



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

**CONNERS SENIOR VILLAGE II
9501 Conners Road
Villa Rica, Douglas County, Georgia**

**Effective Date: April 26, 2012
Report Date: May 29, 2012**

Prepared For

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Prepared By

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**NOVOGRADAC
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CERTIFIED PUBLIC ACCOUNTANTS

May 29, 2012

Mr. Josh Thomason
Peachtree Housing Communities, LLC
80 West Wieuca Road, NE
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Re: Market Study for Conners Senior Village II in Villa Rica, Georgia

Dear Mr. Thomason:

At your request, Novogradac & Company LLP performed a market study of the senior rental market in the Villa Rica, Douglas 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 Conners Senior Village Phase II, 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,



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ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Connors Senior Village II (the Subject) is a proposed HFOP development that will be located near the intersection of Mirrorlake Boulevard and Connors Road in Villa Rica, Douglas County, Georgia. The site is adjacent to Connors Senior Village, phase I of the Subject that received a LIHTC allocation in 2010. The Subject will be constructed in four single story residential buildings and two two-story residential buildings with ground level access to each floor in addition to one non-residential clubhouse. All buildings will be brick veneer with fiber cement siding. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

PROPOSED RENTS

Unit Type	Number of Units	Sq. Feet	Asking Rent	Utility Allowance (1)	Gross Rent	2011 LIHTC	2012 LIHTC	HUD Fair Market Rents
						Maximum Allowable Gross Rent	Maximum Allowable Gross Rent	
<i>50% AMI</i>								
1BR	2	832	\$390	\$152	\$542	\$641	\$650	\$757
2BR	7	1,037	\$490	\$195	\$685	\$768	\$780	\$842
<i>60% AMI</i>								
1BR	10	832	\$440	\$152	\$592	\$769	\$780	\$757
2BR	<u>41</u>	1,037	\$490	\$195	\$685	\$922	\$936	\$842
Total	60							

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

The Subject will be Phase II of a senior property that is currently under construction that is anticipated to open in July of 2012. Phase I began accepting applications three weeks ago and currently has 144 people on the waiting list to submit applications and 30 applications in review. Phase I of the Subject will offer one- and two-bedroom units at 50 and 60 percent of the AMI.

The Subject will offer the following in unit amenities: blinds, carpeting, central air conditioning, dishwashers, ovens/stoves, microwaves, refrigerators, washer/dryer connections, pull cords, hand rails, and balconies/patios. Community amenities will consist of a community room/clubhouse, a central laundry facility, a walking path with benches, a business center, a fitness facility, a putting green, and a community garden.

The Subject will also offer social and recreational programs that will be planned and overseen by the property manager. Semi-monthly classes such as computer tutoring and gardening classes will also be offered. The Subject's amenities are considered extensive and will be competitive with those offered at the comparables.

2. Site Description/Evaluation:

The Subject site will be located south of Conners Senior Village Phase I which is located along Conners Road in the Mirror Lake area of Villa Rica. Access to the Subject site is through Conners Senior Village Phase I. The Subject's neighborhood is one of the newly developing communities in Villa Rica and most of the surrounding uses are new and are in good to excellent condition. Retail and office space in this neighborhood is new construction and well occupied. The residential uses in the neighborhood generally consist of newer single family homes. Positive attributes of the site include the close proximity to retail and medical uses.

The surrounding areas to the north and east include the Mirror Lake single family home subdivision, which appeared to be well occupied and homes are in excellent condition which have been built within the past 10 to 15 years. Northwest of the Subject site is a small retail plaza that includes a Dollar General store, American Bodyworks fitness center, and a dry cleaners. This plaza is 100 percent occupied and is in average condition. Southwest of the Subject site is the LifeGate Church and the Lake Pointe Professional Park, both of which are in good condition. An active rail road track is located immediately south of the Subject site.

Additional uses in the neighborhood include The Village at Mirror Lake retail plaza which consists of the following tenants: Publix grocery store, Mex-Grill & Bar, Johnny's Pizza, Subway, Accel Physical Therapy, salon, Great Clips, H&R Block, nail salon, Metro PCS, and more. This retail plaza appeared to be approximately 95 percent occupied. Additional uses along Conner Road and Mirror Lake Boulevard are a gas station, Walgreens, banks, fast food restaurants, a daycare center and Tanner Healthcare immediate care facility.

The Subject is located on the south side of Conners Road behind Phase I that is still under construction. Views are of Conners Senior Village Phase I to the north, vacant land to

the west, single family homes that are part of the Mirror Lake, lake and golf community to the east and the LifeGate Church, State Route 78, and rail road tracks to the south. Visibility is limited from Conners Road; however, Phase I of the Subject has good visibility from Conners Road. The Subject, once built, will have limited visibility from State Route 78 (Bankhead Highway) through a tree line; however, the site will not have access from State Route 78. Overall, visibility is poor and views are considered average.

Overall, the site appears appropriate for senior LIHTC housing and will have good proximity to locational amenities such as retail and healthcare.

3. Market Area Definition:

The Subject is located in Villa Rica, Douglas County, Georgia. The PMA is defined as Buchanan Highway to the north, North Burnt Hickory Road, the county line, and State Route 92 to the east, Jeb Duncan Memorial Highway to the south, and Sandhill Hickory Level Road and the county line to the west. The farthest PMA boundary from the Subject site is 10.3 miles. As Phase I of the Subject has only initially begun accepting applications, the management could not report on the tenancy draw and we relied on the comparable properties for market area information. Management at Highland Park Senior, a senior LIHTC property in Douglasville, reported that the property has tenants from Villa Rica and she believes that residents of Douglasville would move to Villas Rica if affordable housing were built. Management reported that Villa Rica and Douglasville do not compete with Dallas and there is no tenant exchange between the two areas. Management at Creekstone Apartments a LIHTC property in Dallas that has units set aside for seniors reported that they rarely have vacancies and have tried to refer tenants to Highland Park in Douglasville but seniors do not want to leave the Dallas area. Therefore, we do not believe that the Subject will draw tenants from Dallas and we have not included this area in our analysis; however, we do believe that the Subject will draw tenants from Douglasville based on information provided by management at Highland Park Senior as well as our inspection of the market area. Therefore, we have included Douglasville in our PMA.

We have also excluded the Carrollton area from our PMA. Management at Hickory Falls, a market rate property in Villa Rica, reported that they have a few tenants from the Carrollton area. Carrollton is located approximately 15 miles from Villa Rica and is considered a separate

submarket. Therefore, we have not included this area in our PMA. While we believe that the majority of the Subject's tenants will come from within the PMA, we have accounted for 15 percent leakage from outside the PMA boundaries. We believe this is warranted given the number of seniors who have moved to senior properties in the area from out of state in order to be closer to family members. Management at Highland Park Senior estimated that approximately 20 percent of tenants at the property have moved from outside the local area.

4. Community Demographic Data:

The Subject is located in Villa Rica, Douglas County, Georgia. Overall demographics are strong for the Subject's age-restricted units. In 2010, the senior population above the age of 55 was approximately 35,232. This figure is projected to increase to 45,166 by 2015, an annual rate of approximately 5.6 percent. Similarly, the number of households with a senior householder above the age of 55 is also projected to grow at a very high rate over the next five years; in 2010 this figure was 17,501, and is projected to increase to 23,402 in 2014. This large 6.7 percent annual growth rate, almost two percent higher than the Atlanta MSA, also illustrates the demand for the Subject.

In addition to the positive growth trends, the tenure patterns also demonstrate demand for the Subject. In 2010, approximately 15 percent of seniors above the age of 55 in the PMA resided in renter-occupied housing units. This is slightly above the national average of 13 percent for seniors living in renter-occupied housing units.

Of the two comparable senior comparable properties near the Subject's site, one has experienced a three percent rent growth in the last twelve months, and the other has remained stable. Considering the current economic recession, both stable rents and rent growth are considered positive indicators of a healthy economy.

According to RealtyTrac's April 2012 foreclosure research, 82 housing units filed foreclosure in Villa Rica, GA, this equates to a foreclosure rate of one in every 167 housing units. Douglas County had a foreclosure rate of one in every 216 housing units; Georgia had a foreclosure rate of one in every 398 housing units; the US had a foreclosure rate of one in every 698 housing units in April 2012. Therefore, Villa Rica, GA had a higher foreclosure rate than Douglas County, Georgia, and the US in April 2012.

We spoke with Mr. Charlie Skinner with Skinner Properties regarding the real estate market in Villa Rica, GA. According to Mr. Skinner, the inventory of foreclosure properties on the market has dipped significantly recently. He stated that realtors have started grasping the realities of the market and are pricing things correctly in his opinion. Therefore, foreclosures that come to market and are in relatively good shape get purchased quickly. Many seniors looking to move into housing offered by the Subject will have to sell their homes, so this market will make it much easier for them to accomplish this.

5. Economic Data:

Douglas County posted strong employment growth in 2005 and 2008 but total employment decreased significantly in 2009 due to the impact of the nation-wide recession and continuing economic downturn. Average annual employment estimates roughly reflect the year-over-year change in total employment, which decreased by 5.47 percent from September 2010 to September 2011, which is the most current data available. The decrease in employment has caused an increase in the unemployment rate in Douglas County, which was 8.9 percent in March 2012, according to the Georgia Department of Labor's statistics. This places Douglas County, GA above the national unemployment rate of 8.2 percent in March 2012. The largest industries in the PMA are retail trade, construction, and healthcare/social assistance. The retail trade and construction industries have both seen several layoffs from this current economic recession as a result of the housing market downturn and reduced consumer spending.

Between 2005 and 2008, the unemployment rate in the Atlanta MSA fluctuated between 4.5 and 6.2 percent. In 2009, the unemployment rate increased to 9.6 percent, 0.3 percentage points higher than the national average; and then in 2010 (to date), the unemployment rate increased again to 10.4 percent, 0.2 percentage points higher than the nation. Between 2010 and 2011, total employment in the MSA increased by 1.7 percentage points, causing the unemployment rate to decrease 0.6 percentage points. In 2011, the unemployment rate was 9.6 percentage points, the highest in a decade, and 0.7 percentage points higher than the national average. Between February 2011 and February 2012, total employment increased 2.7 percentage points, and the unemployment rate increased 0.6 percentage points. As of February 2012, the unemployment rate was

slightly above the unemployment rate of the nation, but the high rate of growth in total employment indicates a quicker recovery in the MSA compared to the nation.

As of their most recent update end of 2009 report, the Metro Atlanta Chamber of Commerce estimates that 11,890 jobs will be added to the Atlanta area economy from new companies and expansions. These new jobs will help to mitigate the 10,300 jobs eliminated by layoffs and closures announced in the Georgia Department of Labor’s 2009 and 2010 WARN reports. While there has been some evidence that Atlanta’s economy is improving (ie. new jobs), the unemployment rate continues to increase, and layoffs continue to occur.

As of March 2012, WARN notices for the metro area have dropped to a total of 4,851. Among the total layoffs in the Atlanta Metropolitan area, there were two layoffs for Douglas County reported to the Georgia Department of Labor in 2011 and 2012 as of March. Combining these two layoffs, a total of 102 jobs were contracted in Douglas County in 2011 and 2012. Both of these layoffs were in the health industries. While these industries tend to be very stable, the companies involved were only manufacturers of medical products; manufacturing of all kinds are experiencing setbacks in this recessed economy.

The Subject will target seniors 55 and above. As a senior property, we expect that the Subject will be less affected by the local economic recession given that most senior tenants at the comparables are retired.

6. Project-Specific Affordability And Demand Analysis:

Our demand analysis indicates that there are 898 income qualified renter households in the PMA. The Subject will have to capture 56 of these in order to stabilize at an occupancy rate of 93 percent. The following table illustrates capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR/50% AMI	\$16,260 - \$27,750	2	517	6	511	0.4%
2BR/50% AMI	\$16,260 - \$27,750	7	297	11	286	2.4%
1BR/60% AMI	\$17,760 - \$33,300	10	543	10	533	1.9%
2BR/60% AMI	\$17,760 - \$33,300	41	312	58	254	16.1%
Total 50% AMI	\$16,260 - \$27,750	9	814	17	797	1.1%
Total 60% AMI	\$17,760 - \$33,300	51	855	68	787	6.5%
Total Project	\$16,260 - \$33,300	60	976	85	891	6.7%

All of the Subject's capture rates are within DCA threshold requirements and indicate adequate demand for the Subject as proposed. Overall, we believe there is sufficient demand to support the 60 unit Subject.

7. Competitive Rental Analysis:

We have utilized a total of seven comparables (both LIHTC and market rate) in our analysis. There are two LIHTC properties located in the PMA. Columbia Gardens is a family LIHTC property that was built in 2000 and is approximately 8.2 miles from the Subject in Douglasville. The property is in overall good condition and has been used as a comparable in our analysis. Highland Park Senior is a senior LIHTC comparable that was built in 2000 and is located 10.4 miles from the Subject in Douglasville. This property is also in overall good condition and has been used as a comparable in our analysis. Due to the lack of LIHTC properties in the PMA, we have also utilized a LIHTC property located outside the PMA in Dallas, Georgia as a comparable. Creekstone Apartments is a family LIHTC property that has units set aside for senior tenants. This property is located 16.7 miles from the Subject site. Overall, the availability of LIHTC data in the market is limited.

We have also used four conventional rental properties in our analysis. Two of these, Bellevue Senior Community and Hickory Falls, are located in Villa Rica and are in the PMA. Bellevue Senior Community targets seniors and is located 4.2 miles from the Subject site. This property is the best indicator of senior demand within Villa Rica. Hickory Falls is a family property that was originally allocated tax credits in 2005 but has since been sold and is a conventional rental property. This property is located 3.6 miles from the Subject. The remaining two market rate comparables are located outside the PMA in Dallas but both target seniors and have therefore been used as comparables in our analysis. Overall, the availability of market rate data is also considered adequate.

Approximately 84 percent of the senior units in the local market are two-bedroom units. Eighty-five percent of the Subject's units will be two-bedroom units. Overall, it appears that the Subject's unit mix will be well suited for the local senior market.

The local senior market appears healthy with an average vacancy rate of 0.62 percent. The average vacancy rate

among the LIHTC comparables with senior units is even lower at 0.45 percent. Further, both LIHTC properties with senior units are maintaining waiting lists and management reported that there is sufficient demand to support a senior affordable housing development in the Villa Rica area. According to our demographic analysis, senior households are expected to grow at a rate of 5.6 percent annually from 2010 to 2014. This strong growth indicates that the need for affordable senior housing will likely increase in the future.

The Subject's rents are similar to below the current rents at the LIHTC properties and will be achievable in the local market. When compared to the three conventional comparables targeting seniors, the Subject's proposed rents are 24 to 48 percent below the current rents at these properties, giving the Subject a significant rent advantage.

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 comparable properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

Subject Comparison to Market Rents*

@50%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$390	\$400	\$659	\$573	47%
2 BR	\$490	\$525	\$845	\$719	47%

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$440	\$519	\$659	\$607	38%
2 BR	\$490	\$609	\$845	\$758	55%

*Includes comparable properties and classified listings.

The Subject's proposed rents have a significant rent advantage of 38 to 55 percent over the average market rents. As proposed, the Subject is generally similar to superior to the comparable properties and we believe that the Subject will be successful in the local market.

8. Absorption/Stabilization Estimate:

Only one comparable was able to report absorption. Hickory Falls is a family market rate property that was built in 2005. The property was originally financed with bonds and went into foreclosure when the developer filed bankruptcy and went out of business. The property was sold in January 2010 and now operates as a market rate property without income restrictions. Management reported that the 220 unit property initially leased approximately 15 units per month. At this pace, the property was fully absorbed within 15 months.

At 60 units, the Subject will be significantly smaller than Hickory Falls and should absorb more quickly, particularly given the stated demand for LIHTC units and the benefit of having a property manager at Phase I of the Subject to pre-market the Subject. Phase I of the Subject began taking applications at the beginning of May 2012. Prior to the initial application review Conners Senior Village Phase I had 144 people on a waiting list to submit an application. There are currently 18 applications in review at this time. The property manager anticipates that Phase I of the Subject will be pre-leased prior to their certificate of occupancy in July based on that interest in the community. Based on the absorption at Hickory Falls, the reported demand by comparable property managers, and the initial leasing at Phase I of the Subject, we have conservatively estimated that the Subject will absorb approximately eight units per month. Per DCA guidelines, we have calculated absorption to a stabilized occupancy of 93 percent. At a pace of eight units per month, the Subject will reach a stabilized occupancy of 93 percent within seven months.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject. The vacancy rate among the two LIHTC comparables with senior units is low at 0.45 percent and both properties have lengthy waiting lists for their units. The overall senior vacancy rate inclusive of the market rate properties is also low at 0.62 percent. The three senior market rate properties in the PMA and the surrounding markets are reporting vacancy rates between zero and 2.2

percent. Property managers at all senior comparables reported a need for affordable senior housing in the area. The Subject's rents will offer an advantage of 38 to 55 percent over the market average and an advantage 24 to 48 percent over the three conventional senior rental properties. In addition, the Subject will be generally superior in terms of age and condition and will offer competitive amenities and larger units. The Subject's rents are also reasonable when compared to the LIHTC comparables and will be achievable in the local market.

Our demographic analysis indicates that senior households in the PMA will grow 5.6 percent annually from 2010 to the Subject's market entry date of 2014. This growth is significant and indicates that the need for affordable senior housing will likely increase in the PMA. Overall, the low vacancy rate among senior LIHTC comparables, the presence of waiting lists, and the strong senior household growth indicate a healthy market in need of additional senior housing. We believe that the Subject will be successful in the local market and we recommend the Subject as proposed.

Summary Table:

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

Development Name:	Conners Senior Village Phase II	Total # Units: <u>60</u>
Location:	Conners Road and Mirror Lake Boulevard	# LIHTC Units: <u>60</u>
		# PBRA/PHA <u>0</u>
		# Market Units <u>0</u>
PMA Boundary:	Buchanan Highway to the north, Jeb Duncan Memorial Highway to the south, County line, North Burnt Hickory Road and State Route 92 to the east,	
And Sandhill Hickory Level Road and the County line to the west.	Farthest Boundary Distance to Subject:	<u>10.3 miles</u>

Rental Housing Stock (found on pages 68-103)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	7	830	26	96.9%
Market-Rate Housing	4	544	14	97.4%
Assisted/Subsidized Housing not to include LIHTC	N/Ap	N/Ap	N/Ap	N/Ap
LIHTC	3	286	12	95.8%
Stabilized Comps	7	830	26	96.9%
Properties in Construction & Lease Up	1	60	0	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
4	1BR (50%)	1	832	\$390	\$573	\$0.69	69%	\$659	\$1.10
2	2BR (50%)	2	1,037	\$490	\$719	\$0.69	45%	\$845	\$0.99
5	1BR (60%)	1	832	\$440	\$607	\$0.73	39%	\$659	\$1.10
1	2BR (50%)	2	1,037	\$490	\$758	\$0.73	51%	\$845	\$0.99

Demographic Data (found on pages 34 and 49)

	2000		2010		2014	
Renter Households	1,447	13.97%	2,702	15.44%	3,415	15.51%
Income-Qualified Renter HHs (LIHTC)	434	30.00%	811	30.00%	1,025	30.00%

Targeted Income-Qualified Renter Household Demand (found on pages 55-63)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall**
Renter Household Growth	N/Ap	469	499	N/Ap	N/Ap	587
Existing Households (Overburdened + Substandard)	N/Ap	242	258	N/Ap	N/Ap	303
Homeowner conversion (Seniors)	N/Ap	167	167	N/Ap	N/Ap	167
Less Comparable/Competitive Supply	N/Ap	17	68	N/Ap	N/Ap	85
Net Income-qualified Renter HHs*	N/Ap	861	856	N/Ap	N/Ap	972

Capture Rates (found on page 65)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	1.10%	6.50%	N/Ap	N/Ap	6.70%

*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 behind Conners Senior Village Phase I and is near the intersection of Mirrorlake Boulevard and Conners Road in Villa Rica, Douglas County, Georgia.

Construction Type:

The Subject will be a newly constructed senior development that will be constructed in four single story residential buildings, tow two-story residential buildings with ground level access to each floor, and one non-residential clubhouse. All buildings will have brick veneer and fiber cement siding.

Occupancy Type:

HFOP (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 Subject's units will operate with project based rental assistance.

Conners Senior Village Phase II, Villa Rica, GA; Market Study

Conners Senior Village Phase II

Comp # Subject
Effective Rent Date 5/12/2012

Location Conners Road
 Villa Rica, GA 30180
 Douglas County
 (verified)
Distance n/a
Units 60
Vacant Units N/A
Vacancy Rate N/A
Type Duplex/low-rise (age-restricted)
Year Built / Renovated Proposed / n/a



Market

Program @50%, @60% **Leasing Pace** 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	Duplex	2	832	\$390	\$0	@50%	n/a	N/A	N/A	no
1	1	Duplex	10	832	\$440	\$0	@60%	n/a	N/A	N/A	no
2	2	Duplex	7	1,037	\$490	\$0	@50%	n/a	N/A	N/A	no
2	2	Duplex	41	1,037	\$490	\$0	@60%	n/a	N/A	N/A	no

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Hand Rails Microwave Oven Pull Cords Refrigerator Walk-In Closet Washer/Dryer hookup	Security	none
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Off-Street Parking On-Site Management Picnic Area Recreation Areas	Premium	none
Services	none	Other	putting green, garden areas

Comments

Conners Senior Village Phase II is a proposed LIHTC senior property that will be located adjacent to Phase I that is under construction. The utility allowance supplied by the developer is \$152 for a one-bedroom and \$195 for a two-bedroom unit. Both phases will have their own community center.

Scope of Renovations: N/Ap.

Current Rents: N/Ap.

Current Occupancy: N/Ap.

Current Tenant Income: N/Ap.

Placed in Service Date: Construction on the Subject will begin in June 2013 and will be completed by June 2014.

Conclusion: The Subject will be an excellent quality brick and fiber cement siding development consisting of four single story residential buildings, two two-story residential buildings with ground level access to each floor, and one non-residential clubhouse. 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:

Jill Conable visited the site on April 26, 2012.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

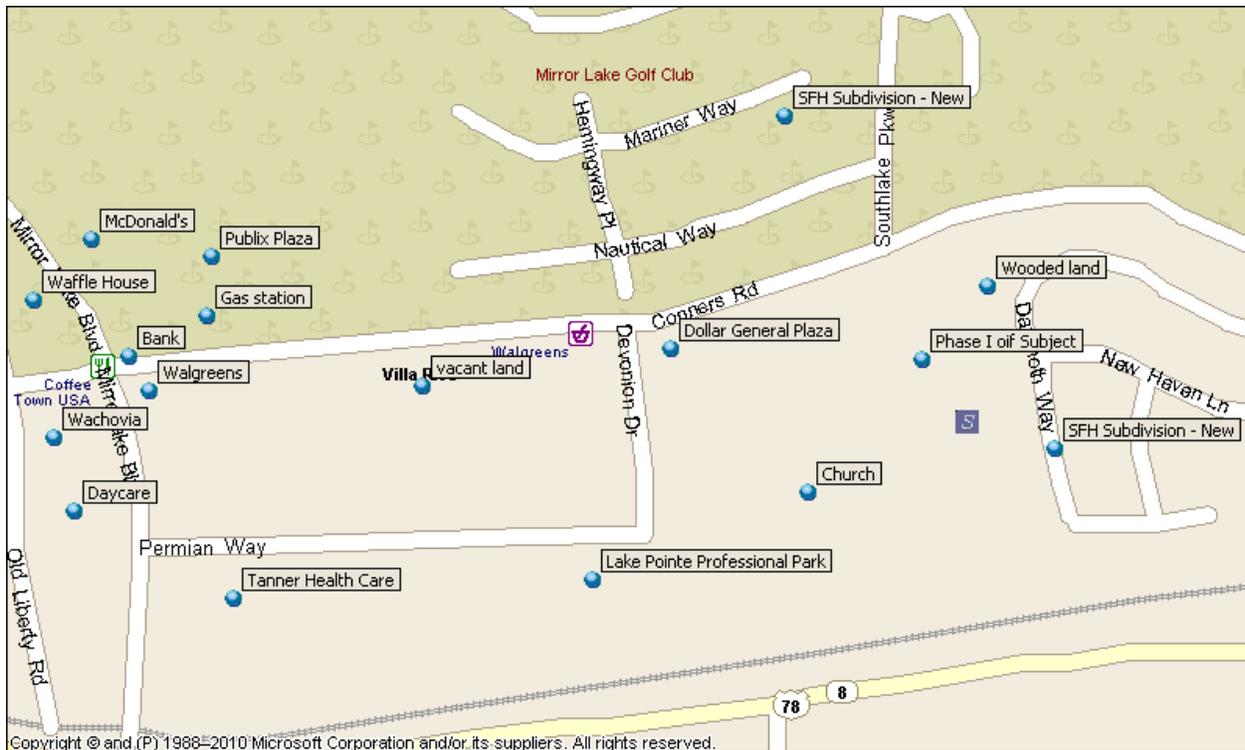
The Subject site does not have road frontage. The Subject site is located behind Conners Senior Village Phase I that has road frontage along the south side of Conners Road.

Visibility/Views:

The Subject is located on the south side of Conners Senior Village Phase I. Views are of Conners Senior Village Phase I to the north, a house of worship to the west, rail road tracks and State Route 78 to the south, and single-family homes that are part of the Mirror Lake, lake and golf community to the east. The Subject site does not have visibility from Conners Road; however, Phase I of the Subject has good visibility from Conners Road. The Subject, once built, will not have visibility from Bankhead Highway (Route 8/78). Overall, visibility and views are considered average.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject site is located in a newly developing area of

Villa Rica known as Mirror Lake. The surrounding areas to the north and east include the Mirror Lake single family home subdivision. Homes in the subdivision appear to have been built within the last 10 to 15 years and are in excellent condition. There did not appear to be an abundant amount of homes for sale in the subdivision. Homes in this subdivision that are currently on the market are selling from the \$130s to over a million. Amenities in this development include 36 holes of championship golf, three swim and tennis centers and a lake. Northwest of the Subject site and adjacent to Phase I of the Subject is a Dollar General small retail plaza that includes a Dollar General store, American Bodyworks fitness center, and a dry cleaners. This plaza is 100 percent occupied and is in average condition. South of the Subject site is the LifeGate Church and the Lake Pointe Professional Park, both of which are in good condition.

Additional uses in the neighborhood include The Village at Mirror Lake retail plaza which consists of the following tenants: Publix grocery store, Mex-Grill & Bar, Johnny's Pizza, Subway, Accel Physical Therapy, salon, Great Clips, H&R Block, nail salon, Metro PCS, and more. This retail plaza is newly constructed and is approximately 95 percent occupied. Additional uses along Conner Road and Mirror Lake Boulevard are a gas station, Walgreens, banks, fast food restaurants, a daycare center and Tanner Healthcare immediate care facility.

Positive/Negative Attributes of Site: Positive attributes of the site include the close proximity to retail and medical uses. Negative attributes are the presence of active railroad tracks adjacent to the south side of the site. During the site inspection we witnessed a train passing the site; however, the noise was minimal. In addition, the presence of the railroad tracks has not negatively impacted the occupancy of the homes to the east of the Subject site that also border the railroad tracks. We recommend a noise barrier along the southern border of the site; however, we do not believe that the close proximity to railroad tracks will be a detrimental influence.

3. Physical Proximity to Locational Amenities:

The Subject's site is located adjacent to Phase I of the Subject which is located on Conners Road, in Villa Rica, Georgia. The site is conveniently located within walking distance of a new Publix grocery store and Walgreens pharmacy. The closest Douglas county elementary, middle

and high schools are located within 9.6 miles of the Subject's site. The closest senior center is Villa Rica, approximately 4.0 miles from the Subject site. There Tanner Healthcare urgent care facility located 0.5 miles from the Subject site. The Douglas County Rideshare program is a commuter service to take residents of Douglas County into Atlanta. The closest pickup location is 5.0 miles from the Subject site; however, we do not expect this to be an often utilized amenity for the Subject's tenants.

4. Pictures of Site and Adjacent Uses:



Subject site from Phase I



Subject site facing east



Subject site facing toward Phase I



Subject site facing south toward rail road tracks



Subject site facing west



Phase I of Subject



Phase I of Subject site from Conners Road



Phase I of Subject from Conners Road



Signage on Conners Road



Walgreens



Publix



Commercial in Publix shopping center



Dollar General



Gym/Dollar General Plaza



McDonalds



Single-family across from Subject's entrance



Typical SFH in Mirror Lake subdivision



Wells Fargo Bank



Waffle House



The Preserve at Mirror Lake



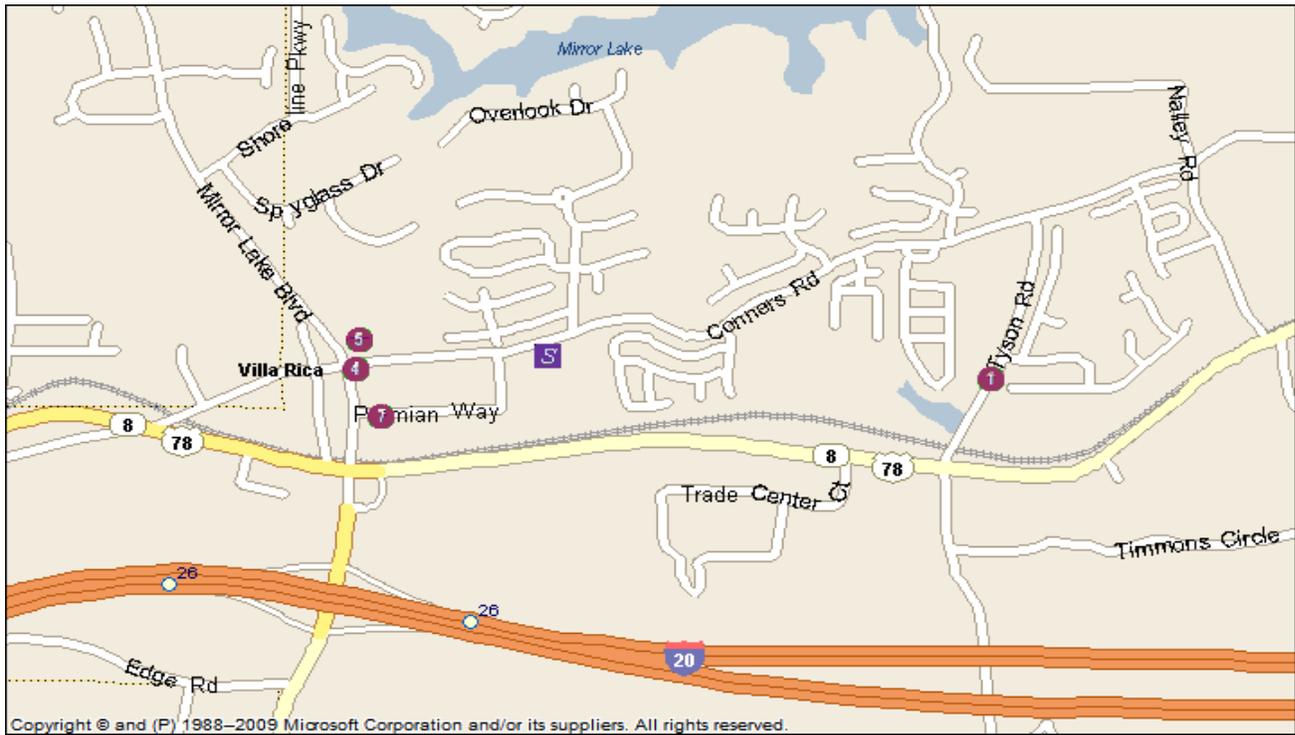
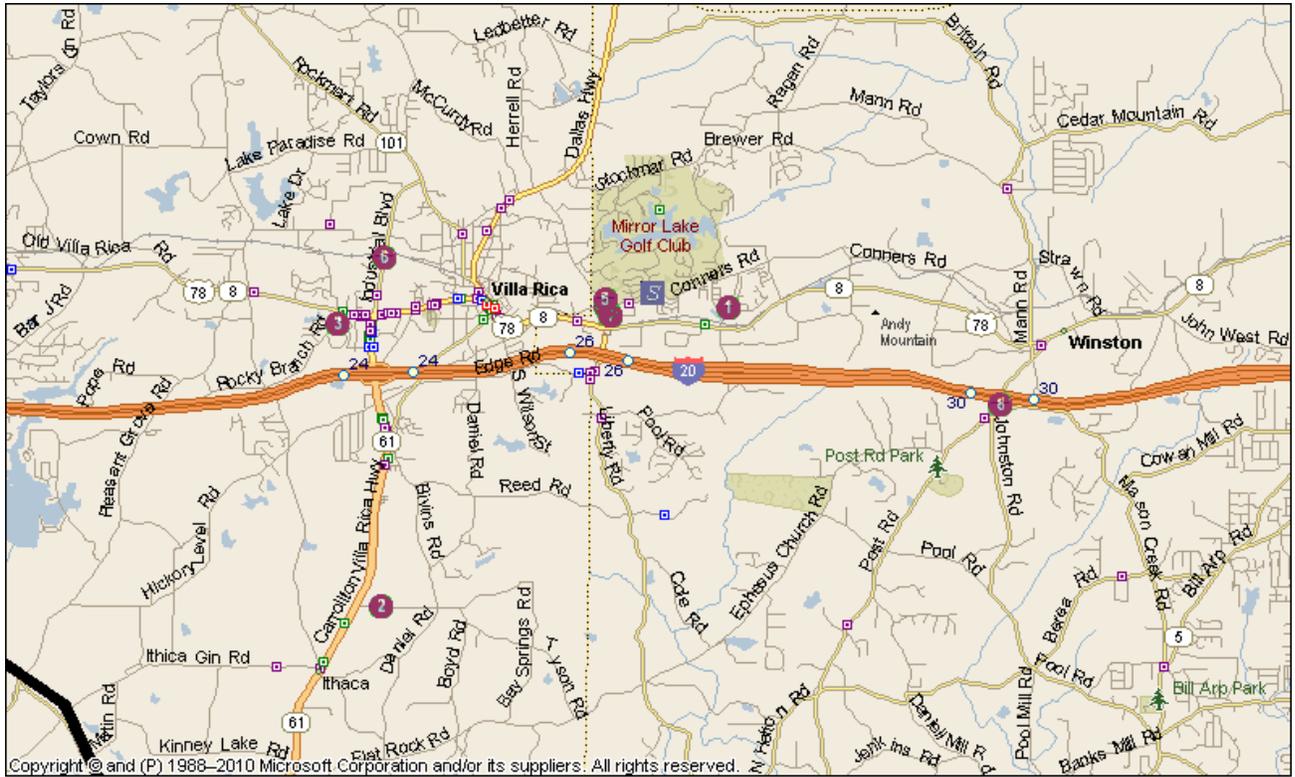
Industrial uses



View north from Subject site

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	Mirror Lake Elementary School	Elementary School	1.5 miles
2	Mason Creek Middle School	Middle School	8.8 miles
3	Alexander High School	High School	9.6 miles
4	Walgreens	Pharmacy	0.5 miles
5	Publix	Grocery Store	0.4 miles
6	Villa Rica Senior Center	Senior Center	4.1 miles
7	Tanner Healthcare	Medical Center	0.5 miles
8	Douglas County Rideshare	Public Transportation	5.0 miles

6. Description of Land Uses:

The Subject site is located in a newly developing area of Villa Rica known as Mirror Lake. The surrounding areas to the north and east include the Mirror Lake single family home subdivision. Homes in the subdivision appear to have been built within the last 10 to 15 years and are in excellent condition. There did not appear to be an abundant amount of homes for sale in the subdivision. Northwest of the Subject site and adjacent to Phase I of the Subject is a small retail plaza that includes a Dollar General store, American Bodyworks fitness center, and a dry cleaners. This plaza is 100 percent occupied and is in average condition. South of the Subject site is the LifeGate Church and the Lake Pointe Professional Park, both of which are in good condition. The Subject is consistent with the existing land uses within one mile of the site.

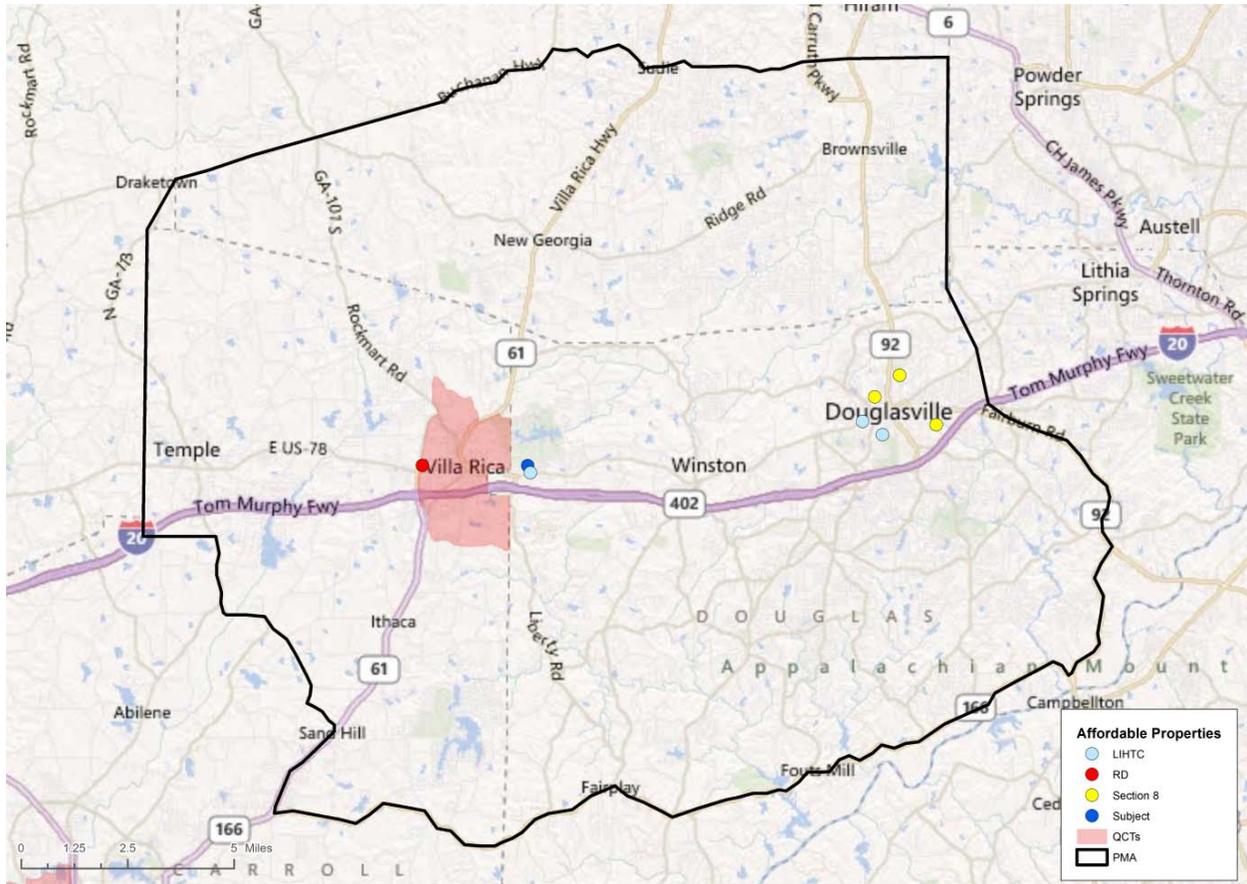
7. Multifamily Residential within Two Miles:

With the exception of Phase I of the Subject that is adjacent to the Subject site, there is only family market rate property located within two miles of the Subject site. The preserve at Mirror Lake is located 1.5 miles east of the Subject site along Conners Road. This property offers one, two, and three bedroom units ranging in size from 837 square feet to 1,362 square feet. This multifamily property is in good condition and appears to be well occupied. We attempted to contact the management at this property to no avail. The property’s website indicated that the rents range from \$618 per month to \$967 per month. We have included the advertised rent for the one-bedroom unit at this property in our rent analysis.

8. Existing Assisted Rental Housing Property Map:

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

Conners Senior Village Phase II, Villa Rica, GA; Market Study



Villa Rica, GA



Name	Distance from Subject	City	State	Type	Tenancy	Map Color	Included /Excluded	Reason for Exclusion
Conners Senior II	-	Villa Rica	GA	Subject	Senior	Blue	-	-
Hampton Court I and II	3.7 miles	Villa Rica	GA	RD	Family	Red	Excluded	All units subsidized
Alpha A Fowler Community	11.7 miles	Douglasville	GA	Section 8	Senior	Yellow	Excluded	All units subsidized
Douglass Village Apartments	13.0 miles	Douglasville	GA	Section 8	Family	Yellow	Excluded	All units subsidized
Douglasville VOA Housing	12.4 miles	Douglasville	GA	Section 8	Disabled	Yellow	Excluded	All units subsidized
Conners Senior I	0.0 miles	Villa Rica	GA	LIHTC	Senior	Light Blue	Proposed	Proposed
Highland Park Senior	10.5 miles	Douglasville	GA	LIHTC	Senior	Light Blue	Included	N/Ap
Columbia Gardens	9.8 miles	Douglasville	GA	LIHTC	Family	Light Blue	Included	N/Ap

9. Road/Infrastructure

Proposed Improvements:

There were no road or infrastructure improvements ongoing at the time of our site inspection. According to the local planning department, there are no immediate proposed improvements.

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

The Subject will be accessed via Phase I of the Subject that has access via Conners Road near the intersection of Mirror Lake Boulevard. Conners Road is a moderately trafficked road while Mirror Lake Boulevard is highly trafficked. Interstate 20 is accessed approximately 0.8 miles south of the Subject site via Conners Road and Mirror Lake Boulevard. Visibility of the Subject site is considered poor from Conners Road; however, Phase I of the Subject has average average visibility from Conners Road. The site will have limited visibility through a tree line State Route 78.

11. Environmental Concerns:

None visible upon site inspection.

Detrimental Influences:

There are no significant detrimental influences.

12. Conclusion:

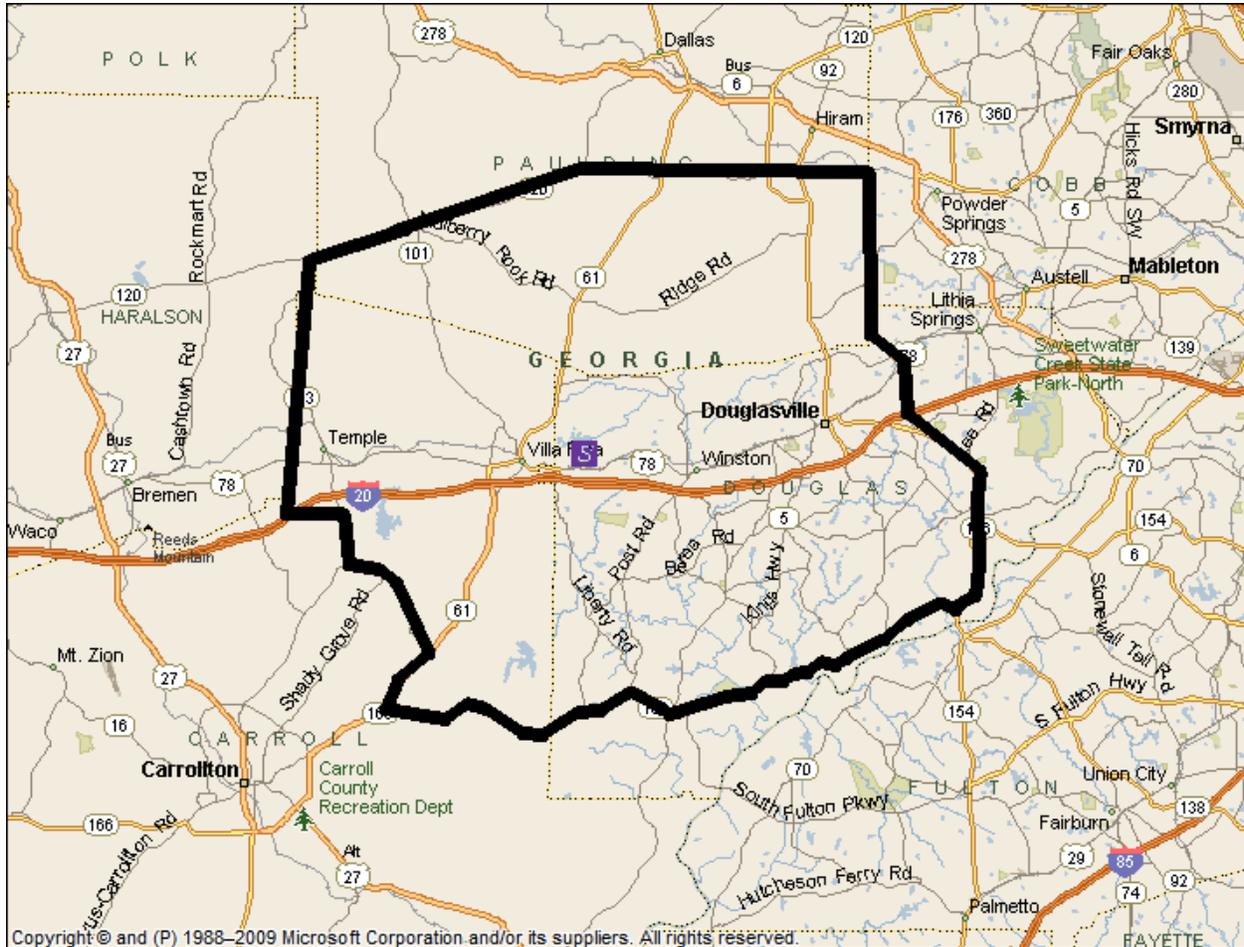
The Subject site is located adjacent to the southern portion of Conners Senior Village Phase. The Subject will be accessed through Phase I of the Subject that has access along Conners Road. The Subject site is located in the Mirror Lake area of Villa Rica. This area is one of the newly developing communities in Villa Rica and most of the surrounding uses are new and are in good to excellent condition. Retail and office space in this neighborhood is newly constructed and is approximately 95 percent occupied. The residential uses in the neighborhood generally consist of newer single family homes. Positive attributes of the site include the close proximity to retail and medical uses. Negative attributes include the Subject's close proximity to an active railroad track.

D. MARKET AREA

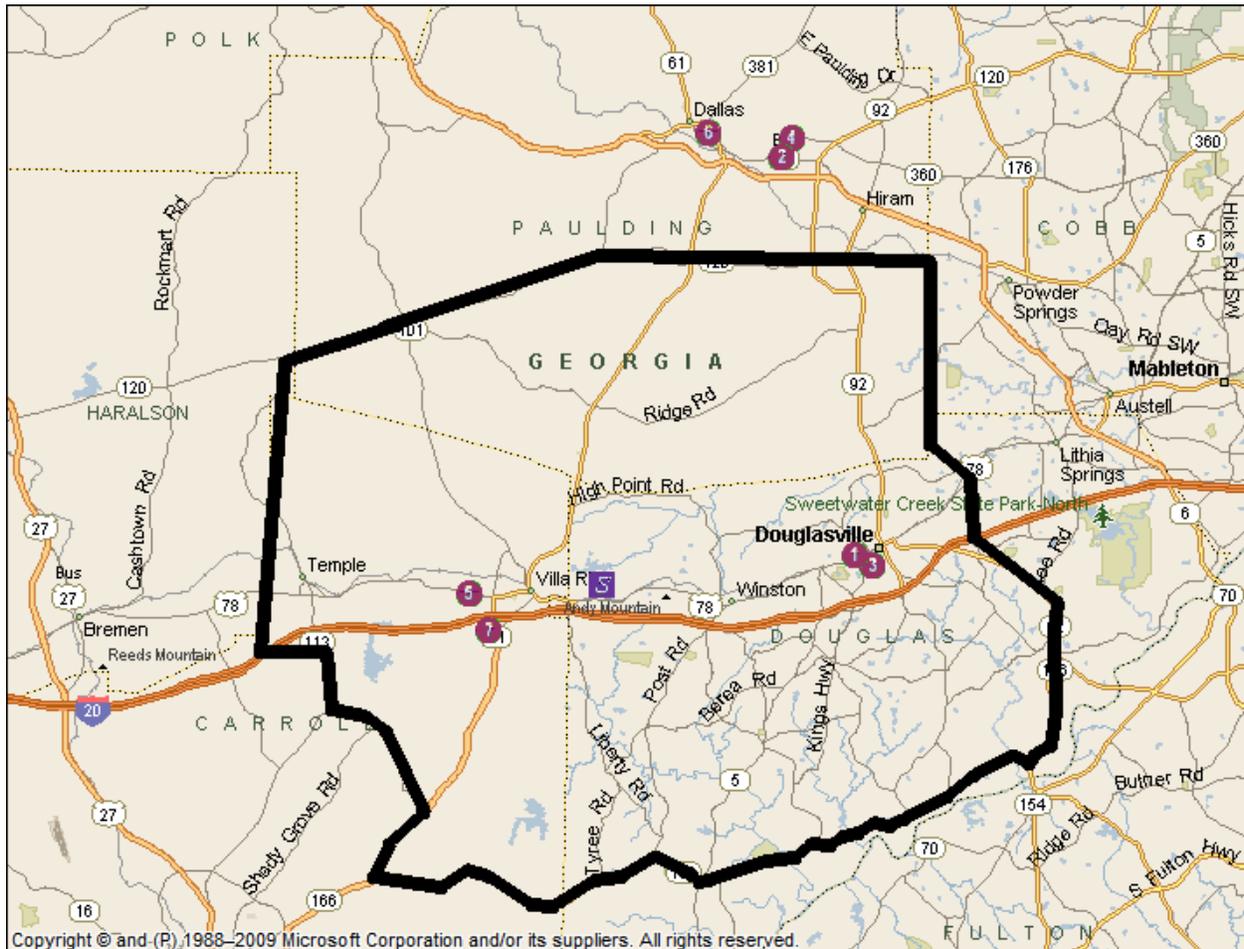
PRIMARY MARKET AREA

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



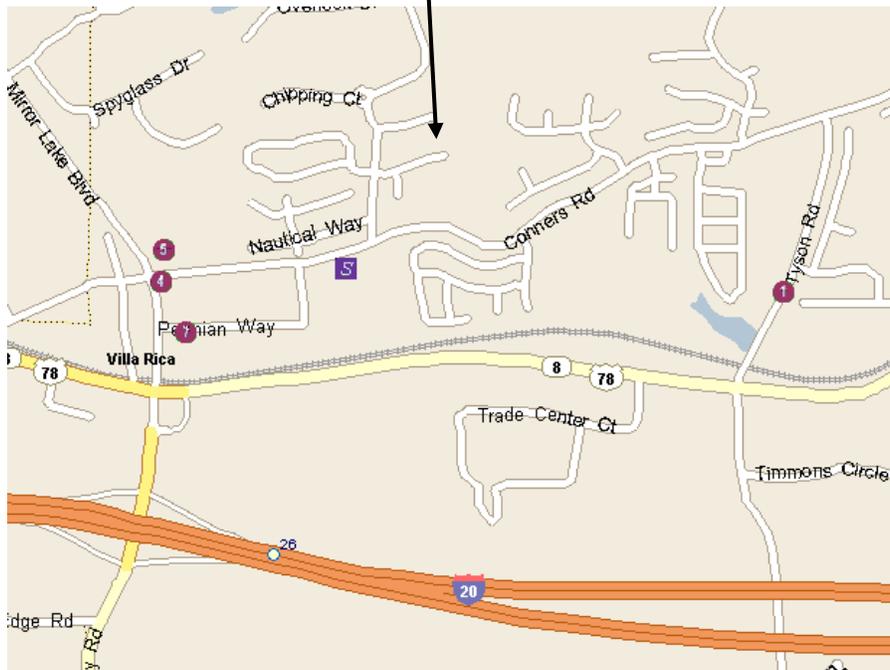
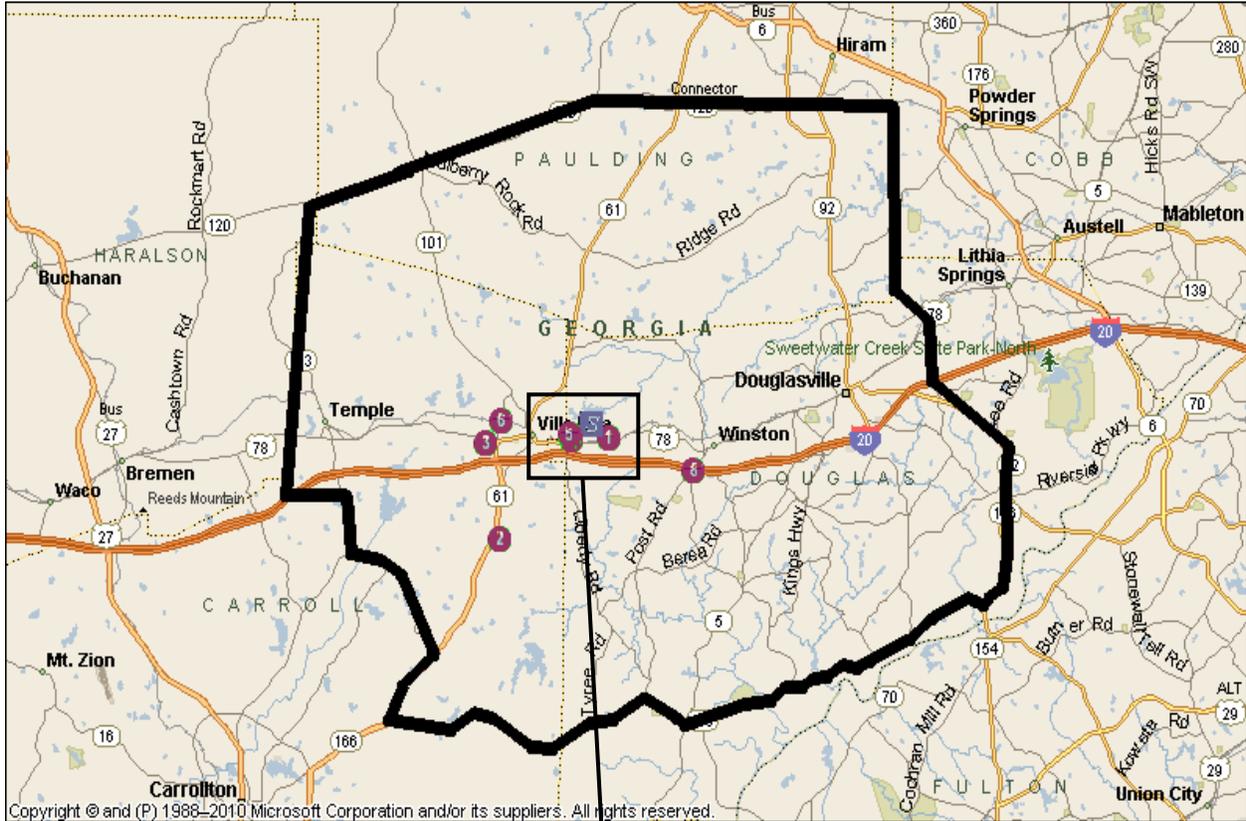
Comparable Properties



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Columbia Gardens	Douglasville	LIHTC	8.2 miles
2	Creekstone Apartments	Dallas	LIHTC	16.7 miles
3	Highland Park Senior	Douglasville	LIHTC	10.4 miles
4	Amberly Apartments	Dallas	Market	17.3 miles
5	Bellevue Senior Community	Villa Rica	Market	4.2 miles
6	Foster Place	Dallas	Market	16.2 miles
7	Hickory Falls	Villa Rica	Market	3.6 miles

Locational Amenities



LOCATIONAL AMENITIES

Map #	Amenity	Service	Distance from Subject
1	Mirror Lake Elementary School	Elementary School	1.5 miles
2	Bay Springs Middle School	Middle School	5.8 miles
3	Villa Rica High School	High School	4.1 miles
4	Walgreens	Pharmacy	0.5 miles
5	Publix	Grocery Store	0.4 miles
6	Temple Senior Center	Senior Center	10.0 miles
7	Tanner Healthcare	Medical Center	0.5 miles
8	Douglas County Rideshare	Public Transportation	5.0 miles

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

The boundaries of the PMA are as follows:

North – Buchanan Highway

South- Jeb Duncan Memorial Highway

East-County line, North Burnt Hickory Road, State Route 92

West-Sandhill Hickory Level Road and the County line

Phase I of the Subject has only initially begun accepting applications and management could not report on the tenancy draw. Therefore, we relied on the comparable properties for market area information. Management at Highland Park Senior, a LIHTC property in Douglasville, reported that the property has tenants from Villa Rica and she believes that residents of Douglasville would move to Villa Rica if affordable housing were built. In addition, she stated that she has referred prospective tenants to Phase I of the Subject as her waiting list is so long. Management reported that Villa Rica and Douglasville do not compete with Dallas and there is no tenant exchange between the two areas. Management at Creekstone Apartments a LIHTC property in Dallas that has units set aside for seniors reported that they rarely have vacancies and have tried to refer tenants to Highland Park in Douglasville but seniors do not want to leave the Dallas area. Therefore, we do not believe that the Subject will draw tenants from Dallas and we have not included this area in our analysis; however, we do believe that the Subject will draw tenants from Douglasville based on information provided by management at Highland Park Senior as well as our inspection of the market area. Therefore, we have included Douglasville in our PMA.

We have also excluded the Carrollton area from our PMA. Management at Hickory Falls, a market rate property in Villa Rica, reported that they have a few tenants from the Carrollton area. Carrollton is located approximately 15 miles from Villa Rica and is considered a separate submarket. Therefore, we have not included this area in our PMA. While we believe that the majority of the Subject’s tenants will come from within the PMA, we have accounted for 15 percent leakage from outside the PMA boundaries. We believe this is warranted given the number of seniors who have moved to senior properties in the area from out of state in order to be closer to family members. Management at Highland Park Senior estimated that approximately 20 percent of tenants at the property have moved from outside the local area.

The furthest boundary of the PMA is 10.3 miles from the Subject site.

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 population in MSA, the PMA and nationally from 2000 through 2014.

POPULATION

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	78,901	-	3,069,425	-	248,709,873	-
2000	121,396	5.4%	4,247,981	3.8%	281,421,906	1.3%
2010	187,075	5.3%	5,611,180	3.1%	311,212,863	1.0%
Prj Mrkt Entry May 2014	209,673	3.2%	6,047,433	2.0%	320,410,201	0.8%
2015	216,550	3.2%	6,180,206	2.0%	323,209,391	0.8%

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

SENIOR POPULATION, 55+

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA	
	Number	Annual Change	Number	Annual Change
2000	17,758	-	642,888	-
2010	35,232	9.6%	1,087,544	6.7%
Prj Mrkt Entry May 2014	42,848	5.6%	1,266,866	4.3%
2015	45,166	5.6%	1,321,442	4.3%

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

POPULATION BY AGE IN 2010

Age Cohort	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	15,159	8.1%	417,914	7.4%	21,296,740	6.8%
5-9	14,626	7.8%	401,365	7.2%	20,832,961	6.7%
10-14	14,032	7.5%	388,707	6.9%	20,369,284	6.5%
15-19	13,017	7.0%	379,557	6.8%	21,883,995	7.0%
20-24	10,666	5.7%	379,685	6.8%	21,459,235	6.9%
25-29	13,133	7.0%	445,783	7.9%	21,517,303	6.9%
30-34	13,562	7.2%	417,120	7.4%	19,852,007	6.4%
35-39	14,869	7.9%	430,250	7.7%	20,531,543	6.6%
40-44	15,212	8.1%	430,608	7.7%	21,232,056	6.8%
45-49	14,807	7.9%	441,258	7.9%	23,163,948	7.4%
50-54	12,763	6.8%	391,389	7.0%	22,315,436	7.2%
55-59	10,527	5.6%	324,138	5.8%	19,742,941	6.3%
60-64	8,781	4.7%	261,583	4.7%	16,544,050	5.3%
65-69	6,013	3.2%	173,893	3.1%	12,081,110	3.9%
70-74	3,973	2.1%	116,523	2.1%	9,033,665	2.9%
75-79	2,626	1.4%	86,177	1.5%	7,339,326	2.4%
80-84	1,799	1.0%	63,573	1.1%	5,947,153	1.9%
85+	1,513	0.8%	61,657	1.1%	6,070,110	2.0%
Total	187,075	100.0%	5,611,180	100.0%	311,212,863	100.0%

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

Conners Senior Village Phase II, Villa Rica, GA; Market Study

Number of Elderly and Non-Elderly - PMA

Year	PMA			Secondary Area (SMA, MSA, City, Village, etc)		
	Total Population	Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
1990	78,901	73,077	5,824	3,069,425	2,818,072	251,353
2000	121,394	113,101	8,293	4,247,981	3,921,325	326,656
2010	187,078	171,154	15,924	5,611,180	5,109,357	501,823
Prj Mrkt Entry						
May 2014	209,671	189,313	20,358	6,047,433	5,435,903	611,530
2015	216,547	194,839	21,708	6,180,206	5,535,287	644,919

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

Senior population in the PMA is projected to increase at a 5.6 percent annual rate over the next five years, faster rate than the Atlanta MSA during the same period. Annual population growth in the PMA and MSA is significant, with the PMA projected to have an annual growth rate greater than the nation from 2010 to 2014. In 2010, approximately eight and a half percent of the population in the PMA was elderly (above the age of 65 years), and is projected to increase to 10 percent in 2015.

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	26,635	-	1,140,843	-	91,947,410	-
2000	41,914	5.7%	1,554,154	3.6%	105,480,101	1.5%
2010	64,417	5.2%	2,025,678	3.0%	116,761,140	1.0%
Prj Mrkt Entry						
May 2014	72,377	3.2%	2,182,045	2.0%	120,286,629	0.8%
2015	74,799	3.2%	2,229,635	2.0%	121,359,604	0.8%

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

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA	
	Number	Annual Change	Number	Annual Change
2000	10,360	-	387,483	-
2010	17,501	6.7%	576,461	4.8%
Prj Mrkt Entry				
May 2014	22,025	6.7%	693,783	5.3%
2015	23,402	6.7%	729,489	5.3%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	2.94	-	2.65	-	2.63	-
2000	2.88	-0.2%	2.68	0.1%	2.59	-0.1%
2010	2.89	0.0%	2.72	0.2%	2.59	0.0%
Prj Mrkt Entry						
May 2014	2.88	0.0%	2.73	0.0%	2.59	0.0%
2015	2.88	0.0%	2.73	0.0%	2.60	0.0%

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

Similar to population trends, annual senior household growth is projected to increase between 2010 and 2014 at a 3.2 percent annual rate, greater than the Atlanta MSA. Due to the household growth, average household size is projected to remain stable in the PMA over the next five years.

The number of households with a senior householder (above the age of 55) is projected to grow at a faster rate than the total population.

2b. Households by Tenure

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

TENURE PATTERNS PMA (AGES 55+)				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
1990	-	-	-	-
2000	8,909	86.03%	1,447	13.97%
2010	14,794	84.56%	2,702	15.44%
Prj Mrkt Entry				
May 2014	18,600	84.49%	3,415	15.51%
2015	19,759	84.47%	3,632	15.53%

As the table illustrates, senior households within the PMA reside in predominately owner-occupied residences. Over the next five years, the percentage of renter-occupied units is projected to slightly rise. Nationally, approximately 13 percent of seniors reside in renter-occupied housing units. The number of seniors in the PMA who are renters is slightly above this national average.

2c. Households by Income

The following table depicts household income in 2010 for the PMA and MSA.

Income Cohort	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Percentage</i>
\$0-9,999	1,462	8.4%	52,495	9.1%	24.0%
\$10,000-19,999	2,487	14.2%	65,935	11.4%	23.3%
\$20,000-29,999	1,951	11.2%	64,560	11.2%	15.0%
\$30,000-39,999	1,919	11.0%	60,567	10.5%	10.3%
\$40,000-49,999	2,003	11.4%	53,468	9.3%	7.2%
\$50,000-59,999	1,506	8.6%	44,977	7.8%	5.2%
\$60,000-74,999	1,700	9.7%	54,316	9.4%	4.1%
\$75,000-99,999	2,367	13.5%	70,101	12.2%	4.7%
\$100,000+	2,102	12.0%	110,041	19.1%	6.3%
Total	17,496	100.0%	576,461	100.0%	100.0%

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

The Subject will target households with income between \$16,260 and \$32,820. Approximately 36.4 percent of seniors above the age of 55 earn incomes between \$10,000 and \$39,999. Households in these income cohorts are expected to create demand for the Subject.

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

The following table illustrates the number of persons per household among renter households ages 55+.

Conners Senior Village Phase II, Villa Rica, GA; Market Study

	2000		2010		Prj Mrkt Entry May 2014		2015	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	826	57.1%	1,510	55.9%	1,894	55.5%	2,011	55.4%
With 2 Persons	380	26.3%	675	25.0%	860	25.2%	916	25.2%
With 3 Persons	124	8.6%	273	10.1%	337	9.9%	357	9.8%
With 4 Persons	44	3.0%	79	2.9%	94	2.8%	98	2.7%
With 5+ Persons	72	5.0%	165	6.1%	230	6.7%	250	6.9%
Total Renter Households	1,447	100.0%	2,702	100.0%	3,415	100.0%	3,632	100.0%

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

In 2010, approximately 82 percent of persons over the age of 55 were living in one and two person households in the PMA. This trend is projected to remain relatively stable over the next five years. This bodes well for the Subject's one- and two-bedroom units.

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

The Subject is located in Villa Rica, Douglas County, Georgia. Overall demographics are strong for the Subject's age-restricted units. In 2010, the senior population above the age of 55, was approximately 35,232. This figure is projected to increase to 45,166 by 2015, an annual rate of approximately 5.6 percent. This is a very strong growth rate that suggests there is sufficient demand for the Subject. Similarly, the number of households with a senior householder above the age of 55 is also projected to grow at a very high rate over the next five years; in 2010 this figure was 17,501, and is projected to increase to 23,402 in 2014. This large 6.7 percent annual growth rate, almost two percent higher than the Atlanta MSA, also illustrates the demand for the Subject.

In addition to the positive growth trends, the strong tenure patterns also demonstrate strong demand for the Subject. In 2010, approximately 15 percent of seniors above the age of 55 in the PMA resided in renter-occupied housing units. This is slightly above the national average of 13 percent for seniors living in renter-occupied housing units. Among these renters, approximately 82 percent lived in one or two person households. This trend supports the 12 one-bedroom and 48 two-bedroom unit mix at the Subject.

The Subject will target households with income between \$15,900 and \$34,500. Approximately 36.2 percent of seniors above the age of 55 earn incomes between \$10,000 and \$39,999. Households in these income cohorts are expected to create demand for the Subject.

F. EMPLOYMENT TRENDS

Employment Trends

In this section of the report we will provide an assessment of current and forecasted economic conditions and employment characteristics, including an analysis of recent trends and how they relate to demand for additional new rental housing. Economic data will focus on the Atlanta–Sandy Springs–Marietta, GA Metropolitan Statistical Area and Douglas County, Georgia.

Examining economic data will also provide a picture of the general health of the community and its ability to support new multifamily construction.

The Subject is located in Villa Rica, Douglas County, Georgia, approximately 30 miles from downtown Atlanta. This short commute makes it easy for residents of Douglas County to work in Atlanta. Douglas County is included in the Atlanta-Sandy Springs-Marietta, GA MSA. Atlanta is a major financial and corporate center for the entire southeastern United States. The relatively low cost of living, excellent transportation facilities, and a variety of educational and recreational facilities have contributed to its attractiveness as a place to live.

The Atlanta metropolitan area has been successful in attracting many new and expanding technology and Internet companies into the area. It also continues to be the city of choice for many other start-up companies in a variety of service and manufacturing industries. Atlanta was the site of the 2000 Super Bowl and the 1996 Summer Olympic Games, both of which stimulated the economy.

Additionally, a number of factors have contributed to the Atlanta commercial real estate market's resurgence:

- The recovery of the nation's economy in the early 1990s.
- Activity generated by the 1996 Summer Olympic Games.
- The mature and well-developed metropolitan transportation infrastructure, which includes its strategic location at the junction of three interstate highways;
- Hartsfield International Airport, which is one of the nation's busiest airports, and has completed a \$305 million concourse to service international air traffic;
- The Metropolitan Atlanta Rapid Transit Authority (MARTA) rail system, which was established in 1988 and now connects the downtown business area and the airport to suburban office and residential locations.
- A diverse job base anchored by services, retail trade, government, and manufacturing employment.

Metro Atlanta employment has recently been negatively affected by the nationwide recession. Manufacturing, retail, construction and other private industries were especially hit in this recession. According to an article in the Atlanta Journal Constitution in April 2010, Atlanta has lost nearly 250,000 jobs during this recession. According to an article in the Atlanta Business Chronicle in March 2010, employers plan to add new employees at a "reserved pace" in the second quarter of 2010. Among the companies interviewed, nine percent planned to hire new employees and eleven percent planned to lay off employees; most employees planned to keep their current payroll. This is compared the national averages of 16 percent planning to add new employees, and eight percent planning to reduce their number of employees.

1. Total Jobs

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

COVERED EMPLOYMENT

Douglas County		
Year	Total Employment	% Change
2001	31,142	
2002	31,855	2.24%
2003	32,039	0.57%
2004	34,065	5.95%
2005	35,921	5.17%
2006	37,104	3.19%
2007	40,617	8.65%
2008	41,348	1.77%
2009	37,631	-9.88%
2010	37,301	-0.88%
2011 YTD Average*	36,138	-3.22%
Sep-10	37,867	-
Sep-11	35,903	-5.47%

Source: U.S. Bureau of Labor Statistics

*YTD as of Sept 11

Douglas County posted strong employment growth in 2005 and 2008 but total employment decreased significantly in 2009 due to the impact of the nation-wide recession and continuing economic downturn. Average annual employment estimates roughly reflect the year-over-year change in total employment, which decreased by 5.47 percent from September 2010 to September 2011. The decrease in employment has caused an increase in the unemployment rate in Douglas County, which was 8.9 percent in March 2012, according to the Georgia Department of Labor’s statistics. This places Douglas County, GA above the national unemployment rate of 8.2 percent in March 2012. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

2. Total Jobs by Industry

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

SEPT 2011 EMPLOYMENT JOBS BY INDUSTRY

Douglas County		
Industry	Number Employed	Percent Employed
Construction	324	12.11%
Education and Health Services	284	10.62%
Financial Activities	107	4.00%
Information	-	-
Leisure and Hospitality	238	8.90%
Manufacturing	337	12.60%
Natural Resources and Mining	147	5.50%
Other Services	79	2.95%
Professional and Business Services	133	4.97%
Public Administration*	-	-
Trade,Transportation, and Utilities	1,026	38.36%
Unclassified	-	-
Total Employment	2,675	100.00%

*Monthly data is not available

Source: U.S. Bureau of Labor Statistics 2010. Covered Employment

The largest sector in Douglas County, according to the Bureau of Labor Statistics, is the trade-transportation-utilities industry, followed by the manufacturing industry. The trade-transportation-utilities industry is historically an unstable sector and has suffered several layoffs and closures from the nation-wide recession as illustrated in the expansions/contractions section. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

The following table illustrates employment by industry in the PMA.

2010 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	266	0.3%	1,790,318	1.3%
Mining	157	0.2%	723,991	0.5%
Construction	7,469	9.8%	8,872,843	6.5%
Manufacturing	6,257	8.2%	13,047,475	9.6%
Wholesale Trade	3,985	5.2%	4,407,788	3.2%
Retail Trade	9,708	12.7%	15,464,986	11.4%
Transportation/Warehousing	5,372	7.0%	5,487,029	4.0%
Utilities	853	1.1%	1,115,793	0.8%
Information	1,857	2.4%	3,158,778	2.3%
Finance/Insurance	2,899	3.8%	6,883,526	5.1%
Real Estate/Rental/Leasing	2,020	2.6%	2,825,263	2.1%
Prof/Scientific/Tech Services	4,066	5.3%	8,520,310	6.3%
Mgmt of Companies/Enterprises	224	0.3%	202,384	0.1%
Admin/Support/Waste Mgmt Srvc	3,188	4.2%	5,114,479	3.8%
Educational Services	6,921	9.1%	14,168,096	10.4%
Health Care/Social Assistance	7,683	10.1%	18,891,157	13.9%
Arts/Entertainment/Recreation	1,041	1.4%	2,628,374	1.9%
Accommodation/Food Services	4,669	6.1%	9,114,767	6.7%
Other Services (excl Publ Adm)	3,849	5.0%	6,679,783	4.9%
Public Administration	3,866	5.1%	6,916,821	5.1%
Total Employment	76,350	100.0%	136,013,961	100.0%

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

The largest industries in the PMA are retail trade, construction, and health care/social assistance. Together, these three industries comprise 32.6 percent of employment in the PMA. Construction, transportation/warehousing, are overrepresented in the PMA when compared to the nation. Although the health care/social services industry is the second largest industry in the PMA, there are a smaller percentage of workers employed in this industry than in the nation. Retail trade, construction, and manufacturing are underrepresented in the PMA when compared to the nation. The most underrepresented industry in the PMA when compared to the nation is the manufacturing industry. This is not surprising considering the urban nature of the PMA.

3. Major Employers

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

The Atlanta area is generally considered the regional hub of the southeastern United States. Atlanta is the headquarters for several major corporations. Additionally, Atlanta’s Hartsfield-Jackson International Airport is the hub of Delta Airlines, the largest employer in Atlanta, and of Airtran Airways. The table below lists the most recent data on major employers in the Atlanta area according to the Atlanta Business Chronicle’s Book of Lists. As of May 2010, the Atlanta Business Chronicle or Atlanta Metro Chamber of Commerce has not updated the following list.

MAJOR EMPLOYERS

Atlanta-Sandy Springs-Marietta, GA MSA

Employer	Industry	Number Employed
Delta Air Lines, Inc.	Transportation	25,000
Wal-Mart Stores, Inc.	Retail	23,600
Gwinnett County Public Schools	Education	20,821
AT&T Inc.	Telecommunications	20,325
Emory University	Education	19,873
Cobb County School District	Education	15,211
DeKalb County School System	Education	13,890
Fulton County Schools	Education	11,894
United States Postal Service	Government	10,258
WellStar Health System, Inc.	Healthcare	9,067
The Home Depot, Inc.	Retail	9,000
Clayton County Public Schools	Education	8,200
Children’s Healthcare of Atlanta	Healthcare	7,572
Georgia Institute of Technology	Education	7,566
DeKalb County Government	Government	7,188
Lockheed Martin Aeronautics	Defense	7,091

Source: *Atlanta Business Chronicle*, Novogradac & Company LLP, March 2012

Douglas County Major Employers

Map Number	Company	Industry	Employees
1	Silver Line Building Products, Inc.	Construction	814
2	American Red Cross Blood Services	Healthcare	450
3	Staples Customer Fulfillment Center	Call Center	258
4	Seasons-4 Inc.	Manufacturing	225
5	APL Logistics	Services	200
6	Medline Medical Industries	Healthcare	200

Source: Douglas County Development Authority, May 2012

The largest employers in the MSA are the transportation, education, retail sectors. Lower skilled employees in these industries are likely to have incomes inline with the Subject’s income restrictions. The prevalence of the retail trade industry in the Atlanta area exposes the local economy to the effects of the current recession.

The major employers in Douglas County are in a variety of industries, including construction government and healthcare. Some of these industries are relatively stable, such as government and healthcare. However, the largest employer is in the construction industry, and industry which has been negatively affected by the nation-wide housing market downturn.

Expansions/Contractions

The following table lists some of these expansions in the larger metropolitan Atlanta area. It should be noted that the following table is not a comprehensive list.

BUSINESS EXPANSIONS*
Atlanta-Sandy Springs-Marietta, GA MSA

Year	Employer	Industry	Location	Jobs
2012	PointClear	Technology	Atlanta	10
2012	Fresenius Medical	Healthcare	Kennesaw	120
2011	ThyssenKrupp	Information	Alpharetta	110
2011	FedEx Ground	Distribution	Norcross	315
2011	Macy's	Retail	Johns Creek	150
2011	Cadiallac Jack	Information	Duluth	40
2010	Hewlett-Packard	Information	Alpharetta	1,000
2010	Vesta	Call Centers	Alpharetta	500
2010	SKC, Inc.	Manufacturing	Covington	120
2010	Novelis, Inc.	Manufacturing	Atlanta	80
2010	Phillips-Van Buren	Distribution	McDonough	150
2010	Callaway Black Group	Branch Office	Atlanta	30
2010	Chart Industries	Manufacturing	Atlanta	80
2010	CT&T	Branch Office & Showroom	Atlanta	40
2010	Endeavor Telecom	Headquarters	Atlanta	120
Total				2,865

Source: GA Department of Labor

*List is not comprehensive

As the previous table demonstrates, expansions in the metropolitan Atlanta market have been in various industries that have been affected by the economic downturn including retail and manufacturing. However, these industries have adapted to the current market including Macy’s,

which is expanding its e-commerce department. The number of jobs to be created by these expansions surpasses the number lost according to the 2011 and 2012 WARN notices

Conners Senior Village Phase II, Villa Rica, GA; Market Study

WARN NOTICES				
Metro Atlanta - 2011 to 2012				
Company	City	County	Affected Employees	Notification Date
DAL Global Services	Atlanta	Fulton	170	3/20/2012
Grainger	Alpharetta	Fulton	68	3/16/2012
Bank Of America	College Park	Fulton	57	3/16/2012
Crescent Hotels & Resorts, Llc	Atlanta	Fulton	42	3/2/2012
Csc Applied Technology	Atlanta	Fulton	78	3/1/2012
Maximus	Atlanta	Fulton	25	3/1/2012
Seimens Healthcare	Atlanta	Fulton	28	3/1/2012
Medline Industries	Lithia Springs	Douglas	40	3/1/2012
The Atlanta Journal Constitution	Conyers	Rockdale	80	2/9/2012
Concessions International/Paschals	Atlanta	Fulton	530	2/6/2012
Cox Communications	Atlanta	Dekalb	133	1/27/2012
The Atlanta Journal Constitution	Fayetteville	Fayette	70	1/10/2012
Ryder	Lawrenceville	Gwinnett	34	1/9/2012
Bloomingdale's	Atlanta	Dekalb	141	1/4/2012
Mckesson Technology	Alpharetta	Fulton	174	12/8/2011
Netspend Corp	Atlanta	Dekalb	80	12/6/2011
Hms Host	Lawrenceville	Gwinnett	53	11/22/2011
Thomson Reuters	Atlanta	Cobb	28	11/17/2011
Syms Corp	Norcross	Gwinnett	17	11/7/2011
Syms Corp	Marietta	Cobb	15	11/7/2011
Filene's Basement	Atlanta	Fulton	37	11/7/2011
Southern Ice Cream Specialities	Marietta	Cobb	140	10/31/2011
Kmart	Doraville	Dekalb	70	10/31/2011
Nco Financial Systems	Norcross	Gwinnett	67	10/20/2011
Ccp North America	Stone Mountain	Dekalb	45	10/19/2011
Nordson	Norcross	Gwinnett	70	9/30/2011
Dendreon	Union City	Fulton	117	9/9/2011
Litton Loan Servicing (Lls)	Mcdonough	Henry	191	9/6/2011
Lowe's	Riverdale	Clayton	98	8/15/2011
Kmart Corporation	Doraville	Gwinnett	78	8/9/2011
Decatur Hotel	Decatur	Dekalb	55	8/4/2011
Wsi (Wackenhut)	Fort Mcpherson	Fulton	50	7/27/2011
Prestige Maintenance Usa	Plano	Fulton	114	7/26/2011
Archbrook Laguna	Kennesaw	Cobb	87	7/6/2011
Ch2m Hill	Atlanta	Fulton	21	6/6/2011
Rts (Flextronics Americas)	Atlanta	Fulton	89	5/27/2011
Rr Donnelley	East Point	Fulton	115	5/25/2011
Manheim Metro Atlanta (Manheim Remarketing)	Atlanta	Fulton	171	5/24/2011
Sosi Instrument Management	Marietta	Cobb	90	4/18/2011
Brevard Achievement Center	Forest Park	Clayton	28	4/8/2011
Golden Living Center-Medical Arts	Lawrenceville	Gwinnett	83	4/1/2011
Jcpenney Corporation	Duluth	Gwinnett	32	3/22/2011
Jcpenney Corporation	Morrow	Clayton	127	3/22/2011
Onewest Bank	Norcross	Gwinnett	92	3/21/2011
Visual Pak	Union City	Fulton	15	3/11/2011
The Atlanta Journal Constitution	Kennesaw	Cobb	99	2/24/2011
Siemens	Canton	Cherokee	18	2/1/2011
Nioxin	Lithia Springs	Douglas	62	1/31/2011
Continental Plastics	Alpharetta	Fulton	86	1/24/2011
Nco Financial Systems	Hapeville	Fulton	90	1/19/2011
Turner Entertainment	Atlanta	Fulton	77	1/18/2011
Cardinal Health	Mcdonough	Henry	156	1/14/2011
Macy's	Union	Fulton	99	1/6/2011
Bj's Wholesale Club, Inc.	Norcross	Gwinnett	73	1/5/2011
Bj's Wholesale Club, Inc.	Mcdonough	Henry	67	1/5/2011
Bj's Wholesale, Inc.	Austell	Cobb	79	1/5/2011
Total			4,851	

Source: Georgia Department of Labor, Novogradac & Company LLP, 3/2012

According to Georgia Department of Labor’s 2011 and 2012 WARN notices, a total of 4,851 jobs were eliminated in the Atlanta area in 2011 and 2012 to date, yielding an average monthly job loss rate of approximately 404 jobs per month compared to 286 in 2009 as of the end of May. Job loss among the aforementioned employers is consistent with national trends as the major layoffs have occurred in the industries troubled the most during the recession: manufacturing (particularly automotive), retail, finance, insurance, and construction or housing-related fields. As a result of the declining construction industry, Home Depot (a major Atlanta area employer) has had to eliminate several jobs at its Atlanta headquarters and by closing Expo Design Centers, and Design Centers and HD Bath. Other employers such as Taylor, Bean & Whitaker, a mortgage lender, have contracted or closed due to the housing crisis.

Among the total layoffs in the Atlanta Metropolitan area, there were two layoffs for Douglas County reported to the Georgia Department of Labor in 2011 and 2012 as of March. Combining these two layoffs, a total of 102 jobs were contracted in Douglas County in 2011 and 2012. Both of these layoffs were in the health industries. While these industries tend to be very stable, the companies involved were only manufacturers of medical products; manufacturing of all kinds are experiencing setbacks in this recessed economy.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Atlanta-Sandy Springs-Marietta, GA MSA from 1990 to 2011 (through Feb.).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)								
Atlanta-Sandy Springs-Marietta, GA MSA					USA			
Year	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*	2,462,527	1.4%	10.2%	0.6%	140,314,000	0.3%	8.8%	-0.2%
Feb-2011	2,404,227	-	9.9%	-	138,093,000	-	9.5%	-
Feb-2012	2,468,607	2.7%	9.0%	-0.9%	140,684,000	1.9%	8.7%	-0.8%

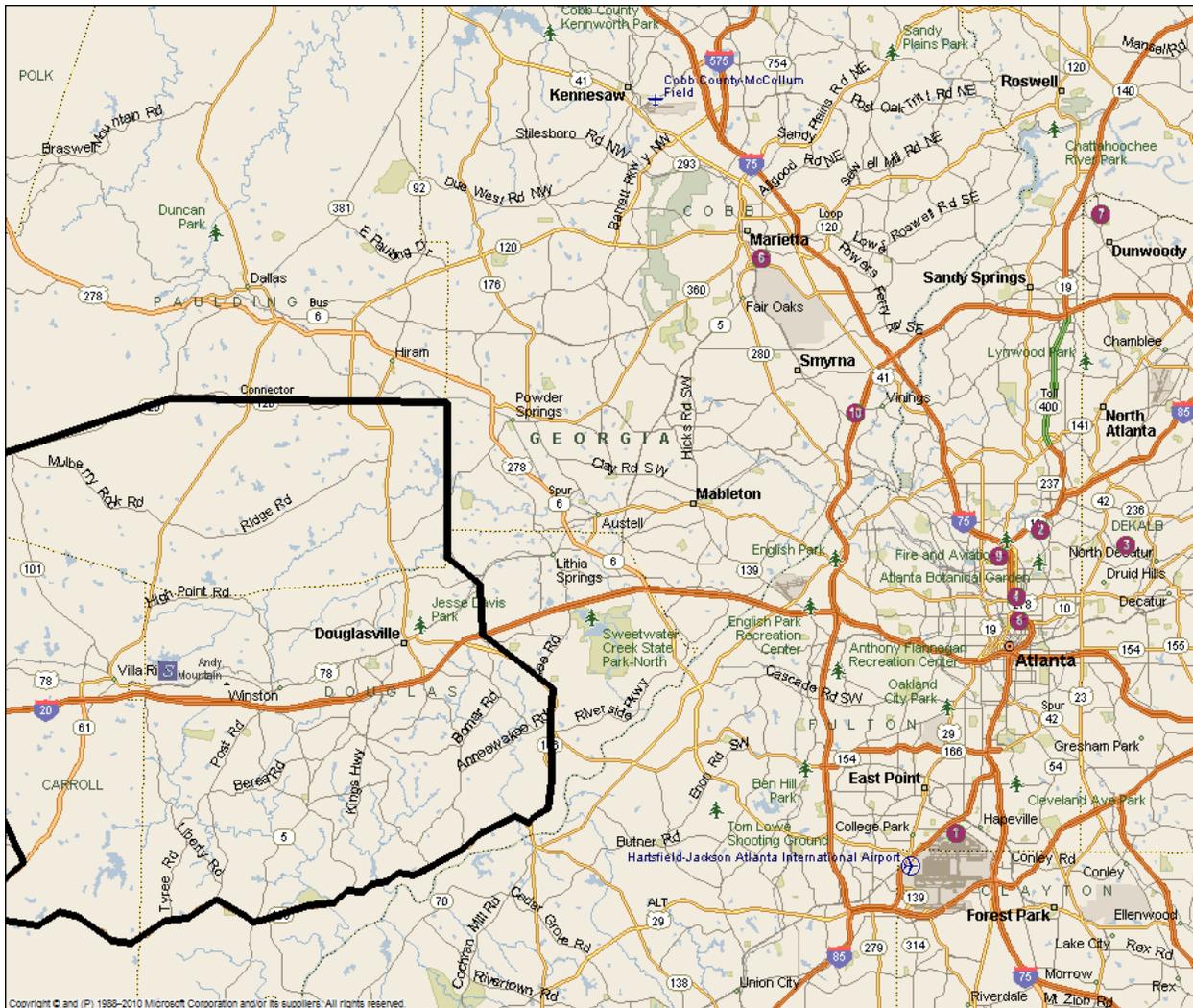
Source: U.S. Bureau of Labor Statistics, Novogradac & Company LLP, April 2012
 *2012 data is through Annual

Between 2010 and 2011, total employment in the MSA increased by 1.7 percentage points, causing the unemployment rate to decrease 0.6 percentage points. In 2011, the unemployment rate was 9.6 percentage points, the highest in a decade, and 0.7 percentage points higher than the national average. Between February 2011 and February 2012, total employment increased 2.7 percentage points, and the unemployment rate increased 0.6 percentage points. As of February 2012, the unemployment rate was slightly above the unemployment rate of the US, but the high rate of growth in total employment indicates a quicker recovery in the MSA compared to the nation.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in the Atlanta-Sandy Springs-Marietta, GA MSA.

Conners Senior Village Phase II, Villa Rica, GA; Market Study

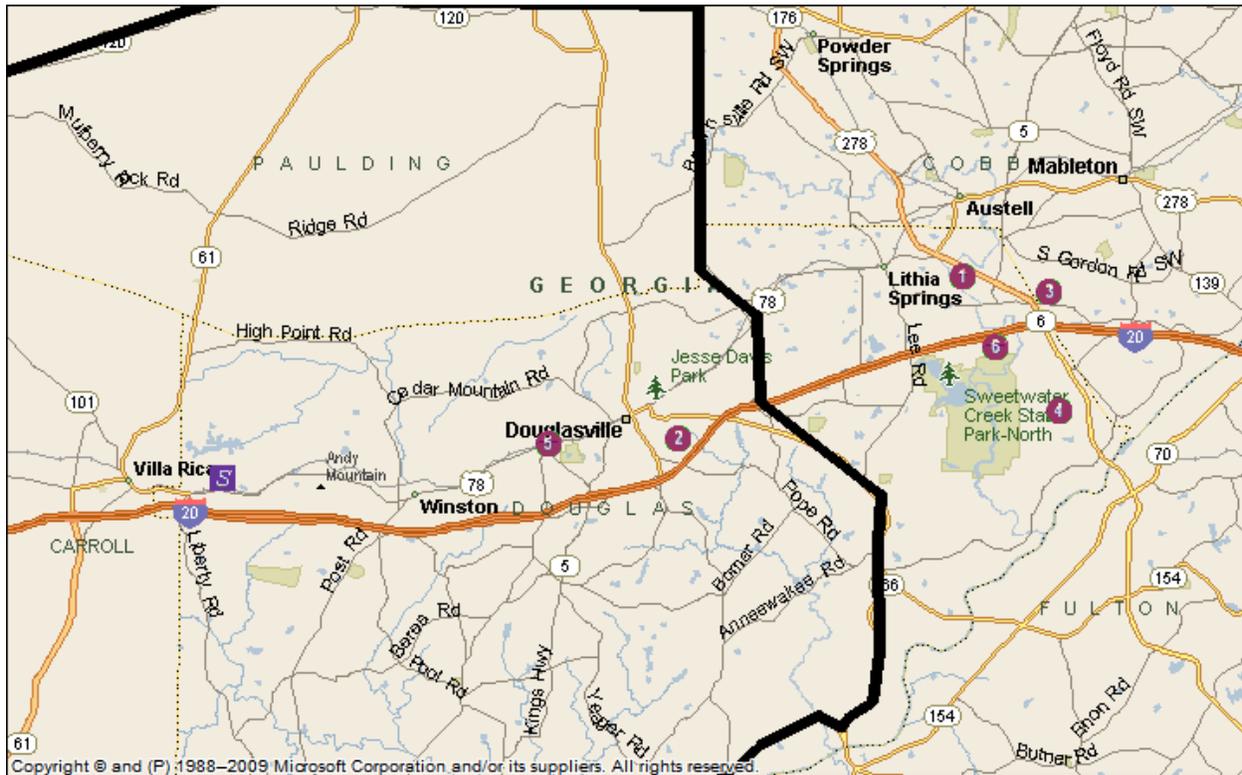


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Conners Senior Village Phase II, Villa Rica, GA; Market Study

Source: *Atlanta Business Chronicle*, Novogradac & Company LLP, March 2012



Douglas County Major Employers

Map Number	Company	Industry	Employees
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5	APL Logistics	Services	200
6	Medline Medical Industries	Healthcare	200

Source: Douglas County Development Authority, May 2012

Conclusion

Douglas County posted strong employment growth in 2005 and 2008 but total employment decreased significantly in 2009 due to the impact of the nation-wide recession and continuing economic downturn. Average annual employment estimates roughly reflect the year-over-year change in total employment, which decreased by 5.47 percent from September 2010 to September 2011. The decrease in employment has caused an increase in the unemployment rate in Douglas County, which was 8.9 percent in March 2012, according to the Georgia Department of Labor's statistics. This places Douglas County, GA above the national unemployment rate of 8.2 percent in March 2012. The largest industries in the PMA are retail trade, construction, and healthcare/social assistance. The retail trade and construction industries have both seen several layoffs from this current economic recession as a result of the housing market downturn and reduced consumer spending.

Between 2005 and 2008, the unemployment rate in the Atlanta MSA fluctuated between 4.5 and 6.2 percentage points. In 2009, the unemployment rate increased to 9.6 percent, 0.3 percentage points higher than the national average; and then in 2010 (to date), the unemployment rate increased again to 10.4 percent, 0.2 percentage points higher than the nation. Between 2010 and 2011, total employment in the MSA increased by 1.7 percentage points, causing the unemployment rate to decrease 0.6 percentage points. In 2011, the unemployment rate was 9.6 percentage points, the highest in a decade, and 0.7 percentage points higher than the national average. Between February 2011 and February 2012, total employment increased 2.7 percentage points, and the unemployment rate increased 0.6 percentage points. As of February 2012, the unemployment rate was slightly above the unemployment rate of the nation, but the high rate of growth in total employment indicates a quicker recovery in the MSA compared to the nation.

As of their most recent update end of 2009 report, the Metro Atlanta Chamber of Commerce estimates that 11,890 jobs will be added to the Atlanta area economy from new companies and expansions. These new jobs will help to mitigate the 10,300 jobs eliminated by layoffs and closures announced in the Georgia Department of Labor's 2009 and 2010 WARN reports. While there has been some evidence that Atlanta's economy is improving (ie. new jobs), the unemployment rate continues to increase, and layoffs continue to occur. As of March 2012, WARN notices for the metro area have dropped to a total of 4,851 in 2011 and March 2012.

Among the total layoffs in the Atlanta Metropolitan area, there were two layoffs for Douglas County reported to the Georgia Department of Labor in 2011 and 2012 as of March. Combining these two layoffs, a total of 102 jobs were contracted in Douglas County in 2011 and 2012. Both of these layoffs were in the health industries. While these industries tend to be very stable, the companies involved were only manufacturers of medical products; manufacturing of all kinds are experiencing setbacks in this recessed economy.

The Subject will target seniors 55 and above. As a senior property, we expect that the Subject will be less affected by the local economic recession given that most senior tenants at the comparables are retired.

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. At the time of this market study 2012 utility allowances were not available; therefore, we have utilized the 2011 published rent and income limits in our analysis.

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, 2010 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 2010 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.

We interviewed several property managers at senior developments in the area. The majority of property managers reported that more than half of their tenants were previous homeowners. Because of the current economic recession, it has become more difficult for seniors to sell their homes. Therefore, we have conservatively estimated senior homeownership conversion at 15 percent in our demand analysis.

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

3C. SECONDARY MARKET AREA

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.

While we believe that the majority of the Subject's tenants will come from within the PMA, we have accounted for 15 percent leakage from outside the PMA boundaries. We believe this is warranted given the number of seniors who have moved to senior properties in the area from out of state in order to be closer to family members. Management at Highland Park Senior estimated that approximately 20 percent of tenants at the property have moved from outside the local area.

3D. OTHER

DCA does not consider household turnover to be a source of market demand. We have not utilized turnover as a source of demand in our analysis.

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

The following pages will outline the overall demand compononets added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed from 2010 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.

ADDITIONS TO SUPPLY SINCE 2010

Property Name	Type	Year Built/Proposed	Competitive with Subject	Number of Units	Comments
Conners Senior Village Phase I	Senior LIHTC	2012	Yes	60	Phase I of Subject

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.

Name	City	Occupancy Rate	Distance from Subject	Type	Tenancy	Included/Excluded	Reason for exclusion
Alpha A Fowler Community	Douglasville	98.0%	11.7 miles	Section 8	Elderly	Excluded	All units subsidized
Douglass Village Apartments	Douglasville	N/Av	13.0 miles	Section 8	Family	Excluded	All units subsidized
Douglasville VOA Housing	Douglasville	N/Av	12.4 miles	Section 8	Disabled	Excluded	All units subsidized
Hampton Court I and II	Villa Rica	100.0%	3.7 miles	RD	Family	Excluded	All units subsidized
The Preserve at Mirrorlake	Villa Rica	N/Av	1.5 miles	Market	Family	Excluded	Management not available
Arbor Bend	Villa Rica	N/Av	3.6 miles	Market	Family	Excluded	Tenancy not comparable
Willow Creek	Villa Rica	N/Av	4.0 miles	Market	Family	Excluded	Tenancy not comparable
Brookview Apartments	Douglasville	80.6%	13.1 miles	Market	Family	Excluded	Tenancy not comparable/ Inferior condition
Century Arbor Place	Douglasville	98.7%	9.7 miles	Market	Family	Excluded	Tenancy not comparable
Century Park West	Douglasville	97.0%	7.1 miles	Market	Family	Excluded	Tenancy not comparable
Wesley Pond	Douglasville	90.1%	9.7 miles	Market	Family	Excluded	Tenancy not comparable
Columbia Gardens	Douglasville	91.4%	9.8 miles	LIHTC	Family	Included	N/Av
Highland Park Senior	Douglasville	100.0%	10.5 miles	LIHTC	Senior	Included	N/Av
Bellevue Senior Community	Villa Rica	97.8%	3.8 miles	Market	Senior	Included	N/Av
Hickory Falls	Villa Rica	94.5%	3.6 miles	Market	Family	Included	N/Av
Creekstone Apartments	Dallas	99.1%	16.7 miles	LIHTC	Senior	Included	N/Av
Amberly Apartments	Dallas	100.0%	17.3 miles	Market	Senior	Included	N/Av
Foster Place	Dallas	100.0%	16.2 miles	Market	Senior	Included	N/Av
Wildwood at Villa Rica	Villa Rica	93.2%	2.7 miles	Market	Family	Excluded	Tenancy not comparable
Average		95.7%					
Average Senior		99.2%					

The average occupancy of the surveyed properties in the PMA is 95.7 percent with an average senior occupancy of 99.2 percent. Overall, occupancies in the PMA are high and considered healthy.

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.

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			
Conner Senior Village Phase I (under construction)		Percent	Comments
1	Location	1.00	Adjacent
2	Affordability	1.00	Similar
3	Property Type	1.00	Similar
4	Quality	1.00	Similar
Comparability Factor		1.00	

Competitive Property Analysis			
Creekstone Apartments - Comparable 2		Percent	Comments
1	Location	1.00	Similar
2	Affordability	1.00	Similar to more affordable
3	Property Type	1.00	Similar
4	Quality	0.25	Inferior
Comparability Factor		0.250	

Competitive Property Analysis			
Hickory Falls - Comparable 7		Percent	Comments
1	Location	1.00	Similar
2	Affordability	0.25	Less affordable
3	Property Type	1.00	Superior
4	Quality	1.00	Similar
Comparability Factor		0.25	

Foster Place, Belleview Senior Community, and Amberly Apartments are unrestricted properties that have rents 24 to 48 percent higher than the Subject’s proposed rents. These properties offer a similar product type and unit mix; therefore they were included as comparables as they are indicative of the overall performance of the rental market. However, it should be noted that these properties will not compete for tenants given the rental rate disparity.

Additionally, we have not deducted units at the family LIHTC property Columbia Gardens. Rents at this property are 22 percent higher than the Subject’s proposed rents and this property will not likely compete with the Subject due to the rental rate disparity and its family tenancy. It has been used as a comparable because it is indicative of the overall performance of the local LIHTC market.

The one senior LIHTC property in the Subject’s PMA, Highland Park Senior, does not offer 50 or 60 percent AMI units. All units at this property are set at the 35 and 40 percent AMI levels; therefore, units have not been deducted from our demand analysis.

Competitive Property Analysis

Property Name	Total Number of Units*	Comparability Factor	Units to be Deducted from Demand
Conner Senior Village Phase I	60	100%	60
Creekstone Apartments	29	25%	7
Hickory Falls	73	25%	18
Total			85

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	6	10	16
Two Bedroom	11	58	69
Total			85

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.

Conners Senior Village Phase II, Villa Rica, GA; Market Study

Renter Household Income Distribution 2000 to Projected Market Entry May 2014									
Conners Senior Village Phase II									
PMA									
	2000		2010		Pj Mkt Entry May 2014		Percent		Growth
	#	%	#	%	#	%			
\$0-9,999	361	25.0%	610	22.6%	728	21.3%			16.2%
\$10,000-19,999	493	34.0%	865	32.0%	1,011	29.6%			14.4%
\$20,000-29,999	219	15.2%	449	16.6%	593	17.4%			24.3%
\$30,000-39,999	79	5.5%	130	4.8%	167	4.9%			22.5%
\$40,000-49,999	64	4.4%	139	5.1%	167	4.9%			17.0%
\$50,000-59,999	127	8.8%	235	8.7%	336	9.8%			30.2%
\$60,000-74,999	37	2.6%	76	2.8%	96	2.8%			21.2%
\$75,000-99,999	39	2.7%	105	3.9%	144	4.2%			27.0%
\$100,000+	27	1.9%	94	3.5%	172	5.0%			45.7%
Total	1,447	100.0%	2,702	100.0%	3,415	100.0%			20.9%

Renter Household Income Distribution Projected Market Entry May 2014			
Conners Senior Village Phase II			
PMA			
	Pj Mkt Entry May 2014		Change 2000 to Pj Mkt Entry May 2014
	#	%	#
\$0-9,999	728	21.3%	420
\$10,000-19,999	1,011	29.6%	582
\$20,000-29,999	593	17.4%	342
\$30,000-39,999	167	4.9%	96
\$40,000-49,999	167	4.9%	96
\$50,000-59,999	336	9.8%	194
\$60,000-74,999	96	2.8%	55
\$75,000-99,999	144	4.2%	83
\$100,000+	172	5.0%	99
Total	3,415	100.0%	1,968

Tenure Pj Mkt Entry May 2014	
Renter	15.5%
Owner	84.5%
Total	100.0%

Renter Household Size for Pj Mkt Entry May 2014		
Size	Number	Percentage
1	1,894	55.5%
2	860	25.2%
3	337	9.9%
4	94	2.8%
5+	230	6.7%
Total	3,415	100.0%

Renter Household Size for 2000 55+		
Size	Number	Percentage
1	826	57.1%
2	380	26.3%
3	124	8.6%
4	44	3.0%
5+	72	5.0%
Total	1,447	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$16,260		
Maximum Income Limit			\$27,350 Two		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mkt Entry May 2014		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	420			
\$10,000-19,999	582	29.6%	3,739	37.4%	218
\$20,000-29,999	342	17.4%	7,350	73.5%	251
\$30,000-39,999	96	4.9%		0.0%	0
\$40,000-49,999	96	4.9%		0.0%	0
\$50,000-59,999	194	9.8%		0.0%	0
\$60,000-74,999	55	2.8%		0.0%	0
\$75,000-99,999	83	4.2%		0.0%	0
\$100,000+	99	5.0%		0.0%	0
	1,968	100.0%			469
Percent of renter households within limits versus total number of renter households					23.83%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$16,260		
Maximum Income Limit			\$27,350 Two		
Income Category	Total Renter Households PMA Prj Mkt Entry May 2014		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	728			
\$10,000-19,999	1,011	29.6%	3,739	37.4%	378
\$20,000-29,999	593	17.4%	7,350	73.5%	436
\$30,000-39,999	167	4.9%	0	0.0%	0
\$40,000-49,999	167	4.9%	0	0.0%	0
\$50,000-59,999	336	9.8%	0	0.0%	0
\$60,000-74,999	96	2.8%	0	0.0%	0
\$75,000-99,999	144	4.2%	0	0.0%	0
\$100,000+	172	5.0%	0	0.0%	0
	3,415	100.0%			814
Percent of renter households within limits versus total number of renter households					23.83%

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 Mkt Entry May 2014 Median Income

Change from 2000 to Prj Mkt Entry May 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
Rural
40%
\$51,192
\$70,723
\$19,531
38.2%
6.4%
6.4%
Two year adjustment
1,0000
\$27,350
\$27,350
Two
50%
\$542
\$542.00

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		50%
New Renter Households PMA		1,968
Percent Income Qualified		23.8%
New Renter Income Qualified Households		469

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		3,415
Income Qualified		23.8%
Income Qualified Renter Households		814
Percent Rent Overburdened Prj Mrkt Entry May 2014		29.5%
Rent Overburdened Households		240

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		814
Percent Living in Substandard Housing		0.2%
Households Living in Substandard Housing		2

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		18600
Rural Versus Urban	0.9%	
Senior Demand Converting from Homeownership		167

Total Demand

Total Demand from Existing Households		409
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%	61
Adjusted Demand from Existing Households		471
Total New Demand		469
Total Demand (New Plus Existing Households)		940

Demand from Seniors Who Convert from Homeownership		167
Percent of Total Demand From Homeownership Conversion		15.0%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	55.5%	521
Two Persons	25.2%	237
Three Persons	9.9%	93
Four Persons	2.8%	26
Five Persons	6.7%	63
Total	100.0%	940

Conners Senior Village Phase II, Villa Rica, GA; Market Study

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	469
Of two-person households in 1BR units	20%	47
Of one-person households in 2BR units	10%	52
Of two-person households in 2BR units	80%	189
Of three-person households in 2BR units	60%	56
Of three-person households in 3BR units	40%	37
Of four-person households in 3BR units	80%	21
Of five-person households in 3BR units	70%	44
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	19
Total Demand		940
Check		OK
Total Demand by Bedroom		50%
1 BR		517
2 BR		297
Total Demand		814
Additions To Supply 2000 to Prj Mrkt Entry May 2014		50%
1 BR		6
2 BR		11
Total		17
Net Demand		50%
1 BR		511
2 BR		286
Total		797
Developer's Unit Mix		50%
1 BR		2
2 BR		7
Total		9
Capture Rate Analysis		50%
1 BR		0.4%
2 BR		2.4%
Total		1.1%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$17,760		
Maximum Income Limit			\$32,820 Two		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mkt Entry May 2014		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	420			
\$10,000-19,999	582	29.6%	2,239	22.4%	130
\$20,000-29,999	342	17.4%	9,999	100.0%	342
\$30,000-39,999	96	4.9%	2,820	28.2%	27
\$40,000-49,999	96	4.9%		0.0%	0
\$50,000-59,999	194	9.8%		0.0%	0
\$60,000-74,999	55	2.8%		0.0%	0
\$75,000-99,999	83	4.2%		0.0%	0
\$100,000+	99	5.0%		0.0%	0
	1,968	100.0%			499
Percent of renter households within limits versus total number of renter households					25.38%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$17,760		
Maximum Income Limit			\$32,820 Two		
Income Category	Total Renter Households PMA Prj Mkt Entry May 2014		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	728			
\$10,000-19,999	1,011	29.6%	2,239	22.4%	226
\$20,000-29,999	593	17.4%	9,999	100.0%	593
\$30,000-39,999	167	4.9%	2,820	28.2%	47
\$40,000-49,999	167	4.9%	0	0.0%	0
\$50,000-59,999	336	9.8%	0	0.0%	0
\$60,000-74,999	96	2.8%	0	0.0%	0
\$75,000-99,999	144	4.2%	0	0.0%	0
\$100,000+	172	5.0%	0	0.0%	0
	3,415	100.0%			867
Percent of renter households within limits versus total number of renter households					25.38%

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 Mkt Entry May 2014 Median Income

Change from 2000 to Prj Mkt Entry May 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
Rural
40%
\$51,192
\$70,723
\$19,531
38.2%
6.4%
6.4%
Two year adjustment
1,0000
\$32,820
\$32,820
Two
60%
\$592
\$592.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	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%

Conners Senior Village Phase II, Villa Rica, GA; Market Study

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		60%
New Renter Households PMA		1,968
Percent Income Qualified		25.4%
New Renter Income Qualified Households		499

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		3,415
Income Qualified		25.4%
Income Qualified Renter Households		867
Percent Rent Overburdened Prj Mrkt Entry May 2014		29.5%
Rent Overburdened Households		256

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		867
Percent Living in Substandard Housing		0.2%
Households Living in Substandard Housing		2

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		18600
Rural Versus Urban	0.9%	
Senior Demand Converting from Homeownership		167

Total Demand

Total Demand from Existing Households		425
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%	64
Adjusted Demand from Existing Households		489
Total New Demand		499
Total Demand (New Plus Existing Households)		988

Demand from Seniors Who Convert from Homeownership		167
Percent of Total Demand From Homeownership Conversion		15.0%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	55.5%	548
Two Persons	25.2%	249
Three Persons	9.9%	97
Four Persons	2.8%	27
Five Persons	6.7%	67
Total	100.0%	988

Conners Senior Village Phase II, Villa Rica, GA; Market Study

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	493
Of two-person households in 1BR units	20%	50
Of one-person households in 2BR units	10%	55
Of two-person households in 2BR units	80%	199
Of three-person households in 2BR units	60%	58
Of three-person households in 3BR units	40%	39
Of four-person households in 3BR units	80%	22
Of five-person households in 3BR units	70%	47
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	20
Total Demand		988
Check		OK

Total Demand by Bedroom

	60%
1 BR	543
2 BR	312
Total Demand	855

Additions To Supply 2000 to Prj Mrkt Entry May 2014

	60%
1 BR	10
2 BR	58
Total	68

Net Demand

	60%
1 BR	533
2 BR	254
Total	787

Developer's Unit Mix

	60%
1 BR	10
2 BR	41
Total	51

Capture Rate Analysis

	60%
1 BR	1.9%
2 BR	16.1%
Total	6.5%

Conners Senior Village Phase II, Villa Rica, GA; Market Study

Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$16,260		
Maximum Income Limit			\$32,820 Two		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mrkt Entry May 2014		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	420			
\$10,000-19,999	582	29.6%	3,739	37.4%	218
\$20,000-29,999	342	17.4%	9,999	100.0%	342
\$30,000-39,999	96	4.9%	2,820	28.2%	27
\$40,000-49,999	96	4.9%		0.0%	0
\$50,000-59,999	194	9.8%		0.0%	0
\$60,000-74,999	55	2.8%		0.0%	0
\$75,000-99,999	83	4.2%		0.0%	0
\$100,000+	99	5.0%		0.0%	0
	1,968	100.0%			587
Percent of renter households within limits versus total number of renter households					29.81%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$16,260		
Maximum Income Limit			\$32,820 Two		
Income Category	Total Renter Households PMA Prj Mrkt Entry May 2014		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	728			
\$10,000-19,999	1,011	29.6%	3,739	37.4%	378
\$20,000-29,999	593	17.4%	9,999	100.0%	593
\$30,000-39,999	167	4.9%	2,820	28.2%	47
\$40,000-49,999	167	4.9%	0	0.0%	0
\$50,000-59,999	336	9.8%	0	0.0%	0
\$60,000-74,999	96	2.8%	0	0.0%	0
\$75,000-99,999	144	4.2%	0	0.0%	0
\$100,000+	172	5.0%	0	0.0%	0
	3,415	100.0%			1,018
Percent of renter households within limits versus total number of renter households					29.81%

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 May 2014 Median Income

Change from 2000 to Prj Mrkt Entry May 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
Rural
40%
\$51,192
\$70,723
\$19,531
38.2%
6.4%
6.4%
Two year adjustment
1.0000
\$32,820
\$32,820
Two
Overall
\$542
\$542.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	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%

Conners Senior Village Phase II, Villa Rica, GA; Market Study

STEP 1 Please refer to text for complete explanation.

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

	Overall
Income Target Population	
New Renter Households PMA	1,968
Percent Income Qualified	29.8%
New Renter Income Qualified Households	587

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	3,415
Income Qualified	29.8%
Income Qualified Renter Households	1,018
Percent Rent Overburdened Prj Mrkt Entry May 2014	29.5%
Rent Overburdened Households	301

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,018
Percent Living in Substandard Housing	0.2%
Households Living in Substandard Housing	2

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

Senior Households Converting from Homeownership

	Overall
Income Target Population	
Total Senior Homeowners	18600
Rural Versus Urban	0.9%
Senior Demand Converting from Homeownership	167

Total Demand

Total Demand from Existing Households		470
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%	71
Adjusted Demand from Existing Households		541
Total New Demand		587
Total Demand (New Plus Existing Households)		1,128

Demand from Seniors Who Convert from Homeownership

Percent of Total Demand From Homeownership Conversion

Is this Demand Over 20 percent of Total Demand?

167
15.0%
No

By Bedroom Demand

One Person	55.5%	626
Two Persons	25.2%	284
Three Persons	9.9%	111
Four Persons	2.8%	31
Five Persons	6.7%	76
Total	100.0%	1,128

Conners Senior Village Phase II, Villa Rica, GA; Market Study

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	563
Of two-person households in 1BR units	20%	57
Of one-person households in 2BR units	10%	63
Of two-person households in 2BR units	80%	227
Of three-person households in 2BR units	60%	67
Of three-person households in 3BR units	40%	45
Of four-person households in 3BR units	80%	25
Of five-person households in 3BR units	70%	53
Of four-person households in 4BR units	20%	6
Of five-person households in 4BR units	30%	23
Total Demand		1,128
Check		OK

Total Demand by Bedroom	Overall
1 BR	620
2 BR	357
Total Demand	976

Additions To Supply 2000 to Prj Mrkt Entry May 2014	Overall
1 BR	16
2 BR	69
Total	85

Net Demand	Overall
1 BR	604
2 BR	288
Total	891

Developer's Unit Mix	Overall
1 BR	12
2 BR	48
Total	60

Capture Rate Analysis	Overall
1 BR	2.0%
2 BR	16.7%
Total	6.7%

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 6.7 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% AMI	\$16,260 - \$27,750	2	517	6	511	0.4%	7 months	\$573	\$400-\$659	\$390
2BR/50% AMI	\$16,260 - \$27,750	7	297	11	286	2.4%	7 months	\$719	\$525-\$845	\$490
1BR/60% AMI	\$17,760 - \$33,300	10	543	10	533	1.9%	7 months	\$607	\$519-\$659	\$440
2BR/60% AMI	\$17,760 - \$33,300	41	312	58	254	16.1%	7 months	\$758	\$609-\$845	\$490
Total 50% AMI	\$16,260 - \$27,750	9	814	17	797	1.1%	7 months	-	\$400-\$845	-
Total 60% AMI	\$17,760 - \$33,300	51	855	68	787	6.5%	7 months	-	\$519-\$845	-
Total Project	\$16,260 - \$33,300	60	976	85	891	6.7%	7 months	-	\$400-\$845	-

Demand and Net Demand

	HH at 50% AMI (min to max income)	HH at 60% AMI (min to max income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	469	499	587
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	2	2	2
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	240	256	301
PLUS	+	+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	61	64	71
Sub Total	772	821	960
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	167	167	167
Equals Total Demand	940	988	1128
Less	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market between 2010 and the present	17	68	85
Equals Net Demand	923	920	1043

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 0.4 to 2.4 percent, with an overall capture rate of 1.1 percent. The Subject's 60 percent AMI capture rates range from 1.9 to 16.1 percent, with an overall capture rate of 6.5 percent. The overall capture rate for the project's 50 and 60 percent units is 6.7 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 seven “true” comparable properties containing 832 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the following pages. 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.

There are two LIHTC properties located in the PMA. Columbia Gardens is a family LIHTC property that was built in 2000 and is approximately 8.2 miles from the Subject in Douglasville. The property is in overall good condition and has been used as a comparable in our analysis. Highland Park Senior is a senior LIHTC comparable that was built in 2000 and is located 10.4 miles from the Subject in Douglasville. This property is also in overall good condition and has been used as a comparable in our analysis. Due to the lack of LIHTC properties in the PMA, we have also utilized a LIHTC property located outside the PMA in Dallas, Georgia as a comparable. Creekstone Apartments is a family LIHTC property that has units set aside for senior tenants. This property is located 16.7 miles from the Subject site. Overall, the availability of LIHTC data in the market is limited.

We have also used four conventional rental properties in our analysis. Two of these, Bellevue Senior Community and Hickory Falls, are located in Villa Rica and are in the PMA. Bellevue Senior Community targets seniors and is located 4.2 miles from the Subject site. This property is the best indicator of senior demand within Villa Rica. Hickory Falls is a family property that was originally allocated bonds in 2005 but has since gone into foreclosure. According to the current owner, the property was sold in January 2010 and is now operating as a conventional rental property without income restrictions. This property is located 3.6 miles from the Subject. The remaining two market rate comparables are located outside the PMA in Dallas but both target seniors and have therefore been used as comparables in our analysis. Overall, the availability of market rate data is also considered adequate.

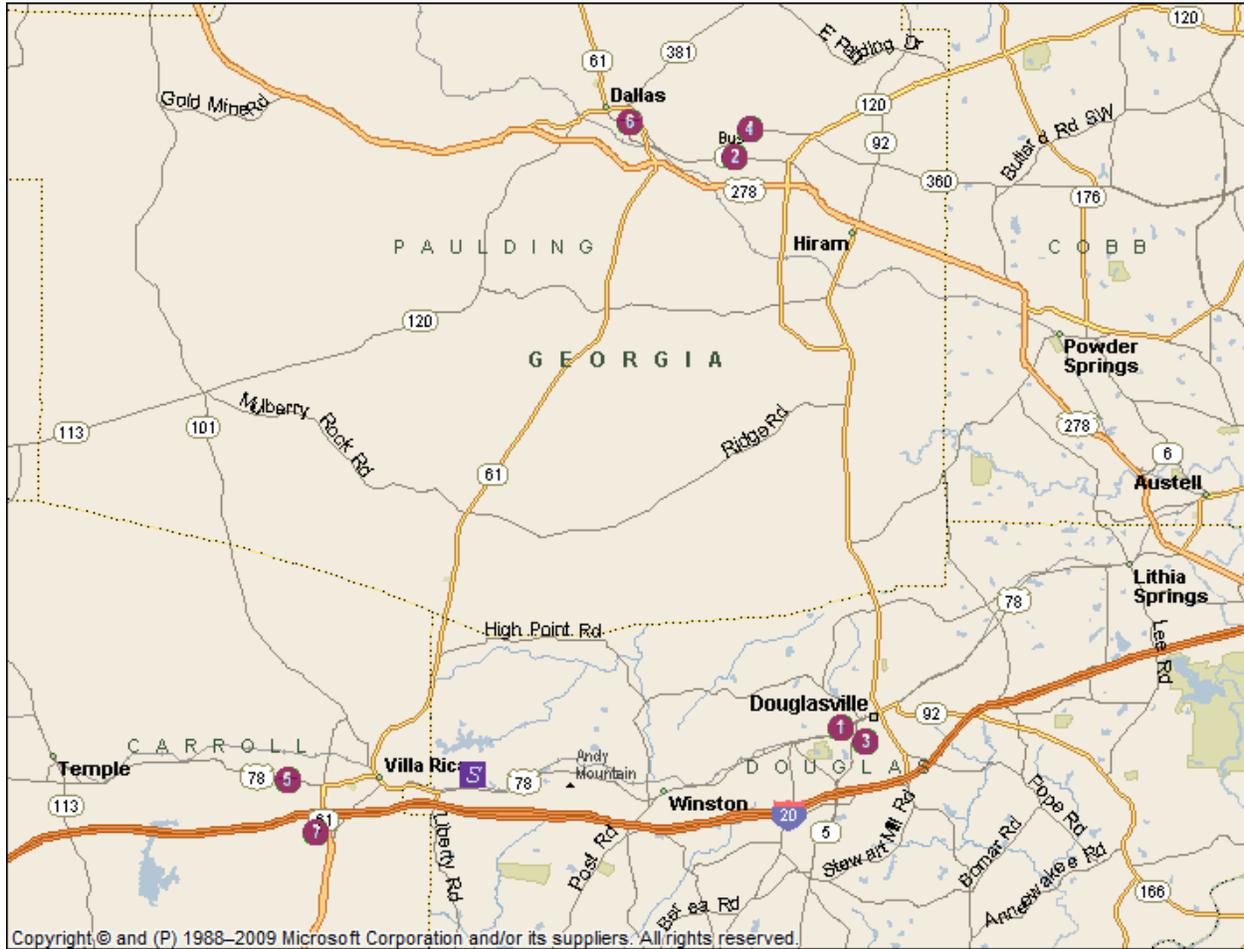
General Market Overview/Included/Excluded Properties

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	City	Occupancy Rate	Distance from Subject	Type	Tenancy	Included/Excluded	Reason for exclusion
Alpha A Fowler Community	Douglasville	98.0%	11.7 miles	Section 8	Elderly	Excluded	All units subsidized
Douglass Village Apartments	Douglasville	N/A v	13.0 miles	Section 8	Family	Excluded	All units subsidized
Douglassville VOA Housing	Douglasville	N/A v	12.4 miles	Section 8	Disabled	Excluded	All units subsidized
Hampton Court I and II	Villa Rica	100.0%	3.7 miles	RD	Family	Excluded	All units subsidized
The Preserve at Mirrorlake	Villa Rica	N/A v	1.5 miles	Market	Family	Excluded	Management not available
Arbor Bend	Villa Rica	N/A v	3.6 miles	Market	Family	Excluded	Tenancy not comparable
Willow Creek	Villa Rica	N/A v	4.0 miles	Market	Family	Excluded	Tenancy not comparable
Brookview Apartments	Douglasville	80.6%	13.1 miles	Market	Family	Excluded	Tenancy not comparable/ Inferior condition
Century Arbor Place	Douglasville	98.7%	9.7 miles	Market	Family	Excluded	Tenancy not comparable
Century Park West	Douglasville	97.0%	7.1 miles	Market	Family	Excluded	Tenancy not comparable
Wesley Pond	Douglasville	90.1%	9.7 miles	Market	Family	Excluded	Tenancy not comparable
Columbia Gardens	Douglasville	91.4%	9.8 miles	LIHTC	Family	Included	N/Ap
Highland Park Senior	Douglasville	100.0%	10.5 miles	LIHTC	Senior	Included	N/Ap
Bellevue Senior Community	Villa Rica	97.8%	3.8 miles	Market	Senior	Included	N/Ap
Hickory Falls	Villa Rica	94.5%	3.6 miles	Market	Family	Included	N/Ap
Creekstone Apartments	Dallas	99.1%	16.7 miles	LIHTC	Senior	Included	N/Ap
Amberly Apartments	Dallas	100.0%	17.3 miles	Market	Senior	Included	N/Ap
Foster Place	Dallas	100.0%	16.2 miles	Market	Senior	Included	N/Ap
Wildwood at Villa Rica	Villa Rica	93.2%	2.7 miles	Market	Family	Excluded	Tenancy not comparable
Average		95.7%					
Average Senior		99.2%					

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Columbia Gardens	Douglasville	LIHTC	8.2 miles
2	Creekstone Apartments	Dallas	LIHTC	16.7 miles
3	Highland Park Senior	Douglasville	LIHTC	10.4 miles
4	Amberly Apartments	Dallas	Market	17.3 miles
5	Bellevue Senior Community	Villa Rica	Market	4.2 miles
6	Foster Place	Dallas	Market	16.2 miles
7	Hickory Falls	Villa Rica	Market	3.6 miles

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

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	Max	Wait	Units Vacant	Vacancy Rate
										(SF)	Rent?	List?		
Subject	Conners Senior Village Phase II Conners Road Villa Rica, GA 30180 Douglas County	n/a	Various (age-restricted) Proposed / n/a	@50%, @60%	1BR / 1BA	2	3.30%	@50%	\$390	832	no		N/A	N/A
					1BR / 1BA	10	16.70%	@60%	\$440	832	no	N/A	N/A	
					2BR / 2BA	7	11.70%	@50%	\$490	1,037	no	N/A	N/A	
					2BR / 2BA	41	68.30%	@60%	\$490	1,037	no	N/A	N/A	
						60	100%					N/A	N/A	
1	Columbia Gardens 7101 Strickland Street Douglasville, GA 30134 Douglas County	9.8 miles	Garden 2000 / n/a	60%	2BR / 2BA	92	71.90%	@60%	\$609	1,222	yes	2	7	7.60%
					3BR / 2BA	36	28.10%	@60%	\$799	1,432	yes	No	4	11.10%
						128	100%					11	8.60%	
2	Creekstone Apartments 1300 Merchants Drive Dallas, GA 30132 Paulding County	16.7 miles	n/a (age-restricted) 1996/1999 / n/a	@35%, @40%, @50%	1BR / 1BA	36	33.30%	@35%	\$293	760	yes	Yes	1	2.80%
					1BR / 1BA	16	14.80%	@50%	\$400	760	no	Yes	0	0.00%
					2BR / 1BA	32	29.60%	@40%	\$424	920	yes	Yes	0	0.00%
					2BR / 1BA	12	11.10%	@50%	\$483	920	no	Yes	0	0.00%
					3BR / 2BA	12	11.10%	@50%	\$590	1,079	no	Yes	0	0.00%
	108	100%					1	0.90%						
3	Highland Park Senior 6785 Selman Drive Douglasville, GA 30134 Douglas County	10.5 miles	duplex and garden (age-restricted) 2000 / n/a	@35%, @40%	1BR / 1BA	25	50.00%	@35%	\$252	760	yes	Yes	0	0.00%
					1BR / 1BA	5	10.00%	@40%	\$317	760	yes	Yes	0	0.00%
					2BR / 2BA	18	36.00%	@35%	\$295	920	yes	Yes	0	0.00%
					2BR / 2BA	2	4.00%	@40%	\$368	920	yes	Yes	0	0.00%
						50	100%					0	0.00%	
4	Amberly Apartments 890 Macland Road Dallas, GA 30132 Paulding County	17.3 miles	Duplex (age-restricted) 2002 / n/a	Market	2BR / 1BA	168	100.00%	Market	\$773	950	n/a	Yes	0	0.00%
					2BR / 1.5BA	N/A	N/A	Market	\$803	975	n/a	Yes	0	N/A
						168	100%					0	0.00%	
5	Bellevue Senior Community 1050 West Highway 78 Villa Rica, GA 30180 Carroll County	3.8 miles	Duplex (age-restricted) 2000 / n/a	Market	2BR / 1BA	92	100.00%	Market	\$659	950	n/a	3	2	2.20%
						92	100%					2	2.20%	
6	Foster Place 337 East Foster Avenue Dallas, GA 30132 Paulding County	16.2 miles	Duplex (age-restricted) 1995 / n/a	Market	2BR / 1BA	64	100.00%	Market	\$653	962	n/a	8	0	0.00%
						64	100%					0	0.00%	
7	Hickory Falls 801 Hickory Level Rd Villa Rica, GA 30180 Carroll County	3.6 miles	Garden (3 stories) 2005 / n/a	Market	1BR / 1BA	24	10.90%	Market	\$659	975	n/a	No	1	4.20%
					2BR / 2BA	148	67.30%	Market	\$800	1,175	n/a	No	8	5.40%
					3BR / 2BA	48	21.80%	Market	\$932	1,350	n/a	No	3	6.20%
						220	100%					12	5.50%	

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

Effective Rent Date:	May-12	Units Surveyed:	830	Weighted Occupancy:	96.90%
		Market Rate	544	Market Rate	97.40%
		Tax Credit	286	Tax Credit	95.80%

One Bedroom One Bath

Two Bedrooms Two Bath

	Property	Average	Property	Average	Property	Average
RENT	Hickory Falls	\$659	Amberly Apartments (1.5BA)	\$803		
	Conners Senior Village Phase II * (60%)	\$440	Hickory Falls	\$800		
	Creekstone Apartments * (50%)	\$400	Bellevue Senior Community (1BA)	\$659		
	Conners Senior Village Phase II * (50%)	\$390	Foster Place (1BA)	\$653		
	Highland Park Senior * (40%)	\$317	Columbia Gardens * (60%)	\$609		
	Creekstone Apartments * (35%)	\$293	Conners Senior Village Phase II * (50%)	\$490		
	Highland Park Senior * (35%)	\$252	Conners Senior Village Phase II * (60%)	\$490		
			Creekstone Apartments * (1BA 50%)	\$483		
			Creekstone Apartments * (1BA 40%)	\$424		
			Highland Park Senior * (40%)	\$368		
			Highland Park Senior * (35%)	\$295		
	SQUARE FOOTAGE	Hickory Falls	975	Columbia Gardens * (60%)	1,222	
Conners Senior Village Phase II * (50%)		832	Hickory Falls	1,175		
Conners Senior Village Phase II * (60%)		832	Conners Senior Village Phase II * (50%)	1,037		
Creekstone Apartments * (35%)		760	Conners Senior Village Phase II * (60%)	1,037		
Creekstone Apartments * (50%)		760	Amberly Apartments (1.5BA)	975		
Highland Park Senior * (35%)		760	Foster Place (1BA)	962		
Highland Park Senior * (40%)		760	Bellevue Senior Community (1BA)	950		
			Creekstone Apartments * (1BA 40%)	920		
			Creekstone Apartments * (1BA 50%)	920		
			Highland Park Senior * (35%)	920		
			Highland Park Senior * (40%)	920		
RENT PER SQUARE		Hickory Falls	\$0.68	Amberly Apartments (1.5BA)	\$0.82	
	Conners Senior Village Phase II * (60%)	\$0.53	Bellevue Senior Community (1BA)	\$0.69		
	Creekstone Apartments * (50%)	\$0.53	Hickory Falls	\$0.68		
	Conners Senior Village Phase II * (50%)	\$0.47	Foster Place (1BA)	\$0.68		
	Highland Park Senior * (40%)	\$0.42	Creekstone Apartments * (1BA 50%)	\$0.52		
	Creekstone Apartments * (35%)	\$0.39	Columbia Gardens * (60%)	\$0.50		
	Highland Park Senior * (35%)	\$0.33	Conners Senior Village Phase II * (50%)	\$0.47		
			Conners Senior Village Phase II * (60%)	\$0.47		
			Creekstone Apartments * (1BA 40%)	\$0.46		
			Highland Park Senior * (40%)	\$0.40		
			Highland Park Senior * (35%)	\$0.32		

PROPERTY PROFILE REPORT

Columbia Gardens

Effective Rent Date 5/21/2012
Location 7101 Strickland Street
 Douglasville, GA 30134
 Douglas County
Distance 9.8 miles
Units 128
Vacant Units 11
Vacancy Rate 8.6%
Type Garden
Year Built/Renovated 2000 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased 2/11/2007
Major Competitors Douglasville Proper, Millwood Apts,
 Brookfields
Tenant Characteristics N/A
Contact Name Mary
Phone 770.947.2010



Market Information

Program 60%
Annual Turnover Rate N/A
Units/Month Absorbed N/A
HCV Tenants 11%
Leasing Pace 30 Days
Annual Chg. in Rent increased in Nov. amount not provided
Concession \$609/month special for 2 BR Units

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden	92	1,222	\$704	\$95	@60%	0	7	7.6%	yes	None
3	2	Garden	36	1,432	\$799	\$0	@60%	2	4	11.1%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$704	\$95	\$609	\$0	\$609
3BR / 2BA	\$799	\$0	\$799	\$0	\$799

Amenities

In-Unit

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

Security

Limited Access
 Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
 Exercise Facility
 Off-Street Parking
 Picnic Area
 Swimming Pool

Clubhouse/Meeting
 Central Laundry
 On-Site Management
 Playground

Premium

None

Other

None

Columbia Gardens, continued

Comments

Management indicated that they are currently offering a special of \$609 for 2-Bedroom units; however, it would likely expire soon as the two-bedroom units are filling up and they have four applications pending. Leasing pace is currently at 30 days but improving.

Columbia Gardens, continued

Trend Report

Vacancy Rates

3Q10	4Q11	1Q12	2Q12
6.2%	7.7%	8.6%	8.6%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	5.4%	\$669	\$0	\$669	\$669
2011	4	19.6%	\$669	\$58	\$611	\$611
2012	1	7.6%	\$704	\$95	\$609	\$609
2012	2	7.6%	\$704	\$95	\$609	\$609

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	8.3%	\$785	\$0	\$785	\$785
2011	4	8.3%	\$785	\$65	\$720	\$720
2012	1	11.1%	\$799	\$0	\$799	\$799
2012	2	11.1%	\$799	\$0	\$799	\$799

Trend: Comments

- 3Q10** The contact stated that the need for affordable housing targeting families is being adequately met in this area; however, there is additional demand for housing targeting senior tenants.
- 4Q11** Management could not provide a percentage of tenants that participated in HCV program.
- 1Q12** The manager indicated that the vacancies had increased due to evictions caused by layoffs and tenants moving out to buy homes. The three-bedrooms are almost fully occupied but there are many two-bedroom vacancies. Management is currently offering a special
- 2Q12** Management indicated that they are currently offering a special of \$609 for 2-Bedroom units; however, it would likely expire soon as the two-bedroom units are filling up and they have four applications pending. Leasing pace is currently at 30 days but improving.

PROPERTY PROFILE REPORT

Creekstone Apartments

Effective Rent Date 5/17/2012
Location 1300 Merchants Drive
 Dallas, GA 30132
 Paulding County
Distance 16.7 miles
Units 108
Vacant Units 1
Vacancy Rate 0.9%
Type Various (age-restricted)
Year Built/Renovated 1996/1999 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Amberly
Tenant Characteristics Senior Average Age-67, Majority Sold Homes,
 From county and Atlanta
Contact Name Kim
Phone 770.445.2898



Market Information

Program @35%, @40%, @50%
Annual Turnover Rate 10%
Units/Month Absorbed N/A
HCV Tenants 1%
Leasing Pace 2 weeks
Annual Chg. in Rent 7% increase
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	N/A	36	760	\$329	\$0	@35%	Yes	1	2.8%	yes	None
1	1	N/A	16	760	\$436	\$0	@50%	Yes	0	0.0%	no	None
2	1	N/A	32	920	\$466	\$0	@40%	Yes	0	0.0%	yes	None
2	1	N/A	12	920	\$525	\$0	@50%	Yes	0	0.0%	no	None
3	2	N/A	12	1,079	\$590	\$0	@50%	Yes	0	0.0%	no	None

Unit Mix

@35%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@40%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$329	\$0	\$329	-\$36	\$293	2BR / 1BA	\$466	\$0	\$466	-\$42	\$424
@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$436	\$0	\$436	-\$36	\$400						
2BR / 1BA	\$525	\$0	\$525	-\$42	\$483						
3BR / 2BA	\$590	\$0	\$590	-\$56	\$534						

Creekstone Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Garbage Disposal
Refrigerator

Blinds
Central A/C
Dishwasher
Oven
Washer/Dryer hookup

Security

Perimeter Fencing

Services

None

Property

Basketball Court
Central Laundry
On-Site Management
Playground

Clubhouse/Meeting
Off-Street Parking
Picnic Area

Premium

None

Other

None

Comments

Creekstone Apartments is a LIHTC property with 108 total units. Of the 108 total units, 36 units are age-restricted to for tenants 62 and older. The age restricted units currently have one vacancy. The remaining units are not age restricted; however, the property manager stated that approximately 75 percent of the tenants in the general tenancy units are 55 and older. The remaining tenants are older singles. The age restricted units are all one-bedroom units restricted at 35% of the AMI. The property maintains a one year waiting list for its age restricted units and a six month waiting list for its general tenancy units. The property manager stated that there was a demand for senior LIHTC units at higher AMI levels. She stated that the prospective tenants that do not qualify for their 62+ units typically apply for the general tenancy units at the higher AMI levels. She stated that this was likely the reason the general tenancy units had such a high senior tenancy. The contact reported the property rarely attracts tenants from Villa Rica. The manger has referred several tenants to Bellevue Senior in Villa Rica and Highland Park Senior in Douglasville and the prospective tenants considered both properties too far away. The senior units are all located in duplex units the general tenancy units are split between duplex units and a two-story garden style building.

Creekstone Apartments, continued

Trend Report

Vacancy Rates

2Q05	3Q10	2Q12
4.6%	4.6%	0.9%

Trend: @35%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$305	\$0	\$305	\$269
2010	3	2.9%	\$314	\$0	\$314	\$278
2012	2	2.8%	\$329	\$0	\$329	\$293

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$419	\$0	\$419	\$377

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$371	\$0	\$371	\$335
2010	3	0.0%	\$421	\$0	\$421	\$385
2012	2	0.0%	\$436	\$0	\$436	\$400

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$460	\$0	\$460	\$418
2010	3	N/A	\$510	\$0	\$510	\$468
2012	2	0.0%	\$525	\$0	\$525	\$483

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$525	\$0	\$525	\$469
2010	3	N/A	\$575	\$0	\$575	\$519
2012	2	0.0%	\$590	\$0	\$590	\$534

Trend: Comments

- 2Q05** Creekstone Apartments is a LIHTC property with 108 total units. Of the 108 total units, 36 units are age-restricted to for tenants 62 and older. These units are all one bedroom units and currently full, according to the property manager. The property has a phase I and phase II. The phase I portion of the property is income restricted at 50 percent of the AMI, while phase II is restricted at the 35 percent AMI level. There is currently a waiting list for the senior units, although not for the family portion. Management indicated a large demand for senior housing in Paulding County.
- 3Q10** Creekstone Apartments is a LIHTC property with 108 total units. Of the 108 total units, 36 units are age-restricted to for tenants 62 and older. These units are all one bedroom units and currently full, according to the property manager. There is currently a waiting list with 25 people for the one and two bedroom units. The contact reported the property never attracts tenants from Villa Rica. When the property was full, the contact referred several tenants to Bellevue Senior in Villa Rica and Highland Park Senior in Douglasville, and the prospective tenants considered both properties too far away. Vacancies are due to deaths, moving to nursing homes, tenants getting married, or buying homes.
- 2Q12** Creekstone Apartments is a LIHTC property with 108 total units. Of the 108 total units, 36 units are age-restricted to for tenants 62 and older. The age restricted units currently have one vacancy. The remaining units are not age restricted; however, the property manager stated that approximately 75 percent of the tenants in the general tenancy units are 55 and older. The remaining tenants are older singles. The age restricted units are all one-bedroom units restricted at 35% of the AMI. The property maintains a one year waiting list for its age restricted units and a six month waiting list for its general tenancy units. The property manager stated that there was a demand for senior LIHTC units at higher AMI levels. She stated that the prospective tenants that do not qualify for their 62+ units typically apply for the general tenancy units at the higher AMI levels. She stated that this was likely the reason the general tenancy units had such a high senior tenancy. The contact reported the property rarely attracts tenants from Villa Rica. The manger has referred several tenants to Bellevue Senior in Villa Rica and Highland Park Senior in Douglasville and the prospective tenants considered both properties too far away. The senior units are all located in duplex units the general tenancy units are split between duplex units and a two-story garden style building.

PROPERTY PROFILE REPORT

Highland Park Senior

Effective Rent Date 5/17/2012
Location 6785 Selman Drive
 Douglasville, GA 30134
 Douglas County
Distance 10.5 miles
Units 50
Vacant Units 0
Vacancy Rate 0.0%
Type (age-restricted)
Year Built/Renovated 2000 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics Average tenant age: 80 years old
Contact Name Debbie Holcum
Phone 770-947-1838



Market Information

Program @35%, @40%
Annual Turnover Rate 12%
Units/Month Absorbed N/A
HCV Tenants 16%
Leasing Pace Within one month
Annual Chg. in Rent See Comments
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		25	760	\$288	\$0	@35%	Yes	0	0.0%	yes	None
1	1		5	760	\$353	\$0	@40%	Yes	0	0.0%	yes	None
2	2		18	920	\$337	\$0	@35%	Yes	0	0.0%	yes	None
2	2		2	920	\$410	\$0	@40%	Yes	0	0.0%	yes	None

Unit Mix

@35%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@40%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$288	\$0	\$288	-\$36	\$252	1BR / 1BA	\$353	\$0	\$353	-\$36	\$317
2BR / 2BA	\$337	\$0	\$337	-\$42	\$295	2BR / 2BA	\$410	\$0	\$410	-\$42	\$368

Amenities

In-Unit

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

Security

None

Services

None

Property

Clubhouse/Meeting
 Off-Street Parking
 Picnic Area
 Central Laundry
 On-Site Management

Premium

None

Other

Vegetable garden,

Comments

The property manager stated that there is a huge demand for additional affordable housing options in Paulding County, Douglas County, and Haralson County. The property manager stated that she also manages another LIHTC senior property in Bremen and that demand is high there as well. She indicated that they often get prospective tenants that are over income qualified and that there was demand for higher AMI levels. The rents at 35% of the AMI decreased by 12% due to utility allowance adjustments while the 40% AMI unit rents increased by 4%. There are 47 people on the waiting list for all units. The property manager stated that due to the lengthy waiting list she has begun referring prospective tenants to Conners Senior Village Phase I which is still under construction. She believes that if Conners Senior Village Phase I began pre-leasing they would be pre-leased prior to opening. The leasing agent reported that people move to the property from Villa Rica and thought residents of Douglasville would move to Villa Rica. The property does not get any senior tenants from Dallas. Approximately 75 percent of Highland Park's tenants were former homeowners.

Highland Park Senior, continued

Trend Report

Vacancy Rates

3Q10	2Q12
2.0%	0.0%

Trend: @35%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	4.0%	\$326	\$0	\$326	\$290
2012	2	0.0%	\$288	\$0	\$288	\$252

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$380	\$0	\$380	\$338
2012	2	0.0%	\$337	\$0	\$337	\$295

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$340	\$0	\$340	\$304
2012	2	0.0%	\$353	\$0	\$353	\$317

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$398	\$0	\$398	\$356
2012	2	0.0%	\$410	\$0	\$410	\$368

Trend: Comments

- 3Q10** There are 45 to 50 people on the waiting list for all units. The contact believed there was sufficient demand for a small senior property in Villa Rica, GA given this waiting list. Most tenants move out due to death or transferring to a nursing home/assisted living facility. The leasing agent reported that people move to the property from Villa Rica and thought residents of Douglasville would move to Villa Rica. The property does not get any senior tenants from Dallas.
- 2Q12** The property manager stated that there is a huge demand for additional affordable housing options in Paulding County, Douglas County, and Haralson County. The property manager stated that she also manages another LIHTC senior property in Bremen and that demand is high there as well. She indicated that they often get prospective tenants that are over income qualified and that there was demand for higher AMI levels. The rents at 35% of the AMI decreased by 12% due to utility allowance adjustments while the 40% AMI unit rents increased by 4%. There are 47 people on the waiting list for all units. The property manager stated that due to the lengthy waiting list she has begun referring prospective tenants to Connors Senior Village Phase I which is still under construction. She believes that if Connors Senior Village Phase I began pre-leasing they would be pre-leased prior to opening. The leasing agent reported that people move to the property from Villa Rica and thought residents of Douglasville would move to Villa Rica. The property does not get any senior tenants from Dallas. Approximately 75 percent of Highland Park's tenants were former homeowners.

PROPERTY PROFILE REPORT

Amberly Apartments

Effective Rent Date	5/17/2012
Location	890 Macland Road Dallas, GA 30132 Paulding County
Distance	17.3 miles
Units	168
Vacant Units	0
Vacancy Rate	0.0%
Type	Duplex (age-restricted)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Foster Place
Tenant Characteristics	Average Age-75, 50% Sold homes, 50% out of state and 50% local
Contact Name	Tammy
Phone	770-445-1543



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	3%
Leasing Pace	Immediate
Annual Chg. in Rent	5%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Duplex	168	950	\$815	\$0	Market	Yes	0	0.0%	N/A	None
2	1.5	Duplex	N/A	975	\$845	\$0	Market	Yes	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$815	\$0	\$815	-\$42	\$773
2BR / 1.5BA	\$845	\$0	\$845	-\$42	\$803

Amenities

In-Unit

Balcony/Patio	Blinds
Carpeting	Central A/C
Coat Closet	Dishwasher
Garbage Disposal	Oven
Refrigerator	Washer/Dryer hookup

Security

None

Services

None

Property

Carport	Clubhouse/Meeting
Central Laundry	Off-Street Parking
On-Site Management	

Premium

None

Other

None

Amberly Apartments, continued

Comments

According to the property manager, senior tenants move to Dallas from Villa Rica for shopping, but does not think seniors in Dallas would move to Villa Rica. The property manager stated that approximately 50.0 percent of their tenants are former homeowners. This property manager also manages Bellevue Apartments, a senior property that is located in Villa Rica. There are currently three people on the waiting list.

Amberly Apartments, continued

Trend Report

Vacancy Rates

2Q05	3Q10	2Q12
0.0%	10.1%	0.0%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$840	\$0	\$840	\$798
2012	2	N/A	\$845	\$0	\$845	\$803

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	0.0%	\$715	\$0	\$715	\$673
2010	3	N/A	\$815	\$0	\$815	\$773
2012	2	0.0%	\$815	\$0	\$815	\$773

Trend: Comments

- 2Q05** Amberly Apartments is an independent age-restricted community for seniors 55 and older. Management indicated a strong need and desire for additional senior housing options in the community. This evident with the presence of waiting lists. The property does not provides any additional services included in rent. According to management, half of the tenants originate from Paulding County and the other half are from out-of-state. Income information was able to be provided by the manager. The property does accept Section 8 vouchers, but only a few tenants utilize the voucher program.
- 3Q10** The property manager reported that the property was between 90 and 92 percent leased; we used 90 percent to conservatively estimate vacant number of units. According to the property manager, senior tenants move to Dallas from Villa Rica for shopping, but does not think seniors in Dallas would move to Villa Rica. The property typically operates around 95 percent occupancy but several units were recently vacated due to deaths or residents moving to assisted care facilities. This property manager also manages Bellevue Apartments, a senior property that is located in Villa Rica.
- 2Q12** According to the property manager, senior tenants move to Dallas from Villa Rica for shopping, but does not think seniors in Dallas would move to Villa Rica. The property manager stated that stated that approximately 50.0 percent of their tenants are former homeowners. This property manager also manages Bellevue Apartments, a senior property that is located in Villa Rica. There are currently three people on the waiting list.

PROPERTY PROFILE REPORT

Bellevue Senior Community

Effective Rent Date 5/17/2012
Location 1050 West Highway 78
 Villa Rica, GA 30180
 Carroll County
Distance 3.8 miles
Units 92
Vacant Units 2
Vacancy Rate 2.2%
Type Duplex (age-restricted)
Year Built/Renovated 2000 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics over 50% previous homeowners
Contact Name N/A
Phone 770-445-1543



Market Information

Program Market
Annual Turnover Rate 15%
Units/Month Absorbed N/A
HCV Tenants 2%
Leasing Pace Pre-leased
Annual Chg. in Rent None
Concession \$64 per month

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Duplex	92	950	\$765	\$64	Market	3	2	2.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$765	\$64	\$701	-\$42	\$659

Amenities

In-Unit

Balcony/Patio
 Cable/Satellite/Internet
 Central A/C
 Oven
 Washer/Dryer hookup

Blinds
 Carpeting
 Dishwasher
 Refrigerator

Security

None

Services

None

Property

Clubhouse/Meeting
 On-Site Management

Off-Street Parking
 Picnic Area

Premium

None

Other

Outdoor Pavillion

Comments

This property is under the same management as Amberly. The property manager stated that tenants do not come from the Dallas area but they do come from the western portions of the state. The two vacant units are currently on hold and the property maintains a waiting list of three households. The property manager stated that over 50 percent of their tenants were previous homeowners. She stated that they often get tenants that can not afford their rents and that she believed there was a need for more affordable housing options for seniors in the Villa Rica area.

Bellevue Senior Community, continued

Trend Report

Vacancy Rates

3Q10	2Q12
9.8%	2.2%

Trend: Market

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	9.8%	\$765	\$64	\$701	\$659
2012	2	2.2%	\$765	\$64	\$701	\$659

Trend: Comments

- 3Q10** Moveouts are due to death or moving to assisted living facilities. The owner indicated that some seniors are moving to Dallas for more shopping. The owner also has a senior property in Dallas, but did not think residents would move from Dallas to Villa Rica.
- 2Q12** This property is under the same management as Amberly. The property manager stated that tenants do not come from the Dallas area but they do come from the western portions of the state. The two vacant units are currently on hold and the property maintains a waiting list of three households. The property manager stated that over 50 percent of their tenants were previous homeowners. She stated that they often get tenants that can not afford their rents and that she believed there was a need for more affordable housing options for seniors in the Villa Rica area.

Foster Place, continued

Trend Report

Vacancy Rates

2Q05	3Q10	2Q12
6.2%	0.0%	0.0%

Trend: Market

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	6.2%	\$595	\$0	\$595	\$553
2010	3	0.0%	\$695	\$0	\$695	\$653
2012	2	0.0%	\$695	\$0	\$695	\$653

Trend: Comments

- 2Q05** Foster Place is a senior property for tenants 55 and older. Management indicated the market to be strong and reported there to be a very strong need for senior housing in Paulding County. There are currently eight households on the waiting list. The manager indicated there is no competition since most of the properties are assisted living.
- 3Q10** Management indicated that seniors in Dallas might consider moving to Hiram or Douglasville, but not Villa Rica, and considers Villa Rica a different market.
- 2Q12** Foster Place is very stable. Occupancy is at 100 percent with a waitlist of eight. Turnover rates have increased, but with an established waitlist this shouldn't be a problem.

PROPERTY PROFILE REPORT

Hickory Falls

Effective Rent Date	5/17/2012
Location	801 Hickory Level Rd Villa Rica, GA 30180 Carroll County
Distance	3.6 miles
Units	220
Vacant Units	12
Vacancy Rate	5.5%
Type	Garden (3 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Arbor Bend, Wildwood, Magnolia Lake, Preserve at M
Tenant Characteristics	Tenants come from Carrollton and Douglasville; Bowdon; Alabama; 4% senior
Contact Name	Debbie
Phone	(770) 459-2302



Market Information

Program	Market
Annual Turnover Rate	6%
Units/Month Absorbed	15-18
HCV Tenants	2%
Leasing Pace	2-3 Weeks
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)	24	975	\$638	\$0	Market	No	1	4.2%	N/A	None
2	2	Garden (3 stories)	148	1,175	\$779	\$0	Market	No	8	5.4%	N/A	None
3	2	Garden (3 stories)	48	1,350	\$932	\$0	Market	No	3	6.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$638	\$0	\$638	\$21	\$659
2BR / 2BA	\$779	\$0	\$779	\$21	\$800
3BR / 2BA	\$932	\$0	\$932	\$21	\$953

Hickory Falls, continued

Amenities

In-Unit

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

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

Security

Limited Access
Patrol
Perimeter Fencing

Services

Afterschool Program

Property

Basketball Court
Clubhouse/Meeting
Garage
Off-Street Parking
Playground
Swimming Pool

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Sport Court
Tennis Court

Premium

None

Other

None

Comments

Since last speaking with Hickory Falls management in 2Q2010, the property has more or less stabilized with a current occupancy rate of 94.5 percent. It should be noted that management now uses the YieldStar service to establish asking rents. This essentially means that the service calculates the asking rent for the property on a daily basis. Water, trash, and sewer are no longer included in rent. Water and sewer are now billed directly to the tenants, and trash is five dollars per unit.

Hickory Falls, continued

Trend Report

Vacancy Rates

1Q08	2Q09	3Q10	2Q12
12.7%	12.7%	5.5%	5.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$650	\$0	\$650	\$671
2009	2	N/A	\$650	\$54	\$596	\$617
2010	3	N/A	\$638	\$0	\$638	\$659
2012	2	4.2%	\$638	\$0	\$638	\$659

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$780	\$48	\$732	\$753
2009	2	N/A	\$780	\$65	\$715	\$736
2010	3	N/A	\$779	\$0	\$779	\$800
2012	2	5.4%	\$779	\$0	\$779	\$800

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$895	\$0	\$895	\$916
2009	2	N/A	\$895	\$75	\$820	\$841
2010	3	N/A	\$932	\$0	\$932	\$953
2012	2	6.2%	\$932	\$0	\$932	\$953

Trend: Comments

- 1Q08** The contact estimated vacancy by unit type and attributed the low occupancy rate to: 1) the economy; 2) tenants buying homes; and, 3) single family homeowners leasing out their homes. The concession has been offered since the beginning of January 2008. The contact reported that although a small percentage of seniors currently reside at the property, there has been an increasing demand from seniors since the property opened. The after school program is free to the children of all residents. The contact reported that the parents of approximately 25 children take advantage of the program, which the contact values at \$50 to \$100 per month. The property offers approximately 10 garages, which are 80 to 90 percent leased.
- 2Q09** Management stated high vacancy is due to poor economy; there are numerous jobs tied to the auto manufacturing industry that have been lost in recent months. Management explained that a concession of one month free has been offered on all unit types since November 2008. Beginning in March 2009, potential residents of the one and two-bedroom LIHTC units had the option of three concessions: 1) 1 month free, 2) half off first and second months' rents, or 3) discounted rents that "stepped up" every four months during the 12-month lease period. The third option yields average monthly rents of \$529 and \$629 for the one and two-bedroom LIHTC units, respectively. By comparison, the first two options yield average monthly rents of \$573 and \$619 for one and two-bedroom LIHTC units, respectively. Management reported that there has been steady interest from seniors due to the affordable rent levels, but they could not provide an estimate of senior tenancy. The after school program is free to the children of all residents, which management values at \$50 to \$100 per month. The property offers approximately 10 garages, of which two are available.
- 3Q10** The contact indicated that the property was acquired by Carter-Haston on January 21, 2010. The new property owner subsequently converted the property from a bond property to conventional market rate. The property suffers from high vacancy due to tenants moving out from job loss, lease violations and evictions. High vacancy is also attributed to the change in ownership and change in management. The current property manager is new to the property and could not report on previous vacancy, but according to our previous interview, the property operated at a 12.7 percent vacancy in 2008 and 2009. Also, one bedroom rents have increased from last year based on our previous interview. We also confirmed with the property manager that there are no income limits for incoming tenants.
- 2Q12** Since last speaking with Hickory Falls management in 2Q2010, the property has more or less stabilized with a current occupancy rate of 94.5 percent. It should be noted that management now uses the YieldStar service to establish asking rents. This essentially means that the service calculates the asking rent for the property on a daily basis. Water, trash, and sewer are no longer included in rent. Water and sewer are now billed directly to the tenants, and trash is five dollars per unit.

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

Housing Choice Vouchers

TENANTS WITH VOUCHERS

Comparable Property	Type	Tenancy	Housing Choice Voucher Tenants
Columbia Gardens	LIHTC	Family	11%
Creekstone Apartments	LIHTC	Senior	1%
Highland Park Senior	LIHTC	Senior	16%
Amberly Apartments	Market	Senior	3%
Bellevue Senior Community	Market	Senior	2%
Foster Place	Market	Senior	8%
Hickory Falls	Market	Family	2%
Average			6%
Senior Average			6%

The average voucher tenancy at the five senior properties is equivalent to the market average of six percent. This voucher tenancy is considered low and indicates that the local market is not dependent on voucher holders. Of the Subject’s 60 units, 48 will be two-bedroom units. Although the local housing authority will not issue two-bedroom vouchers to one person senior households, it will allow seniors with one-bedroom vouchers to rent two-bedroom units and pay the difference between the monthly rent and the voucher amount. The one-bedroom payment standard for Villa Rica is \$757. This is significantly above the Subject’s two-bedroom gross rents at both the 50 and 60 percent AMI level and indicates that one person households who have vouchers will be able to rent the Subject’s two-bedroom units. Overall, we assume that the Subject will have a voucher tenancy similar to the senior average of six percent.

Lease Up History

Only one comparable was able to report absorption. Hickory Falls is a family market rate property that was built in 2005. The property was originally financed with bonds but has since gone into foreclosure. The property was sold in January 2010 and now operates as a market rate property without income restrictions. Management reported that the 220 unit property initially leased approximately 15 units per month. At this pace, the property was fully absorbed within 15 months.

At 60 units, the Subject will be significantly smaller than Hickory Falls and should absorb more quickly, particularly given the stated demand for LIHTC units and the benefit of having a property manager at Phase I of the Subject to pre-market the Subject. Phase I of the Subject began taking applications at the beginning of May 2012. Prior to the initial application review Conners Senior Village Phase I had 144 people on a waiting list to submit an application. There are currently 18 applications in review at this time. The property manager anticipates that Phase I of the Subject will be pre-leased prior to their certificate of occupancy in July based on that interest in the community. Based on the absorption at Hickory Falls, the reported demand by comparable property managers, and the initial leasing at Phase I of the Subject, we have conservatively estimated that the Subject will absorb approximately eight units per month. Per

DCA guidelines, we have calculated absorption to a stabilized occupancy of 93 percent. At a pace of eight units per month, the Subject will reach a stabilized occupancy of 93 percent within seven months.

Phased Developments

The Subject will be Phase II of Conners Senior Village. Conners Senior Village is currently under construction and began pre-leasing at the beginning of May 2012. Prior to the initial application review Conners Senior Village Phase I had 144 people on a waiting list to submit an application. There are currently 30 applications in review at this time. The property manager anticipates that Phase I of the Subject will be pre-leased prior to their certificate of occupancy in July based on that interest in the community. The following table details the unit mix, rents and square footage at Phase I of the Subject.

**PHASE I
PHASE I PROPOSED RENTS**

Unit Type	Number of Units	Sq. Feet	Asking Rent	Utility Allowance (1)	Gross Rent
<i>50% AMI</i>					
1BR	3	900	\$390	\$152	\$542
2BR	9	1,020	\$490	\$195	\$685
<i>60% AMI</i>					
1BR	9	900	\$440	\$152	\$592
2BR	39	1,020	\$490	\$195	\$685
Total	60				

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

Rural Areas

The Subject is in a rural area, as defined by USDA.

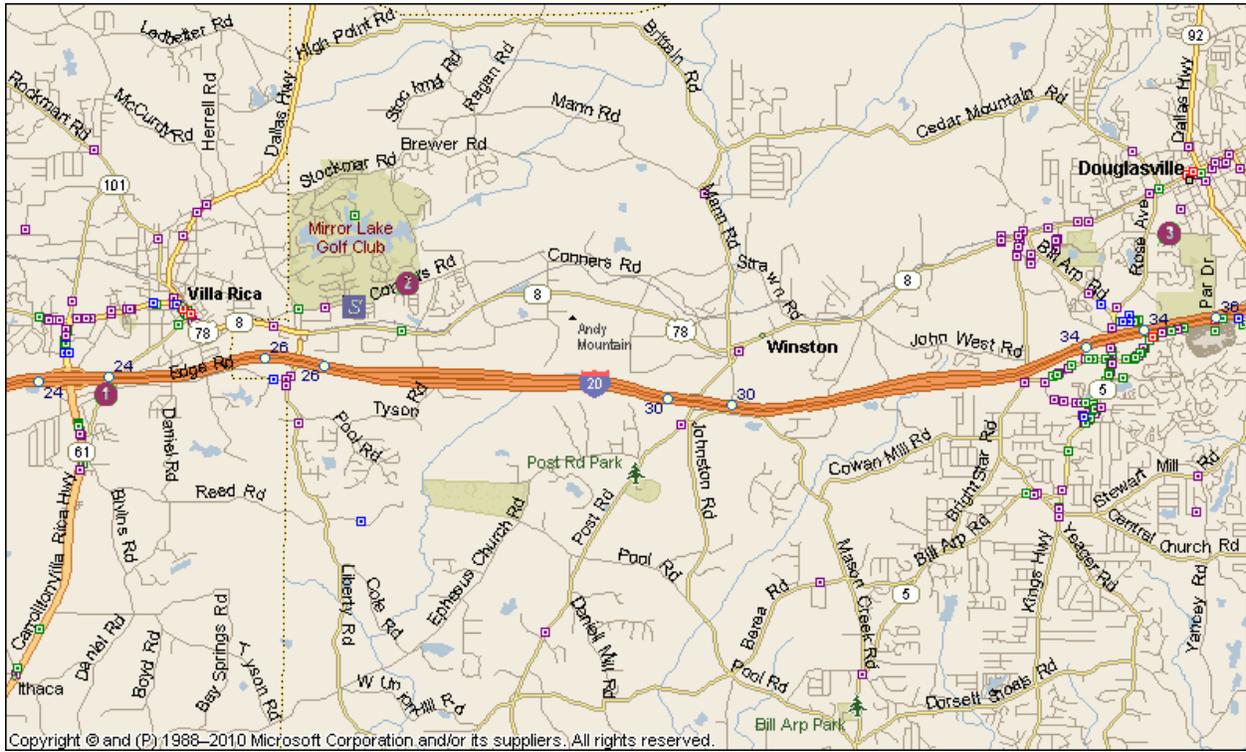
Although there are several comparables located in the PMA and the surrounding market, few of these offer one-bedroom units. Therefore, we have supplemented our average market rent discussion with classifieds from www.craigslist.com. These classifieds are illustrated in the following table and map and will be discussed in further detail in the market rent advantage section of the supply analysis.

Classified Listings

Map #	Number of Bedrooms	Number of Bathrooms	Square Footage	Rent	Type	Other
1	1	1	812	\$655	Apartment	Swimming pool
2	1	1	837	\$617	Apartment	Swimming pool
3	1	1	N/Av	\$519	Apartment	N/A

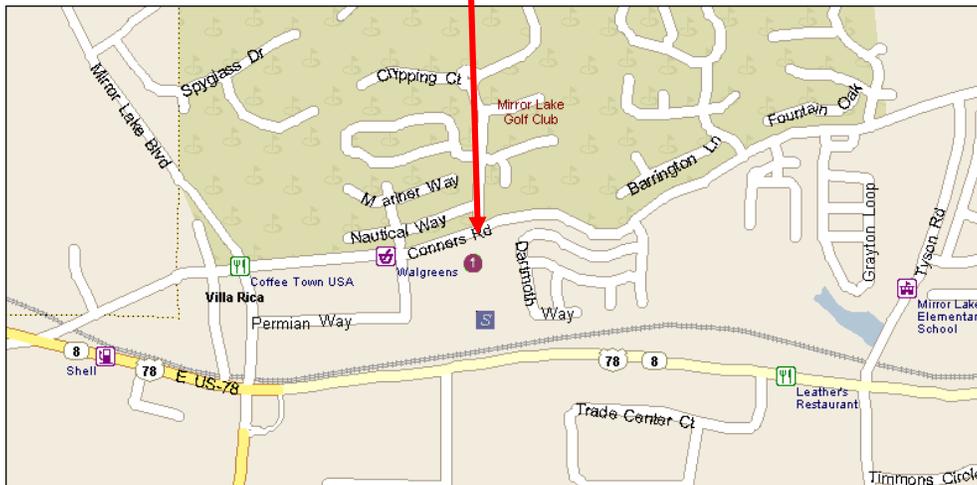
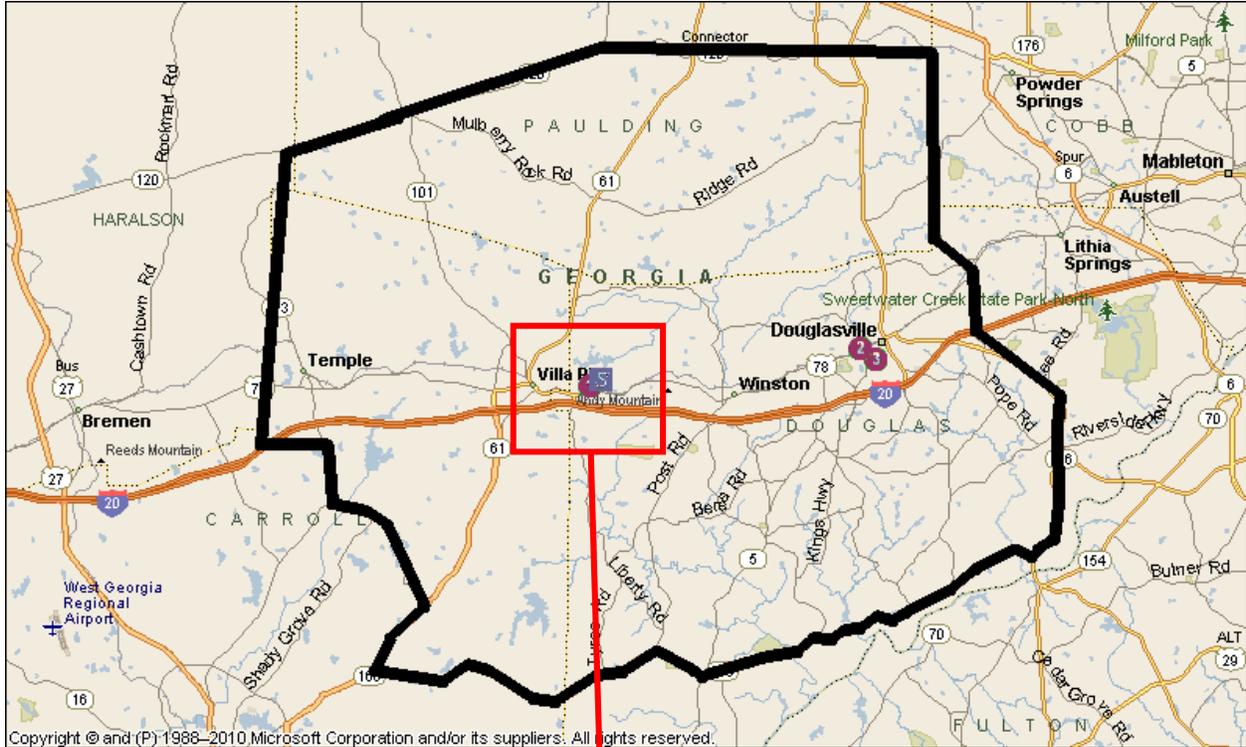
Source: www.craigslist.com, 5/2012

Conners Senior Village Phase II, Villa Rica, GA; Market Study



3. COMPETITIVE PROJECT MAP

Per DCA guidelines, the following table includes all existing LIHTC and Bond properties as well as all LIHTC and Bond properties that are under construction or proposed in the PMA.



LIHTC In The PMA

#	Property Name	City	Type	Tenancy	Distance
1	Conners Senior Village Phase I	Villa Rica	LIHTC	Senior	Adjacent
2	Columbia Gardens	Douglasville	LIHTC	Family	8.2 miles
3	Highland Park Senior	Douglasville	LIHTC	Senior	10.4 miles

4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in 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.

Conners Senior Village Phase II, Villa Rica, GA; Market Study

UNIT MATRIX REPORT

	Conners Senior Village Phase II	Columbia Gardens	Creekstone Apartments	Highland Park Senior	Amberly Apartments	Bellevue Senior Community	Foster Place	Hickory Falls
Comp#	Subject	1	2	3	4	5	6	7
Property Information								
Property Type	Various (age-restricted)	Garden	Various (age-restricted)	(age-restricted)	Duplex (age-restricted)	Duplex (age-restricted)	Duplex (age-restricted)	Garden (3 stories)
Year Built / Renovated	Proposed / n/a	2000 / n/a	1996/1999 / n/a	2000 / n/a	2002 / n/a	2000 / n/a	1995 / n/a	2005 / n/a
Market (Conv./Subsidy Type)	@50%, @60%	60%	@35%, @40%, @50%	@35%, @40%	Market	Market	Market	Market
Utility Adjustments								
Cooking	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no
Water	no	no	yes	yes	yes	yes	yes	no
Sewer	no	no	yes	yes	yes	yes	yes	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	no
In-Unit Amenities								
Balcony/Patio	yes	no	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	yes	no	yes	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	no	yes	yes	yes	no	no	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	no	yes
Ceiling Fan	yes	yes	no	no	no	no	no	no
Garbage Disposal	yes	yes	yes	yes	yes	no	no	yes
Hand Rails	yes	no	no	yes	no	no	no	no
Microwave	yes	no	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	no	no	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	yes	yes	no	yes	no	no	no	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities								
Basketball Court	no	no	yes	no	no	no	no	yes
Business								
Center/Computer Lab	yes	yes	no	no	no	no	no	no
Car Wash	no	no	no	no	no	no	no	yes
Carport	no	no	no	no	yes	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	no	yes
Exercise Facility	yes	yes	no	no	no	no	no	yes
Garage	no	no	no	no	no	no	no	yes
Central Laundry	yes	yes	yes	yes	yes	no	no	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	yes	no	yes	no	no
Playground	no	yes	yes	no	no	no	no	yes
Recreation Areas	yes	no	no	no	no	no	no	no
Sport Court	no	no	no	no	no	no	no	yes
Swimming Pool	no	yes	no	no	no	no	no	yes
Tennis Court	no	no	no	no	no	no	no	yes
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$75.00
Services								
Afterschool Program	no	no	no	no	no	no	no	yes
Security								
Limited Access	no	yes	no	no	no	no	no	yes
Patrol	no	no	no	no	no	no	no	yes
Perimeter Fencing	no	yes	yes	no	no	no	no	yes
Premium Amenities								
Other Amenities								
Other				Vegetable garden, Shuffleboard, Gazebo		Outdoor Pavillion		
	putting green, garden areas	n/a	n/a		n/a		n/a	n/a

The Subject will offer an extensive amenities package that will be generally similar to superior to the majority of the comparables.

5. Selection of Comparables

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 in the PMA and senior properties in neighboring markets.

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
Columbia Gardens	60%	Family	128	11	8.60%
Creekstone Apartments	@ 35%, @40%, @50%	Senior	108	1	0.90%
Highland Park Senior	@ 35%, @40%	Senior	50	0	0.00%
Amberly Apartments	Market	Senior	168	0	0.00%
Bellevue Senior Community	Market	Senior	92	2	2.20%
Foster Place	Market	Senior	64	0	0.00%
Hickory Falls	Market	Family	220	12	5.50%
Total			830	26	3.10%
Senior Total			482	3	0.62%

The five senior comparables have an average vacancy rate of 0.6 percent, with only three total vacancies which is considered healthy. The two LIHTC properties with senior units have only one vacant unit combined. Creekstone Apartments has a total of 108 units, 36 of which are reserved for tenants 62 and older. The remaining units at this property are not age restricted; however, the manager stated that 75 percent of the units are occupied by seniors 55 and older. This property maintains a waiting list over a year long for its age restricted units and over six months long for its general tenancy units. Management reported that there is strong need for additional senior affordable housing in the area. Highland Park Senior has no vacancies. Management at Highland Park Senior indicated that there is sufficient demand for a senior property in the Villa Rica area.

The conventional senior properties have vacancy rates between zero and 2.2 percent. The same property manager operates Bellevue Apartments and Amberly Apartments. Management indicated that both properties have experienced high occupancies over the last several years and vacancy is typically due to death or residents moving into assisted care facilities. The rents at these three properties are 24 to 36 percent above the Subject’s proposed LIHTC rents. Therefore, the Subject will have a significant rent advantage when compared to all three senior market rate properties. Columbia Gardens is reporting the highest vacancy rate at 8.6 percent. This property is currently offering a rent special on its two-bedroom units. The property manager stated that they had recently had a higher than usual turnover; however, four of their seven vacant two-bedroom units and two of their four vacant three bedroom units have applications pending. Overall, the senior LIHTC market appears to be healthy and the Subject’s rents are competitive with the existing LIHTC properties and significantly below all three senior market rate properties. Additionally, senior households in the PMA are projected to grow at rate of 5.6 percent annually from 2010 to 2014. This indicates that there will likely be an increased demand for affordable senior housing. Given the low vacancy among the senior LIHTC comparables, we believe that the Subject will maintain a stabilized vacancy rate of five percent or less.

7. Properties Under Construction and Proposed

Phase I of the Subject, Conners Senior Village, is the only new LIHTC or market rate property that has been proposed or is under construction in the PMA. The following details Phase I of the Subject.

1. Location - Conners Road, Villa Rica, GA
2. Owner -Peachtree Housing Communitites
3. Number of units- 60
4. Unit Configuration – 12 one-bedroom units and 48 two-bedroom units
5. Rent structure – 10 units at 50% of the AMI and 50 units at 60% of the AMI
6. Estimated date of market entry is July 1, 2012
7. This property began pre-leasing at the beginning of May and currently has 18 applications pending and 144 households on the waiting list.

8. Rental Advantage

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

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Age / Condition	Unit Size	Overall Comparison
1	Columbia Gardens	LIHTC	Slightly Superior	Slightly inferior	Inferior	Superior	0
2	Creekstone Apartments	LIHTC	Similar	Slightly superior	Inferior	Inferior	-15
3	Highland Park Senior	LIHTC	Slightly inferior	Slightly superior	Inferior	Inferior	-15
4	Amberly Apartments	Market	Slightly inferior	Slightly superior	Inferior	Inferior	-20
5	Bellevue Senior Community	Market	Slightly inferior	Slightly superior	Inferior	Inferior	-25
6	Foster Place	Market	Inferior	Slightly superior	Inferior	Inferior	-25
7	Hickory Falls	Market	Superior	Slightly superior	Similar	Superior	25

*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. Highland Park is not included in the following table because it does not offer 50 or 60 percent AMI units. All units at this property are set at the 35 and 40 percent AMI levels and are below the Subject’s proposed rents.

LIHTC Rent Comparison - @50%

Property Name	Tenancy	1BR	2BR
Conners Senior Village Phase II (Subject)	Senior	\$390	\$490
LIHTC Maximum (Net)	-	\$498	\$585
Creekstone Apartments	Family/Senior	\$400	\$483
Average (excluding Subject)	-	\$400	\$483

Conners Senior Village Phase II, Villa Rica, GA; Market Study

LIHTC Rent Comparison - @60%

Property Name		1BR	2BR
Conners Senior Village Phase II (Subject)	Senior	\$440	\$490
LIHTC Maximum (Net)	-	\$628	\$741
Columbia Gardens	Family	N/Ap	\$609
Average (excluding Subject)	-	N/Ap	\$609

There is only one LIHTC property in the area that offers 50 percent AMI units. Creekstone Apartments is a family property that has 36 one-bedroom units set aside for seniors. The one-bedroom rent in the table reflects the rents that seniors are paying. Although the two-bedroom units are not specifically for seniors, management indicated that approximately 75 percent of their general tenancy units are occupied by seniors and paying the rents in the table. The one-bedroom rents at Creekstone are slightly above the Subject's proposed rents. Of the 36 senior units at this property there is only one vacancy that has an application pending. In addition, this property maintains a waiting list approximately one year long for their senior units which suggests that the property could likely achieve higher rents. The Subject's proposed two-bedroom 50 percent AMI rent is slightly above the current rent at Creekstone Apartments. As new construction, the Subject will be superior to this property in terms of age/condition and unit size and will offer generally similar amenities. We believe the Subject's proposed rents are reasonable when taking into account the current rents and high occupancy at Creekstone Apartments.

None of the comparables offer one-bedroom units at 60 percent of the AMI; however, the 60 percent AMI proposed rents are only slightly above the 50 percent AMI rents at Creekstone. The Subject's proposed two-bedroom 60 percent AMI rents are 22 percent below the current rents at Columbia Gardens, a family LIHTC property located inside the PMA in Douglasville. This property is currently offering a concession on its two-bedroom units of \$95 per month. The rent in the above table reflects the conceded rent. The property manager stated that the concession would likely expire soon as the two-bedroom units were filling up and they currently have a vacancy rate of 7.6 percent with four applications pending, which indicates that the conceded rents are achievable. This property is located in Douglasville and has a slightly superior location when compared to the Subject. The property also offers slightly superior amenities and larger units; however, the Subject will be superior to this property in terms of age/condition. Overall, we believe that the Subject's rents should be slightly below the conceded rents at this property. The Subject's rents have significant rent advantage when compared to Columbia Gardens and we believe that the proposed 60 percent AMI rents are achievable.

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."

Conners Senior Village Phase II, Villa Rica, GA; Market Study

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*

@50%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$390	\$400	\$659	\$573	47%
2 BR	\$490	\$525	\$845	\$719	47%

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$440	\$519	\$659	\$607	38%
2 BR	\$490	\$609	\$845	\$758	55%

*Includes comparable properties and classified listings.

The Subject's proposed rents have a significant rent advantage of 389 to 55 percent over the average market rents. As proposed, the Subject is generally similar to superior to the comparable properties. Overall, we believe that the Subject's proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

9. LIHTC Competition – Recent Allocations within PMA

According to information on Georgia Department of Community Affairs LIHTC allocation lists, only Conner Senior Phase I has received an allocation in the PMA within the past two years. We have removed the units at Conner Senior Phase I from the demand analysis. There have been no other senior properties allocated in the PMA in the past two years. Based on capture rates, waiting lists at the comparable properties, and the reported demand by the property managers we believe there is adequate demand for the Subject as proposed.

10. Rental Trends in the PMA

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

Conners Senior Village Phase II, Villa Rica, GA; Market Study

TENURE PATTERNS PMA (AGES 55+)

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
1990	-	-	-	-
2000	8,909	86.03%	1,447	13.97%
2010	14,794	84.56%	2,702	15.44%
Prj Mrkt Entry				
May 2014	18,600	84.49%	3,415	15.51%
2015	19,759	84.47%	3,632	15.53%

Owner-occupied housing units dominate the housing market in the PMA. Nationally, approximately 87 percent of senior households are homeowners and 13 percent of senior households are renters. The PMA has a slightly higher percentage of senior renter households than the nation as a whole.

Historical Vacancy

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

HISTORICAL VACANCY

Comparable Property	Type	Tenancy	Total Units	3QTR 2010	2QTR 2012
Columbia Gardens	LIHTC	Family	128	6.20%	8.60%
Creekstone Apartments	LIHTC	Senior	108	4.60%	0.90%
Highland Park Senior	LIHTC	Senior	50	2.00%	0.00%
Amberly Apartments	Market	Senior	168	10.10%	0.00%
Bellevue Senior Community	Market	Senior	92	9.80%	2.20%
Foster Place	Market	Senior	64	0.00%	0.00%
Hickory Falls	Market	Family	220	5.50%	5.50%
Average			890	5.40%	2.40%

As illustrated in the table, the average vacancy in the local market has improved over the last year. Additionally, many of the properties in the area implemented rental increases.

Change in Rental Rates

RENT GROWTH

Comparable Property	Rent Structure	Tenancy	Rent Growth
Columbia Gardens	60%	Family	Increased in November
Creekstone Apartments	@ 35%, @ 40%, @ 50%	Senior	7% increase
Highland Park Senior	@ 35%, @ 40%	Senior	12% decrease @ 35% AMI-4% increase @ 40% AMI
Amberly Apartments	Market	Senior	5%
Bellevue Senior Community	Market	Senior	None
Foster Place	Market	Senior	N/Av
Hickory Falls	Market	Family	None

Four of the comparable properties reported rent increases. Highland Park Senior reported a decrease for their 35% of the AMI units due to a change in their utility allowance which forced them to lower their rents to stay at the maximum allowable rents. Demand for senior LIHTC housing is strong in the local market and the Subject's rents are reasonable when compared to the comparables. It is possible that the Subject will experience regular rental increases following stabilization.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac's April 2012 foreclosure research, 82 housing units filed foreclosure in Villa Rica, GA, this equates to a foreclosure rate of one in every 167 housing units. Douglas County had a foreclosure rate of one in every 216 housing units; Georgia had a foreclosure rate of one in every 398 housing units; the US had a foreclosure rate of one in every 698 housing units in April 2012. Therefore, Villa Rica, GA had a higher foreclosure rate than Douglas County, Georgia, and the US in April 2012. We spoke with Mr. Charlie Skinner with Skinner Properties regarding the real estate market in Villa Rica, GA. According to Mr. Skinner, the inventory of foreclosure properties on the market has dipped significantly recently. He stated that realtors have started grasping the realities of the market and are pricing things correctly in his opinion. Therefore, foreclosures that come to market and are in relatively good shape get purchased quickly. This bodes well for seniors in the area selling their homes.

During our site inspection, we did not witness any abandoned or vacant structures near the Subject site. Therefore, we do not expect the Subject to be negatively affected by abandoned or vacant structures.

12. Primary Housing Void

The vacancy rate among the two senior LIHTC units in the market is low at 0.45 percent. Additionally, both properties offering senior LIHTC units have waiting lists. The low vacancy rate and presence of waiting lists suggest that there is a housing void in the senior rental market. The Subject will be generally superior to the existing housing stock in terms of age and condition and it will offer large units and a competitive amenities package. The Subject's proposed rents are achievable and we believe that the Subject will help to fill the senior housing void in the local market.

13. Affect of Subject on Other Affordable Units in Market

The Subject will add 60 units to the local market. There is currently one proposed senior LIHTC property in the Subject's PMA, Conners Senior Village Phase I which is expected to open in July of 2012. This proposed property is Phase I of the Subject and it currently has a waiting list to apply of 144 households and 18 applications are in process. There are only two existing LIHTC properties located in the Subject's PMA, the family property Columbia Gardens and the senior property Highland Park Senior. Both properties are located in Douglasville between 8.2 and 10.4 miles from the Subject. These properties have vacancy rates between zero and 8.6 percent. While Columbia Gardens is currently reporting the highest vacancy rate in the market, its rents are significantly higher than the proposed Subject's and it targets a different tenancy than the Subject. Further, the property manager at Columbia Gardens stated that they had recently had a higher than usual turnover; however, four of their seven vacant two-bedroom units and two of their four vacant three bedroom units have applications pending. All of the senior LIHTC properties reported a need for additional senior housing and the property manager at Highland Park reported a need for additional senior housing at higher AMI levels. This need is further illustrated by the waiting list at all of the senior comparables and the significant senior household growth of 5.6 percent that is projected within the PMA from 2010 to the Subject's market entry date of 2014.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject. The vacancy rate among the two LIHTC comparables with senior units is low at 0.45 percent and both properties have lengthy waiting lists for their units. The overall senior vacancy rate inclusive of the market rate properties is also low at 0.62 percent. The three senior market rate properties in the PMA and the surrounding markets are reporting vacancy rates between zero and 2.2 percent. Property managers at all senior comparables reported a need for affordable senior housing in the area. The Subject's rents will offer an advantage of 38 to 55 percent over the market average and an advantage 24 to 48 percent over the three conventional senior rental properties. In addition, the Subject will be generally superior in terms of age and condition and will offer competitive amenities and larger units. The Subject's rents are also reasonable when compared to the LIHTC comparables and will be achievable in the local market.

Our demographic analysis indicates that senior households in the PMA will grow 5.6 percent annually from 2010 to the Subject's market entry date of 2014. This growth is significant and indicates that the need for affordable senior housing will likely increase in the PMA. Overall, the low vacancy rate among senior LIHTC comparables, the presence of waiting lists, and the strong senior household growth indicate a healthy market in need of additional senior housing. We believe that the Subject will be successful in the local market and we recommend the Subject as proposed.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

Only one comparable was able to report absorption. Hickory Falls is a family market rate property that was built in 2005. The property was originally financed with bonds but has since gone into foreclosure. The property was sold in January 2010 and now operates as a market rate property without income restrictions. Management reported that the 220 unit property initially leased approximately 15 units per month. At this pace, the property was fully absorbed within 15 months.

At 60 units, the Subject will be significantly smaller than Hickory Falls and should absorb more quickly, particularly given the stated demand for LIHTC units and the benefit of having a property manager at Phase I of the Subject to pre-market the Subject. Phase I of the Subject began taking applications at the beginning of May 2012. Prior to the initial application review Conners Senior Village Phase I had 144 people on a waiting list to submit an application. There are currently 18 applications in review at this time. The property manager anticipates that Phase I of the Subject will be pre-leased prior to their certificate of occupancy in July based on that interest in the community. Based on the absorption at Hickory Falls, the reported demand by comparable property managers, and the initial leasing at Phase I of the Subject, we have conservatively estimated that the Subject will absorb approximately eight units per month. Per DCA guidelines, we have calculated absorption to a stabilized occupancy of 93 percent. At a pace of eight units per month, the Subject will reach a stabilized occupancy of 93 percent within seven months.

J. INTERVIEWS

Georgia Department of Community Affairs

We repeatedly attempted to interview various authorities in the housing authorities of both the state and Villa Rica area. When speaking to the Villa Rica authority, they stated that the Georgia DCA representative of Douglas County would have these numbers, and that they did not oversee housing vouchers. Attempts to reach this representative have not met with success. However, the payments standards below are up-to-date.

Payment Standards	
1BR	\$757
2BR	\$820
3BR	\$912
4BR	\$1,110

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 interviewed Mrs. Janet Hyde, interim director of the planning department of Villa Rica, GA, for information on developments currently under construction or proposed near the Subject’s site. According to Mrs. Hyde, with the exception of Phase I of the Subject, there are no multi-family, single-family or senior oriented developments proposed or under construction within at least a two mile radius of the site. She also noted that there were not retail, commercial, or industrial recently built or proposed in the area. Mrs. Hyde mentioned that the only other activity she could think of was various developers inquiring about vacant lots.

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

Senior Center

We spoke with Ernestine Mullins, manager of the Villa Rica Senior Center regarding senior life in the area. She stated that the average age of seniors using the center was 60 and over and most if not all were retired with social security being their primary income. The center provided various activities, transportation, and meals on wheels. Mrs. Mullins noted that she thought there was plenty of affordable housing for seniors in the area. Mrs. Mullins stated that the center does refer seniors looking for affordable housing to a few properties, but she could only remember Bellevue Apartments being among them.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- The Subject is located in Villa Rica, Douglas County, Georgia. Overall demographics are strong for the Subject's age-restricted units. In 2010, the senior population above the age of 55 was approximately 35,232. This figure is projected to increase to 45,166 by 2015, an annual rate of approximately 5.6 percent. Similarly, the number of households with a senior householder above the age of 55 is also projected to grow at a very high rate over the next five years; in 2010 this figure was 17,501, and is projected to increase to 23,402 in 2014. This large 6.7 percent annual growth rate, almost two percent higher than the Atlanta MSA, also illustrates the demand for the Subject.
- In addition to the positive growth trends, the tenure patterns also demonstrate demand for the Subject. In 2010, approximately 15 percent of seniors above the age of 55 in the PMA resided in renter-occupied housing units. This is slightly above the national average of 13 percent for seniors living in renter-occupied housing units. Among these renters, approximately 82 percent of households consisted of one or two persons. This trend supports the nine one-bedroom and 51 two-bedroom unit mix at the Subject.
- Of the two comparable senior comparable properties near the Subject's site, one has experienced a three percent rent growth in the last twelve months, and the other has remained stable. Considering the current economic recession, both stable rents and rent growth are considered positive indicators of a healthy economy.
- According to RealtyTrac's April 2012 foreclosure research, 82 housing units filed foreclosure in Villa Rica, GA, this equates to a foreclosure rate of one in every 167 housing units. Douglas County had a foreclosure rate of one in every 216 housing units; Georgia had a foreclosure rate of one in every 398 housing units; the US had a foreclosure rate of one in every 698 housing units in April 2012. Therefore, Villa Rica, GA had a higher foreclosure rate than Douglas County, Georgia, and the US in April 2012. We spoke with Mr. Charlie Skinner with Skinner Properties regarding the real estate market in Villa Rica, GA. According to Mr. Skinner, the inventory of foreclosure properties on the market has dipped significantly recently. He stated that realtors have started grasping the realities of the market and are pricing things correctly in his opinion. Therefore, foreclosures that come to market and are in relatively good shape get purchased quickly. Many seniors looking to move into housing offered by the Subject will have to sell their homes, so this market will make it much easier for them to accomplish this.
- Douglas County posted strong employment growth in 2005 and 2008 but total employment decreased significantly in 2009 due to the impact of the nation-wide recession and continuing economic downturn. Average annual employment estimates roughly reflect the year-over-year change in total employment, which decreased by 5.47 percent from September 2010 to September 2011. The decrease in employment has caused an increase in the unemployment rate in Douglas County, which was 8.9 percent in March 2012, according to the Georgia Department of Labor's statistics. This places Douglas County, GA above the national unemployment rate of 8.2 percent in March 2012. The largest industries in the PMA are retail trade, construction, and

healthcare/social assistance. The retail trade and construction industries have both seen several layoffs from this current economic recession as a result of the housing market downturn and reduced consumer spending.

- Between 2005 and 2008, the unemployment rate in the Atlanta MSA fluctuated between 4.5 and 6.2 percentage points. In 2009, the unemployment rate increased to 9.6 percent, 0.3 percentage points higher than the national average; and then in 2010 (to date), the unemployment rate increased again to 10.4 percent, 0.2 percentage points higher than the nation. Between 2010 and 2011, total employment in the MSA increased by 1.7 percentage points, causing the unemployment rate to decrease 0.6 percentage points. In 2011, the unemployment rate was 9.6 percentage points, the highest in a decade, and 0.7 percentage points higher than the national average. Between February 2011 and February 2012, total employment increased 2.7 percentage points, and the unemployment rate increased 0.6 percentage points. As of February 2012, the unemployment rate was slightly above the unemployment rate of the nation, but the high rate of growth in total employment indicates a quicker recovery in the MSA compared to the nation.
- As of their most recent update end of 2009 report, the Metro Atlanta Chamber of Commerce estimates that 11,890 jobs will be added to the Atlanta area economy from new companies and expansions. These new jobs will help to mitigate the 10,300 jobs eliminated by layoffs and closures announced in the Georgia Department of Labor's 2009 and 2010 WARN reports. While there has been some evidence that Atlanta's economy is improving (ie. new jobs), the unemployment rate continues to increase, and layoffs continue to occur.
- As of March 2012, WARN notices for the metro area have dropped to a total of 4,851 in 2011 and March 2012. Among the total layoffs in the Atlanta Metropolitan area, there were two layoffs for Douglas County reported to the Georgia Department of Labor in 2011 and 2012 as of March. Combining these two layoffs, a total of 102 jobs were contracted in Douglas County in 2011 and 2012. Both of these layoffs were in the health industries. While these industries tend to be very stable, the companies involved were only manufacturers of medical products; manufacturing of all kinds are experiencing setbacks in this recessed economy.
- The Subject will target seniors 55 and above. As a senior property, we expect that the Subject will be less affected by the local economic recession given that most senior tenants at the comparables are retired.
- The Subject's capture rates at the 50 percent AMI level will range from 0.4 to 2.4 percent, with an overall capture rate of 1.1 percent. The Subject's 60 percent AMI capture rates range from 1.9 to 16.1 percent, with an overall capture rate of 6.5 percent. The overall capture rate for the project's 50 and 60 percent units is 6.7 percent. Therefore, we believe there is adequate demand for the Subject.
- Only one comparable was able to report absorption. Hickory Falls is a family market rate property that was built in 2005. The property was originally financed with bonds but has since gone into foreclosure. The property was sold in January 2010 and now operates as

a market rate property without income restrictions. Management reported that the 220 unit property initially leased approximately 15 units per month. At this pace, the property was fully absorbed within 15 months.

At 60 units, the Subject will be significantly smaller than Hickory Falls and should absorb more quickly, particularly given the stated demand for LIHTC units and the benefit of having a property manager at Phase I of the Subject to pre-market the Subject. Phase I of the Subject began taking applications at the beginning of May 2012. Prior to the initial application review Conners Senior Village Phase I had 144 people on a waiting list to submit an application. There are currently 30 applications in review at this time. The property manager anticipates that Phase I of the Subject will be pre-leased prior to their certificate of occupancy in July based on that interest in the community. Based on the absorption at Hickory Falls, the reported demand by comparable property managers, and the initial leasing at Phase I of the Subject, we have conservatively estimated that the Subject will absorb approximately eight units per month. Per DCA guidelines, we have calculated absorption to a stabilized occupancy of 93 percent. At a pace of eight units per month, the Subject will reach a stabilized occupancy of 93 percent within seven months.

- The five senior comparables have an average vacancy rate of 0.6 percent, with only three total vacancies which is considered healthy. The two LIHTC properties with senior units have only one vacant unit combined. Creekstone Apartments has a total of 108 units, 36 of which are reserved for tenants 62 and older. The remaining units at this property are not age restricted; however, the manager stated that 75 percent of the units are occupied by seniors 55 and older. This property maintains a waiting list over a year long for its age restricted units and over six months long for its general tenancy units. Management reported that there is strong need for additional senior affordable housing in the area. Highland Park Senior has no vacancies. Management at Highland Park Senior indicated that there is sufficient demand for a senior property in the Villa Rica area.

The conventional senior properties have vacancy rates between zero and 2.2 percent. The same property manager operates Bellevue Apartments and Amberly Apartments. Management indicated that both properties have experienced high occupancies over the last several years and vacancy is typically due to death or residents moving into assisted care facilities. The rents at these three properties are 24 to 36 percent above the Subject's proposed LIHTC rents. Therefore, the Subject will have a significant rent advantage when compared to all three senior market rate properties. Columbia Gardens is reporting the highest vacancy rate at 8.6 percent. This property is currently offering a rent special on its two-bedroom units. The property manager stated that they had recently had a higher than usual turnover; however, four of their seven vacant two-bedroom units and two of their four vacant three bedroom units have applications pending. Overall, the senior LIHTC market appears to be healthy and the Subject's rents are competitive with the existing LIHTC properties and significantly below all three senior market rate properties. Additionally, senior households in the PMA are projected to grow at rate of 5.6 percent annually from 2010 to 2014. This indicates that there will likely be an increased demand for affordable senior housing. Given the low vacancy among the senior LIHTC comparables, we believe that the Subject will maintain a stabilized vacancy rate of five percent or less.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject. The vacancy rate among the two LIHTC comparables with senior units is low at 0.45 percent and both properties have lengthy waiting lists for their units. The overall senior vacancy rate inclusive of the market rate properties is also low at 0.62 percent. The three senior market rate properties in the PMA and the surrounding markets are reporting vacancy rates between zero and 2.2 percent. Property managers at all senior comparables reported a need for affordable senior housing in the area. The Subject's rents will offer an advantage of 38 to 55 percent over the market average and an advantage 24 to 48 percent over the three conventional senior rental properties. In addition, the Subject will be generally superior in terms of age and condition and will offer competitive amenities and larger units. The Subject's rents are also reasonable when compared to the LIHTC comparables and will be achievable in the local market.

Our demographic analysis indicates that senior households in the PMA will grow 5.6 percent annually from 2010 to the Subject's market entry date of 2014. This growth is significant and indicates that the need for affordable senior housing will likely increase in the PMA. Overall, the low vacancy rate among senior LIHTC comparables, the presence of waiting lists, and the strong senior household growth indicate a healthy market in need of additional senior housing. We believe that the Subject will be successful in the local market 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 (cannot) support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

5-29-2012

Date



Michalena M. Sukenik
Principal
Novogradac & Company LLP

5-29-2012

Date



Jill Conable
Real Estate Analyst
Novogradac & Company LLP

5-29-2012

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

5-29-2012

Date



Michalena M. Sukenik
Principal
Novogradac & Company LLP

5-29-2012

Date



Jill Conable
Real Estate Analyst
Novogradac & Company LLP

5-29-2012

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

JILL A. CONABLE

I. Education

Kennesaw State University, Kennesaw, Georgia
Bachelor of Sciences

II. Professional Experience

Analyst, Novogradac & Company LLP (June 2011 – Present)
Analyst, Province Valuation Group (February 1997 – June 2011)

III. Professional Affiliations and Continuing Education

Member – Appraisal Institute Georgia
Member – Assisted Living Federation of America (ALFA)
Member – Georgia Chapter – Assisted Living Federation of America (GA/ALFA)

Successful completion of Appraisal Institute courses as follows:

Course 110 -Appraisal Principles
Course 120 -Appraisal Procedures
Course 1410 -15-Hour National USPAP

III. Assignments

- Conducted and assisted with market feasibility studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Market analysis typically includes: physical inspection of site and market, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted with appraisals of existing and proposed Low-Income Housing Tax Credit properties, Rural Development properties, and Section 8 properties.
- Performed demographic and geo-coded analyses to determine favorable locations for health care facilities, made pricing recommendations, and analyzed competitors.
- Analysis of all types of health care and senior housing including retirement homes, hospitals, medical office buildings, assisted living facilities, nursing homes and continuing care retirement communities. Analyses included economic feasibility studies, market and marketability studies and valuation studies (real estate and business) in the following U.S. territories:

Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Washington, Wisconsin, and Wyoming.

- Assisted in appraisals and market studies of health care facilities for the U.S. Department of Housing and Urban Development (HUD).