



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

**ROMANA-RILEY LOFTS**  
**SEC East Henry Street & Waters Avenue; SWC East  
Anderson Street & Waters Avenue**  
**Savannah, Chatham County, Georgia 31404**

**Effective Date: April 21, 2015**  
**Report Date: May 7, 2015**

*Prepared For*

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May 7, 2015

Mr. Bill Gross  
W.H. Gross Construction Company  
P.O. Box 365  
Kingsland, GA 31548

**Re: Market Study for Romana-Riley Lofts in Savannah, Georgia**

Dear Mr. Gross:

At your request, Novogradac & Company LLP performed a market study of the senior rental market in the Savannah, Chatham County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the construction of Romana-Riley Lofts, a proposed Housing for Older Persons (HFOP) development that will consist of 57 units. The units will be restricted to senior households age 55 and older earning 50 and 60 percent of the AMI, or less.

We previously completed market studies of Romana-Riley Lofts for Georgia Department of Community Affairs in June 2013 and May 2014.

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 both Low-Income Housing Tax Credit (LIHTC) and market rate.

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

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

Respectfully submitted,



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## **ASSUMPTIONS AND LIMITING CONDITIONS**

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

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

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

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

TABLE OF CONTENTS

A. EXECUTIVE SUMMARY AND CONCLUSIONS .....	1
B. PROJECT DESCRIPTION.....	9
C. SITE EVALUATION .....	13
D. MARKET AREA .....	24
E. COMMUNITY DEMOGRAPHIC DATA .....	27
F. EMPLOYMENT TRENDS.....	33
G. PROJECT-SPECIFIC DEMAND ANALYSIS .....	43
H. COMPETITIVE RENTAL ANALYSIS .....	60
I. ABSORPTION & STABILIZATION RATES .....	110
J. INTERVIEWS.....	112
K. CONCLUSIONS AND RECOMMENDATIONS .....	114
L. SIGNED STATEMENT REQUIREMENTS.....	117
M. MARKET STUDY REPRESENTATION.....	119
N. QUALIFICATIONS.....	121

Addendum

## **A. EXECUTIVE SUMMARY AND CONCLUSIONS**

**EXECUTIVE SUMMARY AND CONCLUSIONS**

**1. Project Description:**

Romana-Riley Lofts (the Subject) will be located at the southeast corner of the intersection of East Henry Street and Waters Avenue. The site also includes a small parcel of land located at the southwest corner of the intersection of East Anderson Street and Waters Avenue in Savannah, Chatham County, Georgia. The Subject will target seniors age 55 and older (HFOP). The Subject will consist of 27 new construction units and 30 historic rehabilitation and adaptive reuse units in a building that formerly operated as a school. Both buildings will be elevator-serviced. The new construction building will consist of brick and fiber cement siding while the historic building consists of a brick exterior. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC	2015 HUD
						Maximum Allowable Gross Rent	Fair Market Rents
<i>50% AMI</i>							
1BR/1BA	640	9	\$420	\$153	\$573	\$575	\$778
2BR/1BA	864	3	\$505	\$182	\$687	\$690	\$922
2BR/1BA	916	1	\$505	\$182	\$687	\$690	\$922
2BR/1BA	1,005	2	\$505	\$182	\$687	\$690	\$922
<i>60% AMI</i>							
1BR/1BA	640	11	\$535	\$153	\$688	\$690	\$778
2BR/1BA	864	14	\$640	\$182	\$822	\$828	\$922
2BR/1BA	916	5	\$640	\$182	\$822	\$828	\$922
2BR/1BA	1,005	12	\$640	\$182	\$822	\$828	\$922
<b>Total</b>		<b>57</b>					

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

The Subject will offer the following amenities: blinds, carpeting, central air conditioning, dishwasher, oven, refrigerator, garbage disposal, hand rails, and pull cords. With regards to community amenities, the Subject will offer a clubhouse/community room, elevators, exercise facility, business center/computer lab, on-site management, off-street parking, and central laundry facilities. The Subject will be competitive with the comparable properties in terms of amenities.

**2. Site Description/Evaluation:** The Subject site is bisected by the intersection of E. Anderson Street and Waters Avenue. The Subject's residential buildings will be located on one parcel. A portion of the Subject's parking will be located on the adjacent parcel across the street.

The Subject site is located in a mixed-use neighborhood that includes Live Oak Public Library, small neighborhood commercial uses, places of worship, and single-family homes in fair to good condition. There is a Chatham Area Transit bus stop adjacent to the Subject site. The Memorial University Medical Center and local police department are located within two miles of the Subject site. All locational amenities are located within 2.1 miles of the Subject site, which can be attributed to the Subject's central location near Savannah's historic area.

The Subject parcels are partially improved with a vacant school building that will be adapted and renovated into multifamily units. Accessory uses include a parking lot. Immediate surrounding land uses primarily include single-family homes in fair to good condition, a multifamily building in fair condition, a vacant commercial building, and houses of worship. Overall, the Subject will be a conforming use in the neighborhood and the site appears appropriate for senior multifamily rental units.

Positive attributes of the site include a walkable neighborhood and an adjacent bus line. The Subject site does not have any negative attributes.

**3. Market Area Definition:** The boundaries of the PMA are as follows:

North - Savannah River  
South - Derenne Avenue/Highway 21  
East - Wilmington River  
West - Interstate 516/Highway 17

This area includes the majority of the city of Savannah. The area was defined based on interviews with local market participants as well as property managers at comparable properties. Based upon site inspection, the Subject site is located in the historic area of Savannah that consists of predominantly older residential and commercial uses. This area differs in character to the southern Savannah area, which is suburban in nature. Several property managers indicated that a significant portion of their tenants come

from the immediate Savannah area. Due to access provided by thoroughfares such as Interstate 16, Highway 21, Southwest Bypass, and Harry Truman Parkway, several property managers indicated that residents come from throughout Chatham County. Per GA DCA's 2015 market study guidelines, GA DCA does not take into account leakage from the PMA. The farthest PMA boundary is approximately 4.1 miles from the Subject.

#### **4. Community Demographic**

##### **Data:**

The PMA is expected to experience strong senior population and household growth from 2015 through 2019. Senior population growth in the PMA is expected to increase at an annual rate of 2.6 percent from 2015 through 2019, which is slightly higher than the national rate. Senior population growth in the PMA will remain below that of the MSA but will be slightly greater than the national rate through 2019. Owner-occupied housing units dominate the housing market in the PMA. However, the 38.0 percent renter-occupied number is significantly higher than the national average of 13.0 percent for senior households. The Subject will target senior households earning \$17,190 to \$29,460. Approximately 39.0 percent of renter households in the PMA earned incomes between \$10,000 and \$29,999 in 2015. For the projected market entry date of December 2017, this percentage is projected to remain the same. As the senior population and number of households increase, there is expected to be a greater number of lower-income senior renters seeking affordable housing.

According to [www.RealtyTrac.com](http://www.RealtyTrac.com), one in every 1,140 homes in Savannah, GA was in foreclosure, as of February 2015. Nationally, one in every 1,295 homes was in foreclosure and one in every 1,414 homes in Georgia was in foreclosure. As indicated, Savannah has a higher foreclosure rate than Georgia and the nation, as a whole. The median list price for a home in Savannah is \$199,000 compared to \$168,900 in Georgia and \$189,900 in the nation. Overall, it appears that the local market is faring slightly worse than the nation as a whole in terms of foreclosure rates. We witnessed few abandoned homes in the Subject's immediate neighborhood.

##### **5. Economic Data:**

The largest employers in Savannah are in the manufacturing, education, health care/social assistance, and government sectors. Employment in the PMA is greatest in

the accommodation/food services, health care/social assistance, retail trade, and educational services sectors, which together account for almost 55 percent of the total employment in the PMA. This is significantly higher than the nation as a whole. The MSA experienced a significant decrease in total employment between 2008 and 2010, when total employment decreased 8.0 percentage points. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment than the MSA from 2008 to 2010. The MSA experienced employment growth from 2011 to 2014 but remains below pre-recession levels. As of December 2014, the unemployment rate in the MSA was 0.5 percentage points above that of the nation. However, the MSA experienced a moderate decrease in unemployment of 0.9 percentage points between December 2013 and December 2014.

**6. Project-Specific Affordability And Demand Analysis:**

The following table illustrates the Subject’s capture rates.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1 BR @ 50% AMI	9	119	14	105	8.6%	3 months	\$708	\$420-\$1,131	\$420
2 BR @ 50% AMI	6	126	2	124	4.9%	3 months	\$876	\$490-\$1,531	\$505
<b>50% AMI Overall</b>	<b>15</b>	<b>245</b>	<b>16</b>	<b>229</b>	<b>6.6%</b>	<b>3 months</b>	<b>\$708-\$876</b>	<b>\$420-\$1,531</b>	<b>\$420-\$505</b>
1 BR @ 60% AMI	11	92	59	33	33.1%	3 months	\$738	\$429-\$1,131	\$535
2 BR @ 60% AMI	31	97	2	95	32.5%	3 months	\$940	\$557-\$1,531	\$640
<b>60% AMI Overall</b>	<b>42</b>	<b>190</b>	<b>61</b>	<b>129</b>	<b>32.7%</b>	<b>3 months</b>	<b>\$738-\$940</b>	<b>\$429-\$1,531</b>	<b>\$535-\$640</b>
1 BR Overall	20	175	73	102	19.7%	3 months	\$708	\$420-\$1,131	\$420-\$535
2 BR Overall	37	184	4	180	20.5%	3 months	\$876	\$490-\$1,531	\$505-\$640
<b>Overall</b>	<b>57</b>	<b>359</b>	<b>77</b>	<b>282</b>	<b>20.2%</b>	<b>3 months</b>	<b>\$708-\$876</b>	<b>\$420-\$1,531</b>	<b>\$420-\$640</b>

As the previous table demonstrates, the Subject’s capture rates are within GA DCA’s capture rate threshold.

**7. Competitive Rental Analysis:**

The availability of senior LIHTC data is considered good. We have included four senior LIHTC properties, two of which are located in the PMA. Pinewood Village and Sheppard Station are located in Pooler, GA. Because Pooler is considered part of the larger Savannah market, we believe that Pinewood Village and Sheppard Station are good indicators of achievable senior LIHTC and unrestricted rents in the market. Due to the availability of senior LIHTC data, we have excluded family LIHTC properties in the PMA. Three of the comparable senior properties offer unrestricted units. We have supplemented the market rate data with one conventional property in the PMA and two located just outside of the PMA, The Fountains at Chatham Parkway and Walden at Chatham

Center, in order to provide achievable rents for newer unrestricted properties in the market that do not target students. Overall, the availability of LIHTC and market rate data is considered good.

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

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

**SUBJECT COMPARISON TO MARKET RENTS**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$420	\$420	\$1,131	\$708	69%
2 BR @ 50%	\$505	\$490	\$1,531	\$876	73%
1 BR @ 60%	\$535	\$429	\$1,131	\$738	38%
2 BR @ 60%	\$640	\$557	\$1,531	\$940	47%

The Subject’s proposed 50 and 60 percent AMI rents will have a significant rent advantage over the surveyed average rents in the market. The Subject will be in excellent condition and will offer a competitive common area amenity package as well as a competitive location. Overall, the Subject’s proposed rents are on the lower end of the range and appear to be feasible in the market given the low vacancy rates and presence of waiting lists at the comparable properties.

**8. Absorption/Stabilization Estimate:**

We were able to obtain absorption information from several LIHTC and market rate properties in Savannah. Several of these properties have been used as comparables in our report.

## ABSORPTION

Comparable Property	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Pinewood Village	LIHTC	Senior	2014	64	21
Savannah Gardens III	LIHTC/Market	Family	2012	95	14
Sustainable Fellwood III	LIHTC	Senior	2012	100	30
Sustainable Fellwood II	LIHTC/Market/PBRA	Family	2011	110	18
Savannah Gardens I	LIHTC	Family	2010	115	11
Sustainable Fellwood I	LIHTC/Market/PBRA	Family	2009	110	18
Sheppard Station	LIHTC	Senior	2009	65	12

As illustrated in the previous table, the properties constructed between 2009 and 2014 reported absorption rates of 11 to 30 units per month, with an average of 18 units per month. Pinewood Village is the newest senior LIHTC property in the market. It is located outside of the PMA. This property experienced an absorption rate of 21 units per month. It should be noted that Pinewood Village is managed by the same entity as Sheppard Station and many of its units were filled by households on Sheppard Station's waiting list. Sustainable Fellwood III is the newest senior LIHTC property located in the PMA. This property experienced an absorption rate of 30 units per month. Sustainable Fellwood III benefits from being a subsequent phase of an existing development and it offers project-based rental assistance for 44 percent of its units, which the Subject will not. Based upon this information, we would expect the Subject to experience a slower absorption pace when compared to Sustainable Fellwood III. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately three months for the Subject to reach 93 percent occupancy.

### 9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Approximately 38.6 percent of the seniors in the PMA will be renters as of the Subject's market entry date, which is considerably higher than the national rate at 13.0 percent. There is one proposed senior LIHTC development in the Subject's PMA. However, this property is existing and will be renovated with the majority of tenants in place. The Subject's strengths include its location and age/condition. The Subject's primary weaknesses are its somewhat small unit sizes and lack of washer/dryer connections. Additionally, the Subject has a heavy concentration (65 percent) of two-bedroom units

when compared to the market. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 0.4 percent. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. We believe that the Subject's proposed rents are reasonable and achievable.

### Summary Table:

Development Name:	<b>Romana-Riley Lofts</b>	Total # Units: <b>57</b>
Location:	SEC East Henry Street & Waters Avenue; SWC East Anderson Street & Waters Avenue Savannah, Chatham County, Georgia 31404	# LIHTC Units: <b>57</b>
PMA Boundary:	North: Savannah River; West: Interstate 516/Highway 17; South: Derenne Avenue/Highway 21; East: Wilmington River	
	Farthest Boundary Distance to Subject:	4.1 miles

#### Rental Housing Stock (found on page 101)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	4	542	2	99.6%
Market-Rate Housing	2	236	0	100.0%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
<b>LIHTC</b>	2	306	2	99.3%
Stabilized Comps	4	542	2	99.6%
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap

\*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
9	1BR at 50% AMI	1	640	\$420	\$708	\$1.11	69%	\$1,100	\$1.09
3	2BR at 50% AMI	1	864	\$505	\$876	\$1.01	73%	\$1,500	\$1.33
1	2BR at 50% AMI	1	916	\$505	\$876	\$0.96	73%	\$1,500	\$1.33
2	2BR at 50% AMI	1	1,005	\$505	\$876	\$0.87	73%	\$1,500	\$1.33
11	1BR at 60% AMI	1	640	\$535	\$738	\$1.15	38%	\$1,100	\$1.09
14	2BR at 60% AMI	1	864	\$640	\$940	\$1.09	47%	\$1,500	\$1.33
5	2BR at 60% AMI	1	916	\$640	\$940	\$1.03	47%	\$1,500	\$1.33
12	2BR at 60% AMI	1	1,005	\$640	\$940	\$0.94	47%	\$1,500	\$1.33

#### Demographic Data (found on page 32)

	2010		2015		2017	
Renter Households	4,513	36.80%	5,058	38.00%	5,412	38.60%
Income-Qualified Renter HHs (LIHTC)	827	18.33%	927	18.33%	992	18.33%

#### Targeted Income-Qualified Renter Household Demand (found on pages 44-59)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	44	34	N/Ap	N/Ap	65
Existing Households (Overburdened + Substandard)	N/Ap	265	206	N/Ap	N/Ap	390
Homeowner conversion (Seniors)	N/Ap	6	4	N/Ap	N/Ap	9
<b>Total Primary Market Demand</b>						
Less Comparable/Competitive Supply	N/Ap	16	61	N/Ap	N/Ap	77
<b>Adjusted Income-qualified Renter HHs**</b>	N/Ap	300	184	N/Ap	N/Ap	<b>387</b>

#### Capture Rates (found on page 58)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	6.6%	32.7%	N/Ap	N/Ap	20.2%

\*Includes LIHTC and unrestricted (when applicable)

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

**Project Address and Development Location:**

The Subject site consists of two parcels: one located at the southeast corner of East Henry Street and Waters Avenue and the other located at the southwest corner of East Anderson Street and Waters Avenue in Savannah, Chatham County, Georgia. The Subject site has frontage on Waters Avenue, East Henry Street, and East Anderson Street.

**Construction Type:**

The Subject will consist of 27 new construction units and 30 historic rehabilitation and adaptive reuse units in a building that formerly operated as a school. Both buildings will be elevator-serviced. The new construction building will consist of brick and fiber cement siding while the historic building consists of a brick exterior. The Subject site is bisected by the intersection of E. Anderson Street and Waters Avenue. The Subject’s residential buildings will be located on one parcel. A portion of the Subject’s parking will be located on the adjacent parcel across the street.

**Occupancy Type:**

HFOP – 55+.

**Special Population Target:**

None.

**Number of Units by Bedroom Type and AMI Level:**

See following property profile.

**Unit Size:**

See following property profile.

**Structure Type:**

See following property profile.

**Rents and Utility Allowances:**

See following property profile.

**Existing or Proposed Project Based Rental Assistance:**

None of the units will operate with Project-Based Rental Assistance.

**Proposed Development Amenities:**

See following property profile.

**Property Profile Report**

**Romana - Riley Lofts**

<b>Comp #</b>	Subject
<b>Effective Rent Date</b>	4/6/2015
<b>Location</b>	SEC East Henry Street & Waters Avenue; SWC East Anderson Street & Waters Avenue Savannah, GA 31404 Chatham County (verified)
<b>Units</b>	57
<b>Vacant Units</b>	N/A
<b>Vacancy Rate</b>	N/A
<b>Type</b>	Lowrise - New Construction/ Conversion (age-restricted)
<b>Year Built / Renovated</b>	Proposed
<b>Tenant Characteristics</b>	Seniors ages 55 and older (HFOP)



**Market**

<b>Program</b>	@50%, @60%	<b>Leasing Pace</b>	N/A
<b>Annual Turnover Rate</b>	N/A	<b>Change in Rent</b>	N/A
<b>Units/Month Absorbed</b>	N/A	<b>Concession</b>	
<b>Section 8 Tenants</b>	N/A		

**Utilities**

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

**Unit Mix (face rent)**

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Lowrise	9	640	\$420	\$0	@50%	n/a	N/A	N/A	yes
1	1	Lowrise	11	640	\$535	\$0	@60%	n/a	N/A	N/A	yes
2	1	Lowrise	3	864	\$505	\$0	@50%	n/a	N/A	N/A	yes
2	1	Lowrise	1	916	\$505	\$0	@50%	n/a	N/A	N/A	yes
2	1	Lowrise	2	1,005	\$505	\$0	@50%	n/a	N/A	N/A	yes
2	1	Lowrise	14	864	\$640	\$0	@60%	n/a	N/A	N/A	yes
2	1	Lowrise	5	916	\$640	\$0	@60%	n/a	N/A	N/A	yes
2	1	Lowrise	12	1,005	\$640	\$0	@60%	n/a	N/A	N/A	yes

Amenities			
<b>In-Unit</b>	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Hand Rails Oven Pull Cords Refrigerator	<b>Security</b>	Intercom Limited Access
<b>Property</b>	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management	<b>Premium</b>	none
<b>Services</b>	none	<b>Other</b>	Exterior covered porch w/seating in central area
Comments			
The property will be located at the southeast corner of the intersection of East Henry Street and Waters Avenue. The site also includes a small parcel of land located at the southwest corner of the intersection of East Anderson Street and Waters Avenue in Savannah, Chatham County, Georgia. The Subject will target seniors age 55 and older (HFOP). The Subject will consist of 27 new construction units and 30 historic rehabilitation and adaptive reuse units in a building that formerly operated as a school. Both buildings will be elevator-serviced. The new construction building will consist of brick and fiber cement siding while the historic building consists of a brick exterior. The existing building is vacant. The property's projected utility allowance estimates are \$153 and \$182 for the one and two-bedroom units, respectively.			

- Scope of Renovations:** The Subject will consist of new construction units as well as adaptive reuse units. The Subject's sponsor estimates that the total construction cost will equate to approximately \$110,914 per unit.
- Current Rents:** The Subject will be a combination of new construction and the adaptive reuse of a historic school building, which is currently vacant. Therefore, there are no current rents to report.
- Current Occupancy:** Not applicable.
- Current Tenant Income:** Not applicable.
- Placed in Service Date:** According to the sponsor, the Subject will enter the market in December 2017.
- Conclusion:** The Subject will consist of new construction and the adaptive reuse of a historic school building. We believe that the Subject will be in excellent condition following construction. We assume that the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

## **C. SITE EVALUATION**

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

Sterling Battle visited the site on April 21, 2015.

**2. Physical Features of the Site:**

The following illustrates the physical features of the site.

*Frontage:*

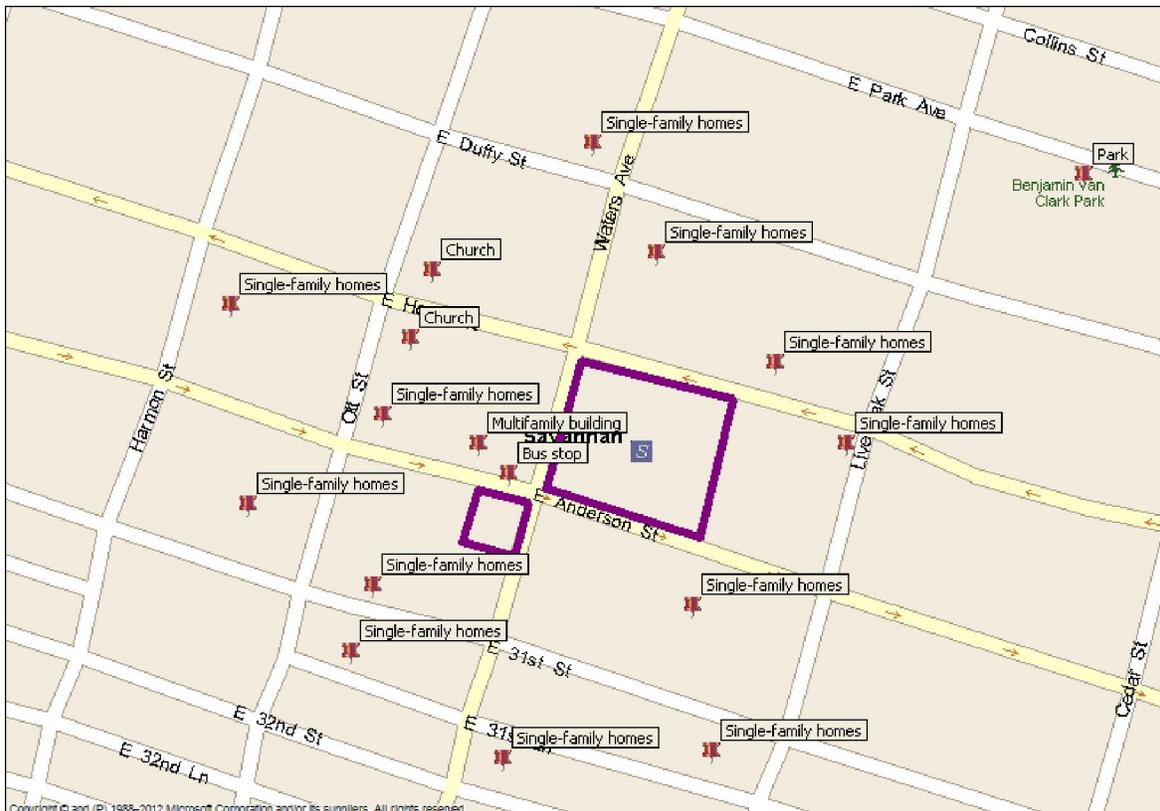
The Subject site has frontage on Waters Avenue, East Henry Street, and East Anderson Street.

*Visibility/Views:*

The site has excellent access and visibility from Waters Avenue, East Henry Street, and East Anderson Street. Views from the site primarily include single-family homes in fair to good condition, a multifamily building in fair condition, a vacant commercial building, and houses of worship. The multifamily building did not offer signage with contact information. We also researched this property online but could not find information. Therefore, information for this property is not available. Views are considered average. The Subject site has frontage along East Henry Street, Waters Avenue, and East Anderson Street will provide the Subject with good visibility as these are well-trafficked neighborhood thoroughfares.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



The surrounding uses are generally in average condition. The single-family homes in the Subject's neighborhood are historical in nature and are in fair to good condition. Residential uses in the immediate neighborhood appeared to be well-occupied. There are few commercial uses in the Subject's immediate neighborhood.

*Positive/Negative Attributes of Site:* Positive attributes of the site include a walkable neighborhood and an adjacent bus line. The Subject site does not have any negative attributes.

### **3. Physical Proximity to Locational Amenities:**

The Subject site is located at the intersection of Waters Avenue and East Anderson Street in a mixed-use neighborhood that includes Live Oak Public Library, small neighborhood commercial uses, places of worship, and single-family homes in fair to good condition. There is a Chatham Area Transit bus stop adjacent to the Subject site. The Memorial University Medical Center and local police department are located within two miles of the Subject site. All locational amenities are located within 2.1 miles of the Subject site, which can be attributed to the Subject's central location near Savannah's historic area.

Overall, the Subject will have good visibility and the community presents a good location for an affordable multifamily development. The Subject is projected to have a positive impact on the local neighborhood.

4. Pictures of Site and Adjacent Uses:



*Subject (existing building)*



*Subject (existing building)*



*Subject (existing building)*



*Subject (existing building)*



*Green space and concrete pad on Subject site*



*Subject (vacant SW corner lot)*



*Parking lot and single-family homes adjacent to existing building*



*Multifamily building immediately west of Subject building*



*Single-family homes in Subject's neighborhood*



*Single-family homes south of Subject along E. Anderson St.*



*Vacant commercial building west of Subject*



*Single-family home on E. Henry St.*



*Single-family home on E. Henry St.*



*Single-family home east of Subject*



*View east on E. Anderson St.*



*View west on E. Anderson St.*



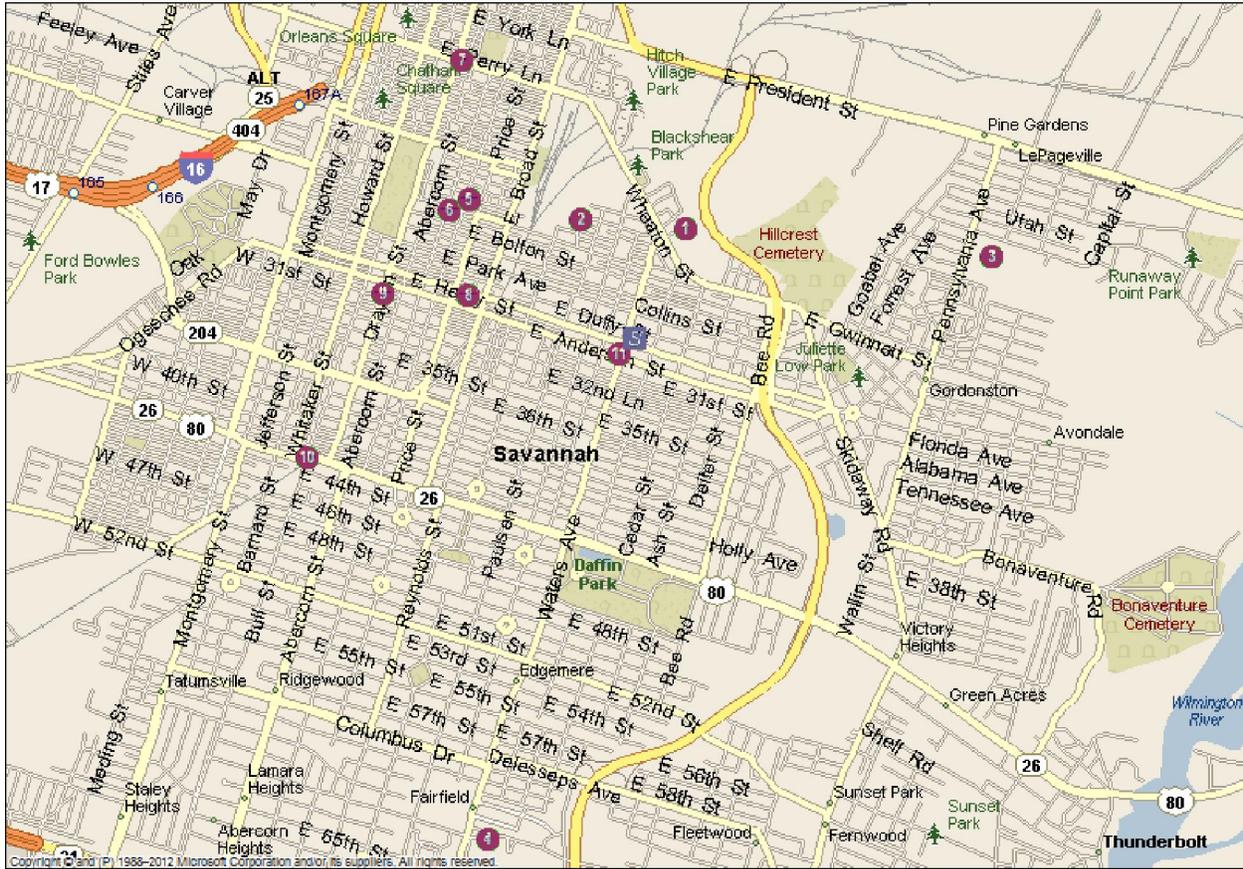
*View north on Waters Ave.*



*View south on Waters Ave.*

**5. Proximity to Locational Amenities:**

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



**Distances from Local Services**

Map #	Service/Amenity	Distance from Subject
1	Frank W. Spencer Elementary School	0.5 miles
2	Hubert Middle School	0.7 miles
3	Savannah High School	2.1 miles
4	Memorial University Medical Center	1.9 miles
5	Kroger (grocery store and pharmacy)	1.1 miles
6	CVS Pharmacy	1.1 miles
7	Downtown Savannah (employment center)	1.6 miles
8	Live Oak Public Library	0.6 miles
9	Savannah Police Department	1.2 miles
10	Senior Citizens Inc. (senior center)	1.7 miles
11	Bus Stop	Adjacent

**6. Description of Land Uses:**

The Subject parcels are partially improved with a vacant school building that will be adapted and renovated into

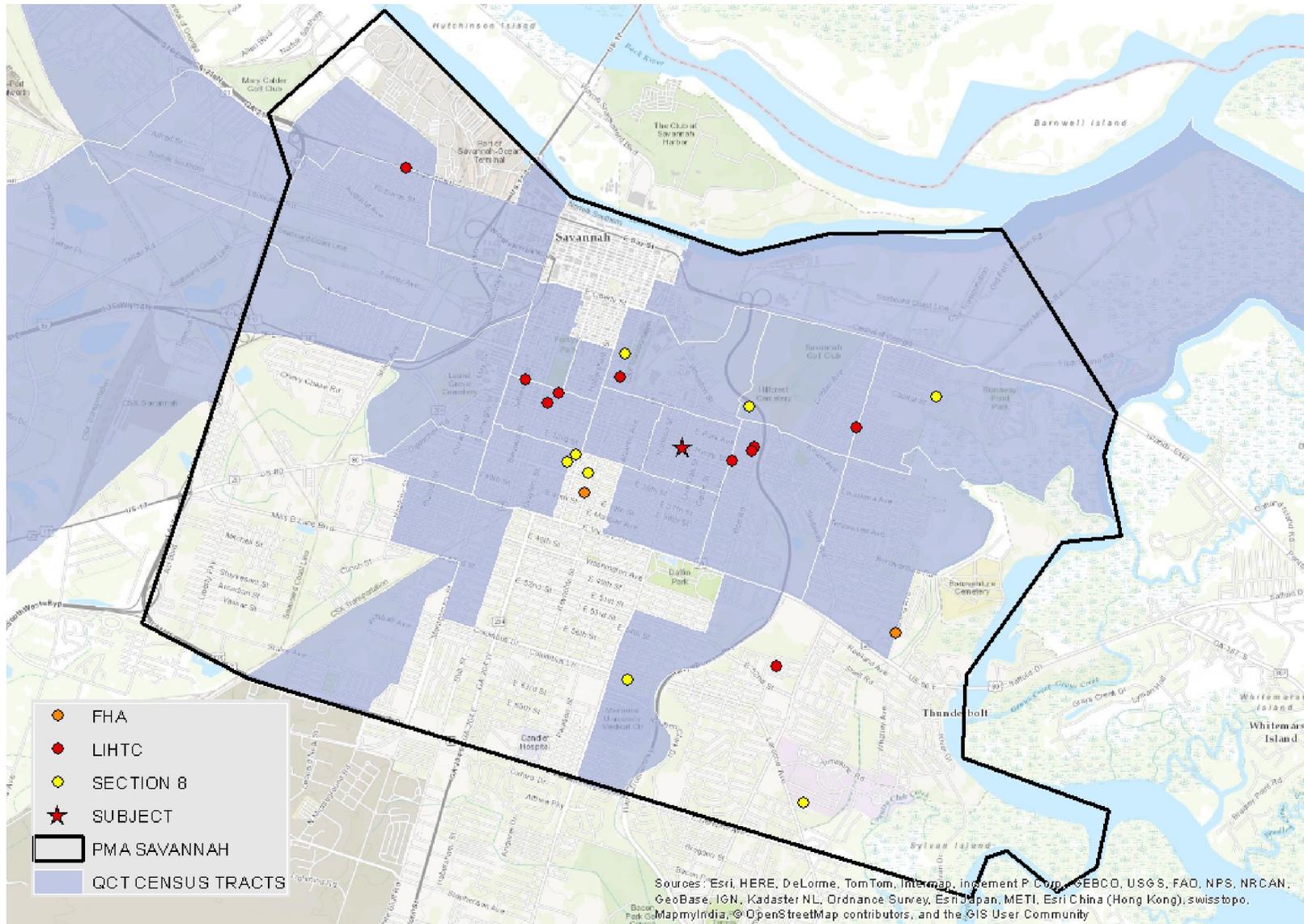
multifamily units. Accessory uses include a parking lot. Immediate surrounding land uses primarily include single-family homes in fair to good condition, a multifamily building in fair condition, a vacant commercial building, and houses of worship. Overall, the Subject will be a conforming use in the neighborhood and the site appears appropriate for senior multifamily rental units.

**7. Existing Assisted Rental Housing Property Map:**

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

QCT LIST

Property	Address	City	State	Type	Tenancy	Map Color	Included/ Excluded	Reason for Exclusion	Distance from Subject
Rose of Sharon	322 E. Taylor St.	Savannah	GA	LIHTC/FHA	Elderly	Red Star	Included	N/Ap	1.4 miles
East Huntingdon Street Housing	E. Huntingdon Street	Savannah	GA	LIHTC	Family		Excluded	Only 14 units	1.1 miles
Savannah Gardens I	515 Pennsylvania Ave.	Savannah	GA	LIHTC/FHA	Family		Excluded	Tenancy not comparable	1.6 miles
Savannah Gardens III	515 Pennsylvania Ave.	Savannah	GA	LIHTC	Family		Excluded	Tenancy not comparable	1.6 miles
Heritage Place	700 W. 35th St.	Savannah	GA	LIHTC	Family		Excluded	Tenancy not comparable	1.8 miles
Heritage Corner & Heritage Row	824 W. 35th St.	Savannah	GA	LIHTC	Family		Excluded	Tenancy not comparable	1.9 miles
Hitch Village Phase I	280 Randolph St.	Savannah	GA	LIHTC	Family		Excluded	Proposed	1.1 miles
Montgomery Landing	714 W. 57th St.	Savannah	GA	LIHTC	Family		Excluded	Tenancy not comparable	2.8 miles
Sister's Court	222 E. 37th St.	Savannah	GA	LIHTC/HOME	Elderly		Excluded	Vacating units for renovation	1.3 miles
Savannah Gardens V	515 Pennsylvania Ave.	Savannah	GA	LIHTC	Family		Excluded	Tenancy not comparable	1.6 miles
Savannah Gardens II	515 Pennsylvania Ave.	Savannah	GA	LIHTC/HUD 202	Elderly		Excluded	Subsidized	1.6 miles
Savannah Gardens IV	515 Pennsylvania Ave.	Savannah	GA	LIHTC/Market	Family		Excluded	Tenancy not comparable	1.6 miles
Sustainable Fellwood I	1300 Bay St.	Savannah	GA	LIHTC/PHA/Market	Family		Excluded	Tenancy not comparable	3.3 miles
Sustainable Fellwood II	1300 Bay St.	Savannah	GA	LIHTC/PHA/Market	Family		Excluded	Tenancy not comparable	3.3 miles
Sustainable Fellwood III	1300 Bay St.	Savannah	GA	LIHTC/PHA/Market	Elderly		Included	N/Ap	3.2 miles
Ashley Midtown I	1518 E. Park Ave.	Savannah	GA	LIHTC/PHA/Market	Family		Excluded	Tenancy not comparable	0.6 miles
Ashley Midtown II	1519 E. Park Ave.	Savannah	GA	LIHTC/PHA/Market	Family		Excluded	Tenancy not comparable	0.6 miles
SNAP I, II, III	1 W. Henry St.	Savannah	GA	LIHTC/Section 8/FHA	Family		Excluded	Rent subsidized; tenancy not comparable	1.0 miles
Telfair Arms	17 E. Park Ave.	Savannah	GA	LIHTC/Section 8/FHA	Elderly		Excluded	Subsidized	1.1 miles
Green Growth 1	709 E Broad St.	Savannah	GA	Market/HoDAG	Family		Excluded	More comparable properties available.	1.1 miles
Courtney Station Apartments	285 W. Park Ave.	Savannah	GA	Market/HoDAG	Family	Excluded	Could not obtain information.	1.3 miles	
Cars V Inc	1915 E. 51st Street	Savannah	GA	Section 8	Disabled	Yellow Star	Excluded	Rent subsidized; tenancy not comparable	2.4 miles
Chatham Assoc For Res Sev Inc I	1300 Richardson St.	Savannah	GA	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	0.8 miles
Chatham Assoc For Res Sev Inc II	1221 E. 59th St.	Savannah	GA	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	1.8 miles
Georgia Infirmary A/ Habersham Place	410 E. 35th St.	Savannah	GA	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	1.0 miles
Georgia Infirmary B/ Habersham Place	512 Hamilton Ct.	Savannah	GA	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	1.0 miles
Ponderosa Forest Apts	4920 Laroche Ave.	Savannah	GA	Section 8	Family		Excluded	Rent subsidized; tenancy not comparable	3.2 miles
Presidential Plaza I	2800 Capital St.	Savannah	GA	Section 8	Family		Excluded	Rent subsidized; tenancy not comparable	2.4 miles
Presidential Plaza II	2800 Capital St.	Savannah	GA	Section 8/FHA	Family		Excluded	Rent subsidized; tenancy not comparable	2.4 miles
St. Johns Villa Apartments	506 Blair St.	Savannah	GA	Section 8	Elderly		Excluded	Subsidized	1.1 miles
Thomas Francis Williams Court Apts	1900 Lincoln St.	Savannah	GA	Section 8/FHA	Elderly		Excluded	Subsidized	1.1 miles
Jasmine Place	2323 Downing St.	Savannah	GA	Market/FHA	Family	Orange Star	Excluded	Tenancy not comparable	2.5 miles
Veranda at Midtown	1415 Henry St.	Savannah	GA	Market/PBRA/FHA	Elderly		Included	N/Ap	0.4 miles
East Broad Apts	533 E. 38th St.	Savannah	GA	FHA	Family		Excluded	Tenancy not comparable	1.1 miles
<b>Romana-Riley Lofts</b>	<b>1318 Waters Ave.</b>	<b>Savannah</b>	<b>GA</b>	<b>LIHTC</b>	<b>Elderly</b>	<b>Red Star</b>	<b>SUBJECT</b>	<b>-</b>	<b>-</b>



Savannah, GA



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

We witnessed no road/infrastructure improvements during our site inspection.

**9. Access, Ingress/Egress and  
Visibility of site:**

The Subject site is accessed via Waters Avenue, East Anderson Street, and East Henry Street. These are two-lane neighborhood thoroughfares that experience moderate to heavy traffic. Overall, the Subject's access and visibility are considered excellent.

**10. Environmental Concerns:**

None visible upon site inspection.

**11. Conclusion:**

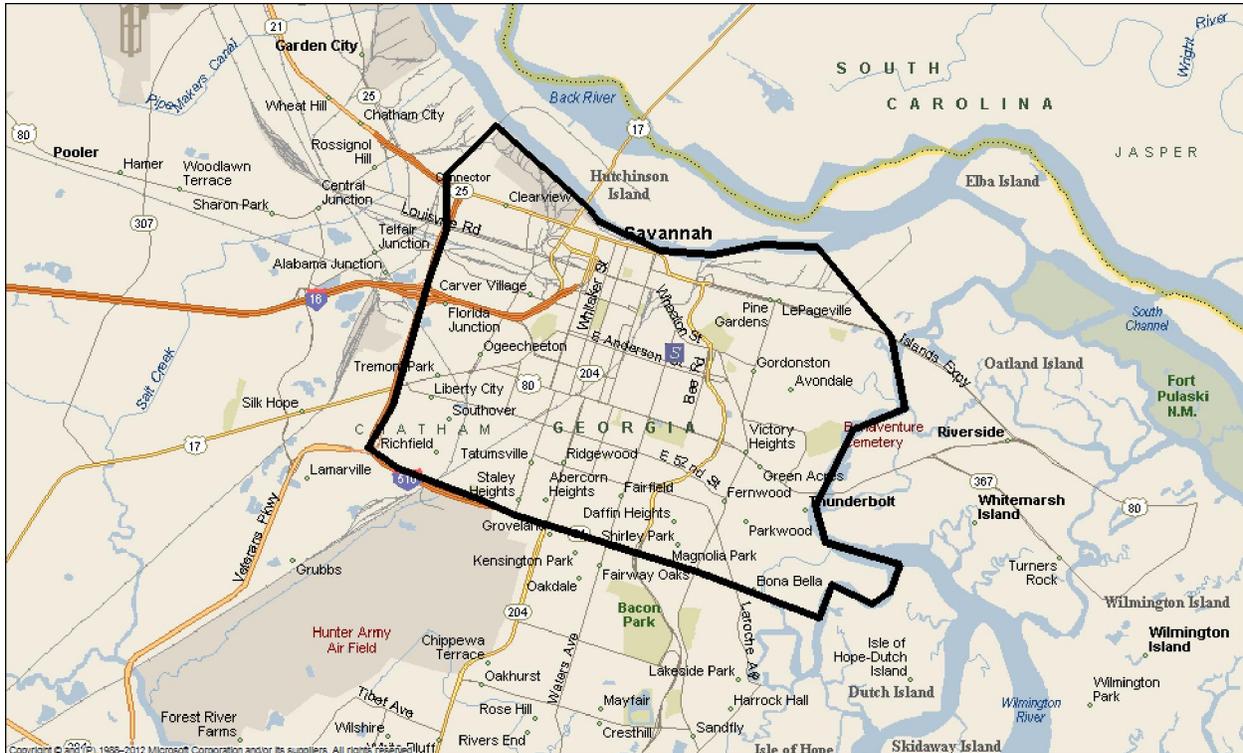
The Subject parcels are located at the intersection of Waters Avenue and East Anderson Street. Immediate surrounding land uses primarily include single-family homes in fair to good condition, a multifamily building in fair condition, a vacant commercial building, and houses of worship. The Subject will be a compatible use within the immediate 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**



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 Savannah, GA MSA are areas of growth or contraction. The Savannah, GA MSA is comprised of Bryan, Chatham, and Effingham counties.

The boundaries of the PMA are as follows:

- North -Savannah River
- South - Derenne Avenue/Highway 21
- East - Wilmington River
- West - Interstate 516/Highway 17

This area includes the majority of the city of Savannah. The area was defined based on interviews with local market participants as well as property managers at comparable properties. Based upon site inspection, the Subject site is located in the historic area of Savannah that consists of predominantly older residential and commercial uses. This area differs in character to

the southern Savannah area, which is suburban in nature. Several property managers indicated that a significant portion of their tenants come from the immediate Savannah area. Due to access provided by thoroughfares such as Interstate 16, Highway 21, Southwest Bypass, and Harry Truman Parkway, several property managers indicated that residents come from throughout Chatham County. Per GA DCA's 2015 market study guidelines, GA DCA does not take into account leakage from the PMA. The farthest PMA boundary is approximately 4.1 miles from the Subject.

## **E. COMMUNITY DEMOGRAPHIC DATA**

## COMMUNITY DEMOGRAPHIC DATA

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

### 1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in the MSA, the PMA and nationally from 2000 through 2019.

#### TOTAL POPULATION

Year	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	84,294	-	292,995	-	281,421,906	-
2010	82,961	-0.2%	347,611	1.9%	308,745,538	1.0%
2015	85,226	0.5%	366,935	1.1%	314,467,933	0.4%
Projected Mkt Entry December 2017	87,106	0.9%	381,996	1.7%	321,340,837	0.9%
2019	88,337	0.7%	391,863	1.4%	325,843,774	0.7%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

#### TOTAL SENIOR POPULATION (55+)

Year	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	18,470	-	59,353	-	59,266,437	-
2010	19,020	0.3%	79,161	3.3%	83,352,075	4.1%
2015	21,108	2.1%	90,866	2.8%	83,352,075	0.0%
Projected Mkt Entry December 2017	22,771	3.3%	99,325	3.9%	89,662,805	3.1%
2019	23,861	2.6%	104,867	3.1%	93,797,421	2.5%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

## POPULATION BY AGE GROUP

Age Cohort	PMA			Projected Mkt	2019
	2000	2010	2015	Entry December 2017	
0-4	5,872	5,724	5,623	5,761	5,851
5-9	6,397	4,992	5,174	5,157	5,146
10-14	6,344	4,499	4,695	4,834	4,925
15-19	6,776	7,622	7,071	7,199	7,283
20-24	7,551	10,454	10,701	10,245	9,946
25-29	6,101	6,628	6,841	6,941	7,007
30-34	5,363	5,215	5,640	5,812	5,925
35-39	5,620	4,307	4,473	4,802	5,018
40-44	5,648	4,361	4,366	4,343	4,328
45-49	5,280	4,934	4,453	4,443	4,436
50-54	4,873	5,205	5,081	4,797	4,611
55-59	3,691	4,749	5,175	5,229	5,265
60-64	3,183	4,298	4,623	4,931	5,132
65-69	2,892	3,051	3,856	4,130	4,309
70-74	2,855	2,246	2,673	3,252	3,632
75-79	2,557	1,804	1,861	2,192	2,409
80-84	1,808	1,433	1,384	1,454	1,500
85+	1,484	1,439	1,536	1,583	1,614
<b>Total</b>	<b>84,295</b>	<b>82,961</b>	<b>85,226</b>	<b>87,106</b>	<b>88,337</b>

Source: ESRI Demographics 2015, Novogradac &amp; Company LLP, April 2015

## NUMBER OF ELDERLY AND NON-ELDERLY

Year	PMA			Savannah, GA MSA		
	Total Population	Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
2000	84,295	65,825	18,470	293,000	233,647	59,353
2010	82,961	63,941	19,020	347,611	268,450	79,161
2015	85,226	64,118	21,108	366,935	276,069	90,866
Projected Mkt Entry December 2017	87,106	64,334	22,771	381,996	282,671	99,325
2019	88,337	64,476	23,861	391,863	286,996	104,867

Source: ESRI Demographics 2015, Novogradac &amp; Company LLP, April 2015

Total population in the PMA is projected to increase at a 0.7 percent annual rate from 2015 to 2019, a growth rate below that of the MSA and equal to the nation as a whole during the same time period. The slow projected growth in the general population is typical of densely populated urban areas such as the PMA. However, senior population growth in the PMA is expected to increase at an annual rate of 2.6 percent from 2015 through 2019, which is slightly higher than the national rate. Senior population growth in the PMA will remain below that of the MSA but will be slightly higher than the national rate through 2019. In 2015, approximately 47 percent of the PMA's population was 29 years old or younger. The PMA demonstrates a larger 20 to 29 age population when compared to other age cohorts. The presence of a younger population in the PMA is likely due to the draw of Savannah College of Art & Design (SCAD), Savannah Technical College, and Savannah State University.

## 2. Household Trends

### 2a. Total Number of Households, Average Household Size

#### TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	33,595	-	111,910	-	105,991,193	-
2010	31,757	-0.5%	131,868	1.8%	116,716,292	1.0%
2015	32,721	0.6%	139,752	1.1%	118,979,182	0.4%
Projected Mkt Entry December 2017	33,573	1.1%	145,815	1.8%	121,689,300	0.9%
2019	34,131	0.9%	149,787	1.4%	123,464,895	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

#### TOTAL NUMBER OF HOUSEHOLDS 55+

Year	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	13,207	-	38,687	-	36,970,817	-
2010	12,273	-0.7%	47,307	2.2%	45,892,687	2.4%
2015	13,313	1.6%	54,000	2.7%	50,249,306	1.8%
Projected Mkt Entry December 2017	14,015	2.2%	58,972	3.8%	54,073,162	3.1%
2019	14,474	1.7%	62,230	3.0%	56,578,447	2.5%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

#### AVERAGE HOUSEHOLD SIZE

Year	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.44	-	2.54	-	2.58	-
2010	2.42	-0.1%	2.53	0.0%	2.58	0.0%
2015	2.41	-0.1%	2.52	-0.1%	2.58	0.0%
Projected Mkt Entry December 2017	2.40	-0.1%	2.52	0.0%	2.57	0.0%
2019	2.40	-0.1%	2.52	0.0%	2.57	0.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

Similar to population trends, total household growth in the PMA is projected to increase at a rate below that of the MSA. However, projected senior household growth of 1.7 percent annually between 2015 and 2019 in the PMA is higher than the projected general household growth during the same time period. Senior household growth in the PMA and MSA will increase at a rate greater than households of all ages over the next several years. The average household size in the PMA is projected to decline slightly in the PMA with a nominal annual change of 0.1 percent. The average household sizes in the MSA and nation are projected to remain stable through 2019.

## 2b. Households by Tenure

The following table illustrates senior household growth by tenure from 2000 through 2019.

### PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied Units	Percentage Owner- Occupied	Renter-Occupied Units	Percentage Renter- Occupied
2000	8,687	65.8%	4,520	34.2%
2010	7,760	63.2%	4,513	36.8%
2015	8,255	62.0%	5,058	38.0%
Projected Mkt Entry December 2017	8,602	61.4%	5,412	38.6%
2019	8,830	61.0%	5,645	39.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

Owner-occupied housing units dominate the housing market in the PMA. However, the 38.0 percent renter-occupied number is significantly higher than the national average of 13.0 percent for senior households.

## 2c. Households by Income

The following table depicts senior household income distribution in 2010, 2015, market entry, and 2019 for the PMA.

### HOUSEHOLD INCOME DISTRIBUTION 55+ - PMA

Income Cohort	2010		2015		Projected Mkt Entry December 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,060	16.8%	2,493	18.7%	2,696	19.2%	2,829	19.5%
\$10,000-19,999	2,753	22.4%	3,005	22.6%	3,170	22.6%	3,278	22.6%
\$20,000-29,999	1,931	15.7%	2,174	16.3%	2,280	16.3%	2,349	16.2%
\$30,000-39,999	1,202	9.8%	1,374	10.3%	1,448	10.3%	1,496	10.3%
\$40,000-49,999	958	7.8%	1,020	7.7%	1,069	7.6%	1,101	7.6%
\$50,000-59,999	807	6.6%	850	6.4%	891	6.4%	918	6.3%
\$60,000-74,999	805	6.6%	820	6.2%	851	6.1%	870	6.0%
\$75,000-99,999	780	6.4%	652	4.9%	665	4.7%	673	4.6%
\$100,000-124,999	324	2.6%	343	2.6%	348	2.5%	352	2.4%
\$125,000-149,999	221	1.8%	208	1.6%	210	1.5%	211	1.5%
\$150,000-199,999	187	1.5%	165	1.2%	172	1.2%	177	1.2%
\$200,000+	247	2.0%	209	1.6%	215	1.5%	219	1.5%
<b>Total</b>	<b>12,273</b>	<b>100.0%</b>	<b>13,313</b>	<b>100.0%</b>	<b>14,015</b>	<b>100.0%</b>	<b>14,474</b>	<b>100.0%</b>

Source: Ribbon Demographics 2015, Novogradac & Company LLP, April 2015

The Subject will target senior households earning \$17,190 to \$29,460. As the previous table illustrates, approximately 39.0 percent of renter households in the PMA earned incomes between \$10,000 and \$29,999 in 2015. For the projected market entry date of December 2017, this percentage is projected to remain the same.

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

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

**RENTER HOUSEHOLDS BY NUMBER OF PERSONS 55+ - PMA**

	2010		2015		Projected Mkt Entry December 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	2,391	53.0%	2,793	55.2%	3,000	55.4%	3,135	55.5%
With 2 Persons	962	21.3%	1,108	21.9%	1,188	22.0%	1,241	22.0%
With 3 Persons	457	10.1%	490	9.7%	515	9.5%	532	9.4%
With 4 Persons	326	7.2%	306	6.1%	332	6.1%	349	6.2%
With 5+ Persons	378	8.4%	361	7.1%	377	7.0%	388	6.9%
Total Renter	4,513	100.0%	5,058	100.0%	5,412	100.0%	5,645	100.0%

Source: Ribbon Demographics 2015, Novogradac & Company LLP, April 2015

The largest senior renter household cohort has remained a one-person household since 2010, followed by two and three-person households. These three cohorts are projected to remain the largest through 2019. In 2015, the one and two-person households accounted for approximately 77 percent of renter households in the PMA. The Subject will target one and two-person households. Therefore, the strong presence of one to two-person renter households in the PMA bodes well for the Subject's units.

## 2e and f. Elderly and HFOP

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

## Conclusion

The PMA is expected to experience strong senior population and household growth from 2015 through 2019. Senior population growth in the PMA is expected to increase at an annual rate of 2.6 percent from 2015 through 2019, which is slightly higher than the national rate. Senior population growth in the PMA will remain below that of the MSA but will be slightly greater than the national rate through 2019. Owner-occupied housing units dominate the housing market in the PMA. However, the 38.0 percent renter-occupied number is significantly higher than the national average of 13.0 percent for senior households. The Subject will target senior households earning \$17,190 to \$29,460. Approximately 39.0 percent of renter households in the PMA earned incomes between \$10,000 and \$29,999 in 2015. For the projected market entry date of December 2017, this percentage is projected to remain the same. As the senior population and number of households increase, there is expected to be a greater number of lower-income senior renters seeking affordable housing.

## **F. EMPLOYMENT TRENDS**

## EMPLOYMENT TRENDS

The Savannah MSA is comprised of Bryan, Chatham, and Effingham Counties, and is the third largest metropolitan area in the state of Georgia. Savannah is located approximately 20 miles inland from the Atlantic Ocean and immediately south of Georgia/South Carolina border. The city is home to the headquarters of JCB Inc., a manufacturer of heavy construction and agricultural equipment, and Gulfstream Aerospace Corporation, a manufacturer of business aircraft. Savannah's location on the Atlantic coast provides for both a thriving tourism industry as well as the fourth largest port in the United States. According to the Savannah Area Chamber of Commerce, the Port of Savannah is the fastest growing port in the United States. The Savannah Harbor Expansion Project will further expand the port enabling it to accommodate larger shipping vessels. Working with the U.S. Army Corps of Engineers, the Savannah Harbor Expansion Project received the last of all required federal and state regulatory approvals in 2013. The project is currently ready to move to construction. In addition to the port, both Norfolk Southern Railroad and CSX Transportation have terminals in Savannah providing the city with both port and rail capabilities. Savannah also has excellent access to major interstates, including Interstate 95, which runs south to Miami, Florida and north to the Maine-Canada border.

### 1. Total Jobs

The following table illustrates the total jobs (also known as “covered employment”) in Chatham County. Note that the data below was the most recent data available.

**Total Jobs in Chatham County, Georgia**

Year	Total Employment	% Change
2004	112,734	-
2005	116,875	3.5%
2006	120,896	3.3%
2007	128,375	5.8%
2008	129,556	0.9%
2009	119,753	-8.2%
2010	119,347	-0.3%
2011	121,313	1.6%
2012	127,013	4.5%
2013	127,089	0.1%
2014 YTD Average	128,423	1.0%
Dec-13	126,527	-
Dec-14	128,652	1.7%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2014

As illustrated in the table above, Chatham County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2009 with its first employment decrease of the decade. Chatham County employment increased in 2011, and has continued to increase through 2014. Between December 2013 and 2014, total covered employment increased 1.7 percent, indicating a slowly growing economy.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the county as of March 2015.

Chatham County, Georgia		
	Number	Percent
<b>Total, all industries</b>	<b>124,271</b>	<b>100.0%</b>
<b>Goods-producing</b>	<b>19,288</b>	<b>-</b>
Natural resources and mining	114	0.1%
Construction	4,953	4.0%
Manufacturing	14,221	11.4%
<b>Service-providing</b>	<b>104,983</b>	<b>-</b>
Trade, transportation, and utilities	31,910	25.7%
Information	1,758	1.4%
Financial activities	5,192	4.2%
Professional and business services	17,167	13.8%
Education and health services	21,748	17.5%
Leisure and hospitality	22,479	18.1%
Other services	4,170	3.4%
Unclassified	559	0.4%

Source: Bureau of Labor Statistics, 3/2015

Trade, transportation, and utilities along with leisure and hospitality represent the top two percentages of total employment in Chatham County. These industries are somewhat vulnerable in economic downturns and are historically volatile industries, with the exception of utilities. However, educational and health services are the third largest industry and are typically considered stable industries.

## 2015 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Accommodation/Food Services	5,745	16.3%	10,849,114	7.6%
Health Care/Social Assistance	5,436	15.5%	20,080,547	14.0%
Retail Trade	4,106	11.7%	16,592,605	11.6%
Educational Services	4,015	11.4%	12,979,314	9.1%
Other Services (excl Publ Adm)	2,176	6.2%	7,850,739	5.5%
Construction	2,167	6.2%	8,291,595	5.8%
Manufacturing	1,637	4.7%	15,162,651	10.6%
Public Administration	1,611	4.6%	6,713,073	4.7%
Transportation/Warehousing	1,566	4.5%	5,898,791	4.1%
Admin/Support/Waste Mgmt Svcs	1,566	4.5%	6,316,579	4.4%
Prof/Scientific/Tech Services	1,368	3.9%	9,808,289	6.8%
Arts/Entertainment/Recreation	901	2.6%	3,151,821	2.2%
Wholesale Trade	770	2.2%	3,628,118	2.5%
Finance/Insurance	692	2.0%	6,884,133	4.8%
Information	605	1.7%	2,577,845	1.8%
Real Estate/Rental/Leasing	561	1.6%	2,627,562	1.8%
Utilities	190	0.5%	1,107,105	0.8%
Agric/Forestry/Fishing/Hunting	58	0.2%	1,800,354	1.3%
Mining	0	0.0%	868,282	0.6%
Mgmt of Companies/Enterprises	0	0.0%	97,762	0.1%
<b>Total Employment</b>	<b>35,170</b>	<b>100.0%</b>	<b>143,286,279</b>	<b>100.0%</b>

Source: ESRI Demographics 2010, Novogradac & Company LLP, April 2015

The largest industries in the PMA are accommodation/food services, health care/social assistance, retail trade, and educational services. Together, these four industries comprise almost 55 percent of total employment in the PMA. Accommodation/food services, health care/social assistance, and educational services are overrepresented in the PMA when compared to the nation, while the manufacturing, professional/scientific/tech services, finance/insurance, and agricultural/forestry/fishing/hunting sectors are underrepresented in the PMA when compared to the nation.

### 3. Major Employers

The diversification of the Savannah economic base is indicated by the following list of the Savannah metro area’s 10 largest employers.

#### MAJOR EMPLOYERS

##### Savannah GA

#	Company	Industry	Number of Employees
1	Gulfstream Aerospace Corporation	Manufacturing	10,126
2	Memorial University Medical Center	Healthcare	5,000
3	Savannah-Chatham County Board Of Education	Education	4,808
4	Ft. Stewart/Hunter Army Airfield	Government	4,637
5	St. Josph's/Candler Health System	Healthcare	3,304
6	City of Savannah	Government	2,795
7	Chatham County	Government	1,600
8	Savannah College of Art and Design	Education	1,590
9	Georgia Ports Authority	Shipping Authority	988
10	Armstrong Atlantic State University	Education	602

Source: Savannah Economic Development Authority, December 2014

As indicated in the table above, the major employers in Savannah are varied and represent a wide range of industries. The largest public sector employer is Savannah-Chatham County Board of Education, which employs 4,808 people. Gulfstream Aerospace Corporation is the largest employer in the area with more than 10,000 employees. Local employment seems to be concentrated in the health care and education sectors. With Savannah being a port city, several companies involving cargo handling are also significant employers in the region.

Chatham County is also home to the Hunter Army Air Field. Currently, Hunter Army Airfield has approximately 5,000 soldiers, airmen and coast guardsmen on station. It is home of the aviation units of the 3rd Infantry Division (Mechanized) headquartered at Fort Stewart. There are also a number of non-divisional units assigned to Hunter as well. The Coast Guard Air Station Savannah is also located on Hunter Army Airfield, and provides search and rescue coverage of the coastal areas of Georgia and South Carolina. The Hunter Army Airfield is located approximately seven miles south of the Subject.

It is also important to mention that Fort Stewart, the largest Army installation east of the Mississippi River, is located approximately 13 miles west of the Subject. As of the census of 2000, there were 11,205 people residing at the base.

The tourism industry plays a major role in the Savannah area. The Savannah Convention and Visitor’s Bureau reported approximately 12.4 million visitors in 2012, up 2.5 percent from 2011. Approximately 7.0 million were overnight visitors with the rest being day-trippers. Hotel room and occupancy rates were up from the previous year. Visitor spending was approximately \$2 billion in 2012 and the area’s lodging, dining, entertainment, and visitor-related transportation sectors employed over 17,000 people.

**BRAC Impact**

According to the 2005 BRAC report, the Home Station Training Site moved from the 188<sup>th</sup> Fighter Wing, Fort Smith Air Guard Station (AGS), Arkansas to Savannah, Georgia.

**Expansions/Contractions**

The following table illustrates business closures and layoffs within the city of Savannah from January 2010 to March 2015, according to the Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) filings.

**SAVANNAH, GEORGIA LAYOFFS/CLOSURES 2010-YTD 2015**

Effective Date	Company	City	Layoff/Closure	Number Affected
3/20/2015	L-3 Army Sustainment Division	Savannah	Layoff	82
9/1/2014	United Arab Shipping Company	Savannah	Layoff	20
4/5/2013	Veolia Transportation	Savannah	Closure	205
1/4/2013	Roadlink Workforce Solutions	Savannah	Layoff	42
5/31/2012	Sodexo Inc.	Savannah	Closure	214
12/5/2011	Premier Warehousing Ventures, LLC.	Savannah	Closure	108
7/15/2011	Memorial Health	Savannah	Layoff	228
7/6/2011	CSC Applied Technology Group	Savannah	Layoff	444
6/3/2011	Citi Trends, Inc (Savannah Distribution Center)	Savannah	Closure	107
7/22/2010	Cahaba Govt Benefit Administrators, LLC.	Savannah	Closure	155
6/28/2010	Midcoast Aviation DBA Savannah AirCenter	Savannah	Closure	359
3/8/2010	Decrane Aerospace Precision Patterns	Savannah	Closure	90
<b>Total</b>				<b>2,054</b>

Source: Georgia Department of Labor, April 2015

As illustrated in the previous table, the city of Savannah experienced 12 WARN filings from 2010 to 2015 for a total of 2,054 jobs affected.

**Savannah Economic Development Authority**

According Leia Dedic, Economic Research Manager at the Savannah Economic Development Authority, 2013 and 2014 were positive years in terms of job growth and expansions in the Savannah area. In 2014, there were 15 new projects that created approximately 668 new jobs and have brought over \$305 million in investment to the Savannah Area. Here are few upcoming job creating expansions that have been announced since January 2015.

- OA Logistics, a distribution company based in Pooler, GA announced in February that it would be expanding its east coast operations by constructing a new \$1.1 million distribution center in Savannah. The expansion is projected to bring 200 to 300 jobs over the next 16 to 18 months.
- PolyCase Ammunition, an ammunition manufacturer announced in January it would be expanding its current operation by \$10 million, creating 100 new jobs in the Savannah area. No further details were available.

#### 4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Savannah, GA MSA and nation from 2004 to December 2014.

##### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Savannah, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	152,921	-	4.1%	-	139,252,000	-	5.5%	-
2005	158,112	3.4%	4.4%	0.3%	141,730,000	1.8%	5.1%	-0.4%
2006	164,431	4.0%	3.9%	-0.5%	144,427,000	1.9%	4.6%	-0.5%
2007	172,008	4.6%	3.8%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	170,941	-0.6%	5.5%	1.7%	145,362,000	-0.5%	5.8%	1.2%
2009	161,731	-5.4%	8.5%	3.0%	139,877,000	-3.8%	9.3%	3.5%
2010	158,483	-2.0%	9.4%	0.9%	139,064,000	-0.6%	9.6%	0.3%
2011	161,318	1.8%	9.3%	-0.1%	139,869,000	0.6%	8.9%	-0.7%
2012	165,895	2.8%	8.5%	-0.9%	142,469,000	1.9%	8.1%	-0.8%
2013	167,813	1.2%	7.6%	-0.9%	143,929,000	1.0%	7.4%	-0.7%
2014 YTD Average*	170,336	1.5%	6.7%	-0.8%	146,305,333	1.7%	6.2%	-1.2%
Dec-2013	167,374	-	6.8%	-	144,423,000	-	6.5%	-
Dec-2014	170,185	1.7%	5.9%	-0.9%	147,190,000	1.9%	5.4%	-1.1%

Source: U.S. Bureau of Labor Statistics April 2015

\*2014 data is through Dec

Total employment grew every year between 2004 and 2007 in the MSA. The MSA experienced a significant decrease in total employment between 2008 and 2010, when total employment decreased 8.0 percentage points. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment than the MSA from 2008 to 2010. The MSA experienced employment growth from 2011 to 2014 but remains below pre-recession levels.

The unemployment rate in the MSA was lower than that of the nation from 2004 through 2010. However, the unemployment rate in the MSA has remained at rate above the nation since 2011. As of December 2014, the unemployment rate in the MSA was 0.5 percentage points above that of the nation. However, the MSA experienced a moderate decrease in unemployment of 0.9 percentage points between December 2013 and December 2014. As of December 2014, the MSA was experiencing its lowest unemployment level since 2008.

## 5. Map of Site and Major Employment Concentrations

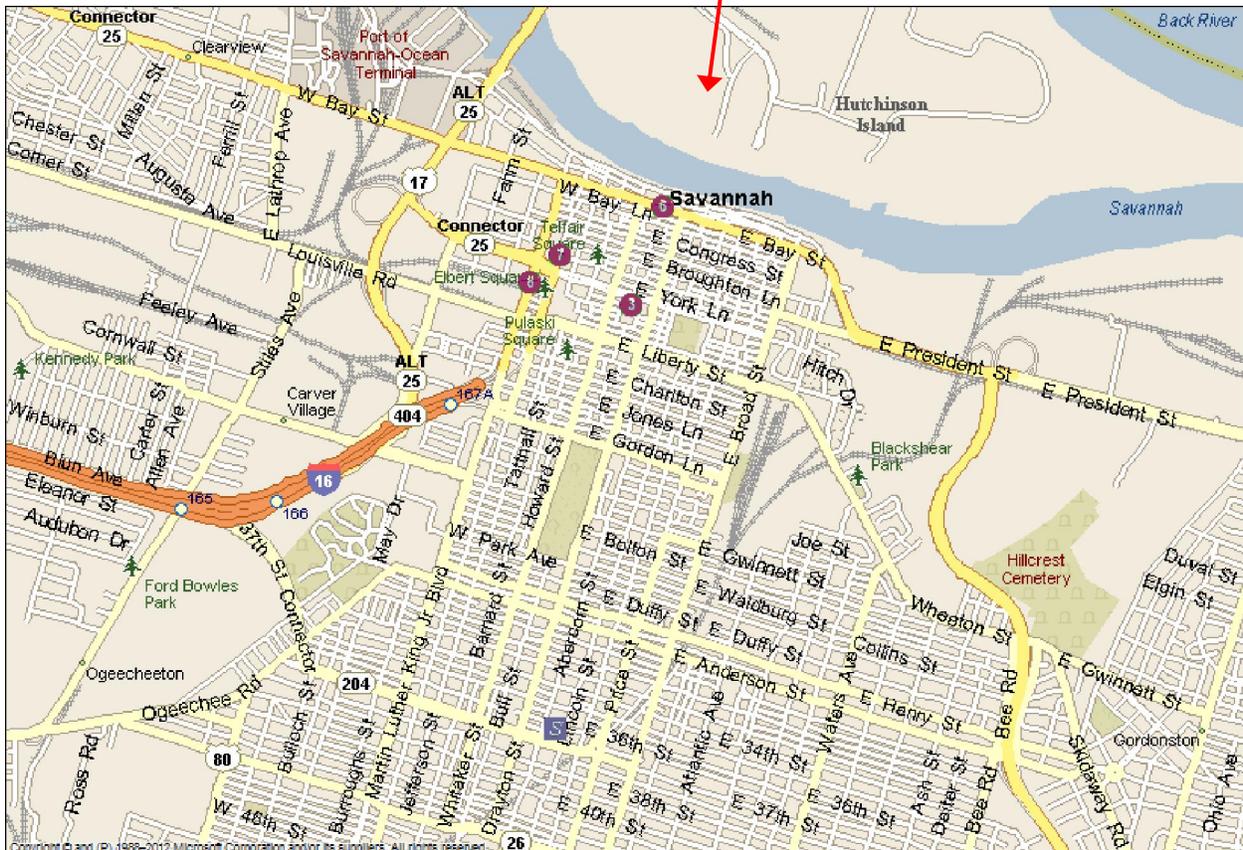
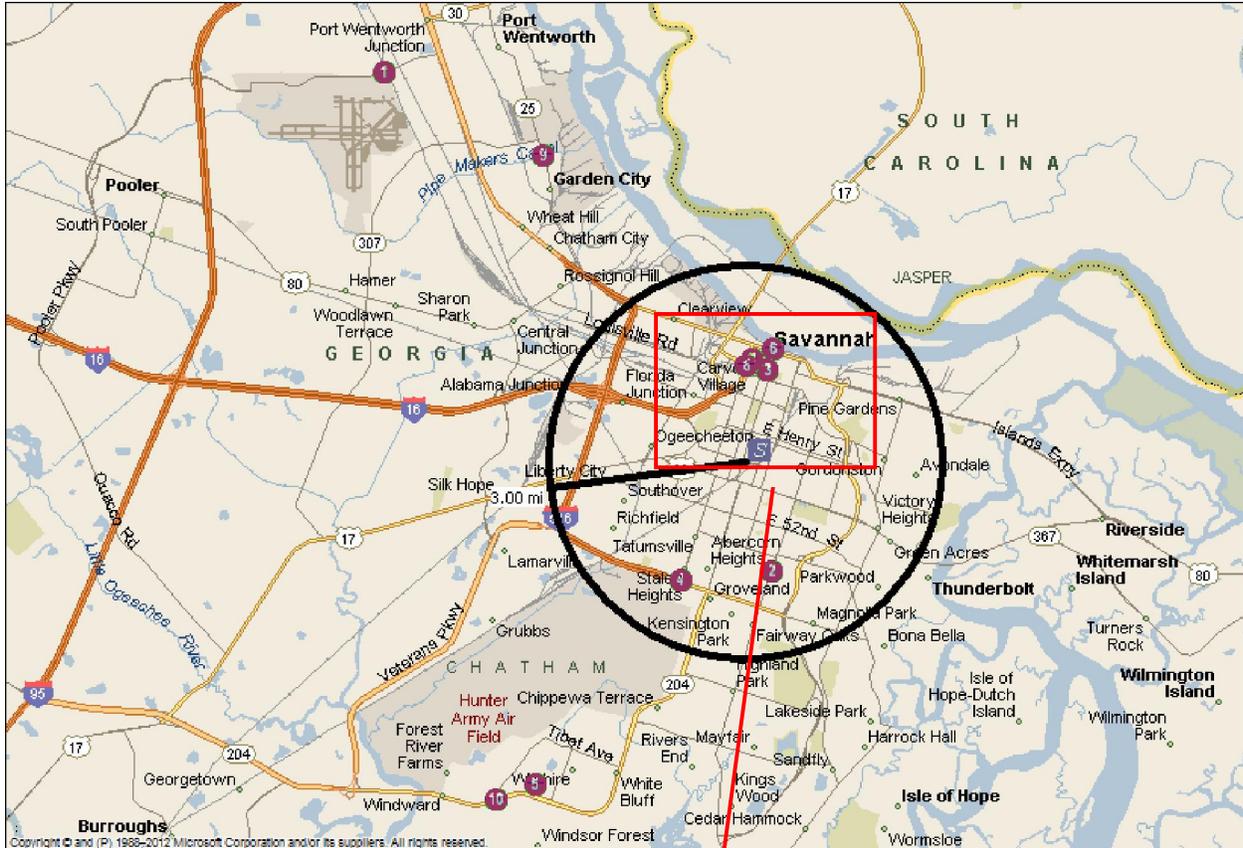
The following map and table details the largest employers in the Savannah Metro Area.

### MAJOR EMPLOYERS

#### Savannah GA

#	Company	Industry	Number of Employees
1	Gulfstream Aerospace Corporation	Manufacturing	10,126
2	Memorial University Medical Center	Healthcare	5,000
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4	Ft. Stewart/Hunter Army Airfield	Government	4,637
5	St. Joseph's/Candler Health System	Healthcare	3,304
6	City of Savannah	Government	2,795
7	Chatham County	Government	1,600
8	Savannah College of Art and Design	Education	1,590
9	Georgia Ports Authority	Shipping Authority	988
10	Armstrong Atlantic State University	Education	602

Source: Savannah Economic Development Authority, December 2014



**Conclusion**

The largest employers in Savannah are in the manufacturing, education, health care/social assistance, and government sectors. Employment in the PMA is greatest in the accommodation/food services, health care/social assistance, retail trade, and educational services sectors, which together account for almost 55 percent of the total employment in the PMA. This is significantly higher than the nation as a whole. The MSA experienced a significant decrease in total employment between 2008 and 2010, when total employment decreased 8.0 percentage points. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment than the MSA from 2008 to 2010. The MSA experienced employment growth from 2011 to 2014 but remains below pre-recession levels. As of December 2014, the unemployment rate in the MSA was 0.5 percentage points above that of the nation. However, the MSA experienced a moderate decrease in unemployment of 0.9 percentage points between December 2013 and December 2014.

## **G. 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 40 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 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to 2017 by interpolation of the difference between 2015 estimates and 2017 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 2017. This number takes the overall growth from 2015 to 2017 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.

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. Elderly Homeowners Likely to Convert to Rentership**

The third source is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

### **3D. Other**

DCA does not consider household turnover to be a source of market demand. Therefore, we have not accounted for household turnover in our demand analysis.

## **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 or placed in service from 2013 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 have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2013, 2014, and 2015.
- Vacancies in projects placed in service prior to 2015 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2013 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development.

According to the Georgia Department of Community Affairs, the only properties that have been awarded tax credits since 2013 in the Subject’s Primary Market Area were Savannah Gardens Phases IV and V, as well as Hitch Village Phase I and Sister’s Court Apartments.

- Savannah Gardens IV recently opened and targets families/general households. This property will not directly compete with the Subject.
- Savannah Gardens V was allocated tax credits in 2013 and will target families/general households. This property will not directly compete with the Subject.
- Hitch Village Phase I was allocated in 2014 and will offer 72 total units, 57 of which will be LIHTC, to families/general households. This property will not directly compete with the Subject.
- Sister’s Court Apartments is an existing 77-unit LIHTC property restricted to seniors 62 and older. It opened in 1999. It received a 2014 LIHTC allocation to allow for rehabilitation of the property. According to the developer, the property is currently 92 percent occupied. As units become available, management is keeping them vacant in preparation for the upcoming renovation which is expected to begin in October 2015. This property has maintained an occupancy rate of 97 percent or higher since 2013. The renovation will be completed without displacing tenants. Although we expect most of this property’s units to remain occupied during the renovation, we have conservatively included its 77 units as new supply.

**Competitive Supply 2013 - Present**

Property Name	Year Built/Proposed	Number of Competitive Units	Comments
Sister's Court Apartments	1900s/1999/2016	77	16 @ 50%, 61 @ 60%

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated, placed in service, or stabilizing between 2013 and present.

Additions To Supply (Cumulative)/Existing Units	Number of		Overall
	50%	60%	
One Bedroom	14	59	73
Two Bedroom	2	2	4
<b>Total</b>	<b>16</b>	<b>61</b>	<b>77</b>

**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

#	Comparable Property	Rent Structure	Location	Tenancy	Total Units	Occupied Units	Occupancy Rate
1	Rose Of Sharon	LIHTC	Savannah	Senior	206	206	100.00%
2	Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	100	98	98.00%
3	Veranda At Midtown	Market	Savannah	Senior	100	100	100.00%

The previous table illustrates senior occupancy in the PMA, not including subsidized properties. Overall, occupancy is considered high. Therefore, we believe a PMA occupancy rate of 95 percent or higher is reasonable.

**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.

None of the Subject's units will operate with PBRA and the Subject is proposed; therefore, there are no existing tenants. We have conducted the Demand Analysis based upon the 57 units proposed at the Subject.

**Capture Rates**

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

Renter Household Income Distribution 2015 to Projected Market Entry December 2017					
Romana-Riley Lofts					
PMA					
	2015		Projected Mkt Entry December 2017		Percent Growth
	#	%	#	%	
\$0-9,999	1,423	28.1%	1,559	28.8%	8.8%
\$10,000-19,999	1,278	25.3%	1,355	25.0%	5.7%
\$20,000-29,999	604	11.9%	646	11.9%	6.6%
\$30,000-39,999	526	10.4%	551	10.2%	4.5%
\$40,000-49,999	360	7.1%	381	7.0%	5.6%
\$50,000-59,999	245	4.8%	263	4.9%	6.9%
\$60,000-74,999	213	4.2%	232	4.3%	8.1%
\$75,000-99,999	131	2.6%	134	2.5%	2.5%
\$100,000-124,999	112	2.2%	116	2.1%	3.5%
\$125,000-149,999	66	1.3%	72	1.3%	8.8%
\$150,000-199,999	47	0.9%	45	0.8%	-3.6%
\$200,000+	53	1.1%	57	1.0%	5.9%
Total	5,058	100.0%	5,412	100.0%	6.6%

Renter Household Income Distribution Projected Market Entry December 2017			
Romana-Riley Lofts			
	PMA		
	Projected Mkt Entry December 2017		Change 2015 to Prj Mrkt Entry December 2017
	#	%	#
\$0-9,999	1,559	28.8%	102
\$10,000-19,999	1,355	25.0%	89
\$20,000-29,999	646	11.9%	42
\$30,000-39,999	551	10.2%	36
\$40,000-49,999	381	7.0%	25
\$50,000-59,999	263	4.9%	17
\$60,000-74,999	232	4.3%	15
\$75,000-99,999	134	2.5%	9
\$100,000-124,999	116	2.1%	8
\$125,000-149,999	72	1.3%	5
\$150,000-199,999	45	0.8%	3
\$200,000+	57	1.0%	4
Total	5,412	100.0%	355

Tenure Prj Mrkt Entry December 2017	
Renter	38.6%
Owner	61.4%
Total	100.0%

Renter Household Size for Prj Mrkt Entry December 2017		
Size	Number	Percentage
1 Person	3,000	55.4%
2 Person	1,188	22.0%
3 Person	515	9.5%
4 Person	332	6.1%
5+ Person	377	7.0%
Total	5,412	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	6,167	35.8%
2 Person	4,566	26.5%
3 Person	2,609	15.1%
4 Person	1,801	10.4%
5+ Person	2,100	12.2%
Total	17,243	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$17,190		
Maximum Income Limit			\$24,550 2		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	102.21			
\$10,000-19,999	88.85	25.0%	2,809	28.1%	25
\$20,000-29,999	42.36	11.9%	4,550	45.5%	19
\$30,000-39,999	36.10	10.2%		0.0%	0
\$40,000-49,999	25.00	7.0%		0.0%	0
\$50,000-59,999	17.23	4.9%		0.0%	0
\$60,000-74,999	15.23	4.3%		0.0%	0
\$75,000-99,999	8.79	2.5%		0.0%	0
\$100,000-124,999	7.61	2.1%		0.0%	0
\$125,000-149,999	4.74	1.3%		0.0%	0
\$150,000-199,999	2.98	0.8%		0.0%	0
\$200,000+	3.71	1.0%		0.0%	0
	355	100.0%			44
Percent of renter households within limits versus total number of renter households					12.47%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$17,190		
Maximum Income Limit			\$24,550 2		
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,559			
\$10,000-19,999	1,355	25.0%	\$2,809	28.1%	381
\$20,000-29,999	646	11.9%	\$4,550	45.5%	294
\$30,000-39,999	551	10.2%		0.0%	0
\$40,000-49,999	381	7.0%		0.0%	0
\$50,000-59,999	263	4.9%		0.0%	0
\$60,000-74,999	232	4.3%		0.0%	0
\$75,000-99,999	134	2.5%		0.0%	0
\$100,000-124,999	116	2.1%		0.0%	0
\$125,000-149,999	72	1.3%		0.0%	0
\$150,000-199,999	45	0.8%		0.0%	0
\$200,000+	57	1.0%		0.0%	0
	5,412	100.0%			675
Percent of renter households within limits versus total number of renter households					12.47%

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

2015 Median Income

Change from 2015 to Prj Mrkt Entry December 2017

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%		
\$25,106		
\$25,817		
\$711		
2.8%		
0.5%		
0.5%	Two year adjustment	1.0000
\$24,550		
\$24,550		
2		
50%		
\$573		
\$573.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	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 2015 to Prj Mrkt Entry December 2017

Income Target Population	50%
New Renter Households PMA	355
Percent Income Qualified	12.5%
New Renter Income Qualified Households	44

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	5,412
Income Qualified	12.5%
Income Qualified Renter Households	675
Percent Rent Overburdened Prj Mrkt Entry December 2017	38.1%
Rent Overburdened Households	257

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	675
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	8

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

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	8602
Rural Versus Urban	0.07%
Senior Demand Converting from Homeownership	6

Total Demand

Total Demand from Existing Households		272
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		272
Total New Demand		44
Total Demand (New Plus Existing Households)		316

Demand from Seniors Who Convert from Homeownership	6
Percent of Total Demand From Homeownership Conversion	1.9%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	55.4%	175
Two Persons	22.0%	69
Three Persons	9.5%	30
Four Persons	6.1%	19
Five Persons	7.0%	22
Total	100.0%	316

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	60%	105
Of two-person households in 1BR units	20%	14
Of one-person households in 2BR units	40%	70
Of two-person households in 2BR units	80%	55
Of three-person households in 2BR units	60%	18
Of three-person households in 3BR units	40%	12
Of four-person households in 3BR units	80%	16
Of five-person households in 3BR units	70%	15
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	30%	7
Total Demand		316
Check		OK

Total Demand by Bedroom	50%
1 BR	119
2 BR	126
Total Demand	245

Additions To Supply 2015 to Prj Mrkt Entry December 2017	50%
1 BR	14
2 BR	2
Total	16

Net Demand	50%
1 BR	105
2 BR	124
Total	229

Developer's Unit Mix	50%
1 BR	9
2 BR	6
Total	15

Capture Rate Analysis	50%
1 BR	8.6%
2 BR	4.9%
Total	6.6%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$20,640		
Maximum Income Limit			\$29,460 2		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	102.21			
\$10,000-19,999	88.85	25.0%	-641	-6.4%	-6
\$20,000-29,999	42.36	11.9%	9,460	94.6%	40
\$30,000-39,999	36.10	10.2%		0.0%	0
\$40,000-49,999	25.00	7.0%		0.0%	0
\$50,000-59,999	17.23	4.9%		0.0%	0
\$60,000-74,999	15.23	4.3%		0.0%	0
\$75,000-99,999	8.79	2.5%		0.0%	0
\$100,000-124,999	7.61	2.1%		0.0%	0
\$125,000-149,999	4.74	1.3%		0.0%	0
\$150,000-199,999	2.98	0.8%		0.0%	0
\$200,000+	3.71	1.0%		0.0%	0
	355	100.0%			34
Percent of renter households within limits versus total number of renter households					9.69%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$20,640		
Maximum Income Limit			\$29,460 2		
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,559			
\$10,000-19,999	1,355	25.0%	-\$641	-6.4%	-87
\$20,000-29,999	646	11.9%	\$9,460	94.6%	611
\$30,000-39,999	551	10.2%		0.0%	0
\$40,000-49,999	381	7.0%		0.0%	0
\$50,000-59,999	263	4.9%		0.0%	0
\$60,000-74,999	232	4.3%		0.0%	0
\$75,000-99,999	134	2.5%		0.0%	0
\$100,000-124,999	116	2.1%		0.0%	0
\$125,000-149,999	72	1.3%		0.0%	0
\$150,000-199,999	45	0.8%		0.0%	0
\$200,000+	57	1.0%		0.0%	0
	5,412	100.0%			524
Percent of renter households within limits versus total number of renter households					9.69%

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

2015 Median Income

Change from 2015 to Prj Mrkt Entry July 2015

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%		
\$25,106		
\$25,817		
\$711		
2.8%		
0.5%		
0.5%	Two year adjustment	1.0000
\$29,460		
\$29,460		
2		
60%		
\$688		
\$688.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	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 2015 to Prj Mrkt Entry December 2017

Income Target Population	60%
New Renter Households PMA	355
Percent Income Qualified	9.7%
New Renter Income Qualified Households	34

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	5,412
Income Qualified	9.7%
Income Qualified Renter Households	524
Percent Rent Overburdened Prj Mrkt Entry December 2017	38.1%
Rent Overburdened Households	200

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	524
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	6

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

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	8602
Rural Versus Urban	0.05%
Senior Demand Converting from Homeownership	4

Total Demand

Total Demand from Existing Households		211
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		211
Total New Demand		34
Total Demand (New Plus Existing Households)		245

Demand from Seniors Who Convert from Homeownership	4
Percent of Total Demand From Homeownership Conversion	1.8%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	55.4%	136
Two Persons	22.0%	54
Three Persons	9.5%	23
Four Persons	6.1%	15
Five Persons	7.0%	17
Total	100.0%	245

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	60%	81
Of two-person households in 1BR units	20%	11
Of one-person households in 2BR units	40%	54
Of two-person households in 2BR units	80%	43
Of three-person households in 2BR units	60%	14
Of three-person households in 3BR units	40%	9
Of four-person households in 3BR units	80%	12
Of five-person households in 3BR units	70%	12
Of four-person households in 4BR units	20%	3
Of five-person households in 4BR units	30%	5
Total Demand		245
Check		OK

Total Demand by Bedroom	60%
1 BR	92
2 BR	97
Total Demand	190

Additions To Supply 2015 to Prj Mrkt Entry December 2017	60%
1 BR	59
2 BR	2
Total	61

Net Demand	60%
1 BR	33
2 BR	95
Total	129

Developer's Unit Mix	60%
1 BR	11
2 BR	31
Total	42

Capture Rate Analysis	60%
1 BR	33.1%
2 BR	32.5%
Total	32.7%

Overall

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$17,190			
Maximum Income Limit		\$29,460		2	
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	102.21			
\$10,000-19,999	88.85	25.0%	2,809	28.1%	25
\$20,000-29,999	42.36	11.9%	9,460	94.6%	40
\$30,000-39,999	36.10	10.2%		0.0%	0
\$40,000-49,999	25.00	7.0%		0.0%	0
\$50,000-59,999	17.23	4.9%		0.0%	0
\$60,000-74,999	15.23	4.3%		0.0%	0
\$75,000-99,999	8.79	2.5%		0.0%	0
\$100,000-124,999	7.61	2.1%		0.0%	0
\$125,000-149,999	4.74	1.3%		0.0%	0
\$150,000-199,999	2.98	0.8%		0.0%	0
\$200,000+	3.71	1.0%		0.0%	0
	355	100.0%			65
Percent of renter households within limits versus total number of renter households					18.33%

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$17,190			
Maximum Income Limit		\$29,460		2	
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,359			
\$10,000-19,999	1,355	25.0%	\$2,809	28.1%	381
\$20,000-29,999	646	11.9%	\$9,460	94.6%	611
\$30,000-39,999	551	10.2%		0.0%	0
\$40,000-49,999	381	7.0%		0.0%	0
\$50,000-59,999	263	4.9%		0.0%	0
\$60,000-74,999	232	4.3%		0.0%	0
\$75,000-99,999	134	2.5%		0.0%	0
\$100,000-124,999	116	2.1%		0.0%	0
\$125,000-149,999	72	1.3%		0.0%	0
\$150,000-199,999	45	0.8%		0.0%	0
\$200,000+	57	1.0%		0.0%	0
	5,412	100.0%			992
Percent of renter households within limits versus total number of renter households					18.33%

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  
 2015 Median Income  
 Change from 2015 to Prj Mrkt Entry December 2017  
 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%
\$25,106
\$25,817
\$711
2.8%
0.5%
0.5%
Two year adjustment
1.0000
\$29,460
\$29,460
2
Overall
\$573
\$573.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	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 2015 to Prj Mrkt Entry December 2017

	Overall
Income Target Population	
New Renter Households PMA	355
Percent Income Qualified	18.3%
New Renter Income Qualified Households	65

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

	Overall
Income Target Population	
Total Existing Demand	5,412
Income Qualified	18.3%
Income Qualified Renter Households	992
Percent Rent Overburdened Prj Mrkt Entry December 2017	38.1%
Rent Overburdened Households	378

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	992
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	12

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

Senior Households Converting from Homeownership

	Overall
Income Target Population	
Total Senior Homeowners	8602
Rural Versus Urban	0.10%
Senior Demand Converting from Homeownership	9

Total Demand

Total Demand from Existing Households		399
Adjustment Factor - Leakage from SMA (use 115% for DCA)	100%	0
Adjusted Demand from Existing Households		399
Total New Demand		65
Total Demand (New Plus Existing Households)		464

Demand from Seniors Who Convert from Homeownership	9
Percent of Total Demand From Homeownership Conversion	1.9%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	55.4%	257
Two Persons	22.0%	102
Three Persons	9.5%	44
Four Persons	6.1%	28
Five Persons	7.0%	32
Total	100.0%	464

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	60%	154
Of two-person households in 1BR units	20%	20
Of one-person households in 2BR units	40%	103
Of two-person households in 2BR units	80%	81
Of three-person households in 2BR units	60%	26
Of three-person households in 3BR units	40%	18
Of four-person households in 3BR units	80%	23
Of five-person households in 3BR units	70%	23
Of four-person households in 4BR units	20%	6
Of five-person households in 4BR units	30%	10
Total Demand		464
Check		OK

Total Demand by Bedroom	Overall
1 BR	175
2 BR	184
Total Demand	359

Additions To Supply 2015 to Prj Mrkt Entry December 2017	Overall
1 BR	73
2 BR	4
Total	77

Net Demand	Overall
1 BR	102
2 BR	180
Total	282

Developer's Unit Mix	Overall
1 BR	20
2 BR	37
Total	57

Capture Rate Analysis	Overall
1 BR	19.7%
2 BR	20.5%
Total	20.2%

## Conclusions

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

- The number of senior households 55+ in the PMA is expected to increase 5.3 percent between 2015 and December 2017.
- We removed Sister's Court Apartments 77 units restricted at 50 and 60 percent AMI from the demand analysis. This property is 92 percent occupied with a waiting list and is expected to be renovated with most tenants in place. Therefore, we believe the capture rates are conservative.
- The Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market. The two-bedroom units at Sustainable Fellwood III and Sheppard Station are fully occupied, which is evidence of two-bedroom demand in the market.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from outside of the PMA by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1 BR @ 50% AMI	9	119	14	105	8.6%	3 months	\$708	\$420-\$1,131	\$420
2 BR @ 50% AMI	6	126	2	124	4.9%	3 months	\$876	\$490-\$1,531	\$505
<b>50% AMI Overall</b>	<b>15</b>	<b>245</b>	<b>16</b>	<b>229</b>	<b>6.6%</b>	<b>3 months</b>	<b>\$708-\$876</b>	<b>\$420-\$1,531</b>	<b>\$420-\$505</b>
1 BR @ 60% AMI	11	92	59	33	33.1%	3 months	\$738	\$429-\$1,131	\$535
2 BR @ 60% AMI	31	97	2	95	32.5%	3 months	\$940	\$557-\$1,531	\$640
<b>60% AMI Overall</b>	<b>42</b>	<b>190</b>	<b>61</b>	<b>129</b>	<b>32.7%</b>	<b>3 months</b>	<b>\$738-\$940</b>	<b>\$429-\$1,531</b>	<b>\$535-\$640</b>
1 BR Overall	20	175	73	102	19.7%	3 months	\$708	\$420-\$1,131	\$420-\$535
2 BR Overall	37	184	4	180	20.5%	3 months	\$876	\$490-\$1,531	\$505-\$640
<b>Overall</b>	<b>57</b>	<b>359</b>	<b>77</b>	<b>282</b>	<b>20.2%</b>	<b>3 months</b>	<b>\$708-\$876</b>	<b>\$420-\$1,531</b>	<b>\$420-\$640</b>

## Demand and Net Demand

	HH at 50% AMI	HH at 60% AMI	All Tax Credit Households
Demand from New Households (age and income appropriate)	44	34	65
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	8	6	12
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	257	200	378
<b>PLUS</b>	+	+	+
<b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub Total</b>	<b>310</b>	<b>241</b>	<b>455</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	6	4	9
<b>Equals Total Demand</b>	<b>316</b>	<b>245</b>	<b>464</b>
<b>Less</b>	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	16	61	77
<b>Equals Net Demand</b>	<b>300</b>	<b>184</b>	<b>387</b>

As the analysis illustrates, the Subject's 50 percent capture rates range from 4.9 to 8.6 percent, with an overall capture rate of 6.6 percent. The Subject's 60 percent AMI capture rates range from 33.1 to 32.5 percent, with an overall capture rate of 32.7 percent. The overall capture rate for the Subject's 50 and 60 percent units is 20.2 percent. Therefore, we believe there is adequate demand for the Subject.

## **H. COMPETITIVE RENTAL ANALYSIS**

### **Survey of Comparable Projects**

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight comparable properties containing 1,259 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 senior LIHTC data is considered good. We have included four senior LIHTC properties, two of which are located in the PMA. Pinewood Village and Sheppard Station are located in Pooler, GA. Because Pooler is considered part of the larger Savannah market, we believe that Pinewood Village and Sheppard Station are good indicators of achievable senior LIHTC and unrestricted rents in the market. Due to the availability of senior LIHTC data, we have excluded family LIHTC properties in the PMA. Three of the comparable senior properties offer unrestricted units. We have supplemented the market rate data with one conventional property in the PMA and two located just outside of the PMA, The Fountains at Chatham Parkway and Walden at Chatham Center, in order to provide achievable rents for newer unrestricted properties in the market that do not target students. Overall, the availability of LIHTC and market rate data is considered good.

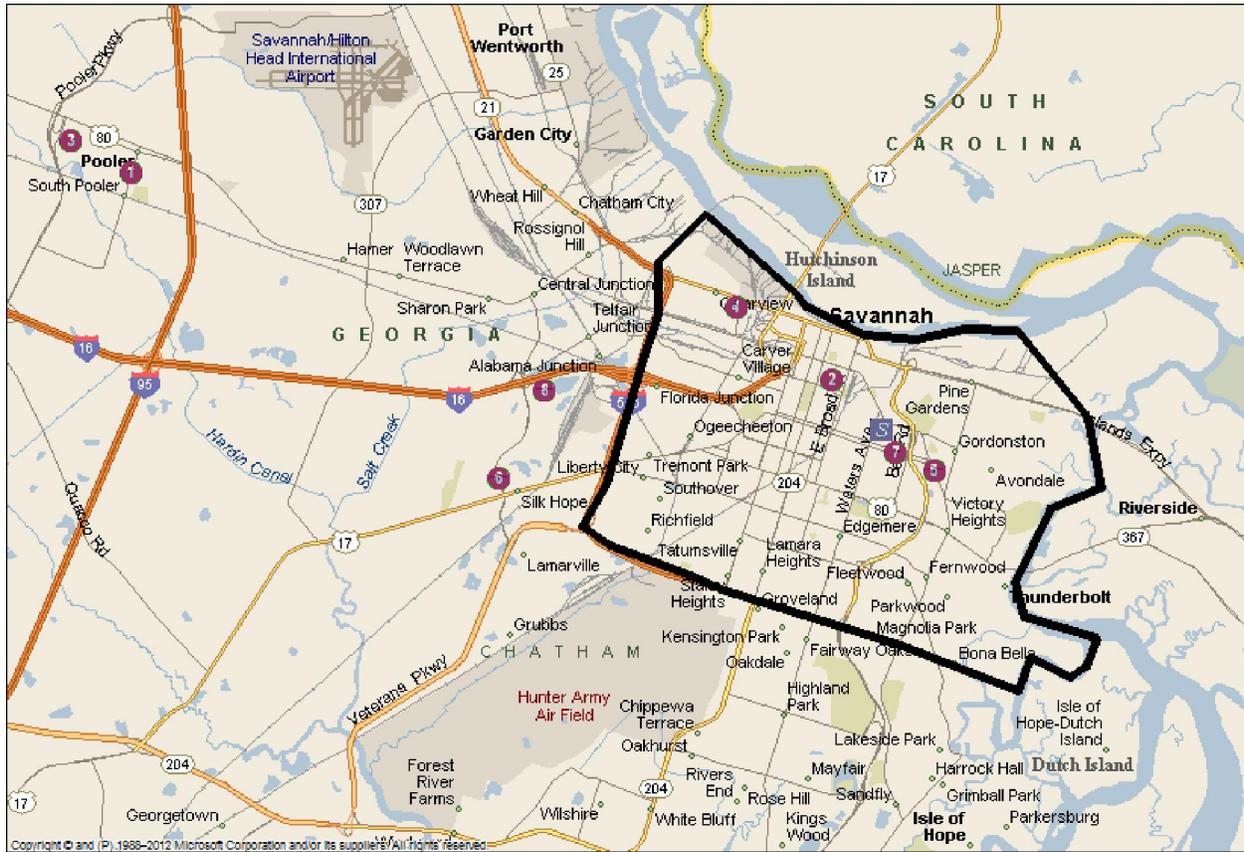
**Excluded Properties**

The following table illustrates properties within the PMA that have been excluded from our analysis.

**EXCLUDED PROPERTIES**

Property	City	Type	Tenancy	Reason for Exclusion
East Huntingdon Street Housing	Savannah	LIHTC	Family	Tenancy, only 14 units
Savannah Gardens I	Savannah	LIHTC/FHA	Family	Tenancy not comparable
Savannah Gardens III	Savannah	LIHTC	Family	Tenancy not comparable
Heritage Place	Savannah	LIHTC	Family	Tenancy not comparable
Heritage Corner & Heritage Row	Savannah	LIHTC	Family	Tenancy not comparable
Montgomery Landing	Savannah	LIHTC	Family	Tenancy not comparable
Sister's Court	Savannah	LIHTC/HOME	Elderly	Vacating units for renovation
Savannah Gardens V	Savannah	LIHTC	Family	Under construction
Savannah Gardens II	Savannah	LIHTC/HUD 202	Elderly	Subsidized
Savannah Gardens IV	Savannah	LIHTC/Market	Family	Tenancy not comparable
Sustainable Fellwood I	Savannah	LIHTC/PHA/Market	Family	Tenancy not comparable
Sustainable Fellwood II	Savannah	LIHTC/PHA/Market	Family	Tenancy not comparable
Ashley Midtown I	Savannah	LIHTC/PHA/Market	Family	Tenancy not comparable
Ashley Midtown II	Savannah	LIHTC/PHA/Market	Family	Tenancy not comparable
SNAPI, II, III	Savannah	LIHTC/Section 8/FHA	Family	Rent subsidized; tenancy not comparable
Telfair Arms	Savannah	LIHTC/Section 8/FHA	Elderly	Subsidized
Green Growth I	Savannah	Market/HoDAG	Family	More comparable properties available.
Courtney Station Apartments	Savannah	Market/HoDAG	Family	Tenancy not comparable
Cars V Inc	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Chatham Assoc For Res Sev Inc I	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Chatham Assoc For Res Sev Inc II	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Georgia Infirmary A/ Habersham Place	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Georgia Infirmary B/ Habersham Place	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Ponderosa Forest Apts	Savannah	Section 8	Family	Rent subsidized; tenancy not comparable
Presidential Plaza I	Savannah	Section 8	Family	Rent subsidized; tenancy not comparable
Presidential Plaza II	Savannah	Section 8/FHA	Family	Rent subsidized; tenancy not comparable
St. Johns Villa Apartments	Savannah	Section 8	Elderly	Subsidized
Thomas Francis Williams Court Apts	Savannah	Section 8/FHA	Elderly	Subsidized
Jasmine Place	Savannah	Market/FHA	Family	Tenancy not comparable
East Broad Apts	Savannah	FHA	Family	Tenancy not comparable

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Tenancy	Type	Distance
1	Pinewood Village	Pooler	Senior	LIHTC	12.0 miles
2	Rose Of Sharon	Savannah	Senior	LIHTC	1.4 miles
3	Sheppard Station	Pooler	Senior	LIHTC/Market	12.9 miles
4	Sustainable Fellwood III	Savannah	Senior	LIHTC/Market	3.2 miles
5	Chelsea At Five Points	Savannah	Family	Market	1.1 miles
6	The Fountains At Chatham Parkway	Savannah	Family	Market	5.5 miles
7	Veranda At Midtown	Savannah	Senior	Market	0.4 miles
8	Walden At Chatham Center	Savannah	Family	Market	6.3 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	Romana - Riley Lofts SEC East Henry Street Savannah, GA 31404 Chatham County	n/a	New Construction/ Conversion (age-restricted) Proposed	LIHTC	1BR / 1BA	9	15.80%	@50%	\$420	640	no		N/A	N/A				
					1BR / 1BA	11	19.30%	@60%	\$535	640	no	N/A	N/A					
					2BR / 1BA	3	5.30%	@50%	\$505	864	no	N/A	N/A					
					2BR / 1BA	1	1.80%	@50%	\$505	916	no	N/A	N/A					
					2BR / 1BA	2	3.50%	@50%	\$505	1,005	no	N/A	N/A					
					2BR / 1BA	14	24.60%	@60%	\$640	864	no	N/A	N/A					
					2BR / 1BA	5	8.80%	@60%	\$640	916	no	N/A	N/A					
					2BR / 1BA	12	21.10%	@60%	\$640	1,005	no	N/A	N/A					
										57	100%						N/A	N/A
1	Pinewood Village 755 S. Rogers Street Pooler, GA 31322 Chatham County	12.0 miles	Duplex (age-restricted) 2014	LIHTC	1BR / 1BA	N/A	N/A	@50%	\$420	822	no	Yes	0	N/A				
					1BR / 1BA	N/A	N/A	@60%	\$429	822	no	Yes	0	N/A				
					2BR / 1BA	N/A	N/A	@50%	\$490	1,028	no	Yes	0	N/A				
					2BR / 1BA	N/A	N/A	@60%	\$557	1,028	no	Yes	0	N/A				
					64	100%						0	0.00%					
2	Rose Of Sharon 322 East Taylor Street Savannah, GA 31401 Chatham County	1.4 miles	Highrise (age-restricted) (12 stories) 1972 / 2007	LIHTC	Studio / 1BA	44	21.40%	@60%	\$389	418	no	Yes	0	0.00%				
					1BR / 1BA	140	68.00%	@60%	\$434	602	no	Yes	0	0.00%				
					1BR / 1BA	22	10.70%	@60%	\$434	627	no	Yes	0	0.00%				
										206	100%					0	0.00%	
3	Sheppard Station 215 Brighton Woods Dr Pooler, GA 31322 Chatham County	12.9 miles	Lowrise (age-restricted) (3 stories) 2009	LIHTC/Mkt	1BR / 1BA	25	38.50%	@50%	\$454	815	no	Yes	0	0.00%				
					1BR / 1BA	1	1.50%	@60%	\$454	815	no	Yes	0	0.00%				
					1BR / 1BA	7	10.80%	Market	\$499	815	n/a	Yes	0	0.00%				
					2BR / 1BA	24	36.90%	@50%	\$492	1,000	no	Yes	0	0.00%				
					2BR / 1BA	2	3.10%	@60%	\$567	1,000	no	Yes	0	0.00%				
					2BR / 1BA	6	9.20%	Market	\$567	1,000	n/a	Yes	0	0.00%				
										65	100%						0	0.00%
4	Sustainable Fellwood III Exley Street Savannah, GA 31415 Chatham County	3.2 miles	Midrise (age-restricted) (4 stories) 2012	LIHTC/Mkt	1BR / 1BA	41	41.00%	@60%	\$536	732	no	Yes	2	4.90%				
					1BR / 1BA	37	37.00%	@60%	N/A	732	n/a	Yes	0	0.00%				
					1BR / 1BA	7	7.00%	Market	\$614	732	n/a	No	0	0.00%				
					2BR / 2BA	5	5.00%	@60%	\$649	951	no	No	0	0.00%				
					2BR / 2BA	7	7.00%	@60%	N/A	951	n/a	No	0	0.00%				
					2BR / 2BA	3	3.00%	Market	\$741	951	n/a	No	0	0.00%				
										100	100%						2	2.00%
5	Chelsea At Five Points 1910 Skidaway Rd Savannah, GA 31404 Chatham County	1.1 miles	Garden (2 stories) 1947 / 1983	Market	1BR / 1BA	24	17.60%	Market	\$625	700	n/a	No	0	0.00%				
					2BR / 1BA	112	82.40%	Market	\$685	850	n/a	No	0	0.00%				
										136	100%					0	0.00%	
6	The Fountains At Chatham Parkway 1699 Chatham Parkway Savannah, GA 31405 Chatham County	5.5 miles	Garden (2 stories) 2007-2008	Market	Studio / 1BA	44	12.50%	Market	\$884	575	n/a	No	N/A	N/A				
					1BR / 1BA	44	12.50%	Market	\$989	741	n/a	No	N/A	N/A				
					1BR / 1BA	44	12.50%	Market	\$998	801	n/a	No	N/A	N/A				
					1BR / 1BA	22	6.20%	Market	\$1,044	830	n/a	No	N/A	N/A				
					1BR / 1BA	22	6.20%	Market	\$1,095	888	n/a	No	N/A	N/A				
					2BR / 2BA	44	12.50%	Market	\$1,139	957	n/a	No	N/A	N/A				
					2BR / 2BA	22	6.20%	Market	\$1,146	1,055	n/a	No	N/A	N/A				
					2BR / 2BA	44	12.50%	Market	\$1,159	1,090	n/a	No	N/A	N/A				
					3BR / 2BA	33	9.40%	Market	\$1,256	1,291	n/a	No	N/A	N/A				
					3BR / 2BA	33	9.40%	Market	\$1,434	1,371	n/a	No	N/A	N/A				
										352	100%						9	2.60%
7	Veranda At Midtown 1414 East Anderson Street Savannah, GA 31404 Chatham County	0.4 miles	Midrise (age-restricted) (4 stories) 2005	Market	1BR / 1BA	2	2.00%	Market	\$689	659	n/a	Yes	0	0.00%				
					1BR / 1BA	6	6.00%	Market	\$689	664	n/a	Yes	0	0.00%				
					1BR / 1BA	3	3.00%	Market	\$689	736	n/a	Yes	0	0.00%				
					1BR / 1BA	2	2.00%	PBRA	N/A	654	n/a	Yes	0	0.00%				
					1BR / 1BA	7	7.00%	PBRA	N/A	659	n/a	Yes	0	0.00%				
					1BR / 1BA	27	27.00%	PBRA	N/A	664	n/a	Yes	0	0.00%				
					1BR / 1BA	12	12.00%	PBRA	N/A	673	n/a	Yes	0	0.00%				
					1BR / 1BA	5	5.00%	PBRA	N/A	696	n/a	Yes	0	0.00%				
					1BR / 1BA	20	20.00%	PBRA	N/A	736	n/a	Yes	0	0.00%				
					2BR / 1BA	16	16.00%	PBRA	N/A	918	n/a	Yes	0	0.00%				
										100	100%						0	0.00%
8	Walden At Chatham Center 100 Walden Lane Savannah, GA 31405 Chatham County	6.3 miles	Garden (3 stories) 2003	Market	1BR / 1BA	N/A	N/A	Market	\$1,021	828	n/a	No	2	N/A				
					1BR / 1BA	N/A	N/A	Market	\$1,131	1,013	n/a	No	0	N/A				
					1BR / 1BA	N/A	N/A	Market	\$911	642	n/a	No	0	N/A				
					2BR / 2BA	N/A	N/A	Market	\$1,356	1,131	n/a	No	1	N/A				
					2BR / 2BA	N/A	N/A	Market	\$1,531	1,131	n/a	No	0	N/A				
					2BR / 2BA	N/A	N/A	Market	\$1,181	1,131	n/a	No	0	N/A				
					3BR / 2BA	N/A	N/A	Market	\$1,556	1,358	n/a	No	1	N/A				
					3BR / 2BA	N/A	N/A	Market	\$1,731	1,358	n/a	No	0	N/A				
					3BR / 2BA	N/A	N/A	Market	\$1,381	1,358	n/a	No	0	N/A				
										236	100%						4	1.70%

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

Effective Rent Date:	Apr-15	Units Surveyed:	1259	Weighted Occupancy:	98.80%
		Market Rate	824	Market Rate	98.40%
		Tax Credit	435	Tax Credit	99.50%

**One Bedroom One Bath**

**Two Bedrooms One Bath**

	Property	Average	Property	Average
<b>RENT</b>	Walden At Chatham Center	\$1,131	Walden At Chatham Center (2BA)	\$1,531
	The Fountains At Chatham Parkway	\$1,095	Walden At Chatham Center (2BA)	\$1,356
	The Fountains At Chatham Parkway	\$1,044	Walden At Chatham Center (2BA)	\$1,181
	Walden At Chatham Center	\$1,021	The Fountains At Chatham Parkway (2BA)	\$1,159
	The Fountains At Chatham Parkway	\$998	The Fountains At Chatham Parkway (2BA)	\$1,146
	The Fountains At Chatham Parkway	\$989	The Fountains At Chatham Parkway (2BA)	\$1,139
	Walden At Chatham Center	\$911	Sustainable Fellwood III * (2BA M)	\$741
	Veranda At Midtown	\$689	Chelsea At Five Points	\$685
	Veranda At Midtown	\$689	Sustainable Fellwood III * (2BA 60%)	\$649
	Veranda At Midtown	\$689	<b>Romana - Riley Lofts * (60%)</b>	<b>\$640</b>
	Chelsea At Five Points	\$625	<b>Romana - Riley Lofts * (60%)</b>	<b>\$640</b>
	Sustainable Fellwood III * (M)	\$614	<b>Romana - Riley Lofts * (60%)</b>	<b>\$640</b>
	Sustainable Fellwood III * (60%)	\$536	Sheppard Station * (60%)	\$567
	<b>Romana - Riley Lofts * (60%)</b>	<b>\$535</b>	Sheppard Station * (M)	\$567
	Sheppard Station * (M)	\$499	Pinewood Village * (60%)	\$557
	Sheppard Station * (50%)	\$454	<b>Romana - Riley Lofts * (50%)</b>	<b>\$505</b>
	Sheppard Station * (60%)	\$454	<b>Romana - Riley Lofts * (50%)</b>	<b>\$505</b>
	Rose Of Sharon * (60%)	\$434	<b>Romana - Riley Lofts * (50%)</b>	<b>\$505</b>
	Rose Of Sharon * (60%)	\$434	Sheppard Station * (50%)	\$492
	Pinewood Village * (60%)	\$429	Pinewood Village * (50%)	\$490
<b>Romana - Riley Lofts * (50%)</b>	<b>\$420</b>			
Pinewood Village * (50%)	\$420			
<b>SQUARE FOOTAGE</b>	Walden At Chatham Center	1,013	Walden At Chatham Center (2BA)	1,131
	The Fountains At Chatham Parkway	888	Walden At Chatham Center (2BA)	1,131
	The Fountains At Chatham Parkway	830	Walden At Chatham Center (2BA)	1,131
	Walden At Chatham Center	828	The Fountains At Chatham Parkway (2BA)	1,090
	Pinewood Village * (50%)	822	The Fountains At Chatham Parkway (2BA)	1,055
	Pinewood Village * (60%)	822	Pinewood Village * (50%)	1,028
	Sheppard Station * (50%)	815	Pinewood Village * (60%)	1,028
	Sheppard Station * (60%)	815	<b>Romana - Riley Lofts * (50%)</b>	<b>1,005</b>
	Sheppard Station * (M)	815	<b>Romana - Riley Lofts * (60%)</b>	<b>1,005</b>
	The Fountains At Chatham Parkway	801	Sheppard Station * (50%)	1,000
	The Fountains At Chatham Parkway	741	Sheppard Station * (60%)	1,000
	Veranda At Midtown	736	Sheppard Station * (M)	1,000
	Sustainable Fellwood III * (60%)	732	The Fountains At Chatham Parkway (2BA)	957
	Sustainable Fellwood III * (M)	732	Sustainable Fellwood III * (2BA 60%)	951
	Chelsea At Five Points	700	Sustainable Fellwood III * (2BA M)	951
	Veranda At Midtown	664	<b>Romana - Riley Lofts * (50%)</b>	<b>916</b>
	Veranda At Midtown	659	<b>Romana - Riley Lofts * (60%)</b>	<b>916</b>
	Walden At Chatham Center	642	<b>Romana - Riley Lofts * (50%)</b>	<b>864</b>
	<b>Romana - Riley Lofts * (50%)</b>	<b>640</b>	<b>Romana - Riley Lofts * (60%)</b>	<b>864</b>
	<b>Romana - Riley Lofts * (60%)</b>	<b>640</b>	Chelsea At Five Points	850
Rose Of Sharon * (60%)	627			
Rose Of Sharon * (60%)	602			
<b>RENT PER SQUARE FOOT</b>	Walden At Chatham Center	\$1.42	Walden At Chatham Center (2BA)	\$1.35
	The Fountains At Chatham Parkway	\$1.33	Walden At Chatham Center (2BA)	\$1.20
	The Fountains At Chatham Parkway	\$1.26	The Fountains At Chatham Parkway (2BA)	\$1.19
	The Fountains At Chatham Parkway	\$1.25	The Fountains At Chatham Parkway (2BA)	\$1.09
	The Fountains At Chatham Parkway	\$1.23	The Fountains At Chatham Parkway (2BA)	\$1.06
	Walden At Chatham Center	\$1.23	Walden At Chatham Center (2BA)	\$1.04
	Walden At Chatham Center	\$1.12	Chelsea At Five Points	\$0.81
	Veranda At Midtown	\$1.05	Sustainable Fellwood III * (2BA M)	\$0.78
	Veranda At Midtown	\$1.04	<b>Romana - Riley Lofts * (60%)</b>	<b>\$0.74</b>
	Veranda At Midtown	\$0.94	<b>Romana - Riley Lofts * (60%)</b>	<b>\$0.70</b>
	Chelsea At Five Points	\$0.89	Sustainable Fellwood III * (2BA 60%)	\$0.68
	Sustainable Fellwood III * (M)	\$0.84	<b>Romana - Riley Lofts * (60%)</b>	<b>\$0.64</b>
	<b>Romana - Riley Lofts * (60%)</b>	<b>\$0.84</b>	<b>Romana - Riley Lofts * (50%)</b>	<b>\$0.58</b>
	Sustainable Fellwood III * (60%)	\$0.73	Sheppard Station * (60%)	\$0.57
	Rose Of Sharon * (60%)	\$0.72	Sheppard Station * (M)	\$0.57
	Rose Of Sharon * (60%)	\$0.69	<b>Romana - Riley Lofts * (50%)</b>	<b>\$0.55</b>
	<b>Romana - Riley Lofts * (50%)</b>	<b>\$0.66</b>	Pinewood Village * (60%)	\$0.54
	Sheppard Station * (M)	\$0.61	<b>Romana - Riley Lofts * (50%)</b>	<b>\$0.50</b>
	Sheppard Station * (50%)	\$0.56	Sheppard Station * (50%)	\$0.49
	Sheppard Station * (60%)	\$0.56	Pinewood Village * (50%)	\$0.48
Pinewood Village * (60%)	\$0.52			
Pinewood Village * (50%)	\$0.51			

# PROPERTY PROFILE REPORT

## Pinewood Village

<b>Effective Rent Date</b>	4/13/2015
<b>Location</b>	755 S. Rogers Street Pooler, GA 31322 Chatham County
<b>Distance</b>	12 miles
<b>Units</b>	64
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Duplex (age-restricted)
<b>Year Built/Renovated</b>	2014 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	9/30/2014
<b>Last Unit Leased</b>	12/31/2014
<b>Major Competitors</b>	N/A
<b>Tenant Characteristics</b>	Seniors age 55 and older; 64% over age 65
<b>Contact Name</b>	Gina
<b>Phone</b>	912-748-0495



### Market Information

<b>Program</b>	@50%, @60%
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	21
<b>HCV Tenants</b>	10%
<b>Leasing Pace</b>	Pre-leased
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	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	Duplex	N/A	822	\$420	\$0	@50%	Yes	0	N/A	no	None
1	1	Duplex	N/A	822	\$429	\$0	@60%	Yes	0	N/A	no	None
2	1	Duplex	N/A	1,028	\$490	\$0	@50%	Yes	0	N/A	no	None
2	1	Duplex	N/A	1,028	\$557	\$0	@60%	Yes	0	N/A	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$420	\$0	\$420	\$0	\$420	1BR / 1BA	\$429	\$0	\$429	\$0	\$429
2BR / 1BA	\$490	\$0	\$490	\$0	\$490	2BR / 1BA	\$557	\$0	\$557	\$0	\$557

### Amenities

#### In-Unit

Balcony/Patio	Blinds
Carpeting	Central A/C
Dishwasher	Exterior Storage
Ceiling Fan	Garbage Disposal
Hand Rails	Microwave
Oven	Pull Cords
Refrigerator	Washer/Dryer hookup

#### Security

None

#### Services

None

#### Property

Business Center/Computer Lab	Central Laundry
Off-Street Parking	On-Site Management

#### Premium

None

#### Other

None

## **Pinewood Village, continued**

### **Comments**

The property maintains a shared waiting list of 300 to 400 households with Sheppard Station.

Photos



# PROPERTY PROFILE REPORT

## Rose Of Sharon

<b>Effective Rent Date</b>	4/13/2015
<b>Location</b>	322 East Taylor Street Savannah, GA 31401 Chatham County
<b>Distance</b>	1.4 miles
<b>Units</b>	206
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Highrise (age-restricted) (12 stories)
<b>Year Built/Renovated</b>	1972 / 2007
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Sister's Court, Williams Court, Sheppard Station
<b>Tenant Characteristics</b>	Seniors 62+, most over the age of 65, relocating from large cities such as DC, NY and Chicago to retire
<b>Contact Name</b>	Seanta
<b>Phone</b>	912-234-5417



### Market Information

<b>Program</b>	@60%
<b>Annual Turnover Rate</b>	15%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	76%
<b>Leasing Pace</b>	Within three weeks
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

<b>A/C</b>	included -- central
<b>Cooking</b>	included -- gas
<b>Water Heat</b>	included -- gas
<b>Heat</b>	included -- gas
<b>Other Electric</b>	included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	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	Highrise (12 stories)	44	418	\$511	\$0	@60%	Yes	0	0.0%	no	None
1	1	Highrise (12 stories)	140	602	\$587	\$0	@60%	Yes	0	0.0%	no	None
1	1	Highrise (12 stories)	22	627	\$587	\$0	@60%	Yes	0	0.0%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$511	\$0	\$511	-\$122	\$389
1BR / 1BA	\$587	\$0	\$587	-\$153	\$434

## Rose Of Sharon, continued

### Amenities

**In-Unit**

Cable/Satellite/Internet  
Central A/C  
Oven

Carpeting  
Hand Rails  
Refrigerator

**Security**

Intercom (Buzzer)  
Limited Access  
Video Surveillance

**Services**

None

**Property**

Clubhouse/Meeting  
Central Laundry  
Off-Street Parking  
Service Coordination

Elevators  
Non-shelter Services  
On-Site Management

**Premium**

Hairdresser / Barber

**Other**

None

### Comments

The property was converted from a hospital to apartments in 1972. There is a waiting list of 20 households for the subsidized units. Management reported that the high percentage of voucher users is due to most seniors at the property living on social security. Management reported that there is strong demand for affordable senior housing in the area due to retirees relocating to the area from all over the country.

## Rose Of Sharon, continued

### Trend Report

#### Vacancy Rates

2Q13	1Q14	1Q15	2Q15
4.4%	1.9%	1.9%	0.0%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	3.7%	\$567	\$0	\$567	\$414
2014	1	2.5%	\$587	\$0	\$587	\$434
2015	1	2.5%	\$587	\$0	\$587	\$434
2015	2	0.0%	\$587	\$0	\$587	\$434

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	6.8%	\$495	\$0	\$495	\$373
2014	1	0.0%	\$511	\$0	\$511	\$389
2015	1	0.0%	\$511	\$0	\$511	\$389
2015	2	0.0%	\$511	\$0	\$511	\$389

### Trend: Comments

- 2Q13** Rents have remained stable over the past year and management does not anticipate that rents will increase in the near future. The property offers 43 project based Section 8 units and that these units have a lengthy waiting list. In addition to this project-based subsidy, an estimated half of the remaining tenants are using portable Housing Choice Vouchers.
- 1Q14** There is a waiting list of 20 households for the subsidized units. The LIHTC units without subsidy do not have a waiting list. According to management, 76 percent of the unsubsidized LIHTC units are filled by voucher holders.
- 1Q15** The property was converted from a hospital to apartments in 1972. There is a waiting list of 20 households with a wait from six months to a year in length. According to management, 76 percent of the LIHTC units are filled by voucher holders. Management reported that the high percentage of voucher users is due to most seniors at the property living on social security. Management reported that there is high demand for affordable senior housing in the area due to retirees relocating to the area from all over the country.
- 2Q15** The property was converted from a hospital to apartments in 1972. There is a waiting list of 20 households for the subsidized units. Management reported that the high percentage of voucher users is due to most seniors at the property living on social security. Management reported that there is strong demand for affordable senior housing in the area due to retirees relocating to the area from all over the country.

Photos



# PROPERTY PROFILE REPORT

## Sheppard Station

<b>Effective Rent Date</b>	4/13/2015
<b>Location</b>	215 Brighton Woods Dr Pooler, GA 31322 Chatham County
<b>Distance</b>	12.9 miles
<b>Units</b>	65
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Lowrise (age-restricted) (3 stories)
<b>Year Built/Renovated</b>	2009 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	N/A
<b>Tenant Characteristics</b>	Seniors age 55 and older; 64% over age 65
<b>Contact Name</b>	Gina
<b>Phone</b>	912-748-0495



### Market Information

<b>Program</b>	@50%, @60%, Market
<b>Annual Turnover Rate</b>	18%
<b>Units/Month Absorbed</b>	12
<b>HCV Tenants</b>	11%
<b>Leasing Pace</b>	Pre-leased
<b>Annual Chg. in Rent</b>	Increased 2-4%
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	25	815	\$454	\$0	@50%	Yes	0	0.0%	no	None
1	1	Lowrise (3 stories)	1	815	\$454	\$0	@60%	Yes	0	0.0%	no	None
1	1	Lowrise (3 stories)	7	815	\$499	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Lowrise (3 stories)	24	1,000	\$492	\$0	@50%	Yes	0	0.0%	no	None
2	1	Lowrise (3 stories)	2	1,000	\$567	\$0	@60%	Yes	0	0.0%	no	None
2	1	Lowrise (3 stories)	6	1,000	\$567	\$0	Market	Yes	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	\$454	\$0	\$454	\$0	\$454	1BR / 1BA	\$454	\$0	\$454	\$0	\$454
2BR / 1BA	\$492	\$0	\$492	\$0	\$492	2BR / 1BA	\$567	\$0	\$567	\$0	\$567
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$499	\$0	\$499	\$0	\$499						
2BR / 1BA	\$567	\$0	\$567	\$0	\$567						

## Sheppard Station, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Dishwasher  
Hand Rails  
Pull Cords  
Washer/Dryer

Blinds  
Central A/C  
Exterior Storage  
Oven  
Refrigerator  
Washer/Dryer hookup

#### Security

In-Unit Alarm

#### Services

None

#### Property

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

Clubhouse/Meeting  
Exercise Facility  
On-Site Management  
Recreation Areas

#### Premium

None

#### Other

Horseshoe pit, shuffleboard,

### Comments

The property maintains a shared waiting list of 300 to 400 households with Pinewood Village, a new senior LIHTC development in Pooler. Management indicated that rents will increase within the next month.

# Sheppard Station, continued

## Trend Report

### Vacancy Rates

1Q13	2Q13	2Q14	2Q15
0.0%	0.0%	0.0%	0.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$427	\$0	\$427	\$427
2013	2	0.0%	\$427	\$0	\$427	\$427
2014	2	0.0%	\$439	\$0	\$439	\$439
2015	2	0.0%	\$454	\$0	\$454	\$454

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$462	\$0	\$462	\$462
2013	2	0.0%	\$462	\$0	\$462	\$462
2014	2	0.0%	\$477	\$0	\$477	\$477
2015	2	0.0%	\$492	\$0	\$492	\$492

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$427	\$0	\$427	\$427
2013	2	0.0%	\$427	\$0	\$427	\$427
2014	2	0.0%	\$439	\$0	\$439	\$439
2015	2	0.0%	\$454	\$0	\$454	\$454

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$462	\$0	\$462	\$462
2013	2	0.0%	\$462	\$0	\$462	\$462
2014	2	0.0%	\$552	\$0	\$552	\$552
2015	2	0.0%	\$567	\$0	\$567	\$567

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$489	\$0	\$489	\$489
2013	2	0.0%	\$489	\$0	\$489	\$489
2014	2	0.0%	\$489	\$0	\$489	\$489
2015	2	0.0%	\$499	\$0	\$499	\$499

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$539	\$0	\$539	\$539
2013	2	0.0%	\$539	\$0	\$539	\$539
2014	2	0.0%	\$552	\$0	\$552	\$552
2015	2	0.0%	\$567	\$0	\$567	\$567

### Trend: Comments

- 1Q13** The property manager reported that there are hundreds of households on the waiting list. Despite the property's high occupancy rate and lengthy waiting list, management has not increased rents over the past year. When asked about demand for senior LIHTC housing in surrounding markets including Hinesville, management reported that tenants would not likely move to Hinesville for affordable housing; but, Hinesville does have demand for its own senior LIHTC housing due to retired personnel from the base.
- 2Q13** Management was unaware of the number of tenants using Housing Choice Vouchers, although they are accepted at the property. There are over 500 households on the waiting list.
- 2Q14** The property maintains a 500 household waiting list.
- 2Q15** The property maintains a shared waiting list of 300 to 400 households with Pinewood Village, a new senior LIHTC development in Pooler. Management indicated that rents will increase within the next month.

# Sheppard Station, continued

## Photos



# PROPERTY PROFILE REPORT

## Sustainable Fellwood III

<b>Effective Rent Date</b>	3/11/2015
<b>Location</b>	Exley Street Savannah, GA 31415 Chatham County
<b>Distance</b>	3.2 miles
<b>Units</b>	100
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	2.0%
<b>Type</b>	Midrise (age-restricted) (4 stories)
<b>Year Built/Renovated</b>	2012 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	3/15/2012
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	N/A
<b>Tenant Characteristics</b>	Seniors 62+
<b>Contact Name</b>	Karen
<b>Phone</b>	912-480-4611



### Market Information

<b>Program</b>	@60%, @60% (Project Based Rental)
<b>Annual Turnover Rate</b>	2%
<b>Units/Month Absorbed</b>	30
<b>HCV Tenants</b>	10%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	Increased 1% to 6%
<b>Concession</b>	Half off first month's rent

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	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	Midrise (4 stories)	41	732	\$598	\$26	@60%	Yes	2	4.9%	no	None
1	1	Midrise (4 stories)	37	732	N/A	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	7	732	\$678	\$28	Market	No	0	0.0%	N/A	None
2	2	Midrise (4 stories)	5	951	\$725	\$31	@60%	No	0	0.0%	no	None
2	2	Midrise (4 stories)	7	951	N/A	\$0	@60% (Project Based Rental Assistance - PBRA)	No	0	0.0%	N/A	None
2	2	Midrise (4 stories)	3	951	\$820	\$34	Market	No	0	0.0%	N/A	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$598	\$0 - \$26	\$572	-\$36	\$536	<b>1BR / 1BA</b>	\$678	\$28	\$650	-\$36	\$614
<b>2BR / 2BA</b>	\$725	\$0 - \$31	\$694	-\$45	\$649	<b>2BR / 2BA</b>	\$820	\$34	\$786	-\$45	\$741

## Sustainable Fellwood III, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Dishwasher  
Hand Rails  
Pull Cords  
Washer/Dryer

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

#### Security

Intercom (Phone)  
Limited Access

#### Services

None

#### Property

Business Center/Computer Lab  
Elevators  
Off-Street Parking  
Recreation Areas

Clubhouse/Meeting  
Exercise Facility  
On-Site Management

#### Premium

None

#### Other

None

### Comments

Management indicated that the annual turnover rate is very low at about two percent. There is a short waiting list for one-bedroom units.

# Sustainable Fellwood III, continued

## Trend Report

### Vacancy Rates

2Q13	4Q13	2Q14	1Q15
0.0%	0.0%	1.0%	2.0%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$583	\$0	\$583	\$547
2013	4	0.0%	\$583	\$0	\$583	\$547
2014	2	0.0%	\$619	\$0 - \$26	\$593	\$557
2015	1	2.6%	\$598	\$0 - \$26	\$572	\$536

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$702	\$0	\$702	\$657
2013	4	0.0%	\$702	\$0	\$702	\$657
2014	2	0.0%	\$732	\$0 - \$31	\$701	\$656
2015	1	0.0%	\$725	\$0 - \$31	\$694	\$649

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$639	\$0	\$639	\$603
2013	4	0.0%	\$639	\$0	\$639	\$603
2014	2	14.3%	\$678	\$28	\$650	\$614
2015	1	0.0%	\$678	\$28	\$650	\$614

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$739	\$0	\$739	\$694
2013	4	0.0%	\$739	\$0	\$739	\$694
2014	2	0.0%	\$820	\$34	\$786	\$741
2015	1	0.0%	\$820	\$34	\$786	\$741

## Trend: Comments

- 2Q13** Management reported that there is a waiting list but could not estimate the number of households on the waiting list.
- 4Q13** The contact noted that the property is an age-restricted property for seniors over the age of 62. The contact indicated that there is not currently a waiting list, nor are there any vacancies. The contact stated that the annual turnover rate is almost zero. The property does accept housing choice vouchers, but the contact could not provide an estimate for the number of tenants that currently use vouchers.
- Management reported that there is a waiting list but could not estimate the number of households on the waiting list.
- 2Q14** Management indicated that the annual turnover rate and percentage of voucher holders are below 10 percent. There is a lengthy waiting list for the subsidized units.
- 1Q15** Management indicated that the annual turnover rate is very low at about two percent. There is a short waiting list for one-bedroom units.

# Sustainable Fellwood III, continued

## Photos



# PROPERTY PROFILE REPORT

## Chelsea At Five Points

<b>Effective Rent Date</b>	3/19/2015
<b>Location</b>	1910 Skidaway Rd Savannah, GA 31404 Chatham County
<b>Distance</b>	1.1 miles
<b>Units</b>	136
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1947 / 1983
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Kingstown, Alhambra
<b>Tenant Characteristics</b>	Approximately 40 percent seniors.
<b>Contact Name</b>	Michael
<b>Phone</b>	912-232-6640



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	10%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	12%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	Increased four percent
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- gas
<b>Heat</b>	not included -- gas
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	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)	24	700	\$625	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	112	850	\$685	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$625	\$0	\$625	\$0	\$625
2BR / 1BA	\$685	\$0	\$685	\$0	\$685

### Amenities

In-Unit	Security	Services
Blinds Central A/C Oven	Video Surveillance	None
Carpet/Hardwood Dishwasher Refrigerator		
Property	Premium	Other
Central Laundry On-Site Management Swimming Pool	None	None
Off-Street Parking Picnic Area		

## **Chelsea At Five Points, continued**

### **Comments**

Management stated they offer two-bedroom units with vaulted ceilings and wrap around bars for an additional \$25 a month. The property does not keep a waiting list.

## Chelsea At Five Points, continued

### Trend Report

#### Vacancy Rates

4Q13	2Q14	3Q14	1Q15
0.7%	1.5%	1.5%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$600	\$0	\$600	\$600
2014	2	4.2%	\$600	\$0	\$600	\$600
2014	3	0.0%	\$600	\$0	\$600	\$600
2015	1	0.0%	\$625	\$0	\$625	\$625

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.9%	\$650	\$0	\$650	\$650
2014	2	0.9%	\$650	\$0	\$650	\$650
2014	3	1.8%	\$668	\$0	\$668	\$668
2015	1	0.0%	\$685	\$0	\$685	\$685

### Trend: Comments

4Q13	The contact stated that they do accept housing choice vouchers and 25 tenants currently use them. The property does not maintain a waiting list.
2Q14	The waiting list consists of two to three households.
3Q14	The manager stated that the market has been relatively strong for conventional apartments.
1Q15	Management stated they offer two-bedroom units with vaulted ceilings and wrap around bars for an additional \$25 a month. The property does not keep a waiting list.

Photos



# PROPERTY PROFILE REPORT

## The Fountains At Chatham Parkway

<b>Effective Rent Date</b>	4/08/2015
<b>Location</b>	1699 Chatham Parkway Savannah, GA 31405 Chatham County
<b>Distance</b>	5.5 miles
<b>Units</b>	352
<b>Vacant Units</b>	9
<b>Vacancy Rate</b>	2.6%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	2007-2008 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Walden, Century Fenwick, Grand Oaks
<b>Tenant Characteristics</b>	Majority of the tenants are from Chatham County
<b>Contact Name</b>	Eve
<b>Phone</b>	912-236-3771



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	30%
<b>Units/Month Absorbed</b>	29
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	See comments
<b>Concession</b>	\$200 off first month's rent

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	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)	44	575	\$870	\$17	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	44	741	\$975	\$17	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	44	801	\$984	\$17	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	22	830	\$1,030	\$17	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	22	888	\$1,081	\$17	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	44	957	\$1,125	\$17	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	22	1,055	\$1,132	\$17	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	44	1,090	\$1,145	\$17	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	33	1,291	\$1,242	\$17	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	33	1,371	\$1,420	\$17	Market	No	N/A	N/A	N/A	None

## The Fountains At Chatham Parkway, continued

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$870	\$17	\$853	\$31	\$884
1BR / 1BA	\$975 - \$1,081	\$17	\$958 - \$1,064	\$31	\$989 - \$1,095
2BR / 2BA	\$1,125 - \$1,145	\$17	\$1,108 - \$1,128	\$31	\$1,139 - \$1,159
3BR / 2BA	\$1,242 - \$1,420	\$17	\$1,225 - \$1,403	\$31	\$1,256 - \$1,434

### Amenities

#### In-Unit

Balcony/Patio  
 Carpeting  
 Dishwasher  
 Garbage Disposal  
 Oven  
 Washer/Dryer hookup

Blinds  
 Central A/C  
 Exterior Storage  
 Microwave  
 Refrigerator

#### Security

Limited Access  
 Perimeter Fencing

#### Services

None

#### Property

Business Center/Computer Lab  
 Clubhouse/Meeting  
 Garage  
 Off-Street Parking  
 Picnic Area  
 Wi-Fi

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

#### Premium

None

#### Other

Outdoor auditorium

### Comments

The property operates on a LRO system. Rents for all bedroom types have increased approximately two percent in 2015. Rent ranges are due to lake views, laminate flooring, unit upgrades, and attached garage.

# The Fountains At Chatham Parkway, continued

## Trend Report

### Vacancy Rates

1Q14	3Q14	1Q15	2Q15
1.4%	3.1%	2.8%	2.6%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$917 - \$1,045	\$0	\$917 - \$1,045	\$948 - \$1,076
2014	3	N/A	\$860 - \$1,060	\$0	\$860 - \$1,060	\$891 - \$1,091
2015	1	0.8%	\$952 - \$1,060	\$0 - \$16	\$936 - \$1,060	\$967 - \$1,091
2015	2	N/A	\$975 - \$1,081	\$17	\$958 - \$1,064	\$989 - \$1,095

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$1,052 - \$1,127	\$0	\$1,052 - \$1,127	\$1,083 - \$1,158
2014	3	N/A	\$1,127 - \$1,215	\$0	\$1,127 - \$1,215	\$1,158 - \$1,246
2015	1	6.4%	\$1,047 - \$1,122	\$16	\$1,031 - \$1,106	\$1,062 - \$1,137
2015	2	N/A	\$1,125 - \$1,145	\$17	\$1,108 - \$1,128	\$1,139 - \$1,159

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$1,212 - \$1,485	\$0	\$1,212 - \$1,485	\$1,243 - \$1,516
2014	3	N/A	\$1,212 - \$1,402	\$0	\$1,212 - \$1,402	\$1,243 - \$1,433
2015	1	3.0%	\$1,242 - \$1,352	\$16	\$1,226 - \$1,336	\$1,257 - \$1,367
2015	2	N/A	\$1,242 - \$1,420	\$17	\$1,225 - \$1,403	\$1,256 - \$1,434

### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$868	\$0	\$868	\$899
2014	3	N/A	\$785	\$0	\$785	\$816
2015	1	0.0%	\$847	\$0	\$847	\$878
2015	2	N/A	\$870	\$17	\$853	\$884

## Trend: Comments

**1Q14** Management uses LRO Multifamily Housing Product Suite; therefore, rents change daily according to lease terms and availability. The annual turnover rate was not available.

The property was formerly known as Springs at Chatham Parkway. It is currently undergoing a multimillion dollar renovation to the clubhouse, pool, building exterior, and some unit interiors. The exact cost and scope of renovation could not be provided.

**3Q14** The property does not accept Housing Choice Vouchers. The contact was unable to note the vacancy by unit type.

**1Q15** The property does not accept Housing Choice Vouchers. The property operates on a LRO system. Rents for the studios increased seven percent, one-bedroom rents increased three to 11 percent on the two smallest floor plans and rents for the two-bedroom units decreased two to eight percent. Rents for the three-bedrooms increased two percent on the smaller unit type and decreased four percent on the larger unit type.

**2Q15** The property operates on a LRO system. Rents for all bedroom types have increased approximately two percent in 2015. Rent ranges are due to lake views, laminate flooring, unit upgrades, and attached garage.

# The Fountains At Chatham Parkway, continued

## Photos



# PROPERTY PROFILE REPORT

## Veranda At Midtown

<b>Effective Rent Date</b>	4/08/2015
<b>Location</b>	1414 East Anderson Street Savannah, GA 31404 Chatham County
<b>Distance</b>	0.4 miles
<b>Units</b>	100
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Midrise (age-restricted) (4 stories)
<b>Year Built/Renovated</b>	2005 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Rose of Sharon
<b>Tenant Characteristics</b>	Seniors ages 62+; Average age is 65
<b>Contact Name</b>	Jamica
<b>Phone</b>	912-236-0683



### Market Information

<b>Program</b>	Market, PBRA
<b>Annual Turnover Rate</b>	10%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within one month
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	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	Midrise (4 stories)	2	659	\$725	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	6	664	\$725	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	3	736	\$725	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	2	654	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	7	659	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	27	664	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	12	673	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	5	696	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	20	736	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
2	1	Midrise (4 stories)	16	918	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	PBRA	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$725	\$0	\$725	-\$36	\$689	<b>1BR / 1BA</b>	N/A	\$0	N/A	-\$36	N/A
						<b>2BR / 1BA</b>	N/A	\$0	N/A	-\$45	N/A

## Veranda At Midtown, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Ceiling Fan  
Hand Rails  
Pull Cords  
Washer/Dryer hookup

Blinds  
Central A/C  
Exterior Storage  
Garbage Disposal  
Oven  
Refrigerator

**Security**

Limited Access

**Services**

None

**Property**

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Picnic Area

Elevators  
Central Laundry  
On-Site Management  
Theatre

**Premium**

None

**Other**

Library

### Comments

There is a waiting list of approximately 20 households for market rate units. None of the market rate units are filled with voucher holders. The PBRA waiting list is approximately two years in length and is maintained by the local housing authority.

## Veranda At Midtown, continued

### Trend Report

#### Vacancy Rates

2Q13	1Q14	1Q15	2Q15
2.0%	2.0%	2.0%	0.0%

#### Trend: Market

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	9.1%	\$675	\$0	\$675	\$639
2014	1	9.1%	\$675	\$0	\$675	\$639
2015	1	0.0%	\$725	\$0	\$725	\$689
2015	2	0.0%	\$725	\$0	\$725	\$689

#### Trend: PBRA

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$637	\$0	\$637	\$601
2014	1	0.0%	N/A	\$0	N/A	N/A
2015	1	N/A	N/A	\$0	N/A	N/A
2015	2	0.0%	N/A	\$0	N/A	N/A

##### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	6.2%	\$710	\$0	\$710	\$665
2014	1	6.2%	N/A	\$0	N/A	N/A
2015	1	0.0%	N/A	\$0	N/A	N/A
2015	2	0.0%	N/A	\$0	N/A	N/A

#### Trend: Comments

2Q13 N/A

1Q14 There is a waiting list of approximately 20 households for the market rate units. None of the market rate units are filled with voucher holders. The PBRA waiting list is approximately two years in length and is maintained by the local housing authority.

1Q15 There is a waiting list of approximately 20 households for the market rate units. None of the market rate units are filled with voucher holders. The PBRA waiting list is approximately two years in length and is maintained by the local housing authority. Management reported that two of the one-bedroom PBRA units are vacant.

2Q15 There is a waiting list of approximately 20 households for market rate units. None of the market rate units are filled with voucher holders. The PBRA waiting list is approximately two years in length and is maintained by the local housing authority.

Photos



# PROPERTY PROFILE REPORT

## Walden At Chatham Center

<b>Effective Rent Date</b>	3/12/2015
<b>Location</b>	100 Walden Lane Savannah, GA 31405 Chatham County
<b>Distance</b>	6.3 miles
<b>Units</b>	236
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	1.7%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2003 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Springs at Chatham, Fenwick, Avala, Savannah Qtrs
<b>Tenant Characteristics</b>	18% students, 4% senior are from Savannah.
<b>Contact Name</b>	Amanda
<b>Phone</b>	912-238-8596



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	60%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within one to two weeks
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	828	\$990	\$0	Market	No	2	N/A	N/A	AVG
1	1	Garden (3 stories)	N/A	1,013	\$1,100	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	642	\$880	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,131	\$1,325	\$0	Market	No	1	N/A	N/A	AVG
2	2	Garden (3 stories)	N/A	1,131	\$1,500	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,131	\$1,150	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (3 stories)	N/A	1,358	\$1,525	\$0	Market	No	1	N/A	N/A	AVG
3	2	Garden (3 stories)	N/A	1,358	\$1,700	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,358	\$1,350	\$0	Market	No	0	N/A	N/A	LOW

## Walden At Chatham Center, continued

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$880 - \$1,100	\$0	\$880 - \$1,100	\$31	\$911 - \$1,131
2BR / 2BA	\$1,150 - \$1,500	\$0	\$1,150 - \$1,500	\$31	\$1,181 - \$1,531
3BR / 2BA	\$1,350 - \$1,700	\$0	\$1,350 - \$1,700	\$31	\$1,381 - \$1,731

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

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

#### Security

Patrol  
Perimeter Fencing

#### Services

None

#### Property

Business Center/Computer Lab  
Clubhouse/Meeting  
Garage  
Off-Street Parking  
Picnic Area  
Swimming Pool

Car Wash  
Exercise Facility  
Central Laundry  
On-Site Management  
Playground

#### Premium

None

#### Other

Dog park, putting green

### Comments

Management stated that there are two parking spaces assigned per unit. Management reported that turnover is due to the property's location close to colleges.

**Trend Report**

**Vacancy Rates**

2Q14	3Q14	4Q14	1Q15
2.1%	5.1%	2.5%	1.7%

**Trend: Market**

**1BR / 1BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$1,037	\$0	\$1,037	\$1,068
2014	3	N/A	\$880 - \$1,100	\$0	\$880 - \$1,100	\$911 - \$1,131
2014	4	N/A	\$880 - \$1,100	\$0	\$880 - \$1,100	\$911 - \$1,131
2015	1	N/A	\$880 - \$1,100	\$0	\$880 - \$1,100	\$911 - \$1,131

**2BR / 2BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$1,095	\$0	\$1,095	\$1,126
2014	3	N/A	\$1,150 - \$1,500	\$0	\$1,150 - \$1,500	\$1,181 - \$1,531
2014	4	N/A	\$1,150 - \$1,500	\$0	\$1,150 - \$1,500	\$1,181 - \$1,531
2015	1	N/A	\$1,150 - \$1,500	\$0	\$1,150 - \$1,500	\$1,181 - \$1,531

**3BR / 2BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$1,293	\$0	\$1,293	\$1,324
2014	3	N/A	\$1,350 - \$1,700	\$0	\$1,350 - \$1,700	\$1,381 - \$1,731
2014	4	N/A	\$1,350 - \$1,700	\$0	\$1,350 - \$1,700	\$1,381 - \$1,731
2015	1	N/A	\$1,350 - \$1,700	\$0	\$1,350 - \$1,700	\$1,381 - \$1,731

**Trend: Comments**

**2Q14** The property uses the Yieldstar program. Therefore, management could only provide a range of rents for each bedroom type. We illustrated the average rents in the rent grid. The one-bedroom units range in size from 642 square feet to 1,013 square feet, with an average of 834 square feet. Given the limited information provided by management, we illustrated the average one-bedroom unit size in the rent grid. The two and three-bedroom units are 1,131 square feet and 1,358 square feet, respectively.

Storage lockers at \$60 per month. Garage parking is \$75 and \$125 per month for the small and large garages.

**3Q14** The contact stated that four of the 12 vacancies are currently pre-leased. The contact was unable to provide the vacancy by unit type. The contact stated that the range in rents for each unit type are due to upgrades in the unit, the floor of the unit, and the view of the unit.

**4Q14** Management stated that there are two parking spaces assigned per unit. The contact also mentioned that there are 12 people on the waiting list for 3 bedroom apartments.

**1Q15** Management stated that there are two parking spaces assigned per unit. Management reported that turnover is due to the property's location close to colleges.

Walden At Chatham Center, continued

Photos



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

### Housing Choice Vouchers

TENANTS WITH VOUCHERS				
Comparable Property	Rent Structure	Location	Tenancy	Housing Choice Voucher Tenants
Pinewood Village	LIHTC	Pooler	Senior	10%
Rose Of Sharon	LIHTC	Savannah	Senior	76%
Sheppard Station	LIHTC/Market	Pooler	Senior	11%
Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	10%
Chelsea At Five Points	Market	Savannah	Family	12%
The Fountains At Chatham Parkway	Market	Savannah	Family	0%
Veranda At Midtown	Market	Savannah	Senior	0%
Walden At Chatham Center	Market	Savannah	Family	0%

As illustrated in the previous table, Housing Choice Voucher (HCV) reliance is low with the exception of Rose of Sharon, which has voucher usage of 76 percent. Rose of Sharon was constructed in 1972 and renovated in 2007. It is inferior to the proposed Subject in terms of age and condition. Pinewood Village, Sheppard Station, and Sustainable Fellwood III, all of which are senior LIHTC properties constructed between 2009 and 2014, have voucher usage of 11 percent or less. Rose of Sharon is considered to be an outlier. We expect the Subject to have voucher usage consistent with that reflected by the three newest senior comparables.

### Waiting Lists

The following table illustrates the presence of waiting lists at the comparable properties, where applicable.

WAITING LISTS				
Comparable Property	Rent Structure	Location	Tenancy	Length of Waiting List
Pinewood Village	LIHTC	Pooler	Senior	Shared waiting list of 300-400 HHs with Sheppard Station
Rose Of Sharon	LIHTC	Savannah	Senior	20 HHs for subsidized units; none for LIHTC units
Sheppard Station	LIHTC/Market	Pooler	Senior	Shared waiting list of 300-400 HHs with Pinewood Village
Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	Short waiting list for 1BR units
Chelsea At Five Points	Market	Savannah	Family	None
The Fountains At Chatham Parkway	Market	Savannah	Family	None
Veranda At Midtown	Market	Savannah	Senior	20 HHs for market rate; lengthy waiting list for subsidized units
Walden At Chatham Center	Market	Savannah	Family	None

As the previous table illustrates, five of the eight comparables maintain waiting lists. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong

senior rental market. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.

### Lease Up History

We were able to obtain absorption information from several LIHTC and market rate properties in Savannah. Several of these properties have been used as comparables in our report.

#### ABSORPTION

Comparable Property	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Pinewood Village	LIHTC	Senior	2014	64	21
Savannah Gardens III	LIHTC/Market	Family	2012	95	14
Sustainable Fellwood III	LIHTC	Senior	2012	100	30
Sustainable Fellwood II	LIHTC/Market/PBRA	Family	2011	110	18
Savannah Gardens I	LIHTC	Family	2010	115	11
Sustainable Fellwood I	LIHTC/Market/PBRA	Family	2009	110	18
Sheppard Station	LIHTC	Senior	2009	65	12

As illustrated in the previous table, the properties constructed between 2009 and 2014 reported absorption rates of 11 to 30 units per month, with an average of 18 units per month. Pinewood Village is the newest senior LIHTC property in the market. It is located outside of the PMA. This property experienced an absorption rate of 21 units per month. It should be noted that Pinewood Village is managed by the same entity as Sheppard Station and many of its units were filled by households on Sheppard Station's waiting list. Sustainable Fellwood III is the newest senior LIHTC property located in the PMA. This property experienced an absorption rate of 30 units per month. Sustainable Fellwood III benefits from being a subsequent phase of an existing development and it offers project-based rental assistance for 44 percent of its units, which the Subject will not. Based upon this information, we would expect the Subject to experience a slower absorption pace when compared to Sustainable Fellwood III. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately three months for the Subject to reach 93 percent occupancy.

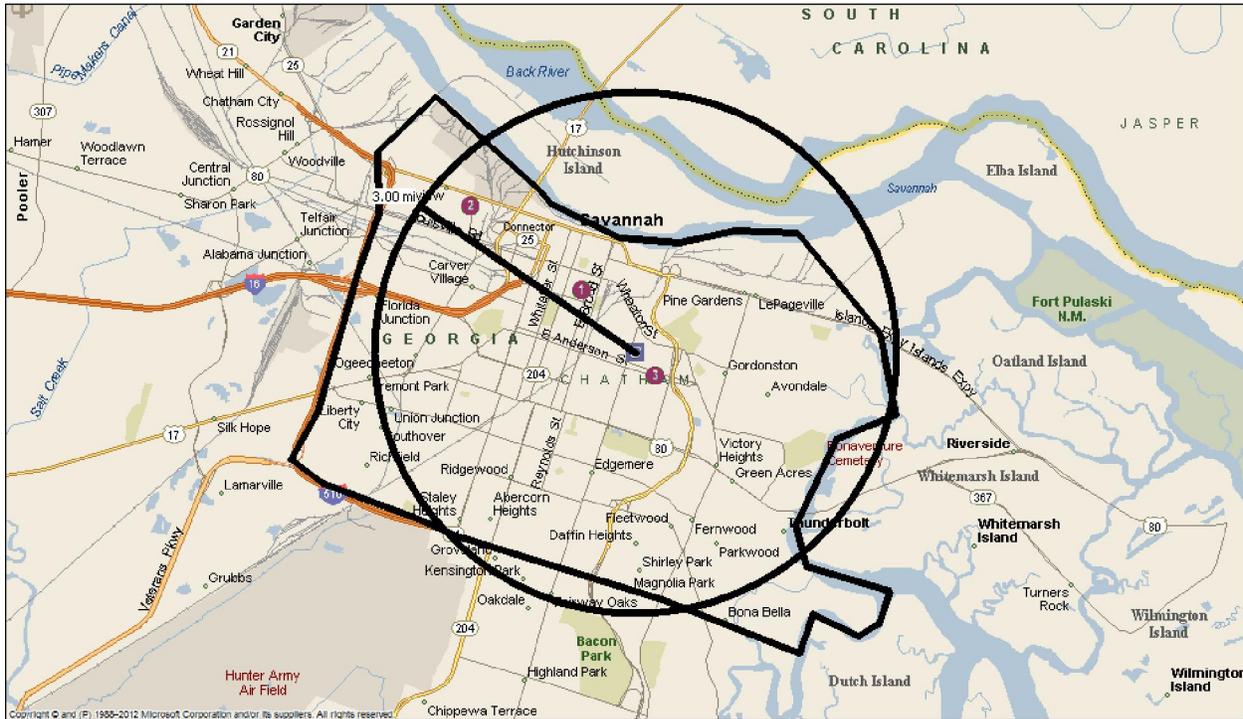
### Phased Developments

The Subject is not part of a phased development.

### Rural Areas

The Subject is not located in a rural area. There is adequate LIHTC and market rate multifamily data.

### 3. Competitive Project Map



**COMPETITIVE PROJECTS MAP**

#	Comparable Property	Rent Structure	Location	Tenancy	Distance
1	Rose Of Sharon	LIHTC	Savannah	Senior	1.4 miles
2	Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	3.2 miles
3	Veranda At Midtown	Market	Savannah	Senior	0.4 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 red, 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.

**UNIT MATRIX REPORT**

	Romana - Riley Lofts	Pinewood Village	Rose Of Sharon	Sheppard Station	Sustainable Fellwood III	Chelsea At Five Points	The Fountains At Chatham Parkway	Veranda At Midtown	Walden At Chatham Center
Comp #	Subject	1	2	3	4	5	6	7	8
<b>Property Information</b>									
Property Type	NC/Conversion (age-restricted)	Duplex (age-restricted)	Highrise (age-restricted) (12 stories)	Lowrise (age-restricted) (3 stories)	Midrise (age-restricted) (4 stories)	Garden (2 stories)	Garden (2 stories)	Midrise (age-restricted) (4 stories)	Garden (3 stories)
Year Built / Renovated	Proposed	2014	1972 / 2007	2009	2012	1947 / 1983	2007-2008	2005	2003
Market (Conv.)/Subsidy Type	LIHTC	LIHTC	LIHTC	LIHTC/Mkt	LIHTC/Mkt	Market	Market	Market	Market
<b>Utility Adjustments</b>									
Cooking	no	no	yes	no	no	no	no	no	no
Water Heat	no	no	yes	no	no	no	no	no	no
Heat	no	no	yes	no	no	no	no	no	no
Other Electric	no	no	yes	no	no	no	no	no	no
Water	no	no	yes	no	yes	no	no	yes	no
Sewer	no	no	yes	no	yes	no	no	yes	no
Trash Collection	yes	yes	yes	yes	yes	yes	no	yes	no
<b>In-Unit Amenities</b>									
Balcony/Patio	yes	yes	no	yes	yes	no	yes	yes	yes
Blinds	yes	yes	no	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	yes	no	no	no	no	no	no
Carpet/Hardwood	no	no	no	no	no	yes	no	no	no
Carpeting	yes	yes	yes	yes	yes	no	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	no	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	yes	no	no	yes	yes	no
Ceiling Fan	no	yes	no	no	no	no	no	yes	yes
Garbage Disposal	no	yes	no	no	yes	no	yes	yes	yes
Hand Rails	yes	yes	yes	yes	yes	no	no	yes	no
Microwave	no	yes	no	no	no	no	yes	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	no	yes	yes	no	no	yes	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	no	no	no	no	no	no	no	yes
Washer/Dryer	no	no	no	yes	yes	no	no	no	no
Washer/Dryer hookup	no	yes	no	yes	yes	no	yes	yes	yes
<b>Property Amenities</b>									
Business Center/Computer Lab	yes	yes	no	yes	yes	no	yes	no	yes
Car Wash	no	no	no	no	no	no	yes	no	yes
Clubhouse/Community Room	yes	no	yes	yes	yes	no	yes	yes	yes
Elevators	yes	no	yes	yes	yes	no	no	yes	no
Exercise Facility	yes	no	no	yes	yes	no	yes	yes	yes
Garage	no	no	no	no	no	no	yes	no	yes
Central Laundry	yes	yes	yes	no	no	yes	yes	yes	yes
Non-shelter Services	no	no	yes	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	yes	yes	yes
Picnic Area	no	no	no	yes	no	yes	yes	yes	yes
Playground	no	no	no	no	no	no	no	no	yes
Recreation Areas	no	no	no	yes	yes	no	no	no	no
Service Coordination	no	no	yes	yes	no	no	no	no	no
Swimming Pool	no	no	no	no	no	yes	yes	no	yes
Theatre	no	no	no	no	no	no	no	yes	no
Wi-Fi	no	no	no	no	no	no	yes	no	no
Garage Fee	N/A	N/A	\$15.00	N/A	N/A	N/A	\$75.00	N/A	\$75.00
<b>Security</b>									
In-Unit Alarm	no	no	no	yes	no	no	no	no	no
Intercom (Buzzer)	yes	no	yes	no	no	no	no	no	no
Intercom (Phone)	no	no	no	no	yes	no	no	no	no
Limited Access	yes	no	yes	no	yes	no	yes	yes	no
Patrol	no	no	no	no	no	no	no	no	yes
Perimeter Fencing	no	no	no	no	no	no	yes	no	yes
Video Surveillance	no	no	yes	no	no	yes	no	no	no
<b>Premium Amenities</b>									
Hairdresser / Barber	no	no	yes	no	no	no	no	no	no
<b>Other Amenities</b>									
Other	Exterior covered porch w/seating in central area	-	-	Horseshoe pit, shuffleboard, library, garden	-	-	Outdoor auditorium	Library	Dog park, putting green

The Subject will be slightly inferior to the comparables that offer washer/dryer connections and inferior when compared to those that offer washer/dryers. The Subject’s common area amenity package will be competitive as the Subject will offer a business center/computer lab and an exercise facility. Three of the comparables offer swimming pools but these are family market rate properties and therefore this amenity is not typical for senior LIHTC properties in the market.

5. The Subject will target senior households age 55 and older. We have included all senior unsubsidized properties in the PMA with the exception of Sister’s Court Apartments. This property will undergo a LIHTC renovation in late 2015 and 2016 and is not currently leasing units or raising rents. Therefore, we do not believe that this property should be utilized as a comparable. In order to supplement the market rate data, we have also included unrestricted family properties.

**6. Vacancy**

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY						
Comparable Property	Rent Structure	Location	Tenancy	Total Units	Vacant Units	Vacancy Rate
Pinewood Village	LIHTC	Pooler	Senior	64	0	0.00%
Rose Of Sharon*	LIHTC	Savannah	Senior	206	0	0.00%
Sheppard Station	LIHTC/Market	Pooler	Senior	65	0	0.00%
Sustainable Fellwood III*	LIHTC/Market	Savannah	Senior	100	2	2.00%
Chelsea At Five Points*	Market	Savannah	Family	136	0	0.00%
The Fountains At Chatham Parkway	Market	Savannah	Family	352	9	2.60%
Veranda At Midtown*	Market	Savannah	Senior	100	0	0.00%
Walden At Chatham Center	Market	Savannah	Family	236	4	1.70%
<b>Total</b>				<b>1,259</b>	<b>15</b>	<b>1.20%</b>

\*Properties located in PMA.

The comparable properties reported vacancy rates of zero to 2.6 percent, with an average of 1.2 percent. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 0.4 percent. Overall, the market is performing well. Based on the strong performance of the comparables, we expect the Subject to maintain a vacancy rate of five percent or less following stabilization.

**7. Properties Under Construction and Proposed**

There are several under construction or proposed LIHTC projects in the development pipeline for the PMA. There are two mixed-income projects that are under construction, which are detailed as follows:

Savannah Gardens IV was allocated tax credits in 2012 and targets families/general households.

1. Savannah Gardens IV will be located 1.6 miles from the Subject.
2. Mercy Housing is the sponsor for Savannah Gardens IV.
3. The property offers 114 units.
4. The property consists of one, two, and three-bedroom units.

5. The property will offer units restricted at 50 and 60 percent AMI as well as unrestricted units.
6. Construction was completed in March 2015.
7. Management stated that the 18 townhouse units were completed on January 4, 2015, with tenants moving in shortly thereafter. The remaining units were completed in early March. The units are receiving their certificates of occupancy at a rate of 10 to 15 units per week. As of March 24, 2015, approximately 25 units at the property were occupied. Management estimated the property will be fully occupied by late May or early June of 2015.

Savannah Gardens V was allocated tax credits in 2013 and will target families/general households.

1. Savannah Gardens V will be located 1.6 miles from the Subject.
2. Mercy Housing is the sponsor for Savannah Gardens IV.
3. The property will offer 76 units.
4. The property will consist of one, two, and three-bedroom units.
5. The property will offer units restricted at 50 and 60 percent AMI as well as unrestricted units.
6. Construction is underway and expected to be complete by December 2015.
7. The anticipated LIHTC rents for this project are \$445 to \$558 for the one-bedroom units, \$533 to \$668 for the two-bedroom units, and \$604 to \$760 for the three-bedroom units. The anticipated market rate rents range from \$675 for a one-bedroom unit to \$930 for a three-bedroom unit.

Hitch Village Phase I was allocated tax credits in 2014 and will target families/general households.

1. Hitch Village Phase I will be located 1.1 miles from the Subject.
2. Hunt Companies is the sponsor.
3. The property will offer 72 units and will be replacement housing for public housing property.
4. The property will consist of one, two, and three-bedroom units.
5. The property will offer 57 LIHTC/PBRA units restricted at 60 percent of the AMI and 15 unrestricted units.
6. The estimated construction timeline is September 2015 to September 2016.

Because these three properties will target families, we do not believe that they will directly compete with the Subject.

Sister's Court Apartments was allocated tax credits in 2014 and will be restricted to elderly households (62+).

1. Sister's Court Apartments is located 1.3 miles from the Subject.
2. National Church Residences is the sponsor.
3. The property will offer 77 LIHTC units following the renovation.
4. The property will consist of one and two-bedroom units.
5. Construction is expected to start in October 2015 and be complete by November 2016.

6. The anticipated LIHTC rents for this project are \$288 to \$553 for the one-bedroom units and \$578 to \$642 for two-bedroom units.

We believe that Sister’s Court Apartments will directly compete with the Subject following renovation.

**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	Pinewood Village	LIHTC	Inferior	Superior	Inferior	Similar	Superior	0
2	Rose Of Sharon	LIHTC	Slightly Inferior	Slightly Inferior	Similar	Inferior	Inferior	-30
3	Sheppard Station	LIHTC/Market	Slightly Superior	Superior	Inferior	Similar	Superior	15
4	Sustainable Fellwood III	LIHTC/Market	Similar	Superior	Slightly Inferior	Similar	Superior	15
5	Chelsea At Five Points	Market	Slightly Inferior	Inferior	Slightly Inferior	Inferior	Slightly Superior	-25
6	The Fountains At Chatham Parkway	Market	Superior	Slightly Superior	Slightly Inferior	Similar	Superior	20
7	Veranda At Midtown	Market	Similar	Slightly Superior	Similar	Slightly Inferior	Similar	0
8	Walden At Chatham Center	Market	Superior	Slightly Superior	Slightly Inferior	Slightly Inferior	Superior	15

\*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 tables. It should be noted that Pinewood Village and Sheppard Station are managed by the same entity.

**LIHTC Rent Comparison - @50%**

<b>Property Name</b>	<b>1BR</b>	<b>2BR</b>
Romana - Riley Lofts (Subject)	\$420	\$505
<b>LIHTC Maximum (Net)</b>	<b>\$422</b>	<b>\$508</b>
Pinewood Village	\$420	\$490
Sheppard Station	\$454	\$492
<b>Average (excluding Subject)</b>	<b>\$437</b>	<b>\$491</b>

**LIHTC Rent Comparison - @60%**

<b>Property Name</b>	<b>1BR</b>	<b>2BR</b>
Romana - Riley Lofts (Subject)	\$535	\$640
<b>LIHTC Maximum (Net)</b>	<b>\$537</b>	<b>\$646</b>
Pinewood Village	\$429	\$557
Rose Of Sharon	\$434	-
Sheppard Station	\$454	\$567
Sustainable Fellwood III	\$536	\$649
<b>Average (excluding Subject)</b>	<b>\$463</b>	<b>\$591</b>

Pinewood Village was constructed in 2014 and is similar to the proposed Subject in terms of age and condition. The Subject will offer a superior location when compared to Pinewood Village. However, Pinewood Village is superior to the proposed Subject in terms of unit amenities and unit sizes. The Subject will offer a superior property amenities package when compared to Pinewood Village. Pinewood Village’s rents at 50 and 60 percent AMI are below the maximum allowable levels, despite the property being 100 percent occupied with a lengthy waiting list. Pinewood Village’s one and two-bedroom 60 percent rents are \$92 to \$107 lower than the one and two-bedroom 60 percent rents at Sustainable Fellwood III, a new senior LIHTC comparable. Overall, we believe Pinewood Village’s 60 percent rents are artificially low and not indicative of achievable rents.

Sheppard Station was constructed in 2009 and is similar to the proposed Subject in terms of age and condition. The Subject will offer a superior location when compared to Sheppard Station. However, Sheppard Station is slightly superior to superior to the proposed Subject in terms of amenities and unit size. Sheppard Station’s rents at 50 and 60 percent AMI are below the maximum allowable levels, despite the property being 100 percent occupied with a lengthy waiting list. Further, its one-bedroom 60 percent rents are understated as they are set at the same level as the one-bedroom 50 percent rents. Sheppard Station’s one and two-bedroom 60 percent rents are \$82 lower than the one and two-bedroom 60 percent rents at Sustainable Fellwood III, a new senior LIHTC comparable. Overall, we believe Sheppard Station’s 60 percent rents are artificially low and not indicative of achievable rents.

The Subject will be slightly superior to superior to Rose of Sharon in terms of common area amenities, in-unit features, age/condition, and unit sizes. Therefore, we believe that the Subject should achieve rents above this property.

The Subject will offer a similar age/condition and common area amenity package when compared to Sustainable Fellwood III. Sustainable Fellwood III is superior to the proposed Subject in terms of in-unit amenities and unit sizes but slightly inferior in terms of location. It is currently 98 percent occupied with a short waiting list. Based upon the rents being achieved by

Sustainable Fellwood III, we believe the Subject’s proposed rents are reasonable and achievable.

Overall, there is strong demand for senior LIHTC housing in the local market. We believe that the Subject’s rents are feasible as proposed despite its somewhat small unit sizes and lack of washer/dryer connections. Additionally, the Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market.

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

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

**SUBJECT COMPARISON TO MARKET RENTS**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$420	\$420	\$1,131	\$708	69%
2 BR @ 50%	\$505	\$490	\$1,531	\$876	73%
1 BR @ 60%	\$535	\$429	\$1,131	\$738	38%
2 BR @ 60%	\$640	\$557	\$1,531	\$940	47%

The Subject’s proposed 50 and 60 percent AMI rents will have a significant rent advantage over the surveyed average rents in the market. The Subject will be in excellent condition and will offer a competitive common area amenity package as well as a competitive location. Overall, the Subject’s proposed rents are on the lower end of the range and appear to be feasible in the market given the low vacancy rates and presence of waiting lists at the comparable properties.

### 9. LIHTC Competition – DCA Funded Properties within the PMA

There are several under construction or proposed LIHTC projects in the development pipeline for the PMA. There are two mixed-income projects that are under construction, which are detailed as follows:

Savannah Gardens IV was allocated tax credits in 2012 and targets families/general households.

1. Savannah Gardens IV will be located 1.6 miles from the Subject.
2. Mercy Housing is the sponsor for Savannah Gardens IV.
3. The property offers 114 units.
4. The property consists of one, two, and three-bedroom units.
5. The property will offer units restricted at 50 and 60 percent AMI as well as unrestricted units.
6. Construction was completed in March 2015.
7. Management stated that the 18 townhouse units were completed on January 4, 2015, with tenants moving in shortly thereafter. The remaining units were completed in early March. The units are receiving their certificates of occupancy at a rate of 10 to 15 units per week. As of March 24, 2015, approximately 25 units at the property were occupied. Management estimated the property will be fully occupied by late May or early June of 2015.

Savannah Gardens V was allocated tax credits in 2013 and will target families/general households.

1. Savannah Gardens V will be located 1.6 miles from the Subject.
2. Mercy Housing is the sponsor for Savannah Gardens IV.
3. The property will offer 76 units.
4. The property will consist of one, two, and three-bedroom units.
5. The property will offer units restricted at 50 and 60 percent AMI as well as unrestricted units.
6. Construction is underway and expected to be complete by December 2015.
7. The anticipated LIHTC rents for this project are \$445 to \$558 for the one-bedroom units, \$533 to \$668 for the two-bedroom units, and \$604 to \$760 for the three-bedroom units. The anticipated market rate rents range from \$675 for a one-bedroom unit to \$930 for a three-bedroom unit.

Hitch Village Phase I was allocated tax credits in 2014 and will target families/general households.

1. Hitch Village Phase I will be located 1.1 miles from the Subject.
2. Hunt Companies is the sponsor.
3. The property will offer 72 units and will be replacement housing for public housing property.
4. The property will consist of one, two, and three-bedroom units.
5. The property will offer 57 LIHTC/PBRA units restricted at 60 percent of the AMI and 15 unrestricted units.
6. The estimated construction timeline is September 2015 to September 2016.

Because these three properties will target families, we do not believe that they will directly compete with the Subject.

Sister’s Court Apartments was allocated tax credits in 2014 and will be restricted to elderly households (62+).

1. Sister’s Court Apartments is located 1.3 miles from the Subject.
2. National Church Residences is the sponsor.
3. The property will offer 77 LIHTC units following the renovation.
4. The property will consist of one and two-bedroom units.
5. Construction is expected to start in October 2015 and be complete by November 2016.
6. The anticipated LIHTC rents for this project are \$288 to \$553 for the one-bedroom units and \$578 to \$642 for two-bedroom units.

We believe that Sister’s Court Apartments will directly compete with the Subject following renovation.

It should be noted that the existing three phases of Savannah Gardens currently have a waiting list of 100 households. Management expects the proposed units at phases IV and V to be partially filled by households on the waiting list. Because these properties will target families, we do not believe that they will directly compete with the Subject.

The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 0.4 percent. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. Based upon the strong performance of the senior LIHTC comparables in the PMA, we believe there is adequate demand for the proposed Subject.

**10. Rental Trends in the PMA**

The table below depicts senior household growth by tenure from 2000 through 2019.

<b>PMA TENURE PATTERNS OF SENIORS 55+</b>				
<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2000	8,687	65.8%	4,520	34.2%
2010	7,760	63.2%	4,513	36.8%
2015	8,255	62.0%	5,058	38.0%
Projected Mkt Entry				
December 2017	8,602	61.4%	5,412	38.6%
2019	8,830	61.0%	5,645	39.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

Owner-occupied housing units dominate the housing market in the PMA. However, the 38.0 percent renter-occupied number is significantly higher than the national average of 13.0 percent for senior households.

## Historical Vacancy

The following table illustrates the historical vacancy trends at the comparable properties.

### HISTORICAL VACANCY TRENDS

Comparable Property	Rent Structure	Tenancy	Total Units	2QTR 2012	2QTR 2013	2QTR 2014	2QTR 2015
Pinewood Village	LIHTC	Senior	64	-	-	-	0.00%
Rose Of Sharon	LIHTC	Senior	206	2.40%	4.40%	1.90%	0.00%
Sheppard Station	LIHTC/Market	Senior	65	0.00%	0.00%	0.00%	0.00%
Sustainable Fellwood III	LIHTC/Market	Senior	100	10.00%	0.00%	1.00%	2.00%
Chelsea At Five Points	Market	Family	136	4.40%	3.70%	1.50%	0.00%
The Fountains At Chatham Parkway	Market	Family	352	5.40%	6.80%	1.40%	2.60%
Veranda At Midtown	Market	Senior	100	2.00%	2.00%	2.00%	0.00%
Walden At Chatham Center	Market	Family	236	2.50%	3.00%	2.10%	1.70%

As illustrated in the previous table, vacancy rates at the comparable properties have generally decreased over the past four years. This indicates that the market is stable and has successfully absorbed additions to supply while maintaining low vacancy rates.

## Change in Rental Rates

The following table illustrates changes in rent among the comparable properties, where applicable.

### RENT GROWTH

Comparable Property	Rent Structure	Location	Tenancy	Rent Growth
Pinewood Village	LIHTC	Pooler	Senior	N/Ap, recently constructed
Rose Of Sharon	LIHTC	Savannah	Senior	None
Sheppard Station	LIHTC/Market	Pooler	Senior	Increased 2-4%.
Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	Increased 1-6%.
Chelsea At Five Points	Market	Savannah	Family	Increased 4%.
The Fountains At Chatham Parkway	Market	Savannah	Family	Rents change daily.
Veranda At Midtown	Market	Savannah	Senior	None
Walden At Chatham Center	Market	Savannah	Family	None

Three of the eight comparables reported rent growth over the past year, including two of the five senior properties. The rents at The Fountains at Chatham Parkway change on a daily basis depending on occupancy. We anticipate that the Subject will be able to achieve moderate rent growth in the short term based upon the newest LIHTC comparables.

## 11. Impact of Foreclosed, Abandoned and Vacant Structures

According to www.RealtyTrac.com, one in every 1,140 homes in Savannah, GA was in foreclosure, as of February 2015. Nationally, one in every 1,295 homes was in foreclosure and one in every 1,414 homes in Georgia was in foreclosure. As indicated, Savannah has a higher foreclosure rate than Georgia and the nation, as a whole. The median list price for a home in Savannah is \$199,000 compared to \$168,900 in Georgia and \$189,900 in the nation. Overall, it appears that the local market is faring slightly worse than the nation as a whole in terms of foreclosure rates. We witnessed few abandoned homes in the Subject's immediate neighborhood.

**12. Primary Housing Void**

The comparable senior properties are two percent vacant or less and all maintain waiting lists. Based on the demand analysis, performance of the comparable properties, and conversations with local property managers, we believe there is demand for additional senior housing in the local market.

**13. Affect of Subject on Other Affordable Units in Market**

The comparable senior properties are two percent vacant or less and all maintain waiting lists. We do not believe that the Subject will negatively impact the performance of the comparable senior properties.

**Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Approximately 38.6 percent of the seniors in the PMA will be renters as of the Subject's market entry date, which is considerably higher than the national rate at 13.0 percent. There is one proposed senior LIHTC development in the Subject's PMA. However, this property is existing and will be renovated with the majority of tenants in place. The Subject's strengths include its location and age/condition. The Subject's primary weaknesses are its somewhat small unit sizes and lack of washer/dryer connections. Additionally, the Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 0.4 percent. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. We believe that the Subject's proposed rents are reasonable and achievable.

# **I. ABSORPTION & STABILIZATION RATES**

**Stabilization/Absorption Rate**

We were able to obtain absorption information from several LIHTC and market rate properties in Savannah. Several of these properties have been used as comparables in our report.

**ABSORPTION**

Comparable Property	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Pinewood Village	LIHTC	Senior	2014	64	21
Savannah Gardens III	LIHTC/Market	Family	2012	95	14
Sustainable Fellwood III	LIHTC	Senior	2012	100	30
Sustainable Fellwood II	LIHTC/Market/PBRA	Family	2011	110	18
Savannah Gardens I	LIHTC	Family	2010	115	11
Sustainable Fellwood I	LIHTC/Market/PBRA	Family	2009	110	18
Sheppard Station	LIHTC	Senior	2009	65	12

As illustrated in the previous table, the properties constructed between 2009 and 2014 reported absorption rates of 11 to 30 units per month, with an average of 18 units per month. Pinewood Village is the newest senior LIHTC property in the market. It is located outside of the PMA. This property experienced an absorption rate of 21 units per month. It should be noted that Pinewood Village is managed by the same entity as Sheppard Station and many of its units were filled by households on Sheppard Station's waiting list. Sustainable Fellwood III is the newest senior LIHTC property located in the PMA. This property experienced an absorption rate of 30 units per month. Sustainable Fellwood III benefits from being a subsequent phase of an existing development and it offers project-based rental assistance for 44 percent of its units, which the Subject will not. Based upon this information, we would expect the Subject to experience a slower absorption pace when compared to Sustainable Fellwood III. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately three months for the Subject to reach 93 percent occupancy.

## **J. INTERVIEWS**

### **Savannah's Assisted Housing Programs Department**

According to Bonnie Taylor, Assistant Director of the Housing Authority of Savannah's Assisted Housing Programs Department, the Housing Authority is currently authorized to issue 2,814 vouchers. The Housing Choice Voucher waiting list is currently closed. Ms. Taylor reported that there are over 11,583 households on the waiting list. The following table illustrates the current gross rent payment standards, effective February 1, 2015.

<b>Payment Standards</b>	
1BR	\$795
2BR	\$886
3BR	\$1,175
4BR	\$1,238

The Subject's proposed gross LIHTC rents are below the payment standards.

### **Planning**

We spoke with Gary Plumbley, Development Services Planner with the Savannah Metropolitan Planning Commission, in regards to planned, proposed, or recently completed residential development in the Subject's neighborhood. Mr. Plumbley indicated that there was no proposed or recently completed market rate multifamily or single-family developments in the Subject's neighborhood. The proposed affordable housing developments in the PMA were detailed earlier in the report.

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

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## Conclusions

- The PMA is expected to experience strong senior population and household growth from 2015 through 2019. Senior population growth in the PMA is expected to increase at an annual rate of 2.6 percent from 2015 through 2019, which is slightly higher than the national rate. Senior population growth in the PMA will remain below that of the MSA but will be slightly greater than the national rate through 2019. Owner-occupied housing units dominate the housing market in the PMA. However, the 38.0 percent renter-occupied number is significantly higher than the national average of 13.0 percent for senior households. The Subject will target senior households earning \$17,190 to \$29,460. Approximately 39.0 percent of renter households in the PMA earned incomes between \$10,000 and \$29,999 in 2015. For the projected market entry date of December 2017, this percentage is projected to remain the same. As the senior population and number of households increase, there is expected to be a greater number of lower-income senior renters seeking affordable housing.
- The largest employers in Savannah are in the manufacturing, education, health care/social assistance, and government sectors. Employment in the PMA is greatest in the accommodation/food services, health care/social assistance, retail trade, and educational services sectors, which together account for almost 55 percent of the total employment in the PMA. This is significantly higher than the nation as a whole. The MSA experienced a significant decrease in total employment between 2008 and 2010, when total employment decreased 8.0 percentage points. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment than the MSA from 2008 to 2010. The MSA experienced employment growth from 2011 to 2014 but remains below pre-recession levels. As of December 2014, the unemployment rate in the MSA was 0.5 percentage points above that of the nation. However, the MSA experienced a moderate decrease in unemployment of 0.9 percentage points between December 2013 and December 2014.
- The Subject's 50 percent capture rates range from 4.9 to 8.6 percent, with an overall capture rate of 6.6 percent. The Subject's 60 percent AMI capture rates range from 33.1 to 32.5 percent, with an overall capture rate of 32.7 percent. The overall capture rate for the Subject's 50 and 60 percent units is 20.2 percent. Therefore, we believe there is adequate demand for the Subject.
- The properties constructed between 2009 and 2014 reported absorption rates of 11 to 30 units per month, with an average of 18 units per month. Pinewood Village is the newest senior LIHTC property in the market. It is located outside of the PMA. This property experienced an absorption rate of 21 units per month. It should be noted that Pinewood Village is managed by the same entity as Sheppard Station and many of its units were filled by households on Sheppard Station's waiting list. Sustainable Fellwood III is the newest senior LIHTC property located in the PMA. This property experienced an absorption rate of 30 units per month. Sustainable Fellwood III benefits from being a subsequent phase of an existing development and it offers project-based rental assistance

for 44 percent of its units, which the Subject will not. Based upon this information, we would expect the Subject to experience a slower absorption pace when compared to Sustainable Fellwood III. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately three months for the Subject to reach 93 percent occupancy.

- The comparable properties reported vacancy rates of zero to 2.6 percent, with an average of 1.2 percent. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 0.4 percent. Overall, the market is performing well. Based on the strong performance of the comparables, we expect the Subject to maintain a vacancy rate of five percent or less following stabilization.
- Five of the eight comparables maintain waiting lists. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Approximately 38.6 percent of the seniors in the PMA will be renters as of the Subject's market entry date, which is considerably higher than the national rate at 13.0 percent. There is one proposed senior LIHTC development in the Subject's PMA. However, this property is existing and will be renovated with the majority of tenants in place. The Subject's strengths include its location and age/condition. The Subject's primary weaknesses are its somewhat small unit sizes and lack of washer/dryer connections. Additionally, the Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 0.4 percent. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. We believe that the Subject's proposed rents are reasonable and achievable.

### **Recommendations**

- We have no recommendations for the proposed Subject development.

## **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.



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H. Blair Kincer, MAI, CRE  
*LEED Certified Associate*  
Partner  
Novogradac & Company LLP

May 7, 2015  
Date



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Ed Mitchell  
Manager

May 7, 2015  
Date



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Brendan Kelly  
Real Estate Analyst

May 7, 2015  
Date



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Sterling Battle  
Real Estate Researcher

May 7, 2015  
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.



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H. Blair Kincer, MAI, CRE  
*LEED Certified Associate*  
Partner  
Novogradac & Company LLP

May 7, 2015  
Date



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Ed Mitchell  
Manager

May 7, 2015  
Date



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Brendan Kelly  
Real Estate Analyst

May 7, 2015  
Date



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Sterling Battle  
Real Estate Researcher

May 7, 2015  
Date

## **N. QUALIFICATIONS**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## H. BLAIR KINCER, MAI

### 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)  
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. 1201073262 – State of Michigan  
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi  
Certified General Real Estate Appraiser, No. 46000039124 – State of New York  
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina  
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania  
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina  
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee  
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia  
Certified General Real Estate Appraiser, No. 1101008 – State of Washington  
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

### III. Professional Experience

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

### IV. Professional Training

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market

analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

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

## **V. Real Estate Assignments – Examples**

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

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

**H. Blair Kincer**

**Qualifications**

**Page 3**

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

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## EDWARD R. MITCHELL

### I. Education

Master of Science – Financial Planning  
University of Alabama, Tuscaloosa, Alabama

Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation  
University of Alabama, Tuscaloosa, Alabama

Bachelor of Science – Human Environmental Science  
University of Alabama, Tuscaloosa, Alabama

Associate of Arts – Real Estate Management  
San Antonio College, San Antonio, Texas

### II. Work History

Manager - Valuation; Novogradac & Company LLP; Atlanta, Georgia  
Senior Real Estate Analyst; Novogradac & Company LLP; Atlanta, Georgia  
Senior Appraiser; Valbridge Property Advisors; Atlanta, Georgia  
Managing Partner; Consolidated Equity, Inc.; Atlanta, Georgia and Jacksonville, Florida  
Senior Appraiser; Schultz, Carr, Bissette & Associates; Atlanta, Georgia  
Disposition Manager; Resolution Trust Corporation (RTC); San Antonio & Dallas, Texas

### III. Relevant Experience

- Managed and prepared market studies and appraisals throughout the U.S. for family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties.
- Managed and prepared HUD rent comparability studies (RCS).
- Performed HUD MAP Quality Control market study and appraisal reviews.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way projects, and recycling plants.

### IV. Licensure

- Georgia State Certified General Real Property Appraiser #4649
- Alabama State Certified General Real Property Appraiser #G01192
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## BRENDAN KELLY

### I. Education

Pennsylvania State University, University Park, PA  
Bachelor of Science in Finance

Education requirements successfully completed for the Appraisal Institute and CCIM Institute:

Appraisal Principals, June 2008  
Appraisal Procedures, August 2008  
15-Hour National USPAP Course, November 2008  
General Appraiser Income Approach I, November 2008  
Real Estate Finance Statistics and Valuation Modeling, January 2009  
CI101: Financial Analysis for Commercial Investment Real Estate, March 2010  
CI104: Investment Analysis for Commercial Investment Real Estate, November 2011

### II. Professional Experience

Independent Real Estate Analyst, May 2010 - Present  
Real Estate Analyst, Novogradac & Company LLP, November 2007 – April 2010  
Research Assistant, Novogradac & Company LLP, April 2006 – November 2007

### III. Real Estate Assignments

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

- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies according to HUD guidelines.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Work assignments completed in various states include: Alaska, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Utah, Washington, West Virginia, Wisconsin, Wyoming, and Virginia.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **Sterling Battle**

### **I. Education**

The University of South Florida, Tampa, FL  
Bachelor of Science degree in Finance

### **II. Professional Experience**

Real Estate Researcher, Novogradac & Company LLP, September 2014 – Present  
Real Estate Research Intern, Framework Group Development LLC, September 2013- September 2014

### **III. Research Assignments**

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

- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted with numerous appraisals of new construction and existing LIHTC and market-rate properties.