

Market Feasibility Analysis

The Terrace at Cornerstone Apartments

Atlanta, Fulton County, Georgia

To be developed by:
The Terrace at Cornerstone, LP

Prepared for
The Georgia Department of Community Affairs

June 2002

Table of Contents

I.	Executive Summary	v
II.	Project Description.....	1
III.	Site Evaluation	3
	A. Site Description	3
	B. Surrounding Land Uses.....	3
	C. Site Photos.....	4
	D. Location Maps.....	7
	E. Neighborhood Amenities	10
	Retail/Restaurants	10
	Education.....	11
	Medical	14
	Transportation.....	15
	F. Overall Site Conclusion	15
IV.	Market Area	16
	A. Market Area Definition.....	16
	B. Map of Market Area.....	17
V.	Market Area Economy.....	18
	A. At Place Employment and Employment by Sector.....	18
	B. Major Employers	20
	C. Labor Force and Unemployment	21
VI.	Community Demographic Data	23
	A. Population and Household Trends	23
	B. Recent Building Permit Activity.....	25
	C. Demographic Characteristics	26
	D. Income Characteristics.....	31
VII.	Project Specific Demand Analysis	33
	A. Proposed Unit Mix and Income Limits	33
	B. Affordability Analysis	34
	C. Demand Estimates and Capture Rates	38
	D. Tax Credit Demand Estimates and Capture Rates by Floorplan	43
	E. Absorption Estimate	43
VIII.	Supply Analysis	44
	A. Area Housing Stock	44
	B. Proposed Developments	53
IX.	Interviews	53
X.	Conclusions and Recommendations	54
	Appendix 1 - Underlying Assumptions and Limiting Conditions	58
	Appendix 2 - Analyst Certification	60
	Appendix 3 - Resumes	61
	Appendix 4 - Community Photos and Profiles.....	63

List of Tables

Table 1 - Proposed Unit Mix, The Terrace at Cornerstone	1
Table 2 - Neighborhood Amenities, The Terrace at Cornerstone.....	9
Table 3 - School Performance Assessment Tests, Results on School Basis.....	12
Table 4 - Largest Employers in Fulton County.....	20
Table 5 - Labor Force and Unemployment Rates, Fulton County, Georgia	22
Table 6 - Trends in Population and Households, PMA and Fulton County.....	24
Table 7 - Fulton County Building Permits, 1990 - 2000.....	25
Table 8 - 2000 Age Distribution	27
Table 9 - 2000 Households by Household Type	28
Table 10 - 1990 & 2000 Dwelling Units by Occupancy Status	29
Table 11 - 2000 Households by Tenure & Age of Householder	30
Table 12 - 2001 Household Income Distribution, PMA and Fulton County.....	32
Table 13 - Project Specific LIHTC Rent Limits, Atlanta MSA	33
Table 14 - 2004 Affordability Analysis for The Terrace at Cornerstone.....	36
Table 15 - 2004 Affordability Analysis for The Terrace at Cornerstone, by floorplan.	37
Table 16 - Overall Tax Credit Demand Estimates, The Terrace at Cornerstone	39
Table 17 - Detailed Tax Credit Demand Estimates, The Terrace at Cornerstone	39
Table 18 - Overall Market Rate Demand Estimates, The Terrace at Cornerstone	40
Table 19 - Detailed Market Rate Demand Estimates, The Terrace at Cornerstone	41
Table 20 - Tax Credit Demand Estimates and Capture Rates by Floorplan.....	43
Table 21 - 1990 Units in Rental Housing	44
Table 22 - Rental Summary.....	47
Table 23 - Recreational Amenities of Communities	49
Table 24 - Features of Rental Communities in Primary Market Area	50
Table 25 - Salient Characteristics, Surveyed Rental Communities	51

List of Figures

Figure 1 - Site Location Photos	4
Figure 2 - At Place Employment, Fulton County, Georgia	18
Figure 3 - Total Employment and Employment Change by Sector, Fulton County.....	19
Figure 4 - Product Position	52

List of Maps

Map 1 - Site Location, The Terrace at Cornerstone.....	7
Map 2 - Neighborhood Amenities, The Terrace at Cornerstone.....	8
Map 3 - Primary Market Area.....	17
Map 4 - Surveyed Rental Communities	46

I. Executive Summary

Proposed Site Location

- The proposed site is located on the north side of Ralph David Abernathy Boulevard east of Joseph A. Lowery Boulevard. The proposed site is adjacent to the west side of the West End Mall. The site is bordered to the north by Oak Street, to the east by the West End Mall, to the south by Abernathy Boulevard, and to the west by Lowery Boulevard.
- The proposed site will be compatible with surrounding land uses as there is a moderate amount of rental housing located within approximately one mile of the proposed site. There is also a substantial amount of low to moderate income single family development in the immediate area. The majority of these single family homes are located on the site streets in the area including Oak Street and Lee Street which intersect with Lowery and Abernathy Boulevards respectively near the site.
- There are no apparent physical disadvantages to the site.

Proposed Amenities

- The Terrace at Cornerstone will include a fully equipped kitchen with a stove, refrigerator, a dishwasher, and a garbage disposal. Common area amenities include a community areas, a covered pavilion and an exercise/fitness center.
- The Terrace at Cornerstone will include a washer and dryer in each unit at no additional cost.
- The proposed unit and common area amenities are very competitive within the primary market area. These amenities will be unmatched by any exiting rental community in the market area..

Demographic Analysis

- According to 2000 Census data, the proposed development is compatible with the demographic composition of the primary market area.
- The marriage rate, persons per household and existence of children in a large percentage of the household in the primary market area indicate the need for larger rental units.

Proposed Unit Mix and Rent Schedule

- The proposed unit mix consists of one, two, and three bedroom tax credit units at 50 and 60 percent of the Area Median Income. There will also be a market rate component at The Terrace at Cornerstone.
- All floorplans to be included at The Terrace at Cornerstone are common in the primary market area's existing stock. The proposed floorplans will appeal to a large range of household sizes from single renters to large families.
- The proposed tax credit rents at The Terrace at Cornerstone are priced in the upper tier of the rental market above the average rents.
- The market rate rents will redefine the upper end of the range on net rent. These rents are appropriate and reasonable give the proposed location and the competitiveness of the product to be constructed. The existing rental stock consists of older rental communities that have not been particularly well maintained and do not provide the extensive amenities proposed at The Terrace at Cornerstone. It is anticipated that the proposed development will not only appeal to renters currently residing in the PMA, but also will encourage those from surrounding communities to relocate to the West End.

Affordability Analysis

- Based on household income distributions produced by Claritas, 70.34 percent of the households in the primary market area earn less than the maximum income limit for the three bedroom units at 60 percent of the AMI.

- When a minimum income limit is introduced, 25.35 percent earn below the maximum income limit and above the minimum income limit. This minimum income limit will apply to those householders without Section 8 voucher rental assistance.
- Based on the 2004 household estimate of 29,330 for the primary market area, there are 16,135 households with incomes below the maximum income limit and 7,436 of these household also earn more than the minimum income limit.

Demand and Capture Rates

- Using the methodology stipulated by DCA, we find that there will be 9,310 renter households as a result renter households living in substandard conditions, rent over burdened households, and renter household growth between 2002 and 2004.
- By applying the income qualification percentages discussed earlier to this demand number, we calculate that there is demand for 2,359 additional units addressing the income target market in the primary market area.
- This demand estimate results in a capture rate of 4.1 percent with a minimum income limit and 1.5 percent without a minimum income limit. Based on the product to be constructed and the proposed location, these capture rates are considered achievable.

Final Conclusion

- Given the attractive location, low proposed rents, competitive unit sizes, and extensive amenities to be offered at The Terrace at Cornerstone, it is conservatively estimated that the proposed development will lease approximately 15 to 17 units per month. At this rate, the proposed development will achieve 95 percent occupancy within approximately eight to ten months.
- Based the data presented in this report, we find that The Terrace at Cornerstone passes the market study test as proposed.

II. Project Description

The Terrace at Cornerstone will be a newly constructed community offering 161 rental units. The proposed site is located adjacent to the West End Mall at 895 Ralph David Abernathy Boulevard. The majority of the units at The Terrace at Cornerstone will be financed in part using Low Income Housing Tax Credits. Forty units will address households at or below 50 percent of median income and will be reserved for public housing tenants with project based rental assistance provided by the Atlanta Housing Authority. Fifty seven units will benefit from tax credits and address households at 50 percent and 60 percent of median income. Sixty-four units will be market rate and will not offer any rental assistance. The proposed unit and income targeting is shown in the following table.

Table 1 - Proposed Unit Mix, The Terrace at Cornerstone

AMI Level	Bedrooms	Bulding Type	Units	Avg. Size	Net Rent	Rent/Sq Ft
50%	1	Garden	11	857	\$565	\$0.66
50%	2	Garden	19	976	\$677	\$0.69
50%	2	Garden	2	1,010	\$677	\$0.67
50%	3	Garden	8	1,075	\$774	\$0.72
60%	1	Garden	16	857	\$615	\$0.72
60%	2	Garden	28	976	\$736	\$0.75
60%	2	Garden	4	1,010	\$736	\$0.73
60%	3	Garden	9	1,075	\$843	\$0.78
80%	1	Garden	18	857	\$800	\$0.93
80%	2	Garden	31	976	\$980	\$1.00
80%	2	Garden	4	1,010	\$1,020	\$1.01
80%	3	Garden	11	1,075	\$1,080	\$1.00
Total/Avg.			161	962	\$797	\$0.83

All of the units at The Terrace at Cornerstone will be located within four residential buildings that will have three or more stories. There will be an additional non-residential building that will include the management offices and various on-site amenities.

Common area amenities of The Terrace at Cornerstone will include on-site management, a fitness center, a computer lab, community gathering areas and a covered pavilion.

Unit specific amenities will include a fully-equipped kitchen with a refrigerator, an oven/range with exhaust hood, a dishwasher, and a garbage disposal, a washer and dryer in each unit, and central heat and air.

Optional services to be offered at The Terrace at Cornerstone will include after school programs, homebuyer training seminars, transportation, and social and recreational programs.

III. Site Evaluation

A. Site Description

The proposed site is located on the north side of Ralph David Abernathy Boulevard east of Joseph A. Lowery Boulevard. The proposed site is adjacent to the west side of the West End Mall. The site is bordered to the north by Oak Street, to the east by the West End Mall, to the south by Abernathy Boulevard, and to the west by Lowery Boulevard.

The proposed development will be a redevelopment of the “old sears site” adjacent the West End Mall. The site is currently fenced off and is somewhat of an eyesore at this fairly large intersection in the West End. .

B. Surrounding Land Uses

The West End community is one of the oldest neighborhoods in Atlanta and home to a number of National Historic Landmarks. The Atlanta Development Authority and City of Atlanta Bureau of Planning have created the West End Viable Centers Initiative. The development of The Terraces at Cornerstone will meet two of the stated concept plan’s goals – housing and mixed use developments.

The proposed development will be compatible with surrounding land uses, as a moderate amount of rental housing is located within approximately one mile of the proposed site. There is also a substantial amount of low to moderate income single family development in the immediate area. The majority of these single family homes are located on the side streets in the area including Oak Street and Lee Street, which intersect Lowery and Abernathy Boulevards respectively near the site.

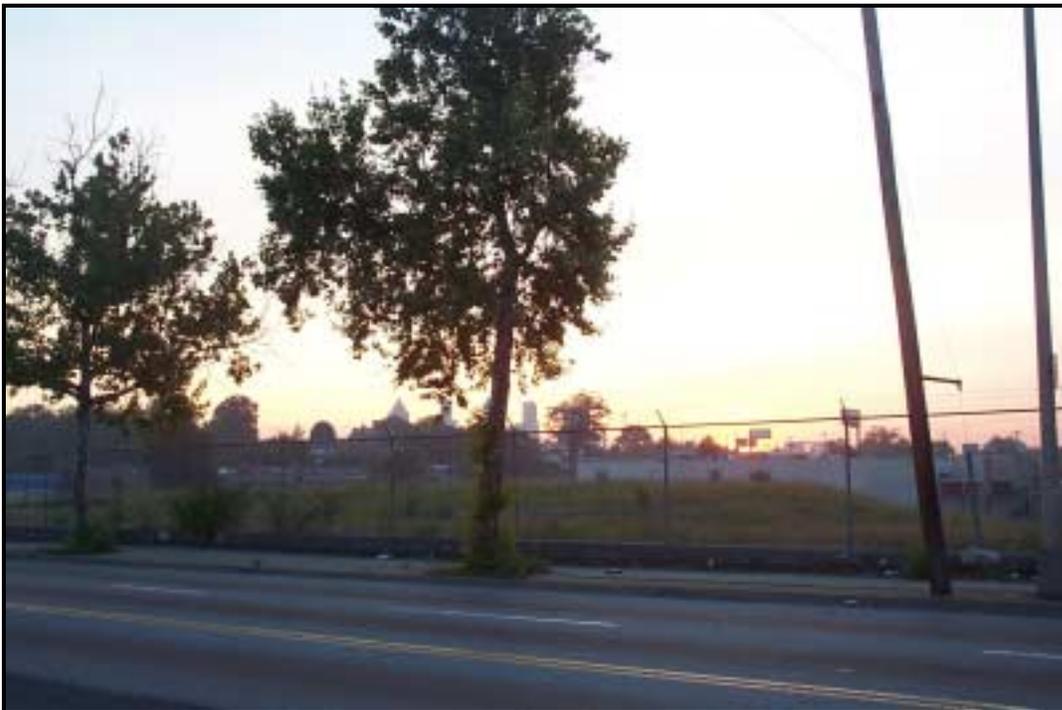
In addition to existing housing developments in the area, extensive retail development is evident in the immediate area including the West End Mall, as well as free standing stores and smaller strip malls. Additional developments of note within one and one half of a mile from the site include the Georgia Dome, Morehouse College, Clark Atlanta University, Spellman College and Phillips Arena.

C. Site Photos

Figure 1 - Site Location Photos



Existing building facing Springdale Road, south of property entrance



View of site from Lowery Boulevard facing northeast



View of site from Lowery Blvd – facing southeast.



Lowery Blvd facing south in front of site.



Strip Mall on Lowry Blvd – opposite site



View of site, intersection of Abernathy and Lowry Boulevards facing east

Table 2 - Neighborhood Amenities, The Terrace at Cornerstone

Establishment	Type	Address	Distance
Big Bear Foods	Grocery	683 Ashby St SW	0.1 Mile
West End Food Mart	Grocery	968 R.D. Abernathy	0.1 Mile
West End Medical Center	Medical Center	868 York Ave SW	0.1 Mile
West End Mall	Shopping Mall	R.D. Abernathy	0.1 Mile
Hardy's Supermarket	Grocery	516 Lee St SW	0.2 Mile
Midtown Med Center at Westend	Medical Center	1014 R.D. Abernathy	0.2 Mile
Family Dollar	General Store	1165 R.D. Abernathy	0.5 Mile
CVS Pharmacy	Pharmacy	1175 R. D. Abernathy	0.5 Mile
Family Grocery	Grocery	465 Glenn St SW	0.8 Mile
M. Agnes Jones Elem	Public School	1040 Fair Street	0.8 Mile
Atlanta Police Dept.	Police	676 Fair Street	0.9 Mile
Booker T Washington High	Public School	45 Whitehouse Dr SW	1.0 Mile
John F Kennedy Middle	Public School	225 Griffin Street NW	1.5 Miles
Grady Memorial Hops	Hospital	80 Butler St SW	2.2 Miles

The majority of the retail establishments and smaller community amenities are located along Ralph David Abernathy Boulevard within one half of one mile from the proposed site. The larger services including hospitals, public schools and police/fire departments are located to the north of the site.

E. Neighborhood Amenities

Retail/Restaurants

The focal point of the commercial development in the immediate area surrounding the site is the West End Mall, located adjacent to the proposed site. In addition to the larger retailers and smaller specialty stores affiliated with the mall, free standing stores and smaller strip malls operate within one half of one mile from the proposed site. Establishments within walking distance of the site include grocery stores/markets, drug stores, general merchandise stores, and many restaurants including both fast food and sit-down establishments.



West End Mall

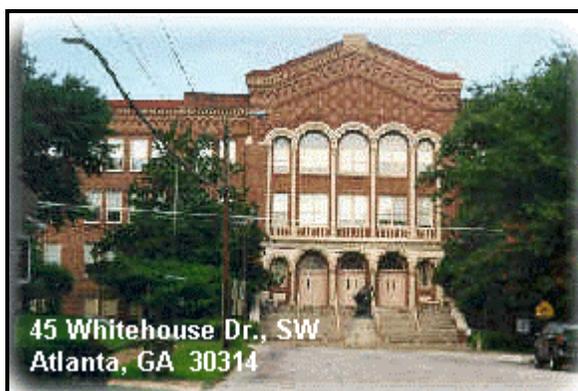
Education

The Atlanta Public School (APS) System has an active enrollment of 58,000 students attending a total of 97 schools: 69 elementary (K-5), two of which operate on a year-round calendar and 41 of which offer extended-day programs; 17 middle schools (6-8); and 11 high schools (9-12). The school system also supports five alternative schools for middle and/or high school students, two community schools, and an adult learning center.

APS schools are organized into eleven vertical K-12 clusters, composed of one high school and its feeder elementary and middle schools. Each of the alternative schools relates to a high school, while the community schools and adult learning center are extensions of regular high school programs.

The closest public schools to the proposed site include M. Agnes Jones Elementary School (0.8 mile), John F Kennedy Middle School (1.5 miles), and Booker T Washington High School (1.0 miles). In terms of test results, Jones Elementary ranks 16th out of 68 elementary schools, Kennedy Middle ranks 14th out of 15 schools, and Washington High ranks 8th out of 13 high school (Table 3).

The Atlanta Metro area is home to many institutions of higher learning including both public and private colleges and universities. The establishments include Georgia Tech, Atlanta Metropolitan College, Georgia Military College, Carter Theological Institute, Atlanta Christian College, Morehouse College, Atlanta University, Clark College, Spellman College, and Phillips School of Theology.



Booker T Washington High School

Table 3 - School Performance Assessment Tests, Results on School Basis

Elementary Schools

Rank	School Name	3rd Grade						5th Grade						Total
		Read	Math	Language	Science	SS	Composite	Read	Math	Language	Science	SS	Composite	
1	Smith Elementary School	88	86	88	78	83	84	88	83	87	85	80	84	84.0
2	Brandon Elementary School	89	76	90	86	88	83	88	85	85	85	75	82	82.5
3	Morningside Elementary School	85	76	85	83	84	80	86	81	82	85	82	81	80.5
4	Jackson Elementary School	90	84	89	84	86	85	78	78	81	69	70	75	80.0
5	Lin Elementary School	57	53	58	57	57	55	73	63	69	69	69	67	61.0
6	Cascade Elementary School	56	59	72	63	55	59	54	66	62	53	66	62	60.5
7	Rivers Elementary School	43	50	57	47	44	49	57	61	66	58	62	61	55.0
8	Bethune Elementary School	66	77	54	39	43	63	39	53	53	26	47	44	53.5
9	Centennial Place Elementary School	46	46	49	44	47	48	64	52	58	45	49	54	51.0
10	Venetian Hills Elementary School	60	54	51	49	67	59	39	41	44	31	42	40	49.5
11	Garden Hills Elementary School	61	63	62	63	66	61	35	38	43	34	41	37	49.0
12	Beecher Hills Elementary School	55	60	49	38	45	52	51	63	42	30	40	46	49.0
13	Woodson Elementary School	27	30	28	34	36	37	57	54	61	53	76	60	48.5
14	Peyton Forest Elementary School	37	37	52	36	47	43	44	55	61	38	47	52	47.5
15	F. L. Stanton Elementary School	40	43	45	44	58	49	47	54	43	37	46	46	47.5
16	M. A. Jones Elementary School	33	45	44	33	36	41	53	59	44	58	61	53	47.0
17	West Manor Elementary School	45	41	54	48	54	49	40	41	41	40	52	43	46.0
18	West Elementary School	57	43	63	55	47	52	35	46	49	28	36	39	45.5
19	Burgess Elementary School	41	36	43	41	43	43	39	50	59	35	48	47	45.0
20	Slaton Elementary School	23	37	42	33	40	34	42	65	63	55	51	54	44.0
21	Adamsville Elementary School	30	38	45	38	49	39	56	44	49	32	51	48	43.5
22	Grove Park Elementary School	44	39	50	49	60	53	28	26	26	18	36	30	41.5
23	Miles Elementary School	30	47	41	34	41	40	41	37	48	31	46	42	41.0
24	Fain Elementary School	28	40	40	36	41	42	31	33	36	20	39	36	39.0
25	Humphries Elementary School	24	28	37	33	35	35	41	36	54	33	54	43	39.0
26	Continental Colony Elementary School	31	35	45	36	34	39	32	46	38	26	38	38	38.5
27	White Elementary School	39	39	45	44	50	44	37	30	32	24	29	33	38.5
28	C. W. Hill Elementary School	31	50	36	26	30	40	35	38	41	25	30	36	38.0
29	Fickett Elementary School	29	32	35	29	33	34	37	40	44	31	41	40	37.0
30	Oglethorpe Elementary School	33	28	43	33	34	37	32	42	44	22	46	37	37.0
31	Dobbs Elementary School	21	25	26	18	18	25	28	35	45	54	67	47	36.0
32	Cleveland Elementary School	25	36	38	26	29	33	30	36	46	39	33	38	35.5
33	Scott Elementary School	22	20	29	27	33	28	34	40	50	30	54	42	35.0
34	Gideons Elementary School	18	22	22	20	19	23	47	44	33	41	45	45	34.0
35	Collier Heights Elementary School	33	29	36	33	32	38	24	25	26	19	32	28	33.0
36	Boyd Elementary School	19	25	25	21	26	24	36	42	48	29	49	41	32.5
37	Kimberly Elementary School	23	26	32	25	27	27	32	38	38	28	41	38	32.5
38	Mitchell Elementary School	25	34	40	37	32	35	24	29	30	37	37	30	32.5
39	Peterson Elementary School	20	26	30	28	29	29	28	34	38	24	31	34	31.5
40	Capitol View Elementary School	17	37	24	27	25	28	32	37	35	21	36	34	31.0
41	Hubert Elementary School	23	27	28	20	25	27	32	38	46	22	31	34	30.5
42	Charles R. Drew Charter School	22	20	31	21	21	26	34	30	44	20	28	34	30.0
43	Thomasville Heights Elementary School	27	33	27	20	22	28	20	33	32	30	42	32	30.0
44	McGill Elementary School	23	39	35	22	24	31	21	34	30	16	26	28	29.5
45	Pitts Elementary School	19	35	32	25	31	30	23	32	30	20	36	29	29.5
46	Benteen Elementary School	22	27	30	24	23	28	22	29	38	28	35	31	29.5
47	Blalock Elementary School	22	24	26	19	24	25	29	27	40	18	27	32	28.5
48	East Lake Elementary School	18	21	24	21	23	23	24	37	37	25	41	33	28.0
49	Howell Elementary School	18	15	17	19	16	20	35	29	36	26	37	35	27.5
50	Perkerson Elementary School	18	19	23	23	32	25	30	24	34	20	31	29	27.0
51	Hutchinson Elementary School	22	19	27	21	27	26	23	25	33	22	26	28	27.0
52	Rusk Elementary School	13	24	21	21	20	24	29	25	33	22	27	30	27.0
53	Whiteford Elementary School	22	26	31	20	23	28	21	22	27	18	25	24	26.0
54	Cook Elementary School	21	30	23	19	21	26	20	26	34	18	33	26	26.0
55	Toomer Elementary School	15	23	29	16	18	23	22	33	33	19	32	29	26.0
56	Hope Elementary School	18	14	22	19	21	21	26	32	27	25	32	30	25.5
57	Lakewood Elementary School	15	17	16	18	23	21	26	31	22	19	29	30	25.5
58	Williams Elementary School	14	20	21	17	20	23	27	27	17	14	26	27	25.0
59	Towns Elementary School	16	21	27	20	19	22	25	28	30	16	32	27	24.5
60	Slater Elementary School	16	28	26	22	19	24	18	28	24	18	20	23	23.5
61	Connally Elementary School	13	18	23	15	20	20	22	27	28	18	32	26	23.0
62	Ragsdale Elementary School	13	13	19	13	14	17	25	26	36	20	30	29	23.0
63	D. H. Stanton Elementary School	13	14	18	20	25	20	19	19	25	15	26	24	22.0
64	Waters Elementary School	12	14	17	14	16	18	18	22	27	16	25	23	20.5
65	Guice Elementary School	16	18	19	17	17	21	16	14	21	14	24	19	20.0
66	Anderson Park Elementary School	13	12	17	13	17	17	16	19	20	15	27	21	19.0
67	Herndon Elementary School	9	11	13	12	15	15	18	16	26	13	23	21	18.0
68	Dunbar Elementary School	11	11	14	12	19	15	11	16	19	12	22	17	16.0

COUNTY TOTALS	31.3	34.5	37.5	32.3	35.3	36.2	36.0	39.3	41.8	31.4	41.2	39.1	37.7
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Source: Georgia State Department of Education
Compiled by Real Property Research Group, Inc.

Middle Schools

8th Grade

Rank	School Name	Reading	Math	Language	Science	SS	Composite
1	Inman Middle School	78	74	84	74	76	77
2	Sutton Middle School	58	46	61	54	52	57
3	Bunche Middle School	42	37	49	36	42	43
4	Young Middle School	41	34	44	30	35	39
5	Walden Middle School	35	27	44	26	29	37
6	Usher Middle School	26	27	33	24	30	30
7	Coan Middle School	26	29	32	23	24	30
8	Long Middle School	24	27	29	22	30	29
9	Sylvan Hills Middle School	30	23	32	19	28	28
10	Turner Middle School	26	24	26	21	24	26
11	King Middle School	26	20	29	22	29	26
12	Price Middle School	21	17	28	17	23	22
13	West Fulton Middle School	19	18	22	14	21	21
14	Kennedy Middle School	18	13	26	16	21	21
15	Parks Middle School	18	15	22	16	22	19

COUNTY TOTALS

32.5	28.7	37.4	27.6	32.4	33.7
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Source: Georgia State Department of Education
 Compiled by Real Property Research Group, Inc.

High Schools

11th Grade

Rank	School Name	Language	Math	Science	SS	Composite	HSGT Writing Test
1	Mays High School	99	97	81	94	78	94
2	Grady High School	99	92	74	86	73	92
3	North Atlanta High School	95	94	74	85	70	92
4	Douglass High School	91	83	60	73	55	90
5	Southside High School	91	84	45	70	42	84
6	South Atlanta High School	89	85	55	64	40	78
7	Harper/Archer High School	81	80	41	67	38	80
8	Washington High School	88	84	43	57	37	90
9	Therrell High School	92	81	39	62	35	80
10	Crim High School	86	77	39	50	32	86
11	Crim Evening Classes	92	100	36	100	30	
12	Washington Evening High School	72	78	38	43	29	82
13	Carver High School	82	67	30	43	24	68

COUNTY TOTALS

89.0	84.8	50.4	68.8	44.8	84.7
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Source: Georgia State Department of Education
 Compiled by Real Property Research Group, Inc.

Medical

The closest major medical center to the proposed site is Grady Memorial Hospital. This major hospital offers a variety of medical care including 24 hour emergency medicine and general practice. The health centers within the hospital's system include children's health, men's health, women's health, and senior's health. South Fulton Medical Center is located approximately two miles northeast of the proposed site in downtown.

In addition to this major medical center, several smaller clinics and independent physicians are located within one mile of the site. These facilities include West End Medical Centers and the Midtown Medical Center at Westlake, both located less than one quarter of one mile from the proposed site.

Transportation

Fulton County and the Atlanta Metro area are served by Interstates 20, 75, 85 and 285. Interstate 20 is located within one quarter mile north of the proposed site. Interstates 75 and 85 are both located within one and three quarters miles of the proposed site and Interstate 285 is located within approximately 5 miles. These interstates provide access to the entire metro Atlanta area, the state of Georgia and bordering states. Large state and U.S. Highways in the area include Highways 29, 154, 78, 278, and 166.

Metro Atlanta's rail and transit system, MARTA, connects Fulton County with much of the Atlanta region through its bus and train network. There are several bus routes that run near the site. The closest MARTA bus stops are located on Ralph David Abernathy and Joseph A. Lowery Boulevards within one quarter of one mile from the proposed site.

F. Overall Site Conclusion

The proposed site is located in an older, established area of south central Atlanta, Fulton County. The site is compatible with existing land uses and is located conveniently to community shopping, services, and transportation arteries.

There has been little new construction of rental housing in the immediate area of the past fifteen to twenty years. Given the proximity to retail, medical, and transportation, the proposed site will be very competitive with the existing rental community in terms of location.

The proposed site is located in an area of Atlanta that has not seen a significant amount of new construction or large-scale redevelopment in the past decade. Much of the existing housing and retail establishments are of older construction and have not been well maintained. The proposed development will not only be well accepted as a new, upscale rental community, but will also likely be a trigger for additional redevelopment in the area. Although the rental units will be new construction, the project is a redevelopment of a formally used site.

IV. Market Area

A. Market Area Definition

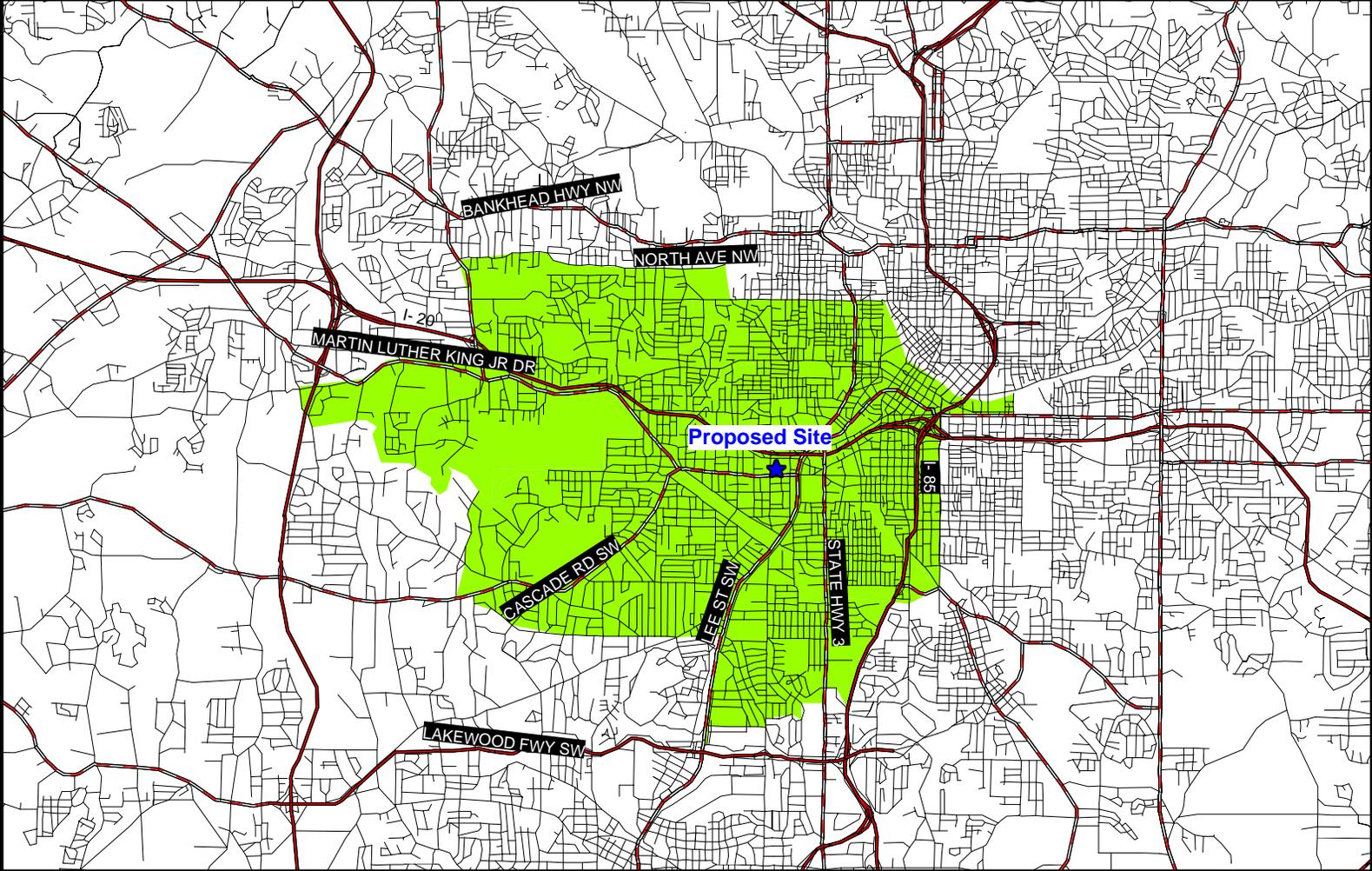
The primary market area for The Terrace at Cornerstone consists of the census tracts located in the downtown area of Atlanta. The market area covers both sides of Interstate 20 west of the downtown connector (I-75& I-85) and inside the perimeter (I-285). The basic borders of this market area are North Avenue to the north, I-75/I-85 and Capitol Avenue to the east, Venetian Drive to the south, and Wills Mill Road and I-285 to the west.

This market area was determined based on conversations with local property managers, local housing officials, and on-site analysis. The composition and housing stock is fairly consistent throughout the primary market area. There are no natural or social boundaries that would hinder the movement of renters throughout this market.

The approximate distance to the borders of this primary market area are 2.01 miles to the north, 1.62 miles to the east, 2.54 miles to the south, and 3.05 miles to the east. The primary market area includes year 2000 census tracts 0083.01, 0084, 0083.02, 0024, 0025, 0026, 035, 0040, 0081.02, 0039, 0038, 0036, 0037, 0043, 0041, 0044, 0046, 0060, 0042, 0058, 0081.01, 0080, 0057, 0056, 0061, 0062, 0063, 0066.01, 0065, and 0066.02.

B. Map of Market Area

Map 3 - Primary Market Area

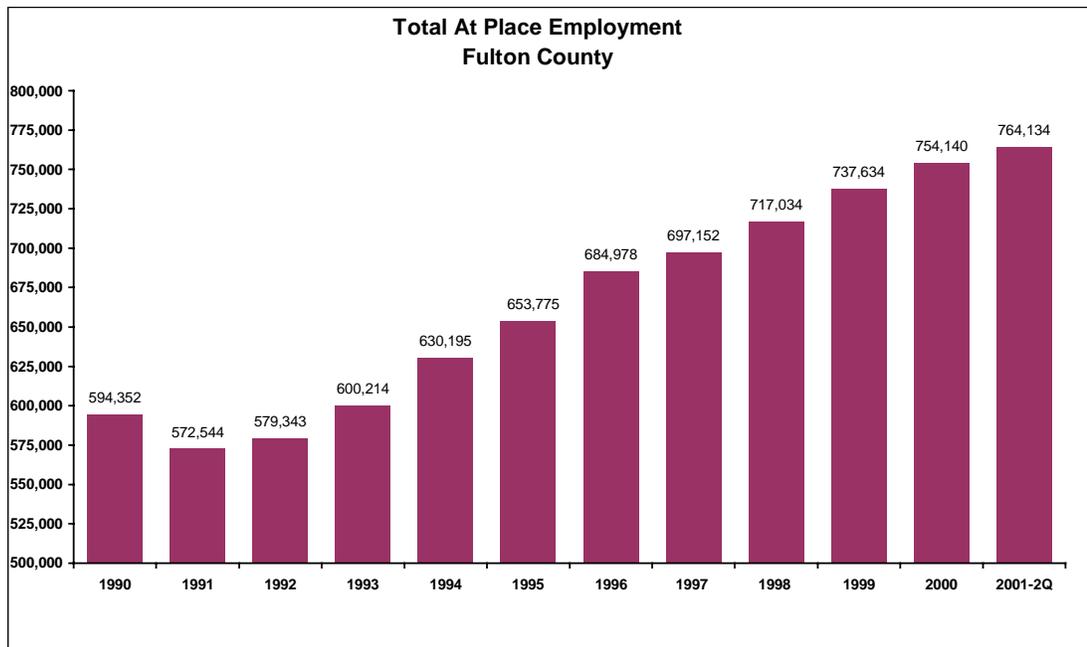


V. Market Area Economy

A. At Place Employment and Employment by Sector

Total at place employment has increased steadily within Fulton County over the past decade (Figure 2). In 2000, employment had reached 754,140 as job growth averaged nearly 16,000 jobs annually during the decade. Overall, the county experienced a net increase of over 159,788 jobs since 1990. Total at-place employment decreased between 1990 and 1991, however has increased each year since. This continued growth has been steady with larger than average increases experienced between 1993 and 1994 and between 1995 and 1996. The growth has been moderate of the past three years. Initial figures indicate that total at-place employment has increased by an additional 9,994 jobs or 1.3 percent over the first two quarters of 2002. On a percentage basis, job growth in Fulton County has been higher than national employment growth over the last five years of the previous decade (Figure 3).

Figure 2 - At Place Employment, Fulton County, Georgia

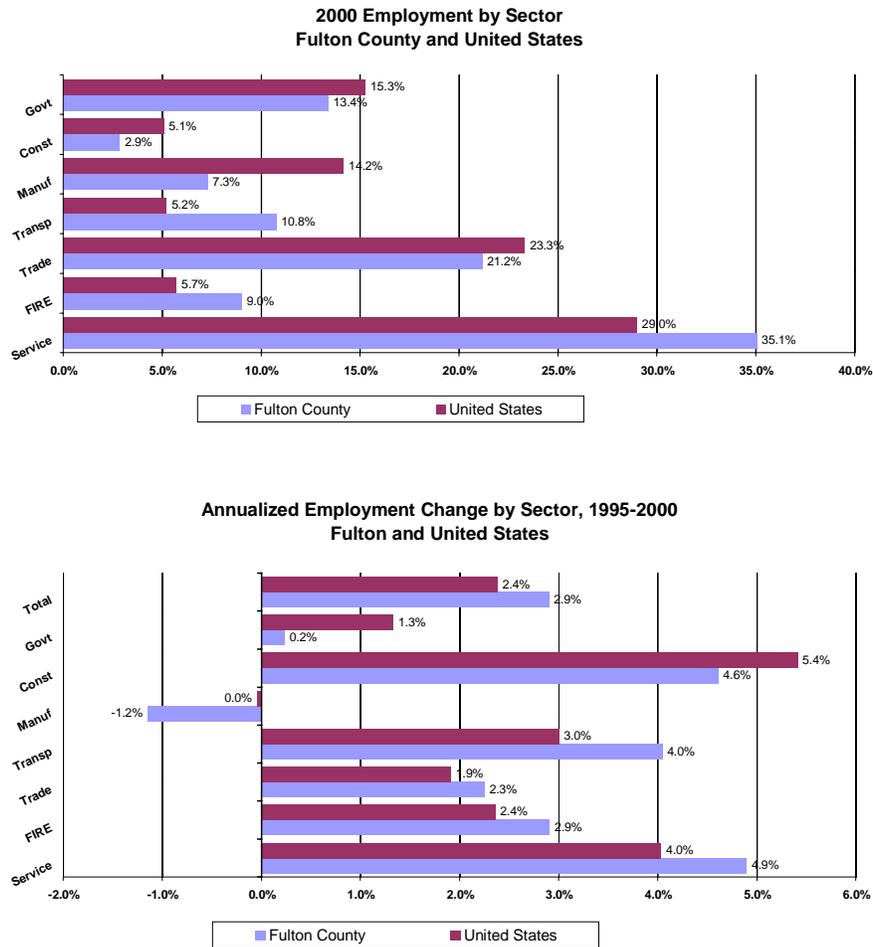


Source: Georgia Department of Labor,
of Labor Statistics, Covered Employment and Wages (ES 202)

Bureau

At place employment figures indicate that the service sector of employment growth is fueling Fulton County's economy. The service sector had the fastest rate of growth of any sector since 1995 (4.9 percent annualized growth) and the largest share of any employment sector at 35.1 percent (Figure 3). The transportation (4.0 percent) and construction (4.6 percent) sectors also experienced above average growth, however accounted for only 10.8 percent and 2.9 percent of total employment respectively. Major employers in Atlanta and Fulton County represent a wide range of products and/or services including telecommunications, manufacturing, service, and healthcare (Table 4).

Figure 3 - Total Employment and Employment Change by Sector, Fulton County



Source: Georgia Department of Labor,
Bureau of Labor Statistics, Covered Employment and Wages (ES 202)

B. Major Employers

The majority of the major employers in the “Atlanta” area of Fulton County are located in and around downtown within approximately ten miles of the proposed site. An additional large concentration of Fulton County’s major employers are located in the Buckhead area of the city, which is located northeast of downtown along Georgia 400. These employers are located approximately 10 miles from the proposed site and are an unlikely employment option for residents of southern Fulton County. A large employment concentration near southern Fulton County is Atlanta Hartsfield Airport, just inside the Clayton County border. Although not in the county, many of the residents of the primary market area are likely employed in or near the airport. The following table lists the largest employers in Fulton County and the region in which they are located. These employers represent several fields including utilities, food products, airlines, technology, transportation and retail/wholesale trade.

Table 4 - Largest Employers in Fulton County

Employer	Location
American Software, Inc	Buckhead
BellSouth Corporation	Atlanta
Blue Cross Blue Shield of GA	Buckhead
Buckhead Life Restaurant Group	Buckhead
Coca-Cola Company, The	Atlanta
Columbia West Paces Medical Center	Buckhead
Cox Enterprises, Inc.	Atlanta
Delta Airlines, Inc.	Atlanta
Genuine Parts Company	Atlanta
Georgia Pacific Corporation	Atlanta
Home Depot, Inc.	Atlanta
IBM Corporation	Buckhead
MARTA	Buckhead
Piedmont Hospital	Buckhead
Rich's	Buckhead
Ritz Carleton Buckhead	Buckhead
Southern Company, The	Atlanta
Turner Broadcasting Company	Atlanta
United Parcel Service	Atlanta

Source: Atlanta Homes Real Estate and Relocation Services

C. Labor Force and Unemployment

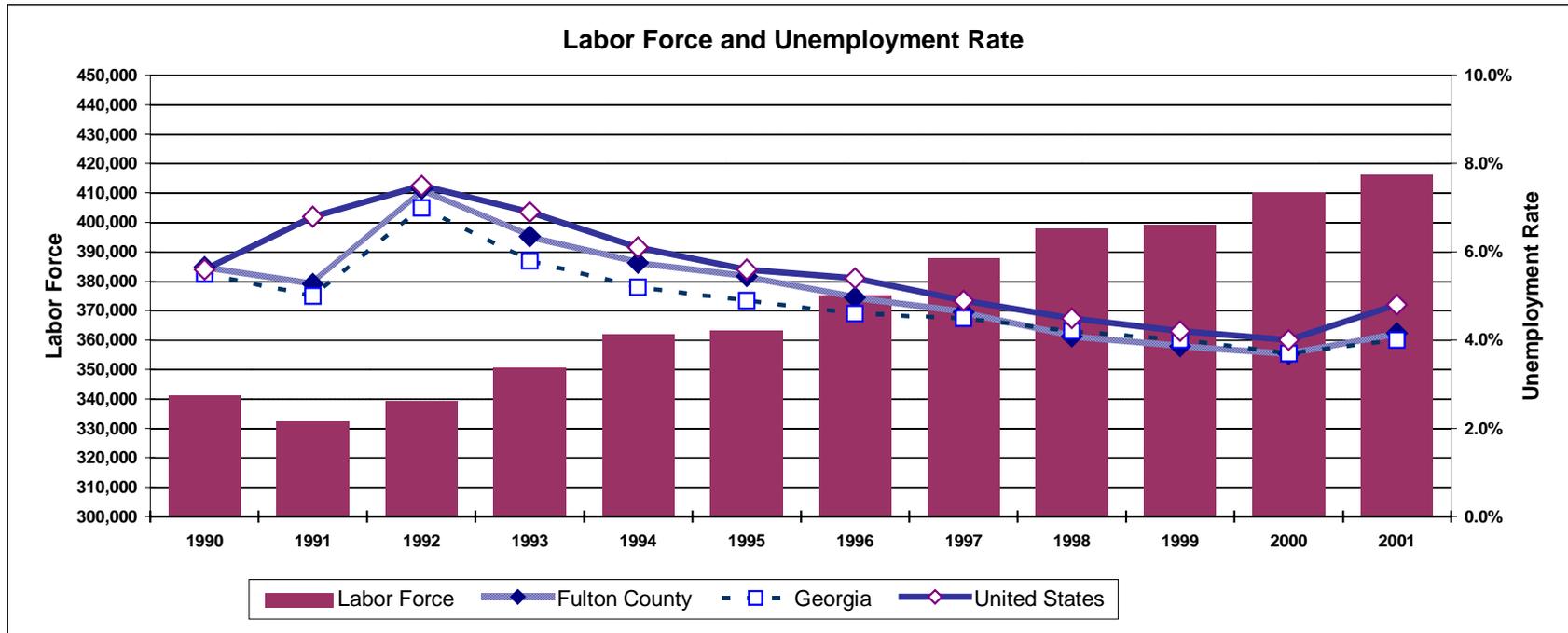
Fulton County's labor force has increased by 75,165 or 22.04 percent over the past 11 years. After an initial decline between 1990 and 1991, the labor force has continually grown since 1991. The growth has been fairly consistent and even with lower than average growth between 1994 and 1995 and between 1998 and 1999. The 2001 labor force is 1.4 percent higher than the 2000 year end total (Table 5).

The unemployment rate in Fulton County has consistently declined over the past decade with only two years experiencing an increase. The high point of the decade in terms of unemployment rate occurred in 1992 with 7.4 percent of the workforce unemployed. Eight consecutive years of decline resulted in the decade's lowest level of unemployment at 3.7 percent. Unemployment data for 2001 shows that Fulton County's unemployment rate increased 0.4 percentage points over the past year. This is slightly higher than the increase experience by the state of Georgia (0.3 percentage points), but lower than The United States (0.8 percentage points). It appears that Fulton County's unemployment has been impacted commensurate with the state's economy and to a lesser degree than the nation's.

Table 5 - Labor Force and Unemployment Rates, Fulton County, Georgia

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Labor Force	341,032	332,290	339,219	350,687	361,995	363,188	375,196	387,623	397,813	399,063	410,281	416,197
Employment	321,756	314,774	314,004	328,405	341,172	343,427	356,549	369,672	381,566	383,640	395,164	398,925
Unemployment	19,276	17,516	25,215	22,282	20,823	19,761	18,647	17,951	16,247	15,423	15,117	17,272
Unemployment Rate												
Fulton County	5.7%	5.3%	7.4%	6.4%	5.8%	5.4%	5.0%	4.6%	4.1%	3.9%	3.7%	4.1%
Georgia	5.5%	5.0%	7.0%	5.8%	5.2%	4.9%	4.6%	4.5%	4.2%	4.0%	3.7%	4.0%
United States	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%	4.8%

Source: Georgia Department of Labor, Licencing and Regulation



VI. Community Demographic Data

A. Population and Household Trends

Historic growth rates for the primary market area and Fulton County are based on 1990 and 2000 Census counts. Projections are based on Claritas Data Services, Inc. growth rates for both geographies applied to the base 2000 Census data and compared to countywide population estimates developed by the Georgia State Data and Research Center. This approach is more conservative than using the more aggressive estimates made by Claritas before the release of the 2000 Census data.

Fulton County has experienced steady growth over the past decade. Fulton County's 2000 population represents an increase of 167,055 persons or 25.7 percent from 1990. The population growth rate in the primary market area has been approximately half that of the county's rate at 12.7 percent during the same time period (Table 6). Based on the estimates made, the county and PMA populations are expected to grow by an additional 6.2 percent and 3.4 percent respectively from 2000 to 2004.

Based on 1990 and 2000 Census data, the PMA gained 2,137 households, while the entire county increased by a total of 64,102 households. The PMA's growth equates to an average annual increase of 214 households or 0.7 percent, slower than the county's annual rate of 2.3 percent. .

Projections show that the PMA's household count is expected to increase by an additional 1,042 or 3.4 percent between 2000 and 2004. The county's rate of household growth is projected at 8.1 percent or 26,062 households during the same four year time period.

The growth rate in the primary market area is understandably lower than the county's growth due to the densely populated nature of the region. The proposed site is located in an extensively developed area south of downtown along Interstate 20. A large percentage of the county's growth has occurred in the northern suburbs along Georgia 400 including Sandy Springs, Roswell and Alpharetta.

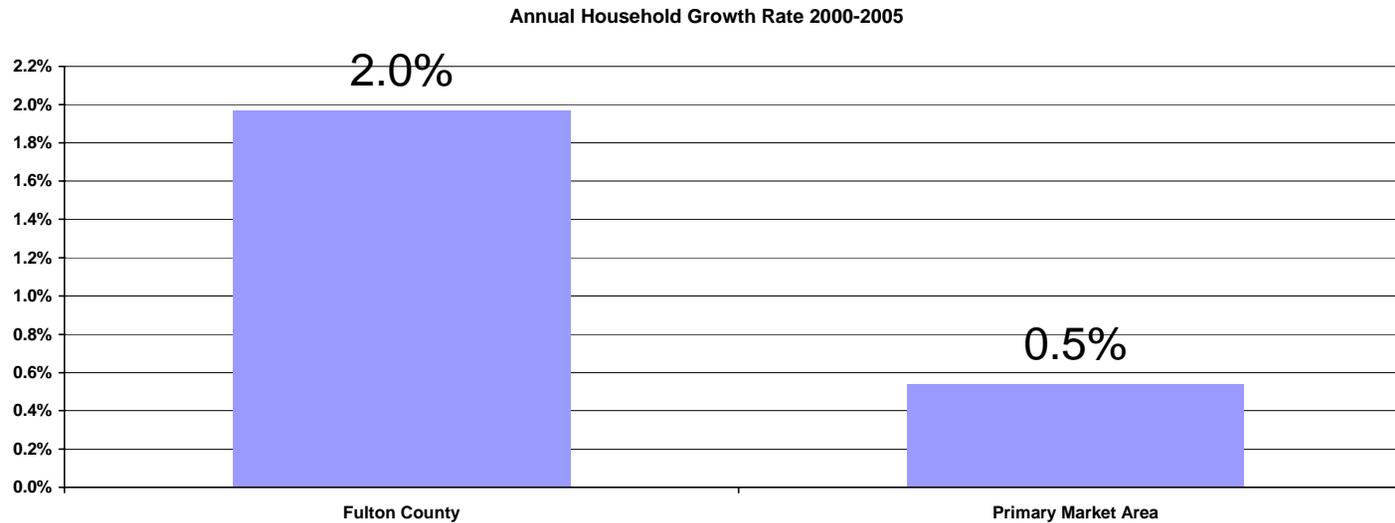
Table 6 - Trends in Population and Households, PMA and Fulton County

**Population and Household Growth 1990 to 2004
Fulton County and The Primary Market Area**

Fulton County					Change 1990 to 2000		Change 2000 to 2002				Change 2000 to 2004					
	1990	2000	2002	2004	Total		Annual		Total		Annual		Total		Annual	
					#	%	#	%	#	%	#	%	#	%	#	%
Population	648,951	816,006	840,962	866,682	167,055	25.7%	16,706	2.3%	24,956	3.1%	12,478	1.5%	50,676	6.2%	25,338	1.5%
Households	257,140	321,242	336,581	347,304	64,102	24.9%	6,410	2.3%	15,339	4.8%	7,670	2.4%	26,062	8.1%	13,031	2.0%

The Primary Market Area					Change 1990 to 2000		Change 2000 to 2002				Change 2000 to 2004					
	1990	2000	2002	2004	Total		Annual		Total		Annual		Total		Annual	
					#	%	#	%	#	%	#	%	#	%	#	%
Population	72,764	82,024	83,413	84,826	9,260	12.7%	926	1.2%	1,389	1.7%	695	0.8%	2,802	3.4%	1,401	0.8%
Households	28,655	30,792	31,309	31,834	2,137	7.5%	214	0.7%	517	1.7%	258	0.8%	1,042	3.4%	521	0.8%

Source: Projections, Real Property Research Group, Inc.
note: annual change is compounded rate

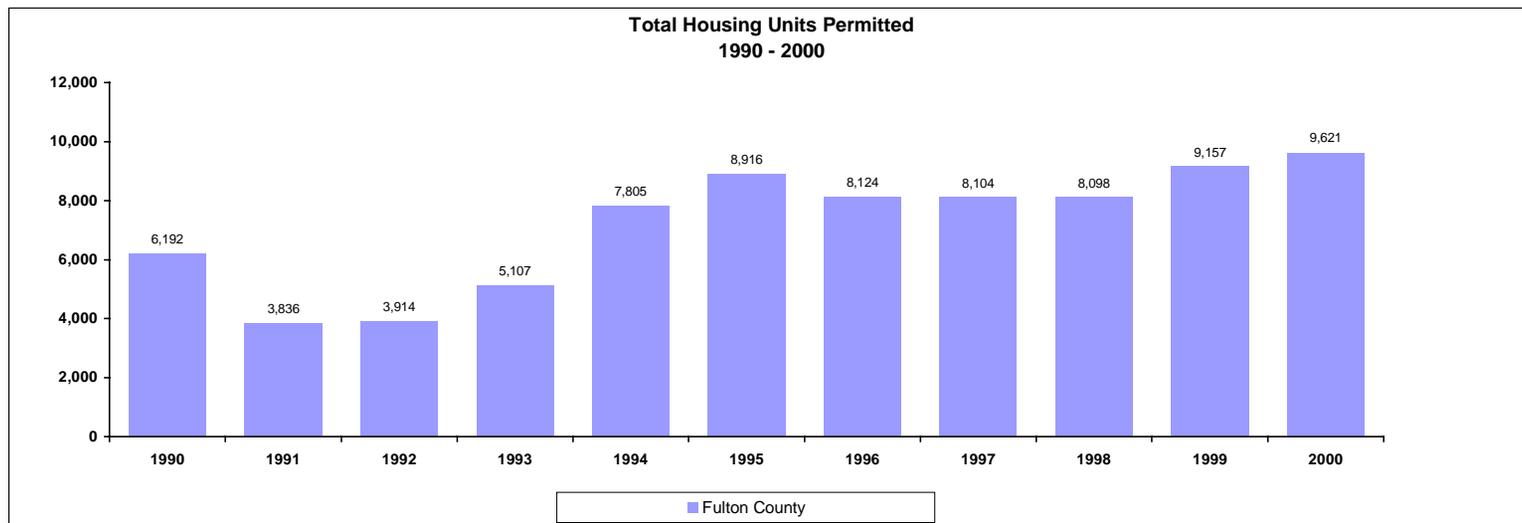


B. Recent Building Permit Activity

Average annual permit activity in the county over the last decade was 7,170 units, higher than the average household growth of 6,410 (Table 7). According to the annual average of the past decade, 44.7 percent of the building permits have been multifamily. According to 2000 Census data, 48.0 percent of the householders in the county are renters.

Table 7 - Fulton County Building Permits, 1990 - 2000

Fulton County													
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1990-2000	Annual
Single Family	3,174	3,392	3,743	4,137	3,980	3,801	3,654	4,435	5,011	4,791	3,446	40,390	3,960
Two Family	44	44	46	22	16	24	30	24	30	72	56	364	37
3 - 4 Family	7	0	4	8	46	7	14	7	64	59	152	361	33
5 or more Family	2,967	400	121	940	3,763	5,084	4,426	3,638	2,993	4,235	5,967	31,567	3,139
Total	6,192	3,836	3,914	5,107	7,805	8,916	8,124	8,104	8,098	9,157	9,621	72,682	7,170



C. Demographic Characteristics

With the recent release of 2000 Census data, we can look at demographic characteristics of the census tracts in the primary market area and Fulton County.

A review of the population by age bracket in the PMA versus Fulton County (Table 8) shows that the two areas have noticeable differences in terms of age of population. The primary market area has a much higher proportion of its residents under the age of 25 and age 60 and older. The primary market area has 41.4 percent of its population under the age of 25 and 14.5 percent age 60 and older. Fulton County has 35.4 percent and 11.4 percent in those two age classifications respectively. Fulton County's population is much more concentrated in the middle age brackets between ages 25 and 59.

In terms of household types (Table 9), Fulton County has a much higher percentage of married households (37.3 versus 19.6 percent). Despite the much lower marriage rate, the primary market area has nearly the same rate of children present, 26.4 percent versus 28.8 percent in the county. This is due primarily to single female householders with children, which constitutes 16.9 percent of the households in the PMA, but less than 10% in the county. The primary market area has a higher percentage of both families without children and householders living alone (Table 8). Overall, it appears that Fulton County is comprised of middle-aged, married householders with children. The primary market area has more residents on either end of the spectrum with nearly as many children present in single parent households as in married households.

Table 8 - 2000 Age Distribution

	Fulton County		The Primary Market Area	
	#	%	#	%
Under 10 years	114,948	14.1%	11,551	14.0%
10-17 years	84,342	10.3%	9,366	11.4%
18-24 years	89,602	11.0%	13,151	16.0%
25-34 years	151,534	18.6%	11,080	13.4%
35-44 years	137,850	16.9%	11,819	14.3%
45-54 years	109,132	13.4%	10,040	12.2%
55-59 years	35,031	4.3%	3,354	4.1%
60-64 years	24,577	3.0%	3,071	3.7%
65-69 years	19,125	2.3%	2,501	3.0%
70-74 years	16,634	2.0%	2,170	2.6%
75 and older	33,231	4.1%	4,300	5.2%
TOTAL	816,006	100.0%	82,403	100.0%

Source: U.S. Census of Population and Housing, 2000

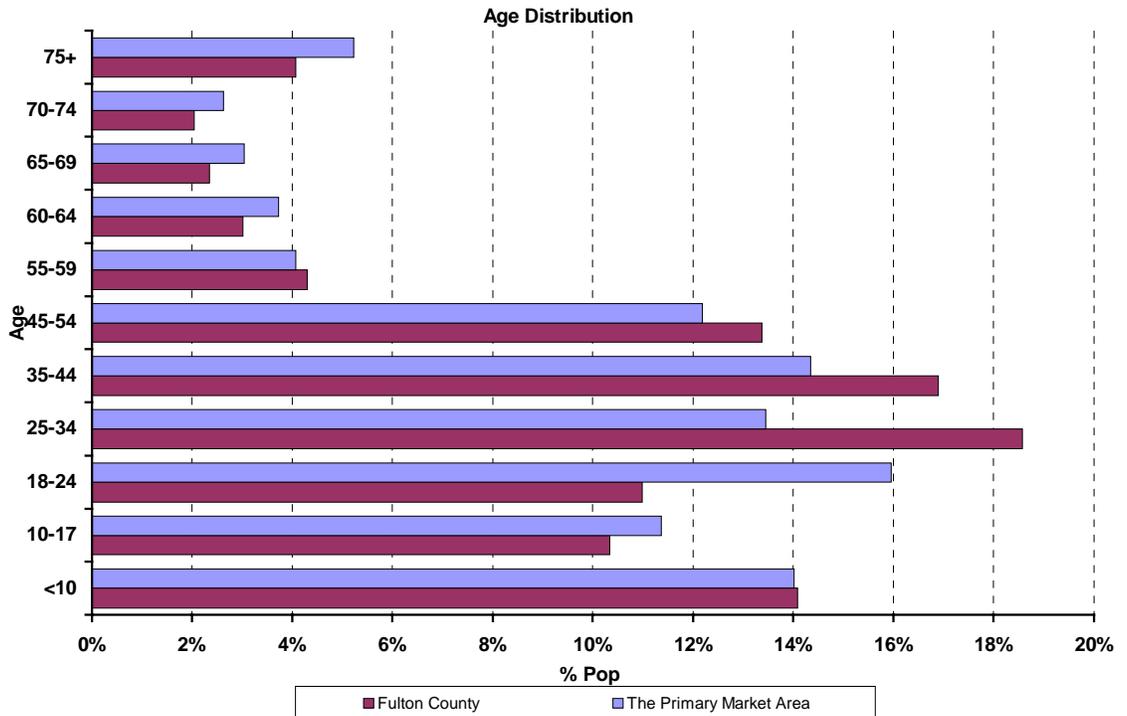
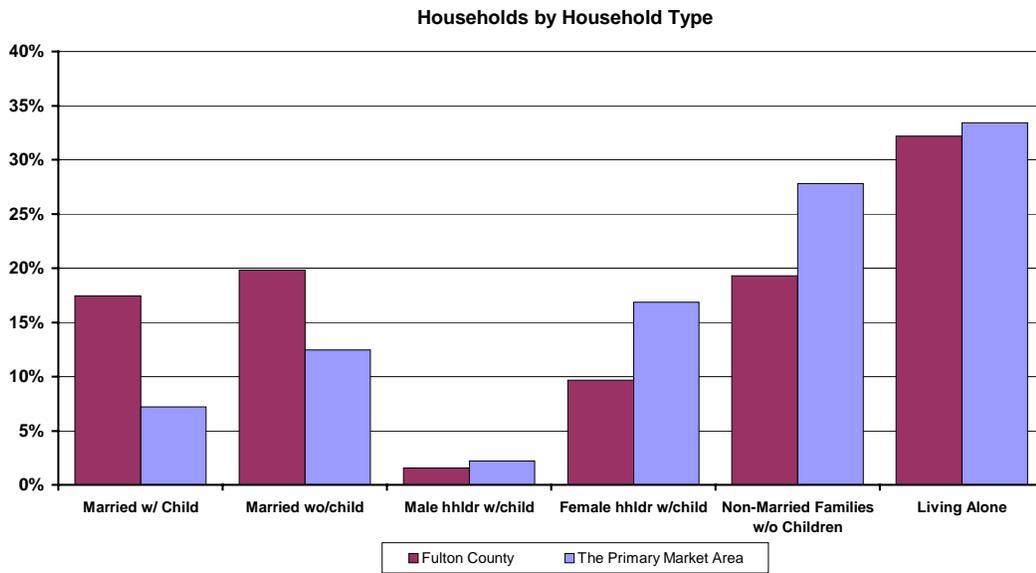


Table 9 - 2000 Households by Household Type

	Fulton County		The Primary Market Area	
	#	%	#	%
Married w/ Child	56,059	17.5%	2,065	7.2%
Married wo/child	63,655	19.8%	3,573	12.4%
Male hhldr w/child	5,088	1.6%	646	2.3%
Female hhldr w/child	31,109	9.7%	4,844	16.9%
Non-Married Families w/o Children	61,939	19.3%	7,985	27.8%
Living Alone	103,392	32.2%	9,591	33.4%
Total	321,242	100.0%	28,704	100.0%

Source: U.S. Census of Population and Housing, 2000

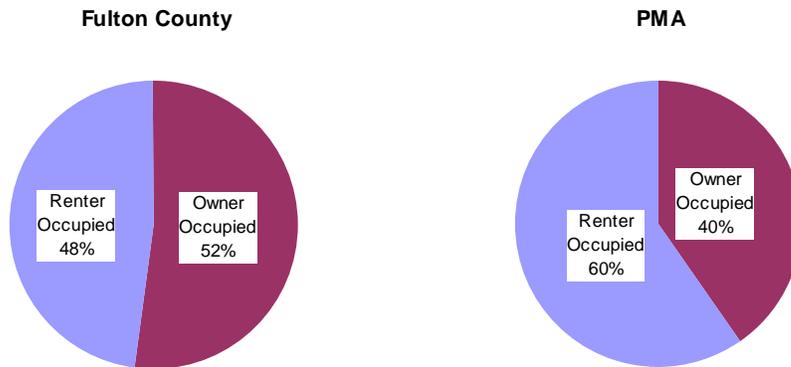


The majority of the householders in the primary market area are renters. In comparison, a majority of Fulton County's householders are owners. In 2000, 59.6 percent of the householders in the PMA were renters (Table 10). Only 48 percent of Fulton County householders rented. Homeownership decreased by 3.0 percent over the past ten years in the market area, while homeownership increased by 2.5 percent in the county.

Table 10 - 1990 & 2000 Dwelling Units by Occupancy Status

	Fulton County		PMA	
	#	%	#	%
1990 Households				
Owner Occupied	127,318	49.5%	12,208	43.4%
Renter Occupied	129,822	50.5%	15,897	56.6%
Total Occupied	257,140	100.0%	28,105	100.0%

	Fulton County		PMA	
	#	%	#	%
2000 Households				
Owner Occupied	167,119	52.0%	11,596	40.4%
Renter Occupied	154,123	48.0%	17,108	59.6%
Total Occupied	321,242	100.0%	28,704	100.0%

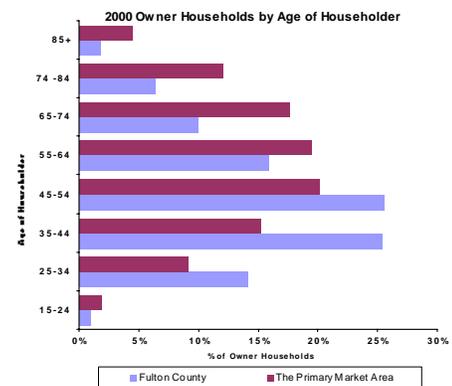
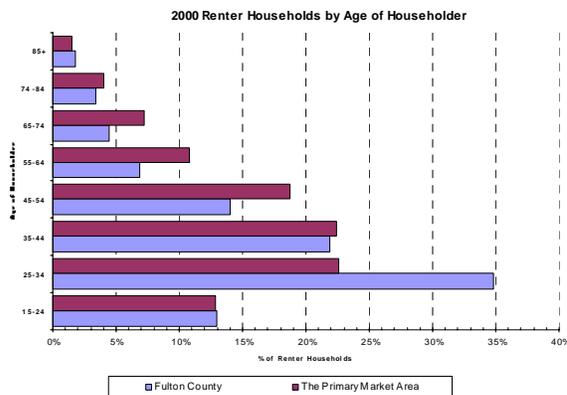


A higher proportion of Fulton County's household owners are young to middle age (25-44). The primary market has a larger percentage under age 24 and in all income groups beginning with age 55 (Table 11). The age of renter householders is fairly similar with Fulton County having almost 35 percent of its renter householders between the ages of 25 and 34 years. The primary market area has a larger percentage of renter households in each age cohort between 35 and 84 years of age, while the county has more on either end of the age spectrum.

Table 11 - 2000 Households by Tenure & Age of Householder

Owner Households	Fulton County		The Primary Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	1,652	1.0%	222	1.9%
25-34 years	23,500	14.1%	1,050	9.1%
35-44 years	42,413	25.4%	1,769	15.3%
45-54 years	42,705	25.6%	2,339	20.2%
55-64 years	26,645	15.9%	2,261	19.5%
65-74 years	16,590	9.9%	2,036	17.6%
75 to 84 years	10,607	6.3%	1,398	12.1%
85+ years	3,007	1.8%	521	4.5%
Total	167,119	100%	11,596	100%

Renter Households	Fulton County		The Primary Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	19,921	12.9%	2,192	12.8%
25-34 years	53,604	34.8%	3,860	22.6%
35-44 years	33,748	21.9%	3,840	22.4%
45-54 years	21,607	14.0%	3,202	18.7%
55-64 years	10,538	6.8%	1,842	10.8%
65-74 years	6,822	4.4%	1,233	7.2%
75 to 84 years	5,187	3.4%	685	4.0%
85+ years	2,696	1.7%	254	1.5%
Total	154,123	100%	17,108	100%



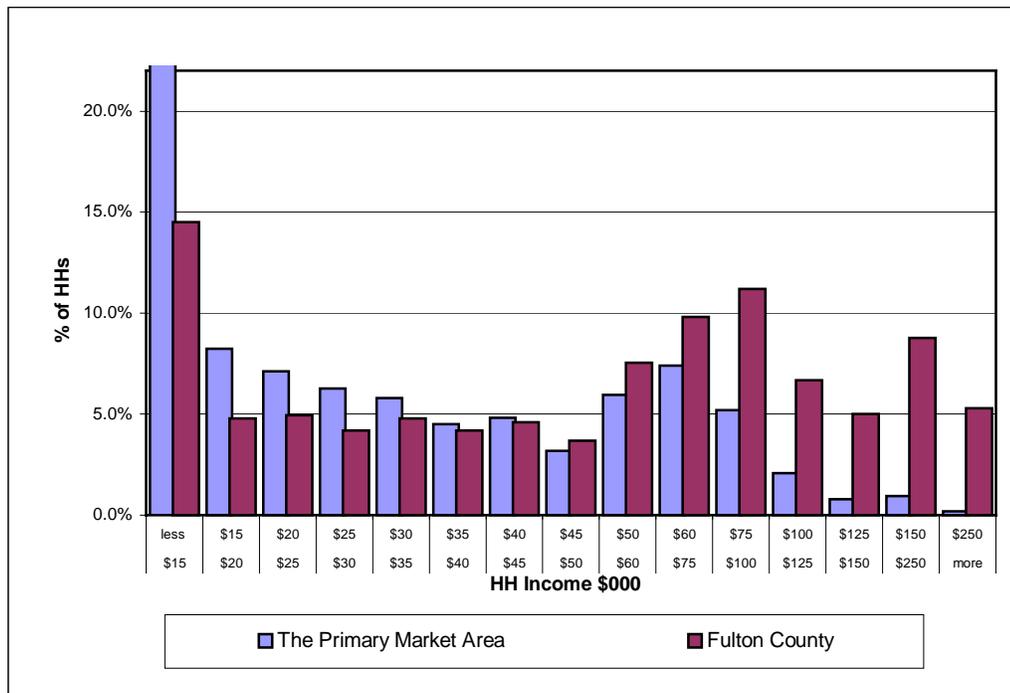
D. Income Characteristics

Claritas, Inc. estimates the 2001 median household income for Fulton County to be \$55,189 (Table 12). The median household income in the primary market area is \$22,579, which is approximately 41 percent of the county median.

As to expected with a significantly lower household median income, the primary market area has a greater percentage of its households in each income bracket below \$60,000. Fulton County has a greater percentage in all income classifications above \$45,000. The income distribution in Table 12 shows the percentage of households in each income segment for the primary market area and Fulton County. More than 23 percent of households in the primary market area have incomes between \$20,000 and \$40,000, the income bands that are traditionally addressed by tax credit communities.

Table 12 - 2001 Household Income Distribution, PMA and Fulton County

		The Primary Market Area		Fulton County	
less than	\$15,000	10,851	37.6%	47,340	14.5%
\$15,000	\$19,999	2,377	8.2%	15,564	4.8%
\$20,000	\$24,999	2,050	7.1%	16,165	5.0%
\$25,000	\$29,999	1,803	6.2%	13,655	4.2%
\$30,000	\$34,999	1,669	5.8%	15,607	4.8%
\$35,000	\$39,999	1,299	4.5%	13,637	4.2%
\$40,000	\$44,999	1,392	4.8%	15,005	4.6%
\$45,000	\$49,999	917	3.2%	12,049	3.7%
\$50,000	\$59,999	1,714	5.9%	24,642	7.6%
\$60,000	\$74,999	2,133	7.4%	32,013	9.8%
\$75,000	\$99,999	1,498	5.2%	36,531	11.2%
\$100,000	\$124,999	604	2.1%	21,792	6.7%
\$125,000	\$149,999	226	0.8%	16,379	5.0%
\$150,000	\$249,999	270	0.9%	28,688	8.8%
\$250,000	over	58	0.2%	17,253	5.3%
		28,859	100.0%	326,319	100.0%
Median Income		\$22,579		\$55,189	



VII. Project Specific Demand Analysis

A. Proposed Unit Mix and Income Limits

The following table shows the floorplans to be offered at The Terrace at Cornerstone. Tax credit units are all those targeting renters earning no more than 60 percent of the Area Median Income. Any proposed market rate units will be noted as targeting 80 percent of the AMI. The “Minimum Income” column was calculated assuming that tenants will pay no more than 35 percent of their income for total housing cost for family units and no more than 40 percent for elderly units. The “Maximum Income” limit was calculated using the 2002 HUD Income Limit of \$71,200 for the Atlanta MSA, in which the project is located.

According to the 2002 Qualified Allocation Plan, maximum allowable project rents must be calculated using 54 percent of the Area Median Income, adjusted for household size. However, tenant eligibility for the units priced at 54 percent of the median is based on 60 percent of the AMI. The “maximum income” and “maximum gross rent” columns in the table below are based on 60 percent of the AMI, however the “planned gross rent” is based on 54 percent.

The units noted at 50% of the AMI will have project based rental assistance. The rent paid by each tenant will vary as it will be based on income. The rents and minimum income limit shown in the table are based on the contract rents indicated in the developer’s core application.

Table 13 - Project Specific LIHTC Rent Limits, Atlanta MSA

Maximum % of AMI	Number of Units	Bedrooms	Planned Net Rent	Utility Allowance	Planned Gross Rent	Maximum Gross Rent	Maximum Income	Minimum Income
50%	11	1	\$565	\$58	\$623	\$668	\$26,700	\$21,360
50%	21	2	\$677	\$71	\$748	\$801	\$32,050	\$25,646
50%	8	3	\$744	\$90	\$834	\$926	\$37,025	\$28,594
60%	16	1	\$615	\$58	\$673	\$801	\$32,040	\$23,074
60%	32	2	\$736	\$71	\$807	\$962	\$38,460	\$27,669
60%	9	3	\$843	\$90	\$933	\$1,111	\$44,430	\$31,989
80%	18	1	\$800	\$58	\$858	\$1,068	\$42,720	\$29,417
80%	31	2	\$980	\$71	\$1,051	\$1,282	\$51,280	\$36,034
80%	4	2	\$1,020	\$71	\$1,091	\$1,282	\$51,280	\$37,406
80%	11	3	\$1,080	\$90	\$1,170	\$1,481	\$59,240	\$40,114

B. Affordability Analysis

The following affordability analysis shows the penetration rate of income eligible households required to lease up the community. (Table 14). This penetration rate should not be confused with the capture rates based on DCA demand components shown in the following section.

- Penetration rates were calculated for all units, by income percentage, and by floorplan. The next several bullets will describe the methodology used to determine the penetration rate, using the first floorplan as an example. The tables on the following pages show the penetration rates for all floorplans.
- Using a 35 percent underwriting criteria, we determined that the average proposed 50 percent gross rent for a one bedroom unit (\$623) would be affordable to households earning a minimum of \$21,360, which includes 16,135 households in the primary market area.
- Based on the 2002 LIHTC income limits for households at 50 percent of median income, the maximum income allowed for a one bedroom unit in this market would be \$26,700. We estimate that 14,033 households within the primary market area have incomes above that maximum.
- Subtracting the 14,033 households with incomes above the maximum income from the 21,360 households that could afford to rent this unit, we compute that 2,101 households are within the band of being able to afford the proposed rent. The proposed eleven 50 percent efficiency unit would require a penetration rate of 0.5 percent of all qualified households to lease up all units. Using the same methodology, we determined the band of qualified households for each of the other bedroom types offered in the community.
- Given the income requirements of each unit type and the overlap of income bands, project wide affordability bands were calculated. Looking at all 97 LIHTX units, the project will need to absorb 1.3 percent of 7,436 households that earn between \$21,360 and \$44,429 in the primary market area.
- By subtracting the 8,699 households with income above \$44,429 from the 2004 household estimate (29,330), 20,631 households or 70.3 percent of all households earn below the maximum income limit for the tax credit units.

- The 7,436 households with incomes above the minimum **and** below the maximum income limit represent 25.34 percent of the total household count.
- Affordability by floorplan indicates that there is a sufficient number of income qualified households for all floorplans at each income level.

Table 14 - 2004 Affordability Analysis for The Terrace at Cornerstone.

Gross Capture Rate by Income Group

	<u>Number of Units</u>		<u>Band of Qualified HHs</u>		<u># Qualified HHs</u>		
		<i>Income</i>	\$21,360	\$37,024			
50% Units (PBRA)	40	<i>HHs</i>	16,135	10,651	5,484	0.7%	Penetration Rate
		<i>Income</i>	\$23,074	\$44,429			
60% Units	57	<i>HHs</i>	15,438	8,699	6,739	0.8%	Penetration Rate
		<i>Income</i>	\$29,417	\$59,240			
Mkt Units (80%)	64	<i>HHs</i>	13,040	5,965	7,075	0.9%	Penetration Rate
		<i>Income</i>	\$21,360	\$44,429			
All LIHTC UNITS	97	<i>HHs</i>	16,135	8,699	7,436	1.3%	Penetration Rate

Table 15 - 2004 Affordability Analysis for The Terrace at Cornerstone, by floorplan.

Capture Rate by Unit Type

	One Bedroom Units			Two Bedroom Units			Three Bedroom Units		
	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum
50% Units	Number of Units	11		Number of Units	21		Number of Units	8	
	Net Rent	\$565		Net Rent	\$677		Net Rent	\$774	
	Gross Rent	\$623		Gross Rent	\$748		Gross Rent	\$864	
	% Income for Shelter	35%		% Income for Shelter	35%		% Income for Shelter	35%	
	Income	\$21,360	\$26,700	Income	\$25,646	\$32,040	Income	\$29,623	\$37,024
	Range of Qualified Hslds	16,135	14,033	Range of Qualified Hslds	14,419	12,151	Band of Qualified Hslds	12,965	10,651
	# Qualified Households		2,101	# Qualified Households		2,268	# Qualified Households		2,314
Unit Penetration Rate		0.5%	Unit Penetration Rate		0.9%	Unit Penetration Rate		0.3%	
60% Units	Number of Units	16		Number of Units	32		Number of Units	9	
	Net Rent	\$615		Net Rent	\$736		Net Rent	\$843	
	Gross Rent	\$673		Gross Rent	\$807		Gross Rent	\$933	
	% Income for Shelter	35%		% Income for Shelter	35%		% Income for Shelter	35%	
	Income	\$23,074	\$32,040	Income	\$27,669	\$38,448	Income	\$31,989	\$44,429
	Range of Qualified Hslds	15,438	12,151	Range of Qualified Hslds	13,679	10,285	Band of Qualified Hslds	12,168	8,699
	# Qualified Households		3,287	# Qualified Households		3,394	# Qualified Households		3,469
Unit Penetration Rate		0.5%	Unit Penetration Rate		0.9%	Unit Penetration Rate		0.3%	
Market Rate (80%)	Number of Units	18		Number of Units	35		Number of Units	11	
	Net Rent	\$800		Net Rent	\$980		Net Rent	\$1,080	
	Gross Rent	\$858		Gross Rent	\$1,051		Gross Rent	\$1,170	
	% Income for Shelter	35%		% Income for Shelter	35%		% Income for Shelter	35%	
	Income	\$29,417	\$42,720	Income	\$36,034	\$51,280	Income	\$40,114	\$59,240
	Range of Qualified Hslds	13,040	9,157	Range of Qualified Hslds	10,905	7,345	Band of Qualified Hslds	8,699	5,965
	# Qualified Households		3,883	# Qualified Households		3,560	# Qualified Households		2,735
Unit Penetration Rate		0.5%	Unit Penetration Rate		1.0%	Unit Penetration Rate		0.4%	

C. Demand Estimates and Capture Rates

DCA's demand methodology for general occupancy developments consists of three components. The first is income qualified renter households living in substandard households. "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to 1990 US Census data, the percentage of households in Atlanta that are "substandard" is 4.38 percent.

The second component of demand is population growth. This number is the number of age and income qualified renter households anticipated to move into the market area within the next two years.

The final component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to 1990 Census data, 39.44 percent of the primary market area's renter households are categorized as cost burdened. This segment of demand is often overstated in urban areas because households are also included in other demand segments and they are all not likely to move. In order to avoid overestimating demand, only 35 percent of the demand from cost burdened households is considered achievable.

The proposed 50 percent AMI units will have project based rental assistance through the Atlanta Housing Authority. The demand estimates based on the methodology described above were calculated both with and without a minimum income limit. The minimum income limit will not apply to those units with PBRA or those occupied by tenants with Section 8 voucher assistance. Given the lack of new and attractive affordable housing in the area, many of the units at The Terrace at Cornerstone are expected to be leased by holders of Section 8 vouchers. The capture rate for the 87 tax credit units at The Terrace at Cornerstone is 1.5 percent without a minimum income limit and 4.1 percent with a minimum income limit. Using the same methodology, the capture rate for the 64 market rate units is 3.0 percent with a minimum income limit. These capture rates are considered achievable given the state of the existing rental housing market.

Table 16 - Overall Tax Credit Demand Estimates, The Terrace at Cornerstone

<i>For Tax Credit Units Demand From Renters Earning < \$44,430</i>		<i>The Primary Market Area</i>	<i>For Tax Credit Units Demand From Renters Earning < \$44,430 and > \$21,360</i>		<i>The Primary Market Area</i>
Substandard Households		1,530	Substandard Households		551
Household Growth		196	Household Growth		70
Cost Burdened		4,823	Cost Burdened		1,738
Total Demand		6,549	Target Segment Demand		2,359
Units in Subject Property		97	Units in Subject Property		97
Capture Rate		1.5%	Target Segment Capture Rate		4.1%

Table 17 - Detailed Tax Credit Demand Estimates, The Terrace at Cornerstone

Demand for Tax Credit Units from Substandard Households

2004 Households 83,335	times	% Substandard Households 4.38%	equals	2004 Substandard Households 3,650
2004 Substandard Households 3,650	times	% of Renters Per Census 60%	equals	Substandard Renter Households 2,175
Substandard Renter Households 2,175	times	% Earning < \$44,430 & < \$21,360 25.35%	equals	Substandard Renter Households Earning < \$44,430 & > \$21,360 551
Substandard Renter Households 2,175	times	% Earning < \$44,430 70.34%	equals	Substandard Renter Households Earning < \$44,430 1,530

Demand for Tax Credit Units from Household Growth

2004 Households 83,335	minus	2002 Households 82,868	equals	Population Change 467
Population Change 467	times	% of Renters Per Census 59.60%	equals	Renter Household Change 278
New Renter Households 278	times	% Earning < \$44,430 & > \$21,360 25.35%	equals	New Renter Households Earning < \$44,430 & > \$21,360 70
New Renter Households 278	times	% Earning < \$44,430 70.34%	equals	New Renter Households Earning < \$44,430 196

Demand for Tax Credit Units from Cost Burdened Renters

2004 Households 83,335	times	% of Renters Per Census 59.60%	equals	2004 Renter Households 49,668
2004 Renter Households 49,668	times	% Cost Burdened 39.44%	equals	Cost Burdened Renter Households 19,591
2004 Cost Burdened Renter Households 19,591	times	% Earning < \$44,430 & > \$21,360 25.35%	equals	Cost Burdened Renter Households Earning < \$44,430 & > \$21,360 4,966
2004 Cost Burdened Renter Households 19,591	times	% Earning < \$44,430 70.34%		Cost Burdened Renter Households Earning < \$44,430 13,780

Table 18 - Overall Market Rate Demand Estimates, The Terrace at Cornerstone

For Conventional Units

Demand From Renters Earning < \$59,240 and > \$29,417 The Primary Market Area

Substandard Households	500
Household Growth	64
Cost Burdened	1,576
Total Demand	2,140
Units in Subject Property	64
Target Segment Capture Rate	3.0%

Table 19 - Detailed Market Rate Demand Estimates, The Terrace at Cornerstone

Demand for Market Rate Units from Substandard Households

2004 Households 83,335	times	% Substandard Households 4.38%	equals	2004 Substandard Households 3,650
2004 Substandard Households 3,650	times	% of Renters Per Census 60%	equals	Substandard Renter Households 2,175
Substandard Renter Households 2,175	times	% Earning < \$59,240 & < \$29,417 22.98%	equals	Substandard Renter Households Earning < \$59,240 & > \$29,417 500
Substandard Renter Households 2,175	times	% Earning < \$59,240 79.66%	equals	Substandard Renter Households Earning < \$59,240 1,733

Demand for Market Rate Units from Household Growth

2004 Households 83,335	minus	2002 Households 82,868	equals	Population Change 467
Population Change 467	times	% of Renters Per Census 59.60%	equals	Renter Household Change 278
New Renter Households 278	times	% Earning < \$59,240 & < \$29,417 22.98%	equals	New Renter Households Earning < \$59,240 & > \$29,417 64
New Renter Households 278	times	% Earning < \$59,240 79.66%	equals	New Renter Households Earning < \$59,240 221

Demand for Market Rate Units from Cost Burdened Renters

2004 Households 83,335	times	% of Renters Per Census 59.60%	equals	2004 Renter Households 49,668
2004 Renter Households 49,668	times	% Cost Burdened 39.44%	equals	Cost Burdened Renter Households 19,591
2004 Cost Burdened Renter Households 19,591	times	% Earning < \$59,240 & < \$29,417 22.98%	equals	Cost Burdened Renter Households Earning < \$59,240 & > \$29,417 4,502
2004 Cost Burdened Renter Households 19,591	times	% Earning < \$59,240 79.66%		Cost Burdened Renter Households Earning < \$59,240 15,606

D. Tax Credit Demand Estimates and Capture Rates by Floorplan

Table 20 - Tax Credit Demand Estimates and Capture Rates by Floorplan

	One Bedroom	Two Bedroom	Three Bedroom
Demand from Substandard HH	2,175	2,175	2,175
Demand from New Rental HH	278	278	278
Demand from Cost Burdened Rental HH (35%)	6,857	6,857	6,857
PMA Total Demand	9,310	9,310	9,310
PMA Income Qualified %	13.58%	14.09%	14.54%
PMA Qualified Demand	1,264	1,312	1,354
Units	27	53	17
Capture Rate	2.1%	4.0%	1.3%

The “PMA Total Demand” figure shown in the table above shows the demand from the three DCA stipulated components without income affordability applied. The percentages of the total households earning within the various floorplan specific income segments are then applied to this total demand number. The capture rates by floorplan indicate that the unit mix is appropriate. These capture rates are in line with the overall capture rate for the tax credit units at The Terrace at Cornerstone.

E. Absorption Estimate

There are no new rental communities in the primary market area from which an estimate of absorption can be determined. Based on the relatively low vacancy rate, strong demand estimates and apparent need for new, upgraded rental housing in the primary market area, The Terrace at Cornerstone should be able to lease 15 to 17 units per month for a 9 to 11 month lease up period. The proposed development will be one of very few rental communities constructed within the past ten to fifteen years. The Terrace at Cornerstone will stand apart with its new construction, large amount of amenities and location adjacent the West End Mall.

VIII. Supply Analysis

A. Area Housing Stock

The rental housing stock as reported in the 1990 Census included a relatively low percentage of single family homes with 16 percent of the county's rental units located in single family detached homes. In the primary market area, 23 percent of the rental units were single family homes. In Fulton County, 9 percent of rental units were in either townhouse or duplex units. Approximately 15 percent of the PMA's rental stock falls into either of these categories.

A sizable percentage of the rental units, 56 percent, in the primary market area had between three and nineteen units. In Fulton County, 49 percent of units were in properties of this size.

Rental communities with twenty or more units accounted for only 11 percent of the total rental housing stock in the primary market area and 19 percent in the county. Given the lack of substantial construction in the primary market area, the overall composition has likely changed little over the past twelve years.

In the primary market area and Fulton County, less than 1 percent of the rental units were mobile homes. This low percentage of mobile homes is expected given the densely populated urban nature of the market area and Fulton County.

Table 21 - 1990 Units in Rental Housing

<i>Units in Rental Housing</i>	<i>Fulton County</i>		<i>The Primary Market Area</i>	
Renter 1 unit detached	18,459	14%	3,711	23%
Renter 1 unit attached	4,193	3%	808	5%
Renter 2 units	7,168	6%	1,612	10%
Renter 3 or 4 units	14,748	11%	1,616	10%
Renter 5 to 9 units	29,633	23%	3,294	21%
Renter 10 to 19 units	28,775	22%	2,794	18%
Renter 20 to 49 units	10,997	8%	798	5%
Renter 50+ units	13,995	11%	930	6%
Renter mobile home	309	0%	23	0%
Renter other	1,545	1%	311	2%

Rental Market

As part of this analysis, Real Property Research Group surveyed 14 rental communities identified within the primary market area. A profile sheet of each community is attached as Appendix 4 - Community Photos and Profiles. The location of each community is shown on Map 4 on the following page.

The 14 rental communities surveyed account for 1,691 dwelling units (Table 22). Ten properties offer all garden style units, two offer high rise buildings, one offers garden style and townhouse units and one offers high rise and townhouse units. The garden style buildings are two to three stories. The majority of the surveyed properties were general occupancy market rate developments.

The multifamily rental stock in the primary market area is generally old and outdated. The average age of the 12 properties for which data was available is twenty-six years. The majority of the rental communities surveyed have not been well maintained and show severe signs deferred maintenance.

Of the 1,691 units in stabilized communities that reported vacancy rates, 60 units were reported available, a rate of 3.55 percent. Four of the communities had a vacancy rate above five percent and eight had less than 1.2 percent of their units vacant.

Table 22 - Rental Summary

Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	(1)	(1)	Incentive
						Average 1BR Rent	Average 2BR Rent	
Oglethorpe Place	1996	Garden	144	14	9.7%	\$680	\$790	None
Northside Plaza	1993	Garden	127	6	4.7%	\$613	\$755	None
Mount Calvary	1971	High-rise&TH	180	2	1.1%	\$585	\$717	None
Oakland City	1945	Garden&TH	111	0	0.0%	\$630	\$676	None
Simpson House		Garden	76	8	10.5%	\$575	\$625	None
Anderson Park	1981	Garden	96	15	15.6%	\$475	\$575	None
Verbena Gardens	1981	Garden	102	0	0.0%	\$545		None
Donnelly Gardens	1965	Garden	250	0	0.0%	\$410	\$509	None
Holly Court	1970	Garden	52	13	25.0%	\$450		None
Columbia Plaza	1967	Garden	96	0	0.0%	\$345		None
Oakland Park Townhomes		Garden	60	2	3.3%	\$420		None
John L. Childs	1965	High-rise	250	0	0.0%			None
Courtyard at Maple	1993	Garden	48	0	0.0%	\$550		None
Abernathy Towers	1986	High-rise	99	0	0.0%	\$818		None
Total/Average	1976		1,691	60	3.55%	\$546	\$664	

(1) Rent is gross rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. May, 2002.

Two of the properties surveyed include the cost of only trash removal in the price of rent (Table 24). Ten of the 14 surveyed communities include water, sewer, and trash removal. Two rental communities offer more than these basic utilities. The Terrace at Cornerstone will include the cost of water, sewer, and trash removal. The Terrace at Cornerstone will include the same or more utilities as 12 of the 14 communities surveyed.

Dishwashers and garbage disposals are present at 3 and 8 of the properties respectively. Only three properties offer both of these kitchen amenities and six one offers neither. None of the communities include a microwave oven in each kitchen. The Terrace at Cornerstone will include both a dishwasher and a garbage disposal, but no microwave. Among the 25 surveyed properties, 3 offer the same kitchen amenities and 11 offer fewer kitchen amenities than proposed at The Terrace at Cornerstone.

The majority of the properties offer a patios or balcony on most or all units. Twelve of 14 communities offer common laundry areas and two offer no laundry facilities. None of the existing communities indicated the presence of washer/dryer connections. Parking is free in surface lots for all communities. The Terrace at

Cornerstone will be competitive with its unit amenities as each unit will include a patio or balcony and a washer and dryer in each unit at no additional charge.

Overall, the number of common area amenities included depends on the size of the community and the rent levels (Table 23). The majority of the rental communities surveyed (nine) include no recreation amenities, three offer one amenity and only two offer more than one recreational amenity. The Terrace at Cornerstone will offer community gathering areas, a covered pavilion and an exercise/fitness center. The proposed amenities at The Terrace at Cornerstone are competitive with the existing rental stock.

Among the 14 properties surveyed, 11 offer one bedroom units, 10 offer two bedroom units, and 4 offer three bedroom units. Among the 9 properties able to provide a unit mix breakdown, 52 percent of the units were one bedroom units, 46 percent were two bedroom units and 2 percent were three bedroom units. The Terrace at Cornerstone will consist of one, two and three bedroom units. The proposed unit mix at The Terrace at Cornerstone is comparable with the existing rental stock and appears to be appropriate.

Street rents were adjusted to reflect inclusions of utilities and incentives. One-bedroom units range from 500 to 750 square feet and have net rents between \$405 and \$748 per month. The average one-bedroom net rent is \$560 per month for 606 square feet or \$0.93 per square foot. Two-bedroom units range from 688 to 929 square feet and have net rents between \$335 and \$790 per month. The average two-bedroom net rent is \$577 per month for 797 square feet or \$0.72 per square foot. One only community with three bedroom units provided unit square footage. Three bedroom net rents between \$610 and \$814 per month. The average three-bedroom net rent is \$714 per month for 1,128 square feet or \$0.63 per square foot. The proposed tax credit and market rate rents and rent per square foot at The Terrace at Cornerstone are higher than these averages. The 60 percent tax credit rents are located in the upper third of the communities surveyed and the marker rate units represent the top of the rental market. This position is justified given the new construction, amenities and location of the proposed community.

Table 23 - Recreational Amenities of Communities

APARTMENT	Clubhouse	Pool	Tennis	Playground	Fitness Center	Jacuzzi
Abernathy Towers	Yes	No	No	No	No	No
Anderson Park	No	No	No	No	No	No
Columbia Plaza	No	No	No	No	No	No
Courtyard at Maple	No	No	No	Yes	No	No
Donnelly Gardens	No	No	No	No	No	No
Holly Court	No	No	No	No	No	No
John L. Childs	No	No	No	No	No	No
Mount Calvary	Yes	No	No	Yes	No	No
Northside Plaza	No	No	No	No	No	No
Oakland City	No	No	No	Yes	No	No
Oakland Park Townhomes	No	No	No	No	No	No
Oglethorpe Place	No	Yes	No	Yes	Yes	No
Simpson House	No	No	No	No	No	No
Verbeba Gardens	No	No	No	No	No	No

Table 24 - Features of Rental Communities in Primary Market Area

Project	Heat Who Pays? (Landlord or Tenant)					Kitchen			Laundry	Parking	Security
	Fuel	Heat	Hot Water	Cooking	Water	D/W	Micro	Disposal			
Abernathy Towers	Elec	L	L	L	L			yes	Facility	Surface	
Anderson Park	Gas	T	T	T	L			yes	Facility	Surface	
Columbia Plaza	Gas	T	T	T	L			yes	Facility	Surface	
Courtyard at Maple	Elec	T	T	T	L	yes		yes	Facility	Surface	
Donnelly Gardens	Gas	T	T	T	L				Facility	Surface	
Holly Court	Gas	T	T	T	L				None	Surface	
John L. Childs	Elec	L	L	L	L			yes	Facility	Surface	
Mount Calvary	Gas	T	T	T	T				Facility	Surface	
Northside Plaza	Gas	T	T	T	L	yes		yes	None	Surface	
Oakland City	Gas	T	T	T	L			yes	Facility	Surface	
Oakland Park Townhomes	Gas	T	T	T	L				Facility	Surface	
Oglethorpe Place	Elec	T	T	T	T	yes		yes	Facility	Surface	
Simpson House	Both	T	T	T	L				Facility	Surface	
Verbeba Gardens	Gas	T	T	T	L				Facility	Surface	

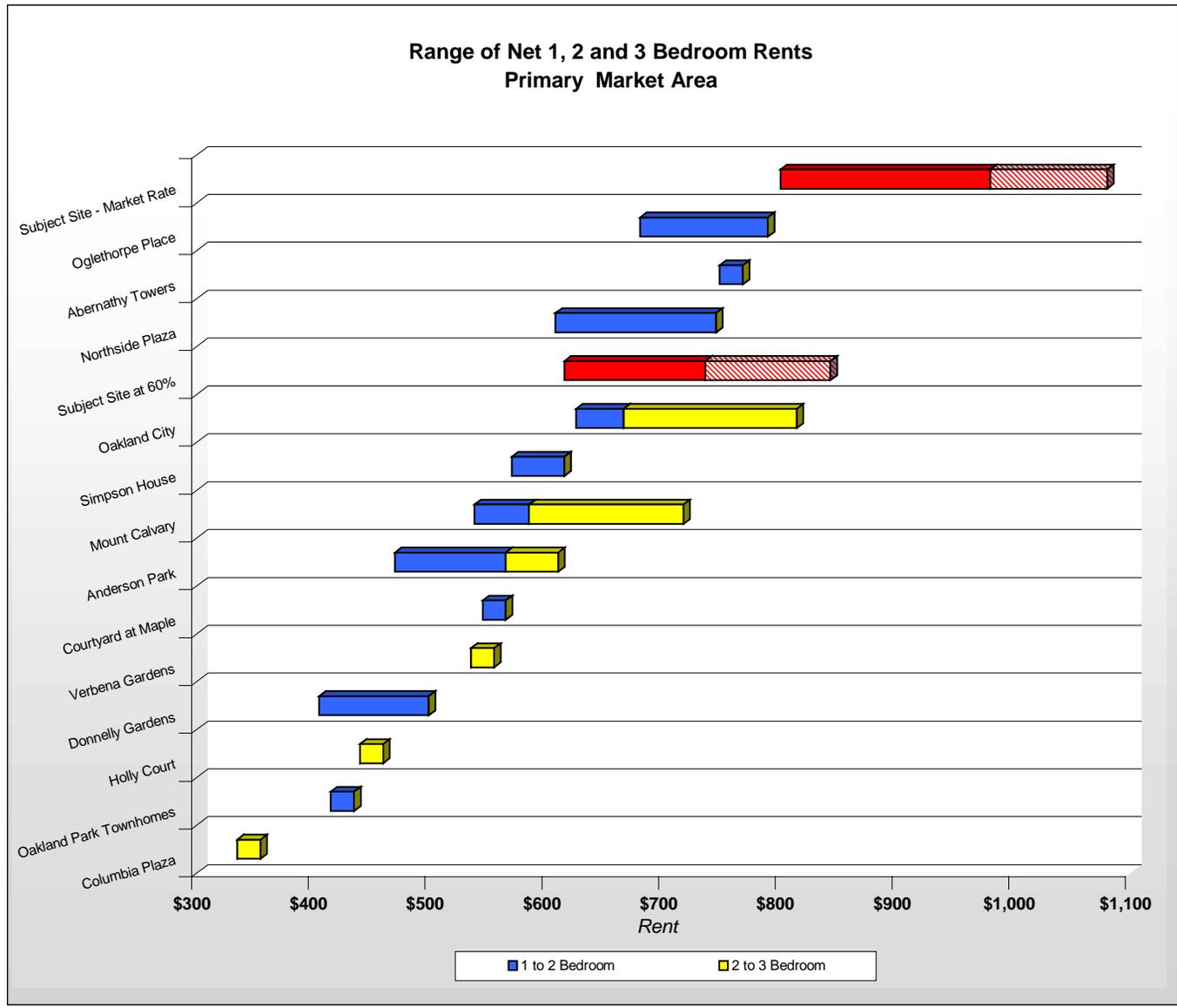
Table 25 - Salient Characteristics, Surveyed Rental Communities

Community	Type	Total Units	(1) One Bedroom Units			(1) Two Bedroom Units			(1) Three+ Bedroom Units					
			Units	Rent	SF	Rent/SF	Units	Rent	SF	Rent/SF	Units	Rent	SF	Rent/SF
Oglethorpe Place	Garden	144		\$680	550	\$1.24		\$790	688	\$1.15				
Northside Plaza	Garden	127		\$608	570	\$1.07		\$745	867	\$0.86				
Mount Calvary	High-rise&TH	180		\$538				\$585					\$717	
Oakland City	Garden&TH	111	14	\$625			66	\$666			19		\$814	
Simpson House	Garden	76		\$570				\$615						
Anderson Park	Garden	96	4	\$470			88	\$565			4		\$610	
Verbena Gardens	Garden	102					102	\$535	800	\$0.67				
Donnelly Gardens	Garden	250	176	\$405	750	\$0.54	66	\$499	929	\$0.54				
Holly Court	Garden	52					52	\$440						
Columbia Plaza	Garden	96					96	\$335	760	\$0.44				
Oakland Park Townhomes	Garden	60	60	\$415										
John L. Childs	High-rise	250	200		616		1		736		1		1128	
Courtyard at Maple	Garden	48		\$545	649	\$0.84								
Abernathy Towers	High-rise	99	75	\$748	500	\$1.50								
Average / Total		1,691		\$560	606	\$0.93		\$577	797	\$0.72		\$714	1,128	\$0.63
Unit Distribution		1,024	529				471				24			
% of Total		61%	52%				46%				2%			

(1) Rent is adjusted, net of utilities and incentives

Source: Field Survey, Real Property Research Group, Inc. May, 2002.

Figure 4 - Product Position



As the figure on the preceding page illustrates, there is no break in the range of net rents in the primary market area. Price points are consistently covered by the existing rental stock. The proposed tax credits at The Terrace at Cornerstone are priced near the upper third of the range of net rents and the market rate rents will represent the top of the market. As mentioned previously, these rents are appropriate and will be competitive given the proposed location and product to be constructed.

B. Proposed Developments

There are no known rental communities proposed with the borders of the primary market area. This includes both new construction and major rehabilitations.

IX. Interviews

Information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included property managers, individuals with the chamber of commerce, Atlanta Housing Authority, and local planning officials. All pertinent information obtained was included in the appropriate section of this report.

X. Conclusions and Recommendations

Proposed Site Location

- The proposed site is located on the north side of Ralph David Abernathy Boulevard east of Joseph A. Lowery Boulevard. The proposed site is adjacent to the west side of the West End Mall. The site is bordered to the north by Oak Street, to the east by the West End Mall, to the south by Abernathy Boulevard, and to the west by Lowery Boulevard.
- The proposed site will be compatible with surrounding land uses as there is a moderate amount of rental housing located within approximately one mile of the proposed site. There is also a substantial amount of low to moderate income single family development in the immediate area. The majority of these single family homes are located on the site streets in the area including Oak Street and Lee Street which intersect with Lowery and Abernathy Boulevards respectively near the site.
- There are no apparent physical disadvantages to the site.

Proposed Amenities

- The Terrace at Cornerstone will include a fully equipped kitchen with a stove, refrigerator, a dishwasher, and a garbage disposal. Common area amenities include a community areas, a covered pavilion and an exercise/fitness center.
- The Terrace at Cornerstone will include a washer and dryer in each unit at no additional cost.
- The proposed unit and common area amenities are very competitive within the primary market area. These amenities will be unmatched by any exiting rental community in the market area..

Demographic Analysis

- According to 2000 Census data, the proposed development is compatible with the demographic composition of the primary market area.
- The marriage rate, persons per household and existence of children in a large percentage of the household in the primary market area indicate the need for larger rental units.

Proposed Unit Mix and Rent Schedule

- The proposed unit mix consists of one, two, and three bedroom tax credit units at 50 and 60 percent of the Area Median Income. There will also be a market rate component at The Terrace at Cornerstone.
- All floorplans to be included at The Terrace at Cornerstone are common in the primary market area's existing stock. The proposed floorplans will appeal to a large range of household sizes from single renters to large families.
- The proposed tax credit rents at The Terrace at Cornerstone are priced in the upper tier of the rental market above the average rents.
- The market rate rents will redefine the upper end of the range on net rent. These rents are appropriate and reasonable give the proposed location and the competitiveness of the product to be constructed. The existing rental stock consists of older rental communities that have not been particularly well maintained and do not provide the extensive amenities proposed at The Terrace at Cornerstone. It is anticipated that the proposed development will not only appeal to renters currently residing in the PMA, but also will encourage those from surrounding communities to relocate to the West End.

Affordability Analysis

- Based on household income distributions produced by Claritas, 70.34 percent of the households in the primary market area earn less than the maximum income limit for the three bedroom units at 60 percent of the AMI.
- When a minimum income limit is introduced, 25.35 percent earn below the maximum income limit and above the minimum income limit. This minimum income limit will apply to those householders without Section 8 voucher rental assistance.
- Based on the 2004 household estimate of 29,330 for the primary market area, there are 16,135 households with incomes below the maximum income limit and 7,436 of these household also earn more than the minimum income limit.

Demand and Capture Rates

- Using the methodology stipulated by DCA, we find that there will be 9,310 renter households as a result renter households living in substandard conditions, rent over burdened households, and renter household growth between 2002 and 2004.
- By applying the income qualification percentages discussed earlier to this demand number, we calculate that there is demand for 2,359 additional units addressing the income target market in the primary market area.
- This demand estimate results in a capture rate of 4.1 percent with a minimum income limit and 1.5 percent without a minimum income limit. Based on the product to be constructed and the proposed location, these capture rates are considered achievable.

Final Conclusion

- Given the attractive location, low proposed rents, competitive unit sizes, and extensive amenities to be offered at The Terrace at Cornerstone, it is conservatively estimated that the proposed development will lease approximately 15 to 17 units per month. At this rate, the proposed

development will achieve 95 percent occupancy within approximately eight to ten months.

- Based the data presented in this report, we find that The Terrace at Cornerstone passes the market study test as proposed.

Appendix 1 - Underlying Assumptions and Limiting Conditions

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are no existing judgments nor any pending or threatened litigation which could hinder the development, marketing or operation of the subject project.

The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.

Appendix 2 - Analyst Certification

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



Tad Scepianiak
Regional Director
Real Property Research Group, Inc.

June 21, 2002

Date

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years or both.

Appendix 3 - Resumes

TAD SCEPANIAK

Mr. Scepaniak directs our Atlanta office. He has approximately eight years of experience in the field of residential rental market research. Before joining the firm, Tad was president of MarketQuest, where he was involved extensively in the Low Income Tax Credit program throughout the entire United States. Mr. Scepaniak has completed work in approximately 25 states and Puerto Rico over the past eight years. He also has experience conducting studies under the HUD 221d program, market rate rental properties, and student housing developments. Along with work for developer clients, Tad has led our research efforts for both the North Carolina and Georgia Housing Finance agencies. Mr. Scepaniak is also responsible for development and implementation of many of the firm's automated analytic systems.

Areas of Concentration:

Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.

Senior Housing: Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program, however His experience includes assisted living facilities and market rate senior rental communities.

Market Rate Rental Housing: Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

Student Housing: Tad has conducted market analysis of student housing solutions for small to mid-size universities. The analysis includes current rental market conditions, available on-campus housing options, student attitudes, and financial viability of proposed developments. Recent campus studies include Southern Polytechnic University, North Georgia State College and University, and Abraham Baldwin Agricultural College.

Education:

Bachelor of Science – Marketing Research; Berry College – Rome, Georgia.

ROBERT M. LEFENFELD

Mr. Lefenfeld has over 20 years of experience in the field of residential market research. As an officer of research subsidiaries of the accounting firm of Reznick Fedder & Silverman and Legg Mason, he has closely monitored residential markets throughout the Mid-Atlantic United States. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting market studies throughout the United States on rental and for-sale projects. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles.

Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, where he analyzed markets throughout the Eastern United States and evaluated the company's active building operation on an ongoing basis.

Bob has lectured and written extensively on the subject of residential real estate market analysis. He has served as a panel member, speaker, and lecturer at events held by the National Association of Homebuilders and the National Council on Seniors Housing. Recent articles have appeared in ULI's Multifamily Housing Trends magazine and Mid-Atlantic Builder. He is also a founding member of the recently formed Council of Affordable Housing Market Analysts, which is part of the National Housing and Rehabilitation Association.

Areas of Concentration:

Strategic Assessments: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.

Feasibility Analysis: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects of these analyses have included for-sale single family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations, and continuing care facilities for the elderly. In addition, he has conducted feasibility work in conjunction with Hope VI applications for redevelopment of public housing sites and analyses of rental developments for 221(d)4 insurance and tax credit applications.

Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for-sale housing, pipeline information, and rental communities. Information compiled is committed to a Geographic Information System (GIS), allowing the comprehensive integration of data.

Education:

Masters of Urban and Regional Planning; The George Washington University.
Bachelor of Arts, Political Science; Northeastern University.

Appendix 4 - Community Photos and Profiles