



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

**AVALON APARTMENTS
3751 Cusseta Road
Columbus, Muscogee County, Georgia 31903**

DCA Project Number- 2007-0

**Effective Date: August 22, 2007
Report Date: August 31, 2007**

Prepared For

**Ms. Christie Cade
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Prepared By

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**NOVOGRADAC
& COMPANY LLP**
CERTIFIED PUBLIC ACCOUNTANTS

August 31, 2007

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

Re: Market Study for Avalon Apartments in Columbus, Georgia

Dear Ms. Cade:

At your request, Novogradac & Company, LLP performed a study of the multifamily rental market in the Columbus, Muscogee County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the Avalon Apartments.

The purpose of this market study is to assess the viability of Avalon Apartments, a proposed multifamily housing development consisting of 232 units. The Subject units will be restricted to households earning 60 percent of the Area Median Income (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, 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.

The National Council of Affordable Housing Market Analysts (NCAHMA) is a professional organization chartered to promote the development of high quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCAHMA has compiled model content standards for market studies. This report generally conforms to those standards. Any slight modifications or departures from those standards are considered incidental and result from client specific needs.

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

Respectfully submitted,



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Novogradac & Company LLP



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ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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A. EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

Subject Property Overview: Avalon Apartments (Subject) is a proposed multifamily apartment community. The Subject site is located at 3751 Cusseta Road in Columbus, Muscogee County, Georgia.

The Subject will consist of 232 one-, two-, three-, and four-bedroom units restricted to tenants earning 60 percent of AMI or less. There will be 54 one-bedrooms, 60 two-bedrooms, 80 three-bedrooms, and 38 four-bedrooms divided into twelve residential buildings, all of which will be two-story walk-up garden style buildings. The buildings will feature hardiplank siding and brick or stone exterior.

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

Development Location: The Subject site is located at 3751 Cusseta Road, Columbus, Muscogee County, Georgia.

Occupancy Type: This project will be a family development.

Target Income Group: The Subject will be restricted to households earning 60 percent of AMI or less. The maximum allowable income for a these units is \$33,900, which is the maximum for a six person family at 60 percent AMI.

Special Population Target: None.

Proposed Rents, Unit Mix, Utility Allowance:

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
		<i>60% AMI</i>				
1BR/1BA	54	\$476	\$72	\$548	\$548	\$498
2BR/2BA	60	\$569	\$88	\$657	\$657	\$570
3BR/2BA	80	\$646	\$113	\$759	\$759	\$758
4BR/2BA	38	\$711	\$136	\$847	\$847	\$897
Total	232					

Notes (1) Source of Utility Allowance Developer

Inspection Date: August 22, 2007.

Market Conclusions: The PMA, MSA, and the nation are experiencing population and household growth. The MSA and nation are experiencing moderate growth while the PMA experiences slight growth. This trend is projected to continue for the foreseeable future. However, because the recently announced addition of approximately 11,023 new military, civilian, and contractor personnel to be stationed at Fort Benning, a realignment for which the above demographics do not reflect, we do not believe the future demographic projections are accurate. These projections do not reflect the recent BRAC realignment recommendations which will result in 11,023 new military, civilian, and contractor personnel and their families to be realigned to Fort Benning in Columbus, Georgia. Overall, the realignment will result in an estimated direct population increase of 32,985 persons between 2007 and 2011 according to Tiffani Cunningham from the Greater Columbus Chamber of Commerce.

The Columbus MSA has a stable economy with increasing total employment and decreasing unemployment. Total employment in the Columbus MSA increased over the better part of the past 14 years. According to Tony Adam's article dated May 7, 2006, "Surrounding Areas Anticipate Job, Population Increases" published in the *Columbus Ledger-Enquirer*, "this year's projected three percent employment growth rate will make Columbus the hottest job performer out of all 14 of Georgia's major metro areas, including Atlanta, which is projected to grow less than two percent." Despite a recent increase in 2005, the unemployment rate in the Columbus MSA has declined through the second quarter of 2007 and over the better part of the past 14 years. Furthermore, historically the unemployment rate for the Columbus MSA has been below that of the nation for the majority of the past 14 years. The largest sector is the services sector, followed by the manufacturing, retail trade, and insurance/finance sectors. The local economy appears stable and the relatively low-paying jobs offered in the retail trade and accommodation/food services sectors are expected to generate demand for affordable housing in the PMA. In addition, the recent expansion announcement by Aflac, the massive future increase in troops at Fort Benning as a result of the 2005 BRAC recommendations, and the opening of the Kia Motors plant in West Point, will all contribute to the unprecedented growth which is projected in the region throughout the next five to ten years.

Capture Rates: The Subject's capture rates will range from nine to 31 percent, with an overall capture rate of 15 percent. The capture rate for the three-bedroom units is considered high. However, the number of

households does not take into account the significant increase in population that Fort Benning and other economic factors (Aflac expansion). We expect this to have a tremendous impact on the population and household demographics in Columbus. Further, it should be noted that there are no vacant three-bedroom units at the comparable properties, both LIHTC and market rate.

**Projected Absorption
Period:**

Property managers at three of the LIHTC properties were able to report absorption, Midtown Square, Springfield Crossing, and Victory Crossing. Midtown Square reported an absorption rate of 16 units per month, or nine months. Springfield Crossing reported a 10 month absorption phase, or 20 units per month. Victory Crossing reported that they reached stabilization in six months, or 28 units per month. We expect that the Subject will have a similar absorption rate to these properties, whose absorption rates average 21 units per month. Therefore, we estimate that the Subject will have an absorption rate of 10 to 12 months, or 19 to 23 units per month.

Comparable Properties:

Vacancy rates in the market range from 0.0 to 17.0 percent, averaging 5.9 percent. Johnston Mill Lofts experienced the highest vacancy rate due to a recent deployment of military personnel from Fort Benning. All of Johnston Mill Lofts' vacancies are market rate units. This is also a recent occurrence due to its historical vacancy being less than four percent over the past year. Most property managers at the LIHTC properties indicated that they stay 100 percent occupied and vacant units are typically leased immediately due to the presence of waiting lists. This is indicative of a healthy and possible supply constrained market. The properties that are the most comparable to the Subject, Victory Crossing, Springfield Crossing, and Midtown Square, are 100 percent occupied. Thus, the Subject property should have little difficulty attracting tenants. Therefore, we expect the Subject to maintain a minimum vacancy rate of five percent or less.

Unit Mix/Rents/Size:

The Subject will have an advantage in unit mix, particularly for the one- and four-bedroom units, because the three newest LIHTC properties do not offer one-bedroom units and only two comparables offer four-bedroom units. The Subject's unit sizes overall are smaller than the average but within the range and will be considered competitive in the market area.

Amenity Conclusions:

The Subject's proposed amenity package is superior to the majority of the comparable properties. The Subject will offer a cyber café, walking trails, and billiard room, which are not offered at any other comparable property. The Subject will also have a

clubhouse, business center, swimming pool, cabana, picnic areas, playgrounds, fitness room, and controlled access gates, which are offered at only some of the comparable properties.

Proximity to Local Services:

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

Local Distances from Services		
Map #	Name	Distance (in miles)
1	Muscogee Elementary School	0.5 miles
2	Baker Middle School	0.7 miles
3	Carver High School	2.1 miles
4	Circle K Grocer	0.4 miles
5	Doctor's Hospital	3.9 miles
6	CVS	1.4 miles
7	Columbus METRA Transit – Route 2 Bus Stop	1.1 miles
8	Cross Country Plaza Shopping	4.4 miles
9	Columbus Police Department	0.9 miles
10	Benning Park	1.2 miles

Market Strengths:

Strengths of the Subject will include common area amenities. We believe that there is ample demand for the Subject based on the low vacancy rates at the comparable properties and the future economic growth.

Market Study Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as conceived. The Subject will be superior to the majority of the existing housing stock and will offer a competitive amenity package. The low vacancy bodes well for the Subject’s units. Further, the historical vacancy in the market area has been low in recent years, despite increases in supply.

The Subject’s proposed LIHTC rents are below the average for all bedroom types. The Subject will be significantly superior to the market rate properties, with exception of the market rate units at Johnston Mill Lofts, which represent the maximum market rents. All other market rate properties are older (built in the 1970s) and offer limited amenities. The lowest rents among the market rate properties are at Hannah Heights and Sherwood Arms. Both of these properties were built in the early 1970s and have signs of deferred maintenance. Hannah Heights offers a slightly superior in-unit amenity package as it offers washer/dryer in-units. However, this property does not offer a clubhouse, business center, picnic area, or walking trails. Sherwood Arms does not offer a

clubhouse, business center, walking trails, picnic area, or washer/dryer hook-ups. Therefore, the Subject should be able to achieve higher rents when compared to these properties. Overall, the Subject as new construction will be significantly superior to all market-rate properties surveyed with the exception of Johnston Mill Lofts.

The following tables are required by DCA and summarize our overall market conclusions.

DCA CONCLUSION TABLE

Unit Size	Income Limits	Units Proposed	Total Demand	Additions to Supply	Net Demand	Capture Rate	Absorption	Median Market Rent	Proposed Rent
1BR	60% AMI	54	611	7	604	9%	10-12 months	\$484	\$476
2BR	60% AMI	60	746	251	495	12%	10-12 months	\$576	\$569
3BR	60% AMI	80	497	240	257	31%	10-12 months	\$751	\$646
4BR	60% AMI	38	179	7	172	22%	10-12 months	\$916	\$711

OVERALL DEMAND

Proposed Project Capture Rate ALL Units	15%
Proposed Project Stabilization Period	10-12 months

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Our description of the improvements is based on information provided by the developer. Avalon Apartments (Subject) is a proposed multifamily development that will be new construction. The Subject property will consist of 232 one-, two-, three-, and four-bedroom units. We assume that the following information is accurate.

Project Address and

Development Location: The Subject is located at 3751 Cusseta Road. This is located in the southern portion of Columbus.

Construction Type: New Construction.

Occupancy Type: Family.

Special Population Target: None.

**Proposed Rents, Unit Mix,
Utility Allowance:**

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
		<i>60% AMI</i>				
1BR/1BA	54	\$476	\$72	\$548	\$548	\$498
2BR/2BA	60	\$569	\$88	\$657	\$657	\$570
3BR/2BA	80	\$646	\$113	\$759	\$759	\$758
4BR/2BA	<u>38</u>	\$711	\$136	\$847	\$847	\$897
Total	232					

Notes (1) Source of Utility Allowance Developer

Unit Size: The following table details the unit mix and unit sizes for the Subject.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Gross Area
1BR/1BA	54	750	40,500
2BR/2BA	60	980	58,800
3BR/2BA	80	1,200	96,000
<u>4BR/2BA</u>	<u>38</u>	1,400	<u>53,200</u>
Total	232		248,500

Structure Type: The Subject will be newly constructed. The exterior of the buildings will be brick or stone and hardi-plank siding. All

twelve residential buildings will be two-story walk-up garden style buildings.

Existing or Proposed

Project Based Rental Assistance: None.

Unit Amenities:

The Subject will include a refrigerator, oven/range, dishwasher, disposal, patio, vaulted ceilings, sunrooms, walk-in closets, carpeting and vinyl flooring, blinds, washer/dryer hook-ups, and central air.

Community Amenities:

The Subject will offer a clubhouse with a billiard room, fitness room, cyber café, business center, swimming pool, cabana, walking trails, open green-space, playground, gazebo/picnic area, central laundry, off-street parking, perimeter fencing with controlled access gates, and on-site management.

Parking:

There are will be ample surface parking for the residents.

Placed in Service Date:

The projected placed in service date will be 4th Quarter 2008.

Conclusion:

The Subject appears to have an adequate unit mix for the targeted population group. We believe that the recommended unit amenities and the proposed community amenities are adequate and will attract residents to the property.

C. SITE EVALUATION

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

Date of Site Visit: August 22, 2007.

Frontage: The Subject site has frontage along Cusseta Road.

Topography: The site is level.

Visibility/Views: The Subject is located near the intersection of Fort Benning Road and Old Cusseta Road. The Subject site is currently vacant land which was previously a mobile home park and is heavily wooded with mature trees. Views and visibility are considered good. Views to the north are of wooded land. Views to the west, east, and south are of retail and commercial uses. The Subject will have good visibility from Cusseta Road.

North: Immediately north of the Subject is vacant wooded land. There are railroad tracks further north and northeast of the Subject site but the Subject will be separated from the tracks by a densely wooded area.

South: Immediately south of the Subject is the intersection of Cusseta Road and Fort Benning Road. This area is designated as an Enterprise Zone to encourage the new development of business opportunities. This area currently consists of small locally-owned businesses such as auto shops and gas stations. There is Ply Mart at this intersection, which is a full-service building material dealer whose building is in good condition. There are also vacant commercial buildings scattered throughout the area.

Benning Park is approximately 1.2 miles south of the Subject down Fort Benning Road. This site is an enterprise zone owned by the city to encourage new business development. On the south end of the park, there is the Benning Park Super Center is a community center, which opened in 2001. This includes baseball fields, tennis courts, football field, racquetball courts, basketball court, a playground, exercise facilities with aerobic classes and a weight room. The center offers several activities from pool tables, community room and kitchen, ping pong tables, and arts and crafts.

East: Immediately east of the Subject is vacant wooded land. Southeast of the Subject are single-family homes in poor to good condition and the American Legion.

West: Immediately west of the Subject is a small retail center, which is approximately 80 percent occupied. The center includes a bar and a used tire shop. Northwest of the Subject are more retail and a community church.

Neighborhood Photos:

The following are pictures of the surrounding neighborhood.



Subject



Subject



Moble Homes- Northeast



Mobile Homes - Northeast



Retail - East



Retail - East



American Legion - Southeast



Country Village - Southeast



Baker Village - South



Single Family Home - South



Gas Station - South



Grocery Store - West



Retail – Immediately West



Single Family Home - Northwest

Access and Traffic Flow:

The Subject site is located on the southeast side of Cusseta Road. Access and traffic flow are considered to be good.

Layout and Curb Appeal:

The proposed Subject will have an open layout and an above-average curb appeal.

Zoning of Surrounding Area:

The Subject site is currently zoned as RMF2 which allows for multifamily with a maximum density of 16.5 units per acre. The Subject will be a compatible use.

Road/Infrastructure

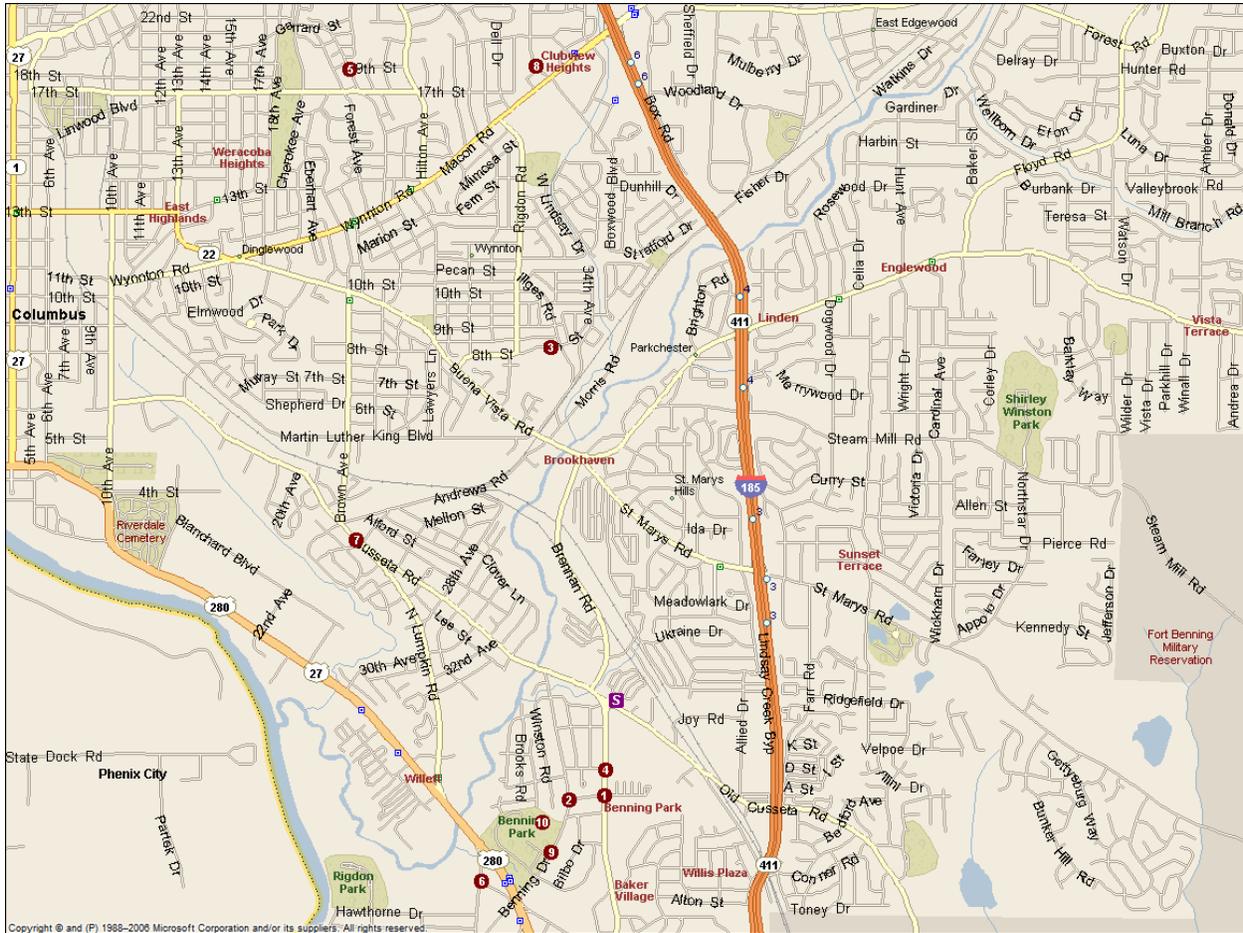
Proposed Improvements:

We witnessed no road/infrastructure improvements in the immediate vicinity of the Subject.

Proximity to Local Services:

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

Avalon Apartments, Columbus, GA; Market Study



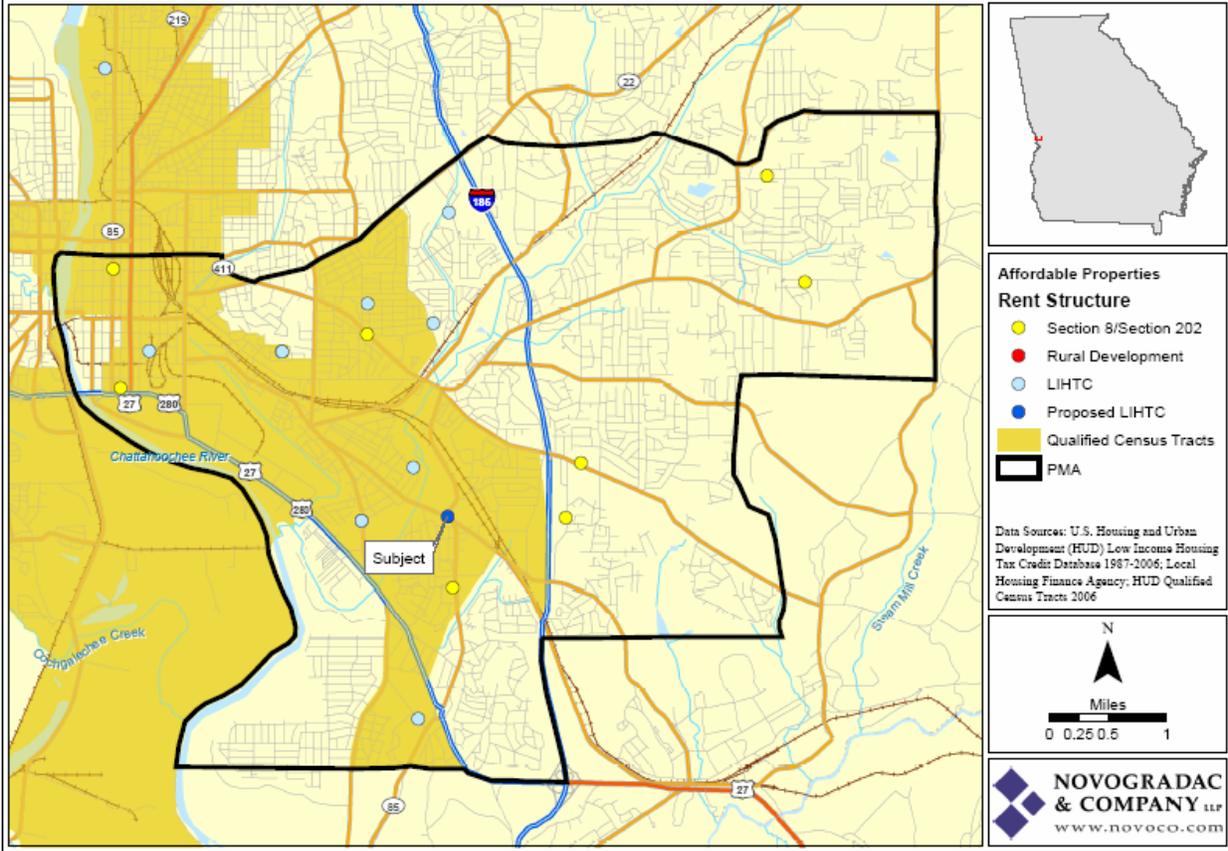
Local Distances from Services

Map #	Name	Distance (in miles)
1	Muscogee Elementary School	0.5 miles
2	Baker Middle School	0.7 miles
3	Carver High School	2.1 miles
4	Circle K Grocer	0.4 miles
5	Doctor's Hospital	3.9 miles
6	CVS	1.4 miles
7	Columbus METRA Transit – Route 2 Bus Stop	1.1 miles
8	Cross Country Plaza Shopping	4.4 miles
9	Columbus Police Department	0.9 miles
10	Benning Park	1.2 miles

Subsidized Property Map:

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

Affordable Properties and QCTs in the Columbus, GA PMA



Avalon Apartments, Columbus, GA; Market Study

Name	Type	Tenancy	Color	Included/Excluded	Reason for Exclusion	
Columbus Villas	Section 8	Family		Excluded	Tenants pay 30% of income	
Columbus Gardens	Section 8	Elderly		Excluded	Tenants pay 30% of income	
Hunter Haven	Section 8	Elderly		Excluded	Tenants pay 30% of income	
Point East	Section 8	Family		Excluded	Tenants pay 30% of income	
Ralston Towers	Section 8	Family		Excluded	Tenants pay 30% of income	
Renaissance Village	Section 8	Family		Excluded	Tenants pay 30% of income	
Saint Mary's Woods	Section 8	Elderly		Excluded	Tenants pay 30% of income	
Baker Village	Section 8	Family		Excluded	Tenants pay 30% of income	
James L Fay, Jr	LIHTC	Family			Excluded	2 units - Not comparable
Thirty-Second Ave	LIHTC	Family			Excluded	6 units - Not comparable
Washington Ave	LIHTC	Family	Excluded		3 units - Not comparable	
Nina Street	LIHTC	Family	Excluded		2 units - Not comparable	
McLeod Square	LIHTC	Family	Excluded		Unable to contact	
Liberty Garden Townhomes	LIHTC	Family	Included		Included	
Midtown Square	LIHTC	Family	Included		Included	
Springfield Crossing	LIHTC	Family	Included		Included	
Johnston Mill Lofts	LIHTC	Family	Included		Included	
Victory Crossing	LIHTC	Family	Included		Included	
Eagle Trace	LIHTC	Family	Included	Included		
Avalon Apartments	LIHTC	Family		Subject	Subject	

Detrimental Influences:

There are no significant detrimental influences. The site is bound by railroad tracks to the north and northeast but the Subject will be separated by a wooded area.

Environmental Concerns:

None visible upon site inspection.

Conclusion:

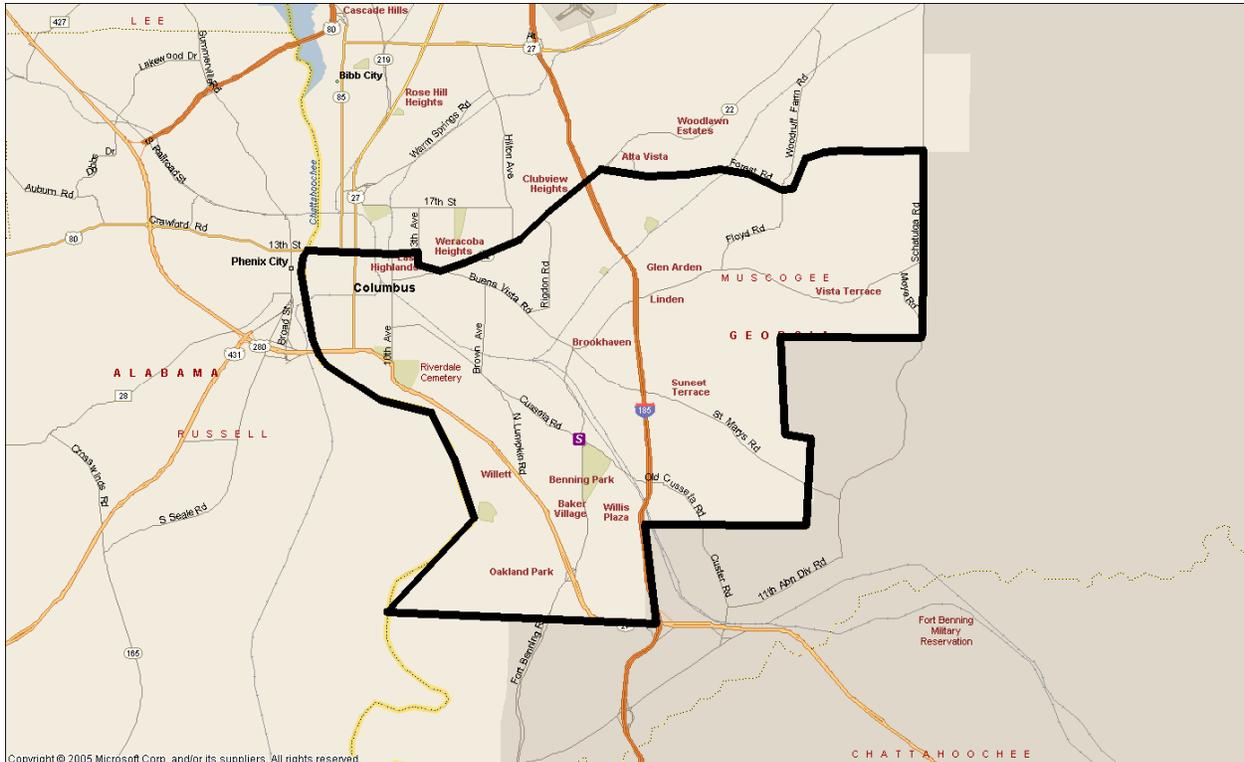
The Subject is located in a predominantly commercial and retail area in southern Columbus and is within close proximity to major arteries and local services. The Subject will offer good visibility and curb appeal. The Subject's proposed construction will further create a positive impact upon the neighborhood by creating quality, affordable housing in the area. Overall, the community presents a good location for an affordable, multifamily development.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



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

The PMA is defined as the southern portion of the City of Columbus. The boundaries of the PMA are the state line to the west, Fort Benning to the south and west, and Wynnton/Macon/Forest Road to the north. This area was defined based on interviews with a member of the Columbus Planning Department, the local housing authority, and a visual inspection of the neighborhoods. Furthermore, the determination of this market area was influenced by conversations with surveyed property managers. Many property managers indicated that their tenants are generally from Muscogee County. We believe that the majority of the tenants will be from the southern portion of Columbus. Because of this, we believe the Subject will have moderate leakage from outside the PMA. We have estimated that 25 percent of the tenant’s will come from outside these boundaries.

Neighborhood Analysis

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

Location and Boundaries

The Subject site is currently vacant land. The previous use was a mobile home park. The site is heavily wooded with mature trees. Views and visibility are considered good. The Subject is located near the intersection of Fort Benning Road and Old Cusseta Road. Views to the north are of wooded land. Views to the west, east, and south are of retail and commercial uses. The Subject will have good visibility from Cusseta Road.

North: Immediately north of the Subject is vacant wooded land. There are railroad tracks further north and northeast of the Subject site but the Subject will be separated from the tracks by wooded area.

South: Immediately south of the Subject is the intersection of Cusseta Road and Fort Benning Road. This area is designated as an Enterprise Zone to encourage the new development of business opportunities. This area currently consists of small locally-owned businesses such as auto shops and gas stations. There is Ply Mart at this intersection, which is a full-service building material dealer whose building is in good condition. There are also vacant commercial buildings scattered throughout the area.

Benning Park is approximately 1.2 miles south of the Subject down Fort Benning Road. This site is an enterprise zone owned by the city to encourage new business development. On the south end of the park, there is the Benning Park Super Center is a community center, which opened in 2001. This includes baseball fields, tennis courts, football field, racquetball courts, basketball court, a playground, exercise facilities with aerobic classes and a weight room. The center offers several activities from pool tables, community room and kitchen, ping pong tables, and arts and crafts.

East: Immediately east of the Subject is vacant wooded land. Southeast of the Subject are single-family homes in poor to good condition and the American Legion.

West: Immediately west of the Subject is a small retail center, which is approximately 80 percent occupied and in poor condition. The center includes a bar and a used tire shop. Northwest of the Subject are more retail and a community church.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction. The southern and western sections of the City of Columbus are considered to be the primary market area and the Columbus MSA is considered to be the secondary market area. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. Historic and estimated data will be presented for years 1990, 2000, 2007 and 2012. Data has also been projected for 4th Quarter 2008, the year in which the Subject is expected to begin operation.

The PMA has a large military population; the census counts military personnel as residents where they spend most of their time. In this case, the personnel stationed at Fort Benning are counted as part of the population of the PMA and MSA. Any growth or contraction in the base population will have a direct effect on population growth in the PMA and MSA. Therefore, the recently announced addition of approximately 11,023 new military, civilian, and contractor personnel to be stationed at Fort Benning proves extremely positive for future population growth projections. It should be noted that in light of this realignment we do not believe the future demographic projections in the following tables are accurate. These projections do not reflect the recent BRAC realignment recommendations which will result in 11,023 new military, civilian, and contractor personnel and their families to be realigned to Fort Benning in Columbus, Georgia. Overall the realignment will result in an estimated direct population increase of approximately 33,000 persons between 2007 and 2011. This will have a significant impact on the current population estimates provided below.

General Population

The table below illustrates general population trends in the MSA, PMA, and nation from 1990 through 2012.

POPULATION

Year	Columbus, GA-AL MSA		PMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	266,450	-	79,936	-	248,709,873	-
2000	281,768	0.57%	77,811	-0.27%	281,421,906	1.32%
2007	291,341	0.47%	76,605	-0.21%	306,348,230	1.22%
Prj Mrkt Entry						
4th Q 2008	294,098	0.52%	76,486	-0.08%	313,380,225	1.25%
2012	298,859	0.52%	76,281	-0.08%	325,526,398	1.25%

Source: ESRI Business Demographics 2007; Novogradac & Company LLP - August 2007

All three areas of analysis exhibit stable population growth with the exception of the PMA, which shows a minor decrease from 2008 to 2012. However, the projected population change in both the PMA and MSA do not take into account the three major expansions of Kia Motors, Fort Benning, and Aflac.

Population by Age Group

The following table illustrates the population of the MSA, PMA, and nation by age cohort.

POPULATION BY AGE IN 2007

Age Cohort	Columbus, GA-AL MSA		PMA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	21,136	7.25%	5,854	7.64%	21,101,877	6.89%
5-9	19,164	6.58%	5,255	6.86%	20,013,692	6.53%
10-14	20,017	6.87%	6,015	7.85%	20,957,712	6.84%
15-19	21,921	7.52%	5,978	7.80%	21,749,732	7.10%
20-24	24,919	8.55%	6,158	8.04%	21,522,844	7.03%
25-29	22,019	7.56%	5,921	7.73%	20,487,629	6.69%
30-34	19,788	6.79%	4,895	6.39%	19,972,294	6.52%
35-39	18,579	6.38%	4,497	5.87%	21,249,628	6.94%
40-44	20,457	7.02%	5,268	6.88%	22,969,406	7.50%
45-49	21,237	7.29%	5,991	7.82%	23,594,627	7.70%
50-54	19,033	6.53%	5,200	6.79%	21,241,775	6.93%
55-59	16,367	5.62%	3,967	5.18%	18,770,822	6.13%
60-64	12,491	4.29%	2,935	3.83%	14,310,380	4.67%
65-69	9,417	3.23%	2,465	3.22%	10,715,500	3.50%
70-74	8,350	2.87%	2,394	3.13%	8,617,190	2.81%
75-79	7,016	2.41%	1,816	2.37%	7,474,294	2.44%
80-84	4,927	1.69%	1,112	1.45%	5,920,722	1.93%
85+	4,503	1.55%	886	1.16%	5,678,106	1.85%
Total	291,341	100.0%	76,605	100%	306,348,230	100%

Source: ESRI Business Demographics 2007; Novogradac & Company LLP - August 2007

The MSA and the PMA's population by age cohort roughly mirror that of the nation. However, the MSA and PMA have a greater percentage of residents ages 0 to 34 than the nation, which bodes well for future economic growth in the area. The MSA, PMA, and nation have approximately 51, 52, and 48 percent of residents ages 0 to 34.

General Household Trends

The following table is a summary of the total households in the MSA, PMA, and nation from 1990 to 2012.

HOUSEHOLDS

Year	Columbus, GA-AL MSA		PMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	94,657	-	29,632	-	91,947,410	-
2000	103,982	0.99%	29,231	-0.14%	105,480,101	1.47%
2007	109,489	0.73%	29,185	-0.02%	115,337,039	1.29%
Prj Mrkt Entry						
4th Q 2008	110,844	0.67%	29,194	0.02%	118,084,702	1.30%
2012	113,184	0.67%	29,209	0.02%	122,830,665	1.30%

Source: ESRI Business Demographics 2007; Novogradac & Company LLP - August 2007

Although the PMA experienced a slight decline in the number of households between 1990 and 2007, the PMA's number of households is projected to remain relatively stable with a slight increase from 2008 to 2012. The MSA is also projected to experience household growth through

2012 although at a greater rate than the PMA. As previously discussed, the projection does not take into account the expansions at Aflac, Fort Benning, and Kia Motors. The Greater Columbus Chamber of Commerce predicts that the three major expansions will add 16,234 households.

Average Household Size

The following table is a summary of the average household size in the MSA, PMA, and nation from 1990 to 2012.

AVERAGE HOUSEHOLD SIZE						
Year	Columbus, GA-AL MSA		PMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	2.66	-	2.67	-	2.63	-
2000	2.57	-0.34%	2.63	-0.15%	2.59	-0.15%
2007	2.52	-0.27%	2.59	-0.21%	2.59	0.00%
Prj Mrkt Entry						
4th Q 2008	2.52	-0.08%	2.59	-0.08%	2.59	-0.08%
2012	2.51	-0.08%	2.58	-0.08%	2.58	-0.08%

Source: ESRI Business Demographics 2007; Novogradac & Company LLP - August 2007

All three areas of analysis are expected to have a slight decline in the average number of household size.

Households by Tenure

The following table is a summary of the senior tenure patterns of the housing stock in the PMA, from 1990 to 2011.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
	1990	14,483	48.87%	15,150
2000	15,154	51.84%	14,077	48.16%
2006	15,524	53.19%	13,661	46.81%
Prj Mrkt Entry				
4th Q 2008	15,435	52.87%	13,759	47.13%
2011	15,281	52.32%	13,928	47.68%

Source: ESRI Business Demographics 2007; Novogradac & Company LLP - August 2007

The percentage of renter-occupied homes is four percent less than that of owner-occupied homes; however, with the influx of military families into Columbus, the renter population is expected to increase. Further, the percent of renter-occupied households in the PMA is well above the national average of approximately 33 percent renter-occupied households.

Household Income

The following tables illustrate household income in the PMA, MSA, and nation for 2007 through 2012.

Avalon Apartments, Columbus, GA; Market Study

HOUSEHOLD INCOME PMA

Income Cohort	2007		PMA Prj Mrkt Entry 4th Q 2008		2012		Annual Change 2007 to 2012	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<\$10,000	4,011	13.74%	3,806	13.04%	3,451	11.82%	-103	-2.56%
\$10,000-\$14,999	1,926	6.60%	1,844	6.31%	1,701	5.82%	-41	-2.14%
\$15,000-\$19,999	2,463	8.44%	2,172	7.44%	1,669	5.71%	-146	-5.91%
\$20,000-\$24,999	2,222	7.61%	2,289	7.84%	2,405	8.23%	34	1.51%
\$25,000-\$29,999	1,944	6.66%	1,834	6.28%	1,644	5.63%	-55	-2.83%
\$30,000-\$34,999	2,056	7.04%	2,003	6.86%	1,912	6.55%	-26	-1.28%
\$35,000-\$39,999	1,970	6.75%	1,819	6.23%	1,559	5.34%	-75	-3.82%
\$40,000-\$44,999	1,755	6.01%	1,842	6.31%	1,992	6.82%	43	2.48%
\$45,000-\$49,999	1,336	4.58%	1,366	4.68%	1,417	4.85%	15	1.11%
\$50,000-\$59,999	2,463	8.44%	2,389	8.18%	2,260	7.74%	-37	-1.51%
\$60,000-\$74,999	2,505	8.58%	2,715	9.30%	3,079	10.54%	105	4.20%
\$75,000-\$99,999	2,520	8.63%	2,642	9.05%	2,854	9.77%	61	2.43%
\$100,000-\$124,999	1,045	3.58%	1,279	4.38%	1,684	5.77%	117	11.21%
\$125,000-\$149,999	405	1.39%	517	1.77%	710	2.43%	56	13.81%
\$150,000-\$199,999	242	0.83%	308	1.06%	422	1.44%	33	13.64%
\$200,000-\$249,999	98	0.34%	127	0.43%	176	0.60%	14	14.59%
\$250,000-\$499,999	187	0.64%	184	0.63%	180	0.62%	-1	-0.69%
\$500,000+	37	0.13%	57	0.20%	92	0.31%	10	27.25%
Total	29,185	100%	29,193	100%	29,207	100%		

Source: ESRI Business Demographics 2007; Novogradac & Company LLP - August 2007

HOUSEHOLD INCOME MSA

Income Cohort	2007		Columbus, GA-AL MSA Prj Mrkt Entry 4th Q 2008		2012		Annual Change 2007 to 2008	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<\$10,000	12,278	11.21%	11,804	10.65%	10,984	9.70%	-237	-1.93%
\$10,000-\$14,999	5,850	5.34%	5,706	5.15%	5,457	4.82%	-72	-1.23%
\$15,000-\$19,999	6,991	6.39%	6,352	5.73%	5,247	4.64%	-320	-4.57%
\$20,000-\$24,999	6,799	6.21%	6,833	6.16%	6,891	6.09%	17	0.25%
\$25,000-\$29,999	6,477	5.92%	6,181	5.58%	5,670	5.01%	-148	-2.28%
\$30,000-\$34,999	6,946	6.34%	6,675	6.02%	6,208	5.48%	-135	-1.95%
\$35,000-\$39,999	6,507	5.94%	6,215	5.61%	5,710	5.04%	-146	-2.25%
\$40,000-\$44,999	5,792	5.29%	6,001	5.41%	6,361	5.62%	104	1.80%
\$45,000-\$49,999	5,032	4.60%	4,989	4.50%	4,914	4.34%	-22	-0.43%
\$50,000-\$59,999	10,444	9.54%	9,988	9.01%	9,201	8.13%	-228	-2.18%
\$60,000-\$74,999	10,857	9.92%	11,574	10.44%	12,813	11.32%	359	3.30%
\$75,000-\$99,999	11,676	10.66%	12,234	11.04%	13,197	11.66%	279	2.39%
\$100,000-\$124,999	6,105	5.58%	6,986	6.30%	8,509	7.52%	441	7.22%
\$125,000-\$149,999	2,890	2.64%	3,463	3.12%	4,452	3.93%	286	9.91%
\$150,000-\$199,999	2,590	2.37%	2,975	2.68%	3,639	3.22%	192	7.43%
\$200,000-\$249,999	988	0.90%	1,339	1.21%	1,944	1.72%	175	17.74%
\$250,000-\$499,999	1,050	0.96%	1,201	1.08%	1,461	1.29%	75	7.18%
\$500,000+	217	0.20%	330	0.30%	526	0.46%	57	26.11%
Total	109,489	100%	110,844	100%	113,184	100%		

Source: ESRI Business Demographics 2007; Novogradac & Company LLP - August 2007

HOUSEHOLD INCOME USA

Income Cohort	2007		USA Prj Mrkt Entry 4th Q 2008		2012		Annual Change 2007 to 2008	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<\$10,000	8,854,631	7.68%	8,568,461	7.26%	8,074,166	6.57%	-143,085	-1.62%
\$10,000-\$14,999	4,947,743	4.29%	4,720,869	4.00%	4,328,996	3.52%	-113,437	-2.29%
\$15,000-\$19,999	5,731,862	4.97%	5,368,359	4.55%	4,740,489	3.86%	-181,752	-3.17%
\$20,000-\$24,999	5,730,430	4.97%	5,579,606	4.73%	5,319,093	4.33%	-75,412	-1.32%
\$25,000-\$29,999	5,990,289	5.19%	5,686,376	4.82%	5,161,435	4.20%	-151,957	-2.54%
\$30,000-\$34,999	5,869,193	5.09%	5,728,081	4.85%	5,484,343	4.46%	-70,556	-1.20%
\$35,000-\$39,999	5,862,297	5.08%	5,680,420	4.81%	5,366,268	4.37%	-90,939	-1.55%
\$40,000-\$44,999	5,736,161	4.97%	5,593,547	4.74%	5,347,214	4.35%	-71,307	-1.24%
\$45,000-\$49,999	5,404,406	4.69%	5,306,788	4.49%	5,138,176	4.18%	-48,809	-0.90%
\$50,000-\$59,999	9,960,136	8.64%	9,913,994	8.40%	9,834,293	8.01%	-23,071	-0.23%
\$60,000-\$74,999	12,562,018	10.89%	12,745,033	10.79%	13,061,150	10.63%	91,508	0.73%
\$75,000-\$99,999	14,755,519	12.79%	15,245,038	12.91%	16,090,570	13.10%	244,759	1.66%
\$100,000-\$124,999	9,227,780	8.00%	10,198,890	8.64%	11,876,263	9.67%	485,555	5.26%
\$125,000-\$149,999	5,015,168	4.35%	6,014,484	5.09%	7,740,575	6.30%	499,658	9.96%
\$150,000-\$199,999	4,847,065	4.20%	5,604,838	4.75%	6,913,719	5.63%	378,887	7.82%
\$200,000-\$249,999	1,896,870	1.64%	2,558,255	2.17%	3,700,646	3.01%	330,692	17.43%
\$250,000-\$499,999	2,282,843	1.98%	2,627,492	2.23%	3,222,795	2.62%	172,325	7.55%
\$500,000+	661,431	0.57%	942,975	0.80%	1,429,279	1.16%	140,772	21.28%
Total	115,335,842	100%	118,083,506	100%	122,830,665	100%		

Source: ESRI Business Demographics 2007; Novogradac & Company LLP - August 2007

The Subject will target households earning between \$18,789 to \$33,900 per year. The PMA has approximately 48 percent of households earning less than \$35,000 per year, compared to 39 percent in the MSA and 30 percent in the nation. This bodes well for the Subject’s income band. These projections do not take into account the Fort Benning expansion. According to Tiffani Cunningham of the Greater Columbus Chamber of Commerce, the influx of military personnel into the MSA will also create approximately 12,286 indirect jobs, some of which will be lower paying service jobs, which bodes well for the Subject.

Renter Households by Number of Persons in the Household

The following table illustrates household size for households in 2000, 2007, 4th Quarter 2008, and 2012.

Renter Households by Number of Persons - PMA								
	2000		2007		Projected Market Entry Date 4th Q 2008		2012	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	4,333	30.8%	4,205	30.8%	4,235	30.8%	4,287	30.8%
With 2 Persons	3,382	24.0%	3,282	24.0%	3,306	24.0%	3,346	24.0%
With 3 Persons	2,650	18.8%	2,572	18.8%	2,590	18.8%	2,622	18.8%
With 4 Persons	1,980	14.1%	1,921	14.1%	1,935	14.1%	1,959	14.1%
With 5 Persons	1,035	7.4%	1,004	7.4%	1,012	7.4%	1,024	7.4%
With 6 Persons	417	3.0%	405	3.0%	408	3.0%	413	3.0%
With 7+ Persons	280	2.0%	272	2.0%	274	2.0%	277	2.0%
Total Renter Households	14,077	100.0%	13,661	100.0%	13,759	100.0%	13,928	100.0%

At projected market entry, the majority of households will consist of one or two people; however, with approximately a third of the households consisting of three and four people, the Subject will likely have demand for its one- and two-bedroom units. There will be less demand for the Subject’s three- and four-bedroom units in comparison; however, there are only two comparable properties in the Subject’s primary market area that offer four-bedroom units.

Employment Trends and Economic Overview

Despite a declining local economy caused by the 2001 national recession, the Columbus area economy appears to have stabilized and is entering a period of economic recovery. Public-private partnerships have been essential to Columbus’ growth and development in recent years, including The Columbus Challenge, the new information communication center/library, and the Solution to the Combined Sewer Overflow. While the Columbus Challenge represented a city-wide focus on the development of the arts, the Solution to the Combined Sewer Overflow problem led to the creation of the 17-mile Riverwalk. The region’s economy is fueled by the manufacturing, tourism, services, and government industries. With newly announced major expansions in Chattahoochee Valley, including, but not limited to, Fort Benning, Aflac, and Kia Motors, the region is set to experience tremendous growth and development in the upcoming five to ten years.

According to the Greater Columbus Chamber of Commerce’s website, on August 9, 2005, the Georgia Foreign-Trade Zone (GFTZ) announced that Muscogee Technology Park and parcels of the Corporate Ridge Industrial Park and Columbus East Industrial Park received Foreign-Trade Zone (FTZ) status, which allows companies to import foreign goods without paying customs duties, a very attractive incentive Columbus can now offer potential new businesses. In 2005 alone, nine companies announced expansions including Aflac, Columbus Park Crossing, Cessna, Precision Components International, Kellogg, which amount to 3,132 new jobs. In addition, seven companies announced the opening of a new location in the Columbus area: Road America,

America Consumer Products Corporation, ICFORM, Inc, and Lightning Distributors, which total 700 new jobs. Columbus Park Crossing is a 380-acre mixed use development which includes retail, office space, a 91-room Homewood Suites by Hilton, commercial, and multi-family residential. Road America opened its newest facility in Columbus, Georgia in October 2006. The 300-seat, 25,000 square-foot call center will have an initial workforce of 150 employees with the goal of expanding operations and the employee base to as many as 450 full- and part-time employees.

There are three major developments (two located in Columbus) that will occur in the next five years which will significantly impact the Columbus region including massive expansions at Fort Benning, the expansion of the Aflac Paul S. Amos Campus at Corporate Ridge Industrial Park, and the opening of the new Kia Motors manufacturing plant in West Point (approximately 40 miles north of Columbus).

Columbus, Georgia is home to the United States Army Base, Fort Benning. Fort Benning is the regions largest employer, employing over 40,000 military and civilian personnel. With more than 75,000 soldiers from around the world training at the base each year, Fort Benning is the largest training center and one of the premier deployment centers in the country. The 2005 BRAC recommendations will result in massive growth in the Columbus region with a recommended direct total increase of 11,023 new military and civilian personnel being realigned to Fort Benning. The realignment will include the transfer of the U.S. Armor Center and its tank training from Fort Knox, Kentucky to Fort Benning, Georgia. The growth at Fort Benning will cause a population surge, with estimates in excess of 30,000 new residents to the Columbus, Georgia area.

The Fort Benning Futures Partnership formed in mid 2003 in anticipation of the 2005 BRAC recommendations which projected massive growth and expansion at Fort Benning. The Partnership is yet another example of the region's dependence on public-private partnerships involving six Georgia and three Alabama counties. The partnership formed with the goal of developing a strategy to prepare Columbus for the significant anticipated growth at Fort Benning. According to the Fort Benning Futures Partnership's report *Preparing for Growth* released in April 2006, the estimated scope of growth is even larger than the 2005 BRAC recommendations total impact, at approximately 11,023 new military, civilian, and contractors being realigned to Fort Benning along with their families which will be an additional 21,062 persons. Overall the realignment will result in an estimated direct population increase of 32,985 persons between 2007 and 2011. Furthermore, the partnership anticipates 29,000 new students/trainees annually as well as the creation of approximately 4,000 indirect new jobs.

Although BRAC expansion in Columbus is not expected for another one or two years, the anticipated surge in population has other sectors, particularly the service sector, making plans for expansions in an effort to plan ahead for the influx of new residents who will be in need of healthcare, education, housing, retail, and more. The Muscogee County School District has already begun to plan for the addition of approximately 830 new students in August 2008, an additional 2,442 students in the fall 2009 semester, and another 3,710 students by 2010. While the service sectors expand to accommodate the population growth, lines of communication, roads, water systems and infrastructure must also be improved and expanded. The retail trade sector will also experience massive growth in the Columbus region. The Army Air Force Exchange Service (AAFES) recently held the groundbreaking for the new PX which according to AAFES officials will be one of the largest military shopping malls in the world upon

completion. The new PX is being built directly across Marne Road from its previous location on the base. The new PX mall will include at least 100,000 square feet of retail space, a 700-seat food court featuring pizza, chicken, burger, Chinese food outlets as well as a Starbucks, and full pharmacy services. Construction on the new \$27 million, 240,000 square-foot facility began in May 2006 with a projected completion date of late 2007. The new PX will be funded fully by AAFES with the majority of the profits going to the base's Morale, Welfare and Recreation activity department. Military shopping malls do not charge state sales taxes. Currently the PX employs approximately 150 persons. The new PX is estimated to create a minimum of 70 new jobs. Other developments on and near the base include a mini-mall facility on Main Post, a second Starbucks, and a spa, which are all off Cluster Road which may be open as soon as early 2007. Local housing construction will be led by a \$500 million, 10-year upgrade of more than 4,000 homes on Fort Benning.

In June 2007, Aflac opened its new 95,000 square foot office complex at Corporate Ridge Industrial Park, which is Phase I of its expansion in Columbus and the largest expansion project in Georgia according to the Columbus Chamber of Commerce. Construction of an additional 165,000 square feet in Phase II of the expansion is expected to begin in August 2007. Phase III will add more than 300,000 square feet and will create 2,000 new jobs from 2007 to 2013. All three phases will serve as Aflac's customer service and administrative business units.

On March 12, 2006, Kia Motors Corporation announced West Point, Georgia as the location for its first U.S. manufacturing plant. According to an article written by Shannon McCaffrey with the Associated Press published on March 12, 2006, Kia President and Chief Executive Officer E.S. Chung reported that the company has "entered an aggressive growth phase in the U.S." The decision was announced after years of competition and anticipation among several southern states including Tennessee, Alabama, South Carolina, and Kentucky. There were several factors which led to the company's final decision, including proximity to the parent company's (Hyundai Motor Company) Birmingham, Alabama site and the \$258 million incentive package offered by the state of Georgia. The state incentive package includes \$75.9 million in job credits over five years, \$20.2 million for an on-site job training center, \$60.5 million to produce and prepare the site, and \$130 million in property tax abatements over 15 years (offered by West Point and Troup County). The plant will be located on 3,300 acres at the junction of Interstate 85 and Webb Road in West Point, Troup County, Georgia. With a population of approximately 4,000, West Point is located approximately 40 miles north of Columbus, Georgia. The groundbreaking for the 2-million-square-foot plant is expected to occur in August 2007 and the plant will be completed in summer 2008 and production will begin in April 2009. Upon completion, the plant and its suppliers will directly create over 5,500 new jobs in the region. Approximately 3,000 persons will be employed at the plant and an additional 2,600 persons are expected to be employed by one of the five supply companies which have also committed to place plants in Georgia near West Point to feed parts and materials to the main Kia plant. Employees of the Kia Plant will be hired with an average annual salary of \$50,000. The plant is projected to produce between 300,000 and 400,000 vehicles per annum.

The three expansions combined, Fort Benning, Kia, and Aflac, is estimated to add: 16,000 jobs, \$4.2 billion in investment, 41,235 in population increase, 16,234 family units, \$416 million in retail sales, and \$24 million in tax revenue.

Columbus' West Point Technology Park has also experienced growth this year. A carpet tile manufacturer, InterfaceFLOR Commercial broke ground on its four million dollar plant

expansion on June 3, 2007. The expansion will include 54,000 square feet and will add approximately 50 new jobs. The expansion is estimated to be complete in September 2007.

Employment by Industry

The following table illustrates the distribution of employment sectors by industry within the PMA and nation in 2006.

2007 EMPLOYMENT BY INDUSTRY

Industry	Number	PMA	USA
		Percent Employed	Number Employed Percent Employed
Agric/Forestry/Fishing/Hunting	126	0.41%	1,774,070 1.25%
Mining	12	0.04%	671,442 0.47%
Construction	1,925	6.21%	11,262,097 7.95%
Manufacturing	4,093	13.20%	15,206,943 10.74%
Wholesale Trade	397	1.28%	4,873,192 3.44%
Retail Trade	3,546	11.43%	16,371,759 11.56%
Transportation/Warehousing	1,248	4.02%	5,861,365 4.14%
Utilities	149	0.48%	1,098,693 0.78%
Information	471	1.52%	3,320,532 2.35%
Finance/Insurance	1,802	5.81%	7,343,565 5.19%
Real Estate/Rental/Leasing	499	1.61%	3,155,166 2.23%
Prof/Scientific/Tech Services	476	1.53%	8,601,934 6.08%
Mgmt of Companies/Enterprises	55	0.18%	169,626 0.12%
Admin/Support/Waste Mgmt Svcs	1,155	3.72%	5,230,795 3.69%
Educational Services	2,744	8.85%	13,292,886 9.39%
Health Care/Social Assistance	4,369	14.09%	17,777,386 12.56%
Arts/Entertainment/Recreation	510	1.64%	2,630,954 1.86%
Accommodation/Food Services	3,504	11.30%	9,107,844 6.43%
Other Services (excl Publ Adm)	2,000	6.45%	6,980,409 4.93%
Public Administration	1,932	6.23%	6,859,574 4.84%
Total Employment	31,013	100.00%	141,590,232 100.00%

Source: ESRI Business Demographics 2007; Novogradac & Company LLP - August 2007

The previous table reflects the workforce for the PMA compared to that of the nation as a whole. As illustrated, the largest sector is the services sector, accounting for approximately 47 percent of employment in the PMA. Of the services sector, healthcare/social assistance is the largest industry—due to major employers such as the Columbus Regional Healthcare System, the Medical Center, and St. Francis Hospital—followed by accommodation/food services, which employs almost twice as many persons in the PMA versus the nation. Overall, manufacturing is the second largest sector, which is partially a result of the presence of W.C. Bradley Company and other smaller manufacturers including Cessna Aircraft Company, Panasonic Battery Corporation of America, Precision Components International Inc., Pratt and Whitney, and more. Therefore while not listed in the major employers table; there are a large amount of manufacturing employers in Columbus.

The PMA contains a significantly lower percentage of persons employed in the wholesale trade and professional/scientific/technology services sectors than the nation. Conversely, the PMA has a higher percentage of persons employed in the services and public administration sectors, all of which is due to the major employers. The relatively low-paying jobs offered in the retail trade sector as well as several of the services sectors, specifically the food/accommodation sector, which employs 11 percent of the workforce, are expected to generate demand for affordable housing in the PMA. In the past, the area has been dominated by the manufacturing sector,

which remains the largest industry in the PMA, however, in recent years; service jobs have shown the most growth.

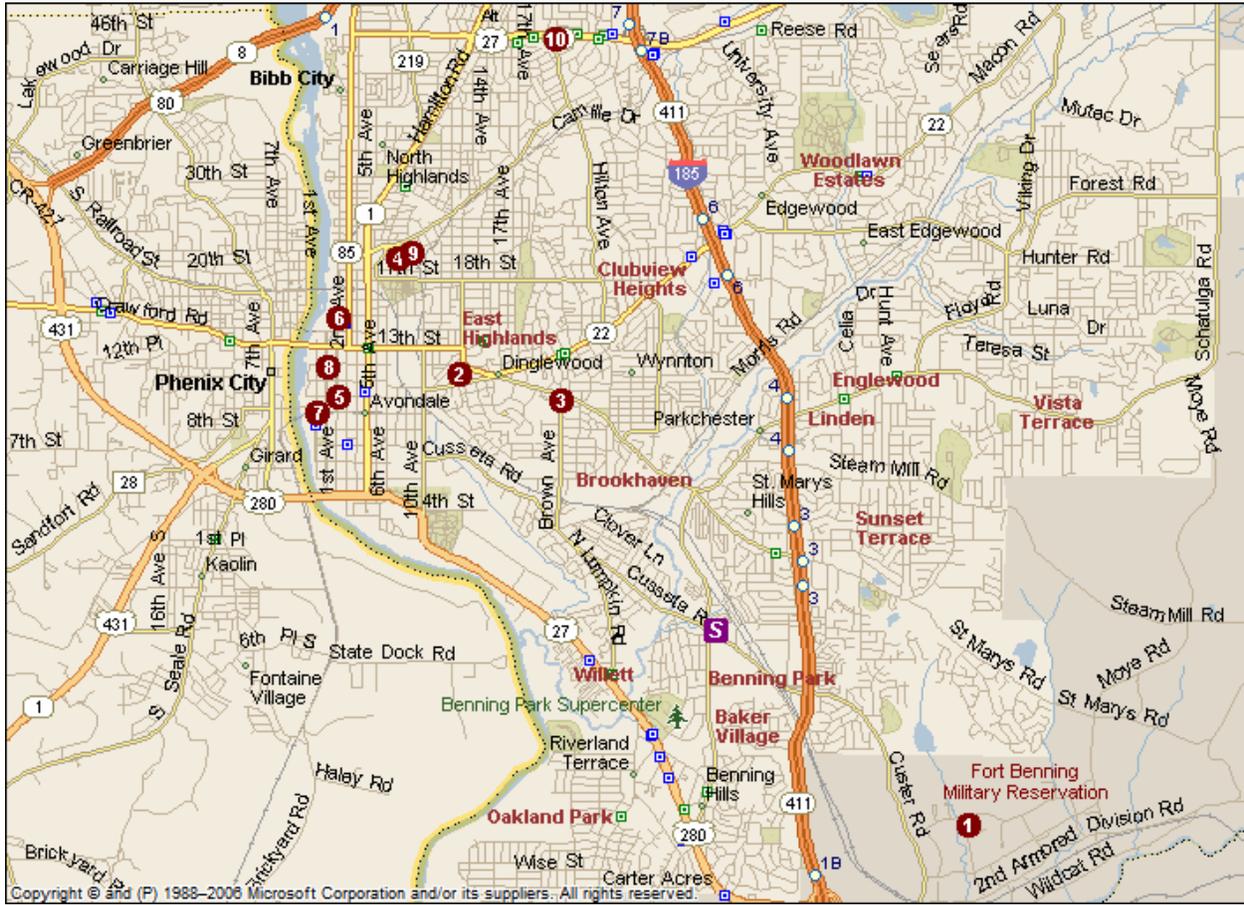
Major Employers

The following table details the largest employers in Columbus, Georgia.

#	Firm/Institution	Sector	Number of Employees
1	Fort Benning	Government/Military	40,000
2	Muscogee County School District	Education Services	6,009
3	Aflac	Insurance/Finance	3,441
4	Columbus Regional Healthcare System	Healthcare Services	2,830
5	Columbus Consolidated Government	Government	2,718
6	Total Systems Services, Inc.	Information Technology	2,479
7	Blue Cross Blue Shield	Insurance/Healthcare Services	1,650
8	SYNOVUS Financial Corporation	Insurance/Finance	1,645
9	The Medical Center	Healthcare Services	1,450
10	St. Francis Hospital	Healthcare Services	1,445
TOTAL			63,667
MSA Total Employment (2006)			123,465
Top Ten Employers as a % of MSA Total Employment			51.5%
Source: Greater Columbus Chamber of Commerce, 03/2007.			

The largest employers in Columbus are government, manufacturing, healthcare, finance/insurance, and educational employers. Many of the largest employers in the area are those that would provide employment for a broad range of skilled, industrial, and service occupations. The Columbus economy appears to be moderately diversified, as illustrated by its various types of large employers, but the economy is also reliant on its major employers, which employ approximately 52 percent of the MSA’s workers. However, two of the three largest employers, Fort Benning and Aflac, have recently announced expansions as previously discussed, which further add to their stability as major employers. Furthermore, the two largest employers are government employers and therefore are considered stable.

MAP of Major Employers



Total Employment

The following tables detail employment and unemployment in the Columbus MSA over the past from 1990 to June 2007.

EMPLOYMENT & UNEMPLOYMENT TRENDS

Year	Columbus, GA-AL MSA		Columbus, GA-AL MSA		USA
	Total Employment	% Change	Unemployment Rate	% Change	Unemployment Rate
1990	104,518	-	6.4%	-	5.7%
1991	104,455	-0.1%	5.6%	-0.8%	6.9%
1992	104,708	0.2%	7.0%	1.4%	7.6%
1993	107,144	2.3%	6.6%	-0.4%	7.0%
1994	109,789	2.5%	5.8%	-0.8%	6.2%
1995	112,458	2.4%	5.6%	-0.2%	5.7%
1996	117,031	4.1%	4.9%	-0.7%	5.5%
1997	120,682	3.1%	4.7%	-0.2%	5.0%
1998	123,309	2.2%	4.6%	-0.1%	4.6%
1999	124,972	1.3%	4.8%	0.2%	4.3%
2000	119,609	-4.3%	4.4%	-0.4%	4.0%
2001	117,355	-1.9%	4.8%	0.4%	4.8%
2002	117,064	-0.2%	5.4%	0.6%	5.8%
2003	118,673	1.4%	5.4%	0.0%	6.0%
2004	119,127	0.4%	5.5%	0.1%	5.6%
2005	120,982	1.6%	5.7%	0.2%	5.2%
2006	122,728	1.4%	5.3%	-0.4%	4.7%
2007 YTD	124,405	1.5%	5.1%	-0.2%	4.9%

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

* 2007 data is through June

Total employment in the Columbus MSA has remained fairly stable over the past decade. Total employment steadily increased from 1992 to 1999 as well as in 2003 and from 2005 through June 2007. The area saw one major period of decline in total employment from 2000 to 2002, which is the result of a methodology change. However, this is also partially a result of numerous business closures which occurred during this time, including Montgomery Ward & Company, Matsushita Battery Industrial Corporation, Beaulieu of America, Johnston Industries Incorporated, Dolly Madison Bakery, Pillowtex Corporation, Cub Foods Super Discount Markets, Swift Spring Mills Incorporated, Marubeni Denim Place, Excide Technologies, Cagle's Incorporation, and Lear Siegler Services Incorporated, which combined represented a total loss of approximately 3,172 jobs. These companies represent 34 percent of the total job loss between 2000 and 2002. However, as of 2005 the MSA has stabilized the jobs it lost in the recession and has increased total employment with approximately 1,677 new jobs created in the first and second quarters of 2007. Historically, the unemployment rate in Columbus has been slightly lower than that of the nation as a whole. However, from 1999 to 2001, during the national recession, the unemployment rate was higher in the MSA than that of the nation as a whole. The unemployment rate in the Columbus MSA has also declined over the better part of the past 14 years. The unemployment rate decreased steadily from 1993 to 1998, and again in 2000 and 2006. The primary period in which the MSA experienced increasing unemployment rates, from 1998 to 2003, corresponds with a national recession. In 2006, unemployment was down 0.4

percent over the previous year and decreased even further by 0.2 percent through June 2007. The local economy appears to be stabilizing and entering into a period of recovery.

Commuting Patterns

Commuting Patterns in the PMA	
Travel Time to Work	Percentage
< 5 min	1.58%
5-9 min	7.09%
10-14 min	17.81%
15-19 min	29.04%
20-24 min	20.16%
25-29 min	4.27%
30-34 min	8.95%
35-39 min	0.97%
40-44 min	0.96%
45-59 min	3.83%
60-89 min	2.40%
90+ min	2.95%
Average Travel Time	22.9 minutes

Over 75 percent of those living within the PMA have a commute time less than 25 minutes. This, along with the average commute time of 22.9 minutes, indicates that a significant percentage of those living in the PMA are working within Columbus.

Conclusion

The PMA, MSA, and the nation are experiencing population and household growth. The MSA and nation are experiencing moderate growth while the PMA experiences slight growth. This trend is projected to continue for the foreseeable future. However, because the recently announced addition of approximately 11,023 new military, civilian, and contractor personnel to be stationed at Fort Benning, a realignment for which the above demographics do not reflect, we do not believe the future demographic projections are accurate. These projections do not reflect the recent BRAC realignment recommendations which will result in 11,023 new military, civilian, and contractor personnel and their families to be realigned to Fort Benning in Columbus, Georgia. Overall, the realignment will result in an estimated direct population increase of 32,985 persons between 2007 and 2011 according to Tiffani Cunningham from the Greater Columbus Chamber of Commerce.

The Columbus MSA has a stable economy with increasing total employment and decreasing unemployment. Total employment in the Columbus MSA increased over the better part of the past 14 years. As of 2005 the MSA has replaced the jobs it lost in the recession with approximately 3,787 new jobs created in 2005 and an additional 1,725 new jobs in the first quarter of 2006. According to Tony Adam’s article dated May 7, 2006, “Surrounding Areas Anticipate Job, Population Increases” published in the *Columbus Ledger-Enquirer*, “this year’s projected three percent employment growth rate will make Columbus the hottest job performer out of all 14 of Georgia’s major metro areas, including Atlanta, which is projected to grow less than two percent.” Despite a recent increase in 2005, the unemployment rate in the Columbus MSA has declined through the second quarter of 2007 and over the better part of the past 14 years. Furthermore, historically the unemployment rate for the Columbus MSA has been below

that of the nation for the majority of the past 14 years. The largest sector is the services sector, followed by the manufacturing, retail trade, and insurance/finance sectors. The local economy appears stable and the relatively low-paying jobs offered in the retail trade and accommodation/food services sectors are expected to generate demand for affordable housing in the PMA. In addition, the recent expansion announcement by Aflac, the massive future increase in troops at Fort Benning as a result of the 2005 BRAC recommendations, and the opening of the Kia Motors plant in West Point, will all contribute to the unprecedented growth which is projected in the region throughout the next five to ten years.

PROJECT-SPECIFIC DEMAND ANALYSIS

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

INCOME RESTRICTIONS

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

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

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

AFFORDABILITY

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

DEMAND

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

1. DEMAND FROM NEW HOUSEHOLDS

The number of new households entering the market is the first level of demand calculated. We have utilized 2008, the anticipated date of market entry, as the base year for the analysis. Therefore, 2007 household population estimates are inflated to 2008 by interpolation of the difference between 2007 estimates and 2012 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2008.

2. DEMAND FROM EXISTING HOUSEHOLDS

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

The second source (2b.) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (2c.) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA.

The data provided for 2b and 2c is based upon the 2000 census. For 2a, we relied on estimates provided in the Comprehensive Housing Affordability Strategy (CHAS) reported on the HUD webpage which relies on 2000 census data. This data provides information on the number of households within the county that are within certain income brackets and what percentage of those households are rent overburdened for the city of Columbus. The rent overburdened is divided into two classifications: those paying over 30 percent of their income in rent and those paying over 50 percent of their income in rent. Since we are using 40 percent as the rent overburdened threshold, we interpolate between these two classifications. According to this information, the greatest number of renter households (10,198) have incomes that are less than 50 percent of the median family income (MFI), followed by renter households with incomes less than 30 percent of the median income (6,463 households). This is a positive indication of the need for affordable housing targeted towards lower income levels. Within these income brackets approximately 65.6 percent of all households are paying more than 30 percent of their income in rent and 56.6 percent are paying over 50 percent of their income in rent. Since the Subject will most likely target the middle of the income range, we believe that the demand from rent overburdened households will be significant. Therefore, we have estimated a rent overburdened percentage of 60 percent.

Per DCA's guidelines, we have also multiplied the PMA by 115 percent to adjust for leakage coming from other areas.

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

ADDITIONS TO SUPPLY

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we deduct additions to supply allocated since 2000 to present and those that will be constructed in 2007 that are considered directly competitive. There are four family LIHTC properties that fall within this category, Midtown Square, Victory Crossing, Springfield Crossing, and Eagles Trace. There are no new properties under construction in the PMA at this time. Midtown Square, Victory Crossing, and Springfield Crossing were all new construction. Eagles Trace was a historic renovation of military housing. These units are significantly smaller when compared to the Subject. This property does not have the appeal of a newly constructed property, such as the Subject. According to the 2007 DCA guidelines, for

properties renovated, a similarity scale can be used to deduct the appropriate amount of number units from the demand analysis. This is illustrated on the following page.

Rehab-Comparability Analysis			
	Eagles Trace	Adjustment	Comments
1	Location	1	Similar location
2	Affordability	1	Similar AMI levels
3	Property Type	0.25	Inferior design and layout to new construction
4	Quality	0.25	Slightly inferior amenities, smaller units, inferior to new construction
	Comparability Factor	0.25	The majority of the units are significantly smaller when compared to the Subject

The following tables illustrate the unit mix of the comparable properties and number of units deducted in the demand analysis.

Property Name	Type/Year Built	Unit Mix	AMI Level	Total Units Deducted	
Eagle Trace	Garden	1BR / 1BA	22	@60%	6
		1940's/2002	1BR / 1BA	2	@60%
		2BR / 1BA	266	@60%	67
		2BR / 2BA	15	@60%	4
		3BR / 1BA	22	@60%	6
		3BR / 2BA	30	@60%	8
		4BR / 2BA	2	@60%	1
		4BR / 2BA	22	@60%	6
		381		99	
Midtown Square	Garden	2BR / 2BA	24	@60%	24
		2002	3BR / 2BA	120	@60%
			144		144
Springfield	Garden	2BR / 2BA	4	@50%	0
		2002	2BR / 2BA	60	@60%
		2BR / 2BA	16	Market	0
		2BR / 2BA	80	Market	0
		3BR / 2BA	2	@50%	0
		3BR / 2BA	30	@60%	30
		3BR / 2BA	8	Market	0
		200		90	
Victory Crossing	Garden	2BR / 2BA	96	@60%	96
		2005	3BR / 2BA	76	@60%
			172		172

It should be noted that all LIHTC properties are stabilized and have a weighted vacancy rate of 2.0 percent.

Capture Rates

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

Avalon Apartments, Columbus, GA; Market Study

Household Income Distribution 2000 to Projected Market Entry 4th Q 2008							
Avalon Apartments							
PMA							
	2000		2007		Prj Mrkt Entry 4th Q 2008		Percent
	#	%	#	%	#	%	Growth
< \$10,000	4,809	16.45%	4,011	13.74%	3,806	13.04%	-5.4%
\$10,000-\$14,999	2,809	9.61%	1,926	6.60%	1,844	6.31%	-4.5%
\$15,000-\$19,999	2,636	9.02%	2,463	8.44%	2,172	7.44%	-13.4%
\$20,000-\$24,999	2,695	9.22%	2,222	7.61%	2,289	7.84%	2.9%
\$25,000-\$29,999	2,307	7.89%	1,944	6.66%	1,834	6.28%	-6.0%
\$30,000-\$34,999	2,345	8.02%	2,056	7.04%	2,003	6.86%	-2.6%
\$35,000-\$39,999	1,862	6.37%	1,970	6.75%	1,819	6.23%	-8.3%
\$40,000-\$44,999	1,702	5.82%	1,755	6.01%	1,842	6.31%	4.7%
\$45,000-\$49,999	1,151	3.94%	1,336	4.58%	1,366	4.68%	2.2%
\$50,000-\$59,999	2,107	7.21%	2,463	8.44%	2,389	8.18%	-3.1%
\$60,000-\$74,999	2,215	7.58%	2,505	8.58%	2,715	9.30%	7.8%
\$75,000-\$99,999	1,440	4.93%	2,520	8.63%	2,642	9.05%	4.6%
\$100,000+	1,085	3.71%	2,014	6.90%	2,472	8.47%	18.5%
Total	29,231	100.00%	29,185	100.00%	29,193	100.00%	0.0%

Household Income Distribution Projected Market Entry 4th Q 2008			
Avalon Apartments			
PMA			
	Prj Mrkt Entry 4th Q 2008		Change 2000 to Prj Mrkt Entry 4th Q 2008
	#	%	#
< \$10,000	3,806	13.04%	-5
\$10,000-\$14,999	1,844	6.31%	-2
\$15,000-\$19,999	2,172	7.44%	-3
\$20,000-\$24,999	2,289	7.84%	-3
\$25,000-\$29,999	1,834	6.28%	-2
\$30,000-\$34,999	2,003	6.86%	-3
\$35,000-\$39,999	1,819	6.23%	-2
\$40,000-\$44,999	1,842	6.31%	-2
\$45,000-\$49,999	1,366	4.68%	-2
\$50,000-\$59,999	2,389	8.18%	-3
\$60,000-\$74,999	2,715	9.30%	-4
\$75,000-\$99,999	2,642	9.05%	-3
\$100,000+	2,472	8.47%	-3
Total	29,193	100.00%	-38

Tenure Prj Mrkt Entry 4th Q 2008	
Renter	47.13%
Owner	52.87%
Total	100.00%

Household Size for Prj Mrkt Entry 4th Q 2008		
Size	Number	Percentage
1	7,898	27.05%
2	8,301	28.44%
3	5,470	18.74%
4	4,137	14.17%
5	2,051	7.03%
6	792	2.71%
7+	545	1.87%
Total	29,193	100.00%

Household Size for 2000		
Size	Number	Percentage
1	7,908	27.05%
2	8,312	28.44%
3	5,477	18.74%
4	4,142	14.17%
5	2,054	7.03%
6	793	2.71%
7+	546	1.87%
Total	29,231	100.00%

Avalon Apartments, Columbus, GA; Market Study

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

Percent of AMI Level		60%			
Minimum Income Limit		\$18,789			
Maximum Income Limit		\$33,900 6 Person			
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry 4th Q 2008		Income Brackets	Percent within Cohort	Households within Bracket
	< \$10,000	-5			
\$10,000-\$14,999	-2	6.31%		0%	0
\$15,000-\$19,999	-3	7.44%	1,210	24%	-1
\$20,000-\$24,999	-3	7.84%	4,999	100%	-3
\$25,000-\$29,999	-2	6.28%	4,999	100%	-2
\$30,000-\$34,999	-3	6.86%	3,900	78%	-2
\$35,000-\$39,999	-2	6.23%		0%	0
\$40,000-\$44,999	-2	6.31%		0%	0
\$45,000-\$49,999	-2	4.68%		0%	0
\$50,000-\$59,999	-3	8.18%		0%	0
\$60,000-\$74,999	-4	9.30%		0%	0
\$75,000-\$99,999	-3	9.05%		0%	0
\$100,000+	-3	8.47%		0%	0
		-38	100.00%		-8
Percent of households within limits versus total number of households					21.28%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$18,789			
Maximum Income Limit		\$33,900 6 Person			
Income Category	Total Households PMA Prj Mrkt Entry 4th Q 2008		Income Brackets	Percent within Cohort	Households within Bracket
	< \$10,000	3,806			
\$10,000-\$14,999	1,844	6.31%	0	0%	0
\$15,000-\$19,999	2,172	7.44%	1,210	24%	526
\$20,000-\$24,999	2,289	7.84%	4,999	100%	2,289
\$25,000-\$29,999	1,834	6.28%	4,999	100%	1,834
\$30,000-\$34,999	2,003	6.86%	3,900	78%	1,563
\$35,000-\$39,999	1,819	6.23%	0	0%	0
\$40,000-\$44,999	1,842	6.31%	0	0%	0
\$45,000-\$49,999	1,366	4.68%	0	0%	0
\$50,000-\$59,999	2,389	8.18%	0	0%	0
\$60,000-\$74,999	2,715	9.30%	0	0%	0
\$75,000-\$99,999	2,642	9.05%	0	0%	0
\$100,000+	2,472	8.47%	0	0%	0
		29,193	100.00%		6,212
Percent of households within limits versus total number of households					21.28%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry 4th Q 2008 Median Income

Change from 2000 to Prj Mrkt Entry 4th Q 2008

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Urban		
35%		
\$28,359		
\$36,996		
\$8,637		
30.5%		
5.1%		
5.1%	Two year adjustment	1.0000
\$33,900		
\$33,900		
6 Person		
60%		
\$548		
\$548.00		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry 4th Q 2008

Income Target Population	60%
New Households PMA	-38
Percent Income Qualified	21.3%
Income Qualified Households	-8
Percent Renter	47.1%
New Renter Income Qualified Households	-4

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	29,193
Income Qualified	21.3%
Percent Renter	47.1%
Income Qualified Renter Households	2928
Percent Rent Overburdened Prj Mrkt Entry 4th Q 2008	60%
Rent Overburdened Households	1,757

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	2928
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	15

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

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	1,771
Adjustment Factor	115%
Adjusted Demand form Existing Households	2,037
Total New Demand	-4
Total Demand (New Plus Existing Households)	2,033

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

By Bedroom Demand

One Person	27.05%	550
Two Persons	28.44%	578
Three Persons	18.74%	381
Four Persons	14.17%	288
Five Persons	7.03%	143
Six Persons	2.71%	55
Seven Plus Persons	1.87%	38
Total	100.00%	2,033

To place Person Demand into Bedroom Type Units

Of one person households in one-bedroom units	90%	495
Of two person households in one-bedroom units	20%	116
Of one person households in two-bedroom units	10%	55
Of two person households in two-bedroom units	80%	462
Of three person households in two-bedroom units	60%	229
Of three person households in three-bedroom units	40%	152
Of four person households in three-bedroom units	80%	230
Of five person households in three-bedroom units	80%	114
Of four person households in four-bedroom units	20%	58
Of five person households in four-bedroom units	20%	29
Of six person households in four-bedroom units	100%	55
Of seven plus person households in four-bedroom units	100%	38

Total Demand		2,033
Check		OK

Total Demand by Bedroom 60%

One Bedroom	611
Two Bedroom	746
Three Bedroom	497
Four Bedroom	179
Total Demand	2,033

Additions To Supply 2000 to Prj Mrkt Entry 4th Q 2008 60%

One Bedroom	7
Two Bedroom	251
Three Bedroom	240
Four Bedroom	7
Total	505

Net Demand 60%

One Bedroom	604
Two Bedroom	495
Three Bedroom	257
Four Bedroom	172
Total	1,528

Developer's Unit Mix 60%

One Bedroom	54
Two Bedroom	60
Three Bedroom	80
Four Bedroom	38
Total	232

Capture Rate Analysis 60%

One Bedroom	9%
Two Bedroom	12%
Three Bedroom	31%
Four Bedroom	22%
Total	15%

Conclusions

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

The number of households in the PMA is expected to increase 31 households between 2000 and 2008. We do not believe these numbers are accurate due to the recently announced addition of approximately 11,023 new military, civilian, and contractor personnel to be stationed at Fort Benning, which proves extremely positive for future population growth projections. It should be noted that in light of this realignment we do not believe the future demographic projections in the previous tables are accurate. These projections do not reflect the recent BRAC realignment recommendations which will result in 11,023 new military, civilian, and contractor personnel and their families to be realigned to Fort Benning in Columbus, Georgia. Overall the realignment will result in an estimated direct population increase of 32,985 persons between 2008 and 2012. This will have a significant impact on the current population estimates provided below.

As the demand analysis illustrates, the Subject’s capture rates will range from nine to 31 percent, with an overall capture rate of 15 percent. The capture rate for the three-bedroom units is considered high. However, the number of households does not take into account the significant increase in population that Fort Benning and other economic factors (Aflac expansion). We expect this to have a tremendous impact on the population and household demographics in Columbus. Further, it should be noted that there are no vacant three-bedroom units at the comparable properties, both LIHTC and market rate.

Overall, we believe that the Subject is feasible and there is adequate demand at the proposed rent and unit mix.

DCA CONCLUSION TABLE

Unit Size	Income Limits	Units Proposed	Total Demand	Additions to Supply	Net Demand	Capture Rate	Absorption	Median Market Rent	Proposed Rent
1BR	60% AMI	54	611	7	604	9%	10-12 months	\$484	\$476
2BR	60% AMI	60	746	251	495	12%	10-12 months	\$576	\$569
3BR	60% AMI	80	497	240	257	31%	10-12 months	\$751	\$646
4BR	60% AMI	38	179	7	172	22%	10-12 months	\$916	\$711

G. SUPPLY ANALYSIS

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

Each year the Georgia Housing Finance Authority, in conjunction with the Georgia Department of Community Affairs, accepts bids for LIHTC tax credit projects. We obtained a listing of such projects in Muscogee County. Since 2002, there have been no projects that have received tax credit allocations in Muscogee County that are located within the PMA. The following table is a list of all LIHTC projects located in the PMA.

Year Allocated	Name	Type	Units
1989	Liberty Gardens Townhomes	LIHTC-Family	88
1991	McLeod Square	LIHTC-Family	40
2001	Midtown Square	LIHTC-Family	144
2000	Springfield Crossing	LIHTC-Family	120
2001	Johnston Mill Lofts	LIHTC-Family	336
2002	Victory Crossing	LIHTC-Family	172
2002	Eagle Trace	LIHTC-Family	381

As shown in the table above, there are several LIHTC projects that exist within the PMA. We utilized the LIHTC properties that were most comparable to the Subject including all of the above reference properties excluding McLeod Square. McLeod Square has only 40 units and after multiple attempts, we were unable to obtain detailed information for the property. The remaining properties listed above will be discussed in further detail later in the supply section of this report. The Subject will be comparable to the LIHTC stock in the PMA.

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

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. We visited and surveyed numerous properties that were excluded from the market survey because they were not considered useful in the analysis of the Subject property. Our competitive survey includes 10 “true” comparable properties containing 1,903 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. We have also included four-bedroom classifieds listed in the *Columbus Ledger Enquirer*, on Craig’s List, and from Waddell Realty Co., LLC in order to supplement our four-bedroom rental discussion. 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 to be ample and the market rate data is considered adequate. There are several LIHTC properties that are similar to the Subject in the PMA and are considered to be good comparable properties. The market rate data in the PMA is mostly older and inferior to new construction. There are no new market rate properties in the PMA. Most of

the market rate properties offer similar or lower rents when compared to the 60 percent AMI rents. This is typical in markets where there is no new market rate housing. The new market rate housing is located in northern Columbus and has much higher rental rates due to its superior location. Overall, we believe that comparable property data is sufficient on which to base our conclusions.

The following properties have been excluded from the supply analysis.

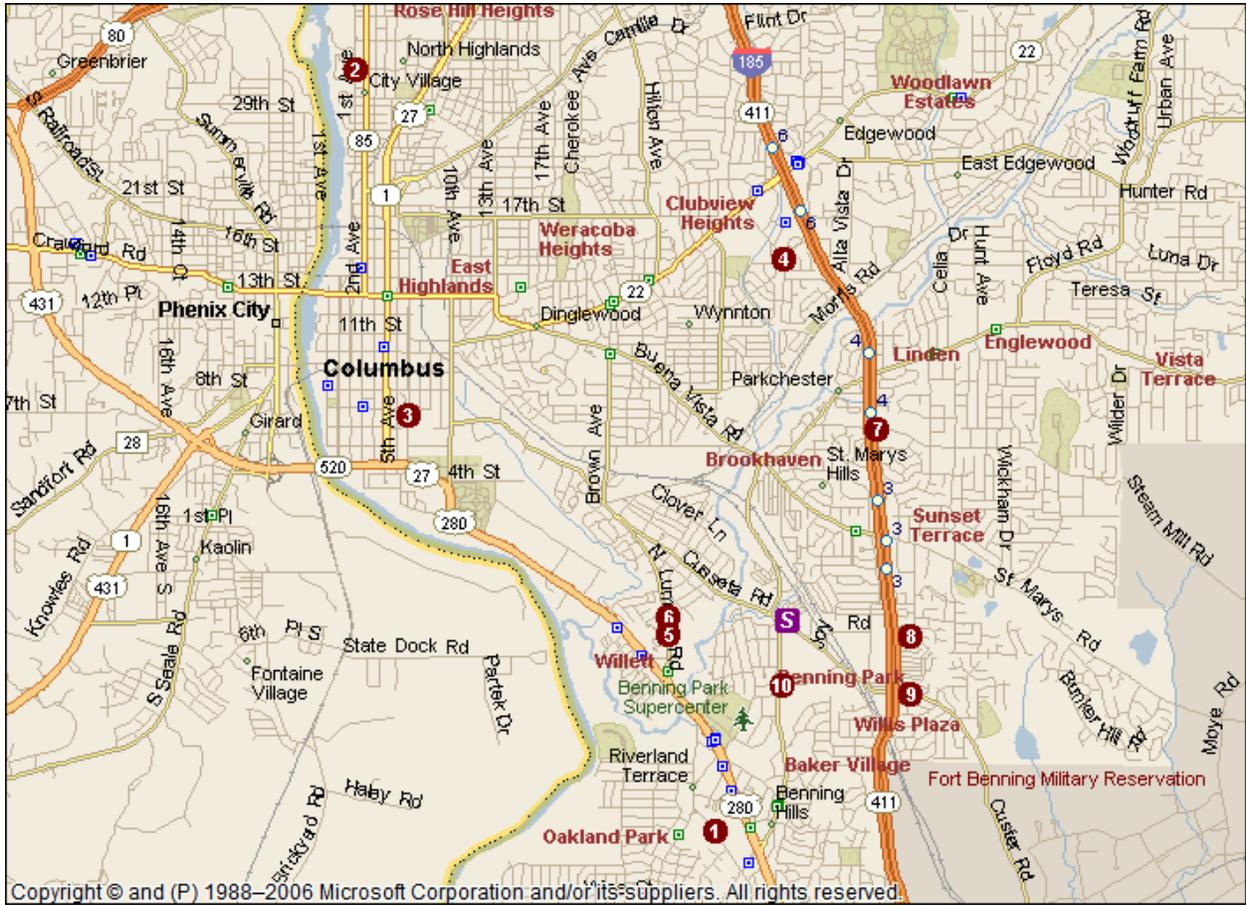
Name	Type	Reason Excluded
Country Village	Market	Significantly inferior, would not participate
Holly Hills	Market	Would not participate
Southside Apartments	Market	Unable to contact
3223-3227 Lee Street	Market	Condition not comparable
Baker Village	Section 8	Tenants pay 30% of income

Comparable Rental Property Table and Map

COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Eagle Trace	Columbus	60%	2.3 miles
2	Johnston Mill Lofts	Columbus	60%, Market	6.5 miles
3	Liberty Gardens Townhomes	Columbus	60%	3.7 miles
4	Midtown Square	Columbus	60%	4.8 miles
5	Springfield Crossing	Columbus	50%, 60%, Market	1.1 miles
6	Victory Crossing	Columbus	60%	1.1 miles
7	Cross Creek	Columbus	Market	2.3 miles
8	Hannah Heights	Columbus	Market	1.4 miles
9	Parkway Place	Columbus	Market	1.1 miles
10	Sherwood Arms	Columbus	Market	0.5 miles

Avalon Apartments, Columbus, GA; Market Study



Summary Matrix

Comp #	Project	Distance	Type / Built	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Avalon Apartments 3751 Cusseta Rd Columbus, GA 31903 Muscoogie County	n/a	Garden (2 stories) 2008	@60%	1BR / 1BA	54	23.30%	@60%	\$476	750	yes		N/A	N/A
					2BR / 2BA	60	25.90%	@60%	\$569	980	yes		N/A	N/A
					3BR / 2BA	80	34.50%	@60%	\$646	1,200	yes		N/A	N/A
					4BR / 2BA	38	16.40%	@60%	\$711	1,400	yes		N/A	N/A
						232	100%						N/A	N/A
1	Eagle Trace 2001 Torch Hill Road Columbus, GA 31903 Muscoogie County	2.2 miles	Garden 1940s/2002	60%	1BR / 1BA	22	5.80%	@60%	\$482	700	yes	No	0	0.00%
					1BR / 1BA	2	0.50%	@60%	\$482	765	yes	No	0	0.00%
					2BR / 1BA	266	69.80%	@60%	\$400	800	yes	No	N/A	N/A
					2BR / 2BA	15	3.90%	@60%	\$400	1,400	yes	No	N/A	N/A
					3BR / 1BA	22	5.80%	@60%	\$660	1,450	yes	No	0	0.00%
					3BR / 2BA	30	7.90%	@60%	\$660	1,500	yes	No	0	0.00%
					4BR / 2BA	24	6.30%	@60%	\$723	1,550	yes	No	0	0.00%
	381	100%						35	9.20%					
2	Johnston Mill Lofts 3201 First Ave Columbus, GA 31904 Muscoogie County	6.4 miles	Conversion (4 stories) 1900/2002	@60%, Market	1BR / 1BA	97	29.00%	@60%	\$474	960	yes	No	0	0.00%
					1BR / 1BA	8	2.40%	Market	\$675	960	n/a	No	N/A	N/A
					2BR / 2BA	71	21.20%	@60%	\$567	1,076	yes	No	0	0.00%
					2BR / 2BA	155	46.30%	Market	\$749	1,076	n/a	No	N/A	N/A
					3BR / 2BA	2	0.60%	@60%	\$644	1,200	yes	No	0	0.00%
					3BR / 2BA	2	0.60%	Market	\$1,100	1,200	n/a	No	N/A	N/A
						335	100%						57	17.00%
3	Liberty Gardens Townhomes 675 6th Avenue Columbus, GA 31901 Muscoogie County	3.6 miles	Townhouse 1990	@60%	2BR / 2BA	52	59.10%	@60%	\$432	920	no	30 HH total	0	0.00%
					3BR / 2BA	36	40.90%	@60%	\$509	1,100	no	30 HH total	0	0.00%
						88	100%					0	0.00%	
4	Midtown Square 1400 Boxwood Road Columbus, GA 31906 Muscoogie County	4.7 miles	Garden (2 stories) 2002	60%	2BR / 2BA	24	16.70%	@60%	\$562	1,175	yes	Yes	0	0.00%
					3BR / 2BA	120	83.30%	@60%	\$645	1,350	yes	Yes	0	0.00%
						144	100%					0	0.00%	
5	Springfield Crossing 3320 N. Lumpkin Road Columbus, GA 31903 Muscoogie County	1 miles	Garden (2 stories) 2002	60%/Market	2BR / 2BA	4	2.00%	@50%	\$459	960	yes	Yes	0	0.00%
					2BR / 2BA	60	30.00%	@60%	\$569	960	yes	Yes	0	0.00%
					2BR / 2BA	96	48.00%	Market	\$620	960	n/a	No	0	0.00%
					3BR / 2BA	2	1.00%	@50%	\$520	1,290	yes	Yes	0	0.00%
					3BR / 2BA	30	15.00%	@60%	\$646	1,290	yes	Yes	0	0.00%
					3BR / 2BA	8	4.00%	Market	\$685	1,290	n/a	No	0	0.00%
						200	100%					0	0.00%	
6	Victory Crossing 3312 Lumpkin Rd Columbus, GA 31903 Muscoogie County	1 miles	Garden (3 stories) 2005	@60%	2BR / 2BA	96	55.80%	@60%	\$560	1,012	yes	Yes	0	0.00%
					3BR / 2BA	76	44.20%	@60%	\$645	1,119	yes	Yes	0	0.00%
						172	100%					0	0.00%	
7	Cross Creek 3911 Steam Mill Road Columbus, GA 31907 Muscoogie County	2.2 miles	Garden (2 stories) 1976	Market	1BR / 1BA	50	25.00%	Market	\$458	840	n/a	No	1	2.00%
					2BR / 1.5BA	100	50.00%	Market	\$558	980	n/a	No	1	1.00%
					3BR / 2BA	50	25.00%	Market	\$673	1,040	n/a	No	0	0.00%
						200	100%					2	1.00%	
8	Hannah Heights 909 Farr Rd Columbus, GA 31907 Muscoogie County	1.4 miles	Garden (2 stories) 1972	Market	1BR / 1BA	25	27.80%	Market	\$441	800	n/a	No	0	0.00%
					2BR / 1BA	40	44.40%	Market	\$511	900	n/a	No	5	12.50%
					3BR / 2BA	15	16.70%	Market	\$547	1,100	n/a	No	0	0.00%
					4BR / 2BA	10	11.10%	Market	\$612	1,600	n/a	No	0	0.00%
						90	100%					5	5.60%	
9	Parkway Place 4505 And 4539 Old Cusseta Rd Columbus, GA 31907 Muscoogie County	1.1 miles	Garden 1970	Market	1BR / 1BA	8	3.80%	Market	\$495	900	n/a	No	1	12.50%
					2BR / 1BA	100	48.10%	Market	\$525	1,100	n/a	No	1	1.00%
					2BR / 2BA	100	48.10%	Market	\$595	1,100	n/a	No	2	2.00%
						208	100%					4	1.90%	
10	Sherwood Arms 3909 Baker Plaza Road Columbus, GA 31903 Muscoogie County	0.4 miles	Garden (2 stories) 1974	Market	1BR / 1BA	21	24.70%	Market	\$350	674	n/a	No	N/A	N/A
					2BR / 1BA	58	68.20%	Market	\$450	960	n/a	2 HH total	N/A	N/A
					2BR / 2BA	6	7.10%	Market	\$475	1,055	n/a	2 HH total	N/A	N/A
						85	100%					9	10.60%	

Property Profile Report

Eagle Trace

Comp # 1
Effective Rent Date 8/14/2007
Created by Brad Weinberg (November 03, 2003 06:38 PST)
Last updated by Kristina Garcia (August 28, 2007 15:12 PDT)

Location 2001 Torch Hill Road
Columbus, GA 31903
Muscogee County

Distance 2.2 miles
Units 381
Vacant Units 35
Vacancy Rate 9.20%
Type Garden
Year Built / Renovated 1940s/2002 / n/a
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors None
Tenant Characteristics No military
because they do
not qualify

Contact Name Jamie
Phone 706-689-6618



Market

Program	60%	Leasing Pace	2 weeks
Annual Turnover Rate	31%	Change in Rent (Past Year)	Inc. 0-3%
Units/Month Absorbed	n/a	Concession	\$150 off 2BR/1BA, \$200 off 2BR/2BA
Section 8 Tenants	63%		

Utilities

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

Property Profile Report (page 2)

Eagle Trace

Comp # 1

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	22	700	\$482	\$0	@60%	No	0	0.00%	yes	
1	1	Garden	2	765	\$482	\$0	@60%	No	0	0.00%	yes	
2	1	Garden	266	800	\$550	\$150	@60%	No	N/A	N/A	no	
2	2	Garden	15	1,400	\$600	\$200	@60%	No	N/A	N/A	no	
3	1	Garden	22	1,450	\$660	\$0	@60%	No	0	0.00%	yes	
3	2	Garden	30	1,500	\$660	\$0	@60%	No	0	0.00%	yes	
4	2	Garden	24	1,550	\$723	\$0	@60%	No	0	0.00%	yes	

Unit Mix: @60%

	1BR / 1BA	2BR / 1BA	2BR / 2BA	3BR / 1BA	3BR / 2BA	4BR / 2BA						
Face Rent	\$482	\$550	\$600	\$660	\$660	\$723						
Concession	\$0	\$150	\$200	\$0	\$0	\$0						
Concessed Face Rent	\$482	\$400	\$400	\$660	\$660	\$723						
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0						
Adjusted Rent	\$482	\$400	\$400	\$660	\$660	\$723						

Property Profile Report (page 3)

Eagle Trace

Comp # 1

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Garbage Disposal Oven Refrigerator Washer/Dryer hookup	Security	Perimeter Fencing
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Property	Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Swimming Pool	Premium	none
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Services	none	Other	Afterschool program
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Comments

Percent occupancy in the market is in the early 90's and rents are maxed out according to the contact. As previously stated, a new management company took over, resulting in a number of evictions, which accounts for the high vacancy. The contact stated that all the vacancies are in two-bedroom units because there are so many at the property, making them difficult to fill, and because demand is lower for two-bedroom units. The contact attributed the 63 percent Housing Choice Voucher tenancy equally to management marketing to the housing authority and to some tenants not being able to pay the full rent.

Property Profile Report (page 4)

Eagle Trace Trend Report

Trend: @60%	4QTR 2003						2QTR 2006					
	1BR / 1BA	2BR / 1BA	2BR / 2BA	3BR / 1BA	3BR / 2BA	4BR / 2BA	1BR / 1BA	2BR / 1BA	2BR / 2BA	3BR / 1BA	3BR / 2BA	4BR / 2BA
# Units	24	266	15	22	30	24	24	266	15	22	30	24
Vacancy Rate	N/A	N/A	N/A	N/A	N/A	N/A	16.70%	1.90%	13.30%	0.00%	0.00%	0.00%
Waiting List	N/Av	N/Av		N/Av	N/Av	N/Av	No	No	No	No	No	No
Face Rent	n/a	n/a	\$600	\$600	\$640	\$700	\$482	\$500	\$600	\$600	\$640	\$700
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	n/a	n/a	\$600	\$600	\$640	\$700	\$482	\$500	\$600	\$600	\$640	\$700
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	n/a	n/a	\$600	\$600	\$640	\$700	\$482	\$500	\$600	\$600	\$640	\$700

4Q2003	3Q2004	4Q2004	2Q2005	2Q2006	4Q2006	1Q2007	3Q2007	Overall Vacancy Rate
7.90%	N/A	N/A	N/A	2.90%	N/A	12.10%	9.20%	8.00%

Comments

- 4QTR 2003** This property is a 381 unit LIHTC community that was originally constructed in the 1940's. The property is currently 92 percent occupied and is offering one and a half month off all units with the signing of a twelve month lease. Turnover was estimated at six units per month or approximately 19 percent annually. This property expects to be completely leased by December 2003.
- 2QTR 2006** Current Interview (06/06/06): Management did not want to participate in a survey, and as a result, information is limited. Rents on one- and two-bedroom units, which were previously unknown, were quoted as \$482 and \$500, respectively. All other rents have remained stable. There are currently 11 vacancies, all of which are one- and two-bedroom units. Current occupancy is just above 97 percent, which is up from the 92 percent occupancy that was reported in 2003. The current special is a \$99 security deposit if a lease is signed within 24 hours of visiting the property.
- 1QTR 2007** According to management, new management took over in January 2007. When the new management took over, they made an attempt to "clean house" which resulted in a number of evictions. According to management, the property is starting to recover. The majority of the vacant units are two-bedroom with one-bathroom units. To fill up the vacancies, management is current offering a reduced rent special on those units.
- 3QTR 2007** Percent occupancy in the market is in the early 90's and rents are maxed out according to the contact. As previously stated, a new management company took over, resulting in a number of evictions, which accounts for the high vacancy. The contact stated that all the vacancies are in two-bedroom units because there are so many at the property, making them difficult to fill, and because demand is lower for two-bedroom units. The contact attributed the 63 percent Housing Choice Voucher tenancy equally to management marketing to the housing authority and to some tenants not being able to pay the full rent.

Property Profile Report

Johnston Mill Lofts

Comp # 2
Effective Rent Date 8/13/2007
Created by Nicole Weekley (June 01, 2006 10:15 PDT)
Last updated by Kristina Garcia (August 28, 2007 15:21 PDT)

Location 3201 First Ave
 Columbus, GA 31904
 Muscogee County

Distance 6.4 miles

Units 335

Vacant Units 57

Vacancy Rate 17.00%

Type Conversion
 (4 stories)

Year Built / Renovated 1900/2002 / n/a

Marketing Began n/a

Leasing Began n/a

Last Unit Leased n/a

Major Competitors n/a

Tenant Characteristics Late twenties to
 early thirties; 60%
 of market rate
 occupants are
 military

Contact Name Ashley

Phone 706-494-0388



Market

Program	@60%, Market	Leasing Pace	Pre-lease
Annual Turnover Rate	90%	Change in Rent (Past Year)	Inc. 3-4% 1BR; Dec. 1% 2BR; Dec. 0-2% 3BR
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	2%		

Utilities

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

Property Profile Report (page 3)

Johnston Mill Lofts

Comp # 2

Amenities

In-Unit	Blinds Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Skylights Walk-In Closet Washer/Dryer hookup	Security	Limited Access
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Property	Basketball Court Exercise Facility Central Laundry Off-Street Parking On-Site Management Playground Swimming Pool Tennis Court	Premium	none
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Services	none	Other	Concrete floors
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Comments

The leasing agent reported that the property is 83 percent occupied because of a recent deployment of military personnel from Fort Benning. However, all of the tax credit units are leased. The leasing agent states that percent occupancy in the market is in the high 80's and that most tax credit properties have their rents at the maximum allowable. Rent for the tax credit one-bedroom increased three percent; the market one-bedroom rent increased two percent; the tax credit two-bedroom increased 0.3 percent; the market two-bedroom decreased one percent; the tax credit three-bedroom decreased two percent; and, the market three-bedroom remained the same.

Property Profile Report (page 4)

Johnston Mill Lofts Trend Report

Trend: @60%	2QTR 2006			3QTR 2007		
	1BR / 1BA	2BR / 2BA	3BR / 2BA	1BR / 1BA	2BR / 2BA	3BR / 2BA
# Units	97	71	2	97	71	2
Vacancy Rate	N/A	N/A	N/A	0.00%	0.00%	0.00%
Waiting List	No	No	No	No	No	No
Face Rent	\$460	\$565	\$660	\$474	\$567	\$644
Concession	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$460	\$565	\$660	\$474	\$567	\$644
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$460	\$565	\$660	\$474	\$567	\$644

Trend: Market	2QTR 2006			3QTR 2007		
	1BR / 1BA	2BR / 2BA	3BR / 2BA	1BR / 1BA	2BR / 2BA	3BR / 2BA
# Units	8	155	2	8	155	2
Vacancy Rate	N/A	N/A	N/A	N/A	N/A	N/A
Waiting List	No	No	No	No	No	No
Face Rent	\$660	\$760	\$1,100	\$675	\$749	\$1,100
Concession	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$660	\$760	\$1,100	\$675	\$749	\$1,100
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$660	\$760	\$1,100	\$675	\$749	\$1,100

4Q2003	3Q2004	4Q2004	2Q2005	2Q2006	4Q2006	1Q2007	3Q2007	Overall Vacancy Rate
N/A	N/A	N/A	N/A	3.90%	N/A	N/A	17.00%	10.40%

Comments

2QTR 2006 Current Interview (06/01/06): Johnston Mill Lofts is an old cotton mill that was converted into loft style apartments. The property offers both market rate and tax credit units. All tax credit units are restricted to 60 percent of the AMI. There are 336 total units, only four of which are three-bedroom units. Although the exact number of vacancies could not be given, management estimated that there are approximately 13 units that are currently unoccupied. Although the property does accept Section 8 vouchers, there are currently no Section 8 tenants. Management stated that tenants tend to be younger, with a majority in their late twenties and early thirties. Management estimated that about 60 percent of their market rate units are occupied by military personnel. Locally, management noted that Kia has announced the opening of a plant in nearby West Point, Georgia.

3QTR 2007 The leasing agent reported that the property is 83 percent occupied because of a recent deployment of military personnel from Fort Benning. However, all of the tax credit units are leased. The leasing agent states that percent occupancy in the market is in the high 80's and that most tax credit properties have their rents at the maximum allowable. Rent for the tax credit one-bedroom increased three percent; the market one-bedroom rent increased two percent; the tax credit two-bedroom increased 0.3 percent; the market two-bedroom decreased one percent; the tax credit three-bedroom decreased two percent; and, the market three-bedroom remained the same.

Property Profile Report

Liberty Gardens Townhomes

Comp # 3
Effective Rent Date 8/13/2007

Created by Nicole Weekley (June 06, 2006 08:24 PDT)
Last updated by Kristina Garcia (August 28, 2007 15:09 PDT)

Location 675 6th Avenue
Columbus, GA 31901
Muscogee County

Distance 3.6 miles

Units 88

Vacant Units 0

Vacancy Rate 0.00%

Type Townhouse

Year Built / Renovated 1990 / n/a

Marketing Began n/a

Leasing Began n/a

Last Unit Leased n/a

Major Competitors None

Tenant Characteristics None

Contact Name Management

Phone 706-323-8833



Market

Program	@60%	Leasing Pace	1-2 weeks
Annual Turnover Rate	6%	Change in Rent (Past Year)	Inc. 4% July 2007
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	65%		

Utilities

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

Property Profile Report (page 3)

Liberty Gardens Townhomes

Comp # 3

Amenities

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

The leasing agent stated that the property has a low turnover because the rent is affordable. The prospective tenants on the waiting list are primarily waiting for two-bedroom units. According to the contact, the waiting list has increased recently because tenants from Baker Village, a Section 8 property, are being relocated so that the Columbus Housing Authority can demolish the property in order to redevelop it. Consequently, the reported percent of Housing Choice Voucher tenants residing at the property has increased from 45 percent in March to 65 percent in August 2007. The contact did not know why rents are not at the maximum allowable but she stated that rents probably cannot increase much more than their current rates.

Property Profile Report (page 4)

Liberty Gardens Townhomes Trend Report

Trend: @60%	2QTR 2006		4QTR 2006		1QTR 2007		3QTR 2007	
	2BR / 2BA	3BR / 2BA						
# Units	52	36	52	36	52	36	52	36
Vacancy Rate	0.00%	0.00%	3.80%	0.00%	0.00%	0.00%	0.00%	0.00%
Waiting List	3 HH	3 HH	No	No	Yes	Yes	30 HH total	30 HH total
Face Rent	\$416	\$509	\$416	\$509	\$416	\$509	\$432	\$509
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$416	\$509	\$416	\$509	\$416	\$509	\$432	\$509
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$416	\$509	\$416	\$509	\$416	\$509	\$432	\$509

4Q2003	3Q2004	4Q2004	2Q2005	2Q2006	4Q2006	1Q2007	3Q2007	Overall Vacancy Rate
N/A	N/A	N/A	N/A	0.00%	2.30%	0.00%	0.00%	0.60%

Comments

- 2QTR 2006** Current Interview (06/06/06): Liberty Garden Townhomes offers two- and three-bedroom townhomes, all of which are tax credit. Rents were quoted as \$416 for a two-bedroom unit and \$509 for a three-bedroom unit. There are currently no vacancies, and there is a three household waiting list for each unit type. The property is all electric and water, sewer, and trash are included in the quoted rents. Management was not willing to discuss the property beyond rents and vacancy.
- 4QTR 2006** Liberty Garden Townhomes offers two and three-bedroom townhomes. Rents were quoted as \$416 for a two-bedroom unit and \$509 for a three-bedroom unit. The property is all electric and water, sewer, and trash are included in the quoted rents. Section 8 vouchers are accepted; however, management was unable to estimate the number of tenants utilizing them.
- 1QTR 2007** The property is currently maintaining a waiting list with approximately four to five households. Management estimated that 40 tenants are using housing choice vouchers at this time.
- 3QTR 2007** The leasing agent stated that the property has a low turnover because the rent is affordable. The prospective tenants on the waiting list are primarily waiting for two-bedroom units. According to the contact, the waiting list has increased recently because tenants from Baker Village, a Section 8 property, are being relocated so that the Columbus Housing Authority can demolish the property in order to redevelop it. Consequently, the reported percent of Housing Choice Voucher tenants residing at the property has increased from 45 percent in March to 65 percent in August 2007. The contact did not know why rents are not at the maximum allowable but she stated that rents probably cannot increase much more than their current rates.

Property Profile Report

Midtown Square

Comp # 4
Effective Rent Date 8/14/2007

Created by Brad Weinberg (October 31, 2003 06:48 PST)
Last updated by Kristina Garcia (August 28, 2007 15:14 PDT)

Location 1400 Boxwood Road
 Columbus, GA 31906
 Muscogee County

Distance 4.7 miles

Units 144

Vacant Units 0

Vacancy Rate 0.00%

Type Garden
 (2 stories)

Year Built / Renovated 2002 / n/a

Marketing Began n/a

Leasing Began n/a

Last Unit Leased n/a

Major Competitors None

Tenant Characteristics Most are from the local area; no dominant age group

Contact Name Debbie, Kay
Phone 706-561-1083



Market

Program	60%	Leasing Pace	Pre-leased
Annual Turnover Rate	42%	Change in Rent (Past Year)	None
Units/Month Absorbed	16 units per month	Concession	None
Section 8 Tenants	21%		

Utilities

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

Property Profile Report (page 3)

Midtown Square

Comp # 4

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Garbage Disposal Oven Refrigerator Washer/Dryer hookup	Security	In-Unit Alarm Perimeter Fencing
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Property	Car Wash Clubhouse/Meeting Room/Community Room Exercise Facility Off-Street Parking On-Site Management Playground Swimming Pool Tennis Court	Premium	none
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Services	none	Other	Afterschool program
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Comments

Rent for the two-bedroom units increased by two dollars and three-bedroom units decreased by two dollars due to a change in the utility allowance, according to the leasing agent. The contact also reported that general occupancy in the area is above 95 percent, rents are at the peak, and the rents at Midtown Square are average for the tax credit market in the area. Management stated that they do not offer concessions because they are not necessary and that there is no need to keep a waiting list because there is enough tenant traffic to fill vacancies without one.

Property Profile Report (page 4)

Midtown Square Trend Report

	4QTR 2003		2QTR 2005		2QTR 2006		4QTR 2006	
	2BR / 2BA	3BR / 2BA	2BR / 2BA	3BR / 2BA	2BR / 2BA	3BR / 2BA	2BR / 2BA	3BR / 2BA
Trend: @60%								
# Units	24	120	24	120	24	120	24	120
Vacancy Rate	0.00%	5.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Waiting List	no	no	no	no	Total List of 4 HH	Total List of 4 HH	Yes	Yes
Face Rent	\$550	\$630	\$560	\$645	\$560	\$645	\$560	\$645
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$550	\$630	\$560	\$645	\$560	\$645	\$560	\$645
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$550	\$630	\$560	\$645	\$560	\$645	\$560	\$645
	1QTR 2007		3QTR 2007					
	2BR / 2BA	3BR / 2BA	2BR / 2BA	3BR / 2BA				
	24	120	24	120				
	0.00%	0.00%	0.00%	0.00%				
	Yes	Yes	Yes	Yes				
	\$560	\$645	\$562	\$645				
	\$0	\$0	\$0	\$0				
	\$560	\$645	\$562	\$645				
	\$0	\$0	\$0	\$0				
	\$560	\$645	\$562	\$645				

4Q2003	3Q2004	4Q2004	2Q2005	2Q2006	4Q2006	1Q2007	3Q2007	Overall Vacancy Rate
4.90%	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.80%

Comments

- 4QTR 2003** Midtown Square is LIHTC property with 144 units offered at 60 percent of the AMI. This property was completed in February 2002. The absorption period was nine months or approximately 16 units per month. There are currently seven vacant units, however, all of these units are preleased. The property manager stated that she wished she had more two-bedroom units and less three bedroom units. The tenants were described as mainly families with children. In addition to the amenities described above, there is also a car wash area, basketball court, and free after school program.
- 2QTR 2005** Currently there are no vacant units and rental rates have increased by 2% since the last update in October of 2003.
- 2QTR 2006** Current Interview (05/31/06): All rents have remained stable since the last interview in June 2005. All units are restricted to 60 percent of AMI and there are currently no vacancies. There are four households on the waiting list. There are 30 Section 8 residents at the property, which is roughly 21 percent of the tenants. There are also three Hurricane Katrina evacuees residing at the property. All three have been there since the storm and have decided to relocate permanently to the area. Management mentioned that there is a large amount of housing currently under construction in the Columbus area. Over the next four years, 15,000-20,000 troops will be reassigned to Fort Benning, the local Army base, and housing is being built in anticipation of this influx.
- 4QTR 2006** Midtown Square is a LIHTC property offering two and three-bedroom units at the 60 percent AMI level. This property is 100 percent occupied and maintains a waiting list. Management indicated an increased demand for housing in Columbus due to troops being reassigned to Fort Benning, the local Army base.
- 1QTR 2007** Midtown Square is a LIHTC property offering two and three-bedroom units at the 60 percent AMI level. This property is 100 percent occupied and is maintaining a waiting list with four households. Management indicated an increased demand for housing in Columbus due to troops being reassigned to Fort Benning, the local Army base.

3QTR Rent for the two-bedroom units increased by two dollars and three-bedroom units decreased by two dollars due to a change in the utility allowance, according to the leasing agent. The contact also reported that general occupancy in the area is above 95 percent, rents are at the peak, and the rents at Midtown Square are average for the tax credit market in the area. Management stated that they do not offer concessions because they are not necessary and that there is no need to keep a waiting list because there is enough tenant traffic to fill vacancies without one.

2007

Property Profile Report

Springfield Crossing

Comp # 5
Effective Rent Date 8/14/2007
Created by Brad Weinberg (October 31, 2003 06:30 PST)
Last updated by Kristina Garcia (August 28, 2007 15:17 PDT)

Location 3320 N. Lumpkin Road
Columbus, GA 31903
Muscogee County

Distance 1 miles
Units 200
Vacant Units 0
Vacancy Rate 0.00%
Type Garden
(2 stories)

Year Built / Renovated 2002 / n/a
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors Eagle Trace
Tenant Characteristics Local couples and families

Contact Name Charlotte, Crystal
Phone 706-689-7717



Market

Program	60%/Market	Leasing Pace	1 week
Annual Turnover Rate	12%	Change in Rent (Past Year)	Inc .7-15% for LIHTC units
Units/Month Absorbed	20 units per month	Concession	None
Section 8 Tenants	8%		

Utilities

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

Property Profile Report (page 3)

Springfield Crossing

Comp # 5

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Exterior Storage Ceiling Fan Garbage Disposal Oven Refrigerator Washer/Dryer hookup	Security	In-Unit Alarm Limited Access
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Property	Clubhouse/Meeting Room/Community Room Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Swimming Pool	Premium	none
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Services	none	Other	none
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Comments

The leasing agent reported that there is a waiting list for the tax credit units and that there is more two-bedroom demand than there is for the three-bedroom units.

Concessed Face Rent	\$550	\$605	\$550	\$605	\$600	\$665	\$600 - \$620	\$685
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$550	\$605	\$550	\$605	\$600	\$665	\$600 - \$620	\$685

3QTR 2007	
2BR / 2BA	3BR / 2BA
96	8
0.00%	0.00%
No	No
\$620	\$685
\$0	\$0
\$620	\$685
\$0	\$0
\$620	\$685

4Q2003	3Q2004	4Q2004	2Q2005	2Q2006	4Q2006	1Q2007	3Q2007	Overall Vacancy Rate
N/A	5.00%	N/A	N/A	0.00%	3.00%	0.50%	0.00%	1.70%

Comments

- 3QTR 2004** Springfield Crossing is the first phase Subject. This 120 unit community has two and three bedroom units that are offered at 50 and 60 percent of the AMI as well as market rates. This property was recently completed in 2002. The absorption period was six months long averaging approximately 20 units per month. There are currently no vacant units, and all of these vacant units are wired for intrusion alarm. Activation of these alarms cost \$25 per month. In addition to the amenities illustrated, the property also has a volleyball court and a bus stop at the end of the complex. Of the 80 two-bedroom units, 16 are market rate, 60 are 60 percent units, and the remaining four are 50 percent units. Of the 40 three-bedroom units, eight are market rate units, 30 are 60 percent units, and the remaining two are 50 percent units. The property manager felt the market needed additional affordable units. This property accepts section 8, although currently all section 8 units are full (there are very little of them).
- 2QTR 2006** They have not had any change in rent over the past year and the annual turnover rate was estimated at about 3 percent.
- 4QTR 2006** Springfield Crossing is a LIHTC property offering two and three-bedroom units at the 50 and 60 percent AMI levels, as well as market rate units. This property was completed in two phases. The absorption pace for the development equates to approximately 20 units per month. There is a bus stop located at the entrance of the property. LIHTC rents were recently increased approximately seven to fifteen percent.
- 1QTR 2007** Springfield Crossing is a LIHTC property offering two and three-bedroom units at the 50 and 60 percent AMI levels, as well as market rate units. This property was completed in two phases. The absorption pace for the development equates to approximately 20 units per month. There is a bus stop located at the entrance of the property. Market rate units increased 2.9 to 3.2 percent during the past year.
- 3QTR 2007** The leasing agent reported that there is a waiting list for the tax credit units and that there is more two-bedroom demand than there is for the three-bedroom units.

Property Profile Report

Victory Crossing

Comp # 6
Effective Rent Date 8/22/2007
Created by Nicole Weekley (June 01, 2006 09:38 PDT)
Last updated by Kristina Garcia (August 28, 2007 15:20 PDT)

Location 3312 Lumpkin Rd
 Columbus, GA 31903
 Muscogee County

Distance 1 miles
Units 172
Vacant Units 0
Vacancy Rate 0.00%
Type Garden
 (3 stories)

Year Built / Renovated 2005 / n/a
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors Spring Crossing;
 Eagles Trace

Tenant Characteristics Most are local and
 between the ages
 of 25 and 35; many
 employed with L &
 S Services on Fort
 Benning



Contact Name LaShonda
Phone 706-689-6979

Market

Program	@60%	Leasing Pace	Pre-leased
Annual Turnover Rate	28%	Change in Rent (Past Year)	Increase of 2-3%
Units/Month Absorbed	28	Concession	None
Section 8 Tenants	9%		

Utilities

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

Property Profile Report (page 3)

Victory Crossing

Comp # 6

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Ceiling Fan Fireplace Furnishing Garbage Disposal Oven Refrigerator Skylights Vaulted Ceilings Walk-In Closet Washer/Dryer hookup	Security	Perimeter Fencing
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Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Swimming Pool	Premium	none
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Services	none	Other	none
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Comments

Management noted that the property is typically between 98 and 100 percent occupied and usually maintains a small waiting list.

Property Profile Report (page 4)

Victory Crossing Trend Report

Trend: @60%	2QTR 2006		4QTR 2006		1QTR 2007		3QTR 2007	
	2BR / 2BA	3BR / 2BA						
# Units	96	76	96	76	96	76	96	76
Vacancy Rate	5.20%	0.00%	3.10%	1.30%	1.00%	2.60%	0.00%	0.00%
Waiting List	No	2 HH	Yes	Yes	Yes	Yes	Yes	Yes
Face Rent	\$545	\$605	\$550	\$625	\$550	\$625	\$560	\$645
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$545	\$605	\$550	\$625	\$550	\$625	\$560	\$645
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$545	\$605	\$550	\$625	\$550	\$625	\$560	\$645

4Q2003	3Q2004	4Q2004	2Q2005	2Q2006	4Q2006	1Q2007	3Q2007	Overall Vacancy Rate
N/A	N/A	N/A	N/A	2.90%	2.30%	1.70%	0.00%	1.70%

Comments

2QTR 2006 Current Interview (06/01/06): Victory Crossing offers two- and three-bedroom units, all restricted to 60 percent of the AMI. There are currently five vacancies, all of which are two-bedroom units. There is a two-household waiting list for three-bedroom units. The annual turnover rate is about 28 percent, and management stated that a good portion of this percentage is evictions. Management noted that units are usually pre-leased. The property does accept Section 8 vouchers, and there are currently 15 Section 8 tenants. This is the maximum number of vouchers that the property will accept. The property was in lease-up for six months and averaged 28 move-ins per month during that period. In January and February of 2006, occupancy numbers were low. One reason for this was that there simply were not enough units ready to move in to accommodate the pre-leases. However, in April, the number of make ready units finally caught up with pre-leases. Also, the large amount of paperwork required for tax credit residents as well as their employers adversely affected the timeliness of move-ins. The number of pre-leased units steadily increased from January 2006 through March 2006. During these three months, 227 units were pre-leased. So far this year, Victory Crossing has averaged 83 calls and 54 walk-ins per week. Management stated that the majority of tenants are between the ages of 25 and 35, and most are from the local area. Many tenants are employed by L & S Services, which operates the diner facility on Fort Benning. The property has one Hurricane Katrina evacuee. Management stated that a few others applied several months after the storm, but because the property was only accepting evacuees for a limited time, they were turned down.

4QTR 2006 Victory Crossing is a LIHTC property offering two and three-bedroom units. The annual turnover rate is about 28 percent, and management stated that a good portion of this percentage is evictions. Management noted that units are usually pre-leased. The property accepts a maximum of 15 Section 8 tenants, and is currently at maximum. The property was in lease-up for six months and averaged 28 move-ins per month during that period. In January and February of 2006, occupancy numbers were low. One reason for this was that there simply were not enough units ready to move in to accommodate the pre-leases. However, in April, the number of make ready units finally caught up with pre-leases. Also, the large amount of paperwork required for tax credit residents as well as their employers adversely affected the timeliness of move-ins. The number of pre-leased units steadily increased from January 2006 through March 2006. During these three months, 227 units were pre-leased. So far this year, Victory Crossing has averaged 83 calls and 54 walk-ins per week. Management stated that the majority of tenants are between the ages of 25 and 35, and most are from the local area. Many tenants are employed by L & S Services, which operates the diner facility on Fort Benning.

1QTR 2007 The annual turnover rate is about 28 percent, and management stated that a good portion of this percentage is evictions. Management noted that units are usually pre-leased. The property accepts a maximum of 15 Section 8 tenants, and is currently at maximum. The property was in lease-up for six months and averaged 28 move-ins per month during that period. In January and February of 2006, occupancy numbers were low. One reason for this was that there simply were not enough units ready to move in to accommodate the pre-leases. However, in April, the number of make ready units finally caught up with pre-leases. Also, the large amount of paperwork required for tax credit residents as well as their employers adversely affected the timeliness of move-ins. The number of pre-leased units steadily increased from January 2006 through March 2006. During these three months, 227 units were pre-leased. So far this year, Victory Crossing has averaged 83 calls and 54 walk-ins per week. Management stated that the majority of tenants are between the ages of 25 and 35, and most are from the local area. Many tenants are employed by L & S Services, which operates the diner facility on Fort Benning.

3QTR 2007 Management noted that the property's rents are not set at the maximum allowable level but they are at the maximum allowable level. Management noted that the property is typically between 98 and 100 percent occupied and usually maintains a small waiting list.

Property Profile Report

Cross Creek

Comp # 7
Effective Rent Date 8/24/2007
Created by Brad Weinberg (October 31, 2003 07:52 PST)
Last updated by Kristina Garcia (August 24, 2007 08:32 PDT)

Location 3911 Steam Mill Road
 Columbus, GA 31907
 Muscogee County
Distance 2.2 miles
Units 200
Vacant Units 2
Vacancy Rate 1.00%
Type Garden
 (2 stories)
Year Built / Renovated 1976 / n/a
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors Willow Creek
Tenant Characteristics n/a
Contact Name Valarrin
Phone 706-689-5150



Market

Program	Market	Leasing Pace	n/a
Annual Turnover Rate	N/A	Change in Rent (Past Year)	Inc. 1% in 2007
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	0%		

Utilities

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

Property Profile Report (page 3)

Cross Creek

Comp # 7

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Ceiling Fan Garbage Disposal Oven Refrigerator Washer/Dryer hookup	Security	Patrol
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Property	Clubhouse/Meeting Room/Community Room Central Laundry Off-Street Parking On-Site Management Swimming Pool Tennis Court	Premium	none
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Services	none	Other	none
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Comments

This interview was conducted as a prospective tenant. The change in rent was calculated based on the reported rents from the last interview in June 2006. The leasing agent anticipated that rents will increase by \$5 next year.

Property Profile Report (page 4)

Cross Creek Trend Report

Trend: Market	4QTR 2004			2QTR 2005			2QTR 2006			3QTR 2007		
	1BR / 1BA	2BR / 1.5BA	3BR / 2BA	1BR / 1BA	2BR / 1.5BA	3BR / 2BA	1BR / 1BA	2BR / 1.5BA	3BR / 2BA	1BR / 1BA	2BR / 1.5BA	3BR / 2BA
# Units	50	100	50	50	100	50	50	100	50	50	100	50
Vacancy Rate	N/A	N/A	N/A	4.00%	5.00%	2.00%	0.00%	3.00%	0.00%	2.00%	1.00%	0.00%
Waiting List	yes	yes	yes	no								
Face Rent	\$425	\$525	\$625	\$430	\$530	\$650	\$440	\$540	\$655	\$458	\$558	\$673
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$425	\$525	\$625	\$430	\$530	\$650	\$440	\$540	\$655	\$458	\$558	\$673
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$425	\$525	\$625	\$430	\$530	\$650	\$440	\$540	\$655	\$458	\$558	\$673

4Q2003	3Q2004	4Q2004	2Q2005	2Q2006	4Q2006	1Q2007	3Q2007	Overall Vacancy Rate
N/A	N/A	1.00%	4.00%	1.50%	N/A	N/A	1.00%	1.90%

Comments

4QTR 2004 Cross Creek is a market rate community with one, two, and three bedroom-units. There are currently two vacant units. Turnover was estimated at approximately eight units per month or 48 percent annually. Tenancy was described as 35 percent military and 65 percent family. The property manager mentioned that the three-bedrooms are in demand everywhere in the area. In addition to the amenities described, there is also a car wash area.

2QTR 2005 N/A

2QTR 2006 Current Interview (05/25/2006): The property has a 1.5 percent vacancy rate, a decrease from the previously reported vacancy rate of 3.7 percent in the second quarter of 2005. Rents have increased by five to ten dollars in the past year, representing an increase of one to two percent.

3QTR 2007 This interview was conducted as a prospective tenant. The change in rent was calculated based on the reported rents from the last interview in June 2006. The leasing agent anticipated that rents will increase by \$5 next year.

Property Profile Report

Hannah Heights

Comp # 8
Effective Rent Date 8/13/2007
Created by Nicole Weekley (May 31, 2006 11:59 PDT)
Last updated by Kristina Garcia (August 14, 2007 11:50 PDT)

Location 909 Farr Rd
 Columbus, GA 31907
 Muscogee County
Distance 1.4 miles
Units 90
Vacant Units 5
Vacancy Rate 5.60%
Type Garden
 (2 stories)
Year Built / Renovated 1972 / n/a
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors Holly Park
Tenant Characteristics Mostly military;
 majority are families; average
 age is early thirties



Contact Name Linda- property manager
Phone 706-682-2060

Market

Program	Market	Leasing Pace	1 week
Annual Turnover Rate	40%	Change in Rent (Past Year)	None
Units/Month Absorbed	n/a	Concession	\$100 off second month's rent for year lease
Section 8 Tenants	0%		

Utilities

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

Property Profile Report (page 3)

Hannah Heights

Comp # 8

Amenities

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

The leasing agent reported that the average occupancy in the area is above 90 percent and that rents will remain at their current rates for a while. The contact also reported that the Hannah Height's rents are average for the tax credit market. There is not a consistent demand or preference for one unit type over another according to the leasing agent. The concession has been running for approximately two months and the offer also includes \$50 off the second month's rent for a six-month lease.

Property Profile Report (page 4)

Hannah Heights Trend Report

Trend: Market	2QTR 2006				4QTR 2006				1QTR 2007			
	1BR / 1BA	2BR / 1BA	3BR / 2BA	4BR / 2BA	1BR / 1BA	2BR / 1BA	3BR / 2BA	4BR / 2BA	1BR / 1BA	2BR / 1BA	3BR / 2BA	4BR / 2BA
# Units	25	40	15	10	25	40	15	10	25	40	15	10
Vacancy Rate	4.00%	2.50%	0.00%	0.00%	16.00%	0.00%	0.00%	0.00%	8.00%	5.00%	0.00%	0.00%
Waiting List	No											
Face Rent	\$449	\$519	\$555	\$620	\$449	\$519	\$555	\$620	\$449	\$519	\$555	\$620
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$449	\$519	\$555	\$620	\$449	\$519	\$555	\$620	\$449	\$519	\$555	\$620
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$449	\$519	\$555	\$620	\$449	\$519	\$555	\$620	\$449	\$519	\$555	\$620

4Q2003	3Q2004	4Q2004	2Q2005	2Q2006	4Q2006	1Q2007	3Q2007	Overall Vacancy Rate
N/A	N/A	N/A	N/A	2.20%	4.40%	4.40%	5.60%	4.20%

Comments

2QTR 2006 Current Interview (05/31/06): This property has a total of 90 units, only two of which are currently vacant. The two vacancies include one one-bedroom unit and one two-bedroom unit. Management stated that on average, two units are vacated each month which gives the property an annual turnover rate of about 27 percent. Management is not currently offering any rent specials, nor do they have a waiting list for any of their unit types. When a unit does become available, management estimates that it is usually rented within a week. The property does accept Section 8 vouchers, and there are currently six Section 8 tenants living at the property. Only one-bedroom units have walk-in closets and only two-, three-, and four-bedroom units have washer/dryer connections. Management noted that the majority of their tenants are employed at the Fort Benning Army Base that is located nearby. Therefore, management estimated that the majority of residents are families in their early thirties. Locally, management noted that a second battalion is going to be stationed at Fort Benning which means that over the next four years, approximately 15,000-20,000 troops will relocate to the Columbus area. Therefore, numerous housing projects are already underway. Management stated that a majority of the multi-family housing currently under construction is going to be conventional and the majority of tenants will be military.

4QTR 2006 Hannah Heights is a market rate property offering one, two, three, and four-bedroom units. Management stated that on average, two units are vacated each month which gives the property an annual turnover rate of about 27 percent. Management is not currently offering any rent specials, nor do they have a waiting list for any of their unit types. When a unit does become available, management estimates that it is usually rented within a week. The property does accept Section 8 vouchers, and there are currently six Section 8 tenants living at the property. One-bedroom units offer walk-in closets; however, these units do not include washer/dryer connections.

1QTR 2007 Hannah Heights is a market rate property offering one, two, three, and four-bedroom units. Management stated that on average, two units are vacated each month which gives the property an annual turnover rate of about 27 percent. Management is not currently offering any rent specials, nor do they have a waiting list for any of their unit types. When a unit does become available, management estimates that it is usually rented within a week. The property does accept Section 8 vouchers, and there are currently six Section 8 tenants living at the property. One-bedroom units offer walk-in closets; however, these units do not include washer/dryer connections.

3QTR 2007 The leasing agent reported that the average occupancy in the area is above 90 percent and that rents will remain at their current rates for a while. The contact also reported that the Hannah Height's rents are average for the tax credit market. There is not a consistent demand or preference for one unit type over another according to the leasing agent. The concession has been running for approximately two months and the offer also includes \$50 off the second month's rent for a six-month lease.

Property Profile Report

Parkway Place

Comp # 9
Effective Rent Date 8/13/2007

Created by Nicole Weekley (May 31, 2006 14:26 PDT)
Last updated by Kristina Garcia (August 14, 2007 10:05 PDT)

Location 4505 And 4539 Old Cusseta Rd
 Columbus, GA 31907
 Muscogee County



Distance 1.1 miles
Units 208
Vacant Units 4
Vacancy Rate 1.90%
Type Garden
Year Built / Renovated 1970 / n/a
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors The Lodge
Tenant Characteristics Most are from the local area; about 30% are military employees
Contact Name Sandra
Phone 706-689-4873

Market

Program	Market	Leasing Pace	2 weeks
Annual Turnover Rate	52%	Change in Rent (Past Year)	None
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	0%		

Utilities

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

Property Profile Report (page 3)

Parkway Place

Comp # 9

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Furnishing Garbage Disposal Microwave Oven Refrigerator Vaulted Ceilings Walk-In Closet Washer/Dryer hookup	Security	none
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Property	Central Laundry Off-Street Parking Swimming Pool	Premium	none
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Services	none	Other	none
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Comments

Rents have not changed since the last interview in March 2007.

Property Profile Report (page 4)

Parkway Place Trend Report

Trend: Market	2QTR 2006			1QTR 2007			3QTR 2007		
	1BR / 1BA	2BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 1BA	2BR / 2BA
# Units	8	100	100	8	100	100	8	100	100
Vacancy Rate	0.00%	5.00%	5.00%	0.00%	5.00%	5.00%	12.50%	1.00%	2.00%
Waiting List	2 HH	No							
Face Rent	\$495	\$525	\$595	\$495	\$525	\$595	\$495	\$525	\$595
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$495	\$525	\$595	\$495	\$525	\$595	\$495	\$525	\$595
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$495	\$525	\$595	\$495	\$525	\$595	\$495	\$525	\$595

4Q2003	3Q2004	4Q2004	2Q2005	2Q2006	4Q2006	1Q2007	3Q2007	Overall Vacancy Rate
N/A	N/A	N/A	N/A	4.80%	N/A	4.80%	1.90%	3.80%

Comments

2QTR 2006 Current Interview (05/31/06): Parkway Place Apartments offers one-, and two-bedroom units. Of the 208 total units on the property, there are 8 one-bedroom units, and the remaining 200 are two-bedroom units. There are currently ten vacancies, all of which are two-bedroom units. There are two floorplans for the two-bedroom units. The less expensive two-bedroom units has only one-bath and are primarily located on the ground floor. The more expensive two-bedroom units has two full baths and are primarily located on the top floor which includes vaulted ceilings. There is a two household waiting list for one-bedroom units. There is no on-site management for this property. The management office is located at 1110 Farr Road. Management stated that the property always runs some kind of special. The current special is that all military personnel are pre-approved. The annual turnover rate is 42 percent, which management said was normal for any property with a large number of military residents. Management stated that this turnover rate is not a cause for concern because there is never a shortage of potential tenants. Locally, management noted that a large amount of housing is being developed to accommodate soldiers moving to the area. Management said tenants are a mixture of locals and military. Management estimated that about 30 percent of tenants are military employees.

1QTR 2007 There are two floorplans for the two-bedroom units. The less expensive two-bedroom units has only one-bath and are primarily located on the ground floor. The more expensive two-bedroom units has two full baths and are primarily located on the top floor which includes vaulted ceilings. There is no on-site management for this property. The management office is located at 1110 Farr Road. Management stated that the property always runs some kind of special. The current special is that all military personnel are pre-approved. The annual turnover rate is 42 percent, which management said was normal for any property with a large number of military residents. Management stated that this turnover rate is not a cause for concern because there is never a shortage of potential tenants. Locally, management noted that a large amount of housing is being developed to accommodate soldiers moving to the area. Management said tenants are a mixture of locals and military. Management estimated that about 30 percent of tenants are military employees.

3QTR 2007 Rents have not changed since the last interview in March 2007.

Property Profile Report

Sherwood Arms

Comp # 10
Effective Rent Date 8/14/2007

Created by Brad Weinberg (October 31, 2003 07:22 PST)
Last updated by Kristina Garcia (August 24, 2007 13:33 PDT)

Location 3909 Baker Plaza Road
Columbus, GA 31903
Muscogee County

Distance 0.4 miles

Units 85

Vacant Units 9

Vacancy Rate 10.60%

Type Garden
(2 stories)

Year Built / Renovated 1974 / n/a

Marketing Began n/a

Leasing Began n/a

Last Unit Leased n/a

Major Competitors n/a

Tenant Characteristics 50 percent military.



Contact Name Hester
Phone 706-687-1759

Market

Program	Market	Leasing Pace	Two days
Annual Turnover Rate	28%	Change in Rent (Past Year)	None
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	53%		

Utilities

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

Property Profile Report (page 3)

Sherwood Arms

Comp # 10

Amenities

In-Unit	Blinds Carpeting Central A/C Dishwasher Garbage Disposal Oven Refrigerator Walk-In Closet	Security	none
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Property	Central Laundry Off-Street Parking On-Site Management Playground Swimming Pool	Premium	none
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Services	none	Other	none
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Comments

There are currently 15 vacant units due to sewer damage. Of those 15 units, six are being held offline for renovations therefore, there are nine true vacancies. The leasing agent reported that general occupancy in the local market is approximately 85 percent.

Property Profile Report (page 4)

Sherwood Arms Trend Report

Trend: Market	3QTR 2004			2QTR 2005			2QTR 2006			4QTR 2006		
	1BR / 1BA	2BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 1BA	2BR / 2BA
# Units	21	58	6	21	58	6	21	58	6	21	58	6
Vacancy Rate	100.00%	5.20%	0.00%	100.00%	5.20%	216.70%	0.00%	0.00%	50.00%	0.00%	5.20%	0.00%
Waiting List										No	No	No
Face Rent	\$325	\$395	\$435	\$325	\$395	\$435	\$325	\$395	\$435	\$350	\$450	\$475
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$325	\$395	\$435	\$325	\$395	\$435	\$325	\$395	\$435	\$350	\$450	\$475
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$325	\$395	\$435	\$325	\$395	\$435	\$325	\$395	\$435	\$350	\$450	\$475

	1QTR 2007			3QTR 2007		
	1BR / 1BA	2BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 1BA	2BR / 2BA
	21	58	6	21	58	6
	0.00%	5.20%	0.00%	N/A	N/A	N/A
	No	No	No	No	2 HH total	2 HH total
	\$350	\$450	\$475	\$350	\$450	\$475
	\$0	\$0	\$0	\$0	\$0	\$0
	\$350	\$450	\$475	\$350	\$450	\$475
	\$0	\$0	\$0	\$0	\$0	\$0
	\$350	\$450	\$475	\$350	\$450	\$475

4Q2003	3Q2004	4Q2004	2Q2005	2Q2006	4Q2006	1Q2007	3Q2007	Overall Vacancy Rate
N/A	28.20%	N/A	43.50%	3.50%	3.50%	3.50%	10.60%	15.50%

Comments

- 3QTR 2004** Sherwood Arms is a market rate community with one and two bedroom units. There are currently 24 vacant units that are property manager attributes to military deployment. Turnover was estimated at six units per month or approximately 44 percent annually. Tenancy was described as 50 percent military personnel. The property manager stated that there have been more vacancies than usual this year as a result of military deployment, as well as a chicken manufacturing plant and a textile mill closing. This property is in poor condition and has poor curb appeal. This property is not offering concessions.
- 2QTR 2005** Sherwood Arms is a market rate community with one and two bedroom units. Turnover was estimated at six units per month or approximately 28 percent annually. Tenancy was described as 50 percent military personnel.
- 2QTR 2006** Current Interview (05/26/2006): Sherwood Arms is a market rate property offering one- and two-bedroom garden-style units. Similar to the vacancy rate reported in June 2005, the property is currently 3.5 percent vacant. Management indicated that approximately half of the tenants are affiliated with Fort Benning.
- 4QTR 2006** Sherwood Arms is a market rate property offering one and two-bedroom garden-style units. Similar to the vacancy rate reported in June 2005 and May 2006, the property is currently 3.5 percent vacant. Management indicated that approximately half of the tenants are affiliated with Fort Benning. Section 8 vouchers are accepted; however, management was unable to estimate the number of tenants currently utilizing them.
- 1QTR 2007** Sherwood Arms is a market rate property offering one and two-bedroom garden-style units. Similar to the vacancy rate reported in June 2005, May 2006 and November 2006 the property is currently 3.5 percent vacant. Management indicated that approximately half of the tenants are affiliated with Fort Benning. Section 8 vouchers are accepted; however, management was unable to estimate the number of tenants currently utilizing them.
- 3QTR 2007** There are currently 15 vacant units due to sewer damage. Of those 15 units, six are being held offline for renovations therefore, there are nine true vacancies. The leasing agent reported that general occupancy in the local market is approximately 85 percent.

H. PROPERTY INTERVIEWS

PROPERTY INTERVIEWS

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

Location

The Subject is located in the southern portion Columbus in a commercial and retail neighborhood. The closest multifamily properties are one mile from the Subject. Comparable properties one, and five through 10 are all located in similar neighborhoods. Comparables five and six are adjacent LIHTC properties and have similar locations to the Subject site. The market rate properties all have similar locations when compared to the Subject. Comparable 10 is the poorest performer, however this is due to its inferior condition and not location. Comparable property two is located on the northern edge of downtown and has a superior location as there are newer retail centers within walking distance. Comparable property three has a slightly inferior to similar location to the Subject. This property is within close proximity to several public housing developments and other housing that is in poor condition. However, this property is located on the southern edge of the CBD. Comparable property four is located within close proximity to the local mall and several newer retail centers. The housing in this neighborhood is in good condition. Overall, the Subject's location will be similar to all of the market rate competition and similar to inferior when compared to the LIHTC properties. The best indicator of the Subject's performance in the neighborhood is the strong performance of comparable properties five and six, which are less than one mile from the Subject site. These properties reported strong absorption rates and have experienced low vacancy rates and waiting lists.

Age and Condition

Properties surveyed range in age from one to 60-plus years with the exception of Johnston Mill Lofts, which was built in 1900 and converted into lofts in 2002. The Subject property will be new construction. All of the LIHTC properties have been constructed since 2002, with the exception of Liberty Garden Townhomes. This property was built in 1990 and is considered to be inferior when compared to new construction. Comparable property one, Eagle Trace, is also considered inferior with regards to condition. This property is a renovation of military housing that was built in the 1940's. This property has an institutional design with hundreds of buildings. All of the market rate properties are considered inferior to the Subject with regards to age and condition. These properties were all built in the 1970s and have below average to average curb appeal. The Subject, as new construction, will have above average curb appeal. As such, the Subject will be similar to the LIHTC properties and superior when compared to the older market rate comparable properties.

Unit Mix

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

Unit Mix

Unit Type	Total Units (Subject)	Percent (Subject)	Total Units (Comps)	Percent (Comps)
1 BR	54	23%	233	12%
2 BR	60	26%	1,243	65%
3 BR	80	34%	393	21%
4 BR	38	16%	34	2%
Total	232	100%	1,903	100%

As illustrated, the Subject’s market area consists primarily of two-bedroom units. In addition, there is a significant number of three-bedroom units in the Subject’s market area. The Subject at 232 total units will be one of the medium-sized LIHTC properties in the PMA. The LIHTC properties range in size from 88 to 381, with an average of 220 units. Eagle Trace is the largest property, which has a total of 381 units and is 92 percent occupied. The Subject will have less competition for the four-bedroom units because only two comparables offer four-bedroom units. The highest vacancy rate by unit is within the one-bedroom units, which is 2.41 percent. This is followed by the two-bedroom units at 1.34 percent. The three- and four-bedroom units are 100 percent occupied. This bodes well for the Subject’s unit mix. The following table illustrates the weighted vacancy by unit type. It should be noted that comparable properties one, two, and ten could not provide vacancy by unit type. Therefore, the 804 units from those properties combined are not included in the following table.

Weighted Vacancy

Unit Type	Total Units	Vacant Units	Percent Vacant
1 BR	83	2	2.41%
2 BR	672	9	1.34%
3 BR	334	0	0.00%
4 BR	10	0	0.00%
Total	1,099	11	1.00%

Unit Size

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

Unit Size Comparison

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/ Disadvantage
1 BR	750	674	960	863	-15%
2 BR	980	800	1,400	981	0%
3 BR	1,200	1,040	1,500	1,243	-4%
4 BR	1,400	1,550	1,600	1,565	-12%

The unit sizes at the Subject are below the average for the one-bedroom units, average for the two-bedroom units, slightly below the average for the three-bedroom units, and below average for the four-bedroom units. Overall, the Subject’s unit size will be slightly smaller than average

in the market; however, unit size will be mitigated, for the four-bedroom units in particular, as a result of the lack of competition.

Total Number of Baths per Unit

The Subject offers one bath its one-bedroom units and two baths in its two-, three-, and four-bedroom units. All of the comparables offer one-bathroom in their one-bedroom units and both comparables that offer four-bedroom units offer two baths. However, the number of baths offered in two- and three-bedroom units varies in the market. Some comparables offer one, one and a half, or two baths in their two-bedroom units; and, comparable one offers one or two baths in its three-bedroom units. Overall, the Subject will be similar to the comparable properties.

Amenities

The following table illustrates amenities that will be offered at the Subject compared to those offered at the comparable properties. The matrices have been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in gray, those properties that do not offer an amenity, that the Subject does offer are shaded in green. Thus, the inferior properties can be identified by the green and the superior properties can be identified by the gray.

Avalon Apartments, Columbus, GA; Market Study

1BR / 1BA	Avalon Apartments	Eagle Trace	Johnston Mill Lofts	Liberty Gardens Townhomes	Midtown Square	Springfield Crossing	Victory Crossing	Cross Creek	Hannah Heights	Parkway Place	Sherwood Arms
Comp #	Subject	1	2	3	4	5	6	7	8	9	10
Distance from Subject	n/a	2.2 miles	6.4 miles	3.6 miles	4.7 miles	1 miles	1 miles	2.2 miles	1.4 miles	1.1 miles	0.4 miles
Unit Types											
Market	--	--	1BR / 1BA	--	--	--	--	1BR / 1BA	1BR / 1BA	1BR / 1BA	1BR / 1BA
Bath/Bedroom	--	--	1BR / 1BA	--	--	--	--	1BR / 1BA	1BR / 1BA	1BR / 1BA	1BR / 1BA
Base Rent/Month	--	--	\$675	--	--	--	--	\$458	\$449	\$495	\$350
Unit GLA (SF)	--	--	960	--	--	--	--	840	800	900	674
Adjusted Utility Base Rent	--	--	\$675	--	--	--	--	\$458	\$441	\$495	\$350
@60%											
Bath/Bedroom	1BR / 1BA	1BR / 1BA	1BR / 1BA	--	--	--	--	--	--	--	--
Base Rent/Month	\$476	\$482	\$474	--	--	--	--	--	--	--	--
Unit GLA (SF)	750	700 - 765	960	--	--	--	--	--	--	--	--
Adjusted Utility Base Rent	\$476	\$482	\$474	--	--	--	--	--	--	--	--
Property Information											
Property Type	Garden (2 stories)	Garden	Conversion (4 stories)	Townhouse	Garden (2 stories)	Garden (2 stories)	Garden (3 stories)	Garden (2 stories)	Garden (2 stories)	Garden	Garden (2 stories)
Year Built	2008	1940s/2002	1900/2002	1990	2002	2002	2005	1976	1972	1970	1974
Market (Conv.)/Subsidy Type	@60%	LHFC	@60%, Market	@60%	LHFC	Market / LHFC	@60%	Market	Market	Market	Market
Unit Information											
Total Units	54	24	105	0	0	0	0	50	25	8	21
Vacant	N/A	0	N/A	0	0	0	0	1	0	1	N/A
Vacancy Rate	N/A	0.00%	N/A	N/A	N/A	N/A	N/A	2.00%	0.00%	12.50%	N/A
Utilities											
AC	--	central	central	central	central	central	central	central	central	central	central
tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant
Cooking	electric	electric	electric	electric	electric	electric	electric	electric	gas	electric	electric
tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant
Water Heat	electric	electric	electric	electric	gas	electric	electric	electric	gas	electric	electric
tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant
Heat	electric	electric	electric	electric	electric	electric	electric	electric	gas	electric	electric
tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant
Other Electric	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant
Water	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord
Sewer	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord
Trash Collection	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord
In-Unit Amenities											
Balcony/Patio	yes	yes	no	yes	yes	yes	yes	yes	no	yes	no
Blinds	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Central AC	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	no	yes	no	no	no	no	no	no	yes	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	yes	no	no	no	no
Ceiling Fan	no	no	yes	no	no	yes	yes	yes	yes	yes	no
Fireplace	no	no	no	no	no	no	no	no	no	no	no
Furnishing	no	no	no	no	no	no	yes	no	no	yes	no
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Microwave	no	no	yes	no	no	no	no	yes	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Skylights	no	no	yes	no	no	no	yes	no	no	no	no
Trash Compactor	no	no	no	no	no	no	no	no	no	yes	no
Vaulted Ceilings	yes	no	no	no	no	no	yes	no	no	yes	no
Walk-In Closet	yes	no	yes	no	no	no	yes	no	yes	yes	yes
Washer/Dryer	no	no	no	no	no	no	no	no	yes	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Property Amenities											
Basketball Court	no	no	yes	no	no	no	no	no	no	no	no
Business Center/Computer Lab	yes	no	no	no	no	no	yes	no	no	no	no
Car Wash	no	no	no	no	yes	no	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	no	no	no	yes	yes	yes	yes	no	no	no
Courtyard	yes	no	no	no	no	no	no	no	no	no	no
Exercise Facility	yes	no	yes	no	yes	no	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	no	yes	yes	yes	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	no	yes
Picnic Area	yes	yes	no	no	no	yes	yes	no	no	no	no
Playground	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes
Swimming Pool	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Tennis Court	no	no	yes	no	yes	no	no	yes	yes	no	no
Services											
Security											
In-Unit Alarm	no	no	no	no	yes	yes	no	no	no	no	no
Limited Access	no	no	yes	no	no	yes	no	no	no	no	no
Patrol	no	no	no	no	no	no	no	yes	no	no	no
Perimeter Fencing	yes	yes	no	no	yes	no	yes	no	no	no	no
Premium Amenities											
Other Amenities											
Other	Cyber cafe, cabana, billiard room, walking trails	After school program	Concrete floors	n/a	After school program	n/a	n/a	n/a	n/a	n/a	n/a

Unit Amenities and Common Area Amenities

The Subject will be average in unit amenities but will be superior in common area amenities. The Subject will offer walking trails, a business center/computer lab, a cyber café, a billiard room, a clubhouse/meeting room, a courtyard, an exercise facility, and a picnic area. None of the comparable properties offer walking trails, cyber café, or a billiard room. Comparable six is the only other property offering a business center. Only two out of the ten comparables offer an exercise facility and only four offer a clubhouse or community room. Comparables two, four, seven, and eight offer a tennis court but they do not offer one or more of the following: business center/computer lab, clubhouse/community room, exercise facility, billiard room, picnic area, and walking trails. The Subject does not offer a tennis court like comparables two, four, seven, and eight but the Subject will provide plenty of physical activity with its exercise facility and walking trails.

Security Features

The Subject will offer perimeter fencing with controlled access gates. Five comparable properties offer security features. Comparable one offers perimeter fencing; comparable two offers limited access; comparable four offers perimeter fencing as well as in-unit alarm systems; comparable five also offers in-unit alarm systems as well as limited access; and, comparable property seven offers a courtesy patrol. The Subject will be competitive with comparables that offer security features but will have a market advantage over those that do not offer any security features.

Utility Structure

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

Parking

All of the comparable properties offer free surface parking, as does the Subject.

Tenant Makeup

All of the LIHTC properties reported that most tenants are in their mid-twenties to early thirties who are either couples or couples with children. Most tenants work within the services industry and on the military base at L&S Services. All market rate properties reported between 30 to 50 percent military families residing at their properties. The non-military tenants at the market rate properties are typically employed within the healthcare or services industry. There were few military tenants reported at the LIHTC properties due to the income restrictions.

Housing Choice Vouchers

The following table illustrates the percentage of tenants utilizing Housing Choice Vouchers.

Tenants with Vouchers		
Comparable Property	Housing Choice Vouchers Tenants	Type
Avalon Apartments	N/Ap	LIHTC
Eagle Trace	63%	LIHTC
Johnston Mill Lofts	2%	LIHTC
Liberty Gardens Townhomes	65%	LIHTC
Midtown Square	21%	LIHTC
Springfield Crossing	8%	LIHTC
Victory Crossing	9%	LIHTC
Cross Creek	0%	Market
Hannah Heights	0%	Market
Parkway Place	0%	Market
Sherwood Arms	53%	Market

As the above table illustrates, the LIHTC properties range in percentage of Housing Choice Voucher tenants from eight percent to 65 percent, with the highest voucher tenancy at Eagle Trace and Liberty Gardens Townhomes. The property manager at Liberty Gardens Townhomes explained that both Housing Choice Voucher tenancy and waiting list length have increased recently because tenants are being relocated from Baker Village, a Section 8 property that will undergo revitalization once demolished. However, the property manager at Eagle Trace attributed its Housing Choice Voucher tenancy to the fact that management markets to the housing authority and that some tenants cannot afford the rent without the voucher. The only market rate property that accepts Housing Choice Vouchers is Sherwood Arms and Housing Choice Voucher tenants comprise a sizeable portion of the property’s tenancy.

The Subject’s rents are all in-line with the Housing Choice Voucher payment standards, with the exception of the two-bedroom units.

Concessions

The only concessions currently being offered are at Eagle Trace and Hannah Heights. The concession at Eagle Trace is \$150 to \$200 discounted rents for the two-bedroom units. Hannah Heights is offering \$100 off of the second month’s rent for a year lease. The lack of concessions indicates a stable market.

Waiting Lists

The following table illustrates the waiting lists at the comparable properties.

Waiting List

Property name	Rent Structure	Waiting List
Eagle Trace	LIHTC	None
Johnston Mill Lofts	Market / LIHTC	None
Liberty Gardens Townhomes	LIHTC	30 HH
Midtown Square	LIHTC	Yes
Springfield Crossing	Market / LIHTC	Yes for LIHTC units
Victory Crossing	LIHTC	Yes
Cross Creek	Market	None
Hannah Heights	Market	None
Parkway Place	Market	None
Sherwood Arms	Market	2 HH for two-bedroom units

The presence of waiting lists bodes well for the Subject.

Historical Rent Increases

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

Rent Changes

Comparable Property	Type	Type
Eagle Trace	Inc. 0-3%	LIHTC
Johnston Mill Lofts	Inc. 3-4% for 1BR; Dec. 1% for 2BR; Dec. 0-2% for 3BR	LIHTC
Liberty Gardens Townhomes	Inc. 4% in July	LIHTC
Midtown Square	None	LIHTC
Springfield Crossing	Inc. 7-15% for LIHTC units	LIHTC
Victory Crossing	Inc. 2-3%	LIHTC
Cross Creek	Inc. 1%	Market
Hannah Heights	None	Market
Parkway Place	None	Market
Sherwood Arms	None	Market

Of the comparable properties, six properties reported rent increases, five of which are LIHTC properties. This is indicative of a stable and healthy market.

Vacancy

The following table illustrates the vacancy rates in the market.

Overall Vacancy

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Eagle Trace	60%	381	35	9.20%
Johnston Mill Lofts	@ 60%, Market	335	57	17.00%
Liberty Gardens Townhomes	@60%	88	0	0.00%
Midtown Square	60%	144	0	0.00%
Springfield Crossing	60%, Market	200	0	0.00%
Victory Crossing	@60%	172	0	0.00%
Cross Creek	Market	200	2	1.00%
Hannah Heights	Market	90	5	5.60%
Parkway Place	Market	208	4	1.90%
Sherwood Arms	Market	85	9	10.60%
Total		1,903	112	5.90%

As illustrated, vacancy rates in the market range from 0.0 to 17.0 percent, averaging 5.90 percent. Eagle Trace and Johnston Mill Lofts reported high vacancy rates. The property manager at Johnston Mill Lofts attributed the vacancies to a recent deployment from Fort Benning and none of the vacancies are LIHTC units. The property manager at Eagle Trace attributed its vacancy, which occurs only in its two-bedroom units, to three factors: the difficulty of filling 281 two-bedroom units, lower demand for two-bedroom units in the area, and new management taking over in January 2007, at which time some tenants were evicted. Most property managers at the LIHTC properties indicated that they stay 100 percent occupied and vacant units are typically leased immediately due to the presence of waiting lists. This is indicative of a healthy and possible supply constrained market for the LIHTC units. The properties that are the most comparable to the Subject, Victory Crossing, Springfield Crossing, and Midtown Square, are 100 percent occupied. Thus, the Subject property should have little difficulty attracting tenants. Therefore, we expect the Subject to maintain a minimum vacancy rate of five percent or less.

Historical Vacancy

The following table illustrates historical vacancy rates in the market. It should be noted that historical data was not available for all surveyed properties for each period.

Historical Vacancy (All)						
Comparable Property	Type	Number of Units	2QTR 2006	4QTR 2006	1QTR 2007	3QTR 2007
Eagle Trace	LIHTC	381	2.9%	0.0%	12.1%	9.20%
Johnston Mill Lofts	LIHTC/Market	335	3.9%	0.0%	N/Av	17.00%
Liberty Gardens TH	LIHTC	88	0.0%	2.3%	N/Av	0.00%
Midtown Square	LIHTC	144	0.0%	0.0%	0.0%	0.00%
Springfield Crossing	LIHTC/Market	200	0.0%	3.0%	0.5%	0.00%
Victory Crossing	LIHTC	172	2.9%	2.3%	1.7%	0.00%
Cross Creek	Market	200	0.0%	N/Av	N/Av	1.00%
Hannah Heights	Market	90	2.2%	4.4%	4.4%	5.60%
Parkway Place	Market	208	4.8%	N/Av	4.8%	1.90%
Sherwood Arms	Market	85	3.5%	3.5%	3.5%	10.60%
TOTAL SURVEYED		1,903	2.2%	1.9%	3.9%	5.9%

As the above table illustrates, vacancy in the market appears to fluctuate between two and six percent. Although the market is not performing as well as it was in 2006 when all of the properties were five percent vacant or less, the current average vacancy is less than six percent. Overall, the market appears to be healthy and shows signs of consistent health.

Reasonability of Rents

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

LIHTC UNITS AT 60% AMI							
Unit Type	Number of Units	Net Rent	Estimated Utility Allowance	Gross Rent	Maximum Allowable Gross Rent	HUD FMR Rents	% Rental Advantage over HUD Max Allowable FMR Rents
1BR/1BA	54	\$476	\$72	\$548	\$548	\$498	-10.04%
2BR/2BA	60	\$569	\$88	\$657	\$657	\$570	-15.26%
3BR/2BA	80	\$646	\$113	\$759	\$759	\$758	-0.13%
4BR/2BA	38	\$711	\$136	\$847	\$847	\$897	5.57%

The Subject’s proposed one-, two-, and three-bedroom gross rents at the 60 percent AMI level are above the HUD FMR rents, while the four-bedroom units are below the HUD FMR rents. The rental rates at the LIHTC properties are compared to the Subject’s proposed 60 percent AMI rents in the following table.

LIHTC RENT COMPARISON – 60% AMI

Property Name	One-bedroom Rent	Two-bedroom Rent	Three-bedroom Rent	Four-bedroom Rent
Avalon (Subject)	\$476	\$569	\$646	\$711
LIHTC Maximum (Net)	\$476	\$569	\$646	\$711
Eagle Trace	\$482	\$400	\$660	\$723
Johnston Mill Lofts	\$474	\$567	\$644	N/AP
Liberty Gardens Townhomes	N/AP	\$432	\$509	N/AP
Midtown Square	N/AP	\$562	\$645	N/AP
Springfield Crossing	N/AP	\$569	\$646	N/AP
Victory Crossing	N/AP	\$560	\$645	N/AP
Average (Excluding the Subject)	\$478	\$515	\$625	\$723

The Subject’s proposed rental rates are slightly above the average LIHTC properties in the market, however are within the range. All units at Johnston Mill Lofts, Midtown Square, Springfield Crossing, and Victory Crossing are at the maximum allowable rent levels, as is the Subject. The lowest rents are at Liberty Garden Townhomes, which is inferior to the Subject. This property does not offer any community amenities except for central laundry and a playground and was built in 1990. Therefore, we do not consider this property to represent a true comparable rental rate. All rental rates at Eagle Trace are at the maximum allowable, with the exception of the two-bedroom units, which currently have a concession. The property manager at Eagle Trace attributes to lower demand for two-bedroom units the area and the difficulty in filling a large number of two-bedroom units (281 at Eagle Trace).

The most similar properties are Midtown Square, Springfield Crossing, and Victory Crossing, all of whom have rents that are the same or similar to those of the Subject. These properties recently increased rents and vacancy remained low. According to the majority of property managers, rents will continue to be increased each year as the AMI increases. Overall, we believe that the Subject’s rents are achievable when compared to the comparable LIHTC properties.

Comparison to Market Rent

The overall average and the maximum and minimum adjusted rents for market rate properties surveyed are illustrated in the table below in comparison with net rents for the Subject. Since there are very few four-bedroom units, we have also included local classified listings in our market rent analysis. The classified listings are located in the following table.

The following table shows four-bedroom rents for classifieds listed in Columbus, GA.

FOUR BEDROOM CLASSIFIEDS - COLUMBUS, GA

Type	Rent	Description
4BR Apartment	\$1,250	Roof deck overlooking downtown, balconies, dishwasher, garbage disposal, microwave, refrigerator, wood floors, fireplace, two-car garage, refrigerator, washer and dryer, and treadmill
4BR SFH	\$895	N/Av
4BR SFH	\$1,100	N/Av
4BR	\$725	N/Av
Average	\$993	

Source: *Columbus Ledger Enquirer*, Craig's List, Waddell Realty Co, LLC.

The following table illustrates the market rate rents compared to the Subject's rents.

SUBJECT RENT COMPARISON TO MARKET RENTS

Unit Type	Subject Rent at 60% AMI	Surveyed Minimum	Surveyed Maximum	Surveyed Average
1BR	\$476	\$350	\$675	\$484
2BR	\$569	\$475	\$749	\$576
3BR	\$646	\$547	\$1,100	\$751
4BR	\$711	\$612	\$1,250	\$916

As illustrated in the above table, the Subject's proposed LIHTC rents are below the average for all bedroom types. The Subject will be significantly superior to the market rate properties, with exception of the market rate units at Johnston Mill Lofts, which represent the maximum market rents. All other market rate properties are older (built in the 1970s) and offer limited amenities. The lowest rents among the market rate properties are at Hannah Heights and Sherwood Arms. Both of these properties were built in the early 1970s and have signs of deferred maintenance. Hannah Heights offers a slightly superior in-unit amenity package as it offers washer/dryer in-units. However, this property does not offer a clubhouse, business center, picnic area, or walking trails. Sherwood Arms does not offer a clubhouse, business center, walking trails, picnic area, or washer/dryer hook-ups. Therefore, the Subject should be able to achieve higher rents when compared to these properties. Overall, the Subject as new construction will be significantly superior to all market-rate properties surveyed with the exception of Johnston Mill Lofts.

Affect of Subject on Other Affordable Units in Market

The Subject will be adding 232 new family oriented units to the market. Given the low vacancy (except for Johnston Mill Lofts) and the presence of waiting lists at the comparable LIHTC properties, we believe that the Subject will not have a negative effect on other affordable units in the market. Further, with the expansion at Aflac and Fort Benning, as well as the overall economic projections, affordable units will be in high demand. The total vacancy rate of LIHTC units is reported to be three percent when taking into account that all of the vacancies in Johnston Mill Lofts are for market rate units. This indicates demand for the Subject. Overall, we do not believe the Subject will affect other affordable units in the market.

Absorption

Three of the LIHTC properties were able to report absorption, Midtown Square, Springfield Crossing, and Victory Crossing. Midtown Square reported an absorption rate of 16 units per month, or nine months. Springfield Crossing reported a 10 month absorption phase, or 20 units per month. Victory Crossing reported that they reached stabilization in six months, or 28 units per month. We expect that the Subject will have a similar absorption rate to these properties, whose absorption rates average out to 21 units per month. Therefore, we estimate that the Subject will have an absorption rate of 10 to 12 months, or 19 to 23 units per month.

Conclusions

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

I. INTERVIEWS

INTERVIEWS**Public and Assisted Housing**

The Columbus Housing Authority (CHA) is allocated 2,252 vouchers, of which 2,092 are leased and the remaining are issued but not leased. The waiting list was recently opened in June 2007 but is currently closed and will not be re-opened for another year. Two and three-bedroom vouchers tend to experience the highest demand in the area. The payment standards by bedroom type in Columbus are as follows: \$548, \$627, \$834, and \$987 for one-, two-, three-, and four-bedroom units, respectively. The Subject's gross rents are the same for the one-bedrooms, \$30 higher for the two-bedrooms, \$75 lower for the three-bedrooms, and \$140 lower for the four-bedrooms when compared to the payment standard.

Currently, the housing authority is involved in two revitalization efforts in Columbus. The Peabody Apartments HOPE VI revitalization, known as Ashley Station, has completed Phase I of three phases for the mixed-use, mixed-income revitalization of a public housing development formerly known as the George Foster Peabody development. Integral Group, LLC officially opened Ashley Station Phase I on March 16, 2007. Phase II will be complete in January and the housing authority anticipates that Phase III will be complete six months after Phase II. Ashley Station Apartments (Phase I) is located approximately 4.8 miles northwest of the Subject, outside of the Subject's primary market area. Ashley Station replaced the George Foster Peabody public housing development, which had more than 500 units. The George Foster Peabody development was built in the 1940s and was demolished in 2005 to make way for the 367 units at Ashley Station, which started leasing in September 2006. There are 184 units in Phase I, of which 73 are public housing. Of those 184 units, 76 percent were pre-leased and 30 percent were occupied by September 2006. Phase II will have 183 units and pre-leasing was planned to begin summer 2007.

The Baker Village redevelopment, located approximately 1.2 miles south of the Subject between Fort Benning Drive and Fort Benning Road, is still in the preliminary stages. Baker Village as it exists now consists of 590 units on approximately 67 acres. The current unit breakdown is as follows: 281 Section 8 Moderate Rehabilitation units, 110 public housing units, 41 portable Section 8 Housing Choice Vouchers, and 158 market rental units. Once demolished and redeveloped, the new Baker Village will be 16 percent public housing, 64 percent tax credit, and 36 percent Section 8. Phase I will consist of 98 multifamily units and 20 townhouses on approximately 14.4 acres. Phase II will consist of 88 multifamily units and 28 townhouses on approximately 11.13 acres. Phases III and IV will consist of 36 duplexes and 87 single family homes for sale on 30.4 acres. Construction of these homeownership units will depend on whether there is demand for them in the market. Phase V will consist of 5.4 acres of commercial and retail uses with a town center design. Finally, there is potential for the construction of a new elementary school on approximately three acres on the southern portion of the development along Levy Road. Currently, the housing authority has finished its first of three relocation phases. Demolition will begin as soon as relocation phases two and three are complete.

Planning Department

On January 17, 2007 the Columbus Planning Advisory Commission unanimously approved the rezoning of 159 acres of land in order for BOCO Development LLC to build a 821-unit

residential neighborhood located near the intersection of Hawthorne Road and South Lumpkin Road, which is approximately 1.6 miles southwest of the Subject.

We attempted to contact the Columbus Planning Department but none of our calls were returned. The following is an interview conducted in June 2006 with the Inspections Supervisor of the Columbus Planning Department, Jesse Gammal:

Mr. Gammal informed us that there are between 200 and 300 projects, both large and small in scale, that are either currently under construction or that are planned for the next year. Most of the new construction in Columbus will be housing, which is a direct result of the large number of military personnel that will relocate to the area. According to Mr. Gammal, 1,000 single family homes, as well as numerous market rate apartment complexes, are already under construction. In addition to new housing, Mr. Gammal mentioned that several apartment complexes in Muscogee County are being renovated. The City of Columbus is estimating that 40,000 people will relocate to the Columbus area over the next three years. When asked about the Cusseta Road area, Mr. Gammal said that there is less activity going on in the southern part of the city at the moment. However, he did mention that several apartment complexes in the area are planning renovations, and there are a few new single family subdivisions that are currently under construction. No new retail or office space is currently planned for the Cusseta Road area. The City of Columbus has a new development, Columbus Park Crossing, which opened just over a year ago. This is a mixed use development and includes retail space such as Sears, Old Navy, and Ross, multi-family housing, an auto dealership, and a movie theater. Additionally, there are three Super Wal-Marts that are planned to open in Muscogee County in the next year. These three stores will join the Super Wal-Mart and Sam's Club that have just recently been built.

In addition to the previous interview, the Columbus Planning Advisory Commission approved the rezoning of 159 acres for BOCO Development LLC's planned 821-unit residential development that will be located approximately 3.2 miles southwest of the Subject and west of South Lumpkin Road. The development is planned to include 161 townhomes with garages and 660-unit apartment complex.

Homecorp and its Homecorp Affordable Communities division are planning to build a seven or eight-building apartment complex next to the American Legion that would include 175 to 192 units. As of January 2007, Homecorp developed plans to build two- and three- bedroom units that will rent for \$585 to \$660 a month. According to Homecorp's website, ground breaking on this property should take place in September 2007.

Chamber of Commerce

We contacted Tiffani Cunningham of the Greater Columbus Georgia Chamber of Commerce in order to get updated information on business expansions or closures in the area and any planned developments centered around the Fort Benning BRAC expansion. According to Ms. Cunningham, the Armor School will begin its initial movement in October 2009 and then its large movements in January 2010. By September 2011 the Armor School move will be complete, adding approximately 10,000 military personnel and civilians and 30,000 students/trainees. According to an April 2007 *Columbus Ledger-Enquirer* article entitled "Post clears first BRAC hurdle," construction on facilities in order to move the armor school from Fort Knox, Kentucky could begin in August or September 2007, pending the approval of the Department of the Army's Environmental Impact Statement (EIS).

J. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- The PMA, MSA, and the nation are experiencing population and household growth. The MSA and nation are experiencing moderate growth while the PMA experiences slight growth. This trend is projected to continue for the foreseeable future. However, because the recently announced addition of approximately 11,023 new military, civilian, and contractor personnel to be stationed at Fort Benning, a realignment for which the above demographics do not reflect, we do not believe the future demographic projections are accurate. These projections do not reflect the recent BRAC realignment recommendations which will result in 11,023 new military, civilian, and contractor personnel and their families to be realigned to Fort Benning in Columbus, Georgia. Overall, the realignment will result in an estimated direct population increase of 32,985 persons between 2007 and 2011 according to Tiffani Cunningham from the Greater Columbus Chamber of Commerce.
- The Columbus MSA has a stable economy with increasing total employment and decreasing unemployment. Total employment in the Columbus MSA increased over the better part of the past 14 years. As of 2005 the MSA has replaced the jobs it lost in the recession with approximately 3,787 new jobs created in 2005 and an additional 1,725 new jobs in the first quarter of 2006. According to Tony Adam's article dated May 7, 2006, "Surrounding Areas Anticipate Job, Population Increases" published in the *Columbus Ledger-Enquirer*, "this year's projected three percent employment growth rate will make Columbus the hottest job performer out of all 14 of Georgia's major metro areas, including Atlanta, which is projected to grow less than two percent." Despite a recent increase in 2005, the unemployment rate in the Columbus MSA has declined through the second quarter of 2007 and over the better part of the past 14 years. Furthermore, historically the unemployment rate for the Columbus MSA has been below that of the nation for the majority of the past 14 years. The largest sector is the services sector, followed by the manufacturing, retail trade, and insurance/finance sectors. The local economy appears stable and the relatively low-paying jobs offered in the retail trade and accommodation/food services sectors are expected to generate demand for affordable housing in the PMA. In addition, the recent expansion announcement by Aflac, the massive future increase in troops at Fort Benning as a result of the 2005 BRAC recommendations, and the opening of the Kia Motors plant in West Point, will all contribute to the unprecedented growth which is projected in the region throughout the next five to ten years.
- The Subject's capture rates will range from nine to 31 percent, with an overall capture rate of 15 percent. The capture rate for the three-bedroom units is considered high. However, the number of households does not take into account the significant increase in population that Fort Benning and other economic factors (Aflac expansion). We expect this to have a tremendous impact on the population and household demographics in Columbus. Further, it should be noted that there are no vacant three-bedroom units at the comparable properties, both LIHTC and market rate.
- Three of the LIHTC properties were able to report absorption, Midtown Square, Springfield Crossing, and Victory Crossing. Midtown Square reported an absorption rate

of 16 units per month, or nine months. Springfield Crossing reported a 10 month absorption phase, or 20 units per month. Victory Crossing reported that they reached stabilization in six months, or 28 units per month. We expect that the Subject will have a similar absorption rate as these properties, whose absorption rate averages to 22 units per month. Therefore, we estimate that the Subject will have an absorption rate of 10 to 12 months, or 19 to 22 units per month.

- Vacancy rates in the market range from 0.0 to 17.0 percent, averaging 5.9 percent. Johnston Mill Lofts experienced the highest vacancy rate due to a recent deployment of military personnel from Fort Benning. All of Johnston Mill Lofts' vacancies are market rate units. Most property managers at the LIHTC properties indicated that they stay 100 percent occupied and vacant units are typically leased immediately due to the presence of waiting lists. This is indicative of a healthy and possible supply constrained market. The properties that are the most comparable to the Subject, Victory Crossing, Springfield Crossing, and Midtown Square, are 100 percent occupied. Thus, the Subject property should have little difficulty attracting tenants. Therefore, we expect the Subject to maintain a minimum vacancy rate of five percent or less.
- Strengths of the Subject will include common area amenities. We believe that there is ample demand for the Subject based on the low vacancy rates at the comparable properties and the future economic growth.
- Based upon our market research, demographic calculations and analysis, we believe there is ample demand for the Subject property as conceived. The Subject will be superior to the majority of the existing housing stock and will offer a competitive amenity package. The low vacancy bodes well for the Subjects units.
- The Subject's proposed LIHTC rents are below the average for all bedroom types. The Subject will be significantly superior to the market rate properties, with exception of the market rate units at Johnston Mill Lofts, which represent the maximum market rents. All other market rate properties are older (built in the 1970s) and offer limited amenities. The lowest rents among the market rate properties are at Hannah Heights and Sherwood Arms. Both of these properties were built in the early 1970s and have signs of deferred maintenance. Hannah Heights offers a slightly superior in-unit amenity package as it offers washer/dryer in-units. However, this property does not offer a clubhouse, business center, picnic area, or walking trails. Sherwood Arms does not offer a clubhouse, business center, walking trails, picnic area, or washer/dryer hook-ups. Therefore, the Subject should be able to achieve higher rents when compared to these properties. Overall, the Subject as new construction will be significantly superior to all market-rate properties surveyed with the exception of Johnston Mill Lofts.

Recommendations

- We believe that the Subject will be feasible as proposed as of August 2007.

J. SIGNED STATEMENT REQUIREMENTS

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

8-31-2007

Date



Michalena M. Skiadas
Manager
Novogradac & Company LLP

8-31-2007

Date

K. ANALYST QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI

I. Education

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

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

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Past Member Frostburg Housing Authority
Certified General Real Estate Appraiser – State of Connecticut
Certified General Real Estate Appraiser – State of Maryland
Certified General Real Estate Appraiser – State of Michigan
Certified General Real Estate Appraiser – State of Mississippi
Certified General Real Estate Appraiser – State of New York
Certified General Real Estate Appraiser – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser – State of South Carolina
Certified General Real Estate Appraiser – State of Tennessee
Certified General Real Estate Appraiser – Commonwealth of Virginia
Certified General Real Estate Appraiser – State of Washington
Certified General Real Estate Appraiser – State of West Virginia

III. Professional Experience

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

IV. Professional Training

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

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

V. Real Estate Assignments – Examples

- In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988. Since 1995 have focused on the affordable housing industry.
- 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.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

MICHALENA M. SUKENIK

I. Education

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

II. Professional Experience

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

III. Professional Training and Continuing Education

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

IV. Real Estate Assignments

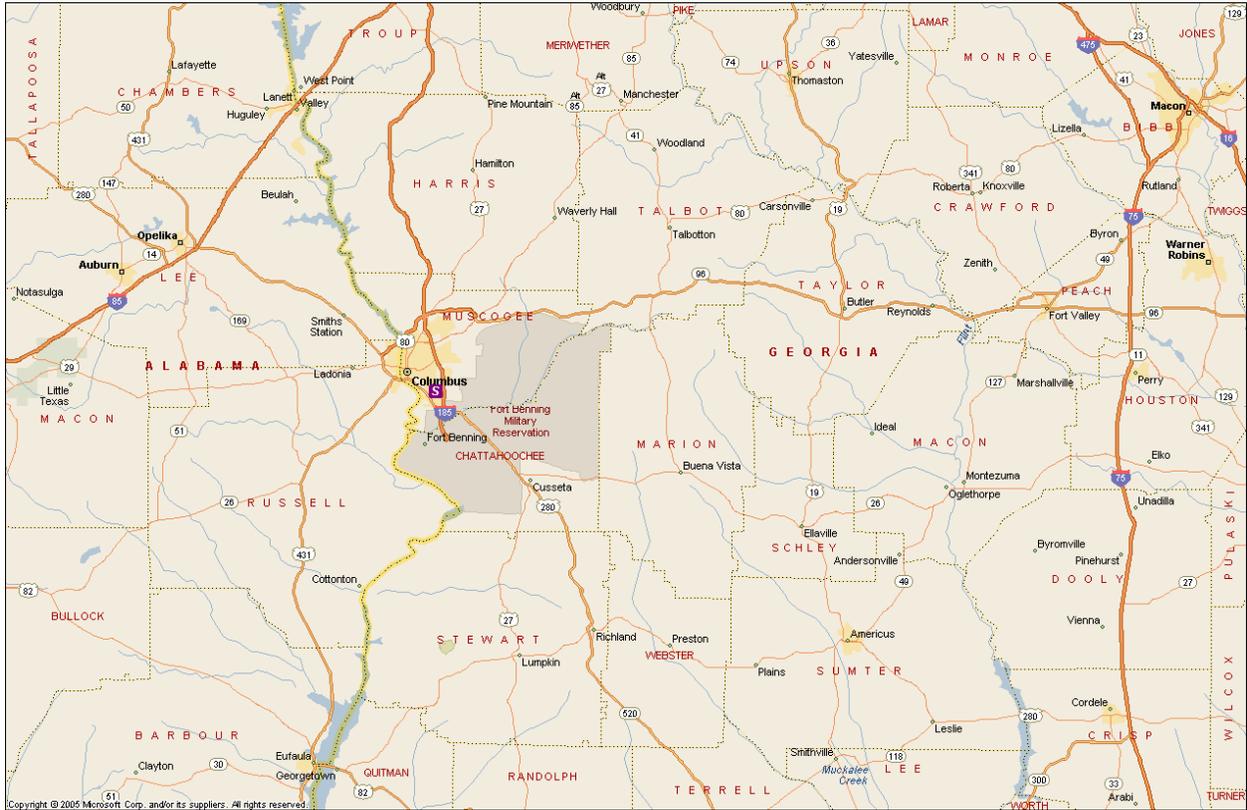
A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted in preparing an approved HUD Consolidated Plan for the City of Gainesville, GA; which included a housing and homeless needs assessment, market analysis, non-housing needs analysis, and a strategic plan, which conformed to 24CFR Part 91, Consolidated Plan Regulations for the ensuing five-year period (2004-2009).
- Assisted in preparing a comprehensive senior housing study in Seattle, Washington for the Seattle Housing Authority. This study evaluated the Seattle Housing Authority's affordable senior housing project for their position within the entire city's senior housing market. The research involved analysis of the senior population by neighborhood, income, household size, racial composition, and tenure.

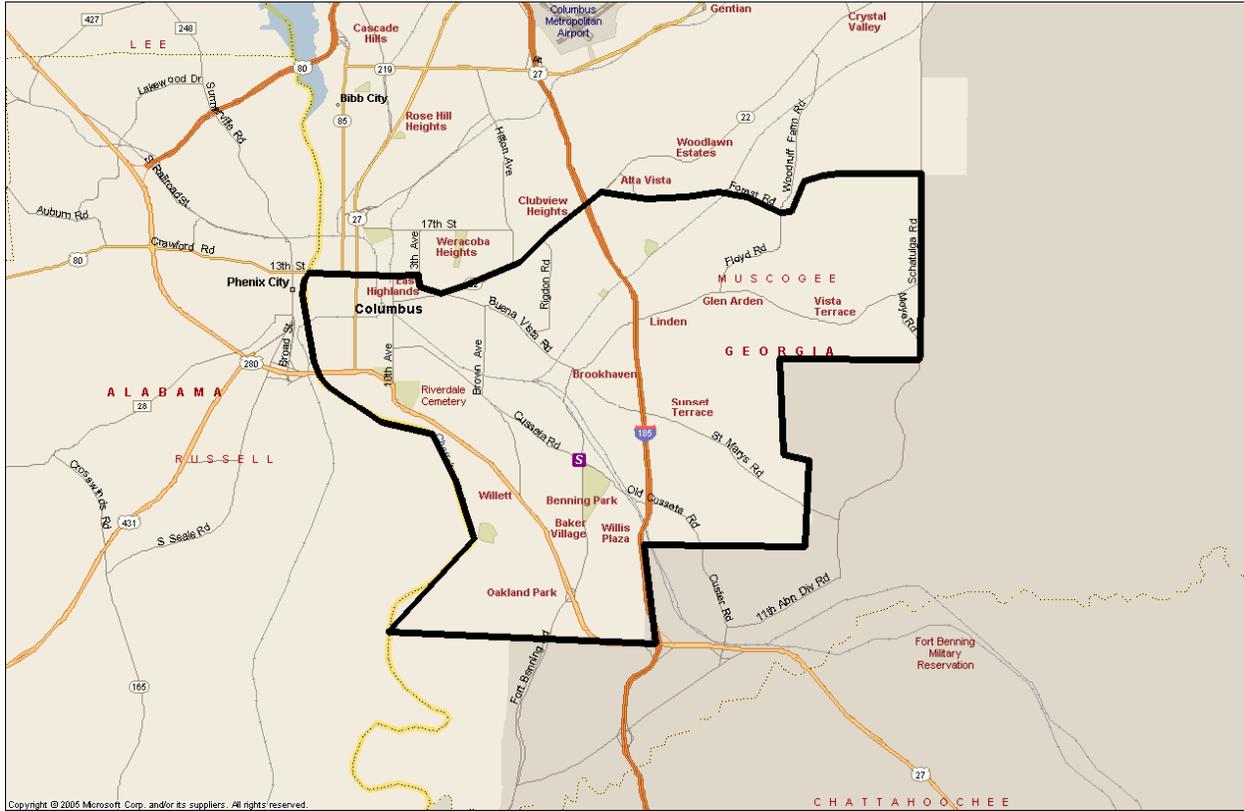
- Conducted market studies for senior projects in Virginia Beach, Virginia; Hampton Roads, Virginia; Goshen, New York; Calumet City, Illinois; Pontiac, Illinois; Galesburg, Illinois; San Antonio, Texas; Salt Lake City, Utah; Ogden, Utah; Philadelphia, Pennsylvania; Thibodaux, Louisiana; Jennings, Louisiana;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

MAPS

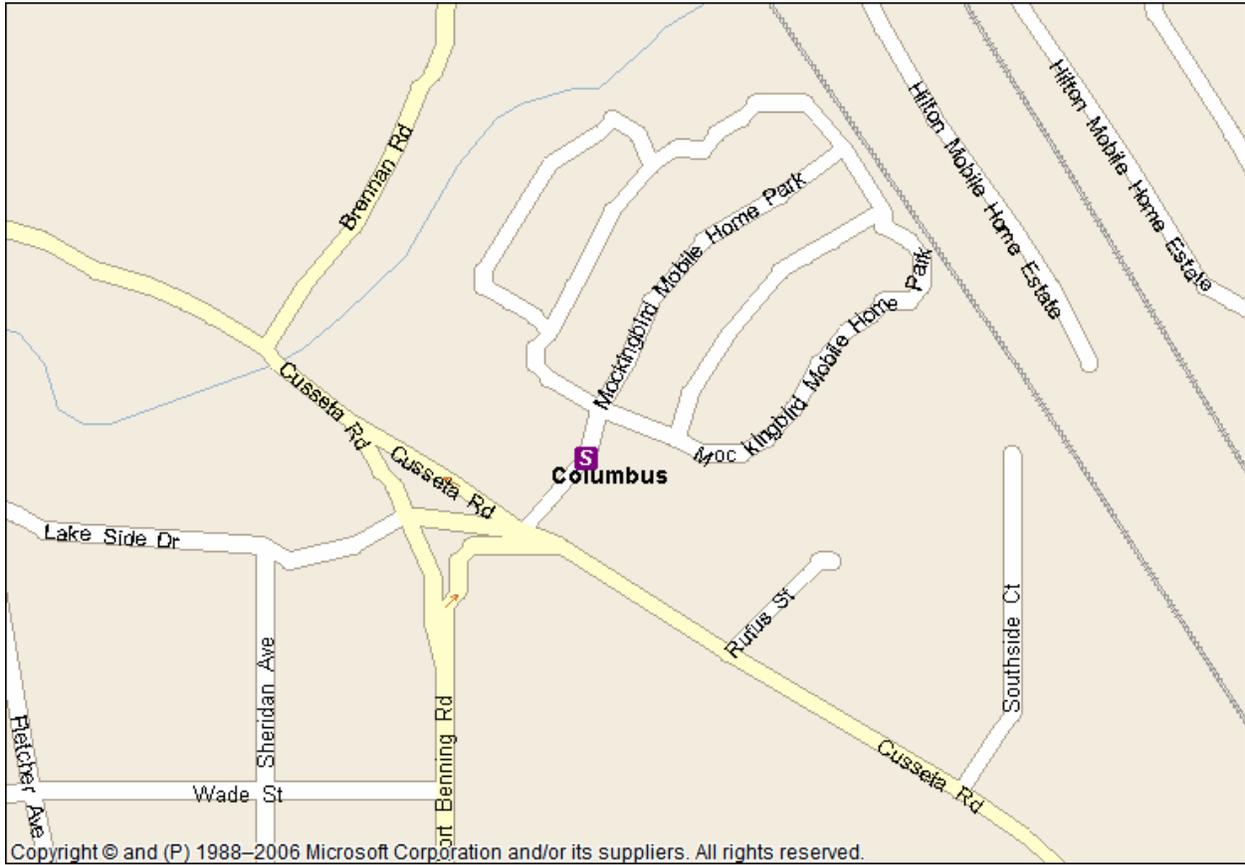
Regional Map



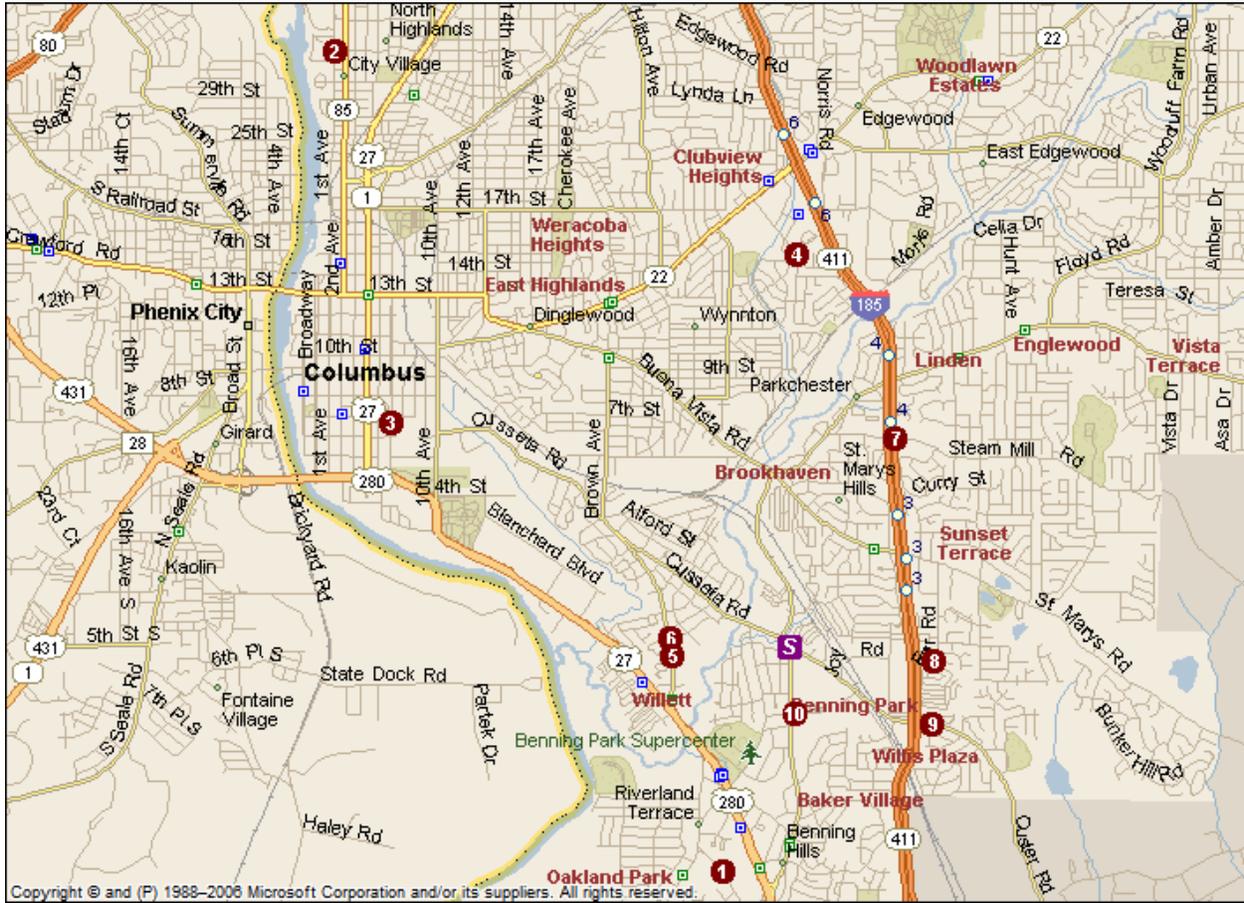
PMA Map



Neighborhood Map



Comparable Property Map



Comp Number	Property name	Rent Structure
1	Eagle Trace	LIHTC
2	Johnston Mill Lofts	Market / LIHTC
3	Liberty Gardens Townhomes	LIHTC
4	Midtown Square	LIHTC
5	Springfield Crossing	Market / LIHTC
6	Victory Crossing	LIHTC
7	Cross Creek	Market
8	Hannah Heights	Market
9	Parkway Place	Market
10	Sherwood Arms	Market



Subject Site



Subject Site



View of Cusseta Road from Subject Entrance



View West of the Subject Entrance



View East of the Subject Entrance



Intersection of Cusseta Road and Fort Benning Road from Subject entrance



Alternate View of Intersection of Cusseta Road and Fort Benning Road



View East of Cusseta Road