



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

**TERRACES AT EDINBURG  
3265 Milledgeville Road  
Augusta, Richmond County, Georgia**

**DCA Project Number-08-006**

**Effective Date: May 16, 2008**

**Report Date: May 28, 2008**

*Prepared For*

**Ms. Laurel Hart  
Georgia Department of Community Affairs  
60 Executive Park South, NE  
Atlanta, Georgia 30329**

*Prepared By*

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**NOVOGRADAC  
& COMPANY LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

May 28, 2008

Ms. Laurel Hart  
Georgia Department of Community Affairs  
60 Executive Park South, NE  
Atlanta, Georgia 30329

**Re: Market Study for Terraces at Edinburg in Augusta, Georgia**

Dear Ms. Hart:

At your request, Novogradac & Company, LLP performed a market study of the elderly rental market in the Augusta, Richmond County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) and market rate project, the (Subject). The Subject is the proposed new construction of a 72 unit one- and two-bedroom development that will be age restricted to tenants 55 years of age and older. The Subject will offer units restricted at the 30, 50, and 60 percent AMI levels as well as unrestricted market rate units. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

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

Respectfully submitted,



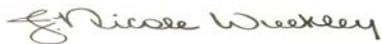
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## **ASSUMPTIONS AND LIMITING CONDITIONS**

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

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

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

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

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

**EXECUTIVE SUMMARY AND CONCLUSIONS**

**Subject Property Overview:**

Terraces at Edinburgh (Subject) is a proposed elderly development that will be age restricted to tenants 55 years of age and older. As proposed, the Subject will contain a total of 72 one- and two-bedroom units restricted at 30, 50, and 60 percent of the Area Median Income (AMI) as well as unrestricted market rate units. All units restricted at 30 percent AMI will carry an additional subsidy with tenants paying 30 percent of their income towards rent. The Subject will contain a total of nine single story residential buildings and one non residential community building.

**Proposed Rents, Unit Mix, Utility Allowance:**

The following table details the proposed rents for the Subject's units. As illustrated, the Subject's proposed 30 and 50 percent AMI rents are set at the maximum allowable levels, while the Subject's proposed 60 percent rents are set below the maximum level. All four of the Subject's 30 percent units will carry an additional subsidy and tenants will pay 30 percent of their income towards rent.

**PROPOSED RENTS**

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>30% AMI (PBRA)</i>						
1BR/1BA	1	\$174	\$131	\$305	\$305	\$582
2BR/2BA	3	\$198	\$168	\$366	\$366	\$654
<i>50% AMI</i>						
1BR/1BA	6	\$377	\$131	\$508	\$508	\$582
2BR/2BA	19	\$443	\$168	\$611	\$611	\$654
<i>60% AMI</i>						
1BR/1BA	9	\$451	\$131	\$582	\$610	\$582
2BR/2BA	26	\$486	\$168	\$654	\$733	\$654
<i>Unrestricted Market Units</i>						
1BR/1BA	2	\$606	N/Ap	\$606	N/Ap	\$582
2BR/2BA	6	\$667	N/Ap	\$667	N/Ap	\$654
<b>Total</b>	<b>72</b>					

Notes (1) Source of Utility Allowance from the Developer.

**Market Demand**

**Conclusions:**

Senior population and number of households in the PMA and MSA have experienced strong growth as they are growing significantly faster than the nation. This strong growth is

projected to continue in the future. Approximately 33 and 38 percent of seniors in the PMA and MSA, respectively, are currently earning wages below \$35,000. As the area continues to grow, the need for quality, affordable housing will also increase, which bodes well for the Subject.

The majority of the top employers in the Augusta Metro Area are in industries such as healthcare, education, and government, which provides stability to the local economy. Recent trends show stability in both total employment and unemployment rate, an indicator that the local economy is stable.

**Stabilization and Projected Absorption Period:**

Management at two of the LIHTC properties used as comparables in our report were able to report absorption information. Phase II of Augusta Springs Apartments, consisting of 100 age-restricted units, opened in 2001. According to management, leasing began in the end of November 2001 and the property reached stabilized occupancy by the end of November 2002. This equates to an absorption pace of approximately eight units per month. According to management at Linden Square, the property experienced an absorption pace of three units per month. Linden Square is an age-restricted property that opened in 2003.

The Subject is a proposed new construction of a tax credit property. We believe the Subject would likely experience an absorption pace similar to the age-restricted tax credit properties. We believe the Subject would likely experience an absorption pace of nine units per month due to the low capture rates, low vacancy, and waiting lists for an absorption period of approximately eight months for both the one- and two-bedroom units.

**Comparable Properties:**

Vacancy rates in the market range from zero to one percent, averaging 0.57 percent. This indicates a strong and healthy market. Further, both senior properties reported maintaining waiting lists. Both senior LIHTC properties also reported rent increases over last year. This indicates demand and bodes well for the Subject.

**Appropriateness of Unit Mix/Rents/Size:**

The Subject's proposed one and two-bedroom unit sizes are the largest in the market and provide a significant competitive advantage. The Subject's two-bedroom units will offer two bathrooms in its two-bedroom units. This serves as a competitive advantage over the age restricted properties in the area, as the

comparable properties offer one bathroom in their two-bedroom units.

**Amenity Conclusions:** The Subject’s amenities are similar to slightly superior to all the comparable age-restricted properties surveyed.

**Proximity to Local Services:** The following table details the Subject’s distance from key locational amenities. A *Locational Amenities Map*, corresponding to the following table is provided later in this report.

**Local Distances from Services**

Map #	Service/Amenity	Distance from Subject
1	Bayvale Elementary School	0.2 miles
2	Murphey Middle School	1.7 miles
3	Glenn Hills High School	2.9 miles
4	Trinity Hospital of Augusta	2.8 miles
5	Circle K Grocer	0.6 miles
6	Barney's Pharmacy	1.6 miles
7	Augusta-Richmond County Public Library: Friedman Branch	2.2 miles
8	Richmond County Sheriff Department	6.5 miles
9	Richmond County Fire Department	2.5 miles
10	Augusta Public Transit - Route 6	1.1 miles

**Capture Rates:** The following table illustrates the capture rates at the Subject.

Unit Size	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1 Bedroom at 30%	98	0	98	1	1.0%
1 Bedroom at 50%	136	5	131	6	4.6%
1 Bedroom at 60%	145	22	123	9	7.3%
1 Bedroom Unrestricted	315	0	315	2	0.6%
2 Bedroom at 30%	166	0	166	3	1.8%
2 Bedroom at 50%	229	41	188	19	10.1%
2 Bedroom at 60%	246	56	190	26	13.7%
2 Bedroom Unrestricted	531	0	531	6	1.1%
<b>Overall *</b>	<b>998</b>	<b>124</b>	<b>874</b>	<b>68</b>	<b>7.8%</b>

\*30% AMI units removed from overall per DCA guidelines

**Market Strengths:** The primary strengths of the market is the low vacancy at 0.57 percent, presence of waiting lists, and rent increases at the senior LIHTC properties.

**Market Study Conclusion:** Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as new construction. As a newly constructed age restricted property in excellent condition, the Subject will be adding a total of 72 units to the local market. With the low

## Terraces at Edinburgh, Augusta, GA; Market Study

vacancy rate and significant demand reported by the property managers, we believe the Subject will be a positive addition to the market.

The following tables are required by DCA and summarize our overall market conclusions.

Unit Size	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate	Absorption (93%)	Proposed Net Rent	Median Market Rent
1 Bedroom at 30%*	98	0	98	1	1.0%	8 months	\$174	\$471
1 Bedroom at 50%	136	5	131	6	4.6%	8 months	\$377	\$471
1 Bedroom at 60%	145	22	123	9	7.3%	8 months	\$451	\$471
1 Bedroom Unrestricted	315	0	315	2	0.6%	8 months	\$606	\$471
2 Bedroom at 30%*	166	0	166	3	1.8%	8 months	\$198	\$562
2 Bedroom at 50%	229	41	188	19	10.1%	8 months	\$443	\$562
2 Bedroom at 60%	246	56	190	26	13.7%	8 months	\$486	\$562
2 Bedroom Unrestricted	531	0	531	6	1.1%	8 months	\$667	\$562
OVERALL 1BR*	344	0	344	17	4.9%	8 months	-	\$471
OVERALL 2BR*	530	0	530	51	9.6%	8 months	-	\$562
<b>OVERALL*</b>	<b>874</b>	<b>0</b>	<b>874</b>	<b>68</b>	<b>7.8%</b>	8 months	-	-

\*30% AMI units removed from overall per DCA guidelines

### OVERALL DEMAND-ALL UNITS

<b>Proposed Project Capture Rate 50% AMI Units</b>	<b>7.8%</b>
<b>Proposed Project Capture Rate 60% AMI Units</b>	<b>11.2%</b>
<b>Proposed Project Capture Rate Unrestricted Units</b>	<b>0.9%</b>
<b>Proposed Project Capture Rate ALL Units</b>	<b>7.8%</b>
<b>Proposed Project Stabilization Period- At 93% Occupancy</b>	<b>8 Months</b>

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

Our description of the Subject is based on information provided by the developer. Terraces at Edinburgh (the Subject) is a proposed senior development that will be age restricted to tenants 55 years of age and older. The Subject property will consist of a total of 72 one- and two-bedroom units. The Subject will offer units restricted at 30, 50, and 60 percent AMI as well as unrestricted, market rate units. All units restricted at the 30 percent AMI level will carry an additional subsidy with tenants paying 30 percent of their income towards rent. We assume that the following information is accurate.

**Project Address and**

**Development Location:**

The Subject will be located at 3265 Milledgeville Road in the southwestern portion of Augusta, Richmond County, Georgia.

**Construction Type:**

The Subject will consist of nine, single story residential buildings and one non residential building. All buildings will be slab on grade and wood frame construction. The exterior of all buildings will be brick and cement fiber siding, with pitched 30 year shingle roofs.

**Occupancy Type:**

HFOP (55+).

**Target Income Group:**

The Subject will offer units restricted at the 30, 50, and 60 percent AMI levels as well as unrestricted market units. The minimum income will be \$11,400 and the maximum allowable income will be set at \$34,720 (which is the income at 80 percent of the area median income for a two person household). Our research indicates that seniors living in unrestricted units at mixed income properties typically earn approximately 80 percent of the AMI. Therefore, we have used 80 percent AMI as the likely maximum income for the market rate units.

**Special Population Target:**

A total of six (eight percent) of the Subject's total units will be equipped for the mobility impaired and four (three percent) of the Subject's units will be equipped for the sight and hearing impaired.

**Proposed Rents, Unit Mix,  
Utility Allowance:**

The following table details the proposed rents for the Subject's units. As illustrated, the Subject's proposed 30 and 50 percent AMI rents are set at the maximum allowable levels, while the Subject's proposed 60 percent rents are set below the maximum level. All four of the Subject's 30 percent units will carry an additional subsidy and tenants will pay 30 percent of their income towards rent.

**PROPOSED RENTS**

<b>Unit Type</b>	<b>Number of Units</b>	<b>Asking Rent</b>	<b>Utility Allowance (1)</b>	<b>Gross Rent</b>	<b>LIHTC Maximum Allowable Gross Rent</b>	<b>HUD Fair Market Rents</b>
<i>30% AMI (PBRA)</i>						
1BR/1BA	1	\$174	\$131	\$305	\$305	\$582
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2BR/2BA	6	\$667	N/Ap	\$667	N/Ap	\$654
<b>Total</b>	<b>72</b>					

Notes (1) Source of Utility Allowance from the Developer.

**Current Rents:** None.

**Current Tenancy:** None.

**Unit Size:** The following table details the unit mix and unit sizes for the Subject.

**UNIT MIX AND SQUARE FOOTAGE**

<b>Unit Type</b>	<b>Number of Units</b>	<b>Unit Size (SF)</b>	<b>Gross Area</b>
1BR/1BA	18	891	16,038
2BR/2BA	54	1,103	59,562
<b>Total</b>	<b>72</b>		<b>75,600</b>

**Structure Type:** The Subject will consist of nine, single-story residential buildings and one non residential building. All buildings will be slab on grade and wood frame construction. The exterior of all the units will be brick and cement fiber siding, with pitched 30 year shingle roofs.

**Existing or Proposed**

**Project Based Rental Assistance:** All four of the Subject's units that will be set at 30 percent AMI will carry an additional subsidy. Tenants in these units will pay 30 percent of their income towards rent.

**Unit Amenities:** The Subject's units will contain carpeting, blinds, washer and dryer connections, patios, exterior storage, refrigerators, ovens, dishwashers, and central air conditioning.

**Community Amenities:** The Subject's community amenities will include a covered pavilion, a picnic/barbeque area, a fenced community garden, a walking path with a sitting area, a community room, an exercise facility, a computer center, community laundry facilities, and an on-site management office. Management will also coordinate several types of services such as pot-lucks, bingo, birthday parties, etc.

**Parking:** The Subject will have a total of 108 parking spaces, which equates to 1.5 spaces per unit. The Subject's planned number of parking spaces is in accordance with DCA's guidelines.

**Placed in Service Date:** Construction on the Subject will begin in April 2009 with an estimated placed in service date of January 2010.

**Conclusion:** The Subject appears to have an adequate unit mix for the targeted population group and will have a competitive amenities package.

## **C. SITE EVALUATION**

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow.

**Date of Site Visit:** The Subject site was inspected on May 16, 2008.

**Name of Site Inspector:** Nicole Weekley.

**Frontage:** The Subject site has frontage along Milledgeville Road.

**Topography:** The site is level.

**Visibility/Views:** The Subject is located on the northern side of Milledgeville Road and has average visibility and views.

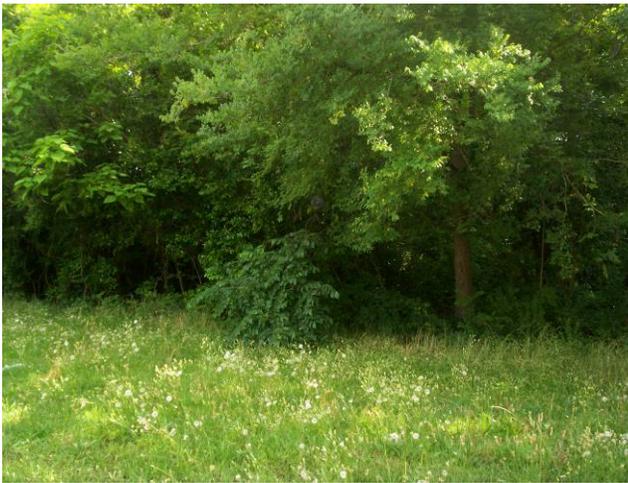
*North:* Single family homes in average condition and a neighborhood church are located north of the Subject site along Bayvale Road. These homes appear to have been built during the 1960s and 1970s. Retail is located approximately 0.4 miles north of the Subject site along US 78. Businesses in the area include a Family Dollar, a MotorMax car sales center, a Waffle House, a BP gas station, and several other retailers. Retail in the area appeared to be approximately 95 percent occupied. Two apartment complexes are also located north of the Subject site along Sibley Road. Woodcrest Apartments is a multifamily, market rate development containing one- and two-bedroom units. Augusta Springs I and II is an elderly LIHTC development offering one- and two-bedroom units at 50 and 60 percent AMI. Both properties have been used as comparable properties in our analysis and will be discussed in further detail later in the report. The North Leg Shopping Center is a large retail plaza located approximately 1.8 miles north of the Subject site along Wrightsboro Road. The shopping center contains a Food Lion, a Big Lots, a Family Dollar, a Sherwin Williams paint store, a nail salon, and a barber shop. The retail plaza appeared to be 95 percent occupied.

*South:* The area south of the Subject site is highly residential. The majority of single family homes in the area range from fair to good condition and appear to have been built over 30 years ago.

*East:* A mixture of single family homes and small free standing commercial and retail developments are located

east of the Subject site along Milledgeville Road. Homes in the area range from fair to good condition and appear to have been built over 30 years ago.

*West:* A small locally owned appliance store is located immediately west of the Subject at the intersection of Bayvale Road and Milledgeville Road. Further west of the Subject site are single family homes ranging from fair to good condition and a small convenience store. The majority of homes in the area appear to have been built over 30 years ago.



*Subject site*



*Subject site*



*Subject site*



*West on Milledgeville Road*



*East on Milledgeville Road*



*Church north of the Subject site*



*Single family home north of the Subject site*



*Retail north of the Subject site*



*Retail north of the Subject site*



*Retail north of the Subject site*



*Single family home south of the Subject site*



*Single family home east of the Subject site*



*Gas station east of the Subject site*



*Small retail store west of the Subject site*



*Convenience store west of the Subject site*



*Single family home west of the Subject site*

**Access and Traffic Flow:** The Subject site is located on the northern side of Milledgeville Road. Access and traffic flow are considered to be good.

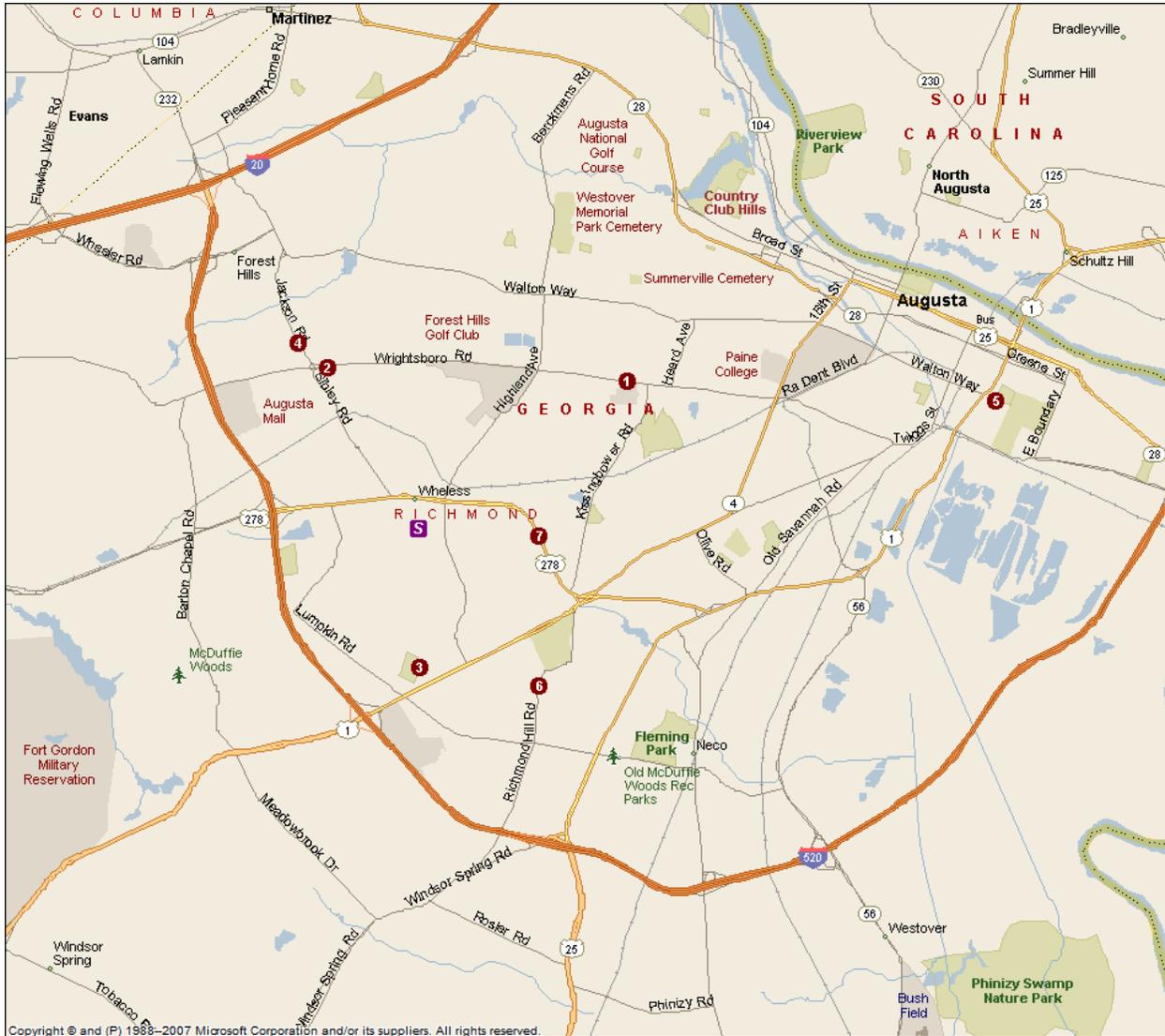
**Layout and Curb Appeal:** As new construction, we assume that the Subject will have an excellent layout and curb appeal.

**Zoning of Surrounding Area:** According to a planner from the City of Augusta Zoning Department, the Subject cannot be located in their zoning database by address or by owner name. We assume that the Subject will be a legal, conforming use or that the sponsor will apply for rezoning.

**Road/Infrastructure Proposed Improvements:** We witnessed no road/infrastructure improvements in the immediate vicinity of the Subject site. According to the planning department, there are no road/infrastructure improvements at this time in the immediate vicinity of the Subject site.

**Proximity to Local Services:** The following table details the Subject's distance from key locational amenities.

## Terraces at Edinburgh, Augusta, GA; Market Study



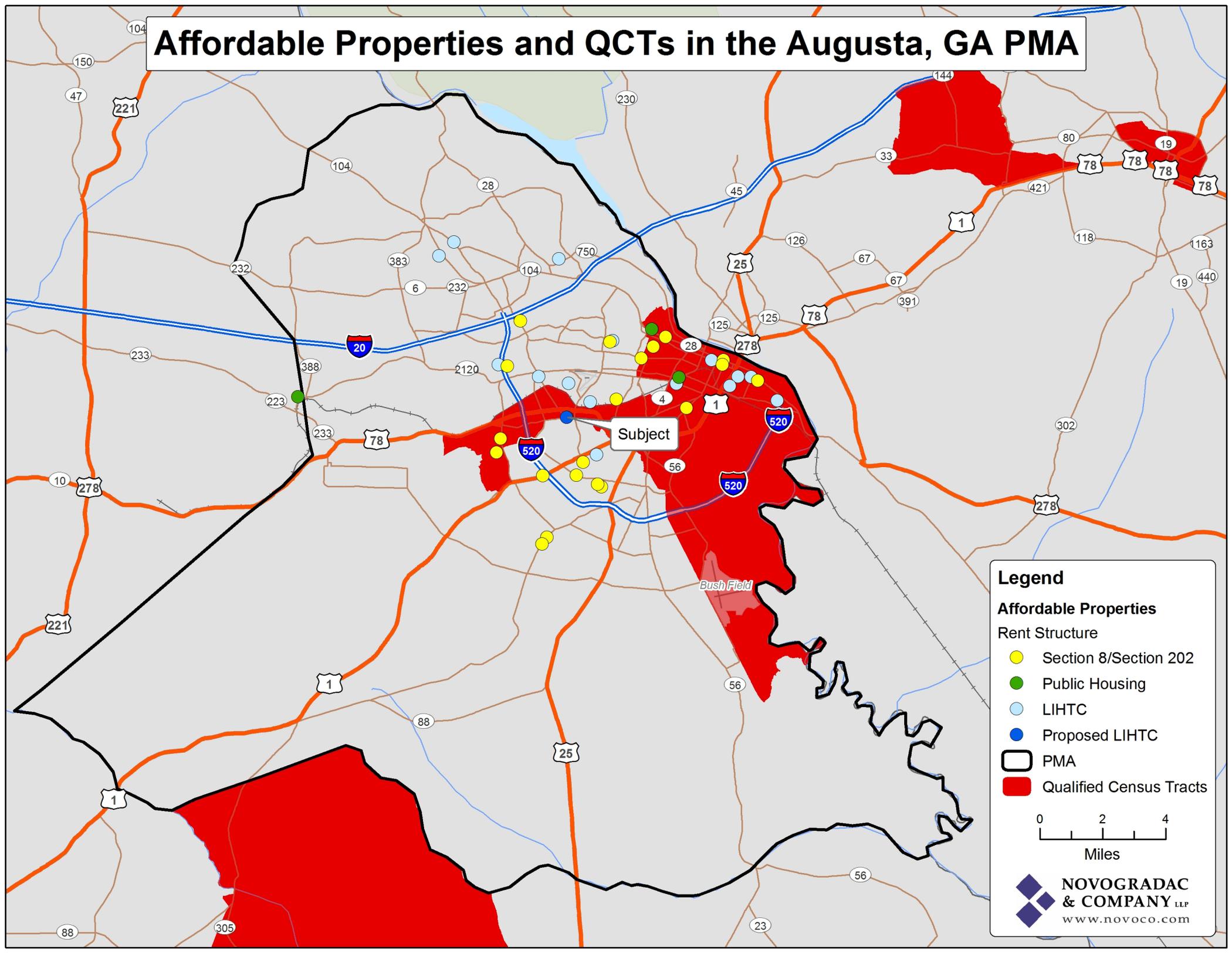
### Local Distances from Services

Map #	Service/Amenity	Distance from Subject
1	Trinity Hospital of Augusta	2.8 miles
2	Food Lion-Grocer	2.1 miles
3	Barney's Pharmacy	1.6 miles
4	Augusta-Richmond County Public Library: Friedman Branch	2.2 miles
5	Richmond County Sheriff Department	6.5 miles
6	Richmond County Fire Department	2.5 miles
7	Augusta Public Transit - Route 6	1.1 miles

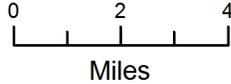
### **Subsidized Property Map:**

The following map identifies all subsidized properties in the PMA that are existing, proposed, and under construction. A corresponding map is located on the following page.

# Affordable Properties and QCTs in the Augusta, GA PMA



- Legend**
- Affordable Properties**
- Rent Structure
- Section 8/Section 202
  - Public Housing
  - LIHTC
  - Proposed LIHTC
- PMA
- Qualified Census Tracts



# Terraces at Edinburgh, Augusta, GA; Market Study

## SUBSIDIZED PROPERTIES IN PMA

Property	Type	Tenancy	Map Color	Included/Excluded	Reason for Exclusion	
Dogwood Terrace	Public Housing	Family	Green	Excluded	Tenancy not comparable and tenants pay 30% of income	
Ervin Towers	Public Housing	Elderly and Disabled		Excluded	Tenants pay 30% of income	
Olmsted Homes	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Gilbert Manor	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Powell Apartments	Public Housing	Elderly and Disabled		Excluded	Tenants pay 30% of income	
Peabody Apartments	Public Housing	Elderly and Disabled		Excluded	Tenants pay 30% of income	
MM Scott	Public Housing	Elderly and Disabled		Excluded	Tenancy not comparable and tenants pay 30% of income	
Cherry Tree Crossing	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Oak Pointe	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Underwood Homes	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Allen Homes	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Jennings Place	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Overlook Apartments	Public Housing	Family		Excluded	Tenancy not comparable and tenants pay 30% of income	
Shadowood Apartments	Section 8	Elderly		Yellow	Excluded	Tenants pay 30% of income
Bon Air Apartments	Section 8	Senior			Excluded	Tenants pay 30% of income
Lyndale Group Homes	Section 8	Disabled			Excluded	Tenancy not comparable and tenants pay 30% of income
Lyndalle West Apartments	Section 8	Disabled			Excluded	Tenancy not comparable and tenants pay 30% of income
Trinity Manor Apartments	Section 8	Family			Excluded	Tenancy not comparable and tenants pay 30% of income
Independent Living Horizons I-V	Section 8	Disabled			Excluded	Tenancy not comparable and tenants pay 30% of income
Independent Living Horizons VI	Section 8	Elderly			Excluded	Tenants pay 30% of income
Augusta Manor	Section 8	Elderly	Excluded		Tenants pay 30% of income	
Ashton Richmond	Section 8	Elderly	Excluded		Tenants pay 30% of income	
Augusta Propertiess	Section 8	Family	Excluded		Tenancy not comparable and tenants pay 30% of income	
Mount Zion	Section 8	Family	Excluded		Tenancy not comparable and tenants pay 30% of income	
SG Noble Garden of Hope	Section 8	Elderly	Excluded		Tenants pay 30% of income	
St Johns Towers	Section 8	Elderly	Excluded		Tenants pay 30% of income	
Villa Marie Apartments	Section 8	Family	Excluded		Tenancy not comparable and tenants pay 30% of income	
Richmond Villas	Section 8	Family	Excluded		Tenancy not comparable and tenants pay 30% of income	
Cedarwood	LIHTC	Family	Cyan	Excluded	Tenancy not comparable	
Woodlake Club (fka Stonegate Club Apartments)	LIHTC	Family		Excluded	Tenancy not comparable	
Forest Brook Apartments	LIHTC	Family		Excluded	Tenancy not comparable	
Glenwood II	LIHTC	Family		Excluded	Management unavailable	
Westwood Club	LIHTC	Family		Excluded	Tenancy not comparable	
	HOME/ShelterPlus					
Maxwell House	Care/PBRA	Family		Excluded	Tenancy not comparable	
Wedgewood Park	LIHTC	Family		Excluded	Tenancy not comparable	
Vineyards of Grovetown	LIHTC	Family		Excluded	Tenancy not comparable	
Governor Park Townhomes	LIHTC	Family		Excluded	Tenancy not comparable	
Ridgewood Place	LIHTC	Family		Excluded	Information not available	
Olde Towne Apartments	LIHTC	Family		Excluded	Tenancy not comparable	
East Augusta Townhomes	LIHTC	Family		Excluded	Tenancy not comparable	
405 Hale Street	LIHTC	Family		Excluded	Information not available	
Linden Square	LIHTC	Senior		Included	N/Ap	
Augusta Spring Apartments	LIHTC	Senior	Included	N/Ap		
Terraces at Edinburgh	LIHTC, PBRA, Market	Senior	Blue	SUBJECT	N/Ap	

**Detrimental Influences:**

There are no significant detrimental influences.

**Environmental Concerns:**

None visible upon site inspection.

**Conclusion:**

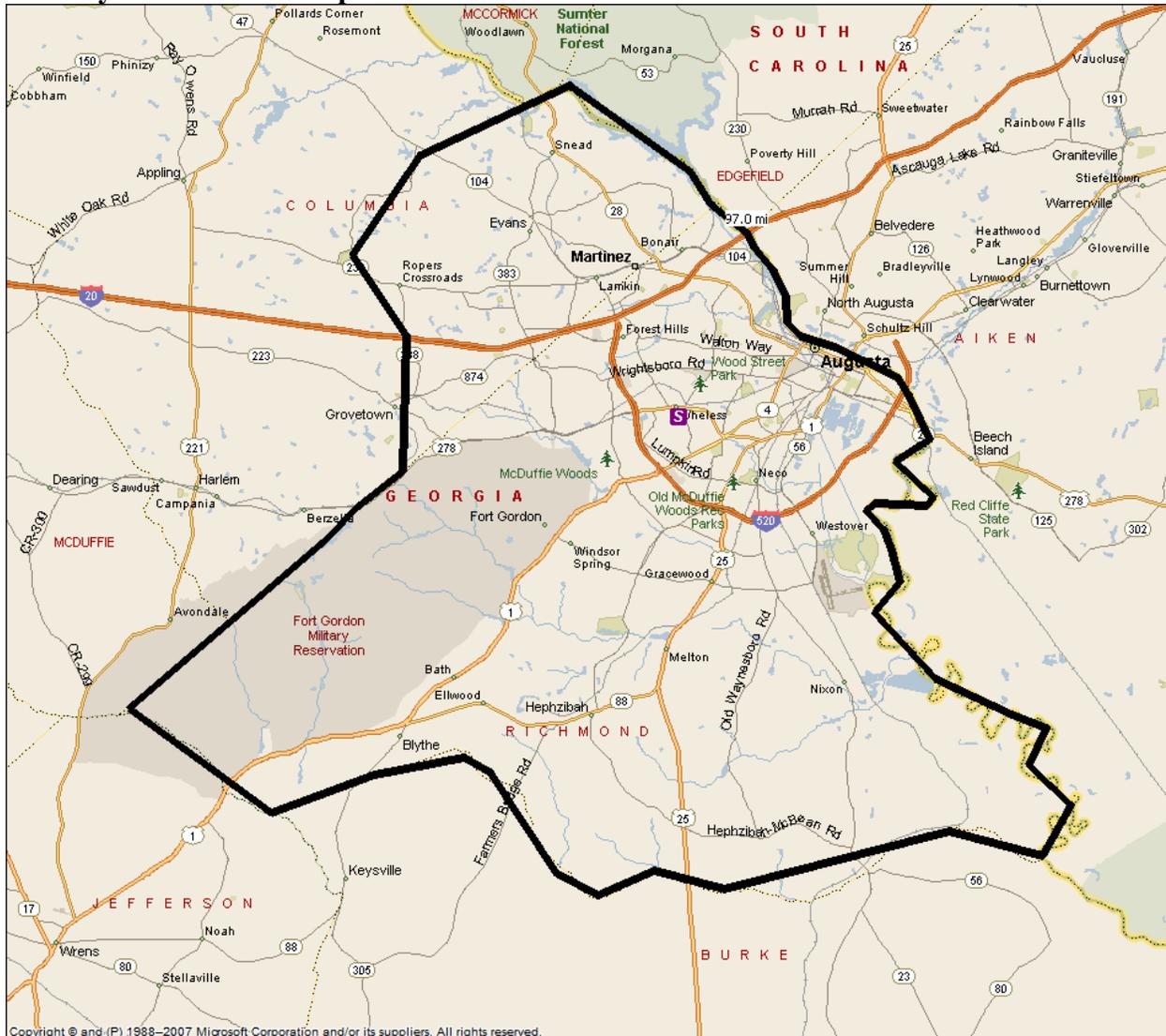
The Subject is located along Milledgeville Road. The immediate neighborhood contains a mixture of commercial, retail, and residential uses. The Subject is located within close proximity of an abundance of retail. Retail in the area appears to be approximately 95 percent occupied. Single family and multi-family residences in the immediate area range from fair to good condition. Most single family homes in the area appear to have been built over 30 years ago. The Subject will have good visibility from Milledgeville Road and as new construction, it will have excellent curb appeal. Overall, the community presents a good location for an affordable, multifamily development and the Subject has a positive impact on the local neighborhood.

## **D. MARKET AREA**

**PRIMARY MARKET AREA**

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

**Primary Market Area Map**



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

The PMA is defined to the north as the area south of the Champions Retreat Golf Course, to the south by the Richmond County line, to the east by the Georgia/South Carolina state line, and to

the west by Richmond County line. The area was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Most of the property managers said that the majority of their tenants come from within Augusta with a few coming from southern areas such as Hephzibah and northern areas such as Martinez. We have adjusted for 15 percent leakage from outside of the PMA.

## **E. COMMUNITY DEMOGRAPHIC DATA**

**COMMUNITY DEMOGRAPHIC DATA**

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction. The Subject is located in the Augusta-Richmond County, GA MSA. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. Historic and estimated data will be presented for years 1990, 2000, 2007 and 2012. Data has also been projected for January 2010, the year in which the Subject is expected to enter the market.

**General Population**

The table below illustrates general population trends in the MSA, PMA, and nation from 1990 through 2012.

**POPULATION**

Year	Augusta-Richmond County, GA-SC MSA		PMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	435,763	-	239,428	-	248,709,873	-
2000	499,684	1.47%	268,303	1.21%	281,421,906	1.32%
2007	541,258	1.15%	286,076	0.91%	306,348,230	1.22%
Projected Mkt Entry:						
January 2010	560,089	1.13%	294,471	0.95%	318,174,767	1.25%
2012	571,794	1.13%	299,690	0.95%	325,526,398	1.25%

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

**SENIOR POPULATION, 55+**

Year	Augusta-Richmond County, GA-SC MSA		PMA	
	Number	Annual Change	Number	Annual Change
2000	97,310	-	48,334	-
2007	120,485	3.28%	59,145	3.09%
Projected Mkt Entry:				
January 2010	132,422	3.21%	64,868	3.14%
2012	139,842	3.21%	68,426	3.14%

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

As the previous tables illustrate, senior population growth in the PMA and MSA is approximately three times that of the general population in the PMA and MSA and this trend is projected to continue through 2012. This bodes well for the Subject development.

**Population by Age Group**

The following table illustrates the population of the MSA and PMA by age cohort.

**POPULATION BY AGE AT PROJECT MARKET ENTRY  
DATE: JANUARY 2010**

Age Cohort	Augusta-Richmond County, GA-SC MSA		PMA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
0-4	39,158	6.99%	21,074	7.16%
5-9	36,730	6.56%	19,535	6.63%
10-14	37,639	6.72%	19,860	6.74%
15-19	39,646	7.08%	21,940	7.45%
20-24	39,520	7.06%	22,653	7.69%
25-29	39,725	7.09%	22,372	7.60%
30-34	36,891	6.59%	19,901	6.76%
35-39	34,854	6.22%	18,430	6.26%
40-44	38,715	6.91%	20,081	6.82%
45-49	43,111	7.70%	22,169	7.53%
50-54	41,679	7.44%	21,588	7.33%
55-59	38,039	6.79%	19,371	6.58%
60-64	28,886	5.16%	14,018	4.76%
65-69	20,474	3.66%	9,784	3.32%
70-74	14,982	2.67%	7,215	2.45%
75-79	12,317	2.20%	5,931	2.01%
80-84	9,192	1.64%	4,424	1.50%
85+	8,532	1.52%	4,125	1.40%
<b>Total</b>	<b>560,089</b>	<b>100.0%</b>	<b>294,471</b>	<b>100.0%</b>

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

As illustrated in the previous table, the largest age cohorts in both the PMA and MSA are 15 to 29 years of age and 45 to 54 years of age. The population in the PMA and MSA consists of approximately 22 to 24 percent residents that are 55 years or older, respectively.

**Number of Elderly vs. Non-Elderly**

The following table illustrates the number of elderly and non-elderly population in the PMA and MSA. This data is only available for elderly ages 65 and older.

**Number of Elderly and Non-Elderly - PMA**

Year	PMA			MSA		
	Total Population	Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
1990	239,427	217,801	21,626	435,763	392,006	43,757
2000	268,303	241,439	26,864	499,684	445,009	54,675
2007	286,076	256,212	29,864	541,258	479,881	61,377
Projected Market Entry: January 2010	294,471	262,992	31,480	560,089	494,591	65,498
2012	299,690	267,206	32,484	571,794	503,735	68,059

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

**General Household Trends**

The following table is a summary of the total households in the MSA, PMA, and nation from 1990 to 2012.

**HOUSEHOLDS**

Year	Augusta-Richmond County, GA-SC MSA		PMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	156,130	-	85,204	-	91,947,410	-
2000	184,801	1.84%	97,697	1.47%	105,480,101	1.47%
2007	204,617	1.48%	106,362	1.22%	115,337,039	1.29%
Projected Mkt Entry: January 2010	212,740	1.29%	109,800	1.05%	119,958,108	1.30%
2012	217,789	1.29%	111,937	1.05%	122,830,665	1.30%

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

**HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+**

Year	Augusta-Richmond County, GA-SC MSA		PMA	
	Number	Annual Change	Number	Annual Change
2000	60,486	-	30,101	-
2007	73,897	3.06%	36,106	2.75%
Projected Mkt Entry: January 2010	80,902	3.07%	39,318	2.88%
2012	85,256	3.07%	41,314	2.88%

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

Similar to population, senior household growth in both the MSA and PMA significantly outpace general household growth. This is a positive indicator for the Subject.

**Average Household Size**

The following table is a summary of the average household size in the MSA, PMA, and nation from 1990 to 2012.

**AVERAGE HOUSEHOLD SIZE**

Year	Augusta-Richmond County, GA-SC MSA		PMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	2.70	-	2.69	-	2.63	-
2000	2.61	-0.33%	2.63	-0.22%	2.59	-0.15%
2007	2.56	-0.26%	2.59	-0.21%	2.59	0.00%
Projected Mkt Entry:						
January 2010	2.55	-0.08%	2.58	-0.08%	2.58	-0.08%
2012	2.55	-0.08%	2.58	-0.08%	2.58	-0.08%

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

The average household size in the PMA is on par with that of the nation and is only slightly greater than that of the MSA. The Subject will offer one- and two-bedroom units.

**Households by Tenure**

The following table is a summary of the senior tenure patterns of the housing stock in the PMA from 2000 to 2012.

**RENTER HOUSEHOLDS**

	Augusta-Richmond County, GA-SC MSA		PMA	
	<i>Age 55+</i>	<i>Age 55+</i>	<i>Age 55+</i>	<i>Age 55+</i>
2000	10,590	17.51%	6,099	20.39%
2007	12,938	17.51%	7,362	20.39%
2012	14,927	17.51%	8,424	20.39%

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

Both the PMA and the MSA have a larger percent of renters when compared to the nation, which is approximately 13 percent senior renters.

## Senior Household Income

The table below illustrates household income in the PMA, the MSA, and the nation.

### HOUSEHOLD INCOME OF SENIORS 55+ PMA

Income Cohort	2007		PMA Prj Mkt Entry Date		2012		Annual Change 2007 to 2012	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<\$15,000	5,793	16.04%	5,538	14.09%	5,380	13.02%	-83	-1.43%
\$15,000-\$24,999	4,021	11.14%	3,832	9.75%	3,715	8.99%	-61	-1.52%
\$25,000-\$34,999	3,872	10.72%	3,749	9.54%	3,673	8.89%	-40	-1.03%
\$35,000-\$49,999	5,263	14.58%	5,175	13.16%	5,121	12.40%	-28	-0.54%
\$50,000-\$74,999	6,058	16.78%	6,311	16.05%	6,469	15.66%	82	1.36%
\$75,000-\$99,999	3,972	11.00%	4,902	12.47%	5,480	13.26%	302	7.59%
100,000-\$149,999	4,370	12.10%	5,884	14.97%	6,825	16.52%	491	11.24%
150,000-\$199,999	1,357	3.76%	1,750	4.45%	1,994	4.83%	127	9.39%
200,000-\$249,999	629	1.74%	1,029	2.62%	1,277	3.09%	130	20.60%
250,000-\$499,999	642	1.78%	866	2.20%	1,005	2.43%	73	11.31%
\$500,000+	129	0.36%	281	0.71%	375	0.91%	49	38.14%
<b>Total</b>	<b>36,106</b>	<b>100%</b>	<b>39,318</b>	<b>100%</b>	<b>41,314</b>	<b>100%</b>		

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

### HOUSEHOLD INCOME OF SENIORS 55+ MSA

Income Cohort	2007		MSA Prj Mkt Entry Date		2012		Annual Change 2007 to 2012	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<\$15,000	14,034	18.99%	13,724	16.96%	13,531	15.87%	-101	-0.72%
\$15,000-\$24,999	8,969	12.14%	8,732	10.79%	8,584	10.07%	-77	-0.86%
\$25,000-\$34,999	8,231	11.14%	8,021	9.91%	7,891	9.26%	-68	-0.83%
\$35,000-\$49,999	10,455	14.15%	10,835	13.39%	11,072	12.99%	123	1.18%
\$50,000-\$74,999	12,377	16.75%	13,452	16.63%	14,120	16.56%	349	2.82%
\$75,000-\$99,999	7,400	10.01%	8,805	10.88%	9,679	11.35%	456	6.16%
100,000-\$149,999	7,658	10.36%	10,447	12.91%	12,181	14.29%	905	11.81%
150,000-\$199,999	2,560	3.46%	3,351	4.14%	3,843	4.51%	257	10.02%
200,000-\$249,999	1,024	1.39%	1,739	2.15%	2,183	2.56%	232	22.64%
250,000-\$499,999	992	1.34%	1,374	1.70%	1,611	1.89%	124	12.48%
\$500,000+	197	0.27%	421	0.52%	561	0.66%	73	36.95%
<b>Total</b>	<b>73,897</b>	<b>100%</b>	<b>80,902</b>	<b>100%</b>	<b>85,256</b>	<b>100%</b>		

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

### HOUSEHOLD INCOME OF SENIORS 55+ USA

Income Cohort	2007		USA Prj Mkt Entry Date		2012		Annual Change 2007 to 2012	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<\$15,000	6,937,030	16.11%	6,690,239	14.27%	6,536,829	13.27%	-80,040	-1.15%
\$15,000-\$24,999	5,395,357	12.53%	5,122,706	10.93%	4,953,220	10.06%	-88,427	-1.64%
\$25,000-\$34,999	4,742,720	11.01%	4,633,071	9.88%	4,564,911	9.27%	-35,562	-0.75%
\$35,000-\$49,999	6,013,766	13.97%	6,074,624	12.96%	6,112,454	12.41%	19,738	0.33%
\$50,000-\$74,999	7,069,836	16.42%	7,643,230	16.31%	7,999,664	16.24%	185,966	2.63%
\$75,000-\$99,999	4,521,206	10.50%	5,171,843	11.03%	5,576,293	11.32%	211,017	4.67%
100,000-\$149,999	4,689,905	10.89%	6,208,349	13.24%	7,152,247	14.52%	492,468	10.50%
150,000-\$199,999	1,752,139	4.07%	2,371,161	5.06%	2,755,959	5.60%	200,764	11.46%
200,000-\$249,999	773,283	1.80%	1,291,255	2.75%	1,613,238	3.28%	167,991	21.72%
250,000-\$499,999	887,734	2.06%	1,182,453	2.52%	1,365,657	2.77%	95,585	10.77%
\$500,000+	274,274	0.64%	486,640	1.04%	618,652	1.26%	68,876	25.11%
<b>Total</b>	<b>43,057,250</b>	<b>100%</b>	<b>46,875,572</b>	<b>100%</b>	<b>49,249,124</b>	<b>100%</b>		

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

The Subject will target senior tenants earning below \$34,720. As of market entry, there will be approximately 33 percent of seniors in the PMA earning below \$35,000. This is similar to the nation and MSA, which have 35 percent and 38 percent of seniors earning less than \$35,000.

**Senior Renter Households by Number of Persons in the Household**

The following table illustrates household size for households in June 2010.

**SENIOR HOUSEHOLD SIZE DISTRIBUTION PMA AT MARKET ENTRY JANUARY 2010**

**Age 55+**

<b>Household Size</b>	<b>Percent</b>	<b>Number Total Households</b>
1 person	24.56%	9,655
2+ persons	75.44%	29,663
<b>Total</b>	<b>100%</b>	<b>39,318</b>

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

To determine the number of senior renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households. As previously stated, approximately 20 percent of all households in the PMA are renter households. The majority of households at the point of market entry in January 2010 will be two or more person households.

**Employment Trends**

According to the Richmond County Economic Development Department, Augusta is the economic hub of a market area that extends beyond the metropolitan area to include several adjoining rural counties. The city is projected to remain the regional center of employment and trade in the foreseeable future. Employment in Augusta is highest in the service and retail trade industries. Among the largest employers in the retail industry are the Augusta Mall and the Augusta Exchange. The Augusta Exchange is a large shopping center containing national retailers such as Target, Best Buy, and Borders Books and Music. These businesses draw individuals to the area from throughout the region. Major employers in the service sector include healthcare and related facilities, educational institutions, and business service establishments. The eight hospitals located within Augusta are the most visible component of the city's healthcare industry. Additional healthcare jobs are provided by clinics, nursing homes, laboratories, and medical offices. Major educational institutions providing employment include the Medical College of Georgia, Paine College, Augusta State University, Augusta Technical College, and the Richmond County Board of Education. These industries are expected to grow in the future and continue to play a vital role in the local economy.

Due to the presence of Fort Gordon Military Base in Augusta, the government is also a major employer. Fort Gordon, which is located in southwest Augusta is home to the Army Signal Center, the world's largest training facility in communications and electronics. Fort Gordon was spared from closing under the first four rounds of Base Realignment and Closure (BRAC) during the 1990s. According to the most recent list of BRAC recommendations, which was released in 2005, Fort Gordon did not lose any military or civilian personnel. Current employment at the base is approximately 11,463.

### Employment by Industry

The following table illustrates the distribution of employment sectors by industry within the PMA in 2007.

#### 2007 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	328	0.27%	1,774,070	1.25%
Mining	155	0.13%	671,442	0.47%
Construction	7,622	6.22%	11,262,097	7.95%
Manufacturing	10,469	8.55%	15,206,943	10.74%
Wholesale Trade	2,709	2.21%	4,873,192	3.44%
Retail Trade	14,173	11.57%	16,371,759	11.56%
Transportation/Warehousing	3,720	3.04%	5,861,365	4.14%
Utilities	3,236	2.64%	1,098,693	0.78%
Information	2,335	1.91%	3,320,532	2.35%
Finance/Insurance	3,763	3.07%	7,343,565	5.19%
Real Estate/Rental/Leasing	2,640	2.16%	3,155,166	2.23%
Prof/Scientific/Tech Services	5,049	4.12%	8,601,934	6.08%
Mgmt of Companies/Enterprises	176	0.14%	169,626	0.12%
Admin/Support/Waste Mgmt Svcs	5,318	4.34%	5,230,795	3.69%
Educational Services	13,620	11.12%	13,292,886	9.39%
Health Care/Social Assistance	23,741	19.39%	17,777,386	12.56%
Arts/Entertainment/Recreation	2,150	1.76%	2,630,954	1.86%
Accommodation/Food Services	8,802	7.19%	9,107,844	6.43%
Other Services (excl Publ Adm)	5,726	4.68%	6,980,409	4.93%
Public Administration	6,732	5.50%	6,859,574	4.84%
<b>Total Employment</b>	<b>122,464</b>	<b>100.00%</b>	<b>141,590,232</b>	<b>100.00%</b>

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

The previous table reflects the workforce for the PMA. As illustrated, the largest industries in the PMA are healthcare/social assistance, educational services, and retail trade, accounting for approximately 42 percent of employment in the PMA. Healthcare/social assistance alone accounts for 19 percent of employment in the PMA. The PMA's large employment in the healthcare industry is due to the presence of eight hospitals within the City of Augusta as well as numerous clinics, nursing homes, laboratories, and doctor's offices. The PMA has a larger percentage of individuals employed in the healthcare/social services and accommodation/food services industries than the nation, which is explained by the area's major employers. Conversely, the PMA has a smaller percentage of individuals employed in the manufacturing, finance/insurance, and professional/scientific/ technical industries than the nation.

**Major Employers**

The diversification of the Atlanta economic base is indicated by the following list of the Atlanta metro area’s ten largest employers.

**2007 MAJOR EMPLOYERS**

**Augusta Metro Area**

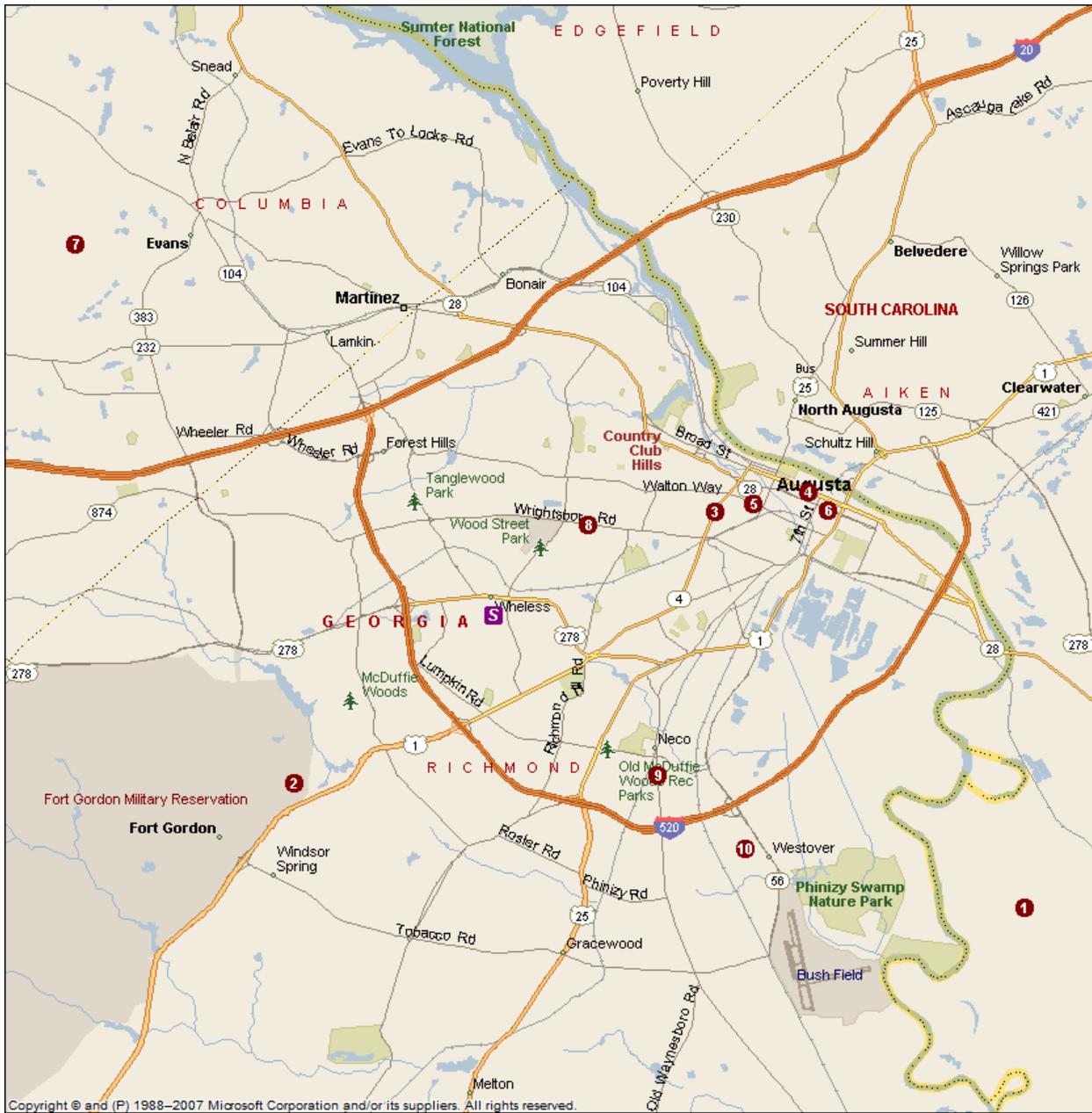
<b>Map #</b>	<b>Employer</b>	<b>Industry</b>	<b>Number Employed</b>
1	Savannah River Site	Government	13,260
2	U.S. Army Signal Center & Fort Gordon	Government	11,463
3	Medical College of Georgia	Healthcare/Education	7,800
4	Richmond County School System	Education	5,725
5	University Hospital	Healthcare	3,860
6	Richmond County	Public Administration	2,600
7	Columbia County School System	Education	2,265
8	VA Medical Center	Healthcare	2,000
9	Gracewood State School and Hospital	Healthcare/Education	1,600
10	EZ-GO/Textron	Manufacturing	1,276

Source: Augusta Metro Chamber of Commerce, Novogradac & Company LLP.

Many of the major employers in the Augusta Metro Area are in the government, healthcare, and education industries. Although none of the top employers are in the retail industry, it still plays a major role in the local economy, comprising approximately 12 percent of the workforce in the PMA. Four of the area’s top 10 employers are in the healthcare industry. Augusta contains eight hospitals as well as the Georgia Medical College and several other healthcare related facilities such as nursing homes and medical offices. The area’s largest employer, the Savannah River Site, is owned and operated by the U.S. Department of Energy. The plant serves as a nuclear processing center and is located in South Carolina, approximately 20 miles southeast of Augusta. Many of the industries represented by the major employers provide stability to the local economy which is a positive indicator for the Subject.

The following map shows the location of the largest employers in the Augusta area, all of which are within 15 miles of the Subject.

# Terraces at Edinburgh, Augusta, GA; Market Study



**Total Employment**

The following tables detail employment and unemployment in the Augusta-Richmond County MSA since 1990.

**EMPLOYMENT & UNEMPLOYMENT TRENDS**

Year	<u>Augusta-Richmond County, GA</u>		<u>Augusta-Richmond County, GA</u>		<u>USA</u>
	<u>MSA</u>		<u>MSA</u>		
	Total Employment	% Change	Unemployment Rate	% Change	Unemployment Rate
1990	198,004	-	4.9%	-	5.7%
1991	198,380	0.2%	5.4%	0.5%	6.9%
1992	197,410	-0.5%	7.3%	1.9%	7.6%
1993	198,759	0.7%	7.4%	0.1%	7.0%
1994	199,635	0.4%	6.4%	-1.0%	6.2%
1995	198,721	-0.5%	6.8%	0.4%	5.7%
1996	198,508	-0.1%	7.0%	0.2%	5.5%
1997	200,268	0.9%	6.5%	-0.5%	5.0%
1998	202,824	1.3%	5.6%	-0.9%	4.6%
1999	207,016	2.1%	5.0%	-0.6%	4.3%
2000	224,757	8.6%	3.9%	-1.1%	4.0%
2001	222,188	-1.1%	4.6%	0.7%	4.8%
2002	226,328	1.9%	5.0%	0.4%	5.8%
2003	230,962	2.0%	5.0%	0.0%	6.0%
2004	237,130	2.7%	5.4%	0.4%	5.6%
2005	238,912	0.8%	6.0%	0.6%	5.2%
2006	240,107	0.5%	5.8%	-0.2%	4.7%
2007	242,988	0.4%	5.5%	-0.3%	4.9%
2008 YTD	243,267	0.1%	5.5%	0.0%	5.0%

Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University.

\* 2008 data is through March

Total employment in Richmond County decreased throughout the early and mid 1990s, much of which was due to a national recession. However, since 1996, total employment in the county has only decreased in two years, 2001 and 2005. The slight decline in 2001 was again due to a national recession. Year to date total employment is showing its strongest gains of the past 17 years, which is indicative of a strong market. The 8.6 percent increase in total employment in 2000 is due to a change in methodology and is not indicative of true employment gains. Although the current unemployment rate is slightly above the national average, it has been declining since 2005. Both total employment and unemployment have remained stable as of March 2008.

**Conclusion**

Senior population and number of households in the PMA and MSA have experienced strong growth as they are growing significantly faster than the nation. This strong growth is projected to continue in the future. Approximately 33 and 38 percent of seniors in the PMA and MSA, respectively, are currently earning wages below \$35,000. As the area continues to grow, the need for quality, affordable housing will also increase, which bodes well for the Subject.

The majority of the top employers in the Augusta Metro Area are in industries such as healthcare, education, and government, which provides stability to the local economy. Recent trends show stability in both total employment and unemployment rate, an indicator that the local economy is stable.

# **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.

### **INCOME RESTRICTIONS**

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

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

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

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website. Our research indicates that those seniors living in unrestricted units at mixed income properties typically earn no more than 80 percent of the AMI. Therefore, we have set the maximum income for the Subject’s market units at 80 percent AMI.

### **AFFORDABILITY**

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

### **DEMAND**

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated on the attached table.

#### **1. DEMAND FROM NEW HOUSEHOLDS**

The number of new households entering the market is the first level of demand calculated. We have utilized 2010, the anticipated date of market entry, as the base year for the analysis. Therefore, 2007 household population estimates are inflated to 2010 by interpolation of the difference between 2007 estimates and 2012 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 2010. This number takes the overall growth from 2000 to 2010 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.

**2. 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 40 percent 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 we have lowered the demand from seniors who convert to homeownership to be at or below 20 percent.

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.

To accommodate for the secondary market area, the Demand from Existing Qualified Households within the primary market area will be multiplied by 115% to account for demand from the secondary market area.

**ADDITIONS TO SUPPLY**

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we deduct additions to supply allocated since 2000 to present and those that will be constructed in 2008 that are considered directly competitive. There are two senior LIHTC properties that have been built or renovated since 2000. Augusta Spring Apartments has two phases. Phase I was built in 1996 and Phase II in 2000. We have only removed units at Phase II. Linden Square is a 33 unit property offering one- and two-bedroom units at 50 and 60 percent of the AMI as well as market rate units.

The following table illustrates the units removed in the demand analysis.

<b>Property Name</b>	<b>1BR at 50% AMI</b>	<b>1BR at 60% AMI</b>	<b>2BR at 50% AMI</b>	<b>2BR at 60% AMI</b>
Augusta Spring Apartments Phase II	4	6	37	52
Linden Square	1	16	4	4

**Capture Rates**

The above calculations and derived capture rates are illustrated in the following tables. Per DCA's demand guidelines, PBRA should not be included in the calculation of demand, and consequently, not considered in the capture rate. The 30 percent AMI units are subsidized with PBRA and the rents are 30 percent lower than the average market rents. Therefore, these units per DCA are assumed to be leaseable and are not included in demand. This accounts for four of the 72 units at the Subject.

Household Income Distribution 2000 to Projected Market Entry January 2010							
Terraces at Edinburgh							
PMA							
	2000		2007		Prj Mrkt Entry January 2010		Percent Growth
	#	%	#	%	#	%	
<\$15,000	6,790	22.56%	5,793	16.04%	5,538	14.09%	-22.6%
\$15,000-\$24,999	4,330	14.38%	4,021	11.14%	3,832	9.75%	-13.0%
\$25,000-\$34,999	4,052	13.46%	3,872	10.72%	3,749	9.54%	-8.1%
\$35,000-\$49,999	4,965	16.49%	5,263	14.58%	5,175	13.16%	4.1%
\$50,000-\$74,999	4,585	15.23%	6,058	16.78%	6,311	16.05%	27.4%
\$75,000-\$99,999	2,425	8.06%	3,972	11.00%	4,902	12.47%	50.5%
\$100,000-\$149,999	1,821	6.05%	4,370	12.10%	5,884	14.97%	69.1%
\$150,000-\$199,999	482	1.60%	1,357	3.76%	1,750	4.45%	72.5%
\$200,000+	651	2.16%	1,400	3.88%	2,175	5.53%	70.1%
<b>Total</b>	<b>30,101</b>	<b>100.00%</b>	<b>36,106</b>	<b>100.00%</b>	<b>39,318</b>	<b>100.00%</b>	<b>23.4%</b>

Household Income Distribution Projected Market Entry January 2010			
Terraces at Edinburgh			
PMA			
	Prj Mrkt Entry January 2010		Change 2000 to Prj Mrkt Entry January 2010
	#	%	
<\$15,000	5,538	14.09%	1,298
\$15,000-\$24,999	3,832	9.75%	898
\$25,000-\$34,999	3,749	9.54%	879
\$35,000-\$49,999	5,175	13.16%	1,213
\$50,000-\$74,999	6,311	16.05%	1,479
\$75,000-\$99,999	4,902	12.47%	1,149
\$100,000-\$149,999	5,884	14.97%	1,379
\$150,000-\$199,999	1,750	4.45%	410
\$200,000+	2,175	5.53%	510
<b>Total</b>	<b>39,318</b>	<b>100.00%</b>	<b>9,217</b>

Tenure Prj Mrkt Entry January 2010	
Renter	20.39%
Owner	79.61%
<b>Total</b>	<b>100.00%</b>

Household Size for Prj Mrkt Entry January 2010		
Size	Number	Percentage
1	9,655	24.56%
2 or more	29,663	75.44%
<b>Total</b>	<b>39,318</b>	<b>100.00%</b>

Household Size for 2000		
Size	Number	Percentage
1	7,391	24.56%
2 or more	22,710	75.44%
<b>Total</b>	<b>30,101</b>	<b>100.00%</b>

50% AMI

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

Percent of AMI Level		50%			
Minimum Income Limit		\$15,240			
Maximum Income Limit		\$21,700 2 Persons			
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry January 2010		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
<\$15,000	1,298	14.09%			
\$15,000-\$24,999	898	9.75%	6,460	65%	580
\$25,000-\$34,999	879	9.54%			
\$35,000-\$49,999	1,213	13.16%			
\$50,000-\$74,999	1,479	16.05%			
\$75,000-\$99,999	1,149	12.47%			
\$100,000-\$149,999	1,379	14.97%			
\$150,000-\$199,999	410	4.45%			
\$200,000+	510	5.53%			
	9,217	100.00%			580
Percent of households within limits versus total number of households					6.30%

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

Percent of AMI Level		50%			
Minimum Income Limit		\$15,240			
Maximum Income Limit		\$21,700 2 Persons			
Income Category	Total Households PMA Prj Mrkt Entry March 2008		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
<\$15,000	5,538	14.09%			
\$15,000-\$24,999	3,832	9.75%	6,460	65%	2,476
\$25,000-\$34,999	3,749	9.54%			
\$35,000-\$49,999	5,175	13.16%			
\$50,000-\$74,999	6,311	16.05%			
\$75,000-\$99,999	4,902	12.47%			
\$100,000-\$149,999	5,884	14.97%			
\$150,000-\$199,999	1,750	4.45%			
\$200,000+	2,175	5.53%			
	39,318	100.00%			2,476
Percent of households within limits versus total number of households					6.30%

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  
 Prj Mrkt Entry March 2008 Median Income  
 Change from 2000 to Prj Mrkt Entry March 2008  
 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		
Senior		
Urban		
40%		
\$38,450		
\$43,076		
\$4,626		
12.0%		
2.0%		
2.0%	Two year adjustment	1.0000
\$21,700		
\$21,700		
2 Persons		
50%		
\$508		
\$508.00		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry January 2010

Income Target Population	50%
New Households PMA	9,217
Percent Income Qualified	6.3%
Income Qualified Households	580
Percent Renter	20.4%
<b>New Renter Income Qualified Households</b>	<b>118</b>

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	39,318
Income Qualified	6.3%
Percent Renter	20.4%
Income Qualified Renter Households	505
Percent Rent Overburdened Prj Mrkt Entry January 2010	34%
<b>Rent Overburdened Households</b>	<b>172</b>

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	505
Percent Living in Substandard Housing	0.6%
<b>Households Living in Substandard Housing</b>	<b>3</b>

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

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	1,971
Rural Versus Urban	2.0%
<b>Senior Demand Converting from Homeownership</b>	<b>39</b>

Total Demand

Total Demand from Existing Households	214
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%
Adjusted Demand from Existing Households	246
<b>Total New Demand</b>	<b>118</b>
<b>Total Demand (New Plus Existing Households)</b>	<b>365</b>

Demand from Seniors Who Convert from Homeownership	70
Percent of Total Demand From Homeownership Conversion	19.2%
Is this Demand Over 20 percent of Total Demand?	No

**By Bedroom Demand**

One Person	24.56%	90
Two Persons	75.44%	275
Three Persons	0.00%	0
Four Persons	0.00%	0
Five Persons	0.00%	0
Six Persons	0.00%	0
Seven Plus Persons	0.00%	0
<b>Total</b>	<b>100.00%</b>	<b>365</b>

**To place Person Demand into Bedroom Type Units**

Of one person households in one-bedroom units	90%	81
Of two person households in one-bedroom units	20%	55
Of one person households in two-bedroom units	10%	9
Of two person households in two-bedroom units	80%	220
<b>Total Demand</b>		<b>365</b>
Check		OK

**Total Demand by Bedroom**

	50%
One Bedroom	136
Two Bedroom	229
<b>Total Demand</b>	<b>365</b>

**Additions To Supply 2000 to Prj Mrkt Entry January 2010**

	50%
One Bedroom	5
Two Bedroom	41
<b>Total</b>	<b>46</b>

**Net Demand**

	50%
One Bedroom	131
Two Bedroom	188
<b>Total</b>	<b>319</b>

**Developer's Unit Mix**

	50%
One Bedroom	6
Two Bedroom	19
<b>Total</b>	<b>25</b>

**Capture Rate Analysis**

	50%
One Bedroom	4.6%
Two Bedroom	10.1%
<b>Total</b>	<b>7.8%</b>

# Terraces at Edinburgh, Augusta, GA; Market Study

## 60%AMI

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

Percent of AMI Level		60%			
Minimum Income Limit		\$17,460			
Maximum Income Limit		\$26,040 2 Persons			
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry January 2010		Income Brackets	Percent within Cohort	Households within Bracket
	2010				
<\$15,000	1,298	14.09%			
\$15,000-\$24,999	898	9.75%	7,539	75%	677
\$25,000-\$34,999	879	9.54%	1,040	10%	91
\$35,000-\$49,999	1,213	13.16%			
\$50,000-\$74,999	1,479	16.05%			
\$75,000-\$99,999	1,149	12.47%			
\$100,000-\$149,999	1,379	14.97%			
\$150,000-\$199,999	410	4.45%			
\$200,000+	510	5.53%			
	9,217	100.00%			769
Percent of households within limits versus total number of households					8.34%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$17,460			
Maximum Income Limit		\$26,040 2 Persons			
Income Category	Total Households PMA Prj Mrkt Entry January 2010		Income Brackets	Percent within Cohort	Households within Bracket
	2010				
<\$15,000	5,538	14.09%			
\$15,000-\$24,999	3,832	9.75%	7,539	75%	2,889
\$25,000-\$34,999	3,749	9.54%	1,040	10%	390
\$35,000-\$49,999	5,175	13.16%			
\$50,000-\$74,999	6,311	16.05%			
\$75,000-\$99,999	4,902	12.47%			
\$100,000-\$149,999	5,884	14.97%			
\$150,000-\$199,999	1,750	4.45%			
\$200,000+	2,175	5.53%			
	39,318	100.00%			3,279
Percent of households within limits versus total number of households					8.34%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry March 2008 Median Income

Change from 2000 to Prj Mrkt Entry March 2008

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		
Senior		
Urban		
40%		
\$38,450		
\$43,076		
\$4,626		
12.0%		
2.0%		
2.0%	Two year adjustment	1.0000
\$26,040		
\$26,040		
2 Persons		
60%		
\$582		
\$582.00		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry January 2010

Income Target Population	60%
New Households PMA	9,217
Percent Income Qualified	8.3%
Income Qualified Households	769
Percent Renter	20.4%
New Renter Income Qualified Households	157

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	39,318
Income Qualified	8.3%
Percent Renter	20.4%
Income Qualified Renter Households	669
Percent Rent Overburdened Prj Mrkt Entry January 2010	22%
Rent Overburdened Households	147

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	669
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	4

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

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	2611
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	52

Total Demand

Total Demand from Existing Households	203
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%
Adjusted Demand from Existing Households	234
Total New Demand	157
Total Demand (New Plus Existing Households)	391

Demand from Seniors Who Convert from Homeownership	78
Percent of Total Demand From Homeownership Conversion	19.9%
Is this Demand Over 20 percent of Total Demand?	No

<u>By Bedroom Demand</u>		
One Person	24.56%	96
Two Persons	75.44%	295
Three Persons	0.00%	0
Four Persons	0.00%	0
Five Persons	0.00%	0
Six Persons	0.00%	0
Seven Plus Persons	0.00%	0
<b>Total</b>	<b>100.00%</b>	<b>391</b>

<u>To place Person Demand into Bedroom Type Units</u>		
Of one person households in one-bedroom units	90%	86
Of two person households in one-bedroom units	20%	59
Of one person households in two-bedroom units	10%	10
Of two person households in two-bedroom units	80%	236
<b>Total Demand</b>		<b>391</b>
Check		OK

<u>Total Demand by Bedroom</u>		60%
One Bedroom		145
Two Bedroom		246
<b>Total Demand</b>		<b>391</b>

<u>Additions To Supply 2000 to Prj Mrkt Entry January 2010</u>		60%
One Bedroom		22
Two Bedroom		56
<b>Total</b>		<b>78</b>

<u>Net Demand</u>		60%
One Bedroom		123
Two Bedroom		190
<b>Total</b>		<b>313</b>

<u>Developer's Unit Mix</u>		60%
One Bedroom		9
Two Bedroom		26
<b>Total</b>		<b>35</b>

<u>Capture Rate Analysis</u>		60%
One Bedroom		7.3%
Two Bedroom		13.7%
<b>Total</b>		<b>11.2%</b>

Unrestricted Market

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

Percent of AMI Level			Unrestricted		
Minimum Income Limit			\$18,180		
Maximum Income Limit			\$34,720 2 Persons		
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry January 2010		Income Brackets	Percent within Cohort	Households within Bracket
	2010				
<\$15,000	1,298	14.09%			
\$15,000-\$24,999	898	9.75%	6,819	68%	613
\$25,000-\$34,999	879	9.54%	9,720	97%	854
\$35,000-\$49,999	1,213	13.16%			
\$50,000-\$74,999	1,479	16.05%			
\$75,000-\$99,999	1,149	12.47%			
\$100,000-\$149,999	1,379	14.97%			
\$150,000-\$199,999	410	4.45%			
\$200,000+	510	5.53%			
	9,217	100.00%			1,467
Percent of households within limits versus total number of households					15.92%

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

Percent of AMI Level			Unrestricted		
Minimum Income Limit			\$18,180		
Maximum Income Limit			\$34,720 2 Persons		
Income Category	Total Households PMA Prj Mrkt Entry January 2010		Income Brackets	Percent within Cohort	Households within Bracket
	2010				
<\$15,000	5,538	14.09%			
\$15,000-\$24,999	3,832	9.75%	6,819	68%	2,614
\$25,000-\$34,999	3,749	9.54%	9,720	97%	3,645
\$35,000-\$49,999	5,175	13.16%			
\$50,000-\$74,999	6,311	16.05%			
\$75,000-\$99,999	4,902	12.47%			
\$100,000-\$149,999	5,884	14.97%			
\$150,000-\$199,999	1,750	4.45%			
\$200,000+	2,175	5.53%			
	39,318	100.00%			6,258
Percent of households within limits versus total number of households					15.92%

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

Prj Mrkt Entry March 2008 Median Income

Change from 2000 to Prj Mrkt Entry March 2008

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		
Senior		
Urban		
40%		
\$38,450		
\$43,076		
\$4,626		
12.0%		
2.0%		
2.0%	Two year adjustment	1.0000
\$34,720		
\$34,720		
2 Persons		
Unrestricted		
\$606		
\$606.00		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Proj Mrkt Entry January 2010

Income Target Population	Unrestricted
New Households PMA	9,217
Percent Income Qualified	15.9%
Income Qualified Households	1,467
Percent Renter	20.4%
New Renter Income Qualified Households	299

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population	Unrestricted
Total Existing Demand	39,318
Income Qualified	15.9%
Percent Renter	20.4%
Income Qualified Renter Households	1276
Percent Rent Overburdened Proj Mrkt Entry January 2010	29%
Rent Overburdened Households	368

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,276
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	8

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

Senior Households Converting from Homeownership

Income Target Population	Unrestricted
Total Senior Homeowners	4982
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	100

Total Demand

Total Demand from Existing Households	476
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%
Adjusted Demand from Existing Households	547
Total New Demand	299
Total Demand (New Plus Existing Households)	846

Demand from Seniors Who Convert from Homeownership	160
Percent of Total Demand From Homeownership Conversion	18.9%
Is this Demand Over 20 percent of Total Demand?	No

**By Bedroom Demand**

One Person	24.56%	208
Two Persons	75.44%	638
Three Persons	0.00%	0
Four Persons	0.00%	0
Five Persons	0.00%	0
Six Persons	0.00%	0
Seven Plus Persons	0.00%	0
<b>Total</b>	<b>100.00%</b>	<b>846</b>

**To place Person Demand into Bedroom Type Units**

Of one person households in one-bedroom units	90%	187
Of two person households in one-bedroom units	20%	128
Of one person households in two-bedroom units	10%	21
Of two person households in two-bedroom units	80%	511
<b>Total Demand</b>		<b>846</b>
Check		OK

<b>Total Demand by Bedroom</b>	<b>Unrestricted</b>
One Bedroom	315
Two Bedroom	531
<b>Total Demand</b>	<b>846</b>

<b>Additions To Supply 2000 to Prj Mrkt Entry January 2010</b>	<b>Unrestricted</b>
One Bedroom	0
Two Bedroom	0
<b>Total</b>	<b>0</b>

<b>Net Demand</b>	<b>Unrestricted</b>
One Bedroom	315
Two Bedroom	531
<b>Total</b>	<b>846</b>

<b>Developer's Unit Mix</b>	<b>Unrestricted</b>
One Bedroom	2
Two Bedroom	6
<b>Total</b>	<b>8</b>

<b>Capture Rate Analysis</b>	<b>Unrestricted</b>
One Bedroom	0.6%
Two Bedroom	1.1%
<b>Total</b>	<b>0.9%</b>

# Terraces at Edinburgh, Augusta, GA; Market Study

## Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$15,240		
Maximum Income Limit			\$34,720 2 Persons		
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry March 2008		Income Brackets	Percent within Cohort	Households within Bracket
<\$15,000	1,298	14.09%			
\$15,000-\$24,999	898	9.75%	9,759	98%	877
\$25,000-\$34,999	879	9.54%	9,720	97%	854
\$35,000-\$49,999	1,213	13.16%			
\$50,000-\$74,999	1,479	16.05%			
\$75,000-\$99,999	1,149	12.47%			
\$100,000-\$149,999	1,379	14.97%			
\$150,000-\$199,999	410	4.45%			
\$200,000+	510	5.53%			
	9,217	100.00%			1,731
Percent of households within limits versus total number of households					18.78%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$15,240		
Maximum Income Limit			\$34,720 2 Persons		
Income Category	Total Households PMA Prj Mrkt Entry January 2010		Income Brackets	Percent within Cohort	Households within Bracket
<\$15,000	5,538	14.09%			
\$15,000-\$24,999	3,832	9.75%	9,759	98%	3,740
\$25,000-\$34,999	3,749	9.54%	9,720	97%	3,645
\$35,000-\$49,999	5,175	13.16%			
\$50,000-\$74,999	6,311	16.05%			
\$75,000-\$99,999	4,902	12.47%			
\$100,000-\$149,999	5,884	14.97%			
\$150,000-\$199,999	1,750	4.45%			
\$200,000+	2,175	5.53%			
	39,318	100.00%			7,385
Percent of households within limits versus total number of households					18.78%

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

Prj Mrkt Entry March 2008 Median Income

Change from 2000 to Prj Mrkt Entry March 2008

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		
Senior		
Urban		
40%		
\$38,450		
\$43,076		
\$4,626		
12.0%		
2.0%		
2.0%	Two year adjustment	1.0000
\$34,720		
\$34,720		
2 Persons		
Overall		
\$305		
\$305.00		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry March 2008

Income Target Population	Overall
New Households PMA	9,217
Percent Income Qualified	18.8%
Income Qualified Households	1,731
Percent Renter	20.4%
New Renter Income Qualified Households	353

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	39,318
Income Qualified	18.8%
Percent Renter	20.4%
Income Qualified Renter Households	1,506
Percent Rent Overburdened Prj Mrkt Entry March 2008	29%
Rent Overburdened Households	435

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,506
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	9

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

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	5,879
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	118

Total Demand

Total Demand from Existing Households	561
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115% 84
Adjusted Demand from Existing Households	645
Total New Demand	353
Total Demand (New Plus Existing Households)	998

Demand from Seniors Who Convert from Homeownership	199
Percent of Total Demand From Homeownership Conversion	19.9%
Is this Demand Over 20 percent of Total Demand?	No

## Terraces at Edinburgh, Augusta, GA; Market Study

### By Bedroom Demand

One Person	24.56%	245
Two Persons	75.44%	753
Three Persons	0.00%	0
Four Persons	0.00%	0
Five Persons	0.00%	0
Six Persons	0.00%	0
Seven Plus Persons	0.00%	0
<b>Total</b>	<b>100.00%</b>	<b>998</b>

### To place Person Demand into Bedroom Type Units

Of one person households in one-bedroom units	90%	221
Of two person households in one-bedroom units	20%	151
Of one person households in two-bedroom units	10%	25
Of two person households in two-bedroom units	80%	602
<b>Total Demand</b>		<b>998</b>
Check		OK

### Total Demand by Bedroom Overall

One Bedroom	371
Two Bedroom	627
<b>Total Demand</b>	<b>998</b>

### Additions To Supply 2000 to Prj Mrkt Entry January 2010 Overall

One Bedroom	27
Two Bedroom	97
<b>Total</b>	<b>124</b>

### Net Demand Overall

One Bedroom	344
Two Bedroom	530
<b>Total</b>	<b>874</b>

### Developer's Unit Mix Overall

One Bedroom	17
Two Bedroom	51
<b>Total</b>	<b>68</b>

### Capture Rate Analysis Overall

One Bedroom	4.9%
Two Bedroom	9.6%
<b>Total</b>	<b>7.8%</b>

**Conclusions**

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

- The number of households in the PMA is expected to increase 2.88 percent between 2007 and 2010.
- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

<b>Unit Size</b>	<b>Total Demand</b>	<b>Supply</b>	<b>Net Demand</b>	<b>Units Proposed</b>	<b>Capture Rate</b>
1 Bedroom at 30%	98	0	98	1	1.0%
1 Bedroom at 50%	136	5	131	6	4.6%
1 Bedroom at 60%	145	22	123	9	7.3%
1 Bedroom Unrestricted	315	0	315	2	0.6%
2 Bedroom at 30%	166	0	166	3	1.8%
2 Bedroom at 50%	229	41	188	19	10.1%
2 Bedroom at 60%	246	56	190	26	13.7%
2 Bedroom Unrestricted	531	0	531	6	1.1%
<b>Overall *</b>	<b>998</b>	<b>124</b>	<b>874</b>	<b>68</b>	<b>7.8%</b>

\*30% AMI units removed from overall per DCA guidelines

As the analysis illustrates, the Subject’s capture rates are all below DCA’s threshold.

**Absorption Rate**

Management at two of the LIHTC properties used as comparables in our report was able to report absorption information. Phase II of Augusta Springs Apartments, consisting of 100 age-restricted units, opened in 2001. According to management, leasing began in the end of November 2001 and the property reached stabilized occupancy by the end of November 2002. This equates to an absorption pace of approximately eight units per month. According to management at Linden Square, the property experienced an absorption pace of three units per month. Linden Square is an age-restricted property that opened in 2003.

The Subject is a proposed new construction of a tax credit property. We believe the Subject would likely experience an absorption pace similar to the age-restricted tax credit properties. We believe the Subject would likely experience an absorption pace of nine units per month due to the low capture rates, low vacancy, and waiting lists for an absorption period of approximately eight months for both the one- and two-bedroom units.

## **G. SUPPLY ANALYSIS**

**Building Permits**

The following table illustrates building permits from 2000 to 2007 in Richmond County.

**BUILDING PERMITS: RICHMOND COUNTY FROM 2000 TO 2007**

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	483	0	42	525
2001	548	0	196	744
2002	571	20	323	914
2003	664	0	224	888
2004	831	0	0	831
2005	604	0	89	693
2006	815	0	0	815
2007	448	0	0	448
<b>Total</b>	<b>4,964</b>	<b>20</b>	<b>874</b>	<b>5,858</b>
<b>Average</b>	<b>621</b>	<b>3</b>	<b>109</b>	<b>732</b>

Source: US Census

Of the total permits issued from 2000 to 2007, only 15 percent have been five-or more. Further, there have been very few multifamily permits awarded in Augusta since 2004. This bodes well for the Subject.

**Characteristics of Existing Projects, Projects Under Construction and Projects in Planning**

Each year the Georgia Department of Community Affairs accepts bids for LIHTC tax credit projects. We obtained a listing of such projects in Columbia and Richmond counties. The following table details the list of projects that have received tax credit allocations in Richmond County that are located within the PMA.

**LIHTC ALLOCATIONS IN PMA**

Year Allocated	Name	Type	Tenancy	Number of Units
1989	Olde Town Properties	LIHTC	Family	120
1990	Hale Street Apartments	LIHTC	Family	16
1991	Governor's Park Townhomes	LIHTC	Family	4
1996	Augusta Springs II	LIHTC	Elderly	100
1996	Magnolia Park	LIHTC	Family	171
1996/1997	Riverchase Homes (fka Sandbar Manor I, II)	LIHTC	Family	91
1998	Forest Brook	LIHTC	Family	161
2000	Wedgewood Park Apartments	LIHTC	Family	156
2001	Linden Square Apartments	LIHTC, Market	Elderly	48
2001	East Augusta Townhomes	LIHTC	Family	148
		LIHTC (Section		
2002	Richmond Summit (fka Ashton Richmond)	8)	Elderly	N/Av
2002	Westwood Club Apartments	LIHTC	Family	N/Av
2002	Woodlake Club Apartments (fka Stonegate Club)	LIHTC	Family	192
2005	Vineyards of Grovetown	LIHTC	Family	125
2005/2007	Cedarwood	LIHTC	Family	184

As shown in the previous table, there are several LIHTC projects that exist within the area. All of the senior properties were used in the analysis except for Richmond Summit, as all units operate with Project Based Rental Assistance, which is not comparable to the Subject.

**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 six “true” comparable properties containing 871 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good. There are two senior LIHTC properties in the PMA. We have also included four market rate comparables that are located within 2.1 miles of the Subject site.

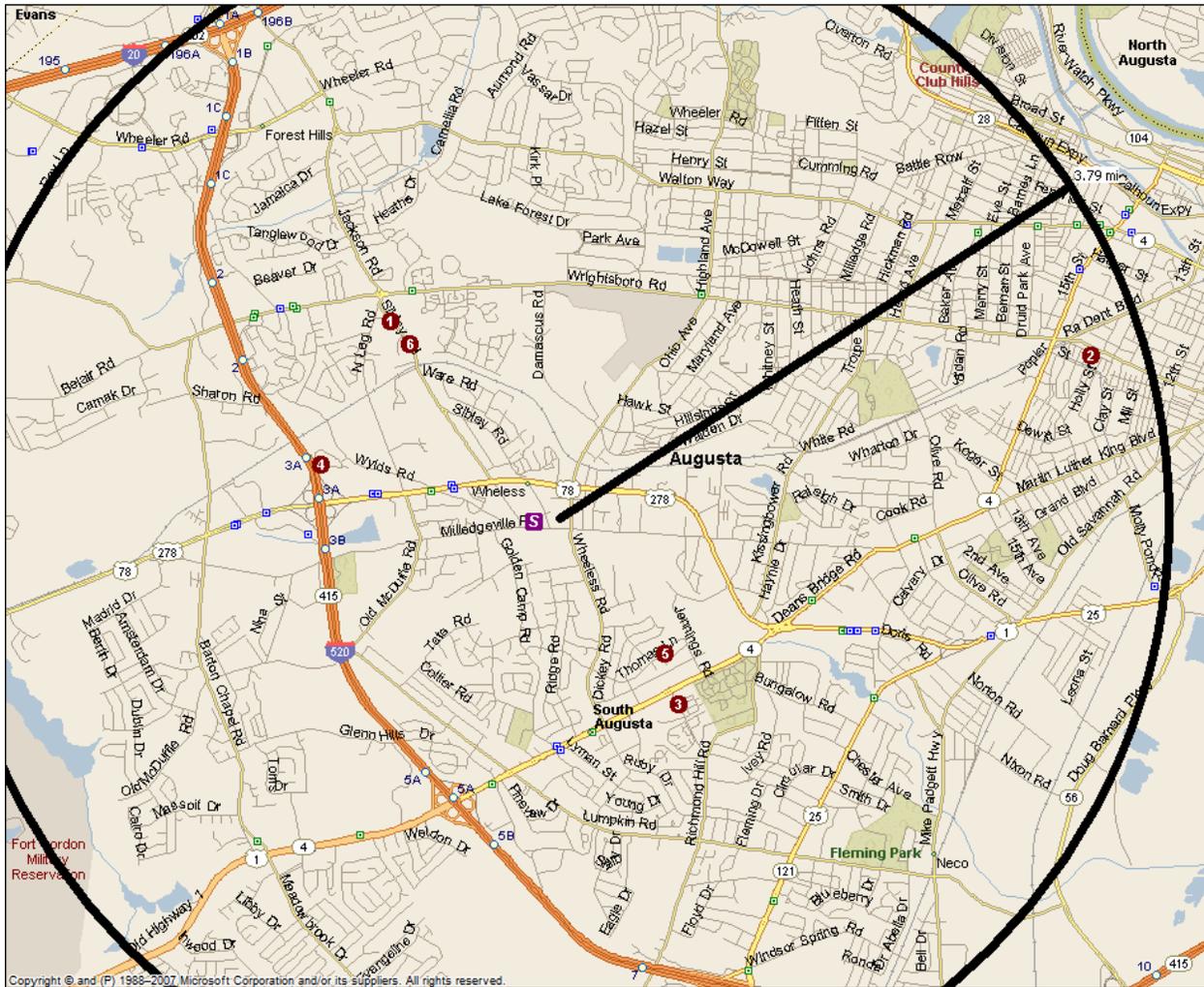
The following properties have been excluded from the supply analysis.

## Terraces at Edinburgh, Augusta, GA; Market Study

### EXCLUDED PROPERTIES

Property	Type	Tenancy	Reason for Exclusion
Woodhaven	Market	Family	Management refused to participate
Singleton Apartments	Market	Family	Unit structure and bedroom types not comparable
Baywood Apartments	Market	Family	Unit structure and bedroom types not comparable
Highland Terrace Apartments	Market	Family	Unit structure and bedroom types not comparable
Hillsinger Apartments	Market	Family	Management unavailable
Value Place	Market	Family	Furnished studios that rent weekly
Hillcrest Apartments	Market	Family	Mobile homes
High Point Crossing	Market	Family	More comparable market rate properties available
College Station	Market	Family	Student housing
Cedar Grove Apartments & Townhomes	Market	Family	Closer comparable market rate properties available
Georgian Place Apartments	Market	Family	Closer comparable market rate properties available
Governor's Place	Market	Family	Closer comparable market rate properties available
Vintage Creek Apartments	Market	Family	Closer comparable market rate properties available
Davidson Terrace Apartments	Market	Family	Closer comparable market rate properties available
Fox Den	Market	Family	Closer comparable market rate properties available
Wylds Woods Apartments	Market	Family	Closer comparable market rate properties available
Providence Place	Market	Family	Closer comparable market rate properties available
Heritage Apartments	Market	Family	Closer comparable market rate properties available
Shadowood Apartmetns	Section 8	Elderly	Tenants pay 30% of income
Fleming Heights Apartments	Market	Family	Closer comparable market rate properties available
Bon Air Apartments	Section 8	Senior	Tenants pay 30% of income
Lynndale Group Homes	Section 8	Disabled	Tenancy not comparable and tenants pay 30% of income
Lyndalle West Apartments	Section 8	Disabled	Tenancy not comparable and tenants pay 30% of income
Trinity Manor Apartments	Section 8	Family	Tenancy not comparable and tenants pay 30% of income
Independent Living Horizons I-V	Section 8	Disabled	Tenancy not comparable and tenants pay 30% of income
Independent Living Horzons VI	Section 8	Elderly	Tenants pay 30% of income
Augusta Manor	Section 8	Elderly	Tenants pay 30% of income
Ashton Richmond	Section 8	Elderly	Tenants pay 30% of income
Augusta Propertieess	Section 8	Family	Tenancy not comparable and tenants pay 30% of income
Mount Zion	Section 8	Family	Tenancy not comparable and tenants pay 30% of income
SG Noble Garden of Hope	Section 8	Elderly	Tenants pay 30% of income
St Johns Towers	Section 8	Elderly	Tenants pay 30% of income
Villa Marie Apartments	Section 8	Family	Tenancy not comparable and tenants pay 30% of income
Richmond Villas	Section 8	Family	Tenancy not comparable and tenants pay 30% of income
Cedarwood	LIHTC	Family	Tenancy not comparable
Woodlake Club (fka Stonegate Club Apartments)	LIHTC	Family	Tenancy not comparable
Forest Brook Apartments	LIHTC	Family	Tenancy not comparable
Glenwood II	LIHTC	Family	Management unavailable
Maxwell House	HOME/ShelterPlus Care/PBRA	Family	Tenancy not comparable
Governor Park Townhomes	LIHTC	Family	Tenancy not comparable
Ridgewood Place	LIHTC	Family	Information not available
Olde Towne Apartments	LIHTC	Family	Tenancy not comparable
East Augusta Townhomes	LIHTC	Family	Tenancy not comparable
405 Hale Street	LIHTC	Family	Information not available

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Tenancy	Type	Distance
1	Augusta Spring Apartments	Augusta	Senior	LIHTC	1.8 miles
2	Linden Square	Augusta	Senior	LIHTC/Market	4.5 miles
3	Cedar Ridge Apartments	Augusta	Family	Market	2.1 miles
4	Champion's Pines	Augusta	Family	Market	1.5 miles
5	Regency Village	Augusta	Family	Market	1.7 miles
6	Woodcrest Apartments	Augusta	Family	Market	1.6 miles

## Summary Matrix

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate					
	Terraces At Edinburgh	n/a	One-story (age-restricted) 2010 / n/a	LIHTC/Market	1BR / 1BA	1	1.40%	@30%	\$174	891	yes		N/A	N/A					
	3265 Milledgeville Road Augusta, GA 30909 Richmond County				1BR / 1BA	6	8.30%	@50%	\$377	891	yes		N/A	N/A					
					1BR / 1BA	9	12.50%	@60%	\$451	891	no		N/A	N/A					
					1BR / 1BA	2	2.80%	Market	\$606	891	n/a		N/A	N/A					
					2BR / 2BA	3	4.20%	@30%	\$198	1,103	yes		N/A	N/A					
					2BR / 2BA	19	26.40%	@50%	\$443	1,103	yes		N/A	N/A					
					2BR / 2BA	26	36.10%	@50%	\$486	1,103	no		N/A	N/A					
2BR / 2BA	6	8.30%	Market	\$667	1,103	n/a		N/A	N/A										
					72	100%							N/A	N/A					
1	Augusta Spring Apartments	1.8 miles	One-story (age-restricted) 1996/2001	LIHTC	1BR / 1BA	N/A	N/A	@50%	\$372	660	n/a	3-6 months	0	N/A					
	1730 Sibley Road Augusta, GA 30909 Richmond County				1BR / 1BA	N/A	N/A	@60%	\$422	660	n/a	3-6 months	0	N/A					
					1BR / 1BA	N/A	N/A	@60%	\$393	660	n/a	3-6 months	0	N/A					
					2BR / 1BA	N/A	N/A	@50%	\$422	840	n/a	3-6 months	0	N/A					
					2BR / 1BA	N/A	N/A	@50%	\$437	840	n/a	3-6 months	0	N/A					
					2BR / 1BA	N/A	N/A	@60%	\$422	840	n/a	3-6 months	0	N/A					
					2BR / 1BA	N/A	N/A	@60%	\$487	840	n/a	None	2	N/A					
					200	100%						2	1.00%						
2	Linden Square	4.5 miles	Mid-rise (age-restricted) 2003	LIHTC/Market	1BR / 1BA	1	3.00%	@50%	\$371	663	n/a	17 HH total	0	0.00%					
	1425 Linden St Augusta, GA 30901 Richmond County				1BR / 1BA	16	48.50%	@60%	\$411	663	n/a	17 HH total	0	0.00%					
					1BR / 1BA	6	18.20%	Market	\$471	663	n/a	17 HH total	0	0.00%					
					2BR / 1BA	4	12.10%	@50%	\$432	890	n/a	17 HH total	0	0.00%					
					2BR / 1BA	4	12.10%	@60%	\$512	890	n/a	17 HH total	0	0.00%					
					2BR / 1BA	2	6.10%	Market	\$562	890	n/a	17 HH total	0	0.00%					
										33	100%						0	0.00%	
3	Cedar Ridge Apartments	2.1 miles	Garden Late 1970's	Market	Studio / 1BA	20	26.70%	Market	\$344	288	n/a	None	0	0.00%					
	517 Richmond Hill Rd West Augusta, GA 30906 Richmond County				1BR / 1BA	49	65.30%	Market	\$411	588	n/a	None	0	0.00%					
					2BR / 1BA	6	8.00%	Market	\$472	864	n/a	2BR: 20 HH	0	0.00%					
					2BR / 2BA	N/A	N/A	Market	\$487	864	n/a	2BR: 20 HH	0	0.00%					
										75	100%						0	0.00%	
					4	Champion's Pines	1.5 miles	Garden (2 and 3 stories) 1980s	Market	1BR / 1BA	N/A	N/A	Market	\$501	500	n/a	None	1	N/A
						1500 Champions Pines Lane Augusta, GA 30909 Richmond County				1BR / 1BA	N/A	N/A	Market	\$661	700	n/a	None	0	N/A
2BR / 1BA	N/A	N/A	Market	\$712						1,100	n/a	None	0	N/A					
					220	100%							1	0.50%					
5	Regency Village	1.7 miles	Garden (2 stories) 1980s	Market	1BR / 1BA	2	2.10%	Market	\$441	720	n/a	None	0	0.00%					
	2810 1/2 Thomas Lane Augusta, GA 30906 Richmond County				2BR / 2BA	93	97.90%	Market	\$477	960	n/a	None	0	0.00%					
										95	100%					0	0.00%		
6	Woodcrest Apartments	1.6 miles	Garden 1983	Market	1BR / 1BA	N/A	N/A	Market	\$525	676	n/a		0	N/A					
	1811 Sibley Rd Augusta, GA 30909 Richmond County				2BR / 2BA	N/A	N/A	Market	\$626	904	n/a		1	N/A					
					2BR / 2BA	N/A	N/A	Market	\$646	964	n/a		1	N/A					
									248	100%					2	0.80%			

## Unit Matrix Report

1BR / 1BA	Terraces At Edinburgh	Augusta Spring Apartments	Linden Square	Cedar Ridge Apartments	Champion's Pines	Regency Village	Woodcrest Apartments
Comp #	Subject	1	2	3	4	5	6
Distance from Subject	n/a	1.8 miles	4.5 miles	2.1 miles	1.5 miles	1.7 miles	1.6 miles
<b>Unit Types</b>							
<b>Market</b>	1BR / 1BA	--	1BR / 1BA	1BR / 1BA	1BR / 1BA	1BR / 1BA	1BR / 1BA
Bath/Bedroom	1BR / 1BA	--	1BR / 1BA	1BR / 1BA	1BR / 1BA	1BR / 1BA	1BR / 1BA
Base Rent/Month	\$606	--	\$505	\$445	\$695	\$475	\$559
Unit GLA (SF)	891	--	663	588	700	720	676
Adjusted Utility Base Rent	\$606	--	\$471	\$411	\$661	\$441	\$525
<b>@50%</b>							
Bath/Bedroom	1BR / 1BA	1BR / 1BA	1BR / 1BA	--	--	--	--
Base Rent/Month	\$377	\$500	\$405	--	--	--	--
Unit GLA (SF)	891	660	663	--	--	--	--
Adjusted Utility Base Rent	\$377	\$372	\$371	--	--	--	--
<b>@60%</b>							
Bath/Bedroom	1BR / 1BA	1BR / 1BA	1BR / 1BA	--	--	--	--
Base Rent/Month	\$451	\$521 - \$550	\$445	--	--	--	--
Unit GLA (SF)	891	660	663	--	--	--	--
Adjusted Utility Base Rent	\$451	\$393 - \$422	\$411	--	--	--	--
<b>@30%</b>							
Bath/Bedroom	1BR / 1BA	--	--	--	--	--	--
Base Rent/Month	\$174	--	--	--	--	--	--
Unit GLA (SF)	891	--	--	--	--	--	--
Adjusted Utility Base Rent	\$174	--	--	--	--	--	--
<b>Property Information</b>							
Property Type	One-story (age-restricted)	restricted	(age-restricted)	Garden	Garden (2 stories)	Garden	Garden
Year Built	2010 / n/a	1996/2001 / n/a	2003 / n/a	Late 1970's / n/a	1980s / n/a	n/a / n/a	1983 / n/a
Market (Conv./Subsidy Type)	LIHTC/Market	LIHTC	LIHTC/Market	Market	Market	Market	Market
<b>Unit Information</b>							
Total Units	18	N/A	23	49	N/A	2	N/A
Vacant	N/A	0	0	0	1	0	0
Vacancy Rate	N/A	N/A	0.00%	0.00%	N/A	0.00%	N/A
<b>Utilities</b>							
A/C	central tenant	central landlord	central tenant	central tenant	central tenant	central tenant	central tenant
Cooking	electric tenant	electric landlord	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Water Heat	electric tenant	electric landlord	electric tenant	electric tenant	electric tenant	electric tenant	gas tenant
Heat	electric tenant	electric landlord	electric tenant	electric tenant	electric tenant	electric tenant	gas tenant
Other Electric	tenant	landlord	tenant	tenant	tenant	tenant	tenant
Water	tenant	landlord	landlord	landlord	landlord	landlord	landlord
Sewer	tenant	landlord	landlord	landlord	landlord	landlord	landlord
Trash Collection	landlord	landlord	landlord	landlord	landlord	landlord	landlord
<b>In-Unit Amenities</b>							
Balcony/Patio	yes	yes	yes	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	no	yes	yes	yes
Exterior Storage	yes	no	no	no	yes	yes	no
Ceiling Fan	no	no	no	no	no	yes	no
Fireplace	no	no	no	no	yes	no	no
Garbage Disposal	no	yes	yes	yes	yes	yes	yes
Hand Rails	yes	yes	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes
Pull Cords	no	yes	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes
Trash Compactor	no	yes	no	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>							
Business Center/Computer Lab	yes	no	yes	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	no	yes	no	no
Courtyard	no	yes	no	no	no	no	no
Elevators	no	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	no	yes	no	no
Hot Tub	no	no	no	no	yes	no	no
Central Laundry	yes	yes	yes	yes	yes	no	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	no	no	no	no	no	yes
Service Coordination	no	no	no	no	no	no	no
Swimming Pool	no	no	no	no	yes	no	yes
Tennis Court	no	no	no	no	yes	no	yes
Volleyball Court	no	no	no	no	no	no	yes
<b>Services</b>							
<b>Security</b>							
Limited Access	no	no	yes	no	no	no	no
Patrol	no	yes	no	no	no	no	yes
<b>Premium Amenities</b>							
<b>Other Amenities</b>							
Other	walking trail	n/a	shuffleboard	n/a	n/a	n/a	Fishing pond

## Unit Matrix Report

2BR / 2BA	Terraces At Edinburgh	Augusta Spring Apartments	Linden Square	Cedar Ridge Apartments	Champion's Pines	Regency Village	Woodcrest Apartments
Comp #	Subject	1	2	3	4	5	6
Distance from Subject	n/a	1.8 miles	4.5 miles	2.1 miles	1.5 miles	1.7 miles	1.6 miles
<b>Unit Types</b>							
<b>Market</b>							
Bath/Bedroom	2BR / 2BA	--	2BR / 1BA	2BR / 2BA	2BR / 1BA	2BR / 2BA	2BR / 2BA
Base Rent/Month	\$667	--	\$605	\$530	\$755	\$520	\$689
Unit GLA (SF)	1,103	--	890	864	1,100	960	964
Adjusted Utility Base Rent	\$667	--	\$562	\$487	\$712	\$477	\$646
<b>@50%</b>							
Bath/Bedroom	2BR / 2BA	2BR / 1BA	2BR / 1BA	--	--	--	--
Base Rent/Month	\$443	\$585 - \$600	\$475	--	--	--	--
Unit GLA (SF)	1,103	840	890	--	--	--	--
Adjusted Utility Base Rent	\$443	\$422 - \$437	\$432	--	--	--	--
<b>@60%</b>							
Bath/Bedroom	2BR / 2BA	2BR / 1BA	2BR / 1BA	--	--	--	--
Base Rent/Month	\$486	\$585 - \$650	\$555	--	--	--	--
Unit GLA (SF)	1,103	840	890	--	--	--	--
Adjusted Utility Base Rent	\$486	\$422 - \$487	\$512	--	--	--	--
<b>@30%</b>							
Bath/Bedroom	2BR / 2BA	--	--	--	--	--	--
Base Rent/Month	\$198	--	--	--	--	--	--
Unit GLA (SF)	1,103	--	--	--	--	--	--
Adjusted Utility Base Rent	\$198	--	--	--	--	--	--
<b>Property Information</b>							
Property Type	One-story (age-restricted)	restricted	(age-restricted)	Garden	Garden (2 stories)	Garden	Garden
Year Built	2010 / n/a	1996/2001 / n/a	2003 / n/a	Late 1970's / n/a	1980s / n/a	n/a / n/a	1983 / n/a
Market (Conv./Subsidy Type)	LIHTC/Market	LIHTC	LIHTC/Market	Market	Market	Market	Market
<b>Unit Information</b>							
Total Units	54	N/A	10	N/A	N/A	93	N/A
Vacant	N/A	2	0	0	0	0	2
Vacancy Rate	N/A	N/A	0.00%	N/A	N/A	0.00%	N/A
<b>Utilities</b>							
A/C	central tenant	central landlord	central tenant	central tenant	central	central tenant	central tenant
Cooking	electric tenant	electric landlord	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Water Heat	electric tenant	electric landlord	electric tenant	electric tenant	electric tenant	electric tenant	gas tenant
Heat	electric tenant	electric landlord	electric tenant	electric tenant	electric tenant	electric tenant	gas tenant
Other Electric	tenant	landlord	tenant	tenant	tenant	tenant	tenant
Water	tenant	landlord	landlord	landlord	landlord	landlord	landlord
Sewer	tenant	landlord	landlord	landlord	landlord	landlord	landlord
Trash Collection	landlord	landlord	landlord	landlord	landlord	landlord	landlord
<b>In-Unit Amenities</b>							
Balcony/Patio	yes	yes	yes	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	no	yes	yes	yes
Exterior Storage	yes	no	no	no	yes	yes	no
Ceiling Fan	no	no	no	no	no	yes	no
Fireplace	no	no	no	no	yes	no	no
Garbage Disposal	no	yes	yes	yes	yes	yes	yes
Hand Rails	yes	yes	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes
Pull Cords	no	yes	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes
Trash Compactor	no	yes	no	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>							
Business Center/Computer Lab	yes	no	yes	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	no	yes	no	no
Courtyard	no	yes	no	no	no	no	no
Elevators	no	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	no	yes	no	no
Hot Tub	no	no	no	no	yes	no	no
Central Laundry	yes	yes	yes	yes	yes	no	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	no	no	no	no	no	yes
Service Coordination	no	no	no	no	no	no	no
Swimming Pool	no	no	no	no	yes	no	yes
Tennis Court	no	no	no	no	yes	no	yes
Volleyball Court	no	no	no	no	no	no	yes
<b>Services</b>							
<b>Security</b>							
Limited Access	no	no	yes	no	no	no	no
Patrol	no	yes	no	no	no	no	yes
<b>Premium Amenities</b>							
<b>Other Amenities</b>							
Other	walking trail	n/a	shuffleboard	n/a	n/a	n/a	Fishing pond

Rent and Square Footage Ranking -- All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date		Mar-08	Units Surveyed:	871	Weighted Occupancy:	99.43%
			Market Rate	638	Market Rate	99.70%
			Tax Credit	233	Tax Credit	99.50%
One bedroom One Bath		Average	Two bedrooms Two Bath		Average	Property
Property	Average	Property	Average	Property	--	Average
RENT	Champion's Pines	\$661	Champion's Pines (1BA)	\$712		
	<b>Terraces At Edinburgh* (M)</b>	<b>\$606</b>	<b>Terraces At Edinburgh* (M)</b>	<b>\$667</b>		
	Woodcrest Apartments	\$525	Woodcrest Apartments	\$646		
	Champion's Pines	\$501	Woodcrest Apartments	\$626		
	Linden Square* (M)	\$471	Linden Square* (1BA M)	\$562		
	<b>Terraces At Edinburgh* (60%)</b>	<b>\$451</b>	Linden Square* (1BA 60%)	\$512		
	Regency Village	\$441	Augusta Spring Apartments* (1BA 60%)	\$487		
	Augusta Spring Apartments* (60%)	\$422	Cedar Ridge Apartments	\$487		
	Linden Square* (60%)	\$411	<b>Terraces At Edinburgh* (60%)</b>	<b>\$486</b>		
	Cedar Ridge Apartments	\$411	Regency Village	\$477		
	Augusta Spring Apartments* (60%)	\$393	<b>Terraces At Edinburgh* (50%)</b>	<b>\$443</b>		
	<b>Terraces At Edinburgh* (50%)</b>	<b>\$377</b>	Augusta Spring Apartments* (1BA 50%)	\$437		
	Augusta Spring Apartments* (50%)	\$372	Linden Square* (1BA 50%)	\$432		
	Linden Square* (50%)	\$371	Augusta Spring Apartments* (1BA 50%)	\$422		
			Augusta Spring Apartments* (1BA 60%)	\$422		
			<b>Terraces At Edinburgh* (30%)</b>	<b>\$198</b>		
	<b>Terraces At Edinburgh* (30%)</b>	<b>\$174</b>				
SQUARE FOOTAGE	<b>Terraces At Edinburgh* (30%)</b>	<b>891</b>	<b>Terraces At Edinburgh* (30%)</b>	<b>1,103</b>		
	<b>Terraces At Edinburgh* (50%)</b>	<b>891</b>	<b>Terraces At Edinburgh* (50%)</b>	<b>1,103</b>		
	<b>Terraces At Edinburgh* (60%)</b>	<b>891</b>	<b>Terraces At Edinburgh* (60%)</b>	<b>1,103</b>		
	<b>Terraces At Edinburgh* (M)</b>	<b>891</b>	<b>Terraces At Edinburgh* (M)</b>	<b>1,103</b>		
	Regency Village	720	Champion's Pines (1BA)	1,100		
	Champion's Pines	700	Woodcrest Apartments	964		
	Woodcrest Apartments	676	Regency Village	960		
	Linden Square* (50%)	663	Woodcrest Apartments	904		
	Linden Square* (60%)	663	Linden Square* (1BA 50%)	890		
	Linden Square* (M)	663	Linden Square* (1BA 60%)	890		
	Augusta Spring Apartments* (50%)	660	Linden Square* (1BA M)	890		
	Augusta Spring Apartments* (60%)	660	Cedar Ridge Apartments	864		
	Augusta Spring Apartments* (60%)	660	Augusta Spring Apartments* (1BA 50%)	840		
	Cedar Ridge Apartments	588	Augusta Spring Apartments* (1BA 50%)	840		
	Champion's Pines	500	Augusta Spring Apartments* (1BA 60%)	840		
			Augusta Spring Apartments* (1BA 60%)	840		
RENT PER SQUARE FOOT	Champion's Pines	\$1.00	Woodcrest Apartments	\$0.69		
	Champion's Pines	\$0.94	Woodcrest Apartments	\$0.67		
	Woodcrest Apartments	\$0.78	Champion's Pines (1BA)	\$0.65		
	Linden Square* (M)	\$0.71	Linden Square* (1BA M)	\$0.63		
	Cedar Ridge Apartments	\$0.70	<b>Terraces At Edinburgh* (M)</b>	<b>\$0.60</b>		
	<b>Terraces At Edinburgh* (M)</b>	<b>\$0.68</b>	Augusta Spring Apartments* (1BA 60%)	\$0.58		
	Augusta Spring Apartments* (60%)	\$0.64	Linden Square* (1BA 60%)	\$0.58		
	Linden Square* (60%)	\$0.62	Cedar Ridge Apartments	\$0.56		
	Regency Village	\$0.61	Augusta Spring Apartments* (1BA 50%)	\$0.52		
	Augusta Spring Apartments* (60%)	\$0.60	Augusta Spring Apartments* (1BA 50%)	\$0.50		
	Augusta Spring Apartments* (50%)	\$0.56	Augusta Spring Apartments* (1BA 60%)	\$0.50		
	Linden Square* (50%)	\$0.56	Regency Village	\$0.50		
	<b>Terraces At Edinburgh* (60%)</b>	<b>\$0.51</b>	Linden Square* (1BA 50%)	\$0.49		
	<b>Terraces At Edinburgh* (50%)</b>	<b>\$0.42</b>	<b>Terraces At Edinburgh* (60%)</b>	<b>\$0.44</b>		
	<b>Terraces At Edinburgh* (30%)</b>	<b>\$0.20</b>	<b>Terraces At Edinburgh* (50%)</b>	<b>\$0.40</b>		
			<b>Terraces At Edinburgh* (30%)</b>	<b>\$0.18</b>		

# PROPERTY PROFILE REPORT

## Augusta Spring Apartments

<b>Effective Rent Date</b>	5/13/2008
<b>Location</b>	1730 Sibley Road Augusta, GA 30909 Richmond County
<b>Distance</b>	1.8 miles
<b>Units</b>	200
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	1.0%
<b>Type</b>	One-story (age-restricted)
<b>Year Built/Renovated</b>	1996/2001 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None
<b>Tenant Characteristics</b>	Seniors ages 62 and over; Majority from 30904 and 30909 zip code; Some from N Augusta and out-of-state
<b>Contact Name</b>	Nicole
<b>Phone</b>	706-733-9200



### Market Information

<b>Program</b>	@50%, @60%
<b>Annual Turnover Rate</b>	8%
<b>Units/Month Absorbed</b>	8
<b>HCV Tenants</b>	50%
<b>Leasing Pace</b>	Less than 1 month
<b>Annual Chg. in Rent</b>	Increased 4%
<b>Concession</b>	None

### Utilities

<b>A/C</b>	included -- central
<b>Cooking</b>	included -- electric
<b>Water Heat</b>	included -- electric
<b>Heat</b>	included -- electric
<b>Other Electric</b>	included
<b>Water</b>	included
<b>Sewer</b>	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	One-story	N/A	660	\$500	\$0	@50%	3-6	0	N/A	N/A	None
1	1	One-story	N/A	660	\$550	\$0	@60%	3-6	0	N/A	N/A	None
1	1	One-story	N/A	660	\$521	\$0	@60%	3-6	0	N/A	N/A	None
2	1	One-story	N/A	840	\$585	\$0	@50%	3-6	0	N/A	N/A	None
2	1	One-story	N/A	840	\$600	\$0	@50%	3-6	0	N/A	N/A	None
2	1	One-story	N/A	840	\$585	\$0	@60%	3-6	0	N/A	N/A	None
2	1	One-story	N/A	840	\$650	\$0	@60%	None	2	N/A	N/A	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$500	\$0	\$500	-\$128	\$372	<b>1BR / 1BA</b>	\$521 - \$550	\$0	\$521 - \$550	-\$128	\$393 - \$422
<b>2BR / 1BA</b>	\$585 - \$600	\$0	\$585 - \$600	-\$163	\$422 - \$437	<b>2BR / 1BA</b>	\$585 - \$650	\$0	\$585 - \$650	-\$163	\$422 - \$487

## Augusta Spring Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio	Blinds	Cable/Satellite/Intern
Carpeting	Central A/C	Coat Closet
Dishwasher	Garbage Disposal	Hand Rails
Oven	Pull Cords	Refrigerator
Trash Compactor	Washer/Dryer hookup	

**Security**

Patrol

**Services**

None

**Property**

Clubhouse/Meeting	Courtyard	Exercise Facility
Central Laundry	Off-Street Parking	On-Site Management

**Premium**

None

**Other**

None

### Comments

This property was built in two phases. Both phases have been included in this property profile. The contact reported that leasing began at the end of November 2001 and the property was 100 percent occupied by the end of November 2002. The contact reported that the rents for Phase I units set at 60 percent AMI are the same as rents for units set at 50 percent AMI because of company policy. The contact does not believe that it is because tenants cannot afford a higher rent. However, the contact reported that vacancies at the property are typically in the two-bedroom 60 percent AMI units with rent at \$650 per month. The contact also reported that the \$650 rent appears to be the maximum that tenants are willing or able to pay. The higher rents represent those of Phase II. The absorption rate listed is for that of Phase II. The combined waiting list for both phases include 10 to 15 households. The contact reported that there is high demand for strictly senior housing in the area for both restricted and unrestricted units as there is little senior housing supply in the area. The contact reported that unrestricted or market senior units are in demand because management encounters prospective tenants who are retired military officials who do not qualify for tax credit housing. The contact estimated that there is demand to easily lease a new senior property with approximately 100 units.

# Augusta Spring Apartments, continued

## Trend Report

### Vacancy Rates

<b>1Q06</b>	<b>2Q08</b>
0.0%	1.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$500	\$0	\$500	\$372

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$585 - \$600	\$0	\$585 - \$600	\$422 - \$437

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$521 - \$550	\$0	\$521 - \$550	\$393 - \$422

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$585 - \$650	\$0	\$585 - \$650	\$422 - \$487

## Trend: Comments

- 1Q06** Augusta Spring Apartments is a retirement community that was built in 1996 with 100 units. They completed a phase 2 addition to the complex in 2001 with 100 more units making a total of 200 units. The manager said the area is rather secluded and they have no other competitors in the area so their waiting list is quite long.
- 2Q08** This property was built in two phases. Both phases have been included in this property profile. The contact reported that leasing began at the end of November 2001 and the property was 100 percent occupied by the end of November 2002. The contact reported that the rents for Phase I units set at 60 percent AMI are the same as rents for units set at 50 percent AMI because of company policy. The contact does not believe that it is because tenants cannot afford a higher rent. However, the contact reported that vacancies at the property are typically in the two-bedroom 60 percent AMI units with rent at \$650 per month. The contact also reported that the \$650 rent appears to be the maximum that tenants are willing or able to pay. The higher rents represent those of Phase II. The absorption rate listed is for that of Phase II. The combined waiting list for both phases include 10 to 15 households. The contact reported that there is high demand for strictly senior housing in the area for both restricted and unrestricted units as there is little senior housing supply in the area. The contact reported that unrestricted or market senior units are in demand because management encounters prospective tenants who are retired military officials who do not qualify for tax credit housing. The contact estimated that there is demand to easily lease a new senior property with approximately 100 units.

# PROPERTY PROFILE REPORT

## Linden Square

<b>Effective Rent Date</b>	5/12/2008
<b>Location</b>	1425 Linden St Augusta, GA 30901 Richmond County
<b>Distance</b>	4.5 miles
<b>Units</b>	33
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Lowrise (age-restricted) (2 stories)
<b>Year Built/Renovated</b>	2003 / 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>	Augusta Spring, Maxwell House, Magnolia Park
<b>Tenant Characteristics</b>	20% employed; Majority from Augusta or out-of-state moving to be with family; Avg age is 62; None from N Augusta
<b>Contact Name</b>	Leasing agent
<b>Phone</b>	(706) 722-0017



### Market Information

<b>Program</b>	@50%, @60%, Market
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	3
<b>HCV Tenants</b>	21%
<b>Leasing Pace</b>	10-14 days
<b>Annual Chg. in Rent</b>	Increased 2-3% March 2008
<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>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (2 stories)	1	663	\$405	\$0	@50%	17 HH	0	0.0%	N/A	None
1	1	Lowrise (2 stories)	16	663	\$445	\$0	@60%	17 HH	0	0.0%	N/A	None
1	1	Lowrise (2 stories)	6	663	\$505	\$0	Market	17 HH	0	0.0%	N/A	None
2	1	Lowrise (2 stories)	4	890	\$475	\$0	@50%	17 HH	0	0.0%	N/A	None
2	1	Lowrise (2 stories)	4	890	\$555	\$0	@60%	17 HH	0	0.0%	N/A	None
2	1	Lowrise (2 stories)	2	890	\$605	\$0	Market	17 HH	0	0.0%	N/A	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$405	\$0	\$405	-\$34	\$371	1BR / 1BA	\$445	\$0	\$445	-\$34	\$411
2BR / 1BA	\$475	\$0	\$475	-\$43	\$432	2BR / 1BA	\$555	\$0	\$555	-\$43	\$512
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$505	\$0	\$505	-\$34	\$471						
2BR / 1BA	\$605	\$0	\$605	-\$43	\$562						

## Linden Square, continued

### Amenities

**In-Unit**

Balcony/Patio	Blinds	Carpeting
Central A/C	Coat Closet	Dishwasher
Garbage Disposal	Oven	Pull Cords
Refrigerator	Walk-In Closet	Washer/Dryer hookup

**Security**

Limited Access

**Services**

None

**Property**

Business	Clubhouse/Meeting	Exercise Facility
Central Laundry	Off-Street Parking	On-Site Management

**Premium**

None

**Other**

Hair salon, shuffleboard

### Comments

The contact reported that rents are at the maximum allowable and that tenants probably could not afford higher rents than what is currently offered at the property. The contact stated that demand for senior housing is increasing because the population is aging. The contact reported that the highest demand is for the units set at 50 percent AMI. The contact estimated that the property leased up in 1.5 years.

# PROPERTY PROFILE REPORT

## Cedar Ridge Apartments

<b>Effective Rent Date</b>	5/19/2008
<b>Location</b>	517 Richmond Hill Rd West Augusta, GA 30906 Richmond County
<b>Distance</b>	2.1 miles
<b>Units</b>	75
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden
<b>Year Built/Renovated</b>	Late 1970's / 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
<b>Tenant Characteristics</b>	Mostly singles and couples; Many military; Less than 10% seniors
<b>Contact Name</b>	Leasing agent
<b>Phone</b>	706-793-8415



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Immediately
<b>Annual Chg. in Rent</b>	Increased 1-3%
<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>	included
<b>Sewer</b>	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
0	1	Garden	20	288	\$370	\$0	Market	None	0	0.0%	N/A	None
1	1	Garden	49	588	\$445	\$0	Market	None	0	0.0%	N/A	None
2	1	Garden	6	864	\$515	\$0	Market	2BR: 20	0	0.0%	N/A	None
2	2	Garden	N/A	864	\$530	\$0	Market	2BR: 20	0	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$370	\$0	\$370	-\$26	\$344
1BR / 1BA	\$445	\$0	\$445	-\$34	\$411
2BR / 1BA	\$515	\$0	\$515	-\$43	\$472
2BR / 2BA	\$530	\$0	\$530	-\$43	\$487

### Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Central A/C		
Refrigerator		
Property	Premium	Other
Central Laundry	None	None

## **Cedar Ridge Apartments, continued**

### **Comments**

The contact reported that the rent increase occurred in February 2008.

## Cedar Ridge Apartments, continued

### Trend Report

#### Vacancy Rates

4Q05	3Q06	2Q08
2.7%	0.0%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	4	N/A	\$425	\$0	\$425	\$391
2006	3	0.0%	\$435	\$0	\$435	\$401
2008	2	0.0%	\$445	\$0	\$445	\$411

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	4	0.0%	\$500	\$0	\$500	\$457
2006	3	0.0%	\$510	\$0	\$510	\$467
2008	2	0.0%	\$515	\$0	\$515	\$472

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	3	N/A	\$515	\$0	\$515	\$472
2008	2	N/A	\$530	\$0	\$530	\$487

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	4	N/A	\$350	\$0	\$350	\$324
2006	3	0.0%	\$360	\$0	\$360	\$334
2008	2	0.0%	\$370	\$0	\$370	\$344

### Trend: Comments

4Q05	Management reports that the property is typically at this occupancy and states that military deployments have not affected the property. Some of the units have ceiling fans and the one- and two-bedroom units have washer and dryer hook-ups.
3Q06	9/11/2006 - The property manager indicated that the market is currently strong. The waiting list on the two-bedroom units has six or seven households.  11/7/2005 - Management reports that the property is typically at this occupancy and states that military deployments have not affected the property. Some of the units have ceiling fans and the one- and two-bedroom units have washer and dryer hook-ups.
2Q08	The contact reported that the rent increase occurred in February 2008.

# PROPERTY PROFILE REPORT

## Champion's Pines

**Effective Rent Date** 5/13/2008  
**Location** 1500 Champions Pines Lane  
 Augusta, GA 30909  
 Richmond County  
**Distance** 1.5 miles  
**Units** 220  
**Vacant Units** 1  
**Vacancy Rate** 0.5%  
**Type** Garden (3 stories)  
**Year Built/Renovated** 1980s / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** N/A  
**Tenant Characteristics** N/A  
**Contact Name** Deidra  
**Phone** (706) 733-1600



### Market Information

**Program** Market  
**Annual Turnover Rate** N/A  
**Units/Month Absorbed** N/A  
**HCV Tenants** N/A  
**Leasing Pace** N/A  
**Annual Chg. in Rent** N/A  
**Concession** None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	500	\$535	\$0	Market	None	1	N/A	N/A	None
1	1	Garden (3 stories)	N/A	700	\$695	\$0	Market	None	0	N/A	N/A	None
2	1	Garden (3 stories)	N/A	1,100	\$755	\$0	Market	None	0	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$535 - \$695	\$0	\$535 - \$695	-\$34	\$501 - \$661
2BR / 1BA	\$755	\$0	\$755	-\$43	\$712

## Champion's Pines, continued

### Amenities

**In-Unit**

Balcony/Patio

Central A/C

Fireplace

Refrigerator

Blinds

Dishwasher

Garbage Disposal

Washer/Dryer hookup

Carpeting

Exterior Storage

Oven

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting

Central Laundry

Swimming Pool

Exercise Facility

Off-Street Parking

Tennis Court

Hot Tub

On-Site Management

**Premium**

None

**Other**

None

### Comments

The contact could not comment on market characteristics.

# PROPERTY PROFILE REPORT

## Regency Village

**Effective Rent Date** 5/13/2008  
**Location** 2810 1/2 Thomas Lane  
 Augusta, GA 30906  
 Richmond County  
**Distance** 1.7 miles  
**Units** 95  
**Vacant Units** 0  
**Vacancy Rate** 0.0%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 1980s / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** N/A  
**Tenant Characteristics** N/A  
**Contact Name** Jody  
**Phone** (706) 790-9161



### Market Information

**Program** Market  
**Annual Turnover Rate** N/A  
**Units/Month Absorbed** N/A  
**HCV Tenants** N/A  
**Leasing Pace** N/A  
**Annual Chg. in Rent** N/A  
**Concession** None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	720	\$475	\$0	Market	None	0	0.0%	N/A	None
2	2	Garden (2 stories)	93	960	\$520	\$0	Market	None	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$475	\$0	\$475	-\$34	\$441
2BR / 2BA	\$520	\$0	\$520	-\$43	\$477

### Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Central A/C		
Ceiling Fan		
Refrigerator		
Blinds		
Dishwasher		
Garbage Disposal		
Washer/Dryer hookup		
Carpeting		
Exterior Storage		
Oven		
Property	Premium	Other
Off-Street Parking	None	None
On-Site Management		

## **Regency Village, continued**

### **Comments**

The contact could not comment on market characteristics. The contact stated that the property is at a slight disadvantage because it does not offer any community amenities other than parking and on-site management.

# PROPERTY PROFILE REPORT

## Woodcrest Apartments

**Effective Rent Date** 5/13/2008  
**Location** 1811 Sibley Rd  
 Augusta, GA 30909  
 Richmond County  
**Distance** 1.6 miles  
**Units** 248  
**Vacant Units** 2  
**Vacancy Rate** 0.8%  
**Type** Garden  
**Year Built/Renovated** 1983 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** N/A  
**Tenant Characteristics** N/A  
**Contact Name** Diandria  
**Phone** (706) 737-4548



### Market Information

**Program** Market  
**Annual Turnover Rate** N/A  
**Units/Month Absorbed** N/A  
**HCV Tenants** N/A  
**Leasing Pace** N/A  
**Annual Chg. in Rent** N/A  
**Concession** N/A

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	N/A	676	\$559	\$0	Market	N/A	0	N/A	N/A	None
2	2	Garden	N/A	904	\$669	\$0	Market	N/A	1	N/A	N/A	None
2	2	Garden	N/A	964	\$689	\$0	Market	N/A	1	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$559	\$0	\$559	-\$34	\$525
2BR / 2BA	\$669 - \$689	\$0	\$669 - \$689	-\$43	\$626 - \$646

### Amenities

#### In-Unit

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

#### Security

Patrol

#### Services

None

#### Property

Central Laundry  
 Picnic Area  
 Volleyball Court  
 Off-Street Parking  
 Swimming Pool  
 On-Site Management  
 Tennis Court

#### Premium

None

#### Other

Fishing pond

## **Woodcrest Apartments, continued**

### **Comments**

The contact could not comment on market characteristics. Information on the property can be found at [www.woodcrestaugusta.com](http://www.woodcrestaugusta.com)

## PROPERTY INTERVIEWS

Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. The following text is a summary of the property descriptions, which describe vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

### Location

The Subject is located in a primarily residential neighborhood with nearby retail uses. All of the comparables have a generally similar location.

### Age and Condition

The Subject will be a newly constructed property. Upon completion, the Subject property will be in excellent condition. Augusta Spring Apartments and Linden Square, all senior tax credit properties, were built or renovated since 2000, were found to be in good condition. The Subject will be slightly superior to these properties upon completion. All of the market rate properties were built in the 1970s or 1980s and are in average condition.

### Unit Mix

The following table illustrates the unit mix at the Subject and the comparable properties. Management at Augusta Spring Phase I, Champion's Pines, and Woodcrest Apartments were unable to provide a breakdown by unit type. Therefore, these units have been excluded from the following table.

**Unit Mix**

Unit Type	Total Units	Percent	Total Units	Percent
	(Subject)	(Subject)	(Comps)	(Comps)
Studio	0	0%	20	7%
1 BR	18	25%	84	28%
2 BR	54	75%	198	65%
<b>Total</b>	<b>72</b>	<b>100%</b>	<b>303</b>	<b>100%</b>

As illustrated, the Subject's market area consists primarily of two-bedroom units. The Subject will offer predominantly two-bedroom units. We were able to obtain the unit mix at Augusta Spring Phase II (senior). This property has approximately 10 one-bedroom units and 90 percent two-bedroom units. Therefore, the Subject's unit mix appears reasonable. Of the three properties that could report unit mix by bedroom type, all properties reported zero percent vacancy. The following table illustrates vacancy by bedroom.

**Weighted Vacancy**

Unit Type	Total Units	Vacant Units	Vacancy Rate
Studio	20	0	0%
1 BR	74	0	0%
2 BR	109	0	0%
<b>Total</b>	<b>203</b>	<b>0</b>	<b>0%</b>

**Unit Size**

The table below depicts the square footage of the Subject and comparable properties in the market.

**Unit Size Comparison**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/Disadvantage
1 BR	891	500	720	650	27%
2 BR	1,103	840	1,100	899	19%

The proposed unit sizes at the Subject are above the market average for all unit types. Additionally, the Subject's proposed one- and two-bedroom units will be the largest in the market. Since the Subject's proposed unit sizes are the largest in the market, the Subject is expected to have a competitive advantage with regards to unit size.

**Total Number of Baths per Unit**

The Subject will offer one bath in the one-bedroom units and two baths in the two-bedroom units. All of the surveyed one-bedroom units in the marketplace offer one bathroom. The two-bedroom units at the senior properties offer only one bath. Three of the four market rate properties offer two-bedroom units with two baths and one property offers one bath in its two-bedroom units. Overall, the Subject will be superior to the senior LIHTC properties.

Amenity Matrix

IBR / IBA	Terraces At Edinburgh	Augusta Spring Apartments	Linden Square	Cedar Ridge Apartments	Champion's Pines	Regency Village	Woodcrest Apartments
Comp #	Subject	1	2	3	4	5	6
<b>Property Information</b>							
Property Type	One-story (age-restricted)	One-story (age-restricted)	Two-story (age-restricted)	Garden	Garden (2 stories)	Garden	Garden
Year Built / Renovated	2010 / n/a	1996/2001	2003	Late 1970's	1980s	1980s	1983
Market (Conv.)/Subsidy Type	LIHTC/Market	LIHTC	LIHTC/Market	Market	Market	Market	Market
<b>In-Unit Amenities</b>							
Balcony/Patio	yes	yes	yes	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	no	yes	yes	yes
Exterior Storage	yes	no	no	no	yes	yes	no
Ceiling Fan	no	no	no	no	no	yes	no
Fireplace	no	no	no	no	yes	no	no
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes
Hand Rails	yes	yes	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes
Pull Cords	no	yes	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes
Trash Compactor	no	yes	no	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>							
Business Center/Computer Lab	yes	no	yes	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	no	yes	no	no
Courtyard	no	yes	no	no	no	no	no
Elevators	no	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	no	yes	no	no
Hot Tub	no	no	no	no	yes	no	no
Central Laundry	yes	yes	yes	yes	yes	no	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	no	no	no	no	no	yes
Swimming Pool	no	no	no	no	yes	no	yes
Tennis Court	no	no	no	no	yes	no	yes
Volleyball Court	no	no	no	no	no	no	yes
<b>Services</b>							
<b>Security</b>							
Limited Access	no	no	yes	no	no	no	no
Patrol	no	yes	no	no	no	no	yes
<b>Premium Amenities</b>							
<b>Other Amenities</b>							
Other	Covered pavillion, gardens, walking trail	n/a	Hair salon, shuffleboard	n/a	n/a	n/a	Fishing pond

### **Unit Amenities**

The Subject will offer a generally similar unit amenities package when compared to the comparables. The Subject will be superior to comparables three and six.

### **Common Area Amenities**

The Subject will be similar to the senior LIHTC properties and superior to the market rate properties. Comparables four and five offer family oriented amenities such as a swimming pool and sports courts. We do not consider these to be senior amenities. The Subject will additionally offer a covered pavilion, community gardens, and a walking trail.

### **Security Features**

The Subject will not offer any security features. All three senior LIHTC properties offer some form of security, in the form of a patrol or limited access. Since the Subject is designed as single story units, limited access is not necessary. However, we do recommend some form of security, such as patrol or perimeter fencing.

### **Utility Structure**

The Subject will include garbage removal in the rental rates. Comparable properties with differing utility allowances have been adjusted to the Subject's utility convention. Adjustments are made using Utility Allowances from the Georgia Department of Community Affairs which provide utility estimates for Henry County.

### **Parking**

The Subject will offer surface parking. This is typical in the market.

### **Tenant Makeup**

Management at Augusta Springs indicated that the majority of tenants are from the surrounding area with some from North Augusta and out of state. The manager at Linden Square indicated that 20 percent of their senior tenants are employed and most are from the Augusta area or out of state. The average age is 62 years old. The manager at Cedar Ridge Apartments indicated that most tenants are singles and couples with a large military presence and that there are around or less than 10 percent seniors.

Only two of the comparables were able to report a percentage of voucher tenants. The property managers at Augusta Springs and Linden Square, both senior LIHTC, indicated that they have 50 and 21 percent housing choice voucher tenants, respectively. The Subject should expect to have a voucher tenancy similar to the market average of these two properties, or approximately 36 percent.

### **Concessions**

There are presently no concessions being offered at the comparable properties.

### **Waiting Lists**

Three of the comparables reported waiting lists, including both senior LIHTC properties. The manager at Augusta Spring indicated that their waiting list is approximately three to six months long. The manager at Linden Square reported 17 households on their waiting list and the manager at Cedar Ridge (family market rate) indicated that they have 20 households on their

## Terraces at Edinburgh, Augusta, GA; Market Study

waiting list for two-bedroom units. The presence of waiting lists at the senior LIHTC properties indicates latent demand and bodes well for the Subject.

### Historical Rent Increases

One way to determine if the apartment market is healthy is to look to the historical rent increases, or lack of them. If rents are stable or increasing in the area, the market may be in a state of expansion. Conversely, if the market begins to offer concessions, the market may be declining. The table below illustrates reported changes in rents in the market.

### RENT GROWTH

Property name	Tenancy	Rent Structure	Rent Growth
Augusta Spring Apartments	Elderly	LIHTC	Increased 4%
Linden Square	Elderly	LIHTC/Market	Increased 2-3% March 2008
Cedar Ridge Apartments	Family	Market	Increased 1-3%
Champion's Pines	Family	Market	N/A
Regency Village	Family	Market	N/A
Woodcrest Apartments	Family	Market	N/A

Of the six comparable properties, three properties reported rent increases ranging between one and four percent. The Subject's 30 and 50 percent AMI rents are set at the maximum allowable level, while the 60 percent AMI rents are set below the maximum level. Therefore, rent growth for the Subject's 50 percent AMI rents will be dependent on future increases in the AMI level. However, based on market conditions, the Subject should be able to increase rents on a regular basis. The following graph depicts AMGI growth in the county from 1999 to 2008.

### AMGI



● 4-person AMGI

As the previous table illustrates the median income in the Richmond County posted overall growth from 1999 to 2005. The system and underlying data sources that HUD uses to establish income limits have changed, by shifting to data from the American Community Survey (ACS), which has replaced previous census reports. The drastic 40 percent increase in AMGI from 2005 to 2006 is likely due to this methodology change. The Subject's 50 percent AMI rents are set at

the maximum allowable LIHTC rents; therefore, any changes in AMI levels will directly affect the rents for those units. AMGI has increased steadily since 2006 with 3.2 percent growth from 2007 to 2008, which is a good indicator for the Subject.

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

As a newly constructed age restricted property in excellent condition, the Subject will be adding a total of 72 units to the local market. There are two senior LIHTC properties in Augusta with vacancy rates of one percent and zero percent. Both properties maintain waiting lists ranging from 17 households to six months. Therefore, we do not believe the Subject will have a negative affect on other affordable units

### **Vacancy**

The following table illustrates the vacancy rates in the market.

#### **Overall Vacancy**

<b>Property name</b>	<b>Tenancy</b>	<b>Rent Structure</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Vacancy Rate</b>
Augusta Spring Apartments	Elderly	LIHTC	200	2	1.00%
Linden Square	Elderly	LIHTC/Market	33	0	0.00%
Cedar Ridge Apartments	Family	Market	75	0	0.00%
Champion's Pines	Family	Market	220	1	0.50%
Regency Village	Family	Market	95	0	0.00%
Woodcrest Apartments	Family	Market	248	2	0.80%
<b>Total</b>			<b>871</b>	<b>5</b>	<b>0.57%</b>

As illustrated, vacancy rates in the market range from zero to one percent, averaging 0.57 percent. This indicates a strong and healthy market. Further, as mentioned previously, both senior properties reported maintaining waiting lists. This indicates latent demand and bodes well for the Subject.

### **Reasonability of Rents**

The table below illustrates the net and gross rents at the Subject, as well as the maximum allowable rents. DCA requires that LIHTC properties are at or below DCA's Maximum Allowable Rent per the Rent and Income Guidelines. An analysis of achievable LIHTC rents is beyond the scope of the GA DCA guidelines. Therefore, we do not draw any conclusions as to the reasonableness of the Subject's proposed LIHTC rents. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

## Terraces at Edinburgh, Augusta, GA; Market Study

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents	% Rental Advantage over HUD
<i>30% AMI (PBRA)</i>							
1BR/1BA	1	\$174	\$131	\$305	\$305	\$582	48%
2BR/2BA	3	\$198	\$168	\$366	\$366	\$654	44%
<i>50% AMI</i>							
1BR/1BA	6	\$377	\$131	\$508	\$508	\$582	13%
2BR/2BA	19	\$443	\$168	\$611	\$611	\$654	7%
<i>60% AMI</i>							
1BR/1BA	9	\$451	\$131	\$582	\$610	\$582	0%
2BR/2BA	26	\$486	\$168	\$654	\$733	\$654	0%
<i>Unrestricted Market Units</i>							
1BR/1BA	2	\$606	N/Ap	\$606	N/Ap	\$582	-4%
2BR/2BA	6	\$667	N/Ap	\$667	N/Ap	\$654	-2%
<b>Total</b>	<b>72</b>						

Notes (1) Source of Utility Allowance from the Developer.

The Subject's proposed gross rents at the 30, 50, and 60 percent AMI levels are at or below the HUD FMR. This indicates that voucher holders will be able to live at the property.

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

### LIHTC RENT COMPARISON - @50%

Property Name	1BR	2BR
Terraces At Edinburgh (SUBJECT)	\$377	\$443
<b>LIHTC Maximum (Net)</b>	\$377	\$443
Augusta Spring Apartments	\$372	\$422-437
Linden Square	\$371	\$432
<b>Average (excluding SUBJECT)</b>	<b>\$372</b>	<b>\$430</b>

### LIHTC RENT COMPARISON - @60%

Property Name	1BR	2BR
Terraces At Edinburgh (SUBJECT)	\$451	\$486
<b>LIHTC Maximum (Net)</b>	\$479	\$565
Augusta Spring Apartments	\$393-422	\$422-487
Linden Square	\$411	\$512
<b>Average (excluding SUBJECT)</b>	<b>\$409</b>	<b>\$474</b>

Upon completion, the Subject will offer units at 50 percent AMI, 60 percent AMI, in addition to unrestricted market rate units. As illustrated in the table above, the Subject's proposed 50 percent rents are slightly above Augusta Spring Apartments and below those of Linden Square. There are currently no vacancies in the 50 percent AMI units; therefore, we believe the Subject's rents appear reasonable.

As illustrated in the table, the Subject's proposed 60 percent rents are below the maximum allowable levels. The Subject's proposed 60 percent one-bedroom rents are above both Augusta Spring and Linden Square. The Subject's proposed two-bedroom 60 percent rent is above Augusta Square, but below Linden Square. The Subject's one-bedroom units are 231 square feet larger, and the Subject's two-bedroom units offer an additional full bathroom and are 263 square feet larger than those at Augusta Springs. Upon completion, the Subject will be in superior

condition to Augusta Spring Apartments, which was constructed in two phases in 1996 and 2001. Therefore, we believe the proposed 60 percent rents are reasonable.

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

**SUBJECT RENT COMPARISON TO MARKET RENTS**

<b>Unit Type</b>	<b>Subject</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>
<i>Subject at 50% and 60%</i>				
1 BR	\$377-451	\$411	\$661	\$502
2 BR	\$443-486	\$477	\$712	\$577
<i>Subject Unrestricted</i>				
1 BR	\$606	\$411	\$661	\$502
2 BR	\$667	\$477	\$712	\$577

The Subject’s LIHTC rents are below the average market rent. The Subject’s unrestricted rents are above the average, but below the surveyed maximum. Champion’s Pines is currently achieving the highest rents. This property is 0.5 percent vacant and is in good condition. The Subject will offer larger units and will be new construction. The Subject’s proposed unrestricted rents are below this property and are therefore considered reasonable.

**Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as conceived. The primary strength of the Subject will be its excellent condition upon completion and large unit sizes. The Subject’s proposed one and two-bedroom unit sizes are the largest in the market and provide a significant competitive advantage. Additionally, the Subject’s two-bedroom units will offer two bathrooms in its two-bedroom units. This serves as a competitive advantage over the age restricted properties in the area, as the comparable properties offer one bathroom in their two-bedroom units. The average vacancy rate in the market is 0.57 percent. Of the 233 senior LIHTC units in the market, only two are vacant. Both senior LIHTC property managers reported waiting lists and indicated strong demand for an additional senior LIHTC property.

## **H. INTERVIEWS**

**Augusta Housing Authority  
Sirena Rogers – 706-312-3112**

According to Sirena Rogers, the Director of Administration for the Housing Choice Voucher program, the Augusta Housing Authority (AHA) can issue up to 3,528 tenant-based Housing Choice vouchers. In addition to the 3,528 tenant-based vouchers, the AHA has issued 44 project-based vouchers. Ms. Rogers reported that the waiting list has been closed since March 2007 and she anticipates that it will remain closed for another one to two years. However, the AHA is accepting applications for the Section 8 PBRA units at Maxwell House.

The Augusta Housing Authority is the oldest and second largest public housing authority in Georgia. According to their website, the agency owns and operates 2,769 public housing units in 16 public housing communities, handles more than 5,600 units of tenant and site based vouchers, and helps provide housing for about 14,000 individuals.

The following table shows the payment standard for Richmond County, GA. The payment standard for each bedroom type is 100 percent of the Fair Market Rents (FMR).

<b>RICHMOND COUNTY</b>	
<b>Number of Bedrooms</b>	<b>Payment Standard</b>
0BR	\$537
1BR	\$582
2BR	\$654
3BR	\$876
4BR	\$921

The Subject’s proposed gross LIHTC rents are at or below the payment standard but the Subject’s market rents are slightly above the payment standard.

**Augusta-Richmond County Planning and Zoning Commission  
Paul DeCamp – 706-821-1796**

We attempted to contact Paul DeCamp from the Augusta-Richmond County Planning & Zoning Commission but were unable to gain an interview. According to the planning commission’s 2006 annual report, 207 site plans were reviewed in 2006 with the following breakdown: 10 industrial, five residential, nine professional, six utility, 141 utility, 12 institutional, 20 public facility, and four in the “Other” category. The commission also approved 61 lots for subdivisions and issued 325 manufactured home permits in 2006.

In terms of transportation improvements, the Augusta-Richmond County Planning & Zoning Commission is conducting an ongoing study for its FY 2008-2011 Transportation Improvement Program (TIP) called the Augusta Regional Transportation Study (ARTS). According to the June 7, 2007 ARTS draft, Wrightsboro Road will be widened to four lanes from Jimmy Dyess Parkway to I-520 SB Ramp, which is approximately one mile west of the Subject.

In addition to the ARTS projects, the City of Augusta is financially supporting the revitalization of several neighborhoods according to the Housing and Community Development Department’s 2007 Annual Action Plan.

## **I. CONCLUSIONS AND RECOMMENDATIONS**

**CONCLUSIONS**

- Senior population and number of households in the PMA and MSA have experienced strong growth as they are growing significantly faster than the nation. This strong growth is projected to continue in the future. Approximately 33 and 38 percent of seniors in the PMA and MSA, respectively, are currently earning wages below \$35,000. As the area continues to grow, the need for quality, affordable housing will also increase, which bodes well for the Subject. The majority of the top employers in the Augusta Metro Area are in industries such as healthcare, education, and government, which provides stability to the local economy. Recent trends show stability in both total employment and unemployment rate, an indicator that the local economy is stable.
- Management at two of the LIHTC properties used as comparables in our report was able to report absorption information. Phase II of Augusta Springs Apartments, consisting of 100 age-restricted units, opened in 2001. According to management, leasing began in the end of November 2001 and the property reached stabilized occupancy by the end of November 2002. This equates to an absorption pace of approximately eight units per month. According to management at Linden Square, the property experienced an absorption pace of three units per month. Linden Square is an age-restricted property that opened in 2003. The Subject is a proposed new construction of a tax credit property. We believe the Subject would likely experience an absorption pace similar to the age-restricted tax credit properties. We believe the Subject would likely experience an absorption pace of nine units per month due to the low capture rates, low vacancy, and waiting lists for an absorption period of approximately eight months for both the one- and two-bedroom units.
- Vacancy rates in the market range from zero to one percent, averaging 0.57 percent. This indicates a strong and healthy market. Further, both senior properties reported maintaining waiting lists. Both senior LIHTC properties also reported rent increases over last year. This indicates demand and bodes well for the Subject.
- The Subject's proposed one and two-bedroom unit sizes will be the largest in the market and will provide a significant competitive advantage. The Subject's two-bedroom units will offer two bathrooms in its two-bedroom units. This serves as a competitive advantage over the age restricted properties in the area, as the comparable properties offer one bathroom in their two-bedroom units.
- The primary strengths of the market are the low vacancy at 0.57 percent, presence of waiting lists, and rent increases at the senior LIHTC properties.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as new construction. As a newly constructed age restricted property in excellent condition, the Subject will be adding a total of 72 units to the local market. With the low vacancy rate and significant demand reported by the property managers, we believe the Subject will be a positive addition to the market.

**Recommendations**

- We recommend the Subject as proposed.

## **J. SIGNED STATEMENT REQUIREMENTS**

I affirm that I 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 (cannot) support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



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H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP

5-28-2008

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Date



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Michalena M. Sukenik  
Manager  
Novogradac & Company LLP

5-28-2008

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Date



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J. Nicole Weekley  
Real Estate Analyst

5-28-2008

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Date

## **K. ANALYST QUALIFICATIONS**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## H. BLAIR KINCER, MAI

### I. Education

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

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

### II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)  
Past Member Frostburg Housing Authority  
Certified General Real Estate Appraiser – State of Connecticut  
Certified General Real Estate Appraiser – State of Maryland  
Certified General Real Estate Appraiser – State of Michigan  
Certified General Real Estate Appraiser – State of Mississippi  
Certified General Real Estate Appraiser – State of New York  
Certified General Real Estate Appraiser – Commonwealth of Pennsylvania  
Certified General Real Estate Appraiser – State of South Carolina  
Certified General Real Estate Appraiser – State of Tennessee  
Certified General Real Estate Appraiser – Commonwealth of Virginia  
Certified General Real Estate Appraiser – State of Washington  
Certified General Real Estate Appraiser – State of West Virginia

### III. Professional Experience

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

### IV. Professional Training

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

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

**V. Real Estate Assignments – Examples**

- In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988. Since 1995 have focused on the affordable housing industry.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **MICHALENA M. SUKENIK**

### **I. Education**

Union College, Schenectady, New York  
Bachelor of Arts in Cultural Anthropology  
Union College Study Abroad, St. Lucy, Barbados

### **II. Professional Experience**

Manager, Novogradac & Company LLP  
Dallas / Fort Worth and Atlanta Research Manager, CoStar Group, Inc.  
Senior Research Analyst / Newswire Editor, CoStar Group, Inc.

### **III. Professional Training and Continuing Education**

Member, National Council of Affordable Housing Market Analysts (NCAHMA)  
Attended HUD Community Development Block Grant (CDBG) 30<sup>th</sup> Anniversary Conference, September 13-14, 2004, Washington, DC  
Successfully completed "Introduction to Commercial Real Estate Analysis" and "Financial Analysis for Commercial Real Estate Investment".

### **IV. Real Estate Assignments**

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

- Conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted in preparing an approved HUD Consolidated Plan for the City of Gainesville, GA; which included a housing and homeless needs assessment, market analysis, non-housing needs analysis, and a strategic plan, which conformed to 24CFR Part 91, Consolidated Plan Regulations for the ensuing five-year period (2004-2009).
- Assisted in preparing a comprehensive senior housing study in Seattle, Washington for the Seattle Housing Authority. This study evaluated the Seattle Housing Authority's affordable senior housing project for their position within the entire city's senior housing market. The research involved analysis of the senior population by neighborhood, income, household size, racial composition, and tenure.

- Conducted market studies for senior projects in Virginia Beach, Virginia; Hampton Roads, Virginia; Goshen, New York; Calumet City, Illinois; Pontiac, Illinois; Galesburg, Illinois; San Antonio, Texas; Salt Lake City, Utah; Ogden, Utah; Philadelphia, Pennsylvania; Thibodaux, Louisiana; Jennings, Louisiana; Rio Rico, Arizona; Twin Falls, Idaho; Sheridan, Wyoming; Cheyenne, Wyoming; Detroit, Michigan; Springfield, Missouri; Jackson, Mississippi; Los Banos, California; Oregon, Wisconsin; Milwaukee, Wisconsin, and Racine Wisconsin.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit properties.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS NICOLE WEEKLEY**

## **I. Education**

Auburn University, Auburn, Alabama  
Bachelor of Science  
Auburn University, Auburn, Alabama  
Master of Business Administration

## **II. Professional Experience**

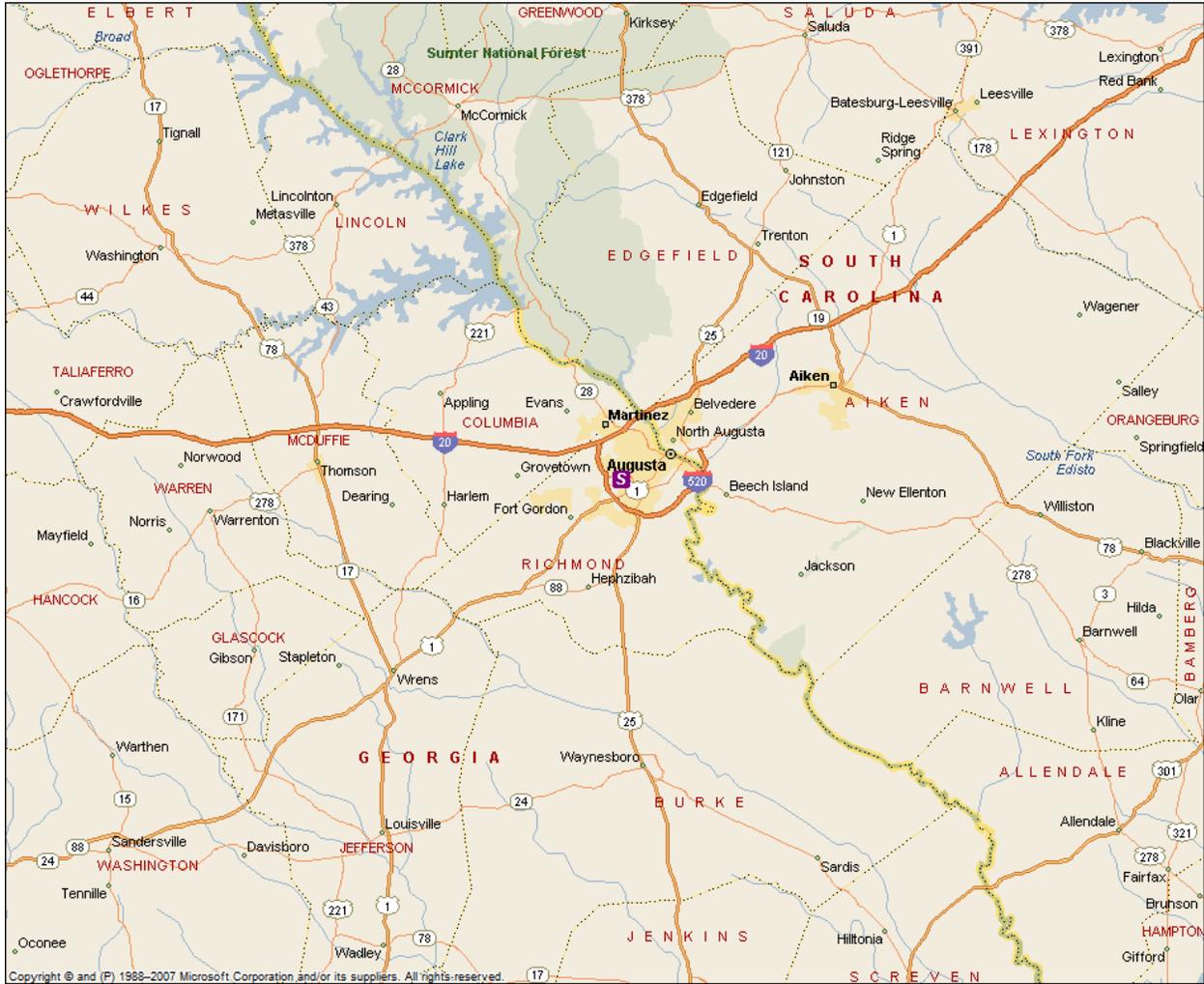
Research Analyst, Novogradac & Company LLP  
Intern, Bullock Mannelly Partners  
Graduate Assistant, Auburn University College of Business

## **III. Research Assignments**

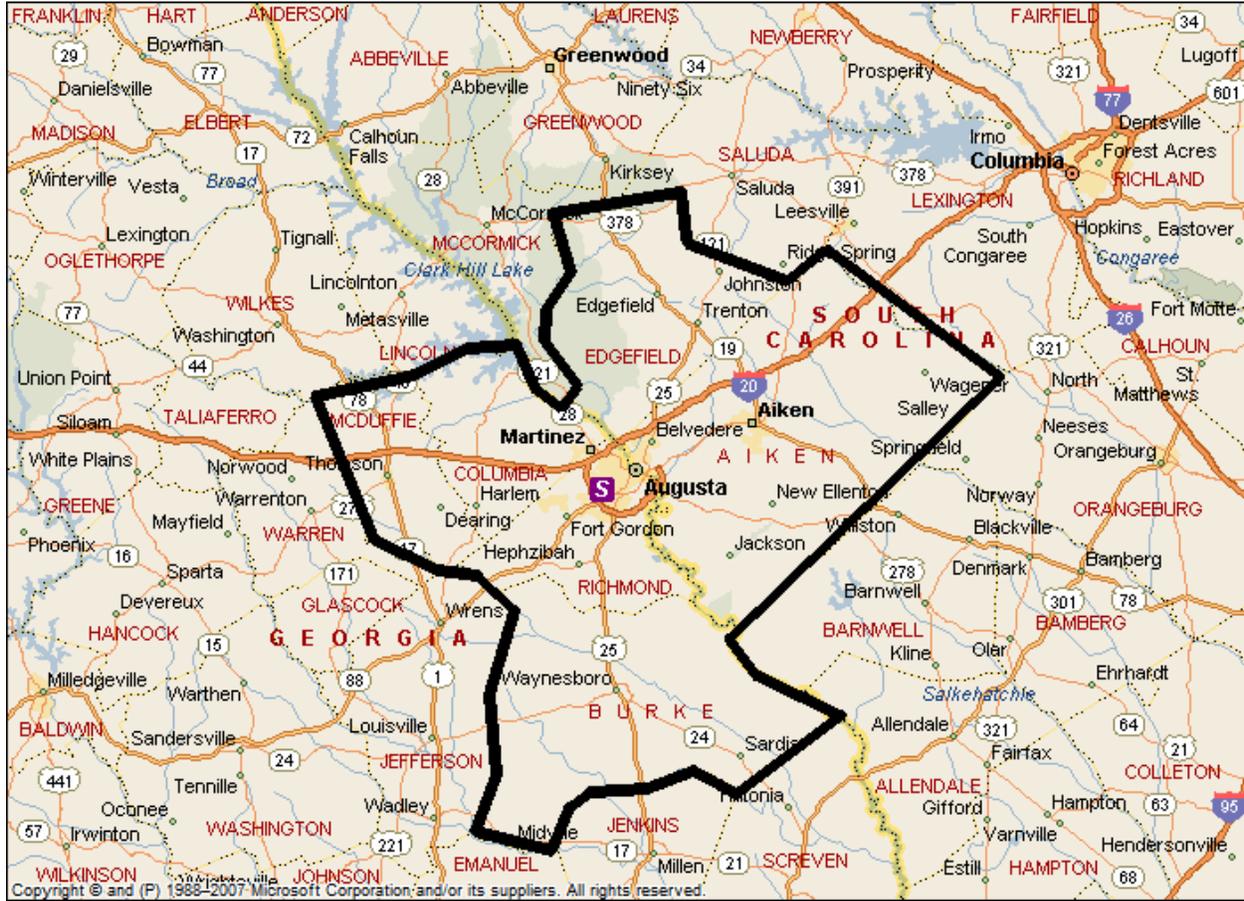
- Assisted with market studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Market analysis includes preliminary property screenings, market analysis, comparable rent surveys, and demand analysis.
- Assisted in appraisals of existing Low-Income Housing Tax Credit properties.

MAPS

Regional Map



MSA Map





Neighborhood Map

