

MARKET STUDY

Property:

Magnolia Terrace Phase 2
714 Green Street
Fort Valley, Peach County, Georgia 31030



Type of Property:

Affordable Multifamily Development
Family-New Construction

Date of Report:

July 11, 2006

Effective Date:

July 1, 2006

Developer:

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Prepared For:

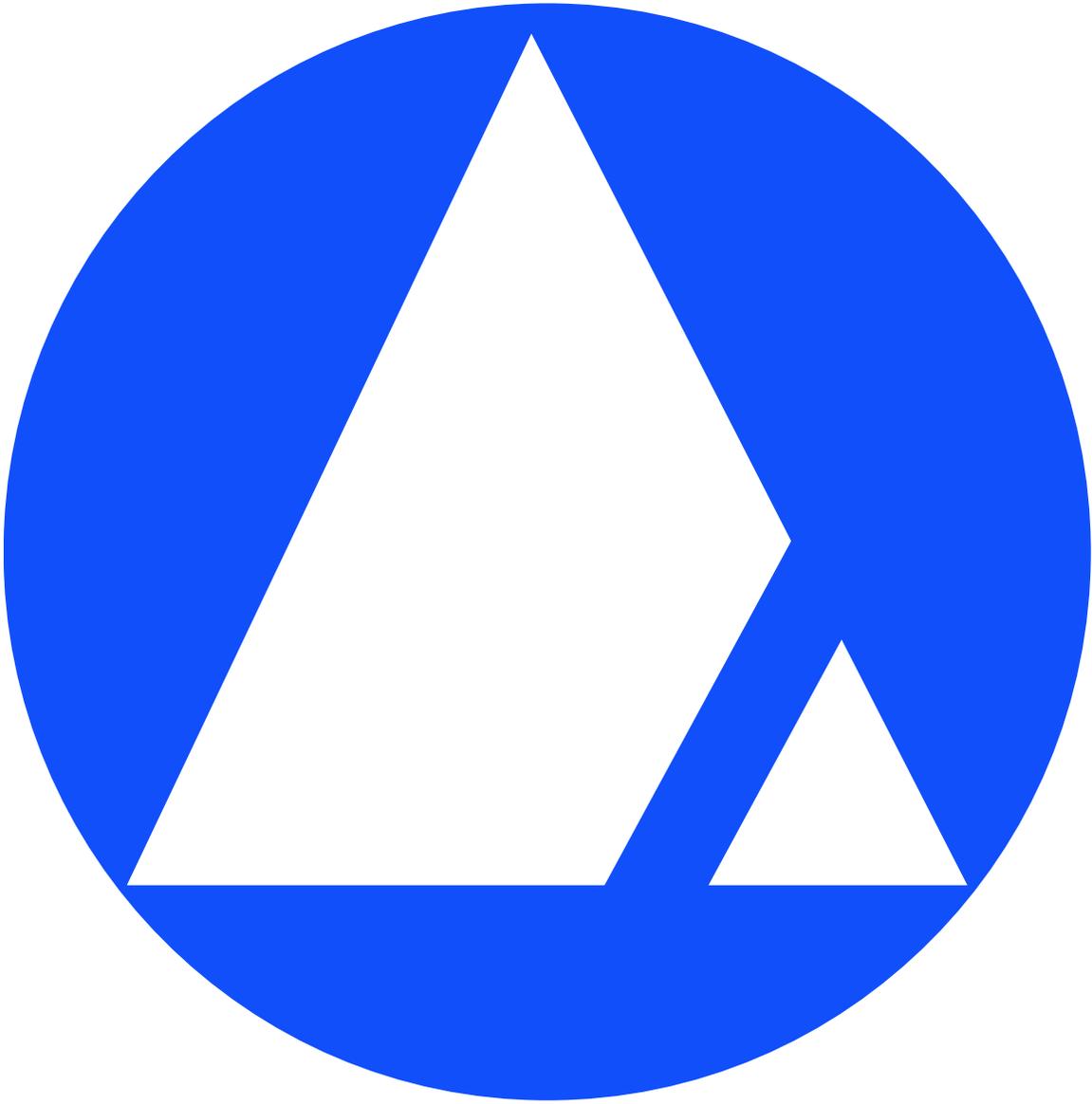
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AAC File Number: AAC-2006-085

DCA File Number: 06-008



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July 11, 2006

Ms. Christie Cade
Georgia Department of Community Affairs
60 Executive Park South, N.E.
Atlanta, Georgia 30329-2231

Re: Magnolia Terrace Phase 2

Dear Ms. Cade:

Please find the enclosed market study for the above referenced property.

The subject property, known as Magnolia Terrace Phase 2, is a proposed affordable multifamily development located at 714 Green Street, Fort Valley, Peach County, Georgia. The developer proposes using below-market debt and/or tax credit financing to construct this new 36-unit affordable multifamily community. The subject property is proposed to be an open age community.

The subject property is proposed to consist of a total of 36 revenue-producing units including 1-, 2- and 3-bedroom apartments. A total of 22 units are proposed to be restricted to 50% of AMI; a total of 6 units are proposed to be restricted to 60% of AMI; 8 units are proposed to be set aside as market rate units; no units are proposed to receive project-based rental assistance.

Individual apartments are proposed to include a kitchen, living room, dining room, and 1, 2 or 3 bedrooms. The project is proposed to include a BBQ area, community center, library, picnic area and playground. In addition, the project is proposed to include a central laundry. Bathrooms are proposed to include a tub with shower, a vanity, and mirror. Living rooms and bedrooms will be carpeted. Kitchens, dining areas, and bathrooms will have vinyl flooring. Each unit is proposed to be furnished with a stove and refrigerator. Unit heating and cooling is proposed to consist of central units.

All utilities – with the exception of cold water, sewer and trash - are proposed to be paid by the resident.

The scope of this assignment consists of a comprehensive market analysis for the subject property. The market study was completed in accordance with Georgia Department of Community Affairs (DCA) and National Council of Affordable Housing Market Analysts (NCAHMA) requirements and Standards 4 and 5 of the Uniform Standards of Professional Practice (USPAP). The completion of this report involved a site visit, interviews with local property managers, and the collection of market data through discussions with persons knowledgeable of the local real estate market. This report is presented in a self-contained report format, of which this section is a part.

The purpose of the report is to evaluate market need for the subject property as of the effective date of this report. The function of this report is to assess the marketability of the subject property for equity financing purposes. This report should not be used for any other purposes without the express written permission of Allen & Associates Consulting.

The Georgia Department of Community Affairs (DCA) is our client for purposes of this assignment. Additional users of this report include Magnolia Terrace Apartments II, L.P. No other person or entity may use this report for any reason whatsoever without the express written permission of Allen & Associates Consulting.

Our conclusions are summarized in the table found on the following page; an expanded summary is found in the Executive Summary section of this report.

The market rent conclusions are computed in current dollars as of the effective date of this report and are subject to the construction, lease up and operation of the subject property as described in this report.

The findings and conclusions reported are based on the conditions that exist as of the effective date of this report. These factors are subject to change and may alter, or otherwise affect the findings and conclusions presented in this report.

To the best of our knowledge, this report presents an accurate evaluation of market conditions for the subject property as of the effective date of this report. While the analysis that follows is based upon information obtained from sources believed to be reliable, no guarantee is made of its accuracy.

Feel free to contact us with any questions or comments.

Respectfully submitted:
ALLEN & ASSOCIATES CONSULTING



Jeffrey B. Carroll

Conclusions

Subject Property Units			Penetration and Saturation Rate Estimate				Capture Rate Estimate				Absorption Analysis		Rent Analysis		
Unit Type	Rent Type	Units Proposed	Gross Qualified	Penetration Rate	Competing Supply	Saturation Rate	Gross Qualified	New Supply	Net Qualified	Capture Rate	Absorption Rate	Absorption Period	Achievable Rent	Program Rent	Proposed Rent
1-BR	50% of AMI	2	79	2.5%	16	23.3%	47	2	45	4.4%	0.69	3 mos	\$400	\$436	\$375
1-BR	Market Rate	2	158	1.3%	15	10.7%	54	3	51	3.9%	0.39	5 mos	\$450	-	\$450
2-BR	50% of AMI	10	124	8.1%	50	48.6%	61	16	45	22.1%	1.07	9 mos	\$460	\$517	\$440
2-BR	60% of AMI	3	89	3.4%	50	59.6%	38	7	31	9.7%	0.55	5 mos	\$460	\$641	\$440
2-BR	Market Rate	3	204	1.5%	78	39.6%	54	4	50	6.0%	0.51	5 mos	\$535	-	\$475
3-BR	50% of AMI	10	108	9.3%	14	21.9%	46	7	39	25.6%	0.94	10 mos	\$475	\$589	\$475
3-BR	60% of AMI	3	57	5.3%	14	29.4%	16	1	15	19.9%	0.35	8 mos	\$475	\$732	\$475
3-BR	Market Rate	3	109	2.7%	55	53.0%	26	3	23	13.2%	0.27	10 mos	\$540	-	\$500
Average/Total		36	928	3.9%	292	35.3%	342	43	299	12.0%	3.38	10 mos	Stabilized Occupancy		94%

In this report we provide four measures of market depth: (1) Penetration rate - the ratio of the number of subject property units to the number of income-qualified households in the market area; (2) Saturation rate - the ratio of the number of subject property units plus the number of competing units to the number of income qualified households in the market area; (3) Capture rate - the ratio of the number of subject property units – net of new and pipeline units - to the number of income qualified overburdened and substandard households in the market area; and (4) Absorption period – the estimated number of months to fill the subject property units.

Penetration and saturation rates were computed using a methodology promoted by the National Council of Affordable Housing Market Analysts. Capture rates were computed in conformance with Georgia Department of Community Affairs (DCA) specifications. Absorption periods were estimated using a methodology developed by the Appraisal Institute.

In our opinion, the estimated overall penetration rate (3.9%), saturation rate (35.3%), capture rate (12.0%), and absorption period (10 months) all appear reasonable. Our research also suggests a 94 percent stabilized occupancy rate for this project. Finally, the proposed rents appear to be below achievable rents. In our opinion, therefore, the subject property is feasible from a market standpoint as proposed.

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INTRODUCTION

Identification of the Subject Property

The subject property, known as Magnolia Terrace Phase 2, is a proposed affordable multifamily development located at 714 Green Street, Fort Valley, Peach County, Georgia. The developer proposes using below-market debt and/or tax credit financing to construct this new 36-unit affordable multifamily community. The subject property is proposed to be an open age community.

The subject property is proposed to consist of a total of 36 revenue-producing units including 1-, 2- and 3-bedroom apartments. A total of 22 units are proposed to be restricted to 50% of AMI; a total of 6 units are proposed to be restricted to 60% of AMI; 8 units are proposed to be set aside as market rate units; no units are proposed to receive project-based rental assistance.

Individual apartments are proposed to include a kitchen, living room, dining room, and 1, 2 or 3 bedrooms. The project is proposed to include a BBQ area, community center, library, picnic area and playground. In addition, the project is proposed to include a central laundry. Bathrooms are proposed to include a tub with shower, a vanity, and mirror. Living rooms and bedrooms will be carpeted. Kitchens, dining areas, and bathrooms will have vinyl flooring. Each unit is proposed to be furnished with a stove and refrigerator. Unit heating and cooling is proposed to consist of central units.

All utilities – with the exception of cold water, sewer and trash - are proposed to be paid by the resident.

Scope of the Report

The scope of this assignment consists of a comprehensive market analysis for the subject property. The market study was completed in accordance with Georgia Department of Community Affairs (DCA) and National Council of Affordable Housing Market Analysts (NCAHMA) requirements and Standards 4 and 5 of the Uniform Standards of Professional Practice (USPAP). The completion of this report involved a site visit, interviews with local property managers, and the collection of market data through discussions with persons knowledgeable of the local real estate market. This report is presented in a self-contained report format, of which this section is a part.

Purpose of the Report

The purpose of the report is to evaluate market need for the subject property as of the effective date of this report. The function of this report is to assess the marketability of the subject property for equity financing purposes. This report should not be used for any other purposes without the express written permission of Allen & Associates Consulting.

Intended Users of the Report

The Georgia Department of Community Affairs (DCA) is our client for purposes of this assignment. Additional users of this report include Magnolia Terrace Apartments II, L.P.

No other person or entity may use this report for any reason whatsoever without the express written permission of Allen & Associates Consulting.

Statement of Competency

On July 19, 1995 the Appraisal Standards Board issued Advisory Opinion 14 dealing specifically with the evaluation of subsidized housing, including tax-exempt bond and Low Income Housing Tax-Credit properties. The Advisory Opinion makes the following statement regarding the competency of the consultant on subsidized housing:

Appraisers should be aware that the competency required to appraise subsidized housing extends beyond typical residential appraisal competency. Subsidized housing appraisals require the appraiser to understand the various programs, definitions, and pertinent tax considerations involved in the particular assignment applicable to the location and development. An appraiser should be capable of analyzing the impact of the programs and definitions in the local subsidized housing submarket, as well as in the general market that is unaffected by subsidized housing programs. Appraisers should also be aware of possible political changes that will affect the durability of the benefits and restrictions to the subsidized housing projects and fully understand interpretation and enforcement of subsidy programs.

The Advisory Opinion underscores the fact that conventional multifamily experience is insufficient for the analysis of subsidized housing. Allen & Associates Consulting has provided demand analyses, market studies, feasibility studies, and appraisals for subsidized multifamily properties since 1988. The analyst is familiar with local multifamily supply and demand characteristics and the technical details of the tax-exempt bond and the Low Income Housing Tax Credit programs. The analysts hereby certify that they are experienced in the analysis of affordable income-producing housing as set forth above.

Date of Site Visit

The date of the site visit was July 1, 2006.

Effective Date of Report

The effective date of this report is July 1, 2006.

Date of Report

The date of this report is July 11, 2006.

Date of Market Entry

For purposes of our market analysis, we will use July 1, 2008 as the date of market entry for the subject property.

Zoning

According to the developer's tax credit application, the subject property is currently

zoned R-2. It is our understanding that the proposed development is a legal, conforming use under this zoning classification.

Survey & Easements

A current survey for the subject property was not provided to the analyst. A current survey for the subject property should be evaluated to ascertain whether there are any easements encumbering the subject property. It is our understanding that the site is encumbered by standard utility easements that do not adversely affect its marketability and that the site is serviced by municipal utilities.

Plans & Specifications

Construction drawings for the subject property were not provided to the analyst for review. Construction drawings are necessary so that the analysis accurately reflects the characteristics of the property and to evaluate any potential functional obsolescence with respect to the subject property.

Statement of Assumptions and Limiting Conditions

- 1) The title to the subject property is merchantable, and the property is free and clear of all liens and encumbrances, except as noted.
- 2) No liability is assumed for matters legal in nature.
- 3) Ownership and management are assumed to be in competent and responsible hands.
- 4) No survey has been made by the analyst. Dimensions are as supplied by others and are assumed to be correct.
- 5) The report was prepared for the purpose so stated and should not be used for any other reason.
- 6) All direct and indirect information supplied by the owner and their representatives concerning the subject property is assumed to be true and accurate.
- 7) No responsibility is assumed for information supplied by others and such information is believed to be reliable and correct. This includes zoning information provided by Municipal officials.
- 8) The signatories shall not be required to give testimony or attend court or be at any governmental hearing with respect to the subject property unless prior arrangements have been made with the client.
- 9) Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute.
- 10) The legal description is assumed to be accurate.
- 11) This report specifically assumes that there are no site, subsoil, or building contaminants present resulting from residual substances or construction materials, such as asbestos, radon gas, PCB, etc. Should any of these factors exist, the appraiser reserves the right to review these findings, review the value estimates, and change the estimates, if deemed necessary.
- 12) The Americans with Disabilities Act (ADA) became effective July 1, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA.
- 13) The market rent conclusions are computed in current dollars as of the effective date of this report and are subject to the construction, lease up and operation of the subject property as described in this report.
- 14) The findings and conclusions reported are based on the conditions that exist as of the effective date of this report. These factors are subject to change and may alter, or otherwise affect the findings and conclusions presented in this report.
- 15) This analysis assumes that the proposed debt and equity financing described in this report is approved and funded.

Certification

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market area 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 DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.

In addition, I certify to the following:

- 1) We have no present or contemplated future interest in the real estate that is the subject of this report.
- 2) We have no personal interest or bias with respect to the subject matter of this report or the parties involved.
- 3) To the best of our knowledge and belief, the statements of fact contained in this report, upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct.
- 4) This report sets forth all of the limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analysis, opinions, and conclusions contained in this report.
- 5) This report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute.
- 6) Our compensation is not contingent upon an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- 7) Jeffrey B. Carroll and Frank Victory (Allen & Associates Consulting, Inc.) visited the subject property and surrounding area.
- 8) Jeffrey B. Carroll (Allen & Associates Consulting, Inc.) conducted the analysis found in this report.
- 9) The following Allen & Associates employees assisted in the compilation of data for this report: Frank Victory and Debbie Rucker. No one else had a significant contribution to the analyses and opinions expressed in this report.
- 10) The assignment was not based upon a minimum or specific outcomes, or approval of a loan.

11) The analyst's analysis, opinions, and conclusions were developed and the report has been prepared in accordance with Georgia Department of Community Affairs (DCA) and National Council of Affordable Housing Market Analysts (NCAHMA) requirements and Standards 4 and 5 of the Uniform Standards of Professional Practice (USPAP).

Respectfully submitted:
ALLEN & ASSOCIATES CONSULTING



Jeffrey B. Carroll

EXECUTIVE SUMMARY

Market Study

Property:

Magnolia Terrace Phase 2
714 Green Street
Fort Valley, Peach County, Georgia 31030



Type of Property:

Affordable Multifamily Development
Family-New Construction

Date of Report:

July 11, 2006

Effective Date:

July 1, 2006

Prepared By:

Mr. Jeffrey B. Carroll
Allen & Associates Consulting
3116 Glen Summit Drive
Charlotte, North Carolina 28270
Phone: 704-905-2276 • Fax: 704-708-4261

Overview

In this report we provide four measures of market depth: (1) Penetration rate - the ratio of the number of subject property units to the number of income-qualified households in the market area; (2) Saturation rate - the ratio of the number of subject property units plus the number of competing units to the number of income qualified households in the market area; (3) Capture rate - the ratio of the number of subject property units – net of new and pipeline units - to the number of income qualified overburdened and substandard households in the market area; and (4) Absorption period – the estimated number of months to fill the subject property units.

Penetration and saturation rates were computed using a methodology promoted by the National Council of Affordable Housing Market Analysts. Capture rates were computed in conformance with Georgia Department of Community Affairs (DCA) specifications. Absorption periods were estimated using a methodology developed by the Appraisal Institute.

In our opinion, the estimated overall penetration rate (3.9%), saturation rate (35.3%), capture rate (12.0%), and absorption period (10 months) all appear reasonable. Our research also suggests a 94 percent stabilized occupancy rate for this project. Finally, the proposed rents appear to be below achievable rents. In our opinion, therefore, the subject property is feasible from a market standpoint as proposed.

The following is a summary of our conclusions and recommendations with respect to the subject property:

Project Description

The subject property, known as Magnolia Terrace Phase 2, is a proposed affordable multifamily development located at 714 Green Street, Fort Valley, Peach County, Georgia. The developer proposes using below-market debt and/or tax credit financing to construct this new 36-unit affordable multifamily community. The subject property is proposed to be an open age community.

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Individual apartments are proposed to include a kitchen, living room, dining room, and 1, 2 or 3 bedrooms. The project is proposed to include a BBQ area, community center, library, picnic area and playground. In addition, the project is proposed to include a central laundry. Bathrooms are proposed to include a tub with shower, a vanity, and mirror. Living rooms and bedrooms will be carpeted. Kitchens, dining areas, and bathrooms will have vinyl flooring. Each unit is proposed to be furnished with a stove and refrigerator. Unit heating and cooling is proposed to consist of central units.

All utilities – with the exception of cold water, sewer and trash - are proposed to be paid by the resident.

Site Evaluation

In our opinion the location of the subject property is fair. Our observations follow:

- Based on our evaluation of the neighborhood, the subject property is located in a rural area that appears to be in the stability stage of its life cycle. Modest population and household growth is anticipated for the next several years, along with modest increases in the housing stock. Properties in the immediate area appear to be generally 20-40 years old and in fair to good condition.
- Our analysis suggests that the subject is located in an area that is generally characterized by persons with a high school education, consisting of a mix of renters

and owners with lower incomes with a mixture of ages.

- The topographic map shows that the site is fairly flat and drains to the east. There do not appear to be any topographic issues with respect to the subject property.
- The FEMA map identified the subject property as not being located in the 100-year flood zone.
- Our public records review identified 5 leaking underground storage tank(s), 1 hazardous waste spill site(s), and 0 hazardous waste generator(s) within ½ mile of the subject property. In addition, the subject property is located immediately adjacent to an active rail line. Noise and other environmental factors could be an issue. We recommend that the sponsor obtain an environmental assessment prior to this transaction being funded.
- Our review of the site shows that the subject is located in a rural area with multifamily and residential to the north, an active rail line to the south, a church and residential to the east, and multifamily and residential to the west.
- The subject property is located 2 blocks off a major thoroughfare with a fairly high volume of traffic flow. Accessibility is fair by virtue of the location of the subject property relative to existing streets and thoroughfares.
- The subject property is located 2 blocks off a major thoroughfare with a fairly high volume of traffic flow. Visibility and exposure are, therefore, fair by virtue of the site's location relative to existing traffic patterns.
- According to Claritas, the crime rate in the immediate vicinity of the subject property is 2.2 percent. This is compared with market area and regional crime rates of 1.3 percent and 1.0 percent, respectively. In our opinion, the subject property appears to be located in an area with above-average crime risk. Indeed, we personally witnessed an assault in progress when we conducted our field work for this project. This may or may not be an isolated case. In our opinion, a comprehensive crime study of some sort should be conducted prior to funding this transaction.
- According to Standards & Poor the subject property is located in an area with average elementary schools, below-average middle schools, and below-average high schools. According to Claritas, the subject property is located in an area with above-average educational attainment.
- The majority of the top employers are located within 20 miles of the subject property. Employees in the vicinity of the subject property have an average commute time of 24 minutes. This is compared with market area and regional commute times of 23 minutes and 23 minutes, respectively. We conclude that the subject property has a good location with respect to local employers.

- Our analysis suggests that the subject property has a fairly good location with respect to local amenities and services.
- We are not aware of any planned road or infrastructure improvements in the immediate vicinity of the subject property.

Primary Market Area

We defined the primary market area by generating a drive time zone around the subject property and analyzing median rents and average household income levels in the area. We also considered population densities, existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

Based on our evaluation of the local market, we concluded that the primary market area includes the following 2000 Census Tracts:

Peach County: 402, 403.01, 403.02, 404.

The site is located in Peach County Census Tract 403.02.

Secondary Market Area

Our research suggests that as much as 10 percent of multifamily demand will come from areas outside of the market area defined above.

Regional Economy

In our opinion, the economic outlook for the region is fair. Our observations are summarized below:

- Establishment-based employment for the region increased from 9,195 in 1990 to 10,321 in 2005. Employment is forecasted to increase 0.8 percent annually through 2010. This is compared with projected growth of 1.5 and 1.4 percent for the state and nation, respectively.
- According to local property management personnel, Blue Bird Corporation – the largest employer in the region - recently laid off a number of its bus fabrication employees. Growth of small businesses is anticipated to absorb the displaced employees, however.
- Population-based employment for the region increased from 10,067 in 1996 to 10,650 in 2005. Job growth and unemployment averaged 2.2 and 6.7 percent, respectively, over the past year.
- The unemployment rates for the region have generally declined from approximately 7.0 percent to about 6.0 percent over the past 24 months.
- An estimated 249 residential permits are anticipated for the region in 2006. Multifamily is anticipated to account for 1.9 percent of this total through 2010.

Market Area Demographic Characteristics

In our opinion, the demographic outlook for the market area is fair. Our observations are summarized below:

- Population for the market area increased from 14,027 in 1990 to 14,847 in 2005. Population is forecasted to increase 0.2 percent annually through 2010. This is compared with projected growth of 0.8, 1.3 and 1.0 percent for the region, state and nation, respectively.
- The total number of households for the market area increased from 4,623 in 1990 to 5,252 in 2005. The total number of households is forecasted to increase 0.3 percent annually through 2010. This is compared with projected growth of 1.0, 1.5 and 1.2 percent for the region, state and nation, respectively.
- The total number of owner households for the market area currently stand at 3,142 and are anticipated to increase 0.2 percent annually through 2010. The total number of renter households for the market area currently stand at 2,110 and are anticipated to increase 0.4 percent annually through 2010.
- Average household income for the market area increased from \$28,245 in 1990 to \$40,497 in 2005. Average household income is forecasted to increase 1.7 percent annually through 2010. This is compared with a projected consumer price index growth of 2.8 percent, suggesting erosion in real disposable income over the next several years.

Supply Analysis

Occupancy Rates

Occupancies by rent type for stabilized elderly properties follow: Market rate, not applicable (0 units in sample); restricted rents, not applicable (0 units in sample); and subsidized rents, not applicable (0 units in sample).

Occupancies by rent type for stabilized family properties follow: Market rate, 89.6% (154 units in sample); restricted rents, 86.5% (200 units in sample); and subsidized rents, 95.8% (289 units in sample).

Overall market occupancies for stabilized properties currently stand at 91.4% (643 units in sample).

Stabilized Occupancy Rates

Based on the prevailing occupancy rates for market rate, restricted and subsidized properties, and considering the unit mix for the subject property, we anticipate a stabilized occupancy rate of approximately 94 percent.

Rent Comparability Analysis

The following is a summary of our observations from the rent comparability analysis section of this report:

Analysis of Restricted Rent Comparables

Based on our evaluation of the rents for competing restricted-rent properties, and considering the location, quality and amenities of the subject property, we conclude the following indicated market rents for restricted units at the subject property:

- \$400 (\$0.46/sf) for the 1BR 878sf units
- \$460 (\$0.43/sf) for the 2BR 1065sf units
- \$475 (\$0.38/sf) for the 3BR 1242sf units

Analysis of Market Rate Comparables

Based on our evaluation of the rents for competing market rate properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were an unrestricted property:

- \$450 (\$0.51/sf) for the 1BR 878sf units
- \$535 (\$0.50/sf) for the 2BR 1065sf units
- \$540 (\$0.43/sf) for the 3BR 1242sf units

The actual rents achieved for market rate units at restricted-rent properties often fall short of the rents at unrestricted properties. Based on the analysis set forth above, we conclude the following indicated market rents for the market rate units at the subject property:

- \$450 (\$0.51/sf) for the 1BR 878sf units
- \$535 (\$0.50/sf) for the 2BR 1065sf units
- \$540 (\$0.43/sf) for the 3BR 1242sf units

Projected Rent Growth

Our analysis suggests that the market area is currently overbuilt by approximately 3.6 percent. While the number of renter households is anticipated to increase slightly over the next five years, the number of renter housing units is anticipated to increase at a slower pace, resulting in a market that is 3.1 percent overbuilt in 5 years.

Based the forecasted relationship between supply and demand for this marketplace, we anticipate 0.0 percent real and 2.8 percent nominal rent growth annually for the foreseeable future.

Achievable Rents

Achievable rents represent the absolute highest rent permissible for the area, considering market rental rates and program rent limits. Achievable rents for the subject property follow:

- \$400 for 1BR units at 50% of AMI
- \$450 for 1BR market rate units
- \$460 for 2BR units at 50% of AMI
- \$460 for 2BR units at 60% of AMI
- \$535 for 2BR market rate units
- \$475 for 3BR units at 50% of AMI
- \$475 for 3BR units at 60% of AMI
- \$540 for 3BR market rate units

Our analysis suggests that all units appear to be priced at or below allowable tax credit rent limits (proposed rents range from 65% to 86% of allowable tax credit rents). In addition,

all units appear to be priced at or below indicated market rents (proposed rents range from 89% to 100% of indicated market rents). In our opinion, the proposed development is priced appropriately and affordably.

Feasibility Rents

Our analysis suggests market rents of \$450, \$535 and \$540, respectively, for the 1-, 2- and 3-bedroom units at the subject property. Our analysis also suggests feasibility rents of \$790, \$882 and \$969, respectively, for the 1-, 2- and 3-bedroom units. Because of the disparity between market and feasibility rents, we conclude that competing market rate units are not financially feasible in the immediate area and development of such units is not likely under current economic conditions.

Utilization of Resources

Based on the relationship between feasibility rents, unrestricted market rents, program rents and proposed rents, we conclude that 16 percent of the financial benefits associated with this transaction are being used to make this project affordable. The remaining 84 percent of the resources are being used to overcome market forces in order to deliver safe & decent housing. This transaction would otherwise not be feasible without the use of these additional resources.

Demand Analysis

Penetration Rate Estimate

We estimate a penetration rate of 3.9% for the subject property. The overall rate breaks down as follows:

- 2.5% for 1BR units at 50% of AMI
- 1.3% for 1BR market rate units
- 8.1% for 2BR units at 50% of AMI
- 3.4% for 2BR units at 60% of AMI
- 1.5% for 2BR market rate units
- 9.3% for 3BR units at 50% of AMI
- 5.3% for 3BR units at 60% of AMI
- 2.7% for 3BR market rate units

In general, the lower the penetration rates the better. Underwriters often utilize penetration rate limits of 10 to 25 percent, depending on the specific project. In our opinion, the estimated penetration rates indicate an appropriate number and mix of units for the subject property.

Saturation Rate Estimate

We estimate a saturation rate of 35.3% for the subject property. The overall rate breaks down as follows:

- 23.3% for 1BR units at 50% of AMI
- 10.7% for 1BR market rate units
- 48.6% for 2BR units at 50% of AMI
- 59.6% for 2BR units at 60% of AMI
- 39.6% for 2BR market rate units
- 21.9% for 3BR units at 50% of AMI
- 29.4% for 3BR units at 60% of AMI

- 53.0% for 3BR market rate units

In general, the lower the saturation rates the better. Saturation rates less than 100% suggest that sufficient numbers of income-qualified households exist to fill subject property units. Underwriters often utilize saturation rate limits of 25 to 50 percent, depending on the specific project. In our opinion, the estimated saturation rates indicate significant competition in the marketplace for the 2-bedroom units at 60% of AMI and the 3-bedroom market rate units. Consequently, the developer is advised to monitor these units closely, especially during lease up.

Capture Rate Estimate

We estimate a capture rate of 12.0% for the subject property. The overall rate breaks down as follows:

- 4.4% for 1BR units at 50% of AMI
- 3.9% for 1BR market rate units
- 22.1% for 2BR units at 50% of AMI
- 9.7% for 2BR units at 60% of AMI
- 6.0% for 2BR market rate units
- 25.6% for 3BR units at 50% of AMI
- 19.9% for 3BR units at 60% of AMI
- 13.2% for 3BR market rate units

In general, the lower the capture rates the better. Capture rates less than 100% suggest that sufficient numbers of income-qualified overburdened and substandard households exist to fill subject property units. Underwriters often utilize capture rate limits of 25 to 50 percent, depending on the specific project. Capture rates in excess of 100% suggest that the property will need to attract income-qualified households that are not currently overburdened or substandard from competing projects in order to fill. Negative capture rates suggest that the need for affordable housing has been addressed by new and proposed construction. In our opinion, the estimated capture rates indicate an appropriate number and mix of units for the subject property.

Absorption Period Estimate

We estimate a 10-month absorption period and an average absorption rate of 3.38 units per month to stabilization for the subject property. The absorption period breaks down by unit type and income level as follows:

- 3 month(s) for 1BR units at 50% of AMI
- 5 month(s) for 1BR market rate units
- 9 month(s) for 2BR units at 50% of AMI
- 5 month(s) for 2BR units at 60% of AMI
- 5 month(s) for 2BR market rate units
- 10 month(s) for 3BR units at 50% of AMI
- 8 month(s) for 3BR units at 60% of AMI
- 10 month(s) for 3BR market rate units

In general, the lower the absorption period the better. Underwriters often utilize absorption period limits of 12 to 24

months, depending on the specific project. In our opinion, the estimated absorption periods indicate an appropriate number and mix of units for the subject property.

Sensitivity Analysis

The purpose of our sensitivity analysis is to evaluate the impact of possible rent increases on the marketability of the subject property. Our analysis to this point has been based on the proposed rents for the subject property. In this section we evaluate the marketability of the project at achievable rents. Achievable rents – which are defined as the lesser of program or market rents - represent the absolute highest rent permissible for the area, considering market rental rates and maximum allowable rent limits.

Our sensitivity analysis yields the following comparison of marketability measures of the subject property at proposed versus achievable rents:

- Penetration Rate: 3.9% (proposed rents); 4.0% (achievable rents)
- Saturation Rate: 35.3% (proposed rents); 36.5% (achievable rents)
- Capture Rate: 12.0% (proposed rents); 12.9% (achievable rents)
- Absorption Period: 10 months (proposed rents); 10 months (achievable rents)

Our analysis suggests that increasing the proposed rents to achievable rent levels would result in slight increases in penetration, saturation, and capture rates. Further, the increased rents would result in no significant increase in the absorption period for the project. In our opinion, therefore, increasing the rents to achievable rents would not have a material adverse impact on the marketability of this project.

Recommendations & Conclusions

In our opinion, the estimated overall penetration rate (3.9%), saturation rate (35.3%), capture rate (12.0%), and absorption period (10 months) all appear reasonable. Our research also suggests a 94 percent stabilized occupancy rate for this project. Finally, the proposed rents appear to be below achievable rents. In our opinion, therefore, the subject property is feasible from a market standpoint as proposed.

PROJECT DESCRIPTION

Project Description

The subject property, known as Magnolia Terrace Phase 2, is a proposed affordable multifamily development located at 714 Green Street, Fort Valley, Peach County, Georgia. The developer proposes using below-market debt and/or tax credit financing to construct this new 36-unit affordable multifamily community. The subject property is proposed to be an open age community.

An overview of the proposed development follows:

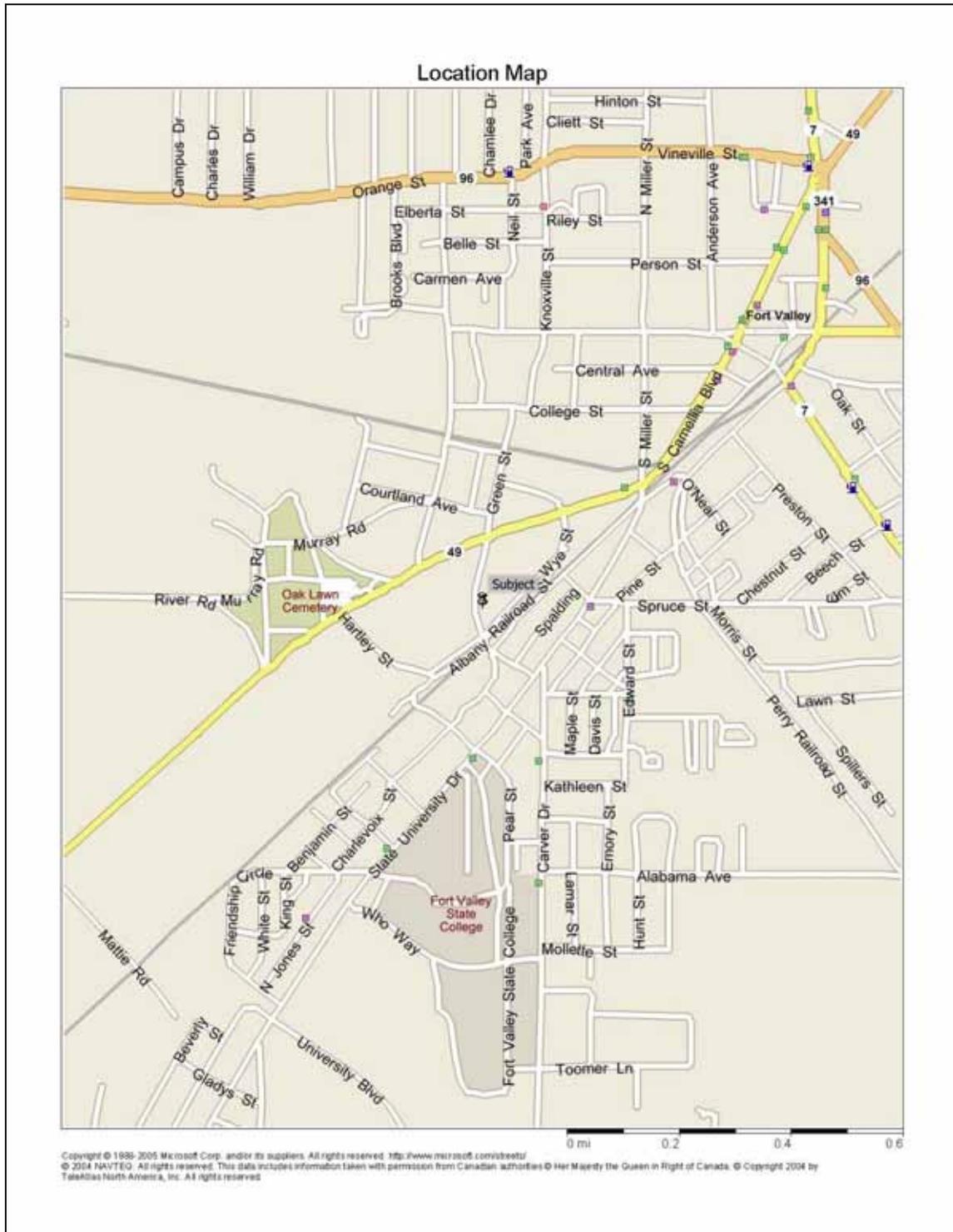
Project Description

Development Location	714 Green Street Fort Valley, Ga
Construction Type	New Construction
Occupancy Type	Family
Target Income Group	22 Units at 50% of AMI 6 Units at 60% of AMI 8 Market Rate Units
Special Population Target	None
Unit Configuration	4 One-Bedroom 16 Two-Bedroom 16 Three-Bedroom
Average Unit Size	878 sf One-Bedroom 1065 sf Two-Bedroom 1242 sf Three-Bedroom
Structure Type	Garden
Rents	\$375-\$450 One-Bedroom \$440-\$475 Two-Bedroom \$475-\$500 Three-Bedroom
Utility Allowances	\$80 One-Bedroom \$102 Two-Bedroom \$126 Three-Bedroom
Project-Based Rental Assistance	PBRA for 0 Units
Development Amenities	Community Center Playground
Unit Amenities	Blinds Carpeting Patio/Balcony
Kitchen Amenities	Stove Refrigerator
Laundry Amenities	Central Laundry

Source: Developer/Manager/Owner

Location Map

A map showing the location of the subject property follows:



Building Description

The following table gives a description of the proposed improvements for the subject property:

Building Description

Acres (per Developer)	2.26
Zoning (per Developer)	R-2 Multifamily
Buildings	4
Parking Spaces (Estimated)	54
Stories	1
Units	36
Net Rentable Area, SF	40,424
Gross Residential Building Area, SF (Estimated)	50,530
Framing	Wood
Exterior Doors	Metal
Windows	All Metal With Thermal Breaks
Façade	Brick & Siding
Roof	Gabled
Roof Covering	Composition
Floor Covering	Carpet & Vinyl
Heating	Central
Cooling	Central
Community Facilities	
Community Center	Yes
Pool	No
Sports Court	No
Playground	No
Fitness Center	No
Business Center	No
Office	Yes
Laundry Room	Yes
Maintenance Room	Yes

Source: Developer/Manager/Owner

Unit Configuration

The subject property is proposed to consist of a total of 36 revenue-producing units including 1-, 2- and 3-bedroom apartments. A total of 22 units are proposed to be restricted to 50% of AMI; a total of 6 units are proposed to be restricted to 60% of AMI; 8 units are proposed to be set aside as market rate units; no units are proposed to receive project-based rental assistance.

The following is the proposed unit configuration for the subject property:

Unit Configuration MAGNOLIA TERRACE PHASE 2 714 GREEN STREET FORT VALLEY, GA									
Unit Type	Rent Type	Units	Fair Market Rents	Maximum Housing Cost	Housing Cost	Utility Allowance	Rent	Square Feet	\$/SF
0 Bedroom	30% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
1 Bedroom	30% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
2 Bedroom	30% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
3 Bedroom	30% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
4 Bedroom	30% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
Total		0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
0 Bedroom	50% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
1 Bedroom	50% of AMI	2	\$334	\$516	\$455	\$80	\$375	878	\$0.43
2 Bedroom	50% of AMI	10	\$397	\$619	\$542	\$102	\$440	1,065	\$0.41
3 Bedroom	50% of AMI	10	\$588	\$715	\$601	\$126	\$475	1,242	\$0.38
4 Bedroom	50% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
Total		22	\$478	\$653	\$561	\$111	\$450	1,128	\$0.40
0 Bedroom	60% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
1 Bedroom	60% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
2 Bedroom	60% of AMI	3	\$397	\$743	\$542	\$102	\$440	1,065	\$0.41
3 Bedroom	60% of AMI	3	\$588	\$858	\$601	\$126	\$475	1,242	\$0.38
4 Bedroom	60% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
Total		6	\$493	\$801	\$572	\$114	\$458	1,154	\$0.40
0 Bedroom	Market Rate	0	NA	NA	\$0	\$0	\$0	0	\$0.00
1 Bedroom	Market Rate	2	NA	NA	\$530	\$80	\$450	878	\$0.51
2 Bedroom	Market Rate	3	NA	NA	\$577	\$102	\$475	1,065	\$0.45
3 Bedroom	Market Rate	3	NA	NA	\$626	\$126	\$500	1,242	\$0.40
4 Bedroom	Market Rate	0	NA	NA	\$0	\$0	\$0	0	\$0.00
Total		8	NA	NA	\$584	\$106	\$478	1,085	\$0.44
0 Bedroom	Total	0	NA	NA	NA	NA	NA	0	NA
1 Bedroom	Total	4	NA	NA	NA	NA	NA	878	NA
2 Bedroom	Total	16	NA	NA	NA	NA	NA	1,065	NA
3 Bedroom	Total	16	NA	NA	NA	NA	NA	1,242	NA
4 Bedroom	Total	0	NA	NA	NA	NA	NA	0	NA
Grand Total		36	NA	NA	NA	NA	NA	1,123	NA

Source: Developer/Manager/Owner

Amenities

Individual apartments are proposed to include a kitchen, living room, dining room, and 1, 2 or 3 bedrooms. The project is proposed to include a BBQ area, community center, library, picnic area and playground. In addition, the project is proposed to include a central laundry. Bathrooms are proposed to include a tub with shower, a vanity, and mirror. Living rooms and bedrooms will be carpeted. Kitchens, dining areas, and bathrooms will have vinyl flooring. Each unit is proposed to be furnished with a stove and refrigerator. Unit heating and cooling is proposed to consist of central units.

The following table sets forth the proposed amenities for the subject property:

Amenities									
Building Type		Unit Amenities			Kitchens		Parking		
1 Story	yes	Blinds	yes	na	Stove	yes	Garage	no	\$0
2-4 Story	no	Ceiling Fans	no	\$0	Refrigerator	yes	Covered	no	\$0
5-10 Story	no	Carpeting	yes	na	Disposal	no	Assigned	no	na
>10 Story	no	Fireplace	no	\$0	Dishwasher	no	Open	yes	na
		Patio/Balcony	yes	na	Microwave	no	None	no	na
		Storage	no	\$0					
Project Amenities					Air Conditioning		Laundry		
Ball Field	no	Horseshoe Pit	no	no	Central	yes	Central	yes	na
BBQ Area	yes	Lake	no	no	Wall Units	no	W/D Units	no	\$0
Billiards	no	Library	yes	yes	Window Units	no	W/D Hookups	no	na
Bus/Comp Ctr	no	Movie Theatre	no	no	None	no			
Car Care Ctr	no	Picnic Area	yes	yes					
Comm Center	yes	Playground	yes	yes	Heat		Security		
Elevator	no	Pool	no	no	Central	yes	Call Buttons		no
Fitness Center	no	Sauna	no	no	Wall Units	no	Cont Access		no
Gazebo	no	Sports Court	no	no	Baseboards	no	Courtesy Officer		no
Hot Tub/Jacuzzi	no	Walking Trail	no	no	Radiators	no	Monitored Alarms		no
					None	no	Security Alarms		no
							Security Patrols		no

Utilities

All utilities – with the exception of cold water, sewer and trash - are proposed to be paid by the resident.

The following table shows the proposed utility allowances for the subject property:

Utility	Tenant	Owner
Heating - Gas	no	no
Heating - Elec	yes	no
Cooking - Gas	no	no
Cooking - Elec	yes	no
Other Electric	yes	no
Air Conditioning	yes	no
Hot Water - Gas	no	no
Hot Water - Elec	yes	no
Water	no	yes
Sewer	no	yes
Trash Collection	no	yes

Unit Type	UA
1-Bedroom	\$80
2-Bedroom	\$102
3-Bedroom	\$126

Income & Rent Limits

The project is proposed to be subject to income and rent restrictions. The following tables give the proposed income and rent limits for the subject property:

Income & Rent Limits				
Income Limits				
	30%	50%	60%	100%
1 person	\$11,550	\$19,250	\$23,100	\$38,500
2 person	\$13,200	\$22,000	\$26,400	\$44,000
3 person	\$14,850	\$24,750	\$29,700	\$49,500
4 person	\$16,500	\$27,500	\$33,000	\$55,000
5 person	\$17,800	\$29,700	\$35,650	\$59,400
6 person	\$19,150	\$31,900	\$38,300	\$63,800
7 person	\$20,450	\$34,100	\$40,900	\$68,200
8 person	\$21,800	\$36,300	\$43,550	\$72,600
Maximum Housing Expense				
	30%	50%	60%	100%
0 bedroom	\$289	\$481	\$578	\$963
1 bedroom	\$309	\$516	\$619	\$1,031
2 bedroom	\$371	\$619	\$743	\$1,238
3 bedroom	\$429	\$715	\$858	\$1,430
4 bedroom	\$479	\$798	\$958	\$1,595
Utility Allowance				
	30%	50%	60%	100%
0 bedroom	\$57	\$57	\$57	\$57
1 bedroom	\$80	\$80	\$80	\$80
2 bedroom	\$102	\$102	\$102	\$102
3 bedroom	\$126	\$126	\$126	\$126
4 bedroom	\$141	\$141	\$141	\$141
Rent Limits				
	30%	50%	60%	100%
0 bedroom	\$232	\$424	\$521	\$906
1 bedroom	\$229	\$436	\$539	\$951
2 bedroom	\$269	\$517	\$641	\$1,136
3 bedroom	\$303	\$589	\$732	\$1,304
4 bedroom	\$338	\$657	\$817	\$1,454

Source: State Housing Finance Agency; HUD

Fair Market Rents

The following table sets forth the fair market rents for any Section 8 voucher recipients at the subject property:

Fair Market Rents	
0 bedroom	\$413
1 bedroom	\$414
2 bedroom	\$499
3 bedroom	\$714
4 bedroom	\$751
Utility Allowance	
0 bedroom	\$57
1 bedroom	\$80
2 bedroom	\$102
3 bedroom	\$126
4 bedroom	\$141
Rent Limits	
0 bedroom	\$356
1 bedroom	\$334
2 bedroom	\$397
3 bedroom	\$588
4 bedroom	\$610

Source: U.S. Department of Housing & Urban
Development

SITE EVALUATION

Our assessment of the site includes an evaluation of the following factors with respect to the subject property: (1) Neighborhood, (2) Aerial Photograph, (3) Topography, (4) Flood Plain, (5) Environmental, (6) Surrounding Properties, (7) Accessibility, (8) Visibility, (9) Crime, (10) Schools, (11) Proximity to Employment, (12) Proximity to Area Amenities; and (13) Planned Road and Infrastructure Improvements.

Our discussion begins with an evaluation of the neighborhood in which the subject property is located.

Neighborhood

Neighborhoods are sometimes thought to evolve through four distinct stages:

- Growth – A period during which the area gains public favor and acceptance.
- Stability – A period of equilibrium without marked gains or losses.
- Decline – A period of diminishing demand.
- Revitalization – A period of renewal, redevelopment, modernization, and increasing demand.

For purposes of this analysis we define the neighborhood as zip code 31030. A map showing the neighborhood boundaries is found on the following page.

Based on our evaluation of the neighborhood, the subject property is located in a rural area that appears to be in the stability stage of its life cycle. Modest population and household growth is anticipated for the next several years, along with modest increases in the housing stock. Properties in the immediate area appear to be generally 20-40 years old and in fair to good condition.

Prizm Demographics provides demographic segmentation data for the area. According to Prizm Demographics, the neighborhood consists of the following main demographic groups: (1) Back Country Folks, (2) Crossroads Villagers, (3) Shotguns & Pickups, (4) Simple Pleasures; and (5) Young & Rustic. Detailed write ups for each of these demographic groups are found in the following pages.

Our analysis suggests that the subject is located in an area that is generally characterized by persons with a high school education, consisting of a mix of renters and owners with lower incomes with a mixture of ages.





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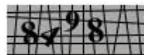
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PRIZM NE

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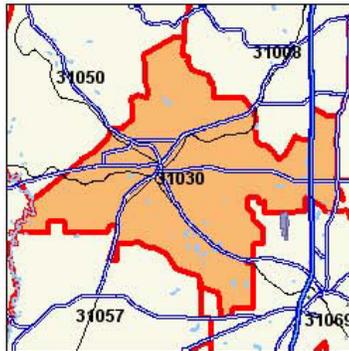
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Fort Valley, GA 31030's most common PRIZM NE Segments are:

Number	Name
58	Back Country Folks
56	Crossroads Villagers
51	Shotguns & Pickups
38	Simple Pleasures
48	Young & Rustic

Click on the segment name for more detail.

Please Note: Segments are listed in alphabetical order by segment name. You must [log in](#) to view segments in order of their predominant concentration of households within the selected ZIP Code.



About Claritas

Since 1971, Claritas has been the pre-eminent source of accurate, up-to-date demographic data and target marketing information about the population, consumer behavior, consumer spending, households and businesses within any specific geographic market area in the United States. Claritas' target marketing research, customer segmentation profiling and market analysis services are aimed at reducing your cost of customer acquisition and growing customer value.

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58 Back Country Folks

BACK

Strewn among remote farm communities across the nation, Back Country Folks are a long way away from economic paradise. The residents tend to be poor, over 55 years old and living in older, modest-sized homes and manufactured housing. Typically, life in this segment is a throwback to an earlier era when farming dominated the American landscape.

Social Group: [Rustic Living](#)

Lifestage Group: [Sustaining Seniors](#)

2005 Statistics:

US Households: 2,626,222 (2.37%)

Median HH Income: \$30,631

Lifestyle Traits

- Sew from patterns
- Go bird watching
- Read Flower and Garden
- Watch TNN
- Drive a GMC Sierra 1500

Demographics Traits:

Ethnic Diversity:	White, AmInd
Family Types:	Singles/Couples
Age Ranges:	55+
Education Levels:	Elementary/H.S.
Employment Levels:	Service, BC, Farm
Housing Types:	Homeowners
Urbanicity:	Rural
Income:	Downscale
Income Producing Assets:	not available

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56 Crossroads Villagers

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With a population of middle-aged, blue-collar couples and families, Crossroads Villagers is a classic rural lifestyle. Residents are high school-educated, with lower-middle incomes and modest housing; one-quarter live in mobile homes. And there's an air of self-reliance in these households as Crossroads Villagers help put food on the table through fishing, gardening and hunting.

Social Group: [Rustic Living](#)

Lifestage Group: [Striving Singles](#)

2005 Statistics:

US Households: 1,960,469 (1.77%)

Median HH Income: \$31,973

Lifestyle Traits

- Buy videos by mail and phone
- Own a handgun
- Read Hot Rod
- Watch Country Music TV
- Drive a Dodge Ram pickup

Demographics Traits:

Ethnic Diversity:	White, AmInd
Family Types:	Singles/Couples
Age Ranges:	<45
Education Levels:	High School
Employment Levels:	Service, BC, Farm
Housing Types:	Mix
Urbanicity:	Rural
Income:	Downscale
Income Producing Assets:	not available

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51 Shotguns & Pickups

BACK

The segment known as Shotguns & Pickups came by its moniker honestly: it scores near the top of all lifestyles for owning hunting rifles and pickup trucks. These Americans tend to be young, working-class couples with large families - more than half have two or more kids - living in small homes and manufactured housing. Nearly a third of residents live in mobile homes, more than anywhere else in the nation.

Social Group: [Middle America](#)

Lifestage Group: [Mainstream Families](#)

2005 Statistics:

US Households: 1,761,715 (1.59%)

Median HH Income: \$40,722

Lifestyle Traits

- Go hunting with a gun
- Buy hard rock music
- Read Field & Stream
- Watch Daytona 500
- Drive a Ford F-super duty

Demographics Traits:

Ethnic Diversity:	White, AmInd
Family Types:	Families
Age Ranges:	25-44
Education Levels:	High School
Employment Levels:	Blue-Collar, Farm
Housing Types:	Homeowners
Urbanicity:	Rural
Income:	Lower Middle
Income Producing Assets:	not available

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38 Simple Pleasures

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With more than two-thirds of its residents over 65 years old, Simple Pleasures is mostly a retirement lifestyle: a neighborhood of lower-middle-class singles and couples living in modestly priced homes. Many are high school-educated seniors who held blue-collar jobs before their retirement. And a disproportionate number served in the military; no segment has more members of veterans clubs.

Social Group: [Middle America](#)

Lifestage Group: [Cautious Couples](#)

2005 Statistics:

US Households: 2,802,944 (2.53%)

Median HH Income: \$40,884

Lifestyle Traits

- Belong to a veterans club
- Spend 15+ nts on dom. travel
- Watch Good Morning America
- Watch CBS Face the Nation
- Drive a Buick LeSabre

Demographics Traits:

Ethnic Diversity:	White
Family Types:	Singles/Couples
Age Ranges:	65+
Education Levels:	High School
Employment Levels:	Service, BC, Farm
Housing Types:	Homeowners
Urbanicity:	Town/Rural
Income:	Lower Middle
Income Producing Assets:	not available

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48 Young & Rustic

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Like the soap opera that inspired its nickname, Young & Rustic is composed of young, restless singles. Unlike the glitzy soap denizens, however, these folks tend to be lower income, high school-educated and living in tiny apartments in the nation's exurban towns. With their service industry jobs and modest incomes, these folks still try to fashion fast-paced lifestyles centered on sports, cars and dating.

Social Group: [Rustic Living](#)

Lifestage Group: [Striving Singles](#)

2005 Statistics:

US Households: 3,393,228 (3.06%)

Median HH Income: \$31,884

Lifestyle Traits

- Play basketball
- Eat convenience store meals
- Read Motorcycle magazines
- Watch Days of Our Lives
- Drive a Ford Escort

Demographics Traits:

Ethnic Diversity:	White, Amlnd
Family Types:	Mix
Age Ranges:	<35
Education Levels:	High School
Employment Levels:	Service, Blue-Collar
Housing Types:	Renters
Urbanicity:	Town
Income:	Downscale
Income Producing Assets:	not available

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Aerial Photo

A recent aerial photo showing the location of the subject property is found below:

TerraServer Image Courtesy of the USGS Page 1 of 1

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USGS Fort Valley, Georgia, United States 27 Dec 1999



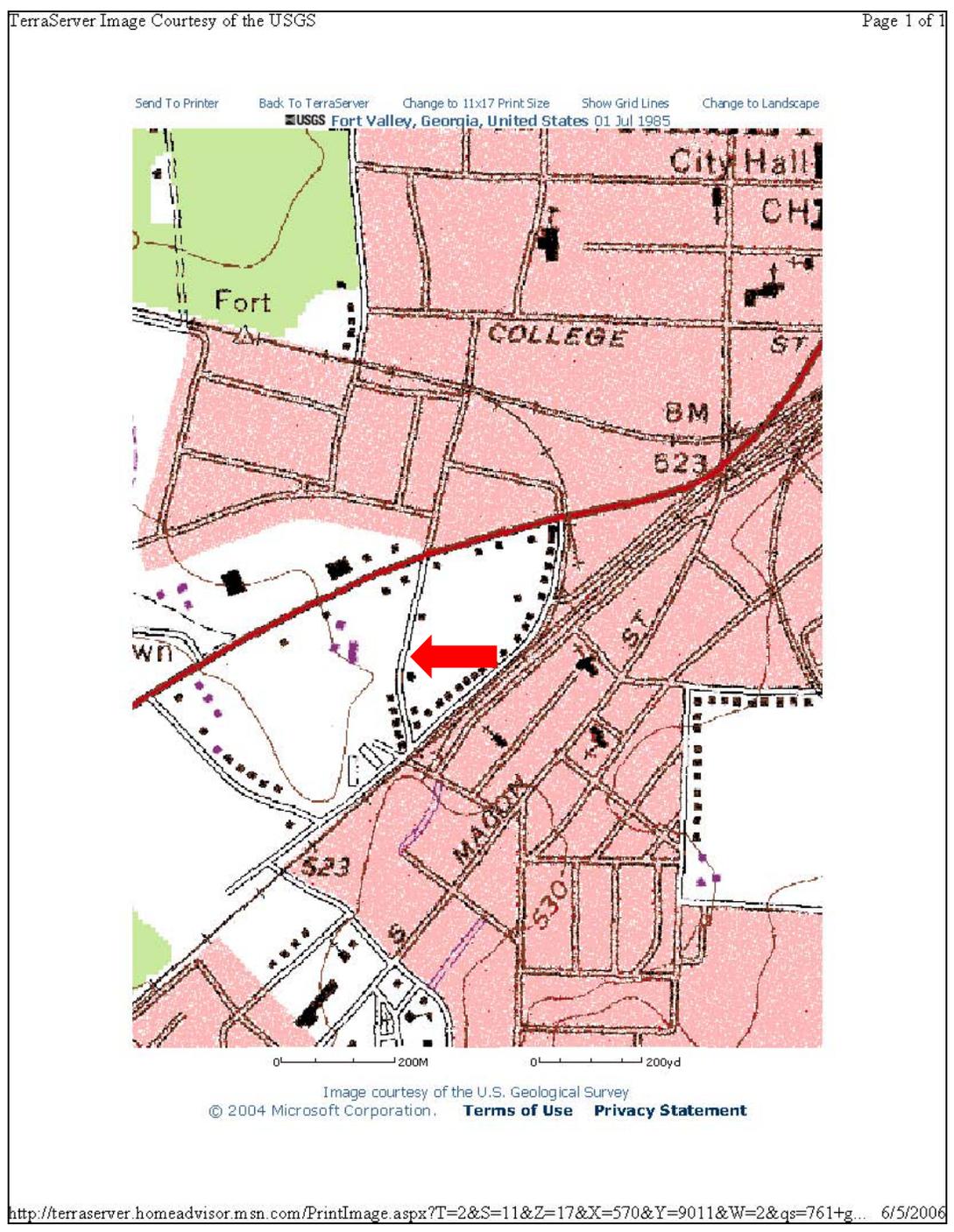
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Image courtesy of the U.S. Geological Survey
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<http://terraserver.homeadvisor.msn.com/PrintImage.aspx?T=1&S=11&Z=17&X=570&Y=9011&W=2&qz=761+g...> 6/5/2006

Topography

The USGS map showing the topography of the subject property and surrounding area is found below:



The topographic map shows that the site is fairly flat and drains to the east. There do not appear to be any topographic issues with respect to the subject property.

Flood Plain

The FEMA map showing the location of the subject property relative to nearby areas prone to flooding (the 100-year flood plain is identified in purple; the 500-year flood plain is identified in yellow) is found below:

Page 1 of 1

Flood Insights test results for :

Latitude: 32.54573 Longitude: -83.89543
Geocoding Accuracy: Not Available

Flood Zone Determinations [Test Description](#)

SFHA (Flood Zone) Within 250 feet of multiple flood zones?
 Out No

Community	Community Name	Zone	Panel	Panel Date	Cobra
130148	FORT VALLEY, CITY OF	C	0003B	June 25, 1976	OUT

FIPS Code	Census Tract
13225	0403.02

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Flood Map Legend

Flood Zones

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

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http://www.floodinsights.com/XsiteScripts/hsrun.hse/FloodInsights/Floodlookups/StateId/R3QPA3CuuMx1UU2c... 6/5/2006

The FEMA map identified the subject property as not being located in the 100-year flood zone.

Environmental

The FirstSearch public records review identifying the location of any potential recognized environmental conditions with respect to the subject property is found below:

Environmental FirstSearch Search Summary Report										
Target Site:										
FORT VALLEY GA 31030										
FirstSearch Summary										
Database	Sel	Updated	Radius	Site	1/8	1/4	1/2	1/2>	ZIP	TOTALS
NPL	Y	04-10-06	1.00	0	0	0	0	1	0	1
CERCLIS	Y	03-08-06	0.50	0	0	0	0	-	1	1
NFRAP	Y	03-08-06	0.25	0	0	0	-	-	0	0
RCRA TSD	Y	02-16-06	0.50	0	0	0	0	-	0	0
RCRA COR	Y	02-16-06	1.00	0	0	0	0	0	0	0
RCRA GEN	Y	02-16-06	0.25	0	0	0	-	-	0	0
ERNS	Y	12-31-05	0.15	0	0	0	-	-	0	0
State Sites	Y	04-01-06	1.00	0	0	0	0	2	0	2
Spills-1990	Y	03-31-06	0.25	0	0	0	-	-	1	1
SWL	Y	01-01-06	0.50	0	0	0	0	-	0	0
Other	Y	04-01-06	0.25	0	0	0	-	-	0	0
REG UST/AST	Y	02-01-06	0.25	0	1	4	-	-	0	5
Leaking UST	Y	03-01-06	0.50	0	1	0	4	-	0	5
- TOTALS -				0	2	4	4	3	2	15

Notice of Disclaimer

Due to the limitations, constraints, inaccuracies and incompleteness of government information and computer mapping data currently available to FirstSearch Technology Corp., certain conventions have been utilized in preparing the locations of all federal, state and local agency sites residing in FirstSearch Technology Corp.'s databases. All EPA NPL and state landfill sites are depicted by a rectangle approximating their location and size. The boundaries of the rectangles represent the eastern and western most longitudes; the northern and southern most latitudes. As such, the mapped areas may exceed the actual areas and do not represent the actual boundaries of these properties. All other sites are depicted by a point representing their approximate address location and make no attempt to represent the actual areas of the associated property. Actual boundaries and locations of individual properties can be found in the files residing at the agency responsible for such information.

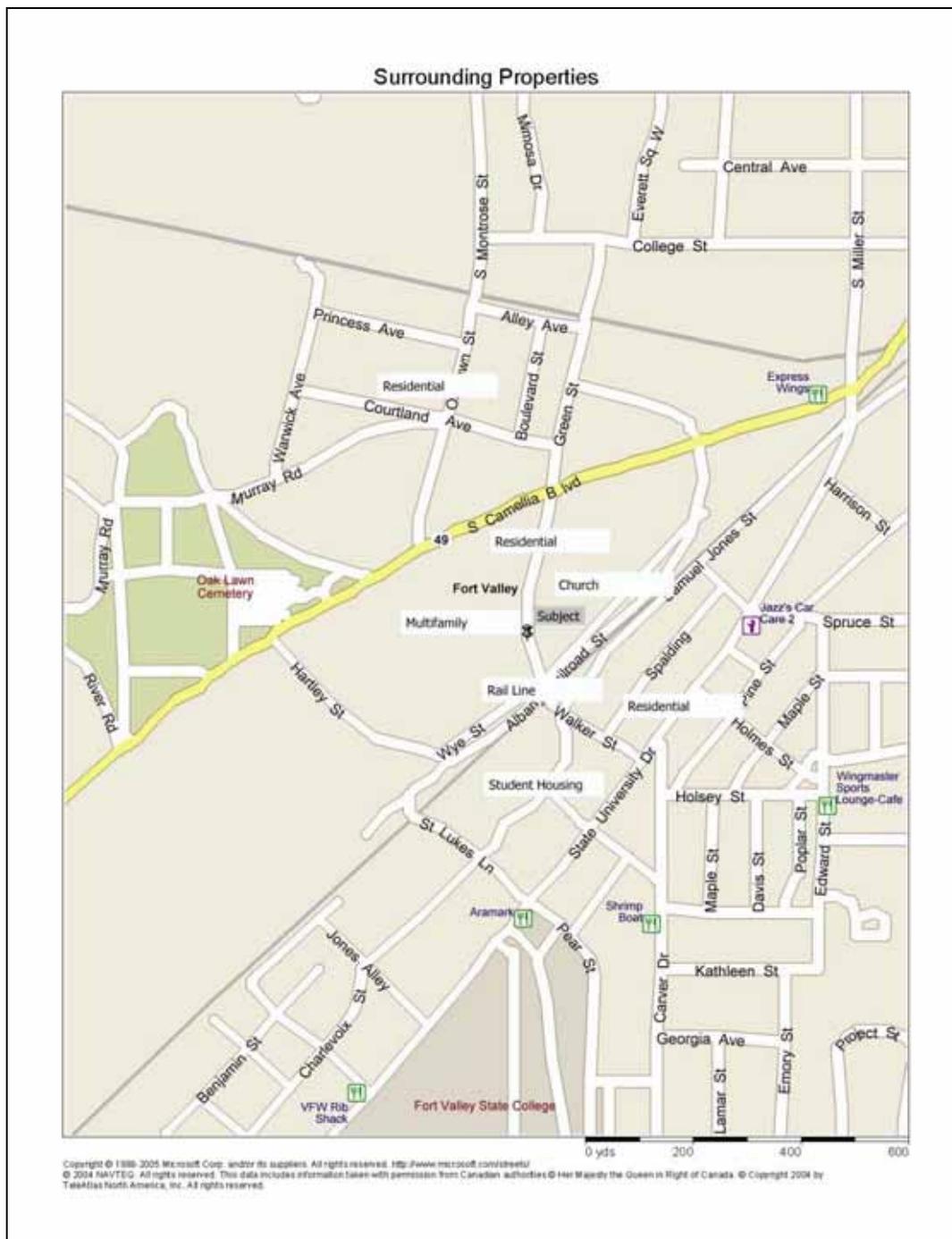
Waiver of Liability

Although FirstSearch Technology Corp. uses its best efforts to research the actual location of each site, FirstSearch Technology Corp. does not and can not warrant the accuracy of these sites with regard to exact location and size. All authorized users of FirstSearch Technology Corp.'s services proceeding are signifying an understanding of FirstSearch Technology Corp.'s searching and mapping conventions, and agree to waive any and all liability claims associated with search and map results showing incomplete and or inaccurate site locations.

Our public records review identified 5 leaking underground storage tank(s), 1 hazardous waste spill site(s), and 0 hazardous waste generator(s) within 1/2 mile of the subject property. In addition, the subject property is located immediately adjacent to an active rail line. Noise and other environmental factors could be an issue. We recommend that the sponsor obtain an environmental assessment prior to this transaction being funded.

Surrounding Properties

A map showing the location of the subject property relative to adjacent and nearby parcels is shown below:



Our review of the site shows that the subject is located in a rural area with multifamily and residential to the north, an active rail line to the south, a church and residential to the east, and multifamily and residential to the west.

Accessibility

The subject property is located 2 blocks off a major thoroughfare with a fairly high volume of traffic flow. Accessibility is fair by virtue of the location of the subject property relative to existing streets and thoroughfares.

Visibility

The subject property is located 2 blocks off a major thoroughfare with a fairly high volume of traffic flow. Visibility and exposure are, therefore, fair by virtue of the site's location relative to existing traffic patterns.

Crime

Claritas maintains crime rate data at the census tract level throughout the United States. A table showing crime rates for the area is found below:

Crime Rates

	Region	Market	Tract
Total Crime	243	193	45
Poputalion	24,073	14,866	2,043
Crime Rate	1.0%	1.3%	2.2%

Source: Claritas

According to Claritas, the crime rate in the immediate vicinity of the subject property is 2.2 percent. This is compared with market area and regional crime rates of 1.3 percent and 1.0 percent, respectively. In our opinion, the subject property appears to be located in an area with above-average crime risk. Indeed, we personally witnessed an assault in progress when we conducted our field work for this project. This may or may not be an isolated case. In our opinion, a comprehensive crime study of some sort should be conducted prior to funding this transaction.

Please note: The crime statistics presented above include violent and non-violent crime for a wide variety of property types. Further, the statistics make no consideration for the implementation of an affirmative crime prevention program at the subject property.

Schools

Standards & Poor maintains information on public school districts throughout the United States. The following table provides details for the school district serving the subject property:

School Performance - Peach County, Georgia

	This District	State
How Students Performed on State Reading Tests		
Grade 3 Reading Proficiency (%)	92.1	91.9
Grade 8 Reading Proficiency (%)	82.6	82.7
Grade 11 English Language Arts Proficiency (%)	90.2	94.9
How Students Performed on State Math Tests		
Grade 3 Math Proficiency (%)	89.6	89.4
Grade 8 Math Proficiency (%)	61.3	68.8
Grade 11 Math Proficiency (%)	86.6	92.1

Source: Standards & Poor

Claritas maintains educational attainment data at the census tract level throughout the United States. A table showing educational attainment data for the area is found below:

Educational Attainment

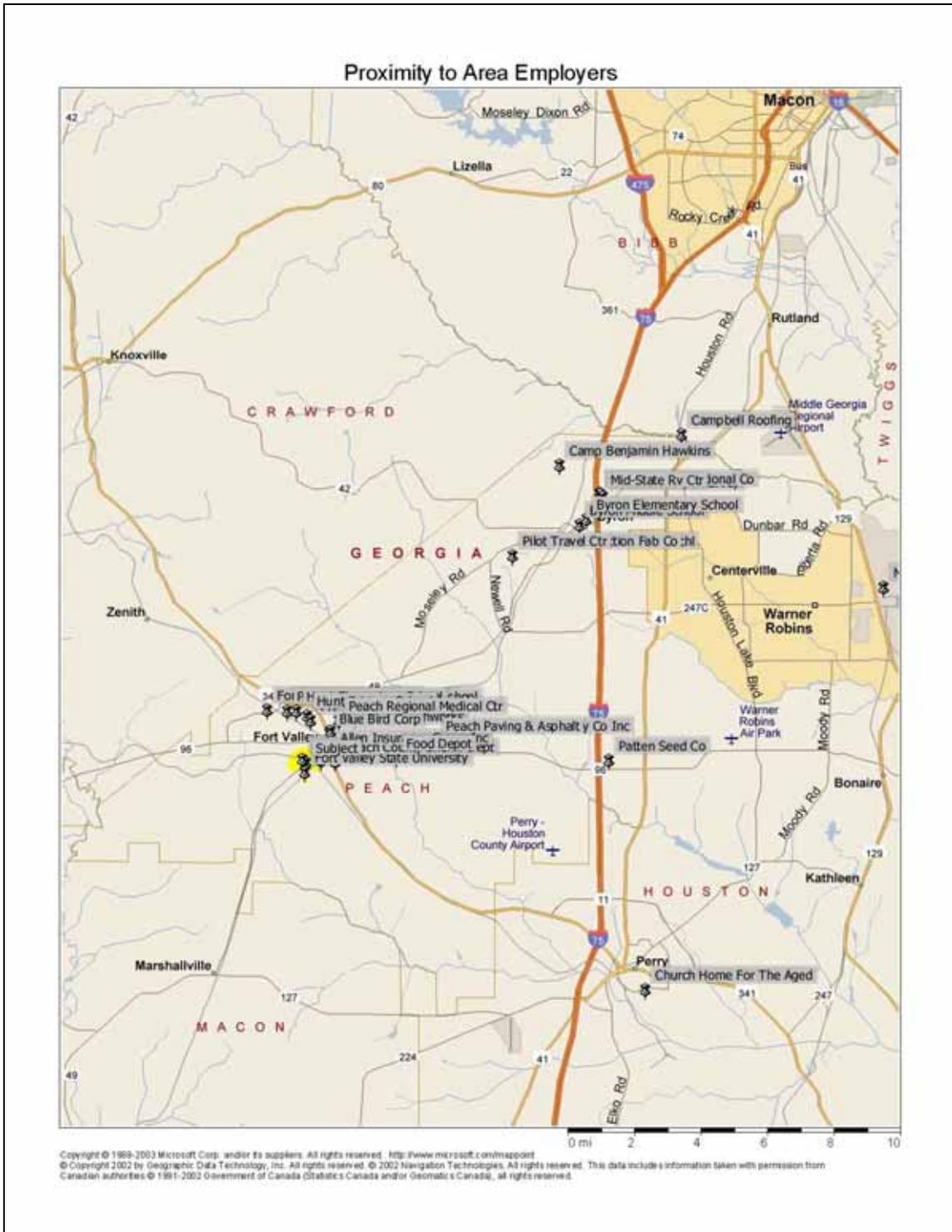
	Region	Market	Tract
Completed less than 9th grade	9.8%	12.8%	15.9%
Completed grades 9-12, no diploma	20.6%	23.0%	13.0%
Completed high school	20.3%	19.3%	19.9%
Completed some college	23.5%	21.3%	22.9%
Associate's degree	4.9%	3.0%	0.4%
Bachelor's degree	12.1%	11.4%	16.8%
Graduate or professional degree	8.7%	9.2%	11.1%
Total	100.0%	100.0%	100.0%
Less than high school	30.4%	35.8%	28.9%
High school or more	69.6%	64.2%	71.1%
Bachelor's degree or more	20.9%	20.6%	27.9%

Source: Claritas

According to Standards & Poor the subject property is located in an area with average elementary schools, below-average middle schools, and below-average high schools. According to Claritas, the subject property is located in an area with above-average educational attainment.

Proximity to Employment

The following map and table give details relating to the proximity of the subject property with respect to employment:



Commute to Work

	Region	Market	Tract
4 minutes or less	3.8%	5.2%	4.4%
5 to 14 minutes	28.8%	35.8%	29.6%
15 to 29 minutes	33.9%	24.2%	27.7%
30 to 44 minutes	20.1%	19.8%	22.7%
45 minutes or more	12.0%	14.4%	15.6%
Worked at home	1.4%	0.6%	0.0%
Total	100.0%	100.0%	100.0%
Less than 5 minutes	3.8%	5.2%	4.4%
Less than 15 minutes	32.6%	41.0%	34.0%
Less than 30 minutes	66.5%	65.2%	61.7%
Less than 45 minutes	86.6%	85.0%	84.4%
More than 45 minutes	12.0%	14.4%	15.6%
Worked at home	1.4%	0.6%	0.0%
Average Commute Time	23	23	24
Vehicles per household	1.78	1.50	1.44

Source: U.S. Census

The majority of the top employers are located within 20 miles of the subject property. Employees in the vicinity of the subject property have an average commute time of 24 minutes. This is compared with market area and regional commute times of 23 minutes and 23 minutes, respectively. We conclude that the subject property has a good location with respect to local employers.

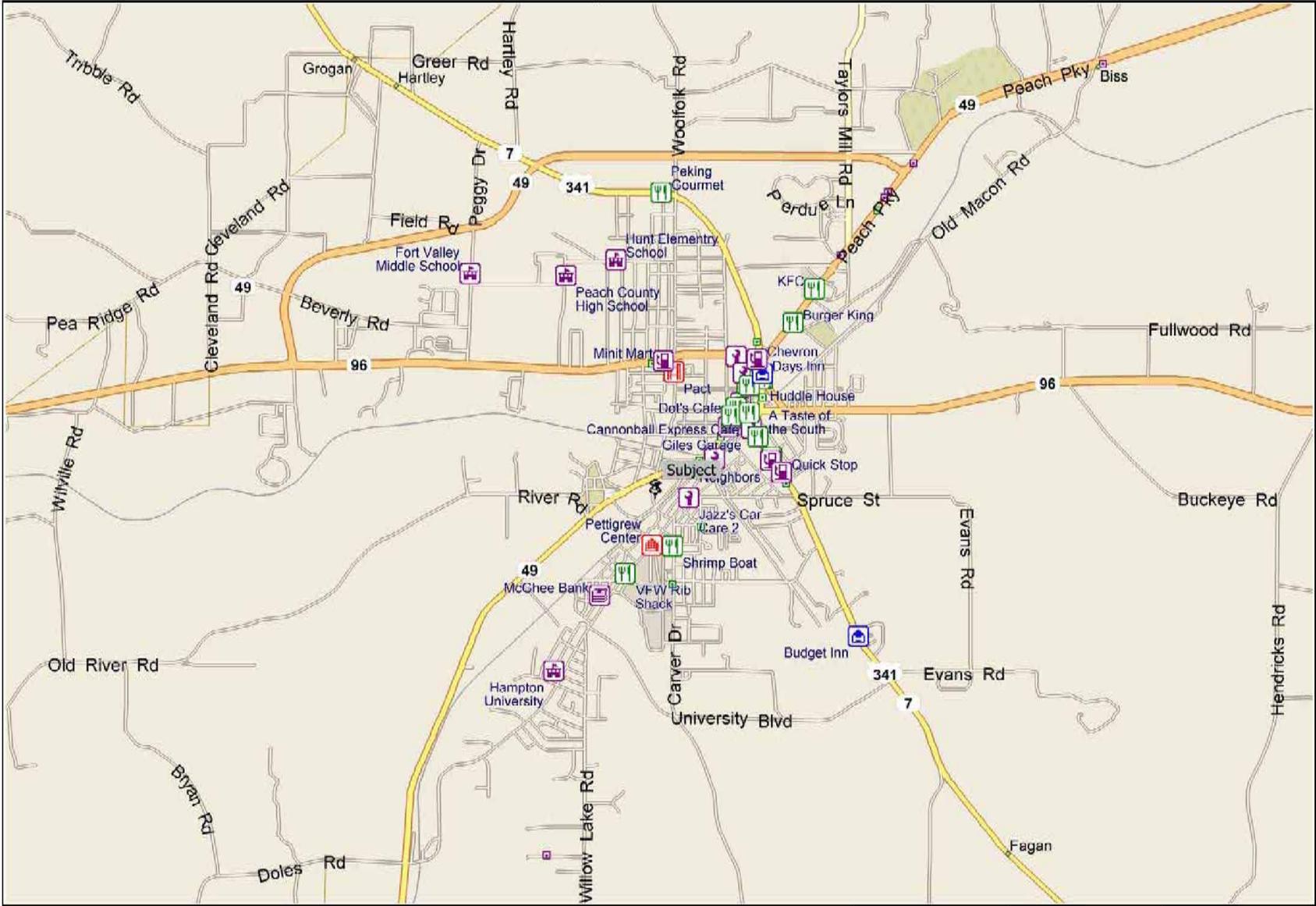
Proximity to Area Amenities

The map and table found in the following pages gives a summary of the site's location relative to entertainment, health clinics, hospitals, places worship, public services, retail, and schools. The map and table suggest that the subject property is located the following distances from a variety of amenities and services:

- Entertainment: Fair. Within 11.0 miles of most establishments.
- Health Clinics: Good. Within 2.0 miles of nearest establishment.
- Hospitals: Good. Within 2.0 miles of nearest establishment.
- Places of Worship: Good. Within 1.0 miles of nearest establishment.
- Public Services: Very Good. Within 1.0 miles of most establishments.
- Retail: Very Good. Within 1.0 miles of nearest establishment.
- Schools: Good. Within 2.0 miles of nearest establishment.

Our analysis suggests that the subject property has a fairly good location with respect to local amenities and services.

Proximity to Area Amenities



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Proximity to Area Amenities

Business Type	Business Name Address, City, State (Miles to Subject) Phone Number	Business Type	Business Name Address, City, State (Miles to Subject) Phone Number
	Entertainment		Places of Worship
Recreation Centers	Hunt Educational & Cultural 600 Spruce St, Fort Valley, GA (0.62 miles away) 478-822-9123	Churches	James Temple Miracle Ctr 460 Wye St, Fort Valley, GA (0.11 miles away) 478-825-9088
Theatres	Galleria 10 Cinemas 2922 Watson Blvd, Centerville, GA (13.37 miles away) 478-971-1010	Mosques	Muhammad Mosque 1695 3rd St, Macon, GA (24.32 miles away) 478-744-0913
Video Rental	Movie Gallery 1007 Saint Patricks Dr, Perry, GA (10.33 miles away) 478-988-8558	Temples	Congregation Beth Yeshua 229 W Spring Dr, Macon, GA (23.14 miles away) 478-471-9955
Locational Rating	Fair	Locational Rating	Good
	Retail		Schools
Banks	Sunmark Community Bank 205 S Camellia Blvd, Fort Valley, GA (0.70 miles away) 478-825-4020	Preschool	Little People Learning Ctr 118 Neil St, Fort Valley, GA (0.72 miles away) 478-825-7122
Department Stores	Family Dollar Store 701 Orange St, Fort Valley, GA (0.92 miles away) 478-825-5643	Elementary School	H A Hunt Elementary School 900 Tulip Dr, Fort Valley, GA (1.59 miles away) 478-825-2361
Grocers	Young's Super Foods 106 W Church St, Fort Valley, GA (0.80 miles away) 478-825-2733	Junior High School	Fort Valley Middle School 712 Peggy Dr, Fort Valley, GA (2.01 miles away) 478-825-2413
Pharmacies	Westview Pharmacy 606 Vineville St, Fort Valley, GA (0.99 miles away) 478-825-8226	Senior High School	Peach County High School 900 Campus Dr, Fort Valley, GA (1.66 miles away) 478-825-8258
Restaurants	Shrimp Boat 406 Carver Dr, Fort Valley, GA (0.30 miles away) 478-825-4567	Junior Colleges	Fort Valley State University 1005 State University Dr, Fort Valley, GA (0.31 miles away) 478-825-6211
Locational Rating	Very Good	Locational Rating	Good
	Public Services		Public Services
Fire Department	Peach County Fire Dept 205 W Church St, Fort Valley, GA (0.76 miles away) 478-822-9111	Police	Fort Valley Police Dept 200 W Church St, Fort Valley, GA (0.85 miles away) 478-822-6970
Government	Fort Valley Mayor's Office 204 W Church St, Fort Valley, GA (0.84 miles away) 478-825-8567	Post Office	US Post Office 115 Anderson Ave, Fort Valley, GA (0.78 miles away) 478-000-1111
Housing Authority	Perry Housing Authority 822 Perimeter Rd, Perry, GA (10.61 miles away) 478-987-5097	Senior Centers	CLC of Fort Valley 604 Bluebird Blvd, Fort Valley, GA (1.74 miles away) 478-825-2031
Libraries	Peach Public Library 315 Martin Luther King Jr Dr, Fort Valley, GA (0.80 miles away) 478-825-1640	Social Services	Peach County Family Svc 700 Spruce St # E, Fort Valley, GA (0.72 miles away) 478-825-6438
Locational Rating	Very Good	Locational Rating	Very Good
	Health Care		Health Care
Health Clinics	Central Georgia Internist Pc 555 Bluebird Blvd, Fort Valley, GA (1.71 miles away) 478-827-0444	Hospitals	Peach Regional Medical Ctr 601 Bluebird Blvd, Fort Valley, GA (1.65 miles away) 478-825-8691
Locational Rating	Good	Locational Rating	Good

Planned Road & Infrastructure Improvements

We are not aware of any planned road or infrastructure improvements in the immediate vicinity of the subject property.

Conclusions

The following table gives a summary of our overall site evaluation:

Overall Site Evaluation		
Topography		
Grade	Flat	Good
Drainage	East	
Flood Plain		
Designated Flood Plain	No	Good
Environmental		
Leaking USTs (within 1/2 mile)	5	Fair
Spill Sites (within 1/2 mile)	1	
Hazardous Waste (within 1/2 mile)	0	
Surrounding Properties		
Neighboring Property to North	Multifamily	Fair
Neighboring Property to South	Active Rail Line	
Neighboring Property to East	Church / Single Family	
Neighboring Property to West	Vacant Land / Single Family	
Accessibility		
Location	2 Blocks Off Major Thoroughfare	Fair
Visibility		
Location	2 Blocks Off Major Thoroughfare	Fair
Crime		
Crime Rate, Site	2.2%	Fair
Crime Rate, Market	1.3%	
Crime Rate, Regional	1.0%	
Elementary Schools		
Reading Proficiency (Local/State)	92.1%/91.9%	Good
Math Proficiency (Local/State)	89.6%/89.4%	
Middle Schools		
Reading Proficiency (Local/State)	82.6%/82.7%	Fair
Math Proficiency (Local/State)	61.3%/68.8%	
High Schools		
Reading Proficiency (Local/State)	90.2%/94.9%	Fair
Math Proficiency (Local/State)	86.6%/92.1%	
Educational Attainment		
H.S. Graduation Rate, Site	71.1%	Very Good
H.S. Graduation Rate, Market	64.2%	
H.S. Graduation Rate, Regional	69.6%	
Proximity to Employment		
Commute Time (minutes), Site	24	Good
Commute Time (minutes), Market	23	
Commute Time (minutes), Regional	23	
Proximity to Services		
Distance to Entertainment	11.0 Miles	Fair
Distance to Health Clinics	2.0 Miles	Good
Distance to Hospitals	2.0 Miles	Good
Distance to Places of Worship	1.0 Miles	Good
Distance to Public Services	1.0 Miles	Very Good
Distance to Retail	1.0 Miles	Very Good
Distance to Schools	2.0 Miles	Good
Overall Site Evaluation		Fair

Source: Allen & Associates

In our opinion the location of the subject property is fair. Our observations follow:

- Based on our evaluation of the neighborhood, the subject property is located in a rural area that appears to be in the stability stage of its life cycle. Modest population and household growth is anticipated for the next several years, along with modest increases in the housing stock. Properties in the immediate area appear to be generally 20-40 years old and in fair to good condition.
- Our analysis suggests that the subject is located in an area that is generally characterized by persons with a high school education, consisting of a mix of renters and owners with lower incomes with a mixture of ages.
- The topographic map shows that the site is fairly flat and drains to the east. There do not appear to be any topographic issues with respect to the subject property.
- The FEMA map identified the subject property as not being located in the 100-year flood zone.
- Our public records review identified 5 leaking underground storage tank(s), 1 hazardous waste spill site(s), and 0 hazardous waste generator(s) within ½ mile of the subject property. In addition, the subject property is located immediately adjacent to an active rail line. Noise and other environmental factors could be an issue. We recommend that the sponsor obtain an environmental assessment prior to this transaction being funded.
- Our review of the site shows that the subject is located in a rural area with multifamily and residential to the north, an active rail line to the south, a church and residential to the east, and multifamily and residential to the west.
- The subject property is located 2 blocks off a major thoroughfare with a fairly high volume of traffic flow. Accessibility is fair by virtue of the location of the subject property relative to existing streets and thoroughfares.
- The subject property is located 2 blocks off a major thoroughfare with a fairly high volume of traffic flow. Visibility and exposure are, therefore, fair by virtue of the site's location relative to existing traffic patterns.
- According to Claritas, the crime rate in the immediate vicinity of the subject property is 2.2 percent. This is compared with market area and regional crime rates of 1.3 percent and 1.0 percent, respectively. In our opinion, the subject property appears to be located in an area with above-average crime risk. Indeed, we personally witnessed an assault in progress when we conducted our field work for this project. This may or may not be an isolated case. In our opinion, a comprehensive crime study of some sort should be conducted prior to funding this transaction.
- According to Standards & Poor the subject property is located in an area with average elementary schools, below-average middle schools, and below-average high schools. According to Claritas, the subject property is located in an area with above-average educational attainment.
- The majority of the top employers are located within 20 miles of the subject property. Employees in the vicinity of the subject property have an average commute time of 24 minutes. This is compared with market area and regional commute times of 23 minutes and 23 minutes, respectively. We conclude that the subject property has a good location with respect to local employers.

- Our analysis suggests that the subject property has a fairly good location with respect to local amenities and services.
- We are not aware of any planned road or infrastructure improvements in the immediate vicinity of the subject property.

SUBJECT PROPERTY PHOTOS

Photos of the subject property are found below:

Magnolia Terrace II



Looking South on Green Street



Looking North on Green Street



MARKET AREA

Overview

Market areas are influenced by a variety of interrelated factors. These factors include site location, economic, and demographic characteristics (tenure, income, rent levels, etc.), local transportation patterns, physical boundaries (rivers, streams, topography, etc.), census geographies, and the location of comparable and/or potentially competing communities.

In areas where the county seat is the largest city, centrally located, and draws from the entire county, the county may be the market area. In the case where there are potentially competing communities in one county, the market area may be part of the county. In fact, the market area could include portions of adjacent counties. In this case, a combination of county subdivisions may be used to define the market area. In urban or suburban areas, the market area will be adjacent to the site extending to all locations of similar character with residents or potential residents likely to be interested in the project. In this case, county subdivisions, townships, or a combination of census tracts may be used to define the market area.

Allen & Associates recently conducted a series of property management interviews to better understand market areas and resident moving patterns for affordable multifamily properties. A summary of the survey results follows:

Market Area Survey

Family			
	Urban	Suburban	Rural
How many minutes does your typical tenant move from to reside in your units?	15	20	15
What % of your tenants come from outside this typical drive time area?	20%	20%	10%
What % of your tenants are over 55 years old?	20%	15%	15%

55+ Elderly			
	Urban	Suburban	Rural
How many minutes does your typical tenant move from to reside in your units?	15	20	15
What % of your tenants come from outside this typical drive time area?	25%	25%	15%
What % of your tenants come out of single family residences?	40%	20%	30%
What % of your tenants are between 55 & 65 years old?	35%	30%	30%
What % of your tenants are between 65 & 75 years old?	60%	55%	55%
What % of your tenants are over 75 years old?	5%	15%	15%
What % of your tenants are female?	85%	80%	90%

62+ Elderly			
	Urban	Suburban	Rural
How many minutes does your typical tenant move from to reside in your units?	15	20	15
What % of your tenants come from outside this typical drive time area?	20%	20%	10%
What % of your tenants come out of single family residences?	20%	20%	10%
What % of your tenants are between 62 & 65 years old?	20%	10%	10%
What % of your tenants are between 65 & 75 years old?	70%	75%	75%
What % of your tenants are over 75 years old?	10%	10%	10%
What % of your tenants are female?	80%	95%	95%

Source: Allen & Associates

The market area survey was used to develop the primary and secondary market area defined below.

Primary Market Area

We defined the primary market area by generating a drive time zone around the subject property and analyzing median rents and average household income levels in the area. We also considered population densities, existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

Based on our evaluation of the local market, we concluded that the primary market area includes the following 2000 Census Tracts:

Peach County: 402, 403.01, 403.02, 404.

The site is located in Peach County Census Tract 403.02.

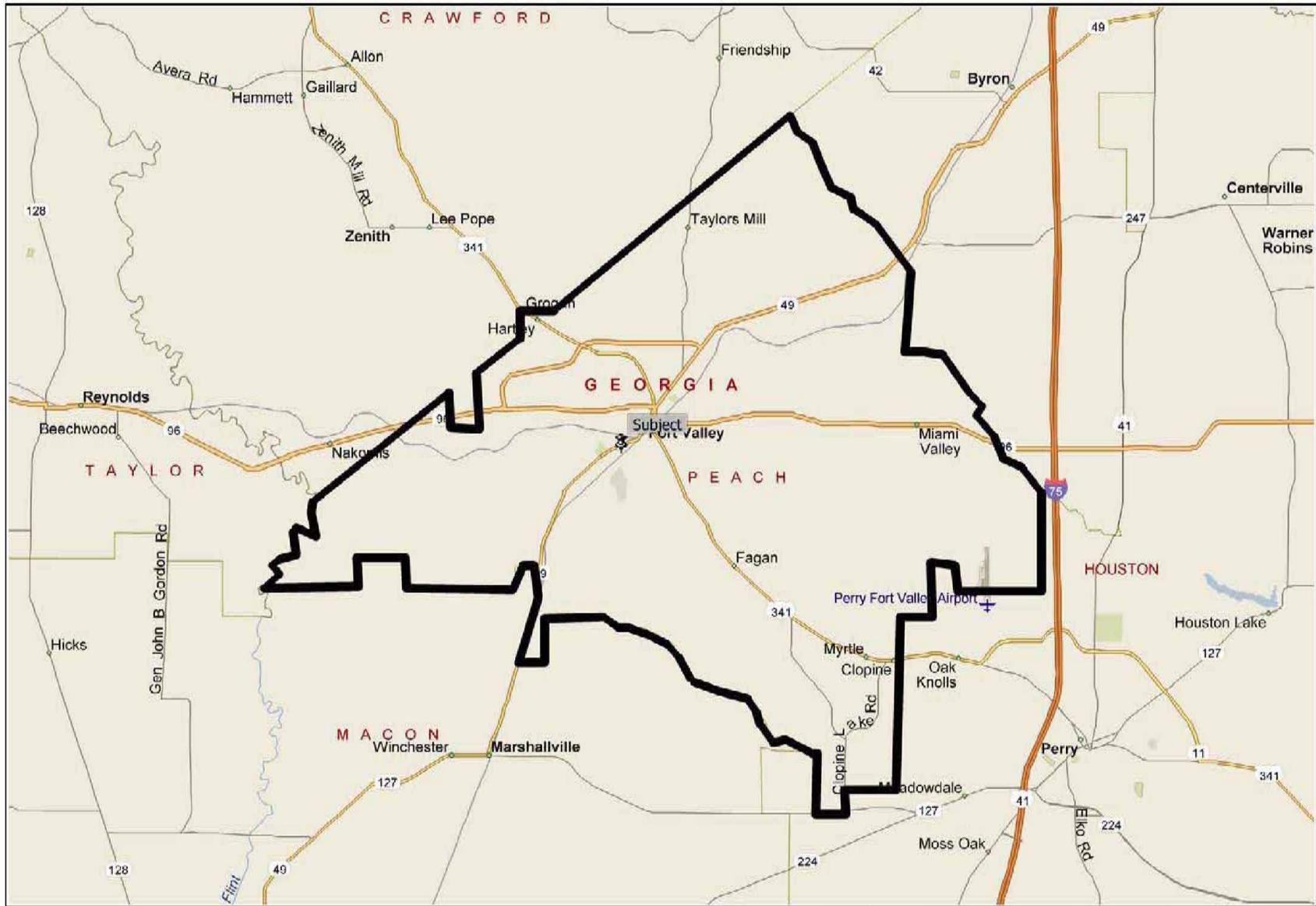
Secondary Market Area

Our research suggests that as much as 10 percent of multifamily demand will come from areas outside of the market area defined above.

Market Area Map

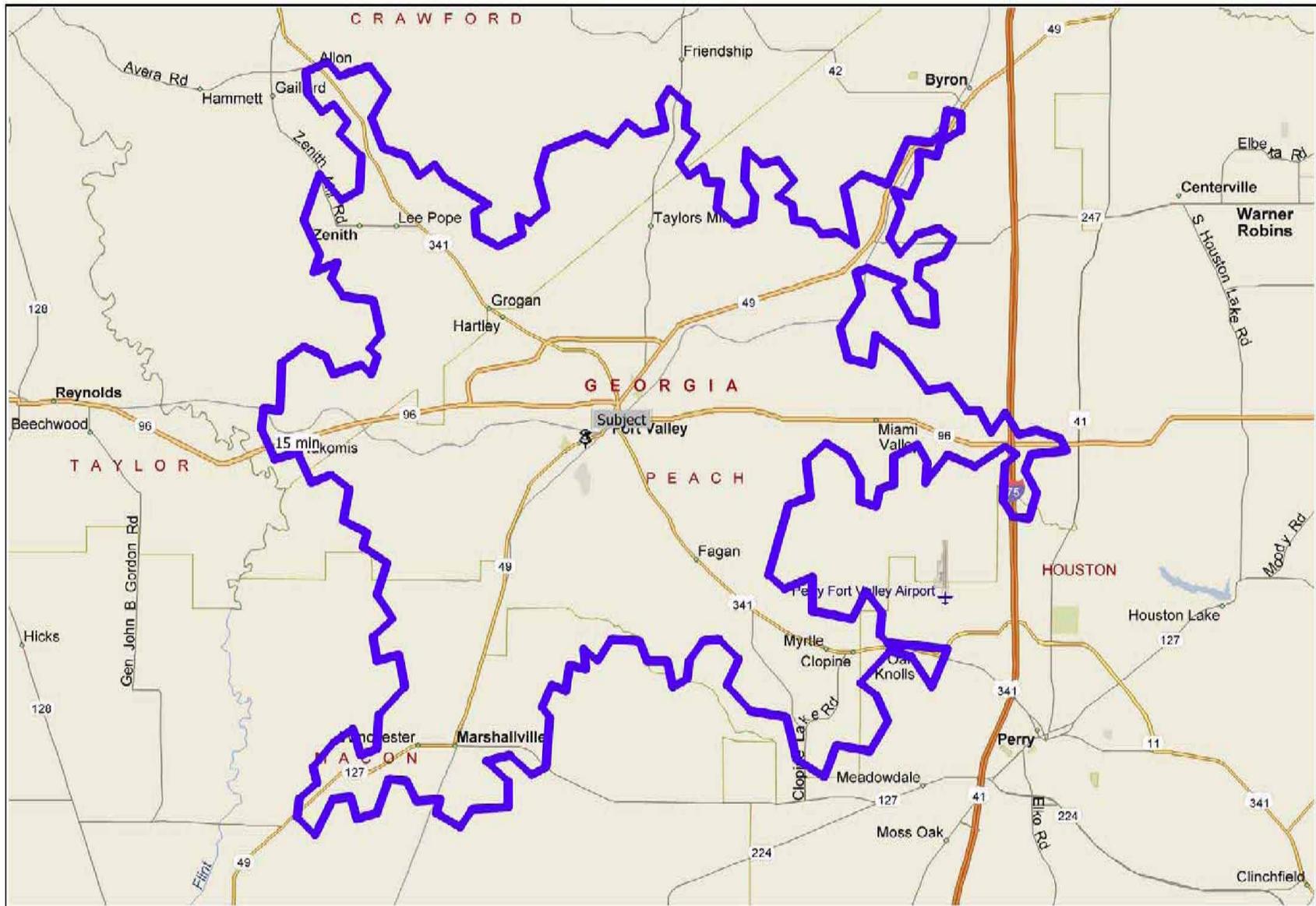
Market area, drive time and existing multifamily maps depicting the location of the subject property are presented in the following pages:

Market Area



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Drive Time



REGIONAL ECONOMY

In this section we conduct an analysis of the regional economy. For purposes of this analysis, we define the Region as Peach County, Georgia.

Employment, Establishment-Based

The following table gives establishment-based employment data for the nation, state and region since 1990. The data set, which comes from Woods & Poole Economics, includes a forecast through 2010:

Employment, Establishment-Based					
1990-2000 Historic					
Line		US	State	Region	Notes
1	1990 Employment	139,380,891	3,689,352	9,195	Bureau of Labor Statistics
2	2000 Employment	166,758,782	4,892,289	10,788	Bureau of Labor Statistics
3	1990-2000 Change	27,377,891	1,202,937	1,593	(2) - (1)
4					
5	1990-2000 Annual Change, %	1.8%	2.9%	1.6%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic					
7		US	State	Region	
8	2000 Employment	166,758,782	4,892,289	10,788	Bureau of Labor Statistics
9	2005 Employment	174,571,542	5,119,132	10,321	Bureau of Labor Statistics
10	2000-2005 Change	7,812,760	226,843	-467	(9) - (8)
11					
12	2000-2005 Annual Change, %	0.9%	0.9%	-0.9%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected					
14		US	State	Region	
15	2005 Employment	174,571,542	5,119,132	10,321	Bureau of Labor Statistics
16	2010 Employment	187,135,175	5,527,813	10,714	Woods & Poole
17	2005-2010 Change	12,563,633	408,681	393	(16) - (15)
18					
19	2005-2010 Annual Change, %	1.4%	1.5%	0.8%	$[(16)/(15)]^{(1/5)}-1$

Source: Bureau of Labor Statistics; Woods & Poole Economics

Establishment-based employment for the region increased from 9,195 in 1990 to 10,321 in 2005. Employment is forecasted to increase 0.8 percent annually through 2010. This is compared with projected growth of 1.5 and 1.4 percent for the state and nation, respectively.

Employment, by Industry

The following table gives the current distribution and a forecast of establishment-based employment by industry for the nation, state and region:

Employment, by Industry								
United States								
Category	1990	2000	1990-2000 Historic	2005	2000-2005 Historic	2005-2010 Projected	2010	Percent of Total
Farm Employment	3,153,000	3,113,000	-0.1%	3,071,143	-0.3%	0.0%	3,064,734	1.8%
Agricultural	1,453,958	2,121,118	3.8%	2,295,176	1.6%	1.8%	2,513,356	1.3%
Mining	1,044,098	784,205	-2.8%	773,133	-0.3%	0.9%	808,485	0.4%
Construction	7,261,784	9,446,293	2.7%	9,871,419	0.9%	1.5%	10,634,270	5.7%
Manufacturing	19,694,193	19,114,818	-0.3%	17,131,709	-2.2%	0.2%	17,335,429	9.8%
Trans, Comm & Public Utilities	6,550,612	8,244,403	2.3%	8,442,010	0.5%	1.4%	9,060,356	4.8%
Wholesale Trade	6,720,494	7,584,128	1.2%	7,681,175	0.3%	1.2%	8,146,127	4.4%
Retail Trade	22,885,508	27,222,299	1.8%	28,044,676	0.6%	1.1%	29,596,745	16.1%
Finance, Insurance & Real Estate	10,714,602	13,193,718	2.1%	15,384,800	3.1%	1.1%	16,276,060	8.8%
Services	38,670,642	52,990,800	3.2%	57,668,413	1.7%	2.1%	64,054,988	33.0%
Federal Civilian Government	3,233,004	2,891,979	-1.1%	2,753,317	-1.0%	0.3%	2,792,255	1.6%
Federal Military Government	2,717,996	2,075,021	-2.7%	1,972,214	-1.0%	0.3%	2,002,656	1.1%
State and Local Government	15,281,000	17,977,000	1.6%	19,482,357	1.6%	1.4%	20,849,714	11.2%
Total	139,380,891	166,758,782	1.8%	174,571,542	0.9%	1.4%	187,135,175	100.0%

State								
Category	1990	2000	1990-2000 Historic	2005	2000-2005 Historic	2005-2010 Projected	2010	Percent of Total
Farm Employment	74,286	67,255	-1.0%	67,535	0.1%	-0.2%	66,894	1.3%
Agricultural	31,513	55,925	5.9%	64,490	2.9%	2.4%	72,538	1.3%
Mining	10,595	9,549	-1.0%	9,234	-0.7%	0.4%	9,408	0.2%
Construction	212,380	301,578	3.6%	307,227	0.4%	1.7%	334,411	6.0%
Manufacturing	572,396	601,281	0.5%	548,816	-1.8%	0.5%	561,485	10.7%
Trans, Comm & Public Utilities	215,815	302,717	3.4%	310,571	0.5%	2.1%	344,755	6.1%
Wholesale Trade	228,510	274,869	1.9%	274,635	0.0%	1.2%	290,915	5.4%
Retail Trade	605,660	816,577	3.0%	845,817	0.7%	1.3%	903,628	16.5%
Finance, Insurance & Real Estate	245,001	348,052	3.6%	402,911	3.0%	1.1%	424,712	7.9%
Services	876,674	1,419,252	4.9%	1,545,501	1.7%	2.3%	1,734,710	30.2%
Federal Civilian Government	102,989	96,894	-0.6%	94,478	-0.5%	0.5%	96,883	1.8%
Federal Military Government	90,745	94,379	0.4%	92,075	-0.5%	0.3%	93,483	1.8%
State and Local Government	422,788	503,961	1.8%	555,842	2.0%	1.3%	593,991	10.9%
Total	3,689,352	4,892,289	2.9%	5,119,132	0.9%	1.5%	5,527,813	100.0%

Region								
Category	1990	2000	1990-2000 Historic	2005	2000-2005 Historic	2005-2010 Projected	2010	Percent of Total
Farm Employment	471	675	3.7%	719	1.3%	0.8%	749	7.0%
Agricultural	260	214	-1.9%	325	8.7%	0.3%	330	3.1%
Mining	4	13	12.5%	11	-3.3%	1.8%	12	0.1%
Construction	296	412	3.4%	476	2.9%	-0.1%	474	4.6%
Manufacturing	2,816	2,928	0.4%	2,446	-3.5%	0.4%	2,496	23.7%
Trans, Comm & Public Utilities	246	239	-0.3%	197	-3.8%	2.0%	218	1.9%
Wholesale Trade	289	225	-2.5%	300	5.9%	-0.5%	293	2.9%
Retail Trade	1,372	2,101	4.4%	1,738	-3.7%	2.0%	1,923	16.8%
Finance, Insurance & Real Estate	330	395	1.8%	375	-1.0%	0.9%	392	3.6%
Services	1,309	1,353	0.3%	1,471	1.7%	0.1%	1,479	14.3%
Federal Civilian Government	100	111	1.0%	110	-0.2%	0.5%	113	1.1%
Federal Military Government	104	85	-2.0%	65	-5.2%	0.9%	68	0.6%
State and Local Government	1,598	2,037	2.5%	2,088	0.5%	0.7%	2,167	20.2%
Total	9,195	10,788	1.6%	10,321	-0.9%	0.8%	10,714	100.0%

Source: Bureau of Labor Statistics; Woods & Poole Economics

Earnings, by Industry

The following table gives the current distribution of per-capita earnings by industry for the nation, state and region:

Earnings, by Industry			
2005			
Category	US	State	Region
Farm Employment	\$11,787	\$19,396	\$20,686
Agricultural	\$21,151	\$20,666	\$15,585
Mining	\$78,554	\$58,326	\$12,000
Construction	\$39,046	\$34,685	\$27,733
Manufacturing	\$55,963	\$45,992	\$50,983
Trans, Comm & Public Utilities	\$50,928	\$60,253	\$30,645
Wholesale Trade	\$51,217	\$55,592	\$29,027
Retail Trade	\$19,657	\$18,904	\$13,160
Finance, Insurance & Real Estate	\$43,213	\$38,091	\$21,021
Services	\$34,213	\$35,138	\$17,513
Federal Civilian Government	\$72,766	\$70,520	\$56,127
Federal Military Government	\$42,304	\$45,007	\$22,015
State and Local Government	\$39,760	\$36,054	\$36,136

Source: Woods & Poole Economics

Major Employers

The table on the following page gives a snapshot of the top civilian employers in the region. The data was obtained from InfoUSA:

Major Employers

Region							
COMPANY NAME	MAILING ADDRESS	CITY	STATE	ZIP CODE	PHONE	EMPLOYEES	PRIMARY SIC DESCRIPTION
Blue Bird Corp	PO Box 937	Fort Valley	GA	31030-0937	(478) 825-2021	3000	Buses-Manufacturers
Fort Valley State University	1005 State University Dr	Fort Valley	GA	31030-3298	(478) 825-6211	525	Junior Colleges & Technical Institutes
Southern Orchard Supply Co Inc	PO Box 716	Fort Valley	GA	31030-0716	(478) 825-2891	300	Fruits & Vegetables-Growers & Shippers
Peach Paving & Asphalt	PO Box 1087	Fort Valley	GA	31030-1087	(478) 825-1236	250	Paving Contractors
Blue Bird Coachworks	1 Wanderlodge Way	Fort Valley	GA	31030-3384	(478) 825-2021	170	Buildings-Pre-Cut Prefab & Modlr-Mfrs
Peach Regional Medical Ctr	601 Bluebird Blvd	Fort Valley	GA	31030-4599	(478) 825-8691	135	Hospitals
Kay Community Svc Ctr	213 Allen St	Fort Valley	GA	31030-2714	(478) 825-3124	117	State Government-Social/Human Resources
Campbell Roofing	7538 Houston Rd	Byron	GA	31008-6600	(478) 785-0099	101	Roofing Contractors
Primerica Financial Svc	904 Knoxville St	Fort Valley	GA	31030-3932	(478) 825-2598	100	Insurance
Eagle Springs Elementary Schl	3591 US Highway 41 N	Byron	GA	31008-3719	(478) 953-0450	90	Schools
Hunt Primary School	801 Chamlee Dr	Fort Valley	GA	31030-3568	(478) 825-8893	90	Schools
Peach County High School	900 Campus Dr	Fort Valley	GA	31030-3699	(478) 825-8258	90	Schools
Byron Elementary School	202 New Dunbar Rd	Byron	GA	31008-6346	(478) 956-5020	88	Schools
Pilot Travel Ctr	2965 Highway 247	Byron	GA	31008-5513	(478) 956-5316	80	Truck Stops & Plazas
Southeast Pipe Survey	106 Peachtree Pkwy # 303	Byron	GA	31008-4016	(478) 956-1428	80	Surveyors-Land
CLC Of Fort Valley	604 Bluebird Blvd	Fort Valley	GA	31030-5081	(478) 825-2031	75	Nursing & Convalescent Homes
Fort Valley Middle School	712 Peggy Dr	Fort Valley	GA	31030-7507	(478) 825-2413	75	Schools
Mid-State Rv Ctr	PO Box 1330	Byron	GA	31008-1330	(478) 956-3456	71	Recreational Vehicles-Equip/Parts/Svc
Hunt Elementary School	1000 Tulip Dr	Fort Valley	GA	31030-3420	(478) 825-5296	70	Schools
Mc Donald's	PO Box 8619	Warner Robins	GA	31095-8619	(478) 956-4605	65	Restaurants
Southern Perfection Fab Co	PO Box 628	Byron	GA	31008-0628	(478) 956-4442	65	Steel-Structural (Manufacturers)
Allen Insurance Group Inc	PO Box 1439	Fort Valley	GA	31030-1439	(478) 825-5566	60	Insurance
Camp Benjamin Hawkins	2251 Boy Scout Rd	Byron	GA	31008-9410	(478) 956-5629	60	Camps
Fort Valley Sanitary Dept	PO Box 956	Fort Valley	GA	31030-0956	(478) 825-2615	60	City Government-Environmental Programs
Terminix International Co	147 Peachtree Pkwy	Byron	GA	31008-4016	(478) 788-8306	60	Pest Control
Byron Middle School	201 Linda Dr	Byron	GA	31008-6348	(478) 956-4999	57	Schools
Food Depot	2301 US Highway 341	Fort Valley	GA	31030-3402	(478) 825-4028	57	Grocers-Retail
Church Home For The Aged	PO Box 1376	Perry	GA	31069-1376	(478) 987-1239	55	Nursing & Convalescent Homes
Peach County Sheriff Dept	1007 Spruce St	Fort Valley	GA	31030-4920	(478) 825-5144	52	Sheriff
Patten Seed Co	PO Box 1036	Fort Valley	GA	31030-1036	(478) 987-0776	50	Sod & Sodding Service
Peach County Vocational School	900 Campus Dr	Fort Valley	GA	31030-3699	(478) 825-3402	50	Schools

Source: InfoUSA

According to local property management personnel, Blue Bird Corporation – the largest employer in the region - recently laid off a number of its bus fabrication employees. Growth of small businesses is anticipated to absorb the displaced employees, however.

Employment, Population-Based

The following table gives population-based employment data for region since 1996. Historic data comes from the Bureau of Labor Statistics.

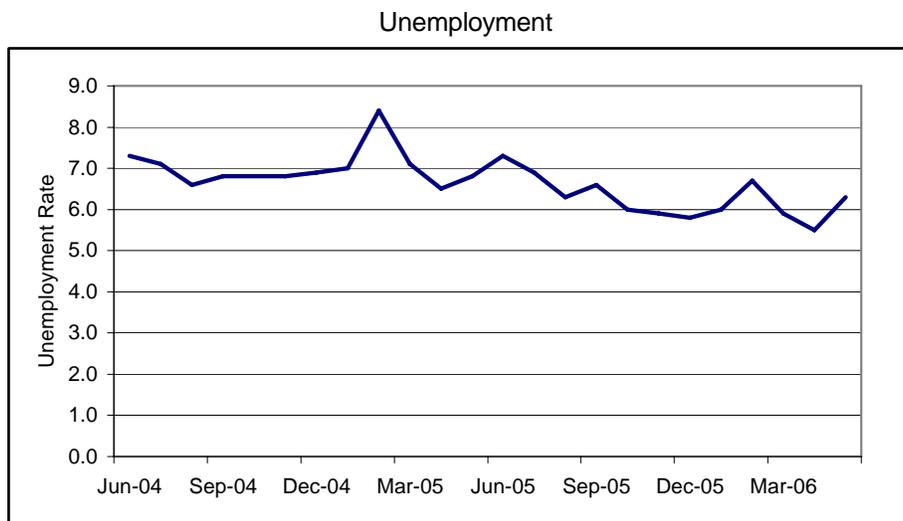
Employment, Population-Based						
Region						
Year	Labor Force	Employment	Job Growth	Growth Rate %	Unemployment	Unempl Rate %
1996	10,778	10,067	368	3.8%	711	6.6%
1997	11,082	10,395	328	3.3%	687	6.2%
1998	11,252	10,532	137	1.3%	720	6.4%
1999	10,864	10,256	-276	-2.6%	608	5.6%
2000	10,882	10,371	115	1.1%	511	4.7%
2001	10,913	10,422	51	0.5%	491	4.5%
2002	10,899	10,343	-79	-0.8%	556	5.1%
2003	11,214	10,564	221	2.1%	650	5.8%
2004	11,156	10,420	-144	-1.4%	736	6.6%
2005	11,415	10,650	230	2.2%	765	6.7%

Source: Bureau of Labor Statistics

Population-based employment for the region increased from 10,067 in 1996 to 10,650 in 2005. Job growth and unemployment averaged 2.2 and 6.7 percent, respectively, over the past year.

Unemployment

The following exhibit illustrates the pattern of unemployment for the region over the past 24 months.



Source: Bureau of Labor Statistics

The unemployment rates for the region have generally declined from approximately 7.0 percent to about 6.0 percent over the past 24 months.

Consumer Price Index

The following table shows consumer price index data since 1990 and a forecast through 2010:

Consumer Price Index		
US Total		
Year	Consumer Price Index	Annual Change
1990	130.7	5.4%
1991	136.2	4.2%
1992	140.3	3.0%
1993	144.5	3.0%
1994	148.2	2.6%
1995	152.4	2.8%
1996	156.9	3.0%
1997	160.5	2.3%
1998	163.0	1.6%
1999	166.6	2.2%
2000	172.2	3.4%
2001	177.1	2.8%
2002	179.9	1.6%
2003	184.0	2.3%
2004	188.9	2.7%
2005	195.3	3.4%
2006	200.7	2.8%
2007	206.3	2.8%
2008	212.0	2.8%
2009	217.9	2.8%
2010	224.0	2.8%

Source: Bureau of Labor Statistics
 Historic Data; Allen & Associates
 Projection Based on 3-Year Historic
 Average

Residential Permits

The following table gives residential permit data for the region since 2000 and a forecast through 2010:

Residential Permits					
Region					
Year	Total	Single Family	Multifamily	Single Family	Multifamily
2000	131	115	16	87.8%	12.2%
2001	135	135	0	100.0%	0.0%
2002	123	123	0	100.0%	0.0%
2003	174	174	0	100.0%	0.0%
2004	237	223	14	94.1%	5.9%
2005	335	335	0	100.0%	0.0%
2006	249	244	5	98.1%	1.9%
2007	249	244	5	98.1%	1.9%
2008	249	244	5	98.1%	1.9%
2009	249	244	5	98.1%	1.9%
2010	249	244	5	98.1%	1.9%

Source: U.S. Census Bureau Historic Data; Allen & Associates
Projection Based on 3-Year Historic Average

An estimated 249 residential permits are anticipated for the region in 2006. Multifamily is anticipated to account for 1.9 percent of this total through 2010.

Conclusions

In our opinion, the economic outlook for the region is fair. Our observations are summarized below:

- Establishment-based employment for the region increased from 9,195 in 1990 to 10,321 in 2005. Employment is forecasted to increase 0.8 percent annually through 2010. This is compared with projected growth of 1.5 and 1.4 percent for the state and nation, respectively.
- According to local property management personnel, Blue Bird Corporation – the largest employer in the region - recently laid off a number of its bus fabrication employees. Growth of small businesses is anticipated to absorb the displaced employees, however.
- Population-based employment for the region increased from 10,067 in 1996 to 10,650 in 2005. Job growth and unemployment averaged 2.2 and 6.7 percent, respectively, over the past year.
- The unemployment rates for the region have generally declined from approximately 7.0 percent to about 6.0 percent over the past 24 months.
- An estimated 249 residential permits are anticipated for the region in 2006. Multifamily is anticipated to account for 1.9 percent of this total through 2010.

MARKET AREA DEMOGRAPHIC CHARACTERISTICS

In this section we conduct an analysis of regional and market area demographics. Our analysis uses the regional and market area definitions presented previously in this report.

Population

The following table gives population data for the nation, state, region and market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Population						
1990-2000 Historic						
Line		US	State	Region	Market	Notes
1	1990 Population	249,622,814	6,512,602	21,189	14,027	US Census Bureau
2	2000 Population	282,177,838	8,230,094	23,668	14,763	US Census Bureau
3	1990-2000 Change	32,555,024	1,717,492	2,479	736	(2) - (1)
4						
5	1990-2000 Annual Change, %	1.2%	2.4%	1.1%	0.5%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic						
Line		US	State	Region	Market	Notes
8	2000 Population	282,177,838	8,230,094	23,668	14,763	US Census Bureau
9	2005 Population	296,468,313	8,919,405	24,645	14,847	W&P; Claritas
10	2000-2005 Change	14,290,475	689,311	977	84	(9) - (8)
11						
12	2000-2005 Annual Change, %	1.0%	1.6%	0.8%	0.1%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected						
Line		US	State	Region	Market	Notes
15	2005 Population	296,468,313	8,919,405	24,645	14,847	W&P; Claritas
16	2010 Population	311,034,645	9,517,755	25,630	14,963	W&P; Claritas
17	2005-2010 Change	14,566,332	598,350	985	116	(16) - (15)
18						
19	2005-2010 Annual Change, %	1.0%	1.3%	0.8%	0.2%	$[(16)/(15)]^{(1/5)}-1$

Source: U.S. Census Bureau, Woods & Poole; Claritas

Population for the market area increased from 14,027 in 1990 to 14,847 in 2005. Population is forecasted to increase 0.2 percent annually through 2010. This is compared with projected growth of 0.8, 1.3 and 1.0 percent for the region, state and nation, respectively.

Population, by Age, Sex and Race

The following tables give population data by age, sex and race for the region and market area in 2000:

Population, by Age

Population	2000			
	Region	Market	Region	Market
Under 5 years	1,531	934	6.5%	6.3%
5 to 9 years	1,739	992	7.3%	6.7%
10 to 14 years	1,804	1,058	7.6%	7.2%
15 to 19 years	2,109	1,495	8.9%	10.1%
20 to 24 years	2,508	2,049	10.6%	13.9%
25 to 29 years	1,582	975	6.7%	6.6%
30 to 34 years	1,538	873	6.5%	5.9%
35 to 39 years	1,704	914	7.2%	6.2%
40 to 44 years	1,675	936	7.1%	6.3%
45 to 49 years	1,622	969	6.9%	6.6%
50 to 54 years	1,394	795	5.9%	5.4%
55 to 59 years	1,139	678	4.8%	4.6%
60 to 64 years	992	561	4.2%	3.8%
65 to 69 years	779	467	3.3%	3.2%
70 to 74 years	602	388	2.5%	2.6%
75 to 79 years	459	323	1.9%	2.2%
80 to 84 years	271	186	1.1%	1.3%
85 years and over	220	170	0.9%	1.2%
Total	23,668	14,763	100.0%	100.0%

Population, by Sex

Population	2000			
	Region	Market	Region	Market
Male	11,444	7,056	48.4%	47.8%
Female	12,224	7,707	51.6%	52.2%
Total	23,668	14,763	100.0%	100.0%

Population, by Race

Population	2000			
	Region	Market	Region	Market
White alone	12,135	4,472	51.3%	30.3%
Black or African American alone	10,738	9,719	45.4%	65.8%
American Indian or Alaska Native alone	77	49	0.3%	0.3%
Asian alone	78	40	0.3%	0.3%
Native Hawaiian/Pacific Islander alone	8	4	0.0%	0.0%
Some other race alone	433	370	1.8%	2.5%
Population of two or more races	199	109	0.8%	0.7%
Total	23,668	14,763	100.0%	100.0%

Source: U.S. Census Bureau

Households

The following table gives household data for the nation, state, region and market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Total Households						
1990-2000 Historic						
Line		US	State	Region	Market	Notes
1	1990 Total Households	92,315,441	2,383,128	7,142	4,623	US Census Bureau
2	2000 Total Households	105,838,068	3,022,306	8,436	5,163	US Census Bureau
3	1990-2000 Change	13,522,627	639,178	1,294	540	(2) - (1)
4						
5	1990-2000 Annual Change, %	1.4%	2.4%	1.7%	1.1%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic						
7		US	State	Region	Market	
8	2000 Total Households	105,838,068	3,022,306	8,436	5,163	US Census Bureau
9	2005 Total Households	112,896,794	3,315,203	8,910	5,252	W&P; Claritas
10	2000-2005 Change	7,058,726	292,897	474	89	(9) - (8)
11						
12	2000-2005 Annual Change, %	1.3%	1.9%	1.1%	0.3%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected						
14		US	State	Region	Market	
15	2005 Total Households	112,896,794	3,315,203	8,910	5,252	W&P; Claritas
16	2010 Total Households	120,065,782	3,574,811	9,354	5,331	W&P; Claritas
17	2005-2010 Change	7,168,988	259,608	444	79	(16) - (15)
18						
19	2005-2010 Annual Change, %	1.2%	1.5%	1.0%	0.3%	$[(16)/(15)]^{(1/5)}-1$

Source: U.S. Census Bureau, Woods & Poole; Claritas

The total number of households for the market area increased from 4,623 in 1990 to 5,252 in 2005. The total number of households is forecasted to increase 0.3 percent annually through 2010. This is compared with projected growth of 1.0, 1.5 and 1.2 percent for the region, state and nation, respectively.

Tenure

The following table gives household tenure data for the region and market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Owner Tenure				
1990-2000 Historic				
Line		Region	Market	Notes
1	1990 Owner Tenure	69.13%	62.19%	US Census Bureau
2	2000 Owner Tenure	68.36%	59.89%	US Census Bureau
3	1990-2000 Change, %	-0.76%	-2.30%	(2) - (1)
4				
5	1990-2000 Annual Change, %	-0.08%	-0.23%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic				
7		Region	Market	
8	2000 Owner Tenure	68.36%	59.89%	US Census Bureau
9	2005 Owner Tenure	68.87%	59.82%	Claritas
10	2000-2005 Change, %	0.50%	-0.06%	(9) - (8)
11				
12	2000-2005 Annual Change, %	0.10%	-0.01%	(10) / 5
2005-2010 Projected				
14		Region	Market	
15	2005 Owner Tenure	68.87%	59.82%	Claritas
16	2010 Owner Tenure	69.18%	59.56%	Claritas
17	2005-2010 Change, %	0.31%	-0.27%	(16) - (15)
18				
19	2005-2010 Annual Change, %	0.06%	-0.05%	(17) / 5

Renter Tenure				
1990-2000 Historic				
Line		Region	Market	Notes
1	1990 Renter Tenure	30.87%	37.81%	US Census Bureau
2	2000 Renter Tenure	31.64%	40.11%	US Census Bureau
3	1990-2000 Change, %	0.76%	2.30%	(2) - (1)
4				
5	1990-2000 Annual Change, %	0.08%	0.23%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic				
7		Region	Market	
8	2000 Renter Tenure	31.64%	40.11%	US Census Bureau
9	2005 Renter Tenure	31.13%	40.18%	Claritas
10	2000-2005 Change, %	-0.50%	0.06%	(9) - (8)
11				
12	2000-2005 Annual Change, %	-0.10%	0.01%	(10) / 5
2005-2010 Projected				
14		Region	Market	
15	2005 Renter Tenure	31.13%	40.18%	Claritas
16	2010 Renter Tenure	30.82%	40.44%	Claritas
17	2005-2010 Change, %	-0.31%	0.27%	(16) - (15)
18				
19	2005-2010 Annual Change, %	-0.06%	0.05%	(17) / 5

Source: U.S. Census Bureau; Claritas

Households, by Tenure

The following table gives household tenure data for the region and market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Owner Households				
1990-2000 Historic				
Line		Region	Market	Notes
1	1990 Owner Households	4,937	2,875	US Census Bureau
2	2000 Owner Households	5,767	3,092	US Census Bureau
3	1990-2000 Change	830	217	(2) - (1)
4				
5	1990-2000 Annual Change, %	1.6%	0.7%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic				
7		Region	Market	
8	2000 Owner Households	5,767	3,092	US Census Bureau
9	2005 Owner Households	6,136	3,142	Claritas
10	2000-2005 Change	369	50	(9) - (8)
11				
12	2000-2005 Annual Change, %	1.2%	0.3%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected				
14		Region	Market	
15	2005 Owner Households	6,136	3,142	Claritas
16	2010 Owner Households	6,471	3,175	Claritas
17	2005-2010 Change	335	33	(16) - (15)
18				
19	2005-2010 Annual Change, %	1.1%	0.2%	$[(16)/(15)]^{(1/5)}-1$

Renter Households				
1990-2000 Historic				
Line		Region	Market	Notes
1	1990 Renter Households	2,205	1,748	US Census Bureau
2	2000 Renter Households	2,669	2,071	US Census Bureau
3	1990-2000 Change	464	323	(2) - (1)
4				
5	1990-2000 Annual Change, %	1.9%	1.7%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic				
7		Region	Market	
8	2000 Renter Households	2,669	2,071	US Census Bureau
9	2005 Renter Households	2,774	2,110	Claritas
10	2000-2005 Change	105	39	(9) - (8)
11				
12	2000-2005 Annual Change, %	0.8%	0.4%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected				
14		Region	Market	
15	2005 Renter Households	2,774	2,110	Claritas
16	2010 Renter Households	2,883	2,156	Claritas
17	2005-2010 Change	109	46	(16) - (15)
18				
19	2005-2010 Annual Change, %	0.8%	0.4%	$[(16)/(15)]^{(1/5)}-1$

Source: U.S. Census Bureau; Claritas

The total number of owner households for the market area currently stand at 3,142 and are anticipated to increase 0.2 percent annually through 2010. The total number of renter households for the market area currently stand at 2,110 and are anticipated to increase 0.4 percent annually through 2010.

Households, by Tenure, Size

The following table gives household size data by tenure for the region and market area in 2000. The data set comes from the U.S. Census Bureau:

Households, Owner, by Size

Households	2000			
	Region	Market	Region	Market
1 person	1,152	698	20.0%	22.6%
2 person	2,003	1,047	34.7%	33.9%
3 person	1,131	583	19.6%	18.9%
4 person	846	412	14.7%	13.3%
5 person	396	206	6.9%	6.7%
6 person	146	89	2.5%	2.9%
7+ person	93	57	1.6%	1.8%
Total	5,767	3,092	100.0%	100.0%

Households, Renter, by Size

Households	2000			
	Region	Market	Region	Market
1 person	754	590	28.3%	28.5%
2 person	701	560	26.3%	27.0%
3 person	531	401	19.9%	19.4%
4 person	358	257	13.4%	12.4%
5 person	184	145	6.9%	7.0%
6 person	76	59	2.8%	2.8%
7+ person	65	59	2.4%	2.8%
Total	2,669	2,071	100.0%	100.0%

Source: U.S. Census Bureau

Households, by Tenure, Movership

The following table gives household movership data by tenure for the region and market area in 1990 and 2000. The data set comes from the U.S. Census Bureau:

Movership, Owner

Households	1990			
	Region	Market	Region	Market
1 year or less	335	136	6.8%	4.7%
1 year to 5 years	1,256	561	25.4%	19.5%
6 years to 10 years	764	403	15.5%	14.0%
11 years to 20 years	1,315	821	26.6%	28.6%
21 years to 30 years	636	481	12.9%	16.7%
30 years or more	631	473	12.8%	16.5%
Total	4,937	2,875	100.0%	100.0%

Households	2000			
	Region	Market	Region	Market
1 year or less	375	132	6.5%	4.3%
1 year to 5 years	1,431	599	24.8%	19.4%
6 years to 10 years	1,137	570	19.7%	18.4%
11 years to 20 years	1,233	653	21.4%	21.1%
21 years to 30 years	740	471	12.8%	15.2%
30 years or more	852	666	14.8%	21.5%
Total	5,767	3,092	100.0%	100.0%

Source: U.S. Census Bureau

Movership, Renter

Households	1990			
	Region	Market	Region	Market
1 year or less	693	538	31.4%	30.8%
1 year to 5 years	882	658	40.0%	37.6%
6 years to 10 years	313	292	14.2%	16.7%
11 years to 20 years	158	144	7.2%	8.2%
21 years to 30 years	84	53	3.8%	3.0%
30 years or more	75	63	3.4%	3.6%
Total	2,205	1,748	100.0%	100.0%

Households	2000			
	Region	Market	Region	Market
1 year or less	785	604	29.4%	29.1%
1 year to 5 years	1,202	949	45.0%	45.8%
6 years to 10 years	278	217	10.4%	10.5%
11 years to 20 years	213	180	8.0%	8.7%
21 years to 30 years	84	41	3.1%	2.0%
30 years or more	107	79	4.0%	3.8%
Total	2,669	2,071	100.0%	100.0%

Source: U.S. Census Bureau

Household Income

The following table gives average household income data for the region and market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Average Household Income				
1990-2000 Historic				
Line		Region	Market	Notes
1	1990 Average Household Income	\$32,561	\$28,245	US Census Bureau
2	2000 Average Household Income	\$44,260	\$36,613	US Census Bureau
3	1990-2000 Change	\$11,699	\$8,368	(2) - (1)
4				
5	1990-2000 Annual Change, %	3.1%	2.6%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic				
7		Region	Market	
8	2000 Average Household Income	\$44,260	\$36,613	US Census Bureau
9	2005 Average Household Income	\$49,142	\$40,497	Claritas
10	2000-2005 Change	\$4,882	\$3,884	(9) - (8)
11				
12	2000-2004 Annual Change, %	2.1%	2.0%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected				
14		Region	Market	
15	2005 Average Household Income	\$49,142	\$40,497	Claritas
16	2010 Average Household Income	\$54,244	\$44,123	Claritas
17	2005-2010 Change	\$5,103	\$3,625	(16) - (15)
18				
19	2005-2010 Annual Change, %	2.0%	1.7%	$[(16)/(15)]^{(1/5)}-1$

Source: U.S. Census Bureau; Claritas

Average household income for the market area increased from \$28,245 in 1990 to \$40,497 in 2005. Average household income is forecasted to increase 1.7 percent annually through 2010. This is compared with a projected consumer price index growth of 2.8 percent, suggesting erosion in real disposable income over the next several years.

Owner Household Income, 2000

The following table gives owner household income data for the market area from the 2000 Census. The data, which was originally tabulated in 1999 dollars, is initially converted to percentages and then trended forward to 2005 dollars by inflating the income brackets using average household income growth rates for the market area. The resulting constant 2005 dollar estimates are then restated in cumulative \$10,000 increments for ease of reference and comparison.

Owner Household Income, by Percent of Income Spent on Housing, 2000 Census

1999 \$			Percent of Income Spent on Housing					
Income Range			<20%	20-24%	25-29%	30-34%	35%+	Total
\$0	to	\$9,999	12	35	24	0	311	382
\$10,000	to	\$19,999	136	60	31	40	90	356
\$20,000	to	\$34,999	298	113	90	72	124	697
\$35,000	to	\$49,999	379	70	51	8	68	576
\$50,000	to	\$74,999	391	74	49	20	28	563
\$75,000	to	\$99,999	258	40	21	0	0	319
\$100,000	or	more	192	8	0	0	0	199
Total Households			1,665	400	266	140	621	3,092

1999 \$			Percent of Income Spent on Housing					
Income Range			<20%	20-24%	25-29%	30-34%	35%+	Total
\$0	to	\$9,999	0.4%	1.1%	0.8%	0.0%	10.1%	12.3%
\$10,000	to	\$19,999	4.4%	1.9%	1.0%	1.3%	2.9%	11.5%
\$20,000	to	\$34,999	9.6%	3.7%	2.9%	2.3%	4.0%	22.5%
\$35,000	to	\$49,999	12.3%	2.3%	1.6%	0.3%	2.2%	18.6%
\$50,000	to	\$74,999	12.6%	2.4%	1.6%	0.6%	0.9%	18.2%
\$75,000	to	\$99,999	8.3%	1.3%	0.7%	0.0%	0.0%	10.3%
\$100,000	or	more	6.2%	0.3%	0.0%	0.0%	0.0%	6.5%
Percent of Total			53.8%	12.9%	8.6%	4.5%	20.1%	100.0%

2006 \$			Percent of Income Spent on Housing					
Income Range			<20%	20-24%	25-29%	30-34%	35%+	Total
\$0	to	\$11,547	0.4%	1.1%	0.8%	0.0%	10.1%	12.3%
\$11,548	to	\$23,095	4.4%	1.9%	1.0%	1.3%	2.9%	11.5%
\$23,096	to	\$40,417	9.6%	3.7%	2.9%	2.3%	4.0%	22.5%
\$40,418	to	\$57,739	12.3%	2.3%	1.6%	0.3%	2.2%	18.6%
\$57,740	to	\$86,609	12.6%	2.4%	1.6%	0.6%	0.9%	18.2%
\$86,610	to	\$115,479	8.3%	1.3%	0.7%	0.0%	0.0%	10.3%
\$115,480	or	more	6.2%	0.3%	0.0%	0.0%	0.0%	6.5%
Percent of Total			53.8%	12.9%	8.6%	4.5%	20.1%	100.0%

2006 \$			Percent of Income Spent on Housing					
Income Range			<20%	20-24%	25-29%	30-34%	35%+	Total
\$0	to	\$10,000	0.3%	1.0%	0.7%	0.0%	8.7%	10.6%
\$0	to	\$20,000	3.6%	2.5%	1.5%	0.9%	12.2%	20.8%
\$0	to	\$30,000	8.5%	4.5%	2.9%	2.2%	14.5%	32.7%
\$0	to	\$40,000	14.1%	6.6%	4.6%	3.5%	16.9%	45.7%
\$0	to	\$50,000	21.2%	8.0%	5.6%	3.8%	18.2%	56.7%
\$0	to	\$60,000	27.6%	9.2%	6.4%	3.9%	19.2%	66.3%
\$0	to	\$70,000	32.0%	10.0%	7.0%	4.1%	19.6%	72.7%
\$0	to	\$80,000	36.4%	10.8%	7.5%	4.4%	19.9%	79.0%
\$0	to	\$90,000	40.2%	11.5%	8.0%	4.5%	20.1%	84.4%
\$0	to	\$100,000	43.2%	12.0%	8.2%	4.5%	20.1%	88.0%
\$0	or	more	53.8%	12.9%	8.6%	4.5%	20.1%	100.0%

Source: U.S. Census Bureau; Allen & Associates

Renter Household Income, 2000

The following table gives renter household income data for the market area from the 2000 Census. The data, which was originally tabulated in 1999 dollars, is initially converted to percentages and then trended forward to 2005 dollars by inflating the income brackets using average household income growth rates for the market area. The resulting constant 2005 dollar estimates are then restated in cumulative \$10,000 increments for ease of reference and comparison.

Renter Household Income, by Percent of Income Spent on Housing, 2000 Census								
1999 \$			Percent of Income Spent on Housing					
Income Range			<20%	20-24%	25-29%	30-34%	35%+	Total
\$0	to	\$9,999	16	37	43	39	467	603
\$10,000	to	\$19,999	63	86	91	107	275	621
\$20,000	to	\$34,999	215	153	43	26	53	490
\$35,000	to	\$49,999	174	8	0	0	8	190
\$50,000	to	\$74,999	117	0	0	7	0	124
\$75,000	to	\$99,999	34	0	0	0	0	34
\$100,000	or	more	8	0	0	0	0	8
Total Households			627	285	177	179	804	2,071

1999 \$			Percent of Income Spent on Housing					
Income Range			<20%	20-24%	25-29%	30-34%	35%+	Total
\$0	to	\$9,999	0.8%	1.8%	2.1%	1.9%	22.5%	29.1%
\$10,000	to	\$19,999	3.0%	4.2%	4.4%	5.2%	13.3%	30.0%
\$20,000	to	\$34,999	10.4%	7.4%	2.1%	1.2%	2.6%	23.7%
\$35,000	to	\$49,999	8.4%	0.4%	0.0%	0.0%	0.4%	9.2%
\$50,000	to	\$74,999	5.7%	0.0%	0.0%	0.3%	0.0%	6.0%
\$75,000	to	\$99,999	1.6%	0.0%	0.0%	0.0%	0.0%	1.6%
\$100,000	or	more	0.4%	0.0%	0.0%	0.0%	0.0%	0.4%
Percent of Total			30.3%	13.7%	8.5%	8.6%	38.8%	100.0%

2006 \$			Percent of Income Spent on Housing					
Income Range			<20%	20-24%	25-29%	30-34%	35%+	Total
\$0	to	\$11,547	0.8%	1.8%	2.1%	1.9%	22.5%	29.1%
\$11,548	to	\$23,095	3.0%	4.2%	4.4%	5.2%	13.3%	30.0%
\$23,096	to	\$40,417	10.4%	7.4%	2.1%	1.2%	2.6%	23.7%
\$40,418	to	\$57,739	8.4%	0.4%	0.0%	0.0%	0.4%	9.2%
\$57,740	to	\$86,609	5.7%	0.0%	0.0%	0.3%	0.0%	6.0%
\$86,610	to	\$115,479	1.6%	0.0%	0.0%	0.0%	0.0%	1.6%
\$115,480	or	more	0.4%	0.0%	0.0%	0.0%	0.0%	0.4%
Percent of Total			30.3%	13.7%	8.5%	8.6%	38.8%	100.0%

2006 \$			Percent of Income Spent on Housing					
Income Range			<20%	20-24%	25-29%	30-34%	35%+	Total
\$0	to	\$10,000	0.7%	1.5%	1.8%	1.6%	19.4%	25.0%
\$0	to	\$20,000	3.0%	4.8%	5.3%	5.7%	32.2%	51.0%
\$0	to	\$30,000	7.9%	8.8%	7.3%	7.5%	36.8%	68.3%
\$0	to	\$40,000	13.9%	13.1%	8.5%	8.3%	38.3%	82.1%
\$0	to	\$50,000	18.8%	13.6%	8.5%	8.3%	38.6%	87.8%
\$0	to	\$60,000	23.0%	13.7%	8.5%	8.3%	38.8%	92.4%
\$0	to	\$70,000	25.0%	13.7%	8.5%	8.4%	38.8%	94.5%
\$0	to	\$80,000	27.0%	13.7%	8.5%	8.6%	38.8%	96.6%
\$0	to	\$90,000	28.4%	13.7%	8.5%	8.6%	38.8%	98.2%
\$0	to	\$100,000	29.0%	13.7%	8.5%	8.6%	38.8%	98.7%
\$0	or	more	30.3%	13.7%	8.5%	8.6%	38.8%	100.0%

Source: U.S. Census Bureau; Allen & Associates

Conclusions

In our opinion, the demographic outlook for the market area is fair. Our observations are summarized below:

- Population for the market area increased from 14,027 in 1990 to 14,847 in 2005. Population is forecasted to increase 0.2 percent annually through 2010. This is compared with projected growth of 0.8, 1.3 and 1.0 percent for the region, state and nation, respectively.
- The total number of households for the market area increased from 4,623 in 1990 to 5,252 in 2005. The total number of households is forecasted to increase 0.3 percent annually through 2010. This is compared with projected growth of 1.0, 1.5 and 1.2 percent for the region, state and nation, respectively.
- The total number of owner households for the market area currently stand at 3,142 and are anticipated to increase 0.2 percent annually through 2010. The total number of renter households for the market area currently stand at 2,110 and are anticipated to increase 0.4 percent annually through 2010.
- Average household income for the market area increased from \$28,245 in 1990 to \$40,497 in 2005. Average household income is forecasted to increase 1.7 percent annually through 2010. This is compared with a projected consumer price index growth of 2.8 percent, suggesting erosion in real disposable income over the next several years.

SUPPLY ANALYSIS

Overview

In this section we conduct an analysis of market area housing supply. Our analysis uses the market area definition presented previously in this report.

Total Housing Units

The following table gives total housing unit data for the market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Total Housing Units			
1990-2000 Historic			
Line		Market	Notes
1	1990 Total Housing Units	4,858	US Census Bureau
2	2000 Total Housing Units	5,576	US Census Bureau
3	1990-2000 Change	718	(2) - (1)
4			
5	1990-2000 Annual Change, %	1.4%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic			
6			
7		Market	
8	2000 Total Housing Units	5,576	US Census Bureau
9	2005 Total Housing Units	5,671	Claritas
10	2000-2005 Change	95	(9) - (8)
11			
12	2000-2005 Annual Change, %	0.3%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected			
13			
14		Market	
15	2005 Total Housing Units	5,671	Claritas
16	2010 Total Housing Units	5,756	Claritas
17	2005-2010 Change	85	(16) - (15)
18			
19	2005-2010 Annual Change, %	0.3%	$[(16)/(15)]^{(1/5)}-1$

Source: U.S. Census Bureau; Claritas

The total number of housing units for the market area increased from 4,858 in 1990 to 5,671 in 2005. The total number of housing units is forecasted to increase 0.3 percent annually through 2010.

Total Housing Units, by Tenure, Age of Structure

The following table gives total housing units by tenure and age or structure for the market area in 2000. The data set comes from the U.S. Census Bureau:

Housing Units							
2000							
Year Built	Owner	Renter	Occupied	Vacant	Percent	Total	Percent
1990 to 2000	643	528	1,171	123	9.5%	1,294	23.2%
1980 to 1989	462	310	772	56	6.8%	828	14.8%
1970 to 1979	570	536	1,106	60	5.1%	1,166	20.9%
1960 to 1969	499	398	897	45	4.8%	942	16.9%
1950 to 1959	343	173	516	44	7.9%	560	10.0%
1940 to 1949	244	48	292	4	1.4%	296	5.3%
1939 or earlier	331	78	409	81	16.5%	490	8.8%
Total	3,092	2,071	5,163	413	7.4%	5,576	100.0%

Source: U.S. Census Bureau

Median Age		
2006		
	Built	Age
Owner	1971	35
Renter	1976	30
Total	1974	32

Source: U.S. Census Bureau

Our analysis suggests median ages of 35 and 30 years, respectively, for the owner and renter housing units in the market area.

Renter Housing Units

The following table gives renter housing unit data for the market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Renter Housing Units			
1990-2000 Historic			
Line		Market	Notes
1	1990 Renter Housing Units	1,879	US Census Bureau
2	2000 Renter Housing Units	2,213	US Census Bureau
3	1990-2000 Change	334	(2) - (1)
4			
5	1990-2000 Annual Change, %	1.7%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic			
7		Market	
8	2000 Renter Housing Units	2,213	US Census Bureau
9	2005 Renter Housing Units	2,251	Claritas
10	2000-2005 Change	38	(9) - (8)
11			
12	2000-2005 Annual Change, %	0.3%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected			
14		Market	
15	2005 Renter Housing Units	2,251	Claritas
16	2010 Renter Housing Units	2,285	Claritas
17	2005-2010 Change	34	(16) - (15)
18			
19	2005-2010 Annual Change, %	0.3%	$[(16)/(15)]^{(1/5)}-1$

Source: U.S. Census Bureau, Claritas; Allen & Associates

The total number of renter housing units for the market area increased from 1,879 in 1990 to 2,251 in 2005. The total number of housing units is forecasted to increase 0.3 percent annually through 2010.

Renter Housing Units, by Bedroom Count

The following table gives renter housing units by bedroom count for the market area in 1990 and 2000. The data set comes from the U.S. Census Bureau:

Renter Housing Units					
1990					
Unit Type	Occupied	Vacant	Percent	Total	Percent
0 Bedroom	13	0	0.0%	13	0.7%
1 Bedroom	339	17	4.7%	356	18.9%
2 Bedroom	775	45	5.4%	820	43.6%
3 Bedroom	525	54	9.3%	579	30.8%
4 Bedroom	52	14	21.8%	66	3.5%
5 Bedroom	44	2	3.7%	46	2.4%
Total	1,748	131	7.0%	1,879	100.0%

2000					
Unit Type	Occupied	Vacant	Percent	Total	Percent
0 Bedroom	41	0	0.0%	41	1.9%
1 Bedroom	468	18	3.6%	485	21.9%
2 Bedroom	821	30	3.6%	851	38.4%
3 Bedroom	557	74	11.7%	631	28.5%
4 Bedroom	155	17	10.0%	173	7.8%
5 Bedroom	29	3	10.6%	33	1.5%
Total	2,071	142	6.4%	2,213	100.0%

Source: U.S. Census Bureau; Allen & Associates

Renter Housing Units, by Unit Size

The following table gives renter housing units by unit size for the market area in 1990 and 2000. The data set comes from the U.S. Census Bureau:

Renter Housing Units		
1990		
Unit Type	Occupied	Size
0 Bedroom	13	500
1 Bedroom	339	700
2 Bedroom	775	1,000
3 Bedroom	525	1,250
4 Bedroom	52	1,400
5 Bedroom	44	1,550
Total/Average	1,748	1,039

2000		
Unit Type	Occupied	Size
0 Bedroom	41	500
1 Bedroom	468	700
2 Bedroom	821	1,000
3 Bedroom	557	1,250
4 Bedroom	155	1,400
5 Bedroom	29	1,550
Total/Average	2,071	1,027

Source: U.S. Census Bureau; Allen & Associates

Median Rent

The following tables give the 1990 and 2000 median rent data for the market area. This data comes from the US Census Bureau:

Median Rent		
1990		
Rent Range		Market
\$0	to \$249	668
\$250	to \$499	789
\$500	to \$749	136
\$750	to \$999	8
\$1,000	to more	22
No Cash Rent		125
Total Households		1,748

Median Rent		
2000		
Rent Range		Market
\$0	to \$249	427
\$250	to \$499	914
\$500	to \$749	406
\$750	to \$999	91
\$1,000	to more	48
No Cash Rent		186
Total Households		2,071

1990 - 2000 Change	
Description	Market
Median Rent, 1990	\$300
Median Rent, 2000	\$418
Average Square Feet, 1990	1,039
Average Square Feet, 2000	1,027
Rent per Square Foot, 1990	\$0.289
Rent per Square Foot, 2000	\$0.407
1990-2000 Change	\$0.118
1990-2000 Annual Change, %	3.5%

Source: U.S. Census Bureau; Allen & Associates

The renter housing unit data suggests a 3.5 percent annual increase in median rent for the market area between 1990 and 2000.

Substandard Housing Units

The U.S. Census Bureau defines substandard housing units as follows: (1) Units without complete plumbing; or (2) Units with 1.00 or more persons per room. The following tables give the 1990 and 2000 breakdown of substandard housing units by tenure:

Substandard Housing Units			
1990			
Households	Total	Owner	Renter
1.00 persons per room or less	4,271	2,722	1,549
1.01 to 1.50 persons per room	154	90	64
1.51 persons per room or more	117	23	94
Complete Plumbing	4,542	2,835	1,707
1.00 persons per room or less	76	40	36
1.01 to 1.50 persons per room	5	0	5
1.51 persons per room or more	0	0	0
Lacking Complete Plumbing	81	40	41
Standard	4,271	2,722	1,549
Substandard	352	153	199
Total	4,623	2,875	1,748
Standard	92.4%	94.7%	88.6%
Substandard	7.6%	5.3%	11.4%
Total	100.0%	100.0%	100.0%

2000			
Households	Total	Owner	Renter
1.00 persons per room or less	4,714	2,927	1,786
1.01 to 1.50 persons per room	293	116	177
1.51 persons per room or more	122	30	92
Complete Plumbing	5,129	3,073	2,056
1.00 persons per room or less	34	19	15
1.01 to 1.50 persons per room	0	0	0
1.51 persons per room or more	0	0	0
Lacking Complete Plumbing	34	19	15
Standard	4,714	2,927	1,786
Substandard	449	165	285
Total	5,163	3,092	2,071
Standard	91.3%	94.7%	86.3%
Substandard	8.7%	5.3%	13.7%
Total	100.0%	100.0%	100.0%

Source: U.S. Census Bureau

Rental Property Inventory

In conducting our analysis, we attempted to obtain information on every multifamily property with 20 or more units in the primary market area. We compiled a list of all properties financed by the state housing finance authority and all properties subsidized by USDA and/or HUD. We also conducted a search for conventional multifamily communities.

Our analysis included a total of 12 properties in the market area. This total included 12 stabilized properties consisting of 4 properties with 100 percent market rate units (market rate properties), 5 properties with a mixture of market rate / restricted / subsidized units (restricted properties), and 3 properties with 100 percent project-based rental assistance (subsidized properties). The total included 0 stabilized elderly properties and 12 stabilized family properties. The breakout is set forth below:

Market Rate			
	Elderly	Family	Total
Total Properties	0	4	4
Stabilized Properties	0	4	4

Restricted			
	Elderly	Family	Total
Total Properties	0	5	5
Stabilized Properties	0	5	5

Subsidized			
	Elderly	Family	Total
Total Properties	0	3	3
Stabilized Properties	0	3	3

Total			
	Elderly	Family	Total
Total Properties	0	12	12
Stabilized Properties	0	12	12

The following is our inventory of properties in the market area:

		Overview								
AAC Code	Project Name	Miles to Subject	Year Built	Year Renovated	Rent Type	Occupancy Type	Status	Total Units	Vacant Units	Occupancy
001	Byron Apartments	9.81	1980	na	Restricted	Family	Stabilized	24	1	95.8%
002	College Square Apartments	0.34	1973	na	Restricted	Family	Stabilized	60	15	75.0%
003	Davis Properties	0.03	2001	na	Market Rate	Family	Stabilized	24	1	95.8%
004	Indian Oaks Apartments	1.24	1984	na	Subsidized	Family	Stabilized	149	3	98.0%
005	Lakeview Apartments	0.41	1971	na	Subsidized	Family	Stabilized	96	9	90.6%
014	Magnolia Terrace Phase 1	0.00	2005	na	Restricted	Family	Stabilized	50	2	96.0%
006	Marvin Gardens	0.51	1996	na	Market Rate	Family	Stabilized	30	4	86.7%
007	Marvin Gardens II	0.29	1998	na	Market Rate	Family	Stabilized	50	5	90.0%
008	Peachtree Crossings	9.70	0	na	Market Rate	na	Unconfirmed	0	0	0.0%
009	Valley Pines Apartments	0.69	1984	na	Market Rate	Family	Stabilized	40	6	85.0%
010	Valley Pines III	0.69	1980	na	Restricted	Family	Stabilized	26	5	80.8%
011	Valley Pines IV	0.69	1988	na	Restricted	Family	Stabilized	50	4	92.0%
012	Walker Enterprises (aka Rosie Lane)	0.03	0	na	Market Rate	na	Unconfirmed	0	0	0.0%
013	Westside Villas	0.69	1994	na	Subsidized	Family	Stabilized	44	0	100.0%

Other properties exist in the market area that were not included in this study. In our opinion, however, the properties included in this study give an accurate picture of market conditions as of the effective date of this report.

Rental Property Inventory Map

A map showing the location of properties included in this report relative to the subject property is found on the next page. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for all properties are found in the Appendix of this report.

Occupancy Summary

Our occupancy summary for the market area is found in the following pages.

Occupancies by rent type for stabilized elderly properties follow: Market rate, not applicable (0 units in sample); restricted rents, not applicable (0 units in sample); and subsidized rents, not applicable (0 units in sample).

Occupancies by rent type for stabilized family properties follow: Market rate, 89.6% (154 units in sample); restricted rents, 86.5% (200 units in sample); and subsidized rents, 95.8% (289 units in sample).

Overall market occupancies for stabilized properties currently stand at 91.4% (643 units in sample).

Stabilized Occupancy Rates

The following table uses the proposed unit mix and prevailing occupancy rates to estimate the stabilized occupancy rate for the subject property:

	30% of AMI	50% of AMI	60% of AMI	Restricted	Market Rate	Total
0-Bedroom	0	0	0	0	0	0
1-Bedroom	0	2	0	2	2	4
2-Bedroom	0	10	3	13	3	16
3-Bedroom	0	10	3	13	3	16
4-Bedroom	0	0	0	0	0	0
Subject Units	0	22	6	28	8	36
0-Bedroom	0%	0%	0%	0%	0%	0%
1-Bedroom	0%	95%	0%	95%	90%	93%
2-Bedroom	0%	95%	95%	95%	90%	94%
3-Bedroom	0%	95%	95%	95%	90%	94%
4-Bedroom	0%	0%	0%	0%	0%	0%
Stabilized Occupancy	0%	95%	95%	95%	90%	94%

Source: Allen & Associates

Based on the prevailing occupancy rates for market rate, restricted and subsidized properties, and considering the unit mix for the subject property, we anticipate a stabilized occupancy rate of approximately 94 percent.

Rental Property Inventory



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Market Rate

	Elderly						Family						Total					
	0BR	1BR	2BR	3BR	4BR	Total	0BR	1BR	2BR	3BR	4BR	Total	0BR	1BR	2BR	3BR	4BR	Total
Total Units	0	0	0	0	0	0	0	15	78	55	6	154	0	15	78	55	6	154
Total Vacant Units	0	0	0	0	0	0	0	1	9	6	0	16	0	1	9	6	0	16
Total Occupancy	-	-	-	-	-	-	-	93.3%	88.5%	89.1%	100.0%	89.6%	-	93.3%	88.5%	89.1%	100.0%	89.6%
Stabilized Units	0	0	0	0	0	0	0	15	78	55	6	154	0	15	78	55	6	154
Stabilized Vacant Units	0	0	0	0	0	0	0	1	9	6	0	16	0	1	9	6	0	16
Stabilized Occupancy	-	-	-	-	-	-	-	93.3%	88.5%	89.1%	100.0%	89.6%	-	93.3%	88.5%	89.1%	100.0%	89.6%

Restricted

	Elderly						Family						Total					
	0BR	1BR	2BR	3BR	4BR	Total	0BR	1BR	2BR	3BR	4BR	Total	0BR	1BR	2BR	3BR	4BR	Total
Total Units	0	0	0	0	0	0	0	41	125	34	0	200	0	41	125	34	0	200
Total Vacant Units	0	0	0	0	0	0	0	3	16	8	0	27	0	3	16	8	0	27
Total Occupancy	-	-	-	-	-	-	-	92.7%	87.2%	76.5%	-	86.5%	-	92.7%	87.2%	76.5%	-	86.5%
Stabilized Units	0	0	0	0	0	0	0	41	125	34	0	200	0	41	125	34	0	200
Stabilized Vacant Units	0	0	0	0	0	0	0	3	16	8	0	27	0	3	16	8	0	27
Stabilized Occupancy	-	-	-	-	-	-	-	92.7%	87.2%	76.5%	-	86.5%	-	92.7%	87.2%	76.5%	-	86.5%

Subsidized

	Elderly						Family						Total					
	0BR	1BR	2BR	3BR	4BR	Total	0BR	1BR	2BR	3BR	4BR	Total	0BR	1BR	2BR	3BR	4BR	Total
Total Units	0	0	0	0	0	0	10	85	102	65	27	289	10	85	102	65	27	289
Total Vacant Units	0	0	0	0	0	0	2	0	3	4	3	12	2	0	3	4	3	12
Total Occupancy	-	-	-	-	-	-	80.0%	100.0%	97.1%	93.8%	88.9%	95.8%	80.0%	100.0%	97.1%	93.8%	88.9%	95.8%
Stabilized Units	0	0	0	0	0	0	10	85	102	65	27	289	10	85	102	65	27	289
Stabilized Vacant Units	0	0	0	0	0	0	2	0	3	4	3	12	2	0	3	4	3	12
Stabilized Occupancy	-	-	-	-	-	-	80.0%	100.0%	97.1%	93.8%	88.9%	95.8%	80.0%	100.0%	97.1%	93.8%	88.9%	95.8%

Grand Total

	Elderly						Family						Total					
	0BR	1BR	2BR	3BR	4BR	Total	0BR	1BR	2BR	3BR	4BR	Total	0BR	1BR	2BR	3BR	4BR	Total
Total Units	0	0	0	0	0	0	10	141	305	154	33	643	10	141	305	154	33	643
Total Vacant Units	0	0	0	0	0	0	2	4	28	18	3	55	2	4	28	18	3	55
Total Occupancy	-	-	-	-	-	-	80.0%	97.2%	90.8%	88.3%	90.9%	91.4%	80.0%	97.2%	90.8%	88.3%	90.9%	91.4%
Stabilized Units	0	0	0	0	0	0	10	141	305	154	33	643	10	141	305	154	33	643
Stabilized Vacant Units	0	0	0	0	0	0	2	4	28	18	3	55	2	4	28	18	3	55
Stabilized Occupancy	-	-	-	-	-	-	80.0%	97.2%	90.8%	88.3%	90.9%	91.4%	80.0%	97.2%	90.8%	88.3%	90.9%	91.4%

RENT COMPARABILITY ANALYSIS

In this section we evaluate the proposed rents for the subject property given the pricing for similar properties in the marketplace. In our analysis, we first compare the subject property to similar restricted rent properties in order to arrive at an indicated market rent conclusion for the restricted rent units at the subject property. Our next step is to compare the subject property to similar market rate properties in order to arrive at a market rent conclusion for the subject property units, assuming that the subject property was completely unrestricted. Because the actual rents market rate units at restricted-rent properties often fall short of the rents at unrestricted properties, we utilize the restricted rent and market rent conclusions derived above to arrive at an indicated market rent conclusion for any market rate units at the subject property. Finally, we compare our rent conclusions with the sponsor's proposed rents to assess whether the subject property is priced appropriately.

Analysis of Restricted Rent Comparables

In this section we select comparable rentals and use them to develop estimates of indicated market rents for the restricted rent units at the subject property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

Comparables with market rate rents are used when a sufficient number of restricted rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

On the next page we present a master list of properties with notes regarding the reasons for selecting or rejecting each property as a rent comparable for purposes of this analysis.

Comparable Rental Property Map

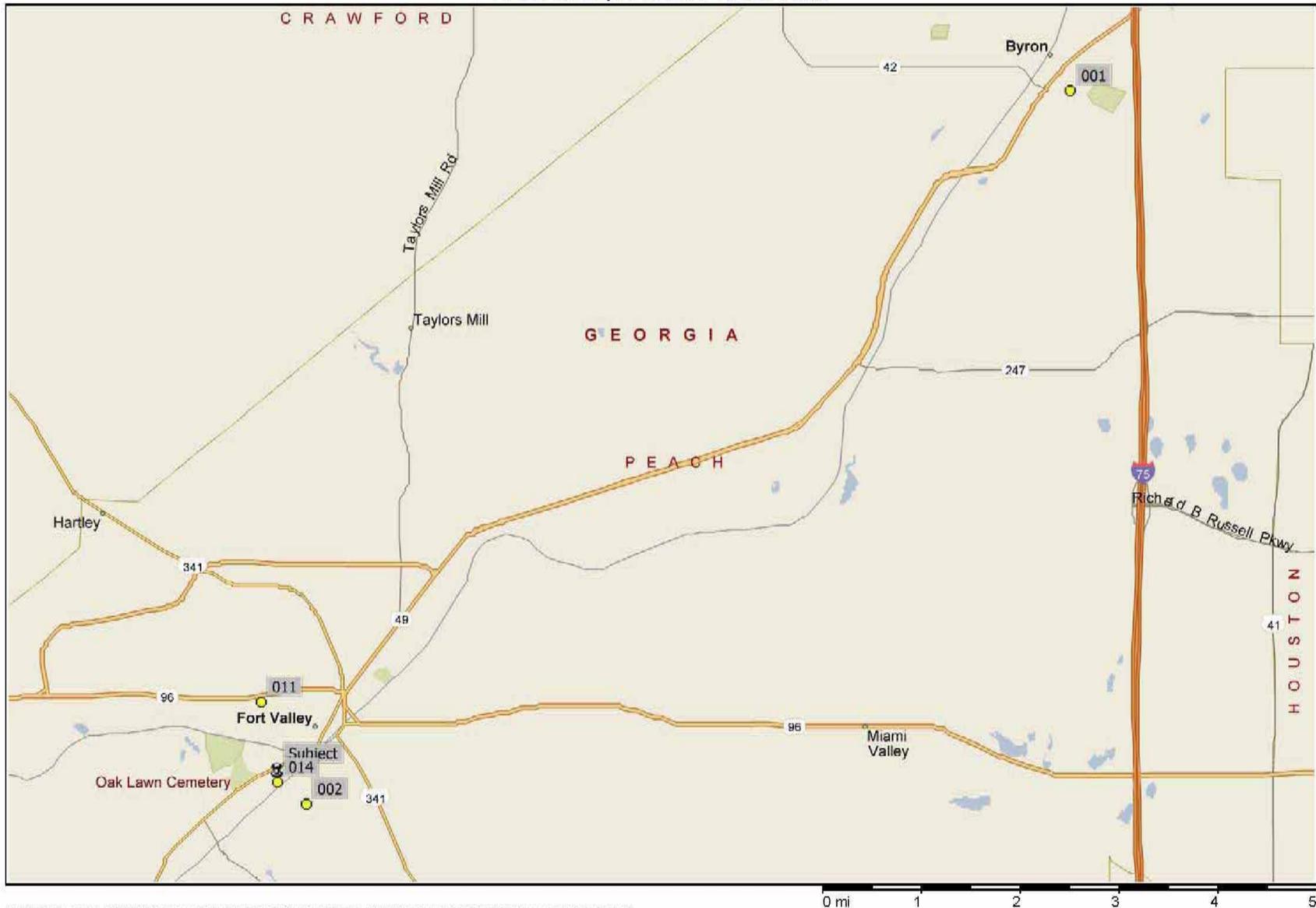
A map showing the location of the properties selected as comparables in this analysis is found after the master list of properties found below. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the comparables are found in the Appendix of this report.

Rent Comparability Grids

Our analysis utilized rent comparability grids and resulted in an achievable rent estimate for each of the subject's unit types. The rent comparability grids for the subject property are found after the map of the rent comparables found below:

AAC Code	Project Name	Overview									Selection as Restricted Rent Comparable
		Miles to Subject	Year Built	Year Renovated	Rent Type	Occupancy Type	Status	Total Units	Vacant Units	Occupancy	
001	Byron Apartments	9.81	1980	na	Restricted	Family	Stabilized	24	1	95.8%	selected
002	College Square Apartments	0.34	1973	na	Restricted	Family	Stabilized	60	15	75.0%	selected
003	Davis Properties	0.03	2001	na	Market Rate	Family	Stabilized	24	1	95.8%	market rate
004	Indian Oaks Apartments	1.24	1984	na	Subsidized	Family	Stabilized	149	3	98.0%	subsidized
005	Lakeview Apartments	0.41	1971	na	Subsidized	Family	Stabilized	96	9	90.6%	subsidized
014	Magnolia Terrace Phase 1	0.00	2005	na	Restricted	Family	Stabilized	50	2	96.0%	selected
006	Marvin Gardens	0.51	1996	na	Market Rate	Family	Stabilized	30	4	86.7%	market rate
007	Marvin Gardens II	0.29	1998	na	Market Rate	Family	Stabilized	50	5	90.0%	market rate
008	Peachtree Crossings	9.70	0	na	Market Rate	na	Unconfirmed	0	0	0.0%	unconfirmed
009	Valley Pines Apartments	0.69	1984	na	Market Rate	Family	Stabilized	40	6	85.0%	market rate
010	Valley Pines III	0.69	1980	na	Restricted	Family	Stabilized	26	5	80.8%	selected
011	Valley Pines IV	0.69	1988	na	Restricted	Family	Stabilized	50	4	92.0%	selected
012	Walker Enterprises (aka Rosie Lane)	0.03	0	na	Market Rate	na	Unconfirmed	0	0	0.0%	unconfirmed
013	Westside Villas	0.69	1994	na	Subsidized	Family	Stabilized	44	0	100.0%	subsidized

Rent Comparables, Restricted



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Project Name	Adjustments			Sub	001	002	010	011	014		
	Min	Max	Adj	Data	Data	Adj	Data	Adj	Data	Adj	
Address				Magnolia Terrace Phase 2	Byron Apartments	College Square Apartments	Valley Pines III	Valley Pines IV	Magnolia Terrace Phase 1		
City				714 Green Street	205 White Road	1207 Edward Street	104 Brooks Boulevard	104 Brooks Boulevard	714 Green Street		
State				Fort Valley	Byron	Fort Valley	Fort Valley	Fort Valley	Fort Valley		
Zip				Georgia	Georgia	Georgia	Georgia	Georgia	Georgia		
Phone				31030	31008	31030	31030	31020	31030		
Latitude				(478) 825-1478	(229) 242-7759	(478) 825-2140	(478) 825-7561	(478) 825-7461	(478) 825-1478		
Longitude				32.5457	32.6482	32.5424	32.5575	32.5575	32.5457		
Miles to Subject				-83.8954	-83.7558	-83.8904	-83.8985	-83.8985	-83.8954		
Effective Date				0.00	9.81	0.34	0.69	0.69	0.00		
Rent Type				06/16/06	05/31/06	05/24/06	05/19/06	05/19/06	05/17/06		
Income Limit				Restricted	Restricted	Restricted	Restricted	Restricted	Restricted		
Project Type				50% of AMI	50% of AMI	60% of AMI	50% of AMI	50% of AMI	60% of AMI		
Project Status				Family	Family	Family	Family	Family	Family		
Total Units				Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized		
Vacant Units				2	8	12	13	16	2		
Year Built				2	0	1	2	2	0		
Year Renovated				2005	1980	1973	1980	1988	2005		
Occupancy				na	na	na	na	na	na		
Square Feet, Minimum				0%	100%	92%	85%	88%	100%		
Square Feet, Maximum				878	700	590	900	650	975		
Square Feet, Typical				878	700	590	900	650	975		
Utility Allowance				878	700	590	900	650	975		
Net Rent, Minimum				\$80	\$0	\$52	\$0	\$99	\$99		
Net Rent, Maximum				\$375	\$299	\$471	\$375	\$340	\$400		
Net Rent, Typical				\$375	\$485	\$471	\$475	\$455	\$400		
				\$375	\$392	\$471	\$425	\$398	\$400		
Utilities in Rent				Min	Max	Adj	Data	Adj	Data	Adj	
Unit Type				Change in UA	\$80 UA	\$0 UA	-\$80	\$52 UA	-\$28	\$0 UA	-\$80
Location				Garden/Flat	Garden/Flat	Garden/Flat	Townhome	Garden/Flat	Garden/Flat	Garden/Flat	
Condition				varies	varies	\$0.00	varies	varies	\$30.00	varies	varies
Effective Age				2	3	-\$30	2.5	-\$15	2.5	-\$15	2.5
Bedrooms				2.5	2.5	\$25	2.5	\$25	2.5	\$25	5
Bathrooms				5	1	\$0	33	\$0	26	\$0	18
Square Feet, Typical				1	1	\$0	1	\$0	2	-\$50	1
Building Type				1.0	1.0	\$0	1.0	\$0	1.0	\$0	1.0
Project Amenities				\$0.00	\$100.00	\$50.00	\$0.00	\$100.00	\$50.00	\$0.00	\$100.00
Unit Amenities				\$0.00	\$50.00	\$25.00	\$0.00	\$50.00	\$25.00	\$0.00	\$50.00
Kitchen Amenities				\$0.00	\$1.00	\$0.00	\$0.00	\$1.00	\$0.00	\$0.00	\$1.00
A/C Units				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Heat				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
W/D Units				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Services				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indicated Rent				\$400	\$342	\$473	\$315	\$457	\$404		

Project Name	Adjustments			Sub	001	002	010	011	014		
	Min	Max	Adj	Data	Data	Adj	Data	Adj	Data	Adj	
Address				Magnolia Terrace Phase 2	Byron Apartments	College Square Apartments	Valley Pines III	Valley Pines IV	Magnolia Terrace Phase 1		
City				714 Green Street	205 White Road	1207 Edward Street	104 Brooks Boulevard	104 Brooks Boulevard	714 Green Street		
State				Fort Valley	Byron	Fort Valley	Fort Valley	Fort Valley	Fort Valley		
Zip				Georgia	Georgia	Georgia	Georgia	Georgia	Georgia		
Phone				31030	31008	31030	31030	31020	31030		
Latitude				(478) 825-1478	(229) 242-7759	(478) 825-2140	(478) 825-7561	(478) 825-7461	(478) 825-1478		
Longitude				32.5457	32.6482	32.5424	32.5575	32.5575	32.5457		
Miles to Subject				-83.8954	-83.7558	-83.8904	-83.8985	-83.8985	-83.8954		
Effective Date				0.00	9.81	0.34	0.69	0.69	0.00		
Rent Type				06/16/06	05/31/06	05/24/06	05/19/06	05/19/06	05/17/06		
Income Limit				Restricted	Restricted	Restricted	Restricted	Restricted	Restricted		
Project Type				60% of AMI	50% of AMI	60% of AMI	50% of AMI	50% of AMI	60% of AMI		
Project Status				Family	Family	Family	Family	Family	Family		
Total Units				Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized		
Vacant Units				3	16	36	13	34	7		
Year Built				3	1	10	2	2	0		
Year Renovated				2005	1980	1973	1980	1988	2005		
Occupancy				na	na	na	na	na	na		
Square Feet, Minimum				0%	94%	72%	85%	94%	100%		
Square Feet, Maximum				1,065	1,000	849	900	900	1,175		
Square Feet, Typical				1,065	1,000	849	900	900	1,175		
Utility Allowance				\$102	\$0	\$67	\$0	\$127	\$127		
Net Rent, Minimum				\$440	\$340	\$522	\$375	\$370	\$450		
Net Rent, Maximum				\$440	\$514	\$522	\$475	\$480	\$450		
Net Rent, Typical				\$440	\$427	\$522	\$425	\$425	\$450		
Utilities in Rent				Min	Max	Adj	Data	Adj	Data	Adj	
Unit Type				Change in UA	\$102 UA	\$0 UA	-\$102	\$67 UA	-\$35	\$0 UA	-\$102
Location				Garden/Flat	Garden/Flat	Garden/Flat	Garden/Flat	Townhome	Townhome	Garden/Flat	
Condition				varies	varies	\$0.00	varies	varies	\$30.00	varies	varies
Effective Age				2	3	-\$30	2.5	-\$15	2.5	-\$15	2.5
Bedrooms				2.5	2.5	\$25	2.5	\$25	2.5	\$25	5
Bathrooms				1	26	\$0	33	\$0	26	\$0	18
Square Feet, Typical				\$0.00	\$2.00	\$0.00	\$0.00	\$100.00	\$50.00	\$0.00	\$0.00
Building Type				2	2	\$0	2	\$0	2	\$0	2
Project Amenities				2.0	1.5	\$13	1.0	\$25	1.5	\$13	2.0
Unit Amenities				\$0.00	\$1.00	\$0.00	\$0.00	\$1.00	\$0.00	\$0.00	\$0.00
Kitchen Amenities				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/C Units				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Heat				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
W/D Units				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Services				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indicated Rent				\$460	\$368	\$542	\$368	\$503	\$460		

Project Name	Adjustments			Sub	001	002	010	011	014					
	Min	Max	Adj	Data	Data	Adj	Data	Adj	Data	Adj				
Magnolia Terrace Phase 2														
Byron Apartments														
College Square Apartments														
Valley Pines III														
Valley Pines IV														
Magnolia Terrace Phase 1														
Address				714 Green Street	205 White Road	1207 Edward Street	104 Brooks Boulevard	104 Brooks Boulevard	714 Green Street					
City				Fort Valley	Byron	Fort Valley	Fort Valley	Fort Valley	Fort Valley					
State				Georgia	Georgia	Georgia	Georgia	Georgia	Georgia					
Zip				31030	31008	31030	31030	31020	31030					
Phone				(478) 825-1478	(229) 242-7759	(478) 825-2140	(478) 825-7561	(478) 825-7461	(478) 825-1478					
Latitude				32.5457	32.6482	32.5424	32.5575	32.5575	32.5457					
Longitude				-83.8954	-83.7558	-83.8904	-83.8985	-83.8985	-83.8954					
Miles to Subject				0.00	9.81	0.34	0.69	0.69	0.00					
Effective Date				06/16/06	05/31/06	05/24/06	05/19/06	05/19/06	05/17/06					
Rent Type				Restricted	Restricted	Restricted	Restricted	Restricted	Restricted					
Income Limit				60% of AMI	50% of AMI	60% of AMI	50% of AMI	50% of AMI	60% of AMI					
Project Type				Family	Family	Family	Family	Family	Family					
Project Status				Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized					
Total Units				3	16	12	13	34	1					
Vacant Units				3	1	4	3	2	0					
Year Built				2005	1980	1973	1980	1988	2005					
Year Renovated				na	na	na	na	na	na					
Occupancy				0%	94%	67%	77%	94%	100%					
Square Feet, Minimum				1,242	1,000	933	1,150	900	1,350					
Square Feet, Maximum				1,242	1,000	933	1,150	900	1,350					
Square Feet, Typical				1,242	1,000	933	1,150	900	1,350					
Utility Allowance				\$126	\$0	\$82	\$0	\$127	\$155					
Net Rent, Minimum				\$475	\$340	\$556	\$405	\$370	\$450					
Net Rent, Maximum				\$475	\$514	\$556	\$554	\$480	\$450					
Net Rent, Typical				\$475	\$427	\$556	\$480	\$425	\$450					
Utilities in Rent				\$126 UA	\$0 UA	-\$126	\$82 UA	-\$44	\$0 UA	-\$126	\$127 UA	\$1	\$155 UA	\$29
Unit Type				Garden/Flat	Garden/Flat	\$0	Garden/Flat	\$0	Townhome	\$0	Townhome	\$0	Garden/Flat	\$0
Location				2	3	-\$30	2.5	-\$15	2.5	-\$15	2.5	-\$15	2	\$0
Condition				5	2.5	\$25	2.5	\$25	2.5	\$25	2.5	\$25	5	\$0
Effective Age				1	26	\$0	33	\$0	26	\$0	18	\$0	1	\$0
Bedrooms				3	2	\$50	3	\$0	3	\$0	2	\$50	3	\$0
Bathrooms				2.0	1.5	\$13	1.0	\$25	1.5	\$13	1.5	\$13	2.0	\$0
Square Feet, Typical				1,242	1,000	\$0	933	\$0	1,150	\$0	900	\$0	1,350	\$0
Building Type						\$0		\$0		\$0		\$0		\$0
Project Amenities						\$25		\$20		\$25		\$25		\$10
Unit Amenities						\$15		\$5		\$0		\$5		\$0
Kitchen Amenities						\$0		\$0		\$0		\$0		-\$10
A/C Units						\$0		\$0		\$0		\$0		\$0
Heat						\$0		\$0		\$0		\$0		\$0
Parking						\$0		\$0		\$0		\$0		\$0
W/D Units						-\$5		\$0		-\$15		\$0		-\$15
Security						\$0		-\$5		\$0		\$0		\$0
Services						\$0		\$0		\$0		\$0		\$0
Indicated Rent				\$475	\$394	\$567	\$386	\$529	\$464					

The following table sets forth the supplementary rent adjustments used in our analysis:

		Min	Max	Adj	Sub	001	002	010	011	014
Building Type	1 Story	\$0	\$0	\$0	yes	yes	no	no	no	yes
	2-4 Story	\$0	\$0	\$0	no	no	yes	yes	yes	no
	5-10 Story	\$0	\$0	\$0	no	no	no	no	no	no
	>10 Story	\$0	\$0	\$0	no	no	no	no	no	no
	Adjustment				\$0	\$0	\$0	\$0	\$0	\$0
Project Amenities	Ball Field	\$0	\$10	\$5	no	no	no	no	no	no
	BBQ Area	\$0	\$10	\$5	yes	no	no	no	no	yes
	Billiards	\$0	\$10	\$5	no	no	no	no	no	no
	Bus/Comp Ctr	\$0	\$10	\$5	no	no	no	no	no	no
	Car Care Ctr	\$0	\$10	\$5	no	no	no	no	no	no
	Comm Center	\$0	\$10	\$5	yes	no	no	no	no	yes
	Elevator	\$0	\$10	\$5	no	no	no	no	no	no
	Fitness Center	\$0	\$10	\$5	no	no	no	no	no	no
	Gazebo	\$0	\$10	\$5	no	no	no	no	no	no
	Hot Tub/Jacuzzi	\$0	\$10	\$5	no	no	no	no	no	no
	Horseshoe Pit	\$0	\$10	\$5	no	no	no	no	no	no
	Lake	\$0	\$10	\$5	no	no	no	no	no	no
	Library	\$0	\$10	\$5	yes	no	no	no	no	no
	Movie Theatre	\$0	\$10	\$5	no	no	no	no	no	no
	Picnic Area	\$0	\$10	\$5	yes	no	no	no	no	no
	Playground	\$0	\$10	\$5	yes	no	yes	no	no	yes
	Pool	\$0	\$10	\$5	no	no	no	no	no	no
Sauna	\$0	\$10	\$5	no	no	no	no	no	no	
Sports Court	\$0	\$10	\$5	no	no	no	no	no	no	
Walking Trail	\$0	\$10	\$5	no	no	no	no	no	no	
Adjustment				\$0	\$25	\$20	\$25	\$25	\$10	
Unit Amenities	Blinds	\$0	\$10	\$5	yes	no	yes	yes	yes	yes
	Ceiling Fans	\$0	\$10	\$5	no	no	no	no	no	no
	Carpeting	\$0	\$10	\$5	yes	no	no	yes	yes	yes
	Fireplace	\$0	\$10	\$5	no	no	no	no	no	no
	Patio/Balcony	\$0	\$10	\$5	yes	no	yes	yes	no	yes
	Storage	\$0	\$10	\$5	no	no	no	no	no	no
Adjustment				\$0	\$15	\$5	\$0	\$5	\$0	
Kitchen Amenities	Stove	\$0	\$10	\$5	yes	yes	yes	yes	yes	yes
	Refrigerator	\$0	\$10	\$5	yes	yes	yes	yes	yes	yes
	Disposal	\$0	\$10	\$5	no	no	no	no	no	yes
	Dishwasher	\$0	\$10	\$5	no	no	no	no	no	yes
	Microwave	\$0	\$10	\$5	no	no	no	no	no	no
Adjustment				\$0	\$0	\$0	\$0	\$0	-\$10	
A/C Units	Central	\$20	\$40	\$30	yes	yes	yes	yes	yes	yes
	Wall Units	\$10	\$30	\$20	no	no	no	no	no	no
	Window Units	\$5	\$15	\$10	no	no	no	no	no	no
	None	\$0	\$0	\$0	no	no	no	no	no	no
Adjustment				\$0	\$0	\$0	\$0	\$0	\$0	
Heat	Central	\$10	\$20	\$15	yes	yes	yes	yes	yes	yes
	Wall Units	\$5	\$15	\$10	no	no	no	no	no	no
	Baseboards	\$5	\$15	\$10	no	no	no	no	no	no
	Radiators	\$0	\$10	\$5	no	no	no	no	no	no
	None	\$0	\$0	\$0	no	no	no	no	no	no
Adjustment				\$0	\$0	\$0	\$0	\$0	\$0	
Parking	Garage	\$0	\$100	\$50	no	no	no	no	no	no
	Covered	\$0	\$50	\$25	no	no	no	no	no	no
	Assigned	\$0	\$10	\$5	no	no	no	no	no	no
	Open	\$0	\$0	\$0	yes	yes	yes	yes	yes	yes
	None	\$0	\$0	\$0	no	no	no	no	no	no
Adjustment				\$0	\$0	\$0	\$0	\$0	\$0	
W/D Units	Central	\$5	\$15	\$10	yes	no	yes	yes	yes	yes
	W/D Units	\$20	\$30	\$25	no	no	no	no	no	no
	W/D Hookups	\$10	\$20	\$15	no	yes	no	yes	no	yes
	Adjustment				\$0	-\$5	\$0	-\$15	\$0	-\$15
Security	Call Buttons	\$0	\$10	\$5	no	no	no	no	no	no
	Cont Access	\$0	\$10	\$5	no	no	no	no	no	no
	Courtesy Officer	\$0	\$10	\$5	no	no	yes	no	no	no
	Monitored Alarms	\$0	\$10	\$5	no	no	no	no	no	no
	Security Alarms	\$0	\$10	\$5	no	no	no	no	no	no
	Security Patrols	\$0	\$10	\$5	no	no	no	no	no	no
Adjustment				\$0	\$0	-\$5	\$0	\$0	\$0	
Services	After School	\$0	\$0	\$0	no	no	no	no	no	no
	Concierge	\$0	\$0	\$0	no	no	no	no	no	no
	Dry Cleaning	\$0	\$0	\$0	no	no	no	no	no	no
	Emp Counseling	\$0	\$0	\$0	no	no	no	no	no	no
	Hair Salon	\$0	\$0	\$0	no	no	no	no	no	no
	Health Care	\$0	\$0	\$0	no	no	no	no	no	no
	HO Counseling	\$0	\$0	\$0	yes	no	no	no	no	no
	Linens	\$0	\$0	\$0	no	no	no	no	no	no
	Meals	\$0	\$0	\$0	no	no	no	no	no	no
	Transportation	\$0	\$0	\$0	yes	no	no	no	no	no
Trash Pickup	\$0	\$0	\$0	no	no	no	no	no	no	
Adjustment				\$0	\$0	\$0	\$0	\$0	\$0	

Based on our evaluation of the rents for competing restricted-rent properties, and considering the location, quality and amenities of the subject property, we conclude the following indicated market rents for restricted units at the subject property:

- \$400 (\$0.46/sf) for the 1BR 878sf units
- \$460 (\$0.43/sf) for the 2BR 1065sf units
- \$475 (\$0.38/sf) for the 3BR 1242sf units

Analysis of Market Rate Comparables

In this section we select comparable rentals and use them to develop estimates of market rents for the subject property units, assuming that the subject was an unrestricted property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

Comparables with restricted rents are used when a sufficient number of market rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

On the next page we present a master list of properties with notes regarding the reasons for selecting or rejecting each property as a rent comparable for purposes of this analysis.

Comparable Rental Property Map

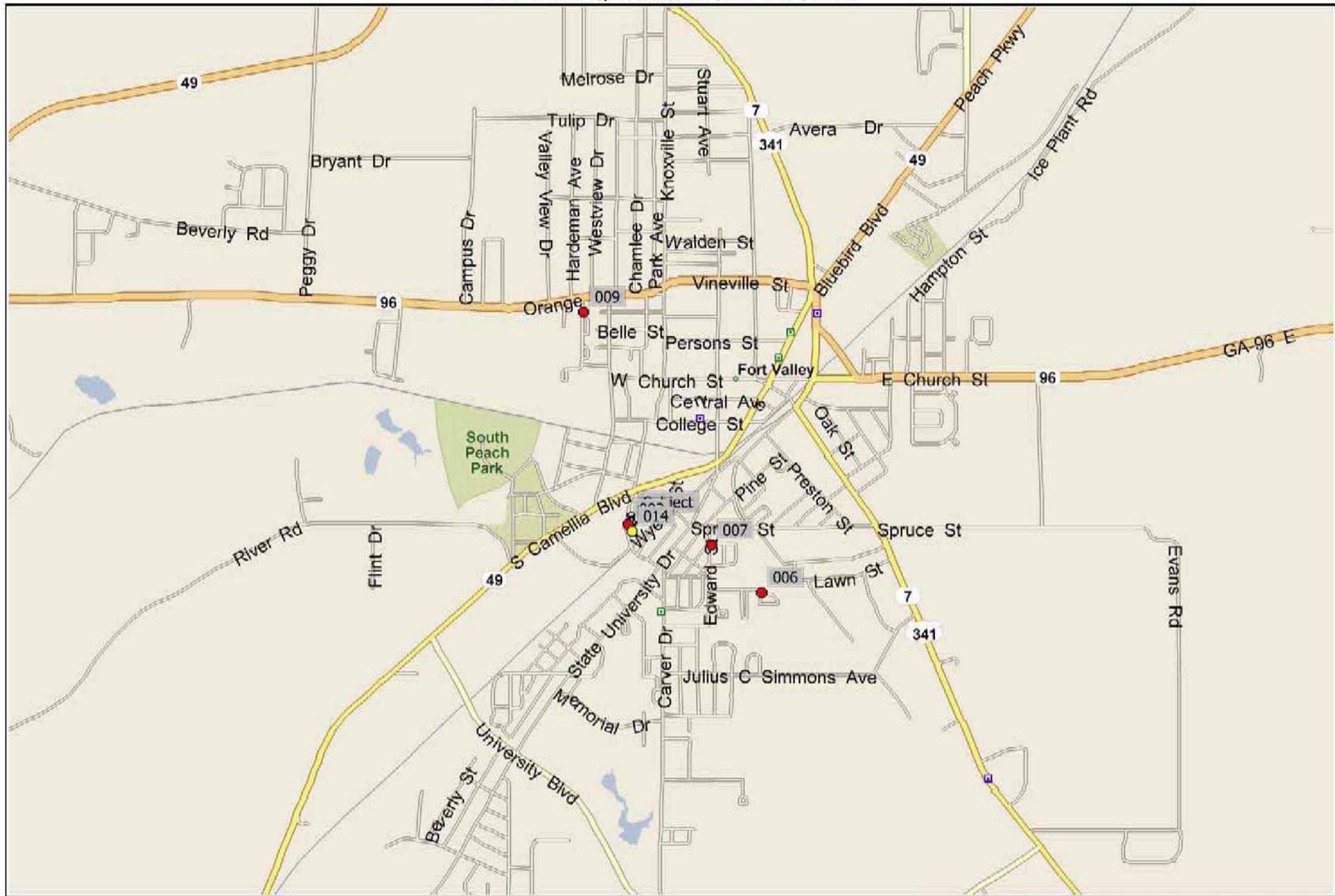
A map showing the location of the properties selected as comparables in this analysis is found after the master list of properties found below. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the comparables are found in the Appendix of this report.

Rent Comparability Grids

Our analysis utilized rent comparability grids and resulted in a market rent estimate for each of the subject's unit types. The rent comparability grids for the subject property are found after the map of the rent comparables found below:

AAC Code	Project Name	Overview									Selection as Market Rate Comparable
		Miles to Subject	Year Built	Year Renovated	Rent Type	Occupancy Type	Status	Total Units	Vacant Units	Occupancy	
001	Byron Apartments	9.81	1980	na	Restricted	Family	Stabilized	24	1	95.8%	restricted
002	College Square Apartments	0.34	1973	na	Restricted	Family	Stabilized	60	15	75.0%	restricted
003	Davis Properties	0.03	2001	na	Market Rate	Family	Stabilized	24	1	95.8%	selected
004	Indian Oaks Apartments	1.24	1984	na	Subsidized	Family	Stabilized	149	3	98.0%	subsidized
005	Lakeview Apartments	0.41	1971	na	Subsidized	Family	Stabilized	96	9	90.6%	subsidized
014	Magnolia Terrace Phase 1	0.00	2005	na	Restricted	Family	Stabilized	50	2	96.0%	selected
006	Marvin Gardens	0.51	1996	na	Market Rate	Family	Stabilized	30	4	86.7%	selected
007	Marvin Gardens II	0.29	1998	na	Market Rate	Family	Stabilized	50	5	90.0%	selected
008	Peachtree Crossings	9.70	0	na	Market Rate	na	Unconfirmed	0	0	0.0%	unconfirmed
009	Valley Pines Apartments	0.69	1984	na	Market Rate	Family	Stabilized	40	6	85.0%	selected
010	Valley Pines III	0.69	1980	na	Restricted	Family	Stabilized	26	5	80.8%	restricted
011	Valley Pines IV	0.69	1988	na	Restricted	Family	Stabilized	50	4	92.0%	restricted
012	Walker Enterprises (aka Rosie Lane)	0.03	0	na	Market Rate	na	Unconfirmed	0	0	0.0%	unconfirmed
013	Westside Villas	0.69	1994	na	Subsidized	Family	Stabilized	44	0	100.0%	subsidized

Rent Comparables, Market Rate



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	Adjustments			Sub	003	006	007	009	014					
Project Name				Magnolia Terrace Phase 2	Davis Properties	Marvin Gardens	Marvin Gardens II	Valley Pines Apartments	Magnolia Terrace Phase 1					
Address				714 Green Street	710 Green Street	301 Edward Court	101 Atlantic Avenue	104 Brooks Boulevard	714 Green Street					
City				Fort Valley	Fort Valley	Fort Valley	Fort Valley	Fort Valley	Fort Valley					
State				Georgia	Georgia	Georgia	Georgia	Georgia	Georgia					
Zip				31030	31030	31030	31030	31030	31030					
Phone				(478) 825-1478	(478) 825-3030	(478) 825-7227	(478) 825-7313	(478) 825-7461	(478) 825-1478					
Latitude				32.5457	32.5461	32.5424	32.5450	32.5575	32.5457					
Longitude				-83.8954	-83.8957	-83.8871	-83.8903	-83.8985	-83.8954					
Miles to Subject				0.00	0.03	0.51	0.29	0.69	0.00					
Effective Date				06/16/06	05/31/06	05/31/06	05/25/06	06/16/06	05/17/06					
Rent Type				Restricted	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate					
Income Limit				50% of AMI	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate					
Project Type				Family	Family	Family	Family	Family	Family					
Project Status				Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized					
Total Units				2	12	6	16	40	3					
Vacant Units				2	1	1	2	6	0					
Year Built				2005	2001	1996	1998	1984	2005					
Year Renovated				na	na	na	na	na	na					
Occupancy				0%	92%	83%	88%	85%	100%					
Square Feet, Minimum				878	396	1,000	1,000	1,000	975					
Square Feet, Maximum				878	396	1,000	1,000	1,000	975					
Square Feet, Typical				878	396	1,000	1,000	1,000	975					
Utility Allowance				\$80	\$99	\$184	\$0	\$165	\$99					
Net Rent, Minimum				\$375	\$330	\$362	\$350	\$450	\$450					
Net Rent, Maximum				\$375	\$330	\$362	\$395	\$450	\$450					
Net Rent, Typical				\$375	\$330	\$362	\$373	\$450	\$450					
	Min	Max	Adj	Data	Data	Adj	Data	Adj	Data	Adj				
Utilities in Rent				\$80 UA	\$99 UA	\$19	\$184 UA	\$104	\$0 UA	-\$80	\$165 UA	\$85	\$99 UA	\$19
Unit Type	varies	varies	\$0.00	Garden/Flat	Garden/Flat	\$0	Garden/Flat	\$0	Garden/Flat	\$0	Garden/Flat	\$0	Garden/Flat	\$0
Location	varies	varies	\$30.00	2	2.5	-\$15	2.5	-\$15	2.5	-\$15	3	-\$30	2	\$0
Condition	varies	varies	\$10.00	5	2	\$30	2	\$30	3	\$20	2.5	\$25	5	\$0
Effective Age	\$0.00	\$2.00	\$0.00	1	5	\$0	10	\$0	8	\$0	22	\$0	1	\$0
Bedrooms	\$0.00	\$100.00	\$50.00	1	1	\$0	2	-\$50	2	-\$50	2	-\$50	1	\$0
Bathrooms	\$0.00	\$50.00	\$25.00	1.0	1.0	\$0	1.0	\$0	1.0	\$0	1.0	\$0	1.0	\$0
Square Feet, Typical	\$0.00	\$1.00	\$0.00	878	396	\$0	1,000	\$0	1,000	\$0	1,000	\$0	975	\$0
Building Type						\$0		\$0		\$0		\$0		\$0
Project Amenities						\$25		\$20		\$15		\$25		\$10
Unit Amenities						\$10		\$5		\$5		\$5		\$0
Kitchen Amenities						\$0		\$0		\$0		-\$5		-\$10
A/C Units						\$10		\$0		\$0		\$0		\$0
Heat						\$5		\$0		\$0		\$0		\$0
Parking						\$0		\$0		\$0		\$0		\$0
W/D Units						\$10		-\$5		-\$5		-\$15		-\$15
Security						\$0		\$0		-\$5		\$0		\$0
Services						\$0		\$0		\$0		\$0		\$0
Indicated Rent				\$450	\$424		\$451		\$258		\$490		\$454	

Project Name	Adjustments			Sub	003	006	007	009	014																	
	Min	Max	Adj	Data	Data	Data	Data	Data	Data																	
Address				Magnolia Terrace Phase 2	Davis Properties	Marvin Gardens	Marvin Gardens II	Valley Pines Apartments	Magnolia Terrace Phase 1																	
City				714 Green Street	710 Green Street	301 Edward Court	101 Atlantic Avenue	104 Brooks Boulevard	714 Green Street																	
State				Fort Valley	Fort Valley	Fort Valley	Fort Valley	Fort Valley	Fort Valley																	
Zip				Georgia	Georgia	Georgia	Georgia	Georgia	Georgia																	
Phone				31030	31030	31030	31030	31030	31030																	
Latitude				(478) 825-1478	(478) 825-3030	(478) 825-7227	(478) 825-7313	(478) 825-7461	(478) 825-1478																	
Longitude				32.5457	32.5461	32.5424	32.5450	32.5575	32.5457																	
Miles to Subject				-83.8954	-83.8957	-83.8871	-83.8903	-83.8985	-83.8954																	
Effective Date				0.00	0.03	0.51	0.29	0.69	0.00																	
Rent Type				06/16/06	05/31/06	05/31/06	05/25/06	06/16/06	05/17/06																	
Income Limit				Restricted	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate																	
Project Type				60% of AMI	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate																	
Project Status				Family	Family	Family	Family	Family	Family																	
Total Units				Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized																	
Vacant Units				3	12	6	16	40	4																	
Year Built				3	0	1	2	6	0																	
Year Renovated				2005	2001	1996	1998	1984	2005																	
Occupancy				na	na	na	na	na	na																	
Square Feet, Minimum				0%	100%	83%	88%	85%	100%																	
Square Feet, Maximum				1,065	704	1,000	1,000	1,000	1,175																	
Square Feet, Typical				1,065	704	1,000	1,000	1,000	1,175																	
Utility Allowance				\$102	\$127	\$184	\$0	\$165	\$127																	
Net Rent, Minimum				\$440	\$430	\$362	\$350	\$450	\$525																	
Net Rent, Maximum				\$440	\$430	\$362	\$395	\$450	\$525																	
Net Rent, Typical				\$440	\$430	\$362	\$373	\$450	\$525																	
Utilities in Rent				Change in UA	\$102 UA	\$127 UA	\$25	\$184 UA	\$82	\$0 UA	-\$102	\$165 UA	\$63	\$127 UA	\$25											
Unit Type				varies	varies	\$0.00	Garden/Flat	varies	varies	\$30.00	2	2.5	-\$15	Garden/Flat	\$0	2	2.5	-\$15	Garden/Flat	\$0	3	-\$30	Garden/Flat	\$0	2	\$0
Location				varies	varies	\$10.00	5	2	\$30	2	\$30	3	\$20	2.5	\$25	5	\$0									
Condition				varies	varies	\$10.00	1	5	\$0	10	\$0	8	\$0	22	\$0	1	\$0									
Effective Age				\$0.00	\$2.00	\$0.00	2	2	\$0	2	\$0	2	\$0	2	\$0	2	\$0									
Bedrooms				\$0.00	\$100.00	\$50.00	2.0	1.0	\$25	1.0	\$25	1.0	\$25	1.0	\$25	2.0	\$0									
Bathrooms				\$0.00	\$50.00	\$25.00	1,065	704	\$0	1,000	\$0	1,000	\$0	1,000	\$0	1,175	\$0									
Square Feet, Typical				\$0.00	\$1.00	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Building Type							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Project Amenities							\$25	\$20	\$15	\$25	\$25	\$25	\$25	\$25	\$25	\$10	\$10									
Unit Amenities							\$10	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$0	\$0									
Kitchen Amenities							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
A/C Units							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Heat							\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Parking							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
W/D Units							\$10	-\$5	-\$5	-\$5	-\$5	-\$5	-\$5	-\$15	-\$15	-\$15	-\$15									
Security							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Services							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Indicated Rent							\$535	\$555	\$504	\$311	\$543	\$535	\$535													

Project Name	Adjustments			Sub	003	006	007	009	014	
	Min	Max	Adj	Data	Data	Adj	Data	Adj	Data	Adj
Address				Magnolia Terrace Phase 2	Davis Properties	Marvin Gardens	Marvin Gardens II	Valley Pines Apartments	Magnolia Terrace Phase 1	
City				714 Green Street	710 Green Street	301 Edward Court	101 Atlantic Avenue	104 Brooks Boulevard	714 Green Street	
State				Fort Valley	Fort Valley	Fort Valley	Fort Valley	Fort Valley	Fort Valley	
Zip				Georgia	Georgia	Georgia	Georgia	Georgia	Georgia	
Phone				31030	31030	31030	31030	31030	31030	
Latitude				(478) 825-1478	(478) 825-3030	(478) 825-7227	(478) 825-7313	(478) 825-7461	(478) 825-1478	
Longitude				32.5457	32.5461	32.5424	32.5450	32.5575	32.5457	
Miles to Subject				-83.8954	-83.8957	-83.8871	-83.8903	-83.8985	-83.8954	
Effective Date				0.00	0.03	0.51	0.29	0.69	0.00	
Rent Type				06/16/06	05/31/06	05/31/06	05/25/06	06/16/06	05/17/06	
Income Limit				Restricted	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate	
Project Type				60% of AMI	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate	
Project Status				Family	Family	Family	Family	Family	Family	
Total Units				Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	
Vacant Units				3	12	22	30	40	3	
Year Built				3	0	3	3	6	0	
Year Renovated				2005	2001	1996	1998	1984	2005	
Occupancy				na	na	na	na	na	na	
Square Feet, Minimum				0%	100%	86%	90%	85%	100%	
Square Feet, Maximum				1,242	704	1,250	1,200	1,000	1,350	
Square Feet, Typical				1,242	704	1,250	1,200	1,000	1,350	
Utility Allowance				\$126	\$127	\$222	\$0	\$165	\$155	
Net Rent, Minimum				\$475	\$430	\$440	\$390	\$450	\$525	
Net Rent, Maximum				\$475	\$430	\$440	\$445	\$450	\$525	
Net Rent, Typical				\$475	\$430	\$440	\$418	\$450	\$525	
Utilities in Rent				Change in UA	\$126 UA	\$127 UA	\$222 UA	\$0 UA	\$165 UA	\$155 UA
Unit Type						\$1	\$96	-\$126	\$39	\$29
Location				Garden/Flat	Garden/Flat	\$0	\$0	\$0	\$0	\$0
Condition				2	2.5	-\$15	2.5	-\$15	3	-\$30
Effective Age				5	2	\$30	2	\$30	2.5	\$25
Bedrooms				1	5	\$0	10	\$0	8	\$0
Bathrooms				3	2	\$50	3	\$0	2	\$50
Square Feet, Typical				2.0	1.0	\$25	1.0	\$25	1.0	\$25
Building Type				\$0.00	\$100.00	\$50.00	\$0.00	\$50.00	\$25.00	\$0.00
Project Amenities				1,242	704	\$0	1,250	\$0	1,000	\$0
Unit Amenities						\$0		\$0		\$0
Kitchen Amenities						\$25		\$15		\$25
A/C Units						\$10		\$5		\$5
Heat						\$0		\$0		-\$5
Parking						\$0		\$0		\$0
W/D Units						\$5		\$0		\$0
Security						\$0		\$0		\$0
Services						\$0		-\$5		\$0
Indicated Rent						\$0		\$0		\$0
				\$540	\$581	\$596	\$332	\$569	\$539	

The following table sets forth the supplementary rent adjustments used in our analysis:

		Min	Max	Adj	Sub	003	006	007	009	014
Building Type	1 Story	\$0	\$0	\$0	yes	no	yes	yes	no	yes
	2-4 Story	\$0	\$0	\$0	no	yes	no	no	yes	no
	5-10 Story	\$0	\$0	\$0	no	no	no	no	no	no
	>10 Story	\$0	\$0	\$0	no	no	no	no	no	no
	Adjustment				\$0	\$0	\$0	\$0	\$0	\$0
Project Amenities	Ball Field	\$0	\$10	\$5	no	no	no	no	no	no
	BBQ Area	\$0	\$10	\$5	yes	no	no	no	no	yes
	Billiards	\$0	\$10	\$5	no	no	no	no	no	no
	Bus/Comp Ctr	\$0	\$10	\$5	no	no	no	no	no	no
	Car Care Ctr	\$0	\$10	\$5	no	no	no	no	no	no
	Comm Center	\$0	\$10	\$5	yes	no	no	yes	no	yes
	Elevator	\$0	\$10	\$5	no	no	no	no	no	no
	Fitness Center	\$0	\$10	\$5	no	no	no	no	no	no
	Gazebo	\$0	\$10	\$5	no	no	no	no	no	no
	Hot Tub/Jacuzzi	\$0	\$10	\$5	no	no	no	no	no	no
	Horseshoe Pit	\$0	\$10	\$5	no	no	no	no	no	no
	Lake	\$0	\$10	\$5	no	no	no	no	no	no
	Library	\$0	\$10	\$5	yes	no	no	no	no	no
	Movie Theatre	\$0	\$10	\$5	no	no	no	no	no	no
	Picnic Area	\$0	\$10	\$5	yes	no	no	no	no	no
	Playground	\$0	\$10	\$5	yes	no	yes	yes	no	yes
	Pool	\$0	\$10	\$5	no	no	no	no	no	no
	Sauna	\$0	\$10	\$5	no	no	no	no	no	no
Sports Court	\$0	\$10	\$5	no	no	no	no	no	no	
Walking Trail	\$0	\$10	\$5	no	no	no	no	no	no	
Adjustment				\$0	\$25	\$20	\$15	\$25	\$10	
Unit Amenities	Blinds	\$0	\$10	\$5	yes	no	yes	yes	yes	yes
	Ceiling Fans	\$0	\$10	\$5	no	no	no	no	no	no
	Carpeting	\$0	\$10	\$5	yes	yes	yes	yes	yes	yes
	Fireplace	\$0	\$10	\$5	no	no	no	no	no	no
	Patio/Balcony	\$0	\$10	\$5	yes	no	no	no	no	yes
	Storage	\$0	\$10	\$5	no	no	no	no	no	no
Adjustment				\$0	\$10	\$5	\$5	\$5	\$0	
Kitchen Amenities	Stove	\$0	\$10	\$5	yes	yes	yes	yes	yes	yes
	Refrigerator	\$0	\$10	\$5	yes	yes	yes	yes	yes	yes
	Disposal	\$0	\$10	\$5	no	no	no	no	no	yes
	Dishwasher	\$0	\$10	\$5	no	no	no	no	yes	yes
	Microwave	\$0	\$10	\$5	no	no	no	no	no	no
Adjustment				\$0	\$0	\$0	\$0	-\$5	-\$10	
A/C Units	Central	\$20	\$40	\$30	yes	no	yes	yes	yes	yes
	Wall Units	\$10	\$30	\$20	no	yes	no	no	no	no
	Window Units	\$5	\$15	\$10	no	no	no	no	no	no
	None	\$0	\$0	\$0	no	no	no	no	no	no
Adjustment				\$0	\$10	\$0	\$0	\$0	\$0	
Heat	Central	\$10	\$20	\$15	yes	no	yes	yes	yes	yes
	Wall Units	\$5	\$15	\$10	no	yes	no	no	no	no
	Baseboards	\$5	\$15	\$10	no	no	no	no	no	no
	Radiators	\$0	\$10	\$5	no	no	no	no	no	no
	None	\$0	\$0	\$0	no	no	no	no	no	no
Adjustment				\$0	\$5	\$0	\$0	\$0	\$0	
Parking	Garage	\$0	\$100	\$50	no	no	no	no	no	no
	Covered	\$0	\$50	\$25	no	no	no	no	no	no
	Assigned	\$0	\$10	\$5	no	no	no	no	no	no
	Open	\$0	\$0	\$0	yes	yes	yes	yes	yes	yes
	None	\$0	\$0	\$0	no	no	no	no	no	no
Adjustment				\$0	\$0	\$0	\$0	\$0	\$0	
W/D Units	Central	\$5	\$15	\$10	yes	no	no	no	yes	yes
	W/D Units	\$20	\$30	\$25	no	no	no	no	no	no
	W/D Hookups	\$10	\$20	\$15	no	no	yes	yes	yes	yes
	Adjustment				\$0	\$10	-\$5	-\$5	-\$15	-\$15
Security	Call Buttons	\$0	\$10	\$5	no	no	no	no	no	no
	Cont Access	\$0	\$10	\$5	no	no	no	no	no	no
	Courtesy Officer	\$0	\$10	\$5	no	no	no	yes	no	no
	Monitored Alarms	\$0	\$10	\$5	no	no	no	no	no	no
	Security Alarms	\$0	\$10	\$5	no	no	no	no	no	no
	Security Patrols	\$0	\$10	\$5	no	no	no	no	no	no
Adjustment				\$0	\$0	\$0	-\$5	\$0	\$0	
Services	After School	\$0	\$0	\$0	no	no	no	no	no	no
	Concierge	\$0	\$0	\$0	no	no	no	no	no	no
	Dry Cleaning	\$0	\$0	\$0	no	no	no	no	no	no
	Emp Counseling	\$0	\$0	\$0	no	no	no	no	no	no
	Hair Salon	\$0	\$0	\$0	no	no	no	no	no	no
	Health Care	\$0	\$0	\$0	no	no	no	no	no	no
	HO Counseling	\$0	\$0	\$0	yes	no	no	no	no	no
	Linens	\$0	\$0	\$0	no	no	no	no	no	no
	Meals	\$0	\$0	\$0	no	no	no	no	no	no
	Transportation	\$0	\$0	\$0	yes	no	no	no	no	no
Trash Pickup	\$0	\$0	\$0	no	no	no	no	no	no	
Adjustment				\$0	\$0	\$0	\$0	\$0	\$0	

Based on our evaluation of the rents for competing market rate properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were an unrestricted property:

- \$450 (\$0.51/sf) for the 1BR 878sf units
- \$535 (\$0.50/sf) for the 2BR 1065sf units
- \$540 (\$0.43/sf) for the 3BR 1242sf units

The actual rents achieved for market rate units at restricted-rent properties often fall short of the rents at unrestricted properties. Based on the analysis set forth above, we conclude the following indicated market rents for the market rate units at the subject property:

- \$450 (\$0.51/sf) for the 1BR 878sf units
- \$535 (\$0.50/sf) for the 2BR 1065sf units
- \$540 (\$0.43/sf) for the 3BR 1242sf units

Projected Rent Growth

In this section we analyze the historic and projected supply/demand relationship for the market area, utilizing the household and housing stock data found previously in this report. The housing stock projection is used to give us an indication of the overall health of the rental housing market.

Our analysis begins with an estimate of the number of competing multifamily renter units and the number of occupied competing renter multifamily units in the market area. These figures, which come from data found in the supply analysis section of this report, are trended forward to 2010 using the renter household and renter housing unit growth rates presented previously.

The next step in our analysis is to estimate the optimal number of competing renter multifamily units by grossing up the estimated number of occupied competing renter multifamily units by an assumed optimal vacancy rate. For purposes of this analysis, we have elected to use a 5 percent optimal vacancy rate target. This rate is commonly used by lenders, syndicators and housing finance agencies when underwriting proposed multifamily developments.

Finally, we compare the optimal number of competing renter multifamily units to the estimated number of units to determine whether the market is overbuilt or underbuilt. Based on our evaluation of overbuilt/underbuilt status, we estimate likely rent increases using consumer price index, average household income growth, and historic rent growth data.

Our housing stock projection and supply/demand analysis is found on the following page.

Our analysis suggests that the market area is currently overbuilt by approximately 3.6 percent. While the number of renter households is anticipated to increase slightly over the next five years, the number of renter housing units is anticipated to increase at a slower pace, resulting in a market that is 3.1 percent overbuilt in 5 years.

Based the forecasted relationship between supply and demand for this marketplace, we anticipate 0.0 percent real and 2.8 percent nominal rent growth annually for the foreseeable future.

Achievable Rents

In this section, we compare the proposed rents to program and market rents to determine whether the proposed rents are appropriate for the subject property. The following table summarizes our findings:

Unit Type	Square Feet	Rent Type	Proposed Rent (A)	Program Rent (B)	Ratio (A/B)	Market Rent (C)	Ratio (A/C)	Achievable Min(B,C)
1-Bedroom	878	50% of AMI	\$375	\$436	86%	\$400	94%	\$400
1-Bedroom	878	Market Rate	\$450	-	-	\$450	100%	\$450
2-Bedroom	1,065	50% of AMI	\$440	\$517	85%	\$460	96%	\$460
2-Bedroom	1,065	60% of AMI	\$440	\$641	69%	\$460	96%	\$460
2-Bedroom	1,065	Market Rate	\$475	-	-	\$535	89%	\$535
3-Bedroom	1,242	50% of AMI	\$475	\$589	81%	\$475	100%	\$475
3-Bedroom	1,242	60% of AMI	\$475	\$732	65%	\$475	100%	\$475
3-Bedroom	1,242	Market Rate	\$500	-	-	\$540	93%	\$540

Source: Allen & Associates

Achievable rents represent the absolute highest rent permissible for the area, considering market rental rates and program rent limits. Achievable rents for the subject property follow:

- \$400 for 1BR units at 50% of AMI
- \$450 for 1BR market rate units
- \$460 for 2BR units at 50% of AMI
- \$460 for 2BR units at 60% of AMI
- \$535 for 2BR market rate units
- \$475 for 3BR units at 50% of AMI
- \$475 for 3BR units at 60% of AMI
- \$540 for 3BR market rate units

Our analysis suggests that all units appear to be priced at or below allowable tax credit rent limits (proposed rents range from 65% to 86% of allowable tax credit rents). In addition, all units appear to be priced at or below indicated market rents (proposed rents range from 89% to 100% of indicated market rents). In our opinion, the proposed development is priced appropriately and affordably.

Please note: Great care should be taken in pricing restricted units. In the event that program rental rates exceed market rental rates, these units would, in fact, be nothing more than *de facto* market rate units. Since these units could only be marketed to a limited population of income-restricted households, they would, in fact, be more risky than market rate units.

Feasibility Rent Estimate

Feasibility rent is defined as the minimum rent level at which market-rate development of conventional multifamily housing is economically viable. In areas where market rents fall below feasibility rents, development is not feasible without incentives such as tax credits, grants and/or below-market financing. The calculation of feasibility rent utilizes current construction cost data from the Marshall Valuation Service Cost Estimating Guide. Our analysis follows:

Feasibility Rents

Line	Item	1BR	2BR	3BR	Source
1	Unit Mix	4	16	16	Developer/Manager/Owner
2					
3	Net Rentable Area, SF	878	1,065	1,242	Developer/Manager/Owner
4	Factor	1.25	1.25	1.25	Allen & Associates
5	Gross Floor Area, SF	1,098	1,331	1,553	(3) * (4)
6					
7	Base Cost, Gross Floor Area	\$52.62	\$52.62	\$52.62	MVS Section 12
8	Gross Floor Area, SF	1,098	1,331	1,553	(3) * (4)
9	Subtotal, Gross Floor Area	\$57,750	\$70,050	\$81,693	(7) * (8)
10					
11	Base Cost, Site Improvements	\$1,000	\$1,000	\$1,000	Allen & Associates
12	Parking Spaces, EA	1.50	1.50	1.50	Allen & Associates
13	Subtotal, Site Improvements	\$1,500	\$1,500	\$1,500	(11) * (12)
14					
15	Base Cost, Appliance Package	\$1,270	\$1,270	\$1,270	MVS Section 12
16	Appliance Packages, EA	1.00	1.00	1.00	Allen & Associates
17	Subtotal, Appliance Packages	\$1,270	\$1,270	\$1,270	(15) * (16)
18					
19	Replacement Cost, Unadjusted	\$60,520	\$72,820	\$84,463	(9) + (13) + (17)
20	Current Cost Multiplier	1.150	1.150	1.150	MVS Section 99
21	Local Multiplier	0.880	0.880	0.880	MVS Section 99
22	Replacement Cost, Adjusted	\$61,247	\$73,694	\$85,476	(19) * (20) * (21)
23	Development Fee	\$6,125	\$7,369	\$8,548	10% of (22)
24	Soft Costs	\$1,531	\$1,842	\$2,137	2.5% of (22)
25	Subtotal	\$68,903	\$82,906	\$96,161	(22) + (23) + (24)
26	Land Value	\$4,500	\$4,500	\$4,500	Allen & Associates
27	Total Development Cost	\$73,403	\$87,406	\$100,661	(25) + (26)
28					
29	Total Development Cost	\$73,403	\$87,406	\$100,661	(25) + (26)
30	Capitalization Rate	7.50%	7.50%	7.50%	Allen & Associates
31	Net Operating Income	\$5,505	\$6,555	\$7,550	(29) * (30)
32	Total Operating Expenses	\$3,500	\$3,500	\$3,500	Allen & Associates
33	Effective Gross Income	\$9,005	\$10,055	\$11,050	(31) + (32)
34	Vacancy & Collection Loss	\$474	\$529	\$582	5% of (33)
35	Potential Gross Income	\$9,479	\$10,585	\$11,631	(33) + (34)
36					
37	Potential Gross Income	\$9,479	\$10,585	\$11,631	(33) + (34)
38	Months	12	12	12	Months / Year
39	Feasibility Rent, Monthly	\$790	\$882	\$969	(37) / (38)
40					
41	Feasibility Rent, Monthly	\$790	\$882	\$969	(37) / (38)
42	Net Rentable Area, SF	878	1,065	1,242	Developer/Manager/Owner
43	Feasibility Rent, Monthly / SF	\$0.90	\$0.83	\$0.78	(41) / (42)
44					
45	Feasibility Rent, Monthly		\$911		sumproduct[(1),(41)]/sum(1)
46	Net Rentable Area, SF		1,123		sumproduct[(1),(42)]/sum(1)
47	Feasibility Rent, Monthly / SF		\$0.81		(45) / (46)

Our analysis suggests market rents of \$450, \$535 and \$540, respectively, for the 1-, 2- and 3-bedroom units at the subject property. Our analysis also suggests feasibility rents of \$790, \$882 and \$969, respectively, for the 1-, 2- and 3-bedroom units. Because of the disparity between market and feasibility rents, we conclude that competing market rate units are not financially feasible in the immediate area and development of such units is not likely under current economic conditions.

Utilization of Resources

In this section we compare feasibility, market, program and proposed rents to evaluate how the tax credit and/or below market debt financing is utilized by the proposed development. The best way to illustrate the way this works is to consider two hypothetical projects:

Assume that a hypothetical project has feasibility rents of \$1000, market rents of \$1000, program rents of \$900 and proposed rents of \$800. In this case 100 percent of the tax credit and/or below-market debt financing would go towards project affordability, with 50 percent of the resources going towards program-mandated affordability levels ($\$1000 - \$900 = \$100$ versus a \$200 total rent reduction) and 50 percent of the resources going towards sponsor-volunteered affordability levels ($\$900 - \$800 = \$100$ versus a \$200 total rent reduction). This project would be feasible with conventional financing and market rents; however, the favorable financing would allow the sponsor to price the project more affordably than other market rate properties in the area.

Now assume that a second hypothetical project has feasibility rents of \$1000, market rents of \$800, program rents of \$800 and proposed rents of \$800. In this case 0 percent of the tax credit and/or below-market debt financing would go towards project affordability. Instead, 100 percent of the resources would be used simply to overcome market forces to deliver safe and decent housing (the \$200 spread between feasibility and market rents). Indeed, the project would be a *de facto* market rate development that otherwise would not be feasible without the favorable financing.

In practice most projects contain a mixture of the elements set forth above. The following table sets forth our analysis for the subject property:

Utilization of Resources

Detail						
Unit Type	Rent Type	Units	Feasibility	Market	Program	Proposed
1-Bedroom	50% of AMI	2	\$790	\$450	\$436	\$375
1-Bedroom	Market Rate	2	\$790	\$450	\$450	\$450
2-Bedroom	50% of AMI	10	\$882	\$535	\$517	\$440
2-Bedroom	60% of AMI	3	\$882	\$535	\$641	\$440
2-Bedroom	Market Rate	3	\$882	\$535	\$535	\$475
3-Bedroom	50% of AMI	10	\$969	\$540	\$589	\$475
3-Bedroom	60% of AMI	3	\$969	\$540	\$732	\$475
3-Bedroom	Market Rate	3	\$969	\$540	\$540	\$500
Subtotal						
Unit Type	Rent Type	Units	Feasibility	Market	Program	Proposed
1-Bedroom	Subtotal	4	\$790	\$450	\$443	\$413
2-Bedroom	Subtotal	16	\$882	\$535	\$544	\$447
3-Bedroom	Subtotal	16	\$969	\$540	\$607	\$480
Grand Total						
Unit Type	Rent Type	Units	Feasibility	Market	Program	Proposed
Grand	Total	36	\$911	\$528	\$560	\$458

Conclusion

Item	Rent	Reduction \$	Reduction %	Resources used to:
Feasibility	\$911	-	-	-
Market	\$528	\$383	84%	Overcome Market Forces to Deliver Safe & Decent Housing
Program	\$560	\$0	0%	Achieve Program-Mandated Affordability Levels
Proposed	\$458	\$70	16%	Achieve Sponsor-Volunteered Affordability Levels
Total		\$453	100%	

Source: Allen & Associates

Based on the relationship between feasibility rents, unrestricted market rents, program rents and proposed rents, we conclude that 16 percent of the financial benefits associated with this transaction are being used to make this project affordable. The remaining 84 percent of the resources are being used to overcome market forces in order to deliver safe & decent housing. This transaction would otherwise not be feasible without the use of these additional resources.

Specifically, our analysis suggests that the subject property has weighted average feasibility rents of \$911, weighted average unrestricted market rents of \$528, weighted average program rents of \$560 and weighted average proposed rents of \$458. Consequently, 84 percent of the tax credit and/or below-market debt financing are proposed to be used to overcome market forces to deliver safe & decent housing ($\$911 - \$528 = \$383$ versus a \$453 total rent reduction); 0 percent of the resources are proposed to be used to achieve program-mandated affordability levels ($\$528 - \$528 = \$0$ versus a \$453 total rent reduction); and 16 percent of the resources are proposed to be used to achieve sponsor-volunteered affordability levels ($\$528 - \$458 = \$70$ versus a \$453 total rent reduction).

DEMAND ANALYSIS

Demand Assumptions

In this report we provide four measures of market depth: (1) Penetration rate - the ratio of the number of subject property units to the number of income-qualified households in the market area; (2) Saturation rate - the ratio of the number of subject property units plus the number of competing units to the number of income qualified households in the market area; (3) Capture rate - the ratio of the number of subject property units – net of new and pipeline units - to the number of income qualified overburdened and substandard households in the market area; and (4) Absorption period – the estimated number of months to fill the subject property units.

Penetration and saturation rates were computed using a methodology promoted by the National Council of Affordable Housing Market Analysts. Capture rates were computed in conformance with Georgia Department of Community Affairs (DCA) specifications. Absorption periods were estimated using a methodology developed by the Appraisal Institute.

The following table sets forth the various components of demand for each of these measures or market depth:

Demand Assumptions		
Penetration & Saturation Rate Estimate		
	Owner	Renter
Demographic Data	Family	
Effective Date	July 1, 2006	
Income Qualified Households	No	Yes
Income Qualified Overburdened Households	No	No
Income Qualified Substandard Households	No	No
Income Qualified Household Movership	No	No
Income Qualified Household Growth	No	No
Income Qualification Ratio	35%	
Household Growth Projection Period, Years	0	
Secondary Market	10%	
Maximum Ratio of Income Qualified Households to Total Income Qualified Households	na	na
Capture Rate Estimate		
	Owner	Renter
Demographic Data	Family	
Effective Date	January 1, 2000	
Income Qualified Households	No	No
Income Qualified Overburdened Households	No	Yes
Income Qualified Substandard Households	No	Yes
Income Qualified Household Movership	No	No
Income Qualified Household Growth	No	Yes
Income Qualification Ratio	35%	
Household Growth Projection Period, Years	8	
Secondary Market	10%	
Maximum Ratio of Income Qualified Households to Total Income Qualified Households	na	na
Absorption Period Estimate		
	Owner	Renter
Demographic Data	Family	
Effective Date	July 1, 2008	
Income Qualified Households	No	No
Income Qualified Overburdened Households	No	No
Income Qualified Substandard Households	No	No
Income Qualified Household Movership	No	Yes
Income Qualified Household Growth	No	Yes
Income Qualification Ratio	35%	
Household Growth Projection Period, Years	1	
Secondary Market	10%	
Maximum Ratio of Income Qualified Households to Total Income Qualified Households	na	na

Source: Allen & Associates

In order to accurately evaluate the depth of a market it is necessary to segment demand by unit type and household size as set forth below:

Item	Family				
	0BR	1BR	2BR	3BR	4BR
American Housing Survey	2.0%	25.8%	44.2%	22.5%	5.5%
Competing Property Survey	1.6%	21.9%	47.4%	24.0%	5.1%
Management Company Survey	0.0%	20.0%	40.0%	40.0%	0.0%
	Conclusion				
	0BR	1BR	2BR	3BR	4BR
Unit Mix	1.0%	22.5%	44.0%	29.0%	3.5%

Source: American Housing Survey; Allen & Associates

	Family	
	Minimum	Maximum
0-Bedroom	1	1
1-Bedroom	1	2
2-Bedroom	1	3
3-Bedroom	2	5
4-Bedroom	3	6

Source: Allen & Associates

In our analysis we utilized proposed rents to determine the minimum income necessary to qualify for units at the subject property. For family properties, it is assumed that residents will pay no more than 35 percent of their income on housing-related expenses (rent plus utilities). For elderly properties, the amount is 40 percent. Our estimates are set forth below:

Minimum Qualified Income					
30% of AMI					
	Proposed Rent	Utility Allowance	Proposed Housing Cost	Qualifying Income %	Minimum Income
0 bedroom					
1 bedroom					
2 bedroom					
3 bedroom					
4 bedroom					
50% of AMI					
	Proposed Rent	Utility Allowance	Proposed Housing Cost	Qualifying Income %	Minimum Income
0 bedroom					
1 bedroom	\$375	\$80	\$455	35%	\$15,600
2 bedroom	\$440	\$102	\$542	35%	\$18,583
3 bedroom	\$475	\$126	\$601	35%	\$20,606
4 bedroom					
60% of AMI					
	Proposed Rent	Utility Allowance	Proposed Housing Cost	Qualifying Income %	Minimum Income
0 bedroom					
1 bedroom					
2 bedroom	\$440	\$102	\$542	35%	\$18,583
3 bedroom	\$475	\$126	\$601	35%	\$20,606
4 bedroom					
Market Rate					
	Proposed Rent	Utility Allowance	Proposed Housing Cost	Qualifying Income %	Minimum Income
0 bedroom					
1 bedroom	\$450	\$80	\$530	35%	\$18,171
2 bedroom	\$475	\$102	\$577	35%	\$19,783
3 bedroom	\$500	\$126	\$626	35%	\$21,463
4 bedroom					

Source: Allen & Associates

In our analysis we established the maximum allowable incomes for units at the subject property. Our analysis utilized current HUD income limits for the market area for various household sizes. The maximum income for market rate units is assumed to be 100% of AMI. A table depicting maximum allowable incomes is set forth below:

Maximum Allowable Income

	30%	50%	60%	100%
1 person	\$11,550	\$19,250	\$23,100	\$38,500
2 person	\$13,200	\$22,000	\$26,400	\$44,000
3 person	\$14,850	\$24,750	\$29,700	\$49,500
4 person	\$16,500	\$27,500	\$33,000	\$55,000
5 person	\$17,800	\$29,700	\$35,650	\$59,400
6 person	\$19,150	\$31,900	\$38,300	\$63,800
7 person	\$20,450	\$34,100	\$40,900	\$68,200
8 person	\$21,800	\$36,300	\$43,550	\$72,600

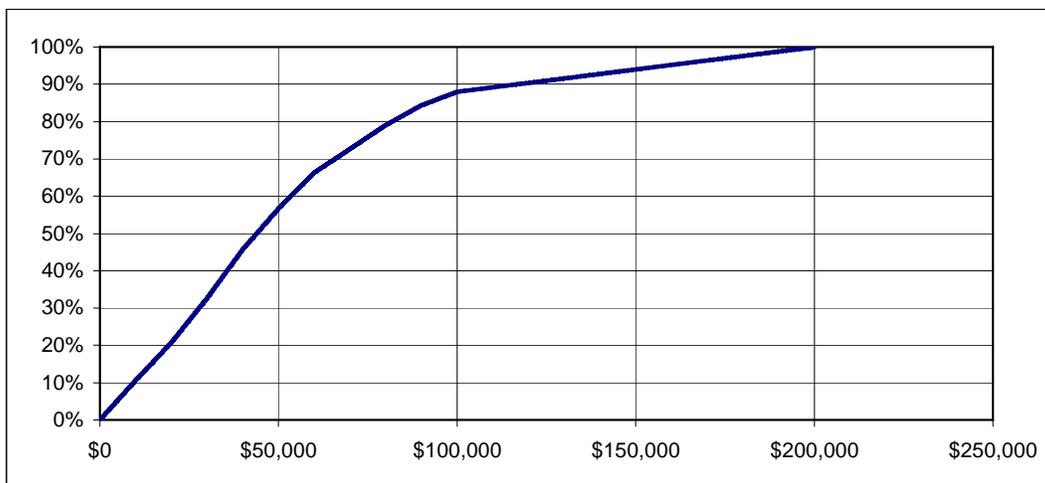
Source: State Housing Finance Agency; HUD

Finally, our analysis utilizes a distribution of households by percent of income spent on housing-related expenses for the market area as of the effective date of the report. Our analysis utilizes the distribution found below, which was originally developed in the demographic overview section of this report:

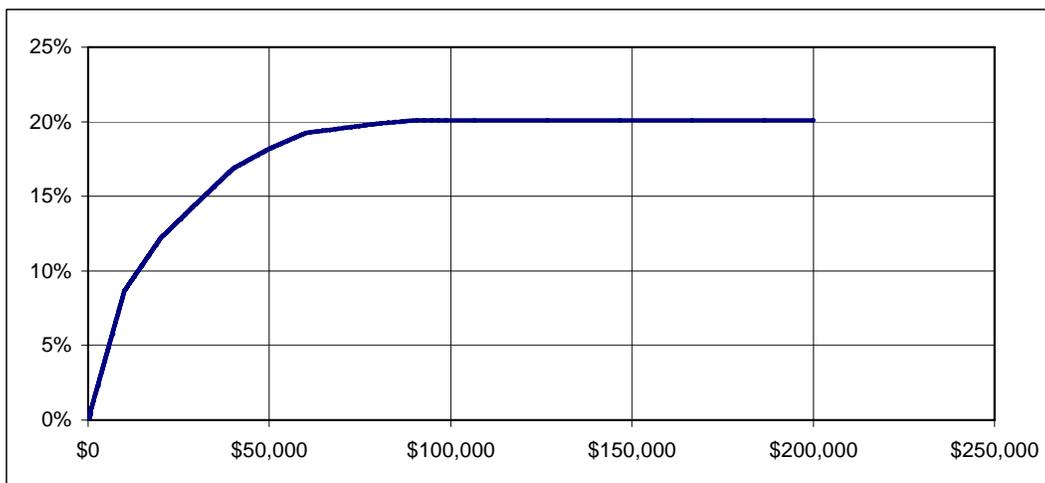
Owner Household Income, by Percent of Income Spent on Housing, 2000 Census

2006 \$ Income Range			Percent of Income Spent on Housing					Total
			<20%	20-24%	25-29%	30-34%	35%+	
\$0	to	\$10,000	0.3%	1.0%	0.7%	0.0%	8.7%	10.6%
\$0	to	\$20,000	3.6%	2.5%	1.5%	0.9%	12.2%	20.8%
\$0	to	\$30,000	8.5%	4.5%	2.9%	2.2%	14.5%	32.7%
\$0	to	\$40,000	14.1%	6.6%	4.6%	3.5%	16.9%	45.7%
\$0	to	\$50,000	21.2%	8.0%	5.6%	3.8%	18.2%	56.7%
\$0	to	\$60,000	27.6%	9.2%	6.4%	3.9%	19.2%	66.3%
\$0	to	\$70,000	32.0%	10.0%	7.0%	4.1%	19.6%	72.7%
\$0	to	\$80,000	36.4%	10.8%	7.5%	4.4%	19.9%	79.0%
\$0	to	\$90,000	40.2%	11.5%	8.0%	4.5%	20.1%	84.4%
\$0	to	\$100,000	43.2%	12.0%	8.2%	4.5%	20.1%	88.0%
\$0	or	more	53.8%	12.9%	8.6%	4.5%	20.1%	100.0%

Owner Household Income Distribution, Total



Owner Household Income Distribution, Overburdened

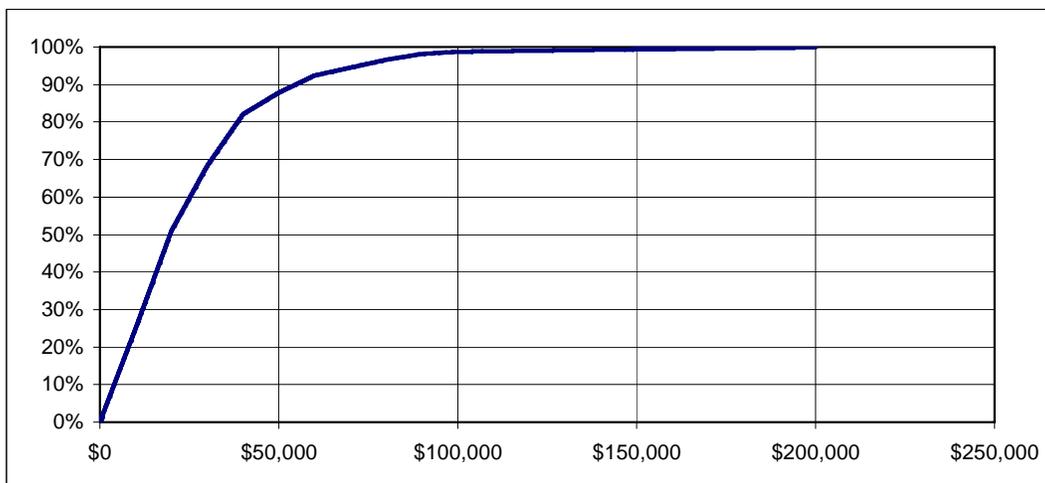


Source: U.S. Census; Allen & Associates

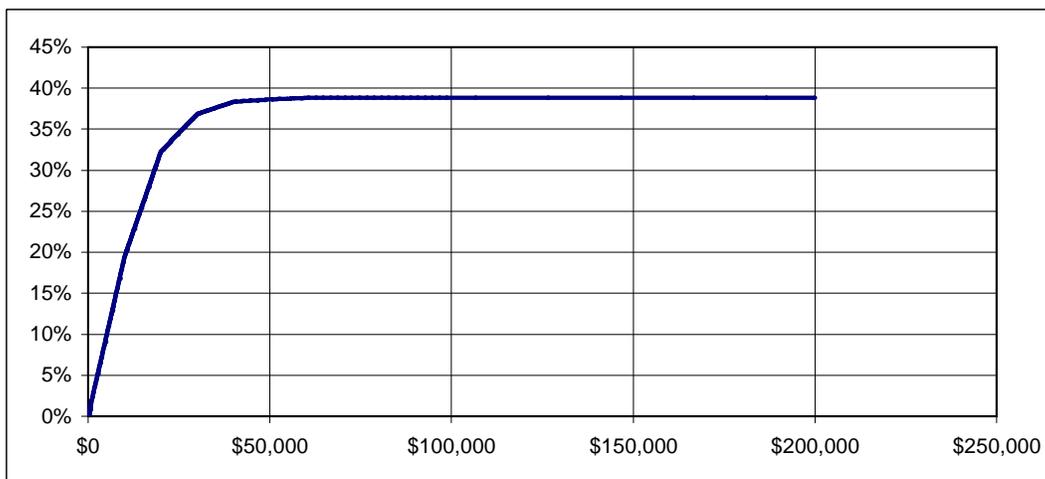
Renter Household Income, by Percent of Income Spent on Housing, 2000 Census

2006 \$ Income Range			Percent of Income Spent on Housing					Total
			<20%	20-24%	25-29%	30-34%	35%+	
\$0	to	\$10,000	0.7%	1.5%	1.8%	1.6%	19.4%	25.0%
\$0	to	\$20,000	3.0%	4.8%	5.3%	5.7%	32.2%	51.0%
\$0	to	\$30,000	7.9%	8.8%	7.3%	7.5%	36.8%	68.3%
\$0	to	\$40,000	13.9%	13.1%	8.5%	8.3%	38.3%	82.1%
\$0	to	\$50,000	18.8%	13.6%	8.5%	8.3%	38.6%	87.8%
\$0	to	\$60,000	23.0%	13.7%	8.5%	8.3%	38.8%	92.4%
\$0	to	\$70,000	25.0%	13.7%	8.5%	8.4%	38.8%	94.5%
\$0	to	\$80,000	27.0%	13.7%	8.5%	8.6%	38.8%	96.6%
\$0	to	\$90,000	28.4%	13.7%	8.5%	8.6%	38.8%	98.2%
\$0	to	\$100,000	29.0%	13.7%	8.5%	8.6%	38.8%	98.7%
\$0	or	more	30.3%	13.7%	8.5%	8.6%	38.8%	100.0%

Renter Household Income Distribution, Total



Renter Household Income Distribution, Overburdened



Source: U.S. Census; Allen & Associates

Penetration Rate Estimate

Penetration rate is defined as the ratio of the number of subject property units to the number of income-qualified households in the market area.

Our estimate of penetration rates begins with an estimate the number of qualified households for each unit type using the income levels and household size characteristics set forth above. For developments with multiple overlapping income limits we established income floors/ceilings to eliminate any overlap and distribute demand evenly across income levels. This eliminates double-counting and results in a more accurate demand estimate for subject property units. For elderly properties, owner demand is limited to a percentage of total demand supported by our market research.

Our estimate of the number of qualified households by unit type is found below:

Qualified Households, 1-Bedroom				
General Assumptions				
Effective Date	July 1, 2006			
Household Size	2 maximum			
Raw Data				
Population	14,870			
Population per Household	2.82			
Households	5,268			
Renter Tenure	40.23%			
Renter Households	2,119			
Households, 1-BR, %	22.5%			
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$22,000	\$0	\$44,000
Minimum Qualifying Income	\$0	\$15,600	\$0	\$18,171
Upper Income Limit	\$0	\$22,000	\$0	\$44,000
Lower Income Limit	\$0	\$15,600	\$0	\$22,000
Qualified, Renter, Upper Income Limit, %	0.0%	54.5%	0.0%	84.4%
Qualified, Renter, Lower Income Limit, %	0.0%	39.6%	0.0%	54.5%
Qualified, Renter %	0.0%	14.9%	0.0%	29.9%
Renter Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	2,119	0	2,119
Households, 1-BR, %	0.0%	22.5%	0.0%	22.5%
Renter Households, 1-BR	0	477	0	477
Qualified, %	0.0%	14.9%	0.0%	29.9%
Renter Households, 1-BR, Qualified	0	71	0	143
Qualified Households, Renter, Primary Market Area	0	71	0	143
Secondary Market, %	0.0%	10.0%	0.0%	10.0%
Qualified Households, Renter, Total	0	79	0	158
Total Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Qualified Households	0	79	0	158

Source: U.S. Census Bureau, Claritas; Allen & Associates

Qualified Households, 2-Bedroom				
General Assumptions				
Effective Date	July 1, 2006			
Household Size	3 maximum			
Raw Data				
Population	14,870			
Population per Household	2.82			
Households	5,268			
Renter Tenure	40.23%			
Renter Households	2,119			
Households, 2-BR, %	44.0%			
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$24,750	\$29,700	\$49,500
Minimum Qualifying Income	\$0	\$18,583	\$18,583	\$19,783
Upper Income Limit	\$0	\$24,750	\$29,700	\$49,500
Lower Income Limit	\$0	\$18,583	\$24,750	\$29,700
Qualified, Renter, Upper Income Limit, %	0.0%	59.2%	67.8%	87.6%
Qualified, Renter, Lower Income Limit, %	0.0%	47.3%	59.2%	67.8%
Qualified, Renter %	0.0%	11.9%	8.6%	19.7%
Renter Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	2,119	2,119	2,119
Households, 2-BR, %	0.0%	44.0%	44.0%	44.0%
Renter Households, 2-BR	0	932	932	932
Qualified, %	0.0%	11.9%	8.6%	19.7%
Renter Households, 2-BR, Qualified	0	111	80	184
Qualified Households, Renter, Primary Market Area	0	111	80	184
Secondary Market, %	0.0%	10.0%	10.0%	10.0%
Qualified Households, Renter, Total	0	124	89	204
Total Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Qualified Households	0	124	89	204

Source: U.S. Census Bureau, Claritas; Allen & Associates

Qualified Households, 3-Bedroom				
General Assumptions				
Effective Date	July 1, 2006			
Household Size	5 maximum			
Raw Data				
Population	14,870			
Population per Household	2.82			
Households	5,268			
Renter Tenure	40.23%			
Renter Households	2,119			
Households, 3-BR, %	29.0%			
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$29,700	\$35,650	\$59,400
Minimum Qualifying Income	\$0	\$20,606	\$20,606	\$21,463
Upper Income Limit	\$0	\$29,700	\$35,650	\$59,400
Lower Income Limit	\$0	\$20,606	\$29,700	\$35,650
Qualified, Renter, Upper Income Limit, %	0.0%	67.8%	76.1%	92.1%
Qualified, Renter, Lower Income Limit, %	0.0%	52.1%	67.8%	76.1%
Qualified, Renter %	0.0%	15.8%	8.3%	16.0%
Renter Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	2,119	2,119	2,119
Households, 3-BR, %	0.0%	29.0%	29.0%	29.0%
Renter Households, 3-BR	0	615	615	615
Qualified, %	0.0%	15.8%	8.3%	16.0%
Renter Households, 3-BR, Qualified	0	97	51	98
Qualified Households, Renter, Primary Market Area	0	97	51	98
Secondary Market, %	0.0%	10.0%	10.0%	10.0%
Qualified Households, Renter, Total	0	108	57	109
Total Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Qualified Households	0	108	57	109

Source: U.S. Census Bureau, Claritas; Allen & Associates

The following table utilizes the qualified household estimates from above to compute the penetration rate by income level and by unit type for the subject property:

Penetration Rate Estimate						
	30% of AMI	50% of AMI	60% of AMI	Restricted	Market Rate	Total
0-Bedroom	0	0	0	0	0	0
1-Bedroom	0	79	0	79	158	237
2-Bedroom	0	124	89	212	204	417
3-Bedroom	0	108	57	164	109	274
4-Bedroom	0	0	0	0	0	0
Qualified Households	0	310	145	456	472	928
0-Bedroom	0	0	0	0	0	0
1-Bedroom	0	2	0	2	2	4
2-Bedroom	0	10	3	13	3	16
3-Bedroom	0	10	3	13	3	16
4-Bedroom	0	0	0	0	0	0
Subject Units	0	22	6	28	8	36
0-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1-Bedroom	0.0%	2.5%	0.0%	2.5%	1.3%	1.7%
2-Bedroom	0.0%	8.1%	3.4%	6.1%	1.5%	3.8%
3-Bedroom	0.0%	9.3%	5.3%	7.9%	2.7%	5.8%
4-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Penetration Rate	0.0%	7.1%	4.1%	6.1%	1.7%	3.9%

Source: Allen & Associates

Qualified Households

We estimate project-specific qualified households for 928 units. The estimate breaks down as follows:

- 79 units for 1BR units at 50% of AMI
- 158 units for 1BR market rate units
- 124 units for 2BR units at 50% of AMI
- 89 units for 2BR units at 60% of AMI
- 204 units for 2BR market rate units
- 108 units for 3BR units at 50% of AMI
- 57 units for 3BR units at 60% of AMI
- 109 units for 3BR market rate units

Penetration Rate Estimate

We estimate a penetration rate of 3.9% for the subject property. The overall rate breaks down as follows:

- 2.5% for 1BR units at 50% of AMI
- 1.3% for 1BR market rate units
- 8.1% for 2BR units at 50% of AMI
- 3.4% for 2BR units at 60% of AMI
- 1.5% for 2BR market rate units
- 9.3% for 3BR units at 50% of AMI

- 5.3% for 3BR units at 60% of AMI
- 2.7% for 3BR market rate units

In general, the lower the penetration rates the better. Underwriters often utilize penetration rate limits of 10 to 25 percent, depending on the specific project. In our opinion, the estimated penetration rates indicate an appropriate number and mix of units for the subject property.

Saturation Rate Estimate

Saturation rate is defined as the ratio of the number of subject property units plus the number of competing units to the number of income qualified households in the market area.

Our estimate of the number of qualified households is found in the previous section. In this section we estimate the number of competing units as of the effective date of this report. Of particular importance are proposed and existing developments with subsidized or restricted rents targeting the same income levels as the subject property. Other than those identified below, we are not aware of any competing properties in the market area:

Competing Supply					
	Subsidized	30% of AMI	50% of AMI	60% of AMI	Market Rate
See Supply Analysis Section of Report					
0-Bedroom	10	0	0	0	0
1-Bedroom	85	8	16	16	15
2-Bedroom	102	25	50	50	78
3-Bedroom	65	7	14	14	55
4-Bedroom	27	0	0	0	6

Grand Total					
	Subsidized	30% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	10	0	0	0	0
1-Bedroom	85	8	16	16	15
2-Bedroom	102	25	50	50	78
3-Bedroom	65	7	14	14	55
4-Bedroom	27	0	0	0	6
Grand Total	289	40	80	80	154

Source: Allen & Associates

The following table utilizes the qualified household estimates and the competing supply unit distribution presented above to compute saturation rates by income level and by unit type for the subject property:

Saturation Rate Estimate							
	30% of AMI	50% of AMI	60% of AMI	Restricted	Market Rate	Total	
0-Bedroom	0	0	0	0	0	0	
1-Bedroom	0	79	0	79	158	237	
2-Bedroom	0	124	89	212	204	417	
3-Bedroom	0	108	57	164	109	274	
4-Bedroom	0	0	0	0	0	0	
Qualified Households	0	310	145	456	472	928	
0-Bedroom	0	0	0	0	0	0	
1-Bedroom	0	2	0	2	2	4	
2-Bedroom	0	10	3	13	3	16	
3-Bedroom	0	10	3	13	3	16	
4-Bedroom	0	0	0	0	0	0	
Subject Units	0	22	6	28	8	36	
0-Bedroom	0	0	0	0	0	0	
1-Bedroom	0	16	0	16	15	31	
2-Bedroom	0	50	50	100	78	178	
3-Bedroom	0	14	14	27	55	82	
4-Bedroom	0	0	0	0	0	0	
Competing Units	0	80	64	144	148	292	
0-Bedroom	0	0	0	0	0	0	
1-Bedroom	0	18	0	18	17	35	
2-Bedroom	0	60	53	113	81	194	
3-Bedroom	0	24	17	40	58	98	
4-Bedroom	0	0	0	0	0	0	
Total Units	0	102	70	172	156	328	
0-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
1-Bedroom	0.0%	23.3%	0.0%	23.3%	10.7%	14.9%	
2-Bedroom	0.0%	48.6%	59.6%	53.2%	39.6%	46.5%	
3-Bedroom	0.0%	21.9%	29.4%	24.5%	53.0%	35.9%	
4-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Saturation Rate	0.0%	32.9%	47.9%	37.7%	33.0%	35.3%	

Source: Allen & Associates

Saturation Rate Estimate

We estimate a saturation rate of 35.3% for the subject property. The overall rate breaks down as follows:

- 23.3% for 1BR units at 50% of AMI
- 10.7% for 1BR market rate units
- 48.6% for 2BR units at 50% of AMI
- 59.6% for 2BR units at 60% of AMI
- 39.6% for 2BR market rate units
- 21.9% for 3BR units at 50% of AMI
- 29.4% for 3BR units at 60% of AMI

- 53.0% for 3BR market rate units

In general, the lower the saturation rates the better. Saturation rates less than 100% suggest that sufficient numbers of income-qualified households exist to fill subject property units. Underwriters often utilize saturation rate limits of 25 to 50 percent, depending on the specific project. In our opinion, the estimated saturation rates indicate significant competition in the marketplace for the 2-bedroom units at 60% of AMI and the 3-bedroom market rate units. Consequently, the developer is advised to monitor these units closely, especially during lease up.

Capture Rate Estimate

For purposes of this report, capture rate is defined as the ratio of the number of subject property units – net of new and pipeline units - to the number of income qualified overburdened and substandard households in the market area.

Our estimate of capture rate utilizes the assumptions and income data set forth in the previous section. The income limits are used to determine the number of qualified households for the proposed development. New and pipeline units are then tabulated and subtracted from this figure to arrive at the net qualified household estimate for the subject property. This figure is then divided into the total number of proposed units to arrive at the capture rate for the subject property.

For purposes of the capture rate computation, qualified households consist of the following: (1) Income-qualified overburdened households (households paying 35 percent or more of their income towards housing-related expenses), (2) Income-qualified substandard units (overcrowded units or units lacking plumbing), and (3) Income-qualified growth as set forth in the demand assumptions presented earlier.

For developments with multiple overlapping income limits we established income floors/ceilings to eliminate any overlap and distribute demand evenly across income levels. This eliminates double-counting and results in a more accurate demand estimate for subject property units. For elderly properties, owner demand is limited to a percentage of total demand supported by our market research.

Our estimate of the number of qualified households by unit type is found below:

Qualified Households, 1-Bedroom				
General Assumptions				
Effective Date	January 1, 2000			
Household Size	2 maximum			
Raw Data				
Population	14,763			
Population per Household	2.86			
Households	5,163			
Renter Tenure	40.11%			
Renter Households	2,071			
Households, 1-BR, %	22.5%			
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$22,000	\$0	\$44,000
Minimum Qualifying Income	\$0	\$15,600	\$0	\$18,171
Upper Income Limit	\$0	\$22,000	\$0	\$44,000
Lower Income Limit	\$0	\$15,600	\$0	\$22,000
Qualified, Renter, Upper Income Limit, %	0.0%	54.5%	0.0%	84.4%
Qualified, Renter, Lower Income Limit, %	0.0%	39.6%	0.0%	54.5%
Qualified, Renter %	0.0%	14.9%	0.0%	29.9%
Qualified, Renter, Overburdened, Upper Income Limit, %	0.0%	33.2%	0.0%	38.5%
Qualified, Renter, Overburdened, Lower Income Limit, %	0.0%	26.6%	0.0%	33.2%
Qualified, Renter, Overburdened, %	0.0%	6.6%	0.0%	5.3%
Renter Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	2,071	0	2,071
Households, 1-BR, %	0.0%	22.5%	0.0%	22.5%
Renter Households, 1-BR	0	466	0	466
Qualified, Overburdened, %	0.0%	6.6%	0.0%	5.3%
Renter Households, 1-BR, Qualified, Overburdened	0	31	0	25
Renter Households, 1-BR	0	466	0	466
Qualified, %	0.0%	14.9%	0.0%	29.9%
Renter Households, 1-BR, Qualified	0	69	0	139
Renter Households, 1-BR, Qualified, Substandard, %	0.0%	13.7%	0.0%	13.7%
Renter Households, 1-BR, Qualified, Substandard	0	10	0	19
Renter Households, 1-BR	0	466	0	466
Qualified, %	0.0%	14.9%	0.0%	29.9%
Renter Households, 1-BR, Qualified	0	69	0	139
Renter Households, 1-BR, Qualified, Growth, %	0.0%	0.4%	0.0%	0.4%
Renter Households, 1-BR, Qualified, Growth	0	0	0	1
Projection Period, Years	0	8	0	8
Renter Households, 1-BR, Qualified, Growth, Projected	0	2	0	5
Qualified Households, Renter, Primary Market Area	0	43	0	49
Secondary Market, %	0.0%	10.0%	0.0%	10.0%
Qualified Households, Renter, Total	0	47	0	54
Total Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Qualified Households	0	47	0	54

Source: U.S. Census Bureau, Claritas; Allen & Associates

Qualified Households, 2-Bedroom				
General Assumptions				
Effective Date	January 1, 2000			
Household Size	3 maximum			
Raw Data				
Population	14,763			
Population per Household	2.86			
Households	5,163			
Renter Tenure	40.11%			
Renter Households	2,071			
Households, 2-BR, %	44.0%			
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$24,750	\$29,700	\$49,500
Minimum Qualifying Income	\$0	\$18,583	\$18,583	\$19,783
Upper Income Limit	\$0	\$24,750	\$29,700	\$49,500
Lower Income Limit	\$0	\$18,583	\$24,750	\$29,700
Qualified, Renter, Upper Income Limit, %	0.0%	59.2%	67.8%	87.6%
Qualified, Renter, Lower Income Limit, %	0.0%	47.3%	59.2%	67.8%
Qualified, Renter %	0.0%	11.9%	8.6%	19.7%
Qualified, Renter, Overburdened, Upper Income Limit, %	0.0%	34.4%	36.7%	38.6%
Qualified, Renter, Overburdened, Lower Income Limit, %	0.0%	30.4%	34.4%	36.7%
Qualified, Renter, Overburdened, %	0.0%	4.0%	2.3%	1.9%
Renter Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	2,071	2,071	2,071
Households, 2-BR, %	0.0%	44.0%	44.0%	44.0%
Renter Households, 2-BR	0	911	911	911
Qualified, Overburdened, %	0.0%	4.0%	2.3%	1.9%
Renter Households, 2-BR, Qualified, Overburdened	0	37	21	17
Renter Households, 2-BR	0	911	911	911
Qualified, %	0.0%	11.9%	8.6%	19.7%
Renter Households, 2-BR, Qualified	0	109	78	180
Renter Households, 2-BR, Qualified, Substandard, %	0.0%	13.7%	13.7%	13.7%
Renter Households, 2-BR, Qualified, Substandard	0	15	11	25
Renter Households, 2-BR	0	911	911	911
Qualified, %	0.0%	11.9%	8.6%	19.7%
Renter Households, 2-BR, Qualified	0	109	78	180
Renter Households, 2-BR, Qualified, Growth, %	0.0%	0.4%	0.4%	0.4%
Renter Households, 2-BR, Qualified, Growth	0	0	0	1
Projection Period, Years	0	8	8	8
Renter Households, 2-BR, Qualified, Growth, Projected	0	4	3	6
Qualified Households, Renter, Primary Market Area	0	55	34	48
Secondary Market, %	0.0%	10.0%	10.0%	10.0%
Qualified Households, Renter, Total	0	61	38	54
Total Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Qualified Households	0	61	38	54

Source: U.S. Census Bureau, Claritas; Allen & Associates

Qualified Households, 3-Bedroom				
General Assumptions				
Effective Date	January 1, 2000			
Household Size	5 maximum			
Raw Data				
Population	14,763			
Population per Household	2.86			
Households	5,163			
Renter Tenure	40.11%			
Renter Households	2,071			
Households, 3-BR, %	29.0%			
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$29,700	\$35,650	\$59,400
Minimum Qualifying Income	\$0	\$20,606	\$20,606	\$21,463
Upper Income Limit	\$0	\$29,700	\$35,650	\$59,400
Lower Income Limit	\$0	\$20,606	\$29,700	\$35,650
Qualified, Renter, Upper Income Limit, %	0.0%	67.8%	76.1%	92.1%
Qualified, Renter, Lower Income Limit, %	0.0%	52.1%	67.8%	76.1%
Qualified, Renter %	0.0%	15.8%	8.3%	16.0%
Qualified, Renter, Overburdened, Upper Income Limit, %	0.0%	36.7%	37.7%	38.8%
Qualified, Renter, Overburdened, Lower Income Limit, %	0.0%	32.5%	36.7%	37.7%
Qualified, Renter, Overburdened, %	0.0%	4.2%	1.0%	1.1%
Renter Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	2,071	2,071	2,071
Households, 3-BR, %	0.0%	29.0%	29.0%	29.0%
Renter Households, 3-BR	0	601	601	601
Qualified, Overburdened, %	0.0%	4.2%	1.0%	1.1%
Renter Households, 3-BR, Qualified, Overburdened	0	25	6	7
Renter Households, 3-BR	0	601	601	601
Qualified, %	0.0%	15.8%	8.3%	16.0%
Renter Households, 3-BR, Qualified	0	95	50	96
Renter Households, 3-BR, Qualified, Substandard, %	0.0%	13.7%	13.7%	13.7%
Renter Households, 3-BR, Qualified, Substandard	0	13	7	13
Renter Households, 3-BR	0	601	601	601
Qualified, %	0.0%	15.8%	8.3%	16.0%
Renter Households, 3-BR, Qualified	0	95	50	96
Renter Households, 3-BR, Qualified, Growth, %	0.0%	0.4%	0.4%	0.4%
Renter Households, 3-BR, Qualified, Growth	0	0	0	0
Projection Period, Years	0	8	8	8
Renter Households, 3-BR, Qualified, Growth, Projected	0	3	2	3
Qualified Households, Renter, Primary Market Area	0	41	14	23
Secondary Market, %	0.0%	10.0%	10.0%	10.0%
Qualified Households, Renter, Total	0	46	16	26
Total Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Qualified Households	0	46	16	26

Source: U.S. Census Bureau, Claritas; Allen & Associates

The next step in our analysis is to account for new supply in order to compute the number of qualified households – net of new and pipeline units - for the subject property. Of particular importance are new and proposed subsidized and restricted developments targeting the same income levels as the subject property. Other than those identified below, we are not aware of any directly competing new or proposed subsidized, restricted or market rate developments in the market area.

The table below sets forth our analysis of new supply in the market area as of the effective date of this report:

New Supply					
	Subsidized	30% of AMI	50% of AMI	60% of AMI	Market Rate
Magnolia Terrace Phase 1					
0-Bedroom	0	0	0	0	0
1-Bedroom	0	1	2	2	3
2-Bedroom	0	3	16	7	4
3-Bedroom	0	1	7	1	3
4-Bedroom	0	0	0	0	0

Comparability Factors					
	Subsidized	30% of AMI	50% of AMI	60% of AMI	Market Rate
Magnolia Terrace Phase 1					
Location	1.00	1.00	1.00	1.00	1.00
Affordability	1.00	1.00	1.00	1.00	1.00
Property Type	1.00	1.00	1.00	1.00	1.00
Quality	1.00	1.00	1.00	1.00	1.00
Comparability Factor	1.00	1.00	1.00	1.00	1.00

Grand Total					
	Subsidized	30% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0	0	0	0	0
1-Bedroom	0	1	2	2	3
2-Bedroom	0	3	16	7	4
3-Bedroom	0	1	7	1	3
4-Bedroom	0	0	0	0	0
Grand Total	0	5	25	10	10

Source: Allen & Associates

The following table utilizes the qualified household estimate and the new supply unit distribution presented above to compute the capture rates by income level and by unit type for the subject property:

Capture Rate Estimate							
	30% of AMI	50% of AMI	60% of AMI	Restricted	Market Rate	Total	
0-Bedroom	0	0	0	0	0	0	
1-Bedroom	0	47	0	47	54	101	
2-Bedroom	0	61	38	99	54	153	
3-Bedroom	0	46	16	62	26	88	
4-Bedroom	0	0	0	0	0	0	
Qualified Households	0	155	54	209	134	342	
0-Bedroom	0	0	0	0	0	0	
1-Bedroom	0	2	0	2	3	5	
2-Bedroom	0	16	7	23	4	27	
3-Bedroom	0	7	1	8	3	11	
4-Bedroom	0	0	0	0	0	0	
New Supply	0	25	8	33	10	43	
0-Bedroom	0	0	0	0	0	0	
1-Bedroom	0	45	0	45	51	96	
2-Bedroom	0	45	31	76	50	126	
3-Bedroom	0	39	15	54	23	77	
4-Bedroom	0	0	0	0	0	0	
Qualified Households, Net	0	130	46	176	124	299	
0-Bedroom	0	0	0	0	0	0	
1-Bedroom	0	2	0	2	2	4	
2-Bedroom	0	10	3	13	3	16	
3-Bedroom	0	10	3	13	3	16	
4-Bedroom	0	0	0	0	0	0	
Subject Units	0	22	6	28	8	36	
0-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
1-Bedroom	0.0%	4.4%	0.0%	4.4%	3.9%	4.2%	
2-Bedroom	0.0%	22.1%	9.7%	17.0%	6.0%	12.7%	
3-Bedroom	0.0%	25.6%	19.9%	24.0%	13.2%	20.8%	
4-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Capture Rate	0.0%	17.0%	13.0%	15.9%	6.5%	12.0%	

Source: Allen & Associates

Qualified Households, Net

We estimate project-specific qualified households for 299 units. The estimate breaks down as follows:

- 45 units for 1BR units at 50% of AMI
- 51 units for 1BR market rate units
- 45 units for 2BR units at 50% of AMI
- 31 units for 2BR units at 60% of AMI
- 50 units for 2BR market rate units
- 39 units for 3BR units at 50% of AMI
- 15 units for 3BR units at 60% of AMI

- 23 units for 3BR market rate units

Capture Rate Estimate

We estimate a capture rate of 12.0% for the subject property. The overall rate breaks down as follows:

- 4.4% for 1BR units at 50% of AMI
- 3.9% for 1BR market rate units
- 22.1% for 2BR units at 50% of AMI
- 9.7% for 2BR units at 60% of AMI
- 6.0% for 2BR market rate units
- 25.6% for 3BR units at 50% of AMI
- 19.9% for 3BR units at 60% of AMI
- 13.2% for 3BR market rate units

In general, the lower the capture rates the better. Capture rates less than 100% suggest that sufficient numbers of income-qualified overburdened and substandard households exist to fill subject property units. Underwriters often utilize capture rate limits of 25 to 50 percent, depending on the specific project. Capture rates in excess of 100% suggest that the property will need to attract income-qualified households that are not currently overburdened or substandard from competing projects in order to fill. Negative capture rates suggest that the need for affordable housing has been addressed by new and proposed construction. In our opinion, the estimated capture rates indicate an appropriate number and mix of units for the subject property.

Absorption Period Estimate

The absorption period is defined as the estimated number of months to fill the subject property units.

Our absorption period estimate involves a four-step process. First, we estimate annual growth and movership by income level and unit type for the market area for the effective date of the report using the rent and income limits set previously. Second, we estimate the fair share, or the proportion of growth and movership that we would expect the subject property to capture. Third, we multiply the fair share by annual growth and movership and divide by 12 to estimate the amount of monthly income-qualified growth and movership that would likely lease at the subject property. Finally, we utilize the absorption rates by income and unit type to construct a lease up schedule for the subject property. Our analysis utilizes the assumptions and income data set forth in the previous section.

The following table sets forth our estimates of annual growth and movership by income level and unit type for the subject property:

Growth & Movership, 1-Bedroom				
General Assumptions				
Effective Date	July 1, 2008			
Household Size	2 maximum			
Raw Data				
Population	14,917			
Population per Household	2.81			
Households	5,299			
Renter Tenure	40.34%			
Renter Households	2,138			
Households, 1-BR, %	22.5%			
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$22,000	\$0	\$44,000
Minimum Qualifying Income	\$0	\$15,600	\$0	\$18,171
Upper Income Limit	\$0	\$22,000	\$0	\$44,000
Lower Income Limit	\$0	\$15,600	\$0	\$22,000
Qualified, Renter, Upper Income Limit, %	0.0%	54.5%	0.0%	84.4%
Qualified, Renter, Lower Income Limit, %	0.0%	39.6%	0.0%	54.5%
Qualified, Renter %	0.0%	14.9%	0.0%	29.9%
Renter Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	2,138	0	2,138
Households, 1-BR, %	0.0%	22.5%	0.0%	22.5%
Renter Households, 1-BR	0	481	0	481
Qualified, %	0.0%	14.9%	0.0%	29.9%
Renter Households, 1-BR, Qualified	0	72	0	144
Renter Households, 1-BR, Qualified, Growth, %	0.0%	0.4%	0.0%	0.4%
Renter Households, 1-BR, Qualified, Growth	0	0	0	1
Projection Period, Years	0	1	0	1
Renter Households, 1-BR, Qualified, Growth, Projected	0	0	0	1
Renter Households, 1-BR	0	481	0	481
Qualified, %	0.0%	14.9%	0.0%	29.9%
Renter Households, 1-BR, Qualified	0	72	0	144
Renter Households, 1-BR, Qualified, Movership, %	0.0%	29.1%	0.0%	29.1%
Renter Households, 1-BR, Qualified, Movership	0	21	0	42
Growth & Movership, Renter, Primary Market Area	0	21	0	43
Secondary Market, %	0.0%	10.0%	0.0%	10.0%
Growth & Movership, Renter, Total	0	24	0	47
Total Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Growth & Movership	0	24	0	47

Source: U.S. Census Bureau, Claritas; Allen & Associates

Growth & Movership, 2-Bedroom				
General Assumptions				
Effective Date	July 1, 2008			
Household Size	3 maximum			
Raw Data				
Population	14,917			
Population per Household	2.81			
Households	5,299			
Renter Tenure	40.34%			
Renter Households	2,138			
Households, 2-BR, %	44.0%			
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$24,750	\$29,700	\$49,500
Minimum Qualifying Income	\$0	\$18,583	\$18,583	\$19,783
Upper Income Limit	\$0	\$24,750	\$29,700	\$49,500
Lower Income Limit	\$0	\$18,583	\$24,750	\$29,700
Qualified, Renter, Upper Income Limit, %	0.0%	59.2%	67.8%	87.6%
Qualified, Renter, Lower Income Limit, %	0.0%	47.3%	59.2%	67.8%
Qualified, Renter %	0.0%	11.9%	8.6%	19.7%
Renter Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	2,138	2,138	2,138
Households, 2-BR, %	0.0%	44.0%	44.0%	44.0%
Renter Households, 2-BR	0	941	941	941
Qualified, %	0.0%	11.9%	8.6%	19.7%
Renter Households, 2-BR, Qualified	0	112	81	186
Renter Households, 2-BR, Qualified, Growth, %	0.0%	0.4%	0.4%	0.4%
Renter Households, 2-BR, Qualified, Growth	0	0	0	1
Projection Period, Years	0	1	1	1
Renter Households, 2-BR, Qualified, Growth, Projected	0	0	0	1
Renter Households, 2-BR	0	941	941	941
Qualified, %	0.0%	11.9%	8.6%	19.7%
Renter Households, 2-BR, Qualified	0	112	81	186
Renter Households, 2-BR, Qualified, Movership, %	0.0%	29.1%	29.1%	29.1%
Renter Households, 2-BR, Qualified, Movership	0	33	24	54
Growth & Movership, Renter, Primary Market Area	0	33	24	55
Secondary Market, %	0.0%	10.0%	10.0%	10.0%
Growth & Movership, Renter, Total	0	37	27	61
Total Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Growth & Movership	0	37	27	61

Source: U.S. Census Bureau, Claritas; Allen & Associates

Growth & Movership, 3-Bedroom				
General Assumptions				
Effective Date	July 1, 2008			
Household Size	5 maximum			
Raw Data				
Population	14,917			
Population per Household	2.81			
Households	5,299			
Renter Tenure	40.34%			
Renter Households	2,138			
Households, 3-BR, %	29.0%			
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$29,700	\$35,650	\$59,400
Minimum Qualifying Income	\$0	\$20,606	\$20,606	\$21,463
Upper Income Limit	\$0	\$29,700	\$35,650	\$59,400
Lower Income Limit	\$0	\$20,606	\$29,700	\$35,650
Qualified, Renter, Upper Income Limit, %	0.0%	67.8%	76.1%	92.1%
Qualified, Renter, Lower Income Limit, %	0.0%	52.1%	67.8%	76.1%
Qualified, Renter %	0.0%	15.8%	8.3%	16.0%
Renter Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	2,138	2,138	2,138
Households, 3-BR, %	0.0%	29.0%	29.0%	29.0%
Renter Households, 3-BR	0	620	620	620
Qualified, %	0.0%	15.8%	8.3%	16.0%
Renter Households, 3-BR, Qualified	0	98	51	99
Renter Households, 3-BR, Qualified, Growth, %	0.0%	0.4%	0.4%	0.4%
Renter Households, 3-BR, Qualified, Growth	0	0	0	0
Projection Period, Years	0	1	1	1
Renter Households, 3-BR, Qualified, Growth, Projected	0	0	0	0
Renter Households, 3-BR	0	620	620	620
Qualified, %	0.0%	15.8%	8.3%	16.0%
Renter Households, 3-BR, Qualified	0	98	51	99
Renter Households, 3-BR, Qualified, Movership, %	0.0%	29.1%	29.1%	29.1%
Renter Households, 3-BR, Qualified, Movership	0	28	15	29
Growth & Movership, Renter, Primary Market Area	0	29	15	29
Secondary Market, %	0.0%	10.0%	10.0%	10.0%
Growth & Movership, Renter, Total	0	32	17	33
Total Households				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
Growth & Movership	0	32	17	33

Source: U.S. Census Bureau, Claritas; Allen & Associates

The next step in our analysis is to estimate the proportion of growth and movership the development should be able to attract in order to drive our lease-up projection. This amount, known as the fair share, is an integral component in our absorption period analysis.

The fair share analysis is used extensively in single-family, multifamily, commercial, and retail market studies. The books entitled Market Analysis for Valuation Appraisals (1994, Appraisal Institute) and Market Analysis and Highest & Best Use (2005, Appraisal Institute) provide a good overview of this technique and its application to a variety of property types. These textbooks are used in the *Highest & Best Use and Market Analysis* course offered by the Appraisal Institute.

The following formula can be used to estimate the fair share for a specific project:

$$\text{Fair Share} = 1/(1+N)$$

N represents the number of properties directly competitive with the subject property for each unit type and each income level. Our analysis assumes that the estimated fair share will never exceed 50 percent.

Based on the rental property inventory and the competing property data presented previously in this report, we conclude the following fair share estimates for units at the subject property:

	30% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0.0%	0.0%	0.0%	0.0%
1-Bedroom	0.0%	35.0%	25.0%	10.0%
2-Bedroom	0.0%	35.0%	25.0%	10.0%
3-Bedroom	0.0%	35.0%	25.0%	10.0%
4-Bedroom	0.0%	0.0%	0.0%	0.0%

Source: Allen & Associates

The next step in our analysis is to compute the absorption rate for the subject property. The absorption rate estimate tells us the rate at which subject property units are likely to lease. The following table gives the absorption rate, by unit type, for the subject property:

Absorption Rate Estimate				
Growth & Movership, Annual				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0	0	0	0
1-Bedroom	0	24	0	47
2-Bedroom	0	37	27	61
3-Bedroom	0	32	17	33
4-Bedroom	0	0	0	0
Growth & Movership, Monthly				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0.0	0.0	0.0	0.0
1-Bedroom	0.0	2.0	0.0	3.9
2-Bedroom	0.0	3.1	2.2	5.1
3-Bedroom	0.0	2.7	1.4	2.7
4-Bedroom	0.0	0.0	0.0	0.0
Fair Share				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0.0%	0.0%	0.0%	0.0%
1-Bedroom	0.0%	35.0%	25.0%	10.0%
2-Bedroom	0.0%	35.0%	25.0%	10.0%
3-Bedroom	0.0%	35.0%	25.0%	10.0%
4-Bedroom	0.0%	0.0%	0.0%	0.0%
Absorption Rate, Monthly				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0.00	0.00	0.00	0.00
1-Bedroom	0.00	0.69	0.00	0.39
2-Bedroom	0.00	1.07	0.55	0.51
3-Bedroom	0.00	0.94	0.35	0.27
4-Bedroom	0.00	0.00	0.00	0.00

Source: Allen & Associates

The final step is to compute the absorption period for the subject property. The absorption period estimate tells us how long it will take for the subject property units to lease. The following table gives the absorption period, by unit type, for the subject property:

Absorption Period Estimate				
Subject Units				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0	0	0	0
1-Bedroom	0	2	0	2
2-Bedroom	0	10	3	3
3-Bedroom	0	10	3	3
4-Bedroom	0	0	0	0
Stabilized Occupancy				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0.0%	0.0%	0.0%	0.0%
1-Bedroom	0.0%	95.0%	0.0%	90.0%
2-Bedroom	0.0%	95.0%	95.0%	90.0%
3-Bedroom	0.0%	95.0%	95.0%	90.0%
4-Bedroom	0.0%	0.0%	0.0%	0.0%
Absorption Rate, Monthly				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0.00	0.00	0.00	0.00
1-Bedroom	0.00	0.69	0.00	0.39
2-Bedroom	0.00	1.07	0.55	0.51
3-Bedroom	0.00	0.94	0.35	0.27
4-Bedroom	0.00	0.00	0.00	0.00
Absorption Period, Months				
	30% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0	0	0	0
1-Bedroom	0	3	0	5
2-Bedroom	0	9	5	5
3-Bedroom	0	10	8	10
4-Bedroom	0	0	0	0
Absorption Period = 10 mos		Average Rate = 3.38 uts/mo		

Source: Allen & Associates

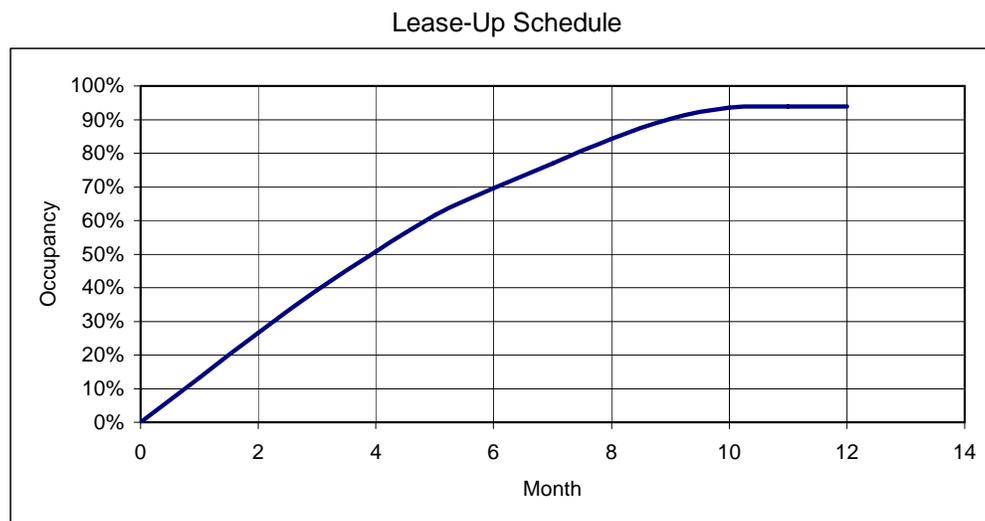
We estimate a 10-month absorption period and an average absorption rate of 3.38 units per month to stabilization for the subject property. The absorption period breaks down by unit type and income level as follows:

- 3 month(s) for 1BR units at 50% of AMI
- 5 month(s) for 1BR market rate units
- 9 month(s) for 2BR units at 50% of AMI
- 5 month(s) for 2BR units at 60% of AMI
- 5 month(s) for 2BR market rate units
- 10 month(s) for 3BR units at 50% of AMI
- 8 month(s) for 3BR units at 60% of AMI
- 10 month(s) for 3BR market rate units

In general, the lower the absorption period the better. Underwriters often utilize absorption period limits of 12 to 24 months, depending on the specific project. In our opinion, the estimated absorption periods indicate an appropriate number and mix of units for the subject property.

Please note: This analysis does not account for pent-up demand, pre-leasing efforts, relocation program efforts for existing properties, or rents subsidies. In reality, 3 months of pre-leasing could theoretically shave 3 months off the absorption period. Alternatively, a 50% resident retention rate could cut the capture rate and absorption period in half for an existing property. Finally, any rent subsidies not accounted for already in this analysis could cut capture rates and absorption periods for subsidized units significantly.

The following table utilizes the absorption estimates from above to derive a lease-up schedule to stabilized occupancy for the subject property:



Source: Allen & Associates

Sensitivity Analysis

The purpose of our sensitivity analysis is to evaluate the impact of possible rent increases on the marketability of the subject property. Our analysis to this point has been based on the proposed rents for the subject property. In this section we evaluate the marketability of the project at achievable rents. Achievable rents – which are defined as the lesser of program or market rents - represent the absolute highest rent permissible for the area, considering market rental rates and maximum allowable rent limits.

Our sensitivity analysis yields the following comparison of marketability measures of the subject property at proposed versus achievable rents:

- Penetration Rate: 3.9% (proposed rents); 4.0% (achievable rents)
- Saturation Rate: 35.3% (proposed rents); 36.5% (achievable rents)
- Capture Rate: 12.0% (proposed rents); 12.9% (achievable rents)
- Absorption Period: 10 months (proposed rents); 10 months (achievable rents)

Our analysis suggests that increasing the proposed rents to achievable rent levels would result in slight increases in penetration, saturation, and capture rates. Further, the increased rents would result in no significant increase in the absorption period for the project. In our opinion, therefore, increasing the rents to achievable rents would not have a material adverse impact on the marketability of this project.

Tables comparing the marketability of the subject property at proposed rents versus achievable rents are found on the following page.

Proposed Rents

Subject Property Units			Penetration and Saturation Rate Estimate				Capture Rate Estimate				Absorption Analysis		Rent Analysis		
Unit Type	Rent Type	Units Proposed	Gross Qualified	Penetration Rate	Competing Supply	Saturation Rate	Gross Qualified	New Supply	Net Qualified	Capture Rate	Absorption Rate	Absorption Period	Achievable Rent	Program Rent	Proposed Rent
1-BR	50% of AMI	2	79	2.5%	16	23.3%	47	2	45	4.4%	0.69	3 mos	\$400	\$436	\$375
1-BR	Market Rate	2	158	1.3%	15	10.7%	54	3	51	3.9%	0.39	5 mos	\$450	-	\$450
2-BR	50% of AMI	10	124	8.1%	50	48.6%	61	16	45	22.1%	1.07	9 mos	\$460	\$517	\$440
2-BR	60% of AMI	3	89	3.4%	50	59.6%	38	7	31	9.7%	0.55	5 mos	\$460	\$641	\$440
2-BR	Market Rate	3	204	1.5%	78	39.6%	54	4	50	6.0%	0.51	5 mos	\$535	-	\$475
3-BR	50% of AMI	10	108	9.3%	14	21.9%	46	7	39	25.6%	0.94	10 mos	\$475	\$589	\$475
3-BR	60% of AMI	3	57	5.3%	14	29.4%	16	1	15	19.9%	0.35	8 mos	\$475	\$732	\$475
3-BR	Market Rate	3	109	2.7%	55	53.0%	26	3	23	13.2%	0.27	10 mos	\$540	-	\$500
Average/Total		36	928	3.9%	292	35.3%	342	43	299	12.0%	3.38	10 mos	Stabilized Occupancy		94%

Achievable Rents

Subject Property Units			Penetration and Saturation Rate Estimate				Capture Rate Estimate				Absorption Analysis		Rent Analysis		
Unit Type	Rent Type	Units Proposed	Gross Qualified	Penetration Rate	Competing Supply	Saturation Rate	Gross Qualified	New Supply	Net Qualified	Capture Rate	Absorption Rate	Absorption Period	Achievable Rent	Program Rent	Proposed Rent
1-BR	50% of AMI	2	67	3.0%	16	27.4%	40	2	38	5.3%	0.58	3 mos	\$400	\$436	\$375
1-BR	Market Rate	2	158	1.3%	15	10.7%	54	3	51	3.9%	0.39	5 mos	\$450	-	\$450
2-BR	50% of AMI	10	105	9.5%	50	57.0%	49	16	33	29.9%	0.92	10 mos	\$460	\$517	\$440
2-BR	60% of AMI	3	89	3.4%	50	59.6%	38	7	31	9.7%	0.55	5 mos	\$460	\$641	\$440
2-BR	Market Rate	3	204	1.5%	78	39.6%	54	4	50	6.0%	0.51	5 mos	\$535	-	\$475
3-BR	50% of AMI	10	108	9.3%	14	21.9%	46	7	39	25.6%	0.94	10 mos	\$475	\$589	\$475
3-BR	60% of AMI	3	57	5.3%	14	29.4%	16	1	15	19.9%	0.35	8 mos	\$475	\$732	\$475
3-BR	Market Rate	3	109	2.7%	55	53.0%	26	3	23	13.2%	0.27	10 mos	\$540	-	\$500
Average/Total		36	898	4.0%	292	36.5%	323	43	280	12.9%	3.38	10 mos	Stabilized Occupancy		94%

RECOMMENDATIONS & CONCLUSIONS

In our opinion, the estimated overall penetration rate (3.9%), saturation rate (35.3%), capture rate (12.0%), and absorption period (10 months) all appear reasonable. Our research also suggests a 94 percent stabilized occupancy rate for this project. Finally, the proposed rents appear to be below achievable rents. In our opinion, therefore, the subject property is feasible from a market standpoint as proposed.

APPENDIX

Data Sources

Project Description

Subject Property Developer/Manager/Owner
Microsoft MapPoint
State Housing Finance Agency
U.S. Department of Housing & Urban Development

Site Evaluation

Prizm Demographics
Microsoft TerraServer
Transamerica Flood Insurance
FirstSearch Environmental
Microsoft MapPoint
Claritas
InfoUSA
U.S. Census

Regional Economy

Bureau of Labor Statistics
Woods & Poole Economics
InfoUSA
Claritas
U.S. Census Bureau

Market Area Demographic Characteristics

Elderly Demographic Characteristics

U.S. Census Bureau
Claritas

Supply Analysis

U.S. Census Bureau
Claritas
InfoUSA
State Housing Finance Agency
U.S. Department of Housing & Urban Development
USDA Rural Development
Microsoft MapPoint
Competing Property Developer/Manager/Owner

Market Rent Estimate

Microsoft MapPoint
Claritas
Bureau of Labor Statistics
U.S. Census Bureau
Marshall Valuation Service

Market Rent Estimate (Continued)
State Housing Finance Agency
U.S. Department of Housing & Urban Development

Qualified Households & Penetration Rates
Demand & Capture Rates
Absorption Period & Fill Rates
Competing Property Developer/Manager/Owner
American Housing Survey
State Housing Finance Agency
U.S. Department of Housing & Urban Development
U.S. Census Bureau
Claritas

Qualifications

Allen & Associates is a real estate valuation and advisory firm specializing in affordable income-producing housing. Allen & Associates provides market studies, demand analyses, supply analyses, rent comparability studies, appraisals, land appraisals, environmental assessments, property condition reports, and utility studies to its clients.

Our area of specialty includes the evaluation of low-income housing tax credit properties. Over the past several years we have completed assignments in 24 states including Alabama, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New York, North Carolina, North Dakota, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia, Wisconsin, Wyoming and Puerto Rico.

Allen & Associates has offices in Charlotte, North Carolina and Detroit, Michigan and is approved to provide its services throughout the United States. Since 1973, we have completed thousands of assignments across the country.

The following discussion summarizes our affordable multifamily activities over the past several years:

- Since 2000 we have completed a total of 735 assignments throughout the United States including 221 in 2005. A summary listing of projects is found below:

Project Summary												
Year	Virginia		North Carolina		South Carolina **		Georgia		Region		United States	
	Total	HFA	Total	HFA	Total	HFA	Total	HFA	Total	HFA	Total	HFA
2001	11	na	4	3	5	0	18	18	38	21	87	21
2002	25	na	13	13	0	0	15	6	53	19	122	19
2003	30	na	8	8	4	0	24	10	66	18	170	18
2004	22	na	16	11	1	0	30	17	69	28	135	28
2005	31	na	13	9	24	10	30	17	98	36	221	36
Total	119	na	54	44	34	10	117	68	324	122	735	122

** Currently in the Process of Completing Demand Analyses for All 46 Counties in the State of South Carolina

- Since 2000 we have completed 324 assignments in Virginia, North Carolina, South Carolina, and Georgia. A total of 119 of these assignments were in Virginia, 54 were in North Carolina, 34 were in South Carolina, and 117 were in Georgia. A total of 122 of these assignments were engaged by state housing finance agencies.
- We have compiled a database of detailed information for every tax credit and tax-exempt bond transaction in Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Texas, Iowa and Minnesota since 1999. We have made this data available to National Council of Affordable Housing Market Analysts members as part of our ongoing effort to provide useful information to industry participants.
- We are in the process of conducting county-level demand assessments for Virginia, North Carolina, South Carolina and Georgia. In 2003 we conducted this analysis for Texas and Wisconsin.

- The Georgia Department of Community Affairs ranks its market analysts each year. Allen & Associates Consulting has been ranked at the top of its list of analysts for the past two years based on a variety of factors including price, work quality, work capacity, and responsiveness to their needs.
- In 2004, the State of Indiana solicited our input regarding their market study guidelines and their underwriting process. We were one of 3 firms asked to provide input.
- In 2003 and 2004, Allen & Associates was retained to provide expert testimony with respect to litigation involving the market feasibility of several affordable multifamily properties in Michigan.
- In 2003, Allen & Associates was retained to provide expert testimony with respect to litigation involving the valuation of a Michigan low-income housing tax credit property that was being over-assessed.

The following is a listing of key personnel at Allen & Associates:

Jeffrey B. Carroll

Jeffrey B. Carroll is President of Allen & Associates Consulting and has over 17 years of real estate consulting experience. Since 1988, he has performed over 1000 market study, appraisal, and environmental assessment assignments throughout the country for affordable multifamily properties.

Mr. Carroll chairs the data and ethics committees for the National Council of Affordable Housing Market Analysts, he is a Certified Environmental Consultant and a member of the Environmental Assessment Association. He is also a certified general appraiser, licensed to appraise real estate in the states of Alabama, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia. Mr. Carroll, an associate member of the Appraisal Institute, is currently completing the requirements necessary to obtain the MAI designation.

Jeff Carroll has written articles on development, market assessment, financial analysis, and property management for Urban Land magazine, The Journal of Property Management, Community Management magazine, Merchandise magazine, and a publication of the Texas A&M Real Estate Research Center known as Terra Grande.

Mr. Carroll is also the founder of The Tartan Foundation, Inc., a non-profit organization that provides research and education on a variety of affordable housing issues.

Mr. Carroll has conducted seminars on development, market & feasibility analysis and affordable housing for the American Planning Association, Community Management magazine, the Georgia Department of Community Affairs, the Manufactured Housing Institute, and the National Council of Affordable Housing Market Analysts.

The following is a summary of Mr. Carroll's relevant educational background:

Clemson University, Bachelor of Science Degree

Chemical Engineering and Economics	1983
Harvard University, Master's Degree in Business Administration General Management, Economics and Real Estate	1988
Appraisal Institute	
Appraisal Principles	2001
Appraisal Procedures	2001
Uniform Standards of Professional Appraisal Practice	2001
Applied Residential Property Valuation	2001
General Applications	2002
Highest & Best Use and Market Analysis	2002
Basic Income Capitalization	2002
Advanced Income Capitalization	2002
General Demonstration Report Writing	2003
Advanced Applications	2003
Advanced Sales Comparison & Cost Approach	2003
Report Writing & Valuation Analysis	2003
Business Practices & Ethics	2003
Uniform Standards of Professional Appraisal Practice Update	2005
Market Analysis for Real Estate	2005
Uniform Standards of Professional Appraisal Practice	2006
Uniform Standards of Professional Appraisal Practice Update	2006
Business Practices & Ethics	2006
National Council of Affordable Housing Market Analysts	
Semi-Annual Meeting & Continuing Education	January 2002
Semi-Annual Meeting & Continuing Education	September 2002
Semi-Annual Meeting & Continuing Education	January 2003
Semi-Annual Meeting & Continuing Education	September 2003
Semi-Annual Meeting & Continuing Education	January 2004
Semi-Annual Meeting & Continuing Education	September 2004
Semi-Annual Meeting & Continuing Education	January 2005
Semi-Annual Meeting & Continuing Education	September 2005
Semi-Annual Meeting & Continuing Education	January 2006
Semi-Annual Meeting & Continuing Education	May 2006

Mr. Carroll, who was awarded a scholarship on the Clemson University varsity wrestling team, is an assistant coach for a local high school wrestling team. He is also a children's instructor at a local judo club. Mr. Carroll resides in Charlotte, North Carolina with his wife Becky and his two children, Luke and Brittany.

Laurence G. Allen

Laurence G. Allen is President of Allen & Associates Appraisal and has over 30 years of real estate valuation and consulting experience. Since 1973, he has performed over 3000 appraisal and consulting assignments for a variety of property types throughout the country.

His experience includes the appraisal and feasibility analysis for low income housing tax credit and tax-exempt bond projects. Since 2000, he has performed over 200 market study and appraisal assignments throughout the country for affordable multifamily properties.

Mr. Allen, a member of the National Council of Affordable Housing Market Analysts, has written a number of articles in the Appraisal Journal, Michigan Assessor magazine, and Community Management magazine. In addition, he wrote a section entitled “Estimating Value” for the book How to Find, Buy and Sell Manufactured Home Communities.

Mr. Allen taught courses on real estate appraisal at the University of Michigan . In addition, he was a guest lecturer on real estate appraisal at the University of Michigan and Michigan State University School of Business Administration, Graduate programs.

Mr. Allen is a licensed real estate broker and a state certified real estate appraiser in the state of Michigan, Georgia and Virginia. In addition, he holds the MAI designation with the Appraisal Institute and the CFA (Chartered Financial Analyst) designation with the CFA Institute.

Mr. Allen received his Bachelor’s Degree with honors from Linfield College and his Master’s Degree in Business Administration from the University of Michigan .

The following is a summary of Mr. Allen’s relevant educational background:

Linfield College, Bachelor of Arts Degree	
Psychology	1972
University of Michigan, Master’s Degree in Business Administration	
Marketing and Finance	1982
American Institute of Real Estate Appraisers	
Completed Required Curriculum for MAI Designation	1973-1978
Appraisal Institute Appraising Troubled Properties	1985
Rates, Ratios & Reasonableness	1985
Hotel/Motel Valuation	1990
Analysis of Retail Properties	1995
Dynamics of Office Building Valuation	2000
Subdivision Valuation	2005

National Council of Affordable Housing Market Analysts
Semi-Annual Meeting & Continuing Education

September 2005

Mr. Allen is the father of two and resides in Birmingham, Michigan with his wife Susan.

Debbie Rucker

Debbie Rucker is an analyst with Allen & Associates, coordinating rent surveys and data collection for the company. Ms. Rucker has worked on over 250 assignments and has conducted over 5000 rent surveys.

Ms. Rucker was also responsible for compiling the database of detailed information on of every tax credit and tax-exempt bond transaction in Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Texas, Iowa and Minnesota since 1999. We have made this data available to National Council of Affordable Housing Market Analysts members as part of our ongoing effort to provide useful information to industry participants.

The following is a summary of Ms. Rucker's relevant educational background:

National Council of Affordable Housing Market Analysts
Semi-Annual Meeting & Continuing Education

September 2005

Ms. Rucker is active in her church and helps run a local judo club. Ms. Rucker is the mother of two and resides in Weddington, North Carolina.

Frank Victory

Frank Victory is an analyst with Allen & Associates, coordinating rent surveys and data collection for the company. Mr. Victory has worked on over 150 assignments and has compiled over 30 gigabytes of economic and demographic data.

Mr. Victory is also in the process of compiling the data for county-level demand assessments for Virginia, North Carolina, South Carolina and Georgia.

The following is a summary of Mr. Victory's relevant educational background:

National Council of Affordable Housing Market Analysts
Semi-Annual Meeting & Continuing Education

September 2005

Mr. Victory is active in his church and the community. He was recently named "Charlotte's Hometown Hero" for his charitable work by one of the largest radio and television stations in North Carolina. Mr. Victory is the father of two and resides in Monroe, North Carolina.

Interviews

Donna Hayes

Byron Apartments

(229) 242-7759

No new apartments in the area. Most commute for jobs in Macon, Warner Robins and Perry. 10 units have Project Based rental assistance.

Ms. Rojeanna

College Square Apartments

(478) 825-2140

54 units have Project Based rental assistance. 6 units have vouchers. Most commute for jobs in Macon, Warner Robins and Perry. Waiting list is 2-3 months.

Gordan Davis

Davis Properties

(478) 825-3030

New apartments across the street and a new Auto Zone. Jobs are not good, lost a major Dry Goods plant. 2 months waiting list.

Ms. Jennifer

Indian Oaks Apartments

(478) 825-3156

New Auto Zone and new apartments built about a year ago. 6-12 months waiting list.

Ms. Marilyn

Lakeview Apartments

(478) 825-0163

Most commute for jobs in Macon, Warner Robins and Perry. Waiting list is 3-6 months. No new apartments in the area.

Nicky Thomas

Marvin Gardens

(478) 825-7227

Most commute for jobs in Macon, Warner Robins and Perry. New apartments 6 blocks away. Rents reflect special pricing.

Ms. Hietha

Marvin Gardens II

(478) 825-7313

No new apartments in the area. Most commute for jobs in Macon, Warner Robins and Perry. Rents reflect special pricing.

Manager

Valley Pines Apartments

(478) 825-7461

Most commute for jobs in Macon, Warner Robins and Perry. No new apartments in the area.

Trisha Sears

Valley Pines III

(478) 825-7561

Seasonal turnover because of university students. 0 units have Project Based rental assistance.

Trisha Sears

Valley Pines IV

(478) 825-7461

Seasonal turnover because of university students. 0 units have Project Based rental assistance.

Trish Sears

Westside Villas

(478) 825-7461

No new apartments in the area. Most commute for jobs in Macon, Warner Robins and Perry. 10 units have Project Based rental assistance.

Heidi, Manager

Magnolia Terrace Phase 1

(478) 825-1478

Long wait list for units. Rental assistance available for 5 units. Bluebird has laid off many bus assembly employees. New auto parts store intown. No new apartments or condos going up.

Rental Property Inventory Data

Project Information		BR	BA	Unit Type	Rent Type	Income Limit	Tot Uts	Vac Uts	Street Rent			Disc	Net Rent			Util Allow	Gross Rent			Square Feet				
									Min	Max	Avg		Min	Max	Avg		Min	Max	Avg	Min	Max	Avg		
Property Name	Marvin Gardens	2	1.0	Garden/Flat	Market Rate	Market Rate	6	1	\$395	\$395	\$395	\$33	\$362	\$362	\$362	\$184	\$546	\$546	\$546	1,000	1,000	1,000		
Street Number	301	3	1.0	Garden/Flat	Market Rate	Market Rate	22	3	\$480	\$480	\$480	\$40	\$440	\$440	\$440	\$222	\$662	\$662	\$662	1,250	1,250	1,250		
Street Name	Edward	4	2.0	Garden/Flat	Market Rate	Market Rate	2	0	\$530	\$530	\$530	\$44	\$486	\$486	\$486	\$276	\$762	\$762	\$762	1,400	1,400	1,400		
Street Type	Court																							
City	Fort Valley																							
State	Georgia																							
Zip	31030																							
Phone Number	(478) 825-7227																							
Year Built	1996																							
Year Renovated	na																							
Minimum Lease	12																							
Security Deposit/Fees	\$325																							
Waiting List	no																							
Project Rent	Market Rate																							
Project Type	Family																							
Project Status	Stabilized																							
Latitude	32.54236																							
Longitude	-83.8871																							
AAC Code	13225-0-006																							
Notes																								
Person Interviewed	Nicky Thomas																							
Interview Date	May 31, 2006																							
Interviewed By	SF																							
Most commute for jobs in Macon, Warner Robins and Perry. New apartments 6 blocks away. Rents reflect special pricing.																								
Estimated square footage.																								
Total / Average							30	4	\$466	\$466	\$466	\$39	\$427	\$427	\$427	\$218	\$645	\$645	\$645	1,210	1,210	1,210		
Summary																								
Total Units		Avg Net Rent			Building Type		Unit Amenities			Kitchens			Parking		Utility		Tenant		Owner		Services			
Mkt	Rest	Subs	Total	Mkt	Rest	Subs	Avg	1 Story	yes	Blinds	yes	na	Stove	yes	Garage	no	\$0	Heating - Gas	no	no	After School	no	\$0	
0BR	0	0	0	na	na	na	na	2-4 Story	no	Ceiling Fans	no	\$0	Refrigerator	yes	Covered	no	\$0	Heating - Elec	yes	no	Concierge	no	na	
1BR	0	0	0	na	na	na	na	5-10 Story	no	Carpeting	yes	na	Disposal	no	Assigned	no	na	Cooking - Gas	no	no	Dry Cleaning	no	na	
2BR	6	0	0	na	na	na	na	>10 Story	no	Fireplace	no	\$0	Dishwasher	no	Open	yes	na	Cooking - Elec	yes	no	Emp Counseling	no	na	
3BR	22	0	0	\$362	na	na	\$362			Patio/Balcony	no	na	Microwave	no	None	no	na	Other Electric	yes	no	Hair Salon	no	na	
4BR	2	0	0	\$440	na	na	\$440			Storage	no	\$0					na	Air Conditioning	yes	no	Health Care	no	na	
Total	30	0	0	\$427	na	na	\$427											Hot Water - Gas	no	no	HO Counseling	no	na	
Occupied Units		Avg Square Feet			Project Amenities			Air Conditioning			Laundry													
Mkt	Rest	Subs	Total	Mkt	Rest	Subs	Avg	Ball Field	no	Horseshoe Pit	no	Central	yes	Central	no	na	na	Hot Water - Elec	yes	no	Linens	no	\$0	
0BR	0	0	0	na	na	na	na	BBQ Area	no	Lake	no	Wall Units	no	W/D Units	no	\$0	Water	yes	no	Meals	no	\$0	na	
1BR	0	0	0	na	na	na	na	Billiards	no	Library	no	Window Units	no	W/D Hookups	yes	na	Sewer	yes	no	Transportation	no	na	na	
2BR	5	0	0	na	na	na	na	Bus/Comp Ctr	no	Movie Theatre	no	None	no				Trash Collection	yes	no	Trash Pickup	no	na	na	
3BR	19	0	0	na	na	na	1,000	Car Care Ctr	no	Picnic Area	no													
4BR	2	0	0	na	na	na	1,250	Comm Center	no	Playground	yes													
Total	26	0	0	na	na	na	1,210	Elevator	no	Pool	no	Central	yes	Call Buttons	no	na	Date	Rent	Occ		Date	Rent	Occ	
Historic Summary																								
5/06 \$427 86.7%																								
no Cont Access																								
no Baseboards																								
no Radiators																								
no Security Alarms																								
no Security Patrols																								
no Monitored Alarms																								
no Courtesy Officer																								

Project Information		BR	BA	Unit Type	Rent Type	Income Limit	Tot Uts	Vac Uts	Street Rent			Disc	Net Rent			Util Allow	Gross Rent			Square Feet								
									Min	Max	Avg		Min	Max	Avg		Min	Max	Avg	Min	Max	Avg						
Property Name	Marvin Gardens II	2	1.0	Garden/Flat	Market Rate	Market Rate	16	2	\$350	\$395	\$373	\$0	\$350	\$395	\$373	\$0	\$350	\$395	\$373	1,000	1,000	1,000						
Street Number	1011	3	1.0	Garden/Flat	Market Rate	Market Rate	30	3	\$390	\$445	\$418	\$0	\$390	\$445	\$418	\$0	\$390	\$445	\$418	1,200	1,200	1,200						
Street Name	Atlantic	4	2.0	Garden/Flat	Market Rate	Market Rate	4	0	\$480	\$530	\$505	\$0	\$480	\$530	\$505	\$0	\$480	\$530	\$505	1,400	1,400	1,400						
Street Type	Avenue																											
City	Fort Valley																											
State	Georgia																											
Zip	31030																											
Phone Number	(478) 825-7313																											
Year Built	1998																											
Year Renovated	na																											
Minimum Lease	12																											
Security Deposit/Fees	\$325																											
Waiting List	yes																											
Project Rent	Market Rate																											
Project Type	Family																											
Project Status	Stabilized																											
Latitude	32.54496186																											
Longitude	-83.89030152																											
AAC Code	13225-0-007																											
Notes																												
Person Interviewed	Ms. Heatha																											
Interview Date	May 25, 2006																											
Interviewed By	SF																											
No new apartments in the area. Most commute for jobs in Macon, Warner Robins and Perry. Rents reflect special pricing.																												
Total / Average							50	5	\$384	\$436	\$410	\$0	\$384	\$436	\$410	\$0	\$384	\$436	\$410	1,152	1,152	1,152						
Summary																												
Total Units		Mkt			Rest			Subs			Total			Avg Net Rent			Mkt			Rest			Subs			Avg		
0BR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1BR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2BR	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3BR	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4BR	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Occupied Units		Mkt			Rest			Subs			Total			Avg Square Feet			Mkt			Rest			Subs			Avg		
0BR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1BR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2BR	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3BR	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4BR	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Building Type		Unit Amenities			Kitchens			Parking			Utility			Tenant			Owner			Services								
1 Story	yes	Blinds	yes	na	Stove	yes	Garage	no	\$0	Heating - Gas	no	no	After School	no	\$0	Heating - Elec	no	yes	Concierge	no	na							
2-4 Story	no	Ceiling Fans	no	\$0	Refrigerator	yes	Covered	no	\$0	Heating - Gas	no	na	Dry Cleaning	no	na	Cooking - Elec	no	yes	Emp Counseling	no	na							
5-10 Story	no	Carpeting	yes	na	Disposal	no	Assigned	no	na	Cooking - Gas	no	na	Dry Cleaning	no	na	Cooking - Elec	no	yes	Emp Counseling	no	na							
>10 Story	no	Fireplace	no	\$0	Dishwasher	no	Open	yes	na	Cooking - Elec	no	na	Hair Salon	no	na	Other Electric	no	yes	Hair Salon	no	na							
		Patio/Balcony	no	na	Microwave	no	None	no	na	Other Electric	no	na	Health Care	no	na	Air Conditioning	no	yes	Health Care	no	na							
		Storage	no	\$0						Air Conditioning	no	na	HO Counseling	no	na	Hot Water - Gas	no	no	HO Counseling	no	na							
Project Amenities		Air Conditioning			Laundry			Historic Summary			Date			Rent			Occ											
Ball Field	no	Horseshoe Pit	no	Central	yes	Central	no	na	Hot Water - Elec	no	yes	Linens	no	\$0	Water	no	yes	Meals	no	\$0								
BBQ Area	no	Lake	no	Wall Units	no	W/D Units	no	\$0	Water	no	yes	Meals	no	\$0	Sewer	no	yes	Transportation	no	na								
Billiards	no	Library	no	Window Units	no	W/D Hookups	yes	na	Sewer	no	yes	Transportation	no	na	Trash Collection	no	yes	Trash Pickup	no	na								
Bus/Comp Ctr	no	Movie Theatre	no	None	no				Trash Collection	no	yes	Trash Pickup	no	na	Historic Summary													
Car Care Ctr	no	Picnic Area	no																									
Comm Center	yes	Playground	yes																									
Elevator	no	Pool	no	Central	yes	Call Buttons	no	Date	Rent	Occ	Date	Rent	Occ															
Fitness Center	no	Sauna	no	Wall Units	no	Cont Access	no	5/06	\$410	90.0%																		
Gazebo	no	Sports Court	no	Baseboards	no	Courtesy Officer	yes																					
Hot Tub/Jacuzzi	no	Walking Trail	no	Radiators	no	Monitored Alarms	no																					
				None	no	Security Alarms	no																					
						Security Patrols	no																					

Project Information		BR	BA	Unit Type	Rent Type	Income Limit	Tot Uts	Vac Uts	Street Rent			Disc	Net Rent			Util Allow	Gross Rent			Square Feet													
									Min	Max	Avg		Min	Max	Avg		Min	Max	Avg	Min	Max	Avg											
Property Name		Peachtree Crossings																															
Street Number		109																															
Street Name		Church Street																															
City		Byron																															
State		Georgia																															
Zip		31008																															
Phone Number		(478) 956-3107																															
Year Built																																	
Year Renovated		na																															
Minimum Lease																																	
Security Deposit/Fees																																	
Waiting List		no																															
Project Rent		Market Rate																															
Project Type		na																															
Project Status		Unconfirmed																															
Latitude		32.65121																															
Longitude		-83.76049																															
AAC Code		13225-0-008																															
Notes																																	
Person Interviewed																																	
Interview Date		May 31, 2006																															
Interviewed By		SF																															
Unable to reach management after numerous attempts to contact.																																	
Total / Average																																	
0 0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0																																	
Summary																																	
Building Type Unit Amenities Kitchens Parking Utility Tenant Owner Services																																	
Total Units		1 Story		no Blinds		yes		na Stove		yes		Garage		no		\$0		Heating - Gas		no		no		After School		no		\$0					
0BR		0		0		0		0		0		0		0		0		0		0		0		0		0		0					
1BR		0		0		0		0		0		0		0		0		0		0		0		0		0		0					
2BR		0		0		0		0		0		0		0		0		0		0		0		0		0		0					
3BR		0		0		0		0		0		0		0		0		0		0		0		0		0		0					
4BR		0		0		0		0		0		0		0		0		0		0		0		0		0		0					
Total		0		0		0		0		0		0		0		0		0		0		0		0		0		0					
Avg Net Rent		0BR		na		na		na		na		na		na		na		na		na		na		na		na		na					
1BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na					
2BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na					
3BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na					
4BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na					
Avg		na		na		na		na		na		na		na		na		na		na		na		na		na		na					
Occupied Units		2-4 Story		yes		Ceiling Fans		no		\$0		Refrigerator		yes		Covered		no		\$0		Heating - Elec		yes		no		Concierge		no			
0BR		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0			
1BR		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0			
2BR		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0			
3BR		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0			
4BR		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0			
Total		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0			
Avg Square Feet		5-10 Story		no		Carpeting		yes		na		Disposal		no		Assigned		no		na		Cooking - Gas		no		no		Dry Cleaning		no			
0BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
1BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
2BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
3BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
4BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
Avg		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
Project Amenities		Patio/Balcony		no		na		na		na		Microwave		no		None		na		na		Other Electric		yes		no		Hair Salon		no			
0BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
1BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
2BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
3BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
4BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
Avg		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
Air Conditioning		Ball Field		no		Horseshoe Pit		no		Central		yes		Central		yes		na		na		Air Conditioning		yes		no		Health Care		no			
0BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
1BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
2BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
3BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
4BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
Avg		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
Laundry		BBQ Area		no		Lake		no		Wall Units		no		W/D Units		no		\$0		na		Hot Water - Gas		no		no		HO Counseling		no			
0BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
1BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
2BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
3BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
4BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
Avg		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
Security		Billiards		no		Library		no		Window Units		no		W/D Hookups		no		na		na		Sewer		no		yes		Transportation		no			
0BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
1BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
2BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
3BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
4BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
Avg		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
Historic Summary		Bus/Comp Ctr		no		Movie Theatre		no		None		no		no		no		no		no		Date		Rent		Occ		Date		Rent		Occ	
0BR		na		na		na		na		na		na		na		na		na		na		5/06		\$0		0.0%							
1BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
2BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
3BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
4BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
Avg		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
Heat		Car Care Ctr		no		Picnic Area		no		Playground		no		no		no		no		no		Date		Rent		Occ		Date		Rent		Occ	
0BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
1BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
2BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
3BR		na		na		na		na		na		na		na		na		na		na		na		na		na		na		na			
4BR		na		na</																													

Project Information		BR	BA	Unit Type	Rent Type	Income Limit	Tot Uts	Vac Uts	Street Rent			Disc	Net Rent			Util Allow	Gross Rent			Square Feet		
									Min	Max	Avg		Min	Max	Avg		Min	Max	Avg	Min	Max	Avg
Walker Enterprises (aka Rosie Lane)																						
Street Number		707																				
Street Name		Green																				
Street Type		Street																				
City		Fort Valley																				
State		Georgia																				
Zip		31030																				
Phone Number		(478) 825-3226																				
Year Built																						
Year Renovated		na																				
Minimum Lease																						
Security Deposit/Fees																						
Waiting List		no																				
Project Rent		Market Rate																				
Project Type		na																				
Project Status		Unconfirmed																				
Latitude		32.54621949																				
Longitude		-83.89566209																				
AAC Code		13225-0-012																				
Notes																						
Person Interviewed																						
Interview Date		May 31, 2006																				
Interviewed By		SF																				
Unable to reach management after numerous attempts to contact.																						
Total / Average																						
0 0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0																						
Summary																						
Building Type Unit Amenities Kitchens Parking Utility Tenant Owner Services																						
1 Story no Blinds yes na Stove yes Garage no \$0 Heating - Gas no no After School no \$0																						
2-4 Story yes Ceiling Fans no \$0 Refrigerator yes Covered no \$0 Heating - Elec yes no Concierge no na																						
5-10 Story no Carpeting yes na Disposal no Assigned no na Cooking - Gas no no Dry Cleaning no na																						
>10 Story no Fireplace no \$0 Dishwasher no Open yes na Cooking - Elec yes no Emp Counseling no na																						
Patio/Balcony no na Microwave no None no Other Electric yes no Hair Salon no na																						
Storage no \$0 Air Conditioning Laundry Air Conditioning yes no Health Care no na																						
Hot Water - Gas no no HO Counseling no na																						
Hot Water - Elec yes no Linens no \$0																						
Water no yes Meals no \$0																						
Sewer no yes Transportation no na																						
Trash Collection no yes Trash Pickup no na																						
Project Amenities Air Conditioning Laundry																						
Ball Field no Horseshoe Pit no Central yes Central yes na Hot Water - Elec yes no Linens no \$0																						
BBQ Area no Lake no Wall Units no W/D Units no \$0 Water no yes Meals no \$0																						
Billiards no Library no Window Units no W/D Hookups no na Sewer no yes Transportation no na																						
Bus/Comp Ctr no Movie Theatre no None no Trash Collection no yes Trash Pickup no na																						
Car Care Ctr no Picnic Area no																						
Comm Center no Playground no																						
Elevator no Pool no Central yes Call Buttons no Date Rent Occ Date Rent Occ																						
Fitness Center no Sauna no Wall Units no Cont Access no 5/06 \$0 0.0%																						
Gazebo no Sports Court no Baseboards no Courtesy Officer no																						
Hot Tub/Jacuzzi no Walking Trail no Radiators no Monitored Alarms no																						
None no Security Alarms no																						
Security Patrols no																						
Historic Summary																						
Date Rent Occ Date Rent Occ																						
5/06 \$0 0.0%																						
Total Units					Avg Net Rent																	
0BR 0 0 0 0					0BR na na na na																	
1BR 0 0 0 0					1BR na na na na																	
2BR 0 0 0 0					2BR na na na na																	
3BR 0 0 0 0					3BR na na na na																	
4BR 0 0 0 0					4BR na na na na																	
Total 0 0 0 0					Avg na na na na																	
Occupied Units					Avg Square Feet																	
0BR 0 0 0 0					0BR na na na na																	
1BR 0 0 0 0					1BR na na na na																	
2BR 0 0 0 0					2BR na na na na																	
3BR 0 0 0 0					3BR na na na na																	
4BR 0 0 0 0					4BR na na na na																	
Total 0 0 0 0					Avg na na na na																	

Byron Apartments



College Square Apartments



Davis Properties



Indian Oaks Apartments



Lakeview Apartments



Marvin Gardens



Marvin Gardens II



Peachtree Crossings



Valley Pines I Apartments



Valley Pines II Apartments



Valley Pines III Apartments



Valley Pines IV Apartments



Walker Enterprises aka Rose Lane



Westside Villas



Magnolia Terrace I

