



A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF

**ASHLEY HOUSE APARTMENTS
109 East Hill Avenue
Valdosta, Lowndes County, Georgia**

Effective Date: May 24, 2012

Report Date: June 12, 2012

Prepared For

**Mr. Steve Brooks
Chief Financial Officer
IDP Housing
1709 A Gornto Road
PMB #343
Valdosta, Georgia 31601**

Prepared By

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



**NOVOGRADAC
& COMPANY** LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 12, 2012

Mr. Steve Brooks
Chief Financial Officer
IDP Housing
1709 A Gornto Road
PMB #343
Valdosta, Georgia 31601

Re: Market Study for Ashley House Apartments in Valdosta, Georgia

Dear Mr. Brooks:

At your request, Novogradac & Company LLP performed a market study of the elderly multifamily rental market in the Valdosta, Lowndes County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the renovation of Ashley House, an existing subsidized elderly property consisting of 61 total units. Units will be restricted to households earning 50 and 60 percent of the AMI, or less. All units will operate with an additional project based subsidy and all tenants will pay 30 percent of their income towards rent. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

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

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

Respectfully submitted,



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP



Michalena M. Sukenik
Principal
Novogradac & Company LLP



Jill Conable
Real Estate Analyst
Novogradac & Company LLP

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
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10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

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

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Ashley House (Subject) is an existing 61 unit elderly Section 8 development located at 109 East Hill Avenue in Valdosta, Lowndes County, Georgia. The Subject is a seven-story high-rise property that was originally constructed in 1925 that will be renovated with tax credits. The building consists of studio, one-, and two-bedroom units with one elevator and community rooms. In addition, two store-front retail spaces are located on the ground floor of the Subject adjacent to the entrances. These retail spaces are leased to a grocer that utilizes one as a store and one for storage space. Renovations are expected to total approximately \$62,000 per unit, which is considered significant.

The Subject is currently 97 percent occupied with a wait list of six households. The Subject’s HAP contract was renewed on May 1, 2010 and runs for a period of five years. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

PROPOSED RENTS

Unit Type	Number of Units	Square Feet	Asking Rent	Contract Rent	2012 LIHTC	HUD Fair
					Maximum Allowable Gross Rent	Market Rents
<i>50% AMI</i>						
Studio	3	407	BOI	\$689	\$446	\$534
1BR	6	540	BOI	\$764	\$478	\$535
2BR	1	691	BOI	\$886	\$573	\$644
<i>60% AMI</i>						
Studio	14	407	BOI	\$689	\$535	\$534
1BR	31	540	BOI	\$764	\$573	\$535
2BR	6	691	BOI	\$886	\$688	\$644
Total	61					

Notes (1) All utilities paid by the Landlord.

The Subject’s utility allowance is approved by HUD/Section 8 contract and not regulated by DCA. In addition, the Subject’s landlord pays for all utilities; therefore, we have utilized the 2012 maximum allowable rents for comparison. As illustrated in the table, all of the Subject’s units will operate with an additional Section 8 subsidy and all tenant rents will be based on income (BOI).

Tenants will pay 30 percent of their monthly income towards rent.

Following renovations, the Subject will offer the following in unit amenities: blinds, carpeting, thru-wall air conditioning, dishwashers, refrigerators, ovens, ceiling fans, and emergency pull cords. Community amenities will include a community room, a central laundry facility, on-site management, off-street parking, computer center, elevator, arts and crafts center, retail space, and a wellness center. The Subject is a historic building and the proposed in unit and community amenities will be slightly inferior to those at the newer constructed comparables; however, the Subject offers a superior location in downtown Valdosta within close proximity to area amenities. In addition, it should be noted that the Subject is currently 97 percent occupied with a waiting list. Therefore, the lack of these amenities have not impacted the Subject's performance in the past and we do not believe that they will impact the Subject's performance following renovations.

2. Site Description/Evaluation:

The Subject site is located at the intersection of East Hill Avenue and Ashley Street, both heavily trafficked. These roadways contain a variety of retail and commercial developments as well as restaurants including two retail storefronts that are leased by a grocer at the Subject. The Subject is located within close proximity of an abundance of retail and commercial uses that are primarily historic buildings in good condition. Commercial uses in the area are well occupied with occupancy rates between 95 and 98 percent. Other than the existing Subject, residential uses are limited. The Subject site offers excellent visibility and curb appeal. Overall, the Subject site presents an excellent location for an affordable, multifamily development and the Subject, as a historic renovation, will have a positive impact on the local neighborhood.

3. Market Area Definition:

The Subject's PMA is defined by Thompson and McMillan Road to the north, Corinth Church Road and Briggston Road to the south, Studstill Road, Delmar Road, and the Lowndes County Line to the east, and Kinderlou Clyattville Road, Lowndes County line, and Interstate 75 to the west.

The area was defined based on interviews with local officials as well as property managers at comparable properties and the property manager of Ashley House, the

Subject. The property manager at the Subject indicated that senior tenants come from all over Lowndes County. The Subject's property manager indicated that while they would likely draw some tenants from as far as Lake Park, the majority of their tenants are from the areas to the north of Lake Park. The property manager at Woodlawn Terrace, a senior LIHTC comparable, indicated that given their senior tenancy, they draw tenants from all over; however, the majority of their local tenants originated from areas south of Moody Air Force Base and north of Lake Park. She stated that they did have several local tenants that originated from the eastern side of Interstate 75 toward the county line. Therefore, we have drawn the western border just west of Interstate 75 along Kinderlou Clyattville Road and the Lowndes county line. Overall, we believe that approximately 85 percent of the Subject's tenants will hail from within the PMA.

4. Community Demographic Data: Like most of Georgia, general population and household growth in the PMA and MSA are currently outperforming and will continue to outperform the nation as a whole. From 2000 to 2010, the PMA population grew at a rate of 1.4 percent, outpacing the MSA by 0.1 percent, and the nation by 0.4 percent. The senior population above 62 years old in the PMA is rising at a rate even higher than the overall population. In 2010, senior population growth was rising at 2.7 percent, compared to just 1.4 percent for the overall population. Population by age is heavily concentrated in the younger generations. Specifically, young children, young adults, and middle-aged persons make up the largest percentages. However, the 14.3 percent of the population composing the Subject's targeted demographic of 62 and over is projected to rise to 15.5 percent by the market entry date.

Similar to the general population, households in the PMA and MSA grew by 1.6 percent, outpacing the nation by 0.6 percent. The PMA will continue to outpace the nation in households significantly, but the MSA will drop behind in growth only slightly. Senior households with persons 62 and over in the PMA are rising at higher rates than households overall, as well. While the annual percentage growth for the overall population in the PMA will slow slightly for the foreseeable future, senior households will begin to grow at even higher rates. Average household sizes are decreasing in both the PMA and MSA by 0.1

percent, just under the stagnant number for the nation by the market entry date, at 2.51 persons. This, however, favors the Subject as it will offer only studio, one, and two bedroom units.

Valdosta experienced 49 foreclosures in April 2012; equating to about one in every 771 homes. Lowndes County experienced one in every 806, the state experienced one in every 398 homes, and the nation experienced one in every 698 homes. Therefore, Valdosta is experiencing a much lower foreclosure rate than even the state.

In 2010, income cohorts earning \$29,999 and under accounted for 42.1 percent of senior households. This percentage is expected to drop by the market entry date, but only slightly.

Renter-occupied housing units account for only a little under a quarter of total housing units in the PMA. However, this percentage is much higher than the national average of 13 percent. Senior renter households with two or less persons composed 87.5 percent of total renter households in the PMA as of 2010. This percentage is currently projected to drop slightly by the 2014 market entry date for the Subject to 86.7 percent. The Subject offers studio, one, and two bedroom floor plans catering to seniors and senior couples in these cohorts.

5. Economic Data:

The trade-transportation & utilities, leisure & hospitality, and education & health services industries dominate total covered employment in Lowndes County. Trade-transportation & utilities industries in Valdosta are undoubtedly present to service both Moody Air Force base and other industries in the county. Valdosta State University and Moody Air Force Base are two major economic strong points for the area. The students attending the University and airmen from the base compose a very large market for the various service companies to take advantage of. The various local school systems, Valdosta State, and the South Georgia Medical Center make up the third largest cohort. These industries are historically very stable; providing another strong base for employment in the Valdosta area.

Regarding employment expansions and contractions, we were able to speak with Andrea Schruijer, the executive director of the Valdosta-Lowndes Industrial Authority Mrs.

Schruijer stated that the area of Valdosta is experiencing the largest amount of growth was the retail and commercial area surrounding the local mall. Two major retailers, Gander Mountain Outdoors and Academy Sports just moved into the area and have hired their respective number of employees. There is talk of a new retail development proposed near the mall, but Mrs. Schruijer could not elaborate on it. Additional business expansions over the past year have included a new logistical distribution center opened in town that employs 30 persons. A new wood pallet refurbishing company moved to Valdosta in December 2011 that now employs 30 people. Fresh Beginnings, a baked goods and baking supply business, expanded their call center in 2011 to employ over 100 people.

There were only two significant closures or layoffs in the Valdosta area between 2009 and year to date 2012. The first, Hood Packaging, closed a long-standing paper bag factory mid-2009. Shaw Industries, a manufacturer of flooring products for homes, closed their factory in Valdosta in March 2009. This closure was not unexpected, as the severe downturn in the housing market caused demand for Shaw's products to plummet.

Like the rest of the nation, the years between 2008 and 2011 were tough on total employment for Valdosta; losing approximately 7,264 jobs. The time period since, however, has been much more positive. Year-to-date total employment growth for Valdosta is 2.6 percent; a full two percentage points higher than the national number. Year-over-year data for March 2011 and 2012 indicate a growth rate of 3.9 percent in total employment, compared to just 1.8 percent for the nation. As of March 2012, the unemployment rates for Valdosta and the nation are identical at 8.4 percent. This is positive, as most of Georgia is currently operating at a higher rate. All of this data indicates a strong turnaround for Valdosta.

6. Project-Specific Affordability And Demand Analysis:

The following table illustrates capture rates for the Subject's units.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
Studio @ 50%	\$0 - \$17,850	3	44	0	44	0.0%
One-Bedroom @ 50%	\$0 - \$17,850	6	378	0	378	0.0%
Two-Bedroom @ 50%	\$0 - \$17,850	1	174	0	174	0.0%
Studio @ 60%	\$0 - \$21,420	14	54	0	54	0.0%
One-Bedroom @ 60%	\$0 - \$21,420	31	463	0	463	0.0%
Two-Bedroom @ 60%	\$0 - \$24,480	6	213	0	213	0.0%
Total	\$0 - \$24,480	61	730	0	730	0.0%

*Tenants will remain in place during the renovations as the property will renovate one floor at a time.

** Per DCA guidelines, units that operate with project based rental assistance are presumed leasable and therefore have capture rates of zero percent.

Our demand analysis indicates that there are approximately 730 income qualified renter households in the PMA. Because all of the Subject's units will operate with an additional subsidy, under DCA guidelines its units are considered leasable and its capture rates are zero. Overall, we believe there is ample demand for the Subject's units as proposed. Further, the Subject is an existing Section 8 property and will retain all tenants. The Subject will renovate one floor at a time and will temporarily relocate those tenants during the renovations.

7. Competitive Rental Analysis:

The availability of LIHTC data is considered fair. We have included two senior LIHTC comparables and two family LIHTC comparables in our analysis. All of the LIHTC comparables are located within the PMA and all are located within four miles of the Subject. The senior LIHTC comparables were constructed between 1999 and 2011 and have a combined vacancy of 1.4 percent. The family LIHTC properties were constructed between 1999 and 2003 and are in good condition. All of the LIHTC properties maintain waiting lists. All of the LIHTC properties will be superior to the Subject in terms of age and amenities as the Subject is a historic property that will undergo renovations. We have also included four market rate properties in our analysis that were constructed between 1973 and 1999. The market rate properties vary in condition from fair to good. These properties are all located inside the PMA, within 4.1 miles of the Subject site. Overall, the availability of market rate data is considered adequate.

The Subject will offer 61 studio, one-, and two- bedroom units. All of the Subject's units will operate with an additional subsidy and tenants will pay 30 percent of their income towards rent. As such, the Subject will target

families earning between \$0 and \$24,480 annually. Because the Subject's tenants will pay a percentage of their income towards rent, the Subject will have a significant advantage over the average market rents.

8. Absorption/Stabilization

Estimate:

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

Absorption

Property	Rent Structure	Tenancy	Date Opened	# of Units	Units Per Month Absorbed	Absorption Pace
Woodlawn Terrace	LIHTC	Senior	2011	60	8	8 months
Ashton Meadows	LIHTC	Senior	1999	80	9	9 months

The newest senior LIHTC property in the market, Woodlawn Terrace, opened in April of 2011 and reached 100 percent occupancy by March 2012 for an absorption pace of eight months. The Subject is an existing subsidized property that will undergo renovations one floor at a time with the remaining floors occupied during the renovations. Therefore, absorption is somewhat moot. Given the subsidy at the Subject, the current occupancy of 97 percent at the Subject, and the waiting list present, we believe the Subject will lease its vacant units within each floor within one month of availability.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will be a renovation of an existing subsidized property which is 97 percent occupied with a waiting list. Renovations will occur in phases with the majority of the current tenants remaining in place during renovations. Tenants that are in units being renovated will be relocated until renovations are complete and return to the Subject post renovations. The Subject's renovations are expected to total \$62,000 per unit and the Subject will be similar to superior to the existing housing stock following renovations.

The overall vacancy in the market is low at 4.5 percent with the senior LIHTC vacancy lower at 1.4 percent. Overall, the local affordable housing market and the senior affordable housing market in particular appear to be performing well. Given the low senior vacancy rate, the significant waiting list for public housing, the current

occupancy at the Subject and the fact that the majority of the tenants currently living at the Subject are expected to return following renovations, we recommend the Subject as proposed and we believe that it will continue to be successful following renovations.

Summary Table:

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

Development Name:	Ashley House	Total # Units:	61
Location:	109 East Hill Avenue, Valdosta, GA	# LIHTC Units:	61
PMIA Boundary:	Thompson and McMillan Road to the north, Corinth Church Road and Briggston Road to the south, Studstill Road, Delmar Road, and the Lowndes County Line to the east, and Kinderlou Clyattville Road, Lowndes County line, and Interstate 75 to the west.		
Farthest Boundary Distance to Subject:	10.5 miles		

Rental Housing Stock (found on pages 6, 63)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	8	1,162	52	95.5%
Market-Rate Housing	4	782	45	94.2%
Assisted/Subsidized Housing not to include LIHTC	0	0	0	N/Ap
LIHTC	4	380	7	98.2%
Stabilized Comps	8	1,162	52	95.5%
Properties in Construction & Lease Up	0	0	0	N/Ap

					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
3	Studio 50% (Section 8)	1	407	BOI	\$446	\$1.10	N/A	\$455	\$0.41
6	1BR 50% (Section 8)	1	540	BOI	\$478	\$0.89	N/A	\$655	\$0.38
1	2BR 50% (Section 8)	1	691	BOI	\$573	\$0.83	N/A	\$790	\$0.46
14	Studio 60% (Section 8)	1	407	BOI	\$535	\$1.31	N/A	\$455	\$0.27
31	1BR 60% (Section 8)	1	540	BOI	\$573	\$1.06	N/A	\$655	\$0.39
6	2BR 60% (Section 8)	1	691	BOI	\$688	\$1.00	N/A	\$790	\$0.47

Demographic Data (found on pages 33 and 97)

	2000		2010		2015	
Renter Households	1,262	23.60%	1,548	24.80%	1,761	25.40%
Income-Qualified Renter HHs (LIHTC/PBRA)	757	59.96%	928	59.96%	1,056	59.96%
Income-Qualified Renter HHs (MR) (if applicable)	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap

Targeted Income-Qualified Renter Household Demand (found on pages 50-57)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall
Renter Household Growth	N/Ap	213	272	N/Ap	N/Ap	272
Existing Households (Overburdened + Substandard)	N/Ap	278	354	N/Ap	N/Ap	354
Homeowner conversion (Seniors)	N/Ap	101	101	N/Ap	N/Ap	101
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
Net Income-qualified Renter HHs*	N/Ap	491	626	N/Ap	N/Ap	626

Capture Rates* (found on pages 60)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	0.00%	0.00%	N/Ap	N/Ap	0.00%

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

** Per DCA Guidelines all subsidized units are assumed leasable and therefore capture rates are zero percent.

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:

The Subject site is located at 109 East Hill Avenue in Valdosta, Lowndes County, Georgia.

Construction Type:

The Subject is an existing Section 8 property restricted to seniors ages 62 and older. The property is a historic seven-story elevator serviced high rise with brick construction. The Subject will be renovated with historic tax credits and will retain its original construction type.

Occupancy Type:

Elderly 62+

Special Population Target:

Handicapped.

Number of Units by Bedroom Type and AMI Level:

See following property profile.

Unit Size:

See following property profile.

Structure Type:

See following property profile.

Rents and Utility Allowances:

See following property profile.

Existing or Proposed Project Based Rental Assistance:

All of the Subject's units will operate with a Section 8 subsidy and all tenants will pay 30 percent of their income towards rent.

Proposed Development Amenities: See following property profile.

Property Profile Report

Ashley House

Comp#	Subject
Effective Rent Date	6/10/2012
Location	109 East Hill Avenue Valdosta, GA 31601 Lowndes County (verified)
Units	61
Vacant Units	2
Vacancy Rate	3.30%
Type	Highrise (age-restricted) (7 stories)
Year Built / Renovated	1926 / 2014)



Market			
Program	@50% (Project Based Rental Assistance - PBRA), @60% (Project Based Rental Assistance - PBRA)	Leasing Pace	n/a

Utilities			
A/C	included	Other Electric	included
Cooking	included	Water	included
Water Heat	included	Sewer	included
Heat	included	Trash Collection	included

Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
0	1	Highrise (7 stories)	3	407	BOI	\$0	50% AMI Section 8	n/a	N/A	N/A	yes
0	1	Highrise (7 stories)	14	407	BOI	\$0	60% AMI Section 8	n/a	N/A	N/A	yes
1	1	Highrise (7 stories)	6	540	BOI	\$0	50% AMI Section 8	n/a	N/A	N/A	yes
1	1	Highrise (7 stories)	31	540	BOI	\$0	60% AMI Section 8	n/a	N/A	N/A	yes
2	1	Highrise (7 stories)	1	691	BOI	\$0	50% AMI Section 8	n/a	N/A	N/A	yes
2	1	Highrise (7 stories)	6	691	BOI	\$0	60% AMI Section 8	n/a	N/A	N/A	yes

Amenities			
In-Unit	Blinds Carpeting Ceiling Fan Hand Rails Oven Pull Cords Refrigerator Wall A/C	Security	Intercom (Buzzer) Limited Access
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Central Laundry Non-shelter Services Off-Street Parking On-Site Management	Premium	none
Services	none	Other	wellness center, retail space

Comments

Ashley House is an existing subsidized senior property that is applying for historical tax credits to renovate. The landlord pays for all utilities; therefore, the gross rents are the same as the net rents. The property is currently 97.0 percent occupied with a waiting list. The property will maintain its subsidy post renovations and tenants will continue paying 30.0 percent of their income on rent. The square footage detailed above is the weighted average for each unit type. Efficiency units range in size from 397 - 416 square feet, one-bedroom units range in size from 502 - 600 square feet, and the two-bedroom units range in size from 674 - 783 square feet. The contract rents per the HAP contract are \$689 for a studio unit, \$764 for a one-bedroom unit, and \$886 for a two-bedroom unit.

Scope of Renovations:

The Subject’s renovations will total \$3,788,222 or approximately \$62,000 per unit. These renovations are considered extensive and will include but are not limited to:

- New carpeting in all units
- New wheelchair ramps
- New drywall and ceilings
- Modify existing unit layout
- New unit entry and interior doors and hardware
- New kitchen cabinets and kitchen appliances
- New electrical fixtures, unit wiring, and feeders
- New plumbing fixtures
- Updates to the bathrooms
- Updated HVAC
- New washers and dryers in central laundry room
- New roof
- Upgrade elevator
- New wood facia framing exterior
- New storefront windows
- Updated landscaping

Current Rents:

The following table details the Subject’s current contract rents.

CURRENT CONTRACT RENTS

Unit Type	Number of Units	Square Feet	Current Contract Rent
<i>50% AMI</i>			
Studio	3	407	\$689
1BR	6	540	\$764
2BR	1	691	\$886
<i>60% AMI</i>			
Studio	14	407	\$689
1BR	31	540	\$764
2BR	6	691	\$886
Total	61		

Notes (1) All utilities paid by the Landlord.

The Subject will continue to operate with an additional Section 8 subsidy following renovations and all tenants will pay 30 percent of their income on rent.

Current Occupancy:	Based on the rent roll dated May 5, 2012, the Subject is currently 97.0 percent occupied with a waiting list.
Current Tenant Income:	Management indicated that most tenants at the property are earning between \$6,000 and \$15,000 annually.
Placed in Service Date:	Renovations will occur with tenants in place with each floor scheduled to be vacated for a two month time period during renovations. Therefore, units will be placed back in service on a rolling basis. Renovations are scheduled to be completed by July 2014.
Conclusion:	Following renovations, the Subject will be a good quality brick seven-story, elevator serviced, high-rise apartment complex, comparable to most of the inventory in the area. As a newly renovated property, the Subject will not suffer from deferred maintenance or physical obsolescence. However, due to the Subject's smaller unit sizes, the Subject will suffer from some degree of functional obsolescence.

C. SITE EVALUATION

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

Jill Conable visited the site on May 23, 2012.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

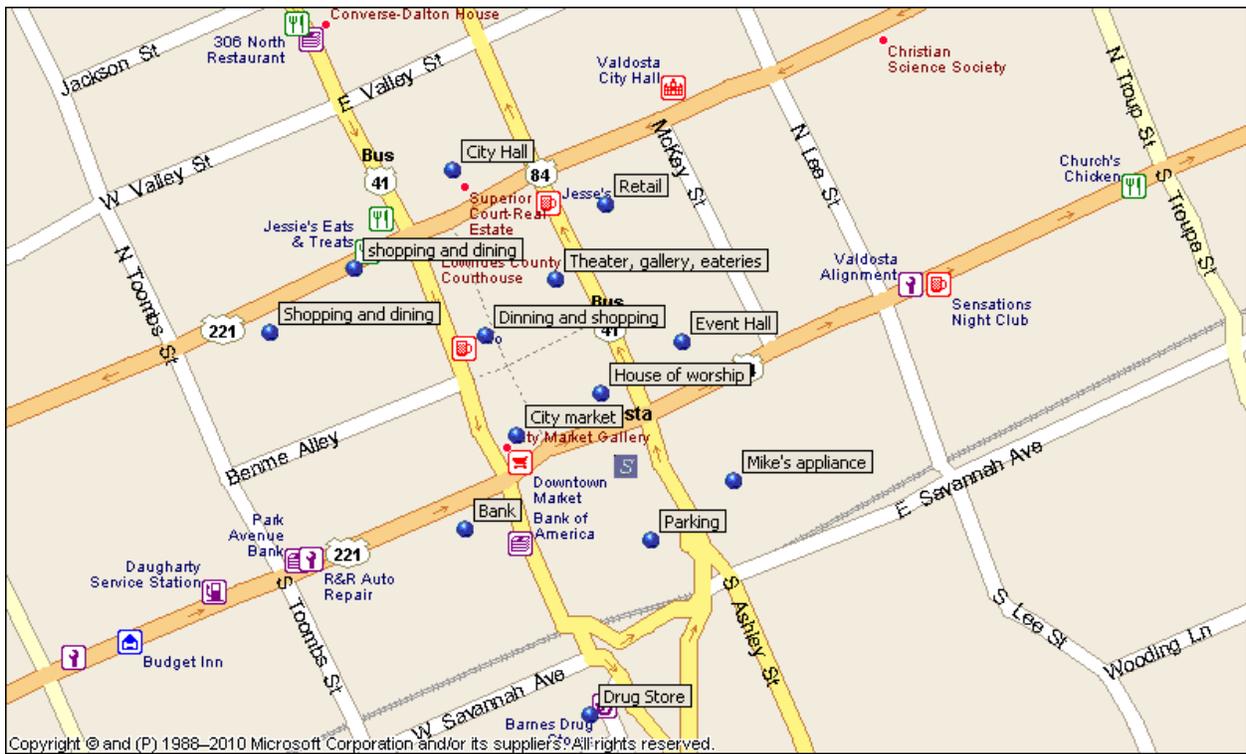
The Subject site has frontage along East Hill Avenue and Ashley Street.

Visibility/Views:

The Subject is located along the southern side of East Hill Avenue and the west side of Ashley Street. The site has excellent visibility and good views.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject site is located in downtown Valdosta in the central business district which contains a variety of retail and commercial developments as well as restaurants including two retail storefronts at the Subject that are occupied by a convenience store. The convenience store utilizes one of the storefronts as storage. The Subject site is located at the corner of a busy intersection that is within one block of a market, theater, shopping and several restaurants. Commercial uses within the Subject's neighborhood are well occupied and vary from good to

average condition. The majority of the buildings in the Subject's neighborhood are historic with many of the buildings and storefronts located north of the Subject having undergone recent renovations. The local senior center provides transportation to higher density commercial uses. Overall, the Subject has excellent access to locational amenities. The site is considered an excellent location.

Positive/Negative Attributes of Site: Positive attributes of the site include the walkable nature of the neighborhood as the site is in close proximity to restaurants and retail uses in a historic neighborhood. There are no significant negative attributes to the site.

3. Physical Proximity to Locational Amenities:

The Subject is well situated near all necessary amenities including roads, employment, and community services. The site is located within downtown Valdosta, which is one of the major employment centers. The Subject is situated at the intersection of East Hill Avenue and Ashley Street, with easy access to commercial and retail establishments.

4. Pictures of Site and Adjacent Uses:



Subject



Subject



Subject



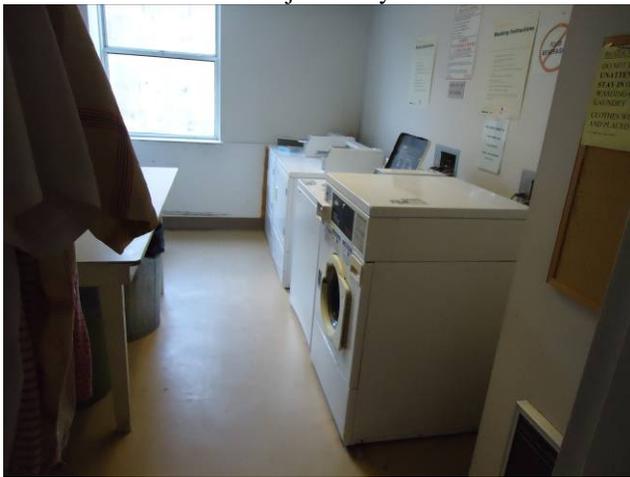
Subject



Subject lobby



Subject community room library



Subject laundry room



Subject second floor view to lobby



Subject typical kitchen



Subject typical bathroom



Subject typical living room



Subject typical bedroom



Alley west adjacent to Subject (Subject on left)



View east down Hill Avenue (Subject on right)



View north on Ashley Street from Hill Avenue



View from Subject's entrance on Hill Avenue



View west on Hill Avenue from Ashley Street



View south on Ashley Street



Mark's Appliance (old signage)



House of worship across from Subject



Commercial uses in neighborhood



Clothing store in Subject's neighborhood



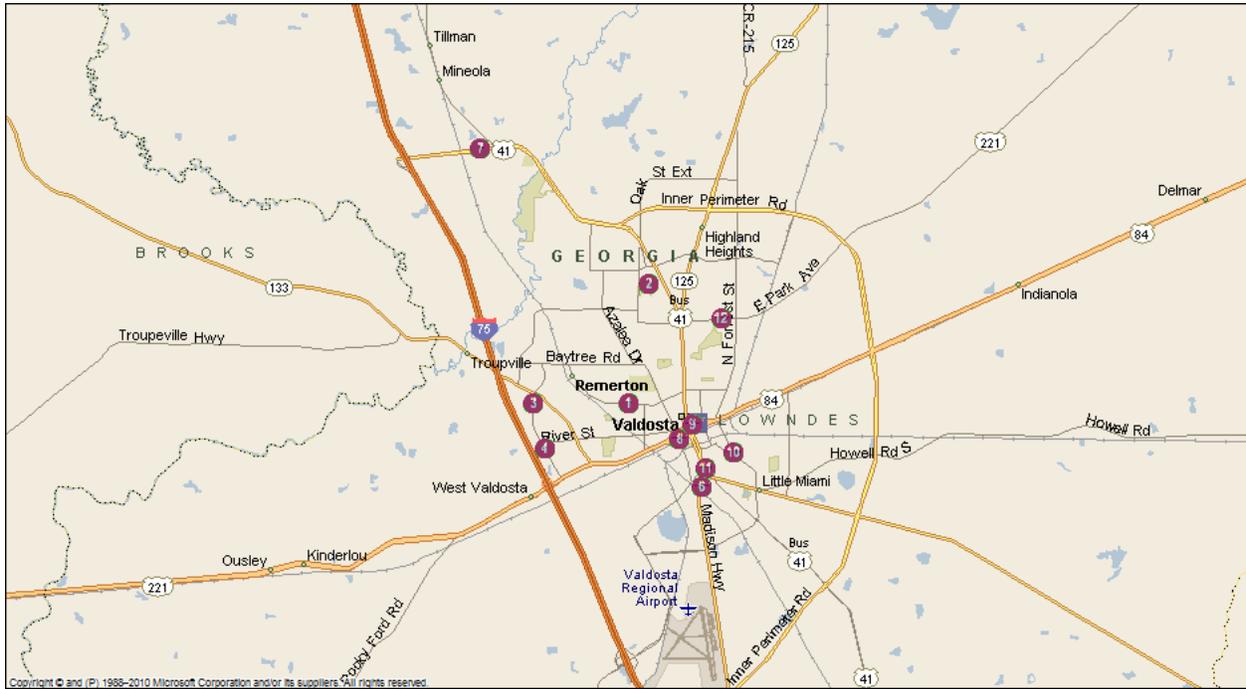
Eatery in Subject's neighborhood



Pharmacy

5. Proximity to Locational Amenities:

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



Local Amenities

Map #	Amenity	Distance (Miles)
1	SL Mason Elementary	1.5
2	Valdosta Middle	2.9
3	Lowndes High School	3.8
4	Wal-Mart	3.0
5	Winn-Dixie	0.9
6	Winn-Dixie Pharmacy	0.9
7	Smith Northview Hospital	6.6
8	Valdosta Fire Dept	0.3
9	Valdosta City Police	0.2
12	Valdosta Senior Community Center	2.5
11	Enamrk Station (Gas)	0.7

6. Description of Land Uses:

The Subject site is located in downtown Valdosta, which contains a variety of retail and commercial developments as well as restaurants. The Subject site is located at the corner of a busy intersection that is within one block of a market, theater, shopping and several restaurants. Commercial uses within the Subject’s neighborhood are well occupied and vary from good to average condition. The majority of the buildings in the Subject’s neighborhood are historic with many of the buildings and storefronts having undergone recent renovations. Overall, the Subject has excellent access to locational amenities. The site is considered an excellent location. The Subject as renovated will fit in well

with the surrounding uses.

7. Multifamily Residential within Two Miles:

Multifamily uses within two miles of the Subject site range from average to excellent condition. The following table details those multifamily uses within two miles.

Multifamily Properties Within Two Miles

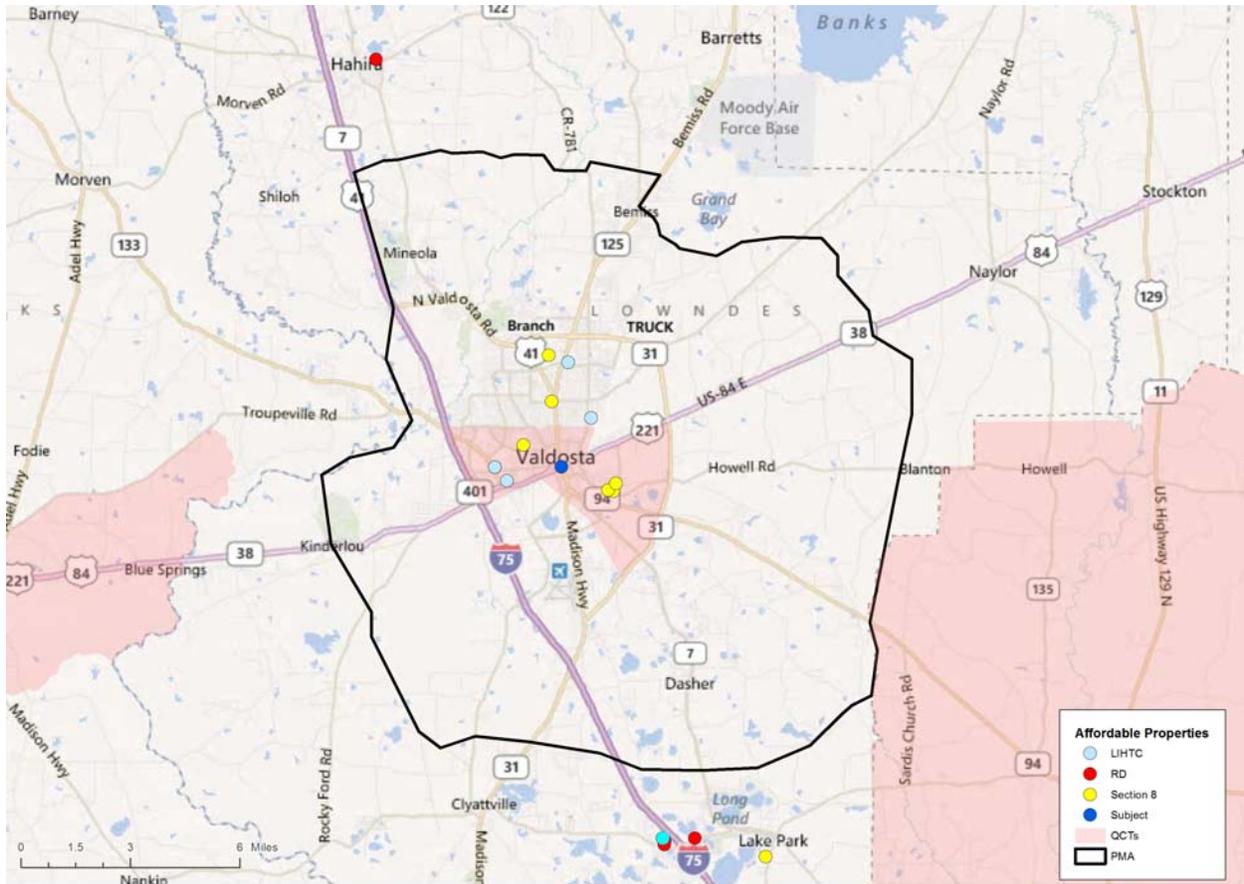
Property Name	Type	Tenancy	Distance
Hudson Dockett	Section 8	Family	1.3 miles
Ora Lee West	Section 8	Family	1.2 miles
Azalea Woods	Section 8	Family	1.7 miles
Park Chase	Section 8	Family	1.8 miles
Brittany Woods	Section 8	Elderly	2.0 miles
Forest Manor	Section 8	Family	1.8 miles
Ashton Park	LIHTC	Family	1.7 miles
Woodlawn Terrace	LIHTC	Senior	1.6 miles

Of the properties in the previous table, we have included Ashton Park and Woodlawn Terrace as comparables in our analysis.

8. Existing Assisted Rental Housing Property Map:

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

Property Name	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject	Map Color
Ashley House	Section 8	Elderly	Subject	N/Ap	Subject	
Brookhaven TC Lake Park	RD	Family	Excluded	Tenancy not comparable/subsidized	12.1 miles	Red
Meadowbroom Apartments	RD	Family	Excluded	Tenancy not comparable/subsidized	16.8 miles	
Arbor Trace I	RD	Elderly	Excluded	All units Subsidized	12.3 miles	
Arbor Trace II	RD	Family	Excluded	Tenancy not comparable/subsidized	12.3 miles	
Brookhaven Apartments	RD	Family	Excluded	Tenancy not comparable/subsidized	12.2 miles	
Francis Lake Apartments I and II	RD	Family	Excluded	Tenancy not comparable/subsidized	12.1 miles	
Hillmont Apartments	RD	Elderly	Excluded	All units Subsidized	12.0 miles	
Hudson Dockett	Section 8	Family	Excluded	Tenancy not comparable/subsidized	1.3 miles	
Ora Lee West	Section 8	Family	Excluded	Tenancy not comparable/subsidized	1.2 miles	
Lake Park Apartments	Section 8	Family/Elderly	Excluded	All units Subsidized	13.5 miles	
Azalea Towers	Section 8	Elderly	Excluded	All units Subsidized	3.6 miles	Yellow
Azalea Woods	Section 8	Family	Excluded	Tenancy not comparable/subsidized	1.7 miles	
Park Chase	Section 8	Family	Excluded	Tenancy not comparable/subsidized	1.8 miles	
Brittany Woods	Section 8	Elderly	Excluded	All units Subsidized	2.0 miles	
Forest Manor	Section 8	Family	Excluded	Tenancy not comparable/subsidized	1.8 miles	
Sands Horizon I and II	Section 8	Family	Excluded	Tenancy not comparable/subsidized	2.6 miles	
Valdosta/Lowndes County Options	Section 8	Family	Excluded	Tenancy not comparable/subsidized	2.0 miles	
Hyde Park	LIHTC	Family	Excluded	Tenancy and property type not comparable	2.8 miles	
Pine Pointe	LIHTC	Family	Excluded	Tenancy and property type not comparable	2.6 miles	
Woodstone Apartments	Market	Family	Excluded	Tenancy not comparable	2.7 miles	
The Links	Market	Family	Excluded	Tenancy not comparable	4.8 miles	Blue
Birchwood Apartments	Market	Family	Excluded	Tenancy not comparable	4.9 miles	
Villa Valdost	Market	Family	Excluded	Tenancy not comparable	2.6 miles	
Lakeside Apartments	Market	Family	Excluded	Tenancy not comparable	3.3 miles	
Rolling Hills	Market	Family	Excluded	Tenancy not comparable	3.3 miles	
Northwind Apartment Homes	Market	Family	Excluded	Tenancy not comparable	4.5 miles	
Commons of Valdosta	LIHTC	Family	Excluded	Tenancy not comparable	4.9 miles	
Ashton Meadows	LIHTC	Senior	Included	N/Ap	3.1 miles	
Ashton Park	LIHTC	Family	Included	N/Ap	1.7 miles	
Heron Lake	LIHTC/HOME	Family	Included	N/Ap	3.8 miles	
Woodlawn Terrace	LIHTC	Senior	Included	N/Ap	1.6 miles	



Valdosta, GA



9. Road/Infrastructure**Proposed Improvements:**

Our research and field work indicate that there are no road/infrastructure improvements planned or underway in the Subject's immediate neighborhood.

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

The Subject is located on the corner of East Hill Avenue and Ashley Street. Vehicle access to the Subject site is via a paved parking lot along Ashley Street; however, the Subject building has entrances along both East Hill Avenue and Ashley Street. Both East Hill Avenue and Ashley Street are heavily trafficked roadways. A stop light is situated at their intersection. Overall, the Subject will have excellent visibility and access.

11. Environmental Concerns:

None visible upon site inspection.

Detrimental Influences:

No detrimental influences to the Subject site were apparent.

12. Conclusion:

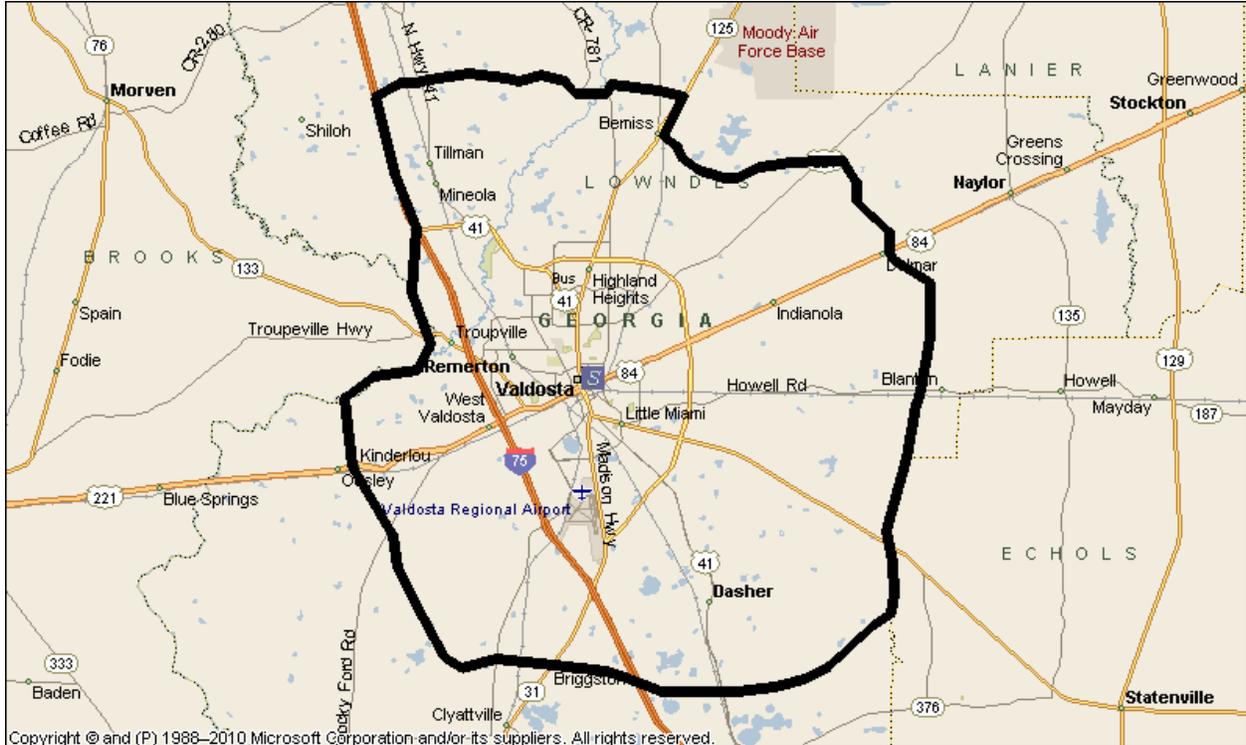
The Subject site is located at the intersection of East Hill Avenue and Ashley Street, both heavily trafficked. These roadways contain a variety of retail and commercial developments as well as restaurants including two retail storefronts at the Subject. The Subject is located within close proximity of an abundance of retail and commercial uses that are primarily historic buildings in good condition. Commercial uses in the area are well occupied with occupancy rates between 95 and 98 percent. Other than the existing Subject, residential uses are limited. The Subject site offers excellent visibility and curb appeal. Overall, the Subject site presents an excellent location for an affordable, multifamily development and the Subject, as a historic renovation, will have a positive impact on the local neighborhood.

D. MARKET AREA

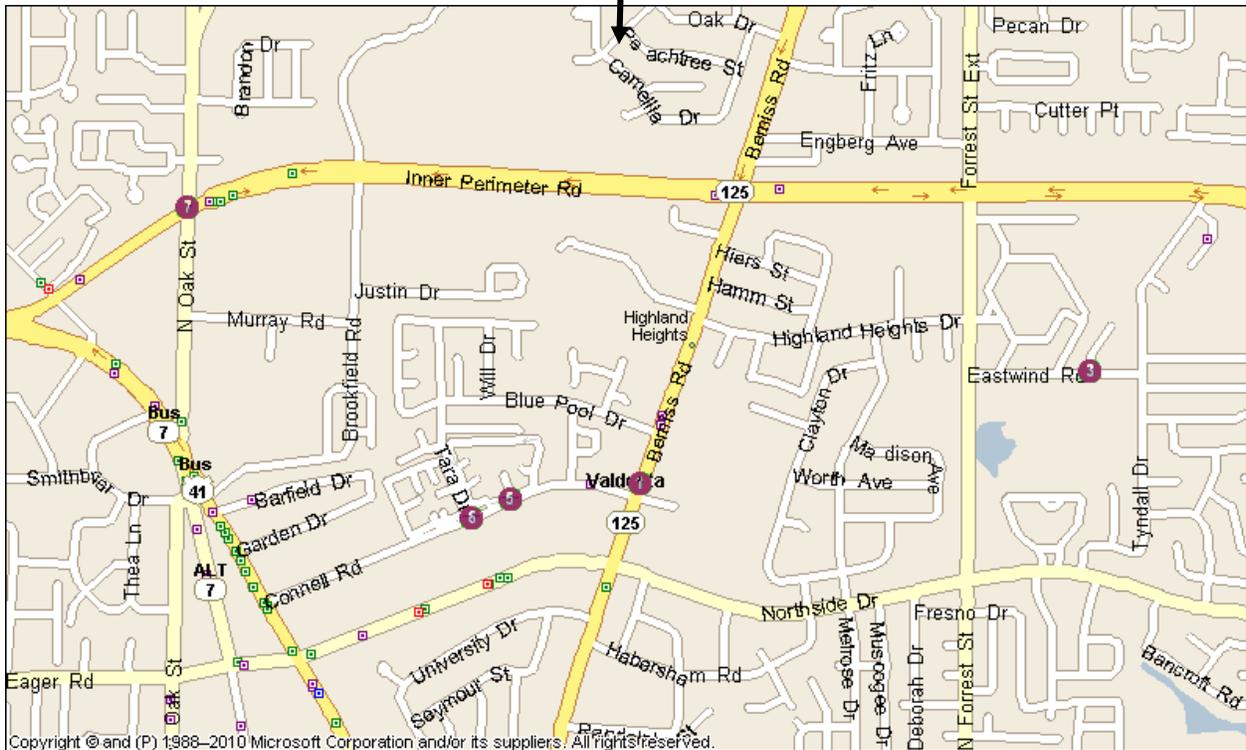
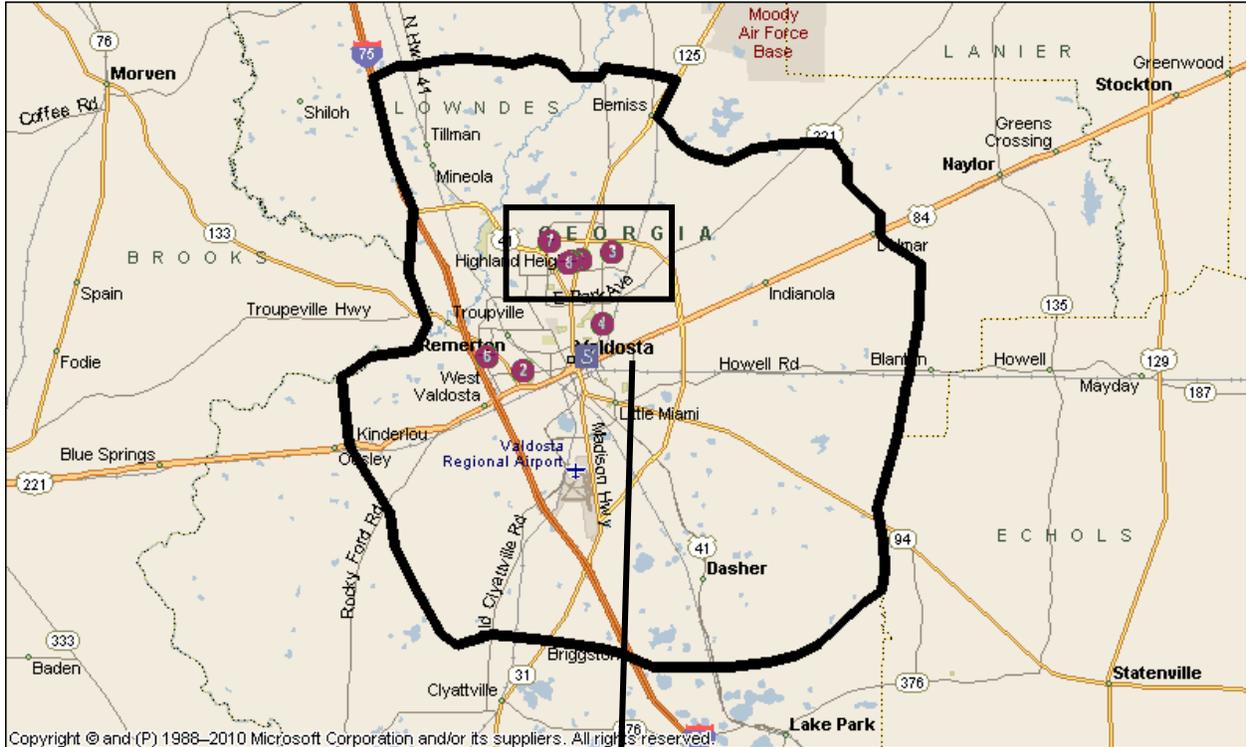
PRIMARY MARKET AREA

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

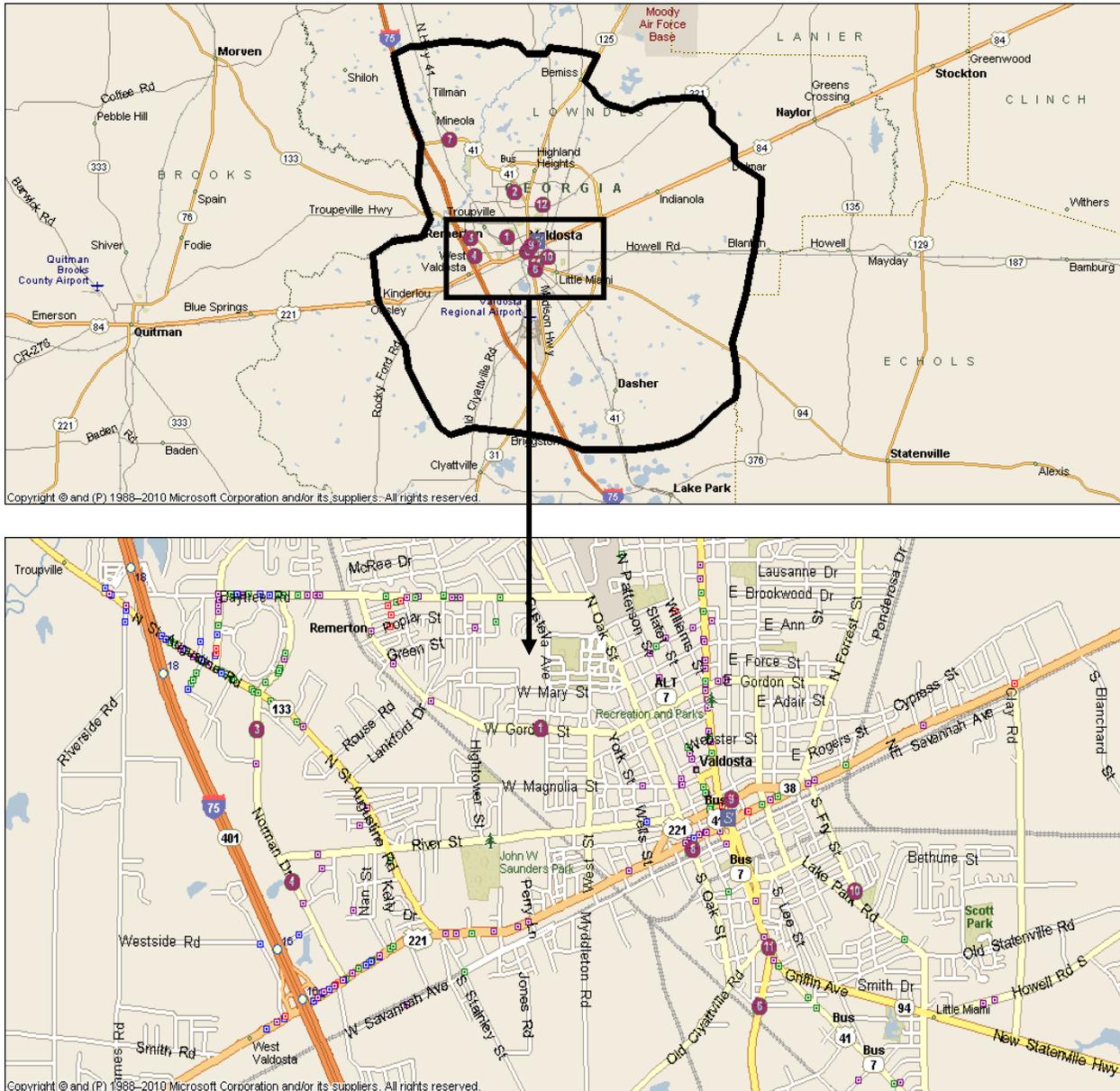
Primary Market Area Map



Comparable Properties



Locational Amenities



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

- The boundaries of the PMA are as follows:
- North – Thompson and McMillan Road
 - South- Corinth Church Road and Briggston Road
 - East- Studstill Road, Delmar Road, and the Lowndes County
 - West- Kinderlou Clyattville Road, Lowndes County, and Interstate 75

The area was defined based on interviews with local officials as well as property managers at comparable properties and the property manager of Ashley House, the Subject. The property manager at the Subject indicated that senior tenants come from all over the Lowndes County. The Subject's property manager indicated that while they would likely draw some tenants from as far as Lake Park, the majority of their tenants are from the areas to the north of Lake Park. The property manager at Woodlawn Terrace, a senior LIHTC comparable, indicated that given their senior tenancy, they draw tenants from all over; however, the majority of their local tenants originated from areas south of Moody Air Force Base and north of Lake Park. She stated that they did have several local tenants that originated from the eastern side of Interstate 75 toward the county line. Therefore, we have drawn the western border just west of Interstate 75 along Kinderlou Clyattville Road and the Lowndes county line. Overall, we believe that approximately 85 percent of the Subject's tenants will hail from within the PMA.

E. COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Valdosta, GA MSA (Metropolitan Statistical Area) are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

1. Population Trends

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

POPULATION

Year	PMA		Valdosta, GA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	59,453	-	99,244	-	248,709,873	-
2000	69,160	1.6%	119,560	2.0%	281,421,906	1.3%
2010	78,990	1.4%	135,484	1.3%	311,212,863	1.0%
Projected Mkt Entry June 2014	82,602	1.2%	140,959	1.0%	320,610,143	0.8%
2015	83,601	1.2%	142,473	1.0%	323,209,391	0.8%

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

SENIOR POPULATION, 62+

Year	PMA		Valdosta, GA	
	Number	Annual Change	Number	Annual Change
2000	7,759	-	14,296	-
2010	9,908	2.7%	17,769	2.4%
Prj Mrkt Entry June 2014	11,286	3.6%	20,063	3.3%
2015	11,668	3.6%	20,698	3.3%

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

POPULATION BY AGE IN 2010

Age Cohort	PMA		Valdosta, GA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	5,834	7.4%	9,821	7.2%	21,296,740	6.8%
5-9	5,330	6.7%	9,284	6.9%	20,832,961	6.7%
10-14	4,977	6.3%	8,657	6.4%	20,369,284	6.5%
15-19	6,178	7.8%	10,042	7.4%	21,883,995	7.0%
20-24	8,822	11.2%	13,374	9.9%	21,459,235	6.9%
25-29	6,836	8.7%	11,505	8.5%	21,517,303	6.9%
30-34	6,020	7.6%	10,183	7.5%	19,852,007	6.4%
35-39	4,931	6.2%	9,020	6.7%	20,531,543	6.6%
40-44	4,685	5.9%	8,544	6.3%	21,232,056	6.8%
45-49	5,194	6.6%	9,022	6.7%	23,163,948	7.4%
50-54	4,726	6.0%	8,473	6.3%	22,315,436	7.2%
55-59	4,189	5.3%	7,348	5.4%	19,742,941	6.3%
60-64	3,405	4.3%	6,105	4.5%	16,544,050	5.3%
65-69	2,402	3.0%	4,395	3.2%	12,081,110	3.9%
70-74	1,760	2.2%	3,249	2.4%	9,033,665	2.9%
75-79	1,513	1.9%	2,635	1.9%	7,339,326	2.4%
80-84	1,117	1.4%	1,930	1.4%	5,947,153	1.9%
85+	1,073	1.4%	1,897	1.4%	6,070,110	2.0%
Total	78,990	100.0%	135,484	100.0%	311,212,863	100.0%

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

From 2000 to 2010, the PMA population grew at a rate of 1.4 percent, outpacing the MSA by 0.1 percent, and the nation by 0.4 percent. By the market entry date for the subject, this rate will

have slowed slightly, but will still outpace both the MSA and nation. The senior population above 62 years old in the PMA is rising at a rate even higher than the overall population. In 2010, senior population growth was rising at 2.7 percent, compared to just 1.4 percent for the overall population. Population by age is heavily concentrated in the younger generations. Specifically, young children, young adults, and middle-aged persons make up the largest percentages.

2. Household Trends

2a. Total Number of Households, Average Household Size

HOUSEHOLDS						
Year	PMA		Valdosta, GA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	20,772	-	34,484	-	91,947,410	-
2000	25,401	2.2%	42,666	2.4%	105,480,101	1.5%
2010	29,669	1.6%	49,462	1.6%	116,761,140	1.0%
Projected Mkt Entry	31,237	1.3%	51,849	1.2%	120,363,270	0.8%
2015	31,671	1.3%	52,509	1.2%	121,359,604	0.8%

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

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 62+				
Year	PMA		Valdosta, GA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	5,336	-	9,352	-
2010	6,238	1.7%	11,001	1.7%
Prj Mrkt Entry				
June 2014	6,780	2.2%	12,030	2.4%
2015	6,929	2.2%	12,314	2.4%

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

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Valdosta, GA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	2.67	-	2.74	-	2.63	-
2000	2.58	-0.3%	2.63	-0.4%	2.59	-0.1%
2010	2.52	-0.2%	2.57	-0.2%	2.59	0.0%
Projected Mkt Entry						
June 2014	2.51	-0.1%	2.55	-0.1%	2.59	0.0%
2015	2.51	-0.1%	2.55	-0.1%	2.60	0.0%

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

Similar to the general population, households in the PMA and MSA grew by 1.6 percent, outpacing the nation by 0.6 percent. The PMA will continue to outpace the nation in households significantly, but the MSA will drop behind in growth only slightly. Senior households with persons 62 and over in the PMA are rising at higher rates than households overall, as well. While the annual percentage growth for the overall population in the PMA will slow slightly for the foreseeable future, senior households will begin to grow at even higher rates. Average household sizes are decreasing in both the PMA and MSA by 0.1 percent, just under the stagnant number for the nation by the market entry date, at 2.51 persons. This, however, favors the Subject as it will be offering only studio, one, and two bedroom units.

2b. Households by Tenure

The table below depicts senior household growth by tenure from 1990 through 2014.

TENURE PATTERNS PMA (AGES 62+)

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
1990	-	-	-	-
2000	4,074	76.35%	1,262	23.65%
2009	4,690	75.18%	1,548	24.82%
Prj Mrkt Entry June 2014	5,065	74.72%	1,715	25.28%
2014	5,168	74.59%	1,761	25.41%

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

Renter-occupied housing units account for only a little under a quarter of total housing units in the PMA. However, this percentage is much higher than the national average of 13 percent; boding well for the Subject.

2c. Households by Income

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

HOUSEHOLD INCOME PMA

Income Cohort	2010		PMA Prj Mrkt Entry June 2014		2015		Annual Change from 2010 to 2015	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,988	13.4%	3,934	12.6%	3,919	12.4%	-14	-0.3%
\$10,000-19,999	4,278	14.4%	4,180	13.4%	4,152	13.1%	-25	-0.6%
\$20,000-29,999	4,230	14.3%	4,209	13.5%	4,204	13.3%	-5	-0.1%
\$30,000-39,999	3,584	12.1%	3,657	11.7%	3,677	11.6%	19	0.5%
\$40,000-49,999	2,754	9.3%	2,884	9.2%	2,920	9.2%	33	1.2%
\$50,000-59,999	2,619	8.8%	2,626	8.4%	2,628	8.3%	2	0.1%
\$60,000-74,999	2,970	10.0%	2,962	9.5%	2,960	9.3%	-2	-0.1%
\$75,000-99,999	2,946	9.9%	3,444	11.0%	3,582	11.3%	127	4.3%
\$100,000+	2,300	7.8%	3,341	10.7%	3,628	11.5%	266	11.5%
Total	29,669	100.0%	31,237	100.0%	31,671	100.0%		

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

In 2010, income cohorts earning \$29,999 and under accounted for 42.1 percent of senior households. This percentage is expected to drop by the market entry date, but only slightly.

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

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

Renter Households by Number of Persons - PMA (Ages 62+)

	2000		2009		Prj Mrkt Entry June 2014		2014	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	814	64.5%	1,056	68.2%	1,170	68.2%	1,201	68.2%
With 2 Persons	292	23.2%	298	19.3%	318	18.5%	323	18.4%
With 3 Persons	103	8.1%	125	8.1%	146	8.5%	152	8.6%
With 4 Persons	15	1.2%	23	1.5%	25	1.5%	26	1.4%
With 5+ Persons	39	3.1%	45	2.9%	56	3.3%	59	3.4%
Total Renter Households	1,262	100.0%	1,548	100.0%	1,715	100.0%	1,761	100.0%

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

Senior renter households with two or less persons made up 87.5 percent of total senior renter households in the PMA as of 2010. This percentage is currently projected to drop slightly by the 2014 market entry date for the Subject to 86.7 percent. As proposed, the Subject will offer studio, one, and two bedroom floor plans catering to seniors and senior couples in these cohorts.

Conclusion

Like most of Georgia, general population and household growth in the PMA and MSA are currently outperforming and will continue to outperform the nation as a whole. From 2000 to 2010, the PMA population grew at a rate of 1.4 percent, outpacing the MSA by 0.1 percent, and the nation by 0.4 percent. The senior population above 62 years old in the PMA is rising at a rate even higher than the overall population. In 2010, senior population growth was rising at 2.7 percent, compared to just 1.4 percent for the overall population. Population by age is heavily concentrated in the younger generations. Specifically, young children, young adults, and middle-aged persons make up the largest percentages. However the 14.3 percent of the population making up the Subject's targeted demographic of 62 and over is projected to rise to 15.5 percent by the market entry date.

Similar to the general population, households in the PMA and MSA grew by 1.6 percent, outpacing the nation by 0.6 percent. The PMA will continue to outpace the nation in households significantly, but the MSA will drop behind in growth only slightly. Senior households with persons 62 and over in the PMA are rising at higher rates than households overall, as well. While the annual percentage growth for the overall population in the PMA will slow slightly for the foreseeable future, senior households will begin to grow at even higher rates. Average household sizes are decreasing in both the PMA and MSA by 0.1 percent, just under the stagnant number for the nation by the market entry date, at 2.51 persons. This, however, favors the Subject as it offers only studio, one, and two bedroom units.

Renter-occupied housing units account for only a little under a quarter of total housing units in the PMA. However, this percentage is much higher than the national average of 13 percent; boding well for the Subject. In 2010, income cohorts earning \$29,999 and under accounted for 42.1 percent of households. Senior renter households with two or less persons made up 87.5 percent of total renter households in the PMA as of 2010. This percentage is currently projected to drop slightly by the 2014 market entry date for the Subject to 86.7 percent. The Subject offers studio, one, and two bedroom floor plans catering to seniors and senior couples in these cohorts.

F. EMPLOYMENT TRENDS

Employment Trends

Employment in the Valdosta-Lowndes County area is anchored in the education, health, and public sectors. Seven of the top 13 major employers in the area are contained in these fields. Moody Air Force, just a few miles northeast of Valdosta employs over 4,000 people. The South Georgia Medical Center, the largest hospital system in South Georgia, is continuously growing and serves as another pillar for the local economy. Valdosta State University employs over 2,280 people, and will be growing in the future. The local county and city school systems themselves employ over 2,229 persons as well.

As far as employment expansions, Valdosta is experiencing the largest amount of growth in the retail and commercial area surrounding the local mall. Two major retailers, Gander Mountain Outdoors and Academy Sports just moved into the area and have hired their respective number of employees. A new logistical distribution center opened in town that employs 30 persons. A new wood pallet refurbishing company moved to Valdosta in December 2011 that now employs 30 people. Fresh Beginnings, a baked goods and baking supply business, expanded their call center in 2011 to employ over 100 people. Moody Air Force Base and South Georgia Medical Center continue to grow as well.

Like the rest of the nation, the years between 2008 and 2011 were tough on total employment for Valdosta; losing approximately 7,264 jobs. The time period since, however, has been much more positive. Year-to-date total employment change for Valdosta is 2.6 percent; a full two percentage points higher than the national number. Year-over-year data for March 2011 and 2012 indicate a growth rate of 3.9 percent in total employment, compared to just 1.8 percent for the nation. As of March 2012, the unemployment rates for Valdosta and the nation are identical at 8.4 percent.

1. Total Jobs

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

COVERED EMPLOYMENT

Lowndes County		
Year	Total Employment	% Change
2001	43,492	
2002	44,971	3.29%
2003	46,422	3.13%
2004	47,454	2.17%
2005	48,603	2.36%
2006	49,404	1.62%
2007	50,697	2.55%
2008	50,208	-0.97%
2009	47,759	-5.13%
2010	46,212	-3.35%
2011 YTD Average*	45,474	-1.62%
Sep-10	46,077	-
Sep-11	46,152	0.16%

Source: U.S. Bureau of Labor Statistics

*YTD as of Sept 11

As illustrated above, more recent covered employment data than September 2011 has not been made available for Lowndes County. From 2001 to 2007, Lowndes County experienced a steady growth rate averaging out at around 2.52 percent annually. The worldwide economic recession began taking its toll in Lowndes County in 2008 with a 0.97 percent loss in total employment, worsened in 2009 with a 5.13 percent loss, and kept decreasing at slower rates until 2011. Year-to-date change in employment, as of September 2011, has seen a rise of 0.16 percent; indicating a slow but steady burgeoning economy.

2. Total Jobs by Industry

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

SEPT 2011 EMPLOYMENT JOBS BY INDUSTRY

Lowndes County		
Industry	Number Employed	Percent Employed
Public Administration*	-	-
Trade, Transportation, and Utilities	9,515	27.27%
Leisure and Hospitality	6,484	18.58%
Education and Health Services	5,474	15.69%
Professional and Business Services	3,638	10.43%
Manufacturing	3,336	9.56%
Construction	2,063	5.91%
Financial Activities	1,660	4.76%
Information	1,057	3.03%
Other Services	877	2.51%
Natural Resources and Mining	674	1.93%
Unclassified	118	0.34%
Total Employment	34,896	100.00%

*Monthly data is not available

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

As illustrated above, more recent employment jobs by industry data than September 2011 has not been made available for Lowndes County. The trade-transportation & utilities, leisure & hospitality, and education & health services industries dominate total covered employment in Lowndes County. Trade-transportation & utilities industries in Valdosta are undoubtedly present to service both Moody Air Force base and other industries in the county. Valdosta State University and Moody Air Force Base are two major economic bases for the area. The students attending the University and airmen from the base make up a very large market for leisure & hospitality companies to take advantage of. The various local school systems, Valdosta State, and the South Georgia Medical Center make up the third largest cohort. These industries are historically very stable; providing another strong base for employment in the Valdosta area.

3. Major Employers

Major Employers Valdosta-Lowndes County

Employer	Industry	# of Employees
Moody Air Force Base	Military	4,448
South Georgia Medical Center	Health	2,300
Valdosta State	Education	2,280
Lowndes County School System	Education	1,279
Valdosta School System	Education	950
Lowes Distribution Center	Distribution	900
Convergys Corp	Call Center	850
Wal-Mart Super-Center (2)	Retail	700
City of Valdosta	Government	650
Lowndes County	Government	540
Fresh Beginnings	Baked Goods	500
Roadway Express	Transportation	450
Jacuzzi Whirlpool Bath	Manufacturing	400

Source: Valdosta-Lowndes County Industrial Authority, May 2012

Moody Air Force Base employs well over 4,000 people in Valdosta-Lowndes County in support and military roles. With no base shrinking or closures on the horizon for Moody Air Force Base, this is a strong employment base. South Georgia Medical Center, the largest hospital system in South Georgia, is continuously growing and serves as another pillar for the local economy. Besides these two employers, employment in Valdosta-Lowndes County is concentrated in the public sector, among the local school systems and governmental entities. Government employment is historically very stable.

Expansions/Contractions

We were able to speak with Andrea Schruijer, the executive director of the Valdosta-Lowndes Industrial Authority regarding expansions and contractions in the Subject's area. Mrs. Schruijer stated that the area of Valdosta is experiencing the largest amount of growth in the retail and commercial area surrounding the local mall. Two major retailers, Gander Mountain Outdoors and Academy Sports just moved into the area and have hired their respective number of employees. There is talk of a new retail development proposed near the mall, but Mrs. Schruijer could not elaborate on it. Additional business expansions over the past year have included a new logistical distribution center opened in town that employs 30 persons. A new wood pallet refurbishing company moved to Valdosta in December 2011 that now employs 30 people. Fresh Beginnings, a baked goods and baking supply business, expanded their call center in 2011 to employ over 100 people.

Mrs. Shruijer noted that Moody Air Force Base and the South Georgia Medical Center continue to be the two largest employers in the region. She stated that they have been growing at consistent rates for the past couple of years, and make up good portions of the local economy.

The table below contains the WARN filings for the Southeast Georgia Region, which contains Valdosta – Lowndes County:

Southeast Georgia Warn Filings 2009-2012

Company	City	County	#	Date
Pace American	Fitzgerald	Ben Hill	56	9/19/2011
Xella Aircrete North Americ	Adel	Cook	49	11/4/2010
Pace American	Fitzgerald	Ben Hill	111	6/7/2010
Shaw Industries Plant WK	Tifton	Tift	373	4/28/2010
Shaw Industries Plant WK	Tifton	Tift	218	10/28/2009
Fleetwood Homes	Alma	Bacon	76	8/3/2009
Hood Packaging Corporation	Valdosta	Lowndes	103	5/29/2009
Wayne Farms	Douglas	Coffee	153	5/14/2009
SHaw Industries Plant WL	Valdosta	Lowndes	226	3/25/2009
West Fraser	Folkston	Charlton	100	3/23/2009
Pilgrim's Pride	Ambrose	Coffee	900	2/27/2009
Pilgrim's Pride	Douglas	Coffee	900	2/27/2009
Julie Hat Company	Patterson	Pierce	26	1/29/2009

Source: Georgia Dept. of Labor, May 2012

As illustrated in the table above, there were only two significant closures or layoffs in the Valdosta area between 2009 and year to date 2012. However, these two layoffs occurred in 2009 alone. The first, Hood Packaging, closed a long-standing paper bag factory mid-2009. According to an Associated Press article dated June 1st, 2009, the closing fairly sudden and shocking to the community. Shaw Industries, a manufacturer of flooring products for homes, closed their factory in Valdosta in March 2009. This closure was not unexpected, as the severe downturn in the housing market caused demand for Shaw’s products to plummet.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Valdosta MSA and the nation from 1990 to 2012 (through March).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Valdosta, GA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2001	54,312	-	3.9%	-	136,933,000	-	4.7%	-
2002	57,227	5.4%	3.8%	-0.1%	136,485,000	-0.3%	5.8%	1.1%
2003	59,360	3.7%	3.5%	-0.3%	137,736,000	0.9%	6.0%	0.2%
2004	60,568	2.0%	3.5%	0.0%	139,252,000	1.1%	5.5%	-0.5%
2005	62,703	3.5%	3.9%	0.4%	141,730,000	1.8%	5.1%	-0.4%
2006	64,479	2.8%	3.9%	0.0%	144,427,000	1.9%	4.6%	-0.5%
2007	65,623	1.8%	4.0%	0.1%	146,047,000	1.1%	4.6%	0.0%
2008	65,635	0.0%	5.5%	1.5%	145,362,000	-0.5%	5.8%	1.2%
2009	61,999	-5.5%	8.4%	2.9%	139,877,000	-3.8%	9.3%	3.5%
2010	59,852	-3.5%	9.1%	0.7%	139,064,000	-0.6%	9.6%	0.3%
2011	59,371	-0.8%	9.2%	0.1%	139,869,000	0.6%	8.9%	-0.7%
2012 YTD Average*	60,920	2.6%	9.1%	-0.1%	140,680,000	0.6%	8.6%	-0.3%
Mar-2011	59,551	-	8.9%	-	138,962,000	-	9.2%	-
Mar-2012	61,861	3.9%	8.4%	-0.5%	141,412,000	1.8%	8.4%	-0.8%

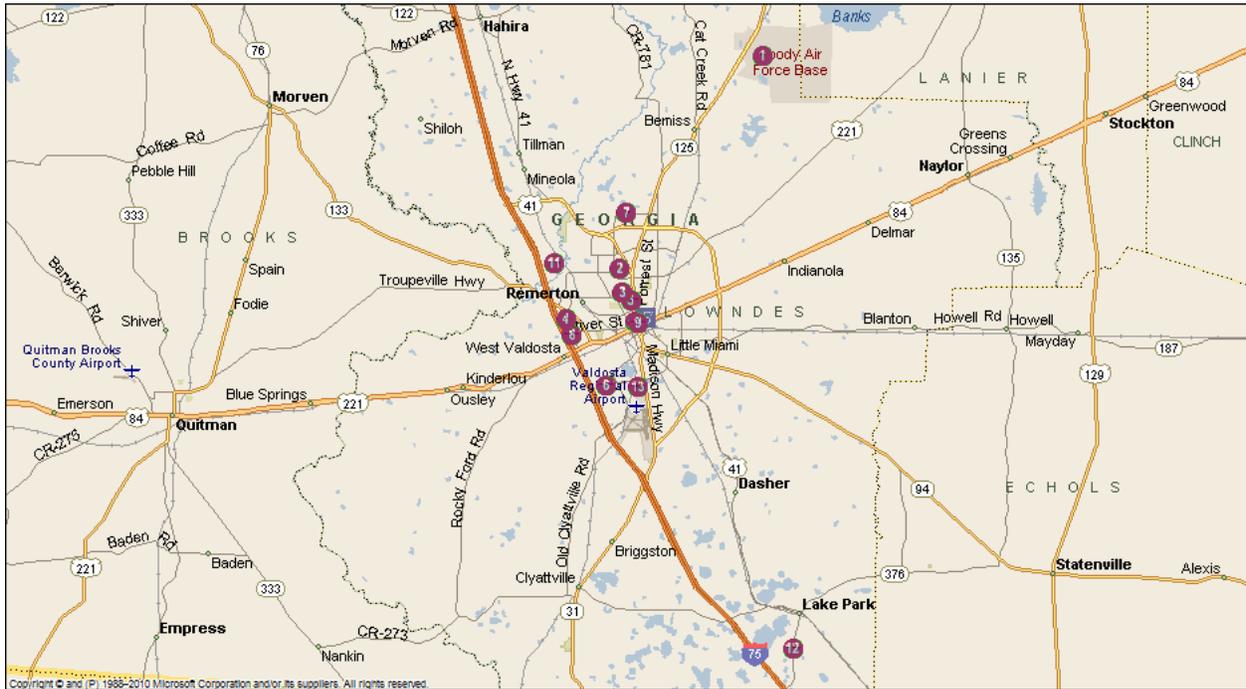
Source: U.S. Bureau of Labor Statistics March 2012
*2012 data is through Mar

Like the rest of the nation, the years between 2008 and 2011 were tough on total employment for Valdosta; losing approximately 7,264 jobs. The time period since, however, has been much more positive. Year-to-date total employment change for Valdosta is 2.6 percent; a full two percent

higher than the national number. Year-over-year data for March 2011 and 2012 indicate a growth rate of 3.9 percent in total employment, compared to just 1.8 percent for the nation. As of March 2012, the unemployment rates for Valdosta and the nation are identical at 8.4 percent. This is positive, as most of Georgia is currently operating at a higher rate.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Valdosta - Lowndes County.



Major Employers Valdosta-Lowndes County

Map #	Employer	Distance
1	Moody Air Force Base	11.6
2	South Georgia Medical Center	2.6
3	Valdosta State University	1.5
4	Lowndes County School System	3.6
5	Valdosta School System	1.0
6	Lowes Distribution Center	3.4
7	Convergys Corp	5.1
8	Wal-Mart Super-Center (2)	3.0
9	City of Valdosta	0.2
10	Lowndes County	0.2
11	Fresh Beginnings	11.7
12	Roadway Express	16.4
13	Jacuzzi Whirlpool Bath	2.4

Source: Valdosta-Lowndes County Industrial Authority

Conclusion

The trade-transportation & utilities, leisure & hospitality, and education & health services industries dominate total covered employment in Lowndes County. Trade-transportation & utilities industries in Valdosta are undoubtedly present to service both Moody Air Force base and other industries in the county. Valdosta State University and Moody Air Force Base are two major economic strong points for the area. The students attending the University and airmen from the base compose a very large market for the various service companies to take advantage of. The various local school systems, Valdosta State, and the South Georgia Medical Center make up the third largest cohort. These industries are historically very stable; providing another strong base for employment in the Valdosta area.

Regarding employment expansions and contractions, we were able to speak with Andrea Schruijer, the executive director of the Valdosta-Lowndes Industrial Authority. Mrs. Schruijer stated that the area of Valdosta is experiencing the largest amount of growth was the retail and commercial area surrounding the local mall. Two major retailers, Gander Mountain Outdoors and Academy Sports just moved into the area and have hired their respective number of employees. There is talk of a new retail development proposed near the mall, but Mrs. Schruijer could not elaborate on it. Additional business expansions over the past year have included a new logistical distribution center opened in town that employs 30 persons. A new wood pallet refurbishing company moved to Valdosta in December 2011 that now employs 30 people. Fresh Beginnings, a baked goods and baking supply business, expanded their call center in 2011 to employ over 100 people.

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Like the rest of the nation, the years between 2008 and 2011 were tough on total employment for Valdosta; losing approximately 7,264 jobs. The time period since, however, has been much more positive. Year-to-date total employment change for Valdosta is 2.6 percent; a full two percentage points higher than the national number. Year-over-year data for March 2011 and 2012 indicate a growth rate of 3.9 percent in total employment, compared to just 1.8 percent for the nation. As of March 2012, the unemployment rates for Valdosta and the nation are identical at 8.4 percent. This is positive, as most of Georgia is currently operating at a higher rate. All of this data indicates a strong turnaround for Valdosta.

PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. INCOME RESTRICTIONS

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

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

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

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

2. AFFORDABILITY

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

3. DEMAND

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

3A. DEMAND FROM NEW HOUSEHOLDS

The number of new households entering the market is the first level of demand calculated. We have utilized 2014, the anticipated date of market entry, as the base year for the analysis. Therefore, 2010 household population estimates are inflated to 2014 by interpolation of the difference between 2010 estimates and 2015 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2014. This number takes the overall growth from 2000 to 2014 and applies it

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

3B. DEMAND FROM EXISTING HOUSEHOLDS

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

The second source (2b.) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (2c.) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. Because the Subject will be 100 percent subsidized, we have not accounted for senior homeownership conversion in our demand analysis.

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

3C. SECONDARY MARKET AREA

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

Our conversation with the Subject's property manager indicates that approximately 15 percent of the Subject's tenants can be expected to come from outside the PMA boundaries.

3D. OTHER

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

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

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

ADDITIONS TO SUPPLY

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we deduct additions to supply allocated since 2010 to present and those that will be constructed through 2014 that are considered directly competitive. There have been no allocations in the Subject's PMA since 2010. However, the following properties received allocations in 2010 and 2011 and are located within Lowndes County, approximately three miles outside of the PMA.

ADDITIONS TO SUPPLY SINCE 2010

Property Name	Type	Year Built/Proposed	Competitive with Subject	Number of Units
Gateway Pines	Family - LIHTC	2012	No	56
Gateway Pines II	Senior - LIHTC	2013	No	56

Neither Gateway Pines I, a family property that is under construction or Gateway Pines II, a senior property that has not yet begun construction will offer subsidized units. In addition, they are located three miles outside of the PMA. Therefore, these units will not directly compete with those proposed at the Subject.

PMA OCCUPANCY

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

PMA OCCUPANCY

Property Name	Type	Tenancy	Occupancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
Brookhaven TC Lake Park	RD	Family	N/Av	Excluded	Tenancy not comparable/subsidized	12.1 miles
Meadowbroom Apartments	RD	Family	N/Av	Excluded	Tenancy not comparable/subsidized	16.8 miles
Arbor Trace I	RD	Elderly	100%	Excluded	All units Subsidized	12.3 miles
Arbor Trace II	RD	Family	100%	Excluded	Tenancy not comparable/subsidized	12.3 miles
Brookhaven Apartments	RD	Family	N/Av	Excluded	Tenancy not comparable/subsidized	12.2 miles
Francis Lake Apartments I and II	RD	Family	100%	Excluded	Tenancy not comparable/subsidized	12.1 miles
Hillmont Apartments	RD	Elderly	96%	Excluded	All units Subsidized	12.0 miles
Hudson Docket	Section 8	Family	N/Av	Excluded	Tenancy not comparable/subsidized	1.3 miles
Ora Lee West	Section 8	Family	N/Av	Excluded	Tenancy not comparable/subsidized	1.2 miles
Lake Park Apartments	Section 8	Family/Elderly	100%	Excluded	All units Subsidized	13.5 miles
Azalea Towers	Section 8	Elderly	N/Av	Excluded	All units Subsidized	3.6 miles
Azalea Woods	Section 8	Family	N/Av	Excluded	Tenancy not comparable/subsidized	1.7 miles
Park Chase	Section 8	Family	100%	Excluded	Tenancy not comparable/subsidized	1.8 miles
Brittany Woods	Section 8	Elderly	100%	Excluded	All units Subsidized	2.0 miles
Forest Manor	Section 8	Family	N/Av	Excluded	Tenancy not comparable/subsidized	1.8 miles
Sands Horizon I and II	Section 8	Family	N/Av	Excluded	Tenancy not comparable/subsidized	2.6 miles
Valdosta/Lowndes County Options	Section 8	Family	N/Av	Excluded	Tenancy not comparable/subsidized	2.0 miles
Hyde Park	LIHTC	Family	97%	Excluded	Tenancy and property type not comparable	2.8 miles
Pine Pointe	LIHTC	Family	76%	Excluded	Tenancy and property type not comparable	2.6 miles
Woodstone Apartments	Market	Family	N/Av	Excluded	Tenancy not comparable	2.7 miles
The Links	Market	Family	N/Av	Excluded	Tenancy not comparable	4.8 miles
Birchwood Apartments	Market	Family	98%	Excluded	Tenancy not comparable	4.9 miles
Villa Valdost	Market	Family	99%	Excluded	Tenancy not comparable	2.6 miles
Lakeside Apartments	Market	Family	91%	Excluded	Tenancy not comparable	3.3 miles
Rolling Hills	Market	Family	N/Av	Excluded	Tenancy not comparable	3.3 miles
Northwind Apartment Homes	Market	Family	98%	Excluded	Tenancy not comparable	4.5 miles
Ashley House	Section 8	Elderly	97%	Subject	N/Ap	Subject
Commons of Valdosta	LIHTC	Family	N/Av	Excluded	Tenancy not comparable	4.9 miles
Ashton Meadows	LIHTC	Senior	100%	Included	N/Ap	3.1 miles
Ashton Park	LIHTC	Family	94%	Included	N/Ap	1.7 miles
Heron Lake	LIHTC/HOME	Family	100%	Included	N/Ap	3.8 miles
Woodlawn Terrace	LIHTC	Senior	97%	Included	N/Ap	1.6 miles
Spanish Mission Apartments	Market	Family	92%	Included	N/Ap	3.3 miles
Spring Chase Apartments	Market	Family	99%	Included	N/Ap	3.6 miles
Staten Crossing	Market	Family	90%	Included	N/Ap	4.1 miles
Tall Tree Apartments	Market	Family	93%	Included	N/Ap	3.4 miles
Average			96%			
Average Senior			99%			

* Occupancy within the last 18 months

NET SUPPLY

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

The total Comparability Factor will be applied to each bedroom type for all income segments to determine the number of units to be allocated to the existing property. Total market supply will be comprised of the weighted units supply from the comparable existing properties and all units new to the market area since 2010.

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

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

Competitive Property Analysis			
Ashton Meadows		Percent	Comments
1	Location	0.50	Inferior location
2	Affordability	0.00	Less affordable
3	Property Type	0.50	Superior property type
4	Quality	0.75	Newer construction
Comparability Factor		0.00	

Competitive Property Analysis			
Woodlawn Terrace		Percent	Comments
1	Location	0.50	Inferior location
2	Affordability	0.00	Less affordable
3	Property Type	0.50	Superior property type
4	Quality	0.50	Newer construction
Comparability Factor		0.00	

Ashton Meadows and Woodlawn Terrace are the only senior LIHTC comparables in our analysis that are located in the Subject’s PMA. We have not deducted units from demand that are located outside the PMA.

Heron Lake and Ashton Park are both family LIHTC properties that will not be competitive with the Subject. We have included both of these properties as comparables as they are located in the same PMA and offer similar AMI levels and unit mixes and are indicative of the overall LIHTC

performance in the market. Additionally, all of the market rate comparables are located in the PMA. All of the market rate properties will have rents more than 20 percent above tenant paid rents at the Subject, as the Subject's units will all operate with a Section 8 subsidy and tenants will pay a portion of their income towards rent. These properties are located in the same PMA and offer a similar product type and unit mix; therefore they were included as comparables as they are indicative of the overall performance of the rental market. However, it should be noted that these properties will not compete for tenants given the rental rate disparity.

Given the Subject's additional subsidy and senior tenancy, there are no competitive properties in the PMA. Therefore we have not deducted any units from the demand analysis.

Rehab Developments and PBRA

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

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

The Subject is an existing property that will continue to offer 100 percent Section 8 assistance following renovations and the units are therefore presumed leasable.

Capture Rates

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

Ashley House, Valdosta, GA; Market Study

Renter Household Income Distribution 2000 to Projected Market Entry June 2014								
Ashley House								
PMA								
	2000		2010		Pj Mrkt Entry June 2014		Percent Growth	
	#	%	#	%	#	%		
\$0-9,999	462	36.6%	482	31.1%	486	28.3%	0.8%	
\$10,000-19,999	315	25.0%	379	24.5%	410	23.9%	7.6%	
\$20,000-29,999	249	19.7%	263	17.0%	296	17.2%	11.2%	
\$30,000-39,999	143	11.3%	262	16.9%	300	17.5%	12.8%	
\$40,000-49,999	54	4.3%	54	3.5%	71	4.1%	24.1%	
\$50,000-59,999	17	1.3%	54	3.5%	71	4.1%	24.1%	
\$60,000-74,999	8	0.6%	20	1.3%	25	1.4%	18.3%	
\$75,000-99,999	7	0.5%	20	1.3%	29	1.7%	30.8%	
\$100,000+	7	0.5%	16	1.0%	28	1.7%	44.8%	
Total	1,262	100.0%	1,548	100.0%	1,715	100.0%	9.7%	

Renter Household Income Distribution Projected Market Entry June 2014			
Ashley House			
PMA			
	Pj Mrkt Entry June 2014		Change 2000 to Pj Mrkt Entry June 2014
	#	%	#
\$0-9,999	486	28.3%	128
\$10,000-19,999	410	23.9%	108
\$20,000-29,999	296	17.2%	78
\$30,000-39,999	300	17.5%	79
\$40,000-49,999	71	4.1%	19
\$50,000-59,999	71	4.1%	19
\$60,000-74,999	25	1.4%	7
\$75,000-99,999	29	1.7%	8
\$100,000+	28	1.7%	7
Total	1,715	100.0%	453

Tenure Pj Mrkt Entry June 2014	
Renter	25.3%
Owner	74.7%
Total	100.0%

Renter Household Size for Pj Mrkt Entry June 2014		
Size	Number	Percentage
1	1,170	68.2%
2	318	18.5%
3	146	8.5%
4	25	1.5%
5+	56	3.3%
Total	1,715	100.0%

Renter Household Size for 2000 62+		
Size	Number	Percentage
1	814	64.5%
2	292	23.2%
3	103	8.1%
4	15	1.2%
5+	39	3.1%
Total	1,262	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$0		
Maximum Income Limit			\$17,850 Two		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mkt Entry June 2014		Income Brackets	Percent within Cohort	Renter Households within Bracket
	June 2014				
\$0-9,999	128	28.3%	9,999	100.0%	128
\$10,000-19,999	108	23.9%	7,850	78.5%	85
\$20,000-29,999	78	17.2%		0.0%	0
\$30,000-39,999	79	17.5%		0.0%	0
\$40,000-49,999	19	4.1%		0.0%	0
\$50,000-59,999	19	4.1%		0.0%	0
\$60,000-74,999	7	1.4%		0.0%	0
\$75,000-99,999	8	1.7%		0.0%	0
\$100,000+	7	1.7%		0.0%	0
	453	100.0%			213
Percent of renter households within limits versus total number of renter households					47.10%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$0		
Maximum Income Limit			\$17,850 Two		
Income Category	Total Renter Households PMA Prj Mkt Entry June 2014		Income Brackets	Percent within Cohort	Households within Bracket
	June 2014				
\$0-9,999	486	28.3%	9,999	100.0%	486
\$10,000-19,999	410	23.9%	7,850	78.5%	322
\$20,000-29,999	296	17.2%	0	0.0%	0
\$30,000-39,999	300	17.5%	0	0.0%	0
\$40,000-49,999	71	4.1%	0	0.0%	0
\$50,000-59,999	71	4.1%	0	0.0%	0
\$60,000-74,999	25	1.4%	0	0.0%	0
\$75,000-99,999	29	1.7%	0	0.0%	0
\$100,000+	28	1.7%	0	0.0%	0
	1,715	100.0%			808
Percent of renter households within limits versus total number of renter households					47.10%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mkt Entry June 2014 Median Income

Change from 2000 to Prj Mkt Entry June 2014

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$31,858		
\$45,305		
\$13,447		
42.2%		
7.0%		
7.0%	Two year adjustment	1,0000
\$17,850		
\$17,850		
Two		
50%		
\$0		
\$0.00		

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		50%
New Renter Households PMA		453
Percent Income Qualified		47.1%
New Renter Income Qualified Households		213

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

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		1,715
Income Qualified		47.1%
Income Qualified Renter Households		808
Percent Rent Overburdened Prj Mrkt Entry June 2014		33.9%
Rent Overburdened Households		274

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		808
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		4

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		5065
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		101

Total Demand

Total Demand from Existing Households		379
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%	57
Adjusted Demand from Existing Households		436
Total New Demand		213
Total Demand (New Plus Existing Households)		649

Demand from Seniors Who Convert from Homeownership		101
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	68.2%	443
Two Persons	18.5%	120
Three Persons	8.5%	55
Four Persons	1.5%	9
Five Persons	3.3%	21
Total	100.0%	649

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	44
Of one-person households in 1BR units	80%	354
Of two-person households in 1BR units	20%	24
Of one-person households in 2BR units	10%	44
Of two-person households in 2BR units	80%	96
Of three-person households in 2BR units	60%	33
Of three-person households in 3BR units	40%	22
Of four-person households in 3BR units	80%	8
Of five-person households in 3BR units	70%	15
Of four-person households in 4BR units	20%	2
Of five-person households in 4BR units	30%	6
Total Demand		649
Check		OK

Total Demand by Bedroom	50%
0 BR	44
1 BR	378
2 BR	174
Total Demand	596

Additions To Supply 2000 to Prj Mrkt Entry June 2014	50%
0 BR	0
1 BR	0
2 BR	0
3 BR	0
4 BR	0
5 BR	0
Total	0

Net Demand	50%
0 BR	44
1 BR	378
2 BR	174
Total	596

Developer's Unit Mix	50%
0 BR	3
1 BR	6
2 BR	1
Total	10

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$0		
Maximum Income Limit			\$24,480 Two		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mkt Entry June 2014		Income Brackets	Percent within Cohort	Renter Households within Bracket
	June 2014				
\$0-9,999	128	28.3%	9,999	100.0%	128
\$10,000-19,999	108	23.9%	9,999	100.0%	108
\$20,000-29,999	78	17.2%	4,480	44.8%	35
\$30,000-39,999	79	17.5%		0.0%	0
\$40,000-49,999	19	4.1%		0.0%	0
\$50,000-59,999	19	4.1%		0.0%	0
\$60,000-74,999	7	1.4%		0.0%	0
\$75,000-99,999	8	1.7%		0.0%	0
\$100,000+	7	1.7%		0.0%	0
	453	100.0%			272
Percent of renter households within limits versus total number of renter households					59.96%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$0		
Maximum Income Limit			\$24,480 Two		
Income Category	Total Renter Households PMA Prj Mkt Entry June 2014		Income Brackets	Percent within Cohort	Households within Bracket
	June 2014				
\$0-9,999	486	28.3%	9,999	100.0%	486
\$10,000-19,999	410	23.9%	9,999	100.0%	410
\$20,000-29,999	296	17.2%	4,480	44.8%	133
\$30,000-39,999	300	17.5%	0	0.0%	0
\$40,000-49,999	71	4.1%	0	0.0%	0
\$50,000-59,999	71	4.1%	0	0.0%	0
\$60,000-74,999	25	1.4%	0	0.0%	0
\$75,000-99,999	29	1.7%	0	0.0%	0
\$100,000+	28	1.7%	0	0.0%	0
	1,715	100.0%			1,028
Percent of renter households within limits versus total number of renter households					59.96%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mkt Entry June 2014 Median Income

Change from 2000 to Prj Mkt Entry June 2014

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$31,858		
\$45,305		
\$13,447		
42.2%		
7.0%		
7.0%	Two year adjustment	1,0000
\$24,480		
\$24,480		
Two		
60%		
\$0		
\$0.00		

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		60%
New Renter Households PMA		453
Percent Income Qualified		60.0%
New Renter Income Qualified Households		272

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

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		1,715
Income Qualified		60.0%
Income Qualified Renter Households		1,028
Percent Rent Overburdened Prj Mrkt Entry June 2014		33.9%
Rent Overburdened Households		349

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,028
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		5

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		5065
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		101

Total Demand

Total Demand from Existing Households		455
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%	68
Adjusted Demand from Existing Households		523
Total New Demand		272
Total Demand (New Plus Existing Households)		795

Demand from Seniors Who Convert from Homeownership		101
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	68.2%	542
Two Persons	18.5%	147
Three Persons	8.5%	68
Four Persons	1.5%	12
Five Persons	3.3%	26
Total	100.0%	795

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	54
Of one-person households in 1BR units	80%	434
Of two-person households in 1BR units	20%	29
Of one-person households in 2BR units	10%	54
Of two-person households in 2BR units	80%	118
Of three-person households in 2BR units	60%	41
Of three-person households in 3BR units	40%	27
Of four-person households in 3BR units	80%	9
Of five-person households in 3BR units	70%	18
Of four-person households in 4BR units	20%	2
Of five-person households in 4BR units	30%	8
Total Demand		795
Check		OK

Total Demand by Bedroom	60%
0 BR	54
1 BR	463
2 BR	213
Total Demand	730

Additions To Supply 2000 to Prj Mrkt Entry June 2014	60%
0 BR	0
1 BR	0
2 BR	0
Total	0

Net Demand	60%
0 BR	54
1 BR	463
2 BR	213
Total	730

Developer's Unit Mix	60%
0 BR	14
1 BR	31
2 BR	6
Total	51

Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$0		
Maximum Income Limit			\$24,480 Two		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Pj Mrkt Entry June 2014		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	128			
\$10,000-19,999	108	23.9%	9,999	100.0%	108
\$20,000-29,999	78	17.2%	4,480	44.8%	35
\$30,000-39,999	79	17.5%		0.0%	0
\$40,000-49,999	19	4.1%		0.0%	0
\$50,000-59,999	19	4.1%		0.0%	0
\$60,000-74,999	7	1.4%		0.0%	0
\$75,000-99,999	8	1.7%		0.0%	0
\$100,000+	7	1.7%		0.0%	0
	453	100.0%			272
Percent of renter households within limits versus total number of renter households					59.96%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$0		
Maximum Income Limit			\$24,480 Two		
Income Category	Total Renter Households PMA Pj Mrkt Entry June 2014		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	486			
\$10,000-19,999	410	23.9%	9,999	100.0%	410
\$20,000-29,999	296	17.2%	4,480	44.8%	133
\$30,000-39,999	300	17.5%	0	0.0%	0
\$40,000-49,999	71	4.1%	0	0.0%	0
\$50,000-59,999	71	4.1%	0	0.0%	0
\$60,000-74,999	25	1.4%	0	0.0%	0
\$75,000-99,999	29	1.7%	0	0.0%	0
\$100,000+	28	1.7%	0	0.0%	0
	1,715	100.0%			1,028
Percent of renter households within limits versus total number of renter households					59.96%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Pj Mrkt Entry June 2014 Median Income

Change from 2000 to Pj Mrkt Entry June 2014

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No	
Senior	
Urban	
40%	
\$31,858	
\$45,305	
\$13,447	
42.2%	
7.0%	
7.0%	Two year adjustment 1.0000
\$24,480	
\$24,480	
Two	
Overall	
\$0	
\$0.00	

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		Overall
New Renter Households PMA		453
Percent Income Qualified		60.0%
New Renter Income Qualified Households		272

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

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		1,715
Income Qualified		60.0%
Income Qualified Renter Households		1,028
Percent Rent Overburdened Prj Mrkt Entry June 2014		33.9%
Rent Overburdened Households		349

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,028
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		5

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

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		5065
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		101

Total Demand

Total Demand from Existing Households		455
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%	68
Adjusted Demand from Existing Households		523
Total New Demand		272
Total Demand (New Plus Existing Households)		795

Demand from Seniors Who Convert from Homeownership		101
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	68.2%	542
Two Persons	18.5%	147
Three Persons	8.5%	68
Four Persons	1.5%	12
Five Persons	3.3%	26
Total	100.0%	795

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	54
Of one-person households in 1BR units	80%	434
Of two-person households in 1BR units	20%	29
Of one-person households in 2BR units	10%	54
Of two-person households in 2BR units	80%	118
Of three-person households in 2BR units	60%	41
Of three-person households in 3BR units	40%	27
Of four-person households in 3BR units	80%	9
Of five-person households in 3BR units	70%	18
Of four-person households in 4BR units	20%	2
Of five-person households in 4BR units	30%	8
Total Demand		795
Check		OK

Total Demand by Bedroom	Overall
0 BR	54
1 BR	463
2 BR	213
Total Demand	730

Additions To Supply 2000 to Prj Mrkt Entry June 2014	Overall
0 BR	0
1 BR	0
2 BR	0
Total	0

Net Demand	Overall
0 BR	54
1 BR	463
2 BR	213
Total	730

Developer's Unit Mix	Overall
0 BR	17
1 BR	37
2 BR	7
Total	61

Conclusions

The Subject will offer 100 percent Section 8 subsidy and therefore the units are presumed leasable. The capture rate for the Subject is zero percent per GA DCA's guidelines.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market	Market Rents	Proposed Rents
Studio @ 50%	\$0 - \$17,850	3	44	0	44	0.0%	N/Ap	\$455	N/Av	BOI
One-Bedroom @ 50%	\$0 - \$17,850	6	378	0	378	0.0%	N/Ap	\$521	\$371 - \$655	BOI
Two-Bedroom @ 50%	\$0 - \$17,850	1	174	0	174	0.0%	N/Ap	\$573	\$431 - \$790	BOI
Studio @ 60%	\$0 - \$21,420	14	54	0	54	0.0%	N/Ap	\$455	N/Av	BOI
One-Bedroom @ 60%	\$0 - \$21,420	31	463	0	463	0.0%	N/Ap	\$522	\$389 - \$655	BOI
Two-Bedroom @ 60%	\$0 - \$24,480	6	213	0	213	0.0%	N/Ap	\$623	\$472 - \$655	BOI
Total	\$0 - \$24,480	61	730	0	730	0.0%	N/Ap	-	-	BOI

*Tenants will remain in place during the renovations as the property will renovate one floor at a time.

** Per DCA guidelines, units that operate with project based rental assistance are presumed leasable and therefore have capture rates of zero percent.

Per GA DCA's guidelines (see addenda) the Subject will have a capture rate of zero percent as it offers 100 percent subsidy and therefore the units are presumed leasable.

Demand and Net Demand

	HH at 50% AMI (min to max income)	HH at 60% AMI (min to max income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	213	272	272
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	4	5	5
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	274	349	349
PLUS	+	+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	57	68	68
Sub Total	548	694	694
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicatble)	101	101	101
Equals Total Demand	649	795	795
Less	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market between 2010 and the present		0	0
Equals Net Demand	649	795	795

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight “true” comparable properties containing 1,162 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered fair. We have included two senior LIHTC comparables and two family LIHTC comparables in our analysis. All of the LIHTC comparables are located within the PMA and all are located within four miles of the Subject. All of the LIHTC properties will be superior to the Subject in terms of age and amenities as the Subject is a historic property that will undergo renovations. We have also included four market rate properties in our analysis. These properties are all located inside the PMA, within 4.1 miles of the Subject site. Overall, the availability of market rate data is considered adequate.

General Market Overview/Included/Excluded Properties

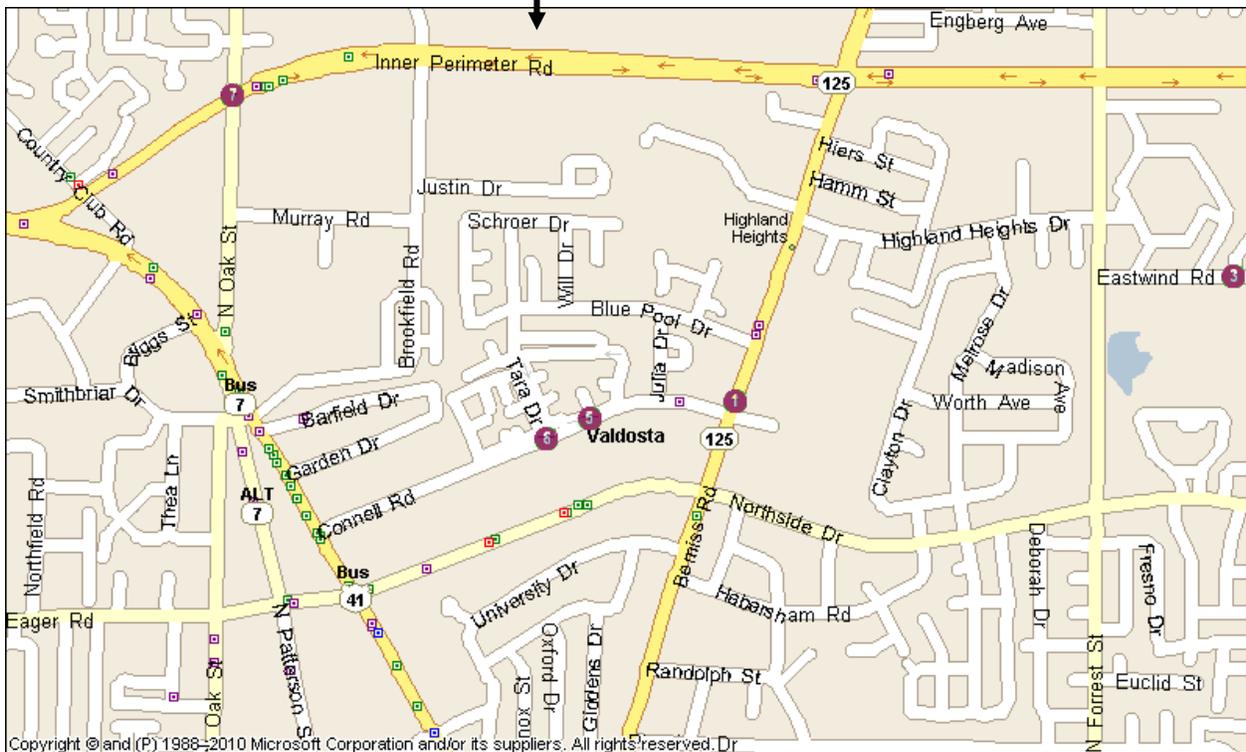
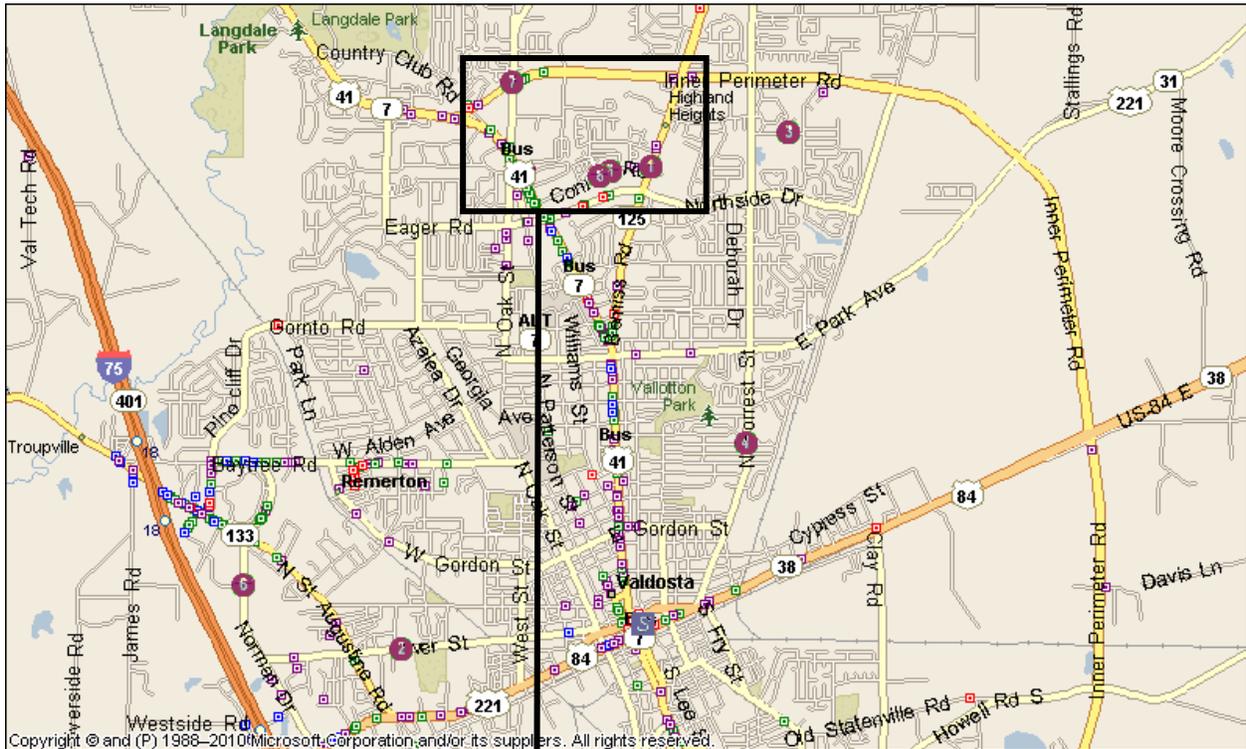
The following table illustrates properties that are within the PMA or a similar market areas. The table highlights vacancy. Some of these properties have been included as “true comparables.”

GENERAL MARKET OVERVIEW

Property Name	Type	Tenancy	Occupancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
Brookhaven TC Lake Park	RD	Family	N/Av	Excluded	Tenancy not comparable/subsidized	12.1 miles
Meadowbroom Apartments	RD	Family	N/Av	Excluded	Tenancy not comparable/subsidized	16.8 miles
Arbor Trace I	RD	Elderly	100%	Excluded	All units Subsidized	12.3 miles
Arbor Trace II	RD	Family	100%	Excluded	Tenancy not comparable/subsidized	12.3 miles
Brookhaven Apartments	RD	Family	N/Av	Excluded	Tenancy not comparable/subsidized	12.2 miles
Francis Lake Apartments I and II	RD	Family	100%	Excluded	Tenancy not comparable/subsidized	12.1 miles
Hillmont Apartments	RD	Elderly	96%	Excluded	All units Subsidized	12.0 miles
Hudson Dockett	Section 8	Family	N/Av	Excluded	Tenancy not comparable/subsidized	1.3 miles
Ora Lee West	Section 8	Family	N/Av	Excluded	Tenancy not comparable/subsidized	1.2 miles
Lake Park Apartments	Section 8	Family/Elderly	100%	Excluded	All units Subsidized	13.5 miles
Azalea Towers	Section 8	Elderly	N/Av	Excluded	All units Subsidized	3.6 miles
Azalea Woods	Section 8	Family	N/Av	Excluded	Tenancy not comparable/subsidized	1.7 miles
Park Chase	Section 8	Family	100%	Excluded	Tenancy not comparable/subsidized	1.8 miles
Brittany Woods	Section 8	Elderly	100%	Excluded	All units Subsidized	2.0 miles
Forest Manor	Section 8	Family	N/Av	Excluded	Tenancy not comparable/subsidized	1.8 miles
Sands Horizon I and II	Section 8	Family	N/Av	Excluded	Tenancy not comparable/subsidized	2.6 miles
Valdosta/Lowndes County Options	Section 8	Family	N/Av	Excluded	Tenancy not comparable/subsidized	2.0 miles
Hyde Park	LIHTC	Family	97%	Excluded	Tenancy and property type not comparable	2.8 miles
Pine Pointe	LIHTC	Family	76%	Excluded	Tenancy and property type not comparable	2.6 miles
Woodstone Apartments	Market	Family	N/Av	Excluded	Tenancy not comparable	2.7 miles
The Links	Market	Family	N/Av	Excluded	Tenancy not comparable	4.8 miles
Birchwood Apartments	Market	Family	98%	Excluded	Tenancy not comparable	4.9 miles
Villa Valdost	Market	Family	99%	Excluded	Tenancy not comparable	2.6 miles
Lakeside Apartments	Market	Family	91%	Excluded	Tenancy not comparable	3.3 miles
Rolling Hills	Market	Family	N/Av	Excluded	Tenancy not comparable	3.3 miles
Northwind Apartment Homes	Market	Family	98%	Excluded	Tenancy not comparable	4.5 miles
Ashley House	Section 8	Elderly	97%	Subject	N/Ap	Subject
Commons of Valdosta	LIHTC	Family	N/Av	Excluded	Tenancy not comparable	4.9 miles
Ashton Meadows	LIHTC	Senior	100%	Included	N/Ap	3.1 miles
Ashton Park	LIHTC	Family	94%	Included	N/Ap	1.7 miles
Heron Lake	LIHTC/HOME	Family	100%	Included	N/Ap	3.8 miles
Woodlawn Terrace	LIHTC	Senior	97%	Included	N/Ap	1.6 miles
Spanish Mission Apartments	Market	Family	92%	Included	N/Ap	3.3 miles
Spring Chase Apartments	Market	Family	99%	Included	N/Ap	3.6 miles
Staten Crossing	Market	Family	90%	Included	N/Ap	4.1 miles
Tall Tree Apartments	Market	Family	93%	Included	N/Ap	3.4 miles
Average			96%			
Average Senior			99%			

* Occupancy within the last 18 months

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property	Tenancy	Program	Distance
S	Ashley House	Elderly	LIHTC/Section 8	N/Ap
1	Ashton Meadows	Senior	@50%, @60%	3.1 miles
2	Ashton Park	Family	@50%, @60%	1.7 miles
3	Heron Lake	Family	LIHTC/HOME	3.8 miles
4	Woodlawn Terrace	Senior	@50%, @60%, Non-Rental	1.6 miles
5	Spanish Mission Apartments	Family	Market	3.3 miles
6	Spring Chase Apartments	Family	Market	3.6 miles
7	Staten Crossing	Family	Market	4.1 miles
8	Tall Tree Apartments	Family	Market	3.4 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Ashley House 109 East Hill Avenue Valdosta, GA 31601 Lowndes County	n/a	Highrise (age-restricted) (7 stories) 1926 / TBD	@50% (Section 8), @60% (Section 8)	Studio / 1BA	3	4.90%	BOI	\$446	407	yes		N/A	N/A
					Studio / 1BA	14	23.00%	BOI	\$535	407	yes		N/A	N/A
					1BR / 1BA	6	9.80%	BOI	\$478	540	yes		N/A	N/A
					1BR / 1BA	31	50.80%	BOI	\$573	540	yes		N/A	N/A
					2BR / 1BA	1	1.60%	BOI	\$573	691	yes		N/A	N/A
					2BR / 1BA	6	9.80%	BOI	\$688	691	yes		N/A	N/A
					61	100%						2	3.30%	
1	Ashton Meadows 2611 Bemiss Road Valdosta, GA 31602 Lowndes County	3.1 miles	Garden (age-restricted) (3 stories) 1999 / n/a	@50%, @60%	1BR / 1BA	46	57.50%	@50%	\$578	697	yes	Yes	0	0.00%
					1BR / 1BA	10	12.50%	@60%	\$633	697	no	Yes	0	0.00%
					2BR / 2BA	20	25.00%	@50%	\$702	971	yes	Yes	0	0.00%
					2BR / 2BA	4	5.00%	@60%	\$777	971	no	Yes	0	0.00%
						80	100%							
2	Ashton Park 1315 River Street Valdosta, GA 31602 Lowndes County	1.7 miles	Garden (2 stories) 1999 / n/a	@50%, @60%	1BR / 1BA	7	8.00%	@50%	\$538	667	yes	None	N/A	N/A
					1BR / 1BA	9	10.20%	@60%	\$572	667	yes	None	N/A	N/A
					2BR / 2BA	23	26.10%	@50%	\$639	869	yes	Yes	N/A	N/A
					2BR / 2BA	33	37.50%	@60%	\$686	869	yes	Yes	N/A	N/A
					3BR / 2BA	7	8.00%	@50%	\$751	1,055	yes	None	N/A	N/A
					3BR / 2BA	9	10.20%	@60%	\$856	1,055	yes	None	N/A	N/A
						88	100%							
3	Heron Lake 1800 Eastwind Road Valdosta, GA 31602 Lowndes County	3.8 miles	Garden 2003 / n/a	LIHTC/HOME	1BR / 1BA	N/A	N/A	@30%	\$348	783	no	Yes	N/A	N/A
					1BR / 1BA	N/A	N/A	@50%	\$534	783	no	Yes	N/A	N/A
					1BR / 1BA	N/A	N/A	@60%	\$552	783	no	Yes	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$688	783	n/a	n/a	N/A	N/A
					2BR / 1BA	N/A	N/A	@30%	\$420	1,040	no	Yes	N/A	N/A
					2BR / 1BA	N/A	N/A	@50%	\$638	1,040	no	Yes	N/A	N/A
					2BR / 1BA	N/A	N/A	@60%	\$679	1,040	no	Yes	N/A	N/A
					2BR / 1BA	N/A	N/A	Market	\$833	1,040	n/a	n/a	N/A	N/A
					3BR / 2BA	N/A	N/A	@30%	\$513	1,240	no	Yes	N/A	N/A
					3BR / 2BA	N/A	N/A	@50%	\$741	1,240	no	Yes	N/A	N/A
					3BR / 2BA	N/A	N/A	@60%	\$866	1,240	no	Yes	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$977	1,240	n/a	n/a	N/A	N/A
						152	100%							
4	Woodlawn Terrace 1211 N. Forrest Street Valdosta, GA 31601 Lowndes County	1.6 miles	Garden (age-restricted) (3 stories) 2011 / n/a	@50%, @60%, Non-Rental	1BR / 1BA	5	8.30%	@50%	\$483	762	no	Yes	1	20.00%
					1BR / 1BA	25	41.70%	@60%	\$573	762	no	Yes	1	4.00%
					2BR / 2BA	4	6.70%	@50%	\$582	1,086	no	Yes	0	0.00%
					2BR / 2BA	25	41.70%	@60%	\$687	1,086	no	Yes	0	0.00%
					2BR / 2BA	1	1.70%	Non-Rental	\$207	1,086	n/a		0	0.00%
						60	100%							

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
5	Spanish Mission Apartments 422 Connell Road Valdosta, GA 31602 Lowndes County	3.3 miles	Various (2 stories) 1973 / n/a	Market	1BR / 1BA (Garden)	10	6.70%	Market	\$714	890	n/a	Yes	0	0.00%
					2BR / 2.5BA (Garden)	20	13.30%	Market	\$833	1,213	n/a	Yes	2	10.00%
					2BR / 2.5BA (Townhouse)	52	34.70%	Market	\$848	1,125	n/a	Yes	0	0.00%
					3BR / 2.5BA (Garden)	68	45.30%	Market	\$954	1,456	n/a	Yes	10	14.70%
						150	100%							12
6	Spring Chase Apartments 1601 Norman Drive Valdosta, GA 31601 Lowndes County	3.6 miles	Garden (2 stories) 1996 / n/a	Market	1BR / 1BA	29	10.10%	Market	\$709	690	n/a	Yes	0	0.00%
					1.5BR / 1BA	8	2.80%	Market	\$862	1,126	n/a	Yes	0	0.00%
					2BR / 1BA	80	27.80%	Market	\$855	960	n/a	Yes	0	0.00%
					2BR / 2BA	88	30.60%	Market	\$954	1,226	n/a	Yes	2	2.30%
					3BR / 2BA	80	27.80%	Market	\$1,075	1,376	n/a	Yes	0	0.00%
					3BR / 2BA	3	1.00%	Market	\$1,122	1,400	n/a	Yes	1	33.30%
						288	100%							3
7	Staten Crossing 3925 N. Oak Street Valdosta, GA 31605 Lowndes County	4.1 miles	Garden (2 stories) 1999 / n/a	Market	1BR / 1BA	48	24.50%	Market	\$818	815	n/a	Yes	5	10.40%
					1BR / 1BA	N/A	N/A	Market	\$803	815	n/a	Yes	0	N/A
					2BR / 2BA	N/A	N/A	Market	\$997	1,150	n/a	Yes	12	N/A
					2BR / 2BA	112	57.10%	Market	\$957	1,128	n/a	Yes	0	0.00%
					3BR / 2BA	36	18.40%	Market	\$1,132	1,362	n/a	Yes	3	8.30%
					3BR / 2BA	N/A	N/A	Market	\$1,102	1,362	n/a	Yes	0	N/A
						196	100%							20
8	Tall Tree Apartments 420 Connell Road Valdosta, GA 31602 Lowndes County	3.4 miles	Various (2 stories) 1975 / n/a	Market	Studio / 1BA (Garden)	8	5.40%	Market	\$590	457	n/a	Yes	0	0.00%
					1BR / 1BA (Garden)	36	24.30%	Market	\$726	770	n/a	Yes	2	5.60%
					1.5BR / 1BA (Garden)	20	13.50%	Market	\$744	852	n/a	Yes	1	5.00%
					2BR / 1BA (Garden)	28	18.90%	Market	\$849	928	n/a	Yes	1	3.60%
					2BR / 1.5BA (Townhouse)	16	10.80%	Market	\$820	971	n/a	Yes	1	6.20%
					2BR / 2BA (Garden)	24	16.20%	Market	\$890	1,072	n/a	Yes	2	8.30%
					3BR / 2BA (Garden)	16	10.80%	Market	\$998	1,333	n/a	yes	3	18.80%
						148	100%							10

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

Effective Rent Date:	Jun-12	Units Surveyed:	1162	Weighted Occupancy:	95.50%
		Market Rate	782	Market Rate	94.20%
		Tax Credit	380	Tax Credit	98.20%

Studio One Bath	One Bedroom One Bath	Two Bedrooms One Bath
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	Property	Average	Property	Average	Property	Average	
RENT	Tall Tree Apartments	\$590	Staten Crossing	\$818	Staten Crossing (2BA)	\$997	
	Ashley House * (60%)	BOI	Staten Crossing	\$803	Staten Crossing (2BA)	\$957	
	Ashley House * (50%)	BOI	Tall Tree Apartments	\$726	Spring Chase Apartments	\$855	
			Spanish Mission Apartments	\$714	Tall Tree Apartments	\$849	
			Spring Chase Apartments	\$709	Spanish Mission Apartments (2.5BA)	\$848	
			Heron Lake * (M)	\$688	Heron Lake * (M)	\$833	
			Ashton Meadows * (60%)	\$633	Spanish Mission Apartments (2.5BA)	\$833	
			Ashton Meadows * (50%)	\$578	Ashton Meadows * (2BA 60%)	\$777	
			Ashley House * (60%)	BOI	Ashton Meadows * (2BA 50%)	\$702	
			Woodlawn Terrace * (60%)	\$573	Ashley House * (60%)	BOI	
			Ashton Park * (60%)	\$572	Woodlawn Terrace * (2BA 60%)	\$687	
			Heron Lake * (60%)	\$552	Ashton Park * (2BA 60%)	\$686	
			Ashton Park * (50%)	\$538	Heron Lake * (60%)	\$679	
			Heron Lake * (50%)	\$534	Ashton Park * (2BA 50%)	\$639	
			Woodlawn Terrace * (50%)	\$483	Heron Lake * (50%)	\$638	
			Ashley House * (50%)	BOI	Woodlawn Terrace * (2BA 50%)	\$582	
			Heron Lake * (30%)	\$348	Ashley House * (50%)	BOI	
					Heron Lake * (30%)	\$420	
	SQUARE FOOTAGE	Tall Tree Apartments	457	Spanish Mission Apartments	890	Spanish Mission Apartments (2.5BA)	1,213
		Ashley House * (50%)	407	Staten Crossing	815	Staten Crossing (2BA)	1,150
Ashley House * (60%)		407	Staten Crossing	815	Staten Crossing (2BA)	1,128	
			Heron Lake * (30%)	783	Spanish Mission Apartments (2.5BA)	1,125	
			Heron Lake * (50%)	783	Woodlawn Terrace * (2BA 50%)	1,086	
			Heron Lake * (60%)	783	Woodlawn Terrace * (2BA 60%)	1,086	
			Heron Lake * (M)	783	Heron Lake * (30%)	1,040	
			Tall Tree Apartments	770	Heron Lake * (50%)	1,040	
			Woodlawn Terrace * (50%)	762	Heron Lake * (60%)	1,040	
			Woodlawn Terrace * (60%)	762	Heron Lake * (M)	1,040	
			Ashton Meadows * (50%)	697	Ashton Meadows * (2BA 50%)	971	
			Ashton Meadows * (60%)	697	Ashton Meadows * (2BA 60%)	971	
			Spring Chase Apartments	690	Spring Chase Apartments	960	
			Ashton Park * (50%)	667	Tall Tree Apartments	928	
			Ashton Park * (60%)	667	Ashton Park * (2BA 50%)	869	
			Ashley House * (50%)	540	Ashton Park * (2BA 60%)	869	
			Ashley House * (60%)	540	Ashley House * (50%)	691	
					Ashley House * (60%)	691	

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

Effective Rent Date:	Jun-12	Units Surveyed:	1162	Weighted Occupancy:	95.50%
		Market Rate	782	Market Rate	94.20%
		Tax Credit	380	Tax Credit	98.20%

Studio One Bath

One Bedroom One Bath

Two Bedrooms One Bath

	Studio One Bath		One Bedroom One Bath		Two Bedrooms One Bath	
	Property	Average	Property	Average	Property	Average
RENT PER SQUARE	Ashley House * (60%)	BOI	Ashley House * (60%)	BOI	Ashley House * (60%)	BOI
	Tall Tree Apartments	\$1.29	Spring Chase Apartments	\$1.03	Tall Tree Apartments	\$0.91
	Ashley House * (50%)	BOI	Staten Crossing	\$1.00	Spring Chase Apartments	\$0.89
			Staten Crossing	\$0.99	Staten Crossing (2BA)	\$0.87
			Tall Tree Apartments	\$0.94	Staten Crossing (2BA)	\$0.85
			Ashton Meadows * (60%)	\$0.91	Ashley House * (50%)	BOI
			Ashley House * (50%)	BOI	Heron Lake * (M)	\$0.80
			Heron Lake * (M)	\$0.88	Ashton Meadows * (2BA 60%)	\$0.80
			Ashton Park * (60%)	\$0.86	Ashton Park * (2BA 60%)	\$0.79
			Ashton Meadows * (50%)	\$0.83	Spanish Mission Apartments (2.5BA)	\$0.75
			Ashton Park * (50%)	\$0.81	Ashton Park * (2BA 50%)	\$0.74
			Spanish Mission Apartments	\$0.80	Ashton Meadows * (2BA 50%)	\$0.72
			Woodlawn Terrace * (60%)	\$0.75	Spanish Mission Apartments (2.5BA)	\$0.69
			Heron Lake * (60%)	\$0.70	Heron Lake * (60%)	\$0.65
			Heron Lake * (50%)	\$0.68	Woodlawn Terrace * (2BA 60%)	\$0.63
			Woodlawn Terrace * (50%)	\$0.63	Heron Lake * (50%)	\$0.61
			Heron Lake * (30%)	\$0.44	Woodlawn Terrace * (2BA 50%)	\$0.54
					Heron Lake * (30%)	\$0.40

PROPERTY PROFILE REPORT

Ashton Meadows

Effective Rent Date 6/06/2012

Location 2611 Bemiss Road
Valdosta, GA 31602
Lowndes County
Intersection: Blue Pool Drive

Distance 3.1 miles

Units 80

Vacant Units 0

Vacancy Rate 0.0%

Type Garden (age-restricted) (3 stories)

Year Built/Renovated 1999 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Azalia Towers, Woodlawn Terrace, Ashton Park

Tenant Characteristics Seniors 55+ with an average age of 70.

Contact Name Glenda Pennington

Phone 229-242-3588



Market Information

Program @50%, @60%

Annual Turnover Rate 10%

Units/Month Absorbed 9

HCV Tenants 15%

Leasing Pace Pre-Leasing

Annual Chg. in Rent 11-20%

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water not included

Sewer not included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	46	697	\$415	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	10	697	\$470	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	20	971	\$495	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	4	971	\$570	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$415	\$0	\$415	\$163	\$578	1BR / 1BA	\$470	\$0	\$470	\$163	\$633
2BR / 2BA	\$495	\$0	\$495	\$207	\$702	2BR / 2BA	\$570	\$0	\$570	\$207	\$777

Ashton Meadows, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven

Blinds
Central A/C
Dishwasher
Ceiling Fan
Hand Rails
Refrigerator

Security

None

Services

None

Property

Clubhouse/Meeting
Exercise Facility
On-Site Management

Elevators
Off-Street Parking
Picnic Area

Premium

None

Other

shuffleboard

Comments

As of 2Q2012, the property is 100% occupied with a waiting list of 10 households. Management noted that average age has gone down to 65. Our contact opined that there definitely is a need for affordable housing in the area. Woodlawn Terrace, the most recent senior affordable housing development, has alleviated the number of calls and wait list for Ashton Meadows, according to management. The rents for the 40 percent AMI level units are at the maximum allowable level. The 60 percent units are two to three dollars off, according to management.

Ashton Meadows, continued

Trend Report

Vacancy Rates

3Q05	2Q06	2Q10	2Q12
0.0%	0.0%	1.3%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	3	0.0%	\$345	\$0	\$345	\$508
2006	2	0.0%	\$345	\$0	\$345	\$508
2010	2	0.0%	\$375	\$0	\$375	\$538
2012	2	0.0%	\$415	\$0	\$415	\$578

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	3	0.0%	\$404	\$0	\$404	\$611
2006	2	0.0%	\$404	\$0	\$404	\$611
2010	2	5.0%	\$443	\$0	\$443	\$650
2012	2	0.0%	\$495	\$0	\$495	\$702

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	3	0.0%	\$345	\$0	\$345	\$508
2006	2	0.0%	\$345	\$0	\$345	\$508
2010	2	0.0%	\$415	\$0	\$415	\$578
2012	2	0.0%	\$470	\$0	\$470	\$633

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	3	0.0%	\$404	\$0	\$404	\$611
2006	2	0.0%	\$404	\$0	\$404	\$611
2010	2	0.0%	\$475	\$0	\$475	\$682
2012	2	0.0%	\$570	\$0	\$570	\$777

Trend: Comments

- 3Q05** Ashton Meadows is an elderly/handicapped LIHTC property offering a total of 80 one- and two-bedroom units at the 50 percent and 60 percent AMI levels. The property is 20 percent handicapped. Annual turnover is approximately six households per year, or 7.5 percent. Units are preleased presently but generally are leased within 2 weeks. Rents have increased 9.5 percent on the one-bedroom units, and 7.4 percent on the two-bedroom units, or \$30 for both unit types. No concession is presently offered. Unit amenities include vaulted ceilings on the top floors. Informative seminars are held at the property provided by the fire department, police department, and Valdosta Tech checks vision and blood pressure. There have been no recent renovations to the property. The contact noted that there is a need for more LIHTC elderly properties. She also believed there to be a need for military housing as well. Significant local changes include the expansion of Moody Air Force Base, mall expansion, Valdosta Tech expansion, VSU enrollment growth, and many new businesses coming in.
- 2Q06** Ashton Meadows is an elderly/handicapped LIHTC property offering a total of 80 one- and two-bedroom units at the 50 percent and 60 percent AMI levels. The property is 20 percent handicapped. Annual turnover is approximately six households per year, or 7.5 percent. Units are preleased presently but generally are leased within 2 weeks. Rents increased by \$8 (two percent) in October. No concession is presently offered. Unit amenities include vaulted ceilings on the top floors. Informative seminars are held at the property provided by the fire department, police department, and Valdosta Tech checks vision and blood pressure. There have been no recent renovations to the property. The contact noted that there is a need for more LIHTC elderly properties. She also believed there to be a need for military housing as well. Significant local changes include the expansion of Moody Air Force Base, mall expansion, Valdosta Tech expansion, VSU enrollment growth, and many new businesses coming in. An estimated 10 to 15 residents have Section 8 vouchers.
- 2Q10** The current vacant unit has been leased. The average age of tenants is approximately 70. Management stated that some tenants originate from conventional rental properties throughout the county but most relocate after homeownership.
- 2Q12** As of 2Q2012, the property is 100% occupied with a waiting list of 10 households. Management noted that average age has gone down to 65. Our contact opined that there definitely is a need for affordable housing in the area. Woodlawn Terrace, the most recent senior affordable housing development, has alleviated the number of calls and wait list for Ashton Meadows, according to management. The rents for the 40 percent AMI level units are at the maximum allowable level. The 60 percent units are two to three dollars off, according to management.

PROPERTY PROFILE REPORT

Ashton Park

Effective Rent Date 6/05/2012

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

Distance 1.7 miles

Units 88

Vacant Units 5

Vacancy Rate 5.7%

Type Garden (2 stories)

Year Built/Renovated 1999 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Herron Lake and Ashton Meadows

Tenant Characteristics 75% local, 20% nearby counties, 5% out of state, average age 32

Contact Name Greta Glen

Phone 229-293-0069



Market Information

Program @50%, @60%

Annual Turnover Rate 20%

Units/Month Absorbed N/A

HCV Tenants 25%

Leasing Pace One Month

Annual Chg. in Rent None

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water not included

Sewer not included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	7	667	\$375	\$0	@50%	None	N/A	N/A	yes	None
1	1	Garden (2 stories)	9	667	\$409	\$0	@60%	None	N/A	N/A	yes	None
2	2	Garden (2 stories)	23	869	\$432	\$0	@50%	Yes	N/A	N/A	yes	None
2	2	Garden (2 stories)	33	869	\$479	\$0	@60%	Yes	N/A	N/A	yes	None
3	2	Garden (2 stories)	7	1,055	\$499	\$0	@50%	None	N/A	N/A	yes	None
3	2	Garden (2 stories)	9	1,055	\$604	\$0	@60%	None	N/A	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$375	\$0	\$375	\$163	\$538	1BR / 1BA	\$409	\$0	\$409	\$163	\$572
2BR / 2BA	\$432	\$0	\$432	\$207	\$639	2BR / 2BA	\$479	\$0	\$479	\$207	\$686
3BR / 2BA	\$499	\$0	\$499	\$252	\$751	3BR / 2BA	\$604	\$0	\$604	\$252	\$856

Ashton Park, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground

Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

As of 2Q2012, the property is operating at 94 percent occupancy. Management noted that this is unusually low due to a higher than normal number of move-outs. Our contact stated that these move-outs were due to school getting out so tenants have time to move, and persons losing their jobs. Management did note that applications are up. There is a long wait list, about 50 persons, for the two bedroom units. Rents have stayed relatively the same since our previous call. Management did give us the rent range strictly offered to Section 8 tenants, however. Their rent rates are \$330-378 for the one bedrooms, \$380-446 for the two bedrooms, and \$435-568 for the three bedrooms.

Ashton Park, continued

Trend Report

Vacancy Rates

2Q08	2Q10	3Q11	2Q12
2.3%	1.1%	4.5%	5.7%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$330	\$0	\$330	\$493
2010	2	0.0%	\$370	\$0	\$370	\$533
2011	3	0.0%	\$375	\$0	\$375	\$538
2012	2	N/A	\$375	\$0	\$375	\$538

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$389	\$0	\$389	\$596
2010	2	0.0%	\$425	\$0	\$425	\$632
2011	3	13.0%	\$444	\$0	\$444	\$651
2012	2	N/A	\$432	\$0	\$432	\$639

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$439	\$0	\$439	\$691
2010	2	6.2%	\$486	\$0	\$486	\$738
2011	3	0.0%	\$499	\$0	\$499	\$751
2012	2	N/A	\$499	\$0	\$499	\$751

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$332	\$0	\$332	\$495
2010	2	N/A	\$390	\$0	\$390	\$553
2011	3	0.0%	\$409	\$0	\$409	\$572
2012	2	N/A	\$409	\$0	\$409	\$572

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$393	\$0	\$393	\$600
2010	2	N/A	\$451	\$0	\$451	\$658
2011	3	3.0%	\$479	\$0	\$479	\$686
2012	2	N/A	\$479	\$0	\$479	\$686

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$553	\$0	\$553	\$805
2010	2	N/A	\$580	\$0	\$580	\$832
2011	3	0.0%	\$604	\$0	\$604	\$856
2012	2	N/A	\$604	\$0	\$604	\$856

Trend: Comments

- 2Q08** Our contact did not specify how long the waiting list is, but there is one less vacancy at this property than there was during our last survey two years ago. In addition, there were 50 persons on the waiting list last time. Rental rates decreased in the last year by about two to three percent on all units except the 3BR/2BA 60 percent units.
- 2Q10** Management reported that they are a LIHTC and HOME funded property. They reported that their utility allowance is based on actual utility costs. The utility allowance for a one-bedroom unit is \$86, for a two-bedroom unit is \$103, and for a three-bedroom unit is \$137.
- 3Q11** Management reported that they are a LIHTC and HOME funded property. They reported that their utility allowance is based on actual utility costs.
- 2Q12** As of 2Q2012, the property is operating at 94 percent occupancy. Management noted that this is unusually low due to a higher than normal number of move-outs. Our contact stated that these move-outs were due to school getting out so tenants have time to move, and persons losing their jobs. Management did note that applications are up. There is a long wait list, about 50 persons, for the two bedroom units. Rents have stayed relatively the same since our previous call. Management did give us the rent range strictly offered to Section 8 tenants, however. Their rent rates are \$330-378 for the one bedrooms, \$380-446 for the two bedrooms, and \$435-568 for the three bedrooms.

PROPERTY PROFILE REPORT

Heron Lake

Effective Rent Date 6/08/2012
Location 1800 Eastwind Road
 Valdosta, GA 31602
 Lowndes County
Distance 3.8 miles
Units 152
Vacant Units 0
Vacancy Rate 0.0%
Type Garden
Year Built/Renovated 2003 / N/A
Marketing Began 7/01/2011
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None in the area
Tenant Characteristics Families from Lowndes County
Contact Name Patty Pitts
Phone (229) 257-0844



Market Information

Program LIHTC/HOME
Annual Turnover Rate N/A
Units/Month Absorbed 4
HCV Tenants 8%
Leasing Pace 1 weeks
Annual Chg. in Rent Between 2 to 3%, up and down.
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	N/A	783	\$185	\$0	@30%	Yes	N/A	N/A	no	None
1	1	Garden	N/A	783	\$371	\$0	@50%	Yes	N/A	N/A	no	None
1	1	Garden	N/A	783	\$389	\$0	@60%	Yes	N/A	N/A	no	None
1	1	Garden	N/A	783	\$525	\$0	Market	n/a	N/A	N/A	N/A	None
2	1	Garden	N/A	1,040	\$213	\$0	@30%	Yes	N/A	N/A	no	None
2	1	Garden	N/A	1,040	\$431	\$0	@50%	Yes	N/A	N/A	no	None
2	1	Garden	N/A	1,040	\$472	\$0	@60%	Yes	N/A	N/A	no	None
2	1	Garden	N/A	1,040	\$626	\$0	Market	n/a	N/A	N/A	N/A	None
3	2	Garden	N/A	1,240	\$261	\$0	@30%	Yes	N/A	N/A	no	None
3	2	Garden	N/A	1,240	\$489	\$0	@50%	Yes	N/A	N/A	no	None
3	2	Garden	N/A	1,240	\$614	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Garden	N/A	1,240	\$725	\$0	Market	n/a	N/A	N/A	N/A	None

Heron Lake, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$185	\$0	\$185	\$163	\$348	1BR / 1BA	\$371	\$0	\$371	\$163	\$534
2BR / 1BA	\$213	\$0	\$213	\$207	\$420	2BR / 1BA	\$431	\$0	\$431	\$207	\$638
3BR / 2BA	\$261	\$0	\$261	\$252	\$513	3BR / 2BA	\$489	\$0	\$489	\$252	\$741
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$389	\$0	\$389	\$163	\$552	1BR / 1BA	\$525	\$0	\$525	\$163	\$688
2BR / 1BA	\$472	\$0	\$472	\$207	\$679	2BR / 1BA	\$626	\$0	\$626	\$207	\$833
3BR / 2BA	\$614	\$0	\$614	\$252	\$866	3BR / 2BA	\$725	\$0	\$725	\$252	\$977

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

In-Unit Alarm
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Exercise Facility
On-Site Management
Swimming Pool

Clubhouse/Meeting
Off-Street Parking
Playground

Premium

None

Other

None

Comments

Heron Lakes is divided into Phases One and Two. Our contact gave us separate information for each property, but we have combined the two. As of 2Q2012, the property is 94 percent occupied, with six vacancies in Phase One, and three vacancies in Phase Two. Our contact noted that this amount of vacancies was high for the property, which historically operated at or near 100 percent. The causes for this are higher than normal evictions and relocations. Gateway Management took over operation of this property in July of 2011. At that time, the property was 74 percent occupied. All income restricted rents are below their max levels, but are quite close to them. Rent levels have changed between two or three percent positively or negatively since we last spoke with management. As far as waiting lists, 30 percent AMI units are at over a year long, 50 percent AMI units at two to four months, and 60 percent AMI units at two to four months as well. Market rate units have no wait list. Management noted that the market rate units were more difficult to rent.

Heron Lake, continued

Trend Report

Vacancy Rates

2Q10	3Q11	2Q12
0.0%	0.0%	0.0%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$150	\$0	\$150	\$313
2011	3	N/A	\$200	\$0	\$200	\$363
2012	2	N/A	\$185	\$0	\$185	\$348

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$172	\$0	\$172	\$379
2011	3	N/A	\$233	\$0	\$233	\$440
2012	2	N/A	\$213	\$0	\$213	\$420

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$190	\$0	\$190	\$442
2011	3	N/A	\$252	\$0	\$252	\$504
2012	2	N/A	\$261	\$0	\$261	\$513

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$378	\$0	\$378	\$541
2011	3	N/A	\$388	\$0	\$388	\$551
2012	2	N/A	\$389	\$0	\$389	\$552

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$446	\$0	\$446	\$653
2011	3	N/A	\$458	\$0	\$458	\$665
2012	2	N/A	\$472	\$0	\$472	\$679

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$574	\$0	\$574	\$826
2011	3	N/A	\$585	\$0	\$585	\$837
2012	2	N/A	\$614	\$0	\$614	\$866

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$335	\$0	\$335	\$498
2011	3	N/A	\$355	\$0	\$355	\$518
2012	2	N/A	\$371	\$0	\$371	\$534

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$393	\$0	\$393	\$600
2011	3	N/A	\$418	\$0	\$418	\$625
2012	2	N/A	\$431	\$0	\$431	\$638

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$446	\$0	\$446	\$698
2011	3	N/A	\$471	\$0	\$471	\$723
2012	2	N/A	\$489	\$0	\$489	\$741

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$478	\$0	\$478	\$641
2011	3	N/A	\$495	\$0	\$495	\$658
2012	2	N/A	\$525	\$0	\$525	\$688

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$546	\$0	\$546	\$753
2011	3	N/A	\$576	\$0	\$576	\$783
2012	2	N/A	\$626	\$0	\$626	\$833

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$674	\$0	\$674	\$926
2011	3	N/A	\$699	\$0	\$699	\$951
2012	2	N/A	\$725	\$0	\$725	\$977

Trend: Comments

- 2Q10** There is a two year waiting list for the 30 percent units and a one year waiting list for all other unit types.
- 3Q11** There is a six to 12 month waiting list for all of the units. The property manager stated that there is a strong demand for affordable housing in the area and that she is turning people away on a daily basis who need immediate housing. She also indicated that she was not sure why they were not at maximum allowable rents as they maintain a high occupancy. This property has recently changed management companies and the new management company will likely increase the rents. Heron Lakes was constructed in two phases. Phase one was completed in 2005 and phase two was completed in 2008. The property manager stated that the 62 Phase two units reached stabilized occupancy within two months and they began preleasing the property approximately one month prior to completion.
- 2Q12** Heron Lakes is divided into Phases One and Two. Our contact gave us separate information for each property, but we have combined the two. As of 2Q2012, the property is 94 percent occupied, with six vacancies in Phase One, and three vacancies in Phase Two. Our contact noted that this amount of vacancies was high for the property, which historically operated at or near 100 percent. The causes for this are higher than normal evictions and relocations. Gateway Management took over operation of this property in July of 2011. At that time, the property was 74 percent occupied. All income restricted rents are below their max levels, but are quite close to them. Rent levels have changed between two or three percent positively or negatively since we last spoke with management. As far as waiting lists, 30 percent AMI units are at over a year long, 50 percent AMI units at two to four months, and 60 percent AMI units at two to four months as well. Market rate units have no wait list. Management noted that the market rate units were more difficult to rent.

PROPERTY PROFILE REPORT

Woodlawn Terrace

Effective Rent Date 6/08/2012
Location 1211 N. Forrest Street
 Valdosta, GA 31601
 Lowndes County
Distance 1.6 miles
Units 60
Vacant Units 2
Vacancy Rate 3.3%
Type Garden (age-restricted) (3 stories)
Year Built/Renovated 2011 / N/A
Marketing Began 8/01/2011
Leasing Began N/A
Last Unit Leased 3/30/2012
Major Competitors Ashton Meadows
Tenant Characteristics N/A
Contact Name Patty Pitts
Phone 850.588.4484



Market Information

Program @50%, @60%, Non-Rental
Annual Turnover Rate N/A
Units/Month Absorbed 3
HCV Tenants 10%
Leasing Pace Pre-Leasing
Annual Chg. in Rent 0
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	5	762	\$320	\$0	@50%	Yes	1	20.0%	no	None
1	1	Garden (3 stories)	25	762	\$410	\$0	@60%	Yes	1	4.0%	no	None
2	2	Garden (3 stories)	4	1,086	\$375	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	25	1,086	\$480	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	1	1,086	\$0	\$0	Non-Rental	N/A	0	0.0%	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$320	\$0	\$320	\$163	\$483	1BR / 1BA	\$410	\$0	\$410	\$163	\$573
2BR / 2BA	\$375	\$0	\$375	\$207	\$582	2BR / 2BA	\$480	\$0	\$480	\$207	\$687
Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
2BR / 2BA	N/A	\$0	N/A	\$207	\$207						

Woodlawn Terrace, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Microwave
Pull Cords
Washer/Dryer

Blinds
Central A/C
Dishwasher
Ceiling Fan
Hand Rails
Oven
Refrigerator
Washer/Dryer hookup

Security

Perimeter Fencing

Services

Adult Education

Property

Business Center/Computer Lab
Elevators
On-Site Management
Recreation Areas

Clubhouse/Meeting
Off-Street Parking
Picnic Area
Sport Court

Premium

None

Other

Shuffleboard, community

Comments

As of 2Q2012, the only vacancies were in the one bedroom 50 and 60 percent AMI units. Gateway Management took over the operation of this property in July of 2011. At that time, the property was only 45 percent occupied. It took management until March of 2012 to reach a stabilized occupancy. Rents have stayed the same since last speaking with management. Our contact noted that Gateway contemplated raising rents in January, but decided against this. Rents are not at their max levels, but are very close. There is a six month wait list overall for units at the property.

Woodlawn Terrace, continued

Trend Report

Vacancy Rates

2Q10	2Q12
N/A	3.3%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$320	\$0	\$320	\$483
2012	2	20.0%	\$320	\$0	\$320	\$483

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$375	\$0	\$375	\$582
2012	2	0.0%	\$375	\$0	\$375	\$582

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$410	\$0	\$410	\$573
2012	2	4.0%	\$410	\$0	\$410	\$573

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$480	\$0	\$480	\$687
2012	2	0.0%	\$480	\$0	\$480	\$687

Trend: Non-Rental

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	N/A	\$0	N/A	\$207
2012	2	0.0%	N/A	\$0	N/A	\$207

Trend: Comments

2Q10 This is a proposed LIHTC development featuring 60 units restricted to senior residents 55 and older.

2Q12 As of 2Q2012, the only vacancies were in the one bedroom 50 and 60 percent AMI units. Gateway Management took over the operation of this property in July of 2011. At that time, the property was only 45 percent occupied. It took management until March of 2012 to reach a stabilized occupancy. Rents have stayed the same since last speaking with management. Our contact noted that Gateway contemplated raising rents in January, but decided against this. Rents are not at their max levels, but are very close. There is a six month wait list overall for units at the property.

PROPERTY PROFILE REPORT

Spanish Mission Apartments

Effective Rent Date 6/05/2012
Location 422 Connell Road
 Valdosta, GA 31602
 Lowndes County
 Intersection: SR-7/US-41
Distance 3.3 miles
Units 150
Vacant Units 12
Vacancy Rate 8.0%
Type Various (2 stories)
Year Built/Renovated 1973 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Tall Tree, Woodstone, Three Oaks, Staten Crossing
Tenant Characteristics Students, military personnel, families
Contact Name Jessie
Phone 229.242.7333



Market Information

Program Market
Annual Turnover Rate 15%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace 1 week
Annual Chg. in Rent Increased between 2 and 7 percent
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	10	890	\$590	\$0	Market	Yes	0	0.0%	N/A	None
2	2.5	Garden (2 stories)	20	1,213	\$675	\$0	Market	Yes	2	10.0%	N/A	None
2	2.5	Townhouse (2 stories)	52	1,125	\$690	\$0	Market	Yes	0	0.0%	N/A	None
3	2.5	Garden (2 stories)	68	1,456	\$760	\$0	Market	Yes	10	14.7%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$590	\$0	\$590	\$124	\$714
2BR / 2.5BA	\$675 - \$690	\$0	\$675 - \$690	\$158	\$833 - \$848
3BR / 2.5BA	\$760	\$0	\$760	\$194	\$954

Spanish Mission Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Oven

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator

Security

None

Services

None

Property

Basketball Court
Exercise Facility
Off-Street Parking
Playground
Tennis Court

Clubhouse/Meeting
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

As of 2Q2012, the property is operating at 92 percent occupancy, which management noted is normal for them. There is a waitlist going into July and August with 8 persons on it.

Spanish Mission Apartments, continued

Trend Report

Vacancy Rates

2Q06	2Q08	2Q12
5.3%	6.0%	8.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	0.0%	\$570	\$0	\$570	\$694
2008	2	0.0%	\$550	\$0	\$550	\$674
2012	2	0.0%	\$590	\$0	\$590	\$714

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	9.7%	\$655 - \$675	\$0	\$655 - \$675	\$813 - \$833
2008	2	5.6%	\$640 - \$660	\$0	\$640 - \$660	\$798 - \$818
2012	2	2.8%	\$675 - \$690	\$0	\$675 - \$690	\$833 - \$848

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	1.5%	\$795	\$0	\$795	\$989
2008	2	7.4%	\$740	\$0	\$740	\$934
2012	2	14.7%	\$760	\$0	\$760	\$954

Trend: Comments

- 2Q06** The property currently has eight vacancies, most of them two-bedroom units. However, they are leased and awaiting occupancy. No concessions are being offered in July; however, they were offering \$200 off the first month's rent in June. Turnover averages 48 percent annually. Leasing takes one to two weeks. None of the tenants have Section 8 vouchers. Many of the property's tenants are students. They also have military personnel and other families. The leasing agent reported that the market is really good. Tenants pay a fee to cover water and sewer expenses. The fee is \$15 for one-bedroom units; \$25 for two-bedroom units; and \$35 for three-bedroom units. This fee has been added to the rents. The rents vary based on the condition of the units as some have been fully renovated with new carpet, tile, and appliances. We have used these higher rents in the analysis.
- 2Q08** Rental rates have decreased 4.6 percent since our last survey two years ago. Turnover and leasing pace have remained approximately the same and vacant units increased by one unit.
- 2Q12** As of 2Q2012, the property is operating at 92 percent occupancy, which management noted is normal for them. There is a waitlist going into July and August with 8 persons on it.

PROPERTY PROFILE REPORT

Spring Chase Apartments

Effective Rent Date	6/05/2012
Location	1601 Norman Drive Valdosta, GA 31601 Lowndes County
Distance	3.6 miles
Units	288
Vacant Units	3
Vacancy Rate	1.0%
Type	Garden (2 stories)
Year Built/Renovated	1996 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Tall Tree, Staten Crossing, The Links
Tenant Characteristics	1/2 military, 1/2 a mix of seniors and students
Contact Name	Shasta
Phone	229.247.8472



Market Information

Program	Market
Annual Turnover Rate	8%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Pre-Lease
Annual Chg. in Rent	\$0
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	29	690	\$585	\$0	Market	Yes	0	0.0%	N/A	None
1.5	1	Garden (2 stories)	8	1,126	\$738	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	80	960	\$697	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	88	1,226	\$796	\$0	Market	Yes	2	2.3%	N/A	None
3	2	Garden (2 stories)	80	1,376	\$881	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	3	1,400	\$928	\$0	Market	Yes	1	33.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$585	\$0	\$585	\$124	\$709
1.5BR / 1BA	\$738	\$0	\$738	\$124	\$862
2BR / 1BA	\$697	\$0	\$697	\$158	\$855
2BR / 2BA	\$796	\$0	\$796	\$158	\$954
3BR / 2BA	\$881 - \$928	\$0	\$881 - \$928	\$194	\$1,075 - \$1,122

Spring Chase Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Blinds
Central A/C
Garbage Disposal
Refrigerator

Security

In-Unit Alarm
Limited Access
Patrol
Perimeter Fencing
Video Surveillance

Services

None

Property

Basketball Court
Clubhouse/Meeting
Central Laundry
Swimming Pool

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Tennis Court

Premium

None

Other

None

Comments

As of 2Q2012, not much has changed in at Spring Chase. Rents have stayed stable since last speaking with management. The complex is currently 99% occupied with a waitlist of 30 persons. Our contact noted that the carpeting in all units is slowly being replaced by hardwood look-a-like vinyl. The timeline for completion of the carpet to vinyl replacement is unknown.

Spring Chase Apartments, continued

Trend Report

Vacancy Rates

1Q08	3Q11	2Q12
0.0%	0.0%	1.0%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$708	\$0	\$708	\$832
2011	3	0.0%	\$738	\$0	\$738	\$862
2012	2	0.0%	\$738	\$0	\$738	\$862

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$551	\$0	\$551	\$675
2011	3	0.0%	\$585	\$0	\$585	\$709
2012	2	0.0%	\$585	\$0	\$585	\$709

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$677	\$0	\$677	\$835
2011	3	0.0%	\$697	\$0	\$697	\$855
2012	2	0.0%	\$697	\$0	\$697	\$855

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$756	\$0	\$756	\$914
2011	3	0.0%	\$796	\$0	\$796	\$954
2012	2	2.3%	\$796	\$0	\$796	\$954

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$860 - \$908	\$0	\$860 - \$908	\$1,054 - \$1,102
2011	3	0.0%	\$881 - \$928	\$0	\$881 - \$928	\$1,075 - \$1,122
2012	2	1.2%	\$881 - \$928	\$0	\$881 - \$928	\$1,075 - \$1,122

Trend: Comments

1Q08 N/A

3Q11 N/A

2Q12 As of 2Q2012, not much has changed in at Spring Chase. Rents have stayed stable since last speaking with management. The complex is currently 99% occupied with a waitlist of 30 persons. Our contact noted that the carpeting in all units is slowly being replaced by hardwood look-a-like vinyl. The timeline for completion of the carpet to vinyl replacement is unknown.

PROPERTY PROFILE REPORT

Staten Crossing

Effective Rent Date	6/05/2012
Location	3925 N. Oak Street Valdosta, GA 31605 Lowndes County
Distance	4.1 miles
Units	196
Vacant Units	20
Vacancy Rate	10.2%
Type	Garden (2 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Northwind, Three Oaks
Tenant Characteristics	Seniors and Families from Lowndes County
Contact Name	Nicole
Phone	229-247-9880



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	8-10 Days
Annual Chg. in Rent	3-5%
Concession	Only to active military.

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	48	815	\$655	\$0	Market	Yes	5	10.4%	N/A	HIGH
1	1	Garden (2 stories)	N/A	815	\$640	\$0	Market	Yes	0	N/A	N/A	LOW
2	2	Garden (2 stories)	N/A	1,150	\$790	\$0	Market	Yes	12	N/A	N/A	HIGH
2	2	Garden (2 stories)	112	1,128	\$750	\$0	Market	Yes	0	0.0%	N/A	LOW
3	2	Garden (2 stories)	36	1,362	\$880	\$0	Market	Yes	3	8.3%	N/A	HIGH
3	2	Garden (2 stories)	N/A	1,362	\$850	\$0	Market	Yes	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$640 - \$655	\$0	\$640 - \$655	\$163	\$803 - \$818
2BR / 2BA	\$750 - \$790	\$0	\$750 - \$790	\$207	\$957 - \$997
3BR / 2BA	\$850 - \$880	\$0	\$850 - \$880	\$252	\$1,102 - \$1,132

Staten Crossing, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Vaulted Ceilings
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Walk-In Closet

Security

In-Unit Alarm
Limited Access
Patrol

Services

None

Property

Car Wash
Exercise Facility
Off-Street Parking
Swimming Pool
Volleyball Court

Clubhouse/Meeting
Central Laundry
Playground
Tennis Court

Premium

None

Other

None

Comments

The price ranges based on floor plan and view. Rents stated in the table reflect these variances. There is currently a waitlist of 4 people. Concessions are only being offered to military personnel, whom management noted makes up around a third of tenants. The property is operating at 90% occupancy, which management stated was normal.

Staten Crossing, continued

Trend Report

Vacancy Rates

1Q08	2Q10	3Q11	2Q12
2.0%	0.5%	2.6%	10.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$590	\$0	\$590	\$753
2010	2	0.0%	\$610	\$0	\$610	\$773
2011	3	N/A	\$640 - \$655	\$0	\$640 - \$655	\$803 - \$818
2012	2	N/A	\$640 - \$655	\$0	\$640 - \$655	\$803 - \$818

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$710 - \$745	\$0	\$710 - \$745	\$917 - \$952
2010	2	N/A	\$730 - \$770	\$0	\$730 - \$770	\$937 - \$977
2011	3	N/A	\$740 - \$780	\$0	\$740 - \$780	\$947 - \$987
2012	2	N/A	\$750 - \$790	\$0	\$750 - \$790	\$957 - \$997

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$820	\$0	\$820	\$1,072
2010	2	N/A	\$840 - \$870	\$0	\$840 - \$870	\$1,092 - \$1,122
2011	3	N/A	\$840 - \$870	\$0	\$840 - \$870	\$1,092 - \$1,122
2012	2	N/A	\$850 - \$880	\$0	\$850 - \$880	\$1,102 - \$1,132

Trend: Comments

1Q08	Rent varies according to location and vaulted ceilings.
2Q10	The price ranges based on floor plan and view. The waiting list currently consists of eight households for one and three-bedroom units. According to management, there is demand in the market for a senior affordable property because few of these types of properties exist. Management frequently receives inquiries about senior affordable options.
3Q11	The price ranges based on floor plan and view. The property manager stated that she has been bombarded with calls from people looking for affordable and LIHTC properties for senior and that callers are frustrated when they are told they can not accommodate them.
2Q12	The price ranges based on floor plan and view. Rents stated in the table reflect these variances. There is currently a waitlist of 4 people. Concessions are only being offered to military personnel, whom management noted makes up around a third of tenants. The property is operating at 90% occupancy, which management stated was normal.

PROPERTY PROFILE REPORT

Tall Tree Apartments

Effective Rent Date 6/06/2012
Location 420 Connell Road
 Valdosta, GA 31602
 Lowndes County
 Intersection: Sr-7/US-41
Distance 3.4 miles
Units 148
Vacant Units 10
Vacancy Rate 6.8%
Type Various (2 stories)
Year Built/Renovated 1975 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Spanish Mission, and Three Oaks
Tenant Characteristics 70% military, 10% students and 20% families.
Contact Name Kristin
Phone 229-244-9632



Market Information

Program Market
Annual Turnover Rate 33%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Prelease
Annual Chg. in Rent Rents increased 1-4%
Concession See Comments

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	8	457	\$455	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	36	770	\$547	\$0	Market	Yes	2	5.6%	N/A	None
1.5	1	Garden (2 stories)	20	852	\$565	\$0	Market	Yes	1	5.0%	N/A	None
2	1	Garden (2 stories)	28	928	\$626	\$0	Market	Yes	1	3.6%	N/A	None
2	1.5	Townhouse (2 stories)	16	971	\$597	\$0	Market	Yes	1	6.2%	N/A	None
2	2	Garden (2 stories)	24	1,072	\$667	\$0	Market	Yes	2	8.3%	N/A	None
3	2	Garden (2 stories)	16	1,333	\$730	\$0	Market	yes	3	18.8%	N/A	None

Tall Tree Apartments, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$455	\$0	\$455	\$135	\$590
1BR / 1BA	\$547	\$0	\$547	\$179	\$726
1.5BR / 1BA	\$565	\$0	\$565	\$179	\$744
2BR / 1BA	\$626	\$0	\$626	\$223	\$849
2BR / 1.5BA	\$597	\$0	\$597	\$223	\$820
2BR / 2BA	\$667	\$0	\$667	\$223	\$890
3BR / 2BA	\$730	\$0	\$730	\$268	\$998

Amenities

In-Unit

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

Blinds
 Central A/C
 Dishwasher
 Ceiling Fan
 Oven
 Walk-In Closet

Security

Patrol

Services

None

Property

Clubhouse/Meeting
 Off-Street Parking
 Swimming Pool

Exercise Facility
 On-Site Management

Premium

None

Other

Dog park

Comments

As of 2Q2012, the property is 94 percent occupied with a wait list of three households. The annual turnover rate is high at 33 percent due to the transient nature of military households, which makes up the majority of tenants in the property. Concessions currently offered are chosen at random between no deposit fee, half off deposit fee, no administration fee, or \$15 off rent for the lease duration. The playground had sustained damages during the prior couple of years, but management decided to tear down the structure instead of repairing it.

Tall Tree Apartments, continued

Trend Report

Vacancy Rates

2Q06	2Q08	2Q10	2Q12
5.4%	7.4%	5.4%	6.8%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	5.0%	\$535	\$0	\$535	\$714
2008	2	5.0%	\$550	\$0	\$550	\$729
2010	2	0.0%	\$550	\$0	\$550	\$729
2012	2	5.0%	\$565	\$0	\$565	\$744

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	5.6%	\$499	\$0	\$499	\$678
2008	2	11.1%	\$515	\$0	\$515	\$694
2010	2	8.3%	\$535	\$0	\$535	\$714
2012	2	5.6%	\$547	\$0	\$547	\$726

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	6.2%	\$570	\$0	\$570	\$793
2008	2	0.0%	\$590	\$0	\$590	\$813
2010	2	6.2%	\$590	\$0	\$590	\$813
2012	2	6.2%	\$597	\$0	\$597	\$820

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	3.6%	\$580	\$0	\$580	\$803
2008	2	10.7%	\$600	\$0	\$600	\$823
2010	2	0.0%	\$620	\$0	\$620	\$843
2012	2	3.6%	\$626	\$0	\$626	\$849

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	4.2%	\$599	\$0	\$599	\$822
2008	2	8.3%	\$625	\$0	\$625	\$848
2010	2	4.2%	\$640	\$0	\$640	\$863
2012	2	8.3%	\$667	\$0	\$667	\$890

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	12.5%	\$699	\$0	\$699	\$967
2008	2	0.0%	\$715	\$0	\$715	\$983
2010	2	12.5%	\$715	\$0	\$715	\$983
2012	2	18.8%	\$730	\$0	\$730	\$998

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	0.0%	\$415	\$0	\$415	\$550
2008	2	12.5%	\$445	\$0	\$445	\$580
2010	2	12.5%	\$445	\$0	\$445	\$580
2012	2	0.0%	\$455	\$0	\$455	\$590

Tall Tree Apartments, continued

Trend: Comments

- 2Q06** Rents increased at the property by \$5-\$10 (one percent) two months ago. The property is currently experiencing high vacancy because it is heavily reliant on students who have returned home for the summer. Some of its current vacancies are leased, however. Management expects leasing will pick up at the end of July as students return for school. Turnover varies widely depending on the time of year. It is estimated to be approximately 80 percent annually, which is high but not unusual given the tenant base. The property is offering only a minor special of \$0 security deposit for applicants with good credit. Leasing takes a minimum of seven days to prepare the unit, but can take 30 days or more depending on the time of year and number of vacancies. Management is very positive about the overall healthy of the market.
- 2Q08** Rents have increased 3.5 percent since our last survey about two years ago.
- 2Q10** Water, sewer and trash are not included utilities, but tenants are charged a flat rate for these services. Seven of the eight vacant units are leased. There have been some renovations on select units. The contact indicated that between seven and twelve households move out each month; we used twelve per month to conservatively estimate turnover. The property does not accept housing choice vouchers. The playground will be opened at the end of the summer. Only two and three bedrooms have washer and dryer hookups. Only one and three bedrooms have walk-in closets.
- 2Q12** As of 2Q2012, the property is 94 percent occupied with a wait list of three households. The annual turnover rate is high at 33 percent due to the transient nature of military households, which makes up the majority of tenants in the property. Concessions currently offered are chosen at random between no deposit fee, half off deposit fee, no administration fee, or \$15 off rent for the lease duration. The playground had sustained damages during the prior couple of years, but management decided to tear down the structure instead of repairing it.

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

Housing Choice Vouchers

TENANTS WITH VOUCHERS			
Comparable Property	Tenancy	Type	Housing Choice Voucher Tenants
Ashton Meadows	Senior	LIHTC	15%
Ashton Park	Family	LIHTC	25%
Heron Lake	Family	LIHTC	8%
Woodlawn Terrace	Senior	LIHTC	10%
Spanish Mission Apartments	Family	Market	0%
Spring Chase Apartments	Family	Market	0%
Staten Crossing	Family	Market	0%
Tall Tree Apartments	Family	Market	0%
Average			7%

Voucher tenancy in the local market is low at seven percent. The two senior LIHTC properties reported moderate voucher reliance from 10 to 15 percent. All of the Subject's units will have a project based subsidy. As such, there will be no voucher tenants.

Lease Up History

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

Absorption						
Property	Rent Structure	Tenancy	Date Opened	# of Units	Units Per Month Absorbed	Absorption Pace
Woodlawn Terrace	LIHTC	Senior	2011	60	8	8 months
Ashton Meadows	LIHTC	Senior	1999	80	9	9 months

The newest senior LIHTC property in the market, Woodlawn Terrace, opened in April of 2011 and reached 100 percent occupancy by March 2012 for an absorption pace of eight months. The Subject is an existing subsidized property that will undergo renovations one floor at a time with the remaining floors occupied during the renovations. Therefore, absorption is somewhat moot. Given the subsidy at the Subject, the current occupancy of 97 percent at the Subject, and the waiting list present, we believe the Subject will lease its vacant units within each floor within one month of availability.

Phased Developments

The Subject will not be a phased development.

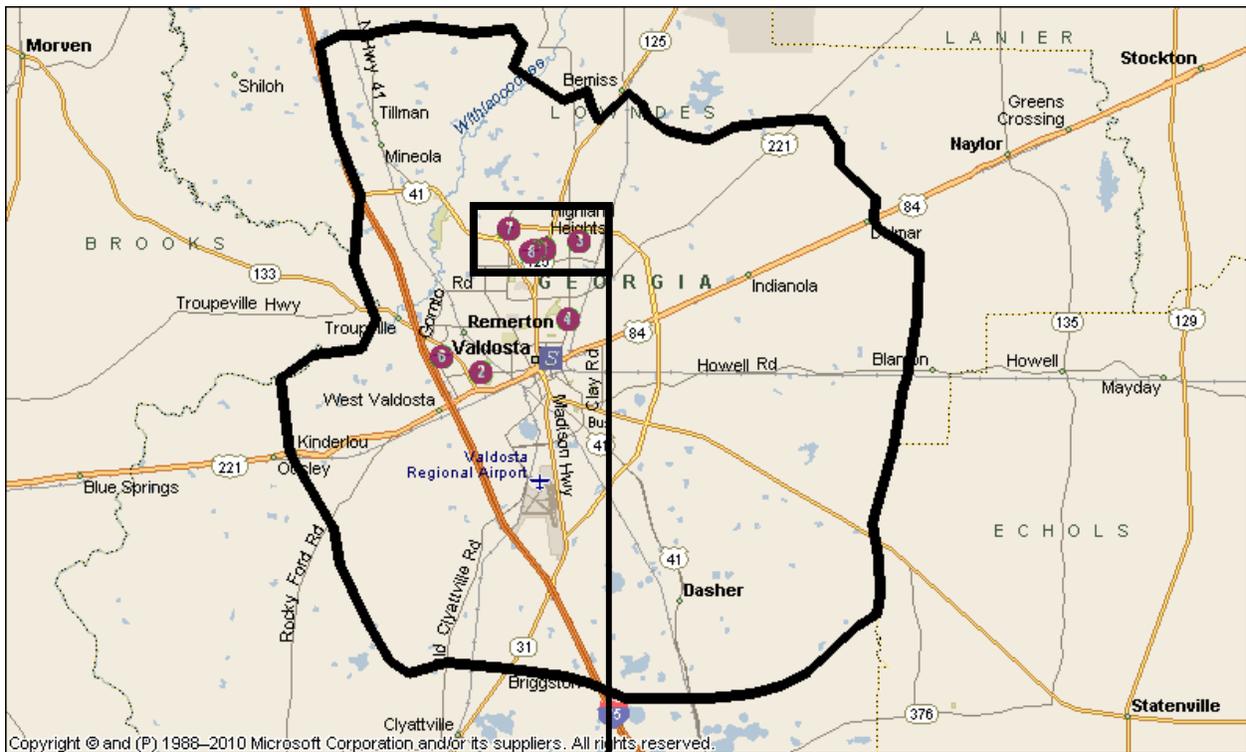
Rural Areas

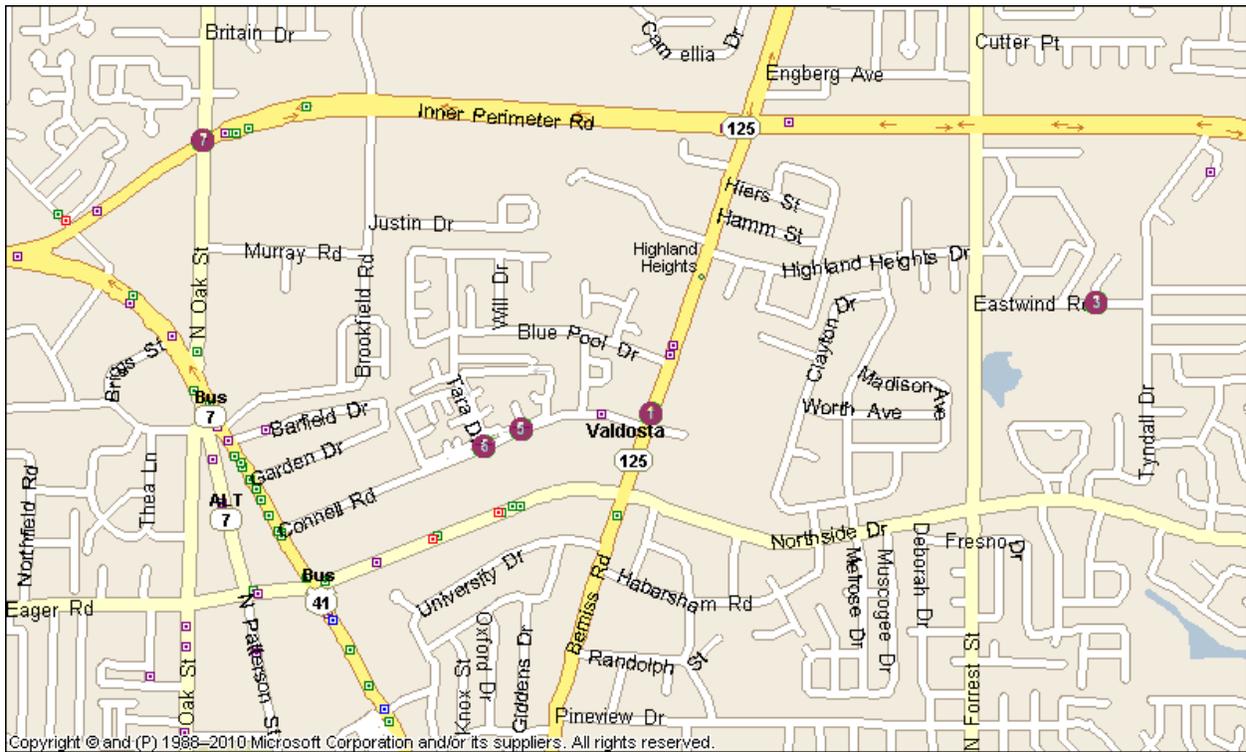
The Subject site is not located in a rural area.

3. COMPETITIVE PROJECT MAP

COMPARABLE PROPERTIES

#	Property	Tenancy	Program	Distance
S	Ashley House	Elderly	LIHTC/Section 8	N/Ap
1	Ashton Meadows	Senior	@50%, @60%	3.1 miles
2	Ashton Park	Family	@50%, @60%	1.7 miles
3	Heron Lake	Family	LIHTC/HOME	3.8 miles
4	Woodlawn Terrace	Senior	@50%, @60%, Non-Rental	1.6 miles
5	Spanish Mission Apartments	Family	Market	3.3 miles
6	Spring Chase Apartments	Family	Market	3.6 miles
7	Staten Crossing	Family	Market	4.1 miles
8	Tall Tree Apartments	Family	Market	3.4 miles





4. Amenities

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

Ashley House, Valdosta, GA; Market Study

UNIT MATRIX REPORT

	Ashley House	Ashton Meadows	Ashton Park	Heron Lake	Woodlawn Terrace	Spanish Mission Apartments	Spring Chase Apartments	Staten Crossing	Tall Tree Apartments
Comp #	Subject	1	2	3	4	5	6	7	8
Property Information									
Property Type	Highrise (age-restricted) (7 stories)	Garden (age-restricted) (3 stories)	Garden (2 stories)	Garden	Garden (age-restricted) (3 stories)	Various (2 stories)	Garden (2 stories)	Garden (2 stories)	Various (2 stories)
Year Built / Renovated	1926/ TBD	1999 / n/a	1999 / n/a	2003 / n/a	2011 / n/a	1973 / n/a	1996 / n/a	1999 / n/a	1975 / n/a
Market (Conv./Subsidy Type)	@50% (Project Based Rental Assistance - PBRA), @60% (Project Based Rental Assistance - PBRA)	@50%, @60%	@50%, @60%	LIHTC/HOME	@50%, @60%, Non-Rental	Market	Market	Market	Market
Utility Adjustments									
Cooking	yes	no	no	no	no	no	no	no	no
Water Heat	yes	no	no	no	no	no	no	no	no
Heat	yes	no	no	no	no	no	no	no	no
Other Electric	yes	no	no	no	no	no	no	no	no
Water	yes	no	no	no	no	yes	yes	no	no
Sewer	yes	no	no	no	no	yes	yes	no	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	no
In-Unit Amenities									
Balcony/Patio	no	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	no	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	no	yes	yes	yes	no	yes	yes
Dishwasher	no	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	yes	no	yes	no	no	yes	yes
Ceiling Fan	yes	yes	yes	yes	yes	yes	no	yes	yes
Garbage Disposal	no	yes	yes	yes	yes	yes	yes	yes	yes
Hand Rails	yes	no	no	no	yes	no	no	no	no
Microwave	no	no	no	yes	yes	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	no	no	no	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	yes	no
Walk-In Closet	no	no	yes	yes	no	no	no	yes	yes
Wall A/C	yes	no	no	no	no	no	no	no	no
Washer/Dryer	no	no	no	no	yes	no	no	no	no
Washer/Dryer hookup	no	no	yes	yes	yes	no	yes	yes	yes
Property Amenities									
Basketball Court	no	no	no	no	no	yes	yes	no	no
Business Center/Computer Lab	yes	no	no	yes	yes	no	yes	no	no
Car Wash	no	no	no	no	no	no	no	yes	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes
Elevators	yes	yes	no	no	yes	no	no	no	no
Exercise Facility	no	yes	no	yes	no	yes	yes	yes	yes
Central Laundry	yes	no	yes	no	no	yes	yes	yes	no
Non-shelter Services	yes	no	no	no	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	no	no	yes
Picnic Area	no	yes	no	no	yes	no	no	no	no
Playground	no	no	yes	yes	no	yes	no	yes	no
Recreation Areas	no	no	no	no	yes	no	no	no	no
Sport Court	no	no	no	no	yes	no	no	no	no
Swimming Pool	no	no	yes	yes	no	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	yes	yes	yes	no
Volleyball Court	no	no	no	no	no	no	no	yes	no
Services									
Adult Education	no	no	no	no	yes	no	no	no	no
Security									
In-Unit Alarm	no	no	no	yes	no	no	yes	yes	no
Intercom (Buzzer)	yes	no	no	no	no	no	no	no	no
Limited Access	yes	no	no	no	no	no	yes	no	no
Patrol	no	no	no	no	no	no	yes	yes	yes
Perimeter Fencing	no	no	no	yes	yes	no	yes	no	no
Video Surveillance	no	no	no	no	no	no	yes	no	no
Premium Amenities									
Other Amenities									
Other	wellness center, retail space	shuffleboard	n/a	n/a	Shuffleboard, community garden	n/a	n/a	n/a	Dog park

The Subject’s units will not offer dishwashers, patios, central air-conditioning, or garbage disposals which are offered at all of the comparables. Additionally, six of the eight comparables offer washer and dryer hookups, an amenity that will not be offered by the Subject. Six of the eight comparables offer a swimming pool which the Subject will not offer; however, neither of the senior comparables offer a pool and the absence of a pool has not negatively impacted these properties. As a historical property, the Subject will be generally inferior in terms of amenities; however, the Subject has an excellent location in downtown Valdosta within close proximity to area services and retail. Additionally, the Subject will target low income seniors and will operate with an additional Section 8 subsidy on all units. We do not believe that the lack of these amenities will impact the Subject’s performance as a LIHTC property with an additional subsidy. If the Subject were to lose the subsidy, it would be at a disadvantage when compared to the existing LIHTC comparables.

5. Selection of Comparables

The Subject will target elderly households aged 62 and older. There are two senior LIHTC senior properties in the PMA that we have included as comparables. Additionally, we have included two family LIHTC properties that are within close proximity to the Subject and four market rate properties within the Subject’s PMA.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property name	Tenancy	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashton Meadows	Senior	@50%, @60%	80	0	0.00%
Ashton Park	Family	@50%, @60%	88	5	5.70%
Heron Lake	Family	LIHTC/HOME	152	0	0.00%
Woodlawn Terrace	Senior	@50%, @60%, Non-Rental	60	2	3.30%
Spanish Mission Apartments	Family	Market	150	12	8.00%
Spring Chase Apartments	Family	Market	288	3	1.00%
Staten Crossing	Family	Market	196	20	10.20%
Tall Tree Apartments	Family	Market	148	10	6.80%
Total	-	-	1162	52	4.50%
Total Senior	-	-	140	2	1.43%
Total LIHTC	-	-	380	7	1.84%

Overall vacancy in the market is low at 4.5 percent with both the senior LIHTC and overall LIHTC vacancy even lower at 1.4 percent and 1.8 percent, respectively. All of the Subject’s units will have a Section 8 subsidy and all tenants will pay 30 percent of their income towards rent. The Subject is an existing subsidized property with a current occupancy of 97.0 percent with a waiting list. Tenants currently living in the units that will be renovated will be temporarily relocated to other public housing developments while construction takes place. Given the low LIHTC and subsidized vacancy rates in the local market, we believe that the Subject will maintain a stabilized vacancy rate of five percent or less following construction.

7. Properties Under Construction and Proposed

There is one family property and one senior property under construction or proposed. Both of these properties are located approximately three miles outside of the PMA and will not be competitive with the Subject.

Gateway Pines I

1. Address: Union Road, Hahira, GA
2. Name of Owner: Gateway Pines Hahira, L.P.
3. Unit configuration, number of units and proposed rents:

Gateway Pines I			
Unit Type	Number of Units	Size	Asking Rent
<i>50% AMI</i>			
One-Bedroom	2	828	\$295
Two-Bedroom	3	1,070	\$345
Three-Bedroom	4	1,245	\$400
<i>60% AMI</i>			
One-Bedroom	6	828	\$300
Two-Bedroom	21	1,070	\$385
Three-Bedroom	20	1,245	\$450
Total	56		

4. Estimated Date of Market Entry: The development was allocated in 2010 and is currently under construction. The project is currently accepting applications and is projected to open by the beginning of July 2012.

Because this property will target families and will not operate with additional subsidy, its units will not directly compete with the Subject.

Gateway Pines II

1. Address: Stanfill Road, Hahira, GA
2. Name of Owner: Gateway Pines II Hahira, L.P.
3. Unit configuration, number of units and proposed rents:

Gateway Pines II			
Unit Type	Number of Units	Size	Asking Rent
<i>50% AMI</i>			
One-Bedroom	4	830	\$300
Two-Bedroom	8	1,120	\$360
<i>60% AMI</i>			
One-Bedroom	12	830	\$360
Two-Bedroom	32	1,120	\$420
Total	56		

4. Estimated Date of Market Entry: The development was allocated in 2011 and has not begun construction to date. The projected completion is during the summer of 2013.

While Gateway Pines II will target seniors, this project is located outside of the Subject’s PMA and will not offer additional subsidy. Therefore, its units will not directly compete with the Subject.

8. Rental Advantage

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

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Ashton Meadows	@50%, @60%	Similar	Superior	Slightly Inferior	Slightly Superior	Superior	20
2	Ashton Park	@50%, @60%	Superior	Superior	Inferior	Slightly Superior	Superior	20
3	Heron Lake	LIHTC/HOME	Superior	Superior	Inferior	Superior	Superior	30
4	Woodlawn Terrace	@50%, @60%, Non-Rental	Slightly Superior	Superior	Inferior	Superior	Superior	25
5	Spanish Mission Apartments	Market	Superior	Superior	Slightly Inferior	Inferior	Superior	30
6	Spring Chase Apartments	Market	Superior	Superior	Slightly Inferior	Slightly Superior	Superior	30
7	Staten Crossing	Market	Superior	Superior	Slightly Inferior	Slightly Superior	Superior	35
8	Tall Tree Apartments	Market	Similar	Superior	Slightly Inferior	Inferior	Superior	20

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

The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following table. The Subject offers 100 percent subsidy; therefore, all tenants pay 30 percent of their income towards the monthly rent.

LIHTC Rent Comparison - @50%

Property Name	0BR	1BR	2BR
Ashley House (Subject)	BOI	BOI	BOI
LIHTC Maximum (Net)	\$446	\$478	\$573
Ashton Park	N/Ap	\$538	\$639
Ashton Meadows	N/Ap	\$578	\$702
Heron Lake	N/Ap	\$534	\$638
Woodlawn Terrace	N/Ap	\$483	\$582
Average (excluding Subject)	N/A	\$533	\$640

LIHTC Rent Comparison - @60%

Property Name	0BR	1BR	2BR
Ashley House (Subject)	BOI	BOI	BOI
LIHTC Maximum (Net)	\$535	\$573	\$688
Heron Lake	N/Ap	\$552	\$679
Ashton Park	N/Ap	\$572	\$686
Ashton Meadows	N/Ap	\$633	\$777
Woodlawn Terrace	N/Ap	\$573	\$687
Average (excluding Subject)	N/A	\$583	\$707

The Subject will offer 100 percent Section 8 subsidy and therefore all tenants will pay 30 percent of their income towards the monthly rent.

The previous tables include the LIHTC unassisted rents at the comparable properties. The comparables appear to be achieving rents above the maximum 50 percent maximum allowable rents and at or above the maximum allowable rents at 60 percent of the AMI. This is likely due to differing utility allowance adjustments. Both Ashton Park and Ashton Meadows’ property managers reported that they were achieving maximum allowable rents at 50 percent of the AMI. In addition, the remaining two comparables property managers’ reported that they were close to the maximum allowable rents. As newly renovated senior property, the Subject will be most similar to Ashton Meadows and Woodlawn Terrace in terms of tenancy. However, the Subject will offer a generally inferior amenities package when compared to both comparables. The Subject’s downtown Valdosta location will give it a locational advantage over all of the comparables. All of the LIHTC comparables are performing well with vacancy rates of 5.7 percent or less, indicating that their rents are achievable. We believe that the Subject is feasible as proposed, particularly with its Section 8 subsidy, which is in high demand among senior households in the PMA. The Subject is currently 97.0 percent occupied with a waiting list.

Analysis of “Market Rents”

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

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

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

Subject Comparison to Market Rents

@50%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average
Studio	BOI	\$590	\$590	\$590
1 BR	BOI	\$483	\$862	\$632
2 BR	BOI	\$552	\$997	\$790

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average
Studio	BOI	\$590	\$590	\$590
1 BR	BOI	\$582	\$862	\$700
2 BR	BOI	\$679	\$997	\$833

The Subject will operate with 100 percent Section 8 subsidy and therefore will have a rental advantage over the comparables that do not offer a subsidy.

9. LIHTC Competition – Recent Allocations within Two Miles

According to information on Georgia Department of Community Affairs LIHTC allocation lists, there were no properties that were allocated tax credits within two miles of the Subject or within the Subject’s PMA since 2010. Two properties located within Lowndes County received recent allocations. Gateway Pines I, a family property, was allocated tax credits in 2010 and Gateway Pines II, a senior property, was allocated tax credits in 2011. Both of these properties are located in Hahira, Georgia, approximately three miles north of the PMA border. As the Subject will operate with additional subsidy, neither of these properties will compete with the Subject.

10. Rental Trends in the PMA

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

TENURE PATTERNS PMA (AGES 62+)

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
1990	-	-	-	-
2000	4,074	76.35%	1,262	23.65%
2009	4,690	75.18%	1,548	24.82%
Prj Mrkt Entry				
March 2012	4,850	74.99%	1,619	25.01%
2014	5,168	74.59%	1,761	25.41%

0

Renter-occupied housing units account for only a little under a quarter of total housing units in the PMA. However, this percentage is much higher than the national average of 13 percent; boding well for the Subject.

Historical Vacancy

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

Historical Vacancy						
Comparable Property	Type	Total Units	2QTR 2008	2QTR 2010	3QTR 2011	2QTR 2012
Ashton Meadows	@50%, @60%	80	N/A	1.30%	N/A	0.00%
Ashton Park	@50%, @60%	88	2.30%	1.10%	4.50%	5.70%
Heron Lake	LIHTC/HOME	152	N/A	0.00%	0.00%	0.00%
Woodlawn Terrace	@50%, @60%	60	N/A	N/A	N/A	3.30%
Spanish Mission Apartments	Market	150	6.00%	N/A	N/A	8.00%
Spring Chase Apartments	Market	288	N/A	N/A	0.00%	1.00%
Staten Crossing	Market	196	N/A	0.50%	2.60%	10.20%
Tall Tree Apartments	Market	148	7.40%	5.40%	N/A	6.80%
		1223	5.20%	1.70%	1.80%	4.30%

Historically, vacancy has been healthy at or below 5.2 percent since the first quarter of 2008. The current vacancy rate of 4.3 percent is considered healthy.

Change in Rental Rates

The following table illustrates rental rate changes at the comparable properties.

RENT GROWTH			
Comparable Property	Tenancy	Rent Structure	Rent Growth
Ashton Meadows	Senior	@50%, @60%	11-20% increase
Ashton Park	Family	@50%, @60%	None
Heron Lake	Family	LIHTC/HOME	2% to 3% Up and Down depending on unit.
Woodlawn Terrace	Senior	@50%, @60%, Non-Rental	None
Spanish Mission Apartments	Family	Market	Increased between 2 -7%
Spring Chase Apartments	Family	Market	None
Staten Crossing	Family	Market	3-5% increase
Tall Tree Apartments	Family	Market	Rents increased 1-4%

Four of the comparables reported rental rate increases over the past year while one comparable reported a mix of increases and decreases, depending on the unit. The LIHTC/HOME comparable Heron Lake indicated that there were various increases and decreases over the past year. The Subject's units will all operate with a subsidy and tenants will pay 30 percent of their income towards rent.

11. Impact of Foreclosed, Abandoned and Vacant Structures

Valdosta experienced 49 foreclosures in April 2012; equating to about one in every 771 homes. Lowndes County experienced one in every 806, the state experienced one in every 398 homes, and the nation experienced one in every 698 homes. Therefore, Valdosta is experiencing a much lower foreclosure rate than even the state. We do not anticipate any tenants to sell homes in order to move to the Subject. Per our site visit, we did not see many abandoned or vacant structures in the Subject's immediate neighborhood.

12. Primary Housing Void

The Subject will be a renovation of an existing Section 8 property that is 97 percent occupied with a waiting list. Post renovation, all of the Subject's units will continue to operate with a subsidy and tenants will pay 30 percent of their income on rent. The Subject's units will help to fill the housing void in the market.

13. Affect of Subject on Other Affordable Units in Market

All 61 of the Subject's units will operate with a subsidy. There are no LIHTC developments planned or under construction in the PMA that will operate with an additional subsidy. Additionally, the vacancy rate among the existing LIHTC comparables is low at 1.8 percent with a senior LIHTC vacancy at 1.4 percent, indicating a need for additional affordable senior housing. The Subject will be a renovation of an existing subsidized property that is currently 97 percent occupied with a waiting list. Tenants currently living in the units that will be renovated will be temporarily relocated to other public housing developments or given Section 8 vouchers while construction takes place. Given the current occupancy and the waiting list and the fact that the Subject will be a renovation of an existing subsidized property, we do not believe that it will negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is ample demand for the Subject property as proposed. The Subject will be a renovation of an existing subsidized property which is 97 percent occupied with a waiting list. The Subject will be renovated in phases. Tenants will be temporarily relocated during the renovations and will return to the Subject once renovations are complete. In addition, the Subject will retain its rent subsidy following renovation so the current tenants will continue to be income qualified. The overall vacancy in the market is low at 4.5 percent with the senior LIHTC vacancy lower at 1.4 percent. Overall, the local affordable housing market and the senior affordable housing market in particular appear to be performing well. Given the low senior vacancy rate, the significant waiting list for public housing, the current occupancy at the Subject and the fact that the tenants currently living at the Subject will return following renovations, we believe that the Subject will be successful in the local market as proposed.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

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

Absorption

Property	Rent Structure	Tenancy	Date Opened	# of Units	Units Per Month Absorbed	Absorption Pace
Woodlawn Terrace	LIHTC	Senior	2011	60	8	8 months
Ashton Meadows	LIHTC	Senior	1999	80	9	9 months

The newest senior LIHTC property in the market, Woodlawn Terrace, opened in April of 2011 and reached 100 percent occupancy by March 2012 for an absorption pace of eight months. The Subject is an existing subsidized property that will undergo renovations one floor at a time with the remaining floors occupied during the renovations. Therefore, absorption is somewhat moot. Given the subsidy at the Subject, the current occupancy of 97 percent at the Subject and the waiting list present, we believe the Subject will lease its vacant units within each floor within one month of availability.

J. INTERVIEWS

Georgia Department of Community Affairs, Lowndes County

According to Patrick McNally, Georgia DCA representative for Lowndes County, Lowndes County has 713 vouchers currently leased. Mr. McNally could not give us a breakdown between bedrooms. Currently, there is a waitlist of four people that has not been opened since 2010. Mr. McNally stated that there is talk of opening this up in the near future, but could not elaborate on exactly when. The current payment standards for Lowndes County can be found in the following table.

Payment Standards	
1BR	\$535
2BR	\$644
3BR	\$873
4BR	\$900

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

Planning

We spoke with Alexandra Arzayus with the Valdosta City Planner’s office regarding proposed or recently built projects in the area surrounding the Subject. Ms. Arzayus stated that the downtown area of Valdosta, which the Subject is in, is undergoing efforts to redevelop or renovate many buildings. Retail shops, offices, and apartments in the area, but Ms. Arzayus could not elaborate on which buildings specifically, or exactly how many, however.

The only extensive commercial or retail developments going through over the past few years have been near the mall in Valdosta, and just north of downtown. The mall area is experiencing growth mostly in retail projects, while the area just north of Valdosta is getting a new Publix. Besides these few projects, Ms. Arzayus could not think of any significant projects in the pipeline or recently built, the Subject not withholding.

Industrial Authority

Attempts to reach a representative from the Valdosta Chamber of Commerce were not met with success. However, we were able to speak with Andrea Schruijer, the executive director of the Valdosta-Lowndes Industrial Authority regarding the economic outlook for the Subject’s area. Mrs. Schruijer stated that the area of Valdosta experiencing the largest amount of growth was the retail and commercial area surrounding the local mall. Two major retailers, Gander Mountain Outdoors and Academy Sports just moved into the area and have hired their respective number of employees. There is talk of a new retail development proposed near the mall, but Mrs. Schruijer could not elaborate on it. Additional business expansions over the past year have included a new logistical distribution center opened in town that employs 30 persons. A new wood pallet refurbishing company moved to Valdosta in December 2011 that now employs 30 people. Fresh Beginnings, a baked goods and baking supply business, expanded their call center in 2011 to employ over 100 people.

Mrs. Shrujjer noted that Moody Air Force Base and the South Georgia Medical Center continue to be the two largest employers in the region. She stated that they have been growing at consistent rates for the past couple of years, and make up good portions of the local economy.

Senior Center

We spoke with Kelly Hritz, Director of the Valdosta Senior Community Center regarding her center, seniors in the area, and the potential need for more affordable housing. Her center is actually quite expansive. The center is over 15,000 square feet with a large multi-purpose room, an aerobics pool, a computer lab, and a track. They offer many crafts classes, legal services, and day trips. The center currently has over 1,300 members. The average age of the seniors there is around 65 and a slight majority are homeowners. The minimum age to join the center is 50. As far as employment, Mrs. Hritz noted that most of the seniors they have less than 60 year's old still work.

Since the center's membership is so high, transportation and meals are not offered there. Mrs. Hritz noted that offering these services would require the hiring of many full-time employees; something the center could not afford. The center is under the Parks and Recreation Department of Valdosta, and subsequently receives most of their funding from the department.

In Mrs. Hritz' opinion, there is and will be a need for more affordable housing for seniors in the Valdosta area. She noted that she receives increasing number of calls from seniors moving to the area and looking for affordable multi-family housing. At this moment, Mrs. Hritz is referring these calls to Ashton Meadows, Azalea Towers, and Woodlawn Terrace.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- The general population and household growth in the PMA and MSA are currently outperforming and will continue to outperform the nation as a whole. From 2000 to 2010, the PMA population grew at a rate of 1.4 percent annually, outpacing the MSA by 0.1 percent, and the nation by 0.4 percent. The senior population above 62 years old in the PMA is rising at a rate even higher than the overall population. In 2010, senior population growth was rising at 2.7 percent, compared to just 1.4 percent for the overall population. Population by age is heavily concentrated in the younger generations. Specifically, young children, young adults, and middle-aged persons make up the largest percentages. However the 14.3 percent of the population making up the Subject’s targeted demographic of 62 and over is projected to rise to 15.5 percent by the market entry date.
- Valdosta experienced 49 foreclosures in April 2012; equating to about one in every 771 homes. Lowndes County experienced one in every 806, the state experienced one in every 398 homes, and the nation experienced one in every 698 homes. Therefore, Valdosta is experiencing a much lower foreclosure rate than even the state.
- Like the rest of the nation, the years between 2008 and 2011 were tough on total employment for Valdosta; losing approximately 7,264 jobs. The time period since, however, has been much more positive. Year-to-date total employment change for Valdosta is 2.6 percent; a full two percentage points higher than the national number. Year-over-year data for March 2011 and 2012 indicate a growth rate of 3.9 percent in total employment, compared to just 1.8 percent for the nation. As of March 2012, the unemployment rates for Valdosta and the nation are identical at 8.4 percent. This is positive, as most of Georgia is currently operating at a higher rate. All of this data indicates a strong turnaround for Valdosta; boding well for the Subject.
- Per GA DCA’s guidelines (see addenda) the Subject will have a capture rate of zero percent as it offers 100 percent subsidy and therefore the units are presumed leasable.
- We were able to obtain absorption information from two comparable properties, illustrated following.

Absorption

Property	Rent Structure	Tenancy	Date Opened	# of Units	Units Per Month Absorbed	Absorption Pace
Woodlawn Terrace	LIHTC	Senior	2011	60	8	8 months
Ashton Meadows	LIHTC	Senior	1999	80	9	9 months

The newest senior LIHTC property in the market, Woodlawn Terrace, opened in April of 2011 and reached 100 percent occupancy by March 2012 for an absorption pace of eight months. The Subject is an existing subsidized property that will undergo renovations one floor at a time with the remaining floors occupied during the renovations. Therefore,

absorption is somewhat moot. Given the subsidy at the Subject, the current occupancy of 97 percent at the Subject and the waiting list present, we believe the Subject will lease its vacant units within each floor within one month of availability.

- Overall vacancy in the market is low at 4.5 percent with both the senior LIHTC and overall LIHTC vacancy even lower at 1.4 percent and 1.8 percent, respectively. All of the Subject's units will have a Section 8 subsidy and all tenants will pay 30 percent of their income towards rent. The Subject is an existing subsidized property with a current occupancy of 97.0 percent with a waiting list. Tenants currently living in the units that will be renovated will be temporarily relocated to other public housing developments or while construction takes place. Because the Subject will maintain its subsidy, all of the tenants will be income qualified to return to the Subject following renovations. Given the low LIHTC and subsidized vacancy rates in the local market, we believe that the Subject will maintain a stabilized vacancy rate of five percent or less following construction.
- Strengths of the Subject will include its newly renovated condition and location near in downtown Valdosta with close proximity to a variety of retail uses and service establishments. Additionally, all of the Subject's units will operate with a Section 8 subsidy. Currently, the Subject is 97 percent occupied with a wait list. The fact that the Subject will target very low income individuals and will help to fill a housing void in the market is also considered a strength of the development.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will be a renovation of an existing subsidized property which is 97 percent occupied with a waiting list. Renovations will occur in phases with the majority of the current tenants remaining in place during renovations. Tenants that are in units being renovated will be relocated until renovations are complete and return to the Subject post renovations. The Subject's renovations are expected to total \$62,000 per unit and the Subject will be similar to superior to the existing housing stock following renovations.
- The Subject will retain its rent subsidy following construction and the majority of tenants are expected to return to the property. The overall vacancy in the market is low at 4.5 percent with the senior LIHTC vacancy lower at 1.4 percent. Overall, the local affordable housing market and the senior affordable housing market in particular appear to be performing well. Given the low senior vacancy rate, the significant waiting list for public housing, the current occupancy at the Subject and the fact that the majority of the tenants currently living at the Subject are expected to return following renovations, we recommend the Subject as proposed and we believe that it will continue to be successful following renovations.

Recommendations

- We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

6-12-2012
Date



Michalena M. Sukenik
Principal
Novogradac & Company LLP

6-12-2012
Date



Jill Conable
Real Estate Analyst
Novogradac & Company LLP

6-12-2012
Date

M. MARKET STUDY REPRESENTATION

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



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

6-12-2012

Date



Michalena M. Sukenik
Principal
Novogradac & Company LLP

6-12-2012

Date



Jill Conable
Real Estate Analyst
Novogradac & Company LLP

6-12-2012

Date

N. QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

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

III. Professional Experience

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

IV. Professional Training

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

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

V. Real Estate Assignments – Examples

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

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

H. Blair Kincer

Qualifications

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- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

MICHALENA M. SUKENIK

I. Education

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

II. Professional Experience

Principal, Novogradac & Company LLP (Start date: September 2002 - present)
Dallas / Fort Worth and Atlanta Research Manager, CoStar Group, Inc.
Senior Research Analyst / Newswire Editor, CoStar Group, Inc.

III. Professional Training and Continuing Education

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

IV. Real Estate Assignments

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

- Conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Prepared a comprehensive city wide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Prepared a comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. The study focused on the housing and economic trends Pre- and Post- Hurricane Katrina and overall housing needs in that neighborhood.
- Assisted in preparing an approved HUD Consolidated Plan for the City of Gainesville, GA; which included a housing and homeless needs assessment, market analysis, non-housing needs analysis, and a strategic plan, which conformed to 24CFR Part 91, Consolidated Plan Regulations for the ensuing five-year period (2004-2009).
- Assisted in preparing a comprehensive senior housing study in Seattle, Washington for the Seattle Housing Authority. This study evaluated the Seattle Housing Authority's affordable senior housing project for their position within the entire city's senior housing market. The research involved analysis of the senior population by neighborhood, income, household size, racial composition, and tenure.
- Conducted market studies for senior projects in Alabama, Alaska, Arizona, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Washington, and Wisconsin.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit properties.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

JILL A. CONABLE

I. Education

Kennesaw State University, Kennesaw, Georgia
Bachelor of Sciences

II. Professional Experience

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

III. Professional Affiliations and Continuing Education

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

Successful completion of Appraisal Institute courses as follows:

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

III. Assignments

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

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

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