



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

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

**Effective Date: June 8, 2012
Report Date: June 12, 2012**

Prepared For

**Mr. James K Maddox
Maco Companies
111 North Main Street
Clarkton, Missouri 63837**

Prepared By

**Novogradac & Company LLP
2325 Lakeview Parkway
Suite 450
Alpharetta, Georgia 30009
678.867.2333**



**NOVOGRADAC
& COMPANY** LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 12, 2012

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

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

Dear Mr. Maddox:

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

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

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

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

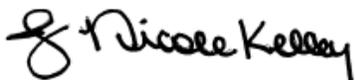
Respectfully submitted,



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP



Michalena M. Sukenik
Principal
Novogradac & Company LLP



J. Nicole Kelley
Real Estate Analyst
Novogradac & Company LLP

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

TABLE OF CONTENTS

A. EXECUTIVE SUMMARY AND CONCLUSION 1
B. PROJECT DESCRIPTION 9
C. SITE EVALUATION 13
D. MARKET AREA 25
 Primary Market Area 26
E. COMMUNITY DEMOGRAPHIC DATA..... 30
F. EMPLOYMENT TRENDS 36
G. PROJECT-SPECIFIC DEMAND ANALYSIS 45
H. COMPETITIVE RENTAL ANALYSIS 63
I. ABSORPTION AND STABILIZATION RATES.....85
J. INTERVIEWS..... 86
K. CONCLUSIONS AND RECOMMENDATIONS 106
L. SIGNED STATEMENT REQUIREMENTS..... 110

Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

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

Per DCA’s QAP clarification question and answer round, since 2012 utility allowances have not yet been released, applicants must use 2011 rent and income limits in areas that are using 2011 utility allowance schedules.

PROPOSED RENTS

Unit Type	Number of Units	Square Footage	Asking Rent	Utility	Gross Rent	2011 LIHTC	2011 HUD
				Allowance (1)		Maximum Allowable Gross Rent	Fair Market Rents
<i>50% AMI</i>							
1BR	5	725	\$425	\$152	\$577	\$641	\$792
2BR	10	935	\$500	\$195	\$695	\$768	\$881
<i>60% AMI</i>							
1BR	15	725	\$425	\$152	\$577	\$769	\$792
2BR	30	935	\$500	\$195	\$695	\$922	\$881
Total	60						

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

The Subject will offer the following amenities: blinds, carpeting, central air conditioning, dishwashers, ceiling fans, hand rails, microwaves, ovens, pull cords, refrigerators, washer/dryer connections, a business center/computer lab, a clubhouse/community room, elevators, an exercise facility, a central laundry facility, off-street parking, on-site management, picnic areas, a library, and a walking path. Overall, the Subject’s amenities will be competitive with those offered at the comparable properties.

2. Site Description/Evaluation:

The Subject site is located east of Washington Street on Walkers Bend Parkway. Immediate uses surrounding the site consist of vacant land and single family homes and townhomes in overall good to excellent condition. The family LIHTC property Village at Walkers Bend is located northeast of the site. This development was allocated tax credits in 2010 and is currently under construction. Once

completed it will contain 32 single family homes and will be in excellent condition. As a single family home development targeting general households, this development will not compete with the Subject's age restricted units. Smaller commercial developments and free standing retail are located west of the site along Washington Street. Downtown Covington is located approximately 1.2 miles northeast of the site. Downtown retail appeared to be 90 percent occupied. The area south of the Subject along Flat Shoals Road is characterized by new single family home subdivisions. These homes are in overall excellent condition and prices start at \$130,000. Overall, the Subject site is considered a desirable building site for senior rental housing. The uses surrounding the Subject are in good to excellent condition and the site has good proximity to downtown Covington and locational amenities.

Signage for the Subject will be placed along Washington Street, which will give the Subject good visibility. Views from the site consist of single family homes in overall good condition. Additionally, the LIHTC property Village at Walkers Bend, which is currently under construction, will be located adjacent to the Subject. Overall, views from the site will be good.

3. Market Area Definition:

The PMA is defined by Walnut Grove Road and the Newton/Walton County line to the north, the Newton/Jasper County line and State Route 212 to the south, the Newton/Morgan County line to the east, and McDonough Highway to the west. This area includes Newton County and a portion of Rockdale County to the east. The area was defined based on interviews with the local housing authority as well as local property managers at comparable properties. Management at Harristown Park reported that the property has tenants from Covington as well as other areas of Newton County and from Conyers, which is located in eastern Rockdale County. Management reported that due the lack of senior housing in the area, tenants are willing to move from outside Newton County and that it is likely that a new senior property could draw tenants from surrounding counties. Additionally, property managers at several of the family LIHTC properties indicated that their senior tenants have moved to the area from other parts of the state in order to be closer to their families. Therefore, we have adjusted for 15 percent leakage from outside of the PMA.

The furthest PMA boundary from the Subject is 10.5 miles.

4. Community Demographic

Data:

Both senior population and households have been growing at rates much higher than their overall counterparts for more than two decades. Between 2000 and 2010, senior population growth was rapid at 9.1 percent annually, compared to 6.7 percent in the MSA. By the market entry date of the Subject, senior population growth will have slowed to 4.8 percent in the PMA, but this will be a full two percent higher than the overall population growth number of 2.8 percent. At a 5.8 percent annual growth between 2000 and 2010, PMA senior household growth outshines the MSA at three percent, and the nation at one percent.

Owner-occupied housing dominates the PMA with 82.4 percent in 2010. However, the 17.6 percent of renter-occupied housing is higher than the national average of just 13 percent. Renter-occupied units are expected to rise, but only slightly, into the foreseeable future.

Household incomes in the PMA are skewed slightly towards higher income brackets with only 35.5 percent of households earning under \$39,999. The Subject will target senior households earning between \$17,000 and \$33,000, therefore, the Subject should be well-positioned to service this market.

According to RealtyTrac.com statistics, Covington experienced a very high 264 reported foreclosures in April 2012. This equates to about one in every 125 homes. For the same time period, Newton County foreclosures of one in every 132 homes, one in every 398 in Georgia, and one in every 698 in the nation. This high rate of foreclosure could make seniors' task of selling their homes very difficult.

Senior renter households in the PMA with two persons or less made up 72 percent of such households in 2010. This percentage is projected to remain stable into the foreseeable future. The Subject will contain one and two bedroom floor plans, so this large percentage bodes well for the Subject.

Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target.

5. Economic Data:

Covington and Newton County in general were particularly hard hit by the housing market crash of 2007 and 2008. Before those years, Newton County had been the 4th fastest growing county in the nation. The extreme drop in new home building subsequently led to loss of construction jobs, cutbacks by builders, and cutbacks by their suppliers. Manufacturing employment in the county also felt the effects of the downturn in demand for their products.

Manufacturing, construction, and the retail trade made up 34.1 percent of employment by industry in 2010, according to our demographics. All three of these industries are historically highly volatile in an economic downturn. The manufacturers will cutback in hiring due to lack of demand for their goods throughout these years. Newton County was extremely hard hit by the crash of the housing market in 2007 and 2008. The main reason for this hit being extreme overbuilding during the height of the market. Construction employment surely dropped off due to builders seeing no demand for their services.

Recent events, however, indicate the beginnings of a recovery in progress for the area. Baxter Pharmaceutical recently announced plans to build a new \$1 billion dollar plasma manufacturing plant in Covington. The plant will bring 1,500 new full-time jobs to the area and an additional 500 more in support roles around the US. Construction on the plant will begin later this year, with production at the plant beginning in 2018. For an area hit harder than average during the economic downturn, this announcement is the first major sign of a recovery. Other new businesses to the area include Vestar, a special metals manufacturer for technology companies, come to the area in November 2011 with 140 new positions. Nisshinbo Automotive added over 60 new employees in 2011, and SKC expanded by over 100 employees in 2011. These new hires, expansions, and contractions all point to an uptick in economic prosperity for the PMA.

6. Project-Specific Affordability And Demand Analysis:

Our demand analysis indicates that there are 507 income qualified renter households in the PMA. The following table indicates the capture rates for the Subject's units.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units	Total	Supply	Net	Capture
		Proposed	Demand		Demand	Rate
1BR 50%	\$17,310-\$27,350	5	140	2	138	3.6%
2BR 50%	\$20,850-\$27,350	10	150	7	143	7.0%
Overall 50%	\$17,310-\$27,350	15	290	9	281	5.3%
1BR 60%	\$17,310-\$32,820	15	196	10	186	8.1%
2BR 60%	\$20,850-\$32,820	30	210	41	169	17.7%
Overall 60%	\$17,310-\$32,820	45	406	51	355	12.7%
Overall Project	\$17,310-\$32,820	60	406	60	346	17.3%

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

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

The availability of market rate data is considered adequate as six of the seven comparable properties offer market rate data. These comparables were built between 1999 and 2005. Of the six properties with market rate units, five are mixed income properties and one is a conventional property. The majority of the conventional properties near the Subject are older and will not be comparable to a newly constructed property. Therefore, we have excluded these properties from our analysis. We believe that the Subject will be more comparable to the mixed income properties in the area and we have therefore used them as comparables in our analysis.

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels

does reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

The following table compares the 50 and 60 percent AMI rents at the Subject to the rents at the comparables.

Subject Comparison To Market Rents

Unit Type	Subject	Surveyed			Subject Rent Advantage
		Min	Max	Average	
1 BR 50%	\$425	\$390	\$823	\$578	36%
2 BR 50%	\$500	\$450	\$1,200	\$698	40%
1 BR 60%	\$425	\$390	\$823	\$598	41%
2 BR 60%	\$500	\$460	\$1,200	\$727	45%

As illustrated in the following table, the Subject’s proposed rents will have a significant rent advantage of 36 to 45 percent above the surveyed average market rents. As a newly constructed senior LIHTC property, the Subject will be similar to superior to the existing inventory in the area and will offer rents below all of the comparables, with the exception of Harristown Park. As previously mentioned, this property is not testing achievable LIHTC rents, as is evidenced by their 100 percent occupancy and 100 household waiting list. Overall, the Subject’s rents will be achievable and will offer value in the local market.

8. Absorption/Stabilization Estimate:

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

Absorption

Property Name	Type	Tenancy	Total		Units Absorbed Per Month
			Units	Year Built	
Arbor Lake	LIHTC/Market	Family	250	2001	20
Magnolia Circle	LIHTC/Market	Senior	84	2003	14
Antioch Manor Estates	LIHTC/Market	Senior	120	2005	24
Retreat at Madison Place	LIHTC	Senior	160	2007	14
Harristown Park	LIHTC	Senior	60	2011	10

We were able to obtain absorption information from five of the comparable properties. Harristown Park is the newest property in the market. Like the Subject, this property targets seniors and it began leasing units in the fall of 2011. Management reported that the property was fully leased

within six months of opening, for an absorption pace of approximately 10 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Because this property is 100 percent occupied with a 100 household waiting list, there is still significant demand for senior units in the PMA. Therefore, we believe that the Subject will lease approximately 10 units per month, which is similar to Harristown Park. At this pace, the Subject will reach a stabilized occupancy of 93 percent within six months.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior LIHTC comparables are performing well, with a vacancy rate of less than two percent. Additionally, the one senior LIHTC comparable in the PMA is 100 percent occupied and has a 100 household waiting list. These households will help generate demand for the Subject's units. The Subject's proposed 50 and 60 percent AMI rents are below the rents at all of the comparables with the exception of Harristown Park. This is the newest senior property in the market and it is the only senior LIHTC property in the PMA. The property is 100 percent occupied and leased within six months of opening. Additionally, there is a lengthy waiting list. Therefore, this property is not testing achievable LIHTC rents. Management at Harristown Park confirmed that the property could achieve higher rents and indicated that the Subject's proposed rents would be achievable to senior renters in the PMA. Overall, we believe that the Subject's rents are achievable and that the Subject will offer value in the market. This is further illustrated by the significant rental advantage of 36 to 45 percent that the Subject's units will have over the average market rents. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is consistent with the senior LIHTC average and we recommend the Subject as proposed.

Summary Table:

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

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

Rental Housing Stock* (found on pages 1, 94, and 97)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	5	1,218	140	88.5%
Market-Rate Housing	2	708	82	88.4%
Assisted/Subsidized Housing not to include LIHTC	0	N/Ap	N/Ap	N/Ap
LIHTC	3	867	65	92.5%
Stabilized Comps	5	1,218	140	88.5%
Properties in Construction & Lease Up	0	N/Ap	N/Ap	N/Ap

# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Average Market Rent			Highest Unadjusted Comp Rent	
					Per Unit	Per SF	Advantage	Per Unit	Per SF
5	1BR (50%)	1	725	\$425	\$578	\$0.80	36%	\$975	\$1.63
10	2BR (50%)	2	935	\$500	\$698	\$0.75	40%	\$1,395	\$1.64
15	1BR (60%)	1	725	\$425	\$598	\$0.82	41%	\$975	\$1.63
30	2BR (60%)	2	935	\$500	\$727	\$0.78	45%	\$1,395	\$1.64

Demographic Data (found on pages 33 and 58)

	2000		2010		2014	
Renter Households	1,378	16.94%	2,231	17.60%	2,710	17.88%
Income-Qualified Renter HHs (LIHTC)	258	18.70%	417	18.70%	507	18.70%
Income-Qualified Renter HHs (MR) (if applicable)	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap

Targeted Income-Qualified Renter Household Demand (found on pages 51-59)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall
Renter Household Growth	N/Ap	178	249	N/Ap	N/Ap	249
Existing Households (Overburdened + Substandard)	N/Ap	116	155	N/Ap	N/Ap	155
Homeowner conversion (Seniors)	N/Ap	36	51	N/Ap	N/Ap	51
Less Comparable/Competitive Supply	N/Ap	9	51	N/Ap	N/Ap	60
Net Income-qualified Renter HHs**	N/Ap	321	404	N/Ap	N/Ap	395

Capture Rates (found on pages 53, 56, 59)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	5.30%	12.70%	N/Ap	N/Ap	17.30%

*Only includes comparables in the PMA

**Does not match demand analysis as this does not take into account bedroom types, persons per household, or leakage.

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

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

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

The Overlook At Walkers Bend

Comp# Subject
Effective Rent 6/11/2012
Date
Location Walkers Bend Parkway
 Covington, GA 30014
 Newton County
 (verified)
Units 60
Type Lowrise (age-restricted)
 (3 stories)
Year Built / Renovated 2014



Market

Program	50%, 60%	Leasing Pace	n/a
Annual Turnover Rate	N/A	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	
Section 8 Tenants	N/A		

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Lowrise (3 stories)	5	725	\$425	\$0	50%	n/a	N/A	N/A	no
1	1	Lowrise (3 stories)	15	725	\$425	\$0	60%	n/a	N/A	N/A	no
2	2	Lowrise (3 stories)	10	935	\$500	\$0	50%	n/a	N/A	N/A	no
2	2	Lowrise (3 stories)	30	935	\$500	\$0	60%	n/a	N/A	N/A	no

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

Amenities			
In-Unit	Blinds Carpeting Central A/C Dishwasher Ceiling Fan Hand Rails Microwave Oven Pull Cords Refrigerator Washer/Dryer hookup	Security	none
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area	Premium	none
Services	none	Other	Library, walking path
Comments			
Utility allowances for the one- and two-bedroom units are \$152 and \$195, respectively. Gross rents for the one- and two-bedroom 50 and 60 percent AMI units are \$577 and \$695.			

Scope of Renovations: **The Subject will be new construction.**

Current Rents: **The Subject will be new construction.**

Current Occupancy: **The Subject will be new construction.**

Current Tenant Income: **The Subject will be new construction.**

Placed in Service Date: The Subject is expected to be completed by June 2014.

Conclusion: The Subject will be an excellent -quality brick and hardi-board three-story elevator serviced, lowrise apartment complex, comparable to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

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

Nicole Kelley visited the site on June 8, 2012.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

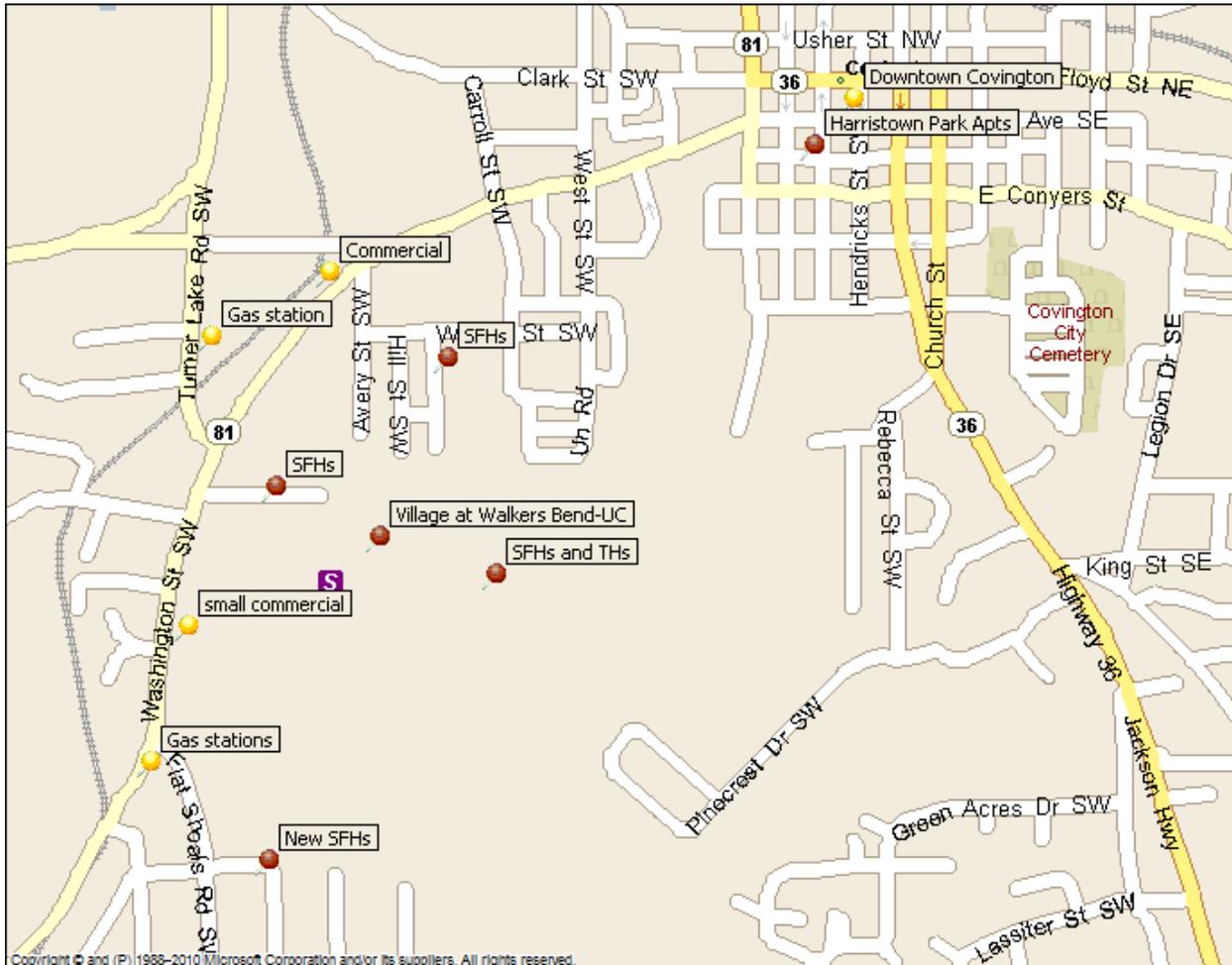
The Subject site has frontage along Walkers Bend Parkway and Avery Street.

Visibility/Views:

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

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject site is located east of Washington Street on Walkers Bend Parkway. Immediate uses surrounding the

site consist of vacant land and single family homes and townhomes in overall good to excellent condition. The family LIHTC property Village at Walkers Bend is located northeast of the site. This development was allocated tax credits in 2010 and is currently under construction. Once completed it will contain 32 single family homes and will be in excellent condition. As a single family home development targeting general households, this development will not compete with the Subject's age restricted units. Smaller commercial developments and free standing retail are located west of the site along Washington Street. Downtown Covington is located approximately 1.2 miles northeast of the site. Downtown retail appeared to be 90 percent occupied. The area south of the Subject along Flat Shoals Road is characterized by new single family home subdivisions. These homes are in overall excellent condition and prices start at \$130,000. Overall, the Subject site is considered a desirable building site for senior rental housing. The uses surrounding the Subject are in good to excellent condition and the site has good proximity to downtown Covington and locational amenities.

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

3. Physical Proximity to Locational Amenities:

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

4. Pictures of Site and Adjacent Uses:



Subject site



Subject site



View west on Avery Street



View east on Avery Street



View north on Walkers Bend Parkway-site on left and right



SFH east of site



View north on Washington Street



View south on Washington Street



Village at Walkers Bend-under construction



New single family homes north



Gas station southwest



New single family home southwest



Commercial west



Downtown Covington northeast



Downtown Covington northeast



Downtown Covington northeast



Harristown Park Apartments northeast



Gas station southeast



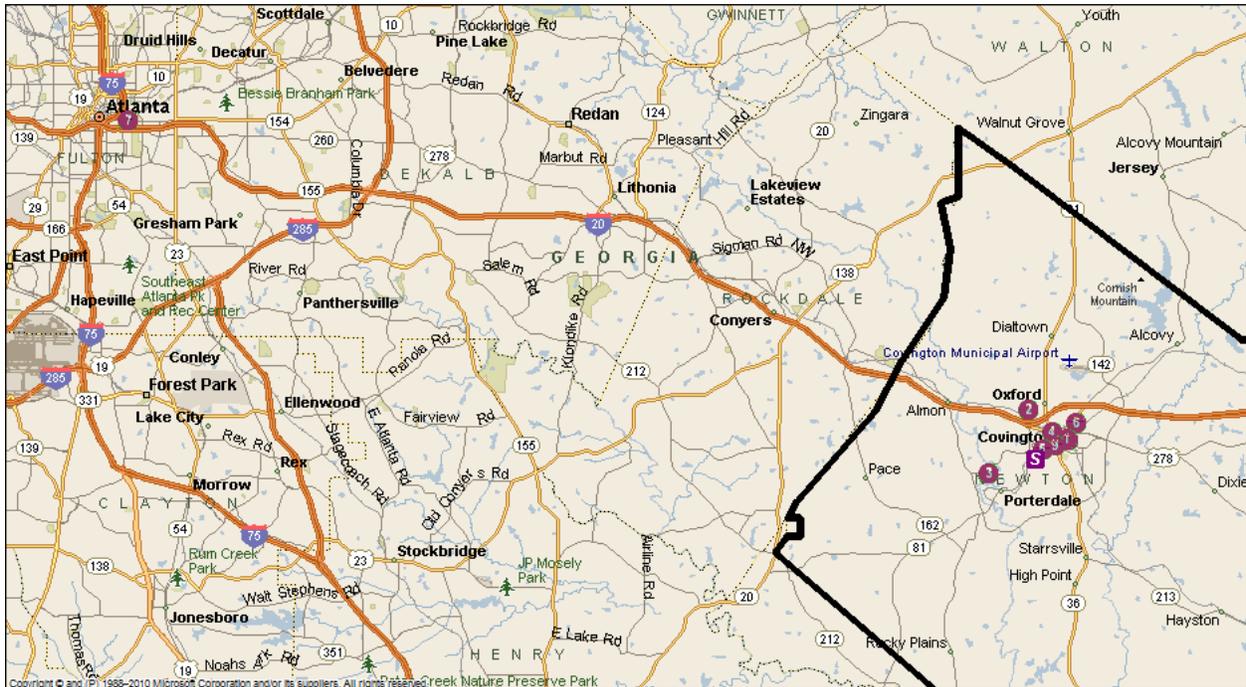
Retail north



Commercial west

5. Proximity to Locational Amenities:

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



LOCATIONAL AMENITIES

Map #	Amenity	Service	Distance from Subject
1	Ficquett Elementary School	Elementary School	1.4 miles
2	Cousins Middle School	Middle School	2.5 miles
3	Newton High School	High School	2.3 miles
4	CVS Pharmacy	Pharmacy	1.2 miles
5	Johnson's Supermarket	Grocery	0.4 miles
6	Darby Park	Local Park	2.2 miles
7	Atlanta, GA	Employment Center	34.7 miles
8	YMCA	Community Center	1.5 miles
9	Newton Medical Center	Medical Center	0.9 miles
N/A	N/Av	Public Transportation	N/A

6. Description of Land Uses:

The Subject site is located east of Washington Street on Walkers Bend Parkway. Immediate uses surrounding the site consist of vacant land and single family homes and townhomes in overall good to excellent condition. The family LIHTC property Village at Walkers Bend is located northeast of the site. This development was allocated tax credits in 2010 and is currently under construction. Once completed it will contain 32 single family homes and will be in excellent condition. As a single family home development targeting general households, this development will not compete with the Subject’s age restricted units. Smaller commercial developments and free standing retail are located west of the site along Washington Street. Downtown Covington is located approximately 1.2 miles northeast of the site. Downtown retail appeared to be 90 percent occupied. The area south of the Subject along Flat Shoals Road is characterized by new single family home subdivisions. These homes are in overall excellent condition and prices start at \$130,000. Overall, the Subject site is considered a desirable building site for senior rental housing. The uses surrounding the Subject are in good to excellent condition and the site has good proximity to downtown Covington and locational amenities.

7. Multifamily Residential within Two Miles:

There are four multifamily properties located within two miles of the site. The Village at Walkers Bend is a LIHTC property that was allocated tax credits in 2010. The property is located adjacent to the Subject site and is currently under construction. Once complete, it will offer 32 single family homes restricted to families earning 50 and 60 percent of the AMI, or less. As a single family home development targeting the general population, this development will not compete with the Subject.

The senior LIHTC property Harristown Park was allocated tax credits in 2009 and is located 1.2 miles northeast of the site near downtown Covington. The property began leasing in the fall of 2011 and is currently 100 percent occupied. This development will directly compete with the Subject and has been used as a comparable in our analysis. It will be discussed in greater detail in the supply section of our analysis.

The senior Section 8 property Covington Square is located 1.3 miles from the Subject site. We have excluded this property as a comparable as all units are subsidized and all tenants are paying 30 percent of their income towards rent. The property is currently 100 percent occupied and has a waiting list.

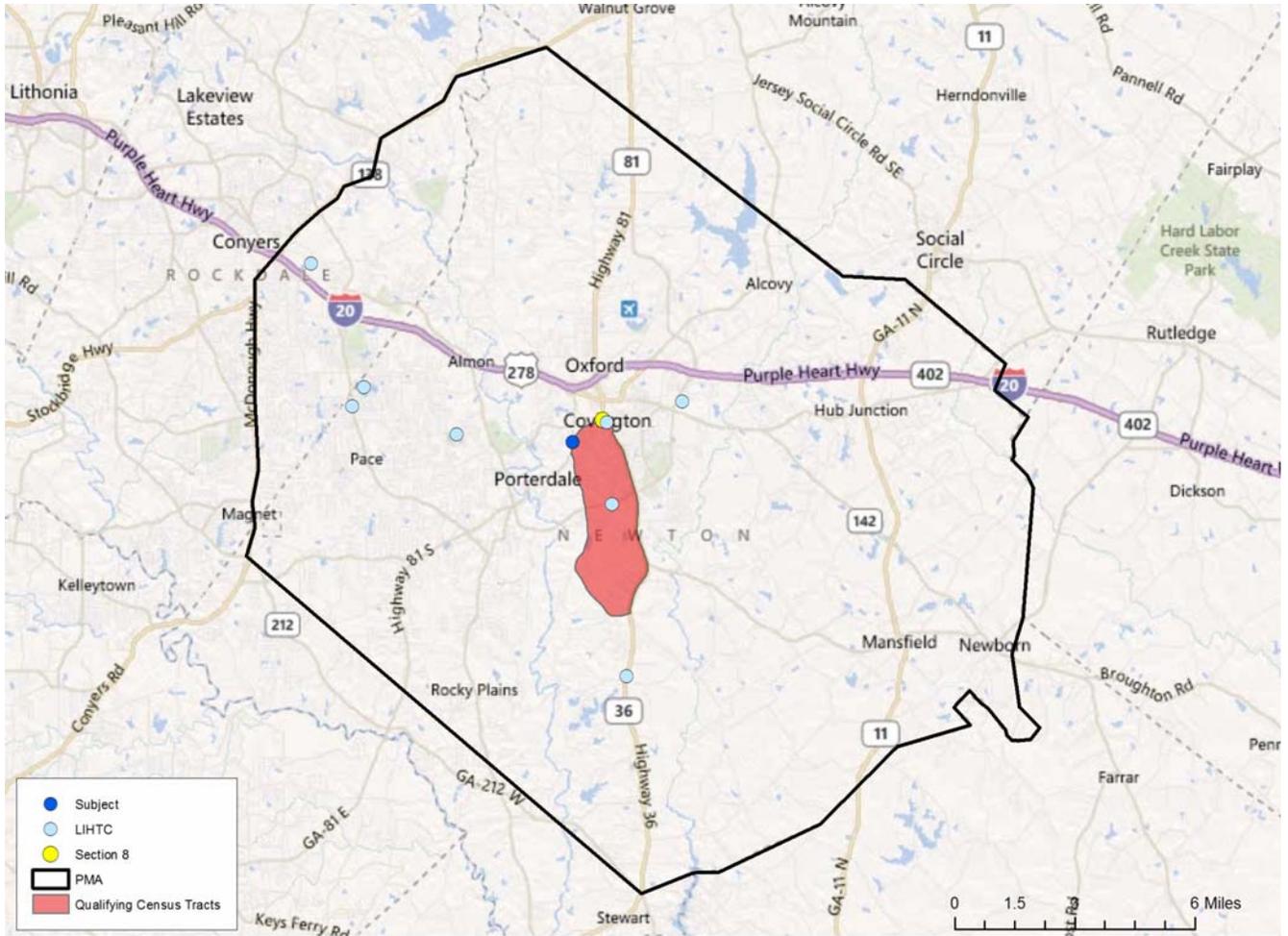
The conventional rental property Leafstone Apartments is located 1.6 miles from the Subject site. This property targets families and offers one-, two- and three-bedroom units. The property is 86 percent occupied and has been used as a comparable in our analysis.

8. Existing Assisted Rental Housing

Property Map:

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

Property Name	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject	Map Color
Covington Square	Section 8	Senior	Excluded	All units subsidized	1.3 miles	Yellow
Wellington Ridge	LIHTC	Family	Excluded	More comparable LIHTC properties available	3.8 miles	Cyan
Heritage Park	LIHTC	Family	Excluded	More comparable properties available	3.5 miles	Cyan
Magnolia Heights	LIHTC	Family	Included	N/Ap	3.2 miles	Cyan
Arbor Lake	LIHTC	Family	Included	N/Ap	3.7 miles	Cyan
Century Lakeside	LIHTC	Family	Excluded	More comparable LIHTC properties available	11.1 miles	Cyan
Orchard Cove	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.3 miles	Cyan
Salem Glen I, II, III	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.5 miles	Cyan
Harristown Park	LIHTC	Senior	Included	N/Ap	1.2 miles	Cyan
Village at Walkers Bend	LIHTC	Family	Excluded	SFHs; under construction	adjacent	Cyan
The Overlook at Walkers Bend	LIHTC	Senior	Subject	N/Ap	-	Blue



Affordable Properties and QCTs, Covington, GA



9. Road/Infrastructure

Proposed Improvements:

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

10. Access, Ingress/Egress and Visibility of site:

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

11. Environmental Concerns:

None visible upon site inspection.

Detrimental Influences:

There are no significant detrimental influences.

12. Conclusion:

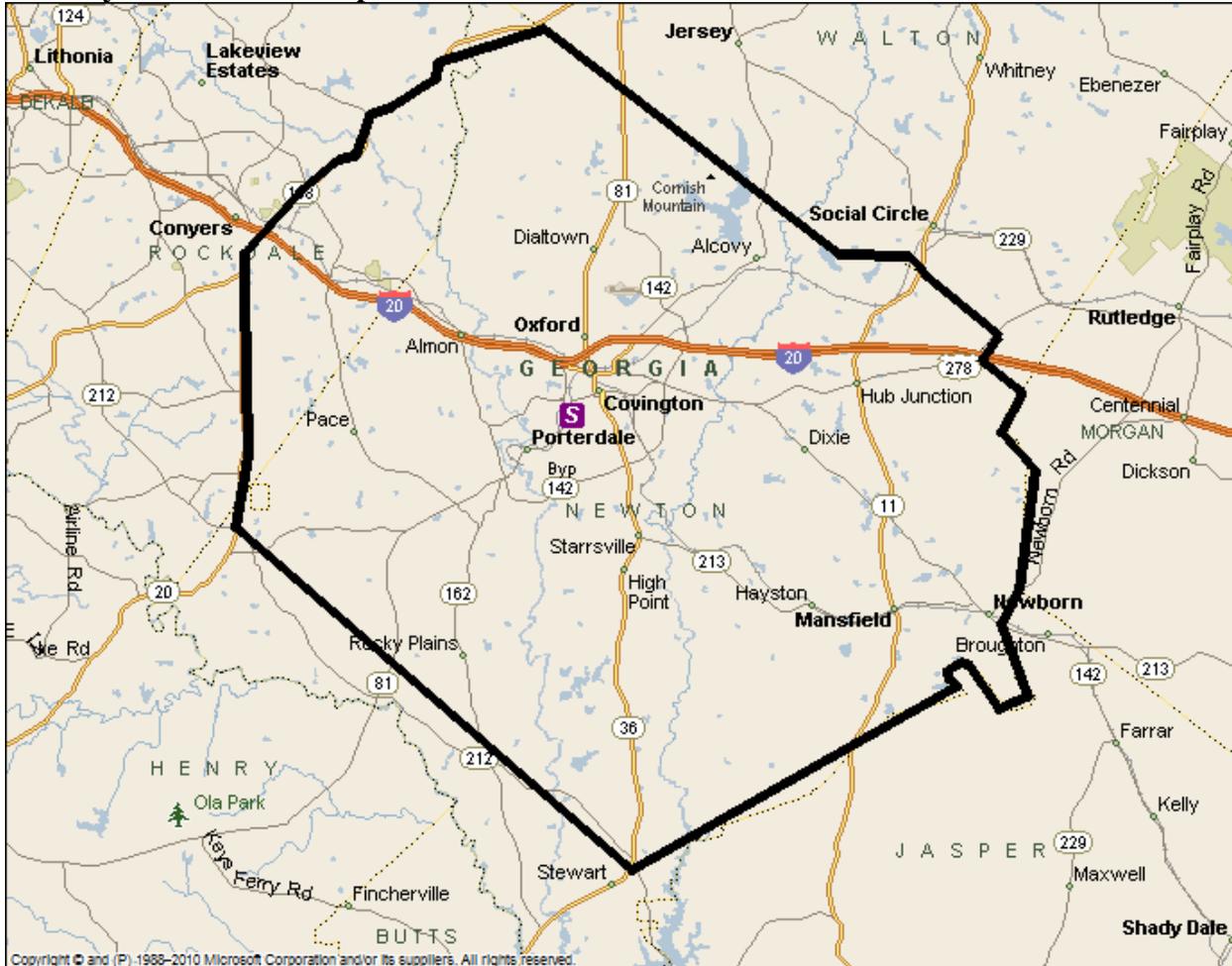
The Subject site is located at the intersection of Walkers Bend Parkway and Avery Street. Walkers Bend Parkway is accessed from Washington Street, a highly trafficked thoroughfare containing a variety of smaller retail and commercial development. The Subject site also has good proximity to downtown Covington, which contains a variety of retail and commercial uses. Overall retail occupancy in the area appeared to be 90 percent. Uses immediately surrounding the site consist of vacant land and newer single family homes in good to excellent condition. The LIHTC property The Village at Walkers Bend was allocated tax credits in 2010 and is currently under construction. Once completed, the single family home development will be in excellent condition. Overall, the Subject site is considered desirable for a senior rental property.

D. MARKET AREA

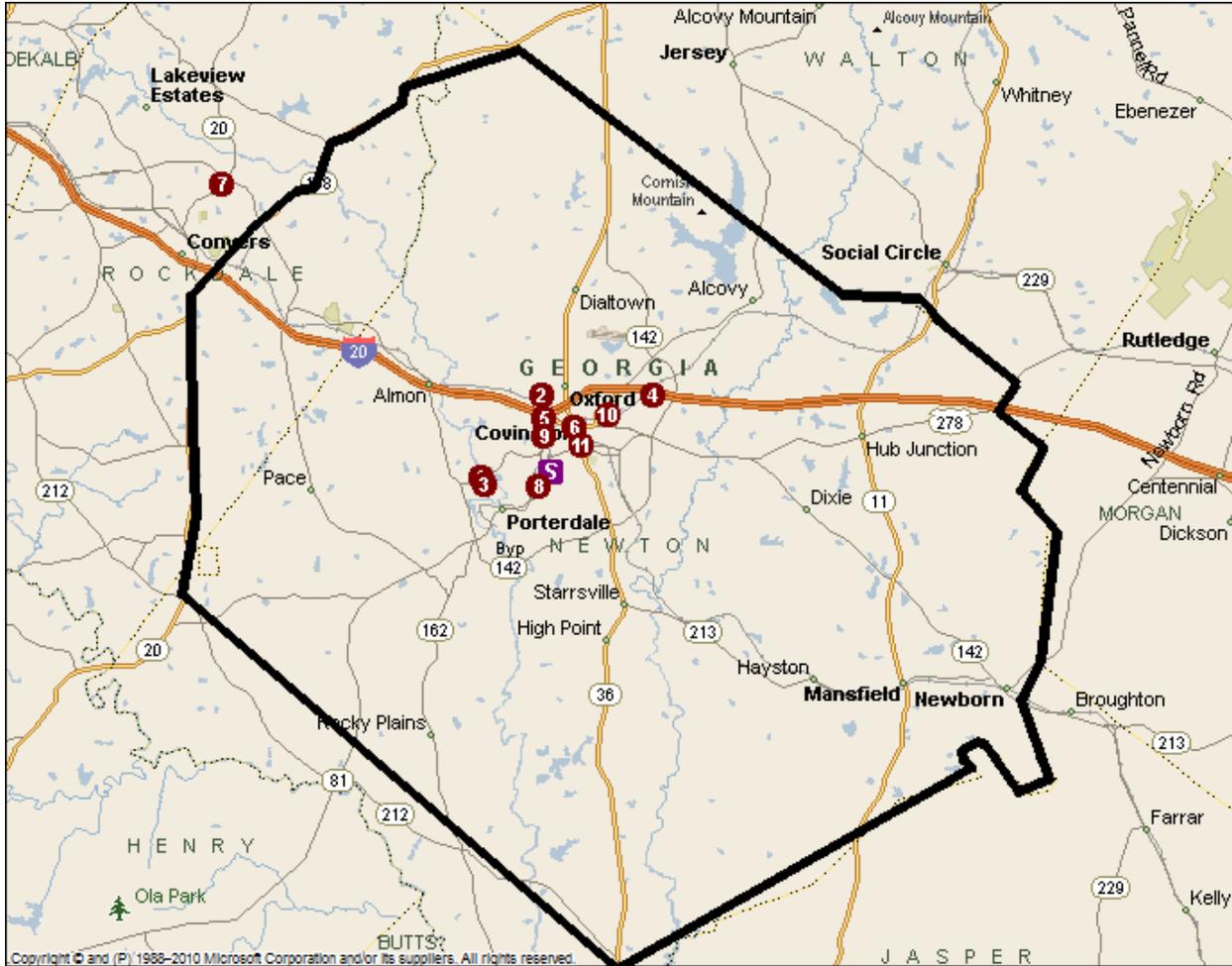
PRIMARY MARKET AREA

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

Primary Market Area Map



Locational Amenities



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

- The boundaries of the PMA are as follows:
- North – Walnut Grove Road and the Newtown/Walton County line
 - South- The Newton/Jasper County line and State Route 212
 - East- The Newton/Morgan County line
 - West- McDonough Highway

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

several of the family LIHTC properties indicated that their senior tenants have moved to the area from other parts of the state in order to be closer to their families. Therefore, 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 Atlanta-Sandy Springs-Marietta, GA MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within the population in MSA, the PMA and nationally from 2000 through 2015.

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	50,279	-	3,069,425	-	248,709,873	-
2000	73,795	4.7%	4,247,981	3.8%	281,421,906	1.3%
2010	118,848	6.0%	5,611,180	3.1%	311,212,863	1.0%
Prj Mrkt Entry June 2014	131,843	2.8%	6,056,917	2.0%	320,610,143	0.8%
2015	135,437	2.8%	6,180,206	2.0%	323,209,391	0.8%

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2012

SENIOR POPULATION, 55+

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA	
	Number	Annual Change	Number	Annual Change
2000	13,528	-	642,888	-
2010	26,103	9.1%	1,087,544	6.7%
Prj Mrkt Entry June 2014	30,964	4.8%	1,270,764	4.3%
2015	32,309	4.8%	1,321,442	4.3%

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2012

POPULATION BY AGE IN 2010

Age Cohort	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	8,934	7.5%	417,914	7.4%	21,296,740	6.8%
5-9	8,657	7.3%	401,365	7.2%	20,832,961	6.7%
10-14	8,516	7.2%	388,707	6.9%	20,369,284	6.5%
15-19	8,540	7.2%	379,557	6.8%	21,883,995	7.0%
20-24	7,199	6.1%	379,685	6.8%	21,459,235	6.9%
25-29	7,650	6.4%	445,783	7.9%	21,517,303	6.9%
30-34	8,070	6.8%	417,120	7.4%	19,852,007	6.4%
35-39	8,923	7.5%	430,250	7.7%	20,531,543	6.6%
40-44	8,974	7.6%	430,608	7.7%	21,232,056	6.8%
45-49	9,072	7.6%	441,258	7.9%	23,163,948	7.4%
50-54	8,210	6.9%	391,389	7.0%	22,315,436	7.2%
55-59	6,952	5.8%	324,138	5.8%	19,742,941	6.3%
60-64	6,025	5.1%	261,583	4.7%	16,544,050	5.3%
65-69	4,341	3.7%	173,893	3.1%	12,081,110	3.9%
70-74	3,107	2.6%	116,523	2.1%	9,033,665	2.9%
75-79	2,393	2.0%	86,177	1.5%	7,339,326	2.4%
80-84	1,759	1.5%	63,573	1.1%	5,947,153	1.9%
85+	1,526	1.3%	61,657	1.1%	6,070,110	2.0%
Total	118,848	100.0%	5,611,180	100.0%	311,212,863	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2012

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

Number of Elderly and Non-Elderly - PMA

Year	Total Population	PMA		Secondary Area (SMA, MSA, City, Village, etc)		
		Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
1990	50,279	45,344	4,935	3,069,425	2,818,072	251,353
2000	73,795	66,733	7,062	4,247,981	3,921,325	326,656
2010	118,848	105,722	13,126	5,611,180	5,109,357	501,823
Prj Mrkt Entry June 2014	131,843	115,782	16,061	6,056,917	5,443,002	613,915
2015	135,437	118,564	16,873	6,180,206	5,535,287	644,919

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2012

Overall population growth in the PMA has been outpacing the PMA and nation for a little over two decades. Senior population growth has seen a steep rise during this same time period. Between 2000 and 2010, senior population growth was rapid at 9.1 percent annually, compared to 6.7 percent in the MSA. By the market entry date of the Subject, senior population growth will have slowed to 4.8 percent in the PMA, but this will be a full two percent higher than the overall population growth number of 2.8 percent. By age cohort in 2010, younger generations still make up the majority. However, the target demographic for the Subject does make up a higher percentage of the population in the PMA than the nation.

2. Household Trends

2a. Total Number of Households, Average Household Size

HOUSEHOLDS

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	17,374	-	1,140,843	-	91,947,410	-
2000	26,227	5.1%	1,554,154	3.6%	105,480,101	1.5%
2010	41,901	5.8%	2,025,678	3.0%	116,761,140	1.0%
Prj Mrkt Entry June 2014	46,510	2.8%	2,185,444	2.0%	120,363,270	0.8%
2015	47,785	2.8%	2,229,635	2.0%	121,359,604	0.8%

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2012

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA	
	Number	Annual Change	Number	Annual Change
2000	8,137	-	387,483	-
2010	12,664	5.4%	576,461	4.8%
Prj Mrkt Entry				
June 2014	15,144	5.0%	696,333	5.3%
2015	15,829	5.0%	729,489	5.3%

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2012

AVERAGE HOUSEHOLD SIZE

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	2.85	-	2.65	-	2.63	-
2000	2.77	-0.3%	2.68	0.1%	2.59	-0.1%
2010	2.80	0.1%	2.72	0.2%	2.59	0.0%
Prj Mrkt Entry						
June 2014	2.80	0.0%	2.73	0.0%	2.59	0.0%
2015	2.80	0.0%	2.73	0.0%	2.60	0.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2012

Household growth in the PMA is almost identical to trends seen in the population. PMA senior households grew by 5.4 percent between 2000 and 2010. Senior households in the MSA grew at 4.3 percent annually during that same time period. These healthy rates will drop only slightly in the PMA by the market entry date of the Subject. Average household size is projected to remain stagnant at 2.8 persons for the foreseeable future.

2b. Households by Tenure

The table below depicts household growth by tenure from 1990 through 2015.

TENURE PATTERNS PMA (AGES 55+)

Year	Owner-Occupied	Percentage Owner-	Renter-Occupied	Percentage Renter-
	Units	Occupied	Units	Occupied
1990	-	-	-	-
2000	6,759	83.06%	1,378	16.94%
2010	10,444	82.40%	2,231	17.60%
Prj Mrkt Entry				
June 2014	12,436	82.12%	2,710	17.88%
2015	12,987	82.04%	2,843	17.96%

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2012

Owner-occupied housing dominates the PMA with 82.4 percent in 2010. However, the 17.6 percent of renter-occupied housing is higher than the national average of just 13 percent. Renter occupied units are expected to rise, but only slightly, into the foreseeable future.

2c. Households by Income

The following table depicts senior household income in 2010, 2014 and 2015 for the PMA.

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

HOUSEHOLD INCOME PMA

Income Cohort	2010		Prj Mrkt Entry June 2014		2015		Annual Change 2010-2015	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,653	6.3%	2,821	6.1%	2,868	6.0%	43	1.6%
\$10,000-19,999	3,151	7.5%	3,267	7.0%	3,299	6.9%	30	0.9%
\$20,000-29,999	4,231	10.1%	4,367	9.4%	4,405	9.2%	35	0.8%
\$30,000-39,999	4,840	11.6%	4,943	10.6%	4,972	10.4%	26	0.5%
\$40,000-49,999	5,208	12.4%	5,467	11.8%	5,539	11.6%	66	1.3%
\$50,000-59,999	4,241	10.1%	4,695	10.1%	4,821	10.1%	116	2.7%
\$60,000-74,999	4,924	11.8%	4,822	10.4%	4,794	10.0%	-26	-0.5%
\$75,000-99,999	6,737	16.1%	7,807	16.8%	8,103	17.0%	273	4.1%
\$100,000+	5,916	14.1%	8,320	17.9%	8,985	18.8%	614	10.4%
Total	41,901	100.0%	46,510	100.0%	47,785	100.0%		

Source: Ribbon Demographics 2007, Novogradac & Company LLP, May 2012

Household incomes in the PMA are skewed slightly towards higher income brackets with only 35.5 percent of households earning under \$39,999. The Subject will target senior households earning between \$17,000 and \$33,000, therefore, the Subject should be well-positioned to service this market.

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

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

Renter Households by Number of Persons - PMA (Ages 55+)

	2000		2010		Prj Mrkt Entry June 2014		2015	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	649	47.1%	1,044	46.8%	1,256	46.3%	1,315	46.2%
With 2 Persons	351	25.4%	562	25.2%	693	25.6%	729	25.6%
With 3 Persons	200	14.5%	367	16.4%	460	17.0%	486	17.1%
With 4 Persons	60	4.4%	91	4.1%	117	4.3%	124	4.4%
With 5+ Persons	118	8.6%	168	7.5%	185	6.8%	190	6.7%
Total Renter Households	1,378	100.0%	2,231	100.0%	2,710	100.0%	2,843	100.0%

Source: Ribbon Demographics 2007, Novogradac & Company LLP, May 2012

Senior renter households in the PMA with two persons or less made up 72 percent of such households in 2010. This percentage is projected to remain stable into the foreseeable future. The Subject will contain one and two bedroom floor plans, so this large percentage bodes well for the Subject.

2e and f. Elderly and HFOP

Per DCA's guidelines, elderly households populations will be based on households who are 62 years and older and HFOP populations will be based on households who are 55 years or older according to the census.

CONCLUSION

Both senior population and households have been growing at rates much higher than their overall counterparts for more than two decades. Between 2000 and 2010, senior population growth was rapid at 9.1 percent annually, compared to 6.7 percent in the MSA. By the market entry date of the Subject, senior population growth will have slowed to 4.8 percent in the PMA, but this will be a full two percent higher than the overall population growth number of 2.8 percent. At a 5.8 percent annual growth between 2000 and 2010, PMA senior household growth outshines the MSA at three percent, and the nation at one percent.

Owner-occupied housing dominates the PMA with 82.4 percent in 2010. However, the 17.6 percent of renter-occupied housing is higher than the national average of just 13 percent. Renter-occupied units are expected to rise, but only slightly, into the foreseeable future.

Household incomes in the PMA are skewed slightly towards higher income brackets with only 35.5 percent of households earning under \$39,999. The Subject will target senior households earning between \$17,000 and \$33,000, therefore, the Subject should be well-positioned to service this market.

Senior renter households in the PMA with two persons or less made up 72 percent of such households in 2010. This percentage is projected to remain stable into the foreseeable future. The Subject will contain one and two bedroom floor plans, so this large percentage bodes well for the Subject.

Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target.

F. EMPLOYMENT TRENDS

Employment Trends

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

Covington and Newton County in general were particularly hard hit by the housing market crash of 2007 and 2008. Before those years, Newton County had been the 4th fastest growing county in the nation. The extreme drop in new home building subsequently led to loss of construction jobs, cutbacks by builders, and cutbacks by their suppliers. Manufacturing employment in the county also felt the effects of the downturn in demand for their products.

Recent events, however, indicate the beginnings of a recovery in progress for the area. Baxter Pharmaceutical recently announced plans to build a new \$1 billion dollar plasma manufacturing plant in Covington. The plant will bring 1,500 new full-time jobs to the area and an additional 500 more in support roles around the US. Construction on the plant will begin later this year, with production at the plant beginning in 2018. For an area hit harder than average during the economic downturn, this announcement is the first major sign of a recovery. Other new businesses to the area include Vestar, a special metals manufacturer for technology companies, come to the area in November 2011 with 140 new positions. Nisshinbo Automotive added over 60 new employees in 2011, and SKC expanded by over 100 employees in 2011.

These new hires, expansions, and contractions all point to an uptick in economic prosperity for the PMA.

1. Total Jobs

The following table illustrates the total jobs (also known as “covered employment”) in Newton County.

COVERED EMPLOYMENT

Newton County		
Year	Total Employment	% Change
2001	17,584	
2002	17,656	0.41%
2003	18,585	5.00%
2004	18,891	1.62%
2005	20,311	6.99%
2006	21,150	3.97%
2007	21,114	-0.17%
2008	21,441	1.53%
2009	19,964	-7.40%
2010	19,691	-1.39%
2011 YTD Average*	19,860	0.85%
Sep-10	19,675	-
Sep-11	19,931	1.28%

Source: U.S. Bureau of Labor Statistics

*YTD as of Sept 11

As illustrated in the table above, Newton County experienced the brunt of a tough economy over the past few years. Newer data for 2012 covered employment has not been made available, therefore, this is the latest data we have. The county began feeling the effects of the downturn in 2007 with its first employment drop of the decade. 2008 saw a slight uptick, but 2009 saw covered employment drop by 7.4 percent. This rate of loss slowed greatly to just 1.39 percent in 2010, but 2011 brought a positive trend with a year-to-date average of 0.85 percent.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the County as of third quarter 2011.

SEPT 2011 EMPLOYMENT JOBS BY INDUSTRY

Newton County		
Industry	Number Employed	Percent Employed
Manufacturing	4,491	28.69%
Trade, Transportation, and Utilities	3,531	22.56%
Education and Health Services	2,216	14.16%
Leisure and Hospitality	1,973	12.60%
Professional and Business Services	1,274	8.14%
Construction	978	6.25%
Financial Activities	453	2.89%
Other Services	348	2.22%
Information	237	1.51%
Unclassified	94	0.60%
Natural Resources and Mining	59	0.38%
Public Administration*	-	0.00%
Total Employment	15,654	100.00%

*Monthly data is not available

Source: U.S. Bureau of Labor Statistics 2011. Covered Employment

Manufacturing and trade-transportation & utilities make up 51 percent of total employment in Newton County. These industries are particularly vulnerable in economic downturns with less demand for their products and services. Education and health services, historically stable employers, make up the next highest industry with 14.16 percent. Also, the leisure and hospitality industries make up a large percentage of employment to service the population as well.

2010 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	5,589	12.3%	13,047,475	9.6%
Construction	5,140	11.3%	8,872,843	6.5%
Retail Trade	4,767	10.5%	15,464,986	11.4%
Educational Services	4,721	10.4%	14,168,096	10.4%
Health Care/Social Assistance	4,492	9.9%	18,891,157	13.9%
Public Administration	2,856	6.3%	6,916,821	5.1%
Accommodation/Food Services	2,553	5.6%	9,114,767	6.7%
Other Services (excl Publ Adm)	2,228	4.9%	6,679,783	4.9%
Transportation/Warehousing	2,115	4.6%	5,487,029	4.0%
Prof/Scientific/Tech Services	1,914	4.2%	8,520,310	6.3%
Finance/Insurance	1,832	4.0%	6,883,526	5.1%
Admin/Support/Waste Mgmt Svcs	1,830	4.0%	5,114,479	3.8%
Wholesale Trade	1,509	3.3%	4,407,788	3.2%
Information	1,461	3.2%	3,158,778	2.3%
Real Estate/Rental/Leasing	1,009	2.2%	2,825,263	2.1%
Arts/Entertainment/Recreation	668	1.5%	2,628,374	1.9%
Utilities	435	1.0%	1,115,793	0.8%
Agric/Forestry/Fishing/Hunting	247	0.5%	1,790,318	1.3%
Mining	107	0.2%	723,991	0.5%
Mgmt of Companies/Enterprises	69	0.2%	202,384	0.1%
Total Employment	45,542	100.0%	136,013,961	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2012

Manufacturing, construction, and the retail trade made up 34.1 percent of employment by industry in 2010, according to our demographics taken from the 2010 US Census. All three of these industries are historically highly volatile in an economic downturn. The manufacturers will cutback in hiring due to lack of demand for their goods throughout these years. Newton County was extremely hard hit by the crash of the housing market in 2007 and 2008. The main reason for this hit being extreme overbuilding during the height of the market. Construction employment surely dropped off due to builders seeing no demand for their services.

3. Major Employers

Major Employers - Covington (Private Sector Only)

Employer	Industry	Employees
Bard Urological Division	Health Manufacturing	565
Pactiv Corporation	Manufacturing	492
General Mills, Inc.	Food Manufacturing	363
SRG Global	Manufacturing	320
Clairon Metals Corp.	Manufacturing	270
Fibervisions	Manufacturing	250
Specialty Yarn and Converting	Manufacturing	250
SKC, Inc.	Manufacturing	250
Nisshinbo Automotive Manufacturing	Manufacturing	228
Beaver Manufacturing	Manufacturing	185
International Storage	Manufacturing	175
Metadigm	Technology	165
Bridgestone Sports	Manufacturing	162
OldCastle Glass	Manufacturing	144
SGD Glass	Manufacturing	140
Tread Technologies	Manufacturing	125
Smurfit Stone Containers	Manufacturing	102

Source: Covington-Newton County Chamber of Commerce

The table above illustrates the top 17 employers by number of employees in Covington, Georgia. Public employees such as school system staff and local government workers surely number in the thousands, but accurate data for these groups could not be found. As can be seen, the list is heavily weighted with manufacturers. Manufacturers are traditionally very volatile in economic downturns, so many of the companies above experienced slow demand for their goods. However, companies like Baxter Pharmaceuticals, Nisshinbo Automotive, and SKC Incorporated among others have begun expanding in the last couple of years, indicating the beginnings of an economic recovery for Covington.

Expansions/Contractions

We spoke with Mrs. Shannon Davis, Director of Business Retention and Expansion at the Covington-Newton County Chamber of Commerce regarding the general economic outlook for the area. One major announcement Mr. Davis focused on was the Baxter Pharmaceutical plant. Baxter Pharmaceutical recently announced plans to build a new \$1 billion dollar plasma manufacturing plant in Covington. The plant will bring 1,500 new full-time jobs to the area and an additional 500 more in support roles around the US. Construction on the plant will begin later this year, with production at the plant beginning in 2018. For an area hit harder than average

during the economic downturn, this announcement is the first major sign of a recovery. Other new businesses to the area include Vestar, a special metals manufacturer for technology companies, come to the area in November 2011 with 140 new positions.

Mrs. Davis could note of only two expansions worth noting. Nisshinbo Automotive added over 60 new employees in 2011, and SKC expanded by over 100 employees in 2011. Mrs. Davis believed that Bridgestone Golf, Fibervision, and Beaver Manufacturing added jobs in the past year, but did not know specifics. She believed their hiring was relatively small.

As far as contractions, Mrs. Davis could only think of one. Berry Plastics began downsizing from 150 employees in 2009. Between 2009 and 2011, Berry reduced their workforce to just 40 employees. Unfortunately, Berry decided to close its plant in Covington in 2011 as well.

WARN Notices

The following table illustrates the WARN Filings for the Northeast Central Georgia between 2010 and year-to-date 2012, which the PMA is in.

Northeast Central Georgia Warn Filings 2009-2012

Company	City	County	#	Date
Northrop Grumman	Ft. Gordon	Richmond	10	2/17/2012
Seydel Wooley Co	Pendergrass	Jackson	6	2/3/2012
Berry Plastics	Covington	Newton	61	11/4/2011
IAP World Services	Ft. Gordon	Richmond	113	10/5/2011
Boral Bricks	Augusta	Richmond	69	9/20/2011
Thermo King	Louisville	Jefferson	276	7/13/2011
Mitsubishi Electronics Co	Braselton	Clarke	35	4/14/2011
Teleperformance	Augusta	Richmond	248	2/25/2011
Clark Western	Pendergrass	Jackson	62	2/23/2011
Haband	Athens	Clarke	475	2/22/2011
Berry Plastics	Covington	Newton	77	2/14/2011
Greatwide	Auburn	Barow	102	2/2/2011
Overhead Door	Athens	Clarke	111	8/19/2010
FPL Food	Augusta	Richmond	185	7/12/2010
Electrolux N. America	Augusta	Richmond	47	5/7/2010
Power Partners	Athens	Clarke	65	1/13/2010

Source: Georgia Dept. of Labor, May 2012

As stated in the Expansion/Contractions section above, the only two WARN filings for Newton County were both for Berry Plastics. Berry Plastics first laid 77 employees in 2010, then closed the plant in 2011; eliminating another 61 jobs from the area.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Atlanta MSA and the nation from 2001 to 2012 (through March).

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

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Atlanta-Sandy Springs-Marietta, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2001	2,335,175	-	3.6%	-	136,933,000	-	4.7%	-
2002	2,330,487	-0.2%	4.9%	1.3%	136,485,000	-0.3%	5.8%	1.1%
2003	2,334,092	0.2%	4.8%	-0.1%	137,736,000	0.9%	6.0%	0.2%
2004	2,379,513	1.9%	4.7%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	2,456,221	3.2%	5.3%	0.6%	141,730,000	1.8%	5.1%	-0.4%
2006	2,535,341	3.2%	4.7%	-0.6%	144,427,000	1.9%	4.6%	-0.5%
2007	2,604,115	2.7%	4.6%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	2,582,627	-0.8%	6.2%	1.6%	145,362,000	-0.5%	5.8%	1.2%
2009	2,424,779	-6.1%	9.8%	3.6%	139,877,000	-3.8%	9.3%	3.5%
2010	2,388,182	-1.5%	10.2%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	2,427,996	1.7%	9.6%	-0.6%	139,869,000	0.6%	8.9%	-0.7%
2012 YTD Average*	2,466,865	1.6%	10.2%	0.6%	140,680,000	0.6%	8.6%	-0.3%
Mar-2011	2,421,944	-	9.6%	-	138,962,000	-	9.2%	-
Mar-2012	2,476,488	2.3%	8.7%	-0.9%	141,412,000	1.8%	8.4%	-0.8%

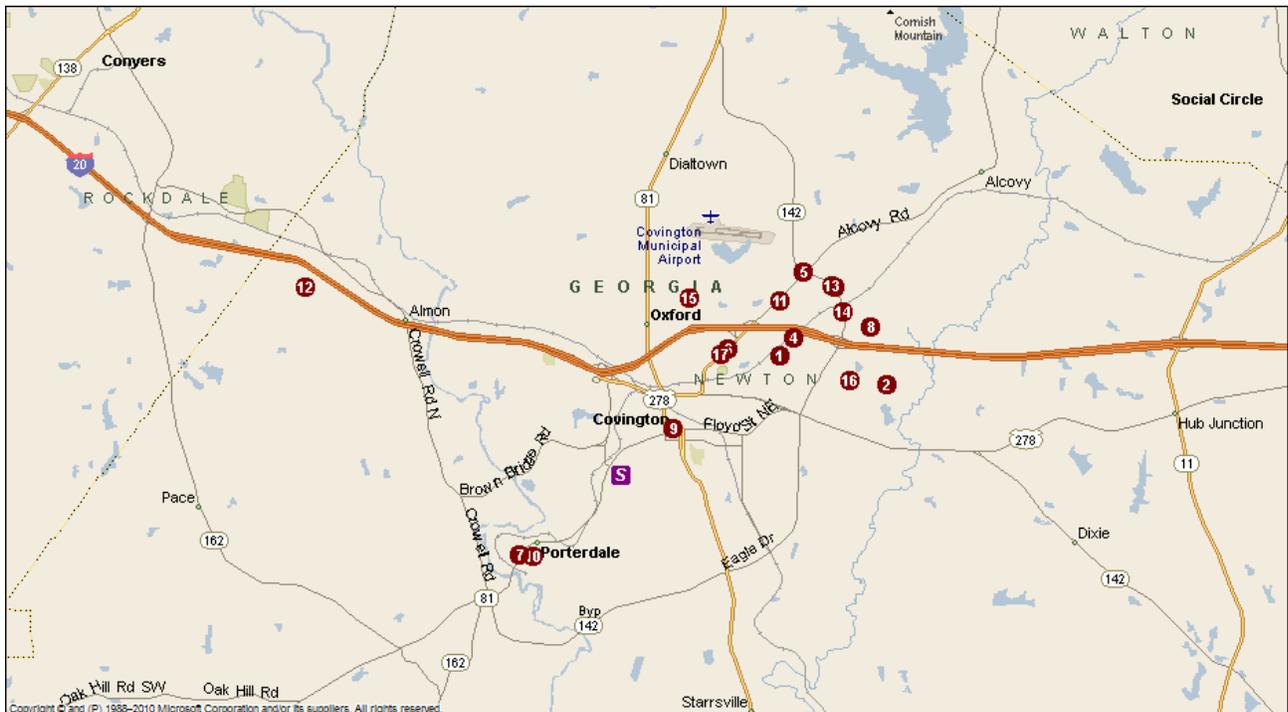
Source: U.S. Bureau of Labor Statistics April 2012

*2012 data is through Mar

Like most of the nation, the Atlanta MSA experienced difficult employment conditions during the economic downturn. Between 2007 and 2010, the MSA lost about nine percent in total employment. Unemployment for this time period peaked at 10.2 percent points in the MSA in 2010, slightly higher than the national average of 9.6 percent points. However, total employment has experienced a positive trend during the past two years. 2011 saw total employment in the MSA rise by 1.7 percent. Year-over-year data for March 2011 and March 2012 indicates an even more positive number at 2.3 percent. As of March 2012, Atlanta is still averaging an unemployment rate of 8.7 percent, slightly higher than the national average of 8.4 percent.

5. Map of Site and Major Employment Concentrations

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



Major Employers - Covington (Private Sector Only)

Map #	Employer	Distance
1	Bard Urological Division	3.7
2	Pactiv Corporation	5.6
3	General Mills, Inc.	5.3
4	SRG Global	4.0
5	Clairon Metals Corp.	4.2
6	Fibervisions	2.8
7	Specialty Yarn and Converting	1.9
8	SKC, Inc.	5.1
9	Nisshinbo Automotive Manufacturing	1.3
10	Beaver Manufacturing	2.0
11	International Storage	3.7
12	Metadigm	6.0
13	Bridgestone Sports	4.6
14	OldCastle Glass	4.9
15	SGD Glass	5.0
16	Tread Technologies	4.3
17	Smurfit Stone Containers	2.7

Source: Covington-Newton County Chamber of Commerce

Conclusion

Covington and Newton County in general were particularly hard hit by the housing market crash of 2007 and 2008. Before those years, Newton County had been the 4th fastest growing county in the nation. The extreme drop in new home building subsequently led to loss of construction jobs, cutbacks by builders, and cutbacks by their suppliers. Manufacturing employment in the county also felt the effects of the downturn in demand for their products.

Manufacturing, construction, and the retail trade made up 34.1 percent of employment by industry in 2010, according to our demographics. All three of these industries are historically highly volatile in an economic downturn. The manufacturers will cutback in hiring due to lack of demand for their goods throughout these years. Newton County was extremely hard hit by the crash of the housing market in 2007 and 2008. The main reason for this hit being extreme overbuilding during the height of the market. Construction employment surely dropped off due to builders seeing no demand for their services.

Recent events, however, indicate the beginnings of a recovery in progress for the area. Baxter Pharmaceutical recently announced plans to build a new \$1 billion dollar plasma manufacturing plant in Covington. The plant will bring 1,500 new full-time jobs to the area and an additional 500 more in support roles around the US. Construction on the plant will begin later this year, with production at the plant beginning in 2018. For an area hit harder than average during the economic downturn, this announcement is the first major sign of a recovery. Other new businesses to the area include Vestar, a special metals manufacturer for technology companies, come to the area in November 2011 with 140 new positions. Nisshinbo Automotive added over 60 new employees in 2011, and SKC expanded by over 100 employees in 2011. These new hires, expansions, and contractions all point to an uptick in economic prosperity for the PMA.

PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. INCOME RESTRICTIONS

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

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

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

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

2. AFFORDABILITY

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

3. DEMAND

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

3A. DEMAND FROM NEW HOUSEHOLDS

The number of new households entering the market is the first level of demand calculated. We have utilized 2014, the anticipated date of market entry, as the base year for the analysis. Therefore, 2012 household population estimates are inflated to 2014 by interpolation of the difference between 2012 estimates and 2014 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 2014. This number takes the overall growth from 2000 to 2014 and applies it

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

3B. DEMAND FROM EXISTING HOUSEHOLDS

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

The second source (2b.) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (2c.) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that we have lowered the demand from seniors who convert to homeownership to be at or below 20 percent.

Management at the newest LIHTC property, Harristown Park, indicated that approximately 10 percent of their current tenants sold homes in order to live at the property. Management noted that it has become increasingly harder for seniors to sell their homes in the last few years due to the decline in the housing market. Additionally, data from RealtyTrac.com indicates that Covington experienced a high foreclosure rate of one in every 125 homes in April 2012. This high foreclosure rate could also impact seniors' ability to sell their homes. Therefore, we have lowered the number of seniors converting from homeownership to 10 percent.

3C. SECONDARY MARKET AREA

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. Property managers at the family LIHTC comparables indicated that most of the seniors at their properties have moved from other parts of the state in order to be closer to their family. Additionally, management at the senior LIHTC comparable Harristown Park reported that due to the lack of available senior housing options, seniors are willing to move to Covington from surrounding counties. Therefore, we have estimated 15 percent leakage from outside the PMA.

3D. OTHER

DCA does not consider household turnover to be a source of market demand.

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed from 2000 to the present.

ADDITIONS TO SUPPLY

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we deduct additions to supply allocated since 2010 to present and those that will be constructed through 2014 that are considered directly competitive.

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

ADDITIONS TO SUPPLY SINCE 2010

Property Name	Type	Year Built/ Proposed	Competitive with Subject	Number of Units
Harristown Park	LIHTC	2011	Yes	60

PMA OCCUPANCY

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

PMA OCCUPANCY

Name	Occupancy Rate*	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from the Subject
Covington Square	100%	Section 8	Senior	Excluded	All units are subsidized	1.3 miles
Wellington Ridge	92%	LIHTC	Family	Included	N/Ap	3.8 miles
Magnolia Heights	93%	LIHTC	Family	Included	N/Ap	3.2 miles
Arbor Lake Apts	93%	LIHTC	Family	Included	N/Ap	3.7 miles
Salem Glen I, II, III	N/Av	Market	Family	Excluded	More comparable properties available	10.5 miles
Orchard Cove	N/Av	LIHTC	Family	Excluded	N/Ap	10.3 miles
Harristown Park	100%	LIHTC	Senior	Included	N/Ap	1.2 miles
Leafstone Apartments	86%	Market	Family	Included	N/Ap	1.6 miles
Sumerset Apartments	93%	Market	Family	Included	N/Ap	3.9 miles
Fieldcrest Walk	85%	Market	Family	Excluded	More comparable properties available	2.6 miles
Heritage Park	96%	Market	Family	Excluded	More comparable properties available	3.5 miles
Average	93%					

*occupancy in the past 12 months.

NET SUPPLY

The following Competitive Analysis chart may be used to determine the Net Supply number of each bedroom and income category when considering the deduction of properties in the net supply in cases where, for instance, the property is on the edge of the PMA, is a market rate property, or otherwise only partially fulfills the need for units that will be filled by the proposed subject. All properties determined to be competitive with the proposed development will be included in the Competitive Analysis and assigned a Comparability Factor to be used in determining Net Supply in the PMA.

The total Comparability Factor will be applied to each bedroom type for all income segments to determine the number of units to be allocated to the existing property. Total market supply will be comprised of the weighted units supply from the comparable existing properties and all units new to the market area since 2010. Because the Subject will target senior tenants, only those developments targeting seniors will directly compete. Therefore, we have only deducted senior units from our demand analysis.

With regards to affordability, we believe the following percent differentials are warranted.

Rent Differential	Adjustment Applied
0-5%	1.00
6-10%	0.75
11-15%	0.50
16-20%	0.25
20%+	0.00

Competitive Property Analysis			
Harristown Park - Comparable 3		Percent	Comments
1	Location	1.00	Superior location
2	Affordability	1.00	More affordable
3	Property Type	1.00	Similar amenities
4	Quality	1.00	Similar condition
Comparability Factor		1.000	

Competitive Property Analysis			
Property Name	Total Number of Units*	Comparability Factor	Units to be Deducted from Demand
Harristown Park	60	1.000	60

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area built since 2010.

Additions To Supply (Cumulative)/Existing Units	50%	60%	Overall
One Bedroom	2	7	9
Two Bedroom	10	41	51
Total	12	48	60

Rehab Developments and PBRA

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

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

Capture Rates

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

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

Renter Household Income Distribution 2000 to Projected Market Entry June 2014								
Village at Walkers Bend								
PMA								
	2000		2010		Prj Mrkt Entry June 2014		Percent	
	#	%	#	%	#	%	Growth	
\$0-9,999	436	31.6%	633	28.4%	712	26.3%	11.0%	
\$10,000-19,999	356	25.8%	529	23.7%	602	22.2%	12.2%	
\$20,000-29,999	148	10.7%	229	10.3%	272	10.0%	15.9%	
\$30,000-39,999	135	9.8%	212	9.5%	261	9.6%	18.8%	
\$40,000-49,999	68	5.0%	116	5.2%	166	6.1%	30.1%	
\$50,000-59,999	58	4.2%	151	6.7%	185	6.8%	18.4%	
\$60,000-74,999	62	4.5%	101	4.5%	117	4.3%	13.4%	
\$75,000-99,999	54	3.9%	139	6.2%	191	7.0%	27.3%	
\$100,000+	61	4.4%	122	5.5%	205	7.6%	40.5%	
Total	1,378	100.0%	2,231	100.0%	2,710	100.0%	17.7%	

Renter Household Income Distribution Projected Market Entry June 2014			
Village at Walkers Bend			
PMA			
	Prj Mrkt Entry June 2014		Change 2000 to Prj Mrkt Entry June 2014
	#	%	#
\$0-9,999	712	26.3%	350
\$10,000-19,999	602	22.2%	296
\$20,000-29,999	272	10.0%	134
\$30,000-39,999	261	9.6%	128
\$40,000-49,999	166	6.1%	82
\$50,000-59,999	185	6.8%	91
\$60,000-74,999	117	4.3%	58
\$75,000-99,999	191	7.0%	94
\$100,000+	205	7.6%	101
Total	2,710	100.0%	1,332

Tenure Prj Mrkt Entry June 2014	
Renter	17.9%
Owner	82.1%
Total	100.0%

Renter Household Size for Prj Mrkt Entry June 2014		
Size	Number	Percentage
1	1,256	46.3%
2	693	25.6%
3	460	17.0%
4	117	4.3%
5+	185	6.8%
Total	2,710	100.0%

Renter Household Size for 2000 55+		
Size	Number	Percentage
1	649	47.1%
2	351	25.4%
3	200	14.5%
4	60	4.4%
5+	118	8.6%
Total	1,378	100.0%

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

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$17,310		
Maximum Income Limit			\$27,350 2 Persons		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mrkt Entry June 2014		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Count	Percentage			
\$0-9,999	350	26.3%		0.0%	0
\$10,000-19,999	296	22.2%	2,689	26.9%	80
\$20,000-29,999	134	10.0%	7,350	73.5%	98
\$30,000-39,999	128	9.6%		0.0%	0
\$40,000-49,999	82	6.1%		0.0%	0
\$50,000-59,999	91	6.8%		0.0%	0
\$60,000-74,999	58	4.3%		0.0%	0
\$75,000-99,999	94	7.0%		0.0%	0
\$100,000+	101	7.6%		0.0%	0
	1,332	100.0%			178
Percent of renter households within limits versus total number of renter households					13.35%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$17,310		
Maximum Income Limit			\$27,350 2 Persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2014		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
\$0-9,999	712	26.3%	0	0.0%	0
\$10,000-19,999	602	22.2%	2,689	26.9%	162
\$20,000-29,999	272	10.0%	7,350	73.5%	200
\$30,000-39,999	261	9.6%	0	0.0%	0
\$40,000-49,999	166	6.1%	0	0.0%	0
\$50,000-59,999	185	6.8%	0	0.0%	0
\$60,000-74,999	117	4.3%	0	0.0%	0
\$75,000-99,999	191	7.0%	0	0.0%	0
\$100,000+	205	7.6%	0	0.0%	0
	2,710	100.0%			362
Percent of renter households within limits versus total number of renter households					13.35%

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 June 2014 Median Income

Change from 2000 to Prj Mrkt Entry June 2014

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$46,750		
\$66,782		
\$20,032		
42.8%		
7.1%		
7.1%	Two year adjustment	1.0000
\$27,350		
\$27,350		
2 Persons		
50%		
\$577		
\$577.00		

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

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2000 to Prj Mrkt Entry June 2014

Income Target Population		50%
New Renter Households PMA		1,332
Percent Income Qualified		13.4%
New Renter Income Qualified Households		178

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

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		2,710
Income Qualified		13.4%
Income Qualified Renter Households		362
Percent Rent Overburdened Prj Mrkt Entry June 2014		31.3%
Rent Overburdened Households		113

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		362
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		3

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		12436
Rural Versus Urban	0.3%	
Senior Demand Converting from Homeownership		36

Total Demand

Total Demand from Existing Households		152
Adjustment Factor - Leakage from SMA	115%	23
Adjusted Demand from Existing Households		175
Total New Demand		178
Total Demand (New Plus Existing Households)		353

Demand from Seniors Who Convert from Homeownership		36
Percent of Total Demand From Homeownership Conversion		10.2%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	46.3%	164
Two Persons	25.6%	90
Three Persons	17.0%	60
Four Persons	4.3%	15
Five Persons	6.8%	24
Total	100.0%	353

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

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	131
Of two-person households in 1BR units	10%	9
Of one-person households in 2BR units	20%	33
Of two-person households in 2BR units	90%	81
Of three-person households in 2BR units	60%	36
Of three-person households in 3BR units	40%	24
Of four-person households in 3BR units	80%	12
Of five-person households in 3BR units	70%	17
Of four-person households in 4BR units	20%	3
Of five-person households in 4BR units	30%	7
Total Demand		353
Check		OK

Total Demand by Bedroom	50%
1 BR	140
2 BR	150
Total Demand	290

Additions To Supply 2000 to Prj Mrkt Entry June 2014	50%
1 BR	2
2 BR	7
Total	9

Net Demand	50%
1 BR	138
2 BR	143
Total	281

Developer's Unit Mix	50%
1 BR	5
2 BR	10
Total	15

Capture Rate Analysis	50%
1 BR	3.6%
2 BR	7.0%
Total	5.3%

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

60%AMI

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

Percent of AMI Level		60%			
Minimum Income Limit		\$17,310			
Maximum Income Limit		\$32,820 2 Person			
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mrkt Entry June 2014		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Households	Percent			
\$0-9,999	350	26.3%		0.0%	0
\$10,000-19,999	296	22.2%	2,689	26.9%	80
\$20,000-29,999	134	10.0%	9,999	100.0%	134
\$30,000-39,999	128	9.6%	2,820	28.2%	36
\$40,000-49,999	82	6.1%		0.0%	0
\$50,000-59,999	91	6.8%		0.0%	0
\$60,000-74,999	58	4.3%		0.0%	0
\$75,000-99,999	94	7.0%		0.0%	0
\$100,000+	101	7.6%		0.0%	0
	1,332	100.0%			249
Percent of renter households within limits versus total number of renter households					18.72%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$17,310			
Maximum Income Limit		\$32,820 2 Person			
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2014		Income Brackets	Percent within Cohort	Households within Bracket
	Households	Percent			
\$0-9,999	712	26.3%	0	0.0%	0
\$10,000-19,999	602	22.2%	2,689	26.9%	162
\$20,000-29,999	272	10.0%	9,999	100.0%	272
\$30,000-39,999	261	9.6%	2,820	28.2%	73
\$40,000-49,999	166	6.1%	0	0.0%	0
\$50,000-59,999	185	6.8%	0	0.0%	0
\$60,000-74,999	117	4.3%	0	0.0%	0
\$75,000-99,999	191	7.0%	0	0.0%	0
\$100,000+	205	7.6%	0	0.0%	0
	2,710	100.0%			507
Percent of renter households within limits versus total number of renter households					18.72%

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 June 2014 Median Income

Change from 2000 to Prj Mrkt Entry June 2014

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$46,750		
\$66,782		
\$20,032		
42.8%		
7.1%		
7.1%	Two year adjustment	1.0000
\$32,820		
\$32,820		
2 Person		
60%		
\$577		
\$577.00		

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

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2000 to Prj Mrkt Entry June 2014

Income Target Population		60%
New Renter Households PMA		1,332
Percent Income Qualified		18.7%
New Renter Income Qualified Households		249

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

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		2,710
Income Qualified		18.7%
Income Qualified Renter Households		507
Percent Rent Overburdened Prj Mrkt Entry June 2014		31.3%
Rent Overburdened Households		159

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		507
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		4

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		12436
Rural Versus Urban	0.4%	
Senior Demand Converting from Homeownership		51

Total Demand

Total Demand from Existing Households		213
Adjustment Factor - Leakage from SMA	115%	32
Adjusted Demand from Existing Households		245
Total New Demand		249
Total Demand (New Plus Existing Households)		495

Demand from Seniors Who Convert from Homeownership		51
Percent of Total Demand From Homeownership Conversion		10.3%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	46.3%	229
Two Persons	25.6%	127
Three Persons	17.0%	84
Four Persons	4.3%	21
Five Persons	6.8%	34
Total	100.0%	495

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

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	183
Of two-person households in 1BR units	10%	13
Of one-person households in 2BR units	20%	46
Of two-person households in 2BR units	90%	114
Of three-person households in 2BR units	60%	50
Of three-person households in 3BR units	40%	34
Of four-person households in 3BR units	80%	17
Of five-person households in 3BR units	70%	24
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	30%	10
Total Demand		495
Check		OK

Total Demand by Bedroom	60%
1 BR	196
2 BR	210
Total Demand	406

Additions To Supply 2000 to Prj Mrkt Entry June 2014	60%
1 BR	10
2 BR	41
Total	51

Net Demand	60%
1 BR	186
2 BR	169
Total	355

Developer's Unit Mix	60%
1 BR	15
2 BR	30
Total	45

Capture Rate Analysis	60%
1 BR	8.1%
2 BR	17.7%
Total	12.7%

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

Overall

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$17,310			
Maximum Income Limit			\$32,820 2 Persons			
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mrkt Entry June 2014		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	Households	%				
\$0-9,999	350	26.3%		0.0%	0	
\$10,000-19,999	296	22.2%	2,689	26.9%	80	
\$20,000-29,999	134	10.0%	9,999	100.0%	134	
\$30,000-39,999	128	9.6%	2,820	28.2%	36	
\$40,000-49,999	82	6.1%		0.0%	0	
\$50,000-59,999	91	6.8%		0.0%	0	
\$60,000-74,999	58	4.3%		0.0%	0	
\$75,000-99,999	94	7.0%		0.0%	0	
\$100,000+	101	7.6%		0.0%	0	
	1,332	100.0%			249	
Percent of renter households within limits versus total number of renter households						18.72%

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$17,310			
Maximum Income Limit			\$32,820 2 Persons			
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2014		Income Brackets	Percent within Cohort	Households within Bracket	
	Households	%				
\$0-9,999	712	26.3%	0	0.0%	0	
\$10,000-19,999	602	22.2%	2,689	26.9%	162	
\$20,000-29,999	272	10.0%	9,999	100.0%	272	
\$30,000-39,999	261	9.6%	2,820	28.2%	73	
\$40,000-49,999	166	6.1%	0	0.0%	0	
\$50,000-59,999	185	6.8%	0	0.0%	0	
\$60,000-74,999	117	4.3%	0	0.0%	0	
\$75,000-99,999	191	7.0%	0	0.0%	0	
\$100,000+	205	7.6%	0	0.0%	0	
	2,710	100.0%			507	
Percent of renter households within limits versus total number of renter households						18.72%

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 June 2014 Median Income

Change from 2000 to Prj Mrkt Entry June 2014

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$46,750		
\$66,782		
\$20,032		
42.8%		
7.1%		
7.1%	Two year adjustment	1.0000
\$32,820		
\$32,820		
2 Persons		
Overall		
\$577		
\$577.00		

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

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2000 to Prj Mrkt Entry June 2014

	Overall
Income Target Population	
New Renter Households PMA	1,332
Percent Income Qualified	18.7%
New Renter Income Qualified Households	249

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

Demand from Existing Households 2000

Demand from Rent Overburdened Households

	Overall
Income Target Population	
Total Existing Demand	2,710
Income Qualified	18.7%
Income Qualified Renter Households	507
Percent Rent Overburdened Prj Mrkt Entry June 2014	31.3%
Rent Overburdened Households	159

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	507
Percent Living in Substandard Housing	0.7%
Households Living in Substandard Housing	4

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

Senior Households Converting from Homeownership

	Overall
Income Target Population	
Total Senior Homeowners	12436
Rural Versus Urban	0.4%
Senior Demand Converting from Homeownership	51

Total Demand

Total Demand from Existing Households		213
Adjustment Factor - Leakage from SMA	115%	32
Adjusted Demand from Existing Households		245
Total New Demand		249
Total Demand (New Plus Existing Households)		495

Demand from Seniors Who Convert from Homeownership	51
Percent of Total Demand From Homeownership Conversion	10.3%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	46.3%	229
Two Persons	25.6%	127
Three Persons	17.0%	84
Four Persons	4.3%	21
Five Persons	6.8%	34
Total	100.0%	495

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

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	183
Of two-person households in 1BR units	10%	13
Of one-person households in 2BR units	20%	46
Of two-person households in 2BR units	90%	114
Of three-person households in 2BR units	60%	50
Of three-person households in 3BR units	40%	34
Of four-person households in 3BR units	80%	17
Of five-person households in 3BR units	70%	24
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	30%	10
Total Demand		495
Check		OK

Total Demand by Bedroom	Overall
1 BR	196
2 BR	210
Total Demand	406

Additions To Supply 2000 to Prj Mrkt Entry June 2014	Overall
1 BR	12
2 BR	48
Total	60

Net Demand	Overall
1 BR	184
2 BR	162
Total	346

Developer's Unit Mix	Overall
1 BR	20
2 BR	40
Total	60

Capture Rate Analysis	Overall
1 BR	10.9%
2 BR	24.7%
Total	17.3%

Conclusions

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

- The number of senior households in the PMA is expected to increase 5.0 percent between 2010 and 2014.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR 50%	\$17,310-\$27,350	5	140	2	138	3.6%	6 months	\$582	\$390-\$823	\$425
2BR 50%	\$20,850-\$27,350	10	150	7	143	7.0%	6 months	\$720	\$450-\$1,200	\$500
Overall 50%	\$17,310-\$27,350	15	290	9	281	5.3%	6 months	-	-	-
1BR 60%	\$17,310-\$32,820	15	196	10	186	8.1%	6 months	\$603	\$390-\$823	\$425
2BR 60%	\$20,850-\$32,820	30	210	41	169	17.7%	6 months	\$731	\$450-\$1,200	\$500
Overall 60%	\$17,310-\$32,820	45	406	51	355	12.7%	6 months	-	-	-
Overall Project	\$17,310-\$32,820	60	406	60	346	17.3%	6 months	-	-	-

Demand and Net Demand			
	HH at 50% AMI (\$17,310-\$27,350)	HH at 60% AMI (\$17,310-\$32,820)	All Tax Credit Households
Demand from New Households (age and income appropriate)	178	249	249
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	3	4	4
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	113	159	159
PLUS	+	+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	23	32	32
Sub Total	316	444	444
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicatble)	36	51	51
Equals Total Demand	353	495	495
Less	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market between 2000 and the present	9	51	60
Equals Net Demand	344	444	435

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 3.6 to 7.0 percent, with an overall capture rate of 5.3 percent. The Subject's 60 percent AMI capture rates range from 8.1 to 17.7 percent, with an overall capture rate of 12.7 percent. The overall capture rate for the project's 50 and 60 percent units is 17.3 percent. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 11 “true” comparable properties containing 2,401 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 family LIHTC data is considered good; however, there is only one age-restricted property in the PMA. Harristown Park was allocated tax credits in 2009 and is located 1.2 miles from the Subject. This property targets senior tenants 55 and older and will directly compete with the Subject. Therefore, we have used it as a comparable in our analysis. The availability of age restricted data is considered limited. We have used two family LIHTC properties from inside the PMA and three age restricted LIHTC properties from outside the PMA as comparables in our analysis. These age restricted comparables are located in Decatur and Stone Mountain, Georgia, approximately 25 to 28 miles from the Subject site.

The availability of market rate data is considered adequate as six of the seven comparable properties offer market rate data. These comparables were built between 1999 and 2005. Of the six properties with market rate units, five are mixed income properties and one is a conventional property. The majority of the conventional properties near the Subject are older and will not be comparable to a newly constructed property. Therefore, we have excluded these properties from our analysis. We believe that the Subject will be more comparable to the mixed income properties in the area and we have therefore used them as comparables in our analysis.

General Market Overview/Included/Excluded Properties

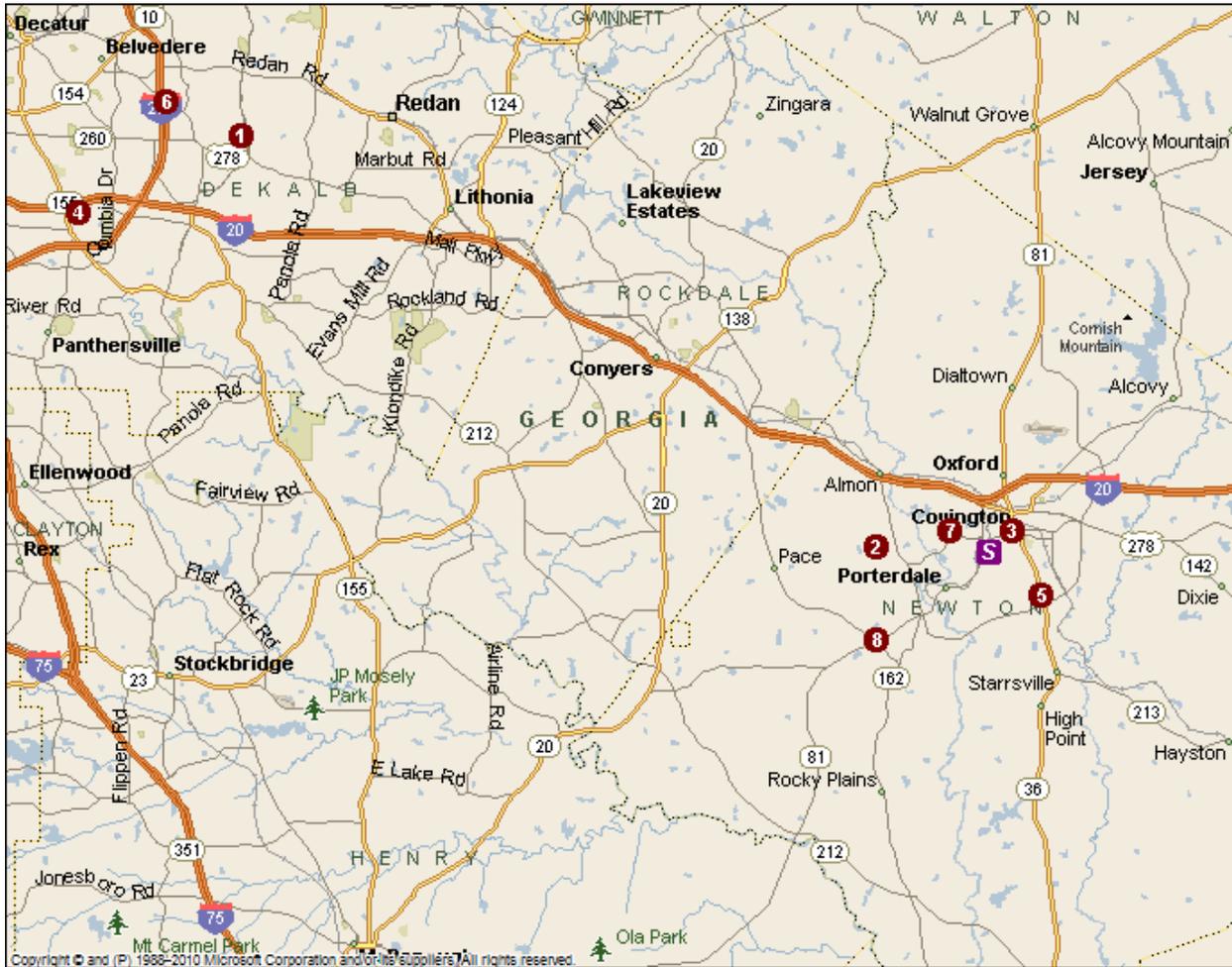
The following table illustrates properties that are within the PMA or a similar market areas. The table highlights vacancy. Some of these properties have been included as “true comparables.”

GENERAL MARKET OVERVIEW

Name	Occupancy Rate*	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from the Subject
Covington Square	100%	Section 8	Senior	Excluded	All units are subsidized	1.3 miles
Wellington Ridge	92%	LIHTC	Family	Included	N/Ap	3.8 miles
Magnolia Heights	93%	LIHTC	Family	Included	N/Ap	3.2 miles
Arbor Lake Apts	93%	LIHTC	Family	Included	N/Ap	3.7 miles
Salem Glen I, II, III	N/Av	Market	Family	Excluded	More comparable properties available	10.5 miles
Orchard Cove	N/Av	LIHTC	Family	Excluded	N/Ap	10.3 miles
Harristown Park	100%	LIHTC	Senior	Included	N/Ap	1.2 miles
Leafstone Apartments	86%	Market	Family	Included	N/Ap	1.6 miles
Sumerset Apartments	93%	Market	Family	Included	N/Ap	3.9 miles
Fieldcrest Walk	85%	Market	Family	Excluded	More comparable properties available	2.6 miles
Heritage Park	96%	Market	Family	Excluded	More comparable properties available	3.5 miles
Average	93%					

*occupancy in the past 12 months.

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Tenancy	Distance
1	Antioch Manor Estates	Stone Mountain	LIHTC/Market	Senior	25.2 miles
2	Arbor Lake Apartments	Covington	LIHTC/Market	Family	3.7 miles
3	Harristown Park	Covington	LIHTC	Senior	1.2 miles
4	Magnolia Circle	Decatur	LIHTC/Market	Senior	28.2 miles
5	Magnolia Heights	Covington	LIHTC/Market	Family	3.2 miles
6	Retreat At Madison Place	Decatur	LIHTC	Senior	28.4 miles
7	Leafstone Apartments	Covington	Market	Family	1.6 miles
8	Sumerset Apartments	Covington	Market	Family	3.9 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	The Overlook At Walkers Bend Walkers Bend Parkway Covington, GA 30014 Newton County	n/a	Lowrise (age-restricted) (3 stories) 2014	50%, 60%	1BR / 1BA	5	8.30%	50%	\$425	725	no		N/A	N/A
					1BR / 1BA	15	25.00%		\$425	725	no		N/A	N/A
					2BR / 2BA	10	16.70%		\$500	935	no		N/A	N/A
					2BR / 2BA	30	50.00%		\$500	935	no		N/A	N/A
						60	100%						N/A	N/A
1	Antioch Manor Estates 4711 Bishop Ming Blvd. Stone Mountain, GA 30088 DeKalb County	25.2 miles	Garden (age-restricted) (3 stories) 2005	30%, 50%, 60%, Market	Studio / 1BA	2	1.70%	30%	\$274	450	yes	Yes	0	0.00%
					Studio / 1BA	2	1.70%	60%	\$602	450	no	Yes	0	0.00%
					Studio / 1BA	2	1.70%	Market	\$662	450	n/a	Yes	0	0.00%
					1BR / 1BA	5	4.20%	30%	\$263	600	yes	Yes	0	0.00%
					1BR / 1BA	20	16.70%	50%	\$539	600	yes	Yes	0	0.00%
					1BR / 1BA	15	12.50%	60%	\$613	600	no	Yes	0	0.00%
					1BR / 1BA	8	6.70%	Market	\$823	600	n/a	Yes	0	0.00%
					2BR / 1BA	6	5.00%	30%	\$303	800	yes	Yes	0	0.00%
					2BR / 1BA	26	21.70%	50%	\$635	800	yes	Yes	0	0.00%
					2BR / 1BA	13	10.80%	60%	\$710	800	no	Yes	0	0.00%
					2BR / 1BA	3	2.50%	Market	\$1,150	800	n/a	Yes	0	0.00%
					2BR / 2BA	1	0.80%	30%	\$303	850	yes	Yes	0	0.00%
					2BR / 2BA	3	2.50%	50%	\$635	850	yes	Yes	0	0.00%
					2BR / 2BA	3	2.50%	60%	\$720	850	no	Yes	0	0.00%
						11	9.20%	Market	\$1,200	850	n/a	Yes	0	0.00%
	120	100%				0	0.00%							
2	Arbor Lake Apartments 431 Kirkland Road Covington, GA 30016 Newton County	3.7 miles	Garden (3 stories) 2001	60%, Market	1BR / 1BA	N/A	N/A	60%	\$499	975	no	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$645	975	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	60%	\$535	1,150	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$745	1,150	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	60%	\$825	1,350	yes	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$845	1,350	n/a	No	N/A	N/A
						250	100%				26	10.40%		
3	Harristown Park Brown St & Reynolds St Covington, GA 30014 Newton County	1.2 miles	Lowrise (age-restricted) (3 stories) 2011	50%, 60%	1BR / 1BA	2	3.30%	50%	\$390	750	no	Yes	0	0.00%
					1BR / 1BA	10	16.70%	60%	\$390	750	no	Yes	0	0.00%
					2BR / 1BA	7	11.70%	50%	\$450	900	no	Yes	0	0.00%
					2BR / 1BA	41	68.30%	60%	\$460	900	no	Yes	0	0.00%
						60	100%				0	0.00%		
4	Magnolia Circle 100 Dash Lewis Dr Decatur, GA 30034 DeKalb County	28.2 miles	Garden (age-restricted) (2 stories) 2003	60%, Market	1BR / 1BA	14	16.70%	50%	\$515	690	no	153 HH total	0	0.00%
					1BR / 1BA	12	14.30%	60%	\$535	760	no	153 HH Total	0	0.00%
					1BR / 1BA	6	7.10%	Market	\$670	690	n/a	20 HH Total	0	0.00%
					2BR / 2BA	21	25.00%	50%	\$616	1,000	no	153 HH Total	0	0.00%
					2BR / 2BA	20	23.80%	60%	\$636	1,030	no	153 HH Total	2	10.00%
					2BR / 2BA	11	13.10%	Market	\$751	1,000	n/a	20 HH Total	1	9.10%
						84	100%				3	3.60%		
						200	100%				0	0.00%		
5	Magnolia Heights 10156 Magnolia Heights Circle Covington, GA 30014 Newton County	3.2 miles	Garden (2 stories) 2002	@60%, Market	1BR / 1BA	10	5.00%	Market	\$580	975	n/a		0	0.00%
					1BR / 1BA	22	11.00%	60%	\$523	975	no		2	9.10%
					2BR / 2BA	41	20.50%	Market	\$666	1,150	n/a		4	9.80%
					2BR / 2BA	103	51.50%	60%	\$501	1,150	no		23	22.30%
					3BR / 2BA	8	4.00%	Market	\$792	1,350	n/a		0	0.00%
	16	8.00%	60%	\$707	1,350	no		3	18.80%					
	200	100%				32	16.00%							
6	Retreat At Madison Place 3907 Redwing Circle Decatur, GA 30032 DeKalb County	28.4 miles	Garden (age-restricted) (4 stories) 2007	60%	1BR / 1BA	40	25.00%	60%	\$649	697	no	6HH	0	0.00%
					2BR / 2BA	120	75.00%	60%	\$725	987	no	None	4	3.30%
						160	100%				4	2.50%		
7	Leafstone Apartments 10100 Browns Bridge Rd Covington, GA 30014 Newton County	1.6 miles	Garden (3 stories) 2000	Market	1BR / 1BA	64	13.70%	Market	\$665	816	n/a	Yes	N/A	N/A
					1BR / 1BA	64	13.70%	Market	\$615	816	n/a	Yes	N/A	N/A
					2BR / 2BA	136	29.10%	Market	\$765	1,072	n/a	Yes	N/A	N/A
					2BR / 2BA	136	29.10%	Market	\$715	1,072	n/a	Yes	N/A	N/A
					3BR / 2BA	34	7.30%	Market	\$975	1,292	n/a	Yes	N/A	N/A
					3BR / 2BA	34	7.30%	Market	\$925	1,292	n/a	Yes	N/A	N/A
	468	100%				65	13.90%							
8	Sumerset Apartments 3134 Salem Rd Covington, GA 30013 Newton County	3.9 miles	Garden (3 stories) 1999	Market	1BR / 1BA	N/A	N/A	Market	\$559	636	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$609	722	n/a	No	N/A	N/A
					2BR / 1BA	N/A	N/A	Market	\$660	894	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$689	1,051	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$945	1,304	n/a	No	N/A	N/A
	240	100%				17	7.10%							

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

Effective Rent Date:	Jun-12	Units Surveyed:	1582	Weighted Occupancy:	90.70%
		Market Rate	708	Market Rate	88.40%
		Tax Credit	874	Tax Credit	92.60%

One Bedroom One Bath

Two Bedrooms Two Bath

	Property	Average	Property	Average	Property	Average
RENT	Antioch Manor Estates * (M)	\$823	Antioch Manor Estates * (M)	\$1,200		
	Magnolia Circle * (M)	\$670	Leafstone Apartments	\$765		
	Leafstone Apartments	\$665	Magnolia Circle * (M)	\$751		
	Retreat At Madison Place * (60%)	\$649	Arbor Lake Apartments * (M)	\$745		
	Arbor Lake Apartments * (M)	\$645	Retreat At Madison Place* (60%)	\$725		
	Leafstone Apartments	\$615	Antioch Manor Estates * (60%)	\$720		
	Antioch Manor Estates * (60%)	\$613	Leafstone Apartments	\$715		
	Sumerset Apartments	\$609	Sumerset Apartments	\$689		
	Magnolia Heights * (M)	\$580	Magnolia Heights * (M)	\$666		
	Sumerset Apartments	\$559	Magnolia Circle * (60%)	\$636		
	Antioch Manor Estates * (50%)	\$539	Antioch Manor Estates * (50%)	\$635		
	Magnolia Circle * (60%)	\$535	Magnolia Circle * (50%)	\$616		
	Magnolia Heights * (60%)	\$523	Arbor Lake Apartments * (60%)	\$535		
	Magnolia Circle * (50%)	\$515	Magnolia Heights * (60%)	\$501		
	Arbor Lake Apartments * (60%)	\$499	The Overlook At Walkers Bend * (50%)	\$500		
	The Overlook At Walkers Bend * (50%)	\$425	The Overlook At Walkers Bend * (60%)	\$500		
	The Overlook At Walkers Bend * (60%)	\$425	Harristown Park * (1BA 60%)	\$460		
	Harristown Park * (50%)	\$390	Harristown Park * (1BA 50%)	\$450		
	Harristown Park * (60%)	\$390	Antioch Manor Estates * (30%)	\$303		
	Antioch Manor Estates * (30%)	\$263				
SQUARE FOOTAGE	Arbor Lake Apartments * (60%)	975	Arbor Lake Apartments * (60%)	1,150		
	Arbor Lake Apartments * (M)	975	Arbor Lake Apartments * (M)	1,150		
	Magnolia Heights * (M)	975	Magnolia Heights * (M)	1,150		
	Magnolia Heights * (60%)	975	Magnolia Heights * (60%)	1,150		
	Leafstone Apartments	816	Leafstone Apartments	1,072		
	Leafstone Apartments	816	Leafstone Apartments	1,072		
	Magnolia Circle * (60%)	760	Sumerset Apartments	1,051		
	Harristown Park * (50%)	750	Magnolia Circle * (60%)	1,030		
	Harristown Park * (60%)	750	Magnolia Circle * (50%)	1,000		
	The Overlook At Walkers Bend * (50%)	725	Magnolia Circle * (M)	1,000		
	The Overlook At Walkers Bend * (60%)	725	Retreat At Madison Place (fka Ashton Grove) * (60%)	987		
	Sumerset Apartments	722	The Overlook At Walkers Bend * (50%)	935		
	Retreat At Madison Place * (60%)	697	The Overlook At Walkers Bend * (60%)	935		
	Magnolia Circle * (50%)	690	Harristown Park * (1BA 50%)	900		
	Magnolia Circle * (M)	690	Harristown Park * (1BA 60%)	900		
	Sumerset Apartments	636	Antioch Manor Estates * (30%)	850		
	Antioch Manor Estates * (30%)	600	Antioch Manor Estates * (50%)	850		
	Antioch Manor Estates * (50%)	600	Antioch Manor Estates * (60%)	850		
	Antioch Manor Estates * (60%)	600	Antioch Manor Estates * (M)	850		
	Antioch Manor Estates * (M)	600				
RENT PER SQUARE FOOT	Antioch Manor Estates * (M)	\$1.37	Antioch Manor Estates * (M)	\$1.41		
	Antioch Manor Estates * (60%)	\$1.02	Antioch Manor Estates * (60%)	\$0.85		
	Magnolia Circle * (M)	\$0.97	Magnolia Circle * (M)	\$0.75		
	Retreat At Madison Place* (60%)	\$0.93	Antioch Manor Estates * (50%)	\$0.75		
	Antioch Manor Estates * (50%)	\$0.90	Retreat At Madison Place * (60%)	\$0.73		
	Sumerset Apartments	\$0.88	Leafstone Apartments	\$0.71		
	Sumerset Apartments	\$0.84	Leafstone Apartments	\$0.67		
	Leafstone Apartments	\$0.81	Sumerset Apartments	\$0.66		
	Leafstone Apartments	\$0.75	Arbor Lake Apartments * (M)	\$0.65		
	Magnolia Circle * (50%)	\$0.75	Magnolia Circle * (60%)	\$0.62		
	Magnolia Circle * (60%)	\$0.70	Magnolia Circle * (50%)	\$0.62		
	Arbor Lake Apartments * (M)	\$0.66	Magnolia Heights * (M)	\$0.58		
	Magnolia Heights * (M)	\$0.59	The Overlook At Walkers Bend * (50%)	\$0.53		
	The Overlook At Walkers Bend * (50%)	\$0.59	The Overlook At Walkers Bend * (60%)	\$0.53		
	The Overlook At Walkers Bend * (60%)	\$0.59	Harristown Park * (1BA 60%)	\$0.51		
	Magnolia Heights * (60%)	\$0.54	Harristown Park * (1BA 50%)	\$0.50		
	Harristown Park * (50%)	\$0.52	Arbor Lake Apartments * (60%)	\$0.47		
	Harristown Park * (60%)	\$0.52	Magnolia Heights * (60%)	\$0.44		
	Arbor Lake Apartments * (60%)	\$0.51	Antioch Manor Estates * (30%)	\$0.36		
	Antioch Manor Estates * (30%)	\$0.44				

PROPERTY PROFILE REPORT

Antioch Manor Estates

Effective Rent Date 4/30/2012

Location 4711 Bishop Ming Blvd.
Stone Mountain, GA 30088
DeKalb County

Distance 25.2 miles

Units 120

Vacant Units 0

Vacancy Rate 0.0%

Type Garden (age-restricted) (3 stories)

Year Built/Renovated 2005 / N/A

Marketing Began 10/01/2004

Leasing Began 8/01/2005

Last Unit Leased 1/01/2006

Major Competitors Retreat at Madison, Spring Chase II

Tenant Characteristics Dekalb Cty residents 55 and older, average age is 70, 50% previous homeowners or moved from living with children

Contact Name Melissa Williams

Phone 770-322-8839



Market Information

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

Annual Turnover Rate 10%

Units/Month Absorbed 24

HCV Tenants 8%

Leasing Pace Prelease

Annual Chg. in Rent None

Concession None

Utilities

A/C included -- central

Cooking included -- electric

Water Heat included -- gas

Heat included -- electric

Other Electric included

Water included

Sewer included

Trash Collection included

Antioch Manor Estates, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	2	450	\$387	\$0	@30%	Yes	0	0.0%	yes	None
0	1	Garden (3 stories)	2	450	\$715	\$0	@60%	Yes	0	0.0%	no	None
0	1	Garden (3 stories)	2	450	\$775	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	5	600	\$415	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	20	600	\$691	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	15	600	\$765	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	8	600	\$975	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (3 stories)	6	800	\$498	\$0	@30%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	26	800	\$830	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	13	800	\$905	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	3	800	\$1,345	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	1	850	\$498	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	3	850	\$830	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	3	850	\$915	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	11	850	\$1,395	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$387	\$0	\$387	-\$113	\$274	1BR / 1BA	\$691	\$0	\$691	-\$152	\$539
1BR / 1BA	\$415	\$0	\$415	-\$152	\$263	2BR / 1BA	\$830	\$0	\$830	-\$195	\$635
2BR / 1BA	\$498	\$0	\$498	-\$195	\$303	2BR / 2BA	\$830	\$0	\$830	-\$195	\$635
2BR / 2BA	\$498	\$0	\$498	-\$195	\$303						
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$715	\$0	\$715	-\$113	\$602	Studio / 1BA	\$775	\$0	\$775	-\$113	\$662
1BR / 1BA	\$765	\$0	\$765	-\$152	\$613	1BR / 1BA	\$975	\$0	\$975	-\$152	\$823
2BR / 1BA	\$905	\$0	\$905	-\$195	\$710	2BR / 1BA	\$1,345	\$0	\$1,345	-\$195	\$1,150
2BR / 2BA	\$915	\$0	\$915	-\$195	\$720	2BR / 2BA	\$1,395	\$0	\$1,395	-\$195	\$1,200

Antioch Manor Estates, continued

Amenities

In-Unit

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

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

Security

In-Unit Alarm
Limited Access
Video Surveillance

Services

Computer Tutoring
Shuttle Service

Property

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

Clubhouse/Meeting
Courtyard
Exercise Facility
Non-shelter Services
On-Site Management
Service Coordination

Premium

Hairdresser / Barber
Housekeeping
Medical Professional

Other

Gazebo, library, dining

Comments

The contact estimated that the waiting list currently has 1,000 households combined for all units. According to management, there is significant demand for additional senior housing in the area. There are two additional phases to this property, which will consist of three types of senior housing Antioch Villas, Antioch Summit, and Antioch Gardens. The Gardens and the Summit East and West are three-story elevator serviced structures. The Villas feature clusters of four to five one-story town homes. The villas and the summit have recently opened and are currently in lease up.

Antioch Manor Estates, continued

Trend Report

Vacancy Rates

3Q10	4Q10	1Q11	2Q12
1.7%	0.0%	0.0%	0.0%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$415	\$0	\$415	\$263
2010	4	0.0%	\$415	\$0	\$415	\$263
2011	1	0.0%	\$415	\$0	\$415	\$263
2012	2	0.0%	\$415	\$0	\$415	\$263

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$498	\$0	\$498	\$303
2010	4	0.0%	\$498	\$0	\$498	\$303
2011	1	0.0%	\$498	\$0	\$498	\$303
2012	2	0.0%	\$498	\$0	\$498	\$303

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$498	\$0	\$498	\$303
2010	4	0.0%	\$498	\$0	\$498	\$303
2011	1	0.0%	\$498	\$0	\$498	\$303
2012	2	0.0%	\$498	\$0	\$498	\$303

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$373	\$0	\$373	\$260
2010	4	0.0%	\$373	\$0	\$373	\$260
2011	1	0.0%	\$387	\$0	\$387	\$274
2012	2	0.0%	\$387	\$0	\$387	\$274

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	5.0%	\$691	\$0	\$691	\$539
2010	4	0.0%	\$691	\$0	\$691	\$539
2011	1	0.0%	\$691	\$0	\$691	\$539
2012	2	0.0%	\$691	\$0	\$691	\$539

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	3.8%	\$830	\$0	\$830	\$635
2010	4	0.0%	\$830	\$0	\$830	\$635
2011	1	0.0%	\$830	\$0	\$830	\$635
2012	2	0.0%	\$830	\$0	\$830	\$635

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$830	\$0	\$830	\$635
2010	4	0.0%	\$830	\$0	\$830	\$635
2011	1	0.0%	\$830	\$0	\$830	\$635
2012	2	0.0%	\$830	\$0	\$830	\$635

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$646	\$0	\$646	\$533
2010	4	0.0%	\$646	\$0	\$646	\$533
2011	1	0.0%	\$646	\$0	\$646	\$533

Antioch Manor Estates, continued

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$765	\$0	\$765	\$613
2010	4	0.0%	\$765	\$0	\$765	\$613
2011	1	0.0%	\$765	\$0	\$765	\$613
2012	2	0.0%	\$765	\$0	\$765	\$613

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$905	\$0	\$905	\$710
2010	4	0.0%	\$905	\$0	\$905	\$710
2011	1	0.0%	\$905	\$0	\$905	\$710
2012	2	0.0%	\$905	\$0	\$905	\$710

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$915	\$0	\$915	\$720
2010	4	0.0%	\$915	\$0	\$915	\$720
2011	1	0.0%	\$915	\$0	\$915	\$720
2012	2	0.0%	\$915	\$0	\$915	\$720

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$715	\$0	\$715	\$602
2010	4	0.0%	\$715	\$0	\$715	\$602
2011	1	0.0%	\$715	\$0	\$715	\$602
2012	2	0.0%	\$715	\$0	\$715	\$602

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$975	\$0	\$975	\$823
2010	4	0.0%	\$975	\$0	\$975	\$823
2011	1	0.0%	\$975	\$0	\$975	\$823
2012	2	0.0%	\$975	\$0	\$975	\$823

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$1,345	\$0	\$1,345	\$1,150
2010	4	0.0%	\$1,345	\$0	\$1,345	\$1,150
2011	1	0.0%	\$1,345	\$0	\$1,345	\$1,150
2012	2	0.0%	\$1,345	\$0	\$1,345	\$1,150

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$1,395	\$0	\$1,395	\$1,200
2010	4	0.0%	\$1,395	\$0	\$1,395	\$1,200
2011	1	0.0%	\$1,395	\$0	\$1,395	\$1,200
2012	2	0.0%	\$1,395	\$0	\$1,395	\$1,200

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$775	\$0	\$775	\$662
2010	4	0.0%	\$775	\$0	\$775	\$662
2011	1	0.0%	\$775	\$0	\$775	\$662
2012	2	0.0%	\$775	\$0	\$775	\$662

Trend: Comments

- 3Q10** The contact estimated that the waiting list currently has 1,000 names for all units. The property currently has 12 LIHTC/PBRA units, according to the property manager. Construction on Antioch Manor Phase II and III has not begun because funding is unavailable. According to management, there is significant demand for additional senior housing in the area.
- 4Q10** The contact estimated that the waiting list currently has 1,000 households combined for all units. Construction on Antioch Manor Phase II and III has not begun because funding is unavailable. According to management, there is significant demand for additional senior housing in the area.
- 1Q11** The contact estimated that the waiting list currently has 1,000 households combined for all units. Construction on Antioch Manor Phase II and III has begun, and is estimated to be completed by January 2012. According to management, there is significant demand for additional senior housing in the area.
- 2Q12** The contact estimated that the waiting list currently has 1,000 households combined for all units. According to management, there is significant demand for additional senior housing in the area. There are two additional phases to this property, which will consist of three types of senior housing Antioch Villas, Antioch Summit, and Antioch Gardens. The Gardens and the Summit East and West are three-story elevator serviced structures. The Villas feature clusters of four to five one-story town homes. The villas and the summit have recently opened and are currently in lease up.

PROPERTY PROFILE REPORT

Arbor Lake Apartments

Effective Rent Date	6/05/2012
Location	431 Kirkland Road Covington, GA 30016 Newton County
Distance	3.7 miles
Units	250
Vacant Units	26
Vacancy Rate	10.4%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Orchard Cove, Wellington Ridge, Leafstone
Tenant Characteristics	Mixed; 5% seniors
Contact Name	Susan
Phone	(770) 385-6166



Market Information

Program	@60%, Market
Annual Turnover Rate	21%
Units/Month Absorbed	20-21
HCV Tenants	48%
Leasing Pace	10 Days
Annual Chg. in Rent	N/A
Concession	See Comments

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	975	\$479	\$0	@60%	No	N/A	N/A	no	None
1	1	Garden (3 stories)	N/A	975	\$625	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,150	\$515	\$0	@60%	No	N/A	N/A	no	None
2	2	Garden (3 stories)	N/A	1,150	\$725	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,350	\$805	\$0	@60%	No	N/A	N/A	yes	None
3	2	Garden (3 stories)	N/A	1,350	\$825	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$479	\$0	\$479	\$20	\$499	1BR / 1BA	\$625	\$0	\$625	\$20	\$645
2BR / 2BA	\$515	\$0	\$515	\$20	\$535	2BR / 2BA	\$725	\$0	\$725	\$20	\$745
3BR / 2BA	\$805	\$0	\$805	\$20	\$825	3BR / 2BA	\$825	\$0	\$825	\$20	\$845

Arbor Lake Apartments, continued

Amenities

In-Unit

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

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

Security

Limited Access

Services

Afterschool Program

Property

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

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

Premium

None

Other

None

Comments

As of 2Q2012, the property is 92 percent occupied. The breakdown by floor plan for the 20 vacant units was not known by our contact. Management noted that this was typical for the property. There is currently no wait list. Our contact noted that the annual turnover rate was around 21 percent, but was not completely sure. The rent levels for the 60 percent AMI one and two bedroom units are currently specials at \$479 and \$515 respectively. If these units were not being offered with specials, they would rent for \$600 and \$700 respectively. Management confirmed that those normal levels are at the maximum allowable level.

Arbor Lake Apartments, continued

Trend Report

Vacancy Rates

2Q10	3Q10	1Q12	2Q12
5.6%	8.0%	10.4%	10.4%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$625	\$0	\$625	\$645
2010	3	N/A	\$625	\$0	\$625	\$645
2012	1	N/A	\$499	\$0	\$499	\$519
2012	2	N/A	\$479	\$0	\$479	\$499

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$700	\$0	\$700	\$720
2010	3	N/A	\$700	\$0	\$700	\$720
2012	1	N/A	\$599	\$0	\$599	\$619
2012	2	N/A	\$515	\$0	\$515	\$535

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$800	\$0	\$800	\$820
2010	3	N/A	\$800	\$0	\$800	\$820
2012	1	N/A	\$699	\$0	\$699	\$719
2012	2	N/A	\$805	\$0	\$805	\$825

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$650	\$0	\$650	\$670
2010	3	N/A	\$650	\$0	\$650	\$670
2012	1	N/A	\$650	\$0	\$650	\$670
2012	2	N/A	\$625	\$0	\$625	\$645

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$725	\$0	\$725	\$745
2010	3	N/A	\$725	\$0	\$725	\$745
2012	1	N/A	\$725	\$0	\$725	\$745
2012	2	N/A	\$725	\$0	\$725	\$745

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$825	\$0	\$825	\$845
2010	3	N/A	\$825	\$0	\$825	\$845
2012	1	N/A	\$825	\$0	\$825	\$845
2012	2	N/A	\$825	\$0	\$825	\$845

Trend: Comments

- 2Q10** The contact indicated there was not enough demand for another property in the area. There had been several layoffs and job losses in the area according to the property manager. While the property does not offer four bedroom units, the contact estimated that a four bedroom unit could rent in the high \$900 per month range. Occupancy in the market rate units is higher because more tenants are over income qualified.
- 3Q10** The contact indicated there was not enough demand for another property in the area. There had been several layoffs and job losses in the area according to the property manager. While the property does not offer four bedroom units, the contact estimated that a four bedroom unit could rent in the high \$900 per month range. Rents were the same in January 2010, and occupancy was approximately 90 percent. Between three and five tenants move out each month; we used five per month to conservatively estimate turnover.
- 1Q12** Contact indicated that the current rents are temporary, but could not specify how long they would be valid. When asked about the high vacancy rate, contact indicated that this number of vacancies is fairly typical, although the winter months are usually slow. Contact elaborated further on the vacancy breakdown, specifying that about 18 percent of the vacancies are in tax credit units, with about 82 percent of vacancies consisting of market rate units. Contact reported demand to be strong, and opined that there is a greater demand for family housing in the area.
- 2Q12** As of 2Q2012, the property is 92 percent occupied. The breakdown by floor plan for the 20 vacant units was not known by our contact. Management noted that this was typical for the property. There is currently no wait list. Our contact noted that the annual turnover rate was around 21 percent, but was not completely sure. The rent levels for the 60 percent AMI one and two bedroom units are currently specials at \$479 and \$515 respectively. If these units were not being offered with specials, they would rent for \$600 and \$700 respectively. Management confirmed that those normal levels are at the maximum allowable level.

PROPERTY PROFILE REPORT

Harristown Park

Effective Rent Date	6/05/2012
Location	Brown St & Reynolds St Covington, GA 30014 Newton County
Distance	1.2 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	11/01/2011
Leasing Began	12/01/2012
Last Unit Leased	4/30/2012
Major Competitors	Covington Square
Tenant Characteristics	55+ restricted.
Contact Name	Johnetta Bushell
Phone	678-625-3235



Market Information

Program	@50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	6
HCV Tenants	5%
Leasing Pace	Pre-Leasing with a very long waitlist
Annual Chg. in Rent	0
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	2	750	\$390	\$0	@50%	Yes	0	0.0%	no	None
1	1	Lowrise (3 stories)	10	750	\$390	\$0	@60%	Yes	0	0.0%	no	None
2	1	Lowrise (3 stories)	7	900	\$450	\$0	@50%	Yes	0	0.0%	no	None
2	1	Lowrise (3 stories)	41	900	\$460	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$390	\$0	\$390	\$0	\$390	1BR / 1BA	\$390	\$0	\$390	\$0	\$390
2BR / 1BA	\$450	\$0	\$450	\$0	\$450	2BR / 1BA	\$460	\$0	\$460	\$0	\$460

Harristown Park, continued

Amenities

In-Unit

Blinds
Central A/C
Garbage Disposal
Oven
Refrigerator

Carpeting
Dishwasher
Hand Rails
Pull Cords

Security

Intercom (Buzzer)
Limited Access

Services

None

Property

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

Clubhouse/Meeting
Exercise Facility
On-Site Management

Premium

None

Other

Walking path; community

Comments

As of 2Q2012, the property is 100 percent occupied with an 50 or 60 plus long wait list.

Harristown Park, continued

Trend Report

Vacancy Rates

2Q09	2Q12
N/A	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$390	\$0	\$390	\$390
2012	2	0.0%	\$390	\$0	\$390	\$390

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$450	\$0	\$450	\$450
2012	2	0.0%	\$450	\$0	\$450	\$450

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$390	\$0	\$390	\$390
2012	2	0.0%	\$390	\$0	\$390	\$390

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$460	\$0	\$460	\$460
2012	2	0.0%	\$460	\$0	\$460	\$460

Trend: Comments

2Q09 This is a Subject property that will be age restricted to tenants 55 and older.

2Q12 As of 2Q2012, the property is 100 percent occupied with an 50 or 60 plus long wait list.

PROPERTY PROFILE REPORT

Magnolia Circle

Effective Rent Date 5/02/2012
Location 100 Dash Lewis Dr
 Decatur, GA 30034
 Dekalb County
Distance 28.2 miles
Units 84
Vacant Units 3
Vacancy Rate 3.6%
Type Garden (age-restricted) (2 stories)
Year Built/Renovated 2003 / N/A
Marketing Began N/A
Leasing Began 7/01/2003
Last Unit Leased N/A
Major Competitors None
Tenant Characteristics 62+; 25% out of state; 25% prev. homeowners;
 Many from Panola Rd (Decatur) and Evans Mill Rd (Lithonia) area
Contact Name Deborah Dent
Phone 404-243-1553



Market Information

Program 60%, Market
Annual Turnover Rate 3%
Units/Month Absorbed 14
HCV Tenants 20%
Leasing Pace less than one week to fill
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	14	690	\$565	\$0	@50%	153 HH	0	0.0%	no	None
1	1	Garden (2 stories)	12	760	\$585	\$0	@60%	153 HH	0	0.0%	no	None
1	1	Garden (2 stories)	6	690	\$720	\$0	Market	20 HH	0	0.0%	N/A	None
2	2	Garden (2 stories)	21	1,000	\$680	\$0	@50%	153 HH	0	0.0%	no	None
2	2	Garden (2 stories)	20	1,030	\$700	\$0	@60%	153 HH	2	10.0%	no	None
2	2	Garden (2 stories)	11	1,000	\$815	\$0	Market	20 HH	1	9.1%	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	\$565	\$0	\$565	-\$50	\$515	1BR / 1BA	\$585	\$0	\$585	-\$50	\$535
2BR / 2BA	\$680	\$0	\$680	-\$64	\$616	2BR / 2BA	\$700	\$0	\$700	-\$64	\$636
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$720	\$0	\$720	-\$50	\$670						
2BR / 2BA	\$815	\$0	\$815	-\$64	\$751						

Magnolia Circle, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Garbage Disposal
Oven
Refrigerator

Blinds
Central A/C
Dishwasher
Hand Rails
Pull Cords
Washer/Dryer hookup

Security

Patrol
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Central Laundry
On-Site Management

Clubhouse/Meeting
Off-Street Parking

Premium

None

Other

Social Director, Arts & Crafts

Comments

The property manager stated that their market rate tenant's income ranges from \$33,600 to \$63,600 with an average income of \$50,400. She stated that there is high demand for additional senior units in the county, particularly at the 50 percent AMI level and for subsidized units. The majority of tenants rely on SSI and an estimated 25 percent previously owned homes. While the property manager could not detail the waiting list by AMI levels, she stated that there were more that qualified at 50 percent of the AMI on the 153 household waiting list.

Magnolia Circle, continued

Trend Report

Vacancy Rates

1Q10	2Q10	3Q10	2Q12
0.0%	0.0%	0.0%	3.6%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$565	\$0	\$565	\$515
2010	2	0.0%	\$565	\$0	\$565	\$515
2010	3	0.0%	\$565	\$0	\$565	\$515
2012	2	0.0%	\$565	\$0	\$565	\$515

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$680	\$0	\$680	\$616
2010	2	0.0%	\$680	\$0	\$680	\$616
2010	3	0.0%	\$680	\$0	\$680	\$616
2012	2	0.0%	\$680	\$0	\$680	\$616

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$585	\$0	\$585	\$535
2010	2	0.0%	\$585	\$0	\$585	\$535
2010	3	0.0%	\$585	\$0	\$585	\$535
2012	2	0.0%	\$585	\$0	\$585	\$535

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$700	\$0	\$700	\$636
2010	2	0.0%	\$700	\$0	\$700	\$636
2010	3	0.0%	\$700	\$0	\$700	\$636
2012	2	10.0%	\$700	\$0	\$700	\$636

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$720	\$0	\$720	\$670
2010	2	0.0%	\$720	\$0	\$720	\$670
2010	3	0.0%	\$720	\$0	\$720	\$670
2012	2	0.0%	\$720	\$0	\$720	\$670

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$815	\$0	\$815	\$751
2010	2	0.0%	\$815	\$0	\$815	\$751
2010	3	0.0%	\$815	\$0	\$815	\$751
2012	2	9.1%	\$815	\$0	\$815	\$751

Trend: Comments

- 1Q10** Rents and occupancy have not changed since the last interview in May 2009. The property manager reported that there is a great demand for an additional senior community in the area. The property manager also indicated that lower AMI levels have the greatest demand. This property regularly turns people away who can not afford the rents at 50 percent AMI.
- 2Q10** The property manager reported that rents have not changed since at least 2006 and that tenants cannot afford higher rents. Management indicated that there is high demand for additional senior units in the area (estimated at 500) at the 50 percent AMI level. The majority of tenants rely on SSI and an estimated 25 percent previously owned homes.
- 3Q10** N/A
- 2Q12** The property manager stated that their market rate tenant's income ranges from \$33,600 to \$63,600 with an average income of \$50,400. She stated that there is high demand for additional senior units in the county, particularly at the 50 percent AMI level and for subsidized units. The majority of tenants rely on SSI and an estimated 25 percent previously owned homes. While the property manager could not detail the waiting list by AMI levels, she stated that there were more that qualified at 50 percent of the AMI on the 153 household waiting list.

PROPERTY PROFILE REPORT

Magnolia Heights

Effective Rent Date 2/13/2012
Location 10156 Magnolia Heights Circle
 Covington, GA 30014
 Newton County
Distance 3.2 miles
Units 200
Vacant Units 32
Vacancy Rate 16.0%
Type Garden (2 stories)
Year Built/Renovated 2002 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Wellington Ridge, Leafstone
Tenant Characteristics Military, out-of-state, 10% seniors
Contact Name Amanda
Phone 770.786.0458



Market Information

Program @60%, Market
Annual Turnover Rate 46%
Units/Month Absorbed N/A
HCV Tenants 2%
Leasing Pace Less than two weeks
Annual Chg. in Rent Decrease of \$12 for 975 SF at
Concession If tenants sign-up, rest of month free.

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	10	975	\$610	\$0	Market	N/A	0	0.0%	N/A	None
1	1	Garden (2 stories)	22	975	\$553	\$0	@60%	N/A	2	9.1%	no	None
2	2	Garden (2 stories)	41	1,150	\$710	\$0	Market	N/A	4	9.8%	N/A	None
2	2	Garden (2 stories)	103	1,150	\$545	\$0	@60%	N/A	23	22.3%	no	None
3	2	Garden (2 stories)	8	1,350	\$850	\$0	Market	N/A	0	0.0%	N/A	None
3	2	Garden (2 stories)	16	1,350	\$765	\$0	@60%	N/A	3	18.8%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$553	\$0	\$553	-\$30	\$523	1BR / 1BA	\$610	\$0	\$610	-\$30	\$580
2BR / 2BA	\$545	\$0	\$545	-\$44	\$501	2BR / 2BA	\$710	\$0	\$710	-\$44	\$666
3BR / 2BA	\$765	\$0	\$765	-\$58	\$707	3BR / 2BA	\$850	\$0	\$850	-\$58	\$792

Magnolia Heights, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Carpeting
Coat Closet
Exterior Storage
Oven
Walk-In Closet

Security

Limited Access
Patrol
Perimeter Fencing

Services

None

Property

Basketball Court
Courtyard
Central Laundry
On-Site Management
Swimming Pool

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Playground

Premium

None

Other

None

Comments

Contact, in May 2012, stated that the property, as well as their competitors are struggling. The property is currently operating at 15.5 percent vacancy. This is divided between three one-bedroom, 24 two-bedrooms, and four three-bedrooms. Contact stated that the high rate among two bedroom units is common in the area. Their particularly high vacancy was caused primarily by skips and evictions this past year. Concessions are currently 2nd month's rent is free, and a \$120 per month concession for the 60% AMI two-bedroom.

Magnolia Heights, continued

Trend Report

Vacancy Rates

2Q10	3Q10	1Q12	2Q12
9.5%	10.5%	16.0%	16.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$555	\$0	\$555	\$525
2010	3	9.1%	\$565	\$47	\$518	\$488
2012	1	9.1%	\$553	\$0	\$553	\$523
2012	2	9.1%	\$553	\$0	\$553	\$523

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	9.1%	\$655	\$55	\$600	\$556
2010	3	12.6%	\$665	\$55	\$610	\$566
2012	1	22.3%	\$665	\$0	\$665	\$621
2012	2	22.3%	\$545	\$0	\$545	\$501

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$755	\$0	\$755	\$697
2010	3	6.2%	\$765	\$64	\$701	\$643
2012	1	18.8%	\$765	\$0	\$765	\$707
2012	2	18.8%	\$765	\$0	\$765	\$707

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$610	\$0	\$610	\$580
2010	3	0.0%	\$610	\$51	\$559	\$529
2012	1	0.0%	\$610	\$0	\$610	\$580
2012	2	0.0%	\$610	\$0	\$610	\$580

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	22.7%	\$710	\$59	\$651	\$607
2010	3	9.8%	\$710	\$59	\$651	\$607
2012	1	9.8%	\$710	\$0	\$710	\$666
2012	2	9.8%	\$710	\$0	\$710	\$666

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$810	\$0	\$810	\$752
2010	3	12.5%	\$810	\$68	\$742	\$684
2012	1	0.0%	\$810	\$0	\$810	\$752
2012	2	0.0%	\$850	\$0	\$850	\$792

Trend: Comments

- 2Q10** The contact did not think there was enough demand for another property in the area. While the property does not offer four bedroom units the contact estimated that the property could get \$910 for a four bedroom market rate unit, and \$860 for a four bedroom 60 percent tax credit unit. The contact attributed the higher occupancy to job losses in the area. A new marketing manager has just joined the property, and as a result, the property has experienced an increase in traffic due to the rent concession and increased marketing. According to the property manager, there are six households moving in this week.
- 3Q10** The property typically operates at 90 percent occupancy, and management believes the property was operating at 90 percent occupancy in January. The rents were slightly lower in January according to management, but management could not estimate the rents. The property is located at the intersection of Hwy 36 and Covington Bypass.
- 1Q12** Contact indicated that demand in the area is strong, but not for two-bedroom units; there are many families who rent three-bedrooms, and seniors who rent one-bedrooms, but two-bedrooms are neglected. Contact opined that there is strong demand in the area for senior LIHTC housing and reported that a lot of prospective senior tenants do not earn enough to qualify for their units at 60 percent restriction. Therefore, management believes that senior housing should target households earning 50 percent AMI or less.
- 2Q12** Contact, in May 2012, stated that the property, as well as their competitors are struggling. The property is currently operating at 15.5 percent vacancy. This is divided between three one-bedroom, 24 two-bedrooms, and four three-bedrooms. Contact stated that the high rate among two bedroom units is common in the area. Their particularly high vacancy was caused primarily by skips and evictions this past year. Concessions are currently 2nd month's rent is free, and a \$120 per month concession for the 60% AMI two-bedroom.

PROPERTY PROFILE REPORT

Retreat At Madison Place (fka Ashton Grove)

Effective Rent Date 4/30/2012
Location 3907 Redwing Circle
 Decatur, GA 30032
 Dekalb County
Distance 28.4 miles
Units 160
Vacant Units 4
Vacancy Rate 2.5%
Type Garden (age-restricted) (4 stories)
Year Built/Renovated 2007 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors The contact could not report the major competitors
Tenant Characteristics Most btwn 55-62; 60%+ previous homeowners; tenants from downtown ATL, Decatur, Stn Mtn, Lithonia; 10% out of state (AL, NY, CA), 5% employed
Contact Name Ashley
Phone (404) 289-8393



Market Information

Program 60%
Annual Turnover Rate 38%
Units/Month Absorbed 14.4
HCV Tenants 11%
Leasing Pace 2BR's take much longer
Annual Chg. in Rent 9% increase 2BR units
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 (4 stories)	40	697	\$699	\$0	@60%	6HH	0	0.0%	no	None
2	2	Garden (4 stories)	120	987	\$789	\$0	@60%	None	4	3.3%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$699	\$0	\$699	-\$50	\$649
2BR / 2BA	\$789	\$0	\$789	-\$64	\$725

Retreat At Madison Place (fka Ashton Grove), continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Refrigerator

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

Security

Limited Access

Services

Adult Education
Shuttle Service

Property

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

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area

Premium

None

Other

Walking trails, game room,

Comments

Management estimated five moveouts each month. Of these five, an estimated three each month are due to financial reasons; mainly that the supporting family/family member can no longer support the senior's rent. Therefore, several seniors have moved out to live with family members.

Retreat At Madison Place (fka Ashton Grove), continued

Trend Report

Vacancy Rates

2Q10	4Q10	1Q11	2Q12
7.5%	7.5%	8.7%	2.5%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$670	\$0	\$670	\$620
2010	4	0.0%	\$685	\$0	\$685	\$635
2011	1	0.0%	\$699	\$0	\$699	\$649
2012	2	0.0%	\$699	\$0	\$699	\$649

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	10.0%	\$779	\$32	\$747	\$683
2010	4	10.0%	\$789	\$33	\$756	\$692
2011	1	11.7%	\$789	\$60	\$729	\$665
2012	2	3.3%	\$789	\$0	\$789	\$725

Trend: Comments

- 2Q10** The contact reported that there has been strong steady demand, but a lot of unqualified traffic. The higher vacancy is a result of the seniors depending on supplemental income from family members who have lost jobs or income. There is a demand in the area for additional affordable housing, especially with one bedroom units and at lower AMI levels.
- 4Q10** The contact reported that there has been strong steady demand, but a lot of unqualified traffic for the two-bedroom units. The higher vacancy is a result of the seniors depending on supplemental income from family members who have lost jobs or income. There is a demand in the area for additional affordable housing, especially in regard to one-bedroom units and lower AMI levels. Rents at this property have increased between 1.0 and 2.0 percent since 2009.
- 1Q11** The one bedroom units typically lease within one week from the waiting list. The two bedrooms take between 30 and 60 days to lease. Three of the vacant two bedrooms are leased. Management estimated five moveouts each month. Of these five, an estimated three each month are due to financial reasons; mainly that the supporting family/family member can no longer support the senior's rent. Therefore, several seniors have moved out to live with family members.
- 2Q12** Management estimated five moveouts each month. Of these five, an estimated three each month are due to financial reasons; mainly that the supporting family/family member can no longer support the senior's rent. Therefore, several seniors have moved out to live with family members.

PROPERTY PROFILE REPORT

Leafstone Apartments

Effective Rent Date	6/05/2012
Location	10100 Browns Bridge Rd Covington, GA 30014 Newton County
Distance	1.6 miles
Units	468
Vacant Units	65
Vacancy Rate	13.9%
Type	Garden (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Orchard Cove, Arbor Lake
Tenant Characteristics	Very diverse according to management.
Contact Name	Sarah
Phone	(770) 784-8044



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	2 weeks but starting to pre-lease
Annual Chg. in Rent	5 percent jump for the three bedroom
Concession	See comments

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	64	816	\$700	\$35	Market	Yes	N/A	N/A	N/A	HIGH
1	1	Garden (3 stories)	64	816	\$650	\$35	Market	Yes	N/A	N/A	N/A	LOW
2	2	Garden (3 stories)	136	1,072	\$800	\$35	Market	Yes	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	136	1,072	\$750	\$35	Market	Yes	N/A	N/A	N/A	LOW
3	2	Garden (3 stories)	34	1,292	\$975	\$0	Market	Yes	N/A	N/A	N/A	HIGH
3	2	Garden (3 stories)	34	1,292	\$925	\$0	Market	Yes	N/A	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$650 - \$700	\$35	\$615 - \$665	\$0	\$615 - \$665
2BR / 2BA	\$750 - \$800	\$35	\$715 - \$765	\$0	\$715 - \$765
3BR / 2BA	\$925 - \$975	\$0	\$925 - \$975	\$0	\$925 - \$975

Leafstone Apartments, continued

Amenities

In-Unit

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

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

Security

Patrol

Services

None

Property

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

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

Premium

None

Other

None

Comments

As of 2Q2012, the property is operating at 86 percent occupancy. Management stated that this low occupancy was due to a very slow winter with more than normal moveouts. Management noted that they operate at around 90-92 percent on average, and applications are picking up. Concessions are currently being offered are \$35 off rents for the one and two bedroom units if a 10+ month lease is signed. There is a waiting list for persons potentially moving in in November or December, and is around two or three persons long. Variations in rents are due to amenities and views.

Leafstone Apartments, continued

Trend Report

Vacancy Rates

3Q09	2Q10	3Q10	2Q12
9.1%	9.8%	9.8%	13.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$675	\$50	\$625	\$625
2010	2	12.5%	\$650	\$51	\$599	\$599
2010	3	12.5%	\$650	\$0	\$650	\$650
2012	2	N/A	\$650 - \$700	\$35	\$615 - \$665	\$615 - \$665

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$804	\$79	\$725	\$725
2010	2	8.1%	\$750	\$51	\$699	\$699
2010	3	8.1%	\$750	\$0	\$750	\$750
2012	2	N/A	\$750 - \$800	\$35	\$715 - \$765	\$715 - \$765

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$940	\$115	\$825	\$825
2010	2	11.8%	\$875	\$76	\$799	\$799
2010	3	11.8%	\$875	\$0	\$875	\$875
2012	2	N/A	\$925 - \$975	\$0	\$925 - \$975	\$925 - \$975

Trend: Comments

- 3Q09** Management reported that only select units offer vaulted ceilings and that the garages typically rent for \$75 but they are currently leasing for \$50 per month. The majority of them are currently leased. Management stated that they are currently offering a concession to increase occupancy at the property.
- 2Q10** In addition to reduced rents, the property is offering an additional discount off the first month's rent if tenants finalize the lease agreement within a certain period of time of seeing the apartment: \$500 if finalized within the first 24 hours; \$300 if finalized within 48 hours; and \$150 if finalized within 72 hours. The contact said the property has offered this concession for a few weeks, and that tenants seem to be taking full advantage of it, but could not indicate which concession was the most utilized. The contact also reported that the property's high vacancy is due to high unemployment and no new businesses coming to the area. The property typically operates at around 90 percent occupancy. There are more two bedrooms vacant than any other unit type.
- 3Q10** The contact reported that the property's high vacancy is due to high unemployment and no new businesses coming to the area. The property typically operates at around 90 percent occupancy. Management does not remember what occupancy was in January, but indicated that rents were the same as no specials were being offered at that time.
- 2Q12** As of 2Q2012, the property is operating at 86 percent occupancy. Management stated that this low occupancy was due to a very slow winter with more than normal moveouts. Management noted that they operate at around 90-92 percent on average, and applications are picking up. Concessions are currently being offered are \$35 off rents for the one and two bedroom units if a 10+ month lease is signed. There is a waiting list for persons potentially moving in in November or December, and is around two or three persons long. Variations in rents are due to amenities and views.

PROPERTY PROFILE REPORT

Sumerset Apartments

Effective Rent Date	5/24/2012
Location	3134 Salem Rd Covington, GA 30013 Newton County
Distance	3.9 miles
Units	240
Vacant Units	17
Vacancy Rate	7.1%
Type	Garden (3 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Terraces at Fieldstone, Orchard Cove, Arbor Lake
Tenant Characteristics	Young couples, families, few seniors
Contact Name	Britney
Phone	770-788-1165



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	5 days to 1 month
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	636	\$539	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	722	\$589	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	N/A	894	\$640	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,051	\$669	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,304	\$925	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$539 - \$589	\$0	\$539 - \$589	\$20	\$559 - \$609
2BR / 1BA	\$640	\$0	\$640	\$20	\$660
2BR / 2BA	\$669	\$0	\$669	\$20	\$689
3BR / 2BA	\$925	\$0	\$925	\$20	\$945

Sumerset Apartments, continued

Amenities

In-Unit

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

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

Security

Limited Access
Patrol

Services

None

Property

Exercise Facility
Off-Street Parking
Playground
Tennis Court

Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The property is currently sitting at 94 percent occupancy. They are currently offering significant rent concessions for each unit type, off of market rates. Our contact could not elaborate on what the market rates were. There is a waitlist of three to four people for the 3 bedroom units.

Sumerset Apartments, continued

Trend Report

Vacancy Rates

2Q10	3Q10	2Q12
7.9%	7.1%	7.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$685 - \$720	\$99 - \$112	\$586 - \$608	\$606 - \$628
2010	3	N/A	\$630 - \$650	\$0	\$630 - \$650	\$650 - \$670
2012	2	N/A	\$539 - \$589	\$0	\$539 - \$589	\$559 - \$609

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$760	\$120	\$640	\$660
2010	3	N/A	\$710	\$0	\$710	\$730
2012	2	N/A	\$640	\$0	\$640	\$660

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$820	\$130	\$690	\$710
2010	3	N/A	\$750	\$0	\$750	\$770
2012	2	N/A	\$669	\$0	\$669	\$689

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$970	\$119	\$851	\$871
2010	3	N/A	\$920	\$0	\$920	\$940
2012	2	N/A	\$925	\$0	\$925	\$945

Trend: Comments

- 2Q10** According to the leasing agent, the occupancy rate has improved at the property over the last six months; six months ago, the occupancy rate was in the high 80's. The leasing agent reported that there are not many vacant three bedroom units, and that the two bedroom units have the highest vacancy. Some units come equipped with ceiling fans in the bedrooms.
- 3Q10** Some units come equipped with ceiling fans in the bedrooms. Rents in January ranged from \$550 to \$599 for one bedroom units, \$650 to \$725 for two bedroom units, and were \$880 for three bedroom units. The occupancy in January was approximately 90 percent.
- 2Q12** The property is currently sitting at 94 percent occupancy. They are currently offering significant rent concessions for each unit type, off of market rates. Our contact could not elaborate on what the market rates were. There is a waitlist of three to four people for the 3 bedroom units.

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

Housing Choice Vouchers

TENANTS WITH VOUCHERS

Comparable Property	Type	Tenancy	Housing Choice Voucher Tenants
Antioch Manor Estates	LIHTC	Senior	8%
Arbor Lake Apartments	LIHTC	Family	48%
Harristown Park	LIHTC	Senior	5%
Magnolia Circle	LIHTC	Senior	20%
Magnolia Heights	LIHTC	Family	2%
Retreat At Madison Place	LIHTC	Senior	11%
Leafstone Apartments	Market	Family	0%
Sumerset Apartments	Market	Family	2%
Average			12%

Overall voucher tenancy in the market is low at 12 percent. Voucher tenancy among the four senior properties is slightly lower at 11 percent. The family LIHTC property Arbor Lake reported a voucher tenancy of 48 percent, which is significantly above the other LIHTC comparables and this property is considered an outlier. We believe that the Subject will have a low voucher tenancy similar to the senior LIHTC comparables.

Absorption History

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

Absorption

Property Name	Type	Tenancy	Total Units	Year Built	Units Absorbed Per Month
Arbor Lake	LIHTC/Market	Family	250	2001	20
Magnolia Circle	LIHTC/Market	Senior	84	2003	14
Antioch Manor Estates	LIHTC/Market	Senior	120	2005	24
Retreat at Madison Place	LIHTC	Senior	160	2007	14
Harristown Park	LIHTC	Senior	60	2011	10

We were able to obtain absorption information from five of the comparable properties. Harristown Park is the newest property in the market. Like the Subject, this property targets seniors and it began leasing units in the fall of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 10 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Because this property is 100 percent occupied with a 100 household waiting list, there is still significant demand for senior units in the PMA. Therefore, we believe that the Subject will lease approximately 10 units per month, which is similar to Harristown Park. At this pace, the Subject will reach a stabilized occupancy of 93 percent within six months.

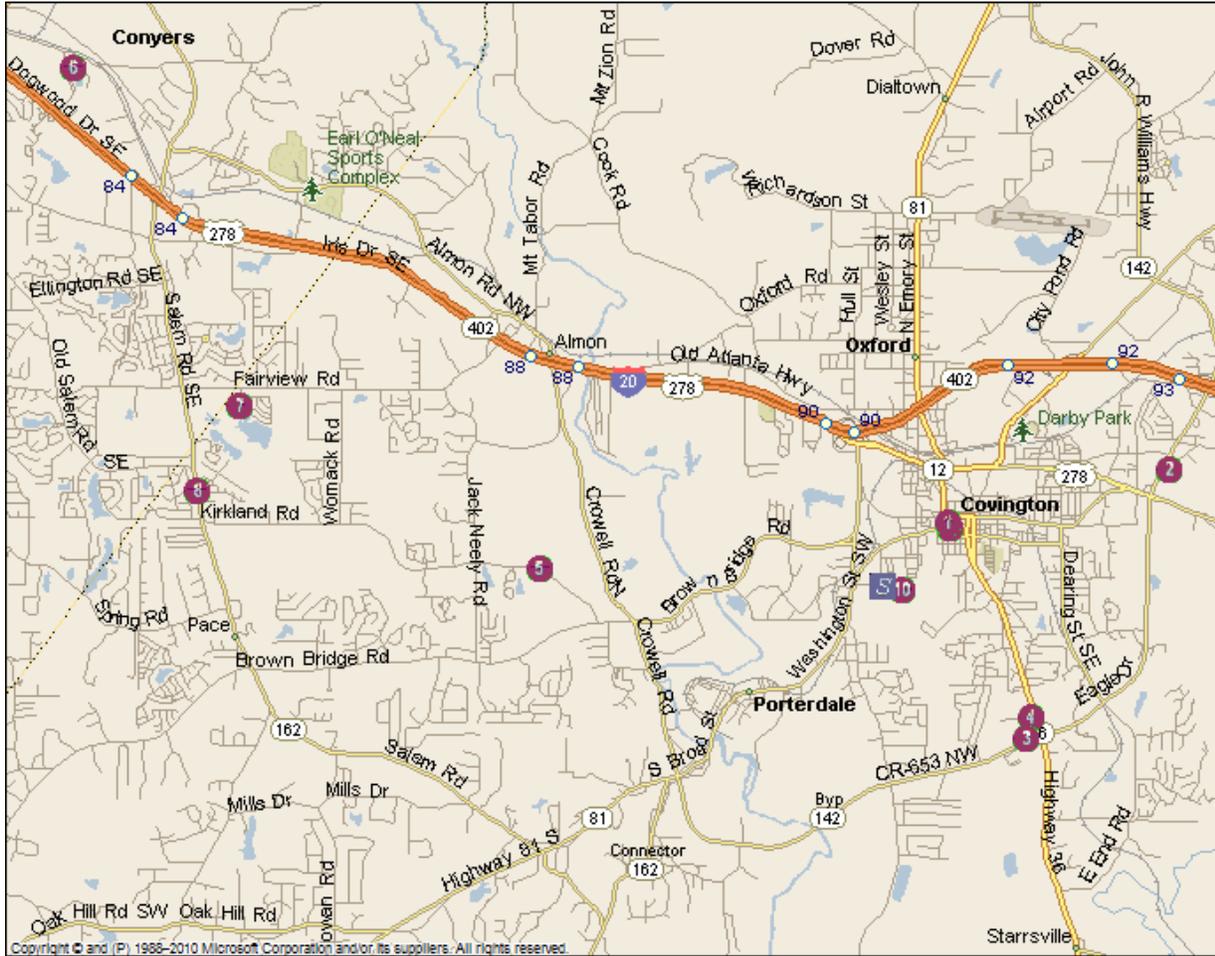
Phased Developments

The Subject is not part of a phased development.

Rural Areas

The Subject is not located in a rural area.

3. COMPETITIVE PROJECT MAP



Map#	Property Name	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
1	Covington Square	Section 8	Senior	Excluded	All units subsidized	1.3 miles
2	Wellington Ridge	LIHTC	Family	Excluded	More comparable LIHTC properties available	3.8 miles
3	Heritage Park	LIHTC	Family	Excluded	More comparable properties available	3.5 miles
4	Magnolia Heights	LIHTC	Family	Included	N/Ap	3.2 miles
5	Arbor Lake	LIHTC	Family	Included	N/Ap	3.7 miles
6	Century Lakeside	LIHTC	Family	Excluded	More comparable LIHTC properties available	11.1 miles
7	Orchard Cove	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.3 miles
8	Salem Glen I, II, III	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.5 miles
9	Harristown Park	LIHTC	Senior	Included	N/Ap	1.2 miles
10	Village at Walkers Bend	LIHTC	Family	Excluded	SFHs; under construction	adjacent
S	The Overlook at Walkers Bend	LIHTC	Senior	Subject	N/Ap	-

4. Amenities

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

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

UNIT MATRIX REPORT

	The Overlook At Walkers Bend	Antioch Manor Estates	Arbor Lake Apartments	Harristown Park	Magnolia Circle
Comp #	Subject	1	2	3	4
Property Information					
Property Type	Lowrise (age-restricted) (3 stories)	Garden (age-restricted) (3 stories)	Garden (3 stories)	Lowrise (age-restricted) (3 stories)	Garden (age-restricted) (2 stories)
Year Built / Renovated	2014	2005	2001	2011	2003
Market (Conv./Subsidy Type)	50%, 60%	30%, 50%, 60%, Market	60%, Market	50%, 60%	60%, Market
Utility Adjustments					
Cooking	no	yes	no	no	no
Water Heat	no	yes	no	no	no
Heat	no	yes	no	no	no
Other Electric	no	yes	no	no	no
Water	no	yes	no	no	yes
Sewer	no	yes	no	no	yes
Trash Collection	yes	yes	no	yes	yes
In-Unit Amenities					
Balcony/Patio	no	yes	yes	no	yes
Blinds	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	yes	no	no
Carpeting	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	no	yes
Dishwasher	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	no
Ceiling Fan	yes	yes	yes	no	no
Garbage Disposal	no	yes	yes	yes	yes
Hand Rails	yes	yes	no	yes	yes
Microwave	yes	yes	no	no	no
Oven	yes	yes	yes	yes	yes
Pull Cords	yes	yes	no	yes	yes
Refrigerator	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no
Walk-In Closet	no	yes	yes	no	no
Washer/Dryer hookup	yes	yes	yes	no	yes
Property Amenities					
Basketball Court	no	no	no	no	no
Business Center/Computer Lab	yes	yes	yes	yes	yes
Car Wash	no	no	yes	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes
Concierge	no	yes	no	no	no
Courtyard	no	yes	no	no	no
Elevators	yes	yes	no	yes	no
Exercise Facility	yes	yes	yes	yes	no
Garage	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes
Non-shelter Services	no	yes	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	yes	no
Playground	no	no	yes	no	no
Service Coordination	no	yes	no	no	no
Swimming Pool	no	no	yes	no	no
Tennis Court	no	no	yes	no	no
Theatre	no	no	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A
Services					
Adult Education	no	no	no	no	no
Afterschool Program	no	no	yes	no	no
Computer Tutoring	no	yes	no	no	no
Shuttle Service	no	yes	no	no	no
Security					
In-Unit Alarm	no	yes	no	no	no
Intercom (Buzzer)	no	no	no	yes	no
Limited Access	no	yes	yes	yes	no
Patrol	no	no	no	no	yes
Perimeter Fencing	no	no	no	no	yes
Video Surveillance	no	yes	no	no	no
Premium Amenities					
Hairdresser / Barber	no	yes	no	no	no
Housekeeping	no	yes	no	no	no
Medical Professional	no	yes	no	no	no
Other Amenities					
Other	Library, walking path	Gazebo, library, dining room, TV and game room	n/a	Walking path; community gardens	Social Director, Arts & Crafts Room

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

UNIT MATRIX REPORT

	The Overlook At Walkers Bend	Magnolia Heights	Retreat At Madison Place	Leafstone Apartments	Sumerset Apartments
Comp #	Subject	5	6	7	8
Property Information					
Property Type	Lowrise (age-restricted) (3 stories)	Garden (2 stories)	Garden (age-restricted) (4 stories)	Garden (3 stories)	Garden (3 stories)
Year Built / Renovated	2014	2002	2007	2000	1999
Market (Conv./Subsidy Type)	50%, 60%	@60%, Market	60%	Market	Market
Utility Adjustments					
Cooking	no	no	no	no	no
Water Heat	no	no	no	no	no
Heat	no	no	no	no	no
Other Electric	no	no	no	no	no
Water	no	yes	yes	no	no
Sewer	no	yes	yes	no	no
Trash Collection	yes	no	yes	yes	no
In-Unit Amenities					
Balcony/Patio	no	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	no	yes
Carpeting	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	no	yes
Dishwasher	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	yes	yes
Ceiling Fan	yes	no	yes	no	yes
Garbage Disposal	no	yes	yes	yes	yes
Hand Rails	yes	no	yes	no	no
Microwave	yes	no	no	no	no
Oven	yes	yes	yes	yes	yes
Pull Cords	yes	no	yes	no	no
Refrigerator	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	yes	no
Walk-In Closet	no	yes	no	yes	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes
Property Amenities					
Basketball Court	no	yes	no	no	no
Business Center/Computer Lab	yes	no	yes	yes	no
Car Wash	no	no	no	yes	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	no
Concierge	no	no	no	no	no
Courtyard	no	yes	no	no	no
Elevators	yes	no	yes	no	no
Exercise Facility	yes	yes	yes	yes	yes
Garage	no	no	no	yes	no
Central Laundry	yes	yes	yes	yes	yes
Non-shelter Services	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes
Picnic Area	yes	no	yes	no	no
Playground	no	yes	no	yes	yes
Service Coordination	no	no	no	no	no
Swimming Pool	no	yes	no	yes	yes
Tennis Court	no	no	no	no	yes
Theatre	no	no	yes	no	no
Garage Fee	N/A	N/A	N/A	\$75.00	N/A
Services					
Adult Education	no	no	yes	no	no
After-school Program	no	no	no	no	no
Computer Tutoring	no	no	no	no	no
Shuttle Service	no	no	yes	no	no
Security					
In-Unit Alarm	no	no	no	no	no
Intercom (Buzzer)	no	no	no	no	no
Limited Access	no	yes	yes	no	yes
Patrol	no	yes	no	yes	yes
Perimeter Fencing	no	yes	no	no	no
Video Surveillance	no	no	no	no	no
Premium Amenities					
Hairdresser / Barber	no	no	no	no	no
Housekeeping	no	no	no	no	no
Medical Professional	no	no	no	no	no
Other Amenities					
Other	Library, walking path	n/a	Walking trails, game room, health seminars	n/a	n/a

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

5. The Subject will target senior households aged 55 and older. We have included all senior properties in the PMA. Due to the lack of senior properties, we have also included family properties. The following table illustrates the percent of senior tenants at the family properties included.

Percent Senior Tenants

Property Name	Type	% Senior Tenants
Arbor Lake Apartments	LIHTC/Market	5%
Magnolia Heights	LIHTC/Market	10%
Leafstone Apartments	Market	5%
Sumerset Apartments	Market	5%

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Antioch Manor Estates	LIHTC/Market	Senior	120	0	0.00%
Arbor Lake Apartments	LIHTC/Market	Family	250	26	10.40%
Harristown Park	LIHTC	Senior	60	0	0.00%
Magnolia Circle	LIHTC/Market	Senior	84	3	3.60%
Magnolia Heights	LIHTC/Market	Family	200	32	16.00%
Retreat At Madison Place	LIHTC	Senior	160	4	2.50%
Leafstone Apartments	Market	Family	468	65	13.90%
Sumerset Apartments	Market	Family	240	17	7.10%
Senior LIHTC Average	-	-	424	7	1.70%
Family LIHTC Average	-	-	450	58	12.90%
Market Rate Average	-	-	708	82	11.60%
Overall Average	-	-	1,582	147	9.30%

The overall vacancy rate of 9.3 percent is considered moderate; however, the senior LIHTC vacancy rate is significantly lower at 1.7 percent and is considered healthy. Two of the four senior LIHTC properties do not have any vacant units. Further, the newest senior property in the market, Harristown Park, has a waiting list of 100 households and leased within six months of opening. The strong performance and lengthy waiting list at this property indicates a need for additional senior rental units in the market. Management at both Arbor Lake and Magnolia Heights indicated that their vacancy rates were not impacted by the opening of Harristown Park, as their properties only have between five and 10 percent senior tenants and they are not aware

of any tenants that left in order to move to Harristown Park. Historical trends based on previous interviews indicate that vacancy rates at Arbor Lake have fluctuated between 5.6 and 10.4 percent between 2010 and 2012 and vacancy rates at Magnolia Heights have fluctuated between 9.5 and 16.0 percent over this same time period. Therefore, it appears that these family LIHTC properties have historically had moderate to high vacancy rates. Our analysis also indicates that the two market rate properties have also had high historical vacancy rates. Therefore, it appears that the senior rental market is significantly outperforming the family rental market. As an age restricted property, we anticipate that the Subject will perform similarly to the age restricted comparables and will maintain a vacancy rate of five percent or less. If allocated, we do not believe that the Subject will impact the performance of the family comparables as they have low senior tenancies ranging between five and 10 percent and property managers did not report being impacted by the opening of Harristown Park.

7. Properties Under Construction and Proposed

There is one LIHTC property under construction in the PMA. The family LIHTC property Village at Walkers Bend was allocated in 2010 and is currently under construction. Below are details on this development.

1. The development is located on Everett Street and will be adjacent to the Subject.
2. Owner: John H. Collins
3. Number of units: See table below
4. Unit Configuration: See table below
5. Rent structure: See table below
6. Estimated date of market entry: 2012

Village at Walkers Bend		
Unit Type	Number of Units	Proposed Rent
<i>50% AMI</i>		
3BR	2	\$510
4BR	3	\$550
<i>60% AMI</i>		
3BR	12	\$510
4BR	15	\$550
Total	32	

As three- and four-bedroom single family home units targeting larger households, this property will not compete with the Subject’s senior units.

8. Rental Advantage

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

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

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Antioch Manor Estates	LIHTC/Market	Superior	Superior	Superior	Slightly Inferior	Inferior	15
2	Arbor Lake Apartments	LIHTC/Market	Superior	Superior	Slightly Inferior	Inferior	Superior	15
3	Harristown Park	LIHTC	Similar	Slightly Inferior	Superior	Similar	Similar	5
4	Magnolia Circle	LIHTC/Market	Slightly Inferior	Similar	Superior	Inferior	Slightly Superior	0
5	Magnolia Heights	LIHTC/Market	Superior	Slightly Superior	Slightly Inferior	Inferior	Superior	10
6	Retreat At Madison Place	LIHTC	Similar	Similar	Superior	Similar	Slightly Superior	15
7	Leafstone Apartments	Market	Superior	Superior	Slightly Inferior	Inferior	Superior	15
8	Sumerset Apartments	Market	Similar	Superior	Slightly Inferior	Inferior	Slightly Superior	0

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

The rental rates at the LIHTC properties are compared to the Subject's proposed 50 and 60 percent AMI rents in the following table. Per DCA's QAP clarification question and answer round, since 2012 utility allowances have not yet been released, applicants must use 2011 rent and income limits in areas that are using 2011 utility allowance schedules.

LIHTC Rent Comparison - @50%

Property Name	Tenancy	1BR	2BR
The Overlook At Walkers Bend (Subject)	Senior	\$425	\$500
LIHTC Maximum (Net)	-	\$489	\$573
Antioch Manor Estates	Senior	\$539	\$635
Magnolia Circle	Senior	\$515	\$616
Harristown Park	Senior	\$390	\$450
Average (excluding Subject)	-	\$481	\$567

LIHTC Rent Comparison - @60%

Property Name	Tenancy	1BR	2BR
The Overlook At Walkers Bend (Subject)	Senior	\$425	\$500
LIHTC Maximum (Net)	-	\$617	\$727
Antioch Manor Estates	Senior	\$613	\$710-\$720
Arbor Lake Apartments	Family	\$499	\$535
Retreat At Madison Place	Senior	\$649	\$725
Magnolia Heights	Family	\$523	\$501
Magnolia Circle	Senior	\$535	\$636
Harristown Park	Senior	\$390	\$460
Average (excluding Subject)	-	\$535	\$612

The Subject's proposed rents are below all of the rents at the comparables, with the exception of Harristown Park. This comparable is the newest property in the market and like the Subject, it targets senior tenants. It is also the only senior LIHTC property in the PMA. Harristown Park is 100 percent occupied and has a 100 household waiting list. Therefore, this property is not testing LIHTC rents and it is likely that higher rents could be achieved. The Subject will be generally

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

similar to this property and management at Harristown Park indicated that rents \$35 to \$50 above the property's current rents would be achievable to senior tenants in the market. The biggest rent differential between the Subject and Harristown Park is in the two-bedroom 50 percent AMI units. While the Subject's proposed rents are \$50 above the rents at Harristown Park on a dollar per unit basis, they are only \$0.03 above the rents on a dollar per square foot basis. The Subject's proposed rents are below all of the remaining senior comparables, which is reasonable given that these comparables are located outside the PMA in superior locations closer to Atlanta. Overall, the Subject's rents appear reasonable when compared to the rents at the comparables and particularly when taking into account the strong demand for senior LIHTC units in the PMA. This strong demand is illustrated by the 100 percent occupancy and lengthy waiting list at Harristown Park, the one senior LIHTC comparable in the PMA.

Analysis of "Market Rents"

Per DCA's market study guidelines, "average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not "Achievable unrestricted market rent." In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comps, but many market rate comps with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comps. In a small rural market there may be neither tax credit comps nor market rate comps with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market."

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

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

Subject Comparison To Market Rents

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR 50%	\$425	\$390	\$823	\$578	36%
2 BR 50%	\$500	\$450	\$1,200	\$698	40%
1 BR 60%	\$425	\$390	\$823	\$598	41%
2 BR 60%	\$500	\$460	\$1,200	\$727	45%

As illustrated in the following table, the Subject's proposed rents will have a significant rent advantage of 36 to 45 percent above the surveyed average market rents. As a newly constructed senior LIHTC property, the Subject will be similar to superior to the existing inventory in the area and will offer rents below all of the comparables, with the exception of Harristown Park. As previously mentioned, this property is not testing achievable LIHTC rents, as is evidenced by their 100 percent occupancy and 100 household waiting list. Overall, the Subject's rents will be achievable and will offer value in the local market.

9. LIHTC Competition – Recent Allocations within Two Miles

There has been one LIHTC allocation within two miles of the Subject site in the last two years. Village at Walkers Bend is a single family home development that will offer three- and four-bedroom units. The development was allocated tax credits in 2010 and is currently under construction. It will be located adjacent to the Subject’s units. Because the development will offer single family homes and will target larger families, its units will not compete with the Subject.

The most recent senior allocation in the PMA was Harristown Park, which was allocated tax credits in 2009. This property is complete and is 100 percent occupied. It has been used as a comparable in our analysis.

10. Rental Trends in the PMA

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

TENURE PATTERNS PMA (AGES 55+)

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
1990	-	-	-	-
2000	6,759	83.06%	1,378	16.94%
2010	10,444	82.40%	2,231	17.60%
Prj Mrkt Entry				
June 2014	12,436	82.12%	2,710	17.88%
2015	12,987	82.04%	2,843	17.96%

0

Owner-occupied housing dominates the PMA with 82.4 percent in 2010. However, the 17.6 percent of renter-occupied housing is higher than the national average of just 13 percent. Renter-occupied units are expected to rise, but only slightly, into the foreseeable future.

Historical Vacancy

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

Historical Vacancy

Comparable Property	Type	Tenancy	Total Units	2QTR 2010	3QTR 2010	4QTR 2010	1QTR 2011	1QTR 2012	2QTR 2012
Antioch Manor Estates	LIHTC/Market	Senior	120	0.00%	1.70%	0.00%	0.00%	N/Av	0.00%
Arbor Lake Apartments	LIHTC/Market	Family	250	5.60%	8.00%	N/Av	N/Av	10.40%	10.40%
Harristown Park	LIHTC	Senior	60	N/Av	N/Av	N/Av	N/Av	N/Av	0.00%
Magnolia Circle	LIHTC/Market	Senior	84	0.00%	0.00%	N/Av	N/Av	N/Av	3.60%
Magnolia Heights	LIHTC/Market	Family	200	9.50%	10.50%	N/Av	N/Av	16.00%	16.00%
Retreat At Madison Place	LIHTC	Senior	160	7.50%	N/Av	7.50%	8.70%	N/Av	2.50%
Leafstone Apartments	LIHTC	Family	468	9.80%	9.80%	N/Av	N/Av	N/Av	13.90%
Sumerset Apartments	LIHTC	Family	240	7.90%	7.10%	N/Av	N/Av	N/Av	7.10%
Total	-	-	1,582	5.80%	6.20%	-	-	-	9.30%

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

As illustrated, the senior rental market has remained strong over the past two years while the family market has had increases in vacancy. The Subject will target seniors and should perform similarly to the age restricted comparables.

Change in Rental Rates

The following table illustrates rental rate increases at the comparables.

RENT GROWTH			
Comparable Property	Rent Structure	Tenancy	Rent Growth
Antioch Manor Estates	LIHTC/Market	Senior	None
Arbor Lake Apartments	LIHTC/Market	Family	None
Harristown Park	LIHTC	Senior	N/Ap
Magnolia Circle	LIHTC/Market	Senior	None
Magnolia Heights	LIHTC/Market	Family	Decrease of 3%
Retreat At Madison Place	LIHTC	Senior	Increase of 9% in 2BR units
Leafstone Apartments	Market	Family	Increase of 5% in 3BR units
Sumerset Apartments	Market	Family	None

Two of the comparables reported rental increases while one reported a rental decrease. The remaining comparables had no change in rents over the past year. The Subject's rents will be well below the maximum allowable levels and it is possible that the Subject will experience regular rental increases following stabilization.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac.com statistics, Covington experienced a very high 264 reported foreclosures in April 2012. This equates to about one in every 125 homes. For the same time period, Newton County foreclosures of one in every 132 homes, one in every 398 in Georgia, and one in every 698 in the nation. This high rate of foreclosure could make seniors' task of selling their homes very difficult.

12. Senior Housing Void

The LIHTC vacancy is low at less than two percent. Additionally, the one senior LIHTC property in the PMA is 100 percent occupied with a 100 household waiting list. The strong occupancy and waiting list indicate a need for additional senior rental housing in the area. We believe that the Subject's units will help to fill this void.

13. Affect of Subject on Other Affordable Units in Market

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

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior LIHTC comparables are performing well, with a vacancy rate of less than two percent. Additionally, the one senior LIHTC comparable in the PMA is 100 percent occupied and has a 100 household waiting list. These households will help generate demand for the Subject's units. The Subject's proposed 50 and 60 percent AMI rents are below the rents at all of the comparables with the exception of Harristown Park. This is the newest senior property in the market and it is the only senior LIHTC property in the PMA. The property is 100 percent occupied and leased within six months of opening. Additionally, there is a lengthy waiting list. Therefore, this property is not testing achievable LIHTC rents. Management at Harristown Park confirmed that the property could achieve higher rents and indicated that the Subject's proposed rents would be achievable to senior renters in the PMA. Overall, we believe that the Subject's rents are achievable and that the Subject will offer value in the market. This is further illustrated by the significant rental advantage of 36 to 45 percent that the Subject's units will have over the average market rents. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is consistent with the senior LIHTC average and we recommend the Subject as proposed.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

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

Absorption

Property Name	Type	Tenancy	Total Units	Year Built	Units Absorbed Per Month
Arbor Lake	LIHTC/Market	Family	250	2001	20
Magnolia Circle	LIHTC/Market	Senior	84	2003	14
Antioch Manor Estates	LIHTC/Market	Senior	120	2005	24
Retreat at Madison Place	LIHTC	Senior	160	2007	14
Harristown Park	LIHTC	Senior	60	2011	10

We were able to obtain absorption information from five of the comparable properties. Harristown Park is the newest property in the market. Like the Subject, this property targets seniors and it began leasing units in the fall of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 10 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Because this property is 100 percent occupied with a 100 household waiting list, there is still significant demand for senior units in the PMA. Therefore, we believe that the Subject will lease approximately 10 units per month, which is similar to Harristown Park. At this pace, the Subject will reach a stabilized occupancy of 93 percent within six months.

J. INTERVIEWS

Georgia Department of Community Affairs, Carrollton Regional Office

According to Janice Jackson, Regional Housing Administrator of the Georgia Department of Community Affairs Athens Regional Office, the department currently has a little over 600 Housing Choice Vouchers under contract in Newton County. The waitlist for vouchers is currently closed, with no signs of opening up in the near future. The current payment standards for Henry County can be found in the following table.

Payment Standards	
1BR	\$820
2BR	\$912
3BR	\$1,110
4BR	\$1,211

Payment standards for the county are 100 percent of FMR. The Subject’s gross rents at 50 and 60 percent AMI are well below the payment standard.

Planning

We spoke to Mr. Scott Sirotkin, director of the Newton County Planning Department regarding recently built or proposed developments in the area. Mr. Sirotkin noted that activity in all sectors has generally slowed. The only projects he could think of were the proposed Subject, and an almost completed Wal-Mart Supercenter six miles west of the Subject.

Chamber of Commerce

We spoke with Mrs. Shannon Davis, Director of Business Retention and Expansion at the Covington-Newton County Chamber of Commerce regarding the general economic outlook for the area. One major announcement Mr. Davis focused on was the Baxter Pharmaceutical plant. Baxter Pharmaceutical recently announced plans to build a new \$1 billion dollar plasma manufacturing plant in Covington. The plant will bring 1,500 new full-time jobs to the area and an additional 500 more in support roles around the US. Construction on the plant will begin later this year, with production at the plant beginning in 2018. For an area hit harder than average during the economic downturn, this announcement is the first major sign of a recovery. Other new businesses to the area include Vestar, a special metals manufacturer for technology companies, come to the area in November 2011 with 140 new positions.

Mrs. Davis could note of only two expansions worth noting. Nisshinbo Automotive added over 60 new employees in 2011, and SKC expanded by over 100 employees in 2011. Mrs. Davis believed that Bridgestone Golf, Fibervision, and Beaver Manufacturing added jobs in the past year, but did not know specifics. She believed their hiring was relatively small.

As far as contractions, Mrs. Davis could only think of one. Berry Plastics began downsizing from 150 employees in 2009. Between 2009 and 2011, Berry reduced their workforce to just 40 employees. Unfortunately, Berry decided to close its plant in Covington in 2011 as well.

Finally, Mrs. Davis noted that she and her colleagues believe that the Covington area is beginning to see a positive turn in its economy. The major announcement of the Baxter Pharmaceutical plant and other hiring bodes well for the city and Newton County.

Senior Center

We spoke with Erica Wilson of the Newton County Senior Center regarding the senior population in the area around Covington. The center is just a few miles away from the Subject, in downtown Covington. According to Ms. Wilson, the center offers transportation, meals on wheels, legal services, employment services, arts & crafts, game nights, computer classes, and day trips, etc. The seniors there are predominantly retired and on social security as their primary income source, with an average age of 75. Persons must be at least 60 years old to use the center's services. Ms. Wilson opined that she believes there may be a shortage of affordable housing for seniors in the area, as the center has been receiving a good number of calls asking for assistance in finding such housing. Ms. Wilson stated that they have been referring most of these inquiries to Harris Town Park apartments, a recently built LIHTC senior property in Covington. It should be noted that Harris Town Park was developed by the same company developing the Subject. Ms. Wilson could not think of any other properties they would be referring seniors to at this time.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- Both senior population and households have been growing at rates much higher than their overall counterparts for more than two decades. Between 2000 and 2010, senior population growth was rapid at 9.1 percent annually, compared to 6.7 percent in the MSA. By the market entry date of the Subject, senior population growth will have slowed to 4.8 percent in the PMA, but this will be a full two percent higher than the overall population growth number of 2.8 percent. At a 5.8 percent annual growth between 2000 and 2010, PMA senior household growth outshines the MSA at three percent, and the nation at one percent.

Owner-occupied housing dominates the PMA with 82.4 percent in 2010. However, the 17.6 percent of renter-occupied housing is higher than the national average of just 13 percent. Renter-occupied units are expected to rise, but only slightly, into the foreseeable future.

Household incomes for seniors in the PMA are skewed slightly towards higher income brackets at 35.5 percent of households earning under \$39,999. The Subject will target senior households earning between \$17,000 and \$33,000, therefore, the Subject should be well-positioned to service this market.

Senior renter households in the PMA with two persons or less made up 72 percent of such households in 2010. This percentage is projected to remain stable into the foreseeable future. The Subject will contain one and two bedroom floor plans, so this large percentage bodes well for the Subject.

Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target.

- Covington and Newton County in general were particularly hard hit by the housing market crash of 2007 and 2008. Before those years, Newton County had been the 4th fastest growing county in the nation. The extreme drop in new home building subsequently led to loss of construction jobs, cutbacks by builders, and cutbacks by their suppliers. Manufacturing employment in the county also felt the effects of the downturn in demand for their products.

Manufacturing, construction, and the retail trade made up 34.1 percent of employment by industry in 2010, according to our demographics. All three of these industries are historically highly volatile in an economic downturn. The manufacturers will cutback in hiring due to lack of demand for their goods throughout these years. Newton County was extremely hard hit by the crash of the housing market in 2007 and 2008. The main reason for this hit being extreme overbuilding during the height of the market. Construction employment surely dropped off due to builders seeing no demand for their services.

Recent events, however, indicate the beginnings of a recovery in progress for the area. Baxter Pharmaceutical recently announced plans to build a new \$1 billion dollar plasma

manufacturing plant in Covington. The plant will bring 1,500 new full-time jobs to the area and an additional 500 more in support roles around the US. Construction on the plant will begin later this year, with production at the plant beginning in 2018. For an area hit harder than average during the economic downturn, this announcement is the first major sign of a recovery. Other new businesses to the area include Vestar, a special metals manufacturer for technology companies, come to the area in November 2011 with 140 new positions. Nisshinbo Automotive added over 60 new employees in 2011, and SKC expanded by over 100 employees in 2011. These new hires, expansions, and contractions all point to an uptick in economic prosperity for the PMA.

- The Subject’s capture rates at the 50 percent AMI level will range from 3.6 to 7.0 percent, with an overall capture rate of 5.3 percent. The Subject’s 60 percent AMI capture rates range from 8.1 to 17.7 percent, with an overall capture rate of 12.7 percent. The overall capture rate for the project’s 50 and 60 percent units is 17.3 percent. Therefore, we believe there is adequate demand for the Subject.
- We were able to obtain absorption information from two comparable properties, illustrated following.

Absorption

Property Name	Type	Tenancy	Total		Units Absorbed
			Units	Year Built	Per Month
Arbor Lake	LIHTC/Market	Family	250	2001	20
Magnolia Circle	LIHTC/Market	Senior	84	2003	14
Antioch Manor Estates	LIHTC/Market	Senior	120	2005	24
Retreat at Madison Place	LIHTC	Senior	160	2007	14
Harristown Park	LIHTC	Senior	60	2011	10

We were able to obtain absorption information from five of the comparable properties. Harristown Park is the newest property in the market. Like the Subject, this property targets seniors and it began leasing units in the fall of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 10 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Because this property is 100 percent occupied with a 100 household waiting list, there is still significant demand for senior units in the PMA. Therefore, we believe that the Subject will lease approximately 10 units per month, which is similar to Harristown Park. At this pace, the Subject will reach a stabilized occupancy of 93 percent within six months.

- The overall vacancy rate of 9.3 percent is considered moderate; however, the senior LIHTC vacancy rate is significantly lower at 1.7 percent and is considered healthy. Two of the four senior LIHTC properties do not have any vacant units. Further, the newest senior property in the market, Harristown Park, has a waiting list of 100 households and leased within six months of opening. The strong performance and lengthy waiting list at this property indicates a need for additional senior rental units in the market. Management at both Arbor Lake and Magnolia Heights indicated that their vacancy rates were not impacted by the opening of Harristown Park, as their properties only have

between five and 10 percent senior tenants and they are not aware of any tenants that left in order to move to Harristown Park. Historical trends based on previous interviews indicate that vacancy rates at Arbor Lake have fluctuated between 5.6 and 10.4 percent between 2010 and 2012 and vacancy rates at Magnolia Heights have fluctuated between 9.5 and 16.0 percent over this same time period. Therefore, it appears that these family LIHTC properties have historically had moderate to high vacancy rates. Our analysis also indicates that the two market rate properties have also had high historical vacancy rates. Therefore, it appears that the senior rental market is significantly outperforming the family rental market. As an age restricted property, we anticipate that the Subject will perform similarly to the age restricted comparables and will maintain a vacancy rate of five percent or less. If allocated, we do not believe that the Subject will impact the performance of the family comparables as they have low senior tenancies ranging between five and 10 percent and property managers did not report being impacted by the opening of Harristown Park.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior LIHTC comparables are performing well, with a vacancy rate of less than two percent. Additionally, the one senior LIHTC comparable in the PMA is 100 percent occupied and has a 100 household waiting list. These households will help generate demand for the Subject's units. The Subject's proposed 50 and 60 percent AMI rents are below the rents at all of the comparables with the exception of Harristown Park. This is the newest senior property in the market and it is the only senior LIHTC property in the PMA. The property is 100 percent occupied and leased within six months of opening. Additionally, there is a lengthy waiting list. Therefore, this property is not testing achievable LIHTC rents. Management at Harristown Park confirmed that the property could achieve higher rents and indicated that the Subject's proposed rents would be achievable to senior renters in the PMA. Overall, we believe that the Subject's rents are achievable and that the Subject will offer value in the market. This is further illustrated by the significant rental advantage of 36 to 45 percent that the Subject's units will have over the average market rents. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is consistent with the senior LIHTC average and we recommend the Subject as proposed.

Recommendations

- We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



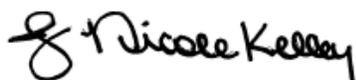
H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

6-12-2012
Date



Michalena M. Sukenik
Principal
Novogradac & Company LLP

6-12-2012
Date



J. Nicole Kelley
Real Estate Analyst
Novogradac & Company LLP

6-12-2012
Date

M. MARKET STUDY REPRESENTATION

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



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

6-12-2012

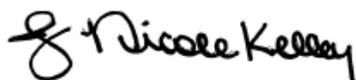
Date



Michalena M. Sukenik
Principal
Novogradac & Company LLP

6-12-2012

Date



J. Nicole Weekley
Real Estate Analyst
Novogradac & Company LLP

6-12-2012

Date

N. QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
Member, National Council of Affordable Housing Market Analysts (NCAHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. 31534 – State of Arizona
Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. CG100026242 – State of Colorado
Certified General Real Estate Appraiser, No. 4206 – State of Kentucky
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1101008 – State of Washington
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

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

IV. Professional Training

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

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

V. Real Estate Assignments – Examples

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

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

H. Blair Kincer

Qualifications

Page 3

- 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

Principal, Novogradac & Company LLP (Start date: September 2002 - present)
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) 30th 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.
- Prepared a comprehensive city wide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Prepared a comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. The study focused on the housing and economic trends Pre- and Post- Hurricane Katrina and overall housing needs in that neighborhood.
- 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 Alabama, Alaska, Arizona, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Washington, and 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 KELLEY

I. Education

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

II. Professional Experience

Analyst, Novogradac & Company LLP (Start Date: May 2006 – Present)
Intern, Bullock Mannelly Partners
Graduate Assistant, Auburn University College of Business

III. Research Assignments

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

- 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 proposed new construction and existing Low-Income Housing Tax Credit properties.
- Assisted in the preparation of Rent Comparability Studies according to HUD guidelines.