



**A Market Feasibility Study Of**

**LAKEVIEW APARTMENTS**

*Located at*

**1105 Edward Street**  
**Fort Valley, Peach County, Georgia**

**Effective Date: April 14, 2015**  
**Report Date: May 12, 2015**

*Prepared For*

**Douglas C. Trivers, CPA**  
**Chief Financial Officer**  
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**5505 Interstate North Parkway NW**  
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May 12, 2015

Douglas C. Trivers, CPA  
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Atlanta, GA 30328

**Re: Market Study for Lakeview Apartments in Fort Valley, Georgia**

Dear Mr. Trivers:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Fort Valley, Peach County, Georgia area relative to the above-referenced proposed acquisition/rehabilitation Low Income Housing Tax Credit (LIHTC)/Section 8 project. The purpose of this market study is to assess the viability of the rehabilitation of Lakeview Apartments (Subject), an existing 96-unit Section 8 community (Section 8 Contract No. GA06-M000-121). The Subject offers studio, one, two, three and four-bedroom units. Following renovation, the property will be restricted to households earning 50 and 60 percent of the Area Median Income (AMI). The Subject's 96 units will continue to benefit from a HAP contract post renovation, which expires on July 31, 2021. It is assumed the developer will continue to renew the HAP contract for the foreseeable future. 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 Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, Low-Income Housing Tax Credit (LIHTC) and market rate.

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

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

Respectfully submitted,  
Novogradac & Company LLP



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## **ASSUMPTIONS AND LIMITING CONDITIONS**

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

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

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

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

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## **A. EXECUTIVE SUMMARY AND CONCLUSIONS**

## EXECUTIVE SUMMARY AND CONCLUSIONS

### 1. Project Description:

Lakeview Apartments (Subject) is an existing Section 8 property (Section 8 Contract No. GA06-M000-121) in Fort Valley, Peach County, Georgia that is proposed for renovation with Low Income Housing Tax Credit (LIHTC) equity. The Subject was originally constructed in 1972. The Subject currently consists of six two-story garden-style residential buildings and one single-story auxiliary building for a total of 96 studio, one, two, three, and four-bedroom units. The Subject is currently 91.7 percent occupied. The unit mix currently includes 10 studio units, 14 one-bedroom units, 34 two-bedroom units, 26 three-bedroom units, and 12 four-bedroom units. The units currently vacant are one, two, three, and four-bedroom units. However, a waiting list of 125 households is maintained for one and two-bedroom units, which will be utilized to fill vacancies post-renovation

The Subject will continue to benefit from the HAP contract on all 96 units post-renovation. The Section 8 contract expires July 31, 2021, and it is assumed the developer will continue to renew the contract for the foreseeable future. Tenants will continue to pay 30 percent of their incomes toward rent, not to exceed the LIHTC rents.

A new community building will be added as part of rehabilitation. Renovations are expected to be completed by January 2017. Hard costs of renovations will reportedly be \$77,857 per unit, or \$7,474,305 for the entire property. The renovations will be significant and will include the construction of a new community building with video surveillance, fitness center, computer lab, and central laundry facilities, playground, dumpster areas, mailboxes, signage, picnic area with gazebo, and perimeter fencing, asphalt and sidewalk repair, landscaping, replacement of electrical wiring, light fixtures, HVAC systems, plumbing and water heaters, kitchen and bathroom fixtures, carpeting and vinyl plank flooring, appliances (refrigerator, range, microwave, dishwasher, and garbage disposal), kitchen and bathroom cabinets, countertops, blinds, smoke detectors and fire extinguishers, windows, doors, roofing, stairways and handrails, wall and roof insulation, siding, drywall and ceilings, brick and concrete repair, and interior unit painting. Attic spaces will be added to each building, and ceiling fans will be added in each master bedroom. In

addition, five units will be converted to UFAS compliant units, and two units will be designed for audio/visually impaired tenants.

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

<b>PROPOSED RENTS</b>						
<b>Unit Type</b>	<b>Number of Units</b>	<b>LIHTC Asking Rents</b>	<b>Utility Allowance (1)</b>	<b>Gross Asking Rents</b>	<b>2015 LIHTC Maximum Allowable Rent</b>	<b>Current Net Section 8 Contract Rents*</b>
<i>Section 8/50% AMI</i>						
0BR/1BA	8	\$473	\$0	\$473	\$473	\$502
1BR/1BA	11	\$507	\$0	\$507	\$507	\$552
2BR/1BA	27	\$608	\$0	\$608	\$608	\$663
3BR/2BA	20	\$703	\$0	\$703	\$703	\$788
4BR/2BA	9	\$785	\$0	\$785	\$785	\$919
<i>Section 8/60% AMI</i>						
0BR/1BA	2	\$502	\$0	\$502	\$568	\$502
1BR/1BA	3	\$552	\$0	\$552	\$609	\$552
2BR/1BA	7	\$663	\$0	\$663	\$730	\$663
3BR/2BA	6	\$788	\$0	\$788	\$844	\$788
4BR/2BA	3	\$942	\$0	\$942	\$942	\$919
<b>Total</b>	<b>96</b>					

Notes (1) All utilities will continue to be included in the rent post-renovation.

\*HAP contract effective 8/1/2014; tenants pay 30 percent of income as rent

The Subject currently offers blinds, tile flooring, central heating and air conditioning, ovens, refrigerators, and coat closets in units, and following renovations will also include carpeting and wood plank flooring, dishwashers, garbage disposals, microwaves, and ceilings fans. The Subject’s project amenities include off-street parking, central laundry, and a playground.

Post-renovation, the property will include a community building with a new central laundry facility, computer lab, fitness center, and video surveillance. Perimeter fencing will be added to the property as well as a picnic area with gazebo and a new playground. Overall, the Subject’s amenities will be competitive with those offered at most of the comparable properties.

**2. Site Description/Evaluation:**

The Subject site is bounded by Edward Court to the north and Laura Lane to the west. Surrounding uses predominantly consist of undeveloped land and multifamily

properties. To the immediate north is undeveloped land. To the immediate east is Marvin Gardens I, a LIHTC property utilized as a comparable. To the immediate south and southeast is undeveloped land, followed by agricultural land. To the immediate west and southwest is College Square, a Section 8 multifamily property. Further southwest is a public housing development and the Fort Valley Housing Authority. Northwest of the Subject is a convenience store, and further west are single-family homes. Overall, the Subject's immediate neighborhood is dominated by residential uses. The Subject is located in the southern portion of Fort Valley. There are a limited number of commercial/retail uses in the Subject's neighborhood with the majority located along major arterials such as State University Drive, 0.3 miles west of the Subject. Overall, the Subject has a desirable location for multifamily housing. The Subject site is considered "car dependent" by [www.walkscore.com](http://www.walkscore.com) with a rating of 26. The Subject site is considered a desirable location for family rental housing. The uses surrounding the Subject are in average condition and the site has reasonable proximity to locational amenities.

The Subject has good visibility from Edward Street, Edward Court, Laura Lane, and Doles Road. Views from the Subject site are of multifamily developments, vacant land, a convenience store, and single-family homes. Overall, views are considered average.

### **3. Market Area Definition:**

The Primary Market Area (PMA) is defined by the central and southern portion of Peach County, northwestern Houston County, and northeastern Macon County and was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager, as well as based on our knowledge of the area. We have estimated that approximately 15 percent of the Subject's tenants originate from outside these boundaries. 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 17 miles.

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

Overall population growth in the PMA was higher than the MSA and the nation from 2000 to 2010. Total population in

the PMA is projected to increase at a 1.1 percent annual rate from 2014 to 2019, a growth rate similar to that of the MSA but above the nation as a whole during the same time period. The largest age cohort in the PMA is between the ages of 15 and 19, at 8.2 percent of the population, which is expected to remain the largest age cohort through 2019. In 2014, 49 percent of the PMA's population is between the ages of 20 and 54, which is the main age range of most tenants at the Subject currently. The projected PMA population growth is expected to outpace the national population growth and will be similar to population growth expected in the MSA through 2019.

The share of renter households in the PMA is below the share of owner households, similar to the MSA. The percentage of renter-occupied housing is above the national average of approximately 32 percent in both the PMA and MSA. The percentage of renter-occupied units in the PMA is expected to increase slightly through 2019.

Households earning under \$40,000 in the PMA comprise 37.4 percent of all income cohorts. The Subject will target households earning up to \$37,680 under the LIHTC program and households with incomes as low as \$0 with Section 8 subsidies; therefore, the Subject is well positioned to continue to service this market. It should be noted that the area four-person median income (AMI) in Peach County, GA has declined from \$59,600 in 2012 to \$54,100 in 2015.

## 5. Economic Data:

Total employment in the MSA increased from 2004 through 2014 year-to-date for every year except from 2009, 2010, and 2013. The decrease in total employment during 2009 was 2.3 percentage points less than the decrease experienced by the nation as a whole over the same time period. From December 2013 to December 2014, total employment in the MSA decreased by 30 basis points, while the nation experienced a 1.9 percent increase over the same time period. From December 2013 to December 2014, unemployment in the MSA decreased by 140 basis points. Additionally, as of December 2014, the unemployment rate in the MSA was 0.9 percentage points above that of the nation. Overall, it appears that the MSA was impacted by the recent national recession, and appears to still be recovering, as evidenced by the recent decrease in employment. The recent decrease in total employment is likely attributable to the Fort Benning army base, which is

just west of the MSA, recently cutting many of the specialized training programs it hosted. Most of these programs and jobs associated with them were transferred to Eglin Air Force Base, near Destin, Florida.

The PMA's leading industries include public administration, educational services, health care/social assistance, and retail trade. Together, these four industries make up 51.5 percent of total employment in the PMA. The PMA is overly represented in sectors such as public administration and educational services, and underrepresented in the healthcare/social assistance, manufacturing, and professional/scientific/technological services sectors compared to the nation as a whole. The three largest employment sectors in the PMA are traditionally more stable employment sectors. However, other significant employment sectors include accommodation/food services, retail trade, and manufacturing, which have historically proven susceptible to job losses in times of economic recession. Overall, the mix of industries in the local economy indicates a relatively diversified work force that is somewhat susceptible to cyclical employment shifts.

According to Ms. Barbara Davidson with the Peach Regional Chamber of Commerce and Kathie Lambert with the Downtown Development Authority of Fort Valley, 2014 and 2015 have been generally stable years in terms of job growth and expansions in the Fort Valley area. Within recent years, Fort Valley has experienced small business expansions and openings, specifically restaurants, fast food chains, and retail. In the last year, Five Points Pharmacy was constructed in central Fort Valley and opened in April 2015. Additionally, Verizon Wireless opened a new store in Fort Valley in 2015, and the Peach County Workforce Development Center will be opening in May 2015. The \$4.8 million job-training vocational school will enroll approximately 500 students. The facility is located in the South Peach Industrial Park and will offer GED programs, commercial driver's license courses, and adult education classes.

We also spoke to Angie Gheesling with the Houston County Development Authority, as the PMA encompasses western Houston County including the cities of Perry and a portion of Warner Robins. According to Ms. Gheesling, within the past year, five existing companies have

experienced expansions totaling approximately 380 new jobs and \$200 million in capital investment; these include EMICC, Anchor Glass, Frito Lay, Perdue Farms, and SunBelt. In addition, BioLife, a subsidiary of Baxter Pharmaceuticals, relocated to a larger facility, creating 80 new jobs and investing a total of \$7.7 million. These expansions should help the unemployment rate in the market continue to gradually decline.

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

The following table illustrates the Subject’s capture rates. According to the Georgia DCA market study guidelines, capture rate calculations for proposed renovation developments 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 provided by the applicant. Tenants who are income-qualified to remain in the property at the proposed stabilized renovated rents will be deducted from the property unit count prior to determining the applicable capture rates. In the case of the Subject, all of the current residents would income-qualify for their units under the LIHTC program limitations. Additionally, all current tenants would income-qualify with consideration of the Section 8 subsidies that will remain in place.

CAPTURE RATE ANALYSIS CHART - WITH SUBSIDIES						
Unit Size	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate*
0BR - 50% AMI/Section 8	\$0-\$18,950	8	122	0	122	6.6%
1BR - 50% AMI/Section 8	\$0-\$21,650	11	298	16	282	3.9%
2BR - 50% AMI/Section 8	\$0-\$24,350	27	437	11	426	6.3%
3BR - 50% AMI/Section 8	\$0-\$29,250	20	305	2	303	6.6%
4BR - 50% AMI/Section 8	\$0-\$31,400	9	70	0	70	12.9%
<b>Overall - 50% AMI/Section 8</b>	<b>\$0-\$31,400</b>	<b>75</b>	<b>1,232</b>	<b>29</b>	<b>1,203</b>	<b>6.2%</b>
0BR - 60% AMI/Section 8	\$0-\$22,740	2	146	0	146	1.4%
1BR - 60% AMI/Section 8	\$0-\$25,980	3	357	14	343	0.9%
2BR - 60% AMI/Section 8	\$0-\$29,220	7	522	67	455	1.5%
3BR - 60% AMI/Section 8	\$0-\$35,100	6	365	40	325	1.8%
4BR - 60% AMI/Section 8	\$0-\$37,680	3	83	0	83	3.6%
<b>Overall - 60% AMI/Section 8</b>	<b>\$0-\$37,680</b>	<b>21</b>	<b>1,473</b>	<b>121</b>	<b>1,352</b>	<b>1.6%</b>

\*With subsidy

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

**7. Competitive Rental Analysis:**

The availability of LIHTC data is considered good. There are several LIHTC properties in the PMA, five of which we selected as comparables. The availability of market rate data is also considered good as there are many market rate

properties that are located within the PMA. We have included four market rate properties in the rental analysis, and all are located within 12 miles of the Subject. The comparable market rate properties were built between the 1980s and 2006. These projects offer a mix of studio, one, two, and three-bedroom units. Four-bedroom market rate units are not available within the PMA or surrounding area. As such, we supplemented our analysis with four-bedroom single-family home rentals.

Vacancy rates in the market range from 2.6 to 29.9 percent, averaging 9.7 percent. The LIHTC comparable properties have vacancy rates ranging from two to 20 percent, with an average vacancy rate of 9.0 percent. The market rates comparable are experiencing vacancy rates ranging from 2.6 percent to 29.9 percent. The average market rate vacancy rate is 9.9 percent. One LIHTC comparable and three market rate comparables reported high vacancy rates. However, Asbury Parke is still in its lease-up period, with an estimated completion of its last building in early May 2015. Management at Ashton Landing and Lenox Pointe reported that typical occupancy rates are 90 to 95 percent and that the current vacancy rates are atypical. In recent months, there have been several move-outs due to military tenancy, tenants purchasing homes, and job relocations. Marvin Gardens I also reported a high vacancy rate of 20 percent. This property offers only 30 units, six of which are vacant. The contact stated the vacancy rate is typical for the property.

If Asbury Parke is removed, the average market rate vacancy declines to 4.9 percent, which is considered a healthy vacancy rate with some vacancies allowing for renter movement and turnover. We anticipate that the Subject will perform similarly to the LIHTC comparables and will maintain a vacancy rate of ten percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as the renovation of the Subject will not create new low-income units, but rather will serve to improve and preserve existing low-income housing stock. The Subject is currently 91.7 percent occupied with units being held offline due to pending renovations. According to the Subject's historical audited financials, the Subject has operated with a total vacancy rate (including collection loss) between 3.9 to 6.4 percent over the past three years with an average total vacancy rate of 5.1 percent. As such, we believe the

Subject will continue to operate with a physical vacancy rate of 5.0 percent or less, in line with its historical performance.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with proposed LIHTC/Section 8 rents for the Subject, which will be subsidized, allowing tenants to pay just 30 percent of their income toward rent.

<b>SUBJECT COMPARISON TO MARKET RENTS</b>					
<b>Unit Type</b>	<b>Subject</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>	<b>Subject Rent Advantage</b>
Studio	\$502	\$620	\$620	\$620	19%
1 BR	\$552	\$630	\$967	\$845	35%
2 BR	\$663	\$750	\$1,212	\$1,017	35%
3 BR	\$788	\$880	\$1,354	\$1,104	29%
4 BR	\$919	-	-	-	-

The comparable LIHTC properties are considered similar to inferior to the Subject, which will be a renovated LIHTC project with Section 8 subsidies for all 96 units. Based on our similarity matrix, Ashton Landing is the most similar LIHTC property and is 88.9 percent occupied. The property manager indicated that the property has had several recent move outs, and the typical occupancy rate for the property is between 90 and 95 percent. The Subject will offer similar property amenities to Ashton Landing and slightly inferior in-unit amenities, as it offers a balcony/patio and washer/dryer hookup in each unit. Ashton Landing has a similar location and similar unit sizes, but is slightly inferior in terms of age and condition, as it was constructed in 1999. The Subject’s proposed LIHTC rents are below the current asking rents at Ashton Landing, but within the rental range of the other comparables.

Amber Place Apartments is the most similar market rate property and is 94.4 percent occupied. The Subject will offer slightly inferior unit and property amenities to Amber Place. The Subject will be in similar condition upon completion of renovations, as Amber Place was built between 2005 and 2007 and is in good condition. Amber Place does offer superior unit sizes and a slightly superior location. The Subject’s proposed rents (\$552 to \$788 for one through three-bedrooms) are well below Amber Place, which range from \$917 for one-bedroom units to \$1,354 for

three-bedroom units. This bodes well for the marketability of the Subject and suggests that even without the Section 8 subsidies the proposed LIHTC rents are attainable.

**8. Absorption/Stabilization**

**Estimate:**

We were able to obtain absorption information from two comparable properties, illustrated in the following table. Many comparables could not provide absorption data as they consist of older vintage.

ABSORPTION					
Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Magnolia Terrace Phase II	LIHTC/Market	Family	2008	36	9
Asbury Parke	Market	Family	2014-2015	224	15

Per DCA guidelines, we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations with Section 8 subsidies in place for all the units, which is very unlikely given the Subject’s relocation plan, we would expect the Subject to experience an absorption pace of 10 units per month, which equates to an absorption period of approximately nine months for the Subject to reach 93 percent occupancy. In the unlikely event the Section 8 subsidies were not in place following renovations, we still believe the Subject could achieve 93 percent occupancy at the proposed rent levels within less than one year. In this scenario, we would anticipate an average absorption rate of eight units per month, with stabilization occurring within approximately 11 months.

The Subject is currently 91.7 percent occupied. The unit mix currently includes 10 studio units, 14 one-bedroom units, 34 two-bedroom units, 26 three-bedroom units, and 12 four-bedroom units. The units currently vacant are one, two, three, and four-bedroom units. However, a waiting list of 125 households is maintained for one and two-bedroom units, which will be utilized to fill vacancies post-renovation. One vacant two-bedroom unit requires significant repairs before it is habitable again. The Subject has historically operated at more than 93 percent occupancy, indicating relatively high demand for the existing low-income housing.

**9. Overall Conclusion:**

Based upon our market research of comparables, our inspection of the Subject site and surrounding

neighborhood, review of area economic trends, and demographic calculations and analysis, we believe there is more than adequate demand for the Subject property as proposed following renovations. The Subject, which currently operates as a Section 8 development with 96 units, will continue to operate with Section 8 subsidies for all the units in addition to operating under the LIHTC program with 50 and 60 percent AMI restrictions. The LIHTC comparables are performing adequately, with a weighted vacancy rate of 9.0 percent. Additionally, two comparable LIHTC properties maintain waiting lists. The Subject's proposed rents are within the range of rents at the LIHTC comparables and below market rate comparables' rents. This suggests that even if rents at the Subject were not subsidized through the Section 8 program, the proposed rents would be achievable in the open market. Considering the Section 8 subsidy that will be in place, tenants will pay just 30 percent of their income toward rents, making the Subject very affordable. The capture rates for the Subject are all considered achievable and are within the capture rate thresholds for GA DCA LIHTC application projects. We believe that the Subject will maintain a physical vacancy rate of five percent or less following stabilization, which is consistent with the LIHTC average. We have no recommended changes to the project concept at this time.

**Summary Table:  
Lakeview Apartments**

Development Name:	<b>Lakeview Apartments</b>	Total # Units: <b>96</b>
Location:	1105 Edward Street	# LIHTC Units: <b>96</b>
	Fort Valley, Peach County, Georgia	
PMA Boundary:	North – East Houze Road, Wesley Chapel Road	
	East – Georgia Highway 247 Spur	
	South – Golden Isles Parkway, Larry Walker Parkway, Georgia Highway 224, County Road 30	
	West- Georgia Highway 49 North, Glen John B Gordon Road, Cummings Road	
	Farthest Boundary Distance to Subject:	17.0 miles

**Rental Housing Stock (found on pages 74-107)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	1,366	133	90.3%
Market-Rate Housing	5	1,110	110	90.1%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	0	577	0	100.0%
<b>LIHTC</b>	5	256	23	91.0%
Stabilized Comps	10	1,142	89	92.2%
Properties in Construction & Lease Up	1	224	67	70.1%

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
8	0BR at 50% AMI	1	506	\$473	\$620	\$1.23	-31.1%	\$620	\$1.23
2	0BR at 60% AMI	1	506	\$502	\$620	\$1.23	-23.5%	\$620	\$1.23
11	1BR at 50% AMI	1	660	\$507	\$845	\$1.28	-66.7%	\$775	\$1.17
3	1BR at 60% AMI	1	660	\$552	\$845	\$1.28	-53.1%	\$775	\$1.17
27	2BR at 50% AMI	1	914	\$608	\$1,017	\$1.11	-67.3%	\$905	\$0.99
7	2BR at 60% AMI	1	914	\$663	\$1,017	\$1.11	-53.4%	\$905	\$0.99
20	3BR at 50% AMI	2	1,025	\$703	\$1,104	\$1.08	-57.0%	\$1,095	\$1.07
6	3BR at 60% AMI	2	1,025	\$788	\$1,104	\$1.08	-40.1%	\$1,095	\$1.07
9	4BR at 50% AMI	2	1,095	\$785	-	-	-	-	-
3	4BR at 60% AMI	2	1,095	\$919	-	-	-	-	-

**Demographic Data (found on page 36 & 56)**

	2010		2015		Dec-17	
Renter Households	6,684	32.60%	7,547	36.20%	7,706	36.40%
Income-Qualified Renter HHs (LIHTC)	-	-	-	-	2,402	31.17%

**Targeted Income-Qualified Renter Household Demand (found on pages 65 and 69)**

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	111	132	N/Ap	N/Ap	132
Existing Households (Overburdened + Substandard)	N/Ap	1122	1,340	N/Ap	N/Ap	1340
Homeowner conversion (Seniors)	N/Ap	0	0	N/Ap	N/Ap	0
<b>Total Primary Market Demand</b>	<b>N/Ap</b>	<b>1233</b>	<b>1472</b>	<b>N/Ap</b>	<b>N/Ap</b>	<b>1472</b>
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
<b>Adjusted Income-qualified Renter HHs**</b>	<b>N/Ap</b>	<b>1233</b>	<b>1,472</b>	<b>N/Ap</b>	<b>N/Ap</b>	<b>1,472</b>

**Capture Rates (found on pages 58, 62, 66, 70)**

Targeted Population	50% w/Subsidy	50% w/out Subsidy	60% w/Subsidy	60% w/out Subsidy	Other: __	Overall
Capture Rate:	6.2%	13.6%	1.6%	3.2%	N/Ap	7.10%

\*With subsidy

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

- Project Address and Development Location:** The Subject is located at 1105 Edward Street in Fort Valley, Peach County, Georgia 31030.
- Construction Type:** The Subject consists of six two-story garden-style buildings and a single-story community building. The buildings are wood frame with brick and vinyl siding exteriors and flat roofs. The Subject was originally constructed in 1972.
- Occupancy Type:** Family
- Special Population Target:** None
- Number of Units by Bedroom Type and AMI Level:** See following property profile.
- Unit Size:** See following property profile.
- Structure Type:** See following property profile.
- Rents and Utility Allowances:** See following property profile.
- Existing or Proposed Project Based Rental Assistance:** Currently, the Subject operates as a Section 8 development. Following renovations, all of the units will continue to benefit from the HAP contract (Section 8 Contract No. GA06-M000-121), which expires July 31, 2021.
- Proposed Development Amenities:** See following property profile.

Property Profile Report											
Lakeview Apartments											
<b>Comp #</b>	Subject										
<b>Effective Rent Date</b>	4/14/2015										
<b>Location</b>	1105 Edward Street Fort Valley, GA 31030 Peach County										
<b>Distance</b>	10.6 miles										
<b>Units</b>	96										
<b>Vacant Units</b>	9										
<b>Vacancy Rate</b>	9.40%										
<b>Type</b>	Garden (2 stories)										
<b>Year Built / Renovated</b>	1972 / n/a										
<b>Major Competitors</b>	College Square										
<b>Tenant Characteristics</b>	Mixed tenancy; majority families from Fort Valley										
<b>Contact Name</b>	Latonya										
<b>Phone</b>	478.825.0163										
<b>Market</b>											
<b>Program</b>	@60% (Section 8)					<b>Leasing Pace</b>	Within 90 days				
<b>Annual Turnover Rate</b>	13%					<b>Change in Rent (Past Year)</b>	N/A				
<b>Units/Month Absorbed</b>	N/A					<b>Concession</b>	None				
<b>Section 8 Tenants</b>	N/A										
<b>Utilities</b>											
<b>A/C</b>	included -- central					<b>Other Electric</b>	included				
<b>Cooking</b>	included -- gas					<b>Water</b>	included				
<b>Water Heat</b>	included -- gas					<b>Sewer</b>	included				
<b>Heat</b>	included -- gas					<b>Trash Collection</b>	included				
<b>Unit Mix (face rent)</b>											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
0	1	Garden (2 stories)	8	506	\$473	\$0	@50% (Section 8)	No	0	0.0%	no
0	1	Garden (2 stories)	2	506	\$502	\$0	@60% (Section 8)	No	0	0.0%	no
1	1	Garden (2 stories)	11	660	\$507	\$0	@50% (Section 8)	Yes	1	9.1%	no
1	1	Garden (2 stories)	3	660	\$552	\$0	@60% (Section 8)	Yes	1	33.3%	no
2	1	Garden (2 stories)	27	914	\$608	\$0	@50% (Section 8)	Yes	2	7.4%	no
2	1	Garden (2 stories)	7	914	\$663	\$0	@60% (Section 8)	Yes	2	28.6%	no
3	2	Garden (2 stories)	20	1,025	\$703	\$0	@50% (Section 8)	No	3	15.0%	no
3	2	Garden (2 stories)	6	1,025	\$788	\$0	@60% (Section 8)	No	3	50.0%	no
4	2	Garden (2 stories)	9	1,095	\$785	\$0	@50% (Section 8)	No	3	33.3%	no
4	2	Garden (2 stories)	3	1,095	\$919	\$0	@60% (Section 8)	No	3	100.0%	no



Amenities			
<b>In-Unit</b>	Blinds Carpet/Hardwood Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Walk-In Closet	<b>Security</b>	In-Unit Alarm Limited Access Patrol Perimeter Fencing Video Surveillance
<b>Property</b>	Parking spaces: 130 Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground	<b>Premium</b>	none
<b>Services</b>	none	<b>Other</b>	none
Comments			
The Subject is an existing Section 8 property, which is applying for LIHTC funding in 2015. Current contract rents effective August 1, 2014 are \$502, \$552, \$663, \$788, and \$919 for studio, one, two, three, and four-bedroom units, respectively. The contact stated that the property maintains a waiting list of 125 households for one and two-bedroom units. One of the vacant two-bedroom units is offline.			

**Scope of Renovations:**

Renovations are expected to be completed by January 2017. Total construction hard cost including builder profit, overhead, and contingency is estimated to be \$9,349,027, or \$97,386 per unit. The renovations will be significant and will include the construction of a new community building with video surveillance, fitness center, computer lab, and central laundry facilities, playground, dumpster areas, mailboxes, signage, picnic area with gazebo, and perimeter fencing, asphalt and sidewalk repair, landscaping, replacement of electrical wiring, light fixtures, HVAC systems, plumbing and water heaters, kitchen and bathroom fixtures, carpeting and vinyl plank flooring, appliances (refrigerator, range, microwave, dishwasher, and garbage disposal), kitchen and bathroom cabinets, countertops, blinds, smoke detectors and fire extinguishers, windows, doors, roofing, stairways and handrails, wall and roof insulation, siding, drywall and ceilings, brick and concrete repair, and interior unit painting. Attic spaces will be added to each building, and ceiling fans will be added in each master bedroom. In addition, five units will be converted to UFAS compliant units, and two units will be designed for audio/visually impaired tenants.

- Current Rents:** Based on a rent roll received March 31, 2015, the current rents at the Subject are based on 30 percent of resident incomes, as the Subject operates as a Section 8 development. Current tenant-paid rents range from \$25 to \$435. Current contract rents are \$502, \$552, \$663, \$788, and \$919 for studio, one, two, three, and four-bedrooms, respectively.
- Current Occupancy:** The Subject is currently 91.7 percent occupied. The unit mix includes 10 studio units, 14 one-bedroom units, 34 two-bedroom units, 26 three-bedroom units, and 12 four-bedroom units. The units currently vacant are one, two, three, and four-bedroom units. However, a waiting list of 125 households is maintained for one and two-bedroom units, which will be utilized to fill vacancies post-renovation. One vacant two-bedroom unit requires significant repairs before it is habitable again. The Subject has historically operated at more than 93 percent occupancy, indicating relatively high demand for the existing low-income housing.
- Current Tenant Income:** Most of the current tenants at the Subject have household incomes that are too low to income-qualify for the Subject without Section 8 subsidies. None of the current residents have incomes higher than \$17,408.
- Placed in Service Date:** The renovation of the Subject is expected to be completed by January 2017.
- Conclusion:** Following renovations, the Subject will continue to offer 96 garden-style units in six residential buildings. The Subject will be of good quality following renovations and will be comparable to most of the inventory in the Fort Valley area. The renovations will be substantial and are expected to total approximately \$77,857 per unit. Based on our inspection of the Subject ground and units, the Subject does not suffer from significant deferred maintenance, functional obsolescence, or physical obsolescence.

## **C. SITE EVALUATION**

**SITE EVALUATION**

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

Ed Mitchell visited the site on April 15, 2015.

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

The following illustrates the physical features of the site.

*Frontage:*

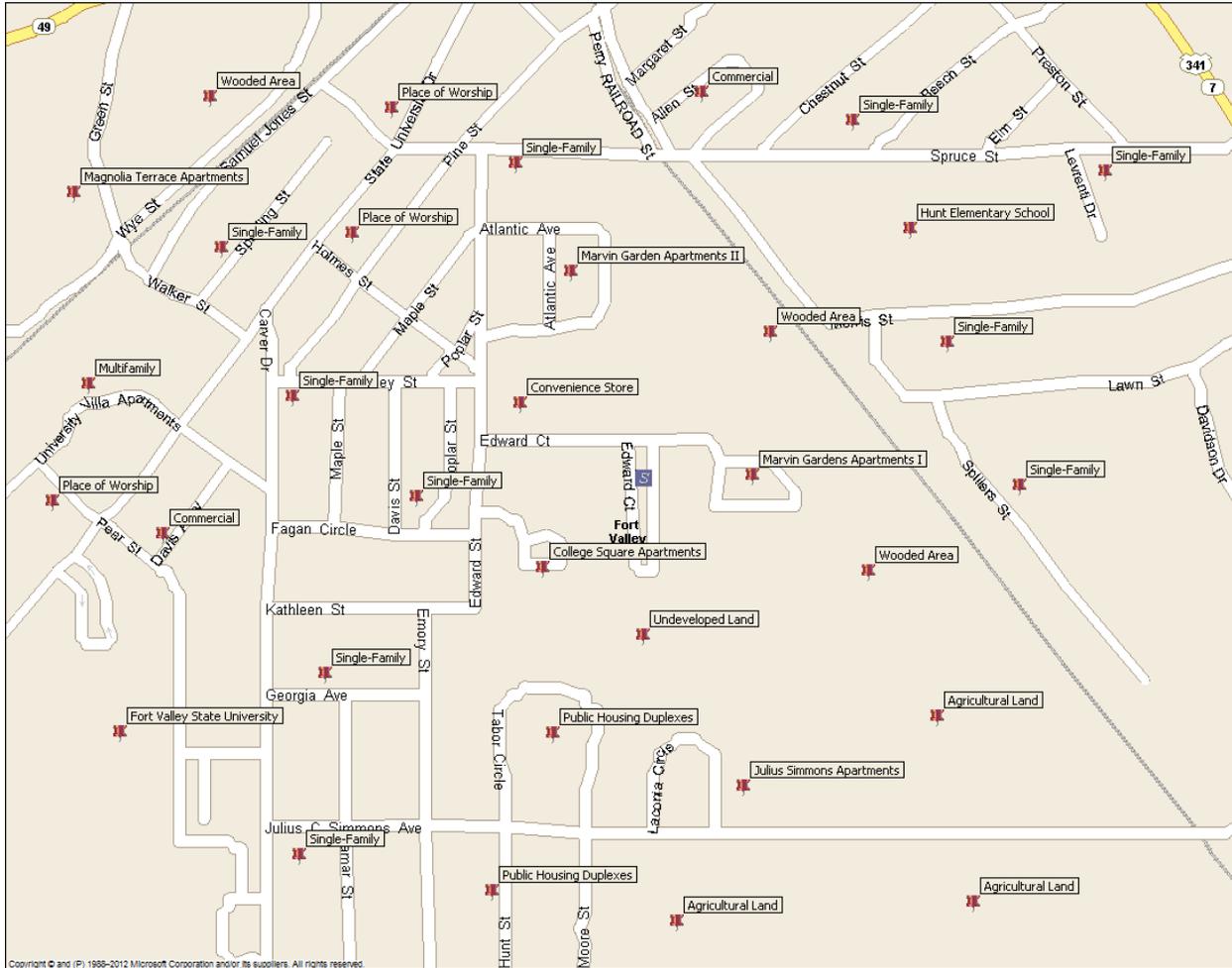
The Subject site has frontage along the south side of Edward Court and the east side of Laura Lane.

*Visibility/Views:*

The Subject has good visibility from Edward Street, Edward Court, Laura Lane, and Doles Road. Views from the Subject site are of multifamily developments, vacant land, a convenience store, and single-family homes. Overall, views are considered average.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.

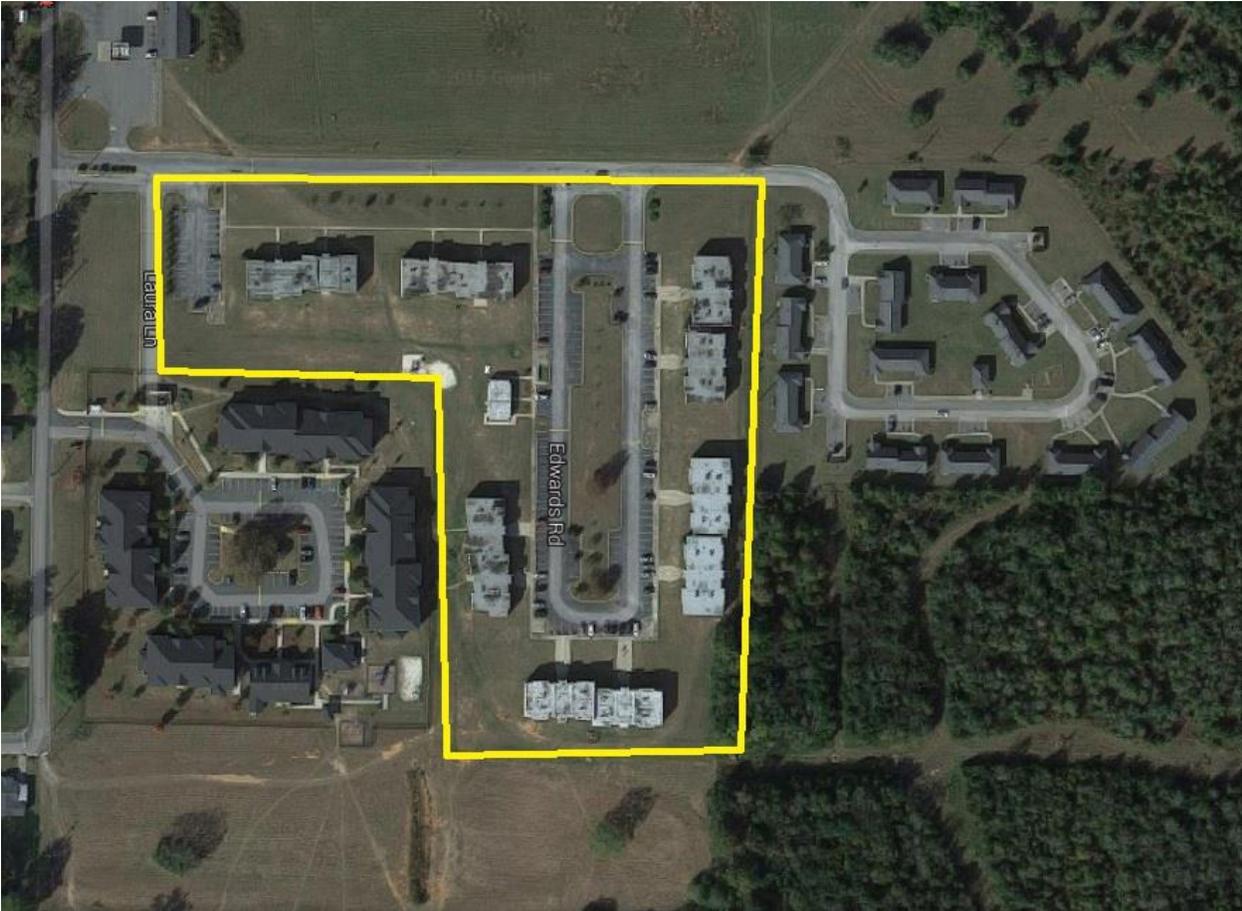


Surrounding uses consist of multifamily developments, single-family homes, agricultural and undeveloped land, places of worship, and scattered commercial/retail uses. The multifamily developments in the Subject neighborhood appear to be in average condition. The Subject site is located in southern Fort Valley. There are a limited number of commercial/retail uses in the Subject's neighborhood with the majority located along major arterials such as State University Drive, 0.3 miles west of the Subject. The Subject site is considered "car dependent" by Walkscore.com with a rating of 26. The Subject site is considered a desirable location for family rental housing. The site has reasonable proximity to 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 average to good condition, are considered positive attributes. The Subject is located less than 300 yards west of active railroad tracks. However, despite the Subject's location to the tracks, we do not believe it will be a detriment to its marketability as the Subject has a historical vacancy of 3.9 to 6.4 percent from 2012 through 2014. Management at the Subject stated that the railroad tracks are not a detriment.

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

The Subject is located within 2.0 miles of most locational amenities, with the exception of the Fort Valley Middle School, which is within less than 3.0 miles from the Subject. An aerial photograph of the Subject is on the following page.



4. Pictures of Site and Adjacent Uses:



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View south along Edward Street



View north along Edward Street



Leasing office



Manager's office



Typical parking



Playground and green space



Typical bedroom



Typical bedroom



Typical bathroom



Typical bathroom



Typical kitchen



Typical kitchen



Typical living room



Typical living room



Breezeway



Old leasing office building to be razed



Gas station in the Subject's neighborhood



Family Dollar in the Subject's neighborhood



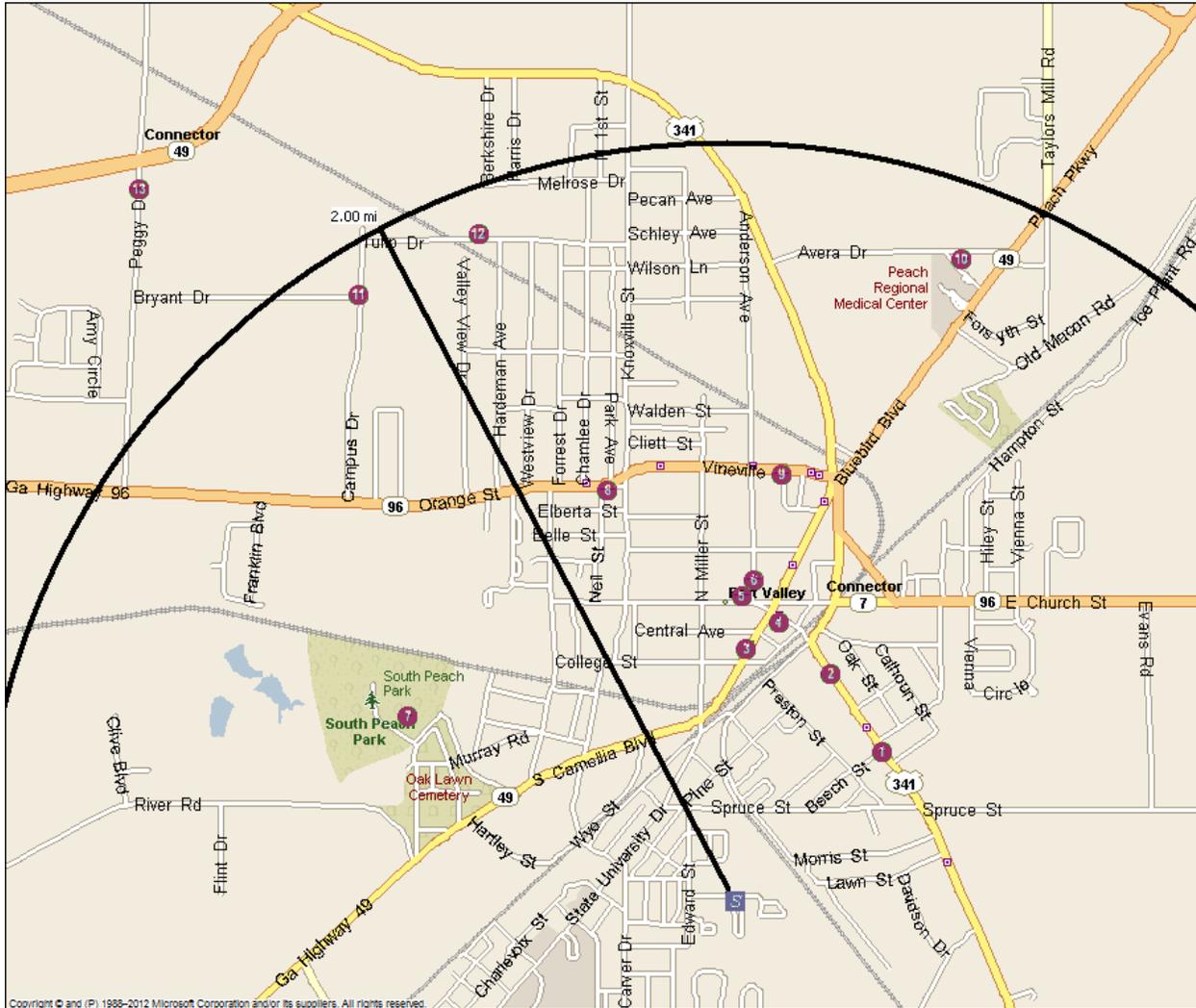
Typical retail/commercial



Typical single-family home

**5. Proximity to Locational Amenities:**

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



LOCALATIONAL AMENITIES		
Map #	Amenity or Service	Distance
1	R&R Quick Stop	0.6 miles
2	Thomas Public Library	0.7 miles
3	Sunmark Community Bank	0.7 miles
4	Garrett's Pharmacy	0.8 miles
5	Fort Valley Police Department	0.9 miles
6	Post Office	0.9 miles
7	South Peach Park	1.0 mile
8	Family Dollar	1.2 miles
9	Harvey's Supermarket	1.2 miles
10	Peach Regional Medical Center	1.9 miles
11	Peach County High School	1.9 miles
12	Hunt Elementary School	1.9 miles
13	Fort Valley Middle School	2.5 miles

**6. Description of Land Uses:**

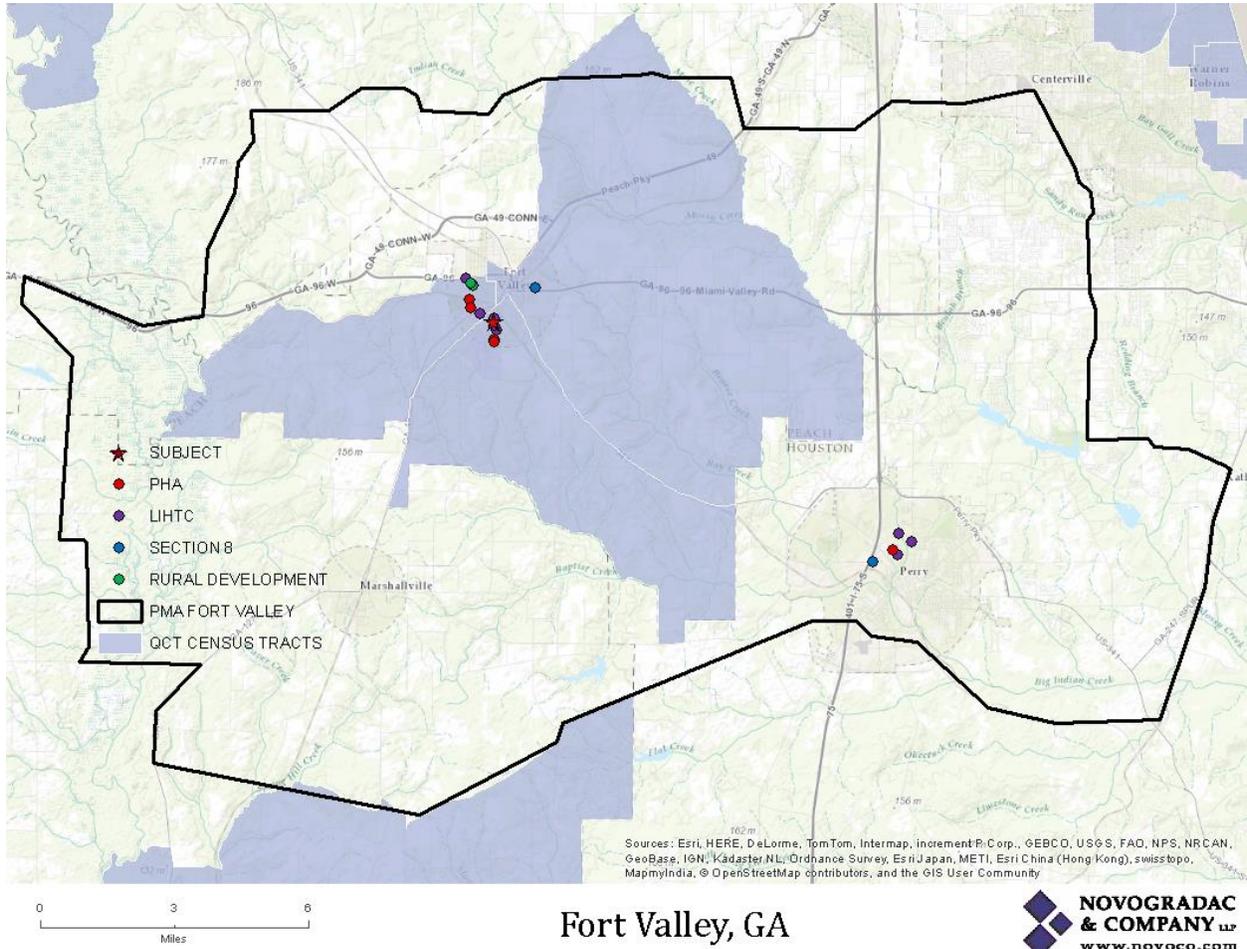
The Subject site is bounded by Edward Court to the north and Laura Lane to the west. Surrounding uses predominantly consist of undeveloped land and multifamily properties. To the immediate north is undeveloped land. To the immediate east is Marvin Gardens I, a LIHTC property utilized as a comparable. To the immediate south and southeast is undeveloped land, followed by agricultural land. To the immediate west and southwest is College Square, a Section 8 multifamily property. Further southwest is a public housing development and the Fort Valley Housing Authority.

Northwest of the Subject is a convenience store, and further west are single-family homes. Overall, the Subject's immediate neighborhood is dominated by residential uses. The Subject is located in the southern portion of Fort Valley. There are a limited number of commercial/retail uses in the Subject's neighborhood with the majority located along major arterials such as State University Drive, 0.3 miles west of the Subject. Commercial occupancy in the Subject's neighborhood appeared to be 90 percent. The Subject site is considered "car dependent" by Walkscore.com with a rating of 26.

Overall, the Subject has a desirable location for multifamily housing. The Subject site is considered a desirable location for family rental housing. The uses surrounding the Subject are in average condition and the site has reasonable proximity to locational amenities.

**7. Existing Assisted Rental Housing Property Map:**

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



Fort Valley, GA



RENT ASSISTED PROPERTIES IN PMA							
Property Name	Address	Zip Code	Rent Structure	Tenancy	Map Color	Included/ Excluded	Reason for Exclusion
College Square Apartments	1207 Edwards St	31030	LIHTC/Section 8	Family	Blue	Excluded	Subsidized
Indian Oaks Apartments	1103 E Church St	31030	Section 8	Elderly	Blue	Excluded	Subsidized/Age-Restricted
Smith Heights Apartments	615A Smith Dr	31069	Section 8	Family	Blue	Excluded	Subsidized
Valley Pines III & IV	103 Brooks Blvd	31030	USDA Rural Dev.	Family	Green	Excluded	Subsidized
Westside Villas	108 Brooks Blvd	31030	USDA Rural Dev.	Family	Green	Excluded	Subsidized
Windsor Court	1201 Orange St	31030	LIHTC	Elderly	Purple	Excluded	Age-Restricted
Gatwick Senior Village	901 Perimeter Rd	31069	LIHTC	Elderly	Purple	Excluded	Age-Restricted
Cameron Court I & II	1807 Macon Rd	31069	LIHTC	Elderly	Purple	Excluded	Age-Restricted
Ashton Landing	1701 Macon Rd	31069	LIHTC	Family	Purple	Included	N/A
Magnolia Terrace I	714 Green St	31030	LIHTC/Market	Family	Purple	Included	N/A
Magnolia Terrace II	718 Green St	31030	LIHTC/Market	Family	Purple	Included	N/A
Marvin Gardens I	301 Edward Ct	31030	LIHTC	Family	Purple	Included	N/A
Marvin Gardens II	101 Atlantic Ave	31030	LIHTC	Family	Purple	Included	N/A
Fort Valley Housing Authority	312-512 Warwick Ave	31030	PHA	Family	Red	Excluded	Subsidized
Fort Valley Housing Authority	713-802 Murray Rd	31030	PHA	Family	Red	Excluded	Subsidized
Fort Valley Housing Authority	101-153 Tabor Circle	31030	PHA	Family	Red	Excluded	Subsidized
Fort Valley Housing Authority	202-223 Hunt Street	31030	PHA	Family	Red	Excluded	Subsidized
Perry Housing Authority	822 Perimeter Rd	31069	PHA	Family	Red	Excluded	Subsidized

**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 is accessible via the south side of Edward Court, an east/west neighborhood street that connects to Edward Street approximately 100 yards west of the Subject. Edward Street is a lightly trafficked north/south neighborhood road that intersects Spruce Street to the north, a main east/west neighborhood thoroughfare. Spruce Street provides access to Highway 341 approximately 0.6 miles to the northeast of the Subject. Visibility of the site is considered excellent from Edward Court.

**10. Environmental Concerns:**

None visible upon site inspection. However, we are not experts within this field and cannot further opine. We assume that any environmental issues will be remediated as part of the rehabilitation process.

**11. Conclusion:**

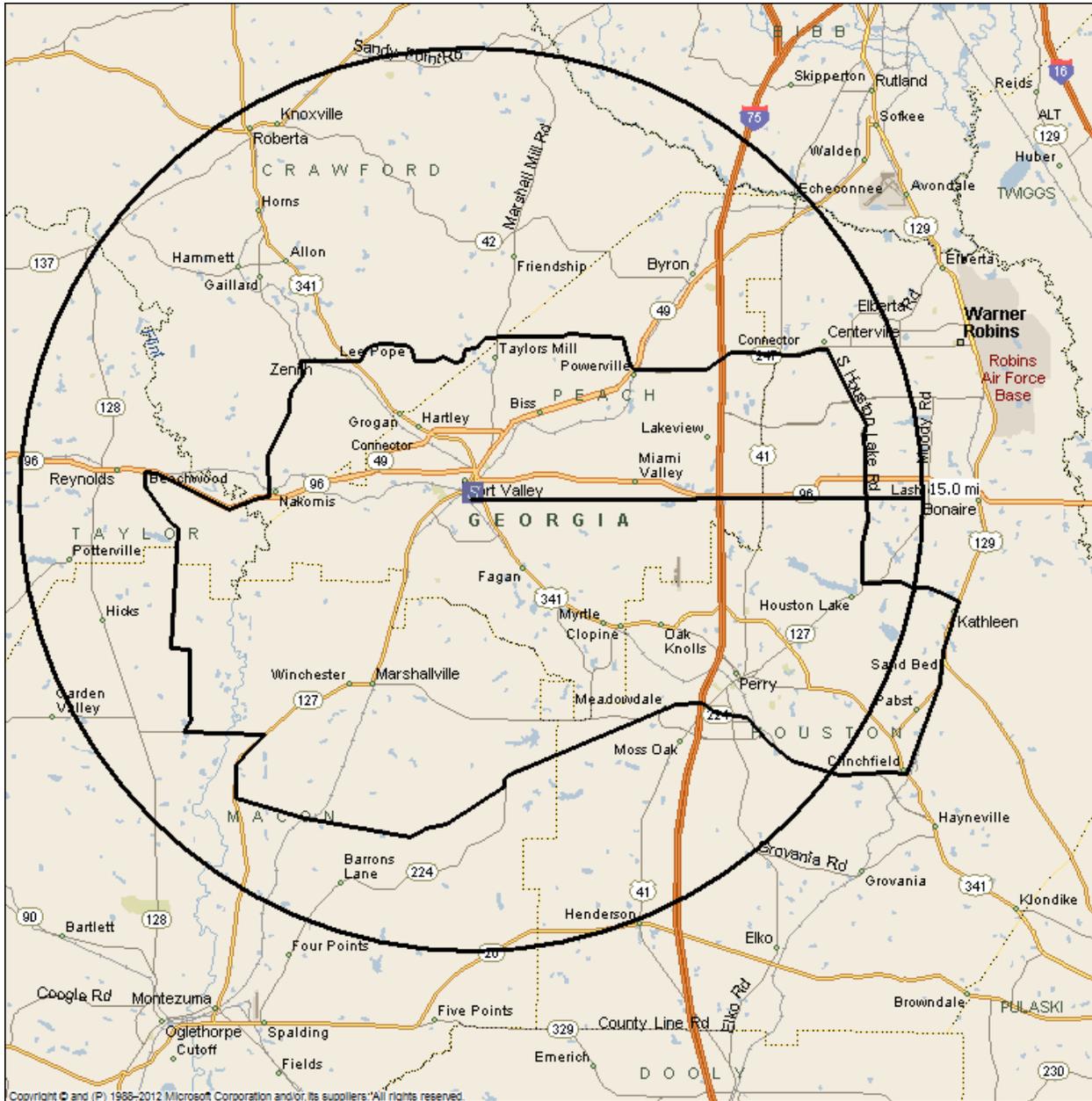
The Subject site is bounded by Edward Court to the north and Laura Lane to the west. Surrounding uses predominantly consist of undeveloped land and multifamily properties. To the immediate north is undeveloped land. To the immediate east is Marvin Gardens I, a LIHTC property utilized as a comparable. To the immediate south and southeast is undeveloped land, followed by agricultural land. To the immediate west and southwest is College Square, a Section 8 multifamily property. Further southwest is a public housing development and the Fort Valley Housing Authority. Northwest of the Subject is a convenience store, and further west are single-family homes. Overall, the Subject's immediate neighborhood is dominated by residential uses. The Subject is located in the southern portion of Fort Valley. There are a limited number of commercial/retail uses in the Subject's neighborhood with the majority located along major arterials such as State University Drive, 0.3 miles west of the Subject. Overall, the Subject has a desirable location for multifamily housing. The Subject site is considered "car dependent" by [www.walkscore.com](http://www.walkscore.com) with a rating of 26. The Subject site is considered a desirable location for family rental housing. The uses surrounding the Subject are in average condition and the site has reasonable proximity to locational amenities.

## **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 Warner Robins, Georgia MSA are areas of growth or contraction.

The boundaries of the PMA are as follows:

North – East Houze Road, Wesley Chapel Road

East – Georgia Highway 247 Spur

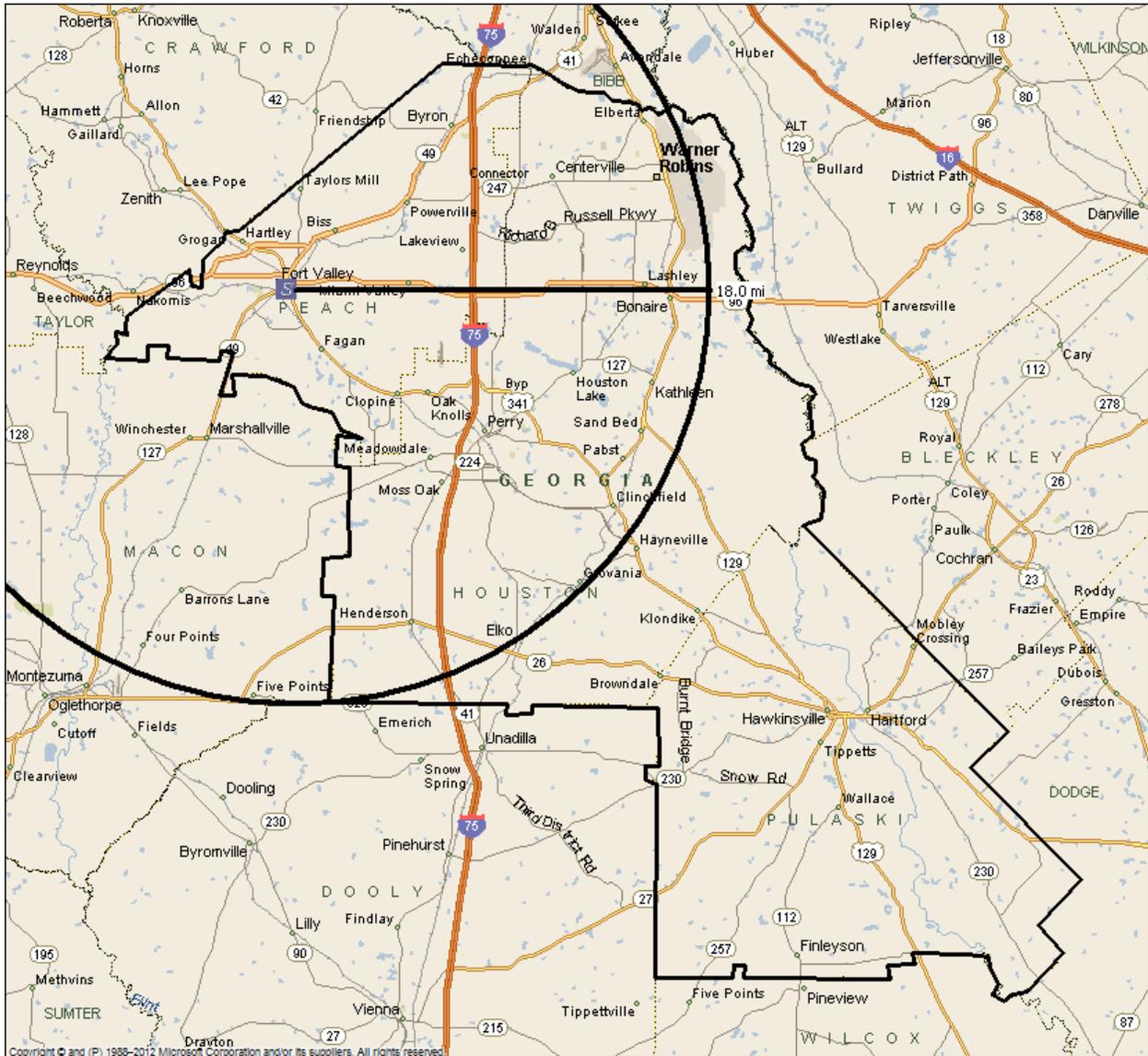
South – Golden Isles Parkway, Larry Walker Parkway, Georgia Highway 224, County Road 30

West- Georgia Highway 49 North, Glen John B Gordon Road, Cummings Road

As the county seat of a semi-rural area, it is reasonable to assume that Fort Valley will attract tenants from beyond its city limits. Correspondingly, the primary market area generally consists of the central and southern portion of Peach County, northwestern Houston County, and northeastern Macon County and was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager, as well as based on our knowledge of the area. We have estimated that approximately 15 percent of the Subject's tenants originate from outside these boundaries. 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 17 miles.

For comparison purposes, the secondary market area (SMA) for the Subject is considered to be the Warner Robins, GA MSA, which includes Pulaski, Houston, and Peach Counties. Following is a map of the SMA.

SMA Map



## **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>Warner Robins, 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	46,639	-	144,016	-	281,421,906	-
2010	67,409	4.5%	179,605	2.5%	308,745,538	1.0%
2015	70,209	1.0%	186,151	0.9%	314,467,933	0.4%
Market Entry	72,189	1.1%	191,065	1.1%	320,155,854	0.7%
2019	74,169	1.1%	195,978	1.1%	325,843,774	0.7%

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

<b>POPULATION BY AGE GROUP</b>					
<b>PMA</b>					
<b>Age Cohort</b>	<b>2000</b>	<b>2010</b>	<b>2015</b>	<b>Projected Mkt Entry January 2017</b>	<b>2019</b>
0-4	3,188	4,571	4,549	4,711	4,872
5-9	3,630	4,819	4,722	4,762	4,802
10-14	3,769	4,967	4,890	4,923	4,955
15-19	4,012	6,143	5,742	5,745	5,748
20-24	3,690	5,131	5,437	5,193	4,949
25-29	2,972	4,598	5,040	5,241	5,442
30-34	3,106	4,234	4,983	5,339	5,695
35-39	4,034	4,478	4,325	4,912	5,499
40-44	3,905	4,690	4,604	4,505	4,405
45-49	3,377	5,421	4,727	4,597	4,467
50-54	2,928	4,703	5,253	4,887	4,520
55-59	2,013	3,784	4,483	4,741	4,999
60-64	1,638	3,174	3,580	3,927	4,274
65-69	1,382	2,222	2,868	3,117	3,366
70-74	1,069	1,673	1,921	2,243	2,565
75-79	865	1,239	1,359	1,500	1,640
80-84	567	840	913	978	1,042
85+	493	722	813	872	930
<b>Total</b>	<b>46,638</b>	<b>67,409</b>	<b>70,209</b>	<b>72,190</b>	<b>74,170</b>

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

<b>NUMBER OF ELDERLY AND NON-ELDERLY</b>						
<b>Year</b>	<b>PMA</b>			<b>Warner Robins, GA MSA</b>		
	<i>Total Population</i>	<i>Non-Elderly</i>	<i>Elderly (65+)</i>	<i>Total Population</i>	<i>Non-Elderly</i>	<i>Elderly (65+)</i>
2000	46,638	42,262	4,376	144,021	130,123	13,898
2010	67,409	60,713	6,696	179,605	159,988	19,617
2015	70,209	62,335	7,874	186,151	163,484	22,667
Market Entry	72,190	63,481	8,709	191,065	166,166	24,899
2019	74,170	64,627	9,543	195,978	168,847	27,131

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

Overall population growth in the PMA was higher than the MSA and the nation from 2000 to 2010. Total population in the PMA is projected to increase at a 1.1 percent annual rate from 2015 to 2019, a growth rate similar to that of the MSA but above the nation as a whole during the same time period. The largest age cohort in the PMA is between the ages of 15 and 19, at 8.2 percent of the population, which is expected to remain the largest age cohort through 2019. In 2015, 49 percent of the PMA’s population is between the ages of 20 and 54, which is the main age range of most tenants at the Subject currently. The projected PMA population growth is expected to outpace the national population growth and will be similar to population growth expected in the MSA through 2019.

## 2. Household Trends

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

<b>TOTAL NUMBER OF HOUSEHOLDS</b>						
<b>Year</b>	<b>PMA</b>		<b>Warner Robins, 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	16,667	-	53,048	-	105,991,193	-
2010	24,444	4.7%	67,484	2.7%	116,716,292	1.0%
2015	25,685	1.2%	70,397	1.0%	118,979,182	0.5%
Market Entry	26,483	1.2%	72,393	1.1%	121,222,039	0.8%
2019	27,281	1.2%	74,389	1.1%	123,464,895	0.8%

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

<b>AVERAGE HOUSEHOLD SIZE</b>						
<b>Year</b>	<b>PMA</b>		<b>Warner Robins, GA MSA</b>		<b>USA</b>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.71	-	2.63	-	2.58	-
2010	2.64	-0.3%	2.59	-0.2%	2.58	0.0%
2015	2.62	-0.2%	2.57	-0.1%	2.58	0.0%
Market Entry	2.62	-0.1%	2.57	0.0%	2.57	0.0%
2019	2.61	-0.1%	2.57	0.0%	2.57	0.0%

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

As the previous table illustrates, the PMA was an area with an increasing number of households from 2000 through 2015, a trend that is expected to continue through 2019. The number of

households in the PMA is expected to grow at a slightly faster pace than the MSA and the nation as a whole. The increasing number of households in the PMA bodes well for the Subject’s potential as a family project.

The average household size in the PMA, at 2.62, is slightly larger than the average household sizes in the MSA and nation. The Subject offers studio, one, two, three, and four-bedroom units targeted to singles, couples, and families. The average household size in the PMA is appropriate for the Subject’s unit mix.

**2b. Households by Tenure**

The tables below depict household growth by tenure from 2000 through 2019.

<b>TENURE PATTERNS PMA – NON ELDERLY POPULATION</b>				
<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2010	13,825	67.4%	6,684	32.6%
2015	13,305	63.8%	7,547	36.2%
Projected Market Entry	13,464	63.6%	7,706	36.4%
2019	13,622	63.4%	7,864	36.6%

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

<b>TENURE PATTERNS MSA – NON ELDERLY POPULATION</b>				
<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2010	34,893	63.2%	20,296	36.8%
2015	33,549	59.5%	22,860	40.5%
Projected Market Entry	33,791	59.1%	23,344	40.9%
2019	34,034	58.8%	23,828	41.2%

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

The share of renter households in the PMA is below the share of owner households, similar to the MSA. The percentage of renter-occupied housing is above the national average of approximately 32 percent in both the PMA and MSA. The percentage of renter-occupied units in the PMA is expected to increase slightly through 2019.

**2c. Households by Income**

The following table depicts household income in 2010, 2015, market entry, and 2019 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA								
Income Cohort	2010		2015		Projected Mkt Entry		2019	
	#	%	#	%	#	%	#	%
\$0-9,999	1,792	7.3%	2,019	7.9%	2,004	7.6%	1,989	7.3%
\$10,000-19,999	2,370	9.7%	2,529	9.8%	2,493	9.4%	2,457	9.0%
\$20,000-29,999	2,125	8.7%	2,433	9.5%	2,410	9.1%	2,387	8.7%
\$30,000-39,999	2,500	10.2%	2,615	10.2%	2,600	9.8%	2,586	9.5%
\$40,000-49,999	1,952	8.0%	1,911	7.4%	1,982	7.5%	2,053	7.5%
\$50,000-59,999	1,894	7.7%	1,847	7.2%	1,869	7.1%	1,890	6.9%
\$60,000-74,999	2,898	11.9%	3,523	13.7%	3,406	12.9%	3,289	12.1%
\$75,000-99,999	3,822	15.6%	3,783	14.7%	3,993	15.1%	4,204	15.4%
\$100,000-124,999	2,428	9.9%	2,670	10.4%	2,926	11.0%	3,183	11.7%
\$125,000-149,999	1,037	4.2%	903	3.5%	1,127	4.3%	1,351	5.0%
\$150,000-199,999	1,086	4.4%	951	3.7%	1,032	3.9%	1,112	4.1%
\$200,000+	539	2.2%	502	2.0%	641	2.4%	781	2.9%
<b>Total</b>	<b>24,444</b>	<b>100.0%</b>	<b>25,685</b>	<b>100.0%</b>	<b>26,483</b>	<b>100.0%</b>	<b>27,281</b>	<b>100.0%</b>

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

Households earning under \$40,000 in the PMA comprise 37.4 percent of all income cohorts. The Subject will target households earning up to \$37,680 under the LIHTC program and households with incomes as low as \$0 with Section 8 subsidies; therefore, the Subject is well positioned to continue to service this market. It should be noted that the area four-person median income (AMI) in Peach County, GA has declined from \$59,600 in 2012 to \$54,100 in 2015. The decline of approximately 9.2 percent is due to AMI being based on five years of historical ACS survey data, which currently includes the final year of the recent national recession.

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

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA										
	2000		2010		2015		Projected Mkt Entry January 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,255	27.1%	2,387	32.1%	2,789	32.7%	2,897	33.0%	3,005	33.2%
With 2 Persons	1,323	28.6%	1,955	26.3%	2,208	25.9%	2,261	25.7%	2,314	25.6%
With 3 Persons	836	18.1%	1,353	18.2%	1,546	18.1%	1,589	18.1%	1,632	18.1%
With 4 Persons	704	15.2%	996	13.4%	1,119	13.1%	1,146	13.0%	1,172	13.0%
With 5+ Persons	512	11.1%	754	10.1%	865	10.1%	891	10.1%	918	10.2%
<b>Total Renter</b>	<b>4,631</b>	<b>100.0%</b>	<b>7,445</b>	<b>100.0%</b>	<b>8,527</b>	<b>100.0%</b>	<b>8,784</b>	<b>100.0%</b>	<b>9,041</b>	<b>100.0%</b>

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

The household size with the largest percentage of households is one person households, followed by two person households. The Subject will contain studio, one, two, three, and four-bedroom floor plans, so this large percentage bodes well for the proposed Subject.

**Conclusion**

Total population in the PMA is projected to increase at a 1.1 percent annual rate from 2015 to 2019, a growth rate similar to that of the MSA, but is expected to outpace the national population growth during the same time period. The share of renter-occupied units in the PMA is slightly

lower than in the MSA. It should be noted that the percentage of renter-occupied units in the PMA is expected to increase slightly through 2019.

Households earning under \$40,000 in the PMA comprise 37.4 percent of all income cohorts. The Subject will target households earning up to \$37,680 under the LIHTC program and households with incomes as low as \$0 with Section 8 subsidies; therefore, the Subject is well positioned to continue to service this market. Overall, the demographic data points to a growing population with several households within the income band that the Subject would target under the LIHTC program, without consideration of the project-based Section 8 subsidy.

## **F. EMPLOYMENT TRENDS**

**EMPLOYMENT TRENDS**

The Warner Robins, GA MSA is comprised of Pulaski, Houston, and Peach Counties. Fort Valley is the county seat of Peach County and is located approximately 170 miles inland from the Atlantic Ocean and 95 miles south of Atlanta in central Georgia. The city is home to the headquarters of Blue Bird Corporation, a large manufacturer of school buses. Additionally, Fort Valley is Georgia’s largest peach producing area and the third largest nationally in acreage and production. According to the City of Fort Valley, there are two major peach packing companies in Fort Valley, Lane Southern Orchards and Pearson Farm. Fort Valley also has good access to major interstates, including U.S. Route 341, which connects to Interstate 75 approximately 11 miles southeast of Fort Valley in Perry, GA. Interstate 75 provides access to Atlanta to the north and Tampa, FL to the south.

**1. Total Jobs**

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

<b>TOTAL JOBS – PEACH COUNTY, GA</b>		
<b>Year</b>	<b>Total Employment</b>	<b>% Change</b>
2004	10,440	-
2005	10,591	1.4%
2006	10,842	2.3%
2007	10,909	0.6%
2008	11,313	3.6%
2009	11,063	-2.3%
2010	10,612	-4.2%
2011	10,918	2.8%
2012	10,878	-0.4%
2013	10,974	0.9%
2014 YTD Average*	10,987	0.1%
Dec-13	10,786	-
Dec-14	11,122	3.0%

Source: U.S. Bureau of Labor Statistics

\*YTD as of December 2014

As illustrated in the table above, Peach County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2009 with its first employment decrease of the decade. Peach County employment increased in 2011, as well as 2013 and through year-to-date 2014. Between December 2013 and 2014, total covered employment increased 3.0 percent, indicating a growing economy.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Peach County as of March 2014, the most recent data available.

<b>COVERED EMPLOYMENT</b>		
<b>Peach County, Georgia</b>		
	<b>Number</b>	<b>Percent</b>
<b>Total, all industries</b>	<b>6,853</b>	-
<b>Goods-producing</b>	<b>2,884</b>	-
Natural resources and mining	<b>354</b>	5.2%
Construction	<b>321</b>	4.7%
Manufacturing	<b>2,209</b>	32.2%
<b>Service-providing</b>	<b>3,969</b>	-
Trade, transportation, and utilities	<b>1,515</b>	22.1%
Information	<b>19</b>	0.3%
Financial activities	<b>163</b>	2.4%
Professional and business services	<b>509</b>	7.4%
Education and health services	<b>757</b>	11.0%
Leisure and hospitality	<b>855</b>	12.5%
Other services	<b>138</b>	2.0%
Unclassified	<b>13</b>	0.2%

Source: Bureau of Labor Statistics, 2015

Manufacturing and trade, transportation, and utilities represent the largest percentages of total employment in Peach County. These industries are somewhat vulnerable in economic downturns and are historically volatile industries, with the exception of utilities. Other significant employment sectors include education and health services, as well as leisure and hospitality.

<b>EMPLOYMENT BY INDUSTRY</b>				
<b>Industry</b>	<b>PMA</b>		<b>USA</b>	
	<b>Number Employed</b>	<b>Percent Employed</b>	<b>Number Employed</b>	<b>Percent Employed</b>
Public Administration	4,690	16.6%	6,713,073	4.7%
Educational Services	3,606	12.8%	12,979,314	9.1%
Health Care/Social Assistance	3,320	11.8%	20,080,547	14.0%
Retail Trade	2,907	10.3%	16,592,605	11.6%
Accommodation/Food Services	2,316	8.2%	10,849,114	7.6%
Manufacturing	2,201	7.8%	15,162,651	10.6%
Construction	1,648	5.8%	8,291,595	5.8%
Other Services (excl Publ Adm)	1,411	5.0%	7,850,739	5.5%
Prof/Scientific/Tech Services	1,221	4.3%	9,808,289	6.8%
Finance/Insurance	1,014	3.6%	6,884,133	4.8%
Transportation/Warehousing	881	3.1%	5,898,791	4.1%
Admin/Support/Waste Mgmt Svcs	714	2.5%	6,316,579	4.4%
Wholesale Trade	654	2.3%	3,628,118	2.5%
Real Estate/Rental/Leasing	526	1.9%	2,627,562	1.8%
Agric/Forestry/Fishing/Hunting	351	1.2%	1,800,354	1.3%
Arts/Entertainment/Recreation	316	1.1%	3,151,821	2.2%
Information	287	1.0%	2,577,845	1.8%
Utilities	135	0.5%	1,107,105	0.8%
Mining	27	0.1%	868,282	0.6%
Mgmt of Companies/Enterprises	0	0.0%	97,762	0.1%
<b>Total Employment</b>	<b>28,225</b>	<b>100.0%</b>	<b>143,286,279</b>	<b>100.0%</b>

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

The PMA's leading industries include public administration, educational services, health care/social assistance, and retail trade. Together, these four industries make up 51.5 percent of total employment in the PMA. The PMA is overly represented in sectors such as public administration and educational services, and underrepresented in the healthcare/social assistance, manufacturing, and professional/scientific/technological services sectors compared to the nation as a whole. The three largest employment sectors in the PMA are traditionally more stable employment sectors. However, other significant employment sectors include accommodation/food services, retail trade, and manufacturing, which have historically proven susceptible to job losses in times of economic recession. Overall, the mix of industries in the local economy indicates a relatively diversified work force that is somewhat susceptible to cyclical employment shifts.

### 3. Major Employers

The following table is a list of the top employers in Peach County, Georgia. Note that employment numbers were not available, and major employers have been listed alphabetically.

<b>MAJOR EMPLOYERS - PEACH COUNTY, GA</b>	
<b>Employer</b>	<b>Industry</b>
Advance Stores Co, Inc.	Wholesale/Retail Automotive Parts
Blue Bird Corporation	School Bus Manufacturing/Headquarters
Fort Valley State University	Higher Education
Lane Packing, LLC	Peach & Pecan Orchard/Packaging
Peach County Association for the Mentally Retarded, Inc.	Non-Profit Organization
Sodexo USA	Food Services/Management
Spherion Staffing, LLC	Staffing/Recruiting
The Medical Center of Peach County	Healthcare
The Wire Shop, Inc.	Wire/Cable Manufacturing
U Save It Pharmacy, Inc.	Pharmacy

Source: Georgia Labor Market Explorer, Georgia Dept. of Labor, May 2015

As indicated in the table above, the major employers in Peach County are varied and represent a wide range of industries. The largest public sector employer in Peach County is Blue Bird Corporation, according to the city of Fort Valley and the Peach Regional Chamber of Commerce.

The peach industry plays a major role in the Fort Valley area. According to the City of Fort Valley website, “Fort Valley has a rich and storied history as the Peach Capitol of the World and though the Georgia peach industry is not as large as it once was, Fort Valley remains the Peach State's largest peach producing area. At one point in its history, there were as many as 50 peach packing houses in and around Fort Valley and ‘working in peaches’ was a rite of passage for young Fort Valleyans. The packing sheds provided thousands of jobs and most of the baby boomers worked in the fields and packing houses in the '60s as the city virtually hummed with activity from early morning to late at night. Today Fort Valley is home to two very sophisticated packing houses, Lane Southern Orchards and Pearson Farm, and those two facilities pack nearly as many peaches as the 50 packing houses did years ago. The Lane facility is one of the most modern and efficient packing houses in the world and has the capacity to pack and ship one million 25-pound cartons of peaches each season.” Each year, the Peach Festival draws more than 25,000 visitors to Fort Valley. In addition to peaches, Peach County ranks fifth in the nation for the production of pecans, which are also produced by the peach packing houses.

It is also important to mention that Warner Robins is home to Robins Air Force Base, located approximately 22 miles east of Fort Valley. Robins Air Force Base is one of three Air Force Air Logistics Centers and is a worldwide manager of various aircrafts, machinery, missiles, and aviation components. The base is the largest single industrial complex in Georgia covering more than 6,900 acres with more than 23,000 civilian employees. According to GeorgiaEncyclopedia.com, “Robins AFB has the largest runway in Georgia and is capable of accommodating the world's largest aircraft, including the C-5B and NASA's space shuttle piggybacked on a Boeing 747. The replacement value of the base is \$5.7 billion. In the 1990s, Robins AFB awarded between \$2 billion and \$4 billion in annual contracts; between \$200 million and \$400 million of that went to Georgia businesses. Robins's total economic impact on middle Georgia was \$4.2 billion in 2005. All twenty-five middle Georgia counties have grown and experienced economic stability as a result of the presence of Robins Air Force Base.”

### Employment Expansion/Contractions

The following table illustrates business closures and layoffs within Peach County and Houston County (PMA) from 2012 to April 2015, according to the Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) filings. No filings during 2015 were reported.

WARN NOTICES - PMA				
Company	Jobs	Location	Industry	Date
MetoKote Corporation	30	Fort Valley	Manufacturing	10/6/2014
DynCorp International	293	Warner Robins	Military Contractor	3/25/2013
<b>Total</b>	<b>323</b>			

Source: Georgia Department of Economic Development, April 2015

As illustrated in the previous table, the PMA experienced two WARN filings from 2012 to 2015 for a total of 323 jobs affected.

### Peach County Chamber of Commerce

According to Ms. Barbara Davidson with the Peach Regional Chamber of Commerce and Kathie Lambert with the Downtown Development Authority of Fort Valley, 2014 and 2015 have been generally stable years in terms of job growth and expansions in the Fort Valley area. Within recent years, Fort Valley has experienced small business expansions and openings, specifically restaurants, fast food chains, and retail. In the last year, Five Points Pharmacy was constructed in central Fort Valley and opened in April 2015. Additionally, Verizon Wireless opened a new store in Fort Valley in 2015, and the Peach County Workforce Development Center will be opening in May 2015. The \$4.8 million job-training vocational school will enroll approximately 500 students. The facility is located in the South Peach Industrial Park and will offer GED programs, commercial driver's license courses, and adult education classes.

### Houston County Development Authority

We also spoke to Angie Gheesling with the Houston County Development Authority, as the PMA encompasses western Houston County including the cities of Perry and a portion of Warner Robins. According to Ms. Gheesling, within the past year, five existing companies have experienced expansions totaling approximately 380 new jobs and \$200 million in capital investment; these include EMICC, Anchor Glass, Frito Lay, Perdue Farms, and SunBelt. In addition, BioLife, a subsidiary of Baxter Pharmaceuticals, relocated to a larger facility, creating 80 new jobs and investing a total of \$7.7 million. These expansions should help the unemployment rate in the market continue to gradually decline.

#### 4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and nation from 2000 to December 2014.

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

Year	Warner Robins, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2000	66,243	-	3.7%	-	136,891,000	-	4.0%	-
2001	67,135	1.3%	3.7%	0.1%	136,933,000	0.0%	4.7%	0.7%
2002	68,916	2.7%	4.2%	0.4%	136,485,000	-0.3%	5.8%	1.1%
2003	71,558	3.8%	4.1%	-0.1%	137,736,000	0.9%	6.0%	0.2%
2004	72,385	1.2%	4.4%	0.3%	139,252,000	1.1%	5.5%	-0.5%
2005	74,296	2.6%	5.1%	0.7%	141,730,000	1.8%	5.1%	-0.4%
2006	78,512	5.7%	4.5%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	81,058	3.2%	4.1%	-0.4%	146,047,000	1.1%	4.6%	0.0%
2008	82,018	1.2%	5.5%	1.4%	145,362,000	-0.5%	5.8%	1.2%
2009	80,781	-1.5%	7.7%	2.2%	139,877,000	-3.8%	9.3%	3.5%
2010	79,393	-1.7%	8.8%	1.1%	139,064,000	-0.6%	9.6%	0.3%
2011	80,194	1.0%	8.8%	0.0%	139,869,000	0.6%	8.9%	-0.7%
2012	80,930	0.9%	8.3%	-0.5%	142,469,000	1.9%	8.1%	-0.8%
2013	79,556	-1.7%	7.8%	-0.4%	143,929,000	1.0%	7.4%	-0.7%
2014 YTD Average*	78,392	-1.5%	7.2%	-0.6%	146,305,333	1.7%	6.2%	-1.2%
Dec-2013	78,649	-	7.7%	-	144,423,000	-	6.5%	-
Dec-2014	78,436	-0.3%	6.3%	-1.4%	147,190,000	1.9%	5.4%	-1.1%

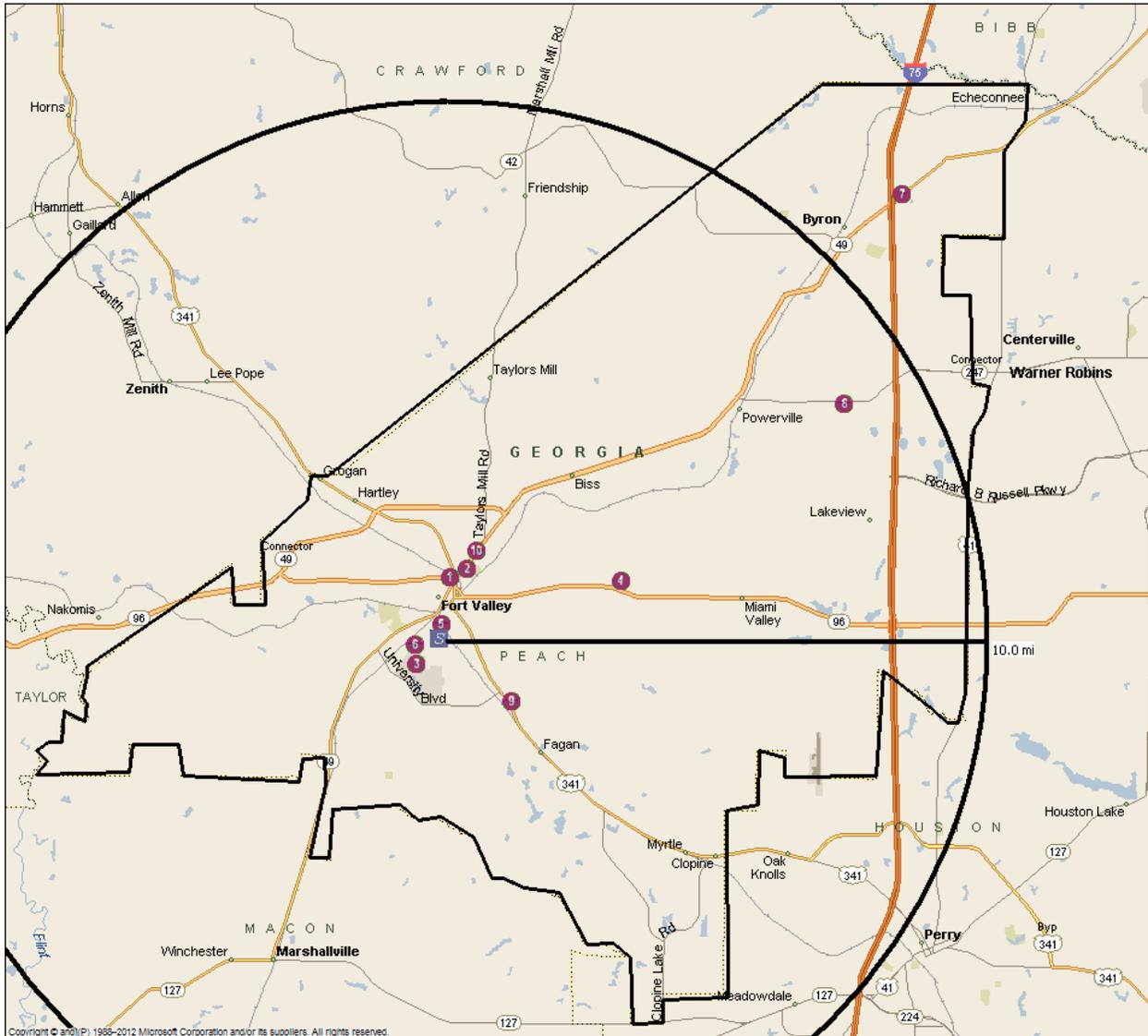
Source: U.S. Bureau of Labor Statistics April 2015

\*2014 data is through Dec

Total employment in the MSA increased from 2004 through 2014 year-to-date for every year except from 2009, 2010, and 2013. The decrease in total employment during 2009 was 2.3 percentage points less than the decrease experienced by the nation as a whole over the same time period. From December 2013 to December 2014, total employment in the MSA decreased by 30 basis points, while the nation experienced a 1.9 percent increase over the same time period. From December 2013 to December 2014, unemployment in the MSA decreased by 140 basis points. Additionally, as of December 2014, the unemployment rate in the MSA was 0.9 percentage points above that of the nation. Overall, it appears that the MSA was impacted by the recent national recession, and appears to still be recovering, as evidenced by the recent decrease in employment. The recent decrease in total employment is likely attributable to the Fort Benning army base, which is just west of the MSA, recently cutting many of the specialized training programs it hosted. Most of these programs and jobs associated with them were transferred to Eglin Air Force Base, near Destin, Florida.

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

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



<b>MAJOR EMPLOYERS - PEACH COUNTY, GA</b>			
<b>Map #</b>	<b>Employer</b>	<b>Industry</b>	<b>Location</b>
1	Advance Stores Co, Inc.	Wholesale/Retail Automotive Parts	Fort Valley
2	Blue Bird Corporation (Hdq.)	School Bus Manufacturing	Fort Valley
3	Fort Valley State University	Higher Education	Fort Valley
4	Lane Packing, LLC	Peach & Pecan Orchard/Packaging	Fort Valley
5	Peach County Assoc. for the Mentally Retarded, Inc.	Non-Profit Organization	Fort Valley
6	Sodexo USA	Food Services/Management	Fort Valley
7	Spherion Staffing, LLC	Staffing/Recruiting	Byron
8	The Medical Center of Peach County	Healthcare	Byron
9	The Wire Shop, Inc.	Wire/Cable Manufacturing	Fort Valley
10	U Save It Pharmacy, Inc.	Pharmacy	Fort Valley

**Conclusion**

Total employment in the MSA increased from 2004 through 2014 year-to-date for every year except from 2009, 2010, and 2013. The decrease in total employment during 2009 was 2.3 percentage points less than the decrease experienced by the nation as a whole over the same time period. From December 2013 to December 2014, unemployment in the MSA decreased by 140 basis points. Additionally, as of December 2014, the unemployment rate in the MSA was 0.9 percentage points above that of the nation. Overall, it appears that the MSA was impacted by the recent national recession, and appears to still be recovering, as evidenced by the recent decrease in employment. The recent decrease in total employment is likely attributable to the Fort Benning army base, which is just west of the MSA, recently cutting many of the specialized training programs it hosted. Most of these programs and jobs associated with them were transferred to Eglin Air Force Base, near Destin, Florida.

The PMA's leading industries include public administration, educational services, health care/social assistance, and retail trade. Together, these four industries make up 51.5 percent of total employment in the PMA. The three largest employment sectors in the PMA are traditionally more stable employment sectors. However, other significant employment sectors include accommodation/food services, retail trade, and manufacturing, which have historically proven susceptible to job losses in times of economic recession.

According to Ms. Barbara Davidson with the Peach Regional Chamber of Commerce and Kathie Lambert with the Downtown Development Authority of Fort Valley, 2014 and 2015 have been generally stable years in terms of job growth and expansions in the Fort Valley area. According to Angie Gheesling with the Houston County Development Authority, within the past year, five existing companies have experienced expansions totaling approximately 380 new jobs and \$200 million in capital investment. These expansions should help the unemployment rate in the market continue to gradually decline.

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

## PROJECT SPECIFIC DEMAND ANALYSIS

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

### 1. Income Restrictions

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

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom).

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

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

### 2. Affordability

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

### 3. Demand

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

#### 3A. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized January 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are trended to January 2017 by interpolation of the difference between 2015 estimates and 2019 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in January 2017. This number takes the overall growth from 2015 to January

2017 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

### **3B. Demand from Existing Households**

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

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

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

### **3C. Secondary Market Area**

Per the 2015 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

### **3D. Other**

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

## **4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS**

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2013 to the present.

### **ADDITIONS TO SUPPLY**

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

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2013 and 2014.
- Vacancies in projects placed in service prior to 2013 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).

- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2013 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

According to the Georgia Department of Community Affairs, the only properties that have been awarded tax credits since 2013 in the Subject's Primary Market Area are The Reserve at Hampton and Oliver Place.

The Reserve at Hampton is located at 3460 US-341 in Fort Valley and is currently under construction. The property was allocated LIHTC funding in 2013 and is slated to be completed in fall 2015. Management is accepting applications for the property's 60 units, but could not confirm the number of units preleased. The Reserve at Hampton will offer a mix of one, two, and three-bedroom garden-style units and two and three-bedroom townhouses at 50 and 60 percent AMI.

Oliver Place was allocated tax credits in 2014 and will also target families/general occupancy households. Oliver Place will be located near the intersection of Houston Lake Road and Keith Drive in Perry, approximately 11.6 miles southeast of the Subject. Oliver Place will be a new construction development offering a total of 100 LIHTC and market rate units and will consist of garden-style one, two, and three-bedroom units, as well as townhouses. There will be 20 units restricted to 50 percent of AMI or less, 70 units restricted to 60 percent of AMI, and 10 market rate units. Construction is expected to begin in 2015 and be completed in 2016.

#### **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. On the following page, we have provided a combined average occupancy level for the PMA based on the average occupancy rates reported.

<b>OVERALL OCCUPANCY - PMA</b>				
<b>Property Name</b>	<b>Type</b>	<b>Tenancy</b>	<b>Units</b>	<b>Occupancy</b>
College Square Apartments	LIHTC/Section 8	Family	61	100.0%
Indian Oaks Apartments	Section 8	Elderly	150	94.0%
Smith Heights Apartments	Section 8	Family	50	94.0%
Valley Pines I	Market	Family	40	50.0%
Valley Pines III & IV	USDA Rural Dev.	Family	76	N/Av
Westside Villas	USDA Rural Dev.	Family	44	100.0%
Windsor Court	LIHTC	Elderly	56	100.0%
Gatwick Senior Village	LIHTC	Elderly	60	100.0%
Cameron Court I & II	LIHTC	Elderly	112	100.0%
Ashton Landing*	LIHTC	Family	108	88.9%
Magnolia Terrace I*	LIHTC/Market	Family	50	98.0%
Magnolia Terrace II*	LIHTC/Market	Family	36	97.2%
Marvin Gardens I*	LIHTC	Family	30	80.0%
Marvin Gardens II*	LIHTC	Family	50	92.0%
Fort Valley Housing Authority	PHA	Family	100	98.0%
Perry Housing Authority	PHA	Family	50	94.0%
LaVista Apartments	Market	Family	N/Av	N/Av
Forrest Valley Apartments	Market	Family	8	100.0%
Kings Villas	Market	Family	90	93.0%
Commodore Manor	Market	Family	53	N/Av
Olde English Apartments	Market	Family	N/Av	N/Av
Julius Simmons Apartments	Market	Family	N/Av	N/Av
Amber Place Apartments*	Market	Family	392	97.4%
Bradford Place*	Market	Family	200	96.0%
Lenox Pointe*	Market	Family	216	89.8%
Timberwood Apartments*	Market	Family	60	96.7%
Winslow Place	Market	Family	88	98.0%
Hampton Place Apartments	Market	Family	152	99.3%
Lakeshore Pointe	Market	Family	102	85.0%
The Richmond Apartments	Market	Family	124	96.0%
Asbury Parke*	Market	Family	224	67.0%
Bedford Parke Apartments	Market	Family	232	97.4%
Heritage Apartments	Market	Family	76	N/Av
Mullins Apartments	Market	Family	57	95.0%
Pinebrook Apartments	Market	Family	52	N/Av
<b>Average</b>			<b>105</b>	<b>93.1%</b>

\*Utilized as a comparable

### **Rehab Developments and Section 8**

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 Section 8 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.

*According to the Georgia DCA market study guidelines, capture rate calculations for proposed renovation developments 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 provided by the applicant. Tenants who are income qualified to remain in the property at the proposed stabilized renovated rents will be deducted from the property unit count prior to determining the applicable capture rates. The Subject has nine vacant units, no over income tenants, and no tenants who are income-qualified for their specific unit type without the Section 8 subsidy. Therefore, we have determined the Subject's capture rates based on 96 total units with no income-eligible resident households deducted.*

*The Subject will offer studio through four-bedroom units restricted at 50 and 60 percent of AMI. It should be noted that DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. Rent increases will be made gradually, maintaining rents that are affordable to the existing tenant base. We do not expect that the Subject will need to re-lease 96 units following renovation. Therefore, our demand analysis is considered conservative.*

### **Capture Rates**

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

<b>Renter Household Income Distribution 2015 to Projected Market Entry January 2017</b>					
<b>Lakeview Apartments</b>					
<b>PMA</b>					
	<b>2015</b>		<b>Projected Mkt Entry January 2017</b>		<b>-</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>% Growth</b>
\$0-9,999	1,283	15.0%	1,275	14.5%	-0.7%
\$10,000-19,999	1,186	13.9%	1,174	13.4%	-1.0%
\$20,000-29,999	1,153	13.5%	1,171	13.3%	1.5%
\$30,000-39,999	1,174	13.8%	1,177	13.4%	0.2%
\$40,000-49,999	803	9.4%	843	9.6%	4.8%
\$50,000-59,999	610	7.2%	632	7.2%	3.5%
\$60,000-74,999	950	11.1%	941	10.7%	-0.9%
\$75,000-99,999	837	9.8%	923	10.5%	9.3%
\$100,000-124,999	262	3.1%	317	3.6%	17.4%
\$125,000-149,999	71	0.8%	86	1.0%	17.1%
\$150,000-199,999	84	1.0%	98	1.1%	13.9%
\$200,000+	113	1.3%	148	1.7%	24.0%
<b>Total</b>	<b>8,527</b>	<b>100.0%</b>	<b>8,784</b>	<b>100.0%</b>	<b>2.9%</b>

<b>Renter Household Income Distribution Projected Market Entry January 2017</b>			
<b>Lakeview Apartments</b>			
<b>PMA</b>			
	<b>Projected Mkt Entry January 2017</b>		<b>Change 2015 to Prj Mrkt Entry January 2017</b>
	<b>#</b>	<b>%</b>	<b>#</b>
\$0-9,999	1,275	14.5%	37
\$10,000-19,999	1,174	13.4%	34
\$20,000-29,999	1,171	13.3%	34
\$30,000-39,999	1,177	13.4%	34
\$40,000-49,999	843	9.6%	25
\$50,000-59,999	632	7.2%	18
\$60,000-74,999	941	10.7%	28
\$75,000-99,999	923	10.5%	27
\$100,000-124,999	317	3.6%	9
\$125,000-149,999	86	1.0%	3
\$150,000-199,999	98	1.1%	3
\$200,000+	148	1.7%	4
<b>Total</b>	<b>8,784</b>	<b>100.0%</b>	<b>257</b>

50 Percent AMI Demand without Section 8 Subsidies

Calculation of New Renter Household Demand by Income Cohort by % of AMI						
Percent of AMI Level				50%		
Minimum Income Limit				\$16,217		
Maximum Income Limit				\$31,400		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	Count	Percentage			Count	Percentage
\$0-9,999	37	14.5%		0.0%	0	
\$10,000-19,999	34	13.4%	3,782	37.8%	13	
\$20,000-29,999	34	13.3%	9,999	100.0%	34	
\$30,000-39,999	34	13.4%	1,400	14.0%	5	
\$40,000-49,999	25	9.6%		0.0%	0	
\$50,000-59,999	18	7.2%		0.0%	0	
\$60,000-74,999	28	10.7%		0.0%	0	
\$75,000-99,999	27	10.5%		0.0%	0	
\$100,000-124,999	9	3.6%		0.0%	0	
\$125,000-149,999	3	1.0%		0.0%	0	
\$150,000-199,999	3	1.1%		0.0%	0	
\$200,000+	4	1.7%		0.0%	0	
	257	100.0%			52	
Percent of renter households within limits versus total number of renter households						20.26%

Calculation of Potential Household Demand by Income Cohort by % of AMI						
Percent of AMI Level				50%		
Minimum Income Limit				\$16,217		
Maximum Income Limit				\$31,400		
Income Category	Total Renter Households PMA Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Households within Bracket	
	Count	Percentage			Count	Percentage
\$0-9,999	1,275	14.5%		0.0%	0	
\$10,000-19,999	1,174	13.4%	\$3,782	37.8%	444	
\$20,000-29,999	1,171	13.3%	\$9,999	100.0%	1,171	
\$30,000-39,999	1,177	13.4%	\$1,400	14.0%	165	
\$40,000-49,999	843	9.6%		0.0%	0	
\$50,000-59,999	632	7.2%		0.0%	0	
\$60,000-74,999	941	10.7%		0.0%	0	
\$75,000-99,999	923	10.5%		0.0%	0	
\$100,000-124,999	317	3.6%		0.0%	0	
\$125,000-149,999	86	1.0%		0.0%	0	
\$150,000-199,999	98	1.1%		0.0%	0	
\$200,000+	148	1.7%		0.0%	0	
	8,784	100.0%			1,779	
Percent of renter households within limits versus total number of renter households						20.26%

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

Yes
Family
Rural
35%
\$39,892
\$59,974
\$20,082
33.5%
0.4%
0.4%
Two year adjustment
1.0000
\$31,400
\$31,400
6
50%
\$473
\$473.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	30%	50%	20%	0%	0%	0%	100%
2	0%	30%	70%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		50%
New Renter Households PMA		257
Percent Income Qualified		20.3%
New Renter Income Qualified Households		52

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households		
Income Target Population		50%
Total Existing Demand		8,784
Income Qualified		20.3%
Income Qualified Renter Households		1,779
Percent Rent Overburdened Prj Mrkt Entry January 2017		29.1%
Rent Overburdened Households		518

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,779
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		9

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		527
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		527
Total New Demand		52
Total Demand (New Plus Existing Households)		579

Demand from Seniors Who Convert from Homeownership

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

By Bedroom Demand

One Person	33.0%	191
Two Persons	25.7%	149
Three Persons	18.1%	105
Four Persons	13.0%	76
Five Persons	10.1%	59
Total	100.0%	579

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	30%	57
Of one-person households in 1BR units	50%	95
Of two-person households in 1BR units	30%	45
Of one-person households in 2BR units	20%	38
Of two-person households in 2BR units	70%	104
Of three-person households in 2BR units	60%	63
Of three-person households in 3BR units	40%	42
Of four-person households in 3BR units	80%	60
Of five-person households in 3BR units	70%	41
Of four-person households in 4BR units	20%	15
Of five-person households in 4BR units	30%	18
Total Demand		579
Total Demand by Bedroom		50%
0 BR		57
1 BR		140
2 BR		205
3 BR		143
4 BR		33
Total Demand		579
Additions To Supply 2015 to Prj Mrkt Entry January 2017		50%
0 BR		0
1 BR		16
2 BR		11
3 BR		2
4 BR		0
Total		29
Net Demand		50%
0 BR		57
1 BR		124
2 BR		194
3 BR		141
4 BR		33
Total		550
Developer's Unit Mix		50%
0 BR		8
1 BR		11
2 BR		27
3 BR		20
4 BR		9
Total		75
Capture Rate Analysis		50%
0 BR		14.0%
1 BR		8.9%
2 BR		13.9%
3 BR		14.1%
4 BR		27.5%
Total		13.6%

60 Percent AMI Demand without Section 8 Subsidies

Calculation of New Renter Household Demand by Income Cohort by % of AMI						
Percent of AMI Level				60%		
Minimum Income Limit				\$17,211		
Maximum Income Limit				\$37,680		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	Households	%				
\$0-9,999	37.29	14.5%		0.0%	0	
\$10,000-19,999	34.35	13.4%	2,788	27.9%	10	
\$20,000-29,999	34.25	13.3%	9,999	100.0%	34	
\$30,000-39,999	34.42	13.4%	7,680	76.8%	26	
\$40,000-49,999	24.67	9.6%		0.0%	0	
\$50,000-59,999	18.49	7.2%		0.0%	0	
\$60,000-74,999	27.53	10.7%		0.0%	0	
\$75,000-99,999	26.99	10.5%		0.0%	0	
\$100,000-124,999	9.28	3.6%		0.0%	0	
\$125,000-149,999	2.52	1.0%		0.0%	0	
\$150,000-199,999	2.86	1.1%		0.0%	0	
\$200,000+	4.34	1.7%		0.0%	0	
	257	100.0%			70	
Percent of renter households within limits versus total number of renter households						27.34%

Calculation of Potential Household Demand by Income Cohort by % of AMI						
Percent of AMI Level				60%		
Minimum Income Limit				\$17,211		
Maximum Income Limit				\$37,680		
Income Category	Total Renter Households PMA Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Households within Bracket	
	Households	%				
\$0-9,999	1,275	14.5%		0.0%	0	
\$10,000-19,999	1,174	13.4%	\$2,788	27.9%	327	
\$20,000-29,999	1,171	13.3%	\$9,999	100.0%	1,171	
\$30,000-39,999	1,177	13.4%	\$7,680	76.8%	904	
\$40,000-49,999	843	9.6%		0.0%	0	
\$50,000-59,999	632	7.2%		0.0%	0	
\$60,000-74,999	941	10.7%		0.0%	0	
\$75,000-99,999	923	10.5%		0.0%	0	
\$100,000-124,999	317	3.6%		0.0%	0	
\$125,000-149,999	86	1.0%		0.0%	0	
\$150,000-199,999	98	1.1%		0.0%	0	
\$200,000+	148	1.7%		0.0%	0	
	8,784	100.0%			2,402	
Percent of renter households within limits versus total number of renter households						27.34%

Does the Project Benefit from Rent Subsidy? (Y/N)	Yes		
Type of Housing (Family vs Senior)	Family		
Location of Subject (Rural versus Urban)	Rural		
Percent of Income for Housing	35%		
2000 Median Income	\$39,892		
2014 Median Income	\$59,974		
Change from 2014 to Prj Mrkt Entry January 2017	\$20,082		
Total Percent Change	33.5%		
Average Annual Change	0.4%		
Inflation Rate	0.4%	Two year adjustment	1.0000
Maximum Allowable Income	\$37,680		
Maximum Allowable Income Inflation Adjusted	\$37,680		
Maximum Number of Occupants	6		
Rent Income Categories	60%		
Initial Gross Rent for Smallest Unit	\$502		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$502.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	30%	50%	20%	0%	0%	0%	100%
2	0%	30%	70%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		60%
New Renter Households PMA		257
Percent Income Qualified		27.3%
New Renter Income Qualified Households		70

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households		
Income Target Population		60%
Total Existing Demand		8,784
Income Qualified		27.3%
Income Qualified Renter Households		2,402
Percent Rent Overburdened Prj Mrkt Entry January 2017		29.1%
Rent Overburdened Households		700

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		2,402
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		12

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		712
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		712
Total New Demand		70
Total Demand (New Plus Existing Households)		782

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

By Bedroom Demand

One Person	33.0%	258
Two Persons	25.7%	201
Three Persons	18.1%	141
Four Persons	13.0%	102
Five Persons	10.1%	79
Total	100.0%	782

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	30%	77
Of one-person households in 1BR units	50%	129
Of two-person households in 1BR units	30%	60
Of one-person households in 2BR units	20%	52
Of two-person households in 2BR units	70%	141
Of three-person households in 2BR units	60%	85
Of three-person households in 3BR units	40%	57
Of four-person households in 3BR units	80%	82
Of five-person households in 3BR units	70%	56
Of four-person households in 4BR units	20%	20
Of five-person households in 4BR units	30%	24
Total Demand		782
Total Demand by Bedroom		60%
0 BR		77
1 BR		189
2 BR		277
3 BR		194
4 BR		44
Total Demand		782
Additions To Supply 2015 to Prj Mrkt Entry January 2017		60%
0 BR		0
1 BR		14
2 BR		67
3 BR		40
4 BR		0
Total		121
Net Demand		60%
0 BR		77
1 BR		175
2 BR		210
3 BR		154
4 BR		44
Total		661
Developer's Unit Mix		60%
0 BR		2
1 BR		3
2 BR		7
3 BR		6
4 BR		3
Total		21
Capture Rate Analysis		60%
0 BR		2.6%
1 BR		1.7%
2 BR		3.3%
3 BR		3.9%
4 BR		6.8%
Total		3.2%

50 Percent AMI Demand with Section 8 Subsidies

Calculation of New Renter Household Demand by Income Cohort by % of AMI					
Percent of AMI Level			50%		
Minimum Income Limit			\$0		
Maximum Income Limit			\$31,400		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	37.29	14.5%	9,999	100.0%	37
\$10,000-19,999	34.35	13.4%	9,999	100.0%	34
\$20,000-29,999	34.25	13.3%	9,999	100.0%	34
\$30,000-39,999	34.42	13.4%	1,400	14.0%	5
\$40,000-49,999	24.67	9.6%		0.0%	0
\$50,000-59,999	18.49	7.2%		0.0%	0
\$60,000-74,999	27.53	10.7%		0.0%	0
\$75,000-99,999	26.99	10.5%		0.0%	0
\$100,000-124,999	9.28	3.6%		0.0%	0
\$125,000-149,999	2.52	1.0%		0.0%	0
\$150,000-199,999	2.86	1.1%		0.0%	0
\$200,000+	4.34	1.7%		0.0%	0
	257	100.0%			111
Percent of renter households within limits versus total number of renter households					43.08%

Calculation of Potential Household Demand by Income Cohort by % of AMI					
Percent of AMI Level			50%		
Minimum Income Limit			\$0		
Maximum Income Limit			\$31,400		
Income Category	Total Renter Households PMA Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,275	14.5%	\$9,999	100.0%	1,275
\$10,000-19,999	1,174	13.4%	\$9,999	100.0%	1,174
\$20,000-29,999	1,171	13.3%	\$9,999	100.0%	1,171
\$30,000-39,999	1,177	13.4%	\$1,400	14.0%	165
\$40,000-49,999	843	9.6%		0.0%	0
\$50,000-59,999	632	7.2%		0.0%	0
\$60,000-74,999	941	10.7%		0.0%	0
\$75,000-99,999	923	10.5%		0.0%	0
\$100,000-124,999	317	3.6%		0.0%	0
\$125,000-149,999	86	1.0%		0.0%	0
\$150,000-199,999	98	1.1%		0.0%	0
\$200,000+	148	1.7%		0.0%	0
	8,784	100.0%			3,784
Percent of renter households within limits versus total number of renter households					43.08%

Does the Project Benefit from Rent Subsidy? (Y/N)	Yes	
Type of Housing (Family vs Senior)	Family	
Location of Subject (Rural versus Urban)	Rural	
Percent of Income for Housing	35%	
2000 Median Income	\$39,892	
2015 Median Income	\$59,974	
Change from 2015 to Proj Mrkt Entry January 2017	\$20,082	
Total Percent Change	33.5%	
Average Annual Change	0.4%	
Inflation Rate	0.4%	Two year adjustment 1.0000
Maximum Allowable Income	\$31,400	
Maximum Allowable Income Inflation Adjusted	\$31,400	
Maximum Number of Occupants	6	
Rent Income Categories	50%	
Initial Gross Rent for Smallest Unit	\$473	
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$473.00	

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	30%	50%	20%	0%	0%	0%	100%
2	0%	30%	70%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		50%
New Renter Households PMA		257
Percent Income Qualified		43.1%
New Renter Income Qualified Households		111

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		8,784
Income Qualified		43.1%
Income Qualified Renter Households		3,784
Percent Rent Overburdened Prj Mrkt Entry January 2017		29.1%
Rent Overburdened Households		1103

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		3,784
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		19

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		1,121
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1121
Total New Demand		111
Total Demand (New Plus Existing Households)		1,232

Demand from Seniors Who Convert from Homeownership

Percent of Total Demand From Homeownership Conversion 0.0%

Is this Demand Over 2 percent of Total Demand? No

By Bedroom Demand

One Person	33.0%	406
Two Persons	25.7%	317
Three Persons	18.1%	223
Four Persons	13.0%	161
Five Persons	10.1%	125
Total	100.0%	1,232

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	30%	122
Of one-person households in 1BR units	50%	203
Of two-person households in 1BR units	30%	95
Of one-person households in 2BR units	20%	81
Of two-person households in 2BR units	70%	222
Of three-person households in 2BR units	60%	134
Of three-person households in 3BR units	40%	89
Of four-person households in 3BR units	80%	129
Of five-person households in 3BR units	70%	87
Of four-person households in 4BR units	20%	32
Of five-person households in 4BR units	30%	37
Total Demand		1,232
Total Demand by Bedroom		50%
0 BR		122
1 BR		298
2 BR		437
3 BR		305
4 BR		70
Total Demand		1,232
Additions To Supply 2015 to Prj Mrkt Entry January 2017		50%
0 BR		0
1 BR		16
2 BR		11
3 BR		2
4 BR		0
Total		29
Net Demand		50%
0 BR		122
1 BR		282
2 BR		426
3 BR		303
4 BR		70
Total		1,203
Developer's Unit Mix		50%
0 BR		8
1 BR		11
2 BR		27
3 BR		20
4 BR		9
Total		75
Capture Rate Analysis		50%
0 BR		6.6%
1 BR		3.9%
2 BR		6.3%
3 BR		6.6%
4 BR		12.9%
Total		6.2%

60 Percent AMI Demand with Section 8 Subsidies

Calculation of New Renter Household Demand by Income Cohort by % of AMI						
Percent of AMI Level				60%		
Minimum Income Limit				\$0		
Maximum Income Limit				\$37,680		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket	
\$0-9,999	37.29	14.5%	9,999	100.0%	37	
\$10,000-19,999	34.35	13.4%	9,999	100.0%	34	
\$20,000-29,999	34.25	13.3%	9,999	100.0%	34	
\$30,000-39,999	34.42	13.4%	7,680	76.8%	26	
\$40,000-49,999	24.67	9.6%		0.0%	0	
\$50,000-59,999	18.49	7.2%		0.0%	0	
\$60,000-74,999	27.53	10.7%		0.0%	0	
\$75,000-99,999	26.99	10.5%		0.0%	0	
\$100,000-124,999	9.28	3.6%		0.0%	0	
\$125,000-149,999	2.52	1.0%		0.0%	0	
\$150,000-199,999	2.86	1.1%		0.0%	0	
\$200,000+	4.34	1.7%		0.0%	0	
	257	100.0%			132	
Percent of renter households within limits versus total number of renter households				51.49%		

Calculation of Potential Household Demand by Income Cohort by % of AMI						
Percent of AMI Level				60%		
Minimum Income Limit				\$0		
Maximum Income Limit				\$37,680		
Income Category	Total Renter Households PMA Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Households within Bracket	
\$0-9,999	1,275	14.5%	\$9,999	100.0%	1,275	
\$10,000-19,999	1,174	13.4%	\$9,999	100.0%	1,174	
\$20,000-29,999	1,171	13.3%	\$9,999	100.0%	1,171	
\$30,000-39,999	1,177	13.4%	\$7,680	76.8%	904	
\$40,000-49,999	843	9.6%		0.0%	0	
\$50,000-59,999	632	7.2%		0.0%	0	
\$60,000-74,999	941	10.7%		0.0%	0	
\$75,000-99,999	923	10.5%		0.0%	0	
\$100,000-124,999	317	3.6%		0.0%	0	
\$125,000-149,999	86	1.0%		0.0%	0	
\$150,000-199,999	98	1.1%		0.0%	0	
\$200,000+	148	1.7%		0.0%	0	
	8,784	100.0%			4,523	
Percent of renter households within limits versus total number of renter households				51.49%		

Does the Project Benefit from Rent Subsidy? (Y/N)	Yes		
Type of Housing (Family vs Senior)	Family		
Location of Subject (Rural versus Urban)	Rural		
Percent of Income for Housing	35%		
2000 Median Income	\$39,892		
2015 Median Income	\$59,974		
Change from 2015 to Proj Mrkt Entry January 2017	\$20,082		
Total Percent Change	33.5%		
Average Annual Change	0.4%		
Inflation Rate	0.4%	Two year adjustment	1.0000
Maximum Allowable Income	\$37,680		
Maximum Allowable Income Inflation Adjusted	\$37,680		
Maximum Number of Occupants	6		
Rent Income Categories	60%		
Initial Gross Rent for Smallest Unit	\$502		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$502.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	30%	50%	20%	0%	0%	0%	100%
2	0%	30%	70%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		60%
New Renter Households PMA		257
Percent Income Qualified		51.5%
New Renter Income Qualified Households		132

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		8,784
Income Qualified		51.5%
Income Qualified Renter Households		4,523
Percent Rent Overburdened Prj Mrkt Entry January 2017		29.1%
Rent Overburdened Households		1,318

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		4,523
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		22

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		1,340
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1340
Total New Demand		132
Total Demand (New Plus Existing Households)		1,473

Demand from Seniors Who Convert from Homeownership

Percent of Total Demand From Homeownership Conversion 0.0%

Is this Demand Over 2 percent of Total Demand? No

By Bedroom Demand

One Person	33.0%	486
Two Persons	25.7%	379
Three Persons	18.1%	266
Four Persons	13.0%	192
Five Persons	10.1%	149
Total	100.0%	1,473

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	30%	146
Of one-person households in 1BR units	50%	243
Of two-person households in 1BR units	30%	114
Of one-person households in 2BR units	20%	97
Of two-person households in 2BR units	70%	265
Of three-person households in 2BR units	60%	160
Of three-person households in 3BR units	40%	107
Of four-person households in 3BR units	80%	154
Of five-person households in 3BR units	70%	105
Of four-person households in 4BR units	20%	38
Of five-person households in 4BR units	30%	45
<b>Total Demand</b>		<b>1,473</b>
<b>Total Demand by Bedroom</b>		<b>60%</b>
0 BR		146
1 BR		357
2 BR		522
3 BR		365
4 BR		83
<b>Total Demand</b>		<b>1,473</b>
<b>Additions To Supply 2015 to Prj Mrkt Entry January 2017</b>		<b>60%</b>
0 BR		0
1 BR		14
2 BR		67
3 BR		40
4 BR		0
<b>Total</b>		<b>121</b>
<b>Net Demand</b>		<b>60%</b>
0 BR		146
1 BR		343
2 BR		455
3 BR		325
4 BR		83
<b>Total</b>		<b>1,352</b>
<b>Developer's Unit Mix</b>		<b>60%</b>
0 BR		2
1 BR		3
2 BR		7
3 BR		6
4 BR		3
<b>Total</b>		<b>21</b>
<b>Capture Rate Analysis</b>		<b>60%</b>
0 BR		1.4%
1 BR		0.9%
2 BR		1.5%
3 BR		1.8%
4 BR		3.6%
<b>Total</b>		<b>1.6%</b>

## Conclusions

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

- The number of renter households in the PMA is expected to increase by 257 households between 2015 and the date of market entry.
- The Subject will continue to attract a wide range of household sizes in offering studio through four-bedroom units.
- Per 2015 DCA guidelines, our demand analysis does not account for leakage outside the PMA. In actuality, we expect that the Subject will experience a moderate leakage rate of 15 percent. As such, the demand analysis is conservative as this leakage factor is not included.

CAPTURE RATE ANALYSIS CHART - WITH SUBSIDIES										
Unit Size	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate*	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
OBR - 50% AMI/Section 8	\$0-\$18,950	8	122	0	122	6.6%	9 months	\$620	\$620-\$620	\$473
1BR - 50% AMI/Section 8	\$0-\$21,650	11	298	16	282	3.9%	9 months	\$890	\$691-\$967	\$507
2BR - 50% AMI/Section 8	\$0-\$24,350	27	437	11	426	6.3%	9 months	\$1,047	\$824-\$1,157	\$608
3BR - 50% AMI/Section 8	\$0-\$29,250	20	305	2	303	6.6%	9 months	\$1,239	\$1,166-\$1,354	\$703
4BR - 50% AMI/Section 8	\$0-\$31,400	9	70	0	70	12.9%	9 months	\$1,204	\$895-\$1,750	\$785
<b>Overall - 50% AMI/Section 8</b>	<b>\$0-\$31,400</b>	<b>75</b>	<b>1,232</b>	<b>29</b>	<b>1,203</b>	<b>6.2%</b>	-	-	-	-
OBR - 60% AMI/Section 8	\$0-\$22,740	2	146	0	146	1.4%	9 months	\$620	\$620-\$620	\$502
1BR - 60% AMI/Section 8	\$0-\$25,980	3	357	14	343	0.9%	9 months	\$890	\$691-\$967	\$552
2BR - 60% AMI/Section 8	\$0-\$29,220	7	522	67	455	1.5%	9 months	\$1,047	\$824-\$1,157	\$663
3BR - 60% AMI/Section 8	\$0-\$35,100	6	365	40	325	1.8%	9 months	\$1,239	\$1,166-\$1,354	\$788
4BR - 60% AMI/Section 8	\$0-\$37,680	3	83	0	83	3.6%	9 months	\$1,204	\$895-\$1,750	\$919
<b>Overall - 60% AMI/Section 8</b>	<b>\$0-\$37,680</b>	<b>21</b>	<b>1,473</b>	<b>121</b>	<b>1,352</b>	<b>1.6%</b>	-	-	-	-

CAPTURE RATE ANALYSIS CHART - WITHOUT SUBSIDIES										
Unit Size	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
OBR - 50% AMI	\$16,217-\$18,950	8	57	0	57	14.0%	11 months	\$620	\$620-\$620	\$473
1BR - 50% AMI	\$17,383-\$21,650	11	140	16	124	8.9%	11 months	\$890	\$691-\$967	\$507
2BR - 50% AMI	\$20,846-\$24,350	27	205	11	194	13.9%	11 months	\$1,047	\$824-\$1,157	\$608
3BR - 50% AMI	\$24,103-\$29,250	20	143	2	141	14.1%	11 months	\$1,239	\$1,166-\$1,354	\$703
4BR - 50% AMI	\$26,914-\$31,400	9	33	0	33	27.5%	11 months	\$1,204	\$895-\$1,750	\$785
<b>Overall - 50% AMI</b>	<b>\$16,217-\$31,400</b>	<b>75</b>	<b>579</b>	<b>29</b>	<b>550</b>	<b>13.6%</b>	-	-	-	-
OBR - 60% AMI	\$17,211-\$22,740	2	77	0	77	2.6%	11 months	\$620	\$620-\$620	\$502
1BR - 60% AMI	\$18,926-\$25,980	3	189	14	175	1.7%	11 months	\$890	\$691-\$967	\$552
2BR - 60% AMI	\$22,731-\$29,220	7	277	67	210	3.3%	11 months	\$1,047	\$824-\$1,157	\$663
3BR - 60% AMI	\$27,017-\$35,100	6	194	40	154	3.9%	11 months	\$1,239	\$1,166-\$1,354	\$788
4BR - 60% AMI	\$31,509-\$37,680	3	44	0	44	6.8%	11 months	\$1,204	\$895-\$1,750	\$919
<b>Overall - 60% AMI</b>	<b>\$17,211-\$37,680</b>	<b>21</b>	<b>782</b>	<b>121</b>	<b>661</b>	<b>3.2%</b>	-	-	-	-

<b>Demand and Net Demand</b>				
	<b>HH at 50% AMI (min to max income)</b>	<b>HH at 60% AMI (min to max income)</b>	<b>HH at 50% AMI w/Section 8 (min to max income)</b>	<b>HH at 60% AMI w/Section 8 (min to max income)</b>
Demand from New Households (age and income appropriate)	52	70	111	132
<b>PLUS</b>	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	12	12		22
<b>PLUS</b>	+	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	518	700	1,103	1,318
<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>0</b>
<b>Sub Total</b>	<b>582</b>	<b>782</b>	<b>1,213</b>	<b>1,473</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0	0
<b>Equals Total Demand</b>	582	782	1,213	1,473
<b>Less</b>	-	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	121	121	121	121
<b>Equals Net Demand</b>	<b>461</b>	<b>661</b>	<b>1,092</b>	<b>1,352</b>

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level with Section 8 subsidies will range from 3.9 to 12.9 percent, with an overall capture rate of 6.2 percent. The Subject's capture rates at the 60 percent AMI level with Section 8 subsidies will range from 4.1 to 14.4 percent, with an overall capture rate of 7.1 percent. Therefore, we believe there is more than adequate demand for the Subject.

## **H. COMPETITIVE RENTAL ANALYSIS**

## 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 1,366 units that are 90.3 percent occupied, including one market rate property still in its lease-up period. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided later in this section. A map illustrating the location of the Subject in relation to comparable properties is also provided in this section. 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. There are nine LIHTC properties in the PMA, five of which we selected as “true” comparables. The selected LIHTC properties are included in the following list of properties.

<b>SURVEYED LIHTC COMPARABLES IN PMA</b>			
<b>Property Name</b>	<b>Address</b>	<b>Total Units*</b>	<b>Vacancy Rate</b>
Ashton Landing	1701 Macon Rd	108	11.1%
Magnolia Terrace I	714 Green St	50	2.0%
Magnolia Terrace II	718 Green St	36	2.8%
Marvin Gardens I	301 Edward Ct	30	20.0%
Marvin Gardens II	101 Atlantic Ave	50	8.0%
<b>Total</b>		<b>274</b>	<b>8.8%</b>

\*Includes market rate units

The availability of market rate data is also considered good as there are a sufficient number of market rate properties that are located within the PMA. We have included five market rate properties in the rental analysis, and all are located in the PMA, within 12 miles of the Subject. These comparable market rate properties were built between the 1980s and 2006. These projects offer a mix of studio, one, two, and three-bedroom units. Four-bedroom market rate units are not available within the PMA or surrounding area. As such, we supplemented our analysis with four-bedroom single-family home rentals.

**Excluded Properties**

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

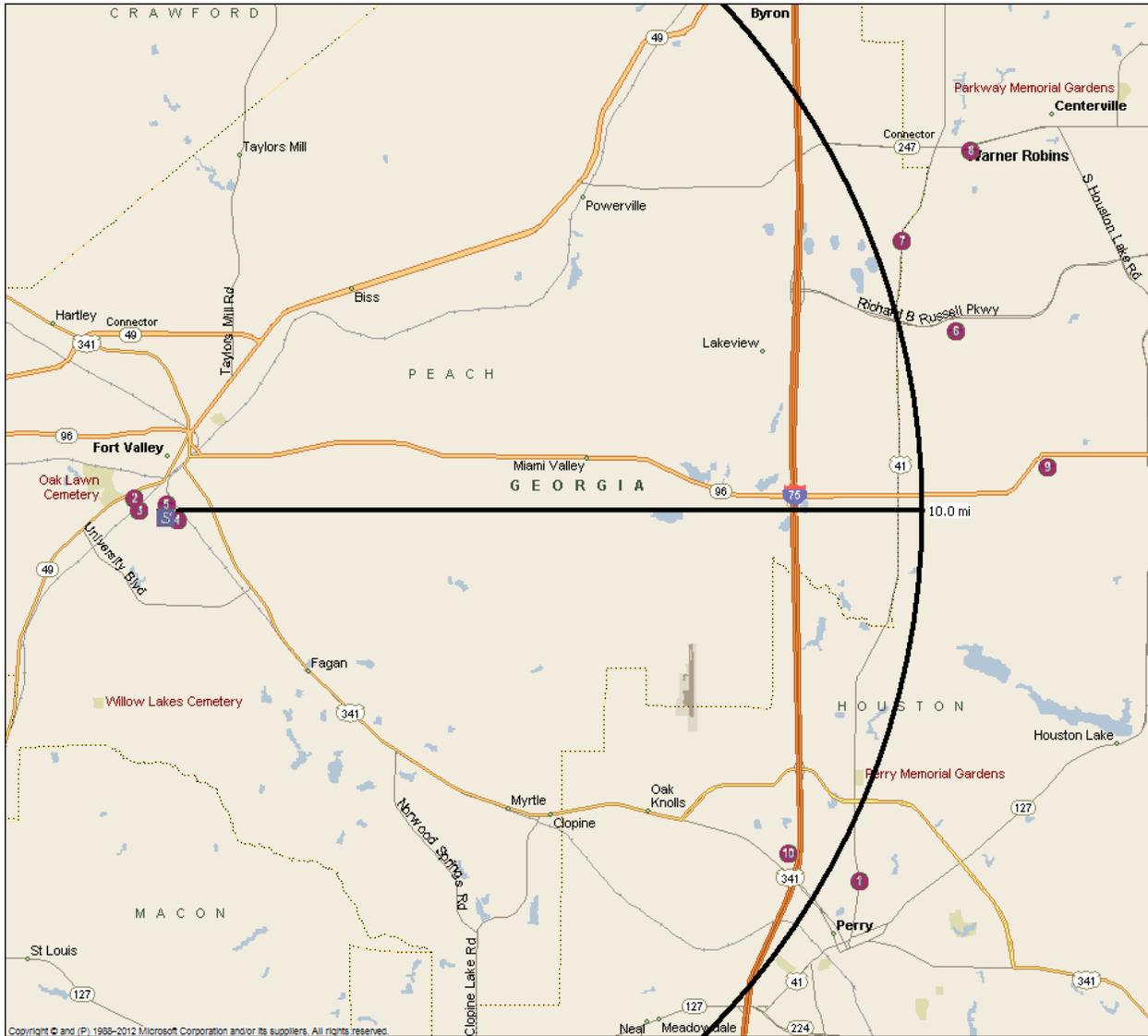
EXCLUDED PROPERTIES IN THE PMA							
Property Name	Address	City	Rent Structure	Reason for Exclusion	# of Units	Occupancy	Waiting List
College Square Apartments	1207 Edwards St	Fort Valley	LIHTC/Section 8	Subsidized	61	100.0%	Yes - 2 years
Indian Oaks Apartments	1103 E Church St	Fort Valley	Senior Section 8	Subsidized/Age-Restricted	150	94.0%	Yes - unknown length
Valley Pines I	104 Brooks Blvd	Fort Valley	Market Rate	Unstabilized	40	50.0%	None
Valley Pines III & IV	103 Brooks Blvd	Fort Valley	Rural Development	Subsidized	76	N/Av	Yes - unknown length
Westside Villas	108 Brooks Blvd	Fort Valley	Rural Development	Subsidized	44	100.0%	Yes - unknown length
Windsor Court	1201 Orange St	Fort Valley	Senior LIHTC	Age-Restricted	56	0.0%	None
Gatwick Senior Village	901 Perimeter Rd	Perry	Senior LIHTC	Age-Restricted	60	100.0%	Yes - unknown length
Cameron Court I & II	1807 Macon Rd	Perry	Senior LIHTC	Age-Restricted	112	100.0%	Yes - 16 households
Smith Heights Apartments	615A Smith Dr	Perry	Section 8	Subsidized	50	94.0%	Yes - 6-12 months
La Vista Apartments	615 Elberta St	Fort Valley	Market Rate	Could not reach	N/Av	N/Av	N/Av
Forrest Valley Apartments	400 Forest Dr	Fort Valley	Market Rate	Only 8 units	8.0%	100.0%	None
820 State University	820 State University	Fort Valley	Market Rate	Student Tenancy	36	97.2%	None
Walker Building	404 St. Luke's Ln	Fort Valley	Market Rate	Student Tenancy	10	N/Av	N/Av
Julius Simmons Apartments	701 Alabama Ave	Fort Valley	Market Rate	Could not reach	N/Av	N/Av	N/Av

One key excluded property not on our list in the previous table is The Reserve at Hampton located at 3460 US-341 in Fort Valley and is currently under construction. The property was allocated LIHTC funding in 2013 and is slated to be completed in fall 2015. Management is accepting applications for the property’s 60 units, but could not confirm the number of units released.

The Reserve at Hampton will offer a mix of one, two, and three-bedroom garden-style units and two and three-bedroom townhouses at 50 and 60 percent AMI. The units will be of very competitive size for the Fort Valley market at 892 square feet for one-bedroom units, 1,103 to 1,146 square feet for two-bedroom units, and 1,280 to 1,507 square feet for three-bedroom units. In terms of comparability to the Subject, The Reserve at Hampton has significantly larger unit sizes for each bedroom type, giving it a market advantage over the Subject.

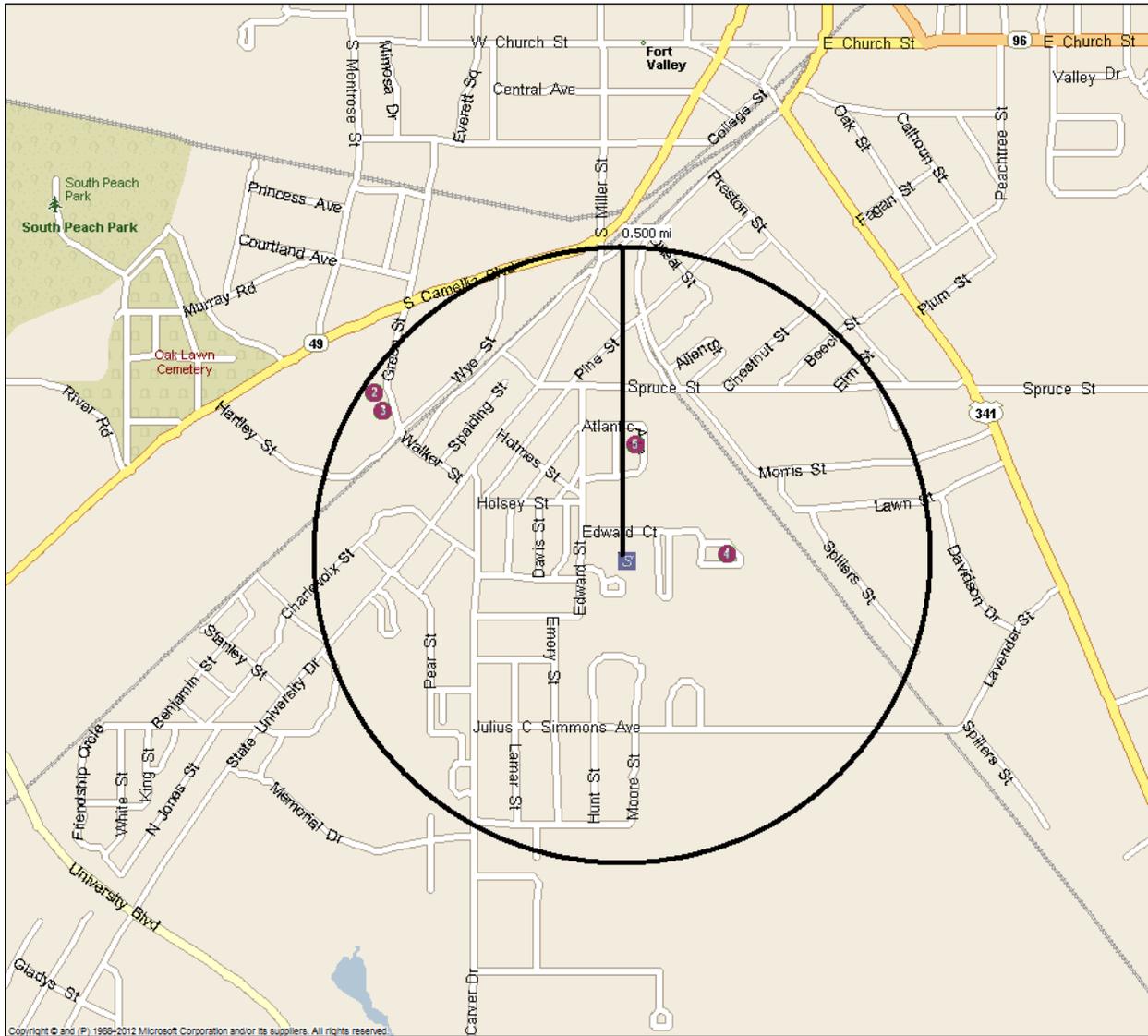
The Subject will offer units at 60 percent AMI. In addition, all units at the Subject benefit from a HAP contract. As such, renters at the Subject will be able to pay just 30 percent of their incomes toward rent, while tenants at The Reserve at Hampton without a Housing Choice Voucher will have to pay the asking rents for this new development. This new project offers unit and project amenities superior to those of the Subject once renovated.

Comparable Rental Property Map I



COMPARABLE PROPERTIES			
#	Property Name	Type	Distance
1	Ashton Landing	LIHTC	10.6 miles
2	Magnolia Terrace I	LIHTC/Market	0.5 miles
3	Magnolia Terrace II	LIHTC/Market	0.5 miles
4	Marvin Gardens I	LIHTC	0.1 miles
5	Marvin Gardens II	LIHTC	0.2 miles
6	Amber Place Apartments	Market	11.0 miles
7	Asbury Parke	Market	10.6 miles
8	Bradford Place	Market	12.0 miles
9	Lenox Pointe	Market	11.9 miles
10	Timberwood Apartments	Market	9.6 miles

Comparable Rental Property Map II



COMPARABLE PROPERTIES			
#	Property Name	Type	Distance
1	Ashton Landing	LIHTC	10.6 miles
2	Magnolia Terrace I	LIHTC/Market	0.5 miles
3	Magnolia Terrace II	LIHTC/Market	0.5 miles
4	Marvin Gardens I	LIHTC	0.1 miles
5	Marvin Gardens II	LIHTC	0.2 miles
6	Amber Place Apartments	Market	11.0 miles
7	Asbury Parke	Market	10.6 miles
8	Bradford Place	Market	12.0 miles
9	Lenox Pointe	Market	11.9 miles
10	Timberwood Apartments	Market	9.6 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
1	Ashton Landing Apartments 1701 Macon Rd Perry, GA 31069 Houston County	10.6 miles	Garden (3 stories) 1999 / n/a	LIHTC	2BR / 2BA	3	2.8%	@50%	\$726	951	no	None	0	0.0%
					2BR / 2BA	45	41.7%	@60%	\$721	951	no	None	6	13.3%
					3BR / 2BA	3	2.8%	@50%	\$822	1,089	no	None	0	0.0%
					3BR / 2BA	57	52.8%	@60%	\$821	1,089	no	None	6	10.5%
						108	100.0%							12
2	Magnolia Terrace Phase I 714 Green St. Fort Valley, GA 31030 Peach County	0.5 miles	Duplex 2003 / n/a	LIHTC/Market	1BR / 1BA	1	2.0%	@30%	\$366	680	yes	No	0	0.0%
					1BR / 1BA	3	6.0%	@50%	\$539	680	no	No	0	0.0%
					1BR / 1BA	2	4.0%	@60%	\$539	680	no	No	0	0.0%
					1BR / 1BA	2	4.0%	Market	\$630	680	n/a	Yes	0	0.0%
					2BR / 2BA	3	6.0%	@30%	\$434	1,050	no	No	0	0.0%
					2BR / 2BA	7	14.0%	@50%	\$642	1,050	no	No	0	0.0%
					2BR / 2BA	15	30.0%	@60%	\$642	1,050	no	No	0	0.0%
					2BR / 2BA	5	10.0%	Market	\$750	1,050	n/a	Yes	1	20.0%
					3BR / 2BA	1	2.0%	@30%	\$498	1,400	no	No	0	0.0%
					3BR / 2BA	7	14.0%	@50%	\$785	1,400	no	No	0	0.0%
					3BR / 2BA	1	2.0%	@60%	\$785	1,400	no	No	0	0.0%
					3BR / 2BA	3	6.0%	Market	\$880	1,400	n/a	Yes	0	0.0%
						50	100.0%							1
3	Magnolia Terrace Phase II 718 Green St. Fort Valley, GA 31030 Peach County	0.5 miles	Garden (2 stories) 2008 / n/a	LIHTC/Market	1BR / 1BA	2	5.6%	@50%	\$595	680	no	Yes	0	0.0%
					1BR / 1BA	2	5.6%	Market	\$695	680	n/a	Yes	0	0.0%
					2BR / 2BA	10	27.8%	@50%	\$677	1,050	no	Yes	0	0.0%
					2BR / 2BA	3	8.3%	@60%	\$677	1,050	no	Yes	0	0.0%
					2BR / 2BA	3	8.3%	Market	\$780	1,050	n/a	Yes	0	0.0%
					3BR / 2BA	10	27.8%	@50%	\$815	1,400	no	Yes	0	0.0%
					3BR / 2BA	3	8.3%	@60%	\$832	1,400	no	Yes	1	33.3%
					3BR / 2BA	3	8.3%	Market	\$925	1,400	n/a	Yes	0	0.0%
						36	100.0%							1
4	Marvin Gardens I 301 Edward Court Fort Valley, GA 31030 Peach County	0.1 miles	Duplex 1996 / n/a	LIHTC	2BR / 1BA	6	20.0%	@60%	\$563	750	no	Yes	0	0.0%
					3BR / 1BA	22	73.3%	@60%	\$649	850	no	No	2	9.1%
					4BR / 2BA	2	6.7%	@60%	\$804	950	no	No	4	200.0%
						30	100.0%							6
5	Marvin Gardens II 101 Atlantic Avenue Fort Valley, GA 31030 Peach County	0.2 miles	Duplex 1997 / n/a	LIHTC	2BR / 1BA	16	32.0%	@60%	\$563	750	no	Yes	0	0.0%
					3BR / 1BA	30	60.0%	@60%	\$649	850	no	No	2	6.7%
					4BR / 2BA	4	8.0%	@60%	\$804	950	no	No	2	50.0%
						50	100.0%							4
6	Amber Place Apartments 6080 Lakeview Road Warner Robins, GA 31088 Houston County	11 miles	Garden (2 stories) 2005-2007 / n/a	Market	1BR / 1BA	56	14.3%	Market	\$917	850	n/a	No	0	0.0%
					1BR / 1BA	56	14.3%	Market	\$940	970	n/a	No	1	1.8%
					2BR / 1BA	56	14.3%	Market	\$1,111	1,178	n/a	No	0	0.0%
					2BR / 1BA	56	14.3%	Market	\$1,146	1,296	n/a	No	4	7.1%
					2BR / 2BA	56	14.3%	Market	\$1,178	1,238	n/a	No	2	3.6%
					2BR / 2BA	32	8.2%	Market	\$1,212	1,336	n/a	No	2	6.2%
					2BR / 2BA	56	14.3%	Market	\$1,157	1,386	n/a	No	0	0.0%
					3BR / 2BA	24	6.1%	Market	\$1,354	1,438	n/a	No	1	4.2%
						392	100.0%							10
7	Asbury Parke 200 Crestview Church Rd Warner Robins, GA 31088 Houston County	10.6 miles	Garden (3 stories) 2014-2015 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$897	861	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$947	998	n/a	No	N/A	N/A
					2BR / 1BA	N/A	N/A	Market	\$1,043	1,178	n/a	No	N/A	N/A
					2BR / 1BA	N/A	N/A	Market	\$1,068	1,315	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,068	1,238	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,118	1,390	n/a	No	N/A	N/A
						224	100.0%							67

**Lakeview Apartments, Fort Valley, GA; Market Study**

8	Bradford Place 115 Tom Chapman Blvd Warner Robins, GA 31088 Houston County	12 miles	Garden (2 stories) 1998 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$933	800	n/a	No	1	N/A
					1BR / 1BA	N/A	N/A	Market	\$967	900	n/a	No	0	N/A
					2BR / 1BA	N/A	N/A	Market	\$947	1,117	n/a	No	1	N/A
					2BR / 1BA	N/A	N/A	Market	\$988	1,212	n/a	No	0	N/A
					2BR / 2BA	N/A	N/A	Market	\$972	1,157	n/a	No	1	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,007	1,223	n/a	No	3	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,024	1,253	n/a	No	0	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,166	1,332	n/a	No	2	N/A
					200	100.0%							8	4.0%
9	Lenox Pointe 2006 Karl Drive Warner Robbins, GA 31088 Houston County	11.9 miles	Garden (3 stories) 2006 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$830	853	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,026	1,350	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,197	1,540	n/a	No	N/A	N/A
					216	100.0%							22	10.2%
10	Timberwood Apartments 710 Mason Terrace Perry, GA 31069 Houston County	9.6 miles	One-story 1980s / n/a	Market	Studio / 1BA	N/A	N/A	Market	\$620	288	n/a	No	1	N/A
					1BR / 1BA	N/A	N/A	Market	\$691	576	n/a	No	1	N/A
					2BR / 1BA	N/A	N/A	Market	\$842	864	n/a	No	0	N/A
					2BR / 2BA	N/A	N/A	Market	\$893	864	n/a	No	0	N/A
					60	100.0%							2	3.3%

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.										
Effective Rent Date:		Apr-15	Units Surveyed:		1366	Weighted Occupancy:		90.3%		
			Market Rate:		1092	Market Rate:		90.0%		
			Tax Credit:		274	Tax Credit:		91.2%		
Studio One Bath		One Bedroom One Bath			Two Bedrooms One Bath		Three Bedrooms Two Bath		Four Bedrooms Two Bath	
Property	Average	Property	Average	Property	Average	Property	Average	Property	Average	
RENT	Timberwood Apartments \$620	Bradford Place	\$967	Amber Place Apartments	\$1,146	Amber Place Apartments	\$1,354	Lakeview Apartments * (60%)	\$919	
	Lakeview Apartments * (60%) \$502	Asbury Parke	\$947	Amber Place Apartments	\$1,111	Lenox Pointe	\$1,197	Marvin Gardens I * (60%)	\$804	
		Amber Place Apartments	\$940	Asbury Parke	\$1,068	Bradford Place	\$1,166	Marvin Gardens II * (60%)	\$804	
		Bradford Place	\$933	Asbury Parke	\$1,043	Magnolia Terrace Phase II * (M)	\$925			
		Amber Place Apartments	\$917	Lenox Pointe (2BA)	\$1,026	Magnolia Terrace Phase I * (M)	\$880			
		Asbury Parke	\$897	Bradford Place	\$988	Magnolia Terrace Phase II * (60%)	\$832			
		Lenox Pointe	\$830	Bradford Place	\$947	Ashton Landing Apartments * (50%)	\$822			
		Magnolia Terrace Phase II * (M)	\$695	Timberwood Apartments	\$842	Ashton Landing Apartments * (60%)	\$821			
		Timberwood Apartments	\$691	Magnolia Terrace Phase II * (2BA M)	\$780	Magnolia Terrace Phase II * (50%)	\$815			
		Magnolia Terrace Phase I * (M)	\$630	Magnolia Terrace Phase I * (2BA M)	\$750	Lakeview Apartments * (60%)	\$788			
		Magnolia Terrace Phase II * (50%)	\$595	Ashton Landing Apartments * (2BA 50%)	\$726	Magnolia Terrace Phase I * (50%)	\$785			
		Lakeview Apartments * (60%)	\$552	Ashton Landing Apartments * (2BA 60%)	\$721	Magnolia Terrace Phase I * (60%)	\$785			
		Magnolia Terrace Phase I * (50%)	\$539	Magnolia Terrace Phase II * (2BA 50%)	\$677	Marvin Gardens I * (1BA 60%)	\$649			
		Magnolia Terrace Phase I * (60%)	\$539	Magnolia Terrace Phase II * (2BA 60%)	\$677	Marvin Gardens II * (1BA 60%)	\$649			
		Magnolia Terrace Phase I * (30%)	\$366	Lakeview Apartments * (60%)	\$663	Magnolia Terrace Phase I * (30%)	\$498			
				Magnolia Terrace Phase I * (2BA 50%)	\$642					
				Magnolia Terrace Phase I * (2BA 60%)	\$642					
				Marvin Gardens I * (60%)	\$563					
				Marvin Gardens II * (60%)	\$563					
				Magnolia Terrace Phase I * (2BA 30%)	\$434					
SQUARE	Lakeview Apartments * (60%) 506	Asbury Parke	998	Lenox Pointe (2BA)	1,350	Lenox Pointe	1,540	Lakeview Apartments * (60%)	1,095	
FOOTAGE	Timberwood Apartments 288	Amber Place Apartments	970	Asbury Parke	1,315	Amber Place Apartments	1,438	Marvin Gardens I * (60%)	950	
		Bradford Place	900	Amber Place Apartments	1,296	Magnolia Terrace Phase I * (30%)	1,400	Marvin Gardens II * (60%)	950	
		Asbury Parke	861	Bradford Place	1,212	Magnolia Terrace Phase I * (50%)	1,400			
		Lenox Pointe	853	Amber Place Apartments	1,178	Magnolia Terrace Phase I * (60%)	1,400			
		Amber Place Apartments	850	Asbury Parke	1,178	Magnolia Terrace Phase I * (M)	1,400			
		Bradford Place	800	Bradford Place	1,117	Magnolia Terrace Phase II * (50%)	1,400			
		Magnolia Terrace Phase I * (30%)	680	Magnolia Terrace Phase I * (2BA 30%)	1,050	Magnolia Terrace Phase II * (60%)	1,400			
		Magnolia Terrace Phase I * (50%)	680	Magnolia Terrace Phase I * (2BA 50%)	1,050	Magnolia Terrace Phase II * (M)	1,400			
		Magnolia Terrace Phase I * (60%)	680	Magnolia Terrace Phase I * (2BA 60%)	1,050	Bradford Place	1,332			
		Magnolia Terrace Phase I * (M)	680	Magnolia Terrace Phase I * (2BA M)	1,050	Ashton Landing Apartments * (50%)	1,089			
		Magnolia Terrace Phase II * (50%)	680	Magnolia Terrace Phase II * (2BA 50%)	1,050	Ashton Landing Apartments * (60%)	1,089			
		Magnolia Terrace Phase II * (M)	680	Magnolia Terrace Phase II * (2BA 60%)	1,050	Lakeview Apartments * (60%)	1,025			
		Lakeview Apartments * (60%)	660	Magnolia Terrace Phase II * (2BA M)	1,050	Marvin Gardens I * (1BA 60%)	850			
		Timberwood Apartments	576	Ashton Landing Apartments * (2BA 50%)	951	Marvin Gardens II * (1BA 60%)	850			
				Ashton Landing Apartments * (2BA 60%)	951					
				Lakeview Apartments * (60%)	914					
				Timberwood Apartments	864					
				Marvin Gardens I * (60%)	750					
				Marvin Gardens II * (60%)	750					
RENT PER	Timberwood Apartments \$2.15	Timberwood Apartments	\$1.20	Timberwood Apartments	\$0.97	Amber Place Apartments	\$0.94	Marvin Gardens I * (60%)	\$0.85	
SQUARE	Lakeview Apartments * (60%) \$0.99	Bradford Place	\$1.17	Amber Place Apartments	\$0.94	Bradford Place	\$0.88	Marvin Gardens II * (60%)	\$0.85	
FOOT		Amber Place Apartments	\$1.08	Asbury Parke	\$0.89	Lenox Pointe	\$0.78	Lakeview Apartments * (60%)	\$0.84	
		Bradford Place	\$1.07	Amber Place Apartments	\$0.88	Lakeview Apartments * (60%)	\$0.77			
		Asbury Parke	\$1.04	Bradford Place	\$0.85	Marvin Gardens I * (1BA 60%)	\$0.76			
		Magnolia Terrace Phase II * (M)	\$1.02	Bradford Place	\$0.82	Marvin Gardens II * (1BA 60%)	\$0.76			
		Lenox Pointe	\$0.97	Asbury Parke	\$0.81	Ashton Landing Apartments * (50%)	\$0.75			
		Amber Place Apartments	\$0.97	Ashton Landing Apartments * (2BA 50%)	\$0.76	Ashton Landing Apartments * (60%)	\$0.75			
		Asbury Parke	\$0.95	Lenox Pointe (2BA)	\$0.76	Magnolia Terrace Phase II * (M)	\$0.66			
		Magnolia Terrace Phase I * (M)	\$0.93	Ashton Landing Apartments * (2BA 60%)	\$0.76	Magnolia Terrace Phase I * (M)	\$0.63			
		Magnolia Terrace Phase II * (50%)	\$0.88	Marvin Gardens I * (60%)	\$0.75	Magnolia Terrace Phase II * (60%)	\$0.59			
		Lakeview Apartments * (60%)	\$0.84	Marvin Gardens II * (60%)	\$0.75	Magnolia Terrace Phase II * (50%)	\$0.58			
		Magnolia Terrace Phase I * (50%)	\$0.79	Magnolia Terrace Phase II * (2BA M)	\$0.74	Magnolia Terrace Phase I * (50%)	\$0.56			
		Magnolia Terrace Phase I * (60%)	\$0.79	Lakeview Apartments * (60%)	\$0.73	Magnolia Terrace Phase I * (60%)	\$0.56			
		Magnolia Terrace Phase I * (30%)	\$0.54	Magnolia Terrace Phase I * (2BA M)	\$0.71	Magnolia Terrace Phase I * (30%)	\$0.36			
				Magnolia Terrace Phase II * (2BA 50%)	\$0.64					
				Magnolia Terrace Phase II * (2BA 60%)	\$0.64					
				Magnolia Terrace Phase I * (2BA 50%)	\$0.61					
				Magnolia Terrace Phase I * (2BA 60%)	\$0.61					
				Magnolia Terrace Phase I * (2BA 30%)	\$0.41					

# PROPERTY PROFILE REPORT

## Ashton Landing Apartments

<b>Effective Rent Date</b>	4/21/2015
<b>Location</b>	1701 Macon Rd Perry, GA 31069 Houston County
<b>Distance</b>	10.6 miles
<b>Units</b>	108
<b>Vacant Units</b>	12
<b>Vacancy Rate</b>	11.1%
<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>	Winslow Place, Houston Community Apartments
<b>Tenant Characteristics</b>	employees of Perdu Farms, Frito Lay and Walmart; most come from out of state, some from Macon and Atlanta area; 15 percent seniors
<b>Contact Name</b>	Rachelle/Jay
<b>Phone</b>	(478) 988-0917



### Market Information

<b>Program</b>	@50%, @60%
<b>Annual Turnover Rate</b>	30%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	20%
<b>Leasing Pace</b>	Pre-leased 1-2 weeks
<b>Annual Chg. in Rent</b>	Inc. 3-18% since 2Q2012
<b>Concession</b>	60% units - 2 months free

### 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
2	2	Garden (3 stories)	3	951	\$530	\$0	@50%	None	0	0.0%	no	None
2	2	Garden (3 stories)	45	951	\$630	\$105	@60%	None	6	13.3%	no	None
3	2	Garden (3 stories)	3	1,089	\$580	\$0	@50%	None	0	0.0%	no	None
3	2	Garden (3 stories)	57	1,089	\$695	\$116	@60%	None	6	10.5%	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$530	\$0	\$530	\$196	\$726	2BR / 2BA	\$630	\$105	\$525	\$196	\$721
3BR / 2BA	\$580	\$0	\$580	\$242	\$822	3BR / 2BA	\$695	\$116	\$579	\$242	\$821

## Ashton Landing Apartments, continued

### Amenities

#### In-Unit

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

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

#### Security

Patrol  
Perimeter Fencing

#### Services

None

#### Property

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Playground

Exercise Facility  
Off-Street Parking  
Picnic Area  
Swimming Pool

#### Premium

None

#### Other

None

### Comments

Contact stated that they are currently running a move-in special of two months free for the two and three-bedroom 60 percent units. The two-bedroom units at 50 percent AMI have seen an 18 percent increase in rents since 2Q12, whereas the two-bedroom at 60 percent and the three-bedroom at 50 percent saw a five percent increase, and the three-bedroom at 60 saw a three percent increase. The property manager indicated that typical occupancy ranges from 90 to 95 percent, and the current number of vacancies is atypically high. The contact added that there have been many move-outs in recent months, with several tenants purchasing homes.

# Ashton Landing Apartments, continued

## Trend Report

### Vacancy Rates

1Q08	2Q09	2Q12	2Q15
15.7%	6.5%	1.9%	11.1%

### Trend: @50%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	33.3%	\$450	\$0	\$450	\$646
2009	2	N/A	\$450	\$0	\$450	\$646
2012	2	0.0%	\$450	\$0	\$450	\$646
2015	2	0.0%	\$530	\$0	\$530	\$726

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$500	\$145	\$355	\$597
2012	2	0.0%	\$550	\$0	\$550	\$792
2015	2	0.0%	\$580	\$0	\$580	\$822

### Trend: @60%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	28.9%	\$575	\$0	\$575	\$771
2009	2	N/A	\$575	\$0	\$575	\$771
2012	2	0.0%	\$600	\$0	\$600	\$796
2015	2	13.3%	\$630	\$105	\$525	\$721

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	5.0%	\$500 - \$625	\$0	\$500 - \$625	\$742 - \$867
2009	2	N/A	\$625	\$300	\$325	\$567
2012	2	3.5%	\$675	\$0	\$675	\$917
2015	2	10.5%	\$695	\$116	\$579	\$821

### Trend: Comments

- 1Q08** The leasing agent indicated that demand is relatively equal for both bedroom types, however she has found it difficult to find tenants who qualify for the units at 50 percent AMI. Recently the vacancy at this property has been higher than normal, and the contact believes the reduced prices of single family homes in the area has enticed tenants to leave the rental units to purchase a home. Pest control is also included in the monthly rent. While the property does accept Housing Choice Vouchers, the contact was unable to estimate the percentage of tenants that use these vouchers. The leasing agent was also unable to provide an estimated annual turnover rate. The leasing agent mentioned that a new property opened nearby: Houston Community Apartments. She expects this property to provide competition in the future. The nighttime manager who lives on site is a police officer and unofficially patrols the complex. This is not a feature that management advertises, however it is a service that tenants consider valuable.
- 2Q09** There are two options for the concession. The first is a three-bedroom for the price of a two-bedroom unit and the first and second month for free. The second is a three-bedroom rent of \$480 and a two to three-month prorated rent free (versus a free first and second month). The contact reported that the property is 94 percent occupied and 100 percent pre-leased. Due to the state of the economy, tenants have opted to rent private single-family home rentals, which have increased in supply as a result of the housing slump. Occupancy at the property had dropped to as low as 79 percent in August or September 2008.
- 2Q12** Management indicated that rents are not at the maximum allowable levels but was unable to provide an explanation as to why. A waiting list is not maintained by the property but it is not because of a lack of demand, instead it is because turnover is relatively low and by the time a unit becomes vacant typically the interested households on the waiting list have found somewhere else to live.
- 2Q15** Contact stated that they are currently running a move-in special of two months free for the two and three-bedroom 60 percent units. The two-bedroom units at 50 percent AMI have seen an 18 percent increase in rents since 2Q12, whereas the two-bedroom at 60 percent and the three-bedroom at 50 percent saw a five percent increase, and the three-bedroom at 60 saw a three percent increase. The property manager indicated that typical occupancy ranges from 90 to 95 percent, and the current number of vacancies is atypically high. The contact added that there have been many move-outs in recent months, with several tenants purchasing homes.

# PROPERTY PROFILE REPORT

## Magnolia Terrace Phase I

**Effective Rent Date** 4/06/2015  
**Location** 714 Green St.  
 Fort Valley, GA 31030  
 Peach County  
**Distance** 0.5 miles  
**Units** 50  
**Vacant Units** 1  
**Vacancy Rate** 2.0%  
**Type** Duplex  
**Year Built/Renovated** 2003 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None identified  
**Tenant Characteristics** Peach County residents, 30% students, 50% families, 20% seniors  
**Contact Name** Carla  
**Phone** (478) 825-3040



### Market Information

**Program** @30%, @50%, @60%, Market  
**Annual Turnover Rate** 15%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 8%  
**Leasing Pace** Pre-leased to 4 weeks  
**Annual Chg. in Rent** Inc 0-2% since 3Q2013  
**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** 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	Duplex	1	680	\$228	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Duplex	3	680	\$401	\$0	@50%	Yes	0	0.0%	no	None
1	1	Duplex	2	680	\$401	\$0	@60%	Yes	0	0.0%	no	None
1	1	Duplex	2	680	\$492	\$0	Market	No	0	0.0%	N/A	None
2	2	Duplex	3	1,050	\$264	\$0	@30%	Yes	0	0.0%	no	None
2	2	Duplex	7	1,050	\$472	\$0	@50%	Yes	0	0.0%	no	None
2	2	Duplex	15	1,050	\$472	\$0	@60%	Yes	0	0.0%	no	None
2	2	Duplex	5	1,050	\$580	\$0	Market	No	1	20.0%	N/A	None
3	2	Duplex	1	1,400	\$293	\$0	@30%	Yes	0	0.0%	no	None
3	2	Duplex	7	1,400	\$580	\$0	@50%	Yes	0	0.0%	no	None
3	2	Duplex	1	1,400	\$580	\$0	@60%	Yes	0	0.0%	no	None
3	2	Duplex	3	1,400	\$675	\$0	Market	No	0	0.0%	N/A	None

## Magnolia Terrace Phase I, continued

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$228	\$0	\$228	\$138	\$366	1BR / 1BA	\$401	\$0	\$401	\$138	\$539
2BR / 2BA	\$264	\$0	\$264	\$170	\$434	2BR / 2BA	\$472	\$0	\$472	\$170	\$642
3BR / 2BA	\$293	\$0	\$293	\$205	\$498	3BR / 2BA	\$580	\$0	\$580	\$205	\$785
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$401	\$0	\$401	\$138	\$539	1BR / 1BA	\$492	\$0	\$492	\$138	\$630
2BR / 2BA	\$472	\$0	\$472	\$170	\$642	2BR / 2BA	\$580	\$0	\$580	\$170	\$750
3BR / 2BA	\$580	\$0	\$580	\$205	\$785	3BR / 2BA	\$675	\$0	\$675	\$205	\$880

### 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

Patrol

#### Services

None

#### Property

Basketball Court  
Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Picnic Area

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

#### Premium

None

#### Other

None

### Comments

Contact stated that they currently maintain a waiting list for the LIHTC units. The one-bedroom units have one household on the waiting list, the two-bedroom units have seven, and the three-bedrooms have three households. The property accepts Housing Choice Vouchers and currently has four units utilizing vouchers. The property has low turnover and is usually only experienced in the units that are occupied by students.

# Magnolia Terrace Phase I, continued

## Trend Report

### Vacancy Rates

2Q08	2Q12	3Q13	2Q15
0.0%	10.0%	10.0%	2.0%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$215	\$0	\$215	\$353
2012	2	0.0%	\$228	\$0	\$228	\$366
2013	3	0.0%	\$228	\$0	\$228	\$366
2015	2	0.0%	\$228	\$0	\$228	\$366

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$269	\$0	\$269	\$439
2012	2	0.0%	\$264	\$0	\$264	\$434
2013	3	0.0%	\$264	\$0	\$264	\$434
2015	2	0.0%	\$264	\$0	\$264	\$434

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$280	\$0	\$280	\$485
2012	2	0.0%	\$293	\$0	\$293	\$498
2013	3	0.0%	\$293	\$0	\$293	\$498
2015	2	0.0%	\$293	\$0	\$293	\$498

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$383	\$0	\$383	\$521
2012	2	50.0%	\$401	\$0	\$401	\$539
2013	3	100.0%	\$401	\$0	\$401	\$539
2015	2	0.0%	\$401	\$0	\$401	\$539

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$440	\$0	\$440	\$610
2012	2	14.3%	\$472	\$0	\$472	\$642
2013	3	6.7%	\$472	\$0	\$472	\$642
2015	2	0.0%	\$472	\$0	\$472	\$642

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$588	\$0	\$588	\$793
2012	2	0.0%	\$597	\$0	\$597	\$802
2013	3	0.0%	\$580	\$0	\$580	\$785
2015	2	0.0%	\$580	\$0	\$580	\$785

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$369	\$0	\$369	\$507
2012	2	33.3%	\$401	\$0	\$401	\$539
2013	3	0.0%	\$401	\$0	\$401	\$539
2015	2	0.0%	\$401	\$0	\$401	\$539

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$422	\$0	\$422	\$592
2012	2	6.7%	\$472	\$0	\$472	\$642
2013	3	14.3%	\$472	\$0	\$472	\$642
2015	2	0.0%	\$472	\$0	\$472	\$642

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$588	\$0	\$588	\$793
2012	2	14.3%	\$580	\$0	\$580	\$785
2013	3	14.3%	\$580	\$0	\$580	\$785
2015	2	0.0%	\$580	\$0	\$580	\$785

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$470	\$0	\$470	\$608
2012	2	0.0%	\$492	\$0	\$492	\$630
2013	3	0.0%	\$492	\$0	\$492	\$630
2015	2	0.0%	\$492	\$0	\$492	\$630

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$525	\$0	\$525	\$695
2012	2	0.0%	\$567	\$0	\$567	\$737
2013	3	0.0%	\$567	\$0	\$567	\$737
2015	2	20.0%	\$580	\$0	\$580	\$750

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$625	\$0	\$625	\$830
2012	2	0.0%	\$657	\$0	\$657	\$862
2013	3	0.0%	\$657	\$0	\$657	\$862
2015	2	0.0%	\$675	\$0	\$675	\$880

## Magnolia Terrace Phase I, continued

### Trend: Comments

- 2Q08** Phase One of Magnolia Terrace began leasing in 2004, and Phase Two began construction in January 2008. During the initial absorption phase for this property there were construction delays. This resulted in a longer than expected initial lease up. Two-bedroom units are the most popular bedroom type; 50 percent units have the highest demand. Rents were decreased in 2007, according to management, to stay within the maximum allowable limits. The three-bedroom unit at the 60 percent level is below the maximum allowable as there is only one unit in this category; management decided to keep pricing consistent with the 50 percent units.
- 2Q12** The property is 90 percent occupied and 100 percent leased. Management indicated that a considerable portion of the tenants are students who qualify as they are work-study students. The property had crime issues due to a former tenant (break ins), which was a detrimental influence to leasing. However, this household was evicted and leasing has recovered. This property is located adjacent to Phase II, which offers newer garden-style units. However, this property has an advantage as a single-story duplex property as some tenants prefer the single-story design. Management reported that the property has maintained an occupancy rate ranging from 94 to 96 percent over the past three years. There is limited rental housing in Fort Valley that is not targeted towards students and that is not substandard. Therefore, the property faces limited competition.
- 3Q13** Management reported that approximately six households are currently waiting for market rate units only. Management stated that a considerable portion of the tenants are students who qualify for the LIHTC units as work-study students. This property is located adjacent to Magnolia Terrace Phase II, which offers newer garden-style units. However, management reported this property has an advantage as a single-story duplex development, as many tenants prefer the single-story design. Management reported that there is limited rental housing in Fort Valley that is not targeted towards students or that is not in sub-standard condition, and the property faces limited competition.
- 2Q15** Contact stated that they currently maintain a waiting list for the LIHTC units. The one-bedroom units have one household on the waiting list, the two-bedroom units have seven, and the three-bedrooms have three households. The property accepts Housing Choice Vouchers and currently has four units utilizing vouchers. The property has low turnover and is usually only experienced in the units that are occupied by students.

# PROPERTY PROFILE REPORT

## Magnolia Terrace Phase II

**Effective Rent Date** 4/06/2015  
**Location** 718 Green St.  
 Fort Valley, GA 31030  
 Peach County  
**Distance** 0.5 miles  
**Units** 36  
**Vacant Units** 1  
**Vacancy Rate** 2.8%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 2008 / N/A  
**Marketing Began** N/A  
**Leasing Began** 10/23/2008  
**Last Unit Leased** 12/31/2013  
**Major Competitors** None identified  
**Tenant Characteristics** Mixed tenancy, 1/3 students  
**Contact Name** Carla  
**Phone** 478-825-3040



### Market Information

**Program** @50%, @60%, Market  
**Annual Turnover Rate** 15%  
**Units/Month Absorbed** 9  
**HCV Tenants** 11%  
**Leasing Pace** Pre-leased to 4 weeks  
**Annual Chg. in Rent** Inc. 2-12% since 3Q2013  
**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** 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)	2	680	\$457	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	2	680	\$557	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	10	1,050	\$507	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	3	1,050	\$507	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	3	1,050	\$610	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	10	1,400	\$610	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	3	1,400	\$627	\$0	@60%	Yes	1	33.3%	no	None
3	2	Garden (2 stories)	3	1,400	\$720	\$0	Market	No	0	0.0%	N/A	None

## Magnolia Terrace Phase II, continued

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$457	\$0	\$457	\$138	\$595	2BR / 2BA	\$507	\$0	\$507	\$170	\$677
2BR / 2BA	\$507	\$0	\$507	\$170	\$677	3BR / 2BA	\$627	\$0	\$627	\$205	\$832
3BR / 2BA	\$610	\$0	\$610	\$205	\$815						

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$557	\$0	\$557	\$138	\$695
2BR / 2BA	\$610	\$0	\$610	\$170	\$780
3BR / 2BA	\$720	\$0	\$720	\$205	\$925

### Amenities

#### In-Unit

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

#### Security

None

#### Services

None

#### Property

Basketball Court	Business Center/Computer Lab
Clubhouse/Meeting	Courtyard
Exercise Facility	Central Laundry
Off-Street Parking	On-Site Management
Picnic Area	Playground

#### Premium

None

#### Other

None

### Comments

Contact stated that they currently maintain a short waiting list for the LIHTC units. The property accepts Housing Choice Vouchers and currently has four units utilizing vouchers. All of the units have seen rent increases since 3Q13. The LIHTC units have increased two percent, the market one-bedroom has increased 12 percent, the market two-bedroom has increased two percent, and the market three-bedroom has increased three percent.

# Magnolia Terrace Phase II, continued

## Trend Report

### Vacancy Rates

1Q08	2Q12	3Q13	2Q15
N/A	2.8%	0.0%	2.8%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$375	\$0	\$375	\$513
2012	2	0.0%	\$427	\$0	\$427	\$565
2013	3	0.0%	\$447	\$0	\$447	\$585
2015	2	0.0%	\$457	\$0	\$457	\$595

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$440	\$0	\$440	\$610
2012	2	10.0%	\$477	\$0	\$477	\$647
2013	3	0.0%	\$497	\$0	\$497	\$667
2015	2	0.0%	\$507	\$0	\$507	\$677

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$475	\$0	\$475	\$680
2012	2	0.0%	\$580	\$0	\$580	\$785
2013	3	0.0%	\$600	\$0	\$600	\$805
2015	2	0.0%	\$610	\$0	\$610	\$815

### Trend: @60%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$440	\$0	\$440	\$610
2012	2	0.0%	\$477	\$0	\$477	\$647
2013	3	0.0%	\$497	\$0	\$497	\$667
2015	2	0.0%	\$507	\$0	\$507	\$677

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$475	\$0	\$475	\$680
2012	2	0.0%	\$597	\$0	\$597	\$802
2013	3	0.0%	\$617	\$0	\$617	\$822
2015	2	33.3%	\$627	\$0	\$627	\$832

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$450	\$0	\$450	\$588
2012	2	0.0%	\$527	\$0	\$527	\$665
2013	3	0.0%	\$497	\$0	\$497	\$635
2015	2	0.0%	\$557	\$0	\$557	\$695

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$475	\$0	\$475	\$645
2012	2	0.0%	\$577	\$0	\$577	\$747
2013	3	0.0%	\$597	\$0	\$597	\$767
2015	2	0.0%	\$610	\$0	\$610	\$780

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$500	\$0	\$500	\$705
2012	2	0.0%	\$677	\$0	\$677	\$882
2013	3	0.0%	\$697	\$0	\$697	\$902
2015	2	0.0%	\$720	\$0	\$720	\$925

## Magnolia Terrace Phase II, continued

### Trend: Comments

- 1Q08** The developer expects to begin construction in Spring 2008 with an estimated placed in service date of Fall 2008. The proposed rents are not currently at the maximum allowable level as the developer does not feel they are achievable in the market. The second phase will have its own amenity package, however it will share a management office with phase one. Unit size is expected to be similar.
- 2Q12** Management reported strong demand for affordable units in rental market. There is currently 13 households on waiting list.
- 3Q13** Management reported strong demand for affordable units in the Fort Valley rental market. There are currently nine households on the waiting list. Management reported rents on all units increased between three and five percent in the past year, with exception to the one-bedroom market units which decreased six percent.
- 2Q15** Contact stated that they currently maintain a short waiting list for the LIHTC units. The property accepts Housing Choice Vouchers and currently has four units utilizing vouchers. All of the units have seen rent increases since 3Q13. The LIHTC units have increased two percent, the market one-bedroom has increased 12 percent, the market two-bedroom has increased two percent, and the market three-bedroom has increased three percent.



## **Marvin Gardens I, continued**

### **Comments**

Contact stated that the two-bedroom units have a short waiting list. Each unit is assigned two reserved parking spaces.

# Marvin Gardens I, continued

## Trend Report

### Vacancy Rates

2Q08	2Q12	3Q13	2Q15
1.3%	5.0%	16.7%	20.0%

## Trend: @60%

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$350	\$0	\$350	\$563
2012	2	0.0%	\$350	\$0	\$350	\$563
2013	3	16.7%	\$350	\$0	\$350	\$563
2015	2	0.0%	\$350	\$0	\$350	\$563

### 3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	1.8%	\$390	\$0	\$390	\$649
2012	2	7.3%	\$390	\$0	\$390	\$649
2013	3	13.6%	\$390	\$0	\$390	\$649
2015	2	9.1%	\$390	\$0	\$390	\$649

### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$480	\$0	\$480	\$804
2012	2	0.0%	\$480	\$0	\$480	\$804
2013	3	50.0%	\$480	\$0	\$480	\$804
2015	2	200.0%	\$480	\$0	\$480	\$804

## Trend: Comments

2Q08	There is one pending application for the vacant three-bedroom unit. The property manager reported that two-bedroom and three-bedroom units are in high demand. Four-bedroom units are the hardest to lease. The property does not have high turnover. The manager believes additional affordable housing would be well received in the market.
2Q12	No additional comments at this time.
3Q13	No additional comments.
2Q15	Contact stated that the two-bedroom units have a short waiting list. Each unit is assigned two reserved parking spaces.



## Marvin Gardens II, continued

### Trend Report

#### Vacancy Rates

2Q08	2Q12	3Q13	2Q15
2.0%	4.0%	12.0%	8.0%

### Trend: @60%

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$350	\$0	\$350	\$563
2012	2	N/A	\$350	\$0	\$350	\$563
2013	3	12.5%	\$350	\$0	\$350	\$563
2015	2	0.0%	\$350	\$0	\$350	\$563

#### 3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$390	\$0	\$390	\$649
2012	2	N/A	\$390	\$0	\$390	\$649
2013	3	6.7%	\$390	\$0	\$390	\$649
2015	2	6.7%	\$390	\$0	\$390	\$649

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$480	\$0	\$480	\$804
2012	2	N/A	\$480	\$0	\$480	\$804
2013	3	50.0%	\$480	\$0	\$480	\$804
2015	2	50.0%	\$480	\$0	\$480	\$804

### Trend: Comments

2Q08	There is one vacant two-bedroom unit; however, it is pre-leased. The property manager reported that two-bedroom and three-bedroom units are in high demand. Four-bedroom units are the hardest to lease. The property does not have high turnover. The manager believes additional affordable housing would be well received in the market.
2Q12	No additional comments at this time.
3Q13	No additional comments.
2Q15	Contact stated that they have a short waiting list for the two-bedroom units. Each unit is assigned two reserved parking spaces.

# PROPERTY PROFILE REPORT

## Amber Place Apartments

<b>Effective Rent Date</b>	4/06/2015
<b>Location</b>	6080 Lakeview Road Warner Robins, GA 31088 Houston County
<b>Distance</b>	11 miles
<b>Units</b>	392
<b>Vacant Units</b>	10
<b>Vacancy Rate</b>	2.6%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	2005-2007 / 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>	Lenox Pointe
<b>Tenant Characteristics</b>	Mixed tenancy, approx. 30% are military households, 3% senior
<b>Contact Name</b>	Melinda
<b>Phone</b>	478-953-5400



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	12%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Pre-leased 30 to 60 days
<b>Annual Chg. in Rent</b>	Yieldstar
<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 (2 stories)	56	850	\$745	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	56	970	\$768	\$0	Market	No	1	1.8%	N/A	None
2	1	Garden (2 stories)	56	1,178	\$898	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	56	1,296	\$933	\$0	Market	No	4	7.1%	N/A	None
2	2	Garden (2 stories)	56	1,238	\$965	\$0	Market	No	2	3.6%	N/A	None
2	2	Garden (2 stories)	32	1,336	\$999	\$0	Market	No	2	6.2%	N/A	None
2	2	Garden (2 stories)	56	1,386	\$944	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	24	1,438	\$1,095	\$0	Market	No	1	4.2%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$745 - \$768	\$0	\$745 - \$768	\$172	\$917 - \$940
2BR / 1BA	\$898 - \$933	\$0	\$898 - \$933	\$213	\$1,111 - \$1,146
2BR / 2BA	\$944 - \$999	\$0	\$944 - \$999	\$213	\$1,157 - \$1,212
3BR / 2BA	\$1,095	\$0	\$1,095	\$259	\$1,354

## Amber Place Apartments, continued

### Amenities

#### In-Unit

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

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

#### Security

None

#### Services

None

#### Property

Clubhouse/Meeting  
Garage  
Central Laundry  
On-Site Management  
Swimming Pool

Exercise Facility  
Jacuzzi  
Off-Street Parking  
Picnic Area  
Tennis Court

#### Premium

None

#### Other

None

### Comments

The property utilizes yieldstar and rents change daily. The range of rents is based on the average from yieldstar.

## Amber Place Apartments, continued

### Trend Report

#### Vacancy Rates

1Q09	2Q14	2Q15
5.9%	0.8%	2.6%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	3.6%	\$650 - \$680	\$54 - \$57	\$596 - \$623	\$768 - \$795
2014	2	0.0%	\$856 - \$905	\$0	\$856 - \$905	\$1,028 - \$1,077
2015	2	0.9%	\$745 - \$768	\$0	\$745 - \$768	\$917 - \$940

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	7.1%	\$720 - \$740	\$60 - \$62	\$660 - \$678	\$873 - \$891
2014	2	0.0%	\$854 - \$900	\$0	\$854 - \$900	\$1,067 - \$1,113
2015	2	3.6%	\$898 - \$933	\$0	\$898 - \$933	\$1,111 - \$1,146

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	4.9%	\$760 - \$780	\$63 - \$65	\$697 - \$715	\$910 - \$928
2014	2	2.1%	\$833 - \$874	\$0	\$833 - \$874	\$1,046 - \$1,087
2015	2	2.8%	\$944 - \$999	\$0	\$944 - \$999	\$1,157 - \$1,212

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	16.7%	\$880	\$73	\$807	\$1,066
2014	2	0.0%	\$1,163	\$0	\$1,163	\$1,422
2015	2	4.2%	\$1,095	\$0	\$1,095	\$1,354

### Trend: Comments

- 1Q09** The leasing agent stated overall occupancy has remained above 92 percent during the past year and noted slowing economic conditions in the area have led to lower occupancy rates.
- 2Q14** The property utilizes yieldstar and rents change daily. The range of rents is based on yieldstar.
- 2Q15** The property utilizes yieldstar and rents change daily. The range of rents is based on the average from yieldstar.

## Amber Place Apartments, continued

### Photos



# PROPERTY PROFILE REPORT

## Asbury Parke

<b>Effective Rent Date</b>	4/21/2015
<b>Location</b>	200 Crestview Church Rd Warner Robins, GA 31088 Houston County
<b>Distance</b>	10.6 miles
<b>Units</b>	224
<b>Vacant Units</b>	67
<b>Vacancy Rate</b>	29.9%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2014-2015 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	7/01/2014
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Bedford Parke (sister property)
<b>Tenant Characteristics</b>	Mixed tenancy; majority couples and singles from Warner Robins
<b>Contact Name</b>	Joyce
<b>Phone</b>	478.225.4892



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	15
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	In lease up
<b>Annual Chg. in Rent</b>	N/A
<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)	N/A	861	\$725	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	998	\$775	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	N/A	1,178	\$830	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	N/A	1,315	\$855	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,238	\$855	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,390	\$905	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$725 - \$775	\$0	\$725 - \$775	\$172	\$897 - \$947
<b>2BR / 1BA</b>	\$830 - \$855	\$0	\$830 - \$855	\$213	\$1,043 - \$1,068
<b>2BR / 2BA</b>	\$855 - \$905	\$0	\$855 - \$905	\$213	\$1,068 - \$1,118

## Asbury Parke, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpet/Hardwood  
Dishwasher  
Ceiling Fan  
Microwave  
Refrigerator  
Washer/Dryer hookup

Blinds  
Central A/C  
Exterior Storage  
Garbage Disposal  
Oven  
Walk-In Closet

#### Security

Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

Business Center/Computer Lab  
Clubhouse/Meeting  
Garage  
On-Site Management  
Playground  
Wi-Fi

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

#### Premium

None

#### Other

Dog Park

### Comments

According to the contact, the property's first building was opened in July 2014. The last building is expected to be completed in early May 2015. Thus far, the property has experienced an absorption rate of 15 units per month.

Photos



# PROPERTY PROFILE REPORT

## Bradford Place

<b>Effective Rent Date</b>	4/06/2015
<b>Location</b>	115 Tom Chapman Blvd Warner Robins, GA 31088 Houston County
<b>Distance</b>	12 miles
<b>Units</b>	200
<b>Vacant Units</b>	8
<b>Vacancy Rate</b>	4.0%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1998 / 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>	Amber Place, Lexington Place, Bedford Park
<b>Tenant Characteristics</b>	Approximately 5% senior
<b>Contact Name</b>	Rachel
<b>Phone</b>	478.953.5969



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	50%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Pre-leased 30 days
<b>Annual Chg. in Rent</b>	Yieldstar
<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 (2 stories)	N/A	800	\$761	\$0	Market	No	1	N/A	N/A	None
1	1	Garden (2 stories)	N/A	900	\$795	\$0	Market	No	0	N/A	N/A	None
2	1	Garden (2 stories)	N/A	1,117	\$734	\$0	Market	No	1	N/A	N/A	None
2	1	Garden (2 stories)	N/A	1,212	\$775	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,157	\$759	\$0	Market	No	1	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,223	\$794	\$0	Market	No	3	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,253	\$811	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,332	\$907	\$0	Market	No	2	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$761 - \$795	\$0	\$761 - \$795	\$172	\$933 - \$967
2BR / 1BA	\$734 - \$775	\$0	\$734 - \$775	\$213	\$947 - \$988
2BR / 2BA	\$759 - \$811	\$0	\$759 - \$811	\$213	\$972 - \$1,024
3BR / 2BA	\$907	\$0	\$907	\$259	\$1,166

## Bradford Place, continued

### Amenities

#### In-Unit

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

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

#### Security

Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

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

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

#### Premium

None

#### Other

None

### Comments

The contact stated that the property utilizes yieldstar for their rental prices. The property does not accept Housing Choice Vouchers. Garage spaces are an additional \$80 per month and extra storage is \$35 monthly.

## Bradford Place, continued

### Trend Report

#### Vacancy Rates

1Q05	4Q07	2Q14	2Q15
1.0%	14.0%	2.5%	4.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	2.8%	\$661	\$0	\$661	\$833
2007	4	0.0%	\$665	\$0	\$665	\$837
2014	2	0.0%	\$646	\$0	\$646	\$818
2015	2	N/A	\$761 - \$795	\$0	\$761 - \$795	\$933 - \$967

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	0.0%	\$751	\$0	\$751	\$964
2007	4	0.0%	\$755	\$0	\$755	\$968
2014	2	0.0%	\$731	\$0	\$731	\$944
2015	2	N/A	\$734 - \$775	\$0	\$734 - \$775	\$947 - \$988

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	0.0%	\$751	\$0	\$751	\$964
2007	4	31.2%	\$790	\$50	\$740	\$953
2014	2	4.7%	\$783	\$0	\$783	\$996
2015	2	N/A	\$759 - \$811	\$0	\$759 - \$811	\$972 - \$1,024

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	2.8%	\$906	\$0	\$906	\$1,165
2007	4	22.2%	\$910	\$60	\$850	\$1,109
2014	2	5.6%	\$990	\$0	\$990	\$1,249
2015	2	N/A	\$907	\$0	\$907	\$1,166

### Trend: Comments

- 1Q05** Bradford Place is a garden style apartment community with 200 units and a 99% occupancy rate. There is a fee of \$35-80 for rental of the garages. No tenant information was offered by Darcey. The annual turnover rate was specified as 50%+.
- 4Q07** YTD in 2007 there is a 67% annual turnover rate. The sales representative indicated that normally the rate is 50%. The market, according to the contact, is saturated. She feels that apartment building and home building have outpaced demand in the Warner Robins area. There is a fee of \$35-80 for rental of the garages.
- 2Q14** The property manager indicated that demand for rental units in the local market is strong.
- 2Q15** The contact stated that the property utilizes yieldstar for their rental prices. The property does not accept Housing Choice Vouchers. Garage spaces are an additional \$80 per month and extra storage is \$35 monthly.

# Bradford Place, continued

## Photos



# PROPERTY PROFILE REPORT

## Lenox Pointe

<b>Effective Rent Date</b>	4/21/2015
<b>Location</b>	2006 Karl Drive Warner Robbins, GA 31088 Houston County
<b>Distance</b>	11.9 miles
<b>Units</b>	216
<b>Vacant Units</b>	22
<b>Vacancy Rate</b>	10.2%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2006 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	9/15/2006
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Amber Place, Asbury Park
<b>Tenant Characteristics</b>	Families and young singles from local area
<b>Contact Name</b>	Tamara
<b>Phone</b>	478-988-0571



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	30%
<b>Units/Month Absorbed</b>	6 units a month as of 9.2010
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within 30 days
<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)	N/A	853	\$675	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,350	\$830	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,540	\$955	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$675	\$0	\$675	\$155	\$830
2BR / 2BA	\$830	\$0	\$830	\$196	\$1,026
3BR / 2BA	\$955	\$0	\$955	\$242	\$1,197

## Lenox Pointe, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpet/Hardwood  
Central A/C  
Exterior Storage  
Microwave  
Refrigerator  
Walk-In Closet

Blinds  
Carpeting  
Dishwasher  
Ceiling Fan  
Oven  
Vaulted Ceilings  
Washer/Dryer hookup

#### Security

Limited Access  
Perimeter Fencing  
Video Surveillance

#### Services

None

#### Property

Car Wash  
Exercise Facility  
Central Laundry  
Playground  
Swimming Pool

Clubhouse/Meeting  
Garage  
Off-Street Parking  
Recreation Areas  
Wi-Fi

#### Premium

None

#### Other

None

### Comments

The property does not accept Housing Choice Vouchers. Garage parking is an additional \$100 per month, and extra storage is an additional \$65 per month. Typical occupancy ranges from 90 to 95 percent, but has been atypically high over the past year due to military deployments, job transfers, and tenants purchasing homes.

## Lenox Pointe, continued

### Trend Report

#### Vacancy Rates

3Q10	1Q11	2Q14	2Q15
14.8%	10.2%	10.2%	10.2%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$665 - \$715	\$0	\$665 - \$715	\$820 - \$870
2011	1	N/A	\$665 - \$715	\$0	\$665 - \$715	\$820 - \$870
2014	2	N/A	\$675	\$0	\$675	\$830
2015	2	N/A	\$675	\$0	\$675	\$830

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$820 - \$860	\$0	\$820 - \$860	\$1,016 - \$1,056
2011	1	N/A	\$820 - \$860	\$0	\$820 - \$860	\$1,016 - \$1,056
2014	2	N/A	\$830	\$0	\$830	\$1,026
2015	2	N/A	\$830	\$0	\$830	\$1,026

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$945 - \$985	\$0	\$945 - \$985	\$1,187 - \$1,227
2011	1	N/A	\$945 - \$985	\$0	\$945 - \$985	\$1,187 - \$1,227
2014	2	N/A	\$955	\$0	\$955	\$1,197
2015	2	N/A	\$955	\$0	\$955	\$1,197

### Trend: Comments

3Q10	The property does not accept housing choice vouchers. The leasing agent was new and could not estimate the turnover rate or leasing pace, but indicated it was similar to the previous interview.
1Q11	The property does not accept Housing Choice Vouchers. Rents range in price based on the balcony or sunroom size. The manager was unable to provide vacancy by unit type.
2Q14	The property does not accept Housing Choice Vouchers. Rents range in price based on the balcony or sunroom size. The property would not disclose the overall vacancy rate.
2Q15	The property does not accept Housing Choice Vouchers. Garage parking is an additional \$100 per month, and extra storage is an additional \$65 per month. Typical occupancy ranges from 90 to 95 percent, but has been atypically high over the past year due to military deployments, job transfers, and tenants purchasing homes.

# PROPERTY PROFILE REPORT

## Timberwood Apartments

<b>Effective Rent Date</b>	4/06/2015
<b>Location</b>	710 Mason Terrace Perry, GA 31069 Houston County
<b>Distance</b>	9.6 miles
<b>Units</b>	60
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	3.3%
<b>Type</b>	One-story
<b>Year Built/Renovated</b>	1980s / 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>	None identified
<b>Tenant Characteristics</b>	Primarily retired residents, some short term leases for Bluebird employees
<b>Contact Name</b>	Beverly
<b>Phone</b>	478-987-4150



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	40%
<b>Units/Month Absorbed</b>	Unknown
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Pre-lease to 30 days
<b>Annual Chg. in Rent</b>	2 to 7 percent increase since 2Q12
<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
0	1	One-story	N/A	288	\$489	\$0	Market	No	1	N/A	N/A	None
1	1	One-story	N/A	576	\$519	\$0	Market	No	1	N/A	N/A	None
2	1	One-story	N/A	864	\$629	\$0	Market	No	0	N/A	N/A	None
2	2	One-story	N/A	864	\$680	\$0	Market	No	0	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$489	\$0	\$489	\$131	\$620
1BR / 1BA	\$519	\$0	\$519	\$172	\$691
2BR / 1BA	\$629	\$0	\$629	\$213	\$842
2BR / 2BA	\$680	\$0	\$680	\$213	\$893

## Timberwood Apartments, continued

### Amenities

**In-Unit**

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

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Refrigerator

**Security**

None

**Services**

None

**Property**

Central Laundry  
On-Site Management

Off-Street Parking

**Premium**

None

**Other**

None

### Comments

Contact stated that they do not accept Housing Choice Vouchers, nor have they been renovated since being built.

## Timberwood Apartments, continued

### Trend Report

#### Vacancy Rates

1Q10	3Q10	2Q12	2Q15
3.3%	5.0%	5.0%	3.3%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$509	\$0	\$509	\$681
2010	3	N/A	\$509	\$0	\$509	\$681
2012	2	N/A	\$509	\$0	\$509	\$681
2015	2	N/A	\$519	\$0	\$519	\$691

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$599	\$0	\$599	\$812
2010	3	N/A	\$599	\$0	\$599	\$812
2012	2	N/A	\$609	\$0	\$609	\$822
2015	2	N/A	\$629	\$0	\$629	\$842

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$609	\$0	\$609	\$822
2010	3	N/A	\$609	\$0	\$609	\$822
2012	2	N/A	\$639	\$0	\$639	\$852
2015	2	N/A	\$680	\$0	\$680	\$893

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$459	\$0	\$459	\$590
2010	3	N/A	\$459	\$0	\$459	\$590
2012	2	N/A	\$459	\$0	\$459	\$590
2015	2	N/A	\$489	\$0	\$489	\$620

### Trend: Comments

1Q10	Management indicated that there has been a small rental increase over the past year and that occupancy has remained above 90 percent.
3Q10	Management indicated that the market had not changed since the previous interview.
2Q12	Management indicated demand for additional senior units. She stated that seniors will move from Warner Robins for quality housing. She stated that typical occupancy at this property ranges from 93-95%. There are currently waiting lists for the two-bedroom units.
2Q15	Contact stated that they do not accept Housing Choice Vouchers, nor have they been renovated since being built.

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

**Housing Choice Vouchers**

<b>TENANTS WITH VOUCHERS</b>		
<b>Comparable Property</b>	<b>Type</b>	<b>Housing Choice Voucher Tenants</b>
Ashton Landing Apartments	LIHTC	20%
Magnolia Terrace Phase I	LIHTC/Market	8%
Magnolia Terrace Phase II	LIHTC/Market	11%
Marvin Gardens I	LIHTC	10%
Marvin Gardens II	LIHTC	20%
Amber Place Apartments	Market	0%
Asbury Parke	Market	0%
Bradford Place	Market	0%
Lenox Pointe	Market	0%
Timberwood Apartments	Market	0%
<b>Average</b>		<b>7%</b>

As illustrated in the table, all of the LIHTC properties reported having a portion of Housing Choice Voucher tenants, while none of the market rate properties reported Housing Choice Voucher usage. The average number of voucher tenants at the LIHTC properties is 14 percent and the overall market average is just seven percent. The voucher usage in the local market appears to be significant. According to a contact with the Georgia DCA, a majority of the voucher holding tenants in Peach County reside in Fort Valley. Since the Subject will operate under a HAP contract for all the units, the availability and acceptance of Housing Choice Vouchers will not be a concern for the Subject. The current Payment Standards for studio, one, two, three, and four-bedroom units are illustrated in the following table.

<b>PEACH COUNTY PAYMENT STANDARDS</b>	
<b>Bedroom Type</b>	<b>Payment Standard Rent</b>
0BR	\$375
1BR	\$466
2BR	\$601
3BR	\$860
4BR	\$863

The gross rents proposed at the Subject are well above the current Housing Choice Voucher payment standards for the local area, with the exception of three-bedroom asking rents. As such, if the project were to operate without the Section 8 contract, those with vouchers would be eligible to live at the Subject and pay 30 percent of their income toward rent in the three-bedroom units only.

**Lease Up History**

We were able to obtain absorption information from two comparable properties, illustrated in the following table. Many comparables could not provide absorption data as they consist of older vintage.

ABSORPTION					
Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Magnolia Terrace Phase II	LIHTC/Market	Family	2008	36	9
Asbury Parke	Market	Family	2014-2015	224	15

Per DCA guidelines, we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations with Section 8 subsidies in place for all the units, which is very unlikely given the Subject’s relocation plan, we would expect the Subject to experience an absorption pace of 10 units per month, which equates to an absorption period of approximately nine months for the Subject to reach 93 percent occupancy. In the unlikely event the Section 8 subsidies were not in place following renovations, we still believe the Subject could achieve 93 percent occupancy at the proposed rent levels within less than one year. In this scenario, we would anticipate an average absorption rate of eight units per month, with stabilization occurring within approximately 11 months.

The Subject is currently 91.7 percent occupied. The unit mix currently includes 10 studio units, 14 one-bedroom units, 34 two-bedroom units, 26 three-bedroom units, and 12 four-bedroom units. The units currently vacant are one, two, three, and four-bedroom units. However, a waiting list of 125 households is maintained for one and two-bedroom units, which will be utilized to fill vacancies post-renovation. One vacant two-bedroom unit requires significant repairs before it is habitable again. The Subject has historically operated at more than 93 percent occupancy, indicating relatively high demand for the existing low-income housing.

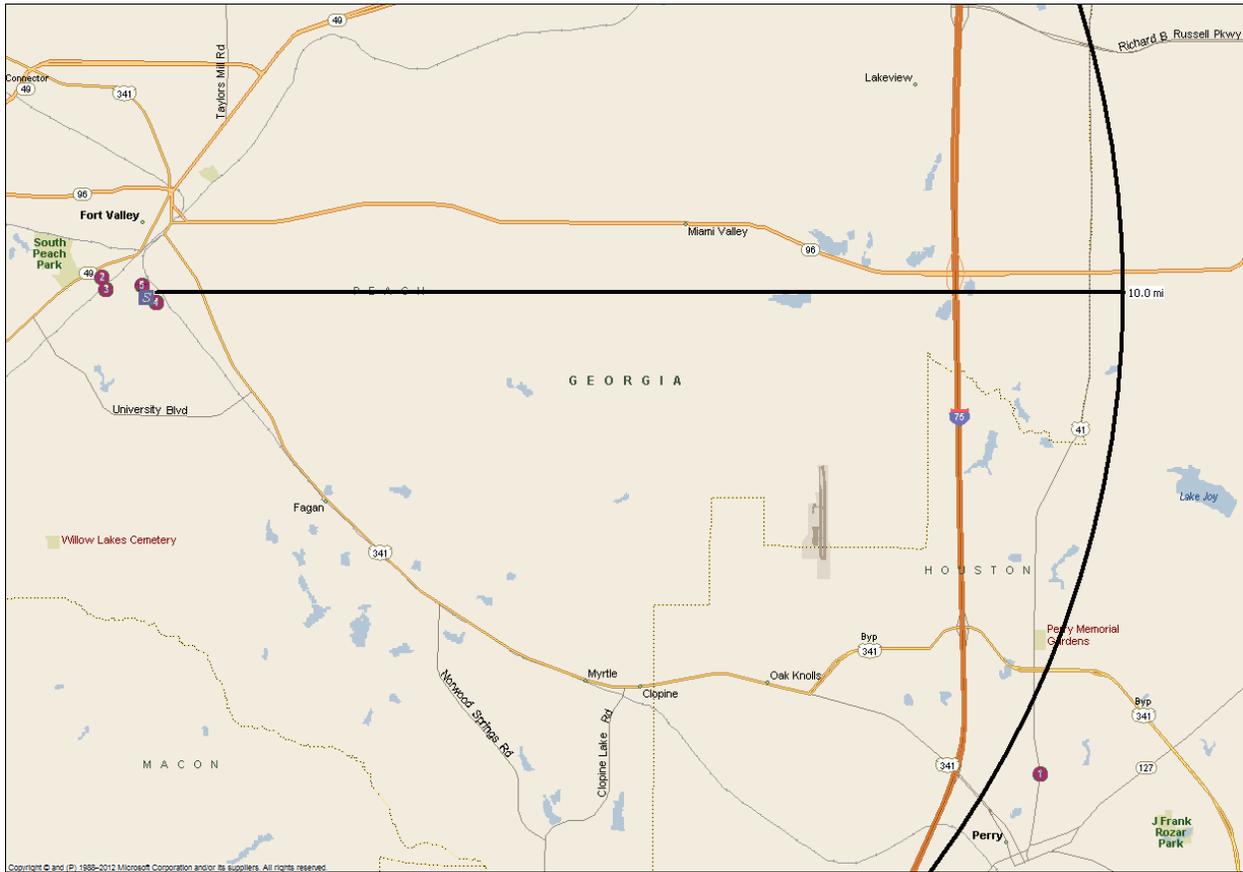
**Phased Developments**

The Subject is not part of a phased development. As such, this section is not applicable.

**Rural Areas**

The Subject is located in a residential area of the city of Fort Valley, and is not in a rural area. As such, this section is not applicable.

### 3. Competitive Project Map



COMPETITIVE LIHTC PROPERTIES IN THE PMA			
#	Property Name	Type	Distance
1	Ashton Landing	LIHTC	10.6 miles
2	Magnolia Terrace I	LIHTC/Market	0.5 miles
3	Magnolia Terrace II	LIHTC/Market	0.5 miles
4	Marvin Gardens I	LIHTC	0.1 miles
5	Marvin Gardens II	LIHTC	0.2 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.

Lakeview Apartments, Fort Valley, GA; Market Study

UNIT MATRIX REPORT

	Lakeview Apartments	Ashton Landing Apartment	Magnolia Terrace Phase I	Magnolia Terrace Phase II	Marvin Gardens I	Marvin Gardens II	Amber Place Apartments	Asbury Parke	Bradford Place	Lenox Pointe	Timberwood Apartments
Comp#	Subject	1	2	3	4	5	6	7	8	9	10
<b>Property Information</b>											
Property Type	Garden (2 stories)	Garden (3 stories)	Duplex	Garden (2 stories)	Duplex	Duplex	Garden (2 stories)	Garden (3 stories)	Garden (2 stories)	Garden (3 stories)	One-story
Year Built / Renovated	1972 / n/a	1999 / n/a	2003 / n/a	2008 / n/a	1996 / n/a	1997 / n/a	2005-2007 / n/a	2014-2015 / n/a	1998 / n/a	2006 / n/a	1980s / n/a
Market (Conv./Subsidy Type)	LIHTC/ Section 8	LIHTC	LIHTC/ Market	LIHTC/ Market	LIHTC	LIHTC	Market	Market	Market	Market	Market
<b>Utility Adjustments</b>											
Cooking	yes	no	no	no	no	no	no	no	no	no	no
Water Heat	yes	no	no	no	no	no	no	no	no	no	no
Heat	yes	no	no	no	no	no	no	no	no	no	no
Other Electric	yes	no	no	no	no	no	no	no	no	no	no
Water	yes	no	yes	yes	no	no	no	no	no	no	no
Sewer	yes	no	yes	yes	no	no	no	no	no	no	no
Trash Collection	yes	yes	no	no	no	no	no	no	no	yes	no
<b>In-Unit Amenities</b>											
Balcony/Patio	no	yes	yes	no	no	no	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpet/Hardwood	yes	no	no	no	no	no	no	yes	no	yes	no
Carpeting	no	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	no	yes	yes	no	no	no	no	yes	no	yes
Dishwasher	yes	yes	yes	yes	no	no	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	no	no	no	yes	yes	yes	no
Ceiling Fan	yes	yes	no	yes	no	no	yes	yes	yes	yes	yes
Garbage Disposal	yes	yes	yes	yes	no	no	yes	yes	no	no	yes
Microwave	yes	no	no	yes	no	no	yes	yes	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	no	no	yes	no
Walk-In Closet	yes	yes	yes	yes	no	no	yes	yes	yes	yes	no
Washer/Dryer hookup	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>											
Basketball Court	no	no	yes	yes	no	no	no	no	no	no	no
Business Center/Computer Lab	yes	no	yes	yes	no	no	no	yes	yes	no	no
Car Wash	no	no	no	no	no	no	no	yes	yes	yes	no
Clubhouse/Community Room	yes	yes	yes	yes	no	no	yes	yes	yes	yes	no
Courtyard	no	no	yes	yes	no	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	yes	no	no	yes	yes	yes	yes	no
Garage	no	no	no	no	no	no	yes	yes	yes	yes	no
Jacuzzi	no	no	no	no	no	no	yes	no	no	no	no
Central Laundry	yes	yes	yes	yes	no	no	yes	no	yes	yes	yes
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	no	yes
Picnic Area	yes	yes	yes	yes	no	no	yes	yes	no	no	no
Playground	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	no
Recreation Areas	no	no	no	no	no	no	no	no	no	yes	no
Swimming Pool	no	yes	no	no	no	no	yes	yes	yes	yes	no
Tennis Court	no	no	no	no	no	no	yes	no	yes	no	no
Volleyball Court	no	no	no	no	no	no	no	no	yes	no	no
Wi-Fi	no	no	no	no	no	no	no	yes	no	yes	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	\$95.00	N/A	\$80.00	\$100.00	N/A
<b>Security</b>											
In-Unit Alarm	yes	no	no	no	no	no	no	no	no	no	no
Limited Access	yes	no	no	no	no	no	no	yes	yes	yes	no
Patrol	yes	yes	yes	no	no	no	no	yes	yes	no	no
Perimeter Fencing	yes	yes	no	no	no	no	no	yes	yes	yes	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	yes	no

The Subject's unit amenities will be slightly inferior to superior to the LIHTC and market rate comparables, which typically include a balcony or patio, exterior storage, and washer/dryer hookups. However, the units at the Subject will include wood plank flooring, which most

comparables do not include, as well as a coat closet, walk-in closet, ceiling fans, garbage disposal, and microwave, which are also not offered at many of the comparables. In terms of project amenities, the Subject is similar or superior to the LIHTC comparables and is generally inferior compared to the majority of the market rate comparable properties. Additionally, the Subject will offer superior security features. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the market.

**5. The Subject will continue to target general population households.**

**6. Vacancy**

The following table illustrates the vacancy rates in the market.

<b>OVERALL VACANCY</b>				
<b>Property Name</b>	<b>Rent Structure*</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Vacancy Rate</b>
Ashton Landing Apartments	LIHTC	108	12	11.1%
Magnolia Terrace Phase I	LIHTC/Market	50	1	2.0%
Magnolia Terrace Phase II	LIHTC/Market	36	1	2.8%
Marvin Gardens I	LIHTC	30	6	20.0%
Marvin Gardens II	LIHTC	50	4	8.0%
Amber Place Apartments	Market	392	10	2.6%
Asbury Parke	Market	224	67	29.9%
Bradford Place	Market	200	8	4.0%
Lenox Pointe	Market	216	22	10.2%
Timberwood Apartments	Market	60	2	3.3%
<b>Total LIHTC</b>		<b>256</b>	<b>23</b>	<b>9.0%</b>
<b>Total Market</b>		<b>1,110</b>	<b>110</b>	<b>9.9%</b>
<b>Total</b>		<b>1,366</b>	<b>133</b>	<b>9.7%</b>
<b>Total Excluding Asbury Parke</b>		<b>1,142</b>	<b>89</b>	<b>7.8%</b>

\*The LIHTC and market rate units at the mixed-income comparables have been included with the appropriate project types in aggregate

As illustrated, vacancy rates in the market range from 2.6 to 29.9 percent, averaging 9.7 percent. The LIHTC comparable properties have vacancy rates ranging from two to 20 percent, with an average vacancy rate of 9.0 percent. The market rates comparable are experiencing vacancy rates ranging from 2.6 percent to 29.9 percent. The average market rate vacancy rate is 9.9 percent. One LIHTC comparable and three market rate comparables reported high vacancy rates. However, Asbury Parke is still in its lease-up period, with an estimated completion of its last building in early May 2015. Management at Ashton Landing and Lenox Pointe reported that typical occupancy rates are 90 to 95 percent and that the current vacancy rates are atypical. In recent months, there have been several move-outs due to military tenancy, tenants purchasing homes, and job relocations. Marvin Gardens I also reported a high vacancy rate of 20 percent. This property offers only 30 units, six of which are vacant. The contact stated the vacancy rate is typical for the property.

If Asbury Parke is removed, the average market rate vacancy declines to 4.9 percent, which is considered a healthy vacancy rate with some vacancies allowing for renter movement and turnover. We anticipate that the Subject will perform similarly to the LIHTC comparables and will maintain a vacancy rate of ten percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as the renovation of the

Subject will not create new low-income units, but rather will serve to improve and preserve existing low-income housing stock. The Subject is currently 91.7 percent occupied with units being held offline due to pending renovations. According to the Subject’s historical audited financials, the Subject has operated with a total vacancy rate (including collection loss) between 3.9 to 6.4 percent over the past three years with an average total vacancy rate of 5.1 percent. As such, we believe the Subject will continue to operate with a physical vacancy rate of 5.0 percent or less, in line with its historical performance.

**7. Properties Planned, Proposed, or Under Construction**

There are two proposed or under construction LIHTC projects in the development pipeline for the PMA, which are detailed as follows:

- The Reserve at Hampton is located at 3460 US-341 in Fort Valley and is currently under construction. The property was allocated LIHTC funding in 2013 and is slated to be completed in fall 2015. Management is accepting applications for the property’s 60 units, but could not confirm the number of units preleased. The Reserve at Hampton will offer a mix of one, two, and three-bedroom garden-style units and two and three-bedroom townhouses at 50 and 60 percent AMI. The units will be of very competitive size for the Fort Valley market at 892 square feet for one-bedroom units, 1,103 to 1,146 square feet for two-bedroom units, and 1,280 to 1,507 square feet for three-bedroom units. In terms of comparability to the Subject, The Reserve at Hampton has significantly larger unit sizes for each bedroom type, giving it a market advantage over the Subject.
- Oliver Place was allocated tax credits in 2014 and will also target families/general occupancy households. Oliver Place will be located near the intersection of Houston Lake Road and Keith Drive in Perry, approximately 11.6 miles southeast of the Subject. Oliver Place will be a new construction development offering a total of 100 LIHTC and market rate units and will consist of garden-style one, two, and three-bedroom units, as well as townhouses. Unit sizes will range from 725 to 1,250 square feet with rents ranging from \$392 to \$704 per month for LIHTC units; the three-bedroom market rate units will be approximately \$764 per month. There will be 20 units restricted to 50 percent of AMI or less, 70 units restricted to 60 percent of AMI, and 10 market rate units. Construction is expected to begin in 2015 and be completed in 2016.

**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	Ashton Landing Apartments	LIHTC	Similar	Slightly Superior	Similar	Slightly Inferior	Similar	0
2	Magnolia Terrace Phase I	LIHTC/Market	Similar	Slightly Superior	Similar	Slightly Inferior	Slightly Superior	5
3	Magnolia Terrace Phase II	LIHTC/Market	Similar	Slightly Superior	Similar	Similar	Slightly Superior	10
4	Marvin Gardens I	LIHTC	Inferior	Inferior	Similar	Inferior	Inferior	-40
5	Marvin Gardens II	LIHTC	Inferior	Inferior	Similar	Inferior	Inferior	-40
6	Amber Place Apartments	Market	Slightly Superior	Slightly Superior	Slightly Superior	Similar	Superior	25
7	Asbury Parke	Market	Superior	Slightly Superior	Slightly Superior	Slightly Superior	Superior	35
8	Bradford Place	Market	Superior	Slightly Superior	Slightly Superior	Slightly Inferior	Superior	25
9	Lenox Pointe	Market	Superior	Slightly Superior	Slightly Superior	Similar	Superior	30
10	Timberwood Apartments	Market	Inferior	Slightly Superior	Similar	Inferior	Inferior	-25

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

The 50 and 60 percent AMI rents at the comparable LIHTC properties are compared to the Subject's proposed LIHTC/Section 8 rents in the following tables.

<b>LIHTC RENT COMPARISON - @50%</b>					
<b>Property Name</b>	<b>0BR</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>
Lakeview Apartments (Subject)	\$473	\$507	\$608	\$703	\$785
<b>2015 LIHTC Maximum (Net)</b>	<b>\$473</b>	<b>\$507</b>	<b>\$608</b>	<b>\$703</b>	<b>\$785</b>
<b>2012 Hold Harmless Limit</b>	<b>\$586</b>	<b>\$628</b>	<b>\$753</b>	<b>\$871</b>	<b>\$972</b>
Ashton Landing Apartments	-	-	\$726	\$822	-
Magnolia Terrace Phase I	-	\$539	\$642	\$785	-
Magnolia Terrace Phase II	-	\$595	\$677	\$815	-
<b>Average (excluding Subject)</b>	<b>-</b>	<b>\$567</b>	<b>\$682</b>	<b>\$807</b>	<b>-</b>
<b>NOVOCO's Estimated Achievable Rent</b>	<b>\$473</b>	<b>\$507</b>	<b>\$608</b>	<b>\$703</b>	<b>\$785</b>

Note: The Subject will operate with Section 8 subsidies allowing residents to pay 30 percent of their income as rent.

<b>LIHTC RENT COMPARISON - @60%</b>					
<b>Property Name</b>	<b>0BR</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>
Lakeview Apartments (Subject)	\$502	\$552	\$663	\$788	\$919
<b>2015 LIHTC Maximum (Net)</b>	<b>\$568</b>	<b>\$609</b>	<b>\$730</b>	<b>\$844</b>	<b>\$942</b>
<b>2012 Hold Harmless Limit</b>	<b>\$703</b>	<b>\$753</b>	<b>\$904</b>	<b>\$1,045</b>	<b>\$1,167</b>
Ashton Landing Apartments	-	-	\$721	\$821	-
Magnolia Terrace Phase I	-	\$539	\$642	\$785	-
Magnolia Terrace Phase II	-	-	\$677	\$832	-
Marvin Gardens I	-	-	\$563	\$649	\$804
Marvin Gardens II	-	-	\$563	\$649	\$804
<b>Average (excluding Subject)</b>	<b>-</b>	<b>\$539</b>	<b>\$633</b>	<b>\$747</b>	<b>\$804</b>
<b>NOVOCO's Estimated Achievable Rent</b>	<b>\$502</b>	<b>\$552</b>	<b>\$663</b>	<b>\$788</b>	<b>\$919</b>

Note: The Subject will operate with Section 8 subsidies allowing residents to pay 30 percent of their income as rent.

The Subject's proposed rents are below the maximum allowable levels for all unit types, similar to the comparables at both AMI levels. All of the comparables were placed in service before the 2012 high water mark of area median income in Peach County. As such, we have placed the maximum allowable hold harmless rents in the previous tables for illustrative purposes, as it appears that the comparables at 50 percent of the AMI are exceeding the 2015 maximum allowable levels. None of the comparables offer studio units at the 50 or 60 percent AMI level and only one comparable offers four-bedroom units at 60 percent of the AMI. Given the rents currently being achieved at the 50 percent AMI level among the comparables, we believe the Subject's proposed rents absent subsidy are appropriately positioned at the maximum allowable level.

The one and four-bedroom proposed 60 percent AMI rents at the Subject are above the rents being achieved at the comparables, but the two and three-bedroom proposed 60 percent AMI rents at the Subject are within the range of the the comparables. This suggests that even if rents at the Subject were not subsidized through the Section 8 program, the proposed rents would be achievable in the open market. We have concluded to achievable LIHTC rents for the Subject that are equivalent to the developer's proposed LIHTC rents. Considering the Section 8 subsidy that will be in place, tenants will pay just 30 percent of their income toward rents, making the Subject very affordable.

It should be noted that Marvin Gardens I & II, which are located within 0.1 miles of the Subject, exhibit the lowest asking rents among the LIHTC comparables. Marvin Gardens I & II charge the equivalent of the remaining comparables' one, two, and three-bedroom rents in their two, three, and four-bedroom units. This is largely due to a significantly inferior amenities package at both locations. Marvin Gardens I & II do not offer a dishwasher, garbage disposal, central laundry, or community room, among others, all of which are commonplace in the market. As such, management competes on price. The Subject will have all of the aforementioned amenities post-renovation and will be able to achieve LIHTC rents in line with the remaining comparables absent subsidy.

The comparable LIHTC properties are considered similar to inferior to the Subject, which will be a renovated LIHTC project with Section 8 subsidies for all 96 units. Based on our similarity matrix, Ashton Landing is the most similar LIHTC property and is 88.9 percent occupied. The property manager indicated that the property has had several recent move outs, and the typical occupancy rate for the property is between 90 and 95 percent. The Subject will offer similar property amenities to Ashton Landing and slightly inferior in-unit amenities, as it offers a balcony/patio and washer/dryer hookup in each unit. Ashton Landing has a similar location and similar unit sizes, but is slightly inferior in terms of age and condition, as it was constructed in 1999. The Subject's proposed LIHTC rents are below the current asking rents at Ashton Landing, but within the rental range of the other comparables. Overall, the Subject's rents appear reasonable when compared to the rents at the comparables and particularly when taking into account the relatively strong demand for affordable units in the PMA. This demand is illustrated by the 91.0 percent overall occupancy being achieved at the LIHTC comparables.

### **Analysis of "Market Rents"**

Per 2015 DCA 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 achieving. 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 comparables, but many market rate comparables with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comparables. In a small rural market there may be neither tax credit comparables nor market rate comparables 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 restricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if a Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at those two AMI levels, we do not include 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 comparable properties surveyed are illustrated in the table on the following page in comparison with

proposed LIHTC/Section 8 rents for the Subject, which will be subsidized, allowing tenants to pay just 30 percent of their income toward rent.

<b>SUBJECT COMPARISON TO MARKET RENTS</b>					
<b>Unit Type</b>	<b>Subject's Proposed LIHTC/Sec. 8 Rents</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>	<b>Subject Rent Advantage</b>
Studio	\$502	\$620	\$620	\$620	19%
1 BR	\$552	\$630	\$967	\$845	35%
2 BR	\$663	\$750	\$1,212	\$1,017	35%
3 BR	\$788	\$880	\$1,354	\$1,104	29%
4 BR	\$919	-	-	-	-

The Subject's proposed studio through three-bedroom LIHTC/Section 8 rents are below the surveyed minimums. There are no four-bedroom market rate units in the area. As such, the rents reflected in the table above are of single-family rentals, which are discussed in greater detail on the following page.

Amber Place Apartments is the most similar market rate property and is 94.4 percent occupied. The Subject will offer slightly inferior unit and property amenities to Amber Place. The Subject will be in similar condition upon completion of renovations, as Amber Place was built between 2005 and 2007 and is in good condition. Amber Place does offer superior unit sizes and a slightly superior location. The Subject's proposed rents (\$552 to \$788 for one through three-bedrooms) are well below Amber Place, which range from \$917 for one-bedroom units to \$1,354 for three-bedroom units. This bodes well for the marketability of the Subject and suggests that even without the Section 8 subsidies the proposed LIHTC rents are attainable.

Additionally, we supplemented our analysis with four-bedroom classified listings in Fort Valley, Warner Robins, Bonaire, Centerville, Kathleen, and Perry in Peach County and western Houston County. The following table details our findings.

<b>SINGLE-FAMILY FOUR-BEDROOM RENTALS</b>					
<b>Address</b>	<b>City</b>	<b>Square Footage</b>	<b>Year Built</b>	<b>Asking Rent</b>	<b>Amenities</b>
310 Athens St.	Warner Robins	1,248	1972	\$895	Carport, fenced yard
219 Windsor Dr.	Warner Robins	1,820	1969	\$950	Fenced yard, storage shed
108 Westcliff Circle	Warner Robins	1,608	1973	\$995	Remodeled condominium, pool, sport courts
207 Marvin Blvd.	Warner Robins	1,500	1967	\$1,000	Hardwood flooring, fireplace, storage shed
407 Buxton Court	Kathleen	1,960	2007	\$1,250	Attached garage
209 Tucker Place	Warner Robins	1,780	1998	\$1,250	Attached garage, patio, fireplace, fenced yard
105 Pine Bluff	Warner Robins	2,188	1988	\$1,250	Fireplace, sunroom, fenced yard, hardwood flooring
208 Mount Zion Rd.	Bonaire	1,665	1993	\$1,300	Sunroom, attached garage, storage shed, remodeled
103 Water Oak Court	Warner Robins	2,292	1997	\$1,400	Attached garage, fireplace, fenced yard
109 Abottsbury Ln.	Warner Robins	2,904	2011	\$1,750	Attached garage, hardwood floors

As illustrated, the average four-bedroom rent is \$1,204. The majority of these homes are older properties that are 20 to 40 years old. The Subject's proposed four-bedroom rent of \$919 is within the range of rents of the four-bedroom single-family home classifieds. However, tenants

will pay 30 percent of income as rent, not to exceed the LIHTC asking rent. This will benefit the marketability of the Subject’s four-bedroom units.

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

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

There are two LIHTC projects planned or under construction within the PMA. The Reserve at Hampton is a 60-unit LIHTC property located at 3460 US-341 in Fort Valley and is currently under construction. The property was allocated LIHTC funding in 2013 and is slated to be completed in fall 2015. The Reserve at Hampton will offer a mix of one, two, and three-bedroom garden-style units and two and three-bedroom townhouses. Unit sizes will range from 892 to 1,507 square feet with rents ranging from \$360 to \$485 per month at 50 and 60 percent AMI.

Oliver Place was allocated tax credits in 2014 and will also target families/general occupancy households. Oliver Place will be located near the intersection of Houston Lake Road and Keith Drive in Perry, approximately 11.6 miles southeast of the Subject. Oliver Place will be a new construction development offering a total of 100 LIHTC and market rate units. Similar to The Reserve at Hampton, Oliver Place will consist of garden-style one, two, and three-bedroom units, as well as townhouses. Unit sizes will range from 725 to 1,250 square feet with rents ranging from \$392 to \$704 per month for LIHTC units; the three-bedroom market rate units will be approximately \$764 per month. There will be 20 units restricted to 50 percent of AMI or less, 70 units restricted to 60 percent of AMI, and 10 market rate units. Construction is expected to begin in 2015 and be completed in 2016.

**10. Rental Trends in the PMA**

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

<b>TENURE PATTERNS PMA</b>				
<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2000	12,036	72.2%	4,631	27.8%
2010	16,999	69.5%	7,445	30.5%
2015	17,158	66.8%	8,527	33.2%
Market Entry	17,699	66.8%	8,784	33.2%
2019	18,240	66.9%	9,041	33.1%

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

In the PMA, renter-occupied housing accounts for 33.2 percent of households, while approximately 66.8 percent of households in the PMA are owner-occupied. Similarly, nationally, approximately 66 percent of households are homeowners and only 34 percent of households are renters. Through 2019, the number of renter households in the PMA is projected to increase by 514 households.

*Historical Vacancy*

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

<b>HISTORICAL VACANCY</b>						
<b>Comparable Property</b>	<b>Type</b>	<b>Total Units</b>	<b>2QTR 2012</b>	<b>3QTR 2013</b>	<b>2QTR 2014</b>	<b>2QTR 2015</b>
Ashton Landing Apartments	LIHTC	108	1.9%	N/A	N/A	11.1%
Magnolia Terrace Phase I	LIHTC/Market	50	10.0%	10.0%	N/A	2.0%
Magnolia Terrace Phase II	LIHTC/Market	36	2.8%	0.0%	N/A	2.8%
Marvin Gardens I	LIHTC	30	5.0%	16.7%	N/A	20.0%
Marvin Gardens II	LIHTC	50	4.0%	12.0%	N/A	8.0%
Amber Place Apartments	Market	392	N/A	N/A	0.8%	2.6%
Asbury Parke	Market	224	N/A	N/A	N/A	29.9%
Bradford Place	Market	200	N/A	N/A	2.5%	4.0%
Lenox Pointe	Market	216	N/A	N/A	10.2%	10.2%
Timberwood Apartments	Market	60	5.0%	N/A	N/A	3.3%

N/A – Not available

As illustrated in the previous table, we were able to obtain the historical vacancy rate at several of the comparable properties over the last three years. However, we were not able to obtain all the historical vacancy rates for each individual year. As such, we have not provided average vacancy rates for each survey period. The comparable properties’ vacancy rates are generally similar to previous years of analysis, with the exception of Ashton Landing Apartments which reported an atypically high vacancy do to a high number of recent move-outs and tenants purchasing homes.

*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>
Ashton Landing Apartments	LIHTC	Increased 3-18% since 3Q2013
Magnolia Terrace Phase I	LIHTC/Market	Increased 0-2% since 3Q2013
Magnolia Terrace Phase II	LIHTC/Market	Increased 2-12% since 3Q2013
Marvin Gardens I	LIHTC	None
Marvin Gardens II	LIHTC	None
Amber Place Apartments	Market	Changes Daily
Asbury Parke	Market	N/A
Bradford Place	Market	Changes Daily
Lenox Pointe	Market	None
Timberwood Apartments	Market	Increased 2-7% since 2Q12

Four of the comparable properties reported rent increases up to 18 percent over the past three years. The market rate properties reported increases ranging from zero to seven percent, while the LIHTC comparable properties reported rent increases ranging from zero to 18 percent. Two of the properties with LIHTC units did not increase rents. At Amber Place Apartments and Bradford Place, rents change daily based on various factors, including leased-occupancy. Marvin

Gardens I and Marvin Gardens II did not increase rents this year, nor did Lenox Pointe. Given the fact the Subject will be a renovated LIHTC property with relatively small unit sizes and only one bathroom in larger unit types, we anticipate that rents may be able to increase slowly at the Subject, but will not be capable of achieving maximum allowable rents, as none of the LIHTC projects with larger units and additional bathrooms are achieving maximum allowable rents. With the Section 8 contract in place at the Subject, rent increases at the property should not directly impact residents, as they will continue to pay just 30 percent of their income toward rent.

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

According to www.RealtyTrac.com, one in every 1,484 homes in Peach County, GA was in foreclosure, as of February 2015. Nationally, one in every 1,295 homes was in foreclosure, and one in every 1,414 homes in Georgia was in foreclosure. As indicated, Peach County has a slightly lower foreclosure rate than Georgia and the nation as a whole. The median list price for a home in Fort Valley is \$86,000 compared to \$134,900 in Peach County, \$168,900 in Georgia, and \$189,900 in the nation. Overall, it appears that the local market is faring better than the nation as a whole in terms of foreclosures, but is experiencing slow growth in home prices. It should be noted that we witnessed few abandoned homes in the Subject's immediate neighborhood.

### **12. Primary Housing Void**

The comparable LIHTC properties have a combined 9.0 percent vacancy rate, and waiting lists are maintained at some properties, indicating relatively strong support for affordable rental housing in the PMA. The other excluded low-income rental housing properties in the PMA that we contacted also are performing well. Based on the previous *Demand Analysis*, performance of the Subject and comparable properties, and conversations with local property managers, we believe there is ongoing demand for affordable rental housing in the local market. Post renovation, the Subject will continue to offer 96 total units. The Subject's renovations will not add new units, but rather improve the quality and marketability of existing low-income housing. The Subject will also continue to operate with Section 8 subsidies following renovations, making units affordable to a wide income band of renter households. As such, the Subject will continue to fill a void in the market for adequate low-income rental housing.

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

The LIHTC comparables in the PMA have low to moderate vacancy rates, and the overall vacancy rate for LIHTC units is less than ten percent. The Subject's renovation will not add new affordable units to the PMA, but will improve existing units. Therefore, we do not believe that the renovations to the Subject will have any significant negative impact on the existing LIHTC properties.

### **Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed following renovations. The LIHTC comparables are performing well, with a weighted vacancy rate of 9.0 percent. Additionally, two comparable properties with LIHTC units maintain waiting lists.

The Subject's proposed rents are within the range of rents at the LIHTC comparables and below market rate comparables' rents. This suggests that even if rents at the Subject were not subsidized through the Section 8 program, the proposed rents would be achievable in the open

market. Considering the Section 8 subsidy that will be in place, tenants will pay just 30 percent of their income toward rents, making the Subject very affordable.

Overall, we believe that the Subject's rents are achievable and that the Subject will offer a significant value in the market. This is further illustrated by the significant rental advantage of 24 to 53 percent that the Subject's rents will have over the average market rents. We believe that the Subject will maintain a vacancy rate of ten percent or less following stabilization, which is higher than the current LIHTC average. We believe the Subject will be supportable following renovations and will not adversely impact other low-income housing options in the PMA.

# **I. ABSORPTION & STABILIZATION RATES**

**ABSORPTION AND STABILIZATION RATES****Stabilization/Absorption Rate**

We were able to obtain absorption information from two comparable properties.

<b>ABSORPTION</b>					
<b>Property Name</b>	<b>Type</b>	<b>Tenancy</b>	<b>Year Built</b>	<b>Number of Units</b>	<b>Units Absorbed / Month</b>
Magnolia Terrace Phase II	LIHTC/Market	Family	2008	36	9
Asbury Parke	Market	Family	2014-2015	224	15

As illustrated in the previous table, the properties constructed between 2008 and 2015 reported absorption rates of nine and 15 units per month, with an average of 12 units per month. Magnolia Terrace Phase II is the newest LIHTC comparable to enter the PMA. This property experienced an absorption rate of nine units per month. Magnolia Terrace Phase II benefits from being a subsequent phase of an existing development and offering both LIHTC and market rate units, allowing it to capture a wide range of income-eligible renter households. Asbury Parke, a family market rate comparable partially opened in 2014, with a completion day of early May 2015. As of April 2014, the project has experienced an absorption rate of approximately 15 units per month. Magnolia Terrace Phase II's absorption history is considered a good indicator of the Subject's absorption potential. In offering one through three-bedroom unit types, we would expect the Subject to experience an absorption rate similar to Magnolia Terrace Phase II.

Per DCA guidelines, we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations with Section 8 subsidies in place for all the units, we would expect the Subject to experience an absorption pace of 10 units per month, which equates to an absorption period of approximately nine months for the Subject to reach 93 percent occupancy. In the unlikely event the Section 8 subsidies were to not be in place following renovations, we still believe the Subject could achieve 93 percent occupancy at the proposed rent levels within less than one year. In this scenario, we would anticipate an average absorption rate of eight units per month, with stabilization occurring within approximately 11 months.

The Subject is currently 91.7 percent occupied, with eight vacancies in the 96 existing units. The Subject will also offer 96 units following renovations. DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. Rent increases will be made gradually, maintaining rents that are affordable to the existing tenants. All current residents will continue to be income-qualified for the Subject under the Section 8 HAP contract. We anticipate that with renovations occurring on a rolling basis, the Subject will likely achieve 93 percent occupancy within less than three months of completing renovations.

## **J. INTERVIEWS**

## INTERVIEWS

### Fort Valley's Assisted Housing Programs Department

According to Alicia Simmons with the Georgia Department of Community Affairs Eastman Regional office, there are currently 182 vouchers in use in Peach County, most of which are in the Fort Valley area. The Housing Choice Voucher waiting list does not currently have any households on it, and new applications are not being accepted. The following table illustrates the current gross rent payment standards.

PEACH COUNTY PAYMENT STANDARDS	
Bedroom Type	Payment Standard Rent
0BR	\$375
1BR	\$466
2BR	\$601
3BR	\$860
4BR	\$863

The Subject's proposed gross LIHTC rents are above the current payment standards, with the exception of three-bedroom units. Nonetheless, the Subject's units will continue to benefit from project-based Section 8 subsidies post-renovation. As such, tenants will pay 30 percent of income as rent, not to exceed the LIHTC rents.

### Planning

We spoke with Rosco Miller with the Peach County Public Works and Planning Division in regards to planned, proposed, or recently completed residential development in the Subject's neighborhood. Mr. Miller informed us of one ongoing multifamily project in Fort Valley. The Reserve at Hampton, a 61-unit LIHTC development, is currently under construction and is expected to be completed in June 2015. Mr. Miller was unaware of any proposed or recently completed market rate multifamily or single-family developments in Fort Valley.

We also contact the Planning Departments of Warner Robins and Perry in regards to planned, proposed, or recently completed residential development within the PMA but outside of Fort Valley. Within Warner Robins, there is only one development that has been recently constructed. Asbury Park, which has been utilized as a market rate comparable, completed its last building in May 2015. The property offers a total of 224 one and two-bedroom garden-style units.

According to Mike Beecham with the Perry Planning Department, there is one project proposed for the area. Oliver Place was allocated LIHTC funding in 2014 and is expected to break ground in August or September of 2015. Oliver Place will be located near the intersection of Houston Lake Road and Keith Drive in Perry, approximately 11.6 miles southeast of the Subject. Oliver Place will be a new construction development offering a total of 100 LIHTC and market rate units and will consist of garden-style one, two, and three-bedroom units, as well as townhouses. Construction is expected to be completed in 2016.

**Additional interviews can be found in the comments section of the property profiles and in our Economic Analysis section of this report.**

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

- Overall population growth in the PMA was higher than the MSA and the nation from 2000 to 2010. Total population in the PMA is projected to increase at a 1.1 percent annual rate from 2014 to 2019, a growth rate similar to that of the MSA but above the nation as a whole during the same time period. The largest age cohort in the PMA is between the ages of 15 and 19, at 8.2 percent of the population, which is expected to remain the largest age cohort through 2019. In 2014, 49 percent of the PMA's population is between the ages of 20 and 54, which is the main age range of most tenants at the Subject currently. The projected PMA population growth is expected to outpace the national population growth and will be similar to population growth expected in the MSA through 2019.

The share of renter households in the PMA is below the share of owner households, similar to the MSA. The percentage of renter-occupied housing is above the national average of approximately 32 percent in both the PMA and MSA. The percentage of renter-occupied units in the PMA is expected to increase slightly through 2019.

Households earning under \$40,000 in the PMA comprise 37.4 percent of all income cohorts. The Subject will target households earning up to \$37,680 under the LIHTC program and households with incomes as low as \$0 with Section 8 subsidies; therefore, the Subject is well positioned to continue to service this market. Overall, the demographic data points to a growing population with several households within the income band that the Subject would target under the LIHTC program, without consideration of the project-based Section 8 subsidy.

- Total employment in the MSA increased from 2004 through 2014 year-to-date for every year except from 2009, 2010, and 2013. The decrease in total employment during 2009 was 2.3 percentage points less than the decrease experienced by the nation as a whole over the same time period. From December 2013 to December 2014, unemployment in the MSA decreased by 140 basis points. Additionally, as of December 2014, the unemployment rate in the MSA was 0.9 percentage points above that of the nation. Overall, it appears that the MSA was impacted by the recent national recession, and appears to still be recovering, as evidenced by the recent decrease in employment. The recent decrease in total employment is likely attributable to the Fort Benning army base, which is just west of the MSA, recently cutting many of the specialized training programs it hosted. Most of these programs and jobs associated with them were transferred to Eglin Air Force Base, near Destin, Florida.

The PMA's leading industries include public administration, educational services, health care/social assistance, and retail trade. Together, these four industries make up 51.5 percent of total employment in the PMA. The three largest employment sectors in the PMA are traditionally more stable employment sectors. However, other significant employment sectors include accommodation/food services, retail trade, and

manufacturing, which have historically proven susceptible to job losses in times of economic recession.

According to Ms. Barbara Davidson with the Peach Regional Chamber of Commerce and Kathie Lambert with the Downtown Development Authority of Fort Valley, 2014 and 2015 have been generally stable years in terms of job growth and expansions in the Fort Valley area. According to Angie Gheesling with the Houston County Development Authority, within the past year, five existing companies have experienced expansions totaling approximately 380 new jobs and \$200 million in capital investment. These expansions should help the unemployment rate in the market continue to gradually decline.

- The Subject’s capture rates at the 50 percent AMI level with Section 8 subsidies will range from 3.9 to 12.9 percent, with an overall capture rate of 6.2 percent. The Subject’s capture rates at the 60 percent AMI level with Section 8 subsidies will range from 4.1 to 14.4 percent, with an overall capture rate of 7.1 percent. Therefore, we believe there is more than adequate demand for the Subject.
- We were able to obtain absorption information from two comparable properties.

<b>ABSORPTION</b>					
<b>Property Name</b>	<b>Type</b>	<b>Tenancy</b>	<b>Year Built</b>	<b>Number of Units</b>	<b>Units Absorbed / Month</b>
Magnolia Terrace Phase II	LIHTC/Market	Family	2008	36	9
Asbury Parke	Market	Family	2014-2015	224	15

As illustrated in the previous table, the properties constructed between 2008 and 2015 reported absorption rates of nine and 15 units per month, with an average of 12 units per month. Magnolia Terrace Phase II is the newest LIHTC comparable to enter the PMA. This property experienced an absorption rate of nine units per month. Magnolia Terrace Phase II benefits from being a subsequent phase of an existing development and offering both LIHTC and market rate units, allowing it to capture a wide range of income-eligible renter households. Asbury Parke, a family market rate comparable partially opened in 2014, with a completion day of early May 2015. As of April 2014, the project has experienced an absorption rate of approximately 15 units per month. Magnolia Terrace Phase II’s absorption history is considered a good indicator of the Subject’s absorption potential. In offering one through three-bedroom unit types, we would expect the Subject to experience an absorption rate similar to Magnolia Terrace Phase II.

Per DCA guidelines, we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations with Section 8 subsidies in place for all the units, we would expect the Subject to experience an absorption pace of 10 units per month, which equates to an absorption period of approximately nine months for the Subject to reach 93 percent occupancy. In the unlikely event the Section 8 subsidies were to not be in place following renovations, we still believe the Subject could achieve 93 percent occupancy at the proposed rent levels within

less than one year. In this scenario, we would anticipate an average absorption rate of eight units per month, with stabilization occurring within approximately 11 months.

- As illustrated in our competitive supply section of this report, vacancy rates in the market range from 2.6 to 29.9 percent, averaging 9.7 percent. The LIHTC comparable properties have vacancy rates ranging from two to 20 percent, with an average vacancy rate of 9.0 percent. The market rates comparable are experiencing vacancy rates ranging from 2.6 percent to 29.9 percent. The average market rate vacancy rate is 9.9 percent. One LIHTC comparable and three market rate comparables reported high vacancy rates. However, Asbury Parke is still in its lease-up period, with an estimated completion of its last building in early May 2015. Management at Ashton Landing and Lenox Pointe reported that typical occupancy rates are 90 to 95 percent and that the current vacancy rates are atypical. In recent months, there have been several move-outs due to military tenancy, tenants purchasing homes, and job relocations. Marvin Gardens I also reported a high vacancy rate of 20 percent. This property offers only 30 units, six of which are vacant. The contact stated the vacancy rate is typical for the property.

If Asbury Parke is removed, the average market rate vacancy declines to 4.9 percent, which is considered a healthy vacancy rate with some vacancies allowing for renter movement and turnover. We anticipate that the Subject will perform similarly to the LIHTC comparables and will maintain a vacancy rate of ten percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as the renovation of the Subject will not create new low-income units, but rather will serve to improve and preserve existing low-income housing stock. The Subject is currently 91.7 percent occupied with units being held offline due to pending renovations. According to the Subject's historical audited financials, the Subject has operated with a total vacancy rate (including collection loss) between 3.9 to 6.4 percent over the past three years with an average total vacancy rate of 5.1 percent. As such, we believe the Subject will continue to operate with a physical vacancy rate of 5.0 percent or less, in line with its historical performance.

- Based upon our market research of comparables, our inspection of the Subject site and surrounding neighborhood, review of area economic trends, and demographic calculations and analysis, we believe there is more than adequate demand for the Subject property as proposed following renovations. The Subject, which currently operates as a Section 8 development with 96 units, will continue to operate with Section 8 subsidies for all the units in addition to operating under the LIHTC program with 50 and 60 percent AMI restrictions. The LIHTC comparables are performing adequately, with a weighted vacancy rate of 9.0 percent. Additionally, two comparable LIHTC properties maintain waiting lists. The Subject's proposed rents are within the range of rents at the LIHTC comparables and below market rate comparables' rents. This suggests that even if rents at the Subject were not subsidized through the Section 8 program, the proposed rents would be achievable in the open market. Considering the Section 8 subsidy that will be in place, tenants will pay just 30 percent of their income toward rents, making the Subject very affordable. The capture rates for the Subject are all considered achievable and are within the capture rate thresholds for GA DCA LIHTC application projects. We believe that the Subject will maintain a vacancy rate of ten percent or less following stabilization, which

is consistent with the LIHTC average. We have no recommended changes to the project concept at this time.

Amber Place Apartments is the most similar market rate property and is 94.4 percent occupied. The Subject will offer slightly inferior unit and property amenities to Amber Place. The Subject will be in similar condition upon completion of renovations, as Amber Place was built between 2005 and 2007 and is in good condition. Amber Place does offer superior unit sizes and a slightly superior location. The Subject's proposed rents (\$552 to \$788 for one through three-bedrooms) are well below Amber Place, which range from \$917 for one-bedroom units to \$1,354 for three-bedroom units. This bodes well for the marketability of the Subject and suggests that even without the Section 8 subsidies the proposed LIHTC rents are attainable.

### **Recommendations**

- We have no recommended changes to the Subject that would alter marketability. At the proposed rent levels, the Subject will be supportable as a LIHTC development, with or without Section 8 rental subsidies.

## **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.



Rebecca S. Arthur, MAI  
Partner  
Novogradac & Company LLP  
4-12-2015  
Date



Sara Noftsinger  
Real Estate Researcher  
Novogradac & Company LLP  
4-12-2015  
Date



Rachel B. Denton  
Principal  
Novogradac & Company LLP  
4-12-2015  
Date



Edward R. Mitchell  
Manager  
Novogradac & Company LLP  
4-12-2015  
Date



Nicholas S. Jerkovich  
Real Estate Analyst  
Novogradac & Company LLP  
4-12-2015  
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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Rebecca S. Arthur, MAI  
Partner  
Novogradac & Company LLP  
4-12-2015  
Date



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Sara Noftsinger  
Real Estate Researcher  
Novogradac & Company LLP  
4-12-2015  
Date



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Rachel B. Denton  
Principal  
Novogradac & Company LLP  
4-12-2015  
Date



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Edward R. Mitchell  
Manager  
Novogradac & Company LLP  
4-12-2015  
Date



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Nicholas S. Jerkovich  
Real Estate Analyst  
Novogradac & Company LLP  
4-12-2015  
Date

## **N. QUALIFICATIONS**

**STATEMENT OF PROFESSIONAL QUALIFICATIONS**  
**REBECCA S. ARTHUR, MAI**

**I. Education**

University of Nebraska, Lincoln, Nebraska  
Bachelor of Science in Business Administration – Finance

Appraisal Institute  
Designated Member (MAI)

**II. Licensing and Professional Affiliation**

Designated Member of the Appraisal Institute (MAI)  
    Kansas City Chapter of the Appraisal Institute Board of Directors – 2013 & 2014  
Member of Commercial Real Estate Women (CREW) Network  
Member of National Council of Housing Market Analysts (NCHMA)

State of Arkansas Certified General Real Estate Appraiser No. CG2682N  
State of Arizona Certified General Real Estate Appraisal No. 31992  
State of California Certified General Real Estate Appraiser No. AG041010  
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047  
State of Iowa Certified General Real Estate Appraiser No. CG03200  
State of Indiana Certified General Real Estate Appraiser No. CG41300037  
State of Kansas Certified General Real Estate Appraiser No. G-2153  
State of Michigan Certified General Real Estate Appraiser No. 1201074011  
State of Minnesota Certified General Real Estate Appraiser No. 40219655  
State of Missouri Certified General Real Estate Appraiser No. 2004035401  
State of New Mexico Certified General Real Estate Appraiser No. 02511-G  
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

**III. Professional Experience**

Partner, Novogradac & Company LLP  
Principal, Novogradac & Company LLP  
Manager, Novogradac & Company LLP  
Real Estate Analyst, Novogradac & Company LLP  
Corporate Financial Analyst, Deloitte & Touche LLP

**IV. Professional Training**

The Appraiser as an Expert Witness: Preparation & Testimony, April 2013  
Forecasting Revenue, December 2012  
USPAP Update, May 2012  
How to Analyze and Value Income Properties, May 2011  
Appraising Apartments – The Basics, May 2011  
Business Practices and Ethics, December 2010

HUD MAP Third Party Training, June 2010  
HUD LEAN Third Party Training, January 2010  
National Uniform Standards of Professional Appraisal Practice, April 2010  
MAI Comprehensive Four Part Exam, July 2008  
Report Writing & Valuation Analysis, December 2006  
Advanced Applications, October 2006  
Highest and Best Use and Market Analysis, July 2005  
Advanced Sales Comparison and Cost Approaches, April 2005  
Advanced Income Capitalization, October 2004  
Basic Income Capitalization, September 2003  
Appraisal Procedures, October 2002  
Appraisal Principals, September 2001

## V. Real Estate Assignments

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

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- 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 and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

## **VI. Speaking Engagements**

A representative sample of industry speaking engagements follows:

- Institute for Professional Education and Development (IPED): Tax Credit Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- Novogradac & Company LLP: LIHTC, Developer and Bond Conferences
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Kansas Housing Conference
- California Council for Affordable Housing Meetings

**STATEMENT OF PROFESSIONAL QUALIFICATIONS  
RACHEL BARNES DENTON**

**I. EDUCATION**

Cornell University, Ithaca, NY  
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

**II. LICENSING AND PROFESSIONAL AFFILIATION**

Appraisal Institute Candidate for Designation  
Member of National Council of Housing Market Analysts (NCHMA)  
Member of Commercial Real Estate Women (CREW) Network  
2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter  
2013 Director of Communications for Kansas City CREW

State of California Certified General Real Estate Appraiser No. AG044228  
State of Colorado Certified General Real Estate Appraiser No. 100031319  
State of Hawaii Certified General Real Estate Appraiser No. CGA1048  
State of Illinois Certified General Real Estate Appraiser No. 553.002012  
State of Kansas Certified General Real Estate Appraiser No. G-2501  
State of Missouri Certified General Real Estate Appraiser No. 2007035992  
State of Oregon Certified General Real Estate Appraiser No. C000951

**III. PROFESSIONAL EXPERIENCE**

Novogradac & Company LLP, Principal  
Novogradac & Company LLP, Manager  
Novogradac & Company LLP, Senior Real Estate Analyst

**IV. PROFESSIONAL TRAINING**

Educational requirements successfully completed for the Appraisal Institute:  
Appraisal Principals, September 2004  
Basic Income Capitalization, April 2005  
Uniform Standards of Professional Appraisal Practice, November 2005  
Advanced Income Capitalization, August 2006  
General Market Analysis and Highest & Best Use, July 2008  
Advanced Sales Comparison and Cost Approaches, June 2009  
Advanced Applications, June 2010  
Standards and Ethics (USPAP and Business Practices and Ethics) – Current for 2010 to 2015 Cycle

Completed HUD MAP Training, Columbus, Ohio, May 2010

Have presented and spoken at both Novogradac conferences and other industry events.

**V. REAL ESTATE ASSIGNMENTS**

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

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Conducted a Highest and Best Use Analysis for a proposed two-phase senior residential development for a local Housing Authority in the western United States. Completed an analysis of existing and proposed senior supply of all types, including both renter and owner-occupied options, and conducted various demand analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed a community-wide affordable housing market analysis for a medium-sized city in the Midwest. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **EDWARD R. MITCHELL**

### **I. Education**

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

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

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

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

### **II. Professional Experience**

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

### **III. Assignments**

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

### **IV. Licensure**

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

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## NICHOLAS S. JERKOVICH

### I. EDUCATION

University of Kansas – Lawrence, Kansas  
Bachelor of Arts – Communication Studies

### II. PROFESSIONAL EXPERIENCE

*Real Estate Analyst* – Novogradac & Company LLP  
*Research Assistant* – Novogradac & Company LLP  
*Residential Loan Officer* – North American Savings Bank

### III. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute:

Basic Appraisal Principles – March 2013  
Basic Appraisal Procedures – October 2013  
General Appraiser Market Analysis Highest and Best Use – April 2014  
Statistics, Modeling, and Finance – May 2014  
General Report Writing and Case Studies – May 2014  
Supervisor-Trainee Course for Kansas – October 2014  
Commercial Appraisal Review – November 2014  
Expert Witness for Commercial Appraisers – November 2014  
Uniform Standards of Professional Appraisal Practice – February 2015  
General Appraiser Site Valuation and Cost Approach – April 2015  
General Appraiser Sales Comparison Approach – April 2015  
General Appraiser Income Approach Part I – April 2015

### IV. REAL ESTATE ASSIGNMENTS

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

Prepared market studies for proposed Low Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis included property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, acquisition with rehabilitation, and historic conversion.

Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

Assisted in appraisals of proposed new construction, rehabilitation, and existing Low Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.

Prepared market studies and assisted in appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7/Appendix 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed multiple community and county-wide affordable and market rate housing market analyses/needs assessments throughout the Midwest and southwestern United States. Analyses included demographic, demand, and pricing forecasts, interviews with local stakeholders, surveys of existing affordable and market rate rental supply, and reconciliation of operations at existing supply versus projected future need for rental and owner-occupied housing.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **SARA N. NOFTSINGER**

### **I. EDUCATION**

**Missouri State University – Springfield, MO**  
*Bachelor of Science – Finance*

### **II. PROFESSIONAL EXPERIENCE**

*Research Assistant, Novogradac & Company LLP*  
*Executive Assistant, Helzberg Entrepreneurial Mentoring Program*  
*Claims Associate, Farmers Insurance Group*

### **III. REAL ESTATE ASSIGNMENTS**

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

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.