



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

**BROOKHAVEN APARTMENTS
3740 Brookhaven Court
Lake Park, Lowndes County, Georgia**

DCA Project Number-2006-0

Effective Date: June 26, 2006

Report Date: July 14, 2006

Prepared For

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

Prepared By

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**NOVOGRADAC
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CERTIFIED PUBLIC ACCOUNTANTS

July 14, 2006

Ms. Christie Cade
Georgia Department of Community Affairs
60 Executive Park South, NE
Atlanta, Georgia 30329

Re: Market Study for Brookhaven Apartments in Lake Park, Georgia

Dear Ms. Cade:

At your request, Novogradac & Company, LLP performed a study of the senior multifamily rental market in the Lake Park, Lowndes County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) and USDA Rural Development (RD) project, the (Subject).

The purpose of this market study is to assess the viability of the Brookhaven Apartments, an existing multifamily housing development consisting of 48 units. The property was originally constructed using funds from the USDA Rural Development program. It will continue to operate under those guidelines. It will also be restricted to households earning 50 or 60 percent of the Area Median Income (AMI), or less under the guidelines of the LIHTC program. 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.

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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Partner
Novogradac & Company LLP



Michalena M. Skiadas
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Brandi Day
Real Estate Analyst

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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A. EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

Subject Property Overview:

Brookhaven Apartments (Subject) is an existing USDA Rural Development/LIHTC multifamily apartment community originally built in 1990. It currently has ten units of Rental Assistance, according to a letter from USDA dated April 4, 2006, which was included in the application. The Subject's original tax credit compliance period ended December 31, 2005, but the project has an extended use agreement in place until 2040. The property is applying for tax credits in order to renovate the existing units. After the renovation, the property will operate under the guidelines of the LIHTC program with all units restricted to households earning 50 or 60 percent or less of the Area Median Income. The property has 48 units, including two-story townhouse-style units and single-story units. The Subject is located at 4740 Brookhaven Court in Lake Park, Lowndes County, Georgia.

After the renovation, the property will have three one-bedroom units, 13 two-bedroom units, and one three-bedroom unit restricted to households earning 50 percent or less of AMI. It will also have five one-bedroom units, 23 two-bedroom units, and three three-bedroom units restricted to households earning 60 percent or less of AMI. The site also contains a playground and picnic area. It shares laundry facilities with the neighboring community, Arbor Trace II, which is owned and operated by the Subject's developer. The proposed renovation will include adding a new playground, a computer lab, and a clubhouse. Management will also provide support services.

The renovation will also include exterior upgrades, ADA compliance upgrades, and energy efficiency upgrades. The renovation is expected to occur with the residents in place. Completion is anticipated by March 2008. Total construction costs are estimated to be approximately \$49,450 per unit.

The following are pictures of the existing Subject.

Brookhaven Apartments, Lake Park, GA; Market Study



Projected Place-In-Service Date: The projected placed-in-service date is March 2008.

Development Location: The Subject site is located at 4740 Brookhaven Court, Lake Park, Lowndes County, Georgia.

Occupancy Type: This project will be families earning 50 or 60 percent or less of the AMI.

Target Income Group: Of the total units, 16 will be restricted to households earning 50 percent of AMI or less. The remaining units will be restricted to households earning 60 percent or less of AMI. The minimum income will be \$12,994 and the maximum allowable income will be set at \$31,860 (which is the maximum allowable 60 percent income for a five-person household). Ten units will have Rental Assistance allowing residents to have no income.

Special Population Target: None.

Unit Mix:

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance ⁽¹⁾	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
			<i>50% AMI</i>			
1BR/1BA	5	\$295	\$84	\$379	\$461	\$445
2BR/1BA	8	\$320	\$91	\$411	\$553	\$535
2BR/1.5BA	15	\$325	\$91	\$416	\$553	\$535
3BR/2BA	3	\$345	\$126	\$471	\$639	\$725
			<i>60% AMI</i>			
1BR/1BA	3	\$295	\$84	\$379	\$553	\$445
2BR/1BA	4	\$320	\$91	\$411	\$664	\$535
2BR/1.5BA	9	\$325	\$91	\$416	\$664	\$535
3BR/2BA	1	\$345	\$126	\$471	\$767	\$725
Total	48					

Notes (1) Source of Utility Allowance Developer

Inspection Date: June 26, 2006.

Market Conclusions: The Lowndes County area and the PMA are both areas of growth. The PMA is expected to see an annual household growth of 1.29 percent through 2010, which is similar to the national average of 1.30 percent growth. Although both the PMA and MSA lag behind the nation’s median income, they are still seeing strong growth, indicative of a healthy economy. In 2010, the PMA’s median household income, which is slightly below that of the MSA, will be 71 percent of the nation’s median income. Much of the growth in the area, in both population and incomes, can be attributed to a healthy economy. Total employment has increased since 1990 with growth peaking in 2004 and 2002. Employment in the county will see further increases as Moody Air Force Base, located in northern Lowndes County, is expecting to see gains as a result of the 2005 BRAC round. The installation will lose 604 military and 145 civilians and gain 1,274 military and 50 civilians for a total gain of 670 military and a total loss of 95 civilians. This will no affect the Subject’s market area as the Air Force Base is approximately 20 miles north of the city of Lake Park. Most of the demand from the base settles in northern Valdosta. While the unemployment rate has fluctuated, it has consistently remained below the national average, sometimes by as much as two percentage points. Overall, the demographic and economic indicators identify that market area as very desirable for future affordable housing development.

Capture Rates: The Subject’s capture rates are detailed on the following table.

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1 Bdrm	50%AMI	3	30	0	30	10%
	60% AMI	5	39	0	39	13%
1 Bdrm	TOTAL	8	39	0	39	20%
2 Bdrm	50%AMI	13	43	0	43	30%
	60% AMI	23	56	0	56	41%
2 Bdrm	TOTAL	36	56	0	56	65%
3 Bdrm	50%AMI	1	28	0	28	4%
	60% AMI	3	36	0	36	8%
3 Bdrm	TOTAL	4	36	0	36	11%

The capture rates for the two-bedroom units are relatively high. However, the Subject is currently 100 percent occupied with 13 households on a waiting list. The waiting list includes 12 people interested in a two-bedroom unit, where the demand analysis

shows the weakest demand. The renovation will occur with two buildings down at a time allowing the property to maintain 75 percent occupancy during the renovation. Therefore, the capture rate is largely hypothetical. In addition, the Subject has ten units of Rental Assistance, which can accommodate households with a minimum income of \$0. That greatly expands demand for these units. As a result, these demand calculations understate total demand. We believe there is ample demand in the market for the Subject.

**Projected Absorption
Period:**

The Subject is an existing property with 100 percent occupancy. The renovation is expected to occur with 75 percent occupancy as two buildings will be renovated at a time. Therefore, projections of absorption are purely hypothetical. None of the properties in our survey were able to provide information about absorption. Therefore, we will rely on the demand analysis as well as market information regarding waiting lists and leasing pace in our assessment. Most properties in the market report a maximum leasing period of two weeks. The Subject has 13 households on a waiting list and can generally lease units within three to five days depending on the length of time required to prepare the unit for a new tenant. Therefore, we believe the Subject will be able to lease its renovated units as they become available. Assuming all units were delivered at once, we believe the leasing period would be approximately nine months. This allows for five days to lease each unit, which should allow adequate time for processing of paperwork and tenant move-in. The project should be able to maintain a stabilized occupancy of 95 percent or higher.

Comparable Properties:

None of the properties in our survey are offering concessions. Occasionally, the market-rate properties will offer concessions to fill vacancies left by students leaving for the summer. However, these are generally small concessions offered for only a short period of time. The Subject should not need to offer concessions to maintain a stabilized occupancy.

Vacancy rates in the market range from 0.0 to 13.2 percent, averaging 4.25 percent. The highest vacancy is at Baytree Ridge, which has a high student population. Management attributed this to the normal turnover at the end of the college semester. The property is planning to add 24 additional units, further indicating they are unconcerned about temporarily high occupancy. Vacancy at Hyde Park Homes I and II is also uncommonly high. Actual vacancy between the two properties is 21 units. However, nine have been pre-leased. Management did not know what had caused the high vacancies, but is quickly leasing the units. Commons of

Valdosta, with ten vacant units, is in inferior condition compared to other properties in the market. Three properties in the market are fully occupied. Overall vacancy in the market is reasonable, especially given the tenant base, which relies heavily on the student population. Properties in the Lake Park area do not share this tenant base. Therefore, they are able to maintain a higher occupancy. Arbor Trace II and Francis Lake II, both of which are located in Lake Park, have an average vacancy of 1.5 percent.

The Subject has 13 people on its waiting list. Of those, 12 are waiting for a two-bedroom unit. Most of the affordable properties within the market also have a waiting list. Those that reported no waiting list stated that they normally have a list, but recently were able to accommodate all the qualified names on the list. None of the market-rate properties reported a waiting list. This is not unusual considering that it is in-between school semesters and many students, who dominate the local market-rate rental market, have returned home for the summer. Managers consistently reported an increase in demand by the end of July or early August. Many also reported having pre-leased units for that time.

Unit Mix/Rents/Size:

The following table details the Subject’s unit mix and unit size.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Gross Area
1BR/1BA	8	676	5,408
2BR/1.5BA	12	846	10,152
2BR/1.5BA	24	984	23,616
3BR/2.5BA	4	975	3,900
Total	48		43,076

The Subject’s market area consists of a majority of two-bedroom units with three and one-bedroom units in second and third place respectively. The Subject has a larger majority of two-bedroom units, 75 percent compared to 56 percent. It also has a larger portion of one-bedroom than three-bedroom units. The waiting list has one person for a one-bedroom unit and 12 people for a two-bedroom unit. Of those waiting for a two-bedroom unit, five want a two-bedroom only, three would like a one or three-bedroom unit, and four would like a two or three bedroom unit. This indicates that the Subject’s unit mix is adequate for its demand.

The Subject’s unit size shows a disadvantage when compared to the market average ranging from two to 15 percent. However, the Subject’s units are well above the surveyed minimum for each unit type. Therefore, we believe the Subject’s units are of reasonable

size. According to the application, the developer obtained a waiver from DCA because of the small unit size. Our inspection revealed the units to be reasonable in size with adequately sized bedrooms. Therefore, we do not believe the Subject will suffer any disadvantage in the market based on the size of its units.

The Subject’s rental rates show a strong advantage over the maximum allowable LIHTC rents as well as the other surveyed LIHTC properties. All other LIHTC properties are in Valdosta, which gives them a rent advantage. Additionally, Hyde Park I and II are single-family communities, which gives them a greater advantage. Despite these differences, the Subject’s proposed rents are sufficiently low to give it an advantage within the Lake Park market.

Amenity Conclusions: The Subject’s proposed amenity package is competitive. It will be superior to the other Rural Development and LIHTC properties within the market area. It will be slightly inferior to Ashton Park in Valdosta, which is located just outside the PMA boundaries. Ashton Park offers a swimming pool. Commons of Valdosta also offers a swimming pool. However, it is in inferior condition and offers no other community amenities.

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

Local Distances from Services

Map #	Name	Distance (in Miles)
1	Shopping Center – Lake Park Outlets	1.5 miles
2	Mall - Colonial Mall Valdosta	12.2 miles
3	Grocery Store - Winn Dixie	0.7 miles
4	Medical Center - Convenient Care South	9.7 miles
5	Lake Park Health Clinic	1.0 miles
6	Johnston Lakes Library	1.1 miles
7	Park Lake Elementary School	2.6 miles
8	Lowndes Middle School	7.7 miles
9	Lowndes High School	12.1 miles

Market Strengths: Strengths of the Subject will include common area amenities, which are superior to the other properties in the Lake Park area, which will most closely compete with the Subject, and its rents, which offer a strong advantage when compared to both LIHTC and market-rate properties in the area. Among the units at 50 percent of AMI, the Subject offers a 15 to 38 percent advantage. Among the units at 60 percent of AMI, the advantage ranged from 11 to 48

percent. When compared to the market-rate units, the advantage ranges from 60 to 79 percent.

Market Study Conclusion: Based upon our market research, demographic calculations and analysis, we believe there is ample demand for the Subject property as conceived. Strengths of the Subject will include common area amenities, which are superior to the other properties in the Lake Park area, and its rents, which offer a strong advantage when compared to both LIHTC and market-rate properties in the area. Among the units at 50 percent of AMI, the Subject offers a 15 to 38 percent advantage. Among the units at 60 percent of AMI, the advantage ranged from 11 to 48 percent. When compared to the market-rate units, the advantage ranges from 60 to 79 percent. In addition, the market has a relatively low vacancy rate of 4.25 percent. This is very reasonable considering that much of the market relies on college students, who are currently on summer break. We recommend no changes to the Subject as conceived in the LIHTC application. We believe it will be a viable property. The proposed renovations will improve the quality of life for the Subject's tenants without negatively impacting other communities in the market. The property has a large renovation budget exceeding \$45,000 per unit to enhance not only the units, but the overall community as well with additional amenities. The result will be a high-quality affordable housing community.

The following tables are required by DCA and summarize our overall market conclusions. The capture rates for the two-bedroom units are high, resulting in a high overall capture rate for the property. However, the property is 100 percent occupied with 12 people waiting for two-bedroom units, indicating that there is sufficient demand in the market. Additionally, because the property is currently operating at capacity and will operate at 75 percent occupancy during the renovation, the capture rates are hypothetical.

Brookhaven Apartments, Lake Park, GA; Market Study

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Median Market Rent	Proposed Rents
1 Bdrm	50%AMI	3	30	0	30	10%	6 months	\$340	\$295
	60% AMI	5	39	0	39	13%	6 months	\$328	\$295
1 Bdrm	TOTAL	8	39	0	39	20%	6 months	\$470	
2 Bdrm	50%AMI	13	43	0	43	30%	9 months	\$399	\$320-325
	60% AMI	23	56	0	56	41%	9 months	\$385	\$320-325
2 Bdrm	TOTAL	36	56	0	56	65%	9 months	\$581	
3 Bdrm	50%AMI	1	28	0	28	4%	3 months	\$477	\$345
	60% AMI	3	36	0	36	8%	3 months	\$510	\$345
3 Bdrm	TOTAL	4	36	0	36	11%	3 months	\$560	
Proposed Project Capture Rate LIHTC Units						37%			
Proposed Project Capture Rate Market Rate Units						N/Ap			
Proposed Project Capture Rate ALL Units						37%			
Proposed Project Stabilization Period						9 months			

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Our description of the improvements is based on information provided by the developer as well as an inspection of the property. The Subject property consists of 48 total units of which 17 will be restricted to households earning 50 percent or less of AMI. The remaining units will be restricted to households earning 60 percent or less of AMI. Ten of the units have Rental Assistance provided by USDA. We assume that the following information is accurate.

Project Address and

Development Location:

The Subject is located at 3740 Brookhaven Court. This is located in the western area of Lake Park outside the city limits in unincorporated Lowndes County.

Construction Type:

Acquisition Rehabilitation of existing RD/LIHTC property.

Occupancy Type:

Families.

Special Population Target:

None.

PROPOSED RENTS/UNIT MIX

Unit Type	Number of Units	Asking Rent	Utility Allowance ⁽¹⁾	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>						
1BR/1BA	5	\$295	\$84	\$379	\$461	\$445
2BR/1BA	8	\$320	\$91	\$411	\$553	\$535
2BR/1.5BA	15	\$325	\$91	\$416	\$553	\$535
3BR/2BA	3	\$345	\$126	\$471	\$639	\$725
<i>60% AMI</i>						
1BR/1BA	3	\$295	\$84	\$379	\$553	\$445
2BR/1BA	4	\$320	\$91	\$411	\$664	\$535
2BR/1.5BA	9	\$325	\$91	\$416	\$664	\$535
3BR/2BA	1	\$345	\$126	\$471	\$767	\$725
Total	48					

Notes (1) Source of Utility Allowance Developer

Structure Type:

The current structure has a vinyl siding exterior with brick accents. The buildings are a mixture of two-story townhouse units and single-story units. Exterior upgrades are planned as part of the renovation.

Unit Amenities:

The Subject currently has a refrigerator, oven/range, washer/dryer hook-ups, and central air. After renovation, the units will also include a microwave and dishwasher.

Community Amenities:

After renovations, the Subject will offer a club house with computer lab, exercise facility and library. It will also have a new playground as well as a covered picnic area.

Management will also have semi-monthly social activities, a weekly reading and activity time for children, and weekly drug prevention and gang awareness seminars.

Parking:

There are a total of 99 surface parking spaces at the Subject. This equates to approximately two parking spaces per unit for residents. Overall, parking appears adequate at the Subject.

Current Operations:

The Subject is currently 100 percent occupied with 13 households on a waiting list. The on-site manager verified that the Subject typically maintains an occupancy of 95 percent or higher.

After the renovation, the property will be restricted to households earning 50 or 60 percent or less of AMI. Currently, the site contains a playground and picnic area. It shares laundry facilities with the neighboring community, Arbor Trace II, which is owned and operated by the Subject's developer. The proposed renovation will include adding a new playground, a computer lab, and a clubhouse. Management will also provide support services.

The renovation will also include exterior upgrades, ADA compliance upgrades, and energy efficiency upgrades. The renovation is expected to occur with the residents in place. Completion is anticipated by March 2008. Total construction costs are estimated to be approximately \$49,450 per unit.



Rear of units, existing playground



Existing picnic area

Existing or Proposed

Project Based Rental Assistance: According to a dated April 4, 2006, from USDA, the Subject has ten units of Project-Based Rental Assistance. Tenants will pay 30 percent of income towards rent.

Placed in Service Date: The projected placed in service date is March 2008.

Conclusion: The Subject has an adequate unit mix for the targeted population group. The proposed renovation and amenities will increase the desirability of the property as well as the standard of living for the residents.

C. SITE EVALUATION

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

Date of Site Visit: June 26, 2006.

Frontage: The Subject site has frontage along Rolling Pine Drive.

Topography: The site is level.

Visibility/Views: The Subject is located just north of SR-376, a major east-west corridor through the Lake Park area. The Subject has good visibility from Rolling Pines Drive, but is not visible from other areas. All units have views of other units within the Subject, the neighboring Arbor Trace II development, or the wooded areas that surround the Subject to the south, east, and west.

North: Immediately north of the Subject is Arbor Trace II, an identical Rural Development project owned and operated by the Subject's developer. North of Arbor Trace II is Arbor Trace I, a senior RD community also owned and operated by the Subject's developer. Further north is the single-family neighborhood that surrounds the Subject to the north and east. Most of the neighborhood was developed within the last 15 years. The houses are in good condition.

South: Undeveloped land borders the Subject to the south. Further south, Hilmont Apartments, a Rural Development property for seniors 62 and over is located on the north side of Lakes Boulevard. It is in good condition. The property is 100 percent occupied.

East: Interstate 75 is located less than half a mile east of the Subject site. The area between the Subject and the Interstate is developed with hotels, gas stations, and fast food restaurants as is typical of Interstate exit areas. Hotels include Travelodge, Days Inn, Super 8, and Hampton Inn. Restaurants include Wendy's and Taco Bell, both located south of SR-376.

West: Immediately west of the Subject is a single-family community in good condition. There is a refuse collection center on Loch Laurel Road, two blocks west of the Subject. It is sufficiently set back from the road so as not

to be a detriment to the surrounding community. There are single-family homes built directly across the street, further indicating that the refuse collection center does not adversely impact the neighborhood.



Land to the west of the Subject is largely agricultural.



Cypress Lakes subdivision, south of the Subject is constructing new, upscale homes.



Refuse collection center on Lach Laurel Road near Subject.



Single-family home in neighborhood surrounding Subject.



Rolling Pine Drive looking in north from Subject.



Rolling Pine Drive looking south from Subject.

Access and Traffic Flow: The Subject site is located off Rolling Pine Drive with easy access to SR-376, a major east-west corridor and Interstate 75. Access and traffic flow are considered to be good.

Layout and Curb Appeal: The proposed Subject has an open layout and an above-average curb appeal following the renovation.

Zoning of Surrounding Area: According to the Valdosta-Lowndes County Planning and Zoning Department, the Subject site is part of a Planned Development (PD) that also includes the sites for Arbor Trace I and Arbor Trace II to the north. To the west, the land is zoned R-10 for single-family development. To the east, the land is zoned C-H, which allows for commercial development. Although the land immediately to the east of the Subject is vacant, further east, the area is developed with hotels, restaurants, and gas stations as is typical of an area near an Interstate exit. This commercial zoning also lines the south side of SR-376. The Subject is a conforming use.

Road/Infrastructure Proposed Improvements: We witnessed no road/infrastructure improvements in the immediate vicinity of the Subject. We are not aware of any planned improvements.

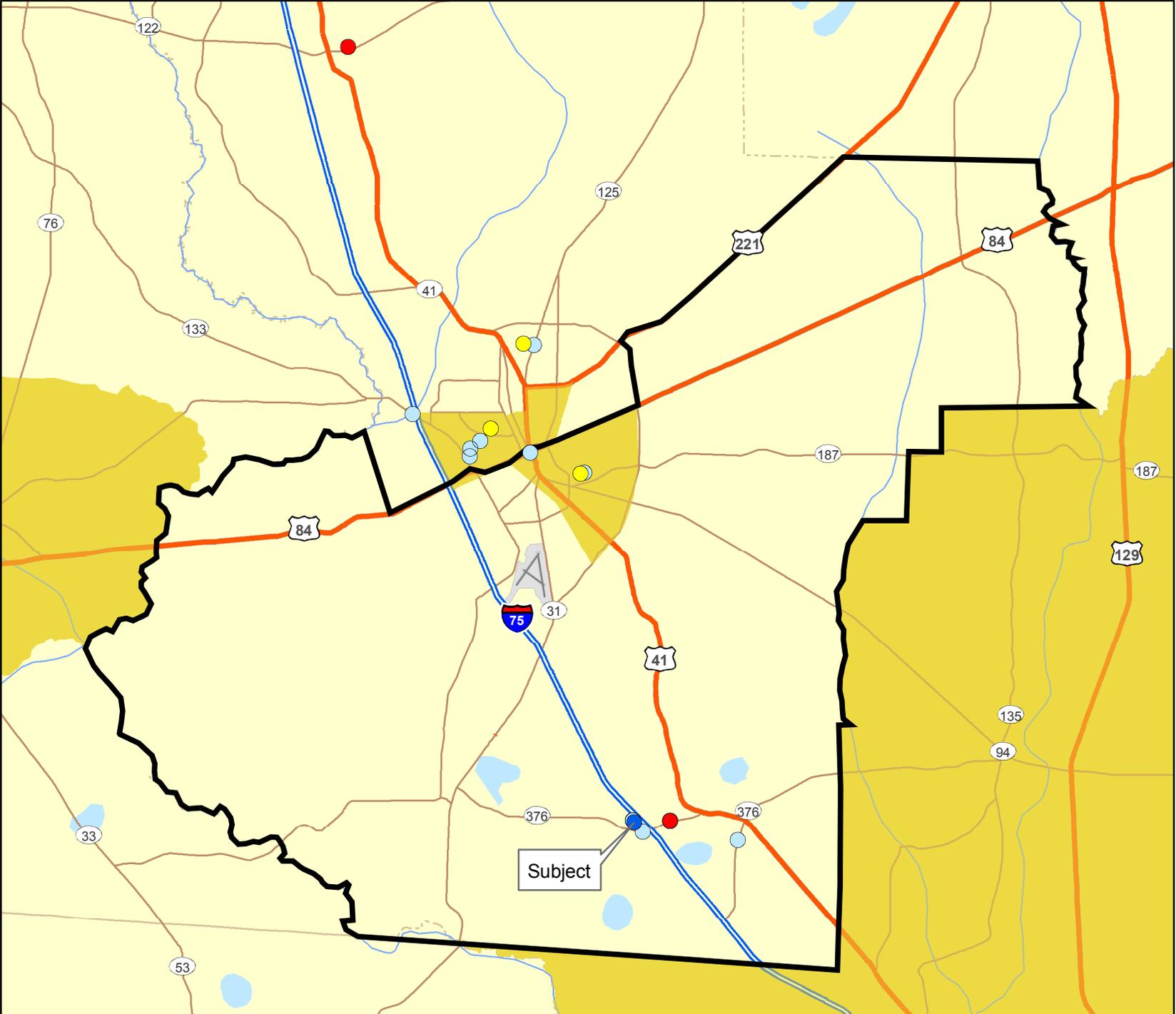
Proximity to Local Services: The following table details the Subject’s distance from key locational amenities. A *Locational Amenities Map*, corresponding to the following table is provided in the addenda to this report.

Local Distances from Services

Map #	Name	Distance (in Miles)
1	Shopping Center – Lake Park Outlets	1.5 miles
2	Mall - Colonial Mall Valdosta	12.2 miles
3	Grocery Store - Winn Dixie	0.7 miles
4	Medical Center - Convenient Care South	9.7 miles
5	Lake Park Health Clinic	1.0 miles
6	Johnston Lakes Library	1.1 miles
7	Park Lake Elementary School	2.6 miles
8	Lowndes Middle School	7.7 miles
9	Lowndes High School	12. miles

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

Affordable Properties and QCTs in the Lake Park, GA PMA



Affordable Properties

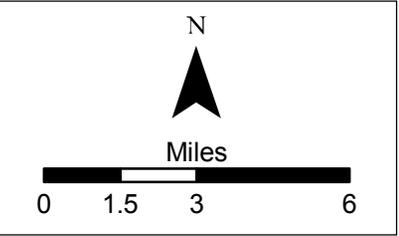
Rent Structure

- Section 8/Section 202
- Rural Development
- LIHTC
- Proposed LIHTC

■ Qualified Census Tracts

▭ PMA

Data Sources: U.S. Housing and Urban Development (HUD) Low Income Housing Tax Credit Database 1987-2006; Local Housing Finance Agency; HUD Qualified Census Tracts 2006



Brookhaven Apartments, Lake Park, GA; Market Study

Name	Address	City	Type	Map Color	Included in Report?	Reason for Exclusion
Brookhaven Apartments	4700 Brookhaven Court	Lake Park	RD		Yes	
Ashley House	109 E Hill Avenue	Valdosta	LIHTC/Sec 8		No	Senior
Lake Park Apartments	805 Lane Drive	Lake Park	LIHTC/Sec 8		No	Unable to contact management
Brittany Woods/Park Chase	1150 Old Statenville Rd	Valdosta	LIHTC/Sec 8		Yes	
Arbor Trace I	4700 Rolling Pine Dr	Lake Park	LIHTC/RD		No	Senior
Arbor Trace II	4700 Rolling Pine Dr	Lake Park	LIHTC/RD		Yes	
Hillmont Apartments	7069 Lakes Blvd	Lake Park	LIHTC/RD		No	Senior
Ashton Meadows	2611 Bemiss Rd	Valdosta	LIHTC		No	Outside PMA
Hyde Park Estates II	1215 Melissa Drive	Valdosta	LIHTC		Yes	
Hyde Park Estates	1500 Base Street	Valdosta	LIHTC		Yes	
Ashton Park	1315 River Street	Valdosta	LIHTC		Yes	
Commons of Valdosta	1415 N St. Augustine Rd	Valdosta	LIHTC		Yes	
Azalea Towers	2910 Tara Drive	Valdosta	Sec 8		No	Senior
Forest Manor Apartments	1100 Old Statenville Rd	Valdosta	Sec 8		No	Tenants pay 30% of income
Azalea Woods Apartments	811 W Mary Street	Valdosta	Sec 8		No	Tenants pay 30% of income
Francis Lake I	939 Lakes Blvd	Lake Park	RD		No	Senior
Francis Lake II	939 Lakes Blvd	Lake Park	RD		Yes	
Meadowbrook Apartments	530 Lawson Street	Hahira	RD		No	Outside PMA

Detrimental Influences:

There are no significant detrimental influences. There is a refuse collection center on Loch Laurel Road, two blocks west of the Subject. However, it is sufficiently set back from the road so as not to be a detriment to the surrounding community. There are single-family homes built directly across the street, further indicating that the refuse collection center does not adversely impact the neighborhood.

Environmental Concerns:

None visible upon site inspection.

Conclusion:

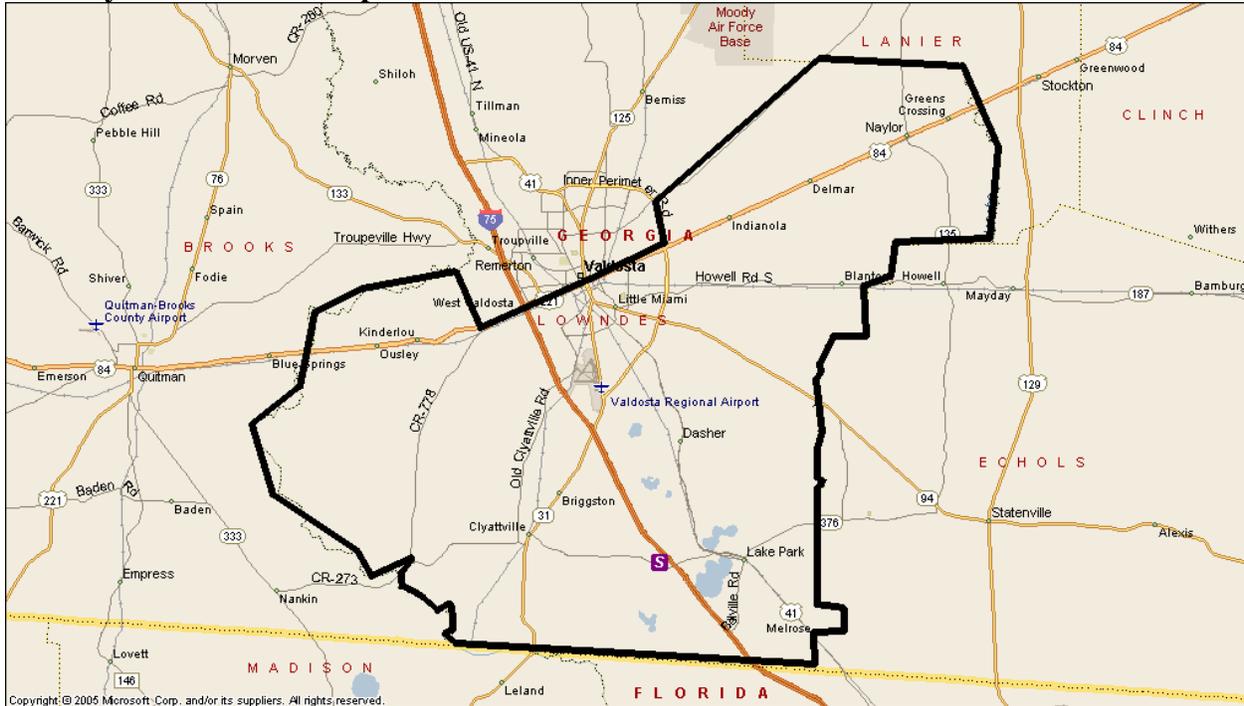
The Subject is located in a residential neighborhood in the western portion of Lake Park, outside the city limits in unincorporated Lowndes County. Residents of the neighborhood are within close proximity to major arteries and local services. The Subject offers good curb appeal. The Subject's proposed renovation will further create a positive impact upon the neighborhood by creating quality, affordable housing in the area. Overall, the community presents a good location for an affordable, multifamily development.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



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

The PMA is defined as southern Lowndes County with the dividing line as US-84, which runs through Valdosta. The boundary stretches to the county borders to the east, west, and south. Valdosta is the most populated city in the MSA. The northern portion of the city was excluded because it includes the Valdosta State University campus. The northern county also includes Moody Air Force base. These two populations are generally not eligible for occupancy at the Subject. Some leakage from northern Valdosta and Lowndes County is also expected. There is also increasing demand from surrounding cities as well as northern Florida. This area was defined based on interviews with local market participants as well as the Subject’s property manager who indicated that 80 percent of the property’s tenants as well as the tenants at the company’s two other RD family properties comes from the Lake Park-Valdosta area. Therefore, we have estimated that 20 percent of the tenant’s will come from outside these boundaries.

Neighborhood Analysis

The neighborhood analysis provides a bridge between the area analysis and the study of the Subject. The goal of the neighborhood analysis is to determine how the operation of social, economic, governmental and environmental factors influences the marketability of real estate. In the neighborhood analysis, we focus on how these factors interact in the immediate vicinity of the Subject.

Location and Boundaries

The Subject is located just north of SR-376, a major east-west corridor through the Lake Park area. The Subject has good visibility from Rolling Pines Drive, but is not visible from other areas. All units have views of other units within the Subject, the neighboring Arbor Trace II development, or the wooded areas that surround the Subject to the south, east, and west. The area is located in unincorporated Lowndes County, just outside the Lake Park city boundaries. The area is a newly developing community with newer single-family homes, most of which have been constructed within the past ten years. This is particularly true of the area southwest of the Subject where a new, upscale single-family community is still under development. Cypress Lakes offers a wide range of homes selling for approximately \$300,000 to \$500,000. Within the Subject's immediate area, development is typical of a major Interstate exit. It includes hotels, gas stations, and fast food restaurants. On the east side of I-75, the Lake Park Outlets is a major attraction for the city.

North: Immediately north of the Subject is Arbor Trace II, an identical Rural Development project owned and operated by the Subject's developer. North of Arbor Trace II is Arbor Trace I, a senior RD community also owned and operated by the Subject's developer. Further north is the single-family neighborhood that surrounds the Subject to the north and east.

South: Undeveloped land borders the Subject to the south. Further south, Hilmont Apartments, a Rural Development property for seniors 62 and over is located on the north side of Lakes Boulevard. It is in good condition. The property is 100 percent occupied.

East: Interstate 75 is located less than half a mile east of the Subject site. The area between the Subject and the Interstate is developed with hotels, gas stations, and fast food restaurants as is typical of Interstate exit areas. Hotels include Travelodge, Days Inn, Super 8, and Hampton Inn. Restaurants include Wendy's and Taco Bell, both located south of SR-376.

West: Immediately west of the Subject is a single-family community in good condition. There is a refuse collection center on Loch Laurel Road, two blocks west of the Subject. However, it is sufficiently set back from the road so as not to be a detriment to the surrounding community. There are single-family homes built directly across the street, further indicating that the refuse collection center does not adversely impact the neighborhood.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction. The PMA is considered to be southern Lowndes County from southern Valdosta to the county line. The Valdosta MSA is considered to be the secondary market area. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. Historic and estimated data will be presented for years 1990, 2000, 2005 and 2010. Data has also been projected for 2008, the year in which the Subject is expected to begin operation.

General Population

The table below illustrates general population trends in the SMA, PMA, and nation from 1990 through 2010.

POPULATION

Year	Valdosta, GA MSA		PMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	99,244	-	21,384	-	248,709,873	-
2000	119,560	2.05%	24,814	1.60%	281,421,906	1.32%
2005	125,310	0.92%	26,322	1.16%	298,727,898	1.17%
Prj Mrkt Entry						
March 2008	127,537	0.79%	26,948	1.06%	307,144,224	1.25%
2010	130,259	0.79%	27,713	1.06%	317,430,845	1.25%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - May 2006

As the table illustrates, both the PMA and nation are areas of growth in population. The PMA is growing at a faster pace than the overall MSA. However, both areas are growing more slowly than the nation. The strong growth in the PMA is likely centered around Lake Park. Our inspection of the area revealed strong growth within the Subject’s neighborhood with new homes constructed within the past ten years. While Valdosta’s major population centers around the university and air force base, Lake Park is a more stable residential population.

Population by Age Group

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

POPULATION BY AGE IN 2005

Age Cohort	Valdosta, GA MSA		PMA		USA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
0-4	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
5-9	9,125	7.28%	2,025	7.69%	20,587,521	6.89%
10-14	8,393	6.70%	1,876	7.13%	19,707,117	6.60%
15-19	8,953	7.14%	2,060	7.83%	21,584,908	7.23%
20-24	9,709	7.75%	2,025	7.69%	21,232,647	7.11%
25-29	12,612	10.06%	1,882	7.15%	21,478,165	7.19%
30-34	10,349	8.26%	1,583	6.01%	19,117,827	6.40%
35-39	8,998	7.18%	1,666	6.33%	20,215,584	6.77%
40-44	8,781	7.01%	1,801	6.84%	21,029,915	7.04%
45-49	9,404	7.50%	2,184	8.30%	23,806,992	7.97%
50-54	8,564	6.83%	2,028	7.70%	22,656,730	7.58%
55-59	7,094	5.66%	1,646	6.25%	19,821,785	6.64%
60-64	5,955	4.75%	1,444	5.49%	17,004,782	5.69%
65-69	4,744	3.79%	1,210	4.60%	12,962,373	4.34%
70-74	3,766	3.01%	929	3.53%	10,202,986	3.42%
75-79	3,042	2.43%	778	2.96%	8,633,965	2.89%
80-84	2,496	1.99%	574	2.18%	7,687,366	2.57%
85+	1,751	1.40%	332	1.26%	5,831,578	1.95%
Total	1,574	1.26%	280	1.06%	5,165,657	1.73%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - May 2006

As illustrated in the table above, 50 percent of the population in the PMA is under the age of 35 years old compared to 54 percent of the population in the SMA. The largest age cohort in the PMA is persons from 45 to 49 years of age compared to the 25 to 29 age group in the SMA. This younger age group can be attributed to older college students and military personnel. The PMA also has a large portion of children relative to the national average. Within the PMA, 22.65 percent of the population is 19 or under. Nationally, 20.72 percent of the population is 19 or under.

General Household Trends

The following table is a summary of the total households in the SMA, PMA, and nation from 1990 to 2010.

HOUSEHOLDS

Year	Valdosta, GA MSA		PMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	34,484	-	7,478	-	91,947,410	-
2000	42,666	2.37%	9,073	2.13%	105,480,101	1.47%
2005	45,451	1.24%	9,829	1.59%	112,448,901	1.26%
Prj Mrkt Entry						
March 2008	46,479	1.01%	10,114	1.29%	115,746,559	1.30%
2010	47,736	1.01%	10,463	1.29%	119,777,029	1.30%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - May 2006

As with the population, the nation is leading both the PMA and the MSA in growth. However, the difference between the PMA and the nation is smaller than with the growth in population. The faster rate of growth in households indicates a shrinking household size. As the table below shows, the average household size in the PMA is expected to decrease by 0.15 percent between 2005 and 2010, which is the same rate of decline as the MSA. It is faster than the rate of decline in the nation, however, which is expected to average 0.8 percent through 2010. The average household size in the PMA is larger than the MSA and the nation. The PMA was drawn to exclude college students, who typically drive down the average household size in areas dominated by college students. The PMA reflects southern Valdosta and the rural areas surrounding the city.

AVERAGE HOUSEHOLD SIZE

Year	Valdosta, GA MSA		PMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	2.74	-	2.82	-	2.63	-
2000	2.63	-0.40%	2.67	-0.53%	2.59	-0.15%
2005	2.59	-0.29%	2.62	-0.36%	2.59	0.00%
Prj Mrkt Entry						
March 2008	2.58	-0.15%	2.61	-0.15%	2.59	-0.08%
2010	2.57	-0.15%	2.60	-0.15%	2.58	-0.08%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - May 2006

Median Household Income Levels

The following table illustrates Median Household Income for the general population in the SMA, PMA and nation from 2000 through 2010.

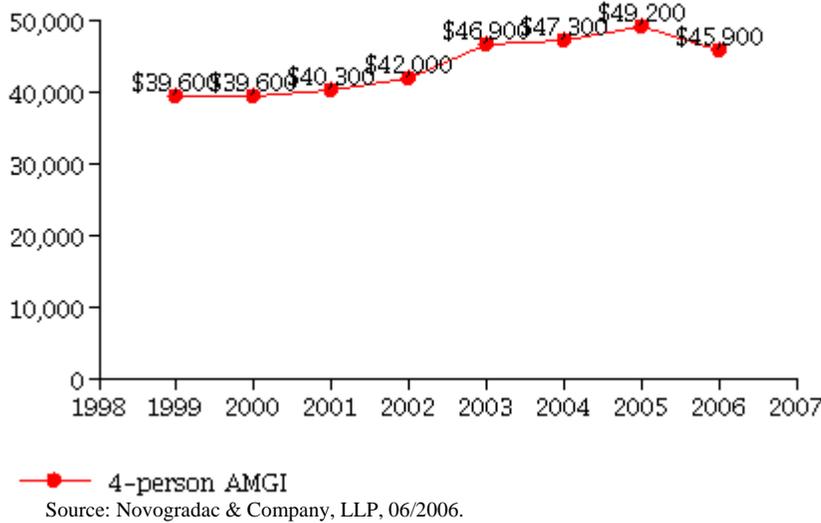
MEDIAN HOUSEHOLD INCOME

Year	Valdosta, GA MSA		PMA		USA	
	<i>Amount</i>	<i>Annual Change</i>	<i>Amount</i>	<i>Annual Change</i>	<i>Amount</i>	<i>Annual Change</i>
2000	\$31,310	-	\$29,540	-	\$42,164	-
2005	\$37,096	3.52%	\$34,561	3.24%	\$49,747	3.43%
Prj Mrkt Entry						
March 2008	\$40,149	3.66%	\$37,545	3.84%	\$53,634	3.47%
2010	\$43,880	3.66%	\$41,191	3.84%	\$58,384	3.47%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - May 2006

Both the PMA and SMA's median incomes were significantly below the national average of \$42,164 at the beginning of the 21st century. However, both areas are experiencing faster growth in their incomes than the nation. By 2010, the PMA's median household income will be 71 percent of the nation's median income, which is the same difference as 2000, before the nation's income growth exceeded that in the PMA. The PMA has a slightly lower median income than the MSA. LIHTC rents and incomes are determined by the median income in the MSA. The following table shows growth and decline in the Valdosta metro area MSA as determined by HUD for the purposes of LIHTC income and rent limits.

AMGI



As illustrated in the table above, AMI steadily increased from 1999 to 2005. However, it decreased in 2006 to pre-2003 levels. This is contrary to the demographics provided by EBIS. The HUD calculations for determining median income are a more complicated formula that consider more than inflation of numbers from previous years. The decrease could be an adjustment from over-inflation in previous years. We do not consider this an indication that the income in the area will experience continued decline. Because the rent and income limits of LIHTC households are based on the HUD-determined AMGI, maximum allowable rents for 2006 did not change from 2005. The Subject’s rents at 50 and 60 percent of AMI are well below the maximum allowable. Most properties in the area are not able to achieve the maximum allowable rents at 60 percent of AMI. Therefore, the lack of growth in the maximum allowable rent will not prevent rent growth in the market.

Tenure

The following table is a summary of the senior tenure patterns of the housing stock in the PMA, as of 2000.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
1990	5,244	70.12%	2,235	29.88%
2000	6,580	72.52%	2,493	27.48%
2005	7,258	73.84%	2,572	26.16%
Prj Mrkt Entry				
March 2008	7,500	74.13%	2,615	25.87%
2010	7,795	74.50%	2,668	25.50%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - May 2006

The PMA has a high portion of owner-occupied households as is typical of more rural areas. The county is designated as a rural area by USDA despite being part of a metropolitan area. The

MSA has a higher portion of renters, 34.2 percent as of 2005. This is largely a result of the college students and Air Force base employees, which are more likely to be renters.

Renter Households by Number of Persons in the Household

The following table illustrates household size for all renter households projected through 2010.

Renter Households by Number of Persons - PMA								
	2000		2005		Projected Mkt Entry:		2010	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	823	33.0%	849	33.0%	863	33.0%	881	33.0%
With 2 Persons	602	24.1%	621	24.1%	632	24.1%	644	24.1%
With 3 Persons	427	17.1%	441	17.1%	448	17.1%	457	17.1%
With 4 Persons	324	13.0%	334	13.0%	340	13.0%	347	13.0%
With 5 Persons	188	7.5%	194	7.5%	197	7.5%	201	7.5%
With 6 Persons	78	3.1%	80	3.1%	82	3.1%	83	3.1%
With 7+ Persons	51	2.0%	53	2.0%	53	2.0%	55	2.0%
Total Renter Households	2,493	100.0%	2,572	100.0%	2,615	100.0%	2,668	100.0%

As the table shows, most of the renter households within the PMA are single-person households with the next largest group two-person households. The Subject offers one, two, and three-bedroom units, which can accommodate households of up to five people. In the MSA, the distribution of renter households is similar. This is detailed on the table on the following page. There is a slightly higher percentage of two-person households in the MSA. This is likely the result of roommates, which are more predominant in the MSA due to the large portion of young, college students.

Renter Households by Number of Persons - Secondary Area (SMA, MSA, City, Village, etc)								
	2000		2005		Projected Mkt Entry:		2010	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	4,679	30.9%	4,806	30.9%	4,914	30.9%	5,047	30.9%
With 2 Persons	4,180	27.6%	4,293	27.6%	4,390	27.6%	4,509	27.6%
With 3 Persons	2,785	18.4%	2,860	18.4%	2,925	18.4%	3,004	18.4%
With 4 Persons	1,881	12.4%	1,932	12.4%	1,976	12.4%	2,029	12.4%
With 5 Persons	968	6.4%	994	6.4%	1,017	6.4%	1,044	6.4%
With 6 Persons	378	2.5%	388	2.5%	397	2.5%	408	2.5%
With 7+ Persons	264	1.7%	271	1.7%	277	1.7%	285	1.7%
Total Renter Households	15,135	100.0%	15,545	100.0%	15,896	100.0%	16,325	100.0%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - May 2006

Employment Trends and Economic Overview

Valdosta-Lowndes County is the business, cultural, educational, medical, leisure, and retail hub for eleven South Georgia and North Florida counties and more than 1.2 million citizens. Designated as a Metropolitan Statistical Area in 2000, the four-county Valdosta Metro Area includes Lowndes Brooks, Echols, and Lanier Counties. Valdosta is Georgia’s tenth largest city. Lowndes County, home to Moody Air Force Base, Valdosta State University, Wild Adventures Theme Park, and two Regional Medical Centers, and is one of the state’s fastest growing regions.

Valdosta is easily accessible by I-75 and I-10. It also has an airport with daily connecting flights to Atlanta, connecting the area to the rest of the country. As the regional rail center, Valdosta is served by CSX, Norfolk Southern, and Valdosta Railway. The ports of Savannah, GA, Brunswick, GA, and Jacksonville, FL, are all nearby.

The area is seeing growth, but no major developments are planned at this time, according to the Valdosta Planning Department, which also oversees unincorporated Lowndes County.

Moody Air Force Base is another major employer in the community. As a result of the 2005 BRAC round, the installation will lose 604 military and 145 civilians and gain 1,274 military and 50 civilians for a total gain of 670 military and a total loss of 95 civilians.

Employment by Industry

The following table illustrates the distribution of employment sectors by industry within the PMA in 2005.

2005 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	326	2.84%	1,770,012	1.29%
Mining	34	0.30%	548,372	0.40%
Construction	955	8.33%	10,199,100	7.46%
Manufacturing	1,301	11.35%	14,940,649	10.92%
Wholesale Trade	414	3.61%	5,017,515	3.67%
Retail Trade	1,720	15.00%	15,793,668	11.55%
Transportation/Warehousing	602	5.25%	5,457,097	3.99%
Utilities	108	0.94%	1,096,605	0.80%
Information	229	2.00%	3,225,421	2.36%
Finance/Insurance	189	1.65%	7,136,190	5.22%
Real Estate/Rental/Leasing	123	1.07%	2,863,401	2.09%
Prof/Scientific/Tech Services	250	2.18%	8,169,310	5.97%
Mgmt of Companies/Enterprises	0	0.00%	97,671	0.07%
Admin/Support/Waste Mgmt Svcs	399	3.48%	5,091,233	3.72%
Educational Services	1,123	9.79%	12,876,439	9.41%
Health Care/Social Assistance	1,291	11.26%	17,370,614	12.70%
Arts/Entertainment/Recreation	104	0.91%	2,537,441	1.85%
Accommodation/Food Services	1,018	8.88%	8,842,030	6.46%
Other Services (excl Publ Adm)	521	4.54%	6,860,948	5.02%
Public Administration	760	6.63%	6,899,822	5.04%
Total Employment	11,467	100.00%	136,793,538	100.00%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - May 2006

The previous table reflects the workforce for the PMA. As illustrated, the largest sector is retail trade, accounting for 15.00 percent of the workforce. Lake Park Outlets are a major attraction in Lake Park. The area also includes three exits from I-75 with the supporting retail and services. The Accommodation/Food Service industry represents 8.88 percent of employment compared to 6.46 percent in the nation. Major employers in the area represent the manufacturing, health care, and education industries. Health Care/Social Services accounts for 11.26 percent of all

employment, the third largest sector slightly behind Manufacturing. Health Care employment in the PMA is slightly below the national level of 12.70 percent. The area has a higher percentage of Agriculture/Forestry/Fishing/Hunting (2.84 percent) employment compared to the nation (1.29 percent). The PMA is very rural with a large portion of agricultural land.

Major Employers

The following table details the largest manufacturers in Lowndes County.

Largest Manufacturers in Lowndes County, Georgia

Business	Type of Business	# Employees
Consolidated Biscuit Company	Snack Food	500
Langdale Forest Products Co.	Wood Products	436
Packaging Corp. of America	Liner Board	349
TM Poly Film, Inc.	Plastic Products	300
Saft America	Car Batteries	247
Firstline Corp.	Paper Products	240
Trus Joist/Weyerhouser Co.	Wood Joists	235
Shaw Industries	Heat Setting Yarn	228
BathCraft, Inc.	Bath Products	211
Hood Packaging Corporation	Bags	200

Source: Valdosta-Lowndes County Chamber of Commerce, 03/2006

Manufacturing is the second largest employment sector within the PMA, accounting for 11.35 percent of total employment. As the table shows, the area has a variety of large manufacturers with a diversity of products. Paper products and packaging materials seem to be most prevalent, however.

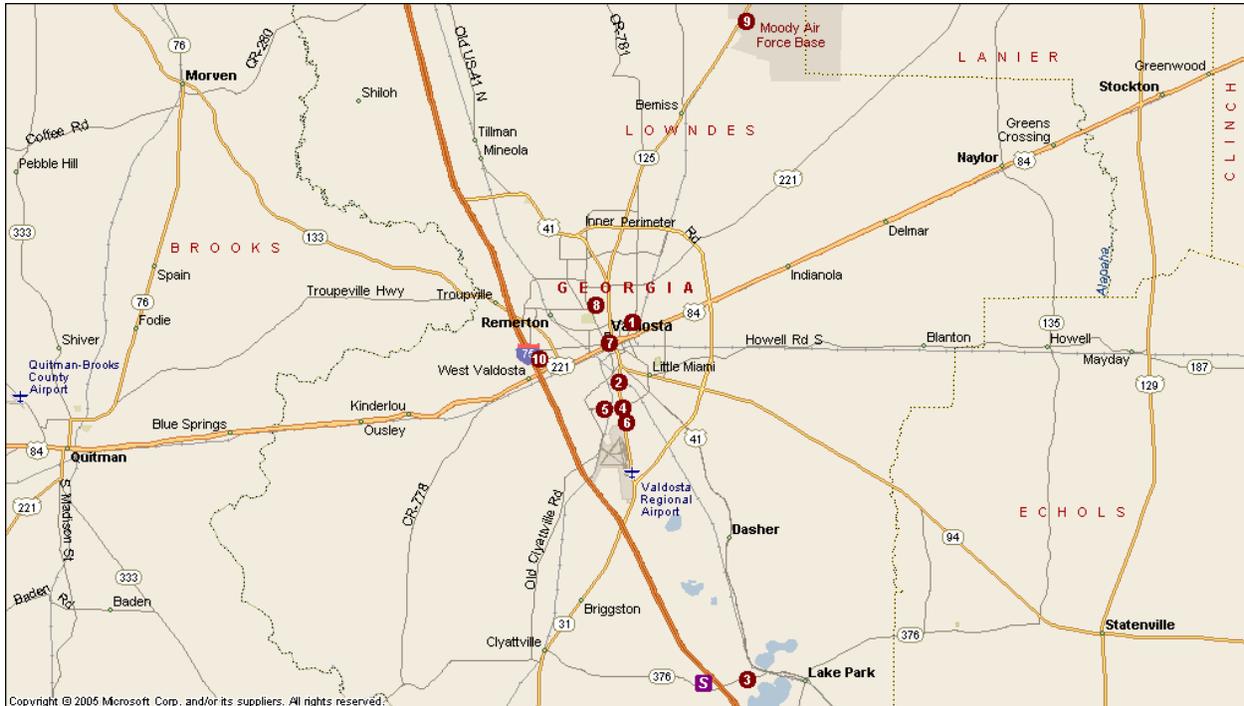
In addition to these major manufacturers, Convergys Customer Management, Lowndes County Healthcare, Valdosta State University, Valdosta-Lowndes County Hospital Authority, and Wal-Mart are the county’s largest employers. These add to the diversity of the employment base. The retail sector is the largest employment sector accounting for 15.00 percent of all employment. Health Care/Social Services is the third largest sector, accounting for 11.26 percent of all employment.

Moody Air Force Base is another major employer in the community. As a result of the 2005 BRAC round, the installation will lose 604 military and 145 civilians and gain 1,274 military and 50 civilians for a total gain of 670 military and a total loss of 95 civilians.

Map to Major Employers - Lowndes County

Map ID	Employer	Distance to Subject
1	Consolidated Biscuit Company	13.5 miles
2	Langdale Forest Products Co.	11.4 miles
3	Packaging Corp. of America	1.8 miles
4	TM Poly Film, Inc.	10.6 miles
5	Saft America	11.3 miles
6	Firstline Corp.	10.4 miles
7	Lowndes County Healthcare	12.8 miles
8	Valdosta State University	14.0 miles
9	Moody Air Force Base	23.7 miles
10	Wal-Mart	13.0 miles

Brookhaven Apartments, Lake Park, GA; Market Study



Total Employment

The following tables detail employment and unemployment in Lowndes County over the past 15 years.

EMPLOYMENT & UNEMPLOYMENT TRENDS

Lowndes County, GA

Year	County		County		USA
	Total Employment	% Change	Unemployment Rate	% Change	Unemployment Rate
1990	32,486	-	4.8%	-	5.7%
1991	32,498	0.0%	3.9%	-0.9%	6.9%
1992	32,693	0.6%	6.2%	2.3%	7.6%
1993	34,018	4.1%	5.4%	-0.8%	7.0%
1994	35,280	3.7%	4.4%	-1.0%	6.2%
1995	36,650	3.9%	3.9%	-0.5%	5.7%
1996	38,033	3.8%	3.6%	-0.3%	5.5%
1997	39,968	5.1%	4.0%	0.4%	5.0%
1998	41,081	2.8%	4.0%	0.0%	4.6%
1999	41,399	0.8%	4.2%	0.2%	4.3%
2000	41,726	0.8%	4.4%	0.2%	4.0%
2001	41,992	0.6%	3.8%	-0.6%	4.8%
2002	44,237	5.3%	3.7%	-0.1%	5.8%
2003	45,834	3.6%	3.5%	-0.2%	6.0%
2004	46,888	2.3%	3.6%	0.1%	5.6%
2005	48,411	3.2%	4.1%	0.5%	5.2%
2006 YTD*	49,636	4.0%	4.1%	0.0%	4.1%

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

Employment in Lowndes County has increased steadily since 1990. The greatest gain was in 2002, when the county saw a 5.3 percent increase. Employment in the county will see further increases as Moody Air Force Base, located in northern Lowndes County is expecting to see gains of 670 military personnel and a loss of only 95 civilian personnel a result of the 2005 BRAC round. Despite the steady growth in total employment, however, the unemployment rate has fluctuated and seen only minor decreases. It has consistently stayed below the national average, however. The fluctuations in the unemployment rate are indicative of fluctuations in the county's population, which has grown steadily since 1990. Overall, the local economy is considered very healthy with strong employment.

Conclusion

The Lowndes County area and the PMA are both areas of growth. The PMA is expected to see an annual household growth of 1.29 percent through 2010, which is slightly below the national average of 1.30 percent growth. Although both the PMA and MSA lag behind the nation's median income, they are still seeing strong growth, indicative of a healthy economy. In 2010, the PMA's median household income, which is slightly below that of the MSA, will be 71 percent of the nation's median income. Much of the growth in the area, in both population and incomes, can be attributed to a healthy economy. Total employment has increased since 1990 with growth peaking in 2004 and 2002. Employment in the county will see further increases as Moody Air Force Base, located in northern Lowndes County is expecting to see gains as a result of the 2005 BRAC round. The installation will lose 604 military and 145 civilians and gain 1,274 military and 50 civilians for a total gain of 670 military and a total loss of 95 civilians. While the unemployment rate has fluctuated, it has consistently remained below the national average, sometimes by as much as two percentage points. Overall, the demographic and economic indicators identify that market area as very desirable for future development.

PROJECT-SPECIFIC DEMAND ANALYSIS

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

INCOME RESTRICTIONS

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

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

AFFORDABILITY

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

DEMAND

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

1. DEMAND FROM NEW HOUSEHOLDS

The number of new households entering the market is the first level of demand calculated. We have utilized 2008, the anticipated date of market entry, as the base year for the analysis. Therefore, 2005 household population estimates are inflated to 2008 by interpolation of the difference between 2005 estimates and 2010 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 2008.

2. DEMAND FROM EXISTING HOUSEHOLDS

Demand for existing households is estimated by summing three sources of potential tenants. The first source (2a.) is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs.

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. Since the Subject is not age-restricted, no adjustment is made.

The data provided for 2a, 2b and 2c is based upon the 2000 census. The Census provides data on households who are rent-overburdened paying 35 percent or more for housing. 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.

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 1999 to present and those that will be constructed in 2006 that are considered directly competitive. We are not aware of any new LIHTC properties within the PMA that will be competitive with the Subject. Therefore, we have not made any adjustments.

Capture Rates

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

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption
1 Bdrm	50% AMI	3	30	0	30	10%	6 months
	60% AMI	5	39	0	39	13%	6 months
1 Bdrm	TOTAL	8	39	0	39	20%	6 months
2 Bdrm	50% AMI	13	43	0	43	30%	9 months
	60% AMI	23	56	0	56	41%	9 months
2 Bdrm	TOTAL	36	56	0	56	65%	9 months
3 Bdrm	50% AMI	1	28	0	28	4%	3 months
	60% AMI	3	36	0	36	8%	3 months
3 Bdrm	TOTAL	4	36	0	36	11%	3 months

Household Income Distribution 2000 to Projected Market Entry March 2008							
Brookhaven Apartments							
PMA							
	2000		2005		Prj Mrkt Entry March 2008		Percent Growth
	#	%	#	%	#	%	
< \$10,000	1,457	14.82%	1,446	14.71%	1,398	13.82%	-3.4%
\$10,000-\$14,999	825	8.39%	739	7.52%	714	7.06%	-3.5%
\$15,000-\$19,999	856	8.71%	757	7.70%	698	6.90%	-8.5%
\$20,000-\$24,999	708	7.20%	749	7.62%	739	7.30%	-1.4%
\$25,000-\$29,999	714	7.26%	627	6.38%	629	6.22%	0.4%
\$30,000-\$34,999	628	6.39%	647	6.58%	596	5.89%	-8.5%
\$35,000-\$39,999	395	4.02%	487	4.95%	525	5.19%	7.2%
\$40,000-\$44,999	528	5.37%	492	5.01%	484	4.79%	-1.6%
\$45,000-\$49,999	511	5.20%	489	4.97%	463	4.58%	-5.6%
\$50,000-\$59,999	696	7.08%	844	8.59%	867	8.57%	2.7%
\$60,000-\$74,999	750	7.63%	913	9.29%	962	9.51%	5.1%
\$75,000-\$99,999	562	5.72%	840	8.53%	935	9.25%	10.2%
\$100,000+	377	3.84%	800	8.14%	1,106	10.93%	27.6%
Total	9,007	100.00%	9,830	100.00%	10,116	100.00%	11.0%

Household Income Distribution Projected Market Entry March 2008			
Brookhaven Apartments			
	PMA		Change 2000 to Prj Mrkt Entry March 2008
	Prj Mrkt Entry March 2008		
	#	%	#
< \$10,000	1,398	13.82%	-59
\$10,000-\$14,999	714	7.06%	-111
\$15,000-\$19,999	698	6.90%	-158
\$20,000-\$24,999	739	7.30%	31
\$25,000-\$29,999	629	6.22%	-85
\$30,000-\$34,999	596	5.89%	-32
\$35,000-\$39,999	525	5.19%	130
\$40,000-\$44,999	484	4.79%	-44
\$45,000-\$49,999	463	4.58%	-48
\$50,000-\$59,999	867	8.57%	171
\$60,000-\$74,999	962	9.51%	212
\$75,000-\$99,999	935	9.25%	373
\$100,000+	1,106	10.93%	729
Total	10,116	100.00%	-285

Tenure Prj Mrkt Entry March 2006	
Renter	25.87%
Owner	74.13%
Total	100.00%

Household Size for Prj Mrkt Entry March 2006*		
Size	Number	Percentage
1	2,370	23.43%
2	3,100	30.65%
3	1,950	19.28%
4	1,526	15.09%
5	757	7.48%
6	254	2.51%
7+	158	1.57%
Total	10,115	100.01%

Household Size for 2000		
Size	Number	Percentage
1	2,111	23.43%
2	2,761	30.65%
3	1,736	19.28%
4	1,359	15.09%
5	674	7.48%
6	226	2.51%
7+	141	1.57%
Total	9,007	100.01%

*Numbers may not match due to rounding

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

Percent of AMI Level			50%		
Minimum Income Limit			\$12,994		
Maximum Income Limit			\$26,550 5 Person		
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry March 2006		Households within		
	Income Brackets	Percent within Cohort	Income Brackets	Percent within Cohort	Bracket
< \$10,000	-59	-5.33%		0%	0
\$10,000-\$14,999	-111	-10.03%	2,005	40%	-45
\$15,000-\$19,999	-158	-14.29%	4,999	100%	-158
\$20,000-\$24,999	31	2.76%	4,999	100%	31
\$25,000-\$29,999	-85	-7.64%	1,550	31%	-26
\$30,000-\$34,999	-32	-2.87%		0%	0
\$35,000-\$39,999	130	11.71%		0%	0
\$40,000-\$44,999	-44	-3.94%		0%	0
\$45,000-\$49,999	-48	-4.34%		0%	0
\$50,000-\$59,999	171	15.46%		0%	0
\$60,000-\$74,999	212	19.13%		0%	0
\$75,000-\$99,999	373	33.68%		0%	0
\$100,000+	729	65.71%		0%	0
	1,109	100.00%			-199
Percent of households within limits versus total number of households					-17.91%

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

Percent of AMI Level		50%			
Minimum Income Limit		\$12,994			
Maximum Income Limit		\$26,550 5 Person			
Income Category	Total Households PMA Prj Mrkt Entry March 2006		Income Brackets	Percent within Cohort	Households within Bracket
< \$10,000	1,398	13.82%	0	0%	0
\$10,000-\$14,999	714	7.06%	2,005	40%	286
\$15,000-\$19,999	698	6.90%	4,999	100%	698
\$20,000-\$24,999	739	7.30%	4,999	100%	739
\$25,000-\$29,999	629	6.22%	1,550	31%	195
\$30,000-\$34,999	596	5.89%	0	0%	0
\$35,000-\$39,999	525	5.19%	0	0%	0
\$40,000-\$44,999	484	4.79%	0	0%	0
\$45,000-\$49,999	463	4.58%	0	0%	0
\$50,000-\$59,999	867	8.57%	0	0%	0
\$60,000-\$74,999	962	9.51%	0	0%	0
\$75,000-\$99,999	935	9.25%	0	0%	0
\$100,000+	1,106	10.93%	0	0%	0
	10,116	100.00%			1,918
Percent of households within limits versus total number of households					18.96%

Does the Project Benefit from Rent Subsidy? (Y/N)	Yes
Type of Housing (Family vs Senior)	Family
Location of Subject (Rural versus Urban)	Rural
Percent of Income for Housing	35%
2000 Median Income	\$29,540
Prj Mrkt Entry March 2006 Median Income	\$37,545
Change from 2000 to Prj Mrkt Entry March 2006	\$8,005
Total Percent Change	27.1%
Average Annual Change	4.5%
Inflation Rate	4.5%
Maximum Allowable Income	\$26,550
Maximum Allowable Income Inflation Adjusted	\$26,550
Maximum Number of Occupants	5 Person
Rent Income Categories	50%
Initial Gross Rent for Smallest Unit	\$379
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$379.00
	Two year adjustment
	1.0000

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

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry March 2006	
Income Target Population	50%
New Households PMA	1,109
Percent Income Qualified	-17.9%
Income Qualified Households	-199
Percent Renter	25.9%
New Renter Income Qualified Households	-51

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	10,116
Income Qualified	19.0%
Percent Renter	25.9%
Income Qualified Renter Households	496
Percent Rent Overburdened Prj Mrkt Entry March 2006	27%
Rent Overburdened Households	133

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

Demand from Living in Substandard Housing	
Income Qualified Renter Households	496
Percent Living in Substandard Housing	0.4%
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	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

<u>Total Demand</u>		
Total Demand from Existing Households		135
Adjustment Factor	20%	27
<u>Adjusted Demand form Existing Households</u>		<u>163</u>
Total New Demand		-51
Total Demand (New Plus Existing Households)		111

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 20 percent of Total Demand?		No

<u>By Bedroom Demand</u>		
One Person	23.43%	26
Two Persons	30.65%	34
Three Persons	19.28%	21
Four Persons	15.09%	17
Five Persons	7.48%	8
Six Persons	2.51%	3
Seven Plus Persons	1.57%	2
<u>Total</u>	<u>100.00%</u>	<u>111</u>

<u>To place Person Demand into Bedroom Type Units</u>		
Of one person households in one-bedroom units	90%	23
Of two person households in one-bedroom units	20%	7
Of one person households in two-bedroom units	10%	3
Of two person households in two-bedroom units	80%	27
Of three person households in two-bedroom units	60%	13
Of three person households in three-bedroom units	40%	9
Of four person households in three-bedroom units	80%	13
Of five person households in three-bedroom units	70%	6
Of four person households in four-bedroom units	20%	3
Of five person households in four-bedroom units	30%	2
Of six person households in four-bedroom units	100%	3
Of seven plus person households in four-bedroom units	100%	2
<u>Total Demand</u>		<u>111</u>
Check		OK

<u>Total Demand by Bedroom</u>		<u>50%</u>
One Bedroom		30
Two Bedroom		43
Three Bedroom		28
Four Bedroom		10
<u>Total Demand</u>		<u>111</u>

<u>Additions To Supply 2000 to Prj Mrkt Entry March 2006</u>		<u>50%</u>
One Bedroom		0
Two Bedroom		0
Three Bedroom		0
Four Bedroom		0
<u>Total</u>		<u>0</u>

<u>Net Demand</u>		<u>50%</u>
One Bedroom		30
Two Bedroom		43
Three Bedroom		28
Four Bedroom		10
<u>Total</u>		<u>111</u>

<u>Net Demand</u>		<u>50%</u>
One Bedroom		30
Two Bedroom		43
Three Bedroom		28
Four Bedroom		0
<u>Total</u>		<u>101</u>

<u>Developer's Unit Mix</u>		<u>50%</u>
One Bedroom		3
Two Bedroom		13
Three Bedroom		1
Four Bedroom		0
<u>Total</u>		<u>17</u>

<u>Capture Rate Analysis</u>		<u>50%</u>
One Bedroom		10%
Two Bedroom		30%
Three Bedroom		4%
Four Bedroom		N/A
<u>Total</u>		<u>17%</u>

Household Income Distribution 2000 to Projected Market Entry March 2008							
Brookhaven Apartments							
PMA							
	2000		2005		Prj Mrkt Entry March 2008		Percent Growth
	#	%	#	%	#	%	
< \$10,000	1,457	14.82%	1,446	14.71%	1,398	13.83%	-3.4%
\$10,000-\$14,999	825	8.39%	739	7.52%	714	7.06%	-3.5%
\$15,000-\$19,999	856	8.71%	757	7.70%	686	6.79%	-10.4%
\$20,000-\$24,999	708	7.20%	749	7.62%	739	7.31%	-1.4%
\$25,000-\$29,999	714	7.26%	627	6.38%	629	6.23%	0.4%
\$30,000-\$34,999	628	6.39%	647	6.58%	596	5.90%	-8.5%
\$35,000-\$39,999	395	4.02%	487	4.95%	525	5.19%	7.2%
\$40,000-\$44,999	528	5.37%	492	5.01%	484	4.79%	-1.6%
\$45,000-\$49,999	511	5.20%	489	4.97%	463	4.58%	-5.6%
\$50,000-\$59,999	696	7.08%	844	8.59%	867	8.58%	2.7%
\$60,000-\$74,999	750	7.63%	913	9.29%	962	9.52%	5.1%
\$75,000-\$99,999	562	5.72%	840	8.53%	935	9.26%	10.2%
\$100,000+	377	3.84%	800	8.14%	1,106	10.94%	27.6%
Total	9,007	100.00%	9,830	100.00%	10,104	100.00%	10.9%

Household Income Distribution Projected Market Entry March 2008			
Brookhaven Apartments			
	PMA		Change 2000 to Prj Mrkt Entry March 2008
	Prj Mrkt Entry March 2008		
	#	%	#
< \$10,000	1,398	13.83%	-59
\$10,000-\$14,999	714	7.06%	-111
\$15,000-\$19,999	686	6.79%	-170
\$20,000-\$24,999	739	7.31%	31
\$25,000-\$29,999	629	6.23%	-85
\$30,000-\$34,999	596	5.90%	-32
\$35,000-\$39,999	525	5.19%	130
\$40,000-\$44,999	484	4.79%	-44
\$45,000-\$49,999	463	4.58%	-48
\$50,000-\$59,999	867	8.58%	171
\$60,000-\$74,999	962	9.52%	212
\$75,000-\$99,999	935	9.26%	373
\$100,000+	1,106	10.94%	729
Total	10,104	100.00%	-297

Tenure Prj Mrkt Entry March 2006	
Renter	25.87%
Owner	74.13%
Total	100.00%

Household Size for Prj Mrkt Entry March 2006*		
Size	Number	Percentage
1	2,370	23.43%
2	3,100	30.65%
3	1,950	19.28%
4	1,526	15.09%
5	757	7.48%
6	254	2.51%
7+	158	1.57%
Total	10,115	100.01%

Household Size for 2000		
Size	Number	Percentage
1	2,111	23.43%
2	2,761	30.65%
3	1,736	19.28%
4	1,359	15.09%
5	674	7.48%
6	226	2.51%
7+	141	1.57%
Total	9,007	100.01%

*Numbers may not match due to rounding

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

Percent of AMI Level			60%		
Minimum Income Limit			\$12,994		
Maximum Income Limit			\$31,860 5 Person		
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry March 2006		Households within		
	Income Brackets	Percent within Cohort	Income Brackets	Percent within Cohort	Bracket
< \$10,000	-59	-5.39%		0%	0
\$10,000-\$14,999	-111	-10.14%	2,005	40%	-45
\$15,000-\$19,999	-170	-15.52%	4,999	100%	-170
\$20,000-\$24,999	31	2.79%	4,999	100%	31
\$25,000-\$29,999	-85	-7.73%	4,999	100%	-85
\$30,000-\$34,999	-32	-2.90%	1,860	37%	-12
\$35,000-\$39,999	130	11.83%		0%	0
\$40,000-\$44,999	-44	-3.98%		0%	0
\$45,000-\$49,999	-48	-4.39%		0%	0
\$50,000-\$59,999	171	15.63%		0%	0
\$60,000-\$74,999	212	19.33%		0%	0
\$75,000-\$99,999	373	34.04%		0%	0
\$100,000+	729	66.42%		0%	0
	1,097	100.00%			-281
Percent of households within limits versus total number of households					-25.60%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$12,994			
Maximum Income Limit		\$31,860 5 Person			
Income Category	Total Households PMA Prj Mrkt Entry March 2006		Income Brackets	Percent within Cohort	Households within Bracket
< \$10,000	1,398	13.83%	0	0%	0
\$10,000-\$14,999	714	7.06%	2,005	40%	286
\$15,000-\$19,999	686	6.79%	4,999	100%	686
\$20,000-\$24,999	739	7.31%	4,999	100%	739
\$25,000-\$29,999	629	6.23%	4,999	100%	629
\$30,000-\$34,999	596	5.90%	1,860	37%	222
\$35,000-\$39,999	525	5.19%	0	0%	0
\$40,000-\$44,999	484	4.79%	0	0%	0
\$45,000-\$49,999	463	4.58%	0	0%	0
\$50,000-\$59,999	867	8.58%	0	0%	0
\$60,000-\$74,999	962	9.52%	0	0%	0
\$75,000-\$99,999	935	9.26%	0	0%	0
\$100,000+	1,106	10.94%	0	0%	0
	10,104	100.00%			2,562
Percent of households within limits versus total number of households					25.35%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry March 2006 Median Income

Change from 2000 to Prj Mrkt Entry March 2006

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

Yes			
Family			
Rural			
35%			
\$29,540			
\$37,545			
\$8,005			
27.1%			
4.5%			
4.5%	Two year adjustment		1.0000
\$31,860			
\$31,860			
5 Person			
60%			
\$379			
\$379.00			

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

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry March 2006

Income Target Population	60%
New Households PMA	1,097
Percent Income Qualified	-25.6%
Income Qualified Households	-281
Percent Renter	25.9%
New Renter Income Qualified Households	-73

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	10,104
Income Qualified	25.4%
Percent Renter	25.9%
Income Qualified Renter Households	663
Percent Rent Overburdened Prj Mrkt Entry March 2006	27%
Rent Overburdened Households	178

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	663
Percent Living in Substandard Housing	0.4%
Households Living in Substandard Housing	3

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

Senior Households Converting from Homeownership

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

Total Demand		
Total Demand from Existing Households		181
Adjustment Factor	20%	36
Adjusted Demand form Existing Households		217
Total New Demand		-73
Total Demand (New Plus Existing Households)		145

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand		
One Person	23.43%	34
Two Persons	30.65%	44
Three Persons	19.28%	28
Four Persons	15.09%	22
Five Persons	7.48%	11
Six Persons	2.51%	4
Seven Plus Persons	1.57%	2
Total	100.00%	145

To place Person Demand into Bedroom Type Units		
Of one person households in one-bedroom units	90%	31
Of two person households in one-bedroom units	20%	9
Of one person households in two-bedroom units	10%	3
Of two person households in two-bedroom units	80%	36
Of three person households in two-bedroom units	60%	17
Of three person households in three-bedroom units	40%	11
Of four person households in three-bedroom units	80%	18
Of five person households in three-bedroom units	70%	8
Of four person households in four-bedroom units	20%	4
Of five person households in four-bedroom units	30%	3
Of six person households in four-bedroom units	100%	4
Of seven plus person households in four-bedroom units	100%	2
Total Demand		145
Check		OK

Total Demand by Bedroom		60%
One Bedroom		39
Two Bedroom		56
Three Bedroom		36
Four Bedroom		14
Total Demand		145

Additions To Supply 2000 to Prj Mrkt Entry March 2006		60%
One Bedroom		0
Two Bedroom		0
Three Bedroom		0
Four Bedroom		0
Total		0

Net Demand		60%
One Bedroom		39
Two Bedroom		56
Three Bedroom		36
Four Bedroom		14
Total		145

Net Demand		60%
One Bedroom		39
Two Bedroom		56
Three Bedroom		36
Four Bedroom		0
Total		131

Developer's Unit Mix		60%
One Bedroom		5
Two Bedroom		23
Three Bedroom		3
Four Bedroom		0
Total		31

Capture Rate Analysis		60%
One Bedroom		13%
Two Bedroom		41%
Three Bedroom		8%
Four Bedroom		N/A
Total		24%

Household Income Distribution 2000 to Projected Market Entry March 2008							
Brookhaven Apartments							
PMA							
	2000		2005		Prj Mrkt Entry March 2008		Percent Growth
	#	%	#	%	#	%	
< \$10,000	1,457	14.82%	1,446	14.71%	1,398	13.83%	-3.4%
\$10,000-\$14,999	825	8.39%	739	7.52%	714	7.06%	-3.5%
\$15,000-\$19,999	856	8.71%	757	7.70%	686	6.79%	-10.4%
\$20,000-\$24,999	708	7.20%	749	7.62%	739	7.31%	-1.4%
\$25,000-\$29,999	714	7.26%	627	6.38%	629	6.23%	0.4%
\$30,000-\$34,999	628	6.39%	647	6.58%	596	5.90%	-8.5%
\$35,000-\$39,999	395	4.02%	487	4.95%	525	5.19%	7.2%
\$40,000-\$44,999	528	5.37%	492	5.01%	484	4.79%	-1.6%
\$45,000-\$49,999	511	5.20%	489	4.97%	463	4.58%	-5.6%
\$50,000-\$59,999	696	7.08%	844	8.59%	867	8.58%	2.7%
\$60,000-\$74,999	750	7.63%	913	9.29%	962	9.52%	5.1%
\$75,000-\$99,999	562	5.72%	840	8.53%	935	9.26%	10.2%
\$100,000+	377	3.84%	800	8.14%	1,106	10.94%	27.6%
Total	9,007	100.00%	9,830	100.00%	10,104	100.00%	10.9%

Household Income Distribution Projected Market Entry March 2008			
Brookhaven Apartments			
	PMA		Change 2000 to Prj Mrkt Entry March 2008
	Prj Mrkt Entry March 2008		
	#	%	#
< \$10,000	1,398	13.83%	-59
\$10,000-\$14,999	714	7.06%	-111
\$15,000-\$19,999	686	6.79%	-170
\$20,000-\$24,999	739	7.31%	31
\$25,000-\$29,999	629	6.23%	-85
\$30,000-\$34,999	596	5.90%	-32
\$35,000-\$39,999	525	5.19%	130
\$40,000-\$44,999	484	4.79%	-44
\$45,000-\$49,999	463	4.58%	-48
\$50,000-\$59,999	867	8.58%	171
\$60,000-\$74,999	962	9.52%	212
\$75,000-\$99,999	935	9.26%	373
\$100,000+	1,106	10.94%	729
Total	10,104	100.00%	-297

Tenure Prj Mrkt Entry March 2006	
Renter	25.87%
Owner	74.13%
Total	100.00%

Household Size for Prj Mrkt Entry March 2006*		
Size	Number	Percentage
1	2,370	23.43%
2	3,100	30.65%
3	1,950	19.28%
4	1,526	15.09%
5	757	7.48%
6	254	2.51%
7+	158	1.57%
Total	10,115	100.01%

Household Size for 2000		
Size	Number	Percentage
1	2,111	23.43%
2	2,761	30.65%
3	1,736	19.28%
4	1,359	15.09%
5	674	7.48%
6	226	2.51%
7+	141	1.57%
Total	9,007	100.01%

*Numbers may not match due to rounding

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$12,994		
Maximum Income Limit			\$31,860 5 Person		
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry March 2006		Households within		
	Income Brackets	Percent within Cohort	Income Brackets	Percent within Cohort	Bracket
< \$10,000	-59	-5.39%		0%	0
\$10,000-\$14,999	-111	-10.14%	2,005	40%	-45
\$15,000-\$19,999	-170	-15.52%	4,999	100%	-170
\$20,000-\$24,999	31	2.79%	4,999	100%	31
\$25,000-\$29,999	-85	-7.73%	4,999	100%	-85
\$30,000-\$34,999	-32	-2.90%	1,860	37%	-12
\$35,000-\$39,999	130	11.83%		0%	0
\$40,000-\$44,999	-44	-3.98%		0%	0
\$45,000-\$49,999	-48	-4.39%		0%	0
\$50,000-\$59,999	171	15.63%		0%	0
\$60,000-\$74,999	212	19.33%		0%	0
\$75,000-\$99,999	373	34.04%		0%	0
\$100,000+	729	66.42%		0%	0
	1,097	100.00%			-281
Percent of households within limits versus total number of households					-25.60%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$12,994		
Maximum Income Limit			\$31,860 5 Person		
Income Category	Total Households PMA Prj Mrkt Entry March 2006		Income Brackets	Percent within Cohort	Households within Bracket
< \$10,000	1,398	13.83%	0	0%	0
\$10,000-\$14,999	714	7.06%	2,005	40%	286
\$15,000-\$19,999	686	6.79%	4,999	100%	686
\$20,000-\$24,999	739	7.31%	4,999	100%	739
\$25,000-\$29,999	629	6.23%	4,999	100%	629
\$30,000-\$34,999	596	5.90%	1,860	37%	222
\$35,000-\$39,999	525	5.19%	0	0%	0
\$40,000-\$44,999	484	4.79%	0	0%	0
\$45,000-\$49,999	463	4.58%	0	0%	0
\$50,000-\$59,999	867	8.58%	0	0%	0
\$60,000-\$74,999	962	9.52%	0	0%	0
\$75,000-\$99,999	935	9.26%	0	0%	0
\$100,000+	1,106	10.94%	0	0%	0
	10,104	100.00%			2,562
Percent of households within limits versus total number of households					25.35%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry March 2006 Median Income

Change from 2000 to Prj Mrkt Entry March 2006

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

Yes		
Family		
Rural		
35%		
\$29,540		
\$37,545		
\$8,005		
27.1%		
4.5%		
4.5%	Two year adjustment	1.0000
\$31,860		
\$31,860		
5 Person		
Overall		
\$379		
\$379.00		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry March 2006

Income Target Population	Overall
New Households PMA	1,097
Percent Income Qualified	-25.6%
Income Qualified Households	-281
Percent Renter	25.9%
New Renter Income Qualified Households	-73

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

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	10,104
Income Qualified	25.4%
Percent Renter	25.9%
Income Qualified Renter Households	663
Percent Rent Overburdened Prj Mrkt Entry March 2006	27%
Rent Overburdened Households	178

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	663
Percent Living in Substandard Housing	0.4%
Households Living in Substandard Housing	3

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

Senior Households Converting from Homeownership

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

<u>Total Demand</u>		
Total Demand from Existing Households		181
Adjustment Factor	20%	36
<u>Adjusted Demand form Existing Households</u>		<u>217</u>
Total New Demand		-73
Total Demand (New Plus Existing Households)		145

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 20 percent of Total Demand?		No

<u>By Bedroom Demand</u>		
One Person	23.43%	34
Two Persons	30.65%	44
Three Persons	19.28%	28
Four Persons	15.09%	22
Five Persons	7.48%	11
Six Persons	2.51%	4
Seven Plus Persons	1.57%	2
Total	100.00%	145

<u>To place Person Demand into Bedroom Type Units</u>		
Of one person households in one-bedroom units	90%	31
Of two person households in one-bedroom units	20%	9
Of one person households in two-bedroom units	10%	3
Of two person households in two-bedroom units	80%	36
Of three person households in two-bedroom units	60%	17
Of three person households in three-bedroom units	40%	11
Of four person households in three-bedroom units	80%	18
Of five person households in three-bedroom units	70%	8
Of four person households in four-bedroom units	20%	4
Of five person households in four-bedroom units	30%	3
Of six person households in four-bedroom units	100%	4
Of seven plus person households in four-bedroom units	100%	2
Total Demand		145
Check		OK

<u>Total Demand by Bedroom</u>		<u>Overall</u>
One Bedroom		39
Two Bedroom		56
Three Bedroom		36
Four Bedroom		14
Total Demand		145

<u>Additions To Supply 2000 to Prj Mrkt Entry March 2006</u>		<u>Overall</u>
One Bedroom		0
Two Bedroom		0
Three Bedroom		0
Four Bedroom		0
Total		0

<u>Net Demand</u>		<u>Overall</u>
One Bedroom		39
Two Bedroom		56
Three Bedroom		36
Four Bedroom		14
Total		145

<u>Net Demand</u>		<u>Overall</u>
One Bedroom		39
Two Bedroom		56
Three Bedroom		36
Four Bedroom		0
Total		131

<u>Developer's Unit Mix</u>		<u>Overall</u>
One Bedroom		8
Two Bedroom		36
Three Bedroom		4
Four Bedroom		0
Total		48

<u>Capture Rate Analysis</u>		<u>Overall</u>
One Bedroom		20%
Two Bedroom		65%
Three Bedroom		11%
Four Bedroom		N/A
Total		37%

Conclusions

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

- The number of households in the PMA is expected to increase 1.29 percent per year between 2005 and 2010.
- The Subject’s target income group is \$12,994 to \$31,860 for the project as a whole. This spreads across five income cohorts. The following table illustrates the number of households that will contract or increase within these cohorts.

	2000 Households		2005 Households		Prj Mrkt Entry March 2008 Households		Percent Growth
	#	%	#	%	#	%	
< \$10,000	1,457	14.82%	1,446	14.71%	1,382	13.53%	-4.6%
\$10,000-\$14,999	825	8.39%	739	7.52%	705	6.91%	-4.8%
\$15,000-\$19,999	856	8.71%	757	7.70%	678	6.64%	-11.7%
\$20,000-\$24,999	708	7.20%	749	7.62%	735	7.20%	-1.9%
\$25,000-\$29,999	714	7.26%	627	6.38%	630	6.17%	0.5%
\$30,000-\$34,999	628	6.39%	647	6.58%	579	5.67%	-11.7%
\$35,000-\$39,999	395	4.02%	487	4.95%	537	5.26%	9.4%
\$40,000-\$44,999	528	5.37%	492	5.01%	482	4.72%	-2.1%
\$45,000-\$49,999	511	5.20%	489	4.97%	454	4.45%	-7.7%
\$50,000-\$59,999	696	7.08%	844	8.59%	875	8.57%	3.6%
\$60,000-\$74,999	750	7.63%	913	9.29%	978	9.58%	6.7%
\$75,000-\$99,999	562	5.72%	840	8.55%	967	9.47%	13.2%
\$100,000+	377	3.84%	800	8.14%	1,207	11.82%	33.7%
Total	9,007	100.00%	9,830	100.00%	10,211	100.00%	11.8%

As the table above illustrates, the market area is expected to have larger decreases within the lower income brackets with slight gains in the upper income brackets. The Subject property reports relatively low turnover and high occupancy. Therefore, we do not believe this loss of households will negatively impact the Subject. Additionally, the Subject has ten units of Rental Assistance, which allows for households with no income. Despite the increases in low-income households, the largest income bracket within the PMA at the time of market entry is those households earning \$10,000 or less. The Rental Assistance units will allow the Subject to pull demand from this large income bracket, further supplementing demand.

- We made an adjustment to the calculations to reflect that 20 percent of existing demand will come from outside the PMA. This is based on our interviews with the Subject’s property manager as well as other market participants who indicated that 80 percent of the demand would come from the Valdosta-Lake Park area. However, Lake Park is seeing increasing demand from the town of Quitman as well as from northern Florida.

As the analysis illustrates, the Subject’s capture rates at the 50 percent level range from four to 30 percent with an overall rate of 17 percent. For the units at 60 percent of AMI, the capture rates range from eight to 41 percent with an overall capture rate of 24 percent. The overall

capture rate for the one-bedroom units is 20 percent. The overall capture rate for the two-bedroom units is 65 percent. The overall capture rate for the three-bedroom units is 11 percent. The overall capture rate for the Subject's units is 37 percent.

The capture rates for the two-bedroom units are relatively high. However, the Subject is currently 100 percent occupied with 13 households on a waiting list. The waiting list includes 12 people interested in a two-bedroom unit, where the demand analysis shows the weakest demand. The renovation will occur with two buildings down at a time allowing the property to maintain 75 percent occupancy during the renovation. Therefore, the capture rate is largely hypothetical. In addition, the Subject has ten units of Rental Assistance, which can accommodate households with no income. That greatly expands demand for these ten units. As a result, these demand calculations understate total demand. We believe there is ample demand in the market for the Subject.

G. SUPPLY ANALYSIS

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

Each year the Georgia Housing Finance Authority, in conjunction with the Georgia Department of Community Affairs, accepts bids for LIHTC tax credit projects. We obtained a listing of such projects in Lowndes County. We did not identify any properties within the PMA constructed since 1999 or currently in the planning stages.

Valdosta Housing Authority

229.242.4130

The Valdosta Housing Authority oversees 546 public housing units. They are currently 80 percent occupied with a waiting list. The low occupancy was attributed to normal turnover and the waiting period required to process applications. The waiting list indicates there is unmet demand in the market.

Waycross Southeast Regional Office, DCA

Pat McNally, Regional Administrator

912.285.6280

According to Pat McNally, the Regional Administrator, there are 601 vouchers in Lowndes County. There are 80 names on the waiting list. The agency is preparing to open the waiting list for an additional 100 names. Two and three-bedroom units are the most popular. Some vouchers have been used for mobile homes, but most are used for apartments and single-family homes. Voucher holders do not have any difficulty in finding housing options once they have a voucher. Ms. McNally believes there are adequate affordable housing options in Lowndes County.

The current payment standard is shown in the table below.

Bedroom Type	Payment Standard
One-bedroom	\$445
Two-bedroom	\$535
Three-bedroom	\$725

All of the Subject’s proposed rents are below the payment standards.

Planning Discussion

Valdosta-Lowndes County Inspections Department

229.259.3506

According to the Valdosta-Lowndes County Inspections Department, which approves building permit requests, there are no new developments in the Lake Park area. Two multifamily market-rate properties in Valdosta are planning to expand. Baytree Apartments, which is included in our survey of comparable properties, is adding 24 units. Heron Lake Apartments is also adding on an unspecified number of units. Other major projects in the area include a five-story judicial building in downtown Valdosta, a Holiday Inn near Interstate 75 in Valdosta, and an addition to the Valwood School. There is no new development planned in the Lake Park area.

Building Permit Activity

The following table depicts building activity from 1997 through May 2006 in unincorporated Lowndes County.

BUILDING PERMITS: Unincorporated Lowndes County, GA - 1997 to May 2006

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
1997	413	15	0	428
1998	347	3	0	350
1999	359	3	0	362
2000	313	0	0	313
2001	333	0	0	333
2002	323	0	0	323
2003	358	0	228	586
2004	561	0	0	561
2005	554	0	0	554
2006*	282	0	0	282
Total**	3,561	21	228	3,810
Average**	396	2	25	423

*Only includes through April 2006 ** Does not include 2006 permits

As illustrated, the majority of permits issued have been for single-family development, accounting for approximately 93 percent of total permits issued. Multifamily development accounts for approximately six percent of permits issued. Three and four-unit developments account for less than one percent of the total developments. All of the multifamily permits were issued in 2003 for 228 total units. These were developed in 12 different buildings. The data does not indicate if these buildings represent multiple developments or just one. We are not aware of any large apartment communities constructed in 2003 or 2004.

DESCRIPTION OF PROPERTY TYPES SURVEYED/DETERMINATION OF NUMBER OF TAX CREDIT UNITS

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. We visited and surveyed numerous properties that were excluded from the market survey because they were not considered useful in the analysis of the Subject property. Our competitive survey includes 12 “true” comparable properties containing 1,302 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered adequate. However, there are no LIHTC or market-rate communities within the Lake Park area, which we would be the best point of

Brookhaven Apartments, Lake Park, GA; Market Study

comparison. As a result, many of the properties in our survey are located outside the market area in Valdosta. The following properties have been excluded from the supply analysis.

Name	Type	Occupancy	Reason Excluded
Arbor Trace I	Senior/RD	100%, 3 on waiting list	Senior RD property
Francis Lake I	Senior/RD	100%	Senior RD property
Hilmont Apartments	Senior/RD	100%, 12 on waiting list	Senior RD property
Lake Park Apartments	Section 8	N/Av	Unable to contact management
Hahira Apartments	RD	N/Av	Unable to contact management

Summary Matrix

Comp #	Project	Distance	Type / Built	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Units Vacant	Vacancy Rate				
Subject	Brookhaven Apartments 4740 Brookhaven Court Lake Park, GA 31636 Lowndes County	n/a	Various n/a	@50%, @60%	1BR / 1BA (One-story)	3	6.20%	@50%	\$295	676	0	0.00%				
					1BR / 1BA (One-story)	5	10.40%	@60%	\$295	676	0	0.00%				
					2BR / 1BA (One-story)	4	8.30%	@50%	\$320	846	0	0.00%				
					2BR / 1BA (One-story)	8	16.70%	@60%	\$320	846	0	0.00%				
					2BR / 1.5BA (Townhouse)	9	18.80%	@50%	\$325	984	0	0.00%				
					2BR / 1.5BA (Townhouse)	15	31.20%	@60%	\$325	984	0	0.00%				
					3BR / 1.5BA (One-story)	1	2.10%	@50%	\$345	975	0	0.00%				
					3BR / 1.5BA (One-story)	3	6.20%	@60%	\$345	975	0	0.00%				
										48	100%				0	0.00%
					1	Ashton Park 1315 River Street Valdosta, GA 31602 Lowndes County	13.6 miles	Garden (2 stories) 1999	@50%, @60%	1BR / 1BA	11	12.50%	@50%	\$340	667	0
					1BR / 1BA	N/A	N/A	@60%	\$340	667	1	N/A				
					2BR / 2BA	56	63.60%	@50%	\$399	869	0	0.00%				
					2BR / 2BA	N/A	N/A	@60%	\$399	869	0	N/A				
					3BR / 2BA	16	18.20%	@50%	\$468	1,055	0	0.00%				
					3BR / 2BA	N/A	N/A	@60%	\$543	1,055	2	N/A				
						88	100%				3	3.40%				
2	Brittany Woods/park Chase 1150 Old Statenville Road Valdosta, GA 31601 Lowndes County	13.0 miles	Garden (2 stories) 1970	@60%, Section 8	1BR / 1BA	1	0.50%	@60%	\$315	668	0	0.00%				
					1BR / 1BA	N/A	N/A	Section 8	N/A	668	0	N/A				
					2BR / 1BA	23	11.30%	@60%	\$370	736	0	0.00%				
					2BR / 1BA	N/A	N/A	Section 8	N/A	736	0	N/A				
					3BR / 1BA	9	4.40%	@60%	\$417	824	0	0.00%				
					3BR / 1BA	N/A	N/A	Section 8	N/A	824	0	N/A				
						204	100%				0	0.00%				
3	Hyde Park Homes I 1553 Weaver Drive Valdosta, GA 31601 Lowndes County	13.1 miles	Duplex 1996	@50%, @60%	3BR / 2BA	20	31.20%	@50%	\$481	1,117	2	10.00%				
					3BR / 2BA	28	43.80%	@60%	\$540	1,117	5	17.90%				
					4BR / 2BA	7	10.90%	@50%	\$506	1,284	1	14.30%				
					4BR / 2BA	9	14.10%	@50%	\$578	1,284	1	11.10%				
						64	100%				9	14.10%				
4	Pine Pointe - Hyde Park II 1553 Weaver Drive Valdosta, GA 31601 Lowndes County	13.2 miles	Duplex 1997	@50%, @60%	3BR / 2BA	25	35.70%	@50%	\$481	1,117	3	12.00%				
					3BR / 2BA	25	35.70%	@60%	\$540	1,117	4	16.00%				
					4BR / 2BA	10	14.30%	@50%	\$506	1,284	3	30.00%				
					4BR / 2BA	10	14.30%	@50%	\$578	1,284	3	30.00%				
						70	100%				13	18.60%				
5	Arbor Trace Apartments II 4700 Rolling Pine Drive Lake Park, GA 31636 Lowndes County	0.0 miles	Various n/a	Rural Development	1BR / 1BA (One-story)	4	9.10%	Rural Development	\$245	N/A	0	0.00%				
					2BR / 1BA (One-story)	1	2.30%	Rural Development	N/A	N/A	0	0.00%				
					2BR / 1.5BA (Townhouse)	31	70.50%	Rural Development	\$274	N/A	1	3.20%				
					3BR / 1.5BA (One-story)	8	18.20%	Rural Development	\$285	N/A	0	0.00%				
						44	100%				1	2.30%				
6	Baytree Ridge Apartments 1726 Poplar Street Valdosta, GA Lowndes County	14.7 miles	Garden (2 stories) 1997	Market	2BR / 2BA	38	100.00%	Market	\$539	N/A	5	13.20%				
						38	100%				5	13.20%				
7	Commons Of Valdosta 158 Garden Drive Valdosta, GA 31602 Lowndes County	14.3 miles	Lowrise (3 stories) 1986/1998	Market	Studio / 1BA	N/A	N/A	Market	\$308	360	N/A	N/A				
					1BR / 1BA	N/A	N/A	Market	\$342	480	N/A	N/A				
					1BR / 1BA	N/A	N/A	Market	\$367	560	0	N/A				
					2BR / 2BA	N/A	N/A	Market	\$415	792	N/A	N/A				
					3BR / 2BA	N/A	N/A	Market	\$538	1,040	N/A	N/A				
					3BR / 2BA	N/A	N/A	Market	\$538	1,140	N/A	N/A				
						136	100%				10	7.40%				
8	Francis Lake II 939 Lakes Blvd Lake Park, GA 31636 Lowndes County	1.0 mile	Garden (2 stories) 1981	Rural Development	1BR / 1BA	8	33.30%	Rural Development	\$244	N/A	0	0.00%				
					2BR / 1BA	12	50.00%	Rural Development	\$269	N/A	0	0.00%				
					3BR / 1.5BA	4	16.70%	Rural Development	\$295	N/A	0	0.00%				
						24	100%				0	0.00%				
9	Spanish Mission Apartments 422 Cornell Road Valdosta, GA 31602 Lowndes County	15.3 miles	Various (2 stories) 1980s	Market	1BR / 1BA (Garden)	10	6.70%	Market	\$547	890	0	0.00%				
					2BR / 2.5BA (Garden)	20	13.30%	Market	\$625	1,213	3	15.00%				
					2BR / 2.5BA (Townhouse)	52	34.70%	Market	\$645	1,125	4	7.70%				
					3BR / 2.5BA (Garden)	68	45.30%	Market	\$758	1,456	1	1.50%				
						150	100%				8	5.30%				
10	Tall Tree Apartments 420 Connell Road Valdosta, GA 31602 Lowndes County	15.2 miles	Various (2 stories) 1975	Market	Studio / 1BA (Garden)	8	5.40%	Market	\$429	457	0	0.00%				
					1BR / 1BA (Garden)	36	24.30%	Market	\$513	770	2	5.60%				
					1.5BR / 1BA (Garden)	20	13.50%	Market	\$549	852	1	5.00%				
					2BR / 1BA (Garden)	28	18.90%	Market	\$594	928	1	3.60%				
					2BR / 1.5BA (Townhouse)	16	10.80%	Market	\$584	971	1	6.20%				
					2BR / 2BA (Garden)	24	16.20%	Market	\$613	1,072	1	4.20%				
					3BR / 2BA (Garden)	16	10.80%	Market	\$713	1,333	2	12.50%				
						148	100%				8	5.40%				

11	Three Oaks Apartment Homes 3833 N. Oak Street Valdosta, GA 31602 Lowndes County	16.3 miles	Garden 1986	Market	1BR / 1BA	48	20.00%	Market	\$583	809	0	0.00%
					2BR / 1BA	62	25.80%	Market	\$633	1,044	0	0.00%
					2BR / 2BA	58	24.20%	Market	\$649	1,044	0	0.00%
					3BR / 2BA	72	30.00%	Market	\$728	1,236	0	0.00%
						240	100%				0	0.00%
12	Woodstone Apartments 1503 E. Park Ave. Valdosta, GA 31602 Lowndes County	14.7 miles	Garden (2 stories) Phase 1 1978, Phase 2 1986	Market	1BR / 1BA	64	21.30%	Market	\$396	550	3	4.70%
					2BR / 1BA	164	54.70%	Market	\$520	900	6	3.70%
					2BR / 2BA	52	17.30%	Market	\$575	1,050	6	11.50%
					3BR / 2BA	20	6.70%	Market	\$668	1,230	3	15.00%
						300	100%				18	6.00%

Property Profile Report

Brookhaven Apartments

Comp # Subject
Effective Rent Date 6/26/2006
Created by Brandi Day (June 29, 2006 18:12 PDT)
Last updated by Brandi Day (June 29, 2006 18:24 PDT)

Location 4740 Brookhaven
Court
Lake Park, GA 31636
Lowndes County
Intersection: Rolling
Pine Drive

Distance n/a

Units 48
Vacant Units 0
Vacancy Rate 0.00%

Type Various
Year Built/Renovated n/a
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors n/a
Tenant Characteristics n/a

Contact Name Renee Henderson
Phone (229) 559-6514



Market

Program	@50%, @60%	Leasing Pace	3-5 days
Annual Turnover Rate	50%	Change in Rent (Past Year)	\$15-20
Units/Month Absorbed	n/a	Concession	none
Section 8 Tenants	4%		

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

Property Profile Report (page 2)

Brookhaven Apartments

Comp #

Subject

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	One-story	3	676	\$295	\$0	@50%	yes	0	0.00%
1	1	One-story	5	676	\$295	\$0	@60%	yes	0	0.00%
2	1	One-story	4	846	\$320	\$0	@50%	yes	0	0.00%
2	1	One-story	8	846	\$320	\$0	@60%	yes	0	0.00%
2	1.5	Townhouse (2 stories)	9	984	\$325	\$0	@50%	yes	0	0.00%
2	1.5	Townhouse (2 stories)	15	984	\$325	\$0	@60%	yes	0	0.00%
3	1.5	One-story	1	975	\$345	\$0	@50%	yes	0	0.00%
3	1.5	One-story	3	975	\$345	\$0	@60%	yes	0	0.00%

Unit Mix: @50%

	1BR / 1BA	2BR / 1BA	2BR / 1.5BA	3BR / 1.5BA					
Face Rent	\$295	\$320	\$325	\$345					
Concession	\$0	\$0	\$0	\$0					
Concessed Face Rent	\$295	\$320	\$325	\$345					
Utility Adjustment	\$0	\$0	\$0	\$0					
Adjusted Rent	\$295	\$320	\$325	\$345					

Unit Mix: @60%

	1BR / 1BA	2BR / 1BA	2BR / 1.5BA	3BR / 1.5BA					
Face Rent	\$295	\$320	\$325	\$345					
Concession	\$0	\$0	\$0	\$0					
Concessed Face Rent	\$295	\$320	\$325	\$345					
Utility Adjustment	\$0	\$0	\$0	\$0					
Adjusted Rent	\$295	\$320	\$325	\$345					

Property Profile Report (page 3)

Brookhaven Apartments

Comp # Subject

Amenities

In-Unit	Balcony/Patio Blinds Cable/Satellite/Internet Central A/C Oven Refrigerator Washer/Dryer hookup	Security	none
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Property	Central Laundry Off-Street Parking On-Site Management Picnic Area Playground	Premium	none
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Services	none	Other	none
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Comments

Brookhaven shares management with its neighbors Arbor Trace I and Arbor Trace II as well as nearby Francis Lake I and Francis Lake II. Arbor Trace I and Francis Lake I are senior properties. All are subsidized under the USDA Rural Development program. Brookhaven does not have any Rental Assistance for its units. Four tenants have Section 8 vouchers. Management estimates that at least 80 percent of its tenants come from the Lake Park and Valdosta areas. There is increasing demand from Florida as well as the nearby city of Quitman. Turnover has slowed in recent months, but generally averages 50 percent annually. Rents increased in March by \$10 for the one-bedroom units, \$15 for the two-bedroom units and \$20 for the three-bedroom units. The property is applying for tax credits. Based on the application, the rents would increase slightly over their current rate. The current rents are \$285 for a one-bedroom unit, \$280 for a two-bedroom flat, \$285 for a two-bedroom townhouse, and \$305 for a three-bedroom unit. There is one person waiting for a one-bedroom unit; three people waiting for a one or two-bedroom unit; four people waiting for a two or three-bedroom unit and five people waiting for a two-bedroom unit. Some of the units have had the carpet in the living room and hallway replaced with vinyl tile. They retained carpet in their bedrooms, however. The central laundry facility is located at the neighboring Arbor Trace II development.

Property Profile Report (page 4)

Brookhaven Apartments Trend Report

Trend: @50%	2QTR 2006			
	1BR / 1BA	2BR / 1BA	2BR / 1.5BA	3BR / 1.5BA
# Units	3	4	9	1
Vacancy Rate	0.00%	0.00%	0.00%	0.00%
Waiting List	yes	yes	yes	yes
Face Rent	\$295	\$320	\$325	\$345
Concession	\$0	\$0	\$0	\$0
Concessed Face Rent	\$295	\$320	\$325	\$345
Utility Adjustment	\$0	\$0	\$0	\$0
Adjusted Rent	\$295	\$320	\$325	\$345

Trend: @60%	2QTR 2006			
	1BR / 1BA	2BR / 1BA	2BR / 1.5BA	3BR / 1.5BA
# Units	5	8	15	3
Vacancy Rate	0.00%	0.00%	0.00%	0.00%
Waiting List	yes	yes	yes	yes
Face Rent	\$295	\$320	\$325	\$345
Concession	\$0	\$0	\$0	\$0
Concessed Face Rent	\$295	\$320	\$325	\$345
Utility Adjustment	\$0	\$0	\$0	\$0
Adjusted Rent	\$295	\$320	\$325	\$345

Comments

2QTR 2006 Brookhaven shares management with its neighbors Arbor Trace I and Arbor Trace II as well as nearby Francis Lake I and Francis Lake II. Arbor Trace I and Francis Lake I are senior properties. All are subsidized under the USDA Rural Development program. Brookhaven does not have any Rental Assistance for its units. Four tenants have Section 8 vouchers. Management estimates that at least 80 percent of its tenants come from the Lake Park and Valdosta areas. There is increasing demand from Florida as well as the nearby city of Quitman. Turnover has slowed down in recent months, but generally averages 50 percent annually. Rents increased in March by \$10 for the one-bedroom units, \$15 for the two-bedroom units and \$20 for the three-bedroom units. The property is applying for tax credits. Based on the application, the rents would increase slightly over their current rate. The current rents are \$285 for a one-bedroom unit, \$280 for a two-bedroom flat, \$285 for a two-bedroom townhouse, and \$305 for a three-bedroom unit. There is one person waiting for a one-bedroom unit; three people waiting for a one or two-bedroom unit; four people waiting for a two or three-bedroom unit and five people waiting for a two-bedroom unit. Some of the units have had the carpet in the living room and hallway replaced with vinyl tile. They retained carpet in their bedrooms, however. The central laundry facility is located at the neighboring Arbor Trace II development.

Property Profile Report

Ashton Park

Comp # 1
Effective Rent Date 6/26/2006
 Created by Charis Cochran (August 04, 2005 11:14 PDT)
 Last updated by Brandi Day (June 27, 2006 13:32 PDT)

Location 1315 River Street
 Valdosta, GA 31602
 Lowndes County
 Intersection: Blitch Street

Distance n/a

Units 88
Vacant Units 3
Vacancy Rate 3.40%

Type Garden
 (2 stories)

Year Built/Renovated 1999
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors n/a
Tenant Characteristics 75% local, 20% nearby counties, 5% out of state, average age 32



Contact Name Glenda
Phone 229-293-0069

Market

Program	@50%, @60%	Leasing Pace	1-2 weeks
Annual Turnover Rate	27%	Change in Rent (Past Year)	4.8%-7.9% increase
Units/Month Absorbed	n/a	Concession	no
Section 8 Tenants	N/A		

Utilities

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

Property Profile Report (page 2)

Ashton Park

Comp #

1

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	Garden (2 stories)	11	667	\$340	\$0	@50%	50 names for all	0	0.00%
1	1	Garden (2 stories)	N/A	667	\$340	\$0	@60%	50 names for all	1	N/A
2	2	Garden (2 stories)	56	869	\$399	\$0	@50%	50 names for all	0	0.00%
2	2	Garden (2 stories)	N/A	869	\$399	\$0	@60%	50 names for all	0	N/A
3	2	Garden (2 stories)	16	1,055	\$468	\$0	@50%	50 names for all	0	0.00%
3	2	Garden (2 stories)	N/A	1,055	\$543	\$0	@60%	50 names for all	2	N/A

Unit Mix: @50%

	1BR / 1BA	2BR / 2BA	3BR / 2BA						
Face Rent	\$340	\$399	\$468						
Concession	\$0	\$0	\$0						
Concessed Face Rent	\$340	\$399	\$468						
Utility Adjustment	\$0	\$0	\$0						
Adjusted Rent	\$340	\$399	\$468						

Unit Mix: @60%

	1BR / 1BA	2BR / 2BA	3BR / 2BA						
Face Rent	\$340	\$399	\$543						
Concession	\$0	\$0	\$0						
Concessed Face Rent	\$340	\$399	\$543						
Utility Adjustment	\$0	\$0	\$0						
Adjusted Rent	\$340	\$399	\$543						

Property Profile Report (page 3)

Ashton Park

Comp # 1

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Exterior Storage Ceiling Fan Garbage Disposal Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	none
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Property	Clubhouse Playground Swimming Pool	Premium	none
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Services	none	Other	none
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Comments

Ashton Park is a LIHTC property offering a total of 88 one-, two-, and three-bedroom units at the 50 percent and 60 percent AMI levels. Built in 1999, the property is 96.6 percent occupied, and there is a waiting list for all unit types with an estimated 50 names on it. The breakdown of the waiting list by unit size is unknown. Management reported that it is difficult to find income-qualified tenants for LIHTC units as applicants are either over-income-qualified or under-income-qualified.

Property Profile Report (page 4)

Ashton Park Trend Report

Trend: @50%	3QTR 2005			2QTR 2006		
	1BR / 1BA	2BR / 2BA	3BR / 2BA	1BR / 1BA	2BR / 2BA	3BR / 2BA
# Units	11	56	16	11	56	16
Vacancy Rate	0.00%	3.60%	6.20%	0.00%	0.00%	0.00%
Waiting List	10	15	7	50 names for all	50 names for all	50 names for all
Face Rent	\$340	\$399	\$468	\$340	\$399	\$468
Concession	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$340	\$399	\$468	\$340	\$399	\$468
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$340	\$399	\$468	\$340	\$399	\$468

Trend: @60%	3QTR 2005			2QTR 2006		
	1BR / 1BA	2BR / 2BA	3BR / 2BA	1BR / 1BA	2BR / 2BA	3BR / 2BA
# Units	N/A	N/A	N/A	N/A	N/A	N/A
Vacancy Rate	N/A	N/A	N/A	N/A	N/A	N/A
Waiting List				50 names for all	50 names for all	50 names for all
Face Rent	\$340	\$399	\$543	\$340	\$399	\$543
Concession	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$340	\$399	\$543	\$340	\$399	\$543
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$340	\$399	\$543	\$340	\$399	\$543

Comments

3QTR 2005 Ashton Park is a LIHTC property offering a total of 88 one-, two-, and three-bedroom units at the 50 percent and 60 percent AMI levels. Built in 1999, the property is 96.6 percent occupied, and there is a waiting list for all unit types. Though there is a waiting list as well as vacancies for the two-bedrooms, not all households on the waiting list have been verified. The breakdown of the waiting list and vacancies by AMI level is unknown. The one-bedroom units have ten individuals waiting, the two-bedroom units have fifteen people waiting, and the three-bedroom units have seven people waiting. Rents have recently increased by 4.8 to 7.9 percent, or \$25, for every unit type. Unit amenities include smoke alarms in all units.

2QTR 2006 Ashton Park is a LIHTC property offering a total of 88 one-, two-, and three-bedroom units at the 50 percent and 60 percent AMI levels. Built in 1999, the property is 96.6 percent occupied, and there is a waiting list for all unit types with an estimated 50 names on it. The breakdown of the waiting list by unit size is unknown. Management reported that it is difficult to find income-qualified tenants for LIHTC units as applicants are either over-income-qualified or under-income-qualified.

Property Profile Report

Brittany Woods/Park Chase

Comp # 2
Effective Rent Date 6/26/2006
 Created by Brandi Day (July 06, 2006 08:00 PDT)
 Last updated by Brandi Day (July 06, 2006 08:04 PDT)

Location 1150 Old Statenville
 Road
 Valdosta, GA 31601
 Lowndes County
 Intersection:
 Continental Drive

Distance n/a

Units 204
Vacant Units 0
Vacancy Rate 0.00%

Type Garden
(2 stories)

Year Built/Renovated 1970
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors n/a
Tenant Characteristics n/a



Contact Name Felicia
Phone 229.244.1770

Market

Program	@60%, Section 8	Leasing Pace	2-3 days
Annual Turnover Rate	26%	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	none
Section 8 Tenants	N/A		

Utilities

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

Property Profile Report (page 2)

Brittany Woods/park Chase

Comp # 2

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	Garden (2 stories)	1	668	\$338	\$0	@60%	10 people	0	0.00%
1	1	Garden (2 stories)	N/A	668	N/A	\$0	Section 8	10 people	0	N/A
2	1	Garden (2 stories)	23	736	\$400	\$0	@60%	20 people	0	0.00%
2	1	Garden (2 stories)	N/A	736	N/A	\$0	Section 8	20 people	0	N/A
3	1	Garden (2 stories)	9	824	\$454	\$0	@60%	10 people	0	0.00%
3	1	Garden (2 stories)	N/A	824	N/A	\$0	Section 8	10 people	0	N/A

Unit Mix: @60%

	1BR / 1BA	2BR / 1BA	3BR / 1BA						
Face Rent	\$338	\$400	\$454						
Concession	\$0	\$0	\$0						
Concessed Face Rent	\$338	\$400	\$454						
Utility Adjustment	(\$23)	(\$30)	(\$37)						
Adjusted Rent	\$315	\$370	\$417						

Unit Mix: Section 8

	1BR / 1BA	2BR / 1BA	3BR / 1BA						
Face Rent	n/a	n/a	n/a						
Concession	\$0	\$0	\$0						
Concessed Face Rent	n/a	n/a	n/a						
Utility Adjustment	(\$23)	(\$30)	(\$37)						
Adjusted Rent	n/a	n/a	n/a						

Property Profile Report (page 3)

Brittany Woods/park Chase

Comp # 2

Amenities

In-Unit	Blinds Carpeting Central A/C Oven Refrigerator	Security	none
Property	Central Laundry Off-Street Parking On-Site Management Playground	Premium	none
Services	none	Other	none

Comments

The property is a mix of Section 8 and LIHTC housing. The two properties are adjacent to each other. They have the same design and unit size. A specific breakdown of the unit mix could not be obtained. However, management was able to give a breakdown of the LIHTC units, which account for 33 of the 204 total units. Turnover averages 26 percent annually. Leasing takes two to three days. There is a waiting list for all unit types. Some units have gas cooking.

Property Profile Report (page 4)

Brittany Woods/park Chase Trend Report

	3QTR 2006		
Trend: @60%	1BR / 1BA	2BR / 1BA	3BR / 1BA
# Units	1	23	9
Vacancy Rate	0.00%	0.00%	0.00%
Waiting List	10 people	20 people	10 people
Face Rent	\$338	\$400	\$454
Concession	\$0	\$0	\$0
Concessed Face Rent	\$338	\$400	\$454
Utility Adjustment	\$0	\$0	\$0
Adjusted Rent	\$338	\$400	\$454

	3QTR 2006		
Trend: Section 8	1BR / 1BA	2BR / 1BA	3BR / 1BA
# Units	N/A	N/A	N/A
Vacancy Rate	N/A	N/A	N/A
Waiting List	10 people	20 people	10 people
Face Rent	n/a	n/a	n/a
Concession	\$0	\$0	\$0
Concessed Face Rent	n/a	n/a	n/a
Utility Adjustment	\$0	\$0	\$0
Adjusted Rent	n/a	n/a	n/a

Comments

3QTR 2006 The property is a mix of Section 8 and LIHTC housing. The two properties are adjacent to each other. They have the same design and unit size. A specific breakdown of the unit mix could not be obtained. However, management was able to give a breakdown of the LIHTC units, which account for 33 of the 204 total units. Turnover averages 26 percent annually. Leasing takes two to three days. There is a waiting list for all unit types. Some units have gas cooking.

Property Profile Report

Hyde Park Homes I

Comp # 3
Effective Rent Date 6/26/2006
Created by Charis Cochran (August 04, 2005 11:42 PDT)
Last updated by Brandi Day (June 27, 2006 13:23 PDT)

Location 1553 Weaver Drive
Valdosta, GA 31601
Lowndes County
Intersection: Melbor Street

Distance n/a

Units 64
Vacant Units 9
Vacancy Rate 14.10%

Type Duplex
Year Built/Renovated 1996
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors none
Tenant Characteristics 80% local, 20% non-local: many from Florida and the North

Contact Name Lawana
Phone 229-259-0578



Market

Program	@50%, @60%	Leasing Pace	15 days at the most
Annual Turnover Rate	56%	Change in Rent (Past Year)	8% increase
Units/Month Absorbed	n/a	Concession	1st month free
Section 8 Tenants	N/A		

Utilities

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

Property Profile Report (page 2)

Hyde Park Homes I

Comp # 3

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
3	2	Duplex	20	1,117	\$467	\$0	@50%	0	2	10.00%
3	2	Duplex	28	1,117	\$526	\$0	@60%	0	5	17.90%
4	2	Duplex	7	1,284	\$492	\$0	@50%	0	1	14.30%
4	2	Duplex	9	1,284	\$564	\$0	@50%	0	1	11.10%

Unit Mix: @50%

	3BR / 2BA	4BR / 2BA							
Face Rent	\$467	\$492 - \$564							
Concession	\$0	\$0							
Concessed Face Rent	\$467	\$492 - \$564							
Utility Adjustment	\$14	\$14							
Adjusted Rent	\$481	\$506 - \$578							

Unit Mix: @60%

	3BR / 2BA	4BR / 2BA							
Face Rent	\$526	n/a							
Concession	\$0	\$0							
Concessed Face Rent	\$526	n/a							
Utility Adjustment	\$14	\$0							
Adjusted Rent	\$540	n/a							

Property Profile Report (page 3)

Hyde Park Homes I

Comp # 3

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Ceiling Fan Garbage Disposal Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Perimeter Fencing
Property	Clubhouse Central Laundry Off-Street Parking Playground	Premium	none
Services	none	Other	none

Comments

Vacancy at Hyde Park Phase I and II have a higher vacancy than normal. Most of the vacancy is in Phase II. All but nine of the units have been leased and are awaiting occupancy. Management is offering one month of free rent in order to lease the vacancies. Rents increased March 8, 2006 by \$35 (eight percent), in accordance with the HUD income and rent changes.

Property Profile Report (page 4)

Hyde Park Homes I Trend Report

	3QTR 2005		2QTR 2006	
	3BR / 2BA	4BR / 2BA	3BR / 2BA	4BR / 2BA
Trend: @50%				
# Units	N/A	N/A	20	16
Vacancy Rate	N/A	N/A	10.00%	12.50%
Waiting List	0	0	0	0
Face Rent	\$432	\$457 - \$564	\$467	\$492 - \$564
Concession	\$0		\$0	\$0
Concessed Face Rent	\$432	\$457 - \$564	\$467	\$492 - \$564
Utility Adjustment	\$0		\$0	\$0
Adjusted Rent	\$432	\$457 - \$564	\$467	\$492 - \$564

	3QTR 2005	2QTR 2006
	3BR / 2BA	3BR / 2BA
Trend: @60%		
# Units	48	28
Vacancy Rate	N/A	17.90%
Waiting List	0	0
Face Rent	\$526	\$526
Concession	\$0	\$0
Concessed Face Rent	\$526	\$526
Utility Adjustment	\$0	\$0
Adjusted Rent	\$526	\$526

Comments

- 3QTR 2005** Hyde Park Homes I is a LIHTC property built in 1996 and offering a total of 64 individual and duplex homes at the 50 percent and 60 percent AMI levels. The second phase is called Pine Pointe, and has a separate data entry. Three- and four-bedroom units are available, and occupancy is presently 93.8 percent. The monthly turnover rate is approximately three per month, or 56 percent annually. Vacancies are presently all in the three-bedroom units, though the breakdown by AMI level is unknown. Unit amenities include gas ranges, two-space parking for each unit, and select units are wired for in-unit alarms. Renovations to the property include landscape upgrades, new siding, and pressure washing. Residents are 80 percent local. There are no major competitors. The contact considers the market strong in Valdosta, and notes a need for LIHTC properties. He also mentioned the poor condition that many LIHTC individual homes are in, though at Hyde Park Homes and Pine Pointe things are well maintained. Local changes include hospital expansion, college expansion, and a new Lowes.
- 2QTR 2006** Vacancy at Hyde Park Phase I and II have a higher vacancy than normal. Most of the vacancy is in Phase II. All but nine of the units have been leased and are awaiting occupancy. Management is offering one month of free rent in order to lease the vacancies. Rents increased March 8, 2006 by \$35 (eight percent), in accordance with the HUD income and rent changes.

Property Profile Report

Pine Pointe - Hyde Park II

Comp # 4
Effective Rent Date 6/26/2006
 Created by Charis Cochran (August 04, 2005 12:14 PDT)
 Last updated by Brandi Day (June 27, 2006 13:22 PDT)

Location 1553 Weaver Drive
 Valdosta, GA 31601
 Lowndes County
 Intersection: Melbor Street

Distance n/a

Units 70
Vacant Units 13
Vacancy Rate 18.60%

Type Single-family
Year Built/Renovated 1997
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors none
Tenant Characteristics 80% local, many of other 20% from Florida and the North

Contact Name Lawana
Phone 229-259-0578



Market

Program	@50%, @60%	Leasing Pace	15 days at the most
Annual Turnover Rate	50%	Change in Rent (Past Year)	8% increase
Units/Month Absorbed	n/a	Concession	no
Section 8 Tenants	N/A		

Utilities

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

Property Profile Report (page 2)

Pine Pointe - Hyde Park II

Comp #

4

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
3	2	Duplex	25	1,117	\$467	\$0	@50%	0	3	12.00%
3	2	Duplex	25	1,117	\$526	\$0	@60%	0	4	16.00%
4	2	Duplex	10	1,284	\$492	\$0	@50%	0	3	30.00%
4	2	Duplex	10	1,284	\$564	\$0	@50%	0	3	30.00%

Unit Mix: @50%

	3BR / 2BA	4BR / 2BA							
Face Rent	\$467	\$492 - \$564							
Concession	\$0	\$0							
Concessed Face Rent	\$467	\$492 - \$564							
Utility Adjustment	\$14	\$14							
Adjusted Rent	\$481	\$506 - \$578							

Unit Mix: @60%

	3BR / 2BA	4BR / 2BA							
Face Rent	\$526	n/a							
Concession	\$0	\$0							
Concessed Face Rent	\$526	n/a							
Utility Adjustment	\$14	\$0							
Adjusted Rent	\$540	n/a							

Property Profile Report (page 3)

Pine Pointe - Hyde Park II

Comp # 4

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Refrigerator Walk-In Closet Washer/Dryer hookup	Security	In-Unit Alarm Perimeter Fencing
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Property	Clubhouse Off-Street Parking Playground	Premium	none
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Services	none	Other	none
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Comments

Pine Pointe, which is Phase Two of Hyde Park, is a LIHTC property made up of individual and duplex houses rented at the 50 percent and 60 percent AMI levels. Built in 1997, the property offers a total of 70 three- and four-bedroom units. The property is normally 100 percent occupied, but currently has extensive vacancies, although most of them are pre-leased.

Property Profile Report (page 4)

Pine Pointe - Hyde Park II Trend Report

	3QTR 2005		2QTR 2006	
	3BR / 2BA	4BR / 2BA	3BR / 2BA	4BR / 2BA
Trend: @50%				
# Units	50	N/A	25	20
Vacancy Rate	0.00%	N/A	12.00%	30.00%
Waiting List	0	0	0	0
Face Rent	\$432	\$457 - \$564	\$467	\$492 - \$564
Concession	\$0	\$0	\$0	\$0
Concessed Face Rent	\$432	\$457 - \$564	\$467	\$492 - \$564
Utility Adjustment	\$0	\$0	\$0	\$0
Adjusted Rent	\$432	\$457 - \$564	\$467	\$492 - \$564

	3QTR 2005	2QTR 2006
	3BR / 2BA	3BR / 2BA
Trend: @60%		
# Units	N/A	25
Vacancy Rate	N/A	16.00%
Waiting List	0	0
Face Rent	\$526	\$526
Concession	\$0	\$0
Concessed Face Rent	\$526	\$526
Utility Adjustment	\$0	\$0
Adjusted Rent	\$526	\$526

Comments

3QTR 2005 Pine Pointe, which is Phase Two of Hyde Park, is a LIHTC property made up of individual and duplex houses rented at the 50 percent and 60 percent AMI levels. Built in 1997, the property offers a total of 71 three- and four-bedroom units. The property has been 100 percent occupied for a consecutive four months. Property renovations include landscape upgrades, siding upgrades, and pressure-washing. Unit amenities include gas ranges, and two-space parking. Units are wired for alarms. Significant local changes include hospital and college expansion, and a new Lowes. The manager considers the market strong. He mentioned a continual need for LIHTC properties, especially for ones that will be well-maintained.

2QTR 2006 Pine Pointe, which is Phase Two of Hyde Park, is a LIHTC property made up of individual and duplex houses rented at the 50 percent and 60 percent AMI levels. Built in 1997, the property offers a total of 70 three- and four-bedroom units. The property is normally 100 percent occupied, but currently has extensive vacancies, although most of them are pre-leased.

Property Profile Report

Arbor Trace Apartments II

Comp # 5
Effective Rent Date 6/26/2006
 Created by Brandi Day (June 29, 2006 17:51 PDT)
 Last updated by Brandi Day (June 29, 2006 17:56 PDT)

Location 4700 Rolling Pine Drive
 Lake Park, GA 31636
 Lowndes County
 Intersection: Pinewood Drive

Distance n/a

Units 44
Vacant Units 1
Vacancy Rate 2.30%

Type Various
Year Built/Renovated n/a
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors Brookhaven, Francis Lake I

Tenant Characteristics mostly from Lake Park and Valdosta area

Contact Name Renee Henderson
Phone (229) 559-1263



Market

Program	Rural Development	Leasing Pace	3-5 days
Annual Turnover Rate	55%	Change in Rent (Past Year)	9.6%-11.3% increase in March
Units/Month Absorbed	n/a	Concession	none
Section 8 Tenants	3%		

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

Property Profile Report (page 2)

Arbor Trace Apartments II

Comp # 5

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	One-story	4	N/A	\$245	\$0	Rural Development	0	0	0.00%
2	1	One-story	1	N/A	N/A	\$0	Rural Development	N/Ap	0	0.00%
2	1.5	Townhouse (2 stories)	31	N/A	\$274	\$0	Rural Development	three people	1	3.20%
3	1.5	One-story	8	N/A	\$285	\$0	Rural Development	one person	0	0.00%

Unit Mix: Rural Development

	1BR / 1BA	2BR / 1BA	2BR / 1.5BA	3BR / 1.5BA					
Face Rent	\$245	n/a	\$274	\$285					
Concession	\$0	\$0	\$0	\$0					
Concessed Face Rent	\$245	n/a	\$274	\$285					
Utility Adjustment	\$0	\$0	\$0	\$0					
Adjusted Rent	\$245	n/a	\$274	\$285					

Property Profile Report (page 3)

Arbor Trace Apartments II

Comp # 5

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Oven Refrigerator Washer/Dryer hookup	Security	none
Property	Central Laundry Off-Street Parking On-Site Management Playground	Premium	none
Services	none	Other	none

Comments

Phase I of Arbor Trace is a one-story senior community. Phase II is a two-story community with townhouse and single-story units. Both properties share management with neighboring Brookhaven Apartments as well as Francis Lake I and Francis Lake II. Francis Lake II is also a senior community. All of the properties are funded through the USDA Rural Development Program. Arbor Trace II has seven units with Rental Assistance. Three tenants have Section 8 vouchers. Base rents increased in March by \$25 (9.6 to 11.3 percent). The single two-bedroom flat unit is reserved for the manager.

Property Profile Report (page 4)

Arbor Trace Apartments II Trend Report

Trend: Rural Development	2QTR 2006			
	1BR / 1BA	2BR / 1BA	2BR / 1.5BA	3BR / 1.5BA
# Units	4	1	31	8
Vacancy Rate	0.00%	0.00%	3.20%	0.00%
Waiting List	0	N/Ap	three people	one person
Face Rent	\$245	n/a	\$274	\$285
Concession	\$0	\$0	\$0	\$0
Concessed Face Rent	\$245	n/a	\$274	\$285
Utility Adjustment	\$0	\$0	\$0	\$0
Adjusted Rent	\$245	n/a	\$274	\$285

Comments

2QTR 2006 Phase I of Arbor Trace is a one-story senior community. Phase II is a two-story community with townhouse and single-story units. Both properties share management with neighboring Brookhaven Apartments as well as Francis Lake I and Francis Lake II. Francis Lake II is also a senior community. All of the properties are funded through the USDA Rural Development Program. Arbor Trace II has seven units with Rental Assistance. Three tenants have Section 8 vouchers. Base rents increased in March by \$25. The single two-bedroom flat unit is reserved for the manager.

Property Profile Report

Baytree Ridge Apartments

Comp # 6
Effective Rent Date 6/26/2006
 Created by Charis Cochran (August 05, 2005 10:21 PDT)
 Last updated by Brandi Day (June 27, 2006 12:30 PDT)

Location 1726 Poplar Street
 Valdosta, GA
 Lowndes County
 Intersection: Myrtle Street

Distance n/a

Units 38
Vacant Units 5
Vacancy Rate 13.20%

Type Garden
 (2 stories)

Year Built/Renovated 1997
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors none
Tenant Characteristics college students,
 average age 20, many
 from out of state



Contact Name Virginia
Phone 229-242-2303

Market

Program	Market	Leasing Pace	1 day
Annual Turnover Rate	25%	Change in Rent (Past Year)	no
Units/Month Absorbed	n/a	Concession	no
Section 8 Tenants	N/A		

Utilities

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

Property Profile Report (page 3)

Baytree Ridge Apartments

Comp # 6

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Oven Refrigerator Walk-In Closet	Security	none
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Property	Off-Street Parking Swimming Pool	Premium	none
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Services	none	Other	none
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Comments

Baytree Ridge Apartments is an eight year old market rate property offering a total of 38 two-bedroom units. The manager did not know the square footage of the units. Many residents are from out of state, but the manager did not know a percentage. The property offers a special rate of \$495 for students. The regular rent is \$525. Because of the large number of students, turnover varies based on the school year. The manager considers the market to be healthy. Rents last increased one year ago by \$30, six percent. None of the tenants have Section 8 vouchers.

Property Profile Report (page 4)

Baytree Ridge Apartments Trend Report

	3QTR 2005	2QTR 2006
Trend: Market	2BR / 2BA	2BR / 2BA
# Units	38	38
Vacancy Rate	2.60%	13.20%
Waiting List	no	no
Face Rent	\$495	\$525
Concession	\$0	\$0
Concessed Face Rent	\$495	\$525
Utility Adjustment	\$0	\$0
Adjusted Rent	\$495	\$525

Comments

3QTR 2005 Baytree Ridge Apartments is an eight year old market rate property offering a total of 38 two-bedroom units. The manager did not know the square footage of the units. Many residents are from out of state, but the manager did not know a percentage. Renovations take place as needed, unit by unit. The manager considered the market to be very favorable, but reported no significant local changes.

2QTR 2006 Baytree Ridge Apartments is an eight year old market rate property offering a total of 38 two-bedroom units. The manager did not know the square footage of the units. Many residents are from out of state, but the manager did not know a percentage. The property offers a special rate of \$495 for students. The regular rent is \$525. Because of the large number of students, turnover varies based on the school year. The manager considers the market to be healthy. Rents last increased one year ago by \$30, six percent. None of the tenants have Section 8 vouchers.

Property Profile Report

Commons Of Valdosta

Comp # 7
Effective Rent Date 6/26/2006
 Created by Brandi Day (June 29, 2006 09:33 PDT)
 Last updated by Brandi Day (June 29, 2006 09:38 PDT)

Location 158 Garden Drive
 Valdosta, GA 31602
 Lowndes County
 Intersection: North St.
 Augustine Road

Distance n/a

Units 136
Vacant Units 10
Vacancy Rate 7.40%

Type Lowrise
 (3 stories)

Year Built/Renovated 1986/1998
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors n/a
Tenant Characteristics n/a



Contact Name Sharon Benton,
 Manager
Phone (229) 244-7063

Market

Program	Market	Leasing Pace	up to 4 months
Annual Turnover Rate	N/A	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	none
Section 8 Tenants	10%		

Utilities

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

Property Profile Report (page 2)

Commons Of Valdosta

Comp #

7

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
0	1	Lowrise (3 stories)	N/A	360	\$325	\$0	Market	none	N/A	N/A
1	1	Lowrise (3 stories)	N/A	480	\$365	\$0	Market	none	N/A	N/A
1	1	Lowrise (3 stories)	N/A	560	\$390	\$0	Market	none	0	N/A
2	2	Lowrise (3 stories)	N/A	792	\$445	\$0	Market	none	N/A	N/A
3	2	Lowrise (3 stories)	N/A	1,040	\$575	\$0	Market	none	N/A	N/A
3	2	Lowrise (3 stories)	N/A	1,140	\$575	\$0	Market	none	N/A	N/A

Unit Mix: Market

	Studio / 1BA	1BR / 1BA	2BR / 2BA	3BR / 2BA					
Face Rent	\$325	\$365 - \$390	\$445	\$575					
Concession	\$0	\$0	\$0	\$0					
Concessed Face Rent	\$325	\$365 - \$390	\$445	\$575					
Utility Adjustment	(\$17)	(\$23)	(\$30)	(\$37)					
Adjusted Rent	\$308	\$342 - \$367	\$415	\$538					

Property Profile Report (page 3)

Commons Of Valdosta

Comp # 7

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Ceiling Fan Oven Refrigerator Walk-In Closet	Security	none
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Property	Central Laundry Off-Street Parking On-Site Management Swimming Pool	Premium	none
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Services	none	Other	none
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Comments

Management was unwilling to participate in our survey and provided only basic information about the property. Tenants pay \$25 per month for water, sewer, and trash. This has been added to all rents. The property generally stays pretty full. Ten units are currently vacant, but five have been leased. Leasing time varies from two days to four months depending on the condition of the unit. The three-bedroom units are the most difficult to lease. The one-bedroom units are the easiest. Management reported that the property does not have any income restrictions or subsidies although the property is listed among DCA's affordable housing developments.

Property Profile Report (page 4)

Commons Of Valdosta Trend Report

Trend: Market	2QTR 2006			
	Studio / 1BA	1BR / 1BA	2BR / 2BA	3BR / 2BA
# Units	N/A	N/A	N/A	N/A
Vacancy Rate	N/A	N/A	N/A	N/A
Waiting List	none	none	none	none
Face Rent	\$325	\$365 - \$390	\$445	\$575
Concession	\$0	\$0	\$0	\$0
Concessed Face Rent	\$325	\$365 - \$390	\$445	\$575
Utility Adjustment	\$0	\$0	\$0	\$0
Adjusted Rent	\$325	\$365 - \$390	\$445	\$575

Comments

2QTR 2006 Management was unwilling to participate in our survey and provided only basic information about the property. Tenants pay \$25 per month for water, sewer, and trash. This has been added to all rents. The property generally stays pretty full. Ten units are currently vacancy, but five have been leased. Leasing time varies from two days to four months depending on the condition of the unit. The three-bedroom units are the most difficult to lease. The one-bedroom units are the easiest.

Property Profile Report

Francis Lake II

Comp # 8
Effective Rent Date 6/26/2006
 Created by Brandi Day (June 29, 2006 18:01 PDT)
 Last updated by Brandi Day (June 29, 2006 18:03 PDT)

Location 939 Lakes Blvd
 Lake Park, GA 31636
 Lowndes County
 Intersection:
 Springwater Drive

Distance n/a

Units 24

Vacant Units 0

Vacancy Rate 0.00%

Type Garden
 (2 stories)

Year Built/Renovated 1981

Marketing Began n/a

Leasing Began n/a

Last Unit Leased n/a

Major Competitors Lake Park Apartments

Tenant Characteristics mostly from Lake Park
 and Valdosta area

Contact Name Renee Henderson
Phone (229) 559-6514



Market

Program	Rural Development	Leasing Pace	3-5 days
Annual Turnover Rate	50%	Change in Rent (Past Year)	\$7-10 increase in March
Units/Month Absorbed	n/a	Concession	none
Section 8 Tenants	2%		

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

Property Profile Report (page 2)

Francis Lake II

Comp #

8

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	Garden (2 stories)	8	N/A	\$244	\$0	Rural Development	yes	0	0.00%
2	1	Garden (2 stories)	12	N/A	\$269	\$0	Rural Development	yes	0	0.00%
3	1.5	Garden (2 stories)	4	N/A	\$295	\$0	Rural Development	yes	0	0.00%

Unit Mix: Rural Development

	1BR / 1BA	2BR / 1BA	3BR / 1.5BA						
Face Rent	\$244	\$269	\$295						
Concession	\$0	\$0	\$0						
Concessed Face Rent	\$244	\$269	\$295						
Utility Adjustment	\$0	\$0	\$0						
Adjusted Rent	\$244	\$269	\$295						

Property Profile Report (page 3)

Francis Lake II

Comp # 8

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Oven Refrigerator Washer/Dryer hookup	Security	none
Property	Central Laundry Off-Street Parking On-Site Management Playground	Premium	none
Services	none	Other	none

Comments

Francis Lake II shares management with Francis Lake I, Brookhaven Apartments, Arbor Trace I, and Arbor Trace II. All are USDA Rural Development communities. Francis Lake I and Arbor Trace I are senior communities. Rents are the property increases in March by \$7 to \$10. Management reported no difficulty leasing units. There is a short waiting list, but the length was unknown.

Property Profile Report (page 4)

Francis Lake II Trend Report

Trend: Rural Development	2QTR 2006		
	1BR / 1BA	2BR / 1BA	3BR / 1.5BA
# Units	8	12	4
Vacancy Rate	0.00%	0.00%	0.00%
Waiting List	yes	yes	yes
Face Rent	\$244	\$269	\$295
Concession	\$0	\$0	\$0
Concessed Face Rent	\$244	\$269	\$295
Utility Adjustment	\$0	\$0	\$0
Adjusted Rent	\$244	\$269	\$295

Comments

2QTR 2006 Francis Lake II shares management with Francis Lake I, Brookhaven Apartments, Arbor Trace I, and Arbor Trace II. All are USDA Rural Development communities. Francis Lake I and Arbor Trace I are senior communities. Rents are the property increases in March by \$7 to \$10. Management reported no difficulty leasing units. There is a short waiting list, but the length was unknown.

Property Profile Report

Spanish Mission Apartments

Comp # 9
Effective Rent Date 6/26/2006
 Created by Brandi Day (June 29, 2006 09:19 PDT)
 Last updated by Brandi Day (June 29, 2006 09:25 PDT)

Location 422 Cornell Road
 Valdosta, GA 31602
 Lowndes County
 Intersection: SR-7/US-41

Distance n/a

Units 150
Vacant Units 8
Vacancy Rate 5.30%

Type Various
 (2 stories)

Year Built/Renovated 1980s
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors Tall Tree, Woodstone,
 Three Oaks, Staten
 Crossing

Tenant Characteristics students, military
 personnel, families

Contact Name Jessica Jones
Phone 229.242.7333



Market

Program	Market	Leasing Pace	1-2 weeks
Annual Turnover Rate	48%	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	none
Section 8 Tenants	0%		

Utilities

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

Property Profile Report (page 2)

Spanish Mission Apartments

Comp # 9

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	Garden (2 stories)	10	890	\$570	\$0	Market	none	0	0.00%
2	2.5	Garden (2 stories)	20	1,213	\$655	\$0	Market	none	3	15.00%
2	2.5	Townhouse (2 stories)	52	1,125	\$675	\$0	Market	none	4	7.70%
3	2.5	Garden (2 stories)	68	1,456	\$795	\$0	Market	none	1	1.50%

Unit Mix: Market

	1BR / 1BA	2BR / 2.5BA	3BR / 2.5BA						
Face Rent	\$570	\$655 - \$675	\$795						
Concession	\$0	\$0	\$0						
Concessed Face Rent	\$570	\$655 - \$675	\$795						
Utility Adjustment	(\$23)	(\$30)	(\$37)						
Adjusted Rent	\$547	\$625 - \$645	\$758						

Property Profile Report (page 3)

Spanish Mission Apartments

Comp # 9

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Oven Refrigerator	Security	none
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Property	Basketball Court Clubhouse Exercise Facility Central Laundry Off-Street Parking On-Site Management Playground Swimming Pool Tennis Court	Premium	none
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Services	none	Other	none
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Comments

The property currently has eight vacancies, most of them two-bedroom units. However, they are leased and awaiting occupancy. No concessions are being offered in July; however, they were offering \$200 off the first month's rent in June. Turnover averages 48 percent annually. Leasing takes one to two weeks. None of the tenants have Section 8 vouchers. Many of the property's tenants are students. They also have military personnel and other families. The leasing agent reported that the market is really good. Tenants pay a fee to cover water and sewer expenses. The fee is \$15 for one-bedroom units; \$25 for two-bedroom units; and \$35 for three-bedroom units. This fee has been added to the rents. The rents vary based on the condition of the units as some have been fully renovated with new carpet, tile, and appliances. We have used these higher rents in the analysis.

Property Profile Report (page 4)

Spanish Mission Apartments Trend Report

Trend: Market	2QTR 2006		
	1BR / 1BA	2BR / 2.5BA	3BR / 2.5BA
# Units	10	72	68
Vacancy Rate	0.00%	9.70%	1.50%
Waiting List	none	none	none
Face Rent	\$570	\$655 - \$675	\$795
Concession	\$0	\$0	\$0
Concessed Face Rent	\$570	\$655 - \$675	\$795
Utility Adjustment	\$0	\$0	\$0
Adjusted Rent	\$570	\$655 - \$675	\$795

Comments

2QTR 2006 The property currently has eight vacancies, most of them two-bedroom units. However, they are leased and awaiting occupancy. No concessions are being offered in July; however, they were offering \$200 off the first month's rent in June. Turnover averages 48 percent annually. Leasing takes one to two weeks. None of the tenants have Section 8 vouchers. Many of the property's tenants are students. They also have military personnel and other families. The leasing agent reported that the market is really good. Tenants pay a fee to cover water and sewer expenses. The fee is \$15 for one-bedroom units; \$25 for two-bedroom units; and \$35 for three-bedroom units. This fee has been added to the rents. The rents vary based on the condition of the units as some have been fully renovated with new carpet, tile, and appliances. We have used these higher rents in the analysis.

Property Profile Report

Tall Tree Apartments

Comp # 10
Effective Rent Date 6/26/2006
 Created by Charis Cochran (August 04, 2005 13:29 PDT)
 Last updated by Brandi Day (June 29, 2006 07:10 PDT)

Location 420 Connell Road
 Valdosta, GA 31602
 Lowndes County
 Intersection: Sr-7/US-41



Distance n/a

Units 148
Vacant Units 8
Vacancy Rate 5.40%

Type Various
 (2 stories)

Year Built/Renovated 1975
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors Spanish Mission, and
 Three Oaks

Tenant Characteristics 50% military, 50%
 students and families

Contact Name Nancy Key
Phone 229-244-9632

Market

Program	Market	Leasing Pace	7-30 days
Annual Turnover Rate	80%	Change in Rent (Past Year)	one percent increase two months ago
Units/Month Absorbed	n/a	Concession	\$0 security deposit with good credit
Section 8 Tenants	0%		

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	not included

Property Profile Report (page 2)

Tall Tree Apartments

Comp #

10

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
0	1	Garden (2 stories)	8	457	\$415	\$0	Market	no	0	0.00%
1	1	Garden (2 stories)	36	770	\$499	\$0	Market	no	2	5.60%
1.5	1	Garden (2 stories)	20	852	\$535	\$0	Market	no	1	5.00%
2	1	Garden (2 stories)	28	928	\$580	\$0	Market	no	1	3.60%
2	1.5	Townhouse (2 stories)	16	971	\$570	\$0	Market	no	1	6.20%
2	2	Garden (2 stories)	24	1,072	\$599	\$0	Market	no	1	4.20%
3	2	Garden (2 stories)	16	1,333	\$699	\$0	Market	no	2	12.50%

Unit Mix: Market

	Studio / 1BA	1BR / 1BA	1.5BR / 1BA	2BR / 1BA	2BR / 1.5BA	2BR / 2BA	3BR / 2BA		
Face Rent	\$415	\$499	\$535	\$580	\$570	\$599	\$699		
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Concessed Face Rent	\$415	\$499	\$535	\$580	\$570	\$599	\$699		
Utility Adjustment	\$14	\$14	\$14	\$14	\$14	\$14	\$14		
Adjusted Rent	\$429	\$513	\$549	\$594	\$584	\$613	\$713		

Property Profile Report (page 3)

Tall Tree Apartments

Comp # 10

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Garbage Disposal Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Patrol
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Property	Clubhouse Exercise Facility Off-Street Parking On-Site Management Playground Swimming Pool	Premium	none
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Services	none	Other	none
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Comments

Rents increased at the property by \$5-\$10 (one percent) two months ago. The property is currently experiencing high vacancy because it is heavily reliant on students who have returned home for the summer. Some of its current vacancies are leased, however. Management expects leasing activity will increase at the end of July as students return for school. Turnover varies widely depending on the time of year. It is estimated to be approximately 80 percent annually, which is high but not unusual given the tenant base. The property is offering only a minor special of \$0 security deposit for applicants with good credit. Leasing takes a minimum of seven days to prepare the unit, but can take 30 days or more depending on the time of year and number of vacancies. Management is very positive about the overall health of the market.

Property Profile Report (page 4)

Tall Tree Apartments Trend Report

Trend: Market	3QTR 2005							2QTR 2006						
	Studio / 1BA	1BR / 1BA	1.5BR / 1BA	2BR / 1BA	2BR / 1.5BA	2BR / 2BA	3BR / 2BA	Studio / 1BA	1BR / 1BA	1.5BR / 1BA	2BR / 1BA	2BR / 1.5BA	2BR / 2BA	3BR / 2BA
# Units	8	36	20	28	16	24	16	8	36	20	28	16	24	16
Vacancy Rate	0.00%	2.80%	5.00%	7.10%	12.50%	8.30%	0.00%	0.00%	5.60%	5.00%	3.60%	6.20%	4.20%	12.50%
Waiting List	no													
Face Rent	\$415	\$495	\$529	\$570	\$560	\$590	\$690	\$415	\$499	\$535	\$580	\$570	\$599	\$699
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$415	\$495	\$529	\$570	\$560	\$590	\$690	\$415	\$499	\$535	\$580	\$570	\$599	\$699
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$415	\$495	\$529	\$570	\$560	\$590	\$690	\$415	\$499	\$535	\$580	\$570	\$599	\$699

Comments

3QTR 2005 Tall Tree Apartments, managed by Joan Dear Properties, is a market rate property offering a total of 148 one-, two-, and three-bedroom apartments and select townhomes. Built in 1975, the property currently has a 94.6 percent occupancy rate, and just ended their waiting list. Average household size is 2-3, and most residents are younger. Renovations to the property include new carpet, tile, and siding, and a renovated exercise facility. Unit amenities include coat closets and walk-in closets in select units, washer/dryer hook-ups in the two- and three-bedroom units, and select townhomes. The property provides pest control. Significant local change includes growth in the area. The contact considered demand in the area to be high.

2QTR 2006 Rents increased at the property by \$5-\$10 (one percent) two months ago. The property is currently experiencing high vacancy because it is heavily reliant on students who have returned home for the summer. Some of its current vacancies are leased, however. Management expects leasing will pick up at the end of July as students return for school. Turnover varies widely depending on the time of year. It is estimated to be approximately 80 percent annually, which is high but not unusual given the tenant base. The property is offering only a minor special of \$0 security deposit for applicants with good credit. Leasing takes a minimum of seven days to prepare the unit, but can take 30 days or more depending on the time of year and number of vacancies. Management is very positive about the overall healthy of the market.

Property Profile Report

Three Oaks Apartment Homes

Comp # 11
Effective Rent Date 6/26/2006
 Created by Charis Cochran (August 04, 2005 13:57 PDT)
 Last updated by Brandi Day (June 29, 2006 17:44 PDT)

Location 3833 N. Oak Street
 Valdosta, GA 31602
 Lowndes County
 Intersection: North
 Patterson Street

Distance n/a

Units 240
Vacant Units 0
Vacancy Rate 0.00%

Type Garden
Year Built/Renovated 1986
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors Northwind, Staten
 Crossing, Tall Tree
 Apartments

Tenant Characteristics Military, firemen, VSU
 teachers/staff; many
 from out of state

Contact Name Mia
Phone 229-247-1175



Market

Program	Market	Leasing Pace	7-10 days
Annual Turnover Rate	15%	Change in Rent (Past Year)	\$10-\$20 increase over all units
Units/Month Absorbed	n/a	Concession	no
Section 8 Tenants	N/A		

Utilities

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

Property Profile Report (page 2)

Three Oaks Apartment Homes

Comp # 11

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	Garden	48	809	\$569	\$0	Market	n/a	0	0.00%
2	1	Garden	62	1,044	\$619	\$0	Market	n/a	0	0.00%
2	2	Garden	58	1,044	\$635	\$0	Market	n/a	0	0.00%
3	2	Garden	72	1,236	\$714	\$0	Market	n/a	0	0.00%

Unit Mix: Market

	1BR / 1BA	2BR / 1BA	2BR / 2BA	3BR / 2BA					
Face Rent	\$569	\$619	\$635	\$714					
Concession	\$0	\$0	\$0	\$0					
Concessed Face Rent	\$569	\$619	\$635	\$714					
Utility Adjustment	\$14	\$14	\$14	\$14					
Adjusted Rent	\$583	\$633	\$649	\$728					

Property Profile Report (page 3)

Three Oaks Apartment Homes

Comp # 11

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Fireplace Garbage Disposal Microwave Oven Refrigerator	Security	none
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Property	Basketball Court Car Wash Exercise Facility Off-Street Parking On-Site Management Playground Swimming Pool Tennis Court	Premium	none
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Services	none	Other	none
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Comments

Three Oaks Apartment Homes is a market rate property offering a total of 240 one-, two-, and three-bedroom units. It is managed by Mid-American Apartment Communities. Peak turnover time is May through August due to the many students and staff from Valdosta State University. Rents for two bedroom/two-bath units and three-bedroom units varies by location, floor, and fireplace option. Two-bedroom/two-bath ranges from \$635-\$650, and three-bedroom units range from \$714-\$750. We used the lower price in our analysis and consider the fireplace a premium. Rents increased \$10-\$20 across the board within the past year (one percent). Two-bedroom units are the most popular. The average age is 35, and households typically have two or three persons. Unit amenities include fireplaces and microwaves in select units. Community amenities include a car vacuum area. Two parking spaces per household are provided. The contact noted that the exterior of the property is older, however, everything is well-maintained. The contact considers the market saturated for high-end housing, but believes there is a need for LIHTC housing. She noted that, to her knowledge, there is no Section 8 housing in Valdosta.

Property Profile Report (page 4)

Three Oaks Apartment Homes Trend Report

Trend: Market	3QTR 2005				2QTR 2006			
	1BR / 1BA	2BR / 1BA	2BR / 2BA	3BR / 2BA	1BR / 1BA	2BR / 1BA	2BR / 2BA	3BR / 2BA
# Units	48	62	58	72	48	62	58	72
Vacancy Rate	4.20%	3.20%	5.20%	12.50%	0.00%	0.00%	0.00%	0.00%
Waiting List	see notes	see notes	see notes	see notes				
Face Rent	\$559	\$609	\$642	\$729	\$569	\$619	\$635	\$714
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$559	\$609	\$642	\$729	\$569	\$619	\$635	\$714
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$559	\$609	\$642	\$729	\$569	\$619	\$635	\$714

Comments

3QTR 2005 Three Oaks Apartment Homes is a market rate property offering a total of 240 one-, two-, and three-bedroom units. Built in 1986 and managed by Mid-American Apartment Communities, the property is currently 93.3 percent occupied, and at 96 percent occupancy considering preleased units. Peak turnover time is May through August. Rents for two bedroom/two-bath units and three-bedroom units varies by location, floor, and fireplace option. Two-bedroom/two-bath ranges from \$635-\$650, and three-bedroom units range from \$709-\$750. These prices are averaged in the table above. Rents have increased \$10-\$20 (one percent) across the board. Two-bedroom units are the most popular. Many residents are military, firemen, VSU teachers/staff, and young professionals. The average age is 35, and households are typically 2 or 3. Unit amenities include fireplaces and microwaves in select units. Community amenities include a car vacuum area. Two parking spaces per household are provided. The contact noted that the exterior of the property is older, however, everything is well-maintained. The contact considers the market saturated for high-end housing, but believes there is a need for LIHTC housing. She noted that, to her knowledge, there is no Section 8 housing in Valdosta.

2QTR 2006 Three Oaks Apartment Homes is a market rate property offering a total of 240 one-, two-, and three-bedroom units. It is managed by Mid-American Apartment Communities. Peak turnover time is May through August due to the many students and staff from Valdosta State University. Rents for two bedroom/two-bath units and three-bedroom units varies by location, floor, and fireplace option. Two-bedroom/two-bath ranges from \$635-\$650, and three-bedroom units range from \$714-\$750. We used the lower price in our analysis and consider the fireplace a premium. Rents increased \$10-\$20 across the board within the past year. Two-bedroom units are the most popular. The average age is 35, and households typically have two or three persons. Unit amenities include fireplaces and microwaves in select units. Community amenities include a car vacuum area. Two parking spaces per household are provided. The contact noted that the exterior of the property is older, however, everything is well-maintained. The contact considers the market saturated for high-end housing, but believes there is a need for LIHTC housing. She noted that, to her knowledge, there is no Section 8 housing in Valdosta.

Property Profile Report

Woodstone Apartments

Comp # 12
Effective Rent Date 6/26/2006
 Created by Charis Cochran (August 04, 2005 10:45 PDT)
 Last updated by Brandi Day (June 29, 2006 07:19 PDT)

Location 1503 E. Park Ave.
 Valdosta, GA 31602
 Lowndes County
 Intersection: Forest Street



Distance n/a

Units 300
Vacant Units 18
Vacancy Rate 6.00%

Type Garden
 (2 stories)

Year Built/Renovated Phase 1 1978, Phase 2 1986

Marketing Began n/a

Leasing Began n/a

Last Unit Leased n/a

Major Competitors Tall Tree, Stayton Crossing, Spanish Mission

Tenant Characteristics Many residents are military, or come from the university, are in their mid 30s, and households on average are two.

Contact Name Property Manager
Phone 866-497-1289

Market

Program	Market	Leasing Pace	2 months
Annual Turnover Rate	42%	Change in Rent (Past Year)	1-2%, 14% for 1BR
Units/Month Absorbed	n/a	Concession	waive application fee, half off admin. fee
Section 8 Tenants	0%		

Utilities

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

Property Profile Report (page 2)

Woodstone Apartments

Comp # 12

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	Garden (2 stories)	64	550	\$419	\$0	Market	no	3	4.70%
2	1	Garden (2 stories)	164	900	\$550	\$0	Market	no	6	3.70%
2	2	Garden (2 stories)	52	1,050	\$605	\$0	Market	no	6	11.50%
3	2	Garden (2 stories)	20	1,230	\$705	\$0	Market	no	3	15.00%

Unit Mix: Market

	1BR / 1BA	2BR / 1BA	2BR / 2BA	3BR / 2BA					
Face Rent	\$419	\$550	\$605	\$705					
Concession	\$0	\$0	\$0	\$0					
Concessed Face Rent	\$419	\$550	\$605	\$705					
Utility Adjustment	(\$23)	(\$30)	(\$30)	(\$37)					
Adjusted Rent	\$396	\$520	\$575	\$668					

Property Profile Report (page 3)

Woodstone Apartments

Comp # 12

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	In-Unit Alarm
Property	Central Laundry Off-Street Parking On-Site Management Swimming Pool Tennis Court	Premium	none
Services	none	Other	none

Comments

Woodstone Apartments is a market rate property offering a total of 300 one-, two-, and three-bedroom units. Managed by The Benchmark Group, Phase One was built in 1978, and Phase Two was built in 1986. Turnover is mostly seasonal, dependent on the school year. It averages 42 percent annually. Leasing takes and average of six months. Management is waiving the \$35 application fee and giving half off the administration fee. Rents last increased in February by one to two percent for the two and three-bedroom units. The one-bedroom units increased \$60 (14 percent). The property is expecting 29 move-ins in July. With their current 18 vacancies, they have accommodated their entire waiting list.

Property Profile Report (page 4)

Woodstone Apartments Trend Report

Trend: Market	3QTR 2005				2QTR 2006			
	1BR / 1BA	2BR / 1BA	2BR / 2BA	3BR / 2BA	1BR / 1BA	2BR / 1BA	2BR / 2BA	3BR / 2BA
# Units	64	164	52	20	64	164	52	20
Vacancy Rate	12.50%	9.10%	19.20%	15.00%	4.70%	3.70%	11.50%	15.00%
Waiting List	no							
Face Rent	\$419	\$540	\$595	\$699	\$419	\$550	\$605	\$705
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$419	\$540	\$595	\$699	\$419	\$550	\$605	\$705
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$419	\$540	\$595	\$699	\$419	\$550	\$605	\$705

Comments

3QTR 2005 Woodstone Apartments is a market rate property offering a total of 300 one-, two-, and three-bedroom units. Managed by The Benchmark Group, Phase One was built in 1978, and Phase Two was built in 1986. Occupancy is presently 88 percent, and 95 percent considering preleased units. Six of the eight one-bedroom vacancies are preleased, eight of the fifteen two-bedroom/one bath units are preleased, five of the ten two bedroom/two bath units are preleased, and two of the three vacancies in the three-bedroom units are preleased. Due to military and university residents, annual turnover is high at 75%. Major competitors include Tall Tree Apartments, Stayten Crossing, Villa Valdros, Forest Park Apartments, Spanish Mission, and East Park. Unit amenities include coat closets and washer/dryer hook-ups in the two- and three-bedroom units, and walk-in closets in the one-bedroom units. Courtesy officers are on site. Community amenities include two pools, three central laundry facilities and a dog park. The contact had mixed feelings about the local area. She believes it to be over-built, but admits that the new student housing that has gone up was needed. She considers the demand for market rate properties to be favorable.

2QTR 2006 Woodstone Apartments is a market rate property offering a total of 300 one-, two-, and three-bedroom units. Managed by The Benchmark Group, Phase One was built in 1978, and Phase Two was built in 1986. Turnover is mostly seasonal, dependent on the school year. It averages 42 percent annually. Leasing takes and average of six months. Management is waiving the \$35 application fee and giving half off the administration fee. Rents last increased in February by one to two percent for the two and three-bedroom units. The one-bedroom units increased \$60 (14 percent). The property is expecting 29 move-ins in July. With their current 18 vacancies, they have accommodated their entire waiting list.

H. PROPERTY INTERVIEWS

PROPERTY INTERVIEWS

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

Location

Of the properties in our survey, only Francis Lake II and Arbor Trace II are located within the Lake Park area near the Subject. Arbor Trace II is adjacent to the Subject. Both properties are owned and managed by the Subject’s owner. The remaining properties are located in Valdosta, outside the market area. This is considered a superior location because of its proximity to employment and services. Brittany Woods/Park Chase is located in Valdosta, but still within the PMA.

Age and Condition

After renovation, the Subject will be in good to excellent condition. It will be similar to or superior to all of the properties in the market. As such, it should remain competitive. Without the renovation and addition of amenities, the Subject’s age and condition will begin to negatively impact demand within the next five years. According to the on-site manager for both the Subject and its neighbor, Arbor Trace II, Arbor Trace II, is more desirable to potential tenants because it is slightly newer. Both properties offer the same location, amenities, and floorplans. However, improving the condition of the Subject should not negatively impact demand at Arbor Trace II.

Unit Mix

The following table illustrates the unit mix at the Subject and the comparable properties.

Unit Mix Comparison

Unit Type	Subject		Surveyed Properties	
	Total Units	Percent	Total Units	Percent
0bR	0	0%	8	1%
1BR	8	17%	201	18%
2BR	36	75%	614	56%
3BR	4	8%	253	23%
4BR	0	0%	26	2%
Total	48	100%	1,102	100%

As illustrated, the Subject’s market area consists of a majority of two-bedroom units with three-bedroom and one-bedroom units accounting for 23 percent and 18 percent respectively. The Subject has a larger majority of two-bedroom units, 75 percent compared to 56 percent. It also has a larger portion of one-bedroom than three-bedroom units. The waiting list has one person for a one-bedroom unit and 12 people for a two-bedroom unit. Of those waiting for a two-bedroom unit, five want a two-bedroom only, three would like a one or three-bedroom unit, and four would like a two or three bedroom unit. This indicates that the Subject’s unit mix is adequate for its demand.

The following table illustrates the weighted vacancy by unit type.

Vacancy by Unit Type

Unit Type	Total Units	Vacant Units	Percent
0BR	8	0	0%
1BR	201	6	3%
2BR	614	28	5%
3BR	253	13	5%
4BR	26	5	19%
Total	1102	52	5%

As the table shows, the highest vacancy in the market is among the four-bedroom units. The Subject does not have any four-bedroom units. All of its one, two, and three-bedroom units are occupied.

Unit Size

We attempted to compare the proposed Subject’s proposed unit sizes to similar unit types. The table below depicts the square footage of the Subject and comparable properties in the market.

Unit Size Comparison

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/Disadvantage
1 BR	676	480	890	689	-2%
2 BR	846 - 984	736	1,213	954	-2%
3 BR	975	824	1,456	1,119	-15%

The Subject’s units show a disadvantage when compared to the market average ranging from two to 15 percent. However, the Subject’s units are well above the surveyed minimum for each unit type. Therefore, we believe the Subject’s units are of reasonable size. According to the application, the developer obtained a waiver from DCA because of the small unit size. Our inspection revealed the units to be reasonable in size with adequately sized bedrooms. Therefore, we do not believe the Subject will suffer any disadvantage in the market based on the size of its units.

Total Number of Baths per Unit

The Subject offers one bath in all of its units except for the two-bedroom townhouse, which has 1.5 baths. While this is low by national standards, it is in line with most of the properties in the market area. The Subject will be competitive with other surveyed properties.

Unit Amenities

The Subject currently has a refrigerator, oven/range, washer/dryer hook-ups, and central air. After renovation, the units will also include a microwave and dishwasher. This is comparable to or superior to other properties in our survey. A detailed description of amenities included in both the Subject and the comparable properties can be found in the matrices. The matrices have been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in gray, those properties that do not offer an amenity, that the Subject does offer are shaded in green. Thus, the inferior properties can be identified by the green and the superior properties can be identified by the gray.

Common Area Amenities

After renovations, the Subject will offer a club house with computer lab, exercise facility and library. It will also have a new playground as well as a covered picnic area. Management will also have semi-monthly social activities, a weekly reading and activity time for children, and weekly drug prevention and gang awareness seminar. The Subject will be competitive with most properties in the market. It is lacking a swimming pool, which is an important amenity in the market and found at seven of the 12 comparable properties. However, none of the properties in the Park Lake area offer a pool. Only one LIHTC property offers a swimming pool. Therefore, we believe the Subject will remain competitive. The additional amenities will make it more desirable. A detailed description of amenities included in both the Subject and the comparable properties can be found in the matrices. The matrices have been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in gray, those properties that do not offer an amenity, that the Subject does offer are shaded in green. Thus, the inferior properties can be identified by the green and the superior properties can be identified by the gray.

Security Features

Some properties in the area have a gate or secure entrance. However, this is not considered necessary in the area, particular within the Lake Park area where the Subject is located. The Subject does not have any security features.

Utility Structure

The Subject will include water, sewer, and garbage removal in the rental rates. Comparable properties with differing utility allowances have been adjusted to the Subject's utility convention. Adjustments are made using Section 8 Utility Allowances from the Georgia Department of Community Affairs which provide utility estimates for Lowndes County.

Parking

There are will be a total of 99 surface parking spaces at the Subject. This equates to approximately 2.0 parking spaces per unit for residents. Overall, parking appears adequate at the Subject.

Tenant Makeup

Local property managers reported a generally mixed tenancy. At the Subject and its neighboring properties, the manager reported that most of the tenants come from the Lake Park-Valdosta corridor with some demand coming from Quitman in the neighboring county as well as northern Florida. Employment for the tenants varied. Our inspection confirmed that the property caters to a wide variety of tenants including seniors, young families, and working couples. For the market-rate properties in Valdosta, most of the properties reported a tenancy that was heavily military personnel and/or college students. The Subject will not be able to draw from these two tenant bases. Military personnel generally do not meet the income guidelines. College students are not allowed in LIHTC housing, unless they are part-time or have a roommate or spouse that is not a full-time student. Therefore, these market-rate properties cater to a very different population base than the Subject. This limits their usefulness for comparison purposes.

Concessions

None of the properties in our survey are offering concessions. Occasionally, the market-rate properties will offer concessions to fill vacancies left by students leaving for the summer.

However, these are generally small concessions offered for only a short period of time. The Subject should not need to offer concessions to maintain a stabilized occupancy.

Waiting Lists

The Subject has 13 people on its waiting list. Of those, 12 are waiting for a two-bedroom unit. Most of the affordable properties within the market also have a waiting list. Those that reported no waiting list did say that they normally have a list, but recently were able to accommodate all the qualified names on the list. None of the market-rate properties reported a waiting list. This is not unusual considering that it is in-between school semesters and many students, who dominate the local rental market, have returned home for the summer. Managers consistently reported an increase in demand by the end of July or early August. Many also reported having pre-leased units for that time.

Historical Rent Increases

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

Rent Increase

Property Name	Rent Structure	Location	Rent Increase
Brookhaven Apartments - Subject	Rural Development	Lake Park	4-6%
Ashton Park	@50%, @60%	Valdosta	4.8-7.9%
Hyde Park Homes I	@50%, @60%	Valdosta	8%
Pine Pointe - Hyde Park II	@50%, @60%	Valdosta	8%
Brittany Woods/Park Chase	Section 8/@60%	Valdosta	N/Av
Arbor Trace Apartments II	Rural Development	Lake Park	9.6-11.3%
Francis Lake II	Rural Development	Lake Park	3.5-5.1%
Baytree Ridge Apartments	Market	Valdosta	None
Commons Of Valdosta	Market	Valdosta	None
Spanish Mission Apartments	Market	Valdosta	N/Av
Tall Tree Apartments	Market	Valdosta	1%
Three Oaks Apartment Homes	Market	Valdosta	1.8-2.9%
Woodstone Apartments	Market	Valdosta	1-14%

None of the properties in the market reported a rent decrease. Nine properties, including the Subject, reported an increase ranging from one to 14 percent. These are reasonable and healthy increases indicating an active, growing market. The rent increases at the Subject as well as its sister properties, Arbor Trace II and Francis Lake II, were approved by USDA. Management did not report any effect on leasing as a result of the increase. Because only a portion of the units at these properties, including ten units at the Subject, have Rental Assistance, the base rent is paid by the majority of the tenants.

Affect of Subject on Other Affordable Units in Market

The Subject is an existing property that is 100 percent occupied with 13 people on the waiting list. It will be most competitive with its sister properties Arbor Trace II and Francis Lake II, both of which have Rural Development subsidies. After renovation, it will be superior to both of these properties. However, it will likely share its community amenities with Arbor Trace II, as the properties currently share the laundry facility located on the Arbor Trace property.

Brookhaven Apartments, Lake Park, GA; Market Study

Therefore, demand for units at Arbor Trace, which the manager reports is the preferred property of the three, should not be negatively impacted. The demand analysis shows adequate demand for new housing in the market. Because the Subject is fully occupied and renovations will be done with 75 percent occupancy, the Subject will not negatively impact other subsidized properties in the area. Instead, it will improve the quality of life for its existing and future residents.

Vacancy

The following table illustrates the vacancy rates in the market.

Overall Vacancy

Property Name	Rent Structure	Location	Total Units	Vacant Units	Vacancy Rate
Brookehaven Apartments	Rural Development	Lake Park	48	0	0.00%
Ashton Park	@50%, @60%	Valdosta	88	3	3.40%
Hyde Park Homes I	@50%, @60%	Valdosta	64	6	9.38%
Pine Pointe - Hyde Park II	@50%, @60%	Valdosta	70	7	10.00%
Brittany Woods/Park Chase	Section 8/@60%	Valdosta	204	0	0.00%
Arbor Trace Apartments II	Rural Development	Lake Park	44	1	2.30%
Francis Lake II	Rural Development	Lake Park	24	0	0.00%
Baytree Ridge Apartments	Market	Valdosta	38	5	13.20%
Commons Of Valdosta	Market	Valdosta	136	10	7.40%
Spanish Mission Apartments	Market	Valdosta	150	8	5.30%
Tall Tree Apartments	Market	Valdosta	148	8	5.40%
Three Oaks Apartment Homes	Market	Valdosta	240	0	0.00%
Woodstone Apartments	Market	Valdosta	300	18	6.00%
Total			1554	66	4.25%

As illustrated, vacancy rates in the market range from 0.0 to 13.2 percent, averaging 4.25 percent. The highest vacancy is at Baytree Ridge. Management attributed this to the normal turnover at the end of the college semester. The property is planning to add 24 additional units, further indicating they are unconcerned about temporarily high occupancy. Vacancy at Hyde Park Homes I and II is also uncommonly high. Actual vacancy between the two properties is 21 units. However, nine have been pre-leased. Management did not know what had caused the high vacancies, but is quickly leasing the units. Commons of Valdosta, with ten vacant units, is in inferior condition compared to other properties in the market. Three properties in the market are fully occupied. Overall vacancy in the market is reasonable, especially given the tenant base, which relies heavily on the student population. The Subject and other properties in the Lake Park area, do not share this tenant base. Therefore, they are able to maintain a higher occupancy. Arbor Trace II and Francis Lake II are located in Lake Park. These two properties have an average vacancy of 1.5 percent. We previously surveyed properties in the Valdosta area during the third quarter of 2005. At that time, the overall vacancy rate was 7.18 percent, which is significantly higher than the current rate of 4.25 percent. Vacancy is detailed on the following page.

Change In Vacancy Rates

Comparable Property	Type	Location	Total Units	3QTR 2005	2QTR 2006
Brookhaven Apartments	Rural Development	Lake Park	48	N/A	0.00%
Ashton Park	@50%, @60%	Valdosta	88	3.40%	3.40%
Hyde Park Homes I	@50%, @60%	Valdosta	64	6.20%	14.10%
Pine Pointe - Hyde Park II	@50%, @60%	Valdosta	70	0.00%	18.60%
Brittany Woods/Park Chase	Section 8/@60%	Valdosta	204	N/A	0.00%
Arbor Trace Apartments II	Rural Development	Lake Park	44	N/A	2.30%
Baytree Ridge Apartments	Rural Development	Lake Park	38	2.60%	13.20%
Commons Of Valdosta	Market	Valdosta	136	N/A	7.40%
Francis Lake II	Market	Valdosta	24	N/A	0.00%
Spanish Mission Apartments	Market	Valdosta	150	N/A	5.30%
Tall Tree Apartments	Market	Valdosta	148	5.40%	5.40%
Three Oaks Apartment Homes	Market	Valdosta	240	6.70%	0.00%
Woodstone Apartments	Market	Valdosta	300	12.00%	6.00%
Total				7.18%	4.25%

This confirms that the current high vacancy at Hyde Park Homes is unusual. Vacancy at Ashton Park has remained the same, indicating that this is typical turnover for the property. Occupancy at Baytree Ridge has increased since the third quarter of 2005 when school was in session. However, vacancy has decreased significantly at Three Oaks and Woodstone. The application reports that the Subject has achieved an average annual occupancy of 95 percent for the past four years. The on-site manager confirmed that the property generally stays near full occupancy.

Reasonability of Rents

The table below illustrates the net and gross rents at the Subject, as well as the maximum allowable rents. DCA requires that LIHTC properties are at or below DCA's Maximum Allowable Rent per the Rent and Income Guidelines.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents	% Advantage over HUD FMR
<i>50% AMI</i>							
1BR/1BA	5	\$295	\$84	\$379	\$461	\$445	15%
2BR/1BA	8	\$320	\$91	\$411	\$553	\$535	23%
2BR/1.5BA	15	\$325	\$91	\$416	\$553	\$535	22%
3BR/2BA	3	\$345	\$126	\$471	\$639	\$725	35%
<i>60% AMI</i>							
1BR/1BA	3	\$295	\$84	\$379	\$553	\$445	15%
2BR/1BA	4	\$320	\$91	\$411	\$664	\$535	23%
2BR/1.5BA	9	\$325	\$91	\$416	\$664	\$535	22%
3BR/2BA	1	\$345	\$126	\$471	\$767	\$725	35%
Total	48						

Notes (1) Source of Utility Allowance Developer

An analysis of achievable LIHTC rents is beyond the scope of the GA DCA guidelines. Therefore, we do not draw any conclusions as to the reasonableness of the Subject's proposed LIHTC rents. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

The Subject's proposed gross rents at the 50 and 60 percent of AMI levels are below both the LIHTC maximum allowable rent and the Section 8 Payment Standard. The rental rates at the LIHTC properties are compared to the Subject's proposed 50 percent AMI rents in the following table.

LIHTC RENT COMPARISON – 50% AMI

Property Name	One-bedroom Rent	Two-bedroom Rent	Three-bedroom Rent
Brookhaven Apartments (Subject)	\$295	\$320-\$325	\$345
LIHTC Maximum (Net)	\$377	\$462	\$513
Ashton Park	\$340	\$399	\$468
Hyde Park I	N/Ap	N/Ap	\$481
Hyde Park II	N/Ap	N/Ap	\$481
Average (Excluding the Subject)	\$340	\$399	\$477

The Subject's rental rates show a strong advantage over the maximum allowable LIHTC rents as well as the other surveyed properties. Ashton Park and Hyde Park I are both located in Valdosta allowing them a rent advantage. In addition, Hyde Park I and II are single-family communities, which gives it an additional advantage. Based on this analysis, the Subject will have a strong rental advantage over the comparable properties.

The following table compares the Subject's rents at 60 percent of AMI to the LIHTC communities offering rents at 60 percent of AMI.

LIHTC RENT COMPARISON – 60% AMI

Property Name	One-bedroom Rent	Two-bedroom Rent	Three-bedroom Rent
Brookhaven Apartments (Subject)	\$295	\$320-\$325	\$345
LIHTC Maximum (Net)	\$469	\$573	\$641
Ashton Park	\$340	\$399	\$543
Brittany Woods/Park Chase	\$315	\$370	\$417
Hyde Park I	N/Ap	N/Ap	\$540
Hyde Park II	N/Ap	N/Ap	\$540
Average (Excluding the Subject)	\$328	\$385	\$510

As with the units at 50 percent of AMI, The Subject's rental rates show a strong advantage over the maximum allowable LIHTC rents as well as the other surveyed properties. Brittany Woods/Park Chase is considered inferior to the Subject because of its condition and amenities. Although it is located in Valdosta, it is not near any major employment centers. Therefore, the Subject should be able to achieve higher rents than Brittany Woods/Park Chase. The Subject will have a positive rental advantage over the comparable properties.

Brookhaven Apartments, Lake Park, GA; Market Study

The overall average and the maximum and minimum adjusted rents for properties surveyed are illustrated in the table below in comparison with net rents for the Subject. The surveyed averages listed below will differ slightly from the averages calculated above because these averages include all units of a particular unit size while the tables above show only the most similar unit when a property has multiple unit types for each size.

Rent Comparison: @50%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/Disadvantage
1 BR	\$295	\$340	\$340	\$340	-15%
2 BR	\$320 - \$325	\$399	\$399	\$399	-23%
3 BR	\$345	\$468	\$481	\$478	-38%

Rent Comparison: @60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/Disadvantage
1 BR	\$295	\$315	\$340	\$328	-11%
2 BR	\$320 - \$325	\$370	\$399	\$384	-19%
3 BR	\$345	\$417	\$543	\$510	-48%

As illustrated in the above table, the Subject’s proposed market rents are significantly below the other LIHTC properties in the market at both 50 and 60 percent of AMI. The table bellows compares the Subject’s rents to the market-rate properties in the community. The Subject is below the market average by 60 to 79 percent. This clearly shows the Subject’s comparative value in the market.

Rent Comparison: Market Rents

Unit Type	Subject's LIHTC Rents	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/Disadvantage
1 BR	\$295	\$342	\$583	\$471	-60%
2 BR	\$320 - \$325	\$415	\$649	\$581	-79%
3 BR	\$345	\$308	\$728	\$560	-62%

Absorption

The Subject is an existing property with 100 percent occupancy. The renovation is expected to occur with 75 percent occupancy as two buildings will be renovated at a time. Therefore, projections of absorption are purely hypothetical. None of the properties in our survey were able to provide information about absorption. Therefore, we will rely on the demand analysis as well as market information regarding waiting lists and leasing pace in our assessment. Most properties in the market report a maximum leasing period of two weeks. The Subject has 13 households on a waiting list and can generally lease units within three to five days depending on the length of time required to prepare the unit for a new tenant. Therefore, we believe the Subject will be able to lease its renovated units as they become available. Assuming all units were delivered at once, we believe the leasing period would be approximately nine months. This allows for five days to lease each unit, which should allow adequate time for processing of paperwork and tenant move-in.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is ample demand for the Subject property as conceived. Strengths of the Subject will include

common area amenities, which are superior to the other properties in the Lake Park area, which will most closely compete with the Subject, and its rents, which offer a strong advantage when compared to both LIHTC and market-rate properties in the area. Among the units at 50 percent of AMI, the Subject offers a 15 to 38 percent advantage. Among the units at 60 percent of AMI, the advantage ranged from 11 to 48 percent. When compared to the market-rate units, the advantage ranges from 60 to 79 percent. In addition, the market has a relatively low vacancy rate of 5.8 percent. This is very reasonable considering that much of the market relies on college students, who are currently on summer break.

I. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- The Lowndes County area and the PMA are both areas of growth. The PMA is expected to see an annual household growth of 1.29 percent through 2010, which is slightly below the national average of 1.30 percent growth. Although both the PMA and MSA lag behind the nation’s median income, they are still seeing strong growth, indicative of a healthy economy. In 2010, the PMA’s median household income, which is slightly below that of the MSA, will be 71 percent of the nation’s median income. Much of the growth in the area, in both population and incomes, can be attributed to a healthy economy. Total employment has increased since 1990 with growth peaking in 2004 and 2002. Employment in the county will see further increases as Moody Air Force Base, located in northern Lowndes County, is expecting to see gains as a result of the 2005 BRAC round. The installation will lose 604 military and 145 civilians and gain 1,274 military and 50 civilians for a total gain of 670 military and a total loss of 95 civilians. While the unemployment rate has fluctuated, it has consistently remained below the national average, sometimes by as much as two percentage points. Overall, the demographic and economic indicators identify that market area as very desirable for future development.
- The Subject’s capture rates are detailed on the following table.

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption
1 Bdrm	50%AMI	3	30	0	30	10%	6 months
	60% AMI	5	39	0	39	13%	6 months
1 Bdrm	TOTAL	8	39	0	39	20%	6 months
2 Bdrm	50%AMI	13	43	0	43	30%	9 months
	60% AMI	23	56	0	56	41%	9 months
2 Bdrm	TOTAL	36	56	0	56	65%	9 months
3 Bdrm	50%AMI	1	28	0	28	4%	3 months
	60% AMI	3	36	0	36	8%	3 months
3 Bdrm	TOTAL	4	36	0	36	11%	3 months

- The capture rates for the two-bedroom units are relatively high. However, the Subject is currently 100 percent occupied with 13 households on a waiting list. The waiting list includes 12 people interested in a two-bedroom unit, where the demand analysis shows the weakest demand. The renovation will occur with two buildings down at a time allowing the property to maintain 75 percent occupancy during the renovation. Therefore, this analysis is largely hypothetical. In addition, the Subject has ten units of Rental Assistance, which can accommodate households with no income. That greatly expands demand for these units. As a result, these demand calculations understate total demand. We believe there is ample demand in the market for the Subject.
- The Subject is an existing property with 100 percent occupancy. The renovation is expected to occur with 75 percent occupancy as two buildings will be renovated at a time. Therefore, projections of absorption are purely hypothetical. None of the properties in our survey were able to provide information about absorption. Therefore, we will rely on the demand analysis

as well as market information regarding waiting lists and leasing pace in our assessment. Most properties in the market report a maximum leasing period of two weeks. The Subject has 13 households on a waiting list and can generally lease units within three to five days depending on the length of time required to prepare the unit for a new tenant. Therefore, we believe the Subject will be able to lease its renovated units as they become available. Assuming all units were delivered at once, we believe the leasing period would be approximately nine months. This allows for five days to lease each unit, which should allow adequate time for processing of paperwork and tenant move-in.

- Vacancy rates in the market range from 0.0 to 13.2 percent, averaging 4.25 percent, down from 7.18 percent in third quarter 2005. The highest vacancy is at Baytree Ridge, which has a large students population. Management attributed this to the normal turnover at the end of the college semester. The property is planning to add 24 additional units, further indicating they are unconcerned about temporarily high occupancy. Vacancy at Hyde Park Homes I and II is also uncommonly high. Actual vacancy between the two properties is 21 units. However, nine have been pre-leased. Management did not know what had caused the high vacancies, but is quickly leasing the units. Commons of Valdosta, with ten vacant units, is in inferior condition compared to other properties in the market. Three properties in the market are fully occupied. Overall vacancy in the market is reasonable, especially given the tenant base, which relies heavily on the student population. The Subject and other properties in the Lake Park area, do not share this tenant base. Therefore, they are able to maintain a higher occupancy. Arbor Trace II and Francis Lake II are located in Lake Park. These two properties have an average vacancy of 1.5 percent.
- None of the properties in our survey are offering concessions. Occasionally, the market-rate properties will offer concessions to fill vacancies left by students leaving for the summer. However, these are generally small concessions offered for only a short period of time. The Subject should not need to offer concessions to maintain a stabilized occupancy.
- The Subject's rental rates show a strong advantage over the maximum allowable LIHTC rents as well as the other surveyed properties at both the 50 and 60 percent of AMI income levels. Ashton Park and Hyde Park I and II are all located in Valdosta allowing them a rent advantage. In addition, Hyde Park I and II are single-family communities, which gives them an additional advantage. The Subject's rents are sufficiently lower than these properties to give it a rent advantage in the market. Brittany Woods/Park Chase is considered inferior to the Subject because of its condition and amenities. Although it is located in Valdosta, it is not near any major employment centers.
- Based upon our market research, demographic calculations and analysis, we believe there is ample demand for the Subject property as conceived. Strengths of the Subject will include common area amenities, which are superior to the other properties in the Lake Park area, which will most closely compete with the Subject, and its rents, which offer a strong advantage when compared to both LIHTC and market-rate properties in the area. Among the units at 50 percent of AMI, the Subject offers a 15 to 38 percent advantage. Among the units at 60 percent of AMI, the advantage ranged from 11 to 48 percent. When compared to the market-rate units, the advantage ranges from 60 to 79 percent. In addition, the market has a relatively low vacancy rate of 4.25 percent. This is very reasonable considering that much of the market relies on college students, who are currently on summer break.

Recommendations

- We believe that the Subject will be feasible as proposed as of April 2006.

J. SIGNED STATEMENT REQUIREMENTS

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area and that information has been used in the full study of the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs' 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

7-14-2006

Date

K. ANALYST QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER

I. Education

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

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

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Candidate member of the Commercial Investment Real Estate Institute pursuing
the Certified Investment Member (CCIM) designation.
Member Frostburg Housing Authority

Certified General Real Estate Appraiser - State of Maryland
Certified General Real Estate Appraiser – State of New York
Certified General Real Estate Appraiser – Commonwealth of Virginia
Certified General Real Estate Appraiser – State of Washington

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
Maryland 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. CCIREI – Course CI 101 Financial Analysis for Commercial
Real Estate Appraisal Institute – Real Estate Appraisal Principles Appraisal Institute –
Basic Valuation Procedures Appraisal Institute – Capitalization Theory and Techniques
Part A and B Appraisal Institute – Case Studies in Real Estate Valuation Appraisal
Institute – Standards and Professional Practice Appraisal Institute – Valuation Analysis
and Report Writing BAI Seminars – Loan Review, Advanced Loan Review, Commercial
Loan Work - Out National Institute of Trial Lawyers Appraisal Institute– Expert Witness
Testimony Ernst & Young, LLP– - Capital Markets and Financing

V. Real Estate Assignments

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

- 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 with a concentration on the east coast.
- 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.
- In accordance with HUD Notice H 00-12, 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.
- Member of the due diligence team hired by Insignia/ESG to assist in the determination of underlying asset value and marketability of a large retail portfolio of regional malls. Assignment included review of leases, lease abstracting, and cash flow modeling. Prepared due diligence package that included lease abstracts, market analysis and projected operations with explanatory comments.
- Assisted a developer on three projects located in Maryland through all stages of the development process. This assistance included market analysis, contract negotiation, third party report supervision and preparation of financing packages. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, and development programming. Support for contract negotiations involved cash flow projections and valuation analyses. Third party report supervision entailed the marshaling and review of the appropriate third party reports including market studies, environmental and engineering reports and appraisals. Preparation of financing packages included the compilation of development budgets and cash flow projections. Completed financing submissions including; Tax Exempt Bond Applications, Credit Enhancement Applications, Construction Loan Applications, and alternative financing applications.
- Completed a market study for an affordable housing developer on Clifton Terrace Apartments in Washington, DC. Clifton Terrace is a former HUD financed property currently owned by the Federal Government. The market study was used in a response to a request for redevelopment proposals. Our research included neighborhood analysis, competitive supply evaluation and demand projections. Demand by family size was further analyzed using PUMS detailed census analysis. This analysis formed the basis for the proposed unit mix in the response.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

MICHALENA M. SKIADAS

I. Education

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

II. Professional Experience

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

III. Professional Training and Continuing Education

Member, National Council of Affordable Housing Market Analysts (NCAHMA)
Attended HUD Community Development Block Grant (CDBG) 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.
- Assisted in preparing an approved HUD Consolidated Plan for the City of Gainesville, GA; which included a housing and homeless needs assessment, market analysis, non-housing needs analysis, and a strategic plan, which conformed to 24CFR Part 91, Consolidated Plan Regulations for the ensuing five-year period (2004-2009).
- Assisted in preparing a comprehensive senior housing study in Seattle, Washington for the Seattle Housing Authority. This study evaluated the Seattle Housing Authority's affordable senior housing project for their position within the entire city's senior housing market. The research involved analysis of the senior population by neighborhood, income, household size, racial composition, and tenure.

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

BRANDI DAY

I. Education

The George Washington University
Bachelor of Arts, Political Science
Minor, Journalism

II. Professional Experience

Real Estate Analyst, Novogradac & Company, LLP
Research Assistant, Grubb & Ellis

III. Professional Training and Continuing Education

Attended several internal Novogradac & Company seminars in affordable housing development and New Market Tax Credits

Conducted panels at Novogradac Conferences on topics including rural development of affordable housing and the use of GIS and demographic analysis in site evaluation.

Participated in the Virginia Housing Conference, 2002

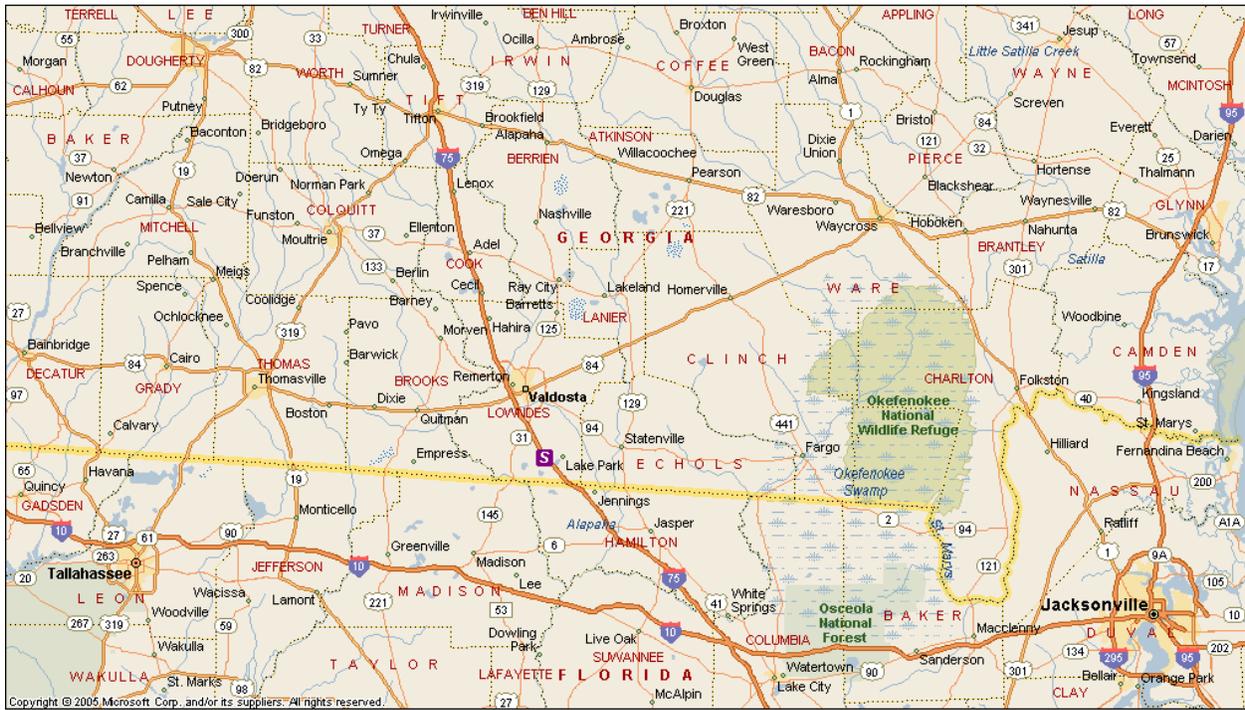
IV. Real Estate Assignments

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

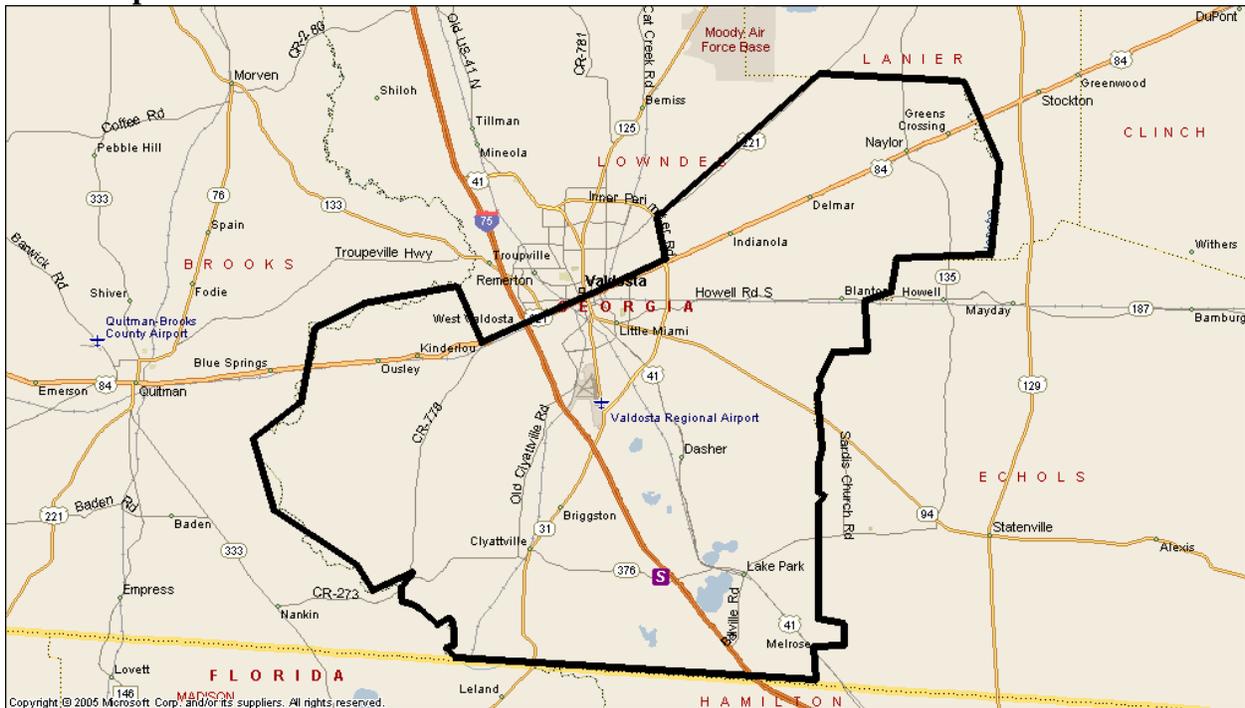
- Assisted in the appraisal of multi-family, retail and hotel properties for a portfolio of loans held by the SBA/METEC nationwide.
- Assisted with appraisal of a portfolio of big-box retail properties in the New England area.
- Conducted market studies and assisted in appraisals of proposed new construction and existing Low Income Housing Tax Credit properties. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, and demand analysis.
- Conducted Market studies for the state of North Carolina and the state of Georgia during the LIHTC application process.
- Prepared full market survey of the Orlando, Florida, LIHTC market, including analysis of near-future occupancy and rents and the affects of the 2004 hurricane season.
- Writes monthly Q&A for The Valuation Report, a monthly newsletter publication produced by Novogradac & Co., LLP.

L. MAPS

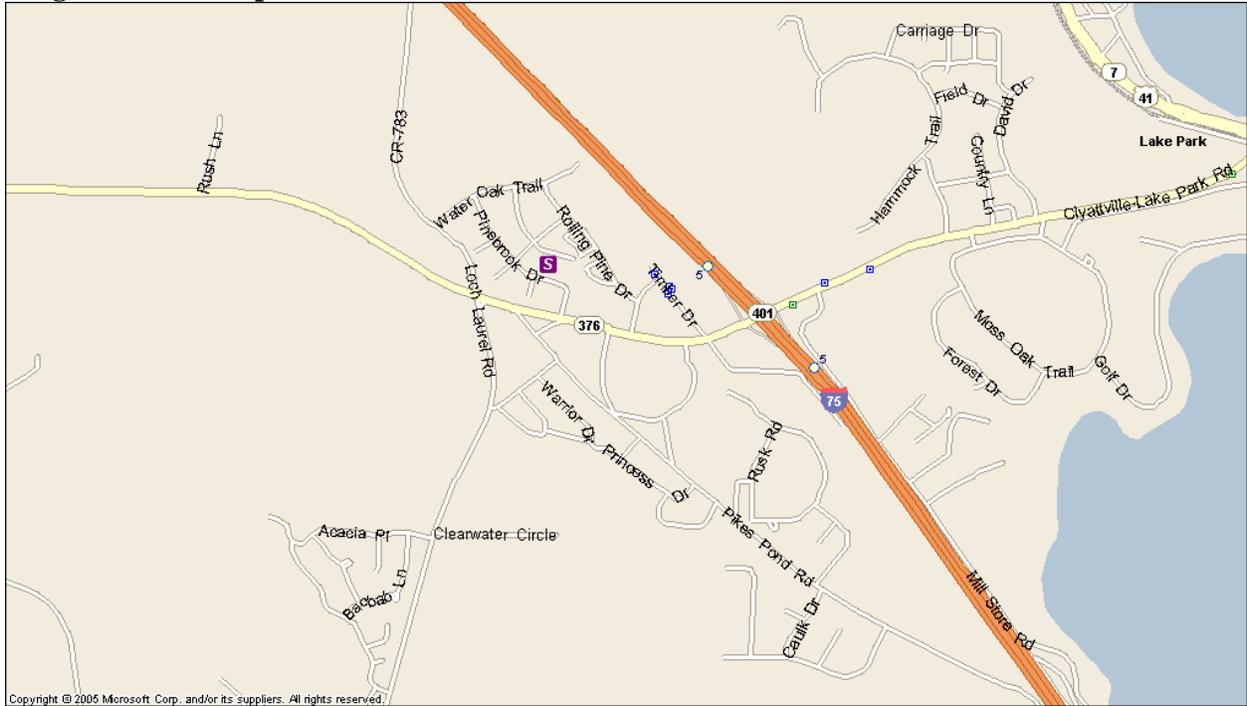
Regional Map



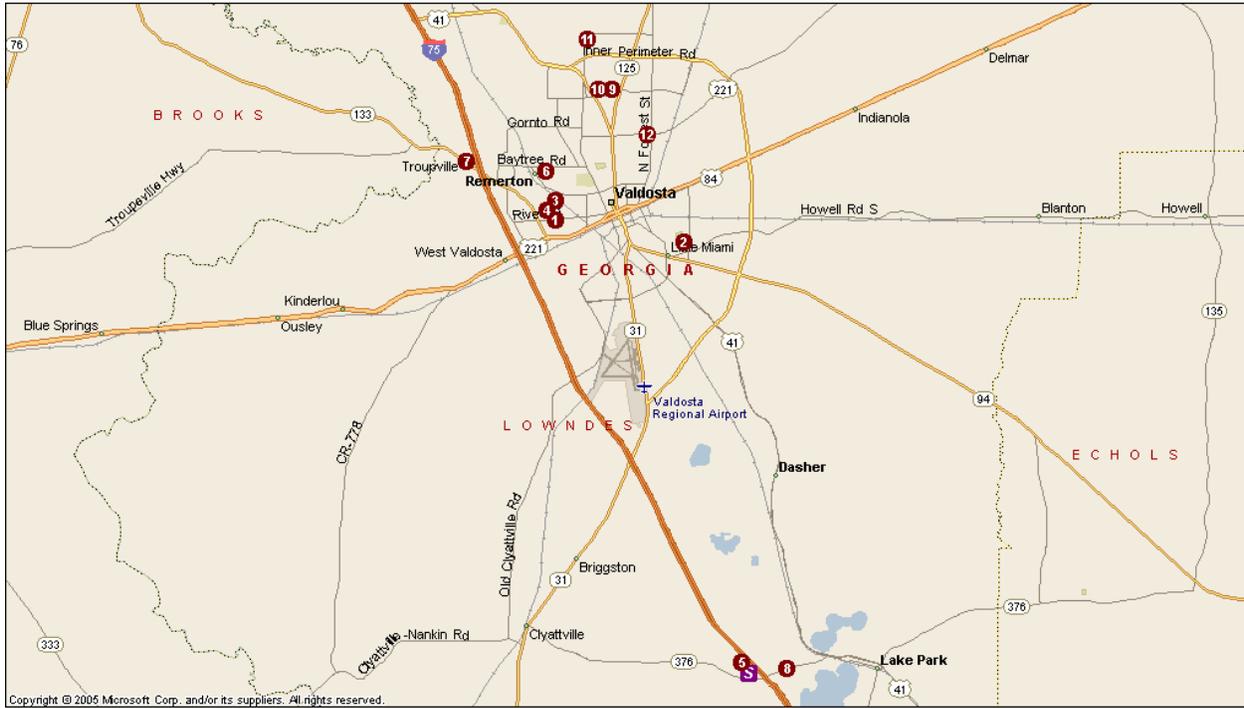
PMA Map



Neighborhood Map



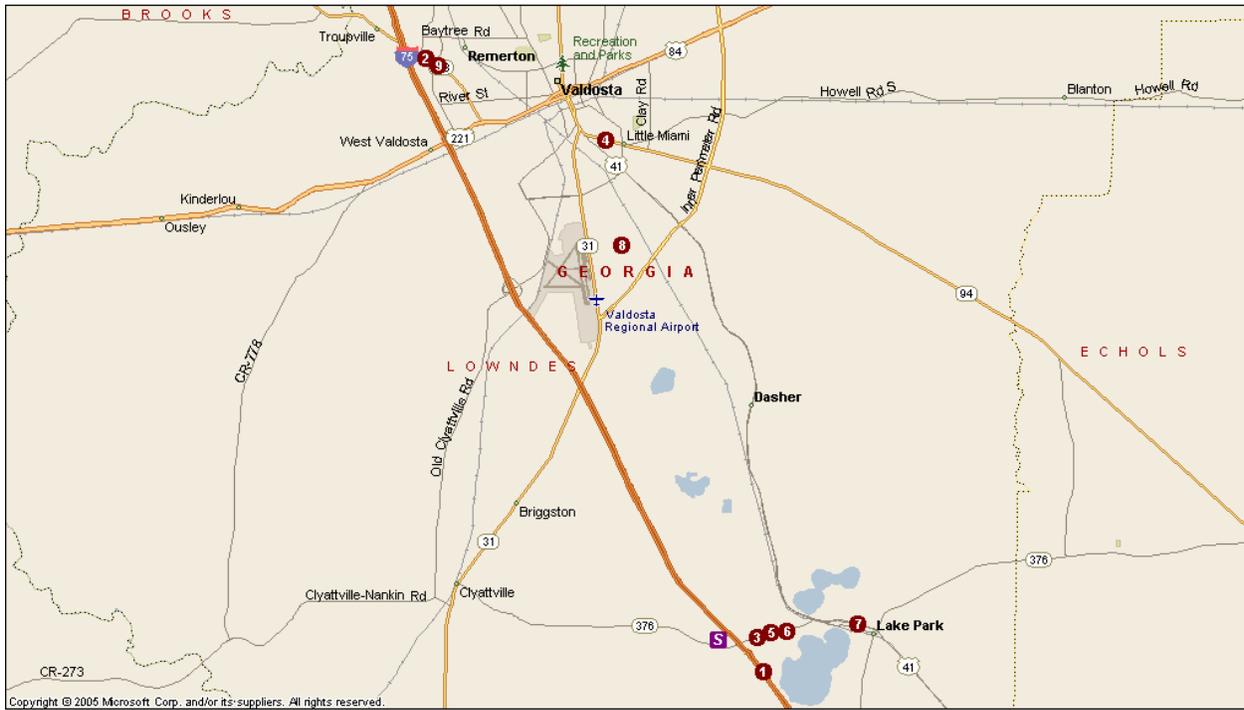
Comparable Property Map



Comparable Properties Map - Distance to Subject

Map #	Name	Distance (in Miles)
1	Ashton Park	13.6 miles
2	Brittany Woods/Park Chase	13.0 miles
3	Hyde Park Homes I	13.1 miles
4	Pine Pointe - Hyde Park II	13.2 miles
5	Arbor Trace Apartments II	0.0 miles
6	Baytree Ridge Apartments	14.7 miles
7	Commons Of Valdosta	14.3 miles
8	Francis Lake II	1.0 mile
9	Spanish Mission Apartments	15.3 miles
10	Tall Tree Apartments	15.2 miles
11	Three Oaks Apartment Homes	16.3 miles
12	Woodstone Apartments	14.7 miles

Location Amenity Map



Local Distances from Services

Map #	Name	Distance (in Miles)
1	Shopping Center – Lake Park Outlets	1.5 miles
2	Mall - Colonial Mall Valdosta	12.2 miles
3	Grocery Store - Winn Dixie	0.7 miles
4	Medical Center - Convenient Care South	9.7 miles
5	Lake Park Health Clinic	1.0 miles
6	Johnston Lakes Library	1.1 miles
7	Park Lake Elementary School	2.6 miles
8	Lowndes Middle School	7.7 miles
9	Lowndes High School	12. miles