
A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY

CAPITOL GATEWAY APARTMENTS-PHASE I

**LOCATED AT
89 MEMORIAL DRIVE
ATLANTA, FULTON COUNTY, GEORGIA**

March 15, 2005

Prepared For

**Mr. David Bartlett
Georgia Department of Community Affairs
60 Executive Park South, NE
Atlanta, GA 30329**

Prepared By

**Novogradac & Company, LLP,
2325 Lakeview Pkwy
Suite 450
Alpharetta, GA 30004
678.867.2333**



**NOVOGRADAC
& COMPANY LLP**
CERTIFIED PUBLIC ACCOUNTANTS

March 15, 2005

Mr. David Bartlett
Georgia Department of Community Affairs
60 Executive Park South, NE
Atlanta, Georgia 30329

Re: Market Study for the Proposed Development of Capitol Gateway Apartments-Phase I in Atlanta, Georgia

Dear Mr. Bartlett:

At your request, Novogradac & Company, LLP performed a study of the multifamily rental market in Atlanta, Fulton 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 property known as Capitol Gateway Apartments-Phase I, the proposed construction of a family development consisting of 266 units. 160 of the Subject units will be affordable rental units restricted to households earning 60 percent or less of the Area Median Gross Income (AMI). The remaining 106 units will be market rate units. 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.

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

Respectfully submitted,



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP



Sandra McAlister Winter, MAI
Principal
Novogradac & Company LLP



Kelly Crouch
Real Estate Analyst
Novogradac & Company LLP

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

of such systems.

20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. This consulting report specifically permitted no contact with or disclosure of who the Subject developer is, and reliance solely upon information received from IFA was utilized in this analysis.
22. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

TABLE OF CONTENTS

A. EXECUTIVE SUMMARY AND CONCLUSIONS..... 1

B. PROJECT DESCRIPTION 8

C. SITE EVALUATION 13

D. MARKET AREA 20

E. COMMUNITY DEMOGRAPHIC DATA..... 23

F. PROJECT-SPECIFIC DEMAND ANALYSIS 33

G. SUPPLY ANALYSIS..... 51

H. PROPERTY INTERVIEWS 78

I. CONCLUSIONS AND RECOMMENDATIONS 89

J. SIGNED STATEMENT REQUIREMENTS 93

K. ANALYST QUALIFICATIONS 95

EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

Subject Property Overview:

Capitol Gateway Apartments-Phase I (Subject) is the proposed construction of a new apartment community to be located at the former Capitol Homes site (a former public housing development) located east of I-75/I-85 and north of I-20. The Subject is located on the south side of Memorial Drive. The Subject site is located within Census Tract 48, Block Group 1, Blocks 1001 and 1006. A site plan is included in the Addenda.

The Subject property will consist of 266 total units. 160 of these units are restricted to tenants at or below the 60 percent AMI level. The remaining 106 units will be market rate units. The Subject will include 6 efficiency units, 65 one-bedroom units, 167 two-bedroom units, 25 three-bedroom units, and three four-bedroom units. 86 of the total units will be reserved and rented to public housing tenants.

The total estimated hard costs for the proposed acquisition and construction of the 266 units is \$21.8 million or approximately \$82,000 per unit.

The Subject development is a part of a larger master planned development known as Capitol Gateway. The master plan for the Capitol Gateway development will include 857 multifamily rental units and 90 home ownership units. The master plan also includes new retail development along Memorial Drive, and a new multi-purpose community center. This plan is similar to the mixed-use, mixed-income development that has been successful in other parts of the city including the Villages of Castleberry, the Villages at Carver, and Centennial Place. Centennial Place is located within the PMA and is included in our survey of comparable properties.

Projected Place-In-Service Date:

The projected placed-in-service date is July 1, 2006.

Development Location:

The development location is defined as the area east of Martin Street, west of Connolly Street, north of Logan Street, and south of Memorial Drive in Atlanta, Fulton County, Georgia.

Construction Type: According to the Georgia Department of Community Affairs Office of Affordable Housing’s 2004 Funding Core Application, Phase I of the improvements will consist of 13 residential apartment buildings and a free standing leasing/community building. The buildings will be wood frame structures and will range from two to four stories. Roofs are pitched with asphalt shingles. The exterior walls will be composed of a combination of brick, and hardi-plank siding. The interior flooring will be composed of carpeting and sheet vinyl composition in the kitchen and bath areas. The walls and ceilings will be painted drywall.

Occupancy Type: Family

Target Income Group: The proposed unit mix includes 86 public housing units reserved to households earning no more than 60 percent of the area median income. 74 units will be rent restricted, Low Income Housing Tax Credit (LIHTC) units governed by Section 42 of the Internal Revenue Code, restricted to households earning no more than 60 percent of the area median income. Household sizes will range from one to six persons. The maximum household income level is \$49,560. The remaining 106 units will be market rate units.

Land Area: Phase I is a 7.7-acre portion of a larger 32-acre site.

Unit Mix:

PUBLIC HOUSING UNITS						
Unit Type	Number of Units	Net Rent	Estimated Utility Allowance ¹	Gross Rent ²	Maximum Allowable Gross Rent Per DCA	% Rental Advantage over Max Allowable DCA Rents
Efficiency	2	BOI	\$79	BOI	\$747	0.0%
1BR/1BA	21	BOI	\$106	BOI	\$801	0.0%
2BR/2BA	54	BOI	\$136	BOI	\$961	0.0%
3BR/2BA	8	BOI	\$169	BOI	\$1,110	0.0%
4BR/2BA	1	BOI	\$209	BOI	\$1,239	0.0%
Total	86					

1. Utility Allowance provided by the developer
2. These units will be restricted to those persons at or below the 60% AMI level

LIHTC UNITS AT 60 PERCENT AMI						
Unit Type	Number of Units	Net Rent	Estimated Utility Allowance ¹	Gross Rent	Maximum Allowable Gross Rent Per DCA	% Rental Advantage over Max Allowable DCA Rents
Efficiency	2	\$668	\$79	\$747	\$747	0.0%
1BR/1BA	18	\$695	\$106	\$801	\$801	0.0%
2BR/2BA	46	\$825	\$136	\$961	\$961	0.0%
3BR/2BA	7	\$941	\$169	\$1,110	\$1,110	0.0%
4BR/2BA	1	\$1,030	\$209	\$1,239	\$1,239	0.0%
Total	74					

1. Utility Allowance provided by the developer

MARKET RATE UNITS						
Unit Type	Number of Units	Net Rent	Estimated Utility Allowance ¹	Gross Rent	Maximum Allowable Gross Rent Per DCA	% Rental Advantage over Max Allowable DCA Rents
Efficiency	2	\$747	N/Ap	\$747	N/Ap	N/Ap
1BR/1BA	26	\$801	N/Ap	\$801	N/Ap	N/Ap
2BR/2BA	67	\$1,150	N/Ap	\$1,150	N/Ap	N/Ap
3BR/2BA	10	\$1,415	N/Ap	\$1,415	N/Ap	N/Ap
4BR/2BA	1	\$1,526	N/Ap	\$1,526	N/Ap	N/Ap
Total	106					

Surrounding

Land Uses:

Capitol Gateway Apartments-Phase I is located in the south central area of Fulton County in downtown Atlanta. The site is located at 89 Memorial Drive, and is more specifically defined as the area east of Martin Street, west of Connolly Street, north of Logan Street, and south of Memorial Drive. The general area of the Subject is comprised of single-family dwellings, multi-family apartments, a public elementary school, multiple smaller commercial and retail businesses, and light industrial uses. The area is considered urban and is located within the Atlanta city limits.

Surrounding land uses are as follows:

North: Immediately north of the Subject is Memorial Drive, a major road artery. Further north, across Memorial Drive is a mix of light industrial buildings, including several industrial buildings that are occupied by Conklin Metal Industry. There is also a small commercial building containing a deli and a medical office north of the Subject. Many area attractions and amenities are located

within the vicinity of the Subject. The following are located within 1.5 miles north of the Subject: Grady Memorial Hospital, Underground Atlanta, the State Capitol, Centennial Park, Georgia World Congress Center, Oakland Cemetery, and Georgia State University.

South: Immediately south and adjacent to the Subject site is the Martin Luther King Village, a former public housing development that is undergoing demolition. This site will be used for future phases of Capitol Gateway. Interstate 20 is located south of the former MLK Village. Further south, across I-20 are numerous newer multifamily developments including Columbia at Peoplestown and the Square at Peoplestown, both of these properties are considered to be comparable to the Subject and are included in our supply analysis. Turner Field is located approximately three quarters of a mile south of the Subject.

East: Immediately east of the property is Cooks Elementary School. There is a Family First community center directly behind the school, adjacent to the Subject site. East of the school, at the intersection of Memorial Drive and Hill Street is a BP gas station and convenient store. The historic Grant Park community is located approximately 0.6 miles from the Subject. Grant Park, like many of downtown Atlanta neighborhoods, is undergoing revitalization. Many of the homes are being renovated or simply torn down and reconstructed. Homes vary in age from the 1920's to current construction. Prices range from \$120,000 to \$300,000. The Georgia Cyclorama and Zoo Atlanta are also located in Grant Park.

West: Immediately west of the Subject site are the remaining blocks of the development site that will be used for additional phases for the Subject's master plan. These lots are currently vacant. West of the site is the Georgia Archive Building. Further west, is the Interstate 75 and 85 connector. West, beyond the connector, is primarily a residential area. Several of the Subject's comparables that we used in the supply analysis section are located in this neighborhood. These include City View @ Rosa Burney Park, the Pittsburgh redevelopment project that has not yet begun construction, and the Toby Sexton redevelopment project that is completed. Single-family homes in this area were primarily built around the 1920's to the 1950's. Average prices in the immediate area range from \$50,000 to \$90,000 and are in average to poor condition.

Inspection Date:

The property site was inspected on March 10, 2005 and March 15, 2005.

**Ownership and History
Of the Subject:**

According to the Fulton County Tax Assessor's Office the Subject site is currently owned by the Atlanta Housing Authority. Capitol Gateway, LLC, was selected by the Housing Authority of the City of Atlanta to serve as the developer for the redevelopment of the former Capitol Homes public housing community. Capitol Gateway, LLC is a joint venture between Integral Properties, LLC, Trammell Crow Residential, and Urban Realty Partners.

Market Conclusions:

Both the Atlanta MSA and the PMA have experienced healthy growth in population, households, and median household income. The population growth within the PMA, albeit moderate, is projected to outpace the annual growth rate reported in the past decade. Similar to population, the rate of growth in the number of households within the PMA is projected to be moderate. The rate of growth in households in the PMA is expected to be slightly more than the rate of growth in the population. This suggests a decrease in the average household size. The MSA has a larger than typical households when compared to the national average of 2.59. However, the PMA which is located in a very urban area of downtown Atlanta, has an average household size of 2.08. In general, the average household size reported within the PMA is expected to be conducive to the large number of one and two bedroom units proposed by the Subject.

Both the Atlanta MSA and Fulton County have demonstrated steady business and employment growth over the past ten years. In fact, the overall number of persons employed in Fulton County has increased steadily over the past decade excluding 2001. Unemployment rates in Fulton County have fluctuated a great deal over the last decade; from 6.5 percent in 2002 to 3.6 percent in 2000. Overall, the unemployment rates exhibited by both the MSA and Fulton County have been below the national average over the past decade. All of these factors are considered to be positive indicators for the economic viability of the market area surrounding the Subject.

The Subject is located in the Eastside Tax Allocation District (TAD) created by the Atlanta Development Authority. On February 3, 2005, the Atlanta Development Authority approved seven downtown projects for the Eastside Tax Allocation District Funding for the Subject was included. These developments represent \$312 million in capital investments for the area over the next few years. These developments are now awaiting bond approval by the City Council.

Capture Rates:

Our demand analysis illustrates that the Subject's capture rates for the public housing units range from one to three percent with an overall rate of one percent. The remaining LIHTC units at the 60 percent AMI level vary from one to seven percent with an overall capture rate of four percent. Overall capture rates for all LIHTC units (including the public housing units) at the 60 percent level range from zero to five percent with an overall capture rate of two percent. Overall, demand for the Subject's LIHTC units is considered favorable. Capture rates for the market rate units range from one to seven percent, with an overall capture rate of four percent. All of the capture rates exhibited by the Subject's LIHTC units are significantly below the DCA maximum of 30 percent.

Projected Absorption Period:

As stated, the demand analysis illustrated that the Subject's overall capture rates for all LIHTC units vary from zero to five percent with an overall capture rate of two percent, this includes the public housing units. Overall, demand for the Subject's LIHTC and market rate units is considered favorable.

According to data obtained from our May 2004 market report on the general market conditions of the LIHTC apartment market in Atlanta, nine of the 58 LIHTC properties surveyed were recently constructed and four of the property managers were able to furnish some indication of unit absorption. The absorption rates reported for LIHTC multi-family developments constructed between 2000 and 2003 ranged from 15 to 30 units per month, with an overall average of 24 units per month per property. This equates to an absorption rate of 96 units per month in the total market. In order to reach a stabilized occupancy of 95 percent, 253 units of the Subject's units would need to be leased. When considering the Subject's 266 total units and an additional 750 units that have been allocated in the Subject's PMA from 1999 to 2004, the number of units required to achieve stabilization reaches 966 units. Using the indicated market average of 96 units per month for absorption, results in an estimate of approximately ten months of supply. The projected market entry date for the Subject is July 1, 2006. At this time, we believe the market will be partially stabilized.

We also interviewed Auburn Glenn, which was completed in July of 2004 with regards to their absorption pace. The property currently has 49 units leased. The majority of these units are tax credit units. The property began marketing its units in March of 2004. If we include the pre-leasing time period the absorption pace equates to 4 units per month. The property is currently offering one month free on its market-rate units as an incentive to induce new tenants. We believe it may have experienced a slow absorption

pace because its rents are substantially higher than the comparables we surveyed. We also spoke with the property manager of a new market rate property, Highland Walk. Highland Walk began leasing its units in August 2003. The property currently has 339 units occupied. This equates to an absorption pace of 18 units per month. However, the Property Manager reported average absorption at 30 units per month if you include turnover. Because the Subject property will offer public housing units, LIHTC, and market rate units we believe it should experience a quicker absorption pace than the market-only property. We estimate a property-specific absorption rate of 20 units per month, which means the Subject is projected to achieve stabilization by the end of the third quarter in 2007. Once stabilized, the Subject is expected to maintain an occupancy level of 93 percent or better. This absorption pace assumes the recommended rents are utilized.

Market Study Conclusion: As stated, our demand analysis illustrates that the Subject’s capture rates for the public housing units range from one to three percent with an overall rate of one percent. The remaining LIHTC units at the 60 percent AMI level vary from one to seven percent with an overall capture rate of four percent. Overall capture rates for all LIHTC units (including the public housing units) at the 60 percent level range from zero to five percent with an overall capture rate of two percent. Overall, demand for the Subject’s LIHTC units is considered favorable. Capture rates for the market rate units range from one to seven percent, with an overall capture rate of four percent. All of the capture rates exhibited by the Subject’s LIHTC units are significantly below the DCA maximum of 30 percent.

As proposed, the Subject’s rents are equal to the maximum rents allowed by the Georgia DCA. Based on our comparable survey, as described in the supply section of this report, we have projected the achievable LIHTC rents in the following chart in comparison to the developer’s proposed rents.

Bedroom -type	Developer’s Proposed LIHTC Rents	Novogradac’s Projected LIHTC Rents
0BR	\$668	\$575
1BR	\$695	\$625
2BR	\$825	\$725
3BR	\$941	\$825
4BR	\$1,030	\$925

PROJECT DESCRIPTION

Our description of the improvements is based on a site inspection as well as information provided by the developer. The Subject, is the proposed construction of an apartment development known as Capitol Gateway Apartments-Phase I. The property is currently cleared and construction should start during the first half of 2005 with units available July 1, 2006. We assume that the following information provided on the Georgia Department of Community Affairs Office of Affordable Housing 2004 Core Funding Application is correct.

Date of Construction: Construction on the proposed Subject is expected to begin June 2005. The total construction period is projected to be approximately 12 months. According to the Core Application submitted to the Georgia DCA, the projected placed in service date is July 1, 2006. We have utilized the projected placed in service date of July 2006 as the date of entry in our demand analysis.

Development Location: The development site is located at 89 Memorial Drive in Atlanta, Fulton County, Georgia. This location is within the downtown Atlanta CBD and is more specifically defined as the area east of Martin Street, west of Connolly Street, north of Logan Street, and south of Memorial Drive in Atlanta, Fulton County, Georgia.

Construction Type: According to the Georgia Department of Community Affairs Office of Affordable Housing's 2004 Funding Core Application, Phase I of the improvements will consist of 13 residential apartment buildings and a free standing leasing/community building. The buildings will be wood frame structures and will range from two to four stories. Roofs are pitched with asphalt shingles. The exterior walls will be composed of a combination of brick, and hardi-plank siding. The interior flooring is composed of carpeting and sheet vinyl composition in the kitchen and bath areas. The walls and ceilings will be painted drywall.

Target Income Group: The proposed unit mix includes 86 public housing units reserved to households earning no more than 60 percent of the area median income. 74 units will be rent restricted, Low Income Housing Tax Credit (LIHTC) units governed by Section 42 of the Internal Revenue Code, restricted to households earning no more than 60 percent of the area median income. Household sizes will range from one to six persons. The maximum household income level is \$49,560. The remaining 106 units will market rate units.

Special Population Target: Not Applicable

Unit Mix and Rents:

PUBLIC HOUSING UNITS						
Unit Type	Number of Units	Net Rent	Estimated Utility Allowance¹	Gross Rent²	Maximum Allowable Gross Rent Per DCA	% Rental Advantage over Max Allowable DCA Rents
Efficiency	2	BOI	\$79	BOI	\$747	0.0%
1BR/1BA	21	BOI	\$106	BOI	\$801	0.0%
2BR/2BA	54	BOI	\$136	BOI	\$961	0.0%
3BR/2BA	8	BOI	\$169	BOI	\$1,110	0.0%
4BR/2BA	1	BOI	\$209	BOI	\$1,239	0.0%
Total	86					

1. Utility Allowance provided by the developer
2. These units will be restricted to those persons at or below the 60% AMI level

LIHTC UNITS AT 60 PERCENT AMI						
Unit Type	Number of Units	Net Rent	Estimated Utility Allowance¹	Gross Rent	Maximum Allowable Gross Rent Per DCA	% Rental Advantage over Max Allowable DCA Rents
Efficiency	2	\$668	\$79	\$747	\$747	0.0%
1BR/1BA	18	\$695	\$106	\$801	\$801	0.0%
2BR/2BA	46	\$825	\$136	\$961	\$961	0.0%
3BR/2BA	7	\$941	\$169	\$1,110	\$1,110	0.0%
4BR/2BA	1	\$1,030	\$209	\$1,239	\$1,239	0.0%
Total	74					

1. Utility Allowance provided by the developer

MARKET RATE UNITS						
Unit Type	Number of Units	Net Rent	Estimated Utility Allowance¹	Gross Rent	Maximum Allowable Gross Rent Per DCA	% Rental Advantage over Max Allowable DCA Rents
Efficiency	2	\$747	N/Ap	\$747	N/Ap	N/Ap
1BR/1BA	26	\$801	N/Ap	\$801	N/Ap	N/Ap
2BR/2BA	67	\$1,150	N/Ap	\$1,150	N/Ap	N/Ap
3BR/2BA	10	\$1,415	N/Ap	\$1,415	N/Ap	N/Ap
4BR/2BA	1	\$1,526	N/Ap	\$1,526	N/Ap	N/Ap
Total	106					

Structure Type:

According to the Georgia Department of Community Affairs Office of Affordable Housing’s 2004 Funding Core Application, Phase I of the improvements will consist of 13 residential apartment buildings and a free standing leasing/community building. The buildings will be wood

frame structures and will range from two to four stories. Roofs are pitched with asphalt shingles. The exterior walls will be composed of a combination of brick, and hardi-plank siding. The interior flooring is composed of carpeting and sheet vinyl composition in the kitchen and bath areas. The walls and ceilings will be painted drywall.

Unit Amenities:

All units will feature frost-free refrigerator, electric range with overhead vent hood, dishwasher, garbage disposal, mini blinds, patio or balcony, and central heat and air conditioning. All of the units will offer washer and dryer connections.

Community Amenities:

The site features controlled access gates and a free-standing clubhouse/leasing office. Each block in the development will also feature a tot lot, laundry facility, and trash compactor.

Parking:

The site will offer 403 surface parking spaces. This equates to approximately 1.5 spaces per unit. Overall, parking appears adequate at the Subject.

Construction Plan:

The construction of Phase I of the proposed Subject community is expected to take approximately 15 months. The Subject's proposed unit mix will consist of efficiency, one, two, three, and four-bedroom units. The sponsor of the proposed Subject development plans to build 266 units in 13 residential buildings. The complex will offer both garden-style units and townhome units. The total estimate of hard costs for the new construction is \$21.8 million or approximately \$82,000 per unit. Construction of the apartments is expected to begin in June 2005 and completed within 12 months. The market study assumes the construction of the proposed improvements as outlined by the Sponsor in the application for the Georgia DCA. A projected market entry date of July 1, 2006 is utilized in our analysis.

Conclusion:

The Subject is located in an urban area that appears to be in the revitalization stage of the neighborhood life cycle. Evidence of this is provided by the proposed mixed-use development consisting of commercial, office, single-family and multifamily housing developments included in the master plan for the Capitol Gateway Development, of which the Subject is part. Evidence is also provided by the recent development of several new multifamily developments within the PMA and the new development and rehabilitation of single-family homes in the area of the

Subject. The neighborhood's proximity to the Atlanta CBD offers various and well diversified employment opportunities. Nearby highway access is excellent with an exit to and from I-75/I-85 located within one-third mile west of the Subject. Access to I-20 is located within one-half mile southwest of the Subject. In general, the proposed improvements will be a positive addition to the neighborhood and will be very competitive.

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: March 10, 2005 and March 15, 2005.

Frontage: The Subject has frontage along Memorial Drive, Connelly Drive, Woodward Drive, and Martin Drive. Memorial Drive is a major surface street for the Atlanta downtown area while, Connelly, Woodward, and Martin are secondary residential roads.

Topography: The Subject's topography is gently rolling and mostly cleared. There are a few mature trees on the site and their removal is prohibited.

Visibility/Views: *North:* Immediately north of the Subject is Memorial Drive, a major road artery. Further north, across Memorial Drive is a mix of light industrial buildings, including several industrial buildings that are occupied by Conklin Metal Industry. There is also a small commercial building containing a deli and a medical office north of the Subject. Many area attractions and amenities are located within the vicinity of the Subject. The following are located within 1.5 miles north of the Subject: Grady Memorial Hospital, Underground Atlanta, the State Capitol, Centennial Park, Georgia World Congress Center, Oakland Cemetary, and Georgia State University.

South: Immediately south and adjacent to the Subject site is the Martin Luther King Village, a former public housing development that is undergoing demolition. This site will be used for future phases of Capitol Gateway. Interstate 20 is located south of the former MLK Village. Further south, across I-20 are numerous newer multifamily developments including Columbia at Peoplestown and the Square at Peoplestown, both of these properties are considered to be comparable to the Subject and are included in our supply analysis. Turner Field is located approximately three quarters of a mile south of the Subject.

East: Immediately east of the property is Cooks Elementary School. There is a Family First community center directly behind the school, adjacent to the Subject site. East of the school, at the intersection of Memorial Drive and Hill Street is a BP gas station and convenient store. The historic Grant Park community is located approximately 0.6 miles from the Subject. Grant Park, like

many of downtown Atlanta neighborhoods, is undergoing revitalization. Many of the homes are being renovated or simply torn down and reconstructed. Homes vary in age from the 1920's to current construction. Prices range from \$120,000 to \$300,000. The Georgia Cyclorama and Zoo Atlanta are also located in Grant Park.

West: Immediately west of the Subject site are the remaining blocks of the development site that will be used for additional phases for the Subject's master plan. These lots are currently vacant. West of the site is the Georgia Archive Building. Further west, is the Interstate 75 and 85 connector. West, beyond the connector, is primarily a residential area. Several of the Subject's comparables that we used in the supply analysis section are located in this neighborhood. These include City View @ Rosa Burney Park, the Pittsburgh redevelopment project that has not yet begun construction, and the Toby Sexton redevelopment project that is completed. Single-family homes in this area were primarily built around the 1920's to the 1950's. Average prices in the immediate area range from \$50,000 to \$90,000 and are in average to poor condition.

Access and Traffic Flow:

The Subject is located on the south side of Memorial Drive. The Subject will be accessed via Martin Street and Connolly Street and is not expected to have an impact on the flow of traffic on Memorial Drive. Access is considered to be above average for the Subject.

Layout and Curb Appeal:

The Subject has a multiple block layout which appears functional in design. The Subject will have above-average curb appeal.

Zoning of Surrounding Area:

The Subject was formerly the site of the Capitol Homes public housing development which has since been demolished. The Subject site maintains its former zoning for multifamily development and is therefore currently zoned for the Subject's intended use. The Subject is zoned RG-4 which allows for multifamily dwellings.

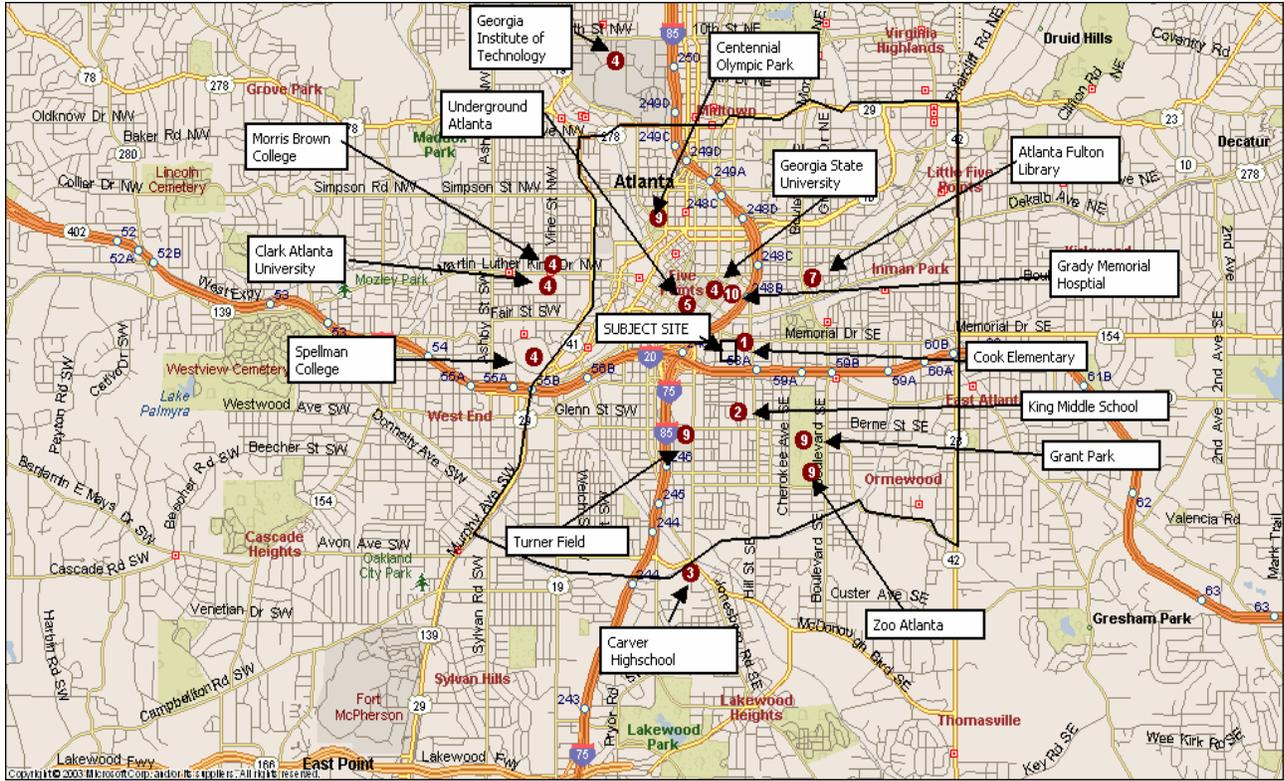
**Road/Infrastructure
Proposed Improvements:**

There exists no evidence of future roadwork or improvements within the immediate Subject neighborhood along Memorial Drive. According to the Georgia Department of Transportation and the Atlanta Regional Commission there is no significant future or planned roadwork in the Subject's immediate area.

Proximity to Local Services:

The Subject is located in proximity to many local services including medical services, employment centers, and retail. The following table details the Subject’s distance from key locational amenities. A *Locational Amenities Map*, corresponding to the following table is also provided in the addenda to this report.

LOCAL DISTANCES FROM SERVICES		
Service	Number	Distance (in Miles)
Elementary School	1	Cook Elementary School (200 yards east)
Middle School	2	King Middle School (0.5 miles east)
High School	3	Carver High School (.1.7 miles south)
Higher Education	4	Georgia State University (0.4 miles west) Clark Atlanta University (1.6 miles west) Morris Brown College (1.6 miles west) Spellman College (1.6 miles west) Georgia institute of Technology (2.5 miles north)
Shopping District	5	Underground Atlanta (0.5 miles northwest)
Employment District	6	Atlanta CBD (0.3 miles north)
Library	7	Atlanta Fulton Library (0.9 miles north)
Local Transportation-bus stops	8	MARTA Bus Stop (.2 miles east)
Local Parks and Recreation	9	Grant Park (0.8 miles southeast) Zoo Atlanta (1.2 miles southeast) Turner Field (0.8 mile southwest) Centennial Olympic Park (1.2 miles northwest)
Hospital/Medical Facilities	10	Grady Memorial Hospital (0.4 miles north)



Detrimental Influences:

No significant detrimental influences were noted.

Environmental Concerns:

None visible upon site inspection. However, according to the project narrative provided with the Georgia DCA Core Application, the latest soil reports indicated that the disposal of debris from the demolition of Capitol Homes was not properly handled. As a result, deep foundations called Geopiers will be needed to properly support the structures.

Conclusion:

The Subject is located in an urban area within the City of Atlanta. Residents of the neighborhood are able to enjoy close proximity to major arteries and local services. The Subject has above average access to area locational amenities as most of the medical, public transportation and retail services are located within two miles of the Subject. These factors will have a positive impact on the long-term prospects of the Subject's neighborhood. The Subject's proposed redevelopment will further create a positive impact upon the neighborhood by creating affordable housing. Overall, the Subject site presents an above average location for a multifamily development.

Maps (included in the Addenda):

1. Regional Map
2. Neighborhood Map
3. Map of Primary Market Area
4. Map of Rent Comparables
5. Map showing local services.
6. Showing subsidized low income housing (LIHTC, Sec 8, RD)

Photographs: (included in the Addenda):

1. Subject stating from which direction.
2. Street scenes and pertinent neighborhood photos.

D. MARKET AREA

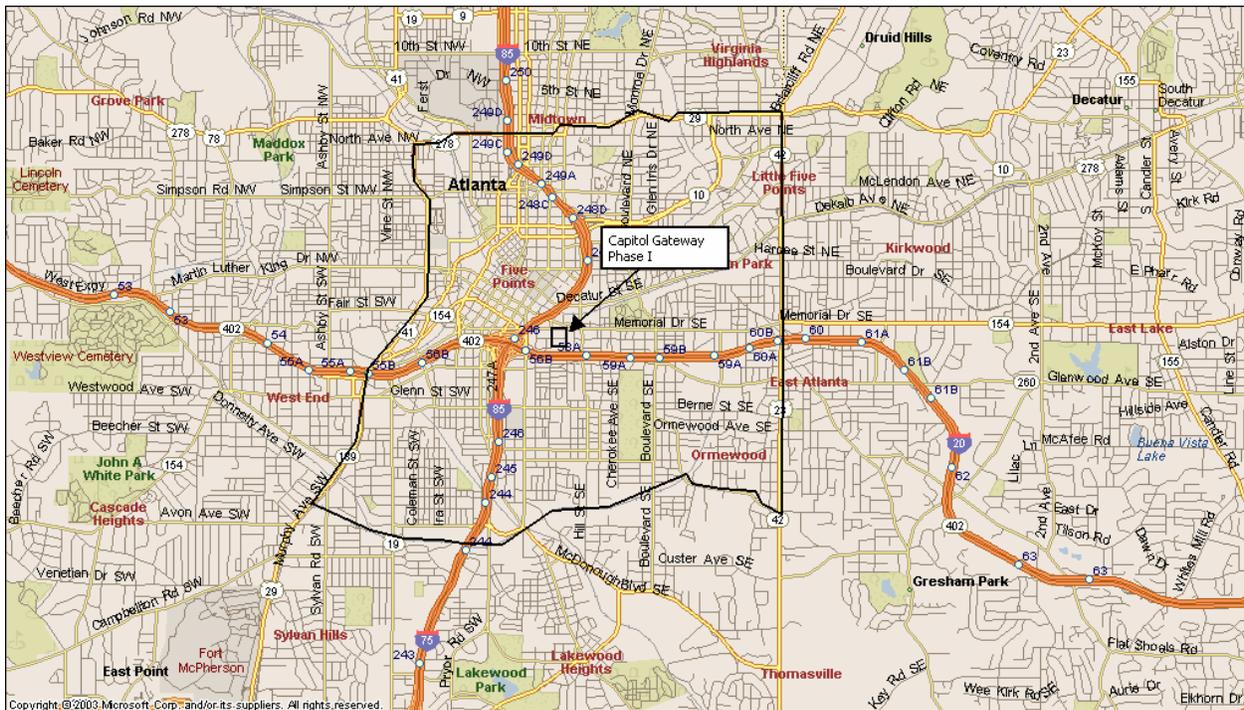
PRIMARY MARKET AREA

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.

The Subject is located at 89 Memorial Drive in Atlanta, Fulton County, Georgia. This location is within the Atlanta CBD. The primary market area is defined as an area located within the following general boundaries:

- North: Highway 29
- South: CSX Railway and East Confederate Ave.;
- East: State Route 42; and
- West: US Highway 19 and US Highway 41

The determination of this market area was influenced by conversations with surveyed property managers which reported that the majority of rental traffic originates primarily from areas throughout the Grant Park, Ormewood, and Peoplestown neighborhoods of downtown Atlanta.



Neighborhood Analysis

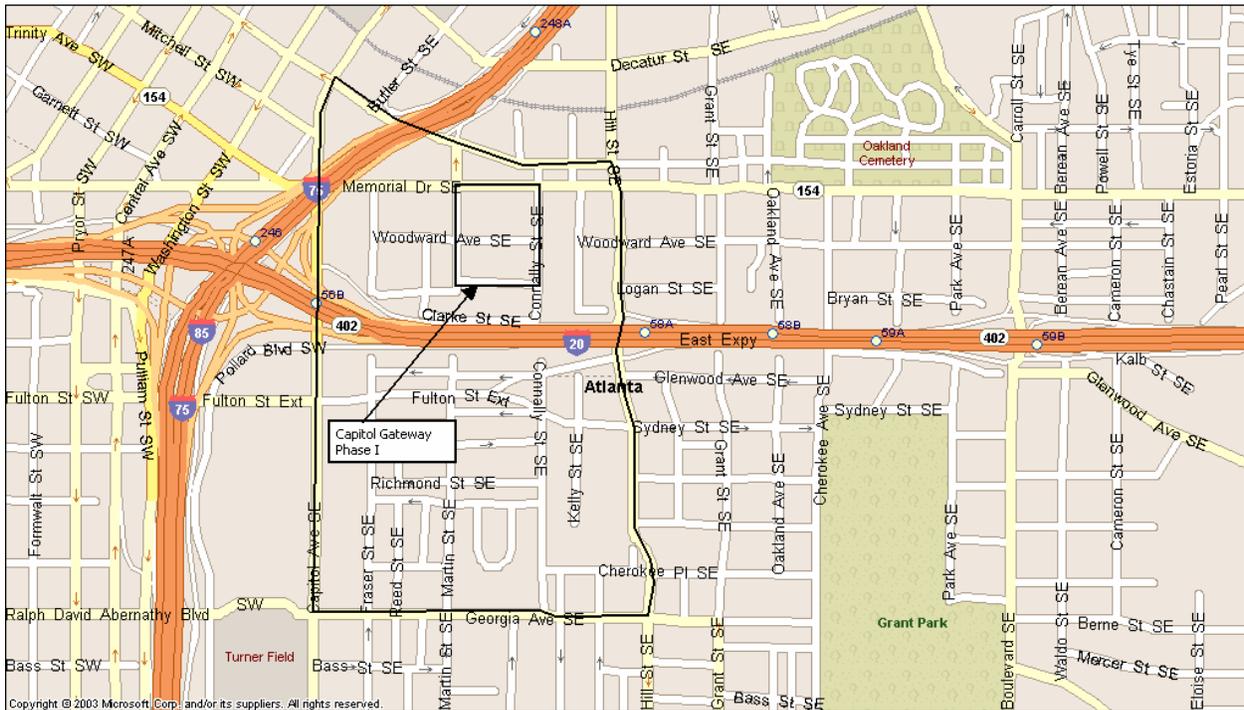
The neighborhood analysis provides a bridge between the area analysis and the study of the Subject. The goal of the neighborhood analysis is to determine how the operation of social, economic, governmental and environmental factors influences the marketability of real estate. In the neighborhood analysis,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

the Subject. Our analysis will focus on the neighborhood as a whole with individual focus on the location in the community and the demographic characteristics in the community.

The Subject is located along Memorial Drive in downtown Atlanta, Georgia. To further illustrate the location of the Subject in relation to other properties and land uses, a map of the neighborhood is presented below.

Location and Boundaries

The Subject neighborhood generally lies south of Martin Luther King Drive, west of Capital Avenue, north of Georgia Avenue and east of Hill Street. The area is primarily a residential area with retail and commercial improvements located along the major arteries.



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 Atlanta Metropolitan Statistical Area (MSA) are areas of growth or contraction. The Atlanta MSA is considered to be the secondary market area. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. Historic and estimated data will be presented for years 2000, 2004 and 2009. Data has also been projected for 2006, the year in which the Subject is expected to begin operation.

POPULATION

Year	Atlanta, GA 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	2,959,822	-	51,544	-	245,026,340	-
2000	4,112,003	3.89%	56,467	0.96%	281,421,906	1.49%
2004	4,732,235	3.77%	58,719	1.00%	295,162,777	1.22%
Prj Mrkt Entry July						
2006	5,155,143	3.57%	60,505	1.22%	304,000,200	1.20%
2009	5,578,050	3.57%	62,292	1.22%	312,837,623	1.20%

Source: ESRI Business Information Solutions, 2004 Estimates and Projections; Novogradac and Company,LLP. 3/2005.

As illustrated in the table above, the population growth in the PMA during the nineties and also during the period from 2000 to 2004 was below the average growth rate for the nation and significantly below the growth rate experienced in the MSA. In addition, the growth in the PMA has consistently increased over the last decade and is expected to outpace that of the nation over the next five years. Further, approximately 3,573 new residents are projected to enter the market over the next five years. This is a positive indicator for future demand for the Subject’s units.

Population by Age Group

Population and household growth by age group can illustrate demand or lack of demand for a housing complex that may be age-restricted. The Subject property is a family property, where eligibility is restricted by income, not by age. Populations and households of any age are eligible to reside at the Subject property.

Households

The table below describes household trends in the market area from 2000 to 2009.

HOUSEHOLDS

Year	Atlanta, GA MSA		PMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	1,102,533	-	21,034	-	90,422,019	-
2000	1,504,799	3.65%	24,454	1.63%	105,480,101	1.67%
2004	1,723,239	3.63%	25,729	1.30%	110,904,141	1.29%
Prj Mrkt Entry July						
2006	1,879,579	3.63%	26,760	1.60%	114,760,292	1.39%
2009	2,035,920	3.63%	27,790	1.60%	118,616,442	1.39%

Source: ESRI Business Information Solutions, 2004 Estimates and Projections; Novogradac and Company,LLP. 3/2005.

As illustrated in the table above, the rate of growth in households in both the PMA and MSA is higher than the estimated growth in households for the nation. The rate of growth in the number of households in the PMA is significantly lower than the rate of growth experienced within the PMA, and is expected to be slightly higher than the rate of growth in the population for the PMA. This suggests a decrease in the average household size and is a positive indicator for housing demand. The projections estimate that the growth in households will increase at a higher rate from 2004 through 2009, the addition of 2,061 households or 8.0 percent is significant. As with population growth, we believe this projected growth is a positive indicator for the Subject.

Average Household Size

Average household size is depicted in the following table from 2000 through 2009 in both the PMA and the Atlanta MSA.

AVERAGE HOUSEHOLD SIZE

Year	Atlanta, GA MSA		PMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	2.64	-	2.26	-	2.63	-
2000	2.68	0.16%	2.09	-0.74%	2.59	-0.15%
2004	2.70	0.18%	2.08	-0.19%	2.59	0.00%
Prj Mrkt Entry July						
2006	2.70	0.00%	2.06	-0.26%	2.58	-0.09%
2009	2.70	0.00%	2.05	-0.26%	2.58	-0.09%

Source: ESRI Business Information Solutions, 2004 Estimates and Projections; Novogradac and Company,LLP. 3/2005.

The MSA has larger than typical households when compared to the national average of 2.59. The PMA which is located in a very urban area of downtown Atlanta, is significantly smaller than the national average at an average household size of 2.08. This trend is typical for areas located within or near city limits where families generally move into the suburbs and out of the urban centers, while “empty-nesters” and singles remain in, and move into the core portions of the city. In general, the average household size reported within the PMA is expected to be conducive to the larger number of one and two-bedroom units proposed by the Subject.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2009. While household growth is vital to the success of a new housing development, the presence of household growth by tenure can provide support for a particular housing type. For example, for demand to exist in a rental complex, growth must be evident for renter households. The following table illustrates the current household tenure reported in the PMA and changes projected by 2009.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
1990	5,428	25.81%	15,606	74.19%
2000	7,246	29.63%	17,208	70.37%
2004	7,403	28.77%	18,326	71.23%
Prj Mrkt Entry July				
2006	7,611	28.45%	19,149	71.55%
2009	7,818	28.13%	19,972	71.87%

Source: ESRI Business Information Solutions, 2004 Estimates and Projections; Novogradac and Company,LLP. 3/2005.

The ratio of renter versus owner occupied households indicates that a significantly higher renter population exists within the PMA compared to the MSA, which exhibited a 2004 ratio of renters at approximately 32 percent. The percentage of renter households is projected to continue increasing between 2004 and 2009. The high percentage of renter households in the PMA is favorable when considering the national average for renter households is 32.4 percent, which is similar to that of the MSA. Therefore, the strong representation of renter households in the PMA is a positive indicator for the Subject’s units.

Median Household Income

The following table depicts household income within the MSA, PMA, and USA from 1990 to 2009.

MEDIAN HOUSEHOLD INCOME

Year	Atlanta, GA MSA		PMA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
1990	\$37,776	-	\$14,120	-	\$30,056	-
2000	\$55,905	4.80%	\$28,814	10.41%	\$41,994	3.97%
2004	\$65,762	4.41%	\$35,135	5.48%	\$48,664	3.97%
Prj Mrkt Entry July						
2006	\$71,855	3.71%	\$39,840	5.36%	\$52,687	3.31%
2009	\$77,947	3.71%	\$44,544	5.36%	\$56,710	3.31%

Source: ESRI Business Information Solutions, 2004 Estimates and Projections; Novogradac and Company,LLP. 3/2005.

As the table above indicates, the rate of growth in the median household income in the PMA is expected to be significantly more than the rate of growth in the MSA’s median household income. However, the annual increase within the PMA based on the dollar amount is significantly less than the MSA. The PMA is a relatively low-income area with median

household income at \$35,135 as of 2004. Households with annual incomes from \$0 to \$49,560 (as of 2005 dollars) will be income eligible to reside at the Subject. The median income suggests that a significant portion of the population earns an income within allowable limits for the Subject. The next paragraph provides a more detailed breakdown of households within a specific income cohort.

Household Income

The following table depicts household income for 2004 in the PMA and MSA.

HOUSEHOLD INCOME, 2004 ESTIMATE				
Income Cohort	Atlanta, GA MSA		PMA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0 - \$14,999	177,510	10.30%	9,008	35.01%
\$15,000 - \$24,999	149,403	8.67%	3,325	12.92%
\$25,000 - \$34,999	189,440	10.99%	2,758	10.72%
\$35,000 - \$49,999	296,788	17.22%	3,172	12.33%
\$50,000 - \$74,999	415,381	24.10%	3,636	14.13%
\$75,000 - \$99,999	307,361	17.84%	2,310	8.98%
\$100,000+	187,355	10.87%	1,520	5.91%
Total	1,723,239	100%	25,729	100%

Source: ESRI Business Information Solutions, 2004 Estimates and Projections; Novogradac and Company,LLP. 3/2005.

As the table above depicts, the PMA and the MSA have significant portions of the household populations in the lower and moderate income levels. In fact, approximately 71 percent of households in the Subject PMA report annual incomes range from \$0 to \$49,999. This household income distribution is expected to create significant demand for the Subject’s proposed units.

Renter Households by Number of Persons in the Household

The following table illustrates household size within the PMA for all households as of 2000.

**RENTER DISTRIBUTION BY HOUSEHOLD SIZE PMA,
2000**

	Renter Households	Total Households	Percent Renter Households
1 person	8,579	11,333	75.70%
2 persons	4,186	6,738	62.12%
3 persons	1,939	2,882	67.28%
4 persons	1,205	1,704	70.71%
5 persons	668	918	72.71%
6 persons	324	450	72.03%
7+ persons	307	428	71.74%
Total	17,208	24,454	70.37%

Source: US Census Bureau, 2000 Census; Novogradac and Company, LLP. 3/2005.

The majority of the renter households in the PMA are either one or two-person households (74 percent). However, there also is a significant number of three person and larger renter households (26 percent) in the PMA. As a result, the unit mix proposed by the Subject appears to be suitable to meet the housing needs of the high number of small to medium sized households located within the PMA.

Major Employers

The Atlanta area is generally considered the regional hub of the southeastern United States. Atlanta is the headquarters for several major corporations, including Home Depot and BellSouth. Additionally, Hartsfield-Jackson International Airport in Atlanta is the regional hub of Delta Airlines, the largest employer in the Atlanta area. The table below lists the major employers in the Atlanta area.

ATLANTA MSA MAJOR EMPLOYERS		
Company	Industry	Employment
Delta Air Lines	Transportation	29,150
BellSouth	Telecommunications	20,000
Emory University	Education	19,000
U.S. Postal Service	Government	16,099
Wal-Mart	Retail	14,700
Home Depot	Retail	14,300
Gwinnett County Schools	Government/Education	14,200
Fulton County Schools	Government/Education	13,024
United Parcel Service	Delivery	10,500
Fort McPherson (U.S. Army)	Defense	10,481
AT&T	Telecommunications	8,600
IBM Corporation	Technology	8,400

Source: Atlanta Journal Constitution; Novogradac & Company LLP, 1/04.

BellSouth and Delta Air Lines are the only two employers in the MSA that employ over 20,000 people. However, four of the top ten employers in the MSA are from the government and education sectors. Lower skilled employees in these industries are likely to have incomes inline with the Subject’s income restrictions. In the private sector, Wal-Mart and Home Depot are the fifth and sixth largest employers respectively within the MSA.

Employment

The following tables detail employment and unemployment in the Atlanta MSA over the recent decade.

EMPLOYMENT & UNEMPLOYMENT TRENDS

Year	Atlanta MSA				
	Atlanta MSA Total Employment	% Change	Atlanta MSA Unemployment Rate	Atlanta MSA Unit Change	USA Unemployment Rate
1990	1580,167	-	5.0%	-	5.7%
1991	1,570,065	-0.6%	4.7%	-0.3%	6.9%
1992	1,586,887	1.1%	6.4%	1.7%	7.6%
1993	1,679,210	5.8%	5.3%	-1.1%	7.0%
1994	1,763,501	5.0%	4.7%	-0.6%	6.2%
1995	1,822,130	3.3%	4.3%	-0.4%	5.7%
1996	1,916,510	5.2%	3.8%	-0.5%	5.5%
1997	2,018,479	5.3%	3.7%	-0.1%	5.0%
1998	2,116,673	4.9%	3.3%	-0.4%	4.6%
1999	2,180,803	3.0%	3.1%	-0.2%	4.3%
2000	2,251,907	3.3%	2.9%	-0.2%	4.0%
2001	2,242,157	-0.4%	3.5%	0.6%	4.8%
2002	2,248,631	0.3%	5.3%	1.8%	5.8%
2003	2,316,485	3.0%	4.9%	-0.4%	6.0%
2004	2,338,142	0.9%	4.2%	-0.7%	5.4%

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

The overall number of persons employed in the Atlanta MSA has increased steadily over the past decade. The two slowest years of the decade for employment growth were 2001 and 2002, which is coincident with the slow down of the national economy. In 2003 the Atlanta MSA posted strong gains in employment however, employment growth slowed significantly in 2004. The number of persons employed, which increased by 21,657 during 2004, is steadily encroaching upon the pre-2000 levels.

Unemployment rates in the Atlanta MSA had been decreasing from 1992 through 2000. The unemployment rate for the Atlanta MSA increased to 3.5 percent in 2001 and 5.3 percent in 2002. This is a much larger increase in unemployment than experienced nationally during the same time period. As of November 2003, the unemployment rate has begun to decline as the local economy demonstrates signs of recovery. During 2004, the unemployment rate decreased by .04 percent from the 2003 unemployment level. Overall, the unemployment rates have been below the national average throughout the decade. All these factors are considered to be positive indicators for the economic viability of the Atlanta MSA.

The table below depicts the employment and unemployment trends for Fulton County.

EMPLOYMENT & UNEMPLOYMENT TRENDS

Year	Fulton County			Unit Change	USA Unemployment Rate
	Fulton County Total Employment	% Change	Fulton County Unemployment Rate		
1990	321,756	-	5.7%	-	5.7%
1991	314,774	-2.2%	5.3%	-0.4	6.9%
1992	314,004	-0.2%	7.4%	2.2	7.6%
1993	328,405	4.6%	6.4%	-1.1	7.0%
1994	341,172	3.9%	5.8%	-0.6	6.2%
1995	347,501	1.9%	5.4%	-0.3	5.7%
1996	361,786	4.1%	5.0%	-0.5	5.5%
1997	375,051	3.7%	4.6%	-0.3	5.0%
1998	388,788	3.7%	4.1%	-0.6	4.6%
1999	392,801	1.0%	3.9%	-0.2	4.3%
2000	413,681	5.3%	3.6%	-0.3	4.0%
2001	403,070	-2.6%	4.2%	0.7	4.8%
2002	394,360	-2.2%	6.5%	2.2	5.8%
2003	406,260	3.0%	5.8%	-0.7	6.0%
2004*	413,805	1.9%	4.8%	-1.0	5.4%

Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University.
 * 2004 data is through November excluding USA, which is total for year 2004

The overall number of persons employed in Fulton County has increased steadily over the past decade. However, a contraction in employment growth occurred during 2001 and 2002, which was coincident with the slow down of the national economy. The negative percentage of growth for those two years occurred after the highest annual growth (5.3 percent in 2000) reported in Fulton County in the past decade. In general, the trend of slow employment growth within Fulton County appears to have reversed itself. The number of persons employed has increased by 7,545 as of November, 2004.

Unemployment rates in Fulton County had been decreasing from 1992 through 2000. During the recession in 2001 and 2002, the unemployment rate in Fulton County was significantly higher than what was experienced nationally during the same time period. The rate of unemployment in Fulton County peaked in 2002 and has consistently declined since that time. In addition, year to date unemployment for 2004 shows a further decrease in unemployment. Excluding 2002, the unemployment rates have been consistently below the national average over the past decade. Overall, these factors are considered to be positive indicators for the economic viability of the market area surrounding the Subject.

Employment by Industry

The following table illustrates the distribution of employment sectors by industry within the PMA in 2004.

2004 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agriculture and mining	139	0.53%	2,619,667	2.01%
Construction	1,310	5.05%	9,317,254	7.16%
Manufacturing	1,738	6.70%	16,695,489	12.83%
Transportation, communications, utilities	1,266	4.88%	6,784,078	5.21%
Wholesale Trade	757	2.92%	4,497,630	3.46%
Retail Trade	2,498	9.63%	15,620,816	12.00%
FIRE	1,371	5.28%	8,715,687	6.70%
Services	15,650	60.32%	60,211,992	46.26%
Public Administration	1,214	4.68%	5,690,090	4.37%
Total Employment	25,943	100.00%	130,152,703	100.00%

Source: ESRI Business Information Solutions, 2003 Estimates and Projections.

As the table above illustrates, the workforce is dominated by the services sector of the economy, accounting for 60.3 percent of the total workforce. In addition to the services sector, the economy is dominated by the retail trade sector (9.6 percent). These two sectors employ approximately 70 percent of the PMA’s workforce. The heavy concentration of employment in the service sector is typical of an urban location such as downtown Atlanta. Although there is more diversity in national employment, the services and retail sectors are the top employers nationally as well. The relatively low-paying jobs in these sectors are expected to generate demand for affordable housing in the PMA.

Conclusion

Both the Atlanta MSA and the PMA have experienced healthy growth in population, households, and median household income. The population growth within the PMA, albeit moderate, is projected to outpace the annual growth rate reported in the past decade. Similar to population, the rate of growth in the number of households within the PMA is projected to be moderate. The rate of growth in households in the PMA is expected to be slightly more than the rate of growth in the population. This suggests a decrease in the average household size. The MSA has a larger than typical households when compared to the national average of 2.59. However, the PMA which is located in a very urban area of downtown Atlanta is smaller than the national average at 2.08. In general, the average household size reported within the PMA is expected to be conducive to the large number of one and two bedroom units proposed by the Subject.

Both the Atlanta MSA and Fulton County have demonstrated steady business and employment growth over the past ten years. In fact, the overall number of persons employed in Fulton County has increased steadily over the past decade excluding 2001. Unemployment rates in Fulton County have fluctuated a great deal over the last decade; from 6.5 percent in 2002 to 3.6 percent in 2000. Overall, the unemployment rates exhibited by both the MSA and Fulton County have been below the national average over the past decade. All of these factors are considered to be positive indicators for the economic viability of the market area surrounding the Subject.

The Subject is located in the Eastside Tax Allocation District (TAD) created by the Atlanta Development Authority. On February 3, 2005, the Atlanta Development Authority approved seven downtown projects for the Eastside Tax Allocation District Funding including funding for the Subject. These developments represent \$312 million in capital investments for the area over the next few years. These developments are now awaiting bond approval by the City Council. The other developments (excluding the Subject) are listed below:

Reynolds Residential Development Project - a 130 unit residential condominium project located at 565 Peachtree Street. The property will offer one and two-bedroom units. Market prices for the one-bedroom units will start at \$190,000, and two-bedroom units will range from \$240,000 to \$400,000.

30 Allen Plaza Office Development – Allen Plaza will feature two new office buildings, including the tallest structure built in downtown in more than a decade, and a 250-room hotel. A third office building, for the Southern Co., is already under construction.

Sweet Auburn Village Mixed-Use Development - The development will consist of 180 residential rental units, 40,000 square feet of commercial office space, and 42,800 square feet of retail/restaurant, and entertainment space.

We are also aware that three other projects that are awaiting bond approval by the City Council. However, we were unable to obtain a description of the projects. These projects are **Oakland Park Mixed-Use Development, Twelve Centennial Park Mixed-Use Development, and Freedom Village Residential Development.**

PROJECT-SPECIFIC DEMAND ANALYSIS

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

INCOME RESTRICTIONS

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its household income at the appropriate AMI level.

According to the 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). Therefore, we have used a maximum household size of six 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.

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 2006, the anticipated date of market entry, as the base year for the analysis. Therefore, 2004 household population estimates are inflated to 2006 by interpolation of the difference between 2004 estimates and 2009 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 2006.

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 50 percent of their income in housing costs.

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

The data provided for 2b and 2c is based upon the 2000 census. For 2a, we relied on estimates provided in the Comprehensive Housing Affordability Strategy (CHAS) reported on the HUD webpage which relies on 2000 census data. This data provides information on the number of households within the county that are within certain income brackets and what percentage of those households are rent overburdened. The rent overburdened is divided into two classifications: those paying over 30 percent of their income in rent and those paying over 50 percent of their income in rent. Since we are using 35 percent as the rent overburdened threshold, we interpolate between these two classifications. According to this information, the greatest number of total renter households (64,173) have incomes that are less than or equal to 50 percent of the median family income (MFI), followed by total renter households with incomes greater than 80 percent of the MFI. This is a positive indication of the need for affordable housing targeted to those at or below 60 percent of the MFI. We interpolated the percentage of the population that is rent overburdened for the 60 percent AMI levels. For the 60 percent AMI level, we use an average of lines 8 and 12 of the CHAS report. Line 8 tells us that approximately 65.1 percent of all renter households that are earning between 30 and 50 percent of the MFI are also paying greater than 30 percent of their income in rent. Line 12 tells us that approximately 36.4 percent of renter households that are earning between 50 and 80 percent of the MFI are also paying greater than 30 percent of their income in rent. The average of lines 8 and 12 is 51 percent and this is what we have used for the rent overburdened calculation for the 60 percent AMI level.

We also used information from CHAS to determine the percentage of renter households living in substandard housing and over crowded facilities. The CHAS report indicated 5.6 percent of total households with incomes between 30 and 50 percent of the median family income (MFI) have housing problems.

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

Additions to Supply

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of Georgia DCA guidelines, we deduct additions to supply allocated since 1999 to present and those that will be constructed in 2005 that are considered directly competitive.

CHARACTERISTICS OF LIHTC PROJECT ALLOCATIONS 1999 -2004

Each year the Georgia Housing Finance Authority, in conjunction with the Georgia Department of Community Affairs, accepts bids for LIHTC tax credit projects. The following table details the list of projects that have received tax credit allocations in Fulton County from 1999 to 2004. It should be noted that there are eight LIHTC properties that were allocated between the specified time period and located within the Subject’s PMA. These properties are **the Crogman School, Peoplestown Village, City Views at Rosa Burney Park, Pittsburgh Phase I, Columbia at Peoplestown, and Toby Sexton Redevelopment**. We have obtained as much detail as possible regarding these properties and have utilized only the units that are directly competitive with our Subject. The following chart summarizes our findings:

ADDITIONS TO SUPPLY			
Property Name	Total Set Asides	60%	Market
Crogman School	85	60	20
Peoplestown Villa	16	16	4
City Views at Rosa Burney Park	164	154	10
Toby Sexton Redevelopment	169	169	32
Columbia at Peoplestown	69	20	30
Pittsburgh Phase I – not developed	220	66	88
Auburn Glenn	57	57	24
Total	780	542	208

Household Income Distribution 2000 to Projected Market Entry July 2006						
Capitol Gateway Phase I Apartments						
	PMA					
	2000		Prj Mrkt Entry July 2006		Percent	
	#	%	#	%	Growth	
< \$10,000	6,512	26.63%	6,530	24.40%	0.3%	
\$10,000-\$14,999	2,389	9.77%	2,384	8.91%	-0.2%	
\$15,000-\$19,999	1,810	7.40%	1,831	6.84%	1.2%	
\$20,000-\$24,999	1,561	6.38%	1,533	5.73%	-1.8%	
\$25,000-\$29,999	1,454	5.94%	1,331	4.97%	-9.2%	
\$30,000-\$34,999	1,320	5.40%	1,396	5.22%	5.4%	
\$35,000-\$39,999	1,035	4.23%	1,173	4.38%	11.8%	
\$40,000-\$44,999	976	3.99%	1,086	4.06%	10.1%	
\$45,000-\$49,999	712	2.91%	938	3.51%	24.2%	
\$50,000-\$59,999	1,420	5.81%	1,663	6.21%	14.6%	
\$60,000-\$74,999	1,794	7.33%	2,274	8.50%	21.1%	
\$75,000-\$99,999	1,523	6.23%	2,585	9.66%	41.1%	
\$100,000+	1,949	7.97%	2,036	7.61%	4.3%	
Total	24,454	100.00%	26,760	100.00%	8.6%	

Household Income Distribution Projected Market Entry July 2006			
Capitol Gateway Phase I Apartments			
	PMA		
	Prj Mrkt Entry July 2006		Change 2000 to Prj Mrkt Entry July 2006
	#	%	#
< \$10,000	6,530	24.40%	18
\$10,000-\$14,999	2,384	8.91%	-5
\$15,000-\$19,999	1,831	6.84%	21
\$20,000-\$24,999	1,533	5.73%	-28
\$25,000-\$29,999	1,331	4.97%	-122
\$30,000-\$34,999	1,396	5.22%	75
\$35,000-\$39,999	1,173	4.38%	138
\$40,000-\$44,999	1,086	4.06%	109
\$45,000-\$49,999	938	3.51%	227
\$50,000-\$59,999	1,663	6.21%	242
\$60,000-\$74,999	2,274	8.50%	480
\$75,000-\$99,999	2,585	9.66%	1,062
\$100,000+	2,036	7.61%	88
Total	26,760	100.00%	2,305

Tenure Prj Mrkt Entry July 2006	
Renter	71.55%
Owner	28.45%
Total	100.00%

Household Size for Prj Mrkt Entry July 2006		
Size	Number	Percentage
1	12,401	46.34%
2	7,374	27.56%
3	3,154	11.79%
4	1,864	6.97%
5	1,005	3.75%
6	493	1.84%
7+	469	1.75%
Total	26,760	100.00%

Household Size for 2000		
Size	Number	Percentage
1	11,333	46.34%
2	6,738	27.56%
3	2,882	11.79%
4	1,704	6.97%
5	918	3.75%
6	450	1.84%
7+	428	1.75%
Total	24,454	100.00%

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

Percent of AMI Level		Demand for PH Units				
Minimum Income Limit		\$0				
Maximum Income Limit		\$49,560				
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry July 2006			Households within		
				Income Brackets	Percent within Cohort	Bracket
< \$10,000	18	0.79%	9,999	100%	18	
\$10,000-\$14,999	-5	-0.23%	4,999	100%	-5	
\$15,000-\$19,999	21	0.92%	4,999	100%	21	
\$20,000-\$24,999	-28	-1.21%	4,999	100%	-28	
\$25,000-\$29,999	-122	-5.31%	4,999	100%	-122	
\$30,000-\$34,999	75	3.27%	\$4,999	100%	75	
\$35,000-\$39,999	138	5.98%	\$4,999	100%	138	
\$40,000-\$44,999	109	4.75%	\$4,999	100%	109	
\$45,000-\$49,999	227	9.83%	\$4,560	91%	207	
\$50,000-\$59,999	242	10.51%		0%	0	
\$60,000-\$74,999	480	20.84%		0%	0	
\$75,000-\$99,999	1,062	46.06%		0%	0	
\$100,000+	88	3.81%		0%	0	
	2,305	100.00%			413	
Percent of households within limits versus total number of households					17.91%	

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

Percent of AMI Level		Demand for PH Units			
Minimum Income Limit		\$0			
Maximum Income Limit		\$49,560		6	
Income Category	Total Households PMA Prj Mrkt Entry July 2006	Income Brackets	Percent within Cohort	Households within Bracket	
< \$10,000	6,530 24.40%	9,999	100%	6,529	
\$10,000-\$14,999	2,384 8.91%	4,999	100%	2,384	
\$15,000-\$19,999	1,831 6.84%	4,999	100%	1,831	
\$20,000-\$24,999	1,533 5.73%	4,999	100%	1,533	
\$25,000-\$29,999	1,331 4.97%	4,999	100%	1,331	
\$30,000-\$34,999	1,396 5.22%	4,999	100%	1,396	
\$35,000-\$39,999	1,173 4.38%	4,999	100%	1,173	
\$40,000-\$44,999	1,086 4.06%	4,999	100%	1,086	
\$45,000-\$49,999	938 3.51%	4,560	91%	856	
\$50,000-\$59,999	1,663 6.21%	0	0%	0	
\$60,000-\$74,999	2,274 8.50%	0	0%	0	
\$75,000-\$99,999	2,585 9.66%	0	0%	0	
\$100,000+	2,036 7.61%	0	0%	0	
	26,760 100.00%			18,118	
Percent of households within limits versus total number of households					67.71%

Does the Project Benefit from Rent Subsidy? (Y/N)	No
Type of Housing (Family vs Senior)	Family
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	35%
2000 Median Income	\$28,814
Prj Mrkt Entry July 2006 Median Income	\$39,840
Change from 2000 to Prj Mrkt Entry July 2006	\$11,025
Total Percent Change	38.3%
Average Annual Change	6.4%
Inflation Rate	6.4%
Maximum Allowable Income	\$49,560
Maximum Allowable Income Inflation Adjusted	\$49,560
Maximum Number of Occupants	6
Rent Income Categories	Public Housing Units
Initial Gross Rent for Smallest Unit	\$0
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$0.00
	Two year adjustment
	1.0000

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 July 2006	
Income Target Population	Demand for PH Units
New Households PMA	2,305
Percent Income Qualified	17.9%
Income Qualified Households	413
Percent Renter	71.5%
New Renter Income Qualified Households	295

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

Demand from Existing Households 2000	
Demand form Rent Overburdened Households	
Income Target Population	Demand for PH Units
Total Existing Demand	26,760
Income Qualified	67.7%
Percent Renter	71.5%
Income Qualified Renter Households	12963
Percent Rent Overburdened Prj Mrkt Entry July 2006 (CHAS)	51%
Rent Overburdened Households	6611

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

Demand from Living in Substandard Housing and Over Crowding	
Income Qualified Renter Households	12963
Percent Living in Substandard Housing and Over Crowding (CHAS)	5.6%
Households Living in Substandard Housing and Over Crowding	726

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

Senior Households Converting from Homeownership	
Income Target Population	Demand for PH Units
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand	
Total Demand from Existing Households	7337
Adjustment Factor	0
Adjusted Demand form Existing Households	7337
Total New Demand	295
Total Demand (New Plus Existing Households)	7633

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand		
One Person	46.34%	3537
Two Persons	27.56%	2103
Three Persons	11.79%	900
Four Persons	6.97%	532
Five Persons	3.75%	287
Six Persons	1.84%	141
Seven Plus Persons	1.75%	134
Total	100.00%	7633

To place Person Demand into Bedroom Type Units

Of one person households in one-bedroom units	90%	3,184
Of two person households in one-bedroom units	20%	421
Of one person households in two-bedroom units	10%	354
Of two person households in two-bedroom units	80%	1,683
Of three person households in two-bedroom units	60%	540
Of three person households in three-bedroom units	40%	360
Of four person households in three-bedroom units	80%	425
Of five person households in three-bedroom units	70%	201
Of four person households in four-bedroom units	20%	106
Of five person households in four-bedroom units	30%	86
Of six person households in four-bedroom units	100%	141
Of seven plus person households in four-bedroom units	100%	134
Total Demand		7,633
Check		OK

<u>Total Demand by Bedroom</u>	<u>Demand for PH Units</u>
One Bedroom	3,604
Two Bedroom	2,576
Three Bedroom	986
Four Bedroom	467
Total Demand	7,633

<u>Additions To Supply 2000 to Prj Mrkt Entry July 2006</u>	<u>Demand for PH Units</u>
One Bedroom	190
Two Bedroom	240
Three Bedroom	86
Four Bedroom	26
Total	542

<u>Net Demand</u>	<u>Demand for PH Units</u>
One Bedroom	3,414
Two Bedroom	2,336
Three Bedroom	900
Four Bedroom	441
Total	7,091

<u>Net Demand</u>	<u>Demand for PH Units</u>
One Bedroom	3,414
Two Bedroom	2,336
Three Bedroom	900
Four Bedroom	441
Total	7,091

<u>Developer's Unit Mix</u>	<u>Demand for PH Units</u>
One Bedroom	23
Two Bedroom	54
Three Bedroom	8
Four Bedroom	1
Total	86

<u>Capture Rate Analysis</u>	<u>Demand for PH Units</u>
One Bedroom	1%
Two Bedroom	2%
Three Bedroom	1%
Four Bedroom	0%
Total	1%

Household Income Distribution 2000 to Projected Market Entry January 2007					
Capitol Gateway Phase I Apartments					
PMA					
	2000		Prj Mrkt Entry January 2007		Percent Growth
	#	%	#	%	
< \$10,000	6,512	26.63%	6,530	24.40%	0.3%
\$10,000-\$14,999	2,389	9.77%	2,384	8.91%	-0.2%
\$15,000-\$19,999	1,810	7.40%	1,831	6.84%	1.2%
\$20,000-\$24,999	1,561	6.38%	1,533	5.73%	-1.8%
\$25,000-\$29,999	1,454	5.94%	1,331	4.97%	-9.2%
\$30,000-\$34,999	1,320	5.40%	1,396	5.22%	5.4%
\$35,000-\$39,999	1,035	4.23%	1,173	4.38%	11.8%
\$40,000-\$44,999	976	3.99%	1,086	4.06%	10.1%
\$45,000-\$49,999	712	2.91%	938	3.51%	24.2%
\$50,000-\$59,999	1,420	5.81%	1,663	6.21%	14.6%
\$60,000-\$74,999	1,794	7.33%	2,274	8.50%	21.1%
\$75,000-\$99,999	1,523	6.23%	2,585	9.66%	41.1%
\$100,000+	1,949	7.97%	2,036	7.61%	4.3%
Total	24,454	100.00%	26,760	100.00%	8.6%

Household Income Distribution Projected Market Entry July 2006			
Capitol Gateway Phase I Apartments			
PMA			
	Prj Mrkt Entry July 2006		Change 2000 to Prj Mrkt Entry January 2007
	#	%	
< \$10,000	6,530	24.40%	18
\$10,000-\$14,999	2,384	8.91%	-5
\$15,000-\$19,999	1,831	6.84%	21
\$20,000-\$24,999	1,533	5.73%	-28
\$25,000-\$29,999	1,331	4.97%	-122
\$30,000-\$34,999	1,396	5.22%	75
\$35,000-\$39,999	1,173	4.38%	138
\$40,000-\$44,999	1,086	4.06%	109
\$45,000-\$49,999	938	3.51%	227
\$50,000-\$59,999	1,663	6.21%	242
\$60,000-\$74,999	2,274	8.50%	480
\$75,000-\$99,999	2,585	9.66%	1,062
\$100,000+	2,036	7.61%	88
Total	26,760	100.00%	2,305

Tenure Prj Mrkt Entry July 2006	
Renter	71.55%
Owner	28.45%
Total	100.00%

Household Size for Prj Mrkt Entry July 2006		
Size	Number	Percentage
1	12,401	46.34%
2	7,374	27.56%
3	3,154	11.79%
4	1,864	6.97%
5	1,005	3.75%
6	493	1.84%
7+	469	1.75%
Total	26,760	100.00%

Household Size for 2000		
Size	Number	Percentage
1	11,333	46.34%
2	6,738	27.56%
3	2,882	11.79%
4	1,704	6.97%
5	918	3.75%
6	450	1.84%
7+	428	1.75%
Total	24,454	100.00%

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

Percent of AMI Level		60%		
Minimum Income Limit		\$25,611		
Maximum Income Limit		\$49,560		
Income Category	New Households · Total Change in Households PMA 2000 to Prj Mrkt Entry July 2006	Households within		
		Income Brackets	Percent within Cohort	Bracket
< \$10,000	18	0.79%	0%	0
\$10,000-\$14,999	-5	-0.23%	0%	0
\$15,000-\$19,999	21	0.92%	0%	0
\$20,000-\$24,999	-28	-1.21%	0%	0
\$25,000-\$29,999	-122	-5.31%	4,388	88%
\$30,000-\$34,999	75	3.27%	4,999	100%
\$35,000-\$39,999	138	5.98%	\$4,999	100%
\$40,000-\$44,999	109	4.75%	\$4,999	100%
\$45,000-\$49,999	227	9.83%	\$4,560	91%
\$50,000-\$59,999	242	10.51%		0%
\$60,000-\$74,999	480	20.84%		0%
\$75,000-\$99,999	1,062	46.06%		0%
\$100,000+	88	3.81%		0%
	2,305	100.00%		422
Percent of households within limits versus total number of households				18.30%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$25,611			
Maximum Income Limit		\$49,560		\$0	
Income Category	Total Households PMA Prj Mrkt Entry July 2006		Income Brackets	Percent within Cohort	Households within Bracket
< \$10,000	6,530	24.40%	0	0%	0
\$10,000-\$14,999	2,384	8.91%	0	0%	0
\$15,000-\$19,999	1,831	6.84%	0	0%	0
\$20,000-\$24,999	1,533	5.73%	0	0%	0
\$25,000-\$29,999	1,331	4.97%	4,388	88%	1,168
\$30,000-\$34,999	1,396	5.22%	4,999	100%	1,396
\$35,000-\$39,999	1,173	4.38%	4,999	100%	1,173
\$40,000-\$44,999	1,086	4.06%	4,999	100%	1,086
\$45,000-\$49,999	938	3.51%	4,560	91%	856
\$50,000-\$59,999	1,663	6.21%	0	0%	0
\$60,000-\$74,999	2,274	8.50%	0	0%	0
\$75,000-\$99,999	2,585	9.66%	0	0%	0
\$100,000+	2,036	7.61%	0	0%	0
	26,760	100.00%			5,678
Percent of households within limits versus total number of households					21.22%

Does the Project Benefit from Rent Subsidy? (Y/N)	No
Type of Housing (Family vs Senior)	Family
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	35%
2000 Median Income	\$28,814
Prj Mrkt Entry July 2006 Median Income	\$39,840
Change from 2000 to Prj Mrkt Entry July 2006	\$11,025
Total Percent Change	38.3%
Average Annual Change	6.4%
Inflation Rate	6.4%
Maximum Allowable Income	\$49,560
Maximum Allowable Income Inflation Adjusted	\$49,560
Maximum Number of Occupants	0
Rent Income Categories	60%
Initial Gross Rent for Smallest Unit	\$747
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$747.00
	Two year adjustment
	1.0000

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 July 2006

Income Target Population	60%
New Households PMA	2,305
Percent Income Qualified	18.3%
Income Qualified Households	422
Percent Renter	71.5%
New Renter Income Qualified Households	302

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

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	26,760
Income Qualified	21.2%
Percent Renter	71.5%
Income Qualified Renter Households	4063
Percent Rent Overburdened Prj Mrkt Entry July 2006 (CHAS)	51%
Rent Overburdened Households	2072

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

Demand from Living in Substandard Housing and Over Crowding

Income Qualified Renter Households	4063
Percent Living in Substandard Housing and Over Crowding (CHAS)	5.6%
Households Living in Substandard Housing and Over Crowding	228

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	2300
Adjustment Factor	0
Adjusted Demand from Existing Households	2300
Total New Demand	302
Total Demand (New Plus Existing Households)	2601

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	46.34%	1205
Two Persons	27.56%	717
Three Persons	11.79%	307
Four Persons	6.97%	181
Five Persons	3.75%	98
Six Persons	1.84%	48
Seven Plus Persons	1.75%	46
Total	100.00%	2601

To place Person Demand into Bedroom Type Units

Of one person households in one-bedroom units	90%	1,085
Of two person households in one-bedroom units	20%	143
Of one person households in two-bedroom units	10%	121
Of two person households in two-bedroom units	80%	573
Of three person households in two-bedroom units	60%	184
Of three person households in three-bedroom units	40%	123
Of four person households in three-bedroom units	80%	145
Of five person households in three-bedroom units	70%	68
Of four person households in four-bedroom units	20%	36
Of five person households in four-bedroom units	30%	29
Of six person households in four-bedroom units	100%	48
Of seven plus person households in four-bedroom units	100%	46
Total Demand		2,601
Check		OK

Total Demand by Bedroom	60%
One Bedroom	1,228
Two Bedroom	878
Three Bedroom	336
Four Bedroom	159
Total Demand	2,601

Additions To Supply 2000 to Prj Mrkt Entry July 2006	60%
One Bedroom	190
Two Bedroom	240
Three Bedroom	86
Four Bedroom	26
Total	542

Net Demand	60%
One Bedroom	1,038
Two Bedroom	638
Three Bedroom	250
Four Bedroom	133
Total	2,059

Net Demand	60%
One Bedroom	1,038
Two Bedroom	638
Three Bedroom	250
Four Bedroom	133
Total	2,059

Developer's Unit Mix	60%
One Bedroom	20
Two Bedroom	46
Three Bedroom	7
Four Bedroom	1
Total	74

Capture Rate Analysis	60%
One Bedroom	2%
Two Bedroom	7%
Three Bedroom	3%
Four Bedroom	1%
Total	4%

Check	OK	OK	#DIV/0!	#REF!	#REF!
-------	----	----	---------	-------	-------

Household Income Distribution 2000 to Projected Market Entry July 2006						
Capitol Gateway Phase I Apartments						
	PMA					
	2000		Prj Mrkt Entry July 2006		Percent	
	#	%	#	%	Growth	
< \$10,000	6,512	26.63%	6,530	24.40%	0.3%	
\$10,000-\$14,999	2,389	9.77%	2,384	8.91%	-0.2%	
\$15,000-\$19,999	1,810	7.40%	1,831	6.84%	1.2%	
\$20,000-\$24,999	1,561	6.38%	1,533	5.73%	-1.8%	
\$25,000-\$29,999	1,454	5.94%	1,331	4.97%	-9.2%	
\$30,000-\$34,999	1,320	5.40%	1,396	5.22%	5.4%	
\$35,000-\$39,999	1,035	4.23%	1,173	4.38%	11.8%	
\$40,000-\$44,999	976	3.99%	1,086	4.06%	10.1%	
\$45,000-\$49,999	712	2.91%	938	3.51%	24.2%	
\$50,000-\$59,999	1,420	5.81%	1,663	6.21%	14.6%	
\$60,000-\$74,999	1,794	7.33%	2,274	8.50%	21.1%	
\$75,000-\$99,999	1,523	6.23%	2,585	9.66%	41.1%	
\$100,000+	1,949	7.97%	2,036	7.61%	4.3%	
Total	24,454	100.00%	26,760	100.00%	8.6%	

Household Income Distribution Projected Market Entry July 2006			
Capitol Gateway Phase I Apartments			
	PMA		
	Prj Mrkt Entry July 2006		Change 2000 to Prj
	#	%	Mrkt Entry July 2006
< \$10,000	6,530	24.40%	18
\$10,000-\$14,999	2,384	8.91%	-5
\$15,000-\$19,999	1,831	6.84%	21
\$20,000-\$24,999	1,533	5.73%	-28
\$25,000-\$29,999	1,331	4.97%	-122
\$30,000-\$34,999	1,396	5.22%	75
\$35,000-\$39,999	1,173	4.38%	138
\$40,000-\$44,999	1,086	4.06%	109
\$45,000-\$49,999	938	3.51%	227
\$50,000-\$59,999	1,663	6.21%	242
\$60,000-\$74,999	2,274	8.50%	480
\$75,000-\$99,999	2,585	9.66%	1,062
\$100,000+	2,036	7.61%	88
Total	26,760	100.00%	2,305

Tenure Prj Mrkt Entry July 2006	
Renter	71.55%
Owner	28.45%
Total	100.00%

Household Size for Prj Mrkt Entry July 2006		
Size	Number	Percentage
1	12,401	46.34%
2	7,374	27.56%
3	3,154	11.79%
4	1,864	6.97%
5	1,005	3.75%
6	493	1.84%
7+	469	1.75%
Total	26,760	100.00%

Household Size for 2000		
Size	Number	Percentage
1	11,333	46.34%
2	6,738	27.56%
3	2,882	11.79%
4	1,704	6.97%
5	918	3.75%
6	450	1.84%
7+	428	1.75%
Total	24,454	100.00%

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

Percent of AMI Level			Demand for all LIHTC and PH Units			
Minimum Income Limit			\$0			
Maximum Income Limit			\$49,560			
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry July 2006		Households within			
			Income Brackets	Percent within Cohort	Bracket	
< \$10,000	18	0.79%	9,999	100%	18	
\$10,000-\$14,999	-5	-0.23%	4,999	100%	-5	
\$15,000-\$19,999	21	0.92%	4,999	100%	21	
\$20,000-\$24,999	-28	-1.21%	4,999	100%	-28	
\$25,000-\$29,999	-122	-5.31%	4,999	100%	-122	
\$30,000-\$34,999	75	3.27%	\$4,999	100%	75	
\$35,000-\$39,999	138	5.98%	\$4,999	100%	138	
\$40,000-\$44,999	109	4.75%	\$4,999	100%	109	
\$45,000-\$49,999	227	9.83%	\$4,560	91%	207	
\$50,000-\$59,999	242	10.51%		0%	0	
\$60,000-\$74,999	480	20.84%		0%	0	
\$75,000-\$99,999	1,062	46.06%		0%	0	
\$100,000+	88	3.81%		0%	0	
	2,305	100.00%			413	
Percent of households within limits versus total number of households					17.91%	

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

Percent of AMI Level		Demand for all LIHTC and PH Units			
Minimum Income Limit		\$0			
Maximum Income Limit		\$49,560		6	
Income Category	Total Households PMA Prj Mrkt Entry July 2006	Income Brackets	Percent within Cohort	Households within Bracket	
< \$10,000	6,530	9,999	100%	6,529	
\$10,000-\$14,999	2,384	4,999	100%	2,384	
\$15,000-\$19,999	1,831	4,999	100%	1,831	
\$20,000-\$24,999	1,533	4,999	100%	1,533	
\$25,000-\$29,999	1,331	4,999	100%	1,331	
\$30,000-\$34,999	1,396	4,999	100%	1,396	
\$35,000-\$39,999	1,173	4,999	100%	1,173	
\$40,000-\$44,999	1,086	4,999	100%	1,086	
\$45,000-\$49,999	938	4,560	91%	856	
\$50,000-\$59,999	1,663	0	0%	0	
\$60,000-\$74,999	2,274	0	0%	0	
\$75,000-\$99,999	2,585	0	0%	0	
\$100,000+	2,036	0	0%	0	
	26,760			18,118	
Percent of households within limits versus total number of households					67.71%

Does the Project Benefit from Rent Subsidy? (Y/N)	No
Type of Housing (Family vs Senior)	Family
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	35%
2000 Median Income	\$28,814
Prj Mrkt Entry July 2006 Median Income	\$39,840
Change from 2000 to Prj Mrkt Entry July 2006	\$11,025
Total Percent Change	38.3%
Average Annual Change	6.4%
Inflation Rate	6.4%
Maximum Allowable Income	\$49,560
Maximum Allowable Income Inflation Adjusted	\$49,560
Maximum Number of Occupants	6
Rent Income Categories	Public Housing Units
Initial Gross Rent for Smallest Unit	\$0
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$0.00
	Two year adjustment
	1.0000

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 July 2006	
Income Target Population	All LIHTC and PH Units
New Households PMA	2,305
Percent Income Qualified	17.9%
Income Qualified Households	413
Percent Renter	71.5%
New Renter Income Qualified Households	295

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

Demand from Existing Households 2000	
Demand from Rent Overburdened Households	
Income Target Population	All LIHTC and PH Units
Total Existing Demand	26,760
Income Qualified	67.7%
Percent Renter	71.5%
Income Qualified Renter Households	12963
Percent Rent Overburdened Prj Mrkt Entry July 2006	(CHAS) 51%
Rent Overburdened Households	6611

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

Demand from Living in Substandard Housing	
Income Qualified Renter Households	12963
Percent Living in Substandard Housing	(CHAS) 5.6%
Households Living in Substandard Housing	726

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

Senior Households Converting from Homeownership	
Income Target Population	All LIHTC and PH Units
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand	
Total Demand from Existing Households	7337
Adjustment Factor	0
Adjusted Demand from Existing Households	7337
Total New Demand	295
Total Demand (New Plus Existing Households)	7633

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand	
One Person	46.34% 3537
Two Persons	27.56% 2103
Three Persons	11.79% 900
Four Persons	6.97% 532
Five Persons	3.75% 287
Six Persons	1.84% 141
Seven Plus Persons	1.75% 134
Total	100.00% 7633

To place Person Demand into Bedroom Type Units

Of one person households in one-bedroom units	90%	3,184
Of two person households in one-bedroom units	20%	421
Of one person households in two-bedroom units	10%	354
Of two person households in two-bedroom units	80%	1,683
Of three person households in two-bedroom units	60%	540
Of three person households in three-bedroom units	40%	360
Of four person households in three-bedroom units	80%	425
Of five person households in three-bedroom units	70%	201
Of four person households in four-bedroom units	20%	106
Of five person households in four-bedroom units	30%	86
Of six person households in four-bedroom units	100%	141
Of seven plus person households in four-bedroom units	100%	134
Total Demand		7,633
Check		OK

Total Demand by Bedroom All LIHTC and PH Units

One Bedroom	3,604
Two Bedroom	2,576
Three Bedroom	986
Four Bedroom	467
Total Demand	7,633

Additions To Supply 2000 to Prj Mrkt Entry July 2006 All LIHTC and PH Units

One Bedroom	239
Two Bedroom	371
Three Bedroom	108
Four Bedroom	32
Total	750

Net Demand All LIHTC and PH Units

One Bedroom	3,365
Two Bedroom	2,205
Three Bedroom	878
Four Bedroom	435
Total	6,883

Net Demand All LIHTC and PH Units

One Bedroom	3,365
Two Bedroom	2,205
Three Bedroom	878
Four Bedroom	435
Total	6,883

Developer's Unit Mix All LIHTC and PH Units

One Bedroom	43
Two Bedroom	100
Three Bedroom	15
Four Bedroom	2
Total	160

Capture Rate Analysis All LIHTC and PH Units

One Bedroom	1%
Two Bedroom	5%
Three Bedroom	2%
Four Bedroom	0%
Total	2%

Household Income Distribution 2000 to Projected Market Entry July 2006					
Capitol Gateway Phase I Apartments					
PMA					
	2000		Prj Mrkt Entry July 2006		Percent Growth
	#	%	#	%	
< \$10,000	6,512	26.63%	6,530	24.40%	0.3%
\$10,000-\$14,999	2,389	9.77%	2,384	8.91%	-0.2%
\$15,000-\$19,999	1,810	7.40%	1,831	6.84%	1.2%
\$20,000-\$24,999	1,561	6.38%	1,533	5.73%	-1.8%
\$25,000-\$29,999	1,454	5.94%	1,331	4.97%	-9.2%
\$30,000-\$34,999	1,320	5.40%	1,396	5.22%	5.4%
\$35,000-\$39,999	1,035	4.23%	1,173	4.38%	11.8%
\$40,000-\$44,999	976	3.99%	1,086	4.06%	10.1%
\$45,000-\$49,999	712	2.91%	938	3.51%	24.2%
\$50,000-\$59,999	1,420	5.81%	1,663	6.21%	14.6%
\$60,000-\$74,999	1,794	7.33%	2,274	8.50%	21.1%
\$75,000-\$99,999	1,523	6.23%	2,585	9.66%	41.1%
\$100,000+	1,949	7.97%	2,036	7.61%	4.3%
Total	24,454	100.00%	26,760	100.00%	8.6%

Household Income Distribution Projected Market Entry July 2006			
Capitol Gateway Phase I Apartments			
PMA			
	Prj Mrkt Entry July 2006		Change 2000 to Prj Mrkt Entry July 2006
	#	%	
< \$10,000	6,530	24.40%	18
\$10,000-\$14,999	2,384	8.91%	-5
\$15,000-\$19,999	1,831	6.84%	21
\$20,000-\$24,999	1,533	5.73%	-28
\$25,000-\$29,999	1,331	4.97%	-122
\$30,000-\$34,999	1,396	5.22%	75
\$35,000-\$39,999	1,173	4.38%	138
\$40,000-\$44,999	1,086	4.06%	109
\$45,000-\$49,999	938	3.51%	227
\$50,000-\$59,999	1,663	6.21%	242
\$60,000-\$74,999	2,274	8.50%	480
\$75,000-\$99,999	2,585	9.66%	1,062
\$100,000+	2,036	7.61%	88
Total	26,760	100.00%	2,305

Tenure Prj Mrkt Entry July 2006	
Renter	71.55%
Owner	28.45%
Total	100.00%

Household Size for Prj Mrkt Entry July 2006		
Size	Number	Percentage
1	12,401	46.34%
2	7,374	27.56%
3	3,154	11.79%
4	1,864	6.97%
5	1,005	3.75%
6	493	1.84%
7+	469	1.75%
Total	26,760	100.00%

Household Size for 2000		
Size	Number	Percentage
1	11,333	46.34%
2	6,738	27.56%
3	2,882	11.79%
4	1,704	6.97%
5	918	3.75%
6	450	1.84%
7+	428	1.75%
Total	24,454	100.00%

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

Percent of AMI Level			Mkt		
Minimum Income Limit			\$25,611		
Maximum Income Limit			\$56,200 6 Person		
Income Category	New Households · Total Change in Households PMA 2000 to Prj Mrkt Entry July 2006		Income Brackets	Percent within Cohort	Households within Bracket
	Number	Percentage			
< \$10,000	18	0.79%		0%	0
\$10,000-\$14,999	-5	-0.23%		0%	0
\$15,000-\$19,999	21	0.92%		0%	0
\$20,000-\$24,999	-28	-1.21%		0%	0
\$25,000-\$29,999	-122	-5.31%	4,388	88%	-107
\$30,000-\$34,999	75	3.27%	\$4,999	100%	75
\$35,000-\$39,999	138	5.98%	\$4,999	100%	138
\$40,000-\$44,999	109	4.75%	\$4,999	100%	109
\$45,000-\$49,999	227	9.83%	\$4,999	100%	227
\$50,000-\$59,999	242	10.51%	\$6,200	62%	150
\$60,000-\$74,999	480	20.84%		0%	0
\$75,000-\$99,999	1,062	46.06%		0%	0
\$100,000+	88	3.81%		0%	0
	2,305	100.00%			592
Percent of households within limits versus total number of households					25.68%

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

Percent of AMI Level		Mkt		Mkt	
Minimum Income Limit		\$25,611			
Maximum Income Limit		\$56,200 6 Person			
Income Category	Total Households		Income Brackets	Percent within Cohort	Households within Bracket
	PMA Prj Mrkt	Entry July 2006			
< \$10,000	6,530	24.40%	0	0%	0
\$10,000-\$14,999	2,384	8.91%	0	0%	0
\$15,000-\$19,999	1,831	6.84%	0	0%	0
\$20,000-\$24,999	1,533	5.73%	0	0%	0
\$25,000-\$29,999	1,331	4.97%	4,388	88%	1,168
\$30,000-\$34,999	1,396	5.22%	4,999	100%	1,396
\$35,000-\$39,999	1,173	4.38%	4,999	100%	1,173
\$40,000-\$44,999	1,086	4.06%	4,999	100%	1,086
\$45,000-\$49,999	938	3.51%	4,999	100%	938
\$50,000-\$59,999	1,663	6.21%	6,200	62%	1,031
\$60,000-\$74,999	2,274	8.50%	0	0%	0
\$75,000-\$99,999	2,585	9.66%	0	0%	0
\$100,000+	2,036	7.61%	0	0%	0
	26,760	100.00%			6,792
Percent of households within limits versus total number of households					25.38%

Does the Project Benefit from Rent Subsidy? (Y/N)	No
Type of Housing (Family vs Senior)	Family
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	35%
2000 Median Income	\$28,814
Prj Mrkt Entry July 2006 Median Income	\$39,840
Change from 2000 to Prj Mrkt Entry July 2006	\$11,025
Total Percent Change	38.3%
Average Annual Change	6.4%
Inflation Rate	6.4%
Maximum Allowable Income	\$56,200
Maximum Allowable Income Inflation Adjusted	\$56,200
Maximum Number of Occupants	6 Person
Rent Income Categories	Mkt
Initial Gross Rent for Smallest Unit	\$747
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$747.00
	Two year adjustment
	1.0000

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 July 2006

Income Target Population	Mkt
New Households PMA	2,305
Percent Income Qualified	25.7%
Income Qualified Households	592
Percent Renter	71.5%
New Renter Income Qualified Households	424

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

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population	Mkt
Total Existing Demand	26,760
Income Qualified	25.4%
Percent Renter	71.5%
Income Qualified Renter Households	4859
Percent Rent Overburdened Prj Mrkt Entry July 2006	CHAS 51%
Rent Overburdened Households	2478

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

Demand from Living in Substandard Housing and Over Crowding

Income Qualified Renter Households	4859
Percent Living in Substandard Housing and Over Crowding	CHAS 5.6%
Households Living in Substandard Housing and Over Crowding	272

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	2750
Adjustment Factor	0 0
Adjusted Demand from Existing Households	2750
Total New Demand	424
Total Demand (New Plus Existing Households)	3174

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	46.34%	1471
Two Persons	27.56%	875
Three Persons	11.79%	374
Four Persons	6.97%	221
Five Persons	3.75%	119
Six Persons	1.84%	58
Seven Plus Persons	1.75%	56
Total	100.00%	3174

To place Person Demand into Bedroom Type Units

Of one person households in one-bedroom units	90%	1,324
Of two person households in one-bedroom units	20%	175
Of one person households in two-bedroom units	10%	147
Of two person households in two-bedroom units	80%	700
Of three person households in two-bedroom units	60%	224
Of three person households in three-bedroom units	40%	150
Of four person households in three-bedroom units	80%	177
Of five person households in three-bedroom units	70%	83
Of four person households in four-bedroom units	20%	44
Of five person households in four-bedroom units	30%	36
Of six person households in four-bedroom units	100%	58
Of seven plus person households in four-bedroom units	100%	56
Total Demand		3,174
Check		OK

Total Demand by Bedroom

	Mkt
One Bedroom	1,499
Two Bedroom	1,071
Three Bedroom	410
Four Bedroom	194
Total Demand	3,174

Additions To Supply 2000 to Prj Mrkt Entry July 2006

	Mkt
One Bedroom	49
Two Bedroom	131
Three Bedroom	22
Four Bedroom	6
Total	208

Net Demand

	Mkt
One Bedroom	1,450
Two Bedroom	940
Three Bedroom	388
Four Bedroom	188
Total	2,966

Net Demand

	Mkt
One Bedroom	1,450
Two Bedroom	940
Three Bedroom	388
Four Bedroom	188
Total	2,966

Developer's Unit Mix

	Mkt
One Bedroom	28
Two Bedroom	67
Three Bedroom	10
Four Bedroom	1
Total	106

Capture Rate Analysis

	Mkt
One Bedroom	2%
Two Bedroom	7%
Three Bedroom	3%
Four Bedroom	1%
Total	4%

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 total number of renter households in the PMA is 25,729 and is expected to increase 8.01 percent between 2004 and 2009 for a total increase of 412 new households per year.
- The Subject’s target income group is \$0 to \$49,560 stated in 2005 dollars. This spreads across four income cohorts. The \$0 to \$14,999 cohort is expected to contract by 0.62 percent from 2004 to 2009. The \$15,000 to \$24,999 cohort is expected to expand by 0.53 percent from 2004 to 2009. The \$25,000 to \$34,999 cohort is expected to contract by 0.66 percent from 2004 to 2009. The \$35,000 to \$49,999 cohort is expected to expand by 0.33 percent from 2004 to 2009. Overall, the appropriate income cohorts in the PMA are projected to decrease by 46 households.

Our demand analysis illustrates that the Subject’s capture rates for the public housing units range from one to three percent with an overall rate of one percent. The remaining LIHTC units at the 60 percent AMI level vary from one to seven percent with an overall capture rate of four percent. Overall capture rates for all LIHTC units (including the public housing units) at the 60 percent level range from zero to five percent with an overall capture rate of two percent. Overall, demand for the Subject’s LIHTC units is considered favorable. Capture rates for the market rate units range from one to seven percent, with an overall capture rate of four percent. All of the capture rates exhibited by the Subject’s LIHTC units are significantly below the DCA maximum of 30 percent.

Capture Rates

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

CAPTURE RATE FOR CAPITOL GATEWAY PHASE I APARTMENTS PUBLIC HOUSING UNITS					
Bedrooms	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR	3,604	190	3,414	23	1%
2BR	2,576	240	2,336	54	2%
3BR	986	86	900	8	1%
4BR	467	26	441	1	0%

CAPTURE RATE FOR CAPITOL GATEWAY PHASE I APARTMENTS 60 PERCENT AMI LEVEL					
Bedrooms	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR	1,228	190	1,038	20	2%
2BR	878	240	638	46	7%
3BR	336	86	250	7	3%
4BR	159	26	133	1	1%

**CAPTURE RATE FOR CAPITOL GATEWAY PHASE I APARTMENTS
ALL LIHTC UNITS INCLUDING PUBLIC HOUSING UNITS**

Bedrooms	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR	3,604	239	3,365	43	1%
2BR	2,576	371	2,205	100	5%
3BR	986	108	878	15	2%
4BR	467	32	435	2	0%

G. SUPPLY ANALYSIS

CHARACTERISTICS OF LIHTC PROJECT ALLOCATIONS 1999 -2004

Each year the Georgia Housing Finance Authority, in conjunction with the Georgia Department of Community Affairs, accepts bids for LIHTC tax credit projects. The following table details the list of projects that have received tax credit allocations in Fulton County from 1999 to 2004. It should be noted that there are eight LIHTC properties that were allocated between the specified time period located within the Subject's PMA. These properties are **the Crogman School, Valena Henderson Village, Peoplestown Village, City Views at Rosa Burney Park, Pittsburgh Phase I, Columbia at Peoplestown, Pittsburgh Phase II, Senior and Toby Sexton Redevelopment**. However, we only included those properties that would be considered directly comparable to the Subject. Therefore, we have excluded senior, elderly, or properties for disabled persons. The total additions to supply are 780 family units.

1999-2004 LIHTC Allocations in Fulton County			
Property	City	Units	Tenancy
Riverview Park	Atlanta	228	Family
Villages at Castleberry, II	Atlanta	284	Family
Brentwood Creek	Atlanta	238	Family
Shamrock Gardens	Atlanta	344	Family
Brentwood Meadows	Atlanta	72	Family
Brentwood Creek & Heights	Atlanta	198	Family
Ashley West	Atlanta	112	Family
Villages at Carver, I	Atlanta	124	Family
Villages at Carver II	Atlanta	66	Family
Villages at Carver III	Atlanta	216	Family
Provence North	Atlanta	112	Family
The Darlington	Atlanta	612	Family
Autumn Hills	Atlanta	191	Family
Crogman School	Atlanta	105	Family
Harmony Park	Atlanta	118	Family
Greyfield	Atlanta	60	Family
Peoplestown Villa	Atlanta	20	Family
The Village of College Park	College Park	104	Family
Columbia Colony Senior Apts	Atlanta	120	Elderly
Renaissance at Park Place	Atlanta	100	Family
Harris House III	Atlanta	23	Family
Harris House IV	Atlanta	23	Family
Westview Lofts	Atlanta	21	Family
Troy Street	Atlanta	14	Family
Myrtle Street	Atlanta	32	Family
Advantages of Atlanta	College Park	432	Family
Moreland Square	Atlanta	32	Family
Legacy Village	Atlanta	16	Family
Wyntrace Apartments	Atlanta	185	Family
Village Highlands	East Point	258	Family
Northside Village	Atlanta	261	Family
Grant Way/Grant Place	Atlanta	8	Family
Magnolia Park Phase II	Atlanta	180	Family
West End	Atlanta	112	Family
Kimberly Court	Atlanta	152	Family

Columbia High Point	Atlanta	94	Elderly
Kimberly Court Phase II	Atlanta	136	Family
Columbia Commons	Atlanta	158	Family
Peaks at West Atlanta	Atlanta	214	Family
Ashley Courts, I	Atlanta	152	Family
Ashley Courts at Cascade II	Atlanta	136	Family
Ashley Courts at Cascade III	Atlanta	96	Family
Lakewood Christian Manor	Atlanta	250	Older People
Holly Ridge	Atlanta	216	Family
Brookside Parkway	Atlanta	200	Family
Carver Redevelopment, III	Atlanta	216	Family
Park Place South Senior	Atlanta	100	Elderly
Etheridge Court I & II	Atlanta	354	Family
City Views at Rosa Burney Park	Atlanta	180	Family/Older
Allen Temple Apt	Atlanta	458	Family
Town West Manor	Atlanta	108	Family
Misty Amber Senior	Atlanta	152	Elderly
Valena Henderson Village	Atlanta	39	Elderly
Hickory Park	Atlanta	150	Family
Big Bethel Village	Atlanta	132	Elderly
Crescent Hills	Atlanta	240	Family
Toby Sexton Redevelopment	Atlanta	201	Family
Highbury Court	Atlanta	128	Family
Dogwood Apts	Atlanta	414	Family
Westchase Park	Atlanta	224	Family
Hidden Creste	Atlanta	320	Family
Preserve at Cascade	Atlanta	210	Family
Ashley College Town	Atlanta	196	Family
Park Ridge	Roswell	508	Family
Richmond Oaks	Atlanta	181	Family
Harris Homes II	Atlanta	80	Family
Hollywood West	Atlanta	112	Family
Providence Heights	East Pointe	244	Family
Orchard Springs	Fairburn	221	Family
Robins Creste	Atlanta	160	Family
Eagles Creste	Atlanta	284	Family
Columbia Estate (West Highlands)	Atlanta	124	Family
Columbia at Peoplestown	Atlanta	99	Family
Columbia Highlands Senior	Atlanta	130	Elderly
The Peaks at MLK	Atlanta	183	Family
The Peaks at West Atlanta	Atlanta	160	Family
Heritage Greene	Atlanta	109	Family
Renaissance at Adamsville	Atlanta	152	Family
Columbia Park Citi	Atlanta	152	Family
Alta Pointe	Atlanta	230	Family
Columbia Crest	Atlanta	152	Family
Pittsburg Phase I	Atlanta	220	Family
Trinity Towers	Atlanta	240	HFOP/Elderly
Princeton Court Senior Residences	College Park	116	Elderly
Harris Homes Revitalization	Atlanta	80	HFOP
Columbia Senior Residences	Atlanta	122	Elderly
Cove at red Oak Residences	Atlanta	144	Family
Columbia Senior Residences @ Mt. Pleasant	Atlanta	78	Elderly

Constitution Avenue	Atlanta	168	Family
Columbia Grove	Atlanta	138	Family
Heritage Green	Atlanta	109	Family
Pittsburgh Phase II, Senior	Atlanta	150	HFOP
Atlantic Station Mixed-Use	Atlanta	130	Family
Total		14,706	

SECTION 8

According to Rene Stokes of the Fulton County Housing Authority there are currently 1,100 Section 8 vouchers that have been distributed. According to Stevie Slaughter, the Section 8 Housing Supervisor for the Fulton County Housing Authority, there is a waiting list of 500-600 households. Further, they have had a waiting list of about the same length for over two years. Both Ms. Stokes and Mr. Slaughter also stated that there was large demand for Section 8 housing as they receive several requests for applications on a weekly basis.

Illustrated in the table below is the historical trend of Section 8 Vouchers that have been distributed by the City of Atlanta Housing Authority from 1998 through 2002. The waiting list has been closed since June of 2002, therefore, no additional vouchers were distributed in 2003.

Year	No. of Vouchers	Percentage change
1998	7,376	-
1999	7,451	1.02%
2000	8,483	13.85%
2001	9,477	11.72%
2002	11,127	17.41%

As illustrated, the growth rate of vouchers being distributed by the housing authority suggests an increasing need for affordable housing for low to very low-income households. According to Mr. Jerome Davidson from the Atlanta Housing Authority, approximately 11,300 vouchers are currently being utilized in the City of Atlanta. There are also approximately 21,400 households currently on the waiting list. The waiting list has been closed since October 2001. As a result, the housing authority is in the process of locating affordable housing for the current households on the waiting list before accepting additional requests. Mr. Davidson also stated that the waiting list has been about the same length for over 3 years and that there was great demand for affordable housing. He offered an average occupancy rate of 98 percent among the properties managed by the City of Atlanta Housing Authority as further support of his assertions.

Finally, we gave consideration to recent development trends exhibited by the City of Atlanta Housing Authority. 1995 marked the beginning of a definite trend in the redevelopment of Atlanta’s public housing communities. Beginning with the demolition of the Techwood Homes Public Housing community and its subsequent redevelopment with Centennial Place, it appears that the City of Atlanta Housing Authority has been demolishing more public housing units than it has been replacing. At the end of 2002, approximately 14,500 units had been demolished and replaced with only 9,500 units (65 percent of the public housing units demolished). Compounding this problem is the fact that only a small fraction of the replacement units are

being set aside as public housing units, and the qualifying process for potential public housing tenants has become more strenuous.

Although no current figures were available, it appears this trend is continuing. The most recent redevelopment is the Perry Homes Community in southwest Atlanta which has been demolished and redeveloped with the West Highlands Community. The 900-unit Perry Homes Public Housing community has been demolished and is being replaced by the 700-unit West Highlands development. Further, of the proposed 900 units, only 353 units will be set aside for public housing residents.

Other public housing communities that have been redeveloped include Carver Homes and East Lake Meadows. Both of these communities have been redeveloped with fewer public housing units. East Lake Meadows had 660 units, and has been replaced with the 542-unit Villages of East Lake. Further, only 217 of the replacement units have been set aside for public housing. Given this trend, it would appear that the demand for public housing in Atlanta will outpace supply and more poor and low-income families will wind up on waiting lists. This would suggest more demand for units in the lower-income AMI levels (30 percent) and for those units with project based rental assistance.

The Subject is also an example of this redevelopment pattern exhibited by the Atlanta Housing Authority. The former Capitol Homes site is said to have contained 1,132 public housing units of which, 86 public housing units will be replaced with the Subject's new development. The total units in the future Capitol Gateway development is 857 multifamily units and 90 single-family houses for a total number of 947 replacement units, which is approximately 84 percent of the units demolished. The Atlanta Housing Authority is set to begin demolition on the former Grady Homes public housing development by June, 2005. The Grady Homes site offered 495 former public housing units. The Atlanta Housing Authority is developing the new Grady Homes in partnership with Trammel Crow Co.

Description of Property Types Surveyed/Determination of Number of Tax Credit Units

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. We visited and surveyed all properties within a two-mile radius of the Subject and analyzed each in comparison to the proposed Subject. Many were excluded from the market survey because they were not considered useful in the analysis of the Subject property. These are summarized in the following table. Additionally, we have included photos of these properties in the addenda of this report.

Properties Excluded		
Property	Comments/Reason Excluded	Distance from Subject
Pittsburgh Phase I	LIHTC/Insufficient Data	1.4 Miles
Bedford Pines	Section 8/ Not Comparable	1.3 Miles
Capitol Vanira	Section 8/Not Comparable	0.7 Miles
Gartrell Court	Section 8/Not Comparable	0.5 Miles
Wheat Street Towers	Section 8/Not Comparable	0.8 Miles
Crogman School Apartments	LIHTC/Family/Mid-rise/ Insufficient Data	1.6 Miles
Fulton Cotton Mill Lofts	LIHTC/Market Family/Loft-style	1.1Miles
Peopletown Villa	LIHTC/ Family/Inferior/ only 16 units	1.4 Miles
Toby-Sexton Redevelopment	LIHTC/Family/Insufficient Data	1.4 Miles
Fairlie Poplar Apartments	LIHTC/ Family/ Small Complex/Not Comparable	1.0 Miles
Freeman Ford Lofts	LIHTC/Family/Loft-style	0.9 Miles
Telephone Factory	LIHTC/Family/Loft-style	2.0 Miles
Valena Henderson Village	LIHTC/Senior	0.9 Miles
Pittsburgh Phase II	LIHTC/Senior	1.4 Miles
Savannah Midtown	Market/ Family/ Superior	2.0 Miles
Mattress Factory Lofts	Market/ Insufficient Data	0.7 Miles
City Plaza	LIHTC/ Restricted to 50% AMI	0.6 Miles
Patterson Height	LIHTC/ only 10 units	1.2 Miles
Bethel Heights	LIHTC/ only 10 units	1.4 Miles
Washington Heights	LIHTC/ only 10 units	1.1 Miles
Atlanta Lofts	Market/ lofts/ not comparable	1.8 Miles
Century Loft	Market/ lofts/ not comparable	1.2 Miles
Intown Lofts	Market/Family/ lofts/not comparable	0.6 Miles
Edgewood Lofts	Market/Family/ lofts/ not comparable/7 units	1.1 Miles
Savannah Midtown	Market/Family/ only offers 1BR & 2BR	1.9 Miles

Our competitive survey included eight “true” comparable properties containing 1,759 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.

Summary Matrix

Comp #	Project	Distance	Type / Built	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Units Vacant	Vacancy Rate
	Capitol Gateway Phase I 89 Memorial Drive Atlanta, GA 30309 Fulton County	n/a	Various proposed	LIHTC/Market/Public Housing	Studio / 1BA (Garden)	2	0.80%	@60%	\$668	666	2	100.00%
					Studio / 1BA (Garden)	2	0.80%	@60%	BOI	666	2	100.00%
					Studio / 1BA (Garden)	2	0.80%	Market	\$747	666	2	100.00%
					1BR / 1BA (Garden)	18	6.80%	@60%	\$695	813	18	100.00%
					1BR / 1BA (Garden)	21	7.90%	@60%	BOI	813	21	100.00%
					1BR / 1BA (Garden)	26	9.80%	Market	\$801	813	26	100.00%
					2BR / 2BA (Garden)	46	17.30%	@60%	\$825	1,168	46	100.00%
					2BR / 2BA (Garden)	54	20.30%	@60%	BOI	1,168	54	100.00%
					2BR / 2BA (Garden)	67	25.20%	Market	\$1,150	1,168	67	100.00%
					3BR / 2BA (Garden)	7	2.60%	@60%	\$941	1,415	7	100.00%
					3BR / 2BA (Garden)	8	3.00%	@60%	BOI	1,415	8	100.00%
					3BR / 2BA (Garden)	10	3.80%	Market	\$1,415	1,415	10	100.00%
					4BR / 2BA (Garden)	1	0.40%	@60%	\$1,030	1,526	1	100.00%
					4BR / 2BA (Garden)	1	0.40%	@60%	BOI	1,526	1	100.00%
										266	100%	
1	Auburn Glenn 49 Boulevard Ave SE Atlanta, GA 30035 Fulton County	0.9	Garden 2004	LIHTC/Market	1BR / 1BA	N/A	N/A	@60%	\$692	692	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$779	696	N/A	N/A
					2BR / 2BA	N/A	N/A	@60%	\$822	1,044	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,100	1,044	N/A	N/A
					3BR / 2BA	N/A	N/A	@60%	\$939	N/A	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,192	N/A	N/A	N/A
										81	100%	
2	Centennial Place Apartments 526 Centennial Olympic Park Drive Atlanta, GA 30313 Fulton County	1.7	Garden 1996/2001	LIHTC/Market	1BR / 1BA	53	8.40%	@60%	\$504	688	0	0.00%
					1BR / 1BA	53	8.40%	Market	\$713	688	N/A	N/A
					2BR / 1BA	53	8.40%	@60%	\$726	875	0	0.00%
					2BR / 1BA	53	8.40%	Market	\$862	875	0	0.00%
					2BR / 1.5BA	53	8.40%	@60%	\$733	1,075	0	0.00%
					2BR / 1.5BA	53	8.40%	@60%	\$638	1,231	0	0.00%
					2BR / 1.5BA	53	8.40%	Market	\$1,037	1,075	0	0.00%
					2BR / 1.5BA	53	8.40%	Market	\$1,137	1,231	0	0.00%
					2BR / 2BA	53	8.40%	@60%	\$730	1,050	0	0.00%
					2BR / 2BA	53	8.40%	Market	\$1,017	1,050	0	0.00%
					3BR / 2.5BA	51	8.10%	@60%	\$865	1,340	0	0.00%
					3BR / 2.5BA	51	8.10%	Market	\$1,375	1,340	0	0.00%
										632	100%	
3	The Square At Peopletown 875 Hank Aaron Drive Atlanta, GA 30315 Fulton County	0.9	Garden 1999	LIHTC	1BR / 1BA	12	12.80%	@50%	\$478	664	N/A	N/A
					1BR / 1BA	11	11.70%	@60%	\$566	664	N/A	N/A
					2BR / 1BA	12	12.80%	@50%	\$577	869	N/A	N/A
					2BR / 1BA	12	12.80%	@60%	\$624	869	N/A	N/A
					2BR / 2BA	12	12.80%	@50%	\$619	869	N/A	N/A
					2BR / 2BA	12	12.80%	@60%	\$677	869	N/A	N/A
					3BR / 2BA	11	11.70%	@50%	\$707	1,169	N/A	N/A
					3BR / 2BA	12	12.80%	@60%	\$773	1,169	N/A	N/A
										94	100%	
4	City Views At Rosa Burney Park 259 Richardson Street Atlanta, GA 30312 Fulton County	0.8	Townhouse 1960/2003	LIHTC/Market	1BR / 1BA	97	53.90%	@60%	\$634	593	N/A	N/A
					1BR / 1BA	14	7.80%	Market	\$634	593	N/A	N/A
					2BR / 1BA	7	3.90%	@60%	\$675	775	N/A	N/A
					2BR / 1BA	3	1.70%	Market	\$675	775	N/A	N/A
					3BR / 2BA	31	17.20%	@60%	\$750	966	N/A	N/A
					3BR / 2BA	5	2.80%	Market	\$750	966	N/A	N/A
					4BR / 2BA	15	8.30%	@60%	\$761	1,096	N/A	N/A
					4BR / 2BA	4	2.20%	Market	\$761	1,096	N/A	N/A
					5BR / 2BA	4	2.20%	@60%	\$760	1,226	N/A	N/A
										180	100%	
5	Northside Plaza Apartments 440 Markham Street SW Atlanta, GA 30313 Fulton County	1.1	Garden 1994	LIHTC/Market	1BR / 1BA	27	21.30%	@50%	\$559	567	N/A	N/A
					1BR / 1BA	37	29.10%	Market	\$497	567	N/A	N/A
					2BR / 2BA	63	49.60%	Market	\$591	867	N/A	N/A
										127	100%	
6	Cityview Apartments - Freedom 433 Highland Avenue NE Atlanta, GA 30312 Fulton County	0.9	Midrise 2003	Market	1BR / 1BA	N/A	N/A	Market	\$699	637	4	N/A
					2BR / 1BA	N/A	N/A	Market	\$899	965	1	N/A
					2BR / 1BA	N/A	N/A	Market	\$899	1,072	0	N/A
					2BR / 2BA	N/A	N/A	Market	\$869	1,058	0	N/A
					2BR / 2BA	N/A	N/A	Market	\$890	1,304	15	N/A
										202	100%	
7	Highland Walk 701 Highland Avenue Atlanta, GA 30312 Fulton County	1.5	Midrise 2003	Market	Studio / 1BA	N/A	N/A	Market	\$608	622	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$782	814	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$1,050	996	N/A	N/A
					1.5BR / 1BA	N/A	N/A	Market	\$977	1,028	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,000	1,201	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,166	1,442	N/A	N/A
										350	100%	
8	Columbia Peopletown 222 Tuskegee Street Atlanta, GA 30315 Fulton County	1.2	Garden 2003	Market/LIHTC	2BR / 2BA	35	37.60%	@50%	\$665	1,103	N/A	N/A
					2BR / 2BA	10	10.80%	@60%	\$715	1,103	N/A	N/A
					2BR / 2BA	28	30.10%	Market	\$750	1,103	N/A	N/A
					3BR / 2BA	10	10.80%	@50%	\$756	1,302	N/A	N/A
					3BR / 2BA	10	10.80%	@60%	\$815	1,302	N/A	N/A
										93	100%	

Property Profile Report

Capitol Gateway Phase I

Comp # Subject
Effective Rent Date 3/14/2005
Created by Kelly Crouch (March 14, 2005 05:56 PST)
Last updated by Kelly Crouch (March 15, 2005 07:00 PST)

Location 89 Memorial Drive
 Atlanta, GA 30309
 Fulton County

Distance n/a

Units 266
Vacant Units 266
Vacancy Rate 100.00%

Type Various
Year Built/Renovated proposed
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors n/a
Tenant Characteristics n/a

Contact Name n/a
Phone n/a



Market

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

Utilities

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

Property Profile Report (page 2)

Capitol Gateway Phase I

Comp # Subject

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
0	1	Garden	2	666	\$668	\$0	@60%	0	2	100.00%
0	1	Garden	2	666	N/A	\$0	@60% (Public Housing)	0	2	100.00%
0	1	Garden	2	666	\$747	\$0	Market	0	2	100.00%
1	1	Garden	18	813	\$695	\$0	@60%	0	18	100.00%
1	1	Garden	21	813	N/A	\$0	@60% (Public Housing)	0	21	100.00%
1	1	Garden	26	813	\$801	\$0	Market	0	26	100.00%
2	2	Garden	46	1,168	\$825	\$0	@60%	0	46	100.00%
2	2	Garden	54	1,168	N/A	\$0	@60% (Public Housing)	0	54	100.00%
2	2	Garden	67	1,168	\$1,150	\$0	Market	0	67	100.00%
3	2	Garden	7	1,415	\$941	\$0	@60%	0	7	100.00%
3	2	Garden	8	1,415	N/A	\$0	@60% (Public Housing)	0	8	100.00%
3	2	Garden	10	1,415	\$1,415	\$0	Market	0	10	100.00%
4	2	Garden	1	1,526	\$1,030	\$0	@60%	0	1	100.00%
4	2	Garden	1	1,526	N/A	\$0	@60% (Public Housing)	0	1	100.00%
4	2	Garden	1	1,526	\$1,526	\$0	Market	0	1	100.00%

Unit Mix: @60%

	Studio / 1BA	1BR / 1BA	2BR / 2BA	3BR / 2BA	4BR / 2BA				
Face Rent	\$668	\$695	\$825	\$941	\$1,030				
Concession	\$0	\$0	\$0	\$0	\$0				
Concessed Face Rent	\$668	\$695	\$825	\$941	\$1,030				
Utility Adjustment	\$0	\$0	\$0	\$0	\$0				
Adjusted Rent	\$668	\$695	\$825	\$941	\$1,030				

Unit Mix: @60% (Public Housing)

	Studio / 1BA	1BR / 1BA	2BR / 2BA	3BR / 2BA	4BR / 2BA				
Face Rent	n/a	n/a	n/a	n/a	n/a				
Concession	\$0	\$0	\$0	\$0	\$0				
Concessed Face Rent	n/a	n/a	n/a	n/a	n/a				
Utility Adjustment	\$0	\$0	\$0	\$0	\$0				
Adjusted Rent	n/a	n/a	n/a	n/a	n/a				

Unit Mix: Market

	Studio / 1BA	1BR / 1BA	2BR / 2BA	3BR / 2BA	4BR / 2BA				
Face Rent	\$747	\$801	\$1,150	\$1,415	\$1,526				
Concession	\$0	\$0	\$0	\$0	\$0				
Concessed Face Rent	\$747	\$801	\$1,150	\$1,415	\$1,526				
Utility Adjustment	\$0	\$0	\$0	\$0	\$0				
Adjusted Rent	\$747	\$801	\$1,150	\$1,415	\$1,526				

Property Profile Report (page 3)

Capitol Gateway Phase I

Comp # Subject

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Ceiling Fan Garbage Disposal Oven Refrigerator Washer/Dryer hookup	Security	Limited Access Perimeter Fencing Video Surveillance
Property	Business Center Clubhouse Courtyard Exercise Facility Central Laundry Off-Street Parking On-Site Management Playground Swimming Pool	Premium	none
Services	none	Other	none

Comments

This is the first phase of a multiple phase development in conjunction with the Atlanta Housing Authority. Phase I calls for the development of 266 units. 166 of these units will be affordable housing units. Phase I will consist of studios, one, two, three, and four-bedroom units as well as two-bedroom townhomes. 86 units will be public-housing units while 80 units will be restricted to tenants earning 60 percent or less of the AMI. The remaining 100 units will be market-rate units.

The design of the development will have a "Georgetown" feel and look.

Property Profile Report

Auburn Glenn

Comp # 1
Effective Rent Date 3/11/2005
Created by Matt Cochran (October 20, 2004 08:10 PDT)
Last updated by Kelly Crouch (March 14, 2005 13:33 PST)

Location 49 Boulevard Ave SE
Atlanta, GA 30035
Fulton County

Distance n/a

Units 81
Vacant Units 32
Vacancy Rate 39.50%

Type Garden
Year Built/Renovated 2004
Marketing Began 3/1/2004
Leasing Began 7/1/2004
Last Unit Leased 3/9/2005



Major Competitors None.
Tenant Characteristics Family composition is mixed, average household size is 2, the average age is 31, and average income is \$28k.

Contact Name Cherell or Beverly
Phone 1.866.687.7479

Market

Program	LIHTC	Leasing Pace	n/a
Annual Turnover Rate	N/A	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	1 month free on market units
Section 8 Tenants	N/A		

Utilities

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

Property Profile Report (page 2)

Auburn Glenn

Comp # 1

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	Garden	N/A	692	\$692	\$0	@60%	n/a	N/A	N/A
1	1	Garden	N/A	696	\$850	\$71	Market	None.	N/A	N/A
2	2	Garden	N/A	1,044	\$822	\$0	@60%	None.	N/A	N/A
2	2	Garden	N/A	1,044	\$1,200	\$100	Market	None.	N/A	N/A
3	2	Garden	N/A	N/A	\$939	\$0	@60%	n/a	N/A	N/A
3	2	Garden	N/A	N/A	\$1,300	\$108	Market	n/a	N/A	N/A

Unit Mix: @60%

	1BR / 1BA	2BR / 2BA	3BR / 2BA						
Face Rent	\$692	\$822	\$939						
Concession	\$0	\$0	\$0						
Concessed Face Rent	\$692	\$822	\$939						
Utility Adjustment	\$0	\$0	\$0						
Adjusted Rent	\$692	\$822	\$939						

Unit Mix: Market

	1BR / 1BA	2BR / 2BA	3BR / 2BA						
Face Rent	\$850	\$1,200	\$1,300						
Concession	\$71	\$100	\$108						
Concessed Face Rent	\$779	\$1,100	\$1,192						
Utility Adjustment	\$0	\$0	\$0						
Adjusted Rent	\$779	\$1,100	\$1,192						

Amenities

In-Unit	Security	In-Unit Alarm
Balcony/Patio		Limited Access
Blinds		Perimeter Fencing
Carpeting		Video Surveillance
Central A/C		
Coat Closet		
Dishwasher		
Exterior Storage		
Ceiling Fan		
Garbage Disposal		
Oven		
Refrigerator		
Walk-In Closet		
Washer/Dryer hookup		
Property	Premium	none
Car Wash		
Elevators		
Exercise Facility		
Garage		
Off-Street Parking		
On-Site Management		
Playground		
Swimming Pool		
Services	Other	none
none		

Comments

Auburn Glenn is a garden style property with 81 total units and an occupancy rate of 60%. The high vacancy is due to the fact that the property did not open until July 2004. 57 of the units are set aside for LIHTC and 24 of the units are set aside for market rate units. The property operates at the 60% AMI level. The family composition is mixed, average household size is 2, average age is 31, and average income is \$28k. The property is planning on implementing afterschool programs. The contact would not comment on what geographic areas tenants were coming from.

Property Profile Report

Centennial Place Apartments

Comp # 2
Effective Rent Date 3/11/2005
Created by Owen Clark (January 13, 2004 12:37 PST)
Last updated by Kelly Crouch (March 11, 2005 14:53 PST)

Location 526 Centennial
Olympic Park Drive
Atlanta, GA 30313
Fulton County

Distance n/a

Units 632
Vacant Units 57
Vacancy Rate 9.00%

Type Garden
Year Built/Renovated 1996/2001
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors n/a
Tenant Characteristics n/a

Contact Name Angie
Phone 404-892-0772



Market

Program	LIHTC	Leasing Pace	2 days
Annual Turnover Rate	33%	Change in Rent (Past Year)	1%
Units/Month Absorbed	n/a	Concession	none
Section 8 Tenants	0%		

Utilities

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

Property Profile Report (page 2)

Centennial Place Apartments

Comp # 2

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	Garden	53	688	\$530	\$0	@60%	yes	0	0.00%
1	1	Garden	53	688	\$839	\$100	Market	yes	N/A	N/A
2	1	Garden	53	875	\$759	\$0	@60%	yes	0	0.00%
2	1	Garden	53	875	\$995	\$100	Market	yes	0	0.00%
2	1.5	Garden	53	1,075	\$766	\$0	@60%	yes	0	0.00%
2	1.5	Garden	53	1,231	\$771	\$100	@60%	yes	0	0.00%
2	1.5	Garden	53	1,075	\$1,170	\$100	Market	yes	0	0.00%
2	1.5	Garden	53	1,231	\$1,270	\$100	Market	yes	0	0.00%
2	2	Garden	53	1,050	\$763	\$0	@60%	yes	0	0.00%
2	2	Garden	53	1,050	\$1,150	\$100	Market	yes	0	0.00%
3	2.5	Garden	51	1,340	\$865	\$0	@60%	yes	0	0.00%
3	2.5	Garden	51	1,340	\$1,475	\$100	Market	yes	0	0.00%

Unit Mix: @60%

	1BR / 1BA	2BR / 1BA	2BR / 1.5BA	2BR / 2BA	3BR / 2.5BA				
Face Rent	\$530	\$759	\$766 - \$771	\$763	\$865				
Concession	\$0	\$0	\$0 - \$100	\$0	\$0				
Concessed Face Rent	\$530	\$759	\$671 - \$766	\$763	\$865				
Utility Adjustment	(\$26)	(\$33)	(\$33)	(\$33)	\$0				
Adjusted Rent	\$504	\$726	\$638 - \$733	\$730	\$865				

Unit Mix: Market

	1BR / 1BA	2BR / 1BA	2BR / 1.5BA	2BR / 2BA	3BR / 2.5BA				
Face Rent	\$839	\$995	\$1,170 -	\$1,150	\$1,475				
Concession	\$100	\$100	\$100	\$100	\$100				
Concessed Face Rent	\$739	\$895	\$1,070 -	\$1,050	\$1,375				
Utility Adjustment	(\$26)	(\$33)	(\$33)	(\$33)	\$0				
Adjusted Rent	\$713	\$862	\$1,037 -	\$1,017	\$1,375				
			\$1,137						

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Exterior Storage Garbage Disposal Oven Refrigerator Washer/Dryer	Security	Patrol Perimeter Fencing
Property	Clubhouse Exercise Facility Playground Swimming Pool	Premium	none
Services	none	Other	none

Comments

Centennial Place Apartments is the largest property that was surveyed. This property has a combination of market rate and tax credit units. Centennial Place Apartments benefit from an above average location. Public transportation and local services are located within proximity of the property. Community services located near this property include the Centennial Place YMCA, Centennial Place Elementary, Zell Miller Community Center and a SunTrust Bank. Centennial Place Apartments feature a brick and vinyl exterior that is in above average condition. Primary visibility is from Centennial Olympic Park Drive. The leasing Manager was interviewed at this property.

Annual turnover was estimated at 20 units per month or 33 percent annually. Leasing pace is generally within two days of unit availability. Although a waiting list is maintained, the number of households awaiting units could not be quantified. Two-bedroom townhomes and three-bedroom units with two and one half baths are reportedly the most popular units. Centennial Place Apartments is offering reduced rents as concessions for the market rate units only.

Property Profile Report

The Square At Peoplestown

Comp # 3
Effective Rent Date 1/6/2005
Created by n/a
Last updated by Kelly Crouch (March 11, 2005 06:43 PST)

Location 875 Hank Aaron Drive
 Atlanta, GA 30315
 Fulton County

Distance n/a

Units 94
Vacant Units 11
Vacancy Rate 11.70%

Type Garden
Year Built/Renovated 1999
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors n/a
Tenant Characteristics Tenants mostly come from within the Atlanta metropolitan area.

Contact Name Alma
Phone 404-521-9744



Market

Program	LIHTC	Leasing Pace	2 weeks
Annual Turnover Rate	38%	Change in Rent (Past Year)	none
Units/Month Absorbed	n/a	Concession	none
Section 8 Tenants	50%		

Utilities

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

Property Profile Report (page 2)

The Square At Peopletstown

Comp # 3

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	Garden	12	664	\$491	\$0	@50%	n/a	N/A	N/A
1	1	Garden	11	664	\$579	\$0	@60%	n/a	N/A	N/A
2	1	Garden	12	869	\$593	\$0	@50%	n/a	N/A	N/A
2	1	Garden	12	869	\$640	\$0	@60%	n/a	N/A	N/A
2	2	Garden	12	1,169	\$635	\$0	@50%	n/a	N/A	N/A
2	2	Garden	12	1,169	\$693	\$0	@60%	n/a	N/A	N/A
3	2	Garden	11	1,169	\$727	\$0	@50%	n/a	N/A	N/A
3	2	Garden	12	1,169	\$793	\$0	@60%	n/a	N/A	N/A

Unit Mix: @50%

	1BR / 1BA	2BR / 1BA	2BR / 2BA	3BR / 2BA					
Face Rent	\$491	\$593	\$635	\$727					
Concession	\$0	\$0	\$0	\$0					
Concessed Face Rent	\$491	\$593	\$635	\$727					
Utility Adjustment	(\$13)	(\$16)	(\$16)	(\$20)					
Adjusted Rent	\$478	\$577	\$619	\$707					

Unit Mix: @60%

	1BR / 1BA	2BR / 1BA	2BR / 2BA	3BR / 2BA					
Face Rent	\$579	\$640	\$693	\$793					
Concession	\$0	\$0	\$0	\$0					
Concessed Face Rent	\$579	\$640	\$693	\$793					
Utility Adjustment	(\$13)	(\$16)	(\$16)	(\$20)					
Adjusted Rent	\$566	\$624	\$677	\$773					

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Oven Refrigerator Washer/Dryer hookup	Security	Limited Access Patrol Perimeter Fencing
Property	Parking spaces: 180 Clubhouse Central Laundry Off-Street Parking On-Site Management Playground	Premium	none
Services	none	Other	none

Comments

The Square at Peopletstown offers units with income restrictions set at 50 and 60 percent of the AMI levels. The facility was built in 1999 and offers a total of 94 one, two and three bedroom units. The property has some Section 8 voucher tenants, however management could not specify how many. Over the last year, the occupancy level as dropped from 100 percent to 89 percent.

Property Profile Report

City Views At Rosa Burney Park

Comp # 4
Effective Rent Date 2/9/2005
Created by n/a
Last updated by Kelly Crouch (March 14, 2005 12:25 PST)

Location 259 Richardson Street
 Atlanta, GA 30312
 Fulton County

Distance n/a

Units 180
Vacant Units 18
Vacancy Rate 10.00%

Type Townhouse
Year Built/Renovated 1960/2003
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a



Major Competitors n/a
Tenant Characteristics Most tenants work in downtown Atlanta.

Contact Name Phillyis
Phone 404-524-0286

Market

Program	LIHTC/Market	Leasing Pace	within 2 days
Annual Turnover Rate	0%	Change in Rent (Past Year)	Please see comments below
Units/Month Absorbed	n/a	Concession	none
Section 8 Tenants	91%		

Utilities

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

Property Profile Report (page 2)

City Views At Rosa Burney Park

Comp # 4

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	Townhouse	97	593	\$660	\$0	@60%	yes	N/A	N/A
1	1	Townhouse	14	593	\$660	\$0	Market	no	N/A	N/A
2	1	Townhouse	7	775	\$708	\$0	@60%	yes	N/A	N/A
2	1	Townhouse	3	775	\$708	\$0	Market	no	N/A	N/A
3	2	Townhouse	31	966	\$791	\$0	@60%	yes	N/A	N/A
3	2	Townhouse	5	966	\$791	\$0	Market	no	N/A	N/A
4	2	Townhouse	15	1,096	\$814	\$0	@60%	yes	N/A	N/A
4	2	Townhouse	4	1,096	\$814	\$0	Market	no	N/A	N/A
5	2	Townhouse	4	1,226	\$820	\$0	@60%	yes	N/A	N/A

Unit Mix: @60%

	1BR / 1BA	2BR / 1BA	3BR / 2BA	4BR / 2BA	5BR / 2BA				
Face Rent	\$660	\$708	\$791	\$814	\$820				
Concession	\$0	\$0	\$0	\$0	\$0				
Concessed Face Rent	\$660	\$708	\$791	\$814	\$820				
Utility Adjustment	(\$26)	(\$33)	(\$41)	(\$53)	(\$60)				
Adjusted Rent	\$634	\$675	\$750	\$761	\$760				

Unit Mix: Market

	1BR / 1BA	2BR / 1BA	3BR / 2BA	4BR / 2BA	5BR / 2BA				
Face Rent	\$660	\$708	\$791	\$814	n/a				
Concession	\$0	\$0	\$0	\$0	\$0				
Concessed Face Rent	\$660	\$708	\$791	\$814	n/a				
Utility Adjustment	(\$26)	(\$33)	(\$41)	(\$53)	\$0				
Adjusted Rent	\$634	\$675	\$750	\$761	n/a				

Amenities

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

Comments

City Views at Rosa Burney Park has 164 LIHTC (60% AMI) units most of which are occupied by Section 8 tenants. All one-hundred eleven one-bedroom units, seven two-bedrooms, thirty-one three-bedrooms and fifteen four-bedroom units are Section 8. Management described turnover as being extremely low and almost all units that are turned over are due to death or eviction. An estimated two tenants are evicted each year. City View is currently remodeling units. Fifty units are unoccupied due to renovations. All available units are occupied. The management representative mentioned that she believes there is a need for more market and affordable apartments in the Atlanta area. When interviewed in 2003, the property was also undergoing renovations. At that time, occupancy was at 77%.

June 2004: City Views at Rosa Burney Park is currently undergoing renovation with 20 down units. There has been a rent increase of 2.5 percent on the one-bedroom market and LIHTC units. There has been a rent decrease between 11 and 16 percent on all other unit types. Occupancy was 81 percent.

Feb. 2005: The property manager had no comments/impressions on the market. Occupancy was 90 percent. No concessions were being offered. The property maintains a waiting list of unknown length. Rents have increased from 5 to 8 percent on all units since our June 2004 survey.

Property Profile Report

Northside Plaza Apartments

Comp # 5
Effective Rent Date 3/11/2005
Created by n/a
Last updated by Matt Cochran (March 11, 2005 08:52 PST)

Location 440 Markham Street
SW
Atlanta, GA 30313
Fulton County

Distance n/a

Units 127
Vacant Units 20
Vacancy Rate 15.70%

Type Garden
Year Built/Renovated 1994
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a



Major Competitors Castleberry
Apartments, Magnolia
Park Apartments

Tenant Characteristics Tenants are a mix of
students, families and
young professionals.
There are few seniors
on the property.

Contact Name Erica
Phone 404-688-9019

Market

Program	LIHTC/Market	Leasing Pace	2-4 weeks
Annual Turnover Rate	24%	Change in Rent (Past Year)	1.5% increase
Units/Month Absorbed	n/a	Concession	2 month free for market rate units only
Section 8 Tenants	0%		

Utilities

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

Property Profile Report (page 2)

Northside Plaza Apartments

Comp # 5

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	Garden	27	567	\$585	\$0	@50%	no	N/A	N/A
1	1	Garden	37	567	\$627	\$104	Market	no	N/A	N/A
2	2	Garden	63	867	\$748	\$124	Market	no	N/A	N/A

Unit Mix: @50%

	1BR / 1BA	2BR / 2BA								
Face Rent	\$585	n/a								
Concession	\$0	\$0								
Concessed Face Rent	\$585	n/a								
Utility Adjustment	(\$26)	\$0								
Adjusted Rent	\$559	n/a								

Unit Mix: Market

	1BR / 1BA	2BR / 2BA								
Face Rent	\$627	\$748								
Concession	\$104	\$124								
Concessed Face Rent	\$523	\$624								
Utility Adjustment	(\$26)	(\$33)								
Adjusted Rent	\$497	\$591								

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Garbage Disposal Oven Refrigerator	Security	In-Unit Alarm Limited Access Patrol Perimeter Fencing
Property	Parking spaces: 250 Clubhouse Exercise Facility Central Laundry Off-Street Parking On-Site Management Swimming Pool	Premium	none
Services	none	Other	none

Comments

Northside Plaza Apartments offers units with income restrictions set at 50 percent of the AMI as well as unrestricted units. The property offers a total of 127 one-and two-bedroom units. Management reported that 27 one-bedroom units are available at the 50 percent AMI level. Rents for the market rate one-bedroom unit range from \$590 to \$665 and \$710 to \$785 for two-bedroom units, depending on what floor the unit is on. The rents listed in the rent table are averages of the minimum and maximum rents paid. The contact did not have any idea of what percentage of tenants were from the Fulton area or out of state.

The property is currently 15.7 percent vacant compared to September 2004, when it was 7.9 percent vacant. The property is not offering any concessions. Currently, the property is showing a decrease in occupancy at 84.5 percent. During our September 2004 interview, the property was 92.5 percent occupied. In June 2004, occupancy was reported at 92 percent and 93 percent in May 2003, which appears to be the typical occupancy. The manager reported that Morris Brown College closed in winter 2003, which had an adverse affect on the property. Additionally, the market became more competitive with several new LIHTC properties opening along or near Northside Drive in the past couple of years that offer better amenities.

In May 2003, LIHTC units were 100 percent occupied and turnover was estimated at 20 percent. In addition, rents increased about 1.5 percent. Currently, turnover is at 24 percent.

Property Profile Report

Cityview Apartments - Freedom

Comp # 6
Effective Rent Date 3/8/2005
Created by Matt Cochran (March 08, 2005 09:10 PST)
Last updated by Kelly Crouch (March 18, 2005 06:29 PST)

Location 433 Highland Avenue
 NE
 Atlanta, GA 30312
 Fulton County

Distance n/a

Units 202
Vacant Units 20
Vacancy Rate 9.90%

Type Midrise
Year Built/Renovated 2003
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a



Major Competitors Highland Walk and Alta
 Inman Apartments.

Tenant Characteristics Tenants are varied, the
 average household
 size is 2, and the
 average income is
 \$50k.

Contact Name Jade (property
 manager) or Brad
Phone 404.223.9260

Market

Program	Market	Leasing Pace	See comments.
Annual Turnover Rate	40%	Change in Rent (Past Year)	none
Units/Month Absorbed	n/a	Concession	none
Section 8 Tenants	N/A		

Utilities

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

Property Profile Report (page 2)

Cityview Apartments - Freedom

Comp # 6

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
1	1	Midrise	N/A	637	\$699	\$0	Market	none	4	N/A
2	1	Midrise	N/A	965	\$899	\$0	Market	none	1	N/A
2	1	Midrise	N/A	1,072	\$899	\$0	Market	none	0	N/A
2	2	Midrise	N/A	1,058	\$869	\$0	Market	none	0	N/A
2	2	Midrise	N/A	1,304	\$890	\$0	Market	none	15	N/A

Unit Mix: Market

	1BR / 1BA	2BR / 1BA	2BR / 2BA						
Face Rent	\$699	\$899	\$869 - \$890						
Concession	\$0	\$0	\$0						
Concessed Face Rent	\$699	\$899	\$869 - \$890						
Utility Adjustment	\$0	\$0	\$0						
Adjusted Rent	\$699	\$899	\$869-\$899						

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Ceiling Fan Garbage Disposal Refrigerator Washer/Dryer hookup	Security	none
Property	Business Center Clubhouse Elevators Exercise Facility Garage Central Laundry Meeting Rooms Off-Street Parking On-Site Management Swimming Pool	Premium	none
Services	none	Other	none

Comments

Cityview Apartments is a market property with an occupancy rate of 90 percent. The one bedroom apartments range in size from 637 to 947 square feet and rent for \$699. It is ironic that the 2 bedroom/2 bath apartments are leasing for less than 2 bedroom/1 bath units. There are currently no concessions being offered. The leasing pace varies. Some units are pre-leased and some are vacant for 60 days or more. Approximately 70 percent of tenants are from Fulton County, 5 percent are from out of state, and 25 percent are from other parts of Georgia.

Property Profile Report

Highland Walk

Comp # 7
Effective Rent Date n/a
Created by Kelly Crouch (March 15, 2005 06:23 PST)
Last updated by Kelly Crouch (March 15, 2005 06:31 PST)

Location 701 Highland Avenue
Atlanta, GA 30312
Fulton County

Distance n/a

Units 350
Vacant Units 11
Vacancy Rate 3.10%

Type Midrise
Year Built/Renovated 2003
Marketing Began n/a
Leasing Began n/a
Last Unit Leased 3/14/2005



Major Competitors n/a
Tenant Characteristics Student, young professionals

Contact Name David
Phone 404.526.9555

Market

Program	Market	Leasing Pace	n/a
Annual Turnover Rate	N/A	Change in Rent (Past Year)	n/a
Units/Month Absorbed	30	Concession	2 months free prorated
Section 8 Tenants	N/A		

Utilities

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

Property Profile Report (page 2)

Highland Walk

Comp # 7

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
0	1	Midrise	N/A	622	\$730	\$122	Market	n/a	N/A	N/A
1	1	Midrise	N/A	814	\$938	\$156	Market	n/a	N/A	N/A
1	1	Midrise	N/A	996	\$1,260	\$210	Market	n/a	N/A	N/A
1.5	1	Midrise	N/A	1,028	\$1,172	\$195	Market	n/a	N/A	N/A
2	2	Midrise	N/A	1,201	\$1,200	\$200	Market	n/a	N/A	N/A
2	2	Midrise	N/A	1,442	\$1,399	\$233	Market	n/a	N/A	N/A

Unit Mix: Market

	Studio / 1BA	1BR / 1BA	1.5BR / 1BA	2BR / 2BA					
Face Rent	\$730	\$938 - \$1,260	\$1,172	\$1,200 - \$1,399					
Concession	\$122	\$156 - \$210	\$195	\$200 - \$233					
Concessed Face Rent	\$608	\$782 - \$1,050	\$977	\$1,000 - \$1,166					
Utility Adjustment	\$0	\$0	\$0	\$0					
Adjusted Rent	\$608	\$782 - \$1,050	\$977	\$1,000 - \$1,166					

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Exterior Storage Garbage Disposal Oven Refrigerator Vaulted Ceilings Washer/Dryer hookup	Security	none
Property	Business Center Clubhouse Courtyard Elevators Exercise Facility Garage Central Laundry Off-Street Parking On-Site Management Swimming Pool	Premium	none
Services	none	Other	none

Comments

This is a market rate property. The property is part of a mixed use development with retail along the first floor of the development. The property reported absorption of 30 units per month on average since its completion in August 2003.

Property Profile Report

Columbia Peoplestown

Comp # 8
Effective Rent Date 3/8/2005
Created by Kelly Crouch (October 26, 2004 04:54 PDT)
Last updated by Kelly Crouch (March 11, 2005 14:54 PST)

Location 222 Tuskegee Street
Atlanta, GA 30315
Fulton County

Distance n/a

Units 93
Vacant Units 3
Vacancy Rate 3.20%

Type Garden
Year Built/Renovated 2003
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a

Major Competitors n/a
Tenant Characteristics families and students

Contact Name Tracele West
Phone 404.627.7180



Market

Program	Market/LIHTC	Leasing Pace	72 hours
Annual Turnover Rate	N/A	Change in Rent (Past Year)	none
Units/Month Absorbed	2	Concession	none
Section 8 Tenants	N/A		

Utilities

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

Property Profile Report (page 2)

Columbia Peoplestown

Comp # 8

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate
2	2	Garden	35	1,103	\$665	\$0	@50%	yes-6 months	N/A	N/A
2	2	Garden	10	1,103	\$715	\$0	@60%	yes-6 months	N/A	N/A
2	2	Garden	28	1,103	\$750	\$0	Market	none	N/A	N/A
3	2	Garden	10	1,302	\$756	\$0	@50%	yes-6 months	N/A	N/A
3	2	Garden	10	1,302	\$815	\$0	@60%	yes- 6 months	N/A	N/A

Unit Mix: @50%

	2BR / 2BA	3BR / 2BA							
Face Rent	\$665	\$756							
Concession	\$0	\$0							
Concessed Face Rent	\$665	\$756							
Utility Adjustment	\$0	\$0							
Adjusted Rent	\$665	\$756							

Unit Mix: @60%

	2BR / 2BA	3BR / 2BA							
Face Rent	\$715	\$815							
Concession	\$0	\$0							
Concessed Face Rent	\$715	\$815							
Utility Adjustment	\$0	\$0							
Adjusted Rent	\$715	\$815							

Unit Mix: Market

	2BR / 2BA	3BR / 2BA							
Face Rent	\$750	n/a							
Concession	\$0	\$0							
Concessed Face Rent	\$750	n/a							
Utility Adjustment	\$0	\$0							
Adjusted Rent	\$750	n/a							

Amenities

In-Unit	Security	Limited Access
Blinds		
Carpeting		
Central A/C		
Dishwasher		
Ceiling Fan		
Garbage Disposal		
Oven		
Refrigerator		
Walk-In Closet		
Washer/Dryer hookup		
Property	Premium	none
Exercise Facility		
Central Laundry		
Off-Street Parking		
On-Site Management		
Services	Other	none
none		

Comments

This property offers both tax-credit and market-rate units. The property is located in the South Atlanta submarket and is currently 97 percent leased. The tax credit units are restricted at the 50 and 60 percent AMI levels. All utilities are electric and all except trash removal are paid for by the resident. Approximately 50 percent of tenants are from the immediate Atlanta area, 30 percent are from the larger Fulton area, and the remaining 20 percent are from other parts of Georgia or are from out of state.

H. PROPERTY INTERVIEW

H. PROPERTY INTERVIEW

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. **It should be noted that the studio apartments are combined with the one-bedroom units for our analysis of the Subject and the comparables.**

Age and Condition

The Subject’s market area has been developed over a long period of time and is currently undergoing revitalization. As a result, some of the properties located near the Subject are older communities that have been renovated. Other communities were constructed primarily in the 1990’s. Condition varies with age. Newer and renovated properties are typically in better condition than older properties. The total estimated hard cost for the construction of the 266 proposed units is \$21.8 million or approximately \$82,000 per unit. Therefore, the Subject is expected to be near the top-end of the range with regards to overall condition when compared to properties located within the immediate neighborhood.

Unit Mix

The following table shows the unit mix of the properties in our survey. As illustrated in the matrices most of the comparable rental properties offered one, two, and three-bedroom units. Two-thirds of the properties were able to provide us with unit mix.

UNIT MIX				
Unit type	Market Unit Mix		Subject Unit Mix	
	Number	Percentage	Number	Percentage
1BR	304	27%	71	27%
2BR	618	55%	167	63%
3BR	181	16%	25	9%
4BR	19	2%	3	1%
Total	1,122	100.00%	266	100.00%

As the table illustrates, the vast majority of comparable properties in the Subject’s market offer a significant number of one and two-bedroom units. The Subject will offer a majority of two-bedroom units followed by one-bedroom units. As stated, the average household size is dramatically smaller in the PMA (2.08) than the national average (2.59) suggesting a greater need for one and two-bedroom units.

Unit Size

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

COMPARISON OF SUBJECT UNIT SIZE TO MARKET UNIT SIZE (IN SQUARE FEET)				
Unit type	Subject	Competing Properties		
		Average	Minimum	Maximum
1BR	740 (avg)	697	567	996
2BR	1,168	1,062	775	1,442
3BR	1,415	1,194	966	1,340
4BR	1,526	1,096	1,096	1,096

The Subject’s one-bedroom units range in size from 666 square feet to 813 square feet with an average size of 740 square feet. The Subject’s average one-bedroom units are 43 square feet (six percent) larger than the average one-bedroom units surveyed in the market. The Subject’s two-bedroom units are 1,168 square feet. The Subject’s two-bedroom unit is 106 square feet (10 percent) larger than the average two-bedroom unit surveyed in the market. The Subject’s three-bedroom units are 1,415 square feet. The three-bedroom units are 221 square feet (19 percent) larger than the average three-bedroom unit surveyed in the market. It should be noted, that the Subject’s three-bedroom units are outside the range of comparables. The Subject’s four-bedroom units are 1,526 square feet which is 430 square feet (39 percent) larger than the average four-bedroom unit surveyed in the market. It should be noted that the only comparable we surveyed in the market with four-bedroom units was City Views at Rosa Burney Park. The large unit sizes offered by the Subject are considered to be a competitive advantage when compared to the market comparables. In general, the unit sizes offered by the Subject are expected to be well received in the market.

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 between one and two bathrooms. All of the three-bedroom units in the marketplace offer two bathrooms. In addition, all of the four-bedroom units surveyed in the market offer two bathrooms. The Subject will offer one bathroom within its one-bedroom units and two bathrooms within its two, three, and four-bedroom units. The Subject will be similar to market convention with regard to bed to bathroom ratio for the one, three and four-bedroom units. However, the two bedroom units at the Subject will be considered similar to or superior to the other properties in the marketplace.

Unit Amenities

In order to provide quality housing at an affordable cost, many LIHTC properties cannot offer an extensive amenity package. However, the Subject amenities must be similar to or better than those in the market, to allow the Subject to compete. All units will include mini-blinds, carpeting, garbage disposal, refrigerator, stove, dishwasher, central air conditioning and washer/dryer hook-ups. In general, the in-unit amenities for the Subject are considered to be competitive with existing projects in the market.

Common Area Amenities

The Subject will offer a swimming pool, multiple tot lots and laundry centers, controlled access gates, picnic areas a leasing office/clubhouse with a fitness facility and business center, and an outdoor amphitheatre. The property is considered to have similar to superior common area amenities when compared to the surveyed comparables. In general, we believe that the common area amenities proposed are very competitive.

Security Features

Security will often vary based on the needs of the particular area and size of the particular project. The Subject features controlled access gates and perimeter fencing. In general, the Subject will offer similar security features when compared to the surveyed comparables.

Utility Structure

The Subject will include only the trash collection expense in its rental rates. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. The comparable properties' asking rents are illustrated in the matrices as well as rents adjusted to the Subject's utility convention. Adjustments are made using Section 8 Utility Allowances provided by the DCA for the Middle Georgia region.

Parking

There site will offer 403 surface parking spaces. This equates to approximately 1.5 spaces per unit. Overall, parking appears adequate at the Subject.

Tenant Makeup

Local property managers report a generally mixed tenancy including single mothers, young families, couples, single professionals, and students. Most of the tenants originate from throughout the downtown Atlanta area. Tenancy at the Subject will consist of low to moderate-income tenants. Household sizes will range between one and six persons. The Subject will cater to households with incomes from \$0 (Public Housing Units) to \$49,560 (six-person household at 60 percent of AMI). Most of the tenants will be local, coming from within the primary market area. To some extent, some tenants will be "moving up" from less desirable housing or more expensive market rate alternatives. Tenants will be attracted by better, newly renovated units, and more affordable product.

Concessions

Occasional concessions such as rental discounts are consistent with ongoing marketing strategies during periods of increased tenant turnover.

CONCESSIONS		
Property	Property Type	Concession offered
Auburn Glenn	LIHTC/Market	1 month free off of market units (8% discount)
Centennial Place	LIHTC/Market	none
The Square at Peoplestown	LIHTC	none
City Views at Rosa Burney Park	LIHTC/Market	none
Northside Plaza Apartments	LIHTC/Market	2 months free on market units (17% discount)
CityView Apartments - Freedom	Market	none
Highland Walk	Market	2 months free (17% discount)
Columbia Peoplestown	LIHTC/Market	none

Three of the eight properties surveyed, reported offering concessions. Auburn Glenn is offering one month of free rent (8 percent discount) prorated over a twelve month term. Highland Walk and Northside Plaza are offering two months free rent prorated over the term, which equates to a 17 percent discount. It should be noted that all concessions in the market place are being offered only on the market-rate units. Concessions are not prevalent in the area for the LIHTC properties which typically maintain a higher occupancy rate than market rate properties. Although the Subject is not expected to offer concessions once stabilized, the developers of the Subject may want to consider offering concessions to help stimulate initial leasing.

Waiting Lists

In markets with high housing costs and a limited supply of affordable housing, waiting lists are common at LIHTC properties. The table below illustrates waiting lists in the market.

WAITING LISTS		
Auburn Glenn	LIHTC/Market	None
Centennial Place	LIHTC/Market	Yes – no indication of length
The Square at Peoplestown	LIHTC	None
City Views at Rosa Burney Park	LIHTC/Market	Yes – no indication of length
Northside Plaza Apartments	LIHTC/Market	None
CityView Apartments - Freedom	Market	None
Highland Walk	Market	None
Columbia Peoplestown	LIHTC/Market	Yes – 6 months on the LIHTC units

Three of the surveyed properties reported a waiting list. In general, the presence of waiting lists typically suggests latent demand for affordable housing. However, only one property could indicate the expected waiting period for a unit. We expect the property manager at the Subject to maintain a waiting list because the property will be similar to or superior to many of the affordable housing projects in the area and may draw demand from tenants residing in the less

desirable communities. This will assist the property in continually leasing available units quickly and efficiently.

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 INCREASES/DECREASES		
Property	Property Type	Increase
Auburn Glenn	LIHTC/Market	None
Centennial Place	LIHTC/Market	1 percent decrease
The Square at Peoplestown	LIHTC	None
City Views at Rosa Burney Park	LIHTC/Market	11-16 percent decrease
Northside Plaza Apartments	LIHTC/Market	1.5 percent increase
CityView Apartments - Freedom	Market	None
Highland Walk	Market	None
Columbia Peoplestown	LIHTC/Market	None

Five of the eight properties surveyed reported that rental rates have remained constant over the past year. One of the properties reported that rental rates had increased over the past year and two properties reported a decrease. In general, the rent levels have remained constant over the past year indicating a stable market.

Affect of Subject on Other Affordable Units in Market

Capture rates for the Subject are considered reasonable and reflect adequate demand within the primary market area. Therefore, supplementing the market with the Subject is not expected to have a negative impact on the affordable housing market. It should also be noted that in our demand analysis, we estimate capture based on existing demand, presumably those living at comparable or local market properties. However, we only consider those who are paying over 35 percent of the gross income in housing costs. Therefore, while we do project that those tenants would move from competing properties to reside in the Subject, these tenants are the most rent overburdened.

Occupancy

The overall occupancy reported by properties included in our survey is 90 percent. The following table illustrates the current occupancy levels for the comparable properties.

MARKET OCCUPANCY				
Comp Name	Property Type	Total Available Units	Occupied Units (3/05)	Occupancy Rate
Auburn Glenn	LIHTC/Market	81	49	61%
Centennial Place	LIHTC/Market	632	575	91%
The Square at Peoplestown	LIHTC	94	83	88%
City Views at Rosa Burney Park	LIHTC/Market	180	162	90%
Northside Plaza Apartments	LIHTC/Market	127	107	84%
CityView Apartments - Freedom	Market	202	182	91%
Highland Walk	Market	350	339	97%
Columbia Peoplestown	LIHTC/Market	93	90	97%
Total/Average		1,759	1,587	90%
Totals/Average Excluding Auburn Glenn		1,678	1,538	92%

1. Auburn Glenn was recently completed and still under initial leasing.

Five of the eight properties surveyed reported occupancies in the 90 percent and higher range. Auburn Glenn had the lowest occupancy rate at 61 percent, was completed in July of 2004 and is offering concessions for quick stabilization. If we remove Auburn Glenn from our calculation of the overall occupancy rate, the adjusted rate becomes 92 percent. Generally, the market appears to be stabilized in the low 90 percent range. The Subject property will offer public housing units which typically exhibit high occupancy levels. Therefore, the Subject is expected to maintain an occupancy level of 93 percent or better.

Reasonability of Rents

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. The Subject will include only the trash expense in its rental rates. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using Section 8 Utility Allowances provided by the DCA for the North Georgia region. The rent analysis is based on net rents at the Subject as well as surveyed properties.

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

LIHTC UNITS AT 60 PERCENT AMI AND PUBLIC HOUSING UNITS						
Unit Type	Number of Units	Net Rent	Estimated Utility Allowance¹	Gross Rent²	Maximum Allowable Gross Rent Per DCA	% Rental Advantage over Max Allowable DCA Rents
Efficiency	4	\$668	\$79	\$747	\$747	0.0%
1BR/1BA	39	\$695	\$106	\$801	\$801	0.0%
2BR/2BA	100	\$825	\$136	\$961	\$961	0.0%
3BR/2BA	15	\$941	\$169	\$1,110	\$1,110	0.0%
4BR/2BA	2	\$1,030	\$209	\$1,239	\$1,239	0.0%

1. Utility Allowance provided by the developer
2. 86 of these units will be public housing units and rents will be based on income

The most competitive LIHTC properties are compared to the Subject in the following table. There are 14 LIHTC properties located within the Subject’s PMA, but all of them may not be direct competition. We believe the most comparable LIHTC properties are Centennial Place, City Views at Rosa Burney Park, and Columbia Peoplestown. All of the Subject’s proposed rent levels are set at the DCA guidelines. We believe that the Subject offers a competitive location, quality, amenities and unit sizes compared to surveyed LIHTC properties. For our analysis, the efficiency units at the Subject are included in the one-bedroom unit analysis. The location is within a neighborhood that is close to local services and major arteries.

NET RENT COMPARISON: LIHTC RENTS AT 60%				
Unit Type	Subject LIHTC 60%	Centennial Place LIHTC 60%	City Views at Rosa Burney Park LIHTC 60%	Columbia Peoplestown LIHTC 60%
1BR/1BA	\$668-\$695	\$504	\$634	N/Ap
2BR/2BA	\$825	\$638-\$733	\$675	\$715
3BR/2BA	\$941	\$865	\$750	\$815
4BR/2BA	\$1,030	N/Ap	\$761	N/Ap

As illustrated, the proposed LIHTC rents at the Subject are higher than those rents reported by the surveyed LIHTC properties. We compared the Subject’s proposed rents to Centennial Place, the most similar property to the Subject. Centennial Place was constructed in 1996 and 2001, it offers similar in-unit and common area amenities but, has inferior access, visibility and unit sizes. However, Centennial Place has an overall better location because it is close to local area attractions and is in a more upscale part of the city. The proposed rents for the studio and one-bedroom units at the Subject are approximately 33 to 38 percent higher than those offered by Centennial Place. The rents for two-bedroom units at the Subject are approximately 13 to 29 percent more than the rents offered by Centennial Place, while the three-bedroom rents at the Subject are nine percent more than the rents offered at Centennial Place. Centennial Place does not offer four-bedroom units therefore, we have compared the Subject’s four-bedroom units to the four-bedroom units at City Views at Rosa Burney Park. The Subject’s proposed rents for the four-bedroom units are approximately 35 percent higher than the four-bedroom units rent at City Views at Rosa Burney Park. Overall, the LIHTC properties in the area are performing fairly well and are currently not offering concessions on the LIHTC units. It appears the Subject’s proposed rents may be too high.

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

NET RENT COMPARISON: MARKET RENTS				
Unit Type	Subject LIHTC 60%	Comparable Properties Average	Comparable Properties Minimum	Comparable Properties Maximum
1BR/1BA	\$668-\$695	\$683	\$497	\$1,050
2BR/2BA	\$825	\$913	\$591	\$1,166
3BR/2BA	\$941	\$1,106	\$750	\$1,375
4BR/2BA	\$1,030	\$761	\$761	\$761

When compared to the overall market rents, the LIHTC rents proposed at the Subject are within the range reported by surveyed market rate properties, excluding the four-bedroom units. It should be noted that the majority of the properties included in our survey were mostly newer construction and considered very similar to the Subject as proposed. Additionally, the rents illustrated above include concessions which further reduce the competitive rent advantages provided by affordable housing developments. Although, we believe the property exhibits a slightly superior quality to the comparables, we do not believe it to be significant enough to command as high of a premium as the developers are seeking. In general, the proposed rents at the Subject are not considered to be achievable.

For the property to be competitive within the market we believe their LIHTC rents should be slightly below the LIHTC rents at Centennial Place, except for the one-bedroom units which we believe are under priced at Centennial Place when compared to the other surveyed comparable LIHTC properties. The projected achievable rents are illustrated in the table below.

NOVOGRADAC'S PROJECTED ACHIEVEABLE LIHTC RENTS FOR CAPITOL GATEWAY PHASE I	
1BR	\$575 - \$625
2BR	\$725
3BR	\$825
4BR	\$925

GADCA guidelines direct the market analyst to comment on the reasonableness of LIHTC rents. However, the guidelines may be less stringent and the thresholds may be less demanding than other underwriters. Other underwriters may have guidelines that are more restrictive than those of GADCA. This report is written to GADCA guidelines. Therefore, the conclusions contained herein may not be replicated by a more stringent analysis. We recommend that the sponsor understand the guidelines of all those underwriting the subject development to ensure the projected rents are acceptable to all.

ABSORPTION

As stated, that the Subject's capture rates for the public housing units range from one to three percent with an overall rate of one percent. The remaining LIHTC units at the 60 percent AMI level vary from one to seven percent with an overall capture rate of four percent. Overall capture rates for all LIHTC units (including the public housing units) at the 60 percent level range from

zero to five percent with an overall capture rate of two percent. Overall, demand for the Subject's LIHTC units is considered favorable. Capture rates for the market rate units range from one to seven percent, with an overall capture rate of four percent. All of the capture rates exhibited by the Subject's LIHTC units are significantly below the DCA maximum of 30 percent.

According to data obtained from our May 2004 market report on the general market conditions of the LIHTC apartment market in Atlanta, nine of the 58 LIHTC properties surveyed were recently constructed and four of the property managers were able to furnish some indication of unit absorption. The absorption rates reported for LIHTC multi-family developments constructed between 2000 and 2003 ranged from 15 to 30 units per month, with an overall average of 24 units per month per property. This equates to an absorption rate of 96 units per month in the total market. In order to reach a stabilized occupancy of 95 percent, 253 units of the Subject's units would need to be leased. When considering the Subject's 266 total units and an additional 750 units that have been allocated in the Subject's PMA from 1999 to 2004, the number of units required to achieve stabilization reaches 966 units. Using the indicated market average of 96 units per month for absorption, results in an estimate of approximately ten months of supply. The projected market entry date for the Subject is July 1, 2006. At this time, we believe the market will be partially stabilized.

We also interviewed Auburn Glenn, which was completed in July of 2004 with regards to their absorption pace. The property currently has 49 units leased. The majority of these units are tax credit units. The property began marketing its units in March of 2004. If we include the pre-leasing time period the absorption pace equates to 4 units per month. The property is currently offering one month free on its market-rate units as an incentive to induce new tenants. We believe it may have experienced a slow absorption pace because its rents are substantially higher than the comparables we surveyed. We also spoke with the property manager of a new market rate property, Highland Walk. Highland Walk began leasing its units in August 2003. The property currently has 339 units occupied. This equates to an absorption pace of 18 units per month. However, the Property Manager reported average absorption at 30 units per month if you include turnover. Because the Subject property will offer public housing units, LIHTC, and market rate units we believe it should experience a quicker absorption pace than the market-only property. We estimate a property-specific absorption rate of 20 units per month, which means the Subject is projected to achieve stabilization by the end of the third quarter in 2007. Once stabilized, the Subject is expected to maintain an occupancy level of 93 percent or better. This absorption pace assumes the recommended rents are utilized.

Conclusions

The Subject's market area has been developed over a long period of time and is currently undergoing revitalization. As a result, some of the properties located near the Subject are older communities that have been renovated. Other communities were constructed primarily in the 90's. Condition varies with age. Newer and renovated properties are typically in better condition than older properties. The total estimated hard cost for the construction of the 266 proposed units is \$21.8 million or approximately \$82,000 per unit. Therefore, the Subject is expected to be near the top-end of the range with regards to overall condition when compared to properties located within the immediate neighborhood.

The proposed LIHTC rents at the Subject are higher than those rents reported by the surveyed LIHTC properties. We compared the Subject’s proposed rents to Centennial Place, the most similar property to the Subject. Centennial Place was constructed in 1996 and 2001, it offers similar in-unit and common area amenities but, has inferior access, visibility and unit sizes. However, Centennial Place has an overall better location because it is close to local area attractions and is in a more upscale part of the city. The proposed rents for the studio and one-bedroom units at the Subject are approximately 33 to 38 percent higher than those offered by Centennial Place. The rents for two-bedroom units at the Subject are approximately 13 to 29 percent more than the rents offered by Centennial Place, while the three-bedroom rents at the Subject are nine percent more than the rents offered at Centennial Place. Centennial Place does not offer four-bedroom units therefore, we have compared the Subject’s four-bedroom units to the four-bedroom units at City Views at Rosa Burney Park. The Subject’s proposed rents for the four-bedroom units are approximately 35 percent higher than the four-bedroom units rent at City Views at Rosa Burney Park. Overall, the LIHTC properties in the area are performing fairly well and are currently not offering concessions on the LIHTC units. It appears the Subject’s proposed rents may be too high.

When compared to the overall market rents, the LIHTC rents proposed at the Subject are within the range reported by surveyed market rate properties, excluding the four-bedroom units. It should be noted that the majority of the properties included in our survey were mostly newer construction and considered very similar to the Subject as proposed. Additionally, the rents illustrated above include concessions which further reduce the competitive rent advantages provided by affordable housing developments. Although, we believe the property exhibits a slightly superior quality to the comparables, we do not believe it to be significant enough to command as high of a premium as the developers are seeking. In general, the proposed rents at the Subject are not considered to be achievable.

For the property to be competitive within the market we believe their LIHTC rents should be slightly below the LIHTC rents at Centennial Place, except for the one-bedroom units which we believe are under priced at Centennial Place when compared to the other surveyed comparable LIHTC properties. The projected achievable rents are illustrated in the table below.

NOVOGRADAC’S PROJECTED ACHIEVEABLE LIHTC RENTS FOR CAPITOL GATEWAY PHASE I	
1BR	\$575 - \$625
2BR	\$725
3BR	\$825
4BR	\$925

I. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Capitol Gateway Apartments Phase I (Subject) is the proposed construction of a new apartment community to be located at the former Capitol Homes site located east of I-75/I-85 and north of I-20. The Subject is located on the south side of Memorial Drive. The Subject site is located within Census Tract 48, Block Group 1, Blocks 1001 and 1006. A site plan is included in the Addenda.

The Subject property will consist of 266 total units. 160 of these units are restricted to tenants at or below the 60 percent AMI level. The remaining 106 units will be market rate units. The Subject will include 6 efficiency units, 65 one-bedroom units, 167 two-bedroom units, 25 three-bedroom units, and three four-bedroom units. 86 of the total units will be reserved and rented to public housing tenants.

The total estimated hard costs for the proposed acquisition and construction of the 266 units is \$21.8 million or approximately \$82,000 per unit.

The Subject development is a part of a larger master planned development known as Capitol Gateway. The master plan for the Capitol Gateway development will include 857 multifamily rental units and 90 home ownership units. The master plan also includes new retail development along Memorial Drive, and a new multi-purpose community center. This plan is similar to the mixed-use, mixed-income development that has been successful in other parts of the city including the Villages of Castleberry, the Villages at Carver, and Centennial Place. Centennial Place is located within the PMA and is included in our survey of comparable properties.

The Subject is located in an urban area that appears to be in the revitalization stage of the neighborhood life cycle. Evidence of this is provided by the proposed mixed-use development consisting of commercial, office, single-family and multifamily housing developments included in the master plan for the Capitol Gateway Development, of which the Subject is part. Evidence is also provided by the recent development of several new multifamily developments within the PMA and the new development and rehabilitation of single-family homes in the area of the Subject. The neighborhood's proximity to the Atlanta CBD offers various and well diversified employment opportunities. Nearby highway access is excellent with an exit to and from I-75/I-85 located within one-third mile west of the Subject. Access to I-20 is located within one-half mile southwest of the Subject. In general, the proposed improvements will be a positive addition to the neighborhood and will be very competitive.

The Subject is located in an urban area within the City of Atlanta. Residents of the neighborhood are able to enjoy close proximity to major arteries and local services. The Subject has above average access to area locational amenities as most of the medical, public transportation and retail services are located within two miles of the Subject. These factors will have a positive impact on the long-term prospects of the Subject's neighborhood. The Subject's proposed redevelopment will further create a positive impact upon the neighborhood by creating affordable housing. Overall, the Subject site presents an above average location for a multifamily development.

Both the Atlanta MSA and the PMA have experienced healthy growth in population, households, and median household income. The population growth within the PMA, albeit moderate, is projected to outpace the annual growth rate reported in the past decade. Similar to population, the rate of growth in the number of households within the PMA is projected to be moderate. The rate of growth in households in the PMA is expected to be slightly more than the rate of growth in the population. This suggests a decrease in the average household size. The MSA has a larger than typical households when compared to the national average of 2.59. However, the PMA which is located in a very urban area of downtown Atlanta is smaller than the national average at 2.08. In general, the average household size reported within the PMA is expected to be conducive to the large number of one and two bedroom units proposed by the Subject.

Both the Atlanta MSA and Fulton County have demonstrated steady business and employment growth over the past ten years. In fact, the overall number of persons employed in Fulton County has increased steadily over the past decade excluding 2001. Unemployment rates in Fulton County have fluctuated a great deal over the last decade; from 6.5 percent in 2002 to 3.6 percent in 2000. Overall, the unemployment rates exhibited by both the MSA and Fulton County have been below the national average over the past decade. All of these factors are considered to be positive indicators for the economic viability of the market area surrounding the Subject.

The Subject is located in the Eastside Tax Allocation District (TAD) created by the Atlanta Development Authority. On February 3, 2005, the Atlanta Development Authority approved seven downtown projects for the Eastside Tax Allocation District Funding including funding for the Subject. These developments represent \$312 million in capital investments for the area over the next few years.

Our demand analysis illustrates that the Subject's capture rates for the public housing units range from one to three percent with an overall rate of one percent. The remaining LIHTC units at the 60 percent AMI level vary from one to seven percent with an overall capture rate of four percent. Overall capture rates for all LIHTC units (including the public housing units) at the 60 percent level range from zero to five percent with an overall capture rate of two percent. Overall, demand for the Subject's LIHTC units is considered favorable. Capture rates for the market rate units range from one to seven percent, with an overall capture rate of four percent. All of the capture rates exhibited by the Subject's LIHTC units are significantly below the DCA maximum of 30 percent.

The Subject's market area has been developed over a long period of time and is currently undergoing revitalization. As a result, some of the properties located near the Subject are older communities that have been renovated. Other communities were constructed primarily in the 90's. Condition varies with age. Newer and renovated properties are typically in better condition than older properties. The total estimated hard cost for the construction of the 266 proposed units is \$21.8 million or approximately \$82,000 per unit. Therefore, the Subject is expected to be near the top-end of the range with regards to overall condition when compared to properties located within the immediate neighborhood.

The proposed LIHTC rents at the Subject are higher than those rents reported by the surveyed LIHTC properties. We compared the Subject’s proposed rents to Centennial Place, the most similar property to the Subject. Centennial Place was constructed in 1996 and 2001, it offers similar in-unit and common area amenities but, has inferior access, visibility and unit sizes. However, Centennial Place has an overall better location because it is close to local area attractions and is in a more upscale part of the city. The proposed rents for the studio and one-bedroom units at the Subject are approximately 33 to 38 percent higher than those offered by Centennial Place. The rents for two-bedroom units at the Subject are approximately 13 to 29 percent more than the rents offered by Centennial Place, while the three-bedroom rents at the Subject are nine percent more than the rents offered at Centennial Place. Centennial Place does not offer four-bedroom units therefore, we have compared the Subject’s four-bedroom units to the four-bedroom units at City Views at Rosa Burney Park. The Subject’s proposed rents for the four-bedroom units are approximately 35 percent higher than the four-bedroom units rent at City Views at Rosa Burney Park. Overall, the LIHTC properties in the area are performing fairly well and are currently not offering concessions on the LIHTC units. It appears the Subject’s proposed rents may be too high.

When compared to the overall market rents, the LIHTC rents proposed at the Subject are within the range reported by surveyed market rate properties, excluding the four-bedroom units. It should be noted that the majority of the properties included in our survey were mostly newer construction and considered very similar to the Subject as proposed. Additionally, the rents illustrated above include concessions which further reduce the competitive rent advantages provided by affordable housing developments. Although, we believe the property exhibits a slightly superior quality to the comparables, we do not believe it to be significant enough to command as high of a premium as the developers are seeking. In general, the proposed rents at the Subject are not considered to be achievable.

For the property to be competitive within the market we believe their LIHTC rents should be slightly below the LIHTC rents at Centennial Place, except for the one-bedroom units which we believe are under priced at Centennial Place when compared to the other surveyed comparable LIHTC properties. The projected achievable rents are illustrated in the table below.

NOVOGRADAC’S PROJECTED ACHIEVEABLE LIHTC RENTS FOR CAPITOL GATEWAY PHASE I	
1BR	\$575 - \$625
2BR	\$725
3BR	\$825
4BR	\$925

J. SIGNED STATEMENT REQUIREMENTS

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area and that information has been used in the full study of the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

1-28-2005

Date

K. ANALYST QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER

I. Education

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

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

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Candidate member of the Commercial Investment Real Estate Institute pursuing
the Certified Investment Member (CCIM) designation.
Member Frostburg Housing Authority

Certified General Real Estate Appraiser - State of Maryland
Certified General Real Estate Appraiser – Commonwealth of Virginia
Certified General Real Estate Appraiser – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser – State of New York
Certified General Real Estate Appraiser – State of Washington

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
Maryland 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. CCIREI – Course CI 101 Financial Analysis for Commercial
Real Estate Appraisal Institute – Real Estate Appraisal Principles Appraisal Institute –
Basic Valuation Procedures Appraisal Institute – Capitalization Theory and Techniques
Part A and B Appraisal Institute – Case Studies in Real Estate Valuation Appraisal
Institute – Standards and Professional Practice Appraisal Institute – Valuation Analysis
and Report Writing BAI Seminars – Loan Review, Advanced Loan Review, Commercial
Loan Work - Out National Institute of Trial Lawyers Appraisal Institute– Expert Witness
Testimony Ernst & Young, LLP– - Capital Markets and Financing

V. Real Estate Assignments

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

- 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 with a concentration on the east coast.
- 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.
- In accordance with HUD Notice H 00-12, 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.
- Member of the due diligence team hired by Insignia/ESG to assist in the determination of underlying asset value and marketability of a large retail portfolio of regional malls. Assignment included review of leases, lease abstracting, and cash flow modeling. Prepared due diligence package that included lease abstracts, market analysis and projected operations with explanatory comments.
- Assisted a developer on three projects located in Maryland through all stages of the development process. This assistance included market analysis, contract negotiation, third party report supervision and preparation of financing packages. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, and development programming. Support for contract negotiations involved cash flow projections and valuation analyses. Third party report supervision entailed the marshaling and review of the appropriate third party reports including market studies, environmental and engineering reports and appraisals. Preparation of financing packages included the compilation of development budgets and cash flow projections. Completed financing submissions including; Tax Exempt Bond Applications, Credit Enhancement Applications, Construction Loan Applications, and alternative financing applications.
- Completed a market study for an affordable housing developer on Clifton Terrace Apartments in Washington, DC. Clifton Terrace is a former HUD financed property currently owned by the Federal Government. The market study was used in a response to a request for redevelopment proposals. Our research included neighborhood analysis, competitive supply evaluation and demand projections. Demand by family size was further analyzed using PUMS detailed census analysis. This analysis formed the basis for the proposed unit mix in the response.

STATEMENT OF PROFESSIONAL QUALIFICATIONS
SANDRA MCALISTER WINTER, MAI

I. Education

Furman University, Greenville, South Carolina –
Bachelor of Arts in Economics and Business Administration.

Post Graduate and Professional Courses and Seminars

Basic Appraisal Principles and Procedures - Parts A & B	
Income Capitalization Techniques - Parts A & B	Commercial Real Estate Case Studies
Discounted Cash Flow Analysis	Commercial Real Estate Highest and Best Uses
Real Estate Finance	Appraisal of Historic Properties
CMBS 100: Commercial Mortgage Backed Securities	USPAP Standards 2004
The Road Less Traveled (Appraising Troubled Properties)	Real Estate Law

II. Licensing and Professional Affiliation

MAI – Appraisal Institute - 1989 to Present
Certified General Real Estate Appraiser – State of Georgia, State of South Carolina, and State of North Carolina

III. Professional Experience

Principal, Novogradac & Company, LLP
President, The River Oaks Group, LLC
Vice President/Portfolio Manager, Bank of America - Community Development Group
Executive Vice President-Research and Development, RealEstate.com
Vice President/Manager, Wells Fargo Bank, N. A., Atlanta, Georgia –
Senior Associate, Bernes & Company, Inc.
Laventhol & Horwath - Consultant

IV. Professional Memberships/Honors

Georgia Real Estate Appraisers Board
Appointed by Governor Sonny Perdue to the Board of Directors (Term 2004-2007).

Appraisal Institute – Atlanta Area Chapter
Member of the Board of Directors (2003-2005)
General Admissions Committee Chair (2004-2005)
Public Relations Committee Chair (1999 – 2001),
Experience Review Committee Member (2000)
Regional Representative (2000-2001).

CREW - Atlanta - 1997 to Present
Member of the Board of Directors and Vice President of Communications (2000).

V. Real Estate Assignments

Managed and prepared numerous market and feasibility studies for affordable housing properties throughout the southeast.

Managed and prepared numerous rent comparability studies in accordance with HUD Notice H-00-12 to be for recertification under HUD's Mark to Market Program. Properties primarily located in the southeastern United States.

Managed a portfolio of equity investments consisting of over two million square feet of office space and 2,000 multifamily units.

Valuation of a portfolio of industrial properties located throughout the southeast.

Valuation of a portfolio of regional malls located throughout the southeast.

Valuation of a portfolio of hotel properties located throughout the southeast.

Valuation of numerous multifamily properties throughout the southeast.

Highest and Best Use Study for the proposed conversion of one million square feet of industrial warehouse space in South Carolina.

Valuation of numerous Class "A" and "B" office buildings in suburban Atlanta, GA.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

KELLY A. CROUCH

I. Education

University of Georgia, Athens, Georgia

Bachelor of Business Administration in Real Estate

II. Professional Experience

Real Estate Analyst, Novogradac & Company, LLP

Leasing Agent, Koger Equity, INC

III. Professional Training and Continuing Education

Georgia Registered Real Property Appraiser, License # 273654

Georgia Licensed Salesperson, License # 254694

CI 101: Financial Analysis for Commercial Investment

Principles of Real Estate

Real Estate Valuation

Real Estate Asset Management

Real Estate Development

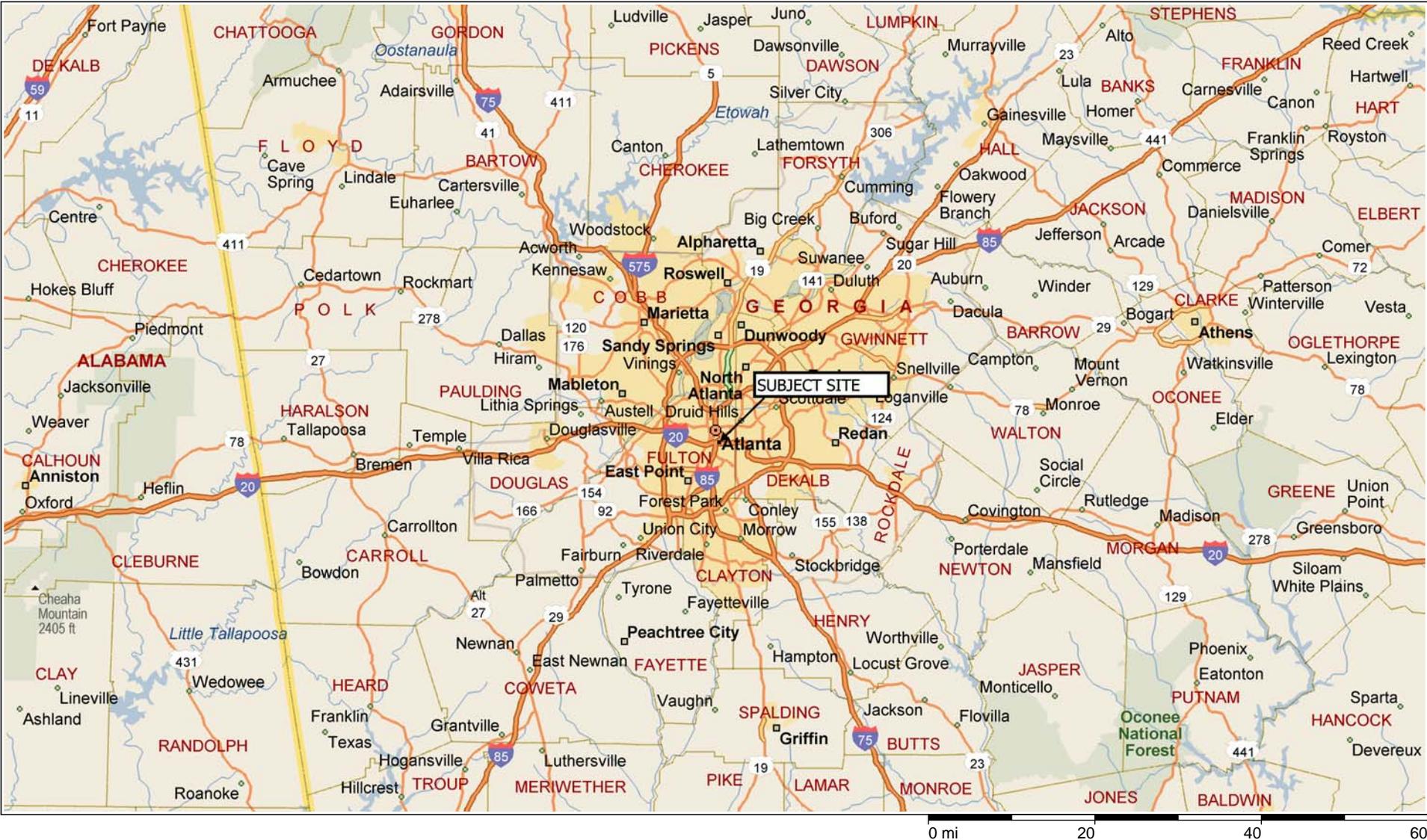
Real Estate Finance

IV. Real Estate Assignments

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

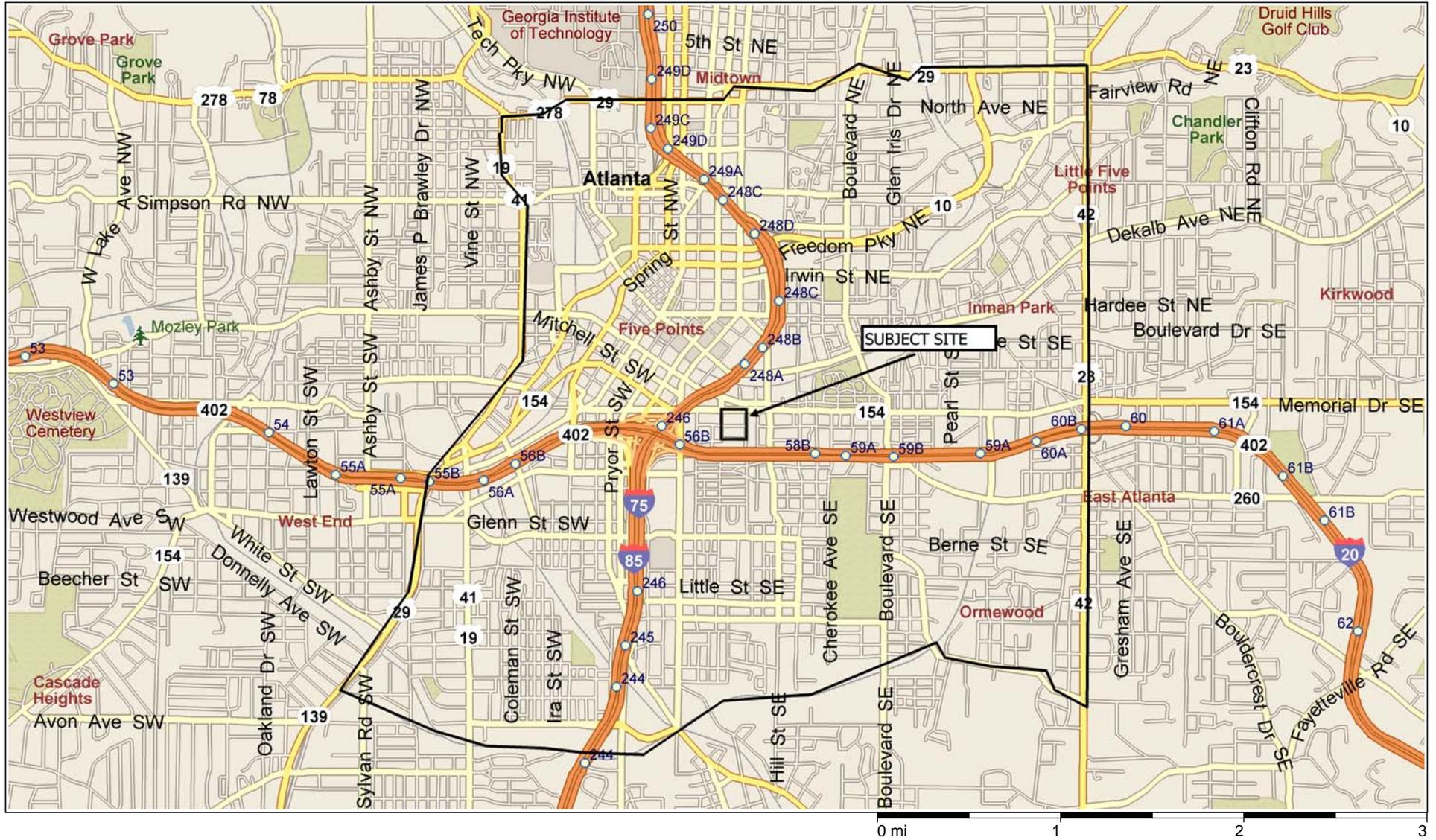
- Complete market studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Assisted with market studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Market analysis includes preliminary property screenings, market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

Regional Map

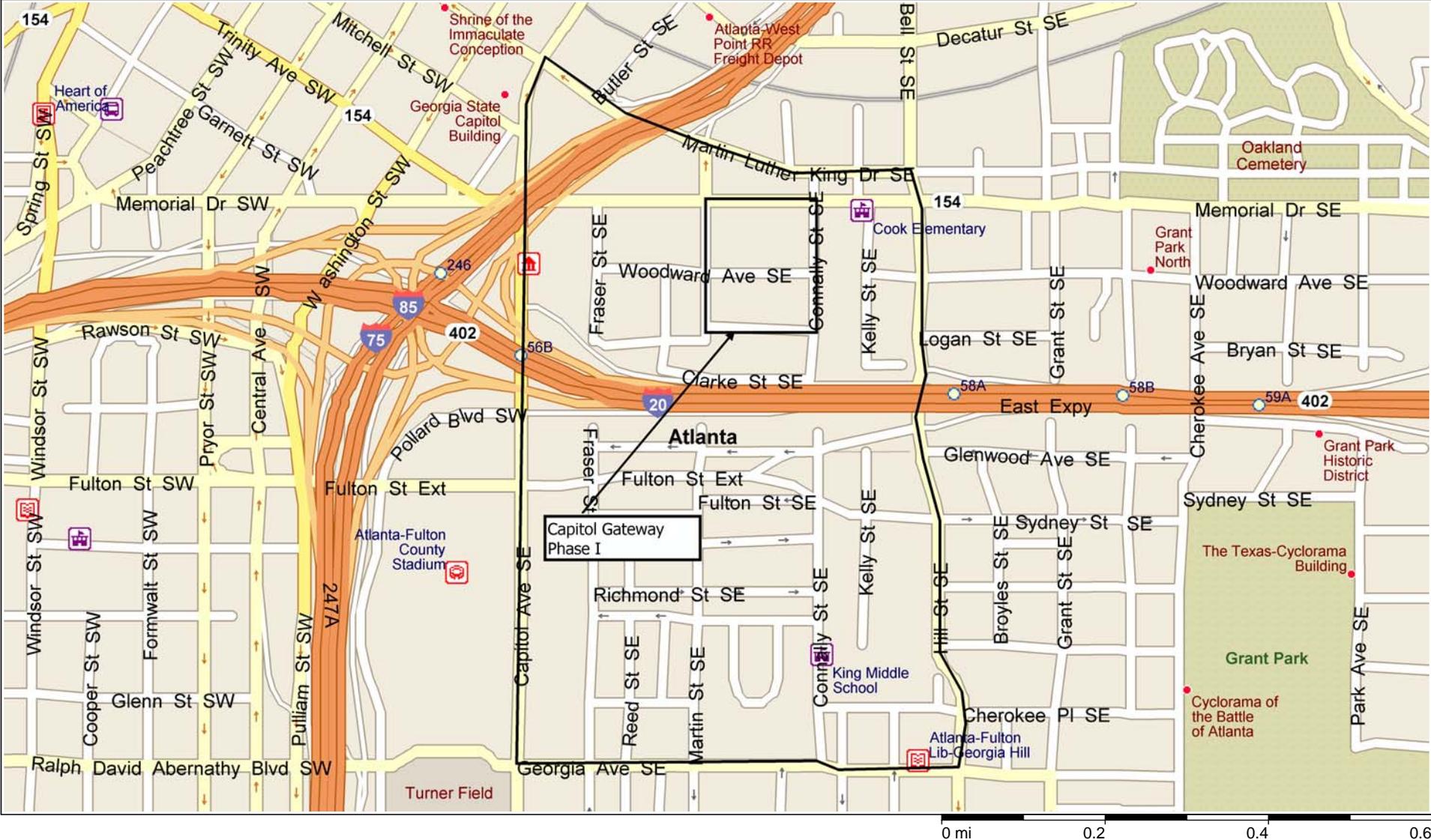


Copyright © 1988-2003 Microsoft Corp. and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint>
© Copyright 2002 by Geographic Data Technology, Inc. All rights reserved. © 2002 Navigation Technologies. All rights reserved. This data includes information taken with permission from Canadian authorities © 1991-2002 Government of Canada (Statistics Canada and/or Geomatics Canada), all rights reserved.

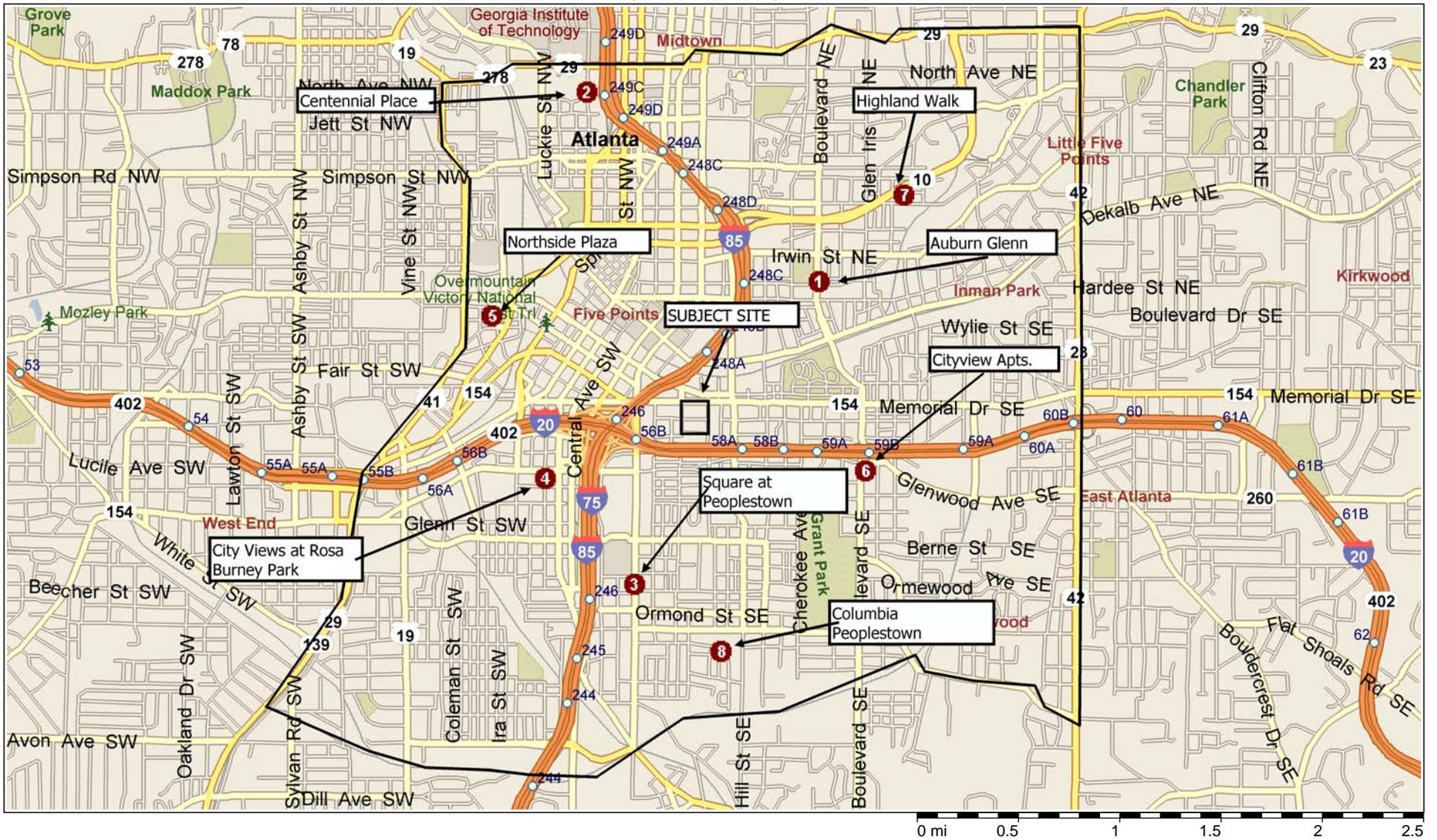
PMA for Capitol Gateway



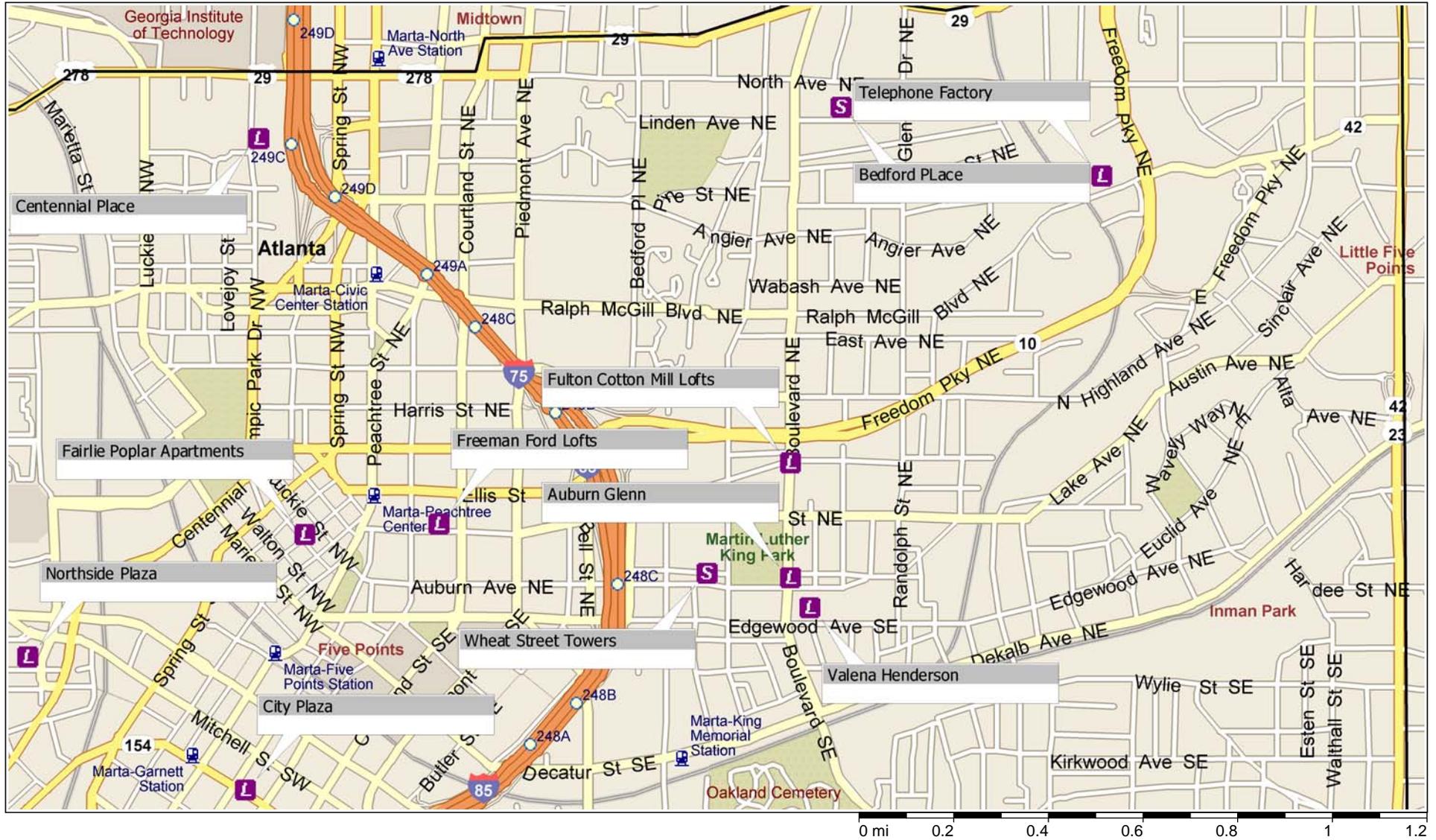
Neighborhood



Comparable Properties



Subsidized Housing North PMA



SUBJECT PICTURES



Looking west from Subject property on Martin Street



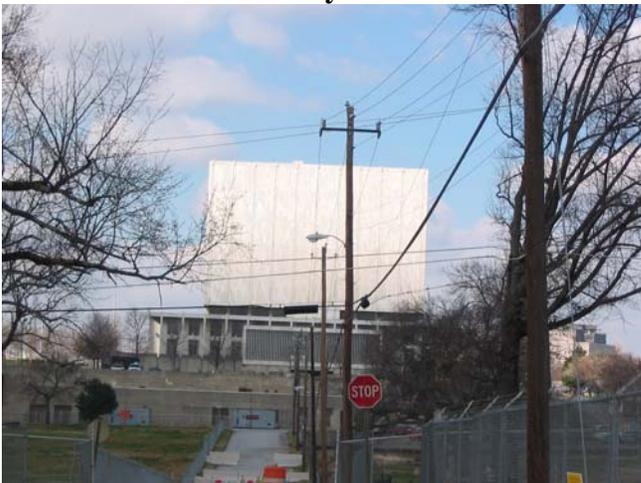
Looking south from Subject property at MLK Homes and Village (demolition underway)



Looking east from Martin Street towards Connolly Street



Looking north from Woodward Avenue towards Memorial Drive



Looking east on Woodward Avenue (the Subject is located on the right and left side)



Cook School located adjacent to the Subject on Memorial Drive



Family First Community Center located east of the property on Connolly Street



Family First Community Center located east of the property on Connolly Street



Café and medical office located north of the Subject across Memorial Drive



Conklin Metal Company located north of the Subject across Memorial Drive