



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

**The Village at Winding Road II
528 Winding Road
St. Marys, Camden County, Georgia**

**Effective Date: April 21, 2015
Report Date: May 8, 2015**

Prepared For

**Mr. Bill Gross
WH Gross Construction Company
P.O. Box 365
Kingsland, GA 31548**

Prepared By

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

May 8, 2015

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

Re: Market Study for The Village at Winding Road II located in St. Marys, Georgia

Dear Mr. Gross:

At your request, Novogradac & Company LLP performed a market study of the rental market in the St. Marys, 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 proposed Housing for Older Persons development The Village at Winding Road consisting of 70 revenue generating units. Units will be age-restricted to seniors age 55 and older earning 50 and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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



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



Edward R. Mitchell
Manager
Novogradac & Company LLP



Lauren Smith
Researcher
Novogradac & Company LLP

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
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 CONCLUSION 1
B. PROJECT DESCRIPTION 11
C. SITE EVALUATION 15
D. MARKET AREA 27
E. COMMUNITY DEMOGRAPHIC DATA 30
F. EMPLOYMENT TRENDS 35
G. PROJECT-SPECIFIC DEMAND ANALYSIS 43
H. COMPETITIVE RENTAL ANALYSIS 63
I. ABSORPTION & STABILIZATION RATES 121
J. INTERVIEWS 123
K. CONCLUSIONS AND RECOMMENDATIONS 125
L. SIGNED STATEMENT REQUIREMENTS 129
M. MARKET STUDY REPRESENTATION 131
N. QUALIFICATIONS 133

Addendum

A. EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

The Village at Winding Road II will be a newly constructed senior property located in St. Marys, Georgia, which will consist of 18 one-story residential buildings in addition to one community building.

The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowances.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>							
1BR/1BA	860	11	\$435	\$141	\$576	\$585	\$601
2BR/2BA	1,060	8	\$510	\$180	\$690	\$702	\$813
<i>60% AMI</i>							
1BR/1BA	860	19	\$450	\$141	\$591	\$702	\$601
2BR/2BA	1,060	<u>32</u>	\$520	\$180	\$700	\$843	\$813
Total		70					

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

*Per the Georgia DCA 2014 guidelines, the market study analyst must use the maximum rent and income limits from the same year as the utility allowances. The GA DCA utility allowance is effective as of 7/1/2014; therefore, we have utilized the 2014 maximum income and rent limits.

The Subject will offer the following amenities: patios, blinds, carpeting, central air conditioning, coat closets, dishwashers, ceiling fans, garbage disposals, hand rails, microwaves, ovens, refrigerators, hand rails, pull cords, in-unit washers and dryers, walk-in closets, a business center/computer lab, a clubhouse/community room, an exercise facility, off-street parking and on-site management. Overall, the Subject’s amenities will be competitive with those offered at the comparable properties.

2. Site Description/Evaluation:

The Subject site is located on the east side of Winding Road. The Subject site is currently vacant, wooded land. It is adjacent to phase I of The Village at Winding Road, which is located immediately south of the Subject. Phase I was built in 2013 and is currently in excellent condition. This 50-unit LIHTC property offers one and two-bedroom units restricted to seniors age 55 and older. Further south, there are small retail and office uses. Undeveloped land is located north and west of the Subject site. Directly east of

the Subject site is the Camden County PSA Soccer Complex. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. However, there are a limited number of retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by *Walkscore* with a rating of 14. The Subject site is considered a desirable building site for senior rental housing. The Subject is located in a residential neighborhood. The uses surrounding the Subject are in good condition and the site has good proximity to locational amenities, which are within 6.3 miles of the Subject site.

3. Market Area Definition:

The PMA is defined as the entirety of Camden County in addition to eastern portions of Charlton County and southern parts of Glynn County in Georgia, as well as the northern parts of Nassau County in Florida. The PMA is bounded to the north the Turtle River; to the west by River Road and Highway 1; to the south by the Nassau River and the Atlantic Ocean to the east. This PMA excludes the city of Brunswick to the north. However, this PMA does include portions of the state of Florida to the south. These areas are located less than a 20 minute drive from the Subject. Many of the surveyed property managers have indicated that tenants, particularly senior tenants, come from out of state and relocate to the surveyed properties. We have also considered whether any varying state laws would prevent senior residents from relocating to Georgia, from Florida. Many seniors are attracted to Florida as it has no state income tax. However, the state of Georgia allows up to \$65,000 of retirement income to be exempt from state taxes for seniors over the age of 65, and social security income is exempt from taxation for all ages. We believe for residents in the Subject's income strata that this negates the largest advantage the state of Florida might have over the state of Georgia for senior residents and indicates that senior residents would be willing to relocate freely across state lines. However, we have distinctly excluded from our PMA any regions that might be considered suburbs of Jacksonville, FL, as we do not believe this to be a comparable location to the Subject's area. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject is approximately 32 miles.

4. Community Demographic

Data:

The general population in the PMA experienced a significant population increase from 2000 to 2015 and is projected to continue to increase albeit at a slightly slower rate through 2019. In comparison, the general population in the SMA increased at a slightly slower rate and is projected to continue to increase through 2019. The senior population in the PMA and the SMA increased drastically from 2000 to 2015, while the senior population in the nation experienced slightly slower growth. Through 2019, the senior population in the PMA is expected to continue to grow at a strong pace similar to the SMA and the nation. We believe the strong growth of the senior population in the PMA is a positive indication of demand for the Subject's proposed age-restricted units. Approximately 30 percent of the population in the PMA will be age 55 and older by the projected market entry date of December 2017. The total number of senior households in the PMA increased 6.0 percent from 2000 to 2010. Over the same period of time, the total number of senior households in the SMA increased 4.3 percent, which is faster than the growth in the nation. Senior household growth slowed slightly from 2010 to 2015 in the PMA and will continue to slow through 2019. Senior household growth in the PMA will continue to outpace the SMA and the nation through 2019.

Senior households earning under \$30,000 in the PMA comprise 52.7 percent of all income cohorts. The Subject will target households earning between \$17,550 and \$30,000, therefore, the Subject should be well-positioned to service this market.

Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target. We believe the expected senior population and household growth in the PMA bodes well for the Subject's proposed units.

5. Economic Data:

Accommodation/food services, health care/social assistance, and retail trade are the largest industries within the PMA. Combined they represent approximately 33.5 percent of total employment within the PMA. In general, the area is not overly reliant on a single industry. The PMA is overrepresented in the accommodation/food services, public administration, and construction industries, relative to the nation. Comparatively, the health care/social

assistance, professional/scientific/tech services, and manufacturing are underrepresented in the PMA.

Since 2011, total employment in the SMA has continued to increase, but as of February 2015, total employment in the SMA is still five percent below peak pre-recession employment. From February 2014 to February 2015 total employment in the SMA increased 1.7 percent. In comparison, the nation has experienced a 2.1 percent increase in total employment over the same period of time. The unemployment rate in the SMA has remained elevated since 2010, relative to the national unemployment rate. The unemployment rate in the SMA peaked in 2010 at 10.6 percent and has since declined to 6.2 percent as of February 2015. The unemployment rate in the nation also peaked in 2010 at 9.6 percent and has since declined to 5.8 percent. Overall, the local economy appears slightly weaker than the national economy. However, we do not expect the slightly underperforming local economy to affect the performance of the Subject because the Subject will target seniors age 55 and older.

6. Project-Specific Affordability And Demand Analysis:

Our demand analysis indicates that there are 844 income qualified senior renter households in the PMA. The following table indicates the capture rates for the Subject’s units.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR at 50% AMI	\$17,280-\$25,000	11	78	3	75	14.7%
2BR at 50% AMI	\$20,700-\$25,000	8	119	5	114	7.0%
50% Overall	\$17,280-\$25,000	19	197	8	189	10.0%
1BR at 60% AMI	\$17,730-\$30,000	19	125	13	112	17.0%
2BR at 60% AMI	\$21,000-\$30,000	32	191	29	162	19.8%
60% Overall	\$17,730-\$30,000	51	315	42	273	18.7%
1BR Overall	\$17,280-\$25,000	30	129	16	113	26.6%
2BR Overall	\$20,700-\$30,000	40	197	34	163	24.5%
Total Overall	\$17,280-\$30,000	70	326	50	276	25.4%

All capture rates are within DCA threshold requirements and indicate demand for the Subject. Overall, we recommend the Subject as proposed.

7. Competitive Rental Analysis:

The availability of LIHTC data is considered good; there are nine LIHTC properties in the PMA. However, the majority of these properties were excluded because they

target families. The Subject will target the senior population and we have included the only one senior LIHTC property and one mixed-tenancy property that do not operate with an additional subsidy as comparables. We have also included three LIHTC properties that target the general population and offer similar unit types in comparison to the proposed Subject. However, none of the family LIHTC comparables in the PMA offer one-bedroom units. The comparable LIHTC properties are all located in the PMA, between 0.1 and 6.3 miles of the proposed Subject.

The availability of market rate data is considered good. The Subject is located in St. Marys and there are several market rate properties in the area. We have included five conventional properties in our analysis of the competitive market. All of the market rate properties are located in the PMA, between 1.9 and 6.2 miles from the Subject site. These comparables were built or renovated between the 1986 and 2009. There are a limited number of new construction market rate properties in the area. Additionally, there are no age-restricted market rate comparables in the PMA or surrounding areas that do not offer additional services associated with independent or assisted living. Overall, we believe the market rate properties we have used in our analysis are the most comparable. Other market rate properties were excluded based on proximity and unit types.

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%	\$435	\$400	\$769	\$499	12.9%
2 BR @ 50%	\$510	\$473	\$815	\$581	12.2%
1 BR @ 60%	\$450	\$440	\$769	\$534	15.8%
2 BR @ 60%	\$520	\$515	\$815	\$625	16.8%

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. All of the Subject’s proposed rents are within the surveyed range of LIHTC and market rents. Park Place is achieving the highest one and two-bedroom market rents in the market.

The Subject will be superior to Park Place as a market rate property. Park Place is achieving the highest one and two-bedroom rents in the market. Park Place was built in 1988 and exhibits average condition, which is inferior to the anticipated condition of the Subject upon completion. This development’s garden-style design is also considered inferior to the Subject’s one-story design. Park Place is located 2.9 miles from the Subject site and offers a similar location. Park Place offers inferior in-unit amenities compared to the Subject’s proposed floor plans for lacking a microwave and in-unit washers and dryers. However, Park Place’s community amenities are considered superior to the Subject’s proposed community amenity package which will lack a swimming pool, tennis court and basketball court. The one-bedroom rents at Park Place are more than 41 percent higher than the proposed 60 percent rents at the Subject and the two-bedroom rents are more than 36 percent higher than the proposed 60 percent rents at the Subject. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

Only one of the comparable properties, Ashton Cove Apartments, has reported achieving rents at the 2014 maximum allowable rent level. However, the rents at this property appear to be below the maximum allowable levels. This is most likely due to differences in this property’s utility structure and allowance from the Subject’s proposed utility structure and allowance. None of the remaining comparables have reported rents at the maximum allowable level.

The Village at Winding Road and The Reserve at Sugar Mill are considered the most comparable LIHTC properties to the Subject. The Subject will be age-restricted similar to The Village at Winding Road, the first phase of the Subject, which is located adjacent to the Subject site. The Subject will offer a similar in-unit amenity package and community amenities to The Village at Winding Road. This development was built in 2013 and exhibits excellent condition. The Subject will be completed in 2017 and will exhibit excellent condition upon completion. Therefore, the Subject will exhibit a similar condition upon completion but will still represent the newest development in the area. The Subject will offer the same one-story design and same unit sizes as the first phase of the development. Overall, the Subject will be considered similar to The Village at Winding Road. This development has reported no vacancies and a waiting list upwards of one year in length. Based on the similarity of design and the reported high demand at the first phase of the development, we believe the Subject can achieve rents above those currently offered at The Village at Winding Road.

The Reserve at Sugar Mill, which is located 2.2 miles from the Subject, is considered slightly inferior to the proposed Subject. The unit sizes at The Reserve at Sugar Mill are inferior to the proposed unit sizes at the Subject, which demonstrates the competitiveness of the Subject's proposed unit sizes. The Subject will offer slightly superior property amenities since The Reserve at Sugar Mill lacks a business center, which will be offered at the Subject. The Subject will offer similar in-unit amenities to The Reserve at Sugar Mill as this property offers exterior storage, which the Subject will lack, but not offer microwaves, which the Subject is proposed to offer. The Reserve at Sugar Mill was built in 1997 but was extensively renovated in 2013 and exhibits excellent condition. The Subject will be completed in 2017 and will exhibit excellent condition upon completion, similar to this property. The Subject will offer a one-story design, which is generally considered superior to the garden-style design that The Reserve at Sugar Mill offers. The Reserve at Sugar Mill has reported has reported some senior tenants, indicating seniors are capable of paying the rents at this property. The property is fully leased and has reported a waiting list of 45 households. This indicates that higher rents are likely achievable. The Subject's proposed rents are lower than the current rents at this property and therefore we believe them to be

achievable.

The comparable LIHTC properties are exhibiting a weighted average vacancy rate of 2.0 percent, which is considered low. Additionally, no vacancies have been reported in age-restricted units and the most comparable developments to the Subject are fully leased. Three of the LIHTC comparables are operating with extensive waiting lists with up to 250 households on the lists or an estimated wait time of one year. We believe the low vacancy rate and existence of waiting lists at the comparable properties demonstrates demand for affordable senior housing in the market. We believe the Subject is feasible as proposed, particularly due to the lack of other affordable age-restricted housing in the PMA.

8. Absorption/Stabilization Estimate:

We were able to obtain absorption information from two comparable properties, illustrated following. Note that we have included one additional property that was excluded from our competitive analysis but were leased more recently than the remainder of the comparable properties.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
The Village at Winding Road	LIHTC	Senior	2013	50	13
Caney Heights	LIHTC	Family	2012	28	6
Kings Grant Apartments	LIHTC	Family	2009	60	12

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Village at Winding Road, the first phase of the Subject’s development, was the most recent LIHTC property completed in the PMA. This property experienced an absorption period of four months, indicating an absorption rate of 13 units per month. Caney Heights is a family property that opened in 2012. This development was excluded from our analysis as it only offers three and four-bedroom units. This property experienced an absorption period of five months indicating an absorption rate of six units per month. We believe the Subject will experience a more rapid absorption pace than this comparable as larger unit types are usually slower to lease. Kings Grant Apartments, a family development, opened in 2009 and experienced an absorption period of five months, indicating an absorption rate of 12 units per month. We believe the Subject will experience a similar

absorption rate to The Village at Winding Road and Kings Grant Apartments. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable senior housing in St. Marys, we anticipate that the Subject will absorb 13 units per month, for an absorption period of five months.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are performing well, with a weighted vacancy rate of 2.0 percent. Additionally, a majority of the comparable LIHTC properties maintain waiting lists, with particularly extensive waiting lists maintained at the properties offering senior units. The Village at Winding Road, the first phase of the Subject's development, is the most similar LIHTC property and is 100 percent occupied with a waiting list of one year in length. The Subject will offer generally similar to superior in-unit amenities in comparison to the LIHTC and market rate comparable properties and slightly superior property amenities. The Subject will offer microwaves, in-unit washers and dryers, walk-in closets, a business center, community room and exercise facility which several of the comparable properties lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered similar to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties and offer an advantage in the market. In general, the Subject will be slightly superior to superior to the comparable properties. Due to the low vacancy rates at the comparables, the waiting lists present in the market, and the reported demand for additional affordable senior housing in the Subject's market area, we believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

Summary Table:

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

Development Name:	The Village at Winding Road II	Total # Units:	70
Location:	528 Winding Road	# LIHTC Units:	70
	St. Marys, GA		
PMA Boundary:	North: Turtle River; South: Nassau River; East: Atlantic Ocean; West: River Road and Highway 1		
	Farthest Boundary Distance to Subject:		32 miles

Rental Housing Stock (found on page 48)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	36	2,718	64	97.1%
Market-Rate Housing	10	1,089	24	97.4%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	17	949	28	96.5%
LIHTC	9	680	11	98.0%
Stabilized Comps	9	680	11	98.0%
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	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
11	1BR at 50% AMI	1	860	\$435	\$499	\$0.58	13%	\$769	\$1.10
8	2BR at 50% AMI	2	1,060	\$510	\$581	\$0.55	12%	\$815	\$0.86
19	1BR at 60% AMI	1	860	\$450	\$534	\$0.62	16%	\$769	\$1.10
32	2BR at 60% AMI	2	1,060	\$520	\$625	\$0.59	17%	\$815	\$0.86

Demographic Data (found on page 34)

	2010		2015		Dec-17	
Renter Households	2,877	17.40%	3,612	17.40%	4,058	17.90%
Income-Qualified Renter HHs (LIHTC)	586	20.36%	735	20.36%	826	20.36%

Targeted Income-Qualified Renter Household Demand (found on pages 49 to 61)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	56	89	N/Ap	N/Ap	93
Existing Households (Overburdened + Substandard)	N/Ap	175	280	N/Ap	N/Ap	290
Homeowner conversion (Seniors)	N/Ap	5	8	N/Ap	N/Ap	8
Total Primary Market Demand	N/Ap	236	377	N/Ap	N/Ap	390
Less Comparable/Competitive Supply	N/Ap	8	42	N/Ap	N/Ap	50
Adjusted Income-qualified Renter HHs**	N/Ap	228	335	N/Ap	N/Ap	340

Capture Rates (found on page 63)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	10.00%	18.70%	N/Ap	N/Ap	25.40%

*Includes LIHTC and unrestricted (when applicable)

**Not adjusted for demand by bedroom-type.

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:

The Subject site is located 528 Winding Road in St. Marys, Camden County, Georgia 31558. The site is currently vacant.

Construction Type:

The Subject will consist of 18 one-story residential buildings in addition to one community building.

Occupancy Type:

Seniors age 55 and older.

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:

According to the developer, none of the units will operate with an additional Project-Based Rental Assistance subsidy.

Proposed Development Amenities: See following property profile.

The Village At Winding Road II

Location	528 Winding Road St. Marys, GA 31558 Camden County
Units	70
Vacant Units	N/A
Vacancy Rate	N/A
Type	One-story (age-restricted)
Year Built / Renovated	2017 / n/a
Tenant Characteristics	Seniors 55+



Market

Program	@50%, @60%	Leasing Pace	N/A
Annual Turnover Rate	N/A	Change in Rent (Past Year)	N/A
Units/Month Absorbed	N/A	Concession	N/A
Section 8 Tenants	N/A		

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	One-story	11	860	\$435	\$0	@50%	n/a	N/A	N/A	no
1	1	One-story	19	860	\$450	\$0	@60%	n/a	N/A	N/A	no
2	2	One-story	8	1,060	\$510	\$0	@50%	n/a	N/A	N/A	no
2	2	One-story	32	1,060	\$520	\$0	@60%	n/a	N/A	N/A	no

Amenities

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

Comments

This is the proposed second phase of The Village at Winding Road, located adjacent to the first phase. This age-restricted development will offer one and two-bedroom units at 50 and 60 percent of income. The 2014 utility allowance for the property is \$141 for one-bedroom units and \$180 for two-bedroom units.

Scope of Renovations:	The Subject will be new construction
Current Rents:	The Subject will be new construction
Current Occupancy:	The Subject will be new construction
Current Tenant Income:	The Subject will be new construction
Placed in Service Date:	The Subject is expected to be completed by December 2017.
Conclusion:	The Subject will be an excellent-quality one-story apartment complex, comparable or superior to all of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

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

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:

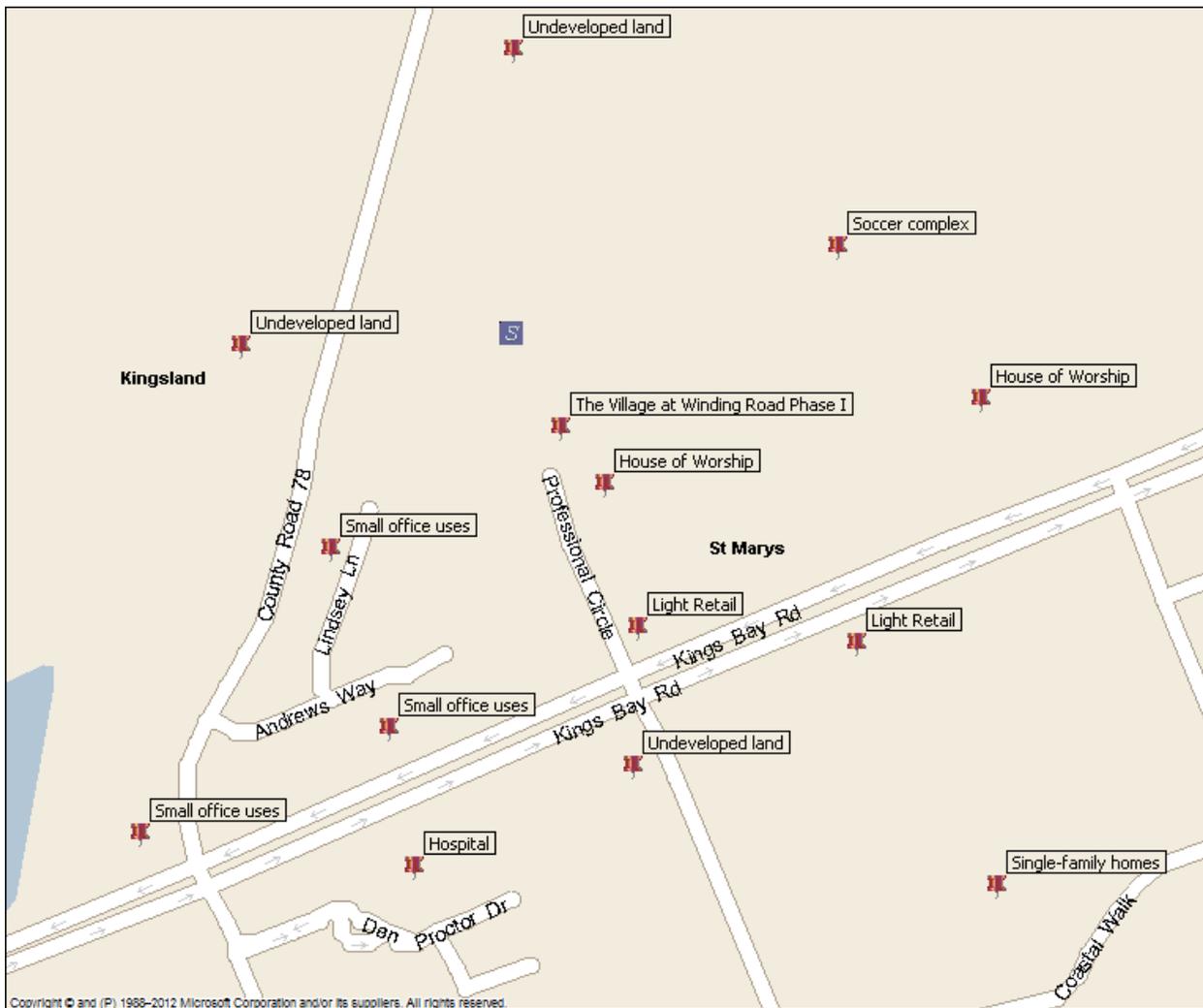
The Subject site has frontage along the east side of Winding Road.

Visibility/Views:

The Subject will be located on Krayons Court, on the eastern side of Winding Road. Visibility and views from the site will be good and initially will include vacant land, the first phase of The Village at Winding Road, and soccer fields.

Surrounding Uses:

The following map illustrates the surrounding land uses.



The Subject site is located on the east side of Winding Road. The Subject site is currently vacant, wooded land. It

is adjacent to phase I of The Village at Winding Road, which is located immediately south of the Subject. Phase I was built in 2013 and is currently in excellent condition. This 50-unit LIHTC property offers one and two-bedroom units restricted to seniors age 55 and older. Further south, there are small retail and office uses. Undeveloped land is located north and west of the Subject site. Directly east of the Subject site is the Camden County PSA Soccer Complex. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. However, there are a limited number of retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by *Walkscore* with a rating of 14. The Subject site is considered a desirable building site for senior rental housing. The Subject is located in a residential neighborhood. The uses surrounding the Subject are in good condition and the site has good proximity to locational amenities, which are within 6.3 miles of the Subject site.

Positive/Negative Attributes of Site: The Subject's proximity to retail and other locational amenities as well as its surrounding uses, which are in good condition, are considered positive attributes. The Subject site is located 7.4 miles from Historic St. Marys. Additionally, the Subject site is within close proximity to Interstate 95, which provides convenient access to other employment centers.

3. Physical Proximity to Locational Amenities:

The Subject is located within 6.3 miles of all locational amenities. Additionally, it is within four miles of the naval base, which is the area's largest employer.

4. Pictures of Site and Adjacent Uses:



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



View north on Winding Road



View south on Winding Road



View south on Professional Circle from Subject site



The Village at Winding Road – First phase of Subject development



The Village at Winding Road – First phase of Subject development



House of worship south of Subject site



House of worship north of Subject site



Memorial space north of Subject site



Single-family home in Subject's neighborhood



Commercial uses south of Subject site



Commercial uses south of Subject site



Commercial uses south of Subject site



Commercial uses south of Subject site



Commercial uses south of Subject site



Commercial uses south of Subject site



Hospital southwest of Subject site



Commercial uses south of Subject site



Commercial uses south of Subject site

LOCATIONAL AMENITIES

#	Service or Amenity	Distance from Subject
1	Camden Pharmacy	0.2 miles
2	Dollar General	0.2 miles
3	Southeast Georgia Health System- Camden Campus	0.5 miles
4	Walmart Supercenter	0.8 miles
5	Gas Station	1.4 miles
6	St. Marys Fire Station	2.1 miles
7	Camden Public Library	2.2 miles
8	US Post Office	2.7 miles
9	St. Marys Senior Center	5.0 miles
10	St. Marys Police Department	6.3 miles

6. Description of Land Uses:

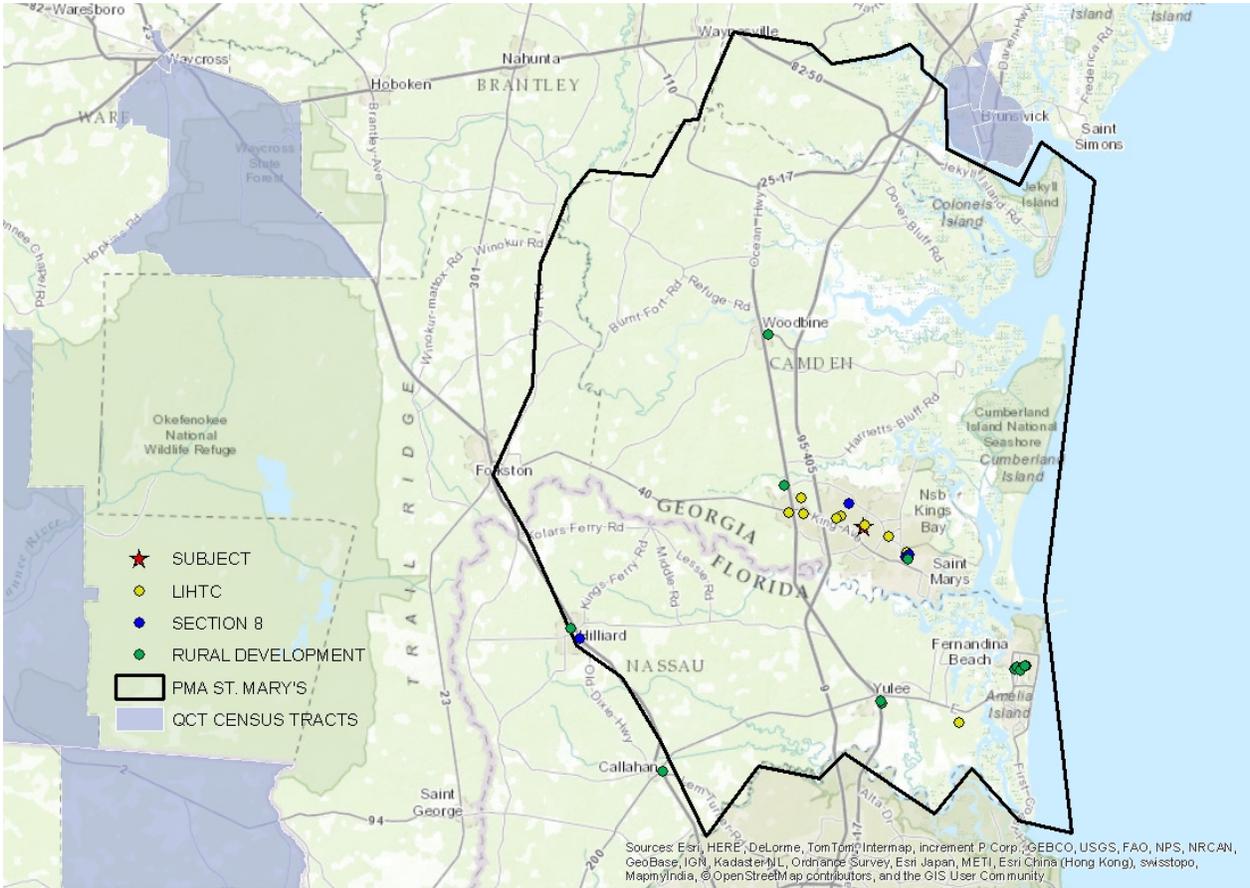
The Subject site is located on the east side of Winding Road. The Subject site is currently vacant, wooded land. It is adjacent to phase I of The Village at Winding Road, which is located immediately south of the Subject. Phase I was built in 2013 and is currently in excellent condition. This 50-unit LIHTC property offers one and two-bedroom units restricted to seniors age 55 and older. Further south, there are small retail and office uses. Undeveloped land is located north and west of the Subject site. Directly east of the Subject site is the Camden County PSA Soccer Complex. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. However, there are a limited number of retail uses in the Subject’s immediate neighborhood. The Subject site is considered “Car-Dependent” by *Walkscore* with a rating of 14. The Subject site is considered a desirable building site for senior rental housing. The Subject is located in a residential neighborhood. The uses surrounding the Subject are in good condition and the site has good proximity to locational amenities, which are within 6.3 miles of the Subject site.

7. Existing Assisted Rental Housing

Property Map:

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

Property Name	Program	Location	State	Color	Tenancy	Occupancy	Reason for Exclusion
The Village at Winding Road II	LIHTC	St. Marys	GA		Senior	N/A	Subject
The Village at Winding Road	LIHTC	St. Marys	GA		Senior	100.0%	Included
Old Jefferson Estates	LIHTC	St. Marys	GA		Family	95.0%	Dissimilar unit types
Royal Point Apartments	LIHTC	St. Marys	GA		Family	97.2%	Included
The Reserve at Sugar Mill	LIHTC	St. Marys	GA		Family	97.1%	Included
Ashton Cove Apartments	LIHTC	Kingsland	GA		Mixed	100.0%	Included
Caney Heights	LIHTC	Kingsland	GA		Family	100.0%	Dissimilar unit types
Clarks Bluff Road	LIHTC	Kingsland	GA		Family	N/A	Too few units
Kings Grant Apartments	LIHTC	Kingsland	GA		Family	96.7%	Included
Nassau Club Apartments	LIHTC	Fernandina Beach	FL		Family	N/A	Different state
Cumberland Oaks Apartments	Section 8	St. Marys	GA		Family	90.0%	Subsidized
The Pines Apartments	Section 8	St. Marys	GA		Family	N/A	Subsidized
The Cottages at Camden	Section 8	Kingsland	GA		Senior	N/A	Subsidized
Pine Tree Apartments	Section 8	Hilliard	FL		Family	97.7%	Subsidized
Cumberland Village	RD	St. Marys	GA		Family	99.0%	Subsidized
Hilltop Terrace	RD	Kingsland	GA		Mixed	N/A	Subsidized
Satilla Villas	RD	Woodbine	GA		Family	99.0%	Subsidized
Heritage Villas of Callahan	RD	Callahan	FL		Family	89.3%	Subsidized
Cantebury Apartments	RD	Hilliard	FL		Senior	94.4%	Subsidized
Green Acres Apartments	RD	Yulee	FL		Family	100.0%	Subsidized
Yulee Villas	RD	Yulee	FL		Family	95.8%	Subsidized
Buccaneer Villa Apartments	RD	Fernandina Beach	FL		Family	100.0%	Subsidized
Countryside Apartments	RD	Fernandina Beach	FL		Family	100.0%	Subsidized
Murray Hill Apartments	RD	Fernandina Beach	FL		Family	89.0%	Subsidized
Peppertree Village	RD	Fernandina Beach	FL		Senior	100.0%	Subsidized
Post Oak Apartments	RD	Fernandina Beach	FL		Family	N/A	Subsidized
Sandridge Apartments	RD	Fernandina Beach	FL		Senior	100.0%	Subsidized



St. Mary's, GA



8. Road/Infrastructure

Proposed Improvements:

We did not witness any road/infrastructure improvements during our field work.

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

The Subject site can be accessed from Krayons Court, which is a two-lane neighborhood road. Kings Bay Road is a four-lane road that can be accessed via Professional Circle. Kings Bay Road provides access to the naval base to the east and Interstate 95 to the west. Overall, access and visibility are considered good.

10. Environmental Concerns:

None visible upon site inspection.

11. Conclusion:

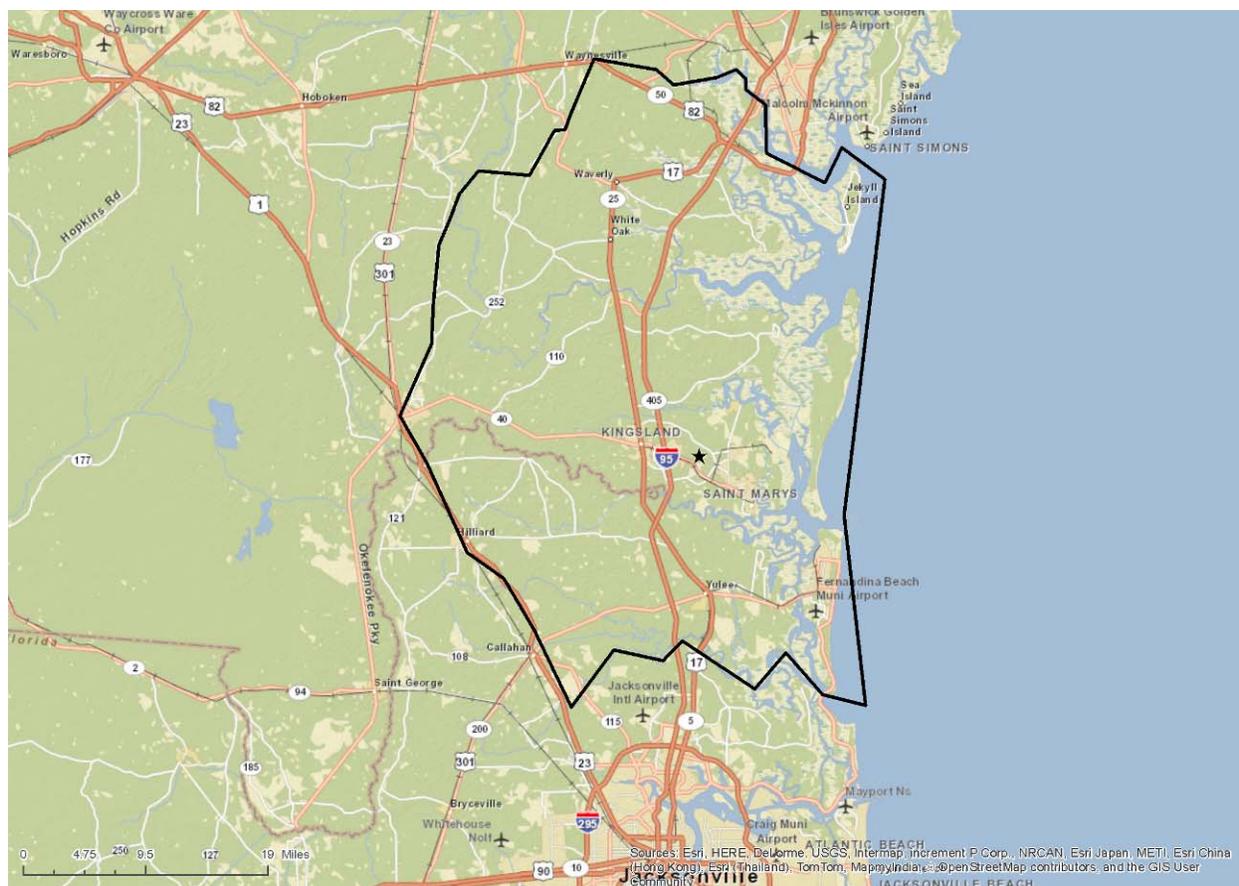
The Subject site is located on the east side of Winding Road. The Subject site is currently vacant, wooded land. Surrounding uses consist of multifamily, commercial, and single-family uses, as well as undeveloped land. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. However, there are a limited number of retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by *Walkscore* with a rating of 14. The Subject site is considered a desirable building site for senior rental housing. The Subject is located in a residential neighborhood. The uses surrounding the Subject are in good condition and the site has good proximity to locational amenities, which are within three miles of the Subject site.

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



St. Marys, GA



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

The PMA is defined as the entirety of Camden County in addition to eastern portions of Charlton County and southern parts of Glynn County in Georgia, as well as the northern parts of Nassau County in Florida. The PMA is bounded to the north the Turtle River; to the west by River Road and Highway 1; to the south by the Nassau River and the Atlantic Ocean to the east. This PMA excludes the city of Brunswick to the north. However, this PMA does include portions of the

state of Florida to the south. These areas are located less than a 20 minute drive from the Subject. Many of the surveyed property managers have indicated that tenants, particularly senior tenants, come from out of state and relocate to the surveyed properties. We have also considered whether any varying state laws would prevent senior residents from relocating to Georgia, from Florida. Many seniors are attracted to Florida as it has no state income tax. However, the state of Georgia allows up to \$65,000 of retirement income to be exempt from state taxes for seniors over the age of 65, and social security income is exempt from taxation for all ages. We believe for residents in the Subject's income strata that this negates the largest advantage the state of Florida might have over the state of Georgia for senior residents and indicates that senior residents would be willing to relocate freely across state lines. However, we have distinctly excluded from our PMA any regions that might be considered suburbs of Jacksonville, FL, as we do not believe this to be a comparable location to the Subject's area.

While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject is approximately 32 miles.

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 Secondary Market Area (SMA) 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 SMA.

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 SMA, the PMA and nationally from 2000 through 2019.

TOTAL POPULATION						
Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	97,164	-	193,801	-	281,421,906	-
2010	120,302	2.4%	234,035	2.1%	308,745,538	1.0%
2015	125,621	0.8%	241,389	0.6%	314,467,933	0.4%
Projected Mkt Entry December 2017	129,106	1.1%	246,788	0.9%	321,340,837	0.9%
2019	131,389	0.9%	250,325	0.7%	325,843,774	0.7%

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

TOTAL SENIOR POPULATION (55+)						
Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	17,977	-	39,958	-	59,266,437	-
2010	31,677	7.6%	62,473	5.6%	76,750,713	3.0%
2015	36,143	2.7%	70,258	2.4%	83,352,075	1.6%
Projected Mkt Entry December 2017	39,102	3.4%	75,647	3.2%	89,662,805	3.1%
2019	41,040	2.7%	79,178	2.5%	93,797,421	2.5%

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

POPULATION BY AGE GROUP

Age Cohort	SMA				
	2000	2010	2015	Projected Mkt Entry December 2017	2019
0-4	13,516	15,372	15,130	15,492	15,729
5-9	14,414	15,328	15,387	15,479	15,540
10-14	15,463	15,926	15,360	15,628	15,803
15-19	14,105	15,923	14,798	14,668	14,583
20-24	12,484	15,579	16,135	15,234	14,644
25-29	12,856	14,648	16,227	16,293	16,337
30-34	13,561	13,583	15,164	16,154	16,802
35-39	15,916	14,837	13,958	15,165	15,955
40-44	15,380	15,568	15,425	14,705	14,233
45-49	13,604	17,427	15,869	15,610	15,440
50-54	12,549	17,371	17,680	16,715	16,083
55-59	10,053	15,560	17,197	17,458	17,629
60-64	8,128	14,670	15,576	16,624	17,311
65-69	6,920	11,596	13,814	14,678	15,244
70-74	5,812	8,097	9,793	11,348	12,366
75-79	4,306	5,698	6,383	7,445	8,141
80-84	2,697	3,787	4,067	4,413	4,639
85+	2,042	3,065	3,428	3,682	3,848
Total	193,806	234,035	241,391	246,790	250,327

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

NUMBER OF ELDERLY AND NON-ELDERLY						
Year	PMA			SMA		
	Total Population	Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
2000	97,163	79,186	17,977	193,806	153,848	39,958
2010	120,302	88,625	31,677	234,035	171,562	62,473
2015	125,619	89,476	36,143	241,391	171,133	70,258
Projected Mkt Entry December 2017	129,104	90,002	39,102	246,790	171,143	75,647
2019	131,387	90,347	41,040	250,327	171,149	79,178

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

The general population in the PMA experienced a significant population increase from 2000 to 2015 and is projected to continue to increase albeit at a slightly slower rate through 2019. In comparison, the general population in the SMA increased at a slightly slower rate and is projected to continue to increase through 2019. The senior population in the PMA and the SMA increased drastically from 2000 to 2015, while the senior population in the nation experienced slightly slower growth. Through 2019, the senior population in the PMA is expected to continue to grow at a strong pace similar to the SMA and the nation. We believe the strong growth of the senior population in the PMA is a positive indication of demand for the Subject's proposed age-restricted units. Approximately 30 percent of the population in the PMA will be age 55 and older by the projected market entry date of December 2017.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS						
Year	PMA		SMA		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	35,229	-	73,135	-	105,991,193	-
2010	45,156	2.8%	89,426	2.2%	116,716,292	1.0%
2015	47,091	0.8%	92,229	0.6%	118,979,182	0.4%
Projected Mkt Entry December 2017	48,580	1.3%	94,507	1.0%	121,689,300	0.9%
2019	49,555	1.0%	95,999	0.8%	123,464,895	0.8%

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

TOTAL NUMBER OF HOUSEHOLDS 55+						
Year	PMA		SMA		USA	
	Number	Annual	Number	Annual Change	Number	Annual
2000	11,071	-	25,331	-	36,970,817	-
2010	17,688	6.0%	36,281	4.3%	45,892,687	2.4%
2015	20,751	3.3%	41,327	2.6%	50,249,306	1.8%
Projected Mkt Entry December 2017	22,621	3.7%	44,487	3.2%	54,073,162	3.1%
2019	23,847	3.0%	46,557	2.5%	56,578,447	2.5%

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

AVERAGE HOUSEHOLD SIZE						
Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.67	-	2.58	-	2.58	-
2010	2.59	-0.3%	2.55	-0.1%	2.58	0.0%
2015	2.58	-0.1%	2.54	-0.1%	2.58	0.0%
Projected Mkt Entry December 2017	2.57	-0.1%	2.54	-0.1%	2.57	0.0%
2019	2.56	-0.1%	2.53	-0.1%	2.57	0.0%

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

The total number of senior households in the PMA increased 6.0 percent from 2000 to 2010. Over the same period of time, the total number of senior households in the SMA increased 4.3

percent, which is faster than the growth in the nation. Senior household growth slowed slightly from 2010 to 2015 in the PMA and will continue to slow through 2019. Senior household growth in the PMA will continue to outpace the SMA and the nation through 2019. Average household size in the PMA is currently 2.58 persons; this is expected to remain constant through 2019. Overall, the projected increase in senior households age 55 and older is a positive indicator for the proposed Subject’s age-restricted units.

2b. Households by Tenure

The table below depicts senior household growth by tenure from 2010 through 2019.

TENURE PATTERNS - ELDERLY POPULATION (AGE 55+)								
Year	PMA				SMA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	-	-	-	-	-	-	-	-
2010	14,811	83.7%	2,877	16.3%	29,453	81.2%	6,828	18.8%
2015	17,139	82.6%	3,612	17.4%	32,940	79.7%	8,387	20.3%
Projected Mkt Entry December 2017	18,564	82.1%	4,058	17.9%	35,296	79.4%	9,191	20.6%
2019	19,497	81.8%	4,350	18.2%	36,839	79.1%	9,718	20.9%

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

Owner-occupied housing units dominate the PMA and the SMA. However, the percent of senior renter-occupied housing in the PMA is higher than the national average of approximately 13 percent. The percentage of renter-occupied units is expected to increase slightly through 2019.

2c. Households by Income

The following table depicts senior household income in 2015, the projected market entry December 2017, and 2019 for the PMA.

Income Cohort	RENTER HOUSEHOLD INCOME DISTRIBUTION 55+ - PMA							
	2010		2015		Projected Mkt Entry December 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	510	17.7%	680	18.8%	748	18.4%	792	18.2%
\$10,000-19,999	526	18.3%	602	16.7%	642	15.8%	668	15.4%
\$20,000-29,999	454	15.8%	621	17.2%	669	16.5%	700	16.1%
\$30,000-39,999	281	9.8%	386	10.7%	415	10.2%	433	10.0%
\$40,000-49,999	294	10.2%	350	9.7%	404	10.0%	439	10.1%
\$50,000-59,999	146	5.1%	166	4.6%	199	4.9%	220	5.1%
\$60,000-74,999	152	5.3%	190	5.3%	206	5.1%	217	5.0%
\$75,000-99,999	156	5.4%	173	4.8%	200	4.9%	218	5.0%
\$100,000-124,999	109	3.8%	177	4.9%	213	5.3%	237	5.5%
\$125,000-149,999	130	4.5%	132	3.6%	174	4.3%	202	4.6%
\$150,000-199,999	77	2.7%	56	1.5%	71	1.8%	82	1.9%
\$200,000+	42	1.5%	78	2.2%	117	2.9%	142	3.3%
Total	2,877	100.0%	3,612	100.0%	4,058	100.0%	4,350	100.0%

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

Senior households earning under \$30,000 in the PMA comprise 52.7 percent of all income cohorts. The Subject will target households earning between \$17,550 and \$30,000, therefore, the Subject should be well-positioned to service this market.

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

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS 55+ - PMA								
	2010		2015		Projected Mkt Entry December 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,426	49.6%	1,780	49.3%	2,002	49.3%	2,146	49.3%
With 2 Persons	925	32.1%	1,233	34.1%	1,391	34.3%	1,495	34.4%
With 3 Persons	305	10.6%	349	9.7%	399	9.8%	432	9.9%
With 4 Persons	126	4.4%	147	4.1%	157	3.9%	163	3.8%
With 5+ Persons	95	3.3%	103	2.8%	108	2.7%	112	2.6%
Total Renter Households	2,877	100.0%	3,612	100.0%	4,058	100.0%	4,350	100.0%

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

The household size with the largest percentage of households is one person households, followed by two person households. In general, households with one and two people are expected to remain stable. The Subject will be an age-restricted development with one and two-bedroom floor plans, so this large percentage of one and two person senior households bodes well for the proposed Subject.

Conclusion

The senior population in the PMA and the SMA increased drastically from 2000 to 2015, while the senior population in the nation experienced slightly slower growth. Through 2019, the senior population in the PMA is expected to continue to grow at a strong pace similar to the SMA and the nation. We believe the strong growth of the senior population in the PMA is a positive indication of demand for the Subject’s proposed age-restricted units. Approximately 30 percent of the population in the PMA will be age 55 and older by the projected market entry date of December 2017. The total number of senior households in the PMA increased 6.0 percent from 2000 to 2010. Over the same period of time, the total number of senior households in the SMA increased 4.3 percent, which is faster than the growth in the nation.

Senior households earning under \$30,000 in the PMA comprise 52.7 percent of all income cohorts. The Subject will target households earning between \$17,550 and \$30,000, therefore, the Subject should be well-positioned to service this market

Overall, the demographic data points to a growing senior population with household incomes in line with the Subject’s target. We believe the expected senior population and household growth in the PMA bodes well for the Subject’s proposed units.

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

The PMA and Camden County are economically reliant on tourism and Kings Bay Naval Submarine Base, the largest and most stable of three submarine bases on the east coast. Employment is concentrated in industries relating to or supporting the base, which is the largest employer in the region. Industries related to tourism also represent major employment sectors in the PMA. Employment levels decreased during the national recession but are recovering with strong growth.

1. Total Jobs

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

Total Jobs in Camden County, Georgia

Year	Total Employment	% Change
2005	19,466	-
2006	20,024	2.79%
2007	20,742	3.46%
2008	20,178	-2.80%
2009	18,902	-6.75%
2010	17,873	-5.76%
2011	18,330	2.49%
2012	19,032	3.68%
2013	18,891	-0.74%
2014	19,375	2.50%
2015 YTD Average	20,319	4.65%
Feb-14	18,930	-
Feb-15	20,311	6.80%

Source: U.S. Bureau of Labor Statistics

YTD as of Feb 2015

As illustrated in the table above, Camden County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2008 with its first employment decrease of the decade. Covered employment increased in 2011 and 2012, decreasing slightly in 2013. However, in 2014 and year-to-date 2015, covered employment has increased significantly. Between February 2104 and February 2015, total employment in Camden County increased by 6.8 percent. As of February 2015, total employment in the county has not yet surpassed pre-recession peak employment.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Camden County as of March 2014.

March 2014 Covered Employment Camden County, Georgia

	Number	Percent
Total, all industries	10,359	-
Goods-producing	1,029	-
Natural resources and mining	-	-
Construction	-	-
Manufacturing	621	5.99%
Service-providing	9,330	-
Trade, transportation, and utilities	2,812	27.15%
Information	142	1.37%
Financial activities	583	5.63%
Professional and business services	2,631	25.40%
Education and health services	923	8.91%
Leisure and hospitality	1,938	18.71%
Other services	267	2.58%
Unclassified	34	0.33%

Source: Bureau of Labor Statistics, 2015

Trade, transportation, and utilities is the largest industry in Camden County, while professional and business services represent a close second. These industries are particularly vulnerable in economic downturns and are historically volatile industries, with the exception of utilities. Leisure and hospitality also represents a large portion of the economy on Camden County.

2014 EMPLOYMENT BY INDUSTRY

Industry	<u>PMA</u>		<u>USA</u>	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Accommodation/Food Services	5,784	12.1%	10,849,114	7.6%
Health Care/Social Assistance	5,142	10.8%	20,080,547	14.0%
Retail Trade	5,054	10.6%	16,592,605	11.6%
Educational Services	4,598	9.7%	12,979,314	9.1%
Public Administration	4,276	9.0%	6,713,073	4.7%
Construction	4,102	8.6%	8,291,595	5.8%
Manufacturing	3,859	8.1%	15,162,651	10.6%
Transportation/Warehousing	2,263	4.8%	5,898,791	4.1%
Prof/Scientific/Tech Services	2,229	4.7%	9,808,289	6.8%
Other Services (excl Publ Adm)	1,997	4.2%	7,850,739	5.5%
Finance/Insurance	1,745	3.7%	6,884,133	4.8%
Admin/Support/Waste Mgmt Svcs	1,375	2.9%	6,316,579	4.4%
Real Estate/Rental/Leasing	1,366	2.9%	2,627,562	1.8%
Wholesale Trade	1,166	2.4%	3,628,118	2.5%
Arts/Entertainment/Recreation	1,150	2.4%	3,151,821	2.2%
Information	602	1.3%	2,577,845	1.8%
Agric/Forestry/Fishing/Hunting	453	1.0%	1,800,354	1.3%
Utilities	397	0.8%	1,107,105	0.8%
Mining	66	0.1%	868,282	0.6%
Mgmt of Companies/Enterprises	12	0.0%	97,762	0.1%
Total Employment	47,636	100.0%	143,286,279	100.0%

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

Accommodation/food services, health care/social assistance, and retail trade are the largest industries within the PMA. Combined they represent approximately 33.5 percent of total employment within the PMA. In general, the area is not overly reliant on a single industry. The PMA is overrepresented in the accommodation/food services, public administration, and construction industries, relative to the nation. Comparatively, the health care/social assistance, professional/scientific/tech services, and manufacturing are underrepresented in the PMA.

3. Major Employers

The following table is a list of the top employers in Camden County, GA.

MAJOR EMPLOYERS			
#	Employer	Sector	Employees
1	Naval Submarine Base Kings Bay	Military	8,979
2	Camden County School System	Education	1,200
3	Express Scripts	Healthcare	650
4	Lockheed Martin	Engineering	479
5	Camden County Government	Public Administration	404
6	Walmart Supercenter	Retail	366
7	Southeast Georgia Health Systems Camden Campus	Healthcare	330
8	Kings Bay Support Service	Security	290
9	Winn Dixie	Retail	107
10	Publix	Retail	105

Source: Camden County Chamber of Commerce, April 2015

The previous table illustrates the top 10 employers in Camden County, Georgia. A variety of major employers are represented on the list. Kings Bay Submarine Base is the largest employer in the county, with a significantly higher number of employees than the remaining large employers. Additionally, Lockheed Martin and Kings Bay Support Service are both military contractors, contributing to the employment activity at the naval base. The top 10 employers represent 27 percent of the total employment in the PMA, which is considered significant. Kings Bay Submarine Base represents 18.8 percent of the total employment in the PMA. Overall, the major employers are considered diverse, similar to the overall economy, which is a positive aspect of the local economy.

Expansions/Contractions

A large scale, \$300 million theme park is being constructed in incorporated Kingsland, approximately 6.9 miles from the Subject. The theme park, called EPIC Adventures Resort at Kingsland, will provide a water park, amusement park, convention center, a number of hotels and sport fields to the area. Construction began in January of 2015 and is expected to be complete by May of 2017. The development will create 1,300 direct jobs in the area. The economy in Camden County already attracts a substantial amount of tourists and this attraction would greatly increase this industry for years to come.

According to the Georgia Department of Labor Worker Adjustment and Retraining Notification (WARN) list, no WARN notices have been issued for Camden County since 2011. The region has seen minimal closures and is closely tied to Kings Bay Naval Submarine Base, which is a stable military installment.

4. Employment and Unemployment Trends

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

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	<u>SMA</u>				<u>USA</u>			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2005	99,560	4.7%	4.3%	0.0%	141,730,000	1.8%	5.1%	-0.4%
2006	103,031	3.5%	3.7%	-0.6%	144,427,000	1.9%	4.6%	-0.5%
2007	105,608	2.5%	3.7%	0.0%	146,047,000	1.1%	4.6%	0.0%
2008	105,303	-0.3%	5.5%	1.8%	145,362,000	-0.5%	5.8%	1.2%
2009	99,080	-5.9%	9.2%	3.7%	139,877,000	-3.8%	9.3%	3.5%
2010	95,384	-3.7%	10.6%	1.4%	139,064,000	-0.6%	9.6%	0.3%
2011	96,259	0.9%	10.4%	-0.2%	139,869,000	0.6%	8.9%	-0.7%
2012	98,398	2.2%	9.1%	-1.2%	142,469,000	1.9%	8.1%	-0.8%
2013	98,778	0.4%	8.1%	-1.1%	143,929,000	1.0%	7.4%	-0.7%
2014	99,977	1.2%	7.1%	-1.0%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	100,148	0.2%	6.3%	-0.8%	146,835,000	0.4%	6.0%	-0.3%
Feb-2014	98,315	-	7.6%	-	144,134,000	-	7.0%	-
Feb-2015	100,019	1.7%	6.2%	-1.4%	147,118,000	2.1%	5.8%	-1.2%

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

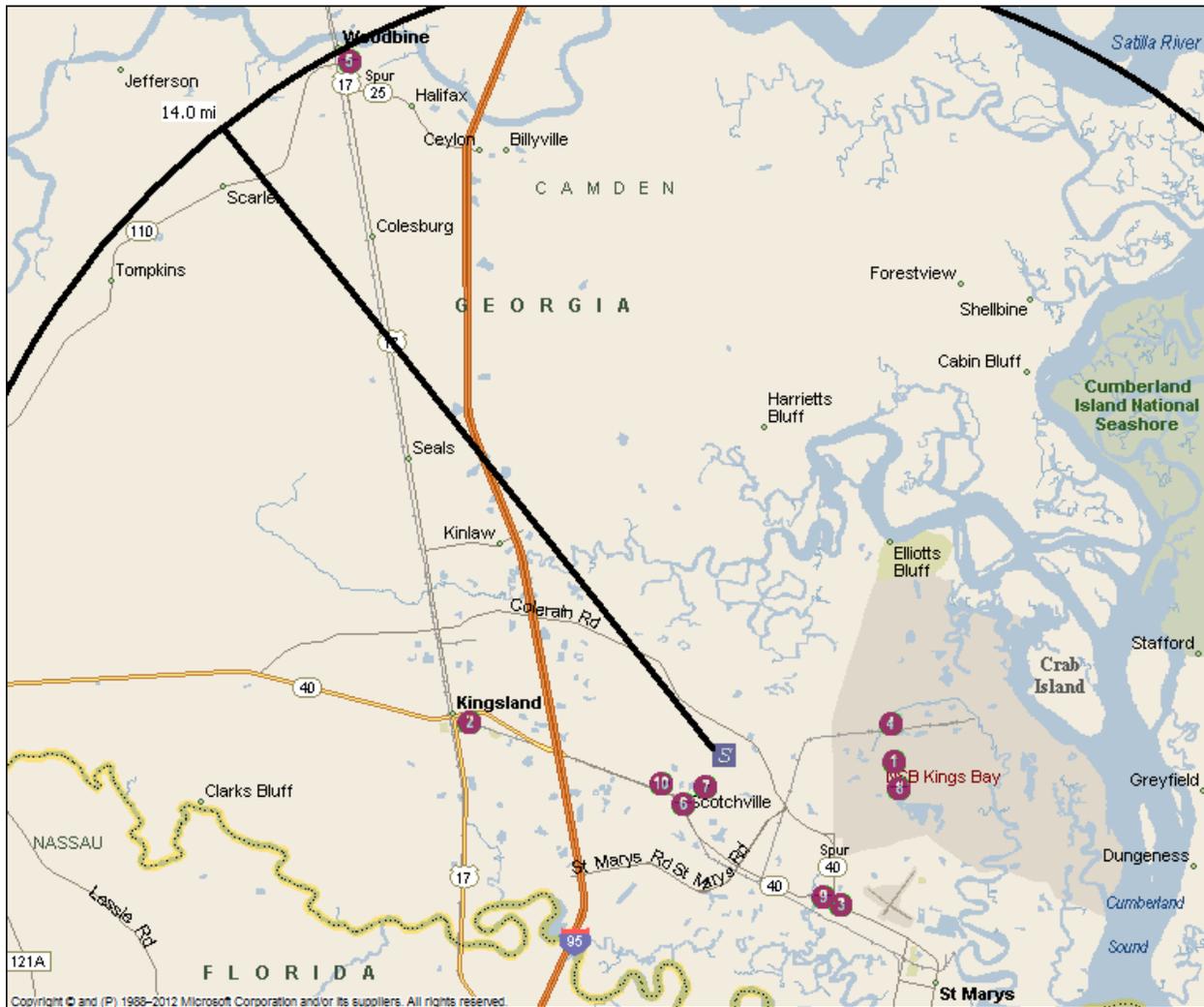
*2015 data is through February

Prior to the national recession, total employment in the SMA increased at a slower rate than total employment in the nation. During the national recession, the local economy experienced a higher percentage decline in total employment than the nation. Since 2011, total employment in the SMA has continued to increase, but as of February 2015, total employment in the SMA is still five percent below peak pre-recession employment. From February 2014 to February 2015 total employment in the SMA increased 1.7 percent. In comparison, the nation has experienced a 2.1 percent increase in total employment over the same period of time.

The unemployment rate in the SMA has remained elevated since 2010, relative to the national unemployment rate. The unemployment rate in the SMA peaked in 2010 at 10.6 percent and has since declined to 6.2 percent as of February 2015. The unemployment rate in the nation also peaked in 2010 at 9.6 percent and has since declined to 5.8 percent. Overall, the local economy appears slightly weaker than the national economy. However, we do not expect the slightly underperforming local economy to affect the performance of the Subject because the Subject will target seniors age 55 and older.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Camden County, Georgia.



MAJOR EMPLOYERS

#	Employer	Sector	Employees
1	Naval Submarine Base Kings Bay	Military	8,979
2	Camden County School System	Education	1,200
3	Express Scripts	Healthcare	650
4	Lockheed Martin	Engineering	479
5	Camden County Government	Public Administration	404
6	Walmart Supercenter	Retail	366
7	Southeast Georgia Health Systems Camden Campus	Healthcare	330
8	Kings Bay Support Service	Security	290
9	Winn Dixie	Retail	107
10	Publix	Retail	105

Source: Camden County Chamber of Commerce, April 2015

Conclusion

Accommodation/food services, health care/social assistance, and retail trade are the largest industries within the PMA. Combined they represent approximately 33.5 percent of total employment within the PMA. In general, the area is not overly reliant on a single industry. The PMA is overrepresented in the accommodation/food services, public administration, and construction industries, relative to the nation. Comparatively, the health care/social assistance, professional/scientific/tech services, and manufacturing are underrepresented in the PMA.

Since 2011, total employment in the SMA has continued to increase, but as of February 2015, total employment in the SMA is still five percent below peak pre-recession employment. From February 2014 to February 2015 total employment in the SMA increased 1.7 percent. In comparison, the nation has experienced a 2.1 percent increase in total employment over the same period of time. The unemployment rate in the SMA has remained elevated since 2010, relative to the national unemployment rate. The unemployment rate in the SMA peaked in 2010 at 10.6 percent and has since declined to 6.2 percent as of February 2015. The unemployment rate in the nation also peaked in 2010 at 9.6 percent and has since declined to 5.8 percent. Overall, the local economy appears slightly weaker than the national economy. However, we do not expect the slightly underperforming local economy to affect the performance of the Subject because the Subject will target seniors age 55 and older.

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 household will pay is 35 percent of its household income at the appropriate AMI level.

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

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

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

2. Affordability

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for senior households. 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 December 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to December 2017 by interpolation of the difference between 2015 estimates and 2019 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 December 2017. This number takes the overall

growth from 2015 to December 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. The third source (2c.) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

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

3C. Secondary Market Area

Per the 2015 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

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 and 2014.
- Vacancies in projects placed in service prior to 2013 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. There have been two properties funded, placed in service, or under construction since 2013.

No properties have been allocated tax credits in the PMA since 2011. However, in 2011, two properties were allocated tax credits. The first phase of the Subject, The Village at Winding Road opened in early 2013 and stabilized after a period of four months. The 50 senior units at this development have been deducted from our demand analysis. The other property allocated tax credits in 2011 is The Reserve at Sugar Mill, which has also been included as a comparable property. This property was originally constructed as Ashton Pines at Sugar Mill in 1997. However, this property was renovated with tax credits in 2013 and renamed. These units have not been deducted from our demand analysis as they target family households. The property additionally remained mostly occupied during renovations.

PMA Occupancy

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

PMA OCCUPANCY

Property Name	Program	Location	Tenancy	Units	Occupancy	Included/ Excluded
The Village at Winding Road	LIHTC	St. Marys	Senior	50	100.0%	Included
Kings Grant Apartments	LIHTC	Kingsland	Family	60	96.7%	Included
Royal Point Apartments	LIHTC	St. Marys	Family	144	97.2%	Included
The Reserve at Sugar Mill	LIHTC	St. Marys	Family	70	97.1%	Included
Ashton Cove Apartments	LIHTC	Kingsland	Senior/Family	72	100.0%	Included
Old Jefferson Estates	LIHTC	St. Marys	Family	62	95.0%	Excluded
Caney Heights	LIHTC	Kingsland	Family	28	100.0%	Excluded
Clarks Bluff Road	LIHTC	Kingsland	Family	2	N/A	Excluded
Nassau Club Apartments	LIHTC	Fernandina Beach	Family	192	N/A	Excluded
Cumberland Oaks Apartments	Section 8	St. Marys	Family	154	90.0%	Excluded
The Pines Apartments	Section 8	St. Marys	Family	70	N/A	Excluded
The Cottages at Camden	Section 8	Kingsland	Senior	17	N/A	Excluded
Pine Tree Apartments	Section 8	Hilliard	Family	44	97.7%	Excluded
Cumberland Village	Rural Development	St. Marys	Family	65	99.0%	Excluded
Hilltop Terrace	Rural Development	Kingsland	Senior/Family	110	N/A	Excluded
Satilla Villas	Rural Development	Woodbine	Family	59	99.0%	Excluded
Heritage Villas of Callahan	Rural Development	Callahan	Family	28	89.3%	Excluded
Canterbury Apartments	Rural Development	Hilliard	Senior	36	94.4%	Excluded
Green Acres Apartments	Rural Development	Yulee	Family	47	100.0%	Excluded
Yulee Villas	Rural Development	Yulee	Family	48	95.8%	Excluded
Buccaneer Villas Apartments	Rural Development	Fernandina Beach	Family	48	100.0%	Excluded
Countryside Apartments	Rural Development	Fernandina Beach	Family	39	100.0%	Excluded
Murray Hill Apartments	Rural Development	Fernandina Beach	Family	35	89.0%	Excluded
Peppertree Village	Rural Development	Fernandina Beach	Senior	61	100.0%	Excluded
Post Oak Apartments	Rural Development	Fernandina Beach	Family	42	N/A	Excluded
Sandridge Apartments	Rural Development	Fernandina Beach	Senior	46	100.0%	Excluded
Greenbriar Townhomes	Market	Kingsland	Family	72	100.0%	Included
Harbor Pines Apartments	Market	Kingsland	Family	200	96.0%	Included
Mission Forest Apartments	Market	St. Marys	Family	104	100.0%	Included
Park Place	Market	St. Marys	Family	200	96.5%	Included
Pelican Point Apartments	Market	St. Marys	Family	56	96.4%	Included
Brant Creek	Market	St. Marys	Family	196	N/A	Excluded
Camden Way Apartments	Market	Kingsland	Family	121	98.0%	Excluded
Kings Landing Apartments	Market	St. Marys	Family	48	98.0%	Excluded
Summer Bend Apartments	Market	Kingsland	Family	32	97.0%	Excluded
Willow Way Apartments	Market	Kingsland	Family	60	95.0%	Excluded

Rehab Developments and PBRA

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

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

Capture Rates

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

Renter Household Income Distribution 2015-2019							
The Village at Winding Road II							
PMA							
	2015		Projected Mkt Entry December 2017		2019		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	680	18.8%	757	18.4%	792	18.2%	14.1%
\$10,000-19,999	602	16.7%	647	15.7%	668	15.4%	9.9%
\$20,000-29,999	621	17.2%	675	16.4%	700	16.1%	11.2%
\$30,000-39,999	386	10.7%	418	10.2%	433	10.0%	10.9%
\$40,000-49,999	350	9.7%	411	10.0%	439	10.1%	20.2%
\$50,000-59,999	166	4.6%	203	4.9%	220	5.1%	24.5%
\$60,000-74,999	190	5.3%	208	5.1%	217	5.0%	12.5%
\$75,000-99,999	173	4.8%	204	4.9%	218	5.0%	20.6%
\$100,000-124,999	177	4.9%	218	5.3%	237	5.5%	25.2%
\$125,000-149,999	132	3.6%	180	4.4%	202	4.6%	34.8%
\$150,000-199,999	56	1.5%	73	1.8%	82	1.9%	31.7%
\$200,000+	78	2.2%	122	3.0%	142	3.3%	44.9%
Total	3,612	100.0%	4,116	100.0%	4,350	100.0%	17.0%

Renter Household Income Distribution 2015 to Projected Market Entry December 2017					
The Village at Winding Road II					
PMA					
	2015		Projected Mkt Entry Dec 2017		Percent Growth
	#	%	#	%	
\$0-9,999	680	18.8%	757	18.4%	10.1%
\$10,000-19,999	602	16.7%	647	15.7%	7.0%
\$20,000-29,999	621	17.2%	675	16.4%	8.0%
\$30,000-39,999	386	10.7%	418	10.2%	7.7%
\$40,000-49,999	350	9.7%	411	10.0%	14.8%
\$50,000-59,999	166	4.6%	203	4.9%	18.1%
\$60,000-74,999	190	5.3%	208	5.1%	8.9%
\$75,000-99,999	173	4.8%	204	4.9%	15.1%
\$100,000-124,999	177	4.9%	218	5.3%	18.7%
\$125,000-149,999	132	3.6%	180	4.4%	26.7%
\$150,000-199,999	56	1.5%	73	1.8%	24.1%
\$200,000+	78	2.2%	122	3.0%	35.8%
Total	3,612	100.0%	4,116	100.0%	12.2%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	2,545	26.6%
2 Person	2,914	30.5%
3 Person	1,886	19.7%
4 Person	1,309	13.7%
5+ Person	902	9.4%
Total	9,556	100.0%

Renter Household Size for Mrkt Entry Dec 2017		
Size	Number	Percentage
1 Person	2,031	49.3%
2 Person	1,412	34.3%
3 Person	406	9.9%
4 Person	158	3.8%
5+ Person	109	2.7%
Total	4,116	100.0%

Tenure Prj Mrkt Entry December 2017	
Renter	18.0%
Owner	82.0%
Total	100.0%

50%AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$17,280		
Maximum Income Limit			\$25,000 2		
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	748	18.4%		0.0%	0
\$10,000-19,999	642	15.8%	\$2,719	27.2%	175
\$20,000-29,999	669	16.5%	\$5,000	50.0%	334
\$30,000-39,999	415	10.2%		0.0%	0
\$40,000-49,999	404	10.0%		0.0%	0
\$50,000-59,999	199	4.9%		0.0%	0
\$60,000-74,999	206	5.1%		0.0%	0
\$75,000-99,999	200	4.9%		0.0%	0
\$100,000-124,999	213	5.3%		0.0%	0
\$125,000-149,999	174	4.3%		0.0%	0
\$150,000-199,999	71	1.8%		0.0%	0
\$200,000+	117	2.9%		0.0%	0
	4,058	100.0%			509
Percent of renter households within limits versus total number of renter households					12.55%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$17,280		
Maximum Income Limit			\$25,000 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	82	18.4%		0.0%	0
\$10,000-19,999	71	15.8%	\$2,719	27.2%	19
\$20,000-29,999	73	16.5%	\$5,000	50.0%	37
\$30,000-39,999	46	10.2%		0.0%	0
\$40,000-49,999	44	10.0%		0.0%	0
\$50,000-59,999	22	4.9%		0.0%	0
\$60,000-74,999	23	5.1%		0.0%	0
\$75,000-99,999	22	4.9%		0.0%	0
\$100,000-124,999	23	5.3%		0.0%	0
\$125,000-149,999	19	4.3%		0.0%	0
\$150,000-199,999	8	1.8%		0.0%	0
\$200,000+	13	2.9%		0.0%	0
	446	100.0%			56
Percent of renter households within limits versus total number of renter households					12.55%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Senior		
Location of Subject (Rural versus Urban)	Rural		
Percent of Income for Housing	40%		
2000 Median Income	\$43,671		
2015 Median Income	\$59,326		
Change from 2015 to Prj Mrkt Entry December 2017	\$15,655		
Total Percent Change	35.8%		
Average Annual Change	6.0%		
Inflation Rate	6.0%	Two year adjustment	1.0000
Maximum Allowable Income	\$25,000		
Maximum Allowable Income Inflation Adjusted	\$25,000		
Maximum Number of Occupants	2		
Rent Income Categories	50%		
Initial Gross Rent for Smallest Unit	\$576		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$576.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	50%	50%	0%	100%
5+	0%	0%	0%	50%	50%	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		446
Percent Income Qualified		12.5%
New Renter Income Qualified Households		56

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		4,058
Income Qualified		12.5%
Income Qualified Renter Households		509
Percent Rent Overburdened Prj Mrkt Entry December 2017		33.8%
Rent Overburdened Households		172

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		509
Percent Living in Substandard Housing		0.6%
Households Living in Substandard Housing		3

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		18564
Rural Versus Urban	0.025%	
Senior Demand Converting from Homeownership		5

Total Demand

Total Demand from Existing Households		180
Adjustment Factor - Leakage from SMA	0%	0
Adjusted Demand from Existing Households		180
Total New Demand		56
Total Demand (New Plus Existing Households)		236

Demand from Seniors Who Convert from Homeownership		5
Percent of Total Demand From Homeownership Conversion		1.99%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	49.3%	116
Two Persons	34.3%	81
Three Persons	9.8%	23
Four Persons	3.9%	9
Five Persons	2.7%	6
Total	100.0%	236

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	60%	70
Of two-person households in 1BR units	10%	8
Of one-person households in 2BR units	40%	47
Of two-person households in 2BR units	90%	73
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	50%	5
Of five-person households in 3BR units	50%	3
Of four-person households in 4BR units	50%	5
Of five-person households in 4BR units	50%	3
Total Demand		236

Total Demand by Bedroom		50%
1 BR		78
2 BR		119
Total Demand		197

Additions To Supply 2015 to Prj Mrkt Entry December 2017		50%
1 BR		3
2 BR		5
Total		8

Net Demand		50%
1 BR		75
2 BR		114
Total		189

Developer's Unit Mix		50%
1 BR		11
2 BR		8
Total		19

Capture Rate Analysis		50%
1 BR		14.7%
2 BR		7.0%
Total		10.0%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$17,730		
Maximum Income Limit			\$30,000 2		
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	748	18.4%		0.0%	0
\$10,000-19,999	642	15.8%	\$2,269	22.7%	146
\$20,000-29,999	669	16.5%	\$9,999	100.0%	669
\$30,000-39,999	415	10.2%	\$1	0.0%	0
\$40,000-49,999	404	10.0%		0.0%	0
\$50,000-59,999	199	4.9%		0.0%	0
\$60,000-74,999	206	5.1%		0.0%	0
\$75,000-99,999	200	4.9%		0.0%	0
\$100,000-124,999	213	5.3%		0.0%	0
\$125,000-149,999	174	4.3%		0.0%	0
\$150,000-199,999	71	1.8%		0.0%	0
\$200,000+	117	2.9%		0.0%	0
	4,058	100.0%			815
Percent of renter households within limits versus total number of renter households					20.08%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$17,730		
Maximum Income Limit			\$30,000 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	82	18.4%		0.0%	0
\$10,000-19,999	71	15.8%	\$2,269	22.7%	16
\$20,000-29,999	73	16.5%	\$9,999	100.0%	73
\$30,000-39,999	46	10.2%	\$1	0.0%	0
\$40,000-49,999	44	10.0%		0.0%	0
\$50,000-59,999	22	4.9%		0.0%	0
\$60,000-74,999	23	5.1%		0.0%	0
\$75,000-99,999	22	4.9%		0.0%	0
\$100,000-124,999	23	5.3%		0.0%	0
\$125,000-149,999	19	4.3%		0.0%	0
\$150,000-199,999	8	1.8%		0.0%	0
\$200,000+	13	2.9%		0.0%	0
	446	100.0%			89
Percent of renter households within limits versus total number of renter households					20.08%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Senior		
Location of Subject (Rural versus Urban)	Rural		
Percent of Income for Housing	40%		
2000 Median Income	\$43,671		
2015 Median Income	\$59,326		
Change from 2015 to Prj Mrkt Entry December 2017	\$15,655		
Total Percent Change	35.8%		
Average Annual Change	6.0%		
Inflation Rate	6.0%	Two year adjustment	1.0000
Maximum Allowable Income	\$30,000		
Maximum Allowable Income Inflation Adjusted	\$30,000		
Maximum Number of Occupants	\$2		
Rent Income Categories	60%		
Initial Gross Rent for Smallest Unit	\$591		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$591.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	50%	50%	0%	100%
5+	0%	0%	0%	50%	50%	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	446
Percent Income Qualified	20.1%
New Renter Income Qualified Households	89

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	4,058
Income Qualified	20.1%
Income Qualified Renter Households	815
Percent Rent Overburdened Prj Mrkt Entry December 2017	33.8%
Rent Overburdened Households	275

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	815
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	5

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

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	18564
Rural Versus Urban	0.04%
Senior Demand Converting from Homeownership	8

Total Demand

Total Demand from Existing Households	288
Adjustment Factor - Leakage from SMA	0%
Adjusted Demand from Existing Households	288
Total New Demand	89
Total Demand (New Plus Existing Households)	377

Demand from Seniors Who Convert from Homeownership	8
Percent of Total Demand From Homeownership Conversion	1.99%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	49.3%	186
Two Persons	34.3%	129
Three Persons	9.8%	37
Four Persons	3.9%	15
Five Persons	2.7%	10
Total	100.0%	377

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	60%	112
Of two-person households in 1BR units	10%	13
Of one-person households in 2BR units	40%	74
Of two-person households in 2BR units	90%	116
Of three-person households in 2BR units	60%	22
Of three-person households in 3BR units	40%	15
Of four-person households in 3BR units	50%	7
Of five-person households in 3BR units	50%	5
Of four-person households in 4BR units	50%	7
Of five-person households in 4BR units	50%	5
Total Demand		377

Total Demand by Bedroom

		60%
1 BR		125
2 BR		191
Total Demand		315

Additions To Supply 2015 to Prj Mrkt Entry December 2017

		60%
1 BR		13
2 BR		29
Total		42

Net Demand

		60%
1 BR		112
2 BR		162
Total		273

Developer's Unit Mix

		60%
1 BR		19
2 BR		32
Total		51

Capture Rate Analysis

		60%
1 BR		17.0%
2 BR		19.8%
Total		18.7%

Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$17,280		
Maximum Income Limit			\$30,000 2		
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2017		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	748	18.4%		0.0%	0
\$10,000-19,999	642	15.8%	\$2,719	27.2%	175
\$20,000-29,999	669	16.5%	\$9,999	100.0%	669
\$30,000-39,999	415	10.2%	\$1	0.0%	0
\$40,000-49,999	404	10.0%		0.0%	0
\$50,000-59,999	199	4.9%		0.0%	0
\$60,000-74,999	206	5.1%		0.0%	0
\$75,000-99,999	200	4.9%		0.0%	0
\$100,000-124,999	213	5.3%		0.0%	0
\$125,000-149,999	174	4.3%		0.0%	0
\$150,000-199,999	71	1.8%		0.0%	0
\$200,000+	117	2.9%		0.0%	0
	4,058	100.0%			844
Percent of renter households within limits versus total number of renter households					20.79%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$17,280		
Maximum Income Limit			\$30,000 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	82.15	18.4%		0.0%	0
\$10,000-19,999	70.55	15.8%	\$2,719	27.2%	19
\$20,000-29,999	73.48	16.5%	\$9,999	100.0%	73
\$30,000-39,999	45.55	10.2%	\$1	0.0%	0
\$40,000-49,999	44.37	10.0%		0.0%	0
\$50,000-59,999	21.84	4.9%		0.0%	0
\$60,000-74,999	22.63	5.1%		0.0%	0
\$75,000-99,999	21.98	4.9%		0.0%	0
\$100,000-124,999	23.45	5.3%		0.0%	0
\$125,000-149,999	19.13	4.3%		0.0%	0
\$150,000-199,999	7.85	1.8%		0.0%	0
\$200,000+	12.81	2.9%		0.0%	0
	446	100.0%			93
Percent of renter households within limits versus total number of renter households					20.79%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Senior		
Location of Subject (Rural versus Urban)	Rural		
Percent of Income for Housing	40%		
2000 Median Income	\$43,671		
2015 Median Income	\$59,326		
Change from 2015 to Prj Mrkt Entry December 2017	\$15,655		
Total Percent Change	35.8%		
Average Annual Change	6.0%		
Inflation Rate	6.0%	Two year adjustment	1.0000
Maximum Allowable Income	\$30,000		
Maximum Allowable Income Inflation Adjusted	\$30,000		
Maximum Number of Occupants	2		
Rent Income Categories	Overall		
Initial Gross Rent for Smallest Unit	\$576		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$576.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	50%	50%	0%	100%
5+	0%	0%	0%	50%	50%	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	Overall
New Renter Households PMA	446
Percent Income Qualified	20.8%
New Renter Income Qualified Households	93

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	4,058
Income Qualified	20.8%
Income Qualified Renter Households	844
Percent Rent Overburdened Prj Mrkt Entry December 2017	33.8%
Rent Overburdened Households	285

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	844
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	5

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

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	18564
Rural Versus Urban	0.04%
Senior Demand Converting from Homeownership	8

Total Demand

Total Demand from Existing Households	298
Adjustment Factor - Leakage from SMA	0%
Adjusted Demand from Existing Households	298
Total New Demand	93
Total Demand (New Plus Existing Households)	390

Demand from Seniors Who Convert from Homeownership	8
Percent of Total Demand From Homeownership Conversion	1.99%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	49.3%	192
Two Persons	34.3%	134
Three Persons	9.8%	38
Four Persons	3.9%	15
Five Persons	2.7%	10
Total	100.0%	390

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	60%	115
Of two-person households in 1BR units	10%	13
Of one-person households in 2BR units	40%	77
Of two-person households in 2BR units	90%	120
Of three-person households in 2BR units	60%	23
Of three-person households in 3BR units	40%	15
Of four-person households in 3BR units	50%	8
Of five-person households in 3BR units	50%	5
Of four-person households in 4BR units	50%	8
Of five-person households in 4BR units	50%	5
Total Demand		390

Total Demand by Bedroom

	Overall
1 BR	129
2 BR	197
Total Demand	326

Additions To Supply 2015 to Prj Mrkt Entry December 2017

	Overall
1 BR	16
2 BR	34
Total	50

Net Demand

	Overall
1 BR	113
2 BR	163
Total	276

Developer's Unit Mix

	Overall
1 BR	30
2 BR	40
Total	70

Capture Rate Analysis

	Overall
1 BR	26.6%
2 BR	24.5%
Total	25.4%

Conclusions

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

- The number of senior households in the PMA is expected to increase 3.0 percent between 2015 and 2019.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR at 50% AMI	\$17,280-\$25,000	11	78	3	75	14.7%	Five months	\$499	\$400-\$796	\$435
2BR at 50% AMI	\$20,700-\$25,000	8	119	5	114	7.0%	Five months	\$581	\$473-\$815	\$510
50% Overall	\$17,280-\$25,000	19	197	8	189	10.0%	Five months	-	-	-
1BR at 60% AMI	\$17,730-\$30,000	19	125	13	112	17.0%	Five months	\$499	\$440-\$769	\$450
2BR at 60% AMI	\$21,000-\$30,000	32	191	29	162	19.8%	Five months	\$581	\$515-\$815	\$520
60% Overall	\$17,730-\$30,000	51	315	42	273	18.7%	Five months	-	-	-
1BR Overall	\$17,280-\$25,000	30	129	16	113	26.6%	Five months	-	-	-
2BR Overall	\$20,700-\$30,000	40	197	34	163	24.5%	Five months	-	-	-
Total Overall	\$17,280-\$30,000	70	326	50	276	25.4%	Five months	-	-	-

Demand and Net Demand

	HH at 50% AMI (\$17,280 to \$25,000 income)	HH at 60% AMI (\$17,730 to \$30,000 income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	56	89	93
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	3	5	5
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	172	275	285
=			
Sub Total	231	369	383
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	5	8	8
Equals Total Demand	236	377	390
Less	-	-	-
New Supply	8	42	50
Equals Net Demand*	228	335	340

*Not adjusted for bedroom specific demand

The Subject’s capture rates at the 50 and 60 percent AMI level will range from 7.0 to 19.8 percent, with an overall capture rate of 25.4 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 10 “true” comparable properties containing 1,028 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good; there are nine LIHTC properties in the PMA. However, the majority of these properties were excluded because they target families. The Subject will target the senior population and we have included the only one senior LIHTC property and one mixed-tenancy property that do not operate with an additional subsidy as comparables. We have also included three LIHTC properties that target the general population and offer similar unit types in comparison to the proposed Subject. However, none of the family LIHTC comparables in the PMA offer one-bedroom units. The comparable LIHTC properties are all located in the PMA, between 0.1 and 6.3 miles of the proposed Subject.

The availability of market rate data is considered good. The Subject is located in St. Marys and there are several market rate properties in the area. We have included five conventional properties in our analysis of the competitive market. All of the market rate properties are located in the PMA, between 1.9 and 6.2 miles from the Subject site. These comparables were built or renovated between the 1986 and 2009. There are a limited number of new construction market rate properties in the area. Additionally, there are no age-restricted market rate comparables in the PMA or surrounding areas that do not offer additional services associated with independent or assisted living. Overall, we believe the market rate properties we have used in our analysis are the most comparable. Other market rate properties were excluded based on proximity and unit types.

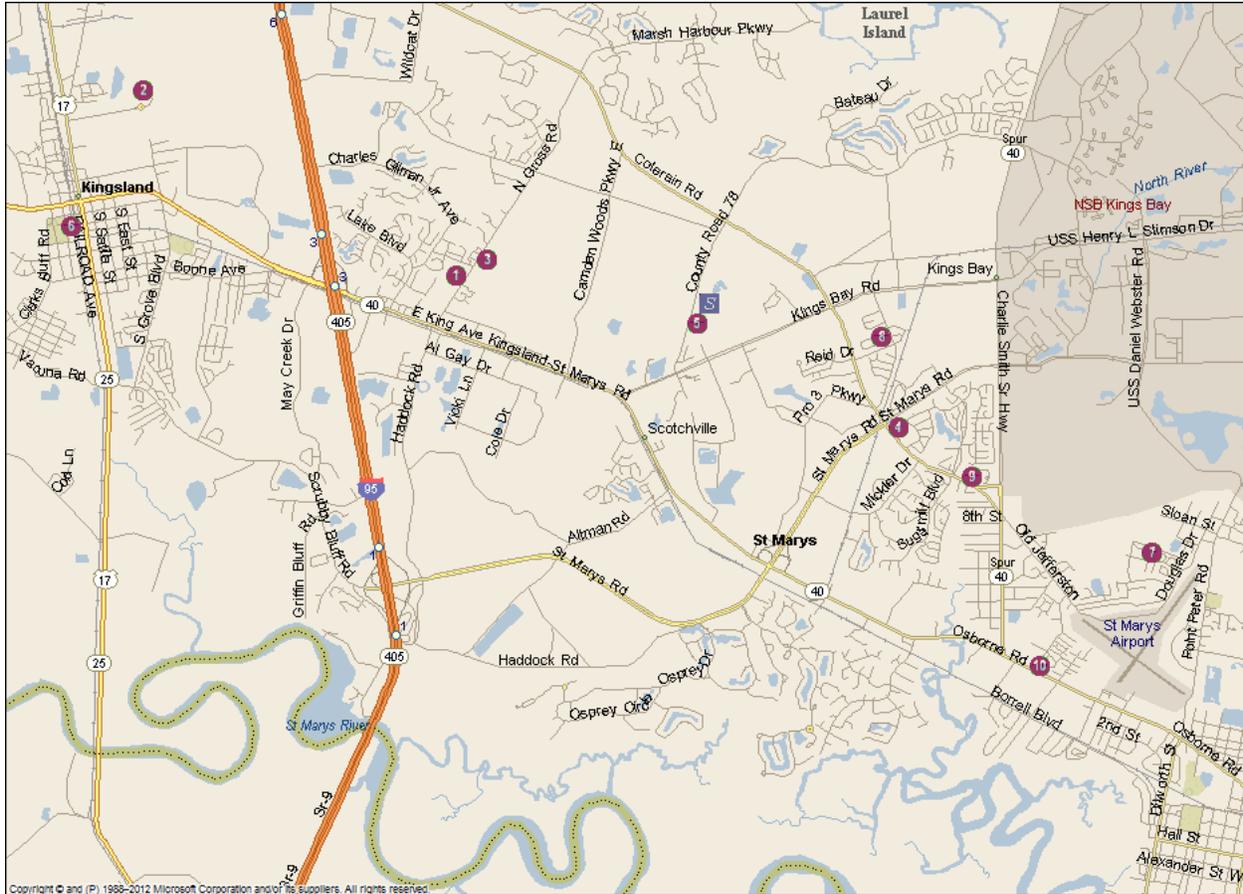
Excluded Properties

The following table illustrates properties within the PMA that have been excluded from our analysis along with their reason for exclusion.

EXCLUDED PROPERTIES

Property Name	Program	Location	Tenancy	Occupancy	Reason for Exclusion
Old Jefferson Estates	LIHTC	St. Marys	Family	95.0%	Dissimilar bedroom types
Caney Heights	LIHTC	Kingsland	Family	100.0%	Dissimilar bedroom types
Clarks Bluff Road	LIHTC	Kingsland	Family	N/A	Too few units
Nassau Club Apartments	LIHTC	Fernandina Beach	Family	N/A	More comparable properties available
Cumberland Oaks Apartments	Section 8	St. Marys	Family	90.0%	Subsidized
The Pines Apartments	Section 8	St. Marys	Family	N/A	Subsidized
The Cottages at Camden	Section 8	Kingsland	Senior	N/A	Subsidized
Pine Tree Apartments	Section 8	Hilliard	Family	97.7%	Subsidized
Cumberland Village	RD	St. Marys	Family	99.0%	Subsidized
Hilltop Terrace	RD	Kingsland	Mixed	N/A	Subsidized
Satilla Villas	RD	Woodbine	Family	99.0%	Subsidized
Heritage Villas of Callahan	RD	Callahan	Family	89.3%	Subsidized
Cantebury Apartments	RD	Hilliard	Senior	94.4%	Subsidized
Green Acres Apartments	RD	Yulee	Family	100.0%	Subsidized
Yulee Villas	RD	Yulee	Family	95.8%	Subsidized
Buccaneer Villa Apartments	RD	Fernandina Beach	Family	100.0%	Subsidized
Countryside Apartments	RD	Fernandina Beach	Family	100.0%	Subsidized
Murray Hill Apartments	RD	Fernandina Beach	Family	89.0%	Subsidized
Peppertree Village	RD	Fernandina Beach	Senior	100.0%	Subsidized
Post Oak Apartments	RD	Fernandina Beach	Family	N/A	Subsidized
Sandridge Apartments	RD	Fernandina Beach	Senior	100.0%	Subsidized
Brant Creek	Market	St. Marys	Family	N/A	More comparable properties available
Camden Way Apartments	Market	Kingsland	Family	98.0%	More comparable properties available
Kings Landing Apartments	Market	St. Marys	Family	98.0%	More comparable properties available
Summer Bend Apartments	Market	Kingsland	Family	97.0%	More comparable properties available
Willow Way Apartments	Market	Kingsland	Family	95.0%	More comparable properties available

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Program	Tenancy	Distance from Subject
1	Ashton Cove Apartments	Kingsland	@45%, @50%	Senior/Family	2.7 miles
2	Kings Grant Apartments	Kingsland	@50%, @60%	Family	6.3 miles
3	Royal Point Apartments	Kingsland	@50%, @60%	Family	2.7 miles
4	The Reserve at Sugar Mill	St. Marys	@50%, @60%	Family	2.2 miles
5	The Village at Winding Road	St. Marys	@50%, @60%	Senior	0.1 miles
6	Greenbriar Townhomes	Kingsland	Market	Family	5.5 miles
7	Harbor Pines Apartments	St. Marys	Market	Family	6.2 miles
8	Mission Forest Apartments	St. Marys	Market	Family	1.9 miles
9	Park Place	St. Marys	Market	Family	2.9 miles
10	Pelican Point Apartments	St. Marys	Market	Family	4.8 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	The Village At Winding Road II 528 Winding Road St. Marys, GA 31558 Camden County	n/a	One-story (age-restricted) 2017 / n/a	@50%, @60%	1BR / 1BA	11	15.70%	@50%	\$435	860	no	N/A	N/A	N/A	
					1BR / 1BA	19	27.10%	@60%	\$450	860	no	N/A	N/A	N/A	
					2BR / 2BA	8	11.40%	@50%	\$510	1,060	no	N/A	N/A	N/A	
					2BR / 2BA	32	45.70%	@60%	\$520	1,060	no	N/A	N/A	N/A	
						70	100%								
1	Ashton Cove Apartments 230 N Gross Rd Kingsland, GA 31548 Camden County	2.7 miles	Garden 1999 / n/a	@45%, @50%	1BR / 1BA	15	20.80%	@45%	\$378	764	yes	Yes	0	0.00%	
					1BR / 1BA	3	4.20%	@50%	\$400	764	yes	Yes	0	0.00%	
					2BR / 2BA	32	44.40%	@45%	\$445	984	yes	Yes	0	0.00%	
					2BR / 2BA	6	8.30%	@50%	\$473	984	yes	Yes	0	0.00%	
					3BR / 2BA	13	18.10%	@45%	\$503	1,184	yes	Yes	0	0.00%	
					3BR / 2BA	3	4.20%	@50%	\$583	1,184	yes	Yes	0	0.00%	
						72	100%								
2	Kings Grant Apartments 500 N. Grove Boulevard Kingsland, GA 31548 Camden County	6.3 miles	Garden (2 stories) 2009 / n/a	@50%, @60%	2BR / 2BA	7	11.70%	@50%	\$479	900	no	No	1	14.30%	
					2BR / 2BA	20	33.30%	@60%	\$593	900	no	No	1	5.00%	
					3BR / 2BA	14	23.30%	@50%	\$538	1,100	no	No	0	0.00%	
					3BR / 2BA	19	31.70%	@60%	\$621	1,100	no	No	0	0.00%	
						60	100%								
3	Royal Point Apartments 301 N Gross Road Kingsland, GA 31548 Camden County	2.7 miles	Garden (3 stories) 2000 / n/a	@50%, @60%	2BR / 2BA	72	50.00%	@50%	\$494	990	no	No	0	0.00%	
					2BR / 2BA	N/A	N/A	@60%	\$635	990	no	No	0	N/A	
					3BR / 2BA	72	50.00%	@50%	\$559	1,189	no	No	2	2.80%	
					3BR / 2BA	N/A	N/A	@60%	\$721	1,189	no	No	2	N/A	
						144	100%								
4	The Reserve At Sugar Mill 11115 Colerain Rd St. Marys, GA 31558 Camden County	2.2 miles	Garden (2 stories) 1997 / 2013	@50%, @60%	2BR / 2BA	3	4.30%	@50%	\$515	939	no	Yes	0	0.00%	
					2BR / 2BA	3	4.30%	@50%	\$515	952	no	Yes	0	0.00%	
					2BR / 2BA	13	18.60%	@60%	\$620	939	no	Yes	1	7.70%	
					2BR / 2BA	15	21.40%	@60%	\$620	952	no	Yes	0	0.00%	
					3BR / 2BA	3	4.30%	@50%	\$585	1,161	no	Yes	0	0.00%	
					3BR / 2BA	3	4.30%	@50%	\$585	1,174	no	Yes	0	0.00%	
					3BR / 2BA	17	24.30%	@60%	\$685	1,161	no	Yes	0	0.00%	
					3BR / 2BA	13	18.60%	@60%	\$685	1,174	no	Yes	1	7.70%	
						70	100%								
5	The Village At Winding Road 301 Carnegie Rd St. Marys, GA 31548 Camden County	0.1 miles	One-story (age-restricted) 2013 / n/a	@50%, @60%	1BR / 1BA	3	6.00%	@50%	\$425	860	no	Yes	0	0.00%	
					1BR / 1BA	13	26.00%	@60%	\$440	860	no	Yes	0	0.00%	
					2BR / 2BA	5	10.00%	@50%	\$500	1,060	no	Yes	0	0.00%	
					2BR / 2BA	29	58.00%	@60%	\$515	1,060	no	Yes	0	0.00%	
						50	100%								
6	Greenbriar Townhomes 244 S. Orange Edwards Blvd Kingsland, GA 31548 Camden County	5.5 miles	Townhouse (2 stories) 1993 / 2009	Market	2BR / 2BA	6	8.30%	Market	\$610	1,200	n/a	No	0	0.00%	
					3BR / 2BA	66	91.70%	Market	\$610	1,200	n/a	Yes	0	0.00%	
						72	100%								
7	Harbor Pines Apartments 2000 Harbor Pine Drive St. Marys, GA 31558 Camden County	6.2 miles	Garden (2 stories) 1989 / n/a	Market	1BR / 1BA	44	22.00%	Market	\$515	750	n/a	No	N/A	N/A	
					2BR / 2BA	112	56.00%	Market	\$560	950	n/a	No	N/A	N/A	
					3BR / 2BA	44	22.00%	Market	\$695	1,100	n/a	No	N/A	N/A	
						200	100%								
8	Mission Forest Apartments 999 Mission Trace Dr St. Marys, GA 31558 Camden County	1.9 miles	Garden (2 stories) 1986 / n/a	Market	1BR / 1BA	16	15.40%	Market	\$498	750	n/a	No	0	0.00%	
					2BR / 2BA	88	84.60%	Market	\$558	950	n/a	No	0	0.00%	
						104	100%								
9	Park Place 11919 Colerain Rd St. Marys, GA 31558 Camden County	2.9 miles	Garden (2 stories) 1988 / n/a	Market	1BR / 1BA	32	16.00%	Market	\$769	700	n/a	No	0	0.00%	
					1BR / 1BA	0	0.00%	Market	\$870	700	n/a	No	0	N/A	
					1BR / 1BA	0	0.00%	Market	\$738	700	n/a	No	0	N/A	
					2BR / 1BA	68	34.00%	Market	\$815	950	n/a	No	7	10.30%	
					2BR / 1BA	0	0.00%	Market	\$859	950	n/a	No	0	N/A	
					2BR / 1BA	0	0.00%	Market	\$771	950	n/a	No	0	N/A	
					2BR / 2BA	68	34.00%	Market	\$803	950	n/a	No	0	0.00%	
					2BR / 2BA	0	0.00%	Market	\$837	950	n/a	No	0	N/A	
					2BR / 2BA	0	0.00%	Market	\$768	950	n/a	No	0	N/A	
					3BR / 2BA	32	16.00%	Market	\$959	1,100	n/a	Yes	0	0.00%	
					3BR / 2BA	0	0.00%	Market	\$1,022	1,100	n/a	Yes	0	N/A	
	200	100%													
10	Pelican Point Apartments 1 Pelican Point St. Marys, GA 31558 Camden County	4.8 miles	Garden (2 stories) 1987 / n/a	Market	1BR / 1BA	24	42.90%	Market	\$449	560	n/a	No	2	8.30%	
					2BR / 2BA	32	57.10%	Market	\$539	1,000	n/a	No	0	0.00%	
						56	100%								

The Village at Winding Road II, St. Marys, GA; Market Study

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.								
Effective Rent Date:		Apr-15	Units Surveyed:		1028	Weighted Occupancy:	97.60%	
			Market Rate		632	Market Rate		97.30%
			Tax Credit		396	Tax Credit		98.00%
One Bedroom One Bath			Two Bedrooms Two Bath					
	Property	Average	Property	Average	Property	Average		
RENT	Park Place	\$870	Park Place	\$837				
	Park Place	\$769	Park Place	\$803				
	Park Place	\$738	Park Place	\$768				
	Harbor Pines Apartments	\$515	Royal Point Apartments * (60%)	\$635				
	Mission Forest Apartments	\$498	The Reserve At Sugar Mill * (60%)	\$620				
	The Village At Winding Road II * (60%)	\$450	The Reserve At Sugar Mill * (60%)	\$620				
	Pelican Point Apartments	\$449	Greenbriar Townhomes	\$610				
	The Village At Winding Road * (60%)	\$440	Kings Grant Apartments * (60%)	\$593				
	The Village At Winding Road II * (50%)	\$435	Harbor Pines Apartments	\$560				
	The Village At Winding Road * (50%)	\$425	Mission Forest Apartments	\$558				
	Ashton Cove Apartments * (50%)	\$400	Pelican Point Apartments	\$539				
	Ashton Cove Apartments * (45%)	\$378	The Village At Winding Road II * (60%)	\$520				
			The Reserve At Sugar Mill * (50%)	\$515				
			The Reserve At Sugar Mill * (50%)	\$515				
			The Village At Winding Road * (60%)	\$515				
			The Village At Winding Road II * (50%)	\$510				
			The Village At Winding Road * (50%)	\$500				
			Royal Point Apartments * (50%)	\$494				
			Kings Grant Apartments * (50%)	\$479				
			Ashton Cove Apartments * (50%)	\$473				
		Ashton Cove Apartments * (45%)	\$445					
SQUARE FOOTAGE	The Village At Winding Road * (50%)	860	Greenbriar Townhomes	1,200				
	The Village At Winding Road * (60%)	860	The Village At Winding Road * (50%)	1,060				
	The Village At Winding Road II * (50%)	860	The Village At Winding Road * (60%)	1,060				
	The Village At Winding Road II * (60%)	860	The Village At Winding Road II * (50%)	1,060				
	Ashton Cove Apartments * (45%)	764	The Village At Winding Road II * (60%)	1,060				
	Ashton Cove Apartments * (50%)	764	Pelican Point Apartments	1,000				
	Harbor Pines Apartments	750	Royal Point Apartments * (50%)	990				
	Mission Forest Apartments	750	Royal Point Apartments * (60%)	990				
	Park Place	700	Ashton Cove Apartments * (45%)	984				
	Park Place	700	Ashton Cove Apartments * (50%)	984				
	Park Place	700	The Reserve At Sugar Mill * (50%)	952				
	Pelican Point Apartments	560	The Reserve At Sugar Mill * (60%)	952				
			Harbor Pines Apartments	950				
			Mission Forest Apartments	950				
			Park Place	950				
			Park Place	950				
			Park Place	950				
			The Reserve At Sugar Mill * (50%)	939				
			The Reserve At Sugar Mill * (60%)	939				
			Kings Grant Apartments * (50%)	900				
		Kings Grant Apartments * (60%)	900					
RENT PER SQUARE FOOT	Park Place	\$1.24	Park Place	\$0.88				
	Park Place	\$1.10	Park Place	\$0.85				
	Park Place	\$1.05	Park Place	\$0.81				
	Pelican Point Apartments	\$0.80	The Reserve At Sugar Mill * (60%)	\$0.66				
	Harbor Pines Apartments	\$0.69	Kings Grant Apartments * (60%)	\$0.66				
	Mission Forest Apartments	\$0.66	The Reserve At Sugar Mill * (60%)	\$0.65				
	The Village At Winding Road II * (60%)	\$0.52	Royal Point Apartments * (60%)	\$0.64				
	Ashton Cove Apartments * (50%)	\$0.52	Harbor Pines Apartments	\$0.59				
	The Village At Winding Road II * (50%)	\$0.51	Mission Forest Apartments	\$0.59				
	The Village At Winding Road * (60%)	\$0.51	The Reserve At Sugar Mill * (50%)	\$0.55				
	Ashton Cove Apartments * (45%)	\$0.49	The Reserve At Sugar Mill * (50%)	\$0.54				
	The Village At Winding Road * (50%)	\$0.49	Pelican Point Apartments	\$0.54				
			Kings Grant Apartments * (50%)	\$0.53				
			Greenbriar Townhomes	\$0.51				
			Royal Point Apartments * (50%)	\$0.50				
			The Village At Winding Road * (60%)	\$0.49				
			The Village At Winding Road II * (60%)	\$0.49				
			The Village At Winding Road II * (50%)	\$0.48				
			Ashton Cove Apartments * (50%)	\$0.48				
			The Village At Winding Road * (50%)	\$0.47				
		Ashton Cove Apartments * (45%)	\$0.45					

PROPERTY PROFILE REPORT

Ashton Cove Apartments

Effective Rent Date 4/07/2015
Location 230 N Gross Rd
 Kingsland, GA 31548
 Camden County
Distance 2.7 miles
Units 72
Vacant Units 0
Vacancy Rate 0.0%
Type Garden
Year Built/Renovated 1999 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors The Village at Winding Road
Tenant Characteristics 32 units for seniors
Contact Name Reese
Phone (912) 510-7007



Market Information

Program @45%, @50%
Annual Turnover Rate 30%
Units/Month Absorbed N/A
HCV Tenants 17%
Leasing Pace Pre-leased
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	15	764	\$378	\$0	@45%	Yes	0	0.0%	yes	None
1	1	Garden	3	764	\$400	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden	32	984	\$445	\$0	@45%	Yes	0	0.0%	yes	None
2	2	Garden	6	984	\$473	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden	13	1,184	\$503	\$0	@45%	Yes	0	0.0%	yes	None
3	2	Garden	3	1,184	\$583	\$0	@50%	Yes	0	0.0%	yes	None

Unit Mix

@45%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$378	\$0	\$378	\$0	\$378	1BR / 1BA	\$400	\$0	\$400	\$0	\$400
2BR / 2BA	\$445	\$0	\$445	\$0	\$445	2BR / 2BA	\$473	\$0	\$473	\$0	\$473
3BR / 2BA	\$503	\$0	\$503	\$0	\$503	3BR / 2BA	\$583	\$0	\$583	\$0	\$583

Ashton Cove Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator

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

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Picnic Area
Swimming Pool

Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The property manager is the same as The Reserve at Sugar Mill. The waiting list has approximately 250 households on it. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts. 32 units at this property are set aside for senior tenants.

Ashton Cove Apartments, continued

Trend Report

Vacancy Rates

2Q14	3Q14	1Q15	2Q15
0.0%	0.0%	0.0%	0.0%

Trend: @45%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$378	\$0	\$378	\$378
2014	3	0.0%	\$378	\$0	\$378	\$378
2015	1	0.0%	\$378	\$0	\$378	\$378
2015	2	0.0%	\$378	\$0	\$378	\$378

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$445	\$0	\$445	\$445
2014	3	0.0%	\$445	\$0	\$445	\$445
2015	1	0.0%	\$445	\$0	\$445	\$445
2015	2	0.0%	\$445	\$0	\$445	\$445

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$503	\$0	\$503	\$503
2014	3	0.0%	\$503	\$0	\$503	\$503
2015	1	0.0%	\$503	\$0	\$503	\$503
2015	2	0.0%	\$503	\$0	\$503	\$503

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$400	\$0	\$400	\$400
2014	3	0.0%	\$400	\$0	\$400	\$400
2015	1	0.0%	\$400	\$0	\$400	\$400
2015	2	0.0%	\$400	\$0	\$400	\$400

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$473	\$0	\$473	\$473
2014	3	0.0%	\$473	\$0	\$473	\$473
2015	1	0.0%	\$473	\$0	\$473	\$473
2015	2	0.0%	\$473	\$0	\$473	\$473

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$583	\$0	\$583	\$583
2014	3	0.0%	\$583	\$0	\$583	\$583
2015	1	0.0%	\$583	\$0	\$583	\$583
2015	2	0.0%	\$583	\$0	\$583	\$583

Trend: Comments

- 2Q14** The property manager is the same as The Reserve at Sugar Mill. The waiting list is six to eight months in length with 200 households. Both properties typically maintain 100 percent occupancy. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts.
- 3Q14** The property manager is the same as The Reserve at Sugar Mill. The waiting list is eight to 12 months in length with 200 households. Both properties typically maintain 100 percent occupancy. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts.
- 1Q15** The property manager is the same as The Reserve at Sugar Mill. The waiting list has approximately 250 households on it. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts.
- 2Q15** The property manager is the same as The Reserve at Sugar Mill. The waiting list has approximately 250 households on it. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts. 32 units at this property are set aside for senior tenants.

Photos



PROPERTY PROFILE REPORT

Kings Grant Apartments

Effective Rent Date	4/07/2015
Location	500 N. Grove Boulevard Kingsland, GA 31548 Camden County
Distance	6.3 miles
Units	60
Vacant Units	2
Vacancy Rate	3.3%
Type	Garden (2 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	3/28/2009
Last Unit Leased	8/31/2009
Major Competitors	Caney Place, Ashton Cove, Old Jefferson, Ashton Pines
Tenant Characteristics	Mostly local families
Contact Name	Dylan
Phone	912-882-7220



Market Information

Program	@50%, @60%
Annual Turnover Rate	30%
Units/Month Absorbed	11-12
HCV Tenants	30%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increase of 1.4 to 1.9%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	7	900	\$530	\$0	@50%	No	1	14.3%	no	None
2	2	Garden (2 stories)	20	900	\$644	\$0	@60%	No	1	5.0%	no	None
3	2	Garden (2 stories)	14	1,100	\$600	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (2 stories)	19	1,100	\$683	\$0	@60%	No	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$530	\$0	\$530	-\$51	\$479	2BR / 2BA	\$644	\$0	\$644	-\$51	\$593
3BR / 2BA	\$600	\$0	\$600	-\$62	\$538	3BR / 2BA	\$683	\$0	\$683	-\$62	\$621

Kings Grant Apartments, continued

Amenities

In-Unit

Carpeting
Coat Closet
Ceiling Fan
Hand Rails
Oven
Refrigerator

Central A/C
Dishwasher
Garbage Disposal
Microwave
Pull Cords
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Basketball Court
Clubhouse/Meeting
Central Laundry
On-Site Management
Playground
Swimming Pool

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area
Sport Court

Premium

None

Other

None

Comments

The contact indicated that the property has historically had elevated vacancy rates as previous management kept poor records and experienced high turnover. Since the contact became the manager for this property and its sister property, Caney Heights, occupancy has substantially improved. The waiting list was recently purged.

Kings Grant Apartments, continued

Trend Report

Vacancy Rates

2Q14	3Q14	1Q15	2Q15
11.7%	13.3%	5.0%	3.3%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$619	\$0	\$619	\$568
2014	3	0.0%	\$520	\$0	\$520	\$469
2015	1	0.0%	\$520	\$0	\$520	\$469
2015	2	14.3%	\$530	\$0	\$530	\$479

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$658	\$0	\$658	\$596
2014	3	0.0%	\$590	\$0	\$590	\$528
2015	1	0.0%	\$590	\$0	\$590	\$528
2015	2	0.0%	\$600	\$0	\$600	\$538

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	15.0%	\$634	\$0	\$634	\$583
2014	3	20.0%	\$634	\$0	\$634	\$583
2015	1	10.0%	\$634	\$0	\$634	\$583
2015	2	5.0%	\$644	\$0	\$644	\$593

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	21.1%	\$673	\$0	\$673	\$611
2014	3	21.1%	\$673	\$0	\$673	\$611
2015	1	5.3%	\$673	\$0	\$673	\$611
2015	2	0.0%	\$683	\$0	\$683	\$621

Trend: Comments

- 2Q14** The waiting list is three months long for units at 50 percent of AMI. Management stated that demand is slow due to the military base offering housing to the public since January. He reported that the base's rents are \$650 per month including all utilities. Occupancy has been lower recently at this property as there was no property manager. The property has since hired a manager and vacancies are decreasing.
- 3Q14** N/A
- 1Q15** The contact reported a waiting list was recently purged. Two of the units have applications pending approval.
- 2Q15** The contact indicated that the property has historically had elevated vacancy rates as previous management kept poor records and experienced high turnover. Since the contact became the manager for this property and its sister property, Caney Heights, occupancy has substantially improved. The waiting list was recently purged.

Kings Grant Apartments, continued

Photos



PROPERTY PROFILE REPORT

Royal Point Apartments

Effective Rent Date	4/15/2015
Location	301 N Gross Road Kingsland, GA 31548 Camden County
Distance	2.7 miles
Units	144
Vacant Units	4
Vacancy Rate	2.8%
Type	Garden (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Cove, Willow Way, Camden Way
Tenant Characteristics	Majority from Camden Cty including St Marys; Avg HH size is 3 persons, 2% senior
Contact Name	Gwyn
Phone	(912) 729-7135



Market Information

Program	@50%, @60%
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	13%
Leasing Pace	Within one week
Annual Chg. in Rent	Increase of 1.5 to 12.2%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	72	990	\$545	\$0	@50%	No	0	0.0%	no	None
2	2	Garden (3 stories)	N/A	990	\$686	\$0	@60%	No	0	N/A	no	None
3	2	Garden (3 stories)	72	1,189	\$621	\$0	@50%	No	2	2.8%	no	None
3	2	Garden (3 stories)	N/A	1,189	\$783	\$0	@60%	No	2	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$545	\$0	\$545	-\$51	\$494	2BR / 2BA	\$686	\$0	\$686	-\$51	\$635
3BR / 2BA	\$621	\$0	\$621	-\$62	\$559	3BR / 2BA	\$783	\$0	\$783	-\$62	\$721

Royal Point Apartments, continued

Amenities

In-Unit

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

Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

None

Services

None

Property

Basketball Court
Exercise Facility
Off-Street Parking
Playground

Clubhouse/Meeting
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The contact indicated the property typically maintains a waiting list but no one is waiting at this time. She indicated that all of the vacancies are pre-leased. The contact noted a modest 1.5 percent rent increase for units at 50 percent of AMI and a significant increase of 12 percent for the units at 60 percent of AMI.

Royal Point Apartments, continued

Trend Report

Vacancy Rates

2Q14	3Q14	1Q15	2Q15
4.2%	4.9%	4.2%	2.8%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$537	\$0	\$537	\$486
2014	3	2.8%	\$537	\$0	\$537	\$486
2015	1	0.0%	\$545	\$0	\$545	\$494
2015	2	0.0%	\$545	\$0	\$545	\$494

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	1.4%	\$611	\$0	\$611	\$549
2014	3	0.0%	\$611	\$0	\$611	\$549
2015	1	0.0%	\$621	\$0	\$621	\$559
2015	2	2.8%	\$621	\$0	\$621	\$559

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$611	\$0	\$611	\$560
2014	3	N/A	\$611	\$0	\$611	\$560
2015	1	N/A	\$686	\$0	\$686	\$635
2015	2	N/A	\$686	\$0	\$686	\$635

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$733	\$0	\$733	\$671
2014	3	N/A	\$699	\$0	\$699	\$637
2015	1	N/A	\$783	\$0	\$783	\$721
2015	2	N/A	\$783	\$0	\$783	\$721

Trend: Comments

- 2Q14** The contact indicated higher demand for 50 percent units in the area and while there is no waiting list for these units currently, the contact indicated that there often is.
- 3Q14** The contact indicated higher demand for 50 percent units in the area and while there is no waiting list for these units currently, the contact indicated that there often is one maintained.
- 1Q15** The contact reported a waiting list with five to seven households for the two bedroom units at this time. She noted a modest 1.5 percent rent increase for units at 50 percent of AMI and a sharp increase of 12 percent for the units at 60 percent of AMI. Recent price increases have brought the rents up to the maximum allowable.
- 2Q15** The contact indicated the property typically maintains a waiting list but no one is waiting at this time. She indicated that all of the vacancies are pre-leased. The contact noted a modest 1.5 percent rent increase for units at 50 percent of AMI and a significant increase of 12 percent for the units at 60 percent of AMI.

Royal Point Apartments, continued

Photos



PROPERTY PROFILE REPORT

The Reserve At Sugar Mill

Effective Rent Date	4/22/2015
Location	11115 Colerain Rd St Marys, GA 31558 Camden County
Distance	2.2 miles
Units	70
Vacant Units	2
Vacancy Rate	2.9%
Type	Garden (2 stories)
Year Built/Renovated	1997 / 2013
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Kings Grant, Ashton Cove
Tenant Characteristics	Majority of tenants come from St. Marys and Kingsland, five percent seniors
Contact Name	Reese
Phone	912-673-6588



Market Information

Program	@50%, @60%
Annual Turnover Rate	17%
Units/Month Absorbed	N/A
HCV Tenants	9%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increase of 3.5 to 4.2%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	3	939	\$515	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	3	952	\$515	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	13	939	\$620	\$0	@60%	Yes	1	7.7%	no	None
2	2	Garden (2 stories)	15	952	\$620	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	3	1,161	\$585	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	3	1,174	\$585	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	17	1,161	\$685	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	13	1,174	\$685	\$0	@60%	Yes	1	7.7%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$515	\$0	\$515	\$0	\$515	2BR / 2BA	\$620	\$0	\$620	\$0	\$620
3BR / 2BA	\$585	\$0	\$585	\$0	\$585	3BR / 2BA	\$685	\$0	\$685	\$0	\$685

The Reserve At Sugar Mill, continued

Amenities

In-Unit

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

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

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground

Central Laundry
On-Site Management
Recreation Areas

Premium

None

Other

Splash pad

Comments

The contact reported strong occupancy during the past 12 months and there are 45 households on the waiting list at this time. Both vacancies are pre-leased.

The Reserve At Sugar Mill, continued

Trend Report

Vacancy Rates

2Q14	3Q14	1Q15	2Q15
0.0%	0.0%	0.0%	2.9%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$495	\$0	\$495	\$495
2014	3	0.0%	\$495	\$0	\$495	\$495
2015	1	0.0%	\$515	\$0	\$515	\$515
2015	2	0.0%	\$515	\$0	\$515	\$515

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$565	\$0	\$565	\$565
2014	3	0.0%	\$565	\$0	\$565	\$565
2015	1	0.0%	\$585	\$0	\$585	\$585
2015	2	0.0%	\$585	\$0	\$585	\$585

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$595	\$0	\$595	\$595
2014	3	0.0%	\$595	\$0	\$595	\$595
2015	1	0.0%	\$620	\$0	\$620	\$620
2015	2	3.6%	\$620	\$0	\$620	\$620

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$660	\$0	\$660	\$660
2014	3	0.0%	\$660	\$0	\$660	\$660
2015	1	0.0%	\$685	\$0	\$685	\$685
2015	2	3.3%	\$685	\$0	\$685	\$685

Trend: Comments

- 2Q14** Management is the same as Ashton Cove Apartments. The property underwent an 8.9 million dollar renovation, which equates to \$127,123 per unit. The increase in rent was \$5 for two-bedrooms, \$15 for three-bedrooms at 50 percent AMI, and an \$8 decrease for three-bedrooms at 60 percent AMI. Management stated that a portion of the tenants stayed at the property. Construction began in July 2012 and was completed by January 31st, 2014. During that time all of the available units were leased. Management stated that there are few jobs in the area outside of the military base. She stated that workers at the base are overqualified for affordable housing. The tenants typically work at Walmart or Express Scripts. Traffic for the property has been slow lately.
- 3Q14** Management is the same as Ashton Cove Apartments. The property underwent an 4.3 million dollar renovation, which equates to \$61,500 per unit in hard costs. The increase in rent was \$5 for two-bedrooms, \$15 for three-bedrooms at 50 percent AMI, and an \$8 decrease for three-bedrooms at 60 percent AMI. Management stated that a portion of the tenants stayed at the property. Construction began in July 2012 and was completed by January 31st, 2014. During that time all of the available units were leased. Management stated that there are few jobs in the area outside of the military base. She stated that workers at the base are overqualified for affordable housing. The tenants typically work at Walmart or Express Scripts. Traffic for the property has been slow lately.
- 1Q15** The contact reported strong occupancy during the past 12 months and there are 25 households on the waiting list at this time.
- 2Q15** The contact reported strong occupancy during the past 12 months and there are 45 households on the waiting list at this time. Both vacancies are pre-leased.

The Reserve At Sugar Mill, continued

Photos



PROPERTY PROFILE REPORT

The Village At Winding Road

Effective Rent Date 4/15/2015

Location 301 Carnegie Rd
St. Mary's, GA 31548
Camden County

Distance 0.1 miles

Units 50

Vacant Units 0

Vacancy Rate 0.0%

Type One-story (age-restricted)

Year Built/Renovated 2013 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics 55+, most are retired, many are retired navy personnel, some are from the area and some move from out of state to be near their children

Contact Name Mariah

Phone 912-510-0001



Market Information

Program @50%, @60%

Annual Turnover Rate 3%

Units/Month Absorbed 13

HCV Tenants 8%

Leasing Pace Pre-leased

Annual Chg. in Rent Increase of 5.8 to 11.0%

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water not included

Sewer not included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	3	860	\$425	\$0	@50%	Yes	0	0.0%	no	None
1	1	One-story	13	860	\$440	\$0	@60%	Yes	0	0.0%	no	None
2	2	One-story	5	1,060	\$500	\$0	@50%	Yes	0	0.0%	no	None
2	2	One-story	29	1,060	\$515	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$425	\$0	\$425	\$0	\$425	1BR / 1BA	\$440	\$0	\$440	\$0	\$440
2BR / 2BA	\$500	\$0	\$500	\$0	\$500	2BR / 2BA	\$515	\$0	\$515	\$0	\$515

The Village At Winding Road, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Oven
Refrigerator

Blinds
Central A/C
Ceiling Fan
Hand Rails
Pull Cords
Washer/Dryer

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Recreation Areas

Clubhouse/Meeting
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The waiting list is estimated at over one year in length.

The Village At Winding Road, continued

Trend Report

Vacancy Rates

1Q11	2Q14	2Q15
N/A	4.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$380	\$0	\$380	\$380
2014	2	N/A	\$380	\$0	\$380	\$380
2015	2	0.0%	\$425	\$0	\$425	\$425

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$445	\$0	\$445	\$445
2014	2	N/A	\$445	\$0	\$445	\$445
2015	2	0.0%	\$500	\$0	\$500	\$500

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$410	\$0	\$410	\$410
2014	2	N/A	\$410	\$0	\$410	\$410
2015	2	0.0%	\$440	\$0	\$440	\$440

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$485	\$0	\$485	\$485
2014	2	N/A	\$485	\$0	\$485	\$485
2015	2	0.0%	\$515	\$0	\$515	\$515

Trend: Comments

- 1Q11** Net rents for the Subject will be \$380 and \$445 for the Subject's one- and two-bedroom 50 percent AMI units and \$410 and \$485 for its one- and two-bedroom 60 percent AMI units. Utility allowances will be \$142 and \$180 for a one- and two-bedroom unit, respectively. Gross rents for the Subject are as follows: \$522 and \$625 for a one- and two-bedroom 50 percent AMI unit and \$552 and \$665 for a one- and two-bedroom 60 percent AMI unit.
- 2Q14** The vacancies are preleased. The waiting list is several pages long. Management was unable to estimate the number of households. Management also stated that demand for senior housing in the area is high. The property does accept housing choice vouchers, but management was unable to estimate the number of tenants currently using them. Management also stated that there are two competitors in the area but could not name them.
- 2Q15** The waiting list is estimated at over one year in length.

The Village At Winding Road, continued

Photos



Greenbriar Townhomes, continued

Comments

The property's turnover is primarily based on military transfers which occur in April and November. There is a concession at the property currently to facilitate rapid leasing as new military families just transferred to the area. Four households on are the waiting list currently.

Greenbriar Townhomes, continued

Trend Report

Vacancy Rates

2Q14	3Q14	1Q15	2Q15
0.0%	0.0%	0.0%	0.0%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$665	\$55	\$610	\$610
2014	3	0.0%	\$665	\$20	\$645	\$645
2015	1	0.0%	\$645	\$0	\$645	\$645
2015	2	0.0%	\$665	\$55	\$610	\$610

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$665	\$55	\$610	\$610
2014	3	0.0%	\$665	\$55	\$610	\$610
2015	1	0.0%	\$665	\$55	\$610	\$610
2015	2	0.0%	\$665	\$55	\$610	\$610

Trend: Comments

- 2Q14** There is a rent special at the property currently. Rents for the two and three-bedroom units are typically the same, since they have the same square footage. Rents for military families are typically \$645 as opposed to the \$665 for civilians. There is a waiting list of two households. Turnover is limited to base transfers mainly. The property does not accept Housing Choice Vouchers.
- 3Q14** There is a rent special at the property currently. Rents for the two and three-bedroom units are typically the same, since they have the same square footage. Rents for military families are typically \$645 as opposed to the \$665 for civilians. However, all rents are at the discounted rate currently. There is a waiting list of five households. Turnover is limited to base transfers mainly. The property does not accept Housing Choice Vouchers.
- 1Q15** The contact reported occupancy rates have been stable during the past 12 months. There is currently a rent special on the three-bedroom units, two of which will become vacant at the end of the month.
- 2Q15** The property's turnover is primarily based on military transfers which occur in April and November. There is a concession at the property currently to facilitate rapid leasing as new military families just transferred to the area. Four households are on the waiting list currently.

Photos



PROPERTY PROFILE REPORT

Harbor Pines Apartments

Effective Rent Date	4/10/2015
Location	2000 Harbor Pine Drive St Marys, GA 31558 Camden County
Distance	6.2 miles
Units	200
Vacant Units	8
Vacancy Rate	4.0%
Type	Garden (2 stories)
Year Built/Renovated	1989 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Park Place, Brant Creek
Tenant Characteristics	40% military, 20% senior, families, singles
Contact Name	Kelly
Phone	(912) 882-7330



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	Within 10 days
Annual Chg. in Rent	Increase of 1.8 to 4.0%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	44	750	\$515	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	112	950	\$560	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	44	1,100	\$695	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$515	\$0	\$515	\$0	\$515
2BR / 2BA	\$560	\$0	\$560	\$0	\$560
3BR / 2BA	\$695	\$0	\$695	\$0	\$695

Harbor Pines Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

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

Security

Patrol

Services

None

Property

Basketball Court
Off-Street Parking
Playground
Tennis Court

Clubhouse/Meeting
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The contact could not provide a detailed vacancy breakdown at the property.

Harbor Pines Apartments, continued

Trend Report

Vacancy Rates

2Q14	3Q14	1Q15	2Q15
8.5%	2.5%	2.5%	4.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	27.3%	\$505	\$0	\$505	\$505
2014	3	4.5%	\$505	\$0	\$505	\$505
2015	1	0.0%	\$515	\$0	\$515	\$515
2015	2	N/A	\$515	\$0	\$515	\$515

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	3.6%	\$550	\$0	\$550	\$550
2014	3	1.8%	\$550	\$0	\$550	\$550
2015	1	0.9%	\$550	\$0	\$550	\$550
2015	2	N/A	\$560	\$0	\$560	\$560

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	2.3%	\$695	\$0	\$695	\$695
2014	3	2.3%	\$695	\$0	\$695	\$695
2015	1	9.1%	\$695	\$0	\$695	\$695
2015	2	N/A	\$695	\$0	\$695	\$695

Trend: Comments

2Q14	Management could not comment on leasing pace or turnover. The property updates appliances as needed.
3Q14	N/A
1Q15	The contact reported three of the vacant units are preleased at this time.
2Q15	The contact could not provide a detailed vacancy breakdown at the property.

Harbor Pines Apartments, continued

Photos



PROPERTY PROFILE REPORT

Mission Forest Apartments

Effective Rent Date	4/10/2015
Location	999 Mission Trace Dr St Marys, GA 31558 Camden County
Distance	1.9 miles
Units	104
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1986 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Park Place, Harbor Pines, Camden Way
Tenant Characteristics	65-70% military; Majority singles or families, 5% seniors
Contact Name	Brenda
Phone	(912) 882-4444



Market Information

Program	Market
Annual Turnover Rate	52%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None
Concession	\$200 off first month's rent

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	750	\$515	\$17	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	88	950	\$575	\$17	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$515	\$17	\$498	\$0	\$498
2BR / 2BA	\$575	\$17	\$558	\$0	\$558

Amenities

In-Unit	Security	Services
Blinds	None	None
Central A/C		
Dishwasher		
Garbage Disposal		
Refrigerator		
Washer/Dryer hookup		
Carpeting		
Coat Closet		
Ceiling Fan		
Oven		
Walk-In Closet		
Property	Premium	Other
Clubhouse/Meeting	None	None
Off-Street Parking		
Picnic Area		
Sauna		
Central Laundry		
On-Site Management		
Playground		
Swimming Pool		

Mission Forest Apartments, continued

Comments

The property has a flat fee for water. It is \$30 on the one-bedroom units and \$50 on the two-bedroom units. High turnover is due to a majority of tenants in the military.

Mission Forest Apartments, continued

Trend Report

Vacancy Rates

2Q14	3Q14	1Q15	2Q15
3.8%	1.0%	1.9%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	6.2%	\$515	\$16	\$499	\$499
2014	3	0.0%	\$515	\$43	\$472	\$472
2015	1	0.0%	\$515	\$17	\$498	\$498
2015	2	0.0%	\$515	\$17	\$498	\$498

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	3.4%	\$575	\$16	\$559	\$559
2014	3	1.1%	\$575	\$48	\$527	\$527
2015	1	2.3%	\$575	\$17	\$558	\$558
2015	2	0.0%	\$575	\$17	\$558	\$558

Trend: Comments

2Q14	The property has a flat fee for water. It is 30 dollars on the one-bedroom units and 50 dollars on the two-bedroom units. High turnover is due to a majority of tenants working at the military base.
3Q14	The property has a flat fee for water. It is \$30 on the one-bedroom units and \$50 on the two-bedroom units. High turnover is due to a majority of tenants working at the military base.
1Q15	The property has a flat fee for water. It is \$30 on the one-bedroom units and \$50 on the two-bedroom units. High turnover is due to a majority of tenants in the military.
2Q15	N/A

Mission Forest Apartments, continued

Photos



PROPERTY PROFILE REPORT

Park Place

Effective Rent Date	4/10/2015
Location	11919 Colerain Rd St Marys, GA 31558 Camden County
Distance	2.9 miles
Units	200
Vacant Units	7
Vacancy Rate	3.5%
Type	Garden (2 stories)
Year Built/Renovated	1988 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Brant Creek, Harbor Pines, Hickory Plantation
Tenant Characteristics	90% military, Camden Cty Medical Center, schools, police department; Avg is 4 person HH; 5% senior
Contact Name	Chelsea
Phone	(912) 673-6001



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increase of 6.5 to 10.2%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	32	700	\$769	\$0	Market	No	0	0.0%	N/A	AVG
1	1	Garden (2 stories)	0	700	\$870	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (2 stories)	0	700	\$738	\$0	Market	No	0	N/A	N/A	LOW
2	1	Garden (2 stories)	68	950	\$815	\$0	Market	No	7	10.3%	N/A	AVG
2	1	Garden (2 stories)	0	950	\$859	\$0	Market	No	0	N/A	N/A	HIGH
2	1	Garden (2 stories)	0	950	\$771	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (2 stories)	68	950	\$803	\$0	Market	No	0	0.0%	N/A	AVG
2	2	Garden (2 stories)	0	950	\$837	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (2 stories)	0	950	\$768	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (2 stories)	32	1,100	\$959	\$0	Market	Yes	0	0.0%	N/A	AVG
3	2	Garden (2 stories)	0	1,100	\$1,022	\$0	Market	Yes	0	N/A	N/A	HIGH
3	2	Garden (2 stories)	0	1,100	\$896	\$0	Market	Yes	0	N/A	N/A	LOW

Park Place, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$738 - \$870	\$0	\$738 - \$870	\$0	\$738 - \$870
2BR / 1BA	\$771 - \$859	\$0	\$771 - \$859	\$0	\$771 - \$859
2BR / 2BA	\$768 - \$837	\$0	\$768 - \$837	\$0	\$768 - \$837
3BR / 2BA	\$896 - \$1,022	\$0	\$896 - \$1,022	\$0	\$896 - \$1,022

Amenities

In-Unit

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Oven
Vaulted Ceilings
Washer/Dryer hookup

Carpeting
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Walk-In Closet

Security

Patrol

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management
Tennis Court

Exercise Facility
Off-Street Parking
Swimming Pool

Premium

None

Other

Fishing pond, walking path

Comments

She could not estimate turnover rate but stated it was not as high as it has been in previous years due to the high military tenancy. There is a short waiting list for three-bedroom units.

Park Place, continued

Trend Report

Vacancy Rates

2Q14	3Q14	1Q15	2Q15
10.5%	4.0%	4.5%	3.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$702 - \$801	\$0	\$702 - \$801	\$702 - \$801
2014	3	N/A	\$622 - \$688	\$0	\$622 - \$688	\$622 - \$688
2015	1	0.0%	\$686 - \$868	\$0	\$686 - \$868	\$686 - \$868
2015	2	0.0%	\$738 - \$870	\$0	\$738 - \$870	\$738 - \$870

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$654 - \$715	\$0	\$654 - \$715	\$654 - \$715
2014	3	N/A	\$740 - \$815	\$0	\$740 - \$815	\$740 - \$815
2015	1	4.4%	\$760 - \$809	\$0	\$760 - \$809	\$760 - \$809
2015	2	10.3%	\$771 - \$859	\$0	\$771 - \$859	\$771 - \$859

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$726 - \$779	\$0	\$726 - \$779	\$726 - \$779
2014	3	N/A	\$827 - \$881	\$0	\$827 - \$881	\$827 - \$881
2015	1	5.9%	\$809 - \$858	\$0	\$809 - \$858	\$809 - \$858
2015	2	0.0%	\$768 - \$837	\$0	\$768 - \$837	\$768 - \$837

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$729 - \$956	\$0	\$729 - \$956	\$729 - \$956
2014	3	N/A	\$754 - \$911	\$0	\$754 - \$911	\$754 - \$911
2015	1	6.2%	\$860 - \$1,013	\$0	\$860 - \$1,013	\$860 - \$1,013
2015	2	0.0%	\$896 - \$1,022	\$0	\$896 - \$1,022	\$896 - \$1,022

Trend: Comments

- 2Q14** Management stated that rent ranges based on occupancy and rents change daily. Management also stated that occupancy is low because there has been a shift in employment at the naval base. The base has transferred many employees and some employees contracts have ended. A large majority of tenants work at the base. Management expects to be 98 percent occupied within the next few months. Management was unable to estimate turnover and stated that leasing pace depends on the apartment type. Management also believes that housing demand in the area is average.
- 3Q14** Management stated that rent ranges based on occupancy and rents change daily. A large majority of tenants work at the base. Management was unable to estimate turnover and stated that leasing pace depends on the apartment type. Management also believes that housing demand in the area is average.
- 1Q15** The contact reported current occupancy has been typical for most of the past year. She could not estimate turnover rate but stated it was not as high as it has been in previous years due to the high military tenancy.
- 2Q15** She could not estimate turnover rate but stated it was not as high as it has been in previous years due to the high military tenancy. There is a short waiting list for three-bedroom units.

Photos



PROPERTY PROFILE REPORT

Pelican Point Apartments

Effective Rent Date	4/10/2015
Location	1 Pelican Point St Mary's, GA 31558 Camden County
Distance	4.8 miles
Units	56
Vacant Units	2
Vacancy Rate	3.6%
Type	Garden (2 stories)
Year Built/Renovated	1987 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Camden Way, Mission Forest, Harbor Pines
Tenant Characteristics	Approximately 30% seniors, 10-15% military
Contact Name	Lisa
Phone	(912) 673-6301



Market Information

Program	Market
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Increase of 1.7 to 2.0%
Concession	Reduced app fees

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	24	560	\$490	\$0	Market	No	2	8.3%	N/A	None
2	2	Garden (2 stories)	32	1,000	\$590	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$490	\$0	\$490	-\$41	\$449
2BR / 2BA	\$590	\$0	\$590	-\$51	\$539

Amenities

In-Unit
Balcony/Patio
Carpeting
Dishwasher
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Oven
Walk-In Closet

Security
None

Services
None

Property
Central Laundry
On-Site Management

Off-Street Parking
Playground

Premium
None

Other
None

Pelican Point Apartments, continued

Comments

The contact indicated that recent turnover was due to evictions. The contact indicated that many people are looking for affordable housing in the area.

Pelican Point Apartments, continued

Trend Report

Vacancy Rates

2Q14	3Q14	1Q15	2Q15
7.1%	0.0%	3.6%	3.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	8.3%	\$480	\$0	\$480	\$439
2014	3	0.0%	\$480	\$0	\$480	\$439
2015	1	0.0%	\$490	\$0	\$490	\$449
2015	2	8.3%	\$490	\$0	\$490	\$449

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	6.2%	\$580	\$0	\$580	\$529
2014	3	0.0%	\$580	\$0	\$580	\$529
2015	1	6.2%	\$590	\$0	\$590	\$539
2015	2	0.0%	\$590	\$0	\$590	\$539

Trend: Comments

2Q14	Management is the same as Old Jefferson. Management stated that one tenant who has been at the property for several years uses a housing choice voucher. There are no other tenants using vouchers because rents are too high. Management also stated that Pelican Point is typically 100 percent occupied. She stated that demand has been low lately. The property is waiving the application fee and will also waive the deposit if the tenant has a high credit score. Three of the vacancies are preleased. Two will be rented by May first and the other by the end of May.
3Q14	Management is the same as Old Jefferson. Management stated that one tenant who has been at the property for several years uses a housing choice voucher. There are no other tenants using vouchers because rents are too high. Management also stated that Pelican Point is typically 100 percent occupied.
1Q15	N/A
2Q15	The contact indicated that recent turnover was due to evictions. The contact indicated that many people are looking for affordable housing in the area.

Pelican Point Apartments, continued

Photos



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

Housing Choice Vouchers

The following table illustrates the percentage of Housing Choice Voucher tenants at the comparable properties.

TENANTS WITH VOUCHERS			
Comparable Property	Type	Tenancy	Housing Choice Voucher Tenants
Ashton Cove Apartments	LIHTC	Mixed	17%
Kings Grant Apartments	LIHTC	Family	30%
Royal Point Apartments	LIHTC	Family	13%
The Reserve At Sugar Mill	LIHTC	Family	9%
The Village At Winding Road	LIHTC	Senior	8%
Greenbriar Townhomes	Market	Family	0%
Harbor Pines Apartments	Market	Family	2%
Mission Forest Apartments	Market	Family	2%
Park Place	Market	Family	0%
Pelican Point Apartments	Market	Family	2%
Average			8%

The voucher usage at the comparable properties ranges from zero to 30 percent. Voucher usage among the LIHTC properties ranges from eight to 30 percent. None of the comparable LIHTC properties reported an elevated percentage of Housing Choice Voucher tenants. The voucher usage at the comparable senior properties is eight and 17 percent. The first phase of the Subject’s development, The Village at Winding Road, reported the lowest voucher usage of all of the LIHTC comparables. The voucher usage in the local market appears to be low. As a LIHTC property, we anticipate the Subject will operate with a voucher usage of less than 20 percent.

Lease Up History

We were able to obtain absorption information from two comparable properties, illustrated following. Note that we have included one additional property that was excluded from our competitive analysis but were leased more recently than the remainder of the comparable properties.

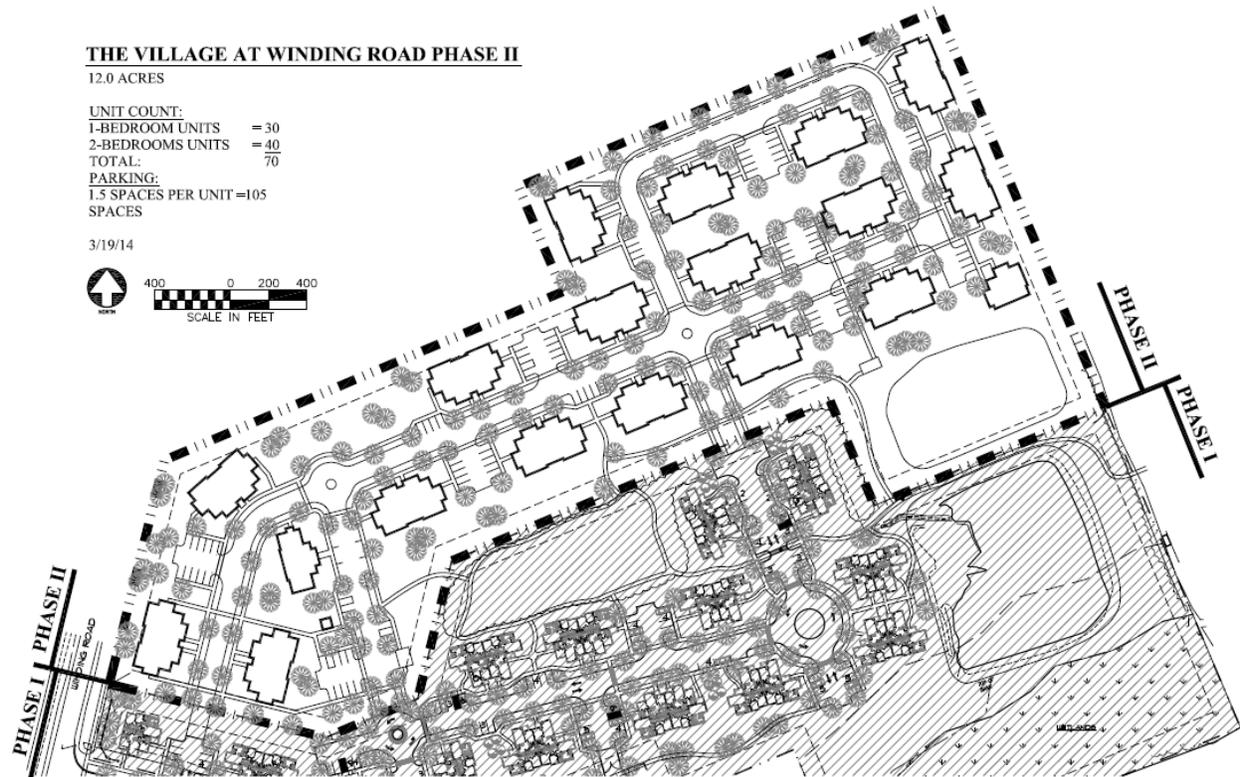
ABSORPTION						
Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month	
The Village at Winding Road	LIHTC	Senior	2013	50	13	
Caney Heights	LIHTC	Family	2012	28	6	
Kings Grant Apartments	LIHTC	Family	2009	60	12	

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Village at Winding Road, the first phase of the Subject’s development, was the most recent LIHTC property completed in the PMA. This property experienced an absorption period of four months, indicating an absorption rate of 13 units per month. Caney Heights is a family property that opened in 2012. This development was excluded from our analysis as it only offers three and four-bedroom units. This property experienced an absorption period of five months indicating an absorption rate of six units per month. We believe the Subject will experience a more rapid absorption pace than this comparable as larger unit types are usually slower to lease. Kings Grant Apartments, a family development, opened in 2009 and experienced an absorption period of five

months, indicating an absorption rate of 12 units per month. We believe the Subject will experience a similar absorption rate to The Village at Winding Road and Kings Grant Apartments. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable senior housing in St. Marys, we anticipate that the Subject will absorb 13 units per month, for an absorption period of five months.

Phased Developments

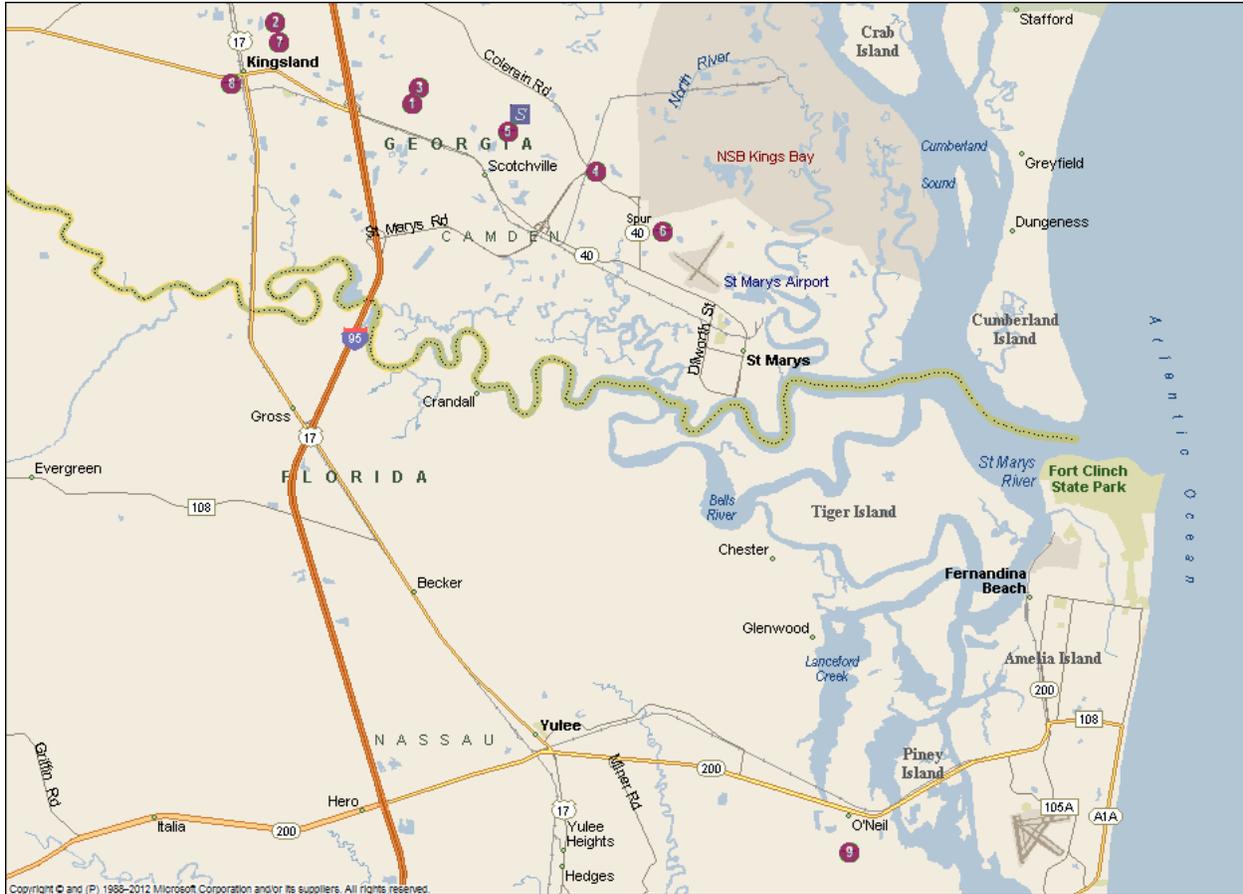
The Subject will be the second phase of the multi-phase redevelopment of The Village at Winding Road. The first phase of this development contains 50 senior units and has been included as a comparable in this report. The following map illustrates the existing and planned phases of the Subject.



Rural Areas

The Subject is located in a rural area; however, existing competitive rental supply is sufficient from which to draw conclusions.

3. Competitive Project Map



COMPETITIVE PROPERTIES

#	Property Name	Program	Tenancy	Reason for Exclusion	Distance from
1	Ashton Cove Apartments	@45%, @50%	Mixed	Included	2.7 miles
2	Kings Grant Apartments	@50%, @60%	Family	Included	6.3 miles
3	Royal Point Apartments	@50%, @60%	Family	Included	2.7 miles
4	The Reserve At Sugar Mill	@50%, @60%	Family	Included	2.2 miles
5	The Village At Winding Road	@50%, @60%	Senior	Included	0.1 miles
6	Old Jefferson Estates	@50%, @60%	Family	Dis similar bedroom types	4.7 miles
7	Caney Heights	@50%, @60%	Family	Dis similar bedroom types	6.3 miles
8	Clarks Bluff Road	LIHTC	Family	Too few units	5.5 miles
9	Nassau Club Apartments	@60, Market	Family	More comparable properties available	22.5 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.

UNIT MATRIX REPORT

	The Village At Winding Road II	Ashton Cove Apartments	Kings Grant Apartments	Royal Point Apartments	The Reserve At Sugar Mill	The Village At Winding Road	Greenbriar Townhomes	Harbor Pines Apartments	Mission Forest Apartments	Park Place	Pelican Point Apartments
Comp#	Subject	1	2	3	4	5	6	7	8	9	10
Property Information											
Property Type	One-story (age-restricted)	Garden	Garden (2 stories)	Garden (3 stories)	Garden (2 stories)	One-story (age-restricted)	Townhouse (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)
Year Built / Renovated	2017 / n/a	1999 / n/a	2009 / n/a	2000 / n/a	1997 / 2013	2013 / n/a	1993 / 2009	1989 / n/a	1986 / n/a	1988 / n/a	1987 / n/a
Market (Conv./Subsidy Type)	@50%, @60%	@45%, @50%	@50%, @60%	@50%, @60%	@50%, @60%	@50%, @60%	Market	Market	Market	Market	Market
Utility Adjustments											
Cooking	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	yes	yes	no	no	no	no	no	no	yes
Sewer	no	no	yes	yes	no	no	no	no	no	no	yes
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
In-Unit Amenities											
Balcony/Patio	yes	yes	no	no	yes	yes	yes	yes	no	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	yes	no	yes	yes	no	yes	no
Ceiling Fan	yes	yes	yes	yes	yes	yes	no	no	yes	yes	no
Garbage Disposal	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Hand Rails	yes	no	no	no	no	yes	no	no	no	no	no
Microwave	yes	no	yes	no	no	yes	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	no	no	no	no	yes	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes
Washer/Dryer	yes	no	no	no	yes	yes	no	yes	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities											
Basketball Court	no	no	yes	yes	no	no	no	yes	no	no	no
Business Center/Computer Lab	yes	no	yes	no	no	yes	no	no	no	no	no
Clubhouse/Community Room	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	no
Exercise Facility	yes	no	no	yes	yes	yes	no	no	no	yes	no
Central Laundry	no	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Playground	no	yes	yes	yes	yes	no	no	yes	yes	yes	yes
Sauna	no	no	no	no	no	no	no	no	yes	no	no
Swimming Pool	no	yes	yes	yes	no	no	yes	yes	yes	yes	no
Tennis Court	no	no	no	no	no	no	no	yes	no	yes	no
Security											
Patrol	no	no	yes	no	no	no	no	yes	no	yes	no
Other Amenities											
Other	n/a	n/a	n/a	n/a	Splash pad	n/a	n/a	n/a	n/a	Walking path	n/a

The Subject will offer generally superior in-unit amenities in comparison to the LIHTC and market rate comparable properties and similar property amenities. The Subject will offer a business center, community room and exercise facility, which many of the comparables will lack. However, the Subject will lack a swimming pool which is offered at several of the

comparable developments. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the senior LIHTC market.

5. Senior Tenancy

The Subject will target senior households aged 55 and older. The Village at Winding Road, the first phase of the Subject’s development, is the only senior property in the PMA that does not operate with an additional subsidy. However, Ashton Cove Apartments is a mixed-tenancy property that has 32 units reserved for seniors. Due to the lack of additional senior properties within the PMA, we have included three family LIHTC comparables and five market rate family comparable developments. The following table illustrates the approximate percent of senior tenants at the surveyed properties.

SENIOR TENANCY		
Comparable Property	Type	Tenant Characteristics
Ashton Cove Apartments	LIHTC	44%
Kings Grant Apartments	LIHTC	5%
Royal Point Apartments	LIHTC	2%
The Reserve At Sugar Mill	LIHTC	5%
The Village At Winding Road	LIHTC	100%
Greenbriar Townhomes	Market	N/A
Harbor Pines Apartments	Market	20%
Mission Forest Apartments	Market	5%
Park Place	Market	5%
Pelican Point Apartments	Market	30%

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Ashton Cove Apartments	@45%, @50%	Mixed	72	0	0.0%
Kings Grant Apartments	@50%, @60%	Family	60	2	3.3%
Royal Point Apartments	@50%, @60%	Family	144	4	2.8%
The Reserve At Sugar Mill	@50%, @60%	Family	70	2	2.9%
The Village At Winding Road	@50%, @60%	Senior	50	0	0.0%
Greenbriar Townhomes	Market	Family	72	0	0.0%
Harbor Pines Apartments	Market	Family	200	8	4.0%
Mission Forest Apartments	Market	Family	104	0	0.0%
Park Place	Market	Family	200	7	3.5%
Pelican Point Apartments	Market	Family	56	2	3.6%
LIHTC Total			396	8	2.0%
Market Total			632	17	2.7%
Total			1028	25	2.4%

Overall vacancy in the market is low at 2.4 percent. Total LIHTC vacancy is even lower at 2.0 percent. None of the LIHTC comparables have reported an elevated vacancy rate. Three LIHTC properties reported some vacancies. However, management at Royal Point Apartments and The Reserve at Sugar Mill indicated that all of their vacancies have been pre-leased. This indicates

that of the LIHTC developments surveyed; only two vacancies have been reported. Additionally, three of these properties reported maintaining waiting lists. The Reserve at Sugar Mill reported a waiting list of 45 households. Ashton Cove Apartments, a mixed-tenancy development, and The Village at Winding Road, the first phase of the Subject's development and senior property; both reported extensive waiting lists lasting over one year in length or containing upwards of 250 households. This indicates that demand for affordable housing in the area is high, particularly age-restricted housing.

The market rate vacancy rate ranges from zero to four percent, averaging 2.7 percent, which is considered low. There are a total of 17 vacant market rate units among the comparable properties. The majority of the market rate properties reported strong demand for rental housing in the market. Overall, we believe the conventional market is strong based on the low average vacancy rate.

We anticipate that the Subject will perform similarly to The Village at Winding Road and will maintain a vacancy rate of five percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable housing in the local market. Additionally, the Subject will target seniors, and relatively few seniors have been reported at the family LIHTC comparables, indicating a new senior development will not impact their performance.

7. Properties Under Construction and Proposed

No properties have been allocated tax credits in the PMA since 2011. However, in 2011, two properties were allocated tax credits. The first phase of the Subject, The Village at Winding Road opened in early 2013 and stabilized after a period of four months. The 50 senior units at this development have been deducted from our demand analysis. The other property allocated tax credits in 2011 is The Reserve at Sugar Mill, which has also been included as a comparable property. This property was originally constructed as Ashton Pines at Sugar Mill in 1997. However, this property was renovated with tax credits in 2013 and renamed. These units have not been deducted from our demand analysis as they target family households. The property additionally remained mostly occupied during renovations.

We additionally contacted the St. Marys Planning Department regarding any under construction or proposed developments, of which there are none at this time.

8. Rental Advantage

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

SIMILARITY MATRIX

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Ashton Cove Apartments	@45%, @50%	Slightly Inferior	Inferior	Similar	Slightly Inferior	Inferior	-30
2	Kings Grant Apartments	@50%, @60%	Similar	Inferior	Similar	Similar	Inferior	-20
3	Royal Point Apartments	@50%, @60%	Similar	Inferior	Similar	Slightly Inferior	Slightly Inferior	-20
4	The Reserve At Sugar Mill	@50%, @60%	Slightly Inferior	Similar	Similar	Similar	Inferior	-15
5	The Village At Winding Road	@50%, @60%	Similar	Similar	Similar	Similar	Similar	0
6	Greenbriar Townhomes	Market	Inferior	Inferior	Similar	Slightly Inferior	Superior	-15
7	Harbor Pines Apartments	Market	Similar	Slightly Inferior	Similar	Inferior	Inferior	-25
8	Mission Forest Apartments	Market	Slightly Inferior	Inferior	Similar	Inferior	Inferior	-35
9	Park Place	Market	Slightly Superior	Inferior	Similar	Inferior	Inferior	-25
10	Pelican Point Apartments	Market	Inferior	Inferior	Similar	Inferior	Inferior	-40

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

The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following table.

LIHTC Rent Comparison - @50%

Property Name	1BR	2BR
The Village At Winding Road II (Subject)	\$435	\$510
2014 LIHTC Maximum (Net)	\$444	\$522
Ashton Cove Apartments	\$400	\$473
Kings Grant Apartments	-	\$479
Royal Point Apartments	-	\$494
The Reserve At Sugar Mill	-	\$515
The Village At Winding Road	\$425	\$500
Average (excluding Subject)	\$413	\$492

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR
The Village At Winding Road II (Subject)	\$450	\$520
2014 LIHTC Maximum (Net)	\$561	\$663
Kings Grant Apartments	-	\$593
Royal Point Apartments	-	\$635
The Reserve At Sugar Mill	-	\$620
The Village At Winding Road	\$440	\$515
Average (excluding Subject)	\$440	\$591

All of the comparable properties were built in 2013 or earlier. The AMI in Camden County for 2014 is the highest level the county has ever experienced. Therefore, none of the comparable properties have been “held harmless.” All of the comparables will operate with the same maximum allowable income and rent limits as the Subject’s proposed income and rent limits. Per the Georgia DCA 2014 guidelines, the market study analyst must use the maximum rent and income limits from the same year as the utility allowance. The GA DCA utility allowance is effective as of 7/1/2014; therefore, we have utilized the 2014 maximum income and rent limits.

Only one of the comparable properties, Ashton Cove Apartments, has reported achieving rents at the 2014 maximum allowable rent level. However, the rents at this property appear to be below the maximum allowable levels. This is most likely due to differences in this property’s utility structure and allowance from the Subject’s proposed utility structure and allowance. None of the remaining comparables have reported rents at the maximum allowable level.

The Village at Winding Road and The Reserve at Sugar Mill are considered the most comparable LIHTC properties to the Subject. The Subject will be age-restricted similar to The Village at Winding Road, the first phase of the Subject, which is located adjacent to the Subject site. The Subject will offer a similar in-unit amenity package and community amenities to The Village at Winding Road. This development was built in 2013 and exhibits excellent condition. The Subject will be completed in 2017 and will exhibit excellent condition upon completion. Therefore, the Subject will exhibit a similar condition upon completion but will still represent the newest development in the area. The Subject will offer the same one-story design and same unit sizes as the first phase of the development. Overall, the Subject will be considered similar to The Village at Winding Road. This development has reported no vacancies and a waiting list upwards of one year in length. Based on the similarity of design and the reported high demand at the first phase of the development, we believe the Subject can achieve rents above those currently offered at The Village at Winding Road.

The Reserve at Sugar Mill, which is located 2.2 miles from the Subject, is considered slightly inferior to the proposed Subject. The unit sizes at The Reserve at Sugar Mill are inferior to the proposed unit sizes at the Subject, which demonstrates the competitiveness of the Subject’s proposed unit sizes. The Subject will offer slightly superior property amenities since The Reserve at Sugar Mill lacks a business center, which will be offered at the Subject. The Subject will offer similar in-unit amenities to The Reserve at Sugar Mill as this property offers exterior storage, which the Subject will lack, but not offer microwaves, which the Subject is proposed to offer. The Reserve at Sugar Mill was built in 1997 but was extensively renovated in 2013 and exhibits excellent condition. The Subject will be completed in 2017 and will exhibit excellent condition upon completion, similar to this property. The Subject will offer a one-story design, which is generally considered superior to the garden-style design that The Reserve at Sugar Mill offers. The Reserve at Sugar Mill has reported some senior tenants, indicating seniors are capable of paying the rents at this property. The property is fully leased and has reported a waiting list of 45 households. This indicates that higher rents are likely achievable. The Subject’s proposed rents are lower than the current rents at this property and therefore we believe them to be achievable.

The comparable LIHTC properties are exhibiting a weighted average vacancy rate of 2.0 percent, which is considered low. Additionally, no vacancies have been reported in age-restricted units and the most comparable developments to the Subject are fully leased. Three of the LIHTC

comparables are operating with extensive waiting lists with up to 250 households on the lists or an estimated wait time of one year. We believe the low vacancy rate and existence of waiting lists at the comparable properties demonstrates demand for affordable senior housing in the market. We believe the Subject is feasible as proposed, particularly due to the lack of other affordable age-restricted housing in the PMA.

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%	\$435	\$400	\$769	\$499	12.9%
2 BR @ 50%	\$510	\$473	\$815	\$581	12.2%
1 BR @ 60%	\$450	\$440	\$769	\$534	15.8%
2 BR @ 60%	\$520	\$515	\$815	\$625	16.8%

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. All of the Subject’s proposed rents are within the surveyed range of LIHTC and market rents. Park Place is achieving the highest one and two-bedroom market rents in the market.

The Subject will be superior to Park Place as a market rate property. Park Place is achieving the highest one and two-bedroom rents in the market. Park Place was built in 1988 and exhibits average condition, which is inferior to the anticipated condition of the Subject upon completion. This development’s garden-style design is also considered inferior to the Subject’s one-story design. Park Place is located 2.9 miles from the Subject site and offers a similar location. Park Place offers inferior in-unit amenities compared to the Subject’s proposed floor plans for lacking a microwave and in-unit washers and dryers. However, Park Place’s community amenities are

considered superior to the Subject’s proposed community amenity package which will lack a swimming pool, tennis court and basketball court. The one-bedroom rents at Park Place are more than 41 percent higher than the proposed 60 percent rents at the Subject and the two-bedroom rents are more than 36 percent higher than the proposed 60 percent rents at the Subject. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

9. LIHTC Competition – DCA Funded Properties within the PMA

No properties have been allocated tax credits in the PMA since 2011. However, in 2011, two properties were allocated tax credits. The first phase of the Subject, The Village at Winding Road opened in early 2013 and stabilized after a period of four months. The 50 senior units at this development have been deducted from our demand analysis. The other property allocated tax credits in 2011 is The Reserve at Sugar Mill, which has also been included as a comparable property. This property was originally constructed as Ashton Pines at Sugar Mill in 1997. However, this property was renovated with tax credits in 2013 and renamed. These units have not been deducted from our demand analysis as they target family households. The property additionally remained mostly occupied during renovations.

We additionally contacted the St. Marys Planning Department regarding any under construction or proposed developments, of which there are none at this time.

10. Rental Trends in the PMA

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

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	9,339	84.4%	1,732	15.6%
2010	14,811	83.7%	2,877	16.3%
2015	17,139	82.6%	3,612	17.4%
Projected Mkt Entry December 2017	18,564	82.1%	4,058	17.9%
2019	19,497	81.8%	4,350	18.2%

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

Owner-occupied housing units dominate the PMA. However, the percent of senior renter-occupied housing in the PMA is higher than the national average of approximately 13 percent. The percentage of renter-occupied units is expected to increase slightly through 2019.

Historical Vacancy

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

CHANGE IN VACANCY RATES

Comparable Property	Type	Total Units	1QTR 2011	2QTR 2012	2QTR 2014	3QTR 2014	1QTR 2015	2QTR 2015
Ashton Cove Apartments	LIHTC	72	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kings Grant Apartments	LIHTC	60	5.00%	16.70%	11.70%	13.30%	5.00%	3.30%
Royal Point Apartments	LIHTC	144	11.10%	11.10%	4.20%	4.90%	4.20%	2.80%
The Reserve At Sugar Mill	LIHTC	70	N/A	N/A	0.00%	0.00%	0.00%	2.90%
The Village At Winding Road	LIHTC	50	N/A	N/A	4.00%	N/A	N/A	0.00%
Greenbriar Townhomes	Market	72	5.60%	N/A	0.00%	0.00%	0.00%	0.00%
Harbor Pines Apartments	Market	200	30.00%	18.00%	8.50%	2.50%	2.50%	4.00%
Mission Forest Apartments	Market	104	5.80%	6.70%	3.80%	1.00%	1.90%	0.00%
Park Place	Market	200	18.80%	N/A	10.50%	4.00%	4.50%	3.50%
Pelican Point Apartments	Market	56	N/A	8.90%	7.10%	0.00%	3.60%	3.60%

As illustrated in the table, we were able to obtain historical vacancy rates at all of the comparable properties for several quarters in the past four years. In general, the comparable properties have seen vacancy rates decrease over the past several years. Kings Grant Apartments has reported lower vacancy rates in the past two quarters than seen in the past several years. The manager at this property attributed to this improvement in vacancy to new management, as previous management kept poor records. Vacancy has also improved at Royal Point Apartments and the contact has indicated that the property no operates at times with a waiting list. The remaining LIHTC comparables have historically reported low vacancy rates. The market rate comparables have also reported improving vacancy rates over the past several years. The decreasing vacancy rates, particularly among the LIHTC properties, indicates high demand for affordable housing in the area.

Change in Rental Rates

The following table illustrates rental rate increases as reported by the comparable properties.

RENT GROWTH

Comparable Property	Rent Structure	Tenancy	Rent Growth
Ashton Cove Apartments	@45%, @50%	Mixed	None
Kings Grant Apartments	@50%, @60%	Family	Increase of 1.4 to 1.9%
Royal Point Apartments	@50%, @60%	Family	Increase of 1.5 to 12.2%
The Reserve At Sugar Mill	@50%, @60%	Family	Increase of 3.5 to 4.2%
The Village At Winding Road	@50%, @60%	Senior	Increase of 5.8 to 11.0%
Greenbriar Townhomes	Market	Family	None
Harbor Pines Apartments	Market	Family	Increase of 1.8 to 4.0%
Mission Forest Apartments	Market	Family	None
Park Place	Market	Family	Increase of 6.5 to 10.2%
Pelican Point Apartments	Market	Family	Increase of 1.7 to 2.0%

Four of the comparable LIHTC properties and three of the market rate properties reported rent increases. The LIHTC properties reported increases ranging from one to 12 percent. The market rate comparables reported increased of two to 10 percent. The AMI in Camden County has increased since 2013, which has allowed for many comparables to increase rents annually. The Subject’s units will all have rents set below the maximum allowable levels, indicating that rents will not be directly dependent upon increases in the AMI.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac.com statistics, one in every 2,893 housing units is in some stage of foreclosure as of March 2015. Camden County is experiencing foreclosure rate of one in every 1,702 housing units, while Georgia experienced one in every 1,085 housing units, and the nation experienced one foreclosure in every 1,082 housing units. The foreclosure rate within the PMA is much lower than the national average, which indicates a healthy local housing market.

12. Primary Housing Void

The Village at Winding Road, a recently constructed, age-restricted, LIHTC property in St. Marys maintains a waiting list that is estimated one year in length. Additionally, Ashton Cove Apartments and The Reserve at Sugar Mill maintain extensive waiting lists. The reported absorption pace of the most recent subsidized senior property, The Village at Winding Roads and extensive waiting lists at several LIHTC properties indicate a need for additional affordable units in the market. All of the Subject's units will operate with tax credits and the Subject's units will help to fill the housing void in the market.

13. Affect of Subject on Other Affordable Units in Market

There are no proposed LIHTC developments in the PMA. There is only one senior development and one mixed-tenancy development, both of which have reported extensive waiting lists. We believe there is adequate demand for the addition of the Subject within the market. The vacancy rate among the existing LIHTC comparables is low at 2.0 percent and the properties have historically maintained a low vacancy rate. Three of the five comparable LIHTC properties maintain waiting lists. Additionally, the one senior LIHTC property and one mixed-tenancy property have reported extensive waiting lists. Given the significant number of applicants on these waiting lists coupled with the low vacancy rates at the LIHTC properties, we do not believe that it will negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are performing well, with a weighted vacancy rate of 2.0 percent. Additionally, a majority of the comparable LIHTC properties maintain waiting lists, with particularly extensive waiting lists maintained at the properties offering senior units. The Village at Winding Road, the first phase of the Subject's development, is the most similar LIHTC property and is 100 percent occupied with a waiting list of one year in length. The Subject will offer generally similar to superior in-unit amenities in comparison to the LIHTC and market rate comparable properties and slightly superior property amenities. The Subject will offer microwaves, in-unit washers and dryers, walk-in closets, a business center, community room and exercise facility which several of the comparable properties lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered similar to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties and offer an advantage in the market. In general, the Subject will be slightly superior to superior to the comparable properties. Due to the low vacancy rates at the comparables, the waiting lists present in the market, and the reported demand for additional affordable senior housing in the Subject's market area, we believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

We were able to obtain absorption information from two comparable properties, illustrated following. Note that we have included one additional property that was excluded from our competitive analysis but were leased more recently than the remainder of the comparable properties.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
The Village at Winding Road	LIHTC	Senior	2013	50	13
Caney Heights	LIHTC	Family	2012	28	6
Kings Grant Apartments	LIHTC	Family	2009	60	12

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Village at Winding Road, the first phase of the Subject’s development, was the most recent LIHTC property completed in the PMA. This property experienced an absorption period of four months, indicating an absorption rate of 13 units per month. Caney Heights is a family property that opened in 2012. This development was excluded from our analysis as it only offers three and four-bedroom units. This property experienced an absorption period of five months indicating an absorption rate of six units per month. We believe the Subject will experience a more rapid absorption pace than this comparable as larger unit types are usually slower to lease. Kings Grant Apartments, a family development, opened in 2009 and experienced an absorption period of five months, indicating an absorption rate of 12 units per month. We believe the Subject will experience a similar absorption rate to The Village at Winding Road and Kings Grant Apartments. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable senior housing in St. Marys, we anticipate that the Subject will absorb 13 units per month, for an absorption period of five months.

J. INTERVIEWS

Georgia Department of Community Affairs, Waycross Regional Office

We spoke with Mr. Pat McNally, Section 8 Office Manager for the Georgia Department of Community Affairs (DCA) Section 8 Department, to gather information pertaining to the use of Housing Choice Vouchers. Mr. McNally was unable to report how many Housing Choice Vouchers are in use in Camden County. Mr. McNally stated that due to budget cuts, the Georgia DCA is not currently issuing additional vouchers, and added that there are no applicants on the waiting list as it is closed indefinitely. The payment standards for Camden County are listed below.

Payment Standards	
1BR	\$575
2BR	\$778

Payment standards for the county are 90 percent of FMR. The Subject’s current HAP contract rents are below the current payment standards.

Planning

We spoke with Ms. Michelle Woods of the St. Marys Planning Department. According to Ms. Woods, there are no multifamily projects proposed within the PMA. Based on our online research, there are no new market rate multifamily projects under construction within the PMA.

City of St. Marys Economic Development Department

We attempted to contact the City of St. Marys Economic Development Department. However, our calls were not returned. According to a CBS Jacksonville news report, a large scale, \$300 million theme park is being constructed in incorporated Kingsland, approximately 6.9 miles from the Subject. The theme park, called EPIC Adventures Resort at Kingsland, will provide a water park, amusement park, convention center, a number of hotels and sport fields to the area. Construction began in January of 2015 and is expected to be complete by May of 2017. The development will create 1,300 direct jobs in the area. The economy in Camden County already attracts a substantial amount of tourists and this attraction would greatly increase this industry for years to come.

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

K. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- The general population in the PMA experienced a significant population increase from 2000 to 2015 and is projected to continue to increase albeit at a slightly slower rate through 2019. In comparison, the general population in the SMA increased at a slightly slower rate and is projected to continue to increase through 2019. The senior population in the PMA and the SMA increased drastically from 2000 to 2015, while the senior population in the nation experienced slightly slower growth. Through 2019, the senior population in the PMA is expected to continue to grow at a strong pace similar to the SMA and the nation. We believe the strong growth of the senior population in the PMA is a positive indication of demand for the Subject's proposed age-restricted units. Approximately 30 percent of the population in the PMA will be age 55 and older by the projected market entry date of December 2017. The total number of senior households in the PMA increased 6.0 percent from 2000 to 2010. Over the same period of time, the total number of senior households in the SMA increased 4.3 percent, which is faster than the growth in the nation. Senior household growth slowed slightly from 2010 to 2015 in the PMA and will continue to slow through 2019. Senior household growth in the PMA will continue to outpace the SMA and the nation through 2019.

Senior households earning under \$30,000 in the PMA comprise 52.7 percent of all income cohorts. The Subject will target households earning between \$17,550 and \$30,000, therefore, the Subject should be well-positioned to service this market.

Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target. We believe the expected senior population and household growth in the PMA bodes well for the Subject's proposed units.

- Accommodation/food services, health care/social assistance, and retail trade are the largest industries within the PMA. Combined they represent approximately 33.5 percent of total employment within the PMA. In general, the area is not overly reliant on a single industry. The PMA is overrepresented in the accommodation/food services, public administration, and construction industries, relative to the nation. Comparatively, the health care/social assistance, professional/scientific/tech services, and manufacturing are underrepresented in the PMA.

Since 2011, total employment in the SMA has continued to increase, but as of February 2015, total employment in the SMA is still five percent below peak pre-recession employment. From February 2014 to February 2015 total employment in the SMA increased 1.7 percent. In comparison, the nation has experienced a 2.1 percent increase in total employment over the same period of time. The unemployment rate in the SMA has remained elevated since 2010, relative to the national unemployment rate. The unemployment rate in the SMA peaked in 2010 at 10.6 percent and has since declined to 6.2 percent as of February 2015. The unemployment rate in the nation also peaked in 2010 at 9.6 percent and has since declined to 5.8 percent. Overall, the local economy appears slightly weaker than the national economy. However, we do not expect the slightly underperforming local economy to affect the performance of the Subject because the Subject will target seniors age 55 and older.

- The Subject’s capture rates at the 50 and 60 percent AMI level will range from 7.0 to 19.8 percent, with an overall capture rate of 25.4 percent. Therefore, we believe there is adequate demand for the Subject.
- We were able to obtain absorption information from two comparable properties, illustrated following. Note that we have included one additional property that was excluded from our competitive analysis but were leased more recently than the remainder of the comparable properties.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
The Village at Winding Road	LIHTC	Senior	2013	50	13
Caney Heights	LIHTC	Family	2012	28	6
Kings Grant Apartments	LIHTC	Family	2009	60	12

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Village at Winding Road, the first phase of the Subject’s development, was the most recent LIHTC property completed in the PMA. This property experienced an absorption period of four months, indicating an absorption rate of 13 units per month. Caney Heights is a family property that opened in 2012. This development was excluded from our analysis as it only offers three and four-bedroom units. This property experienced an absorption period of five months indicating an absorption rate of six units per month. We believe the Subject will experience a more rapid absorption pace than this comparable as larger unit types are usually slower to lease. Kings Grant Apartments, a family development, opened in 2009 and experienced an absorption period of five months, indicating an absorption rate of 12 units per month. We believe the Subject will experience a similar absorption rate to The Village at Winding Road and Kings Grant Apartments. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable senior housing in St. Marys, we anticipate that the Subject will absorb 13 units per month, for an absorption period of five months.

- Overall vacancy in the market is low at 2.4 percent. Total LIHTC vacancy is even lower at 2.0 percent. None of the LIHTC comparables have reported an elevated vacancy rate. Three LIHTC properties reported some vacancies. However, management at Royal Point Apartments and The Reserve at Sugar Mill indicated that all of their vacancies have been pre-leased. This indicates that of the LIHTC developments surveyed; only two vacancies have been reported. Additionally, three of these properties reported maintaining waiting lists. The Reserve at Sugar Mill reported a waiting list of 45 households. Ashton Cove Apartments, a mixed-tenancy development, and The Village at Winding Road, the first phase of the Subject’s development and senior property; both reported extensive waiting lists lasting over one year in length or containing upwards of 250 households. This indicates that demand for affordable housing in the area is high, particularly age-restricted housing.

The market rate vacancy rate ranges from zero to four percent, averaging 2.7 percent, which is considered low. There are a total of 17 vacant market rate units among the comparable properties. The majority of the market rate properties reported strong demand

for rental housing in the market. Overall, we believe the conventional market is strong based on the low average vacancy rate.

We anticipate that the Subject will perform similarly to The Village at Winding Road and will maintain a vacancy rate of five percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable housing in the local market. Additionally, the Subject will target seniors, and relatively few seniors have been reported at the family LIHTC comparables, indicating a new senior development will not impact their performance.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are performing well, with a weighted vacancy rate of 2.0 percent. Additionally, a majority of the comparable LIHTC properties maintain waiting lists, with particularly extensive waiting lists maintained at the properties offering senior units. The Village at Winding Road, the first phase of the Subject's development, is the most similar LIHTC property and is 100 percent occupied with a waiting list of one year in length. The Subject will offer generally similar to superior in-unit amenities in comparison to the LIHTC and market rate comparable properties and slightly superior property amenities. The Subject will offer microwaves, in-unit washers and dryers, walk-in closets, a business center, community room and exercise facility which several of the comparable properties lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered similar to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties and offer an advantage in the market. In general, the Subject will be slightly superior to superior to the comparable properties. Due to the low vacancy rates at the comparables, the waiting lists present in the market, and the reported demand for additional affordable senior housing in the Subject's market area, we believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

Recommendations

- We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP
5-8-2015
Date



Edward R. Mitchell
Senior Real Estate Analyst
Novogradac & Company LLP
5-8-2015
Date



Lauren Smith
Researcher
Novogradac & Company LLP
5-8-2015
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.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP
5-8-2015
Date



Edward R. Mitchell
Senior Real Estate Analyst
Novogradac & Company LLP
5-8-2015
Date



Lauren Smith
Researcher
Novogradac & Company LLP
5-8-2015
Date

N. QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No 4206 – State of Kentucky
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1101008 – State of Washington
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

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. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

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

H. Blair Kincer

Qualifications

Page 3

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.
- 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.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

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 proposed 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

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

LAUREN E. SMITH

I. Education

Trinity College, Hartford, CT
Bachelor of Arts in American Studies and Art History, *cum laude*

II. Professional Experience

Real Estate Researcher, *Novogradac & Company LLP*, August 2013 – Present

Campaign Intern, *John Larson for U.S. Congress*, September 2012- November 2012

Communications Directorate Intern, *U.S. Census Bureau*, June 2011 – August 2011

III. Real Estate Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing market studies and appraisals of proposed and existing Low-Income Housing Tax credit (LIHTC) properties
- Conduct preliminary property screenings, market analysis, comparable rent surveys, and demand analysis of competitive LIHTC properties and market rate properties operating in the target market area
- Analyze and research economic trends such as unemployment, average wages, median income levels, and demand for low income housing in the target market area.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and housing choice voucher information