%
Projected Mkt Entry December 2017	28,245	3.5%	1,312,997	4.3%	89,662,805	3.1%
2019	29,702	2.8%	1,393,188	3.4%	93,797,421	2.5%

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

**POPULATION BY AGE GROUP**

Age Cohort	PMA				
	2000	2010	2015	Projected Mkt Entry December 2017	2019
0-4	5,580	8,378	8,232	8,462	8,613
5-9	5,833	9,001	8,418	8,484	8,527
10-14	5,882	9,295	8,856	8,785	8,739
15-19	5,389	9,319	8,801	8,777	8,761
20-24	4,420	6,611	8,191	7,868	7,657
25-29	5,374	6,550	7,283	8,295	8,958
30-34	5,958	7,470	6,971	7,552	7,933
35-39	6,265	8,673	7,493	7,535	7,562
40-44	5,804	8,866	8,695	8,044	7,618
45-49	5,060	8,504	8,397	8,379	8,367
50-54	4,853	7,419	8,061	8,065	8,067
55-59	3,677	6,366	6,962	7,354	7,610
60-64	2,807	5,723	5,977	6,317	6,540
65-69	2,305	3,960	5,033	5,321	5,509
70-74	1,824	2,827	3,317	3,977	4,409
75-79	1,367	1,960	2,200	2,527	2,741
80-84	871	1,303	1,379	1,507	1,591
85+	711	1,054	1,153	1,243	1,302
<b>Total</b>	<b>73,980</b>	<b>113,279</b>	<b>115,419</b>	<b>118,491</b>	<b>120,504</b>

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

Year	NUMBER OF ELDERLY AND NON-ELDERLY					
	PMA			Atlanta-Sandy Springs-Roswell, GA MSA		
	Total Population	Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
2000	73,980	60,418	13,562	4,263,438	3,617,035	646,403
2010	113,279	90,086	23,193	5,286,728	4,258,417	1,028,311
2015	115,419	89,398	26,021	5,467,379	4,276,779	1,190,600
Projected Mkt Entry December 2017	118,491	90,246	28,245	5,662,733	4,349,736	1,312,997
2019	120,504	90,802	29,702	5,790,724	4,397,536	1,393,188

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

Overall, population growth in the PMA has been similar to the nation and less than the MSA since 2010. The senior population within the PMA has increased dramatically since 2000. The senior population increased slightly slower than the MSA and significantly faster than the nation from 2010 to 2015. Growth is expected to moderate within the PMA over the next five years. The senior population in the MSA will grow slightly faster than the PMA and nation. The strong senior population growth within the MSA bodes well for the Subject's units. By age cohort in 2015, younger generations still comprise the majority. However, the target demographic for the Subject does comprise a higher percentage of the population in the PMA than the MSA.

## 2. Household Trends

### 2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	26,388	-	1,566,711	-	105,991,193	-
2010	39,256	4.9%	1,943,885	2.4%	116,716,292	1.0%
2015	39,851	0.3%	2,010,072	0.6%	118,979,182	0.4%
Projected Mkt Entry December 2017	40,849	1.0%	2,083,924	1.5%	121,689,300	0.9%
2019	41,503	0.8%	2,132,309	1.2%	123,464,895	0.8%

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

TOTAL NUMBER OF HOUSEHOLDS 55+						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	8,251	-	396,452	-	36,970,817	-
2010	12,993	5.7%	612,737	5.5%	45,892,687	2.4%
2015	14,675	2.5%	684,282	2.2%	50,249,306	1.8%
Projected Mkt Entry December 2017	16,081	4.0%	768,662	5.1%	54,073,162	3.1%
2019	17,002	3.2%	823,945	4.1%	56,578,447	2.5%

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

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.76	-	2.67	-	2.58	-
2010	2.84	0.3%	2.68	0.0%	2.58	0.0%
2015	2.85	0.1%	2.68	0.0%	2.58	0.0%
Projected Mkt Entry December 2017	2.86	0.1%	2.68	0.0%	2.57	0.0%
2019	2.86	0.1%	2.68	0.0%	2.57	0.0%

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

The number of households in the PMA has grown slowly from 2010 to 2015, but is expected to grow at the same rate as the nation and slightly slower than the MSA through 2019. Senior households in the MSA grew at 3.0 percent annually from 2010 to 2015, which is slightly faster than the MSA and the nation. These rates will increase slightly in the PMA through 2019. Average household size is projected to remain stagnant at 0.1 percent through 2019.

### 2b. Households by Tenure

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

TENURE PATTERNS - ELDERLY POPULATION (AGE 55+)								
Year	PMA				Atlanta-Sandy Springs-Roswell, GA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	-	-	-	-	-	-	-	-
2010	10,762	82.8%	2,231	17.2%	479,032	78.2%	133,705	21.8%
2015	12,045	82.1%	2,631	17.9%	531,280	77.6%	153,002	22.4%
Projected Mkt Entry December 2017	13,196	82.1%	2,885	17.9%	595,828	77.5%	172,834	22.5%
2019	13,951	82.1%	3,051	17.9%	638,118	77.4%	185,826	22.6%

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

Senior owner-occupied housing dominates the PMA with 82.1 percent in 2014. However, the 17.9 percent of senior renter-occupied housing is higher than the national average of just 13 percent. The percentage of senior renter-occupied units are expected to remain constant through

2019, but the total number of senior renter-occupied units is expected to increase, which bodes well for the Subject’s units.

**2c. Households by Income**

The following table depicts senior household income in 2010, 2015, December 2017 and 2019 for the PMA.

RENTER HOUSEHOLD INCOME DISTRIBUTION 55+ - PMA								
Income Cohort	2010		2015		Projected Mkt Entry December 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	312	14.0%	456	17.3%	510	17.7%	545	17.8%
\$10,000-19,999	536	24.0%	679	25.8%	748	25.9%	794	26.0%
\$20,000-29,999	326	14.6%	410	15.6%	455	15.8%	484	15.9%
\$30,000-39,999	236	10.6%	302	11.5%	324	11.2%	339	11.1%
\$40,000-49,999	141	6.3%	140	5.3%	148	5.1%	153	5.0%
\$50,000-59,999	199	8.9%	195	7.4%	213	7.4%	225	7.4%
\$60,000-74,999	130	5.8%	125	4.7%	142	4.9%	153	5.0%
\$75,000-99,999	113	5.1%	109	4.1%	114	4.0%	118	3.9%
\$100,000-124,999	122	5.5%	113	4.3%	122	4.2%	129	4.2%
\$125,000-149,999	55	2.5%	41	1.6%	45	1.6%	48	1.6%
\$150,000-199,999	33	1.5%	31	1.2%	30	1.0%	29	1.0%
\$200,000+	28	1.3%	29	1.1%	32	1.1%	35	1.1%
<b>Total</b>	<b>2,231</b>	<b>100.0%</b>	<b>2,631</b>	<b>100.0%</b>	<b>2,885</b>	<b>100.0%</b>	<b>3,051</b>	<b>100.0%</b>

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

Senior household earning under \$39,999 in income in the PMA comprise 70.2 percent of all income cohorts. The Subject will target senior households earning between \$17,580 and \$32,760, therefore, the Subject should be well-positioned to service this market.

**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 55+ - Atlanta-Sandy Springs-Roswell, GA MSA								
	2010		2015		Projected Mkt Entry December 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,155	51.8%	1,375	52.2%	1,497	51.9%	1,576	51.7%
With 2 Persons	528	23.7%	631	24.0%	696	24.1%	739	24.2%
With 3 Persons	264	11.8%	297	11.3%	323	11.2%	339	11.1%
With 4 Persons	143	6.4%	134	5.1%	144	5.0%	151	5.0%
With 5+ Persons	140	6.3%	194	7.4%	225	7.8%	245	8.0%
<b>Total Renter</b>	<b>2,231</b>	<b>100.0%</b>	<b>2,631</b>	<b>100.0%</b>	<b>2,885</b>	<b>100.0%</b>	<b>3,051</b>	<b>100.0%</b>

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

Senior renter households in the PMA with two persons or less made up 76.2 percent of such households in 2015. This percentage is projected to remain stable into the foreseeable future. The Subject will contain one and two bedroom floor plans, so this large percentage bodes well for the proposed Subject.

## Conclusion

Overall, population growth in the PMA has been similar to the nation and less than the MSA since 2010. The senior population within the PMA has increased dramatically since 2000. The senior population increased slightly slower than the MSA and significantly faster than the nation from 2010 to 2015. Growth is expected to moderate within the PMA over the next five years. The senior population in the MSA will grow slightly faster than the PMA and nation. The strong senior population growth within the MSA bodes well for the Subject's age-restricted units. By age cohort in 2015, younger generations still comprise the majority. However, the target demographic for the Subject does comprise a higher percentage of the population in the PMA than the MSA.

Senior owner-occupied housing dominates the PMA with 82.1 percent in 2015. However, the 17.9 percent of senior renter-occupied housing is higher than the national average of just 13 percent. The percentage of senior renter-occupied units are expected to remain constant through 2019, but the total number of senior renter-occupied units is expected to increase, which bodes well for the Subject's age-restricted units.

Senior households earning under \$39,999 in the PMA comprise 70.2 percent of all income cohorts. The Subject will target senior households earning between \$17,580 and \$32,760, therefore, the Subject should be well-positioned to service this market.

Senior renter households in the PMA with two persons or less made up 76.2 percent of such households in 2015. This percentage is projected to remain stable into the foreseeable future. The Subject will contain one and two bedroom floor plans, so this large percentage bodes well for the proposed Subject. Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target.

## **F. EMPLOYMENT TRENDS**

## EMPLOYMENT TRENDS

The Subject is located in Covington, Newton County, Georgia. The Subject, as proposed, will be a senior property with strict income limits.

Covington and Newton County in general were particularly hard hit by the housing market crash of 2007 and 2008. Before those years, Newton County had been the fourth fastest growing county in the nation. The extreme drop in new home building subsequently led to loss of construction jobs, cutbacks by builders, and cutbacks by their suppliers. Manufacturing employment in the county also experienced the effects of the downturn in demand for their products.

According to an article by The Royce Funds dated February 2015, although domestic manufacturing has previously been on a long-term decline, the past several years have shown a trend reversal in what many are calling “The U.S. Manufacturing Renaissance.” This is due largely to large manufacturers such as Dow, Nucir, Boeing, BMW, and Mercedes Benz seeing the risks in a globally stretched supply chain and opening or expanding U.S. plants. This U.S. expansion has been trickling down to smaller companies that make up the supply chains of these larger companies. The increase in domestic manufacturing has also been driven by decreased energy costs and increasing labor costs in emerging markets.

Recent events indicate the beginnings of a recovery for the Newton County area. Baxter International, which will produce plasma-based treatments at a new manufacturing facility in Covington, recently announced plans to move into Stanton Springs Technology Park after striking a \$1.3 billion deal with the Joint Development Authority of Newton. The new technology park is located 12.9 miles from the Subject site. The facility is expected to be fully operational by 2018 with Baxter International hiring about 1,200 people from the local area.

New business openings will spark retail developments and increase demand for employment. The increased housing market will add new jobs to construction in Newton County. Covington is one of the top film production sites in Georgia, according to GoCovington.com. Triple Horse Studios is planning a \$100 million expansion over the next several years in Covington. Tourism is also a key economic driver for Newton County, generating \$100.1 million in direct tourist spending and \$2.95 million in local county tax revenues. The film industry in Covington is the main attraction for tourists.

Additionally, according to a Newton Citizen article dated March 21, 2015, the Georgia General Assembly recently passed the Newton County Community Improvement Act. This act established the U.S. Highway 278 Community Improvement District. The purpose of this legislation is to beautify and improve the highways, while increasing property values and attracting new interest from investors and developers. The U.S. Highway 278 Community Improvement District is still in the planning stages. Proposed projects include landscaping, adding sidewalks, new LED traffic signals, pedestrian-scale solar lighting, and relocation of overhead utilities to underground.

**1. Total Jobs**

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

**Total Jobs in Newton County, Georgia**

Year	Total Employment	% Change
2005	37,217	-
2006	39,002	4.58%
2007	41,197	5.33%
2008	43,594	5.50%
2009	44,946	3.01%
2010	41,038	-9.52%
2011	41,762	1.73%
2012	42,045	0.67%
2013	43,144	2.55%
2014	43,244	0.23%
2015 YTD Average	43,839	1.36%
Dec-14	43,379	-
Dec-15	44,123	1.69%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2015

As illustrated in the table above, Newton County experienced a weakening economy during the national recession. The county began experiencing the effects of the downturn in 2010 with its first employment decrease of the decade. Total employment has been slowly increasing since 2011 at a rate significantly slower than pre-recession growth. While the total employment continues to grow, as of December 2015, Newton County has not yet surpassed its pre-recession peak employment.

**2. Total Jobs by Industry**

The following table illustrates the total jobs by employment sectors within the Newton County March 2014.

**March 2014 Covered Employment  
Newton County, Georgia**

	<b>Number</b>	<b>Percent</b>
<b>Total, all industries</b>	<b>16,451</b>	-
<b>Goods-producing</b>	<b>5,387</b>	-
Natural resources and mining	<b>47</b>	0.29%
Construction	<b>1,120</b>	6.81%
Manufacturing	<b>4,220</b>	25.65%
<b>Service-providing</b>	<b>11,064</b>	-
Trade, transportation, and utilities	<b>3,931</b>	23.90%
Information	<b>242</b>	1.47%
Financial activities	<b>455</b>	2.77%
Professional and business services	<b>1,670</b>	10.15%
Education and health services	<b>2,288</b>	13.91%
Leisure and hospitality	<b>2,040</b>	12.40%
Other services	<b>350</b>	2.13%
Unclassified	<b>88</b>	0.53%

Source: Bureau of Labor Statistics, 2015

Manufacturing, trade, transportation, and utilities comprise 50 percent of total employment in Newton County. These industries are particularly vulnerable in economic downturns and are historically volatile industries. Education and health services are the next largest industries, within the PMA, and are typically a stable industry. Also, the leisure and hospitality industries comprise a large percentage of total employment.

**2014 EMPLOYMENT BY INDUSTRY**

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	5,598	12.3%	15,162,651	10.6%
Construction	5,149	11.3%	8,291,595	5.8%
Retail Trade	4,774	10.5%	16,592,605	11.6%
Educational Services	4,730	10.4%	12,979,314	9.1%
Health Care/Social Assistance	4,498	9.9%	20,080,547	14.0%
Public Administration	2,862	6.3%	6,713,073	4.7%
Accommodation/Food Services	2,558	5.6%	10,849,114	7.6%
Other Services (excl Publ Adm)	2,232	4.9%	7,850,739	5.5%
Transportation/Warehousing	2,120	4.6%	5,898,791	4.1%
Prof/Scientific/Tech Services	1,917	4.2%	9,808,289	6.8%
Finance/Insurance	1,835	4.0%	6,884,133	4.8%
Admin/Support/Waste Mgmt Svcs	1,833	4.0%	6,316,579	4.4%
Wholesale Trade	1,511	3.3%	3,628,118	2.5%
Information	1,463	3.2%	2,577,845	1.8%
Real Estate/Rental/Leasing	1,009	2.2%	2,627,562	1.8%
Arts/Entertainment/Recreation	668	1.5%	3,151,821	2.2%
Utilities	435	1.0%	1,107,105	0.8%
Agric/Forestry/Fishing/Hunting	247	0.5%	1,800,354	1.3%
Mining	108	0.2%	868,282	0.6%
Mgmt of Companies/Enterprises	69	0.2%	97,762	0.1%
<b>Total Employment</b>	<b>45,616</b>	<b>100.0%</b>	<b>143,286,279</b>	<b>100.0%</b>

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

Manufacturing, construction, and the retail trade made up 34.1 percent of employment by industry in 2014. All three of these industries are historically volatile in an economic downturn. Newton County was extremely hard hit by the recent national recession, but the area has made resurgence as the housing market has rebounded and construction has increased throughout the PMA and MSA.

**3. Major Employers**

The following table is a list of the top employers in Newton County, Georgia. Because employment numbers were not available, a list of the area’s largest manufacturing companies is also included.

**MAJOR EMPLOYERS - NEWTON COUNTY, GA**

Map #	Company	Industry
1	CR Bard, Inc.	Manufacturing
2	Covington Moulding Co	Manufacturing
3	General Mills, Inc.	Manufacturing
4	Newton Health Systems Inc.	Health Care
5	Nisshinbo	Manufacturing
6	Pactiv Corporation	Manufacturing
7	SKC, Inc.	Manufacturing
8	South East Employee Leasing Service	Business Services
9	The Kroger Company	Retail
10	Walmart	Retail

Source: Georgia Department of Labor, April 2015

**MAJOR MANUFACTURERS - NEWTON COUNTY, GA**

#	Company	Employees
1	CR Bard, Inc.	565
2	Pactiv Corporation	492
3	General Mills, Inc.	363
4	SRG Global	320
5	Clairon Metals Group	270
6	Fibervisions	250
7	SKC, Inc.	250
8	Specialty Yarn & Converting	250
9	Nisshinbo	228
10	Beaver Manufacturing	185

Source: Newton/Covington Economic Development, April 2015

The previous tables illustrate the top employers in Newton County, Georgia. The majority of the top companies are in the manufacturing industry, indicating that Covington and Newton County are favorable areas for manufacturing companies, especially with the addition of Baxter International. Public employees such as school system staff and local government workers number in the thousands, but accurate data for these groups was not available.

**Newton County Economic Development**

We spoke with Sara Phillips, Director of Commercial Development at the Newton County Economic Development regarding the general economic outlook for the area. One major announcement Ms. Phillips focused on was the Baxter Pharmaceutical Plant. Baxter Pharmaceutical recently announced plans to build a new \$1 billion dollar plasma manufacturing plant in Covington. The plant will bring 1,500 new full-time jobs to the area and an additional 500 more in support roles. Construction on the plant began in late 2014, with production at the plant beginning in 2018. The large investment in the local economy is a positive sign for the area, which was significantly affected by the recent national recession.

According to the Georgia Department of Labor, there have been no Worker Adjustment and Retraining Notifications (WARN) from 2012 to year-to-date 2015 in Newton County.

#### 4. Employment and Unemployment Trends

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

##### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Atlanta-Sandy Springs-Roswell, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	2,382,163	-	4.8%	-	139,252,000	-	5.5%	-
2005	2,445,674	2.7%	5.4%	0.6%	141,730,000	1.8%	5.1%	-0.4%
2006	2,538,141	3.8%	4.7%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	2,618,825	3.2%	4.4%	-0.2%	146,047,000	1.1%	4.6%	0.0%
2008	2,606,822	-0.5%	6.2%	1.7%	145,362,000	-0.5%	5.8%	1.2%
2009	2,452,057	-5.9%	9.9%	3.8%	139,877,000	-3.8%	9.3%	3.5%
2010	2,389,549	-2.5%	10.5%	0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	2,428,103	1.6%	10.1%	-0.3%	139,869,000	0.6%	8.9%	-0.7%
2012	2,487,638	2.5%	9.0%	-1.1%	142,469,000	1.9%	8.1%	-0.8%
2013	2,513,530	1.0%	7.9%	-1.1%	143,929,000	1.0%	7.4%	-0.7%
2014 YTD Average*	2,552,790	1.6%	7.0%	-1.0%	146,305,333	1.7%	6.2%	-1.2%
Dec-2013	2,540,305	-	7.0%	-	144,423,000	-	6.5%	-
Dec-2014	2,579,912	1.6%	6.1%	-0.9%	147,190,000	1.9%	5.4%	-1.1%

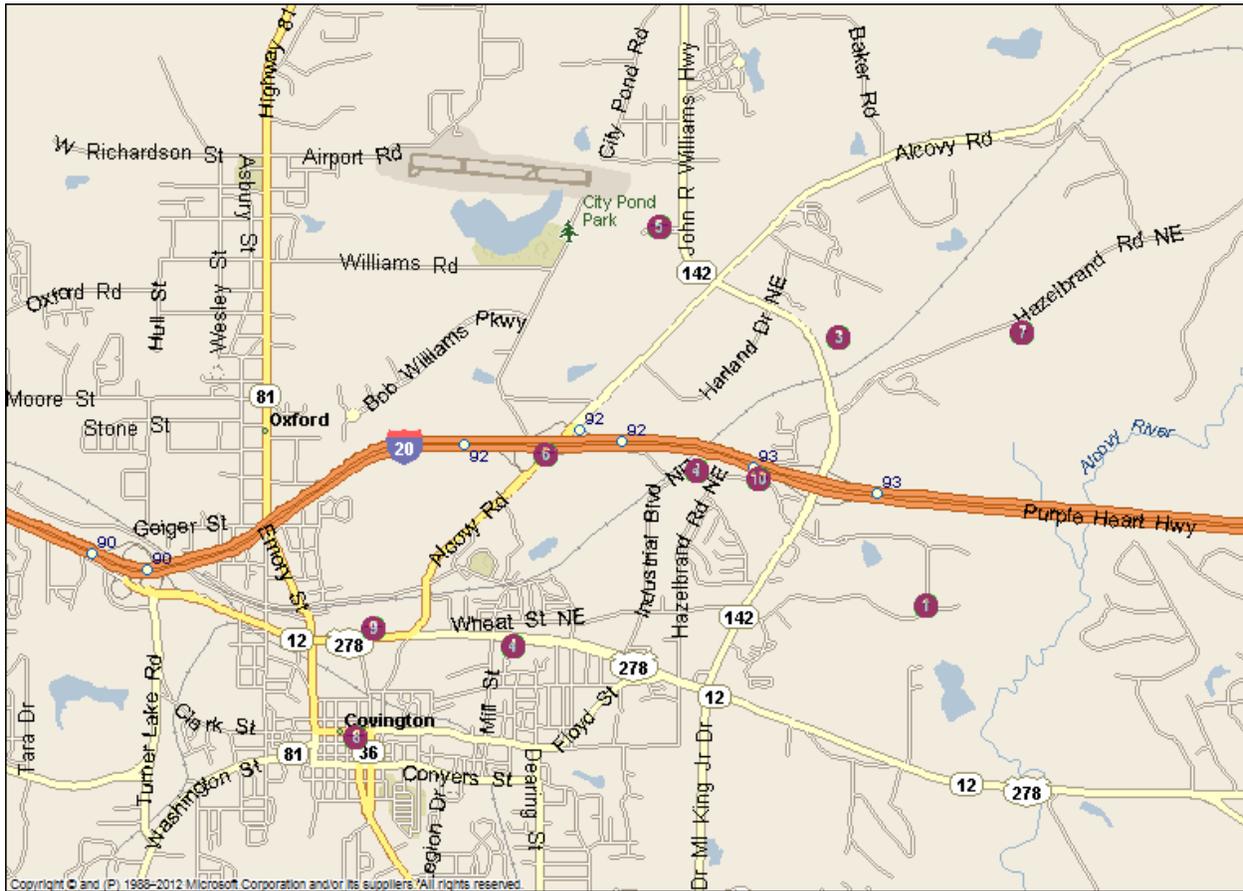
Source: U.S. Bureau of Labor Statistics April 2015

\*2014 data is through Dec

Total employment within the MSA increased from 2004 to 2007. However, during the national recession the total employment within the MSA declined significantly more than the nation. Beginning in 2011, total employment increased slightly faster than the nation. As of December 2014, the total employment in the MSA remains 1.5 percent below the 2007 peak employment level. In comparison, the nation is 0.8 percent above peak total employment. The unemployment rate in the MSA had historically remained below the nation; however, the unemployment rate has remained elevated in the MSA since the recession. The 2014 YTD average unemployment rate is 0.8 percentage points greater than the national unemployment rate. Overall, the local economy has begun to recover, but total employment remains below peak levels of employment.

### 5. Map of Site and Major Employment Concentrations

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



#### MAJOR EMPLOYERS - NEWTON COUNTY, GA

Map #	Company	Industry
1	CR Bard, Inc.	Manufacturing
2	Covington Moulding Co	Manufacturing
3	General Mills, Inc.	Manufacturing
4	Newton Health Systems Inc.	Health Care
5	Nisshinbo	Manufacturing
6	Pactiv Corporation	Manufacturing
7	SKC, Inc.	Manufacturing
8	South East Employee Leasing Service	Business Services
9	The Kroger Company	Retail
10	Walmart	Retail

Source: Georgia Department of Labor, April 2015

## Conclusion

Covington and Newton County in general were particularly hard hit by the housing market crash of 2007 and 2008. Before those years, Newton County had been the fourth fastest growing county in the nation. The extreme drop in new home building subsequently led to loss of construction jobs, cutbacks by builders, and cutbacks by their suppliers. Manufacturing employment in the county also experienced the effects of the downturn in demand for their products.

Manufacturing, construction, and the retail trade made up 34.1 percent of employment by industry in 2014. All three of these industries are historically volatile in an economic downturn. Education and healthcare, historically stable employers, comprise the next highest industries with 20.3 percent.

Recent events, however, indicate the beginnings of a recovery for the area. Baxter International, which will produce plasma-based treatments at a new manufacturing facility in Covington, recently announced plans to move into Stanton Springs Technology Park after striking a \$1.3 billion deal with the Joint Development Authority of Newton. The new technology park is located 12.9 miles from the Subject site. The facility is expected to be fully operational by 2018 with Baxter International hiring about 1,500 people from the local area.

New business openings will spark retail developments and increase demand for employment. The increased housing market will add new jobs to construction in Newton County. Covington is one of the top film production sites in Georgia, according to GoCovington.com. Triple Horse Studios is planning a \$100 million expansion over the next several years in Covington. Tourism is a key economic driver for Newton County, generating \$100.1 million in direct tourist spending and \$2.95 million in local county tax revenues. The film industry in Covington is the main attraction for tourists.

## **G. PROJECT-SPECIFIC DEMAND ANALYSIS**

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

### **1. Income Restrictions**

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

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

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

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

### **2. Affordability**

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

### **3. Demand**

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

#### **3A. Demand from New Households**

The number of new households entering the market is the first level of demand calculated. We have utilized December 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2014 household population estimates are inflated to December 2017 by interpolation of the difference between 2014 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 December 2017. This number takes the overall growth from 2014 to 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 comparable properties funded, placed in service, or under construction since 2013, or projects placed in service prior to 2013, which have not reached stabilized occupancy. Therefore, no deductions have been made in the demand analysis.

**PMA Occupancy**

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

**PMA OCCUPANCY**

Property Name	Occupancy Rate	Type	Tenancy	Included/Excluded	Reason for Exclusion	Distance from Subject
Covington Square	100%	Section 8	Senior	Excluded	All units subsidized	1.3 miles
Wellington Ridge	95%	LIHTC	Family	Included	N/Ap	3.8 miles
Magnolia Heights	90%	LIHTC	Family	Included	N/Ap	3.2 miles
Arbor Lake Apartments	93%	LIHTC	Family	Included	N/Ap	3.7 miles
Salem Glen I, II, III	90%	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.5 miles
Orchard Cove	96%	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.3 miles
Harristown Park	100%	LIHTC	Senior	Included	N/Ap	1.2 miles
Leafstone Apartments	96%	Market	Family	Included	N/Ap	1.6 miles
Sumerset Apartments	98%	Market	Family	Included	N/Ap	3.9 miles
Fieldcrest Walk	90%	Market	Family	Excluded	More comparable properties available	2.6 miles
Park View Apartments	94%	Market	Family	Included	N/Ap	2.7 miles
Porterdale Mill Lofts	100%	Market	Family	Included	N/Ap	3.7 miles
Village at Walkers Bend	94%	LIHTC	Family	Excluded	Dissimilar unit types	0.1 miles
<b>Average</b>	<b>95%</b>					

**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							
The Overlook At Walkers Bend							
PMA							
	2015		Projected Mkt Entry December 2017		2019		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	456	17.3%	510	17.7%	545	17.8%	16.3%
\$10,000-19,999	679	25.8%	748	25.9%	794	26.0%	14.6%
\$20,000-29,999	410	15.6%	455	15.8%	484	15.9%	15.2%
\$30,000-39,999	302	11.5%	324	11.2%	339	11.1%	11.0%
\$40,000-49,999	140	5.3%	148	5.1%	153	5.0%	8.7%
\$50,000-59,999	195	7.4%	213	7.4%	225	7.4%	13.0%
\$60,000-74,999	125	4.7%	142	4.9%	153	5.0%	18.6%
\$75,000-99,999	109	4.1%	114	4.0%	118	3.9%	7.8%
\$100,000-124,999	113	4.3%	122	4.2%	129	4.2%	12.2%
\$125,000-149,999	41	1.6%	45	1.6%	48	1.6%	13.2%
\$150,000-199,999	31	1.2%	30	1.0%	29	1.0%	-7.9%
\$200,000+	29	1.1%	32	1.1%	35	1.1%	15.2%
Total	2,631	100.0%	2,885	100.0%	3,051	100.0%	13.8%

Renter Household Income Distribution 2015 to Projected Market Entry December 2017					
The Overlook At Walkers Bend					
PMA					
	2015		Projected Mkt Entry December 2017		Percent
	#	%	#	%	Growth
\$0-9,999	456	17.3%	510	17.7%	10.5%
\$10,000-19,999	679	25.8%	748	25.9%	9.3%
\$20,000-29,999	410	15.6%	455	15.8%	9.8%
\$30,000-39,999	302	11.5%	324	11.2%	7.0%
\$40,000-49,999	140	5.3%	148	5.1%	5.5%
\$50,000-59,999	195	7.4%	213	7.4%	8.3%
\$60,000-74,999	125	4.7%	142	4.9%	12.1%
\$75,000-99,999	109	4.1%	114	4.0%	4.9%
\$100,000-124,999	113	4.3%	122	4.2%	7.7%
\$125,000-149,999	41	1.6%	45	1.6%	8.4%
\$150,000-199,999	31	1.2%	30	1.0%	-4.6%
\$200,000+	29	1.1%	32	1.1%	9.8%
Total	2,631	100.0%	2,885	100.0%	8.8%

Tenure Prj Mrkt Entry December 2017	
Renter	17.9%
Owner	82.1%
Total	100.0%

Renter Household Size for Prj Mrkt Entry December 2017		
Size	Number	Percentage
1 Person	1,497	51.9%
2 Person	696	24.1%
3 Person	323	11.2%
4 Person	144	5.0%
5+ Person	225	7.8%
Total	2,885	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,697	25.3%
2 Person	1,845	27.5%
3 Person	1,310	19.6%
4 Person	933	13.9%
5+ Person	913	13.6%
Total	6,698	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$17,580		
Maximum Income Limit			\$27,300		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	December 2017			
\$0-9,999	510	17.7%			
\$10,000-19,999	748	25.9%	\$2,419	24.2%	181
\$20,000-29,999	455	15.8%	\$7,300	73.0%	332
\$30,000-39,999	324	11.2%			
\$40,000-49,999	148	5.1%			
\$50,000-59,999	213	7.4%			
\$60,000-74,999	142	4.9%			
\$75,000-99,999	114	4.0%			
\$100,000-124,999	122	4.2%			
\$125,000-149,999	45	1.6%			
\$150,000-199,999	30	1.0%			
\$200,000+	32	1.1%			
	2,885	100.0%			513
Percent of renter households within limits versus total number of renter households					17.79%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$17,580		
Maximum Income Limit			\$27,300		
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Change in Households PMA 2015 to	Prj Mrkt Entry December 2017			
\$0-9,999	45	17.7%			
\$10,000-19,999	66	25.9%	\$2,419	24.2%	16
\$20,000-29,999	40	15.8%	\$7,300	73.0%	29
\$30,000-39,999	29	11.2%			
\$40,000-49,999	13	5.1%			
\$50,000-59,999	19	7.4%			
\$60,000-74,999	13	4.9%			
\$75,000-99,999	10	4.0%			
\$100,000-124,999	11	4.2%			
\$125,000-149,999	4	1.6%			
\$150,000-199,999	3	1.0%			
\$200,000+	3	1.1%			
	254	100.0%			45
Percent of renter households within limits versus total number of renter households					17.79%

Does the Project Benefit from Rent Subsidy? (Y/N)	No	
Type of Housing (Family vs Senior)	Senior	
Location of Subject (Rural versus Urban)	Urban	
Percent of Income for Housing	40%	
2000 Median Income	\$46,754	
2015 Median Income	\$53,868	
Change from 2015 to Prj Mrkt Entry December 2017	\$7,114	
Total Percent Change	15.2%	
Average Annual Change	2.5%	
Inflation Rate	2.5%	
	Two year adjustment	1.0000
Maximum Allowable Income	\$27,300	
Maximum Allowable Income Inflation Adjusted	\$27,300	
Maximum Number of Occupants	2	
Rent Income Categories	50%	
Initial Gross Rent for Smallest Unit	\$586	
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$586	

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	50%	50%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	70%	30%	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 December 2017

Income Target Population		50%
New Renter Households PMA		254
Percent Income Qualified		17.8%
New Renter Income Qualified Households		45

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		2,885
Income Qualified		17.8%
Income Qualified Renter Households		513
Percent Rent Overburdened Prj Mrkt Entry December 2017		31.3%
Rent Overburdened Households		161

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		513
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		4

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		13,196
Rural Versus Urban	0.03%	
Senior Demand Converting from Homeownership		4

Total Demand

Total Demand from Existing Households		168
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		168
Total New Demand		45
Total Demand (New Plus Existing Households)		213

Demand from Seniors Who Convert from Homeownership		4
Percent of Total Demand From Homeownership Conversion		1.9%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	51.9%	110
Two Persons	24.1%	51
Three Persons	11.2%	24
Four Persons	5.0%	11
Five Persons	7.8%	17
Total	100.0%	213

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	50%	55
Of two-person households in 1BR units	10%	5
Of one-person households in 2BR units	50%	55
Of two-person households in 2BR units	90%	46
Of three-person households in 2BR units	70%	17
Of three-person households in 3BR units	30%	7
Of four-person households in 3BR units	80%	9
Of five-person households in 3BR units	70%	12
Of four-person households in 4BR units	20%	2
Of five-person households in 4BR units	30%	5
Total Demand		213
Check		OK
Total Demand by Bedroom		50%
1 BR		60
2 BR		102
Total Demand		162
Additions To Supply 2015 to Prj Mrkt Entry December 2017		50%
1 BR		0
2 BR		0
Total		0
Net Demand		50%
1 BR		60
2 BR		102
Total		162
Developer's Unit Mix		50%
1 BR		9
2 BR		6
Total		15
Capture Rate Analysis		50%
1 BR		14.9%
2 BR		5.9%
Total		7.6%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$19,830		
Maximum Income Limit			\$32,760		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	December 2017			
\$0-9,999	510	17.7%			
\$10,000-19,999	748	25.9%	\$169	1.7%	13
\$20,000-29,999	455	15.8%	\$9,999	100.0%	455
\$30,000-39,999	324	11.2%	\$2,760	27.6%	90
\$40,000-49,999	148	5.1%			
\$50,000-59,999	213	7.4%			
\$60,000-74,999	142	4.9%			
\$75,000-99,999	114	4.0%			
\$100,000-124,999	122	4.2%			
\$125,000-149,999	45	1.6%			
\$150,000-199,999	30	1.0%			
\$200,000+	32	1.1%			
	2,885	100.0%			557
Percent of renter households within limits versus total number of renter households					19.31%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$19,830		
Maximum Income Limit			\$32,760		
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Change in Households PMA 2015 to	Prj Mrkt Entry December 2017			
\$0-9,999	45	17.7%			
\$10,000-19,999	66	25.9%	\$169	1.7%	1
\$20,000-29,999	40	15.8%	\$9,999	100.0%	40
\$30,000-39,999	29	11.2%	\$2,760	27.6%	8
\$40,000-49,999	13	5.1%			
\$50,000-59,999	19	7.4%			
\$60,000-74,999	13	4.9%			
\$75,000-99,999	10	4.0%			
\$100,000-124,999	11	4.2%			
\$125,000-149,999	4	1.6%			
\$150,000-199,999	3	1.0%			
\$200,000+	3	1.1%			
	254	100.0%			49
Percent of renter households within limits versus total number of renter households					19.31%

Does the Project Benefit from Rent Subsidy? (Y/N) No  
 Type of Housing (Family vs Senior) Senior  
 Location of Subject (Rural versus Urban) Urban  
 Percent of Income for Housing 40%  
 2000 Median Income \$46,754  
 2015 Median Income \$53,868  
 Change from 2015 to Prj Mrkt Entry December 2017 \$7,114  
 Total Percent Change 15.2%  
 Average Annual Change 2.5%  
 Inflation Rate 2.5%  
 Maximum Allowable Income \$32,760  
 Maximum Allowable Income Inflation Adjusted \$32,760  
 Maximum Number of Occupants \$2  
 Rent Income Categories 60%  
 Initial Gross Rent for Smallest Unit \$661  
 Initial Gross Rent for Smallest Unit Inflation Adjusted \$661

Two year adjustment	1.0000
---------------------	--------

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	50%	50%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	70%	30%	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 December 2017

Income Target Population		60%
New Renter Households PMA		254
Percent Income Qualified		19.3%
New Renter Income Qualified Households		49

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		2,885
Income Qualified		19.3%
Income Qualified Renter Households		557
Percent Rent Overburdened Prj Mrkt Entry December 2017		31.3%
Rent Overburdened Households		174

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		557
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		4

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		13,196
Rural Versus Urban	0.03%	
Senior Demand Converting from Homeownership		4

Total Demand

Total Demand from Existing Households		182
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		182
Total New Demand		49
Total Demand (New Plus Existing Households)		231

Demand from Seniors Who Convert from Homeownership		4
Percent of Total Demand From Homeownership Conversion		1.7%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	51.9%	120
Two Persons	24.1%	56
Three Persons	11.2%	26
Four Persons	5.0%	12
Five Persons	7.8%	18
Total	100.0%	231

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	50%	60
Of two-person households in 1BR units	10%	6
Of one-person households in 2BR units	50%	60
Of two-person households in 2BR units	90%	50
Of three-person households in 2BR units	70%	18
Of three-person households in 3BR units	30%	8
Of four-person households in 3BR units	80%	9
Of five-person households in 3BR units	70%	13
Of four-person households in 4BR units	20%	2
Of five-person households in 4BR units	30%	5
Total Demand		231
Check		OK
Total Demand by Bedroom		60%
1 BR		65
2 BR		110
Total Demand		176
Additions To Supply 2015 to Prj Mrkt Entry December 2017		60%
1 BR		0
2 BR		0
Total		0
Net Demand		60%
1 BR		65
2 BR		110
Total		176
Developer's Unit Mix		60%
1 BR		11
2 BR		34
Total		45
Capture Rate Analysis		60%
1 BR		16.8%
2 BR		30.9%
Total		25.6%

Overall

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

Percent of AMI Level Minimum Income Limit Maximum Income Limit			Overall \$17,580 \$32,760		
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	510	17.7%			
\$10,000-19,999	748	25.9%	\$2,419	24.2%	181
\$20,000-29,999	455	15.8%	\$9,999	100.0%	455
\$30,000-39,999	324	11.2%	\$2,760	27.6%	90
\$40,000-49,999	148	5.1%			
\$50,000-59,999	213	7.4%			
\$60,000-74,999	142	4.9%			
\$75,000-99,999	114	4.0%			
\$100,000-124,999	122	4.2%			
\$125,000-149,999	45	1.6%			
\$150,000-199,999	30	1.0%			
\$200,000+	32	1.1%			
	2,885	100.0%			726
Percent of renter households within limits versus total number of renter households					25.15%

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

Percent of AMI Level Minimum Income Limit Maximum Income Limit			Overall \$17,580 \$32,760		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	45	17.7%			
\$10,000-19,999	66	25.9%	\$2,419	24.2%	16
\$20,000-29,999	40	15.8%	\$9,999	100.0%	40
\$30,000-39,999	29	11.2%	\$2,760	27.6%	8
\$40,000-49,999	13	5.1%			
\$50,000-59,999	19	7.4%			
\$60,000-74,999	13	4.9%			
\$75,000-99,999	10	4.0%			
\$100,000-124,999	11	4.2%			
\$125,000-149,999	4	1.6%			
\$150,000-199,999	3	1.0%			
\$200,000+	3	1.1%			
	254	100.0%			64
Percent of renter households within limits versus total number of renter households					25.15%

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 December 2017  
 Total Percent Change  
 Average Annual Change  
 Inflation Rate  
 Maximum Allowable Income  
 Maximum Allowable Income Inflation Adjusted  
 Maximum Number of Occupants  
 Rent Income Categories  
 Initial Gross Rent for Smallest Unit  
 Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Senior
Urban
40%
\$46,754
\$53,868
\$7,114
15.2%
2.5%
2.5%
Two year adjustment
1.0000
\$32,760
\$32,760
2
Overall
\$586
\$586

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	50%	50%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	70%	30%	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 December 2017

Income Target Population		Overall
New Renter Households PMA		254
Percent Income Qualified		25.1%
New Renter Income Qualified Households		64

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		2,885
Income Qualified		25.1%
Income Qualified Renter Households		726
Percent Rent Overburdened Prj Mrkt Entry December 2017		31.3%
Rent Overburdened Households		227

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		726
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		5

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

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		13,196
Rural Versus Urban	0.05%	
Senior Demand Converting from Homeownership		6

Total Demand

Total Demand from Existing Households		238
Adjustment Factor - Leakage from SMA (use 115% for D)	100%	0
Adjusted Demand from Existing Households		238
Total New Demand		64
Total Demand (New Plus Existing Households)		302

Demand from Seniors Who Convert from Homeownership		6
Percent of Total Demand From Homeownership Conversion		2.0%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	51.9%	157
Two Persons	24.1%	73
Three Persons	11.2%	34
Four Persons	5.0%	15
Five Persons	7.8%	24
Total	100.0%	302

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	50%	78
Of two-person households in 1BR units	10%	7
Of one-person households in 2BR units	50%	78
Of two-person households in 2BR units	90%	66
Of three-person households in 2BR units	70%	24
Of three-person households in 3BR units	30%	10
Of four-person households in 3BR units	80%	12
Of five-person households in 3BR units	70%	16
Of four-person households in 4BR units	20%	3
Of five-person households in 4BR units	30%	7
Total Demand		302
Check		OK
Total Demand by Bedroom		Overall
1 BR		86
2 BR		144
Total Demand		230
Additions To Supply 2015 to Prj Mrkt Entry December 2017		Overall
1 BR		0
2 BR		0
3 BR		0
Total		0
Net Demand		Overall
1 BR		86
2 BR		144
Total		230
Developer's Unit Mix		Overall
1 BR		20
2 BR		40
Total		60
Capture Rate Analysis		Overall
1 BR		23.4%
2 BR		27.8%
Total		26.1%

## Conclusions

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

- The number of senior renter households in the PMA is expected to increase 3.2 percent between 2015 and 2019.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 5.9 to 14.9 percent, with an overall capture rate of 9.3 percent. The Subject's 60 percent AMI capture rates range from 16.8 to 30.9 percent, with an overall capture rate of 25.6 percent. The overall capture rate for the project's 50 and 60 percent units is 26.1 percent. Therefore, we believe there is adequate demand for the Subject.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market	Market Rents Band Min-Max	Proposed Rents
1BR/1BA @50%	\$17,580 - \$23,900	9	60	0	60	14.9%	Six months	\$664	\$455 - \$950	\$425
2BR/1BA @50%	\$21,300 - \$27,300	6	102	0	102	5.9%	Six months	\$784	\$515 - \$1,250	\$505
Overall @50%	\$17,580 - \$27,300	15	162	0	162	9.3%	Six months	-	-	-
1BR/1BA @60%	\$19,830 - \$28,680	11	65	0	65	16.8%	Six months	\$664	\$455 - \$950	\$500
2BR/1BA @60%	\$24,450 - \$32,760	34	110	0	110	30.9%	Six months	\$784	\$515 - \$1,250	\$610
Overall @60%	\$19,830 - \$32,760	45	176	0	176	25.6%	Six months	-	-	-
1BR/1BA Overall	\$17,580 - \$28,680	20	86	0	86	23.4%	Six months	-	-	-
2BR/1BA Overall	\$21,300 - \$32,760	40	144	0	144	27.8%	Six months	-	-	-
Overall	\$17,580 - \$32,760	60	230	0	230	26.1%	Six months	-	-	-

**Demand and Net Demand**

	HH at 50% AMI (\$17,580-\$27,300)	HH at 60% AMI (\$19,830-\$32,760)	All Tax Credit Households
Demand from New Households (age and income appropriate)	45	49	64
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	4	4	5
<b>PLUS</b>	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	161	174	227
<b>PLUS</b>	+	+	+
<b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub Total</b>	<b>209</b>	<b>227</b>	<b>296</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	4	4	6
<b>Equals Total Demand</b>	<b>213</b>	<b>231</b>	<b>302</b>
<b>Less</b>	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	0	0
<b>Equals Net Demand*</b>	<b>213</b>	<b>231</b>	<b>302</b>

\*Not adjusted for bedroom specific demand

## **H. COMPETITIVE RENTAL ANALYSIS**

**Survey of Comparable Projects**

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 10 “true” comparable properties containing 1,736 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 good; however, there is only one age-restricted property in the PMA. Harristown Park was allocated tax credits in 2009 and is located 1.2 miles from the Subject. This property targets senior tenants 55 and older and will directly compete with the Subject. Therefore, we have used it as a comparable in our analysis. The availability of age-restricted data is considered limited. We have used two family LIHTC properties from inside the PMA and two age-restricted LIHTC properties from outside the PMA as comparables in our analysis. These age-restricted comparables are located in Decatur and Stone Mountain, Georgia, approximately 25 to 28 miles from the Subject site.

The availability of market rate data is considered adequate, as seven of the comparable properties offer market rate data. These comparables were built or renovated between 1999 and 2011. Of the seven properties with market rate units, three are mixed income properties and four are conventional properties. We believe that the Subject will be more comparable to the mixed income properties in the area and we have therefore used them as comparables in our analysis. The mixed income properties are newer and exhibit slightly superior condition than the conventional market rate comparable properties.

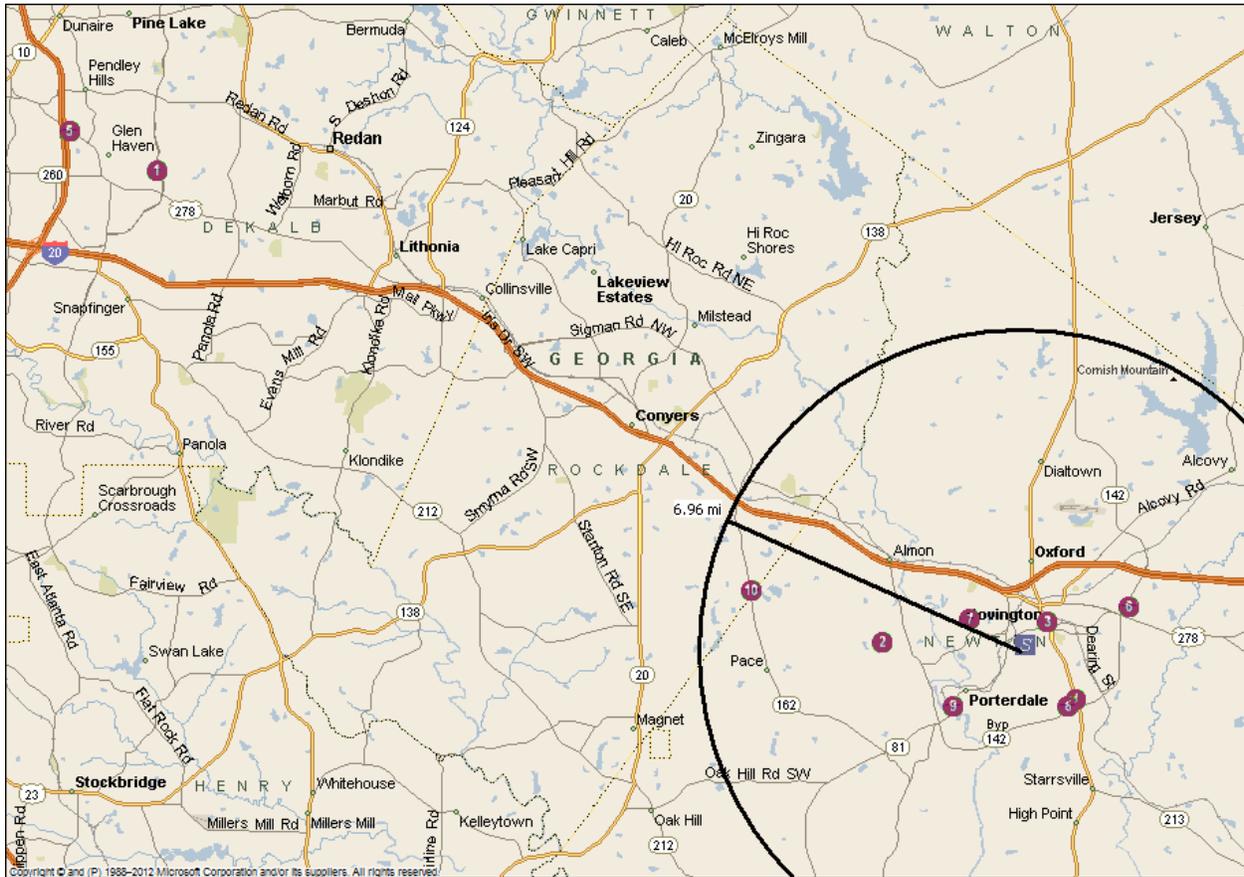
**Excluded Properties**

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

**EXCLUDED PROPERTIES**

Name	Occupancy	Type	Tenancy	Reason for Exclusion	Distance from the Subject
Covington Square	100%	Section 8	Senior	All units are subsidized	1.3 miles
Salem Glen I, II, III	90%	LIHTC	Family	More comparable properties available	10.5 miles
Orchard Cove	96%	LIHTC	Family	More comparable properties available	10.3 miles
Century Lakeside	99%	LIHTC	Family	More comparable properties available	11.1 miles
Village at Walkers Bend	94%	LIHTC	Family	Dissimilar unit types	0.1 miles
Fieldcrest Walk	90%	Market	Family	More comparable properties available	2.6 miles

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Tenancy	Type	Distance
1	Antioch Manor	Stone Mountain	Senior	LIHTC, Market	25.2 miles
2	Arbor Lake	Covington	Family	LIHTC, Market	3.7 miles
3	Harristown Park	Covington	Senior	LIHTC	1.2 miles
4	Magnolia Heights	Covington	Family	LIHTC, Market	3.2 miles
5	Retreat At Madison	Decatur	Senior	LIHTC	28.4 miles
6	Wellington Ridge	Covington	Family	LIHTC	3.9 miles
7	Leafstone	Covington	Family	Market	1.6 miles
8	Park View	Covington	Family	Market	2.7 miles
9	Porterdale Mill Lofts	Porterdale	Family	Market	3.7 miles
10	Sumerset	Covington	Family	Market	3.9 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	The Overlook At Walkers Bend Walkers Bend Parkway Covington, GA 30014 Newton County	n/a	Lowrise (age-restricted) (3 stories) 2017 / n/a	@50% @60%	1BR / IBA	9	15.00%	@50%	\$425	650	no		N/A	N/A
					1BR / IBA	11	18.30%	@60%	\$500	650	no	N/A	N/A	
					2BR / IBA	6	10.00%	@50%	\$505	900	no	N/A	N/A	
					2BR / IBA	34	56.70%	@60%	\$610	900	no	N/A	N/A	
						60	100%					N/A	N/A	
1	Antioch Manor Estates 4711 Bishop Ming Boulevard Stone Mountain, GA 30088 DeKalb County	25.2 miles	Lowrise (age-restricted) (3 stories) 2005 / n/a	@30% @50% @60% Market	Studio / IBA	2	1.70%	@30%	\$266	450	yes	Yes	0	0.00%
					Studio / IBA	2	1.70%	@50%	\$525	450	yes	Yes	0	0.00%
					Studio / IBA	2	1.70%	Market	\$654	450	no	Yes	0	0.00%
					1BR / IBA	5	4.20%	@30%	\$254	600	yes	Yes	0	0.00%
					1BR / IBA	20	16.70%	@50%	\$530	600	yes	Yes	0	0.00%
					1BR / IBA	15	12.50%	@60%	\$604	600	yes	Yes	0	0.00%
					1BR / IBA	8	6.70%	Market	\$814	600	n/a	Yes	0	0.00%
					2BR / IBA	6	5.00%	@30%	\$293	800	yes	Yes	0	0.00%
					2BR / IBA	26	21.70%	@50%	\$625	800	yes	Yes	0	0.00%
					2BR / IBA	13	10.80%	@60%	\$700	800	yes	Yes	0	0.00%
					2BR / IBA	3	2.50%	Market	\$1,140	800	n/a	Yes	0	0.00%
					2BR / 2BA	1	0.80%	@30%	\$293	850	yes	Yes	0	0.00%
					2BR / 2BA	3	2.50%	@50%	\$625	850	yes	Yes	0	0.00%
					2BR / 2BA	3	2.50%	@60%	\$710	850	yes	Yes	0	0.00%
					2BR / 2BA	11	9.20%	Market	\$1,190	850	n/a	Yes	0	0.00%
						120	100%					0	0.00%	
					2	Arbor Lake Apartments 431 Kirkland Road Covington, GA 30016 Newton County	3.7 miles	Garden (3 stories) 2001 / n/a	@60% Market	1BR / IBA	36	14.40%	@60%	\$671
1BR / IBA	N/A	N/A	Market	\$729						975	n/a	No	N/A	N/A
2BR / 2BA	166	66.40%	@60%	\$794						1,150	no	No	6	3.60%
2BR / 2BA	N/A	N/A	Market	\$837						1,150	n/a	No	N/A	N/A
3BR / 2BA	48	19.20%	@60%	\$898						1,350	no	No	3	6.20%
3BR / 2BA	N/A	N/A	Market	\$937						1,350	n/a	No	N/A	N/A
	250	100%										13	5.20%	
	60	100%										0	0.00%	
3	Harristown Park Brown St & Reynolds St Covington, GA 30014 Newton County	1.2 miles	Lowrise (age-restricted) (3 stories) 2011 / n/a	@50% @60%	1BR / IBA	2	3.30%	@50%	\$455	750	no	Yes	0	0.00%
					1BR / IBA	10	16.70%	@60%	\$455	750	no	Yes	0	0.00%
					2BR / IBA	7	11.70%	@50%	\$515	900	no	Yes	0	0.00%
					2BR / IBA	41	68.30%	@60%	\$525	900	no	Yes	0	0.00%
						60	100%					0	0.00%	
4	Magnolia Heights 10156 Magnolia Heights Circle Covington, GA 30014 Newton County	3.2 miles	Garden (2 stories) 2001 / n/a	@60% Market	1BR / IBA	10	5.00%	Market	\$577	975	n/a	No	N/A	N/A
					1BR / IBA	22	11.00%	@60%	\$520	975	yes	No	N/A	N/A
					2BR / 2BA	41	20.50%	Market	\$615	1,150	n/a	No	N/A	N/A
					2BR / 2BA	103	51.50%	@60%	\$565	1,150	no	No	N/A	N/A
					3BR / 2BA	8	4.00%	Market	\$741	1,350	n/a	No	N/A	N/A
					3BR / 2BA	16	8.00%	@60%	\$696	1,350	yes	No	N/A	N/A
						200	100%					19	9.50%	
5	Retreat At Madison Place 3907 Redwing Circle Decatur, GA 30032 DeKalb County	28.4 miles	Midrise (age-restricted) (4 stories) 2007 / n/a	@60%	1BR / IBA	40	25.00%	@60%	\$636	697	no	No	5	12.50%
					2BR / 2BA	120	75.00%	@60%	\$649	987	no	No	4	3.30%
						160	100%					9	5.60%	
6	Wellington Ridge 9145 Wellington Drive Covington, GA 30014 Newton County	3.9 miles	Garden (3 stories) 2003 / n/a	@60%	1BR / IBA	23	10.50%	@60%	\$671	651	yes	Yes	0	0.00%
					1BR / IBA	23	10.50%	@60%	\$671	835	yes	Yes	0	0.00%
					1BR / IBA	24	10.90%	@60%	\$671	902	yes	Yes	0	0.00%
					2BR / 2BA	30	13.60%	@60%	\$795	1,050	yes	Yes	2	6.70%
					2BR / 2BA	30	13.60%	@60%	\$795	1,163	yes	Yes	0	0.00%
					2BR / 2BA	31	14.10%	@60%	\$795	1,199	yes	Yes	0	0.00%
					2BR / 2BA	31	14.10%	@60%	\$795	1,316	yes	Yes	0	0.00%
					3BR / 2BA	14	6.40%	@60%	\$895	1,353	yes	Yes	2	14.30%
					3BR / 2BA	14	6.40%	@60%	\$895	1,424	yes	Yes	0	0.00%
						220	100%					4	1.80%	
7	Leafstone Apartments 10100 Browns Bridge Rd Covington, GA 30014 Newton County	1.6 miles	Garden (3 stories) 2000 / n/a	Market	1BR / IBA	63	27.20%	Market	\$650	816	n/a	No	3	4.80%
					2BR / 2BA	136	58.60%	Market	\$750	1,072	n/a	No	6	4.40%
					3BR / 2BA	33	14.20%	Market	\$850	1,292	n/a	No	0	0.00%
						232	100%					9	3.90%	
8	Park View Apartments 10920 Covington Bypass Covington, GA 30014 Newton County	2.7 miles	Garden (3 stories) 1993 / 2011	Market	1BR / IBA	10	10.00%	Market	\$625	735	n/a	No	2	20.00%
					2BR / IBA	9	9.00%	Market	\$675	880	n/a	No	0	0.00%
					2BR / 2BA	46	46.00%	Market	\$695	880	n/a	No	3	6.50%
					3BR / 2BA	35	35.00%	Market	\$795	1,152	n/a	No	1	2.90%
						100	100%					6	6.00%	
9	Porterdale Mill Lofts 1109 Main Street Porterdale, GA 30014 Newton County	3.7 miles	Midrise 1899 / 2006	Market	1BR / IBA	N/A	N/A	Market	\$850	796	n/a	Yes	0	N/A
					1BR / IBA	N/A	N/A	Market	\$950	855	n/a	Yes	0	N/A
					1BR / IBA	N/A	N/A	Market	\$750	738	n/a	Yes	0	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,100	1,205	n/a	Yes	0	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,250	1,280	n/a	Yes	0	N/A
					2BR / 2BA	N/A	N/A	Market	\$950	1,130	n/a	Yes	0	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,350	1,694	n/a	Yes	0	N/A
	154	100%					0	0.00%						
10	Sumerset Apartments 3134 Salem Rd Covington, GA 30013 Newton County	3.9 miles	Garden (3 stories) 1999 / n/a	Market	1BR / IBA	18	7.50%	Market	\$715	636	n/a	No	1	5.60%
					1BR / IBA	42	17.50%	Market	\$735	722	n/a	No	0	0.00%
					2BR / IBA	48	20.00%	Market	\$815	894	n/a	No	2	4.20%
					2BR / 2BA	114	47.50%	Market	\$855	1,051	n/a	No	2	1.80%
					3BR / 2BA	18	7.50%	Market	\$940	1,304	n/a	No	0	0.00%
						240	100%					5	2.10%	

The Overlook at Walkers Bend, Covington, GA; Market Study

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.							
Effective Rent Date:		Mar-15		Units Surveyed:	1736	Weighted Occupancy:	96.30%
				Market Rate	726	Market Rate	97.20%
				Tax Credit	1010	Tax Credit	95.50%
One Bedroom One Bath			Two Bedrooms One Bath				
RENT	Property	Average	Property	Average	Property	Average	
	Porterdale Mill Lofts	\$950	Porterdale Mill Lofts (2BA)	\$1,250			
	Porterdale Mill Lofts	\$850	Antioch Manor Estates * (M)	\$1,140			
	Antioch Manor Estates * (M)	\$814	Porterdale Mill Lofts (2BA)	\$1,100			
	Porterdale Mill Lofts	\$750	Porterdale Mill Lofts (2BA)	\$950			
	Sumerset Apartments	\$735	Arbor Lake Apartments * (2BA M)	\$837			
	Arbor Lake Apartments * (M)	\$729	Sumerset Apartments	\$815			
	Sumerset Apartments	\$715	Wellington Ridge * (2BA 60%)	\$795			
	Arbor Lake Apartments * (60%)	\$671	Wellington Ridge * (2BA 60%)	\$795			
	Wellington Ridge * (60%)	\$671	Wellington Ridge * (2BA 60%)	\$795			
	Wellington Ridge * (60%)	\$671	Wellington Ridge * (2BA 60%)	\$795			
	Wellington Ridge * (60%)	\$671	Arbor Lake Apartments * (2BA 60%)	\$794			
	Leafstone Apartments	\$650	Leafstone Apartments (2BA)	\$750			
	Retreat At Madison Place * (60%)	\$636	Antioch Manor Estates * (60%)	\$700			
	Park View Apartments	\$625	Park View Apartments	\$675			
	Antioch Manor Estates * (60%)	\$604	Retreat At Madison Place * (2BA 60%)	\$649			
	Magnolia Heights * (M)	\$577	Antioch Manor Estates * (50%)	\$625			
	Antioch Manor Estates * (50%)	\$530	Magnolia Heights * (2BA M)	\$615			
	Magnolia Heights * (60%)	\$520	<b>The Overlook At Walkers Bend * (60%)</b>	<b>\$610</b>			
	<b>The Overlook At Walkers Bend * (60%)</b>	<b>\$500</b>	Magnolia Heights * (2BA 60%)	\$565			
	Harristown Park * (50%)	\$455	Harristown Park * (60%)	\$525			
	Harristown Park * (60%)	\$455	Harristown Park * (50%)	\$515			
	<b>The Overlook At Walkers Bend * (50%)</b>	<b>\$425</b>	<b>The Overlook At Walkers Bend * (50%)</b>	<b>\$505</b>			
	Antioch Manor Estates * (30%)	\$254	Antioch Manor Estates * (30%)	\$293			
SQUARE FOOTAGE	Arbor Lake Apartments * (60%)	975	Wellington Ridge * (2BA 60%)	1,316			
	Arbor Lake Apartments * (M)	975	Porterdale Mill Lofts (2BA)	1,280			
	Magnolia Heights * (M)	975	Porterdale Mill Lofts (2BA)	1,205			
	Magnolia Heights * (60%)	975	Wellington Ridge * (2BA 60%)	1,199			
	Wellington Ridge * (60%)	902	Wellington Ridge * (2BA 60%)	1,163			
	Porterdale Mill Lofts	855	Arbor Lake Apartments * (2BA 60%)	1,150			
	Wellington Ridge * (60%)	835	Arbor Lake Apartments * (2BA M)	1,150			
	Leafstone Apartments	816	Magnolia Heights * (2BA M)	1,150			
	Porterdale Mill Lofts	796	Magnolia Heights * (2BA 60%)	1,150			
	Harristown Park * (50%)	750	Porterdale Mill Lofts (2BA)	1,130			
	Harristown Park * (60%)	750	Leafstone Apartments (2BA)	1,072			
	Porterdale Mill Lofts	738	Wellington Ridge * (2BA 60%)	1,050			
	Park View Apartments	735	Retreat At Madison Place * (2BA 60%)	987			
	Sumerset Apartments	722	Harristown Park * (50%)	900			
	Retreat At Madison Place * (60%)	697	Harristown Park * (60%)	900			
	Wellington Ridge * (60%)	651	<b>The Overlook At Walkers Bend * (50%)</b>	<b>900</b>			
	<b>The Overlook At Walkers Bend * (50%)</b>	<b>650</b>	<b>The Overlook At Walkers Bend * (60%)</b>	<b>900</b>			
	<b>The Overlook At Walkers Bend * (60%)</b>	<b>650</b>	Sumerset Apartments	894			
	Sumerset Apartments	636	Park View Apartments	880			
	Antioch Manor Estates * (30%)	600	Antioch Manor Estates * (30%)	800			
	Antioch Manor Estates * (50%)	600	Antioch Manor Estates * (50%)	800			
	Antioch Manor Estates * (60%)	600	Antioch Manor Estates * (60%)	800			
	Antioch Manor Estates * (M)	600	Antioch Manor Estates * (M)	800			
RENT PER SQUARE FOOT	Antioch Manor Estates * (M)	\$1.36	Antioch Manor Estates * (M)	\$1.42			
	Sumerset Apartments	\$1.12	Porterdale Mill Lofts (2BA)	\$0.98			
	Porterdale Mill Lofts	\$1.11	Porterdale Mill Lofts (2BA)	\$0.91			
	Porterdale Mill Lofts	\$1.07	Sumerset Apartments	\$0.91			
	Wellington Ridge * (60%)	\$1.03	Antioch Manor Estates * (60%)	\$0.88			
	Sumerset Apartments	\$1.02	Porterdale Mill Lofts (2BA)	\$0.84			
	Porterdale Mill Lofts	\$1.02	Antioch Manor Estates * (50%)	\$0.78			
	Antioch Manor Estates * (60%)	\$1.01	Park View Apartments	\$0.77			
	Retreat At Madison Place * (60%)	\$0.91	Wellington Ridge * (2BA 60%)	\$0.76			
	Antioch Manor Estates * (50%)	\$0.88	Arbor Lake Apartments * (2BA M)	\$0.73			
	Park View Apartments	\$0.85	Leafstone Apartments (2BA)	\$0.70			
	Wellington Ridge * (60%)	\$0.80	Arbor Lake Apartments * (2BA 60%)	\$0.69			
	Leafstone Apartments	\$0.80	Wellington Ridge * (2BA 60%)	\$0.68			
	<b>The Overlook At Walkers Bend * (60%)</b>	<b>\$0.77</b>	<b>The Overlook At Walkers Bend * (60%)</b>	<b>\$0.68</b>			
	Arbor Lake Apartments * (M)	\$0.75	Wellington Ridge * (2BA 60%)	\$0.66			
	Wellington Ridge * (60%)	\$0.74	Retreat At Madison Place * (2BA 60%)	\$0.66			
	Arbor Lake Apartments * (60%)	\$0.69	Wellington Ridge * (2BA 60%)	\$0.60			
	<b>The Overlook At Walkers Bend * (50%)</b>	<b>\$0.65</b>	Harristown Park * (60%)	\$0.58			
	Harristown Park * (50%)	\$0.61	Harristown Park * (50%)	\$0.57			
	Harristown Park * (60%)	\$0.61	<b>The Overlook At Walkers Bend * (50%)</b>	<b>\$0.56</b>			
	Magnolia Heights * (M)	\$0.59	Magnolia Heights * (2BA M)	\$0.53			
	Magnolia Heights * (60%)	\$0.53	Magnolia Heights * (2BA 60%)	\$0.49			
	Antioch Manor Estates * (30%)	\$0.42	Antioch Manor Estates * (30%)	\$0.37			

# PROPERTY PROFILE REPORT

## Antioch Manor Estates

**Effective Rent Date** 3/19/2015

**Location** 4711 Bishop Ming Boulevard  
Stone Mountain, GA 30088  
DeKalb County

**Distance** 25.2 miles

**Units** 120

**Vacant Units** 0

**Vacancy Rate** 0.0%

**Type** Lowrise (age-restricted) (3 stories)

**Year Built/Renovated** 2005 / N/A

**Marketing Began** 10/01/2004

**Leasing Began** 8/01/2005

**Last Unit Leased** 1/01/2006

**Major Competitors** Retreat at Madison, Spring Chase II

**Tenant Characteristics** Dekalb County residents 55 and older, average age is 70

**Contact Name** Venus

**Phone** 770-322-8839



### Market Information

**Program** @30%, @50%, @60%, Market

**Annual Turnover Rate** 10%

**Units/Month Absorbed** 24

**HCV Tenants** 8%

**Leasing Pace** Within one week

**Annual Chg. in Rent** None

**Concession** None

### Utilities

**A/C** included -- central

**Cooking** included -- electric

**Water Heat** included -- gas

**Heat** included -- electric

**Other Electric** included

**Water** included

**Sewer** included

**Trash Collection** included

## Antioch Manor Estates, continued

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Lowrise (3 stories)	2	450	\$387	\$0	@30%	Yes	0	0.0%	yes	None
0	1	Lowrise (3 stories)	2	450	\$646	\$0	@50%	Yes	0	0.0%	yes	None
0	1	Lowrise (3 stories)	2	450	\$775	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Lowrise (3 stories)	5	600	\$415	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	20	600	\$691	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	15	600	\$765	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	8	600	\$975	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Lowrise (3 stories)	6	800	\$498	\$0	@30%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	26	800	\$830	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	13	800	\$905	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	3	800	\$1,345	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	1	850	\$498	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	3	850	\$830	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	3	850	\$915	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	11	850	\$1,395	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$387	\$0	\$387	-\$121	\$266	Studio / 1BA	\$646	\$0	\$646	-\$121	\$525
1BR / 1BA	\$415	\$0	\$415	-\$161	\$254	1BR / 1BA	\$691	\$0	\$691	-\$161	\$530
2BR / 1BA	\$498	\$0	\$498	-\$205	\$293	2BR / 1BA	\$830	\$0	\$830	-\$205	\$625
2BR / 2BA	\$498	\$0	\$498	-\$205	\$293	2BR / 2BA	\$830	\$0	\$830	-\$205	\$625
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$765	\$0	\$765	-\$161	\$604	Studio / 1BA	\$775	\$0	\$775	-\$121	\$654
2BR / 1BA	\$905	\$0	\$905	-\$205	\$700	1BR / 1BA	\$975	\$0	\$975	-\$161	\$814
2BR / 2BA	\$915	\$0	\$915	-\$205	\$710	2BR / 1BA	\$1,345	\$0	\$1,345	-\$205	\$1,140
						2BR / 2BA	\$1,395	\$0	\$1,395	-\$205	\$1,190

## Antioch Manor Estates, continued

### Amenities

#### In-Unit

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

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

#### Security

In-Unit Alarm  
Limited Access  
Perimeter Fencing  
Video Surveillance

#### Services

Computer Tutoring  
Shuttle Service

#### Property

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

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

#### Premium

Hairdresser / Barber  
Medical Professional

#### Other

None

### Comments

The property maintains a waiting list of 111 households. According to management, there is significant demand for additional senior housing in the area. The property typically remains fully occupied year round. Management was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property.

# Antioch Manor Estates, continued

## Trend Report

### Vacancy Rates

2Q12	1Q14	2Q14	1Q15
0.0%	0.0%	0.0%	0.0%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$415	\$0	\$415	\$254
2014	1	0.0%	\$415	\$0	\$415	\$254
2014	2	0.0%	\$415	\$0	\$415	\$254
2015	1	0.0%	\$415	\$0	\$415	\$254

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$498	\$0	\$498	\$293
2014	1	0.0%	\$498	\$0	\$498	\$293
2014	2	0.0%	\$498	\$0	\$498	\$293
2015	1	0.0%	\$498	\$0	\$498	\$293

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$498	\$0	\$498	\$293
2014	1	0.0%	\$498	\$0	\$498	\$293
2014	2	0.0%	\$498	\$0	\$498	\$293
2015	1	0.0%	\$498	\$0	\$498	\$293

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$387	\$0	\$387	\$266
2014	1	0.0%	\$387	\$0	\$387	\$266
2014	2	0.0%	\$387	\$0	\$387	\$266
2015	1	0.0%	\$387	\$0	\$387	\$266

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$691	\$0	\$691	\$530
2014	1	0.0%	\$691	\$0	\$691	\$530
2014	2	0.0%	\$691	\$0	\$691	\$530
2015	1	0.0%	\$691	\$0	\$691	\$530

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$830	\$0	\$830	\$625
2014	1	0.0%	\$830	\$0	\$830	\$625
2014	2	0.0%	\$830	\$0	\$830	\$625
2015	1	0.0%	\$830	\$0	\$830	\$625

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$830	\$0	\$830	\$625
2014	1	0.0%	\$830	\$0	\$830	\$625
2014	2	0.0%	\$830	\$0	\$830	\$625
2015	1	0.0%	\$830	\$0	\$830	\$625

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$646	\$0	\$646	\$525

## Antioch Manor Estates, continued

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$765	\$0	\$765	\$604
2014	1	0.0%	\$765	\$0	\$765	\$604
2014	2	0.0%	\$765	\$0	\$765	\$604
2015	1	0.0%	\$765	\$0	\$765	\$604

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$905	\$0	\$905	\$700
2014	1	0.0%	\$905	\$0	\$905	\$700
2014	2	0.0%	\$905	\$0	\$905	\$700
2015	1	0.0%	\$905	\$0	\$905	\$700

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$915	\$0	\$915	\$710
2014	1	0.0%	\$915	\$0	\$915	\$710
2014	2	0.0%	\$915	\$0	\$915	\$710
2015	1	0.0%	\$915	\$0	\$915	\$710

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$715	\$0	\$715	\$594
2014	1	0.0%	\$715	\$0	\$715	\$594
2014	2	0.0%	\$715	\$0	\$715	\$594

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$975	\$0	\$975	\$814
2014	1	0.0%	\$975	\$0	\$975	\$814
2014	2	0.0%	\$975	\$0	\$975	\$814
2015	1	0.0%	\$975	\$0	\$975	\$814

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$1,345	\$0	\$1,345	\$1,140
2014	1	0.0%	\$1,345	\$0	\$1,345	\$1,140
2014	2	0.0%	\$1,345	\$0	\$1,345	\$1,140
2015	1	0.0%	\$1,345	\$0	\$1,345	\$1,140

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$1,395	\$0	\$1,395	\$1,190
2014	1	0.0%	\$1,395	\$0	\$1,395	\$1,190
2014	2	0.0%	\$1,395	\$0	\$1,395	\$1,190
2015	1	0.0%	\$1,395	\$0	\$1,395	\$1,190

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$775	\$0	\$775	\$654
2014	1	0.0%	\$775	\$0	\$775	\$654
2014	2	0.0%	\$775	\$0	\$775	\$654
2015	1	0.0%	\$775	\$0	\$775	\$654

### Trend: Comments

- 2Q12** The contact estimated that the waiting list currently has 1,000 households combined for all units. According to management, there is significant demand for additional senior housing in the area. There are two additional phases to this property which consist of two types of senior housing -- Antioch Gardens and Villas as well as Antioch Summit. The Gardens and the Summit East and West are three-story elevator serviced structures that were completed in 2012 and 2006 respectively. The Villas feature clusters of four to five one-story town homes and this phase was completed in 2012. The Gardens and Villas are operated as a single 106-unit property. The rents for the first phase of Antioch Manor Estates have not changed since mid-2012.
- 1Q14** The contact estimated that the waiting list currently has 1,000 households combined for all units. According to management, there is significant demand for additional senior housing in the area. The rents for the first phase of Antioch Manor Estates have not changed since mid-2012.
- 2Q14** The contact estimated that the waiting list currently has 1,000 households combined for all unit types. According to management, there is significant demand for additional senior housing in the area. The rents for the first phase of Antioch Manor Estates have not changed since mid-2012. The property consists of a total of two phases.
- 1Q15** The property maintains a waiting list of 111 households. According to management, there is significant demand for additional senior housing in the area. The property typically remains fully occupied year round. Management was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property.

# Antioch Manor Estates, continued

## Photos



# PROPERTY PROFILE REPORT

## Arbor Lake Apartments

<b>Effective Rent Date</b>	5/27/2015
<b>Location</b>	431 Kirkland Road Covington, GA 30016 Newton County
<b>Distance</b>	3.7 miles
<b>Units</b>	250
<b>Vacant Units</b>	13
<b>Vacancy Rate</b>	5.2%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2001 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Orchard Cove, Wellington Ridge, Leafstone
<b>Tenant Characteristics</b>	Mostly families, 5% seniors
<b>Contact Name</b>	Tina
<b>Phone</b>	(770) 385-6166



### Market Information

<b>Program</b>	@60%, Market
<b>Annual Turnover Rate</b>	29%
<b>Units/Month Absorbed</b>	21
<b>HCV Tenants</b>	6%
<b>Leasing Pace</b>	Within three weeks
<b>Annual Chg. in Rent</b>	Market rate fluctuate daily
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	36	975	\$651	\$0	@60%	No	4	11.1%	no	None
1	1	Garden (3 stories)	N/A	975	\$709	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	166	1,150	\$774	\$0	@60%	No	6	3.6%	no	None
2	2	Garden (3 stories)	N/A	1,150	\$817	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	48	1,350	\$878	\$0	@60%	No	3	6.2%	no	None
3	2	Garden (3 stories)	N/A	1,350	\$917	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$651	\$0	\$651	\$20	\$671	<b>1BR / 1BA</b>	\$709	\$0	\$709	\$20	\$729
<b>2BR / 2BA</b>	\$774	\$0	\$774	\$20	\$794	<b>2BR / 2BA</b>	\$817	\$0	\$817	\$20	\$837
<b>3BR / 2BA</b>	\$878	\$0	\$878	\$20	\$898	<b>3BR / 2BA</b>	\$917	\$0	\$917	\$20	\$937

## Arbor Lake Apartments, continued

### Amenities

#### In-Unit

Balcony/Patio  
Cable/Satellite/Internet  
Central A/C  
Dishwasher  
Ceiling Fan  
Oven  
Walk-In Closet

Blinds  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

#### Security

Limited Access

#### Services

Afterschool Program

#### Property

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

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

#### Premium

None

#### Other

None

### Comments

The manager stated that the property utilizes LRO with market rate rents that fluctuate daily. Management was unable to provide detailed vacancy by unit type, but stated the majority of vacancies are amongst LIHTC units and could not provide a reasoning as to why.

# Arbor Lake Apartments, continued

## Trend Report

### Vacancy Rates

1Q14	2Q14	1Q15	2Q15
5.2%	5.2%	7.2%	5.2%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$625	\$0	\$625	\$645
2014	2	0.0%	\$625	\$0	\$625	\$645
2015	1	N/A	\$651	\$0	\$651	\$671
2015	2	11.1%	\$651	\$0	\$651	\$671

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	4.8%	\$700	\$0	\$700	\$720
2014	2	4.8%	\$700	\$0	\$700	\$720
2015	1	N/A	\$755	\$0	\$755	\$775
2015	2	3.6%	\$774	\$0	\$774	\$794

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	8.3%	\$803	\$0	\$803	\$823
2014	2	8.3%	\$803	\$0	\$803	\$823
2015	1	N/A	\$878	\$0	\$878	\$898
2015	2	6.2%	\$878	\$0	\$878	\$898

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$650	\$0	\$650	\$670
2014	2	N/A	\$650	\$0	\$650	\$670
2015	1	N/A	\$726	\$0	\$726	\$746
2015	2	N/A	\$709	\$0	\$709	\$729

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$750	\$0	\$750	\$770
2014	2	N/A	\$750	\$0	\$750	\$770
2015	1	N/A	\$817	\$0	\$817	\$837
2015	2	N/A	\$817	\$0	\$817	\$837

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$850	\$0	\$850	\$870
2014	2	N/A	\$850	\$0	\$850	\$870
2015	1	N/A	\$1,126	\$0	\$1,126	\$1,146
2015	2	N/A	\$917	\$0	\$917	\$937

## Trend: Comments

- 1Q14** The the one and two-bedroom LIHTC units decreased 2.3 to 4.5 percent. The market rate units increased 1.6 to three percent.
- 2Q14** The the one and two-bedroom LIHTC rents decreased two to five percent. The market rate rents increased two to three percent.
- 1Q15** The manager stated that the property utilizes LRO with market rate rents that fluctuate daily. Management was unable to provide detailed vacancy by unit type, but stated the majority of vacancies are amongst market rate units.
- 2Q15** The manager stated that the property utilizes LRO with market rate rents that fluctuate daily. Management was unable to provide detailed vacancy by unit type, but stated the majority of vacancies are amongst LIHTC units and could not provide a reasoning as to why.

# PROPERTY PROFILE REPORT

## Harristown Park

<b>Effective Rent Date</b>	4/14/2015
<b>Location</b>	Brown St & Reynolds St Covington, GA 30014 Newton County
<b>Distance</b>	1.2 miles
<b>Units</b>	60
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Lowrise (age-restricted) (3 stories)
<b>Year Built/Renovated</b>	2011 / N/A
<b>Marketing Began</b>	11/01/2011
<b>Leasing Began</b>	12/01/2011
<b>Last Unit Leased</b>	4/30/2012
<b>Major Competitors</b>	Covington Square
<b>Tenant Characteristics</b>	Seniors 55 and older
<b>Contact Name</b>	Melissa
<b>Phone</b>	678-625-3235



### Market Information

<b>Program</b>	@50%, @60%
<b>Annual Turnover Rate</b>	20%
<b>Units/Month Absorbed</b>	11
<b>HCV Tenants</b>	5%
<b>Leasing Pace</b>	Pre-leased
<b>Annual Chg. in Rent</b>	Increased five to six percent
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	2	750	\$455	\$0	@50%	Yes	0	0.0%	no	None
1	1	Lowrise (3 stories)	10	750	\$455	\$0	@60%	Yes	0	0.0%	no	None
2	1	Lowrise (3 stories)	7	900	\$515	\$0	@50%	Yes	0	0.0%	no	None
2	1	Lowrise (3 stories)	41	900	\$525	\$0	@60%	Yes	0	0.0%	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$455	\$0	\$455	\$0	\$455	1BR / 1BA	\$455	\$0	\$455	\$0	\$455
2BR / 1BA	\$515	\$0	\$515	\$0	\$515	2BR / 1BA	\$525	\$0	\$525	\$0	\$525

## Harristown Park, continued

### Amenities

#### In-Unit

Blinds  
Central A/C  
Garbage Disposal  
Oven  
Refrigerator

Carpeting  
Dishwasher  
Hand Rails  
Pull Cords

#### Security

Intercom (Buzzer)  
Limited Access

#### Services

None

#### Property

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

Clubhouse/Meeting  
Exercise Facility  
On-Site Management

#### Premium

None

#### Other

Walking path; community

### Comments

The property maintains an extensive waiting list, but the contact was unable to give the exact length. The contact was unable to estimate the average age of tenants

## Harristown Park, continued

### Trend Report

#### Vacancy Rates

2Q12	1Q14	2Q14	2Q15
0.0%	5.0%	0.0%	0.0%

#### Trend: @50%

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$390	\$0	\$390	\$390
2014	1	0.0%	\$430	\$0	\$430	\$430
2014	2	0.0%	\$430	\$0	\$430	\$430
2015	2	0.0%	\$455	\$0	\$455	\$455

##### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$450	\$0	\$450	\$450
2014	1	0.0%	\$490	\$0	\$490	\$490
2014	2	0.0%	\$490	\$0	\$490	\$490
2015	2	0.0%	\$515	\$0	\$515	\$515

#### Trend: @60%

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$390	\$0	\$390	\$390
2014	1	0.0%	\$430	\$0	\$430	\$430
2014	2	0.0%	\$430	\$0	\$430	\$430
2015	2	0.0%	\$455	\$0	\$455	\$455

##### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$460	\$0	\$460	\$460
2014	1	7.3%	\$500	\$0	\$500	\$500
2014	2	0.0%	\$500	\$0	\$500	\$500
2015	2	0.0%	\$525	\$0	\$525	\$525

#### Trend: Comments

2Q12	As of 2Q2012, the property is 100 percent occupied with an 50 or 60 plus long wait list.
1Q14	The waiting list is approximately 2,500 households long.
2Q14	N/A
2Q15	The property maintains an extensive waiting list, but the contact was unable to give the exact length. The contact was unable to estimate the average age of tenants

Photos



# PROPERTY PROFILE REPORT

## Magnolia Heights

**Effective Rent Date** 2/05/2015  
**Location** 10156 Magnolia Heights Circle  
 Covington, GA 30014  
 Newton County  
**Distance** 3.2 miles  
**Units** 200  
**Vacant Units** 19  
**Vacancy Rate** 9.5%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 2001 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Wellington Ridge, Leafstone  
**Tenant Characteristics** Approximately 10 percent seniors.  
**Contact Name** Tasha  
**Phone** 770.786.0458



### Market Information

**Program** @60%, Market  
**Annual Turnover Rate** 24%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 10%  
**Leasing Pace** Within two weeks  
**Annual Chg. in Rent** None  
**Concession** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- gas  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** included  
**Sewer** 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 (2 stories)	10	975	\$620	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	22	975	\$563	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden (2 stories)	41	1,150	\$675	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	103	1,150	\$625	\$0	@60%	No	N/A	N/A	no	None
3	2	Garden (2 stories)	8	1,350	\$820	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	16	1,350	\$775	\$0	@60%	No	N/A	N/A	yes	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$563	\$0	\$563	-\$43	\$520	1BR / 1BA	\$620	\$0	\$620	-\$43	\$577
2BR / 2BA	\$625	\$0	\$625	-\$60	\$565	2BR / 2BA	\$675	\$0	\$675	-\$60	\$615
3BR / 2BA	\$775	\$0	\$775	-\$79	\$696	3BR / 2BA	\$820	\$0	\$820	-\$79	\$741

## Magnolia Heights, continued

### Amenities

#### In-Unit

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

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

#### Security

Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

Basketball Court  
Courtyard  
Central Laundry  
On-Site Management  
Swimming Pool

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Playground

#### Premium

None

#### Other

Ice-maker in units

### Comments

The contact noted that the majority of the vacancies are in the market rate units, but could not provide a unit breakdown of current vacancies. The contact stated that the current vacancy level is typical for the property, but could not provide an explanation for the level being lower than typical within the market.

# Magnolia Heights, continued

## Trend Report

### Vacancy Rates

4Q13	1Q14	2Q14	1Q15
6.0%	4.5%	10.0%	9.5%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$553	\$0	\$553	\$510
2014	1	4.5%	\$563	\$0	\$563	\$520
2014	2	N/A	\$563	\$0	\$563	\$520
2015	1	N/A	\$563	\$0	\$563	\$520

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$665	\$75	\$590	\$530
2014	1	1.9%	\$675	\$85	\$590	\$530
2014	2	N/A	\$675	\$0	\$675	\$615
2015	1	N/A	\$625	\$0	\$625	\$565

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$765	\$0	\$765	\$686
2014	1	25.0%	\$775	\$0	\$775	\$696
2014	2	N/A	\$775	\$0	\$775	\$696
2015	1	N/A	\$775	\$0	\$775	\$696

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	20.0%	\$610	\$0	\$610	\$567
2014	1	0.0%	\$620	\$0	\$620	\$577
2014	2	N/A	\$620	\$0	\$620	\$577
2015	1	N/A	\$620	\$0	\$620	\$577

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	12.2%	\$710	\$0	\$710	\$650
2014	1	4.9%	\$720	\$45	\$675	\$615
2014	2	N/A	\$720	\$0	\$720	\$660
2015	1	N/A	\$675	\$0	\$675	\$615

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	62.5%	\$820	\$0	\$820	\$741
2014	1	0.0%	\$850	\$0	\$850	\$771
2014	2	N/A	\$850	\$0	\$850	\$771
2015	1	N/A	\$820	\$0	\$820	\$741

## Trend: Comments

- 4Q13** The leasing agent stated that highest demand was in the two-bedroom units. The only recent changes in rent were the two-bedroom at 60-percent and three-bedroom at market. The two-bedroom 60-percent increased rent from \$545 to \$590. The three-bedroom market fell in rent from \$850 to \$820.
- 1Q14** The two-bedroom units are on special for \$675 and \$590 for the market rate and LIHTC unit, respectively. Management reported that they have been busy and there are six move in next week.
- 2Q14** The contact noted that the majority of the vacancies are in the market rate units. The contact stated that four of the vacancies are currently pre-leased. The contact added that the current vacancy level is typical for all times of the year.
- 1Q15** The contact noted that the majority of the vacancies are in the market rate units, but could not provide a unit breakdown of current vacancies. The contact stated that the current vacancy level is typical for the property, but could not provide an explanation for the level being lower than typical within the market.

Photos



# PROPERTY PROFILE REPORT

## Retreat At Madison Place

**Effective Rent Date** 5/19/2015  
**Location** 3907 Redwing Circle  
 Decatur, GA 30032  
 Dekalb County  
**Distance** 28.4 miles  
**Units** 160  
**Vacant Units** 9  
**Vacancy Rate** 5.6%  
**Type** Midrise (age-restricted) (4 stories)  
**Year Built/Renovated** 2007 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Could not identify  
**Tenant Characteristics** Most tenants 55-62; 60%+ previous homeowners; tenants from downtown ATL, Decatur, Stn Mtn, Lithonia; 10% out of state (AL, NY, CA), 5% employed  
**Contact Name** Sean  
**Phone** (404) 289-8393



### Market Information

**Program** @60%  
**Annual Turnover Rate** 30%  
**Units/Month Absorbed** 14.4  
**HCV Tenants** 25%  
**Leasing Pace** Within one month  
**Annual Chg. in Rent** Decreased five to 8 percent  
**Concession** None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	40	697	\$699	\$0	@60%	No	5	12.5%	no	None
2	2	Midrise (4 stories)	120	987	\$729	\$0	@60%	No	4	3.3%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$699	\$0	\$699	-\$63	\$636
2BR / 2BA	\$729	\$0	\$729	-\$80	\$649

## Retreat At Madison Place, continued

### Amenities

#### In-Unit

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Oven  
Refrigerator

Carpeting  
Coat Closet  
Ceiling Fan  
Hand Rails  
Pull Cords  
Washer/Dryer hookup

#### Security

Limited Access  
Perimeter Fencing

#### Services

Adult Education  
Shuttle Service

#### Property

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

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Picnic Area

#### Premium

None

#### Other

Walking trails, game room,

### Comments

Contact stated that the property currently has more vacancies than normal due to tenants moving out to go to assisted living facilities. The property does not currently have a waiting list. The property has reduced rents to \$699 for one-bedroom units and \$729 for two-bedroom units to try to get the units leased quickly.

## Retreat At Madison Place, continued

### Trend Report

#### Vacancy Rates

2Q12	1Q14	1Q15	2Q15
2.5%	2.5%	0.0%	5.6%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$699	\$0	\$699	\$636
2014	1	0.0%	\$699	\$0	\$699	\$636
2015	1	0.0%	\$739	\$0	\$739	\$676
2015	2	12.5%	\$699	\$0	\$699	\$636

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	3.3%	\$789	\$0	\$789	\$709
2014	1	3.3%	\$789	\$0	\$789	\$709
2015	1	0.0%	\$799	\$0	\$799	\$719
2015	2	3.3%	\$729	\$0	\$729	\$649

### Trend: Comments

- 2Q12** Management estimated five move-outs each month. Of these five, an estimated three each month are due to financial reasons; mainly that the supporting family/family member can no longer support the senior's rent. Therefore, several seniors have moved out to live with family members. The manager states that one-bedroom units are more in demand with tenants mostly because of their lower rent. Furthermore, many seniors are one person households who have little need for additional space. About half of the tenants at this property own a car. All units are set-aside at 60 percent of AMI and rents are at the maximum allowable.
- 1Q14** Contact stated that the rents are the same since January 2013 and it is 100 percent occupied. Contact stated that the demand is very high for affordable senior properties in the area and that there needs to be more. Contact did not know annual turnover or percentage of Section 8 tenants. Manager started working this year.
- 1Q15** Management reported that the property is fully occupied and currently maintains a waiting list that is approximately three months long. Management was unable to provide the number of Housing Choice Vouchers that are currently in use at the property.
- 2Q15** Contact stated that the property currently has more vacancies than normal due to tenants moving out to go to assisted living facilities. The property does not currently have a waiting list. The property has reduced rents to \$699 for one-bedroom units and \$729 for two-bedroom units to try to get the units leased quickly.

Photos



# PROPERTY PROFILE REPORT

## Wellington Ridge

**Effective Rent Date** 5/19/2015  
**Location** 9145 Wellington Drive  
 Covington, GA 30014  
 Newton County  
**Distance** 3.9 miles  
**Units** 220  
**Vacant Units** 4  
**Vacancy Rate** 1.8%  
**Type** Garden (3 stories)  
**Year Built/Renovated** 2003 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Arbor Lakes, Magnolia Heights  
**Tenant Characteristics** Mostly families, 5% seniors  
**Contact Name** Caroline  
**Phone** (678) 625-2777



### Market Information

**Program** @60%  
**Annual Turnover Rate** 40%  
**Units/Month Absorbed** 14  
**HCV Tenants** 30%  
**Leasing Pace** Within one month  
**Annual Chg. in Rent** Remained stable within a few dollars  
**Concession** None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	23	651	\$651	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	23	835	\$651	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	24	902	\$651	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	30	1,050	\$775	\$0	@60%	Yes	2	6.7%	yes	None
2	2	Garden (3 stories)	30	1,163	\$775	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	31	1,199	\$775	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	31	1,316	\$775	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	14	1,353	\$875	\$0	@60%	Yes	2	14.3%	yes	None
3	2	Garden (3 stories)	14	1,424	\$875	\$0	@60%	Yes	0	0.0%	yes	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$651	\$0	\$651	\$20	\$671
2BR / 2BA	\$775	\$0	\$775	\$20	\$795
3BR / 2BA	\$875	\$0	\$875	\$20	\$895

## Wellington Ridge, continued

### Amenities

**In-Unit**

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

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

**Security**

In-Unit Alarm  
Limited Access

**Services**

None

**Property**

Business Center/Computer Lab  
Clubhouse/Meeting  
Garage  
Off-Street Parking  
Picnic Area  
Sport Court

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

**Premium**

None

**Other**

Library

### Comments

The manager maintains a short interest list, but it is not a formal waiting list with qualified applicants. Management could not provide a detailed vacancy by unit type, but stated there are currently two, two-bedroom units available and two three-bedroom units.

## Wellington Ridge, continued

### Trend Report

#### Vacancy Rates

1Q12	2Q14	1Q15	2Q15
2.3%	5.0%	5.0%	1.8%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	N/A	\$610 - \$650	\$51 - \$54	\$559 - \$596	\$579 - \$616
2014	2	N/A	\$648	\$0	\$648	\$668
2015	1	N/A	\$651	\$0	\$651	\$671
2015	2	0.0%	\$651	\$0	\$651	\$671

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	N/A	\$710 - \$782	\$59 - \$65	\$651 - \$717	\$671 - \$737
2014	2	N/A	\$771	\$0	\$771	\$791
2015	1	N/A	\$774	\$0	\$774	\$794
2015	2	1.6%	\$775	\$0	\$775	\$795

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	N/A	\$825 - \$845	\$69 - \$70	\$756 - \$775	\$776 - \$795
2014	2	N/A	\$874	\$0	\$874	\$894
2015	1	N/A	\$878	\$0	\$878	\$898
2015	2	7.1%	\$875	\$0	\$875	\$895

### Trend: Comments

1Q12	Contact could not verify the vacancies by unit type. Contact opined that demand is strong in the area, with greater demand for family rather than senior units.
2Q14	The property is 100 percent preleased and 95 percent occupied. The waiting list has approximately 10 applicants. The high turnover is due to evictions and tenants purchasing homes.
1Q15	The manager maintains a short interest list, but it is not a formal waiting list with qualified applicants. Management stated that there are applicants for several units and the property is 97 percent leased. Management could not provide a detailed vacancy by unit type.
2Q15	The manager maintains a short interest list, but it is not a formal waiting list with qualified applicants. Management could not provide a detailed vacancy by unit type, but stated there are currently two, two-bedroom units available and two three-bedroom units.

# PROPERTY PROFILE REPORT

## Leafstone Apartments

**Effective Rent Date** 2/05/2015  
**Location** 10100 Browns Bridge Rd  
 Covington, GA 30014  
 Newton County  
**Distance** 1.6 miles  
**Units** 232  
**Vacant Units** 9  
**Vacancy Rate** 3.9%  
**Type** Garden (3 stories)  
**Year Built/Renovated** 2000 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Orchard Cove, Arbor Lake  
**Tenant Characteristics** Mostly families, 2% seniors  
**Contact Name** Lindsay  
**Phone** (770) 784-8044



### Market Information

**Program** Market  
**Annual Turnover Rate** 55%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 0%  
**Leasing Pace** Within one month  
**Annual Chg. in Rent** Increased three percent  
**Concession** None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	63	816	\$650	\$0	Market	No	3	4.8%	N/A	None
2	2	Garden (3 stories)	136	1,072	\$750	\$0	Market	No	6	4.4%	N/A	None
3	2	Garden (3 stories)	33	1,292	\$850	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$650	\$0	\$650	\$0	\$650
2BR / 2BA	\$750	\$0	\$750	\$0	\$750
3BR / 2BA	\$850	\$0	\$850	\$0	\$850

## Leafstone Apartments, continued

### Amenities

#### In-Unit

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

Blinds  
Central A/C  
Exterior Storage  
Oven  
Vaulted Ceilings  
Washer/Dryer hookup

#### Security

Patrol

#### Services

None

#### Property

Business Center/Computer Lab  
Clubhouse/Meeting  
Garage  
Off-Street Parking  
Playground

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

#### Premium

None

#### Other

None

### Comments

Management reported that the rental market is strong. Rent increased in late 2014 by \$20 for the one and two-bedroom units, and \$15 for the three-bedroom units.

# Leafstone Apartments, continued

## Trend Report

### Vacancy Rates

4Q13	1Q14	2Q14	1Q15
9.9%	0.9%	0.9%	3.9%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$625	\$0	\$625	\$625
2014	1	0.0%	\$630	\$0	\$630	\$630
2014	2	0.0%	\$630	\$0	\$630	\$630
2015	1	4.8%	\$650	\$0	\$650	\$650

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$725	\$0	\$725	\$725
2014	1	1.5%	\$730	\$0	\$730	\$730
2014	2	1.5%	\$730	\$0	\$730	\$730
2015	1	4.4%	\$750	\$0	\$750	\$750

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$825	\$0	\$825	\$825
2014	1	0.0%	\$835	\$0	\$835	\$835
2014	2	0.0%	\$835	\$0	\$835	\$835
2015	1	0.0%	\$850	\$0	\$850	\$850

## Trend: Comments

4Q13	Management stated the highest demand was in the two-bedroom units. Management could not provide a breakdown of the vacant units but mentioned that they were 90% occupied. Rents decreased eight-percent in one-bedrooms. Rents decreased seven-percent in two-bedrooms. Rents decreased 15-percent in three-bedrooms. These changes in rents were based on averages.
1Q14	Management reported that the rental market is strong.
2Q14	N/A
1Q15	Management reported that the rental market is strong. Rent increased in late 2014 by \$20 for the one and two-bedroom units, and \$15 for the three-bedroom units.

# PROPERTY PROFILE REPORT

## Park View Apartments

<b>Effective Rent Date</b>	2/06/2015
<b>Location</b>	10920 Covington Bypass Covington, GA 30014 Newton County
<b>Distance</b>	2.7 miles
<b>Units</b>	100
<b>Vacant Units</b>	6
<b>Vacancy Rate</b>	6.0%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	1993 / 2011
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Orchard Cove, Wellington Ridge
<b>Tenant Characteristics</b>	5% seniors, mostly families originating from Covington and Oxford.
<b>Contact Name</b>	Ritchie
<b>Phone</b>	770-786-8500



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	48%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	3%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	10	735	\$625	\$0	Market	No	2	20.0%	N/A	None
2	1	Garden (3 stories)	9	880	\$675	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	46	880	\$695	\$0	Market	No	3	6.5%	N/A	None
3	2	Garden (3 stories)	35	1,152	\$795	\$0	Market	No	1	2.9%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$625	\$0	\$625	\$0	\$625
2BR / 1BA	\$675	\$0	\$675	\$0	\$675
2BR / 2BA	\$695	\$0	\$695	\$0	\$695
3BR / 2BA	\$795	\$0	\$795	\$0	\$795

## Park View Apartments, continued

### Amenities

**In-Unit**

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

Carpeting  
Dishwasher  
Garbage Disposal  
Oven  
Walk-In Closet

**Security**

Patrol

**Services**

Daycare

**Property**

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Playground

Exercise Facility  
Off-Street Parking  
Picnic Area  
Swimming Pool

**Premium**

None

**Other**

None

### Comments

Management stated that the property has undergone minor renovations over the past several years that included new kitchen cabinets, countertops, appliances and lighting in the units. Therefore, the rents reflected above are for units that have received these updates.

## Park View Apartments, continued

### Trend Report

#### Vacancy Rates

4Q13	1Q14	2Q14	1Q15
4.0%	1.0%	1.0%	6.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$585 - \$605	\$0	\$585 - \$605	\$585 - \$605
2014	1	0.0%	\$625	\$0	\$625	\$625
2014	2	0.0%	\$625	\$0	\$625	\$625
2015	1	20.0%	\$625	\$0	\$625	\$625

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$575 - \$675	\$0	\$575 - \$675	\$575 - \$675
2014	1	0.0%	\$695	\$0	\$695	\$695
2014	2	0.0%	\$695	\$0	\$695	\$695
2015	1	0.0%	\$675	\$0	\$675	\$675

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$615 - \$695	\$100	\$515 - \$595	\$515 - \$595
2014	1	0.0%	\$695	\$0	\$695	\$695
2014	2	0.0%	\$695	\$0	\$695	\$695
2015	1	6.5%	\$695	\$0	\$695	\$695

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$685 - \$790	\$100	\$585 - \$690	\$585 - \$690
2014	1	2.9%	\$795	\$0	\$795	\$795
2014	2	2.9%	\$795	\$0	\$795	\$795
2015	1	2.9%	\$795	\$0	\$795	\$795

### Trend: Comments

4Q13	The complex used to be called Heritage Park Apartments. It is now called Parkview Apartments. Management said three-bedroom units were in the highest demand. They don't carry a waiting list. For November and December, there is an additional \$100 off each month for all available units.
1Q14	The daycare service is population among the family tenants.
2Q14	N/A
1Q15	Management stated that the property has undergone minor renovations over the past several years that included new kitchen cabinets, countertops, appliances and lighting in the units. Therefore, the rents reflected above are for units that have received these updates.

# Park View Apartments, continued

## Photos



# PROPERTY PROFILE REPORT

## Porterdale Mill Lofts

<b>Effective Rent Date</b>	4/09/2015
<b>Location</b>	1109 Main Street Porterdale, GA 30014 Newton County
<b>Distance</b>	3.7 miles
<b>Units</b>	154
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Midrise
<b>Year Built/Renovated</b>	1899 / 2006
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Could not identify
<b>Tenant Characteristics</b>	Majority Families, 2% seniors
<b>Contact Name</b>	Angela
<b>Phone</b>	770-786-8283



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	27%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Pre-leased
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise	N/A	796	\$850	\$0	Market	Yes	0	N/A	N/A	AVG
1	1	Midrise	N/A	855	\$950	\$0	Market	Yes	0	N/A	N/A	HIGH
1	1	Midrise	N/A	738	\$750	\$0	Market	Yes	0	N/A	N/A	LOW
2	2	Midrise	N/A	1,205	\$1,100	\$0	Market	Yes	0	N/A	N/A	AVG
2	2	Midrise	N/A	1,280	\$1,250	\$0	Market	Yes	0	N/A	N/A	HIGH
2	2	Midrise	N/A	1,130	\$950	\$0	Market	Yes	0	N/A	N/A	LOW
3	2	Midrise	N/A	1,694	\$1,350	\$0	Market	Yes	0	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$750 - \$950	\$0	\$750 - \$950	\$0	\$750 - \$950
2BR / 2BA	\$950 - \$1,250	\$0	\$950 - \$1,250	\$0	\$950 - \$1,250
3BR / 2BA	\$1,350	\$0	\$1,350	\$0	\$1,350

## Porterdale Mill Lofts, continued

### Amenities

**In-Unit**

Carpet/Hardwood  
Microwave  
Refrigerator

Dishwasher  
Oven  
Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Exercise Facility  
Off-Street Parking  
Recreation Areas

Garage  
On-Site Management  
Swimming Pool

**Premium**

None

**Other**

None

### Comments

The property maintains a waiting list. The contact could not give the exact length of the waiting list, but indicated that it tends to move quickly.

## Porterdale Mill Lofts, continued

### Trend Report

#### Vacancy Rates

4Q13	1Q14	2Q14	2Q15
0.0%	0.0%	0.0%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$750 - \$950	\$0	\$750 - \$950	\$750 - \$950
2014	1	N/A	\$750 - \$950	\$0	\$750 - \$950	\$750 - \$950
2014	2	N/A	\$750 - \$950	\$0	\$750 - \$950	\$750 - \$950
2015	2	N/A	\$750 - \$950	\$0	\$750 - \$950	\$750 - \$950

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$950 - \$1,250	\$0	\$950 - \$1,250	\$950 - \$1,250
2014	1	N/A	\$950 - \$1,250	\$0	\$950 - \$1,250	\$950 - \$1,250
2014	2	N/A	\$950 - \$1,250	\$0	\$950 - \$1,250	\$950 - \$1,250
2015	2	N/A	\$950 - \$1,250	\$0	\$950 - \$1,250	\$950 - \$1,250

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$1,350	\$0	\$1,350	\$1,350

### Trend: Comments

4Q13	There is demand in the one and two-bedroom units equally. Management stated there was a waiting list but noted that there had been no turnovers for the past six-months. The community has had many of the same tenants for several years.
1Q14	N/A
2Q14	The property maintains a waiting list of 10 households.
2Q15	The property maintains a waiting list. The contact could not give the exact length of the waiting list, but indicated that it tends to move quickly.

# PROPERTY PROFILE REPORT

## Sumerset Apartments

<b>Effective Rent Date</b>	2/05/2015
<b>Location</b>	3134 Salem Rd Covington, GA 30013 Newton County
<b>Distance</b>	3.9 miles
<b>Units</b>	240
<b>Vacant Units</b>	5
<b>Vacancy Rate</b>	2.1%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	1999 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Terraces at Fieldstone, Orchard Cove, Arbor Lake
<b>Tenant Characteristics</b>	Young couples, families, few seniors (2%)
<b>Contact Name</b>	Sharleen
<b>Phone</b>	770-788-1165



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	45%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	4%
<b>Leasing Pace</b>	Within three weeks
<b>Annual Chg. in Rent</b>	Increased zero to 15 percent
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	18	636	\$695	\$0	Market	No	1	5.6%	N/A	None
1	1	Garden (3 stories)	42	722	\$715	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	48	894	\$795	\$0	Market	No	2	4.2%	N/A	None
2	2	Garden (3 stories)	114	1,051	\$835	\$0	Market	No	2	1.8%	N/A	None
3	2	Garden (3 stories)	18	1,304	\$920	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$695 - \$715	\$0	\$695 - \$715	\$20	\$715 - \$735
2BR / 1BA	\$795	\$0	\$795	\$20	\$815
2BR / 2BA	\$835	\$0	\$835	\$20	\$855
3BR / 2BA	\$920	\$0	\$920	\$20	\$940

## Sumerset Apartments, continued

### Amenities

#### In-Unit

Balcony/Patio  
Cable/Satellite/Internet  
Central A/C  
Dishwasher  
Ceiling Fan  
Oven  
Walk-In Closet

Blinds  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

#### Security

Limited Access  
Patrol

#### Services

None

#### Property

Exercise Facility  
Off-Street Parking  
Playground  
Tennis Court

Central Laundry  
On-Site Management  
Swimming Pool

#### Premium

None

#### Other

None

### Comments

Management reported that the local rental market is strong and current performance at the property is typical. Management stated that the property uses the LRO rent system with rents that change daily.

# Sumerset Apartments, continued

## Trend Report

### Vacancy Rates

2Q12	1Q14	2Q14	1Q15
7.1%	0.4%	0.4%	2.1%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$539 - \$589	\$0	\$539 - \$589	\$559 - \$609
2014	1	0.0%	\$605 - \$640	\$0	\$605 - \$640	\$625 - \$660
2014	2	0.0%	\$605 - \$640	\$0	\$605 - \$640	\$625 - \$660
2015	1	1.7%	\$695 - \$715	\$0	\$695 - \$715	\$715 - \$735

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$640	\$0	\$640	\$660
2014	1	0.0%	\$700	\$0	\$700	\$720
2014	2	0.0%	\$700	\$0	\$700	\$720
2015	1	4.2%	\$795	\$0	\$795	\$815

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$669	\$0	\$669	\$689
2014	1	0.9%	\$735	\$0	\$735	\$755
2014	2	0.9%	\$735	\$0	\$735	\$755
2015	1	1.8%	\$835	\$0	\$835	\$855

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$925	\$0	\$925	\$945
2014	1	0.0%	\$925	\$0	\$925	\$945
2014	2	0.0%	\$925	\$0	\$925	\$945
2015	1	0.0%	\$920	\$0	\$920	\$940

## Trend: Comments

2Q12	The property is currently sitting at 94 percent occupancy. They are currently offering significant rent concessions for each unit type, off of market rates. Our contact could not elaborate on what the market rates were. There is a waitlist of three to four people for the 3 bedroom units.
1Q14	N/A
2Q14	Management reported that the local rental market is strong.
1Q15	Management reported that the local rental market is strong and current performance at the property is typical. Management stated that the property uses the LRO rent system with rents that change daily.

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

**Housing Choice Vouchers**

**TENANTS WITH VOUCHERS**

Comparable Property	Tenancy	Type	Housing Choice Voucher Tenants
Antioch Manor Estates	Senior	LIHTC, Market	8%
Arbor Lake Apartments	Family	LIHTC, Market	6%
Harristown Park	Senior	LIHTC	5%
Magnolia Heights	Family	LIHTC, Market	10%
Retreat At Madison Place	Senior	LIHTC	30%
Wellington Ridge	Family	LIHTC	30%
Leafstone Apartments	Family	Market	0%
Park View Apartments	Family	Market	3%
Porterdale Mill Lofts	Family	Market	0%
Sumerset Apartments	Family	Market	4%
<b>Average</b>			<b>10%</b>

As illustrated in the table, all six LIHTC properties reported having voucher tenants. The average number of voucher tenants at the LIHTC properties is 15 percent and the overall market average is 10 percent. The local market does not appear to be dependent on voucher tenants. We believe that the Subject will have a low voucher tenancy similar to most of the LIHTC comparables.

**Lease Up History**

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

**ABSORPTION**

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Harristown Park	LIHTC	Senior	2011	60	11
Retreat At Madison Place	LIHTC	Senior	2007	160	14
Antioch Manor Estates	LIHTC, Market	Senior	2005	120	24
Wellington Ridge	LIHTC	Family	2003	220	14
Arbor Lake Apartments	LIHTC, Market	Family	2001	250	21
<b>Average</b>				<b>810</b>	<b>17</b>

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Harristown Park represents the most recent construction and is considered most similar to the Subject in terms of size. Like the Subject, this property targets seniors and it began leasing units in the winter of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 11 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Harristown Park is 100 percent occupied and maintains an extensive waiting list, which indicates significant demand for senior housing in the PMA. Based on the absorption pace reported by this property, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Covington, we anticipate that the Subject will experience an absorption pace of 10 units per month, for an absorption period of six months.

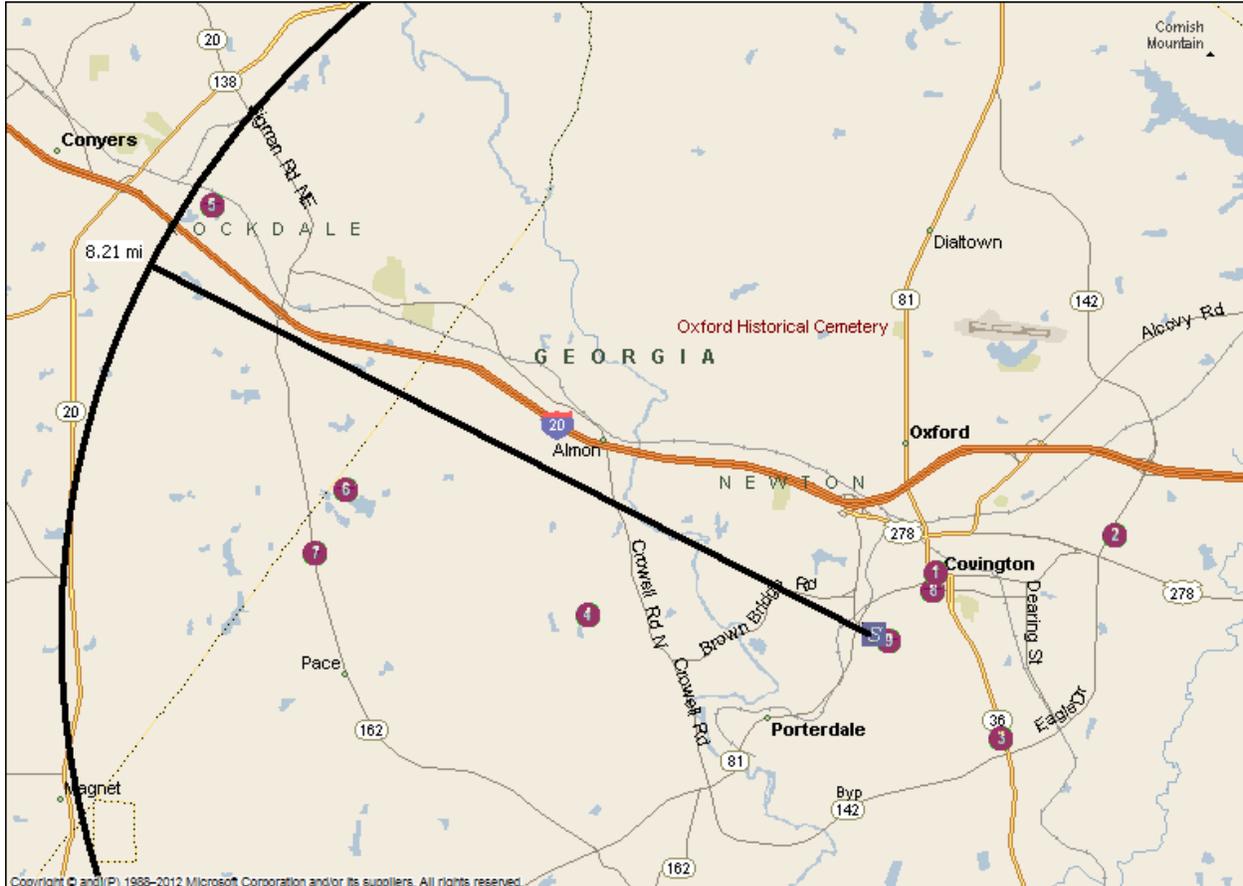
**Phased Developments**

The Subject is not part of a phased development.

**Rural Areas**

The Subject is not located in a rural area.

**3. Competitive Project Map**



**COMPETITIVE PROJECTS**

Map #	Property Name	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
S	The Overlook at Walkers Bend	LIHTC	Senior	Subject	N/Ap	-
1	Covington Square	Section 8	Senior	Excluded	All units subsidized	1.3 miles
2	Wellington Ridge	LIHTC	Family	Included	N/Ap	3.8 miles
3	Magnolia Heights	LIHTC	Family	Included	N/Ap	3.2 miles
4	Arbor Lake Apartments	LIHTC	Family	Included	N/Ap	3.7 miles
5	Century Lakeside	LIHTC	Family	Excluded	More comparable LIHTC properties available	11.1 miles
6	Orchard Cove	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.3 miles
7	Salem Glen I, II, III	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.5 miles
8	Harristown Park	LIHTC	Senior	Included	N/Ap	1.2 miles
9	Village at Walkers Bend	LIHTC	Family	Excluded	Dissimilar unit types	0.1 miles

### 4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in red, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the red.

UNIT MATRIX REPORT

	The Overlook At Walkers Bend	Antioch Manor Estates	Arbor Lake Apartments	Harristown Park	Magnolia Heights	Retreat At Madison Place	Wellington Ridge	Leafstone Apartments	Park View Apartments	Porterdale Mill Lofts	Sunerset Apartments
Comp #	Subject	1	2	3	4	5	6	7	8	9	10
<b>Property Information</b>											
Property Type	Lowrise (age-restricted) (3 stories)	Lowrise (age-restricted) (3 stories)	Garden (3 stories)	Lowrise (age-restricted) (3 stories)	Garden (2 stories)	Midrise (age-restricted) (4 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Midrise	Garden (3 stories)
Year Built / Renovated	2015 / n/a	2005 / n/a	2001 / n/a	2011 / n/a	2001 / n/a	2007 / n/a	2003 / n/a	2000 / n/a	1993 / 2011	1899 / 2006	1999 / n/a
Market (Conv./Subsidy Type)	LHTC	LHTC, Market	LHTC, Market	LHTC	LHTC, Market	LHTC	LHTC	Market	Market	Market	Market
<b>Utility Adjustments</b>											
Cooking	no	yes	no	no	no	no	no	no	no	no	no
Water Heat	no	yes	no	no	no	no	no	no	no	no	no
Heat	no	yes	no	no	no	no	no	no	no	no	no
Other Electric	no	yes	no	no	no	no	no	no	no	no	no
Water	no	yes	no	no	yes	yes	no	no	no	no	no
Sewer	no	yes	no	no	yes	yes	no	no	no	no	no
Trash Collection	yes	yes	no	yes	no	yes	no	yes	yes	yes	no
<b>In-Unit Amenities</b>											
Balcony/Patio	no	yes	yes	no	yes	no	yes	yes	no	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Cable/Satellite/Internet	no	no	yes	no	no	no	no	no	no	no	yes
Carpet/Hardwood	no	no	no	no	no	no	no	no	no	yes	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Coat Closet	no	yes	yes	no	yes	yes	yes	no	no	no	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	yes	no	yes	yes	no	no	yes
Ceiling Fan	yes	yes	yes	no	no	yes	no	no	yes	no	yes
Garbage Disposal	no	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Hand Rails	yes	yes	no	yes	no	yes	no	no	no	no	no
Microwave	yes	yes	no	no	no	no	no	no	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	no	yes	no	yes	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	yes	no	no	no
Walk-In Closet	no	yes	yes	no	yes	no	yes	yes	yes	no	yes
Washer/Dryer hook-up	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>											
Basketball Court	no	no	no	no	yes	no	no	no	no	no	no
Business Center/Computer Lab	yes	yes	yes	yes	no	yes	yes	yes	no	no	no
Car Wash	no	no	yes	no	no	no	yes	yes	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no
Concierge	no	yes	no	no	no	no	no	no	no	no	no
Courtyard	no	yes	no	no	yes	no	no	no	no	no	no
Elevators	yes	yes	no	yes	no	yes	no	no	no	no	no
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Garage	no	no	no	no	no	no	yes	yes	no	yes	no
Central Laundry	yes	yes	yes	no	yes	yes	yes	yes	yes	no	yes
Non-shelter Services	no	yes	no	no	no	no	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	yes	no	yes	yes	no	yes	no	no
Playground	no	no	yes	no	yes	no	yes	yes	yes	no	yes
Recreation Areas	no	no	no	no	no	no	no	no	no	yes	no
Service Coordination	no	yes	no	no	no	no	no	no	no	no	no
Sport Court	no	no	no	no	no	no	yes	no	no	no	no
Swimming Pool	no	no	yes	no	yes	no	yes	yes	yes	yes	yes
Tennis Court	no	no	yes	no	no	no	no	no	no	no	yes
Theatre	no	no	no	no	no	yes	no	no	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	\$55.00	\$75.00	N/A	N/A	N/A
<b>Services</b>											
Adult Education	no	no	no	no	no	yes	no	no	no	no	no
Afterschool Program	no	no	yes	no	no	no	no	no	no	no	no
Computer Tutoring	no	yes	no	no	no	no	no	no	no	no	no
Daycare	no	no	no	no	no	no	no	no	yes	no	no
Shuttle Service	no	yes	no	no	no	yes	no	no	no	no	no
<b>Security</b>											
In-Unit Alarm	no	yes	no	no	no	no	yes	no	no	no	no
Intercom (Buzzer)	no	no	no	yes	no	no	no	no	no	no	no
Limited Access	no	yes	yes	yes	yes	yes	yes	no	no	no	yes
Patrol	no	no	no	no	yes	no	no	yes	yes	no	yes
Perimeter Fencing	no	yes	no	no	yes	yes	no	no	no	no	no
Vidco Surveillance	no	yes	no	no	no	no	no	no	no	no	no

While the Subject’s amenities will be slightly inferior to inferior to the family comparables as well as the senior LIHTC comparable Antioch Manor, it will have generally similar amenities to Harristown Park, the newest senior LIHTC comparable in the market. This comparable is 100 percent occupied with an extensive waiting list. The strong occupancy and waiting list at Harristown Park indicate that a property with the Subject’s proposed amenities will appeal to senior tenants in the market. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior LIHTC market.

**5. The Subject will target senior households aged 55 and older.**

We have included all senior properties in the PMA. Due to the lack of senior properties, we have also included family properties. The following table illustrates the percent of senior tenants at the family properties included.

Percentage of Senior Tenants		
Property Name	Type	Percent Senior Tenants
Arbor Lake Apartments	LIHTC/Market	5%
Magnolia Heights	LIHTC/Market	10%
Wellington Ridge	LIHTC	5%
Leafstone Apartments	Market	2%
Park View Apartments	Market	5%
Porterdale Mill Lofts	Market	2%
Sumerset Apartments	Market	2%

**6. Vacancy**

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property name	Tenancy	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Antioch Manor Estates	Senior	LIHTC, Market	120	0	0.0%
Arbor Lake Apartments	Family	LIHTC, Market	250	18	7.2%
Harristown Park	Senior	LIHTC	60	0	0.0%
Magnolia Heights	Family	LIHTC, Market	200	19	9.5%
Retreat At Madison Place	Senior	LIHTC	160	1	0.6%
Wellington Ridge	Family	LIHTC	220	11	5.0%
Leafstone Apartments	Family	Market	232	9	3.9%
Park View Apartments	Family	Market	100	6	6.0%
Porterdale Mill Lofts	Family	Market	154	0	0.0%
Sumerset Apartments	Family	Market	240	5	2.1%
<b>Senior LIHTC Average</b>			<b>316</b>	<b>1</b>	<b>0.3%</b>
<b>Family LIHTC Average</b>			<b>611</b>	<b>48</b>	<b>7.9%</b>
<b>Market Rate Average</b>			<b>809</b>	<b>20</b>	<b>2.5%</b>
<b>Overall Average</b>			<b>1,736</b>	<b>69</b>	<b>4.0%</b>

As illustrated, vacancy rates in the market range from zero to 9.5 percent, averaging 4.0 percent. The majority of the LIHTC vacancies are concentrated in the family LIHTC properties. The senior LIHTC properties have a weighted vacancy rate of 0.3 percent, which indicates a supply constrained market. Additionally, the senior LIHTC properties reported extensive waiting lists. The senior LIHTC properties have historically maintained low vacancy rates, which bodes well for the proposed Subject.

Historically Arbor Lake Apartments and Magnolia Heights have experienced vacancy rates greater than five percent, which indicates a weaker market for family LIHTC properties. Additionally, the market rate properties maintained higher vacancy rates than the senior LIHTC properties.

As an age-restricted property, we anticipate that the Subject will perform similarly to the age-restricted comparables and 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 family comparables as they have low senior tenancies ranging between five and 10 percent and property managers did not report being impacted by the opening of Harristown Park.

**7. Properties Under Construction and Proposed**

There are no new LIHTC or market rate properties that have been proposed or are 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	Antioch Manor Estates	LIHTC, Market	Superior	Superior	Superior	Slightly Inferior	Inferior	15
2	Arbor Lake Apartments	LIHTC, Market	Superior	Superior	Slightly Inferior	Inferior	Superior	15
3	Harristown Park	LIHTC	Similar	Slightly Inferior	Superior	Similar	Similar	5
4	Magnolia Heights	LIHTC, Market	Superior	Slightly Superior	Slightly Inferior	Inferior	Superior	10
5	Retreat At Madison Place	LIHTC	Similar	Similar	Superior	Slightly Inferior	Slightly Superior	10
6	Wellington Ridge	LIHTC	Superior	Superior	Slightly Inferior	Slightly Inferior	Slightly Superior	15
7	Leafstone Apartments	Market	Superior	Superior	Slightly Inferior	Inferior	Superior	15
8	Park View Apartments	Market	Similar	Similar	Slightly Inferior	Slightly Inferior	Similar	-10
9	Porterdale Mill Lofts	Market	Similar	Inferior	Slightly Inferior	Slightly Inferior	Slightly Superior	-15
10	Sumerset Apartments	Market	Similar	Superior	Slightly Inferior	Inferior	Slightly Superior	0

\*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
The Overlook At Walkers Bend (Subject)	\$425	\$505
2014 LIHTC Maximum (Net)	\$443	\$520
Hold Harmless Maximum (Net)	\$532	\$627
Antioch Manor Estates	\$530	\$625
Harristown Park	\$455	\$515
Average (excluding Subject)	\$493	\$570
Achievable LIHTC Rent	\$443	\$520

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR
The Overlook At Walkers Bend (Subject)	\$500	\$610
2014 LIHTC Maximum (Net)	\$564	\$665
Hold Harmless Maximum (Net)	\$671	\$794
Antioch Manor Estates	\$604	\$710
		\$700
Arbor Lake Apartments	\$671	\$794
Harristown Park	\$455	\$525
Magnolia Heights	\$520	\$565
Retreat At Madison Place	\$636	\$649
Wellington Ridge	\$671	\$795
Average (excluding Subject)	\$593	\$677
Achievable LIHTC Rent	\$564	\$665

The Subject’s proposed rents are below all of the rents at the comparables, with the exception of Harristown Park. Harristown Park is the newest property in the market and like the Subject, it targets senior tenants. It is also the only senior LIHTC property in the PMA. Harristown Park is 100 percent occupied and has an extensive waiting list. Harristown Park is not achieving maximum achievable LIHTC rents. The Subject will be generally similar to this property and management at Harristown Park indicated that rents \$40 to \$80 above the property’s current rents would be achievable to senior tenants in the market. The biggest rent differential between the Subject and Harristown Park is in the two-bedroom 60 percent AMI units. While the Subject’s proposed rents are \$30 lower to \$85 higher than the rents at Harristown Park, the Subject’s proposed rents are \$0.01 lower to \$0.16 above the rents at Harristown Park on a rent per square foot basis. There is a greater differential between the Subject’s proposed 60 percent rents and the 60 percent rents at Harristown Park. Harristown Park appears to be keeping their 50 and 60 percent rents similar, while the Subjects proposed 60 percent rents are below the overall average of 60 percent comparables, indicating that the Subject’s proposed rents are achievable. The Subject’s proposed rents are below all of the remaining senior comparables, which is reasonable given that these comparables are located outside the PMA in superior locations closer to Atlanta. Overall, the Subject’s proposed rents appear reasonable when compared to the rents at the comparables and particularly when taking into account the strong demand for senior LIHTC units in the PMA. This strong demand is illustrated by the 0.3 percent senior LIHTC weighted average vacancy rate and the extensive waiting list at the one senior LIHTC comparable within the PMA. Therefore, we believe that the Subject will be able to achieve maximum allowable rents based on the anticipated excellent condition and competitive amenities that will be offered.

**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
<b>@50% AMI</b>					
1 BR	\$425	\$455	\$950	\$664	36%
2 BR	\$505	\$515	\$1,250	\$784	36%
<b>@60% AMI</b>					
1 BR	\$500	\$455	\$950	\$734	32%
2 BR	\$610	\$525	\$1,250	\$938	35%

As illustrated the Subject’s proposed rents are well below the surveyed average of the comparables. The Subject’s proposed 50 percent LIHTC rents are lower than the surveyed minimum market rent. The 60 percent AMI rents at Wellington Ridge, Retreat At Madison Place, and Arbor Lake Apartments are actually higher than several of the market rate properties and they all maintain stable occupancy.

As a tax credit property, the Subject will be most similar to Harristown Park, which is located in Covington. Harristown Park keeps their rents artificially low and their property manager indicated that higher rents would be achievable given the strength of the local rental market. Additionally, Harristown Park is 100 percent occupied with an extensive waiting list. As a result, we believe that Harristown Park is not testing the market with regards to maximum achievable rents.

The Subject will be most similar to Somerset Apartments as a market rate property. This property will offer similar property amenities, superior in-unit features, slightly inferior location, inferior condition, and slightly superior unit sizes, in comparison to the proposed Subject. Somerset Apartments is achieving market rents 34 to 68 percent higher than the proposed rents at

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

**9. LIHTC Competition – DCA Funded Properties within the PMA**

There have been no new LIHTC allocations within two miles of the Subject site in 2011, 2012, 2013, 2014 and 2015 year-to-date. The most recent senior allocation in the PMA was Harristown Park, which was allocated tax credits in 2009. This property is complete and is 100 percent occupied. It has been used as a comparable in our analysis. Given the extensive waiting list at Harristown Park, we believe there is sufficient demand for the Subject and all existing properties within the PMA.

**10. Rental Trends in the PMA**

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

**PMA TENURE PATTERNS OF SENIORS 55+**

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	6,779	82.2%	1,472	17.8%
2010	10,762	82.8%	2,231	17.2%
2014	12,045	82.1%	2,631	17.9%
Projected Mkt Entry July 2016	12,807	82.1%	2,799	17.9%
2019	13,951	82.1%	3,051	17.9%

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

Owner-occupied housing units dominate the housing market in the PMA. Nationally, approximately 87 percent of senior households are homeowners and 13 percent of senior households are renters. The PMA has a higher percentage of renter households than the nation as a whole, which is a positive indicator for the Subject’s rental units.

*Historical Vacancy*

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

**HISTORICAL VACANCY**

Comparable Property	Tenancy	Rent Structure	2009	2010	2012	2013	2014	2015
Antioch Manor Estates	Senior	LIHTC, Market	0.0%	0.0%	0.0%	N/A	0.0%	0.0%
Arbor Lake Apartments	Family	LIHTC, Market	6.8%	5.6%	10.4%	1.2%	5.2%	7.2%
Harristown Park	Senior	LIHTC	N/A	N/A	0.0%	N/A	0.0%	0.0%
Magnolia Heights	Family	LIHTC, Market	5.7%	9.5%	16.0%	6.0%	4.5%	9.5%
Retreat At Madison Place	Senior	LIHTC	10.0%	3.8%	2.5%	N/A	2.5%	0.6%
Wellington Ridge	Family	LIHTC	2.7%	6.8%	2.3%	N/A	5.0%	5.0%
Leafstone Apartments	Family	Market	9.1%	9.8%	13.9%	9.9%	0.9%	3.9%
Park View Apartments	Family	Market	37.0%	40.0%	4.0%	4.0%	1.0%	6.0%
Porterdale Mill Lofts	Family	Market	12.3%	N/A	N/A	0.0%	0.0%	0.0%
Sumerset Apartments	Family	Market	N/A	7.1%	7.1%	N/A	0.4%	2.1%
<b>Average</b>			<b>10.5%</b>	<b>10.3%</b>	<b>6.2%</b>	<b>4.2%</b>	<b>2.0%</b>	<b>3.4%</b>

As illustrated in the table, the average vacancy in the local market has improved over the last several years. The high vacancy rates at Park View Apartments in 2009 and 2010 skewed the

average vacancy rate in those years. However, compared to 2012, the 2014 average vacancy rate is significantly healthier. In general, the market rate properties have improved significantly, while achieving regular rental increases. The declining vacancies rates indicate a strengthening rental market.

*Change in Rental Rates*

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

<b>RENT GROWTH</b>		
<b>Comparable Property</b>	<b>Rent Structure</b>	<b>Rent Growth</b>
Antioch Manor Estates	LIHTC, Market	None
Arbor Lake Apartments	LIHTC, Market	Increased four to 32 percent
Harristown Park	LIHTC	Increased five to six percent
Magnolia Heights	LIHTC, Market	None
Retreat At Madison Place	LIHTC	Increased to maximum
Wellington Ridge	LIHTC	Increased less than one percent
Leafstone Apartments	Market	Increased three percent
Park View Apartments	Market	None
Porterdale Mill Lofts	Market	None
Sumerset Apartments	Market	Increased zero to 15 percent

Five of the comparable properties reported rent increases. In general, the market rate units increased one to five percent. Arbor Lake, Park View Apartments, and Sumerset Apartments are on LRO systems in which their rents fluctuate daily based on demand. The most significant increases in rent at Arbor Lake Apartments were in their market rate units. Harristown Park, the most comparable LIHTC property, achieved rent increases of five to six percent. The overall upward trend of rents is indicative of strength in the market. We anticipate that the Subject will be able to achieve regular rent increases, within the limits of the LIHTC maximum allowable rent guidelines.

**11. Impact of Foreclosed, Abandoned and Vacant Structures**

According to RealtyTrac.com statistics, one in every 871 housing units was in foreclosure in February 2015. Newton County has a similar foreclosure rate of one in every 895 housing units, while Georgia experienced one in every 1,414 housing units, and the nation experienced one foreclosure in every 1,295 housing units. The foreclosure rate within the PMA is significantly above the national average, which indicates a weaker local housing market.

**12. Primary Housing Void**

The one senior LIHTC property in the PMA is 100 percent occupied and maintains an extensive waiting list. The strong occupancy and waiting list indicate a need for additional senior rental housing in the area. We believe that the Subject’s units will help to fill this void.

### **13. Effect of Subject on Other Affordable Units in Market**

The senior LIHTC comparables have low vacancy rates and the one senior LIHTC comparable in the PMA is 100 percent occupied with an extensive waiting list. Property managers indicated that there is a strong need for additional senior units in the market. Given the strong performance and waiting lists at the senior LIHTC comparables, we do not believe that the addition of the Subject to the market will impact the existing senior comparables. Management at the family LIHTC comparables indicated that their properties were not impacted by the addition of the senior property, Harristown Park, to the market as they are unaware of any of their senior tenants leaving to live at this property. Additionally, they did not believe that the addition of the Subject to the market would impact their performance. Therefore, we do not believe that the Subject will negatively impact the existing family or senior LIHTC properties.

### **Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior LIHTC comparables are performing well, with a weighted vacancy rate of 0.3 percent. Additionally, the one senior LIHTC comparable in the PMA is 100 percent occupied and maintains an extensive waiting list. Given the zero percent vacancy rate and significant waiting list, this property is not testing achievable LIHTC rents. Management at Harristown Park confirmed that the property could achieve higher rents and indicated that the Subject's proposed rents would be achievable to senior renters in the PMA. The Subject's proposed rents are below the rents at all of the comparables with the exception of Harristown Park. Harristown Park is the newest senior property in the market and it is the only senior LIHTC property in the PMA. Overall, we believe that the Subject's rents are achievable and that the Subject will offer value in the market. This is further illustrated by the significant rental advantage of 34 to 68 percent that the Subject's units will have over the average market rents. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is consistent with the senior LIHTC average and we recommend the Subject as proposed.

# **I. ABSORPTION & STABILIZATION RATES**

**Stabilization/Absorption Rate**

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

**ABSORPTION**

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Harristown Park	LIHTC	Senior	2011	60	11
Retreat At Madison Place	LIHTC	Senior	2007	160	14
Antioch Manor Estates	LIHTC, Market	Senior	2005	120	24
Wellington Ridge	LIHTC	Family	2003	220	14
Arbor Lake Apartments	LIHTC, Market	Family	2001	250	21
<b>Average</b>				<b>810</b>	<b>17</b>

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Harristown Park represents the most recent construction and is considered most similar to the Subject in terms of size. Like the Subject, this property targets seniors and it began leasing units in the winter of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 11 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Harristown Park is 100 percent occupied and maintains an extensive waiting list, which indicates significant demand for senior housing in the PMA. Based on the absorption pace reported by this property, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Covington, we anticipate that the Subject will experience an absorption pace of 10 units per month, for an absorption period of six months.

## **J. INTERVIEWS**

**Georgia Department of Community Affairs, Athens Regional Office**

We spoke to Nancy Dove from the Athens Regional Office of the Georgia DCA. According to Ms. Dove, there are currently 519 DCA Housing Choice Vouchers in Newton County, as well as 197 Housing Choice Vouchers allocated by other jurisdictions that the Athens Regional Office bills out. There is currently no waiting list and they are not taking applications for Housing Choice Vouchers. The DCA is currently changing the software through which applications are processed. Ms. Dove indicated that they will most likely be able to take new applications later this year. The following table shows the 2015 payment standards in Newton County.

<b>2015 Payment Standards</b>	
<b>Unit Type</b>	<b>Payment Standard</b>
One-bedroom	\$810
Two-bedroom	\$916

Source: Georgia DCA Athens, April 2015

Payment standards for the county are 110 percent of FMR. The Subject’s gross rents at 50 and 60 percent AMI are well below the payment standards, which indicate that voucher holders will be able to reside at the proposed Subject without paying additional rent out of pocket.

**Planning**

We interviewed Randy Vinson from the City of Covington Planning Department. He stated that there is no multifamily, office, industrial, or retail development in the planning or construction stages. During our site inspection we did not encounter any new construction in the Subject’s neighborhood. Additionally, based on our online research, we are not aware of any new construction in the Subject’s neighborhood.

**Newton County Economic Development**

We spoke with Sara Phillips, Director of Commercial Development at the Newton County Economic Development regarding the general economic outlook for the area. One major announcement Ms. Phillips focused on was the Baxter Pharmaceutical Plant. Baxter Pharmaceutical recently announced plans to build a new \$1 billion dollar plasma manufacturing plant in Covington. The plant will bring 1,500 new full-time jobs to the area and an additional 500 more in support roles. Construction on the plant began in late 2014, with production at the plant beginning in 2018. The large investment in the local economy is a positive sign for the area, which was significantly affected by the recent national recession.

**Newton County Senior Center**

We spoke with Josephine Brown of the Newton County Senior Center regarding the senior population in the area around Covington. The center is located 0.6 miles north of the Subject, in downtown Covington. According to Ms. Wilson, the center offers transportation, meals on wheels, legal services, employment services, arts & crafts, game nights, computer classes, and day trips, etc. The seniors there are predominantly retired and rely on social security as their primary income source, with an average age of 70. Persons must be at least 60 years old to use the center’s services. Ms. Wilson believes there may be a shortage of affordable housing for seniors in the area, as the center has been receiving requests asking for assistance in finding such

housing. Ms. Wilson stated that a new LIHTC property would benefit the large influx of seniors in Newton County.

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

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## Conclusions

- Overall, population growth in the PMA has been similar to the nation and less than the MSA since 2010. The senior population within the PMA has increased dramatically since 2000. The senior population increased slightly slower than the MSA and significantly faster than the nation from 2010 to 2015. Growth is expected to moderate within the PMA over the next five years. The senior population in the MSA will grow slightly faster than the PMA and nation. The strong senior population growth within the MSA bodes well for the Subject's age-restricted units. By age cohort in 2015, younger generations still comprise the majority. However, the target demographic for the Subject does comprise a higher percentage of the population in the PMA than the MSA.

Senior owner-occupied housing dominates the PMA with 82.1 percent in 2015. However, the 17.9 percent of senior renter-occupied housing is higher than the national average of just 13 percent. The percentage of senior renter-occupied units are expected to remain constant through 2019, but the total number of senior renter-occupied units is expected to increase, which bodes well for the Subject's age-restricted units.

Senior households earning under \$39,999 in the PMA comprise 70.2 percent of all income cohorts. The Subject will target senior households earning between \$17,580 and \$32,760, therefore, the Subject should be well-positioned to service this market.

Senior renter households in the PMA with two persons or less made up 76.2 percent of such households in 2015. This percentage is projected to remain stable into the foreseeable future. The Subject will contain one and two bedroom floor plans, so this large percentage bodes well for the proposed Subject. Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target.

- Covington and Newton County in general were particularly hard hit by the housing market crash of 2007 and 2008. Before those years, Newton County had been the fourth fastest growing county in the nation. The extreme drop in new home building subsequently led to loss of construction jobs, cutbacks by builders, and cutbacks by their suppliers. Manufacturing employment in the county also experienced the effects of the downturn in demand for their products.

According to an article by The Royce Funds dated February 2015, although domestic manufacturing has previously been on a long-term decline, the past several years have shown a trend reversal in what many are calling "The U.S. Manufacturing Renaissance." This is due largely to large manufacturers such as Dow, Nucir, Boeing, BMW, and Mercedes Benz seeing the risks in a globally stretched supply chain and opening or expanding U.S. plants. This U.S. expansion has been trickling down to smaller companies that make up the supply chains of these larger companies. The increase in domestic manufacturing has also been driven by decreased energy costs and increasing labor costs in emerging markets.

Recent events indicate the beginnings of a recovery in progress for the Newton County area. Baxter International, which will produce plasma-based treatments at a new manufacturing facility in Covington, recently announced plans to move into Stanton Springs Technology Park after striking a \$1.3 billion deal with the Joint Development Authority of Newton. The facility is expected to be fully operational by 2018 with Baxter International hiring about 1,200 people from the local area.

New business openings will spark retail developments and increase demand for employment. The increased housing market will add new jobs to construction in Newton County. Covington is one of the top film production sites in Georgia, according to GoCovington.com. Triple Horse Studios is planning a \$100 million expansion over the next several years in Covington. Tourism is also a key economic driver for Newton County, generating \$100.1 million in direct tourist spending and \$2.95 million in local county tax revenues.

Additionally, according to a Newton Citizen article dated March 21, 2015, the Georgia General Assembly recently passed the Newton County Community Improvement Act. This act established the U.S. Highway 278 Community Improvement District. The purpose of this legislation is to beautify and improve the highways, while increasing property values and attracting new interest from investors and developers. The U.S. Highway 278 Community Improvement District is still in the planning stages. Proposed projects include landscaping, adding sidewalks, new LED traffic signals, pedestrian-scale solar lighting, and relocation of overhead utilities to underground.

- The Subject’s capture rates at the 50 percent AMI level will range from 5.9 to 14.9 percent, with an overall capture rate of 9.3 percent. The Subject’s 60 percent AMI capture rates range from 16.8 to 30.9 percent, with an overall capture rate of 25.6 percent. The overall capture rate for the project’s 50 and 60 percent units is 26.1 percent. Therefore, we believe there is adequate demand for the Subject.
- We were able to obtain absorption information from five comparable properties, illustrated following.

**ABSORPTION**

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Harristown Park	LIHTC	Senior	2011	60	11
Retreat At Madison Place	LIHTC	Senior	2007	160	14
Antioch Manor Estates	LIHTC, Market	Senior	2005	120	24
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<b>Average</b>				<b>810</b>	<b>17</b>

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Harristown Park represents the most recent construction and is considered most similar to the Subject in terms of size. Like the Subject, this property targets seniors and it began leasing units in the winter of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 11 units per

month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Harristown Park is 100 percent occupied and maintains an extensive waiting list, which indicates significant demand for senior housing in the PMA. Based on the absorption pace reported by this property, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Covington, we anticipate that the Subject will experience an absorption pace of 10 units per month, for an absorption period of six months.

- Vacancy rates in the market range from zero to 9.5 percent, averaging 4.0 percent. The majority of the LIHTC vacancies are concentrated in the family LIHTC properties. The senior LIHTC properties have a weighted vacancy rate of 0.3 percent, which indicates a supply constrained market. Additionally, the senior LIHTC properties reported extensive waiting lists. The senior LIHTC properties have historically maintained low vacancy rates, which bodes well for the proposed Subject.

Historically Arbor Lake Apartments and Magnolia Heights have experienced vacancy rates greater than five percent, which indicates a weaker market for family LIHTC properties. Additionally, the market rate properties maintained higher vacancy rates than the senior LIHTC properties.

As an age-restricted property, we anticipate that the Subject will perform similarly to the age-restricted comparables and 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 family comparables as they have low senior tenancies ranging between five and 10 percent and property managers did not report being impacted by the opening of Harristown Park.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior LIHTC comparables are performing well, with a weighted vacancy rate of 0.3 percent. Additionally, the one senior LIHTC comparable in the PMA is 100 percent occupied and maintains an extensive waiting list. Given the zero percent vacancy rate and significant waiting list, this property is not testing achievable LIHTC rents. Management at Harristown Park confirmed that the property could achieve higher rents and indicated that the Subject's proposed rents would be achievable to senior renters in the PMA. The Subject's proposed rents are below the rents at all of the comparables with the exception of Harristown Park. Harristown Park is the newest senior property in the market and it is the only senior LIHTC property in the PMA. Overall, we believe that the Subject's rents are achievable and that the Subject will offer value in the market. This is further illustrated by the significant rental advantage of 34 to 68 percent that the Subject's units will have over the average market rents. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is consistent with the senior LIHTC average and we recommend the Subject as proposed.

## **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.



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H. Blair Kincer, MAI, CRE  
*LEED Certified Associate*  
Partner  
Novogradac & Company LLP  
5-6-2015  
Date



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Edward R. Mitchell  
Manager  
Novogradac & Company LLP  
5-6-2015  
Date



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



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Sterling Battle  
Researcher  
Novogradac & Company LLP  
5-6-2015  
Date

## **M. MARKET STUDY REPRESENTATION**

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



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H. Blair Kincer, MAI, CRE  
*LEED Certified Associate*  
Partner  
Novogradac & Company LLP  
5-6-2015  
Date



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Edward R. Mitchell  
Manager  
Novogradac & Company LLP  
5-6-2015  
Date



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



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Sterling Battle  
Researcher  
Novogradac & Company LLP  
5-6-2015  
Date

## **N. QUALIFICATIONS**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## H. BLAIR KINCER, MAI, CRE

### I. Education

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

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

### II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)  
Member, The Counselors of Real Estate (CRE)  
LEED Green Associate  
Member, National Council of Housing Market Analysts (NCHMA)  
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut  
Certified General Real Estate Appraiser, No 4206 – State of Kentucky  
Certified General Real Estate Appraiser, No. 1326 – State of Maryland  
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi  
Certified General Real Estate Appraiser, No. 46000039124 – State of New York  
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina  
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania  
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina  
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee  
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia  
Certified General Real Estate Appraiser, No. 1101008 – State of Washington  
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia  
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

### III. Professional Experience

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

#### **IV. Professional Training**

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

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

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

#### **V. Real Estate Assignments – Examples**

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

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

## **H. Blair Kincer**

### **Qualifications**

#### **Page 3**

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

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

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **EDWARD R. MITCHELL**

### **I. Education**

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

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

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

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

### **II. Work History**

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

### **III. Relevant Experience**

- Managed and prepared market studies and appraisals throughout the U.S. for proposed family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties.
- Managed and prepared HUD rent comparability studies (RCS).
- Performed HUD MAP Quality Control market study and appraisal reviews.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way projects, and recycling plants.

### **IV. Licensure**

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

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

**I. Education**

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

**II. Professional Experience**

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

**III. Real Estate Assignments**

A representative sample of work on various types of projects:

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

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **Sterling Battle**

### **I. Education**

The University of South Florida, Tampa, FL  
Bachelor of Science degree in Finance

### **II. Professional Experience**

Real Estate Researcher, Novogradac & Company LLP, September 2014 – Present  
Real Estate Research Intern, Framework Group Development LLC, September 2013- September 2014

### **III. Research Assignments**

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

- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted with numerous appraisals of new construction and existing LIHTC and market-rate properties.