



A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF

**WAYNESBORO SENIOR HOMES
830 Academy Avenue
Waynesboro, Burke County, Georgia**

DCA Project Number-08-029

Effective Date: May 16, 2008

Report Date: May 28, 2008

Prepared For

**Ms. Laurel Hart
Georgia Department of Community Affairs
60 Executive Park South, NE
Atlanta, Georgia 30329**

Prepared By

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CERTIFIED PUBLIC ACCOUNTANTS

May 28, 2008

Ms. Laurel Hart
Georgia Department of Community Affairs
60 Executive Park South, NE
Atlanta, Georgia 30329

Re: Market Study for Waynesboro Senior Homes in Waynesboro, Georgia

Dear Ms. Hart:

At your request, Novogradac & Company, LLP performed a market study of the senior rental market in the Waynesboro, Burke County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the proposed Waynesboro Senior Homes. As proposed, the Subject will offer a total of 39 one- and two-bedroom units at the 50 and 60 percent AMI levels as well as unrestricted units. The Subject will target senior residents 62 years of age and older. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

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

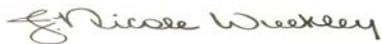
Respectfully submitted,



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ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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A. EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

Subject Property Overview:

Waynesboro Senior Homes (Subject) is the proposed new construction of a LIHTC and market rate elderly development that will be age restricted to tenants 62 years of age and older. As proposed, the Subject will offer a total of 39 one- and two-bedroom units at the 50 and 60 percent AMI levels as well as unrestricted market rate units. Nineteen of the Subject’s units will be located in an old schoolhouse, which will be converted to apartments. The remaining 20 units will be built in two newly constructed, single story buildings.

Proposed Rents, Unit Mix, Utility Allowance:

The following table details the proposed rents for the Subject's units. The utility allowances referenced in this table were furnished by the developer. As illustrated, the Subject’s 30 percent AMI rents are set at the maximum allowable level, while the 60 percent AMI rents are set below the maximum level.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>						
1BR/1BA	6	\$393	\$115	\$508	\$508	\$582
2BR/2BA	6	\$466	\$145	\$611	\$611	\$654
<i>60% AMI</i>						
1BR/1BA	10	\$443	\$115	\$558	\$610	\$582
2BR/2BA	13	\$516	\$145	\$661	\$733	\$654
<i>Unrestricted Market Units</i>						
1BR/1BA	2	\$487	\$115	\$602	N/Ap	\$582
2BR/2BA	2	\$568	\$145	\$713	N/Ap	\$652
Total	39					

Notes (1) Source of Utility Allowance form the Developer.

Market Demand

Conclusions:

Senior population and number of households in the PMA and MSA have experienced strong growth as they are growing significantly faster than general population in both areas of analyses. This strong growth is projected to continue in the future, which bodes well for the Subject. Further, the PMA consists of a greater percent of senior renter households than the nation and over 50 percent of senior households earn less than

the maximum income restriction for the Subject's 60 percent AMI units.

The City of Waynesboro's economy is largely based upon manufacturing, which historically has been considered a somewhat volatile industry. Overall, the manufacturing industry in the City of Waynesboro appears to be undergoing transition with some closures or contractions, but these contractions are mitigated by subsequent expansions. Although the Burke County economy is marked by above average unemployment rates, total employment rebounded from its 1.4 percent decrease in 2006 with a 2.4 increase through March 2008. Further, three companies are expanding or moving into the Waynesboro area, adding a potential of an additional 2,150 jobs.

**Stabilization and Projected
Absorption Period:**

Management at four of the LIHTC properties used as comparables in our report were able to report absorption information. Phase II of Augusta Springs Apartments, consisting of 100 age-restricted units, opened in 2001. According to management, leasing began in the end of November 2001 and the property reached stabilized occupancy by the end of November 2002. This equates to an absorption pace of approximately eight units per month. According to management at Linden Square, the property experienced an absorption pace of three units per month. Linden Square is an age-restricted property that opened in 2003. According to management, the property was in the initial absorption period for 1.5 years. Pecan Grove, located in Waynesboro, opened in 2006 and consists of 40 single-family home rental units. According to management, Pecan Grove absorbed at a rate of 10 units per month. Pecan Grove II opened in 2007 and consists of 64 single-family home rental units. Management stated that the property absorbed at a rate of 13 to 16 units per month. At this pace, the property was fully absorbed within five months of beginning the leasing process. According to management at Pecan Grove II, the LIHTC units offered at the property were absorbed faster than the market rate units offered at the property.

The Subject is a proposed new construction of a tax credit property. We believe the Subject would likely experience an absorption pace similar to the age-restricted tax credit properties in Augusta and the family tax credit properties in Waynesboro. We believe the Subject would likely experience an absorption pace of nine units per month for an absorption period of approximately six months for both the one- and two-bedroom units.

Comparable Properties: Vacancy rates in the market range from 0.0 to 3.30 percent, averaging 1.10 percent. Tax credit properties in the area have slightly lower vacancy rates than the market rate properties. The average vacancy of the tax credit properties is 0.25 percent while the average vacancy among market rate properties is slightly higher at 1.23 percent. Of the four elderly properties surveyed, the average vacancy is 0.68 percent. This bodes well for the Subject. All property managers indicated demand for the proposed Subject. Further, of the 10 comparable properties, six properties reported rent increases ranging between one and five percent.

Appropriateness of Unit Mix/Rents/Size: The Subject’s proposed one and two-bedroom unit sizes will be the largest in the market and will provide a significant competitive advantage. The Subject’s two-bedroom units will offer two bathrooms in its two-bedroom units. This will serve as a competitive advantage over the age restricted properties in the area, as the comparable properties offer one bathroom in their two-bedroom units. The Subject’s proposed rents will be lower than the rents at Linden Square, which indicates demand for the proposed rent levels. Given the lack of supply for age restricted properties in the area, we believe there is adequate demand for the Subject as proposed based on our calculations for the 50 and 60 percent AMI units.

Amenity Conclusions: The Subject’s amenities are similar to slightly superior to all of the comparable age-restricted properties surveyed.

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 #	Service/Amenity	Distance from Subject
1	Waynesboro Primary and Burke County Middle School	2.6 miles
2	Burke County High School	3.7 miles
3	Burke County Medical Center	0.9 miles
4	Harvey's Supermarket	0.4 miles
5	Bi-Lo Grocery	1.2 miles
6	Liberty Square Pharmacy	0.5 miles
7	Burke County Library	1.4 miles
8	Wayneboro Police Department	0.6 miles
9	Stockbridge Fire Department	0.4 miles
N/Ap	Burke County Transit-Curb to Curb Service by appt only	N/Ap

Capture Rates:

The Subject’s capture rates for the one-bedroom units is 47.8 percent and 32.6 percent for the two-bedroom units. The overall capture rate is at 38.2 percent. The one-bedroom capture rates appear high. We believe the Subject is feasible as proposed based on the following:

1. There is no senior LIHTC supply in Waynesboro.
2. Both RD Senior properties in Waynesboro are 100 percent occupied and reported demand.
3. Three of the four senior LIHTC properties reported waiting lists.
4. The overall vacancy rate in the market is low at 1.10 percent.
5. The vacancy rate at the senior properties is low at 0.68 percent.
6. The Subject will be superior to all product in Waynesboro.
7. The Subject’s units will be significantly larger then comparable senior properties.

Market Strengths:

Market strengths are very low vacancy, rent increases at the LIHTC properties, and demand reported by property managers at senior properties.

Market Study Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property both as new construction and as a renovation. As a newly constructed age restricted property in excellent condition, the Subject will be adding a total of 39 units to the local market, including 35 tax credit units and four unrestricted market rate units. There is a lack of affordable housing for seniors in the Waynesboro area. Occupancy at the senior properties in the market is strong, with approximately 99 percent of the units occupied. Upon completion, the Subject will be superior to all of the market rate comparables. With regards to tax credit properties, the Subject will be similar to Pecan Grove I and II, and slightly superior to the remaining LIHTC properties.

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

Unit Size	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate	Absorption (93%)	Proposed Net Rent	Median Market Rent
1BR at 50% AMI	16	0	16	6	37.8%	Six Months	\$393	\$555
1BR at 60% AMI	21	0	21	10	46.7%	Six Months	\$443	\$555
1BR at Unrestricted Market	31	0	31	2	6.5%	Six Months	\$487	\$555
2BR at 50% AMI	27	0	27	6	22.1%	Six Months	\$466	\$626
2BR at 60% AMI	37	0	37	13	35.5%	Six Months	\$516	\$626
2BR at Unrestricted Market	52	0	52	2	3.8%	Six Months	\$568	\$626
Overall 1BR	38	0	38	18	47.8%	Six Months	N/Ap	N/Ap
Overall 2BR	64	0	64	21	32.6%	Six Months	N/Ap	N/Ap
Overall	102	0	102	39	38.2%	Six Months	N/Ap	N/Ap

OVERALL DEMAND-ALL UNITS

Proposed Project Capture Rate 50% AMI Units	27.9%
Proposed Project Capture Rate 60% AMI Units	39.7%
Proposed Project Capture Rate Unrestricted Units	4.8%
Proposed Project Capture Rate ALL Units	38.2%
Proposed Project Stabilization Period- At 93% Occupancy	6 Months

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Our description of the proposed Subject is based on information provided by the developer. Waynesboro Senior Homes (Subject) is a proposed development that will contain a total of 39 units restricted to tenants ages 62 and older. The Subject will contain units restricted to those earning 50 and 60 percent of the AMI as well as unrestricted market rate units. We assume that the following information is accurate.

Project Address and Development Location:

The Subject will be located at 830 Academy Avenue in the Waynesboro, Burke County, Georgia.

Construction Type:

The subject will consist of three buildings. One building will be an old schoolhouse, which will be converted into 19 apartments units. There will also be two newly constructed single story buildings that will contain a total of 10 units.

Scope of Renovations:

The Subject will be a newly constructed property.

Occupancy Type:

Senior (62+).

Target Income Group:

Of the total units, 35 units will be restricted to households earning 50 and 60 percent of the AMI, while the other four units will be unrestricted market units. Our research indicates that seniors living in market units at mixed income properties typically earn 80 percent of the AMI. Therefore, we have used 80 percent of the AMI as our maximum income for the Subject's market units. The minimum income will be \$19,000 and the maximum income will be \$34,720 (which is the income at 80 percent income for a two person household).

Special Population Target:

Three of the Subject's units (five percent) will be equipped for the mobility impaired and two of the Subject's units (four percent) will be equipped for the sight and hearing impaired.

Proposed Rents, Unit Mix, Utility Allowance:

The following table details the proposed rents for the Subject's units. The utility allowances referenced in this table were furnished by the developer. As illustrated, the Subject's 50 percent units are set at the maximum allowable rent level, while the 60 percent units are set below the maximum level.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
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Total	39					

Notes (1) Source of Utility Allowance form the Developer.

Current Rents: None.

Current Tenancy: None.

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	18	800	14,400
2BR/2BA	<u>21</u>	1,000	<u>21,000</u>
Total	39		35,400

Structure Type: The Subject will consist of a total of three residential buildings. One will be an old schoolhouse that will be converted into 19 apartment units. The other two buildings will be newly constructed single story buildings, which will contain a total of 10 units.

Existing or Proposed

Project Based Rental Assistance: The Subject will not have any units with Project Based Rental Assistance.

Unit Amenities: The Subject's units will contain refrigerators, stoves, ovens, dishwashers, garbage disposals, microwaves, in unit call systems, blinds, carpeting, and central air conditioning.

Community Amenities: The Subject's community amenities will include fenced community gardens, a covered pavilion with a picnic/barbeque area, a community room, a library, a computer center, an exercise facility, elevators, and a community laundry facility.

Parking: The Subject will contain a total of 86 parking spaces, which equates to approximately 2.2 spaces per unit. The Subject's proposed number of parking spaces will be in accordance with DCA's guidelines.

Placed in Service Date: The estimated placed in service date for the Subject is December 2009.

Conclusion: The Subject appears to have an adequate unit mix for the targeted population group. The proposed amenities will be competitive in the local market.

C. SITE EVALUATION

The location of a multifamily 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: The Subject site was inspected on May 16, 2008.

Name of Site Inspector: Nicole Weekley.

Frontage: The Subject site has frontage along Academy Avenue.

Topography: The site is level.

Visibility/Views: The Subject site is located on the eastern side of Academy Avenue and has good visibility and views.

North: Immediately north of the Subject site along Academy Avenue are single family homes. These homes appear to have been built over 50 years ago but have been well maintained and renovated. These homes are in good condition. Single family homes in good condition are also located approximately 0.2 miles north of the Subject site along West 9th Street. Retail and commercial development is located along US 25. Retail in the area includes a retail plaza anchored by a Super Wal-Mart. The retail plaza appeared to be 85 percent occupied. Several hotels such as the Best Western and the Jamestown Inn and fast food restaurants such as KFC and Pizza Hut are also located along US 25.

South: Single family homes in good condition are located south of the Subject site. These homes were built over 50 years ago and have been well maintained. The majority are in good condition. Manfred Park, a neighborhood recreational park, is located approximately 0.1 mile south of the Subject site at the intersections of Academy Avenue and Ward Street. Downtown Waynesboro is located 0.4 miles south of the Subject. Most of the retail in the area is located along US 25. Retail/commercial in the downtown area includes banks, restaurants, offices, boutiques and other smaller local retailers. Retail in the area appeared to be 95 percent occupied.

East: The area east of the Subject is highly residential. Homes in the area are older and most are in good condition. However, there are several homes that have not been as well maintained and appear to be in average condition.

Waynesboro Senior Homes, Waynesboro, GA; Market Study

Most of the homes east of the Subject are older and appear to have been built more than 50 years ago.

West: The area west of the Subject is residential and contains single family homes. Homes in the area appear to have been built 30 or more years ago. Most of the homes in the area are in average condition. Pecan Grove, a family LIHTC development containing three- and four-bedroom single family homes, is located approximately 0.5 miles west of the Subject site. According to management, the property is 100 percent occupied and is maintaining a waiting list of approximately 12 households. A local elementary school is also located in this vicinity.



Subject site



Subject site



Subject site



Single family home north of the Subject site

Waynesboro Senior Homes, Waynesboro, GA; Market Study



Single family home north of the Subject site



Retail north of the Subject site



Retail north of the Subject site



Fast food restaurant north of the Subject site



Single family home south of the Subject site



Downtown Waynesboro south of the Subject site



Downtown Waynesboro south of the Subject site



Single family home east of the Subject site



Single family home west of the Subject site

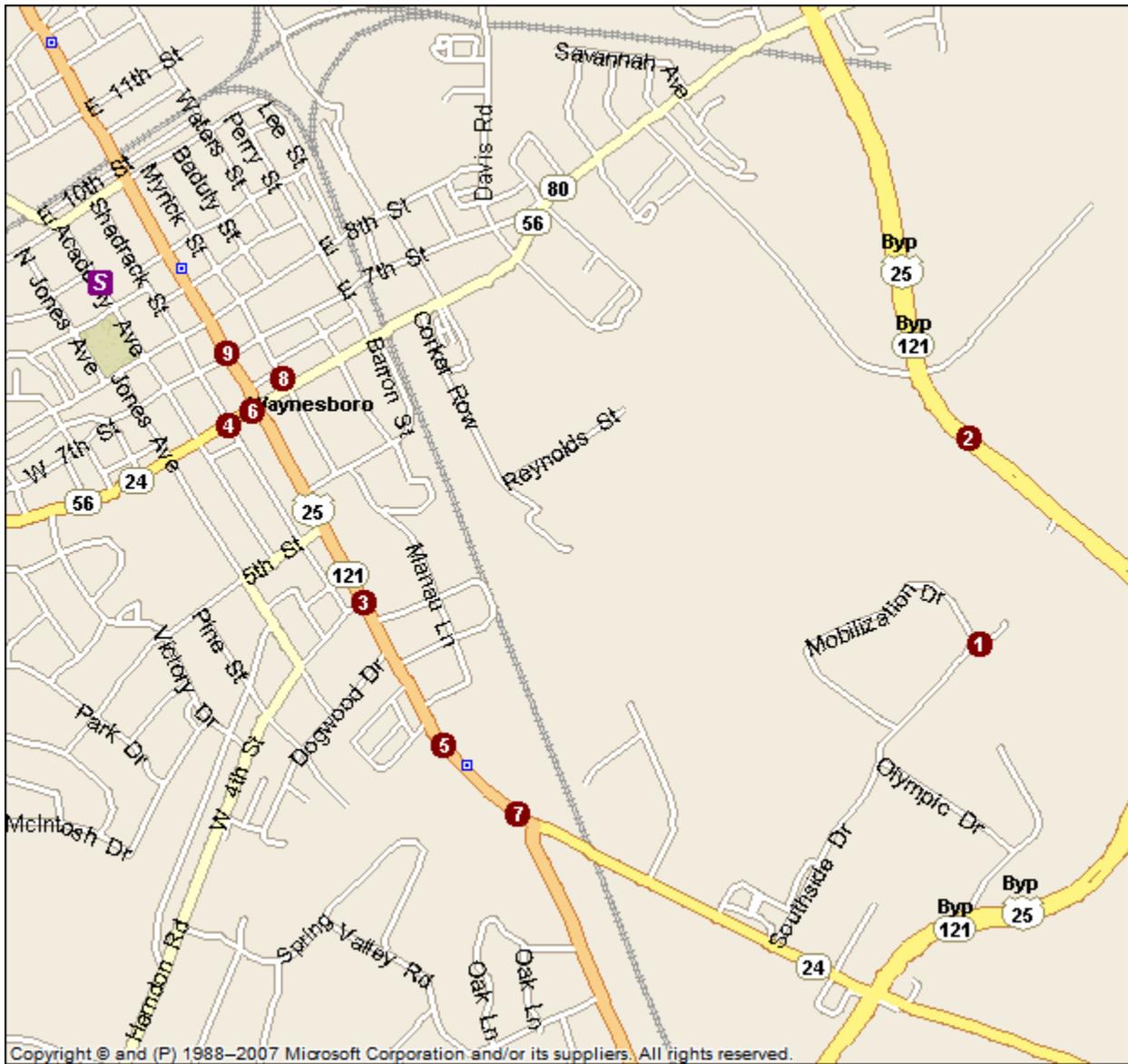
Access and Traffic Flow: The Subject site is located on the east side of Academy Avenue. Access and traffic flow are considered to be good.

Layout and Curb Appeal: As new construction, we assume that the Subject will have excellent curb appeal.

Zoning of Surrounding Area: According to Lavern Martin, Building Official for the City of Waynesboro, the Subject is currently zoned R-1 for single-family, low density residential development. However, the Subject sponsor is currently applying for a zoning change from R-1 to R-3 or high density, multifamily residential district. The Subject will be a legal conforming use upon approval of the zoning change.

Road/Infrastructure Proposed Improvements: We witnessed no road/infrastructure improvements in the immediate vicinity of the Subject. According to the planning department, there are no road/infrastructure improvements at this time in the immediate vicinity of the Subject.

Proximity to Local Services: The following table details the Subject's distance from key locational amenities.

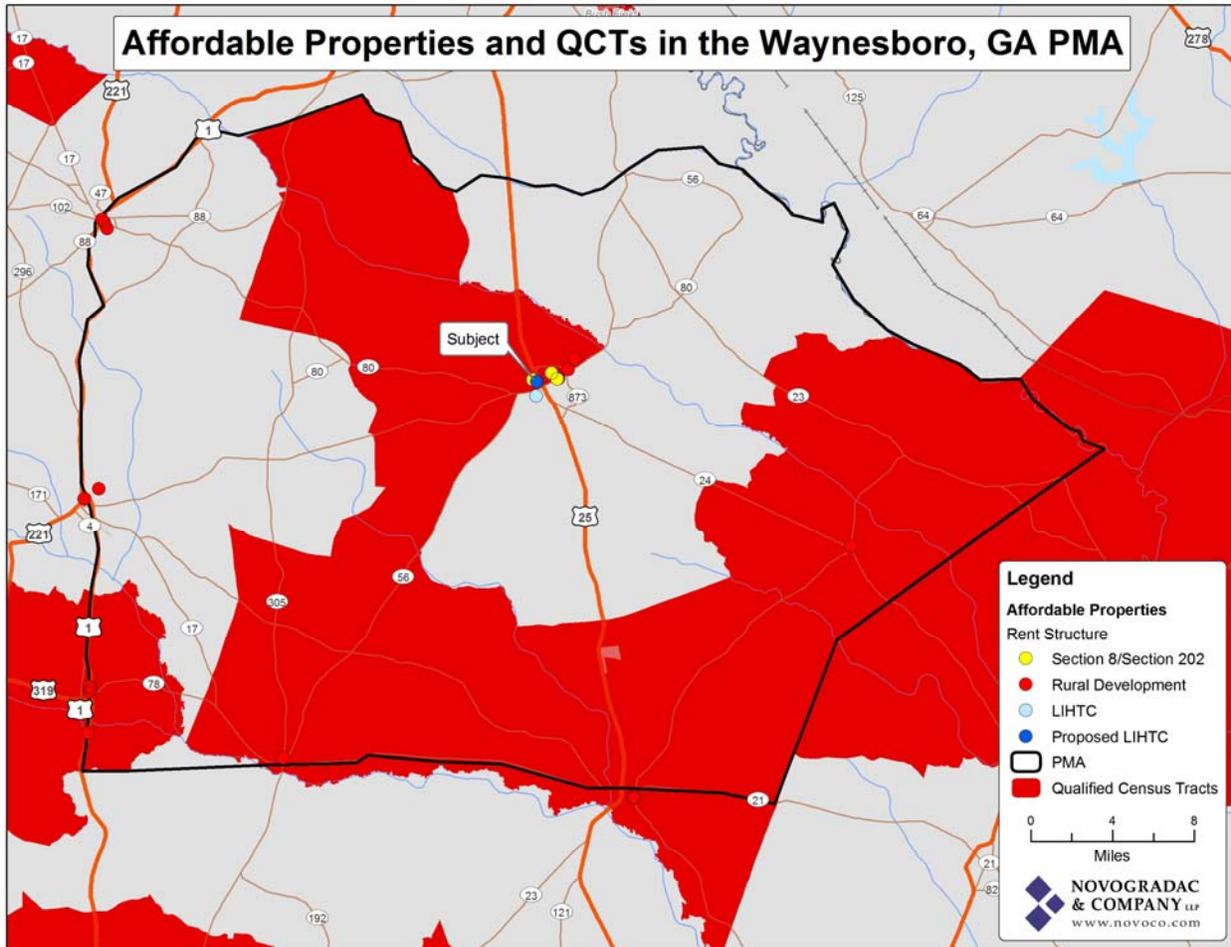


Local Distances from Services

Map #	Service/Amenity	Distance from Subject
1	Waynesboro Primary and Burke County Middle School	2.6 miles
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5	Bi-Lo Grocery	1.2 miles
6	Liberty Square Pharmacy	0.5 miles
7	Burke County Library	1.4 miles
8	Waynesboro Police Department	0.6 miles
9	Stockbridge Fire Department	0.4 miles
N/Ap	Burke County Transit-Curb to Curb Service by appt only	N/Ap

Subsidized Property Map:

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



SUBSIDIZED PROPERTIES IN THE PMA

Property	Tenancy	Type	Map Color	Included/Excluded	Reason for Exclusion
Waynesboro Gardens Apartments (aka Burkestone Place Apartments)	Family	LIHTC (Section 8)		Excluded	Tenancy not comparable and tenants pay 30% of income
Briarwood Apartments	Family	Section 8		Excluded	pay 30% of income
Howard-Hart-Holmes Apartments	Elderly	Section 8		Excluded	Tenants pay 30% of income
Woodland Terrace	Family	Rural Development		Excluded	Tenancy not comparable
Windy Hill	Family	Rural Development		Excluded	Tenancy not comparable
Orchard Hill I and II	Family	Rural Development		Excluded	Tenancy not comparable
Green Meadows	Family	Rural Development		Excluded	Tenancy not comparable
Louisville Apartments	Family	Rural Development		Excluded	Tenancy not comparable
Maple Lane	Family	Rural Development		Excluded	Tenancy not comparable
Meadowwood	Family	Rural Development		Excluded	Tenancy not comparable
Oak Lane Villas	Elderly	LIHTC (Rural Development)		Excluded	Rent Subsidized
Forest Ridge	Elderly	Rural Development		Included	N/Ap
Ashton Village	Elderly	Rural Development		Included	N/Ap
Pecan Grove I and II	Family	LIHTC		Included	N/Ap
Waynesboro Senior Homes	Elderly	LIHTC		SUBJECT	N/Ap

Detrimental Influences: There are no significant detrimental influences.

Environmental Concerns: None visible upon site inspection.

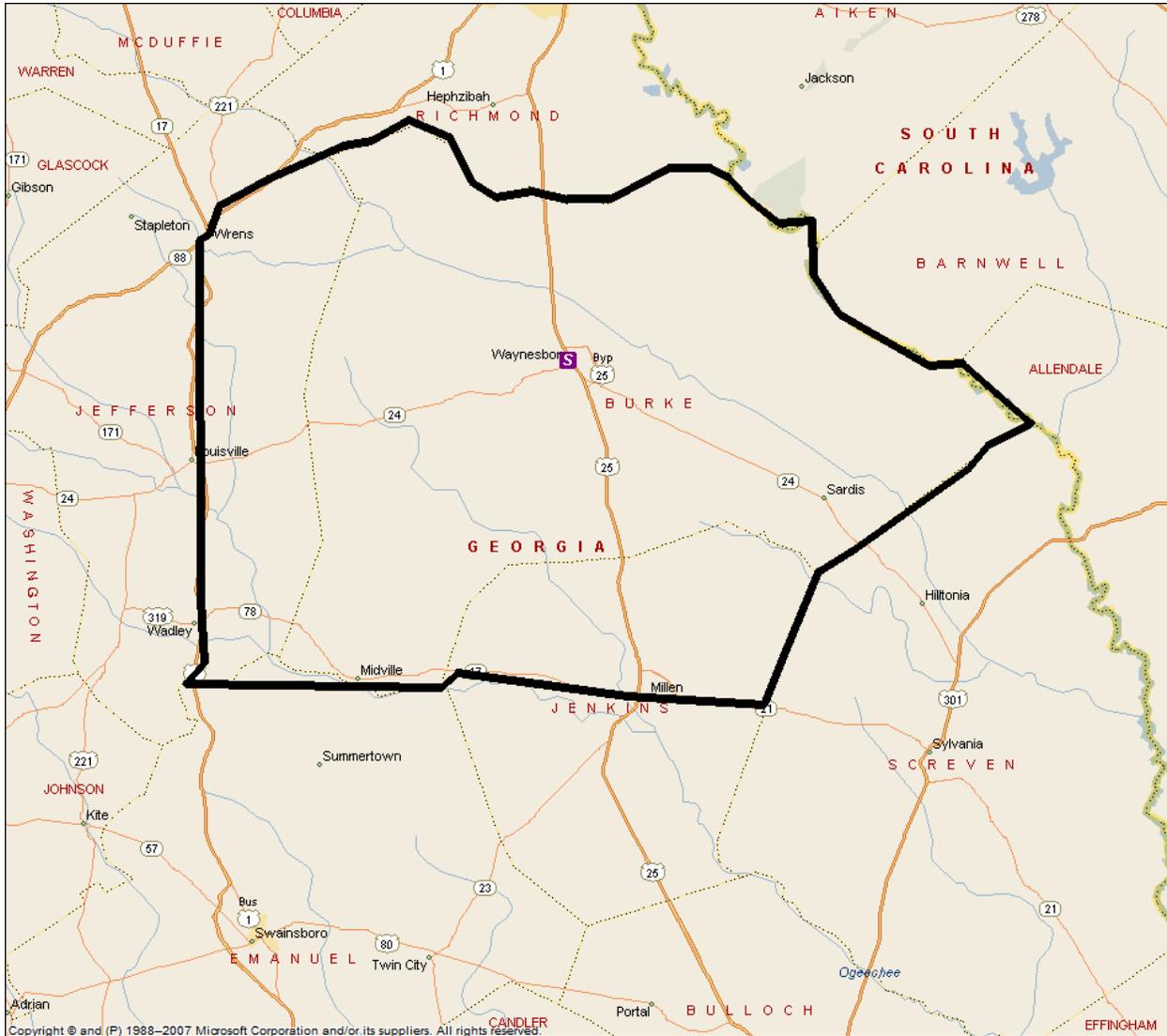
Conclusion: The Subject site is located along Academy Avenue, which is a lightly trafficked neighborhood road containing single family homes in good condition. The Subject is located within close proximity of an abundance of retail and is within walking distance to downtown Waynesboro. Retail in the area appears to have an occupancy rate between 85 and 95 percent. Most single family homes in the immediate area appear to have been built more than 50 years ago and have been well maintained and renovated. The majority of these homes are in good condition. Additionally, the Subject will offer good visibility and curb appeal. Overall, the community presents a good location for an affordable, senior development and the Subject will have a positive impact on the local neighborhood.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



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 Augusta MSA are areas of growth or contraction.

The PMA is defined by the county line to the north, State Route 17 to the south, the county line and the Georgia/South Carolina state line to the east, and U.S. 1 to the west. The area was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Property managers indicated that a significant number of tenants are coming from small surrounding towns such as Sardis to the southeast and Wrens to the northwest. Based on these interviews, we believe that approximately 15 percent of the Subject's tenants will come from outside the borders of the PMA. Therefore, we have adjusted for 15 percent leakage.

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 Augusta Metropolitan Statistical Area (MSA) are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. Historic and estimated data will be presented for years 1990, 2000, 2007 and 2012. Data has also been projected for 2009, the year in which the Subject is expected to complete renovations.

General Population

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

POPULATION						
Year	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	435,763	-	31,433	-	248,709,873	-
2000	499,684	1.47%	33,407	0.63%	281,421,906	1.32%
2007	541,258	1.15%	34,788	0.57%	306,348,230	1.22%
Projected Mkt Entry:						
December 2009	559,071	1.13%	35,345	0.55%	317,535,495	1.25%
2012	571,794	1.13%	35,743	0.55%	325,526,398	1.25%

Source: ESRI Business Demographics; Novogradac & Company LLP, May 2008

SENIOR POPULATION, 62+				
Year	MSA		PMA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	65,786	-	4,656	-
2007	76,757	2.30%	5,063	1.21%
Projected Mkt Entry:				
December 2009	82,501	2.57%	5,311	1.68%
2012	86,603	2.57%	5,488	1.68%

Source: ESRI Business Demographics; Novogradac & Company LLP, May 2008

As the previous tables illustrate, senior population growth in the PMA and MSA is at least double that of the general population, which is quite strong for a rural area. This bodes well for the Subject's units, which target seniors.

Population by Age Group

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

2007 POPULATION BY AGE

Age Cohort	MSA		PMA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
0-4	37,952	7.01%	2,789	8.02%
5-9	35,671	6.59%	2,597	7.47%
10-14	37,841	6.99%	2,633	7.57%
15-19	39,565	7.31%	2,514	7.23%
20-24	39,410	7.28%	2,508	7.21%
25-29	37,802	6.98%	2,320	6.67%
30-34	34,584	6.39%	2,048	5.89%
35-39	34,824	6.43%	2,033	5.84%
40-44	40,749	7.53%	2,502	7.19%
45-49	42,985	7.94%	2,562	7.36%
50-54	39,390	7.28%	2,590	7.45%
55-59	33,474	6.18%	1,956	5.62%
60-64	25,634	4.74%	1,682	4.84%
65-69	18,037	3.33%	1,226	3.52%
70-74	15,041	2.78%	951	2.73%
75-79	11,940	2.21%	733	2.11%
80-84	8,768	1.62%	598	1.72%
85+	7,591	1.40%	546	1.57%
Total	541,258	100.0%	34,788	100.0%

Source: ESRI Business Demographics; Novogradac & Company LLP, May 2008

The largest age cohorts in the MSA are ages 15 to 24 and ages 40 to 54. The MSA consists of a relatively older population when compared to the PMA whose largest age cohorts consist of persons ages 0 to 24 and ages 40 to 54. Approximately 12 percent of the population in the PMA consists of seniors ages 65 and older, which is similar to the MSA at 11 percent.

Number of Elderly vs. Non-Elderly

The following table illustrates the number of elderly and non-elderly population in the PMA and MSA. This information is only available for ages 65 and older.

Number of Elderly and Non-Elderly – PMA

Year	PMA			MSA		
	Total Population	Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
1990	31,432	27,586	3,846	435,763	392,006	43,757
2000	33,408	29,503	3,905	499,684	445,009	54,675
2007	34,788	30,734	4,054	541,258	479,881	61,377
Projected Market Entry December 2009	35,345	31,104	4,241	559,071	493,796	65,275
2012	35,743	31,369	4,374	571,794	503,735	68,059

Source: ESRI Business Demographics; Novogradac & Company LLP, May 2008

Household Trends

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

GENERAL HOUSEHOLDS

Year	MSA		PMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	156,130	-	10,875	-	91,947,410	-
2000	184,801	1.84%	12,066	1.10%	105,480,101	1.47%
2007	204,617	1.48%	12,770	0.80%	115,337,039	1.29%
Projected Mkt Entry: December 2009	212,301	1.29%	13,033	0.70%	119,708,321	1.30%
2012	217,789	1.29%	13,220	0.70%	122,830,665	1.30%

Source: ESRI Business Demographics; Novogradac & Company LLP, May 2008

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 62+

Year	MSA		PMA	
	Number	Annual Change	Number	Annual Change
2000	42,954	-	3,187	-
2007	48,303	1.72%	3,197	0.04%
Projected Mkt Entry: December 2009	51,891	2.55%	3,350	1.65%
2012	54,455	2.55%	3,460	1.65%

Source: ESRI Business Demographics; Novogradac & Company LLP, May 2008

The disparity between senior and general household growth in the PMA and MSA parallels that of population trends. While general household growth in both areas of analysis is projected to slow through 2012, senior household growth is projected to accelerate through 2012.

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	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	2.70	-	2.86	-	2.63	-
2000	2.61	-0.33%	2.74	-0.42%	2.59	-0.15%
2007	2.56	-0.26%	2.69	-0.25%	2.59	0.00%
Projected Mkt Entry:						
December 2009	2.55	-0.08%	2.68	-0.15%	2.58	-0.08%
2012	2.55	-0.08%	2.67	-0.15%	2.58	-0.08%

Source: ESRI Business Demographics; Novogradac & Company LLP, May 2008

The average household size in the PMA is greater than that of the MSA and nation. The Subject will offer one- and two-bedroom units.

Households by Tenure

The following table is a summary of the senior tenure patterns of the housing stock in the PMA from 2000 to 2012.

SENIOR RENTER HOUSEHOLDS AGED 62+				
Year	PMA		MSA	
	Number	Percentage	Number	Percentage
2000	571	18.5%	7,538	17.7%
2007	591	18.5%	8,549	17.7%
Projected Market Entry December 2009	619	18.5%	9,184	17.7%
2012	640	18.5%	9,637	17.7%

US Census Bureau 2000 Census; ESRI Business Information Solutions 2003; Novogradac & Company, LLP, 3/04.

Both the PMA and the MSA have a larger percent of renters when compared to the nation, which consists of approximately 13 percent senior renters.

Senior Household Income

The table below illustrates household income in the PMA, the MSA, and the nation.

HOUSEHOLD INCOME OF SENIORS 62+ PMA

Income Cohort	2007		PMA		Prj Mkt Entry Date		Annual Change 2007 to 2012	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<\$15,000	1,204	37.65%	1,185	35.37%	-6	-0.53%		
\$15,000-\$24,999	580	18.16%	565	16.87%	-5	-0.90%		
\$25,000-\$34,999	348	10.88%	331	9.89%	-6	-1.62%		
\$35,000-\$49,999	272	8.50%	314	9.37%	15	5.36%		
\$50,000-\$74,999	412	12.90%	437	13.05%	8	2.06%		
\$75,000-\$99,999	147	4.61%	193	5.75%	15	10.50%		
100,000-\$149,999	152	4.75%	214	6.39%	21	14.07%		
150,000-\$199,999	40	1.26%	64	1.90%	8	19.70%		
200,000-\$249,999	23	0.71%	22	0.65%	0	-1.24%		
250,000-\$499,999	16	0.49%	22	0.65%	2	13.16%		
\$500,000+	3	0.09%	4	0.11%	0	6.67%		
Total	3,197	100%	3,350	100%				

Source: ESRI Business Demographics; Novogradac & Company LLP, May 2008

HOUSEHOLD INCOME OF SENIORS 62+ MSA

Income Cohort	2007		MSA		Prj Mkt Entry Date		Annual Change 2007 to 2012	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<\$15,000	10,872	22.51%	10,521	20.27%	-120	-1.11%		
\$15,000-\$24,999	6,667	13.80%	6,436	12.40%	-79	-1.19%		
\$25,000-\$34,999	5,821	12.05%	5,642	10.87%	-61	-1.05%		
\$35,000-\$49,999	6,842	14.17%	6,999	13.49%	54	0.78%		
\$50,000-\$74,999	7,389	15.30%	7,988	15.39%	205	2.78%		
\$75,000-\$99,999	3,890	8.05%	4,723	9.10%	286	7.34%		
100,000-\$149,999	4,156	8.60%	5,764	11.11%	551	13.26%		
150,000-\$199,999	1,371	2.84%	1,805	3.48%	149	10.84%		
200,000-\$249,999	658	1.36%	1,060	2.04%	138	20.92%		
250,000-\$499,999	529	1.09%	728	1.40%	68	12.93%		
\$500,000+	106	0.22%	225	0.43%	41	38.49%		
Total	48,303	100%	51,891	100%				

The Subject will target households earning up to \$26,040 for the LIHTC units. Approximately 52 percent of senior households in the PMA are earning less than \$25,000 compared to only 33 percent in the MSA, which bodes well for the Subject.

Renter Households by Number of Persons in the Household

The following table illustrates household size for households in December 2009.

SENIOR HOUSEHOLD SIZE DISTRIBUTION PMA AT MARKET ENTRY DECEMBER 2009

Age 62+

Household Size	Percent	Number Total Households
1 person	24.12%	180
2+ persons	75.88%	568
Total	100%	748

Source: ESRI Business Demographics; Novogradac & Company LLP, May 2008

To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households. As previously stated, approximately 18.5 percent of senior households in the PMA are renter households. The majority of households at the point of market entry in December 2009 will be two person households.

Employment Trends

The City of Waynesboro's economy is largely based upon manufacturing, which historically has been considered a somewhat volatile industry. Overall, the manufacturing industry in the City of Waynesboro appears to be undergoing transition with some closures or contractions, but these contractions are mitigated by subsequent expansions.

Two Waynesboro employers have experienced contractions or closures. Samson, a curtain manufacturer, experienced layoffs effective December 2007 due to offshoring production to China. Prior to the contraction, Samson and its shipping company, Galaxy, employed an estimated 250 to 300 workers. Samson incurred the majority of the job loss. Another manufacturing company, Cummins Filtration, closed its facility in June 2007, which resulted in the loss of 250 jobs. However, these losses are moderated by companies opening or expanding in the area, three of which are planned for the near future.

ASTA, a copper wire manufacturer, purchased the Cummins Filtration 200,000 square foot facility and is scheduled to begin operations in 2009 with 100 employees, according to articles in *ExpansionManagement.com* and *GeorgiaTrend*. Once open, ASTA has the potential to add up to 300 new jobs to the local economy, depending on demand in the copper product market.

According to a representative of the Burke County Economic Development Authority, AREVA T&D expanded its instrument transformer manufacturing facility in 2007 by adding additional office space. AREVA plans to expand further in 2008 by adding an estimated 25 to 50 jobs.

Finally, Georgia Power announced in April 2008 that two new 1,100 megawatt nuclear reactors will be built at the Vogtle Electric Engineering Plant, which is the largest employer in Waynesboro. This expansion would double the number of reactors at the facility and increase employment to 1,800 once the project is approved by the U.S. Nuclear Regulator Commission. Design and construction on the project will begin pending approval by the U.S. Nuclear Regulatory Commission.

Employment by Industry

The following table illustrates the distribution of employment sectors by industry within the PMA in 2007.

2007 EMPLOYMENT BY INDUSTRY

Industry	<u>PMA</u>		<u>USA</u>	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	606	4.63%	1,774,070	1.25%
Mining	21	0.16%	671,442	0.47%
Construction	1,021	7.81%	11,262,097	7.95%
Manufacturing	2,352	17.98%	15,206,943	10.74%
Wholesale Trade	375	2.87%	4,873,192	3.44%
Retail Trade	1,440	11.01%	16,371,759	11.56%
Transportation/Warehousing	556	4.25%	5,861,365	4.14%
Utilities	316	2.42%	1,098,693	0.78%
Information	97	0.74%	3,320,532	2.35%
Finance/Insurance	408	3.12%	7,343,565	5.19%
Real Estate/Rental/Leasing	78	0.60%	3,155,166	2.23%
Prof/Scientific/Tech Services	206	1.58%	8,601,934	6.08%
Mgmt of Companies/Enterprises	0	0.00%	169,626	0.12%
Admin/Support/Waste Mgmt Srvcs	371	2.84%	5,230,795	3.69%
Educational Services	1,551	11.86%	13,292,886	9.39%
Health Care/Social Assistance	1,534	11.73%	17,777,386	12.56%
Arts/Entertainment/Recreation	127	0.97%	2,630,954	1.86%
Accommodation/Food Services	628	4.80%	9,107,844	6.43%
Other Services (excl Publ Adm)	579	4.43%	6,980,409	4.93%
Public Administration	813	6.22%	6,859,574	4.84%
Total Employment	13,079	100.00%	141,590,232	100.00%

Source: ESRI Business Demographics; Novogradac & Company LLP, May 2008

The previous table reflects the workforce for the PMA. As illustrated, the largest industries in the PMA are manufacturing, education, health care/social assistance, and retail trade, accounting for approximately 53 percent of employment in the PMA. The PMA has a larger percentage of individuals employed in manufacturing, agriculture, utilities, and public administration. The large number of individuals employed in these industries is not surprising given the area's major employers including Burke County government and Plant Vogtle. Industries that are underrepresented in the PMA when compared to the nation are: information, finance/insurance, real estate, professional/scientific/technology services, arts/entertainment/recreation, and accommodation/food services.

Major Employers

The diversification of the Waynesboro economic base is indicated by the following list of the ten largest employers in the Waynesboro area.

MAJOR EMPLOYERS WAYNESBORO 2007

#	Firm/Institution	Industry	Number of Employees
1	Vogtle Electric Generating Plant	Manufacturing	840
2	Burke Board of Education	Education	550
3	Burke County	Government	350
4	Samson and Galaxy	Manufacturing	150-170
5	AREVA T&D (formerly known as Ritz Instrument Transformers)	Manufacturing	120
6	OneCare (formerly known as EverCare)	Manufacturing	110
7	FIAMM	Manufacturing	100
8	Mr. Golf Carts	Retail	70
9	Legion	Manufacturing	65
10	Purification Cellutions	Manufacturing	60
TOTAL			2,425

Source: Burke County Economic Development Authority, 5/2008.

As the previous table illustrates, the largest employers in Waynesboro are manufacturers, which demonstrates that the economy has yet to diversify. Approximately 60 percent of employees at these companies work in manufacturing while 14 percent are in government and 23 percent are in education. Government and education are historically considered stable and therefore help provide a solid foundation for the area’s economy. While manufacturing can be generally considered a vulnerable industry, the Vogtle Plant will experience an expansion. As previously discussed, Georgia Power announced in April 2008 that two new nuclear reactors will be built, which would increase employment to 1,800 once the project is approved.

The following maps show the locations of Waynesboro major employers.

Total Employment

The following tables detail employment and unemployment in Burke County over the past 17 years.

EMPLOYMENT & UNEMPLOYMENT TRENDS

Year	<u>Burke County, GA</u>		<u>Burke County, GA</u>		<u>USA</u>
	Total Employment	% Change	Unemployment Rate	% Change	Unemployment Rate
1990	7,745	-	10.9%	-	5.7%
1991	7,470	-3.6%	11.2%	0.3%	6.9%
1992	7,105	-4.9%	15.8%	4.6%	7.6%
1993	7,462	5.0%	12.0%	-3.8%	7.0%
1994	7,506	0.6%	12.3%	0.3%	6.2%
1995	7,516	0.1%	13.7%	1.4%	5.7%
1996	7,424	-1.2%	16.3%	2.6%	5.5%
1997	7,453	0.4%	14.4%	-1.9%	5.0%
1998	7,105	-4.7%	13.0%	-1.4%	4.6%
1999	7,905	11.3%	9.2%	-3.8%	4.3%
2000	8,758	10.8%	5.0%	-4.2%	4.0%
2001	8,830	0.8%	6.0%	1.0%	4.8%
2002	8,965	1.5%	6.6%	0.6%	5.8%
2003	9,119	1.7%	8.2%	1.6%	6.0%
2004	9,340	2.4%	6.7%	-1.5%	5.6%
2005	9,392	0.6%	7.4%	0.7%	5.2%
2006	9,257	-1.4%	6.6%	-0.8%	4.7%
2007	9,401	1.6%	7.8%	1.2%	4.7%
2008 YTD	9,439	0.8%	8.5%	1.9%	5.1%

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

* 2008 data is through March

Total employment increased every year over the past decade except for 1998 and 2006. Total employment in the county has been marked by growth since 2000 except for 2006, which can be attributed to recent manufacturing closures. However, company expansions and additions in the area have compensated for these closures, which the previous table reflects as total employment rebounded in 2007 and continues to grow through March 2008. Unemployment rates in the county have historically been high, particularly in the 1990s when compared to recent years, which could be attributed to a methodology change in 2000. Given the current economic downturn, unemployment rates in the county have fluctuated in recent years with a decrease in 2006 but increases in 2007 and 2008. Overall, Burke County’s economy appears to be in transition and it has yet to be seen how the current state of the economy will affect the area; recent openings or expansions in the manufacturing industry, however, appear to be positive indicators.

Conclusion

Both senior population and number of households in the PMA and MSA have experienced strong growth as they are growing significantly faster than general populations in both areas of

analyses. This strong growth is projected to continue in the future, which bodes well for the Subject. Further, the PMA consists of a greater percent of senior renter households than the nation and over 50 percent of senior households earn less than the maximum income restriction for the Subject's 60 percent AMI units.

The City of Waynesboro's economy is largely based upon manufacturing, which historically has been considered a somewhat volatile industry. Overall, the manufacturing industry in the City of Waynesboro appears to be undergoing transition with some closures or contractions, but these contractions are mitigated by subsequent expansions. Although the Burke County economy is marked by above average unemployment rates, total employment rebounded from its 1.4 percent decrease in 2006 with a 2.4 increase through March 2008. Further, three companies are expanding or moving into the Waynesboro area, adding a potential of 2,150 jobs.

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 senior household will pay is 40 percent of its household income at the appropriate AMI level.

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

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

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website. Our research indicates that seniors residing in market units at a mixed income property typically earn approximately 80 percent of the AMI. Therefore, we have set the maximum income for the Subject’s market units at 80 percent AMI.

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 2009, the anticipated date of market entry, as the base year for the analysis. Therefore, 2007 household population estimates are inflated to 2009 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 2009. This number takes the overall growth from 2000 to 2009 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

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. This data is interpolated using CHAS data based on appropriate income levels.

The second source (**2b.**) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (**2c.**) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that we have lowered the demand from seniors who convert to homeownership to be at or below 20 percent.

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.

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

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 2008 that are considered directly competitive. There are no senior LIHTC properties in the PMA that have been built since 2000.

Capture Rates

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

Waynesboro Senior Homes Waynesboro, GA; Market Study

Household Income Distribution 2000 to Projected Market Entry December 2009							
Waynesboro Senior Homes							
PMA							
	2000		2007		Prj Mrkt Entry December 2010		Percent Growth
	#	%	#	%	#	%	
<\$15,000	1,453	45.60%	1,204	37.65%	1,185	35.37%	-22.6%
\$15,000-\$24,999	573	17.98%	580	18.16%	565	16.87%	-1.4%
\$25,000-\$34,999	380	11.92%	348	10.88%	331	9.89%	-14.7%
\$35,000-\$49,999	246	7.73%	272	8.50%	314	9.37%	21.5%
\$50,000-\$74,999	352	11.05%	412	12.90%	437	13.05%	19.5%
\$75,000-\$99,999	74	2.32%	147	4.61%	193	5.75%	61.6%
\$100,000-\$149,999	57	1.77%	152	4.75%	214	6.39%	73.6%
\$150,000-\$199,999	22	0.68%	40	1.26%	64	1.90%	66.0%
\$200,000+	30	0.94%	41	1.30%	47	1.41%	36.9%
Total	3,187	100.00%	3,197	100.00%	3,350	100.00%	4.9%

Household Income Distribution Projected Market Entry December 2009			
Waynesboro Senior Homes			
PMA			
	Prj Mrkt Entry December 2009		Change 2000 to Prj Mrkt Entry December 2009
	#	%	
<\$15,000	1,185	35.37%	58
\$15,000-\$24,999	565	16.87%	28
\$25,000-\$34,999	331	9.89%	16
\$35,000-\$49,999	314	9.37%	15
\$50,000-\$74,999	437	13.05%	21
\$75,000-\$99,999	193	5.75%	9
\$100,000-\$149,999	214	6.39%	10
\$150,000-\$199,999	64	1.90%	3
\$200,000+	47	1.41%	2
Total	3,350	100.00%	164

Tenure Prj Mrkt Entry December 2010	
Renter	22.33%
Owner	77.67%
Total	100.00%

Household Size for Prj Mrkt Entry December 2010		
Size	Number	Percentage
1	808	24.12%
2	2,542	75.88%
Total	3,350	100.00%

Household Size for 2000		
Size	Number	Percentage
1	769	24.12%
2	2,418	75.88%
Total	3,187	100.00%

Waynesboro Senior Homes Waynesboro, GA; Market Study

50% AMI

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

Percent of AMI Level		50%			
Minimum Income Limit		\$15,240			
Maximum Income Limit		\$21,700 2 Persons			
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry December 2010		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
<\$15,000	58	35.37%			
\$15,000-\$24,999	28	16.87%	6,460	65%	18
\$25,000-\$34,999	16	9.89%			
\$35,000-\$49,999	15	9.37%			
\$50,000-\$74,999	21	13.05%			
\$75,000-\$99,999	9	5.75%			
\$100,000-\$149,999	10	6.39%			
\$150,000-\$199,999	3	1.90%			
\$200,000+	2	1.41%			
	164	100.00%			18
Percent of households within limits versus total number of households					10.90%

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

Percent of AMI Level		50%			
Minimum Income Limit		\$15,240			
Maximum Income Limit		\$21,700 2 Persons			
Income Category	Total Households PMA Prj Mrkt Entry December 2010		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
<\$15,000	1,185	35.37%			
\$15,000-\$24,999	565	16.87%	6,460	65%	365
\$25,000-\$34,999	331	9.89%			
\$35,000-\$49,999	314	9.37%			
\$50,000-\$74,999	437	13.05%			
\$75,000-\$99,999	193	5.75%			
\$100,000-\$149,999	214	6.39%			
\$150,000-\$199,999	64	1.90%			
\$200,000+	47	1.41%			
	3,350	100.00%			365
Percent of households within limits versus total number of households					10.90%

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 March 2007 Median Income

Change from 2000 to Prj Mrkt Entry December 2010

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Rural		
40%		
\$16,410		
\$18,547		
\$2,137		
13.0%		
2.2%		
2.2%	Two year adjustment	1.0000
\$21,700		
\$21,700		
2 Persons		
50%		
\$508		
\$508.00		

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	70%	30%	0%	100%
6	X	X	X	0%	100%	0%	100%
7+	X	X	X	X	100%	0%	100%

Waynesboro Senior Homes Waynesboro, GA; Market Study

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry December 2010

Income Target Population	50%
New Households PMA	164
Percent Income Qualified	10.9%
Income Qualified Households	18
Percent Renter	22.3%
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	50%
Total Existing Demand	3,350
Income Qualified	10.9%
Percent Renter	22.3%
Income Qualified Renter Households	82
Percent Rent Overburdened Prj Mrkt Entry December 2010	23%
Rent Overburdened Households	18

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	82
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	1

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

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	284
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	14

Total Demand

Total Demand from Existing Households	34
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%
Adjusted Demand from Existing Households	39
Total New Demand	4
Total Demand (New Plus Existing Households)	43

Demand from Seniors Who Convert from Homeownership
 9 |

Percent of Total Demand From Homeownership Conversion
 19.8% |

Is this Demand Over 20 percent of Total Demand?
 No |

Waynesboro Senior Homes Waynesboro, GA; Market Study

By Bedroom Demand

One Person	24.12%	10
Two Persons	75.88%	33
Total	100.00%	43

To place Person Demand into Bedroom Type Units

Of one person households in one-bedroom units	90%	9
Of two person households in one-bedroom units	20%	7
Of one person households in two-bedroom units	10%	1
Of two person households in two-bedroom units	80%	26
Total Demand		43
Check		OK

Total Demand by Bedroom	50%
One Bedroom	16
Two Bedroom	27
Total Demand	43

Additions To Supply 2000 to Prj Mrkt Entry December 2010	50%
One Bedroom	0
Two Bedroom	0
Total	0

Net Demand	50%
One Bedroom	16
Two Bedroom	27
Total	43

Developer's Unit Mix	50%
One Bedroom	6
Two Bedroom	6
Total	12

Capture Rate Analysis	50%
One Bedroom	37.8%
Two Bedroom	22.1%
Total	27.9%

Waynesboro Senior Homes Waynesboro, GA; Market Study

60% AMI

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

Percent of AMI Level		60%			
Minimum Income Limit		\$16,740			
Maximum Income Limit		\$26,040 2 Persons			
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry December 2010		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
<\$15,000	58	35.37%			
\$15,000-\$24,999	28	16.87%	8,259	83%	23
\$25,000-\$34,999	16	9.89%	1,040	10%	2
\$35,000-\$49,999	15	9.37%			
\$50,000-\$74,999	21	13.05%			
\$75,000-\$99,999	9	5.75%			
\$100,000-\$149,999	10	6.39%			
\$150,000-\$199,999	3	1.90%			
\$200,000+	2	1.41%			
	164	100.00%			24
Percent of households within limits versus total number of households					14.96%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$16,740			
Maximum Income Limit		\$26,040 2 Persons			
Income Category	Total Households PMA Prj Mrkt Entry December 2010		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
<\$15,000	1,185	35.37%			
\$15,000-\$24,999	565	16.87%	8,259	83%	467
\$25,000-\$34,999	331	9.89%	1,040	10%	34
\$35,000-\$49,999	314	9.37%			
\$50,000-\$74,999	437	13.05%			
\$75,000-\$99,999	193	5.75%			
\$100,000-\$149,999	214	6.39%			
\$150,000-\$199,999	64	1.90%			
\$200,000+	47	1.41%			
	3,350	100.00%			501
Percent of households within limits versus total number of households					14.96%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry March 2007 Median Income

Change from 2000 to Prj Mrkt Entry December 2010

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Rural		
40%		
\$16,410		
\$18,547		
\$2,137		
13.0%		
2.2%		
2.2%	Two year adjustment	1.0000
\$26,040		
\$26,040		
2 Persons		
50%		
\$558		
\$558.00		

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	70%	30%	0%	100%
6	X	X	X	0%	100%	0%	100%
7+	X	X	X	X	100%	0%	100%

Waynesboro Senior Homes Waynesboro, GA; Market Study

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry December 2010

Income Target Population	50%
New Households PMA	164
Percent Income Qualified	15.0%
Income Qualified Households	24
Percent Renter	22.3%
New Renter Income Qualified Households	5

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	3,350
Income Qualified	15.0%
Percent Renter	22.3%
Income Qualified Renter Households	112
Percent Rent Overburdened Prj Mrkt Entry December 2010	23%
Rent Overburdened Households	25

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	112
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	1

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

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	389
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	19

Total Demand

Total Demand from Existing Households	46
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%
Adjusted Demand from Existing Households	53
Total New Demand	5
Total Demand (New Plus Existing Households)	58

Demand from Seniors Who Convert from Homeownership	11
Percent of Total Demand From Homeownership Conversion	19.7%
Is this Demand Over 20 percent of Total Demand?	No

Waynesboro Senior Homes Waynesboro, GA; Market Study

By Bedroom Demand

One Person	24.12%	14
Two Persons	75.88%	44
Total	100.00%	58

To place Person Demand into Bedroom Type Units

Of one person households in one-bedroom units	90%	13
Of two person households in one-bedroom units	20%	9
Of one person households in two-bedroom units	10%	1
Of two person households in two-bedroom units	80%	35
Total Demand		58
Check		OK

Total Demand by Bedroom

	50%
One Bedroom	21
Two Bedroom	37
Total Demand	58

Additions To Supply 2000 to Prj Mrkt Entry December 2010

	50%
One Bedroom	0
Two Bedroom	0
Total	0

Net Demand

	50%
One Bedroom	21
Two Bedroom	37
Total	58

Developer's Unit Mix

	50%
One Bedroom	10
Two Bedroom	13
Total	23

Capture Rate Analysis

	50%
One Bedroom	46.7%
Two Bedroom	35.5%
Total	39.7%

Unrestricted Market Rate

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

Percent of AMI Level			Unrestricted		
Minimum Income Limit			\$18,060		
Maximum Income Limit			\$34,720 2 Persons		
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry December 2010		Income Brackets	Percent within Cohort	Households within Bracket
	2010				
<\$15,000	58	35.37%			
\$15,000-\$24,999	28	16.87%	6,939	69%	19
\$25,000-\$34,999	16	9.89%	9,720	97%	16
\$35,000-\$49,999	15	9.37%			
\$50,000-\$74,999	21	13.05%			
\$75,000-\$99,999	9	5.75%			
\$100,000-\$149,999	10	6.39%			
\$150,000-\$199,999	3	1.90%			
\$200,000+	2	1.41%			
	164	100.00%			35
Percent of households within limits versus total number of households					21.32%

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

Percent of AMI Level			Unrestricted		
Minimum Income Limit			\$18,060		
Maximum Income Limit			\$34,720 2 Persons		
Income Category	Total Households PMA Prj Mrkt Entry December 2010		Income Brackets	Percent within Cohort	Households within Bracket
	2010				
<\$15,000	1,185	35.37%			
\$15,000-\$24,999	565	16.87%	6,939	69%	392
\$25,000-\$34,999	331	9.89%	9,720	97%	322
\$35,000-\$49,999	314	9.37%			
\$50,000-\$74,999	437	13.05%			
\$75,000-\$99,999	193	5.75%			
\$100,000-\$149,999	214	6.39%			
\$150,000-\$199,999	64	1.90%			
\$200,000+	47	1.41%			
	3,350	100.00%			714
Percent of households within limits versus total number of households					21.32%

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 March 2007 Median Income

Change from 2000 to Prj Mrkt Entry December 2010

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Rural		
40%		
\$16,410		
\$18,547		
\$2,137		
13.0%		
2.2%		
2.2%	Two year adjustment	1.0000
\$34,720		
\$34,720		
2 Persons		
60%		
\$602		
\$602.00		

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	70%	30%	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 December 2010

Income Target Population	Unrestricted
New Households PMA	164
Percent Income Qualified	21.3%
Income Qualified Households	35
Percent Renter	22.3%
New Renter Income Qualified Households	8

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population	Unrestricted
Total Existing Demand	3,350
Income Qualified	21.3%
Percent Renter	22.3%
Income Qualified Renter Households	160
Percent Rent Overburdened Prj Mrkt Entry December 2010	23%
Rent Overburdened Households	36

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	160
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	2

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

Senior Households Converting from Homeownership

Income Target Population	Unrestricted
Total Senior Homeowners	555
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	28

Total Demand

Total Demand from Existing Households	65.6
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115% 9.8
Adjusted Demand from Existing Households	75.5
Total New Demand	8
Total Demand (New Plus Existing Households)	83

Demand from Seniors Who Convert from Homeownership	16
Percent of Total Demand From Homeownership Conversion	19.3%
Is this Demand Over 20 percent of Total Demand?	No

Waynesboro Senior Homes Waynesboro, GA; Market Study

By Bedroom Demand

One Person	24.12%	20
Two Persons	75.88%	63
Total	100.00%	83

To place Person Demand into Bedroom Type Units

Of one person households in one-bedroom units	90%	18
Of two person households in one-bedroom units	20%	13
Of one person households in two-bedroom units	10%	2
Of two person households in two-bedroom units	80%	50
Total Demand		83
Check		OK

Total Demand by Bedroom Unrestricted

One Bedroom	31
Two Bedroom	52
Total Demand	83

Additions To Supply 2000 to Prj Mrkt Entry December 2010 Unrestricted

One Bedroom	0
Two Bedroom	0
Total	0

Net Demand Unrestricted

One Bedroom	31
Two Bedroom	52
Total	83

Developer's Unit Mix Unrestricted

One Bedroom	2
Two Bedroom	2
Total	4

Capture Rate Analysis Unrestricted

One Bedroom	6.5%
Two Bedroom	3.8%
Total	4.8%

Overall

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$15,240			
Maximum Income Limit		\$34,720 2 Persons			
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry December 2010		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
<\$15,000	58	35.37%			
\$15,000-\$24,999	28	16.87%	9,759	98%	27
\$25,000-\$34,999	16	9.89%	9,720	97%	16
\$35,000-\$49,999	15	9.37%			
\$50,000-\$74,999	21	13.05%			
\$75,000-\$99,999	9	5.75%			
\$100,000-\$149,999	10	6.39%			
\$150,000-\$199,999	3	1.90%			
\$200,000+	2	1.41%			
	164	100.00%			43
Percent of households within limits versus total number of households					26.08%

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$15,240			
Maximum Income Limit		\$34,720 2 Persons			
Income Category	Total Households PMA Prj Mrkt Entry December 2010		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
<\$15,000	1,185	35.37%			
\$15,000-\$24,999	565	16.87%	9,759	98%	552
\$25,000-\$34,999	331	9.89%	9,720	97%	322
\$35,000-\$49,999	314	9.37%			
\$50,000-\$74,999	437	13.05%			
\$75,000-\$99,999	193	5.75%			
\$100,000-\$149,999	214	6.39%			
\$150,000-\$199,999	64	1.90%			
\$200,000+	47	1.41%			
	3,350	100.00%			874
Percent of households within limits versus total number of households					26.08%

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 March 2007 Median Income

Change from 2000 to Prj Mrkt Entry December 2010

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No			
Senior			
Rural			
40%			
\$16,410			
\$18,547			
\$2,137			
13.0%			
2.2%			
2.2%	Two year adjustment		1.0000
\$34,720			
\$34,720			
2 Persons			
Overall			
\$508			
\$508.00			

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	70%	30%	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 December 2010

Income Target Population	Overall
New Households PMA	164
Percent Income Qualified	26.1%
Income Qualified Households	43
Percent Renter	22.3%
New Renter Income Qualified Households	10

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	3,350
Income Qualified	26.1%
Percent Renter	22.3%
Income Qualified Renter Households	195
Percent Rent Overburdened Prj Mrkt Entry December 2010	23%
Rent Overburdened Households	44

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	195
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	2

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

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	679
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	34

Total Demand

Total Demand from Existing Households	80
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%
Adjusted Demand from Existing Households	92
Total New Demand	10
Total Demand (New Plus Existing Households)	102

Demand from Seniors Who Convert from Homeownership	20
Percent of Total Demand From Homeownership Conversion	19.6%
Is this Demand Over 20 percent of Total Demand?	No

Waynesboro Senior Homes Waynesboro, GA; Market Study

By Bedroom Demand

One Person	24.12%	25
Two Persons	75.88%	77
Total	100.00%	102

To place Person Demand into Bedroom Type Units

Of one person households in one-bedroom units	90%	22
Of two person households in one-bedroom units	20%	15
Of one person households in two-bedroom units	10%	2
Of two person households in two-bedroom units	80%	62
Total Demand		102
Check		OK

Total Demand by Bedroom

	Overall
One Bedroom	38
Two Bedroom	64
Total Demand	102

Additions To Supply 2000 to Prj Mrkt Entry December 2010

	Overall
One Bedroom	0
Two Bedroom	0
Total	0

Net Demand

	Overall
One Bedroom	38
Two Bedroom	64
Total	102

Developer's Unit Mix

	Overall
One Bedroom	18
Two Bedroom	21
Total	39

Capture Rate Analysis

	Overall
One Bedroom	47.8%
Two Bedroom	32.6%
Total	38.2%

Conclusions

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

- The number of households in the PMA is expected to increase 1.65 percent between 2007 and 2009.
- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

Unit Size	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR at 50% AMI	16	0	16	6	37.8%
1BR at 60% AMI	21	0	21	10	46.7%
1BR at Unrestricted Market	31	0	31	2	6.5%
2BR at 50% AMI	27	0	27	6	22.1%
2BR at 60% AMI	37	0	37	13	35.5%
2BR at Unrestricted Market	52	0	52	2	3.8%
Overall	102	0	102	39	38.2%

The Subject’s one-bedroom LIHTC capture rates appear high. We believe there is adequate demand for the Subject based on the following:

1. There is no senior LIHTC supply in Waynesboro.
2. Both RD Senior properties in Waynesboro are 100 percent occupied and reported demand.
3. Three of the four senior LIHTC properties reported waiting lists.
4. The overall vacancy rate in the market is low at 1.10 percent.
5. The vacancy rate at the senior properties is low at 0.68 percent.
6. The Subject will be superior to all products in Waynesboro.
7. The Subject’s units will be significantly larger than comparable senior properties.

Therefore, we believe that the Subject is feasible as proposed.

Absorption Rate

Management at four of the LIHTC properties used as comparables in our report were able to report absorption information. Phase II of Augusta Springs Apartments, consisting of 100 age-restricted units, opened in 2001. According to management, leasing began in the end of November 2001 and the property reached stabilized occupancy by the end of November 2002. This equates to an absorption pace of approximately eight units per month. According to management at Linden Square, the property experienced an absorption pace of three units per month. Linden Square is an age-restricted property that opened in 2003. According to management, the property was in the initial absorption period for 1.5 years. Pecan Grove, located in Waynesboro, opened in 2006 and consists of 40 single-family home rental units. According to management, Pecan Grove absorbed at a rate of 10 units per month. Pecan Grove II opened in 2007 and consists of 64 single-family home rental units. Management stated that the property absorbed at a rate of 13 to 16 units per month. At this pace, the property was fully absorbed

within five months of beginning the leasing process. According to management at Pecan Grove II, the LIHTC units offered at the property were absorbed faster than the market rate units offered at the property.

The Subject is a proposed new construction of a tax credit property. We believe the Subject would likely experience an absorption pace similar to the age-restricted tax credit properties in Augusta and the family tax credit properties in Waynesboro. We believe the Subject would likely experience an absorption pace of nine units per month for an absorption period of approximately six months.

G. SUPPLY ANALYSIS

Building Permits

The following table illustrates building permits in Burke County.

BUILDING PERMITS: BURKE COUNTY 2000 TO 2007

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	42	0	0	42
2001	44	0	0	44
2002	50	0	0	50
2003	58	0	0	58
2004	96	0	0	96
2005	68	0	0	68
2006	66	0	0	66
2007	133	0	0	133
Total	557	0	0	557
Average	70	0	0	51

Source: US Census Bureau

As the table above illustrates, there have been no multifamily permits issued since 2000. Pecan Grove I and II were built in 2006 and 2007. Both of these developments are single family home rental developments.

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

Each year the Georgia Department of Community Affairs accepts bids for LIHTC tax credit projects. We obtained a listing of such projects in Burke and Jenkins counties. The following table details the list of projects that have received tax credit allocations in Burke and Jenkins that are located within the PMA.

LIHTC ALLOCATIONS IN PMA

Year Allocated	Property	Tenancy	Type	Total Units
2005	Waynesboro Gardens Apartments (aka Burkestone Place Apartments)	Family	LIHTC (Section 8)	69
2002/2006	Pecan Grove I and II	Family	LIHTC	104
1994	Oak Lane Villas	Elderly	LIHTC (Rural Development)	26

As shown in the previous table, Pecan Grove is the only LIHTC property that is not operating with rental assistance. This property is included in this analysis, although it targets families and offers single family homes.

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of

the health and available supply in the market. Our competitive survey includes 10 “true” comparable properties containing 699 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

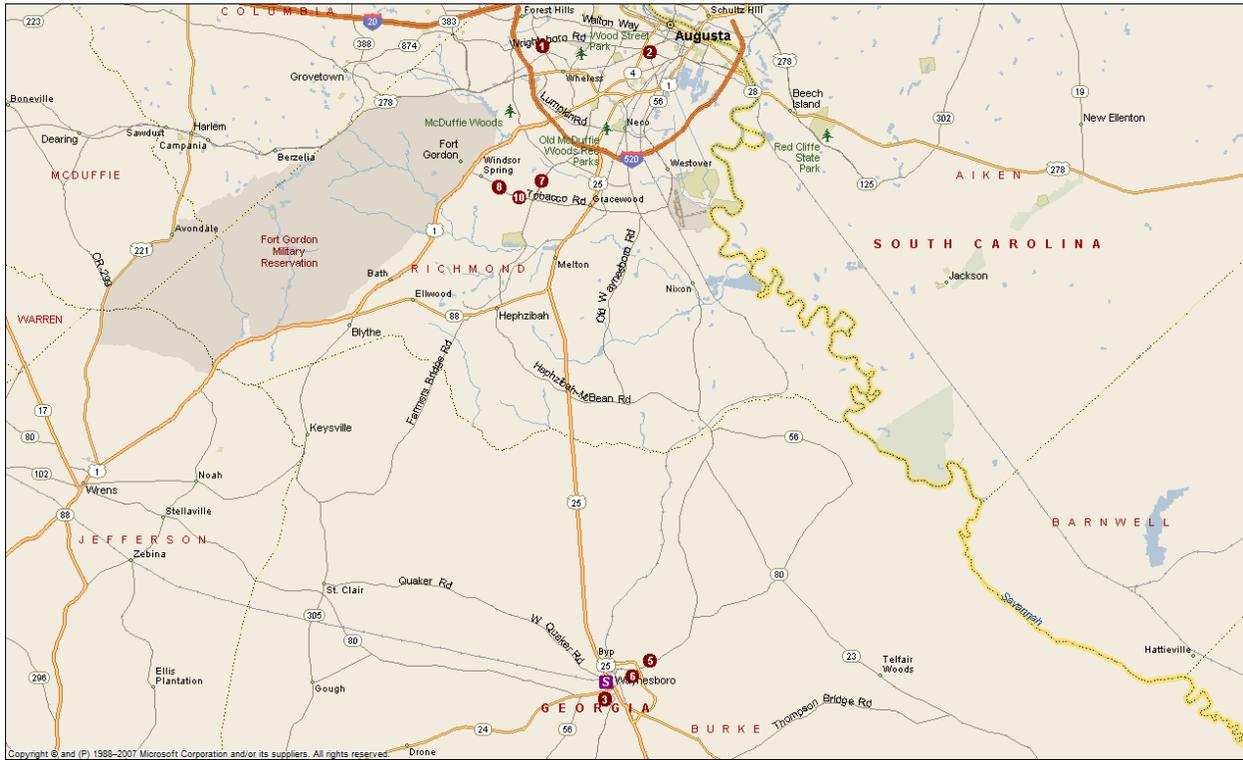
The availability of LIHTC is considered marginal. There are no age restricted LIHTC properties in the PMA. There are only two multifamily LIHTC properties located within the PMA, Pecan Grove and Pecan Grove II, which are both single family home rental developments targeted towards families. Due to the lack of available comparable data, we have included two Rural Development properties located within the city of Waynesboro, Ashton Village and Forest Ridge. Additionally, we have expanded our search to include three age restricted LIHTC comparable properties in Augusta. The rent comparables used in the following section were the best, most proximate available rent comparables.

The following properties have been excluded from the supply analysis.

EXCLUDED PROPERTIES

Name	Type	Tenancy	Reason for Exclusion
Orchard Hill I Apts	RD	Family	Tenancy not comparable
Orchard Hill II Apts	RD	Family	Tenancy not comparable
Windy Hill Apts	RD	Family	Tenancy not comparable
Woodland Terrace Apts	RD	Family	Tenancy not comparable
Burkestone Place Apts (fka Waynesboro Gardens Apartments)	Section 8 (LIHTC)	Family	Tenancy not comparable
Howard-Hart-Holmes Apartments	Section 8	Elderly	Tenants pay 30% of income
Briarwood Apartments	Section 8	Family	Tenancy not comparable

Comparable Rental Property Map



Summary Matrix

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate				
	Waynesboro Senior Homes 830 Academy Avenue Waynesboro, GA 30830 Burke County	n/a	Conversion (age-restricted) (2 stories) n/a / 2009-2010	@50%, @60%, Market	1BR / 1BA	6	15.40%	@50%	\$393	800	yes		N/A	N/A				
					1BR / 1BA	10	25.60%	@60%	\$443	800	no	N/A	N/A					
					1BR / 1BA	2	5.10%	Market	\$487	800	n/a	N/A	N/A					
					2BR / 2BA	6	15.40%	@50%	\$466	1,000	yes	N/A	N/A					
					2BR / 2BA	13	33.30%	@60%	\$516	1,000	no	N/A	N/A					
					2BR / 2BA	2	5.10%	Market	\$568	1,000	n/a	N/A	N/A					
						39	100%					N/A	N/A					
1	Augusta Spring Apartments 1730 Sibley Road Augusta, GA 30909 Richmond County	28.7 miles	One-story (age-restricted) 1996/2001 / n/a	@50%, @60%	1BR / 1BA	N/A	N/A	@50%	\$379	660	n/a	3-6 months	0	N/A				
					1BR / 1BA	N/A	N/A	@60%	\$429	660	n/a	3-6 months	0	N/A				
					1BR / 1BA	N/A	N/A	@60%	\$400	660	n/a	3-6 months	0	N/A				
					2BR / 1BA	N/A	N/A	@50%	\$432	840	n/a	3-6 months	0	N/A				
					2BR / 1BA	N/A	N/A	@50%	\$447	840	n/a	3-6 months	0	N/A				
					2BR / 1BA	N/A	N/A	@60%	\$432	840	n/a	3-6 months	0	N/A				
						N/A	N/A	@60%	\$497	840	n/a	None	2	N/A				
						200	100%					2	1.00%					
2	Linden Square 1425 Linden St Augusta, GA 30901 Richmond County	27.7 miles	Two-story (age-restricted) 2003 / n/a	@50%, @60%, Market	1BR / 1BA	1	3.00%	@50%	\$405	663	n/a	17 HH total	0	0.00%				
					1BR / 1BA	16	48.50%	@60%	\$445	663	n/a	17 HH total	0	0.00%				
					1BR / 1BA	6	18.20%	Market	\$505	663	n/a	17 HH total	0	0.00%				
					2BR / 1BA	4	12.10%	@50%	\$475	890	n/a	17 HH total	0	0.00%				
					2BR / 1BA	4	12.10%	@60%	\$555	890	n/a	17 HH total	0	0.00%				
					2BR / 1BA	2	6.10%	Market	\$605	890	n/a	17 HH total	0	0.00%				
						33	100%					0	0.00%					
3	Pecan Grove 100 Pecan Grove Dr Waynesboro, GA 30830 Burke County	1 miles	Single Family 2006 / n/a	@30%, @50%, @60%, Market	3BR / 2BA	6	15.00%	@30%	\$232	1,280	n/a	7 HH total	0	0.00%				
					3BR / 2BA	18	45.00%	@50%	\$514	1,280	n/a	7 HH total	0	0.00%				
					3BR / 2BA	8	20.00%	@60%	\$636	1,280	n/a	7 HH total	0	0.00%				
					3BR / 2BA	8	20.00%	Market	\$681	1,280	n/a	7 HH total	0	0.00%				
											40	100%					0	0.00%
											27	42.20%	@50%	\$514	1,280	n/a	12 HH total	0
4	Pecan Grove II 100 Pecan Grove Drive Waynesboro, GA 30830 Burke County	1 miles	Single Family 2007 / n/a	@50%, @60%, Market	3BR / 2BA	8	12.50%	@60%	\$636	1,280	n/a	12 HH total	0	0.00%				
					3BR / 2BA	9	14.10%	Market	\$681	1,280	n/a	12 HH total	0	0.00%				
					4BR / 2BA	12	18.80%	@50%	\$545	1,600	n/a	12 HH total	0	0.00%				
					4BR / 2BA	4	6.20%	@60%	\$690	1,600	n/a	12 HH total	0	0.00%				
					4BR / 2BA	4	6.20%	Market	\$760	1,600	n/a	12 HH total	0	0.00%				
											64	100%					0	0.00%
5	Ashton Village 137 Ashton Place Waynesboro, GA 30830 Burke County	2.4 miles	One-story (age-restricted) 1990 / n/a	Rural Development (LIHTC)	1BR / 1BA	32	88.90%	Rural Development	N/A	N/A	n/a	None	0	0.00%				
					2BR / 1BA	4	11.10%	Rural	N/A	N/A	n/a	None	0	0.00%				
											36	100%					0	0.00%
6	Forest Ridge 622 Woodland Terr Dr Waynesboro, GA 30830 Burke County	1.5 miles	One-story (age-restricted) 1992 / n/a	Rural Development (Rural Rental Assistance Program - RRAP)	1BR / 1BA	22	91.70%	Rural Development	N/A	N/A	n/a	50 HH total	0	0.00%				
					2BR / 1BA	2	8.30%	Rural	N/A	N/A	n/a	50 HH total	0	0.00%				
											24	100%					0	0.00%
7	Oakview Place Apartments 3506 Oakview Place Hephzibah, GA 30815 Richmond County	22.9 miles	Various (2 stories) 1982 / n/a	Market	1BR / 1BA (Garden)	24	19.40%	Market	\$580	692	n/a	None	1	4.20%				
					2BR / 1.5BA (Townhouse)	76	61.30%	Market	\$675	1,042	n/a	None	1	1.30%				
					2BR / 2BA (Garden)	24	19.40%	Market	\$680	888	n/a	None	0	0.00%				
											124	100%					2	1.60%
8	Pinnacle Place 500 Caldwell Drive Hephzibah, GA 30815 Richmond County	24.1 miles	Garden (2 stories) 1982 / 2007	Market	1BR / 1BA	16	13.30%	Market	\$535	745	n/a	None	0	0.00%				
					2BR / 1.5BA	72	60.00%	Market	\$620	975	n/a	None	1	1.40%				
					3BR / 2BA	32	26.70%	Market	\$730	1,130	n/a	None	3	9.40%				
											120	100%					4	3.30%
9	Quail Hollow 2719 Tobacco Rd Hephzibah, GA 30815 Richmond County	24.1 miles	Garden 1980s	Market	2BR / 1BA	16	50.00%	Market	\$515	900	n/a		0	0.00%				
					2BR / 1.5BA	16	50.00%	Market	\$535	950	n/a		0	0.00%				
											32	100%					0	0.00%
10	San Sebastian Place 2573 Tobacco Rd Hephzibah, GA 30815 Richmond County	23.2 miles	Garden 1980s	Market	2BR / 1BA	26	100.00%	Market	\$575	900	n/a	None	0	0.00%				
											26	100%					0	0.00%

Unit Matrix Report

IBR / IBA	Waynesboro Senior Homes	Augusta Spring Apartments	Linden Square	Pecan Grove	Pecan Grove II	Ashton Village	Forest Ridge	Oakview Place Apartments	Pinnacle Place	Quail Hollow	San Sebastian Place
Comp #	Subject	1	2	3	4	5	6	7	8	9	10
Distance from Subject	n/a	28.7 miles	27.7 miles	1 miles	1 miles	2.4 miles	1.5 miles	22.9 miles	24.1 miles	24.1 miles	23.2 miles
Unit Types											
Market											
Bath/Bedroom	IBR / IBA	--	IBR / IBA	--	--	--	--	IBR / IBA	IBR / IBA	--	--
Base Rent/Month	\$487	--	\$505	--	--	--	--	\$580	\$535	--	--
Unit GLA (SF)	800	--	663	--	--	--	--	692	745	--	--
Adjusted Utility Base Rent	\$487	--	\$505	--	--	--	--	\$580	\$535	--	--
@ 50%											
Bath/Bedroom	IBR / IBA	IBR / IBA	IBR / IBA	--	--	--	--	--	--	--	--
Base Rent/Month	\$393	\$500	\$405	--	--	--	--	--	--	--	--
Unit GLA (SF)	800	660	663	--	--	--	--	--	--	--	--
Adjusted Utility Base Rent	\$393	\$379	\$405	--	--	--	--	--	--	--	--
@ 60%											
Bath/Bedroom	IBR / IBA	IBR / IBA	IBR / IBA	--	--	--	--	--	--	--	--
Base Rent/Month	\$443	\$521 - \$550	\$445	--	--	--	--	--	--	--	--
Unit GLA (SF)	800	660	663	--	--	--	--	--	--	--	--
Adjusted Utility Base Rent	\$443	\$400 - \$429	\$445	--	--	--	--	--	--	--	--
Property Information											
Property Type	Conversion (age-restricted) (2 stories)	One-story (age-restricted)	(age-restricted)	Single Family	Single Family	(age-restricted)	Garden (age-restricted)	Various (2 stories)	Garden (2 stories)		
Year Built	2009-2010	1996/2001	2003	2006	2007	1990	1992	1982	1982 / 2007	1980s	1980s
Market (Conv./Subsidy Type)	LIHTC/Market	LIHTC	LIHTC/Market	LIHTC/Market	LIHTC/Market	RD/LIHTC	RD	Market	Market	Market	Market
Unit Information											
Total Units	18	N/A	23	0	0	32	22	24	16	0	0
Vacant	N/A	0	0	0	0	0	0	1	0	0	0
Vacancy Rate	N/A	N/A	0.00%	N/A	N/A	0.00%	0.00%	4.20%	0.00%	N/A	N/A
Utilities											
A/C	central tenant	central landlord	central tenant	central tenant	central tenant	--	central tenant	central tenant	central tenant	central tenant	central tenant
Cooking	gas tenant	electric landlord	electric tenant	gas tenant	gas tenant	--	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Water Heat	gas tenant	electric landlord	electric tenant	gas tenant	gas tenant	--	electric tenant	gas tenant	electric tenant	electric tenant	electric tenant
Heat	gas tenant	electric landlord	electric tenant	gas tenant	gas tenant	--	electric tenant	gas tenant	electric tenant	electric tenant	electric tenant
Other Electric	tenant	landlord	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant
Water	landlord	landlord	landlord	tenant	tenant	tenant	landlord	landlord	landlord	landlord	landlord
Sewer	landlord	landlord	landlord	tenant	tenant	tenant	landlord	landlord	landlord	landlord	landlord
Trash Collection	landlord	landlord	landlord	tenant	tenant	tenant	landlord	landlord	landlord	landlord	landlord
In-Unit Amenities											
Balcony/Patio	no	yes	yes	yes	yes	no	no	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	no	no	no	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	no	no	yes	yes	no	no
Dishwasher	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	no	no	no	yes	yes
Ceiling Fan	no	no	no	yes	yes	no	no	yes	yes	yes	yes
Garbage Disposal	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes
Hand Rails	no	yes	no	no	no	no	yes	no	no	no	no
Microwave	yes	no	no	yes	yes	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	no	no	no	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	no	no	no	yes	yes	yes	yes
Trash Compactor	no	yes	no	no	no	no	no	no	no	no	no
Washer/Dryer	no	no	no	yes	no	no	no	no	no	no	no
Washer/Dryer hookup	no	yes	yes	yes	yes	no	yes	no	yes	yes	yes
Property Amenities											
Business Center/Computer Lab	yes	no	yes	yes	yes	no	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	no	yes	yes	no	no	no
Courtyard	no	yes	no	no	no	no	no	no	no	no	no
Elevators	yes	no	no	no	no	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	no	yes	no	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	no	yes	yes	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	no	yes	yes	yes	no	no
Picnic Area	yes	no	no	yes	yes	no	yes	no	no	no	no
Playground	no	no	no	yes	yes	no	no	yes	no	no	no
Recreation Areas	no	no	no	yes	no	no	no	no	no	no	no
Swimming Pool	no	no	no	no	no	no	no	yes	yes	no	no
Services											
Security											
Limited Access	no	no	yes	no	no	no	no	no	no	no	no
Patrol	no	yes	no	no	no	no	no	yes	yes	no	no
Premium Amenities											
Other Amenities											
Other	Library, Senior Craft Center, community gardens	n/a	Hair salon, shuffleboard	Equipped soccer field, trails, library, garden	Library, garden, walking trail, field	n/a	n/a	n/a	n/a	n/a	n/a

Unit Matrix Report

2BR / 2BA	Waynesboro Senior Homes	Augusta Spring Apartments	Linden Square	Pecan Grove	Pecan Grove II	Ashton Village	Forest Ridge	Oakview Place Apartments	Pinnacle Place	Quail Hollow	San Sebastian Place
Comp #	Subject	1	2	3	4	5	6	7	8	9	10
Distance from Subject	n/a	28.7 miles	27.7 miles	1 miles	1 miles	2.4 miles	1.5 miles	22.9 miles	24.1 miles	24.1 miles	23.2 miles
Unit Types											
Market											
Bath/Bedroom	2BR / 2BA	--	2BR / 1BA	--	--	--	--	2BR / 2BA	2BR / 1.5BA	2BR / 1.5BA	2BR / 1BA
Base Rent/Month	\$568	--	\$605	--	--	--	--	\$680	\$620	\$535	\$575
Unit GLA (SF)	1,000	--	890	--	--	--	--	888	975	950	900
Adjusted Utility Base Rent	\$568	--	\$605	--	--	--	--	\$680	\$620	\$535	\$575
@ 50%											
Bath/Bedroom	2BR / 2BA	2BR / 1BA	2BR / 1BA	--	--	--	--	--	--	--	--
Base Rent/Month	\$466	\$585 - \$600	\$475	--	--	--	--	--	--	--	--
Unit GLA (SF)	1,000	840	890	--	--	--	--	--	--	--	--
Adjusted Utility Base Rent	\$466	\$432 - \$447	\$475	--	--	--	--	--	--	--	--
@ 60%											
Bath/Bedroom	2BR / 2BA	2BR / 1BA	2BR / 1BA	--	--	--	--	--	--	--	--
Base Rent/Month	\$516	\$585 - \$650	\$555	--	--	--	--	--	--	--	--
Unit GLA (SF)	1,000	840	890	--	--	--	--	--	--	--	--
Adjusted Utility Base Rent	\$516	\$432 - \$497	\$555	--	--	--	--	--	--	--	--
Property Information											
Property Type	Conversion (age-restricted) (2 stories)	One-story (age-restricted)	(age-restricted)	Single Family	Single Family	(age-restricted)	Garden (age-restricted)	Various (2 stories)	Garden (2 stories)		
Year Built	2009-2010	1996-2001	2003	2006	2007	1990	1992	1982	1982 / 2007	1980s	1980s
Market (Conv./)Subsidy Type	LIHTC/Market	LIHTC	LIHTC/Market	LIHTC/Market	LIHTC/Market	RD/LIHTC	RD	Market	Market	Market	Market
Unit Information											
Total Units	21	N/A	10	0	0	4	2	24	72	16	26
Vacant	N/A	2	0	0	0	0	0	0	1	0	0
Vacancy Rate	N/A	N/A	0.00%	N/A	N/A	0.00%	0.00%	0.00%	1.40%	0.00%	0.00%
Utilities											
A/C	central tenant	central landlord	central tenant	central tenant	central tenant	-- tenant	central tenant	central tenant	central tenant	central tenant	central tenant
Cooking	gas tenant	electric landlord	electric tenant	gas tenant	gas tenant	-- tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Water Heat	gas tenant	electric landlord	electric tenant	gas tenant	gas tenant	-- tenant	electric tenant	gas tenant	electric tenant	electric tenant	electric tenant
Heat	gas tenant	electric landlord	electric tenant	gas tenant	gas tenant	-- tenant	electric tenant	gas tenant	electric tenant	electric tenant	electric tenant
Other Electric	tenant	landlord	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant
Water	landlord	landlord	landlord	tenant	tenant	tenant	landlord	landlord	landlord	landlord	landlord
Sewer	landlord	landlord	landlord	tenant	tenant	tenant	landlord	landlord	landlord	landlord	landlord
Trash Collection	landlord	landlord	landlord	tenant	tenant	tenant	landlord	landlord	landlord	landlord	landlord
In-Unit Amenities											
Balcony/Patio	no	yes	yes	yes	yes	no	no	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	no	no	no	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	no	no	yes	yes	no	no
Dishwasher	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	no	no	no	yes	yes
Ceiling Fan	no	no	no	yes	yes	no	no	yes	yes	yes	yes
Garbage Disposal	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes
Hand Rails	no	yes	no	no	no	no	yes	no	no	no	no
Microwave	yes	no	no	yes	yes	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	no	no	no	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	no	no	no	yes	yes	yes	yes
Trash Compactor	no	yes	no	no	no	no	no	no	no	no	no
Washer/Dryer	no	no	no	yes	no	no	no	no	no	no	no
Washer/Dryer hookup	no	yes	yes	yes	yes	no	yes	no	yes	yes	yes
Property Amenities											
Business Center/Computer Lab	yes	no	yes	yes	yes	no	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	no	yes	yes	no	no	no
Courtyard	no	yes	no	no	no	no	no	no	no	no	no
Elevators	yes	no	no	no	no	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	no	yes	no	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	no	yes	yes	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	no	yes	yes	yes	no	no
Picnic Area	yes	no	no	yes	yes	no	yes	no	no	no	no
Playground	no	no	no	yes	yes	no	no	yes	no	no	no
Recreation Areas	no	no	no	yes	no	no	no	no	no	no	no
Swimming Pool	no	no	no	no	no	no	no	yes	yes	no	no
Services											
Security											
Limited Access	no	no	yes	no	no	no	no	no	no	no	no
Patrol	no	yes	no	no	no	no	no	yes	yes	no	no
Premium Amenities											
Other Amenities											
Other	Library, Senior Craft Center, community gardens	n/a	Hair salon, shuffleboard	Equipped soccer field, trails, library, garden	Library, garden, walking trail, field	n/a	n/a	n/a	n/a	n/a	n/a

Rent and Square Footage Ranking -- All rents adjusted for utilities and concessions extracted from the market.							
Effective Rent Date:		May-08		Units Surveyed:		699	
				Market Rate		362	
				Tax Credit		337	
				Weighted Occupancy		98.90%	
				Market Rate		98.30%	
				Tax Credit		99.40%	
One bedroom One Bath				Two bedrooms Two Bath		--	
Property	Average	Property	Average	Property		Average	
RENT							
Oakview Place Apartments	\$580	Oakview Place Apartments	\$680				
Pinnacle Place	\$535	Pinnacle Place (1.5BA)	\$620				
Linden Square* (M)	\$505	Linden Square* (1BA M)	\$605				
Waynesboro Senior Homes* (M)	\$487	San Sebastian Place (1BA)	\$575				
Linden Square* (60%)	\$445	Waynesboro Senior Homes* (M)	\$568				
Waynesboro Senior Homes* (60%)	\$443	Linden Square* (1BA 60%)	\$555				
Augusta Spring Apartments* (60%)	\$429	Quail Hollow (1.5BA)	\$535				
Linden Square* (50%)	\$405	Waynesboro Senior Homes* (60%)	\$516				
Augusta Spring Apartments* (60%)	\$400	Augusta Spring Apartments* (1BA 60%)	\$497				
Waynesboro Senior Homes* (50%)	\$393	Linden Square* (1BA 50%)	\$475				
Augusta Spring Apartments* (50%)	\$379	Waynesboro Senior Homes* (50%)	\$466				
		Augusta Spring Apartments* (1BA 50%)	\$447				
		Augusta Spring Apartments* (1BA 50%)	\$432				
		Augusta Spring Apartments* (1BA 60%)	\$432				
SQUARE FOOTAGE							
Waynesboro Senior Homes* (50%)	800	Waynesboro Senior Homes* (50%)	1,000				
Waynesboro Senior Homes* (60%)	800	Waynesboro Senior Homes* (60%)	1,000				
Waynesboro Senior Homes* (M)	800	Waynesboro Senior Homes* (M)	1,000				
Pinnacle Place	745	Pinnacle Place (1.5BA)	975				
Oakview Place Apartments	692	Quail Hollow (1.5BA)	950				
Linden Square* (50%)	663	San Sebastian Place (1BA)	900				
Linden Square* (60%)	663	Linden Square* (1BA 50%)	890				
Linden Square* (M)	663	Linden Square* (1BA 60%)	890				
Augusta Spring Apartments* (50%)	660	Linden Square* (1BA M)	890				
Augusta Spring Apartments* (60%)	660	Oakview Place Apartments	888				
Augusta Spring Apartments* (60%)	660	Augusta Spring Apartments* (1BA 50%)	840				
		Augusta Spring Apartments* (1BA 50%)	840				
		Augusta Spring Apartments* (1BA 60%)	840				
		Augusta Spring Apartments* (1BA 60%)	840				
RENT PER SQUARE FOOT							
Oakview Place Apartments	\$0.84	Oakview Place Apartments	\$0.77				
Linden Square* (M)	\$0.76	Linden Square* (1BA M)	\$0.68				
Pinnacle Place	\$0.72	San Sebastian Place (1BA)	\$0.64				
Linden Square* (60%)	\$0.67	Pinnacle Place (1.5BA)	\$0.64				
Augusta Spring Apartments* (60%)	\$0.65	Linden Square* (1BA 60%)	\$0.62				
Linden Square* (50%)	\$0.61	Augusta Spring Apartments* (1BA 60%)	\$0.59				
Waynesboro Senior Homes* (M)	\$0.61	Waynesboro Senior Homes* (M)	\$0.57				
Augusta Spring Apartments* (60%)	\$0.61	Quail Hollow (1.5BA)	\$0.56				
Augusta Spring Apartments* (50%)	\$0.57	Linden Square* (1BA 50%)	\$0.53				
Waynesboro Senior Homes* (60%)	\$0.55	Augusta Spring Apartments* (1BA 50%)	\$0.53				
Waynesboro Senior Homes* (50%)	\$0.49	Waynesboro Senior Homes* (60%)	\$0.52				
		Augusta Spring Apartments* (1BA 50%)	\$0.51				
		Augusta Spring Apartments* (1BA 60%)	\$0.51				
		Waynesboro Senior Homes* (50%)	\$0.47				

PROPERTY PROFILE REPORT

Augusta Spring Apartments

Effective Rent Date	5/13/2008
Location	1730 Sibley Road Augusta, GA 30909 Richmond County
Distance	28.7 miles
Units	200
Vacant Units	2
Vacancy Rate	1.0%
Type	One-story (age-restricted)
Year Built/Renovated	1996/2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None
Tenant Characteristics	Seniors ages 62 and over; Majority from 30904 and 30909 zip code; Some from N Augusta and out-of-state
Contact Name	Nicole
Phone	706-733-9200



Market Information

Program	@50%, @60%
Annual Turnover Rate	8%
Units/Month Absorbed	8
HCV Tenants	50%
Leasing Pace	Less than 1 month
Annual Chg. in Rent	Increased 4%
Concession	None

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	N/A	660	\$500	\$0	@50%	3-6	0	N/A	N/A	None
1	1	One-story	N/A	660	\$550	\$0	@60%	3-6	0	N/A	N/A	None
1	1	One-story	N/A	660	\$521	\$0	@60%	3-6	0	N/A	N/A	None
2	1	One-story	N/A	840	\$585	\$0	@50%	3-6	0	N/A	N/A	None
2	1	One-story	N/A	840	\$600	\$0	@50%	3-6	0	N/A	N/A	None
2	1	One-story	N/A	840	\$585	\$0	@60%	3-6	0	N/A	N/A	None
2	1	One-story	N/A	840	\$650	\$0	@60%	None	2	N/A	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$500	\$0	\$500	-\$121	\$379	1BR / 1BA	\$521 - \$550	\$0	\$521 - \$550	-\$121	\$400 - \$429
2BR / 1BA	\$585 - \$600	\$0	\$585 - \$600	-\$153	\$432 - \$447	2BR / 1BA	\$585 - \$650	\$0	\$585 - \$650	-\$153	\$432 - \$497

Augusta Spring Apartments, continued

Amenities

In-Unit

Balcony/Patio	Blinds	Cable/Satellite/Intern
Carpeting	Central A/C	Coat Closet
Dishwasher	Garbage Disposal	Hand Rails
Oven	Pull Cords	Refrigerator
Trash Compactor	Washer/Dryer hookup	

Security

Patrol

Services

None

Property

Clubhouse/Meeting	Courtyard	Exercise Facility
Central Laundry	Off-Street Parking	On-Site Management

Premium

None

Other

None

Comments

This property was built in two phases. Both phases have been included in this property profile. The contact reported that leasing began at the end of November 2001 and the property was 100 percent occupied by the end of November 2002. The contact reported that the rents for Phase I units set at 60 percent AMI are the same as rents for units set at 50 percent AMI because of company policy. The contact does not believe that it is because tenants cannot afford a higher rent. However, the contact reported that vacancies at the property are typically in the two-bedroom 60 percent AMI units with rent at \$650 per month. The contact also reported that the \$650 rent appears to be the maximum that tenants are willing or able to pay. The higher rents represent those of Phase II. The absorption rate listed is for that of Phase II. The combined waiting list for both phases include 10 to 15 households. The contact reported that there is high demand for strictly senior housing in the area for both restricted and unrestricted units as there is little senior housing supply in the area. The contact reported that unrestricted or market senior units are in demand because management encounters prospective tenants who are retired military officials who do not qualify for tax credit housing. The contact estimated that there is demand to easily lease a new senior property with approximately 100 units.

Augusta Spring Apartments, continued

Trend Report

Vacancy Rates

1Q06	2Q08
0.0%	1.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$500	\$0	\$500	\$379

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$585 - \$600	\$0	\$585 - \$600	\$432 - \$447

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$521 - \$550	\$0	\$521 - \$550	\$400 - \$429

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$585 - \$650	\$0	\$585 - \$650	\$432 - \$497

Trend: Comments

- 1Q06** Augusta Spring Apartments is a retirement community that was built in 1996 with 100 units. They completed a phase 2 addition to the complex in 2001 with 100 more units making a total of 200 units. The manager said the area is rather secluded and they have no other competitors in the area so their waiting list is quite long.
- 2Q08** This property was built in two phases. Both phases have been included in this property profile. The contact reported that leasing began at the end of November 2001 and the property was 100 percent occupied by the end of November 2002. The contact reported that the rents for Phase I units set at 60 percent AMI are the same as rents for units set at 50 percent AMI because of company policy. The contact does not believe that it is because tenants cannot afford a higher rent. However, the contact reported that vacancies at the property are typically in the two-bedroom 60 percent AMI units with rent at \$650 per month. The contact also reported that the \$650 rent appears to be the maximum that tenants are willing or able to pay. The higher rents represent those of Phase II. The absorption rate listed is for that of Phase II. The combined waiting list for both phases include 10 to 15 households. The contact reported that there is high demand for strictly senior housing in the area for both restricted and unrestricted units as there is little senior housing supply in the area. The contact reported that unrestricted or market senior units are in demand because management encounters prospective tenants who are retired military officials who do not qualify for tax credit housing. The contact estimated that there is demand to easily lease a new senior property with approximately 100 units.

PROPERTY PROFILE REPORT

Linden Square

Effective Rent Date 5/12/2008

Location 1425 Linden St
Augusta, GA 30901
Richmond County

Distance 27.7 miles

Units 33

Vacant Units 0

Vacancy Rate 0.0%

Type Lowrise (age-restricted) (2 stories)

Year Built/Renovated 2003 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Augusta Spring, Maxwell House, Magnolia Park

Tenant Characteristics 20% employed; Majority from Augusta or out-of-state moving to be with family; Avg age is 62; None from N Augusta

Contact Name Leasing agent

Phone (706) 722-0017



Market Information

Program @50%, @60%, Market

Annual Turnover Rate N/A

Units/Month Absorbed 3

HCV Tenants 21%

Leasing Pace 10-14 days

Annual Chg. in Rent Increased 2-3% March 2008

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water included

Sewer included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (2 stories)	1	663	\$405	\$0	@50%	17 HH	0	0.0%	N/A	None
1	1	Lowrise (2 stories)	16	663	\$445	\$0	@60%	17 HH	0	0.0%	N/A	None
1	1	Lowrise (2 stories)	6	663	\$505	\$0	Market	17 HH	0	0.0%	N/A	None
2	1	Lowrise (2 stories)	4	890	\$475	\$0	@50%	17 HH	0	0.0%	N/A	None
2	1	Lowrise (2 stories)	4	890	\$555	\$0	@60%	17 HH	0	0.0%	N/A	None
2	1	Lowrise (2 stories)	2	890	\$605	\$0	Market	17 HH	0	0.0%	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$405	\$0	\$405	\$0	\$405	1BR / 1BA	\$445	\$0	\$445	\$0	\$445
2BR / 1BA	\$475	\$0	\$475	\$0	\$475	2BR / 1BA	\$555	\$0	\$555	\$0	\$555
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$505	\$0	\$505	\$0	\$505						
2BR / 1BA	\$605	\$0	\$605	\$0	\$605						

Linden Square, continued

Amenities

In-Unit

Balcony/Patio

Blinds

Carpeting

Security

Limited Access

Services

None

Central A/C

Coat Closet

Dishwasher

Garbage Disposal

Oven

Pull Cords

Refrigerator

Walk-In Closet

Washer/Dryer hookup

Property

Business

Clubhouse/Meeting

Exercise Facility

Premium

None

Other

Hair salon, shuffleboard

Central Laundry

Off-Street Parking

On-Site Management

Comments

The contact reported that rents are at the maximum allowable and that tenants probably could not afford higher rents than what is currently offered at the property. The contact stated that demand for senior housing is increasing because the population is aging. The contact reported that the highest demand is for the units set at 50 percent AMI. The contact estimated that the property leased up in 1.5 years.

PROPERTY PROFILE REPORT

Maxwell House

Effective Rent Date	5/15/2008
Location	1002 Greene St Augusta, GA 30901 Richmond County
Distance	29.8 miles
Units	216
Vacant Units	15
Vacancy Rate	6.9%
Type	Highrise
Year Built/Renovated	1951 / 2006
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	East Augusta Commons, Richmond Summit
Tenant Characteristics	Median age 33; 5% seniors
Contact Name	Tami Scott
Phone	(706) 724-1927



Market Information

Program	@50% (PBRA/HOME), @60%
Annual Turnover Rate	19%
Units/Month Absorbed	N/A
HCV Tenants	4%
Leasing Pace	1 week - 1 month
Annual Chg. in Rent	N/A
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Highrise	N/A	375	N/A	\$0	@50% (PBRA/HOME)	Yes	0	N/A	N/A	None
0	1	Highrise	N/A	375	\$411	\$0	@60%	None	N/A	N/A	N/A	None
1	1	Highrise	N/A	450	N/A	\$0	@50% (PBRA/HOME)	Yes	0	N/A	N/A	None
1	1	Highrise	N/A	556	N/A	\$0	@50% (PBRA/HOME)	Yes	0	N/A	N/A	None
1	1	Highrise	N/A	450	\$446	\$0	@60%	None	0	N/A	N/A	None
1	1	Highrise	N/A	556	\$483	\$0	@60%	None	0	N/A	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	N/A	\$0	N/A	\$0	N/A	Studio / 1BA	\$411	\$0	\$411	\$0	\$411
1BR / 1BA	N/A	\$0	N/A	-\$121	N/A	1BR / 1BA	\$446 - \$483	\$0	\$446 - \$483	-\$121	\$325 - \$362

Maxwell House, continued

Amenities

In-Unit

Blinds
Refrigerator

Coat Closet

Oven

Security

Limited Access

Services

None

Property

Business
Exercise Facility
On-Site Management

Clubhouse/Meeting

Central Laundry

Service Coordination

Elevators

Off-Street Parking

Premium

None

Other

Social services for wide array

Comments

The contact reported that there are 44 units operating with PBRA under 50 percent AMI HOME set aside; 13 Shelter Plus Care subsidized units; 15 market units; and, the remainder (144 units) consists of tax credit units set at 60 percent AMI. Overall, there are 153 efficiencies and 63 one-bedroom units. The waiting list for the PBRA units is handled through the housing authority, which has a reported waiting list of over 100 households. The property utilizes hydronic heating system. The property is managed by Caring Works, which employs two social service coordinators for the property.

PROPERTY PROFILE REPORT

Pecan Grove

Effective Rent Date	5/13/2008
Location	100 Pecan Grove Dr Waynesboro, GA 30830 Burke County
Distance	1 mile
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Single Family
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pecan Chase, Orchard Hill, Windy Hill
Tenant Characteristics	Tenants come from Sardis, Hephzibah, Swainsboro, Louisville; Some from NY; 5% senior
Contact Name	Leasing agent
Phone	(706) 437-1108



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	3%
Units/Month Absorbed	10
HCV Tenants	5%
Leasing Pace	Prelease (1 week)
Annual Chg. in Rent	LIHTC increased 2-5%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
3	2	Single Family	6	1,280	\$161	\$0	@30%	7 HH total	0	0.0%	N/A	None
3	2	Single Family	18	1,280	\$443	\$0	@50%	7 HH total	0	0.0%	N/A	None
3	2	Single Family	8	1,280	\$565	\$0	@60%	7 HH total	0	0.0%	N/A	None
3	2	Single Family	8	1,280	\$610	\$0	Market	7 HH total	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
3BR / 2BA	\$161	\$0	\$161	\$71	\$232	3BR / 2BA	\$443	\$0	\$443	\$71	\$514
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
3BR / 2BA	\$565	\$0	\$565	\$71	\$636	3BR / 2BA	\$610	\$0	\$610	\$71	\$681

Pecan Grove, continued

Amenities

In-Unit

Balcony/Patio
Central A/C
Ceiling Fan
Oven
Washer/Dryer

Blinds
Coat Closet
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Carpeting
Dishwasher
Microwave
Walk-In Closet

Security

None

Services

None

Property

Business
Off-Street Parking
Playground

Clubhouse/Meeting
On-Site Management
Recreation Areas

Central Laundry
Picnic Area

Premium

None

Other

Equipped soccer field, trails,

Comments

The contact reported that the rent increase occurred at the end of April 2008 and that the property typically remains 100 percent occupied. The two senior households occupy the single-family home set at 30 percent AMI. Only the three or four handicap units offer washer/dryers. Tenants from Pecan Grove I and II can share amenities. The property is managed by Community Management Services.

PROPERTY PROFILE REPORT

Pecan Grove II

Effective Rent Date 5/13/2008
Location 100 Pecan Grove Drive
 Waynesboro, GA 30830
 Burke County
Distance 1 mile
Units 64
Vacant Units 0
Vacancy Rate 0.0%
Type Single Family
Year Built/Renovated 2007 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Pecan Chase, Orchard Hill, Windy Hill
Tenant Characteristics N/A
Contact Name Leasing agent
Phone (706) 437-1108



Market Information

Program @50%, @60%, Market
Annual Turnover Rate 3%
Units/Month Absorbed 13-16
HCV Tenants 3%
Leasing Pace Prelease
Annual Chg. in Rent Increased April 2008
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
3	2	Single Family	27	1,280	\$443	\$0	@50%	12 HH	0	0.0%	N/A	None
3	2	Single Family	8	1,280	\$565	\$0	@60%	12 HH	0	0.0%	N/A	None
3	2	Single Family	9	1,280	\$610	\$0	Market	12 HH	0	0.0%	N/A	None
4	2	Single Family	12	1,600	\$460	\$0	@50%	12 HH	0	0.0%	N/A	None
4	2	Single Family	4	1,600	\$605	\$0	@60%	12 HH	0	0.0%	N/A	None
4	2	Single Family	4	1,600	\$675	\$0	Market	12 HH	0	0.0%	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
3BR / 2BA	\$443	\$0	\$443	\$71	\$514	3BR / 2BA	\$565	\$0	\$565	\$71	\$636
4BR / 2BA	\$460	\$0	\$460	\$85	\$545	4BR / 2BA	\$605	\$0	\$605	\$85	\$690
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
3BR / 2BA	\$610	\$0	\$610	\$71	\$681						
4BR / 2BA	\$675	\$0	\$675	\$85	\$760						

Pecan Grove II, continued

Amenities

In-Unit

Balcony/Patio
Central A/C
Ceiling Fan
Oven

Blinds
Coat Closet
Garbage Disposal
Walk-In Closet

Carpeting
Dishwasher
Microwave
Washer/Dryer hookup

Security

None

Services

None

Property

Business
Central Laundry
Picnic Area

Clubhouse/Meeting
Off-Street Parking
Playground

Exercise Facility
On-Site Management

Premium

None

Other

Library, garden, walking trail,

Comments

The contact reported that there is demand for affordable housing in the area and that the LIHTC units leased up faster than the market units. Phase II offers a field, but it is not equipped like the soccer field for phase I; however, tenants may use amenities at both phases.

PROPERTY PROFILE REPORT

Ashton Village

Effective Rent Date 5/14/2008
Location 137 Ashton Place
 Waynesboro, GA 30830
 Burke County
Distance 2.4 miles
Units 36
Vacant Units 0
Vacancy Rate 0.0%
Type One-story (age-restricted)
Year Built/Renovated 1990 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics Restricted to 62+ and disabled
Contact Name Leasing agent
Phone (706) 554-1309



Market Information

Program Rural Development (LIHTC)
Annual Turnover Rate N/A
Units/Month Absorbed N/A
HCV Tenants N/A
Leasing Pace N/A
Annual Chg. in Rent N/A
Concession N/A

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	32	N/A	N/A	\$0	Rural Development (Rural Rental Assistance Program - RRAP)	None	0	0.0%	N/A	None
2	1	One-story	4	N/A	N/A	\$0	Rural Development (Rural Rental Assistance Program - RRAP)	None	0	0.0%	N/A	None

Unit Mix

Rural	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	N/A	\$0	N/A	\$51	N/A
2BR / 1BA	N/A	\$0	N/A	\$60	N/A

Ashton Village, continued

Amenities

In-Unit
Property

Security
Premium

Services
Other
None

Comments

The basic rent is \$320 and the note rent is \$345 but the average tenant paid rent is \$103. All units operate with Rural Development rental assistance. The property manager also manages Forest Ridge, an RD elderly property, and Woodland Terrace, an RD family property.

PROPERTY PROFILE REPORT

Forest Ridge

Effective Rent Date 5/13/2008
Location 622 Woodland Terr Dr
 Waynesboro, GA 30830
 Burke County
Distance 1.5 miles
Units 24
Vacant Units 0
Vacancy Rate 0.0%
Type One-story (age-restricted)
Year Built/Renovated 1992 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Ashton Village (sister property)
Tenant Characteristics Restricted to 62+ and disabled; Tenants come from Millen, Sardis, Augusta, some FL; Several earn pensions
Contact Name Leasing agent
Phone (706) 554-1309



Market Information

Program Rural Development (Rural Rental)
Annual Turnover Rate 50%
Units/Month Absorbed N/A
HCV Tenants N/A
Leasing Pace N/A
Annual Chg. in Rent N/A
Concession N/A

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	22	N/A	N/A	\$0	Rural Development (Rural Rental Assistance Program - RRAP)	50 HH	0	0.0%	N/A	None
2	1	One-story	2	N/A	N/A	\$0	Rural Development (Rural Rental Assistance Program - RRAP)	50 HH	0	0.0%	N/A	None

Unit Mix

Rural	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	N/A	\$0	N/A	\$0	N/A
2BR / 1BA	N/A	\$0	N/A	\$0	N/A

Forest Ridge, continued

Amenities

In-Unit

Blinds	Carpeting	Central A/C
Hand Rails	Oven	Pull Cords
Walk-In Closet	Washer/Dryer hookup	

Security

None

Services

None

Property

Clubhouse/Meeting	Central Laundry	Off-Street Parking
On-Site Management	Picnic Area	

Premium

None

Other

None

Comments

The basic and note rents are \$320 and \$430 for the one-bedroom units and \$340 and \$461 for the two-bedroom units, respectively. Twenty three units operate with rural rental assistance and one tenant is paying basic rent for a one-bedroom unit. The property manager also manages Woodland Terrace, an RD family property, and Ashton Village, an RD elderly property.

PROPERTY PROFILE REPORT

Oakview Place Apartments

Effective Rent Date	5/14/2008
Location	3506 Oakview Place Hephzibah, GA 30815 Richmond County
Distance	22.9 miles
Units	124
Vacant Units	2
Vacancy Rate	1.6%
Type	Various (2 stories)
Year Built/Renovated	1982 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pinnacle Place, Salem Arms, High Point Crossing
Tenant Characteristics	80% military from Fort Gordon; 5% seniors
Contact Name	Leasing agent
Phone	706.796.6059



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1 week
Annual Chg. in Rent	Increased 1-3%
Concession	One third off first month's rent on

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	24	692	\$580	\$0	Market	None	1	4.2%	N/A	None
2	1.5	Townhouse	76	1,042	\$690	\$15	Market	None	1	1.3%	N/A	None
2	2	Garden	24	888	\$680	\$0	Market	None	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$580	\$0	\$580	\$0	\$580
2BR / 1.5BA	\$690	\$15	\$675	\$0	\$675
2BR / 2BA	\$680	\$0	\$680	\$0	\$680

Amenities

In-Unit	Security	Services
Balcony/Patio	Patrol	None
Central A/C		
Ceiling Fan		
Refrigerator		
Blinds		
Coat Closet		
Garbage Disposal		
Walk-In Closet		
Carpeting		
Dishwasher		
Oven		
Property	Premium	Other
Clubhouse/Meeting	None	None
On-Site Management		
Central Laundry		
Off-Street Parking		
Swimming Pool		

Oakview Place Apartments, continued

Comments

The contact reported that the rent increase occurred in March 2008 and that turnover varies because of the high military tenancy at the property. The property typically remains 95 percent occupied or greater. Management determines whether to offer concessions based on a weekly analysis of unit availability. The management company is Steven D. Bell & Company and the property's website is www.oakviewplace.com.

Oakview Place Apartments, continued

Trend Report

Vacancy Rates

1Q05	2Q08
3.2%	1.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	0.0%	\$500	\$0	\$500	\$500
2008	2	4.2%	\$580	\$0	\$580	\$580

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	5.3%	\$600	\$0	\$600	\$600
2008	2	1.3%	\$690	\$15	\$675	\$675

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	0.0%	\$595	\$0	\$595	\$595
2008	2	0.0%	\$680	\$0	\$680	\$680

Trend: Comments

1Q05 The property offers fireplaces for an additional \$25 for the one-bedroom units and \$30 for the townhomes. The property pays for pest control in addition to water/sewer and trash. Tenants can rent the washer/dryers for \$50 from the property.

2Q08 The contact reported that the rent increase occurred in March 2008 and that turnover varies because of the high military tenancy at the property. The property typically remains 95 percent occupied or greater. Management determines whether to offer concessions based on a weekly analysis of unit availability. The management company is Steven D. Bell & Company and the property's website is www.oakviewplace.com.

PROPERTY PROFILE REPORT

Pinnacle Place

Effective Rent Date	5/13/2008
Location	500 Caldwell Drive Hephzibah, GA 30815 Richmond County
Distance	24.1 miles
Units	120
Vacant Units	4
Vacancy Rate	3.3%
Type	Garden (2 stories)
Year Built/Renovated	1982 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Salem Arms, Oakview Place, High Point Crossing
Tenant Characteristics	Long term tenants and 20% military and Ft Gordon civilian employees; 10% seniors; Teachers, nurses, Plant Vogel employees
Contact Name	Peggy
Phone	706.793.2435



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Prelease (immediately)
Annual Chg. in Rent	Increased 1-2%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	745	\$535	\$0	Market	None	0	0.0%	N/A	None
2	1.5	Garden (2 stories)	72	975	\$620	\$0	Market	None	1	1.4%	N/A	None
3	2	Garden (2 stories)	32	1,130	\$730	\$0	Market	None	3	9.4%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$535	\$0	\$535	\$0	\$535
2BR / 1.5BA	\$620	\$0	\$620	\$0	\$620
3BR / 2BA	\$730	\$0	\$730	\$0	\$730

Pinnacle Place, continued

Amenities

In-Unit

Blinds	Carpeting	Central A/C
Coat Closet	Dishwasher	Ceiling Fan
Garbage Disposal	Oven	Refrigerator
Walk-In Closet	Washer/Dryer hookup	

Security

Patrol

Services

None

Property

Off-Street Parking	On-Site Management	Swimming Pool
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Premium

None

Other

None

Comments

The contact reported that the property exterior was renovated in 2007 and that demand may increase due to a planned expansion at the Plant Vogel Nuclear Power Plant.

Pinnacle Place, continued

Trend Report

Vacancy Rates

4Q04	2Q05	2Q08
1.7%	1.7%	3.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	0.0%	\$465	\$0	\$465	\$465
2005	2	0.0%	\$470	\$0	\$470	\$470
2008	2	0.0%	\$535	\$0	\$535	\$535

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	2.8%	\$545	\$0	\$545	\$545
2005	2	0.0%	\$550	\$0	\$550	\$550
2008	2	1.4%	\$620	\$0	\$620	\$620

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	4	0.0%	\$650	\$0	\$650	\$650
2005	2	6.2%	\$655	\$0	\$655	\$655
2008	2	9.4%	\$730	\$0	\$730	\$730

Trend: Comments

- 4Q04** The property offers military discounts, as a result of Fort Gordon. These discounts include no application fee and/or decreased security deposit. Tenants are mostly from Richmond County, although 10 percent of the tenants are from outside the local area.
- 2Q05** The property offers military discounts, as a result of Fort Gordon. These discounts include no application fee and/or decreased security deposit. Tenants are mostly from Richmond County, although 10 percent of the tenants are from outside the local area. Rent has increased by \$5 from 11/04-5/05. The property has been under renovations such as new roofs, new windows, etc. and will be done with these renovations in a few weeks.
- 2Q08** The contact reported that the property exterior was renovated in 2007 and that demand may increase due to a planned expansion at the Plant Vogel Nuclear Power Plant.

PROPERTY PROFILE REPORT

Quail Hollow

Effective Rent Date 5/14/2008
Location 2719 Tobacco Rd
 Hephzibah, GA 30815
 Richmond County
Distance 24.1 miles
Units 32
Vacant Units 0
Vacancy Rate 0.0%
Type
Year Built/Renovated 1980s / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics N/A
Contact Name Cindy
Phone (706) 798-6898



Market Information

Program Market
Annual Turnover Rate N/A
Units/Month Absorbed N/A
HCV Tenants N/A
Leasing Pace N/A
Annual Chg. in Rent N/A
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1		16	900	\$515	\$0	Market	N/A	0	0.0%	N/A	None
2	1.5		16	950	\$535	\$0	Market	N/A	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$515	\$0	\$515	\$0	\$515
2BR / 1.5BA	\$535	\$0	\$535	\$0	\$535

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Central A/C		
Ceiling Fan		
Refrigerator		
Blinds		
Dishwasher		
Garbage Disposal		
Walk-In Closet		
Carpeting		
Exterior Storage		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Off-Street Parking	None	None

Comments

The contact could not report market characteristics.

PROPERTY PROFILE REPORT

San Sebastian Place

Effective Rent Date 5/15/2008
Location 2573 Tobacco Rd
 Hephzibah, GA 30815
 Richmond County
Distance 23.2 miles
Units 26
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (2 stories)
Year Built/Renovated 1980s / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics N/A
Contact Name Molly
Phone (706) 796-2480



Market Information

Program Market
Annual Turnover Rate N/A
Units/Month Absorbed N/A
HCV Tenants N/A
Leasing Pace N/A
Annual Chg. in Rent N/A
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	26	900	\$575	\$0	Market	None	0	0.0%	N/A	None

Unit Mix

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

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Central A/C		
Ceiling Fan		
Refrigerator		
Blinds		
Dishwasher		
Garbage Disposal		
Washer/Dryer hookup		
Carpeting		
Exterior Storage		
Oven		
Property	Premium	Other
Off-Street Parking	None	None

Comments

The contact reported that management uses a first-come, first-serve policy and therefore does not maintain a waiting list. The contact could not report on market characteristics.

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 Waynesboro on the eastern side of Academy Avenue. The Subject's immediate neighborhood contains a mixture of retail/commercial, recreational and single-family and multifamily residential uses. The Subject's visibility and views are considered good. The Subject is located 0.4 miles north of downtown Waynesboro. Comparables four, five, six and seven are all located in Waynesboro and are within 2.4 miles of the Subject. These comparables were found to have locations similar to the Subject, as all are located within close proximity to an abundance of retail shopping and single-family homes surrounding the comparables were found to be in similar condition to those in the Subject's neighborhood. Comparables one, two, seven, eight, nine and ten are located north of Waynesboro in Augusta and Hephzibah and were found to have a slightly superior location. According to the 2000 census, the area median income in Waynesboro was \$20,346 compared to an area median income of \$37,123 in Hephzibah, and an area median income of \$32,972 in Augusta.

Age and Condition

The properties surveyed range in age from one to 26 years. The Subject will be a newly constructed property. Upon completion, the Subject property will be in excellent condition. The two LIHTC properties located in Waynesboro were completed in the past two years and are in excellent condition. Augusta Spring Apartments and Linden Square are tax credit properties built or renovated since 2000 and were found to be in good condition. The Subject will be slightly superior to these properties upon completion. Ashton Village and Forest Ridge, both Rural Development properties built in the early 1990s, were found to be in fair condition. The Subject is considered superior to these properties in terms of age and condition. Market rate comparables were built in the early 1980s. Management at San Sebastian Place was unable to report the year built. We estimate the property is approximately 25 to 30 years in age. The market rate comparables are in generally fair condition, and are considered inferior to the Subject in terms of age and condition.

Unit Mix

The following table illustrates the unit mix at the Subject and the comparable properties. Management at Augusta Spring was unable to provide a breakdown by unit type. Therefore, these units have been excluded from the following table. We do know that in Phase II, Augusta Spring has 10 percent one-bedroom units and 90 percent two-bedroom unit.

Unit Mix

Unit Type	Total Units (Subject)	Percent (Subject)	Total Units (Comps)	Percent (Comps)
1 BR	18	46%	117	23%
2 BR	21	54%	246	49%
3 BR	0	0%	116	23%
4BR	0	0%	20	4%
Total	39	100%	499	100%

As illustrated, the Subject’s market area consists primarily of two-bedroom units. Like the local market, the majority of the Subject’s units are two-bedroom units. Vacancy is minimal in the market. Vacancy by unit type in the local market ranges between zero and 2.59 percent, with the largest vacancy being in the three-bedroom units. This will be discussed in further detail in the vacancy section of this report. The following table illustrates the weighted vacancy by unit type. Again, units at Augusta Spring have been excluded from this part of the analysis, as a breakdown by unit type was not provided.

Weighted Vacancy

Unit Type	Total Units	Vacant Units	Percent Vacant
1 BR	117	1	0.85%
2 BR	246	4	1.63%
3 BR	116	3	2.59%
4 BR	20	0	0.00%
Total	499	8	1.60%

Unit Size

We attempted to compare the Subject’s unit sizes to similar unit types. Several of the market rate properties offer various floor plans ranging greatly in size. 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	800	660	745	676	16%
2 BR	1,000	840	1,042	899	10%

The proposed unit sizes at the Subject are above the market average for all unit types. Additionally, the Subject’s proposed one-bedroom unit sizes are above the range of one-bedroom unit sizes in the market. Since the Subject’s proposed unit sizes will be the largest in the market, the Subject is expected to have a competitive advantage with regards to unit size.

Total Number of Baths per Unit

All of the surveyed one-bedroom units in the marketplace offer one bathroom. The two-bedroom units in the marketplace offer several floor plans including units with either one, one and a half or two bathrooms. All of the comparable age-restricted properties offer one bath in their two-bedroom units. The Subject will offer two full bathrooms in its two-bedroom units. Overall, the Subject will be similar to slightly superior to the comparable properties with regards to the number of bathrooms per unit.

Amenity Matrix

IBR / IBA	Waynesboro Senior Homes	Augusta Spring Apartments	Linden Square	Pecan Grove	Pecan Grove II	Ashton Village	Forest Ridge	Oakview Place Apartments	Pinnacle Place	Quail Hollow	San Sebastian Place
Comp #	Subject	1	2	3	4	5	6	7	8	9	10
Property Information											
Property Type	Conversion (age-restricted) (2 stories)	One-story (age-restricted)	(age-restricted)	Single Family	Single Family	(age-restricted)	Garden (age-restricted)	Various (2 stories)	Garden (2 stories)		
Year Built / Renovated	2009-2010	1996/2001	2003	2006	2007	1990	1992	1982	1982 / 2007	1980s	1980s
Market (Conv./Subsidy Type)	LIHTC/Market	LIHTC	LIHTC/Market	LIHTC/Market	LIHTC/Market	RD/LIHTC	RD	Market	Market	Market	Market
In-Unit Amenities											
Balcony/Patio	no	yes	yes	yes	yes	no	no	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	no	no	no	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	no	no	yes	yes	no	no
Dishwasher	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	no	no	no	yes	yes
Ceiling Fan	no	no	no	yes	yes	no	no	yes	yes	yes	yes
Garbage Disposal	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes
Hand Rails	no	yes	no	no	no	no	yes	no	no	no	no
Microwave	yes	no	no	yes	yes	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	no	no	no	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	no	no	no	yes	yes	yes	yes
Trash Compactor	no	yes	no	no	no	no	no	no	no	no	no
Washer/Dryer	no	no	no	yes	no	no	no	no	no	no	no
Washer/Dryer hookup	no	yes	yes	yes	yes	no	yes	no	yes	yes	yes
Property Amenities											
Business Center/Computer Lab	yes	no	yes	yes	yes	no	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	no	yes	yes	no	no	no
Courtyard	no	yes	no	no	no	no	no	no	no	no	no
Elevators	yes	no	no	no	no	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	no	yes	no	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	no	yes	yes	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	no	yes	yes	yes	no	no
Picnic Area	yes	no	no	yes	yes	no	yes	no	no	no	no
Playground	no	no	no	yes	yes	no	no	yes	no	no	no
Recreation Areas	no	no	no	yes	no	no	no	no	no	no	no
Swimming Pool	no	no	no	no	no	no	no	yes	yes	no	no
Services											
Security											
Limited Access	no	no	yes	no	no	no	no	no	no	no	no
Patrol	no	yes	no	no	no	no	no	yes	yes	no	no
Premium Amenities											
Other Amenities											
Other	Library, Senior Craft Center, community gardens	n/a	Hair salon, shuffleboard	Equipped soccer field, trails, library, garden	Library, garden, walking trail, field	n/a	n/a	n/a	n/a	n/a	n/a

Unit Amenities

The Subject's amenities in each unit include refrigerators, stoves, ovens, dishwashers, garbage disposals, microwaves, in unit call systems, blinds, carpeting, and central air conditioning. The Subject's unit amenities are slightly inferior to the majority of the comparable properties due to the lack of washer/dryer hook-ups. The Subject's in-unit amenities are considered superior to Ashton Village, a Rural Development property, which lacks several amenities including central air conditioning and garbage disposals. The Subject's in-unit amenities are considered slightly inferior to the majority of the comparable tax credit properties in the market. A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix on the previous page.

Common Area Amenities

The Subject's common area amenities will include fenced community gardens, a covered pavilion with a picnic/barbeque area, a community room, a library, a computer center, an exercise facility, elevators, and a community laundry facility. The Subject's common area amenities are similar to slightly superior to all the comparable age-restricted properties surveyed. A detailed description of amenities included in both the Subject and comparable properties can be found in the amenity matrix on the previous page.

Security Features

The proposed Subject will not offer security features. The majority of comparable properties do not offer security features. Five of the comparables offer security in the form of limited access entry or a courtesy patrol. However, security features are not considered essential in the Subject's neighborhood. The Subject is generally similar to the comparable properties in respect to security features. Given the Subject's senior tenancy, we believe the Subject could benefit from the addition of some form of security feature, such as limited access entry.

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 Utility Allowances from the Georgia Department of Community Affairs which provide utility estimates for Burke County.

Parking

The Subject will offer a total of 86 parking spaces, which equates to approximately 2.2 spaces per unit. The Subject's proposed number of parking spaces will be in accordance with DCA's guidelines. All of the comparable properties offer surface parking. Therefore, the Subject is considered to be similar to competing properties in the market in terms of parking.

Tenant Makeup

The Subject is a proposed elderly development that will be age restricted to tenants 62 years of age and older. Local property managers reported a generally mixed tenancy. We have included a total of four age-restricted properties as comparables in our report. According to management at Augusta Springs and Linden Square, two age-restricted properties in Augusta, the majority of tenants are from the Augusta area or out of state. Management at Forest Ridge, an age-restricted Rural Development property in Waynesboro, tenants come from Millen, Sardis, and Augusta. Management at the majority of the comparable family properties reported average senior tenancy of approximately five percent.

Housing Choice Vouchers

Tenants with Vouchers			
Comparable Property	Housing Choice Vouchers		
	Tenants	Tenancy	Type
Augusta Spring Apartments	50%	Elderly	LIHTC
Linden Square	21%	Elderly	LIHTC
Pecan Grove	5%	Family	LIHTC
Pecan Grove II	3%	Family	LIHTC
Ashton Village	N/A	Elderly	Market
Forest Ridge	N/A	Elderly	Market
Oakview Place Apartments	0%	Family	Market
Pinnacle Place	0%	Family	Market
Quail Hollow	N/A	Family	Market
San Sebastian Place	N/A	Family	Market

As illustrated in the table, all four of the LIHTC properties reported having voucher tenants. The average number of voucher tenants at the LIHTC properties is 20 percent. The local market does not appear to be dependent on voucher tenants; however both elderly LIHTC properties reported the highest percentage of voucher tenants.

Concessions

Only one of the 11 comparable properties reported offering some form of rent concessions. Oakview Apartments is offering a concession of one third off the first month's rent on its two-bedroom units. Due to the strong demand for affordable housing in the Waynesboro market, the Subject should not need to offer concessions.

Waiting Lists

All four of the LIHTC comparable properties reported maintaining waiting lists. Waiting lists at the comparable properties range from seven households total to 17 households total. Additionally, Forest Ridge, an age restricted Rural Development property in Waynesboro, is currently maintaining a waiting list with 50 households. The waiting lists illustrate the unmet demand for affordable housing in the area. Long term, we anticipate the Subject will maintain a short waiting list.

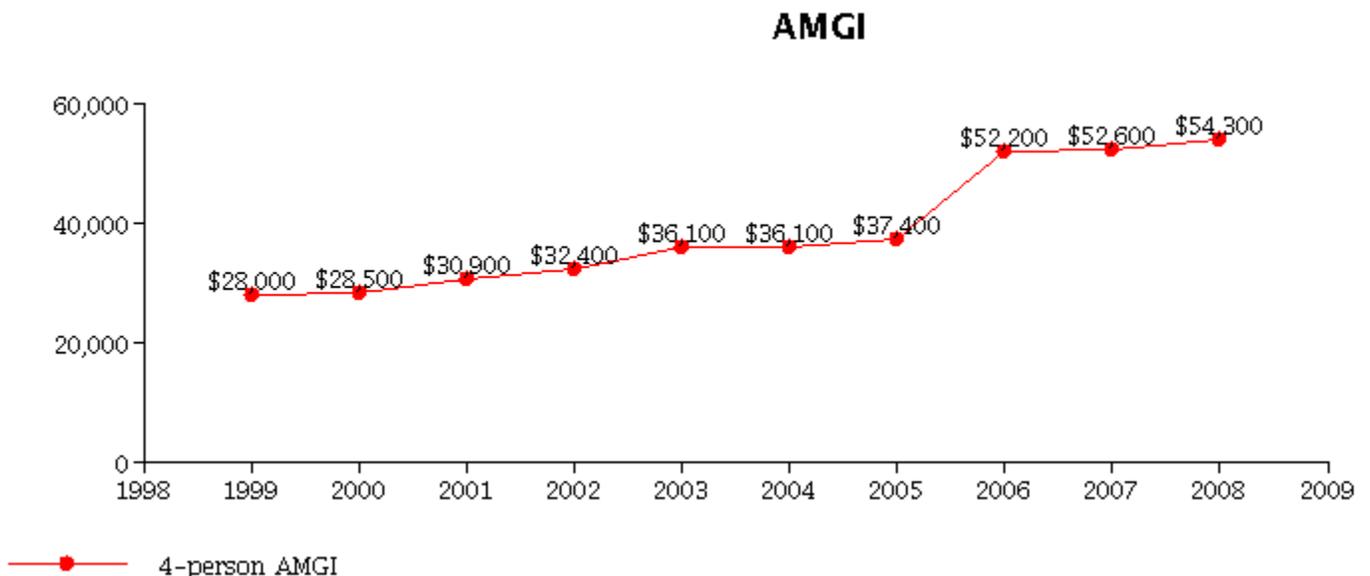
Historical Rent Increases

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 Growth			
Comparable Property	Rent Growth	Tenancy	Type
Augusta Spring Apartments	Increased 4%	Elderly	LIHTC
Linden Square	Increased 2-3% March 2008	Elderly	LIHTC
Pecan Grove	LIHTC increased 2-5%	Family	LIHTC
Pecan Grove II	Increased April 2008	Family	LIHTC
Ashton Village	None	Elderly	Market
Forest Ridge	None	Elderly	Market
Oakview Place Apartments	Increased 1-3%	Family	Market
Pinnacle Place	Increased 1-2%	Family	Market
Quail Hollow	None	Family	Market
San Sebastian Place	None	Family	Market

Of the 10 comparable properties, six properties reported rent increases ranging between one and five percent. The Subject's 50 percent AMI rents are set at the maximum allowable level, while the 60 percent AMI rents are set below the maximum level. Therefore, rent growth for the Subject's 50 percent AMI rents will be dependent on future increases in the AMI level. However, based on market conditions, the Subject should be able to increase rents on a regular basis.

The following graph depicts AMGI growth in the county from 1999 to 2008.



As the previous table illustrates the median income in the Burke County posted overall growth from 1999 to 2005. The system and underlying data sources that HUD uses to establish income limits have changed, by shifting to data from the American Community Survey (ACS), which has replaced previous census reports. The drastic 40 percent increase in AMGI from 2005 to 2006 is likely due to this methodology change. The Subject's 50 percent AMI rents are set at the maximum allowable LIHTC rents; therefore, any changes in AMI levels will directly affect the

rents for those units. AMGI has increased steadily since 2006 with 3.2 percent growth from 2007 to 2008, which is a good indicator for the Subject.

Affect of Subject on Other Affordable Units in Market

As a newly constructed age restricted property in excellent condition, the Subject will be adding a total of 39 units to the local market, including 35 tax credit units and four unrestricted market rate units. There is a lack of affordable housing for seniors in the Waynesboro area. Occupancy at the LIHTC properties in the market is strong, with approximately 96.9 percent of the units occupied. Therefore, we do not believe the Subject will have a negative affect on other affordable units

Vacancy

The following table illustrates the vacancy rates in the market.

Overall Vacancy

Property name	Tenancy	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Augusta Spring Apartments	Elderly	LIHTC	200	2	1.00%
Linden Square	Elderly	LIHTC/Market	33	0	0.00%
Pecan Grove	Family	LIHTC/Market	40	0	0.00%
Pecan Grove II	Elderly	LIHTC/Market	64	0	0.00%
Ashton Village	Elderly	RD/LIHTC	36	0	0.00%
Forest Ridge	Family	RD/LIHTC	24	0	0.00%
Oakview Place Apartments	Family	Market	124	2	1.60%
Pinnacle Place	Family	Market	120	4	3.30%
Quail Hollow	Family	Market	32	0	0.00%
San Sebastian Place	Family	Market	26	0	0.00%
Total			699	8	1.10%

As illustrated, vacancy rates in the market range from 0.0 to 3.30 percent, averaging 1.10 percent. As the table above illustrates, tax credit properties in the area have slightly lower vacancy rates than the market rate properties. The average vacancy of the tax credit properties is 0.25 percent while the average vacancy among market rate properties is slightly higher at 1.23 percent. Of the four elderly properties surveyed, the average vacancy is 0.68 percent. This bodes well for the Subject. All property managers indicated demand for the proposed Subject.

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. An analysis of achievable LIHTC rents is beyond the scope of the GA DCA guidelines. Therefore, we do not draw any conclusions as to the reasonableness of the Subject’s proposed LIHTC rents. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

Waynesboro Senior Homes, Waynesboro, GA; Market Study

LIHTC UNITS AT 50% 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	6	\$393	\$115	\$508	\$508	\$582	12.71%
2BR/2BA	6	\$466	\$145	\$611	\$611	\$654	6.57%

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	10	\$443	\$115	\$558	\$610	\$582	4.12%
2BR/2BA	13	\$516	\$145	\$661	\$733	\$654	-1.07%

The Subject's proposed gross rents at the 50 percent AMI level are below the HUD FMR. At the 60 percent AMI level, the Subject's two-bedroom rents are above the 2008 HUD FMR. In order for voucher tenants to rent at the property, they will have to pay the rent differential between FMR and the proposed rents. The rental rates at the LIHTC properties are compared to the Subject's proposed 50 and 60 percent AMI rents in the following table.

LIHTC RENT COMPARISON - @50%

Property Name	City	1BR	2BR
Waynesboro Senior Homes (SUBJECT)	Waynesboro	\$393	\$466
LIHTC Maximum (Net)	-	\$393	\$466
Augusta Spring Apartments	Augusta	\$379	\$432-\$447
Linden Square	Augusta	\$405	\$475
Average (excluding SUBJECT)	-	\$392	\$451

LIHTC RENT COMPARISON - @60%

Property Name	City	1BR	2BR
Waynesboro Senior Homes (SUBJECT)	Waynesboro	\$443	\$516
LIHTC Maximum (Net)	-	\$495	\$588
Augusta Spring Apartments	Augusta	\$400-\$429	\$432-\$497
Linden Square	Augusta	\$445	\$555
Average (excluding SUBJECT)	-	\$425	\$495

Upon completion, the Subject will offer units at 50 percent AMI, 60 percent AMI, in addition to unrestricted market rate units. As illustrated in the table above, the Subject's proposed 50 percent rents are slightly above Augusta Spring Apartments and below those of Linden Square. Although the 50 percent AMI rents at Linden Square appear to be above the maximum allowable, we assume they are at the maximum level and any differences are due to the utility allowance.

As illustrated in the table, the Subject's proposed 60 percent rents are below the maximum allowable levels. The Subject's proposed one-bedroom 60 percent rents are above the one-bedroom rents at Augusta Spring and slightly below those at Linden Square. The Subject's proposed two-bedroom 60 percent rents are below the maximum allowable levels. The Subject's proposed two-bedroom 60 percent rents are above the two-bedroom rents at Augusta Springs Apartments and below those of Linden Square. The Subject's one-bedroom units are 140 square feet larger, and the Subject's two-bedroom units offer an additional full bathroom and are 160

square feet larger than those at Augusta Springs. Upon completion, the Subject will be in superior condition to Augusta Spring Apartments, which was constructed in two phases in 1996 and 2001. Augusta Spring Apartments offers superior in-unit amenities when compared to the Subject, due to its inclusion of washer/dryer hookups, pull cords, hand rails, and balcony/patios. The Subject will offer slightly superior common area amenities when compared to Augusta Springs, as the Subject will offer a library, senior craft center, community gardens, and a computer center.

Phases I and II at Pecan Grove are the newest tax credit properties in the area. The properties are in excellent condition and offer an attractive single-family home design. However, these two properties are not age restricted and do not offer one and two-bedroom units. Therefore, we do not believe these properties will be in direct competition with the Subject. Linden Square is the newest age restricted tax credit property in the Augusta area. It is in good condition and contains similar unit and community amenities to the Subject. The Subject's one-bedroom units are 137 square feet larger, and the Subject's two-bedroom units offer an additional full bathroom and are 110 square feet larger than those at Linden Square. Based upon our analysis of the area median incomes for the city of Augusta and the city of Waynesboro, we believe the properties in Augusta have a slightly superior location. However, the Subject is located within close proximity to retail and necessary amenities and the Subject's location is considered good. According to management at Augusta Springs Apartments, there is high demand for age restricted housing in the area for both restricted and unrestricted units, as there is little unsubsidized senior housing in the area. Based upon the rents currently being achieved by the age restricted tax credit properties and the low vacancy rates, it appears that the Subject's rents are achievable as proposed.

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject-Market	Surveyed Min	Surveyed Max	Surveyed Average
1 BR	\$487	\$505	\$580	\$555
2 BR	\$568	\$515	\$680	\$626

As illustrated the Subject's proposed market rate rents are below the range of the surveyed market rate properties. Upon completion, the Subject will be superior to all of the surveyed properties as most were built in the early 1980s, and only one property has been recently renovated. Oakview Place is the market rate property that is achieving the highest one and two-bedroom rents. Upon completion, the Subject will offer extensive common area amenities that are not available at Oakview Place or any of the other surveyed properties, including a library, senior craft center, community gardens, business center and exercise facility. Therefore, the Subject will be superior to the surveyed market rate properties post renovation and should achieve rents well above the market average.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as conceived. The primary strength of the Subject will be its excellent condition upon completion and extensive community amenities. We believe the location of the Subject is considered good, as downtown Waynesboro is located 0.4 miles south

of the Subject. The Subject's proposed one and two-bedroom unit sizes are the largest in the market and provide a significant competitive advantage. Additionally, the Subject's two-bedroom units will offer two bathrooms in its two-bedroom units. This serves as a competitive advantage over the age restricted properties in the area, as the comparable properties offer one bathroom in their two-bedroom units. We believe that the Subject's proposed rents, which are slightly below those at Linden Square, are achievable. The Subject is the proposed new construction of a LIHTC and market rate elderly development that will be age restricted to tenants 62 years of age and older. As proposed, the Subject will offer a total of 39 one and two-bedroom units. Of the total units, 35 units will be restricted to households earning 50 and 60 percent of the AMI, while the other four units will be unrestricted market units. The Subject's proposed rents will be lower than the rents at Linden Square, which indicates demand for the proposed rent levels. Given the lack of supply for age restricted properties in the area, we believe there is adequate demand for the Subject as proposed based on our calculations for the 50 and 60 percent AMI units.

H. INTERVIEWS

Waynesboro Housing Authority

The Waynesboro Housing Authority does not manage a Housing Choice Voucher program; however, the housing authority does manage 387 public housing units. The Georgia Department of Community Affairs Waycross Southeast Regional Office manages rental assistance programs in Burke County. The following table illustrates the payment standard for the county.

Payment Standards	
1BR	\$640
2BR	\$719
3BR	\$963
4BR	\$1,013

Payment standards for the county are 110 percent of FMR. The Subject’s LIHTC and market gross rents are below the payment standard.

Burke County Senior Center

Angelique Louis – 706-437-8007

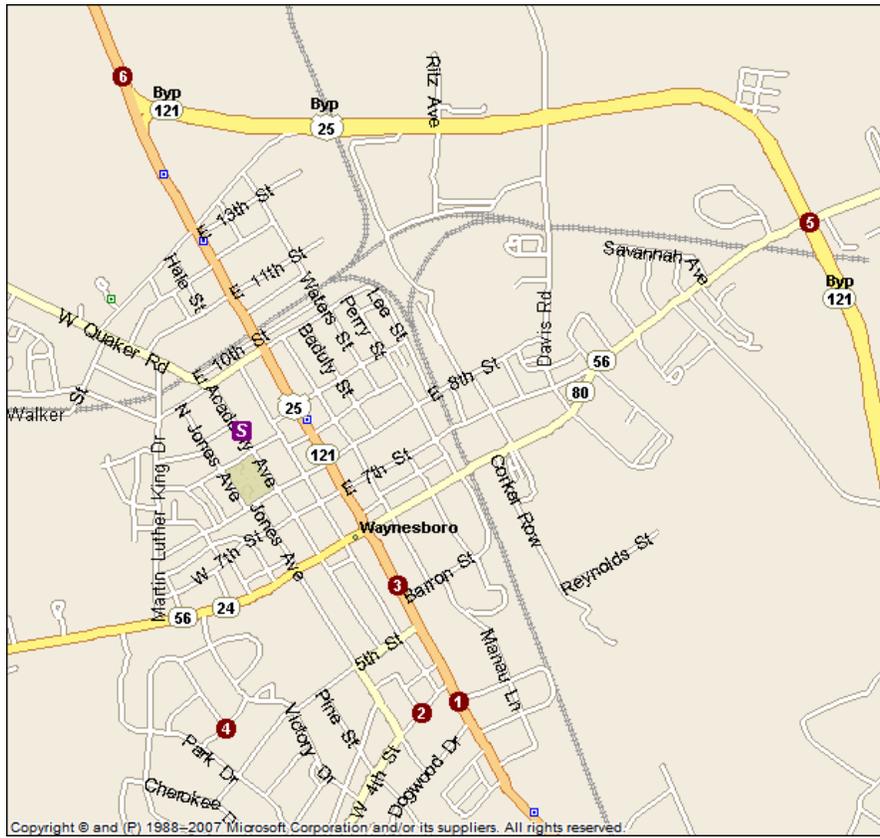
We spoke with Angelique Louis from the Burke County Senior Center, which is located approximately 0.9 miles from the Subject. The center provides Meals on Wheels, transportation to medical appointments, utilities assistance, income tax filing assistance, and nutrition or educational classes. No fees are charged but the center requests donations for meals. According to Ms. Louis, approximately 80 seniors are members of the center and the average age is late 60s or early 70s. Approximately half own their own homes currently and the majority live independently. The majority rely on Social Security as their primary source of income.

Planning

Lavern Martin – 706-554-8000

We interviewed Lavern Martin, Building Official for the City of Waynesboro. The following map and table detail recently completed and planned developments in the City of Waynesboro.

Waynesboro Senior Homes, Waynesboro, GA; Market Study



RECENTLY COMPLETED AND PLANNED DEVELOPMENTS 2008

Map Number	Project	Location	Distance from Subject	Status	Description
1	Walgreens	S Liberty St & Manau St	0.9 miles	Will open mid-2008	Retail
2	Burke Home Medical	292 4th St	1.0 miles	Received temporary certificate of occupancy	Will open by end of May 2008
3	Popeyes	534 S Liberty St	0.6 miles	Opened early 2007	Retail
4	Pecan Grove	100 Pecan Grove Dr	1.0 miles	Opened late 2007/early 2008	64 single-family home LIHTC units
5	ASTA (former Kwikset site)	770 Mills Rd	1.8 miles	Overseas company bought facility that manufactured door latches. It will now be used to manufacture copper wire	Opened late 2007/early 2008
6	WalMart retail strip	1500 N Liberty St	1.0 miles	Waiting for SR-25 expansion to be complete	6 retail lots to be leased
N/Ap	SR-25 Expansion	From Augusta to south of Waynesboro	N/Ap	75% complete and is scheduled to be complete mid-2009	Highway expansion into four lanes

I. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- Senior population and number of households in the PMA and MSA have experienced strong growth as they are growing significantly faster than general populations in both areas of analyses. This strong growth is projected to continue in the future, which bodes well for the Subject. Further, the PMA consists of a greater percent of senior renter households than the nation and over 50 percent of senior households earn less than the maximum income restriction for the Subject's 60 percent AMI units.

Although the Burke County economy is marked by above average unemployment rates, total employment rebounded from its 1.4 percent decrease in 2006 with a 2.4 increase through March 2008. Further, three companies are expanding or moving into the Waynesboro area, adding a potential of 2,150 jobs.

- Management at four of the LIHTC properties used as comparables in our report were able to report absorption information. Phase II of Augusta Springs Apartments, consisting of 100 age-restricted units, opened in 2001. According to management, leasing began in the end of November 2001 and the property reached stabilized occupancy by the end of November 2002. This equates to an absorption pace of approximately eight units per month. According to management at Linden Square, the property experienced an absorption pace of three units per month. Linden Square is an age-restricted property that opened in 2003. According to management, the property was in the initial absorption phase for 1.5 years. Pecan Grove, located in Waynesboro, opened in 2006 and consists of 40 single-family home rental units. According to management, Pecan Grove absorbed at a rate of 10 units per month. Pecan Grove II opened in 2007 and consists of 64 single-family home rental units. Management stated that the property absorbed at a rate of 13 to 16 units per month. At this pace, the property was fully absorbed within five months of beginning the leasing process. According to management at Pecan Grove II, the LIHTC units offered at the property were absorbed faster than the market rate units offered at the property. The Subject is a proposed new construction of a tax credit property. We believe the Subject would likely experience an absorption pace similar to the age-restricted tax credit properties in Augusta and the family tax credit properties in Waynesboro. We believe the Subject would likely experience an absorption pace of nine units per month for an absorption period of approximately six months for both the one- and two-bedroom units.
- Vacancy rates in the market range from 0.0 to 3.30 percent, averaging 1.10 percent. As the table above illustrates, tax credit properties in the area have slightly lower vacancy rates than the market rate properties. The average vacancy of the tax credit properties is 0.25 percent while the average vacancy among market rate properties is slightly higher at 1.23 percent. Of the four elderly properties surveyed, the average vacancy is 0.68 percent. This bodes well for the Subject. All property managers indicated demand for the proposed Subject. Further, of the 10 comparable properties, six properties reported rent increases ranging between one and five percent.

- The Subject's proposed one and two-bedroom unit sizes will be the largest in the market and will have a significant competitive advantage. The Subject's two-bedroom units will offer two bathrooms in its two-bedroom units. This will serve as a competitive advantage over the age restricted properties in the area, as the comparable properties offer one bathroom in their two-bedroom units. The Subject's proposed rents will be lower than the rents at Linden Square, which indicates demand for the proposed rent levels. Given the lack of supply for age restricted properties in the area, we believe there is adequate demand for the Subject as proposed based on our calculations for the 50 and 60 percent AMI units.
- The Subject's amenities are similar to slightly superior to all the comparable age-restricted properties surveyed.
- The Subject's capture rates for the one-bedroom units is 47.8 percent and 32.6 percent for the two-bedroom units. The overall capture rate is at 38.2 percent. The one-bedroom capture rates appear high. However, we believe the Subject is feasible as proposed based on the following:
 - There is no senior LIHTC supply in Waynesboro.
 - Both RD Senior properties in Waynesboro are 100 percent occupied and reported demand.
 - Three of the four senior LIHTC properties reported waiting lists.
 - The overall vacancy rate in the market is low at 1.10 percent.
 - The vacancy rate at the senior properties is low at 0.68 percent.
 - The Subject will be superior to all products in Waynesboro.
 - The Subject's units will be significantly larger than comparable senior properties.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property both as new construction and as a renovation. As a newly constructed age restricted property in excellent condition, the Subject will be adding a total of 39 units to the local market, including 35 tax credit units and four unrestricted market rate units. There is a lack of affordable housing for seniors in the Waynesboro area. Occupancy at the senior properties in the market is strong, with approximately 99 percent of the units occupied. Upon completion, the Subject will be superior to all of the market rate comparables. With regards to tax credit properties, the Subject will be similar to Pecan Grove I and II, and slightly superior to the remaining LIHTC properties.

Recommendations

- We believe that the Subject is feasible as proposed.

J. SIGNED STATEMENT REQUIREMENTS

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



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

5-28-2008

Date



Michalena M. Sukenik
Manager
Novogradac & Company LLP

5-28-2008

Date



J. Nicole Weekley
Real Estate Analyst

5-28-2008

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.

STATEMENT OF PROFESSIONAL QUALIFICATIONS NICOLE WEEKLEY

I. Education

Auburn University, Auburn, Alabama
Bachelor of Science
Auburn University, Auburn, Alabama
Master of Business Administration

II. Professional Experience

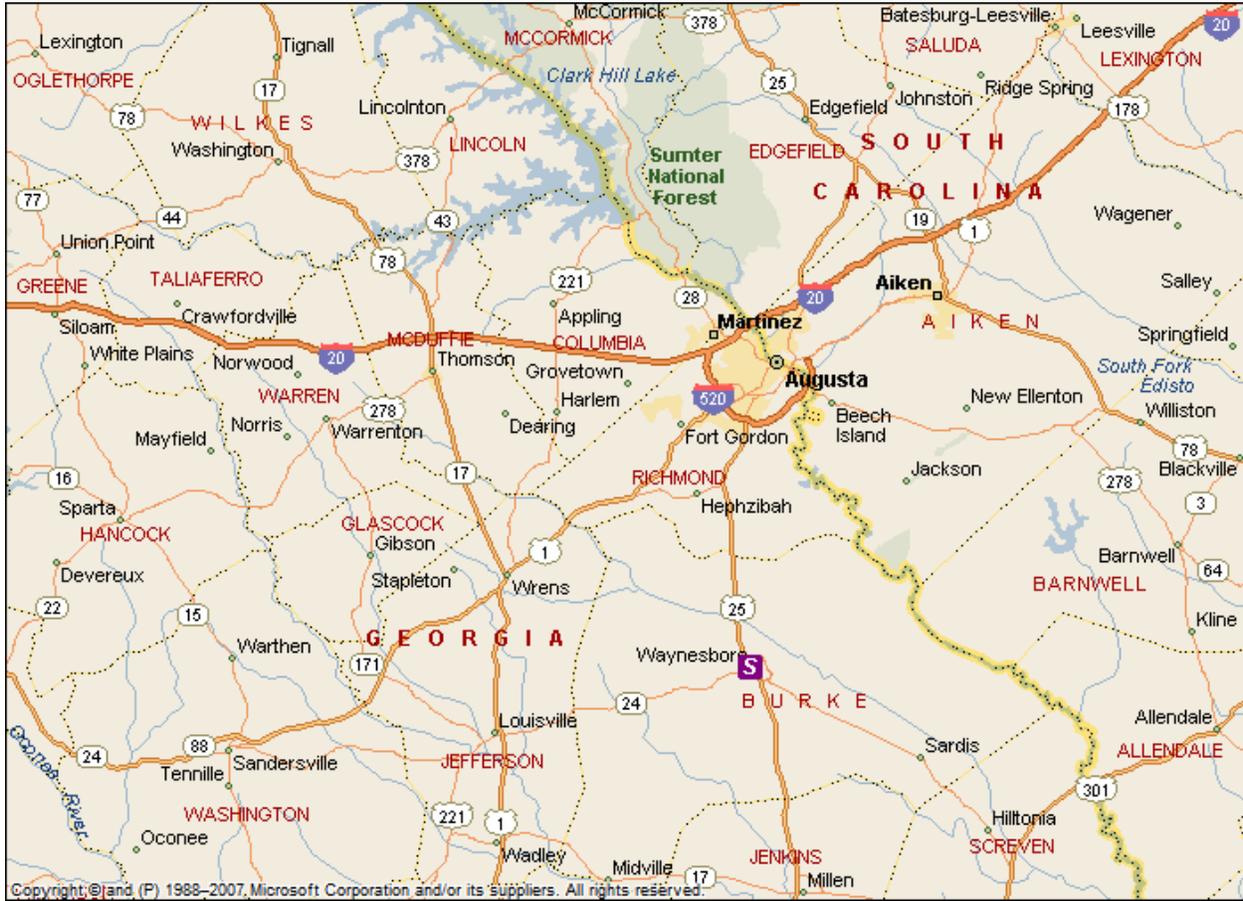
Research Analyst, Novogradac & Company LLP
Intern, Bullock Mannelly Partners
Graduate Assistant, Auburn University College of Business

III. Research Assignments

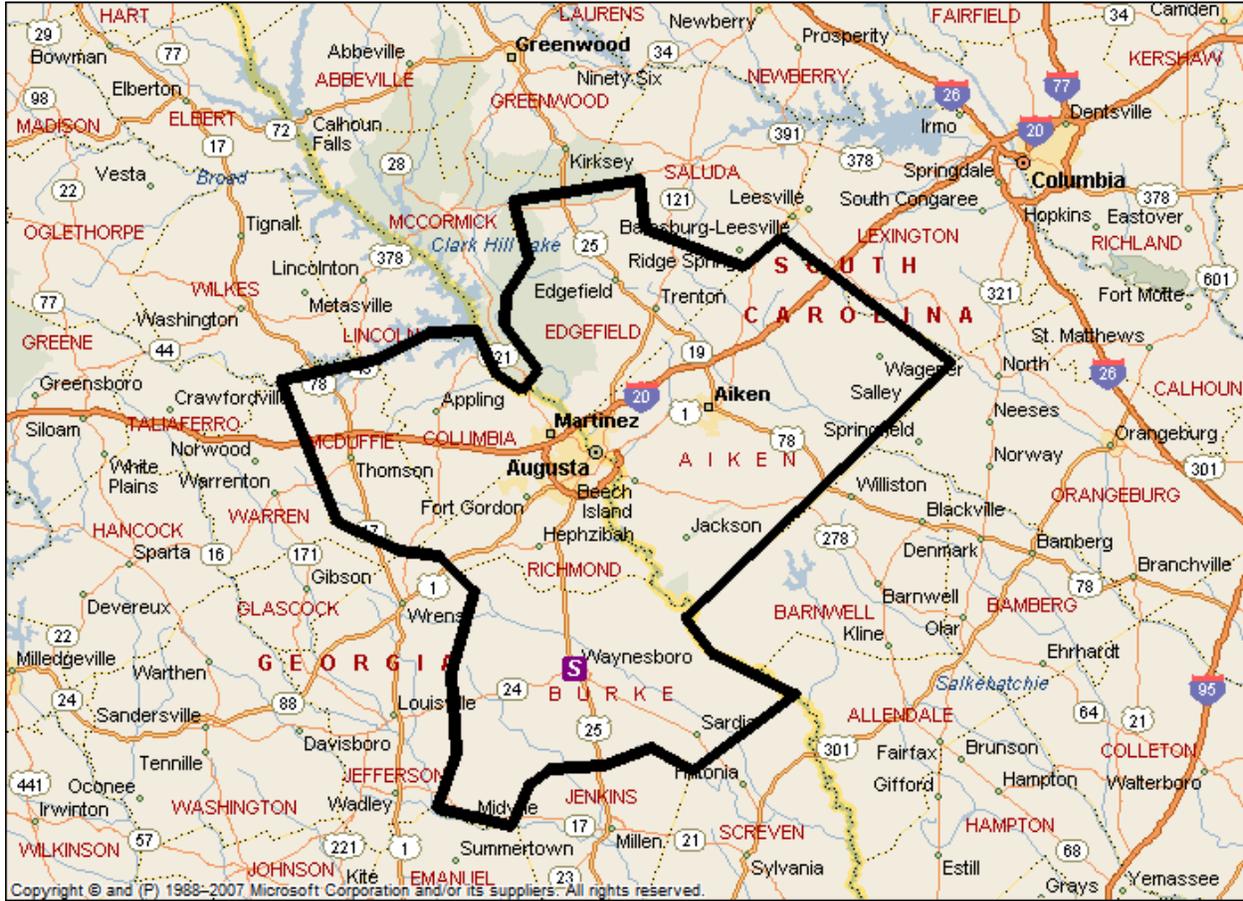
- Assisted with market studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Market analysis includes preliminary property screenings, market analysis, comparable rent surveys, and demand analysis.
- Assisted in appraisals of existing Low-Income Housing Tax Credit properties.

MAPS

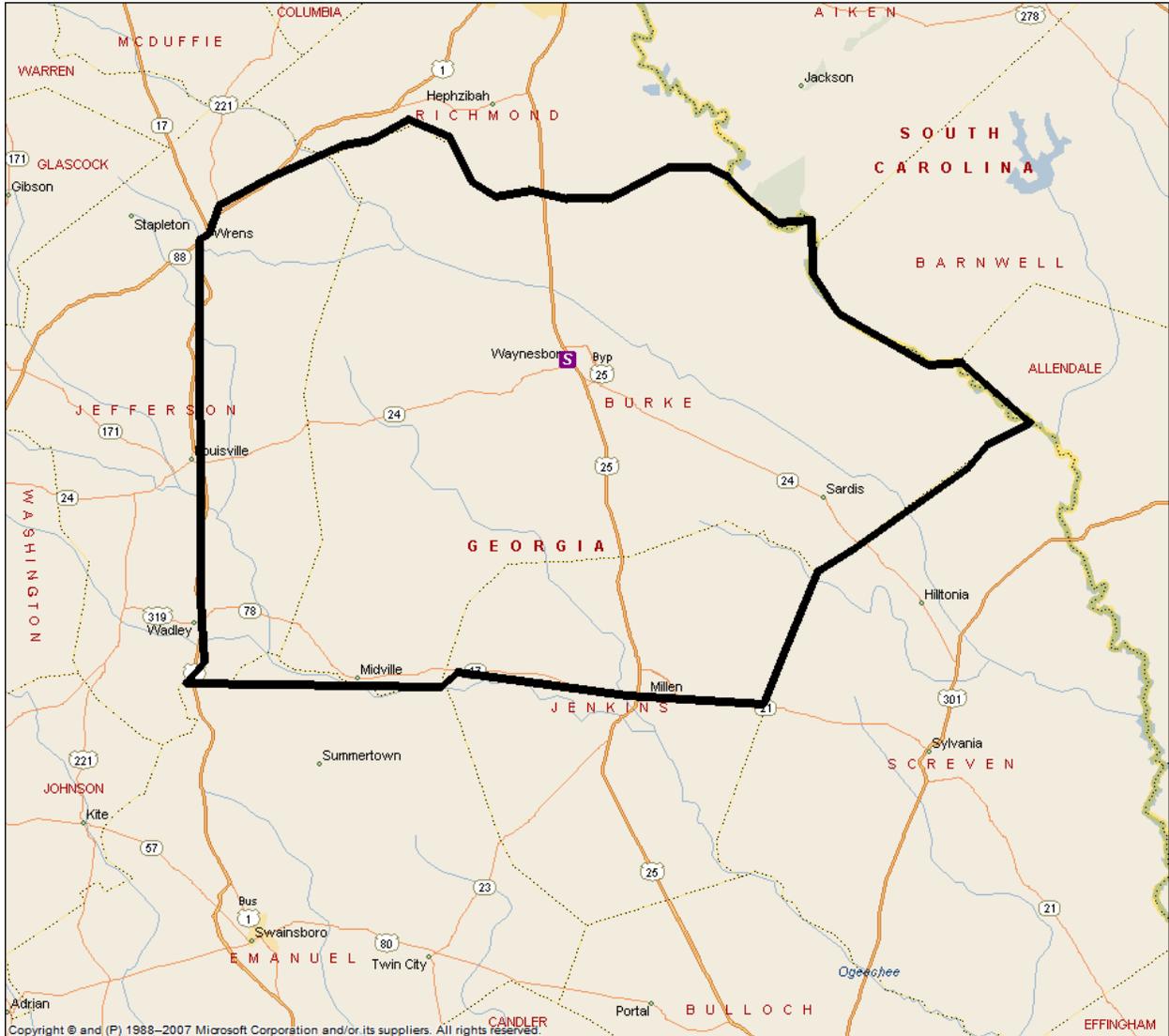
Regional Map



MSA Map



PMA Map



Neighborhood Map

